

CONTINENTAL REINSURANCE PLC
UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2018

Continental Reinsurance Plc
Unaudited Consolidated Financial Statements
For the period ended 31 March, 2018

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Continental Reinsurance Plc

Consolidated Statement of Profit or Loss and other Comprehensive Income
For the period ended 31 March, 2018

	Note	GROUP	
		JAN-MAR 2018 =N='000	JAN-MAR 2017 =N='000
Gross written Premium		7,715,512	6,565,316
Insurance premium revenue	1.1	7,790,018	5,995,576
Insurance premium ceded to retrocessionaires	1.2	(800,225)	(725,750)
Net insurance premium revenue		6,989,794	5,269,826
Insurance benefits			
Insurance claims and loss adjustment expenses	2.1	3,391,395	2,746,806
Insurance claims and loss adjustment expenses recoverable from retrocessionaire	2.1	(112,038)	(97,571)
Net insurance benefits and claims		3,279,357	2,649,235
Underwriting expenses	2.2	2,786,876	2,382,093
Insurance benefits and underwriting expenses		6,066,234	5,031,328
Underwriting profit		923,560	238,498
Net Interest income	3	557,752	432,269
Net gains on financial assets designated at fair value through profit or loss	4	-	-
Other income	5	64,276	157,171
Foreign exchange gain/(loss)	5.1	(403,336)	159,624
Income from investment in subsidiary	5.2	-	-
Administration expenses	6.1	(213,417)	(281,870)
Impairment of financial assets	6.2	0	-
Profit before taxation		928,835	705,693
Income tax expense	8	(216,358)	(190,037)
Profit after taxation		712,477	515,656
Profit for the year		712,477	515,656
Other comprehensive income:			
Other comprehensive income/(loss) to be reclassified to P & L in subsequent periods:			
Remeasurement gains on available for sale financial assets	7	28,617	-
Reclassification adjustments to gain on available for sale financial assets included in profit and loss	7	-	-
Exchange difference on translation of foreign operations			328,297
Other comprehensive income/(loss) not to be reclassified to P & L in subsequent periods:			
Actuarial (loss)/gains on defined benefit plans	26	-	14,573
Income tax relating to component of other comprehensive income		-	14,573
Other comprehensive income for the year, net of tax		28,617	342,870
Total Comprehensive Income for the year		741,094	858,526
Profit attributable to:			
Equity holders of the parent		647,980	455,624
Non-controlling interest		64,497	60,032
		712,477	515,656
Total comprehensive income attributable to:			
Equity holders of the parent		676,597	798,494
Non-controlling interest		64,497	60,032
		741,094	858,526
Earnings per share			
Basic (kobo)	10	7	5

Continental Reinsurance Plc

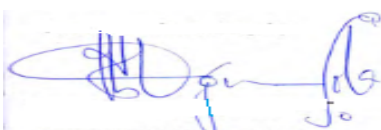
Statement of Profit or Loss and other Comprehensive Income
For the period ended 31 March, 2018

	Note	COMPANY	
		JAN-MAR 2018 =N='000	JAN-MAR 2017 =N='000
Gross written Premium		5,701,580	4,535,195
Insurance premium revenue	1.1	5,648,265	3,658,341
Insurance premium ceded to retrocessionaires	1.2	(484,671)	(436,186)
Net insurance premium revenue		5,163,595	3,222,155
Insurance benefits			
Insurance claims and loss adjustment expenses	2.1	2,567,513	1,602,090
Insurance claims and loss adjustment expenses recoverable from retrocessionaire	2.1	(72,523)	(64,990)
Net insurance benefits and claims		2,494,990	1,537,100
Underwriting expenses	2.2	1,954,582	1,722,087
Insurance benefits and underwriting expenses		4,449,572	3,259,187
Underwriting profit		714,023	(37,032)
Net Interest income	3	437,540	374,147
Net gains on financial assets designated at fair value through profit or loss	4	-	-
Other income	5	49,743	154,843
Foreign exchange gain/(loss)	5.1	(332,592)	201,586
Income from investment in subsidiary	5.2	-	-
Administration expenses	6.1	(147,785)	(216,731)
Impairment of financial assets	6.2	0	-
Profit before taxation		720,930	476,814
Income tax expense	8	(180,232)	(119,203)
Profit after taxation		540,697	357,610
Profit for the year		540,697	357,610
Other comprehensive income:			
Other comprehensive income/(loss) to be reclassified to P & L in subsequent periods:			
Remeasurement gains on available for sale financial assets	7	28,617	-
Reclassification adjustments to gain on available for sale financial assets included in profit and loss	7	-	-
Exchange difference on translation of foreign operations		-	-
Other comprehensive income/(loss) not to be reclassified to P & L in subsequent periods:			
Actuarial (loss)/gains on defined benefit plans	26	-	-
Income tax relating to component of other comprehensive income		-	11,937
Other comprehensive income for the year, net of tax		28,617	11,937
Total Comprehensive Income for the year		569,314	369,547
Profit attributable to:			
Equity holders of the parent		540,697	357,610
Non-controlling interest		-	-
		540,697	357,610
Total comprehensive income attributable to:			
Equity holders of the parent		569,314	369,547
Non-controlling interest		-	-
		569,314	369,547
Earnings per share			
Basic (kobo)	10	5	3

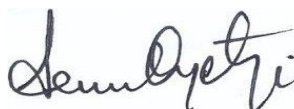
Continental Reinsurance Plc
Consolidated Statement of Financial Position

As at 31 March 2018

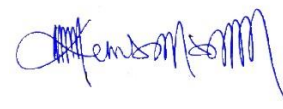
	Note	GROUP		COMPANY	
		31 March 2018 =N='000	31 December 2017 =N='000	31 March 2018 =N='000	31 December 2017 =N='000
Assets					
Cash and cash equivalents	11	12,912,215	9,079,093	10,357,076	6,680,113
Financial assets					-
-Financial asset designated as fair value	12	2,223,376	2,159,476	-	-
-Loans and other receivables	13	452,133	492,278	399,660	439,081
-Available-for-sale investments	14.1	1,788,943	2,121,225	1,759,885	2,090,531
-Held to maturity investments	14.2	9,838,108	7,613,318	8,053,538	6,065,330
Reinsurance receivables	15	11,794,687	9,922,254	8,003,206	6,184,435
Retrocession assets	16	3,118,890	2,759,666	2,143,760	1,877,676
Deferred acquisition costs	17	2,169,200	2,291,853	1,501,752	1,501,752
Investment in Subsidiary	18.1	-	-	2,272,473	2,272,473
Other assets	18	1,014,644	329,430	940,503	756,128
Investment properties	19	2,756,171	2,857,111	2,756,171	2,857,111
Intangible assets	20	20,547	20,168	20,228	19,849
Property, plant and equipment	21	2,465,921	2,488,615	2,364,696	2,379,583
Statutory deposits	22	1,000,000	1,000,000	1,000,000	1,000,000
Total assets		51,554,836	43,134,489	41,572,949	34,124,061
Liabilities					
Insurance contract liabilities	23	18,397,548	17,965,990	12,875,744	12,470,590
Reinsurance creditors	24	4,586,674	1,356,210	4,153,749	941,364
Other liabilities	25	4,379,023	860,223	4,318,785	1,249,989
Retirement benefit obligations	26	288,154	306,457	288,154	275,150
Current income tax	8	1,785,603	1,550,357	1,745,432	1,565,199
Deferred taxation	9	318,773	318,212	218,855	218,853
Total liabilities		29,755,774	22,357,449	23,600,719	16,721,145
Equity					
Share capital	27	5,186,372	5,186,372	5,186,372	5,186,372
Share premium	28	3,915,451	3,915,451	3,915,451	3,915,451
Contingency reserve	29	4,619,032	4,462,002	4,570,062	4,413,032
Retained earnings	30	4,266,205	3,775,255	3,935,245	3,551,577
Available-for-sale reserve	31	359,208	329,978	365,101	336,484
Foreign currency translation reserve		2,044,532	1,764,220		
Equity attributed to holder of parent		20,390,800	19,433,277	17,972,230	17,402,916
Non-controlling interest		1,408,262	1,343,765		
Total equity		21,799,062	20,777,041	17,972,230	17,402,916
Total Liabilities & equities		51,554,836	43,134,489	41,572,949	34,124,061



Chief Ajibola Ogunshola
Chairman
FRC:2017/IODN/00000016052



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



Nkem Odibeli
Chief Financial Officer

The Financial Reporting Council (FRC) of Nigeria has granted a waiver which allows the Chief Financial Officer to sign the unaudited Financial Statements for the first quarter ended March 31st, 2018 without indicating any FRC number.

Continental Reinsurance Plc
Consolidated Statement of Changes in Equity
For the period ended 31 March, 2018

Attributable to equity holders-Group

Notes	Attributable to equity holders-Group							
	Share capital =N='000	Share premium =N='000	Retained earnings =N='000	Contingency reserve =N='000	Available for sale reserve =N='000	Foreign Exchange Translation Reserve =N='000	Non-controlling interest	Total equity =N='000
Balance at 1 January 2018	5,186,372	3,915,451	3,775,255	4,462,002	329,978	1,764,220	1,343,765	20,777,042
Profit or loss for the period	-	-	647,980	-	-	-	64,497	712,477
Transfer of contingency reserve	-	-	(157,030)	157,030	-	-	-	-
Other comprehensive income								
Fair value of equity financial assets	7	-	-	-	29,230	-	-	29,230
Foreign exchange translation reserve						280,312		280,312
Total comprehensive income or loss	-	-	490,950	157,030	29,230	280,312	64,497	1,022,019
Transaction with owners								
Dividend	25.1	-	-	-	-	-	-	-
Total Transactions with owners	-	-	-	-	-	-	-	-
At 31 March, 2018	5,186,372	3,915,451	4,266,205	4,619,032	359,208	2,044,532	1,408,262	21,799,062
Balance at 1 January 2017	5,186,372	3,915,451	2,874,421	4,003,471	333,265	2,088,662	1,326,780	19,728,422
Change in shareholding	-	-	-	-	-	-	-	-
Profit or loss for the year	-	-	461,398	-	-	-	54,258	515,656
Transfer of contingency reserve	-	-	(124,893)	124,893	-	-	-	-
Other comprehensive income								
Fair value of equity financial assets					(147,127)		690	(146,437)
Foreign exchange translation reserve						(24,582)		(24,582)
Total comprehensive income or loss	5,186,372	3,915,451	3,210,926	4,128,364	186,138	2,064,080	1,381,728	20,073,060
Transaction with owners								
Dividend	-	-	-	-	-	-	-	-
Total Transactions with owners	-	-	-	-	-	-	-	-
At 31 March, 2017	5,186,372	3,915,451	3,210,926	4,128,364	186,138	2,064,080	1,381,728	20,073,060

Continental Reinsurance Plc
Statement of Changes in Equity
For the period ended 31 March, 2018

Attributable to equity holders-Company

Notes	Share capital	Share premium	Retained earnings	Contingency reserve	Available for sale reserve	Total equity
	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000
Balance at 1 January 2018	5,186,372	3,915,451	3,551,577	4,413,032	336,484	17,402,916
Profit or loss for the period	-	-	540,697	-	-	540,697
Transfer of contingency reserve	-	-	(157,030)	157,030	-	-
Other comprehensive income						-
Fair value of equity financial assets	7	-	-	-	28,617	28,617
Foreign exchange translation reserve						-
Total comprehensive income or loss	-	-	383,668	157,030	28,617	569,315
Transaction with owners						
Dividend	25.1	-	-	-	-	-
Total Transactions with owners	-	-	-	-	-	-
At 31 March, 2018	5,186,372	3,915,451	3,935,245	4,570,062	365,101	17,972,230
Balance at 1 January 2017	5,186,372	3,915,451	2,408,676	3,754,688	340,912	15,606,099
Profit or loss for the year	-	-	357,610	-	-	357,610
Transfer of contingency reserve	-	-	(124,893)	124,893	-	-
Other comprehensive income						-
Fair value of equity financial assets					(148,409)	(148,409)
Foreign exchange translation reserve						-
Total comprehensive income or loss	5,186,372	3,915,451	2,641,392	3,879,581	192,503	15,815,300
Transaction with owners						
Dividend						-
Total Transactions with owners	-	-	-	-	-	-
At 31 March, 2017	5,186,372	3,915,451	2,641,392	3,879,581	192,503	15,815,300

Continental Reinsurance Plc
Statement of Cash flows
For the period ended 31 March, 2018

	Group		Company	
	31 March	31 March	31 March	31 March
	2018	2017	2018	2017
	N' 000	N' 000	N' 000	N' 000
Cash flows from operating activities				
Premium received from policy holders	5,581,243	4,829,172	4,565,916	3,634,235
Retrocession receipts in respect of claims	297,944	64,989	297,944	64,989
Acquisition costs paid	(1,701,721)	(1,459,764)	(1,361,377)	(1,149,421)
Retrocession premium paid	(337,957)	(1,108,356)	(281,631)	(846,074)
Employees benefit and other admin expenses paid	(1,041,886)	(971,289)	(740,989)	(764,795)
Other operating cash receipts/payments	3,776,044	83,482	3,596,399	59,630
Claims paid	(3,376,797)	(1,446,352)	(2,707,180)	(1,208,088)
Income taxes paid	-	-	(0)	0
Net cash flows (outflow)/inflow from operating activities	3,196,870	(8,118)	3,369,081	(209,524)
Cash flows from investing activities				
Purchase of property, plant and equipment	(1,676)	(24,799)	(1,676)	(577)
Purchase of intangible assets	(2,798)	-	(2,798)	-
Investment in subsidiary	-	-	-	(498,292)
Proceeds from disposal of property, plant and equipment	67	(16)	67	(16)
Purchase of investment securities	(1,670,815)	(386,614)	(1,505,239)	(297,396)
Proceeds on redemption /sales of investments	1,655,975	847,244	1,303,917	770,222
Purchase of investment property	-	-	-	-
Proceeds from sale of investment property	100,940	-	100,940	-
Rent Received	34,279	29,040	34,279	29,040
Interest received	513,132	419,751	459,385	395,991
Dividend received	8,717	9,301	8,586	9,194
Net cash generated/(used) in investing activities	637,820	893,907	397,461	408,167
Cash flows from financing activities				
Dividend expense	0	(337,211)	0	(337,211)
Net cash used in financing activities	0	(337,211)	0	(337,211)
Net increase in cash and cash equivalents	3,834,689	548,578	3,766,542	(138,568)
Cash and cash equivalents at start of year	7,363,001	6,822,392	4,964,023	4,014,648
Effect of exchange rate changes on cash and cash equivalents	88,014	103,546	0	91,022
Cash and cash equivalents at end of period	11,285,705	7,474,516	8,730,565	3,967,102
Cash and cash Equivalent	2018	2017	2018	2017
Balances held with other banks:	N' 000	N' 000	N' 000	N' 000
Cash in hand	1,307	945	997	507
- Current account and cash in hand	97,112	334,726	13,297	228,070
Domiciliary account	179,322	283,259	179,322	283,259
Balances held with foreign banks:	1,257,387	2,449,635	1,257,387	866,721
- Placements with banks and other financial institutions	8,609,577	4,115,950	6,138,562	2,298,544
Treasury bill	1,140,998	290,000	1,140,998	290,000
Cash and Cash Equivalent at end	11,285,704	7,474,515	8,730,565	3,967,101

Continental Reinsurance Plc

Notes to the Consolidated Financial Statements

	GROUP		COMPANY	
	JAN-MAR 2018 =N='000	JAN-MAR 2017 =N='000	JAN-MAR 2018 =N='000	JAN-MAR 2017 =N='000
1 Revenue				
1.1 Insurance premium revenue				
<i>Premium revenue arising from insurance contracts issued</i>				
Life insurance contracts				
– Gross Premium	777,565	714,529	700,894	558,121
– Change in life insurance contract liabilities	72,399	-25,129	72,399	(25,129)
- Change in ceded unexpired risk reserve	(61,539)	-	(61,539)	-
Non life insurance contracts				
– Gross Premium	6,937,947	5,850,786	5,000,686	3,977,073
– Change in unearned premium provision	63,646	-544,611	(64,175)	(851,725)
<i>Total Premium revenue arising from insurance contracts issued</i>	<u>7,790,018</u>	<u>5,995,576</u>	<u>5,648,265</u>	<u>3,658,341</u>
1.2 Insurance premium ceded to retrocessionaire				
<i>Premium revenue ceded to retrocessionaire on insurance contracts issued</i>				
Life insurance contracts	683,590	107,179	105,134	83,718
Non life insurance contracts	116,635	618,570	379,536	352,468
<i>Total Premium revenue ceded to retrocessionaire on insurance contracts</i>	<u>800,225</u>	<u>725,750</u>	<u>484,671</u>	<u>436,186</u>
Net insurance premium revenue	<u>6,989,794</u>	<u>5,269,826</u>	<u>5,163,595</u>	<u>3,222,155</u>
2 Insurance benefits and underwriting expenses				
2.1 Insurance claims and loss adjustment expenses				
Life insurance contracts	292,866	482,218	250,631	433,265
Non life insurance contracts	3,427,425	2,264,588	2,619,246	1,168,825
ceded outstanding claim reserve - Non Life	(104,435)	-	(104,435)	-
ceded outstanding claim reserve - Life	(224,461)	-	(197,929)	-
Total cost of policyholder benefits	<u>3,391,395</u>	<u>2,746,806</u>	<u>2,567,513</u>	<u>1,602,090</u>
Insurance claims and loss adjustment expenses recoverable from retrocessionaire	(112,038)	(97,571)	(72,523)	(64,990)
Net insurance benefits and claims	<u>3,279,357</u>	<u>2,649,235</u>	<u>2,494,990</u>	<u>1,537,100</u>
2.2 Underwriting expenses				
Costs incurred for the acquisition of insurance	1,656,445	1,397,282	1,161,222	967,775
Costs incurred for the maintenance of insurance	301,961	271,114	200,155	181,645
Management expenses (See Note 6.1)	828,470	713,696	593,205	572,667
Total underwriting expenses	<u>2,786,876</u>	<u>2,382,093</u>	<u>1,954,582</u>	<u>1,722,087</u>
Total insurance benefits and underwriting expenses	<u>6,066,234</u>	<u>5,031,328</u>	<u>4,449,572</u>	<u>3,259,187</u>
3 Net Interest income				
Cash and bank balances interest income	200,252	125,459	123,417	93,330
Statutory deposits interest income	43,553	28,757	43,553	28,757
Held-to-maturity and loans and receivables interest income	313,946	278,053	270,570	252,061
Net Interest income	<u>557,752</u>	<u>432,269</u>	<u>437,540</u>	<u>374,147</u>

Continental Reinsurance Plc

Notes to the Consolidated Financial Statements - Continued

	GROUP		COMPANY	
	JAN-MAR 2018 =N='000	JAN-MAR 2017 =N='000	JAN-MAR 2018 =N='000	JAN-MAR 2017 =N='000
4 Net fair value gains on assets at fair value t				
Net fair value gains/ (losses) on financial assets designated at fair value through profit	-	0	-	-
Fair value gains on investment property	-	0	-	-
Total	-	-	-	-
5 Other income				
Available-for-sale				
– Dividends	8,717	9,301	8,586	9,194
– Gain on disposal of available-for-sale securities:				
Equity	-	27,779	-	27,779
Bond	-	83,803	-	83,803
Income on investment property	29,487	30,601	29,487	30,601
– Gain/(Loss) on disposal of investment proper	-	0	-	-
–(Loss)/gain on disposal of property, plant and	67	(16)	67	(16)
Other income	26,005	5,701	11,603	3,481
	<u>64,276</u>	<u>157,171</u>	<u>49,743</u>	<u>154,843</u>
5.1 Foreign exchange gain/(loss)				
Foreign exchange gain/(loss)	<u>(403,336)</u>	<u>159,624</u>	<u>(332,592)</u>	<u>201,586</u>
	<u>(403,336)</u>	<u>159,624</u>	<u>(332,592)</u>	<u>201,586</u>
Breakdown of foreign exchange				
5.1a gain/(loss)				
Investment assets	236,663	110,200	236,663	140,200
Bank balances	196,265	26,053	196,265	32,843
Reinsurance receivables	(836,263)	23,371	(765,519)	28,543
	<u>(403,336)</u>	<u>159,624</u>	<u>(332,592)</u>	<u>201,586</u>
6 Operating expenses				
6.1 Management and administration expenses				
Management expenses (note 2.2)	828,470	713,696	593,205	572,667
Administration expenses	213,417	281,870	147,785	216,731
	<u>1,041,886</u>	<u>995,566</u>	<u>740,989</u>	<u>789,397</u>
<i>Management and administration expenses comprises the following:</i>				
Depreciation and amortisation	33,759	30,514	20,188	19,447
Auditor's remuneration	26,610	4,791	24,000	293
Employee benefits expenses (a)	491,639	415,081	340,281	318,460
Other operating expenses	489,879	545,181	356,520	451,198
Total management and administrative expense	<u>1,041,886</u>	<u>995,566</u>	<u>740,989</u>	<u>789,397</u>
(a) Employee benefit expense				
Wages and salaries (local)	190,688	194,797	190,688	194,797
Wages and salaries (other regions)	258,037	193,529	106,679	96,909
Defined Contributory Plan	42,913	26,755	42,913	26,755
	<u>491,639</u>	<u>415,081</u>	<u>340,281</u>	<u>318,460</u>

Continental Reinsurance Plc

Notes to the Consolidated Financial Statements - Continued

	GROUP		COMPANY	
	JAN-MAR 2018 =N='000	JAN-MAR 2017 =N='000	JAN-MAR 2018 =N='000	JAN-MAR 2017 =N='000
6 Other operating expenses (cont'd)				
6.2 Impairment of financial assets				
Reinsurance receivables	(0)	0	(0)	-
Retrocessionaire's share of receivables	-	-	-	-
	<u>(0)</u>	<u>-</u>	<u>(0)</u>	<u>-</u>
7 Net unrealised gain /(loss) on financial assets				
Unrealised gain/(loss) on financial asset - Available-for-sale				
– Equity instruments	28,617	0	28,617	-
– Debt Instruments	-	0	-	-
Total	<u>28,617</u>	<u>-</u>	<u>28,617</u>	<u>-</u>
Reclassification adjustments to gains included in	-	0	-	-
Income tax relating to component of other com	-	-	-	-
Other comprehensive income for the year, net	<u>28,617</u>	<u>-</u>	<u>28,617</u>	<u>-</u>
8 Taxation				
	JAN-MAR 2018 =N='000	JAN-MAR 2017 =N='000	JAN-MAR 2018 =N='000	JAN-MAR 2017 =N='000
Per statement of comprehensive income:				
Income tax based on profit for the year	216,358	190,037	180,232	119,203
Education tax	-	-	-	-
Back duty charge prior year	-	-	-	-
	<u>216,358</u>	<u>190,037</u>	<u>180,232</u>	<u>119,203</u>
Deferred taxation (Note 9)	-	-	-	-
	<u>216,358</u>	<u>190,037</u>	<u>180,232</u>	<u>119,203</u>
Per statement of financial position:				
At 1 January	1,550,357	692,602	1,565,199	631,518
Based on profit for the year	216,358	1,566,385	180,232	1,636,621
Payments during the year	18,888	(708,630)	(0)	(702,940)
	<u>1,785,603</u>	<u>1,550,357</u>	<u>1,745,432</u>	<u>1,565,199</u>

Continental Reinsurance Plc

Notes to the Consolidated Financial Statements

9		GROUP		COMPANY	
		31-Mar 2018 =N='000	31-Dec 2017 =N='000	31-Mar 2018 =N='000	31-Dec 2017 =N='000
	Deferred taxation				
	Deferred income tax (assets)/liabilities are attributable to the following items:				
	Deferred tax liabilities				
	Balance b/f	318,212	793,806	218,853	686,907
	Recognised in profit and loss				
	Property plants and equipment	2	(49,742)	1.87	(49,742)
	Unrealised FX gain	-	(425,852)	-	(418,311)
	Employee benefits	-	-	-	-
	Total recognised in profit and loss	2	(475,594)	2	(468,053)
	Recognised in other comprehensive income				
	Employee benefit	-	-	-	-
	Available for sale financial assets	560	-	-	-
		560	-	-	-
	Net	318,773	318,212	218,855	218,853

10 Earnings per share

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

	GROUP		COMPANY	
	31-Mar 2018 =N='000	31-Dec 2017 =N='000	31-Mar 2018 =N='000	31-Dec 2017 =N='000
The following reflects the income and share data used in the basic earnings per share computations:				
Net profit attributable to ordinary shareholders	712,477	3,118,635	540,697	2,514,962
Weighted average number of ordinary shares in issue as at year end ('000)	10,372,744	10,372,744	10,372,744	10,372,744
Basis earnings per ordinary share (kobo)	7	30	5	24

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

11	Cash and cash equivalents	GROUP		COMPANY	
		31-Mar 2018 =N='000	31-Dec 2017 =N='000	31-Mar 2018 =N='000	31-Dec 2017 =N='000
	Cash in hand	1,307	996	997	839
	Balances held with local banks:				
	- Current account	97,112	211,938	13,297	145,736
	- Domiciliary account	179,322	207,170	179,322	207,170
	Balances held with foreign banks	1,257,387	590,326	1,257,387	590,326
	Placements with banks and other financial institutions	11,377,086	8,068,663	8,906,071	5,736,042
		12,912,215	9,079,093	10,357,076	6,680,113

Included in placements with banks and other financial institutions are tenored deposits of the group (N3b) with original maturity of more than three months.

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

The cash and cash equivalents position for cash flow purposes is disclosed in the statement of cash flow.

Continental Reinsurance Plc

Notes to the Consolidated Financial Statements - Continued

12	Financial assets designated at fair value through profit or loss	GROUP		COMPANY	
		31-Mar	31-Dec	31-Mar	31-Dec
		2018	2017	2018	2017
		=N='000	=N='000	=N='000	=N='000
Managed Funds					
	External Portfolio Management	2,223,376	2,159,476	-	-
		<u>2,223,376</u>	<u>2,159,476</u>	<u>-</u>	<u>-</u>

13	Loans and other receivables	GROUP		COMPANY	
		31-Mar	31-Dec	31-Mar	31-Dec
		2018	2017	2018	2017
		=N='000	=N='000	=N='000	=N='000
	Staff Loans and advances	483,583	462,584	431,110	409,387
	Other advances	375,491	436,635	375,491	436,635
	Impairment on other advances	(406,941)	(406,941)	(406,941)	(406,941)
	Total Loans and other receivables	<u>452,133</u>	<u>492,278</u>	<u>399,660</u>	<u>439,081</u>

14	Investment Securities	GROUP		COMPANY	
		31-Mar	31-Dec	31-Mar	31-Dec
		2018	2017	2018	2017
		=N='000	=N='000	=N='000	=N='000
Analysis of investment securities					
	Equity	1,759,885	1,944,109	1,759,885	1,925,253
	Debt	9,867,165	7,790,434	8,053,538	6,230,608
		<u>11,627,051</u>	<u>9,734,543</u>	<u>9,813,423</u>	<u>8,155,861</u>

Analysis by class

14.1	Available-for-sale:				
	Equity instruments	1,759,885	1,744,048	1,759,885	1,742,269
	Debt instruments	29,057	377,177	-	348,262
	Total available-for-sale	<u>1,788,943</u>	<u>2,121,225</u>	<u>1,759,885</u>	<u>2,090,531</u>
14.2	Held-to-maturity				
	Debt instruments	9,838,108	7,613,318	8,053,538	6,065,330
	Total Investment securities	<u>11,627,051</u>	<u>9,734,543</u>	<u>9,813,423</u>	<u>8,155,861</u>

Equity Instruments

Securities at Available-for-sale - Fair value

Quoted	928,205	-	928,205	-
Unquoted	831,680	1,944,109	831,680	1,925,253
Total equity instruments	<u>1,759,885</u>	<u>1,944,109</u>	<u>1,759,885</u>	<u>1,925,253</u>

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

Debt Instruments

	31-Mar	31-Dec	31-Mar	31-Dec
	2018	2017	2018	2017
	=N='000	=N='000	=N='000	=N='000
Securities at Available-for-sale -Fair				
Bonds	29,057	377,177	-	348,262
	<u>29,057</u>	<u>377,177</u>	<u>-</u>	<u>348,262</u>

Securities at held-to-maturity - amortised

Listed	5,626,064	4,757,744	5,555,782	3,919,774
Unlisted	4,212,043.96	2,855,574	2,497,756	2,145,556
	<u>9,838,108</u>	<u>7,613,318</u>	<u>8,053,538</u>	<u>6,065,330</u>
Total debt instruments	<u>9,867,165</u>	<u>7,990,495</u>	<u>8,053,538</u>	<u>6,413,592</u>

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

Continental Reinsurance Plc

Notes to the Consolidated Financial Statements - Continued

15	Reinsurance receivables	GROUP		COMPANY	
		31-Mar 2018 =N='000	31-Dec 2017 =N='000	31-Mar 2018	31-Dec 2017 =N='000
	Due from ceding companies	8,084,181	7,218,432	5,611,209	4,691,388
	Due from ceding companies (Pipeline)	3,685,445	3,645,142	2,554,071	2,554,071
	Premium reserves retained by ceding companies	1,306,777	340,397	898,950	-
		<u>13,076,403</u>	<u>11,203,970</u>	<u>9,064,231</u>	<u>7,245,459</u>
	Impairment on reinsurance receivables(Note 1)	<u>(1,281,716)</u>	<u>(1,281,716)</u>	<u>(1,061,024)</u>	<u>(1,061,024)</u>
		<u>11,794,687</u>	<u>9,922,254</u>	<u>8,003,206</u>	<u>6,184,435</u>
15.1	Reconciliation of impairment on reinsurance receivables				
	At 1 January	1,281,716	1,536,477	1,061,024	1,297,185
	Write off during the year	-	(810,979)	-	(669,753)
	Charge for the year	(0)	556,218	(0)	433,591
	Recovery during the year	-	-	-	-
		<u>1,281,716</u>	<u>1,281,716</u>	<u>1,061,024</u>	<u>1,061,024</u>
15.1a	Breakdown of charge for the year				
	impairment on gross receivables	(0)	556,218	(0)	433,591
	reversal of exchange gain on impaired reinsurance receivables	-	-	-	-
	Net charge to income statement	<u>(0)</u>	<u>556,218</u>	<u>(0)</u>	<u>433,591</u>
16	Retrocession Assets				
	Retrocessionaires' share of claims recoverable	1,782,804	1,853,942	789,839	1,015,259
	Retrocessionaires' share of reserve for outstanding claims	717,465	717,466	717,465	717,465
	Retrocession share of unearned premium reserve	189,141	-	189,141	-
	Retrocessionaires' share of life insurance contract liabilities	591,271	350,049	609,106	306,743
	Impairment of retro assets	<u>(161,791)</u>	<u>(161,791)</u>	<u>(161,791)</u>	<u>(161,791)</u>
	Total retrocession assets	<u>3,118,890</u>	<u>2,759,666</u>	<u>2,143,760</u>	<u>1,877,676</u>
16.1	Reconciliation of impairment on retro assets				
	At 1 January	161,791	114,410	161,791	114,410
	Write off during the year	-	-	-	-
	Charge for the year	0	47,381	0	47,381
	Recovery during the year	-	-	-	-
		<u>161,791</u>	<u>161,791</u>	<u>161,791</u>	<u>161,791</u>
17	Deferred acquisition costs	31-Mar 2018 =N='000	31-Dec 2017 =N='000	31-Mar 2018 =N='000	31-Dec 2017 =N='000
	At 1 January	2,291,853	1,532,809	1,501,752	782,628
	Net deferral during the year	(122,653)	759,043.77	-	719,123.68
		<u>2,169,200</u>	<u>2,291,853</u>	<u>1,501,752</u>	<u>1,501,752</u>

Continental Reinsurance Plc

Notes to the Consolidated Financial Statements - Continued

18	Other Assets	GROUP		COMPANY	
		31-Mar 2018 =N='000	31-Dec 2017 =N='000	31-Mar 2018 =N='000	31-Dec 2017 =N='000
	Prepayments	381,563	97,532	334,413	74,169
	Intercompany balances	-	-	825,452	849,072
	Deposit for shares (Note 18 a)	11,000	11,000	11,000	11,000
	Proposed head office W.I.P	-	-	-	-
	Other	751,873	350,690	175,466	227,715
		1,144,437	459,222	1,346,331	1,161,956
	Impairment on others	(129,793)	(129,793)	(405,828)	(405,828)
		<u>1,014,644</u>	<u>329,430</u>	<u>940,503</u>	<u>756,128</u>
18a	Prepayments				
	Office rent	28,657	29,832	23,049	23,253
	Staff upfront	43,320	-	38,890	-
	Other prepaid services	309,586	67,700	272,475	50,916
		<u>381,563</u>	<u>97,532</u>	<u>334,413</u>	<u>74,169</u>
18b	Intercompany balances				
	Payable to related parties on retro	-	-	875,655	754,653
	Payable to related parties on reinsurance conti	-	-	(50,203)	94,419
		<u>-</u>	<u>-</u>	<u>825,452</u>	<u>849,072</u>
18c	Others				
	Interest receivables	264,205	245,816	234,205	222,816
	WHT recoverable	1,168	4,168	1,168	4,168
	Sundry receivables	486,500	100,706	(59,908)	731
		<u>751,873</u>	<u>350,690</u>	<u>175,466</u>	<u>227,715</u>

18.1	Investment in Subsidiary	GROUP		COMPANY	
		31-Mar 2018 =N='000	31-Dec 2017 =N='000	31-Mar 2018 =N='000	31-Dec 2017 =N='000
	Continental Reinsurance Limited, Nairobi Kenya			1,572,699	1,572,699
	Continental Reinsurance Limited, Gaborone, Botswana			699,774	699,774
				<u>2,272,473</u>	<u>2,272,473</u>

19	Investment Properties	GROUP		COMPANY	
		31-Mar 2018 =N='000	31-Dec 2017 =N='000	31-Mar 2018 =N='000	31-Dec 2017 =N='000
	Opening	2,857,111	2,868,728	2,857,111	2,868,728
	Fair value adjustments	-	-11,617	-	-11,617
	Additions	-	-	-	-
	Disposal during the year	- 100,939.94	-	- 100,939.94	-
	Closing	<u>2,756,171</u>	<u>2,857,111</u>	<u>2,756,171</u>	<u>2,857,111</u>

20	Intangible assets	Group		Company	
		Computer software =N='000	Computer software =N='000	Computer software =N='000	Computer software =N='000
	Cost:				
	At 1 January 2018	85,697	85,378		
	Cost capitalised	2,798	2,798		
	At 31 March 2018	<u>88,495</u>	<u>88,177</u>		
	Accumulated amortisation and impairment:				
	At 1 January 2018	65,529	65,530		
	Amortisation for the year	2,419	2,419		
	At 31 March 2018	<u>67,948</u>	<u>67,949</u>		
	NBV At 31 March 2018	<u>20,547</u>	<u>20,228</u>		
	NBV At 31 December 2017	<u>20,168</u>	<u>19,849</u>		

Continental Reinsurance Plc

Notes to the Consolidated Financial Statements - Continued

Group

21 Property, plant and equipment

	Freehold property =N='000	Motor vehicles =N='000	Furniture and fittings =N='000	Building W.I.P =N='000	Office partitioning =N='000	Computer equipment =N='000	Total =N='000
Cost/Valuation:							
At 1 January 2018	868,892	365,690	193,754	1,378,792	82,273	125,850	3,015,252
Additions	-	-	577	(0)	-	1,100	1,676
Disposals	-	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-	-
At 31 March, 2018	868,892	365,690	194,331	1,378,792	82,273	126,950	3,016,927
Accumulated depreciation:							
At 1 January 2018	-	233,534	129,668	-	73,065	90,370	526,637
Charge for the year	-	16,168	4,596	-	1,048	2,557	24,369
Disposal	-	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-	-
At 31 March, 2018	-	249,702	134,264	-	74,113	92,927	551,006
NBV At 31 March 2018	868,892	115,988	60,067	1,378,792	8,160	34,023	2,465,921
NBV At 31 December 2017	868,892	132,156	64,086	1,378,792	9,208	35,480	2,488,615

Company

21 Property, plant and equipment

	Freehold property =N='000	Motor vehicles =N='000	Furniture and fittings =N='000	Building W.I.P =N='000	Office partitioning =N='000	Computer equipment =N='000	Total =N='000
Cost/Valuation:							
At 1 January 2018	868,892	253,335	114,969	1,378,792	71,197	87,780	2,774,966
Additions	-	-	577	(0)	-	1,100	1,676
Disposals	-	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-	-
At 31 March, 2018	868,892	253,335	115,546	1,378,792	71,197	88,880	2,776,642
Accumulated depreciation:							
At 1 January 2018	-	177,818	79,577	-	65,679	72,309	395,383
Charge for the year	-	11,268	3,036	-	709	1,550	16,563
Disposal	-	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-	-
At 31 March, 2018	-	189,086	82,613	-	66,388	73,859	411,946
NBV At 31 March 2018	868,892	64,249	32,933	1,378,792	4,809	15,021	2,364,696
NBV At 31 December 2017	868,892	75,517	35,392	1,378,792	5,518	15,471	2,379,583

Continental Reinsurance Plc

Notes to the Consolidated Financial Statements -Continued

22 Statutory deposits	GROUP		COMPANY	
	31-Mar 2018 =N='000	31-Dec 2017 =N='000	31-Mar 2018 =N='000	31-Dec 2017 =N='000
	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
Statutory deposit represents the amount deposited with the Central Bank of Nigeria in accordance with section 9(1) and section 10(3) of Insurance Act 2003. This is restricted cash as management does not have access to the balances in its day to day activities. Statutory deposits are measured at cost.				
23 Insurance contract liabilities	31-Mar 2018 =N='000	31-Dec 2017 =N='000	31-Mar 2018 =N='000	31-Dec 2017 =N='000
Reserve for Unearned Premium (Note 23.1)	8,240,336	8,281,665	5,439,860	5,125,005
Reserve for Outstanding Claims (Note 23.2)	7,910,161	7,254,013	5,574,784	5,179,229
	<u>16,150,497</u>	<u>15,535,678</u>	<u>11,014,645</u>	<u>10,304,234</u>
Life (Note 23.3)	2,247,051	2,430,312	1,861,099	2,166,356
Total insurance liabilities	<u>18,397,548</u>	<u>17,965,990</u>	<u>12,875,744</u>	<u>12,470,590</u>
Total retrocessionaire's share of insurance liabilities (Note 16)	<u>(3,118,890)</u>	<u>(2,759,666)</u>	<u>(2,143,760)</u>	<u>(1,877,676)</u>
Net insurance contracts	<u>15,278,657</u>	<u>15,206,324</u>	<u>10,731,984</u>	<u>10,592,914</u>
23.1 Reserve for Unearned Premium				
At 1 January	8,281,665	4,923,170	5,125,005	2,772,852
Increase in the year	7,015,648	25,963,551	5,000,686	17,295,784
Release of unearned premium during the year	<u>(7,056,977)</u>	<u>(22,605,057)</u>	<u>(4,685,831)</u>	<u>(14,943,631)</u>
	<u>8,240,336</u>	<u>8,281,665</u>	<u>5,439,860</u>	<u>5,125,005</u>
23.2 Reserve for Outstanding Claims				
At 1 January	7,254,013	6,883,940	5,179,229	5,775,330
Claims incurred including IBNR	3,403,906	12,197,651	2,619,246	7,953,283
Claims paid during the year	<u>(2,747,758)</u>	<u>(11,827,579)</u>	<u>(2,223,691)</u>	<u>(8,549,384)</u>
	<u>7,910,161</u>	<u>7,254,013</u>	<u>5,574,784</u>	<u>5,179,229</u>
23.3 Insurance liabilities on life policy holders				
At 1 January	2,430,312	1,938,205	2,166,356	1,588,966
(Decrease)/Increase in retrocessionaire's share	-	589,311	-	415,770
Changes in life policy contracts	<u>- 183,261</u>	<u>(97,204)</u>	<u>(305,257)</u>	<u>161,620</u>
	<u>2,247,051</u>	<u>2,430,312</u>	<u>1,861,099</u>	<u>2,166,356</u>
24 Reinsurance creditors	31-Mar 2018 =N='000	31-Dec 2017 =N='000	31-Mar 2018 =N='000	31-Dec 2017 =N='000
Due to retrocessionaires	809,815	589,921	481,350	278,310
Due to ceding companies	3,776,859	766,289	3,672,400	663,054
	<u>4,586,674</u>	<u>1,356,210</u>	<u>4,153,749</u>	<u>941,364</u>

This represents the amount payable to insurance and reinsurance companies

Continental Reinsurance Plc

Notes to the Consolidated Financial Statements -Continued

25 Other liabilities

Rent received in advance	7,709	2,917	7,709	2,917
Receipt on behalf of 3rd party	3,205,697	-	3,205,697	-
Accrued expenses	75,477	359,781	52,893	400,689
Dividend payable (Note 25.1)	23,241	23,241	23,241	23,241
Unclaimed dividend	314,135	270,241	314,135	270,241
Information technology development levy	45,987	45,988	45,987	45,987
Others	706,777	158,055	359,283	251,126.82
Intercompany Balance	-	-	309,839	255,787
	<u>4,379,023</u>	<u>860,223</u>	<u>4,318,785</u>	<u>1,249,989</u>

25.1 Dividends paid and proposed

At 1 January	23,241	1,241,451	23,241	1,241,451
Declared during the year	-	1,452,184	-	1,452,184
Paid during the year	(0)	(2,670,394)	0.00	(2,670,394)
	<u>23,241</u>	<u>23,241</u>	<u>23,241</u>	<u>23,241</u>

25.2 Others;

Staff bonus	174,424	-	174,424	-
Sundry creditors	274,343	87,072	160,606	251,127
PAYE and other statutory liabilities	258,009	70,983	24,253	-
	<u>706,777</u>	<u>158,055</u>	<u>359,283</u>	<u>251,127</u>

25.3 Intercompany balance;

Receivables from related parties on retro	-	-	138,999	155,950
Receivables from related parties on reinsurance contract:	-	-	170,840	99,836
	-	-	-	-
	<u>-</u>	<u>-</u>	<u>309,839</u>	<u>255,787</u>

26 Retirement benefit obligations

Define contribution scheme

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

	31-Mar 2018 =N='000	31-Dec 2017 =N='000	31-Mar 2018 =N='000	31-Dec 2017 =N='000
Balance at start of period	-	-	-	-
Provision during the period		0		0
Transfer to PFA		0		0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Defined benefit staff gratuity scheme

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

	31-Mar 2018 =N='000	31-Dec 2017 =N='000	31-Mar 2018 =N='000	31-Dec 2017 =N='000
Statement of financial position obligation for:				
<i>The amounts recognised in the balance sheet are determined as follows:</i>				
Balance as at the beginning of the year	306,457	383,857	275,150	336,008
Net Expense/Income recognised in P & L	-	184,600	-	164,294
Remeasurement recognised in OCR	-	57,588	-	5,170
Defined contribution scheme	13,004	-	13,004	-
Fair value of plan assets	(31,307)	(319,589)		(230,322)
Deficit of funded plans		306,457	288,154	275,150
(Asset)/liability in the balance sheet	<u>288,154</u>	<u>306,457</u>	<u>288,154</u>	<u>275,150</u>

Continental Reinsurance Plc

Notes to the Consolidated Financial Statements -Continued

27 Share capital

	31-Mar 2018 =N='000	31-Dec 2017 =N='000	31-Mar 2018 =N='000	31-Dec 2017 =N='000
Authorised				
20,000,000,000 Ordinary shares of 50k each	10,000,000	10,000,000	10,000,000	10,000,000
Issued and fully paid				
10,372,744,000 Ordinary shares of 50k each	5,186,372	5,186,372	5,186,372	5,186,372
28 Share premium	3,915,451	3,915,451	3,915,451	3,915,451

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

29 Contingency reserve

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

	31-Mar 2018 =N='000	31-Dec 2017 =N='000	31-Mar 2018 =N='000	31-Dec 2017 =N='000
Non - Life	4,612,023	4,431,119	4,563,053	4,382,149
Life	7,009	30,883	7,009	30,883
Total	4,619,032	4,462,002	4,570,062	4,413,032

30 Retained earnings:

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

31 Available-for-sale reserve:

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

32 Significant accounting policies

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