



# Mutual Benefits Assurance Plc.

RC 269837

AUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2015

## STATEMENT OF FINANCIAL POSITION

As at 31 December 2015

	GROUP		COMPANY	
	2015	Restated* 2014	2015	2014
<i>In thousands of Nigerian Naira</i>				
<b>ASSETS</b>				
Cash and cash equivalents	14,016,106	13,207,978	4,111,237	5,273,617
<b>Financial assets</b>				
Fair value through profit or loss	93,463	128,201	93,463	128,201
Available-for-sale investment securities	1,114,036	549,418	1,000	1,000
Loans and receivables	11,379,273	9,096,984	759,843	519,328
Assets pledged as collateral	115,297	129,467	115,297	129,467
Trade receivables	208,703	66,515	64,769	23,443
Reinsurance assets	1,414,000	1,562,803	1,224,190	1,235,294
Other receivables and prepayments	1,255,748	1,386,475	770,158	523,908
Finance lease receivables	1,044,884	518,455	688,727	739,877
Deferred acquisition costs	322,609	260,153	281,798	208,844
Inventories	1,533,164	3,020,272	-	-
Investment properties	8,731,665	6,984,764	56,000	47,000
Intangible assets	89,648	99,133	57,303	89,222
Property, plants and equipment	3,850,522	5,905,509	3,037,357	3,204,920
Investments in subsidiaries	-	-	2,000,000	2,010,000
Investment in associates	6,116	-	-	-
Statutory deposit	500,000	500,000	300,000	300,000
Deposit for shares	417,587	515,479	2,277,587	55,479
Deferred tax assets	97,097	17,980	-	-
Goodwill	1,543	17,980	-	-
<b>Total assets</b>	<b>46,094,942</b>	<b>44,046,683</b>	<b>15,798,729</b>	<b>14,488,600</b>
<b>LIABILITIES</b>				
Insurance contract liabilities	8,087,972	5,194,547	3,971,168	3,364,254
Investment contract liabilities	24,217,581	20,857,951	-	-
Trade payables	92,463	81,322	57,896	-
Other liabilities	1,811,330	5,569,823	446,843	1,084,493
Deposit liabilities	509,867	485,281	-	-
Book overdraft	-	6,605	-	6,605
Current income tax liabilities	521,385	505,961	317,932	248,738
Borrowings	4,073,098	3,619,988	4,073,098	3,662,515
Deferred tax liabilities	1,155,079	1,237,469	720,943	673,346
<b>Total liabilities</b>	<b>38,449,772</b>	<b>37,558,947</b>	<b>9,597,467</b>	<b>8,930,951</b>
<b>EQUITY</b>				
Share capital	4,000,000	4,000,000	4,000,000	4,000,000
Treasury shares	(250)	(250)	(250)	(250)
Foreign currency translation reserve	184,491	127,775	-	-
Contingency reserve	2,292,040	1,942,418	1,061,910	1,665,665
Revaluation reserve	1,288,563	1,288,563	1,288,563	1,288,563
Accumulated retained losses	(246,626)	(893,909)	(1,068,881)	(1,405,329)
<b>Shareholders' fund</b>	<b>7,518,018</b>	<b>6,464,597</b>	<b>6,201,262</b>	<b>5,548,649</b>
<b>Total equity attributable to:</b>				
Owners of the parent	7,518,018	6,464,597	6,201,262	5,548,649
Non-controlling interests in equity	127,158	23,139	-	-
<b>Total equity</b>	<b>7,645,176</b>	<b>6,487,736</b>	<b>6,201,262</b>	<b>5,548,649</b>
<b>Total liabilities and equity</b>	<b>46,094,942</b>	<b>44,046,683</b>	<b>15,798,729</b>	<b>14,488,600</b>

Signed on behalf of the Board of Directors on 18 April 2016 by:

Mr. Akin Opeodu  
FRC/2013/CAN/00000003128  
Chairman

Mr. Olusegun Omoshin  
FRC/2013/CAN/00000003103  
Managing Director

Mr. Abayomi Ogunwo  
FRC/2015/CAN/000000011225  
Chief Finance Officer

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Period Ended 31 December 2015

	GROUP		COMPANY	
	2015	Restated* 2014	2015	2014
<i>In thousands of Nigerian Naira</i>				
Gross premium written	14,598,070	15,451,048	10,541,903	11,354,520
Gross premium income	13,801,259	15,535,631	10,230,490	11,347,182
Premium ceded to reinsurers	(6,050,028)	(6,193,206)	(5,199,847)	(6,070,899)
<b>Net premium income</b>	<b>7,751,231</b>	<b>9,342,425</b>	<b>4,270,643</b>	<b>5,276,283</b>
Fee and commission income	690,364	857,017	637,313	837,247
<b>Net underwriting income</b>	<b>8,441,595</b>	<b>10,199,442</b>	<b>4,907,956</b>	<b>6,113,530</b>
Net benefits and claims	2,337,384	2,369,260	1,087,334	1,256,128
Change in life fund	(6,273)	145,511	-	-
Change in annuity reserve	10,651	36,699	-	-
Underwriting expenses	2,143,891	2,405,872	1,287,036	1,324,841
<b>Net underwriting expenses</b>	<b>4,568,636</b>	<b>4,952,342</b>	<b>2,344,369</b>	<b>2,583,709</b>
<b>Underwriting profit</b>	<b>3,888,311</b>	<b>5,247,100</b>	<b>2,583,995</b>	<b>3,529,771</b>
Profit/(loss) on investment contracts	782,150	(47,583)	-	-
Net fair value gain	864,296	1,054,670	739,617	964,454
Net fair value gain on assets at FVPL	111,743	2,830,057	(88,908)	102,117
Other income	763,883	1,555,781	305,587	248,613
Impairment charge no longer required	8,473	94,834	8,473	506,561
Impairment charges	(54,866)	(106,734)	(28,781)	(16,502)
Employee benefit expenses	(1,080,581)	(1,619,549)	(879,347)	(762,659)
Other management expenses	(2,543,980)	(4,083,709)	(1,811,570)	(1,598,640)
<b>Result of operating activities</b>	<b>975,229</b>	<b>4,842,847</b>	<b>991,286</b>	<b>2,878,815</b>
Finance costs	(29,848)	(52,964)	-	(137,500)
Finance income	749,891	191,009	-	-
<b>Profit before income tax</b>	<b>1,195,272</b>	<b>4,989,892</b>	<b>991,286</b>	<b>2,742,315</b>
Income tax expense	(303,500)	(758,954)	(248,453)	(498,547)
<b>Profit from continuing operation</b>	<b>891,772</b>	<b>4,221,938</b>	<b>682,613</b>	<b>2,243,768</b>
<b>Discontinued operations</b>				
Loss after tax for the year from discontinued operation	(79,724)	-	-	-
<b>Profit for the year</b>	<b>812,048</b>	<b>4,221,938</b>	<b>682,613</b>	<b>2,243,768</b>
<b>Profit attributable to:</b>				
Owners of the parent	762,742	4,209,749	652,613	2,243,768
Non-controlling interests	19,306	12,189	-	-
<b>Earnings per share:</b>				
Basic and diluted (Nobo)	11	53	6	28

## CONSOLIDATED AND SEPARATE STATEMENTS OF OTHER COMPREHENSIVE INCOME

For the Period Ended 31 December 2015

	GROUP		COMPANY	
	2015	Restated* 2014	2015	2014
<i>In thousands of Nigerian Naira</i>				
Profit for the year	812,048	4,221,938	682,613	2,243,768
<b>Other comprehensive income:</b>				
Items that are or may be reclassified to the profit or loss account:				
Foreign currency translation differences	60,132	119,894	-	-
	60,132	119,894	-	-
<b>Total comprehensive income for the year</b>	<b>872,180</b>	<b>4,341,832</b>	<b>682,613</b>	<b>2,243,768</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	840,458	4,322,818	652,613	2,243,768
Non-controlling interest	27,722	18,814	-	-
	872,180	4,341,832	652,613	2,243,768



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

We have audited the accompanying consolidated and separate financial statements of Mutual Benefits Assurance Plc ("the Company") and its subsidiaries (together "the Group"). These financial statements comprise consolidated and separate statements of financial position as at 31 December 2015, and consolidated and separate statements of profit or loss, consolidated and separate statements of other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and a summary of significant accounting policies and 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, provisions of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, the Insurance Act 2003, relevant policy guidelines issued by the National Insurance Commission (NAICOM) and the Financial Reporting Council of Nigeria Act No. 6, 2011 and for such internal control as the Directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

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

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' judgment, 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 control 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 entity'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 audit opinion.

### Opinion

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Company and the Group as at 31 December 2015 and of the financial performance and cash flows of the Company and the Group for year then ended in accordance with International Financial Reporting Standards, provisions of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, the Insurance Act 2003, relevant policy guidelines issued by the National Insurance Commission (NAICOM) and the Financial Reporting Council of Nigeria Act No. 6, 2011.

### Report on Other Legal and Regulatory Requirements

In accordance with the requirement of Schedule 6 of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, 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, in so far as appears from our examination of those books;
- iii) the Company's consolidated and separate statements of financial position, profit or loss and other comprehensive income are in agreement with the books of account;

### Compliance with National Insurance Commission (NAICOM) Guidelines on Insurance Companies and circular BSD/1/2004

- i) During the year, the Company contravened a section of the NAICOM Guidelines on Insurance Companies.

Kayode Famutimi, FCA,  
FRC/2012/CAN/00000001155

For: Ernst & Young  
Lagos, Nigeria

21 April 2016

