Annual Report & Accounts 2015

MUTUAL

Professionalism • Dynamism • Integrity

Mutual Benefits Assurance Plc.

RC 269837

NIA

Strategic Report

Governance

Financial Statements

Appendices

Vision

A leading world class company providing superior financial services to the delight of all stakeholders

Mission Statement

Transcending 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 the pursuit of excellence in an an atmosphere of mutual respect and understanding.

Core Values

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

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 on 4th 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.


Mutual Benefits Assurance Plc
Mutual Benefits Life Assurance Ltd.
Mutual Benefits Microfinance Bank Ltd.
Mutual Benefits Group
Mutual Benefits Assurance Company, Liberia
Mutual Benefits Assurance Niger S.A.
Mutual Benefits Homes & Properties Ltd.

Milestones and Achievement

The Overall Highest Award 2015 - The PEARL

Mutual Benefit Wins The Pearl Of The Capital Market

On Sunday, 29th November, 2015 at the convention centre, of Eko Hotel & Suite, Victoria Island, Lagos; Mutual Benefits Assurance Plc made history by winning the most prestigious Award of the Nigerian Capital Market: "THE PEARL"- The Overall Highest Award 2015 along with three other awards at the 20th performance Earning and Returns Leadership (PEARL) Awards Nite. The award was presented by the Director General of the Securities and Exchange Commission, Alhaji Mounir Gwarzo.

MUTUAL BENEFIT won the sectoral Leadership Award in the financial Services (Insurance) category, the Highest Earning Yield Award in the Market Excellence Category.
The Group managing Director, Dr. Akin Ogunbiyi also emerged the 2015 pearl outstanding CEO of the year.
Pearl Awards Nigeria is a not-for-profit organization which coordinates the dual activities of the PEARL awards Public Lecture and the Annual Awards Nite.

The Pearl Awards Nite is a forum to reward companies quoted on the Nigerian Stock Exchange for outstanding operational and stock performance, in order to enhance the vibrancy, growth and development of the Capital Market.
The initiative was endorsed by the Securities & Exchange Commission (SEC) in 2003.

The organization is reputed for rewarding corporate excellence with unparalleled passion for objectivity and transparency.

Speaking at the event, the chief Executive Officer, PEARL Awards, Mr. Tayo Orekoya said, that the objective of the awards is to engender healthy competition among quoted companies by rewarding excellence. He revealed that "it is gratifying to note with utmost satisfaction, the positive quest of companies not only to be nominated among the highflyers of the market but ultimately emerge as winners of coveted awards in the sectoral, market excellence awards categories and indeed, the overall highest award, the pearl of the Nigeria Stock Market".

Receiving the Award, Dr. Akin Ogunbiyi said that the award which is based on empirical parameters, has adjudged MUTUAL BENEFITS as Nigeria's "clear Leader" in the insurance sector

This is the second time in nine years that MUTUAL BENEFITS will be winning at the PEARL Awards in almost the same categories.

2015 Outstanding CEO of the Year Award: Dr. Akin Ogunbiyi

2015 Highest Earnings Yield Award

2015 Sectoral Leadership Award, Financial Services (Insurance)

DR. AKIN OGUNBIYI
B.SC, MBA, ACII, MIoD
CHAIRMAN

An Economist, Consultant and Insurance Professional, Dr. Akin Ogunbiyi is a graduate of Agricultural Economics from the University of Ife. He is also an alumnus of the famous International Graduate School of Management, University of Navarra (IESE) Barcelona, Spain where he took an Executive Masters in Business Administration. In addition, he is an alumnus of Lagos Business School and Said Business School of University of Oxford where he attended the Oxford Advanced Management & Leadership Programme.

An Associate of the Chartered Insurance Institute, London, he did not only complete his Associateship examination in record time, Mr. Ogunbiyi has the rare honour of securing the highest number of distinctions in the professional examination in two sittings. He had his insurance training in NICON from where he moved to start the Finance and Insurance Experts Limited - a multi-disciplinary consultancy firm, as pioneer Associate Director/Ag. Chief Executive.

He is presently attending the Yale University's Global Executive Leadership Programme.

Mr. Ogunbiyi serves on the board of The Infrastructure Bank Plc and other companies.

AKIN OPEODU
HND, FCA
CHAIRMAN
(Retired wef 30|06|2016)

He qualified as a chartered accountant in 1979. He is a fellow of both the Chartered Association of Certified Accountants, United Kingdom as well as the Institute of Chartered Accountants of Nigeria.

Mr. Akin Opeodu's working experience spans audit practice, commerce, industry and finance. He was formally the Finance Controller of Vegetable and Fruit Processing Ltd and was the pioneering Chief Executive of VT Leasing Ltd which pioneered equipment leasing and consumer financing in Nigeria. He has attended various management development programmes including the Chief Executive Program (CEP) of the Lagos Business School and the Advanced Negotiation programs at Colombia University in New York. He also has certification in Alternative Dispute Resolution at the Multidoor Courthouse of the Lagos High Court.

He was a director of Owena Bank Plc which later became Omega Bank Plc. He is Chairman of Safetrust Mortgage Bank and CMC Connect Ltd. He is also Chairman of the Board of Trustees of Down Syndrome Foundation of Nigeria. He sits on the board of several other companies.

BABATUNDE DABIRI
B.SC, MBA
VICE CHAIRMAN

Mr. Babatunde Dabiri graduated from University of Ibadan with 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. From there he proceeded to the School of Business, Columbia University, New York, USA and he graduated with an MBA in 1977. On his return to Nigeria, he joined Chase Merchant Bank (later Continental), then moved on to Prime Merchant Bank Ltd as Deputy Managing Director. As an astute banker, he set up Fountain Trust Merchant Bank Ltd and served as its GMD/CEO. He was also the GMD/CEO of Magnum Trust Bank Plc, in compliance with CBN regulation for consolidation, he led the effort to merge the bank and four others to form Sterling Bank Plc. He served as its GMD/CEO for a period of two years, from where he retired from banking.
Mr. Dabiri is a member of different bodies such as the University of Ibadan Advancement Board, Corona Trust Council, Lagos State University (LASU) Governing Council, Nigerian Indian Chamber of Commerce and Industry (NICCI), Lagos, e.t.c.

He sits on the board of several companies including Associated Discount House limited/Coronation Merchant Bank Limited, Academy Press Plc and was the founding Chairman of Lagos State Pension Commission for 6 years until 2015.

Between 2003 and 2005, Mr Dabiri was the Alumni President of the Lagos Business School and National President of the Igbobi College Old Boys Association (ICOBA) from 2004 to 2007. He served for 8 years on the Governing Council of the Lagos State University . Mr Dabiri is presently serving on the board of the University of Lagos Holding Company Ltd and on the Advancement Board of the University of Ibadan. Finally, he is a board member of LEAP Africa, an organisation committed to developing dynamic innovative and principled youth leaders.

ADMIRAL F.B.I PROBENI(RTD)
MNI,CFR
DIRECTOR

Admiral Festus B. I. Porbeni, a Professional Navigator and Underwater Diver, graduated from the Nigerian Defence Academy, Kaduna in 1967. At graduation, Admiral Porbeni was the best Cadet in service subject in the 3rd Regular Course. He was commissioned a Sub-Lieutenant in 1969. He served the Nation in various capacities including being the Pioneer Defence Adviser and later the Resident Ambassador to Equatorial Guinea from 1982-1988 with accreditation to Cameroun, Gabon and Sao Tome & Principe. As Ambassador, he worked assiduously to promote and sustain the relationship between Nigeria and Equatorial Guinea.

Admiral Porbeni was Commandant of the Nigerian Naval College, Onura, Director of Research & Analytical Studies (DARAS), Nigerian War College. He served in the provisional Ruling Council as the Flag Officer Commanding Eastern Naval Command. He was the Commanding Officer NNS Argungu which he sailed from Bremen Germany to Lagos Nigeria, Commanding Officer NNS Aradu the Nigerian Navy Flagship, He was the Minister of Transport between 1998 and 1999. Admiral Porbeni is vast in many languages and has received many military honours both locally and internationally. He is a Commander of the Federal Republic (CFR) and the current Romanian Consul General in the Niger Delta Region. Admiral Porbeni also serves on the board of many other companies.

MICHAEL GOVAN (AMERICAN)
B.SC
DIRECTOR

Mr. Michael Govan serves as the President of the Augustus Group, an International Insurance Consulting & Brokerage Company. The Augustus Group is the exclusive Agent of Mutual Benefits Assurance Company (MBA) in USA. The Augustus Groups USA works with multi-national reinsurance companies and advises MBA on a host of insurance products including but not exclusively of Life, Property & Casualty, Travel & Repatriation and Mortgage Insurance.

Mr. Govan is also the President of The Legacy Group, providing government relations and strategic communication support to select group of clients. Mr. Govan has over 25 years of government and business experience. He worked in the White House for Reagan/Bush. His understanding of the governmental process and extensive relationships with key leaders around the world enables Legacy to offer effective strategies for Corporate and Governmental solutions.

ADESOYE OLATUNJI
B.ENG. (CHEMICAL), MBA, FCA
DIRECTOR

Mr. Soye Olatunji, a Chartered Accountant with a bachelor's degree in Chemical Engineering and an MBA from University of Lagos. He has over 30 years of cumulative experience in audit and tax consultancy, accounting and general management.

He was erstwhile General Manager - Best Oils Limited Ibadan, Oyo State and Finance Director - Vitamalt Plc, Agbara Industrial Estate, Ogun State. He joined Ventures & Trust Limited (V&T) as Managing Associate and Chief Financial Officer in 2003.

He joined Mutual Benefits Group in 2007 as Executive Director Corporate Planning and Investment from where he left as Group Finance Director, to establish Mutual Exploration and Production Limited, in 2013. He is an alumnus of Said Business School of University of Oxford where he attended the Oxford Advanced Management & Leadership Programme.

PROFESSOR PAT UTOMI
B.A, MA, PHD
DIRECTOR

A fellow of the Institute of Management Consultants of Nigeria and founding Senior Faculty of the Lagos Business School- Pan African University, Prof. Pat Utomi was Director of the Centre for Applied Economics at the Lagos Business School. He has served in senior positions in government, as an adviser to the President of Nigeria, the private sector, as Chief Operating Officer for Volkswagen of Nigeria and in academia. He is the author of several Management and Public Policy books. His academic background covers a range from Policy Economics, Business, and Political Science to Mass communications. As an entrepreneur, he founded and co-founded companies that are active in fields including financial services, ICT, and media.

A Professor of the Social and Political Economic Environment of Business and Entrepreneurship. He has been a scholar-in-residence at the American University in Washington DC and the Havard Business School.
As leader of Civil Society, he is the founder of the Centre for Values in Leadership; and the Concerned Professionals, among other social sector enterprise initiatives.

DR. EZE C. EBUBE
B.A, (AMERICAN) OD, EJD
DIRECTOR

Dr. Eze Ebube graduated with a B.A. (Microbiology) from Indiana University, Bloomington, Indiana, USA in 1982. In 1986, he obtained a Doctorate degree in Optometry from Inter American University, San Juan, Puerto Rico, U.S.A. and in 2007 he graduated from Concord University School of Law, Los Angeles, California, U.S.A. with the Executive Juris Doctor degree.

Dr Ebube is an Optometrist and an active member of the Puerto Rico Optometry Association where he served as the Chairperson of its Political Action Committee. He is co-chair of FUTeLIV KONSULT, President and CEO of Eye Express 20-20, San Juan, Puerto Rico, USA.

Dr. Ebube works with the Augustus Group, an Insurance Partnership based in Troy, Michigan, U.S.A. as Vice-President and he is presently the Managing Partner for Africa in Legacy Group, an international consulting and business development group in Virginia, U.S.A.

AKINBOYE TAIWO OYEWUMI

B.SC, MBA

DIRECTOR

Mr. Boye Oyewumi is presently the Group Managing Director of Silverage Group. The Company is made up of a network of diverse businesses including Information Technology and Finance.

Mr. Oyewumi holds a BA in Business Administration from University of Maiduguri, Borno State, Nigeria, as well as an MBA in Business Administration from the Middlesex University, London, United Kingdom.

He was appointed a Non-Executive Director of Mutual Benefits Assurance Plc in January 2016

LAMIS SHEHU DIKKO

B.SC

DIRECTOR

Mr. Lamis Dikko holds a bachelor degree in Economics from Queen Mary College, University of London.

He started his finance career as a senior supervisor at Habib Bank Nigeria Limited, after which he joined Intercity Bank Plc in 1998 and later became the Managing Director in 2001, a position he held until 2005. He went on to serve as an Executive Director of Unity Bank Plc, a position he held from 2005 until 2010. He is presently the Chairman, Board of Directors of The Infrastructure Bank and Legacy Pension Managers Limited and sits on the board of several public and private companies.

He was appointed a Non-Executive Director of Mutual Benefits Assurance Plc in January 2016.

SEGUN OMOSEHIN

B.SC, MSC, ACII, MIoD

MANAGING DIRECTOR - GENERAL

Mr. Segun Omosehin is one of the very few multi-disciplinary professionals in the insurance industry. He holds a Bachelor of Science (Honours) degree in Political Science; a Master's degree in International Law and Diplomacy (MILD); and an M.Sc in Economics. An Associate of the Chartered Insurance Institute of Nigeria, Member of the Nigerian Institute of Management; the Nigerian Society of International Law, as well as the Institute of Directors (IoD). He is an alumnus of Said Business School of University of Oxford where he attended the Oxford Advanced Management & Leadership Programme.

Before joining the Mutual Benefits team, Mr. Omosehin was the Managing Director/CEO of AIICO General Insurance Company Limited. He was also the MD/CEO of Admiral Insurance Company Limited between 2003 and 2007.

He also worked for about 9 years in different capacities at Custodian and Allied Insurance Plc; where he resigned in 2003 as the Divisional Head Operation.

Mr. Omosehin is presently the Managing Director/Chief Executive Officer of Mutual Benefits Assurance Plc, a position he has held since 2010.

FEMI ASENUGA

B.SC, M.SC, ACII

MANAGING DIRECTOR - LIFE

An Associate of the Chartered Insurance Institute, Nigeria. Femi Asenuga holds a Master's of Science Degree in Business Administration and a Bachelor's Degree in Insurance from the University of Lagos. Femi was the best graduating student in the department of Insurance for 1989/1990 session. He won the Femi Johnson & Co. prize as well as the Unity Life & Fire Insurance Company award.

Mr. Asenuga started his Insurance career with Metropolitan Trust Insurance Company in 1993. He moved to Custodian and Allied Insurance as a pioneer Manager in the Underwriting Department. Femi is an Alumnus of Lagos Business School and the Said Business School of University of Oxford where he attended the Oxford Advanced Management & Leadership Programme. He has also attended several courses both locally and abroad. He was General Manager, life operations before he was seconded to MUTUAL Life as pioneer MD/CEO of the company

GBENGA OGUNKO

B.A, PGD M.SC

EXECUTIVE DIRECTOR PA & BD

Mr. Adegbenga Ogunko is a graduate of Applied Economics who has earned a niche for himself as a good student of result oriented deployment of strategy and strategic marketing. He has used these two very essential tools over the years to successfully position individuals, products, companies, etc.

He has had a very brilliant stint in the leadership position of the Nigerian Insurance Industry. He has also been a Strategic marketing consultant to blue-chip companies.

He is the Executive Director Public Accounts & Business Development.

BIYI ASHIRU-MOBOLAJI (MBA, ACII)
GENERAL MANAGER, MARKETING AND DISTRIBUTION DIRECTORATE

DEMOLA FABGAYI (B.Ed, ACII)
GENERAL MANAGER, MUTUAL RETAIL

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

BAYO AKINMOLADUN (MBA)
DEPUTY GENERAL MANAGER, BRANCH OPERATIONS

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

JIDE IBITAYO (LLM, BL, ACIS)
GROUP LEGAL ADVISER/HEAD, CORPORATE SERVICES

SOLA ADEKUNLE (BSC, ACII)
DEPUTY GENERAL MANAGER,
CORPORATE MARKETING (MUTUAL LIFE)

OGUNWO ABAYOMI AYODEJI (MBA, ACA)
DEPUTY GENERAL MANAGER,
FINANCE & ACCOUNTS

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

JOSEPH OLADOKUN (MBA, AIIN, ANIMN)
DEPUTY GENERAL MANAGER, TECHNICAL

MUHAMMED B. T. IBRAHIM (LLB, MPA, MNIM, ACAN)
ASSISTANT GENERAL MANAGER, Northern Region

LATEEF AMUSA (HND, ACA, AGM, FINCOM)
(MUTUAL LIFE)

SHEMAYE ABODERIN (MBA ACIPM)
CONTROLLER, HR & ADMIN

RAMON ODUKALE (MBA)
CONTROLLER, WESTERN REGION

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

TITI AKINSIKU (MBA, ACII)
CONTROLLER, TECHNICAL

FEMI FAHPOHUNDA (MSc)
CONTROLLER, ICT

FUNKE SANNI (B.Sc, ANIMN)
CONTROLLER, AGENCY (MUTUAL LIFE)

DAVID ADEWUNMI (B.Sc)
CONTROLLER, AGENCY (MUTUAL LIFE)

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

FOLASADE OKE (HND, ACII)
CONTROLLER, LAGOS BUSINESS DISTRICT

OSEAFIANA JUDE UDOKA (HND, MCA, ACII)
CONTROLLER, CORPORATE MARKETING

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

ELLEN OFFO (MBA, Dip. CIPR, rpa, MNIPR)
SENIOR MANAGER, CORPORATE COMMUNICATION

KOLAPO LAWRENCE OLLA (M.A. ACIIN, ACIB)
SENIOR MANAGER, SPECIAL RISKS

TOMI ADEBIYI (MBA)
SENIOR MANAGER, CORPORATE MARKETING

EDWIN ALOHAN (B.Sc, ACIPM)
SENIOR MANAGER, HR/ADMIN.

OLUYINKA AKINWALE (MBA, ACII)
SENIOR MANAGER, TECHNICAL

MORENIKEJI SODIPE (BSc, ACII)
SENIOR MANAGER, OTTA BRANCH

AJAYI IMOH (HND)
SENIOR MANAGER, CORPORATE MARKETING (ABUJA)

OLUFEMI AYODELE (MBA)
SENIOR MANAGER CORPORATE MARKETING

OLUBUNMI ADIO (MBA, AMNIM)
SENIOR MANAGER CORPORATE MARKETING

BASHIRU ELETU (HND, ACA)
SENIOR MANAGER, FINANCE & ACCOUNT

BELLO MODUPE BOLANLE (HND, PGD, ACA)
SENIOR MANAGER, FINANCE & ACCOUNT

ADEFEMI ADEJOLA (B.Sc (Ed) Hons, ACA, ACTI)
SENIOR MANAGER, INTERNAL AUDIT

OKECHUKWU IGBOJEKWE (HND, ACA)
SENIOR MANAGER, INTERNAL AUDIT (MUTUAL LIFE)

ROTIMI OGUNSEYE (B.Sc, ACII)
SENIOR MANAGER, TECHNICAL (MUTUAL LIFE)

AFAM EMODI (HND)
SENIOR MANAGER, MARKETING (MUTUAL LIFE)

OLAJUMOKE AJIKOBI (B.Sc, ACA, ACCA)
SENIOR MANAGER, SPECIAL PROJECTS

NOTICE IS HEREBY GIVEN that the 20th Annual General Meeting of Mutual Benefits Assurance PLC will be held at SHELL HALL, MUSON CENTRE, ONIKAN, LAGOS , on Wednesday, 5th October, 2016 at 11.00a.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 2015 together with the Reports of Directors, Auditors and Audit Committee thereon.

2. To elect/re-elect Directors.

3. To elect members of the Audit Committee.

4. To appoint Messrs Ernst & Young (Chartered Accountants) as the Auditors of the Company in place of Messrs. BDO Professional Services who resigned their appointment during the year

5. To authorize the Directors to determine their remuneration.

SPECIAL BUSINESS

6. To approve the remuneration of the Directors.

7. **To consider and if thought fit to pass the following as Ordinary Resolution**

   i That pursuant to the Article 35 of the Articles of Association, the Authorised Share Capital of the Company be and is hereby increased from N5,000,000,000 (Five Billion Naira) to N10,000,000,000 (Ten Billion Naira) by the creation of 20,000,000,000 (Twenty Billion) additional Ordinary Shares of 50 kobo each ranking parri passu in all respects with the existing Ordinary Shares of the Company.

   ii That the Directors be and are hereby authorized to raise whether by way of an offer for subscription , placing rights issue or other methods or combination of methods, additional capital by way of issuance of ordinary shares, Preference shares, convertible or non-convertible loans, stocks, medium term notes, bonds or other securities, in such tranches, series or proportions, at such coupons or interest rates within such maturity period and on such terms and conditions, including the provision of security for repayment, as the directors may deem fit or determine, subject to obtaining the requisite regulatory approvals.

   iii That any capital raising exercise undertaken by the Company pursuant to this Resolution may be underwritten on such terms as may be determined by the Directors, subject to obtaining the approval of the regulatory authorities.

   iv That the Directors of the Company be and are hereby authorised to enter into any agreement and/or execute any document necessary to or incidental to giving effect to the above resolutions.

   v That the Directors of the Company be and are hereby authorised to appoint such professional parties and advisers and to perform all such other acts and do all such things as may be necessary to give effect to the above resolutions, including without limitation, complying with the directives of the regulatory authorities.

8. **That the existing Memorandum and Articles of Association of the Company be and is hereby amended by Special Resolution as follows:**

   i That Clause 6 of the Memorandum of Association be altered by deleting the words "the Authorized Share Capital of the company is N2,500,000,000 (Two Billion and Five Hundred Million Naira) divided into 5,000,000,000 (Five Billion) ordinary shares of 50 kobo each "and substituting with "the Authorised share capital of the Company is N10,000,000,000 (Ten Billion Naira) divided into 20,000,000,000 (Twenty Billion) Ordinary Shares of 50 kobo each.

   ii That the Article 5 of the Articles of Association, be altered by deleting the words "the share capital of the Company is N2,500,000,000 (Two Billion and Five Hundred Million Naira) divided into 5,000,000,000 (Five Billion) Ordinary Shares of 50 kobo each" and substituting it with "The share capital of the Company is N10,000,000,000 (Ten Billion Naira) divided into 20,000,000,000 (Twenty Billion) Ordinary Shares of 50 kobo each"

9. **That the Company Secretary be and is hereby authorised to take such steps and to do such things as may be required to give effect to the above resolutions.**

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 in his/her stead. A proxy need not be a member of the company. A Proxy Form is attached to the Annual Reports and Accounts.

Executed proxy forms should be returned to the Registrar, Meristem Registrars Limited, 213, Herbert Macaulay Way, Adekunle, Yaba, Lagos State, not less than 48 hours before the time of the meeting.

2. **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.

3. **Closure of Register of Members**
In accordance with section 89 of CAMA, please note that the Register of Members and Transfer Books of the Company will be closed from 5th September, 2016 to 9th September, 2016 to enable the Registrar update its records in preparation for the meeting.

4. **E-Dividend**
Pursuant to the directive of the Securities and Exchange Commission, notice is hereby given to shareholders to provide account for the purpose of e-dividend/bonus. A form is inserted into this Annual Report & Accounts 2015 for completion by all shareholders to furnish the particulars of their accounts to the registrars (Meristem Registrars Limited, 213, Herbert Macaulay Way, Adekunle, Yaba, Lagos State)

5. **Right of Shareholders to ask Questions**
Shareholders have a right to ask questions not only at the meeting but also in writing prior to the meeting and such questions must be submitted to the Company Secretary on or before the 23rd September, 2016

6. **Biographical Details of Directors**
Biographical details of Directors standing election/re-election are contained in the Annual Reports and Accounts.

7. **Website**
A copy of this Notice and other information relating to the meeting can be found at www.mbaplc.com

By Order of the Board

Olubunmi Oje

Olubunmi Oje (Mrs).
ABDULAI, TAIWO & CO.
COMPANY SECRETARIES
FRC/2013/0000004757
Dated the 26th August, 2016

Mutual Benefits Assurance Plc financial statements complies with the applicable legal requirements of the Companies and Allied Matters Act CAP C20 LFN 2004, regarding financial statements and comprise Consolidated and Separate Financial Statements for the year ended 31st December 2015. 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.

Directors

Dr. Akin Ogunbiyi	Chairman
Mr. Akin Opeodu	Chairman (1|4|2014 - 30|06|2016)
Mr. Segun Omosehin	Managing Director, Mutual Benefits Assurance Plc.
Mr. Gbenga Ogunko	Executive Director, Public Account & Business Development.
Mr. Femi Asenuga	Managing Director, Mutual Benefits Life Assurance Limited.
Mr.Adesoye Olatunji	Non Executive Director
Admiral F. B. I. Porben (Rtd) mni, CFR	Non Executive Director
Mr. Michael Govan	Non Executive Director (American)
Mr. Eze C. Ebube	Non Executive Director (American)
Dr Moses Ajaja	Non Executive Director (Resigned w.e.f. 31/12/2015)
Prince Nasir Ado Bayero	Non Executive Director (Resigned w.e.f. 6/8/2015)
Prof. Pat Utomi	Non Executive Director (Independent)
Mr. Babatunde Dabiri	Non Executive Director (Independent)
Mr. Lamis Shehu Dikko	Non Executive Director (Appointed w.e.f. 1/1/2016)
Mr. Akinboye Oyewumi	Non Executive Director (Appointed w.e.f. 1/1/2016)

Corporate Office

Mutual Benefits Assurance Plc,
Aret Adams House,
233, Ikorodu Road,
Ilupeju, Lagos.
Tel: + 234 -01 3429018-9
E-mail: info@mbaplc.com
Website: www.mbaplc.com
RC No. 269837

Auditors

Ernst & Young
UBA House,
10th & 13th Floors
57 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
FRC/012/0000000504

Bankers

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

Re-Insurers

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

Registrar & Transfer Office

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

Estate Surveyor &Valuer

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

Company Secretary

Abdulai & Co.
FRC/2013/NBA/0000004757,
Goodwill House,
278, Ikorodu Road,
Lagos.

The Pearl Of The Capital Market

DR. AKIN OGUNBIYI
Chairman

"I am pleased to inform you that on 29th November, 2015 Mutual Benefits Assurance Plc made history by winning the most prestigious Award of the Nigerian Capital Market: "THE PEARL"- The Overall Highest Award 2015 along with three other awards at the 20th Performance Earning and Returns Leadership (PEARL) Awards Nite."

Fellow Shareholders, distinguished ladies and gentlemen, on behalf of the Board of Directors, it is my pleasure to welcome you all to the 20th Annual General Meeting of Mutual Benefits Assurance Group. Permit me to present a summary of our operating results and the key achievements of your company for the financial year ended 31st December, 2015. I will provide a brief overview of the macroeconomic operating environment and highlight our company's scorecard during the period under review.

In 2015, we continued to make giant strides in actualizing our top priority of creating value for our shareholders – sustaining growth and maintaining our position as a one of the foremost provider of Insurance and related financial services in Nigeria despite the difficult economic terrain.

OPERATING ENVIRONMENT IN 2015

The Nigerian business environment in 2015 was very challenging with various economic and security related issues, infrastructural challenges, declining oil prices and dwindling disposable income of customers. The uncertainties and political risks arising from the general elections and eventual change of government affected consumers' behaviors and patronage.

The year started with the transition into a new political administration which created a wave of hope to the people. However, business activities were quite slow for a significant part of the year due to uncertainties around the policy direction of the new administration.

The declining global crude oil prices from a high of about US$110/barrel in July 2014 to around US$36/barrel in December 2015 adversely affected government revenue, availability of foreign exchange in the market, and the value of the local currency (Naira). In order to stimulate the economy and further strengthen the Naira, the Central Bank of Nigeria adopted some far reaching policies during the year ranging from the restrictions on operations of foreign currency accounts to the complete ban of some imported goods and services from access to FOREX through the Central Bank sale windows. These policies and other factors culminated into a GDP growth of just 2.79% in 2015 versus an average of 6% in the past five years, inflation rate of 9.5% compared to the 8.2% in the preceding year, and the high cost of borrowing (between 22% and 34%) – all having paralyzing effect on businesses and consumers. Overall, the Nigerian All Share Index closed the year with a decline of 17.4% at 28,642 compared with the 34,657 recorded in 2014 with all the sectors losing.

Towards the end of the year, CBN reduced the Monetary Policy Rate from 13% to 11% and the Cash Reserve Ratio from 25% to 20%. These were to ensure that commercial banks had the needed funds to promote the continued operation of the real sectors of the economy.

INSURANCE SECTOR

A pervasive theme during 2015 is the degree to which the Insurance industry is regulated. During the year, new guidelines were introduced by the National Insurance Commission (NAICOM) - Market Conduct and Business Practice Guidelines and the Prudential Guidelines aimed at repositioning the Industry, boosting insured's confidence and maintaining financial stability of the players in the industry alongside codes of corporate governance issued by various regulators.

Increased regulation is an inescapable reality for the industry. So it makes sense to engage with our regulators constructively. Our priority is to be at the fore front, and treat regulatory change as a way of increasing competitive advantage and creating new values.

In addition, the new Commissioner for Insurance inaugurated the Insurers' Committee – which comprises all the CEO's of insurance companies in Nigeria and creates a platform to regularly meet with the Commission on the issues and challenges facing the industry.

STRATEGIC DIRECTION

Our strategic focus on developing innovative customer-centric products, increasing our market share and concentration on core insurance business within the Group through gradual divestment from non-core insurance businesses allowed us to grow our businesses, manage our profitability in a difficult business environment and advance key strategic initiatives.

To re-position the Group for future opportunities and challenges, in Q2 of 2016 the Board directed an analysis of the company's strategy and structure, incorporating the best insights from within the Group, KPMG consultants, as well as invaluable contributions from the Board of Directors. The result is a new Strategic Roadmap to be implemented from Q4 2016. The themes of the new strategic thrust are:

- Deepen market penetration / customer acquisition;
- Embed customer and service delivery excellence;
- Transform people and culture; and
- Drive operational effectiveness

The bedrock of this strategic direction is the leverage on disruptive technology - use of electronic decision tools across all of our businesses, adding broader datasets, and embedding analytics.

FINANCIAL RESULTS

The economic challenges which characterized the year 2015 cascaded down to the results of the Group and Company. The Group's Gross Premium Written declined marginally by 6% from N15.5 billion in 2014 to N14.6 billion in 2015. This shortfall was driven by the general lull in the economic activities during the year resulting in delayed investment decisions and low disposal incomes.

Though the Underwriting Profit for 2015 reduced to N3.9 billion from N5.2 billion in 2014 (a decline of -26%), it was one of the highest in the industry as a percentage of Net Premium Income at 50.3%. This height was achieved as a result of the strong risk mitigation strategies adopted by the Management.

Divestment from some non-insurance subsidiaries in 2015 (Mutual Model Transportation Limited and Charks Investment Limited) contributed negatively to the -81% decrease in Profit After Tax from N4.2 billion in 2014 to N0.8 billion in 2015. Other key contributor was a fair value gain in investment properties of N2.6 billion in 2014 that was not repeated in 2015.

It is worth noting that our foreign investments (Mutual Benefits Assurance Liberia and Mutual Benefits Niger Republic) contributed about 13% to the bottom-line of the Group in 2015. Key business trends from these subsidiaries in 2016 remain positive with dividends already distributed by Mutual Benefits Liberia.

The Group's asset base grew by +5% from N44.1 billion in 2014 to N46.1 billion in 2015 following the growth of +16% in the shareholders' fund.

MERITORIOUS AWARDS

I am pleased to inform you that on 29th November, 2015 Mutual Benefits Assurance Plc made history by winning the most prestigious Award of the Nigerian Capital Market: "THE PEARL"- The Overall Highest Award 2015 along with three other awards at the 20th Performance Earning and Returns Leadership (PEARL) Awards Nite.
The company won the following other Awards:
The Sectoral Leadership Award in the Financial Services (Insurance) category;
The Highest Earnings Yield Award in the Market Excellence Category; and
The Group Managing Director, Dr. Akin Ogunbiyi also emerged the 2015 Pearl Outstanding CEO of the Year.

CHANGE OF EXTERNAL AUDITORS

In the course of the financial year 2015 and in line with our Project One – to become the 'Leader' in the Industry; the Board sought and got approval of the Commission to change its external auditors to Ernst & Young (Chartered Accountants). The significance of this cannot be over-emphasized.

EQUITY INVESTMENT IN LIFE BUSINESS

During the year, our Company further increased its equity investment in its subsidiary – Mutual Benefits Life Assurance Limited – by injecting N2 billion into the business. This capital was to bolster the assets cover of its operations in line with the newly released prudential guidelines of the Commission.

DIVIDEND

Your company remains committed to delivering superior returns to its shareholders. Our valued investors have persevered with us, we appreciate this, however the Board is unable to declare dividends as the economic downturn has affected the Company's ability to achieve the turnaround of its negative reserves in the envisaged time. As mentioned earlier, the Board and Management team have embarked on some strategic initiatives geared towards speedily improving our financial position and performance and ensuring that we are able to declare dividends soon.

CORPORATE DEVELOPMENT

In order to implement its new strategic initiatives, be ready for the regulatory 'risks based' requirements and take advantage of identified growth opportunities, your company is set to raise additional capital between Q4 2016 and Q1 2017 in line with the shareholders' resolution of 30th January, 2014. The resolution authorized the Company to raise additional capital via the issue of debt or equity or a combination of both whether by way of private placement or otherwise or by way of an offer for subscription, upon such terms and conditions to be determined at the discretion of the Directors and subject to any requisite regulatory approvals.

BOARD CHANGES AND PERSONNEL

Since the last Annual General Meeting, Prince Nasir Ado Bayero and Dr. Moses Ajaja resigned from the Board of the Company with effect from 6th August, 2015 and 31st December, 2015 respectively. On 30th June, 2016, our erstwhile Chairman, Mr. Akin Opeodu, resigned from the Board after 21 years of service to the Company. Mr. Akin Opeodu joined the Board from inception in 1995. He was the Chairman of the Company between 2002 and 2007 and also between 2014 and 2016. He has contributed immensely to getting the Company to where we are today.

On your behalf, I would like to thank these Directors for their services and commitment to the Company and wish them the best in their future endeavors.

In January 2016, Messrs Lamis Shehu Dikko and Akinboye Oyewumi were appointed to the Board. Alhaji Dikko brings with him over 20 years of top level corporate and banking experience. We have already started benefiting from his experience as Chairman of the Establishment Committee of the Board. Mr. Oyewumi, an entrepreneur, brings with him a wealth of experience in the Information Technology and Finance.

I resigned from my position as the Group Managing Director and was elected to chair the Board effective 1st July, 2016.

FUTURE OUTLOOK

Even with the challenges facing the country and the insurance sector, opportunities abound for the participants in the industry. Nigerian insurance market remains at an embryonic stage of development with the combined assets of the country's insurers comprising only a tiny percentage of GDP and total premiums lagging behind more developed markets. There exist a lot of untapped potentials in the industry.

Other pointer of the sector's growth opportunities is the focus of the Federal Government on infrastructural development, diversification of the economy from mainly oil revenues, anti-corruption crusade, and the expansionary budget.

Our Company is set to take advantage of these opportunities for growth through utilization and expansion of ICT, massive use of telecommunication facilities, and further penetration of the retail sector which is relatively untapped. Our constant innovations in terms of product development are unmatched.

CONCLUSION

This year, we will continue to focus our energies on innovation and products development for a better market penetration; and strong customer focus. However, we can only do this successfully with the right people and, on behalf of the Board, I would like to thank all our employees, management, partners and shareholders for their very considerable efforts in the past year. I look forward with confidence to your Company's response to further changing customer demands in the year ahead.

Dr. Akin Ogunbiyi
Chairman

	GROUP			COMPANY		
		Restated*				
In thousands of nigerian naira	2015	2014	%	2015	2014	%
STATEMENT OF COMPREHENSIVE INCOME						
Gross premium written	14,598,070	15,451,048	-6%	10,541,503	11,354,526	-7%
Gross premium income	13,801,208	15,535,631	-11%	10,230,490	11,347,162	-10%
Net premium income	7,734,582	9,342,425	-17%	4,270,643	5,276,293	-19%
Net underwriting income	8,394,946	10,199,442	-18%	4,907,954	6,113,540	-20%
Underwriting profit	3,886,311	5,247,100	-26%	2,563,595	3,529,771	-27%
Profit before income tax	1,195,272	4,980,892	-76%	901,266	2,742,315	-67%
Profit after income tax	812,048	4,221,938	-81%	652,613	2,243,768	-71%
Earnings per share: basic	10	53		8	28	
Earnings per share: diluted	10	53		8	28	

		Restated*				
	2015	2014	%	2015	2014	%
STATEMENT OF FINANCIAL POSITION						
Iotal assets	46,094,942	44,046,683	5%	15,798,729	14,488,600	9%
Insurance contract liabilities	6,087,972	5,194,547	17%	3,971,168	3,364,254	18%
Investment contract liabilities	24,217,581	20,857,951	0%	-	-	0%
Shareholders' fund	7,518,016	6,464,597	16%	6,201,262	5,548,649	12%

* Certain amounts shown here do not correspond to the 2014 financial statements and reflect adjustments made, refer to Note 3.9

The Board has the pleasure of presenting their Report on the affairs of Mutual Benefits Assurance Plc ("the Company") and its subsidiaries ("the group") to the Shareholders along with the Group and the Company's Audited Financial Statements and the auditors report for the year ended 31st December 2015.

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 24th May 2001. On the 28th 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, Benin, Calabar, Ibadan, Ikorodu, Ilorin, Kaduna, Kano, Lafia, Lagos, Oshogbo, Otta, Owerri, Port Harcourt, Warri, and Yenogoa.

BUSINESS REVIEW

The Company is mainly involved in general and life insurance underwriting (under separate licenses held by the Company and its subsidiary), risk management and provision of financial services.

The Company has progressed into a group with six constituent companies namely: Mutual Benefits Life Assurance Limited, Mutual Benefits Assurance Company, Liberia, Mutual Benefits Assurance Niger SA, Mutual Benefits Homes and Properties Limited and Mutual Benefits Microfinance Bank Limited.

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

LIFE INSURANCE PRODUCTS

Insurance of Person
Personal Insurance
Group Personal Accident
Individual Savings & Pension 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
Director's Liability
Mutual Group Investment Protection Plan
Micro Personal Investment Plan

OPERATING RESULTS

Below is a summary of the Group's operating results: (in thousands of Naira)

	GROUP	GROUP	COMPANY	COMPANY
	2015	Restated 2014	2015	2014
Gross Premium Written	14,598,070	15,451,048	10,541,503	11,354,526
Profit before income tax	1,195,272	4,980,892	901,266	2,742,315
Income tax expense	(303,500)	(758,954)	(248,653)	(498,547)
Profit after income tax	891,772	4,221,938	652,613	2,243,768
Loss from discounted operation	(79,724)	-	-	-
Profit for the year	812,048	4,221,938	652,613	2,243,768
Shareholders' funds	7,528,157	6,471,322	6,201,262	5,548,649

DIVIDENDS

The Board of Directors have not recommended any divided for the year.

DIRECTORS

The following are the Directors who held office during the year under review.

Dr. Akin Ogunbiyi	Chairman
Mr. Akin Opeodu	Chairman (1/4/14 to 30/6/16)
Mr. Olusegun Omosehin	Managing Director
Mr. Gbenga Ogunko	Executive Director
Mr. Femi Asenuga	Executive Director
Mr. Soye Olatunji	Non-Executive Director
Dr. Moses Ajaja	Non-Executive Director (resigned w.e.f 31/12/15)
Prince Nasiru Ado-Bayero	Non-Executive Director (resigned w.e.f.6/8/15)
Mr. Babatunde Dabiri	Non-Executive Director (Independent)
Prof. Pat Utomi	Non-Executive Director (Independent)
Adm. Festus Porbeni (Rtd) MNI	Non-Executive Director
Mr. Michael Govan	Non-Executive Director (American)
Mr. Eze Ebube	Non-Executive Director (American)

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 the requirements of the Listing requirements of the Nigerian Stock Exchange is noted:

DIRECTORS:

	2015		2014		
DIRECTORS	**DIRECT**	**INDIRECT**	**DIRECT**	**INDIRECT**	**PERSONS REPRESENTED**
Dr. Akin Ogunbiyi	124,292,614	704,545,609	324,292,614	Nil	-
Mr. Akin Opeodu **(1|4|2014 - 30|06|2016)**	11,000,000	74,213,287	11,000,000	74,213,287	Kemson Schools Nig. Ltd
Dr. Moses Ajaja **(Resigned w.e.f. 31/12/15)**	8,233,326	Nil	8,233,326	Nil	-
Mr. Michael Govan (American)	3,100,000	2,100,000,000	3,100,000	2,100,000,000	Charles Enterprises LLC
Dr. Eze Ebube (American)	2,500,000	Nil	2,500,000	Nil	Charles Enterprises LLC
Prof. Pat Utomi	36,460,000	Nil	Nil	Nil	-
Prince Nasiru Ado Bayero **(Resigned w.e.f. 6/8/15)**	Nil	Nil	Nil	Nil	-
Admiral F. Porbeni (rtd)	Nil	Nil	Nil	254,222,278	
Mr. Babatunde Dabiri	Nil	Nil	Nil	Nil	-
Mr. Olusegun Omosehin	1,000,000	Nil	1,000,000	Nil	-
Mr. Adesoye Olatunji	Nil	933,858,376	3,000,000	933,858,376	CIL Risk & Asset Management Limited
Mr. Femi Asenuga	1,093,150	Nil	93,150	Nil	-
Mr. Gbenga Ogunko	4,200,000	Nil	4,200,000	Nil	-

ACQUISITION OF OWN SHARES

The Company did not purchase its own share in 2015.

The Group has a Board policy on personal investment, which applies to directors, staff and related parties. This policy prevents Directors, members of Staff and related Companies/individuals from insider dealing on the shares of Mutual Benefits Assurance Plc and related entities. The purpose of this policy is to prevent the abuse of confidential non-public information that may be gained in the course of being a director or working for the Company. The policy also ensures compliance by the Company with extant laws and regulatory requirements.

In the course of the financial year there was no case of violation of this policy

RETIREMENT BY ROTATION

In accordance with Article 85 of the Company's Articles of Association and CAMA, Dr. Akin Ogunbiyi and Soye Olatunji are retiring by rotation and offer themselves for re-election.

RESIGNATION OF DIRECTORS

Since the last Annual General Meeting, Dr. Moses Ajaja resigned from the board of the Company with effect from 31 December, 2015.

APPOINTMENT OF DIRECTORS

Since the last Annual General Meeting, Messrs Lamis Shehu Dikko and Akinboye Oyewumi were appointed to the Board of Directors with effect from 1 January 2016 to fill casual vacancies on the Board.

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 the changes in property and equipment is given in Note 35 to the consolidated and separate financial statements. In the Directors' opinion, the market value of the Group's properties is not less the value shown in the financial statements.

DIRECTORS REMUNERATION

Remuneration	Description	Timing
Basic Salary (Executive Directors)	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 (Executive Directors)	Part of the salary package of 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 who reside 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

*Applicable to Non-Executive Directors

DONATIONS AND CHARITABLE GIFTS

In identifying with the aspirations of the community and the environment within which the Company operates, a total sum of N3,374,500.00 (Three Million, Three Hundred and Seventy Four Thousand, Five Hundred Naira) (December 2014: N6,981,150) was given out as donations and charitable contributions during the year. Details of the donations and charitable gifts are as stated below:

Oganisations:	2015 (₦)
Support for the projects of Rotary Club of Gbagada South	1,000,000.00
Sponsorship of the 12th Aret Adams Foundation Lecture	544,500.00
Donation for Fiyinfoluwa Twins' Eye Surgery	230,000.00
Donation to Junior Chamber International (JCI) Eko Chapter	100,000.00
Sponsorship of IOD's 2015 Annual Directors' Conference	1,000,000.00
Support to Chioma Ajunwa Foundation for the development of Future Olympic Heroes and Heroines	250,000.00
Donation to Staddon School's 1st Inter-House Sports Competition	50,000.00
Sponsorship of Ikeja Golf Club's 2015 Corporate Challenge Tournament	200,000.00
TOTAL	**3,374,500.00**

BENEFICIAL OWNERSHIP

The following shareholders held 5% or more of the issued and paid up shares of the Company as at December 31, 2015:

NAME OF HOLDER	ADDRESS	HOLDING	%
CORE TRUST & INVESTMENT LTD	P.O Box 73492 V/I Lagos State, Lagos	450,323,331	5.63
CIL RISK & ASSET MANAGEMENT LTD	26 Adeola Hopewell, Victoria Island Lagos	933,858,376	11.67
CHARLES ENTERPRISES LLC	LLC SUITE 750, 17th Street, NW 1000 Washington Dc, USA	2,100,000,000	26.25

ACTIVE SHAREHOLDERS - SUMMARY **Position As at:** **31/12/2014**

Range			No. of Holders	Holders %	Holders Cum.	Units 000	Units %	Units Cum.
1	-	5,000	13,887	37.81	13,887	33,638,794	0.42	33,638,794
5,001	-	10,000	6,528	17.78	20,415	55,156,405	0.69	88,795,199
10,001	-	100,000	13,762	37.47	34,177	515,875,539	6.45	604,670,738
100,001	-	500,000	2,071	5.64	36,248	454,149,855	5.68	1,058,820,593
500,001	-	1,000,000	243	0.66	36,491	191,604,549	2.40	1,250,425,142
1,000,001	-	5,000,000	162	0.44	36,653	334,773,381	4.18	1,585,198,523
5,000,001	-	10,000,000	18	0.05	36,671	120,688,132	1.51	1,705,886,655
10,000,001		100,000,000	42	0.11	36,713	1,234,405,720	15.43	2,940,292,375
100,000,001	-	and above	12	0.03	36,725	5,059,707,625	63.25%	8,000,000,000
Grand Total			**36,725**	**100.00%**		**8,000,000,000**	**100%**	

EVENT AFTER THE REPORTING DATE

The Company acquired additional 100,000,000 (One Hundred Million) ordinary shares at N20.00 per share in the shares of Mutual Benefits Life Assurance Limited bringing its total shareholding in the Company to 249,000,000 ordinary shares.

EMPLOYMENT AND HUMAN RESOURCES 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 hone their 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	133	79	62.74	37.26

Gender analysis of Board and Top Management is as follows:

Board	13	-	100	-
Top Management	10	2	80	20

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

	Male Number	Female Number	Male %	Female %
Assistant General Manager	3	1	75	25
Deputy General Manager	3	1	75	25
Executive Director	3	-	100	
Chief Executive Officer	1	-	100	-
Non-Executive Director	9	-	100	-

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 clinics on retainership with the company. The clinics, which are manned by professionals who are specialists in different medical lines, offer first class 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

Messrs Ernst & Young were appointed as Auditors of the Company in the course of the year and in compliance with section 357 (1) of the Companies and Allied Mattes Act of Nigeria their appointment will be approved at the Annual General Meeting.

COMPLIANCE WITH NAICOM CODE OF CORPORATE GOVERNANCE

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 30 June and 31 December 2015 respectively and also its periodic returns with National Insurance Commission (NAICOM) as required by regulation.

Also, in line with the principles of Corporate Governance the Company held at least one 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

Olubunmi Oje (Mrs)
ABDULAI, TAIWO & CO.
COMPANY SECRETARIES
FRC/2013/0000004757
21st April, 2016.

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. The Company adopts a responsible attitude towards Corporate Governance and issues of Corporate Social Responsibility. The Company conducts its business with integrity and pays due regard to the legitimate interest of its stakeholders.

The Company continues to comply with its Internal Governance Policies and the Code of Corporate Governance for Public Companies in Nigeria as enunciated by the Securities and Exchange Commission. As an insurance Company, we also comply 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 Governance 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 thirteen (13) Directors, made up of five (5) Executive Directors and eight (8) Non-Executive Directors, one of whom is the Chairman. The Directors are experienced stakeholders with diverse professional backgrounds in Insurance, Accounting, Banking, Commerce, Management, Diplomacy, Engineering, Government 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 quarterly.

a) RECORD OF DIRECTOR'S ATTENDANCE

In accordance with Section 258 (2) of the Companies and Allied Matters Act (CAMA) CAP 20, Laws of the Federation of Nigeria, 2004, the record of Director's attendance and meetings held during year 2015 is available for inspection at the Annual General Meeting. The Board met five (5) times (see details in the table below) during the year and the meetings of the Board were presided over by the Chairman. Written notices of the Board meetings, along with the agenda circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

Directors	3/2/15	26/3/15	7/5/15	4/8/15	20/10/15	Total
Dr. Akin Ogunbiyi	✓	✓	✓	✓	✓	5
Mr. Akin Opeodu (1|4|2014 - 30|06|2016)	✓	✓	✓	✓	✓	5
Dr. Moses Ajaja Resigned wef 31/12/2015	✓	✓	X	✓	✓	4
Adm. Festus Porbeni (mni) CFR	✓	X	✓	✓	X	3
Mr. Michael Govan	✓	✓	X	✓	X	3
Dr. Eze Ebube	X	✓	✓	✓	X	3
Dr. Nasir Ado-Bayero Resigned wef 6/8/2015	X	X	X	X	N/A	0
Prof. Patrick Utomi	✓	✓	X	✓	✓	4
Mr. Babatunde Dabiri	✓	✓	✓	✓	X	4
Mr. Soye Olatunji	✓	✓	✓	✓	✓	5
Mr. Olusegun Omosehin	✓	✓	✓	✓	✓	5
Mr. Gbenga Ogunko	✓	✓	✓	✓	✓	5
Mr. Femi Asenuga	✓	✓	✓	✓	✓	5

a. **COMMITTEES**

The Board performed its functions through four 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 Laws of the Federation of Nigeria 2004. The Committee has the oversight functions for the Company's Financial Statements. The Committee, however, is 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 is renewed at Annual General Meetings.

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. Mrs. Temi Durojaiye chaired the Committee during the year under review. The records of attendance at the meetings are as follows:

Members	31/3/15	5/5/15	3/8/15	16/10/2015	Total
Mrs. Temi Durojaiye	✓	✓	✓	✓	4
Mr. Akin Odubiyi	✓	✓	✓	✓	4
Mr. Osato Aideyan	✓	✓	X	✓	3
Dr. Moses Ajaja	X	X	✓	✓	2
Mr. Babatunde Dabiri	✓	✓	✓	✓	4
Prof. Patrick Utomi	✓	✓	✓	X	3

ii. FINANCE AND GENERAL PURPOSES COMMITTEE

The Finance and General Purposes comprises four members namely: Mr. Babtunde Dabiri, Dr. Akin Ogunbiyi, Dr. Moses Ajaja, Mr. Soye Olatunji also in attendance are Mr. Olusegun Omosehin and Mr. Femi Asenuga

The Committee met five 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. Mr. Babatunde Dabiri Chaired the Committee during the year under review. The records of attendance at the meetings are as follows:

Members	27/2/15	5/5/15	30/7/15	16/10/15	7/12/2015	Total
Mr. Babatunde Dabiri	✓	✓	✓	✓	✓	5
Dr. Akin Ogunbiyi	✓	✓	✓	X	✓	4
Dr. Moses Ajaja	✓	X	✓	✓	✓	4
Mr. Soye Olatunji	✓	✓	✓	✓	X	4

iii. ESTABLISHMENT/GOVERNANCE COMMITTEE

The Establishment/Governance Committee comprises four members: Dr. Moses Ajaja, Dr. Akin Ogunbiyi, Mr. Babatunde Dabiri and Adm. Festus Porbeni (MNI) CFR.

The Committee met two times to consider make recommendation on the governance of the Company, remuneration and general welfare of the Senior Management and Staff of the Company. The records of attendance at the meetings are as follows:

Members	4/02/2015	30/12/2015	Total
Dr. Moses Ajaja	✓	✓	2
Dr. Akin Ogunbiyi	✓	✓	2
Mr. Babatunde Dabiri	X	✓	1
Adml. Festus Porbeni (mni) CFR	✓	X	1

iv. TECHNICAL/RISK MANAGEMENT COMMITTEE

The Technical/Risk Management Committee met four times during the year under review to ensure compliance with Enterprise Risk Management Policies and the Regulatory Risk Management Requirements. The Committee also deliberates on and make recommendations to the Board on technical and special matters in connection with the core business of the Company as referred to it from time to time by the Board. The records of attendance at the meetings are as follows:

Members	16/1/15	10/03/15	05/06/15	03/12/2015	Total
Dr. Moses Ajaja	✓	✓	✓	✓	4
Dr. Eze Ebube	✓	X	✓	✓	3
Dr. Akin Ogunbiyi	✓	✓	✓	✓	4
Mr. Olusegun Omosehin	✓	✓	✓	✓	4
Mr. Femi Asenuga	✓	✓	✓	✓	4
Mr. Gbenga Ogunko	✓	✓	✓	✓	4

v. PUBLIC ACCOUNTS & BUSINESS DEVELOMENT COMMITTEE

The Public Accounts & Business Development Committee comprises six members namely: Admiral Festus Porbeni (MNI) CFR, Prof. Patrick Utomi, Dr. Akin Ogunbiyi, Mr. Olusegun Omosehin, Mr. Gbenga Ogunko and Mr. Femi Asenuga.

The Committee met three times to facilitate the access of the Company to potential clients. They are also available for consultation by the Management in areas where their collective experience garnered over the years from different fields of endeavours are required. The records of attendance at the meetings are as follows:

Members	04/03/15	09/06/15	13/10/2015	Total
Admr. Festus Porbeni (mni) CFR	✓	✓	✓	3
Prof. Patrick Utomi	✓	✓	✓	3
Dr. Akin Ogunbiyi	✓	✓	✓	3
Mr. Olusegun Omosehin	✓	✓	✓	3
Mr. Gbenga Ogunko	✓	✓	✓	3
Mr. Femi Asenuga	✓	✓	✓	3

(b) 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 risk faced by the Company.

ii. Enterprise-wide Risk Management Principles

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

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

- The Company will not take any action that will compromise its integrity
- The Company will at 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 its businesses and also ensure prompt payment of such premiums.

iii. Approach to Risk Management

At 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 is a Board Committee on Risk Management which ensures that various functions are geared towards minimizing the likelihood of the impacts of risks faced by the Company.

v. The Audit Committee:

This is a statutory Committee 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 function include;

- Reviewing of Company's risk appetite
- Oversee management's process for 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 businesses 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 allocation 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 Committee.

They are responsible for strategic implementation of the Enterprise Risk Management policies and guidelines set 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.

The Company has a robust complaint management policy to resolve complaints from shareholders, customers and stakeholders with speed. Below is the Company's complaints management policy.

A complaint can be lodged either by forwarding a letter of complaint or electronically to the Managing Director/CEO of the Company at 233, Ikorodu Road, Ilupeju, Lagos or to info@mbaplc.com.

The complaint must and should include the following details:

a. Names
b. Address
c. Telephone number
d. E-mail address
e. Signature (this may be dispersed with where the complaint is lodged electronically)
f. Date
g. A description of the action or issue complained about and reason for the complaint.

The Managing Director/CEO or his nominees shall acknowledge receipt of the complaint within five working days either by email or by post.

The Company will use its best endeavor to resolve all complaints within ten working days of the receipt of the complaint. Where a complaint cannot be resolved by the company within ten working days, the complainant would be so informed and the appropriate regulator will be notified within two working days with reason(s) for our inability to resolve the complaint and such complaints would be referred to the regulators in cases that require the regulator's intervention.

The Company shall also maintain a complaint register which shall contain the following information:

a. Name of the complainant
b. Date of the complaint
c. Nature of the complaint
d. Summary of the complaint
e. Action taken
f. Remarks/comment

A quarterly status report of all complaints received by the Company shall be filed with the Securities and Exchange Commission (SEC) and the Nigerian Stock Exchange (NSE).

ABDULAI, TAIWO & CO.
COMPANY SECRETARIES
FRC/2013/NBA/00000004757

To the members of Mutual Benefits Assurance Plc

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, the members of the Statutory Audit Committee of Mutual Benefits Assurance Plc. hereby report as follows:

- We have exercised our statutory functions under section 359(6) of the Companies and Allied Matters Act, Cap C20, Laws of the Federation of Nigeria 2004 and we acknowledge that the scope and planning of both the external and internal audits for the year ended 31st December 2015 were satisfactory and reinforce the Company's Internal Control Systems.

- We confirm that the accounting and reporting policies of the Group are in accordance with legal requirements and agreed ethical practices.

- We are satisfied with the Management's responses to the external auditor's recommendations on accounting and internal control matters and with the effectiveness of the Company's system of accounting and Internal Control.

- We acknowledge the co-operation of Management and staff in the conduct of statutory responsibilities.

MRS. TEMI DUROJAIYE
Chairperson, Audit Committee
FRC/2013/ICAN/00000003102

21st April 2016

Members of the Audit Committee are:

1.	Mrs. Temi Durojaiye	- Chairperson
2.	Mr. Osato Aideyan	- Shareholders' Representative
3.	Chief Akin Odubiyi	- Shareholders' Representative
4.	Dr. Moses Ajaja	- Board's Representative (resigned w.e.f. 31/12/15)
5.	Prof Pat Utomi	- Board's Representative
6.	Mr. Babatunde Dabiri	- Board's Representative
7.	Mr. Boye Oyewumi	- Board's Representative

Secretary to the Committee

Jide Ibitayo
Group Legal Adviser

Statement Of Directors' Responsibilities In Relation To The Preparation Of Financial Statements

The Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, requires the Directors to prepare financial statements for each financial year that present fairly, in all material respects, state of financial affairs of the Group at the end of the year and of its profit or loss. The responsibilities include ensuring that the Group:

a) keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Group and comply with the requirements of 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;

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

c) prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates, and are consistently applied.

d) The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with the 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.

The Directors are of the opinion that the financial statements present fairly, in all material respects, the state of the financial affairs of the Group and of its profit or loss. 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.
Nothing has come to the attention of the Directors to indicate that the Group will not remain a going concern for at least twelve months from the date of this statement.

....	....
AKIN OPEODU	**OLUSEGUN OMOSEHIN**
Chairman	**Managing Director/CEO**
FRC/2013/ICAN/00000003128	FRC/2013/CIIN/000000003103

21 April 2016

36/Report Of The Independent Auditors To The Members Of Mutual Benefits Assurance Plc

Building a better working world

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Report on the Financial Statements

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 auditor's 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. The particulars thereof and penalties levied are set out in **Note 59** to the financial statements.

Kayode Famutimi, FCA,
FRC/2012/ICAN/00000000155

For: Ernst & Young
Lagos, Nigeria

21 April 2016

1. Corporate information

These financial statements are the consolidated financial statements of Mutual Benefits Assurance Plc ("the Company") and its subsidiaries (hereafter referred to as 'the Group'). The address of the registered office is: Aret Adams House, 233 Ikorodu Road, Ilupeju - Lagos.
Mutual Benefits Assurance Plc ("the Company") (RC 269837) was Incorporated as a private limited company on 18 April 1995, granted the Certificate of Registration as an Insurer by the National Insurance Commission (NAICOM) in September 1995, commenced operations on 2 October 1995 and became a public liability company on 24 May 2001. Mutual Benefit Assurance Plc is a leading financial, wealth protection company in Nigeria. The Company is listed on the Nigerian Stock Exchange.

The Company invests policy holders funds and pays claims arising from insurance contract liabilities in line with the provisions of Insurance Act, CAP I17, Laws of the Federation of Nigeria 2004 and NAICOM guidelines.

The principal objective of the Group is mainly provision of Non-life, life insurance, auto insurance, travel insurance, special risks, investment products and services and micro banking services.

The consolidated and separate financial statements of the Company and all its subsidiaries were authorised for issue by the Directors on 18 April 2016.

Going Concern

The consolidated and separate financial statements have been prepared on the going concern basis and there is no intention to curtail business operations. Capital adequacy and liquidity ratios are continuously reviewed and appropriate action taken to ensure that there are no going concern threats to the operation of the Company.

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

2. Summary of significant accounting policies

2.1 Introduction to summary of accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate financial statements ("the financial statements") are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

2.2 Basis of presentation and compliance with IFRS

These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). Additional information required by national regulations has been included where appropriate.
The financial statements comprises of the statements of profit or loss, statements of other comprehensive income, the statements of financial position, the statements of changes in equity, the statements of cash flows, summary of significant accounting policies and the notes.

The financial statements values are presented in Nigeria Naira (₦) rounded to the nearest thousand (₦'000), unless otherwise indicated.

The Group presents its statement of financial position broadly in order of liquidity. An analysis regarding recovery or settlement within twelve months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in the respective notes.
Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position only when there is a current legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liability simultaneously.

(a) Basis of measurement

These consolidated and separate financial statements have been prepared on the historical cost basis except for the following:

- financial instruments at fair value through profit or loss are measured at fair value;
- investment properties are measured at fair value;
- insurance liabilities are measured at present value of future cash flows;
- land and building are carried at revalued amount.

(b) Use of estimates and judgements

The preparation of the financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Information about significant areas of estimation uncertainties and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in Note 2.39.

2.3. Significant accounting policies

Except for the effect of the changes in accounting policies, if any, the group has consistently applied the following accounting policies to all periods presented in these financial statements.

2.3.1 Basis of Consolidation

The Group defines the principle of control and establishes control as the basis for determining which entities are consolidated in the Group financial statements.

The Group controls an investee entity when it is exposed, or has rights, to variable returns from its involvement with the investee entity and has the ability to affect those returns through its power over the investee entity. The Group applies the following three elements of control as set in assessing control of an investee:

(a) power over the investee entity;
(b) exposure, or rights, to variable returns from involvement with the investee entity; and
(c) the ability to use power over the investee to affect the amount of the investor's returns.

2.3.1.1 Subsidiaries

Subsidiaries are all entities (including special purpose entities and other structured entities) over which the Group exercises control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Changes in the Group's interest in a subsidiary that do 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 less impairment.

2.3.1.2 Business combinations

The Group applies the acquistion method to account for Business Combinations and 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.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IAS 39 Financial Instruments: Recognition and Measurement, is measured at fair value with the changes in fair value recognised in the statement of profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests) and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

2.3.1.3 Disposal of subsidiaries

When the Group ceases to have control, the Group derecognizes 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 retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2.3.1.4 Associates

An associate is an entity over which the Group has significant influence and which is neither a subsidiary nor a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but it is not control or joint control over those policies.

The Group's investment in its associate is accounted for using the equity method.

Under the equity method, the investment in an associate is carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associate. Goodwill relating to an associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The statement of profit or loss reflects the share of the results of operations of the associate. Any change in OCI of the investee is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes and discloses this, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The financial statements of the associate are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring its accounting policies in line with the Group's.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associates. The Group determines at each reporting date, whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the 'share of profit of an associate' in the statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any remaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the remaining investment and proceeds from disposal is recognised in profit or loss.

2.3.1.5 Non-controlling interests

Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date.

2.3.2 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 i.e non-life business, life business, real estate and microfinance. Significant geographical regions have been identified as the secondary basis of reporting, which are Nigeria, Niger and Liberia.

2.3.3 Foreign currency translation

2.3.3.1 Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The functional currencies are Nigerian Naira, US Dollar and CFA for Nigerian, Liberian and Niger companies respectively. The consolidated financial statements are presented in thousands of Naira (NGN) which is the Group's presentation currency.

2.3.3.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Monetary items denominated in foreign currency are translated using the closing rate as at the reporting date. Non-monetary items measured at historical cost denominated in a foreign currency are translated with the exchange rate as at the date of initial recognition; non-monetary items such as investment properties, property, plant and equipment in a foreign currency that are measured at the date when the fair value was measured.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss.
Foreign exchange gains and losses are presented in the statement of profit or loss within other incomes.
The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income (OCI) or profit or loss are also recognised in OCI or profit or loss, respectively).

2.3.3.3 Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate on the reporting date;
- Income and expenses for each statement of profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income

2.4 Revenue recognition

Revenue comprises premium, investment income, value for services rendered, net of value-added tax, after eliminating revenue within the Group.

2.4.1 Gross premiums

Gross general insurance written premiums comprise the total premiums receivable for the whole period of cover provided by contracts entered into during the accounting period. They are recognised on the date on which the policy commences. Premiums include any adjustments arising in the accounting period for premiums receivable in respect of business written in prior accounting periods. Premiums collected by intermediaries, but not yet received, are assessed based on estimates from underwriting or past experience and are included in premiums written.
Gross premiums also comprise the premiums on life insurance and life insurance component of investment contracts entered into during the year, irrespective of whether they relate in whole or in part to a later accounting period. Premiums on reinsurance inward are included in gross written premiums and accounted for as if the reinsurance was considered direct business, taking into account the product classification of the reinsured business.

Unearned premiums are those proportions of premiums written in a year that relate to periods of risk after the reporting date. Unearned premiums are calculated on a daily pro rata basis. The proportion attributable to subsequent periods is deferred as a provision for unearned premiums.

2.4.2 Annuity premium and claims

Annuity premiums relate to single premium payments and recognised as earned premium income in the period in which payments are received. Claims are made to annuitants in the form of monthly/quarterly payments based on the terms of the annuity contract and charged to statement of profit or loss as incurred. Premiums are recognised as revenue when they become payable by the contract holders. Premium are shown before deduction of commission.

2.4.3 Reinsurance premiums

The Group cedes insurance risk in the normal course of its business for businesses that exceed its risk retention limit.
Premiums on reinsurance inward are included in gross written premiums and accounted for as if the reinsurance was considered direct business, taking into account the product classification of the reinsured business.
Outward reinsurance premiums are accounted for in the same accounting period as the premiums for the related direct insurance or reinsurance business assumed.

The earned portion of premiums received is recognised as revenue. Premiums are earned from the date of attachment of risk, over the indemnity period, based on the pattern of risk underwritten. Outward reinsurance premiums are recognised as expense in accordance with the pattern of indemnity received.
Unearned reinsurance premiums are those proportions of premiums written in a year that relate to periods of risk after the reporting date. Unearned reinsurance premiums are deferred over the term of the underlying direct insurance policies for risks-attaching contracts and over the term of the reinsurance contract for losses occurring contracts.

Reinsurance commission income

Reinsurance commission income represents commission received on direct business and transactions ceded to re-insurance during the year. It is recognized over the cover provided by contracts entered into the period and are recognized on the date on which the policy incepts.

2.4.4 Investment income

2.4.4.1 Interest income

Interest income is recognized in the profit or loss as it accrues and is calculated by using the effective interest rate method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Fees and commissions that are an integral part of the effective yield of the financial asset or liability are recognized as an adjustment to the effective interest rate of the instrument.

2.4.4.2 Dividend income

Investment income also includes dividends when the right to receive payment is established. For listed securities, this is the date the security is listed as ex-dividend.

2.4.4.3 Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight line basis over the lease terms and is included in investment income.

2.4.4.4 Finance income

Interest income arising from the micro finance banking services offered by the group and is recognized in the profit or loss as it accrues and is calculated by using the effective interest rate method.

2.4.5 Rendering of services and sales of goods

Revenue from sales of goods arising from property business engaged in by the Group. The revenue recognition is contingent on when the significant risks and rewards of ownership are transferred to buyer.

2.5 Claims and expenses recognition

2.5.1 Gross claim

General insurance claims include all claims occurring during the year, whether reported or not, related internal and external claims handling costs that are directly related to the processing and settlement of claims, a reduction for the value of salvage and other recoveries, and any adjustments to claims outstanding from previous years.

2.5.2 Reinsurance claims

Reinsurance claims are recognized when the related gross insurance claim is recognized according to the terms of the relevant contract.

2.5.3 Underwriting expenses

Underwriting expenses comprise acquisitions costs and other underwriting expenses. Acquisition costs comprise all direct and indirect costs arising from the writing of insurance contracts. These costs also include fees and commission expense. Other underwriting expenses are those incurred in servicing existing policies and contracts. They are recognized in the statement of profit or loss over the tenor of the insurance cover.

2.5.4 General administrative expenses

These are expenses other than claims and underwriting expenses. They include employee benefits, professional fees, depreciation expenses and other non-operating expenses. Management expenses are accounted for on accrual basis and recognized in the statement of profit or loss upon utilization of the service or at the date of origination.

2.5.5 Finance costs

Interest expense is recognized in the profit or loss as it accrues and is calculated by using the effective interest rate method. Accrued interest is included within the carrying value of the interest bearing financial liability.

2.6 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term deposits with an original maturity of three months or less, highly liquid investments like treasury bills that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank and book overdrafts.

2.7 Financial assets

2.7.1 Initial recognition and measurement

Financial assets are classified, at initial recognition, as loans and receivables and Available-for-sale (AFS) financial assets. All financial assets are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.
Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

2.7.2 Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in two categories:

- Fair value through profit or loss
- Loans and receivables
- AFS financial assets

2.7.2.1 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 Group 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 statement of profit or loss 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 statement of profit or loss as part of other income when the Group's right to receive payments is established.

2.7.2.2 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

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 loans and advances, staff loans and advances and other sundry receivables which arise in the ordinary course of business.

2.7.2.3 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 three other 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. These investments are initially recognised at cost plus transaction cost. After initial measurement, available-for-sale financial assets are subsequently measured at fair value using market approach 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 and is recognized through other comprehensive income until the available-for-sale 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 presented in other comprehensive income as a reclassification adjustment.

Interest on available-for-sale securities calculated using the effective interest method is recognized in the statement of profit or loss. Dividends on available-for-sale equity instruments are recognised in the statement of profit or loss when the Group's right to receive payments is established. Both are included in the investment income line.

2.7.3 Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired
- Or

  The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2.7.4 Reclassification of financial assets

The Group may choose to reclassify financial assets that would meet the definition of loans and receivables out of the available-for-sale and fair value through profit or loss 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. Further increases in estimates of cash flows adjust effective interest rates prospectively.

2.7.5 Impairment of assets

2.7.5.1 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 Group about the following events:

- Trade receivables are outstanding for more than 30 days
- Reinsurance recoverable outstanding more than 90 days
- Significant financial difficulty of the issuer or debtor;
- A breach of contract, such as a default or delinquency in payments;
- It becoming probable that the issuer or debtor will enter bankruptcy or other financial re-organisation;
- The disappearance of an active market for that financial asset because of financial difficulties; or

  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 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 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 through the use of an allowance account, and the amount of the loss is recognised in the statement of profit or loss.

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 (such as improved credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the statement of profit or loss.

When the financial asset at amortised cost is uncollectible, it is written off against the related allowance for impairment. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Impairment charges relating to Investment securities are classified as net gains/loss of financial assets while those on receivables are classified as operating expenses.

2.7.5.2 Assets classified as available-for-sale

The Group assesses at each reporting date whether there is objective evidence that a financial asset or 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. The Group treats 'significant' generally as 20% and 'prolonged' generally as greater than six months. 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 that financial asset previously recognised in profit or loss is removed from equity and recognised in the consolidated statement of profit or loss. Impairment losses recognised in the consolidated statement of profit or loss on equity instruments are not reversed through the consolidated statement of profit or loss.

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 recognized in profit or loss, the impairment loss is reversed through the consolidated statement of profit or loss.

2.7.6 Derecognition of financial assets

A financial asset (or, when applicable, a part of a financial asset or part of a Group of similar financial assets) is derecognized when:

- The rights to receive cash flows from the asset have expired or
- The Group transfers the right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
- The Group has transferred substantially all the risks and rewards of the asset or
- The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset.
Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

2.8 Financial liabilities

Initial recognition and measurement
All financial liabilities are recognized initially at fair value and, in the case of loans and bank overdrafts, minus directly attributable transaction costs.
The Group's financial liabilities include trade payables, other payables and accruals and borrowings.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IAS 39 are satisfied.

Derecognition of financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the profit or loss.

2.9 Classification of financial instrument between debt and equity

A financial instrument is classified as debt if it has a contractual obligation to:

- Deliver cash or another financial asset to another entity or
- Exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Group.

If the Group does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability.

2.10 Trade payables and other payables

Trade payables and other payables are recognized when due and measured on initial recognition at the fair value of the consideration received less directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using the effective interest rate method. If the due date of the liability is less than one year discounting is omitted.

Derecognition trade payables and other payables

Trade payables and other payables are derecognized when the obligation under the liability is settled, cancelled or expired.

2.11 Book overdraft

Book overdraft represents an excess of outstanding cheques on the Group's book over its reported bank balances. Under the Group's 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 Group's statement of financial position."

2.12 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 statement of profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as 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 and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liabilities for at least 12 month after the date of the statement of financial position.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.13 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously. Income and expense will not be offset in profit or loss unless required or permitted by any accounting standard or interpretation, as specifically disclosed in the accounting policies of the Group.

2.14 Fair value measurement

The Group measures financial instruments and non-financial assets such as investment properties at fair value at each reporting date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 3.7.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.
The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each year.

The Group's management determines the policies and procedures for both recurring fair value measurement, such as investment properties and unquoted Available-for-sale (AFS) financial assets, and for non-recurring measurement, such as assets held for distribution in discontinued operation.

External valuers are involved for valuation of significant assets, such as investment properties and significant liabilities, such as contingent consideration. Involvement of external valuers is decided upon annually by the management after discussion with and approval by the audit committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every three years. The valuation committee decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the valuation committee analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies.
For this analysis, the valuation committee verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Group's external valuers, also compares the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.
For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.
The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted market bid prices for assets and offer prices for liabilities, at the close of business on the reporting date, without any deduction for transaction costs.

For units in unit trusts and shares in open ended investment companies, fair value is determined by reference to published bid values in an active market.

For other financial instruments not traded in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include the discounted cash flow method, comparison to similar instruments for which market observable prices exist and other relevant valuation models.

Their fair value is determined using a valuation model that has been tested against prices or inputs to actual market transactions and using the Group's best estimate of the most appropriate model assumptions.

For discounted cash flow techniques, estimated future cash flows are based on management's best estimates and the discount rate used is a market-related rate for a similar instrument. The use of different pricing models and assumptions could produce materially different estimates of fair values.
The fair value of floating rate and overnight deposits with credit institutions is their carrying value. The carrying value is the cost of the deposit and accrued interest. The fair value of fixed interest bearing deposits is estimated using discounted cash flow techniques. Expected cash flows are discounted at current market rates for similar instruments at the reporting date.

If the fair value cannot be measured reliably, these financial instruments are measured at cost, being the fair value of the consideration paid for the acquisition of the investment or the amount received on issuing the financial liability. All transaction costs directly attributable to the acquisition are also included in the cost of the investment.

2.15 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Impairment losses of continuing operations are recognized in the profit or loss in those expense categories consistent with the function of the impaired asset.

For assets, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of the asset's or CGU's recoverable amount.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the profit or loss unless the asset is carried at revalued amount, in which case, the reversal is treated as a revaluation increase.

Intangible assets
Intangible assets with indefinite useful lives are tested for impairment annually at 31 December, either individually or at the cash generating unit level, as appropriate and when circumstances indicate that the carrying value may be impaired.

2.16 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.

2.17 Trade receivables

Trade receivables (premium receivable) are initially recognized at fair value and subsequently measured at amortised cost less provision for impairment. Discounting is omitted where the effect of discounting is immaterial.
An allowance for impairment is made when there is objective evidence such as the probability of solvency or significant financial difficulties of the debtors that the Group will not be able to collect the amount due under the original terms of the invoice. Impaired debts are derecognized 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 recognized, the previous recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed its amortised cost at the reversed date. Any subsequent reversal of an impairment loss is recognized in the profit or loss.

2.18 Reinsurance

The Group cedes insurance risk in the normal course of business for most of its businesses. Reinsurance assets represent balances due from reinsurance companies. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision or settled claims associated with the reinsurer's policies and are in accordance with the related reinsurance contract.

Reinsurance assets are reviewed for impairment at each reporting date, or more frequently, when an indication of impairment arises during the reporting year. Impairment occurs when there is objective evidence as a result of an event that occurred after initial recognition of the reinsurance

asset that the Group may not receive all outstanding amounts due under the terms of the contract and the event has a reliably measurable impact on the amounts that the Group will receive from the reinsurer. The impairment loss is recorded in the statement of profit or loss.
Ceded reinsurance arrangements do not relieve the Group from its obligations to policyholders.

Reinsurance assets or liabilities are derecognized when the contractual rights are extinguished or expire or when the contract is transferred to another party.

Reinsurance contracts that do not transfer significant insurance risk are accounted for directly through the statement of financial position. These are deposit assets that are recognized based on the consideration paid less any explicit identified premiums or fees to be retained by the reinsured. Investment income on these contracts is accounted for using the effective interest rate method when accrued.

2.19 Other receivables

Other receivables are made up of prepayments and other amounts due from parties which are not directly linked to insurance or investment contracts. Except prepayment and other receivables that are not financial assets, these are measured at amortised costs. Discounting is omitted where the effect of discounting is immaterial.

2.20 Deferred expenses

Deferred acquisition costs (DAC)
Those direct and indirect costs incurred during the financial period arising from the writing or renewing of insurance contracts are deferred to the extent that these costs are recoverable out of future premiums. All other acquisition costs are recognized as an expense when incurred.

Subsequent to initial recognition, DAC for general insurance are amortized over the period in which the related revenues are earned. The reinsurers' share of deferred acquisition costs is amortized in the same manner as the underlying asset amortization is recorded in the profit or loss.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period and are treated as a change in an accounting estimate.

An impairment review is performed at each reporting date or more frequently when an indication of impairment arises. When the recoverable amount is less than the carrying value, an impairment loss is recognized in the profit or loss. DAC are also considered in the liability adequacy test for each reporting period.

DAC are derecognized when the related contracts are either settled or disposed of.

Deferred expenses - Reinsurance commissions
Commissions receivable on outwards reinsurance contracts are deferred and amortized on a straight line basis over the term of the expected premiums payable.

2.21 Leases

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Group as a lessee
Leases that do not transfer to the Group substantially all the risks and benefits incidental to ownership of the leased items are operating leases. Operating lease payments are recognised as an expense in the statement of profit or loss on a straight-line basis over the lease term. Contingent rental payable is recognised as an expense in the period in which they are incurred. All other leases are considered finance leases.

Group as a lessor
Leases where the Group does not transfer substantially all of the risk and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned. All other leases are considered finance leases.

Advances to customers under finance lease
Advances to customers under finance lease are stated net of principal repayments. Finance lease income is recognised in a manner which provides a constant yield on the outstanding principal over the lease term.

2.22 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.

2.23 Investment properties

Investment properties held for rental income and capital appreciation are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the profit or loss in the year in which they arise.

Fair values are evaluated annually by an accredited external, independent valuer, applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognised either when 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. Any gains or losses on the retirement or disposal of an investment property are recognised in the profit or loss in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use evidenced by the end of owner-occupation, commencement of an operating lease to another party or completion of construction or development. 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 owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property and equipment up to the date of the change in use.

2.24 Investments in subsidiaries

Investments in subsidiaries are carried in the separate statement of financial position at cost less allowance for impairment losses. Where, there has been impairment in the value of investments in subsidiaries, 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 statement of profit or loss account.

2.25 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period (five years) and the amortisation method (straight line) for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit or loss when the asset is derecognized.

2.26 Property, plant and equipment

Property and equipment (excluding building) is stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment losses. Replacement or major inspection costs are capitalized when incurred and if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

Building is measured at fair value less accumulated depreciation and impairment losses recognised after the date of the revaluation. Valuations are performed frequently to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

Any revaluation surplus is recorded in other comprehensive income and hence, credited to the asset revaluation reserve in equity, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the profit or loss, in which case, the increase is recognised in the profit or loss. A revaluation deficit is recognized in the profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

Accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Land is not depreciated. Depreciation on property, plant and equipment is calculated using the straight-line method to allocate the cost to the residual values over the estimated useful lives as follows.

Building	2%
Leasehold building	over the remainder of the life of the lease
Leasehold improvements	20%
Furniture and fittings	20%
Plant and machinery	20%
Motor vehicles	25%
Computer and office equipment	20%

The assets' residual values, and useful lives and method of depreciation are reviewed and adjusted, if appropriate, at each financial year end and adjusted prospectively, if appropriate.

Impairment reviews are performed when there are indicators that the carrying value may not be recoverable. Impairment losses are recognised in the profit or loss as an expense.

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

2.27 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 and of N2 billion for life business. Interest income on the deposit is recognised in the statement of profit or loss in the period the interest is earned.

2.28 Deposit for shares

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

2.29 Goodwill

Goodwill arises on the acquistion of subsidiaries and represents the excess of the consideration transferred over the Group's interest in the fair value of the net identifiable assets, liabilities and contigent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGU's or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

2.30 Insurance contracts

The Group issues contracts that transfer insurance risk or financial risk or both. Insurance contracts are those contracts where a party (the policy holder) transfers significant insurance risk to another party (insurer) and the latter agrees to compensate the policyholder or other beneficiary if a specified uncertain future event (the insured event) adversely affects the policyholder, or other beneficiary. Such contracts may also transfer financial risk when the insurer issues financial instruments with a discretionary participation feature. These are computed in compliance with the provisions of Sections 20, 21, and 22 of the Insurance Act 2003 as follows:

2.30.1 General insurance contracts

These contracts are accident and casualty and property insurance contracts. Accident and casualty insurance contracts protect the Group's customers against the risk of causing harm to third parties as a result of their legitimate activities. Damages covered include both contractual and non-contractual events. The typical protection offered is designed for employers who become legally liable to pay compensation to injured employees (employers' liability) and for individual and business customers who become liable to pay compensation to a third party for bodily harm or property damage (public liability).

Property insurance contracts mainly compensate the Group's customers for damage suffered to their properties or for the value of property lost. Customers who undertake commercial activities on their premises could also receive compensation for the loss of earnings caused by the inability to use the insured properties in their business activities (business interruption cover).

(i) Reserves for unearned premium

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

(ii) 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 reporting date. The IBNR is based on the liability adequacy test.

2.30.2 Life business

These contracts insure events associated with human life (for example, death or survival). These are divided into the individual life, group life and annuity contracts.

Individual life contracts are usually long term insurance contracts and span over one year while the group life insurance contracts usually cover a period of 12 months. A liability for contractual benefits that are expected to be incurred in the future when the premiums are recognised. The liability is determined as the sum of the expected discounted value of the benefit payments and the future administration expenses that are directly related to the contract, less the expected discounted value of the theoretical premiums that would be required to meet the benefits and administration expenses based on the valuation assumptions used. The liability is based on assumptions as to mortality, persistence, maintenance expenses and investment income that are established at the time the contract is issued.

2.30.3 Annuity contracts

These contracts insure customers from consequences of events that would affect the ability of the customers to maintain their current level of income. There are no maturity or surrender benefits. The annuity contracts are fixed annuity plans. Policy holders make a lump sum payment recognised as part of premium in the period when the payment was made. Constant and regular payments are made to annuitants based on terms and conditions agreed at the inception of the contract and throughout the life of the annuitants. The annuity funds are invested in long term government bonds and reasonable money markets instruments to meet up with the payment of monthly/quarterly annuity payments. The annuity funds liability is actuarially determined based on assumptions as to mortality, persistence, maintenance expenses and investment income that are established at the time the contract is issued.

(I). Life fund

This is made up of net liabilities on policies in force as computed by the actuaries at the time of the actuarial valuation.

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 fows 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".

2.31 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 or loss account in the year it is earned while interest due to depositors is recognized as an expense. The net result of the deposit administration revenue account is transferred to the statement of profit or loss of the group.

The group's investment contracts are classified into group and individual. Individual investment contract liabilities are derecognised when settled at maturity, surrendered or used to offset policy loans. Group investment contract liabilities are derecognised when paid, refunded or cancelled. Actuarial differences arising on valuation of the liabilities at the reporting date is recognised in the statement of profit or loss.

2.32 Taxes

2.32.1 Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date. Current income tax assets and liabilities also include adjustments for tax expected to be payable or recoverable in respect of previous periods.
Current income tax relating to items recognised directly in equity or other comprehensive income is recognised in equity or other comprehensive income and not in the profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions, where appropriate.
Tax/back duty assessments are recognized when assessed and agreed to by the Group with the Tax authorities, or when appealed, upon receipt of the results of the appeal.

2.32.2 Deferred tax

Deferred tax is provided using the liability method in respect of temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

When the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized except:
Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.33 Provisions

General

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability.

Contingent liabilities are possible obligations that arise from past events whose existence will be confirmed only by the occurrence, or non-occurrence, of one or more uncertain future events not wholly within Group's control. Contingent liabilities are not recognized in the financial statements but are disclosed.

Onerous contracts

A provision is recognized for onerous contracts in which the unavoidable costs of meeting the obligations under the contract exceed the expected economic benefits expected to be received under it. The unavoidable costs reflect the least net cost of exiting the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfill it.

2.34 Equity

2.34.1 Share capital

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. Where any member of the Group purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs, is reported as a separate component of equity attributable to the Company's equity holders. Where such shares are subsequently sold, reissued or otherwise disposed of, any consideration received is included in equity attributable to the Company's equity holders, net of any directly attributable incremental transaction costs and the related income tax effects.

2.34.2 Treasury shares

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the treasury shares reserve. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity and the resulting surplus or deficit on the transaction is presented within share premium.

2.34.3 Foreign currency translation reserve

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

2.34.4 Contingency reserve

(i). Non-life business

In compliance with Section 21 (2) of Insurance Act 2003, 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 percent of net premium.

(ii). Life business

In compliance with Section 22 (1) (b) of Insurance Act 2003, the contingency reserve is credited with the higher of 1% of gross premiums or 10% of net profit.

2.34.5 Revaluation reserve

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. 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.

2.35 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 Company by the weighted average number of ordinary shares outstanding during the period excluding treasury shares held by the Company.

Diluted earnings per share amounts are calculated by dividing the net profit by the weighted number of ordinary shares outstanding during the year plus the weighted number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

2.36 Retirement obligations and Employee benefits

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

2.36.1 Defined contribution pension scheme

The Group operates a defined contributory pension scheme for eligible employees. Company contributes 10% of the employees' Basic, Housing and Transport allowances in line with the provisions of the Pension Reform Act 2014. 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.

2.36.2 Short-term benefits

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

2.37 Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

IFRS 9 financial instruments
In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments that replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions. The adoption of IFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities.

IFRS 14 regulatory deferral accounts
IFRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of IFRS. Entities that adopt IFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in these account balances as separate line items in the statement of profit or loss and other comprehensive income. The standard requires disclosures on the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements. IFRS 14 is effective for annual periods beginning on or after 1 January 2016. Since the Group is an existing IFRS preparer, this standard would not apply.

Amendments to IAS 27: Equity Method in Separate Financial Statements
The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying IFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively. For first-time adopters of IFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to IFRS. The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments will not have any impact on the Group's financial statements.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognising revenue.

The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Group is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date.

Amendments to IFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests

The amendments to IFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business, must apply the relevant IFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to IFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation and are prospectively effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact on the Group.

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact to the Group given that the Group has not used a revenue-based method to depreciate its non-current assets.

Annual Improvements 2012-2014 Cycle

These improvements are effective for annual periods beginning on or after 1 January 2016. They include:

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations

Assets (or disposal groups) are generally disposed of either through sale or distribution to owners. The amendment clarifies that changing from one of these disposal methods to the other would not be considered a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in IFRS 5. This amendment must be applied prospectively.

IAS 19 Employee Benefits

The amendment clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used. This amendment must be applied prospectively.

IAS 34 Interim Financial Reporting

The amendment clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the interim financial report (e.g., in the management commentary or risk report). The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. This amendment must be applied retrospectively.

Annual Improvements 2012-2014 Cycle

IFRS 14 - Regulatory Deferral Accounts

The International Accounting Standards Board (IASB) issued IFRS 14 Regulatory Deferral Accounts to ease the adoption of International Financial Reporting Standards (IFRS) for rate-regulated entities. The standard allows an entity to continue applying most of its existing accounting policies for regulatory deferral account balances upon adoption of IFRS. This standard provides first-time adopters of IFRS with relief from derecognising rate regulated assets and liabilities until a comprehensive project on accounting for such assets and liabilities is completed by the IASB.

Effective date is 1 January 2016. This standard will not have impact on the Company since is an existing IFRS preparer.

IAS 16 and IAS 41 - Accounting for bearer plants

IAS 41 Agriculture currently requires all biological assets related to agricultural activity to be measured at fair value less costs to sell. This is based on the principle that the biological transformation that these assets undergo during their lifespan is best reflected by fair value measurement.

However, there is a subset of biological assets, known as bearer plants, which are used solely to grow produce over several periods. At the end of their productive lives they are usually scrapped. Once a bearer plant is mature, apart from bearing produce, its biological transformation is no longer significant in generating future economic benefits. The only significant future economic benefits it generates come from the agricultural produce that it creates.

IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception - Amendments to IFRS 10, IFRS 12 and IAS 28

The amendments address issues that have arisen in applying the investment entities exception under IFRS 10. The amendments to IFRS 10 clarify that the exemption (in IFRS 10.4) from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value. Furthermore, the amendments to IFRS 10 clarify that only a subsidiary of an investment entity that is not an investment entity itself and that provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value.

This amendment is effective for annual periods beginning on or after 1 January 2016. It is expected that this amendment would not be relevant to the Company.

IFRS 16 - Leases

IFRS 16 - Leases was issued in January 2016 and will replace IAS 17 - Leases. The new standard is effective for annual periods beginning on or after 1 January 2019. The accounting treatment of leases by lessees will change fundamentally based on the new standard. IFRS 16 eliminates the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to current finance lease accounting. Lessor accounting remains similar to current practice - i.e. lessors continue to classify leases as finance and operating leases.

IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3 Business Combinations, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture.

IAS 1 Disclosure Initiative - Amendments to IAS 1

The amendments to IAS 1 Presentation of Financial Statements clarify, rather than significantly change, existing IAS 1 requirements. The amendments clarify

- The materiality requirements in IAS 1
- That specific line items in the statement(s) of profit or loss and OCI and the statement of financial position may be disaggregated
- That entities have flexibility as to the order in which they present the notes to financial statements
- That the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified.

Amendments to IAS 12 - recognition of deferred tax assets for unrealized losses

The amendments to IAS 12 clarify the consideration to be made when assessing the recoverability of deferred tax assets (DTA)
The amendment consists of some wording changes to the standards and some examples to clarify that:

- Financial assets measured at Fair Value, with no corresponding tax base adjustment, will result in a temporary difference even if the entity intends to keep the financial asset to collect the contractual cash-flows (pull to par) and not to sell it at its fair value.
- Where tax legislation ring-fence certain tax deductions [e.g. capital gains tax (CGT) losses]the recoverability of the related DTA is assessed against the future taxable income, or taxable temporary differences, of that type only (i.e. CGT losses is assessed against future CGT profits).
- When assessing the sufficiency of future taxable income the amount considered is the amount before the relevant tax deduction currently being assessed - i.e. when assessing the recoverability of an assessed loss the amount of future taxable income you consider should be the amount before the deduction of said assessed loss.
- Where assets are carried at cost in the Statement of Financial Position (SOFP) but you expect to realise them at an amount above cost in the same period as the turnaround of the DTA under assessment; you increase the future taxable profits with the amount above cost, at the relevant rate, if there is sufficient evidence. i.e. if you carry owner occupied buildings at cost but intend to sell it within the next 5 years you add the taxable capital gains that will be realised on the sale to the future taxable income - provided there is sufficient evidence of the value and intention to sell.

The amendment requires retrospective application with an adjustment to the opening retained earnings of the earliest comparative period presented. Effective 1 Jan 2017 with early adoption permitted. The company is currently assessing the impact of amendment to IAS 12 and plans to adopt the new standard on the required effective date.

IFRS 7 Financial Instruments: Disclosures
The amendment is to be applied prospectively and clarifies for service contracts as follows:

- That a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and the arrangement against the guidance for continuing involvement in IFRS 7.B30 and IFRS 7.42C in order to assess whether the disclosures are required.

- The assessment of which servicing contracts constitute continuing involvement must be done retrospectively. However, the required disclosures would not need to be provided for any period beginning before the annual period in which the entity first applies the amendments.

2.38 Significant accounting judgments, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and assumptions
In the process of applying the Group's accounting policies, management has made the following judgements which have the most significant effect on the amounts recognise in the financial statements:
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.
The Group based its assumption and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur. 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.

Non-life insurance contract liabilities
For non-life insurance contracts, estimates have to be made both for the expected ultimate cost of claims reported at the reporting date and for the expected ultimate cost of claims incurred, but not yet reported, at the reporting date (IBNR). It can take a significant period of time before the ultimate claims cost can be established with certainty and for some type of policies, IBNR claims form the majority of the liability in the statement of financial position.

The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques, such as Chain Ladder method.

The main assumption underlying these techniques is that a Company's past claims development experience can be used to project future claims development and hence ultimate claims costs. As such, these methods extrapolate the development of paid and incurred losses, average costs per claim and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analysed by accident years, but can also be further analysed by geographical area, as well as by significant business lines and claim types. Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims development data on which the projections are based. Additional qualitative judgement is used to assess the extent to which past trends may not apply in future, (e.g., to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the likely outcome from the range of possible outcomes, taking account of all the uncertainties involved.

The carrying value at the reporting date of life insurance contract liabilities is ₦1,783,719,000 (2014: ₦1,478,818,000).

Life insurance contract liabilities
The estimation of the ultimate liability arising from claims made under insurance contracts is the Group's most critical accounting estimate. There are several sources of uncertainty that need to be considered in the estimate of the liability that the company will ultimately pay for such claims. The uncertainty arises because all events affecting the ultimate settlement of the claims have not taken place and may not take place for some time.

Changes in the estimate of the provision may be caused by receipt of additional claim information, changes in judicial interpretation of contract, or significant changes in severity or frequency of claims from historical records. The estimates are based on the company's historical data and industry experience. The ultimate claims liability computation is subjected to a liability adequacy test by an actuarial consultant using actuarial models.

Impairment of available-for-sale equity financial assets
The Group determined that available-for-sale equity financial assets are impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgement. In making this judgement, the Group evaluated

among other factors, the normal volatility in share price, the financial health of the investee, industry and sector performance, changes in technology, and operational and financing cash flow. In this respect, a decline of 20% or more is regarded as significant, and a period of 6 months or longer is considered to be prolonged. If any such qualitative evidence exists for available-for-sale financial assets, the asset is considered for impairment, taking qualitative evidence into account.

Fair value investment property

The valuation of investment properties is based on the price for which comparable land and properties are being exchanged hands or are being marketed for sale. Therefore, the market-approach Method of Valuation. By nature, detailed information on concluded transactions is difficult to come by. The past transactions and recent adverts are being relied upon in deriving the value of the subject properties. At least, eight properties will analysed and compared with the subject property.

Impairment on loans and receivables

In accordance with the accounting policy, the Group tests annually whether premium receivables and loans and receivable have suffered any impairment. The recoverable amounts of the premium receivables have been determined based on the incurred loss model. These calculations required the use of estimates based on passage of time and probability of recovery.

The carrying value at the reporting date of impairment on loans is Nil (2014: Nil) and receivable is ₦28,762,000 (2014: Nil).

Financial Statements

Consolidated And Separate Statement Of Profit Or Loss

For the period ended 31 December 2015

		GROUP		COMPANY	
			Restated*		
in thousands of Nigerian Naira	Notes	2015	2014	2015	2014
Gross premium written	4.1	14,598,070	15,451,048	10,541,503	11,354,526
Gross premium income	4	13,801,208	15,535,631	10,230,490	11,347,162
Premium ceded to reinsurers	4.2	(6,066,626)	(6,193,206)	(5,959,847)	(6,070,869)
Net premium income	4.3	**7,734,582**	**9,342,425**	**4,270,643**	**5,276,293**
Fee and commission income	5	660,364	857,017	637,311	837,247
Net underwriting income		**8,394,946**	**10,199,442**	**4,907,954**	**6,113,540**
Net benefits and claims	6	2,337,384	2,366,260	1,087,324	1,259,128
Change in life fund		(3,273)	145,511	-	-
Change in annuity reserve		30,633	34,699	-	-
Underwriting expenses	7	2,143,891	2,405,872	1,257,035	1,324,641
Net underwriting expenses		4,508,635	4,952,342	2,344,359	2,583,769
Underwriting profit		**3,886,311**	**5,247,100**	**2,563,595**	**3,529,771**
Profit/(loss) on investment contracts	8	782,150	(47,583)	-	-
Investment income	9	854,296	1,054,670	729,417	964,454
Net fair value gain on assets at FVTPL	10	111,743	2,630,057	(39,908)	10,217
Other income	11	793,883	1,553,761	359,367	248,613
Impairment charge no longer required	12	8,473	94,834	8,473	506,561
Impairment charges	13	(54,656)	(106,734)	(28,761)	(18,502)
Employee benefit expenses	14	(1,863,591)	(1,519,549)	(879,347)	(762,659)
Other management expenses	15	(3,543,380)	(4,063,709)	(1,811,570)	(1,598,640)
Result of operating activities		**975,229**	**4,842,847**	**901,266**	**2,879,815**
Finance costs	16	(29,848)	(52,964)	-	(137,500)
Finance incomes	17	249,891	191,009	-	-
Profit before income tax		1,195,272	4,980,892	901,266	2,742,315
Income tax expense	18	(303,500)	(758,954)	(248,653)	(498,547)
Profit from continuing operation		**891,772**	**4,221,938**	**652,613**	**2,243,768**
Discountinued operations					
Loss after tax for the year from					
discountined operation	19	(79,724)	-	-	-
Profit for the year		**812,048**	**4,221,938**	**652,613**	**2,243,768**
Profit attributable to:					
Owners of the parent		792,742	4,209,749	652,613	2,243,768
Non-controlling interests		19,306	12,189	-	-
		812,048	**4,221,938**	**652,613**	**2,243,768**
Earnings per share: - Continuing operation					
Basic and diluted (kobo)	21	11	53	8	28

The accompanying summary of significant accounting policies and notes to the consolidated and separate financial statements are an integral part of these consolidated and separate financial statements.

* Certain amounts shown here do not correspond to the 2014 financial statements and reflect adjustments made, refer to Note 3.9

		GROUP		COMPANY	
			Restated*		
in thousands of Nigerian Naira	Notes	2015	2014	2015	2014
Profit for the year		812,048	4,221,938	652,613	2,243,768
Other comprehensive income:					
Items that may be reclassified to the profit or loss account:					
Foreign currency translation gain		60,132	119,894	-	-
		60,132	**119,894**	**-**	**-**
Total comprehensive income for the year		**872,180**	**4,341,832**	**652,613**	**2,243,768**
Total comprehensive income attributable to:					
Owners of the parent		849,458	4,322,918	652,613	2,243,768
Non-controlling interest		22,722	18,914	-	-
		872,180	**4,341,832**	**652,613**	**2,243,768**

The accompanying summary of significant accounting policies and notes to the consolidated and separate financial statements are an integral part of these consolidated and separate financial statements.

* Certain amounts shown here do not correspond to the 2014 financial statements and reflect adjustments made, refer to Note 3.9

As at 31 December 2015 *in thousands of Nigerian Naira*	Notes	GROUP 2015	GROUP 2014 Restated*	COMPANY 2015	COMPANY 2014
ASSETS					
Cash and cash equivalents	22	14,016,106	13,207,978	4,111,237	5,273,617
Financial assets		-	-	-	-
Fair value through profit or loss	23	93,463	128,201	93,463	128,201
Available-for-sale investment securities	23	1,114,036	549,418	1,000	-
Loans and receivables	23	11,379,273	9,096,984	759,843	519,328
Assets pledged as collateral	24	115,297	129,467	115,297	129,467
Trade receivables	25	208,703	66,515	64,769	23,443
Reinsurance assets	26	1,414,600	1,562,803	1,224,190	1,235,294
Other receivables and prepayments	27	1,255,748	1,386,475	770,158	523,908
Finance lease receivables	29	1,044,864	518,455	668,727	739,877
Deferred acquisition costs	28	322,609	260,153	261,798	208,844
Inventories	30	1,533,164	3,020,272	-	-
Investment properties	31	8,731,665	6,984,764	56,000	47,000
Intangible assets	34	89,646	99,133	57,303	89,222
Property, plants and equipment	35	3,850,522	5,905,509	3,037,357	3,204,920
Investments in subsidiaries	32	-	-	2,000,000	2,010,000
Investment in associates	33	6,116	-	-	-
Statutory deposit	36	500,000	500,000	300,000	300,000
Deposit for shares	37	417,587	515,479	2,277,587	55,479
Deferred tax assets	47.1	-	97,097	-	-
Goodwill	38	1,543	17,980	-	-
Total assets		**46,094,942**	**44,046,683**	**15,798,729**	**14,488,600**
LIABILITIES					
Insurance contract liabilities	39	6,087,972	5,194,547	3,971,168	3,364,254
Investment contract liabilities	40	24,217,581	20,857,951	-	-
Trade payables	41	92,463	81,322	67,686	-
Other liabilities	42	1,811,330	5,569,823	446,643	1,084,493
Deposit liabilities	43	509,867	485,281	-	-
Book overdraft	44	-	6,605	-	6,605
Current income tax liabilities	46	521,385	505,961	317,932	248,738
Borrowings	45	4,073,095	3,619,988	4,073,095	3,562,515
Deferred tax liabilities	47.2	1,136,079	1,237,469	720,943	673,346
Total liabilities		38,449,772	37,558,947	9,597,467	8,939,951
EQUITY					
Share capital	48.2	4,000,000	4,000,000	4,000,000	4,000,000
Treasury shares	49	(250)	(250)	(250)	(250)
Foreign currency translation reserve	50	184,491	127,775	-	-
Contingency reserve	51	2,292,040	1,942,418	1,981,910	1,665,665
Revaluation reserve	52	1,288,563	1,288,563	1,288,563	1,288,563
Accumulated retained losses	53	(246,828)	(893,909)	(1,068,961)	(1,405,329)
Total ordinary shareholders' equity		7,518,016	6,464,597	6,201,262	5,548,649

As at 31 December 2015 *in thousands of Nigerian Naira*	Notes	GROUP 2015	GROUP 2014 Restated*	GROUP 2015	GROUP 2014
Total equity attributable to the:					
Owners of the parent		7,518,016	6,464,597	6,201,262	5,548,649
Non-controlling interests in equity	54	127,154	23,139	-	-
Total equity		7,645,170	6,487,736	6,201,262	5,548,649
Total liabilities and equity		46,094,942	44,046,683	15,798,729	14,488,600

The consolidated and separate financial statements and accompanying summary of significant accounting policies and notes to the financial statements were approved and authorised for issue by the Board of Directors on 18 April 2016 and were signed on its behalf by:

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

Mr. Olusegun Omosehin
FRC/2013/CIIN/00000003103
Managing Director

Mr. Abayomi Ogunwo
FRC/2015/ICAN/00000011225
Chief Finance Officer

The accompanying summary of significant accounting policies and notes to the consolidated and separate financial statements are an integral part of these consolidated and separate financial statements.

* Certain amounts shown here do not correspond to the 2014 financial statements and reflect adjustments made, refer to Note 3.9

Consolidated And Separate Statements Of Changes In Equity

For the year 31 December 2015

Group

For the year 31 December 2015

in thousands of Nigerian Naira	Note	Share capital	Treasury shares	Foreign currency translation reserve	Contingency reserve	Revaluation reserve	Accumulated retained losses	Total	Non - controlling interests	Total equity
		Attributable to equityholders of the Company								
As at 1 January 2014		4,000,000	(250)	14,606	1,436,756	1,288,563	(4,597,996)	2,141,679	242,616	2,384,295
Total comprehensive income for the year:										
Profit for the year as reported in the 2014 financial statements		-	-	-	-	-	4,086,941	4,086,941	12,189	4,099,130
Adjustments on correction of errors	3.9	-	-	-	-	-	122,808	122,808	-	122,808
Restated profit for the year		-	-	-	-	-	4,209,749	4,209,749	12,189	4,221,938
Other comprehensive income		-	-	113,169	-	-	-	113,169	6,725	119,894
Total comprehensive income for the year		-	-	113,169	-	-	4,209,749	4,322,918	18,914	4,341,832
Transactions with owners of equity										
Loss of control		-	-	-	-	-	-	-	(238,391)	(238,391)
Transfer to contingency reserve		-	-	-	505,662	-	(505,662)	-	-	-
Total transactions with owners of equity		-	-	-	505,662	-	(505,662)	-	(238,391)	(238,391)
As at 31 December 2014 restated*		4,000,000	(250)	127,775	1,942,418	1,288,563	(893,909)	6,464,597	23,139	6,487,736
Total comprehensive income for the year:										
Profit for the year		-	-	-	-	-	792,742	792,742	19,306	812,048
Other comprehensive income		-	-	56,716	-	-	-	56,716	3,416	60,132
Total comprehensive income for the year		-	-	56,716	-	-	792,742	849,458	22,722	872,180
Transactions with owners of equity										
Loss of control		-	-	-	-	-	216,699	216,699	68,555	285,254
Changes in equity		-	-	-	-	-	(12,738)	(12,738)	12,738	-
Transfer to contingency reserve		-	-	-	349,622	-	(349,622)	-	-	-
Total transactions with owners of equity		-	-	-	349,622	-	(145,661)	203,961	81,293	285,254
As at 31 December 2015		**4,000,000**	**(250)**	**184,491**	**2,292,040**	**1,288,563**	**(246,828)**	**7,518,016**	**127,154**	**7,645,170**

The accompanying summary of significant accounting policies and notes to the consolidated and separate financial statements are an integral part of these consolidated and separate financial statements.

* Certain amounts shown here do not correspond to the 2014 financial statements and reflect adjustments made, refer to Note 3.9.

Company

in thousands of Nigerian Naira	Share capital	Treasury shares	Contingency reserve	Revaluation reserve	Accumulated loss	Total
As at 1 January 2014	4,000,000	(250)	1,216,911	1,288,563	(3,200,343)	**3,304,881**
Total comprehensive income for the year:						
Profit for the year	-	-	-	-	2,243,768	2,243,768
Total comprehensive income for the year	-	-	-	-	2,243,768	2,243,768
Transactions with owners of equity						
Transfer to contingency reserve	-	-	448,754	-	(448,754)	-
Total transactions with owners of equity	-	-	448,754	-	(448,754)	-
As at 31 December 2014	**4,000,000**	**(250)**	**1,665,665**	**1,288,563**	**(1,405,329)**	**5,548,649**
Total comprehensive income for the year:						
Profit for the year	-	-	-	-	652,613	652,613
Total comprehensive income for the year	-	-	-	-	652,613	652,613
Transactions with owners of equity						
Transfer to contingency reserve	-	-	316,245	-	(316,245)	-
Total transactions with owners of equity	-	-	316,245	-	(316,245)	-
As at 31 December 2015	**4,000,000**	**(250)**	**1,981,910**	**1,288,563**	**(1,068,961)**	**6,201,262**

The accompanying summary of significant accounting policies and notes to the consolidated and separate financial statements are an integral part of these consolidated and separate financial statements.

Consolidated And Separate Statements Of Cash Flows

As at 31 December 2015

in thousands of Nigerian Naira	Notes	GROUP 2015	GROUP 2014	COMPANY 2015	COMPANY 2014
Cash flows from operating activities					
Cash received from insurance contract policy holders		14,427,121	15,745,659	10,471,416	11,622,540
Cash received from investment contract policy holders	40	12,862,465	10,951,712	-	-
Cash withdrawal by investment contract policy holders	40	(10,625,311)	(5,647,797)	-	-
Commission received	5	660,364	857,017	637,311	837,247
Reinsurance cost	26.2	(5,839,258)	(6,872,263)	(5,727,648)	(6,730,786)
Claims paid	6	(3,036,515)	(2,542,930)	(1,467,272)	(1,545,327)
Claims recovered from to reinsurers	6	624,074	353,529	375,482	98,286
Commission paid	28.1	(1,131,658)	(1,249,080)	(801,799)	(970,671)
Payments to employees	14	(1,863,591)	(1,519,549)	(879,347)	(762,659)
Other cash received		3,549,189	4,357,862	1,088,784	4,970,960
Cash paid to brokers, suppliers and other providers of services		(7,614,260)	(2,424,020)	(2,360,540)	(2,130,724)
Income tax paid	46	(211,598)	(263,581)	(131,862)	(213,203)
Net cash flows from operating activities	55	**1,801,022**	**11,746,559**	**1,204,525**	**5,175,663**
Investing activities:					
Purchase of investment properties		(666,250)	(47,000)	-	(47,000)
Purchase of intangible assets	34	(1,166)	(94,439)	-	(95,758)
Purchase of properties, plants and equipments	35	(460,009)	(1,761,679)	(175,861)	(1,052,452)
Proceeds from disposal of subsidiairies		14,500	-	14,500	-
Proceeds from sale of properties, plant and equipment		108,326	39,876	23,168	866
Proceeds from sale of marketable securities		-	93,374	-	-
Proceeds from sale of investment properties		525,000	-	-	-
Additions to deposit for shares		(222,108)	(125,479)	(2,222,108)	(55,479)
Refunds from deposit for shares		-	-	-	220,937
Purchase of available-for-sale investments		(284,582)	(83,818)	-	-
Net cash flows used in investing activities		(986,288)	(1,979,165)	(2,360,301)	(1,028,886)
Financing activities					
Repayments of borrowings		-	(20,324)	-	-
Net cash flows used in financing activities		-	(20,324)	-	-
Net (decrease)/increase in cash and cash equivalents		814,733	9,747,070	(1,155,775)	4,146,777
Cash and cash equivalents as 1 January		13,201,373	3,454,303	5,267,012	1,120,235
Cash and cash equivalents at 31 December	22.1	**14,016,106**	**13,201,373**	**4,111,237**	**5,267,012**

The accompanying summary of significant accounting policies and notes to the consolidated and separate financial statements are an integral part of these consolidated and separate financial statements.

3.1 Critical accounting estimates and judgments

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

(a) **Fair value of financial assets**

(i) Impairment of available-for-sale equity financial assets

The Group determines that available-for-sale equity financial assets are impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgment. In making this judgment, the Group evaluates among other factors, the normal volatility in share price, the financial health of the investee, industry and sector performance, changes in technology, and operational and financing cash flow. In this respect, a decline of 20% or more is regarded as significant, and a period of 6 months 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.

(b) Liabilities arising from insurance contracts

(i) 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, mortality and further mortality improved in estimating the required reserves for life contracts.

(c) **Impairment for receivables**

The Group tests periodically whether premium receivables have suffered any impairment. With this policy, all premium transactions are paid for immediately except in the case of brokered transactions.

For brokered transactions, the period is extended for 30 days if credit notes have been received from the broker. There is no insurance receivables outside 30 days for the Company as at year end.

3.2 Management of Insurance Risks

The Group issues contracts that transfer insurance risk or financial risk or both. This section summarizes these risks and the way the Group manages them.

Insurance Risk

The risk in any insurance contract is the possibility that the event insured against occurs, resulting in a claim. This risk is very random and unforseeable.

The principal risk that the Group faces under its insurance contracts is that the actual claims and benefits payments exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random, and the actual number and amount of claims and benefits will vary from year to year from the level established using statistical techniques.

3.2 *Management of Insurance Risks*

Our insurance underwriting strategy has been developed in such a way that the types of insurance risks accepted are diversified to achieve a sufficiently large population of risks to reduce the variability of the expected outcome. Insurance risk is increased by the lack of risk diversification in terms of type and amount of risk, geographical location and type of industry covered.

Non-life Insurance Contracts

(a) Frequency and severity of claims

The frequency and severity of claims can be affected by several factors. The most significant are the increasing level of awards for the damages suffered as a result of road accidents. The Group manages these risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling and investigations.

Underwriting limits are in place to enforce appropriate risk selection criteria. For example, the Group has the right not to renew certain policies, it can impose excess or deductibles and has the right to reject the payment of a fraudulent claim. Insurance contracts also entitle the Group to pursue third parties for payment of some or all of claims costs.

The reinsurance arrangements include excess and proportional coverage. The effect of such reinsurance arrangements is that the Group should not suffer total net insurance losses in any one year.

The Group has a specialized claims unit that ensures mitigation of the risks surrounding all known claims. This unit investigates and adjusts all claims in conjunction with appointed loss adjusters. The Group actively manages and pursues early settlements of claims to reduce its exposure to unpredictable developments.

Risk concentration is assessed per class of business. The concentration of insurance risk before and after reinsurance by class in relation to the type of insurance risk accepted is summarized below, with reference to the carrying amount of the insurance liabilities (gross and net of reinsurance) arising from all non-life insurances.

PRODUCTS

in thousands of Nigerian Naira	31 DEC 2015	31 DEC 2014
Fire	48,741	42,829
General Accident	49,979	52,526
Marine & Aviation	18,344	10,457
Motor	67,878	67,891
Oil & Gas and Aviation	106,543	47,231

(b) *Sources of uncertainty in the estimation of future benefits payments and premium receipts*

Claims on non-life insurance contracts are payable on a claims-occurrence basis. The Group is liable for all insured events that occurred during the term of the contract. 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.

3.2 Management of Insurance Risks

(b) *Sources of uncertainty in the estimation of future benefits payments and premium receipts*

The estimated cost of claims includes direct expenses to be incurred in settling claims, net of the expected subrogation value and other recoveries. The Group takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established.

The reserves held for these contracts comprises a provision for IBNR, a provision for reported claims not yet paid and a provision for unearned premiums at the end of the reporting year.

Process used to decide assumptions

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

Claims data was grouped into triangles by accident year or quarter and payment year or quarter. The choice between quarters or years was based on the volume of data in each segment. Payment development patterns were used instead of the reporting years' patterns to allow for the longer tail development that would be seen in payment delays as well as to allow for the movement of partial payments in the data.

Basic Chain Ladder method (BCL)

Development factors were calculated using the last 3, 4, 5, 6 and 7 years of data by accident year or quarter. Ultimate development factors are calculated for each of the permutations and the most appropriate pattern is selected.

Ultimate development factors are applied to the paid data per accident year or quarter and an 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. 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 large losses that had been reported but not paid, and therefore would not have influenced the development patterns, the total case reserve were excluded from the calculation of the IBNR.

i.e. IBNR = Ultimate claim amount (excl. extreme large losses) minus paid claims to date minus claims outstanding (excl.extreme large losses)

3.2 *Management of Insurance Risks - Continued*

Assumptions underlying the BCL

The Basic Chain Ladder Method assumes that past experience is indicative of future experience i.e. that claims recorded 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

For two (2) of the classes namely Energy and Aviation, there were very limited data. A BCL method was therefore inappropriate. Expected experience to date was considered as well as the average assumed Ultimate Loss ratio in carrying out the calculation.

Average delay durations were calculated from the data provided. In the absence of any data, various options were provided.

The IBNR is then calculated as: Expected % of claims to still arise in future based on average delay X average ultimate loss ratio assumed X earned premium for the current year

Assumptions underlying the Loss Ratio Method

It was assumed that the average delay in reporting 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 reporting. If the delay period in reporting is expected to have increased from previous years, the results shown in the report will be understated. Additionally, an estimate of the average ultimate loss ratio will need to be assumed. Loss ratios provided were used to obtain the average loss ratio as well as experience that has been seen to date in previous accident years. Although a reasonability check was not conducted on the loss ratios by comparing the loss ratios to industry figures, if the loss ratios average is not indicative of future experience, the IBNR calculated could be under/over estimated.

Unearned premium provision was calculated using a time – apportionment basis, in particular, the 365ths method. The same approach was taken for deferred acquisition cost. Combined ratio for financial year 31 December 2015 was calculated per class of business, taking into account the additional movement in claims reserves as at 31 December 2015 as a result of the IBNR figures calculated during the reserving exercise. This combined ratio was then applied to the UPR per class of business to determine the expected future underwriting experience for the unexpired risk period, and to ascertain whether the UPR held as at 31 December 2015 was deemed sufficient. The Additional Unexpired Risk Reserve (AURR) is limited to a minimum of 0, i.e. there is no allowance for reduction in the UPR due to expected future profits arising from premiums written which will be earned in future.

3.2 *Management of Insurance Risks - Continued*

Change in assumptions and sensitivity analysis

Sensitivity analyses 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 2015. The 75th percentile is a generally accepted level of prudency.

Results based on the Normal Distribution

We use the Normal distribution 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.

Change in assumptions and sensitivity analysis

The results based on fitting a Normal distribution to the best estimate IBNR reserves as at 31 December 2015 are as follows:

Class of Business	**Best estimate (₦)**		**75th percentile using Normal distribution (₦)**	
in Nigerian Naira	**Gross IBNR**	**Net IBNR**	**Gross IBNR**	**Net IBNR**
Fire	64,580,761	48,740,706	80,680,835	60,891,832
General Accident	63,689,350	49,978,512	79,626,147	62,484,486
Marine & Aviation	18,909,547	18,344,645	24,436,517	23,706,504
Motor	70,610,907	67,877,542	83,351,955	80,125,380
Oil & Gas	426,170,013	106,542,503	578,978,774	144,744,694
Total	**643,960,578**	**291,483,908**	**847,074,228**	**371,952,896**

Overall there is a 31.5% 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.

Based on the assumption that reserves follow a Normal distribution, there is only a 25% chance that the gross IBNR reserves required by Mutual Benefits will exceed ₦847m as at 31 December 2015.

3.2 *Management of Insurance Risks - Continued*

Development claim tables

The development of insurance liabilities provides a measure of the Group's ability to estimate the ultimate value of claims. The tables below illustrate how the group's estimate of total claims outstanding for each year has changed at successive year ends.

in thousands of Nigerian Naira

DEVELOPMENT YEARS

Fire Accident Year	0	1	2	3	4	5	6	7	8	9
2006	-	-	307	307	307	307	307	307	307	307
2007	-	1,123	1,201	1,201	1,201	1,201	1,201	1,201	1,201	
2008	7,082	15,488	17,923	18,754	18,754	19,186	19,186	19,186		
2009	23,251	43,919	61,740	61,740	62,004	62,004	62,004			
2010	17,577	206,337	206,901	210,274	214,681	214,681				
2011	65,800	76,138	80,072	80,354	80,722					
2012	23,432	251,110	325,021	360,875						
2013	65,907	237,386	262,539							
2014	113,696	223,324								
2015	80,266									
Total	**397,010**	**1,054,824**	**955,703**	**733,504**	**377,669**	**297,378**	**82,697**	**20,693**	**1,508**	**307**

3.2 Management of Insurance Risks - Continued

Development claim tables

in thousands of Nigerian Naira General accident	0	1	2	3	4	5	6	7	8	9
Accident Year										
2006	-	-	9,282	13,169	13,678	13,678	14,278	14,278	14,278	14,278
2007	-	42,000	53,148	54,402	54,402	54,402	54,402	54,402	54,402	
2008	44,309	73,778	93,792	96,840	97,883	98,735	98,735	98,939		
2009	36,884	152,793	168,107	183,085	183,806	183,837	184,033			
2010	46,784	99,248	175,093	177,680	182,198	183,763				
2011	117,547	491,542	504,365	511,032	513,025					
2012	142,271	255,370	294,010	306,718						
2013	100,719	240,398	286,147							
2014	156,946	315,820								
2015	124,966									
Total	**770,425**	**1,670,949**	**1,583,944**	**1,342,926**	**1,044,993**	**534,417**	**351,449**	**167,619**	**68,681**	**14,278**

in thousands of Nigerian Naira

DEVELOPMENT YEARS

Marine and Aviation	0	1	2	3	4	5	6	7	8	9
Accident Year										
2006	-	-	1,207	1,207	1,207	3,120	3,120	3,120	3,120	3,120
2007	-	3,869	21,863	21,863	21,863	21,863	21,863	21,863	21,863	
2008	15,889	29,542	29,545	29,603	29,603	29,603	29,603	29,603		
2009	13,919	20,738	26,927	26,927	26,927	26,927	26,927			
2010	11,395	14,945	15,038	15,038	15,038	15,038				
2011	22,490	28,530	29,159	31,830	31,830					
2012	19,414	59,885	59,885	59,885						
2013	16,618	27,109	27,193							
2014	20,277	42,201								
2015	65,443									
Total	**185,445**	**226,820**	**210,817**	**186,354**	**126,469**	**96,551**	**81,513**	**54,586**	**24,982**	**3,120**

3.2 Management of Insurance Risks - Continued

Development claim tables

in thousands of Nigerian Naira	DEVELOPMENT YEARS									
Motor	0	1	2	3	4	5	6	7	8	9
Accident Year										
2006	-	-	541	594	594	594	594	594	594	594
2007	-	54,086	55,174	55,174	55,174	55,174	55,174	55,174	55,174	
2008	166,441	272,139	277,986	279,769	279,769	280,886	280,886	280,886		
2009	320,528	422,238	425,429	434,185	434,645	434,645	434,645			
2010	297,922	391,691	401,961	402,473	402,975	403,531				
2011	422,243	610,436	623,173	624,923	627,293					
2012	492,282	658,462	667,983	670,021						
2013	469,160	718,714	733,180							
2014	570,316	759,796								
2015	473,318									
Total	**3,212,210**	**3,887,562**	**3,185,427**	**2,467,139**	**1,800,450**	**1,174,831**	**771,299**	**336,655**	**55,768**	**594**

Life Insurance Contracts

(a) *Frequency and severity of claims*

For contracts where death is the insured risk, the most significant factors that could increase the overall frequency of claims are terminal diseases (such as AIDS and hypertension) or widespread changes in lifestyle, such as eating, smoking and exercise habits, resulting in earlier or more claims than expected. For contracts where survival is the insured risk, the most significant factor is continued improvement in medical science and social conditions that would increase longevity.

At present, these risks do not vary significantly in relation to the location of the risk insured by the Group. However, undue concentration by amounts could have an impact on the severity of benefits payments on a portfolio basis.

The underwriting strategy is intended to ensure that the risks underwritten are well diversified in terms of type of risk and the level of insured benefits. Medical selection is also included in the Group's underwriting procedures, with premiums varied to reflect the health condition and family medical history of the applicants.

(b) *Sources of uncertainty in the estimation of future benefits payments and premium receipts*

Uncertainty in the estimation of future benefits payments and premium receipts for life insurance contracts arises from the unpredictability of long term changes in overall levels of mortality and the variability in contract holder behavior.

The Group uses appropriate and acceptable base tables of standard mortality according to the type of contract being written.

3.2 Management of Insurance Risks - Continued

(c) *Valuation methods*

A gross premium method was adopted for individual risk business. This is a monthly cash flow projection approach taking into account the incidence of all expected future cash flows including premiums, expenses and benefit payments satisfying the Liability Adequacy Test. This implies that no further testing is required as a result of the implementation of the IFRS; or in other words the liability adequacy test has been met implicitly and a separate liability calculation will not be required for accounting purposes.

Individual deposit-based business comprises the various Mutuals Benefits Funds, Mutual Benefits Life Savings, Mutual Benefits Life Investment Products and Mutual Benefits Endowment Funds, for which the reserve will comprise the amount standing to the credit of the policyholders (account balance) at the valuation date. The life cover element (and corresponding risk premiums where applicable) was unbundled from the deposit components and reserves calculated via a gross premium cash flow approach as described above.

Under all deposit-based products a variable rate of return was allocated to policyholder accounts in accordance with the terms and conditions of each product.

Annuities was reserved for using a discounted cash flow approach. Here reserves are set equal to the present value of future annuity payments plus expenses, with allowance being made for any guaranteed periods as required.

Reserves for Group Life will comprise an unexpired premium reserve (UPR) and where necessary, a reserve for Incurred But Not Reported Claims (IBNR) to make an allowance for the delay in reporting of claims. The UPR will represent the unexpired portion of the premium for each scheme, net of an expense margin reflecting the acquisition cost loadings. The adequacy of the UPR will be tested by comparing against an Additional Unexpired Risk Reserve (AURR), which will be calculated using pooled industry claims data for the underlying assumptions. An AURR will be held in cases where the UPR is deemed insufficient to meet claims in respect of the unexpired period.

IBNR reserves were calculated using a loss ratio approach, where the underlying rates were based on an analysis of historical group life claims experience. No separate reserve was proposed for claims handling costs for Group Life business as these were typically insignificant in size. Any costs incurred was absorbed as part of the general business management costs.

3.3 Financial Risk Management

(a) Introduction and overview

The Group is exposed to a range of financial risks through its financial instruments, insurance assets and insurance liabilities. The key financial risk is that in the long term its investments proceeds are not sufficient to fund the obligations arising from its insurance and investment contracts. The most important components of the financial risks are:

Market risk
Credit risk
Liquidity risk

3.3 Financial Risk Management

3.3.1 Market Risk

The identification, management, control, measurement and reporting of market risk are aligned towards the sub-risk categories namely:
i *Foreign exchange risk*

i Foreign exchange risk

Mutual Benefits Assurance Plc is exposed to foreign exchange currency risk primarily through undertaking certain transactions denominated in foreign currency. The Group is exposed to foreign currency risk through its investment in bank balances is considered to be insignificant.

3.3.2 Credit risk
Mutual Benefits Assurance Plc is exposed to risk relating to its investment securities and loan receivables. Its receivables comprise trade receivables from customers, reinsurers and coinsurers recoverables and other receivables. There are no financial assets that are classified as past due and impaired whose terms have been negotiated.

Collateral held and other credit enhancements, and their financial effect

The Group does not hold collateral or any other enhancements against any of its receivables as at 31 December 2015.

Trade receivables
The Group has placed more responsiveness on effective management of credit risk exposure that relates to trade receivables. In general, the regulator has laid great emphasis on "No Premium, No Cover" and this has positively changed the phase of credit management within the industry. The Group defines credit risk as the risk of counterparty's failure to meet its contractual obligations. Credit risk arises from insurance cover granted to parties with payment instruments or payments plan issued by stating or implying the terms of contractual agreement.

Stringent measures have been placed by the regulator to guide against credit default. Credit risk exposure operates from the level of brokered transactions with little emphasis placed on direct business. The Company's credit risk exposure to brokered business is very low as the Company requires brokers to provide credit note which is due 30 days from receipt before incepting insurance cover on behalf of their clients.

The Group credit risk originates from reinsurance recoverable transactions, brokers and agents.

3.3.2 Credit risk

Impairment model

"Premium debtors, which technically falls under receivables is recognized at a fair value and subsequently measured at amortized cost, less provision for impaired receivables. Under IFRS, an asset is impaired if the carrying amount is greater than the recoverable amount. The standard favours the use of the incurred loss model in estimating the impairment of its receivables."

By the provisions of IAS 39, the impairment of the premium debtors is to be assessed at two different levels, individually or collectively. However, based on NAICOM's "No Premium No Cover" guidelines which state that "all insurance covers shall now be provided on a strict 'no premium no cover' basis", only cover for which payment has been received shall be booked. Hence, there should be no outstanding direct transactions. For brokered businesses, on the other hand, payment has to be made not later than 30 days after a credit note has been issued. In line with this guidelines, the Company uses the aging of receivables as the major parameter in calculating impairment.

3.3.2 *Credit risk*

Below is the analysis of the group and the company's maximum exposure to credit risk at the year end.

Maximum exposure to credit risk

in thousands of Nigerian Naira	*Group* 31 Dec 2015	*Group* 31 Dec 2014	*Company* 31 Dec 2015	*Company* 31 Dec 2014
Cash and cash equivalents	13,299,374	13,206,228	4,108,782	5,272,811
Loans and receivables	11,379,273	9,096,984	759,843	519,328
Trade receivables	208,703	66,515	64,769	23,443
Reinsurance assets	834,728	755,563	668,289	447,194
Other receivables	610,391	637,446	481,938	146,666
Finance lease receivables	1,044,864	518,455	668,727	739,877
Statutory deposit	500,000	500,000	300,000	300,000
Deposit for shares	417,587	515,479	2,277,587	55,479
	28,294,920	**25,296,670**	**9,329,935**	**7,504,798**

Concentration of credit risk

All credit risk are concentrated across many industries in Nigeria. The Group monitors concentration of credit risk by sector.

in thousands of Nigerian Naira

31 December 2015	Group					Company				
	Financial services	*Manufac turing*	*Oil & Gas sector*	*Public sector & Other*	*Total*	*Financial services*	*Manufac turing*	*Public sector*	*Public sector & Other*	*Total*
Cash and cash equivalents	13,299,374	-	-	-	13,299,374	4,108,782	-	-	-	4,108,782
Loans and advances	1,787,633	-	9,591,640	-	11,379,273	759,843	-	-	-	759,843
Trade receivables	208,703	-	-	-	208,703	64,769	-	-	-	64,769
Reinsurance assets	834,728	-	-	-	834,728	668,289	-	-	-	668,289
Other receivables	-	-	-	610,391	610,391	-	-	-	481,938	481,938
Finance lease receivables	-	-	-	1,044,864	1,044,864	-	-	-	668,727	668,727
Statutory deposit	-	-	-	500,000	500,000	-	-	-	300,000	300,000
Deposit for shares	-	-	347,587	70,000	417,587	2,000,000	-	277,587	-	2,277,587
	16,130,438	**-**	**9,939,227**	**2,225,255**	**28,294,920**	**7,601,683**	**-**	**277,587**	**1,450,665**	**9,329,935**

3.3.2 Credit risk

Concentration of credit risk

All credit risk are concentrated across many industries in Nigeria. The Group monitors concentration of credit risk by sector.

in thousands of Nigerian Naira

31 December 2014	**Group**					**Company**				
	Financial services	*Manufac turing*	*Oil & Gas sector*	*Public sector & Other*	*Total*	*Financial services*	*Manufac turing*	*Oil & Gas sector*	*Public sector & Other*	*Total*
Cash and cash equivalents	13,206,228	-	-	-	13,206,228	5,272,811	-	-	-	5,272,811
Loans and advances	519,328	-	7,862,000	715,656	9,096,984	519,328	-	-	-	519,328
Trade receivables	66,515	-	-	-	66,515	23,443	-	-	-	23,443
Reinsurance assets	755,563	-	-	-	755,563	447,194	-	-	-	447,194
Finance lease receivables	-	-	-	518,455	518,455	-	-	-	739,877	739,877
Other receivables	-	-	-	637,446	637,446	-	-	-	146,666	146,666
Statutory deposit	-	-	-	500,000	500,000	-	-	-	300,000	300,000
Deposit for shares	-	-	125,479	390,000	515,479	-	-	55,479	-	55,479
	14,547,634	**-**	**7,987,479**	**2,761,557**	**25,296,670**	**6,262,776**	**-**	**55,479**	**1,186,543**	**7,504,798**

3.3.2 Credit risk

Credit quality

The table below provides information regarding the credit risk exposure of the Company by classifying assets according to the Company's credit ratings of counter parties:

in thousands of Nigerian Naira

31 December 2015	*Group*					*Company*				
	Investment grade	*Non investment grade satisfactory*	*Non investment grade un-satisfactory*	*Past due but not impaired*	*Total*	*Investment grade*	*Non investment grade satisfactory*	*Non investment grade un-satisfactory*	*Past due but not impaired*	*Total*
Cash and cash equivalents	13,299,374	-	-	-	13,299,374	4,108,782	-	-	-	4,108,782
Loans and advances	11,379,273	-	-	-	11,379,273	759,843	-	-	-	759,843
Trade receivables	208,703	-	-	-	208,703	64,769	-	-	-	64,769
Reinsurance assets	834,728	-	-	-	834,728	668,289	-	-	-	668,289
Other receivables	610,391	-	-	-	610,391	481,938	-	-	-	481,938
Finance lease receivables	1,044,864	-	-	-	1,044,864	668,727	-	-	-	668,727
Statutory deposit	500,000	-	-	-	500,000	300,000	-	-	-	300,000
Deposit for shares	417,587	-	-	-	417,587	2,277,587	-	-	-	2,277,587
	28,294,920	**-**	**-**	**-**	**28,294,920**	**9,329,935**	**-**	**-**	**-**	**9,329,935**
31 December 2014										
Cash and cash equivalents	13,206,228	-	-	-	13,206,228	5,272,811	-	-	-	5,272,811
Loans and advances	9,096,984	-	-	-	9,096,984	519,328	-	-	-	519,328
Trade receivables	66,515	-	-	-	66,515	23,443	-	-	-	23,443
Reinsurance assets	755,563	-	-	-	755,563	447,194	-	-	-	447,194
Other receivables	637,446	-	-	-	637,446	146,666	-	-	-	146,666
Finance lease receivables	518,455	-	-	-	518,455	739,877	-	-	-	739,877
Statutory deposit	500,000	-	-	-	500,000	300,000	-	-	-	300,000
Deposit for shares	515,479	-	-	-	515,479	55,479	-	-	-	55,479
	25,296,670	**-**	**-**	**-**	**25,296,670**	**7,504,798**	**-**	**-**	**-**	**7,504,798**

3.3.3 Liquidity risk

Liquidity risk is the risk that cash may not be available to pay obligations when due at a reasonable cost. The Group mitigates this risk by monitoring cash activities and expected outflows. The Group's current liabilities arise as claims are made and clients request for termination of their investment-linked products. The Group has no material commitments for capital expenditures and there is no need for such expenditures in the normal course of business. Claims payments are funded by current operating cash flow including investment income.

The Company's investment policy requires that a reasonable percentage of the non-life portfolio be held in cash and cash equivalent; this highlights availability of liquid marketable securities sufficient to meet its liabilities as at when due. Cash and cash equivalents include treasury bills and term deposits with an original maturity of less than 90 days.

The limits are monitored and reported on a weekly and monthly basis to ensure that exposure of the Group's investment portfolio to this risk is properly managed.

Below is a summary of undiscounted contractual cashflows of financial assets matched with financial liabilities.

Group

31 December 2015 *in thousands of Nigerian Naira*	Carrying amount	1-6 months	6-12 months	1-5 years	Above 5 years	Gross total
Cash and cash equivalents	14,016,106	14,221,853	-	-	-	14,221,853
Loans and advances	11,379,273	2,728,071	2,728,503	11,877,359	225,628	17,559,562
Fair value through profit or loss	93,463	93,463	-	-	-	93,463
Other receivables	610,391	610,391	-	-	-	610,391
Finance lease receivables	1,044,864	67,807	405,718	664,299	119,944	1,257,768
Statutory deposit	500,000	30,000	30,000	300,000	500,000	860,000
Total financial assets	**27,644,097**	**17,751,585**	**3,164,221**	**12,841,658**	**845,572**	**34,603,037**
Investment contract liabilities	24,217,581	5,120,702	5,120,702	15,704,581	777,673	26,723,658
Trade payables	92,463	92,463	-	-	-	92,463
Other liabilities	901,666	901,666	-	-	-	901,666
Deposit liabilities	509,867	509,867	-	-	-	509,867
Borrowings	4,073,095	-	-	-	4,073,095	4,073,095
Total financial liabilities	**29,794,672**	**6,624,698**	**5,120,702**	**15,704,581**	**4,850,768**	**32,300,749**
Net financial (liabilities)/assets	(2,150,575)	11,126,887	(1,956,481)	(2,862,923)	(4,005,195)	2,302,287
Trade receivables	208,703	208,703	-	-	-	208,703
Reinsurance assets	1,414,600	1,414,600	-	-	-	1,414,600
Insurance contract liabilities	(6,087,972)	(6,087,972)	-	-	-	(6,087,972)
Net policyholders' (liabilities)/assets	**(6,615,244)**	**6,662,218**	**(1,956,481)**	**(2,862,923)**	**(4,005,195)**	**(2,162,382)**

The need to match the medium to long term tenure of the Group's investment contract liabilities necessitated the high investment in the landed (investment) properties of ₦8.7 billion. Included in the investment properties are assets worth ₦6.1 billion that may be liquidated in the short to medium term to meet the financial obligations of the Group. Also, as at 31 December 2015, the Group held inventories (construction in progress) of ₦1.5 billion which are available for immediate sale on completion within twelve months.

3.3.3 Liquidity risk - continued

Company

31 December 2015 *in thousands of Nigerian Naira*	Carrying amount	1-6 months	6-12 months	1-5 years	Above 5 years	Gross total
Cash and cash equivalents	4,111,237	4,170,144	-	-	-	4,170,144
Loans and advances	759,843	130,264	130,695	389,595	225,628	876,183
Fair value through profit or loss	93,463	93,463	-	-	-	93,463
Other receivables	481,938	481,938	-	-	-	481,938
Finance lease receivables	668,727	30,000	90,000	600,000	119,944	839,944
Statutory deposit	300,000	18,000	18,000	180,000	300,000	516,000
Total financial assets	**6,415,208**	**4,923,809**	**238,695**	**1,169,595**	**645,572**	**6,977,672**
Trade payables	67,686	67,686	-	-	-	67,686
Other liabilities	285,605	285,605	-	-	-	285,605
Borrowings	4,073,095	-	-	-	4,073,095	4,073,095
Total financial liabilities	**4,426,386**	**353,291**	**-**	**-**	**4,073,095**	**4,426,386**
Net financial assets/(liabilities)	1,988,822	4,570,518	238,695	1,169,595	(3,427,523)	2,551,286
Trade receivables	64,769	64,769	-	-	-	64,769
Reinsurance assets	1,224,190	1,224,190	-	-	-	1,224,190
Insurance contract liabilities	(3,971,168)	(3,971,168)	-	-	-	(3,971,168)
Net policyholders' (liabilities)/assets	**(693,387)**	**1,888,309**	**238,695**	**1,169,595**	**(3,427,523)**	**(130,923)**

The need to match the medium to long term tenure of the Company's investment contract liabilities necessitated the high investment in the landed (investment) properties of ?8.7 billion. Included in the investment properties are assets worth ?6.1 billion that may be liquidated in the short to medium term to meet the financial obligations of the Company.

3.3.3 Liquidity risk - continued

Group

31 December 2014 *in thousands of Nigerian Naira*	Carrying amount	1-6 months	6-12 months	1-5 years	Above 5 years	Gross total
Cash and cash equivalents	13,207,978	13,393,155	-	-	-	13,393,155
Loans and advances	9,096,984	2,767,979	2,802,792	11,722,699	-	17,293,469
Fair value through profit or loss	128,201	128,201	-	-	-	128,201
Other receivables	637,446	637,446	-	-	-	637,446
Finance lease receivables	518,455	130,399	142,862	298,003	-	571,263
Statutory deposit	500,000	30,000	30,000	300,000	500,000	860,000
Total financial assets	**24,089,064**	**17,087,180**	**2,975,653**	**12,320,702**	**500,000**	**32,883,535**
Investment contract liabilities	20,857,951	4,618,057	4,618,057	12,645,403	655,849	22,537,366
Trade payables	81,322	81,322	-	-	-	81,322
Other liabilities	2,001,167	2,001,167	-	-	-	2,001,167
Deposit liabilities	485,281	485,281	-	-	-	485,281
Borrowings	3,619,988	-	-	-	3,619,988	3,619,988
Total financial liabilities	**27,045,709**	**7,185,827**	**4,618,057**	**12,645,403**	**4,275,837**	**28,725,124**
Net financial (liabilities)/assets	(2,956,645)	9,901,353	(1,642,404)	(324,701)	(3,775,837)	4,158,410
Trade receivables	66,515	66,515	-	-	-	66,515
Reinsurance assets	1,562,803	1,562,803	-	-	-	1,562,803
Insurance contract liabilities	(5,194,547)	(5,194,547)	-	-	-	(5,194,547)
Net policyholders' (liabilities)/assets	**(6,521,874)**	**6,336,124**	**(1,642,404)**	**(324,701)**	**(3,775,837)**	**593,181**

The need to match the medium to long term tenure of the Group's investment contract liabilities necessitated the high investment in the landed (investment) properties of ₦6.9 billion. These properties may be liquidated in the short to medium term to meet the financial obligations of the Group. Also, as at 31 December 2014, the Group held inventories (construction in progress and landed properties) of ₦2.9 billion which are available for immediate sale on completion within twelve months.

3.3.3 Liquidity risk - continued

Company 31 December 2014 *in thousands of Nigerian Naira*	Carrying amount	1-6 months	6-12 months	1-5 years	Above 5years	Gross total
Cash and cash equivalents	5,273,617	5,340,765	-	-	-	5,340,765
Loans and advances	519,328	34,813	69,626	439,993	-	544,431
Fair value through profit or loss	128,201	128,201	-	-	-	128,201
Other receivables	523,908	146,666	-	-	-	146,666
Finance lease receivables	739,877	102,689	102,689	480,000	240,000	925,379
Statutory deposit	300,000	18,000	18,000	180,000	300,000	516,000
Total financial assets	**7,484,931**	**5,771,135**	**190,315**	**1,099,993**	**540,000**	**7,601,442**
Other liabilities	804,826	804,826	-	-	-	804,826
Borrowings	3,562,515	-	-	-	3,562,515	3,562,515
Total financial liabilities	**4,367,341**	**804,826**	-	-	**3,562,515**	**4,367,341**
Net financial assets(/ liabilities)	3,117,590	4,966,309	190,315	1,099,993	(3,022,515)	3,234,101
Trade receivables	23,443	23,443	-	-	-	23,443
Reinsurance assets	1,235,294	1,235,294	-	-	-	1,235,294
Insurance contract liabilities	(3,364,254)	(3,364,254)	-	-	-	(3,364,254)
Net policyholders' assets/ (liabilities)	**1,012,073**	**2,860,792**	**190,315**	**1,099,993**	**(3,022,515)**	**1,128,584**

The need to match the medium to long term tenure of the Company's investment contract liabilities necessitated the high investment in the landed (investment) properties of N6.9 billion. These properties may be liquidated in the short to medium term to meet the financial obligations of the Company.

3.4 Capital Management

The National Insurance Commission (NAICOM), sets and monitors capital requirements for Insurance Companies. The individual subsidiaries are directly supervised by other regulators, i.e, Mutual Benefits Microfinance Bank Limited is regulated by the Central Bank of Nigeria, Mutual Benefits Assurance Niger SA by Conference Interafricaine Des Marches D's assurance (CIMA) and Mutual Benefits Assurance Company Liberia by Central Bank of Liberia respectively.

The Group's policy is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain the future development of the business. The impact of the level of capital on shareholders' return is also recognised and the Group recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position. The Group and its individually regulated operations have complied with all externally imposed capital requirements.

Management uses regulatory capital ratios to monitor its capital base. The allocation of capital between specific operations and activities is, to a large extent, driven by optimisation of the return achieved on the capital allocated. The amount of capital allocated to each operation or activity is based primarily on the regulatory capital, but in some cases the regulatory requirements do not fully reflect the varying degree of risk associated with different activities. In such cases, the capital requirements may be flexed to reflect differing risk profiles, subject to the overall level of capital to support a particular operation or activity not falling below the minimum required for regulatory purposes. The process of allocating capital to specific operations and activities is undertaken independently of those responsible for the operation by Group Risk and Group Credit, and is subject to review by the Group Credit Committee or the Group Asset and Liability Management Committee (ALCO), as appropriate. The Group ensures it maintains the minimum required capital at all times throughout the year.

Capital management objectives, policies and approach

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

1. To maintain the required level of stability of the Company thereby providing a degree of security to policyholders;
2. To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and of its shareholders;
3. To retain financial flexibility by maintaining strong liquidity and access to a range of capital markets;
4. To align the profile of assets and liabilities taking account of risks inherent in the business;
5. To maintain financial strength to support new business growth and to satisfy the requirements of the policyholders, regulators and stakeholders;
6. To maintain strong credit ratings and healthy capital ratios in order to support its business objectives and maximise shareholders value.

3.4 Capital Management

Capital management objectives, policies and approach

In reporting financial strength, capital and solvency are measured using the rules prescribed by the National Insurance Commission. These regulatory capital tests are based upon required levels of solvency, capital and a series of prudent assumptions in respect of the type of business written.

The Company's capital management policy for its insurance business is to hold sufficient capital to cover the statutory requirements based on the NAICOM directives, including any additional amounts required by the regulator.

The Company seeks to optimise the structure and sources of capital to ensure that it consistently maximises returns to the shareholders and policyholders.

The Company has had no significant changes in its policies and processes to its capital structure during the past year from previous years.

in thousands of Nigerian Naira	2015	2014
Available capital resources as at 31 December		
Total shareholders' funds per financial statements	6,201,262	5,548,649
Regulatory adjustments	(551,404)	26,576
Available capital resources	5,649,858	5,575,225
Minumum capital based required by regulator	3,000,000	3,000,000
Excess in solvency margin	**2,649,858**	**2,575,225**

3.4 Capital Management

The Solvency Margin for the parent as at 31 December 2015 is as follows:

in thousands of Nigerian Naira	2015	2014
Admissible assets		
Cash and cash equivalents	4,111,237	5,273,617
Available-for-sale investment securities	1,000	-
Fair value through profit or loss	93,463	128,201
Loans and receivables	372,951	519,328
Trade receivables	64,769	23,443
Reinsurance assets	1,224,190	1,235,294
Deferred acquisition costs	261,798	208,844
Finance lease receivables	668,727	739,877
Investment properties	56,000	47,000
Investments in subsidiaries	2,000,000	2,010,000
Deposit for shares	2,277,587	55,479
Property, plant and equipment	3,037,357	3,204,920
Intangible assets	57,303	89,222
Statutory deposit	300,000	300,000
Total	**14,526,382**	**13,835,225**
Admissible liabilities		
Insurance contract liabilities	3,971,168	3,364,254
Borrowings	4,073,095	3,562,515
Trade payables	67,686	-
Other liabilities	446,643	1,084,493
Current income tax liabilities	317,932	248,738
Total	**8,876,524**	**8,260,000**
Solvency margin	5,649,858	5,575,225
The higher of 15% of Net premium income and Shareholders funds	3,000,000	3,000,000
Solvency ratio (%)	**1.88**	**1.86**

3.5 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. In particular, the key 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. The most important components of this financial risk are interest rate risk and credit risk.

These risks arise from open positions in interest rate which is exposed to general and specific market movements. The risks that the Group primarily faces due to the nature of its investments and liabilities are interest rate risk and credit risk.

The Group manages these positions within an ALM framework that has been developed to achieve longterm investment returns in excess of its obligations under insurance and investment contracts. Within the ALM framework, the Group periodically produces reports at portfolio, legal entity and asset and liability class level that are circulated to the Group's key management personnel. The principal technique of the Group's ALM is to match assets to the liabilities arising from insurance and investment contracts by reference to the type of benefits payable to contract holders. For each distinct class of liabilities, a separate portfolio of assets is maintained. The Group has not changed the processes used to manage its risks from previous periods.

The Group's ALM is integrated with the management of the financial risks associated with the Group's other classes of financial assets and liabilities not directly associated with insurance and investment liabilities (in particular, borrowings and investments in foreign operations). The notes below explain how financial risks are managed using the categories utilized in the Group's ALM framework. In particular, the ALM Framework requires the management of interest rate risk at the portfolio level. Credit risk is managed on a group-wide basis.

3.5 Asset and Liability Management

The table below hypothecates the total assets of the Company into assets that represents insurance funds, shareholders' funds and other funds such as investment contracts:

in thousands of Nigerian Naira	Carrying amount	Insurance Contract	Shareholders fund	31 Dec 2015 Total
ASSETS				
Cash and cash equivalents	4,111,237	3,631,541	479,696	4,111,237
Available-for-sale investment securities	1,000	-	1,000	1,000
Fair value through profit or loss	93,463	93,463	-	93,463
Loans and receivables	759,843	-	759,843	759,843
Assets pledged as collateral	115,297	-	115,297	115,297
Trade receivables	64,769	64,769	-	64,769
Reinsurance assets	1,224,190	1,224,190	-	1,224,190
Other receivables and prepayments	770,158	-	770,158	770,158
Deferred acquisition cost	261,798	-	261,798	261,798
Finance lease receivables	668,727	198,558	470,169	668,727
Investment property	56,000	-	56,000	56,000
Investment in subsidiaries	2,000,000	-	2,000,000	2,000,000
Intangible assets	57,303	-	57,303	57,303
Property, plants and equipment	3,037,357	-	3,037,357	3,037,357
Statutory deposit	300,000	-	300,000	300,000
Deposit for shares	2,277,587	-	2,277,587	2,277,587
Total assets	**15,798,729**	**5,212,521**	**10,586,208**	**15,798,729**
Liabilities				
Insurance contract liabilities	3,971,168	3,971,168	-	3,971,168
Trade payables	67,686	-	67,686	67,686
Other liabilities	446,643	-	446,643	446,643
Borrowings	4,073,095	-	4,073,095	4,073,095
Current income tax liabilities	317,932	-	317,932	317,932
Deferred tax liability	720,943	-	720,943	720,943
Total liabilities	**9,597,467**	**3,971,168**	**5,626,299**	**9,597,467**
GAP	**6,201,262**	**1,241,353**	**4,959,909**	**6,201,262**

3.6 Measurement of financial assets and liabilities

Accounting classification measurement basis and fair value

The table below set out the group's classification of each class of financial instruments and liabilities and their fair value:

Group **31 December 2015** *in thousands of Nigerian Naira*	Note	Loans & receivables	Available for-sale	Other financial instruments at amortised cost	Carrying amount	Fair value
Cash and cash equivalents	22	14,016,106	-	-	14,016,106	14,016,106
Loans and advances	23	11,379,273	-	-	11,379,273	12,289,615
Trade receivables	25	208,703	-	-	208,703	208,703
Reinsurance assets	26	1,414,600	-	-	1,414,600	1,414,600
Other receivables	27	1,255,748	-	-	1,255,748	1,255,748
Finance lease receivables	29	1,044,864	-	-	1,044,864	1,128,453
Statutory deposit	36	500,000	-	-	500,000	500,000
		29,819,294	-	-	**29,819,294**	**30,813,225**
Investment contract liabilities	40	-	-	24,217,581	24,217,581	26,154,987
Trade payables	41	-	-	92,463	92,463	92,463
Other liabilities	42	-	-	1,811,330	1,811,330	1,811,330
Deposit liabilities	43	-	-	509,867	509,867	509,867
Borrowings	45	-	-	4,073,095	4,073,095	4,073,095
		-	-	**30,704,336**	**30,704,336**	**32,641,742**

3.6 Measurement of financial assets and liabilities

Accounting classification measurement basis and fair value

The table below set out the group's classification of each class of financial instruments and liabilities and their fair value:

Company **31 December 2015** *in thousands of Nigerian Naira*	Note	Loans & receivables	Available for-sale	Other financial instruments at amortised cost	Carrying amount	Fair value
Cash and cash equivalents	22	4,111,237	-	-	4,111,237	4,111,237
Loans and advances	23	759,843	-	-	759,843	820,630
Trade receivables	25	64,769	-	-	64,769	64,769
Reinsurance assets	26	1,224,190	-	-	1,224,190	1,224,190
Other receivables	27	770,158	-	-	770,158	770,158
Finance lease receivables	29	668,727	-	-	668,727	722,225
Statutory deposit	36	300,000	-	-	300,000	300,000
		7,898,924	**-**	**-**	**7,898,924**	**8,013,210**
Trade payables	41	-	-	67,686	67,686	67,686
Other liabilities	42	-	-	446,643	446,643	446,643
Borrowings	45	-	-	4,073,095	4,073,095	4,073,095
		-	**-**	**4,587,424**	**4,587,424**	**4,587,424**

3.6 Measurement of financial assets and liabilities

Accounting classification measurement basis and fair value

The table below set out the group's classification of each class of financial instruments and liabilities and their fair value:

Group **31 December 2014** *in thousands of Nigerian Naira*	Note	Loans & receivables	Available for-sale	Other financial instruments at amortised cost	Carrying amount	Fair value
Cash and cash equivalents	22	13,207,978	-	-	13,207,978	13,207,978
Loans and advances	23	9,096,984	-	-	9,096,984	9,824,743
Trade receivables	25	66,515	-	-	66,515	66,515
Reinsurance assets	26	1,562,803	-	-	1,562,803	1,562,803
Other receivables	27	1,386,475	-	-	1,386,475	1,386,475
Finance lease receivables	29	518,455	-	-	518,455	559,931
Statutory deposit	36	500,000	-	-	500,000	500,000
		26,339,210	**-**	**-**	**26,339,210**	**27,108,445**
Investment contract liabilities	40	-	-	20,857,951	20,857,951	22,526,587
Trade payables	41	-	-	81,322	81,322	81,322
Other liabilities	42	-	-	5,569,823	5,569,823	5,569,823
Deposit liabilities	43	-	-	485,281	485,281	485,281
Borrowings	45	-	-	3,619,988	3,619,988	3,619,988
		-	**-**	**30,614,365**	**30,614,365**	**32,283,001**

3.6 Measurement of financial assets and liabilities

Accounting classification measurement basis and fair value

The table below set out the group's classification of each class of financial instruments and liabilities and their fair value:

Company **31 December 2014** *in thousands of Nigerian Naira*	Note	Loans & receivables	Available for-sale	Other financial instruments at amortised cost	Carrying amount	Fair value
Cash and cash equivalents	22	5,273,617	-	-	5,273,617	5,273,617
Loans and advances	23	519,328	-	-	519,328	560,874
Trade receivables	25	23,443	-	-	23,443	23,443
Reinsurance assets	26	1,235,294	-	-	1,235,294	1,235,294
Other receivables	27	523,908	-	-	523,908	523,908
Finance lease receivables	29	739,877	-	-	739,877	799,067
Statutory deposit	36	300,000	-	-	300,000	300,000
		8,615,467	**-**	**-**	**8,615,467**	**8,716,203**
Other liabilities	42	-	-	1,084,493	1,084,493	1,084,493
Borrowings	45	-	-	3,562,515	3,562,515	3,562,515
		-	**-**	**4,647,008**	**4,647,008**	**4,647,008**

3.7 Fair value hierarchy

The Group's accounting policy on fair value measurements is discussed under note 2.9.3.

The fair values of financial assets and liabilities that are traded inactive markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the group determines fair values using other valuation techniques.

For financial instruments that trade infrequently, and had little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risk affecting the specific instrument.

Valuation models

The group measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active 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. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise primarily Nigerian Stock Exchange equity investments classified as trading securities or available for sale.

Financial instruments in level 2

Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Financial instruments in level 3

Level 3: inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

3.7 Fair value hierarchy

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognised in the statement of financial position.

31 December 2015	**Group**				**Company**			
in thousands of Nigerian Naira	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Fair value through profit or loss	93,463	-	-	93,463	93,463	-	-	93,463
31 December 2014								
Fair value through profit or loss	128,201	-	-	128,201	128,201	-	-	128,201

Financial instruments not measured at fair value

The following table sets out the carrying amount of financial instruments not measured at fair value and the analysis per level in the fair value hierarchy into which each fair value measurement is categorised.

31 December 2015 *in thousands of Nigerian Naira*	Group				Company			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Loan and receivables	-	759,843	-	759,843	-	759,843	-	759,843
Finance lease receivables	-	1,044,864	-	1,044,864	-	668,727	-	668,727
	-	1,804,707	-	1,804,707	-	1,428,570	-	1,428,570
Borrowing	-	3,619,988	-	3,619,988	-	4,073,095	-	4,073,095
	-	3,619,988	-	3,619,988	-	4,073,095	-	4,073,095

Fair value of financial assets and liabilities
Below are the methodologies and assumptions used to determine fair values for those financial instruments in the financial statements:

Assets and liabilities for which fair value approximates carrying value
The management assessed that cash and cash equivalents, trade receivables, reinsurance receivable, other receivables, trade payables, other liabilities and deposit liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

3.7 Fair value hierarchy

Fair value of financial assets and liabilities
Below are the methodologies and assumptions used to determine fair values for those financial instruments in the financial statements:

Loans and advances and finance lease receivables
The fair values of loans and advances are based on cash flows discounted using a rate based on the market interest rate of borrowings. The discount rate equals the prime lending rate as set by the Central Bank of Nigeria at the reporting dates. The fair values are within Level 2 of the fair value hierarchy.

Investment contract liabilities
The fair values of investment contract liabilities are based on cash flows discounted using a rate based on the market interest rate of borrowings. The discount rate equals the prime lending rate as set by the Central Bank of Nigeria at the reporting dates. The estimated fair value of fixed interest bearing deposits is based on discounted cash flows using prevailing money–market interest rates for debts with similar credit risk and maturity.

Financial instruments not measured at fair value

31 December 2014 *in thousands of Nigerian Naira*	Group				Company			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Loan and receivables	-	9,096,984	-	9,096,984	-	519,328	-	519,328
	-	9,096,984	-	9,096,984	-	519,328	-	519,328
Borrowing	-	3,619,988	-	3,619,988	-	3,562,515	-	3,562,515
	-	3,619,988	-	3,619,988	-	3,562,515	-	3,562,515

3.7 Fair value hierarchy

Non financial asset measured at fair value

Investment property is a recurring fair value measurement valued using the market approach method of valuation. The valuation of the properties is based on the price for which comparable land and properties are being exchanged and/or are being marketed for sale. Therefore, the market-approach Method of Valuation was used. See Note 31 for the details of the description of valuation techniques used and key inputs to valuation on investment properties:

3.8 Segment information

The Group is organized into four operating segments. These segments distribute their products through various forms of brokers, agencies and direct marketing programs. Management identifies its reportable operating segments by product line consistent with the reports used by the Management Investment and Underwriting Committee. These segments and their respective operations are as follows:

3.8 Segment information

i **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.

ii **Life business:** This segment covers the protection of the Group's customers against the risk of premature death, disability, critical illness and other accidents. Revenue from this segment is derived primarily from insurance premium, investment income, net realized gains on financial assets and net fair value gains on financial assets held for trading.

iii **Real Estate:** The Group undertakes real estate development project with the aim of outright sale or lease of the properties to meet the needs of individual and corporate bodies. The Group offers various products in real estate to meet client needs while promoting value adding business relationships and utilizes a combination of debt and equity finance to provide funds for projects. Revenue from this segment is derived primarily from property sale, fee income and investment income.

iv **Microfinance Bank:** The Group undertakes provision of retails and microfinance banking services at the community level. Revenue from this segment is derived primarily interest on micro loans and advances, SME loans, overdraft, fees and commission and investment income.

The segment information provided by the Management Underwriting Investment Committee (MUIC) for the reporting segments as at 31 December 2015 is as follows:

	Assurance Business				Real Estate	Microfinance		
in thousands of Nigerian Naira	**Mutual Plc Nigeria**	**Mutual Ltd Nigeria**	**Mutual Niger**	**Mutual Liberia**	**Mutual Homes**	**Mutual Microfinance**	Elimination adjustment	Total
Cash and cash equivalents	4,111,237	9,410,464	298,663	36,560	20,707	138,475	-	14,016,106
Available-for-sale investment securities	1,000	609,036	504,000	-	-	-	-	1,114,036
Fair value through profit or loss	93,463	-	-	-	-	-	-	93,463
Loans and receivables	759,843	11,034,276	-	193,207	-	695,926	(1,303,980)	11,379,273
Assets pledged as collateral	115,297	-	-	-	-	-	-	115,297
Trade receivables	64,769	-	60,659	83,275	-	-	-	208,703
Reinsurance assets	1,224,190	182,765	1,171	3,464	-	-	3,011	1,414,600
Other receivables	770,158	534,055	7,952	10,068	228,489	32,697	(327,671)	1,255,748
Deferred acquisition cost	261,798	60,811	-	-	-	-	-	322,609
Finance lease receivables	668,727	317,930	-	58,208	-	-	-	1,044,864
Inventories	-	-	-	-	1,533,164		-	1,533,164
Investment properties	56,000	8,675,665	-	-	-	-	-	8,731,665
Investment in subsidiaries	2,000,000	896,981	-	-	-	-	(2,896,981)	-
Investment in associates	-	-	-	-	-	-	6,116	6,116
Intangible assets	57,303	5,870	26,472	-	-	-	-	89,646
Property, plants and equipment	3,037,357	533,493	99,093	127,095	13,440	40,045	-	3,850,522
Statutory deposit	300,000	200,000	-	-	-	-	-	500,000
Deposit for shares	2,277,587	140,000	-	-	-	-	(2,000,000)	417,587
Goodwill	-	-	-	-	-	-	1,543	1,543
Total assets	**15,798,729**	**32,601,346**	**998,010**	**511,877**	**1,795,800**	**907,143**	**(6,517,962)**	**46,094,942**

3.8 Segment information

The segment information provided by the Management Underwriting Investment Committee (MUIC) for the reporting segments as at 31 December 2015 is as follows:

	Assurance Business				Real Estate	Microfinance		
in thousands of Nigerian Naira	Mutual Plc Nigeria	Mutual Ltd Nigeria	Mutual Niger	Mutual Liberia	Mutual Homes	Mutual Microfinance	Elimination adjustment	Total
LIABILITIES								
Insurance contract liabilities	3,971,168	1,836,524	99,456	173,239	-	-	7,586	6,087,972
Investment contract liabilities	-	24,208,510	-	9,071	-	-	-	24,217,581
Trade payables	67,686	17,980	6,797	-	-	-	-	92,463
Other liabilities	446,643	1,123,318	33,945	41,634	433,959	66,632	(334,801)	1,811,330
Deposit liabilities	-	-	-	-	-	509,867	-	509,867
Borrowings	4,073,095	-	-	-	-	-	-	4,073,095
Related party loan	-	-	-	-	1,303,978	-	(1,303,978)	-
Deposit for shares	-	2,000,000	-	-	-	-	(2,000,000)	-
Current income tax liabilities	317,932	135,183	-	6,114	37,860	24,295	-	521,385
Deferred tax liabilities	720,943	19,898	-	-	91,592	8,557	295,090	1,136,079
Total liabilities	**9,597,467**	**29,341,413**	**140,198**	**230,058**	**1,867,390**	**609,351**	**(3,336,103)**	**38,449,772**
EQUITY								
Share capital	4,000,000	150,000	330,000	488,421	20,000	250,000	(1,238,421)	4,000,000
Treasury shares	(250)	-	-	-	-	-	-	(250)
Share premium		1,850,000	-	-	-	-	(1,850,000)	-
Foreign currency transalation reserve	-	-	(1,092)	(9,049)	-	-	194,632	184,491
Contingency reserve	1,981,910	310,130	-	-	-	-	-	2,292,040
Revaluation reserve	1,288,563	-	-	-	-	-	-	1,288,563
Retained losses	(1,068,961)	949,803	500,599	(236,844)	(91,590)	(11,766)	(288,070)	(246,828)
Shareholders fund	**6,201,262**	**3,259,933**	**829,507**	**242,528**	**(71,590)**	**238,234**	**(3,181,859)**	**7,518,016**
Owners of the parent	6,201,262	3,259,933	829,507	242,528	(71,590)	238,234	(3,181,859)	7,518,016
Non-controlling interests in equity	-	-	28,305	39,291	-	59,558	-	127,154
Total equity	**6,201,262**	**3,259,933**	**857,812**	**281,819**	**(71,590)**	**297,792**	**(3,181,859)**	**7,645,170**
Total liabilities and equity	**15,798,729**	**32,601,346**	**998,010**	**511,877**	**1,795,800**	**907,143**	**(6,517,962)**	**46,094,942**

3.8 Segment information

The segment information provided by the Management Underwriting Investment Committee (MUIC) for the reporting segments for the year ended 31 December 2015 is as follows:

	Assurance Business				Real Estate	Microfinance		
in thousands of Nigerian Naira	Mutual Plc Nigeria	Mutual Ltd Nigeria	Mutual Niger	Mutual Liberia	Mutual Homes	Mutual Microfinance	Elimination adjustment	Total
Gross premium written	10,541,503	3,337,710	351,213	367,644	-	-	-	14,598,070
Gross premiums income	10,230,490	2,906,011	297,062	367,644	-	-	-	13,801,208
Premiums ceded to reinsurers	(5,959,847)	(95,286)	(11,492)	-			-	(6,066,626)
Net premiums income	4,270,643	2,810,725	285,570	367,644	-	-	-	7,734,582
Fee and commission income	637,311	21,767	1,286	-			-	660,364
Net underwriting income	4,907,954	2,832,492	286,856	367,644	-	-	-	8,394,946
Net benefits and claims	1,087,324	1,047,410	40,223	157,852	-	-	-	2,337,384
Increase in individual life fund	-	(3,273)	-	-	-	-	-	(3,273)
Increase in annuity reserve	-	30,633	-	-	-	-	-	30,633
Underwriting expenses	1,257,035	790,035	50,456	46,365	-	-	-	2,143,891
Net underwriting expenses	2,344,359	1,864,805	90,679	204,217	-	-	-	4,508,635
Underwriting profit	2,563,595	967,687	196,177	163,428	-	-	-	3,886,311
Profit on investment contracts	-	782,150	-	-	-	-	-	782,150
Investment income	729,417	234,633	3,730	19,416	35,129	-	(168,029)	854,296
Net fair value gain on assets at FVTPL	(39,908)	116,651	-	-	-	-	35,000	111,743
Other income	359,367	8,756	-	436	185,810	79,146	160,368	793,883
Impairment charge no longer required	8,473	160,702	-	-	-	-	(160,702)	8,473
Impairment charges	(28,761)	-	-	-	-	(9,791)	(16,104)	(54,656)
Employees benefit expenses	(879,347)	(595,011)	(37,846)	(48,389)	(30,056)	(122,942)	(150,000)	(1,863,591)
Other management expenses	(1,811,570)	(1,519,162)	(82,961)	(110,726)	(21,580)	(97,083)	99,702	(3,543,380)
Result of operating activities	901,266	156,406	79,099	24,164	169,304	(150,670)	(199,765)	975,229
Finance costs	-	-	-	-	(142,360)	(29,848)	142,360	(29,848)
Finance incomes	-	-	-	-	-	249,891	-	249,891
Profit before income tax	901,266	156,406	79,099	24,164	26,943	69,374	(57,405)	1,195,272
Income tax (expenses)/benefit	(248,653)	(44,586)	(4,925)	(6,041)	(10,850)	(7,046)	18,600	(303,500)
Profit from continuing operation	652,613	111,820	74,175	18,124	16,094	62,327	(38,805)	891,772
Discountinued operations								
Profit from discountined operation	(79,724)	-	-	-	-	-	-	(79,724)
Profit for the year	572,889	111,820	74,175	18,124	16,094	62,327	(38,805)	812,048
Profit attributable to:								
Owners of the parent	572,889	111,820	74,175	18,124	16,094	62,327	(62,686)	792,742
Non-controlling interests	-	-	5,934	906	-	12,466	-	19,306
	572,889	111,820	80,109	19,030	16,094	74,793	(62,686)	812,048

3.9 Correction of errors

In the course of the preparation of the 2015 consolidated financial statements, the Group discovered three errors:

1 Mutual Benefits Life Assurance Limited (a subsidiary Company) recognised interest income on a loan granted to Mutual Homes and Properties Limited (sub-subsidiary). The Loan was secured by a lien on the title documents to Mutual Alpha courts with first charge on the receivables of Mutual Benefits Homes and Properties Limited from the projects for which the facility is used and other capital and liquid assets of Mutual Benefits Homes & Properties Limited.

Prior to 2014, the sub-subsidiary (Mutual Homes & Properties Limited) recognized the interest expense as borrowing cost on the asset in progress (Land property developed by Mutual Alpha Courts) (classified as part of Inventory) during the years of construction. On consolidation the interest income in the parent company and the interest expense in inventory was eliminated by Debiting "Finance Income" of the parent Company and Crediting "Asset under Construction (Inventory)" of the Subsidiary.

In 2014, the asset under construction was completed by Mutual Homes & Properties Limited and sold to the its direct parent Company, Mutual Life Assurance Limited at ₦4,500,000,000 (60 units of duplex at ₦75 million each) in part settlement of the loan due to the parent Company. Included in the value of the building is the Borrowing Cost totaling ₦2,279,098,000 already debited to the Asset under Construction (Inventory) during the construction phase which should have been reversed on consolidation to profit or loss, however only that of 2014 and 2013, totaling ₦757,620,000 was reversed to cost of sale of the item while that of 2011 total ₦1,360,776,000 was wrongly credited to unrelated work-in-progress and 2012 totaling ₦160,702,000 was wrongly credited to other receivables at the group level.

3.9 Correction of errors - Continuing

Consequently, revenue was understated and inventory and other receivables were understated. This error was discovered and corrected on consolidation of the financial statements for the year ended 31 December 2015.

2 In 2014, the Group's foreign exchange reserve arising from translation of the functional currency of its foreign subsidiary: Mutual Benefits Liberia Company Limited (USD) to the presentation currency of the Group (NGN), was wrongly determined due to wrong exchange rate used, this resulted in an understatement of foreign exchange translation reserve and an overstatement of retained earnings by an amount of ₦134,500,000.

3 In consolidating the financial statements of the Company, Mutual Benefits Assurance Plc and its subsidiaries as at 31 December 2015, it was discovered that some consolidation adjustments no longer required amount to ₦1,048,519,803 were credited to the Group retained earnings and debited to other payables, this resulted in an overstatement of Group retained earnings and an understatement of Group's other payables by the aforementioned amount as at 31 December 2014.

These errors have been corrected by restating each of the affected financial statements line items for the prior periods, as follows:

Impact on equity (increase in equity)

in thousands of Nigerian Naira	GROUP 31 Dec 2014
Inventories	1,360,776
Other receivables	160,702
Total assets	**1,521,478**
Other payable	(1,118,746)
Deferred tax liabilities	(279,924)
Total liabilities	**(1,398,670)**
Net impact on equity	**122,808**

Impact on statement of profit or loss increase in profit

in thousands of Nigerian Naira	GROUP 31 Dec 2014
Fair value gain	1,521,478
Other income	(1,118,746)
Income tax expenses	(279,924)
Net impact on profit for the year	**122,808**

3.9 Correction of errors - Continued

Impact on statement of change in equity

in thousands of Nigerian Naira	**GROUP**
Foreign currency translation differences	134,500
Net impact on change in equity for the year	**134,500**
Attributable to:	
Equity holders of the parent	122,808
Impact on basic and diluted earnings per share (EPS) increase in EPS	
Earnings per share in kobo:	
Basic, profit for the year attributable to ordinary equity holders of the parent	2
Diluted, profit for the year attributable to ordinary equity holders of the parent	-
Earnings per share for continuing operations in kobo	
Basic, profit from continuing operations attributable to ordinary equity holders of the parent	2
Diluted, profit from continuing operations attributable to ordinary equity holders of the parent	-

The changes did not have an impact on the Group's operating, investing and financing activities on the statements of cash flows.

			GROUP		COMPANY	
4	**Gross premium income**					
	in thousands of Nigerian Naira	**Notes**	**2015**	**2014**	**2015**	**2014**
4.1	**Gross premium written**					
	Non-life		11,161,000	11,354,526	10,541,503	11,354,526
	Life (Group life and individual life)		3,410,716	4,059,182	-	-
	Annuity		26,354	37,340	-	-
			14,598,070	15,451,048	10,541,503	11,354,526
	Changes in unearned premium					
	Non-life		(390,622)	(7,364)	(311,013)	(7,364)
	Life (Group life and individual life)		(406,240)	91,947	-	-
			(796,862)	84,583	(311,013)	(7,364)
	Gross premium income		**13,801,208**	**15,535,631**	**10,230,490**	**11,347,162**
4.2	**Premiums ceded to reinsurers**					
	Outward premium - Non life		5,739,140	6,872,263	5,727,648	6,730,992
	Outward premium - life		100,118	-	-	-
	Changes in prepaid re-insurance		227,368	(679,057)	232,199	(660,123)
			6,066,626	**6,193,206**	**5,959,847**	**6,070,869**
4.3	**Net premium income**		**7,734,582**	**9,342,425**	**4,270,643**	**5,276,293**
5	**Fee and commission income**					
	Commission received from reinsurance		454,255	286,311	431,202	266,541
	Commission received from co insurance		206,109	570,706	206,109	570,706
			660,364	**857,017**	**637,311**	**837,247**
6	**Net benefits and claims**					
	Claims paid		3,036,515	2,542,930	1,467,272	1,545,327
	Change in outstanding claims		69,205	(47,132)	295,901	(411,904)
	Claims recoveries		(624,074)	(353,529)	(375,482)	(98,286)
	Change in outstanding claims - Reinsurers		(144,262)	223,991	(300,367)	223,991
			2,337,384	**2,366,260**	**1,087,324**	**1,259,128**
7	**Underwriting expenses**					
	Amortisation of deferred acquisition costs	28.1	1,069,202	1,350,742	748,845	1,057,287
	Maintenance costs	7.1	1,074,689	1,055,130	508,190	267,354
			2,143,891	**2,405,872**	**1,257,035**	**1,324,641**
7.1	**Maintenance costs**					
	Business acqusition cost		274,303	419,092	274,303	54,110
	Administrative charges-Group Life		7,364	16,967	-	-
	Agency allowance		101,068	60,504	-	-
	Agency training		38,870	18,312	-	-
	Superintending and surveyors fees		231,787	236,927	231,787	211,144
	Group life actuary valuation report fee		4,600	3,600	2,100	2,100
	Stamp duty expenses		4,696	1,518	-	-
	Agency unit manager allowance		174,174	172,724	-	-
	Business promotion expenses		3,004	16,900	-	-
	Value added tax		18,385	13,508	-	-
	Underwriting medical expenses		5,851	11,265	-	-
	Marketing expenses		210,587	83,813	-	-
			1,074,689	**1,055,130**	**508,190**	**267,354**

in thousands of Nigerian Naira	Note	GROUP 2015	GROUP 2014	COMPANY 2015	COMPANY 2014
8 Profit/(loss) on investment contracts					
Interest income	9	2,431,185	1,652,649	-	-
Surrender fee		312,485	100,805	-	-
Guaranteed interest		(1,122,476)	(626,337)	-	-
Acquisition cost on investment policies		(839,044)	(1,174,700)	-	-
		782,150	**(47,583)**	-	-
9 Investment income					
Interest income on loans and advances	9.1	1,741,508	2,225,347	456	724,510
Dividend income		541	1,748	541	1,748
Interest income on fixed term deposit		953,518	355,261	384,047	124,910
Interest income on statutory deposit		57,796	35,829	34,677	35,829
Interest income on lease		66,648	59,546	66,648	47,969
Interest from current accounts with banks		7,590	3,043	609	3,043
Interest income from treasury bills		420,560	1,760	223,869	1,760
Rental income		37,320	24,785	18,570	24,685
Reclassification of investment contract income	8	(2,431,185)	(1,652,649)	-	-
		854,296	**1,054,670**	**729,417**	**964,454**
9.1 Interest income on loans and advances					
Loan to Prime Exploration		1,729,640	2,221,120	-	654,856
Loan to Mutual Homes and Properties		-	-	-	65,427
Loan to staff		11,868	4,227	456	4,227
		1,741,508	**2,225,347**	**456**	**724,510**
10 Net fair value gain on assets at FVTPL					
Fair value (loss)/gain on financial assets through profit or loss		(34,738)	2,462	(34,738)	2,462
Fair value (loss)/gain on pledged assets		(14,170)	7,755	(14,170)	7,755
Fair value gain in investment property		160,651	2,619,840	9,000	-
		111,743	**2,630,057**	**(39,908)**	**10,217**
11 Other income					
Sales of ticket		-	689,784	-	-
Charter services		-	89,937	-	-
Advertisement		-	75,831	-	-
Profit on sale of property and equipment		91,127	1,841	10,803	866
Profit from disposal of subsidiaries		143,649	-	5,500	-
Bank charges income		818	-	-	-
Bad debt recovered		-	49,585	-	-
Net income from sale of properties		92,079	-	-	-
Micro finance fees and commission		34,830	-	-	-
Default charges		33,333	154,126	-	-
Share of profit of the associate		3,616	-	-	-
Commission on turnover		10,165	-	-	-
Insurance claim received		122	860	122	860
Remeaurement gain on interest in associate		2,500	-	-	-
Release of expired deposit premiums		119,663	-	119,663	-
Release of excess liability		132,677	-	132,677	-
Sundry income		97,461	109,693	76,436	27,126
Income from logistics activities		9,573	61,317	-	-
Foreign exchange gain		22,270	219,761	14,166	219,761
Trucks and special operation		-	1,446	-	-
Interstate income		-	99,580	-	-
		793,883	**1,553,761**	**359,367**	**248,613**

12 Impairment charge no longer required

in thousands of Nigerian Naira	Notes	GROUP 2015	GROUP 2014	COMPANY 2015	COMPANY 2014
Trade receivables	12.1	-	44,232	-	44,232
Finance lease receivables	29	2,339	-	2,339	-
Investment in subsidiaries		-	-	-	190,790
Deposit for shares		-	-	-	220,937
Other receivable	27.4	6,134	50,602	6,134	50,602
		8,473	**94,834**	**8,473**	**506,561**

12.1 This represents amount received on premium receivable that had been impaired in the previous year.

13 Impairment charges

	Notes	GROUP 2015	GROUP 2014	COMPANY 2015	COMPANY 2014
Loans and advances	23.3.1	25,895	402	-	-
Trade receivables	25.2	28,761	-	28,761	-
Finance lease receivables	29	-	106,332	-	18,502
		54,656	**106,734**	**28,761**	**18,502**

14 Employee benefit expenses

	GROUP 2015	GROUP 2014	COMPANY 2015	COMPANY 2014
Wages and salaries	1,750,690	1,420,683	800,692	689,960
Defined contribution pension costs	112,901	98,866	78,655	72,699
	1,863,591	**1,519,549**	**879,347**	**762,659**

In accordance with Pension Reform Act 2014, the Group contributes 10% each of the qualifying staff's salary (Basic, transport, and housing), whilst the employees contribute 8%. The contributions are recognised as employee benefits expense as and when due.

15 Other management expenses

in thousands of Nigerian Naira	Notes	GROUP 2015	GROUP 2014	COMPANY 2015	COMPANY 2014
Depreciation of property, plants and equipments	35	601,001	718,055	331,059	214,293
Amortisation of intangible assets	34	50,662	20,326	31,919	16,282
Auditors' remunerations		32,161	20,250	13,000	7,500
Legal and consultancy fees		108,078	112,067	74,950	94,005
Directors fee and allowance		365,840	297,880	210,230	160,182
Medical expenses		55,841	81,637	24,324	33,797
Donations		19,181	157,122	6,366	157,122
Subscriptions		9,680	4,659	6,657	-
Rents and Rates		169,768	50,163	19,090	20,073
Computer repairs and maintenence		17,364	23,734	-	-
Repairs and maintainance		228,239	59,924	57,469	38,113
Utilities		29,895	19,392	20,799	9,476
Transport and travelling		168,993	210,267	15,494	147,686
Public relations and advertising		207,598	342,450	63,902	75,843
Motor vehicle running expenses		46,398	118,151	13,033	35,199
Business acquisition costs		31,309	54,294	19,211	32,396
Training and recruitment		88,602	67,521	48,697	63,387
Insurance		39,630	39,057	20,904	31,035
Bank charges		243,789	191,742	140,552	112,549
Training and forum for marketers		87,387	141,664	-	-
Insurance supervisory fee		111,004	148,223	37,863	44,663
Conference and seminar expenses		10,864	-	10,864	-
Fines and penalties		8,320	12,471	7,350	12,391
Office general expenses		-	-	-	-
Newspapers and periodicals		2,506	1,791	1,632	738
Printing and stationery		49,947	25,374	18,493	24,233
Telecommunication expenses		49,741	67,964	14,364	63,039
Security expenses		17,122	17,036	7,819	11,044
Other expenses		99,524	197,077	84,949	193,594
Exchange loss on foreign loan		510,580	-	510,580	-
Loss on disposal of property, plant & equipment		595	21,051	-	-
Investment related expenses		81,761	-	-	-
Cost of sales	15.1	-	839,919	-	-
Operating lease expenses		-	2,448	-	-
		3,543,380	**4,063,709**	**1,811,570**	**1,598,640**

15.1 Cost of sales

The group incurred cost on its transportation line in Mutual Model Transport Limited (the Company), however during the year the Group disposed 90% of its investment in the Company.

16 Finance costs

in thousands of Nigerian Naira	Notes	GROUP 2015	GROUP 2014	COMPANY 2015	COMPANY 2014
Interest on loans and overdraft		-	52,964	-	137,500
Interest charge on deposits		27,944	-	-	-
Other charges		1,904	-	-	-
		29,848	**52,964**	-	**137,500**
				-	

17 Finance income

Interest income on Micro loans		84,259	65,109	-	-
Interest income on SME loans		144,942	97,915	-	-
Interest on Eazy cash product		244	107		
Interest income on overdraft		11,520	13,185	-	-
Interest income on treasury bills		1,772	2,590	-	-
Income from funds placement		7,154	12,103	-	-
		249,891	**191,009**	-	-
				-	-

18 Income tax expense

18.1 Current income tax charge

Company income tax:					
General business		-	60,383	-	60,383
Life business		20,403	31,870	-	-
Real estate business		6,818	-	-	-
Mutual Model Transport Limited		-	5,268	-	-
Mutual Benefits Mircofinance Bank Limited		3,232	-	-	-
		30,453	97,521	-	60,383
Education tax:					
General business		14,528	35,898	14,528	35,898
Mutual Benefits Mircofinance Bank Limited		441	-	-	-
		14,969	35,898	14,528	35,898
Information technology tax:					
General business		8,906	26,055	8,906	26,055
Life business		3,092	4,991	-	-
Mutual Benefits Mircofinance Bank Limited		694	-	-	-
		12,692	31,046	8,906	26,055
Minimum tax:					
Charks investment Limited		-	831	-	-
General business		177,622	-	177,622	-
Mutual Benefits Life Assurance Limited		14,078	-	-	-
		191,700	831	177,622	-
(Over)/ under provision in taxation:					
Under provision		-	148,266	-	136,827
Over provision		-	(85,205)	-	-
		-	63,061	-	136,827
Total current income tax expenses for the year	46	**249,814**	**228,357**	201,056	**259,163**

18 **Income tax expense - continued**

Movement in deferred tax liabilities and assets

in thousands of Nigerian Naira	Notes	GROUP 2015	GROUP 2014	COMPANY 2015	COMPANY 2014
Deferred tax liability:					
General business		47,597	239,384	47,597	239,384
Life business		11,342	22,697	-	-
Mutual Benefits Homes and Properties Limited		(33,383)	18,656	-	-
Mutual Benefits Mircofinance Bank Limited		8,556	-	-	-
Intra-group gain on investment property		3,500	257,227	-	-
		37,612	537,964	47,597	239,384
Deferred tax assets:					
Life business		16,074	-	-	-
Charks investment Limited		-	(7,367)	-	-
		16,074	(7,367)	-	-
Total income tax expense		**303,500**	**758,954**	**248,653**	**498,547**

18.2 **Reconciliation of tax charge**

	GROUP 2015	GROUP 2014	COMPANY 2015	COMPANY 2014
Profit before income tax	1,195,272	4,980,892	901,266	2,742,315
Tax at Nigerian's statutory income tax rate of 30% (2014: 30%)	358,582	1,494,268	270,380	822,695
Effect of:				
Tax exempt income	(791,847)	(1,466,454)	(556,117)	(885,968)
Expenses not deductible for tax purposes	517,404	600,304	333,334	363,041
Information technology tax	12,692	31,046	8,906	26,055
Prior year over provision	-	(85,205)	-	-
Prior year under provision	-	148,266	-	136,827
Education tax	14,969	35,898	14,528	35,898
Mininum tax	191,700	831	177,622	-
	303,500	**758,954**	**248,653**	**498,547**

19 Discontinued operations

During the year, the Company disposed their controlling interests in two of their subsidiaries: 90% in Mutual Model Transport Limited (MMTL) and 55% in Charks Investments Limited. The businesses of MMTL and Charks Investments Limited represented the entirety of the Group's transport and leasing operating segment until 31 November 2015 and 1 January 2015 respectively. The results of MMTL for the period are presented below:

in thousands of Nigerian Naira	**MMTL 2015**
Revenue	671,304
Operating expenses	(431,259)
Gross profit	**240,045**
Other income	912
Personnel expenses	(181,357)
Administrative expenses	(53,649)
	5,951
Finance cost	(39,286)
Loss before tax from a discontinued operations	(33,335)
Income tax expenses	(46,389)
Loss after tax from a discontinued operations	(79,724)
Loss per share	
Basic and diluted for the year from discontinued operation (kobo)	(4)

20 Dividends paid and proposed

The Board of Directors have not declared any dividend for the year (2014:Nil)

21 Earnings per share

21.1 *Earnings per share - Basic*

Basic earnings per share is calculated by dividing the profit 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 Company and held as treasury shares.

in thousands of Nigerian Naira	Notes	GROUP 2015	GROUP 2014	COMPANY 2015	COMPANY 2014
Profit attributable to equity holders from continuing operation		891,772	4,221,938	652,613	2,243,768
Weighted average number of ordinary shares for basic earnings per share	21.2	7,999,500	7,999,500	7,999,500	7,999,500
Basic earnings per ordinary share (kobo)		11	53	8	28

21.2 *Weighted average number of ordinary shares - basic*

	GROUP 2015	GROUP 2014	COMPANY 2015	COMPANY 2014
Issued ordinary shares at 1 January				
Effect of treasury shares held	8,000,000	8,000,000	8,000,000	8,000,000
As at 31 December	500	500	500	500
	7,999,500	**7,999,500**	**7,999,500**	**7,999,500**

21.3 Earnings per share- Diluted

The calculation of diluted earnings per share has been based on the profit attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding after adjustment for the effects of all diluted potential ordinary shares.

The company has no potential diluted ordinary shares during the year (2014: Nil). Hence, the weighted average number of ordinary shares for basic and diluted is the same so also the Diluted and Basic earnings per share.

22 Cash and cash equivalents

in thousands of Nigerian Naira	Notes	GROUP 31 Dec-2015	GROUP 31 Dec-2014	COMPANY 31 Dec-2015	COMPANY 31 Dec-2014
Cash in banks and on hand		1,671,479	2,097,351	576,801	1,244,716
Short-term deposits	22.1	10,275,067	5,641,276	3,294,436	3,788,901
Treasury bills with original maturity of less than 90days		2,069,560	5,469,351	240,000	240,000
		14,016,106	**13,207,978**	**4,111,237**	**5,273,617**

22.1 Short-term deposits

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group. All short-term deposits are subject to an average variable interest rate of 11% per annum (2014: 10%).

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

in thousands of Nigerian Naira	GROUP 31 Dec-2015	GROUP 31 Dec-2014	COMPANY 31 Dec-2015	COMPANY 31 Dec-2014
Cash in banks and on hand	1,671,479	2,097,351	576,801	1,244,716
Short-term deposits	10,275,067	5,641,276	3,294,436	3,788,901
Treasury bills with original maturity <90days	2,069,560	5,469,351	240,000	240,000
	14,016,106	13,207,978	4,111,237	5,273,617
Book overdraft	-	(6,605)	-	(6,605)
	14,016,106	**13,201,373**	**4,111,237**	**5,267,012**

23 Financial assets

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

in thousands of Nigerian Naira	Notes	GROUP 31 Dec-2015	GROUP 31 Dec-2014	COMPANY 31 Dec-2015	COMPANY 31 Dec-2014
Available-for-sale investment securities	23.1	1,114,036	549,418	1,000	-
Fair value through profit or loss	23.2	93,463	128,201	93,463	128,201
Loans and receivables	23.3	11,379,273	9,096,984	759,843	519,328
		12,586,772	**9,774,603**	**854,306**	**647,529**
Current		3,298,923	3,877,419	280,444	193,494
Non-current		9,287,849	5,897,184	573,862	454,035
		12,586,772	**9,774,603**	**854,306**	**647,529**

The Group's available-for-sale financial assets are carried at cost less impairment losses (if any) as there were no reliable observable data to determine their fair values at the reporting date.

23.1 Available-for-sale investment securities

in thousands of Nigerian Naira	Notes	GROUP 31 Dec-2015	GROUP 31 Dec-2014	COMPANY 31 Dec-2015	COMPANY 31 Dec-2014
Unquoted investments	23.1.1	1,386,391	871,582	173,355	172,355
Allowance for impairment	23.1.3	(272,355)	(322,164)	(172,355)	(172,355)
		1,114,036	**549,418**	**1,000**	-

23.1.1 *Analysis of investments in unlisted entities*

	GROUP 31 Dec-2015	GROUP 31 Dec-2014	COMPANY 31 Dec-2015	COMPANY 31 Dec-2014
Empire Aviation Limited	122,355	122,355	122,355	122,355
Global Haulage Limited	150,000	150,000	50,000	50,000
Mutual Model Transport Limited (MMTL)	1,000	-	1,000	-
ICHL Limited	279,036	-	-	-
Motor Way Assets Limited	330,000	-	-	-
Massive Investment TV Limited	-	4,630	-	-
Leasing Company of Liberia	33,600	33,600	-	-
Joint Venture Trade Financing	420,000	420,000	-	-
Consolidated Bureau de change	-	14,018	-	-
Maple Autos Limited	-	30,000	-	-
Other investments	50,400	96,979	-	-
	1,386,391	**871,582**	**173,355**	**172,355**

23.1.2 *Movement in unlisted entities*

	GROUP 31 Dec-2015	GROUP 31 Dec-2014	COMPANY 31 Dec-2015	COMPANY 31 Dec-2014
At 1 January	871,582	1,148,097	172,355	172,355
Purchase during the year	330,000	83,818	-	-
Disposal of subsidiaries	(45,418)	-	-	-
Write-off	(49,809)	(360,333)	-	-
Remaining interest in MMTL	1,000	-	1,000	-
Transfer from deposit for shares	279,036	-	-	-
At 31 December	**1,386,391**	**871,582**	**173,355**	**172,355**

23.1.3 *Analysis of impaired unlisted investments*

	GROUP 31 Dec-2015	GROUP 31 Dec-2014	COMPANY 31 Dec-2015	COMPANY 31 Dec-2014
Empire Aviation Limited	122,355	122,355	122,355	122,355
Global Haulage Limited	150,000	150,000	50,000	50,000
Massive Investment TV Limited	-	4,630	-	-
Consolidated Bureau de change	-	14,018	-	-
Maple Autos Limited	-	30,000	-	-
Other investments	-	1,161	-	-
	272,355	**322,164**	**172,355**	**172,355**

23.1.4 *The movement in impairment*

	GROUP 31 Dec-2015	GROUP 31 Dec-2014	COMPANY 31 Dec-2015	COMPANY 31 Dec-2014
At 1 January	322,164	322,164	172,355	172,355
Write-off	(49,809)	-	-	-
At 31 December	272,355	**322,164**	**172,355**	**172,355**

23.1 Available-for-sale investment securities - Continued

21.1.5 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.

23.2 Investment securities - fair value through profit or loss

		GROUP		COMPANY	
in thousands of Nigerian Naira	Notes	**31 Dec-2015**	**31 Dec-2014**	**31 Dec-2015**	**31 Dec-2014**
Quoted shares		93,463	128,201	93,463	128,201
Movement in listed entities					
At 1 January		128,201	219,113	128,201	125,739
Liquidation of subsidiaries		-	(93,374)	-	-
Fair value (loss)/gain		(34,738)	2,462	(34,738)	2,462
At 31 December		**93,463**	**128,201**	**93,463**	**128,201**

23.2 **Investment securities - fair value through profit or loss - Continued**

23.2.1 **Analysis of investments in listed entities**

in thousands of Nigerian Naira	Notes	GROUP 31 Dec-2015	GROUP 31 Dec-2014	COMPANY 31 Dec-2015	COMPANY 31 Dec-2014
Africa Prudential Registrars Plc		207	261	207	261
Access Bank of Nigeria Plc		426	595	426	595
Ashaka Cement Plc		-	4,312	-	4,312
Cadbury Plc		6,600	14,626	6,600	14,626
Costain West Africa Plc		100	148	100	148
Diamond Bank Plc		2,852	6,918	2,852	6,918
Ecobank Transnational Inc		5,592	6,493	5,592	6,493
First Bank Holdings Plc		10,638	16,725	10,638	16,725
First City Monument Bank Plc		8,478	12,743	8,478	12,743
Guaranty Trust Bank Plc		4,188	5,826	4,188	5,826
Sterling Bank Plc		23,920	31,873	23,920	31,873
United Bank for Africa Plc		9,560	12,197	9,560	12,197
UBA Capital Plc		454	564	454	564
Unity Bank Plc		637	265	637	265
Universal Insurance Company Plc		2,500	2,500	2,500	2,500
Wema Bank Plc		96	96	96	96
Lafarge WAPCO Plc		13,693	7,444	13,693	7,444
West African Provincial Insurance Plc		9	12	9	12
Zenith International Bank Plc		3,513	4,603	3,513	4,603
		93,463	**128,201**	**93,463**	**128,201**

23.3 **Loans and advances**

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 as 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:

in thousands of Nigerian Naira	Notes	GROUP 31 Dec-2015	GROUP 31 Dec-2014	COMPANY 31 Dec-2015	COMPANY 31 Dec-2014
Term loans		10,858,142	8,944,219	386,892	422,802
Overdrafts		31,997	10,658	-	-
Staff loans		551,687	178,765	372,951	96,526
Gross loans and advances		11,441,826	9,133,642	759,843	519,328
Allowance for individual impairment	23.3.1	(62,553)	(36,658)	-	-
Allowance for collective impairment	23.3.1	-	-	-	-
		11,379,273	**9,096,984**	**759,843**	**519,328**
Current		3,298,923	3,877,419	280,444	193,494
Non-current		8,080,350	5,219,565	479,399	325,834
		11,379,273	**9,096,984**	**759,843**	**519,328**

23.3.1 **Impairment on loans and advances**

in thousands of Nigerian Naira	Notes	GROUP 31 Dec-2015	GROUP 31 Dec-2014	COMPANY 31 Dec-2015	COMPANY 31 Dec-2014
allowance for specific impairment					
Balance, beginning of the year		36,658	37,951	-	-
Impairment charged for the year		25,895	402	-	-
Write-offs		-	(1,695)	-	-
Balance, end of the year		**62,553**	**36,658**	-	-
Allowance for collective impairment					
Balance, beginning of the year		-	-	-	-
Impairment charged for the year		-	-	-	-
Reversal for the year		-	-	-	-
Write-offs		-	-	-	-
Balance, end of the year		-	-	-	-

23.3.2 **Loan to Prime Exploration and Production Limited**

Included in Loans and advances for the Group is the loan balance of ₦9,591,640,000 (2014: ₦7,862,000,000) granted to Prime Exploration and Production limited. The details is as follow:

in thousands of Nigerian Naira	Notes	GROUP 31 Dec-2015	GROUP 31 Dec-2014	COMPANY 31 Dec-2015	COMPANY 31 Dec-2014
Balance as at 1 January		7,862,000	10,694,319	-	3,574,941
Additions		-	5,070	-	-
		7,862,000	10,699,389	-	3,574,941
Interest on loan		1,729,640	2,221,120	-	654,856
Payments received		-	(5,058,509)	-	(4,229,797)
		9,591,640	7,862,000	-	-

Mutual Benefits Assurance Plc and Mutual Benefits Life Assurance Limited together 'Mutual Group' entered into an agreement on 13 February 2008 to grant a loan facility of ₦10 billion to Prime Exploration and Production Limited (PEPL) 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.

The ₦5.1 billion repaid by PEPL to the Mutual Group (₦4.2 billion to Mutual Benefits Assurance Plc and ₦0.8 billion to Mutual Benefits Life Assurance Limited) in December 2014 covered the schedule repayments amount to 31 March 2016.

The Loan was granted for a period of 60 months after moratorium at 22 percent interest rate and 2 percent all in and a moratorium period of 36 months.

23.3 **Investment securities - Loans and advances Continued**

23.3.2 **Loan to Prime Exploration and Production Limited - Continued**

Security for the loan include the following:
- First charge over oil asset of Asaramataru Marginal Field
- First charge on all receivables under oil contract throughout the tenor of the facility
- No distribution of profit of PEPL until the funds (principal and interest) advanced by Mutual Group is fully repaid.

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

23.3.3 **Credit quality of loans and advances is summarised as follows:**

		GROUP		COMPANY	
in thousands of Nigerian Naira	Notes	31 Dec-2015	31 Dec-2014	31 Dec-2015	31 Dec-2014
Neither past due nor impaired		11,316,720	9,060,693	759,843	519,328
Past due but not impaired		-	36,291	-	-
Individually impaired		62,553	36,658	-	-
Gross		11,441,826	9,133,642	759,843	519,328
Less: allowance for impairment		(62,553)	(36,658)	-	-
Net balance		**11,379,273**	**9,096,984**	**759,843**	**519,328**

23.3.4 The Group monitors concentrations of credit risk by borrowers; individual or corporate.

		GROUP		COMPANY	
in thousands of Nigerian	Naira	Loans to individuals	Loans to corporate	Loans to individuals	Loans to corporate
31 December 2015					
Gross		829,687	10,612,139	372,951	386,892
Impairment		-	(62,553)	-	-
Net Balance		**829,687**	**10,549,586**	**372,951**	**386,892**
31 December 2014					
Gross		466,756	8,666,886	96,526	422,802
Impairment		-	(36,658)	-	-
Net Balance		**466,756**	**8,630,228**	**96,526**	**422,802**

24 Assets pledged as collateral

in thousands of Nigerian Naira	GROUP 31 Dec-2015	GROUP 31 Dec-2014	COMPANY 31 Dec-2015	COMPANY 31 Dec-2014
Quoted shares	115,297	129,467	115,297	129,467

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.

Mutual Benefits Assurance Plc purchased quoted shares of ₦400 million 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.

The movement in the carrying amount is the fair value change in respect of the marker price as at year end.

25 Trade receivables

in thousands of Nigerian Naira	GROUP 31 Dec-2015	GROUP 31 Dec-2014	COMPANY 31 Dec-2015	COMPANY 31 Dec-2014
General business	64,769	23,443	64,769	23,443
Mutual Benefits Niger	60,659	43,072	-	-
Mutual Benefits Liberia	83,275	-	-	-
	208,703	**66,515**	**64,769**	**23,443**
Current	208,703	66,515	64,769	23,443
Non-current	-	-	-	-
	208,703	66,515	64,769	23,443

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

0 – 90 days	198,044	66,515	64,769	23,443
91 – 180 days	28,761	-	28,762	-
Above 180 days	312,119	317,357	-	-
	538,924	**383,872**	**93,531**	**23,443**

25.2 *Movement in impairment of insurance receivables*

Balance, beginning of the year	317,357	317,357	-	-
Additions during the year	28,762	-	28,762	-
Reversal during the year	(15,898)	-	-	-
	330,221	317,357	28,762	-

26 Reinsurance assets

in thousands of Nigerian Naira	Notes	GROUP 31 Dec-2015	GROUP 31 Dec-2014	COMPANY 31 Dec-2015	COMPANY 31 Dec-2014
Reinsurance share of outstanding claims	26.1	570,661	426,399	518,979	218,613
Reinsurance receivable		1,170	134,636	-	34,053
Co-assurance claims receivable		262,897	194,528	149,310	194,528
Prepaid reinsurance	26.2	579,872	807,240	555,901	788,100
		1,414,600	1,562,803	1,224,190	1,235,294
Current		1,414,600	1,562,803	1,224,190	1,235,294
Non-current		-	-	-	-
		1,414,600	**1,562,803**	**1,224,190**	**1,235,294**

Reinsurance receivables are to be settled on demand and the carrying amount is not significantly different from their fair value.

26.1 The movement in reinsurers' share of claims reported and loss adjustment expenses is as follows:

in thousands of Nigerian Naira	Notes	GROUP 31 Dec-2015	GROUP 31 Dec-2014	COMPANY 31 Dec-2015	COMPANY 31 Dec-2014
At 1 January		426,399	650,390	218,613	442,604
Changes in reinsurance share of outstanding claims	6	144,262	(223,991)	300,367	(223,991)
At 31 December		**570,661**	**426,399**	**518,979**	**218,613**

26.2 The movement in prepaid reinsurance

	Notes	GROUP 31 Dec-2015	GROUP 31 Dec-2014	COMPANY 31 Dec-2015	COMPANY 31 Dec-2014
At 1 January		807,240	128,183	788,100	128,183
Additions during the year		5,839,258	6,872,263	5,727,648	6,730,786
Recognised in profit or loss	4.2	(6,066,626)	(6,193,206)	(5,959,847)	(6,070,869)
At 31 December		**579,872**	**807,240**	**555,901**	**788,100**

27 Other receivables and prepayments

in thousands of Nigerian Naira	Notes	GROUP 31 Dec-2015	GROUP 31 Dec-2014	COMPANY 31 Dec-2015	COMPANY 31 Dec-2014
Prepayments		425,000	575,920	288,220	377,242
Loan to policy holders		4,906	5,086	-	-
Other bank balances	27.1	72,781	76,940	65,141	71,277
Investment receivables	27.2	70,292	96,516	16,757	16,757
Other assets	27.3	91,204	169,817	-	-
Due from Related Companies		-	-	162,828	
Sundries receivables		261,236	164,115	249,798	26,899
Directors current account		100,207	119,823	69,314	119,767
Property development		147,576	13,609	-	-
Trade receivables of non-insurance subsidiaries		164,446	197,589	-	-
Deposit for building material		-	159,500	-	-
		1,337,648	**1,578,915**	**852,058**	**611,942**
Allowance for impairment on other receivables	27.4	(81,900)	(192,440)	(81,900)	(88,034)
		1,255,748	**1,386,475**	**770,158**	**523,908**
Current		1,255,748	1,386,475	770,158	523,908
Non-current		-	-	-	-
		1,255,748	**1,386,475**	**770,158**	**523,908**

27.1 Other bank balances

	GROUP 31 Dec-2015	GROUP 31 Dec-2014	COMPANY 31 Dec-2015	COMPANY 31 Dec-2014
Balance held in Skye Bank Jericho	2,533	2,533	2,533	2,533
Balance held in GTB (Premium call)	18,068	18,068	18,068	18,068
Balance held in Unity Bank Plc	1,541	1,541	1,541	1,541
Balance held in Guaranty Trust	42,988	42,988	42,988	42,988
Balance held in Sterling Bank	-	6,135	-	6,136
Balance held in GTB(current account)	11	11	11	11
Other bank balances	7,640	5,664	-	-
	72,781	**76,940**	**65,141**	**71,277**

27.2 Investment receivables

	GROUP 31 Dec-2015	GROUP 31 Dec-2014	COMPANY 31 Dec-2015	COMPANY 31 Dec-2014
Placement with Charks	-	70,424	-	-
Placement with Deap Capital	-	14,997	-	-
Placement with Profound Securities	16,757	11,095	16,757	16,757
ICHL Limited	37,436	-	-	-
Upfront treasury bill	16,099	-	-	-
	70,292	**96,516**	**16,757**	**16,757**

27.3 Other assets

in thousands of Nigerian Naira	Notes	GROUP 31 Dec-2015	GROUP 31 Dec-2014	COMPANY 31 Dec-2015	COMPANY 31 Dec-2014
WHT recoverable - OPL		48,718	26,527	-	-
Uniform stock		48	160	-	-
Private placement		5,500	5,500	-	-
Stock of cheque		2,839	3,469	-	-
Branch account		-	3,028	-	-
SMS Alert account		-	1,161	-	-
Telephone		21	20	-	-
Sundry receivables		-	59,991	-	-
Unpaid capital		26,137	30,000	-	-
Adjustment account		-	1,688	-	-
Suspense account		-	272	-	-
Cheques and coupons		-	787	-	-
Due from government		-	727	-	-
Excess interest charges		6,390	6,390	-	-
ATM Receivables		1,551	30,097	-	-
		91,204	169,817	-	-

27.4 The movement in impairment

Balance, beginning of the year	192,440	243,042	88,034	138,636
Write-offs during the year	(104,406)	-	-	-
Write back during the year	(6,134)	(50,602)	(6,134)	(50,602)
	81,900	**192,440**	**81,900**	**88,034**

28 Deferred acquisition costs

Deferred acquisition cost - Fire	27,845	28,607	27,845	28,607
Deferred acquisition cost - Gen Accident	108,532	54,034	108,532	54,034
Deferred acquisition cost - Motor	56,955	71,460	56,955	71,460
Deferred acquisition cost - Marine	34,286	23,969	34,286	23,969
Deferred acquisition cost - Oil & Gas & aviation	34,179	30,774	34,179	30,774
Life Business	60,811	51,309	-	-
	322,609	**260,153**	**261,798**	**208,844**

28.1 The movement in deferred acquisition cost is as follows:

		GROUP		COMPANY	
in thousands of Nigerian Naira	Notes	31 Dec-2015	31 Dec-2014	31 Dec-2015	31 Dec-2014
Balance, beginning of the year		260,153	361,815	208,844	295,460
Additions during the year		1,131,658	1,249,080	801,799	970,671
Amortisation in the year		(1,069,202)	(1,350,742)	(748,845)	(1,057,287)
Balance, end of year		**322,609**	**260,153**	**261,798**	**208,844**
Current		322,609	260,153	261,798	208,844
Non-current		-	-	-	-
		322,609	**260,153**	**261,798**	**208,844**

29 Finance lease receivables

	Notes	31 Dec-2015	31 Dec-2014	31 Dec-2015	31 Dec-2014
Net investment in finance lease	29.1	1,164,167	1,384,556	788,030	861,519
Less:					
Allowance for individual impairment		(119,303)	(866,101)	(119,303)	(121,642)
Allowance for collective impairment		-	-	-	-
		1,044,864	518,455	668,727	739,877
Current		522,260	276,911	198,826	183,326
Non-current		522,604	241,544	469,901	556,551
		1,044,864	**518,455**	**668,727**	**739,877**
Allowance for individual impairment					
Balance, beginning of the year		866,101	759,769	121,642	103,140
Charged for the year		-	106,332	-	18,502
Reversal		(2,339)	-	(2,339)	-
Write-offs		(744,459)	-	-	-
Balance, end of the year		**119,303**	**866,101**	**119,303**	**121,642**
Allowance for collective impairment					
Balance, beginning of the year		-	-	-	-
Impairment charged for the year		-	-	-	-
Write-offs		-	-	-	-
Balance, end of the year		-	-	-	-

29.1 Credit quality of finance lease receivable is summarised as follows:

		GROUP		COMPANY	
in thousands of Nigerian Naira	Notes	31 Dec-2015	31 Dec-2014	31 Dec-2015	31 Dec-2014
Neither past due nor impaired		1,044,864	518,455	668,727	739,877
Past due but not impaired		-	-	-	-
Individually impaired		119,303	866,101	119,303	121,642
Gross		**1,164,167**	**1,384,556**	**788,030**	**861,519**
Less: allowance for impairment		(119,303)	(866,101)	(119,303)	(121,642)
Net balance		**1,044,864**	**518,455**	**668,727**	**739,877**

The Group monitors concentrations of credit risk by borrowers; individual or corporate.

	GROUP		COMPANY	
in thousands of Nigerian Naira	Loans to individuals	Loans to corporate	Loans to individuals	Loans to corporate
31 December 2015				
Gross	-	1,164,167	-	788,030
Impairment	-	(119,303)	-	(119,303)
Net Balance	-	**1,044,864**	-	**668,727**
31 December 2014				
Gross	-	1,384,556	-	861,519
Impairment	-	(866,101)	-	(121,642)
Net Balance	-	**518,455**	-	**739,877**

30 Inventories

	Notes	GROUP 31 Dec-2015	GROUP 31 Dec-2014	COMPANY 31 Dec-2015	COMPANY 31 Dec-2014
Diesel Stocks-Head office		-	24,477	-	-
Construction in progress		1,515,172	1,454,807	-	-
Building raw materials		17,992	95,988	-	-
Land properties for construction	30.1	-	1,445,000	-	-
		1,533,164	**3,020,272**		
Current		1,533,164	3,020,272	-	-
Non-current		-	-	-	-
		1,533,164	**3,020,272**	-	-

Included in Inventories are plots of Land purchased for the construction of buildings for resale. The Landed properties also encompass cost of construction of the buildings meant for resale, cost of conversion and other such direct costs incurred in bringing the properties to their present location and condition in line with International Accounting Standard (IAS) 2. The Company's inventories are reported at the lower of cost and net realisable value. Highlighted below are details of Buildings under construction and Landed properties.

30 Inventories - Continued

30.1 Details of Land properties for construction of buildings for resale are as stated below:

			GROUP		COMPANY	
	in thousands of Nigerian Naira	Notes	31 Dec-2015	31 Dec-2014	31 Dec-2015	31 Dec-2014
i	5,500 Square meters plots at Akure		-	142,500	-	-
ii	16,000 Squared meters plots at Paradise Estate Anthony village, Lagos		-	295,000	-	-
iii	100 hectares of land at Ado Ekiti		-	662,500	-	-
iv	Properties at Oyingbo, Lagos		-	345,000	-	-
			-	**1,445,000**	-	-

31 Investment properties

	GROUP 31 Dec-2015	GROUP 31 Dec-2014	COMPANY 31 Dec-2015	COMPANY 31 Dec-2014
At the beginning of the year	6,984,764	1,846,398	47,000	-
Additions	666,250	47,000	-	47,000
Transfer from Mutual Benefits Homes & Properties Limited	1,445,000	1,927,734	-	-
Reclassification from property, plant and equipment	-	543,792	-	-
Disposal	(525,000)	-	-	-
Fair value gain	160,651	2,619,840	9,000	-
	8,731,665	**6,984,764**	**56,000**	**47,000**

The items of investment properties are as shown below:

	Notes	GROUP 31 Dec-2015	GROUP 31 Dec-2014	COMPANY 31 Dec-2015	COMPANY 31 Dec-2014
Mutual Tulip Estate	i	798,140	798,140	-	-
Property at Ikeja GRA- Sasegbon	ii	625,000	623,917	-	-
Property at Ikeja Alausa	iii	275,000	273,816	-	-
Property at Ikota	iv	56,000	47,000	56,000	47,000
Property at Sango/Idiroko - Mogga	v	90,315	90,315	-	-
Property at Sango/Idiroko - Caxtonjo	vi	60,210	60,210	-	-
Property at Onireke,Ibadan	vii	545,000	543,792	-	-
Mutual Alpha Court duplex, Costain, Lagos	viii	4,100,000	4,547,574	-	-
Property at Asokoro, Abuja	ix	702,000	-		
Property at Akure Plots (5,500 Square Meters)	x	350,000	-		
Property at Paradise Estate, Anthony Estate	xi	250,000	-		
Property at Ado Ekiti Land, (100 Hectares)	xii	700,000	-		
Property at Oyingbo, Lagos	xiii	180,000	-		
		8,731,665	**6,984,764**	**56,000**	**47,000**

31 Investment properties - Continued

Investment properties are stated at fair value, which has been determined based on valuations performed by Messrs Jide Alabi & Co (FRC/2012/NIESV/00000000314), Arigbede & Co Estate Surveyors and Valuers (FRC/2014/00000004634) and Alabi, Ojo & Makinde Consulting (FRC/2015/NIESV/00000010800), accredited independent valuers as at 31 December 2015. The valuers are specialists in valuing these types of investment properties. The determination of fair value of the investment property was supported by market evidence. The modalities and process of valuation utilized extensive analysis of market data and other sectors specific percularities corroborated with available data derived from previous experiences.

Valuations are performed on an annual basis and the fair value gains and losses were recorded within the profit or loss.

The Group enters into operating lease arrangements for all of its investment properties. The rental income arising during the year amounted to ₦37,320,000 (2014: ₦24,785,000) which is included in investment income. Direct operating expenses arising in respect of such properties during the year are included in within operating and administrative expenses.

There are no restrictions on the realisability of investment property or remittance of income and proceeds of disposal. The Company has no contractual obligations to purchase, construct or develop investment property or for repairs or enhancement.

		Group		Company	
in thousands of Nigerian Naira	Notes	31 Dec-2015	31 Dec-2014	31 Dec-2015	31 Dec-2014
Rental income derived from investment properties	9	37,320	24,785	18,570	24,685
Investment properties related expenses	15	(81,761)	-	-	-
Profit arising from investment properties carried at fair value		**(44,441)**	**24,785**	**18,570**	**24,685**

Description of valuation techniques used and key inputs to valuation on investment properties:

The valuation of the properties is based on the price for which comparable land and properties are being exchanged or are being marketed for sale. Therefore, the market-approach Method of Valuation.

By nature, detailed information on concluded transactions is difficult to come by. They have therefore relied on past transactions and recent adverts in deriving the value of the subject properties.

31 Investment properties - Continued

Description of valuation techniques used and key inputs to valuation on investment properties:

i Mutual Tulip Estate

Land property of 117,000 square metres of land located at Berger within Ogun section of the boundary between Ogun state and Lagos state in Nigeria was purchased at a cost of ₦747million. The landed property was revalued to ₦798 million by Messrs Jide Alabi & Co Estate Surveyors and Valuers as at 31 December 2015.

ii Property at Ikeja GRA- Sasegbon

Land property of 6,500 square metres of land located at Sasegbon Street, GRA Ikeja, Lagos state in Nigeria was purchased at a cost of ₦593million. The landed property was revalued to ₦625 million by Messrs Jide Alabi & Co Estate Surveyors and Valuers as at 31 December 2015.

iii Property at Ikeja Alausa

Land property of 1,548 square metres of land located at Alausa central business district. Lagos state in Nigeria was purchased at a cost of ₦177million.The landed property was revalued to ₦275 million by Messrs Jide Alabi & Co Estate Surveyors and Valuers as at 31 December 2015.

iv Property at Ikota

The property is situated at Plot 18A, Olori Bolaji Akinloye Street, Off Road 1, Ikota Villa Estate, Off Lekki-Ajah express way, Lagos State. The property is 5-bedroom detached house. It measures a gross floor area of approximately 148.84 square meters. It is a building on two floors. The ground foor is provided with a sitting room, kitchen, store, a guest bedroom en-suite with toilet and bathroom. It was revalued by Jene Onuora Consulting (Estate Surveyors & Valuers) on the 19 June 2014.

v Property at Sango/Idiroko - Mogga

Land property of 4040 square metres of land located at Sango/Idiroko road, opposite Mogga Petroleum, Onibukun village, Ota Atan, Ogun state in Nigeria was purchased at a cost of ₦90million. Issues relating to consent and perfection of title in the name of the Company are ongoing. The landed property was valued to ₦90 million by Messrs Jide Alabi & Co Estate Surveyors and Valuers as at 31 December 2015.

vi Property at Sango/Idiroko - Caxtonjo

Land property of 3665.6 square metres of land located at Sango/Idiroko road, opposite Caxtonjo Oil Onibukun village, Ota Atan, Ogun state in Nigeria was purchased at a cost of ₦60million. Issues relating to consent and perfection of title in the name of the Company are ongoing. The landed property was valued to ₦60 million by Messrs Jide Alabi & Co Estate Surveyors and Valuers as at 31 December 2015.

vii Property at Onireke, Ibadan

Land property of 6808.179 square meters of land located at kudeti Avenue, Commercial Reservation Onireke, Ibadan, Oyo State in Nigeria was transferred from Mutual Benefits Assurance Plc to Mutual Benefits Life Assurance Limited in 2014. The property was transferred at a cost of ₦543,791,845 and revalued to ₦545 million by Messrs Jide Alabi & Co Estate Surveyors and Valuers as at 31 December 2015.

viii Mutual Alpha Court duplex, Costain, Lagos

This represents 53 unsold units of the 60 units Terrace Triplex housing scheme located at Costain Iporin, Lagos. The property was constructed by Mutual Benefits Homes and Properties Limited and was transferred to the Mutual Benefits Life Assurance Limited in 2014 as part settlement of loan. As at 31 December 2015, 53 units were revalued at ₦4.1 billion. The Board of Directors of the Group has earmarked at least 20 units for outright sales within the next 12 months.

ix Property at Abuja

Land property sitting on 3287.02 square meters of land located at Asokoro, Abuja, Nigeria was purchased at a cost of ₦666.25million. Perfection of title in the name of the Company is ongoing. The property was valued at ₦702million by Messrs AO&M, Alabi, Ojo & Makinde Consulting, Estate Surveyors and Valuers as at 23 December 2015.

x Property at Akure Plots (5,500 Square Meters)

Land property of 5,500 square meters of land located at Akure, Ondo State, Nigeria was transferred to the Company from Mutual Homes and Properties Limited at a fair value of ₦350million. The valuation was done by Messrs Arigbede & Co. Estate Surveyors and Valuers. The title to the property is a Certificate of Occupancy and there is a deed of assignment in favour of the Company. The property was valued by Messrs Arigbede & Co. Estate Surveyors and Valuers as at 1 February 2016.

xi Property at Paradise Estate, Anthony Estate

Land property of 9 plots of land located at Paradise Estate, Anthony Estate, Lagos, Nigeria was transferred to the Company from Mutual Homes and Properties Limited at a fair value of ₦250million. The Company has allocation letters from Lagos State Government in its name. The property was valued by Messrs AO&M, Alabi, Ojo & Makinde Consulting, Estate Surveyors and Valuers as at 7 January 2016.

xii Property at Ado Ekiti Land, (100 Hectares)

Land property consisting of 100 Hectares of land located at Ado-Ekiti, Ekiti State Nigeria was transferred to the Company from Mutual Homes and Properties Limited at a fair value of ₦700million. The property was valued by Messrs Arigbede & Co. Estate Surveyors and Valuers as at 19 January 2016.

xiii Property at Oyingbo, Lagos

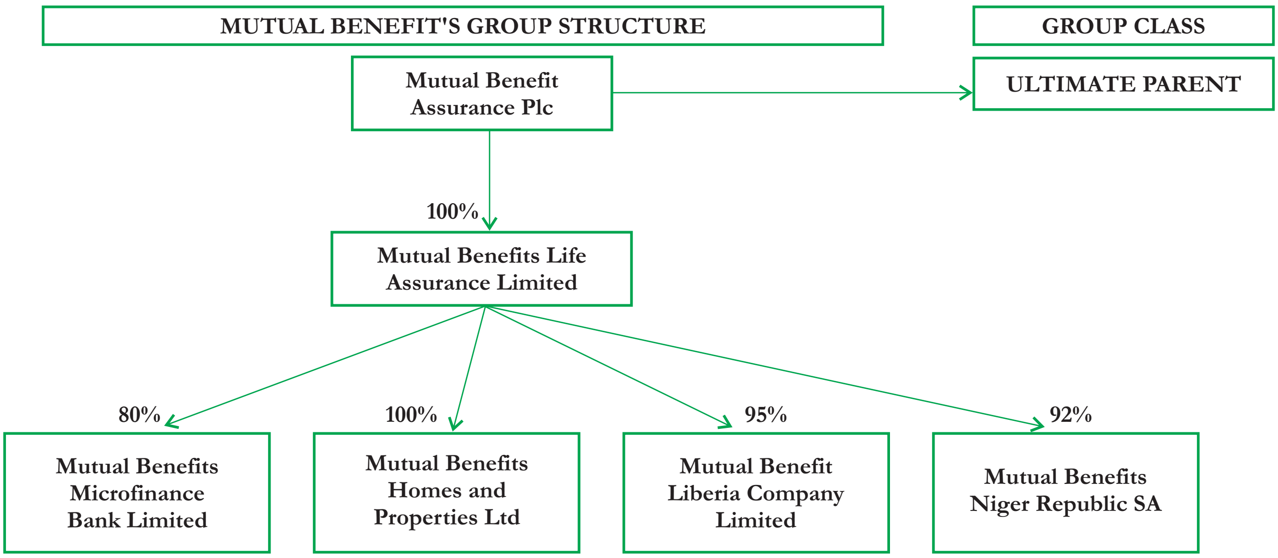
Property of 461 square meters of land located at Apapa Road, Ebute-Metta, Lagos State, Nigeria was transferred at a value of ₦180million. The title is held in perpetuity and Deed of Assignment in favour of the Company is ongoing. The property was valued by Messrs AO&M, Alabi, Ojo and Makinde Consulting, Estate Surveyors and Valuers as at 21 January 2016.

32 Investments in subsidiaries

The Company's investment in subsidiaries is as stated below:

in thousands of Nigerian Naira	Notes	Company 31 Dec-2015	Company 31 Dec-2014
Mutual Benefits Life Assurance Limited		2,000,000	2,000,000
Mutual Model Transport Limited		-	10,000
Charks Investment Limited		-	132,678
		2,000,000	**2,142,678**
Allowance for impairment		-	(132,678)
		2,000,000	**2,010,000**

32 Investments in subsidiaries



	Company name	Nature of business	Country of origin	Relationship	% of equity controlled	NCI	Status	Year of control
1	Mutual Benefits Life Assurance	Insurance	Nigeria	Direct - Subsidiary	100%	-	Set up	Dec 2007
2	Mutual Benefits Microfinance Bank Ltd	Banking	Nigeria	Indirect - Subsidiary	80%	20%	Acquired	Jan 2009
3	Mutual Benefits Homes and Properties Ltd	Property development	Nigeria	Indirect - Subsidiary	100%	-	Set up	Jan 2008
4	Mutual Benefits Liberia	Insurance	Liberia	Indirect - Subsidiary	95%	5%	Set up	Jan 2008
5	Mutual Benefits Niger Republic	Insurance	Niger Republic	Indirect - Subsidiary	92%	8%	Set up	Jan 2014
6	Charks Investment Limited	Leasing	Nigeria	Associate	25%			
7	TFS Securities & Investment Company Ltd	Capital Market	Nigeria	Associate	25%			

32 Investments in subsidiaries

Mutual Benefits Life Assurance Limited
Mutual Life Assurance Limited is a wholly owned subsidiary of Mutual Benefits Assurance Plc.The principal activity of the Company is the underwriting of life insurance policies.

Mutual Model Transport Limited
Mutual Model Transport Limited was a wholly owned subsidiary of Mutual Benefits Assurance Plc as at 31 December 2014. The Company is a sub operator under LAGBUS engaging in the business of Public transportation. The Company was incorporated on the 2 September 2009 as a Private Limited Liability Company and commenced business on the 14 January 2010. During the year, the Group disposed 90% of its shareholdings in the Company and lost control.

Charks Investment Ltd
Charks Investment Limited was an 80% owned subsidiary of Mutual Benefits Assurance Plc as at 31 December 2014. The Company is into the business of corporate leasing and hire purchase financing. On the 1 January 2015, the Group reduced its shareholdings to 25% through the disposal of 55%, therefore, making Charks Investments Ltd to be an associate to the Group.

Mutual Benefits Microfinance Bank
Mutual Benefits Microfinance Bank was incorporated in Nigeria in January 2008 and its principal activity involves the provision of retail banking services to both individual and corporate customers. Mutual Benefits Life Assurance Limited obtained control of the company with acquisition of 80% of the voting rights of the Company in January 2009.

Mutual Benefits Homes and Properties Ltd
Mutual Benefits Homes and Properties Limited was incorporated in December 2007 to provide property development services to corporate and individual customers. The Company was established as a wholly owned subsidiary of Mutual Benefits Life Assurance Limited.

Mutual Benefits Liberia
Mutual Benefit Assurance Company Liberia was incorporated on 29 August 2007 and commenced operations on 2 January 2008. It is into underwriting of all classes of non-Life and life businesses. It is 95% owned by Mutual Benefits Life Assurance Limited.

Mutual Benefits Niger Republic
Mutual Benefits Niger S.A commenced operations on 2 January 2014. It is into underwriting of all classes of non-life businesses. It is 92% owned by Mutual Benefits Life Assurance Limited.

TFS Securities Limited
TFS Securities and Investment Company Limited is an associate of Mutual Benefits Assurance Plc. Mutual Benefits currently has 24.92% shareholding in TFS Securities. The Company is into the business of Stock broking.

33 Investment in associates

The Group holds 20% or more of the voting power of the investee and is therefore presumed to have significant influence over the investee. In instances where the Group hold less that 20 percent of the voting power of the investee, the Group concluded that it has significant influence due to the Group's representation on the board of the relevant investee, with such board generally limited to a small number of board members.

	Group		Company	
in thousands of Nigerian Naira	31 Dec-2015	31 Dec-2014	31 Dec-2015	31 Dec-2014
Gross investment	222,674	220,174	220,174	220,174
Share of profit/loss b/f	-	-	-	-
Share of profit: current year	3,616	-	-	-
Dimunution in investment	(220,174)	(220,174)	(220,174)	(220,174)
	6,116	-	-	-
		-	-	-
Current	-	-	-	-
Non-current	6,116	-	-	-
	6,116	-	-	-

There were no published price quotations for the associates of the Group. Furthermore, there are no significant restriction on the ability of associates to transfer fund to the Group in the form of cash dividends or repayment of loans and advances. The aggregate summary of results of the associates are presented below:

Summarised financial information of associates

in thousands of Nigerian Naira	31 Dec-2015	31 Dec-2014
Total assets	464,236	169,280
Total liabilities	218,908	50,249
Total revenue	17,886	13,657
Profit/(loss) before income tax	5,656	(30,671)

34 Intangible assets: Software

		Group		Company	
in thousands of Nigerian Naira	Note	31 Dec-2015	31 Dec-2014	31 Dec-2015	31 Dec-2014
Cost:					
Balance at the beginning of the year		195,745	101,306	153,881	58,123
Additions		1,166	94,439	-	95,758
Reclassification from furniture and fittings	35	47,593	-	-	-
Foreign exchange difference		4,216	-	-	-
		248,720	**195,745**	**153,881**	**153,881**
Amortization:					
Balance at the beginning of the year		96,612	74,913	64,659	48,377
Amortisation charge	15	50,662	20,326	31,919	16,282
Reclassification from furniture and fittings	35	11,244	1,373	-	-
Foreign exchange difference		555	-	-	-
		159,073	**96,612**	**96,578**	**64,659**
Carrying amount at the end of the year		**89,646**	**99,133**	**57,303**	**89,222**

35 Property, plant and equipments (Group)

in thousands of Nigerian Naira	Note	Leasehold properties	Land & Building	Leasehold Improvement	Plant and machinery	Motor vehicles	Furniture fittings and equipment	Trading booth	Organisa - tional cost	Capital work-in progress	Total
Cost:											
As at 1 January 2014		300,860	2,995,940	124,941	352,742	3,398,480	537,844	3,799	114,751	45,000	7,874,357
Additions		162,115	119,593	512,816	19,823	230,957	716,375	-	-	-	1,761,679
Transfer		-	(602,188)	-	-	-	-	-	-	-	(602,188)
Foreign exchange difference		7,267	-	-	449	3,903	620	-	-	-	12,239
Disposal		-	-	-	(5,385)	(84,859)	(583)	-	-	-	(90,827)
31 December 2014		470,242	2,513,345	637,757	367,629	3,548,481	1,254,256	3,799	114,751	45,000	8,955,260
Additions		-	-	98,656	34,569	152,661	167,236	-	-	6,887	460,009
Reclassification	34	-	-	-	-	-	(47,593)	-	-	-	(47,593)
Transfer		(316,116)	-	361,116	-	-	-	-	-	(45,000)	-
Disposal of subsidiaries		-	(191,375)	-	(30,713)	(2,667,502)	(57,404)	-	-	-	(2,946,994)
Foreign exchange difference		-	-	14,735	1,168	9,088	1,983	-	-	-	26,974
Disposal		-	-	-	(31,040)	(277,371)	(1,351)	-	-	-	(309,761)
31 December 2015		**154,126**	**2,321,970**	**1,112,264**	**341,613**	**765,357**	**1,317,128**	**3,799**	**114,751**	**6,887**	**6,137,895**
Accumulated depreciation:											
As at 1 January 2014		249,237	144,906	24,987	208,153	1,289,343	403,152	3,043	114,751	-	2,437,572
Charge for the year		47,985	58,750	84,987	72,578	318,223	135,532	-	-	-	718,055
Disposal		-	-	-	(2,234)	(50,195)	(363)	-	-	-	(52,792)
Transfer		-	(58,396)	-	-	-	-	-	-	-	(58,396)
Foreign exchange difference		580	807	-	359	3,006	560	-		-	5,312
31 December 2014		297,802	146,067	109,974	278,856	1,560,377	538,881	3,043	114,751	-	3,049,751
Charge for the year		-	7,118	142,075	47,934	152,877	250,241	756	-	-	601,001
Disposal		-	-	-	(24,035)	(267,566)	(961)	-	-	-	(292,562)
Reclassification	34	(143,676)	-	143,676	-	-	(11,244)	-	-	-	(11,244)
Disposal of subsidiaries		-	(23,208)	-	(23,586)	(977,882)	(45,514)	-	-	-	(1,070,190)
Foreign exchange difference		-	-	1,378	714	7,094	1,430	-	-	-	10,617
31 December 2015		**154,126**	**129,977**	**397,103**	**279,883**	**474,900**	**732,833**	**3,799**	**114,751**	**-**	**2,287,373**
Carrying amounts at:											
31 December 2015		-	2,191,993	715,161	61,730	290,456	584,295	-	-	6,887	3,850,522
31 December 2014		**12,440**	**2,367,278**	**527,783**	**88,773**	**1,988,104**	**715,375**	**756**	**-**	**45,000**	**5,905,509**

No leased assets are included in the above property, plant and equipment and the Group had no capital commitments as at 31 December 2015. The capital work-in progress is a control account for the acquisition of property, plant and equipment for which advance payments have been made but assets yet to be completed, delivered and put to use. None of the assets have been pledged as collateral.

35 Property, plant and equipment (Company)

in thousands of Nigerian Naira	Leasehold properties	Building	Leasehold Improvement	Plant and machinery	Motor vehicles	fittings and Furnitures equipment	Total
Cost/revaluation:							
As at 1 January 2014	154,126	2,805,195	124,941	53,833	239,637	303,229	**3,680,961**
Additions	-	118,963	212,816	2,296	156,656	561,721	**1,052,452**
Disposal	-	-	-	-	(2,430)	(174)	**(2,604)**
Transfer	-	(602,188)	-	-	-	-	**(602,188)**
31 December 2014	154,126	2,321,970	337,757	56,129	393,863	864,776	**4,128,621**
Additions	-	-	970	4,255	115,770	54,866	**175,861**
Disposal	-	-	-	-	(16,000)	(1,031)	**(17,031)**
31 December 2015	**154,126**	**2,321,970**	**338,727**	**60,384**	**493,633**	**918,611**	**4,287,451**
Accumulated depreciation:							
As at 1 January 2014	154,126	125,147	24,988	45,249	172,800	248,098	**770,408**
Charge for the year	-	56,108	24,988	2,087	52,606	78,504	**214,293**
Disposal	-	-	-	-	(2,430)	(174)	**(2,604)**
Transfer	-	(58,396)	-	-	-	-	**(58,396)**
31 December 2014	154,126	122,859	49,976	47,336	222,976	326,428	**923,701**
Charge for the year	-	46,351	67,551	4,437	75,461	137,259	**331,059**
Disposal	-	-	-	-	(3,635)	(1,031)	**(4,666)**
31 December 2015	**154,126**	**169,210**	**117,527**	**51,773**	**294,802**	**462,656**	**1,250,094**
Carrying amounts at:							
31 December 2015	**-**	**2,152,760**	**221,200**	**8,611**	**198,831**	**455,955**	**3,037,357**
31 December 2014	**-**	**2,199,111**	**287,781**	**8,793**	**170,887**	**538,348**	**3,204,920**

No leased assets are included in the above property, plant and equipment and the company had no capital commitments as at 31 December 2015. None of the assets have been pledged as collateral.

35 Property, plant and equipment (Company)

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 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

ii Transfer - This represent landed property transferred to Mutual Benefits Life Assurance Limited in exchange for the amount due to the Company.

The breakdown of transfer is as follows

in thousands of Nigerian Naira	
Cost	602,188
Accumulated depreciation	(58,396)
	543,792

iii If land and buildings were measured using the cost model, the carrying amounts would be as follows:

	COMPANY	
in thousands of Nigerian Naira	31 Dec-2015	31 Dec-2014
Cost	130,161	130,161
Accummulated depreciation	(7,810)	(5,206)
	122,351	**124,955**

36 Statutory deposit

This represents amounts deposited with the Central Bank of Nigeria (CBN) pursuant to Section 10(3) of the Insurance Act, 2003. This amount is not available for the day-to-day use in the working capital of the Company and so it is excluded from the cash and cash equivalents. Interest earned at annual average rate of 11.94% per annum (2014: 12.37%) on statutory deposits are included in investment incomes (Note 9).

The deposit has been tested for adequacy as at 31 December 2015 and found to be adequate.

		GROUP		COMPANY	
in thousands of Nigerian Naira		**31 Dec-2015**	**31 Dec-2014**	**31 Dec-2015**	**31 Dec-2014**
Statutory deposit		500,000	500,000	300,000	300,000
		500,000	**500,000**	**300,000**	**300,000**
37 Deposit for shares					
Mutual Model transport Limited	37.3	-	-	-	583,000
Mutual Exploration		347,587	125,479	277,587	55,479
ICHL Nigeria Limited		-	320,000	-	-
Mutual Benefits Life Assurance Limited	37.1	-	-	2,000,000	-
Charks Investment Limited		-	-	179,063	179,063
Mutual Benefits Niger Republic SA		-	-	-	301,255
Funds for Avanage		70,000	70,000	-	70,000
		417,587	515,479	2,456,650	1,188,797
Impairments - Charks investment Ltd		-	-	(179,063)	(179,063)
Transfer to Mutual Benefits Life Assurance Limited	37.2	-	-	-	(371,255)
Conversion to finance lease	37.3	-	-	-	(583,000)
		417,587	**515,479**	**2,277,587**	**55,479**

37.1 The deposit is in respect of 100,000,000 units of ordinary shares of Mutual Benefits Life Assurance Limited (the subsidiary) at N20 each. The shares are yet to be allotted at the year end. However, subsequent to the year end, the subsidiary has obtained certificate of registration of increase in share capital from Corporate Affairs Commission to accommodate the additional shares and has also registered the 100,000,000 shares alloted to Mutual Benefits Assurance Plc.

37.2 This represents deposit for shares in Avanage (N70 million) and Mutual Benefits Niger Republic SA (N301.3 million) that were transfered to Mutual Benefits Benefits Life Assurance Limited in 2014.

37.3 This represents initial investment for the acquisition of buses in Mutual Model Transport Limited which is the only operational assets of the company. However, this could no longer be accommodated in the share capital of the company which is N10 million and as such, a resolution was passed consolidating all the facilities with Mutual Model Transport Limited and thereby, converting them to finance lease.

38 Goodwil

Goodwill represents the excess of the cost of acquisition over the fair value of the Group's share of the net identifiable assets of the acquired entities at the dates of acquisition (provided that the acquisitions fulfil the definition of business combination in accordance with IFRS 3).

		GROUP	
in thousands of Nigerian Naira	Notes	**Dec-2015**	**Dec-2014**
Mutual Microfinance Bank Limited		1,543	17,980
		1,543	17,980

Acquisitions of subsidiaries are accounted for using the acquisition method. The consideration for each acquisition is measured as the aggregate of the fair value of assets given, liabilities incurred or assumed and where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Considerations were not made by way of share exchange but in cash exchange as at the dates of the acquisitions.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversible.

39 Insurance contract liabilities

in thousands of Nigerian Naira	Notes	GROUP 31 Dec-2015	GROUP 31 Dec-2014	COMPANY 31 Dec-2015	COMPANY 31 Dec-2014
Outstanding claims	39.1	2,713,084	2,616,520	1,783,719	1,487,818
Unearned premiums	39.2	3,374,888	2,578,027	2,187,449	1,876,436
		6,087,972	5,194,547	3,971,168	3,364,254
Current		6,087,972	5,194,547	3,971,168	3,364,254
Non-current		-	-	-	-
		6,087,972	**5,194,547**	**3,971,168**	**3,364,254**
39.1 Outstanding claims					
Non-Life business	39.1.1	1,804,553	1,492,255	1,783,719	1,487,818
Life business	39.1.2	908,531	1,124,265	-	-
		2,713,084	**2,616,520**	**1,783,719**	**1,487,818**
39.1.1 Non-Life business:					
Non-Life outstanding claims					
Claims reported by policyholders		1,160,592	1,049,486	1,139,758	1,049,486
Claims incurred but not reported (IBNR)		643,961	442,769	643,961	438,332
		1,804,553	**1,492,255**	**1,783,719**	**1,487,818**

39 Outstanding claims - Continued

in thousands of Nigerian Naira	Notes	GROUP 31 Dec-2015	GROUP 31 Dec-2014	COMPANY 31 Dec-2015	COMPANY 31 Dec-2014
Movement in Non-life outstanding claims					
At 1 January		1,492,255	1,899,762	1,487,818	1,899,762
Claims incurred in the current year		1,819,791	1,277,659	1,763,173	1,133,383
Claims paid during the year		(1,507,493)	(1,685,166)	(1,467,272)	(1,545,327)
		1,804,553	**1,492,255**	**1,783,719**	**1,487,818**
Analyis of Non-life outstanding claims per class of insurance					
Motor		322,727	265,309	302,879	265,309
Marine		37,172	32,827	37,172	32,827
Fire		140,987	183,319	140,987	183,319
General accident		687,165	818,703	687,165	814,266
Oil & Gas and Aviation		616,502	192,097	615,516	192,097
		1,804,553	**1,492,255**	**1,783,719**	**1,487,818**
The aging analysis of Non-life outstanding claims					
0 - 90		684,966	535,705	664,132	531,268
91 - 180		188,180	208,835	188,180	208,835
181 - 270		58,051	151,428	58,051	151,428
271 - 360		76,342	72,604	76,342	72,604
361 and above		608,834	314,848	608,834	314,848
		1,804,553	**1,492,255**	**1,783,719**	**1,487,818**

39 Outstanding claims - Continued

		Notes	GROUP 31 Dec-2015	GROUP 31 Dec-2014	COMPANY 31 Dec-2015	COMPANY 31 Dec-2014
	in thousands of Nigerian Naira					
39.1.2	**Life business:**					
	Life outstanding claims					
	Outstanding claims		360,447	543,989	-	-
	Claims incurred but not reported (IBNR)		548,084	580,276	-	-
			908,531	**1,124,265**	**-**	**-**
	Analyis of life outstanding claims per class of insurance					
	Group life	i	597,472	840,566	-	-
	Individual life	ii	245,727	249,000	-	-
	Annuity	iii	65,332	34,699	-	-
			908,531	**1,124,265**	**-**	**-**
i	**Movement in group life outstanding claims**					
	At 1 January		840,566	807,148	-	-
	Claims incurred in the current year		1,203,787	891,182	-	-
	Claims paid during the year		(1,446,881)	(857,764)	-	-
			597,472	**840,566**	**-**	**-**
ii	**Movement in individual life outstanding claims**					
	At 1 January		249,000	103,489	-	-
	Claims incurred in the current year		73,344	145,511	-	-
	Claims paid during the year		(76,617)	-	-	-
	At 31 December		**245,727**	**249,000**	**-**	**-**
iii	**Movement in annuity**					
	At 1 January		34,699	-	-	-
	Claims incurred in the current year		36,155	34,699	-	-
	Claims paid during the year		(5,522)	-	-	-
			65,332	**34,699**	**-**	**-**
	The aging analysis of life outstanding claims					
	0 - 90		548,084	580,276	-	-
	91 - 180		67,009	75,621	-	-
	181 - 270		55,142	68,059	-	-
	271 - 360		18,624	83,183	-	-
	361 and above		219,672	317,126	-	-
			908,531	**1,124,265**	**-**	**-**
39.2	**Unearned premiums**					
	Non-Life business		2,267,057	1,876,436	2,187,449	1,876,436
	Life business		1,107,831	701,591	-	-
			3,374,888	**2,578,027**	**2,187,449**	**1,876,436**
i	**The movement in unearned premium**					
	At 1 January		2,578,027	2,662,610	1,876,436	1,869,072
	Premiums written in the year	4.1	14,598,070	15,451,048	10,541,503	11,354,526
	Premiums earned during the year	4	(13,801,209)	(15,535,631)	(10,230,490)	(11,347,162)
	At 31 December		**3,374,888**	**2,578,027**	**2,187,449**	**1,876,436**
ii	**The movement in non-life unearned premium**					
	At 1 January		1,876,436	1,869,072	1,876,436	1,869,072
	Premiums written in the year		11,161,000	11,354,526	10,541,503	11,354,526
	Premiums earned during the year		(10,770,379)	(11,347,162)	(10,230,490)	(11,347,162)
			2,267,057	**1,876,436**	**2,187,449**	**1,876,436**

39.2 Unearned premiums - Continued

	in thousands of Nigerian Naira	Notes	GROUP 31 Dec-2015	GROUP 31 Dec-2014	COMPANY 31 Dec-2015	COMPANY 31 Dec-2014
iii	**Analysis of Non-life unearned premium**					
	Motor		876,317	811,167	659,152	811,167
	Marine		201,007	142,913	271,539	142,913
	Fire		149,460	152,456	207,491	152,456
	Bonds		10,225	-	10,225	-
	Aviation, oil and gas		643,925	446,145	1,160,177	446,145
	General accidents		386,123	323,755	288,164	323,755
			2,267,057	**1,876,436**	**2,187,449**	**1,876,436**
iv	**Analysis of life unearned premium**					
	Group Life		1,131,424	490,690	-	-
	Individual Life		(23,593)	210,901	-	-
			1,107,831	**701,591**	**-**	**-**
	The movement in life unearned premium					
	At 1 January		701,591	793,539	-	-
	Premiums written in the year		3,437,070	4,096,522	-	-
	Premiums earned during the year		(3,030,830)	(4,188,470)	-	-
			1,107,831	**701,591**	**-**	**-**
40	**Investment contract liabilities**					
	Group deposit administration		218,672	266,253	-	-
	Individual deposit administration		23,998,909	20,591,698	-	-
			24,217,581	20,857,951	-	-
	Current		9,742,373	8,827,046	-	-
	Non-current		14,475,208	12,030,905	-	-
			24,217,581	**20,857,951**	**-**	**-**
	The movement in deposit administration funds					
	Balance at the beginning of the year		20,857,951	14,927,699	-	-
	Deposits received during the year		12,862,465	10,951,712	-	-
	Guaranteed interest		1,122,476	626,337	-	-
	Withdrawals during the year		(10,625,311)	(5,647,797)	-	-
	Balance at the end of the year		**24,217,581**	**20,857,951**	**-**	**-**
41	**Trade payables**					
	Reinsurance payables		92,178	19,996	67,401	-
	Co-Insurance payables		285	61,326	285	-
			92,463	81,322	67,686	-
	Current		92,463	81,322	67,686	-
	Non-current		-	-	-	-
			92,463	**81,322**	**67,686**	**-**

42 Other liabilities

		GROUP		COMPANY	
in thousands of Nigerian Naira	Notes	31 Dec-2015	31 Dec-2014	31 Dec-2015	31 Dec-2014
Accruals		264,850	608,160	12,100	-
Creditors control-Management		52,714	314,098	52,714	314,098
Rent received in advance		58,875	13,066	7,625	13,066
Dividend Payable		89,141	1,878	89,141	1,878
Commission payable		134,454	127,390	58,002	41,237
Due to related companies	42.1	-	-	-	158,184
PAYE		5,074	3,355	779	178
VAT payable		169,106	57,877	54	640
WHT payable		66,516	12,353	10,752	7,245
Staff pension		9,363	9,111	1,152	6,413
Industrial Training Fund		-	904	-	-
Salary control account		25,935	-	-	-
Ageny/legal fee		-	4,040	-	-
Deferred income		2,495	30,945	2,495	30,945
Amount due to brokers		140,884	261,907	140,884	261,907
Amount due to Directors		3,219	25,612	-	20,320
National Housing Fund		4,441	715	3,997	715
Cooperative		3,671	3,422	-	-
Obligation under finance lease		-	1,633	-	-
Deposit for premium		448,853	394,356	11,177	-
Provision for NAICOM levy		111,004	116,933	37,863	60,581
Sundry creditors		196,926	689,114	17,908	125,299
Professional fee		-	151	-	41,787
Medical fees payable		-	3,528	-	-
Death claims		-	3,528	-	-
Accident fees payable		-	844	-	-
Social security taxes		-	247	-	-
Real estate taxes		-	386	-	-
Trade creditors		-	323,977	-	-
Unclaimed credit		-	1,966	-	-
Default charge in suspense		-	4,620	-	-
Branches suspense		-	34,566	-	-
Eazi product suppliers		-	677	-	-
Private placement		-	16,354	-	-
Premium refund		-	16,435	-	-
Deposit for shares	42.2	-	779,062	-	-
Deposit for properties by customers		23,809	1,706,613	-	-
		1,811,330	5,569,823	446,643	1,084,493
Current		1,811,330	5,569,823	446,643	1,084,493
Non-current		-	-	-	-
		1,811,330	**5,569,823**	**446,643**	**1,084,493**

42.1 Amount due to related companies

in thousands of Nigerian Naira	Notes	GROUP 31 Dec-2015	GROUP 31 Dec-2014	COMPANY 31 Dec-2015	COMPANY 31 Dec-2014
Mutual Model Transport Limited		-	-	-	22,110
Mutual Benefit Life Assurance Limited	42.1.1	-	-	-	3,397
Charks Investment Limited		-	-	-	132,677
Balance at the end of the year		**-**	**-**	**-**	**158,184**
		-		-	

42.1.1 The movement in amount due to Mutual Benefits Life Assurance Limited during the year is as follows

in thousands of Nigerian Naira	Notes	GROUP 31 Dec-2015	GROUP 31 Dec-2014	COMPANY 31 Dec-2015	COMPANY 31 Dec-2014
Balance at the beginning of the year		-	-	-	2,074,313
Additions		-	-	-	2,712,216
Transfers	i	-	-	-	(2,048,132)
Repayments		-	-	-	(2,735,000)
Balance at the end of the year		**-**	**-**	**-**	**3,397**

i Analysis of the transfer

	GROUP 31 Dec-2015	GROUP 31 Dec-2014	COMPANY 31 Dec-2015	COMPANY 31 Dec-2014
Loan to Mutual Homes Properties	-	-	-	669,084
Deposit for shares in Mutual Benefits Niger SA	-	-	-	301,255
Deposit for shares in Avanage Limited	-	-	-	70,000
Investment in Mutual Benefits Liberia	-	-	-	464,000
Land and Building	-	-	-	543,793
Balance at the end of the year	**-**	**-**	**-**	**2,048,132**

42.2 Deposit for shares

	GROUP 31 Dec-2015	GROUP 31 Dec-2014	COMPANY 31 Dec-2015	COMPANY 31 Dec-2014
Mutual Model Transport	-	600,000	-	-
Charks Investment Limited	-	179,062		
	-	779,062	-	-
Current	-	779,062	-	-
Non-current	-	-	-	-
	-	**779,062**	**-**	**-**

43 Deposit liabilities

in thousands of Nigerian Naira	Notes	GROUP 31 Dec-2015	GROUP 31 Dec-2014	COMPANY 31 Dec-2015	COMPANY 31 Dec-2014
Current		206,115	202,164	-	-
Time		187,782	108,931	-	-
Savings		115,970	174,186	-	-
		509,867	485,281	-	-
Current		509,867	485,281	-	-
Non-current		-	-	-	-
		509,867	**485,281**	**-**	**-**

44 Book overdraft

		GROUP 31 Dec-2015	GROUP 31 Dec-2014	COMPANY 31 Dec-2015	COMPANY 31 Dec-2014
Book overdraft		-	6,605	-	6,605

The Group has a cash management system under which overdrawn book balances exist at the reporting date due to un-posted lodgements and un-cleared cheques.

45 Borrowings

in thousands of Nigerian Naira	Notes	GROUP 31 Dec-2015	GROUP 31 Dec-2014	COMPANY 31 Dec-2015	COMPANY 31 Dec-2014
GTBank margin facility	45.2	400,870	400,870	400,870	400,870
Other borrowings		-	57,473	-	-
Loan from Daewoo Securities Limited	45.3	3,672,225	3,161,645	3,672,225	3,161,645
		4,073,095	3,619,988	4,073,095	3,562,515
Current		-	-	-	-
Non-current		4,073,095	3,619,988	4,073,095	3,562,515
		4,073,095	**3,619,988**	**4,073,095**	**3,562,515**

45.1 The movement in borrowings during the year is as follows:

	GROUP 31 Dec-2015	GROUP 31 Dec-2014	COMPANY 31 Dec-2015	COMPANY 31 Dec-2014
Balance, beginning of the year	3,619,988	3,791,739	3,562,515	3,731,443
Impact of foreign exchange rate changes	510,580	(168,928)	510,580	(168,928)
Disposal of subsidiaries	(57,473)	-	-	-
Accrued interest	-	17,501	-	-
Payments during the year	-	(20,324)	-	-
Balance at the end of the year	**4,073,095**	**3,619,988**	**4,073,095**	**3,562,515**

45 Borrowings - Continued

45.2 GTBank margin facility

This is 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 against which the investment was initially secured, 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.

45.3 Loan from Daewoo Securities Limited

	GROUP		COMPANY	
in thousands of Nigerian Naira	**31 Dec-2015**	**31 Dec-2014**	**31 Dec-2015**	**31 Dec-2014**
Balance at 1 January	3,161,645	3,330,573	3,161,645	3,330,573
Impact of foreign exchange rate changes	510,580	(168,928)	510,580	(168,928)
	3,672,225	**3,161,645**	**3,672,225**	**3,161,645**

The Company issued a zero coupon global bond/option valued at 2,500,000,000 Japanese Yen (JPY) to Daewoo Securities (Europe) Limited (the Company) in two tranches.

1,750,000,000 Japanese Yen (JPY) due to be repaid in year 2020 was issued to Daewoo Securities Limited who acted as subscribers to the bond and 750,000,000 Japanese Yen (JPY) due to be repaid in year 2027 was subsequently issued to Daewoo Securities (Europe) Limited who acted as paying agent. The Bonds were issued with the options to subscribe for the ordinary shares of the Company.

Subsequently, in 2009 , the subscriber called for the repayment of the bond and an amount of N421,455,030 has since been repaid to date.

As at 31 December 2014, confirmation received from Daewoo Securities Limited indicated an outstanding balance of JPY4,710,900,101 (N6,612,690,000) in respect of the bond .

However, there is a litigation in respect of this loan. In view of the Litigation, the terms and conditions of the bonds are no longer being complied with by both the issuer and the subscriber. The implication for non-compliance with the terms and conditions by the Company are that in the event that the outcome of litigation is unfavourable penalties may be awarded.

During the year, the professional opinion obtained from the counsel of the Company, Bayo Osipitan & Co specified that there is high unlikelihood that the coupon rate and penal interest will be payable by Mutual Benefits Assurance Plc as a high chance of success is anticipated in the on going court case.

46 Current income tax liabilities

in thousands of Nigerian Naira	Notes	GROUP 31 Dec-2015	GROUP 31 Dec-2014	COMPANY 31 Dec-2015	COMPANY 31 Dec-2014
At the beginning of the year:		505,961	541,185	248,738	202,778
Current year charge:					
Company income tax		30,453	97,521	-	60,383
Education tax		14,969	35,898	14,528	35,898
Information technology tax		12,692	31,046	8,906	26,055
Minimum tax		191,700	831	177,622	-
Under provision during the year		-	63,061	-	136,827
	18.1	**249,814**	**228,357**	**201,056**	**259,163**
Disposal of subsidiaries		(22,792)	**-**	**-**	**-**
Payments during the year		(211,598)	(263,581)	(131,862)	(213,203)
Balance at the end of the year		521,385	505,961	317,932	248,738

47 Deferred income tax

	Notes	GROUP 31 Dec-2015	GROUP 31 Dec-2014	COMPANY 31 Dec-2015	COMPANY 31 Dec-2014
Deferred income tax asset	47.1	-	97,097	-	-
Deferred tax liabilities	47.2	(1,136,079)	(1,237,469)	(720,943)	(673,346)
		(1,136,079)	(1,140,372)	(720,943)	(673,346)

47.1 Movement in Deferred income tax asset

	GROUP 31 Dec-2015	GROUP 31 Dec-2014	COMPANY 31 Dec-2015	COMPANY 31 Dec-2014
Balance, beginning of year	97,097	89,696	-	-
(Charge)/credit in income statement for the year	(16,074)	7,401	-	-
Disposal of subsidiaries	(81,023)	-		
Balance at the end of the year	**-**	**97,097**	**-**	**-**

Deferred income tax asset is attributable to the following:

	GROUP 31 Dec-2015	GROUP 31 Dec-2014	COMPANY 31 Dec-2015	COMPANY 31 Dec-2014
Property, plant and equipment	-	97,097	-	-
	-	**97,097**	**-**	**-**

47 Deferred income tax - Continued

in thousands of Nigerian Naira	Notes	GROUP 31 Dec-2015	GROUP 31 Dec-2014	COMPANY 31 Dec-2015	COMPANY 31 Dec-2014
47.2 Movement in Deferred income tax liabilities					
Balance, beginning of year		1,237,469	699,505	673,346	433,962
(Credit)/charge in income statement for the year		37,612	537,964	47,597	239,384
Disposal of subsidiaries		(139,002)	-	-	-
Balance at the end of the year		**1,136,079**	**1,237,469**	**720,943**	**673,346**
Deferred income tax liability is attributable to the following:					
Property, plant and equipment		840,990	945,880	720,943	673,346
Investment property		295,089	291,589	-	-
		1,136,079	**1,237,469**	**720,943**	**673,346**

Unrecognised deferred tax assets

Deferred tax assets relating to the Group's life business have not been recognised in respect of the following items because it is not probable that future taxable profit will be available against which the life business can use the benefits therefrom.

in thousands of Nigerian Naira	Notes	GROUP 31 Dec-2015	GROUP 31 Dec-2014	COMPANY 31 Dec-2015	COMPANY 31 Dec-2014
Property, plant and equipment		175,250	126,668	-	-
Tax losses		1,624,100	1,783,607	-	-
Balance, end of year		**1,799,349**	**1,910,275**	**-**	**-**

48 Share capital

Share capital comprises:

48.1 Authorized: 10,000,000,000 (2014: 10,000,000,000) Ordinary shares of 50k each	5,000,000	5,000,000	5,000,000	5,000,000
48.2 Issued and fully paid: 8,000,000, 000 (2014:8,000,000,000) Ordinary shares of 50k each	4,000,000	4,000,000	4,000,000	4,000,000

There was no movement in share capital account during the year.

49 Treasury shares

	GROUP		COMPANY	
in thousands of Nigerian Naira	31 Dec-2015	31 Dec-2014	31 Dec-2015	31 Dec-2014
Company's shares held	250	250	250	250

Treasury share: this represents the market value of shares of the Company held by the Company through its investement in quoted securities of the Nigerian Stock Exchange.

50 Foreign currency translation reserve

This comprises exchange differences resulting from the translation to Naira of the results and financial position of Group companies that have a functional currency other than Naira. Mutual Benefits Assurance Company Liberia and Mutual Benefits Assurance Niger SA have functional currencies other than Naira.

51 Contingency reserve

In compliance with Section 21 (1) of Insurance Act 2003, 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 for life business, the contingency 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.

	GROUP		COMPANY	
in thousands of Nigerian Naira	31 Dec-2015	31 Dec-2014	31 Dec-2015	31 Dec-2014
Balance, beginning of the year	1,942,418	1,436,756	1,665,665	1,216,911
Transfer from retained earnings	349,622	505,662	316,245	448,754
Balance, end of year	**2,292,040**	**1,942,418**	**1,981,910**	**1,665,665**
Analysis per business segment				
Non-life business	1,981,910	1,665,665	1,981,910	1,665,665
Life business	310,130	276,753	-	-
	2,292,040	**1,942,418**	**1,981,910**	**1,665,665**
Non-life business				
Balance, beginning of the year	1,665,665	1,216,911	1,665,665	1,216,911
Transfer from retained earnings	316,245	448,754	316,245	448,754
Balance, end of year	**1,981,910**	**1,665,665**	**1,981,910**	**1,665,665**
Life business				
Balance, beginning of the year	276,753	219,845	-	-
Transfer from retained earnings	33,377	56,908	-	-
Balance, end of year	**310,130**	**276,753**	**-**	**-**

52 Revaluation reserves

This is revaluation surplus in respect of building in line with the Company's accounting policies.

53 Accumulated retained losses

The retained earnings represents the amount available for dividend distribution to the equity shareholders of the Company. See statement of changes in equity for movement in retained losses.

54 Non-controlling interests in equity

	GROUP	
in thousands of Nigerian Naira	**31 Dec-2015**	**31 Dec-2014**
Opening balance	23,139	242,616
Loss of control	68,555	(238,391)
Changes in equity	12,738	-
Transfer from total Comprehensive income	22,722	18,914
Balance as at year end	127,154	23,139

The entity accounting for non-controlling interest is shown below

Mutual Benefits Assurance Company Liberia	39,291	45,434
Charks Investments Limited	-	(71,009)
Mutual Microfinance Bank Limited	59,558	48,714
Mutual Benefits Assurance Niger SA	28,305	-
	127,154	23,139

55 Reconciliation of profit before income tax to cash flows provided by operating activities:

		GROUP		COMPANY	
in thousands of Nigerian Naira	Notes	31 Dec-2015	31 Dec-2014	31 Dec-2015	31 Dec-2014
Profit before income tax from continuing operation		1,195,272	4,980,892	901,266	2,742,315
Loss from discountined operation		(79,724)	-	-	-
Adjustments for non-cash items:					
Fair value loss/(gain) on pledged assets	10	14,170	(7,755)	14,170	(7,755)
Fair value (loss)/gain on financial assets through profit or loss	10	34,738	(2,462)	34,738	(2,462)
Available-for-sale investment written off	23.1.2	-	360,333		
Impairment charges/(reversal) on trade receivables	13	28,761	(44,232)	28,761	(44,232)
Remeasurement gain of investment in associate	11	(2,500)	-	-	-
Share of profit of associate	11	(3,616)	-	-	-
Impairment (reversal)/charge on finance lease receivables	12	(2,339)	(106,332)	(2,339)	18,502
Profit from disposal of subsidiaries	11	(143,649)	-	(5,500)	-
Impairment reversal on other receivables	12	(6,134)	(50,602)	(6,134)	(50,602)
Fair value gain on investment property	10	(160,651)	(2,619,840)	(9,000)	-
Impairment reversal on investment in subsidiaries		-	-	-	(190,790)
Amortisation of intangible assets	34	50,662	20,326	31,919	16,282
Depreciation of property and equipments	35	601,001	718,055	331,059	214,293
Gain on disposal of property and equipments	11	(91,127)	(1,841)	(10,803)	(866)
Liquidation of subsidiaries	23.2	-	93,374	-	-
Reversal of impairment on deposit for shares	12	-	-	-	(220,937)
Interest accrued on borrowed funds	45.1	-	17,501	-	-
Foreign exchange loss/(gain) foreign domiciliary borrowings	45.1	510,580	(168,928)	510,580	(168,928)
Cash flow from operating profit before changes in operating assets and liabilities		1,945,444	3,188,489	1,818,717	2,304,820
Trade receivables		(170,949)	294,611	(70,088)	268,014
Reinsurance assets		148,203	(700,195)	11,104	(534,418)
Other receivables and prepayment		177,825	(157,884)	(240,116)	(298,557)
Deferred acquisition cost		(62,456)	101,662	(52,954)	86,616
Finance lease receivables		(524,070)	374,855	73,489	(9,454)
Inventories		1,487,108	554,576	-	-
Insurance contract liabilities - Claims		96,564	(197,516)	295,901	(411,944)
Insurance contract liabilities - Unearned premium		796,861	(166,390)	311,013	7,369
Trade payables		11,141	(96,962)	67,686	(44,074)
Other liabilities		(3,758,493)	1,856,541	(637,850)	(119,107)
Loans and receivables		(1,518,775)	829,260	(240,515)	4,139,601
Investment contract liabilities		3,359,630	5,921,181	-	-
Deposit liabilities		24,586	207,912	-	-
Income tax paid	46	(211,598)	(263,581)	(131,862)	(213,203)
Net cash flow from operating activities		1,801,022	11,746,559	1,204,525	5,175,663

56 Supplementary statement of profit or loss information

i. 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:

	GROUP		COMPANY	
in thousands of Nigerian Naira	31 Dec-2015	31 Dec-2014	31 Dec-2015	31 Dec-2014
N450,001 – N720,000	61	122	31	32
N720,001 – N1,400,000	127	207	49	41
N1,400,001 – N2,050,000	74	258	28	64
N2,050,001 – N2,330,000	58	48	30	17
N2,330,001 – N2,840,000	16	52	4	5
N2,840,001 – N3,000,000	9	41	8	8
N3,000,001 – N4,500,000	50	42	26	5
N4,500,001 – N5,950,000	11	52	-	20
N5,950,001 – N6,800,000	19	35	10	10
N6,800,001 – N7,800,000	27	19	11	7
N7,800,001 – N8,600,000	7	9	4	3
N8,600,001 – N11,800,000	13	28	8	10
Above N11,800,000	12	18	7	6
Balance, end of year	**484**	**931**	**216**	**228**

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

		GROUP		COMPANY	
	Notes	Dec-2015	Dec-2014	Dec-2015	Dec-2014
Executive Directors		4	5	3	2
Management staff		134	136	81	71
Non management staff		350	795	135	157
		488	**936**	**219**	**230**

ii Directors' remuneration:

Remuneration paid to the directors of the Company was as follows:

		GROUP		COMPANY	
in thousands of Nigerian Naira	Notes	31 Dec-2015	31 Dec-2014	31 Dec-2015	31 Dec-2014
Executive compensation		188,735	252,105	157,080	123,632
Directors fees		22,350	21,475	12,250	12,250
Other directors expenses		88,813	24,300	27,200	24,300
		299,898	**297,880**	**196,530**	**160,182**

56 Supplementary statement of profit or loss information - Continued

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

	GROUP		COMPANY	
in thousands of Nigerian Naira	**Dec-2015**	**Dec-2014**	**Dec-2015**	**Dec-2014**
Chairman	5,200	4,300	5,200	4,300
Highest paid director	75,000	75,000	75,000	75,000

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

		GROUP		COMPANY	
in thousands of Nigerian Naira	Notes	**31 Dec-2015**	**31 Dec-2014**	**31 Dec-2015**	**31 Dec-2014**
N500,000- N1,000,000		8	12	-	-
Above N2,000,000		9	9	9	9
		17	**21**	**9**	**9**

57 Related parties

Parent

Mutual Benefits Assurance Plc (incorporated in Nigeria) is the ultimate parent of the group.

Transactions between Mutual Benefits Assurance Plc and the subsidiaries also meet the definition of related party transactions. Where these are eliminated on consolidation, they are not disclosed in the consolidated financial statements.

Transactions with key management personnel

The Group's key management personnel, and persons connected with them are 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.

The volume of related party transactions, outstanding balances at the period end, and related expense and income for the period are as follows:

	GROUP		COMPANY	
in thousands of Nigerian Naira	**31 Dec-2015**	**31 Dec-2014**	**31 Dec-2015**	**31 Dec-2014**
Key management compensation				
Salaries and other short-term benefits	230,027	183,167	200,177	155,427
Defined contribution pension	11,858	5,385	10,053	4,755
	241,885	**188,552**	**210,230**	**160,182**

57 Related parties - Continued

Transactions with key management personnel

in thousands of Nigerian Naira	Notes	GROUP Dec-2015	GROUP Dec-2014	COMPANY Dec-2015	COMPANY Dec-2014
Loans and advances to directors					
Granted during the year		115,000	-	20,000	-
Repayment		(6,582)	-	-	-
Balance as at 31 December		**108,418**	**-**	**20,000**	**-**
Interest earned		6,617	-	500	-

Loans to key management personnel include mortgage loans and other personal loans which are given under terms that are no more favourable than those given to other staff. Mortgage loans amounting to N95 million (2014: Nil) are secured by the underlying assets. All other loans are unsecured.

No provision has been recognised in respect of loans given to key management personnel (2014:Nil).

During the year, the Company carried out transactions with some entities related to it. Details of these transactions and outstanding balances are stated below:

Name of related party

in thousands of Nigerian Naira	Nature of relationship	Types of transaction	COMPANY 2015	COMPANY 2014
Mutual Model Transport Limited	Subsidiary	Claim payment	6,886	5,800
Charks Investment Limited	Subsidiary	Claim payment	-	2,568
Mutual Model Transport	Subsidiary	Lease facility	-	668,727
Charks Investment Limited	Subsidiary	Lease facility	-	45,232
Mutual Microfinance Bank Ltd	Subsidiary	Current account	50,745	51,387
Mutual Microfinance Bank Ltd	Subsidiary	Fixed deposit	11,512	19,009

58 Contingent liabilities

i. Litigation and claims

The company has a contingent liability of N3.45 billion as at 31 December 2014 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 by Daewoo Securities as at 31 December 2014 and the balance in the books of the company as analysed below:

	JPY 000	NGN 000
Balance confirmed by Daewoo Securities	4,710,900	6,612,690
Balance admitted by Mutual Benefits Assurance Plc	2,252,365	3,161,645
Disputed Balance as at 31 December 2014	2,458,535	3,451,045

The ongoing litigation between Daewoo Securities and Mutual Benefits Assurance Plc remained unresolved, therefore the contingent liabilities continued to be carried in the book as N3,451,045,000.

	COMPANY	
in thousands of Nigerian Naira	**31 Dec-2015**	**31 Dec-2014**
Profit before income tax	901,266	2,605,488
Disputed balance	(3,451,045)	(3,451,045)
Revised position - loss	**(2,549,779)**	**(845,557)**
Net assets	6,201,262	5,548,649
Disputed balance	(3,451,045)	(3,451,045)
Revised net asset	**2,750,217**	**2,097,604**

The Company is presently involved in six litigations with estimated claims of ₦45,000,000 (2014: ₦10,000,000). In the directors' opinion, after taking appropriate legal advice, the outcome of these legal claims will not give rise to any significant loss beyond the amounts provided at 31 December 2015.

ii Capital commitments

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

59 Contravention of laws and regulations

The Company contravened certain laws and regulations during the year. Details of the contraventions and the appropriate penalties are as follows:

in thousands of Nigerian Naira	Number of infractions	Penalty
Late submission of 2014 audited financial statements	1	7,350

60 Event after the reporting date

The Company acquired additional 100,000,000 (One Hundred Million) ordinary shares at N20.00 per share in the shares of Mutual Benefits Life Assurance Limited (a subsidiary) bringing its total shareholding in the Company to 249,000,000 ordinary shares.

For the year ended 31 December 2015

in thousands of Nigerian Naira	General accident	Aviation & oil and gas	Bond	Marine	Motor	Fire	Dec 2015 Total	Dec 2014
Gross premium written	1,223,963	6,343,753	28,893	606,455	1,818,304	520,135	10,541,503	11,354,526
Changes in unexpired premium	95,987	645,948	(7,129)	(200,534)	(696,073)	(149,212)	(311,013)	(7,364)
Gross premium earned	1,319,950	6,989,701	21,764	405,921	1,122,231	370,923	10,230,490	11,347,162
Premiums ceded to reinsurers	(166,055)	(5,449,707)	(8,037)	(154,840)	(37,883)	(143,325)	(5,959,847)	(6,070,869)
Net premium earned	1,153,895	1,539,994	13,727	251,081	1,084,348	227,598	4,270,643	5,276,293
Commission received	27,892	295,997	1,979	268,731	2,086	40,626	637,311	837,247
Total underwriting income	1,181,787	1,835,991	15,706	519,812	1,086,434	268,224	4,907,954	6,113,540
Gross claims paid	613,611	68,815	1,672	68,857	675,333	38,984	1,467,272	1,545,327
Change in outstanding claims	26,961	120,277	223	29,014	104,744	14,682	295,901	(411,904)
Gross claim incurred	640,572	189,092	1,895	97,871	780,077	53,666	1,763,173	1,133,423
Reinsurance recoveries	107,732	212,365	225	7,769	32,709	14,683	375,482	98,286
Change in due from re-insurers	24,918	121,742	-	11,554	92,642	49,511	300,367	(223,991)
Gross recoveries	132,649	334,107	225	19,323	125,351	64,194	675,849	(125,705)
Net benefits and claims	507,923	(145,014)	1,670	78,548	654,725	(10,528)	1,087,324	1,259,128
Net income	673,864	1,981,005	14,036	441,264	431,709	278,752	3,820,630	4,854,412
UNDERWRITING EXPENSES								
Amortised deferred acquisition costs	(257,656)	(178,330)	(4,681)	(126,834)	(282,816)	101,472	(748,845)	(1,057,287)
Other underwriting expenses	(106,944)				-	(401,246)	(508,190)	(267,354)
Underwriting profit	309,264	1,802,675	9,355	314,430	148,893	(21,022)	2,563,595	3,529,771

Group - Statement of financial position *in thousands of Nigerian Naira*	Dec-2015	Dec-2014	Dec-2013	Dec-2012	Dec-2011
ASSETS					
Cash and cash equivalents	14,016,106	13,207,978	3,702,341	1,539,730	1,585,931
Financial assets:					
Available-for-sale investment securities	1,114,036	549,418	825,933	823,149	795,899
Fair value through profit or loss	93,463	128,201	219,113	194,214	170,179
Loans and receivables	11,379,273	9,096,984	11,834,606	9,345,120	4,374,020
Assets pledged as collateral	115,297	129,467	121,712	427,427	427,427
Trade receivables	208,703	66,515	316,894	538,758	640,898
Reinsurance assets	1,414,600	1,562,803	862,608	2,286,296	607,530
Other receivables	1,255,748	1,386,475	1,177,989	819,534	939,490
Deferred acquisition costs	322,609	260,153	361,815	304,464	236,819
Finance lease receivables	1,044,864	518,455	786,978	932,960	1,326,756
Inventories	1,533,164	3,020,272	3,574,848	4,566,628	3,303,292
Investment properties	8,731,665	6,984,764	1,846,398	-	-
Investments in associates	6,116	-	-	-	212,050
Intangible assets	89,646	99,133	26,393	42,172	53,955
Property, plant and equipment	3,850,522	5,905,509	5,436,785	5,725,163	4,221,777
Statutory deposit	500,000	500,000	500,000	500,000	500,000
Deposit for shares	417,587	515,479	371,255	-	-
Deferred tax assets	-	97,097	89,696	58,495	31,136
Goodwill	1,543	17,980	190,108	190,108	228,777
Total assets	**46,094,942**	**44,046,683**	**32,245,472**	**28,294,218**	**19,655,936**
LIABILITIES					
Insurance contract liabilities	6,087,972	5,194,547	5,558,453	6,599,145	4,116,019
Investment contract liabilities	24,217,581	20,857,951	14,936,770	10,677,556	7,327,411
Trade payables	92,463	81,322	178,284	111,626	195,913
Other liabilities	1,811,330	5,569,823	3,713,282	3,029,474	1,259,122
Deposit liabilities	509,867	485,281	277,369	197,688	89,017
Book overdraft	-	6,605	248,038	31,384	73,890
Borrowings	4,073,095	3,619,988	3,791,739	2,857,618	2,926,633
Current income tax liabilities	521,385	505,961	455,980	476,408	381,487
Deferred tax liabilities	1,136,079	1,237,469	701,262	484,318	181,681
Total liabilities	38,449,772	37,558,947	29,861,177	24,465,217	16,551,173
EQUITY					
Share capital	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Treasury shares	(250)	(250)	(250)	-	-
Foreign currency transalation reserve	184,491	127,775	14,606	12,791	14,821
Contingency reserve	2,292,040	1,942,418	1,436,756	1,502,043	1,075,348
Revaluation reserve	1,288,563	1,288,563	1,288,563	1,327,593	-
Accumulated losses	(246,828)	(893,909)	(4,597,996)	(3,267,366)	(2,240,411)
Shareholders's fund	7,518,016	6,464,597	2,141,679	3,575,061	2,849,758
Owners of the parent	7,518,016	6,464,597	2,141,679	3,575,061	2,849,758
Non-controlling interests in equity	127,154	23,139	242,616	253,940	255,005
Total equity	7,645,170	6,487,736	2,384,295	3,829,001	3,104,763
Total liabilities and equity	**46,094,942**	**44,046,683**	**32,245,472**	**28,294,218**	**19,655,936**

Group- Statement of profit or loss

in thousands of Nigerian Naira	**2015**	**2014**	**2013**	**2012**	**2011**
Gross premium written	14,598,070	15,451,048	8,125,494	7,944,453	6,716,040
Premium earned	13,801,208	15,535,631	7,680,854	7,980,860	6,053,844
Profit/(loss) before income tax	1,195,272	4,980,892	911,075	(290,607)	238,941
Income tax expense	(303,500)	(758,954)	(355,325)	(318,654)	(311,755)
Profit/(loss) after income tax	891,772	4,221,938	555,750	(609,261)	(72,814)
Transfer to contingency reserve	(349,622)	(505,662)	(184,147)	(426,695)	(274,278)
Earnings per share- Basic (kobo)	11	53	6.95	(7.5)	(0.88)
Earnings per share- Diluted (kobo)	11	53	6.95	(7.5)	(0.88)

Company - Statement of financial position

in thousands of Nigerian Naira	**Dec-2015**	**Dec-2014**	**Dec-2013**	**Dec-2012**	**Dec-2011**
ASSETS					
Cash and cash equivalents	4,111,237	5,273,617	1,127,905	741,277	385,593
Financial assets:					
Available-for-sale investment securities	1,000	-	-	-	47,833
Fair value through profit or loss	93,463	128,201	125,739	71,880	85,225
Loans and receivables	759,843	519,328	4,658,929	3,911,579	3,406,792
Assets pledged as collateral	115,297	129,467	121,712	400,000	400,000
Trade receivables	64,769	23,443	247,225	453,591	543,815
Reinsurance assets	1,224,190	1,235,294	700,876	403,460	110,125
Other receivables	770,158	523,908	174,749	240,272	310,211
Deferred acquisition costs	261,798	208,844	295,460	266,338	236,497
Finance lease receivables	668,727	739,877	165,925	336,600	260,413
Investment properties	56,000	47,000	-	-	-
Investment in subsidiaries	2,000,000	2,010,000	2,655,138	2,886,001	2,930,036
Intangible assets	57,303	89,222	9,746	18,731	27,716
Property, plant and equipment	3,037,357	3,204,920	2,910,553	2,881,080	1,442,900
Statutory deposit	300,000	300,000	300,000	300,000	300,000
Deposit for shares	2,277,587	55,479	954,255	983,000	983,000
Total assets	**15,798,729**	**14,488,600**	**14,448,212**	**13,893,809**	**11,470,156**
LIABILITIES					
Insurance contract liabilities	3,971,168	3,364,254	3,768,829	3,089,313	2,683,877
Trade payables	67,686	-	44,074	-	-
Other liabilities	446,643	1,084,493	2,954,576	2,429,110	1,484,211
Book overdraft	-	6,605	7,670	27,345	69,460
Borrowings	4,073,095	3,562,515	3,731,443	2,671,764	2,699,647
Current income tax liabilities	317,932	248,738	202,778	291,762	244,931
Deferred tax liabilities	720,943	673,346	433,962	400,180	116,966
Total liabilities	9,597,467	8,939,951	11,143,332	8,909,474	7,299,092
EQUITY					
Share capital	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Treasury shares	(250)	(250)	(250)	-	-
Foreign currency transalation reserve	-	-	-	-	-
Contingency reserve	1,981,910	1,665,665	1,216,911	1,057,105	907,853
Revaluation reserve	1,288,563	1,288,563	1,288,563	1,288,563	-
Accumulated losses	(1,068,961)	(1,405,329)	(3,200,344)	(1,361,333)	(736,789)
Shareholders's fund	6,201,262	5,548,649	3,304,880	4,984,335	4,171,064
Total liabilities and equity	15,798,729	14,488,600	14,448,212	13,893,809	11,470,156

Company - Statement of profit or loss *in thousands of Nigerian Naira*	**2015**	**2014**	**2013**	**2012**	**2011**
Gross premium written	10,541,503	11,354,526	5,326,871	4,975,074	5,471,238
Premium earned	10,230,490	11,347,162	5,246,029	5,026,347	4,961,943
Profit/(loss) before income tax	901,266	2,742,315	691,577	(224,161)	1,039,871
Income tax expense	(248,653)	(498,547)	(116,707)	(251,131)	(154,397)
Profit/(loss) after income tax	652,613	2,243,768	574,870	(475,292)	885,474
Transfer to contingency reserve	(316,245)	(448,754)	(159,806)	(149,252)	(177,095)
Earnings/(loss) per share- Basic (kobo)	8	28	7.19	(5.94)	11.07
Earnings/(loss) per share- Diluted (kobo)	8	28	7.19	(5.94)	11.07

	GROUP				COMPANY			
in thousands of Nigerian Naira	2015	%	2014	%	2015	%	2014	%
Gross premium written	14,598,070		15,451,048		10,541,503		11,354,526	
Net benefits and claims	(2,337,384)		(2,366,260)		(1,087,324)		(1,259,128)	
Premiums ceded to reinsurers	(6,066,626)		(6,193,206)		(5,959,847)		(6,070,869)	
Other charges and expenses	(4,379,959)		(1,797,166)		(2,764,202)		(1,872,502)	
Fees and commission	660,364		857,017		637,311		837,247	
	2,474,465		5,951,433		1,367,441		2,989,274	
Investment income	854,296		1,054,670		729,417		964,454	
Value added	**3,328,761**	**100**	**7,006,103**	**100**	**2,096,858**	**100**	**3,953,728**	**100**
Applied to pay:								
Employee benefits	1,863,591	56%	1,519,549	22%	879,347	42%	762,659	19%
Government as tax	303,500	9%	758,954	11%	248,653	12%	498,547	13%
Retained in the business:								
Contingency reserve	349,622	11%	505,662	7%	316,245	15%	448,754	11%
Profit for the year	792,742	24%	4,209,749	60%	652,613	31%	2,243,768	57%
Non-controlling interest	19,306	1%	12,189	0.2%	-		-	
Value added	**3,328,761**	100%	**7,006,103**	100%	**2,096,858**	100%	**3,953,728**	100%

Value added statement represents the wealth created by the efforts of the Group and its employees' efforts based on ordinary activities and the allocation of that wealth being created between employees, shareholders, government and that retained for the future creation of more wealth.

	AUTHORISED (N)		ISSUED & FULLY PAID-UP (N)		
DATE	INCREASE	CUMULATIVE	INCREASE	CUMULATIVE	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 20th Annual General Meeting of Mutual Benefits Assurance Plc will be held at SHELL HALL, MUSON CENTRE ONIKAN, LAGOS on Wednesday, 5th October, 2016 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

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/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

NIA
A MEMBER OF THE NIGERIAN INSURERS ASSOCIATION

Mutual Benefits Assurance Plc.
RC 269837

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/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:_______________________________________

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:

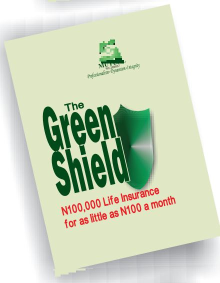
Please tick as applicable

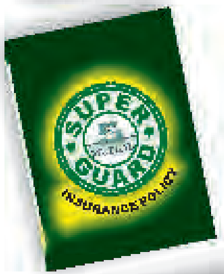
AFRINVEST EQUITY FUND	
AIRLINE SERVICE & LOGISTICS PLC	
BERGER PAINTS NIG PLC	
CAVERTON OFFSHORE LIMITED	
CHELLARAMS BOND	
CONSOLIDATED HALLMARK INSURANCE PLC	
CUSTODIAN & ALLIED INSURANCE PLC	
ENCON NIGERIA LIMITED	
eTRANZACT	
FIDSON HEALTHCARE LIMITED	
FOOD CONCEPTS & ENTERTAINMENT PLC	
FTN COCOA PROCESSORS 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	

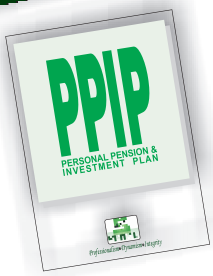
e-DIVIDEND PAYMENT – One Stop Solution to Unclaimed Dividend – Take Advantage of It!

NIA
A MEMBER OF THE NIGERIAN INSURERS ASSOCIATION

Mutual Benefits Assurance Plc.
RC 269837







[illegible] 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

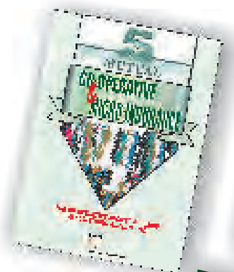
- Personal Accident
- Group Personal Accident
- Individual Savings & Pension Plan
- Personal Pension & Investment Plan
- Mutual Education Guarantee Plan
- Keyman Assurance
- Mortgage Protection
- Group Life Assurance
- Term Assurance
- Endowment Assurance

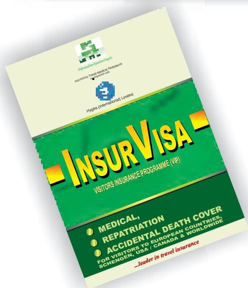
RETAIL MARKETING PRODUCTS

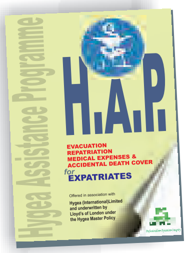
- Insurvisa -Travel Insurance
- Greenshield - 24 hr. Accident Cover
- Greenshield - Life
- Mutual Group Investment Protection Plan
- Micro Personal Investment Plan

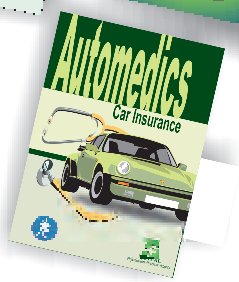
SPECIAL PRODUCTS

- Automedics Car Insurance
- Micro Insurance
- Hygea Assistance - Overseas Health Insurance for Expatriates and Nigerians.
  - Expatriates
  - Nigerians





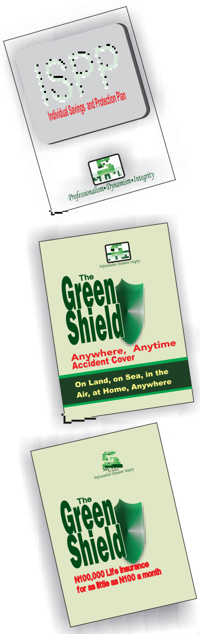




- Event Centre Insurance
- Advertising Agency Insurance
- Corporate Office Insurance
- Sales Office Insurance
- Hair Salon Insurance
- Law Firm Insurance
- Accounting Firm Insurance
- Hotel Insurance
- School Insurance
- Hospital Insurance
- Fast Food Restaurant Insurance
- Nollywood Insurance
- Church 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



ANNUAL GENERAL MEETING of **Mutual Benefits Assurance Plc.** to be held on **Wednesday, 5th of October, 2016** at **SHELL 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 Wednesday, 5th of October, 2016 and at any adjournment thereof.

Dated this.. day of 2016

Shareholder's signature..

PROXY FORM

RESOLUTION	FOR	AGAINST
1. To lay before the members, the Audited Financial Statements of MUTUAL BENEFIT ASSURANCE PLC for the year ended 31st December 2015 together with the Reports of Directors, Auditors and Audit committee thereon.		
2. To elect/re-elect Directors: a. Dr Akin Ogunbiyi b. Mr Soye Olatunji c. Mr Boye Oyewumi d. Mr Lamis Dikko		
3. To elect members of the Audit Committee.		
4. To appoint Messrs Ernst & Young (Chartered Accountants) as the Auditors of the Company in place of Messrs. BDO Professional Services who resigned their appointment during the year.		
5. To authorize the Directors to determine their remuneration.		
SPECIAL BUSINESS 6. To approve the remuneration of the Directors. 7. **To consider and if thought fit to pass the following as Ordinary Resolution** i. That pursuant to the Article 35 of the Articles of Association, the Authorised Share Capital of the Company be and is hereby increased from N5,000,000,000 (Five Billion Naira) to N10,000,000,000 (Ten Billion Naira) by the creation of 20,000,000,000 (Twenty Billion) additional Ordinary Shares of 50 kobo each ranking parri passu in all respects with the existing Ordinary Shares of the Company ii. That the Directors be and are hereby authorized to raise whether by way of an offer for subscription , placing rights issue or other methods or combination of methods, additional capital by way of issuance of ordinary shares, Preference shares, convertible or non-convertible loans, stocks, medium term notes, bonds or other securities, in such tranches, series or proportions, at such coupons or interest rates within such maturity period and on such terms and conditions, including the provision of security for repayment, as the directors may deem fit or determine, subject to obtaining the requisite regulatory approvals. iii. That any capital raising exercise undertaken by the Company pursuant to this Resolution may be underwritten on such terms as may be determined by the Directors, subject to obtaining the approval of the regulatory authorities. iv. That the Directors of the Company be and are hereby authorised to enter into any agreement and/or execute any document necessary to or incidental to giving effect to the above resolutions. v. That the Directors of the Company be and are hereby authorised to appoint such professional parties and advisers and to perform all such other acts and do all such things as may be necessary to give effect to the above resolutions, including without limitation, complying with the directives of the regulatory authorities.		

	RESOLUTION	FOR	AGAINST
8.	**That the existing Memorandum and Articles of Association of the Company be and is hereby amended by Special Resolution as follows:**		
ii.	That Clause 6 of the Memorandum of Association be altered by deleting the words "the Authorized Share Capital of the company is N2,500,000,000 (Two Billion and Five Hundred Million Naira) divided into 5,000,000,000 (Five Billion) ordinary shares of 50 kobo each "and substituting with "the Authorised share capital of the Company is N10,000,000,000 (Ten Billion Naira) divided into 20,000,000,000 (Twenty Billion) Ordinary Shares of 50 kobo each.		
9.	That the Article 5 of the Articles of Association, be altered by deleting the words "the share capital of the Company is N2,500,000,000 (Two Billion and Five Hundred Million Naira) divided into 5,000,000,000 (Five Billion) Ordinary Shares of 50 kobo each" and substituting it with "The share capital of the Company is N10,000,000,000 (Ten Billion Naira) divided into 20,000,000,000 (Twenty Billion) Ordinary Shares of 50 kobo each"		
	That the Company Secretary be and is hereby authorised to take such steps and to do such things as may be required to give effect to the above resolutions."		

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

MUTUAL
Professionalism•Dynamism•Integrity

Mutual Benefits Assurance Plc.
RC 269837

Aret Adams House, 233, Ikorodu Road, Ilupeju, Lagos.
P. O. Box 70986, Victoria Island, Lagos.
Tel: +234 (0)1-3429018, +234 (0)1-3429019
E-mail: info@mbaplc.com
Website: www.mbaplc.com

Mutual Benefits Life Assurance Ltd.
RC 681998

19/21, Town Planning Way, Ilupeju, Lagos
01-2700837, 07098767080, 07098767003
E-mail: info@mutuallifeng.com
Website: www.mutuallifeng.com

Lagos Mainland Office
25, Olusoji Idowu Street
Behind Aret Adams House,
Ilupeju, Lagos
08023775717

Abeokuta Office
Ikija House
1, Quarry Road
Panseke, Abeokuta
08035692773

Akure Office
74A, Continental Junction,
Hospital Road, Akure, Ondo State
08079668663, 07018401846, 08039517268

Ikoyi Office
6 Norman Willams Street
S/W Ikoyi, Lagos
07025251505, 08055197451

Owerri Office
46 Wetheral Road, Owerri
08037149006

Surulere Office
148, Bode Thomas Street Surulere
08033961056

Lekki Office
Gold Crest Plaza
3rd Floor
Km14, Lekki Epe Expreeway
Near Mega Chicken Lekki, Lagos
08034101413

Northern Regional Office:

Plot 78, Yakubu Gowon Crescent,
Asokoro, Abuja.
Tel: 08038166222, 07034619661
08033893768, 08036091447

Calabar Office:
67, Ndidem, Usang Iso Road,
(Marian Road), Calabar.
Tel: 087-822870, 08033573864
08038172295

Kaduna Office:
Nm 20, Constitution Road,
Kaduna.
Tel: 08053270709

Ibadan Office
Plot 47/49 Onireke GRA
08058007020
07033687947, 08180987493

Ibadan Regional Office
KFC Outlet, Olori Ibipo
House, Plot 6, Block 1,
MKO Abiola Way,
Ring Road, Ibadan
08035032022, 08127879900

Port Harcourt Office
Wordway Plaza, 129, Aba
Road Waterlines, Port Harcourt,
08032703220, 08032358275,
08032700725

Warri Office
80, Airport Road
Opp. Old Airport Road
Effurun, Warri
08033474557, 08052220201
08052046585

Ikeja Office
ASSBIFI House, 4 Assibifi Road.
Alausa Ikeja
08033534231

Ota Office 1
Rainbow Tower, Kilometer 127, Idiroko Rd.
Near NNPC Filling Station
08034318658, 08023126577

Ota Office 2
Tantolorun Building, Km 1, Idi-iroko Road
Iyana-ota Roundabout, Sango Ota, Ogun State.
Tel: 08023126577
morenikesodipe@yahoo.com

Osogbo Office
Opp Customary Court,
Court Of Appeal,
Oke Ifa
08061256173, 0808717492
08033283058

Jericho Office:
3rd Floor, ANCE Building,
Magazine/Jericho Road,
Ibadan.
Tel: 08058010001
timmyoladeji@yahoo.com

Ojo Office
Christ In Me Plaza,
446, Old Ojo Rd, Lagos
08034381617

Yenagoa Office
420, Melford Okilo Expressway
Opposite Globacom Office
By Zenith Bank, Yenagoa, Bayelsa
08022344364

Ilorin Office
163, Ajase Ipo Rd,
Gaa Junction, Ilorin, Kwara State
08033518582, 0808552667

Ikorodu Office
108 Lagos Road, Ikorodu, Lagos
07063760468, 08052849074, 08038708535

Asaba Office
308, Nnebisi Road, Asaba, Delta State
08060482264

Uyo Office
2nd Floor 1, Udobio Street
Uyo Akwa-ibom State
08188553018

Aspamda Office
Favour Plaza Beside GTB
By Main Gate, ASPAMDA
08060580703

Ado Ekiti Office:
MUTUAL HOUSE,
Fajuyi Road,Ado-Ekiti.
Tel: 08058007040 08037283445

Benin Office
84, Akpakpava Rd,
Benin City, Edo State
07060691806

Kano Office:
43, Ibrahim Taiwo Road, Kano.
Tel: 08032079537

INTERNATIONAL OPERATIONS

MBA Niger:
2765, Boulevard del'Independance,Yantala YN-2
Rond Point Gadafawa, BP: 11.92, Niamey Niger Republic.
Tel: +227-20752033,
Fax: +227-20350332
site web: www.mbaniger.com

MUTUAL Liberia:
Mutual Benefits Assurance Company MBA HOUSE,
17th Street, Sinkor, Tubman-Boulevard, Monrovia, Liberia.
Tel: +(231)886769420, +(231)777812257,
E-mail: mbaliberia@yahoo.com
www.mbaplc.com

Opebi, Lagos
No 1, Opebi Road, Ikeja, Lagos
07098504713

Lagos State

Festac Town
32 Road, DSTV Building,
1st Floor, Off 3rd Avenue.
Festac Lagos
Nkechi Chukwuma
080308906018

Gbagada
38, Diya Street,
Gbagada, Lagos
Godwin Aduebe
08131325499

Ikorodu Town
Ayangbure Road,
Ikorodu, Lagos
Odutan Adedoyin
08038534202

Ikotun Egbe
Tayese Towers, Egbe-
Isolo Road, Ikotun Lagos
Alamu Oladiran
08036962779

Lekki
Suite C3, Cherub Mall,
Km 18, Lekki-Epe Exp/way,
Lekki, Lagos
Olugbenga Sanni
08034593374

Ogba
29, Isheri Road, Ogba Lagos
Bode Ajayi
08094231477

Allen
Nikky Africana Plaza,
70c Allen Avenue,
Ikeja, Lagos
Oluwagbemiga
Alawode
07098504713

Yaba
194, Herbert Macaulay Way,
Yaba, Lagos
Sule Isaiah
080829054660

Sura
Blk A6, Suite 125&126,
Sura Shopping Complex,
Simpson Str, Lagos Island,
Adeola Oladipo
08023261689

Magodo
No 15, Amazing Grace Plaza,
Emmanuel Keshi Str,
Magodo, Lagos

Badagry
6, Market Road, Badagry, Lagos

Ogudu
41A, LSDPC Housing Estate,
Ogudu Road,
Lagos
Jude Okeke
08023591109

Abuja

Garki
Plot 289, 2nd Floor,
MTN/Vitafoam Building,
Lagos Crescent, Garki 2,
FCT Abuja
Taro Ayoola
08181947551

Wuse Zone 4
Febson Mall, Suite G8,Wuse,
Zone 4, Abuja
Rabiu Oluwarotimi
08030634220

Ogun State

Abeokuta
Old Savanah Building,
Quarry Road, Abeokuta,
Ogun State

Sango Otta
Joju Junction, Sango
Otta
Yusuf Bashiru
08055764905

Shagamu
137A, Akarigbo Street Ijoku,
Shagamu, Ogun State
Rotimi Adewale
08023686157

Ijebu Ode
1st Floor, 100, Ibadan Road,
Near Amao Tyres, Ijebu- Ode,
Peter Idowu
08183127556

Oyo State

Ring Road, Ibadan
No. 1A, Akinyemi Street,
By GTBank, Ring Road, Ibadan,
Oyo State.
Kaji-hausa
08034430794

Oyo Town
No 50, Ogbomosho Road,
Opposite General Hospital,
Oyo State
Adedeji Oyelami
08023504170

Ogbomosho
LAUTECH Teaching Hospital,
Ilorin Road, Ogbomosho,
Oyo State
Timothy Okekunle
08082191006

Gbagi
Mobus Shopping Complex,
Opp.Gbagi 2nd Gate,
New Ife Road,Ibadan
Agbaje Richards
08034309343

Kogi State

Lokoja
Aliu Attah Road,
Beside GTBank,Lokoja
Rabiu Oluwarotimi
08030634220

Kwara State

Ilorin
199, Ibrahim Taiwo Road,
Ilorin, Kwara State.
Issa Ismaila
08035837058

Offa
60/62 Olofa Way,
Offa, Kwara State
Sayomi Adekunle
08060380566

Omu-Aran
150, Aperan Way, Omu-Aran,
Kwara State
Tunde Kareem
08135945444

Osun State

Osogbo 1
Opposite Governmnet Annex,
Oke Fia,Osogbo, Osun State
Kola Oguntade
08033682909

Osogbo 2
Ile-ife
No 35,Slot Shopping Complex,
Mayfair, Ibadan Road,
Ile-ife, Osun State
Oladayo Olasogba
08032065290

Iwo
Km 4, Iwo-Ibadan Express Way,
Ileko Oba, Iwo, Osun State
Adeyoju Olubusayo
08081063289

Ilesha
Ita Akogun Area,
Ilesha, Oshun State
Alade Olusola
08032200333

Edo State

Benin City
No 22, Akpapava Road,
Benin City, Edo State
Nwodi Samuel
08037152937

Cross River State

Calabar
83, Calabar Road,
Opposite Petex Park,
Calabar South,
Cross-river State
Mendie E. Udom
08037296875

Akwa Ibom

Uyo
No 13 Aka Road, Uyo,
Akwa Ibom State.
Udobong Roseline
07052346995

Enugu State

Enugu
2nd Floor, 56, Ogui Road,
Enugu State
Chritsopher Inwalieji
08033314287

Niger State

Minna
No. 127, Paiko Road,
Abdulsalam Abubakar Way,
Beside Etisalat Office,
Near Tunga Market, Tunga Minna,
Niger State abdullahi Suliaman
08184887301

Ondo State

2nd Floor, Iyeoma Plaza,
Alagbaka, Akure, Ondo State
Fasmore Funmilayo
08038239940

Delta State

Asaba
1st Floor Plot 284,
Opposite Mainstreet Bank,
Along Nnebisi Road,
Asaba, Delta.
Bashiru Kerifi-isah
08037398217

Abia State

Umuahia
No 17, Lagos Street,
Umuahia, Abia State
Kalu Idika
08160594093

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