Mutual Benefits Assurance Plc.

RC 208837

SUMMARY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

The Directors present the summary financial statements of Mutual Benefits Assurance Plc, for the year ended 31 December 2016. These summary financial statements are derived from the full financial statements for the year ended 31 December 2016 and are not the full financial statements of the Company.
The Company's Independent Auditors issued an unqualified audit opinion on the full financial statements for the year ended 31 December 2016 from which these summary financial statements were derived.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT In thousands of Nigerian Naira	GROUP 31 December 2016	GROUP 31 December 2015	31 December 2016	31 December 2015
ASSETS				
Cash and cash equivalents	10,734,374	14,016,106	3,604,963	4,111,237
Financial assets				
Fair value through profit or loss	64,097	93,463	64,097	93,463
Available-for-sale investment securities	849,374	694,036	21,553	1,000
Loans and receivables	12,459,185	11,799,273	770,941	759,843
Held-to-maturity	8,714,636	-	2,356,005	-
Assets pledged as collateral	81,196	115,297	81,196	115,297
Trade receivables	462,816	208,703	102,934	64,786
Reinsurance assets	1,679,739	1,414,630	1,057,893	1,224,190
Other receivables and prepayments	888,026	1,255,748	319,213	770,158
Finance lease receivables	420,049	1,044,864	147,865	688,727
Deferred acquisition costs	143,538	122,809	235,958	261,708
Inventories	1,732,894	1,839,194	-	-
Investment properties	8,726,300	8,731,665	56,000	56,000
Intangible assets	79,521	69,048	53,305	57,303
Property, plant and equipment	4,024,287	3,850,522	3,182,644	3,037,357
Investments in subsidiaries	-	-	4,000,000	2,000,000
Investment in associates	-	6,116	-	-
Statutory deposits	500,000	500,000	300,000	300,000
Deposit for investment in equity	480,588	417,567	350,588	2,277,567
Goodwill	1,543	1,543	-	-
Total assets	**51,465,813**	**46,064,942**	**15,579,092**	**15,798,729**
LIABILITIES				
Insurance contract liabilities	9,401,872	8,081,872	3,622,730	3,971,168
Investment contract liabilities	26,556,771	24,217,581	-	-
Trade payables	1,270,218	815,855	452,465	277,749
Other liabilities	1,716,986	1,067,138	287,412	236,580
Deposit liabilities	303,845	509,867	-	-
Current income tax liabilities	503,643	521,385	317,732	317,932
Borrowings	6,286,070	4,073,095	4,286,070	4,073,095
Deferred tax liabilities	1,147,425	1,156,079	726,817	730,943
Total liabilities	**44,453,048**	**38,443,772**	**11,784,357**	**9,597,467**
EQUITY				
Share capital	4,000,000	4,000,000	4,000,000	4,000,000
Treasury shares	(280)	(280)	(280)	(280)
Foreign currency translation reserve	908,902	184,491	-	-
Contingency reserve	2,533,140	2,292,640	2,179,548	1,981,910
Revaluation reserve	1,293,353	1,288,553	1,280,902	1,280,923
Accumulated losses	(1,833,814)	(248,826)	(3,857,065)	(1,064,981)
Total shareholders' fund	**6,899,161**	**7,516,018**	**4,816,735**	**6,201,262**
Total equity attributable to the:				
Owners of the parent	6,899,161	7,518,016	4,816,735	6,201,262
Non-controlling interests in equity	123,604	127,154	-	-
Total equity	**7,012,765**	**7,645,170**	**4,816,735**	**6,201,262**
Total liabilities and equity	**51,465,813**	**46,064,942**	**16,579,092**	**15,798,729**

Approved and authorised for issue by the Board of Directors on 20 March 2017 and were signed on its behalf by:

Dr. Akin Ogunbiyi	Mr. Olusegun Omosehin	Mr. Abayomi Ogunnio
FRC/2013/CIBN/00000003114	FRC/2013/CIBN/00000003103	FRC/2015/ICAN/00000011225
Chairman	Managing Director	Chief Finance Officer

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED In thousands of Nigerian Naira	GROUP 31 December 2016	GROUP 31 December 2015	31 December 2016	31 December 2015
Gross premium written	12,143,616	14,084,070	6,508,848	10,541,509
Gross premium income	11,982,531	13,801,206	6,980,747	10,230,490
Premiums ceded to reinsurers	(1,711,110)	(6,064,676)	(1,515,476)	(5,090,547)
Net premium income	10,271,421	7,734,582	5,145,271	4,376,643
Fee and commission income	430,522	650,364	312,481	531,311
Net underwriting income	**10,701,943**	**8,384,946**	**5,457,752**	**4,907,954**
Net benefits and claims	3,349,863	2,357,394	1,084,198	1,087,324
Change in life fund	(161,532)	(3,273)	-	-
Change in annuity reserve	354,038	30,633	-	-
Underwriting expenses	2,972,633	2,411,187	1,581,501	1,257,035
Net underwriting expenses	**6,515,002**	**4,775,931**	**2,585,698**	**2,344,359**
Underwriting profit	**4,186,027**	**3,619,015**	**2,872,053**	**2,563,595**
Profit/(loss) on investment contracts	819,091	782,150	-	-
Investment income	986,173	854,298	840,027	729,417
Net fair value gain on assets at FVTPL	58,750	111,745	(53,475)	(39,908)
Share of profit of the associate	-	3,616	-	-
Other income	257,485	787,997	93,715	346,201
Impairment charge no longer required	61,952	8,473	-	8,473
Impairment charges	(10,574)	(54,666)	(28,781)	(28,781)
Employee benefit expenses	(1,914,609)	(1,863,991)	(993,921)	(879,347)
Other management expenses	(3,614,379)	(2,765,564)	(1,243,330)	(1,300,990)
Net foreign exchange loss	(1,390,120)	(498,310)	(1,923,877)	(496,414)
Result of operating activities	**(1,195,970)**	**975,229**	**(1,348,946)**	**901,266**
Finance costs	(27,681)	(29,548)	-	-
Finance income	154,995	249,891	-	-
Profit before income tax	**(1,068,656)**	**1,195,572**	**(1,348,946)**	**901,266**
Income tax expense	(277,620)	(303,560)	(341,581)	(248,653)
Profit from continuing operations	**(1,346,286)**	**891,772**	**(1,390,527)**	**652,613**
Discontinued operations				
Loss after tax from discontinued operations	-	(79,724)	-	-
Profit for the year	**(1,346,286)**	**812,048**	**(1,390,527)**	**652,613**
Profit attributable to:				
Owners of the parent	(1,350,905)	792,742	(1,390,527)	652,613
Non-controlling interests	4,566	19,306	-	-
Profit for the year	**(1,346,286)**	**812,048**	**(1,390,527)**	**652,613**
Earnings per share: - Continuing operation				
Basic and diluted (kobo)	(17)	10	(17)	8
Loss/profit for the year	(1,346,286)	812,048	(1,390,527)	652,613
Other comprehensive income:				
Items that may be reclassified to the profit or loss account in subsequent periods:				
Foreign currency translation gain	722,911	60,132	-	-
	722,911	60,132	-	-
Total comprehensive income for the year	**(624,375)**	**872,180**	**(1,390,527)**	**652,613**
Total comprehensive income attributable to:				
Owners of the parent	(628,855)	849,458	(1,390,527)	652,613
Non-controlling interests	4,566	22,722	-	-
	(624,375)	872,180	(1,390,527)	652,613

INDEPENDENT AUDITORS'

EY

To the Members of Mutual Benefits Assurance Plc

Opinion
The accompanying summary financial statements, which comprise the statement of financial position as at 31 December 2016, the statement of profit and loss and other comprehensive income, for the year ended as at 31 December 2016, are derived from the audited financial statements of Mutual Benefits Assurance Plc ("the Company") as at 31 December 2016.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements from which they were derived.

Summary Financial Statements
These summary financial statements do not contain all the disclosures required by the International Financial Reporting Standards, the provisions of Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, the Insurance Act 2003, relevant policy guidelines issued by the National Insurance Commission (NAICOM) and the Financial Reporting Council of Nigeria Act No. 6, 2011 applied in the preparation of the financial statements of the Company. Reading the accompanying summary statement of financial statements, therefore, is not a substitute for reading the full financial statements of the Company.

The Audited Financial Statements and Our Report Thereon
We have audited the financial statements of Mutual Benefits Assurance Plc ("the Company") as at 31 December 2016, from which the summary financial statements were derived, in accordance with the International Standards on Auditing. We expressed an unqualified opinion on the financial statements in our report dated 31 May 2017. That report also includes a description of the Company's material insurance contract liabilities as a Key Audit matter. The measurement of insurance contract liabilities involves judgement over uncertain future outcomes, mainly the ultimate cost settlement value of long-term liabilities, including any guarantees provided to policyholders. Various economic and non-economic assumptions are being used to estimate these long-term liabilities, both in the insurance contract liabilities as reported in the statement of financial position and in the liability adequacy test. Insurance contract liabilities are disclosed in Note 37 to the financial statements.

Directors' Responsibility for the summary financial statements
The Directors are responsible for the preparation and fair presentation of these summary financial statements in accordance with International Financial Reporting Standards, the provision of Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, the Insurance Act 2003, the Financial Reporting Council of Nigeria Act No. 6, 2011 and relevant policy guidelines issued by the National Insurance Commission (NAICOM), and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

Auditors' Responsibility for the summary financial statements
Our responsibility is to express an opinion on the summary financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA) 810 - (Revised), Engagements to Report on Summary Financial Statements.

Report on Other Legal and Regulatory Requirements
i. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
ii. in our opinion, proper books of account have been kept by the Company, in so far as it appears from our examination of those books;
iii. the Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.

Kenneth Familemi, FCA
FRC/2012/ICAN/00000001165
For: Ernst & Young
Lagos, Nigeria
31 May 2017

Mutual Benefits Life Assurance Ltd.

RC 141182

SUMMARY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

The Directors present the summary financial statements of Mutual Benefits Life Assurance Limited for the year ended 31 December 2016. These summary financial statements are derived from the full financial statements for the year ended 31 December 2016 and are not the full financial statements of the Company.
The Company's Independent Auditors issued an unqualified audit opinion on the full financial statements for the year ended 31 December 2016 from which these summary financial statements were derived.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT In thousands of Nigerian Naira	GROUP 31 December 2016	GROUP 31 December 2015	31 December 2016	31 December 2015
ASSETS				
Cash and cash equivalents	6,909,420	9,904,849	6,157,085	9,415,464
Financial assets				
Available-for-sale investment securities	827,522	690,036	719,472	809,056
Loans and receivables	11,636,226	11,039,420	11,193,256	11,034,276
Held-to-maturity	6,163,737	-	6,163,737	-
Trade receivables	358,422	143,934	-	-
Reinsurance assets	814,046	190,411	771,068	185,778
Other receivables and prepayments	605,490	946,728	527,068	534,055
Finance lease receivables	272,564	376,138	181,910	317,600
Deferred acquisition costs	105,285	60,811	105,285	60,511
Inventories	1,302,894	1,839,194	-	-
Investment properties	8,670,300	8,675,665	8,670,300	8,675,665
Investments in subsidiaries	-	-	600,981	896,981
Intangible assets	40,224	32,342	5,902	6,870
Property, plant and equipment	971,894	613,156	905,381	533,493
Deposit for investment in equity shares	70,000	140,000	70,000	140,000
Goodwill	1,543	1,543	-	-
Statutory deposit	200,000	200,000	200,000	200,000
Total assets	**38,973,493**	**34,653,237**	**36,178,763**	**32,604,357**
LIABILITIES				
Insurance contract liabilities	3,579,141	2,116,895	3,219,019	1,844,111
Investment contract liabilities	26,556,771	24,217,581	25,944,127	24,236,510
Trade payables	238,466	101,230	174,099	77,190
Other liabilities	2,099,909	1,651,370	1,953,608	1,064,107
Deposit liabilities	203,845	530,867	-	-
Deposit for shares	-	2,000,000	-	2,000,000
Income tax liabilities	288,116	293,452	216,791	135,183
Deferred tax liabilities	417,513	513,136	98,048	54,260
Total liabilities	**33,383,761**	**31,215,441**	**30,605,692**	**29,383,361**
EQUITY				
Share capital	250,000	150,000	250,000	150,000
Share premium	3,750,000	1,850,000	3,750,000	1,850,000
Foreign currency translation reserve	908,902	184,491	-	-
Contingency reserve	353,645	316,130	353,645	316,130
Retained earnings	416,275	816,021	817,445	950,996
Total ordinary shareholders' equity	**5,678,819**	**3,316,642**	**5,291,090**	**3,220,996**
Total equity attributable to the:				
Owners of the parent	5,678,819	3,316,642	5,291,090	3,220,996
Non-controlling interests in equity	123,607	127,154	-	-
Total equity	**5,802,726**	**3,437,796**	**5,291,090**	**3,220,996**
Total liabilities and equity	**39,973,493**	**34,653,237**	**36,178,763**	**32,604,357**

The full consolidated financial statements were approved by the Board of Directors on 20 March 2017 and signed on its behalf by:

Mr Femi Asemoge	Mr. Olusegun Omosehin	Mr. Lateef Amuda
FRC/2013/CIBN/00000003104	FRC/2013/CIBN/00000003103	FRC/2013/ICAN/00000002486
Managing Director	Director	Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED In thousands of Nigerian Naira	GROUP 31 December 2016	GROUP 31 December 2015	31 December 2016	31 December 2015
Gross premium written	5,566,764	4,058,566	4,361,458	3,337,711
Gross premium income	5,321,790	3,576,717	4,123,068	2,906,011
Premiums ceded to reinsurers	(195,633)	(102,771)	(123,191)	(88,799)
Net premium income	**5,126,158**	**3,483,946**	**3,999,877**	**2,817,212**
Fee and commission income	118,041	23,053	116,764	21,787
Net underwriting income	**5,244,197**	**3,506,999**	**4,066,641**	**2,832,492**
Net benefits and claims	2,344,716	1,250,060	1,850,262	1,051,980
Changes in life fund	(161,532)	(3,273)	(161,532)	(3,273)
Changes in annuity reserve	354,038	30,633	354,038	30,633
Underwriting expenses	1,391,033	1,154,152	1,279,790	1,057,201
Net underwriting expenses	**3,928,255**	**2,451,572**	**3,372,580**	**2,136,676**
Underwriting profit	**1,315,942**	**1,055,421**	**787,093**	**695,816**
Profit (loss) on investment contracts	819,091	782,150	819,091	782,150
Investment income	405,147	124,678	492,251	234,633
Fair value (loss)/gain on investment properties	(5,275)	151,851	(5,275)	118,651
Other income	187,527	290,252	45,518	8,758
Impairment charge no longer required	39,435	-	-	160,702
Impairment charges	(18,574)	(26,805)	(10,874)	-
Employee benefit expenses	(962,864)	(964,243)	(727,911)	(748,011)
Other management expenses	(1,714,572)	(1,484,513)	(1,243,330)	(1,101,865)
Result of Operating activities	**59,081**	**(76,299)**	**156,561**	**151,832**
Finance costs	(27,681)	(29,548)	-	-
Finance income	154,995	249,891	-	-
Profit before income tax	**186,395**	**144,045**	**156,561**	**151,832**
Income tax expenses	(136,039)	(54,848)	(85,767)	(44,586)
Profit for the year	**50,356**	**94,897**	**70,794**	**107,246**
Profit attributable to:				
Owners of the parent	46,756	75,591	70,794	107,246
Non-controlling interests	3,600	19,306	-	-
Profit after income tax	**50,356**	**94,897**	**70,794**	**107,246**
Earnings per share:				
Basic and diluted (kobo)	19	50	28	71
Profit for the year	50,356	94,897	70,794	107,246
Other comprehensive income:				
Items that may be reclassified to the profit or loss account:				
Foreign currency translation gain	722,911	60,132	-	-
	722,911	60,132	-	-
Total comprehensive income for the year	**773,267**	**155,029**	**70,794**	**107,246**
Total comprehensive income attributable to:				
Owners of the parent	769,667	132,307	70,794	107,246
Non-controlling interests	3,600	22,722	-	-
	773,267	155,029	70,794	107,246

INDEPENDENT AUDITORS'

EY

To the Members of Mutual Benefits Life Assurance Limited

Opinion
The accompanying summary financial statements, which comprise the statement of financial position as at 31 December 2016, the statements of profit and loss and other comprehensive income, for the year ended as at 31 December 2016, are derived from the audited financial statements of Mutual Benefits Life Assurance Limited ("the Company") as at 31 December 2016.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements from which they were derived.

Summary Financial Statements
These summary financial statements do not contain all the disclosures required by the International Financial Reporting Standards, the provision of Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, the Insurance Act 2003, relevant policy guidelines issued by the National Insurance Commission (NAICOM) and the Financial Reporting Council of Nigeria Act No. 6, 2011 applied in the preparation of the financial statements of the Company. Reading the accompanying summary statement of financial statements, therefore, is not a substitute for reading the full financial statements of the Company.

The Audited Financial Statements and Our Report Thereon
We have audited the financial statements of Mutual Benefits Life Assurance Limited ("the Company") as at 31 December 2016, from which the summary financial statements were derived, in accordance with the International Standards on Auditing. We expressed an unqualified opinion on the financial statements in our report dated 19 May 2017. That report also includes a description of the Company's material insurance contract liabilities as a Key Audit matter. The measurement of insurance contract liabilities involves judgement over uncertain future outcomes, mainly the ultimate cost settlement value of long-term liabilities, including any guarantees provided to policyholders. Various economic and non-economic assumptions are being used to estimate these long-term liabilities, both in the insurance contract liabilities as reported in the statement of financial position and in the liability adequacy test. Insurance contract liabilities are disclosed in Note 37 to the financial statements.

Directors' Responsibility for the summary financial statements
The Directors are responsible for the preparation and fair presentation of these summary financial statements in accordance with International Financial Reporting Standards, the provision of Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, the Insurance Act 2003, the Financial Reporting Council of Nigeria Act No. 6, 2011 and relevant policy guidelines issued by the National Insurance Commission (NAICOM), and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

Auditors' Responsibility for the summary financial statements
Our responsibility is to express an opinion on the summary financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA) 810 - (Revised), Engagements to Report on Summary Financial Statements.

Report on Other Legal and Regulatory Requirements
i. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
ii. in our opinion, proper books of account have been kept by the Company, in so far as it appears from our examination of those books;
iii. the Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.

Kenneth Familemi, FCA
FRC/2012/ICAN/00000001165
For: Ernst & Young
Lagos, Nigeria
31 May 2017