EMPOWERMENT
VALUE CREATION
PARTNERSHIP

2014 Annual Report & Accounts

MUTUAL
20th Anniversary
1995 - 2015

Mutual Benefits Assurance Plc.

RC 269837

NIA
A MEMBER OF THE NIGERIAN INSURERS ASSOCIATION

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Vision · Mission Statement · Guiding Principles · Core Values

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 their wealth protection needs through the provision of qualitative insurance and risk management services thereby creating values for all stakeholders.

Guiding Principles

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

Core Values

- INTEGRITY
- RESPONSIVENESS
- LEADERSHIP
- KNOWLEDGE
- CONTINUOUS IMPROVEMENT

The Company

Who We Are

Mutual Benefits Assurance Plc. (MUTUAL), has evolved into a conglomerate consisting of value-adding companies with diverse interests in various sectors of the Nigerian economy through investments, strategic alliances and partnerships. Today, MUTUAL is a leading brand in the Nigerian Insurance Industry with over 5000 staff in its employment. MUTUAL is strong, well capitalized with a team of highly trained professionals, a respectable Board and access to the International Insurance Market.

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

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

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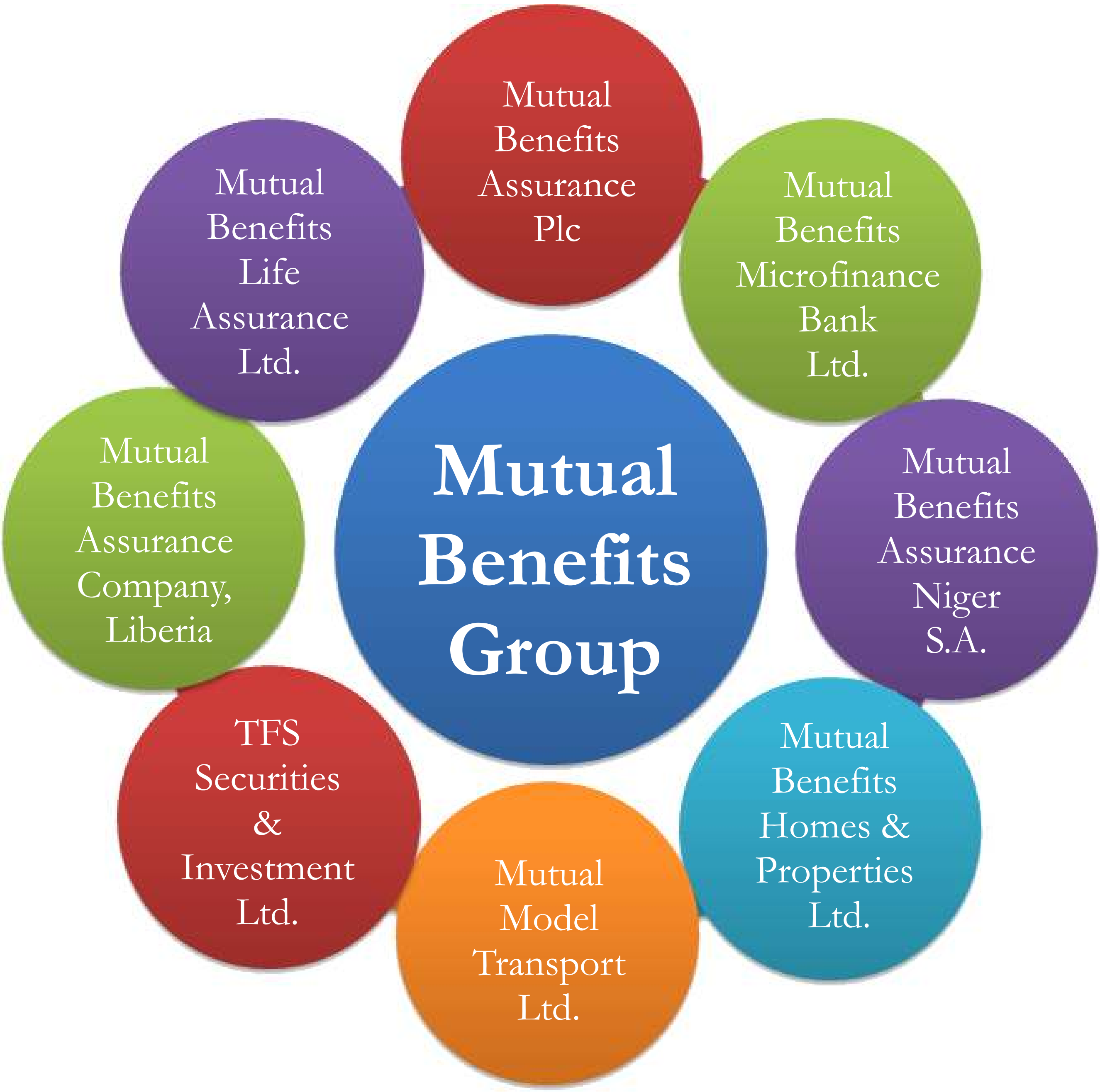
Brief History

MUTUAL BENEFITS ASSURANCE PLC. (RC 269837)

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

+

Subsidiaries



Milestones and Achievement

Mutual Benefits Assurance Plc Wins Africa's Most Innovative Company of the Year Award 2015 by African Reinsurance Corporation (Africa Re)

On the 25th day of May 2015 in Tunis, Tunisia, Mutual Benefits Assurance Plc. emerged "Africa's Most Innovative Insurance Company of the year 2015", during the maiden edition of African Reinsurance Corporation's African Insurance Awards. The Awards ceremony took place at the Africa Insurance Organization's (AIO), 42nd Conference and General Assembly.

Mutual Benefits Assurance Plc won the award for the company's value-adding micro-insurance products, excellent service delivery and bold investments in grass root operations, which ensures that insurance products are taken directly to the low income segment of the populace across Nigeria. In addition to this feat, MUTUAL also successfully launched 36 new insurance products on a single day with N1.2bn turnover.

The prestigious award was received on behalf of the company by the Group Managing Director; Dr. Akin Ogunbiyi, who dedicated the award to the hard work of the Mutual Benefits Staff and the Nigerian Insurance industry in general. He also commended African Reinsurance Corporation (Africa Re) for sponsoring the awards, adding that the initiative will help propel the industry to relevance.

Earlier on at the event, the Secretary General of AIO, Ms. Prisca Soraes said that the award was to recognize achievers in the African insurance industry who have distinguished themselves with regards to insurance practice, customer relations, product development, service delivery, risk management, market and geographical expansion and good corporate governance. She noted that the award is hoped to inspire other players and practitioners to work towards achieving excellence thereby raising awareness and eventually increasing insurance penetration in Africa. "Sharing and dissemination of new successful and practical ideas in the Industry can be a great tool to fast-track the development of insurance in the continent," Soares opined.

Commenting on the award ceremony, Corneille Karekezi, the GMD/CEO of African Reinsurance Corporation said that the "key objective of the African Insurance Awards is to promote the development of insurance in Africa by honouring distinguished companies and leaders of insurance companies that have raised exceptional standards of competence and achievement and demonstrated unprecedented level of insurance industry leadership".

The African Insurance Awards was established by African Reinsurance Corporation (Africa Re) to foster the development of insurance and reinsurance in Africa. The winners of the awards were chosen by an independent and highly regarded panel of judges

Board Of Directors

Akin Opeodu
Chairman

Chamberlain Oyibo
(Retired w.e.f. 31/03/2014)

Akin Ogunbiyi
Group Managing Director

Mrs. I.Z Aret-Adams
Director (Retired w.e.f. 31/03/2014)

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

Michael Govan (American)
Director

Dr. Moses Ajaja
Director

Board Of Directors

Adesoye Olatunji
Group Financial Director

Prof. Pat Utomi
Director

Prince Nasir Ado Bayero
Director

Dr. Eze C. Ebube (American)
Director

Tunde Dabiri
Director

Segun Omosehin
Managing Director (General)

Femi Asenuga
Managing Director (Life)

Gbenga Ogunko
Executive Director Public Accounts & Business Development

Management Team

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

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

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

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

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

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

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

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

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

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

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, CLAIMS

FEMI FAHPOHUNDA (MSc)
CONTROLLER, IT

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

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

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

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

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

KOLAPO LAWRENCE OLLA (M.A. ACIIM, ACIB)
SENIOR MANAGER, TECHNICAL

TOMI ADEBIYI (MBA)
SENIOR MANAGER, CORPORATE MARKETING

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

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 19th Annual General Meeting of Mutual Benefits Assurance PLC will be held at SHELL HALL, MUSON CENTRE, ONIKAN, LAGOS , on Thursday, 6th August, 2015 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 2014 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 re-appoint Messrs. BDO Professional Services as Auditors of the Company and to authorize the Directors to determine their remuneration.

SPECIAL BUSINESS

5. To approve the remuneration of the Directors.

NOTES

1. Proxy

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

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

2. Closure of Register and Transfer of Books

The register and Transfer of Books of the Company will be closed from Monday 6th July 2015 to Friday 10th July 2015

3. Audit Committee

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

For the Board

AKIN OGUNBIYI
Group Managing Director
FRC/2013/CIIN/00000003114

Dated the 29th day of June 2015

Introduction

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 31 December 2014. The consolidated financial statements of the Company and its subsidiaries have been prepared in compliance with IAS 1, 'Presentation of financial statements' issued by the International Accounting Standards Board.

Corporate Information

Non Executive Director.

Directors	
Mr. Akin Opeodu	Chairman (w.e.f. 01/04/2014)
Chief Chamberlain Oyibo	(Resigned w.e.f. 31/03/2014)
Mr. Akin Ogunbiyi	Group Managing Director
Mr.Adesoye Olatunji	Group Finance Director
Mr. Segun Omosehin	Managing Director, Mutual Benefits Assurance Plc.
Mr. Femi Asenuga	Managing Director, Mutual Benefits Life Assurance Limited.
Mr. Gbenga Ogunko	Executive Director, Public Account & Business Development.
Dr Moses Ajaja	Non Executive Director (Resigned w.e.f. 30/06/2015)
Mrs. I. Z. Aret-Adams	Non Executive Director (Resigned w.e.f. 31/03/2014)
Prof. Pat Utomi	Non Executive Director
Prince Nasir Ado Bayero	Non Executive Director
Admiral F. B. I. Porben (Rtd) mni, CFR	Non Executive Director
Mr. Babatunde Dabiri	Non Executive Director
Mr. Michael Govan	Non Executive Director (American)
Mr. Eze C. Ebube	Non Executive Director (American)

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

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

Actuaries

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

Bankers

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

Re-Insurers

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

Estate Surveyor &Valuer

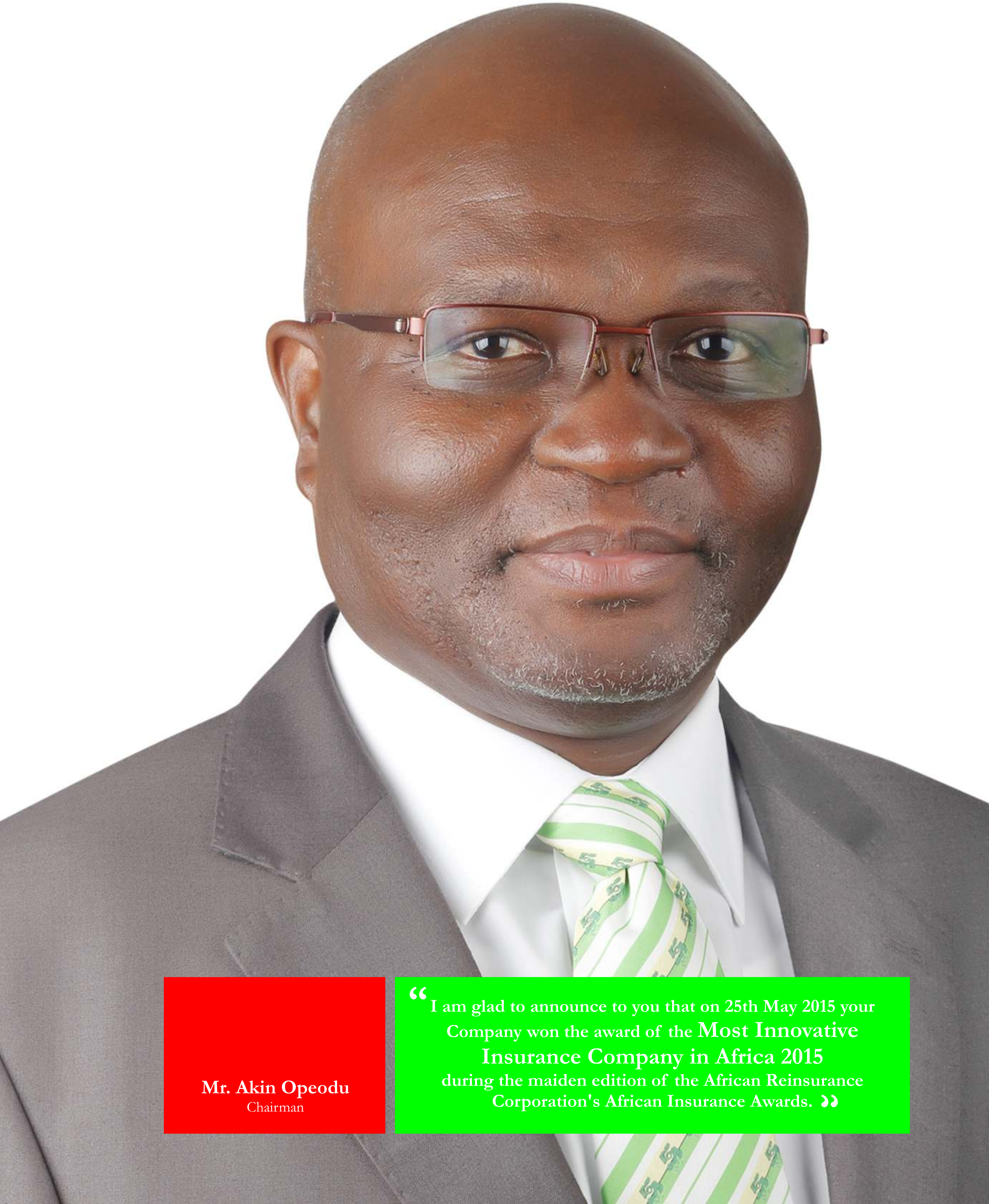
Alabi ,Ojo & Makinde Consulting
FRC/2013/NIESV/00000000314
6B, Maitama Street, South West,
Ikoyi, Lagos
Email:info@jidealabiand co.com

Registrar & Transfer Office

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

AFRICA’S MOST INNOVATIVE COMPANY OF THE YEAR AWARD 2015”

Chairman's Statement



Mr. Akin Opeodu
Chairman

"I am glad to announce to you that on 25th May 2015 your Company won the award of the **Most Innovative Insurance Company in Africa 2015** during the maiden edition of the African Reinsurance Corporation's African Insurance Awards."

Chairman's Statement

CHAIRMAN'S STATEMENT

Distinguished Shareholders, members of the Board of Directors, ladies and gentlemen, it is with great pleasure that I welcome you to the 19th Annual General Meeting of our Company, MUTUAL BENEFITS ASSURANCE PLC to present a summary of our Group's performance and the key achievements for the financial year ended 31st December, 2014.

In 2014, we continued to make progress in the actualization of our top priority of creating value for our shareholders. I am delighted to inform you that we have witnessed significant growth in our performance compared to prior year. Earnings per share grew to 51.24 kobo from 6.95 kobo in 2013. Our strong financial performance is driven by top-line growth and a focus on profitability.

The laudable performance was achieved through a deliberate focus on:

- An enhanced operating model to increase our premiums and policy counts at minimal cost
- Growing our assets
- Judicious allocation of resources to reduce risks and maximize returns
- Improvement in our technology and market innovation.

MOST INNOVATIVE INSURANCE COMPANY

Distinguished shareholders, the efforts of the Board, Management and entire staff of your Company to position it at the pinnacle of the Insurance Industry is already receiving recognition from the appropriate quarters. I am glad to announce to you that on 25th May 2015 your Company won the award of the Most Innovative Insurance Company in Africa 2015 during the maiden edition of the African Reinsurance Corporation's African Insurance Awards. The Awards ceremony took place at the Africa Insurance Organization's (AIO), 42nd Conference and General Assembly in Tunis, Tunisia.

The award was in recognition of the Company's value-adding micro-insurance products, excellent service delivery and bold investments in grass root operations, which ensures that insurance products are taken directly to the low income segment of the populace across Nigeria. In addition to this feat, MUTUAL also successfully launched 36 new insurance products on a single day.

GLOBAL ENVIRONMENT

Developments in the world economy in 2014 was a mixed bag. The global economy grew at around 3.4%, well below the average of 5.5% recorded pre-2008. The slow growth in the global economy was a direct consequence of the disappointing year witnessed by the second and third largest economies, China and Japan.

The actions of Central Banks around the world were mixed. In the United States, an end to the Fed's Quantitative Easing (QE) programme and the expected increase in interest rates in 2015 significantly influenced the global currency values, especially in the emerging markets. The European Central Bank (ECB) loosened monetary policy. The Bank of Japan (BoJ) surprised most economists and investors in October by increasing its target of asset purchases. These divergent policies contributed to market volatility.

The fall in oil prices may go down as the single most important development of 2014. Increase in supply faced with weaker demand due to low economic growth pushed oil prices approximately 42% lower at the close of 2014.

DOMESTIC ENVIRONMENT

According to the National Bureau of Statistics (NBS), the Nigerian economy still demonstrated great resilience and recorded an impressive Real Gross Domestic Product (GDP) growth of 6.3% in 2014 compared to 5.5% in 2013. The non-oil sector has been the main driver of growth, with services contributing about 57%, while manufacturing and agriculture, respectively contributed about 9% and 21%.

As the economy relied solely on oil exports for its foreign exchange earnings, the declining oil prices depleted the foreign reserves of the country by about 14% in November 2014. In response to the above developments, the Central Bank of Nigeria (CBN) devalued the local currency by 8.4% to N168 from N155 to a US dollar and instituted a restrictive monetary policy. The impact of the restriction became overwhelming on lending rates.

Overall, the volatility in the foreign exchange and money markets coupled with the portfolio outflows during the year adversely affected business operations and investments. The result is the huge decline of 27% in the Nigerian All Share Index (NALSI) towards the end of December 2014.

CORPORATE GOVERNANCE

Strong corporate governance remains a cornerstone of our business, underpinning our operations to ensure we deliver reliable, value-for-money and sustainable services to our customers while creating value for our shareholders.

In order for you to easily see how we are governed, we have provided a corporate governance overview in this Annual Report. We also briefly describe how our governance structure supports the delivery of our business strategy.

INSURANCE SECTOR

Nigeria's insurance industry showed signs of positive improvement in 2014. With the implementation of the "No premium, No cover" rule in 2013 which continued in 2014, the performance of participants in the industry improved with increased liquidity as high receivables which characterized the reports of insurance companies in the past was eradicated.

The industry's contribution to the Gross Domestic Product (GDP) is however still significantly small. A key factor in this low penetration is the limited awareness of insurance products and their benefits. The industry is seeking to increase the level of awareness by developing retail, micro and Takaful insurance businesses. The Federal Government also made a commitment to grow the insurance industry in the coming years with its announcement at the National Insurance Summit held in Abuja in December 2014, 'the first of its kind in the insurance industry'.

The industry is also witnessing significant foreign interests. In 2014, major foreign insurance companies and groups entered into the market.

Chairman's Statement

AFRICA'S MOST INNOVATIVE COMPANY OF THE YEAR WARD 2015"

The sector also witnessed more involvement by regulators during the year with new innovations towards promoting growth in the industry. In the face of the coming prospects and possible challenges and competition, MUTUAL Group is being positioned to take full advantage of the expected growth in the industry in the coming years.

OPERATING RESULT

2014 was a year of commendable increase in all areas of the operating results of your Company. The Group reported a Profit Before Tax of N4.526 billion from a position of N911 million in 2013 which represents a 397% increase. This growth was made possible by the immense commitment and hard work of the staff and management of your Company.

Our improving financial position created room to attract more businesses both in the private and public sector. Policies in force increased by 45% over 2013, resulting in Gross Premium Written growth of 90% from N8.1 billion achieved in 2013 to N15.4 billion in 2014.

The claims ratio reduced by 15.96 percentage point (ppt) to 25.33% in 2014 as against the 41.29% recorded in 2013. This is a direct result of the high level risk mitigation strategy that the Management has put in place. The strategy involves proper measurement of the proportion of the premium written that needs to be reinsured based on adequate risk analysis. In view of this, reinsurance expenses grew by 549% from N954 million in 2013 to N6.2 billion in 2014.

The resultant effect of the foregoing is an increase of about 39% in Net Premium Income from N6.7 billion recorded in 2013 to N9.3 billion in 2014 (compared to the 90% increase in gross premium written).

Underwriting Profit for 2014 was N5.5 billion representing a 114% rise against the 2013 result of N2.6 billion. As a percentage of Net Underwriting Income, the underwriting profit margin increased by 15.82%. I am also pleased to report that your company closed the year with a Profit after Tax of N4.1 billion, a whooping increase of 638% over the N555 million reported in 2013.

With an adequate investment strategy in place, the Group asset base grew by 31% from N32.2 billion in 2013 to N42.4 billion. Both shareholders' funds and policy holders' funds are represented by the right portfolio mix of short and long term investments.

Management also succeeded in managing debt to equity effectively in 2014, thereby reducing the debt to equity ratio from 1,394% in 2013 to 582% in 2014. The improved financial position and performance during the year brought about an increase of 190% in shareholders' funds from N2.1 billion in 2013 to N6.2 billion in 2014.

DIVIDEND

Whilst ensuring that funds are retained to support further business growth, the Board also recognizes the need to provide a return to shareholders. We are still rebuilding our reserves through outstanding business performance. The Company is unable to declare dividends this year due to the negative retained earnings. However, with the expected continued growth in our operating results, we are looking forward to declaring dividends in the nearest future.

FUTURE OUTLOOK

The insurance industry in 2015 continues to face many challenges in the form of:

- Dull in the business environment in the first half of the year due to the general elections;
- Pressure on the exchange rate as a result of the lower oil prices;
- High consumer price inflation and high lending rates;
- Generally lower purchasing powers of the consumers;
- Tougher competitive environment; and
- More regulatory requirements.

Efforts are already being made by your Company to make improvements on its underwriting performance, business processes and decision support system, rates, and products to favourably position the Company for these challenges. We are encouraged both by our business opportunities and the start we have made to 2015 and are confident that with the Group's well defined strategy aimed towards offering superior financial services, your Company is set for further growth in the current year.

BOARD CHANGES AND PERSONNEL

In last year's Chairman's Statement, we announced the following changes that happened in 2014:
Retirements: effective 31 March, 2014, our erstwhile Chairman, Chief Chamberlain Oyibo and Mrs. I. Z. Aret-Adams retired from the Board;
Appointment: Mr. Babatunde Dabiri joined the Board on 1 April, 2014.

CONCLUSION

I wish to extend my sincere gratitude to all our esteemed customers and policy holders for their continued loyalty and patronage. For our shareholders' trust and confidence in the Board and management team, I would like to say thank you.

I would also like to thank the entire Board and employees for their continuing commitment and engagement. The success of the Company is attributable to the continuing hard work, passion and dedication of our people in delivering our strategy despite challenging market conditions.

Thank you and God bless

Mr. Akin Opeodu
Chairman

Results at a glance

	Group			Company		
	2014 N'000	2013 N'000	%	2014 N'000	2013 N'000	%
Gross premium written	15,451,048	8,125,494	90.16	11,354,526	5,326,871	113.16
Gross premium income	15,535,631	7,680,854	102.26	11,347,162	5,246,029	116.30
Net underwriting income	10,300,247	6,836,036	50.68	6,113,540	4,425,486	38.14
Net claim expenses	(2,366,260)	(2,777,628)	(14.81)	(1,259,128)	(1,648,150)	(23.60)
Acquisition costs	(1,350,742)	(1,006,485)	34.20	(1,057,287)	(888,004)	19.06
Maintenance expenses	(896,823)	(479,025)	87.22	(109,047)	(124,508)	(12.42)
Profit before tax	4,526,538	911,075	396.83	2,605,488	691,577	276.75
Tax expense	(427,408)	(355,325)	20.29	(361,720)	(116,707)	209.94
Profit after tax	4,099,130	555,750	637.58	2,243,768	574,870	290.31
Total assets	42,390,704	32,245,472	31.46	14,488,600	14,448,212	0.28
Investment contract liabilities	20,423,868	14,936,770	36.74	-	-	
Insurance contract liabilities	5,628,630	5,558,453	1.26	3,364,254	3,768,829	(10.73)
Shareholders' funds	6,214,014	2,141,679	190.15	5,548,649	3,304,880	67.89
Basic earnings per share	51.24	6.95	637.25	28.05	7.19	290.31

Statement of Directors' Responsibilities in Relation to the Financial Statements

For the Year Ended 31 December 2014

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

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

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

iii prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates, that are consistently applied.

The directors accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in compliance with:

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

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

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

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

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

Mr. Akin Opeodu	**Mr. Olusegun Omosehin**	**Mr. Abayomi Ogunwo**
Chairman	Director	Chief Financial Officer
FRC/2013/ICAN/00000003128	FRC/2013/CIIN/00000003103	FRC/2015/ICAN/00000011225

Directors' Report

For the Year Ended 31 December 2014

The Board has the pleasure of presenting their Report on the affairs of Mutual Benefits Assurance Plc ("the Company") and its subsidiaries to the Shareholders together with the Group Audited Financial Statements and the auditor's report for the year ended 31 December 2014.

LEGAL STATUS AND PRINCIPAL ACTIVITY

Mutual Benefits Assurance Plc. was incorporated on the 18th day of April 1995 as a private limited liability company and registered by the National Insurance Commission to underwrite all classes of insurance. The Company metamorphosed into a public limited liability company on the 24th May 2001 and became listed on the Nigerian Stock Exchange on the 28th day of May, 2002.

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

BUSINESS REVIEW

The Company is mainly involved in life and general insurance underwriting (under separate licenses held by the Company and its subsidiary), risk management and provision of financial services. The activities of the Company through its subsidiaries includes Life Assurance, Real Estate, Microfinance Banking, Equipment Leasing and Stock Broking Services.

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

MUTUAL Group's products and services are as follows:

GENERAL BUSINESS PRODUCTS

Property Insurance
Fire and Special Perils

Burglary/House Breaking

Householder, House-owner
Comprehensive
Marine Cargo
Marine Hull
Motor
Goods-in-Transit
All Risk Insurance
Engineering
Industrial All Risks
Liability/Bond Insurance

Money
Professional Indemnity

Fidelity Guarantee
Public Liability/Product Liability

Director's Liability

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
Mutual Group Investment Protection Plan
Micro Personal Investment Plan

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

Dividends

During the period under review, the Directors have not declared any dividends.

Directors' Report

For the Year Ended 31 December 2014

OPERATING RESULTS

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

(in thousands of Naira)

	GROUP	GROUP	COMPANY	COMPANY
	2014 N'000	2013 N'000	2014 N'000	2013 N'000
Gross Premium written	15,451,048	8,125,494	11,354,526	5,326,871
Profit before Taxation	4,526,538	911,075	2,605,488	691,577
Taxation	(427,408)	-355,325	(361,720)	(116,707)
Profit after Taxation	4,099,130	555,750	2,243,768	574,870
Shareholders' funds	6,214,014	2,141,679	5,548,649	3,304,880

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:

	2014		2013		
DIRECTORS	**DIRECT**	**INDIRECT**	**DIRECT**	**INDIRECT**	**PERSONS REPRESENTED**
Mr. Akin Opeodu	11,000,000	74,213,287	11,000,000	74,213,287	Kemson Schools Nig. Ltd
Chief Chamberlain Oyibo **(Resigned w.e.f. 31/3/2014)**	90,224,722	-	90,224,722	-	-
Mr. Akin Ogunbiyi	324,292,614	254,222,278	325,292,614	254,222,278	Charks Investment Ltd
Mr. Olusegun Omosehin	1,000,000	-	1,000,000	-	-
Mr. Adesoye Olatunji	3,000,000	-	3,000,000	-	-
Mr. Femi Asenuga	93,150	-	93,150	-	-
Mr. Gbenga Ogunko	4,200,000	-	4,200,000	-	-
Dr. Moses O. Ajaja **(Resigned w.e.f. 30/6/2015)**	8,233,326		8,233,326		
Mrs. Izarene Aret Adams **(Resigned w.e.f. 31/3/2014)**	94,724,567 (as at 31/3/14)	58,714.14 (as at 31/3/14)	94,724,567	52,770,807	Adams Aret Jnr. , Adams O. Yuette, Adams A. Trevor
Mr. Micheal Govan	3,100,000	-	3,100,000	-	-
Dr. Eze Ebube	2,500,000	-	-	-	-
Prof. Pat Utomi	-	-	-	-	-
Prince Ado Bayero	-	-	-	-	-
Admiral F. Porbeni (Rtd).	-	-	-	-	-
Mr.Babatunde Dabiri	-	-	_	-	-

Directors' Report

For the Year Ended 31 December 2014

ACQUISITION OF OWN SHARES

The Company did not purchase its own shares in year 2014

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.

BOARD APPOINTMENTS

The Board witnessed a number of changes during the year with the resignation of the former Chairman, Chief Chamberlain Oyibo and Mrs. I.Z Aret Adams. The directors elected Mr. Akin Opeodu as the new Chairman in place of Chief Oyibo

RETIREMENT BY ROTATION

In accordance with Article 85 of the Company's Articles of Association, Prof. Pat Utomi , Prince Ado Bayero and Admiral F. Porbeni (Rtd) retire by rotation at this meeting and from the board of the Company and being eligible, they offer themselves for re-election.

RESIGNATION OF DIRECTORS

In accordance with the Company's Articles of Association, Chief Chamberlain Oyibo and Mrs. Izarene Aret-Adams resigned from the board of the Company with effect from 31st of March, 2014

APPOINTMENT OF DIRECTORS

In accordance with the Company's Articles of Association and provisions of the Companies and Allied Matters Act, Mr. Babatunde Dabiri was appointed to fill a casual vacancy on the 1st of April, 2014.

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 AND EQUIPMENT

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

DIRECTORS REMUNERATION

Remuneration	Description	Timing
Basic Salary	Part of gross salary package for Executive Directors only	Paid monthly during the financial year
	A competitive salary package that reflects the desires of the Company to remain at the apex of the industry.	
13th month salary	Part of 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

Directors' Report

For the Year Ended 31 December 2014

DONATIONS AND CHARITABLE GIFTS

In identifying with the aspirations of the community and the environment within which the Company operates, a total sum of N6,981,150. Six Million, Nine Hundred and Eighty-One Thousand, One Hundred and Fifty Naira (December 2013: N9,181,894.00) was given out as donations and charitable contributions during the year. Details of the donations and charitable gifts are as stated below:

	Donations For 2014	N
1	Sponsorship of the 11th Aret Adams Foundation Lecture	544,500
2	Olashore International School's Annual Drama Presentation	1,000,000
3	Maiden Edition of Business Today Newsonline Insurance Award	250,000
4	Donation of T-shirts to Mende High School's Inter-House Sports Competition	113,400
5	Sponsorship of the Investiture of the New CIIN President	450,000
6	Support for the Society of Women Accountants of Nigeria (SWAN)	250,000
7	Sponsorship of IOD's New Member's Evening	500,000
8	Donation of Endoskeletal Transtibial Prosthesis	350,000
9	Support for the Investiture Ceremony of the 10th President of Professional Insurance Ladies Association (PILA)	250,000
10	Painting of Yaba College of Technology Secondary School	1,700,000
11	Sponsorship of Tejuvarie Fashion show/ Magazine Launch	100,000
12	Support for the Centre for Petroleum Information	300,000
13	Sponsorship of Ruphem Publication's 7th Annual Summit	100,000
14	Sponsorship of the Investiture of Mr. G.U.S. Wiggle as the 21st Chairman of NIA	250,000
15	Support for the African Global Recognition Awards	500,000
16	Donation of 5 Trophies for the Lagos State Education District II Sports Festival	173,250
17	Sponsorship of the National Association of Insurance Correspondents' End-of-the Year Event	50,000
18	Sponsorship of NCRIB's Members' evening	100,000
	TOTAL	**6,981,150**

BENEFICIAL OWNERSHIP

The following shareholders held 5% or more of the issued and paid up shares of the Company as at December 31, 2014:

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

Directors' Report

For the Year Ended 31 December 2014

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

Range			No. of Holders	Holders %	Holders Cum.	Units	Units %	Units Cum.
1	-	5,000	13,830	37.58%	13,830	33,634,530	0.42%	33,634,530
5,001	-	10,000	6,539	17.77%	20,369	55,266,110	0.69%	88,900,640
10,001	-	100,000	13,841	37.61%	34,210	519,210,857	6.49%	608,111,497
100,001	-	500,000	2,096	5.70%	36,306	460,430,457	5.76%	1,068,541,954
500,001	-	1,000,000	248	0.67%	36,554	195,236,052	2.44%	1,263,778,006
1,000,001	-	5,000,000	172	0.47%	36,726	359,136,553	4.49%	1,622,914,559
5,000,001	-	10,000,000	20	0.05%	36,746	132,586,454	1.66%	1,755,501,013
10,000,001	-	100,000,000	38	0.10%	36,784	1,180,003,549	14.75%	2,935,504,562
100,000,001	-	ABOVE	13	0.04%	36,797	5,064,495,438	63.31%	8,000,000,000
Grand Total			**36,797**	**100.00%**		**8,000,000,000**		

POST BALANCE SHEET EVENTS

There are no significant post balance sheet events which could have had material effect on the state of affairs of the company as at 31 December 2014 .

EMPLOYMENT AND HR MATTERS

i) Employee Involvement and Training

The Company recognises that the acquisition of knowledge is continuous, and that to foster commitment, its employees need to 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	157	78	66.81	33.19

Gender analysis of Board and Top Management is as follows:

Board	13	-	100	-
Top Management	14	2	87.5	12.5

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

	Male Number	Female Number	Male %	Female %
Assistant General Manager	5	1	80	20
Deputy General Manager	4	1	80	20
General Manager	-	-	-	-
Executive Director	2	-	100	-
Chief Executive Officer	1	-	100	-
Non-Executive Director	8	-	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.

Directors' Report

For the Year Ended 31 December 2014

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 employees through clinics on retainer ship with the company. The clinics are manned by professionals with varying medical training, offer quality medical services to the employees. Fire prevention and fire-fighting equipment are installed in strategic locations within the Company's premises. It also operates a contributory pension plan in line with the Pension Reform Act 2004.

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

AUDITORS

The Auditors, Messrs BDO Professional Services indicated their willingness to continue in office in compliance with NAICOM Corporate Governance regulation. Messrs BDO has been appointed as Auditor in compliance with section 357(1) of the Companies and Allied Matters Act of Nigeria.

COMPLIANCE WITH CORPORATE GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2014

In view of its commitment to the implementation of effective corporate governance principles in its business operations, the Company filed its Half Yearly and Return with the Securities and Exchange Commission (SEC) as at 30 June and 31 December, 2014 respectively.

The Company complied with the principles of Corporate Governance on board meetings by convening a meeting every quarter. The Board Committees have been viable and are working assiduously in line with their Terms of Reference.

The Company contravened Appendix iii clause 14 (c) of the NSE post listing requirements which required her to file its audited accounts on or before 31st March and a penalty of N900,000.00 was imposed for the contravention.

For the Board

AKIN OGUNBIYI
Group Managing Director
FRC/2013/CIIN/00000003114

Certification Pursuant To Section 60(2) Of Investment And Securities Act No.29 Of 2007

We the undersigned hereby certify the following with regards to our audited report for the year ended 31 December 2014 that:

a) We have reviewed the report;

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

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

d) We:
(i) are responsible for establishing and maintaining internal controls;

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

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

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

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

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

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

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

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

Report of the Audit Committee and Compliance Committee

For the Year Ended 31 December 2014

To the members of Mutual Benefits Assurance Plc and its subsidiary companies

In compliance with the provisions of Section 359(6) of the Companies and Allied Matters Act, CAP C20 LFN 2004, the members of the Audit Committee of Mutual Benefits Assurance Plc reviewed the Audited Financial Statements for the year ended 31 December 2014 and based on the documents and information available to us hereby report as follows:

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

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

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

Dated 14 May 2015

Mrs. Temi Durojaiye
FRC/2013/ICAN/00000003102

Members of the Audit Committee

1. **Mrs. Temi Durojaiye - Chairperson**
2. **Mr. Osato Aideyan-Shareholders' Representative**
3. **Chief Akin Odubiyi-Shareholder's Representative**
4. **Dr. Moses Ajaja-Board's Representative**
5. **Mrs. Izarene Aret-Adams-Board's Representative (resigned w.e.f. 31/03/2014**
6. **Prof. Pat Utomi-Board's Representative**
7. **Mr. Tunde Dabiri-Board Representative (appointed w.e.f. 01/04/2014)**

Corporate Governance

INTRODUCTION

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

The Company continues to comply with its Internal Governance Policies and the Code of Corporate Governance for Companies in Nigeria. As an Insurance Company, 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 Governances covers a wide range of issues including Board structure, Quality of Board Members, duties of the Board, conduct of the Board of Directors, Rights of Shareholders and Committees of the Board.

THE BOARD OF DIRECTORS

The Board of Directors has the ultimate responsibility for the overall functioning of the Company. The responsibilities of the Board include setting the Company's strategic objectives and policies, providing leadership to put them into effect, supervising the management of the business, ensuring implementation of decisions reached at the Annual General Meeting, ensuring value creation to shareholders and employees, determination of the terms of reference and procedures of all Board Committees, ensuring maintenance of ethical standard as well as compliance with the Laws of Nigeria. The Board consists of thirteen (13) Directors, made up of Five (5) Executive Directors, one of whom is the Group Managing Director 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 (Cap 20, Laws of the Federation of Nigeria 2004), the record of Directors' attendance and meetings held during year 2014 is available for inspection at the Annual General Meeting. The meetings of the Board were presided over by the Chairman and the Board met four times during the year. Written notices of the Board meetings, along with the agenda were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

Corporate Governance Cont'd

Directors	28/1/14	5/6/14`	16/7/14	12/09/2014	Total
Mr. Akin Opeodu	✓	✓	✓	✓	4
Dr. Akin Ogunbiyi	✓	✓	✓	✓	4
Dr. Moses Ajaja Resigned wef 30/6/2015	✓	✓	✓	✓	4
Adm. Festus Porbeni (mni) CFR	✓	✓	✓	✓	4
Mr. Michael Govan	✓	✓	✓	✓	3
Dr. Eze Ebube	✓	✓	✓	✓	3
Dr. Nasir Ado-Bayero		✓	✓		2
Prof. Patrick Utomi	✓	✓	✓	✓	4
Mr. Babatunde Dabiri (appointed wef 1/6/14)	N/A	✓	✓	✓	3
Mr. Soye Olatunji	✓	✓	✓	✓	4
Mr. Olusegun Omosehin	✓	✓	✓	✓	4
Mr. Gbenga Ogunko	✓	✓	✓	✓	4
Mr. Femi Asenuga	✓	✓	✓	✓	4
Chief Chamberlain Oyibo (resigned 31/3/14)	✓	N/A	N/A	N/A	1
Mrs. I.Z Aret-Adams (resigned wef 31/3/14)	✓	N/A	N/A	N/A	1

(b) COMMITTEES

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

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

(i) AUDIT & CORPORATE GOVERNANCE COMMITTEE

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

The Committee met four times to review the adequacy of the internal audit plan, to receive and deliberate on the report of the external auditors, to review progress on recommendations made in both the internal and external audit reports, to review the adequacy of internal control systems and the degree of business compliance with laid down internal policies, laws, code of business principles and any other relevant regulatory framework. Mrs. Temi Durojaiye chaired the Committee during the year under review. The records of attendance at the meetings are as follows;

Corporate Governance Cont'd

Members	16/1/14	20/02/14`	12/07/14	02/12/2014	Total
Mrs. Temi Durojaiye	✓	✓	✓	✓	4
Mr. Akin Odubiyi	✓	✓	✓	✓	4
Mr. Osato Aideyan	✓	✓	✓	✓	4
Dr. Moses Ajaja	✓	✓	✓	✓	4
Prof. Patrick Utomi	N/A	N/A	N/A	✓	1
Mr. Babatunde Dabiri (appointed wef 1/6/14)	N/A	N/A	N/A	✓	1
Mrs. I.Z Aret-Adams (resigned wef 31/3/14)	✓	✓	N/A	N/A	2

(ii) FINANCE AND GENERAL PURPOSE COMMITTEE

The Finance and General purposes Committee comprises four members namely: Mr. Babatunde Dabiri, Dr. Moses Ajaja, Dr. Akin Ogunbiyi, Mr. Soye Olatunji, also in attendance are Mr, Segun Omosehin & Mr. Femi Asenuga

The Committee met six 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	28/1/14	08/04/14	15/07/14	19/09/2014	04/11/2014	18/11/2014	Total
Mr. Babatunde Dabiri (appointed wef 1/6/14)	N/A	N/A	✓	✓	✓	✓	4
Dr. Moses Ajaja	✓	✓	✓	✓	✓	✓	6
Dr. Akin Ogunbiyi	✓	✓	✓	✓	✓	✓	6
Mr. Soye Olatunji	✓	✓	✓	✓	✓	✓	6
Mr. Akin Opeodu	✓	✓	N/A	N/A	N/A	N/A	2

(iii) ESTABLISHMENT /RENUMERATION COMMITTEE

The Establishment Committee comprises three members namely: Dr. Moses Ajaja, Dr. Akin Ogunbiyi and Admiral Festus Porbeni (rtd) mni

The Committee met three times to considers and make recommendations on human resource matters like promotion to senior and management positions, and remuneration of the staff of the Company. The records of attendance at the meetings are as follows:

Members	10/02/2014	09/08/2014	07/12/2014	Total
Dr. Moses Ajaja	✓	✓	✓	3
Dr. Akin Ogunbiyi	✓	✓	✓	3
Adml. Festus Porbeni (Rtd)	✓	✓	✓	3

Corporate Governance Cont'd

(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	17/1/14	10/03/14	05/06/14	03/12/2014	Total
Dr. Moses Ajaja	✓	✓	✓	✓	4
Mr. Babatunde Dabiri (appointed wef 1/6/14)	N/A	N/A	✓	✓	2
Dr. Akin Ogunbiyi	✓	✓	✓	✓	4
Mr. Olusegun Omosehin	✓	✓	✓	✓	4
Mr. Femi Asenuga	✓	✓	✓	✓	4
Mr. Gbenga Ogunko	✓	✓	✓	✓	4

(v) PUBLIC ACCOUNTS & BUSINESS DEVELOPMENT COMMITTEE

The Public Accounts & Business Development Committee comprises seven members namely: Admiral Festus Porbeni mni CFR, Prof. Patrick Utomi, Prince Nasir Ado-Bayero, Mr. Gbenga Ogunko, Dr. Akin Ogunbiyi, Mr. Olusegun Omosehin and Mr. Femi Asenuga.

The Committee met three times to facilitate the access of the Company to potentials clients. The Committee also deliberate and make recommendations to the Company on areas of business developments. They are also available for consultation by the Management in areas where their collective experience garnered over the years from different fields of endavours are required. The records of attendance at the meetings are as follows:

Members	04/03/14`	06/06/14	17/10/2014	Total
Admr. Festus Porbeni (mni) CFR	✓	✓	✓	3
Prof. Patrick Utomi	✓	✓	✓	3
Dr. Nasir Ado-Bayero	✓		✓	2
Mr. Gbenga Ogunko	✓	✓	✓	3
Dr. Akin Ogunbiyi	✓	✓	✓	3
Mr. Olusegun Omosehin	✓	✓	✓	3
Mr. Femi Asenuga	✓	✓	✓	3

Corporate Governance Cont'd

(c) ENTERPRISE RISK MANAGEMENT

i. Introduction and Overview

Mutual Benefits Assurance PLC has a clear and functional Enterprise Risk Management (ERM) framework that is responsible for identifying, assessing and managing the likely impact of risks faced by the company.

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 all times comply with all government regulations and uphold best international practice.

- The Company will build an enduring risk culture, which shall pervade the entire organisation.

- The Company will at all times hold a balanced portfolio and adhere to guidelines on investment issued by regulator and Finance and General Purpose Committee of the Company.

- The Company will ensure that there is adequate reinsurance in place for 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 one of the most powerful Committees of the board which is saddled with the following functions:

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

vi. Technical /Risk Management Committee

This committee oversees the business process. Their functions include;

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

Corporate Governance Cont'd

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.

Internal Control And Risk Management Systems

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

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

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

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

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

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

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

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

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

Internal Control And Risk Management Systems Cont'd

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

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

INTERNAL REPORTS	OBJECTIVES
Monthly Profitability Report	Evaluates the operating activities of the Company in the month under review.
Quarterly Profitability Report	Shows the performance of the Company and reviews the profitability of all aspects of the Company's operations on a quarterly basis.
Financial Statements Report	Reviews performance and liquidity position of the company.
Monthly Investment Risk Report	Informs management on Company's exposure to market, credit and liquidity risks.
Monthly Underwriting Risk Report	Informs management on Company's underwriting risk profile
Key Risk Indicator Report	Monitors the effectiveness of existing operational controls and the Company's operational risk profile.

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

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

Complaints and Feedback

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

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

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

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

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

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

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

The customer care officer acknowledges and attends to the various customers' complaints.
The complaint is reviewed and it is determined if the complaint could be resolved at first-level.
Where the complaint can be resolved at the first level, a resolution is immediately provided to the customer.
If such complaint cannot be resolved at the first level, the customer care officer forwards the complaint to the appropriate unit in the organization to handle.

Internal Control And Risk Management Systems Cont'd

Upon resolution, the customer is contacted and the resolution is explained to the customer.
The complaint is closed and marked as resolved.

Customers' opinion on products

To enrich our customers experience we also periodically evaluate public/ customer opinion about our services, products and policies. The evaluation is conducted in various ways including:
One-on-one focus meetings with key customers.
Interviews with selected customers.
Opinions received via our mailbox which is info@mbaplc.com
Questionnaires administered to customers.
This is to afford our organization the opportunity of receiving customers' perception about the company, in order to ensure that efforts can be put in place to close such gap(s) in our service delivery or improve upon the process, service or product.

Feedback on customers' complaints

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

The feedback gathered ensures that:

Customers feel appreciated and respected,
Quality service delivery
A reliable source of identifying improvement opportunities is presented to management,
A reliable source of data on customers' complaints and expectations is collated.
The feedbacks are circulated to management through the company's internal information channel for the general information of all staff.

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

Sustainability Report

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

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

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

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

Business Strategy of the Company and Overall Performance

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

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

Internal Control And Risk Management Systems Cont'd

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

	Group			Company		
	2014 N'000	**2013 N'000**	**% Increase/ (decrease)**	**2014 N'000**	**2013 N'000**	**% Increase/ (decrease)**
Gross premium written	15,451,048	8,125,494	90	11,354,526	5,326,871	113
Net premium income	9,342,425	6,726,835	39	5,276,293	4,367,470	21
Underwriting results	5,506,212	2,572,898	114	3,688,078	1,764,824	109
Profit before tax	4,526,538	911,075	397	2,605,488	691,577	277
Income tax expense	(427,408)	(355,325)	20	(361,720)	(116,707)	210
Profit after tax	**4,099,130**	**555,750**	**408**	**2,243,768**	**574,870**	**316**
Basic earnings per share	**51.24**	**6.95**		**28.05**	**7.19**	

Management Discussion And Analysis.

THE NATURE OF THE BUSINESS

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

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

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

The major bulk of our business comes from brokers market

MANAGEMENT'S OBJECTIVES.

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

OUR STRATEGIES

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

OUR RESOURCES, RISKS AND RELATIONSHIP

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

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

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

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

Corporate Social Responsibility Report

At Mutual Benefits Assurance Plc, we care for the environment and the society in which we operate. In appreciation of the gesture towards the upliftment of our Company during the year 2014 particularly, donations were made to various organisations in order to bring relief to the society especially the less privileged ones.

We also made donations to various charitable and non-profit organisations across the country. Details of these donations are contained in directors' report on page 21.

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

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

We have audited the accompanying consolidated and separate financial statements of Mutual Benefits Assurance Plc ("the Company") and its subsidiaries companies (together "the group"). These financial statements comprise the consolidated and separate statements of financial position as at 31 December 2014 and the consolidated and separate statements of profit or loss and 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 the significant accounting policies and other explanatory notes.

Directors' responsibility for the Financial Statements

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Contravention of laws and regulations
During the year the Company contravened certain sections of the Insurance Act, CAP I17, LFN 2004 and NAICOM's operational guidelines. Details of the contraventions and appropriate penalties thereon are disclosed in note 51.

Opinion
In our opinion, the financial statements give a true and fair view of the state of affairs of the Company's financial position as at 31 December 2014 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in compliance with the relevant provisions of the Financial Reporting Council of Nigeria Act No 6, 2011, the Companies and Allied Matters Act, CAP C20 LFN 2004 and Insurance Act, CAP I17, LFN 2004 and its interpretations issued by the National Insurance Commission in its Insurance Policy Guidelines.

Report on other legal requirements
The Companies and Allied Matters Act, CAP C20 LFN, 2004 requires that in carrying out our audit, we consider and report to you on the following matters. We confirm that:

i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

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

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

A1047553

Lagos, Nigeria
15 June 2015

Ebenezer O. Olabisi
FRC/2012/ICAN/00000000104
For: BDO Professional Services
Chartered Accountants

Summary Of Significant Accounting Policies

General information

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

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

Mutual Benefits Assurance Plc (RC 269837) was Incorporated as a private limited company on 18 April 1995, granted Certificate of Registration as an Insurer by the National Insurance Commission in September 1995, commenced operations 2 October 1995 and became a public liability company on 24 May 2001.

The Company is listed on the Nigerian Stock Exchange. The consolidated financial statements of the Company and all its subsidiaries, were authorised for issue by the directors on 11 June 2015.

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

Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1). Basis of preparation and compliance with IFRS

The financial statements of Mutual Benefits Assurance Plc have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB"), and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) that are effective at 31 December 2014 and requirements of the Companies and Allied Matters Act, CAP C20 LFN, 2004,the Insurance Act, CAP I17 LFN 2004 and the Financial Reporting Council of Nigeria Act No 6, 2011 to the extent that they are not in conflict with IFRS.

a) Regulation

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

b) Changes in Accounting Policies

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

c) Basis of measurement

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

d) Critical accounting estimates and judgements

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

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

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

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

Summary Of Significant Accounting Policies Cont'd

e) Fair value of financial assets

Fair value of available for sale financial assets

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

f) Liabilities arising from insurance contracts

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

g) Liabilities arising from life insurance contracts

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

h) Impairment of trade receivables

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

i) Going concern

The Company directors' have made an assessment of its ability to continue as a going concern and are satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements have been prepared on the going concern basis.

(j) Deferred acquisition costs (DAC)

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

(k) Income taxes

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

2) Foreign currency translation

a) Functional and presentation currency

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

b) Transactions and balances

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

3) Segment reporting

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

Summary Of Significant Accounting Policies Cont'd

	IFRS Reference	Nature of change	Application date	Impact on initial Application
i.)	IFRS 1 First-time Adoption of International Financial Reporting Standards			
	Annual Improvements (2011–2013 Cycle) Issued December 2013	The amendment to the Basis for Conclusions clarifies that an entity has an option to use either: - The IFRSs that are mandatory at the reporting date, or - One or more IFRSs that are not yet mandatory, if those IFRSs permit early application.	Mandatory adoption for periods beginning on or after 1 July 2014. Early adoption permitted.	No impact, as the Company has already adopted IFRS
ii.)	IFRS 2 Share-based Payment			
	Annual Improvements (2010-2012 Cycle) Issued December 2013	The amendment clarifies vesting conditions by separately defining a performance condition and a service condition, both of which were previously incorporated within the definition of a vesting condition.	Mandatory adoption for periods beginning on or after 1 July 2014. Early adoption permitted.	No impact as the Company has no share based payment
iii.)	IFRS 3 Business Combinations			
	Annual Improvements (2010-2012 Cycle) Issued December 2013	The amendment clarifies that contingent consideration is assessed as either being a liability or an equity instrument on the basis of IAS 32 Financial Instruments: Presentation, and also requires contingent consideration that is not classified as equity to be remeasured to fair value at each reporting date, with changes in fair value being reported in profit or loss.	Mandatory adoption for periods beginning on or after 1 July 2014. Early adoption permitted.	No impact, as Company is not involved in any business combination.
	Annual Improvements (2011-2013 Cycle) Issued December 2013	The amendments to IFRS 3 clarify that: - The formation of all types of joint arrangements as defined in IFRS 11 (ie joint ventures and joint operations) are excluded from the scope of IFRS 3 - The scope exception only applies to the accounting by the joint arrangement in its own financial statements and not to the accounting by the parties to the joint arrangement for their interests in the joint arrangement.	Mandatory adoption for periods beginning on or after 1 July 2014. Early adoption permitted.	No impact
iv.)	IFRS 5 Non-current Assets Held for Sale and Discontinued Operations			
	Annual Improvements (2012-2014 Cycle) Issued December 2013	The amendment clarifies that the reclassification of an asset or disposal group from being held for sale to being held for distribution to owners, or vice versa is considered to be a continuation of the original plan of disposal. Upon reclassification, the classification, presentation and measurement requirements of IFRS 5 are applied. If an asset ceases to be classified as held for distribution to owners, the requirements of IFRS 5 for assets that cease to be classified as held for sale apply.	Mandatory adoption for periods beginning on or after 1 January 2014. Early adoption permitted.	The Company will assess the impact on adoption of the Standard and when it holds assets as 'distribution to owner'

Summary Of Significant Accounting Policies Cont'd

	IFRS Reference	Nature of change	Application date	Impact on initial Application
v.)	IFRS 7 Financial Instruments: Disclosures			
	Annual Improvements (2012–2014 Cycle)	The IASB clarified the circumstances in which an entity has continuing involvement from the servicing of a transferred asset. Continuing involvement exists if the servicer has a future interest in the performance of the transferred financial asset. Examples of situations where continuing involvement exists are where a transferor's servicing fee is: - A variable fee which is dependent on the amount of the transferred asset that is ultimately recovered; or - A fixed fee that may not be paid in full because of non-performance of the transferred financial asset. The amendment is required to be applied retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. However, the amendment needs not to be applied for any period beginning before the annual period in which the entity first applies the amendments. A consequential amendment has been made to IFRS 1 First-time Adoption of International Financial Reporting Standards, in order that the same transitional provision applies to first time adopters. Applicability of the offsetting amendments in condensed interim financial statements A further amendment to IFRS 7 has clarified that the application of the amendment Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7) issued in December 2011 is not explicitly required for all interim periods. However, it is noted that in some cases these disclosures may need to be included in condensed interim financial statements in order to comply with IAS 34.	Mandatory adoption for periods beginning on or after 1 July 2014. Early adoption permitted.	No impact, as the Company has already adopted IFRS
vi.)	IFRS 8 Operating Segments			
	Annual Improvements (2010-2012 Cycle) Issued: December 2013	The amendments require additional disclosures regarding management's judgements when operating segments have been aggregated in determining reportable segments, including: - A description of the operating segments that have been aggregated - The economic indicators considered in determining that the aggregated operating segments share similar economic characteristics. Reconciliation of the total of a reportable segment's assets to the entity's assets: The amendment clarifies that a reconciliation of the total of reportable segments assets to the entity's assets is only required if a measure of segment assets is regularly provided to the chief operating decision maker.	Mandatory adoption for periods beginning on or after 1 July 2014. Early adoption permitted.	The Company would implement the standard on adoption.

Summary Of Significant Accounting Policies Cont'd

	IFRS Reference	Nature of change	Application date	Impact on initial Application
vii.)	IFRS 9 Financial Instruments			
	IFRS 9 (2009) Issued: November 2009	IFRS 9 (2009) applies to all assets within the scope of IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 requires that on initial recognition, all financial assets are measured at fair value (plus an adjustment for certain transaction costs if they are not measured as at fair value through profit or loss) and are classified into one of two subsequent measurement categories: - Amortised cost - Fair value. IFRS 9 (2009) eliminates the Held to Maturity (HTM), Available for Sale (AFS) and Loans and Receivables categories. In addition, the exception under which equity instruments and related derivatives are measured at cost rather than fair value, where the fair value cannot be reliably determined, has been eliminated with fair value measurement being required for all of these instruments. A financial asset is measured after initial recognition at amortised cost only if it meets the following two conditions: 1. The objective of an entity's business model is to hold the financial asset in order to collect contractual cash flows 2. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. All other instruments are required to be measured after initial recognition at fair value. IFRS 9 (2009) retains the current requirement for financial instruments that are held for trading to be recognised and measured at fair value through profit or loss, including all derivatives that are not designated in a hedging relationship. Hybrid contracts with a host that are within the scope of IFRS 9 (2009) (ie a financial host) must be classified in their entirety in accordance with the classification approach summarised above. This eliminates the existing IAS 39 requirement to account separately for a host contract and certain embedded derivatives. The embedded derivative requirements under IAS 39 continue to apply where the host contract is a non-financial asset and for financial liabilities.	Can only be applied if an entity's date of initial application is before February 2015.	To be implemented on adoption of the standard.

Summary Of Significant Accounting Policies Cont'd

	IFRS Reference	Nature of change	Application date	Impact on initial Application
		IFRS 9 (2009) includes an option which permits investments in equity instruments to be measured at fair value through other comprehensive income. This is an irrevocable election to be made, on an instrument by instrument basis, at the date of initial recognition. Where the election is made, no amounts are subsequently recycled from other comprehensive income to profit or loss. Where this option is not taken, equity instruments with the scope of IFRS 9 (2009) are classified as at fair value through profit or loss. Irrespective of the approach adopted for the equity instrument itself, dividends received on an equity instrument are always recognised in profit or loss (unless they represent a return of the cost of investment). "Subsequent reclassification of financial assets between the amortised cost and fair value categories is prohibited, unless an entity changes its business model for managing its financial assets in which case reclassification is required. However, the guidance is restrictive and such changes are expected to be very infrequent. IFRS 9 (2009) states explicitly that the following are not changes in business model:1. A change in intention relating to particular financial assets (even in circumstances of significant changes in market conditions)2. A temporary disappearance of a particular market for financial assets3. A transfer of financial assets between parts of the entity with different business models."		
viii.)	IFRS 9 (2010) Issued: October 2011	As noted above, IFRS 9 (2009) was published in November 2009 and contained requirements for the classification and measurement of financial assets. Equivalent requirements for financial liabilities were added in October 2010, with most of them being carried forward unchanged from IAS 39. In consequence: A financial liability is measured as at fair value through profit or loss (FVTPL) if it is held for trading, or is designated as at FVTPL using the fair value option - Other liabilities are measured at amortised cost. In contrast to the requirements for financial assets, the bifurcation requirements for embedded derivatives have been retained; similarly, equity conversion features will continue to be accounted for separately by the issuer. However, some changes have been made, in particular to address the issue of where changes in the fair value of an entity's financial liabilities designated as at FVTPL using the fair value option, which arise from changes in the entity's own credit risk, should be recorded. This amendment is a result of consistent feedback received by the IASB from its constituents that changes in an entity's own credit risk should not affect profit or loss unless the financial liability is held for trading. IFRS 9 (2010) requires that changes in the fair value of financial liabilities designated as at FVTPL which relate to changes in an entity's own credit risk should be recognised directly in other comprehensive income (OCI). However, as an exception, where this would create an accounting mismatch (which would be where there is a matching asset position that is also measured as at FVTPL), an irrevocable decision can be taken to recognise the entire change in fair value of the financial liability in profit or loss.		

Summary Of Significant Accounting Policies Cont'd

	IFRS Reference	Nature of change	Application date	Impact on initial Application
ix.)	IFRS 9 (2013) Issued: November 2013	"Three significant changes/additions were made compared to the previous version of IFRS 9:- Add new hedge accounting requirements- Withdraw the previous effective date of 1 January 2015 and leave it open pending the completion of outstanding phases of IFRS 9- Make the presentation of changes in 'own credit' in other comprehensive income (OCI) for financial liabilities under the fair value option available for early adoption without early application of the other requirements of IFRS 9. The new hedge accounting requirements are more principles-based, less complex, and provide a better link to risk management and treasury operations than the requirements in IAS 39 Financial Instruments: Recognition and Measurement." The new model allows entities to apply hedge accounting more broadly to manage profit or loss mismatches, and as a result reduce 'artificial' hedge ineffectiveness that can arise under IAS 39. Key changes introduced by the new model include: - Simplified effectiveness testing, including removal of the 80-125% highly effective threshold - More items will now qualify for hedge accounting, eg pricing components within a non-financial item, and net foreign exchange cash positions - Entities can hedge account more effectively the exposures that give rise to two risk positions (eg interest rate risk and foreign exchange risk, or commodity risk and foreign exchange risk) that are managed by separate derivatives over different periods - Less profit or loss volatility when using options, forwards, and foreign currency swaps - New alternatives available for economic hedges of credit risk and 'own use' contracts which will reduce profit or loss volatility.	Can only be applied if an entity's date of initial application is before February 2015.	
x.)	IFRS 9 (2014) Issued: July 2014	"IFRS 9 Financial Instruments (2014) incorporates the final requirements on all three phases of the financial instruments projects – classification and measurement, impairment, and hedge accounting. IFRS 9 (2014) adds to the existing IFRS 9:- New impairment requirements for all financial assets that are not measured at fair value through profit or loss . -Amendments to the previously finalised classification and measurement requirements for financial assets.In a major change, which will affect all entities, a new 'expected loss' impairment model in IFRS 9 (2014) replaces the 'incurred loss' model in IAS 39 Financial Instruments: Recognition and Measurement. Under IFRS 9 (2014), the impairment model is a more 'forward looking' model in that a credit event (or impairment 'trigger') no longer has to occur before credit losses are recognised. For financial assets measured at amortised cost or fair value through other comprehensive income (FVTOCI), an entity will now always recognise (at a minimum) 12 months of expected losses in profit or loss. Lifetime expected losses will be recognised on these assets when there is a significant increase in credit risk after initial recognition." For trade receivables there is a practical expedient to calculate expected credit losses using a provision matrix based on historical loss patterns or customer bases. However, those historical provision rates would require adjustments to take into account current and forward looking information. The new	Mandatory adoption for periods beginning on or after 1 January 2018. Early adoption permitted.	The Company is still assessing the impact of adoption.

Summary Of Significant Accounting Policies Cont'd

	IFRS Reference	Nature of change	Application date	Impact on initial Application
		impairment requirements are likely to bring significant changes. Although provisions for trade receivables may be relatively straightforward to calculate, new systems and approaches may be needed. However, for financial institutions the changes are likely to be very significant and require significant changes to internal systems and processes in order to capture the required information. In other changes, IFRS 9 (2014) also introduces additional application guidance to clarify the requirements for contractual cash flows of a financial asset to be regarded as giving rise to payments that are Solely Payments of Principal and Interest (SPPI), one of the two criteria that need to be met for an asset to be measured at amortised cost. Previously, the SPPI test was restrictive, and the changes in the application of the SPPI test will result in additional financial assets being measured at amortised cost. For example, certain instruments with regulated interest rates may now qualify for amortised cost measurement, as might some instruments which only marginally fail the strict SPPI test. "A third measurement category has also been added for debt instruments - FVTOCI. This new measurement category applies to debt instruments that meet the SPPI contractual cash flow characteristics test and where the entity is holding the debt instrument to both collect the contractual cash flows and to sell the financial assets.In comparison with previous versions of IFRS 9, the introduction of the FVTOCI category may result in less profit or loss volatility, in particular for entities such as insurance companies which hold large portfolios with periodic buying and selling activities. " The amendments could lead to significant reclassifications of debt instruments across the different measurement categories: amortised cost, FVTOCI, and FVTPL. This may lead to less volatility in profit or loss for debt investment portfolios, but greater equity volatility if assets are reclassified from amortised cost to FVTOCI (which could affect regulatory capital).		
xi.)	IFRS 9 (own credit risk requirements)	"IFRS 9 (2014) provides an option to early adopt the 'own credit' provisions for financial liabilities measured at fair value through profit or loss (FVTPL) under the fair value option without any of the other requirements of IFRS 9. This option will remain available until 1 January 2018.Entities that use the fair value option and designate financial liabilities at fair value through profit or loss (FVTPL) present the fair value changes in 'own credit' in OCI instead of profit or loss.Therefore, for financial liabilities designated at FVTPL, entities can continue to apply IAS 39 Financial Instruments: Recognition and Measurement but follow the presentation requirement in IFRS 9 and present the changes in 'own credit' in OCI.This amendment is expected to mainly affect financial institutions and insurers."	Can be applied until the effective date of IFRS 9 (2014) which is 1 January 2018.	

Summary Of Significant Accounting Policies Cont'd

	IFRS Reference	Nature of change	Application date	Impact on initial Application
xii.)	IFRS 10 Consolidated financial statements			
	Amendments to IFRS 10 Issued: September 2014	"Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint VentureThe amendments clarify the accounting for transactions where a parent loses control of a subsidiary, that does not constitute a business as defined in IFRS 3 Business Combinations, by selling all or part of its interest in that subsidiary to an associate or a joint venture that is accounted for using the equity method.In the case of any retained interest in the former subsidiary, gains and losses from the remeasurement are treated as follows:" "- The retained interest is accounted for as an associate or joint venture using the equity method:The parent recognises the gain or loss in profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture. The remainder is eliminated against the carrying amount of the investment in the associate or joint venture.- The retained interest is accounted for at fair value in accordance with IFRS 9 Financial Instruments:The parent recognises the gain or loss in full in profit or loss."	Mandatory adoption for periods beginning on or after 1 January 2016. Early adoption permitted.	No impact.
xiii.)	IFRS 11 Joint Arrangements			
	IFRS 11 Joint Arrangements	"Amendments to IFRS 11 – Accounting for Acquisitions of Interests in Joint OperationsThe amendments require an entity to apply all of the principles of IFRS Business Combinations when it acquires an interest in a joint operation that constitutes a business as defined by IFRS 3. The amendment also includes two new Illustrative Examples:- Accounting for acquisitions of interests in joint operations in which the activity constitutes a business- Contributing the right to use know-how to a joint operation in which the activity constitutes a business." A consequential amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards has also been made, to clarify that the exemption from applying IFRS 3 to past business combinations upon adoption of IFRS also applies to past acquisitions of interests in joint operations in which the activity of the joint operation constitutes a business, as defined in IFRS 3.	Mandatory adoption for periods beginning on or after 1 January 2016. Early adoption permitted.	No impact.
xiv.)	IFRS 13 Fair Value Measurement			
	Annual Improvements (2010-2012 Cycle) Issued: December 2013	The amendment clarifies that short-term receivables and payables with no stated interest rate can still be measured at the invoice amount without discounting, if the effect of discounting is immaterial.	Mandatory adoption for periods beginning on or after 1 July 2014. Early adoption permitted.	No impact.
xv.)	Scope of IFRS 13.52 (portfolio exemption)			
	Improvements (2011-2013 Cycle) Issued: December 2013	"IFRS 13.52 defines the scope of the exception that permits an entity to measure the fair value of a group of financial assets and financial liabilities on a net basis. This is often referred to as the portfolio exception.The amendment clarifies that the portfolio exception applies to all contracts within the scope of IAS 39 Financial Instruments: Recognition and Measurement (or IFRS 9 Financial Instruments if this has been adopted early), regardless of whether they meet the definition of financial assets or financial liabilities in IAS 32 Financial Instruments: Presentation."	Mandatory adoption for periods beginning on or after 1 July 2014. Early adoption permitted.	No impact.

Summary Of Significant Accounting Policies Cont'd

	IFRS Reference	Nature of change	Application date	Impact on initial Application
xvi.)	IFRS 14 Regulatory Deferral Accounts			
	Amendments to IFRS 10 Issued: September 2014	"In many countries, industry sectors (including utilities such as gas, electricity and water) are subject to rate regulation where governments regulate the supply and pricing. This can have a significant effect on the amount and timing of an entity's revenue. Some national GAAPs require entities that operate in industry sectors subject to rate regulation, to recognise associated assets and liabilities. The scope of IFRS 14 is narrow, with this extending to cover only those entities that:" "- Are first-time adopters of IFRS- Conduct rate regulated activities- Recognise associated assets and/or liabilities in accordance with their current national GAAP.Entities within the scope of IFRS 14 would be afforded an option to apply their previous local GAAP accounting policies for the recognition, measurement and impairment of assets and liabilities arising from rate regulation, which would be termed regulatory deferral account balances.Any regulatory deferral account balances, and their associated effect on profit or loss, would be recognised and presented separately from other items in the primary financial statements. As a result, for those entities that elect to adopt IFRS 14, all other line items and subtotals would exclude the effects of regulatory deferral accounts, meaning that they would be comparable with other entities that report in accordance with IFRS but do not apply IFRS 14." "Application guidance is included in IFRS 14 in respect of other IFRSs that would need to be considered alongside the previous national GAAP accounting requirements in order for these regulatory deferral accounts to be accounted for appropriately in an entity's IFRS financial statements, including:- IAS 10 Events after the Reporting Period- IAS 12 Income Taxes- IAS 28 Investments in Associates and Joint Ventures- IAS 33 Earnings per Share- IAS 36 Impairment of Assets- IFRS 3 Business Combinations- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations- IFRS 10 Consolidated Financial Statements- IFRS 12 Disclosure of Interests in Other Entities."	Mandatory adoption for periods beginning on or after 1 January 2016. Early adoption permitted.	No impact.

Summary Of Significant Accounting Policies Cont'd

	IFRS Reference	Nature of change	Application date	Impact on initial Application
xvii.)	IFRS 15 Revenue from Contracts with Customers			
	IFRS 15 Issued: May 2014	IFRS 15 Revenue from Contracts with Customers supersedes IAS 18 Revenue, IAS 11 Construction Contracts and related Interpretations (IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC 31 Revenue – Barter Transactions Involving Advertising Services).The objective of IFRS 15 is to clarify the principles of revenue recognition. This includes removing inconsistencies and perceived weaknesses and improving the comparability of revenue recognition practices across companies, industries and capital markets. In doing so IFRS 15 establishes a single revenue recognition framework. The core principle of the framework is, that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. "To accomplish this, IFRS 15 requires the application of the following five steps:1. Identify the contract2. Identify the performance obligation(s)3. Determine the transaction price4. Allocate the transaction price to each performance obligation5. Recognise revenue when each performance obligation is satisfied.IFRS 15 also includes specific guidance related to several additional topics, some of the key areas are:- Contract costs- Sale with a right of return- Warranties- Principal vs agent considerations- Customer options for additional goods and services- Customers unexercised rights- Non-refundable upfront fees (and some related costs)- Licensing Repurchase agreements- Consignment arrangements- Bill-and-hold arrangements- Customer acceptance." Furthermore the guidance significantly enhances the required qualitative and quantitative disclosures related to revenue. The main objective of the requirements is the disclosure of sufficient information in terms of the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. In order to meet this objective, IFRS 15 requires specific disclosures for contracts with customers and significant judgements.	Mandatory adoption for periods beginning on or after 1 January 2017. Early adoption permitted.	No impact.
xviii)	IAS 16 Property, Plant and Equipment			
	Annual Improvements (2010-2012 Cycle) Issued: December 2013	"Revaluation method – proportionate restatement of accumulated depreciationThe amendment clarifies the computation of accumulated depreciation when items of property, plant and equipment are subsequently measured using the revaluation model. The net carrying amount of the asset is adjusted to the revalued amount, and either:i. The gross carrying amount is adjusted in a manner consistent with the net carrying amount (eg proportionately to the change in the [net] carrying value, or with reference to observable market data). Accumulated depreciation is then adjusted to equal the difference between the gross and net carrying amountsii. Accumulated depreciation is eliminated against the gross carrying amount."	Mandatory adoption for periods beginning on or after 1 July 2017. Early adoption permitted.	The standard is not expected to have a material impact on the future financial statements.

Summary Of Significant Accounting Policies Cont'd

	IFRS Reference	Nature of change	Application date	Impact on initial Application
xix.)	Amendments to IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation			
	Amendments to IAS 16 Issued: May 2014	"Paragraph 62A of IAS 16 has been added to prohibit the use of revenue-based methods of depreciation for items of property, plant and equipment.Paragraph 62A clarifies that this is because the revenue generated by an activity that includes the use of an item of property, plant and equipment generally reflects factors other than the consumption of the economic benefits of the item, such as:- Other inputs and processes- Selling activities and changes in sales- Volumes and prices, and- Inflation." Paragraph 56 of IAS 16, which includes guidance for the depreciation amount and depreciation period, has been expanded to state that expected future reductions in the selling price of items produced by an item of property, plant and equipment could indicate technical or commercial obsolescence (and therefore a reduction in the economic benefits embodied in the item), rather than a change in the depreciable amount or period of the item.	Mandatory adoption for periods beginning on or after 1 January 2016. Early adoption permitted.	The Company is currently assessing the impact on adoption.
xx)	IAS 19 Employee Benefits			
	Amendments to IAS 19 Issued: November 2013	"Amendments to IAS 19 - Defined Benefit Plans: Employee ContributionsThe amendment introduces a narrow scope amendments that: - Provides a practical expedient for certain contributions from employees or third parties to a defined benefit plan, but only those contributions that are independent of the number of years of service- Clarifies the treatment of contributions from employees or third parties to a defined benefit plan that are not subject to the practical expedient. These are accounted for in the same way that the gross benefit is attributed in accordance with IAS 19.70.Contributions that are independent of the number of years of service include:- Contributions that are based on a fixed percentage of salary- Contributions of a fixed amount throughout the service period- Contributions that are dependent on the employee's age."	Mandatory adoption for periods beginning on or after 1 July 2014. Early adoption permitted.	The standard is not expected to have a material impact on the future financial statements.
xxi)	IAS 19 Employee Benefits			
	Annual Improvements (2012-2014 Cycle) Issued: September 2014	"The guidance in IAS 19 has been clarified and requires that high quality corporate bonds used to determine the discount rate for the accounting of employee benefits need to be denominated in the same currency as the related benefits that will be paid to the employee.Entities are required to apply the amendment from the earliest comparative period presented in the financial statements, with initial adjustments being recognised in retained earnings at the beginning of that period."	Mandatory adoption for periods beginning on or after 1 January 2016. Early adoption permitted.	The standard is not expected to have a material impact on the future financial statements.
xxii)	IAS 24 Related Party Disclosures			
	Annual Improvements (2010-2012 Cycle) December 2013	"The amendment clarifies that an entity that provides key management personnel services (management entity) to a reporting entity (or to the parent of the reporting entity), is a related party of the reporting entity, and:- Would require separate disclosure of amounts recognised as an expense for key management personnel services provided by a separate management entity- Would not require disaggregated disclosures by the categories set out in IAS 24.17."	Mandatory adoption for periods beginning on or after 1 July 2014. Early adoption permitted.	The standard is not expected to have a material impact on the future financial statements.

Summary Of Significant Accounting Policies Cont'd

	IFRS Reference	Nature of change	Application date	Impact on initial Application
xxiii.	IAS 27 Separate Financial Statements			
	Amendments to IAS 16 Issued: August 201	"The amendments include the introduction of an option for an entity to account for its investments in subsidiaries, joint ventures, and associates using the equity method in its separate financial statements. The accounting approach that is selected is required to be applied for each category of investment.Before the amendments, entities either accounted for its investments in subsidiaries, joint ventures or associates at cost or in accordance with IFRS 9 Financial Instruments (or IAS 39 Financial Instruments: Recognition and Measurement for those entities that have yet to adopted IFRS 9). The option to present its investments using the equity method result in the presentation of a share of profit or loss, and other comprehensive income, of subsidiaries, joint ventures and associates with a corresponding adjustment to the carrying amount of the equity accounted investment in the statement of financial position. " "Any dividends received are deducted from the carrying amount of the equity accounted investment, and are not recorded as income in profit or loss.A consequential amendment was also made to IAS 28 Investments in Associates and Joint Ventures, to avoid a potential conflict with IFRS 10 Consolidated Financial Statements for partial sell downs."	Mandatory adoption for periods beginning on or after 1 January 2016. Early adoption permitted.	The standard is not expected to have a material impact on the future financial statements.
xxiv.	IAS 34 Interim Financial Reporting			
	Annual Improvements (2012-2014 Cycle) Issued: September 2014	"The requirements of paragraph 16A of IAS 34 require additional disclosures to be presented either in the:- Notes to the interim financial statements or- Elsewhere in the interim financial report.The amendment clarifies, that a cross-reference is required, if the disclosures are presented 'elsewhere' in the interim financial report, such as in the management commentary or the risk report of an entity. However, to comply with paragraph 16A of IAS 34, if the disclosures are contained in a separate document from the interim report, that document needs to be available to users of the financial statements on the same terms and at the same time as the interim report itself."	Mandatory adoption for periods beginning on or after 1 January 2016. Early adoption permitted.	The standard is not expected to have a material impact on the future financial statements.
xxv.	IAS 38 Intangible Assets			
	Annual Improvements (2010-2012 Cycle) Issued: December 2013	"The amendment clarifies the computation of accumulated amortisation when intangible assets are subsequently measured using the revaluation model. The net carrying amount of the asset is adjusted to the revalued amount, and either:i. The gross carrying amount is adjusted in a manner consistent with the net carrying amount (eg proportionately to the change in the [net] carrying value, or with reference to observable market data). Accumulated amortisation is then adjusted to equal the difference between the gross and net carrying amountsii. Accumulated amortisation is eliminated against the gross carrying amount."	Mandatory adoption for periods beginning on or after 1 July 2014.. Early adoption permitted.	The standard is not expected to have a material impact on the future financial statements.

Summary Of Significant Accounting Policies Cont'd

	IFRS Reference	Nature of change	Application date	Impact on initial Application
xxvi.	Amendments to IAS 38 Issued: May 2014	"The amendments clarify that for intangible assets there is a rebuttable presumption that amortisation based on revenue is not appropriate.Paragraphs 98A - 98C of IAS 38 have been added to clarify that there is a presumption that revenue-based amortisation is not appropriate, and that this can only be rebutted in limited circumstances where either:- The intangible asset is expressed as a measure of revenue, or- Revenue and the consumption of the economic benefits of the intangible asset are highly correlated.Paragraph 98B clarifies that as a starting point to determining an appropriate amortisation method, an entity could determine the 'predominant limiting factor' inherent in the intangible asset, for example:- A contractual term which specifies the period of time that an entity has the right " "to use an asset- Number of units allowed to be produced- Fixed total amount of revenue allowed to be received.Paragraph 98C then clarifies that where an entity has identified that the achievement of a revenue threshold is the predominant limiting factor of an intangible asset, it may be possible to rebut the presumption that revenue-based amortisation is not appropriate."	Mandatory adoption for periods beginning on or after 1 January 2016. Early adoption permitted.	The standard is not expected to have a material impact on the future financial statements.
xxvii	IAS 40 Investment Property			
	Annual Improvements (2011-2013 Cycle) Issued: December 2013	"The amendment notes that determining whether the acquisition of an investment property is a business combination requires consideration of the specific requirements of IFRS 3, independently from the requirements of IAS 40, in relation to:- Whether the acquisition of investment property is the acquisition of an asset, a group of assets, or a business combination (by applying the requirements of IFRS 3 only)- Distinguishing between investment property and owner-occupied property (by applying the requirements of IAS 40 only)."	Mandatory adoption for periods beginning on or after 1 July 2014. Early adoption permitted.	The standard is not expected to have a material impact on the future financial statements.
xxviii	IAS 41 Agriculture			
	Amendments to IAS 41 Issued: June 2014	"The amendments extend the scope of IAS 16 Property, Plant and Equipment to include bearer plants and define a bearer plant as a living plant that:- Is used in the production process of agricultural produce,- Is expected to bear produce for more than one period; and- Has a remote likelihood of being sold (except incidental scrap sales).The changes made result in bearer plants being accounted for in accordance with IAS 16 using either:- The cost model, or- The revaluation model.The agricultural produce of bearer plants remains within the scope of IAS 41 Agriculture.The amendments include the following transitional reliefs for the purposes of their first time application:" "- Deemed cost exemption – Entities are allowed to use the fair value of the bearer plants at the beginning of the earliest period presented as the deemed cost.- Disclosures – Quantitative information describing the effect of the first time application as required by IAS 8.28(f) is not required for the current reporting period, but is required for each prior period presented."	Mandatory adoption for periods beginning on or after 1 January 2016. Early adoption permitted.	The standard is not expected to have a material impact on the future financial statements.

Summary Of Significant Accounting Policies Cont'd

5 Consolidation

i. Subsidiaries

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

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

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

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

ii) Disposal of subsidiaries

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

6) Cash and cash equivalents

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

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

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

7) Financial Assets

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

i. Available–for–sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are classified as available-for-sale or are not classified in any of the 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 and investments in projects. These investments are initially recognised at cost. After initial measurement, available-for-sale financial assets are subsequently measured at fair value using net assets valuation basis. In cases where the fair value of an unlisted equity cannot be measured reliably, the instruments are carried at cost less impairment.

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

ii Financial assets at fair value through profit or loss

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

Summary Of Significant Accounting Policies Cont'd

iii Loans and receivables

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

Impairment provisions are recognized when there is objective evidence that the Group will not be able to collect all of the amounts due under the terms of the receivable; (evidence includes significant financial difficulties on the part of the counterparty or default or significant delay in payment - over 90 days). The amount of such a provision being the difference between the carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For amounts due from policy holders and reinsurers, which are reported net, such provisions are recorded in a separate impairment account with the loss being recognised in income statement. On confirmation that the amounts receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision. Any subsequent recoveries are credited to the income statement in the period the recoveries are made. Insurance receivables are derecognised when the derecognition criteria for financial assets have been met.

iv Held-to-maturity financial assets

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity, other than:

- those that the Group upon initial recognition designates as at fair value through profit or loss;
- those that the Group designates as available-for-sale; and
- those that meet the definition of loans and receivables.

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

7.1 Determination of fair value

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

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive.

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

7.2 Reclassification of financial assets

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

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

Summary Of Significant Accounting Policies Cont'd

7.3 Impairment of financial assets

(a) Financial assets carried at amortised cost

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

i. Default or delinquency by a debtor;
ii Restructuring of an amount due to the Group on terms that the Group would not consider favourable;
iii Indications that a debtor or issuer will enter bankruptcy;
iv The disappearance of an active market for the security because of financial dificulties; and
v Observable data indicating that there is a measurable decrease in the estimated future cash flow from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

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

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

(b) Assets classified as available-for-sale

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

Summary Of Significant Accounting Policies Cont'd

7.4 Derecognition of financial assets

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

7.5 Offsetting financial instruments

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

8 Pledged Assets

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

9 Trade receivables

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

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

10 Reinsurance assets

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

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

11 Deferred acquisition costs (DAC)

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

12 Other receivabes and Prepayments

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

13 Leases

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

Summary Of Significant Accounting Policies Cont'd

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

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

14 Inventories and work in progress

The Group recognises property as inventory under the following circumstances:

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

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

15 Investments in subsidiaries

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

16 Investment property

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

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

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is charged or credited to comprehensive income.

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

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

17 Investment in associate

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

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

Summary Of Significant Accounting Policies Cont'd

18 Intangible Assets

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

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

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

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

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

19 Property, plant and equipment

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

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

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

Depreciation

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

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

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

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

An asset's carrying amount is written down immediately to its recoverable amount, if the asset's carrying amount is greater than its estimated recoverable amount.
Gains and losses on disposals are determined by comparing the proceeds with the carrying amount. These are included in the income statement in operating income.

Revaluation of land and building

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

Summary Of Significant Accounting Policies Cont'd

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

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

De-recognition

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

20 Impairment of non-financial assets

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

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

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are recognised in profit or loss.

21 Statutory deposit

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

22 Deposit for shares

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

23 Goodwill

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

24 Insurance contract liabilities

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

Insurance contract liabilities arising from insurance contracts are determined as follows:

i. Non life

a Reserves for unearned premium

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

Summary Of Significant Accounting Policies Cont'd

b Reserves for outstanding claims

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

c Reserves for unexpired risk

ii Life business

a General reserve fund

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

iii Liability adequacy test

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

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

25 Investment contracts

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

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

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

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

Receipts from administered schemes are initially recognised in group investment contract liabilities. Guaranteed interest on the schemes is recognised in profit or loss and credited to group investment contract liabilities. Actuarial differences arising on valuation of the liabilities at the reporting date is recognised in profit or loss. Group investment contract liabilities are derecognized when paid, refunded or cancelled.

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

26 Trade payables and other payables

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

27 Provisions

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

Summary Of Significant Accounting Policies Cont'd

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

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

28 Contingent liabilities

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

29 Financial liabilities

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

(a) Financial liabilities at fair value through profit and loss

This category comprises two sub-categories: financial liabilities classified as held for trading, and financial liabilities designated by the Group as at fair value through profit or loss upon initial recognition. A financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together. Gains and losses arising from changes in fair value of financial liabilities classified as held for trading are included in the income statement and are reported as 'Net gains/(losses) on financial instruments at fair value through profit or loss'. Interest expenses on financial liabilities held for trading are included in 'Net interest income'.

(b) Other liabilities measured at amortised cost

Financial liabilities that are not classified at fair value through profit or loss fall into this category and are measured at amortised cost. Financial liabilities measured at amortised cost are Deposit liabilities.

30 Borrowings

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

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

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

31 Deposit liabilities

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

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

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

32 Bank Overdraft

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

33 Current and deferred income tax

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

Summary Of Significant Accounting Policies Cont'd

income or directly in equity, respectively.

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

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realisable or the deferred income tax liability is payable.

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

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

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

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

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

34 Share Capital and Premium

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

35 Contingency reserves

Non-life business

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

Life business

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

36 Revaluation reserves

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

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

37 Foreign currency translation reserves

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

Summary Of Significant Accounting Policies Cont'd

translation reserves in the statement of financial position.

38 Earnings per share

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

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

39 Dividends

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

40 Revenue recognition

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

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

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

41 Reinsurance expenses

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

42 Salvage and subrogation recoverable

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

43 Fees and commission income

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

44 Claims expenses

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

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

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

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

45 Acquisition costs and other underwriting expenses

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

Summary Of Significant Accounting Policies Cont'd

46 Investment income

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

47 Other operating income

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

48 Management expenses

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

49 Retirement obligations and Employee benefits

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

a) Defined contribution pension scheme

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

b) Short-term benefits

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

50 Interest Income and Expenses

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

51 Events after the statement of financial position date

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

Financial Statements

Statement Of Financial Position

For the Year Ended 31 December 2014

	Notes	Group 31 December 2014	Group 31 December 2013	Company 31 December 2014	Company 31 December 2013
ASSETS		**N'000**	**N'000**	**N'000**	**N'000**
Cash and cash equivalents	3.0	13,147,603	3,702,341	5,273,617	1,127,905
Financial assets					
– Available-for-sale	4.1	549,418	825,933	-	-
– At fair value through profit or loss	4.2	128,201	219,113	128,201	125,739
– Loans and receivables	4.3	9,264,534	11,834,606	389,310	4,658,929
Pledged assets	4.4	129,467	121,712	129,467	121,712
Trade receivables	5.0	66,515	316,894	23,443	247,225
Reinsurance assets	6.0	1,562,803	862,608	1,235,294	700,876
Deferred acquisition costs	7.0	260,153	361,815	208,844	295,460
Other receivables and prepayments	8.0	1,304,096	1,177,989	653,927	174,749
Finance lease receivables	9.0	518,455	786,978	739,876	165,925
Inventories	10.0	1,659,496	3,574,848	-	-
Investment in subsidiaries	11.0	-	-	2,010,000	2,655,138
Investment in associates	11.1	-	-	-	-
Intangible assets	12.0	99,133	26,393	89,222	9,746
Property, plant and equipment	13.0	5,905,509	5,436,785	3,204,920	2,910,553
Investment property	14.0	6,984,764	1,846,398	47,000	-
Statutory deposit	15.0	500,000	500,000	300,000	300,000
Deposit for shares	16.0	195,479	371,255	55,479	954,255
Deferred tax asset	26.0	97,097	89,696	-	-
Goodwill	17.0	17,980	190,108	-	-
TOTAL ASSETS		**42,390,704**	**32,245,472**	**14,488,600**	**14,448,212**
LIABILITIES		**N'000**	**N'000**	**N'000**	**N'000**
Insurance contract liabilities	18.0	5,628,630	5,558,453	3,364,254	3,768,829
Investment contract liabilities	19.1	20,423,868	14,936,770	-	-
Trade payables	20.0	81,322	178,284	-	44,074
Other payables	21.0	4,451,076	3,713,282	1,084,493	2,954,576
Deposit liabilities	22.0	485,281	277,369	-	-
Book overdraft	23.0	6,605	248,038	6,605	7,670
Borrowings	24.0	3,619,988	3,791,739	3,562,515	3,731,443
Current income tax liabilities	25.0	505,961	455,980	248,738	202,778
Deferred income tax liabilities	26.0	957,545	701,262	673,346	433,962
TOTAL LIABILITIES		**36,160,276**	**29,861,177**	**8,939,951**	**11,143,332**
EQUITY					
Paid up share capital	27.0	4,000,000	4,000,000	4,000,000	4,000,000
Treasury shares	27.1	(250)	(250)	(250)	(250)
Retained earnings	28.0	(1,098,383)	(4,597,996)	(1,405,329)	(3,200,344)
Contingency reserve	29.0	2,024,085	1,436,756	1,665,665	1,216,911
Revaluation reserve	30.0	1,288,563	1,288,563	1,288,563	1,288,563
Foreign currency translation reserves	31.0	-	14,606	-	-
SHAREHOLDERS' FUNDS		**6,214,014**	**2,141,679**	**5,548,649**	**3,304,880**
Total equity attributable to the owners of the parent		6,214,014	2,141,679	5,548,649	3,304,880
Non-controlling interest in equity	32.0	16,414	242,616	-	-
TOTAL EQUITY		**6,230,428**	**2,384,295**	**5,548,649**	**3,304,880**
TOTAL LIABILITIES AND EQUITY		**42,390,704**	**32,245,472**	**14,488,600**	**14,448,212**

Signed on behalf of the Board of Directors on 11 June 2015 by:

Additionally certified by:

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

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

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

The accounting policies on pages 39 to 64 and notes on pages 71 to 153 form an integral part of the financial statements. Auditors report, page 38.

Statement Of Profit Or Loss And Other Comprehensive Income

For the Year Ended 31 December 2014

	Notes	Group 31 December 2014	Group 31 December 2013	Company 31 December 2014	Company 31 December 2013
		N'000	N'000	N'000	N'000
Gross premium written	33.0	15,451,048	8,125,494	11,354,526	5,326,871
Gross premium income	33.0	15,535,631	7,680,854	11,347,162	5,246,029
Re-insurance expenses	33.0	(6,193,206)	(954,019)	(6,070,869)	(878,559)
Net premium income		9,342,425	6,726,835	5,276,293	4,367,470
Commission received	33.2	957,822	109,201	837,247	58,016
Net underwriting income		10,300,247	6,836,036	6,113,540	4,425,486
Claims:					
Claims expenses (Gross)	34.0	(2,495,798)	(4,008,410)	(1,133,423)	(1,945,566)
Claims expenses recovered from reinsurers	34.0	129,538	1,230,782	(125,705)	297,416
Claims expenses (Net)		(2,366,260)	(2,777,628)	(1,259,128)	(1,648,150)
Increase in life fund	18.1.2(d)	(180,210)	-	-	-
Acquisition costs	35.1	(1,350,742)	(1,006,485)	(1,057,287)	(888,004)
Maintenance expenses	35.2	(896,823)	(479,025)	(109,047)	(124,508)
Total underwriting expenses		(4,794,035)	(4,263,138)	(2,425,462)	(2,660,662)
Underwriting results		5,506,212	2,572,898	3,688,078	1,764,824
Loss on investment contract liabilities	36.0	(148,389)	(485,722)	-	-
Investment income	37.0	1,071,267	1,028,397	931,857	935,977
Net fair value gain on financial assets at FVTPL	38.0	10,217	80,577	10,217	87,286
Reversal of commission payable on trade receivables	21.1	-	727,442	-	727,442
Other income	39.0	3,191,772	2,593,761	275,971	773,249
Impairment charge no longer required	40.0	589,174	251,002	511,800	112,062
Impairment charges	41.0	(106,734)	(151,069)	(18,502)	(725,685)
Management expenses	42.0	(4,205,477)	(4,673,128)	(1,893,774)	(2,334,020)
Employees benefit expenses	43.0	(1,519,549)	(1,159,437)	(762,659)	(631,337)
Results of operating activities		4,388,493	784,721	2,742,988	709,798
Finance costs	44.0	(52,964)	(58,497)	(137,500)	(18,221)
Finance income	45.0	191,009	184,851	-	-
Profit before tax		4,526,538	911,075	2,605,488	691,577
Income tax expense	25.0	(427,408)	(355,325)	(361,720)	(116,707)
Profit after tax		4,099,130	555,750	2,243,768	574,870
Profit attributable to:					
Owners of the parent		4,086,941	557,288	2,243,768	574,871
Non-controlling interests	32.0	12,189	(1,536)	-	-
		4,099,130	555,750	2,243,768	574,871
Other comprehensive income:					
Foreign currency translation reserve		-	1,784	-	-
Revaluation surplus on Property plant and equipment (Net of tax)		-	(48,787)	-	-
Loss of non controlling interest		(238,391)			-
Other comprehensive income for the year		(238,391)	(47,003)	-	-
Total comprehensive income for the year		3,860,739	508,747	2,243,768	574,871
Owners of the parent		3,848,550	510,283	-	-
Non-controlling interests		12,189	(1,536)	-	-
Total comprehensive income for the year		3,860,739	508,747	-	-
Basic earnings per share	46.0	51.24	6.95	28.05	7.19

Statement Of Changes In Equity

For the Year Ended 31 December 2014

Group

	Share capital N'000	Treasury shares	Foreign currency translation reserve N'000	Contingency reserve N'000	Revaluation reserve N'000	Retained earnings N'000	Total N'000	Non Controlling interest N'000	Total equity N'000
Balance 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						4,086,941	4,086,941	12,189	4,099,130
Non controlling interest written off during the year	-		-	-	-	-	-	(238,391)	(238,391)
Other comprehensive income:									
Foreign currency translation reserve (note 31)	-		(14,606)	-	-	-	(14,606)	-	(14,606)
Total comprehensive income for the year	-	-	(14,606)	-	-	4,086,941	4,072,335	(226,202)	3,846,133
Transactions with owners recorded directly in equity									
Contributions by and distribution to owners									
Transfer to contingency reserve	-	-	-	587,329	-	(587,329)	-		-
Total transactions with owners	-		-	587,329	-	(587,329)	-	-	-
Balance 31 December, 2014	4,000,000	(250)	-	2,024,085	1,288,563	(1,098,384)	6,214,014	16,414	6,230,428

	Share capital N'000	Treasury shares	Foreign currency translation reserve N'000	Contingency reserve N'000	Revaluation reserve N'000	Retained earnings N'000	Total N'000	Non Controlling interest N'000	Total equity N'000
Balance 1 January, 2013	4,000,000	(250)	12,791	1,251,609	1,327,593	(4,970,137)	1,621,606	253,940	1,875,546
Total comprehensive income for the year:									
Profit for the year	-	-	-	-	-	557,288	557,288	(1,536)	555,752
Other comprehensive income:									
Surplus on revaluation of PPE	-	-	-	-	80,525	-	80,525	-	80,525
Revaluation surplus transferred to retained earnings	-	-	-	-	(119,555)		(119,555)	-	(119,555)
Foreign currency translation reserve			1,815				1,815	(31)	1,784
Revaluation surplus on asset disposed	-	-	-	-	-	-	-	(9,757)	(9,757)
Total comprehensive income for the period	-	-	1,815	-	(39,030)	557,288	520,073	(11,324)	508,749
Transactions with owners recorded directly in equity									
Contributions by and distribution to owners									
Dividends to equity holders	-	-	-	-	-	-	-	-	-
Transfer to contingency reserve	-	-	-	185,147	-	(185,147)	-	-	-
Total transactions with owners	-	-	-	185,147	-	(185,147)	-	-	-
Balance 31 December, 2013	4,000,000	(250)	14,606	1,436,756	1,288,563	(4,597,996)	2,141,679	242,616	2,384,295

Statement Of Changes In Equity Cont'd

For the Year Ended 31 December 2014

Company

	Share capital N'000	Treasury shares	Revaluation reserve N'000	Contingency reserve N'000	Retained earnings N'000	Total N'000
Balance 1 January, 2014	4,000,000	(250)	1,288,563	1,216,911	(3,200,343)	3,304,881
Total comprehensive income for the year:						
Profit for the year	-		-	-	2,243,768	2,243,768
Transfer to contingency reserve	-		-	448,754	(448,754)	-
Total comprehensive income for the year	-		-	448,754	1,795,014	2,243,768
Transactions with owners recorded directly in equity	-		-	-	-	-
Balance at 31 December, 2014	4,000,000	(250)	1,288,563	1,665,665	(1,405,329)	5,548,649

Company

	Share capital N'000	Treasury shares	Revaluation reserve N'000	Contingency reserve N'000	Retained earnings N'000	Total N'000
Balance 1 January, 2013	4,000,000	(250)	1,288,563	1,057,105	(3,615,408)	2,730,010
Total comprehensive income for the year:						
Profit for the year	-		-	-	574,870	574,870
Transfer to contingency reserve	-		-	159,806	(159,806)	-
Total comprehensive income for the year	-		-	159,806	415,064	574,870
Transactions with owners recorded directly in equity	-		-	-	-	-
Balance 31 December, 2013	4,000,000	(250)	1,288,563	1,216,911	(3,200,344)	3,304,880

Statement of Cash Flows

For the Year Ended 31 December 2014

		Group 31 December 2014	Group 31 December 2013	Parent 31 December 2014	Parent 31 December 2013
Cash flows from operating activities		**N'000**	**N'000**	**N'000**	**N'000**
Cash received from policy holders		15,701,427	9,242,701	11,578,308	5,807,827
Commission received		957,822	109,201	837,247	58,016
Reinsurance cost		(6,872,263)	(1,082,202)	(6,730,992)	(1,006,742)
Claims paid		(2,542,930)	(3,021,681)	(1,545,327)	(1,386,595)
Claims recovered from/(paid) to reinsurers		353,529	1,230,782	98,286	297,416
Commission paid		(1,249,080)	(1,063,836)	(970,671)	(917,126)
Other cash received		483,589	3,549,672	317,751	1,687,925
Cash paid to brokers, suppliers and other provider of services		(864,499)	(4,161,081)	(3,160,956)	(3,331,474)
		5,967,595	4,803,556	423,646	1,209,247
Income tax paid		(126,754)	(190,010)	(76,376)	(171,909)
Net cash provided by operating activities	47.0	5,840,841	4,613,546	347,270	1,037,338
Cash flows from investing activities					
Purchase of property, plant and equipment	13.0	(1,806,679)	(453,223)	(1,052,452)	(185,685)
Proceed from the disposal of property, plant and equipment		48,109	335,612	866	20,193
Additions to investment property	14.0	(47,000)	(1,667,403)	(47,000)	-
Additions to Available-for-sale financial assets	4.1.1(a)	(83,818)	-	-	-
Purchase of intangible assets	12.0	(94,439)	(1,400)	(95,758)	-
Additions to finance lease receivables	9.0	(58,885)	(90,192)	(58,885)	(138,061)
Repayment of finance lease receivables	9.0	284,195	307,749	198,278	258,503
Additions to loans and receivables	4.3.1	(377,890)	(616,300)	(298,850)	(114,070)
Repayment of loans and receivables	4.3.1	5,169,082	46,808	5,125,349	76,808
Proceeds from disposal of trading securities		-	6,183	-	-
Deposit for shares in subsidiaries	16.0	(125,479)	(371,255)	(55,479)	(371,255)
Increase in deposit for shares	21.6	600,000			
Refund of deposit for shares	16.0	220,937	-	220,937	-
Net cash generated from/(used in) investing activities		3,728,133	(2,503,421)	3,937,006	(453,567)
Cash flows from financing activities					
Finance cost	44.0	(52,964)	(58,497)	(137,500)	(18,221)
Finance income	45.0	191,009	184,851	-	-
Repayment of Long term borrowings		(20,324)	(290,522)	-	(159,247)
Net cash generated from/(used in) financing activities		117,721	(164,168)	(137,500)	(177,468)
Net increase in cash and cash equivalents		9,686,695	1,945,957	4,146,776	406,303
Cash and cash equivalent at beginning of year		3,454,303	1,508,346	1,120,235	713,932
Cash and cash equivalent at end of year	3.1	13,140,998	3,454,303	5,267,011	1,120,235

Notes To The Financial Statement

For the Year Ended 31 December 2014

1.0 MANAGEMENT OF INSURANCE AND FINANCIAL RISK

1.01 Insurance risk

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

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

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

i) Frequency and severity of claims

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

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

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

ii) Concentration of insurance risk

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

Outstanding claims

Class of Business	No. of claims	2014 Gross N'000	Net N'000	No. of claims	2013 Gross N'000	Net N'000
Accident	1,186	611,662	553,165	1,228	542,533	523,374
Fire	474	183,319	154,530	338	328,440	229,028
Workmen's compensation	-	-	-	-	-	-
Motor	680	265,310	243,012	968	315,115	290,049
Marine and Aviation	67	88,230	72,236	57	55,884	54,047
Engineering	85	43,786	35,022	110	13,122	12,704
Oil and Gas	37	290,875	290,875	26	201,231	201,231
Bonds	9	4,636	4,636	7	148,566	148,083
	2,538	1,487,818	1,353,476	2,734	1,604,891	1,458,516

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

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

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

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

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

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

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

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

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

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

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

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

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

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

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

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

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

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

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

The IBNR is then calculated as:
Expected average ultimate loss ratio for the assumed average delay period
x earned premium for the assumed delay period

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

- Current experience to date relating to the accident months that the delay implies

Assumptions underlying the Loss Ratio method

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

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

General Accident

General Accident is the largest class of business in terms of written premium in financial year 2014, making up almost ------% of total written premium. However, this also includes the following classes of business, which have not been reported separately for all prior accident years:

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

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

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

Motor

Motor is the second largest class of business in terms of written premium in financial year 2014, making up more than 32% of total written premium. This class of business exhibits a much shorter tail than other classes of business, where the majority of claims are paid within the first three development years.

A Basic Chain Ladder was used for accident years prior to 2014 and a BF method was used for accident year 2014, with an initial expected loss ratio of 47%. AY 2014 has seen a bigger proportion of claims reported and paid after the first year of development compared to that observed for all previous accident years. As such, the initial expected loss ratio was based on the expected ultimate loss ratio for AY 2014. This was determined considering the average increase in the loss ratios incurred after the first development year for previous accident years, to the latest expected ultimate loss ratios for the respective accident years as at 31 December, 2014.

As at 31 December 2014, there are four large claims that have been reported but not paid yet that were excluded from the triangles and projections used in calculating the IBNR. All of these relate to losses occurring during accident year 2014. While these claims may not appear exceptionally large on an individual level compared to claims from older accident years experienced on this class of business, this was deemed as an unusual number of claims of this relative size to be experienced in a single accident year.

Fire

"Four extreme large losses are seen in this class of business in accident years 2010, 2012 and 2013 and these were not included in the derivation of the development patterns to determine the IBNR to be held as at 31 December 2014. A Basic Chain Ladder was used, again with a BF method being used for the most recent accident year, to project the expected claims development. This was done to allow for the different experience observed to date for accident year 2014. The initial expected loss ratio assumption of 52% was based on the average loss ratio incurred to date over the previous three accident years."

Marine

Marine is the smallest class of business in terms of written premium in financial year 2014 making up approximately 10% of total written premium. A Basic Chain Ladder method was used to project future claims, again with a BF method being used for the most current accident year. An initial expected loss ratio of 10% was used. This is based on the average incurred loss ratio to date that is seen over the previous four accident years, with a small allowance for potential future development. As at 31 December 2014, there are four unusually large claims compared to other claims experienced on this class of business, two that were paid during 2014 and two that have been reported but not paid as yet originating from various accident years. These claims were excluded from the projections used in calculating the IBNR so as not to distort the development patterns

Sensitivity analysis

Sensitivity analysis are performed to test the variability around the reserves that are calculated at a best estimate level. The estimated claim amounts can never be an exact forecast of future claim amounts and therefore looking at how these claim amounts can vary can provide

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

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 2014. The 75th percentile is a generally accepted level of prudency. Due to the limited volume of data and claim amounts the sensitivity was tested by using a Normal distribution. As the history and volume of the data increases, sensitivity analysis will be done using the Thomas Mack method and Bootstrapping additionally

Results based on the Normal Distribution

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

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

Class of business	Best Estimate	75% using Normal Distribution
Fire	57,024,685	71,956,795
General Accident	77,668,269	98,005,972
Oil and Gas	217,703,972	274,710,504
Motor	70,551,784	89,026,011
Marine	15,382,951	19,411,029
Total	**438,331,661**	**553,110,311**

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

In conclusion, there is only a 25% chance that the IBNR reserves required by the Company will exceed NGN533m as at 31 December 2014 on a gross basis.

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

1.02 Financial risk

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

The most important components of this financial risk are:

- Market risk (which includes foreign exchange risk, interest rate risk and equity price risk)
- Credit risk;
- Liquidity risk;

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

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

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

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

i) Market risk

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

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

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

(a) Foreign exchange risk

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

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

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

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

	Equivalent in N'000				
At December 31, 2014	N'000	¥'000	€'000	$'000	Total
Assets:					
Non-current assets	3,204,920	-	-	-	3,204,920
Current assets	6,010,063	-	-	-	6,010,063
Bank balances, deposits and cash	5,273,617	-	-	-	5,273,617
TOTAL ASSETS	**14,488,600**	**-**	**-**	**-**	**14,488,600**
Liabilities:					
Current liabilities	4,704,090	-	-	-	4,704,090
Non-current liabilities	1,074,216	3,161,645	-	-	4,235,861
TOTAL LIABILITIES	**5,778,306**	**3,161,645**	**-**	**-**	**8,939,951**

At December 31, 2013	N'000	¥'000	€'000	$'000	Total
Assets:					
Non-currents assets	2,910,553	-	-	-	2,910,553
Current assets	10,409,754	-	-	-	10,409,754
Bank balances, deposits and cash	1,127,905	-	-	-	1,127,905
TOTAL ASSETS	**14,448,212**	**-**	**-**	**-**	**14,448,212**
Liabilities:					
Current liabilities	6,977,927	-	-	-	6,977,927
Non-current liabilities	834,832	3,330,573	-	-	4,165,405
TOTAL LIABILITIES	**7,812,759**	**3,330,573**	**-**	**-**	**11,143,332**

Sensitivity

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

Impact on Results : **Group**	NGN	USD (Converted to NGN)	Euro (Converted to NGN)	Carrying Value N'000	+ 5% N'000	- 5% N'000
At December 31, 2014						
Bank balances and deposits	13,147,603	-	-	13,147,603	-	-
At December 31, 2013						
Bank balances and deposits	3,702,341	-	-	3,702,341	-	-

Impact on Results : **Company**	NGN	USD (Converted to NGN)	Euro (Converted to NGN)	Carrying Value N'000	+ 5% N'000	- 5% N'000
At December 31, 2014						
Bank balances and deposits	5,273,617	-	-	5,273,617	-	-
At December 31, 2013						
Bank balances and deposits	1,127,905			1,127,905	-	-

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

(b) Interest rate risk

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

Sensitivity

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

Group

		Impact on results	
At December 31, 2014	**Carrying amount N'000**	**+ 1% N'000**	**- 1% N'000**
Loans and receivables	9,264,534	20,382	(20,382)
Short term bank deposits	5,580,901	1,674	(1,674)
Treasury bills	5,469,351	1,641	(1,641)
Finance lease receivables	518,455	1,141	(1,141)
Total interest earning assets	**20,833,241**	**24,837**	**(24,837)**
Borrowings	3,619,988	(7,602)	7,602
Investment contract liabilities	20,423,868	(6,127)	6,127
Deposit liabilities	485,281	(1,019)	(1,019)

		Impact on results	
At December 31, 2013	**Carrying amount N'000**	**+ 1% N'000**	**- 1% N'000**
Loans and receivables	11,834,606	26,036	(26,036)
Short term bank deposits	2,071,341	621	(621)
Treasury bills	27,181	8	(8)
Finance lease receivables	786,978	1,731	(1,731)
Total interest earning assets	14,720,106	28,398	(28,398)
Borrowings	3,791,739	(7,963)	7,963
Investment contract liabilities	14,936,770	(4,481)	4,481
Deposit liabilities	277,369	(83)	83
Total interest bearing liabilities	19,005,878	(12,526)	12,526

		Impact on results	
Company At December 31, 2014	**Carrying amount N'000**	**+ 1% N'000**	**- 1% N'000**
Loans and receivables	389,310	856	(856)
Short term bank deposits	3,788,901	1,137	(1,137)
Finance lease receivables	739,876	1,628	(1,628)
Total interest earning assets	4,918,087	3,621	(3,621)
Borrowings	3,562,515	(7,481)	7,481
Total interest bearing liabilities	3,562,515	(7,481)	7,481

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

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

(c) Equity price risk

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

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

Sensitivity

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

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

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

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

1.03 Types of financial risk

(a) Credit Risk

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

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

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

(i) Reinsurance credit exposures

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

The Company manages its reinsurance counterparty exposures and the reinsurance department has a monitoring role over this risk.

This exposure is monitored on a regular basis for any shortfall in the claims history to verify that the contract is progressing as expected and that no further exposure for the Company will arise.

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

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

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

(ii) Estimates of future claims payments

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

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

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

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

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

(iii) Sensitivity

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

(iv) Uncertainties and judgements

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

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

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

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

(b) Liquidity Risk

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

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

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

Group

As at 31 December 2014

ASSETS	GROSS AMOUNT N'000	0-3MONTHS N'000	3-6MONTHS N'000	6-9MONTHS N'000	9-12MONTHS N'000	1YEAR AND ABOVE N'000
Cash & Cash Equivalents	13,147,603	13,147,603	-	-	-	-
FINANCIAL ASSETS						
Available for sale	549,418	-	-	-	-	549,418
At Fair Value	128,201	-	-	-	-	128,201
Loans & Receivables	9,264,534	2,389,606	-	-	1,977,611	4,897,317
Trade Receivables	66,515	66,515	-	-	-	-
Re-insurance Assets	1,562,803	1,562,803	-	-	-	-
Other receivables	1,304,096	283,963	-	-	1,020,133	-
Finance Lease receivables	518,455	319,434	-	-	-	199,021
TOTAL FINANCIAL ASSETS	26,541,626	17,769,924	-	-	2,997,744	5,773,957
Other Payables	4,451,076	3,326,200	414,465	-	710,411	-
Overdraft	6,605	6,605	-	-	-	-
Borrowings	3,619,988	-	-	-	-	3,619,988
TOTAL FINANCIAL LIABILITIES	8,077,669	3,332,805	414,465	-	710,411	3,619,988
NET FINANCIAL ASSETS/LAIBILITIES	18,463,957	14,437,119	(414,465)	-	2,287,333	2,153,969
Insurance Contract Liabilities	5,628,630	1,373,336	1,166,270	839,316	1,228,015	881,877
Net Policyholders Assets/(Liabilities)	12,835,327	13,063,783	(1,580,735)	(839,316)	1,059,318	1,272,092

As at 31 December 2013

ASSETS	N'000	N'000	N'000	N'000	N'000	N'000
Cash & Cash Equivalents	3,702,341	3,702,341	-	-	-	-
FINANCIAL ASSETS						
Available for sale	825,933	-	-	-	-	825,933
At Fair Value	219,113	-	-	-	-	219,113
Loans & Receivables	11,834,606	504,787	1,624,573	1,088,700	1,898,191	6,718,355
Trade Receivables	316,894	316,894				-
Re-insurance Assets	862,608	862,608	-	-	-	-
Other receivables	1,177,989	1,177,989	-	-	-	-
Finance Lease receivables	786,978	570,102	-	-	-	216,876
TOTAL FINANCIAL ASSETS	19,726,462	7,134,721	1,624,573	1,088,700	1,898,191	7,980,277
Other Payables	3,713,282	3,112,918	-	364,618	235,746	-
Overdraft	248,038	248,038	-	-	-	-
Borrowings	3,791,739	160,117	-	-	-	3,631,622
TOTAL FINANCIAL LIABILITIES	7,753,059	3,521,073	-	364,618	235,746	3,631,622
NET FINANCIAL ASSETS/ (LAIBILITIES)	11,973,403	3,613,648	1,624,573	724,082	1,662,445	4,348,655
Insurance Contract Liabilities	5,558,453	840,655	1,003,151	1,469,396	2,150,677	94,574
Net Policyholders Assets / (Liabilities)	6,414,950	2,772,993	621,422	(745,314)	(488,232)	4,254,081

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

Company

As at 31 December 2014

ASSETS	GROSS AMOUNT N'000	0-3MONTHS N'000	3-6MONTHS N'000	6-9MONTHS N'000	9-12MONTHS N'000	1YEAR AND ABOVE N'000
Cash & Cash Equivalents	5,273,617	5,273,617	-	-	-	-
FINANCIAL ASSETS						
At Fair Value	128,201	128,201	-	-	-	-
Loans & Receivables	389,310	-	-	-	-	389,310
Trade Receivables	23,443	23,443				
Re-insurance Assets	1,235,294	1,946,746	-	-	-	-
Other receivables	653,927	653,927	-	-	-	-
Finance Lease receivables	739,876	71,149	-	-	-	-
Investment in Subsidiaries	2,010,000	-	-	-	-	2,010,000
TOTAL FINANCIAL ASSETS	10,453,668	8,097,083	-	-	-	2,399,310
Other Payables	1,084,493	1,084,493	-	-	-	-
Overdraft	6,605	6,605	-	-	-	-
Borrowings	3,562,515	-	-	-	-	3,562,515
TOTAL FINANCIAL LIABILITIES	4,653,613	1,091,098			-	3,562,515
NET FINANCIAL ASSETS/ (LAIBILITIES)	5,800,055	7,005,985	-	-	-	(1,163,205)
Insurance Contract Liabilities	3,364,254	480,740	1,166,270	839,316	1,228,015	54,488
Net Policyholders Assets/(Liabilities)	2,435,801	6,525,245	(1,166,270)	(839,316)	(1,228,015)	(1,217,693)

As at 31 December 2013

ASSETS	GROSS AMOUNT N'000	0-3MONTHS N'000	3-6MONTHS N'000	6-9MONTHS N'000	9-12MONTHS N'000	1YEAR AND ABOVE N'000
Cash & Cash Equivalents	1,127,905	1,127,905	-	-	-	-
FINANCIAL ASSETS						
At Fair Value	125,739	125,739	-	-	-	-
Loans & Receivables	4,658,929	504,787	-	-	-	4,154,142
Trade Receivables	247,225	45,759	50,215	-	151,251	-
Re-insurance Assets	700,876	700,876	-	-	-	-
Other receivables	174,749	174,749	-	-	-	-
Finance Lease receivables	165,925	130,505	-	-	-	35,420
Investment in Subsidiaries	2,655,138	-	-	-	-	2,655,138
TOTAL FINANCIAL ASSETS	9,856,486	2,810,320	50,215	-	151,251	6,844,700
Other Payables	2,954,576	2,954,576	-	-	-	-
Overdraft	7,670	7,670	-	-	-	-
Borrowings	3,731,443	-	-	-	-	3,731,443
TOTAL FINANCIAL LIABILITIES	6,693,689	2,962,246	-	-	-	3,731,443
NET FINANCIAL ASSETS/ (LAIBILITIES)	3,162,797	(151,926)	50,215	-	151,251	3,113,257
Insurance Contract Liabilities	3,768,829	393,543	956,549	687,880	1,686,583	44,274
Net Policyholders (Liabilities)/assets	(606,032)	(545,469)	(906,334)	(687,880)	(1,535,332)	3,068,983

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

1.04 Risk Categorisation

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

Financial risk
Business risk
Operational risk
Hazard risk
Underwriting risk

Financial risk comprises of market, liquidity and credit risk.

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

Operational Risk

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

Hazard Risk

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

Insurance/underwriting Risk

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

The risk categorization are presented in the table below:

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

Claims Paid Triangulations as at December 2014

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

Fire

	Development									
Accident Period	0	1	2	3	4	5	6	7	8	9
2005	-	-	-	5,275,520	5,275,520	5,275,520	5,275,520	5,331,808	5,331,808	5,331,808
2006	-	-	306,626	306,626	306,626	306,626	306,626	306,626	306,626	
2007	-	1,122,904	1,201,085	1,201,085	1,201,085	1,201,085	1,201,085	1,201,085		
2008	7,082,065	15,488,062	17,922,545	18,753,544	18,753,544	19,185,597	19,185,597			
2009	23,250,785	43,919,238	61,740,118	61,740,118	62,003,570	62,003,570				
2010	17,577,090	206,336,990	206,901,243	210,274,492	214,681,223					
2011	65,800,221	76,138,089	80,071,596	80,353,796						
2012	23,431,930	251,109,705	325,020,659							
2013	65,906,566	237,385,553								
2014	113,695,692									

General Accident

	Development									
Accident Period	0	1	2	3	4	5	6	7	8	9
2005	-	-	-	6,035,955	6,035,955	6,451,826	6,481,718	6,481,718	6,481,718	7,065,130
2006	-	-	9,282,465	13,169,245	13,678,286	13,678,286	14,278,286	14,278,286	14,278,286	
2007	-	41,999,696	53,147,576	54,402,443	54,402,443	54,402,443	54,402,443	54,402,443		
2008	44,309,063	73,778,201	93,792,257	96,840,198	97,883,115	98,735,261	98,735,261			
2009	36,884,111	152,792,763	168,106,986	183,084,629	183,806,352	183,837,452				
2010	46,783,654	99,247,996	175,093,117	177,680,016	182,197,964					
2011	117,546,547	491,541,982	504,364,539	511,032,120						
2012	142,270,989	255,369,803	294,010,267							
2013	100,718,758	240,398,118								
2014	156,946,090									

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For the Year Ended 31 December 2014

Marine

Accident Period	Development									
	0	1	2	3	4	5	6	7	8	9
2005	-	-	-	864,629	864,629	864,629	864,629	864,629	864,629	864,629
2006	-	-	1,207,483	1,207,483	1,207,483	3,119,697	3,119,697	3,119,697	3,119,697	
2007	-	3,869,173	21,862,744	21,862,744	21,862,744	21,862,744	21,862,744	21,862,744		
2008	15,888,945	29,541,864	29,544,828	29,603,324	29,603,324	29,603,324	29,603,324			
2009	13,918,716	20,738,162	26,926,845	26,926,845	26,926,845	26,926,845				
2010	11,394,790	14,944,723	15,038,203	15,038,203	15,038,203					
2011	22,489,675	28,530,177	29,158,601	31,830,419						
2012	19,414,333	59,885,193	59,885,193							
2013	16,617,984	27,109,357								
2014	20,277,108									

Motor

Accident Period	Development									
	0	1	2	3	4	5	6	7	8	9
2005	-	-	-	-	-	-	122,545	122,545	122,545	122,545
2006	-	-	541,299	594,334	594,334	594,334	594,334	594,334	594,334	
2007	-	54,086,041	55,174,089	55,174,089	55,174,089	55,174,089	55,174,089	55,174,089		
2008	166,440,569	272,139,439	277,986,133	279,768,572	279,768,572	280,886,088	280,886,088			
2009	320,528,320	422,237,773	425,428,631	434,184,844	434,644,844	434,644,844				
2010	297,921,621	391,691,349	401,960,655	402,472,869	402,975,113					
2011	422,243,430	610,436,165	623,173,446	624,922,657						
2012	492,281,538	658,461,737	667,983,052							
2013	469,159,820	718,713,633								
2014	570,316,443									

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

Claims Paid Triangulations as at December 2013

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

Fire

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

General Accident

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

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

Marine

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

Motor

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

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For the Year Ended 31 December 2014

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

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For the Year Ended 31 December 2014

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

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For the Year Ended 31 December 2014

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

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For the Year Ended 31 December 2014

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

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

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

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

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

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

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

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

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

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

S/N	RISK TYPE	RISK ELEMENTS	RISK EVENT DESCRIPTION	INHERENT RISK RATING	RISK DRIVER DESCRIPTIONs	DESCRIPTION OF EXISTING CONTROLS
		e) Sales advise / practice errors	Mis-selling & negligent sales advisory services	high	where customers frequently return policies and endorsements, where sales people oversell company's products, and where policies are prematurely terminated or not renewed	training & employees capacity building in sales & marketing management, customer retention as a KPI for Sales/ Marketing employees
iv	External events	a)legislative & regulatory risk	non compliance, delayed compliance & inability to fully comply with regulatory & legislative procedures	extreme	where penalties are paid for non-compliance or delayed compliance of regulatory procedures	establishment of compliance unit, enforment of compliance requirement
		b) damage to company's assets	loss of company assets due to terrorism, riots and civil commotion and other fundamental perils	extreme	where the company looses one of its assets due to the occurrence of a fundametal peril	asset insurance, authorised movement of assets
		c) external fraud	Theft of information, financial collusion & forgery, impersonation, fraudulent claims, fraudulent billing by suppliers	extreme	where signatures are forged by third parties, where fraudulent billings are presented and where policy claims are manipulated	secured storage of company's financial documents, pre & post audit of supplies, pre audit of claims payment
		d) Third party liabilities.	outsourcing delivery failure, actions by third party against the company	medium	where services outsourced to third parties are impaired, and where third parties make claims on the company for negligence or breach of contract	enforceable outsourcing contract, imposition of by-laws within company premises
v	Legal/ Litigation	Contracts &documentatio, outsourcing, fiduciary breaches	missing or incomplete legal documentation, poor contract staff management, risk relating to tax legislation, either general taxation or VAT, claims dispute	medium	where contracts are not carefully drafted, where policy documents are ambiguous, where existing legislation is hard to comply with	centralisation of all contracts with legal, functional supervision of policy documents

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

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

1.05 Asset and Liability Management

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

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

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

Non Life Business	**INSURANCE CONTRACT**	**SHAREHOLDERS' FUND**	**TOTAL**
Assets	**N'000**	**N'000**	**N'000**
Cash and cash equivalents	5,273,617	-	5,273,617
Financial assets	128,201	389,310	517,511
Pledged assets	-	129,467	129,467
Trade receivables	23,443	-	23,443
Reinsurance assets	1,235,294	-	1,235,294
Finance lease receivables	739,876	-	739,876
Other receivables and prepayment	-	653,927	653,927
Investment in subsidiaries	-	2,010,000	2,010,000
Deferred acquisition costs	-	208,844	208,844
Investment property		47,000	47,000
Property, plant and equipment	-	3,204,920	3,204,920
Intangible assets	-	89,222	89,222
Statutory deposit	-	300,000	300,000
Deposit for shares	-	55,479	55,479
Total assets	7,400,431	7,088,169	14,488,600
Liabilities:			
Borrowing	-	3,562,515	3,562,515
Book overdraft	-	6,605	6,605
Other payables	-	1,084,493	1,084,493
Insurance contract liabilities	3,364,254	-	3,364,254
Current income tax liabilities	-	248,738	248,738
Deferred income tax liabilities	-	673,346	673,346
Total liabilities	3,364,254	5,575,697	8,939,951
Gap	4,036,177	1,512,472	5,548,649

The main objectives of the Company when managing capital are;

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

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

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

1.06 Capital Management

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

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

ii To allocate capital efficiently and support the development of the business by ensuring that returns on capital employed meet the requirements of its capital providers and of its shareholders.
iii To retain financial flexibility by maintaining strong liquidity and access to capital market.
iv To align the profile of assets and liabilities taking account of risks inherent in the business.
v To maintain financial strength to support new business growth and to satisfy the requirements of the policyholders, regulators and stakeholders.
vi To maintain strong credit ratings and healthy capital ratios in order to support its business objectives and maximize shareholders' value.

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

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

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

Approach to Capital Management

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

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

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

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

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

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

	Life Insurance business 31/12/2014 N'000	Non life insurance business 31/12/2014 N'000
Regulatory capital held	3,044,644	5,548,649
Minimum regulatory capital	2,000,000	3,000,000

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

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

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

The solvency margin for the Company as at 31 December 2014 is as follows:

Admissible assets	**N'000**
Cash and cash equivalents	5,273,617
Financial assets at fair value through profit or loss	128,451
Trade receivables	23,444
Reinsurance assets	1,235,294
Staff loans and advances	496,526
Deferred acquisition cost	208,844
Finance lease receivables	739,876
Investment in subsidiaries	2,010,000
Investment property	47,000
Statutory deposits with CBN	300,000
Property, plant and equipment	3,204,920
	13,667,972
Admissible liabilities	
Borrowings	3,433,048
Book overdraft	6,605
Trade and other payables	1,084,493
Insurance contract liabilities	3,364,254
Current income tax liabilities	248,738
	8,137,138
Solvency margin	5,530,834
The higher of 15% of net premium and shareholders' funds	3,000,000
Surplus in solvency margin	2,530,834
Solvency ratio	184

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

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

1.07 Operating Segments

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

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

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

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

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

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

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

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

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

1.08

	General Business 31 December 2014 N'000	Life business 31 December 2014 N'000	Transportation 31 December 2014 N'000	Leasing 31 December 2014 N'000	Total 31 December 2014 N'000	Elimination Adjustments 31 December 2014 N'000	Group 31 December 2014 N'000
Gross premium written	11,354,526	4,096,522			15,451,048	-	15,451,048
Gross premium income	11,347,162	4,188,470			15,535,632		15,535,632
Reinsurance expenses	(6,070,869)	(122,337)			(6,193,206)		(6,193,206)
Net premium income	5,276,293	4,066,133			9,342,426		9,342,426
Commission received	837,247	120,575			957,822		957,822
Net underwriting income	6,113,540	4,186,708			10,300,248		10,300,248
Claims expenses	(1,133,423)	(1,362,375)			(2,495,798)		(2,495,798)
Increase in life fund	-	(180,210)			(180,210)		(180,210)
Claims expenses recovered from reinsurers	(125,705)	255,243			129,538		129,538
	(1,259,128)	(1,287,342)			(2,546,470)		(2,546,470)
Acquisition cost	(1,057,287)	(293,454)			(1,350,741)		(1,350,741)
Maintenance expenses	(109,047)	(787,775)			(896,822)		(896,822)
Total underwriting expenses	(2,425,462)	(2,368,571)			(4,794,033)		(4,794,033)
Underwriting results	3,688,078	1,818,137			5,506,215		5,506,215
Loss on investment contract liabilities	-	(148,389)			(148,389)		(148,389)
Investment income	931,857	276,908			1,208,765	(137,500)	1,071,265
Other income	275,971	1,125,277	970,250	55,292	2,426,790	323,252	2,750,042
Impairment charge no longer required	511,800	-			511,800	77,374	589,174
Net fair value losses on financial assets at FVTPL	10,217				10,217		10,217
Share of associate profit/loss Impairment charge	(18,502)	(88,232)			(106,734)		(106,734)
Management expenses	(1,821,832)	(1,513,715)	(840,462)	(29,468)	(4,205,477)	-	(4,205,477)
Employees benefit expenses	(834,601)	(625,243)	(56,191)	(3,517)	(1,519,552)		(1,519,552)
Results of operating activities	2,742,988	844,743	73,597	22,307	3,683,635	263,126	3,946,761
Finance cost	(137,500)	(26,478)	(9,914)	(16,572)	(190,464)	137,500	(52,964)
Finance income		191,009			191,009		191,009
profit/(Loss) before taxation	2,605,488	1,009,274	63,683	5,735	3,684,180	400,626	4,084,806
Income tax expense	(361,720)	(55,517)	(16,707)	6,536	(427,408)	-	(427,408)
profit/(Loss) after taxation	2,243,768	953,757	46,976	12,271	3,256,772	400,626	3,657,398

Elimination adjustments were made to remove intragroup transactions included within the operations of the subsidiaries in arriving at the consolidated results

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

1.09

	General Business 31 December 2013 N'000	Life business 31 December 2013 N'000	Asset Management 31 December 2013 N'000	Transportatio 31 December 2013 N'000	Leasing 31 December 2013 N'000	Total 2013 N'000	Elimination N'000	Group 31 December 2013 N'000
Gross premium written	5,326,871	2,798,623	-	-	-	8,125,494	-	8,125,494
Gross premium income	5,510,508	2,170,346	-	-	-	7,680,854	-	7,680,854
Reinsurance expenses	(878,559)	(75,460)	-	-	-	(954,019)	-	(954,019)
Net premium income	4,631,949	2,094,886	-	-	-	6,726,835	-	6,726,835
Commission received	58,016	51,185	-	-	-	109,201	-	109,201
Net underwriting income	4,689,965	2,146,071	-	-	-	6,836,036	-	6,836,036
Claims expenses	(2,036,687)	(1,971,723)	-	-	-	(4,008,410)	-	(4,008,410)
Claims expenses recovered from reinsurers	297,416	933,366	-	-	-	1,230,782	-	1,230,782
	(1,739,271)	(1,038,357)	-	-	-	(2,777,628)	-	(2,777,628)
Acquisition cost	(922,977)	(120,256)	-	-	-	(1,043,233)	36,748	(1,006,485)
Maintenance expenses	(124,508)	(354,517)				(479,025)		(479,025)
Total underwriting expenses	(2,786,756)	(1,513,130)				(4,299,886)	-	(4,263,138)
Underwriting results	1,903,209	632,941	-	-	-	2,536,150	-	2,572,898
Loss on investment contract liabilities	-	(485,722)	-	-	-	(485,722)	-	(485,722)
Investment income	935,977	1,511,486	-	-	-	2,447,463	(1,419,066)	1,028,397
Other income	773,249	504,629	123,107	910,900	157,839	2,469,724	124,037	2,593,761
Net fair value losses on financial assets at FVTPL	87,286	-	(2,501)	-	-	84,785	-	84,785
Reversal of commission payable on trade receivables	727,442	-	-	-	-	727,442	-	727,442
Impairment charge no longer required	112,062	138,940	-	-	-	251,002	-	251,002
Impairment charge	(725,685)	(18,559)	(38,522)	-	-	(782,766)	631,695	(151,071)
Management expenses	(2,450,718)	(1,338,398)	(90,190)	(813,990)	(98,955)	(4,792,251)	114,916	(4,677,335)
Employees benefit expenses	(679,320)	(392,590)	(13,256)	(51,316)	(22,955)	(1,159,437)	-	(1,159,437)
Results of operating activities	683,502	552,727	(21,362)	45,594	35,929	1,296,390	(548,418)	784,720
Finance cost	(18,221)	(11,168)	-	(5,662)	(23,446)	(58,497)	-	(58,497)
Finance income	-	182,130	-	2,721		184,851	-	184,851
profit/(Loss) before taxation	665,281	723,689	(21,362)	42,653	12,483	1,422,744	(548,418)	911,074
Income tax expense	(135,199)	(93,367)	(16,007)	(128,129)	17,379	(355,323)	-	(355,323)
profit/(Loss) after taxation	530,082	630,322	(37,369)	(85,476)	29,862	1,067,421	(548,418)	555,751

Elimination adjustments were made to remove intragroup transactions included within the operations of the subsidiaries in arriving at the consolidated results

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

2.0 Financial assets and liabilities

Categorisation of financial assets and financial liabilities

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

Group:

(a)

Financial assets 31 December 2014	Held for Trading (carried at fair value) N'000	Available for sale (fair value) N'000	Held to maturity (carried at amortised cost) N'000	Loans and receivables (carried at amortised cost) N'000	Total N'000
Cash and cash equivalents	-	-	-	13,147,970	13,147,970
Quoted investments	128,201	-	-	-	128,201
Unquoted investments	-	549,418	-	-	549,418
Trade receivables	-	-	-	66,515	66,515
Other receivables excluding prepayments	-	-	-	1,072,254	1,072,254
	128,201	549,418	-	14,286,739	14,964,358

Financial liabilities 31 December 2014	Derivatives used for hedging(fair value) N'000	Designated at FVTPL N'000	Other liabilities (carried at FVTPL) N'000	Other liabilities (carried at amortised cost) N'000	Total N'000
Trade payables	-	-	-	81,322	81,322
Other payables	-	-	-	4,451,076	4,451,076
Borrowings	-	-	-	3,619,988	3,619,988
Deposit liabilities	-	-	-	485,281	485,281
	-	-	-	8,637,667	8,637,667

(b)

Financial assets 31 December 2013	Held for trading (FVTPL) N'000	Held to maturity (carried at amortised cost) N'000	Available for sale (fair value) N'000	Loans and receivables (carried at amortised cost) N'000	Total N'000
Cash and cash equivalents	-	-	-	3,702,341	3,702,341
Quoted investments	219,113	-	-	-	219,113
Unquoted investments	-	825,933	-	-	825,933
Trade receivables	-	-	-	316,894	316,894
Other receivables excluding prepayments	-	-	-	1,013,800	1,013,800
	219,113	825,933	-	5,033,035	6,078,081

Financial liabilities 31 December 2013	Derivatives used for hedging(fair value) N'000	Designated at FVTPL) N'000	Other liabilities (carried at FVTPL) N'000	Other liabilities (carried at amortised cost) N'000	Total N'000
Trade payables	-	-	-	178,284	178,284
Other payables	-	-	-	3,713,282	3,713,282
Borrowings	-	-	-	3,791,739	3,791,739
Deposit liabilities	-		-	277,369	277,369
		-	-	7,960,674	7,960,674

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

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

31 December	2014 N'000	2013 N'000
Quoted investments	128,201	219,113
Unquoted investments	549,418	825,933
	677,619	1,045,046

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

Company:

(a)

Financial assets 31-Dec-14	Held for Trading (carried at fair value) N'000	Available for sale (fair value) N'000	Held to maturity (carried at amortised cost) N'000	Loans and receivables (carried at amortised cost) N'000	Total N'000
Cash and cash equivalents	-	-	-	5,273,617	5,273,617
Quoted investments	128,201	-	-	-	128,201
Unquoted investments	-	-	-	-	-
Trade receivables	-	-	-	23,443	23,443
Other receivables excluding prepayments	-	-	-	643,191	643,191
	128,201	-	-	5,940,251	6,068,452

Financial liabilities 31-Dec-14	Derivatives used for hedging(fair value) N'000	Designated at FVTPL N'000	Other liabilities (carried at FVTPL) N'000	Other liabilities (carried at amortised cost) N'000	Total N'000
Other payables	-	-	-	1,084,493	1,084,493
Borrowings	-	-	-	3,562,515	3,562,515
	-	-	-	4,647,008	4,647,008

(b)

Financial assets 31-Dec-13	Held for trading (FVTPL) N'000	Held to maturity (carried at amortised cost) N'000	Available for sales (fair value) N'000	Loans and receivables (carried at amortised cost) N'000	Total N'000
Cash and cash equivalents	-	-	-	1,127,905	1,127,905
Quoted investments	125,739	-	-	-	125,739
Unquoted investments	-	-	-	-	-
Trade receivables	-	-	-	247,225	247,225
Other receivables excluding prepayments	-	-	-	148,627	148,627
	125,739	-	-	1,523,757	1,649,496

Financial liabilities 31 December 2013	Derivatives used for hedging(fair value) N'000	Designated at FVTPL) N'000	Other liabilities (carried at FVTPL) N'000	Other liabilities (carried at amortised cost) N'000	Total N'000
Other payables	-	-	-	2,954,576	2,954,576
Borrowings	-	-	-	3,731,443	3,731,443
		-	-	6,686,019	6,686,019

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

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

31 December	2014	2013
	N'000	N'000
Quoted investments	128,201	125,739
Unquoted investments	-	-
	128,201	125,739

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

2.01 Fair valuation methods and assumptions

i Cash and balances with banks

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

ii Short term deposits

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

iii Loans and advances to customers

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

iv Investment securities (including pledged assets)

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

v Deposits from banks and due to customers

The estimated fair value of deposits with no stated maturity, which includes non-interest-bearing deposits, is the amount repayable on demand.

vi Other assets, liabilities and borrowings

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

2.02 Fair Value Hierarchy

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

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

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

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

Group

31 December 2014	Level 1	Level 2	Level 3	Total
Assets				
Fair value through profit or loss	128,201	-	-	128,201
Available-for-sale financial assets	-	-	549,418	549,418
Loans and receivables	-	-	9,264,534	9,264,534
Trade receivables	-	-	66,515	66,515
Other receivables excluding prepayments	-	-	1,072,254	1,072,254
Total	128,201	-	10,952,722	11,080,923
Liabilities				
Trade payables	-	-	81,322	81,322
Other payables	-	-	4,451,076	4,451,076
Borrowings	-	-	3,619,988	3,619,988
Deposit liabilities	-	-	485,281	485,281
Total	-	-	8,637,667	8,637,667
Net fair value	128,201	-	2,315,055	2,443,256

31 December 2013	Level 1	Level 2	Level 3	Total
Assets				
Fair value through profit or loss	219,113	-	-	219,113
Available-for-sale fiancial assets	-	-	825,933	825,933
Loans and receivables	-	-	11,834,606	11,834,606
Trade receivables	-	-	316,894	316,894
Other receivables excluding prepayments	-	-	1,013,800	1,013,800
Total	219,113	-	13,991,233	14,210,346
Liabilities				
Trade payables	-	-	178,284	178,284
Other payables	-	-	3,713,282	3,713,282
Borrowings	-	-	3,791,739	3,791,739
Deposit liabilities	-	-	277,369	277,369
Total	-	-	7,960,674	7,960,674
Net fair value	219,113	-	6,030,559	6,249,672

Company

31 December 2014	Level 1	Level 2	Level 3	Total
Assets				
Fair value through profit or loss	128,201	-	-	128,201
Available-for-sale fiancial assets	-	-	-	-
Loans and receivables	-	-	389,310	389,310
Trade receivables	-	-	23,443	23,443
Other receivables excluding prepayments	-	-	643,191	643,191
Total	128,201	-	1,055,944	1,184,145
Liabilities				
Other payables	-	-	1,084,493	1,084,493
Borrowings	-	-	3,562,515	3,562,515
Total	-	-	4,647,008	4,647,008
Net fair value	128,201	-	(3,591,064)	(3,462,863)

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

31 December 2013	Level 1	Level 2	Level 3	Total
Assets				
Fair value through profit or loss	125,739	-	-	125,739
Available-for-sale financial assets	-	-	-	-
Loans and receivables	-	-	4,658,929	4,658,929
Trade receivables	-	-	247,225	247,225
Other receivables excluding prepayments	-	-	148,627	148,627
Total	125,739	-	5,054,781	5,180,520
Liabilities				
Other payables	-	-	2,954,576	2,954,576
Borrowings	-	-	3,731,443	3,731,443
Total	-	-	6,686,019	6,686,019
Net fair value	125,739	-	(1,631,238)	(1,505,499)

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

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

3.0 Cash and cash equivalents

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

	Group 31 December 2014 N'000	Group 31 December 2013 N'000	Company 31 December 2014 N'000	Company 31 December 2013 N'000
Cash at bank and in hand	2,097,351	1,603,819	1,244,716	394,495
Short-term bank deposits	5,580,901	2,071,341	3,788,901	733,410
Treasury bills	5,469,351	27,181	240,000	-
	13,147,603	3,702,341	5,273,617	1,127,905
Current	13,147,603	3,702,341	5,273,617	1,127,905
Non current	-	-	-	-

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

	N'000	N'000	N'000	N'000
Cash at bank and in hand	2,097,351	1,603,819	1,244,716	394,495
Short-term bank deposits	5,580,901	2,071,341	3,788,901	733,410
Treasury bills	5,469,351	27,181	240,000	-
	13,147,603	3,702,341	5,273,617	1,127,905
Book overdraft (Note 23)	(6,605)	(248,038)	(6,605)	(7,670)
	13,140,998	3,454,303	5,267,012	1,120,235

4.0 Financial assets

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

	N'000	N'000	N'000	N'000
Available-for-sale (see note 4.1 below)	549,418	825,933	-	-
Fair value through profit or loss (see note 4.2 below)	128,201	219,113	128,201	125,739
Loans and receivables (see note 4.3 below)	9,264,534	11,834,606	389,310	4,658,929
Total financial assets	9,942,153	12,879,652	517,511	4,784,668
Current	-	-	-	824,158
Non-current	9,942,153	12,879,652	517,511	3,960,510
	9,942,153	12,879,652	517,511	4,784,668

4.1 Available-for-sale Financial assets

Available for sale assets represents interests in unlisted entities and projects as at year end.

	N'000	N'000	N'000	N'000
Equity securities -Unlisted (Note 4.1.1)	549,418	465,600	-	-
Other investments (Note 4.1.2)	-	360,333	-	-
	549,418	825,933	-	-
Current	-	-	-	-
Non-current	549,418	825,933	-	-
	549,418	825,933	-	-

The Company'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 dates

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

		Group 31 December 2014	Group 31 December 2013	Company 31 December 2014	Company 31 December 2013
4.1.1	**Available for sale of financial assets**	**N'000**	**N'000**	**N'000**	**N'000**
	Unquoted investments (Note 4.1.1(b))	826,403	741,393	172,355	172,355
	Foreign exchange rate movement	45,179	46,371	-	-
		871,582	787,764	172,355	172,355
	Impairment charge (Note 4.1.1(d))	(322,164)	(322,164)	(172,355)	(172,355)
		549,418	465,600	-	-
(a)	**Movement in unlisted entities is as analysed below:**	**N'000**	**N'000**	**N'000**	**N'000**
	At 1 January	465,600	465,600	-	-
	Additions	83,818	-	-	-
	At 31 December	549,418	465,600	-	-
(b)	**Analysis of investments in unlisted entities is shown below:**				
	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	4,630	-	-
	Leasing Company of Liberia	33,600	29,520	-	-
	Joint Venture Trade Financing	420,000	369,000	-	-
	Consolidated Bureau de change	14,018	14,319	-	-
	Maple Autos Limited	30,000	30,000	-	-
	Other investments	51,800	21,569	-	-
		826,403	741,393	172,355	172,355
(c)	**Analysis of addition to investments during the year is shown below:**				
	Leasing Company of Liberia	2,587			
	Joint Venture Trade Financing	51,000			
	Other investments	30,231	-		
		83,818	-		
(d)	**At the reporting date the following investments in unlisted entities were impaired**				
		N'000	**N'000**	**N'000**	**N'000**
	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	4,630	-	-
	Consolidated Bureau de change	14,319	14,319	-	-
	Maple Autos Limited	30,000	30,000	-	-
	Other investments	860	860	-	-
		322,164	322,164	172,355	172,355

Basis of impairment

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

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

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

ii) Where there has been no financial returns on the instruments since acquisition

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

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

		Group 31 December 2014 N'000	Group 31 December 2013 N'000	Company 31 December 2014 N'000	Company 31 December 2013 N'000
	Other investments (see note 4.1.2(i))	-	418,590	-	58,257
	Impairment charge (see note 4.1.2(ii))	-	(58,257)	-	(58,257)
		-	360,333	-	-
i	Details of other investments is as shown below:				
			N'000	N'000	N'000
	Investment in NURTW	-	47,833	-	47,833
	Investment in Enterprise logistics	-	10,424	-	10,424
	Investment in vehicle registration-Ekiti	-	127,801	-	-
	Investment in vehicle registration-Abuja	-	145,518	-	-
	Investment in Electonic Payment Platform	-	87,014	-	-
			418,590	-	58,257
ii	Details of impairment charge is as shown below:				
		N'000	N'000	N'000	N'000
	Impairment charge on NURTW	-	47,833	-	47,833
	Impairment charge on Enterprise Logistics	-	10,424	-	10,424
			58,257	-	58,257
4.2	**Financial assets at fair value through profit or loss**				
	Investment in equity securities	N'000	N'000	N'000	N'000
	At 1 January	219,113	193,964	125,739	71,630
	Disposal	-	(6,183)	-	-
	Reduction of interest/liquidation in subsidiaries (see note 4.2.1)	(93,374)	-	-	-
	Fair value gain	2,462	54,108	2,462	54,109
	Fair value loss	-	(6,708)	-	-
		128,201	235,181	128,201	125,739
	Impairment loss	-	(16,068)	-	-
		128,201	219,113	128,201	125,739
	Current		-	-	-
	Non-current	128,201	219,113	128,201	125,739
		128,201	219,113	128,201	125,739

4.2.1 This represents quoted investments amounting to N63,519,000 and N29,855,000 held by TFS Securities Limited and Mutual Benefits Asset Management Limited respectively as at 31 December 2013. TFS Securities is no longer a subsidiary of Mutual Benefits Assurance Plc. Mutual Benefits Assets Management Limited was liquidated during the year. Analysis of equity securities is as shown below:

Investment in equity securities by	N'000	N'000	N'000	N'000
Mutual Benefits Assurance Plc	128,201	125,739	128,201	125,739
Investment in equity securities by TFS Securities Limited	-	63,519	-	-
Investment in equity securities by Mutual Benefits Assets Management Limited	-	29,855	-	-
	128,201	219,113	128,201	125,739

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

	Group 31 December 2014 N'000	Group 31 December 2013 N'000	Company 31 December 2014 N'000	Company 31 December 2013 N'000
A.G.LEVENTIS(NIGERIA) PLC	-		-	-
AFRICA PRUDENTIAL REGISTRARS PLC	261	55	261	55
ACCESS BANK OF NIGERIA PLC	595	865	595	865
Ashaka Cement	4,312	4,132	4,312	4,132
CADBURY PLC	14,626	8,115	14,626	8,115
COSTAIN WEST AFRICA PLC	148	248	148	248
DIAMOND BANK PLC	6,918	9,113	6,918	9,113
ECOBANK NIGERIA PLC	6,493	262	6,493	262
FIRST BANK OF NIGERIA PLC	16,725	30,980	16,725	30,980
FIRST CITY MONUMENT BANK	343	510	343	510
FIRST INLAND BANK PLC	12,400	-	12,400	-
Guaranty Trust Bank	5,826	6,252	5,826	6,252
STERLING BANK PLC	31,873	18,870	31,873	18,870
UNION DIAGNOSTIC & CLINICAL SERV. PLC		-		-
UNION HOME SAVINGS & LOAN PLC		-		-
United Bank For Africa	12,197	25,247	12,197	25,247
UBA CAPITAL PLC	564	712	564	712
UNITY BANK PLC	265	265	265	265
UNIVERSAL INSURANCE COMPANY PLC	2,500	2,500	2,500	2,500
W/A PROV. INSURER PLC		7		7
WEMA Bank	96	122	96	122
West African Portland Cement	7,444	10,634	7,444	10,634
WEST AFRICAN PROVINCIAL INSURANCE PLC	12	-	12	-
ZENITH INTERNATIONAL BANK PLC	4,603	6,850	4,603	6,850
Others	-	93,374		-
	128,201	219,113	128,201	125,739

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

Equity securities classi?ed at fair value through pro?t or loss are designated in this category upon initial recognition.

4.3 Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those that the Group intends to sell in the short term or that it has designated 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:

	N'000	N'000	N'000	N'000
Loans issued to corporate organisations (Note 4.3.2)	8,571,310	11,478,186	389,310	4,658,929
Loans and advances to customers (Note 4.3.3)	693,224	356,420	-	-
	9,264,534	11,834,606	389,310	4,658,929
Current	-	2,389,606	-	824,158
Non-current	9,264,534	9,445,000	389,310	3,834,771
	9,264,534	11,834,606	389,310	4,658,929

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

4.3.1 **Analysis of movement in loans and receivables is analysed below:**

	Group 31 December 2014 N'000	Group 31 December 2013 N'000	Company 31 December 2014 N'000	Company 31 December 2013 N'000
At 1 January	11,834,606	9,345,120	4,658,929	3,911,579
Additions during the year	377,890	616,300	298,850	114,070
Transfers in (note 4.3.2(a))	-	-	591,408	-
Transfers out(note 4.3.2(b))			(669,084)	
Reclassifications (note 4.3.2(a))	-	-	583,000	-
Interest on loan	2,221,120	1,919,994	720,283	710,088
Repayment during the year	(5,169,082)	(46,808)	(5,125,349)	(76,808)
Reclassifications (note 4.3.2(a)	-	-	(668,727)	-
At 31 December	9,264,534	11,834,606	389,310	4,658,929

4.3.2 **Loans issued to corporate organisations are as analysed below:**

	N'000	N'000	N'000	N'000
Loan to Mutual Model Transport Limited (Note 4.3.2(a))	-	-	-	257,298
Loan to Mutual Homes and Properties Limited (Note 4.3.2(b)	-	-	-	362,823
Loan to CIL Track Africa (Note 4.3.2(c))	344,078	430,097	344,078	430,097
Loan to Prime Exploration (Note 4.3.2(d))	7,862,000	10,694,319	-	3,574,941
Loan to ICHL Nigeria Limited	320,000	320,000	-	-
Loan to Charks Investment Limited	45,232	33,770	45,232	33,770
	8,571,310	11,478,186	389,310	4,658,929

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

	N'000	N'000	N'000	N'000
Balance as at the beginning of the year	-	-	257,298	206,998
Transfer from Mutual Benefits Life Assurance Limited	-	-	591,408	-
Reclassification from deposit for shares (note 16.2)	-	-	583,000	80,300
Additions during the year	-	-	22,000	
	-	-	1,453,706	287,298
Payment during the year	-	-	(784,979)	(30,000)
Reclassification to finance lease (note 9)	-	-	(668,727)	
Balance at the end of the year	-	-	-	257,298

Mutual Benefits Assurance Plc entered into a new lease agreement with Mutual Model Transport limited whereby it was agreed that Mutual Benefits Assurance Plc should take over the lesee's indebtedness to Mutual Benefits Life Assurance Limited amounting to N591,408,000. It was also agreed that the deposit for shares of the company amounting to N583,000,000 in Mutual Model Transport be converted to lease and be added to the existing lease by the company. Repayment of the loan commenced January 2014.Mutual Benefits Assurance Plc granted Mutual Model Transport Limited a loan facility of N2.2 billion on the 3 January 2010 for the acquisition of 150 units of Ashok leyland buses.

(b) **Loan to Mutual Homes and Properties Limited**

	N'000	N'000	N'000	N'000
Balance as at the beginning of the year	-	-	362,823	297,396
Additons during the year			240,834	
Interest on loan			65,427	65,427
	-	-	669,084	362,823
Transfer to Mutual Benefits Life Assurance Limited	-	-	(669,084)	-
Balance at the end of the year	-	-	-	362,823

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

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

		Group 31 December 2014	Group 31 December 2013	Company 31 December 2014	Company 31 December 2013
(c)	**Loan to CIL Track Africa Limited**	**N'000**	**N'000**	**N'000**	**N'000**
	Balance as at the beginning of the year	430,097	476,905	430,097	476,905
	Payments during the year	(86,019)	(46,808)	(86,019)	(46,808)
	Balance at the end of the year	344,078	430,097	344,078	430,097

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

The tenor of the facility is five (5) years from the date of the disbursement of the facility.

The interest on the facility is determined by the ruling money market conditions and is therefore liable to fluctuations

Repayment of the principal commenced from January 2012, repayment is made by the deduction of the sum of N38,000 on the cost of each vehicle tracked for Mutual Benefits Assurance Plc. Repayment during the year which amounted to N86,019,000 as indicated above represents amount deducted in respect of vehicles tracked for Mutual Benefits Assurance Plc to offset the loan. The outstanding balance was reviewed and not impaired because the terms of the loan as regard repayment have been met.

The facility is secured by the personal guarantee of the MD/CEO of CIL Track Africa Limited supported with a statement of his personal networth.

(d) **Loan to Prime Exploration and Production Limited**

	N'000	N'000	N'000	N'000
Balance at 1 January	10,694,319	8,614,325	3,574,941	2,930,280
Additions	5,070	160,000	-	-
	10,699,389	8,774,325	3,574,941	2,930,280
Interest on loan	2,221,120	1,919,994	654,856	644,661
Payments	(5,058,509)	-	(4,229,797)	-
Balance as at 31 December	7,862,000	10,694,319	-	3,574,941

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

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

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

Security for the loan include the following:
- First charge over oil asset of Asaramataru Marginal Field
- First charge on all receivables under oil contract throughout the tenor of the facility.

Repayment during the year amounted to N5.05 billion.

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

	N'000	N'000	N'000	N'000
0 – 365 days	-	2,033,186		824,158
365 – 730 days	8,571,310	9,445,000	389,310	3,834,771
Total	8,571,310	11,478,186	389,310	4,658,929

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

4.3.3 Loans and advances to customers

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

		Group 31 December 2014	Group 31 December 2013	Company 31 December 2014	Company 31 December 2013
		N'000	N'000	N'000	N'000
	Loans and advances	693,224	356,420	-	-
(a)	**By Category**				
	Customers	636,985	346,723	-	-
	Staff	82,239	2,753	-	-
	Overdrafts	10,658	44,895	-	-
		729,882	394,371	-	-
	Provision for bad and doubtful receivables and interest in suspense	(36,658)	(37,951)	-	-
		693,224	356,420	-	-
(b)	**By quality**				
	The gross value of advances is as analysed below	N'000	N'000	N'000	N'000
	Performing	656,933	298,090	-	-
	Non-Performing:			-	-
	Pass and watch	21,293	37,114	-	-
	Substandard	16,171	25,952	-	-
	Doubtful	18,019	14,012	-	-
	Lost	17,466	19,203	-	-
		729,882	394,371	-	-
	Provision for bad and doubtful receivables and interest in suspense	(36,658)	(37,951)	-	-
		693,224	356,420	-	-
(c)	**By maturity**				
	Maturity within one month	10,658	46,035	-	-
	Maturity between 1 and 3 months	149,602	53,631	-	-
	Maturity between 3 and 6 months	300,452	125,534	-	-
	Maturity between 6 and 12 months	269,170	169,171	-	-
		729,882	394,371	-	-
(d)	Provision for bad and doubtful debts and interest in suspense				
(i)	Provision for bad and doubtful debts:				
	Balance as at beginning of the year	37,951	12,028	-	-
	(Waiver/Recoveries) during the year	(1,695)	(8,040)	-	-
	Charge to the profit & Loss account	402	33,963	-	-
	Balance as at year end	36,658	37,951	-	-
(ii)	Interest in suspense				
	balance as at beginning of the year	-	-	-	-
	(Waiver/Recoveries) during the year	-	-	-	-
	Balance as at year end		-	-	-
	Total Provision	36,658	37,951	-	-

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

4.4 Pledged assets

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

Analysis of pledged assets is as follows:

	Group 31 December 2014	Group 31 December 2013	Company 31 December 2014	Company 31 December 2013
Margin facility with Guaranty Trust Bank	N'000	N'000	N'000	N'000
Plc (Note 24.1(i))	121,712	115,962	121,712	88,535
Long term quoted investments (in lien)	-	(27,427)	-	-
	121,712	88,535	121,712	88,535
Fair value gain	7,755	33,177	7,755	33,177
	129,467	121,712	129,467	121,712
Current	-	-	-	-
Non-current	129,467	121,712	129,467	121,712

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

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

			Group 2014	Group 2013	Company 2014	Company 2013
5.0	**Trade receivables**		N'000	N'000	N'000	N'000
	Trade receivables (Note 5.1)		66,515	316,894	23,443	247,225
	Current		66,515	316,894	23,443	247,225
	Non-current		-	-	-	-
5.1	Trade receivable comprise:		N'000	N'000	N'000	N'000
	Amount due from brokers		66,515	651,521	23,443	244,865
	Amount due from Insurance companies		-	2,360	-	2,360
		(A+B)	66,515	653,881	23,443	247,225
	Impairment of receivables (5(b))		-	(336,987)	-	-
			66,515	316,894	23,443	247,225
(a)	Third party categorization of insurance receivables:					
	Non-life business		N'000	N'000	N'000	N'000
	Brokers		66,515	314,534	23,443	244,865
	Insurance companies		-	2,360	-	2,360
	Contract holders		-	-	-	-
	Total Non-life insurance receivables	(A)	66,515	316,894	23,443	247,225

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

		Group 31 December 2014	Group 31 December 2013	Company 31 December 2014	Company 31 December 2013
Life business		N'000	N'000	N'000	N'000
Brokers		-	406,656	-	-
Total life insurance receivables	(B)	-	406,656	-	-
		N'000	N'000	N'000	N'000
– Less impairment for receivables from agents, brokers and intermediaries		-	336,987	-	-
Impairment life business		-	336,987	-	-
		-	69,669	-	-
Total trade receivables		-	316,894	-	247,225

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

	N'000	N'000	N'000	N'000
0 – 90 days	66,515	110,273	23,443	40,514
91 – 180 days	-	732	-	732
Above 180 days	-	205,979	-	205,979
Total	66,515	316,984	23,443	247,225

Basis of impairment

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

(b) Impairment of insurance receivables

The movement in impairment of insurance receivables is as follows:

	N'000	N'000	N'000	N'000
Balance, beginning of the year	336,987	3,476,457	-	3,130,882
Additions, during the year	-	-	-	-
Foreign exchange rate movement	-	-	-	-
Reversal of impairment charge	-	(97,265)	-	(88,677)
Trade receivables written off	(336,987)	(3,042,205)	-	(3,042,205)
	-	336,987	-	-

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

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

6.0 Reinsurance assets

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

	Group 31 December 2014	Group 31 December 2013	Company 31 December 2014	Company 31 December 2013
	N'000	N'000	N'000	N'000
Total reinsurers'share of insurance contract liabilities (Note 6.1)	755,563	734,425	446,988	572,693
Prepaid reinsurance (note 6.2)	807,240	128,183	788,306	128,183
	1,562,803	862,608	1,235,294	700,876
Current	1,562,803	862,608	1,235,294	700,876
Non-current	-	-	-	-

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

	N'000	N'000	N'000	N'000
Reinsurance share of outstanding claim	530,449	628,659	329,593	490,406
Reinsurance share of IBNR	225,114	105,766	117,395	82,287
	755,563	734,425	446,988	572,693

6.1(a) The movement in reinsurance assets is as follows:

	N'000	N'000	N'000	N'000
Balance at the beginning of the year	734,425	489,352	572,693	275,277
Change in reinsurance assets (6.1(b))	21,138	245,073	(125,705)	297,416
Balance at the end of the year	755,563	734,425	446,988	572,693

6.1(b) Analysis of change in reinsurance assets is as follows:

	N'000	N'000	N'000	N'000
Increase during the year	245,129	245,073	98,286	297,416
Write off during the year (note 34.1)	(223,991)	-	(223,991)	-
	21,138	245,073	(125,705)	297,416

6.2 The movement in prepaid reinsurance cost is as follows

	N'000	N'000	N'000	N'000
Balance at the beginning of the year	128,183	-	128,183	-
Addition during the year	6,872,263	1,082,202	6,730,992	1,006,742
Recognised in profit or loss account (note 33.1)	(6,193,206)	(954,019)	(6,070,869)	(878,559)
Balance at the end of the year	807,240	128,183	788,306	128,183

7.0 Deferred acquisition cost

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

	N'000	N'000	N'000	N'000
Deferred acquisition cost- Motor	71,460	85,906	71,460	85,902
Deferred acquisition cost- Marine	23,969	15,501	23,969	15,501
Deferred acquisition cost- Fire	28,607	30,461	28,607	30,461
Deferred acquisition cost- Gen. Accident	54,034	163,596	54,034	163,596
Deferred acquisition cost-Bond	-	-	-	-
Deferred acquisition cost- Aviation	30,774	-	30,774	-
Life business	51,309	66,351	-	-
	260,153	361,815	208,844	295,460

7.1 The movement in deferred acquisition cost is as follows:

	N'000	N'000	N'000	N'000
Balance at the beginning of the year	361,815	304,464	295,460	266,338
Commission paid during the year	1,249,080	1,063,836	970,671	917,126
	1,610,895	1,368,300	1,266,131	1,183,464
Amortized during the year (see note 35.1)	(1,350,742)	(1,006,485)	(1,057,287)	(888,004)
Balance at the end of the year	260,153	361,815	208,844	295,460
Current	260,153	361,815	208,844	295,460
Non-current	-	-	-	-

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

		Group 31 December 2014	Group 31 December 2013	Company 31 December 2014	Company 31 December 2013
8.0	**Other receivables and prepayments**	N'000	N'000	N'000	N'000
	Prepayments	231,842	164,189	10,736	26,122
	Interest receivable	60,375	9,701	-	-
	Loan to policy holders	5,086	6,870	-	-
	Staff loans and advances	496,526	137,827	496,526	48,362
	Other bank balances (Note 8.1)	76,940	76,940	71,277	71,277
	Investment receivables (Note 8.2)	96,516	96,516	16,757	16,757
	Other assets (Note 8.5)	169,817	233,688	-	-
	Other debit balances (Note 8.6)	3,413	80,418	26,898	60,321
	Directors current account	119,823	90,547	119,767	90,546
	Property development	13,609	33,463	-	-
	Customers' Indebtedness		-	-	-
	Trade receivables	197,589	394,529	-	-
	Deposit for building materials	25,000	25,000	-	-
	Advance to consultant and payment to consultants	-	71,343	-	-
		1,496,536	1,421,031	741,961	313,385
	Impairment on other receivables and prepayments (Note 8.3)	(192,440)	(243,042)	(88,034)	(138,636)
		1,304,096	1,177,989	653,927	174,749
	Current	1,304,096	1,177,988	653,927	174,749
	Non-current	-	-	-	-
		1,304,096	1,177,988	653,927	174,749
	Other bank balances	N'000	N'000	N'000	N'000
	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	6,135	6,136	6,136
8.1	Balance held in GTB(current account)	11	11	11	11
	Other bank balances	5,664	5,664	-	-
		76,940	76,940	71,277	71,277
8.2	**Investment receivables**	N'000	N'000	N'000	N'000
	Placement with Charks	70,424	70,424	-	-
	Placement with Deap Capital	14,997	14,997	-	-
	Placement with Profound Securities	11,095	11,095	16,757	16,757
		96,516	96,516	16,757	16,757
	The movement in impairment of other receivables is as follows				
		N'000	N'000	N'000	N'000
8.3	Balance, beginning of the year	243,042	324,523	138,636	86,721
	Additions during the year(Note 8.3(a))	-	71,606	-	51,915
	Write back during the year (Note 8.3(b))	(50,602)	(153,087)	(50,602)	-
		192,440	243,042	88,034	138,636

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

		Group 31 December 2014	Group 31 December 2013	Company 31 December 2014	Company 31 December 2013
	Breakdown of additions during the year	**N'000**	**N'000**	**N'000**	**N'000**
(a)	Development cost	-	50,602	-	50,602
	Property development	-	18,984	-	-
	Sundry receivables	-	2,020	-	1,313
		-	71,606	-	51,915
(b)	**Breakdown of write back during the year**	**N'000**	**N'000**	**N'000**	**N'000**
	Write back of loan written off	50,602	37,004	50,602	-
	Factored debts recovered	-	27,397	-	-
	Provision no longer required on related		-	-	-
	parties	-	83,022	-	-
	Cash and bank balances	-	5,664	-	-
		50,602	153,087	50,602	-
8.4	**Analysis of impairment during the year**	**N'000**	**N'000**	**N'000**	**N'000**
	Impairment of other bank balances	76,940	76,940	71,277	71,277
	Impairment of investment receivables	96,516	96,516	16,757	16,757
	Impairment of other receivables	75,242	69,586	-	50,602
		248,698	243,042	88,034	138,636
8.5	**Breakdown of other assets**	**N'000**	**N'000**	**N'000**	**N'000**
	Advance payment to consultants		101,426	-	-
	VAT receivable account	-	700	-	-
	WHT recoverable - OPL	26,527	987	-	-
	Amortised loan interest	-	11,348	-	-
	PAAS receivables account	-	75,525	-	-
	Uniform stock	160	420	-	-
	Private placement	5,500	4,029	-	-
	Stock of cheque	3,469	4,219	-	-
	Branch account	3,028			
	SMS Alert account	1,161	1,685	-	-
	Telephone	20	213	-	-
	Accrued interest	59,991	-	-	-
	Shareholders	30,000	-	-	-
	Adjustment account	1,688	-	-	-
	Suspense account	272	-	-	-
	Cheques and coupons	787	-	-	-
	Due from government	727	-	-	-
	Stationery	-	915	-	-
	Excess interest charges	6,390	-	-	-
	ATM Receivables	30,097	32,221	-	-
		169,817	233,688	-	-
8.6	**Breakdown of other debit balances**	**N'000**	**N'000**	**N'000**	**N'000**
	Development cost (Note 8.6(a))	-	50,602	-	50,602
	Sundry receivables	3,413	12,198	26,898	9,719
	Board fees	-	1,094	-	-
	Ticket sales - Lagbus	-	9,895	-	-
	Advert Receivables	-	6,629	-	-
		3,413	80,418	26,898	60,321

a) This represents cost incured in setting up retail outlets. The balance has been impaired (see note 40)

b) Basis for impairment

The Group assesses its other receivables and prepayments for impairment. If the Group determines that no objective evidence that a balance or a group of balances would be recouped, the balance or the group of balances is deemed to be impaired. Other receivables and prepayments with a significant degree of uncertainty of recovery were assessed to be impaired and adequate impairment provision was made for the balances.

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

		Group 31 December 2014	Group 31 December 2013	Company 31 December 2014	Company 31 December 2013
9.0	**Finance lease receivables**	**N'000**	**N'000**	**N'000**	**N'000**
	Balance as at 1 January	1,546,747	1,753,633	269,065	378,836
	Additions during the year	58,885	90,192	58,885	138,061
	Amount written off during the year	-	(37,511)	-	(37,511)
	Reclassification from loans and receivables (note 4.3.2(a))	-	-	668,727	-
	Payments during the year	(284,195)	(307,749)	(198,278)	(258,503)
		1,321,437	1,498,565	798,399	220,883
	Interest income(Note 21.4)	63,119	48,182	63,119	48,182
		1,384,556	1,546,747	861,518	269,065
	Impairment on finance lease receivables (9a)	(866,101)	(759,769)	(121,642)	(103,140)
	Balance as at 31 December	518,455	786,978	739,876	165,925
		N'000	**N'000**	**N'000**	**N'000**
	Current	276,911	218,461	183,326	80,186
	Non-current	241,544	568,517	556,550	85,739
		518,455	786,978	739,876	165,925

(a) The movement in impairment of finance lease receivables is as follows:

	N'000	N'000	N'000	N'000
Balance, beginning of the year	759,769	864,794	103,140	60,235
Impairment charge during the year	106,332	45,500	18,502	42,905
Write back during the year	-	(150,525)	-	-
	866,101	759,769	121,642	103,140

Basis of impairment

The Group assesses its finance lease receivables for impairment. If the Group determines that there is no objective evidence that a balance or a group of balances would be recovered from the lessee, the balance or the group of balances is deemed to be impaired. Finance lease receivables with prolonged period of default after due date(s) were assessed to be impaired and adequate impairment provision was made for the balances.

10.0	**Inventories**	**N'000**	**N'000**	**N'000**	**N'000**
	Diesel Stocks-Head office	24,477	25,752	-	-
	Construction in progress	94,031	393,002	-	-
	Building raw materials	95,988	155,828	-	-
	Building for resale work in progress (Note 10.1)	-	1,555,266	-	-
	Landed properties for construction (Note 10.2)	1,445,000	1,445,000	-	-
		1,659,496	3,574,848	-	-
	Current	214,496	3,574,848	-	-
	Non-current	1,445,000	-	-	-
		1,659,496	3,574,848	-	-

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

10.1 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.

	Group 31 December 2014	Group 31 December 2013	Company 31 December 2014	Company 31 December 2013
	N'000	N'000	N'000	N'000
Landed properties at Olaleye Village	-	251,000	-	-
Cost of building construction	-	1,304,266	-	-
	-	1,555,266	-	-

10.2 Details of Landed properties meant for construction of buildings for resale are as stated below:

S/N	TYPE OF ASSET	DETAILS	31 December 2014	31 December 2013
			N'000	N'000
1	Landed properties	Akure Plots	142,500	142,500
		(5,500 Square metre)		
2	Landed properties	Plots at Paradise Estate,Anthony	295,000	295,000
		village,Lagos		
		(16,000 Square metres)		
3	Landed properties	Ado Ekiti Land	662,500	662,500
		(100 hectares)		
4	Landed properties	Oregun Lagos Land	345,000	345,000
		(7.161 acres)		
			1,445,000	**1,445,000**

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

		Group 31 December 2014	Group 31 December 2013	Company 31 December 2014	Company 31 December 2013
11.0	**Investment in subsidiaries**				
		N'000	N'000	N'000	N'000
	Mutual Benefits Life Assurance Limited	-	-	2,000,000	2,000,000
	Mutual Benefits Liberia Company Limited (Note 11(d))	-	-	-	464,000
	Mutual Benefits Asset Management Limited (Note 11(e))	-	-	-	412,000
	Mutual Model Transport Limited	-	-	10,000	10,000
	Charks Investment Limited	-	-	132,678	132,678
	TFS Securities Limited	-	-	-	220,174
		-	-	2,142,678	3,238,852
	Impairment loss on investments(see note 11(b))	-	-	(132,678)	(583,714)
		-	-	2,010,000	2,655,138
b)	**Details of impairment loss**				
		N'000	N'000	N'000	N'000
	Charks Investment Limited	-	-	132,678	132,677
	TFS Securities Limited	-	-	-	220,174
	Mutual Benefits Asset Management Limited (Note 11(e))	-	-	-	40,073
	Mutual Benefits Liberia Company Limited (Note 11(d))	-	-	-	190,790
		-	-	132,678	583,714

c) Basis of impairment

The Parent Company assesses its investment in subsidiaries for impairment. If the Company determines that its share of recoverable amount of a subsidiary is less than the carrying amount of the investment in that subsidiary, it recognises an impaiment loss which is the amount by which the Company's share of the recoverable amount is less than the carrying value of the investment in the subsidiary.

The movement in investment in Mutual Benefits Liberia is as follows:

		N'000	N'000	N'000	N'000
d)	Balance, beginning of the year	-	-	273,210	464,000
	Write back /(off) during the year	-	-	190,790	(190,790)
	Transfer to Mutual Benefits Life Assurance Limited	-	-	(464,000)	-
			-	-	273,210

The movement in investment in Mutual Asset Management is as follows:

		N'000	N'000	N'000	N'000
e)	Balance, beginning of the year		-	371,927	412,000
	Write back/(off) during the year	-	-	40,073	(40,073)
	Investment liquidated during the year(note 11e(i))	-	-	(412,000)	-
		-	-	-	371,927

(It his represents investment in Mutual Assets Management liquidated during the year.The investment was liquidated in 30th October 2014.

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

The impairment provision on investment in subsidiaries was calculated as follows:

	Mutual Benefits Liberia Company Limited N'000	Charks Investment Limited N'000	TFS Securities Limited N'000	Total N'000
Carrying amounts of investment in subsidiaries	464,000	132,677	220,174	816,851
Less: The Parent Company's share of net assets of subsidiaries				
Share Capital	-	100,000	-	100,000
Share premium	-	13,400	-	13,400
Foreign exchange reserve	-	-	-	-
Revaluation reserve	-	48,987	-	48,987
Retained earnings	-	(315,017)	-	(315,017)
Net assets of acquiree at the date of acquisition	-	(152,630)	-	(152,630)
Percentage holding	-	80%	-	
Net assets acquired (balance per SFP)	-	-	-	-
Impairment during the year	-	-	-	-
Impairment no longer required	-	-	-	-
Transfer of investment to Mutual Benefits Life Assurance Limited	(464,000)			
Reclassification to investment in associate	-	-	(220,174)	(220,174)
Impairment carried forward	-	132,677	-	132,677
Impairment brought forward	190,790	132,677	220,174	543,641

Principal subsidiary undertakings:

The Group is controlled by Mutual Benefits Assurance plc "the parent" (incorporated in Nigeria). The controlling interest of Mutual Benefits Assurance Plc in the Group entities is disclosed in the table below:

Company name	Nature of business	Country	31 December 2014 % of equity capital Controlled	31 December 2013 % of equity capital Controlled	Status
Mutual Benefits Life Assurance	*Insurance*	*Nigeria*	*100*	*100*	*Set up*
Mutual Model Transport Limited	*Transport*	*Nigeria*	*100*	*100*	*Set up*
Charks Investment Limited	*Leasing*	*Nigeria*	*80*	*80*	*Acquired*

The movement in investment in subsidiaries during the year is as follows:

	N'000	N'000	N'000	N'000
Balance at the beginning of the year	-	-	3,238,852	3,238,852
Transfer to Mutual Benefits Life Assurance Limited	-	-	(464,000)	-
Reclassification to investment in associate	-	-	(220,174)	-
Investment liquidated during the year	-	-	(412,000)	-
Balance at the end of the year	-	-	2,142,678	3,238,852

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

a **Mutual Model Transport Limited**

Mutual Model Transport Limited is a wholly owned subsidiary of Mutual Benefits Assurance Plc. 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

b **Charks Investment Limited**

Charks Investment Limited is an 80% owned subsidiary of Mutual Benefits Assurance Plc. The Company is into the business of corporate leasing and hire purchase financing.

c **TFS Securities & Investment Company Limited**

TFS Securities and Investment Company Limited is an 80% owned subsidiary of Mutual Benefits Assurance Plc. The Company is into the business of Stock brokerage.

d **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 Benefits Life Assurance Limited has the following subsidiaries:

i **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.

ii **Mutual Benefits Homes and Properties Limited**

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

iii **Mutual Benefit Liberia**

Mutual Benefit Assurance Company Liberia was incorporated on 29th August,2007 and granted Commenced Operations on 2nd 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.

iv **Mutual Benefits Niger Republic**

Mutual Benefits Niger S.A Commenced Operations on 2nd January,2014.It is into Underwriting of all classes of non-life businesses. It is a wholly owned Subsidiary of Mutual Benefits Life Assurance Limited.

11.1	**Investment in associates**	**N'000**	**N'000**	**N'000**	**N'000**
	TFS Securities Limited (see note 11.2)	-	-	220,174	-
	Impairment loss on investment	-	-	(220,174)	-
		-	-	-	-

11.2 TFS Securities and Investment Company Limited is an associate of Mutual Benefits Assurance Plc. Mutual Benefits currently has 24.92% shareholding in TFS Securities and Investment Company Limited as against 66% held in prior year. The Company is into the business of Stock broking.

12.0 Intangible assets

	Group 31 December 2014	Group 31 December 2013	Company 31 December 2014	Company 31 December 2013
Cost:	N'000	N'000	N'000	N'000
Balance at the beginning of the year	101,306	99,906	58,123	58,123
Additions	94,439	1,400	95,758	-
Balance at the end of the year	195,745	101,306	153,881	58,123
Amortization:				
Balance at the beginning of the year	74,913	57,734	48,377	39,392
Amortisation charge	20,326	16,447	16,282	8,985
Reclassification	1,373	732	-	-
Accumulated amortisation and impairment at year end	96,612	74,913	64,659	48,377
Closing net book amount	99,133	26,393	89,222	9,746

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

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

13.0
(a) **Property, plant and equipment (Group)**

Cost

	Leasehold Properties	Land and Building	Leasehold Improvement	Plant and Machinery	Motor Vehicle	Furniture, fittings and equipment	Trading Booth	Organisational cost	Capital work in progress	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
1 January 2013	300,490	3,063,788	-	385,665	3,306,349	475,453	2,772	114,751	23,461	7,672,729
Additions	370	2,152	124,941	14,856	195,020	69,857	1,027	-	45,000	453,223
Transfer	-	-	-	-	-	-	-	-	(23,461)	(23,461)
Revaluation surplus	-	80,525	-	-	-	-	-	-	-	80,525
Disposals	-	(150,525)	-	(47,779)	(102,889)	(7,466)	-	-	-	(308,659)
31 December 2013	300,860	2,995,940	124,941	352,742	3,398,480	537,844	3,799	114,751	45,000	7,874,357
Cost										
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	-	-	45,000	1,806,679
Reclassification									(45,000)	(45,000)
Transfer	-	(602,188)	-	-	-	-	-	-	-	(602,188)
Foreign exchange reserve	7,267	-	-	449	3,903	620	-	-		12,239
Disposals	-	-	-	(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
Accumulated depreciation										
1 January 2013	237,017	84,955	-	160,201	1,025,155	344,338	2,529	93,371	-	1,947,566
Charge for the year	14,469	59,951	24,987	73,630	296,430	66,103	514	21,380	-	557,464
Disposals	-	-	-	(25,678)	(32,242)	(7,289)	-	-	-	(65,209)
Adjustment	(2,249)	-	-	-	-	-	-	-	-	(2,249)
31 December 2013	249,237	144,906	24,987	208,153	1,289,343	403,152	3,043	114,751	-	2,437,572
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
Disposals	-	-	-	(2,234)	(50,195)	(363)	-	-	-	(52,792)
Transfer		(58,396)								(58,396)
Foreign exchange reserve	580			359	3,006	560	-	-	-	4,505
Adjustment	-	807	-	-	-	-	-	-	-	807
31 December 2014	297,802	146,067	109,974	278,856	1,560,377	538,881	3,043	114,751	-	3,049,751
Carrying amounts at:										
31 December 2014	172,440	2,367,278	527,783	88,773	1,988,104	715,375	756	-	45,000	5,905,509
31 December 2013	51,623	2,851,034	99,954	144,589	2,109,137	134,692	756	-	45,000	5,436,785

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For the Year Ended 31 December 2014

(b) **Property, plant and equipment (Company)**

	Leasehold Properties	Land and Building	Leasehold Improvement	Plant and Machinery	Motor Vehicle	Furniture, fittings and equipment	Trading Booth	Organisational cost	Capital work in progress	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Cost										
At 1 January 2013	154,126	2,803,195	-	50,563	231,760	274,082	-	-	-	3,513,726
Additions	-	2,000	124,941	3,270	26,327	29,147	-	-	-	185,685
Disposals	-	-	-	-	(18,450)	-	-	-	-	(18,450)
At 31 December 2013	154,126	2,805,195	124,941	53,833	239,637	303,229	-	-	-	3,680,961
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
Disposals	-	-	-	-	(2,430)	(174)	-	-	-	(2,604)
Transfer (Note b(iii))	-	(602,188)	-	-	-	-	-	-	-	(602,188)
At 31 December 2014	154,126	2,321,970	337,757	56,129	393,863	864,776	-	-	-	4,128,621

	Leasehold Properties	Land and Building	Leasehold Improvement	Plant and Machinery	Motor Vehicle	Furniture, fittings and equipment	Trading Booth	Organisational cost	Capital work in progress	Total
Accumulated depreciation	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At 1 January 2013	154,126	69,764	-	43,223	144,271	221,262	-	-	-	632,646
Charge for the year	-	55,383	24,988	2,026	36,359	26,836	-	-	-	145,592
Disposals	-	-	-	-	(7,830)	-	-	-	-	(7,830)
Transfer	-	-	-	-	-	-	-	-	-	-
At 31 December 2013	154,126	125,147	24,988	45,249	172,800	248,098	-	-	-	770,408
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
Disposals	-	-	-	-	(2,430)	(174)	-	-	-	(2,604)
Transfer (Note b(iii))	-	(58,396)	-	-	-	-	-	-	-	(58,396)
At 31 December 2014	154,126	122,859	49,976	47,336	222,976	326,428	-	-	-	923,701
Carrying amount at:										
31 December 2014	-	2,199,111	287,781	8,793	170,887	538,348	-	-	-	3,204,920
At 31 December 2013	-	2,680,048	99,953	8,584	66,837	55,131	-	-	-	2,910,553

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

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

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

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

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

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

iii 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:

	N'000
Cost	602,188
Accumulated depreciation	(58,396)
Carrying amount	543,792

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For the Year Ended 31 December 2014

14.0 Investment Properties

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

The investment properties comprises of properties at the following locations:

	Group 31 December 2014 N'000	Group 31 December 2013 N'000	Company 31 December 2014 N'000	Company 31 December 2013 N'000
Mutual Tulip Estate (See Note(i) below)	798,140	798,140	-	-
Property at Ikeja GRA- Sasegbon (See Note(ii) below)	623,917	623,917	-	-
Property at Ikeja Alausa (See Note(iii) below)	273,816	273,816	-	-
Property at Ikota	47,000	-	47,000	-
Property at Sango/Idiroko - Mogga (See note (iv) below)	90,315	90,315	-	-
Property at Sango/Idiroko - Caxtonjo	60,210	60,210	-	-
Property at Onireke,Ibadan (See Note (vi) below)	543,792	-	-	-
60 units of duplex at Mutual Homes and Properties(See Note (vii) below)	4,547,574	-	-	-
	6,984,764	1,846,398	47,000	-
The movement in the fair value during the year was as follow:	N'000	N'000	N'000	N'000
Balance at the beginning of the year	1,846,398	-	-	-
Additions during the year	5,090,792	1,667,403	47,000	-
Fair value gain	47,574	178,995	-	-
Balance at the end of the year	6,984,764	1,846,398	47,000	-

Investment properties were valued during the year at opening market price by an independent professionally qualified valuer who has recent experience in the location and categories of the investment being valued. For the purpose of this report, the vauers engaged were:

Messrs Jide Alabi & Co, Estate Surveyors and Valuers(FRC/2012/NIESV/00000000314)

However, the finance lease receivable had been fully allowed for impairment in 2012, therefore the amount of N150,525,000 paid by an exchange of Investment property was written back as impairment no longer required during the year. See Note 10(a)

i Mutual Tulip Estate

Landed 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 N747million. The unexpired term remaining on the property is 99 years but issues relating to consent and ownnership have not been perfected. The landed property was revalued to N798 million by Messrs Jide Alabi & Co Estate Surveyors and Valuers as at 31 December 2013.

ii Property at Ikeja GRA- Sasegbon

Landed property of 6,500 square metres of land located at 7b & 9 Sasegbon Street, GRA Ikeja Lagos state in Nigeria was purchased at a cost of N593million. The unexpired term remaining on the property is 99 years and issues relating to consent and ownnership have not been perfected. The landed property was revalued to N624 million by Messrs Jide Alabi & Co Estate Surveyors and Valuers as at 31 December 2013.

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

iii Property at Ikeja Alausa

Landed property of 1,548 square metres of land located at Alusa central business district. Lagos state in Nigeria was purchased at a cost of N177million. The unexpired term remaining on the property is 99 years and issues relating to consent and ownnership have not been perfected. The landed property was revalued to N274 million by Messrs Jide Alabi & Co Estate Surveyors and Valuers as at 31 December 2013.

iv Property at Sango/Idiroko - Mogga

Landed 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 N90million. The unexpired term remaining on the property is 99 years and issues relating to consent and ownnership have not been perfected. The landed property was valued to N90 million by Messrs Jide Alabi & Co Estate Surveyors and Valuers as at 30 September 2013.

v Property at Sango/Idiroko - Caxtonjo

Landed 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 N60million. The unexpired term remaining on the property is 99 years and issues relating to consent and ownnership have not been perfected. The landed property was valued to N60 million by Messrs Jide Alabi & Co Estate Surveyors and Valuers as at 30 September 2013.

vi Property at Onireke,Ibadan

Landed property of 6808.179 square meters of land located at plot 47, kudeti Avenue, Commercial Reservation Onireke, Ibadan, Oyo State in Nigeria was transferred from Mutual Benefits Assurance Plc to Mutual Benefits Life Assurance Limited during the year.The property was transferred at a cost of N543,791,845.

60 units of duplex at Mutual Homes and Properties(See note (vi) below)

vii During the year, the group received investment properties amounting to N4,500,000,000 in exchange for receivables from its related companies as shown below:

	Group 31 December 2014 N'000	Group 31 December 2013 N'000	Company 31 December 2014 N'000	Company 31 December 2013 N'000
Mutual Homes and Properties Limited	4,547,574	1,516,878	-	-
Charks Investment Limited	-	150,525	-	-
	4,547,574	1,667,403	-	-

a. The investment properties were re-valued at N4.547 billion during the year at open market price by an independent professionally qualified valuer who has recent experience in the location and categories of the investment being valued. For the purpose of this report, the valuers engaged were:

Messrs Jide Alabi & Co, Estate Surveyors and Valuers (FRC/2012/NIESV/00000000314)

15.0 Statutory deposit

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

	N'000	N'000	N'000	N'000
Statutory deposit	500,000	500,000	300,000	300,000
	500,000	500,000	300,000	300,000

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

		Group 31 December 2014	Group 31 December 2013	Company 31 December 2014	Company 31 December 2013
16.0	**Deposit for shares**	**N'000**	**N'000**	**N'000**	**N'000**
	Mutual Model transport Limited	-	-	583,000	583,000
	Charks Investment Limited (16.3)	179,063	400,000	179,063	400,000
	Funds for Avanage	70,000	70,000	70,000	70,000
	Mutual Exploration	125,479	-	55,479	-
	Mutual Benefits Niger Republic	-	301,255	301,255	301,255
		374,542	771,255	1,188,797	1,354,255
	Impairment on deposit for shares	(400,000)	(400,000)	(400,000)	(400,000)
	Write back during the year (note 40)	220,937	-	220,937	-
	Reclassification to loans and receivables (16.2)	-	-	(583,000)	-
	Transfer to Mutual Benefits Life Assurance Limited	-	-	(371,255)	-
		195,479	371,255	55,479	954,255

16.1 Deposit for shares represents funds injected into Mutual Model Transport Limited and Charks Investment Limited (both Subsidiaries) as well as Avanage and Mutual Exploration. These amounts shall be converted into equity or utilised as may be directed by the Board of Directors. During the year, the company transferred its deposit for shares in Avanage and Mutual Benefits Niger Republic to Mutual Benefits Life Assurance Limited. Also, deposit for shares in Mutual Model Transport was reclassified to loans and receivables.

16.2 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.The total outstanding due as at 31st December 2014 to Mutual Benefits Assurance Plc amounted to N668,727,000 as dislosed in note 4.3.2(a) in the financial statements.

16.3 The movement of deposit for shares in Charks Investment Limited is shown below:

	N'000	N'000	N'000	N'000
Balance as at 1January	400,000	400,000	400,000	400,000
Repayment during the year	(220,937)	-	(220,937)	-
Balance as at 31 December	179,063	400,000	179,063	400,000

17.0 Goodwill

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).

		N'000	N'000	N'000	N'000
	Mutual Benefits Assurance Company Limited Liberia	-	181,715	-	-
	Mutual Benefits Asset Management Limited	-	4,120	-	-
	Mutual Microfinance Bank Limited	17,980	4,273	-	-
		17,980	190,108	-	-
17.1	The movement in the balance of goodwill is as follows:	N'000	N'000	N'000	N'000
	Goodwill on consolidation of subsidiaries	98,245	395,482	-	-
	Provision for impairment	(80,265)	(205,374)	-	-
	Balance at the end of the year	17,980	190,108	-	-

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

Goodwill on consolidation is arrived at as follows:

2014	Charks Investment Limited N'000	Mutual Model Transport Limited N'000	Mutual Benefits Microfinance Bank Limited N'000	Total N'000
Cost of acquisition	132,677	10,000	200,000	342,677
Less: Net assets acquired				
Share capital	100,000	10,000	229,453	339,453
Share premium	13,400	-	-	13,400
Pre acquisition reserves on initial acquisition	(16,683)	-	(33,131)	(49,814)
Net assets of acquiree at the date of acquisition	96,717	10,000	196,322	303,039
Percentage holding	80%	100%	80%	
Net assets acquired	77,374	10,000	157,058	244,431
Goodwill on acquisition				
of subsidiaries	55,303	-	42,942	98,245
Impairment loss	(55,303)		(24,962)	(80,265)
	-	-	17,980	17,980

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

2013	Charks Investment Limited N'000	TFS Securities Limited N'000	Mutual Benefits Asset Management Limited N'000	Mutual Model Transport Limited N'000	Mutual Benefits Assurance Company Limited Liberia N'000	Mutual Benefits Microfinance Bank Limited N'000	Total N'000
Cost of acquisition	132,677	220,174	412,000	10,000	464,000	200,000	1,438,851
Less: Net assets acquired							
Share capital	100,000	335,999	412,000	10,000	553,500	229,453	1,640,952
Share premium	13,400						13,400
Pre acquisition reserves on initial acquisition	(16,683)	(118,692)	-	-	-	(33,131)	(168,506)
Pre acquisition reserves on subsequent acquisition	-	(389,543)	-	-	-	-	(389,543)
Net assets of acquiree at the date of acquisition	96,717	(172,236)	412,000	10,000	553,500	196,322	1,096,303
Percentage holding	80%	53%	99%	100%	51%	80%	
Percentage of additional shares acquired	-	12%	-	-	-	-	-
Net assets acquired	77,374	(91,481)	407,880	10,000	282,285	157,058	843,115
Goodwill on acquisition of subsidiaries	55,303	111,402	4,120	-	181,715	42,942	395,483
Impairment loss	(55,303)	(111,402)				(38,669)	(205,374)
	-	-	4,120	-	181,715	4,273	190,108

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.

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

18.0 Insurance contract liabilities

	Group 31 December 2014 N'000	Group 31 December 2013 N'000	Company 31 December 2014 N'000	Company 31 December 2013 N'000
Outstanding claims (Note 18.1)	3,050,603	2,814,036	1,487,818	1,899,762
Unearned premiums (See note 18.2)	2,578,027	2,744,417	1,876,436	1,869,067
	5,628,630	5,558,453	3,364,254	3,768,829
Current	5,628,630	5,558,453	3,364,254	3,768,829
Non-current	-	-	-	-

18.1 Claims reported and loss adjustment expenses

	N'000	N'000	N'000	N'000
Non-Life (Note 18.1.1)	1,487,818	1,899,762	1,487,818	1,899,762
Life (Note 18.1.2)	1,562,785	914,274	-	-
	3,050,603	2,814,036	1,487,818	1,899,762

18.1.1 Non-Life

	N'000	N'000	N'000	N'000
Claims reported (Note 18.1.1(b))	1,049,486	1,604,891	1,049,486	1,604,891
Claims incurred but not reported	438,332	294,871	438,332	294,871
	1,487,818	1,899,762	1,487,818	1,899,762

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

	N'000	N'000	N'000	N'000
Motor	265,309	354,539	265,309	354,539
Marine	32,827	60,062	32,827	60,062
Fire	183,319	628,495	183,319	628,495
General accident/Aviation, Oil and gas	814,266	714,600	814,266	714,600
Bond	192,097	142,066	192,097	142,066
Total	1,487,818	1,899,762	1,487,818	1,899,762

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

Days	Company 31 December 2014 N'000	Company 31 December 2013 N'000
0 - 90	301,771	-
91 -180	208,835	8,015
181-270	151,428	211,743
271-365	72,604	347,443
365 and above	314,848	1,037,690
	1,049,486	1,604,891

18.1.2 Life business

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

	N'000	N'000
Outstanding claims	1,231,509	810,785
Claims incurred but not reported	296,577	222,605
Annuity	34,699	
Total outstanding claims	1,562,785	914,274

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

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

	Company 31 December N'000	Company 31 December N'000
Group life	1,279,086	810,785
Individual life	249,000	103,489
Annuity	34,699	-
	1,562,785	914,274

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

	N'000	N'000
Balance at the beginning of the year	914,274	914,274
Increase in outstanding claims	648,511	-
Balance at the end of the year	1,562,785	914,274

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

	N'000	N'000
Balance at the beginning of the year	103,489	103,489
Increase in outstanding claims	180,210	-
Balance at the end of the year	283,699	103,489

18.2 **Unearned Premium**

	Group		Company	
Unearned premium	31 December 2014 N'000	31 December 2013 N'000	31 December 2014 N'000	31 December 2013 N'000
Non-Life (Note 18.2(a))	1,876,436	1,869,065	1,876,436	1,869,067
Life (Note 18.2(b))	701,591	875,352	-	-
	2,578,027	2,744,417	1,876,436	1,869,067

18.2.1

	N'000	N'000	N'000	N'000
The movement in unearned premium is as follows:				
Balance, beginning of year	2,744,417	2,299,777	1,869,067	1,788,225
Changes in unearned premium	(166,390)	444,640	7,369	80,842
Balance at end of the year	2,578,027	2,744,417	1,876,436	1,869,067

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

	N'000	N'000	N'000	N'000
Motor	811,167	728,113	811,167	728,113
Marine	142,913	104,721	142,913	104,721
Fire	152,456	152,947	152,456	152,947
Bonds	-	20,711	-	20,711
Aviation, oil and gas	446,145	-	446,145	-
General accidents	323,755	862,573	323,755	862,575
	1,876,436	1,869,065	1,876,436	1,869,067

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

	N'000	N'000	N'000	N'000
Balance at the beginning of the year	1,869,065	1,844,311	1,869,067	1,788,220
Increase/(Decrease) in unearned premium	7,371	24,754	7,369	80,847
Balance at the end of the year	1,876,436	1,869,065	1,876,436	1,869,067

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

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

Unearned Premium Reserve (UPR)

The unearned premium reserve was calculated using time apportionment basis, in particular, the 365ths method. In the calculation of the UPR, it was assumed that both the start and end date were included in the coverage period, i.e. if the policy's start and end date are the 31 December 2013 and 31 December 2014 respectively, then the policy will cover any claim occuring on the 31 December 2013 and 31 December 2014 as well as any dates in between.

(b)	**Life Business**	**N'000**	**N'000**
	Analysis of Life business unearned premium per class of insurance		
	Group Life	490,690	875,352
	Individual Life	210,901	-
		701,591	875,352

(b(i))	**The movement in unearned premium is as follows:**		
		N'000	**N'000**
	Balance at the beginning of the year	875,352	429,741
	Actuarial movement in unearned premium	(173,761)	445,611
	Balance at the end of the year	701,591	875,352

19.0 Investment Contract Liabilities

Investment contracts are those contracts that transfer financial risk with no significant insurance risk. A number of insurance and investment contracts contain a discretionary participation feature (DPF). This feature entitles the holder to receive, as a supplement to guaranteed benefits, additional benefits or bonuses:

(i) that are likely to be a significant portion of the total contractual benefits;
(ii) Whose amount or timing is contractually at the discretion of the Group; and
(iii) That are contractually based on:

- the performance of a specified pool of contracts or a specified type of contract;
- realised and/or unrealised investment returns on a specified pool of assets held by the Group; or
- the profit or loss of the Group, fund or other entity that issues the contract.

19.1 Details of balances of investment contract liabilities at the year end are as presented below:

	N'000	**N'000**	**N'000**	**N'000**
Groups (Note 19.1(a))	266,253	265,430	-	-
Individuals (Note 19.1(b))	20,157,615	14,671,340	-	-
	20,423,868	14,936,770	-	-
Current	-	-	-	-
Non-current	20,423,868	14,936,770	-	-
	20,423,868	14,936,770	-	-

(a) Group investment contract liabilities are made of the following:

	N'000	**N'000**	**N'000**	**N'000**
Managed funds (Note a(i))	266,253	252,901	-	-
Others	-	12,529	-	-
	266,253	265,430	-	-

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

(a(i)) The movement in the balance of managed funds during the year is as shown below:

	Group		Company	
	31 December 2014 N'000	31 December 2013 N'000	31 December 2014 N'000	31 December 2013 N'000
Balance at the beginning of the year	252,901	575,532	-	-
Deposits received during the year	72,599	124,519	-	-
Withdrawals during the year	(67,680)	(66,206)	-	-
Guaranteed interest	8,433	6,268	-	-
Reclassification of fund liabilities	-	(425,380)		
Transfer of excess fund liabilities	-	12,685	-	-
Gain on valuation of group investment contract liabilities	-	25,483	-	-
Balance at the end of the year	266,253	252,901	-	-

(b) The movement in individual investment contract liabilities during the year is as follows:

	N'000	N'000	N'000	N'000
Balance at the beginning of the year	14,671,340	9,521,707	-	-
Deposits received during the year	10,882,570	9,775,261	-	-
Withdrawals and surrenders during the year	(6,014,199)	(5,397,300)	-	-
Guaranteed interest	617,904	346,292	-	-
Loss on valuation of individual investment contract liabilities	-	425,380	-	-
	20,157,615	14,671,340	-	-

20.0 **Trade payables**

	N'000	N'000	N'000	N'000
Reinsurance payables	19,996	81,034	-	44,074
Lease creditors	-	38,452	-	-
Co-Insurance payable	61,326	58,798	-	-
	81,322	178,284	-	44,074
Current	81,322	178,284	-	44,074
Non-current	-	-	-	-

21.0 **Other payables**

	N'000	N'000	N'000	N'000
Accruals	725,093	468,877	60,581	52,163
Creditors control-Management	314,098	274,265	314,098	274,266
Rent received in advance	13,066	13,305	13,066	13,305
Dividend Payable	1,878	1,802	1,878	1,802
Commission payable (Note 21.1)	127,390	28,327	41,237	28,327
Due to related companies (Note 21.2)	173,381	-	158,184	2,265,261
PAYE	3,355	3,447	178	1,881
VAT Payable	57,877	4,135	640	586
WHT Payable	12,353	8,900	7,245	4,957
Staff pension	9,111	768	6,413	-
Industrial training fund	904	5,865	-	4,961
Salary control account	-	8,189	-	8,189
Customers deposits	-	69,450	-	-
Ageny/legal fee	4,040	-	-	-
Deferred income (Note 21.5)	30,945	36,803	30,945	36,803
Amount due to brokers	261,907	95,003	261,907	95,003
Amount due to Directors	25,612	30,356	20,320	30,356

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

	Group		Company	
	31 December 2014 N'000	31 December 2013 N'000	31 December 2014 N'000	31 December 2013 N'000
National Housing fund	715	6,425	715	6,425
Cooperative	3,422	7,589	-	-
Obligation under finance lease	1,633	63,004	-	-
Deposit for premium	394,356	319,508	80,072	32,774
Sundry creditors	473,632	511,563	41,787	50,539
Professional fee	151	652	-	-
Medical fees payable	3,528	1,546	-	-
Death claims	3,528	28	-	-
Accident fees payable	844	780	-	-
Social security taxes	247	95	-	-
Real estate taxes	386			
Premium tax payable	-	9,199	-	-
Other Creditors	578,089	607,216	45,227	46,978
Trade creditors	150,596	-	-	-
Unclaimed credit	1,966	-	-	-
Default charge in suspense	4,620	-	-	-
Barnches suspense	34,566	-	-	-
Eazi product suppliers	677	-	-	-
private placement	16,354	-	-	-
Investment payable	525	-	-	-
premium refund	16,435	-	-	-
Deposit for shares (Note 21.6)	779,062	-	-	-
Deposit for properties by customers	224,734	1,136,185	-	-
	4,451,076	3,713,282	1,084,493	2,954,576
Current	4,451,076	3,713,282	1,084,493	2,954,576
Non-current	-	-	-	-

21.1 **Reversal of commission payable on trade receivables written off**

	N'000	N'000	N'000	N'000
Commision payable	127,390	755,769	41,237	755,769
Reversal of commission payable	-	(727,442)	-	(727,442)
	127,390	28,327	41,237	28,327

21.2 **Amount due to related companies**	N'000	N'000	N'000	N'000
Mutual Model Transport Limited	22,111	-	22,110	51,254
Mutual Benefit Life Assurance Limited (Note 21.3)	-	-	3,397	2,074,313
Charks Investment Limited	151,270	-	132,677	132,677
Mutual Homes and properties	-	-	-	7,017
	173,381	-	158,184	2,265,261

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

	N'000	N'000	N'000	N'000
Balance at the beginning of the year	-	-	2,074,313	1,017,942
Additions	-	-	2,712,216	2,236,465
Transfers (note 21.4)			(2,048,132)	-
Repayments	-	-	(2,735,000)	(1,180,094)
Balance at the end of the year	-	-	3,397	2,074,313

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

		Group		Company	
		31 December 2014 N'000	31 December 2013 N'000	31 December 2014 N'000	31 December 2013 N'000
21.4	Analysis of transfers is shown below:				
	Loan to Mutual Homes and Properties transferred (note 4.3.2(b))	-	-	669,084	-
	Deposit for shares in Mutual	-	-	301,255	-
	Deposit for shares in Avanage Limited transferred (note 16)	-	-	70,000	-
	Investment in Mutual Benefits Liberia transferred (note 11(d))	-	-	464,000	-
	Land and Building transferred (note 13b(iii))	-	-	543,793	-
		-	-	2,048,132	

21.5 Deferred income

This represents unearned portion of interest disclosed in note 9. The interest earned during the year which amounted to N48,347,000 is disclosed under investment income in note 37.

21.6	Analysis of deposit for shares is shown below:	N'000	N'000	N'000	N'000
	Mutual Model Transport	600,000	-	-	-
	Charks Investment Limited	179,062	-	-	-
		779,062	-	-	-
22.0	**Deposit liabilities**	**N'000**	**N'000**	**N'000**	**N'000**
	Current	202,164	155,326	-	-
	Time	174,186	34,795	-	-
	Savings	108,931	87,248		
		485,281	277,369	-	-
	Current	485,281	190,121	-	-
	Non current	-	87,248	-	-
		485,281	277,369	-	-
23.0	**Book overdraft**	**N'000**	**N'000**	**N'000**	**N'000**
	Book overdraft (note 23.1)	6,605	248,038	6,605	7,670

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

24.0	**Borrowings**	**N'000**	**N'000**	**N'000**	**N'000**
	Bank Loan (note(24.1))	400,870	400,870	400,870	400,870
	Other borrowings (note 24.2)	57,473	60,296	-	-
	Loan from Daewoo Securities Limited (note 24.3)	3,161,645	3,330,573	3,161,645	3,330,573
		3,619,988	3,791,739	3,562,515	3,731,443
	Current portion (liabilities to be settled within one year)				
	Non-current portion (liabilities to be settled after one year)	3,619,988	3,791,739	3,562,515	3,731,443

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

		Group		Company	
		31 December 2014	31 December 2013	31 December 2014	31 December 2013
24.1	Movement in bank loan is as analysed below:	N'000	N'000	N'000	N'000
	Guaranty Trust Bank Plc (Note 24.1 (i))	400,870	400,870	400,870	400,870
	Sterling Bank Plc (Note 24.1 (ii))	-	-	-	-
	Assets Management Company of Nigeria	-	-	-	-
	Sterling Bank Plc/ Charks Loan (Note 24.1 (iii))	-	-	-	-
		400,870	400,870	400,870	400,870

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

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

Movement in the Sterling bank term loan is as analysed below:	N'000	N'000	N'000	N'000
Balances at the beginning of the year	-	102,025	-	102,025
Interest charges during the year	-	-	-	-
Repayments during the year	-	(102,025)	-	(102,025)
	-	-	-	-

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

	N'000	N'000	N'000	N'000
Loan amount due to Sterling Bank Plc	-	57,222		57,222
Interest charged on loan facility				-
Repayments during the year	-	(57,222)		(57,222)
	-	-		-

24.2	**Other borrowings**	N'000	N'000	N'000	N'000
	Balance at 1 January	60,295	55,850	-	-
	Accrued interest	17,501	5,716	-	-
	Repayment during the year	(20,324)	(1,271)	-	-
	Balance at 31 December	57,472	60,295	-	-

This represents balance of bank overdraft with Guaranty Trust Bank Plc which the Bank assigned on Loan Purchase Agreement to Asset Management Corporation of Nigeria.

The amount outstanding as at 31 December 2014, was restructured to be paid within 60 months with effect from March, 2013 subject to interest rate of 13% per annum up to December, 2014. Thereafter applicable interest rate shall be monetary poliy rate (MPR) plus 5% or 15% whichever is higher.

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

		Group		Company	
		31 December 2014	31 December 2013	31 December 2014	31 December 2013
24.3	**Loan from Daewoo Securities**	**N'000**	**N'000**	**N'000**	**N'000**
	Balance at 1 January	3,330,573	4,054,258	3,330,573	4,054,258
	Foreign exchange rate movement	(168,928)	(723,685)	(168,928)	(723,685)
	Balance at 31 December	3,161,645	3,330,573	3,161,645	3,330,573

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

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

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

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

Subsequently, in 2010 due to the global financial crisis, the subscriber called for the repayment of the bond an amount of N421,455,030 has since been repaid to date. The bond has therefore been converted to a Long term Loan. Confirmation received from Daewoo Securities Limited revealed that the outstanding balance in respect of the bond as at 31 December 2014 is JPY4,710,900,101 (N6,612,690,000). However, there is a litigation in respect of this loan.

With the declaration of dispute, the terms and conditions of the bonds are no longer being complied with by both the issuer and the subscriber. The implication for noncompliance with the terms and conditions by the Company are that in the event that the outcome of litigation is unfavourable penalties may be awarded.

25.0	**Current income tax liabilities**				
	The movement in this account during the year was as follows:	**N'000**	**N'000**	**N'000**	**N'000**
	Balance at beginning of the year				
	Company income tax	411,259	438,497	158,730	279,969
	Education tax	30,230	36,015	29,557	11,793
	Information technology tax	14,491	1,896	14,491	-
	Charge for the year (see note (i) below)				
	Company income tax	97,521	104,650	60,383	50,670
	Education tax	35,898	35,058	35,898	17,764
	Information technology tax	31,046	16,051	26,055	14,491
	Capital gain tax	-	12,931	-	-
	Minimum tax	831	892	-	-
	Under provision during the year	11,439	-	-	-
	Payments during the year	(126,754)	(190,010)	(76,376)	(171,909)
	Balance at the end of the year	505,961	455,980	248,738	202,778
	Current	505,961	455,980	248,738	202,778
	Non current	-	-	-	-

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

(i) **The tax charge for the year**

comprises:	**Group 31 December 2014**	**Group 31 December 2013**	**Company 31 December 2014**	**Company 31 December 2013**
Company income tax	**N'000**	**N'000**	**N'000**	**N'000**
-General business	60,383	50,670	60,383	50,670
- Life business	31,870	19,907	-	-
- Mutual Benefits Asset Management	-	-	-	-
- Mutual Model Transport Limited	5,268	573	-	-
- TFS Securities Limited	-	15,007	-	-
- Charks Investment Limited	-	-	-	-
- Mutual Benefits Liberia Company Limited	-	18,493	-	-
	97,521	104,650	60,383	50,670
Education tax				
-General business	35,898	17,764	35,898	17,764
- Life business	-	16,294	-	-
- TFS Securities	-	1,000	-	-
	35,898	35,058	35,898	17,764
Information technology tax				
-General business	26,055	14,491	26,055	14,491
- Life business	4,991	1,560	-	-
	31,046	16,051	26,055	14,491
Capital Gain tax				
-Charks investment Limited	-	12,931	-	-
	-	12,931	-	-
Minimum Tax				
-Charks investment Limited	831	892	-	-
	831	892	-	-
Over/(under) provision in taxation				
-Model Transport	11,439	-	-	-
	11,439	-	-	-
	176,735	169,582	122,336	82,925
Deferred tax liability				
-General business	239,384	33,782	239,384	33,782
- Life business	18,656	55,606	-	-
- Mutual Benefits Asset Management	-	-	-	-
- Mutual Model Transport Limited	-	127,556	-	-
	258,040	216,944	239,384	33,782
Deferred tax asset				
-General business	-	-	-	-
- Life business	-	-	-	-
-Mutual Benefits Liberia	-	-	-	-
- Charks Investment Limited	(7,367)	(31,201)	-	-
	(7,367)	(31,201)	-	-
Total tax charge for the year	427,408	355,325	361,720	116,707

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

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

Current tax on profit for the year:	Company 2014 N '000	Company 2013 N '000
Income Tax	60,383	50,670
Education tax	35,898	17,764
Information technology tax	26,055	14,491
	122,336	82,925
Deferred tax liability		
Origination and reversal of temporary differences	239,384	33,782
Total tax expense	361,720	116,707
Tax Expense recognised in Other Comprehensive Income		
Capital Gains Tax on Revaluation Surplus	-	-

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

	Company 2014 N '000	Company 2013 N '000
Profit/(Loss) Before Tax	2,605,488	691,578
Expected tax charge based on the standard rate on Nigeria		
corporate tax at the domestic rate of 30% (2012: 30%)	781,646	207,473
Income tax as per computations	97,521	50,670
Difference (see below)	684,125	156,803
Adjustment for tax deductible and non-deductible items		
Net premium income	5,276,293	4,367,470
Statutory deductions allowed	(2,316,415)	(2,960,472)
Commission received	837,247	58,016
Investment Income and other incomes taxable	1,729,845	870,212
Expenses Deducted	(2,674,935)	(1,232,710)
Deduct Investment Allowance	(230)	(327)
Deduct capital Allowance	(900,205)	(239,438)
Loss per account not allowed	-	-
	1,951,600	862,751
Income tax @ 30% - Difference (as above)	692,080	156,803

		Group December 2014	Group December 2013	Company December 2014	Company December 2013
26.0	**Deferred income tax**	N'000	N'000	N'000	N'000
	Balance at the beginning of the year	701,262	484,318	433,962	400,180
	Charge for the year:				
	- Income statement	256,283	216,944	239,384	33,782
	- Other comprehensive income		-	-	-
	Balance at the end of the year	957,545	701,262	673,346	433,962
	Current		-	-	-
	Non current	957,545	701,262	673,346	433,962

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

	Group December 2014	Group December 2013	Company December 2014	Company December 2013
Deferred income tax asset	**N'000**	**N'000**	**N'000**	**N'000**
Balance at the beginning of the year	89,696	58,495	-	-
Movement during the year	7,401	31,201	-	-
	97,097	89,696	-	-
Current	-	-	-	-
Non current	97,097	89,696	-	-

26.1 Deferred income tax are attributable to the following:

Company

	Opening balance as at 1 January 2014	Recognized in net income	Recognized in OCI	Closing Balance at 31 December 2014
	N'000	**N'000**	**N'000**	**N'000**
Deferred tax liabilities				
Excess of NBV over TWDV	433,962	239,384		673,346
Unrealised Exchange gain				
Revaluation Surplus				
	433,962	239,384		673,346
Deferred tax assets				
Other timing difference items				
Net deferred tax liability/ (asset)	433,962	239,384		673,346

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

		Group 31 December 2014	Group 31 December 2013	Company 31 December 2014	Company 31 December 2013
27.0	**Share capital:**				
	Share capital comprises:				
(a)	Authorized:				
		N'000	N'000	N'000	N'000
	10,000,000,000 Ordinary shares of 50k each	5,000,000	5,000,000	5,000,000	5,000,000
(b)	Issued and fully paid:				
		N'000	N'000	N'000	N'000
	8,000,000, 000 Ordinary shares of 50k each	4,000,000	4,000,000	4,000,000	4,000,000
		N'000	N'000	N'000	N'000
27.1	**Treasury shares**	250	250	250	250

28.0 **Retained earnings**

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

	N'000	N'000	N'000	N'000
Balance, beginning of the year	(4,597,996)	(4,970,137)	(3,200,343)	(3,615,408)
Transfer from statement of	4,086,941	557,288	2,243,768	574,870
	(511,055)	(4,412,849)	(956,575)	(3,040,538)
Transfer to contingency reserves	(587,329)	(185,147)	(448,754)	(159,806)
Balance, ending of the year	(1,098,383)	(4,597,996)	(1,405,329)	(3,200,344)

29.0 Contingency reserves

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

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

		N'000	N'000	N'000	N'000
	Balance, beginning of the year	1,436,756	1,251,609	1,216,911	1,057,105
	Transfer from retained earnings	587,329	185,147	448,754	159,806
	Balance, ending of the year	2,024,085	1,436,756	1,665,665	1,216,911
	Analysis per business segment	N'000	N'000	N'000	N'000
	Non-life business			1,665,665	1,216,911
	Life business			358,420	219,845
	Balance, ending of the year			2,024,085	1,436,756
(i)	**Non-life business**			N'000	N'000
	Balance, beginning of the year			1,216,911	1,057,105
	Transfer from retained earnings			448,754	159,806
	Balance, ending of the year			1,665,665	1,216,911
(ii)	**Life business**			N'000	N'000
	Balance, beginning of the year			219,845	194,504
	Transfer from retained earnings			138,575	25,341
	Balance at the end of the year			358,420	219,845

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

		Group 31 December 2014	Group 31 December 2013	Company 31 December 2014	Company 31 December 2013
30.0	**Revaluation Reserves**	**N'000**	**N'000**	**N'000**	**N'000**
	Revaluation surplus on Property,	**N'000**	**N'000**	**N'000**	**N'000**
	plant and equipment (Note 13(b(ii))	1,288,563	1,327,593	1,288,563	1,288,563
	Addition during the year	-	80,525	-	-
	Revaluation surplus transferred	-	(119,555)	-	-
		1,288,563	1,288,563	1,288,563	1,288,563
31.0	**Foreign currency translation reserves**	**N'000**	**N'000**	**N'000**	**N'000**
	Movements in the foreign currency translation reserves				
	At the beginning of the year	14,606	12,791	-	-
	Proportion of foreign currency translation reserves allocated to the Group from foreign subsidiary	-	1,815	-	-
	Proportion of foreign currency translation reserves allocated to the Group from equity accounted	14,606	14,606	-	-
	Foreign exchange reserves transferred on disposal of equity accounted	(14,606)	-	-	-
	At end of the year	-	14,606	-	-

The Group elected to zeroise the cumulative translation difference from its foreign subsidiary (Mutual Benefits Liberia Company Limited) at the date of transition to IFRS in line with the optional exception requirement of IFRS1, this is also in compliance with section 13(b)iii of the National Insurance Commission's IFRS Harmonisation Carve-Out and Regulatory Requirement for Nigerian Insurance Industry.

		Group	Group
32.0	**Non-controlling interests in equity**	**2014**	**2013**
	The entity accounting for non-controlling interest is shown below	**N'000**	**N'000**
	Mutual Benefits Asset Management Limited	-	3,780
	TFS Securities Limited	-	16,131
	Charks Investment Limited	(71,009)	(73,230)
	Mutual Benefits Assurance Company Limited Liberia	38,709	262,502
	Mutual Microfinance Bank Limited	48,714	33,433
		16,414	242,616
	The movement in Non controlling interest	**N'000**	**N'000**
	Balance at the beginning of the year	242,616	253,940
	Results for the year	12,189	(1,536)
	Foreign exchange translation reserves	-	(31)
	Revaluation reserves	-	(9,757)
	Discontinued operations	(238,391)	-
	Balance at the end of the year	16,414	242,616

Non controlling interest in entities within the group is as analysed

Company name	**2014 % of equity capital held by NCI**	**2013 % of equity capital held by NCI**
Mutual Benefits Asset Management Limited	-	*1*
Charks Investment Limited	*20*	*20*
Mutual Benefits Liberia Company Limited	-	*49*
Mutual Microfinance Bank Limited	*20*	*20*

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

		Group 31 December 2014	Group 31 December 2013	Company 31 December 2014	Company 31 December 2013
33.0	**Net premium income**	**N'000**	**N'000**	**N'000**	**N'000**
	Gross premium written	15,413,708	8,125,494	11,354,526	5,326,871
	Annuity	37,340	-	-	-
	Provision for unearned premium (non-life)	(7,365)	(80,842)	(7,364)	(80,842)
	Provision for unearned premium (life)	91,948	(363,798)	-	-
	Gross premium income	15,535,631	7,680,854	11,347,162	5,246,029
	– Re-insurance expenses (note 33.1)	(6,193,206)	(954,019)	(6,070,869)	(878,559)
	Net premium income	9,342,425	6,726,835	5,276,293	4,367,470
33.1	**Reinsurance expenses**	**N'000**	**N'000**	**N'000**	**N'000**
	Balance at the beginning of the year	128,183	-	128,183	-
	Reinsurance cost during the year	6,872,263	1,082,202	6,730,992	1,006,742
	Prepaid reinsurance cost at the end of the year (note 6.2)	(807,240)	(128,183)	(788,306)	(128,183)
		6,193,206	954,019	6,070,869	878,559
33.2	**Commission Received**	**N'000**	**N'000**	**N'000**	**N'000**
	Commission received from reinsurance	387,116	94,360	266,541	43,175
	Commission received from co assurance	570,706	14,841	570,706	14,841
		957,822	109,201	837,247	58,016
34.0	**Claims expenses:**	**N'000**	**N'000**	**N'000**	**N'000**
	Claims paid during the year	2,542,930	3,021,681	1,545,327	1,386,595
	Changes in outstanding claims and IBNR	(47,132)	986,729	(411,904)	558,971
	Total claims and loss adjustment expense	2,495,798	4,008,410	1,133,423	1,945,566
	Claim expenses recovered from reinsurers (note 34.1) reinsurers (note 34.1)	(129,538)	(1,230,782)	125,705	(297,416)
	Net claims expenses	2,366,260	2,777,628	1,259,128	1,648,150
34.1	**Claim expenses recovered from reinsurers**	**N'000**	**N'000**	**N'000**	**N'000**
	Increase during the year	353,529	1,230,782	98,286	297,416
	Write off during the year (note 34.2)	(223,991)	-	(223,991)	-
		129,538	1,230,782	(125,705)	297,416

34.2 This represents over estimation of reinsurance assets in prior year. Details of write off is analysed below:

	Group 31 December 2014	Group 31 December 2013	Company 31 December 2014	Company 31 December 2013
	N'000	**N'000**	**N'000**	**N'000**
Dangote Sugar Refinery Plc	107,996	-	107,996	-
Ports and Terminal	7,135	-	7,135	-
Coscharis Motors Limited	93,666	-	93,666	-
Lombardy Plastics Nigeria Limited	3,482	-	3,482	-
Nigerian National Petroleum Corporation	9,221	-	9,221	-
Independent Electoral Commission	585	-	585	-
Funsho Logistics Limited	1,906	-	1,906	-
	223,991	-	223,991	-

35.0 Acquisition costs and maintenance expenses

Acquisition costs are those incurred in obtaining and renewing insurance contracts such as commissions paid to agents and brokers. Maintenance expenses are those incurred in servicing existing policies/contracts. These include processing cost, preparation of statistics and reports, and other incidental costs attributable to maintenance.

		Group 31 December 2014	Group 31 December 2013	Company 31 December 2014	Company 31 December 2013
35.1	**Acquisition Costs**	**N'000**	**N'000**	**N'000**	**N'000**
	Deffered acquisition cost at the beginning of the year	361,815	304,464	295,460	266,338
	Commission for the year (see note 7.1)	1,249,080	1,063,836	970,671	917,126
	Deffered acquisition cost at the end of the year (see note 7)	(260,153)	(361,815)	(208,844)	(295,460)
		1,350,742	1,006,485	1,057,287	888,004

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

		Group 31 December 2014	Group 31 December 2013	Company 31 December 2014	Company 31 December 2013
35.2	**Maintenance expenses**	**N'000**	**N'000**	**N'000**	**N'000**
	Business acqusition cost-Group Life	593,316	95,475	54,110	-
	Administrative charges-Group Life	16,967	21,782	-	-
	Agency allowance	60,504	15,679	-	-
	Agency running cost	-	71,916	-	-
	Agency training	18,312	4,891	-	-
	Consultancy fees	80,720	210,322	54,937	124,508
	Individual Life underwriting medical expenses	1,863	180	-	-
	Group life underwriting medical expenses	9,377	10,295	-	-
	Group life actuary valuation report	-	1,418	-	-
	Stamp duty expenses	1,518	1,487	-	-
	Agency unit manager allowance	-	3,684	-	-
	Business promotion expenses	16,900	32,906	-	-
	Value added tax	13,508	3,557	-	-
	Underwriting medical expenses	25	5,433	-	-
	Marketing expenses	83,813	-	-	-
		896,823	479,025	109,047	124,508

36.0	**Loss on investment contract liabilities**	**N'000**	**N'000**	**N'000**	**N'000**
	Investment income attributable to investment contract (note 37)	1,652,649	1,189,711	-	-
	Loss on group investment contract liabilities	-	(25,483)	-	-
	Guaranteed interest on investment contract liabilities(note 19.1(a(i)) and 19.1(b)(i))	(626,337)	(352,560)	-	-
	Acquisition cost on investment policies	(1,174,701)	(1,297,390)		
		(148,389)	(485,722)	-	-

a Investment income attributable to investment contract represents redistribution of investment income based on fund balances as at year end.

37.0	**Investment income**	**N'000**	**N'000**	**N'000**	**N'000**
	Investment contract (Note 37(a))	2,286,547	2,132,839	720,283	850,708
	Income from quoted equity	1,748	1,852	1,748	1,852
	Income from fixed deposits	436,642	33,703	121,225	33,703
	Income on statutory deposits	35,829	37,125	35,829	37,125
	Income on lease (Note 21.5)	48,347	11,499	47,969	11,499
	Interest from current accounts with banks	3,043	1,090	3,043	1,090
	Income from treasury bills	1,760	-	1,760	-
	Investment income written off	(90,000)	-	-	-
	Reclassification of investment income attributable to investment contract (Note 36)	(1,652,649)	(1,189,711)	-	-
		1,071,267	1,028,397	931,857	935,977

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

		Group 31 December 2014	Group 31 December 2013	Company 31 December 2014	Company 31 December 2013
(a)	Income from investment contract	N'000	N'000	N'000	N'000
	Investment income from unquoted companies (Note 37(b))	2,286,547	2,004,365	720,283	850,708
	Interest income on loan	-	-	-	-
	Interest income on short term deposits	-	37,877	-	-
	Lease finance income	-	597	-	-
	Profit on investment property disposal	-	90,000		
	Total investment income	2,286,547	2,132,839	720,283	850,708

(b) Investment income from unquoted companies is made up of:

	N'000	N'000	N'000	N'000
Prime Exploration	2,221,120	1,919,994	654,856	644,662
Interest on loan to Mutual Homes and properties	65,427	-	65,427	65,428
Interest on loan to Mutual Model Transport (Note 37.1)	-	-	-	56,247
Interest on loan to CIL Track Africa Limited (Note 37.1)	-	84,371	-	84,371
	2,286,547	2,004,365	720,283	850,708

37.1 Interest on loans represent interest on facilities granted to Mutual Model Transport Limited and CILTrack Africa Limited respectively .

38.0	**Net fair value gains on financial assets**	N'000	N'000	N'000	N'000
	Fair value gain on financial assets through pro? t or loss (note 4.2)	2,462	54,108	2,462	54,109
	Fair value gain on pledged assets (note	7,755	33,177	7,755	33,177
	Fair value loss on financial assets through pro? t or loss	-	(6,708)	-	-
	Net fair value gains on financial assets	10,217	80,577	10,217	87,286
39.0	**Other income**	N'000	N'000	N'000	N'000
	Brokerage commission, Dividend & Interest	-	34,091	-	-
	Sales of ticket	689,784	714,091	-	-
	Charter services	89,937	76,390	-	-
	Advertisement	75,831	69,245	-	-
	Finance lease income	11,299	3,428	-	-
	Operating lease income	-	64,165	-	-
	Profit on sale of property and equipment	1,841	92,162	866	9,573
	Rental Income	24,685	19,254	24,685	19,254
	Agency fees	-	426	-	-
	Management fees	36,119	2,631	-	-
	Bad debt recovered	49,585	4,600	-	-
	Insurance claim received	860	-	860	-
	Income from staff loans	4,227	1,837	4,227	1,837
	Finance lease	-	150,525	-	-
	AMCON loan debt forgiveness	-	103,535	-	-
	Gain arising from loss of control (note 39.1)	289,199	-	-	-
	Gain on liquidation of subsidiary (note 39.2)	34,050	-	-	-
	Sundry income	13,709	-	-	-
	Income from logistics activities	61,317	126,502	-	-
	Revenue from real estate operations	-	93,445	-	-
	Exchange gain	219,761	723,685	219,761	723,685

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

	Group 31 December 2014	Group 31 December 2013	Company 31 December 2014	Company 31 December 2013
	N'000	N'000	N'000	N'000
Trucks and special operation	1,446	-	-	-
Write back of excess provision for tax	95,205	-	-	-
Gain from bargain purchase	212,103			
Gain on property valuation (note 39.3)	1,098,362	178,995		
Interest income	4,032	-	3,685	-
Investment income	4,588	-	-	-
Interstate income	99,580	-	-	-
Others	74,252	134,754	21,887	18,900
	3,191,772	2,593,761	275,971	773,249

39.1 This represents gain realised as a result of dilution in controlling interest in TFS Securities Limited as disclosed in note 11.1 in the financial statements.

39.2 This represents gain realised as a result of liquidation of Mutual Asset Management Limited as disclosed in note 11(e) in the financial statements.

39.3 Analysis of gain on property valuation is shown below:

	N'000	N'000	N'000	N'000
Cost of sales of properties transferred from Mutual Homes and Properties	4,206,832	-	-	-
Cost of property at Mutual Tulib Estate	-	747,000	-	-
Cost of property at Ikeja G.R.A	-	593,000	-	-
Cost of property at Sango, Idiroko	-	176,878	-	-
Intercompany finance cost during the year	(315,887)	-	-	-
Intercompany finance cost in prior year	(441,733)	-	-	-
Cost of sales of building to the group	3,449,212	1,516,878	-	-
Fair value assessment of investment property (note 14 (vii)) property (note 14 (vii))	(4,547,574)	(1,695,873)	-	-
Gain on property valuation	(1,098,362)	(178,995)	-	-

40.0 Impairment charge no longer required	N'000	N'000	N'000	N'000
Provision no longer required on trade receivables (see 40.1)	44,232	97,915	44,232	88,676
Provision no longer required on investment in subsidiaries (see 40.2)	268,164	-	190,790	-
Provision no longer required on deposit for shares (see note 40.3)	220,937	-	220,937	-
Provision no longer required on other receivables (see note 40.4)	55,841	147,423	55,841	23,386
Provision no longer required on short term placements	-	5,664	-	-
	589,174	251,002	511,800	112,062

40.1 This represents amount received on premium income that had been impaired in the previous year.

40.2 Provision no longer required on investment in subsidiaries represents impairment charged on Mutual Benefits Liberia in prior year. Investment in Mutual Benefits Liberia was transferred to Mutual Benefits Life Assurance Limited during the year.

40.3 This represents amount recovered in respect of deposit for shares held in Charks Investment Limited which was impaired in prior year.

40.4 Provision no longer required on other receivables represents impairment charge no longer required on loan given to Mutual Homes and Properties Limited which was transferred to Mutual Benefits Life Assurance Limited during the year and refund made by a sundry debtor (Staco Insurance Plc)

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

		Group 31 December 2014	Group 31 December 2013	Company 31 December 2014	Company 31 December 2013
41.0	**Impairment charge**	**N'000**	**N'000**	**N'000**	**N'000**
	Impairment charge on loans and advances(see note 4.3.3(d(i)))	402	33,963	-	-
	Impairment charge on other receivables(note 8.3)	-	71,606	-	51,917
	Impairment charge on finance lease receivables balance (note 9(a))	106,332	45,500	18,502	42,905
	Impairment of investment in subsidiaries (Mutual Benefits Liberia and Mutual Assets Management Limited)-note 11	-	-	-	230,863
	Impairment charge on deposit for shares (note 16)	-	-	-	400,000
		106,734	151,069	18,502	725,685
42.0	**Management expenses**	**N'000**	**N'000**	**N'000**	**N'000**
	Depreciation and amortisation charges	496,274	331,647	230,575	145,593
	Auditors fees	20,250	18,970	7,500	7,500
	Professional Fees/Legal Expenses	187,223	178,178	140,768	130,767
	Directors fees/Emoluments	297,880	470,535	160,182	300,337
	Medical Expenses	81,637	99,785	33,797	7,397
	Donation & Subscription	157,122	29,392	157,122	26,462
	Rents and Rates	50,163	63,493	20,073	9,886
	Repairs and Maintainance/ Generator/ computer	137,527	97,824	38,113	45,088
	Utilities	19,392	130,098	9,476	122,415
	Transport/Travelling	338,295	288,811	72,238	257,995
	Advertising expenses	342,450	282,192	75,843	241,664
	Motor Vehicle Running Expenses	118,151	47,550	35,199	21,729
	Entertainment/Corporate Client	45,247	155,258	32,396	135,385
	Training and Recruitment	67,520	194,198	63,387	176,323
	Insurance	39,057	34,312	31,036	26,643
	Bank Charges	191,742	75,641	112,549	41,064
	Development costs (see note 42.0 (a))	-	398,990	-	250,264
	Vehicle registration expenses	156,207	153,942	156,207	153,942
	Back duty assessment	146,827	-	136,827	-
	Recapitalisation Expenses	-	7,599	-	-
	Agent Brokerage Commission and Charges	-	-	-	-
	NAICOM Supervisory levy	103,560	88,105	-	44,663
	Board meeting expenses	942	1,583	-	-
	Conference and seminar expenses	-	2,298	-	-
	Fines and penalties	12,471	1,454	12,391	100
	Office general expenses	3,868	134,016	34,048	-
	Other assets written off	-	15,404	-	17,999
	Excess of guaranteed interest over investment income	-	27,128	-	-
	Newspapers and periodicals	1,791	983	737	-
	Printing and stationery	25,374	47,878	24,233	-
	Telecommunication expenses	64,096	17,273	28,991	-
	Security expenses	16,094	8,192	11,044	-
	Other Expenses	197,077	186,527	193,594	11,699
	Head office expenses	9,047	-	-	-
	Bank balances written off	-	-	-	-
	Intercompany balances written off	-	-	-	-

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

	Group 31 December 2014	Group 31 December 2013	Company 31 December 2014	Company 31 December 2013
	N'000	N'000	N'000	N'000
Bad debt written off	14,775	75,590	75,448	17,425
Exchange Loss	-	1,062		1,062
Loss on disposal of property, plant and	21,051	-	-	-
Cost of sales (see note 42.0 (b))	839,919	702,528	-	-
Operating lease expenses	2,448	75,162	-	-
Cost of real estate operations (see note	-	145,159	-	-
Interest income written off	-	84,371	-	140,618
	4,205,477	4,673,128	1,893,774	2,334,020

a) Development costs are the expenses incured in setting up about 36 retail outlets across the country

b) Cost of sales: This is the direct cost of operations incurred by Mutual Model Transport Limited

c) Cost of real estate operations: This is the direct cost of operations incurred by Mutual Benefits Homes & Properties Limited.

43.0 Employee benefit expenses	N'000	N'000	N'000	N'000
Wages and salaries	1,420,683	1,056,409	689,960	555,926
Pension costs – de? ned contribution plans	98,866	103,028	72,699	75,411
	1,519,549	1,159,437	762,659	631,337

44.0 Finance costs	N'000	N'000	N'000	N'000
Interest on loans and overdraft	52,964	47,329	137,500	18,221
Interest charge on deposits	-	8,118	-	-
Other charges	-	3,050	-	-
	52,964	58,497	137,500	18,221

45.0 Finance income	N'000	N'000	N'000	N'000
Interest income on Micro loans	65,109	25,682	-	-
Interest income on SME loans	97,915	123,035	-	-
Interest income on overdraft	13,185	30,103	-	-
Interest income on treasury bills	2,590	2,911	-	-
Income from funds placement	12,210	3,120	-	-
	191,009	184,851	-	-

46.0 Earnings per share

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

	N'000	N'000	N'000	N'000
Pro? t attributable to the equity holders	4,099,130	555,750	2,243,768	574,870
Weighted average number of ordinary shares in issue (thousands)	8,000,000	8,000,000	8,000,000	8,000,000
Basic earnings per share (kobo)	51.24	6.95	28.05	7.19

47.0 **Reconciliation of profit after taxation to net cash provided/(absorbed) by operating activities**

Cash flows from operating activities	N'000	N'000	N'000	N'000
Profit after taxation	4,086,941	557,288	2,243,768	574,871
Adjustment for:				
Depreciation of property plant and equipment	718,055	555,215	214,293	145,592
Movement in unearned premium	-	-	(7,364)	-
Net foreign exchange	(7,734)	-	-	-
Impairment on deposit for shares	-	-	-	400,000
Deposit for share	-	-	371,255	-
Fair value gain on investment property	(1,098,362)	(178,995)	-	-
Amortisation charge on intangible assets	21,699	17,179	16,282	8,985

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

	Group 31 December 2014	Group 31 December 2013	Company 31 December 2014	Company 31 December 2013
	N'000	N'000	N'000	N'000
Impairment loss on investments in	-	-	(451,036)	230,863
Deferred tax assets	(7,401)	(31,201)	-	-
Deferred tax liabilities	256,283	216,944	239,384	33,782
Accrued interest on other borrowings	17,501	5,716	-	-
Foreign exchange rate	(168,928)	(723,685)	(168,928)	(723,685)
Movement in impairment of deposit for shares	(220,937)	-	(220,937)	-
Loan transferred to subsidiaries	-	-	(505,324)	-
Reclassification of deposit for shares	-	-	583,000	-
Revaluation reserve	-	(119,555)	-	-
Finance lease receivables written off	-	37,511	-	37,511
Interest income on finance lease receivables	(63,119)	(48,182)	(63,119)	(48,182)
Impairment on finance lease receivables	106,332	(60,904)	18,502	60,904
Fair value gain on pledged assets	(7,755)	(33,177)	(7,755)	(33,177)
Foreign exchange rate	(14,606)	(46,371)	-	-
Net fair value fair value gain on trading securities	(2,462)	(31,332)	(2,462)	(54,109)
Gain on disposal of subsidiaries	(289,199)		-	-
Foreign currency	-	1,815	-	-
Interest on loan	(2,221,120)	(1,919,994)	(720,283)	(710,088)
Finance cost	52,964	58,497	137,500	18,221
Finance income	(191,009)	(184,851)		-
Non-controlling interest	(226,202)	(11,324)		
Pledged assets	-	27,427		-
Other investments	360,333	43,587	-	-
Goodwill	172,128	-	-	-
Investment property transferred from subsidiary	(3,449,212)	-	-	-
Deposit for shares transferred to subsidiary	301,255	-	-	-
Transfer to revaluation reserve	-	23,461		-
Disposal of investment in subsidiaries	-	-	1,096,174	-
Property transferred to subsidiary	-	-	543,792	-
Liquidation in subsidiaries	93,374	-	-	-
Gain on disposal of property plant and	(1,841)	(92,162)	(866)	(9,573)
Cash flow from/(absorbed by) operating activities before changes in Changes in working capital	(1,783,022)	(1,937,093)	3,315,876	(68,085)
Trade receivables	250,379	221,864	223,782	206,366
Reinsurance assets	(700,195)	(181,567)	(534,418)	(297,416)
Other receivables and prepayments	163,092	(358,454)	(479,178)	65,523
Deferred acquisition cost	101,662	(57,351)	86,616	(29,122)
Inventories	1,952,926	991,780	-	-
Insurance contract liabilities	70,177	253,466	(397,210)	639,818
Investment contract liabilities	5,487,098	4,831,484	-	-
Trade payables	(96,962)	848	(44,074)	15,535
Other payables	137,794	789,316	(1,870,083)	593,703
Deposit liabilities	207,912	79,681	-	-
Current income tax liabilities	49,981	(20,428)	45,960	(88,984)
Net cash provided by operating activities	5,840,841	4,613,546	347,271	1,037,338

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

48.0 Supplementary profit and loss information:

(a) Staff and directors' cost:

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

	Group 31 December 2014	Group 31 December 2013	Company 31 December 2014	Company 31 December 2013
	N'000	N'000	N'000	N'000
Wages and salaries	1,410,218	1,056,409	723,757	555,926
Pension costs – de? ned contribution plans	98,866	103,028	67,952	75,411
	1,509,084	1,159,437	791,709	631,337

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

	Number	Number	Number	Number
N720,001 – N1,400,000	329	410	73	43
N1,400,001 – N2,050,000	258	109	64	62
N2,050,001 – N2,330,000	48	29	17	10
N2,330,001 – N2,840,000	52	47	5	24
N2,840,001 – N3,000,000	41	21	8	7
N3,000,001 – N4,500,000	42	30	5	23
N4,500,001 – N5,950,000	52	10	20	7
N5,950,001 – N6,800,000	35	31	10	29
N6,800,001 – N7,800,000	19	11	7	11
N7,800,001 – N8,600,000	9	8	3	8
N8,600,001 – N11,800,000	28	4	10	4
Above N11,800,000	23	10	8	10
	936	720	230	238

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

	Number	Number	Number	Number
Executive Directors	5	4	2	4
Management staff	136	94	71	61
Non management staff	795	622	157	173
	936	720	230	238

(b) **Directors' remuneration:**

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

	N'000	N'000	N'000	N'000
Executive compensation	252,105	424,760	123,632	263,787
Directors fees	21,475	21,475	12,250	12,250
Other directors expenses	24,300	24,300	24,300	24,300
	297,880	470,535	160,182	300,337

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

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

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

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

49.0 Events after the reporting date

No events or transactions have occurred since 31 December 2014, which would have a material effect upon the financial statements at that date or which need to be mentioned in the financial statements in order not to make them misleading as to the financial position or results of operations at 31 December 2014.

Notes To The Financial Statement Cont'd

For the Year Ended 31 December 2014

50.0 Contingent liabilities

The company has a contingent liability of N3.45 billion in respect of the convertible bond issued in 2007 in which Daewoo Securities (Europe) acted as paying agent and subscriber to the bond. This liability arose as a result of disagreement between amount confirmed to us by Daewoo Securities as at 31 December 2014 and the balance in the books of the company as analysed below:

	JPY	Naira Equivalent
	N'000	**N'000**
Balance confirmed by Daewoo	4,710,900	6,612,690
Balance admitted by Mutual Benefits Assurance Plc	2,252,365	3,161,645
Disputed Balance	2,458,535	3,451,045

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

	N'000
Profit before taxation	2,605,488
Disputed balance	(3,451,045)
Revised position - loss	(845,557)

	N'000
Net assets	5,548,649
Disputed balance	(3,451,045)
Revised Net Asset	2,097,604

Financial/capital commitments

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

51.0 Contravention of laws and regulations

The company contravened certain laws and regulations during the year ended 31 December 2014. Details of the contraventions and the appropriate penalties are as follows:

SECTION	DESCRIPTION OF PENALTY	Number of times	Year of Contravention	Amount of Penalty
Insurance Act,CAP 17, 2004 Section 25	Non Submission of 2014 Insurance Levy Returns	1	2014	500,000
NPNC Guidelines, NAICOM	Non Submission of Claims/Management Expenses Data for Q1 2013	1	2013	250,000
Rules and Regulations of Nigerian Stock Exchange	Late Submission of 2012 Audited Financial Financial Statements	1	2013	3,400,000
Rules and Regulations of Nigerian Stock Exchange	Late Submission of 2013 Audited Financial Financial Statements	1	2014	2,700,000
Insurance Act 2003 S26 (3)	Late submission of 3rd quarterly statutory returns	1	2014	205,000
NAICOM Operational Guideline 2011 P1.17	Penalty for mistatement and reinstatement	1	2014	200,000
NAICOM OPERATIONAL GUIDELINE 2011 P1.17	Non disclosure of contravention	1	2014	250,000
Total Penalties				**7,505,000**

Appendices

Revenue Accounts

For the Year Ended 31 December 2014

	FIRE N	GENERAL ACCIDENT N	MOTOR N	MARINE N	AVIATION/OIL & GAS N	DECEMBER 2014 N	DECEMBER 2013 N
Gross premium written	620,517	928,546	2,124,662	635,366	7,045,435	11,354,526	5,326,871
Gross premium income earned	620,115	927,944	2,123,284	634,954	7,040,866	11,347,162	5,246,029
Premium ceded to reinsurers	(117,478)	(210,609)	(11,951)	(95,681)	(5,635,150)	(6,070,869)	(878,559)
Net premium	502,637	717,335	2,111,333	539,272	1,405,716	5,276,293	4,367,470
COMMISSION RECEIVED	16,202	29,046	1,648	13,196	777,156	837,247	58,016
NET UNDERWRITING INCOME	518,839	746,381	2,112,981	552,468	2,182,872	6,113,540	4,425,486
CLAIMS EXPENSES	(133,493)	(274,147)	(564,681)	(33,342)	(127,760)	(1,133,423)	(1,945,566)
CLAIMS EXPENSES RECOVERED	(14,805)	(30,405)	(62,627)	(3,698)	(14,170)	(125,705)	297,416
CLAIMS EXPENSES (NET)	(148,298)	(304,552)	(627,308)	(37,040)	(141,929)	(1,259,128)	(1,648,150)
ACQUISITION COSTS	(111,736)	(184,799)	(497,602)	(105,306)	(157,845)	(1,057,287)	(888,004)
MAINTENANCE EXPENSES	(11,524)	(19,060)	(51,322)	(10,861)	(16,280)	(109,047)	(124,508)
TOTAL UNDERWRITING EXPENSES	(271,558)	(508,411)	(1,176,232)	(153,207)	(316,054)	(2,425,462)	(2,660,662)
UNDERWRITING RESULT	247,280	237,970	936,749	399,261	1,866,818	3,688,078	1,764,824

Reconciliation Of Trade Receivables

For the Year Ended 31 December 2014

	Group 2014 N'000	Company 2014 N'000
Balance at the beginning of the year	316,894	247,225
Gross Premium written during the year	15,451,048	11,354,526
Premium collected from policy holders during the year	(15,701,427)	(11,578,308)
Balance at the end of the year	66,515	23,443

Share Capital History

	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 19th Annual General Meeting of Mutual Benefits Assurance Plc will be held at SHELL HALL, MUSON CENTRE ONIKAN, LAGOS on Thursday 6th 2015 at 11:00 a.m.

Name of Shareholder* ______________________________

IF YOU ARE UNABLE TO ATTEND THE MEETING

A member (shareholder) who is unable to attend an Annual General meeting is allowed by law to vote by proxy and the above Proxy Form has been prepared to enable you to exercise your right to vote in case you can not personally attend the meeting.

A. This admission form must be produced by his proxy in order to obtain entrance to the Annual General Meeting.

____

B. Shareholder or their proxies are requested to sign the admission form before attending the meeting: ______________________________

Name of Person attending: ______________________________

Signature of Person attending: ______________________________

Get Your Dividend the Instant You Need It with e-DIVIDEND PAYMENT

MANDATE FORM

MERISTEM REGISTRARS LIMITED

RC No: 489092

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

MANDATE FOR DIVIDEND PAYMENT TO BANKS

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:________________________

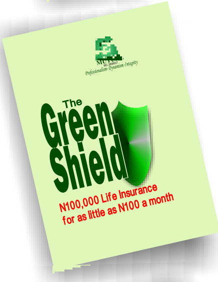
Sort Code:

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!

MUTUAL'S PRODUCTS



GENERAL BUSINESS PRODUCTS

Property Insurance

- Fire and Special Perils
- Burglary/ House Breaking
- Householders, House-owners Comprehensive
- Marine Cargo
- Marine Hull
- Motor
- Goods- in-Transit
- All Risks
- Engineering
- Industrial All Risks

Liability/Bond Insurance

- Money
- Professional Indemnity
- Fidelity Guarantee
- Public Liability/Product Liability
- Employers' Liability
- Director's Liability
- Bond and Suretyship
- Workmen's Compensation

Special Risks

- Aviation &Related Risks
- Oil & Gas

LIFE PRODUCTS

Insurances of the Person

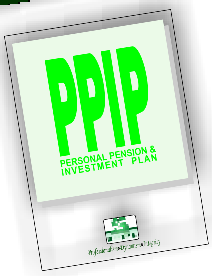
- Personal Accident
- Group Personal Accident
- Individual Savings & Pension Plan
- Personal Pension & Investment Plan
- Mutual Education Guarantee Plan
- Keyman Assurance
- Mortgage Protection
- Group Life Assurance
- Term Assurance
- Endowment Assurance

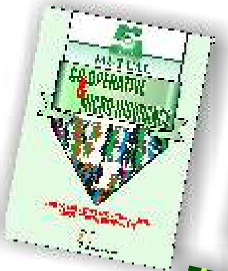
RETAIL MARKETING PRODUCTS

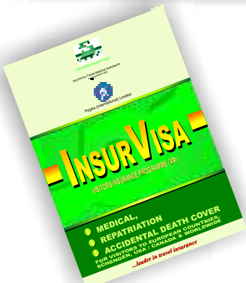
- Insurvisa -Travel Insurance
- Greenshield - 24 hr. Accident Cover
- Greenshield - Life
- Mutual Group Investment Protection Plan
- Micro Personal Investment Plan

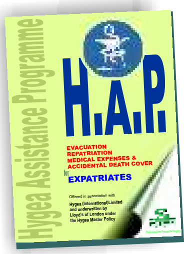
SPECIAL PRODUCTS

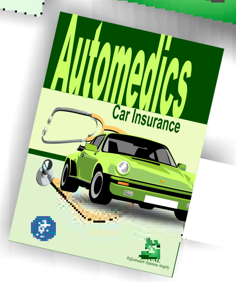
- Automedics Car Insurance
- Micro Insurance
- Hygea Assistance - Overseas Health Insurance for Expatriates and Nigerians.
  - Expatriates
  - Nigerians









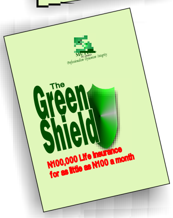


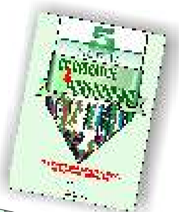
MUTUAL'S NEW PRODUCTS

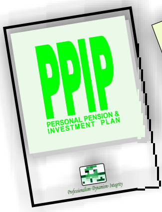
- Event Centre Insurance
- Advertising Agency Insurance
- Corporate Office Insurance
- Sales Office Insurance
- Hair Salon Insurance
- Law Firm Insurance
- Accounting Firm Insurance
- Hotel Insurance
- School Insurance
- Hospital Insurance
- Fast Food Restaurant Insurance
- Nollywood Insurance
- Church Insurance
- Mosque Insurance
- Estate Managers Insurance
- Landlord and Tenant Insurance
- Travel and Tour Agency Insurance
- Market and Shopping
- Complex Insurance
- Saleshop and Supermarket Insurance

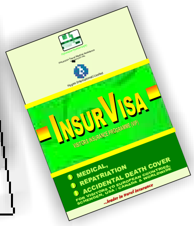
- Laundry And Cleaning
- Services Insurance
- Microfinance Bank Insurance
- SME Comprehensive Insurance
- Mega Comprehensive
- Motor Insurance
- Motor Dealers Complimentary
- Motor Insurance
- Politician And Political
- Risk Insurance

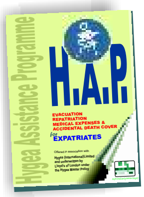
- Juvenile Life Assurance
- Lady Life Assurance
- Senior Life Assurance
- Mortgage Endowment Assurance
- Pilgrims Welfare Insurance
- Celebrity Life Assurance

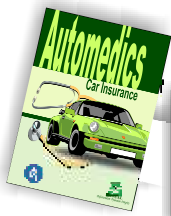












MUTUAL'S NEW PRODUCTS

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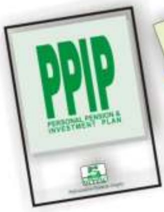
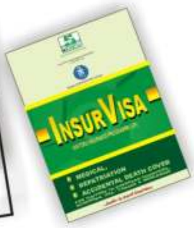
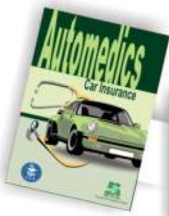
- Corporate Office Insurance
- Sales Office Insurance
- Hair Salon Insurance
- Law Firm Insurance
- Accounting Firm Insurance
- Hotel Insurance
- School Insurance
- Hospital Insurance
- Fast Food Restaurant Insurance
- Nollywood Insurance
- Church Insurance
- Mosque Insurance
- Estate Managers Insurance
- Landlord and Tenant Insurance
- Travel and Tour Agency Insurance
- Market and Shopping
- Complex Insurance
- Saleshop and Supermarket Insurance

- Laundry And Cleaning
- Services Insurance
- Microfinance Bank Insurance
- SME Comprehensive Insurance
- Mega Comprehensive
- Motor Insurance
- Motor Dealers Complimentary
- Motor Insurance
- Politician And Political
- Risk Insurance

- Juvenile Life Assurance
- Lady Life Assurance
- Senior Life Assurance
- Mortgage Endowment Assurance
- Pilgrims Welfare Insurance
- Celebrity Life Assurance







PROXY FORM

ANNUAL GENERAL MEETING of **Mutual Benefits Assurance Plc.** to be held on **Thursday, 6th of August, 2015 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 Thursday, 6th of August, 2015 and at any adjournment thereof.

Dated this.. day of 2015

Shareholder's signature..

PROXY FORM

RESOLUTION	FOR	AGAINST
To lay before the members, the Audited Financial Statements of MUTUAL BENEFIT ASSURANCE PLC for the year ended 31st December 2014 together with the Reports of Directors, Auditors and Audit committee thereon…		
To elect/re-elect Directors: 1. Professor Pat-Utomi 2. Prince Nasir Ado Bayero 3. Admiral F. B. I. Porbeni (Rtd) mni CFR		
To elect members of the Audit committee		
To re-appoint Messrs BDO Professional Services as Auditors of the company and to authorize the Directors to determine their remuneration		
To approve the the renumeration of the Directors.		
"That the Company Secretary be and is hereby authorized to take such steps and to do such things as may be required to give effect to the above resolutions.		
Please indicate with "X" in the appropriate square how you wish your vote to be cast on the resolution referred to above. Unless otherwise instructed, the proxy will vote or abstain from voting at his discretion.		

IF YOU ARE UNABLE TO ATTEND THE MEETING **

A member of the company entitled to attend and vote at the Annual General meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member of the company. A proxy form is enclosed. Executed proxy forms should be returned to the office of the Registrar not less than 48 hours before the time of the meeting.

Following the normal practice, the names of two Directors of the company have been entered on the form to ensure that someone will be at the meeting to act as your proxy, but if you wish you may insert in the blank space on the form (marked) **the name of any person, whether of the company or not, who will attend the meeting and vote on your behalf instead of one of the Directors.

Please sign the proxy form and send it so as to reach: MERISTEM REGISTRARS LIMITED 213, HERBERT MACAULAY WAY, ADEKUNLE YABA LAGOS not less than 24 hours before the time for holding the meeting. If executed by a corporation, the proxy form should be sealed with the common seal.

The proxy must produce the Admission Card sent with the Report and Accounts to obtain entrance to the meeting.

For company's use only	No of shares

Aret Adams House, 233, Ikorodu Road, Ilupeju, Lagos.
P. O. Box 70986, Victoria Island, Lagos.
Tel: 234-(0)1-8441177, 08191471029
E-mail: info@mbaplc.com
Website: www.mbaplc.com

BRANCHES

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01-2700837, 07098767080
07098767003
Info@mutuallifeng.com

Lagos Mainland Office
Biyi Adekoya
25 Olusoji Idowu Street
Behind Aret Adams House,
Illupeju, Lagos
08023775717
Badekoya@mutuallifeng.com

Abeokuta Office
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1, Quarry Road
Panseke, Abeokuta
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Rakiode@mutuallifeng.com

Abuja Office
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Asokoro District Abuja Fct
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Jiawani@mutuallifeng.com

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Junction>akure
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Ikoyi Office
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S/w Ikoyi Lagos
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Tolu005@yahoo.com

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Mariam Road Calabar
08038172295
Ojinika@mutuallifeng.com

Owerri Office
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08037149006
Bokoro@mutuallifeng.com

Surelere Office
Kunle Odewumi
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08033961056
Okonle@mutuallifeng.com

Lekki Office
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Km14, Lekki Epe Expreeway
Near Mega Chicken Lekki, Lagos
08034101413
Odaniel@mutuallifeng.com

Ibafan Office (2)
Gabriel Oluwarinde
Plot 47/49 Onireke Gra
07033687947
Gabrieloluwarinde@yahoo.com

Ibadan Regional Office
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Mko Abiola Way,
Ring Road Ibadan
08035032022, 08127879900
Foladimeji@mutuallifeng.com

Port Harcourt Office
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Wordway Plaza, 129, Aba
Road Waterlines, Plot Harcourt
08032703220
Oonunkwor@mutuallife.com

Warri Office
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80 Airport Road
<opp. Old Airport Road>
Effurun Warri
08052046585
Augustineubini@yahoo.com

Ikeja Office
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Assbifi House, 4 Assibifi Road.
alausa Ikeja
08033534231
Sakingun@mutuallifeng.com
Osesan@mutuallifeng.com

Ota Office
Oseni Ibijoke
Rainbow Tower Kilometer 127,
Idiroko Rd.
Neare Nnpc Filling Station
08034318658
Loseni@mutuallifeng.com
Afolorunso@mutuallifeng.com

Osogbo Office
Igbolekwu Chisaa
Opp Customary Court,
Court Of Appeal,
Oke Ifa
08061256173, 0808717492
Cigbolekwu@mutuallifeng.com

Ado Ekiti Office
Osho Oladehinde
Mutual House, Fajuyi Rd, Ado Ekiti
08037283445, 08129021043
Oosho@mutuallifeng.com

Benin Office
Agbo Prince
84 Akpaklpava Rd,
Benin City, Edo State
07060691806
Pagbo@mutuallifeng.com

Ojo Office
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Christ In Me Plaza,
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Bumelo@mutuallifeng.com

Yenagoa Office Bayelsa
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420, Melford Okilo Expressway
Oppsite Globacom
Office By Zenith Bank Yenagoa
Bayelsa Office
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Pnduaku@mutuallifeng.com

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08188553018
Julietutah@yahoo.com

Aspamda Office
Duru Jacob Uwaezuoke
Favour Plaza Beside Gtb
By Main Gate Aspamda
08060580703
Uwaajake@yahoo.com

Lagos State

Opebi, Lagos
No 1, Opebi Road
Ikeja, Lagos
07098504713

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, Ogab 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 Gt Bank, 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 Gt Bank,lokoja
Rabiu Oluwarotimi
08030634220

Kwara State

Ilorin
199, Ibrahim Taiwo Road,
Ilorin, Kwara State.
Issa Isamila
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 Governmet 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,osun State
Alade Olusola
08032200333

Edo State

Benin City
No 22. Akpapava Road,
Benin City, Edo Stae
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 Stateabdullahi Suliaman
08184887301

Ondo State

2nd Floor, Iyeoma Plaza,
Alagbaka,akure, Ondo State
Fasmore Funmilayo
08038239940

Akure
2nd Floor, Iyeoma Plaza,
Alagbaka,akure, Ondo State

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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