



Mutual Benefits Assurance Plc.

RC 269837

SUMMARY OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

The Directors present the summary financial statements of Mutual Benefits Assurance Plc for the year ended 31 December 2017. These summary financial statements are derived from the full financial statements for the year ended 31 December 2017 and are not the full financial statements of the Group. The Company's Independent Auditors issued an unqualified audit opinion on the full financial statements for the year ended 31 December 2017 from which these summary financial statements were derived.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT in thousands of Nigerian Naira	GROUP		COMPANY	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
ASSETS				
Cash and cash equivalents	8,345,638	10,734,374	3,249,277	3,804,953
Financial assets				
Fair value through profit or loss	110,952	64,097	110,952	64,097
Available-for-sale investment securities	849,524	849,374	21,553	21,553
Loans and receivables	12,245,702	12,410,169	633,143	770,941
Held-to-maturity	16,840,317	8,214,836	4,457,954	2,030,905
Assets pledged as collateral	168,064	91,188	168,064	91,188
Trade receivables	829,280	462,616	278,159	102,994
Reinsurance assets	2,455,731	1,871,739	1,086,828	1,057,693
Other receivables and prepayments	993,182	888,020	560,682	319,213
Finance lease receivables	145,055	420,049	134,044	147,965
Deferred acquisition costs	485,283	340,338	312,182	235,053
Inventories	907,822	1,332,864	-	-
Investment properties	8,586,000	8,726,390	56,000	56,000
Intangible assets	43,994	73,531	15,387	33,305
Property, plants and equipment	3,922,931	4,024,297	2,925,601	3,152,644
Investments in subsidiaries	-	-	4,000,000	4,000,000
Statutory deposit	500,000	500,000	300,000	300,000
Deposit for shares	480,588	460,588	410,588	390,588
Goodwill	1,543	1,543	-	-
Total assets	57,891,606	51,465,813	18,720,412	16,579,092
LIABILITIES				
Insurance contract liabilities	10,299,090	7,401,872	4,352,606	3,822,730
Investment contract liabilities	28,584,221	29,956,771	-	-
Trade payables	2,858,296	1,270,219	1,028,272	452,495
Other liabilities	1,161,224	1,710,998	235,895	287,412
Deposit liabilities	259,268	203,845	-	-
Current income tax liabilities	887,173	503,843	422,005	217,733
Borrowings	6,509,170	6,258,070	6,509,170	6,258,070
Deferred tax liabilities	1,063,084	1,147,429	705,821	729,917
Total liabilities	49,401,826	44,453,045	13,253,569	11,768,357
EQUITY				
Share capital	4,000,000	4,000,000	4,000,000	4,000,000
Treasury shares	(250)	(250)	(250)	(250)
Foreign currency translation reserve	911,064	906,502	-	-
Contingency reserve	2,801,764	2,533,160	2,398,485	2,179,515
Revaluation reserve	1,467,403	1,288,563	1,339,395	1,288,563
Accumulated losses	(1,079,247)	(1,838,814)	(2,270,787)	(2,657,093)
Total ordinary shareholders' equity	8,100,734	6,889,161	5,486,843	4,810,735
Total equity attributable to the:				
Owners of the parent	8,100,734	6,889,161	5,486,843	4,810,735
Non-controlling interests in equity	189,546	123,807	-	-
Total equity	8,290,280	7,012,968	5,486,843	4,810,735
Total liabilities and equity	57,891,606	51,465,813	18,720,412	16,579,092

The full consolidated financial statements were approved by the Board of Directors on 22 February 2018 and signed on its behalf by:

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

Mr. Olusegun Omesehin
FRC/2013/CIN/00000003103
Managing Director

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

INDEPENDENT AUDITORS' REPORT



To the Members of Mutual Benefits Assurance Plc

Opinion

The accompanying summary financial statements, which comprise the statement of financial position as at 31 December 2017, the statement of profit and loss and other comprehensive income, for the year ended as at 31 December 2017, are derived from the audited financial statements of Mutual Benefits Assurance Plc and its subsidiaries ("the Group") for the year ended 31 December 2017.

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

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by the International Financial Reporting Standards, the provision of Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, the Insurance Act 2003, relevant policy guidelines issued by the National Insurance Commission (NAICOM) and the Financial Reporting Council of Nigeria Act No. 6, 2011, applied in the preparation of the financial statements of the Company. The summary financial statements should be read in conjunction with the audited financial statements.

The Audited Financial Statements and Our Report Thereon

We have audited the financial statements of Mutual Benefits Assurance Plc and its subsidiaries ("the Group") as at 31 December 2017, from which the summary financial statements were derived, in accordance with the International Standards on Auditing. We expressed an unqualified opinion on the financial statements in our report dated 4 May 2018. That report also includes the communication of key audit matters which discussed valuation of insurance contract liabilities (outstanding claims).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED in thousands of Nigerian Naira	GROUP		COMPANY	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
Gross premium written	14,037,878	12,143,610	7,298,974	6,598,846
Gross premium income	13,352,960	11,962,537	6,986,273	6,660,747
Premium ceded to reinsurers	(1,885,655)	(1,711,110)	(1,946,287)	(1,515,476)
Net premium income	11,467,305	10,271,427	5,939,986	5,145,271
Fee and commission income	309,646	430,522	142,249	312,461
Net underwriting income	11,776,951	10,701,949	6,082,235	5,457,732
Net benefits and claims	5,154,205	3,348,883	1,914,071	1,004,168
Change in life fund	(4,270)	(161,532)	-	-
Change in annuity reserve	(22,252)	354,038	-	-
Underwriting expenses	2,944,891	2,872,533	1,621,935	1,581,501
Net underwriting expenses	8,072,284	6,515,922	3,536,010	2,585,669
Underwriting profit	3,704,667	4,188,027	2,546,225	2,872,083
Profit on investment contracts	891,899	555,466	-	-
Investment income	1,597,262	979,765	896,167	560,027
Net fair value gain/(loss) on assets at FVTPL	38,341	(58,750)	123,731	(53,475)
Other income	477,848	257,495	38,312	93,715
Impairment charge no longer required	2,011	61,882	-	28,247
Impairment charges	(169,137)	(10,574)	-	-
Employee benefit expenses	(1,939,809)	(1,914,606)	(846,284)	(931,921)
Management expenses	(3,451,213)	(3,364,345)	(1,931,345)	(1,893,745)
Net foreign exchange gain/(loss)	22,285	(1,890,120)	22,285	(1,923,877)
Result of operating activities	1,173,955	(1,195,976)	846,091	(1,248,946)
Finance costs	(39,432)	(27,681)	-	-
Finance incomes	200,570	154,985	-	-
Profit/(loss) before income tax	1,335,093	(1,068,666)	846,091	(1,248,946)
Income tax expense	(312,585)	(277,620)	(243,815)	(141,581)
Profit/(loss) after income tax	1,022,508	(1,346,286)	602,276	(1,390,527)
Profit attributable to:				
Owners of the parent	1,036,461	(1,350,856)	605,276	(1,390,527)
Non-controlling interests	(13,953)	4,580	-	-
Profit after income tax	1,022,508	(1,346,286)	602,276	(1,390,527)
Earnings/(loss) per share:				
Basic and diluted (kobo)	13	(17)	8	(17)
Profit/(loss) for the year	1,022,508	(1,346,286)	602,276	(1,390,527)
Other comprehensive income:				
Items that may be reclassified to the profit or loss account in Subsequent Periods: Foreign Currency translation Gain	49,866	722,011	-	-
	49,866	722,011	-	-
Items that will never be reclassified to the profit or loss account				
Revaluation gain on Land and building	211,756	-	72,817	-
Effect of tax @ 30%	(21,785)	-	(21,785)	-
	189,971	-	51,032	-
Total other comprehensive income for the year, net of tax	239,937	722,011	50,832	-
Total comprehensive income for the year, net of tax	1,262,445	(624,275)	653,108	(1,390,527)
Total comprehensive income/(loss) attributable to:				
Owners of the parent	1,219,883	(628,855)	656,108	(1,390,527)
Non-controlling interest	42,562	4,580	-	-
Total comprehensive income for the year, net of tax	1,262,445	(624,275)	656,108	(1,390,527)

Directors' Responsibility for the Summary of Financial Statements

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

Auditors' Responsibility for the Summary of Financial Statements

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

Report on Other Legal and Regulatory Requirements

- 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;
- In our opinion, proper books of account have been kept by the Company, in so far as it appears from our examination of those books;
- The Company and the Group's consolidated and separate statements of financial position, profit or loss and other comprehensive income are in agreement with the books of account;
- In our opinion, the consolidated and separate financial statements have been prepared in accordance with the provisions of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004 and Section 28(2) of the Insurance Act 2003 so as to give a true and fair view of the state of affairs and financial performance.

Penalty

The Company incurred penalties in respect of contravention of the requirement of certain section of the National Insurance Commission's Operational Guideline 2015 during the financial year. The details of the contravention and penalty is disclosed in Note 57 of the full consolidated and separate financial statements.

Kayode Fajana, FCA
FRC/2012/ICAN/0000000155
For: Ernst & Young
Lagos, Nigeria
22 May 2018

