



Mutual Benefits Assurance Plc.

RC 269837

SUMMARY OF CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

The Directors present the summary of financial statements of Mutual Benefits Assurance Plc for the year ended 31 December 2019. These summary financial statements are derived from the full financial statements for the year ended 31 December 2019 and are not the full financial statements of the Group. The Company's Independent Auditor issued an unqualified audit opinion on the full financial statements for the year ended 31 December 2019 from which these summary financial statements were derived.

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

AS AT in thousands of Nigerian Naira	GROUP		COMPANY	
	31 Dec. 2019	31 Dec. 2018	31 Dec. 2019	31 Dec. 2018
ASSETS				
Cash and cash equivalents	6,821,006	5,483,347	2,146,927	2,452,961
Equity instruments at fair value through OCI	345,967	731,018	57,842	54,211
Financial assets at fair value at through profit or loss	7,669,217	3,239,416	3,377,844	2,752,187
Loans and receivables	11,181,262	11,877,818	277,110	325,076
Debt instruments at amortised cost	23,377,552	19,346,552	5,257,169	4,461,246
Financial assets held for trading pledged as collateral	123,742	142,100	123,742	142,100
Trade receivables	563,813	912,116	316,582	386,040
Reinsurance assets	4,313,967	3,574,723	1,823,103	1,507,512
Other receivables and prepayments	1,119,275	1,343,309	200,825	348,255
Deferred acquisition costs	526,618	457,248	355,388	352,860
Finance lease receivables	83,552	116,154	83,552	116,154
Inventories	436,156	518,236	-	-
Assets held for sale	-	5,550,000	-	-
Investment properties	6,931,000	1,476,000	56,000	56,000
Intangible assets	50,090	49,550	23,957	10,924
Property, plant and equipment	3,426,326	3,930,517	2,398,161	2,689,261
Investments in subsidiaries	-	-	6,000,000	4,000,000
Statutory deposit	500,000	500,000	300,000	300,000
Deposit for investment in equity	7,238	7,238	127,238	7,238
Deferred tax assets	300,815	145,378	65,718	66,344
Goodwill	-	1,543	-	-
Total assets	67,777,596	59,402,263	22,991,158	20,028,369
LIABILITIES				
Insurance contract liabilities	14,100,805	13,050,555	5,028,508	5,132,636
Investment contract liabilities	26,266,129	25,276,261	-	-
Trade payables	2,415,121	1,784,782	1,227,507	871,652
Other liabilities	1,380,767	939,507	375,331	270,177
Deposit liabilities	389,640	512,153	-	-
Current income tax payables	893,369	793,526	642,173	479,914
Borrowings	6,752,845	6,671,845	6,752,845	6,671,845
Deferred tax liabilities	1,045,224	1,263,609	709,191	853,763
Total liabilities	53,243,900	50,292,240	14,735,555	14,279,987
EQUITY				
Share capital	5,586,367	4,000,000	5,586,367	4,000,000
Treasury shares	(250)	(250)	(250)	(250)
Foreign currency translation reserve	938,821	1,116,284	-	-
Contingency reserve	3,462,493	2,960,268	2,745,470	2,494,470
Fair value reserve	(673,611)	(288,560)	(136,066)	(139,697)
Revaluation reserve	1,520,131	1,520,131	1,339,395	1,339,395
Retained earnings/(accumulated losses)	2,598,898	(372,549)	(1,279,313)	(1,945,536)
Total ordinary shareholders' equity	13,432,850	8,935,324	8,255,603	5,748,382
Total equity attributable to the:				
Owners of the parent	13,432,849	8,935,324	8,255,603	5,748,382
Non-controlling interests in equity	1,100,847	174,699	-	-
Total equity	14,533,696	9,110,023	8,255,603	5,748,382
Total liabilities and equity	67,777,596	59,402,263	22,991,158	20,028,369

The full consolidated and separate financial statements were approved by the Board of Directors on 20 March 2020 and signed on its behalf by:

Dr. Akin Ogunbiyi
FRC/2013/CIIN/00000003114
Chairman

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

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

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Independent Auditor's Report to the Members of Mutual Benefits Assurance Plc on the Summary Consolidated and Separate Financial Statements

Report on the Audit of the Summary Consolidated and Separate Financial Statements Opinion

The summary consolidated and separate financial statements of Mutual Benefits Assurance Plc ("the Company") and its subsidiaries (together "the Group"), which comprise the consolidated and separate statements of financial position as at 31 December 2019 and the consolidated and separate statements of profit and loss and other comprehensive income for the year then ended, are derived from the audited consolidated and separate financial statements of Mutual Benefits Assurance Plc and its subsidiaries ("the Group") for the year ended 31 December 2019.

In our opinion, the accompanying summary consolidated and separate financial statements are consistent, in all material respects, with the audited consolidated and separate financial statements, in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB) and the relevant provisions of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, the Insurance Act 2003, the National Insurance Commission (NAICOM) and the Financial Reporting Council of Nigeria Act No. 6, 2011.

The summary consolidated and separate financial statements do not contain all the disclosures required by the International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB), the provisions of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, the Insurance Act 2003, relevant policy guidelines issued by the National Insurance Commission (NAICOM) and the Financial Reporting Council of Nigeria Act No. 6, 2011, applied in the preparation of the consolidated and separate financial statements of the Group. The summary financial statements should be read in conjunction with the audited financial statements. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated and separate financial statements and the auditor's report thereon. The summary consolidated and separate financial statements and the audited consolidated and separate financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited consolidated and separate financial statements.

The Audited Consolidated and Separate Financial Statements and Our Report Thereon

We expressed an unqualified opinion on the audited consolidated and separate financial statements in our report dated 15 May 2020. That report also includes the communication of key audit matters which discussed the adequacy of the valuation of insurance contract liabilities (outstanding claims).

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CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED in thousands of Nigerian Naira	GROUP		COMPANY	
	31 Dec. 2019	31 Dec. 2018	31 Dec. 2019	31 Dec. 2018
Gross premium written	18,697,839	15,840,697	8,366,641	8,018,299
Gross premium income	18,121,911	15,634,846	8,538,415	7,677,706
Premium ceded to reinsurers	(2,832,796)	(2,155,601)	(1,958,821)	(1,447,700)
Net premium income	15,289,115	13,479,245	6,579,594	6,230,006
Commission income	482,766	482,307	348,208	379,214
Net underwriting income	15,771,881	13,961,552	6,927,802	6,609,220
Net benefits and claims	5,926,745	6,976,613	2,227,111	2,297,776
Changes in individual life fund	354,439	455,428	-	-
Changes in annuity reserve	(94,408)	21,990	-	-
Underwriting expenses	4,186,117	3,448,990	2,117,318	1,838,949
Net underwriting expenses	10,372,893	10,903,021	4,344,429	4,136,725
Underwriting profit	5,398,988	3,058,531	2,583,373	2,472,495
Profit on investment contracts liabilities	1,068,928	1,548,910	-	-
Investment income	2,487,931	2,186,282	1,282,142	1,078,816
Net fair value gains/(losses) on assets at FVTPL	974,962	(157,584)	445,511	(126,056)
Other income	77,009	321,134	21,697	204,846
Impairment (charge)/write-back on financial assets	(313,734)	(102,880)	2,087	6,765
Employee benefit expenses	(2,245,924)	(1,842,628)	(1,060,858)	(814,160)
Management expenses	(3,839,361)	(3,861,923)	(1,907,871)	(2,135,639)
Net foreign exchange (losses)/gains	(74,110)	(50,520)	(74,110)	(50,520)
Result of operating activities	3,534,689	1,099,322	1,291,971	636,547
Finance costs	(50,964)	(46,199)	-	-
Finance income	270,329	327,860	-	-
Profit before income tax	3,754,054	1,380,983	1,291,971	636,547
Income tax expense	(141,815)	(231,975)	(205,667)	(156,618)
Profit after income tax	3,612,239	1,149,008	1,086,304	479,929
Profit attributable to:				
Owners of the parent	3,642,753	1,128,129	1,086,304	479,929
Non-controlling interests	(30,514)	20,879	-	-
Profit after income tax	3,612,239	1,149,008	1,086,304	479,929
Earnings per share:				
Basic and diluted (kobo)	36	14		
Profit for the year	3,612,239	1,149,008	1,086,304	479,929
Other comprehensive income:				
Items that may be reclassified to the profit or loss account in subsequent periods:				
Foreign currency translation (loss)/gain (net of tax)	(185,811)	218,277	-	-
	(185,811)	218,277	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax)				
Net revaluation gains on Equity Instrument at FVOCI	(385,051)	53,974	3,631	12,363
Revaluation gain on land	-	55,504	-	-
	(385,051)	109,478	3,631	12,363
Total other comprehensive income for the year, net of tax (570,862)		327,755	3,631	12,363
Total comprehensive income for the year, net of tax	3,041,377	1,476,763	1,089,935	492,292
Total comprehensive income attributable to:				
Owners of the parent	3,080,239	1,442,352	1,089,935	492,292
Non-controlling interest	(38,862)	34,411	-	-
	3,041,377	1,476,763	1,089,935	492,292

Directors' Responsibility for the Summary Consolidated and Separate Financial Statements

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

Auditors' Responsibility for the Summary Consolidated and Separate Financial Statements

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited consolidated and separate financial statements based on our procedures, which were conducted in accordance with International Standards on Auditing (ISA 810) Engagement to Report on Summary Financial Statements.

Report on Other Legal and Regulatory Requirements

- 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;
- iv. in accordance with the provisions of section 28(2) of the Insurance Act 2003, the statement of financial position, statement of profit or loss and statement of other comprehensive income gives a true and fair view of financial position and financial performance of the Company.

Sayo Elumaro, FCA
FRC/2012/ICAN/0000000139
For: Ernst & Young
Lagos, Nigeria
Date: 15 May 2020

