

**Mutual Benefits Life Assurance Ltd.**

RC 681998

SUMMARY CONSOLIDATED & SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

The Directors present the summary financial statements of Mutual Benefits Life Assurance Limited for the year ended 31 December 2018. These summary financial statements are derived from the full financial statements for the year ended 31 December 2018 and are not the full financial statements of the Group. The Company's Independent Auditors issued an unqualified audit opinion on the full financial statements for the year ended 31 December 2018 from which these summary financial statements were derived.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT <i>in thousands of Nigerian Naira</i>	GROUP		COMPANY	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
ASSETS				
Cash and cash equivalents	3,030,388	5,096,361	1,926,187	4,151,584
Financial assets				
Available-for-sale investment securities	-	827,972	-	716,472
Equity instruments at fair value through OCI	676,806	-	604,740	-
Loans and receivables	11,552,741	11,612,559	10,378,981	10,854,661
Held-to-maturity	-	12,382,363	-	12,382,363
Debt instruments at amortised cost	14,885,306	-	14,885,306	-
Financial assets at fair value through P/L	487,230	-	487,230	-
Trade receivables	526,076	351,121	248,097	-
Reinsurance assets	2,067,212	1,368,904	1,635,300	1,070,169
Other receivables and prepayments	1,064,364	588,007	672,714	449,538
Finance lease receivables	-	11,011	-	11,011
Deferred acquisition costs	104,388	173,101	104,388	173,101
Inventories	518,236	907,822	-	-
Assets held for sale	5,550,000	-	5,550,000	-
Investment properties	1,420,000	8,510,000	1,420,000	8,510,000
Investments in subsidiaries	-	-	896,981	896,981
Intangible assets	38,626	28,608	787	1,751
Property, plants and equipment	1,241,256	997,330	218,059	364,573
Deposit for investment in equity shares	-	70,000	-	70,000
Deferred tax assets	-	-	26,869	-
Goodwill	1,543	1,543	-	-
Statutory deposit	200,000	200,000	200,000	200,000
Total assets	43,364,170	43,126,702	39,255,639	39,852,204
LIABILITIES				
Insurance contract liabilities	7,917,919	5,946,484	6,707,244	5,156,574
Investment contract liabilities	25,276,261	26,564,221	25,261,335	26,551,455
Trade payables	913,130	1,830,023	691,521	1,661,962
Other liabilities	738,653	1,081,038	384,271	643,659
Deposit liabilities	512,153	259,268	-	-
Current income tax liabilities	313,614	265,169	248,167	201,538
Deferred tax liabilities	330,811	357,264	-	31,069
Total liabilities	36,002,541	36,303,467	33,292,538	34,246,257
EQUITY				
Share capital	250,000	250,000	250,000	250,000
Share premium	3,750,000	3,750,000	3,750,000	3,750,000
Foreign currency translation reserve	1,116,284	911,064	-	-
Contingency reserve	465,798	403,280	465,798	403,280
Revaluation reserve	180,736	128,008	-	-
Fair value losses	(148,867)	-	(111,732)	-
Retained earnings	1,523,920	1,191,536	1,609,035	1,202,667
Total ordinary shareholders' equity	7,137,871	6,633,888	5,963,101	5,605,947
Total equity attributable to the:				
Owners of the parent	7,137,871	6,633,888	5,963,101	5,605,947
Non-controlling interests in equity	223,758	189,347	-	-
Total equity	7,361,629	6,823,235	5,963,101	5,605,947
Total liabilities and equity	43,364,170	43,126,702	39,255,639	39,852,204

The full consolidated and separate financial statements were approved by the Board of Directors on 27 March 2019 and signed on its behalf by:

Mr. Femi Asenuga
FRC/2013/CIIN/00000003104
Managing Director

Mr. Babatunde Dabiri
FRC/2013/CIIN/00000003114
Director

Mrs. Olajumoke Akinnawo-Ajikobi
FRC/2014/ICAN/00000006772
Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED <i>in thousands of Nigerian Naira</i>	GROUP		COMPANY	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
Gross premium written	7,822,397	6,738,905	5,914,556	4,963,517
Gross premium income	7,957,140	6,366,687	6,193,018	4,637,470
Premium ceded to reinsurers	(707,902)	(839,367)	(537,713)	(761,363)
Net premium income	7,249,238	5,527,320	5,655,305	3,876,107
Fee and commission income	103,092	167,396	96,536	166,109
Net underwriting income	7,352,330	5,694,716	5,751,841	4,042,216
Net benefits and claims	4,678,837	3,240,134	4,088,467	2,592,489
Change in life fund	455,428	(4,270)	455,428	(4,270)
Change in annuity reserve	21,990	(22,252)	21,990	(22,252)
Underwriting expenses	1,610,042	1,322,662	1,403,045	1,136,011
Net underwriting expenses	6,766,297	4,536,274	5,968,930	3,701,978
Underwriting profit/(loss)	586,033	1,158,442	(217,089)	340,238
Profit on investment contracts	1,548,910	891,899	1,548,910	891,899
Investment income	1,107,465	701,097	1,161,210	646,222
Net fair value loss on assets at FVTPL	(31,528)	(85,390)	(31,528)	(85,390)
Other income	116,287	439,282	19,778	303,148
Impairment charge no longer required	-	2,011	-	2,011
Impairment loss on financial assets	(109,646)	(169,137)	(9,282)	(78,830)
Employee benefit expenses	(1,028,469)	(1,093,525)	(621,595)	(747,233)
Management expenses	(1,726,284)	(1,519,811)	(1,144,311)	(925,258)
Result of operating activities	462,768	324,868	706,093	346,807
Finance costs	(46,199)	(39,432)	-	-
Finance income	327,860	200,570	-	-
Profit before income tax	744,429	486,006	706,093	346,807
Income tax expense	(75,357)	(68,769)	(80,917)	(31,950)
Profit after income tax	669,072	417,237	625,176	314,857
Profit attributable to:				
Owners of the parent	648,193	431,210	625,176	314,857
Non-controlling interests	20,879	(13,973)	-	-
Profit after income tax	669,072	417,237	625,176	314,857
Earnings per share:				
Basic and diluted (kobo)	259	172	250	126
Profit for the year	669,072	417,237	625,176	314,857
Other comprehensive income:				
Items that may be reclassified to the profit or loss account in subsequent periods:				
Foreign currency translation gain (net of tax)	218,277	49,966	-	-
	218,277	49,966	-	-
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	41,608	-	35,043	-
Revaluation gain on land and building (net of tax)	55,503	139,139	-	-
	97,111	139,139	35,043	-
Total other comprehensive income for the year, net of tax	315,388	189,105	35,043	-
Total comprehensive income for the year, net of tax	984,460	606,342	660,219	314,857
Total comprehensive income attributable to:				
Owners of the parent	950,048	563,780	660,219	314,857
Non-controlling interest	34,412	42,562	-	-

INDEPENDENT AUDITORS' 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 2018 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 2018.

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 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 10 May 2019. 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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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

- 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;
- 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;
- 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;
- 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.

Penalty

The Company incurred penalties in respect of contravention of the requirement of certain sections of the National Insurance Commission's Operational Guideline 2015 and the Financial Reporting Council Act No. 6, 2011 during the financial year. The details of the contravention and penalty are disclosed in Note 55 of the full consolidated and separate financial statements.

Sayo Etumaro FCA
FRC/2012/ICAN/00000000139
For: Ernst & Young
Lagos, Nigeria
10 May 2019

