



Mutual Benefits Assurance Plc.

RC 269837

SUMMARY CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

The Directors present the summary financial statements of Mutual Benefits Assurance Plc for the year ended 31 December 2018. These summary financial statements are derived from the full financial statements for the year ended 31 December 2018 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 2018 from which these summary financial statements were derived.

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

AS AT In thousands of Nigerian Naira	GROUP		COMPANY	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
ASSETS				
Cash and cash equivalents	5,483,347	8,345,838	2,452,861	3,249,277
Financial assets				
Available-for-sale investment securities	-	849,524	-	21,553
Equity instruments at fair value through OCI	731,018	-	54,211	-
Financial assets at fair value through profit or loss	3,239,416	110,952	2,752,187	110,952
Loans and receivables	11,877,818	12,245,702	325,076	633,143
Held-to-maturity	-	16,840,317	-	4,457,954
Debt instruments at amortised cost	19,348,552	-	4,461,246	-
Financial assets held for trading pledged as collateral	142,100	168,064	142,100	168,064
Trade receivables	912,118	629,280	396,040	278,159
Reinsurance assets	3,574,723	2,455,731	1,507,512	1,086,826
Other receivables and prepayments	1,343,309	993,182	348,255	560,682
Deferred acquisition costs	497,248	485,283	352,880	312,182
Finance lease receivables	116,194	145,055	116,194	134,044
Inventories	518,236	907,822	-	-
Assets held for sale	5,550,000	-	-	-
Investment properties	1,476,000	6,566,000	56,000	56,000
Intangible assets	49,580	43,994	10,924	15,387
Property, plant and equipment	3,930,518	3,922,931	2,829,252	2,925,601
Investments in subsidiaries	-	-	4,000,000	4,000,000
Statutory deposit	500,000	500,000	300,000	300,000
Deposit for investment in equity	7,236	480,588	7,238	410,588
Goodwill	1,543	-	-	-
Total assets	59,256,888	57,691,606	19,962,026	16,729,412
LIABILITIES				
Insurance contract liabilities	13,090,555	10,299,090	5,132,636	4,352,606
Investment contract liabilities	25,276,261	28,554,221	-	-
Trade payables	1,769,573	2,858,296	855,443	1,028,272
Other liabilities	955,719	1,161,224	286,367	235,695
Deposit liabilities	512,153	259,268	-	-
Current income tax liabilities	733,529	687,173	479,914	422,005
Borrowings	6,871,845	6,509,170	6,671,845	6,509,170
Deferred tax liabilities	1,118,231	1,063,084	787,419	705,821
Total liabilities	50,146,865	49,401,526	14,213,844	13,253,569
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	1,116,284	911,064	-	-
Contingency reserve	2,960,268	2,801,764	2,494,470	2,396,485
Fair value reserve	(298,560)	-	(135,597)	-
Revaluation reserve	1,530,131	1,467,403	1,339,395	1,339,395
Accumulated losses	(421,610)	(1,079,247)	(1,945,536)	(2,270,787)
Total ordinary shareholders' equity	8,886,263	8,100,734	5,748,382	5,466,843
Total equity attributable to the:				
Owners of the parent	8,886,263	8,100,734	5,748,382	5,466,843
Non-controlling interests in equity	223,758	169,346	-	-
Total equity	9,110,021	8,299,080	5,748,382	5,466,843
Total liabilities and equity	59,256,888	57,691,606	19,962,026	16,729,412

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

FOR THE YEAR ENDED In thousands of Nigerian Naira	GROUP		COMPANY	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
Gross premium written	15,840,097	14,037,879	8,019,299	7,298,974
Gross premium income	15,834,846	13,352,960	7,877,706	6,986,273
Premium ceded to reinsurers	(2,155,601)	(1,885,855)	(1,447,700)	(1,048,287)
Net premium income	13,479,245	11,467,305	6,230,006	5,939,986
Fee and commission income	482,307	309,646	379,214	142,249
Net underwriting income	13,961,552	11,776,951	6,609,220	6,082,235
Net benefits and claims	6,970,613	5,154,205	2,297,778	1,914,071
Change in life fund	455,428	(4,270)	-	-
Change in annuity reserve	21,600	(22,252)	-	-
Underwriting expenses	3,449,990	2,844,601	1,838,949	1,621,939
Net underwriting expenses	10,903,921	8,072,284	4,136,728	3,536,910
Underwriting profit	3,058,631	3,704,667	2,472,492	2,546,225
Profit on investment contracts	1,649,910	891,899	-	-
Investment income	2,186,282	1,597,262	1,078,816	896,167
Net fair value (loss)/gain on assets at FVTPL	(157,594)	36,341	(126,058)	123,731
Other income	321,154	477,649	204,816	38,312
Impairment charge no longer required	-	2,011	-	-
Impairment (charge)/write-back on financial assets	(102,880)	(169,137)	6,705	-
Employee benefit expenses	(1,842,628)	(1,939,809)	(814,160)	(846,284)
Management expenses	(3,061,923)	(3,451,213)	(2,135,639)	(1,901,345)
Net foreign exchange (loss)/gain	(50,520)	22,285	(50,520)	22,285
Result of operating activities	1,898,322	1,173,955	636,647	849,991
Finance costs	(48,199)	(39,432)	-	-
Finance income	327,890	200,570	-	-
Profit before income tax	1,380,013	1,335,093	636,647	849,991
Income tax expense	(231,975)	(312,585)	(156,618)	(243,815)
Profit after income tax	1,148,038	1,022,508	479,929	605,276
Profit attributable to:				
Owners of the parent	1,128,128	1,036,481	479,929	605,276
Non-controlling interests	20,910	(13,973)	-	-
Profit after income tax	1,148,038	1,022,508	479,929	605,276
Earnings per share:				
Basic and diluted (kobo)	14	13	6	8
Profit for the year	1,148,038	1,022,508	479,929	605,276
Other comprehensive income:				
Items that may be reclassified to the profit or loss account in subsequent periods (net of tax)				
Foreign currency translation gain (net of tax)	218,277	49,966	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax)	218,277	49,966	-	-
Net revaluation gains on Equity Instrument at FVOCI	53,974	-	12,363	-
Revaluation gain on land and building (net of tax)	65,504	189,971	-	50,832
	109,478	189,971	12,363	50,832
Total other comprehensive income for the year, net of tax	327,755	239,937	12,363	50,832
Total comprehensive income for the year, net of tax	1,476,793	1,262,445	492,292	656,108
Total comprehensive income attributable to:				
Owners of the parent	1,442,351	1,219,683	492,292	656,108
Non-controlling interest	34,442	42,762	-	-
	1,476,793	1,262,445	492,292	656,108

The full consolidated and separate financial statements were approved by the Board of Directors on 27 March 2019 and signed on its behalf by:

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MUTUAL BENEFITS ASSURANCE PLC ON THE SUMMARY CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS



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

Opinion
The summary consolidated and separate financial statements of Mutual Benefits Assurance Plc ("the Company") and its subsidiaries (together the "Group"), which comprise the consolidated and separate statements of financial position as at 31 December 2018 and the consolidated and separate statements of profit and loss and other comprehensive income for the year then ended, are derived from the audited consolidated and separate financial statements of Mutual Benefits Assurance Plc and its subsidiaries ("the Group") for the year ended 31 December 2018.

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

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

The Audited Consolidated and Separate Financial Statements and Our Report Thereon
We expressed an unqualified opinion on the audited consolidated and separate financial statements in our report dated 17 May 2019. That report also includes the communication of key audit matters which discussed impairment losses on financial assets carried at amortised costs and the adequacy of the valuation of insurance contract liabilities (outstanding claims).

Directors' Responsibility for the Summary Consolidated and Separate Financial Statements

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

Auditors' Responsibility for the Summary Consolidated and Separate Financial Statements

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

Report on Other Legal and Regulatory Requirements

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

Penalty

The Company incurred penalties in respect of contravention of the requirement of certain sections of the National Insurance Commission's Operational Guideline 2015 and the Financial Reporting Council Act No. 6, 2011 during the financial year. The details of the contravention and penalty are disclosed in Note 59 of the full consolidated and separate financial statements.

Sayo Elumaro, FCA
FRC/2012/CAN/0000000139
For: Ernst & Young
Lagos, Nigeria
Date: 17 May 2019

