CONTINENTAL
REINSURANCE

Pan-African commitment made local

2022 Annual Report & Accounts

Redefining Excellence

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 demonstrate strong dedication to internal and external stakeholders thereby delivering superior value to them. Our physical presence in all regions of the continent is also a display of our long-term commitment to our clients.

Responsiveness
We are highly accessible, available, and agile, providing prompt services and tailored solutions that exceed expectations. We conduct our business with a sense of urgency.

Sustainability
We commit to continuous improvement which equips us to remain relevant in an ever-changing world. This enables us to stand the test of time and to deliver profitable growth within the context of ESG priorities. We weigh the impact of our choices not only on today, but also on tomorrow.

Trust
We can be counted upon to keep our word and deliver as promised. Our stakeholders can rely on us to do the right things and to do things the right way. Our actions align with our words, and we execute what we have committed to.

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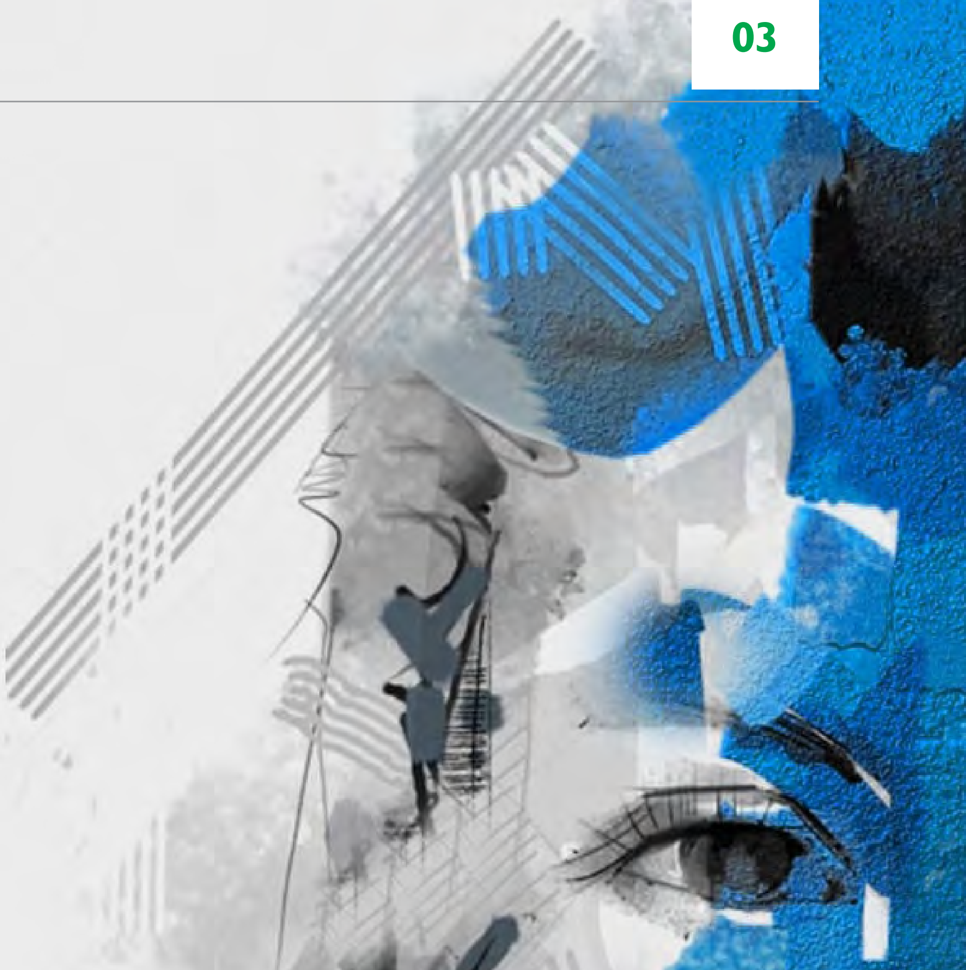

Financial Statements

Other Disclosures

Subsidiary Board & Management

CONTINENTAL REINSURANCE

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Corporate Information

Directors and Advisors

Mr. Paul Oje Kokoricha
Chairman, Non-Executive Director

Mr. Foluso Laguda
Non-Executive Director

Mr. Steve Olisa Iwenjora
Non-Executive Director

Mr. Emmanuel Brule (French)
Non-Executive Director

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

Ms. Seun Oni
Independent Non-Executive Director

Mrs. Christabel Onyejekwe
Independent Non-Executive Director

Mr. Junior Ngulube
Non-Executive Director

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

Mr. Chukwuemeka Akwiwu
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

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

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

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

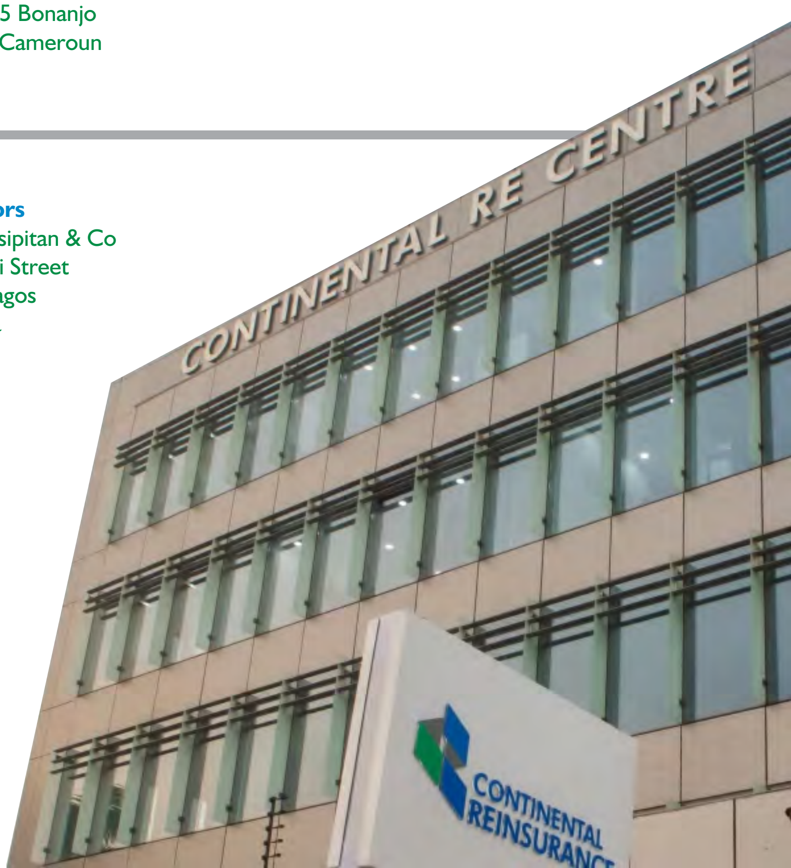
Continental Reinsurance SA. Cameroun
Plateau Jos, IImmeuble Galaxie, 1ere Etage
Situé a cote de la PJ Douala 1ere
B. P 4745 Bonanjo
Douala, Cameroun

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 was 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's 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 offerings 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 African markets.
b. Continental Reinsurance Cameroun SA was established in 2014 to cover Francophone West and Central Africa operations.
c. Continental Reinsurance Company Limited, Botswana established in 2014 to cover the Southern African market excluding South Africa.

The Group also has an in-house technical 'referral competence' called Continental Property and Engineering Risk Services (CPERS), which 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.

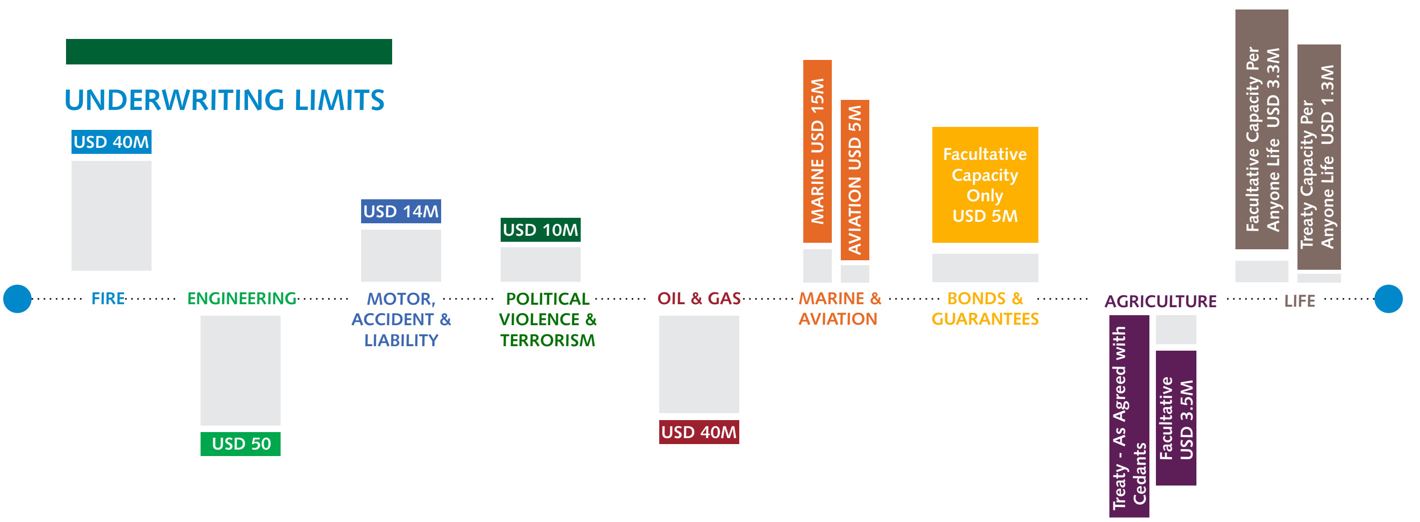
The Company has a well-structured, managed, and solid investment portfolio, with a diversified investment focus that enables it to meet future claim obligations and limit its exposure to investment risk to preserve shareholders' capital and thereby maximize total return on investment.

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, 2022

=N= millions, unless otherwise stated	2021	2022	change in %
Non-Life			
Premium earned	49,003	**64,454**	32%
Combined ratio in % (Net of Retro)	92%	**94%**	2%
Life			
Premium earned	4,494	**5,477**	22%
Investment			
Investment income (Net of Provision)	2,635	**3,967**	
Return on investment in %	10%	**11%**	51%
Total			
Premium earned	53,497	**69,931**	31%
Net income	5,449	**6,835**	25%
Earnings per share in kobo	30	**45**	
Shareholders' equity	43,230	**50,521**	17%
Return on equity1 in %	13%	**14%**	
Number of employees2	112	**125**	12%

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

Financial strength ratings as at 31st December,2022	**A.M Best**
Ratings	**B+**
Outlook	**Good**

Share Performance **Market Capitalization as at 31st December 2022**	
Share price in =N=	**NA**
Number of Shares (Billion)	**NA**
Market capitalisation in =N= Bn	**NA**

7th Continental Re CEO Summit: Visionary Insights from Captains of Industry

In October 2022, Continental Re proudly resumed its prestigious CEO Summit after a two-year Covid-induced hiatus. The eagerly awaited event brought together 70 distinguished captains of industry, providing an unparalleled platform for insightful discussions on the challenges and opportunities shaping the insurance sector and Africa's economies in the year ahead. Launched in 2014, this annual gathering, hosted by a different African country each year to reflect our pan-African footprint, once again showcased our commitment to fostering growth and progress across the continent. This year's CEO Summit unfolded in the vibrant city of Marrakesh, Morocco, adding a rich cultural backdrop to the engaging proceedings.

With the return of the CEO Summit, we reaffirmed our steadfast commitment to advancing the insurance industry and contributing to Africa's economic development.

The industry leaders brought their unique perspectives and experiences to the table. This confluence of minds provided an exceptional opportunity to delve into the critical issues facing the insurance sector and Africa's economies. Amid challenges lies a realm of opportunities for those who can see beyond the horizon. The valuable insights shared by industry leaders during this event serve as guiding beacons, directing us towards a future full of promise and progress.

We took the opportunity to bid a heartfelt farewell and organize an in-person event to honour the retirement of Dr. Femi Oyetunji, the former Group Managing Director. The event was held to express our gratitude for his dedicated service to the Company throughout the years, as he embarked on retirement in April 2021. As an appreciation of his invaluable contributions, one of the Continental Re sponsored Journalism Awards was named after him, cementing his legacy and impact on our organization.

> "We extend our heartfelt gratitude to all the participants, partners, and stakeholders whose unwavering support made this 7th CEO Summit an outstanding success."

Chairman's Statement

Dear Shareholders and Stakeholders,

I am pleased to present the Chairman's Report for 2022, highlighting our commitment to redefining excellence in our business. This year has yielded commendable results in the midst of a dynamic industry landscape. Our success is a result of our unwavering dedication to innovation, strategic partnerships, and sustainable growth. The theme of our report, "Redefining Excellence," encapsulates our continuous pursuit of higher standards and committed efforts to deliver value to all stakeholders.

Market Insights:
Significant macroeconomic factors and trends shaped the African insurance industry of 2022. These elements have influenced the landscape, as analysis from reputable market players shows a notable shift toward digitalization, customer-centricity, and innovation.

Insurers across the continent are moving towards embracing technological advancements to enhance operational efficiency, boost customer engagement, and offer personalized solutions. The increasing global proliferation and adoption of data analytics, artificial intelligence, and blockchain technology will, hopefully, pave the way for more accurate risk assessment and streamlined processes on the African continent.

Macro-Economic Insights Shaping the Industry Landscape:
According to analysts, in the face of complex global and local challenges, African economies are navigating a demanding terrain. Persistent global and domestic pressures continue to hinder progress toward macroeconomic stability and societal well-being. Escalating living costs, driven by mounting inflation, are impeding sustained economic resurgence.

In 2022, Africa's mean real Gross Domestic Product (GDP) growth decelerated to 3.8%, attributed to geopolitical tensions, climate change hazards, and the lasting impact of the COVID-19 pandemic. Tightened global financial circumstances have exacerbated these challenges, amplifying domestic debt obligations.

Despite these external challenges, Africa exhibited remarkable resilience in 2022, with all but one nation achieving positive growth. Prospects remain stable for 2023 and 2024, with projected GDP growth of around 4%, surpassing global averages. The top five African economies are expected to achieve growth exceeding 5.5%, potentially reclaiming their status as the world's fastest-growing economies.

However, optimism must be balanced with the anticipation of ongoing global financial restrictions, market instability, and supply chain disruptions. These factors could strain exchange rates, heighten debt vulnerabilities, and sustain elevated domestic inflation, particularly impacting food and energy security.

> "Our gross written premium grew by 47% from NGN 70.39 billion (USD 175,132 million) in 2021 to NGN103.21 billion (USD 242,589 million) in 2022. This growth underscores our ability to capture market opportunities and meet evolving client needs."

Challenges are expected to ease, and inflation is forecast to ease from its 2022 peak, dropping to 8.8% by 2024. The continent's mean current account deficit and fiscal deficit are also expected to stabilize.

Nonetheless, the path forward is fraught with obstacles. Ongoing global financial restrictions, disruptions in supply chains due to Russia's actions in Ukraine, and potential policy reversals in election-bound countries contribute to the intricate African economic landscape.

Financial Performance: Steadfast on the Path to Success

Our 2022 financial performance demonstrates the resilience and adaptability of our operations in a rapidly changing environment. Despite economic fluctuations, we achieved commendable results across key metrics, reflecting our commitment to creating value for shareholders and clients.

We navigated the prevailing challenges stemming from the ongoing weakening of African currencies, a trend that impacted our financial landscape. In the face of the widespread currency fluctuations across the continent we remained resolute in our commitment to fostering resilience. This commitment was manifest through our strategic allocation of resources and by dollarizing our assets, positioning us for sustainable growth.

During this period, our share capital underwent an adjustment, declining by 10.82% from its standing at USD 35,169 million in the previous year to USD 31,366 million.

Shareholders' funds strengthened, growing 4.21% from USD 105,121 million in 2021 to USD 109,567 million in 2022. This upward trend reflects the businesses ability to sustain its solid financial foundation and value addition thereby enhancing shareholder confidence.

Driving Growth: Achievements in Gross Premium and Net Revenue

Our gross written premium grew by 47% from NGN 70.39 billion (USD 175,132 million) in 2021 to NGN103.21 billion (USD 242,589 million) in 2022. This growth underscores our ability to capture market opportunities and meet evolving client needs.

In the face of heightened market competition, our net premium revenue grew significantly, increasing by 29% from NGN49.76 billion (USD 123,821 million) in 2021 to NGN 63.94 billion (USD 150,293 million) in 2022. This achievement emphasizes our focus on sustainable profitable growth while delivering value-driven reinsurance solutions.

There was a notable increase of 31% in incurred claims which escalated from NGN 26.26 billion (USD 65,352 million) to NGN34.46 billion (USD 81,004 million).

Profitability and Sustainability: A Strong Foundation for Excellence

Our commitment to operational excellence led to commendable achievements in underwriting and investment activities. Underwriting profit increased by 32% from NGN 4billion (USD 9,954 million) in 2021 to NGN5.2 billion (USD 12,417 million) in 2022, exemplifying disciplined underwriting practices and effective risk management strategies contributing to improved overall profitability.

Investment income increased by 59% from NGN2.52 billion (USD 6.26 million) in 2021 to NGN 3.99 billion (USD 9.38 million) in 2022. This reflects our prudent investment approach and ability to capitalize on market opportunities, ensuring sustainable returns for stakeholders.

Profit before tax increased from NGN 6.66 billion (USD 16,588 million) in 2021 to NGN 8.44 billion (USD 19,829 million) in 2022, showcasing a 27% growth and reinforcing our commitment to delivering consistent and sustainable financial performance.

Risk Management and Efficiency:

Our focus on risk management and operational efficiency has yielded positive outcomes. The loss ratio moved only marginally from 52.8% in 2021 to 53.9% in 2022. Additionally, our combined ratio reduced slightly from 92% in 2021 to 91.7% in 2022, demonstrating our ability to manage expenses while ensuring the delivery of quality services to our clients.

Board Appreciation:

I extend my gratitude to all Board members across the Group for their contributions in 2022. Our diverse Boards, spanning nationalities and genders, maintains a strong team with varied professional backgrounds. Changes to the Board will continue to align with the long-term demands of the business as we anticipate its development in the coming years.

I welcome Mrs Christabel Onyejekwe, Mr Quinten Matthew, and Ms Oluwaseun Oni, who joined the Group Board in 2022 as Non-Executive Directors.

Conclusion:

2022 underscores our unwavering dedication to redefining excellence in our operations. To the credit of our employees and management team, the business continues to achieve remarkable growth across our financial metrics, showcasing operational prowess, and embracing transformative industry trends.

Despite challenges, our commitment to innovation, customer satisfaction, and sustainable profitability remains steadfast. We thank our shareholders, our employees, our clients and our partners for their unwavering support on this remarkable journey. Truly, these are unprecedented times, and we must adjust our sails in this new world order.

Thank you for your trust and confidence in Continental Re; we are poised to achieve new heights of excellence.

Mr Paul Kokoricha
Chairman

Dear Shareholders and Stakeholders,

In 2022, we witnessed evolving customer expectations, technological disruptions, and shifting regulatory dynamics. However, despite these complexities, Continental Re emerged stronger and more resilient. Our strategic positioning, diverse product portfolio, and customer-centric approach to business ensured we maintained our competitive edge and exploited market opportunities. Continental Re recorded remarkable achievements in 2022 with impressive growth in revenue from all lines of business. Our performance has once again demonstrated Continental Re's ability to deliver even in difficult times.

Operating Environment

When we set out our result target for 2022, no one could have imagined the geopolitical and macroeconomic upheavals the year would have in store: the Russian military intervention and the ensuing economic turbulence were not foreseeable. Consequently, our investments were subject to significant volatility. The ongoing conflict between Russia and Ukraine has had a significant impact on energy costs, contributing to the escalation of global inflation that was already on the rise. Considering this situation, we have taken measures to accommodate the anticipated increase in claims expenditure due to the upward trend in inflation.

According to data from the IMF, the global economy demonstrated a growth rate of 3.4% in 2022, surpassing the earlier forecast of 3.2% that was made in October 2022. However, it is essential to note that this figure fell significantly short of the initial projection of 4.4% put forth in January 2022. This discrepancy arises from the anticipation of a gradual return to normalcy in the global economy, which, unfortunately, did not materialize as expected. Key economies, including the United States, China, and the Euro Area, reported slower growth rates compared to the previous year, with growth estimated at 2.1% (compared to 2.1% in 2021), 3.0% (down from 8.5% in 2021), and 3.5% (down from 5.4% in 2021), respectively.

In Africa, while many economies continued their recovery from the pandemic's effects, the growth remained insufficient to return them to pre-pandemic levels. According to the African Development Bank, in 2022 Central Africa recorded significant growth of 4.7%, driven by favourable commodity prices, while Southern Africa decelerated to approximately 2.5% due to subdued growth in South Africa. West Africa's growth stood at 3.6%, reflecting the slowdown in Côte d'Ivoire and Nigeria, and North Africa declined to 4.3% due to a sharp contraction in Libya and drought in Morocco. East Africa also experienced a slowdown to 4.2% due to rising inflation and climate shocks. The African continent experienced varied economic dynamics in 2022, with some regions showing resilience and growth while others faced challenges such as political instability, currency fluctuations, and infrastructure deficits. Our ability to adapt to these regional nuances while maintaining a long-term perspective remained vital.

> “Underwriting profit grew year-on-year by 31% to NGN5.28 billion (USD12.4million) and Investment income increased by 59% to NGN3.99billion (USD9.38million) compared to NGN2.51 billion(USD6.26million) in 2021 with interest income from bonds and statutory deposit dominating our investment income. The combined ratio closed at 91.7% - better than the average on the continent which is approximately 100%.”

Group Managing Director's Statement

The regulatory environment for the industry continued to evolve. Compliance with changing regulations, including solvency requirements and reporting standards, remained a priority. We embraced these changes as opportunities to enhance our governance, risk management, and transparency. Also, the rapid pace of technological advancements presented both opportunities and challenges. The increasing digitalization of the insurance and reinsurance value chain required us to invest in technology to remain competitive and relevant. We continued our digital transformation journey to improve efficiency and offer innovative solutions to our clients.

Performance Summary

Despite the volatile market conditions, our key performance indicators attest to the fact that Continental Re is heading in the right direction. In 2022, the group's Gross written premium grew year-on-year by 47% to NGN103.21 billion (USD242.589 million), Profit before tax (PBT) grew year-on-year by 27% to NGN8.43 billion (USD19.829million), Underwriting profit grew year-on-year by 31% to NGN5.28 billion (USD12.4million) and Investment income increased by 59% to NGN3.99billion (USD9.38million) compared to NGN2.51 billion(USD6.26million) in 2021 with interest income from bonds and statutory deposit dominating our investment income. The combined ratio closed at 91.7% - better than the average on the continent which is approximately 100%. The group also delivered a return on equity (ROE) of 15% while maintaining its B+ AM Best rating.

Strategy Review

In pursuit of our long-term vision, which is to establish ourselves as the premier Pan-African reinsurer, Continental Re's Board and Management have recently updated our medium-term strategy for the years 2022 to 2024. This strategic update places a strong emphasis on four pivotal objectives aligned with our ambition. These objectives include achieving profitable growth, becoming a customer-centric company, achieving operational excellence, and building a smart execution culture.

We firmly believe that a relentless focus on these four goals will propel us toward the realization of our vision. In our pursuit of profitable growth, we will continue to prioritize disciplined underwriting practices within carefully selected client segments, markets, and lines of business to ensure that we expand our market share without compromising shareholder value. We will also continue to enhance our asset management capabilities to optimize investment returns, recognizing that premium collections play a pivotal role in boosting investible funds and, consequently, our investment returns. Acknowledging the challenge of premium collection prevalent across Africa, we are committed to implementing a range of initiatives to address this issue effectively. We aim to further fortify our financial position and drive sustained growth as we continue our journey to become the premier Pan-African reinsurer.

Risk Management and Compliance

In an increasingly complex risk landscape, we maintained a strong focus on risk management and compliance. We continuously monitored and assessed risks, ensuring robust underwriting practices. Our risk management framework has enabled us to maintain a healthy risk appetite, while diligently adhering to regulatory requirements and industry best practices. We are committed to upholding the highest standards of governance and transparency.

Talent Management

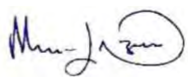
At Continental Re, we are very conscious of the fact that building a culture of high performance among employees goes a long way to ensuring competitiveness and attracting the best talents. As an organization that aims to recruit and keep the best talent, we have revamped our employee management practice, ensuring that remuneration and other levers of employee engagement are benchmarked against leading organizations. We have placed a high value on learning and development, and to this end, we continuously invest in training programs targeted at improving staff skills and capacity across various functions.

Conclusion

While we hold optimistic expectations for the year 2023, we are fully aware of the unpredictable nature of geopolitics and the economy, as well as the potential impact of regulatory changes, foreign exchange fluctuations, and shifting customer preferences. These obstacles have necessitated our ability to adapt quickly, think creatively, and implement innovative approaches to ensure our business remains relevant.

On behalf of the Board, I would like to thank all our employees for their dedication, our customers for their loyalty and patronage, and our shareholders for your patience and confidence in our Board and Management. We remain focused on our mission to protect and serve our customers, generate sustainable returns for our shareholders, and contribute to the growth and development of Africa's reinsurance sector. Together, we will navigate the challenges and capitalize on the opportunities, ensuring a bright and prosperous future for Continental Re.

Yours Sincerely,



Lawrence Nazare
Group Managing Director

Review of operations

As a composite reinsurance company, Continental Reinsurance Plc (CRe) 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 the 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 the Middle East states.
- Douala subsidiary office covering Central Africa
- Nairobi, subsidiary office covering East Africa.
- Gaborone, a 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 comprises Individual and Group life classes.

Non-Life Business

Premium Income:

The group's non-life gross written premium grew by 48% in 2022 over the performance in 2021 from NGN64.74 billion to NGN95.59 billion. This performance is further confirmation of the positive impact of the regional expansion strategy adopted by management.

Geographical Distribution.

The group's performance in 2022 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 the 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 9% from 36% in 2021 to 27% in the year 2022. This was due to the growth of the Nairobi subsidiary.

In 2022 the Lagos business constituted 23% of the total non-life business compared to the previous year's contribution of 32%. On the other hand, the Nairobi office contributed 43% compared to the contribution of 34% in 2021. The Gaborone office contributed 11%, the Tunis offices contributed 13%, the Abidjan office contributed 6% while the Douala office contributed 4% to the total non-life premium.

Classes of Business

The business performance by class in 2022 was moderate across all classes with fire taking the lead as usual. The percentage contributions of non-life premium to total premium by business lines were 41% for Fire, 26% for General Accident, Engineering at 12%, Life and Marine at 7% each, Liability at 5%, Energy at 4% and Agriculture at 2%.

Management plans to consolidate on the 2022 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 2022 was NGN38.42 billion representing 32% increase from the NGN29.12 billion recorded in 2021. This shows a high trend with claims growing at a rate of 32% in comparison with premium growth of 48% from previous years' results.

Acquisition Costs and Charges

Non-life acquisition costs and charges increased by 39% in 2022, from a total of NGN16.39 billion in 2021 to NGN22.82 billion in 2022.

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 92% in 2021 to 94% in 2022. 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 2022 by 35% to NGN7.63 billion from NGN5.65 billion in 2021. This resulted from improved participation in some treaty businesses. Group life contributed 86% of the total premium of NGN7.63 billion generated in 2022, down by 7% from 93% contribution in 2021. 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 2022 were NGN2.75 billion compared to NGN2.92 billion in 2021; a decrease of 6%.

Acquisition costs and charges paid were NGN1.77 billion in 2022 compared to NGN1.47 billion in 2021 representing a 20% increase.

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 can 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 a high-quality and liquid investment portfolio.

2. MACRO-ECONOMIC ENVIRONMENT

The Nigerian Economy

Information from the National Bureau of Statistics (NBS) highlighted that the Real Gross Domestic Product (GDP) grew by 2.25% (year-on-year) in the third quarter of 2022 which declined compared to 3.54% in the second quarter of 2022 and 4.03% in the third quarter of 2021. The reduction in growth is attributable to the base effects of the recession and the challenging economic conditions that have hindered productive activities. However, the economy has maintained continuous growth for eight consecutive quarters, following its exit from the recession in 2020. This consistent positive performance was driven largely by the sustained growth in the non-oil sector, particularly the services and agricultural sub-sectors, supported by continued policy interventions, as well as credit expansion to the private sector.

The data available on key macroeconomic indicators propose that output growth will continue for the rest of 2022 but may occur at a much-slower pace than earlier anticipated, in the light of unfolding domestic and external shocks to the economy. The domestic shocks are derived from the persisting insecurity inhibiting economic agents; rising cost of debt and debt servicing; deteriorating fiscal balances; increased spending as the 2023 general elections approach; and continued uptrend in inflationary pressure. The Nigerian economy is forecast to grow in 2022 by 3.30 per cent (CBN), 3.20 per cent (IMF) and 4.20 per cent (FGN).

In November 2022, on a year -on- year basis, the inflation rate was 21.47%. This was 6.07% points higher compared to the rate recorded in November 2021, which was (15.40%). This indicates that the inflation rate increased in the month of November 2022 when compared to the same month in the preceding year (i.e., November 2021). This increase can be attributed to the increase in the cost of importation relating to the consistent currency depreciation and the general increase in cost of production. The inflation rate for the month of November 2022 was 1.39%, this was 0.15% higher than the rate recorded in October 2022 (1.24%). This means that in the month of November 2022, the general price level was 0.15% higher compared to October 2022. The increase in the monthly inflation rate can be attributed to the sharp increase in demand usually experienced during the festive period.

Nigeria Naira has consistently been under depreciation pressure due low liquidity to meet the rising demand for USD. Naira depreciated year to date in the Investor and Exporter window by 12.22%, to close the year at N461.5/USD from N435/USD as of 31st December 2021. Exchange rate in the parallel market was around N750/USD as at the end of the year.

The FX reserves declined by circa USD3bn from USD40.21 billion as at 31st December 2021 to USD37.08 billion as at the end of December 2022 as the CBN continued to intervene via different FX windows (Invisibles, IEW, SMIS retail, SME). The reserve, which was around $40.21 billion at the end of last year suffered a decline despite higher global oil prices.

Money Market

The Monetary Policy Committee ("MPC") of the CBN at its last meeting on 21 and 22 November 2022 increased the Policy Rate by 1.0% to 16.5% from the previous 15% making it the third consecutive time to increase the MPR in 2022. The rate, which was 11.5% at the beginning of the year has been increased by 5% this year to reduce the negative real interest rate gap and to rein-in inflation. Inflation for November of 21.47% was above the CBN ceiling of 6% - 9% at the time of this report.

The last NTB auction in Q4 2022 which was held on 28 December 2022 delivered a lower stop rate for the 1-year NTB which closed at 8.49% compared with the 12% as end of Q3 2022. This represents a 3.51% decrease compared with the last auction in September of 2022 which was at 12%. The discount rate on Treasury Bills closed the Q3 2022 at 2.749%, 7.15% and 8.49% compared to 6.49%, 7.5% and 12% in Q3 2022 for 91 days, 182 days and 364 days, respectively.
Equity Market

Equity Market

The ASI closed the Q4 strong at 51,251.16 relative to 42,716.4 as of 31st December 2021 thereby giving year to date return of 19.98%. Quarter on quarter, the market gained 5.21% relative to the return of 14.77% as at Q3 2022.

The Kenyan Economy

The economy of Kenya advanced by 4.7% year-on-year in the third quarter of 2022, the fourth consecutive quarter of slowing growth, below market expectations of a 5.6% rise. It was the weakest economic expansion since the first quarter of 2021, amid disruptions caused by the national election and the prolonged drought

The overall year on year inflation rate as measured by the Consumer Price Index (CPI) was 9.1%, in December 2022 from 9.2% in September amid a continued sharp increase in the cost of food, non-alcoholic beverages, transport and energy. On a monthly basis, consumer prices were up 0.9%, after a 0.4% increase in the previous month.

The Kenya Shilling depreciated against USD to close the quarter at KES123.37/USD (Q22022: KES120.79/USD) from KES113.14/USD as of 31st December 2021. The CBK foreign exchange reserves at the end of October 2022 were USD7,271 million (4.10 months of import cover), which provided adequate cover and a buffer against any short-term shocks in the foreign exchange market.

The Monetary Policy Committee (MPC) of Kenya's Central Bank in September meeting increased the Monetary Policy Rate by 75 basis points from 7.50% in last MPC meeting in October 2022 to 8.25%

The Botswana Economy

The real Gross Domestic Product (GDP) grew by 6.3% (year on year) in the third quarter of 2022 in comparison to the growth of 8.9% in the same quarter of 2021. Compared to the second quarter of 2022, Q3 real GDP by grew by 0.7%. The Q3 2022 growth was attributed to the real value added of Diamond Traders and Water & Electricity which rose by 35.1% and 28.5% respectively. All other industries recorded growth of more than 1.9 percent apart from Agriculture which grew by 0.4 %.

The annual inflation rate stood at 12.2% in November 2022, compared to 13.1% in October 2022, leading to a decrease of 0.9% points. The main contributors to the annual inflation rate in November 2022 were the major components in the Consumer Price Index (CPI) basket, particularly Transport (6.6%), Food & Non-Alcoholic Beverages (2.3%), Housing, Water, Electricity, Gas & Other Fuels (0.9%) and Miscellaneous Goods & Services (0.9%).

Botswana Inflation is forecast to remain above the Bank's 3-6 percent objective range into the medium term but is expected to start falling from the fourth quarter of 2022 and to revert to within the objective range in the third quarter of 2024.

The Monetary Policy Committee (MPC) of the Bank of Botswana, at the meeting held in October 2022, maintained the MPR of 2.65% to promote economic. The increase represents a cumulative of 1.5% for the year but lower than the 3.75% maintained in February 2022.

Botswana foreign exchange reserves as of October 2022 was USD4.52 billion which declined compared to USD4.8 billion as at December 2021. Year on year, the reserve decreased by 14.20% from USD5.27 billion as of 30 October 2021 to USD4.52 billion as at October 2022.

3.0 INVESTMENT PORTFOLIO

Group Portfolio

Investment Asset	Investment Value 31-Dec-22 Actual	Investment Value 31-Dec-21 A/Actual	Investment Value 2022 A/ 'Budget	Actual Asset allocation 2022	Actual Asset allocation Dec 2021	Budget Asset allocation	Movement in Assets YTD	Return 31-Dec-22 Actual	Return 31-Dec-21 Actual	Return YOY Growth	2022 A/Budget	Annual Budget Achieved	Annusalised Yield 31-Dec-22 Actual	Annusalised Yield 31-Dec-21 Actual	Annusalised Yield 2022 Budget
	=N=Millions	=N=Millions	=N=Millions	%	%	%	%	=N=Millions	=N=Millions	%	=N=Millions	%	%	%	%
Cash & Cash Equivalent	12,969	13,379	16,328	22.83%	29.92%	25.06%	-3.06%	563	785	-28.3%	841	67%	4.27%	5.41%	5.05%
Statutory Deposit	1,000	1,000	1,000	1.76%	2.24%	1.53%	0.00%	48	0	13449.6%	30	161%	4.82%	0.04%	2.99%
Equity	796	740	803	1.40%	1.65%	1.23%	7.62%	133	35	279.7%	21	624%	17.27%	4.42%	1.60%
Investment Property	5,104	4,925	4,720	8.99%	11.01%	7.25%	3.63%	341	453	-24.7%	222	154%	6.80%	9.12%	4.70%
Mutual Funds	4,597	4,475	5,088	8.09%	10.01%	7.81%	2.74%	477	420	13.5%	425	112%	10.52%	10.12%	9.88%
Sovereign Bonds - Local	9,606	7,857	22,802	16.91%	17.57%	35.00%	22.26%	983	584	68.3%	2,195	45%	11.26%	10.58%	13.48%
Sovereign Eurobond	17,565	8,402	11,359	30.92%	18.79%	17.44%	109.06%	1,320	456	189.3%	655	202%	10.17%	6.78%	7.73%
Corporate Bonds - Local	292	292	222	0.51%	0.65%	0.34%	-0.04%	30	31	-3.8%	27	111%	10.35%	15.28%	12.20%
Corporate Bonds - Eurobond	2,644	2,364	1,763	4.66%	5.29%	2.71%	11.84%	198	187	6.0%	164	121%	7.92%	9.43%	7.94%
Treasury Bills	2,227	1,284	1,061	3.92%	2.87%	1.63%	73.45%	98	38	156.2%	74	132%	5.56%	4.71%	7.39%
Total	**56,801**	**44,718**	**65,147**	**100%**	**100%**	**100%**	**27.02%**	**4,191**	**2,990**	**40.15%**	**4,654**	**90.05%**	**8.45%**	**7.58%**	**8.84%**

Table 1 ***Fixed income assets: 87.42% (Dec 2021:84.16%)***

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

Company Portfolio

Investment Asset	Investment Value 31-Dec-22 Actual	Investment Value 31-Dec-21 Actual	Investment Value 2022 A/Budget	Actual Asset allocation 2022	Actual Asset allocation Dec 2021	Budget Asset allocation	Assets YTD Growth	Return 31-Dec-22 Actual	Return 31-Dec-21 Actual	Return YOY Growth	Return 2022 A/Budget	Annual Budget Achieved	Annusalised Yield 31-Dec-22 Actual	Annusalised Yield 31-Dec-21 Actual	Annusalised Yield 2022 Budget
	=N=Million	=N=Million	=N=Million	%	%	%	%	=N=Million	=N=Million	%	=N=Million	%	%	%	%
Cash & Cash Equivalent	8,184	7,442	11,016	26.6%	32.8%	32.01%	10%	373	516	-28%	556	67.08%	4.77%	6.17%	5.04%
Statutory Deposit	1,000	1,000	1,000	3%	4%	2.91%	0%	48	0	13450%	30	161.19%	4.82%	0.04%	2.99%
Equity	796	740	803	2.59%	3.26%	2.33%	8%	133	35	280%	21	624.33%	16.66%	4.72%	2.65%
Investment Property	1,850	1,826	1,816	6%	8%	5.28%	1%	50	110	-54%	95	52.55%	2.72%	5.51%	5.25%
Mutual Funds	243	417	382	1%	2%	1.11%	-42%	0	0	0%	0	0.00%	0.00%	0.00%	0.00%
FGN Bonds	5,706	4,065	12,630	18.6%	17.9%	36.70%	40%	528	216	144%	1,136	46.45%	10.80%	8.87%	8.99%
FGN Eurobond	11,000	5,232	5,517	35.8%	23.1%	16.03%	110%	932	373	150%	408	228.48%	11.48%	8.60%	7.39%
Corporate Bonds - Local	204	204	204	0.7%	0.9%	0.59%	0%	24	30	-20%	26	91.59%	11.67%	19.50%	12.75%
Corporate Bonds - Eurobond	1,735	1,528	933	5.6%	6.7%	2.71%	14%	129	122	6%	98	131.37%	7.93%	8.86%	10.56%
State Bonds	0	0	0	0.0%	0.0%	0.00%	0%	0	0	0%	0	0.00%	0.00%	0.00%	0.00%
Treasury Bills	37	206	111	0.1%	0.9%	0.32%	0%	10	15	-33%	9	108.99%	8.35%	14.80%	8.41%
Total	**30,754**	**22,660**	**34,412**	**100%**	**100%**	**100%**	**35.72%**	**2,226**	**1,417**	**57.15%**	**2,379**	**93.56%**	**8.68%**	**7.11%**	**6.91%**

Table 2 Fixed ***income assets: 87.4% (2021:82.4%).*** **Note:** *Mutual fund is 100% Quoted equities for Nigeria and under sale.*

4.0 COMMENTARY

PORTFOLIO SIZE

As of 31st December 2022, our group investment portfolio grew by **N12.08** billion (USD 26.18 million, at NGN461.5/USD), being a **27.02% growth** to **N56.80 billion** (USD 123.08 million) N44.72 billion (USD108.74 million) as of 31st December 2021. This is attributed to some positive net inflows from operations, investment income and FX gains.

The portfolio is adequately diversified comprising different asset classes in various territories, different maturity profiles, different counterparties, and different currencies across the group.

The Group portfolio comprises substantially low-risk liquid assets of 87.42% (Dec 2021: 84.16%). These assets are placement with banks at 22.83% (Dec 2021: 30.07%), government securities at 59.42% (Dec 2021: 48.30%) and corporate securities at 5.17% (Dec 2021: 5.94%). We reallocated a significant portion of cash to fixed income during the year to optimise returns, laddered the portfolio and pushed for collections to mitigate the liquidity gap.

Based on the system exchange rate obtained from Xe.com, Naira depreciated against United States dollars by 12.22% from NGN411.24/USD as of 31st December 2021 to **NGN461.5/USD** as of 31st December 2022. The currency however marginally strengthened against Kenya Shilling and Botswana Pula but weakened against XAF/XOF. Specifically, Naira appreciated against KES and BWP by 0.34% and 0.61% respectively but depreciated against XOF/XAF and TND by 2.32% and 0.51% respectively. All these currencies depreciated against the USD as of the reporting date. The portfolio growth of 27.02% when adjusted for FX impact, will be 23.03% growth, i.e., 3.99% FX gain impact as seen in Table 3.

We recorded a translation gain of N77.86 million from the conversion of subsidiary reporting currencies to Naira and N1.70 billion from the valuation of non-Naira denominated investment assets (majorly USD assets) of CRe Plc, giving rise to a net foreign exchange gain of N1.78 billion.

In USD terms, the portfolio appreciated by 13.19% to **USD123.08 million** as of 31st December 2022 from USD108.38 million as of 31st December 2021. The impact of currency devaluation due to the weakening NGN and other reporting currencies on the portfolio was cushioned by improving collections, income, and USD holdings.

The tables below show the movement of the exchange rate as of 31st December 2022.

Units of NGN to other currencies

Exchange rate	31-Dec-22	31-Dec-21	31-Dec-20	Movement
USD	461.50	411.24	380.47	12.22%
NGN	1.00	1.00	1.00	0.00%
CFA	0.7263	0.7098	0.7132	2.32%
TND	143.49	142.75	142.76	0.51%
KES	3.62	3.63	3.49	-0.34%
BWP	34.84	35.05	35.26	-0.61%
GHS	44.71	66.88	64.68	-33.15%
GBP	538.70	555.07	518.56	-2.95%

Currency exchange rate to USD

Currency	31-Dec-22	31-Dec-21	31-Dec-20	Movement
NGN	461.50	411.24	380.47	12.222%
CFA	635.41	579.34	533.50	9.678%
TND	3.22	2.88	2.67	11.651%
BWP	13.25	11.73	10.79	12.907%
KES	127.41	113.14	109.16	12.607%
GHS	10.32	6.15	5.88	67.877%
GBP	0.86	0.74	0.73	15.632%

The table below shows the currency mix of the group portfolio with a **49.71% USD holding**.

Currencies	=N=	USD	KES	CFA	GBP	TND	EUR	GHS	Total
% to total asset at 31 Dec 2022	19.56%	49.71%	14.22%	12.43%	0.28%	2.80%	0.30%	0.16%	100.00%
% to total asset at 31 Dec 2021	19.86%	44.40%	16.17%	14.51%	0.39%	1.79%	0.00%	0.36%	100.00%

Portfolio size by company

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

Company	31-Dec-22	31-Dec-21	FX Impact	Gross % Change	Ex-FX % Change
	N'million	N'million	N'million		
C Re Plc	30,754	22,660	1,704.70	35.72%	28.20%
C Re Gaborone	3,511	2,959	-21.44	18.67%	19.39%
C Re Nairobi	15,766	12,757	-54.12	23.59%	24.01%
C Re Douala	6,769	6,342	153.42	6.72%	4.30%
Group	**56,801**	**44,718**	**1,782.55**	**27.02%**	**23.03%**

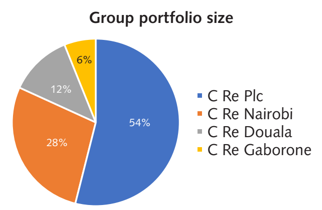


Table 3 ***(1.41% FX loss impact)***

The portfolio of the companies in the group experienced growth during the year. The main growth came from investment income and premium collections led by C Re Plc in relative terms. We had significant lump sum operating expenses payments at the start of the year which were amortised during the year such as Lagos NAICOM regulatory levies in Q12022 N349m, group bonus totalling N541m, other hefty payments in Q122 included some upfront payments, claims, taxes/levies, and retrocession MDPs and Q42021 returns. All these obligations were paid from current collections.

Portfolio Performance

For the year ended 31st December 2022, we achieved 90% of the annual budget of N4.65 billion (2021 budget: N2.767 billion); the same period the prior year ended 31st December 2021 was 108%. Income from bonds and cash contributed 88.7% of the investment performance.

Group investment return was N4.2 billion which represents yield on average assets of **8.45%** (2021: 7.58%) compared to budget yield of 8.84%. Year on year, investment return grew by 40.15% and lagged the annual budget by 10%. The major reason for the lag is less than expected growth in investment assets from collections. Our investment income budget assumed significant collections during the year to grow the portfolio, however, the growth did not materialise as collections lagged.

At an individual company level, all the companies in the group except CIMA have year-on-year income growth. CRe Plc, Lagos, C Re Ltd Nairobi and C Re Ltd Gaborone experienced year-on-year income growth of 57.13%, 38.97% and 39.05% respectively in naira terms. CIMA experienced year on year decline of -7.43%, which is partly attributable to a decline in portfolio following payments of various obligations (retro premiums, claims) exacerbated by low collections.

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

Performance for the period

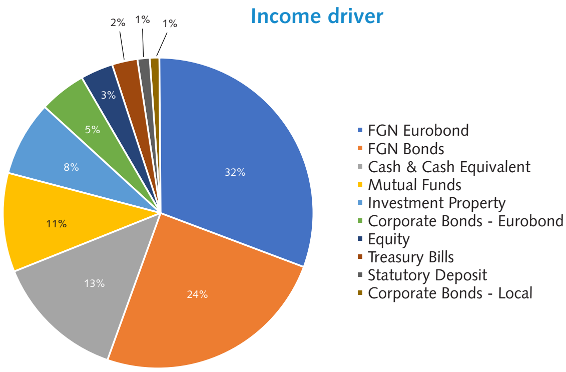
Companies	Actual					YTD Asset Growth	YOY Income Growth	Yield on Investment		2022 Return Budget	Budget peformance		Contri-bution to 2022 Budget	% Contribution to return	
	31-Dec-22		31-Dec-21		31-12-21										
	Income	Assets	Income	Assets	Asset			31-12-22	31-12-21		YTD Budget Achieved	Annual Budget		31-12-22	31-12-21
	N'million	N'million	N'million	N'million	N'million	%	%	%	%	N'million	%	%	%	%	%
C Re Plc	2,226	30,754	1,417	22,660	22,660	35.72%	57.13%	8.68%	7.10%	2,379	94%	94%	51%	53%	47%
Gaborone	220	3,511	158	2,959	2,959	18.67%	39.05%	7.83%	6.37%	165	133%	133%	4%	5%	5%
Nairobi	1,302	15,766	937	12,757	12,757	23.59%	38.97%	9.11%	8.47%	1,702	76%	76%	37%	31%	31%
Douala	443	6,769	479	6,342	6,342	6.72%	-7.43%	7.34%	7.45%	408	109%	109%	9%	11%	16%
Group	4,191	56,801	2,990	44,718	44,718	27.02%	40.15%	8.47%	7.58%	4,654	90%	90%	100%	100%	100%

Table 4

C Re Plc contributed 53% to the group investment performance, (2021: 47%) of the total group return at 8.68% (2021: 7.10%) yield, CRe Ltd Nairobi contributed 31% (2021: 31%) of the performance at 9.11% (2021: 8.47%) yield, CIMA contributed 11% (2021: 16%) and Gaborone contributed 5% (2021: 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.



FGN Euro Bonds: 31.50% (2021: 15.26%)
FGN Bonds: 23.45% (2021: 19.52%)
CCE: 13.44% (2021:26.26%)
Mutual Funds: 13.38% (2021: 14.06%)
Others: 20.23% (2021:23.85%)
Fixed income: 87.55% (2021: 83.68%)

Fixed income instruments (comprising of Treasury Bills, Sovereign bonds, corporate bonds, and BAM mutual fund which is 100% fixed income) contributed 74.12% (2021: 57.42%) of the group investment return followed by placement with banks that contributed 13.44% (2021: 26.26%); total at 87.55% (2021: 83.68%).

Equities contributed 3.16% from dividend incomes and capital gains from the redemption of the Plc mutual fund. Statutory deposit detracted from our performance and contributed only 1.15% on a N1 billion asset. The interest on statutory deposit is still very low at 4.72% per annum but was an improvement compared with the 2.5% in 2021.

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	26.61%	4.77%	16.73%	52.61%	5.02%	42.17%	10.93%	2.19%	2.83%	17.96%	5.04%	13.81%	22.83%	4.27%	13.44%
Statutory Deposit	3.25%	4.82%	2.17%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.76%	4.82%	1.15%
Equity	2.59%	16.66%	5.96%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.40%	17.27%	3.16%
Investment Property	6.02%	2.72%	2.25%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	48.07%	8.94%	65.60%	8.99%	6.90%	8.13%
Mutual Funds	0.79%	0.00%	0.00%	0.00%	0.00%	0.00%	27.62%	12.31%	36.64%	0.00%	0.00%	0.00%	8.09%	10.52%	11.38%
FGN Bonds	18.55%	10.80%	23.70%	0.00%	0.00%	0.00%	24.04%	13.52%	34.67%	1.61%	3.53%	0.87%	16.91%	11.26%	23.45%
FGN Eurobond	35.77%	11.48%	41.86%	18.98%	7.77%	23.55%	37.41%	6.05%	25.86%	0.00%	0.00%	0.00%	30.92%	10.17%	31.50%
Corporate Bonds - Local	0.66%	11.67%	1.07%	2.51%	7.30%	2.92%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.51%	10.35%	0.72%
Corporate Bonds - Eurobond	5.64%	7.93%	5.81%	25.91%	7.58%	31.36%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	4.66%	7.92%	4.73%
Treasury Bills	0.12%	8.35%	0.46%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	32.36%	3.99%	19.72%	3.92%	5.68%	2.33%
Total	100.00%	8.68%	100.00%	100.00%	7.83%	100.00%	100.00%	9.11%	100.00%	100.00%	7.34%	100.00%	100.00%	8.47%	100.00%

Table 6

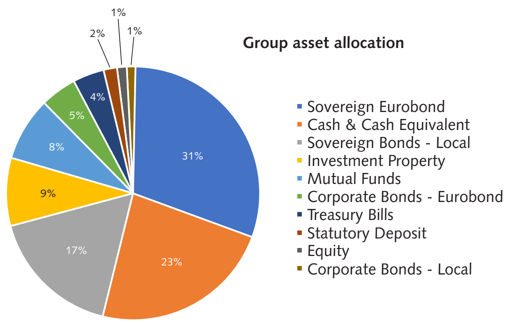
Portfolio performance constraints and remedies

a. 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. CIMA can only hold local currencies (Xof/XAF) or Euro and transfers are restricted.
b. Liquidity requirement vs collections – 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.
c. Pressure to release funds for quantum operating expenses. We plan to mitigate this by planning positive cashflows from operations through, profitable business and increased timely collections and cost control/management.
d. Improved yields on fixed-income instruments in Nigeria and other regions. Cross-border investment opportunities are being sought. Case in point being Tunis and Gaborone.
e. 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.
f. Risk-based solvency margins: high charges on some high-yield instruments (properties, equities) albeit carry illiquidity risk.
g. Non-tradable assets in our portfolio. These are some very old Lagos mutual funds (N224.5 million) and some unquoted equities counters (GThomes and Food Concept figure 3 and 4). We shall aggressively follow up.

Group Portfolio Asset Mix/Allocation

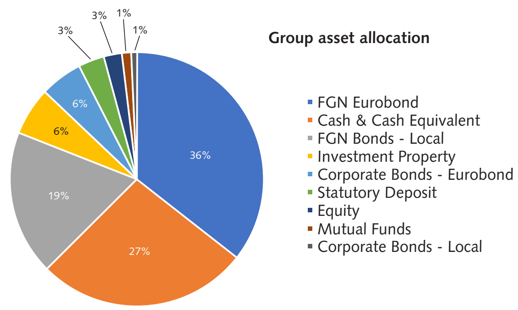
The asset budget allocation is a factor of various variables at the point of budgeting, and we have had to undertake a bit of rebalancing depending on market and business demands. Details in Tables 2 and 3 and the charts below

Figure 1: ***Group Asset Allocation***



Fixed income proportion including cash: 87% (2021: 84%;2020: 80%; 2019: 79%)

Figure 2: ***Company Asset Allocation***

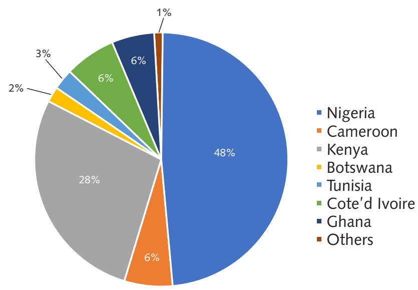


Fixed income proportion including cash: 86% (2021: 82%;2020: 77%; 2019: 57%)

By Geographical distribution/location of assets

The following table and chart show the location of the assets across the group:

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-22	31-Dec-21
Nigeria	25,369	2,226	37		27,631	48.65%	49.00%
Cameroon			3,478		3,478	6.12%	7.23%
Kenya	7			15,766	15,773	27.77%	28.54%
Botswana		982			982	1.73%	2.48%
Tunis	1,592				1,592	2.80%	1.78%
Cote'd Ivoire	324		3,254		3,578	6.30%	7.67%
Ghana	3,002	304			3,306	5.82%	2.06%
Others	460				460	0.81%	1.24%
Total	30,754	3,511	6,769	15,766	56,801	100.00%	100.00%
% Group allocation (31 Dec 22)	54.14%	6.18%	11.92%	27.76%	100.00%		
% Group allocation (31 Dec 21)	50.67%	6.62%	14.18%	28.53%	100.00%		



C Re Plc's portfolio constitutes 54.14% (2021: 50.7%) of the group portfolio, with an annualized yield of 8.68% compared to budget of 6.91%. Nairobi at 27.76% (Dec 2021: 28.53%) with an annualized yield of 9.11% compared to the budget yield of 9.22%. Douala portfolios at 11.92% (Dec 2021: 14.18%) of the total portfolio with yield of 7.34% as against the budget yield of 5.65% and Gaborone constitute 6.18% (2021 was 6.62%) of the group portfolio and the yield on investment is 7.83 % as against the budget yield of 5.22%.

Our assets are distributed across the six regions of our operations and Ghana. The bulk of the assets are domiciled in Nigeria at 48.65% followed by Kenya at 27.77%; total 76.42%. Other locations include Mutual funds in Europe of N243 million and Uganda Re shares, valued at N217 million as follows.

Counter Party	Currency	31 Dec 2022 N'000	31 Dec 2021 N'000	% Change
J P Morgan	USD	35	35	0%
Scottish Widow (Lcl International)/Monument	USD	47	50	-6%
HSBC LIFE BOND-53001	GBP	92	98	-6%
HSBC -LIFE BOND-3926	GBP	69	77	-11%
Uganda Re Shares	USD	217	137	58%
Total		**460**	**397**	**16%**

CONTINENTAL REINSURANCE

Placement with banks: These are purely money market instruments in Term Deposits. The asset decreased by -3.06% year on year from 13.38b as of 31st December 2021 to N12.97 billion as of 31st December 2022 and represents 22.83% of our portfolio; during the year, we committed some of the cash to Federal Government Bonds. Relative to the budget, the asset class is lower than the budget allocation by N3.56 billion due to lower collections. The cash allocation in the books of **CRe Plc, Douala, Nairobi, and Gaborone are %, 18%, 11% and 52.61% respectively**. Overall, the allocation to total portfolio value was **22.83% as of 31st December 2022 (Q32022: 19.17%**Q22022: 19.74%; Q12022: 20.24%; Q42021: 30%).

The yield on the asset class was 4.27% (2021: 5%) and it represents the average of the rates on bank placements across the various currencies compared with the budget yield of 5.05%. 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. We increased our USD term deposits. The government in various countries adopted tight monetary policy in response to inflationary pressure and raised the Monetary Policy Rates. This resulted into increase in short term rates in some economies, however, Nigeria short term rates remain subdued as at the end of Q42022.

The tables below show the currency distribution of cash components of our portfolio as of 31st December 2022:

Group – 31 December 2022

Currency	=N=	USD	KES	CFA	GBP	TND	BWP	EUR	GHC	Total
Amount (N'million)	2,157	6,600	998	1,182	0	1,592	216	169	56	12,969
% Weight	17%	51%	8%	9%	0%	12%	2%	1%	0%	100%

Group – 31 December 2021

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

45% (Dec 2021: 51%) held in USD. *Decline due to allocation to Bonds.*

Group – 31 December 2022

Currency	=N=	USD	KES	CFA	GBP	TND	BWP	EUR	GHC	Total
Amount (N'million)	2,157	4,203	7	0	0	0	1,592	169	56	8,184
% Weight	26%	51%	0%	0%	0%	0%	19%	2%	1%	100%

Group – 31 December 2021

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

51% (Dec 2021: 70%) held in USD. *Decline due to allocation to Bonds.*

Equity:

This class of assets is made up of 22:78 proportions of quoted and unquoted equities and represents 1.4% (2021: Q4 was: 1.66%) of the group portfolio. The return on equity comprises dividend income and capital gain on equity trading. On a total return basis, the quoted equity portfolio return is N9.34 million (N11.246 million realized and unrealized gain of -N1.904 million) on an average portfolio of N174.56 million as of 31st December 2022; Nigeria Stock Exchange return as measured by All Share Index was 19.98% (Q42021: 6.07%).

The equity market has remained very volatile and our quoted equity exposure to total funds is 0.56% (2021: 0.64%).

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

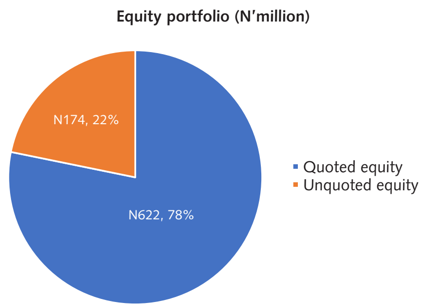


Figure 3

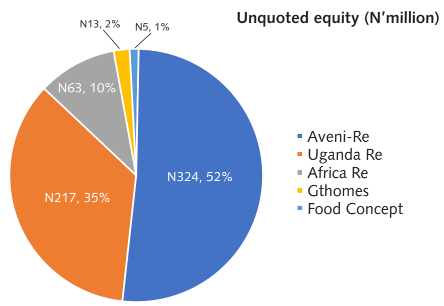
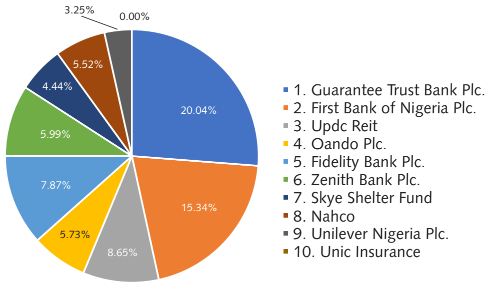


Figure 4

Top 10 Counters (79.73% of the quoted equities):

	Counters that make up 76.84% of our quoted equities				
S/No	Counters	Amount (N'million) 31 December 2022	Amount (N'million) 31 December 2021	Movement to date (%)	% 31 December 2022
1	Guaranty Trust Bank Plc	35	39	-12%	20.04%
2	First Bank Of Nig Plc	27	28	-4%	15.34%
3	Updc Reit	15	22	-32%	8.65%
4	Oando Plc	10	11	-11%	5.73%
5	Fidelity Bank Plc	14	8	71%	7.87%
6	Zenith Bank Plc	10	11	-5%	5.99%
7	Skye Shelter Fund	8	7	13%	4.44%
8	Nahco	10	5	105%	5.52%
9	Unilever Nig Plc	6	7	-20%	3.25%
	Total	133	144	-7%	76.84%

Counters that make up 76.84% of our quoted equities



Securities Held to Maturity (HTM)/ Fixed Income Securities: This constitutes 64.59% (2021: 48.46%) of the portfolio and it contributed 74.12% of the group investment performance at an average annual yield of 10.05% (2021: 8.82%) compared with the budget yield of 10.61%. The income from this class of asset is mainly interest/coupon income that provides steady cash flows. It comprises corporate bonds and government securities denominated in local currencies (42%) and United States Dollars (58%). The top holdings for CRe Plc constituted 60.01% of the total Plc fund and 44.68% of the total group fund and as below:

Company Fixed income assets exposure

Issuers	Amounts (NGN'Millions)	% to Bond Portfolio	% to Total Portfolio
Federal Govt Of Nigeria	13,740.44	73.55%	44.68%
Federal Govt Of Ghana	3,002.44	16.07%	9.76%
Ecobank Nigeria	812.09	4.35%	2.64%
Fidelity Bank Plc	198.49	1.06%	0.65%
Access Bank Plc	491.09	2.63%	1.60%
First Bank Of Nig Plc	233.03	1.25%	0.76%
MTN	203.99	1.09%	0.66%
Total bond portfolio	**18,681.56**	**100.00%**	**60.74%**
Total company invest porfolio	**30,754.27**		**60.74%**
Total group invest portfolio	**56,800.60**		**32.89%**

Company Fixed income assets exposure

Issuers	Amounts (NGN'Millions)	% to Bond Portfolio	% to Total Portfolio
Federal Govt Of Nigeria	14,103.12	38.44%	24.83%
Federal Government of Kenya	14,043.52	38.28%	24.72%
Federal Govt Of Ghana	3,306.23	9.01%	5.82%
Federal Government of Cameroun	2,299.28	6.27%	4.05%
Ecobank Nigeria	1,270.79	3.46%	2.24%
First Bank Of Nig Plc	684.06	1.86%	1.20%
Access Bank Plc	491.09	1.34%	0.86%
MTN	203.99	0.56%	0.36%
Fidelity Bank Plc	198.49	0.54%	0.35%
First National Bank Botswana	70.30	0.19%	0.12%
Stanbic Bank Botswana	17.67	0.05%	0.03%
Total	**36,688.54**	**100.00%**	**64.59%**
Total Group Fund	**56,800.60**		**64.59%**

Ghana Exposure

Our group exposure to Ghana bonds as of 31st December 2022 was N3.3 billion (USD 7.19 million). This represents 9.01% of the fixed income portfolio of N36.69 billion and 5.82% of the group portfolio of N56.8 billion naira.

Ghana's credit rating was downgraded in 2022 from B+ to C by the Fitch Rating Agency leading to the significant increase in the credit risk of Ghana Eurobonds. The downgrade reflects the deterioration of Ghana's public finance, which has contributed to a lack of access to the capital market to raise funds, in turn leading to a significant decline in external liquidity.

The government has requested support from the IMF, but the government's high-interest costs and structurally low revenue as a percentage of GDP have increased the likelihood that IMF support would necessitate some form of debt restructuring. Ghana's debt to GDP has risen by 8.68% in 2022 to 90.74% from 82.12% in 2021 and that make it difficult to continue to service its debt. In December 2022, the Ghanaian authority announced a restructuring program for it local debt and subsequently announced the suspension of payment of interest on her foreign debts, including Eurobonds.

We are watching the space for updates and development.

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.

The assets currently represent 8.99% of the group's portfolio, a decrease of -2.03% from 11.01% as of 31st December 2021. The decrease is because of the increase in total portfolio, even though asset class increased from valuation gains and FX gain by N324 million to N5.1 billion as at 31st December 2022 from N4.78 billion as at 31st December 2021. The annualized rental yield as of 31st December 2022 was 6.8% (2021: 9.12%). We recorded a valuation gain of N241.3 million. The income for the year ended 31st December 2022 was N340 million (rental income: N99.6 million and revaluation gain of N241.3 million); prior year income for same period was N453million. The following table shows the properties' incomes and value as of 31 December 2022.

S/No	Property description	Location	Carrying Value		Valuation surplus	Rental Income	FX Translation Gain/(loss)	Total Income	Occupancy rate
			31-Dec-22	31-Dec-21					
			N'million	N'million	N'million	N'million	N'million	N'million	%
1	Head office Building	Olosa, VI	1,840.0	1,817.0	23.0	26.4		49.4	63%
2	7 Floor Mixed Development	Abidjan	3,253.8	2,952.9	217.6	73.2	83.3	290.8	100%
3	3 bed-room flat	Kubuwa, Abuja	9.9	9.2	0.7			0.7	
	Total		**5,103.7**	**4,779.1**	**241.3**	**99.6**	**83.3**	**340.8**	

Head office *(Fixed assets: 42.54%; Investment property: 57.46%) Cost N3.01b*

4.1.5 **Mutual Funds:** Mutual fund of 8.09% 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 fund of CRe Plc amounting to N243m (2021 N417m).

Nairobi: Nairobi mutual fund is 100% fixed income, 88% in government bonds with a 20% USD holding. We continue to seek opportunities for more diversification for improved returns.

Asset	KES	USD	Total	%
Cash & Cash Equivalent	88,050,299	56,200,748	144,251,047	12.00%
Corporate Bond	0	0	0	0.00%
Sovereign Bond	823,324,536	234,571,324	1,057,895,860	88.00%
Total	**911,374,835**	**290,772,072**	**1,202,146,907**	100.00%

Equivalent N 4.179b (Dec 2021: N 4.1b). Note: C/bond Kes 5m written off as Chase Bank placed under statutory management.

Lagos: These mutual funds have been in our books since the 2000s and we have been working on updating our signatories and other KYC requirements with the Asset manager and subsequently redeem the funds. The underlying assets are bonds and equity that are fair valued.

Counter Party	Currency	2022 N'000	2021 N'000	% Change
J.P. Morgan	USD	35,069	34,958	0%
Scottish Widow (Lcl International)/ Monument	USD	47,147	50,158	-6%
HSB/C LIFE BOND-53001	USD	91,659	97,614	-6%
HSB/C LIFE BOND-3926	USD	69,125	77,330	-11%
Total		**243,000**	**260,059**	**-22%**

The mutual funds do not distribute annual dividend; however, there have been movement from valuation. In February 2022, we redeemed Enko Fund (N156.56m at Dec 2021) and invested the proceeds of USD 375,099.08 in Eurobond. The cost in 2010 was USD 300,000 when FX was N147.6/1$.

5.0 Regulatory Compliance In Nigeria

Company asset cover for insurance funds - Hypothecation

In line with the requirement of 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' fund 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	7,950	**25%**	100%	234	6%	100%	0	0%
Investment Property	1,840	**6%**	25%	10	0%	35%	0	0%
Quoted Equities	256	**1%**	50%	161	4%	50%	0	0%
Unquoted Equities	0	**0%**	10%	0	0%	10%	622	38%
State bonds	0	**0%**	20%	0	0%	20%	0	0%
FGN Bonds	13,589	**43%**	100%	3,116	83%	100%	0	0%
SovereignTreasury Bills	37	**0%**	100%	0	0%	100%	0	0%
Corporate Bonds	1,939	**6%**	10%	0	0%	10%	0	0%
Statotory deposit	0	**0%**	0%	0	0%	0%	1,000	62%
Retro Assets	6,225			236				
Total	31,836	80%		3,757	94%		1,622	100%
Insurance Fund	30,578			3,635				
Asset cover	104%			103%				

Table 8

As of 31st December 2022, Asset cover for the Non-life and Life funds were 104% (December 2021: 78%) and 103% (December 2021: 80%) respectively. The assets, however, included retrocession assets of N6.461 billion.

6.0 Alm and Currency Matching/congruence Framework

The Liabilities of the company are mainly short to 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.

6.1 Liquidity management

The focus of liquidity is both funding of liability and the ability to timely realize assets in the market without taking significant cuts in the prices of the assets or losing income. 87.42% of the portfolio assets are liquid assets comprising placement with banks, Treasury Bills, corporate Eurobonds, and Federal Government bonds. 22.834% 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 365 days	Total
		31.01.23	28.02.23	31.03.23	30.04.23	31.05.23	30.06.23	31.07.23	31.08.23	30.09.23	31.10.23	30.11.23	31.12.23		
		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	N'Million
Sovereign	NGN	47	84	133	899	0	0	47	84	133	99	0	0	4,450	5,976
Sovereign	USD	125	35	136	0	130	0	125	35	136	0	130	0	12,036	12,890
Corporate	NGN	0	0	0	0	13	0	0	0	0	0	13	0	200	226
Corporate	USD	0	8	18	45	0	0	0	8	18	45	0	0	1,846	1,989
Treasury Bill	NGN	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Treasury Bill	GHS	0	39	0	0	0	0	0	0	0	0	0	0	0	39
Term deposit	NGN	1,461	0	480	100	0	0	150	0	0	0	0	0	0	2,191
Term deposit	USD	15	79	3,581	0	0	0	0	0	0	0	0	0	0	3,675
Term deposit	EUR	0	0	171	0	0	0	0	0	0	0	0	0	0	171
Term deposit	TND	441	360	133	148	216	321	0	0	0	0	0	0	0	1,619
Term deposit	KES	0	0	7	0	0	0	0	0	0	0	0	0	0	7
Term deposit	GHs	39	17	0	0	0	0	0	0	0	0	0	0	0	57
Rental Income		0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest on statutory Deposit															0
Total monthly maturity		**2,129**	**622**	**4,659**	**1,192**	**359**	**321**	**322**	**127**	**288**	**144**	**143**	**0**	**18,532**	28,839
Liability monthly maturity (OCR)		572	1,199	1,913	2,175	1,954	1,078	900	1,347	1,081	1,974	1,879	917	0	16,990
Surplus/(Deficit)		1,557	-577	2,746	-982	-1,595	-757	-578	-1,220	-793	-1,830	-1,736	-917	18,532	11,849
Cumm surplus/(deficit)		1,557	980	3,726	2,743	1,148	391	-187	-1,406	-2,200	-4,030	-5,766	-6,683	11,849	2,122
Liquid Asset/OCR 31 Dec. 2022		372.04%	51.87%	243.52%	54.83%	18.38%	29.78%	35.82%	9.44%	26.60%	7.29%	7.63%	0.00%	NA	169.74%
Liquid Asset/OCR 31 Dec. 2021		209%	154%	312%	21%	8%	198%	17%	9%	16%	10%	4%	0%	NA	143.12%

Table 9 **Adequate and Available**. ***All liquid assets have access and are held with reputable and low-risk counterparty institutions.***

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 the company by quarter

Assets	Currency	90 days	180 days	270 days	360 days	Above 360 days	Total
		N'Million	N'Million	N'Million	N'Million	N'Million	N'million
FG Bond	NGN	264	899	264	99	4,450	5,976
FG Eurobond	NGN	297	130	297	130	12,036	12,890
Corporate Bond	NGN	0	13	0	13	200	226
Corporate Bond	USD	27	45	27	45	1,846	1,989
Treasury Bill	NGN	0	0	0	0	0	0
Treasury Bill	NGN	39	0	0	0	0	39
Term deposit	NGN	1,941	100	150	0	0	2,191
Term deposit	USD	3,675	0	0	0	0	3,675
Term deposit	EUR	171	0	0	0	0	171
Term deposit	TND	934	685	0	0	0	1,619
Term deposit	kes	7	0	0	0	0	7
Term deposit	GHS	57	0	0	0	0	57
Interest on statutory Deposit		0	0	0	0	0	0
Total quarterly maturity		**7,410**	**1,873**	**737**	**287**	**18,532**	**28,839**
Liability monthly maturity (OCR)		3,685	5,207	3,328	4,770		16,990
Surplus/(Deficit)		3,726	-3,334	-2,591	-4,483	18,532	11,849
Cumm surplus/(deficit)		3,726	391	-2,200	-6,683	11,849	
Liquid Asset/OCR		201%	36%	22%	6%	0%	170%

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

We are adequately covered in the ageing brackets of 91 days, which will be rolled over to cover other quarters. The Strategies include:

i. Increase the liquidity in the portfolio from income and collections.
ii. Continued portfolio rebalancing and bond laddering.
iii. A balance of the maturity profile mismatch between retrocession premiums and premium collections.
iv. Convert illiquid assets to liquid assets such as non-performing mutual funds and equities. Residential properties sold off in 2021 while the case for some unquoted equities is mainly for strategic synergies (Africa Re, Uganda Re and Aveni Re.

6.2 Currency matching

The company matches its liabilities by currency by holding assets in the currencies of liabilities in the various regions, with a preference in USD. 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 31 December 2022 for the company. ***The liability in consideration is the OCR- Claim case reserves and the outstanding claims (IBNR). Unexpired premium risk reserve is excluded in the liabilities.***

Assets and liabilities matching by currency as of 31st December 2022

Currencies	Current Liability 31 Dec 2022 NGN (Thousands)	Total Assets 31 Dec. 2022 NGN (Thousands)	Liquid/Assets 31 Dec. 2022 NGN (Thousands)	Percentage to Total Liabilities	Percentage of Currency to Total Assets	Percentage of Currency to Liquid Assets	Variance (Liquid Assets - Lib)	Asset liability coverage ratio by currency
NGN	11,673,009	11,108,511	7,863,111	68.70%	36.12%	29.49%	-3,809,898	67%
CFA	0	324,343	0	0.00%	1.05%	0.00%	0	0%
USD	4,297,530	17,299,930	16,937,474	25.29%	56.25%	63.53%	12,639,944	394%
TND	859,959	1,591,626	1,591,626	5.06%	5.18%	5.97%	731,667	185%
EUR	159,567	169,401	169,401	0.94%	0.55%	0.64%	9,834	106%
GBP	0	160,784	0	0.00%	0.52%	0.00%	0	0%
KES	0	6,896	6,896		0.02%	0.03%	6,896	0%
GHS		92,829	92,829		0.30%	0.35%	92,829	0%
Total	**16,990,066**	**30,754,320**	**26,661,337**	**1**	**100%**	**100%**	**9,671,271**	**157%**

Table 13 **Adequate. *About 67% of Plc Nigeria's liabilities are Naira denominated with a 62% cover ratio: USD cover ratio at 394%.***

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 (Thousands)	Liquid/Assets 31 Dec. 2021 NGN (Thousands)	Percentage to Total Liabilities	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	66.63%	38.92%	30.13%	-3,899,035	59%
CFA	0	331,874	0	0.00%	1.46%	0.00%	0	0%
USD	3,910,528	12,372,849	11,945,375	27.53%	54.60%	64.66%	8,034,848	305%
TND	700,863	796,222	796,222	4.93%	3.51%	4.31%	95,358	114%
EUR	129,385	0	0	0.91%	0.00%	0.00%	-129,385	0%
GBP	0	174,943	0	0.00%	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**	**1**	**100%**	**100%**	**4,267,378**	**130%**

Table 14

From above table 13, we hold liquid assets in the currencies to match the liabilities except for Nigeria Naira. This shortfall can be easily met using USD assets. We continue to increase our USD-denominated assets through the retention/preservation of USD collections. The proportion of USD assets increased by 5.31% to 49.71% as of 31st December 2022 from 44.4% as of 31st December 2021.

Although our USD-denominated liquid assets are enough to cover our estimated claim liabilities, retrocession obligations are USD denominated, and there exists a mismatch putting pressure on USD, thus prompting collections of all premiums critical to allow time to access USD.

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	Total
Asset Class	**N'Million**	**N'Million**	**N'Million**	**N'Million**	**N'Million**	**N'Million**	**N'Million**	**N'Million**	**N'Million**	**N'Million**
Placement with banks	2,157	6,600	998	1,182	0	216	1,592	169	56	12,969
Quoted Equity	174	0	0	0	0	0	0	0	0	174
Unquoted Equity	18	280	0	324	0	0	0	0	0	622
FGN Bond	5,706	17,565	3,809	109	0	0	0	0	0	27,188
Corporate Bond	204	2,644	0	0	0	88	0	0	0	2,936
Treasury Bill	0	0	0	2,190	0	0	0	0	37	2,227
Mutual Fund	0	1,146	3,273	0	161	0	0	0	0	4,579
Statutory Deposit	1,000	0	0	0	0	0	0	0	0	1,000
Investment Property	1,850	0	0	3,254	0	0	0	0	0	5,104
Total	**11,109**	**28,235**	**8,080**	**7,059**	**161**	**304**	**1,592**	**169**	**93**	**56,801**
% to total asset at 31 Dec 2022	19.56%	49.71%	14.22%	12.43%	0.28%	0.53%	2.80%	0.30%	0.16%	100.00%
% to total asset at 31 Dec 2021	19.86%	44.40%	16.17%	14.51%	0.39%	2.52%	1.79%	0.00%	0.36%	100.00%

Table 15

USD-denominated assets have the highest portion at **49.71% of N28.24 billion** (December 2021: 44.40% of N19.71b), i.e., an additional N8.52b in USD holdings. NGN, KES, and CFA constitute 19.56%, 14.22% and 12.43% 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	Total
Asset Class	**N'Million**	**N'Million**	**N'Million**	**N'Million**	**N'Million**	**N'Million**	**N'Million**	**N'Million**	**N'Million**	**N'Million**
Cash and cash equivalent	2,157	4,203	7	0			1,592	169	56	8,184
Quoted Equity	174	0		0	0	0	0			174
Unquoted Equity	18	280	0	324	0	0	0			622
FGN Bond	5,706	11,000	0		0	0	0			16,706
Corporate Bond	204	1,735	0	0	0	0	0			1,939
Treasury Bill	0	0	0	0	0	0	0		37	37
Mutual Fund	0	82	0	0	161	0	0			243
Statutory Deposit	1,000	0	0	0	0	0	0			1,000
Investment Property	1,850	0	0	0	0	0	0			1,850
Total	**11,109**	**17,300**	**7**	**324**	**161**	**0**	**1,592**	**169**	**93**	**30,754**
% to total asset (31 Dec 2022)	**36.12%**	**56.25%**	**0.02%**	**1.05%**	**0.52%**	**0.00%**	**5.18%**	**0.55%**	**0.30%**	**100%**
% to total asset (31 Dec 21)	**38.92%**	**54.60%**	**0.03%**	**1.46%**	**0.77%**	**0.00%**	**3.51%**	**0.00%**	**0.70%**	**100%**

Table 16

The highest portion is USD assets at 56.25% followed by Naira assets at 36.12%. 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 is USD denominated. Kenya mainly earns income in USD, which is preserved.

7.0. 2023 Outlook and Investment Strategy

The world economy continues to suffer from multiple shocks stemming from the COVID-19 pandemic, Russia-Ukraine war, and supply shocks, including disruptions to both global supply chains and the availability of key commodities resulting in high cost of energy, heightened inflation, and large currency depreciations relative to the U.S. dollar.

Heightened inflation across the globe has triggered unexpectedly rapid and synchronous monetary policy tightening around the world to contain it, including across major advanced economies. Although this tightening has been necessary for price stability, it has contributed to a significant worsening of global financial conditions, which is exerting a substantial drag on activity, hence global growth has slowed to the extent that the global economy is perilously close to falling into recession.

Global growth is expected to decelerate sharply to 1.7% in 2023 from the previous forecast of 3%, which is the third weakest pace of growth in nearly three decades, overshadowed only by the global recessions caused by the pandemic and the global financial crisis.

The Emerging Markets and Developing Economies (EMDE) have been negatively impacted by monetary policy tightening in advanced economies, a strong U.S. dollar, geopolitical tensions, and high inflation. These have dampened risk appetite and led to widespread capital outflows and slowing bond issuance across EMDE.

EMDE growth is anticipated to remain essentially unchanged in 2023 relative to last year, as a pickup in China offsets a decline in other EMDEs. Excluding China, EMDE growth is forecast to decelerate from 3.8 per cent in 2022 to 2.7 per cent in 2023 as significantly weaker external demand is compounded by high inflation, tighter financial conditions, and other domestic headwinds.

We expect the Central banks across our regions of operations to continue the tightening of monetary policy, be it at a slower pace as inflation comes under control. This provides an opportunity in the fixed-income space as yields increase, the debt sustainability issue is of great concern.

Our 2023 strategy will be focused on improving the quality of our investment assets while chasing returns. As we move to the adoption of IFR9, Financial Instruments, we would use this as an opportunity to reclassify some of our held-to-maturity instruments to allow us to downsize the emerging markets holdings and begin to participate in high-quality AAA-rated instruments, particularly, the United States of America Treasury Bonds.

The following is the summary of our strategy for 2023.

Our investment income target for 2023 is N4.9 billion representing a 17.5% growth over the actual investment income of N4.19 billion in 2022.

The achievement of this target will connote that we must be more tactical in our investment management approach in 2023. The income growth is based on the primary assumption of improved premium collections from profitable business, and efficient use of assets to drive income, which will accrete our investment portfolio and mitigate losses that could come from issuer defaults.

Some of the initiatives will include:

- Aggressive premium collections to grow our portfolio and retention of investment income.
- Convert more local currencies to USD and invest in USD-denominated assets on a short to medium-term basis, especially in the region where local currencies earn less than USD assets and high currencies' depreciations/devaluations.
- Rebalance the bond portfolio to include high-quality AAA-rated instruments. We continue to build a laddered portfolio of bonds that will provide adequate liquidity to support our technical operation's obligations in addition to enhancing our investment income.
- Diversify the bond portfolio by quality and geography
- Designate some of the Eurobond as available-for-sale instruments 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. This will also include rebalancing the asset class for optimum performance.

Since its inception, Continental Re has steadily evolved into a leading reinsurance company in Africa. Renowned for its consistent provision of reliable reinsurance services and strong financial performance, the outlook for Continental Re is highly promising. We operate in six countries and have ambitious plans for expansion into new markets in the medium term.

In pursuit of our long-term vision, which is to establish ourselves as the premier Pan-African reinsurer, we recently updated our medium-term strategy for the years 2022 to 2024. This strategic update places a strong emphasis on four pivotal objectives aligned with our ambition. These objectives include achieving profitable growth, becoming a customer-centric company, achieving operational excellence, and building a smart execution culture. We are firmly convinced that a steadfast focus on these objectives will propel us toward the realization of our vision.

Profitable Growth

To sustain our position as the premier pan-Africa reinsurer, we are committed to achieving profitable growth through prudent underwriting practices in carefully selected client segments, markets, and lines of business. As we strive to increase our market share, we will do so in a manner that safeguards and enhances shareholder value. We will introduce measures like tightening terms and conditions, portfolio adjustments, and, wherever possible, price increases to enhance our underwriting results.

Additionally, we will bolster our asset management capabilities to improve investment returns. Identifying premium collections as a crucial factor in expanding investable funds and overall investment returns, we acknowledge the challenges associated with premium collection across Africa and will implement various initiatives to address this issue. We have also made a priority of strengthening our credit control capabilities through analytics, technology, and industry-wide advocacy.

Customer Centricity

Our dedication to customer centricity drives our efforts to broaden and enhance the scope of reinsurance solutions tailored to the evolving needs of our expanding client base, which spans 50 countries across the continent. We aim to maintain our reputation for offering top-notch technical training as a contribution to fostering robust underwriting capabilities in Africa.

Operational Excellence

Continental Re's emphasis on operational excellence stems from the fundamental need for well-engineered processes that efficiently deliver on our commitments to clients. In our pursuit of operational excellence, we are actively refining processes that impact the customer experience, particularly in areas like claims management. Simultaneously, we are investing in the digital transformation of Continental Re while ensuring prudent cost management.

Smart Execution

Finally, the goal of smart execution is geared toward instilling a culture of achieving the right outcomes through the right individuals using the appropriate tools. Our unwavering commitment to an ongoing digital transformation journey will empower our people to provide exceptional service and solutions to our clients.

> “*In our pursuit of operational excellence, we are actively refining processes that impact the customer experience, particularly in areas like claims management.*”


To achieve our vision to be the **PREMIER** Pan-African Reinsurer...
1
We hire the
RIGHT PEOPLE...
(culture fit)
2
...Who possess the
RIGHT SKILLS...
(competencies)
3
...To do the **RIGHT THINGS**... (complying with or improving processes)
4
...In delivering the
REQUIRED SERVICE
to customers... (customer service)
5
...and financial **RETURNS**
to the shareholders.
(profitability)








Employment Policy
Continental Reinsurance recognizes that Human Resources is one of the most important factors in achieving its business goals. Therefore, the organization ensures that it attracts, develops, improves, and retains a competent and engaged workforce.

We aim to achieve diversity and gender equality at the Board, top management level, and throughout the entire workforce, contingent upon the identification of qualified candidates. As of December 2022, 58% of the company's 121 employees were male, while 42% were female.

Recruitment and Acquisition of Talent:
Continental Reinsurance focused on attracting top talent throughout the year by implementing targeted recruitment strategies, leveraging social media, and partnering with professional networks to fill a number of sensitive positions within the company, resulting in an 8% increase in the company's total workforce.

We are equally committed to ensuring a seamless integration of new employees, and the company's Human Resources Department continues to improve the induction process by introducing comprehensive orientation programs, buddy systems, and training opportunities for new employees.

Employee Development and Training:
Continental Reinsurance recognizes that the global space is dynamic and rapidly expanding, which increases the need for continuous training of employees to keep them abreast of changing technologies and philosophies in order to adapt to the expanding work environment.

Consequently, investing in the growth and development of employees remained a top priority for Continental Reinsurance, as numerous trainings were conducted throughout the year, covering technical skills, leadership development, and professional certifications, among others.

We also embraced mentorship, cross-location work placements, and training attachments in reputable reinsurance companies and brokers, and we partnered with top-tier executive training institutes to provide our employees with world-class technical and leadership training.

Performance Management and Employee Engagement
The company's performance management system was streamlined to comply with its corporate objectives. To assist employees in closing knowledge deficits and reaching their full potential, objective performance evaluations and development plans were created. The introduction of well-being initiatives, such as mental health support and work-life balance programs, improved employee productivity and overall job satisfaction.

The annual employee engagement survey conducted during the period provided valuable insight into employee satisfaction, as the response rate to the survey was 73% and the results indicated an increase in overall engagement compared to the previous year.

Employee Relations and Compliance:
Continental Reinsurance remained dedicated to adhering to all applicable Labour laws, regulations, and industry standards.

The Human Resources department of the company maintained an open-door policy and a fair grievance-handling

> *We also embraced mentorship, cross-location work placements, and training attachments in reputable reinsurance companies and brokers, and we partnered with top-tier executive training institutes to provide our employees with world-class technical and leadership training.*

procedure that ensured cordial employee relations by providing direction, resolving conflicts, and nurturing a positive work environment.

Through town hall meetings, staff meetings, and one-on-one engagements, employees are continuously involved and encouraged to participate in the decision-making process of every aspect of the business. These activities provide employees with opportunities to deliberate and participate in decision-making regarding issues influencing the company and employee interests.

Employee remuneration and talent management

The compensation policy of Continental Reinsurance is performance-based and seeks to ensure that employee compensation is both internally equitable and externally competitive.

The Company has implemented a number of initiatives to support a robust talent management framework that directs how the Company attracts, develops, and retains individuals with the competencies necessary to achieve its strategic objectives. This has allowed the company to strengthen its leadership bench and create the flexibility to adapt to swiftly changing market conditions and increased competition.

Internal communications

Various communication best practices are utilized by the company in its business operations. It implemented multiple channels of communication, such as 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 strategy encourages employee participation in decision-making, increases employee engagement, and motivates the achievement of the company's strategic goals.

Conclusion

By focusing on talent acquisition, employee development, engagement, and well-being, the Human Resources Department played a vital role in supporting the organization's strategic objectives. Despite the challenges posed by the unfavorable macroeconomic environment, the company was successful in implementing initiatives to foster employee growth and establish a positive work environment. In the future, the organization will continue to adapt and evolve to meet the changing requirements of its workforce and contribute to Continental Reinsurance's overall success.

Diana Ussher-Eke,
Group Head, Human Resources


GET AHEAD

Empowering the Future of (Re)insurance Journalism

The 7th edition of the pan-African (re)insurance journalism awards marked a momentous occasion for Continental Reinsurance Plc as it embraced a vibrant return to an in-person event format. The ceremony, held in Lagos, Nigeria, in July 2022, was adorned with several 'firsts' that celebrated the diverse talents of African journalists. Notably, for the first time, the awards welcomed entries from Arabic-language media, attracting participants from an unprecedented 22 African countries.

The category winners were recognized for their exceptional contributions to journalism:

Best Entry, Arabic Category
- Atif Fahim Mahrous, Egypt (Joint Winner)
- Maher Fadl Hanna, Egypt (Joint Winner)

Best Entry, French Category
- Ouedraogo Patinema Oumar, Burkina Faso (Winner)
- Aurélie M'bida, France (1st Runner-Up)

Best Entry, Broadcast Category (English)
- Destiny Abanyem Onyemihia, Nigeria (Winner)
- Carolyne Tomno and Brian Tuva, Kenya (1st Runner-Up)
- Mercy Tyra Murengu, Kenya (2nd Runner-Up)

Best Entry, Print Category (English)
- Tunde Ajaja, Nigeria (Winner)
- David Njagi, Kenya (1st Runner-Up)
- Nelson Mandela Muhoozi, Uganda (2nd Runner-Up)

Best Entry, Online Category (English)
- Felix Dela Klutse, Ghana (Winner)
- Nike Popoola, Nigeria (Joint 1st Runner-Up)
- Odimegwu Onwumere, Nigeria (Joint 1st Runner-Up)
- Prosper Ndlovu, Zimbabwe (2nd Runner-Up)

Dr Femi Future Talent Award
- Fraterne Ndacyayisenga, Rwanda

The winners were granted an exclusive year-long mentorship program to further enhance their reporting skills in the insurance sector, complementing the cash prizes they received.

Promoting Sustainability through Biodiversity

Acknowledging the pressing global challenge of climate change, Continental Reinsurance continues its dedicated efforts to promote sustainability and combat environmental issues. In partnership with Friends of Karura Forest, in 2021, we embarked on a meaningful journey to grow indigenous trees. In 2022, we furthered this commitment by planting an additional one thousand indigenous trees during the November rainy season.

Our contribution involved providing a cash donation to aid in supporting the tree growing initiative. Additionally, we joined forces with the staff from the Organization of Eastern and Southern African Insurers to actively participate in the tree-growing activity. 1,000 locally sourced seeds from various indigenous species were acquired, ensuring diversity in the plantation. The funds also enabled the preparation of planting sites by clearing invasive species, creating a suitable environment for the new trees to thrive.

Our collective efforts are steering us towards offsetting carbon emissions generated from unavoidable aspects of mobility, consumption, and daily living. By actively participating in the restoration of the Karura Forest Reserve, we contribute to the protection of Kenya's largest green area, ensuring its preservation for future generations.

Nurturing Aspiring Talent through Industrial Attachments and Internships

As we returned to office operations following the Covid-19 pandemic, Continental Reinsurance remained committed to nurturing young talent through industrial attachments and internships. In 2022, we offered invaluable learning opportunities to individuals who expressed their interest in understanding the intricacies of our industry.

> *"Through fostering talent, promoting sustainability, enhancing insurance awareness and recognizing journalistic achievements, Continental Reinsurance endeavors to create a positive impact on the society we serve. We believe that together, we can achieve remarkable feats and contribute to building a brighter, sustainable future for Africa."*

These internships provided hands-on experiences, allowing the participants to gain practical insights into our core business and support functions. By blending theoretical knowledge with real-world exposure, these individuals acquired a profound understanding of the (re)insurance landscape, shaping the future generation of industry professionals.

Empowering Consumers through Podcasting

To enhance consumer awareness and education within the insurance industry while fostering skills development, we strategically utilized digital platforms. To achieve these objectives, we introduced a podcast series named 'Insurance Matters.' This initiative serves as a knowledge bank, enabling the preservation and dissemination of expertise and experience within the industry.

During the inaugural season of 'Insurance Matters,' we produced and released 8 informative episodes. As a testament to its success, our podcast garnered a listenership of over 1,500. Furthermore, our efforts in supporting skills development within the insurance sector were met with enthusiasm. Over 1,200 Continuing Professional Development (CPD) programs were completed by professionals from diverse institutions who had enrolled. This marked a significant step towards empowering individuals within the industry to grow their expertise and capabilities continually.

We remain dedicated to furthering these initiatives to ensure the long-term growth and success of the industry. We will focus on providing practical insights into the insurance industry, highlighting the benefits of insurance, and addressing common misconceptions.

Through fostering talent, promoting sustainability, enhancing insurance awareness and recognizing journalistic achievements, Continental Reinsurance endeavors to create a positive impact on the society we serve. We believe that together, we can achieve remarkable feats and contribute to building a brighter, sustainable future for Africa.

“By actively engaging in events of such prominence, we continually reinforce our commitment to excellence, collaboration, and the shared prosperity of the African insurance industry. Looking ahead, we are poised to explore further opportunities for strategic partnerships that will propel the industry to new heights and secure a prosperous future for all stakeholders involved.”

Industry Sponsorships

In 2022, Continental Re proudly reinforced its commitment to fostering industry growth and collaboration by actively sponsoring several prominent local and regional events. These strategic partnerships included gatherings such as The Sharm Rendezvous in Egypt, OESAI in Zanzibar, the Insurance and Pensions Regulators Retreat for Africa in Tanzania, GAIF in Algeria, WAICA in Ghana and the AIO Conference in Kenya.

Among these exceptional events, the AIO Conference held particular significance for Continental Re, as it presented an opportune moment to celebrate a momentous occasion—the 50th anniversary of the AIO. To commemorate this milestone, Continental Re organized two memorable initiatives that aimed to enrich the overall experience of the AIO delegates.

The first initiative was a fitness walk, designed to invigorate the participants and promote camaraderie among the diverse attendees. Close to 300 participants from an impressive 38 countries came together to partake in this energizing activity, embarking on varying distances, covering 5km, 8km, and 10km. This inspiring display of unity and shared purpose underscored our commitment to fostering a healthy and inclusive industry ecosystem.

Alongside this, Continental Re organized a symbolic VIP tree-planting session at the picturesque Karura Forest. This ceremony, graced by esteemed AIO dignitaries and prominent industry leaders, including the outgoing AIO President, Mr. Tope Smart, and the Secretary-General of AIO, Mr. Jean Baptiste Ntukamazina, saw the planting of ceremonial trees. Each tree served as a living testament to the

AIO's rich history and its ongoing commitment to growth, resilience, and sustainability.

The strategic partnership with the AIO Conference not only exemplified Continental Re's dedication to fostering meaningful connections but also underscored our unwavering support for initiatives that promote environmental consciousness and wellness within the industry.

By actively engaging in events of such prominence, we continually reinforce our commitment to excellence, collaboration, and the shared prosperity of the African insurance industry. Looking ahead, we are poised to explore further opportunities for strategic partnerships that will propel the industry to new heights and secure a prosperous future for all stakeholders involved.

02

Corporate Governance

The Board of Directors of Continental Reinsurance Plc, hereinafter referred to as "the Company" or "Continental Re," is delighted to provide this report on the Company's operations and its subsidiaries, collectively referred to as "the Group." This report is accompanied by the audited financial statements of the Group for the fiscal year ending December 31, 2022, as well as the auditor's report.

1. Legal form

The Company was incorporated as a private limited liability company on July 24, 1985, and was converted to a public limited liability company on March 27, 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 provides reinsurance services across a wide spectrum of insurance categories, encompassing Life, Fire, Engineering, Bond, General Accident, Marine, Aviation, Motor, Liability, and Energy, both within and beyond the borders of Nigeria. Its product portfolio encompasses a comprehensive array of treaty and facultative reinsurance offerings.

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

3. Results for the year

The results of the Company's three subsidiaries have been consolidated in the financial statements on pages - 91 to 95. Below is a summary of the results for the year under review:

	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

4. Property, plant, and equipment

The movements in property, plant, and equipment during the year are detailed in note 22, which can be found on pages 109 of the financial report. In the opinion of the Directors, the market value of the Company's properties is not less than the value shown in the accounts.

5. Dividend

The Board recommends no dividend payment from the profit after tax for the year ended 31, December 2022.

6. Unclaimed dividend

Total unclaimed dividends as of December 31, 2022, was N307, 338, 071.14. The unclaimed dividends are in Money Market Instruments with a maximum maturity tenor of 364 days. The account is jointly managed by both the Company and Pace Registrars Ltd. The total amount in the account as of December 31, 2022, was N19,222,850.95.

7. Post balance sheet event

As of December 31, 2022, there have been no post-balance sheet events that could have had a significant impact on the Company's financial position or the profit for the year ending on that date that had not been adequately provided for or disclosed.

8. Directors and their Interests

8.1. Changes on the Board

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

a. Mr. Foluso Laguda, a Non-Executive Director retired from the board on February 4, 2023
b. Mr. Emmanuel Brule, a Non-Executive Director resigned from the Board on June 30, 2023.
c. Mr. Chukwuemeka Akwiwu was appointed as an Executive Director, Technical on May 11, 2023

8.2. 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. Steve Iwenjora and Mr. Junior Ngulube are the directors eligible for re-election and having submitted themselves for re-election at the annual general meeting, were re-elected as directors.

8.3. 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.

	2022		2021	
Director	**Direct**	**Indirect**	**Direct**	**Indirect**
Mr. Paul O. Kokoricha	1	*	1	*

8.4. 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, 2022.

9. Acquisition of own shares

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

10. Ownership structure

The issued and fully paid-up share capital of the Company as of December 31st, 2022, was NGN 6,258,602,165.50 divided into 12, 517, 204, 331 ordinary shares of 50 kobo each.

	December 31, 2022			December 31, 2021		
	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
Nigerian	1	1	0.01	1	1	0.01

11. Retrocessionaires

Antares Syndicate	Intern. Gen. Ins. (IGI)
Allianz per Tamesis Dual Ltd	Imara on behalf of Liberty Mutual Ins. Co. Europe
Asian Re	Kemah Capital on behalf of Clear Spring
Arch Re	Kenya Re
Aspen Re	Kiln Syndicate per Tamesis Dual Ltd
Aveni Re	Kuwait Re
Best Meridian Int'l	Lancashire Syndicate (2010)
Blenheim Syndicate (5886)	Milli Re
Brit Global Specialty	MS Amlin Syndicate (1221)
Canopius	NCA Re
Cathedral Syndicate, London	Neon 2468 per Chord Re
CCR Algeria	Odyssey Re
Chaucer Syndicate 1084	Oman Re obo BMI
China Re	Patria Re
Chord Re	Qatar Re
CICA Re	QBE Synd 566
Convex Insurance	Sava Re
Ethio Re	SCR Morocco
Emeritus Re	Scor Africa
Everest Re	Sen Re
FAIR Pool	SONAC
FM Re	Swiss Re
Ghana Re	Tamesis on behalf of Allianz Global Corporate & Specialty SE
GIC Re, SA	Tan Re
Hamilton Syndicate (3334)	Triglav Re
Hannover Re	Tunis Re
HCC	Volante Group
ZEP Re	WAICA Re
	XL Re Europe

12. Principal brokers

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

Local

SCIB Insurance Brokers	The united African insurance brokers
Jordans Global Insurance & Reinsurance Brokers	Zebra Insurance Brokers
Y.O.A. Insurance Brokers Limited	Globe Trade Insurance Brokers
Ark (Reinsurance) Brokers	Insurance Brokers of Nigeria
Jomola Insurance Brokers Limited	Glanvill Enthoven Reinsurance Brokers

Foreign

AON Re Africa (Pty) Limited, S.Africa	Nairobi Reinsurance Brokers Ltd
Chedid Re, Lebanon	Minet Kenya Insurance Brokers
Reinsurance Solutions (Reinsurance Brokers), Mauritius	Ellgeo Re(Mauritius) Ltd Apex Insurance Brokers, Jordan
Trust Reinsurance Brokers	Oak Tree Intermediaries (Pty) Ltd.
Ed Broking LLP	Nasco Karaoglan France
J. B. Boda Insurance & Reinsurance Brokers Pvt Ltd.	SCA INTER A BROKERS (SOCIETE DE COURTAGE EN ASSURANCE INTER AFRICAINES)
Guy Carpenter & Company (Pty) Ltd.	Willis Limited
Saham Re Togo (Formerly Colina Re)	United Insurance Brokers Limited, London
ARC (Atlas Reinsurance Consultants),	Lockton (Mena) Limited
Afro-Asian Insurance Services Ltd.	Fremir Insurance & Reinsurance Services
KEK Reinsurance Brokers (Africa) Ltd	Minerva Risk Advisors (Formerly AON Zimbabwe)
Gallagher Re UK (Formerly Capsicum Re)	African Reinsurance Brokers (ARB) - Morroco
Acentria International Reinsurance Brokers Company Limited.	First Reinsurance Brokers Ltd KM Dastur & Co. SA,
Fenchurch Faris	
GRAS SAVOYE, France	

13. Employment and Employees

13.1. Employment Policy

At Continental Reinsurance, our unwavering commitment to excellence in people management is the cornerstone of our success. We firmly believe that our achievements are intrinsically linked to our ability to excel with and through our dedicated workforce. This core belief permeates every facet of our organization, shaping our policies and practices throughout the entire employment journey.

Our human resource management policies embody world-class best practices, ensuring that we foster the right workplace environment, uphold the highest standards of professionalism, provide robust welfare initiatives, and create opportunities for employees to acquire the necessary competencies to deliver outstanding results.

Equality and Diversity Policy:

Continental Reinsurance proudly embraces a multicultural community, operating within an ever evolving and competitive global business landscape. We hold equality and diversity in the highest regard and are fully committed to cultivating a workplace where every individual is treated equitably and with the utmost dignity and respect.

We are dedicated to providing equal opportunities for all, fostering a safe, supportive, and inclusive environment that welcomes not only our valued employees but also all visitors who engage with our organization.

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 upholds a non-discriminatory policy when reviewing applications for employment, extending this commitment to include individuals with physical challenges. In the event that any of our staff members encounter a disability, we are dedicated to making every effort to ensure their continued employment within our organization. We will also facilitate the provision of suitable training to ensure their successful integration into our Company's work environment.

It is noteworthy that, during the period under review, the Company did not have any employees with physical challenges.

13.3. Health, safety at work and welfare of employees

Ensuring the health, safety, and welfare of employees in the workplace is of paramount importance to our organization. We are deeply committed to maintaining a safe and supportive environment for all our team members. Our approach to achieving this includes:

- **Safety Standards:** We adhere to stringent safety standards and protocols in all aspects of our operations. This includes regular safety inspections, risk assessments, and the implementation of safety measures to prevent accidents and injuries.

- **Training and Education:** We provide comprehensive training and educational programs to our employees to raise awareness about workplace safety. This includes training on emergency procedures, the proper use of equipment, and best practices for maintaining a safe work environment.

- **Healthcare Benefits**: We offer comprehensive healthcare benefits to our employees to ensure their physical well-being. This includes access to medical facilities, regular health check-ups, and preventive care measures.

- **Work-Life Balance:** We promote a healthy work-life balance to support the overall welfare of our employees. This includes flexible working arrangements, paid time off, and initiatives to reduce workplace stress.

- **Non-Discrimination:** We have a strict non discrimination policy that ensures all employees are treated fairly and with respect, regardless of their background, gender, age, or any other characteristic.

- **Reporting Mechanisms:** We have clear reporting mechanisms in place for employees to raise any safety concerns or incidents they may encounter. Whistle blowing channels are also available to report any violations of safety or ethical standards.

- **Emergency Response:** We have established emergency response procedures to address any unforeseen situations promptly and efficiently, ensuring the safety and welfare of our employees.
- **Continuous Improvement:** We are committed to continually improving our health, safety, and welfare practices. This includes staying updated on best practices, soliciting employee feedback, and making necessary adjustments to our policies and procedures.

- **Compliance:** We strictly adhere to all relevant health and safety regulations and regularly assess our practices to ensure compliance with the latest industry standards.

The health, safety, and welfare of our employees are integral to our company's values and success. We believe that by prioritizing these aspects, we create a positive and productive work environment where our employees can thrive and contribute to the company's growth and success.

13.4. Learning and Development

Our company maintains an unwavering commitment to the growth and development of our workforce, underlining our substantial investment in training and development initiatives. We have established comprehensive training and development programs to empower our employees, which are further enriched by expanded job roles and responsibilities.

To facilitate our employees' growth, we actively sponsor their participation in a wide range of training opportunities, including locally and internationally organized courses, workshops, seminars, and conferences. These endeavors equip our team members with essential skills and knowledge required for optimal performance in their daily tasks. Additionally, we complement these efforts with on-the-job training to enhance practical skills and competencies.

Embracing the digital age, our company has embraced e-learning as a versatile and accessible method of skill acquisition. We also offer coaching, cross-location work placements, and training attachments in reputable reinsurance companies, reinsurance brokers, and retrocessionaires. These experiences provide diverse perspectives and foster professional development.

In summary, our commitment to employee development extends across a spectrum of training avenues, ensuring that our workforce remains well-equipped, adaptable, and empowered to excel in their roles.

13.5. Employee remuneration and talent management

Our company places immense importance on the contributions of our employees and actively encourages their involvement in decision-making processes, whether they pertain to corporate matters or issues that impact their well-being. To foster a highly engaged and productive workforce, as well as instill a sense of accountability and ownership, we have implemented various initiatives.

One of these initiatives involves organizing management and team bonding retreats, where employees have the opportunity to interact with leadership teams in an informal setting. These retreats provide a platform for open dialogue and the exchange of ideas, helping to align our collective vision and goals.

We firmly believe that feedback from our employees is invaluable in steering our company in the desired direction. By actively involving them in decision-making and continuously seeking their input, we cultivate a culture of collaboration and empowerment, ensuring that our workforce remains motivated, committed, and aligned with our company's mission and objectives.

13.6. Whistleblowing Policy

Our company's whistleblowing policy has undergone a recent and comprehensive review, ensuring that it is fully up to date. This review has resulted in the establishment of a seamless and effective framework for reporting complaints.

Our whistleblowing policy is designed to encourage the reporting of any activities that may violate laws, regulations, or our company's code of conduct. We believe that individuals who are closest to the operations of our company are often the first to identify potential issues, and we value their input and commitment to upholding our principles.

We have established multiple reporting mechanisms to facilitate the reporting of concerns:

- **Internal Reporting:** Employees are encouraged to report concerns to their immediate supervisor or manager. If, for any reason, they are uncomfortable doing so, they can escalate their concerns to the next level of management or to the Human Resources department.
- **Anonymous Reporting:** We recognize that some individuals may be hesitant to come forward due to fear of retaliation or other concerns. Therefore, we offer an anonymous reporting channel through an independent third-party service provider. This channel allows individuals to report concerns without revealing their identity.
- **Online Reporting Portal:** We maintain an online reporting portal accessible to all stakeholders, including employees, contractors, and external parties. This portal is a secure and confidential platform for reporting concerns.

We are committed to protecting whistleblowers from retaliation. Any form of retaliation against an individual who reports a concern in good faith is strictly prohibited and will be met with appropriate disciplinary action. We understand the importance of maintaining confidentiality and will make every effort to protect the identity of the whistleblower.

In conclusion, Continental Re is steadfast in its dedication to ethical conduct and responsible business practices. Our whistleblowing policy is a vital component of this commitment, providing a secure and confidential channel for individuals to report concerns and help us maintain the highest standards of integrity within our organization. We are proud to include this policy as a reflection of our values in our annual report.

13.7. Internal communication/employee relationship

Internal communication and employee relationships are crucial aspects of our company's culture and operation. We recognize that effective communication and strong relationships among our employees are essential for a harmonious and productive work environment.

We prioritize open and transparent communication at all levels of the organization. Regular updates, town hall meetings, and departmental briefings ensure that employees are informed about company news, goals, and performance.

We have established feedback mechanisms that encourage employees to share their thoughts, concerns, and suggestions. This includes anonymous suggestion boxes, regular surveys, and one-on-one meetings with managers.

We have a clear and fair conflict resolution process in place to address any issues or disputes that may arise among employees. This ensures that conflicts are resolved promptly and professionally.

The well-being of our employees is a top priority. We offer comprehensive health and wellness programs, flexible work arrangements, and support for work-life balance to help employees maintain a healthy and fulfilling life both inside and outside of work.

We provide opportunities for career growth and advancement within the company. This includes mentorship programs, career planning discussions, and access to resources for skill development.

We have a robust recognition and rewards system in place to acknowledge and celebrate the accomplishments and contributions of our employees. This includes performance bonuses, awards, and public recognition.

We continuously evaluate and improve our internal communication and employee relationship initiatives based on feedback and changing needs. Our goal is to create an environment where every employee feels heard, valued, and empowered.

In summary, our company is dedicated to fostering a culture of open communication, strong relationships, and employee well-being. By prioritizing these aspects, we aim to create a positive and supportive workplace where our employees can thrive and contribute to our company's success.

14. External Auditors

The External Auditors, Messrs. PricewaterhouseCoopers, 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 – 5th Floor),
Lagos.

Dated: July 28, 2023.

1. Introduction

We acknowledge that Corporate Governance is the bedrock of any business as it provides fundamental structures and standards that align leadership with an 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 Ten (10) directors; six (6) non-executive directors, two (2) independent non-executive directors and two (2) executive directors.

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.

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 with 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 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 four (4) 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:

MEMBERS	MEETINGS			
	4/02/2022	29/04/2022	29/07/2022	31/10/2022
CHIEF AJIBOLA OGUNSHOLA (CHAIRMAN)	✓	x^1	x^2	x^3
MR.PAUL KOKORICHA	✓	✓	✓	✓
MR. FOLUSHO LAGUDA	✓	✓	✓	✓
MR. QUINTEN MATTHEW	✓	✓	✓	✓
MR.LAWRENCE NAZARE	✓	✓	✓	✓
MR. STEVE IWENJORA	✓	✓	✓	✓
MR. IAN . A TOFIELD	✓	✓	✓	x^5
MR.EMMANUEL BRULE	✓	✓	✓	✓
MS. SEUN ONI	✓	✓	✓	✓
MRS CHRISTABEL ONYEJEKWE	✓	✓	✓	✓
MR. JUNIOR NGULUBE	✓	✓	✓	✓

Notes

$X^1 – X^3$ Chief Ajibola Ogunshola resigned from the Board on February 4, 2022

X^5 Mr. Ian Tofield resigned from the Board on July 29, 2022

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 set 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				
	28/01/2022	22/04/2022	22/07/2022	26/10/2022	09/12/2022
MR. IAN TOFIELD (CHAIRMAN)	✓	✓	✓	x[1]	x[2]
MR. JUNIOR NGULUBE	✓	✓	✓	x[3]	x[4]
MR. LAWRENCE M. NAZARE *	✓	✓	✓	✓	✓
MRS. CHRISTABEL ONYEJEKWE*	x[5]	x[6]	x[7]	✓	✓
MR. PAUL KOKORICHA*	✓	x[7]	✓	✓	✓
MR. EMMANUEL BRULE	✓	✓	✓	x[8]	x[9]
MS. SEUN ONI *	x[10]	x[11]	x[12]	✓	✓
MR. QUINTEN MATTHEW *	x[13]	x[14]	x[15]	✓	✓
MR. STEVE IWENJORA	x[16]	x[17]	x[18]	✓	✓

Notes

x[1] – x[2] Mr. Ian Tofield resigned from the company on July 29, 2022

x[3] – x[18] The Board Committees were reconstituted at the board meeting of July 29, 2022, and the newly constituted Committee members had their first meeting in October 2022

*Current members of the committee.

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				
	28/01/2022	22/04/2022	22/07/2022	26/10/2022	09/12/2022
MR. EMMANUEL BRULE* (CHAIRMAN)	✓	✓	✓	✓	✓
MS. S EUN ONI*	x[1]	x[2]	x[3]	✓	✓
MR. LAWRENCE M. NAZARE*	✓	✓	✓	✓	✓
MR. FOLUSO LAGUDA*	✓	✓	✓	✓	✓
MR. JUNIOR NGULUBE*	x[4]	x[5]	x[6]	✓	✓
MR. STEVE IWEN JORA	✓	✓	✓	x[7]	x[8]
MR PAUL KOKORICHA*	x[9]	x[10]	x[11]	✓	✓
MR QUINTEN MATTHEW*	x[12]	x[13]	x[14]	✓	✓
MR. IAN A. TOFIELD	✓	✓	✓	x[15]	x[16]

Notes:

x[1]– x[14] The Board Committees were reconstituted at the board meeting of July 29, 2022, and the newly constituted
x[15]– x[16] Committee members had their first meeting in October 2022.
Mr. Ian Tofield resigned from the Board on July 29, 2022
* Current members of the committee.

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			
	28/01/2022	20/04/2022	22/07/2022	26/10/2022
MR. STEVE IWENJORA (CHAIRMAN)*	✓	✓	✓	✓
DR. EMMANUEL BRULE*	x[1]	x[2]	x[3]	✓
MR . LAWRENCE M. NAZARE*	✓	✓	✓	✓
MR . JUNIOR NGULUBE*	✓	✓	✓	✓
MR. FOLUSO LAGUDA*	✓	✓	✓	✓
MR S. CHRISTABEL ONYEJEKWE*	x[4]	x[5]	x[6]	✓

Notes:

X1 - X6 The Board Committees were reconstituted at the board meeting of July 29, 2022, and the newly constituted Committee members had their first meeting in October 2022.
* Current members of the committee.

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				
	28/01/2022	20/04/2022	27/04/2022	22/07/2022	26/10/2022
MR. PAUL KOKORICHA (CHAIRMAN)*	✓	X	✓	✓	X
MS SEUN ONI*	X[1]	X[2]	X[3]	X[4]	✓
MR. FOLUSO LAGUDA*	✓	✓	✓	✓	✓
MR. STEVE IWENJORA*	✓	✓	X	✓	✓
MRS. CHRISTABEL ONYEJEKWE	X[5]	X[6]	X[7]	X[8]	✓
MR. JUNIOR NGULUBE*	✓	✓	✓	✓	✓

Notes:
X1 - X8 The Board Committees were reconstituted at the board meeting of July 29, 2022, and the newly constituted Committee members had their first meeting in October 2022.
* Current members of the committee.

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.

7. Remuneration

7.1 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.

7.2 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 elements 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.

8. 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.

9. 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.

10. 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.

11. 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.

12. 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.

13. Diversity

The Company acknowledges that a diverse workforce is of significant social and commercial value and important to being an inclusive employer, the Company strives to create a work environment that is inclusive to all people regardless of gender, age, race, disability, religion, and cultural background. Staff distribution by gender for the Company and its subsidiaries is as shown below:

	Male	Female	Male %	Female %
Total Employees	75	57	57%	43%
Detailed analysis of top management:	Male	Female	Male %	Female %
Assistant General Manager	6	1	86%	14%
Deputy General Manager	4	2	67%	33%
General Manager	3	2	60%	40%
Executive Director	1	0	100%	
Group Managing Director	1	0	100%	

14. 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.

15. Whistle-blowing policy

The Company has an approved whistle-blowing Policy and procedure that encourages 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.

16. 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.

HNC PROFESSIONAL SERVICES

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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, 2022

Continental Reinsurance has a history of over 30 years during which they have established a wide network throughout Africa to serve their clients. Their actions are rooted in translating their pan-African track record and commitment into local value. Their mission is to offer reliable reinsurance security and services to their clients while delivering sustainable value to their shareholders and other stakeholders. At Continental Reinsurance, their conduct and decisions are guided by the values and principles that have shaped their organization over the last three decades, which include Commitment, Responsiveness, Trust, and Sustainability.

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 comprises directors who are competent and experienced with sound knowledge of business issues and experience in the insurance sector.

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

The following policies were considered during the exercise: Amended Credit Control Policy, Anti bribery and Corruption Policy, Compliance Policy, Whistle-blowing Policy, ERM Framework Strategy, Strategy framework, Non Executive Directors Remuneration Policy, Non-Audit Services Policy, Board Charter, Data Protection Policy, Stakeholder Management and Communication Policy.

Some of 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 well above average.

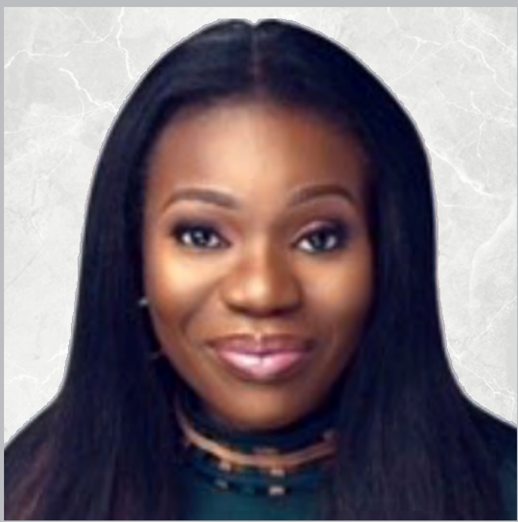
Given this, we rate the board 'Excellent' in regulatory compliance, accountability, and transparency with a score of 94%.

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 four (4) times, (ii) The Audit and Compliance Committee met five (5) times, (iii) the Board Nomination, Governance and Remuneration Committee Committee met five (5) times, (iv) the Board Enterprise Risk Management and Underwriting Committee met five (5) times and (v) the Board Finance, Investment And General Purposes Committee met four (4) times.

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 acceptably and satisfactorily in 2022.

For: **HNC PROFESSIONAL SERVICES**

Hilda Nkor (Mrs.), ACIS, MNIM, MIoD
FRC/2016/NIM/00000015618
Principal Consultant/CEO



AUDIT COMMITTEE CHAIRMAN'S STATEMENT

I am pleased to present the Audit Committee's report for the year ended 31st December 2022.

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 and approved its annual risk-based audit plan at the start of the financial year, monitored its implementation and assessment of the quality of contributions to the organisation by the Internal Auditors. Externally facilitated assessment of the effectiveness and efficiency of the internal audit function was also conducted by Messrs SIAO in line with best practice during the year and the reports of the assessments 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.

External Auditor

The Committee remained satisfised with the services provided by the external auditors, PWC. The appointment was reviewed (considering the auditor's effectiveness and independence and all appropriate guidelines) and finds that there are no contractual obligations or impediment that restrict PWC as the company's current choice of external auditor. The external auditors report to the Committee periodically on their independence as the Committee confirms the periodic rotation of key audit Managers and Engagement partners. Also, the External Auditors confirm their satisfaction on the level of co-operation they have enjoyed from Management which ensured the effective disposal of the duties during the year under review.

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.

We will also focus on ensuring the effective adoption and implementation of IFRS 9 and 17 in 2023 and continue to prioritize and oversee the governance of various transformation and compliance projects towards actualization of the company's business strategy.

'Seun Oni

Audit Committee Chairman

"At Continental Reinsurance, we are continuously investing in improving our risk management capabilities, adopting international best practices, and ensuring compliance with regulatory requirements to further improve our risk maturity level.

CONTINENTAL REINSURANCE

Risk Management Statement

Introduction

Despite continued economic challenges in 2022, Continental Reinsurance remained profitable, with investment income growth of about 43%, an increase in profits after tax of 25%, and stable return on equity of about 13%.

The Group also maintained its AM Best financial strength rating of B+, despite its challenging operating environment. This performance is an indication of the strength and adequacy of Continental Reinsurance's risk management framework, capabilities, and strategy, which the Group's board of directors, through the management team, continuously seeks to enhance.

At Continental Reinsurance, we are continuously investing in improving our risk management capabilities, adopting international best practices, and ensuring compliance with regulatory requirements to further improve our risk maturity level.

We recognize that Enterprise Risk management (ERM) is at the core of our operations and therefore prioritize the effective management of risks across our business.

Our risk management approach aims to minimise undue exposure and risk concentration, limit potential losses from stress events, and ensure continued capital adequacy.

This Risk Management Statement provides an overview of our risk management framework, our risk culture, and approach to managing various types of risks, including regulatory and compliance, insurance, financial, operational, strategic, and emerging risks.

Risk Management Framework

At Continental Reinsurance, we recognize that the risk landscape is dynamic and constantly evolving and therefore strive to maintain a robust risk management framework that is integrated into our business processes and decision-making.

The responsibility and accountability for risk management resides at all levels within the Group, from the board down through the company to each business manager and risk expert.

The ERM function, overseen by the Chief Risk Officer ("CRO"), plays a pivotal role in the Group's Enterprise Risk Management framework by designing and implementing processes for the identification, assessment, and reporting of risks, and by promoting the benefits of risk management across the group.

The Internal Audit function then assists the Board in evaluating the effectiveness of the internal controls put in place by management, through comprehensive audits and reviews of processes and procedures.

Our risk management framework is designed to ensure a systematic approach to risk identification, assessment, and mitigation. It follows internationally recognized standards, aligns with relevant regulatory requirements, supports the identification of current and emerging risks across the Group, is tailored to the specific needs of our operations, and adopts proactive measures to mitigate and manage risks effectively.

Risk Identification:

We have implemented a comprehensive risk identification process that involves continuously monitoring internal and external factors that could impact our operations. This includes analysing industry trends, reviewing economic conditions, and assessing emerging risks.

Risk Assessment:

Once risks are identified, we conduct a thorough assessment to understand their potential impact and likelihood. We utilize quantitative and qualitative methods to evaluate risks, considering both financial and non-financial factors. We also prioritize risks based on their significance and potential consequences.

Risk Mitigation:

To mitigate risks, we employ a range of strategies that are tailored to the specific nature of each risk. These strategies may include risk avoidance, risk transfer, risk reduction through internal controls and procedures, risk diversification, and risk retention within acceptable limits.

Internal Controls and Compliance:

We maintain a robust system of internal controls to ensure compliance with laws, regulations, and industry standards. These controls are regularly reviewed and updated to address emerging risks. We also have a dedicated team responsible for monitoring and enforcing adherence to our risk management policies and procedures.

Risk Monitoring and Reporting:

We continuously monitor risks to ensure that our mitigation strategies remain effective. This includes regular reporting to senior management and the board of directors, providing them with a comprehensive view of our risk profile. We also encourage a culture of risk awareness and reporting throughout the organization, enabling timely identification and response to emerging risks.

Risk Culture

At Continental Reinsurance, we recognize that effective risk management is a collective responsibility and requires the engagement of all employees.

Therefore, we have established clear roles and responsibilities for risk oversight, assessment, and mitigation, ensuring that risk management is embedded throughout the Group. We promote a risk-aware culture.

We strive to foster and promote a risk-aware culture that encourages proactive identification, assessment, and reporting of risks, by providing regular training and education programs, encouraging open communication, and recognizing and rewarding risk management efforts.

We also actively assess risk management maturity within the African industry and strive to promote best practices in risk management throughout the industry by collaborating with industry stakeholders, participating in industry forums, and sharing our knowledge and expertise to enhance risk management capabilities across the African reinsurance sector.

Current Risks Managed

The risks that currently impact on our business and stakeholders include but are not limited to regulatory and compliance, insurance, financial, operational, and strategic risks. However, we consider these to be the most pertinent to our operations and thus, seek to effectively manage them.

Regulatory and Compliance Risk

We recognize the importance of adhering to regulatory requirements and maintaining compliance with applicable laws and regulations across the jurisdictions in which we operate. Therefore, we actively monitor changes in regulatory landscapes and assesses the potential impact on our operations in various jurisdictions.

We have implemented robust compliance programs and internal controls to mitigate regulatory and compliance risks. We engage with regulators and industry bodies to stay informed and to contribute to the development of effective risk management practices.

Insurance Risk

At Continental Reinsurance, insurance risk is inherent in our business and as such, we employ rigorous underwriting practices, including risk assessment, pricing, and portfolio diversification, to manage insurance risk effectively.

We continuously monitor and assess our exposure to catastrophic events, claims experience, and emerging trends to ensure that our risk appetite aligns with our business objectives. Our risk management framework is continuously improving in maturity and scope, to include stress testing and scenario analysis to evaluate the potential impact of adverse events on our underwriting portfolio.

Financial Risk

Continental Reinsurance operates in dynamic financial markets and manages investment portfolios to optimize returns. These activities are affected by global economic and financial market volatility. Fluctuations in interest rates, exchange rates, and investment market conditions impact on our investment portfolios and profitability. Therefore, close monitoring of global economic trends and adjustment of investment strategies accordingly is necessary to optimize returns.

Continental Reinsurance employs prudent investment strategies, diversification, and risk limits to manage market risk effectively.

We closely monitor market trends, interest rates, foreign exchange rates, and other relevant factors to inform our investment decisions. Our risk management framework includes regular review and assessment of investment performance to ensure alignment with our risk appetite.

We seek to manage exposure to credit risks which stem from our reinsurance and investment activities by employing rigorous credit assessment procedures, including counterparty due diligence, credit limits, and monitoring of credit exposures.

We maintain a diversified portfolio of counterparties and regularly review their creditworthiness. Our risk management framework includes ongoing monitoring and proactive management of credit risk to minimize potential losses.

Operational Risk

We recognize that operational risks can arise from various sources, including internal processes, technology, human error, and external events. Therefore, at Continental Reinsurance, we have implemented robust operational risk management practices, including strong internal controls, business continuity planning, and regular assessments of operational vulnerabilities. We promote a culture of continuous improvement and learning to identify and mitigate operational risks effectively.

Strategic Risk

Continental Reinsurance Company operates in a dynamic and competitive industry. We actively assess and manage strategic risks that may impact our long-term objectives and business model. Our risk management framework includes regular strategic reviews, scenario planning, and stress testing to evaluate the potential impact of external factors on our strategic goals. We remain agile and adaptable to address emerging opportunities and challenges.

Emerging Risks Monitored

Continental Reinsurance actively monitors and evaluates emerging risks that may have a significant impact on our operations and the wider insurance industry. We engage in ongoing horizon scanning to identify emerging trends, technological advancements, climate change-related risks, and geopolitical shifts. By staying ahead of emerging risks, we are better equipped to adapt our risk management strategies and develop innovative solutions to address emerging challenges.

A few growing emerging risk concerns that may have a significant impact on our operations include the following:

Climate Change and Natural Catastrophes: We are increasingly concerned about the impact of climate change and the rise in natural catastrophes. Africa is increasingly vulnerable to extreme weather events such as droughts, floods, and storms. These events can lead to significant losses and increased claims for reinsurance companies. As a result, there is a need to assess and manage exposure to climate-related risks.

Technological Disruption: The rapid advancement of technology is disrupting the reinsurance industry globally. There is a need to keep pace with technological developments such as artificial intelligence, big data analytics, and blockchain. These technologies have the potential to transform underwriting processes, claims management, risk assessment, and customer experience. A failure to adapt to these technological changes may pose challenges in remaining competitive. Therefore, at Continental Reinsurance, we strive to keep a reasonable pace with these technological developments.

Environmental, Social and Governance (ESG) Responsibility: ESG (Environmental, Social, and Governance) considerations have gained significant attention in the reinsurance industry globally, including in Africa. While the concept of ESG integration is relatively new in the African reinsurance market, there is a growing interest among companies to incorporate ESG factors into their operations and decision-making processes.

Regulatory bodies in Africa are recognizing the importance of ESG factors in the insurance industry and are developing frameworks and guidelines to encourage insurers to integrate ESG considerations into their strategies and operations. Regulatory requirements related to ESG reporting, disclosure, and risk management are being introduced, driving insurers to adopt sustainable practices.

Therefore, a failure to align with business operations with sustainable development goals, support initiatives that address social challenges, and integrate environmental, social, and governance (ESG) factors into business practices may be a source of strategic and operational risks.

At Continental Reinsurance, we have certainly embraced ESG principles and have integrated them into our business strategy. The Group has developed a comprehensive ESG policy, is a signatory to the United Nations Environment Programme Finance Initiative (UNEP FI) Principles for Sustainable Insurance (PSI), and actively supports initiatives related to climate change resilience, social development, and corporate governance.

We integrate ESG considerations into our risk assessment and decision-making processes to ensure that we mitigate potential risks associated with these factors and contribute to the long-term resilience of the African insurance and reinsurance industry.

- **Regulatory Landscape:** The regulatory landscape is constantly evolving globally, and at Continental Reinsurance, we ensure that the Group stays informed of and complies with international standards. Regulatory developments related to solvency requirements, capital standards, risk management practices and financial reporting requirements also have a significant impact on operations. Therefore, we strive to maintain robust systems and processes in place to meet these regulatory requirements.

As the implementation deadline for IFRS 9 (Financial instruments) and IFRS 17 (Insurance contracts) approaches, we anticipate possible operational impacts and a few key considerations we are abreast of include the following:

- **Data and Systems:** The implementation of these standards will require adapting to changes in the way data is collected and analysed to meet the new reporting requirements. The Group is continuously enhancing its data collection processes, systems, and IT infrastructure and has invested in data management solutions to ensure accurate and timely reporting.

- **Processes and Controls:** The Group is updating its accounting processes and internal controls to align with the requirements of IFRS 9 and IFRS 17. This includes ensuring appropriate processes are in place for the classification and measurement of financial instruments, impairment calculations, and insurance contract measurement and disclosures.

- **Staff Training and Expertise:** The Group has also invested in providing training and education to critical teams to ensure that a good understanding of the new standards and their implications is established.

Stakeholder Communication: There is also ongoing communication of the impact of IFRS 9 and IFRS 17 to key stakeholders, who are provided with updates on the progress of the implementation, and potential financial impacts, and informed of expected changes to financial statements and disclosures.

The Group has a robust plan in place to actively monitor and address any operational impacts that arise post-implementation of IFRS 9 and IFRS 17, to ensure compliance with the standards while minimizing any disruption to their financial reporting processes.

Closing Statement

Continental Reinsurance closely monitors economic trends and developments to inform our risk management strategies.

While the economic outlook for 2023 is subject to various uncertainties, due to political instability, economic volatility, and the continued underdevelopment of the African insurance industry, we remain optimistic and anticipate continued growth for our business.

We shall remain vigilant in assessing macroeconomic factors, such as GDP growth, inflation rates, political stability, and currency fluctuations, to proactively manage potential risks and capitalize on emerging opportunities.

The Group continues to maintain a comprehensive risk management framework, prioritize compliance with regulations and laws and foster a risk-aware culture that aims to protect the interests of our stakeholders, ensure long-term sustainability, and contribute to the resilience of the African reinsurance industry.

Our commitment to risk management is integral to our mission of providing "credible reinsurance security and services to our clients and sustainable value to our shareholders".

Mr. Paul Oje Kokoricha
Chairman

Mr. Steve Olisa Iwenjora
Non-Executive Director

Mr. Emmanuel Brule
Non-Executive Director

Mrs. Christabel Onyejekwe
Non-Executive Director

Mr. Quinten Matthew
Non-Executive Director

Mr. Foluso Laguda
Non-Executive Director

Ms. Oluwaseun Oni
Non-Executive Director

Mr. John Ngulube
Non-Executive Director

Mr Lawrence Mutsunge Nazare
Group Managing Director

Mr. Chukwuemeka Akwiwu
Executive Director – Technical Operations

Management Team

Lawrence Nazare
Managing Director/CEO

Mr. Chukwuemeka Akwiwu
Executive Director – Technical Operations

Jane Mberia
Chief Finance Officer

Ms. Patricia Ngozi Ifewulu
Company Secretary/Head,
Legal Services & Compliance

Diana Ussher-Eke
Head, Human Resources
& Human Capital Development

Cedric Maxwell
Chief Risk Officer

Ogadi Onwuaduegbo
Regional Director
(Lagos Operations)

Abayomi Okeowo
Head, Internal Audit

Bashir Akinsiku
Chief Underwriting Officer

Statement of Director's Responsibility in relation to the Preparation of 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 respect, 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:

i. Keep proper accounting records that disclose, with reasonable accuracy the financial position of the Company and Group and comply with the requirement of the Companies and Allied Matters Act and the Nigerian Insurance Act.
ii. Establish adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
iii. Prepare financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates that are consistently applied.

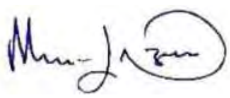
The Directors accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with the International Financial Reporting Standard (IFRS) and requirements of the Companies and Allied Matters 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 value of the state of the financial affairs of the Group and of the financial performance and cash-flow 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 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:

Mr. Paul Kokoricha
Chairman
FRC:2015/ICAN/00000013047



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

CONTINENTAL REINSURANCE

Statement of Corporate Responsibility for the Financial Statements

For the year ended December 31, 2022.

Pursuant to Section 405 of the Companies and Allied Matter Act, 2020, we, the undersigned hereby certify that we have reviewed the consolidated audited financial statements of the Company for the year ended December 31, 2022, and to the best of our knowledge, the Financial Statement does not contain:

a) any untrue statement of material fact or omission of material fact, which would make the statements misleading, in the light of the circumstances under which such statement was made.

b) The consolidated audited financial statements and all other financial information included in the financial statements fairly present, in all material respects, the financial condition and results of the operation of the Company for the year ended December 31, 2022.

The company's internal Controls has been designed to ensure that material information relating to the Company and its subsidiaries have been provided to the Auditors during the Audit.

The company's internal controls were evaluated within 90 days of the Financial Reporting date and are effective as of December 31, 2022.

We have disclosed to the Company's Auditor's and the Audit Committee that there are no significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarize and report financial data, and has discussed with the auditor's any weaknesses in internal controls observed during the Audit. There is no fraud involving management or other employees which could have any significant role in the Company's internal control.

There are no significant changes in internal controls or in other factors that could significantly affect internal controls after the date of the audit, including any corrective actions with regard to significant deficiencies and material weaknesses.

Mr. Paul Kokoricha
Chairman
FRC:2015/ICAN/00000013047

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

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

03

Financial Statements

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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 2022, 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 2022;
- the consolidated and separate statements of financial position as at 31 December 2022;
- 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, which include a summary 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.

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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 2022 was N 83.4 billion and N 34.6 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 Chain ladder, loss ratio and Bornhuetter-Ferguson methods 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 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 2022 was N 46.3 billion and N 19.2 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 • On a sample basis, evaluated the existing relationship between the company and selected cedants, checked for existence of business contract 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 2022 was N 5.2 billion and N 1.9 billion for the group and company respectively. We focused on this balance because significant judgement and estimate are made by management. The directors' employed the use of a property valuation expert to perform these valuations. The valuation technique adopted for each property is determined by the rental income, rental risk, title documents and current use of the property. Management made significant assumptions in determining the rental risk and future rental income. 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 [identify the applicable financial reporting framework] 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 comprehensive income are in agreement with the books of account and returns.

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
ICAN
0074375

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

16 February 2023

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

Statement of Significant Accounting Policies

1 General information

a. The consolidated financial statements of Continental Reinsurance Plc and its subsidiaries (collectively, the Group) for the year ended 31 December 2022 were authorised for issue in accordance with a resolution of the Directors on 3 February 2023.

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 2022. 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 writeoffs 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 N5,160,413,000 (2021: N4,308,077,000) and Company N3,648,298,000 (2021: N2669,470,000).

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 N78,265,624,000 (2021: N50,261,429,000) and Company N30,931,735,000 (2021: N22,730,632,000).

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 N24,755,752,000 (2021: N13,733,327,000) and Company N11,952,129,000 (2021: N5,909,022,000).

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 N234,192,000 (2021: N229,665,000) and Company N347,243,000 (2021: 278,299,000). 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 N1,115,108,000 (2021: N542,746,000) and Company N759,441,000 (2021: 384,408,000).

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 2022. 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 N5,201,836,000 (2021: N4,925,062,000) and Company N1,849,900,000 (2021:N1,826,200,000).

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 N46,562,280,000 (2021: N31,333,426,000) and Company N19,234,086,000 (2021:N12,279,107,000).

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 2022:

a Property, Plant and Equipment: Proceeds before intended use Amendments to IAS 16, effective January 1, 2022

The amendment to IAS 16 Property, Plant and Equipment (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is testing whether the asset functioning properly when it assesses technical and physical performance of the asset.

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

b Reference to the Conceptual Framework Amendments to IFRS 3, effective January 1, 2022

Minor amendments were made to IFRS 3 Business Combinations to update the references to the Conceptual Framework for Financial Reporting and to add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets and Interpretations. The amendments also confirm that contingent assets should not be recognised at the acquisition date.

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:

a Classification of Liabilities as Current or Non-current Amendments to IAS 1 effective 1 January 2023

The narrow-scope amendments to IAS 1 Presentation of Financial Statements clarify that liabilities are classified as either current or non- current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations or events after the reporting date (e.g. the receipt of a waver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the "settlement" of a liability. The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intention determine classification and for some liabilities that can be converted into equity. They must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

The impact of this amendment on the Group's financial statements is currently under assessment.

b 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 N93.8billion as at 31 Dec 2022 (31 Dec 2021 : N60.5billion), Company N39.2billion (31 Dec 2021: 27.7billion) which is greater than 80 per cent of the total carrying amount of all its liabilities as at 31 Dec 2022 and 31 Dec 2022 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	
	2022	2021
Bonds	34,909,144,069	22,967,912,021
Treasury Bills	2,272,407,811	1,284,167,979

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

	Fair Value	
	2022	2021
Quoted Equity Securities	421,395,000	593,401,000
Unquoted Equity Securities	631,971,000	575,163,000

c 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

The Group will adopt IFRS 17 retrospectively and restate the comparative period of 2022. Adoption of IFRS 9 was deferred and will be adopted with IFRS 17 effective January 2023. The Group will apply the classification overlay for selected asset portfolios backing direct participating insurance contracts which are accounted for at amortized cost under the current accounting framework but are expected to be accounted for at fair value with changes in fair value recorded in other comprehensive income (OCI) under IFRS 9. Expected credit loss requirements will not be adopted as part of the overlay approach.

In order to adopt IFRS 17 and IFRS 9 in the consolidated financial statements, a joint IFRS 17 and IFRS 9 Group Implementation Project (workstream) sponsored by the Group Chief Financial Officer has been operating since 2021.

To be able to present the comparative period information according to IFRS 17, significant progress has been made in 2022 to ensure operational readiness for the opening balance sheet reporting as of the transition date of January 1, 2022. During the third quarter 2022, activities were underway to consolidate and analyze the financial information gathered by the Group and perform reviews and assessment of the impact of application of IFRS 17 based on the various transition approaches. The Group determined the transition approach is at a group of insurance contracts level, depending on availability of reasonable and supportable historic information. The selected transition approach affects the measurement of the CSM on initial adoption of IFRS 17:

- Fully retrospective approach- the CSM is based on initial assumptions when groups of contracts were incepted and rolled forward to the date of transition as if IFRS 17 had always been applied.
- Modified retrospective approach-the CSM is calculated using modifications allowed by IFRS 17 taking into account the actual pre-transition fulfilment cash flows; and
- Fair value approach- the CSM at transition is calculated as the difference between the fair value of a group of contracts, without the consideration of demand deposit floor requirement, and the respective fulfilment cash flows measured at the transition date.

The Group will apply a retrospective transition approach whenever practical and expects that most groups of insurance contracts will follow either full retrospective approach or modified retrospective approach.

The Group has assessed that the majority of its non-life reinsurance contracts issued, and reinsurance contracts held in force as of transition date, will be eligible for the application of the simplified approach and will apply the simplified approach for such contracts under IFRS 17. Due to their short-term nature such in-force contracts will typically use the fully retrospective transition approach. However, for contracts that have expired prior to the transition date, for which no eligibility assessment for the application of the simplified approach has been performed, the Group will applybuilding block approach with certain permissible transition modifications. The use of these modifications will result in the measurement of the liability for incurred claims under modified retrospective or fair value approach using discountrates as at transition date. As the Group already applies best-estimate reserving under its current accounting policies, the implementation of IFRS 17 is not expected to have a major impact on non-life nominal reserves. The impact on shareholders' equity at transition is expected to result from the offsetting effects from the application of discounting (positive effect) and risk adjustment for non-financial risk for the Group's loss reserves (negative effect). Overall, we expect a slight decrease in shareholders' equity for non-life business with transition to IFRS 17. The effect of onerous groups of contracts is not expected to be material for the Group financial statements.

d Definition of Accounting Estimates Amendments to IAS 8 effective 1 January 2023

The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

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.

c. General insurance

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

2.9.1 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.

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 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.

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.

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 amortized 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.

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-tomaturity 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 N1,073,257,000 (2021:N1,189,153,000) and Company N1,053,365,000 (2021:N1,168,563,000).

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.

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 2022 (2021: 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.

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. Remeasurements 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.

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.

Consolidated and separate statement of profit or loss and other comprehensive income

For the year ended 31 December 2022

	Notes	Group Dec. 2022 =N='000	Group Dec. 2021 =N='000	Company Dec. 2022 =N='000	Company Dec. 2021 =N='000
Gross premium written		103,216,204	70,385,076	44,492,292	34,925,988
Insurance premium revenue	1.1	86,355,360	64,171,133	38,771,796	30,622,181
Insurance premium ceded to retrocessionaires	1.2	(22,409,273)	(14,408,031)	(8,944,538)	(4,627,346)
Net insurance premium revenue		63,946,087	49,763,102	29,827,258	25,994,835
Commission earned under retrocession arrangements	1.3	5,984,896	3,733,785	2,040,134	974,191
Underwriting income		69,930,983	53,496,887	31,867,392	26,969,026
Insurance Benefits					
Insurance claims and loss adjustment expenses	2.1	41,170,781	32,044,590	20,264,529	18,840,626
Insurance claims and loss adjustment expenses recoverable from retrocessionaire	2.1	(6,705,349)	(5,779,739)	(3,171,922)	(3,152,062)
Net insurance benefits and claims		34,465,432	26,264,851	17,092,607	15,688,564
Underwriting expenses	2.2	30,182,276	23,203,607	13,020,672	10,968,774
Insurance benefits and underwriting expenses		64,647,708	49,468,458	30,113,279	26,657,338
Underwriting profit		5,283,275	4,028,430	1,754,113	311,688
Interest income	3	3,725,418	2,507,381	2,021,397	1,276,381
Fair value gain on investment properties	4	241,268	127,392	23,700	11,600
Other income	5	844,310	1,062,300	411,082	164,651
Foreign exchange gain	5b	2,137,034	1,142,574	2,246,333	914,585
Administrative expenses	6.2	(2,096,373)	(2,023,022)	(1,222,178)	(1,301,873)
Impairment charge (release) during the year	6.3	(1,698,243)	(178,265)	(1,003,915)	80,266
Profit before income tax		8,436,689	6,666,790	4,230,532	1,457,298
Income tax	8	(1,601,691)	(1,217,964)	(428,626)	(123,352)
Profit for the year		**6,834,998**	**5,448,826**	**3,801,906**	**1,333,946**
Attributable to:					
Equity holders of the Parent		**5,619,752**	**3,804,307**	**3,801,906**	**1,333,946**
Non controlling interest		**1,215,246**	**1,644,519**	-	-
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 assetsavailable for sale financial assets	7	(67,027)	51,099	(65,828)	51,510
Reclassification adjustments to gains on available for sale financial assets included in profit or loss					
Exchange difference on translation of foreign operation		947,775	450,611	-	-
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods:					
Remeasurement of post employment benefits obligations	27.2	(606,629)	(165,469)	(413,143)	(117,196)
Income tax relating to component of other comprehensive income	9.1	181,989	(41,912)	123,943	35,159
Other comprehensive (loss)/income for the year, net of tax		**456,108**	**294,329**	**(355,028)**	**(30,527)**
Total comprehensive income for the year		7,291,106	5,743,155	3,446,878	1,303,419
Attributable to:					
Equity holders of the parent		**6,075,860**	**4,098,636**	**3,446,878**	**1,303,419**
Non controlling interest		1,215,246	1,644,519	-	-
		7,291,106	**5,743,155**	**3,446,878**	**1,303,419**
Earnings per share basic and diluted (kobo)	10	**45**	**30**	**30**	**11**

See accompanying notes to the consolidated financial statements.

Consolidated and separate statement of financial position

as at 31 December 2022

	Notes	Group Dec. 2022 =N='000	Group Dec. 2021 =N='000	Company Dec. 2022 =N='000	Company Dec. 2021 =N='000
Assets					
Cash and cash equivalents	11	17,335,926	16,239,808	11,246,049	9,466,791
Financial assets					
- Loans and other receivables	12	407,665	264,732	344,470	175,325
- Available-for-sale investments	13	1,073,257	1,189,153	1,053,365	1,168,563
- Held to maturity investments	14	36,141,175	24,231,490	17,782,034	11,235,664
Reinsurance receivables	15	46,341,505	31,333,426	19,234,086	12,279,107
Retrocession assets	16	26,952,005	16,046,933	5,944,877	6,261,679
Deferred acquisition costs	17	10,045,012	7,036,111	4,707,953	3,548,781
Other receivables and Prepayments	18	886,700	389,003	2,311,852	2,929,146
Right of use Asset	18b	112,254	156,903	2,569	230
Tax recoverable	18c	307,425	-	-	-
Investment in subsidiaries	19	-	-	6,123,109	6,123,109
Investment properties	20	5,201,836	4,925,062	1,849,900	1,826,200
Intangible assets	21	84,470	121,470	84,470	121,470
Property, plant and equipment	22	2,922,176	2,874,626	1,699,226	1,752,803
Statutory deposits	23	1,000,000	1,000,000	1,000,000	1,000,000
Deferred tax assets	9	125,606	-	-	-
Total assets		**148,937,011**	**105,808,717**	**73,383,960**	**57,888,868**
Liabilities					
Insurance contract liabilities	24	83,426,036	54,569,505	34,580,032	25,400,102
Reinsurance creditors	25	9,680,733	4,561,180	3,986,886	1,795,850
Other payables and Accruals	26	2,863,200	1,323,252	1,718,485	1,605,133
Lease liability	26b	162,476	202,580	26,687	22,771
Retirement benefit obligations	27	1,115,108	542,746	759,441	384,408
Current income tax payable	8	808,489	1,317,178	661,720	536,867
Deferred tax liabilities	9	359,798	62,214	347,243	287,149
Total liabilities		**98,415,841**	**62,578,655**	**42,080,494**	**30,032,280**
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	9,297,686	8,269,316	8,752,289	7,508,549
Retained earnings	31	13,130,941	8,918,338	7,812,692	5,543,725
Available-for-sale reserve	32.1	269,112	335,718	275,513	341,340
Foreign currency translation reserve	32.2	3,165,625	2,576,824	-	-
Equity attributable equity holders of the parent		**40,326,338**	**34,563,169**	**31,303,466**	**27,856,587**
Non-controlling interest	33	10,194,832	8,666,893	-	-
Total equity		**50,521,170**	**43,230,062**	**31,303,466**	**27,856,587**
Total liabilities and equity		**148,937,011**	**105,808,717**	**73,383,960**	**57,888,868**

Mr. Paul Oje Kokoricha
Non Executive Director
FRC:2015/ICAN/00000013047

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

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

Consolidated statement of changes in equity

For the year ended 31 December 2022

Group	Notes	Share capital	Share premium	Contingency reserve	Retained earnings	Available-for-sale reserve	Foreign currency translation reserve	Non controlling interest	Total equity
		Attributable to the equity holders of the parent							
		=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000
As at 1 January 2022		6,258,602	8,204,371	8,269,316	8,918,338	335,718	2,576,824	8,666,893	43,230,062
Profit/(loss) for the period		-	-	-	5,619,752	-	-	1,215,246	6,834,998
Exchange difference on foreign currency translation	32.2						588,801	358,974	947,775
Other comprehensive income;									-
Employment benefits obligations (net of tax)					(378,778)			(45,862)	(424,640)
Available for sale financial assets		-	-	-	-	(66,607)	-	(420)	(67,027)
		-	-	-	5,240,974	(66,607)	588,801	1,527,938	7,291,106
Transfer of contingency reserve		-	-	1,028,370	(1,028,370)	-	-	-	-
		-	-	1,028,370	(1,028,370)	-	-	-	-
At 31 December 2022		6,258,602	8,204,371	9,297,686	13,130,941	269,112	3,165,625	10,194,832	50,521,169
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 for the year		-	-	-	3,804,307	-	-	1,644,519	5,448,826
Exchange difference on foreign currency translation							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)	51,099
		-	-	-	3,609,436	51,243	331,550	1,750,926	5,743,155
Transactions with owners									
Transfer of contingency reserve		-	-	995,251	(995,251)	-	-	-	-
Capital contribution		-	-					-	-
		-	-	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	43,230,062

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

Separate statement of changes in equity

For the year ended 31 December 2022

Company	Notes	Share capital	Share premium	Contingency reserve	Retained earnings	Available-for-sale reserve	Foreign currency translation reserve
		Attributable to the equity holders of the parent					
		=N='000	=N='000	=N='000	=N='000	=N='000	=N='000
As at 1 January 2022		6,258,602	8,204,371	7,508,549	5,543,725	341,340	27,856,587
Capital injection during the year		-	-				-
Profit for the period		-	-	-	3,801,906	-	3,801,906
Other comprehensive income;							
Employment benefits obligations (net of tax)					(289,200)		(289,200)
Available for sale financial assets		-	-	-		(65,828)	(65,828)
		-	-	-	3,512,706	(65,828)	3,446,878
Transfer of contingency reserve		-	-	1,243,740	(1,243,740)	-	-
		-	-	1,243,740	(1,243,740)	-	-
At 31 December 2022		6,258,602	8,204,371	8,752,289	7,812,692	275,513	31,303,466
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 year		-	-	-	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	51,510
		-	-	-	1,251,909	51,510	1,303,419
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	5,543,725	341,340	27,856,586

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

Consolidated and separate statement of cash flows

For the year ended 31 December 2022

	Notes	Group Dec. 2022 =N='000	Group Dec. 2021 =N='000	Company Dec. 2022 =N='000	Company Dec. 2021 =N='000
Cash flows from operating activities					
Premium received from policy holders		77,608,805	59,301,336	36,218,209	30,251,720
Retrocession receipts in respect of claims and commission		9,861,713	5,902,176	5,833,738	4,617,793
Acquisition costs paid		(19,636,450)	(17,218,171)	(8,898,672)	(8,324,020)
Retrocession premium paid		(24,116,681)	(15,503,308)	(9,099,258)	(5,722,622)
Cash paid to and on behalf of employees		(3,601,480)	(2,808,253)	(1,792,570)	(1,245,482)
Other operating cash payment and receipts		(2,325,422)	(1,893,685)	(1,326,623)	(1,574,774)
Claims paid		(30,232,147)	(23,954,977)	(16,805,094)	(15,183,158)
Cash receipt onbehalf of third party on retrocession	26.1	603,467	-	603,467	-
Income taxes paid	8	(1,790,538)	(692,712)	(119,737)	(178,820)
Net cash generated by operating activities	**34**	6,371,266	3,132,404	4,613,460	2,640,637
Cash flows from investing activities					
Purchase of property, plant and equipment	22	(222,126)	(251,421)	(123,074)	(160,415)
Proceed from disposal of investment property		-	403,000	-	403,000
Purchase of intangible assets	22	(21,787)	(147,256)	(21,787)	(147,256)
Proceeds from disposal of property, plant and equipment		1,626	33,033	1,532	28,719
Purchase of investment securities		(14,378,123)	(11,761,247)	(7,407,185)	(5,759,202)
Proceeds on redemption /sales of investments		4,702,636	4,237,928	2,219,831	622,899
Interest received		3,405,487	2,806,909	1,660,045	1,286,414
Dividend received		20,818	32,380	20,818	32,380
Investment in subsidary		0	-	0	0
Net cash used in investing activities		(6,491,470)	(4,646,674)	(3,649,820)	(3,693,460)
Cash flows from financing activities					
Dividends paid to equity holders parent	26.1	-	-	-	-
Capital injection/(refund) during the year		-	-	-	-
Net cash used in financing activities		-	-	-	-
Net increase in cash and cash equivalents		(120,204)	(1,514,271)	963,640	(1,052,823)
Cash and cash equivalents at beginning of year		16,295,836	19,015,115	9,522,820	11,474,009
Effect of exchange rate changes on cash and cash equivalents		1,160,296	(1,205,007)	759,589	(898,366)
Cash and cash equivalents at end of year	**35**	17,335,927	16,295,836	11,246,049	9,522,820

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

		Group Dec. 2022 =N='000	Group Dec. 2021 =N='000	Company Dec. 2022 =N='000	Company Dec. 2021 =N='000
1	**Revenue**				
1.1	**Insurance premium revenue**				
	Premium revenue arising from insurance contracts issued				
	Life insurance contracts				
	– Gross Premium	7,627,495	5,648,442	6,200,508	4,531,862
	– Change in life unearned premium (Note 24.3a)	(1,208,018)	(813,589)	(957,834)	(675,065)
	Non life insurance contracts				
	– Gross Premium	95,588,710	64,736,634	38,291,784	30,394,126
	– Change in unearned premium provision (note 24.1)	(15,652,826)	(5,400,354)	(4,762,662)	(3,628,742)
	Total Premium revenue arising from insurance contracts issued	86,355,360	64,171,133	38,771,796	30,622,181
1.2	**Insurance premium ceded to retrocessionaires**				
	Premium revenue ceded to retrocessionaires on insurance contracts issued				
	Life insurance contracts	1,399,539	561,833	1,305,255	459,423
	Non life insurance contracts	26,596,388	14,941,475	8,582,509	5,263,199
	Gross premium ceded to retrocessionaires	27,995,927	15,503,307	9,887,763	5,722,622
	Change in retrocessionaire share of unearned premium reserve-Life	(238,820)	(54,664)	(221,224)	(54,664)
	Change in retrocessionaire share of unearned premium reserve-Non Life	(5,347,834)	(1,040,612)	(722,002)	(1,040,612)
	Cost of Premium revenue ceded to retrocessionaires on insurance contracts issued	22,409,273	14,408,031	8,944,538	4,627,346
	Net insurance premium revenue	**63,946,087**	**49,763,102**	**29,827,258**	**25,994,835**
1.3	**Commission earned under retrocession arrangements**				
	Commission received on premium ceded to retrocessionaires-Life	218,211	220,775	190,317	174,789
	Commission received on premium ceded to retrocessionaires-Non Life	5,766,686	3,513,010	1,849,817	799,402
		5,984,896	**3,733,785**	**2,040,134**	**974,191**
2	**Insurance benefits and underwriting expenses**				
2.1	**Insurance claims and loss adjustment expenses**				
	Life insurance contracts (note 24.1b)	2,750,028	2,912,686	2,278,116	1,496,877
	Non life insurance contracts (note 24.3)	38,420,752	29,131,904	17,986,413	17,343,749
	Total cost of policyholder benefits	41,170,781	32,044,590	20,264,529	18,840,626
	Insurance claims and loss adjustment expenses recoverable from retrocessionaire	(6,705,348)	(5,779,739)	(3,171,922)	(3,152,062)
	Net insurance benefits and claims	**34,465,432**	**26,264,851**	**17,092,607**	**15,688,564**
2.1a	**Breakdown of claims recovery**				
	Claims recovered and recoverable on paid claims	3,212,873	2,376,124	3,730,928	1,513,755
	Change in retro share of outstanding claims liabilities (note 16.4)	3,492,475	3,403,614	(559,006)	1,638,307
		6,705,348	**5,779,739**	**3,171,922**	**3,152,062**
2.2	**Underwriting expenses**				
	Amortized acquisition cost for the year (Note 17)	23,070,218	15,575,975	9,060,619	7,164,213
	Costs incurred for the maintenance of insurance contracts	1,515,045	2,286,405	1,042,854	895,499
	Management expenses (See Note 6.1)	5,597,013	5,341,227	2,917,199	2,909,062
	Total underwriting expenses	30,182,276	23,203,607	13,020,672	10,968,774
	Total insurance benefits and underwriting expenses	**64,647,709**	**49,468,458**	**30,113,279**	**26,657,338**

	Group Dec. 2022 =N='000	Group Dec. 2021 =N='000	Company Dec. 2022 =N='000	Company Dec. 2021 =N='000
3 Interest income				
Cash and bank balances interest income	579,992	998,236	388,907	728,752
Held-to-maturity and loans and receivables interest income	3,097,203	1,485,869	1,584,267	524,353
Statutory deposits interest income	48,223	23,276	48,223	23,276
Interest income	**3,725,418**	**2,507,381**	**2,021,397**	**1,276,381**
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	241,268	127,392	23,700	11,600
Total	**241,268**	127,392	23,700	11,600

5 Other income	Group Dec. 2022 =N='000	Group Dec. 2021 =N='000	Company Dec. 2022 =N='000	Company Dec. 2021 =N='000
Available-for-sale:				
– Dividends	20,818	32,380	20,818	32,380
– Gain on disposal of available-for-sale securities	140,041	2,546	140,041	2,546
Gain/(loss) on disposal of property, plant and equipment	677	(17,065)	585	(20,355)
Gain/(loss) on disposal of investment property	-	48,580	-	48,580
Income on investment properties (Note 20.1)	99,573	127,864	26,372	49,333
Income from management and technical services	-	-	-	-
Interest on staff loan	12,154	7,791	12,154	7,791
Others (Note 5a)	571,047	860,203	211,112	44,376
	844,310	1,062,300	411,082	164,651

		Group Dec. 2022 =N='000	Group Dec. 2021 =N='000	Company Dec. 2022 =N='000	Company Dec. 2021 =N='000
5	**Breakdown of others**				
	Interest on premium/loss reserve	82,163	15,207	27,418	462
	Recoveries from prior year written-off receivables	333,549	796,525	21,211	19,775
	Write back from prior year accruals	47,416	-	47,416	-
	Receipt from parent company relating to prior years audit and conferences	103,214	-	103,214	-
	Other sundry receipts	4,705	48,471	11,853	24,138
		571,047	860,203	211,112	44,376

During the year the company was re-imbursed by her parent company for expenses incurred on half year audit of 2018 and 2019 financial years and group seminars and conferences in 2020. These had earlier been expensed by the company in they year they were incurred.

		Group Dec. 2022 =N='000	Group Dec. 2021 =N='000	Company Dec. 2022 =N='000	Company Dec. 2021 =N='000
5b	**Foreign exchange gain**				
	Net forex gain on investment assets	2,431,487	1,161,657	1,746,702	860,714
	Net forex gain on foreign currency banks	297,567	43,350	274,220	37,652
	Net forex gain (loss) on reinsurances receivables/payables	(593,558)	(39,302)	136,604	16,112
	Net forex gain (loss) on retrocessionaires assets/payables	1,539	(23,132)	1,231	(8,579)
	Net forex gain on intercompany balances	-	-	87,578	8,685
		2,137,034	1,142,574	2,246,333	914,585
6	**Operating expenses**				
6.1	**Management expenses**				
	Employee benefits expenses	3,392,905	2,464,378	1,632,203	1,042,757
	Executive Directors emoluments	208,575	343,875	160,367	202,725
	Gratuity, redundancy and other employee related expenses	297,094	836,992	159,838	836,992
	Subscriptions	45,651	63,341	26,463	23,495
	Business travels	181,129	163,573	116,060	115,997
	Supervisory and regulatory levy	388,021	334,381	349,260	277,256
	Training and seminars	141,947	140,540	53,861	31,022
	Rent and rates	114,612	183,167	36,707	41,631
	Bank charges	108,272	94,476	52,611	41,603
	Stationeries, Printing and telephone	74,991	78,595	23,315	23,398
	Electricity, fuel and diesel	97,435	91,600	86,631	62,936
	ICT expenses-Hardware and software maintenance	169,921	141,657	108,712	91,303
	Advert and publicity	158,913	152,119	77,408	89,985
	Entert. & Public Relations	33,980	46,355	19,703	10,343
	Stamp duty, registrars fees and charges	60,833	56,245	1,848	1,747
	Depreciation of right-of-use assets (note 18b)	44,649	39,425	5,811	5,590
	Interest expense(release) on lease liability during the year (note 26b)	-	19,434	-	1,009
	Clients development	57,758	48,047	19	149
	Other operating expenses	20,326	43,028	6,382	9,123
	Total management expenses	5,597,013	5,341,227	2,917,199	2,909,062

Included in management expenses is an interest release on lease liability of N62.4m for the group. Company N3.6m

		Group Dec. 2022 =N='000	Group Dec. 2021 =N='000	Company Dec. 2022 =N='000	Company Dec. 2021 =N='000
6.2	**Administrative expenses comprises the following:**				
	Depreciation and amortisation (Note 21 and 22)	299,729	357,480	234,492	307,939
	Auditor's remuneration	126,548	134,344	45,000	44,385
	Consultancy and professional fees	406,694	483,240	261,738	284,107
	Non-executive directors expenses	235,324	152,657	165,102	97,237
	Investment expenses	307,966	160,060	18,141	13,769
	Productivity bonus	683,176	540,551	483,954	540,551
	Other administrative expenses	36,934	194,690	13,751	13,886
	Total administrative expenses	2,096,373	2,023,022	1,222,178	1,301,873

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

	Group Dec. 2022 =N='000	Group Dec. 2021 =N='000	Company Dec. 2022 =N='000	Company Dec. 2021 =N='000
Employee and executive management benefit expense				
Wages and salaries (local)	1,388,055	875,458	1,388,055	875,458
Wages and salaries (other regions)	2,239,018	1,328,214	324,194	62,484
Pension:			-	-
- Defined Benefit Staff Gratuity Plan	187,986	168,362	156,643	224,044
- Defined Contributory Plan	83,516	83,497	83,516	83,497
Other employee related expenses		1,189,713		836,992
	3,898,574	3,645,244	1,952,408	2,082,474

In addition to the defined contributory pension and staff gratuity plan, an amount of =N=40 million (2021:=N=39 million) was paid on group life scheme in compliance with the 2014 Pencom Act.

The average number of persons employed by the Company during the year was as follows:	Group Dec. 2022 =N='000	Group Dec. 2022 =N='000	Group Dec. 2022 =N='000	Group Dec. 2022 =N='000
Managerial Staff	59	52	31	29
Senior staff	66	60	36	33
	125	112	67	62

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. 2022 =N='000	Group Dec. 2021 =N='000	Company Dec. 2022 =N='000	Company Dec. 2021 =N='000
N3,500,001 - N4,000,000	3	16	-	13
N4,000,001 - N4,500,000	8	7	5	4
N4,500,001 - N5,000,000	8	8	3	4
N5,000,001 - N5,500,000	6	7	2	5
N5,500,001 - N6,000,000	5	6	3	3
N6,000,001 and above	95	68	54	33
	125	**112**	**67**	**62**

6.3 Impairment charge/releases

Reinsurance receivables (Note 15.1)	717,491	265,525	114,303	6,995
Loans and other receivables (Note 13.1)	-	-	-	-
Retro assets (Note 16.3)	-	(87,262)	-	(87,262)
Held to maturity financial assets (note 14.2)	980,751	-	889,612	-
Other assets (Note 18.1)	-	-	-	-
	1,698,243	178,265	1,003,915	(80,266)

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

Net gain/(loss) on available-for-sale financial assets				
– Equity instruments	(1,199)	(411)	-	-
– Debt Instruments	(65,828)	51,510	(65,828)	51,510
Remeasurement gains on available-for-sale financial assets	(67,027)	51,099	(65,828)	51,510
Reclassification adjustments to gains included in profit or loss	-	-	-	-
Total net remeasurement gains/(loss) on available for sale financial assets	(67,027)	51,099	(65,828)	51,510

8 Taxation	Group Dec. 2022	Group Dec. 2021	Company Dec. 2022	Company Dec. 2021
Per consolidated statement of profit or loss:	=N='000	=N='000	=N='000	=N='000
Income tax based on profit for the year	1,281,849	1,190,274	244,590	95,662
Education tax	-	18,840	-	18,840
	1,281,849	1,209,114	244,590	114,502
Deferred tax expense (Note 9.1)	319,842	8,850	184,036	8,850
Income tax expense	1,601,691	1,217,964	428,626	123,352

	Group Dec. 2022	Group Dec. 2021	Company Dec. 2022	Company Dec. 2021
Per consolidated statement of financial position:				
At 1 January	1,317,178	800,776	536,867	601,185
Charged to profit or loss	1,281,849	1,209,114	244,590	114,502
Payments during the year	(1,790,538)	(692,712)	(119,737)	(178,820)
	808,489	1,317,178	661,720	536,867
Reconciliation of tax charge				
Profit before income tax	8,436,689	6,666,790	4,230,532	1,457,298
Tax at Nigerian's statutory income tax rate of 30%	2,531,007	2,000,037	1,269,160	437,189
Non-deductible expenses	819,742	293,865	371,522	213,989
Tax exempt income	(2,067,447)	(1,454,991)	(2,023,106)	(885,584)
Minimum tax	202,073	75,222	202,073	75,222
NITDA levy	42,305	20,440	42,305	20,440
Police levy	212	197	212	197
Education tax levy	-	18,840	-	18,643
Effect of timing difference	73,798	264,353	566,458	243,255
At effective income tax rate of Group 19% (2022:18%) and Company 10% (2021:8%)	1,601,690	1,217,964	428,625	123,352

9 Deferred taxation

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

	Group Dec. 2022	Group Dec. 2021	Company Dec. 2022	Company Dec. 2021
Deferred tax liabilities				
Property, plant and equipment	(183,785)	(332,468)	294,735	72,673
Investment properties	72,380	38,218	-	3,480
Employee benefits	(408,698)	41,912	(385,150)	(35,159)
Unused tax losses	(146,097)	-	(146,097)	-
Impairment on reinsurance receivables and other financial assets	(343,065)	-	(343,065)	-
Unrealized exchange gain	1,369,063	314,552	926,821	246,155
	359,798	62,214	347,243	287,149
Deferred tax assets				
Property, plant and equipment	120,261	-	-	-
Investment properties	-	-	-	-
Employee benefits	-	-	-	-
Life fund general reserve	5,345	-	-	-
Unrealized exchange gain	-	-	-	-
	125,606	-	-	-
Net	234,192	62,214	347,243	287,149

CONTINENTAL REINSURANCE

	Group Dec. 2022 =N='000	Group Dec. 2021 =N='000	Company Dec. 2022 =N='000	Company Dec. 2021 =N='000
9.1 *Movements in deffered tax liabilities during the year:*				
As at 1 January	62,214	343,329	287,149	313,458
Recognised in profit or loss on:				
Property, plant and equipment	406,411	46,520	222,062	67,651
Investment properties	31,062	(116,181)	(3,480)	25,255
Foreign exchange unrealized gain	778,320	(169,543)	680,666	(154,375)
Employee benefits	(361,514)	(41,912)	(349,991)	35,159
Unused tax losses	(170,418)	-	(146,097)	-
Impairment on reinsurance receivables and other financial assets	(386,277)	-	(343,065)	-
	297,584	(281,116)	60,095	(26,310)
At 31 December	359,798	62,214	347,243	287,149

Unrecognized deferred tax asset

Significant management judgement is required to determine the amount of deferred tax assets that can be recognized based on the likely timing and the level of future taxable profit together with tax planning strategies.

The company's unrecognized deferred tax assets relate primarily to timing difference in the recognition of unrelieved tax losses. The related amount are not recognized due to the uncertainty of future taxable profits against which deferred tax assets can be utilized.

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 2022	Group December 2021	Company December 2022	Company December 2021
Net profit attributable to ordinary shareholders (=N='000)	5,619,752	5,448,826	3,801,906	1,333,946
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)	45	30	30	11

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

11 Cash and cash equivalents

	Group Dec. 2022 =N='000	Group Dec. 2021 =N='000	Company Dec. 2022 =N='000	Company Dec. 2021 =N='000
Cash in hand	1,132	621	176	154
Balances held with local banks:				
- Current account	1,533,636	845,148	54,806	246,656
- Domiciliary account	1,845,035	284,756	1,845,035	284,756
Balances held with foreign banks	1,879,464	1,495,007	1,879,464	1,495,007
Placements with banks and other financial institutions	12,076,659	13,614,277	7,466,568	7,440,220
	17,335,926	16,239,808	11,246,049	9,466,791

The carrying amounts disclosed above reasonably approximate fair value at the reporting date.
There were no capital commitments at the end of the year (2021: Nil).
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 Loans and other receivables

	Group Dec. 2022 =N='000	Group Dec. 2021 =N='000	Company Dec. 2022 =N='000	Company Dec. 2021 =N='000
Staff loans and advances	135,295	203,588	72,100	114,181
Long term deposit with financial institutions	196,148	-	196,148	-
Other advances	450,213	435,136	450,213	435,136
Impairment on other receivables (Note 12.1)	(373,991)	(373,991)	(373,991)	(373,991)
Total loans and other receivables	407,665	264,732	344,470	175,325

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.

Movement in staff loans and advances;				
At 1 January	203,588	315,892	114,181	178,573
Additions during the year	169,352	212,755	79,802	134,645
Receipts during the year	(237,645)	(325,058)	(121,883)	(199,037)
At 31 December	135,295	203,588	72,100	114,181

12.1 Reconciliation of impairment on loans and other receivables:

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

Investment securities

Analysis of investment securities				
Available-for-sale (note 13)	1,073,257	1,189,153	1,053,365	1,168,563
Held-to-maturity (note 14)	36,141,175	24,231,490	17,782,034	11,235,664
	37,214,432	25,420,643	18,835,399	12,404,227

13 Available-for-sale:

Equity instruments	1,053,366	1,168,563	1,053,366	1,168,563
Debt instruments	19,892	20,590	-	-
Total available-for-sale	1,073,257	1,189,153	1,053,365	1,168,563

Equity Instruments				
Quoted	421,395	593,401	421,395	593,401
Unquoted	631,971	575,163	631,971	575,163
Total equity instruments	1,053,365	1,168,563	1,053,366	1,168,563

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

13.1 Available-for-sale cont'd:

	Group Dec. 2022 =N='000	Group Dec. 2021 =N='000	Company Dec. 2022 =N='000	Company Dec. 2021 =N='000
Debt Instruments				
Securities at Available-for-sale -Fair value				
Government bonds	19,892	20,590	-	-
	19,892	20,590	-	-
Total available for sale investments	1,073,256	1,189,153	1,053,366	1,168,563

13.1.1 *Movement in available for sale securities;*

At 1 January	1,168,563	1,191,597	1,168,563	1,191,597
Additions during the year	27,767	363,867	7,177	9,224
Disposal during the year	(156,560)	(438,000)	(156,560)	(83,768)
Reclassified to prepayment	(12,267)		(12,267)	
Fair value movement in the year	45,755	51,099	46,453	51,510
At 31 December	1,073,257	1,168,563	1,053,365	1,168,563

Disposal during the year include brought forward fair value movement of N19,375,000.

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=54,276 million and Company =N=53,282million

14 Held-to-maturity

Book value	37,126,238	24,231,490	18,671,646	11,235,664
Impairment (note 6.3)	(985,063)		(889,612)	
Carrying value	36,141,175	24,231,490	17,782,034	11,235,664

During the year, a triger event occured on the Ghana sovereign bond. The group conducted an impairment review of the sovereign bond investment. The exercise resulted in impairment charge of N985m (company: N890m). The carrying amounts disclosed above approximate fair value at the reporting date.

Listed	36,141,174	24,231,489	17,782,034	11,235,664
Unlisted	-	-	-	-
	36,141,174	24,231,488	17,782,034	11,235,664
	36,161,066	24,252,078	17,782,034	11,235,664

14.1 *Movement in held-to-maturity securities;*

At 1 January	24,231,490	24,231,490	11,235,664	11,235,664
Additions during the year	14,350,356	143,538	7,400,008	79,161
Disposal during the year	(4,546,076)	(663,131)	(2,063,271)	(539,131)
Amortization of premium/discount on bonds	466,335	(138,294)	296,868	(122,384)
Accrued interest	994,470	275,129	562,779	231,201
Exchange difference	1,629,663	382,757	1,239,597	351,154
At 31 December	37,126,238	24,231,489	18,671,646	11,235,664

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

15 Reinsurance receivables

	Group Dec. 2022 =N='000	Group Dec. 2021 =N='000	Company Dec. 2022 =N='000	Company Dec. 2021 =N='000
Due from ceding companies	16,056,202	13,385,920	3,871,708	3,460,178
Due from ceding companies (Pipeline)	24,755,752	13,733,327	11,952,129	5,909,022
Premium reserves retained by ceding companies	6,936,057	5,288,844	3,576,222	3,148,451
	47,748,010	32,408,091	19,400,059	12,517,652
Impairment on reinsurance receivables (Note 15.1)	(1,406,504)	(1,074,664)	(165,973)	(238,545)
	46,341,505	31,333,426	19,234,086	12,279,107

15.1 Reconciliation of impairment on reinsurance receivables

At 1 January	1,074,664	1,054,903	238,545	254,388
Written off during the year	(438,742)	(236,409)	(186,876)	(22,838)
Charge for the year (Note 6.3)	717,491	265,525	114,303	6,995
Exchange difference	53,091	(9,355)	-	-
At 31 December	1,406,504	1,074,664	165,973	238,545

By the group policy trade receivables above 4 years are written-off. During the year the group wrote-off trade receivables amounting to N439m (Company N187m). The receivables were impaired in prior years

	Group Dec. 2022 =N='000	Group Dec. 2021 =N='000	Company Dec. 2022 =N='000	Company Dec. 2021 =N='000
16 Retrocession Assets				
Retrocessionaires' share of claims recoverable	9,540,839	5,356,223	808,271	870,947
Retro share of Non life unearned premium and outstanding claims	17,727,459	11,129,597	5,300,203	5,757,343
Retrocessionaires' share of life insurance contract liabilities	286,170	163,578	438,867	235,853
Impairment on retro share of claims recoverable (note 16.1)	(602,465)	(602,465)	(602,465)	(602,465)
Total retrocession assets	26,952,005	16,046,933	5,944,877	6,261,679

At 31 December 2022, the Company conducted an impairment review of the retrocession assets. The exercise resulted in nil impairment release (charge). The carrying amounts disclosed above approximate fair value at the reporting date.

	Group Dec. 2022 =N='000	Group Dec. 2021 =N='000	Company Dec. 2022 =N='000	Company Dec. 2021 =N='000
16.1 Breakdown of retro share of non life unearned premium and outstanding claims				
Retro share of unearned premium	12,435,466	7,065,265	3,047,807	2,325,805
Retro share of outstanding claims reserves	11,486,962	7,996,298	3,230,891	3,793,402
Less retro share of deferred acquisition cost	(6,194,968)	(3,931,966)	(978,494)	(361,864)
	17,727,459	11,129,597	5,300,203	5,757,343
16.2 Breakdown of retro share of life insurance contract liabilities				
Retro share of unearned premium	498,086	281,633	446,254	225,030
Retro share of outstanding claims reserves	107,643	105,831	85,896	82,391
Less retro share of deferred acquisition cost	(319,558)	(223,885)	(93,282)	(71,568)
	286,170	163,578	438,867	235,853
16.3 Movement in retro share of unearned premium				
At 1 January	7,346,898	6,251,622	2,550,834	1,455,558
Increase (decrease) during the year (see note 1.2)	5,586,654	1,095,276	943,226	1,095,276
At 31 December	12,933,552	7,346,898	3,494,060	2,550,834
16.4 Movement in retro share of outstanding claims;				
At 1 January	8,102,129	4,698,514	3,875,793	2,237,486
Increase (decrease) during the year (see note 2.1a)	3,492,475	3,403,614	(559,006)	1,638,307
At 31 December	11,594,604	8,102,129	3,316,787	3,875,793
16.5 Reconciliation of impairment on retro share of claims recoverable				
At 1 January	602,465	689,726	602,465	689,726
Charge for the year (Note 6.3)	-	(87,262)	-	(87,262)
At 31 December	602,465	602,465	602,465	602,465
17 Deferred acquisition costs				
At 1 January	7,036,111	5,393,915	3,548,781	2,388,974
Acquisition cost during the year	26,079,119	17,218,171	10,219,791	8,324,020
Amortized acquisition cost for the year (Note 2.2)	(23,070,218)	(15,575,975)	(9,060,619)	(7,164,213)
At 31 December	10,045,012	7,036,111	4,707,953	3,548,781
18 Other receivables and Prepayments				
Prepayments	109,512	188,287	24,621	73,750
Intercompany balances	-	-	2,267,359	2,844,188
Withholding tax receivable	4,168	4,168	4,168	4,168
Accrued income on statutory deposit	14,671	8,384	14,671	8,384
Others	917,109	346,925	159,794	157,417
	1,045,461	547,765	2,470,613	3,087,907
Impairment on other assets (note 18.1)	(158,762)	(158,762)	(158,762)	(158,762)
	886,700	389,003	2,311,852	2,929,146
Below are the breakdown of intercompany balances;				
Receivables on shared services	-	-	278,967	180,108
Payment to retrocesionaires onbehalf of subsidiaries	-	-	698,420	620,338
Disposal of assets	-	-	1,195,131	1,486,398
Other intercompany balances	-	-	94,842	557,345
	-	-	2,267,359	2,844,188

The group has shared service arrangements where some functions are centralized. Some of the shared services include information technology, operating softwares and licences, human capital management, Enterprise and risk management functions etc. The cost incurred on these services are shared by all entities in the group.

Receivables on payment to retrocessionaires on behalf of subsidiaries arose from group retrocession arrangements with third parties.

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 2022 was N1.2b (2021: 1.5b).

Reconciliation of movement in disposal of assets in intercompany balances:	**Group Dec. 2022 =N='000**	**Group Dec. 2021 =N='000**	**Company Dec. 2022 =N='000**	**Company Dec. 2021 =N='000**
At 1 January	-	-	1,486,398	1,486,398
disposal during the year	-	-	-	-
Receipt during the year	-	-	(291,267)	-
At 31 December	-	-	1,195,131	1,486,398

Receipt of N480m on other intercompany balances was a set-off from liabilities due from the company to her subsidiary. The liabilities is from various payments to third parties by the subsidiaries on behalf of the company.

The "others" are sundry receivables for which an amount of N159m have been fully impaired.

18.1 Reconciliation of impairment on other receivables and prepayments				
At 1 January	158,762	158,762	158,762	158,762
Charge (release) for the year (Note 6.3)	-	-	-	-
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	101,897	8,150	-
As at 31 December	262,293	262,293	23,409	15,259
Depreciation				
As at 1 January	(105,390)	(65,965)	(15,029)	(9,439)
Depreciation for the year	(44,649)	(39,425)	(5,811)	(5,590)
As at 31 December	(150,039)	(105,390)	(20,840)	(15,029)
Carrying amount as at 31 December	112,254	156,903	2,569	230

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.

18c Tax recoverable				
As at 1 January	-	-	-	-
Movement in the year	307,425	-	-	-
As at 31 December	307,425	-	-	-

19 Investment in subsidiaries

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

	Company 31 December 2022 =N='000	**Company 31 December 2021 =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 2022 and 2021

Name of entity	Nature of business	Country of incorporation	Proportion of ordinary shares directly held by parent (%)	Proportion of ordinary shares held by non-controlling 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.

20 Investment properties

	Group Dec. 2022 =N='000	Group Dec. 2021 =N='000	Company Dec. 2022 =N='000	Company Dec. 2021 =N='000
At 1, January	4,925,062	4,998,800	1,826,200	2,146,000
Addition	35,506	130,270		
Disposal	-	(331,400)	-	(331,400)
Fair value gain/(loss)	241,268	127,392	23,700	11,600
Transfer (to)/from owner-occupied property	-	-	-	-
At 31 December	5,201,836	4,925,062	1,849,900	1,826,200

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-22 =N='000	Addition/disposal =N='000	Fair value gain =N='000	31-Dec-22 =N='000
* 3 Bedroom apartment, Kubwa, FCT	9,200		700	9,900
* 17 Olosa street, Victoria Island, Lagos	1,817,000		23,000	1,840,000
* Mixed development property, Abidjan.	3,098,861	35,506	217,568	3,351,935
Total	4,925,061	35,506	241,268	5,201,836

Company

	1-Jan-22 =N='000	Addition/disposal =N='000	Fair value gain =N='000	31-Dec-22 =N='000
* 3 Bedroom apartment, Kubwa, FCT	9,200		700	9,900
* 17 Olosa street, Victoria Island, Lagos	1,817,000		23,000	1,840,000
Total	1,826,200	-	23,700	1,849,900

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	9,900
17 Olosa street, Victoria Island, Lagos	2020	Deed of Assignment	Victoria Island, Lagos	1,840,000
Mixed development property, Abidjan.	2014	C of O	Abidjan	3,351,935
				5,201,836

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 2022 amounted to =N=99.6 million (year ended 31 December 2021: =N=127.86 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. 2022	Group Dec. 2021	Company Dec. 2022	Company Dec. 2021
	=N='000	=N='000	=N='000	=N='000
Rental Income derived from investment properties	99,573	127,864	26,372	49,333
Gain (loss) on disposal of investment properties	-	48,580	-	48,580
Direct operating expenses (including repairs & maintenance)	(7,375)	(7,586)	(2,721)	(1,045)
Profit arising from investment properties carried at fair value	92,198	168,857	23,651	96,868

There was no disposal of investment properties during the year (2021: N403m). The book value of the disposed asset in 2021 was N331m. Disposal expense of N23m was incurred resulting to a gain of N49m in 2021.

	Fair value measurement using			
	Quoted prices in active market Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	Total
Date of valuation - 31 December 2022	=N='000	=N='000	=N='000	=N='000
Investment properties	-	-	5,201,836	5,201,836

The fair value disclosure on investment properties is as follows:

	Fair value measurement using			
	Quoted prices in active market Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	Total
Date of valuation - 31 December 2022	=N='000	=N='000	=N='000	=N='000
Investment properties	-	-	4,925,062	4,925,062

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

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

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	4.69%
	Average annual probable vacancy rate	8.2%
	Capitalisation rate (equated yield)	11.92%

Three bedroom flats

Valuation technique	*Significant unobservable inputs*	*Range (weighted average)*
Income capitalization using DCF Analysis	Estimated rental per wing per annum	=N=750,000
	Average annual growth	6.19%
	Average annual probable vacancy rate	2.78%
	Capitalisation rate (equated yield)	11.09%

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	
	Effect of 10% Increase	Effect of 10% Decrease	Effect of 10% Increase	Effect of 10% Decrease
Property	=N='000	=N='000	=N='000	=N='000
FHA - Abuja Property, Abuja, Nigeria	8,600	11,500	9,900	10,000
17 Olosa street, Victoria Island, Lagos Property	1,673,929	2,030,781	1,822,761	1,856,090
Zone 4/C, Marcony, Abidjan, Cote d' Ivoire	3,047,215	3,724,373	3,318,417	3,385,455
	4,729,743	5,766,654	5,151,077	5,251,545

21 Intangible assets-Software

			Group	Company
			=N='000	=N='000
Cost:				
At 1 January 2021			489,988	487,914
Disposal			-	-
Additions			147,256	147,256
At 31 December 2021			637,244	635,170
Disposal			-	-
Additions			21,787	21,787
At 31 December 2022			659,031	656,957
Accumulated amortisation:				
At 1 January 2021			358,088	356,023
Disposal			-	-
Amortisation of software			157,685	157,677
At 31 December 2021			515,773	513,700
Disposal			-	-
Amortisation of software			58,787	58,787
At 31 December 2022			574,560	572,487
Carrying amount:				
At 31 December 2022	-	-	84,470	84,470
At 31 December 2021			121,470	121,470

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	Total =N='000
Cost:							
At 1 January 2021	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	251,420
Disposals	-		(136,384)	(5,134)	-	(10,277)	(151,795)
Reclassification/write-off							-
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
Additions	-	-	105,801	56,217	10,948	49,160	222,126
Disposals	-		-	(514)	-	(10,185)	(10,699)
Exchange difference	21,241	-	10,976	10,071	5,368	9,146	56,802
At 31 December 2022	994,290	1,279,687	548,568	375,865	242,934	263,384	3,704,730
Accumulated depreciation:							
At 1 January 2021	-	-	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
Charge for the year	-	25,594	105,944	43,956	28,718	36,731	240,942
Disposal	-	-	-	(494)	-	(9,222)	(9,715)
Exchange difference	-		(3,792)	(2,441)	(1,271)	(3,045)	(10,549)
At 31 December 2022	-	51,187	321,519	168,714	75,721	165,411	782,554
Net book value:							
At 31 December 2022	994,290	1,228,500	227,049	207,151	167,213	97,974	2,922,176
At 31 December 2021	973,049	1,254,093	212,424	182,398	178,343	74,317	2,874,626

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	Total =N='000
Cost:							
At 1 January 2021	-	1,279,687	336,524	198,138	150,061	105,558	2,069,969
Additions	-		139,100	4,249	-	17,066	160,415
Reclassification							-
Disposals	-		(99,883)	(3,521)	-	(9,207)	(112,611)
At 31 December 2021	-	1,279,687	375,741	198,866	150,061	113,417	2,117,774
Additions	-		66,100	17,589	-	39,386	123,074
Disposals	-		-	-	-	(9,761)	(9,761)
At 31 December 2022	-	1,279,687	441,841	216,455	150,061	143,042	2,231,087
Accumulated depreciation:							
At 1 January 2021	-	-	176,081	25,067	2,925	73,642	277,715
Charge for the year	-	25,594	64,264	24,899	18,758	16,740	150,255
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
Charge for the year	-	25,594	83,071	26,246	18,758	22,036	175,705
Disposal	-		-	-	-	(8,814)	(8,814)
At 31 December 2022	-	51,187	269,517	74,981	40,441	95,736	531,861
Net book value:							
At 31 December 2022	-	1,228,499	172,324	141,474	109,620	47,305	1,699,226
At 31 December 2021	-	1,254,093	189,296	150,132	128,379	30,904	1,752,803

During the year, the company disposed PPE with a carrying book value of N947,000 (cost was N9.8Mm and accumulated depreciation was N8.8m) at sales price of N1.5m resulting in a disposal gain of N585,000 (see note 5).

23 Statutory deposits

	Group 31 December 2022 =N='000	Group 31 December 2021 =N='000	Company 31 December 2022 =N='000	Company 31 December 2021 =N='000
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 4.82% (2021: 3%).

24 Insurance contract liabilities

	Group 2022	Group 2021	Company 2022	Company 2021
Unearned premium (Note 24.2)	41,681,828	25,008,822	15,395,074	10,632,412
Outstanding claims (Note 24.3)	36,583,796	25,252,607	15,536,661	12,098,220
Non-life contract liabilities	78,265,624	50,261,429	30,931,735	22,730,632
Life (Note 24.1)	5,160,413	4,308,077	3,648,298	2,669,470
Total insurance liabilities	83,426,036	54,569,505	34,580,032	25,400,102
Total retrocessionaire's share of insurance liabilities (Note 16)	(26,952,006)	(16,046,934)	(5,944,877)	(6,261,679)
Net insurance contracts	56,474,030	38,522,571	28,635,155	19,138,423

24.1 *Insurance liabilities on life business;*

	Group 2022	Group 2021	Company 2022	Company 2021
a *Group life reserve for unearned premium*				
At 1 January	2,162,184	1,345,026	1,982,876	1,307,811
Addition (release) in the period	1,208,018	813,589	957,834	675,065
Exchange difference	3,713	3,570		
At 31 December	3,373,915	2,162,184	2,940,710	1,982,876
b *Life reserve for outstanding claims*				
At 1 January	2,145,893	2,145,893	686,594	686,594
Claims Incurred in the year including IBNR (note 2.1)	2,750,028	2,912,686	2,278,116	1,496,877
Claims paid during the period	(3,113,535)	(2,916,183)	(2,257,122)	(1,496,877)
Exchange difference	4,113	3,498		
At 31 December	1,786,498	2,145,893	707,588	686,594
Total Insurance liabilities on life business	5,160,413	4,308,077	3,648,298	2,669,470

24.2 *Reserve for unearned premium-Non life*

	Group 2022	Group 2021	Company 2022	Company 2021
At 1 January	25,008,822	25,008,822	10,632,412	7,003,669
Increase in the year (see note 1.1)	95,588,710	64,736,634	38,291,784	30,394,126
Released during the period	(78,947,571)	(64,776,229)	(33,529,122)	(26,765,383)
Exchange difference	31,867	39,595		
At 31 December	41,681,828	25,008,822	15,395,074	10,632,412

24.3 *Reserve for outstanding claims-Non life*

	Group 2022	Group 2021	Company 2022	Company 2021
At 1 January	25,252,607	25,252,607	12,098,220	12,098,220
Portfolio transfer and claims adjustments during the period	-	-	-	-
Incurred in the current year including IBNR (note 2.1)	38,420,752	29,131,904	17,986,413	17,343,749
Claims paid during the period	(27,118,612)	(29,170,191)	(14,547,972)	(17,343,749)
Exchange difference	29,049	38,287		
At 31 December	36,583,796	25,252,607	15,536,661	12,098,220

25 Reinsurance creditors

	Group 2022	Group 2021	Company 2022	Company 2021
Due to retrocessionaires	5,639,734	1,760,488	876,447	87,942
Due to ceding companies	4,040,999	2,800,691	3,110,439	1,707,908
	9,680,733	4,561,180	3,986,886	1,795,850

This represents the amount payable to insurance and reinsurance companies.

26 Other payables and Accruals

Sundry creditors (note 26.1)	718,462	54,827	628,718	46,210
Accrued staff benefits	683,176	540,551	683,176	540,551
Unclaimed dividend	313,227	330,991	313,227	330,991
Rent received in advance	63,389	-	19,460	-
Accrued expenses	175,329	305,109	41,935	206,042
Dividend payable (Note 26.3)	23,910	23,910	23,910	23,910
Intercompany balance (note 26.2)	-	-	8,060	457,430
Others	885,708	67,863	-	-
	2,863,200	1,323,252	1,718,487	1,605,133

26.1 Sundry creditors

Receipt onbehalf of 3rd party	603,467	-	603,467	-
Other sundry creditors	114,995	54,827	25,251	46,210
	718,462	54,827	628,718	46,210

Receipt onbehalf of third party are receipts from some business partners for onward transmission to retrocessionaires for businesses that were co-retroceded.

	Group 31 December 2022 =N='000	Group 31 December 2021 =N='000	Company 31 December 2022 =N='000	Company 31 December 2021 =N='000
26.2 Intercompany balance				
Retrocessions arrangement payable	-	-	-	396,605
Other intercompany balances	-	-	8,060	60,825
	-	-	8,060	457,430
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 (2021: Nil).

	Group 31 December 2022 =N='000	Group 31 December 2021 =N='000	Company 31 December 2022 =N='000	Company 31 December 2021 =N='000
26b Lease liability				
At 1 January	202,580	160,899	22,771	13,367
Additions in the year	22,247	22,247	7,477	8,395
Interest expense(release) during the year	(62,351)	19,434	(3,561)	1,009
At 31 December	162,476	202,580	26,687	22,771

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)	1,115,108	542,746	759,441	384,408
Exchange difference	-	-	-	-
	1,115,108	542,746	759,441	384,408

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 2022 =N='000	Group 31 December 2021 =N='000	Company 31 December 2022 =N='000	Company 31 December 2021 =N='000
Balance at beginning of year	-	-	-	-
Provisions during the year	83,516	83,497	83,516	83,497
Transfer to Pension Fund Administrator	(83,516)	(83,497)	(83,516)	(83,497)
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 2022 =N='000	Group 31 December 2021 =N='000	Company 31 December 2022 =N='000	Company 31 December 2021 =N='000
The amounts recognised in the statement of financial position are determined as follows:				
Present value of funded obligations	1,740,083	1,127,433	1,185,078	798,522
Fair value of plan assets	(624,975)	(584,687)	(425,637)	(414,114)
Deficit of funded plans	1,115,108	542,746	759,441	384,408
Liability in the consolidated statement of financial position	1,115,108	542,746	759,441	384,408
The movement in the defined benefit obligation over the year is as follows:				
At beginning of the year	1,127,432	1,222,975	798,522	926,152
Service cost	117,190	124,895	68,736	149,638
Transfer to subsidiaries	-	-	-	-
Interest cost	146,221	86,023	99,430	65,559
Actuarial gains (losses)	571,492	154,925	413,143	112,772
Benefit paid	(222,253)	(461,386)	(194,752)	(455,600)
At end of the year	1,740,083	1,127,432	1,185,078	798,522
The amounts recognised in the profit or loss are as follows:				
Current service cost	117,190	124,895	68,736	149,638
Net interest	70,796	43,467	87,907	74,405
Total, included in staff costs	187,986	168,362	156,643	224,044
The amounts recognised in other comprehensive income				
Re-measurement loss on net defined benefit plans	(606,629)	(165,469)	(413,143)	(117,196)
The movement in the plan assets over the year is as follows:				
Assets at fair value - opening	584,687	552,674	414,114	418,536
Interest return	75,425	42,556	11,523	(8,847)
Employer contribution	222,253	461,386	194,752	455,600
Benefit paid	(222,253)	(461,386)	(194,752)	(455,600)
Actuarial gain/(loss)	(35,137)	(10,543)	0	4,424
At end of the year	624,975	584,687	425,637	414,114
Composition of Plan assets				
Cash	94%	93%	91%	119%
Equity	3%	7%	6%	-19%
Others	3%	0%	3%	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, 2022			
	Level 1 **=N='000**	**Level 2** **=N='000**	**Level 3** **=N='000**	**Level 1** **=N='000**
Quoted equity	38,311	-	-	38,311
Cash and cash equivalents	567,915	-	-	567,915
Receivables	-	18,749	-	18,749
Total	606,226	18,749	-	624,975

Plan assets by	Fair value hierarchy 31 December, 2022			
	Level 1 **=N='000**	**Level 2** **=N='000**	**Level 3** **=N='000**	**Level 1** **=N='000**
Quoted equity	42,331	-	-	42,331
Cash and cash equivalents	542,356	-	-	542,356
Total	584,687	-	-	584,687

The fair value of plan assets at the end of the reporting period is analysed as follows:	**Group**		**Company**	
	31-Dec-22 **=N='000**	**31-Dec-21** **=N='000**	**31-Dec-22** **=N='000**	**31-Dec-21** **=N='000**
Cash and cash equivalents	567,915	542,356	386,182	462,195
Quoted equity				
Consumer goods	1,916	2,117	1,632	1,804
Conglomerates	1,532	1,693	1,306	1,443
Financial services	34,863	38,522	36,517	-51,328
Subtotal	38,311	42,332	39,455	-48,081
Loans and receivables	-	-	-	-
Total	**606,225**	**584,688**	**425,636**	**414,114**

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 NGN40.3 million (2021: NGN32.02 million)

27.2 Retirement benefit obligations (continued)

The principal actuarial assumptions were as follows:	Group 31 December 2022	Group 31 December 2021	Company 31 December 2022	Company 31 December 2021
Average long term discount rate (p.a.)	13.7%	12.9%	13.7%	12.9%
Average long term rate of inflation (p.a.)	16%	10%	16%	14%
Average long term pay increase (p.a.)	10%	5%	10%	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 2022 is as shown below:

Assumptions **Sensitivity level**		**Discount rate** =N='000	**Salary** =N='000	**Mortality** =N='000
Impact on defined benefit obligation	+1%	1,645,222	1,843,872	1,742,848
Impact on defined benefit obligation	-1%	1,841,326	1,641,268	1,737,587

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
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 2022 =N='000	Group 31 December 2021 =N='000	Company 31 December 2022 =N='000	Company 31 December 2021 =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 2022 =N='000	Group 31 December 2021 =N='000	Company 31 December 2022 =N='000	Company 31 December 2021 =N='000
Non - Life	8,766,598	7,833,214	8,226,318	7,077,565
Life	531,088	436,102	525,971	430,985
Total	9,297,686	8,269,316	8,752,289	7,508,549
Movement in this account is as shown below:				
At 1, January	8,269,316	7,274,065	7,508,549	6,551,407
Addition during the year	1,028,370	995,251	1,243,740	957,142
At 31 December	9,297,686	8,269,316	8,752,289	7,508,549

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.

29 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 2022	3,149,938	3,572,127	1,944,827	8,666,892
Capital refund-preference shares	-	-	-	-
Profit for the period	365,817	701,489	147,940	1,215,246
Difference on foreign currency translation	218,875	120,639	19,460	358,974
Other comprehensive income;				-
Available for sale remeasurement	-	(420)	-	(420)
Remeasurement of retirement benefits obligations	(11,890)	(16,986)	(16,986)	(45,862)
At 31 December	3,722,740	4,376,850	2,095,242	10,194,832

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 injection-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

33a Condensed results of consolidated entities

The condensed financial data of the consolidated entities as at 31 December 2022, 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	8,661,570	32,419,552	9,709,980
Profit before income tax	847,592	2,940,488	505,656
Income tax	(101,026)	(936,233)	(135,806)
Profit after tax	746,566	2,004,255	369,850
Condensed statement of financial position			
Cash and cash equivalents	1,998,270	1,782,755	2,308,852
Financial assets			
-Financial asset designated as fair value through profit or loss	-	-	-
-Loans and other receivables	49,656	5,207	8,332
-Available-for-sale investments	-	19,892	-
-Held to maturity investments	2,311,033	14,429,116	1,618,992
Reinsurance receivables	6,837,480	14,063,442	6,427,778
Retrocession assets	5,574,178	10,026,057	5,406,893
Deferred acquisition costs	529,444	3,226,995	1,580,620
Other receivables and Prepayments	768,911	126,153	7,014
Right of use of Asset	-	105,964	3,721
Tax recoverable	-	307,425	-
Investment properties	3,351,936	-	-
Property, plant and equipment	1,062,759	143,738	16,453
Statutory deposits			
Deferred tax assets	-	5,345	120,261
Total assets	**22,483,667**	**44,242,089**	**17,498,916**
Liabilities			
Insurance contract liabilities	8,702,232	29,971,885	10,171,886
Reinsurance creditors	3,344,607	1,145,807	1,424,714
Other payables and Accruals	2,569,334	331,395	571,217
Lease liability	-	132,916	2,873
Retirement benefit obligations	142,902	154,804	57,961
Current income tax payable	114,609	(1)	32,160
Deferred tax liabilities	12,555	-	-
Equity	7,597,430	12,505,285	5,238,105
Total liabilities and equity	**22,483,669**	**44,242,090**	**17,498,916**
Cashflows from operating activities	64,640	3,741,190	47,798
Cashflows from investing activities	(60,642)	(1,130,788)	(541,249)
Cashflows from financing activities	-	-	-
Net increase/(decrease) in cash and cash equivalents	3,998	2,610,402	(493,451)
Cash and cash equivalent, beginning of year	723,826	2,382,849	1,237,401
Cash and cash equivalent, end of year	727,824	4,993,251	743,951

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	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 2022 =N='000	Group 31 December 2021 =N='000	Company 31 December 2022 =N='000	Company 31 December 2021 =N='000
Profit before income tax expense	8,436,689	6,666,790	4,230,532	1,457,298
Adjustments for:				
- Depreciation and amortization (Note 6.1)	299,729	357,480	234,492	307,939
-increase in provision for bad and doubtful balances (note 6.3)	1,698,243	178,264	1,003,915	(80,266)
– Profit on disposal of investments	(140,041)	(2,546)	(140,041)	(2,546)
–Unamortized retro cost	(5,586,654)	(1,095,279)	(943,226)	(1,095,276)
– Interest income	(3,725,418)	(2,507,382)	(2,021,397)	(1,276,381)
– Dividend received	(20,818)	(32,380)	(20,818)	(32,380)
–unrealised foreign exchange gain	(2,184,208)	(1,048,508)	(2,225,079)	(820,517)
–Fair value loss on investment property and financial assets designated at fair value	(241,268)	(127,392)	(23,700)	(11,600)
Changes in operating assets/liabilities				
–Reinsurance debtors	(15,339,919)	(2,924,374)	(6,882,407)	(400,174)
–Prepayments and other assets	1,769,662	369,746	617,294	302,935
–Retrocession assets	(10,905,072)	(6,533,816)	316,802	(2,137,886)
–Reinsurance creditors and other liabilities	5,119,553	883,238	2,191,036	(69,953)
–Deferred acquisition costs	(3,008,901)	(1,642,196)	(1,159,172)	(1,159,807)
–Provision for unexpired risks	17,884,736	7,595,852	5,720,496	4,303,808
–Outstanding claims	13,533,130	3,815,174	3,459,435	3,657,468
–Retirement benefit obligations	572,362	(127,555)	375,033	(123,206)
Income tax paid (Note 8)	(1,790,538)	(692,712)	(119,737)	(178,820)
Net cash generated from operating activities	6,371,266	3,132,405	4,613,460	2,640,635

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

	Group 31 December 2022 =N='000	Group 31 December 2021 =N='000	Company 31 December 2022 =N='000	Company 31 December 2021 =N='000
Cash in hand	1,132	621	176	154
Balances held with other banks:				
- Current account	1,533,636	845,148	54,806	246,656
- Domiciliary account	1,845,035	284,756	1,845,035	284,756
Balances held with foreign banks	1,879,464	1,495,007	1,879,464	1,495,007
- Placements with banks and other financial institutions with original maturity < 90 days	12,076,659	13,614,277	7,466,568	7,440,220
Treasury bills	-	56,026	-	56,026
	17,335,927	16,295,836	11,246,049	9,522,819

35.1 Reconciliation of Cash and cash equivalents for purposes of statement of cashflows and Statement of financial position

Cash and cash equivalent in cash flows (note 35)	17,335,927	16,295,837	11,246,049	9,522,819
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)	17,335,927	16,239,811	11,246,049	9,466,793

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. 2022 =N='000	Dec. 2021 =N='000	Dec. 2022 =N='000	Dec. 2021 =N='000
Salam/Saham group and related companies	Premium	411,976	392,311	969,323	544,071
		-	-		
Salam/Saham group and related companies	Acquistion cost	-	-	(290,797)	(163,221)
		-	-		
Salam/Saham group and related companies	Claims	(196,804)	(188,906)	(375,540)	(167,621)
		215,173	203,405	302,986	213,229

These balances are between the group and parent company

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	2022 =N='000	2021 =N='000
Mortgage loan	2,532	-	2,532	-
Personal loan	30,000	-	30,000	21,857
	32,532	-	32,532	21,857

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 (2021: Nil).

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. 2022 =N='000	Group Dec. 2021 =N='000	Company Dec. 2022 =N='000	Company Dec. 2021 =N='000
Salaries and allowances	1,217,982	851,663	915,776	695,421
Post employment benefits:				
Gratuity benefits paid	112,842	284,342	112,842	284,342
Pension contribution	80,699	79,001	64,756	62,349
	1,411,523	**1,215,006**	**1,093,374**	**1,042,112**

Directors' salaries, fees and other emoluments paid during the year was:

	Group Dec. 2022 =N='000	Group Dec. 2021 =N='000	Company Dec. 2022 =N='000	Company Dec. 2021 =N='000
Short term employee benefits	325,469	288,872	325,469	288,872
Post employment benefits:				
Gratuity benefits paid	-	-	-	-
Pension contribution	9,684	7,707	9,684	7,707
	335,153	296,579	335,153	296,579

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	-	-
=N=7,000,001 - =N=10,000,000	7	7	-	6
=N=10,000,001 and above	10	2	11	3
	17	14	11	9

37 Contingencies and commitments

Contingent liabilities
There were no contingent liabilities at the end of the year (2021: Nil).

Capital commitment and operating leases
There were no capital commitments at the end of the year (2021: Nil).

38 Compliance with regulatory bodies

Penalties:

	2022 =N='000	2021 =N='000
The Company contravened certain sections of the Financial Reporting Council of Nigeria (FRCN) Act 2011	-	5,000
The Company contravened certain sections of 2011 operational guidelines issued by the National Insurance Commission (NAICOM).	500	
	500	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 2022 or the profit for the year then ended that have not been adequately provided for or disclosed.

40 Admissible assets

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

	Non-life		Life	
	=N='000	=N='000	=N='000	=N='000
Cash and cash equivalents:				
Cash and bank balances	2,217,786		54,806	
Bank placements	7,232,754		233,674	
Total cash and cash equivalents		9,450,540		288,480
Investment properties		1,840,000		9,200
Retrocession assets	-	5,506,009	-	438,867
Investment securities:				
Quoted equities	255,756		165,639	
Corporate Bonds	1,937,187		-	
Government bonds and treasury bills	12,836,216		2,970,448	
Total investment securities		15,029,159		3,136,087
Total assets representing insurance contract liabilities		31,825,708		3,872,634
Total insurance contract liabilities		30,931,735		3,648,298
Excess of assets over liabilities		893,973		224,336
		103%		**106%**

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 financialstatements. However, income taxes are not allocated to operating segments.

Group 31 December 2022	Notes	Life insurance =N='000	Non-life insurance =N='000	Total segments =N='000
Gross Premium	1.1	7,627,495	95,588,710	103,216,204
Change in Reserve for unearned premium	24.3	(1,208,018)	(15,652,826)	(16,860,844)
Earned premium income	1.1	6,419,477	79,935,883	86,355,360
Less: Retrocession costs		(1,160,719)	(21,248,555)	(22,409,273)
Net insurance premium revenue	1.2	5,258,758	58,687,329	63,946,087
Commission earned under retrocession arrangements		218,211	5,766,685	5,984,896
Underwriting income		5,476,969	64,454,014	69,930,983
Expenses				
Gross claims paid		3,113,535	27,118,612	30,232,147
Change in Reserve for outstanding claims		(447,845)	11,331,189	10,883,344
Ceded Outstanding Claims Reserve		80,832	(25,543)	55,289
Claims incurred	2.1	2,746,523	38,424,258	41,170,781
Retrocession recoveries	2.1	(760,105)	(5,945,244)	(6,705,348)
Net claims incurred	2.1	1,986,418	32,479,014	34,465,432
Underwriting expenses:				
Acquisition and maintenance cost		1,766,123	22,819,140	24,585,263
Management expenses		486,580	5,110,432	5,597,013
		2,252,703	27,929,572	30,182,276
Underwriting profit		1,237,848	4,045,428	5,283,275
Investment and other income		307,917	4,503,079	4,810,996
Foreign exchange gain	5.1	28,877	2,108,157	2,137,034
Administrative expenses	6.2	(232,448)	(1,863,925)	(2,096,373)
Impairment of assets	6	(4,193)	(1,694,050)	(1,698,243)
Results of operating activities		1,337,999	7,098,689	8,436,689
Income tax expense	8	(5,401)	(1,596,290)	(1,601,691)
Profit for the year		1,332,598	5,502,399	6,834,998
Segment assets		3,872,634	145,064,377	148,937,011
Segment liabilities		3,648,298	94,767,543	98,415,841

Group
31 December 2021

		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
Management expenses		447,741	4,893,486	5,341,227
		1,922,163	21,281,444	23,203,607
Underwriting profit		(84,481)	4,112,908	4,028,428
Underwriting profit/(loss) brought forward		(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	6.3	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

Company 31 December 2022	Life insurance =N='000	Non-life insurance =N='000	Total segments =N='000
Gross Premium	6,200,508	38,291,784	44,492,292
Change in Reserve for unearned premium	(957,834)	(4,762,662)	(5,720,496)
Earned premium income	5,242,674	33,529,122	38,771,796
Less: Retrocession costs	(1,084,031)	(7,860,507)	(8,944,538)
Net insurance premium revenue	4,158,643	25,668,615	29,827,258
Commission earned under retrocession arrangements	190,317	1,849,817	2,040,134
Underwriting income	4,348,960	27,518,432	31,867,392
Expenses			
Gross claims paid	2,257,122	14,547,972	16,805,094
Change in Reserve for outstanding claims	20,994	2,879,435	2,900,429
Ceded Outstanding Claims Reserve	(3,505)	562,511	559,006
Claims incurred	2,274,611	17,989,918	20,264,529
Retrocession recoveries	(706,864)	(2,465,058)	(3,171,922)
Net claims incurred	1,567,747	15,524,860	17,092,607
Underwriting expenses:			
Acquisition and maintenance cost	1,495,086	8,608,387	10,103,473
Depreciation and amortisation	39,259	195,233	234,492
Management expenses	380,539	2,302,167	2,682,707
	1,914,884	11,105,788	13,020,672
Underwriting profit	866,329	887,785	1,754,113
Investment and other income	253,847	2,202,332	2,456,179
Foreign exchange gain	25,945	2,220,388	2,246,333
Administrative expenses	(190,572)	(1,031,606)	(1,222,178)
Impairment of assets	(3,752)	(1,000,163)	(1,003,915)
Results of operating activities	951,798	3,278,736	4,230,532
Income tax expenses	(1,929)	(426,697)	(428,626)
Profit for the year	949,869	2,852,040	3,801,906
Segment Assets	3,872,634	31,825,708	35,698,342
Segment liabilities	3,648,298	30,931,735	34,580,033

Company
31 December 2021

	Life insurance =N='000	Non-life insurance =N='000	Total segments =N='000
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

The segment information provided to the Company Executive Board for the reportable segments for the year ended 31 December 2022 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	31,415,623	3,712,202	41,478,899	5,838,794	13,076,669	10,901,555	106,423,742	(3,207,538)	103,216,205
Change in reserve for unearned premium	(2,299,739)	(471,249)	(9,059,347)	(418,177)	(3,420,757)	(1,191,575)	(16,860,844)	-	(16,860,845)
Earned premium income	29,115,885	3,240,952	32,419,552	5,420,618	9,655,912	9,709,980	89,562,898	(3,207,538)	86,355,360
Retrocession costs	(7,137,210)	(1,509,069)	(7,838,090)	(2,701,585)	(1,807,328)	(4,623,529)	(25,616,811)	3,207,538	(22,409,273)
Net insurance premium revenue	21,978,675	1,731,884	24,581,462	2,719,033	7,848,584	5,086,451	63,946,087	-	63,946,087
Commission earned under retrocession arrangements	1,260,567	462,643	2,115,404	521,827	779,567	1,586,123	6,726,131		6,726,131
Underwriting income	23,239,240	2,194,527	26,696,866	3,240,859	8,628,151	6,672,574	70,672,218	-	70,672,218
Expenses									
Gross claims incurred	12,800,193	1,132,448	14,587,841	1,574,354	7,464,336	4,392,433	41,951,605	(780,824)	41,170,781
Retrocession recoveries	(1,108,972)	(250,024)	(1,617,357)	(693,328)	(2,062,950)	(1,753,542)	(7,486,173)	780,824	(6,705,349)
Net claims incurred	11,691,222	882,423	12,970,484	881,026	5,401,384	2,638,891	34,465,432	-	34,465,432
Underwriting expenses:									
Acquisition and maintenance cost	7,520,893	938,888	9,451,078	1,274,425	2,582,581	2,817,399	24,585,263	-	24,585,263
Management expenses	2,277,962	459,735	1,642,344	593,315	639,237	725,655	6,338,248	-	6,338,248
	9,798,855	1,398,623	11,093,422	1,867,740	3,221,818	3,543,054	30,923,511	-	30,923,510
Underwriting profit	1,749,163	(86,519)	2,632,960	492,093	4,949	490,629	5,283,275	-	5,283,276
Investment Income & other income	2,297,058	530,782	1,373,180	225,759	159,121	225,094	4,810,994	-	4,810,995
Foreign exchange gain/(loss)	2,246,333	2,489	(132,724)	134	-	108,380	2,224,612	(87,578)	2,137,034
Administrative expenses	(1,061,303)	(87,161)	(478,154)	(127,682)	(160,875)	(181,198)	(2,096,374)	-	(2,096,373)
Impairment of financial assets	(909,954)	(143,524)	(454,776)	41,222	(93,961)	(137,249)	(1,698,242)	-	(1,698,242)
Results of operating activities	4,321,298	216,066	2,940,486	631,527	(90,767)	505,656	8,524,264	(87,578)	8,436,690
Income tax expenses	(428,626)	(95,187)	(936,233)	(5,839)	-	(135,806)	(1,601,691)	-	(1,601,691)
Profit for the year	3,892,672	120,878	2,004,253	625,688	(90,767)	369,850	6,922,573	(87,578)	6,834,999
Segment assets	73,383,960	22,483,667	44,242,089	-	-	17,498,916	157,608,632	(8,450,340)	149,158,292
Segment liabilities	42,080,494	14,886,239	31,736,808	-	-	12,260,811	100,964,352	(2,327,230)	98,637,122
Ratios:									
Retro ratio	23%	41%	19%	46%	14%	42%	24%		22%
Claims ratio	50%	40%	49%	27%	63%	40%	49%		49%
Acquisition cost ratio	32%	43%	35%	39%	30%	42%	35%		35%
Management expense ratio	10%	21%	6%	18%	7%	11%	9%		9%
Combined ratio	92%	104%	90%	85%	100%	93%	93%		93%

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)
Ceded outstanding claims reserve							-	-	-
Claims incurred	11,881,321	236,877	7,774,167	1,396,979	3,807,243	1,168,264	26,264,851	-	26,264,851
Retrocession recoveries							-	-	-
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
Management expenses	2,238,154	406,365	1,089,307	375,106	670,908	561,386	5,341,226	-	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
Ratios:									
Retro ratio	14%	39%	17%	41%	10%	61%	22%		20%
Claims ratio	59%	15%	45%	49%	57%	24%	49%		49%
Acquisition cost ratio	31%	39%	34%	34%	27%	47%	33%		33%
Management expense ratio	11%	26%	6%	13%	10%	11%	10%		9%
Combined ratio	100%	80%	86%	97%	94%	82%	92%		92%

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.

43. Management of Insurance risk (continued)

The Company's insurance risk by regional offices 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 2022					
Anglophone west	28,208,086	(7,137,210.4)	21,070,875	27%	32%
Eastern Africa	41,478,899	(7,838,090.0)	33,640,809	40%	35%
Southern Africa	10,901,555	(1,415,991.5)	9,485,564	11%	6%
Central Africa	3,712,202	(1,509,068.6)	2,203,133	4%	7%
Northern Africa	13,076,669	(1,807,327.6)	11,269,341	13%	8%
Francophone West	5,838,794	(2,701,585.4)	3,137,210	6%	12%
Total	**103,216,204**	**(22,409,273)**	**80,806,932**	**100%**	**100%**
31 December 2021					
Anglophone west	25,220,574	(3,813,420.9)	21,407,154	24%	26%
Eastern Africa	22,241,773	(3,802,515.0)	18,439,258	22%	26%
Southern Africa	8,067,032	(3,231,620.3)	4,835,412	8%	22%
Central Africa	2,455,192	(950,411.2)	1,504,780	2%	7%
Northern Africa	7,978,496	(813,925.1)	7,164,571	8%	6%
Francophone West	4,422,008	(1,796,138.8)	2,625,871	4%	12%
Total	**70,385,075**	**(14,408,031)**	**55,977,045**	**100%**	**100%**

Company	Gross written Premium (=N='000)	Ceded to Retrocessionaire (=N='000)	Net written Premium (=N='000)	Percentage (GWP) %	Percentage (Retro) %
31 December 2022					
Anglophone west	28,208,086	(6,395,975)	21,812,111	63%	72%
Eastern Africa	283,206	-	283,206	1%	0%
Southern Africa	1,820,201	(578,168)	1,242,033	4%	6%
Central Africa	394,890	-	394,890	1%	0%
Northern Africa	13,076,669	(1,807,328)	11,269,341	29%	20%
Francophone West	709,241	(163,067)	546,174	2%	2%
Total	**44,492,292**	**(8,944,538)**	**35,547,753**	**100%**	**100%**
31 December 2021					
Anglophone west	25,220,574	(3,813,421)	21,407,154	57%	72%
Eastern Africa	-	-	-	0%	0%
Southern Africa	1,726,918	(690,767)	1,036,151	4%	13%
Central Africa	-	-	-	0%	0%
Northern Africa	7,978,496	(813,925)	7,164,571	18%	15%
Francophone West	-	-	-	0%	0%
Total	**34,925,988**	**(5,318,113)**	**29,607,874**	**78%**	**100%**

43.1 **Management of Insurance risk (continued)**

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 (gross) (=N='000)**	**Net written Premium (=N='000)**	**Percentage (GWP) %**	**Percentage (Retro) %**
31 December 2022					
Accident	26,736,122	(6,699,939)	20,036,183	26%	24%
Energy	3,740,912	(1,149,413)	2,591,498	4%	4%
Fire	39,387,131	(12,153,231)	27,233,900	38%	43%
Group Life	7,301,913	(1,360,469)	5,941,444	7%	5%
Individual Life	325,582	(39,070)	286,512	0%	0%
Liability	5,082,992	(1,099,455)	3,983,538	5%	4%
Engineering	11,900,622	(4,257,725)	7,642,896	12%	15%
Agriculture	1,947,299	(827,845)	1,119,455	2%	3%
Marine	6,793,631	(408,780)	6,384,851	7%	1%
Total	**103,216,203**	**(27,995,927)**	**75,220,276**	**100%**	**100%**
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%**

Company	**Gross written Premium (=N='000)**	**Ceded to Retrocessionaire (gross) (=N='000)**	**Net written Premium (=N='000)**	**Percentage (GWP) %**	**Percentage (Retro) %**
31 December 2022					
Accident	4,483,232	(2,215,407)	2,267,825	10%	22%
Energy	3,484,581	(966,554)	2,518,026	8%	10%
Fire	18,983,781	(3,533,818)	15,449,963	43%	36%
Group Life	5,923,962	(1,272,070)	4,651,893	13%	13%
Individual Life	276,546	(33,186)	243,360	1%	0%
Liability	1,278,105	(313,400)	964,705	3%	3%
Engineering	4,770,528	(964,519)	3,806,010	11%	10%
Agriculture	1,098,301	(430,531)	667,770	2%	4%
Marine	4,193,256	(158,280)	4,034,977	9%	2%
Total	**44,492,292**	**(9,887,764)**	**34,604,528**	**100%**	**100%**
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)**	**29,203,366**	**100%**	**100%**

CONTINENTAL REINSURANCE

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 2022 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 =N='000	1 =N='000	2 =N='000	3 =N='000	4 =N='000	5 =N='000	6 =N='000	7 =N='000	8 =N='000	9 =N='000	10 =N='000
2012	4,451,644	9,985,455	12,842,525	13,825,738	14,290,418	14,312,341	14,418,681	14,580,719	14,606,511	14,647,223	14,790,539
2013	1,823,220	5,421,973	6,653,340	7,479,025	7,480,490	8,045,938	8,773,680	9,345,240	9,422,375	9,432,028	
2014	2,435,117	5,925,737	7,393,371	7,668,849	7,791,117	8,077,857	9,247,552	9,592,811	9,619,945		
2015	3,135,052	8,585,239	10,192,342	10,990,201	12,507,399	12,821,512	12,875,607	13,011,322			
2016	3,181,320	10,564,375	14,344,121	15,914,899	17,805,023	18,540,801	18,885,537				
2017	3,658,912	11,371,024	14,853,764	16,628,259	17,863,575	19,043,549					
2018	3,919,116	12,244,149	14,710,194	16,170,331	17,429,283						
2019	5,464,247	13,942,300	18,482,310	20,457,967							
2020	4,259,685	15,109,372	25,487,463								
2021	5,622,391	16,590,107									
2022	5,736,461										

Life Claims development triangle

Underwriting Year	Development										
	0 =N='000	1 =N='000	2 =N='000	3 =N='000	4 =N='000	5 =N='000	6 =N='000	7 =N='000	8 =N='000	9 =N='000	10 =N='000
2012	-	-	-	13,801	15,255	17,345	17,900	18,015	18,036	18,078	18,078
2013	-	-	89,327	115,135	80,242	84,757	85,472	98,303	98,303	98,303	
2014	-	657,994	762,452	864,092	872,778	873,316	885,060	885,376	885,664		
2015	737,317	1,378,730	1,786,882	1,870,075	1,876,003	1,886,431	1,889,900	1,891,695			
2016	448,040	1,155,842	1,826,581	2,266,909	2,281,791	2,310,828	2,320,442				
2017	558,843	1,650,353	1,803,809	1,880,104	1,903,871	1,907,886					
2018	1,171,180	2,399,632	2,828,085	2,999,652	3,024,652						
2019	739,976	1,594,707	2,140,160	2,160,247							
2020	983,673	1,827,840	2,137,773								
2021	1,064,559	2,738,658									
2022	1,097,857										

43.1 **Management of Insurance risk (continued)**

Company

Non-life Claims development triangle

Underwriting Year	Development										
	0 =N='000										
2012	1,663,575	3,770,418	5,168,392	6,011,185	6,281,082	6,264,929	6,291,349	6,429,965	6,444,172	6,476,764	6,616,114
2013	1,328,542	2,298,127	2,726,968	3,038,033	3,106,437	3,605,054	4,200,256	4,749,357	4,774,625	4,776,736	
2014	1,409,997	3,125,452	3,845,415	3,884,663	3,938,333	3,945,043	4,057,004	4,084,611	4,097,495		
2015	2,206,369	4,890,122	5,731,233	6,087,006	6,123,349	6,205,232	6,195,529	6,216,364			
2016	2,588,757	7,515,097	8,175,491	9,184,927	9,551,441	10,067,436	10,194,853				
2017	2,701,300	7,153,419	9,560,817	10,923,638	11,576,664	11,884,700					
2018	3,086,907	7,516,639	8,405,647	9,130,294	9,408,787						
2019	3,584,406	8,292,707	10,870,311	11,645,904							
2020	2,964,160	8,520,581	15,321,622								
2021	4,102,857	7,891,938									
2022	2,921,066										

Life Claims development triangle

Underwriting Year	Development										
	0 =N='000										
2012	-	-	-	13,238	14,691	16,465	17,020	17,135	17,156	17,199	17,199
2013	-	-	87,821	113,629	114,714	119,229	119,945	120,237	120,237	120,237	
2014	-	612,632	701,917	704,706	711,153	711,682	712,600	712,693	712,980		
2015	680,491	1,236,384	1,410,456	1,449,167	1,454,742	1,456,802	1,461,902	1,463,686			
2016	327,020	896,744	1,200,752	1,217,137	1,230,299	1,234,077	1,243,662				
2017	465,298	1,264,595	1,389,099	1,450,210	1,464,002	1,468,017					
2018	1,015,983	2,029,454	2,236,586	2,294,891	2,312,413						
2019	601,294	1,325,147	1,460,600	1,473,952							
2020	910,429	1,612,445	1,837,255								
2021	595,317	1,504,001									
2022	1,080,662										

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 N184m million whilst a reduction by 5% will result in a reduction of Life fund liability by N122 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 2022. The effects of these changes are as follows:

Group	**Ultimate Premium impact on UPR**			**Ultimate Loss Ratio (ULR) impact on OCR**		
	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	11,425,846	10,649,264	12,202,427	9,747,046	9,177,115	10,324,782
Agriculture	657,475	615,250	699,700	713,796	664,567	763,024
Energy	1,247,192	1,109,420	1,384,963	506,369	382,953	638,452
Engineering	6,865,890	6,506,787	7,224,993	3,076,148	2,838,556	3,313,739
Fire	15,467,292	14,305,731	16,628,852	19,911,211	18,638,307	21,253,990
Liability	2,433,433	2,292,319	2,574,547	2,332,014	2,167,016	2,497,012
Marine	2,988,814	2,769,262	3,208,365	1,873,085	1,696,115	2,050,055
Life	3,671,728	3,384,659	3,958,797	1,244,133	1,060,597	1,427,669
Total	**44,757,668**	**41,632,693**	**47,882,644**	**39,403,801**	**36,625,226**	**42,268,723**

Company	**Ultimate Premium impact on UPR**			**Ultimate Loss Ratio (ULR) impact on OCR**		
	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	1,802,690	1,582,134	2,023,247	714,240	559,465	869,015
Agriculture	366,645	341,408	391,882	407,066	376,093	438,038
Energy	1,221,142	1,083,371	1,358,914	494,120	377,941	617,728
Engineering	2,629,808	2,473,752	2,785,864	1,335,834	1,229,221	1,442,447
Fire	7,120,003	6,567,382	7,672,624	11,238,061	10,583,359	11,892,764
Liability	294,399	263,204	325,593	418,641	366,975	470,306
Marine	1,960,387	1,802,027	2,118,747	928,699	818,599	1,038,798
Life	2,940,712	2,686,517	3,194,907	707,586	547,896	867,275
Total	**18,335,786**	**16,799,795**	**19,871,776**	**16,244,247**	**14,859,550**	**17,636,372**

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.

Maturity analysis on expected maturity basis

Group **At 31 December 2022**	**Current** **=N='000**	**Non-current** **=N='000**	**Total** **=N='000**
Cash and cash equivalents	17,335,926	-	17,335,926
Loans and other receivables	192,480	215,185	407,665
Available-for-sale investments	477,504	595,753	1,073,257
Held to maturity investments	3,206,149	32,935,026	36,141,175
Reinsurance receivables	9,622,738	36,718,766	46,341,505
Retrocession assets	26,952,005	-	26,952,005
Deferred acquisition costs	10,045,012	-	10,045,012
Other assets	886,700	-	886,700
Investment properties	-	5,201,836	5,201,836
Intangible assets	-	84,470	84,470
Property, plant and equipment	-	2,922,176	2,922,176
Statutory deposits	-	1,000,000	1,000,000
Total assets	68,718,515	79,673,212	148,391,727
Liabilities			
Insurance contract liabilities	83,426,036	-	83,426,036
Reinsurance creditors	9,680,733	-	9,680,733
Other liabilities	2,863,200	-	2,863,200
Retirement benefit obligations	-	1,115,108	1,115,108
Current income tax	808,489	-	808,489
Deferred taxation	-	359,798	359,798
Total liabilities	96,778,458	1,474,906	98,253,364

43.2 Financial risk management (continued)

Maturity analysis 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
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**
Company			
At 31 December 2022			
Cash and cash equivalents	11,246,049	-	11,246,049
Loans and other receivables	121,504	222,966	344,470
Available-for-sale investments	478,202	575,163	1,053,365
Held to maturity investments	863,658	16,918,376	17,782,034
Reinsurance receivables	2,965,592	16,268,494	19,234,086
Retrocession assets	5,944,877	-	5,944,877
Deferred acquisition costs	4,707,953	-	4,707,953
Other assets	2,311,852	-	2,311,852
Investment properties	-	1,849,900	1,849,900
Intangible assets	-	84,470	84,470
Property, plant and equipment	-	1,699,226	1,699,226
Statutory deposits	-	1,000,000	1,000,000
Investment in subsidiary	-	6,123,109	6,123,109
Total assets	**28,639,688**	**44,741,703**	**73,381,391**
Liabilities			
Insurance contract liabilities	34,580,032	-	34,580,032
Reinsurance creditors	3,986,886	-	3,986,886
Other liabilities	1,718,485	-	1,718,485
Retirement benefit obligations	-	759,441	759,441
Current income tax	661,720	-	661,720
Deferred taxation	-	347,243	347,243
Total liabilities	**40,947,123**	**1,106,684**	**42,053,807**

43.2 Financial risk management (continued)

Maturity analysis

Company **At 31 December 2021**	**Current** **=N='000**	**Non-current** **=N='000**	**Total** **=N='000**
Cash and cash equivalents	9,466,791	-	9,466,791
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**

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=174.85 million and Company =N=114.42 million (2021: Group =N=136.142million and Company =N=74.409million).

(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=10.72 million and Company =N=10.534 million (December 2021: Group =N=11.89 million, Company =N=11.686)

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=526.9 million gain or loss for the Group and Company of =N=203.6 million (2021: Group =N=478.83m and Company =N=200.8m). In Euro, Group =N=4.96 million and Company =N=2.48 million (2021: Group =N=4.38 million and Company =N=1.81 million). And in other currencies, Group =N=364.31 million and Company =N=136.27 million (2021: Group =N=241.13 million and Company =N= 41.91 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	**Naira**	**USD**	**Euro**	**CFA**	**Others**	**Total**
At 31 December 2022	**=N='000**	**=N='000**	**=N='000**	**=N='000**	**=N='000**	**=N='000**
Assets						
Cash and cash equivalents	2,209,911	8,613,311	662,996	2,500,475	3,498,521	17,485,215
Reinsurance receivables	13,271,519	9,474,544	654,643	5,074,647	17,866,151	46,341,505
Investment securities	6,101,757	20,896,611	-	2,702,735	7,548,752	37,249,855
Loans and other receivables	105,309	-	-	64,746	237,610	407,665
Other assets	106,454	-	-	98,642	567,923	773,019
Retrocession assets	-	26,952,004	-	-	-	26,952,004
	21,794,949	65,936,470	1,317,639	10,441,245	29,718,958	129,209,262
Liabilities						
Other liabilities	1,333,317	-	-	165,343	1,364,541	2,863,201
	1,333,317	-	-	165,343	1,364,541	2,863,201
Net foreign currency exposure	20,461,632	65,936,470	1,317,639	10,275,902	28,354,417	126,346,061

31 December 2021	**Naira**	**USD**	**Euro**	**CFA**	**Others**	**Total**
Assets	**=N='000**	**=N='000**	**=N='000**	**=N='000**	**=N='000**	**=N='000**
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

Company	**Naira**	**USD**	**Euro**	**CFA**	**Others**	**Total**
At 31 December 2022	**=N='000**	**=N='000**	**=N='000**	**=N='000**	**=N='000**	**=N='000**
Assets						
Cash and cash equivalents	2,209,911	6,144,551	662,996	549,064	1,875,675	11,442,197
Reinsurance receivables	12,502,156	1,764,543	65,431	-	4,901,956	19,234,086
Investment securities	6,101,757	12,195,747	-	334,123	203,773	18,835,399
Loans and other receivables	244,574	-	-	-	99,896	344,470
Other assets	2,219,532	-	-	-	63,531	2,283,063
Retrocession assets	-	5,944,876	-	-	-	5,944,876
	23,277,929	26,049,717	728,427	883,187	7,144,831	58,084,091
Liabilities						
Other liabilities	1,265,054	-	-	-	453,432	1,718,486
	1,265,054	-	-	-	453,432	1,718,486
Net foreign currency exposure	22,012,875	26,049,717	728,427	883,187	6,691,399	56,365,605

Company 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**

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			
Maximum exposure to credit risk before collateral held or other credit enhancements:	**Group 2022 =N='000**	**Group 2021 =N='000**	**Company 2022 =N='000**	**Company 2021 =N='000**
Cash and cash equivalents	17,335,926	16,239,808	11,246,049	9,466,791
Reinsurance receivables	46,341,505	31,333,426	19,234,086	12,279,107
Loans and other receivables	407,665	264,732	344,470	175,325
Debt securities	21,496,522	13,779,822	8,681,161	5,564,847
Total assets bearing credit risk	**85,581,618**	**61,617,788**	**39,505,766**	**27,486,070**

Credit quality of financial assets per asset class-Group	**Cash and cash equivalents =N='000**	**Reinsurance receivables =N='000**	**Loans and other receivables**	**Debt securities =N='000**
At 31 December 2022				36,176,597
Neither past due nor impaired	17,335,926	24,755,752	=N='000	-
Past due but not impaired	-	14,987,259	407,664	985,063
Impaired	-	1,068,943	-	37,161,659
Gross	17,335,926	40,811,954	373,991	(985,063)
Impairment allowance - collective	-	(1,406,504)	781,655	36,176,597
Net	17,335,926	39,405,450	(373,991)	
			407,664	
31 December 2021				
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

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 2022				
Neither past due nor impaired	11,246,049	11,952,129	344,469	17,782,034
Past due but not impaired	-	3,871,708	-	-
Impaired	-	-	373,991	889,612
Gross	11,246,049	15,823,837	718,460	18,671,646
Impairment allowance - collective	-	(165,973)	(373,991)	(889,612)
Net	11,246,049	15,657,864	344,469	17,782,034
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	-	238,545	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

(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 2022					
Cash and cash equivalents	-	-	17,335,926	-	-
Reinsurance receivables	-	-	-	-	46,341,505
Loans and other receivables	-	-	-	-	407,665
Other assets	-	-	-	-	886,699
Retrocession assets	-	-	-	36,176,597	-
Debt securities	-	26,952,004	17,335,926	36,176,597	-
					47,635,869
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	-	-	-	24,252,080	-
Debt securities	16,239,808	16,046,933	-	24,252,080	31,987,161

Company

	A+ =N='000	A =N='000	BBB- =N='000	Below BBB =N='000	Not rated =N='000
At 31 December 2022					
Cash and cash equivalents	-	-	11,246,049	-	-
Reinsurance receivables	-	-	-	-	19,234,086
Loans and other receivables	-	-	-	-	344,470
Other assets	-	-	-	-	2,219,532
Retrocession assets	-	-	-	17,782,034	-
Debt securities	-	5,944,876	11,246,049	17,782,034	21,798,088
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	-	-	-	11,235,664	-
Debt securities	9,466,791	6,261,679	-	11,235,664	15,305,660

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

Group **At 31 December 2022**	**< 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	1,391,781	216,080	70,062	46,134	17,951	37,896
Reinsurance receivables-Non Life	20,774,827	3,147,686	846,669	844,181	4,717,936	8,700,750
Total	**22,166,608**	**3,363,766**	**916,731**	**890,315**	**4,735,887**	**8,738,646**
Profile	**54%**	**8%**	**2%**	**2%**	**12%**	**21%**

Group **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**	**3,087,782**	**573,249**	**713,508**	**4,613,763**	-
Profile	**49%**	**18%**	**3%**	**4%**	**26%**	**0%**

Company **At 31 December 2022**	**< 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	905,497	318,198	45,527	23,125	20,322	19,945
Reinsurance receivables-Non Life	6,656,458	1,744,935	1,265,643	808,780	907,997	3,107,411
Total	**7,561,955**	**2,063,133**	**1,311,169**	**831,905**	**928,319**	**3,127,356**
Profile	**48%**	**13%**	**8%**	**5%**	**6%**	**20%**
31 December 2021						
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	**3,771,039**	**1,946,364**	**1,205,436**	**820,451**	**1,067,136**	**659,571**
Profile	**40%**	**21%**	**13%**	**9%**	**11%**	**7%**

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** **2022** **=N='000**	**Group** **2021** **=N='000**	**Company** **2022** **=N='000**	**Company** **2021** **=N='000**
Nigeria	14,207,090	9,404,895	14,207,090	9,404,895
Cameroon+Abidjan	6,837,480	4,948,372	-	-
Kenya	14,063,442	9,182,859	-	-
Tunis	5,026,996	2,874,212	5,026,996	2,874,212
Gaborone	6,427,778	4,923,089	-	-
Total	**46,562,786**	**31,333,427**	**19,234,086**	**12,279,107**

(b) Business Class

At 31 December	**Group** **2022** **=N='000**	**Group** **2021** **=N='000**	**Company** **2022** **=N='000**	**Company** **2021** **=N='000**
Life operation	1,742,009	1,462,780	1,332,614	858,696
Non life Facultative	5,009,577	3,147,418	1,712,666	1,837,428
Non life Treaty	39,811,200	26,723,229	16,188,806	9,582,984
Total	**46,562,786**	**31,333,427**	**19,234,086**	**12,279,107**

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 2022	0 - 30 days =N='000	31 - 90 days =N='000	91 - 180 days =N='000	181 - 365 days =N='000	Over 1 year =N='000	Total =N='000
Financial assets						
Cash and cash equivalents	10,387,362	5,797,064	806,002	930,567	-	17,920,995
Reinsurance receivables	20,265,321	1,901,287	3,363,766	1,807,047	19,004,084	46,341,505
Loans and other receivables	4,563	54,654	21,546	43,215	283,687	407,665
Other assets	345,323	245,363	187,643	104,649	3,721	886,699
Retrocession assets	11,973,356	9,084,486	2,734,240	1,234,240	1,925,680	26,952,004
Debt Securities at amortised cost	183,260	978,907	1,954,197	2,176,763	34,542,028	39,835,155
Debt Securities at available for sale	-	1,131	0	1,131	20,563	22,824
Total relevant financial assets	**43,159,185**	**18,062,892**	**9,067,394**	**6,297,613**	**55,779,763**	**66,809,983**
Financial liabilities						
Outstanding claims	141,931	319,803	304,715	512,507	2,762,044	4,040,999
Other liabilities	876,546	654,635	546,333	764,541	21,146	2,863,201
Total financial liabilities	**1,018,477**	**974,438**	**851,048**	**1,277,048**	**2,783,190**	**6,904,200**
31 December 2021						
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**

Company

31 December 2022	0 - 30 days =N='000	31 - 90 days =N='000	91 - 180 days =N='000	181 - 365 days =N='000	Over 1 year =N='000	Total =N='000
Financial assets						
Cash and cash equivalents	5,750,994	4,845,001	806,002	150,000	-	11,551,997
Reinsurance receivables	5,704,538	1,857,417	1,311,169	831,905	9,529,057	19,234,086
Loans and other receivables	39,179	33,240	16,543	32,542	222,966	344,470
Other assets and prepayments	207,989	187,500	321,784	399,449	1,195,131	2,311,852
Retrocession assets	2,064,741	564,474	1,256,400	753,630	1,305,631	5,944,876
Debt Securities at amortised cost	97,291	449,041	1,069,005	724,451	18,520,349	20,860,137
Debt Securities at available for sale	-	-	-	-	-	-
Total relevant financial assets	**13,864,731**	**7,936,673**	**4,780,904**	**2,891,976**	**30,773,134**	**60,247,418**

	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	-	133,982	152,086	365,655	2,458,716	3,110,439
Other liabilities	453,432	316,470	336,454	487,659	124,471	1,718,486
Total financial liabilities	**453,432**	**450,452**	**488,540**	**853,314**	**2,583,187**	**4,828,925**

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 2021						
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**
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**

43.3 Fair value of financial assets and liabilities

(a) Financial instruments not measured at fair value

	Carrying value	Fair Value			
Group		**Level 1**	**Level 2**	**Level 3**	**Fair value**
31 December 2022	**=N='000**	**=N='000**	**=N='000**	**=N='000**	**=N='000**
Financial assets					
Cash and cash equivalents	17,335,926	-	17,335,926	-	17,335,926
Reinsurance receivables	46,341,505	-	-	46,341,505	46,341,505
Loans and other receivables	407,665	-	-	407,665	407,665
Retrocession assets	26,952,004	-	-	26,952,004	26,952,004
Other assets	769,298	-	-	769,298	769,298
Held to maturity					
Debt instruments	36,141,175	-	36,141,175	-	36,141,175
	127,947,573	-	53,477,101	74,470,471	127,947,573
Financial liabilities					
Reinsurance creditors	9,680,733	-	-	9,680,733	9,680,733
Other liabilities	2,863,201	-	-	2,863,201	2,863,201
	12,543,934	-	-	12,543,934	12,543,934

	Carrying value				
Group		**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	-	0	31,333,426	31,333,426
Loans and other receivables	264,732	-	0	264,732	264,732
Retrocession assets	16,046,933	-	0	16,046,933	16,046,933
Other assets	196,548	-	0	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

Company 31 December 2022	Carrying value =N='000	Level 1 =N='000	Fair value Level 2 =N='000	Level 3 =N='000	Fair value =N='000
Financial assets					
Cash and cash equivalents	11,246,049	-	11,246,049	-	11,246,049
Reinsurance receivables	19,234,086	-	-	19,234,086	19,234,086
Loans and other receivables	344,470	-	-	344,470	344,470
Retrocession assets	5,944,876	-	-	5,944,876	5,944,876
Other assets	2,283,063	-	-	2,283,063	2,283,063
Held to maturity					
Debt instruments	17,782,034		17,782,034	-	17,782,034
	56,834,578	-	29,028,083	27,806,495	56,834,578
Financial liabilities					
Reinsurance creditors	3,986,886	-	-	3,986,886	3,986,886
Other liabilities	1,718,486	-	-	1,718,486	1,718,486
	5,705,372	-	-	5,705,372	5,705,372

31 December 2021	Carrying value =N='000	Level 1 =N='000	Fair value Level 2 =N='000	Level 3 =N='000	Fair value =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

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.

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 2022 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	334,123	Adjusted fair value comparison approach	Median of P/B multiples of comparable companies	350,829	317,417	The higher the illiquidity ratio and the earnings per share haircut adjustment the lower the fair value.
Investment in Uganda Reinsurance	217,114	Adjusted fair value comparison approach	Median of P/B multiples of comparable companies	227,970	206,258	The higher the illiquidity ratio and the earnings per share haircut adjustment the lower the fair value.
Investment in Africa Reinsurance	62,881	Adjusted fair value comparison approach	Median of P/B multiples of comparable companies	66,026	59,737	The higher the illiquidity ratio and the earnings per share haircut adjustment the lower the fair value.
Investment in Imperial homes	12,500	Adjusted fair value comparison approach	Median of P/B multiples of comparable companies	13,125	11,875	The higher the illiquidity ratio and the earnings per share haircut adjustment the lower the fair value.
Ivestment in Food Concept	5,400	This are fully impaired asset	This are fully impaired asset	5,670	5,130	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 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 comparison approach	Median of P/B multiples of comparable companies	348,468	315,281	The higher the illiquidity ratio and the earnings per share haircut adjustment the lower the fair value.
Investment in Uganda Reinsurance	137,377	Adjusted fair value comparison approach	Median of P/B multiples of comparable companies	144,246	130,508	The higher the illiquidity ratio and the earnings per share haircut adjustment the lower the fair value.
Investment in Africa Reinsurance	41,631	Adjusted fair value comparison approach	Median of P/B multiples of comparable companies	43,712	39,549	The higher the illiquidity ratio and the earnings per share haircut adjustment the lower the fair value.
Investment in Imperial homes	39,528	Adjusted fair value comparison approach	Median of P/B multiples of comparable companies	41,505	37,552	The higher the illiquidity ratio and the earnings per share haircut adjustment the lower the fair value.
Ivestment in Food Concept	12,268	This are fully impaired asset	This are fully impaired asset	12,881	11,654	This are fully impaired asset

Group	Level 1 =N='000	Level 2 =N='000	Level 3 =N='000	Total =N='000
31 December 2022				
Financial assets				
Financial assets designated at fair value	-	-	-	-
Available for sale investments				-
Debt investments		19,892	-	19,892
Quoted equity investments	173,610	247,784	-	421,395
Unquoted equity investments		-	631,971	631,971
	173,610	267,676	631,971	1,073,258
31 December 2021				
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

CONTINENTAL REINSURANCE

CONTINENTAL REINSURANCE PLC UNDERWRITING REVENUE ACCOUNT FOR JANUARY TO DECEMBER 2022 GROUP INCOME	ENERGY N'000	FIRE N'000	ACCIDENT N'000	LIABILITY N'000	MARINE N'000	ENGINEERING N'000	AGRIC N'000	LIFE N'000	Eliminations N'000	TOTAL N'000
GROSS BOOKED PREMIUMS	3,218,660	36,884,792	19,991,171	4,675,317	5,718,070	8,361,609	1,619,041	6,568,114	-3,207,538	83,829,237
ADD PIPELINE C/F	1,016,444	12,002,728	10,347,882	2,615,433	2,736,867	6,090,673	554,352	2,265,135		**37,629,515**
LESS PIPELINE B/F	-494,193	-6,292,851	-3,602,930	-2,207,758	-1,661,305	-2,551,660	-226,094	-1,205,755		**-18,242,548**
CHANGE IN PIPELINE	**522,251**	**5,709,876**	**6,744,952**	**407,675**	**1,075,562**	**3,539,013**	**328,258**	**1,059,380**		19,386,967
GROSS PREMIUM INCOME	**3,740,912**	**42,594,668**	**26,736,122**	**5,082,992**	**6,793,631**	**11,900,622**	**1,947,299**	**7,627,494**	**-3,207,538**	**103,216,203**
ADD UNEXPIRED RISK AT THE BEGINNING OF THE PERIOD-GROSS	830,150	9,419,727	5,779,201	2,006,461	2,228,775	4,089,559	438,496	2,411,137		**27,203,506**
LESS UNEXPIRED RISK AT THE END OF THE PERIOD-GROSS	-1,245,843	-15,060,728	-11,594,608	-2,335,983	-2,939,396	-6,623,549	-645,088	-3,619,154		**-44,064,350**
INCREASE/DECREASE IN UNEXPIRED RISKS-GROSS	-415,694	-5,641,001	-5,815,408	-329,522	-710,620	-2,533,990	-206,592	-1,208,017		**-16,860,844**
ADD UNEXPIRED RISK AT THE BEGINNING OF THE PERIOD-NET	539,838	6,269,173	4,478,121	1,553,181	1,782,429	2,894,239	184,914	2,154,713		**19,856,608**
LESS UNEXPIRED RISK AT THE END OF THE PERIOD-NET	-1,245,154	-9,213,953	-8,168,526	-1,886,889	-2,600,430	-4,498,048	-393,888	-3,123,910		**-31,130,798**
INCREASE/DECREASE IN UNEXPIRED RISKS-NET	-705,316	-2,944,780	-3,690,405	-333,708	-818,001	-1,603,809	-208,974	-969,197		**-11,274,190**
GROSS PREMIUM EARNED	3,035,595	39,649,889	23,045,718	4,749,284	5,975,630	10,296,813	1,738,325	6,658,297	-3,207,538	**91,942,014**
PREMIUM CEDED	-1,149,413	-15,360,769	-6,699,939	-1,099,455	-408,780	-4,257,725	-827,845	-1,399,539	3,207,538	**-27,995,927**
COMMISSION RECEIVED ON PREMIUM CEDED	6,649	3,946,775	978,898	128,156	69,644	1,116,478	261,321	218,210	-741,235	**5,984,896**
	6,649	3,946,775	978,898	128,156	69,644	1,116,478	261,321	218,210		
NET PREMIUM EARNED	**1,892,831**	**28,235,895**	**17,324,677**	**3,777,985**	**5,636,494**	**7,155,565**	**1,171,802**	**5,476,968**	**-741,235**	**69,930,983**
OUTGO:										
GROSS CLAIMS PAID	147,695	16,406,966	9,523,275	1,084,832	1,612,825	1,755,381	782,361	3,078,174	-780,824	**33,610,685**
LESS OCR AT THE BEGINNING OF THE PERIOD-GROSS	-714,321	-13,723,317	-4,609,162	-1,749,351	-1,074,357	-2,768,226	-346,912	-1,630,947		**-26,616,595**
ADD OCR AT THE END OF THE PERIOD-GROSS	505,724	19,404,340	9,349,034	2,229,667	1,829,361	2,990,351	701,232	1,218,464		**38,228,172**
INCREASE/DECREASE IN OUTSTANDING CLAIMS-GROSS	-208,598	5,681,022	4,739,872	480,316	755,004	222,125	354,319	-412,483		**11,611,578**
LESS OCR AT THE BEGINNING OF THE PERIOD-NET	-700,035	-8,273,427	-3,652,974	-1,522,866	-598,117	-2,202,591	-121,128	-1,443,329		**-18,514,466**
ADD OCR AT THE END OF THE PERIOD-NET	505,724	12,029,179	7,207,513	2,183,235	1,292,785	1,976,891	326,561	1,111,679		**26,633,568**
INCREASE/DECREASE IN OUTSTANDING CLAIMS-NET	-194,311	3,755,752	3,554,540	660,369	694,668	-225,699	205,434	-331,651		**8,119,102**
GROSS CLAIMS INCURRED	-46,616	20,162,719	13,077,815	1,745,202	2,307,493	1,529,681	987,795	2,746,523	-780,824	**41,729,787**
LESS: RETROCESSION RECOVERIES	-27,683	-4,870,537	-1,239,494	455	-63,793	-562,053	-521,969	-760,105	780,824	**-7,264,355**
NET CLAIMS INCURRED	**-74,299**	**15,292,182**	**11,838,321**	**1,745,656**	**2,243,700**	**967,629**	**465,825**	**1,986,418**	-	**34,465,432**
COMMISSIONS	237,881	9,935,066	5,171,085	776,182	1,761,353	3,036,654	331,911	1,895,004	-741,235	**22,403,901**
ADD DAC (NET) AT THE BEGINNING OF THE PERIOD	112,545	2,073,261	1,223,260	402,841	652,571	846,857	47,028	641,542		**5,999,906**
LESS DAC (NET) AT THE END OF THE PERIOD	-129,815	-2,246,051	-2,134,619	-457,246	-822,566	-1,229,966	-46,920	-801,257		**-7,868,440**
CHANGE IN DEFERRED ACQUISITION COST	-17,270	-172,790	-911,359	-54,405	-169,994	-383,109	108	-159,715		**-1,868,535**
NET COMMISSIONS	**220,611**	**9,762,276**	**4,259,725**	**721,777**	**1,591,359**	**2,653,545**	**332,020**	**1,735,289**	**-741,235**	**20,535,366**
BROKERAGES AND CHARGES	123,020	1,288,561	1,119,459	207,127	213,968	270,266	55,426	30,834		**3,308,662**
MANAGEMENT EXPENSES	254,246	2,734,445	1,266,528	357,201	439,149	624,777	117,201	544,700		**6,338,247**
TOTAL OUTGO	**523,577**	**29,077,463**	**18,484,034**	**3,031,762**	**4,488,176**	**4,516,217**	**970,472**	**4,297,241**	**-741,235**	**64,647,707**
UNDERWRITING RESULT	**1,369,254**	**-841,568**	**-1,159,357**	**746,224**	**1,148,318**	**2,639,348**	**201,329**	**1,179,727**	**-**	**5,283,276**

CONTINENTAL REINSURANCE PLC UNDERWRITING REVENUE ACCOUNT FOR JANUARY TO DECEMBER 2022 COMPANY INCOME	ENERGY N'000	FIRE N'000	ACCIDENT N'000	LIABILITY N'000	MARINE N'000	ENGINEERING N'000	AGRIC N'000	LIFE N'000	Eliminations N'000	TOTAL N'000
GROSS BOOKED PREMIUMS	2,962,676	16,026,543	4,326,681	1,039,959	3,704,995	3,079,937	865,073	5,238,521		37,244,385
ADD PIPELINE C/F	1,015,987	6,185,184	649,220	653,965	1,535,604	3,208,156	282,983	1,878,785		**15,409,885**
LESS PIPELINE B/F	-494,082	-3,227,946	-492,669	-415,819	-1,047,343	-1,517,564	-49,756	-916,798		**-8,161,978**
CHANGE IN PIPELINE	**521,905**	**2,957,238**	**156,550**	**238,146**	**488,261**	**1,690,592**	**233,228**	**961,987**		**7,247,907**
GROSS PREMIUM INCOME	**3,484,581**	**18,983,781**	**4,483,232**	**1,278,105**	**4,193,256**	**4,770,528**	**1,098,301**	**6,200,508**		**44,492,292**
ADD UNEXPIRED RISK AT THE BEGINNING OF THE PERIOD-GROSS	824,727	4,262,733	1,834,078	184,590	1,682,491	1,551,265	292,528	1,982,878		**12,615,290**
LESS UNEXPIRED RISK AT THE END OF THE PERIOD-GROSS	-1,221,142	-7,120,003	-1,802,690	-294,399	-1,960,387	-2,629,808	-366,645	-2,940,712		**-18,335,786**
INCREASE/DECREASE IN UNEXPIRED RISKS-GROSS	-396,416	-2,857,270	31,388	-109,808	-277,896	-1,078,543	-74,117	-957,834		**-5,720,496**
ADD UNEXPIRED RISK AT THE BEGINNING OF THE PERIOD-NET	536,449	3,579,244	1,199,434	169,648	1,366,304	1,379,945	75,583	1,757,849		**10,064,456**
LESS UNEXPIRED RISK AT THE END OF THE PERIOD-NET	-1,220,453	-5,571,090	-1,072,659	-255,504	-1,762,389	-2,264,711	-200,460	-2,494,458		**-14,841,726**
INCREASE/DECREASE IN UNEXPIRED RISKS-NET	-684,003	-1,991,846	126,775	-85,856	-396,085	-884,766	-124,878	-736,610		**-4,777,270**
GROSS PREMIUM EARNED	2,800,577	16,991,935	4,610,006	1,192,249	3,797,171	3,885,762	973,423	5,463,898		**39,715,022**
PREMIUM CEDED	-966,554	-3,533,818	-2,215,407	-313,400	-158,280	-964,519	-430,531	-1,305,255		**-9,887,764**
COMMISSION RECEIVED ON PREMIUM CEDED	1,877	886,902	508,910	62,001	48,014	263,563	78,549	190,317		**2,040,134**
NET PREMIUM EARNED	**1,835,900**	**14,345,019**	**2,903,509**	**940,850**	**3,686,905**	**3,184,807**	**621,442**	**4,348,960**		**31,867,391**
OUTGO:										
GROSS CLAIMS PAID	147,695	10,717,179	1,505,493	180,624	936,397	796,621	263,964	2,257,122		**16,805,094**
LESS OCR AT THE BEGINNING OF THE PERIOD-GROSS	-714,321	-7,963,622	-766,403	-424,991	-493,581	-1,494,433	-240,868	-686,592		**-12,784,812**
ADD OCR AT THE END OF THE PERIOD-GROSS	494,120	11,238,061	714,240	418,641	928,699	1,335,834	407,066	707,586		**16,244,247**
INCREASE/DECREASE IN OUTSTANDING CLAIMS-GROSS	-220,201	3,274,439	-52,163	-6,351	435,118	-158,599	166,197	20,994		**3,459,434**
LESS OCR AT THE BEGINNING OF THE PERIOD-NET	-700,035	-4,803,769	-535,996	-403,297	-407,540	-1,394,313	-59,868	-604,201		**-8,909,019**
ADD OCR AT THE END OF THE PERIOD-NET	494,120	8,591,929	521,933	418,595	870,955	1,160,146	248,092	621,690		**12,927,460**
INCREASE/DECREASE IN OUTSTANDING CLAIMS-NET	-205,915	3,788,160	-14,063	15,298	463,415	-234,166	188,223	17,489		**4,018,441**
GROSS CLAIMS INCURRED	-58,220	14,505,338	1,491,430	195,922	1,399,812	562,454	452,187	2,274,611		**20,823,535**
LESS: RETROCESSION RECOVERIES	-19,383	-2,071,416	-607,070	0	-43,884	-156,563	-125,750	-706,864		**-3,730,929**
NET CLAIMS INCURRED	**-77,603**	**12,433,923**	**884,361**	**195,922**	**1,355,928**	**405,891**	**326,437**	**1,567,747**		**17,092,606**
COMMISSIONS	230,768	4,146,288	951,724	105,855	1,076,275	1,209,459	235,243	1,625,833		**9,581,445**
ADD DAC (NET) AT THE BEGINNING OF THE PERIOD	111,466	1,163,719	319,842	30,722	495,756	432,312	25,410	536,124		**3,115,350**
LESS DAC (NET) AT THE END OF THE PERIOD	-128,866	-1,316,067	-299,840	-52,037	-540,765	-577,963	-41,832	-678,805		**-3,636,176**
CHANGE IN DEFERRED ACQUISITION COST	-17,400	-152,348	20,002	-21,315	-45,010	-145,651	-16,423	-142,682		**-520,826**
NET COMMISSIONS	**213,368**	**3,993,940**	**971,727**	**84,540**	**1,031,265**	**1,063,809**	**218,820**	**1,483,151**		**9,060,619**
BROKERAGES AND CHARGES	121,537	401,502	203,226	79,118	110,379	92,942	22,215	11,934		**1,042,854**
MANAGEMENT EXPENSES	236,833	1,236,443	345,870	79,966	293,160	236,869	68,260	419,799		**2,917,199**
TOTAL OUTGO	**494,136**	**18,065,807**	**2,405,183**	**439,546**	**2,790,732**	**1,799,510**	**635,733**	**3,482,631**		**30,113,278**
UNDERWRITING RESULT	**1,341,764**	**-3,720,788**	**498,326**	**501,304**	**896,173**	**1,385,297**	**-14,291**	**866,329**		**1,754,113**

Statement of value added

For the year ended 31 December 2022

	Group 2022 =N='000	%	Group 2021 =N='000	%	Company 2022 =N='000	%	Company 2021 =N='000	%
Net premium income:								
- Local	21,978,675		19,421,253		21,978,675		19,421,253	
- Foreign	41,967,412		30,341,848		7,848,583		6,573,581	
Other income	4,569,728		3,569,681		2,432,479		1,441,032	
	68,515,814		53,332,782		32,259,737		27,435,866	
Claims, commission, charges and management expenses								
- local	(17,539,307)		(18,355,324)		(17,539,307)		(18,355,324)	
- imported	(38,847,183)		(25,488,811)		(8,623,202)		(6,272,548)	
Value Added	12,129,323	100%	9,488,647	100%	6,097,227	100%	2,807,994	100%
Applied as follows:								
To pay employees:								
- Salaries, pension and other allowances	3,392,905	28%	2,464,378	47%	1,632,203	27%	1,042,757	37%
To pay Government:								
- Income tax	1,242,748	13%	1,194,223	13%	205,489	3%	99,611	6%
- Information technology levy	39,101	0%	14,891	0%	39,101	1%	14,891	0%
Retained for growth:								
- Depreciation and amortistion	299,729	1%	357,480	1%	234,492	1%	307,939	1%
- Deferred taxation	319,842	3%	8,850	-3%	184,036	3%	8,850	-5%
- Profit for the year	6,834,998	56%	5,448,826	38%	3,801,906	62%	1,333,946	53%
	12,129,323	100%	9,488,647	100%	6,097,227	100%	2,807,994	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.

Statement of financial position	<-------------------------------	31 DECEMBER	----------------------------------		
	2021 =N='000	2021 =N='000	2020 =N='000	2019 =N='000	2018 =N='000
Assets					
Cash and cash equivalents	17,335,926	16,239,808	19,015,116	14,151,673	14,610,220
Financial asset held for trading	-	-	-	-	2,853,024
Loans and other receivables	407,665	264,732	315,892	333,701	642,862
Available-for-sale investments	1,073,257	1,189,153	1,227,381	1,769,668	2,229,365
Held to maturity investments	36,141,175	24,231,490	13,744,039	9,998,905	6,820,073
Reinsurance receivables	46,341,505	31,333,426	24,499,743	17,143,071	11,950,636
Retrocession assets	26,952,005	16,046,933	9,513,117	8,698,039	6,494,583
Deferred acquisition costs	10,045,012	7,036,111	5,393,915	5,574,856	4,034,583
Other assets	886,700	389,003	758,749	405,855	151,555
Right of use Asset	112,254	156,903	134,645	133,220	-
Investment properties	5,201,836	4,925,062	4,998,800	3,123,121	3,073,003
Intangible assets	84,470	121,470	131,899	261,221	381,949
Property, plant and equipment	2,922,176	2,874,626	3,022,526	4,168,529	3,395,476
Investments in subsidiary	-	-	-	-	-
Statutory deposits	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total assets	**148,503,982**	**105,808,717**	**83,755,821**	**66,761,859**	**57,637,329**
	<-----------------	<--------------------	<-----------------	31 DECEMBER	-------------
Liabilities					
Insurance contract liabilities	83,426,036	54,569,505	38,842,258	30,554,284	23,256,657
Reinsurance creditors	9,680,733	4,561,180	4,218,493	3,778,222	2,191,916
Other liabilities	2,863,200	1,323,252	1,232,859	661,775	862,568
Lease liability	162,476	202,580	160,898	150,749	-
Retirement benefit obligation	1,115,108	542,746	670,301	404,290	203,124
Current income tax payable	808,489	1,317,178	800,776	1,014,789	1,656,899
Deferred tax liabilities	359,798	62,214	343,329	8,880	517,949
Total liabilities	**98,415,841**	**62,578,656**	**46,268,914**	**36,572,990**	**28,689,113**
Equity					
Share capital	6,258,602	6,258,602	6,258,602	5,186,372	5,186,372
Share premium	8,204,371	8,204,371	8,204,371	3,915,451	3,915,451
Retained earnings	13,130,941	8,918,338	6,304,153	5,586,910	5,093,838
Contigency reserve	9,297,686	8,269,316	7,274,065	6,264,958	5,265,633
Available-for-sale reserve	269,112	335,718	284,473	403,438	441,041
Foreign currency translation reserve	3,165,625	2,576,824	2,245,274	1,832,347	4,291,530
Equity attributable equity holders of the parent	**40,326,337**	**34,563,168**	**30,570,940**	**23,189,475**	**24,193,865**
Non-controlling interest	10,194,832	8,666,893	6,915,968	6,999,394	4,754,351
Total equity	**50,521,169**	**43,230,061**	**37,486,907**	**30,188,869**	**28,948,216**
Total liabilities and equity	**148,937,011**	**105,808,718**	**83,755,821**	**66,761,859**	**57,637,329**
Income statement	<-----------------	<--------------------	<-----------------	31 DECEMBER	-------------
For year ended	2021 =N='000	2021 =N='000	2020 =N='000	2019 =N='000	2018 =N='000
Gross premium	103,216,204	70,385,076	53,636,916	47,663,124	34,185,991
Profit before income tax expense	8,436,689	6,666,790	4,827,015	2,395,626	4,359,355
Income tax expense	(1,601,691)	(1,217,964)	(1,399,756)	(499,569)	(1,037,242)
Profit for the year	6,834,998	5,448,826	3,427,259	1,896,057	3,322,113
Appropriations:					
Transfer to contingency reserve	1,028,370	995,251	1,009,106	999,325	803,632
Transfer to retained earnings	5,806,628	4,453,575	2,418,153	896,731	2,518,481
Earnings per share (kobo)	45	30	18	18	34
Net assets per share (kobo)	322	276	244	224	233

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

Five-years financial summary-Company

Statement of financial position	2021 =N='000	2021 =N='000	2020 =N='000	2019 =N='000	2018 =N='000
	<-------------------------------- 31 DECEMBER				--
Assets					
Cash and cash equivalents	11,246,049	9,466,791	11,474,010	6,023,919	6,027,224
Financial asset held for trading	-	-	-	-	-
Loans and other receivables	344,470	175,325	178,573	224,299	432,699
Available-for-sale investments	1,053,365	1,168,563	1,191,598	1,732,411	2,194,549
Held to maturity investments	17,782,034	11,235,664	5,564,847	3,951,711	4,294,419
Reinsurance receivables	19,234,086	12,279,107	9,996,802	7,934,560	6,098,604
Retrocession assets	5,944,877	6,261,679	4,123,793	4,191,959	2,880,398
Deferred acquisition costs	4,707,953	3,548,781	2,388,974	3,148,708	2,227,037
Other assets	2,311,852	2,929,146	3,232,081	2,086,215	1,968,320
Right of use Asset	2,569	230	5,820	10,774	-
Investment properties	1,849,900	1,826,200	2,146,000	3,123,121	3,073,003
Intangible assets	84,470	121,470	131,891	260,854	381,580
Property, plant and equipment	1,699,226	1,752,803	1,792,256	3,088,702	2,327,693
Investments in subsidiary	6,123,109	6,123,109	6,123,109	5,216,931	5,216,931
Statutory deposits	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total assets	**73,383,961**	**57,888,869**	**49,349,755**	**41,994,164**	**38,122,457**
Liabilities					
Insurance contract liabilities	34,580,032	25,400,102	17,438,827	16,592,902	12,077,902
Reinsurance creditors	3,986,886	1,795,850	2,406,354	750,051	1,103,195
Other liabilities	1,718,485	1,605,133	1,515,783	2,978,877	3,611,173
Lease liability	26,687	22,771	13,367	16,831	-
Retirement benefit obligation	759,441	384,408	507,614	342,212	158,847
Current income tax payable	661,720	536,867	601,185	774,676	1,504,444
Deferred tax liabilities	347,243	287,149	313,458	133,743	400,311
Total liabilities	**42,080,493**	**30,032,279**	**22,796,588**	**21,589,292**	**18,855,872**
Equity					
Share capital	6,258,602	6,258,602	6,258,602	5,186,372	5,186,372
Share premium	8,204,371	8,204,371	8,204,371	3,915,451	3,915,451
Retained earnings	7,812,692	5,543,726	5,248,960	5,098,171	4,662,873
Contigency reserve	8,752,289	7,508,549	6,551,407	5,796,453	5,054,404
Available-for-sale reserve	275,513	341,340	289,828	408,424	447,486
Total equity	**31,303,467**	**27,856,587**	**26,553,167**	**20,404,872**	**19,266,585**
Total liabilities and equity	**73,383,960**	**57,888,866**	**49,349,755**	**41,994,164**	**38,122,457**

Income statement **For year ended**	2021 =N='000	2021 =N='000	2020 =N='000	2019 =N='000	2018 =N='000
	<-----------------	<--------------------	<-----------------	31 DECEMBER	--------------
Gross premium	44,492,292	34,925,988	27,725,559	28,008,904	19,195,853
Profit before income tax	4,230,532	1,457,298	1,552,080	1,534,723	3,912,856
Income tax expense	(428,626)	(123,352)	(380,213)	(40,338)	(770,479)
Profit after taxation	3,801,906	1,333,946	1,171,867	1,494,385	3,142,377
Appropriations:					
Transfer to contingency reserve	799,859	289,580	250,253	325,459	638,844
Transfer to retained earnings	3,002,047	1,044,366	921,614	1,168,926	2,503,533
Earnings per share (kobo)	30	11	9	14	30
Net assets per share (kobo)	250	223	212	197	186

CONTINENTAL REINSURANCE

05

Subsidiaries, Management and Board

Board of Directors

Continental Reinsurance Limited, Kenya

Continental Reinsurance Kenya Limited serves as the underwriting center for the Eastern region, encompassing Kenya, Burundi, Djibouti, Egypt, Eritrea, Ethiopia, Rwanda, South Sudan, Seychelles, Somalia, Tanzania, and Uganda.

Our presence in Kenya dates back to 2008, when we established a branch office, eventually transitioning into a subsidiary under the regulatory oversight of The Insurance Regulatory Authority of Kenya in 2013. Our office is on the 4th floor of 197 Place, Lenana Road, Nairobi.

Drawing upon our robust risk management and underwriting capabilities, our office is dedicated to providing valuable insights and recommendations to optimize our clients' reinsurance programs. Our expertise spans various sectors, including Motor, Liability & General Accident; Marine & Aviation; Fire; Engineering; Bonds & Guarantees; Oil and Energy; Political Violence & Terrorism; Agriculture; Individual and Group Life.

Dr Steve Mainda
Chairman

Mr Lawrence Mutsunge Nazare
Non-Executive Director

Mrs. Ahlam Bennani
Non-Executive Director

Mr. David Owino
Non-Executive Director

Mr. Chukwuemeka Akwiwu
Non-Executive Director

Ms. Margaret Ikongo
Non-Executive Director

Dr. Joe Muchekeku
Non-Executive Director

Mr. George Nandy
Non-Executive Director

Kevin Mworia
Managing Director

CONTINENTAL REINSURANCE

Kevin Mworia
Managing Director

David Mitoko
Business Development Manager

David Muraguri
Risk & Compliance

Alex Munyi
Head, Finance Control

Justus Sang
Head of Underwriting

Ms Shivani Shah
Head, Claims Management & Life Business

Cross Section of Staff
Continental Reinsurance Limited, Kenya

Board of Directors
Continental Reinsurance Limited, Botswana

Established in 2014 as a subsidiary of Continental Reinsurance Plc, Continental Reinsurance Botswana Limited operates from the 1st Floor, Plot 67977, Fairgrounds, Gaborone, Botswana.

Our operations fall under the purview of the Non-Bank Financial Institutions Regulatory Authority, and we extend our services to several countries in the Southern African region, including Angola, Namibia, Zimbabwe, Zambia, Malawi, Mozambique, Mauritius, Madagascar, South Africa, Lesotho, and Eswatini.

With a focus on astute risk management and underwriting, we provide valuable insights and recommendations aimed at optimizing our clients' reinsurance programs, which encompass Motor, Liability and General Accident; Marine & Aviation; Fire; Engineering; Bonds & Guarantees; Oil and energy; Political Violence & Terrorism; Agriculture; Individual and Group Life classes of business.

Margret Dawes
Chairman

Lawrence Nazare
Non-Executive Director

Steve Olisa Iwenjora
Non-Executive Director

Robert Gordon
Non-Executive Director

Mr. Chukwuemeka Akwiwu
Non-Executive Director

Francis M. Nzwili
Managing Director

Key Management Staff
Continental Reinsurance Limited, Botswana

Francis Nzwili
Managing Director

Boitumelo Williams
Company Secretary & Compliance Officer

Thato Hollauf
Head, Risk & Actuarial

Poneso Ndonje
Head of Business Development & Technical Services

Mr. Kago Kadisa
Head of Underwriting

Tebatso Tlogelang
Head, Finance Reporting

Cross Section of Staff
Continental Reinsurance Company Limited

Board of Directors
Continental Reinsurance Limited, Cameroon

Continental Reinsurance Cameroon SA, a subsidiary of Continental Reinsurance Plc, commenced its journey in 2004. Our office is at Bonanjo, Plateau Joss, Immeuble Galaxie, 1st Floor, Douala, Cameroon. As a central hub, we extend our services to Cameroon, Gabon, Congo, the Democratic Republic of Congo, and Chad.

In pursuit of closer client relationships and fortified risk assessment capabilities, we have expanded our footprint by establishing a branch office in Abidjan, strategically located at Rue Pierre & Marie Curie X Rue Docteur Calmette - Zone 4C / Marcory Abidjan. This branch caters to Benin, Burkina Faso, Cote d'Ivoire, Cape Verde, Guinea, Guinea Bissau, Mali, Mauritania, Niger, Senegal, and Togo.

Our expertise in risk management and underwriting, exemplified by both offices, furnishes invaluable insights and recommendations to enrich our clients' reinsurance strategies. We specialize in various insurance classes, including Motor, Liability and General Accident; Marine & Aviation; Fire; Engineering; Bonds & Guarantees; Oil and energy; Political Violence & Terrorism; Agriculture; Individual and group Life.

Lawrence Nazare
Non-Executive Director

Jane Mberia
Non-Executive Director

Mr. Moulong Theophile
Non-Executive Director

Mr. Chukwuemeka Akwiwu
Non-Executive Director

Mr. Oumar Ba
Managing Director

Key Management Staff

Continental Reinsurance Limited, Cameroon

Mr. Oumar Ba
Managing Director

Eric Tangi
Head of Finance

Jean Olivier Anet
Head Business Development

Koffi Beranger
Head of Underwriting

Christine Mbua
Manager, Technical Services

Cross Section of Staff
Continental Reinsurance Company Limited

Key Management Staff
Continental Reinsurance' s Tunis Office

Continental Reinsurance's Tunis office, was established in 2013, as a branch office of Continental Reinsurance Plc, and is conveniently located at Rue Leman, Immeuble Regency Bloc " C ", Bureau 207, 1053 Les Berges du Lac - Tunisia.

Under the regulatory supervision of the General Committee of Insurance (CGA), we leverage our risk management and underwriting proficiency to provide essential services for optimizing clients' reinsurance programs across North Africa and the Middle East. Our reach extends to Algeria, Morocco, Mauritania, Libya, and Sudan.

Our service portfolio spans various insurance classes, including Motor, Liability and General Accident; Marine and Aviation; Fire; Engineering; Bonds and Guarantees; Oil and Energy; Political Violence and Terrorism; Agriculture; Individual and Group Life. Additionally, we specialize in Retakaful business (Islamic insurance).

Dorsaf Sassi
Regional Director Tunisia

Haykel Dorii
Head Financial Reporting

Hamza Samet
Business Development Manager

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de la Cannebière (carrefour Pisam)
Cocody. Danga Abidjan, Côte d'Ivoire
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