



Mutual Benefits Life Assurance Ltd.

RC 681998

SUMMARY OF CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

The Directors present the summary financial statements of Mutual Benefits Life Assurance Limited for the year ended 31 December 2019. These summary financial statements are derived from the full financial statements for the year ended 31 December 2019 and are not the full financial statements of the Group. The Company's Independent Auditor issued an unqualified audit opinion on the full financial statements for the year ended 31 December 2019 from which these summary financial statements were derived.

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

AS AT <i>in thousands of Nigerian Naira</i>	GROUP		COMPANY	
	31 Dec. 2019	31 Dec. 2018	31 Dec. 2019	31 Dec. 2018
ASSETS				
Cash and cash equivalents	4,674,079	3,030,386	2,081,656	1,926,187
Equity instruments at fair value through OCI	288,125	676,806	216,059	604,740
Loans and receivables	10,904,152	11,552,741	10,042,114	10,378,981
Debt instruments at amortised cost	18,120,383	14,885,306	18,120,383	14,885,306
Financial assets at fair value through P/L	4,291,374	487,230	4,291,374	487,230
Trade receivables	247,231	526,076	-	248,097
Reinsurance assets	2,490,864	2,067,212	2,127,927	1,635,300
Other receivables and prepayments	985,258	1,064,364	751,979	672,714
Deferred acquisition costs	171,230	104,388	171,230	104,388
Inventories	436,156	518,236	-	-
Assets held for sale	-	5,550,000	-	5,550,000
Investment properties	6,875,000	1,420,000	6,875,000	1,420,000
Investments in subsidiaries	-	-	896,981	896,981
Intangible assets	26,133	38,626	22	787
Property, plants and equipment	1,028,165	1,241,256	127,465	218,059
Deposit for investment in equity shares	-	-	120,000	-
Deferred tax assets	235,099	120,422	184,442	26,869
Goodwill	-	1,543	-	-
Statutory deposit	200,000	200,000	200,000	200,000
Total assets	50,973,249	43,484,592	46,206,632	39,255,639
LIABILITIES				
Insurance contract liabilities	9,072,297	7,917,919	8,121,751	6,707,244
Investment contract liabilities	26,266,129	25,276,261	26,263,838	25,261,335
Trade payables	1,187,614	913,130	925,363	691,521
Other liabilities	1,192,255	738,652	655,075	384,271
Deposit liabilities	389,640	512,153	-	-
Current income tax payables	251,196	313,614	168,891	248,167
Deferred tax liabilities	336,035	451,233	-	-
Total liabilities	38,695,166	36,122,962	36,134,918	33,292,538
EQUITY				
Share capital	330,000	250,000	330,000	250,000
Share premium	5,670,000	3,750,000	5,670,000	3,750,000
Foreign currency translation reserve	938,821	1,116,284	-	-
Contingency reserve	715,529	465,798	715,529	465,798
Revaluation reserve	180,736	180,736	-	-
Fair value reserve	(537,547)	(148,866)	(500,413)	(111,732)
Retained earnings	3,879,697	1,572,979	3,856,598	1,609,035
Total ordinary shareholders' equity	11,177,236	7,186,931	10,071,714	5,963,101
Total equity attributable to the:				
Owners of the parent	11,177,236	7,186,931	10,071,714	5,963,101
Non-controlling interests in equity	1,100,847	174,699	-	-
Total equity	12,278,083	7,361,630	10,071,714	5,963,101
Total liabilities and equity	50,973,249	43,484,592	46,206,632	39,255,639

The full consolidated and separate financial statements were approved by the Board of Directors on 20 March 2020 and signed on its behalf by:

Mr. Soye Olatunji
FRC/2013/CAN/00000004720
Director

Mr. Rantimi Ogunleye
FRC/2012/CIN/00000000526
Managing Director

Mrs. Olajumoke Akinawo-Ajikobi
FRC/2014/CAN/00000006772
Chief Financial Officer



Independent Auditor' Report to the Members of Mutual Benefits Life Assurance Limited on the Summary Consolidated and Separate Financial Statements Report on the Audit of the Summary Consolidated and Separate Financial Statements Opinion

The summary consolidated and separate financial statements of Mutual Benefits Life Assurance Limited ("the Company") and its subsidiaries (together "the Group"), which comprise the consolidated and separate statements of financial position as at 31 December 2019 and the consolidated and separate statements of profit and loss and other comprehensive income for the year then ended, are derived from the audited consolidated and separate financial statements of Mutual Benefits Life Assurance Limited and its subsidiaries ("the Group") for the year ended 31 December 2019.

In our opinion, the accompanying summary consolidated and separate financial statements are consistent, in all material respects, with the audited consolidated and separate financial statements, in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB) and the relevant provisions of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, the Insurance Act 2003, the National Insurance Commission (NAICOM) and the Financial Reporting Council of Nigeria Act No. 6, 2011.

The summary consolidated and separate financial statements financial statements do not contain all the disclosures required by the International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB), the provisions of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, the Insurance Act 2003, relevant policy guidelines issued by the National Insurance Commission (NAICOM) and the Financial Reporting Council of Nigeria Act No. 6, 2011, applied in the preparation of the consolidated and separate financial statements of the Group. The summary financial statements should be read in conjunction with the audited financial statements. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated and separate financial statements and the auditor's report thereon. The summary consolidated and separate financial statements and the audited consolidated and separate financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited consolidated and separate financial statements.

The Audited Consolidated and Separate Financial Statements and Our Report Thereon
We expressed an unqualified opinion on the audited consolidated and separate financial statements in our report dated 15 May 2020. That report also includes the communication of key audit matters which discussed impairment losses on financial assets carried at amortised costs and the adequacy of the valuation of insurance contract liabilities (outstanding claims).

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CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED <i>in thousands of Nigerian Naira</i>	GROUP		COMPANY	
	31 Dec. 2019	31 Dec. 2018	31 Dec. 2019	31 Dec. 2018
Gross premium written	10,331,198	7,822,397	8,488,202	5,914,556
Gross premium income	9,583,495	7,957,140	7,797,948	6,193,018
Premium ceded to reinsurers	(873,975)	(707,902)	(753,189)	(537,713)
Net premium income	8,709,520	7,249,238	7,044,759	5,655,305
Commission income	134,558	103,092	131,570	96,536
Net underwriting income	8,844,078	7,352,330	7,176,329	5,751,841
Net benefits and claims	3,699,635	4,678,837	3,176,645	4,088,467
Changes in individual life fund	354,439	455,428	354,439	455,428
Changes in annuity reserve	(94,408)	21,990	(94,408)	21,990
Underwriting expenses	2,068,800	1,610,042	1,871,828	1,403,045
Net underwriting expenses	6,028,466	6,766,297	5,308,504	5,968,930
Underwriting profit/(loss)	2,815,612	586,033	1,867,825	(217,089)
Profit on investment contracts liabilities	1,068,929	1,548,910	1,068,929	1,548,910
Investment income	1,205,789	1,107,465	1,106,055	1,161,210
Net fair value gain/(loss) on assets at FVTPL	529,450	(31,528)	529,450	(31,528)
Other income	55,294	116,287	11,015	19,778
Impairment loss on financial assets	(315,804)	(109,646)	(258,780)	(9,282)
Employee benefit expenses	(1,185,065)	(1,028,469)	(792,606)	(621,595)
Management expenses	(1,931,488)	(1,726,284)	(1,152,210)	(1,144,311)
Result of operating activities	2,242,717	462,768	2,379,678	706,093
Finance costs	(50,964)	(46,199)	-	-
Finance income	270,329	327,860	-	-
Profit before income tax	2,462,082	744,429	2,379,678	706,093
Income tax credit/(expense)	63,853	(75,357)	117,616	(80,917)
Profit after income tax	2,525,935	669,072	2,497,294	625,176
Profit attributable to:				
Owners of the parent	2,556,449	648,193	2,497,294	625,176
Non-controlling interests	(30,514)	20,879	-	-
Profit after income tax	2,525,935	669,072	2,497,294	625,176
Earnings per share:				
Basic and diluted (kobo)	1,010	259		
Profit for the year	2,525,935	669,072	2,497,294	625,176
Other comprehensive income:				
Items that may be reclassified to the profit or loss account in subsequent periods:				
Exchange differences on translation of foreign operations	(185,811)	218,277	-	-
	(185,811)	218,277	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax)				
Net revaluation gains on Equity Instrument at FVOCI	(388,681)	41,609	(388,681)	35,043
Revaluation gain on land	-	55,503	-	-
	(388,681)	97,112	(388,681)	35,043
Total other comprehensive income for the year, net of tax	(574,492)	315,389	(388,681)	35,043
Total comprehensive income for the year, net of tax	1,951,443	984,461	2,108,613	660,219
Total comprehensive income attributable to:				
Owners of the parent	1,990,305	950,050	2,108,613	660,219
Non-controlling interest	(38,862)	34,411	-	-
	1,951,443	984,461	2,108,613	660,219

Directors' Responsibility for the Summary Consolidated and Separate Financial Statements

The Directors are responsible for the preparation and fair presentation of these summary consolidated and separate financial statements in accordance with International Financial Reporting Standards, the provisions of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, the Insurance Act 2003, the Financial Reporting Council of Nigeria Act No. 6, 2011 and relevant policy guidelines issued by the National Insurance Commission (NAICOM), 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 misstatements whether due to fraud or error.

Auditors' Responsibility for the Summary Consolidated and Separate Financial Statements

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited consolidated and separate financial statements based on our procedures, which were conducted in accordance with International Standards on Auditing (ISA 810) Engagement to Report on Summary Financial Statements.

Report on Other Legal and Regulatory Requirements

- i. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii. in our opinion, proper books of account have been kept by the Company, in so far as it appears from our examination of those books;
- iii. the Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account;
- iv. in accordance with the provisions of section 28(2) of the Insurance Act 2003, the statement of financial position, statement of profit or loss and statement of other comprehensive income gives a true and fair view of financial position and financial performance of the Company.

Sayo Elumaro, FCA
FRC/2012/CAN/00000000139
For: Ernst & Young
Lagos, Nigeria
Date: 15 May 2020



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