CONTENTS

MISSION STATEMENT · GUIDING PRINCIPLES · CORE VALUES

Mission Statement

To transcend
the expectations
of our customers
for the satisfaction of their
wealth protection needs
through the provision of
qualitative insurance and
risk management services
thereby creating values
for all stakeholders.

Guiding Principles

To act with due
care and diligence
in an atmosphere of
mutual respect and
understanding.

Core Values

- INTEGRITY
- RESPONSIVENESS
- LEADERSHIP
- KNOWLEDGE
- CONTINUOUS
- IMPROVEMENT

THE COMPANY

Who We Are

Mutual Benefits Assurance Plc. (MUTUAL), has evolved into a conglomerate consisting of value-adding companies with diverse interests in various sectors of the Nigerian economy through investments, strategic alliances and partnerships. Today, MUTUAL is a leading brand in the Nigerian Insurance Industry with over 5000 staff in its employment.

MUTUAL is strong, well capitalized with a team of highly trained professionals, a respectable Board and access to the International Insurance Market.

MUTUAL is the flagship of insurance in Liberia and also runs a full-fledged insurance operation in Republic of Niger, where we commenced business in January. 2014.

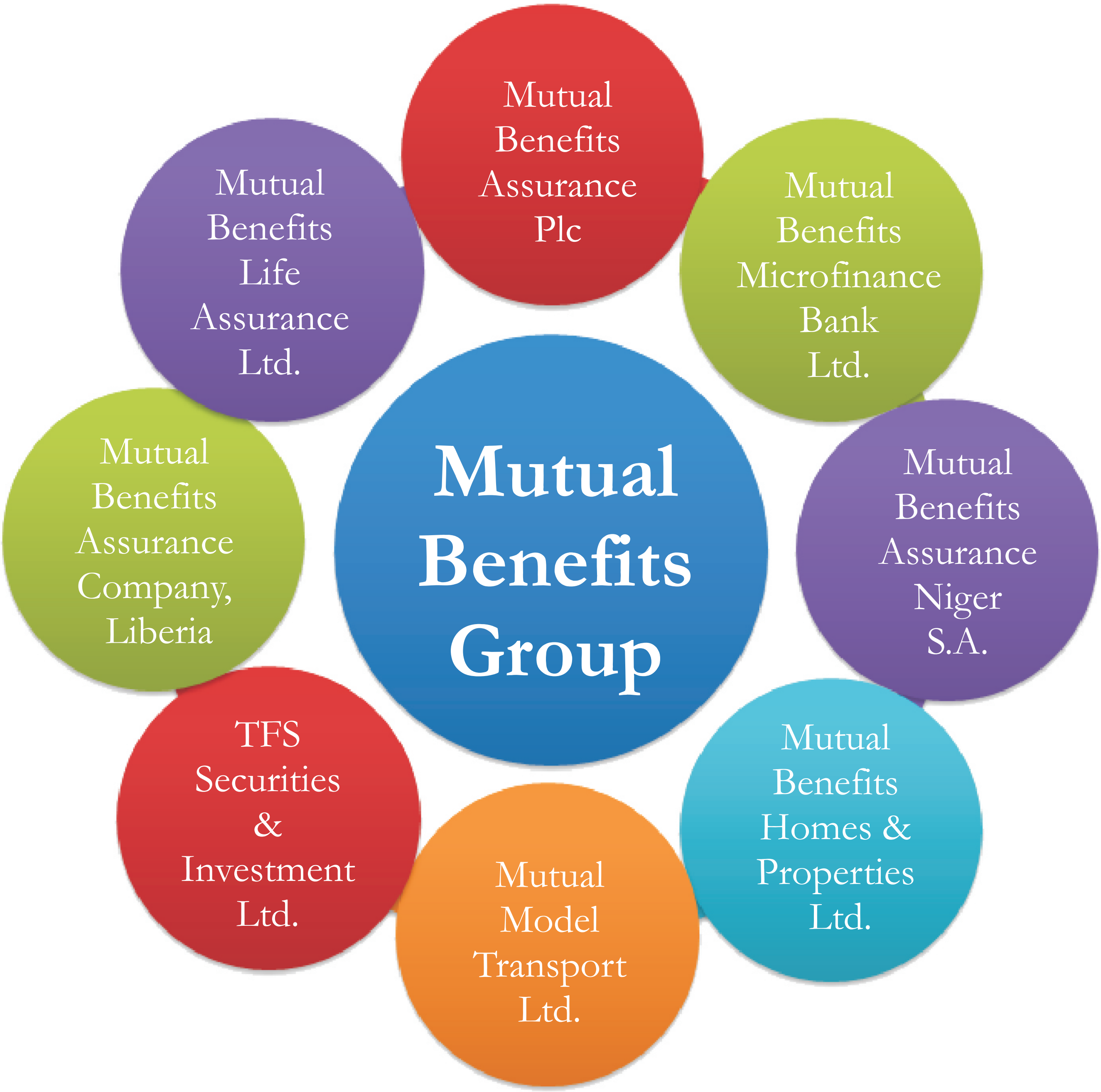
At MUTUAL, we pride ourselves in delivering excellent services to all our stakeholders.

Brief History

MUTUAL BENEFITS ASSURANCE PLC. (RC 269837)

- Incorporated as a private limited liability company on 18th April 1995
- Granted Certificate of Registration as an Insurer by the National Insurance Commission in September 1995.
- Commenced operation on 2nd October 1995
- Became a public liability company on 24th May 2001
- Listed on the Nigerian Stock Exchange on 28th May, 2002.
- Transacts Life and General Insurance Businesses
- Authorised Share Capital - N5,000, 000, 000.
- Paid-Up Share Capital N4, 000, 000, 000.

SUBSIDIARIES



MICRO-CREDIT EMPOWERMENT SCHEME IN DELTA STATE

BOARD OF DIRECTORS

Akin Opeodu
Chairman

Chamberlain Oyibo
Chairman (Retired wef 31/03/2014)

Akin Ogunbiyi
Group Managing Director

Mrs. I.Z Aret-Adams
Director (Retired wef 31/03/2014)

Admiral F.B.I. Porbeni (Rtd) mni, CFR
Director

Michael Govan (American)
Director

Dr. Moses Ajaja
Director

BOARD OF DIRECTORS

Adesoye Olatunji
Group Financial Director

Segun Omosehin
Managing Director (General)

Femi Asenuga
Managing Director (Life)

Gbenga Ogunko
Executive Director Public Accounts
& Business Development

Prof. Pat Utomi
Director

Prince Nasir Ado Bayero
Director

Dr. Eze C. Ebube (American)
Director

Tunde Dabiri
Director

MANAGEMENT TEAM

BISI OLAYIWOLA (MBA, FCA)
GENERAL MANAGER, CORPORATE PLANNING & INVESTMENT

KEHINDE BELLO (MBA, FCII)
GENERAL MANAGER, TECHNICAL / SPECIAL RISK

DEMOLA FAGBAYI (B.Ed)
GENERAL MANAGER, MUTUAL RETAIL

OPAYELE OYEWOLE AKANBI (B.Ed, MNIM,ACII)
GENERAL MANAGER TECHNICAL, MUTUAL, LIBERIA

TUNDE OLADUJA (MBA)
DEPUTY GENERAL MANAGER, PUBLIC ACCOUNT & BUSINESS DEVELOPMENT

BIYI ASHIRU-MOBOLAJI (MBA, ACII)
DEPUTY GENERAL MANAGER, TAKAFUL OPERATIONS

BAYO AKINMOLADUN (MBA)
DEPUTY GENERAL MANAGER , EASTERN REGION

RICHARD ODODO (ACII, B.Sc)
DEPUTY GENERAL MANAGER, LAGOS BUSINESS DISTRICT

NOMWEN EMEGHALU (B.ED , MBA, ACIIN)
DEPUTY GENERAL MANAGER ,CORPORATE MARKETING

JIDE IBITAYO (LLM, ACIS)
DEPUTY GENERAL MANAGER , LEGAL SERVICES

NGOZI OJEOGWU (FCA, ACIT, B.Sc)
ASSISTANT GENERAL MANAGER, INTERNAL AUDIT

SOLA ADEKUNLE (B.Sc, ACII)
ASSISTANT GENERAL MANAGER, CORPORATE MARKETING - MUTUAL LIFE

OGUNWO ABAYOMI AYODEJI (MBA, ACA)
ASSISTANT GENERAL MANAGER, CORPORATE PLANNING & INVESTMENT

BETTY AKINYEMI SANYA (M.Ed, ANIM, ACIPM)
ASSISTANT GENERAL MANAGER/ADMIN - MUTUAL LIFE

SHEMAYE ABODERIN (B.Ed, MBA, ACIPM)
CONTROLLER HR & ADMIN

RAMON ODUKALE (MBA)
CONTROLLER,WESTERN REGION

GABRIEL GBADEBO (B.A, ACII)
CONTROLLER, TECHNICAL - MUTUAL LIFE

LINDA OMIJEH (MBA, ACII)
CONTROLLER , CORPORATE MARKETING

TITI AKINSIKU (MBA, ACII)
CONTROLLER, CLAIMS

FEMI FAPOHUNDA (MSc)
CONTROLLER, IT

BOYE FASASI (Msc, ACII)
CHIEF COMPLIANCE OFFICER, MUTUAL LIFE

AYODEJI BABATUNDE DAVID (Msc, ACIIN)
CONTROLLER, CORPORATE MARKETING

MAKANJUOLA TOYE BABATUNDE (HND, MCA, ACII)
SENIOR MANAGER, TECHNICAL

OSEAFIANA JUDE UDOKA (HND, PGD, ILRM)
SENIOR MANAGER, CORPORATE MARKETING

ELLEN OFFO (MBA, rpa)
SENIOR MANAGER, CORPORATE COMMUNICATION

ARTHUR OJUMAH (B.Sc)
SENIOR MANAGER, APAPA BRANCH

FOLASADE OKE (HND,ACII)
SENIOR MANAGER, CORPORATE MARKETING

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the **18th Annual General Meeting of Mutual Benefits Assurance Plc** will be held on Thursday, 18th December, 2014 at AGIP RECITAL HALL, MUSON CENTRE, ONIKAN, LAGOS, at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To lay before the members, the Audited Financial Statements of the Company for the year ended 31st December 2013 together with the Reports of Directors, Auditors and Audit Committee thereon.
2. To elect/re-elect Directors.
3. To ratify the appointment of a Director.
4. To authorize the Directors to fix the remuneration of the Auditors.
5. To elect members of the Audit Committee.

NOTES

1. Proxy

A member of the company entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member of the Company. A Proxy Form is attached to the Annual Report and Accounts.

A proxy form should be completed, stamped and deposited at the office of the Registrar, Meristem Registrars Ltd., 213, Herbert Macaulay Way, Adekunle, Yaba, Lagos, not less than 48 hours before the time of the meeting.

2. Closure of Register and Transfer of Books

The Register and transfer Books of the Company will be closed from Monday 8th December 2014 to Friday 12th December 2014

3. Audit Committee

In accordance with Section 359(5) of the Companies and Allied Matters Act, Cap. C20, Laws of the Federation of Nigeria, 2004, any shareholder may nominate another shareholder for election as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 days before the Annual General Meeting.

By Order of the Board

Abdulai, Taiwo & Co.
Company Secretaries

Abdulai, Taiwo & Co.

(Company Secretary)

Dated this 10th day of November, 2014

FRC/2013/NBA/00000004757

INTRODUCTION

Mutual Benefits Assurance Plc financial statements comply with the applicable legal requirements of the Companies and Allied Matters Act CAP C20 LFN 2004, regarding financial statements and comprises Consolidated and Separate Financial Statements for the year ended 31 December 2013. The consolidated financial statements of the company and its subsidiaries have been prepared in compliance with IAS 1, 'Presentation of financial statements' issued by the International Accounting Standards Board.

CORPORATE INFORMATION

Directors & Advisers

Mr. Akin Opeodu	Chairman
Chief Chamberlain Oyibo	Chairman (Retired wef 31/03/2014)
Mr. Akin Ogunbiyi	Group Managing Director
Mr. Adesoye Olatunji	Group Finance Director.
Mr. Segun Omosehin	Managing Director, Mutual Benefits Assurance Plc.
Mr. Femi Asenuga	Managing Director, Mutual Benefits Life Assurance Limited.
Mr. Gbenga Ogunko	Executive Director, Public Account & Business Development.
Dr Moses Ajaja	Non Executive Director.
Mrs. I. Z. Aret-Adams	Non Executive Director (Retired wef 31/03/2014)
Prof. Pat Utomi	Non Executive Director.
Admiral F. B. I. Porben (Rtd) mni CFR	Non Executive Director
Mr. Michael Govan	Non Executive Director (American)
Prince Nasir Ado Bayero	Non Executive Director
Mr. Eze C. Ebube	Non Executive Director (American)
Mr. Tunde Dabiri	Non Executive Director (Appointed wef 18th April 2014)

Corporate Office

Mutual Benefits Assurance Plc,
Aret Adams House,
233, Ikorodu Road,
Ilupeju, Lagos.
Tel: 234-(0)1-342 9019,
(0)1-342 9018
E-mail: info@mbaplc.com
Website: www.mbaplc.com
RC No. 269837

MUTUAL Life:

19/21, Town Planning Way,
Ilupeju, Lagos.
Tel: 01-2700837
08023768149

MUTUAL Liberia:

Mutual Benefits Assurance Company
MBA HOUSE,
7th Street, Sinkor,
Tubman Boulevard,
Monrovia,Republic of Liberia.
Tel: +(231) 0493089, 05443827,
06789420, 07781225
E-mail: mbaliberia@yahoo.com
www.mutualbenefitsassurance.com

MBA Niger:

2765, Boulevard del'
Independence,
Yantala YN-2 (Rond Point
BP: 11.92, Niamey
Tel: +227-20752033,
Fax: +227-20350332
site web: www.mbaniger.com

Registrar & Transfer Office

Meristem Registrar Limited
213, Herbert Macaulay Way,
Adekunle, Yaba, Lagos
Telephone:+234-18920491-2
Email: info@meristemregistrars.com
www.meristemregistrars.com

Auditors

BDO Professional Services
(Chartered Accountants),
ADOL House,
15, CIPM Avenue,
CBD, Alausa,
Ikeja, Lagos.
P. O. Box 4929 GPO
Marina, Lagos.

Actuaries

Actuaries
Alexander Forbes Consulting
Actuaries Nigeria Limited
FRC/2012/0000000000504
2nd Floor, Rio Plaza,
235, Muri Okunola Street,
Victoria Island, Lagos
Telephone: 23412711081-3

Company Secretary

Abdulai Taiwo & Co.
FRC/2013/NBA/00000004757.
Goodwill House,
278, Ikorodu Road,
Anthony, Lagos
E-mail: law@abdulaitaiwo.com
Tel: +234-1 2790737, 2790738, 08191426614

Re-Insurers

African Reinsurance Corporation
Aveni Reinsurance Ltd.
Continental Reinsurance Plc
Nigerian Reinsurance Corporation

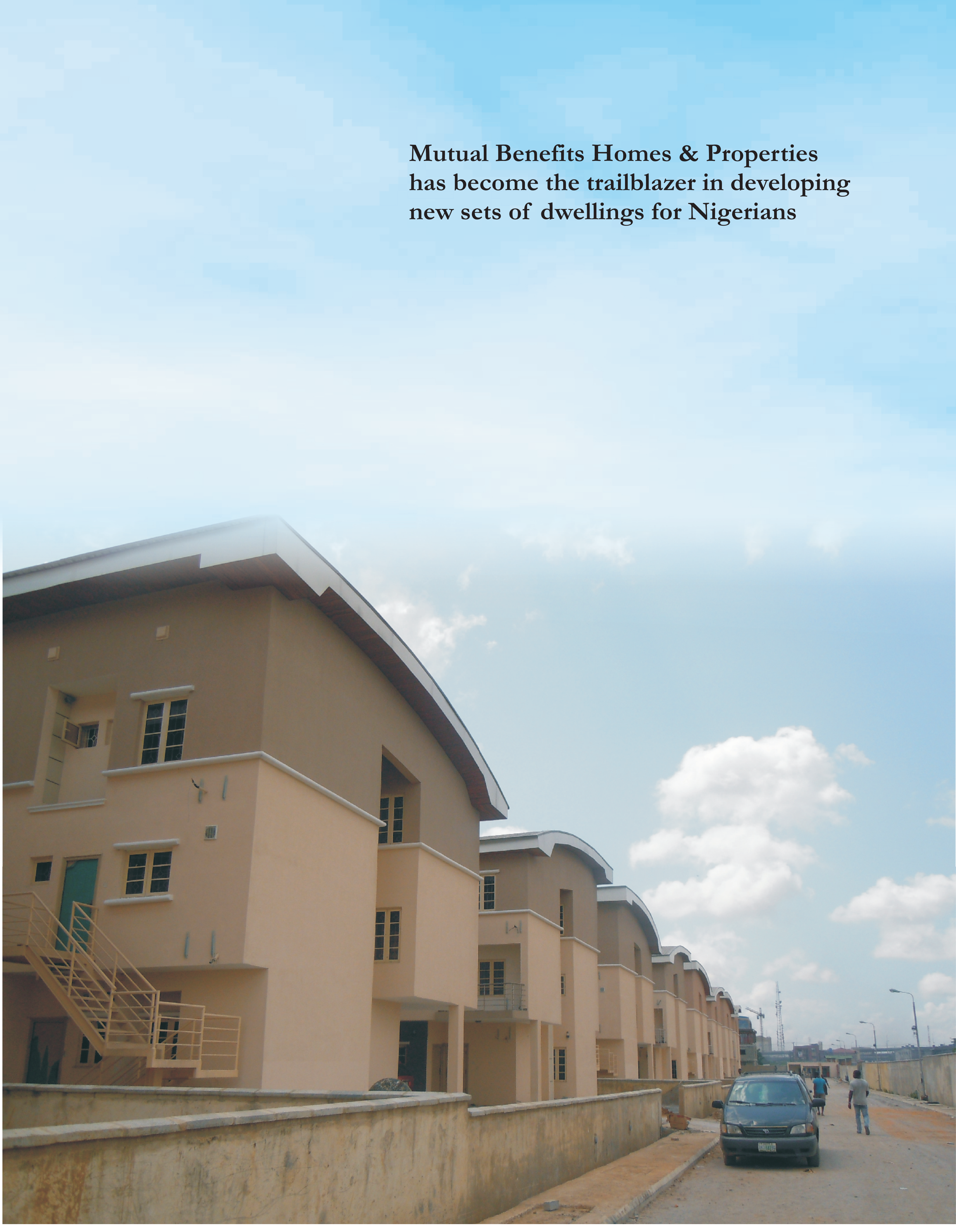
Estate Surveyor &Valuer

Jide Alabi & Co.
FRC/2013/NIESV/00000000314
6B, Maitama Street, South West, Ikoyi, Lagos
Email:info@jidealabiand co.com

Bankers

Access Bank Plc
Ecobank Nigeria Plc
Enterprise Bank Plc
Fidelity Bank Plc
First City Monument Bank Plc
First Bank of Nigeria Limited
Guaranty Trust Bank Plc
Keystone Bank Limited
Mutual Microfinance Bank Limited
Mainstreet Bank Plc
Sterling Bank Plc
Stanbic IBTC Bank Nigeria Plc
Skye Bank Plc
Unity Bank Plc
United Bank for Africa Plc
Wema Bank Plc
Zenith Bank Plc

Mutual Benefits Homes & Properties has become the trailblazer in developing new sets of dwellings for Nigerians



MUTUAL ALPHA COURTS, IPONRI - LAGOS

CHAIRMAN'S STATEMENT

"This has been another significant year. The Group delivered a profit before tax of N692 million as against N 2.5b loss in 2012".

Mr. Akin Opeodu
Chairman

CHAIRMAN'S STATEMENT

CHAIRMAN'S STATEMENT

Fellow Shareholders, distinguished ladies and gentlemen, on behalf of the Board of Directors, I cordially welcome you to the 18th Annual General Meeting of our GREAT Company, Mutual Benefits Assurance Plc.

Over the last few years, we have achieved extraordinary strides by rebuilding the foundations of the business on a stronger and more sustainable footing and put the creation of shareholders' value as our priority. We also implemented new governance processes. Our management team, led by Akin Ogunbiyi, the Group Managing Director (GMD), put in place a new corporate strategy, which is now proven, consistent with long term growth and sustainability. Our transformation objectives focused on wealth creation, becoming an excellent company with outstanding returns to Shareholders. We are confident that the results of these will soon be evident in our results and will benefit all stakeholders.

Although our business model is very robust, the company equally faces significant economic challenges but with the dedication of our people, we have grown stronger as a company, delivering consistent results and creating substantial value for our Shareholders.

As I take over the mantle of leadership as Chairman from my predecessor, **Chief Chamberlain Oyibo,** I am confident that the Company is in very good shape with a very promising future.

GLOBAL ECONOMY

The global economy during the 2013 financial year displayed signs of improvement. In spite of improved global financial conditions and reduced short-term risks, the world economy continues to expand at a subdued pace. Most world economies witnessed moderate strengthening, but growth still remained below potential. In the baseline outlook, global growth has been revised slightly downward from the forecast presented in the World Economic Situation and Prospects in 2013; growth of World Gross Product (WGP) is projected at 3.1% in 2014. According to the World Economic Report, developing countries and economies in transition continue to register much stronger growth than developed economies. In response to the economic slowdown in 2012, many developing countries, including some large countries in East Asia, South Asia and Latin America, adopted more expansionary and to a lesser extent, fiscal policies to strengthen domestic demand. New policy initiatives in major developed economies have reduced systemic risks and helped stabilize consumer and investor confidence, but with very limited impacts on growth.

DOMESTIC ECONOMY

On the local scene, the oil sector performance was disrupted by crude oil theft and this created a low performance in the sector as against the 2012 result. According to the report from the National Bureau of Statistics (NBS), Gross Domestic Product (GDP) grew marginally from 6.6% in 2012 to 6.9% in 2013. However, the achievement recorded by sectors such as agriculture, telecommunications, wholesale and retail trade contributed 8.7% in 2013.

Nigeria's external reserve plunged to its lowest point in the year 2013; in the first half of 2013, the reserves grew from $44.3 billion to $48.9 billion in the first and second quarter. However, it began to decline in the second half of the year on a monthly basis to close at $43.6 billion at the end of 2013. The progressive reduction in the nation's foreign reserves can mainly be ascribed to its increased usage by the Central Bank in supporting the local currency in the face of declining oil revenues as well as decreasing portfolio investment inflows.

Nigeria's Composite Price Index, CPI, disclosed that the rate of inflation in the economy ranges between 7.9% and 8.8%. The National Bureau of Statistics (NBS) stated that the marginal rise in the inflation rate was mainly as a result of the increase in the prices of seven of the non-food commodities, especially alcoholic beverages and transportation costs. Increase in the prices of gas and other fuels, electricity, tobacco, kola, housing and water also contributed to the slight rise in headline inflation.

Nigeria's stock has continued to witness a rebound from the 2008 crash and emerged as the market with the best returns in Africa in 2013. This showed that players in the Nigerian stock market made more money in 2013 than their peers in other major African exchanges, such as the Johannesburg and Nairobi exchanges. The market's best performance in the past five years was driven by stability of the Naira, which impacted Foreign Portfolio Inflow (FPI), increased liquidity across the globe that resulted from the US Fed's Quantitative Easing (QE) program, and improved appetite in Nigerian equities.

The sterling performance at the end of 2013 meant the market had beaten analysts' consensus and expectations. with 47.2% return in 2013 compares with 35.5% in 2012.

The market cap peaked at N133.226trillion compared with N8.97 trillion at the end of 2012; while the Nigerian Stock Exchange (NSE) all Share Index, which tracks the performance of the exchange, ballooned to about 40,000 points compared with 28,078.81 points at the end of 2012.

With the market capitalization peaking at N133.226 trillion at the end of 2013, investors' portfolio grew by N4.25 trillion, making 2013 a stellar year for investors.

CORPORATE GOVERNANCE

A strong governance framework plays a key role in supporting our business model, while striking an appropriate balance between long-term sustainable value creation and risk. I am confident that we have the right people and processes in place in this regard, to support the Group's growth strategy. You will read later in the corporate governance report about our governance activities during the year, including the Board evaluation process, the induction of our new non-executive directors and the activities of the Board and its committees.

INSURANCE SECTOR

The National Insurance Commission began the enforcement of the "NO PREMIUM NO COVER" provisions of the Insurance Act of 2003 in january 2013. This remained a significant plus for the insurance industry as it reduces huge levels of outstanding premiums usually reported in the financial statements of insurance companies. Also, it greatly enhanced cash flows and improved investment abilities for insurers.

Similarly, conversion to the International Financial Reporting Standards of reporting as well as preparations towards a risk based capital structure; was actively progressed in 2013 as the industry aligned itself more closely with the global solvency requirements and other standards.

OPERATING RESULT

The Mutual Group has delivered profit before tax of N692 million from a loss position of N2.5bn in 2012 which represents a 459% increase on 2012. This is a remarkable achievement and I am immensely proud of the hard work and commitment shown by all those that have made this possible.

Gross Premium Written grew marginally by 4.37% up from N5.0bn achieved in 2012 to N5.2bn in 2013. There was a drop in Net Premium Income by 5.3% down from N4.6bn recorded in 2012bn to N4.4bn in 2013. We closed the year with an underwriting profit of N1.7bn representing 34% fall against the 2012 result of N2.6bn.

Our investment income recorded a significant growth by more than double of the 2012 result, moving from N37m recorded in 2012 to N85m in 2013 representing 129% achievement. Interestingly, we closed the year with a profit after tax of N575m. This result outgrew our loss performance of N2.7bn recorded in 2012.

Our asset base grew from N13.5bn in 2012 to N14.4bn in 2013 representing 7% growth. Shareholders' fund grew by 21% from N2.7bn in 2012 to N3.3bn in 2013.

In last year's Chairman's Statement, reference was made to changes in regulatory environment with series of reforms between 2011 and 2014. In particular, the Financial Reporting Council of Nigeria (former Nigerian Accounting Standards Board) required the mandatory adoption and implementation of IFRS requirements by all listed public interest entities in Nigeria by 31 December, 2012.

In line with this requirement, National Insurance Commission (NAICOM) mandated all insurance companies to prepare their 2012 Financial Statements in accordance with IFRS and restate the 2011 financial accounts in accordance with IFRS.

Following the recapitalization exercise of February 2007, your company launched with fanfare the "Wind of Change". This represented our terms of engagement with all stakeholders and contained strategic plans and deliverables for the 5 year period 2008-2012. In specific terms, our transformation goals among others were:

- To have outstanding returns to shareholders
- To become an excellent company in wealth creation.

MUTUAL BENEFITS became a dynamic diversified group of companies and one of the most recognized and respected brands in West Africa. Characterized

CHAIRMAN'S STATEMENT

by professionalism, integrity, innovation and entrepreneurial spirit, MUTUAL BENEFITS businesses, alongside the core business of insurance, operate in a broad range of sectors including transportation logistics, real estate, equipment leases, microfinance banking, oil and gas.

Our philosophy remains using insurance to create value, harness and drive growth opportunities within the formal and informal sectors. Our partnership and strategic alliance approaches allowed us to combine skills, knowledge and operational expertise to support the creation and growth of new and existing markets. Our clearly defined goal was to provide quality products and services, which will empower and inspire our customers and we have remained true to this vision.

To actualize our strategic plans, MUTUAL BENEFITS established and invested huge capital in setting up:

- Mutual Model Transportation Limited- a franchise of LAGBUS
- Charks Investment Limited - an asset and equipment leasing company
- Mutual Homes & Properties Limited - property development for home ownership on mortgage plans
- Mutual Micro Finance Bank - for the sales and distribution of micro insurance and retail services.

Our operation was expanded into the West African sub-region through the establishment of Mutual Benefits Liberia and Mutual Benefits Republic of Niger.

These investments are up and running and performing excellently to our very high expectations.

With the adoption of IFRS, notable changes in the financial reporting requirements for insurance companies, we had to realign our corporate and investment strategies in line with the new requirements in turn our performance was greatly affected.

Consistent with our transformation goals, we have continued to proactively grow our company to deliver outstanding returns to the shareholders. True, 18 years is quite a time in the life of a company, I am very confident, given the robustness of our new strategy especially the focus on retail insurance; that we have laid a solid foundation for a definitely, prosperous future.

BOARD CHANGES AND PERSONNEL

Our management is supported by a strong board. We have worked hard to put in place effective succession and development programs and the continued strong results we have achieved are testament to these efforts. Let me formally announce the retirement of our erstwhile Chairman, Chief Chamberlain Oyibo and Mrs. I. Z Aret-Adams from the board effective 31st March 2014. Chief Oyibo joined the board within a year of operations and contributed immensely to getting the company to where we are today, He became chairman in 2007. Mrs. Izarene Adams also has put in twelve solid years as a director. We will miss but not forget her constant advocacy for better working conditions for our staff. Please join me in wishing both of them well in their future endeavours.

Mr. Babatunde Dabiri joined the board 1st April 2014. He brings with him over 35 years banking experience, fifteen of which was at the very top level as Chief Executive. We have already started to enjoy the benefits of his experience as Chairman of the Finance and Investment Committee of the Board.

Consequent to the retirement of Chief Oyibo, I was elected to chair the board effective 1st April 2014.

DIVIDEND

The Board of Directors is conscious of the importance of an annual return on your investments. Though your company has made a profit before tax of N692m, but as a results of prior year losses due to the adoption of International Financial Reporting Standard (IFRS) and negative retained earnings, dividend declaration has been made impossible this year.

FUTURE OUTLOOK

As the results laid before you shows, Mutual Benefits Assurance Plc continues to go from strength to strength and I am confident that the best is yet to come. I would like to thank everyone at Mutual Benefits Group whose creativity and hard work has played an instrumental role in achieving another decent year as well as our shareholders for their tremendous support. With the Group's clear strategy for growth, focus on exceptional performance and its talented management team, Mutual Benefits Assurance Plc's global growth story is a compelling one.

CONCLUSION

Distinguished Ladies and Gentlemen, I wish to express my appreciation to all our esteemed customers, policy holders, Brokers, Agents and every other stakeholder including the board, management and staff for their unflinching loyalty and support. We remain very positive about the opportunities to grow the business and we are well placed to capitalize on the significant structural growth. We also expect to deliver further cost efficiencies which will help to support future growth and enable us to make further progress in the operating margin. As a result, we remain confident in our ability to continue to create significant value for our Shareholders.

Thank you all, God bless Mutual Benefits Assurance Plc, God bless Nigeria.

Mr. Akin Opeodu
Chairman

RESULTS AT A GLANCE

Company

	2013 N'000	2012 N'000	%
Gross premium written	5,326,871	4,975,074	7.07
Gross premium income	5,246,029	5,026,347	4.37
Net underwriting income	4,425,486	4,647,662	(4.78)
Net claims expenses	(1,684,865)	(1,415,572)	19.02
Acquisition costs	(285,070)	(577,838)	(50.67)
Profit/(loss) before tax	691,578	(2,478,237)	(127.91)
Tax expense	(116,707)	(251,131)	(53.53)
Profit/(loss) after tax	574,871	(2,729,368)	(121.06)
Total assets	14,448,462	13,582,344	6.38
Investment contract liabilities	3,768,829	3,129,011	
Insurance contract liabilities	3,768,829	3,129,011	20.45
Shareholders' fund	3,305,130	2,730,259	21.06
Basic earnings/(loss) per share	7.19	(34.12)	

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

The directors accept responsibility for the preparation of the annual financial statements that give a true and fair view of the statement of financial position of the Company at the end of the year and of its profit or loss and other comprehensive income in the manner required by the Companies and Allied Matters Act, CAP C20, LFN 2004 and the Insurance Act, CAP I17, LFN 2004. These responsibilities include ensuring that the Company:

(i) keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company and comply with the requirements of the Companies and Allied Matters Act CAP C20 LFN 2004 and the Insurance Act, CAP I17, 2004.

(ii) establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and

(iii) prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgements 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 compliance with:

International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB);

The directors are of the opinion that the financial statements give a true and fair view of the state of the financial position of the Company and of the Profit for the year. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

In the opinion of the Directors, the company complied with the requirements of International Financial Reporting Standards (IFRS) and in a manner specified by the provisions of the Financial Reporting Council (FRC), Companies and Allied Matters Act, CAP C20, LFN 2004, Insurance Act, CAP I17, LFN 2004 and relevant guidelines and circulars issued by the National Insurance Commission (NAICOM); however, the requirements of IFRS override the provisions of other Acts where there is conflict.

The directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe that the Company will not remain a going concern in the years ahead.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

....	....	....
Mr. Akin Opeodu	**Mr. Omosehin Olusegun**	**Mr. Olabisi Olayiwola**
Chairman	Director	Chief Finance Officer
FRC/2013/ICAN/00000003128	**FRC/2013/CIIN/00000003103**	**FRC/2013/ICAN/00000003098**

DIRECTORS' REPORT
FOR THE YEAR ENDED 31ST DECEMBER, 2013

The Directors have the pleasure of presenting their Report on the affairs of Mutual Benefits Assurance Plc ("the Company ") to the Shareholders together with the Group Audited Financial Statements and the Auditor's report for the year ended 31st December 2013.

Legal Status and Principal Activity
Mutual Benefits Assurance Plc was incorporated on the 18th day of April 1995 under the name Mutual Benefits Assurance Company Limited. The Company was converted and re-registered as a Public Limited Liability Company on 24 May 2001. On 28 May, 2002 the Company became listed on the Nigerian Stock Exchange (NSE).

The Company's Head Office is located at "Aret Adams House", 233, Ikorodu Road, Ilupeju, Lagos and has branches spread across the nation in Abeokuta, Abuja, Ado - Ekiti, Akure, Port Harcourt, Warri, Lagos, Benin, Calabar, Ikorodu, Ilorin, Ibadan, Kaduna, Kano, Ojo, Oshogbo, Otta, Owerri and Yenogoa.

BUSINESS REVIEW
The Company is primarily an insurance firm principally involved in general insurance business, operating multifarious business activities with separate licenses. The activities of the Company through its subsidiaries include Life Assurance, Real Estate, Microfinance Banking, Equipment Leasing and Stock Broking Services.

MUTUAL Group's products and services are as follows:

GENERAL BUSINESS PRODUCTS
Property Insurance
Fire and Special Perils
Burglary/ House Breaking
Householder, House-owner Comprehensive
Marine Cargo
Marine Hull
Motor
Goods-in-Transit
All Risk Insurance
Engineering
Industrial All Risks
Liability/Bond Insurance
Money
Professional Indemnity
Fidelity Guarantee
Public Liability/Product Liability
Director's Liability
Bond and Suretyship
Workmen's Compensation

LIFE INSURANCE PRODUCTS
Insurances of the Person
Personal Accident
Group Personal Accident
Individual Savings & Pension Plan
Personal Pension & Investment Plan
Mutual Education Guarantee Plan
Keyman Assurance
Mortgage Protection
Group Life Assurance
Term Assurance
Endowment Assurance
Retail Marketing Products
Insurvisa
Greensheild-24Hr. Accident Cover.
Greensheild-Life
Mutual Group Investment Protection Plan
Micro Personal Investment Plan

Special Risks
Aviation and Related Risks
Oil and Gas

Special Products
Automedics Car Insurance
Hygea Assistance programme (H.A.P)
Overseas Health Insurance for Expatriates and Nigerians

The Company has Eight (8) subsidiaries namely: Mutual Benefits Life Assurance Limited, Mutual Benefits Assurance Liberia Incorporated, Mutual Benefits Asset Management Limited, Mutual Benefits Homes and Properties Limited, Mutual Model Transport Limited, Charks Investment Limited, TFS Securities Limited and Mutual Benefits Microfinance Bank.

The financial results of all the subsidiaries have been consolidated in these financial statements.

Dividends

During the period

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST DECEMBER, 2013

OPERATING RESULTS

Below is a summary of the Company's operating results:

	Company	
	2013	2012
Gross Premium written	5,326,871	4,975,074
Profit/(loss) before taxation	691,578	(2,478,237)
Taxation	(116,707)	(251,131)
Profit/(loss) after taxation	574,871	(2,729,368)
Shareholders' Fund	3,305,130	2,730,259

Directors and Their Interests

The Directors who served during the year and their direct and indirect interests in the issued share capital of the Company as recorded in the Register of Directors' shareholding and/or as notified by the Directors for the purpose of Section 275 of the Companies and Allied Matters Act, Cap. C20, Laws of the Federation of Nigeria 2004 and Listing requirements of the Nigerian Stock Exchange is as follows:

Directors' Holding as at 31 December 2013

	2013		2012		
DIRECTORS	DIRECT	INDIRECT	DIRECT	INDIRECT	PERSONS REPRESENTED
Mr. Akin Opeodu	11,000,000	74,213,287	11,000,000	74,213,287	Kemson Schools Nigeria Limited
Chief Chamberlain Oyibo	90,224,722	-	90,224,722	-	
Dr. Akin Ogunbiyi	325,292,614	254,222,278	325,292,614	254,222,278	Charks Investment Limited
Mr. Adesoye Olatunji	3,000,000	-	3,000,000	-	
Mr. Segun Omosehin	1,000,000	-	-	-	
Mr. Femi Asenuga	93,150	-	93,150	-	
Mr. Gbenga Ogunko	4,200,000	-	4,200,000	-	
Dr. Moses Ajaja	8,233,326	-	8,233,326	-	
Admiral Festus Porbeni	-	-	-	-	
Mrs Izarene Aret -Adams	94,724,567	52,770,807	94,724,567	52,770,807	Adams Aret Jnr.; Adams O. Yvette; Adams A. Trevor;
Prof. Pat Utomi	-	-		-	
Prince Nasir Ado Bayero	-	-		-	
Mr. Michael Govan	3, 100,000	-	3, 100,000	-	
Dr. Eze C. Ebube	-	-	-	-	

BOARD APPOINTMENTS

Since the last Annual General Meeting, Mr. Babatunde Dabiri was appointed to the Board of Directors. Mr. Babatunde Dabiri graduated from University of Ibadan with a Honours degree in Economics and obtained his MBA at the Columbia University, New York, USA. He started his career at the Nigerian Industrial Development Bank, Lagos, serving in various capacities. He brings with him over 35 years banking experience, fifteen of which was at the very top level as Chief Executive.

RETIREMENT BY ROTATION

In accordance with Article 85 of the Company's Articles of Association, the directors to retire by rotation are, Akin Ogunbiyi, Gbenga Ogunko, Mr. Michael Govan, Dr. Eze Ebube and being eligible offer themselves for re-election. Their performances in the year under review were commendable.

DIRECTORS' INTEREST IN CONTRACTS

In compliance with Section 277 of the Companies and Allied Matters Act of Nigeria, none of the directors has notified the Company of any declarable interest in contracts involving the Company during the year under review.

PROPERTY, PLANT AND EQUIPMENT

Information relating to changes in property, plant and equipment is given in Note 13 to the Accounts. In the directors' opinion, the market value of the Group's properties is not less than the value shown in the financial statements.

DIRECTORS REMUNERATION

Remuneration	Description	Timing
Basic Salary	Part of gross salary package for Executive Directors only	Paid monthly during the financial year
	A competitive salary package that reflects the desires of the Company to remain at the apex of the industry.	
13th month salary	Part of gross salary package for Executive Directors	Paid at the last month of the year
Director fees	Allowances paid to Non-Executive Directors	Paid during the year
Travelling allowances	Allowances paid to Non-Executive Directors residing outside Nigeria.	Paid during the year
Sitting allowances	Allowances paid to Non-Executive Directors only for sitting at board meetings and other business meetings.	Paid during the year

DONATIONS AND CHARITABLE GIFTS

In identifying with the aspirations of the community and the environment within which the Company operates, a total sum of N9,191,894 was given out as donations and charitable contributions during the year. These include contributions to charitable organizations amounting to N1,025,000 (December 2012: N3, 395,000) and donations made to other non-charitable organizations amounting to N8,166,894 (December 2012: N10, 151,175). Details of the donations and charitable gifts are as stated below:

	2013
Organisations:	N
Donation of wheelchair to a needy person	25,000
Support for palace renovation of Onipeju of Ilupeju	99,000
National Association of Insurance Correspondents (NAICO)	190,000
Nigeria Rowing, Canoe and Sailing Federation	1,000,000
Institute of Director Nigeria's Corporate Governance Lecture	500,000
Sponsorship of the 10th Biennial Nigeria Police Games	801,394
CPI's Petroleum Policy Roundtable (PPR XIII)	300,000
Games Association-Nigeria Private Universities Association (NPUGA) 2013	2,932,000
Aret-Adams Foundation Lecture	544,500
Down Syndrome Foundation of Nigeria	1,000,000
Lagos International Taekwondo Classics 2013	500,000
Ikeja Golf Club Championship 2013	200,000
Lagos State Governor's Office Correspondents (LAGOCO)	350,000
CIIN's Annual Dinner	250,000
Launching of book on Aret Adams Lecture Series	500,000
Total	9,191,894

BENEFICIAL OWNERSHIP

The following shareholders held 5% or more of the issued and paid up shares of the Company as at December 31, 2013:

Shareholders with 5% and above holding

S/NO	A/C NO	NAME	ADDRESS	UNITS	%
1	1459114	CHARLES ENTERPRISES LLC	C/O 233 IKORODU ROAD ILUPEJU LAGOS STATE	2, 100,000,000.00	26.25%
2	1459588	CIL RISK & ASSET MANAGEMENT LTD	233 IKORODU ROAD ILUPEJU LAGOS STATE	953, 217, 458.00	11.92%

ACTIVE SHAREHOLDERS - SUMMARY **Position As at: 31/12/2013**

Range			No. of Holders	Holders %	Holders Cum.	Units	Units %	Units Cum.
1	-	5,000	13,784	36.63%	13,784	33,769,817	0.42%	33,769,817
5,001	-	10,000	6,642	17.65%	20,426	56,185,016	0.70%	89,954,833
10,001	-	100,000	14,319	38.05%	34,745	541,656,469	6.77%	631,611,302
100,001	-	500,000	2,294	6.10%	37,039	508,838,913	6.36%	1,140,450,215
500,001	-	1,000,000	292	0.78%	37,331	229,768,983	2.87%	1,370,219,198
1,000,001	-	5,000,000	217	0.58%	37,548	449,204,311	5.62%	1,819,423,509
5,000,001	-	10,000,000	30	0.08%	37,578	199,271,580	2.49%	2,018,695,089
10,000,001	-	100,000,000	44	0.12%	37,622	1,357,726,216	16.97%	3,376,421,305
100,000,001	-	ABOVE	11	0.03%	37,633	4,623,578,695	57.79%	8,000,000,000
Grand Total			37,633	100.00%		8,000,000,000	100.00%	

POST BALANCE SHEET EVENTS

There are no significant post balance sheet events which could have had material effect on the state of affairs of the company as at 31st December 2013 .

EMPLOYMENT AND HR MATTERS

i). Employee Involvement and Training

The Company recognises that the acquisition of knowledge is continuous, and that to foster commitment, its employees need to have the awareness of factors: economic, financial or otherwise, that affects its growth. To this end, the Company in the execution of its training programmes (both local and international) encourages and provides the opportunity for its staff to develop and enhance their skills, awareness and horizon.

Gender Analysis

The number and percentage of women employed during the financial year vis-à-vis total workforce is as follows:

	Male Number	Female Number	Male %	Female %
Employees	149	81	65	35
Gender analysis of Board and Top Management is as follows:				
Board	12	1	92	8
Top Management	11	2	85	15

Detailed analysis of the Board and Top Management is as follows:

	Male Number	Female Number	Male %	Female %
Assistant General Manager	5	2	71	29
Deputy General Manager	4	-	100	-
General Manager	1	-	100	-
Executive Director	5	-	100	-
Chief Executive Officer	1	-	100	-
Non-Executive Director	6	1	86	14

ii). Employment of Disabled Persons

The Company adopts a non discriminatory policy of giving fair consideration to applications for employment including those received from disabled persons having regard to their particular aptitudes and abilities.

iii). Employee Health Safety and Welfare

The Company maintains business premises designed with a view to guaranteeing the safety and healthy living conditions of its employees and customers alike. Employees are adequately insured against occupational and other hazards. In addition, free medical services are provided for the Company's employees through HMO. The hospital & clinics under the scheme are manned by professionals who are specialists in different medical lines and offer proper medical services to the employees. Fire prevention and fire-fighting equipment are installed in strategic locations within the Company's premises. It also operates a contributory pension plan in line with the Pension Reform Act 2004.

Welfare facilities provided include: housing for employees (or payment of allowance in lieu), transport allowance; car loans or official cars. Incentive schemes designed to meet the circumstances of each individual are implemented wherever appropriate and some of these include promotions, salaries, wages review amongst others.

Auditors

The Auditors, BDO Professional Services have indicated their willingness to continue in office in compliance with CAP C20 Laws of the Federation of Nigeria 2004 357(2) of the Companies and Allied Mattes Act of Nigeria. A resolution will be proposed at the Annual General Meeting to authorise directors to fix the renumeration of the Auditors.

COMPLIANCE WITH CORPORATE GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2013

In view of its commitment to the implementation of effective corporate governance principles in its business operations, the Company filed its Half Yearly Return with the Securities and Exchange Commission (SEC) as at 30th June and 31st December, 2013 respectively.

The Company incurred a penalty of N2,700,000 for late filing of the 2013 Annual Reports & Accounts with the Nigerian Stock Exchange.

Also, in line with the principles of Corporate Governance the Company made efforts to satisfy the requirement of convening a Board Meeting every quarter. The Board Committees established are equally viable and are working in line with their Terms of Reference.

By Order of the Board

Olubunmi Oje (Mrs).
ABDULAI, TAIWO & CO.
COMPANY SECRETARIES
Date 22nd October 2014
FRC/2013/0000004757

CERTIFICATION PURSUANT TO SECTION 60(2) OF INVESTMENT AND SECURITIES ACT NO.29 OF 2007

We the undersigned hereby certify the following with regards to our audited report for the year ended 31st December 2013 that:

a) We have reviewed the report;

b) To the best of our knowledge, the report does not contain:
(i) Any untrue statement of a material fact, or
(ii) Omit to state a material fact, which would make the statements, misleading in the light of circumstances under which such statements were made;

c) To the best of our knowledge, the financial statements and other financial information included in the report fairly presents in all material respects the financial condition and results of operations of the company as of, and for the periods presented in the report;

d) We:
(i) are responsible for establishing and maintaining internal controls;
(ii) have designed such internal controls to ensure that material information relating to the company is made known to such officers by others within those entries particularly during the period in which the periodic reports are being prepared;

(iii) have evaluated the effectiveness of the company's internal controls as of date within 90 days prior to the report;

(iv) have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date;

e) We have disclosed to the auditors of the company and audit committee:
(i) all significant deficiencies in the design or operations of internal controls which would adversely affect the company's ability to record, process, summarize and report financial data and have identified for the company's auditors any material weakness in internal controls, and

(ii) any fraud, whether or not material, that involves management or other employees who have significant role in the company's internal controls;

f) We have identified in the report whether or not there were significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

....	....
Mr. Olabisi Olayiwola	**Mr. Omosehin Olusegun**
Chief Finance Officer	Director
FRC/2013/ICAN/00000003098	**FRC/2013/CIIN/00000003103**

REPORT OF THE AUDIT COMMITTEE
FOR THE YEAR ENDED 31 DECEMBER 2013

To the members of Mutual Benefits Assurance Plc

In compliance with the provisions of Section 359(6) of the Companies and Allied Matters Act, CAP C20 LFN 2004, the members of the Audit Committee of Mutual Benefits Assurance Plc reviewed the Audited Financial Statements for the year Ended 31 December 2013 and based on the documents and information available to us hereby report as follows:

a) We ascertained that the account and reporting policies of the Company are in accordance with the legal requirements and agreed ethical practices.

b) We reviewed the Scope and Planning of the Audit requirements and found it adequate.

We have deliberated with the external auditors, who confirmed that necessary cooperation was received from Management in the course of their statutory audit and we are satisfied with Management's responses to their recommendations for improvement and with the effectiveness of the Group's system of accounting and internal control.

Dated 24 October 2014

TEMI DUROJAIYE(MRS)

Mrs. Temi Durojaiye
FRC/2013/ICAN/00000003102

Members of the Audit Committee

Members of the Audit Committee
1. Mrs. Temi Durojaiye - Chairperson Shareholders' Representative
2. Mr. Osato Aideyan-Shareholders' Representative
3. Chief Akin Odubiyi-Shareholder's Representative
4. Dr. Moses Ajaja-Board's Representative
5. Mrs. Izarene Aret-Adams-Board's Representative
6. Prof. Pat Utomi-Board's Representative

CORPORATE GOVERNANCE REPORT

INTRODUCTION

MUTUAL BENEFITS ASSURANCE PLC remains committed to the principles and practice that promote good Corporate Governance. We recognize that sound corporate governance practices are necessary for effective management and control of the Company's business with a view to maximizing the shareholders' value and meeting the expectations of other Stakeholders. In furtherance of the commitment to high ethical conduct, we regularly review our processes and practices to ensure compliance with the legislative and best practice changes in the global corporate governance environment.

The Company continues to comply with its Internal Governance Policies and the Code of Corporate Governance for Companies in Nigeria. As an Insurance Company, the Company also complies with the Code of Good Corporate Governance for the Insurance Industry in Nigeria, issued by the National Insurance Commission in February, 2009. The NAICOM'S Code of Corporate Governances covers a wide range of issues including Board structure, Quality of Board Members, duties of the Board, conduct of the Board of Directors, Rights of Shareholders and Committees of the Board.

THE BOARD OF DIRECTORS

The Board of Directors has the ultimate responsibility for the overall functioning of the Company. The responsibilities of the Board include setting the Company's strategic objectives and policies, providing leadership to put them into effect, supervising the management of the business, ensuring implementation of decisions reached at the Annual General meeting, ensuring value creation to shareholders and employees, determination of the terms of reference and procedures of all Board Committees, ensuring maintenance of ethical standard as well as compliance with the Laws of Nigeria. The Board consists of fourteen (14) Directors - five (5) Executive Directors, one of whom is the Group Managing Director of the Company and nine (9) Non- Executive Directors, one of whom is the Chairman. The Directors are experienced stakeholders with diverse professional backgrounds in Insurance, Accounting, Commerce, Management, Engineering etc. The Directors are men of impeccable character and high integrity.

The Company is indeed delighted to have a versatile Board with deep understanding of its responsibilities to Shareholders, Regulatory Authorities, Government and other Stakeholders. The Board always takes proactive steps to master and fully appreciate all cultural, legislative, ethical, institutional and all other factors, which impact our operations and operating environment. This has ensured that a culture of compliance with rules and regulation is entrenched at all levels of operations within the Company.

The meetings of the Board are scheduled well in advance and reports from Committees of the Board are circulated to all the Directors. The Board meets regularly.

(a) RECORD OF DIRECTOR'S ATTENDANCE

In accordance with Section 258 (2) of the Companies and Allied Matters Act (Cap 20, Laws of the Federation of Nigeria 2004), the record of Director's attendance and meetings held during year 2013 is available for inspection at the Annual General Meeting. The meetings of the Board were presided over by the Chairman and the Board met three times during the year. It met on 16 April 2013, 27 April 2013 and 4 October 2013. Written notices of the Board meetings, along with the agenda were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

DIRECTORS	Full Board Meeting	Finance & General Purpose Committe	Audit Committe	Esblishment Committe	Technical & Risk Management Committe	Public Accounts And Business Development
Total Number of Meetings	3	4	4	3	3	3
Chief Chamberlain Oyibo	3	n/a	n/a	n/a	n/a	n/a
Mr. Akin Opeodu	2	4	n/a	3	n/a	n/a
Dr. Moses O. Ajaja	3	4	4	3	3	n/a
Dr. Akin Ogunbiyi	3	4	n/a	3	3	3
Admiral F. Porbeni(Rtd)	2	n/a	n/a	n/a	n/a	3
Mrs. Izarene Aret-Adams	2	n/a	4	3	n/a	n/a
Prof Pat Utomi	3	n/a	4	n/a	n/a	3
Prince Nasir Ado-Bayero	1	n/a	n/a	n/a	n/a	1
Dr. Eze Ebube	1	n/a	n/a	n/a	n/a	n/a
Mr. Adesoye Olatunji	2	4	n/a	n/a	n/a	n/a
Mr. Femi Asenuga	3	n/a	n/a	3	3	3
Mr Olusegun Omosehin	3	n/a	n/a	3	3	3
Mr Gbenga Ogunko	2	n/a	n/a	n/a	n/a	3
Mr. Michael Govan	1	n/a	n/a	n/a	n/a	n/a

(b) COMMITTEES

The Board performed its functions through a total of five Standing Committees during the year under review.

The Committees have clearly defined responsibilities, scope of authority and procedures for reporting to the Board. Membership of these Committees is structured in such a manner as to take optimum advantage of the skills and experience of the Non-Executive Directors. The following are the standing Committees of the Company:

(i) AUDIT COMMITTEE

The Audit Committee is established in accordance with Section 359 [6] of the Companies and Allied Matters Act, CAP C20 LFN 2004. The Committee has the oversight functions for the Company's Accounts. The Committee, however, is not answerable to the Board. The Committee consists of six (6) members, three (3) of whom are nominated by the Board and three (3) nominated and elected by shareholders whose tenure must be renewed annually.

The Committee met four times to review the adequacy of the internal audit plan, to receive and deliberate on the report of the external auditors, to review progress on recommendations made in both the internal and external audit reports, to review the adequacy of internal control systems and the degree of business compliance with laid down internal policies, laws, code of business principles and any other relevant regulatory framework.The committee met on 27 March 2013, 5 April 2013, 2 November 2013 and 14 November 2013. Mrs. Temi Durojaiye chaired the Committee during the year under review. The members of the Committee are;

1. Mrs. Temi Durojaiye - Chairman
2. Chief Akin Odubiyi - Member
3. Mr Osato Aideyan - Member
4. Dr. Moses Ajaja - Director
5. Prof. Pat Utomi - Director
6. Mrs. I . Z Aret-Adams - Director

(ii) FINANCE AND GENERAL PURPOSES COMMITTEE

The Finance and General purposes Committee comprises four members namely:

1. Mr. Akin Opeodu – Chairman
2. Dr. Akin Ogunbiyi - Director
3. Dr. Moses Ajaja - Director
4. Mr. Soye Olatunji – Director

The Committee met four times to review the investment guidelines of the Company, ensure that investments embarked upon by the Management are in line with the guidelines as well as the appropriate statutory regulations, and also considers other miscellaneous issues. The committee meetings were held on 18 March 2013, 3 April 2013, 13 August 2013 and 6 December 2013. Mr. Akin Opeodu chaired the Committee during the year under review.

(iii) ESTABLISHMENT COMMITTEE

The Establishment Committee comprises six members namely:

1. Dr. Moses Ajaja – Chairman
2. Mr. Akin Opeodu – Director
3. Dr. Akin Ogunbiyi - Director
4. Mrs. I . Z Aret-Adams – Director
5. Mr. Femi Asenuga - Director
6. Mr. Segun Omosehin - Director

The Committee met three times to considers and make recommendations on human resource matters like promotion to senior and management positions, and remuneration of the staff of the Company. The committee met on 6 March 2013, 15 July 2013 and 12 December 2013.

(iv) TECHNICAL / RISK MANAGEMENT COMMITTEE

The Technical / Risk Management Committee is comprised of five members namely:

1. Dr. Moses Ajaja – Chairman
2. Mr. Akin Opeodu - Director
3. Dr. Akin Ogunbiyi – Director
4. Mr. Segun Omosehin – Director
5. Mr. Femi Asenuga – Director

The committee met three times to ensure compliance with Enterprise Risk Policies and the Regulatory Risk Management Requirements. The committee also deliberates and make recommendations to the Board on technical and Special matters in connection with the core business of the company as assigned to it from time to time by the Board. The Committee met on 3 April 2013, 4 June 2013 and 17 October 2013.

(c) ENTERPRISE RISK MANAGEMENT

i. Introduction and Overview

Mutual Benefits Assurance Plc has a clear and functional Enterprise Risk Management (ERM) framework that is responsible for identifying, assessing and managing the likely impact of risks faced by the company. The Company is exposed to financial risk and business risk. Financial risks are those risks with the probability of loss inherent in financing methods which may impair the ability to provide adequate returns. Business risk plus the financial risk equal total corporate risk.

ii. Enterprise –Wide Risk Management Principles

Here in Mutual Benefits Assurance Plc, we try as much as possible to balance our portfolio while maximizing our value to stakeholders through an approach that mitigates the inherent risk and reward in our business.

To ensure effective and economic resources, we operate strictly by the following principles:

- The Company will not take any action that will compromise its integrity.
- The Company will at all times comply with all government regulations and uphold best international practice.
- The Company will build an enduring risk culture, which shall pervade the entire organisation.
- The Company will at all times hold a balanced portfolio and adhere to guidelines on investment issued by regulator and Finance and General Purpose Committee of the Company.
- The Company will ensure that there is adequate reinsurance in place for the business above its limit and also prompt payment of such premiums.

iii. Approach to Risk Management

In Mutual Benefits Assurance Plc, there are levels of authority put in place for the oversight function and management of risk to create and promote a culture that mitigates the negative impact of risks facing the company.

iv. The Board

The Board sets the organisation's objectives, risk appetite and approves the strategy for managing risk. There are various committees nominated to serve of whom their various functions are geared towards minimizing the likelihood of the impacts of risks faced by the company.

v. The Audit Committee:

This is one of the most powerful arms of the board which is saddled with the following functions:

- Perform oversight function on accounting and financial reporting
- Liaise with the external auditor
- Ensure regulatory compliance
- Monitoring the effectiveness of internal control process within the company.

vi Technical /Risk Management Committee

This committee oversees the business process. Their functions include;

- Reviewing of company's risk appetite
- Oversee management's process for the identification of significant risk across the company and the adequacy of prevention, detection and reporting mechanisms.
- Review underwriting risks especially above limit for adequacy of reinsurance and company's participation.
- Review and recommend for approval of the Board Risk management procedures and controls for new products and services.

vii. Finance & General Purpose Committee

- Sets the investment limit and the type of business the company should invest in.
- Reviews and approves the company's investment policy.
- Approves investments over and above management's approval limit.
- Ensures that there is optimal asset location in order to meet the targeted goals of the company.

The second level is the management of the company. This comprises the Managing Director and the management of the company.

They are responsible for strategic implementation of the Enterprise Risk Management policies and guidelines set both by the regulator, government and the Board for risk mitigation. This is achieved through the business unit they supervise. The last level is that of the independent assurance. This comprises the internal audit function that provides independent and objective assurance of the effectiveness of the Company's system of internal control established by the first and second lines of defence in management of Enterprise Risk across the organisation.

INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS

Mutual Benefits Assurance Plc internal control and risk management system is in line with Committee of Sponsoring Organizations of the Treadway Commission (COSO). The system ensures that the company's internal control system aligns with achievement of set strategic objectives through its operating, reporting and compliance mechanisms.

Supporting the Company in its efforts to achieve its strategic objectives are five (5) components of internal control:

- Control Environment
- Risk Assessment
- Control Activities
- Information and Communication
- Monitoring

Control Environment: This comprises the company's history, culture, values, organizational structure, strategy, policies and procedures. The Board through its Board Audit Committee establishes the tone from the top regarding the importance of internal control and defines the company's risk management policies and expected standards of conduct to ensure that material risks inherent in the business are identified and mitigated or controlled.

Risk Assessment: Risks associated with achievement of the company's strategic objectives are identified and analysed annually by the Board and Management team. It involves a dynamic and interactive process where Management identifies changes that could significantly impact the system of internal control, assesses risk exposures from the broad risk categories (underwriting, market, operational, liquidity and credit risks), evaluates effectiveness of existing internal controls and recommends possible responses in relation to the company's risk appetite, cost vs benefit of potential risk responses, and degree to which a response will reduce impact and/or likelihood.

The identified risks, recommended controls and Management letter issued by the external auditors which contains their observations on the control environment are presented to the Board for review and approval.

Control Activities: Control activities are performed at all levels of the Company and at various stages within business processes, and over the technology environment. It forms an integral part of the Company's daily operations through established policies and procedures to help ensure that management's directives to mitigate risks to the achievement of strategic objectives are carried out.

Our control activities are structured to mitigate risk exposures from identified broad risk categories as illustrated below:

BROAD RISK CATEGORY	EXAMPLES OF CONTROL ACTIVITIES
Underwriting risk	• Reinsurers treaty agreement • Reserving methodology etc.
Market risk	• Investment approval Limits • Policy on volume and quality of investment assets • Asset allocation limits etc.
Operational risk	• Clear policy on recruitment • Tolerance limits for errors and breaches • Information Security policy etc.
Credit risk	• Brokers limit • Integrated Credit Tracking System etc.
Liquidity risk	• Policy on minimum quality of liquid assets • Minimum operating liquid level etc.

Information and Communication: We understand that information is necessary to carry out internal control responsibilities in support of achievement of our strategic objectives. Communication in the organization occurs both internally and externally flowing down, across and up the organization to the Board and provides the Company with the information needed to carry out day-to-day internal control activities.

Some internal reports generated and used by management for monitoring and performance review are listed below:

INTERNAL REPORTS	OBJECTIVES
Monthly Profitability Report	Evaluates the operating activities of the company in the month under review.
Quarterly Profitability Report	Shows the performance of the company and reviews the profitability of all aspects of the company's operations on a quarterly basis

Financial Statements Report	Reviews performance and liquidity position of the company.
Monthly Investment Risk Report	Informs management on Company's exposure to market, credit and liquidity risks.
Monthly Underwriting Risk Report	Informs management on Company's underwriting risk profile.
Key Risk Indicator Report	Monitors the effectiveness of existing operational controls and the Company's operational risk profile.

The Company obtains or generates and uses relevant, quality information to support the functioning of other components of internal control. Such reports detail the performance of existing controls and the Group's overall performance.

Monitoring: Effectiveness of the other internal control components is monitored through ongoing monitoring activities and separate evaluations. Our monitoring activities review adherence of business units to risk management policies set by the Board as depicted by control activities, internal control deficiencies in a timely manner to business owners responsible for taking corrective action, including Senior Management and the Board as appropriate.

Complaints and Feedback

Introduction

The Group considers customers as critical stakeholders in its business. One of the main selling points over the years has been excellent customer service. Customers' feedback is considered necessary and an important factor in the drive to always treat customers fairly.

Complaints channels

In recognition of this, various channels have been provided to its customers to provide feedback on our products and services. These platforms include:

- Customer Care and Complaint email channels,
- Hotlines,
- Website platform,
- Correspondence from customers,

Customers can also pay a visit to any of Mutual Benefits Assurance Plc offices and provide the feedback.

Resolution structure

We have put in place a structure to ensure that customers' feedback are received and promptly resolved. For this purpose we have a dedicated Contact Centre Unit which is responsible for the prompt investigation and resolution of customers' complaints within the approved period. The Contact Centre liaises with other units within the organization and ensures that customers' complaints are satisfactorily resolved.

Customers' complaints are stream-lined based on the type of complaints to provide an enabling environment for proper monitoring, proper documentation and effective feedback process of received complaints.

The process flow of customer complaints and resolution is as follows:

The customer care officer acknowledges and attends to the various customers' complaints.

The complaint is reviewed and it is determined if the complaint could be resolved at first-level.

Where the complaint can be resolved at the first level, a resolution is immediately provided to the customer.

If such complaint cannot be resolved at the first level, the customer care officer forwards the complaint to the appropriate unit in the organization to handle.

Upon resolution, the customer is contacted and the resolution is explained to the customer.

The complaint is closed and marked as resolved.

Customers' opinion on products

To enrich our customers experience we also periodically evaluate public/ customer opinion about our services, products and policies. The evaluation is conducted in various ways including:

One-on-one focus meetings with key customers.
Interviews with select customers.
Opinions received via our mailbox which is **info@mbaplc.com**
Questionnaires administered to customers.

This is to afford our organization the opportunity of receiving customers' perception about the company, in order to ensure that efforts can be put in place to close such gap(s) in our service delivery or improve upon the process, service or product.

Feedback on customers' complaints

Feedback on customers' complaints is provided to Management, the relevant Units and Groups in the organization to ensure that complaints and issues raised by customers do not recur.

The feedback gathered ensures that:

- Customers feel appreciated and respected,
- Quality services are delivered
- A reliable source of identifying improvement opportunities is presented to management,
- A reliable source of data on customers' complaints and expectations is collated.

The feedbacks are circulated to management through the company's internal information channel for the general information of all staff.

Complaints not resolved within the turnaround time, can be attributed mainly to the unavailability of these customers either via mail or phone call after resolution of their complaint, but all complaints are usually treated within 24hrs (depending on the source of the error - third party)

Sustainability Report

Mutual Benefits Assurance Plc is committed to being a responsible insurance company. The Company's management of risks arising from Environmental and Social (E&S) issues forms an integral part of its business operations.

Our obligation to sustainability means prioritizing the health, safety and security of our workforce and the communities in which we operate, while also striving to maximize the economic and social benefits we bring and minimize our impact on people and the environment.

As an insurer that interfaces with a wide range of sectors, we recognize that our actions and those of our clients present a number of environmental and social risks. Given these potential risks, we continually assess our core business functions in relation to all economic sectors and apply the appropriate review and underwriting process.

We are in regular contact with stakeholders who are directly impacted by, or have an interest in, our operations. This engagement supports the Company's decision making process and helps shape our policies.

Business Strategy of the Company and Overall Performance

The Company is registered and incorporated in Nigeria and is engaged in providing insurance and investment solutions to both the corporate and retail sectors of Nigeria. It also aims to establish itself as the apex insurance company in Nigeria and the West African region. The Company has implemented the NAICOM directive on "no premium no cover policy" from the 1st of January 2013. The policy aims to stimulate liquidity within the system by reducing the huge receivables being carried on the statement of financial position of insurance companies. This will positively impact the income statements of insurance companies by eliminating the large portion of provision for outstanding premium charged for the receivables and make available more cash which can be used to generate more investment income.

The Company's strategy is to use technology and international best practice to provide its customers with tailor made solutions, superior services and specially designed programs to assist its patrons through a network of regional and agency offices spread over Nigeria.

Operating Results and Financial Position
(in thousands of Nigerian Naira)

	Company		
	2013 N'000	**2012 N'000**	**% Increase/ (decrease)**
Gross premium written	5,326,871	4,975,074	7
Net premium income	4,367,470	4,610,421	(4)
Underwriting results	1,728,109	2,654,252	(35)
Profit/(loss) before tax	691,578	(2,478,237)	(128)
Income tax expense	(116,707)	(251,131)	(54)
Profit/(loss) after tax	**574,871**	**(2,729,368)**	**(181)**
Basic earnings/(loss) per share	**7.19**	**(34.12)**	

MANAGEMENT DISCUSSION AND ANALYSIS.

THE NATURE OF THE BUSINESS

Mutual Benefits Assurance Plc, is a non –life insurance business with over 18 years experience in Nigeria. The company's core areas of business include motor, marine, bond, engineering, fire, aviation, oil and gas and general accident.

The company is known for providing expertise knowledge especially in high risk businesses such as aviation, marine, oil and gas.

Our company is known by the populace for prompt settlement of claims and other support as it may be necessary.

The major bulk of our business comes from brokers market

MANAGEMENT'S OBJECTIVES.

The Company strives to be a well run Company with entrenched best practices skilled in wealth Creation with outstanding returns to Shareholders.

OUR STRATEGIES

The Company has taken advantage of the 'No Premium ,No cover' policy which took effect from January 1, 2013. It has eliminated the incidence of high premium receivables giving rise to high quality assets and also increased the liquidity level of the Company which has freed more fund for investment and led to an increase in the investment income of the Company.

OUR RESOURCES, RISKS AND RELATIONSHIP.

Our most valuable resources are our human capital. The staff welfare is paramount to the company. Non-human resources are of small relevance without appropriate personnel to drive the system.

Insurance business is a kind of business that is full of risks known as insurable risks. This is a known risk but which the likelihood and magnitude of the occurrence is not certain. The Company has put in place a balanced re-insurance policy to absorb the impact of such risks at any time in future.

Aside from this, the Company is also faced with diverse risks which are financial and non-financial in nature.

Several strategies are already in place to mitigate their negative impact on the business and the company itself.

CORPORATE SOCIAL RESPONSIBILITY REPORT

At Mutual Benefits Assurance Plc, we care for the environment and the society in which we operate. In appreciation of the gesture towards the upliftment of our Company during the year 2013 particularly, donations were made to various organisations in order to bring relief to the society especially the less privileged ones.

We also made donations to various charitable and non-profit organisations across the country. Details of these donations are contained in directors' report on page 20.

INDEPENDENT AUDITOR'S REPORT

BDO Professional Services (Chartered Accountants),
ADOL House,
15, CIPM Avenue,
CBD, Alausa, Ikeja, Lagos.
P. O. Box 4929 GPO Marina, Lagos.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF MUTUAL BENEFITS ASSURANCE PLC

We have audited the accompanying separate and consolidated financial statements of Mutual Benefits Assurance Plc ("the Company"). The financial statement comprise the separate statement of financial position as at 31 December 2013 and the statements of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of the significant accounting policies and other explanatory notes.

Directors' responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, and in compliance with relevant provisions of the Financial Reporting Council of Nigeria Act, No 6, 2011, the Companies and Allied Matters Act, CAP C20 LFN 2004 and the Insurance Act, CAP I17, LFN 2004 and its interpretations issued by the National Insurance Commission in its industry policy guidelines. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting polices and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an independent opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform our audit to obtain reasonable assurance that the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal controls relevant to the entity's preparation and fair presentation of the financial statements 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Emphasis of matter

Without qualifying our opinion, we draw your attention to note 1.06 to the financial statements which indicates that the Company had a shortfall of N8,449,964,000 in solvency margin as at 31 December, 2013. The note also explains the Company's plans towards meeting the shortfall.

Contravention of laws and regulations

During the year the Company contravened certain sections of the Insurance Act, CAP I17, LFN 2004 and NAICOM's operational guidelines. Details of the contraventions and appropriate penalties thereon are disclosed in note 49.

Opinion

In our opinion, the financial statements give a true and fair view of the state of affairs of the Company's financial position as at 31 December 2013 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in compliance with the relevant provisions of the Financial Reporting Council of Nigeria Act No 6, 2011, the Companies and Allied Matters Act, CAP C20 LFN 2004 and Insurance Act, CAP I17, LFN 2004 and its interpretations issued by the National Insurance Commission in its Insurance Policy Guidelines.

Report on other legal requirements

The Companies and Allied Matters Act, CAP C20 LFN, 2004 requires 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 purpose of our audit;

ii) in our opinion, proper books of account have been kept by the Company; and its subsidiaries

iii) the statements of financial position and profit or loss and other comprehensive income statements of the Company and its subsidiaries are in agreement with the books of account.

Dated the 23rd day of October 2014

Olugbemiga A. Akibayo
FRC/2013/ICAN/00000001076
For: BDO Professional Services
Chartered Accountants

A076382

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General information

Mutual Benefits Assurance Plc commenced operations in 1995, Mutual Benefit Assurance Plc is a leading financial, wealth protection company in Nigeria. The principal objective of the Company is to render qualitative insurance & risks management services. Mutual Benefits Assurance Plc is a premier provider of Life Insurance, Auto Insurance, Travel Insurance, Special Risks, and Investment products and services. The address of the registered office is; Aret Adams House, 233 Ikorodu Road, Ilupeju - Lagos.

The Company pays claims arising from insurance contract liabilities and invests policy holders funds in line with the provisions of Insurance Act, CAP I17, LFN 2004 and NAICOM guidelines.
Mutual Benefits Assurance Plc (RC 269837) was Incorporated as a private limited company on 18 April 1995, granted Certificate of Registration as an Insurer by the National Insurance Commission in September 1995, commenced operations 2 October 1995 and became a public liability company on 24 May 2001.

The Company is listed on the Nigerian Stock Exchange. The consolidated financial statements of the Company and all its subsidiaries, were authorised for issue by the directors on 5 June 2014.

The Directors have made assessment of the Company's ability to continue as a going concern and have no reason to believe that the Group will not remain a going concern in the years ahead.

Significant 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.

1) Basis of preparation and compliance with IFRS

The financial statements of Mutual Benefits Assurance Plc have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB"), and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) that are effective at 31 December 2013 and requirements of the Companies and Allied Matters Act, CAP C20 LFN, 2004,the Insurance Act, CAP I17 LFN 2004 and the Financial Reporting Council of Nigeria Act No 6, 2011 to the extent that they are not in conflict with IFRS.

a) Regulation

The company is regulated by National Insurance Commission in accordance with the Insurance Act, CAP I17 LFN 2004 and the operational guidelines as issued from time to time.

b) Changes in Accounting Policies

There was no change in accounting policy during the year under review.

c) Basis of measurement

The financial statements have been prepared on historical cost basis except as detailed below:
Financial instruments through profit or loss are measured at fair value.
Property, plant and equipment are carried at cost except land and buildings which are measured at revalued amounts.

d) Critical accounting estimates and judgements

The preparation of financial statements requires directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period or if the revision affects both current and future periods.

Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described below:

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the financial year.

Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

e) Fair value of financial assets

Fair value of available for sale financial assets
The fair value of financial instruments where no active market exists or where quoted prices are not otherwise available are determined by using valuation techniques. In these cases are estimated from observable data using valuation models. The models used to determine fair values are validated and periodically reviewed by qualified personnel independent of those that sourced them. All models are certified before they are used, and models are calibrated to ensure that outputs reflect actual data and comparative market prices.

f) Liabilities arising from insurance contracts

Claims arising from non-life insurance contracts Liabilities for unpaid claims are estimated on a case by-case basis. The liabilities recognised for claims fluctuate based on the nature and severity of the claim reported. Claims incurred but not reported are determined using statistical analysis and the Group deems liabilities reported as adequate.

g) Liabilities arising from life insurance contracts

The liabilities for life insurance contracts are estimated using appropriate and acceptable base tables of standard mortality according to the type of contract being written. Management make various assumptions such as expenses inflation, valuation interest rate and mortality in estimating the required liabilities for life contracts.

h) Impairment of trade receivables

In accordance with the accounting policy on financial assets, the Group tests annually whether trade receivables have suffered any impairment. The recoverable amounts of the trade receivables have been determined based on the incurred loss model. These calculations require the use of estimates of future collections.

i) Going concern

The Company's directors have made an assessment of its ability to continue as a going concern and are satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements have been prepared on the going concern basis. However, the solvency margin of N(5,149,964,400) is below the minimum requirement of N3 billion as required by the Insurance Act, CAP I17, LFN 2004.

j) Deferred Acquisition Costs (DAC)
Commissions that vary with and are related to securing new contracts and renewing existing contracts are capitalised as an intangible asset (DAC). The amount of commission to be deferred is directly proportional to the time apportionment basis of the underlying premium income to which the acquisition cost is directly related.

k) Income taxes
The Group periodically assesses its liabilities and contingencies related to income taxes for all years open to audit based on the latest information available. For matters where it is probable that an adjustment will be made, the Group records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

2) Foreign currency translation
a) Functional and presentation currency
Items included in the Group's financial statements are measured using the currency of the primary economic environment in which the entities operates ("the functional currency"). The financial statements are presented in Nigerian Naira (N) which is the Group's functional and presentation currency.

b) Transactions and balances
Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange ruling at the reporting date. Differences are taken to the income statement.

3) Segment reporting
A segment is a distinguishable component of the Group that is engaged in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Group's primary format for segment reporting is based on business segments. Significant geographical regions have been identified as the secondary basis of reporting.

a) Standards likely to a have a financial impact

IFRS Reference	Title and Affected Standard(s)	Nature of change	Application date	Impact on initial Application
IFRS 9 (issued 24 July 2014)	Financial instruments	Amends the requirements for classification and measurement of financial assets. The available-for-sale and held-to-maturity categories of financial assets in IAS 39 have been eliminated For subsequent measurement, the standard categorised financial assets into two main categories. -Amortised cost -Fair value Where assets are measured at fair value, gains and losses are either recognised entirely in profit or loss (VTPL) or recognised in other comprehensive income. (FVTOCI). For debt instruments, the FVTOCI classification is mandatory for certain assets unless the fair value option is elected. Debt instruments that meet the criteria for business model test and cash flow characteristics test are measured at amortised cost unless the asset is designated at FVTPL under the fair value option. IFRS 9 requires that gains or losses on financial liabilities measured at fair value are recognised in profit or loss, except that the effects of changes in the fair value of a financial liability that is designated at fair value through profit or loss (using the fair value option) that relate to changes in the reporting entity's own credit risk are normally recognised in other comprehensive income. The changes are to be applied prospectively from the date of adoption.	1 January 2018	The entity's financial assets classified as available for sale will be designated at financial asset fair value through other comprehensive income and will be measured accordingly. There will be no impact on the entity's financial liabilities because it has no financial liabilities designated at fair value.
IFRS 10 (amended October 2012)	Amendment to IFRS 10 Consolidated Financial Statements: Investment Entities	The amendment defines an investment entity and requires a parent that is an investment entity to measure its investment in particular subsidiaries at fair value through profit or loss in its consolidated and separate financial statements. The amendment prescribes three criteria that must be met in order for an entity to be defined as an Investment Entity, as well as four 'typical characteristics' to consider in assessing the criteria. The amendment also introduces disclosure requirements for investment entities into IFRS 12 Disclosure of Interest in Other Entities and amends IAS 27 Separate Financial Statements.	Annual reporting periods commencing on or after 1 January 2014	This amendment to IFRS 10 will not have any impact on the Company's investment in subsidiaries since the company is not an investment entity.

IFRS Reference	Title and Affected Standard(s)	Nature of change	Application date	Impact on initial Application
IAS 19 (amended November 2013)	Amendment to IAS 19 Employee Benefits: Defined Benefit Plans: Employee Contributions.	The amendment introduces a narrow scope amendment that: - Provides a practical expedient to certain contributions from employees or third parties to a defined benefit plan, but only those contributions that are independent of the number of years of service. - Clarify the treatment of contributions from employees or third parties to a defined benefit plan that are not subject to the practical expedient. These are accounted for in the same way that the gross benefit is attributed in accordance with IAS 19.70.	Annual reporting periods commencing on or after 1 January 2014	Payments are independent of the number of years of service and the Company already accounts for this in accordance with IAS 19-93 {(a) (b)} and will elect to do so again once the amendment is effective.
IAS 32 (amended November 2011)	Amendment to IAS 32 Financial instruments: Presentation Offsetting financial assets and financial liabilities.	The amendments has clarified and expanded the application guidance in relation to the offsetting of financial assets and financial liabilities in respect of: - The meaning of currently has a legally enforceable right of setoff - The application of simultaneous realisation and settlement - The offsetting of collateral amounts - The unit of account for applying the offsetting requirements.	Annual reporting periods commencing on or after 1 January 2014	When this amendment is first adopted for 31 December 2014 year end, there will be no impact in respect of the accounting treatment for offsetting the entity's financial assets and financial liabilities.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
CONTINUED

4.2 Standards likely to have a disclosure impact only

IFRIC 21 (issued May 2013)	Levies	The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity that triggers the payment of the levy, as identified by the legislation.	Periods commencing on or after 1 January 2014	There will be no impact relating to the timing or recognition of the entities levies until when this interpretation is first adopted.
IFRS 14 Issued in January 2014	Regulatory Deferral Accounts	IFRS 14 applies to entities that conduct 'rate-regulated activities' i.e. activities that are subject to rate regulation. The rate regulation is a framework that establishes prices for goods and/or services that are subject to the oversight/approval of a 'rate regulator'. The Standard permit entity in the rate regulated industry to continue to account, with some limited changes, for 'regulatory deferral account balances' in accordance with its previous GAAP, both on initial adoption of IFRS and in subsequent financial statements. Regulatory deferral account balances, and movements in them, are presented separately in the statement of financial position and statement of profit or loss and other comprehensive income, and specific disclosures are required.	1 January 2016	The provision of the standard will not have any impact on the Company's financial statements when it becomes effective in 2016 as the Company is not operating in a rate regulated industry.
IFRS 15 Issued in May 2014	Revenue from contract with customers	IFRS 15 contains comprehensive guidance for accounting for revenue and will replace existing requirements which are currently set out in a number of Standards and Interpretations. The standard introduces significantly more disclosures about revenue recognition and it is possible that new and/or modified internal processes will be needed in order to obtain the necessary information. The Standard requires revenue recognised by an entity to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is delivered in a five-step model framework: (i) Identify the contract(s) with a customer (ii)Identify the performance obligations in the contract (iii)Determine the transaction price (iv)Allocate the transaction price to the performance obligations in the contract (v)Recognise revenue when (or as) the entity satisfies a performance obligation.	1 January 2017	The Board is currently reviewing the impact the standard may have on the preparation and presentation of the financial statements when the standard is adopted. Consideration will be given to the following: (i) At what point in time the Company recognises revenue from each contract whether at a single point in time or over a period of time; (ii) Whether the contract needs to be 'unbundled' into two or more components; (iii) How should contracts which include variable amounts of consideration be dealt with; (iv) What adjustments are required for the effects of the time value of money; (v) What changes will be required to the Company's internal controls and processes

IFRS Reference	Title and Affected Standard(s)	Nature of change	Application date	Impact on initial Application
IAS36 (amended May 2013)	Amendment to IAS 36 Impairment of Assets Recoverable amount disclosures for non financial assets	-Require the disclosure of the recoverable amount of an asset (or CGU) only in periods in which impairment has been recorded or reversed in respect of that assets/(or CGU) -Expand and clarify the disclosure requirements when an asset (CGUs) recoverable amount has been determined on the basis of fair value less disposal. - Specifically require the disclosure of the discount rate when an asset (or CGU) has been impaired (or impairment reversed) where the recoverable amount has been determined based on fair value less costs of disposal using a present value technique.	1 January 2014	As this is a disclosure standard only, there will be no impact on amounts recognised in the primary financial statements. However, the amount of information disclosed regarding impairment may be reduced.
IAS 32 (amended November 2011)	Amendment to IAS 32 Financial instruments: Presentation Offsetting financial assets and financial liabilities.	The amendents has clarified and expanded the application guidance in relation to the offsetting of financial assets and financial liabilities in respect of: - The meaning of currently has a legally enforceable right of setoff' - The application of simultaneous realisation and settlement - The offsetting of collateral amounts - The unit of account for applying the offsetting requirements.		Annual reporting periods commencing on or after 1 January 2014
IFRIC 21 (issued May 2013)	Levies	The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity that triggers the payment of the levy, as identified by the legislation.	Periods commencing on or after 1 January 2014	There will be no impact relating to the timing or recognition of the entities levies untill when this interpretation is first adopted.

4.2 Standards likely to have a disclosure impact only

IAS 36 (amended May 2013)	Amendment to IAS 36 Impairment of Assets Recoverable amount disclosures for non-financial assets	- Require the disclosure of the recoverable amount of an asset (or CGU) only in periods in which impairment has been recorded or reversed in respect of that assets/(or CGU) - Expand and clarify the disclosure requirements when an asset (CGUs) recoverable amount has been determined on the basis of fair value less disposal. - Specifically require the disclosure of the discount rate when an asset (or CGU) has been impaired (or impairment reversed) where the recoverable amount has been determined based on fair value less costs of disposal using a present value technique.	1 January 2014	As this is a disclosure standard only, there will be no impact on amounts recognised in the primary financial statements. However, the amount of information disclosed regarding impairment may be reduced

5. Consolidation

i) Subsidiaries

The financial statements of subsidiaries are consolidated from the date the Group acquires control, up to the date that such effective control ceases. For the purpose of these financial statements, subsidiaries are entities over which the Group, directly or indirectly, has the power to govern the financial and operating policies so as to obtain variable returns from their activities.

Changes in the Group's interest in a subsidiary that does not result in a loss of control are accounted for as equity transactions (transactions with owners). Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the Group

Inter-company transactions, balances and unrealised gains on transactions between companies within the Group are eliminated on consolidation. Unrealised losses are also eliminated in the same manner as unrealised gains, but only to the extent that there is no evidence of impairment. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Investment in subsidiaries in the separate financial statements of the parent entity is measured at cost.

Acquisition-related costs are expensed as incurred.
If the business combination is achieved in stages, fair value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date through profit or loss.

ii) Disposal of subsidiaries

On loss of control, the Group derecognises the assets and liabilities of the subsidiary, any controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, that retained interest is accounted for as an equity-accounted investee.

6) Cash and cash equivalents

For the purposes of the statement of cash flows, cash comprises cash balances and deposits with banks. Cash equivalents comprise highly liquid investments (including money market funds) that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value with original maturities of three months or less being used by the Group in the management of its short-term commitments.

Cash and cash equivalents are carried at amortised cost in the statement of financial position.

Short-term deposits are initially recognised at fair value and subsequently measured at amortised cost. Interest on short-term deposits is recognised in profit or loss on a time proportion basis that takes into account the effective yield on the deposits.

Treasury bills are initially recognised at fair value and subsequently measured at amortised cost. Interest on treasury bills is recognised in profit or loss on a time proportion basis that takes into account the effective yield on the deposits.

7) Financial Assets

The group classifies its financial assets into the following categories: Fair value through profit and loss, Loans and receivables, held to maturity, available for sale. The classification is determined by management at initial recognition and depends on the purpose for which the investments were acquired. In line with the Insurance Act, CAP I17 LFN 2004, Section 26(i)(c), the financial assets of Insurance and Investment contracts have been kept separately to meet obligations as at when due.

i Available –for–sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are classified as available-for-sale or are not classified in any of the two preceeding categories and which may be sold in response to the need for liquidity or changes in interest rates, exchange rates or equity prices. They comprise investment in unquoted equities and investments in projects. These investments are initially recognised at cost. After initial measurement, available-for-sale financial assets are subsequently measured at fair value using net assets valuation basis. In cases where the fair value of an unlisted equity cannot be measured reliably, the instruments are carried at cost less impairment.

Fair value gains and losses are reported as a separate component in other comprehensive income until the investment is derecognised or the investment is determined to be impaired. On derecognition or impairment, the cumulative fair value gains and losses previously reported in equity are transferred to the statement of profit or loss and other comprehensive income.

ii Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is classified as held-for-trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. The investments are carried at fair value, with gains and losses arising from changes in this value recognized in the income statement in the period in which they arise. Such investments are investments in quoted equity. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part of other income when the Group's right to receive payments is established.

iii Loans and receivable

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are mainly receivables arising from insurance contracts. Loans and receivables are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost less any impairment losses. They include receivables from Direct insured, Agents and Brokers, Coinsurance and Reinsurance companies. Other loans and receivables include loans and advances, staff loans and advances and other sundry receivables which arise in the ordinary course of business.

Impairment provisions are recognized when there is objective evidence that the Group will not be able to collect all of the amounts due under the terms of the receivable; (evidence includes significant financial difficulties on the part of the counterparty or default or significant delay in payment - over 90 days). The amount of such a provision being the difference between the carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

For amounts due from policy holders and reinsurers, which are reported net, such provisions are recorded in a separate impairment account with the loss being recognised in income statement. On confirmation that the amounts receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision. Any subsequent recoveries are credited to the income statement in the period the recoveries are made. Insurance receivables are derecognised when the derecognition criteria for financial assets have been met.

iv 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.

The Group classifies financial assets as Held-to-maturity when the Group's has positive intent and ability to hold the securities to maturity. Held-to-maturity financial assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity financial assets are measured at amortized cost using the effective interest method, less any impairment losses. Any sale or reclassification of a more than insignificant amount of held-to-maturity investments not close to their maturity would result in the reclassification of all held-to-maturity investments as available-for-sale, and prevent the Group from classifying its investment securities as held-to-maturity for the current and the following two financial years. Quoted equities and debt securities e.g. bonds that are initially classified as held-to-maturity may, subsequently, be moved to available-for-sale financial assets whenever the market price is higher than the purchase price in order to sell and take profit. Interests on held-to-maturity investments are included in the consolidated income statement and are reported as Interest and similar income'. In the case of an impairment, it is reported as a deduction from the carrying value of the investment. Held-to-maturity investments are largely bonds. and recognised in the consolidated income statement as Net gains/(losses) on investment securities'.

7.1 Determination of fair value

For financial instruments traded in active markets, the determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations. This includes listed equity securities and quoted debt instruments on major exchanges.

A financial instrument is regarded as quoted in an active market 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. If the above criteria are not met, the market is regarded as being inactive.

For all other financial instruments, fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques, using inputs existing at the reporting date.

7.2 Reclassification of financial assets

Financial assets other than loans and receivables are permitted to be reclassified out of the held-for-trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near-term. In addition, the Group may choose to reclassify financial assets that would meet the definition of loans and receivables out of the held-for-trading or available-for-sale categories if the Group has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date.

7.3 Impairment of financial assets

(a) Financial assets carried at amortised cost

The Group assesses at each end of the reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the Company from the following events:

i Default or delinquency by a debtor;

ii Restructuring of an amount due to the Group on terms that the Group would not consider favourable;

iii Indications that a debtor or issuer will enter bankruptcy;

iv The disappearance of an active market for the security because of financial dificulties; and

v Observable data indicating that there is a measurable decrease in the estimated future cash flow from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are 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 has been incurred on loans and receivables or held-to-maturity investments carried at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced, and the amount of the loss is recognised in the income statement. If a held-to-maturity investment or a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under contract. As is practically expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics. Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the issuer's ability to pay all amounts due under the contractual terms of the debt instrument being evaluated. If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the assets. The amount of the reversal is recognised in the income statement.

(b) Assets classified as available-for-sale

The Group assesses at each date of the statement of financial position whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is an objective evidence of impairment resulting in the recognition of an impairment loss. In this respect, a decline of 10% or more is regarded as significant, and a period of 1 year or longer is considered to be prolonged. If any such quantitative evidence exists for available-for-sale financial assets, the asset is considered for impairment, taking qualitative evidence into account. The cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on those financial assets previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement. If in a subsequent period the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the income statement.

7.4 Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or has assumed an obligation to pay those cash flows to one or more recipients, subject to certain criteria.

7.5 Offsetting financial instruments

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

8 Pledged Assets

Financial assets transferred to external parties that do not qualify for de-recognition are reclassified in the statement of financial position from financial assets (held-for-trading, held to maturity or available for sale) to pledged assets, if the transferee has received the right to sell or re-pledge them in the event of default from agreed terms. Initial recognition of pledged assets is at fair value, whilst subsequent measurement is based on the classification and measurement of the financial asset in accordance with IAS 39.

9 Trade receivables

Trade receivables, arising from insurance contracts are initially recognised at fair value and subsequently measured at amortised cost less provision for impairment. An allowance for impairment is made when there is an objective evidence (such as the probability of solvency or significant financial difficulties of the debtors) that the Company will not be able to collect all the amount due under the original terms of the invoice. Allowances are made based on an impairment model which considers the loss given default for each customer, probability of default and emergence period which serves as an impairment trigger based on the age of the debt. Impaired debts are derecognised when they are assessed as uncollectible. If in a subsequent period the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying value of the asset does not exceed its amortised cost at the reverse date. Any subsequent reversal of an impairment loss is recognised in the profit and loss.

Trade receivables are recognised for insurance cover for which payments have been received indirectly through duly licensed insurance brokers or lead insurers in Co-insurance arrangements. Premium collected on behalf of the Company is expected to be received within 30 days from insurance brokers and lead insurers. The "No Premium, No cover" Policy by NAICOM has been adhered to strictly during the year under review.

10 Reinsurance assets

Reinsurance assets consist of short-term balances due from reinsurers, as well as longer term receivables that are dependent on the expected claims and benefits arising under the related reinsurance contracts. Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsurance contracts and in compliance with the terms of each reinsurance contract. The reinsurers' share of unearned premiums (i.e. the reinsurance assets) are recognised as an asset using principles consistent with the Group's method for determining unearned premium liability. The amount reflected on the statement of financial position is on a gross basis to indicate the extent of credit risk related to the reinsurance and its obligations to policy holders.

The Group assesses its reinsurance assets for impairment at each statement of financial position date. If there is objective evidence that the reinsurance asset is impaired, the Group reduces the carrying amount of the reinsurance asset to its recoverable amount and recognises that impairment loss in the income statement. The Group gathers the objective evidence that a reinsurance asset is impaired using the same process adopted for financial assets held at amortised cost.

11 Deferred acquisition costs (DAC)

Acquisition costs comprises all direct and indirect costs arising from the writing of both life and non-life insurance contracts. Deferred acquisition costs represent a proportion of commission which are incurred during a financial year and are deferred to the extent that they are recoverable out of future revenue margins. It is calculated by applying to the acquisition expenses the ratio of unearned premium to written premium.

12 Other receivabes and Prepayments

Receivables are stated at their original invoiced value, as the interest that would be recognized from discounting future cash receipts over the short credit period is not considered to be material. These receivables are reduced by appropriate allowances for estimated irrecoverable amounts. Interest on overdue receivables is recognized as it accrues.

13 Leases

Leases are divided into finance leases and operating leases.
Leases are classified as finance leases whenever the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognized as finance lease receivable of the Group at the fair value at the inception of the lease or if lower, at the present value of the minimum lease payments. The related liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between interest expenses and capital redemption of the liability, Interest is recognized immediately in the income statement, unless attributable to qualifying assets, in which case they are capitalized to the cost of those assets. Contingent rentals are recognised as expenses in the periods in which they are incurred. Interest income that do not relate to the current financial year is deferred and recognised as a liability.

All other leases are treated as operating leases. Where the Company is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred. Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

14 Inventories and work in progress

The Group recognises property as inventory under the following circumstances:

- property purchased for the specific purpose of resale;
- property constructed for the specific purpose of resale (work in progress under the scope of IAS 18, 'Revenue); and
- property transferred from investment property to inventories. This is permitted when the Group commences the property's development with a view to sale.

They are valued at the lower of cost and net realisable value. Cost comprises direct materials and, where appropriate, labour and production overheads that have been incurred in bringing the inventories and work in progress to their present location and condition. Cost is determined using weighted average cost. Net realisable value represents the estimated selling price less estimated costs to completion and costs to be incurred in marketing, selling and distribution.

15 Investments in subsidiaries

Investments in subsidiaries are carried in the Group's statement of financial position at cost less provision for impairment losses. Where, there has been impairment in the value of an investment, the loss is recognised as an expense in the period in which the impairment is identified. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit and loss account

16 Investment property

Investment property is property held to earn rental income or for capital appreciation or both. Investment property, including interest in leasehold land, is initially recognised at cost. Subsequently, investment property is carried at fair value representing the open market value at the statement of financial position date determined by annual valuations carried out by external registered valuers. Gains or losses arising from changes in the fair value are included in determining the profit or loss for the year to which they relate.

Subsequent expenditure on investment property where such expenditure increases the future economic value in excess of the original assessed standard of performance is added to the carrying amount of the investment property. All other subsequent expenditure is recognised as expense in the year in which it is incurred.

Investment properties are derecognised when either 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. On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is charged or credited to comprehensive income.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If an owner occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of the change in use.

When the Company completes the construction or development of a self-constructed investment property, any difference between the fair value of the property at that date and its previous carrying amount is recognised in other comprehensive income.

17 Investment in associate

When the group has the power to participate in (but not control) the financial and operating policy decisions of another entity, it is classified as an associate. Associates are initially recognised in the consolidated statement of financial position at cost. The Group's share of post-acquisition profits and losses is recognised in the consolidated statement of comprehensive income except that losses in excess of the Group's investment in the associate are not recognised unless there is obligation to make good those losses.

Profit and losses arising on transactions between the Group and its associates are recognised only to the extent of unrelated investor's interest in the associate. The investor's share in the associate's profits and losses resulting from these transactions is eliminated against the carrying value of the associates.

18 Intangible Assets

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and use or sell it;
- There is an ability to use or sell the software product;
- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- The expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of directly attributable overheads.

Other development expenditures that do not meet these criteria are recognised as an expense when incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Costs associated with maintaining computer software programmes are recognised as an expense when incurred.

Software acquired is initially measured at cost. The cost of acquired software comprises its purchase price, including any import duties and non-refundable purchase taxes, and any directly attributable expenditure on preparing the asset for its intended use. After initial recognition, software acquired is carried at its cost less any accumulated amortisation and any accumulated impairment losses. Maintenance costs should not be included.

19 Property, plant and equipment

Land and buildings comprise mainly outlets and offices occupied by the Company and its subsidiaries.

Land is shown at fair value based on periodic valuations by external independent valuers less subsequent depreciation for buildings. All other property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses.

Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the income statement during the financial period in which they are incurred.

Depreciation

Depreciation is calculated on property and equipment on the straight line basis to write down the cost of each asset to its residual value over its estimated useful life. No depreciation is charged on property and equipment until they are brought into use. Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognised or classified as held for sale in accordance with IFRS 5. Freehold land is not depreciated. Depreciation reduces an asset's carrying value to its residual value at the end of its useful life, and is allocated on a straight line basis over the estimated useful lives.

The estimated useful lives for the current and comparative periods are as follows:

-Buildings	50 years
-Plant and machinery	5 years
-Leasehold Improvements	5 years
-Vehicles	4 years
-Furniture and fittings and equipment	5 years
-Computer equipment	5 years

The assets residual values and useful lives are reviewed at the end of each reporting period and adjusted if appropriate.

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.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount. These are included in the income statement in operating income.

Revaluation of land and building

Property, plant &equipment are initially recorded at cost. Land and building are subsequently carried at revalued amount being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

When an individual property is revalued, any increase in its carrying amount (as a result of revaluation) is transferred to a revaluation reserve, except to the extent that it reverses a revaluation decrease of the same property previously recognised as an expense in the statement of profit or loss.

When the value of an individual property is decreased as a result of a revaluation, the decrease is charged against any related credit balance in the revaluation reserve in respect of that property. However, to the extent that it exceeds any surplus, it is recognised as an expense in the statement of profit or loss.

De-recognition

An item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

20 Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any intangible asset allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. 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. Reversals of impairment losses are recognised in profit or loss.

21 Statutory deposit

Statutory deposit represents fixed deposit with the Central Bank of Nigeria in accordance with section 10(3) of the Insurance Act, 2003. The deposit is recognised at cost in the statement of financial position being 10% of the statutory minimum capital requirement of N3 billion for General insurance business. Interest income on the deposit is recognised in the income statement in the period the interest is earned.

22 Deposit for shares

Deposit for shares are amounts that the Company has placed with subsidiary, associate or another company for the ultimate purpose of equity investment in the relevant company for which relevant regulatory formalities have not been completed at the reporting date. Deposit for shares are carried at cost less accumulated impairment losses, if any.

23 Goodwill

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units for the purpose of impairment testing. Each of those cash-generating units is presented by each primary reporting segment.

24 Insurance contract liabilities

In accordance with IFRS 4, the company has continued to apply the accounting policies it applied in accordance with Pre changeover Nigerian GAAP subject to issue of Liability adequacy test. Balances arising from insurance contracts primarily includes unearned premium, provisions for outstanding claims and adjustment expenses, re-insurers share of provision for unearned premium and outstanding claims and adjustment expenses, deferred acquisition costs, and salvage and subrogation receivables.
Insurance contract liabilities arising from insurance contracts are determined as follows:

i Non life

a Reserves for unearned premium

In compliance with Section 20 (1) (a) of Insurance Act CAP I17, 2003, the reserve for unearned premium is calculated on a time apportionment basis in respect of the risks accepted during the year.

b Reserves for outstanding claims

The reserve for outstanding claims is maintained at the total amount of outstanding claims incurred and reported plus claims incurred but not reported ("IBNR") as at the balance sheet date. The IBNR is based on the liability adequacy test.

c Reserves for unexpired risk

A provision for additional unexpired risk reserve (AURR) is recognized for an underwriting year where it is envisaged that the estimated cost of claims and expenses would exceed the unearned premium reserve (UPR)"

ii Life business

a General reserve fund

This is made up of net liabilities on policies in force as determined by qualified actuaries at the reporting date. Surplus or deficit arising from the periodic valuation of the life insurance contracts are recognised in the income statement. This is made up of net liabilities on policies in force as determined by qualified actuaries at the reporting date. Surplus or deficit arising from the periodic valuation of the life insurance contracts are recognised in the statement of profit and loss. The reserves include Incurred But Not Reported (IBNR) and Unearned Premium Reserve (UPR).

iii Liability adequacy test

At each end of the reporting period, liability adequacy tests are performed by an Actuary to ensure the adequacy of the contract liabilities net of related DAC assets. In performing these tests, current best estimates of future contractual cash flows and claims handling and administration expenses, as well as investment income from the assets backing such liabilities, are used. Any deficiency is immediately charged to profit or loss initially by writing off DAC and by subsequently establishing a provision for losses arising from liability adequacy tests "the unexpired risk provision".

The provisions of the Insurance Act, CAP I17, 2004 requires an actuarial valuation for life reserves only however, IFRS 4 requires a liability adequacy test for both life and non-life insurance reserves. The provision of section 59 of the Financial Reporting Council Act 2012 gives superiority to the provision of IFRS and since it results in a more conservative reserving than the provision of the Insurance Act, CAP I17, 2004, it serves the company's prudential concerns well.

25 Investment contracts

Investment contracts are those contracts that transfer financial risk with no significant insurance risk Investment contracts can be classified into interest linked and unitised fund. Interest linked investment contracts are measured at amortised cost while unitised funds are measured at fair value.

Investment contracts with guaranteed returns (interest linked) and other business of a savings nature are recognized as liabilities. Interest accruing to the life assured from investment of the savings is recognized in the profit and loss account in the year it is earned while interest paid and due to depositors is recognized as an expense. The net result of the deposit administration revenue account is transferred to the income statement of the group.

The Group's investment contracts are classified into two categories:

i) Investment contacts -Group
ii) Investment contracts- Individual

Receipts from administered schemes are initially recognised in group investment contract liabilities. Guaranteed interest on the schemes is recognised in profit or loss and credited to group investment contract liabilities. Actuarial differences arising on valuation of the liabilities at the reporting date is recognised in profit or loss. Group investment contract liabilities are derecognized when paid, refunded or cancelled. Deposits from savings and investment policies are initially recognised in individual investment contract liabilities. Guaranteed interest on the policies is recognised in profit or loss and credited to individual investment contract liabilities. Actuarial differences arising on valuation of the liabilities at the reporting date is recognised in profit or loss. Individual investment contract liabilities are derecognised when settled at maturity, surrendered or used to offset policy loans.

26 Trade payables and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date is less than one year, discounting is omitted.

27 Provisions

Provisions for restructuring costs and legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are 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 may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

28 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or the Group has a present obligation as a result of past events which is not recognised because it is not probable that an outflow of resources will be required to settle the obligation; or the amount cannot be reliably estimated. Contingent liabilities normally comprise of legal claims under arbitration or court process in respect of which a liability is not likely to crystallise.

29 Financial liabilities

The Group's holding in financial liabilities is in financial liabilities at fair value through profit or loss (including financial liabilities held for trading and those that are designated at fair value) and financial liabilities at amortised cost. Financial liabilities are derecognised when extinguished.

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

(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 measured at amortised cost. Financial liabilities measured at amortised cost are Deposit liabilities.

30 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as a transaction cost of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowing are classified as current liabilities unless the group has an unconditional right to defer settlement of the liabilities for at least twelve months after the date of the statement of financial position.

31 Deposit liabilities

Deposits liabilities include current, term and savings deposits with the Group by depositors. Deposits from customers are initially recognised in liabilities at fair value and subsequently measured at amortised cost.

Interest paid on the deposits is expensed as 'interest and similar expense in profit or loss' during the period in which the Group has the obligation to pay the interest.

Deposits are derecognised when repaid to customers on demand or used to offset amount(s) due from the customer as agreed in the contract.

32 Bank Overdraft

Book overdraft represents an excess of outstanding cheques on the company's book over its reported bank balances. Under our cash management, cheques issued but not yet presented to banks frequently result in book overdraft balances and when the bank has a right to offset the overdraft balance with another bank account of the business, the overdraft is netted off against the other bank accounts maintained with the same bank and the net balance is shown as cash and cash equivalents. When the bank has no such right to offset, the overdraft is classified as current liability in the company's statement of financial position.

33 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, if the deferred income tax 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, it is not accounted for. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realisable or the deferred income tax liability is payable.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

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

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The tax effects of carry-forwards of unused losses or unused tax credits are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilised.

Deferred tax related to fair value re-measurement of available-for-sale investments, which are charged or credited directly in other comprehensive income, is also credited or charged directly to other comprehensive income and subsequently recognised in the consolidated income statement together with the deferred gain or loss.

34 Share Capital and Premium

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax.

35 Contingency reserves

Non-life business

In compliance with Section 21 (2) of Insurance Act, CAP I17,LFN 2004, the contingency reserve is credited with the greater of 3% of total premiums, or 20% of the net profits. This shall accumulate until it reaches the amount of greater of minimum paid-up capital or 50% of net premium.

Life business

In compliance with Section 22 (1) (b) of Insurance Act, CAP I17,LFN 2004, the contingency reserve is credited with the higher of 1% of gross premiums or 10% of net profit.

36 Revaluation reserves

Revaluation reserve represents the fair value differences on the revaluation of items of property, plant and equipment as at the statement of financial position date. If an asset's carrying amount is increased as a result of a revaluation, the increase is recognised in other comprehensive income and accumulated in revaluation reserve. The increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss. If an assets carrying amount is decreased as a result of a revaluation,the decrease is recognised in profit or loss, however, the decrease shall be recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

The revaluation surplus in respect of an item of property, plant and equipment is transferred to retained earnings when the asset is derecognised. This involves transferring the whole of the surplus when the asset is retired or disposed and some of the surplus are transfered to retained earnings as the asset is used by the entity. The amount of the surplus transfered is the difference between depreciation based on the revalued carrying amount of the asset and the depreciation based on the asset's original cost. Transfers from revaluation reserve to retained earnings are not made through profit or loss.

37 Foreign currency translation reserves

The assets and liabilities of foreign operations are translated to Naira at functional currency rates at the reporting date. The income and expenses of foreign operations are translated to Naira at functional currency rates at the dates of the transactions. Foreign currency differences on the translation of foreign operations are recognized in other comprehensive income and hedged in foreign currency translation reserves in the statement of financial position.

38 Earnings per share

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group's by the weighted average number of ordinary shares outstanding during the period excluding treasury shares held by the Group.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

39 Dividends

Dividends on the Company's ordinary shares are recognised in equity in the period in which they are approved by the Company's shareholders. Dividend distribution to the Company's shareholders is recognized as a liability in the financial statements in the year in which the dividend is approved by the Company's shareholders.

40 Revenue recognition

Revenue comprises the fair value for services, net of value-added tax, after eliminating revenue within the Group. Revenue is recognised as follows:

Dividend income: Dividend income for available-for-sale equities is recognised when the right to receive payment is established, this is the ex-dividend date for equity securities

Premiums written comprise the premiums on contracts incepting in the financial year. Premiums written are stated gross of commissions payable to agents and exclusive of taxes levied on premiums. The Company earns premium income evenly over the term of the insurance policy generally using the pro rata method. The portion of the premium related to the unexpired portion of the policy at the end of the fiscal year is reflected in unearned premiums.

41 Reinsurance expenses

Reinsurance costs represent outward premium paid to reinsurance companies less the unexpired portion as at the end of the accounting year.

42 Salvage and subrogation recoverable

In the normal course of business, the company obtains ownership of damaged properties, which they resell to various salvage operators. Unsold property is valued at its estimated net realizable value. Where the company indemnifies policyholders against a liability claim, it acquires the right to subrogate its claims against other parties. These claims are reflected at amounts expected to be received from the subrogated parties net of related costs

43 Fees and commission income

Insurance and investment contract policyholders are charged for policy administration services, investment management services, surrenders and other contract fees. These fees are recognised as revenue over the period in which the related services are performed. If the fees are for services provided in future periods, then they are deferred and recognised over those future periods.

44 Claims expenses

(i) Claims expenses consist of claims and claims handling expenses paid during the financial year together with the movement in the provision for outstanding claims. *(See policy for reserve for outstanding claims above)* The gross provision for claims represents the estimated liability arising from claims in current and preceding financial years which have not yet given rise to claims paid. The provision includes an allowance for claims management and handling expenses.

(ii) The gross provision for claims is estimated based on current information and the ultimate liability may vary as a result of subsequent information and events and may result in significant adjustments to the amounts provided. Adjustments to the amounts of claims provision for prior years are reflected in the income statement in the financial period in which adjustments are made, and disclosed separately if material.

(iii) Claims expenses recovered from reinsurers represent reinsurer's share of insurance contract liabilities and this is used to reduce gross claims recognised in the income statement.

(iv) Reinsurance claims
Reinsurance claims are recognised when the related gross insurance claim is recognised according to the terms of the relevant contract.

45 Acquisition costs and other underwriting expenses

Acquisition costs represent commissions payable and other expenses related to the acquisition of insurance contract revenues written during the financial year. Deferred acquisition costs represent the proportion of acquisition costs incurred which corresponds to the unearned premium provision *(See policy* for Deferred Acquisition Cost above). Examples of these costs include, but are not limited to, commission expense, supervisory levy, superintending fees and other technical expenses. Other underwriting expenses are those incurred in servicing existing policies/contract.

46 Investment income

This includes interest income and dividend income. Interest income is recognised in the income statement as it accrues and is calculated by using the effective interest rate method. Fees and commissions that are an integral part of the effective yield of the financial asset or liability are recognised as an adjustment to the effective interest rate of the instrument. Dividend income for available-for-sale equities is recognised when the right to receive payment is established, this is the exdividend date for equity securities.

47 Other operating income

Other operating income is made up of rent income, profit on disposal of fixed assets, profit or loss on disposal of investment, exchange gain or loss and other line of income that are not investment income.

48 Management expenses

Other expenses are expenses other than claims, investment expenses, employee benefits, expenses for marketing and administration and underwriting expenses. They include wages, professional fees, depreciation expenses and other non-operating expenses. Other Operating expenses are accounted for on accrual basis and recognized in the income statement upon utilization of the service or at the date of their origin.

49 Retirement obligations and Employee benefits

The company operates the following contribution and benefit schemes for its employees:

a) Defined contribution pension scheme

The Group operates a defined contributory pension scheme for eligible employees. Company contribute 15% of the employees' Basic, Housing and Transport allowances in line with the provisions of the Pension Reform Act 2004. The Company pays the contributions to a pension fund administrator. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefits expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

b) Short-term benefits

Wages, salaries, paid annual leave, bonuses and non-monetary benefits are recognised as employee benefit expenses and paid in arrears when the associated services are rendered by the employees of the Company.

50 Interest Income and Expenses

Interest income and expenses for all interest-bearing financial instruments including financial instruments measured at fair value through profit or loss, are recognised within 'investment income and finance cost in the income statement using the effective interest rate method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income.

51 Events after the statement of financial position date

The financial statements are adjusted to reflect events that occurred between the statement of financial position date and the date when the financial statements are authorised for issue, provided they give evidence of conditions that existed at the statement of financial position date. Events that are indicative of conditions that arose after the statement of financial position date are disclosed, but do not result in an adjustment of the financial statements.

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31ST DECEMBER, 2013

ASSETS	Notes	Company 31 December 2013 N'000	Company 31 December (Restated) 2012 N'000
Cash and cash equivalents	3.0	1,127,905	741,277
Financial assets			
– Available-for-sale	4.1	-	-
– At fair value through profit or loss	4.2	125,989	71,880
– Loans and receivables	4.3	4,658,929	3,911,579
Pledged assets	4.4	121,712	88,535
Trade receivables	5.0	247,225	453,591
Reinsurance assets	6.0	700,876	403,460
Deferred acquisition cost	7.0	295,460	266,338
Other receivables and prepayments	8.0	174,749	240,272
Finance lease receivables	9.0	165,925	336,600
Inventories	10.0	-	-
Investment in subsidiaries	11.0	2,655,138	2,886,001
Intangible assets	12.0	9,746	18,731
Property, plant and equipment	13.0	2,910,553	2,881,080
Investment property	14.0	-	-
Statutory deposit	15.0	300,000	300,000
Deposit for shares	16.0	954,255	983,000
Deferred tax asset	26.0	-	-
Goodwill	17.0	-	-
TOTAL ASSETS		14,448,462	13,582,344
LIABILITIES			
Insurance contract liabilities	18.0	3,768,829	3,129,011
Investment contract liabilities	19.1	-	-
Trade payables	20.0	44,074	28,539
Other payables	21.0	2,954,576	2,360,873
Deposit liabilities	22.0	-	-
Book overdraft	23.0	7,670	27,345
Borrowings	24.0	3,731,443	4,614,375
Current income tax liabilities	25.0	202,778	291,762
Deferred income tax liabilities	26.0	433,962	400,180
TOTAL LIABILITIES		11,143,332	10,852,085
EQUITY			
Paid up share capital	27.0	4,000,000	4,000,000
Retained earnings	28.0	(3,200,344)	(3,615,409)
Contingency reserve	29.0	1,216,911	1,057,105
Revaluation reserve	30.0	1,288,563	1,288,563
Foreign currency translation reserves	31.0	-	-
SHAREHOLDERS' FUNDS		3,305,130	2,730,259
Total equity attributable to the owners of the parent		3,305,130	2,730,259
Non-controlling interest in equity	32.0	-	-
TOTAL EQUITY		3,305,130	2,730,259
TOTAL LIABILITIES AND EQUITY		14,448,462	13,582,344

Signed on behalf of the Board of Directors on this 22nd day of October 2014

Mr. Olabisi Olayiwola FRC/2013/ICAN/00000003098 Chief Finance Officer	Mr. Omosehin Olusegun FRC/2013/CIIN/00000003103 Director	Mr. Akin Opeodu FRC/2013/ICAN/00000003128 Chairman

The accounting policies on pages 36 to 51 and notes on pages 57 to 131 form an integral part of the financial statements.

Auditors report, page 35

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST DECEMBER, 2013

	Notes	Parent 31 December 2013 N'000	Parent 31 December (Restated) 2012 N'000
Gross premium written	33.0	5,326,871	4,975,074
Gross premium income	33.0	5,246,029	5,026,347
Re-insurance expenses	33.0	(878,559)	(415,926)
Net premium income		4,367,470	4,610,421
Commission received	33.0(b)	58,016	37,241
Net underwriting income		4,425,486	4,647,662
Claims:			
Claims expenses (Gross)	34.0	(1,982,281)	(1,708,907)
Claims expenses recovered from reinsurers	34.0	297,416	293,335
Claims expenses (Net)		(1,684,865)	(1,415,572)
Acquisition costs	35.0	(1,012,512)	(577,838)
Total underwriting expenses		(2,697,377)	(1,993,410)
Underwriting results		1,728,109	2,654,252
(Loss)/profit on investment contract liabilities	36.0	-	-
Investment income	37.0	85,269	37,248
Net fair value gain/(losses) on financial assets at FVTPL	38.0	87,287	(13,345)
Reversal of Commission Payable on trade receivables written off	21.2	727,442	-
Other income	39.0	1,660,672	831,173
Impairment charge no longer required	40.0	112,062	109,617
Impairment charges	41.0	(743,684)	(1,690,724)
Management expenses	42.0	(2,316,021)	(3,759,784)
Employees benefit expenses	43.0	(631,337)	(612,412)
Loss on disposal of associate		-	-
Results of operating activities		709,799	(2,443,975)
Finance costs	44.0	(18,221)	(34,262)
Finance income	45.0	-	-
Profit/(Loss) before tax		691,578	(2,478,237)
Income tax expense	25.0	(116,707)	(251,131)
Profit/(Loss) after tax		574,871	(2,729,368)
Profit/(Loss) attributable to:		574,871	(2,729,368)
Owners of the parent		-	-
Non-controlling interests	32.0	574,871	(2,729,368)
Other comprehensive income:			
Foreign currency translation reserve		-	-
Revaluation surplus on Property plant and equipment (Net of tax)		-	1,288,563
Other comprehensive income for the period		-	1,288,563
Total comprehensive income for the period		574,871	(1,440,805)
Owners of the parent		-	-
Non-controlling interests		-	-
Total comprehensive income for the period		-	-
Basic profit/(loss) per share	46.0	7.19	(34.12)

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST DECEMBER, 2013

Company

	Share capital N'000	Revaluation reserve N'000	Contingency reserve N'000	Retained earnings N'000	Total N'000
Balance 1 January, 2013	4,000,000	1,288,563	1,057,105	(3,615,409)	2,730,259
Total comprehensive income for the year:					
Profit for the year	-	-	-	574,871	574,871
Transfer to contingency reserve	-	-	159,806	(159,806)	-
Total comprehensive income for the year	-	-	159,806	415,065	574,871
Transactions with owners recorded directly in equity	-	-	-	-	-
Balance at 31 December, 2013	4,000,000	1,288,563	1,216,911	(3,200,344)	3,305,130

Statements of Changes in Equity
Year ended 31 December 2012
Company

	Share capital N'000	Revaluation reserve N'000	Contingency reserve N'000	Retained earnings N'000	Total N'000
Balance 1 January, 2012	4,000,000	-	907,853	(736,789)	4,171,064
Total comprehensive income for the year:					
Loss for the year	-	-	-	(2,729,368)	(2,729,368)
Transfer to contingency reserve	-	-	149,252	(149,252)	-
Revaluation surplus on property plant and equipment	-	1,288,563	-	-	1,288,563
Total comprehensive income for the year	-	1,288,563	149,252	(2,878,620)	(1,440,805)
Transactions with owners recorded directly in equity	-	-	-	-	-
Balance 31 December, 2012	4,000,000	1,288,563	1,057,105	(3,615,409)	2,730,259

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER, 2013

	Note	Parent 31 December 2013 N'000	Parent 31 December 2012 N'000
Cash Flows from operating activities			
Premium received from policy holders		5,728,048	5,565,346
Changes in working capital			
Reinsurance assets		(110,743)	(293,335)
Other receivables		(43,689)	142,954
Deferred acquisition cost		(29,122)	(29,841)
Inventories		-	-
Insurance contract liabilities		220,819	(51,272)
Investment contract liabilities		-	-
Trade and other payables		318,326	944,899
Loans and advances		-	-
Deposit liabilities		-	-
Claims paid		(1,556,836)	(1,370,398)
Operating costs and payment to employees		(3,277,944)	(4,925,668)
Commission paid		(888,004)	(536,119)
Other underwriting expenses		(124,508)	(41,719)
Other cash received		1,025,895	737,407
		1,262,242	142,254
Income tax paid		(171,909)	(64,260)
Net cash from operating activities		1,090,333	77,994
Cash flows from investing activities			
Purchase of property, plant and equipment	13.0	(185,685)	(94,644)
Purchase of intangible assets	12.0	-	-
Proceed from the disposal of property, plant and equipment		14,006	1,300
Additions to investment property			
Additions to finance lease receivables	9.0	(138,061)	(262,779)
Repayment of finance lease receivables	9.0	258,503	226,785
Loan to Prime Exploration Production Limited	4.3	-	(32,488)
Loan to Mutual Homes and properties	4.3	-	(1,430)
Loan to Amdorf		-	
Receipt from Mutual Homes and Properties Limited	4.3	-	500
Additional loan to Mutual Model Transport Limited	4.3	(80,300)	(40,420)
Receipt from Mutual Model transport Limited		30,000	81,173
Loan to Charks Investment Limited	4.3	(33,770)	-
Disposal of trading securities		-	-
Addition to deposit for shares in subsidiaries		(371,255)	-
Proceed on disposal of investments in associates		-	-
Additions to other investments		-	-
Additions to investment in subsidiaries		-	-
Net cash used in investing activities		(506,562)	(122,003)
Cash Flows from financing activities			
Finance cost	44.0	(18,221)	(34,262)
Finance income	45.0	-	-
Bank loan	24.0	-	34,262
Repayment of Long term borrowings		(159,247)	(136,030)
Net cash used in financing activities		(177,468)	(136,030)
Cash and cash equivalent at beginning of year		713,932	316,133
Net increase/(decrease) in cash and cash equivalents		406,303	397,799
Cash and cash equivalent at end of period	3.1	1,120,235	713,932

1.0 MANAGEMENT OF INSURANCE AND FINANCIAL RISK

1.01 Insurance risk

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is fortuitous and therefore unexpected and unpredictable.

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Company faces under its insurance contracts is that the actual claims and indemnity payments exceed the carrying amount of the insurance liabilities.

The Company has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome.

I) Frequency and severity of claims

The frequency and severity of claims can be affected by several factors the most significant resulting from events like fire and allied perils and their consequences and liability claims. Inflation is another factor that may affect claims payments.

Underwriting measures are in place to enforce appropriate risk selection criteria or not to renew an insurance contract.

The reinsurance arrangements for proportional and non-proportional treaties are such that the Company is adequately protected and would only suffer predetermined amounts.

ii) Concentration of insurance risk

The following table discloses the concentration of claims by class of business gross and net of reinsurance.

Class of Business		2013			2012	
	No. of claims	Gross N'000	Net N'000	No. of claims	Gross N'000	Net N'000
Accident	1,228	542,533	523,374	112	371,026	356,026
Fire	338	328,440	229,028	12	190,549	177,701
Workmen's compensation	-	-	-	8	539	539
Motor	968	315,115	290,049	213	110,825	110,825
Marine and Aviation	57	55,884	54,047	13	21,933	21,933
Engineering	110	13,122	12,704	10	1,987	1,987
Oil and Gas	26	201,231	201,231	-	-	-
Bonds	7	148,566	148,083	3	119,916	75,504
	2,734	1,604,891	1,458,516	371	816,775	744,515

The Company manages insurance risks through the underwriting strategy, adequate reinsurance arrangements and proactive claims handling. The underwriting strategy attempts to ensure that the underwritten risks are well diversified in terms of type and amount of risk and class of business.

iii) Sources of uncertainty in the estimation of future claim payments

Claims are payable on a claims-occurrence basis. The Company is liable for all insured events that occurred during the term of the contract, even if the loss is discovered after the end of the contract term. As a result, liability claims are settled over a long period of time and a larger element of the claims provision relates to incurred but not reported claims (IBNR). There are several variables that affect the amount and timing of cash flows from these contracts. These mainly relate to the inherent risks of the business activities carried out by individual contract holders and the risk management procedures they adopted. The compensation paid on these contracts is the monetary awards granted.

The Company claims are short tail and are settled within a short time and the Company's estimation processes reflect with a higher degree of certainty all the factors that influence the amount and timing.

The Company takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. However, given the uncertainty establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established. The liability for these contracts comprise a provision for IBNR and a provision for reported claims not yet paid at the statement of financial position date.

The Company has ensured that liabilities on the statement of financial position at year end for existing claims whether reported or not, are adequate. The Company has in place a series of quota-share and excess of loss covers in each of the last four years to cover for losses on these contracts.

In deciding the assumption used, the Company uses different methods to incorporate the various assumptions made in order to estimate the ultimate cost of claims.

Depending on the volume of data in the reserving classes , the appropriate methodologies were used. Three methods were considered for the projection of claims. The Basic Chain Ladder Method (BCL), a Loss ratio method adjusted for assumed experience to date and in more recent years and where the claim development seems different than in the past a Bornheutter –Ferguson (BF) Method was used based on loss ratios that have been experienced in past accident years.

Claims data was grouped into triangles by accident year and payment year. Data was grouped on a yearly basis as there are not sufficient claims to group on a shorter time period such as by quarters or months. Payment development patterns were also used instead of the movement years' patterns to allow for the longer tail development that would be seen in reporting and payment delays as well as to allow for the movement of partial payments in the data.

There was insufficient data to sub-divide claims between large and small claims. Sub – dividing the data would reduce the volume of the data in the triangles and compromise the credibility. Extreme large claims however were removed from the triangulations to avoid distorting development patterns.

Basic Chain Ladder Method (BCL)

Development factors were calculated using the last 4 to 6 years of data by accident year . Within the data there were some movements in the older years' accident periods (pre 2008). This was used where possible to allow for some development in claims paid past six years. Ultimate development factors are calculated for each of the permutations. Developments patterns are selected taking into account the stability of the loss ratios between accident periods for a development period as well as considering whether there seems to be a change in development, for example a quickening in the rate that claims are paid.

Ultimate development factors are applied to the paid data per accident year and ultimate claim amount is calculated. The future claims (the ultimate claim amount less paid claims to date) are allocated to future payment periods in line with the development patterns calculated above. The outstanding claims reported to date are then subtracted from the total future claims to give the resulting IBNR figure per accident year or quarter

For cases where there were extreme large losses that had been reported but not paid, and therefore would not have influenced the development patterns, the total case reserve was excluded from the calculation of the IBNR.

i.e. IBNR = Ultimate Claim Amount (excl extreme large losses)
minus Paid Claims to date (excl extreme large losses)
minus Claims Outstanding (excl extreme large losses)

Assumptions underlying the BCL

The Basic Chain Ladder Method assumes that past experience is indicative of future experience i.e. that claims reported to date will continue to develop in a similar manner in the future.

An implicit assumption is that, for an immature accident year, the claims observed thus far tell you something about the claims yet to be observed. A further assumption is that it assumes consistent claim processing, a stable mix of types of claims, stable inflation and stable policy limits. If any of these assumptions are invalidated, the results of the reserving exercise may prove to be inaccurate

Loss ratio method

Due to the fact that claims from FY 2011 and prior could not be allocated to all segments, all the classes had a fair amount of history and volume such that the loss ratio method was not used. For completeness sake and when the Company has captured sufficient history to sub-divide the data between more homogenous classes, explanation of the methodology was included. This method is used for classes with limited claim payments or history and therefore a BCL method would be inappropriate. Allowance is made for expected experience to date within the assumed delay period and the assumed average ultimate loss ratios in carrying out the calculation.

Average delay durations are calculated from the data provided. The average delay is the average number of months that it takes for a claim to be paid after the loss incident occurred.

The IBNR is then calculated as:

Expected average ultimate loss ratio for the assumed average delay period
x earned premium for the assumed delay period
- Current experience to date relating to the accident months that the delay implies

Assumptions underlying the Loss Ratio method

It is assumed that the average delay in the payment of claims will continue into the future. If it is expected that these delay assumptions no longer hold, an adjustment needs to be made to allow for this change in payment delay. If the delay period in payment is expected to have increased from previous years, the results calculated will be understated.

Additionally, an estimate of the average ultimate loss ratio would need to be assumed. This would be based on our estimated average loss ratio on claims experience to date for previous accident years where claims data was available. For classes of business where no claims data is available, an average loss ratio that is experienced in the industry is used.

General Accident

General Accident is the largest class of business in terms of written premium in financial year 2013, making up almost 47% of total written premium. However, this also includes the following classes of business, which have not been reported separately for all prior accident years:

Aviation and Bonds
Engineering
Greenshield
InsurVisa
Micro-insurance
Oil and Gas
Vreg

This class experienced two very large claims compared to other claims observed for this class of business, one of which is yet to be paid. These claims, occurring in accident years 2011 and 2013, were excluded from the development triangles to avoid development patterns from being distorted.

A Basic Chain Ladder method was used to project future claims, with a BF method being used for the most current accident year. An initial expected loss ratio of 33% is used. This is based on the average incurred loss ratio to date that is seen over the previous two accident years.

Motor

Motor is the second largest class of business in terms of written premium in financial year 2013, making up more than 32% of total written premium. This class of business exhibits a much shorter tail than other classes of business, where the majority of claims are paid within the first three development years.

A Basic Chain Ladder was used for accident years prior to 2013 and a BF method was used for accident year 2013, with an initial expected loss ratio of 47%. AY 2013 has seen a bigger proportion of claims reported and paid after the first year of development compared to that observed for all previous accident years. As such, the initial expected loss ratio was based on the expected ultimate loss ratio for AY 2013. This was determined considering the average increase in the loss ratios incurred after the first development year for previous accident years, to the latest expected ultimate loss ratios for the respective accident years as at 31 December, 2013.

As at 31 December 2013, there are four large claims that have been reported but not paid yet that were excluded from the triangles and projections used in calculating the IBNR. All of these relate to losses occurring during accident year 2013. While these claims may not appear exceptionally large on an individual level compared to claims from older accident years experienced on this class of business, this was deemed as an unusual number of claims of this relative size to be experienced in a single accident year.

Fire

"Four extreme large losses are seen in this class of business in accident years 2010, 2012 and 2013 and these were not included in the derivation of the development patterns to determine the IBNR to be held as at 31 December 2013.A Basic Chain Ladder was used, again with a BF method being used for the most recent accident year, to project the expected claims development. This was done to allow for the different experience observed to date for accident year 2013. The initial expected loss ratio assumption of 52% was based on the average loss ratio incurred to date over the previous three accident years."

Marine

Marine is the smallest class of business in terms of written premium in financial year 2013 making up approximately 10% of total written premium. A Basic Chain Ladder method was used to project future claims, again with a BF method being used for the most current accident year. An initial expected loss ratio of 10% was used. This is based on the average incurred loss ratio to date that is seen over the previous four accident years, with a small allowance for potential future development. As at 31 December 2013, there are four unusually large claims compared to other claims experienced on this class of business, two that were paid during 2013 and two that have been reported but not paid as yet originating from various accident years. These claims were excluded from the projections used in calculating the IBNR so as not to distort the development patterns

Sensitivity analysis

Sensitivity analysis 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 can vary can provide valuable information for business planning and risk appetite considerations.

A sensitivity analysis was done to determine how the IBNR reserve amount would change if we were to consider the 75th percentile as opposed to our best estimate figures included in reserve reviews as at 31 December 2013. The 75th percentile is a generally accepted level of prudency. Due to the limited volume of data and claim amounts the sensitivity was tested by using a Normal distribution. As the history and volume of the data increases, sensitivity analysis will be done using the Thomas Mack method and Bootstrapping additionally

Results based on the Normal Distribution

The Normal distribution was used as a proxy for the distribution of the IBNR claims reserve with a mean equal to the best estimate reserve calculated for each class of business. In order to determine the standard deviation of the distributions we equated the 0.5th percentile of the distributions to be equal to 0 thereby assuming that the IBNR reserve % cannot be negative.

Through the use of the mean and the 0.5th percentile we were able to calculate the implied standard deviations for each class. The results based on fitting a Normal distribution to the best estimate IBNR reserves as at 31

Class of business	Best Estimate	75% using Normal Distribution
Fire	32,300,417	40,758,392
General Accident	255,224,278	322,055,632
Motor	19,239,316	24,277,197
Marine	68,209,283	86,070,118
Total	374,973,294	473,161,339

Overall there is a 26.2% increase from the best estimate calculated and that at the 75th percentile. The 75th percentile is generally regarded as a prudent level for IBNR reserves. More importantly, the difference between the best estimate and the 75th percentile provides management with an indication of the variability inherent in the IBNR reserves.

In conclusion, there is only a 25% chance that the IBNR reserves required by the Company will exceed NGN 473m as at 31 December 2013 on a gross basis.

1.02 Financial risk

The Company is exposed to financial risks through its financial assets, financial liabilities and insurance and reinsurance assets and liabilities. In particular, the key financial risk is that investment proceeds are not sufficient to fund obligations arising from insurance contracts.

The most important components of this financial risk are:
Market risk (which includes foreign exchange risk, interest rate risk and equity price risk)
Credit risk;
Liquidity risk;

These risks arise from open position in interest rate, currency and equity products, all of which are exposed to general and open market movements.

The Company's risk management policies are designed to identify and analyse risks, to set appropriate risk limits and control, and monitor the risks and adherence to limits by means of reliable and up-to-date administrative and information systems. The Company regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

The Board recognises the critical importance of having efficient and effective risk management policies and systems in place.

To this end, there is a clear organisational structure with delegated authorities and responsibilities from the Board to Board Committees, executives and senior management, individual responsibility and accountability are designed to deliver a disciplined, conservative and constructive culture of risk management and control.

I) Market risk

Market risk is the risk of adverse financial impact due to changes in fair value of future cashflows of financial instruments from fluctuations in foreign currency exchange rates, interest rates and equity prices.

The Company has established policies which set out the principles that they expect to adopt in respect of management of the key market risks to which they are exposed. The Company monitors adherence to this market risk policy through the Company's Investment Committee. The Company's Investment Committee is responsible for managing market risk.

The financial impact from market risk is monitored at board level through investment reports which examine impact of changes in market risk in investment returns and asset values. The Company's market risk policy sets out the principles for matching liabilities with appropriate assets, the approaches to be taken when liabilities cannot be matched and the monitoring processes that are required.

(a) Foreign exchange risk

Foreign exchange risk is the risk of loss resulting from changes in exchange rates. The Company purchases a significant proportion of its reinsurance contracts locally, therefore it is not significantly exposed to foreign currency fluctuations.

The Company has some transactions denominated in foreign currency that are exposed to currency risk. The Investment Committee closely monitors currency risk exposures against pre-determined limits. Exposure to foreign currency exchange risk is not hedged.

NOTES TO THE FINANCIAL STATEMENT CONTINUED

FOR THE YEAR ENDED 31ST DECEMBER, 2013

The Company financial assets and financial liabilities by currency is detailed below:

At December 31, 2013	Equivalent in N'000 N'000	¥'000	€'000	$'000	Total
Assets:					
Non-current assets	7,117,329	-	-	-	7,117,329
Current assets	6,203,228	-	-	-	6,203,228
Bank balances, deposits and cash	1,127,905	-	-	-	1,127,905
TOTAL ASSETS	14,448,462		-	-	14,448,462
Liabilities:					
Current liabilities	6,933,853	-	-	-	6,933,853
Non-current liabilities	834,832	3,330,573	-	-	4,165,405
TOTAL LIABILITIES	7,768,685	3,330,573	-	-	11,099,258
At December 31, 2012	N'000	¥'000	€'000	$'000	Total
Assets:					
Non-currents assets	7,493,947	-	-	-	7,493,947
Current assets	5,347,120	-	-	-	5,347,120
Bank balances, deposits and cash	494,658	-	1,203	245,416	741,277
TOTAL ASSETS	13,335,725	-	-	-	13,582,344
Liabilities:					
Current liabilities	5,968,238	-	-	-	5,968,238
Non-current liabilities	801,050	4,054,258	-	-	4,855,308
TOTAL LIABILITIES	6,769,288	4,054,258	-	-	10,823,546

Sensitivity

If the Naira had weakened/strengthened against the following currencies with all variables remaining constant, the impact on the results for the year would have been as shown below mainly as a result of foreign exchange gains/losses:

Impact on Results : Group At December 31, 2013	NGN	USD (Converted to NGN)	Euro (Converted to NGN)	Carrying Value N'000	+ 5% N'000	- 5% N'000
Bank balances and deposits	3,702,341	-	-	3,702,341	-	-
At December 31, 2012						
Bank balances and deposits	1,265,473	273,054	1,203	1,539,730	13,713	(13,713)

Impact on Results : Company At December 31, 2013	NGN	USD (Converted to NGN)	Euro (Converted to NGN)	Carrying Value N'000	+ 5% N'000	- 5% N'000
Bank balances and deposits	1,127,905	-	-	1,127,905	-	-
At December 31, 2012						
Bank balances and deposits	494,658	245,416	1,203	741,277	12,331	(12,331)

(b) Interest rate risk

Interest rate risk arises from the Company's investments in long term debt securities and fixed income securities (Held to-Maturity financial assets), bank balances and deposits which are exposed to fluctuations in interest rates. Exposure to interest rate risk on short term business is monitored by the Investment Committee through a close matching of assets and liabilities. The impact of exposure to sustained low interest rates is also regularly monitored.

Sensitivity

The impact on the Company's results, had interest rates varied by plus or minus 1% would have been as follows:

		Impact on results	
Company	Carrying amount	+ 1%	- 1%
At December 31, 2013	N'000	N'000	N'000
Loans and receivables	4,658,929	10,250	(10,250)
Short term bank deposits	733,410	220	(220)
Finance lease receivables	165,925	365	(365)
Total interest earning assets	5,558,264	10,835	(10,835)
Borrowings	3,731,443	(7,836)	7,836
Total interest bearing liabilities	3,731,443	(7,836)	7,836

		Impact on results	
	Carrying amount	+ 1%	- 1%
At December 31, 2012	N'000	N'000	N'000
Loans and receivables	3,911,579	8,605	(8,605)
Short term bank deposits	225,288	68	(68)
Finance lease receivables	336,600	741	(741)
Total interest earning assets	4,473,467	9,414	(9,414)
Total interest bearing liabilities	4,614,375	(9,690)	9,690

(c) Equity price risk

The Company is subject to price risk due to daily changes in the market values of its equity securities portfolio. Equity price risk is actively managed in order to mitigate anticipated unfavourable market movements. In addition, local insurance regulations set the capital required for risks associated with type of assets held, investments above a certain concentration limit, policy liabilities risk, catastrophes risks and reinsurance ceded.

The Investment Committee actively monitors equity assets owned directly by the Company as well as concentrations of specific equity holdings. Equity price risk is also mitigated as the Company holds diversified portfolios of local and foreign investments in various sectors of the local and foreign investments in various sectors of the economy.

Sensitivity

The impact on the Company's shareholders' equity, had the equity market values increased/decreased by 10% with other assumptions left unchanged, would have been as follows:

- reinsurers' share of insurance liabilities
- amounts due from reinsurers in respect of claims already paid;
- amounts due from insurance contract holders; and
- amounts due from insurance intermediaries.

The amounts presented in the balance sheets are net of allowances for estimated irrecoverable amount receivables, based on management's prior experience and the current economic environment.

The Company has no significant concentration of credit risk in respect of its insurance business with exposure spread over a large number of clients, agents and brokers. The Company has policies in place to ensure that sales or services are made to clients, agents and brokers with sound credit history.

1.30 Types of financial risk

(a) Credit Risk

Credit risk is the risk of financial loss to the Group if a debtor fails to perform its contractual obligation. The company is not in the business of granting loans like banks but has granted loans to few companies which makes it exposed to a reasonable extent, credit risks in terms of customer default on loans repayment. However, in terms of premium payment and investments in counterparties, considerable risks exist that brokers and large corporate organisation who are allowed extended payment period may default and this is closely allied to cash flow risks.

Group is exposed to this risk relating to its debt holdings in its investment portfolio and the reliance on reinsurers to make payment when certain loss conditions are met.

Sources of credit risk identified are Direct Default Risk that the Group will not receive the cash flows or assets to which it is entitled because a party with which the firm has a bilateral contract defaults on one or more obligations. Downgrade Risk that changes the possibility of future default by an obligor will adversely affect present value of the contract with the obligor today and Settlement risk arising from lag between the value and settlement dates of transactions. All these risks are closely monitored and measures are put in place to minimise the Group's exposure to them.

(I) Reinsurance credit exposures

The Company is however exposed to concentrations of risks with respect to their reinsurers due to the nature of the reinsurance market and the restricted range of reinsurers that have acceptable credit ratings. The Company is exposed to the possibility of default by their reinsurers in respect of share of insurance liabilities and refunds in respect of claims already paid.

The Company manages its reinsurance counterparty exposures and the reinsurance department has a monitoring role over this risk.
This exposure is monitored on a regular basis for any shortfall in the claims history to verify that the contract is progressing as expected and that no further exposure for the Company will arise.

Management also monitors the financial strength of reinsurers and there are policies in place to ensure that risks are ceded to top-rated and credit worthy reinsurers only.

The Company is exposed to disputes on, and defects in, contract wordings and the possibility of default by its reinsurers. The Company monitors the financial strength of its Reinsurers. Allowance is made in the financial statements for non recoverability due to reinsurers default.

(ii) Estimates of future claims payments

Outstanding claims provision is determined based upon knowledge of events, terms and conditions of relevant policies, on interpretation of circumstances as well as previous claims experience. Similar cases and historical claims payment trends are also relevant.

The Company employs a variety of techniques and a number of different bases to determine appropriate provisions. These include:

- terms and conditions of the insurance contracts;
- knowledge of events;
- court judgements;
- economic conditions;
- previously settled claims;
- triangulation claim development analysis;
- estimates based upon a projection of claims numbers and average cost; and
- expected loss ratios.
- Actuarial valuation

Large claims impacting each relevant business class are generally assessed separately, being measured either at the face value of the loss adjuster's recommendations or based on management's experience.

Provisions are calculated gross of any reinsurance recoveries. A separate estimate is made of the amounts that will be recoverable from reinsurers based upon the gross provision and having due regard to collectability.

(iii) Sensitivity

The reasonableness of the estimation process is tested by an analysis of sensitivity around several different scenarios and the best estimate is used.

(iv) Uncertainties and judgements

The uncertainty arising under insurance contracts may be characterised under a number of specific headings such as:

- uncertainty as to whether an event has occurred which would give rise to a policy holder suffering an insured loss;
- uncertainty as to the amount of insured loss suffered by a policyholder as a result of the event occuring;
- uncertainty over the timing of a settlement to a policyholder for a loss suffered.

The degree of uncertainty will vary by policy class according to the characteristics of the insured risks. For certain classes of policy, the maximum value of the settlement of a claim may be specified under the policy terms while for other classes, the cost of a claim will be determined by an actual loss suffered by the policyholder.

There may be some reporting lags between the occurrence of the insured event and the time it is actually reported. Following the identification and notification of an insured loss, there may still be uncertainty as to the magnitude and timing of the settlement of the claim. There are many factors that will determine the level of uncertainty such as judicial trends, unreported information etc.

(b) Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet all cash outflow obligations as they fall due. The Group mitigates this risk by monitoring cash activities and expected outflows. The Group ensures that it does not breach borrowing limits on any of its borrowing facilities. The Group's current liabilities arise as claims are made. The Group does not have material liabilities that can be called unexpectedly at the demand of a lender or client. It has no material commitments for capital expenditures and there is no need for such expenditures in the normal course of business. Claim payments are funded by current operating cash flow including investment income. Short-term investments include treasury bills, commercial paper and term deposits with an original maturity of less than one year. There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

The following tables detail the Group's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

Company

As at 31 December 2013 ASSETS	GROSS AMOUNT N'000	0-3MONTHS N'000	3-6MONTHS N'000	6-9MONTHS N'000	9-12MONTHS N'000	1YEAR AND ABOVE N'000
Cash & Cash Equivalents	1,127,905	1,127,905	-	-	-	-
FINANCIAL ASSETS						
At Fair Value	125,989	125,989	-	-	-	-
Loans & Receivables	4,658,929	824,158	-	-	-	3,834,771
Trade Receivables	247,225	246,089	732	198	206	
Re-insurance Assets	700,876	700,876	-	-	-	-
Other receivables	174,749	174,749	-	-	-	-
Finance Lease receivables	165,925	165,925	-	-	-	-
Investment in Subsidiaries	2,655,138	-	-	-	-	2,695,211
TOTAL FINANCIAL ASSETS	9,856,736	3,365,691	732	198	206	6,529,982
Other Payables	2,954,576	2,954,576	-	-	-	-
Overdraft	7,670	7,670	-	-	-	-
Borrowings	3,731,443	-	-	-	-	3,731,443
TOTAL FINANCIAL LIABILITIES	6,693,689	2,962,246			-	3,731,443
NET FINANCIAL ASSETS AND LAIBILITIES	3,163,047	403,445	732	198	206	2,798,539
Insurance Contract Liabilities	3,768,829	480,740	1,166,270	839,316	1,228,015	54,488
Net Policyholders Assets/(Liabilities)	(605,782)	(77,295)	(1,165,538)	(839,118)	(1,227,809)	2,744,051

As at 31 December 2012 ASSETS	GROSS AMOUNT N'000	0-3MONTHS N'000	3-6MONTHS N'000	6-9MONTHS N'000	9-12MONTHS N'000	1YEAR AND ABOVE N'000
Cash & Cash Equivalents	741,277	741,277	-	-	-	-
FINANCIAL ASSETS						
At Fair Value	71,880	71,880	-	-	-	-
Loans & Receivables	3,911,579	504,787	-	-	-	3,406,792
Trade Receivables	453,591	45,759	50,215	-	357,617	-
Re-insurance Assets	403,460	403,460	-	-	-	-
Other receivables	240,272	240,272	-	-	-	-
Finance Lease receivables	336,600	301,180	-	-	-	35,420
Investment in Subsidiaries	2,886,001	-	-	-	-	2,886,001
TOTAL FINANCIAL ASSETS	9,044,660	2,308,615	50,215	-	357,617	6,328,213
Other Payables	2,360,873	2,360,873	-	-	-	-
Overdraft	27,345	27,345	-	-	-	-
Borrowings	4,614,375	-	-	-	-	4,614,375
TOTAL FINANCIAL LIABILITIES	7,002,593	2,388,218	-	-	-	4,614,375
NET FINANCIAL ASSETS AND LAIBILITIES	2,042,067	(79,603)	50,215	-	357,617	1,713,838
Insurance Contract Liabilities	3,129,011	393,543	956,549	687,880	1,046,765	44,274
Net Policyholders Assets/(Liabilities)	(1,086,944)	(473,146)	(906,334)	(687,880)	(689,148)	1,669,564

1.04 Risk Categorisation

As a business entity and an underwriter, Mutual Benefits Assurance Plc is exposed to an array of risk through its operations. The company has identified and categorised its exposure to these broad risks as listed below.

Financial risk
Business risk
Operational risk
Hazard risk
Underwriting risk

Financial risk comprises market, liquidity and credit risk.

Market risks are sub-divided into interest-rate risk, exchange risk, property price risk and equity risk. The liquidity risk includes; liquidation value risk, affiliated investment risk and capital funding risk. The credit risk: This includes default risk, downgrade or mitigation risk, indirect credit or spread risk and concentration risk. Business risk relates to the potential erosion of our market position. This includes customer risk, innovation risk and brand reputation risk.

Operational Risk

This is the risks of loss resulting from inadequacy or failure of internal processing arising from people, systems and or from external events.

Hazard Risk

These are risks which are rare in occurrence but likely impact may be major on the company. Examples of these are natural disaster, terrorism, health and environmental risk, employee injury and illness, property damage and third-party liability.

Insurance/underwriting Risk

Our activities involve various range of risk arising from the business itself. This manifests from underwriting, re-insurance, claims management, reserve development risk, premium default, product design and pricing risk. Our company has a pragmatic approach in identifying, assessing and mitigating risk of such approaches as stated above.

The risk categorization are presented in the table below:

Claims Paid Triangulations as at December 2012

The risks associated with insurance contracts are complex and subject to a number of variables which complicate quantitative sensitivity analysis. The Company employs various techniques based on past claims development experience to quantify these sensitivities. This includes indicators such as average claim cost, amount of claims occurrence, expected loss ratios and claims development.The claims development table shows how the claims develop over time to provide a scientific basis to estimate the value of claims that could arise from the policies already written by the company. The table below illustrates the claims development for General Accident, Marine, Motor and Fire class of business

Fire

Accident Period	Development 0	1	2	3	4	5	6	7
2005	-	-	-	5,275,520	5,275,520	5,275,520	5,275,520	5,331,808
2006	-	-	306,626	306,626	306,626	306,626	306,626	
2007	-	1,122,904	1,201,085	1,201,085	1,201,085	1,201,085		
2008	7,082,065	15,488,062	17,922,545	18,753,544	18,753,544			
2009	23,250,785	43,919,238	61,740,118	61,740,118				
2010	17,577,090	206,336,990	206,901,243					
2012	65,800,221	76,138,089						
2012	23,431,930							

General Accident

Accident Period	Development 0	1	2	3	4	5	6	7
2005	-	-	-	6,035,955	6,035,955	6,451,826	6,481,718	6,481,718
2006	-	-	9,282,465	13,169,245	13,678,286	13,678,286	14,278,286	
2007	-	41,999,696	53,147,576	54,402,443	54,402,443	54,402,443		
2008	44,309,063	73,778,201	93,792,257	96,840,198	97,883,115			
2009	36,884,111	152,792,763	168,106,986	183,084,629				
2010	46,783,654	99,247,996	175,093,117					
2012	117,546,547	491,541,982						
2012	142,270,989							

Marine

Accident Period	Development 0	1	2	3	4	5	6	7
2005	-	-	-	864,629	864,629	864,629	864,629	864,629
2006	-	-	1,207,483	1,207,483	1,207,483	3,119,697	3,119,697	
2007	-	3,869,173	21,862,744	21,862,744	21,862,744	21,862,744		
2008	15,737,970	29,390,889	29,393,853	29,452,349	29,452,349			
2009	13,918,716	20,738,162	26,926,845	26,926,845				
2010	11,394,790	14,944,723	15,038,203					
2012	22,489,675	28,530,177						
2012	19,414,333							

Motor

Accident Period	Development 0	1	2	3	4	5	6	7
2005	-	-	-	-	-	-	122,545	122,545
2006	-	-	541,299	594,334	594,334	594,334	594,334	
2007	-	54,086,041	55,174,089	55,174,089	55,174,089	55,174,089		
2008	166,337,392	272,036,262	277,882,956	279,665,395	279,665,395			
2009	320,528,320	422,237,773	425,428,631	434,184,844				
2010	297,921,621	391,691,349	401,960,655					
2012	422,243,430	610,436,165						
2012	491,782,333							

NOTES TO THE FINANCIAL STATEMENT CONTINUED

FOR THE YEAR ENDED 31ST DECEMBER, 2013

Claims Paid Triangulations as at December 2013

The risks associated with insurance contracts are complex and subject to a number of variables which complicate quantitative sensitivity analysis. The Company employs various techniques based on past claims development experience to quantify these sensitivities.This includes indicators such as average claim cost, amount of claims occurrence, expected loss ratios and claims development.The claims development table shows how the claims develop over time to provide a scientific basis to estimate the value of claims that could arise from the policies already written by the company. The tables below illustrates the claims development for General Accident, Marine, Motor and Fire class of business

Fire

	Development								
Accident Period	0	1	2	3	4	5	6	7	8
2005	-	-	-	5,275,520	5,275,520	5,275,520	5,275,520	5,331,808	5,331,808
2006	-	-	306,626	306,626	306,626	306,626	306,626	306,626	
2007	-	1,122,904	1,201,085	1,201,085	1,201,085	1,201,085	1,201,085		
2008	7,082,065	15,488,062	17,922,545	18,753,544	18,753,544	19,185,597			
2009	23,250,785	43,919,238	61,740,118	61,740,118	62,003,570				
2010	17,577,090	206,336,990	206,901,243	210,274,492					
2011	65,800,221	76,138,089	80,071,596						
2012	23,431,930	251,109,705							
2013	65,906,566								

General Accident

	Development								
Accident Period	0	1	2	3	4	5	6	7	8
2005	-	-	-	6,035,955	6,035,955	6,451,826	6,481,718	6,481,718	6,481,718
2006	-	-	9,282,465	13,169,245	13,678,286	13,678,286	14,278,286	14,278,286	
2007	-	41,999,696	53,147,576	54,402,443	54,402,443	54,402,443	54,402,443		
2008	44,309,063	73,778,201	93,792,257	96,840,198	97,883,115	98,735,261			
2009	36,884,111	152,792,763	168,106,986	183,084,629	192,244,180				
2010	46,783,654	99,247,996	175,093,117	177,680,016					
2011	117,546,547	491,541,982	525,987,039						
2012	142,270,989	283,067,179							
2013	174,338,583								

Marine

	Development								
Accident Period	0	1	2	3	4	5	6	7	8
2005	-	-	-	864,629	864,629	864,629	864,629	864,629	864,629
2006	-	-	1,207,483	1,207,483	1,207,483	3,119,697	3,119,697	3,119,697	
2007	-	3,869,173	21,862,744	21,862,744	21,862,744	21,862,744	21,862,744		
2008	15,888,945	29,541,864	29,544,828	29,603,324	29,603,324	29,603,324			
2009	13,918,716	20,738,162	26,926,845	26,926,845	26,926,845				
2010	11,394,790	14,944,723	15,038,203	15,038,203					
2011	22,489,675	28,530,177	29,158,601						
2012	19,414,333	59,885,193							
2013	16,617,984								

Motor

	Development								
Accident Period	0	1	2	3	4	5	6	7	8
2005	-	-	-	-	-	-	122,545	122,545	122,545
2006	-	-	541,299	594,334	594,334	594,334	594,334	594,334	
2007	-	54,086,041	55,174,089	55,174,089	55,174,089	55,174,089	55,174,089		
2008	166,440,569	272,139,439	277,986,133	279,768,572	279,768,572	280,886,088			
2009	320,528,320	422,237,773	425,428,631	434,184,844	434,644,844				
2010	297,921,621	391,691,349	401,960,655	402,472,869					
2011	422,243,430	610,436,165	623,173,446						
2012	492,281,538	658,461,737							
2013	469,159,820								

FINANCIAL RISK REGISTER **TABLE I**

S/N	RISK TYPE	RISK ELEMENTS	RISK EVENT DESCRIPTION	INHERENT RISK RATING	RISK DRIVER DESCRIPTIONS	DESCRIPTION OF EXISTING CONTROLS
i	**Market**	a) interest rate risk	losses resulting from movement in interest rates to the extent that future cash flows from asset and liabilities are not well matched	extreme	where interest rate flunctuates in relation to existing commitments as a result of change in economic & monetary policies and CBN reserve deposits	setting of metrics to measure exposure to interest rate risk factors, setting appropriate limit structure to control exposures to interest rate risk, document appropriate alternative products to hedge exposures against interest rate risk, use stress testing to determine the potential effect of economic shifts, market events on interest rate
		b) equity risk	losses resulting from movement of market values of equities; to the extent that the insurer makes capital investments, which exposes its portfolio to sustained declines in market values	extreme	where equity prices flunctuates widely as a result of speculations and industry induced factors, while the company is forced to sell to meet emerging commitments, thus, incurring losses from fall in value of equity	setting of metrics to measure exposure to equity value risk factors, setting appropriate limit structure to control exposures to equity value risk, document appropriate alternative products to hedge exposures against equity value risk, use stress testing to determine the potential effect of economic shifts and market events on equity value
		c) real estate	losses resulting from movement of market values of real estates and other assets; to the extent that the insurer makes capital investments in real estate by which it becomes exposed to sustained declines in market values	high	where real estate prices fall in response to various market conditions	setting of metrics to measure exposure to real estate risk factors, setting appropriate limit structure to control exposures to real estate risk, document appropriate alternative products to hedge exposures against real estate risk, use stress testing to determine the potential effect of economic shifts and market events on real estate
		d) currency risk	losses resulting from movements in exchange rates; to the extent that cash flows, assets and liabilities are denominated in different currencies	high	where the naira flunctuates in response to limited intervention from CBN and oil majors	set appropriate limits for foreign currency holding

S/N	RISK TYPE	RISK ELEMENTS	RISK EVENT DESCRIPTION	INHERENT RISK RATING	RISK DRIVER DESCRIPTIONS	DESCRIPTION OF EXISTING CONTROLS
ii	**Credit**	a) Default risk	non- receival or delayed receival of cash flow or assets to which it is entitled due to default in one or more obligation by the other party	extreme	where premium are not received on time or interest and principal are delayed or become irrecoverable	credit is extended only on secured basis, where credit is unsecured a limit structure is established. Transactions and exposures involving affiliated entities must receive special approval and portfolio diversification
		b) Downgrade or Mitigation risk	changes in the probability of a future default by an obligor will adversely affect the present value of the contract with the obligor	low	where insurance premium owed overtime is to be rediscounted for payment	set appropriate premium credit limit structure
		c) Indirect credit or spread risk	Risk as a result of market perception of increased risk on either a macro or micro basis	low	where the insured and insurance intermediaries increasingly request for premium credit or staggered premium payment	set appropriate premium credit limit structure
		d) Concentration risk	losses due to concentration of investments in a geographical area, economic sector, counterparty, or connected parties	extreme	where the company's investment portfolio is skewed towards a particular instrument or issuer , where premium generated is predominantly from one or two intemediaries	diversification of investment portfolio and premium base
iii	**liquidity**	a) liquidation value risk	unexpected timing or amounts of needed cash may require the liquidation of assets when market conditions could result in loss of realised value	high	where fund is not available to meet emerging but urgent claims and other statutory payments as a result of deterioration of the economy and abnormally volatile or stressed market	set appropriate limits
		b) affiliated investment risk	investment in a member company of the conglomerate or group may be difficult to sell, or that affiliates may create a drain on the financial or operating resources from the insurer	extreme	where investment in affiliate company is not easily realisable when needed as a result of economic shifts or unquoted nature of the investment	set appropriate limits
		c) capital funding risk	inability to obtain sufficient outside funding, as its assets are illiquid, at the time it needs it (to meet an unanticipated large claim)	medium	where additional funding is difficult to obtain or raising of equity is laborious and long as a result of deterioration of the economy or stressed market	set appropriate limits

STRATEGIC RISK REGISTER **TABLE II**

S/N	RISK TYPE	RISK ELEMENTS	RISK EVENT DESCRIPTION	INHERENT RISK RATING	RISK DRIVER DESCRIPTIONS	DESCRIPTION OF EXISTING CONTROLS
i	**Business**	customer risk, innovations risk & brand reputation risk	losses resulting from any incident or circumstance which dramatically alters customer preference, or deployment of new innovative products by competitors which induces a heavy reduction in company's customer base or renders company's product obsolete	medium	where extensive market rumours arise, where severe regulatory sanction arises, where competitors introduce a revolutionary innovative product, and where economic shift result in severe changes in customer taste & preferences	customer relationship management, monitoring of industry and market changes, continous product innovations & development
ii	Reputational	corporate governance breaches, reputational risk management process and event	losses resulting from any incidence or circumstance which ultimately results in reputation risk- the risk that the company's reputation may be damaged through negative publicity of its business practices, conduct or financial conditions	extreme	where the company suffers negative publicity, impaired public confidence which may result in costly litigation or decline in its customer base or businesss revenue	effective reputation risk management process, institution of good corporate governance, adequate management of reputation events
iii	Compliance	proposed regulatory changes, corporate positioning	losses resulting from forced merger and acquistion bid or the inability to anticipate fundamental changes in operative legislation	medium	where the company could not access capital funding to meet new legislation requirement	progressively build up share capital and share holders fund, establish media to anticipate new legislations, regularly monitor industry and market changes

HAZARD RISK REGISTER **TABLE III**

S/N	RISK TYPE	RISK ELEMENTS	RISK EVENT DESCRIPTION	INHERENT RISK RATING	RISK DRIVER DESCRIPTIONS	DESCRIPTION OF EXISTING CONTROLS
i	**Natural Disasters, Terrorism & Vandalism**	Fundamental perils, Acts of Terrorism, Riot & Commotion	losses arising out of any one event or series of event caused by the occurrence of earthquake, civil war, riots or acts of terrorism that may result in damage to company's property or injury to staff or lead to a third party liability.	medium	where company is located near the source of a fundamental peril	insurance
ii	Health safety & Environmental risk	Pollution, Contagious diseases, Hazardous materials / Substances	losses arising out of any one event or series of event caused by pollution, contagious disease and use of hazardous material which may result in health risk to employees.	medium	where hazardous substances or materials are used in work processes or where pollution is prevalent around the work environment or where an employee with a contagious diseaese is not restricted	removal of hazardous processes and substances from work environment, restriction of access to employees in hazardous areas, wearing of protective devices for hazardous processes, restriction of employees with contagious disease to specified areas
iii	Employee injury & illness	Workplace accident, Hazardous Processes, Suffocation, Electrical shocks & burns	losses arising out of any one event or series of event caused by accident, electrical shocks & burns, resulting in illness, injury or permanent disability to the employee	medium	where hazardous processes are engaged or work environment is badly structured or where the company has a poor maintenance culture	removal of hazardous processes, effective maintenance system and decent work environment
iv	Property damage	fire, explosion, robbery, accidental damage	losses arising out of any one event or series of events caused by fire, explosion, robbery and accidental damage which may result in loss of property or injury to employees and third parties	medium	where the company has a poor maintenance culture, poor house-keeping and weak security system	good house-keeping, good security system
v	Third-Party Liability	Slipping / tripping/ falling risk, falling Objects	losses arising out of any one event or series of events caused by slipping, tripping or falling objects which may result in loss of property or injury to third parties	medium	where the company has a poor maintenance culture, poor house-keeping and weak security system	good house-keeping, good security system

INSURANCE RISK REGISTER **TABLE IV**

S/N	RISK TYPE	RISK ELEMENTS	RISK EVENT DESCRIPTION	INHERENT RISK RATING	RISK DRIVER DESCRIPTIONS	DESCRIPTION OF EXISTING CONTROLS
i	**Insurance Underwriting**	Risk Assessment & Risk Rating, Process & Control deficiency, System Risk	weaknesses in the system of underwriting and control which exposes the company to more than normal risks or limits the ability of the company to charge equitable premium	extreme	where material information necessary for prudent underwriting is ambiguos without the undewriter getting clarifications, where necessary risk survey and inspection are not carried out, where risks are written at ridiculous rates and where system error compounds the underwriting process	existence of underwriting policy, rating guides, and functional reporting & supervision system
ii	Re-insurance	a) Inadequate reinsurance arrangement	weaknesses in the reinsurance process which may result in omission of risks exposures from current reinsurance coverage or exhausion of reinsurance covers through multiple losses	high	where there is failed process or errors of omission by staff or system error	existence of reinsurance policy and procedure, functional reporting & supervision system, rendition of quarterly account
		b) Reinsurers selection error / failure	weakness in the reinsurance management process which overlooks the strength, capacity and performance as necessary factors in selection of reinsurers from time to time : insufficient consideration for the possibility of insolvency of the reinsurer or its inability to respond to cash calls during the year	medium	where the reinsurers are not regularly appraised and evaluated	annual pre-qualifications for reinsurers, standard parameters established for reinsurers participation in companys' accounts
iii	Claims Management	illiquidity, Failed Process, Fraud	weaknesses in the underwriting & Claims management process which may hinder or prevent the company from fulfilling its contractual obligation to policy holders; illiquidity arising out of huge outstanding premium, or inability to liquidate assets or obtain funding; or inability to discover claims fraud	extreme	where the underwriting is poorly done, where the company has illiquidity problems or where claims consultants collude with staff to defraud the company, or where the process is laborious	existence of claim management policies & procedures, existence off internal SLAs, functional reporting & supervision system

S/N	RISK TYPE	RISK ELEMENTS	RISK EVENT DESCRIPTION	INHERENT RISK RATING	RISK DRIVER DESCRIPTIONS	DESCRIPTION OF EXISTING CONTROLS
iv	Reserve Development risk	Computation error, Solvency & System error	weakness in reserving method which results in insurance reserve being less than the net amount payable when the risks crystalise, such weaknesses may include, calculation error, system error, people error or a sign of the impending insolvency of the company	extreme	where calculation error, systeme error, people error exists or where the company is tending toward insolvency	statutory basis for reserve calculation, internal & external audit checks
v	Premium default	Agent default, Brokers default & Fraud	weakness in the management system that allows agent and brokers to freely owe or defraud the company	extreme	where there are huge outstanding premium due to uncollectable premium from agents, brokers or direct insured; where there is collusion between staff members and such intermediaries; where there is pressure to meet production target	defined basis for premium recognition, pre-qualification for premium credit, establishment of credit control
vi	Product Design & Pricing risk	Product recall / default, Pricing Defect	the possiblity that a newly developed product may be wrongly priced or not accepted in the market	extreme	where new product is not based on market need, or where a product is inappropriately priced	step by step procedure for new product development, new product emerge only through a committee comprising members from different departments

OPERATIONAL RISK REGISTER — TABLE V

S/N	RISK TYPE	RISK ELEMENTS	RISK EVENT DESCRIPTION	INHERENT RISK RATING	RISK DRIVER DESCRIPTIONS	DESCRIPTION OF EXISTING CONTROLS
i	People	a) Discrimination	Gender discrimination, Tribe discrimination+ Qualification discrimination(B.Sc/ HND).	High	a)where HR employs more males than females, or B.sc, is given precedence over HND, or one tribe is predominantly employed.	a)Recruitment & Selection is strictly on merit, minimum qualifications are specified for every position in the organisation, deliberate policy of the company is to engage a minimum number of physically challenged people
		b) Demotivated & Disgruntled workforce	Poor conditions of service, Bad Management, Delayed gratuity payment, poor work environment	Medium	b) where Salary, Promotion & confirmation of Staff are delayed, Where Salary & emoluments are not regularly reviewed	b) review of salaries & emoluments in line with inflation, adherence to employees union agreements, agreed timeline for payment of salaries & emoluments
		c) Employee Health & safety	Unconducive work environment, staff constant exposure to harzadous pollutants	Medium	c) where adequate provision is not made for Health maintenance of employees, where work environment is tight & untidy	c) Availability of Health Insurance, retained Medical clinics for emergencies, Decent & well lighted work environment
		d) Misappropriation of assets	Conversion of company's asset for personal use, theft.	High	d) where assets are not properly labelled, where assets register is poorly maintained, and where assets movement & control are inadequate.	d) regularly updated assets register, adequately labelled & asset inscription, strict security checks, documented asset movement
		e) Internal fraud	Ghost workers, forgery, Aiding and Abating, financial collusions, over invoicing, delayed retirement of advances & IOU	High	e) where financial control is loose, where regular audit is far in between, where filing & access to financial documents / department is free	e) Regular Audit, regular monitoring of compliance with financial controls, regular updating of financial controls, secure financial documents & checks, establishment of comprehensive control administrative & accounting procedure, strict adherence to functional reporting.
		f) High Staff attrition	High turn-over of Staff, forced & Voluntary resignations, Abadonment	Medium	f) where there is the absence of Staff forum, where there is poor management-staff relationship, where there is poor internal communication and where there is under-employment of Staff	f) competitive remuneration package, comprehensive Learning & Development program, continously improved work environment, fully engaged employees

S/N	RISK TYPE	RISK ELEMENTS	RISK EVENT DESCRIPTION	INHERENT RISK RATING	RISK DRIVER DESCRIPTIONS	DESCRIPTION OF EXISTING CONTROLS
		g) Sudden Resignation of Key employee	Efficient employees leaving, key employees leaving	High	g) where employees productivity is not matched with reward, where there is poor Management-Staff relationship, where Management integrity is absent, where Manageent & Board is wasteful	g) regular management-key employees dialogue, comprehensive training & development program, adequate motivation
ii	**Process**	a)Clientele Service/ Interaction	Poor customer relations management, Unable to meet customers promised deadlines	High	where there is delayed response to customers enquiries and requests arising out of process breakdown and poor interpersonal relations and abridged communication	matching employees skills with roles, comprehensive Human Capital Learning & Development programs, Customer Relationship Management training, Service Level Agreements
		b) Documentation Errors	flaws in documentation, flaws in marketing & promotion literature, errors in policy documentation, failure to maintain proper records.	High	where employees are poorly trained, sentimentally recruited & supervision is weak, where functional manuals are not made available, where manual record keeping is still prevalent	automation of processes, re-engineering of processes, enforcement of strong supervisory controls, zero tolerance for process errors, introduction of self assessment programs, Training & development
		c) Miscommunication / Misreporting	issuance of factually incorrect or misleading information to internal &external customers, errors in policy wordings & financial statements, unauthorised disclosure of confidential information	High	where functional supervision is loose, where functional reporting is not strictly enforced, where there is no comprehensive control administrative procedure	establishment of central communication center at corporate & functional levels, enforcement of strong supervisory control
		d) Transaction & Payment processing error	Manual data entry errors, design & specification errors, casting errors, omissions	High	where record keeping is still largely manual, where there is no comprehensive control accounting procedures, where financial controls are weak, and where employees are poorly trained	enforcement of comprehensive control and accounting procedure, automation of processes, pre-payment audit

S/N	RISK TYPE	RISK ELEMENTS	RISK EVENT DESCRIPTION	INHERENT RISK RATING	RISK DRIVER DESCRIPTIONS	DESCRIPTION OF EXISTING CONTROLS
		e) Sales advise / practice errors	Mis-selling & negligent sales advisory services	High	where customers frequently return policies and endorsements, where sales people oversell company's products, and where policies are prematurely terminated or not renewed	training & employees capacity building in sales & marketing management, customer retention as a KPI for Sales/ Marketing employees
iii.	**System**	Hardware failure, software failure, utility disruptions	system hang, system hacking, electricity disruption, software design failure, data corruption, viruses, theft of information, security breaches	extreme	where disruption is caused to service delivery for internal & external customers because of system failure, telecommunication failure, security breaches and frequent down-time	standardised proprietry hardware, robust software deployment, availability of maintenance contract, strict adherence to security control system, adequate system & data Back-up, controlled infrastructure and dependable telecommunications network
iv	**External events**	a)legislative & regulatory risk	non compliance, delayed compliance & inability to fully comply with regulatory & legislative procedures	extreme	where penalties are paid for non-compliance or delayed compliance of regulatory procedures	establishment of compliance unit, enforcement of compliance requirement
		b) damage to company's assets	loss of company assets due to terrorism, riots and civil commotion and other fundamental perils	extreme	where the company looses one of its assets due to the occurrence of a fundametal peril	asset insurance, authorised movement of assets
		c) external fraud	Theft of information, financial collusion & forgery, impersonation, fraudulent claims, fraudulent billing by suppliers	extreme	where signatures are forged by third parties, where fraudulent billings are presented and where policy claims are manipulated	secured storage of company's financial documents, pre & post audit of supplies, pre audit of claims payment
		d) Third party liabilities.	outsourcing delivery failure, actions by third party against the company	medium	where services outsourced to third parties are impaired, and where third parties make claims on the company for negligence or breach of contract	enforceable outsourcing contract, imposition of by-laws within company premises
v	**Legal/ Litigation**	Contracts & documentation, outsourcing, fiduciary breaches	missing or incomplete legal documentation, poor contract staff management, risk relating to tax legislation, either general taxation or VAT, claims dispute	extreme	where contracts are not carefully drafted, where policy documents are ambiguous, where existing legislation is hard to comply with	centralisation of all contracts with legal, functional supervision of policy documents

Aside from this, the company train and re-train the personnel in risk handling technique which has put the company as one of the leading underwriters with proven track records over the years.

1.05 Asset and Liability Management

The Group is exposed to a range of financial risks through its financial assets, financial liabilities (investment contracts and borrowings), reinsurance assets and insurance liabilities.

Asset and Liability management (ALM) attempts to address financial risks the group is exposed to which includes interest rate risks, foreign currency risks, equity price risks and credit risks. The major financial risk is that in the long term its investment proceeds are not sufficient to fund the obligations arising from its insurance and investment contracts. ALM ensures that specific assets of the group is allocated to cover reinsurance and liabilities of the Group.

The Group manages these positions within an ALM framework that has been developed to achieve long-term investment returns in excess of its obligations under insurance and investment contracts. The following table reconciles the Non Life and Life business within the consolidated balance sheet to the classes and portfolios used in the Group's ALM framework.

Non Life Business	INSURANCE CONTRACT	SHAREHOLDERS' FUND	TOTAL
Assets	**N'000**	**N'000**	**N'000**
Cash and cash equivalents	1,127,905	-	1,127,905
Financial assets	125,989	2,065,545	2,191,534
Pledged assets	-	121,712	121,712
Trade receivables	-	247,225	247,225
Reinsurance assets	-	700,876	700,876
Finance lease receivables	165,925	-	165,925
Other receivables and prepayment	-	174,749	174,749
Investment in subsidiaries	-	2,655,138	2,655,138
Deferred acquisition cost	-	295,460	295,460
Property, plant and equipment	-	2,910,553	2,910,553
Intangible assets	-	9,746	9,746
Statutory deposit	-	300,000	300,000
Deposit for shares	-	954,255	954,255
Total assets	1,419,819	10,435,259	11,855,078
Liabilities:			
Borrowing	-	3,731,443	3,731,443
Book overdraft	-	7,670	7,670
Other payables	-	2,954,576	2,954,576
Insurance contract liabilities	3,768,829	-	3,768,829
Current income tax liabilities	-	202,778	202,778
Deferred income tax liabilities	-	433,962	433,962
Total liabilities	3,768,829	7,330,429	11,099,258
Gap	(2,349,010)	3,104,830	755,820

The main objectives of the Company when managing capital are:

- to ensure that the Minimum Capital Requirement of N3 billion as required by the Insurance Act CAP I17, LFN 2004, is maintained at all times.

This is a risk based capital method of measuring the minimum amount appropriate for an insurance company to support its overall business operations in consideration of its size and risk profile. The calculation is based on applying capital factors to amongst others, the Company's assets, outstanding claims, unearned premium reserve and assets above a certain concentration limit.

1.06 Capital Management

The Group has established the following capital management objectives, policies and approach to managing the risks that affect its capital position:

i To maintain the required level of financial stability thereby providing a degree of security to policyholders.

ii To allocate capital efficiently and support the development of the business by ensuring that returns on capital employed meet the requirements of its capital providers and of its shareholders.

iii To retain financial flexibility by maintaining strong liquidity and access to capital market.

iv To align the profile of assets and liabilities taking account of risks inherent in the business.

v To maintain financial strength to support new business growth and to satisfy the requirements of the policyholders, regulators and stakeholders.

vi To maintain strong credit ratings and healthy capital ratios in order to support its business objectives and maximize shareholders' value.

Mutual Benefits' operations are also subject to regulatory requirements within the jurisdictions in which it operates. The minimum paid up capital requirement by the National Insurance Commission (NAICOM) is N3billion for Non-Life insurance business, N2billion for Life Insurance business and N10billion for Reinsurance businesses. Insurers are also expected to maintain 10% of their paid up capital with the Central Bank of Nigeria as Statutory deposit. In addition, quarterly and annual returns must be submitted to NAICOM on a regular basis.

The regulations prescribed by NAICOM not only prescribe approval and monitoring of activities, but also impose certain restrictive provisions (e.g. Solvency Margin) to minimize the risk of default and insolvency on the part of insurance companies to meet unforeseen circumstances as may arise.

Mutual Benefits met the regulatory capital requirements but did not meet the solvency margin requirement.

In reporting the Mutual Benefits' Solvency Status, Solvency margin are computed using the rules prescribed by the National Insurance Commission (NAICOM).The margin of solvency according to NAICOM is admissible assets less admissible liabilities. This shall not be less than either 15% of net premium or the minimum paid up capital, whichever is higher. Our Capital management policy for our insurance businesses is to hold sufficient capital to cover the statutory requirements based on NAICOM regulations, including any additional amounts required by the regulators.

Approach to Capital Management

Mutual Benefits seeks to optimize the structure and sources of capital to ensure that it consistently maximizes returns to shareholders and policyholders.

Our approach to managing capital involves managing assets, liabilities and risks in a coordinated way, assessing shortfalls between reported and required capital level on a regular basis and taking appropriate actions to influence the capital position of the Company in the light of changes in economic conditions and risks characteristics. An important aspect of the Company's overall capital management process is the setting of target risks adjusted rates of returns, which are aligned to performance objectives and ensure the Group is focused on the creation of value for shareholders.

The Group's primary sources of capital used are equity and borrowings. Mutual Benefits also utilizes adequate and efficient reinsurance arrangements to protect shareholders' funds by reducing the need for further funding following unfavorable events such as catastrophes or just large random single claims.

The capital requirements are routinely forecast on a periodic basis and assessed against both the forecast available capital and the expected internal rate of return, including risk and sensitivity analyses. The process is ultimately subject to approval by the Board.

The Group has developed a framework to identify the risks and quantify their impact on the economic capital. The framework estimates how much capital is required to reduce the risk of insolvency to a remote degree of probability. The framework has also been considered in assessing the capital requirement.

The Company's objectives with respect to capital management are to maintain a capital base that is structured to exceed regulatory requirement and to decide on the efficient use of capital by assessing the return on capital allocated to the various classes of businesses and/or products

	Life Insurance business	Non life insurance business
	31/12/2013	31/12/2013
	N'000	N'000
Regulatory capital held	2,185,781	3,305,130
Minimum regulatory capital	2,000,000	3,000,000

NAICOM measures the financial strength of non-life insurers using the solvency margin model. NAICOM generally expect non-life Insurers to comply with this capital adequacy requirement. This test compares insurers' capital against the risk profile, Section 24(1) of the Insurance Act, 2003 CAP I17 LFN, 2004, requires that an insurer shall in respect of its business other than its life insurance business maintain at all times a margin of solvency being the excess of the value of its admissible assets in Nigeria over its Liabilities. The Solvency margin shall not be less than 15% of the gross premium income less reinsurance premiums paid out during the year under review or the minimum paid up capital whichever is greater. During the year, the Company did not comply with this requirement. The regulator has the authority to request more extensive reporting and can place restrictions on the Company's operations if the Company falls below this requirement as deemed necessary.

The Company has two (2) businesses, life and non-life businesses and they are required to prepare solvency margin separately.

The solvency margin for the Company as at 31 December 2013 is as follows:

Admissible assets	N'000
Cash and cash equivalents	1,127,905
Financial assets at fair value through profit or loss	120,154
Loans and receivables	-
Trade receivables	247,225
Reinsurance Assets	700,876
Deferred Acquisition cost	295,460
Staff loans and advances	48,361
Finance lease receivables	165,925
Investment in subsidiaries	901,283
Statutory deposits with CBN	300,000
Property, plant and equipment	1,230,505
Deposit for shares	-
Total Assets	12,450,159
Admissible liabilities	
Borrowings	3,617,401
Trade and other payables	2,998,650
Insurance contract liabilities	3,768,829
Current income tax liabilities	202,778
Total liabilities	10,587,658
SOLVENCY MARGIN	(5,449,964)
The higher of 15% of net premium and shareholders' funds	3,000,000
Shortfall solvency margin	(8,449,964)
Solvency ratio	(182)

The Company's capital requirement ratio and Solvency margin is below the requirements of the Insurance Act CAP I17, LFN 2004. In order to continually meet the company's obligation to policy holders, the company has taken concrete steps towards attracting potential investors as shareholders to boost her capital base. It is expected that the capital injection initiatives will soon crystalise and would address the solvency margin concerns. The Company is also contemplating on diversting from non admissible assets to improve the solvency margin.

1.07 Operating Segments

An operating segment is a component of the Group engaged in business activities from which revenue can be earned.The Group's Executive Management reviews the segments operation regularly in order to allocate resources and assess performance.

The Group strategic business units are organised into 5 major operating segments.These segments distribute their products through various forms of brokers, agencies and direct marketing programmes Management identifies its reportable operating segments by product line consistent with the reports used by the Investment and Underwriting Committee.

The reportable segments by product line of respective operations are as follows:

General business: This segment covers the protection of customers' assets (Particularly their properties, both for personal and commercial business) and indemnification of other parties that have suffered damage as a result of customers accident. All contracts in this segment are short term in nature.Revenue in this segment is derived primarily from insurance premium, investment income, net realised gains on financial assets , and net fair value gains on financial assets at fair value through profit or loss. The Companies within the Group whose operations fall under this segment are Mutual Benefits Assurance Plc and Mutual Benefits Liberia Company Limited

Life business: This segment covers the protection of Group's customers against threats to life such as premature death, disability, critical illness and other such accidents. Contract in these segments are usually long term in nature and are from insurance premium, investment income and net fair value gains on financial assets through profit or loss. The operations of Mutual Benefits Life Assurance Limited is reported under this segment.

Asset Management: This segment covers the business of management of quoted securities , lease and equity finance. Revenue from this segment is obtained from sale of shares, income from Vehicle registration projects and dividend income. The operations of Mutual Benefits Asset Management Limited and TFS Securities Limited are reported under this segment.

Transportation: This segment covers the business of transportation. Revenue from this segment is obtained from sale of ticket, charter services and advertisement.The operations of Mutual Model Transport Limited, a subsidiary within the group, is categorised under this segment

Leasing: This segment covers the business of corporate leasing and hire purchase financing. Revenue from this segment is obtained from leasing. The operations of Charks Investment Limited, a subsidiary within the Group, is reported under this segment

2.0 Financial assets and liabilities

Categorisation of financial assets and financial liabilities

The carrying amounts of financial assets and financial liabilities in each category are as follows:

Group:

		Held for Trading (carried at fair value)	Available for sale (fair value)	Held to maturity (carried at amortised cost)	Loans and receivables (carried at amortised cost)	Total
(a)	Financial assets					
	31 December 2013	N'000	N'000	N'000	N'000	N'000
	Cash and cash equivalents	-	-	-	1,127,905	1,127,905
	Quoted investments	125,989	-	-	-	125,989
	Unquoted investments	-	-	-	-	-
	Trade receivables	-	-	-	247,225	247,225
	Other receivables excluding prepayments	-	-	-	148,627	148,627
		125,989	-	-	1,523,757	1,649,746
	Financial liabilities					
	31 December 2013	N'000	N'000	N'000	N'000	N'000
	Other payables	-	-	-	2,954,576	2,954,576
	Borrowings	-	-	-	3,731,443	3,731,443
		-	-	-	6,686,019	6,686,019
(b)	Financial assets					
	31 December 2012	N'000	N'000	N'000	N'000	N'000
	Cash and cash equivalents	-	-	-	741,227	741,227
	Quoted investments	71,880	-	-	-	71,880
	Unquoted investments	-	-	-	-	-
	Trade receivables	-	-	-	453,591	453,591
	Other receivables excluding prepayments	-	-	-	222,451	222,451
		71,880	-	-	1,417,319	1,489,199
	Financial liabilities					
	31 December 2012	N'000	N'000	N'000	N'000	N'000
	Other payables	-	-	-	2,360,873	2,360,873
	Borrowings	-	-	-	4,614,375	4,614,375
		-	-	-	6,975,248	6,975,248

(c) The details and carrying amounts of Held-for-trading and available-for-sale financial assets are as follows:

31 December	2013	2012
	N'000	N'000
Quoted investments	125,989	71,880
Unquoted investments	-	-
	125,989	71,880

The Held-for-trading financial assets are denominated in Naira and are publicly traded in Nigeria

2.01 Fair valuation methods and assumptions

i **Cash and balances with banks**
Cash and balances with banks represent cash held with banks of the various jurisdictions in which the Group operates. The fair value of these balances is their carrying amounts.

ii **Short term deposits**
Short term deposits represents balances with Commercial banks and placements in financial institutions The carrying amount is a reasonable approximation of fair value as the balances are short term in nature.

iii **Loans and advances to customers**
Loans and advances are carried at amortised cost less impairment. The fair value of loans and advances represent an estimation of the value of the loans using average benchmarked lending rates which were adjusted to specific entity risks based on history of losses. The rates used were obtained from the industry rates published by the Central Bank of Nigeria.

iv **Investment securities (including pledged assets)**
The held-to-maturity financial assets (including pledged assets) are based on market prices. Where this information is not available, fair value is estimated using quoted market prices for securities with similar credit, maturity and yield characteristics.

v **Deposits from banks and due to customers**
The estimated fair value of deposits with no stated maturity, which includes non-interest-bearing deposits, is the amount repayable on demand.

vi **Other assets, liabilities and borrowings**
Other assets represent monetary assets which usually have a short recycle period and as such the fair values of these balances approximate their carrying amount. Amount outstanding as other liabilities and borrowings are assumed to approximate their respective fair values.

2.02 Fair Value Hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of fair value hierarchy. This grouping is determined based on the lowest level of significant inputs used in fair value measurement, as follows:

- level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities
- level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e as prices) or indirectly (ie derived from prices)
- level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The hierarchy of the fair value measurement of the Company's financial assets and financial liabilities are as follows:

Company

31 December 2013	Level 1	Level 2	Level 3	Total
Assets				
Fair value through profit or loss	125,989	-	-	125,989
Available-for-sale fiancial assets	-	-	-	-
Loans and receivables	-	-	4,658,929	4,658,929
Trade receivables	-	-	247,225	247,225
Other receivables excluding prepayments	-	-	148,627	148,627
Total	125,989	-	5,054,781	5,180,770
Liabilities				
Other payables	-	-	2,954,576	2,954,576
Borrowings	-	-	3,731,443	3,731,443
Total	-	-	6,686,019	6,686,019
Net fair value	125,989	-	(1,631,238)	(1,505,249)

31 December 2012	Level 1	Level 2	Level 3	Total
Assets				
Fair value through profit or loss	71,880	-	-	71,880
Available-for-sale financial assets	-	-	-	-
Loans and receivables	-	-	3,911,579	3,911,579
Trade receivables	-	-	453,591	453,591
Other receivables excluding prepayments	-	-	222,451	222,451
Total	71,880	-	4,587,621	4,659,501
Liabilities				
Other payables	-	-	2,360,873	2,360,873
Borrowings	-	-	4,614,375	4,614,375
Total	-	-	6,975,248	6,975,248
Net fair value	71,880	-	(2,387,627)	(2,315,747)

For held for trading, fair values have been determined by reference to their quoted bid prices at the reporting dates.

3.0 Cash and cash equivalents

Cash and cash equivalents represent balances with less than three months maturity from the date of acquisition.

	Company 31 December 2013 N'000	Company 31 December 2012 N'000
Cash at bank and in hand	394,495	515,989
Short-term bank deposits	733,410	225,288
Treasury bills	-	-
	1,127,905	741,277
Current	1,127,905	741,277
Non current	-	-

3.1 For the purpose of the statement of cash flows, the cash and cash equivalents comprise the following balances with less than three months maturity from the date of acquisition.

	N'000	N'000
Cash at bank and in hand	394,495	515,989
Short-term bank deposits	733,410	225,288
Treasury bills	-	-
	1,127,905	741,277
Book overdraft (Note 23)	(7,670)	(27,345)
	1,120,235	713,932

4.0 Financial assets

The Group's financial assets are summarized by measurement category in the table below:

Available-for-sale	N'000	N'000
(see note 4.1 below)	-	-
Fair value through profit or loss		
(see note 4.2 below)	125,989	71,880
Loans and receivables		
(see note 4.3 below)	4,658,929	3,911,579
Total financial assets	4,784,918	3,983,459
Current	824,158	504,787
Non-current	3,960,760	3,478,672
	4,784,918	3,983,459

	Company 31 December 2013	Company 31 December 2012
4.1.1 Movement in unlisted entities is as analysed below:	N'000	N'000
Unquoted investments (Note 4.1.1(a))	172,355	172,355
Foreign exchange rate movement	-	-
	172,355	172,355
Impairment charge (Note 4.1.1(b))	(172,355)	(172,355)
	-	-

(a) Analysis of investments in unlisted entities is shown below:

Empire Aviation Limited	122,355	122,355
Global Haulage Limited	50,000	50,000
Massive Investment TV Limited	-	-
Leasing Company of Liberia	-	-
Joint venture trade financing	-	-
Consolidated Bureau de change	-	-
Maple Autos Limited	-	-
Other investments	-	-
	172,355	172,355

(b) At the reporting date the following investments in unlisted entities were impaired

	N'000	N'000
Empire Aviation Limited	122,355	122,355
Global Haulage Limited	50,000	50,000
Massive Investment TV Limited	-	-
Consolidated Bureau de change	-	-
Maple Autos Limited	-	-
Other investments	-	-
	172,355	172,355

Basis of impairment

The Company uses "incurred loss model" in determining impairment of its investments. Under the incurred loss model, a loss is considered to have been incurred on investment when there is no longer reasonable assurance that the future cash flows associated with the investment will either be collected in their entirety or when due,thereby, the investment is considered to have been impaired.

Available for sale financial assets are considered impaired when the following loss events are identified:

i) An indication that there is measurable decrease in the estimated future cash flows on the financial assets since the initial recognition of those assets

ii) Where there has been no financial returns on the instruments since acquisition
If any of the events stated above is identified the Company calculates an impairment loss which is determined by comparing the recoverable amount with the carrying amount of the investment, any amount by which the carrying amount exceeds the recoverable amount is treated as impaired and charged to an impairment expense account in the income statement. The Company investments in some unlisted entities had not been generating returns over a prolonged period of time,the financial statements of the entities were unavailable to ascertain the recoverable amount of the investments, in other cases some of the entities were no longer in existence.Therefore, based on the assessment of the investment in each of the entities, the recoverable amount of these investments were considered to be nil and full impairment loss was charged to the income statement

4.1.2 Other investments

	Company 31 December 2013 N'000	Company 31 December 2012 N'000
Other investments (see note 4.1.1(i))	58,257	58,257
Impairment charge (see note 4.1.1(ii))	(58,257)	(58,257)
	-	-

i Details of other investments is as shown below:

	N'000	N'000
Investment in NURTW (Note 4.1.2(a))	47,833	47,833
Investment in Enterprise logistics	10,424	10,424
Investment in vehicle registration-Ekiti (Note 4.1.2(b))	-	-
Investment in vehicle registration-Abuja (Note 4.1.2(c))	-	-
Investment in Electonic Payment Platform (Note 4.1.2(d))	-	-
	58,257	58,257

ii Details of impairment charge is as shown below:

	N'000	N'000
Impairment charge on NURTW	47,833	47,833
Impairment charge on Enterprise Logistics	10,424	10,424
	58,257	58,257

(a) Investment in NURTW

Mutual Benefits Assurance Plc invested in Nationwide Biometrics Enabled Database project in agreement with NURTW. The purpose of the investment is to ensure nationwide registration of members of NURTW, capturing their data finger prints and facial image,ID card for members and nationwide registration of members vehicles. The Group has invested N47,833,000 into this project as at 31 December 2013.

(b) Investment in Vehicle registration- Ekiti

Mutual Benefits Assurance Plc in agreement with Ekiti State Government invested in an online vehicle registration project known as Vreg-online in Ekiti state. Mutual Benefits Assurance Plc has advanced a total of N127,800,739 to this project as at 31 December 2013. The Group is entitled to 30 percent of the income generated from the project.

(c) Investment in Electronic payment platform

Mutual Benefits Assurance Plc in agreement with Federal Capital Territory Administration invested in FCT Unified Insurance Electronic Platform which would ensure automated on line vehicle registration platform. Mutual Benefits Assurance Plc has invested N145,517,634 into the project as at 31 December 2013. The group is entitled to 85 percent of the proceeds from the investment.

(d) Investment in Electronic Payment platform

This amount is invested in the developement of electronic payment platform for vehicle registration, insurvisa for internally generated revenue nationwide for Delta, Niger, Kwara and Kano states while those of Ekiti State and Abuja have been commissioned. This shall be liquidated after 5 years.

4.2 Financial assets at fair value through profit or loss

	31 December 2013	31 December 2012
Investment in equity securities	N'000	N'000
At 1 January	71,880	85,225
Disposal	-	-
Fair value gain	54,109	3,521
Fair value loss	-	(16,866)
	125,989	71,880
Impairment loss	-	-
Reversal of impairment charge	-	-
	125,989	71,880
Current	-	-
Non-current	125,989	71,880
	125,989	71,880

Analysis of equity securities is shown below:

	N'000	N'000
Investment in equity securities by Mutual Benefits Assurance Plc	125,989	71,880
Investment in equity securities by TFS Securities Limited	-	-
Investment in equity securities by Mutual Benefits Assets Management Limited	-	-
	125,989	71,880

	N'000	N'000
A.G.LEVENTIS(NIGERIA) PLC	-	-
AFRICA PRUDENTIAL REGISTRARS PLC	55	
ACCESS BANK OF NIGERIA PLC	865	815
AFROMEDIA PLC	-	-
ASHAKA CEMENT	4,132	3,534
CADBURY PLC	8,115	6,598
CONSOLIDATED HALLMARK INSURANCE	-	-
COSTAIN WEST AFRICA PLC	248	
COURTVILLE INVEST. PLC	-	-
CUSTODIAN AND ALLIED INSURANCE	-	-
DAAR COMMUNICATION PLC	-	-
DANGOTE FLOUR. MILLS PLC	-	-
DEAP CAPITAL MGT & TRUST PLC	-	-
DIAMOND BANK PLC	9,113	6,137
DUNLOP NIGERIA PLC	-	-
ECOBANK NIGERIA PLC	262	917
EQUITY ASSURANCE PLC	-	-
FIRST ALUMINIUM NIGERIA PLC	-	-
FIRST BANK OF NIGERIA PLC	30,980	20,485
FIRST BANK OF NIGERIA PLC	-	-
FIRST CITY MONUMENT BANK	510	40
FIRST INLAND BANK PLC	-	2,500
FORTE OIL PLC	-	-
FTN COCOA PROCESSORS PLC	-	-
GUARANTY TRUST BANK	6,252	5,322

	N'000	N'000
IBTC CHARTERED BANK PLC	-	-
INV. & ALLIED ASSUR PLC	-	-
JAPAUL OIL & MARINE SERVICE PLC	-	-
LASACO INSURANCE PLC	-	-
LIVESTOCK FEEDS	-	-
MAY & BAKER NIGERIA PLC	-	-
MOBIL OIL NIG PLC	-	-
MTECH COMMUNICATIONS PLC	-	-
MUTUAL BENEFIT ASSURANCE PLC	250	250
NATIONAL AVIATION HANDLING COY PLC	-	-
NIGERIAN BAGS MANUFACTURING	-	-
NIGERIAN BOTTLING CO	-	-
OANDO PLC	-	-
REGENCY ALLIANCE INSURANCE CO PLC	-	-
SEVEN UP BOTTLING COMPANY	-	-
SKYE BANK PLC	-	-
STANDARD ALLIANCE INSURANCE PLC	-	-
STERLING BANK PLC	18,870	4,421
UNION DIAGNOSTIC & CLINICAL SERV. PLC	-	-
UNION HOME SAVINGS & LOAN PLC	-	-
UNITED BANK FOR AFRICA	25,247	12,576
UBA CAPITAL PLC	712	
UNITY BANK PLC	265	241
UNIVERSAL INSURANCE COMPANY PLC	2,500	2,500
W/A PROV. INSURER PLC	7	-
WEMA BANK	122	52
WEST AFRICAN PORTLAND CEMENT	10,634	5,493
WEST AFRICAN PROVINCIAL INSURANCE PLC	-	-
ZENITH INTERNATIONAL BANK PLC	6,850	-
OTHERS	-	-
	125,989	71,880

Financial Assets at Fair Value through Profit or Loss represent investments where there is a quoted market, and mark to market valuations are possible on a daily basis.

Equity securities classified at fair value through profit or loss are designated in this category upon initial recognition. At the reporting date, there were assets measured at fair value through the profit or loss that were past due and impaired (Note 39).

4.3 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 those that the Group intends to sell in the short term or that it has designated at fair value through profit or loss or available for sale. Details of balances of loans and receivables at the year end are as presented below:

	N'000	N'000
Loans issued to corporate organisations (Note 4.3.1)	4,658,929	3,911,579
Loans and advances to customers (Note 4.3.2)	-	-
	4,658,929	3,911,579
Current	824,158	504,787
Non-current	3,834,771	3,406,792
	4,658,929	3,911,579

4.3.1 Loans issued to corporate organisations are as analysed below:

	31 December 2013 N'000	31 December 2012 N'000
Loan to Mutual Model Transport Limited (Note 4.3.1(a))	257,298	206,998
Loan to Mutual Homes and Properties Limited (Note 4.3.1(b))	362,823	297,396
Loan to CIL Track Africa (Note 4.3.1(c))	430,097	476,905
Loan to Prime Exploration (Note 4.3.1(d))	3,574,941	2,930,280
Loan to Amdorf	-	-
Loan to Charks Investment Limited	33,770	-
	4,658,929	3,911,579

(a) **Loan to Mutual Model Transport Limited**

	N'000	N'000
Balance as at the beginning of the year	206,998	302,351
Additions during the year	80,300	40,420
	287,298	342,771
Payment during the year	(30,000)	(81,173)
Impairment charge	-	(54,600)
Balance at the end of the year	257,298	206,998

Mutual Benefits Assurance Plc granted Mutual Model Transport Limited a loan facility of N2.2 billion on the 3 January 2010 for the acquisition of 150 units of Ashok leyland buses. The loan has a tenor of 60 months payable in arrears. The loan is interest free. The company however received a payment of N119,173,448 on the loan due from Mutual Model Transport Limited subsequent to the year ended 31 December 2013 and as a result no provision for impairment has been made.

(b) Loan to Mutual Homes and Properties Limited

	N'000	N'000
Balance as at the beginning of the year	297,396	235,129
Additions during the year	-	1,430
Interest on loan	65,427	61,337
	362,823	297,896
Payment during the year	-	(500)
Balance at the end of the year	362,823	297,396

Mutual Benefits Assurance Plc granted Mutual Homes and Properties Limited a loan facility of N235,129,000 on the 11 November 2012. The loan was granted at an interest rate of 22% for a period of 48 months with a 24 months moratorium. The loan was granted to finance the construction of Mutual Alpha Court.

(c) Loan to CIL Track Africa Limited

	N'000	N'000
Balance as at the beginning of the year	476,905	536,312
Payments during the year	(46,808)	(59,407)
Balance at the end of the year	430,097	476,905

The Company granted a Loan facility of N600 million to CIL Track Africa Limited for the purpose of developing advance vehicle tracking and electronic payment solution for E-Vreg as part of overall risk mitigating plan on loss of vehicles.

The tenor of the facility is five (5) years from the date of the disbursement of the facility.
The interest on the facility is determined by the ruling money market conditions and is therefore liable to fluctuations

Repayment of the principal commenced from January 2012, repayment is made by the deduction of the sum of N38,000 on the cost of each vehicle tracked for Mutual Benefits Assurance Plc. Repayment during the year which amounted to N46,808,000 as indicated above represents amount deducted in respect of vehicles tracked for Mutual Benefits Assurance Plc to offset the loan.
The outstanding balance was reviewed and not impaired because the terms of the loan as regard repayment have been met.
The facility is secured by the personal guarantee of the MD/CEO of CIL Track Africa Limited supported with a statement of his personal networth.

(d) Loan to Prime Exploration and Production Limited

	31 December 2013 N'000	31 December 2012 N'000
Balance at 1 January	2,930,280	2,333,000
Additions	-	32,488
	2,930,280	2,365,488
Interest on loan	644,661	564,792
Balance as at 31 December	3,574,941	2,930,280

Mutual Benefits Assurance Plc and Mutual Benefits Life Assurance Limited together 'Mutual Group' entered into an agreement on 13 Feburary 2008 to grant a loan facility of N10 billion to Prime Exploration and Production Limited for the development and production of hydrocarbons in Asaramatoru Marginal Oil Field. Disbursement of money commenced on 16 February 2011 for Mutual Benefits Assurance Plc and 4 March 2011 for Mutual Benefits Life Assurance Limited and an amount of N8.7 billion had been advanced to date.

Prime Exploration and Production Limited and Suffolk Petroleum Services Limited were awarded Asaramatoru Marginal Field in Oil Mining Lease (OML) in 2003 with Prime Exploration and production Limited holding 51 percent participating interest and Suffolk Petroleum Limited holding 49 percent interest.

The Loan was granted for a period of 60 months at 22 percent interest rate and 2 percent all in and a moratorium period of 30 months.

Security for the loan include the following:
- First charge over oil asset of Asaramatoru Marginal Field
- First charge on all receivables under oil contract throughout the tenor of the facility.
- Guarantee by all the directors of Prime Exploration and Production Limited.

The Company however received a payment of N1,936,000,000 on the loan due from Prime Exploration subsequent to the year ended 31 December 2013 and as a result no provision for impairment has been made.

The age analysis of loans to corporate organizations as at the end of the year is as follows:

	N'000	N'000
0 – 365 days	824,158	504,787
365 – 730 days	3,834,771	3,406,792
Total	4,658,929	3,911,579

4.3.2 Loans and advances to customers

'Loans and advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market that the 'Group does not intend to sell immediately or in the near term. Details of balances of loans and advances at the year end are as presented 'below:

	N'000	N'000	N'000	N'000
Loans and advances	356,420	253,890	-	-
(a) By Category				
Customers	346,723	209,999	-	-
Staff	2,753	1,981	-	-
Overdrafts	44,895	53,938	-	-
	394,371	265,918	-	-
Provision for bad and doubtful receivables		-	-	-
and interest in suspense	(37,951)	(12,028)	-	-
	356,420	253,890	-	-

4.4 Pledged assets

These are quoted financial instruments held on lien by providers of short term borrowings for the purpose of securing the debt The debt providers maintain posession of the Quoted instruments but do not have ownership unless default. Pledged assets are measured at fair value as at year end.

	Analysis of pledged assets is as follows:		
	Margin facility with Guaranty Trust Bank Plc	N'000	N'000
	(Note 24.1(i))	88,535	400,000
	Long term quoted investments (in lien)	-	-
		88,535	400,000
	Fair value loss (Note 39)	-	(311,465)
	Fair value gain (Note37)	33,177	-
		121,712	88,535
	Current	-	-
	Non-current	121,712	88,535

Mutual Benefits Assurance Plc purchased quoted shares of N400million with a Margin facility from Guaranty Trust Bank Plc.There is an on-going litigation on this investment arising from the additional investment cover requested for by the Bank due to the fall in the value of the shares purchased which was rejected by the Company.

The directors, having sought the advice of professional counsel, are of the opinion that no significant liability will crystalise from this litigation therefore, fair value loss/(gain) has been made in the financial statements.

5.0	Trade receivables	N'000	N'000
	Trade receivables (Note 5.1)	**247,225**	**453,591**
	Current	**247,225**	**453,591**
	Non-current	**-**	**-**

			31 December 2013	31 December 2012
5.1	Trade receivable comprise:		N'000	N'000
	Amount due from brokers		244,865	2,170,220
	Amount due from agents		-	679,498
	Amount due from Insurance companies		2,360	242,330
	Amount due from direct insured		-	492,425
		(A+B)	247,225	3,584,473
	Impairment of receivables (5(b))		-	(3,130,882)
			247,225	453,591

(a) Third party categorization of insurance receivables:

Non-life business		N'000	N'000
Brokers and Agents		244,865	2,849,718
Insurance companies		2,360	242,330
Contract holders		-	492,425
Total Non-life insurance receivables	(A)	247,225	3,584,473
– Less impairment for receivables from agents, brokers and intermediaries		-	3,130,882
Impairment Non-life business		-	3,130,882
		247,225	453,591
Life business		N'000	N'000
Brokers and agents		-	-
Total life insurance receivables	(B)	-	-
		N'000	N'000
– Less impairment for receivables from agents, brokers and intermediaries		-	-
Impairment life business		-	-
		-	-
Total trade receivables		247,225	453,591

The age analysis of gross insurance receivables as at the end of the year are as follows:

	N'000	N'000
0 – 90 days	40,514	361,607
91 – 180 days	732	396,823
Above 180 days	205,979	2,826,043
Total	247,225	3,584,473

Basis of impairment

To determine impairment of trade receivables. The Company first assesses whether objective evidence of impairment exists individually for receivables that are individually significant and are impaired accordingly.If it is determined that no objective evidence of impairment exists for individually assessed receivables, whether significant or not, such receivables will be included in a group of receivables with similar credit risk characteristics and collectively assessed for impairment.Trade receivables which have been individually assessed for impairment are evaluated for subsequent year end receipt where there is no evidence of receipt, such receivable is considered to be impaired.

(b) Impairment of insurance receivables

The movement in impairment of insurance receivables is as follows

	31 December 2013 N'000	31 December 2012 N'000
Balance, beginning of the year	3,130,882	1,958,727
Additions, during the year	-	1,172,155
Foreign exchange rate movement	-	-
Reversal of impairment charge	(88,677)	-
Trade receivables written off	(3,042,205)	-
	-	3,130,882

During the year the company obtained a board resolution to write off the accumulated impairment losses on trade receivables.

6.0 Reinsurance assets

This represents potential amount recoverable from reinsurers in respect of outstanding claims and additional reserves as valued by the Actuary

	N'000	N'000
Total reinsurers'share of insurance liabilities (Note 6.1)	572,693	403,460
Prepaid reinsurance	128,183	-
	700,876	403,460

	N'000	N'000
Current	700,876	403,460
Non-current	-	-

6.1 Detailed analysis of reinsurers' share of insurance liabilities is as shown below

	N'000	N'000
Reinsurance share of outstanding claim	490,406	285,541
Amount recognised based on actuarial valuation (IBNR)	82,287	117,919
	572,693	403,460

6.2 The movement in reinsurance assets is as follows

	N'000	N'000
Balance at the beginning of the year	403,460	110,125
Change in reinsurance assets	297,416	293,335
	700,876	403,460
Reinsurance assets written off	-	-
Balance at the end of the year	700,876	403,460

7.0 **Deferred acquisition cost**

This represents commission on unearned premium relating to the unexpired tenure of risk

	N'000	N'000
Deferred acquisition cost- Motor	85,902	105,937
Deferred acquisition cost- Marine	15,501	33,836
Deferred acquisition cost- Fire	30,461	28,986
Deferred acquisition cost- Gen. Accident	163,596	97,579
Life business		
	295,460	266,338

The movement in deferred acquisition cost is as follows:

	N'000	N'000
Balance at the beginning of the year	266,338	236,497
Additions in the year	-	29,841
(Write back)/Amortization in the year	29,122	-
Balance at the end of the year	295,460	266,338
Current	295,460	266,338
Non-current	-	-

iii *The summary of the operational results of the subsidiaries with major non controlling interest are as follows:*

	Mutual Benefits Liberia Company Limited 31 December 2013 N'000	Mutual Benefits Liberia Company Limited 31 December 2012 N'000	TFS Securities 31 December 2013 N'000	TFS Securities 31 December 2012 N'000
Total Assets	673,374	665,896	72,224	148,781
Total Liabilities	137,668	85,323	25,424	135,997
Shareholders fund	535,706	580,573	46,800	12,784
Gross Premium	264,479	278,594	-	-
Net Premium earned	264,479	267,106	-	-
Underwriting profit/(loss)	138,385	163,031	-	-
Trading income	-		109,914	39,620
Loss/(Profit) before taxation	(26,296)	30,108	50,024	17,867
(Loss)/Profit after taxation	(44,789)	24,099	34,017	16,169
Total comprehensive (loss)/profit	(44,789)	24,099	34,017	16,169

12.0 Intangible assets

	December 2013 Computer Software N'000	December 2012 Computer Software N'000
Cost:		
Balance as beginning of the year	58,123	58,123
Additions	-	-
Reclassification	-	-
Balance as at end of the year	58,123	58,123
Amortization:		
Balance as at beginning of the year	39,392	30,407
Amortisation charge	8,985	8,985
Reclassification	-	-
Accumulated amortisation and impairment at year end	48,377	39,392
Closing net book amount	9,746	18,731

a) Intangible assets represent amount incurred on purchase of computer software.

ii) Depreciation charge on property, plant and equipment cost of N89 million written off to profit or loss in 2012.

(b) Property, plant and equipment (Company)

	Leasehold Properties N'000	Land and Building N'000	Leasehold Improvement N'000	Plant and Machinery N'000	Motor Vehicle N'000	Furniture, fittings and equipment N'000	Trading Booth N'000	Organisational cost N'000	Capital work in progress N'000	Total N'000
Cost										
At 1 January 2012	154,126	1,368,435	-	45,631	172,763	255,046	-	-	-	1,996,001
Additions	-	8,229	-	4,932	62,447	19,036	-	-	-	94,644
Transfer to revaluation reserve	-	(130,161)	-	-	-	-	-	-	-	(130,161)
Revaluation reserve	-	1,556,692	-	-	-	-	-	-	-	1,556,692
Disposals	-	-	-	-	(3,450)	-	-	-	-	(3,450)
At 31 December 2012	154,126	2,803,195	-	50,563	231,760	274,082	-	-	-	3,513,726
At 1 January 2013	154,126	2,803,195	-	50,563	231,760	274,082	-	-	-	3,513,726
Additions	-	2,000	124,941	3,270	26,327	29,147	-	-	-	185,685
Disposals	-	-	-	-	-	-	-	-	-	-
Transfer	-	-	-	-	(18,450)	-	-	-	-	(18,450)
At 31 December 2013	154,126	2,805,195	124,941	53,833	239,637	303,229	-	-	-	3,680,961

Accumulated depreciation	Leasehold Properties N'000	Land and Building N'000	Leasehold Improvement N'000	Plant and Machinery N'000	Motor Vehicle N'000	Furniture, fittings and equipment N'000	Trading Booth N'000	Organisational cost N'000	Capital work in progress N'000	Total N'000
At 1 January 2012	154,126	47,533	-	39,375	111,503	200,564	-	-	-	553,101
Transfer to revaluation reserve	-	(5,206)	-	-	-	-	-	-	-	(5,206)
Charge for the year	-	27,437	-	3,848	36,218	20,698	-	-	-	88,201
Disposals	-	-	-		(3,450)	-	-	-	-	(3,450)
At 31 December 2012	154,126	69,764	-	43,223	144,271	221,262	-	-	-	632,646
At 1 January 2013	154,126	69,764	-	43,223	144,271	221,262	-	-	-	632,646
Charge for the year	-	55,383	24,988	2,026	36,359	26,836	-	-	-	145,592
Disposals	-	-	-		(7,830)	-	-	-	-	(7,830)
Transfer	-	-	-	-	-	-	-	-	-	-
At 31 December 2013	154,126	125,147	24,988	45,249	172,800	248,098	-	-	-	770,408
Carrying amount										
31 December 2013	-	2,680,048	99,953	8,584	66,837	55,131	-	-	-	2,910,553
At 31 December 2012	-	2,733,431	-	7,340	87,489	52,820	-	-	-	2,881,080

i The Company's land and building at Aret Adams House were professionally valued on 18 December 2012 by Jide Alabi & Co Estate Surveyors and Valuers (FRC/2013/NIESV/00000000314). The valuation which was based on open market value between a willing buyer and a willing seller produced a surplus amount of N1,431,736,925. which has been credited to the property, plant and equipment revaluation account. As a result of the valuation, the revised value of the properties as at 31 December 2013 was N1,556,691,485.

The re-valued property is the Head office building of the company located at No. 233, Ikorodu Road (Aret Adams House, Ilupeju, Lagos State)

The cost to date at the date of the revaluation was N130,161,000. The property was valued in an open market by reference to the cost approach to value and the Income Approach to value was adopted to cross check the market value.

The cost of N130,161,000 and the accumulated depreciation of N5,206,440 of the revalued property as at 31 December 2013 was transferred to property, plant and revaluation account and was used to determine the surplus on the revaluation of the property. The Company's other landed properties are stated at cost.

ii Charks Investment Limited , a subsidiary of Mutual Benefits Assurance Plc revalued its Landed properties at Otta in Ogun State. The properties were professionally valued by Messrs Lekan Ogunrinola & Co Estate Surveyors & Valuers on 13 December 2013 resulting in a revaluation surplus of N48,786,860 which has been credited to the property plant and equipment revaluation account. The revaluation was carried out on an open market value basis.

15.0 Statutory deposit

This represents amounts deposited with the Central Bank of Nigeria (CBN) pursuant to Section 10(3) of the Insurance Act, 2003.

	Company 31 December 2013 N'000	Company 31 December 2012 N'000
Statutory deposit	300,000	300,000
	300,000	300,000

16.0 Deposit for shares

	N'000	N'000
Mutual Model transport Limited	583,000	583,000
Charks Investment Limited	400,000	400,000
Funds for Avanage	70,000	-
Mutual Benefits Niger Republic	301,255	-
	1,354,255	983,000
Impairment on deposit for shares (Note 39)	(400,000)	-
	954,255	983,000

Deposit for shares represents funds injected into Mutual Model Transport Limited and Charks Investment Limited (both Subsidiaries) as well as Avanage and Mutual Benefits Niger Republic. These amounts shall be converted into equity or utilised as may be directed by the Board of Directors. Meanwhile we have reviewed the deposit for shares in Charks Investment Limited and provision has been made for impairment.

18.0 Insurance contract liabilities

	N'000	N'000
Outstanding claims (Note 18.1)	1,899,762	1,340,791
Unearned premiums (See note 18.2)	1,869,067	1,788,220
	3,768,829	3,129,011
Current	3,768,829	3,129,011
Non-current	-	-

18.1 Claims reported and loss adjustment expenses

Non-Life (Note 18.1.1)	1,899,762	1,340,791
Life (Note 18.1.2)	-	-
	1,899,762	1,340,791

18.1.1 Non-Life

	N'000	N'000
Claims reported	1,604,891	816,775
Claims incurred but not reported	294,871	524,016
	1,899,762	1,340,791

(a) Analysis of Non-life insurance contract per class of insurance

	2013 N'000	2012 N'000
Motor	354,539	290,175
Marine	60,062	48,474
Fire	628,495	183,345
General accident/Aviation, Oil and gas	714,600	818,797
Bond	142,066	-
Total	1,899,762	1,340,791

(b) The age analysis for claims reported and losses adjusted for non-life insurance contracts.

Days	31 December 2013 N'000	31 December 2012 N'000
0 - 90	-	88,993
91 -180	8,015	335,178
181-270	211,743	41,609
271-365	347,443	140,865
365 and above	1,037,690	210,130
	1,604,891	816,775

18.1.2 Life business

(a) Life insurance contract liabilities are made up of the following:

	N'000	N'000
Outstanding claims	691,669	1,368,665
Claims incurred but not reported	222,605	318,021
Total outstanding claims	914,274	1,686,686

(b) Life Insurance contract liabilities comprise the following classes:

	N'000	N'000
Group life	810,785	1,686,686
Individual life	103,489	-
	914,274	1,686,686

(c) The movement in outstanding claims for life insurance contract liabilities is as follows:

	N'000	N'000
Balance at the beginning of the year	1,686,686	957,319
(Decrease)/Increase in outstanding claims	(875,901)	729,367
Balance at the end of the year	810,785	1,686,686

18.2 Unearned Premium

Unearned premium	N'000	N'000
Non-Life (Note 18.2(a))	1,869,067	1,788,220
Life (Note 18.2(b))	-	-
	1,869,067	1,788,220

18.2.1 The movement in unearned premium is as follows:

	N'000	N'000
Balance, beginning of year	1,788,220	1,839,491
Increase in the year	-	-
Changes in unearned premium	80,847	(51,271)
Foreign exchange rate movement	-	-
Balance at end of the year	1,869,067	1,788,220

(a) Analysis of Non-life unearned premium per class of insurance

	N'000	N'000
Motor	728,113	879,490
Marine	104,721	191,094
Fire	152,947	142,988
Bonds	20,711	-
General accidents	862,575	574,648
	1,869,067	1,788,220

(a(i)) The movement in unearned premium for Non-Life business is as follows:

	31 December 2013 N'000	31 December 2012 N'000
Balance at the beginning of the year	1,788,220	1,839,492
Increase/(Decrease) in unearned premium	80,847	(51,272)
Foreign exchange rate movement	-	-
Balance at the end of the year	1,869,067	1,788,220

This reserve represents the liability for short term insurance contracts for which the group's obligation has not expired as at year end. Management's assessment of the estimated cost of claims and expenses resulting from claims does not exceed the unearned premium reserve, thus no provision was made for unexpired risk as at year end.

Unearned Premium Reserve (UPR)

The unearned premium reserve was calculated using time apportionment basis, in particular, the 365ths method. In the calculation of the UPR, it was assumed that both the start and end date were included in the coverage period, i.e. if the policy's start and end date are the 31 December 2012 and 31 December 2013 respectively, then the policy will cover any claim occuring on the 31 December 2012 and 31 December 2013 as well as any dates in between.

20.0 Trade payables

	N'000	N'000
Reinsurance payables	44,074	28,539
Lease creditors	-	-
Co-Insurance payable	-	-
	44,074	28,539
Current	44,074	28,539
Non-current	-	-

21.0 Other payables

	Company 31 December 2013 N'000	Company 31 December 2012 N'000
Accruals	52,163	53,918
Creditors control-Management	274,266	151,808
Rent received in advance	13,305	3,957
Dividend Payable	1,802	135,453
Commission payable	28,327	727,442
Due to related companies (Note 21.1)	2,265,261	1,150,619
PAYE	1,881	1,804
VAT Payable	586	12
WHT Payable	4,957	15,812
Staff pension	-	2,839
Industrial training fund	4,961	4,961
Salary control account	8,189	22,256
Customers deposits	-	-
Ageny/legal fee	-	-
Deferred income (Note 21.2)	36,803	-
Amount due to brokers	95,003	18,000
Mutual Personal Investment Limited	32,774	18,774
Amount due to Directors	30,356	39,444
National Housing fund	6,425	8,894
Cooperative	-	-
Contract collection suspense	-	-
Obligation under finance lease	-	-
Deposit for premium	-	-
Sundry creditors	50,539	4,880
Professional fee	-	-
Medical fees payable	-	-
Death claims	-	-
Accident fees payable	-	-
Social security taxes	-	-
Premium tax payable	-	-
Other Creditors	46,978	-
Deposit for properties by customers	-	-
	2,954,576	2,360,873
Current	2,954,576	2,360,873
Non-current		

21.1 Amount due to related companies

	N'000	N'000
Mutual Model Transport Limited	51,254	-
Mutual Benefit Life Assurance Limited	2,074,313	1,017,942
Charks Investment Limited	132,677	132,677
Mutual Homes and properties	7,017	-
	2,265,261	1,150,619

21.2 Reversal of commission payable on trade receivables written off

Commision payable	755,769	727,442
Reversal of commission payable (Note 21.3)	(727,442)	-
	28,327	727,442

21.3 The reversal is the commission payable portion that relates to the trade receivables of N3,042,205,000 written off in 2013 which has been provided for. See Note 5.1 (b)

23.0 Book overdraft

Book overdraft (note 23.1)	7,670	27,345

23.1 The book overdraft balances represents overdrawn balances in the cash book arising from timing differences.

24.0 Borrowings

	Company 31 December 2013 N'000	Company 31 December 2012 N'000
Bank overdraft	-	-
Bank Loan (note(24.1))	400,870	560,117
Other borrowings (note 24.2)	-	-
Loan from Daewoo Securities Limited (note 24.3)	3,330,573	4,054,258
	3,731,443	4,614,375
Current portion (liabilities to be settled within one year)	304,802	160,117
Non-current portion (liabilities to be settled after one year)	3,426,641	4,454,258

24.1 Movement in bank loan is as analysed below:

	N'000	N'000
Guaranty Trust Bank Plc (Note 24.1 (i))	400,870	400,870
Sterling Bank Plc (Note 24.1 (ii))	-	102,025
Assets Management Company of Nigeria	-	-
Sterling Bank Plc/ Charks Loan (Note 24.1 (iii))	-	57,222
	400,870	560,117

(i) Included in Bank loan is an amount of N400 million being a margin facility obtained from Guaranty Trust Bank Plc. There is an on-going litigation on this investment arising from the additional investment cover requested for by the Bank due to the fall in the value of the shares purchased, which was rejected by the Company. The directors, having sought the advice of professional counsel, are of the opinion that no significant liability will crystalise from this litigation therefore, no provision has been made in the financial statements.

(ii) The Company also has a term loan facility of N188,000,000 with Sterling Bank Plc. The facility arose from the restructuring of various overdraft and term loan facilities previously granted to the Company to ease repayment

Movement in the Sterling bank term loan is as analysed below:

	N'000	N'000
Balances at the beginning of the year	102,025	188,000
Interest charges during the year	-	34,262
Repayments during the year	(102,025)	(120,237)
	-	-
	-	102,025

(iii) As a result of continuous default by its subsidiary company (Charks Investment Limited) in settling a Lease liability due to Sterling Bank Plc for which Mutual Benefits Assurance Plc had given a corporate guarantee.The Company entered into a settlement arrangement with Sterling Bank Plc and it was agreed that a payment of N70million be accepted as full and final payment.

	2013 N'000	2012 N'000
Loan amount due to Sterling Bank Plc	57,222	70,000
Interest charged on loan facility	-	3,015
Repayments during the year	(57,222)	(15,793)
	-	-
	-	57,222

NOTES TO THE FINANCIAL STATEMENT CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER, 2013

		N'000	N'000
24.3	Loan from Daewoo Securities	N'000	N'000
	Balance at 1 January	4,054,258	2,111,647
	Foreign exchange rate movement	(723,685)	1,942,611
	Balance at 31 December	3,330,573	4,054,258

The Company issued a zero coupon bond valued at 2,500,000,000 Japanese Yen (JPY) to Daewoo Securities (Europe) Limited in two tranches as stated below:

The Company issued a bond valued at 2,500,000,000 Japanese Yen (JPY) to Daewoo Securities (Europe) Limited who have acted as subscribers to the bond. 1,750,000,000 is due to be repaid in year 2020 while the remaning 750,000,000 is due to be repaid in year 2027 with the options to subscribe for the ordinary shares of the Company by Daewoo Securities (Europe) Limited who acted as paying agent.

i) The following funds were received by the company net of the professional and agency charges;

	JPY'000	Equivalent N'000
Fair value of the bond facility	2,500,000	2,654,517
Interest charges	-	-
Net proceeds received	2,500,000	2,654,517

Subsequently, in 2010 due to the global financial crisis, the subscriber called for the repayment of the bond an amount of N421,455,030 has since been repaid to date. Currently, a proposal for restructuring of the loan for repayment within the next 4 years is being made by Daewoo Securities Limited. No conclusion has been reached in respect of this proposal. The bond has therefore been converted to a Long term Loan. However, confirmation received from Daewoo Securities Limited revealed that the outstanding balance in respect of the bond as at 31 December 2013 is JPY4,282,636,456.

25.0 Current income tax liabilities

The movement in this account during the year was as follows:

	N'000	N'000
Balance at beginning of the year		
Company income tax	279,969	244,931
Education tax	11,793	-
Information technology tax	-	-
Charge for the year (see note (i) below)		
Company income tax	50,670	75,141
Education tax	17,764	11,793
Information technology tax	14,491	-
Foreign exchange reserve movement	-	-
Capital gain tax	-	-
Minimum tax	-	-
Over/(under) provision during the year	-	24,157
Payments during the year	(171,909)	(64,260)
Balance at the end of the year	202,778	291,762
Current	202,778	291,762
Non current	-	-

(i) The tax charge for the year comprises:

	December 2013 N'000	December 2012 N'000
Company income tax	50,670	75,141
Education tax	17,764	11,793
Information technology tax	14,491	-
Over/(under) provision	-	24,157
Total tax charge for the year	82,925	111,091

25.1 Actual tax charge on the company's profit differ from the standard rate of corporate tax in Nigeria applied to profits for the year as analysed below:

Current tax on profit for the year:	2013 N '000	2012 N '000
Income Tax	50,670	75,141
Education tax	17,764	11,793
Information technology tax	14,491	-
	82,925	86,934
Adjustment for (under)/over provision in prior periods	-	-
Underprovision for income tax in prior year	-	24,157
Total current tax	82,925	111,091
Deferred tax liability		
Origination and reversal of temporary differences	33,782	140,040
Total tax expense	116,707	251,131
Tax Expense recognised in Other Comprehensive Income		
Capital Gains Tax on Revaluation Surplus	-	143,174

The reasons for the difference between the actual tax charge for the year and the standard rate of corporate tax in Nigeria applied to profits for the year are as follows:

	N '000	N '000
Profit/(Loss) Before Tax	691,578	(2,478,237)
Expected tax charge based on the standard rate on Nigeria corporate tax at the domestic rate of 30% (2012: 30%)	207,473	(743,471)
Income tax as per computations	50,670	75,141
Difference (see below)	156,803	(818,612)
Adjustment for tax deductible and non-deductible items		
Net premium income	4,367,470	4,610,421
Statutory deductions allowed	(2,960,472)	(3,104,395)
Commission received	58,016	37,241
Investment Income and other incomes taxable	870,212	651,378
Expenses Deducted	(1,232,710)	(4,918,098)
Deduct Investment Allowance	(327)	(1,505)
Deduct capital Allowance	(239,438)	(227,911)
Loss per account not allowed	-	224,161
	862,751	(2,728,708)
Income tax @ 30% - Difference (as above)	258,825	(818,612)

		N'000	N'000
26.0	Deferred income tax	N'000	N'000
	Balance at the beginning of the year	400,180	116,966
	Write back for the year	-	-
	Charge for the year:		
	- Income statement	33,782	140,040
	- Other comprehensive income	-	143,174
	Balance at the end of the year	433,962	400,180
	Current	-	-
	Non current	433,962	400,180

	2013	2012
Deferred income tax asset	N'000	N'000
Balance at the beginning of the year	-	-
Movement during the year	-	-
	-	-
Current	-	-
Non current	-	-

26.1 Deferred income tax are attributable to the following:

Company

	Opening balance as at 31 December 2013 N'000	Recognized in net income N'000	Recognized in OCI N'000	Closing Balance at 31 December 2013 N'000
Deferred tax liabilities				
Excess of NBV over TWDV	257,006	33,781	-	290,787
Unrealised Exchange gain				
Revaluation Surplus	143,174	-	-	143,174
	400,180	33,781	-	433,961
Deferred tax assets				
Other timing difference items	-	-	-	-
Net deferred tax liability/ (asset)	400,180	33,781	-	433,961

27.0 Share capital:

		31 December	31 December
	Share capital comprises:		
(a)	Authorized:	2013	2012
	(a) Issued and fully paid:	N'000	N'000
	10,000,000,000 Ordinary shares of 50k each	5,000,000	5,000,000
(i)	Non-Life Business		
	Share capital comprises:		
	Issued and fully paid:		
	8,000,000, 000 Ordinary shares of	N'000	N'000
	50k each	4,000,000	4,000,000

28.0 Retained earnings

The retained earnings represents the amount available for dividend distribution to the equity shareholders of the Company.

	N'000	N'000
Balance, beginning of the year	(3,615,409)	(736,789)
Transfer from statement of comprehensive income	574,871	(2,729,368)
	(3,040,538)	(3,466,157)
Transfer to contingency reserves	(159,806)	(149,252)
Balance, ending of the year	(3,200,344)	(3,615,409)

29.0 Contingency reserves

In compliance with Section 21 (1) of Insurance Act, CAP I17, 2004, the contingency reserve for non-life insurance business is credited with the greater of 3% of total premiums, or 20% of the profits. This shall accumulate until it reaches the amount of greater of minimum paid-up capital or 50 percent of net premium. While life business the contigency reserves is credited with an amount equal to 1% of gross premium or 10% of net profit (whichever is greater) and accumulated until it reached the amount of minimum paid up capital.

The movement in this account during the year is as follows:

	N'000	N'000
Balance, beginning of the year	1,057,105	907,853
Transfer from retained earnings	159,806	149,252
Balance, ending of the year	1,216,911	1,057,105

30.0 Revaluation Reserves

	N'000	N'000
Revaluation surplus on Property, plant and equipment (Note 13(b))	1,288,563	1,431,737
Addition during the year		
Loss during the year		
Deferred tax on revaluation surplus	-	(143,174)
	1,288,563	1,288,563

33.0 **Net premium income**

	N'000	N'000	N'000	N'000
Gross premium written	8,125,494	7,944,453	5,326,871	4,975,074
Provision for unearned premium (non-life)	(80,842)	61,424	(80,842)	51,273
Provision for unearned premium (life)	(363,798)	(25,017)	-	-
Gross premium income	7,680,854	7,980,860	5,246,029	5,026,347
– Re-insurance expenses	(954,019)	(525,355)	(878,559)	(415,926)
Net premium income	6,726,835	7,455,505	4,367,470	4,610,421

		31 December 2013	31 December 2012
b)	Commission Received	N'000	N'000
	Commission received from reinsurance	43,175	37,241
	Commission received from co assurance	14,841	-
		58,016	37,241

34.0	Claims expenses:	N'000	N'000
	Claims expenses-Gross (see note 34.1)	1,423,310	1,252,199
	Outstanding claims	558,971	456,708
	Total claims and loss adjustment expense	1,982,281	1,708,907
	Change in re-insurance assets	(297,416)	(293,335)
	Net claims and loss adjustment expense	1,684,865	1,415,572

34.1	Claims expenses-Gross	N'000	N'000
	Claims paid during the year	1,423,310	1,252,199
	Excess provision for outstanding claims	-	-
		1,423,310	1,252,199

35.0 Underwriting Expenses:

Underwriting expenses can be sub-divided into acquisition and other underwriting expenses. Acquisition expenses are those incurred in obtaining and renewing insurance contracts. They include commissions or brokerage paid to agents or brokers and indirect expenses such as salaries of underwriting staff. Other underwriting expenses are those incurred in servicing existing policies/contracts. These include processing cost, preparation of statistics and reports, and other incidental costs attributable to maintenance.

35.1	Acquisition Costs	N'000	N'000
	Commission paid (see note 35.2)	888,004	536,119
	Other underwriting expenses	124,508	41,719
		1,012,512	577,838

37.0	Investment income	N'000	N'000
	Interest and other income from unquoted companies (Note 37.1)	-	-
	Income from quoted equity	1,852	-
	Income from fixed deposits	33,703	14,543
	Income on statutory deposits	37,125	21,744
	Income on lease (Note 21.3)	11,499	-
	Interest from current accounts with banks	1,090	961
	Reclassification of investment income attributable to investment contract (Note 36)	-	-
		85,269	37,248

		N'000	N'000
38.0	Net fair value gains/(loss) on financial assets		
	Fair value gain on financial assets through profit or loss	54,110	3,521
	Fair value gain on pledged assets	33,177	-
	Fair value loss on financial assets through profit or loss	-	(16,866)
	Net fair value gains on financial assets	87,287	(13,345)

		N'000	N'000
39.0	Other income		
	Profit on sale of property, plant and equipment	9,573	1,300
	Rental Income	19,254	23,465
	Agency fees	-	-
	Interest on loan to Mutual Homes and properties Ltd	65,428	61,337
	Interest on loan to Prime Exploration and Production Ltd	644,662	564,792
	Interest on loan to Mutual Model Transport (Note 39.1)	56,247	71,198
	Interest on loan to CIL Track Africa Limited (Note 39.1)	84,371	106,796
	Management fees	-	-
	Bad debt recovered	-	-
	Insurance claim received	-	501
	Income from staff loans	1,837	-
	Finance lease	-	-
	AMCON loan debt forgiveness	-	-
	Other charges - SMS, closed accounts, default charges, etc	-	-
	Income from logistics activities	-	-
	Revenue from real estate operations	-	-
	Salvage on claims	36,715	-
	Gain on property valuation	-	-
	Exchange gain	723,685	-
	Others	18,900	1,784
		1,660,672	831,173

39.1 Interest on loans represent interest on facilities amounting to N56,247,370 and N84,371,055 granted to Mutual Model Transport Limited and CILTrack Africa Limited respectively at zero interest.

		N'000	N'000
40.0	Impairment charge no longer required		
	Provision no longer required on trade receivables	88,676	-
	Provision no longer required on other receivables	23,386	109,617
	Provision no longer required on short term placements	-	-
		112,062	109,617

		N'000	N'000
41.0	Impairment charge		
	Impairment charge on cash and cash equivalents	1,315	86,719
	Impairment charge on available for sale financial instruments	-	47,833
	Impairment charge on loans and advances(see note 4.3.2(d))	-	-
	Impairment charge on trade receivables(see note 5b)	-	1,172,155
	Impairment charge on other receivables(note 8.7 (a)	50,602	-
	Impairment charge on finance lease receivables balance (note 9)	60,904	28,517
	Impairment of investment in subsidiaries (note 11)	230,863	44,035
	Impairment charge on pledge assets (note 4.4)	-	311,465
	Impairment charge on goodwill (note 17)	-	-
	Impairment charge on deposit for shares (note 16)	400,000	-
		743,684	1,690,724

		31 December 2013 N'000	31 December 2012 N'000
42.0	Management expenses		
	Depreciation and amortisation charges	145,593	97,188
	Auditors fees	7,500	7,000
	Professional Fees/Legal Expenses	130,767	52,463
	Directors fees/Emoluments	300,337	233,689
	Medical Expenses	7,397	6,077
	Donation & Subscription	26,462	25,774
	Rents and Rates	9,886	39,792
	Repairs and Maintainance/Generator/computer	45,088	75,270
	Utilities	122,415	71,548
	Transport/Travelling	257,995	199,070
	Advertising expenses	241,664	102,128
	Motor Vehicle Running Expenses	21,729	30,379
	Entertainment/Corporate Client	135,385	82,046
	Training and Recruitment	176,323	95,390
	Insurance	26,643	15,265
	Bank Charges	41,064	27,815
	Development costs (see note 42.0 (a))	250,264	-
	Vehicle registration expenses	153,942	-
	Recapitalisation Expenses	-	-
	Agent Brokerage Commission and Charges	-	-
	NAICOM Supervisory levy	44,663	43,649
	Board meeting expenses	-	-
	Conference and seminar expenses	-	-
	Fines and penalties	100	1,100
	Office general expenses	-	-
	Other assets written off	-	133,212
	Excess of guaranteed interest over investment income		
	Newspapers and periodicals	-	-
	Printing and stationery	-	-
	Telecommunication expenses	-	-
	Security expenses	-	-
	Other Expenses	11,699	96,001
	Bank balances written off	-	8,942
	Intercompany balances written off	-	188,611
	Bad debt written off	17,425	-
	Exchange Loss	1,062	1,949,381
	Loss on disposal of property, plant and equipment	-	-
	Cost of sales (see note 42.0 (b))	-	-
	Operating lease expenses	-	-
	Cost of real estate operations (see note 42.0 (c))	-	-
	Interest income written off (see note 39.1)	140,618	177,994
		2,316,021	3,759,784

a)Development costs are the expenses incured in setting up about 36 retail outlets across the country
b)Cost of sales: This is the direct cost of operations incurred by Mutual Model Transport Limited
c)Cost of real estate operations: This is the direct cost of operations incurred by Mutual Benefits Homes & Properties Limited

43.0	Employee benefit expenses	N'000	N'000
	Wages and salaries	555,926	555,879
	Pension costs – defined contribution plans	75,411	56,533
		631,337	612,412

44.0	Finance costs	N'000	N'000
	Interest on loans and overdraft	18,221	34,262
	Interest charge on current accounts	-	-
	Interest charge on deposits	-	-
	Other charges	-	-
		18,221	34,262

46.0 Earnings/(Loss) per share

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Group and held as treasury shares

	31 December 2013	31 December 2012
	N'000	N'000
Profit/(loss) attributable to the equity holders	574,871	(2,729,368)
Weighted average number of ordinary shares in issue (thousands)	8,000,000	8,000,000
Basic Profit/(loss) per share (kobo per share)	7.19	(34.12)

47.0 Supplementary profit and loss information:

(a) Staff and directors' cost:

(i) Employee costs excluding executive directors during the year amounted to:

	31 December 2013 N'000	31 December 2012 N'000
Wages and salaries	555,926	555,879
Pension costs – defined contribution plans	75,411	56,533
	631,337	612,412

(ii) Employees, other than the executive directors, whose duties were wholly or mainly discharged in Nigeria, received emoluments (excluding pension contribution and other allowances) in the following ranges:

	Number	Number
N720,001 – N1,400,000	43	36
N1,400,001 – N2,050,000	62	59
N2,050,001 – N2,330,000	10	6
N2,330,001 – N2,840,000	24	17
N2,840,001 – N3,000,000	7	1
N3,000,001 – N4,500,000	23	12
N4,500,001 – N5,950,000	7	4
N5,950,001 – N6,800,000	29	13
N6,800,001 – N7,800,000	11	6
N7,800,001 – N8,600,000	8	4
N8,600,001 – N11,800,000	4	2
Above N11,800,000	10	10
	238	170

(iii) The average number of full time persons employed by the Company during the year was as followed:

	Number	Number	Number
Executive Directors	4	8	4
Management staff	94	114	77
Non management staff	622	769	157
	720	891	238

(b) Directors' remuneration:

(i) Remuneration paid to the directors of the Company was as follows:

	N'000	N'000	N'000
Executive compensation	170,097	257,856	151,780
Directors fees	21,475	12,250	12,500
Other directors expenses	-	24,300	-
	191,572	294,406	164,280

(ii) The directors' remuneration shown above (excluding pension contributions and other allowances) includes

	N'000	N'000	N'000
Chairman	4,300	4,300	4,300
Highest paid director	75,000	75,000	75,000

(iii) The emoluments of all other directors fell within the following range:

	Number	Number	Number
N500,000- N1,000,000	19	8	13
Above N2,000,000	2	9	1
	21	17	14

48.0 Events after the reporting date

No events or transactions have occurred since 31 December 2013, which would have a material effect upon the financial statements at that date or which need to be mentioned in the financial statements in order not to make them misleading as to the financial position or results of operations at 31 December 2013.

49.0 Related parties

Related parties include the Board of Directors, the Group Managing Director, Group Finance Director, Managing Director, close family members and companies which are controlled by these individuals

During the year, the Company conducted transactions with its related company and also with its subsidiaries and sub-subsidiary companies

Details of amount due from and to these related parties are as disclosed in Notes 8.3 and 21.1 to the financial statements

These transactions were conducted on arms length basis in the ordinary course of business

Details of related party transactions other than amount due to and from related parties are as disclosed below:

Name of related party	Nature of relationship	Nature of transaction	Security (if any)	Guarantees	Interest on loan	2013 N'000
Mutual Homes and Properties	Subsidiary	Loan	Post dated Cheques	-	22%	362,823
Mutual Model Transport Limited	Subsidiary	Loan	Post dated Cheques	-	21%	257,298
Charks Investment Limited	Subsidiary	Lease Finance	Post dated Cheques	-	21%	33,770
Prime Exploration Nigeria Limited	Chairman	Loan Facility	Domiciliation of Crude Oil Proceeds	-	22%	3,574,941
VT Leasing Limited	Vice Chairman	Lease Facility	-	Personal Guarantee of the Directors	5%	5,119

	Nature of relationship	Nature of transaction	Security (if any)	Guarantees	Interest on loan	2013
						N'000
Praise Hill Limited	Group Finance Director	Insurance Underwriting	-	-	-	8,988
Newcastle Insurance Brokers Limited	Managing Director	Insurance Underwriting	-	-	-	21,368

Terms and conditions

Loans granted and Lease financing transactions with related parties were carried out in the ordinary course of business are on an arms length basis. Insurance underwriting businesses relate to sale of insurance contracts and are at arms length.

Transactions with key management personnel

The Group's key management personnel, and persons connected with them, are also considered to be related parties for disclosure purposes. The definition of key management includes close members of family of key personnel and any entity over which key management exercise control. The key management personnel have been identified as the executive and non-executive directors of the Group. Close members of family are those family members who may be expected to influence, or be influenced by that individual in their dealings with Mutual Benefits Assurance Plc.

Details of employee benefit expense earned by key management personnel are as disclosed in Note 45(b)

50.0 Contingent liabilities

The company has a contingent liability of N3.0billion in respect of the convertible bond issued in 2007 in which Daewoo Securities (Europe) acted as paying agent and subscriber to the bond. This liability arose as a result of disagreement between amount confirmed to us by Daewoo Securities as at 31 December 2013 and the balance in the books of the company as analysed below:

	JPY	Naira Equivalent
	N'000	N'000
Balance confirmed by Daewoo	4,282,636	6,332,735
Balance admitted by Mutual Benefits Assurance Plc	2,252,365	3,330,572
Disputed Balance	2,030,271	3,002,163

The effect of this contigent liability on the profit for the year and net assets of the company is as follows:

	N'000
Profit before taxation	691,578
Disputed balance	(3,002,163)
Revised position - loss	(2,310,585)

	N'000
Net assets	3,305,130
Disputed balance	(3,002,163)
Revised Net Asset	302,967

Financial/capital commitments

The Directors are of the opinion that all known liabilities and commitments which are relevant in assessing the Company's state of affairs have been taken into account in the preparation of these financial statements.

51.0 Contravention of laws and regulations

The company contravened certain laws and regulations during the year ended 31 December 2012. Details of the contraventions and the appropriate penalties are as follows:

SECTION	DESCRIPTION OF PENALTY	Number of times	Year of Contravention	Amount of Penalty
NAICOM OPERATIONAL GUIDELINE 2011 S 1 . 10b	Penalty for violation of the 2011 Operational guidelines on placements with banks above 20%	1	2012	₦500,000
NAICOM OPERATIONAL GUIDELINE 2011 S1 . 10	Penalty for violation of the 2011 Operational guidelines on investment in unquoted entities, leases and subsidiaries	1	2012	₦500,000
INSURANCE ACT, CAPI17, 2004 (S25)	Penalty for violation of the Insurance Act, CAP I17,2004 on investment in unquoted entities, leases and subsidiaries	1	2012	₦500,000
INSURANCE ACT, CAPI17, 2004 (S25)	Penalty for violation of the Insurance Act, CAP I17,2004 on hypothecation on investment.	1	2012	₦500,000
NAICOM OPERATIONAL GUIDELINE 2011 P1.10(b)(i)	Penalty for violation of the 2011 Operational guidelines on placements with banks above 20%	1	2013	Yet to be determined
NAICOM OPERATIONAL GUIDELINE 2011 P1.10(b)(iv)	Penalty for violation of the 2011 Operational guidelines on investing insurance funds in subsidiaries	1	2013	Yet to be determined
NAICOM OPERATIONAL GUIDELINE 2011 P1.10(b)(v)	Penalty for violation of the 2011 Operational guidelines on investing shareholders fund in associates, subsidiaries and related companies exceeding 25%	1	2013	Yet to be determined
NAICOM OPERATIONAL GUIDELINE 2011 P1.10(b)(vi)	Penalty for violation of the 2011 Operational guidelines on investing more than 20% of total equity in a single stock of a company	1	2013	Yet to be determined
Total Penalties				₦1,100,000

52.0 Prior period restatement

(i) Correction of contingency reserves
In 2012, contigency reserve was overstated to the tune of N250,442,791. As a result retained earnings was understated by N250,442,791.

Correction of borrowings
(ii) In 2012,borrowings was understated to the tune of N1,942,610,643 which represents exchange loss on Deawoo Securities loan. As a result retained earnings was overstated by N1,942,610,643.

Correction of pledged assets

(iii) In 2012,pledged assets was overstated to the tune of N311,465,000 which represents fair value loss on pledged assets. As a result retained earnings was understated by N311,465,000.

(iv) Correction of treatment of actuarial loss on individual investment contract wrongly expensed

In 2012, actuarial loss on individual investment contract liabilities of N572,270,000 which should have been treated in statement of financial position was wrongly treated as loss on investment contract liabilities in statement of profit or loss and other comprehensive income . As a result group investment contract liabilities was overstated by N572,270,000 while retained earnings was understated by N572,270,000.

The financial statements have been restated to correct these errors. The restatements required adjustments in the statement of financial position as at 31 December 2012 and adjustment of certain items in the statement of profit or loss and other comprehensive income for the period to 31 December 2012.

To this effect, the Statement of profit or loss and other comprehensive Income, Statement of financial position, statement of changes in equity and affected notes showed restated comparative information for the period ended 31 December 2012.

The details of the restatements are as follows:

2012 Restatements

Statement of financial position

Contigency reserve	2012
	N'000
As previously stated	1,502,043
Correction of contigency reserve	(250,434)
As restated	1,251,609

Borrowings	2012
	N'000
As previously stated	2,857,618
Correction of exchange difference on Daewoo Securities Loan	1,942,611
As restated	4,800,229

Retained earnings	2012
	N'000
As previously stated	(3,267,366)
Correction of contigency reserve overstated	250,434
Correction of exchange difference on Daewoo Securities Loan	(1,942,611)
Correction of fair value loss on pledged assets	(311,465)
As restated	(5,271,008)

Group investment contract liabilities	2012
	N'000
As previously stated	1,147,802
Correction of group investment contract liabilities	(572,270)
As restated	575,532

Statement of comprehensive income

Management expenses:	2012
	N'000
Exchange loss as previously stated	6,770
Adjustment for exchange loss on Daewoo Securities Loan	1,942,611
Adjustment for loss on group investment contract	572,270
As restated	2,521,651

Appendices

STATEMENT OF VALUE ADDED - COMPANY
FOR THE YEAR ENDED 31ST DECEMBER, 2013

	2013 N'000	%	2012 N'000	%
Net premium income				
Local	4,367,470		4,610,421	
Foreign				
Commission received,				
Investment income and other income	2,643,461		1,015,279	
Claims and underwriting expenses	(2,697,377)		(1,993,410)	
Less bought in material and services				
Local	(2,817,841)		(5,366,667)	
Foreign				
VALUE ADDED	1,495,713	100	(1,734,377)	100
APPLIED AS FOLLOWS:				
Employees				
Employees & benefit expense	631,337	42	612,412	(35)
Government				
Taxation	116,707	8	251,131	(14)
Providers of funds				
finance cost	18,221	1	34,262	(2)
Retained in business:				
- Depreciation of property, plant & equipment	145,592	10	88,201	(5)
- Amortisation of intangible asset	8,985	1	8,985	(1)
- For future growth	574,871	38	(2,729,368)	157
	1,495,713	100	(1,734,377)	100

The value added represents the wealth created through the use oft he company's assets by the employees of the company and the allocation among the employees, shareholders, providers of fund, government and retention for future creation of wealth.

FINANCIAL SUMMARY
COMPANY STATEMENT OF FINANCIAL POSITION
(ALL AMOUNTS IN NAIRA THOUSANDS UNLESS OTHERWISE STATED)

FOR THE YEAR ENDED 31ST DECEMBER, 2013

	December 2013	December 2012	December 2011	December 2010
ASSETS	N'000	N'000	N'000	N'000
Cash and cash equivalents	1,127,905	741,277	385,593	436,504
Financial assets				
– *Available-for-sale*	-	-	47,833	-
– *At fair value through profit or loss*	125,989	71,880	85,225	174,984
– Loans and receivables	4,658,929	3,911,579	3,406,792	1,488,438
Pledged assets	121,712	88,535	400,000	400,000
Trade receivables	247,225	453,591	543,815	224,188
Reinsurance receivables	700,876	403,460	110,125	70,673
Finance lease receivables	165,925	336,600	260,413	182,535
Other receivables	174,749	240,272	310,211	171,731
Investment in subsidiaries	2,655,138	2,886,001	2,930,036	2,886,001
Deferred acquisition cost	295,460	266,338	236,497	181,352
Property, plant and equipment	2,910,553	2,881,080	1,442,900	1,509,355
Intangible assets	9,746	18,731	27,716	36,401
Statutory deposit	300,000	300,000	300,000	300,000
Deposit for shares	954,255	983,000	983,000	688,925
TOTAL ASSETS	14,448,462	13,582,344	11,470,156	8,751,087
LIABILITIES				
Insurance contract liabilities	3,768,829	3,129,011	2,683,877	1,860,032
Trade and other payables	2,998,650	2,389,412	1,484,211	594,793
Book overdraft	7,670	27,345	69,460	-
Borrowing	3,731,443	4,614,375	2,699,647	2,723,825
Current income tax liabilities	202,778	291,762	244,931	222,440
Deferred income tax	433,962	400,180	116,966	64,407
TOTAL LIABILITIES	11,143,332	10,852,085	7,299,092	5,465,497
EQUITY				
Paid up share capital	4,000,000	4,000,000	4,000,000	4,000,000
Retained earnings	(3,200,344)	(3,615,409)	(736,789)	(1,445,168)
Contingency reserve	1,216,911	1,057,105	907,853	730,758
Revaluation reserve	1,288,563	1,288,563	-	-
SHAREHOLDERS' FUNDS	3,305,130	2,730,259	4,171,064	3,285,590
TOTAL LIABILITIES AND EQUITY	14,448,462	13,582,344	11,470,156	8,751,087

SHARE CAPITAL HISTORY

DATE	AUTHORISED (N) INCREASE	AUTHORISED (N) CUMULATIVE	ISSUED & FULLY PAID-UP (N) INCREASE		CONSIDERATION
1995	-	5,000,000	-	5,000,000	CASH
1995	15,000,000	20,000,000	15,000,000	20,000,000	CASH
1996	10,000,000	30,000,000	10,000,000	30,000,000	CASH
1999	40,000,000	70,000,000	40,000,000	70,000,000	CASH
2001	150,000,000	220,000,000	-	70,000,000	CASH
2002	280,000,000	500,000,000	150,000,000	220,000,000	CASH (IPO)
2003	-	500,000,000	73,483,333	293,483,333	BONUS(1:3)
2004	-	500,000,000	206,516,667	500,000,000	CASH (RIGHTS)
2006	2,500,000,000	3,000,000,000	450,000,000	950,000,000	BONUS(9:10)
2007	2,000,000,000	5,000,000,000	2,394,370,000	2,844,370,000	CASH(PUBLIC OFFER)
2009	-	5,000,000	1,155,639,000	4,000,000,000	CASH (Capitalisation of deposit for shares)

ADMISSION FORM

Please tear here

ADMISSION FORM

Mutual Benefits Assurance Plc. RC 269837

The 18th Annual General Meeting of Mutual Benefits Assurance Plc will be held at AGIP RECITAL HALL, MUSON CENTRE ONIKAN, LAGOS on 18th of December, 2014 at 11:00 a.m.

Name of Shareholder* ______

IF YOU ARE UNABLE TO ATTEND THE MEETING

A member (shareholder) who is unable to attend an Annual General meeting is allowed by law to vote by proxy and the above Proxy Form has been prepared to enable you to exercise your right to vote in case you can not personally attend the meeting.

A. This admission form must be produced by his proxy in order to obtain entrance to the Annual General Meeting.

B. Shareholder or their proxies are requested to sign the admission form before attending the meeting.

Name of Person attending: ______

Signature of Person attending: ______

Get Your Dividend the Instant You Need It with e-DIVIDEND PAYMENT

MANDATE FORM

MERISTEM REGISTRARS LIMITED

RC No: 489092

To:
The Registrar,
Meristem Registrars Limited,
21 3, Herbert Macaulay Way,
Adekunle -Yaba,
Lagos.

213, Herbert Macaulay Way,
Adekunle -Yaba,
P.O. Box 51585,
Falomo-Ikoyi, Lagos.
Phone: 01-8920492, 8920492
Fax: 01 -2702361
e-Mail: info@meristemregistrars.com
Website: www.meristemregistrars.com

I/We hereby request that from now on, all my/our dividend warrant(s)due to me/us from my/our holding(s) in all the companies ticked at the right hand column be paid to my/our Bank named below.

Bank Name: ______________________________

Bank Address: ______________________________

NUBAN Account Number: ______________________________

Shareholder's Full Name: ______________________________
(Surname First)

Shareholder's Address: ______________________________

____

E-mail: ______________________________

Mobile Phone: ______________________________

CSCS CHN: ______________ CSCS A/C No: ______________

Stockbroker: ______________________________

Single Shareholder's Signature: ______________________________

Joint Shareholder's Signature 1) ______________________________

2) ______________________________

If company,
Authorized Signatories 1) ______________________________

2) ______________________________

Company Seal: ______________________________

Authorized Signature & Stamp Of Bankers:

Sort Code:

e-DIVIDEND PAYMENT: One Stop Solution to Unclaimed Dividend – Take Advantage of It!

Please tear here

Get Your Dividend the Instant You Need It with e-DIVIDEND PAYMENT

MERISTEM REGISTRARS LIMITED RC No: 489092

213, Herbert Macaulay Way,
Adekunle -Yaba,
P.O. Box 51585,
Falomo-Ikoyi, Lagos.
Phone: 01-8920492, 8920492
Fax: 01 -2702361
e-Mail: info@meristemregistrars.com
Website: www.meristemregistrars.com

To:
The Registrar,
Meristem Registrars Limited,
21 3, Herbert Macaulay Way,
Adekunle -Yaba,
Lagos.

I/We hereby request that from now on, all my/our dividend warrant(s) due to me/us from my/o ur holding(s) in all the companies ticked at the right hand column be paid to my/our Bank named below.

Bank Name:______________________________

Bank Address:______________________________

____

NUBAN Account Number: ______________________________

Shareholder's Full Name:______________________________
(Surname First)

____

Shareholder's Address:______________________________

____

E-mail:______________________________

Mobile:______________________________

CSCS CHN ______________ CSCS A/C No______________

Stockbroker: ______________________________

Single Shareholder's Signature:______________________________

Joint Shareholder's Signature 1)______________________________

2)______________________________

If company, Authorized Signatories 1)______________________________

2)______________________________

Company Seal:______________________________

Authorized Signature & Stamp Of Bankers:______________________________

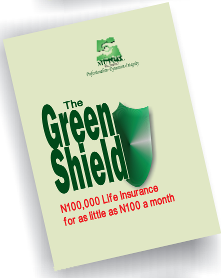
Sort Code: | | | | | | | | | | |

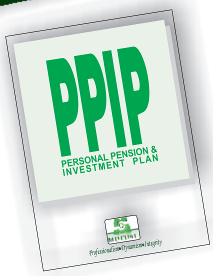
Please tick as applicable

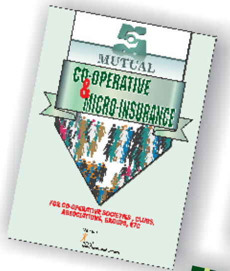
AFRINVEST EQUITY FUND	
AIRLINE SERVICE & LOGISTICS PLC	
BERGER PAINTS NIG PLC	
CAVERTON OFFSHORE LIMITED	
CHELLARAMS BOND	
CONSOLIDATED HALLMARK INSURANCE PLC	
CUSTODIAN & ALLIED INSURANCE PLC	
ENCON NIGERIA LIMITED	
eTRANZACT	
FIDSON HEALTHCARE LIMITED	
FOOD CONCEPTS & ENTERTAINMENT PLC	
FTN COCOA PROCESSORS PLC	
GEO-FLUIDS PLC	
JUBILEE LIFE SAVINGS & LOANS LTD	
MAMA CASS RESTAURANTS LIMITED	
MUTUAL BENEFITS ASSURANCE PLC	
NASCON PLC	
NEIMETH INT'L PHARMS PLC	
NIGER STATE BOND	
PAINTS & COATINGS MANUFACTURERS NIG PLC	
R.T. BRISCOE NIGERIA PLC	
REGENCY ALLIANCE INSURANCE PLC	
SMART PRODUCTS NIGERIA LIMITED	
SOVEREIGN TRUST INSURANCE PLC	
TANTALIZERS PLC	
THE BGL NUBIAN FUND	
THE BGL SAPPHIRE FUND	
THOMAS WYATT PLC	
ZENITH ETHICAL FUND	
ZENITH EQUITY FUND	
ZENITH INCOME FUND	

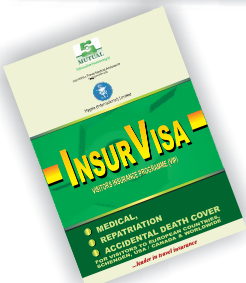
e-DIVIDEND PAYMENT – One Stop Solution to Unclaimed Dividend – Take Advantage of It!

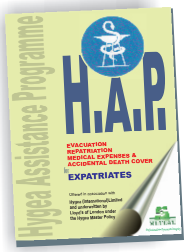
MUTUAL'S PRODUCTS

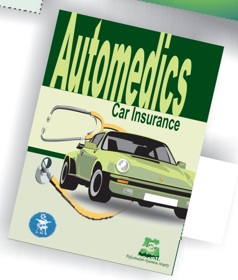












GENERAL BUSINESS PRODUCTS

Property Insurance
- Fire and Special Perils
- Burglary/ House Breaking
- Householders, House-owners Comprehensive
- Marine Cargo
- Marine Hull
- Motor
- Goods- in-Transit
- All Risks
- Engineering
- Industrial All Risks

Liability/Bond Insurance
- Money
- Professional Indemnity
- Fidelity Guarantee
- Public Liability/Product Liability
- Employers' Liability
- Director's Liability
- Bond and Suretyship
- Workmen's Compensation

Special Risks
- Aviation &Related Risks
- Oil & Gas

LIFE PRODUCTS

Insurances of the Person
- Personal Accident
- Group Personal Accident
- Individual Savings & Pension Plan
- Personal Pension & Investment Plan
- Mutual Education Guarantee Plan
- Keyman Assurance
- Mortgage Protection
- Group Life Assurance
- Term Assurance
- Endowment Assurance

RETAIL MARKETING PRODUCTS

- Insurvisa -Travel Insurance
- Greenshield - 24 hr. Accident Cover
- Greenshield - Life
- Mutual Group Investment Protection Plan
- Micro Personal Investment Plan

SPECIAL PRODUCTS

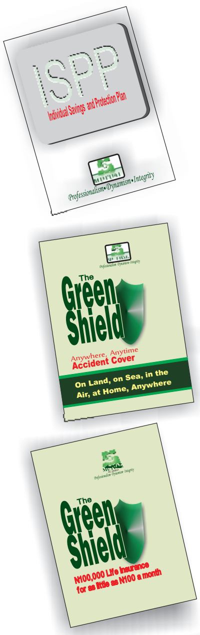
- Automedics Car Insurance
- Micro Insurance
- Hygea Assistance - Overseas Health Insurance for Expatriates and Nigerians.
  - Expatriates
  - Nigerians

MUTUAL'S NEW PRODUCTS

- Event Centre Insurance
- Advertising Agency Insurance
- Corporate Office Insurance
- Sales Office Insurance
- Hair Salon Insurance
- Law Firm Insurance
- Accounting Firm Insurance
- Hotel Insurance
- School Insurance
- Hospital Insurance
- Fast Food Restaurant Insurance
- Nollywood Insurance
- Church Insurance
- Mosque Insurance
- Estate Managers Insurance
- Landlord and Tenant Insurance
- Travel and Tour Agency Insurance
- Market and Shopping
- Complex Insurance
- Saleshop and Supermarket Insurance

- Laundry And Cleaning
- Services Insurance
- Microfinance Bank Insurance
- SME Comprehensive Insurance
- Mega Comprehensive
- Motor Insurance
- Motor Dealers Complimentary
- Motor Insurance
- Politician And Political
- Risk Insurance

- Juvenile Life Assurance
- Lady Life Assurance
- Senior Life Assurance
- Mortgage Endowment Assurance
- Pilgrims Welfare Insurance
- Celebrity Life Assurance



PROXY FORM

ANNUAL GENERAL MEETING of **Mutual Benefits Assurance Plc.** to be held on **Thursday, 18th of December, 2014 at AGIP RECITAL HALL, MUSON CENTRE ONIKAN, LAGOS at 11:00 a.m.**

I/We.. of ....

.... being a member of MUTUAL BENEFITS ASSURANCE PLC,

hereby appoint ** Mr./Mrs...of ....

....or failing him, the Chairman of the meeting

as my/our proxy to vote for me/us or on my/our behalf at the Annual General Meeting of the company to be held on Thursday, 18th of December, 2014 and at any adjournment thereof.

Dated this.. day of 2014

Shareholder's signature...

PROXY FORM

RESOLUTION	FOR	AGAINST
To lay before the members, the Audited Financial Statements of MUTUAL BENEFIT ASSURANCE PLC for the year ended 31st December 2013 together with the Reports of Directors, Auditors and Audit committee thereon…		
To elect/re-elect Directors: Akin Ogunbiyi, Gbenga Ogunko, Michael Govan and Dr. Eze Ebube		
To ratify the appointment of a Director		
To elect members of the Audit committee		
Authorised the directors to fix the remuneration of Auditors		
"That the Company Secretary be and is hereby authorized to take such steps and to do such things as may be required to give effect to the above resolutions.		
Please indicate with "X" in the appropriate square how you wish your vote to be cast on the resolution referred to above. Unless otherwise instructed, the proxy will vote or abstain from voting at his discretion.		

IF YOU ARE UNABLE TO ATTEND THE MEETING **

A member of the company entitled to attend and vote at the Annual General meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member of the company. A proxy form is enclosed. Executed proxy forms should be returned to the office of the Registrar not less than 48 hours before the time of the meeting.

Following the normal practice, the names of two Directors of the company have been entered on the form to ensure that someone will be at the meeting to act as your proxy, but if you wish you may insert in the blank space on the form (marked) **the name of any person, whether of the company or not, who will attend the meeting and vote on your behalf instead of one of the Directors.

Please sign the proxy form and send it so as to reach: MERISTEM REGISTRARS LIMITED 213, HERBERT MACAULAY WAY, ADEKUNLE YABA LAGOS not less than 24 hours before the time for holding the meeting. If executed by a corporation, the proxy form should be sealed with the common seal.

The proxy must produce the Admission Card sent with the Report and Accounts to obtain entrance to the meeting.

For company's use only	No of shares

Aret Adams House, 233, Ikorodu Road, Ilupeju, Lagos.
P. O. Box 70986, Victoria Island, Lagos.
Tel: 234-(0)1-8441177, 08191471029
E-mail: info@mbaplc.com
Website: www.mbaplc.com

BRANCHES

Abeokuta Office:
Ikija House
1, Quarry Road,
Panseke, Abeokuta,
Ogun State.
Tel: 07029092072
08058007010

Northern Regional Office:
Plot 78, Yakubu Gowon Crescent,
Asokoro, Abuja.
Tel: 08153535454,
08037644123

Ado Ekiti Office:
MUTUAL HOUSE,
Fajuyi Road,
Ado-Ekiti.
Tel: 08058006090

Akure Office:
74, Continental Junction,
Hospital Road.
Tel: 08058007030

Apapa Office:
Atlantic House,
Ground Floor,
23/27, Wharf Road
Apapa Lagos.
Tel: 01-7917872,
08085009060

Otta Office:
Tantolorun Building,
Km1, Idi-Iroko Road,
Iyana - Ota Roundabout,
Sango Otta.
Ogun state.
Tel: 08038543999
07029092009

Ikoyi Office:
6, Norman Williams Str.,
S/W Ikoyi, Lagos.
Tel: 01-4630807-8
08055030488

Ojo Office:
Christ in Me Plaza,
446, Old Ojo Road,
Lagos.
Tel: 07028212282

Ibadan Office:
Plot 47/49,
Onireke GRA,
Ibadan.
Tel: 07028445399

Jericho Office:
3rd Floor, ANCE Building,
Magazine Jericho Road,
Ibadan.
Tel: 08058010001

Warri Office:
80, Airport Road,
(Opp. Old Airport),
Effurun
Warri, Delta State
Tel: 080334745571
08052220201

Ikeja Office:
ASSBIFI House,
4, ASSBIFI Road,
Alausa, Ikeja.
Tel:01-7416818
07028212178
08058000030

Owerri Office:
46,Wetheral Road,
Owerri
Tel: 083-801230

Lafia Office:
A.M.K Plaza,
Opp. PDP Secretariat,
Jos Road, Lafia,
Nasarawa state
Tel: 080532709

Ikorodu Office:
Town Centre/Big Blue,
134, Lagos Road,
Beside Intercontinental Bank,
Jumofak Bus stop,
Ikorodu.
Tel: 08023768149

Port Harcourt office:
Wordway Plaza,
129, Aba Road Waterlines
Port Harcourt.
Tel: 084-771750, 231168,
461978, 08023014079

Osogbo Office:
Aina Adeosun Building,
4th Floor,
Beside Access Bank (Left Side)
Gbongon Road, Osogbo,
Osun State
Tel: 035-207122
08058007008

SUBSIDARIARY:
Mutual Benefits Life Assurance Ltd:
19/21, Town Planning Way,
Ilupeju, Lagos.
Tel: 01-2700837
08023768149

Kaduna Office:
Nm20, Constitution Road,
Kaduna.
Tel: 08054593702
07028212167

Benin Office:
84, Akpakava Road,
Benin City,
Edo State.
Tel: 08065237530

Calabar Office:
67, Ndidem, Usang Iso Road,
(Marian Road),
Calabar.
Tel: 087-822870
08033573864

Ilorin Office:
163, Ajase Ipo Road,
Gaa-Akanbi Junction,
Ilorin.
Tel: 08058012980

Yenagoa Office:
14 Imgbi Road Amarata,
Near General Hospital
Yenagoa, Bayelsa State
Tel: 080327007225
08023559124

Kano Office:
43, Ibrahim Taiwo Road,
Kano.
Tel: 08058006006

Lekki Office:
H - 21, 22, 31, 32
Ikota Shopping Complex
Lekki, Lagos.
Tel: 08023048552
07028015696

INTERNATIONAL OPERATIONS
MUTUAL Liberia:
Mutual Benefits Assurance Company
MBA HOUSE,
7th Street, Sinkor,
Tubman Boulevard,
Monrovia,Republic of Liberia.
Tel: +(231) 0493089, 05443827,
06789420, 07781225
E-mail: mbaliberia@yahoo.com
www.mutualbenefitsassurance.com

MBA Niger:
2765, Boulevard del'
Independence,
Yantala YN-2 (Rond Point
BP: 11.92, Niamey
Tel: +227-20752033, Fax: +227-20350332
site web: www.mbaniger.com

Mutual Retail

LAGOS STATE
Allen Avenue, lagos
Nikky Africana Plaza
70C, Allen Avenue,
Ikeja, Lagos
Tel: 08033143978

Ogba, Lagos
29, Isheri Road,
Tel; 08094231477

Sura Market, Lagos
Block A6, Suite 125 & 126,
Sura Shopping Complex,
Simpson Street, Lagos Island,
Lagos
Tel: 08023261689

Festac Town, Lagos
32 Road, DSTV Office 2,
Festac, Lagos
Tel: 08066706900

Ikotun Egbe, Lagos
Tayese Towers,
Egbe, Isolo Road,
Ikotun, Lagos
Tel: 08027361545

Gbagada, Lagos
38, Diya Street,
Gbagada, Lagos
Tel: 08131254944

Lekki, Lagos
Suite 3, Lekki-Epe Exp/way,
Lekki, Lagos
Tel: 08034593374

OGUN STATE
Abeokuta, Ogun
1st floor, Kay Plaza,
No. 18, Lalubu Street,
Oke-Ilewo, Abeokuta
Ogun State
Tel: 0803700700

KANO STATE
Kano, Kano
No. 9, Niger
Street, Kano
Tel: 08033980858

1, Opebi Road,
Ikeja, Lagos
Tel: 07098504713

Ijebu-Ode, Ogun
1ST Floor, 100 Ibadan Road,
Near Amao Tyres, Ijebu-Ode,
Ogun State
Tel: 08101836881

Sango-Ota, Ogun
Joju Junction, Sango-Ota,
Ogun State
Tel: 08024506176

FCT (ABUJA)
Abuja, Fct
Plot 289, 2nd Floor,
MTN/Vitafoam Building,
Lagos Crescent, Garki 2
FCT, Abuja
Tel: 08181947551

Kubwa, FCT
Suite C1, 2nd Floor,
Plot E19, GadoNasko Road,
2/1, Kubwa, Abuja
Tel: 08035986725

OYO STATE
Ring Road, Ibadan, oyo
No. 1A, Akinyemi Street,
By GTBank, Ring Road,
Ibadan, Oyo State
Tel: 08034430794

Ogbomosho, Oyo
LAUTECH Teaching Hospital,
Ilorin Road, Ogbomosho,
Oyo State
Tel: 08030634220

KWARA STATE
Ilorin, Kwara
Halleluiah House,
23, Offa Road,
Ilorin, Kwara State
Tel: 08027282385

22, Unity Road,
Ilorin, Kwara State
Tel: 08034430794

60/62, Olofa way,
Offa, Kwara State
Tel: 08038320693

CROSS RIVER STATE
Calabar, Cross-River,
83, Calabar Road,
Opposite Petex Park,
Calabar-South,
Cross-River State
Tel: 08037296875

ONDO STATE
Akure, Ondo,
74, Continental Junction,
Hospital Road,
Ondo State
Tel: 08058007030

BENUE STATE
Otukpo, Benue
Victory Plaza,
No. 4, Ella Market Road,
Otukpo, Benue State
Tel: 08065394068

NIGER STATE
Minna, Niger, No. 127, Paiko Road,
Abdulsalam Abubakar Way,
Near Tunga Market,
Tunga, Minna,
Niger State
Tel: 08184887301

OSUN STATE
Oshogbo, Osun
3rd Floor,
Terminus Hotel Building,
Ajegunle Area, Osogbo, Osun State
Tel: 08033492473