MUTUAL BENEFITS ASSURANCE PLC

UNAUDITED INTERIM FINANCIAL STATEMENTS
AS AT
31ST MARCH, 2022

MUTUAL BENEFITS ASSURANCE PLC
CORPORATE INFORMATION FOR THE
PERIOD ENDED 31ST MARCH 2022

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MUTUAL BENEFITS ASSURANCE PLC
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Corporate information

These financial statements are the consolidated and separate financial statements of Mutual Benefits Assurance Plc ("the Company") and its subsidiaries (hereafter referred to as the 'the Group'). The address of the registered office is: Aret Adams House, 233 Ikorodu Road, Ilupeju, Lagos.

Mutual Benefits Assurance Plc ("the Company") (RC 269837) was incorporated as a private limited liability company on 18 April 1995, granted the Certificate of Registration as an insurer by the National Insurance Commission (NAICOM) on September 1995 and commenced operations on 2 October 1995 and became a public liability company on 24 May 2001. Mutual Benefits Assurance Plc is a financial, wealth protection company in Nigeria. The Company is listed on the Nigerian Stock Exchange.

The Company invests policy holders funds and pays claims arising from insurance contract liabilities in line with the provisions of Insurance Act, CAP 117, Law of the Federal Republic of Nigeria 2004 and NAICOM prudential guidelines.

The principal activities of the subsidiaries and information of the Group's structure are disclosed in **Note 29**.

Going Concern
The consolidated and separate financial statements have been prepared on the going concern basis and there is no intention to curtail business operations. Capital adequacy and liquidity ratios are continuously reviewed, and appropriate action taken to ensure that there are no going concern threats to the operation of the Group and the Company.

The Directors have made assessment of the Group's and the Company's ability to continue as a going concern and have no reason to believe that the Group and the Company will not remain a going concern in the 12 months from the date of issuance of the financial statements.

2. Summary of significant accounting policies

2.1 Introduction to summary of accounting policies
The principal accounting policies applied in the preparation of these consolidated and separate financial statements ("the financial statements") are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

2.2 Statement of compliance with IFRS
These consolidated and separate financial statements of the Company and its subsidiaries have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Additional information required by national regulations has been included where appropriate.

2.3 Basis of presentation
The consolidated and separate financial statements comprise of the consolidated and separate statements of profit or loss, consolidated and separate statements of other comprehensive income, the consolidated and separate statements of financial position, the consolidated and separate statements of changes in equity, the consolidated and separate statements of cash flows, summary of significant accounting policies and the notes to the consolidated and separate financial statements.

The consolidated and separate financial statements values are presented in Nigerian Naira (₦) rounded to the nearest thousand (₦'000), unless otherwise indicated.

SUMMARYOFSIGNIFICANTACCOUNTINGPOLICIES-Continued

2.3 Basis of presentation - Continued
The Group presents its statement of financial position broadly in order of liquidity. An analysis regarding recovery or settlement within twelve months after the reporting date (no more than 12 months) and more than 12 months after the reporting date (more than 12 months) is presented in the respective notes.

(a) ***Basis of measurement***
These consolidated and separate financial statements have been prepared on the historical cost basis except for financial assets at fair value through profit or loss and at fair value through other comprehensive income, which are carried at fair value.

(b) ***Use of estimates and judgements***
The preparation of the financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

2.4. Significant accounting policies

Except for the effect of the changes in accounting policies if any, the group has consistently applied the following accounting policies to all periods presented in these financial statements

2.4.1 Basis of Consolidation
The consolidated and separate financial statements comprise the financial statements of the Group and its investees that are considered subsidiaries as at 31 March 2022. Subsidiaries are investees that the Group has control over. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

(a) Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
(b) Exposure, or rights, to variable returns from its involvement with the investee; and
(c) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) The contractual arrangement with the other vote holders of the investee
(b) Rights arising from other contractual arrangements
(c) The Group's voting rights and potential voting rights

2.4.1 Basis of Consolidation – Continued

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the owners of the Group and to the non- controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction (transactions with owners).

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, noncontrolling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

2.4.2 Product classification

Insurance contracts are those contracts where the Group (the insurer) has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders. As a general guideline, the Group determines whether it has significant insurance risk, by comparing benefits payable after an insured event with benefits payable if the insured event did not occur. Insurance contracts can also transfer financial risk.

Investment contracts are those contracts that transfer significant financial risk, but not significant insurance risk. Financial risk is the risk of a possible future change in one or more of a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of price or rates, credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expire. Investment contracts can, however, be reclassified as insurance contracts after inception if insurance risk becomes significant.

2.4.3 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

2.4.3 Business combinations and goodwill - Continued

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 *Financial Instruments*, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

2.4.4 Foreign currency translation

The Group's consolidated financial statements are presented in Naira which is also the parent company's functional currency. Each company in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

2.4.4.1 Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their functional currency spot rate prevailing at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange at the reporting date.

All differences arising on settlement or translation of monetary items are taken to the statement of profit or loss with the exception of differences on foreign monetary items that form part of a net investment in a foreign operation. These are recognised in OCI until the disposal of the net investment, at which time they are reclassified to profit or loss. Tax charges and credits attributable to exchange differences on these monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction and are not subsequently restated. Non- monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of a gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

2.4.4.2 Group companies

On consolidation, the assets and liabilities of foreign operations are translated into Naira at the rate of exchange prevailing at the reporting date and their statement of profit or loss is translated at exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the rate of exchange at the reporting date.

2.4.5 Segment reporting

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments; assurance business, real estate and microfinance bank.

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 i.e life business, real estate and microfinance. Significant geographical regions have been identified as the secondary basis of reporting, which are Nigeria, Niger and Liberia.

Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

2.4.6 Revenuerecognition

Revenue comprises premium, fee & commissions, investment income, value for services rendered, net of value-added tax, after eliminating revenue within the Group.

2.4.6.1 Gross premiums

Gross recurring premiums on life and investment contracts are recognised as revenue when payable by the policyholder. For single premium business, revenue is recognised on the date on which the policy is effective.

Gross general insurance written premiums comprise the total premiums receivable for the whole period of cover provided by contracts entered into during the accounting period. They are recognised on the date on which the policy commences. Gross premium income includes any adjustments arising in the accounting period for premiums receivable in respect of business written in prior accounting periods. Premiums collected by intermediaries, but not yet received, are assessed based on estimates from underwriting or past experience and are included in premiums written.

Unearned premiums are those proportions of premiums written in a year that relate to periods of risk after the reporting date. Unearned premiums are calculated on a daily pro rata basis. The proportion attributable to subsequent periods is deferred as a provision for unearned premiums.

2.4.6.2 Reinsurance premiums

Gross outward reinsurance premiums on life are recognised as an expense on the earlier of the date when premiums are payable or when the policy becomes effective.

Gross general reinsurance premiums ceded comprise the total premiums payable for the whole cover provided by contracts entered into in the period and are recognised on the date on which the policy incepts. Premiums include any adjustments arising in the accounting period in respect of reinsurance contracts incepting in prior accounting periods.

Unearned reinsurance premiums are those proportions of premiums ceded in a year that relate to periods of risk after the reporting date. Unearned reinsurance premiums are deferred over the term of the underlying direct insurance policies for risks-attaching contracts and over the term of the reinsurance contract for losses-occurring contracts.

Reinsurance premiums and claims on the face of the statement of profit or loss have been presented as negative items within premiums and net benefits and claims, respectively, because this is consistent with how the business is managed.

Reinsurance commission income

Reinsurance commission income represents commission received on direct business and transactions ceded to re-insurance during the year. It is recognized over the cover provided by contracts entered into the period and are recognized on the date on which the policy incepts.

2.4.6.3 Fees and commission income

Fee income represents commission received on direct business and transactions ceded to re-insurance companies during the year under review.

2.4.6.4 Investment income

Interest income is recognised in the statement of profit or loss as it accrues and is calculated by using the EIR method. Fees and commissions that are an integral part of the effective yield of the financial asset are recognised as an adjustment to the EIR of the instrument.

Investment income also includes dividends when the right to receive payment is established and Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms

2.4.6.5 Rendering of services and sales of goods

Revenue from sales of goods arising from property business engaged in by the Group. The revenue recognition is contingent on when control is transferred to buyer.

2.4.6.6 Finance income

Interest income arising from the micro finance banking services offered by the Group and is recognized in the profit or loss as it accrues and is calculated by using the effective interest rate method.

2.3.7 Benefits, claims and expenses recognition

2.3.7.1 Gross benefits and claims

Gross benefits and claims for life insurance contracts include the cost of all claims arising during the year, including internal and external claims handling costs that are directly related to the processing and settlement of claims. Death claims and surrenders are recorded on the basis of notifications received.

General insurance claims include all claims occurring during the year, whether reported or not, related internal and external claims handling costs that are directly related to the processing and settlement of claims, a reduction for the value of salvage and other recoveries, and any adjustments to claims outstanding from previous years.

2.4.7.2 Reinsurance claims

Reinsurance claims are recognized when the related gross insurance claim is recognized according to the terms of the relevant contract.

2.4.7.3 Underwriting expenses

Underwriting expenses comprise acquisitions costs and other underwriting expenses. Acquisition costs comprise all direct and indirect costs arising from the writing of insurance contracts. These costs also include fees and commission expense. Other underwriting expenses are those incurred in servicing existing policies and contracts. Acquisition costs are recognized in the statement of profit or loss over the tenor of the insurance cover.

2.4.7.4 General administrative expenses

These are expenses other than claims and underwriting expenses. They include employee benefits, professional fees, depreciation expenses and other non-operating expenses. Management expenses are accounted for on accrual basis and recognized in the statement of profit or loss upon utilization of the service or at the date of origination.

2.4.7.5 Finance costs

Interest expense arising from the micro finance banking services offered by the Group is recognized in the profit or loss as it accrues and is calculated by using the effective interest rate method. Accrued interest is included within the carrying value of the interest-bearing financial liability.

2.4.8 Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less from origination, which are subject to an insignificant risk of changes in value and not subject to any encumbrances.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts, if any, as they are considered an integral part of the Group’s cash management.

2.4.9 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

2.4.9.1 Financial assets

*2.4.9.1.1 **Initialrecognition***
Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

*2.4.9.1.2 **Financial assets subsequent measurement***
For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses Upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's financial assets at amortised cost includes short-terms deposits with banks, Loans and advances, and other Debt instruments at amortised cost if both of the following conditions are met

- The instruments are held within a business model with the objective of holding the instrument to collect the contractual cash flows
- The contractual terms of the debt instrument give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding

2.4.9.1.2 *Financial assets subsequent measurement- Continued*

Financial assets designated at fair value through OCI (equity instruments)
Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its non-listed equity investments under this category.

Financial assets at fair value through profit or loss
Financial assets in this category are those that are managed in a fair value business model, or that have been designated by management upon initial recognition or are mandatorily required to be measured at fair value under IFRS 9. This category includes debt instruments whose cash flow characteristics fail the SPPI criterion or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised as investment income in the statement of profit or loss when the right of payment has been established.

2.4.9.1.3 **Derecognition**
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass- through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2.4.9.1.4 *Impairment of financial assets*

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group applies a regulatory no premium no covers impairment approach.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.4.9.1.5 *The calculation of ECLs*

The Group calculates ECLs based on scenarios to measure the expected cash shortfalls, discounted at an appropriate EIR. A cash shortfall is the difference between the cash flows that are due to the Group in accordance with the contract and the cash flows that the entity expects to receive.

When estimating the ECLs the Group considers three scenarios (a base case, an upside, and a downside). When relevant, the assessment of multiple scenarios also incorporates the probability that the defaulted loans will cure.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

PD - The Probability of Default is an estimate of the likelihood of default over a given time horizon. It is estimated with consideration of economic scenarios and forward-looking information.

EAD - The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, and accrued interest from missed payments.

LGD - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive. It is usually expressed as a percentage of the EAD.

The Group allocates its assets subject to ELC calculations into one of these categories, determined as follows:

Stage 1 (12mECL): The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within 12 months after the reporting date. The Company calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an appropriate EIR. This calculation is made for each of the three scenarios, as explained above.

2.4.9.1.5 *The calculation of ECLs*

Stage 2 (LTECL): When an instrument has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The expected losses are discounted by an appropriate EIR.

Stage 3/Impairment (LTECL): For debt instruments considered credit-impaired, the Company recognises the lifetime expected credit losses for these instruments. The method is similar to that for Stage 2 assets, with the PD set at 100%.

2.4.9.1.6 *Write-offs*

Financial assets are written off either partially or in their entirety only when the Group has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense. There were no write- offs over the periods reported in these financial statements

2.4.9.2 Financial liabilities

2.4.9.2.1 *Initial recognition and measurement*

Financial liabilities are classified at initial recognition, as borrowing, payables and other payables as appropriate.

All financial liabilities are recognized initially at fair value. The Group's financial liabilities include trade payables, other accrual and payables.

2.4.9.2.2 *Subsequent measurement*

Subsequent measurement of financial liabilities depends on their classification.

*i. **Payables and other payables***

Subsequent to initial recognition, they are measured at amortized cost using the effective interest rate method. If the due date of the liability is less than one-year discounting is omitted.

*ii. **Interest bearing loans and borrowings***

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance cost in the statement of profit or loss.

2.4.9.2.3 *Derecognition of financial liabilities*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the profit or loss.

2.4.9.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.4.10 Deposit liabilities

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

Interest paid on the deposits is expensed as finance cost 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.

2.4.11 Fair value measurement

The Group measures financial instruments and non-financial assets such as investment properties at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each year.

The Group's management determines the policies and procedures for both recurring fair value measurement, such as investment properties and unquoted equity instruments, and for non-recurring measurement, such as assets held for distribution in discontinued operation.

2.4.11 Fair value measurement - continued

External valuers are involved for valuation of significant assets, such as investment properties. Involvement of external valuers is decided upon annually by the management after discussion with and approval by the audit committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. The management, in conjunction with the Group's external valuers, also compares the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted market bid prices for assets and offer prices for liabilities, at the close of business on the reporting date, without any deduction for transaction costs.

For units in unit trusts and shares in open ended investment companies, fair value is determined by reference to published bid values in an active market.

For other financial instruments not traded in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include the discounted cash flow method, comparison to similar instruments for which market observable prices exist and other relevant valuation models.

Their fair value is determined using a valuation model that has been tested against prices or inputs to actual market transactions and using the Group's best estimate of the most appropriate model assumptions.

For discounted cash flow techniques, estimated future cash flows are based on management's best estimates and the discount rate used is a market-related rate for a similar instrument. The use of different pricing models and assumptions could produce materially different estimates of fair values.

The fair value of floating rate and overnight deposits with credit institutions is their carrying value. The carrying value is the cost of the deposit and accrued interest. The fair value of fixed interest-bearing deposits is estimated using discounted cash flow techniques. Expected cash flows are discounted at current market rates for similar instruments at the reporting date.

2.4.12 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Group of assets.

2.4.12 Impairment of non-financial assets

Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Impairment losses of continuing operations are recognized in the profit or loss in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of the asset's or CGU's recoverable amount.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the profit or loss unless the asset is carried at revalued amount, in which case, the reversal is treated as a revaluation increase.

Intangible assets

Intangible assets with indefinite useful lives are tested for impairment annually at 31 December, either individually or at the cash generating unit level, as appropriate and when circumstances indicate that the carrying value may be impaired.

2.4.13 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 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 IFRS 9.

2.4.14 Trade receivables

Trade receivables (premium receivable) are initially recognized at fair value and subsequently measured at amortised cost less provision for impairment. Discounting is omitted where the effect of discounting is immaterial.

An allowance for impairment is made when there is objective evidence such as the probability of solvency or significant financial difficulties of the debtors that the Group will not be able to collect the amount due under the original terms of the invoice. Impaired debts are derecognized 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 recognized, the previous recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed its amortised cost at the reversed date. Any subsequent reversal of an impairment loss is recognized in the profit or loss.

2.4.15 Reinsurance

2.4.15.1 Reinsurance ceded to reinsurance counterparties

The Group cedes insurance risk in the normal course of business for most of its businesses. Reinsurance assets represent balances due from reinsurance companies. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision or settled claims associated with the reinsurer's policies and are in accordance with the related reinsurance contract.

Reinsurance assets are reviewed for impairment at each reporting date, or more frequently, when an indication of impairment arises during the reporting year. Impairment occurs when there is objective evidence as a result of an event that occurred after initial recognition of the reinsurance asset that the Group may not receive all outstanding amounts due under the terms of the contract and the event has a reliably measurable impact on the amounts that the Group will receive from the reinsurer. The impairment loss is recorded in the statement of profit or loss.

Gains or losses on buying reinsurance are recognised in the statement of profit or loss immediately at the date of purchase and are not amortised. Ceded reinsurance arrangements do not relieve the Group from its obligations to policyholders.

2.4.15.2 Prepaid reinsurance

Prepaid reinsurance are those proportions of premiums written in a year that relate to periods of risk after the statement of financial position date and is reported under reinsurance assets in the statement of financial position. Prepaid reinsurance premiums are deferred over the term of the underlying direct insurance policies for risks-attaching contracts and over the term of the reinsurance contract for losses- occurring contracts.

2.4.16 Other receivables and prepayment

Other receivables are made up of prepayments and other amounts due from parties which are not directly linked to insurance or investment contracts. Except prepayment and other receivables that are not financial assets, these are measured at amortised costs. Discounting is omitted where the effect of discounting is immaterial.

2.4.17 Deferred expenses

Deferred acquisition costs (DAC)

Those direct and indirect costs incurred during the financial period arising from the acquiring or renewing of insurance contracts are deferred to the extent that these costs are recoverable out of future premiums. All other acquisition costs are recognized as an expense when incurred.

Subsequent to initial recognition, DAC for general insurance are amortized over the period in which the related revenues are earned. The DAC asset for life insurance is amortised over the expected life of the contracts as a constant percentage of expected premiums. The deferred acquisition costs for reinsurers are amortised in the same manner as the underlying asset amortisation and is recorded in the statement of profit or loss.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period and are treated as a change in an accounting estimate.

An impairment review is performed at each reporting date or more frequently when an indication of impairment arises. When the recoverable amount is less than the carrying value, an impairment loss is recognized in the profit or loss. DAC are also considered in the liability adequacy test for each reporting period.

DAC are derecognized when the related contracts are either settled or disposed of.

2.4.18 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 IFRS 15, ''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.

2.4.19.1 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) ***Right-of-use assets***

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of- use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

ii) ***Lease liabilities***

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

Group as a lessee - continued

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

If any, the Group's lease liabilities are included in Interest-bearing loans and borrowings

iii) ***Short-term leases and leases of low-value assets***
The Group applies the short-term lease recognition exemption to its short-term leases of **buildings and space** (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of **buildings** that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor
Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.4.20 Asset held for sale

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale. Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and: Represents a separate major line of business or geographical area of operations, Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations Or Is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

2.4.21 Investment properties

Investment properties held for rental income and capital appreciation are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the profit or loss in the year in which they arise.

Fair values are evaluated annually by an accredited external, independent valuer, applying a valuation model.

Investment properties are derecognised either when 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. Any gains or losses on the retirement or disposal of an investment property are recognised in the profit or loss in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use evidenced by the end of owner-occupation, commencement of an operating lease to another party or completion of construction or development. 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 owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property and equipment up to the date of the change in use.

2.4.22 Investments in subsidiaries

Investments in subsidiaries are carried in the separate statement of financial position at cost less allowance for impairment losses. Where, there has been impairment in the value of investments in subsidiaries, 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 statement of profit or loss account.

2.4.23 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period (five years) and the amortisation method (straight line) for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the profit or loss in the expense category consistent with the function of the intangible asset.

2.4.23 Intangible assets

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit or loss when the asset is derecognized.

2.4.24 Property, plant and equipment

Property and equipment (excluding building) is stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment losses. Replacement or major inspection costs are capitalized when incurred and if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

Building is measured at revalued amount less accumulated depreciation and impairment losses recognised after the date of the revaluation. Valuations are performed at least once in every 5 years or when a major improvement is carried out to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

2.4.24 Property, plant and equipment - Continued

Any revaluation surplus is recorded in other comprehensive income and hence, credited to the asset revaluation reserve in equity, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the profit or loss, in which case, the increase is recognised in the profit or loss. A revaluation deficit is recognized in the profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

Accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Land is not depreciated. Depreciation on property, plant and equipment is calculated using the straight- line method to allocate the cost less the residual values over the estimated useful lives as follows;

Leasehold building	over the remainder of the life of the lease
Building	2%
Leasehold improvements	20%
Plant and machinery	20%
Motor vehicles	25%
Furniture and fittings and equipment	20%

The assets' residual values, and useful lives and method of depreciation are reviewed and adjusted, if appropriate, at each financial year end and adjusted prospectively, if appropriate.

Impairment reviews are performed when there are indicators that the carrying value may not be recoverable. Impairment losses are recognised in the profit or loss as an expense.

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

2.4.25 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 ₦3 billion for General insurance business and of ₦2 billion for life business. Interest income on the deposit is recognised in the statement of profit or loss in the period the interest is earned.

2.4.26 Deposit for shares

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

2.4.27 Insurance contracts

The Group issues contracts that transfer insurance risk or financial risk or both. Insurance contracts are those contracts where a party (the policy holder) transfers significant insurance risk to another party (insurer) and the latter agrees to compensate the policyholder or other beneficiary if a specified uncertain future event (the insured event) adversely affects the policyholder, or other beneficiary. Such contracts may also transfer financial risk

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

2.4.27.1 ***General insurance contracts***

These contracts are accident and casualty and property insurance contracts. Accident and casualty insurance contracts protect the Group's customers against the risk of causing harm to third parties as a result of their legitimate activities. Damages covered include both contractual and non-contractual events. The typical protection offered is designed for employers who become legally liable to pay compensation to injured employees (employers' liability) and for individual and business customers who become liable to pay compensation to a third party for bodily harm or property damage (public liability). Property insurance contracts mainly compensate the Group's customers for damage suffered to their properties or for the value of property lost. Customers who undertake commercial activities on
their premises could also receive compensation for the loss of earnings caused by the inability to use the insured properties in their business activities (business interruption cover).

(i) ***Reserves for unearned premium***

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

(ii) ***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 reporting date. The IBNR is based on the liability adequacy test.

2.4.27.2 ***Life* business**

These contracts insure events associated with human life (for example, death or survival). These are divided into the individual life, group life and annuity contracts.

Individual life contracts are usually long-term insurance contracts and span over one year while the group life insurance contracts usually cover a period of 12 months. A liability for contractual benefits that are expected to be incurred in the future when the premiums are recognised. The liability is determined as the sum of the expected discounted value of the benefit payments and the future administration expenses that are directly related to the contract, less the expected discounted value of the theoretical premiums that would be required to meet the benefits and administration expenses based on the valuation assumptions used. The liability is based on assumptions as to mortality, persistence, maintenance expenses and investment income that are established at the time the contract is issued.

2.4.27.3 ***Annuity contracts***

These contracts insure customers from consequences of events that would affect the ability of the customers to maintain their current level of income. There are no maturity or surrender benefits. The annuity contracts are fixed annuity plans. Policy holders make a lump sum payment recognised as part of premium in the period when the payment was made. Constant and regular payments are made to annuitants based on terms and conditions agreed at the inception of the contract and throughout the life of the annuitants. The annuity funds are invested in long term government bonds and reasonable money markets instruments to meet up with the payment of monthly/quarterly annuity payments. The annuity funds liability is actuarially determined based on assumptions as to mortality, persistence, maintenance expenses and investment income that are established at the time the contract is issued.

(i). Life fund

This is made up of net liabilities on policies in force as computed by the actuaries at the time of the actuarial valuation.

2.4.27 Insurance contracts – Continued

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".

2.4.28 Investment contracts

Investment contract liabilities are recognised when contracts are entered into and premiums are charged. These liabilities are initially recognised at fair value, this being the transaction price excluding any transaction costs directly attributable to the issue of the contract. Subsequent to initial recognition, the investment contract liabilities are measured at fair value through profit or loss.

Deposits and withdrawals are recorded directly as an adjustment to the liability in the statement of financial position and are not recognised as gross premium in the statement of profit or loss.

The liability is derecognised when the contract expires, is discharged or is cancelled. For a contract that can be cancelled by the policyholder, the fair value of the contract cannot be less than the surrender value.

When contracts contain both a financial risk component and a significant insurance risk component and the cash flows from the two components are distinct and can be measured reliably, the underlying amounts are unbundled. Any premiums relating to the insurance risk component are accounted for on the same basis as insurance contracts and the remaining element is accounted for as a deposit through the statement of financial position as described above.

2.4.29 Deferredrevenue

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in investment income.

Reinsurance commission

This relates to commissions receivable on outwards reinsurance contracts which are deferred and amortized on a straight-line basis over the term of the expected premiums payable.

2.4.30 Taxes

2.3.30.1 Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current income tax assets and liabilities also include adjustments for tax expected to be payable or recoverable in respect of previous periods. Current income tax relating to items recognised directly in equity or other comprehensive income is recognised in equity or other comprehensive income and not in the profit or loss.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions, where appropriate tax/back duty assessments are recognized when assessed and agreed to by the Group with the Tax authorities, or when appealed, upon receipt of the results of the appeal.

2.4.30.2 Deferred tax

Deferred tax is provided using the liability method in respect of temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

➢ When the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

➢ In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized except:

➢ Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

➢ In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.4.31 Provisions

General

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability.

Contingent liabilities are possible obligations that arise from past events whose existence will be confirmed only by the occurrence, or non-occurrence, of one or more uncertain future events not wholly within Group's control. Contingent liabilities are not recognized in the financial statements but are disclosed.

Onerous contracts

A provision is recognized for onerous contracts in which the unavoidable costs of meeting the obligations under the contract exceed the expected economic benefits expected to be received under it. The unavoidable costs reflect the least net cost of exiting the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

2.4.32 Trade payable

Trade payable (Insurance payables) are recognised when due and measured on initial recognition at fair value of the consideration received less directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the EIR method. Discounting is omitted where the effect of discounting is immaterial.

2.4.33 Equity

2.4.33.1 ***Share capital***

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 recognised in equity, net of tax as a deduction from the proceeds. Where any member of the Group purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs, is reported as a separate component of equity attributable to the Company's equity holders. Where such shares are subsequently sold, reissued or otherwise disposed of, any consideration received is included in equity attributable to the Company's equity holders, net of any directly attributable incremental transaction costs and the related income tax effects.

2.4.33.2 ***Treasury shares***

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the treasury shares reserve. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity and the resulting surplus or deficit on the transaction is presented within share premium.

2.4.33.3 ***Foreign currency translation reserve***

The assets and liabilities of foreign operations are translated to Naira at closing functional currency rates at the reporting date. The income and expenses of foreign operations are translated to Naira at spot rates at the dates of the transactions. Foreign currency differences on the translation of foreign operations are recognized in other comprehensive income and accumulated in foreign currency translation reserves in the statement of financial position.

2.4.33.4 *Contingency reserve*

Non-life business

In compliance with Section 22 (2) (b) of Insurance Act 2003, the contingency reserve is credited with the greater of 3% of total premium or 20% of net profit. This shall accumulate until it reaches the amount greater of minimum paid-up capital or 50 percent of net premium.

Life business

In compliance with Section 22 (1) (b) of Insurance Act 2003, the contingency reserve is credited with the higher of 1% of gross premium or 10% of net profit.

2.4.33.5 *Revaluation reserve*

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. The amount of the surplus transferred 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.

2.4.33.6 *Fairvaluereserve-continued*

Fair value reserve represents increases or decreases in fair value of equity instruments measured at FVOCI reported directly in other comprehensive income. Gains and losses on these equity instruments are never recycled to profit or loss. The group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognized.

2.4.34 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 Company by the weighted average number of ordinary shares outstanding during the period excluding treasury shares held by the Company.

Diluted earnings per share amounts are calculated by dividing the net profit by the weighted number of ordinary shares outstanding during the year plus the weighted number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

2.4.35 Retirement obligations and Employee benefits

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

2.4.35.1 Defined contribution pension scheme

The Group operates a defined contributory pension scheme for eligible employees. Company contributes 10% of the employees' Basic, Housing and Transport allowances in line with the provisions of the Pension Reform Act 2014. 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.

2.4.35.2 Short-term benefits

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

2.4.36 Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future reporting periods.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Propertyleaseclassification-Groupaslessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the asset, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

Estimates and assumptions

In the process of applying the Group's accounting policies, management has made the following judgements which have the most significant effect on the amounts recognise in the financial statements:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

The Group based its assumption and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur. 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.

Life insurance contract liabilities

Life insurance liabilities are recognised when contracts are entered into and premiums are charged. These liabilities are measured using the net premium method. The liability is determined as the sum of the discounted value of the expected future benefits, claims handling and policy administration expenses, policyholder options and guarantees and investment income from assets backing such liabilities, which are directly related to the contract, less the discounted value of the expected premiums that would be required to meet the future cash outflows based on the valuation assumptions used. The liability is either based on current assumptions or calculated using the assumptions established at the time the contract was issued, in which case, a margin for risk and adverse deviation is generally included. A separate reserve for longevity may be established and included in the measurement of the liability. Furthermore, the liability for life insurance contracts comprises the provision for unearned premiums and premium deficiency, as well as for claims outstanding, which includes an estimate of the incurred claims that have not yet been reported to the Group. Adjustments to the liabilities at each reporting date are recorded in the statement of profit or loss in 'Gross change in contract liabilities'. Profits originated from margins for adverse deviations on run-off contracts are recognised in the statement of profit or loss over the life of the contract, whereas losses are fully recognised in the statement of profit or loss during the first year of run-off. The liability is derecognised when the contract expires, is discharged or cancelled.

The estimation of the ultimate liability arising from claims made under insurance contracts is the Group's most critical accounting estimate. There are several sources of uncertainty that need to be considered in the estimate of the liability that the company will ultimately pay for such claims. The uncertainty arises because all events affecting the ultimate settlement of the claims have not taken place and may not take place for some time.

Changes in the estimate of the provision may be caused by receipt of additional claim information, changes in judicial interpretation of contract, or significant changes in severity or frequency of claims from historical records. The estimates are based on the company's historical data and industry experience. The ultimate claims liability computation is subjected to a liability adequacy test by an actuarial consultant using actuarial models.

2.4.37 Significant accounting judgements, estimates and assumptions – continued

The provision for unearned premiums represents that portion of premiums received or receivable that relates to risks that have not yet expired at the reporting date. The provision is recognised when contracts are entered into and premiums are charged and is brought to account as premium income over the term of the contract in accordance with the pattern of insurance service provided under the contract.

Fair value investment property

The valuation of investment properties is based on the price for which comparable land and properties are being exchanged hands or are being marketed for sale. Therefore, the market-approach Method of Valuation. By nature, detailed information on concluded transactions is difficult to come by. The past transactions and recent adverts are being relied upon in deriving the value of the subject properties. At least, **eight properties** will be analysed and compared with the subject property.

Impairment losses on financial assets

The measurement of impairment losses both under IFRS 9 across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Group's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

The Group's internal credit grading model, which assigns PDs to the individual grades

- The Group's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

Fair value of financial instruments using valuation techniques

The Directors use their judgment in selecting an appropriate valuation technique. Where possible, financial instruments are marked at prices quoted in active markets. In the current market environment, such price information is typically not available for all instruments and the company uses valuation techniques to measure such instruments. These techniques use "market observable inputs" where available, derived from similar assets in similar and active markets, from recent transaction prices for comparable items or from other observable market data. For positions where observable reference data are not available for some or all parameters the company estimates the non-market observable inputs used in its valuation models.

Other financial instruments are valued using a discounted cash flow analysis based on assumptions supported, where possible, by observable market prices or rates although some assumptions are not supported by observable market prices or rates.

MUTUAL BENEFITS ASSURANCE PLC
CONSOLIDATED AND SEPARATE STATEMENT OF PROFIT OR LOSS

For the period ended 31 March 2022		GROUP		COMPANY	
in thousands of Nigerian Naira	Notes	**MARCH 2022 ACTUAL YTD**	**MARCH 2021 ACTUAL YTD**	**MARCH 2022 ACTUAL YTD**	**MARCH 2021 ACTUAL YTD**
Gross premium written	3.1	10,987,105	8,112,065	5,098,507	4,344,016
Gross premium income	3.1	7,655,620	7,041,805	3,404,872	4,174,179
Premiums ceded to reinsurers	3.2	(887,685)	(1,589,465)	(675,609)	(1,099,187)
Net premium income	3.3	**6,767,935**	**5,452,340**	**2,729,263**	**3,074,992**
Fees and commission income	4	320,162	384,647	289,867	280,693
Net underwriting income		**7,088,097**	**5,836,987**	**3,019,130**	**3,355,685**
Net benefits and claims	5	2,503,503	1,350,325	807,537	1,192,453
Changes in annuity reserve	33.1.2	(10,477)	(10,942)	-	-
Underwriting expenses	6	2,026,814	1,330,231	863,219	563,184
Net underwriting expenses		4,519,840	2,669,614	1,670,756	1,755,637
Underwriting profit		**2,568,257**	**3,167,373**	**1,348,374**	**1,600,048**
Profit/(loss) on investment contracts	7	13,593	497,622	-	-
Investment income	8	419,310	270,070	266,999	184,060
Net fair value gain/(loss) on assets at FVTPL	9	223,302	(4,718,390)	79,808	(1,231,662)
Other income	10	97,661	31,348	10,765	28,877
Impairment (loss)/reversal on financial assets	11	9,155	-	-	-
Employee benefit expenses	12	(476,594)	(400,433)	(235,409)	(218,016)
Management expenses	13	(1,043,897)	(796,141)	(578,497)	(485,060)
Net foreign exchange gains	14	48,995	112,746	48,995	112,746
Operating profit/(loss)		**1,859,782**	**(1,835,805)**	**941,035**	**(9,007)**
Finance costs	15	(32,280)	(39,386)	(16,477)	(39,220)
Finance income	16	47,423	3,685	-	-
Profit/(Loss) before income tax		**1,874,925**	**(1,871,506)**	**924,558**	**(48,227)**
Income tax (expense)/credit	17	(225,347)	(103,491)	(195,649)	(21,720)
Profit/(Loss) for the year		**1,649,578**	**(1,974,997)**	**728,909**	**(69,947)**
Profit/(Loss) attributable to:					
Owners of the parent		1,596,991	(2,077,963)	728,909	(69,947)
Non-controlling interests		52,587	102,966	-	-
		1,649,578	**(1,974,997)**	**728,909**	**(69,947)**
Earnings/(Loss) per share:					
Earnings/(Loss) per share for profit/(loss) attributable to equity holders of parent					
Basic and diluted (kobo)	18	8	(19)	4	(1)

The accompanying summary of significant accounting policies and notes to the consolidated and separate financial statements are an integral part of these consolidated and separate financial statements.

MUTUAL BENEFITS ASSURANCE PLC
CONSOLIDATED AND SEPARATE STATEMENTS OF OTHER COMPREHENSIVE INCOME

For the period ended 31 March 2022		GROUP		COMPANY	
in thousands of Nigerian Naira	Notes	MARCH 2022 ACTUAL YTD	MARCH 2021 ACTUAL YTD	MARCH 2022 ACTUAL YTD	MARCH 2021 ACTUAL YTD
Profit/(loss) for the year		1,649,578	(1,974,997)	728,909	(69,947)
Other comprehensive income (net of tax):					
Items that may be reclassified to the profit or loss account in subsequent periods:					
Exchange differences on translation of foreign operations		(286,807)	20,068	-	-
Total other comprehensive income for the year, net of tax		(286,807)	20,068	-	-
Total comprehensive Income/(loss) for the year, net of tax		**1,362,771**	**(1,954,929)**	**728,909**	**(69,947)**
Total comprehensive income/(loss) attributable to:					
Owners of the parent		1,494,737	(1,976,523)	728,909	(69,947)
Non-controlling interests	48	(131,966)	21,594	-	-
		1,362,771	(1,954,929)	728,909	(69,947)

The accompanying summary of significant accounting policies and notes to the consolidated and separate financial statements are an integral part of these consolidated and separate financial statements.

MUTUAL BENEFITS ASSURANCE PLC
CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

in thousands of Nigerian Naira	Notes	GROUP MARCH 2022 ACTUAL YTD	GROUP DECEMBER 2021 ACTUAL YTD	COMPANY MARCH 2022 ACTUAL YTD	COMPANY DECEMBER 2021 ACTUAL YTD
ASSETS					
Cash and cash equivalents	19	16,876,986	14,164,437	3,495,320	2,719,127
Equity instruments at fair value through OCI	20.1	459,849	459,849	79,021	79,021
Financial assets at fair value through profit or loss	20.2	3,386,272	3,239,653	1,555,810	1,499,610
Financial assets at amortised cost	20.3	47,709,659	47,711,126	11,354,934	11,195,891
Financial assets held for trading pledged as collateral	21	119,110	137,283	119,110	137,283
Trade receivables	22	517,740	425,908	54,751	57,882
Reinsurance assets	23	5,088,499	4,656,470	3,023,796	2,386,324
Other receivables and prepayments	24	1,081,101	1,002,084	500,337	510,551
Deferred acquisition costs	25	1,275,536	950,020	855,706	655,070
Finance lease receivables	26	4,039	2,340	4,039	2,340
Inventories	27	44,299	44,299	-	-
Investment properties	28	5,941,000	6,091,000	56,000	56,000
Intangible assets	30	410,848	333,980	73,359	78,180
Property, plant and equipment	31	3,238,811	3,483,414	2,122,633	2,137,229
Investments in subsidiaries	29	-	-	6,120,000	6,120,000
Statutory deposit	32	500,000	500,000	300,000	300,000
Deferred tax assets	40.1	578,480	578,480	94,288	94,288
Total assets		**87,232,229**	**83,780,343**	**29,809,104**	**28,028,796**
LIABILITIES					
Insurance contract liabilities	33	26,780,964	23,464,143	11,316,389	9,957,655
Investment contract liabilities	34	30,302,254	30,178,616	-	-
Trade payables	35	2,571,144	2,145,731	1,063,957	701,977
Other liabilities	36	2,425,385	2,600,475	1,776,200	1,780,886
Deposit liabilities	37	569,573	1,327,465	-	-
Borrowings	38	1,485,813	2,338,331	1,485,813	2,338,331
Current income tax liabilities	39	609,246	485,119	416,348	228,456
Deferred tax liabilities	40.2	1,249,201	1,364,586	519,212	519,212
Total liabilities		65,993,580	63,904,466	16,577,919	15,526,517
EQUITY					
Share capital	41.2	10,030,811	10,030,811	10,030,811	10,030,811
Share Premium	41.3	276,486	276,486	276,486	276,486
Treasury shares	42	(250)	(250)	(250)	(250)
Foreign currency translation reserve	43	1,448,831	1,551,085	-	-
Contingency reserve	44	4,911,325	4,702,054	3,684,824	3,531,871
Fair value reserve	45	(559,729)	(559,729)	(114,887)	(114,887)
Revaluation reserve	46	1,520,131	1,520,131	1,339,395	1,339,395
Retained Earnings/ (accumulated losses)	47	2,276,140	888,420	(1,985,194)	(2,561,147)
Total shareholders' fund		19,903,745	18,409,008	13,231,185	12,502,279

The accompanying summary of significant accounting policies and notes to the consolidated and separate financial statements are an integral part of these consolidated and separate financial statements.

MUTUAL BENEFITS ASSURANCE PLC
CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION - Continued

		GROUP		COMPANY	
in thousands of Nigerian Naira	Notes	**MARCH 2022 ACTUAL YTD**	**DECEMBER 2021 ACTUAL YTD**	**MARCH 2022 ACTUAL YTD**	**DECEMBER 2021 ACTUAL YTD**
Total equity attributable to the:					
Owners of the parent		19,903,745	18,409,008	13,231,185	12,502,279
Non-controlling interests in equity	48	1,334,904	1,466,869	-	-
Total equity		21,238,649	19,875,877	13,231,185	12,502,279
Total liabilities and equity		**87,232,229**	**83,780,343**	**29,809,104**	**28,028,796**

These financial statements were approved by the Board on the 29th April, 2022 and signed on its behalf by:

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

Mr. Olufemi Asenuga
FRC/2013/CIIN/00000003104
Managing Director/ CEO

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

The accompanying summary of significant accounting policies and notes to the consolidated and separate financial statements are an integral part of these consolidated and separate financial statements.

MUTUAL BENEFITS ASSURANCE PLC
CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY

Group		**Attributable to equity holders of the Company**											
in thousands of Nigerian Naira	Notes	**Share capital**	**Share premium**	**Treasury shares**	**Deposit for shares**	**Foreign currency translation reserve**	**Contingency reserve**	**Fair value reserve**	**Revaluation reserve**	**Retained earnings**	**Total**	**Non - controlling interests**	**Total equity**
As at 1 January 2021		**5,586,367**	**-**	**(250)**	**4,800,000**	**1,161,602**	**4,172,059**	**(878,937)**	**1,520,131**	**6,993,787**	**23,354,760**	**1,333,778**	**24,688,537**
Total comprehensive income for the year:													
Loss for the year		-	-	-	-	-	-	-	-	(5,575,372)	(5,575,372)	150,662	(5,424,710)
Other comprehensive income		-	-	-	-	389,483	-	319,208	-	-	708,691	(17,572)	691,119
Total comprehensive income for the year, net of tax		-		-	-	389,483	-	319,208	-	(5,575,372)	(4,866,682)	133,090	(4,733,591)
Transactions with owners of equity													
Private placement issue	41.2	4,444,444	355,556	-	(4,800,000)	-	-	-	-	-	-	-	-
Private placement issue expenses		-	(79,070)	-	-	-	-	-	-	-	(79,070)	-	(79,070)
Transfer to contingency reserve	44	-	-	-	-	-	529,995	-	-	(529,995)	-	-	-
Total transactions with owners of equity		4,444,444	276,486	-	(4,800,000)	-	529,995	-	-	(529,995)	(79,070)	-	(79,070)
As at 31 December 2021		**10,030,811**	**276,486**	**(250)**	**-**	**1,551,085**	**4,702,054**	**(559,729)**	**1,520,131**	**888,420**	**18,409,008**	**1,466,869**	**19,875,877**
As at 1 January 2022		**10,030,811**	**276,486**	**(250)**	**-**	**1,551,085**	**4,702,054**	**(559,729)**	**1,520,131**	**888,420**	**18,409,008**	**1,466,869**	**19,875,877**
Total comprehensive income for the year:													
Profit for the year		-	-	-	-	-	-	-	-	1,596,991	1,596,991	52,587	1,649,578
Other comprehensive income		-	-	-	-	(102,254)	-	-	-	-	(102,254)	(184,553)	(286,807)
Total comprehensive income for the year, net of tax		-	-	-	-	(102,254)	-	-	-	1,596,991	1,494,737	(131,966)	1,362,771
Transactions with owners of equity													
Transfer to contingency reserve	44	-	-	-	-	-	209,271	-	-	(209,271)	-	-	-
Total transactions with owners of equity		-	-	-	-	-	209,271	-	-	(209,271)	-	-	-
As at 31 March 2022		**10,030,811**	**276,486**	**(250)**	**-**	**1,448,831**	**4,911,325**	**(559,729)**	**1,520,131**	**2,276,140**	**19,903,745**	**1,334,904**	**21,238,649**

The accompanying summary of significant accounting policies and notes to the consolidated and separate financial statements are an integral part of these consolidated and separate financial statements.

MUTUAL BENEFITS ASSURANCE PLC
CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY

Company

in thousands of Nigerian Naira 0	*Notes*	Share capital	Share premium	Treasury shares	Deposit for shares	Contingency reserve	Fair value reserve	Revaluation reserve	Retained earnings/ (Accumulated losses)	Total
As at 1 January 2021		**5,586,367**	**-**	**(250)**	**4,800,000**	**3,118,041**	**(133,900)**	**1,339,395**	**300,169**	**15,009,822**
Total comprehensive income for the year:										
Loss for the year		-	-	-	-	-	-	-	(2,447,486)	(2,447,486)
Other comprehensive income		-	-	-	-	-	19,013	-	-	19,013
Total comprehensive income for the year, net of tax		-	-	-	-	-	19,013	-	(2,447,486)	(2,428,473)
Transactions with owners of equity										
Private placement issue		4,444,444	355,556	-	(4,800,000)	-	-	-	-	-
Private placement issue expenses		-	(79,070)	-	-	-	-	-	-	(79,070)
Transfer to contingency reserve		-	-	-	-	413,830	-	-	(413,830)	-
Total transactions with owners of equity		4,444,444	276,486	-	(4,800,000)	413,830	-	-	(413,830)	(79,070)
As at 31 December 2021		**10,030,811**	**276,486**	**(250)**	**-**	**3,531,871**	**(114,887)**	**1,339,395**	**(2,561,147)**	**12,502,279**
As at 1 January 2022		**10,030,811**	**276,486**	**(250)**	**-**	**3,531,871**	**(114,887)**	**1,339,395**	**(2,561,147)**	**12,502,279**
Total comprehensive income for the year:										
Profit for the year		-	-	-	-	-	-	-	728,909	728,909
Other comprehensive income		-	-	-	-	-	-	-	-	-
Total comprehensive income for the year, net of tax		-	-	-	-	-	-	-	728,909	728,909
Transactions with owners of equity										
Transfer to contingency reserve		-	-	-	-	152,953	-	-	(152,953)	-
Total transactions with owners of equity		-	-	-	-	152,953	-	-	(152,953)	-
As at 30 March 2022		**10,030,811**	**276,486**	**(250)**	**-**	**3,684,824**	**(114,887)**	**1,339,395**	**(1,985,194)**	**13,231,185**

The accompanying summary of significant accounting policies and notes to the consolidated and separate financial statements are an integral part of these consolidated and separate financial statements.

MUTUAL BENEFITS ASSURANCE PLC
CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS

		GROUP		COMPANY	
in thousands of Nigerian Naira	Notes	MARCH 2022 ACTUAL YTD	MARCH 2021 ACTUAL YTD	MARCH 2022 ACTUAL YTD	MARCH 2021 ACTUAL YTD
Cash flows from operating activities					
Cash received from insurance contract policy holders		11,377,783	7,915,705	5,298,990	4,236,531
Cash received from investment contract policy holders		3,684,365	3,623,111	-	-
Cash withdrawal by investment contract policy holders	34	(4,067,023)	(4,478,799)	-	-
Commission received		320,977	384,647	289,868	280,693
Reinsurance paid		(1,460,594)	(1,589,465)	(867,231)	(1,099,187)
Claims paid	5	(4,176,120)	(2,368,984)	(1,886,181)	(1,362,109)
Claims recovered from reinsurers	23.2	1,498,467	339,790	584,258	126,945
Commission paid		(1,099,715)	(1,027,995)	(712,198)	(647,005)
Payments to employees	12	(476,594)	(400,433)	(235,409)	(218,016)
Maintenance expenses		(1,138,542)	(611,935)	(345,550)	(167,928)
Other cash received		145,084	35,033	10,765	28,877
Cash paid to brokers, suppliers and other providers of services		(1,505,537)	(393,125)	(543,244)	(483,642)
Income tax paid	39	(216,605)	(16,397)	(7,757)	-
Net cash flows from operating activities	49	**2,885,947**	**1,411,153**	**1,586,312**	**695,159**
Investing activities:					
Purchase of intangible assets	30	(97,270)	(3,294)	-	(49)
Purchase of property, plants and equipments	31	(29,753)	(198,812)	(23,265)	(64,899)
Proceeds from sale of properties, plant and equipment		0	10,151	-	-
Investment income received		523,648	181,101	74,245	150,278
Receipts on finance lease recievables	26.1	4,059	-	4,059	-
Proceed from sale of financial instruments at fair value through profit or loss	21.2.1.1	-	758,859	-	198,855
Purchase of treasury bills	21.3.2.1	-	(35,468)	-	(35,468)
Redemption of treasury bills	21.3.2.1	238,050	984,260	96,973	984,260
Purchase of commercial paper	21.3.3.1	(93,136)	-	(93,136)	-
Proceeds from sale of investment properties		150,000	-	-	-
Net cash flows from/(used in) investing activities		695,597	1,696,797	58,876	1,232,977
Financing activities					
Increase in non-controlling interest		-	-	-	-
Repayments of borrowings		(820,000)	-	(820,000)	-
Net cash flows used in financing activities		(820,000)	-	(820,000)	-
Net increase/(decrease) in cash and cash equivalents		2,761,544	3,107,950	825,188	1,928,136
Effects of exchange rate changes on cash and cash equivalents		(48,995)	108,870	(48,995)	108,870
Cash and cash equivalents as at 1 January		14,164,437	11,420,144	2,719,127	4,761,993
Cash and cash equivalents as at 31 March	19	**16,876,986**	**14,636,964**	**3,495,320**	**6,798,999**

The accompanying summary of significant accounting policies and notes to the consolidated and separate financial statements are an integral part of these consolidated and separate financial statements.

3 **Gross premium income**

			GROUP		COMPANY	
	in thousands of Nigerian Naira	Notes	MARCH 2022 ACTUAL YTD	MARCH 2021 ACTUAL YTD	MARCH 2022 ACTUAL YTD	MARCH 2021 ACTUAL YTD
3.1	**Gross premium written**					
	Non-life		6,145,260	5,000,161	5,098,507	4,344,016
	Life (Group life and individual life)		4,841,845	3,111,904	-	-
			10,987,105	8,112,065	5,098,507	4,344,016
	Changes in unearned premium					
	Non-life		(1,794,532)	(265,530)	(1,693,635)	(169,837)
	Life (Group life and individual life)		(1,536,953)	(804,730)	-	-
			(3,331,485)	(1,070,260)	(1,693,635)	(169,837)
	Gross premium income	33.2.i	**7,655,620**	**7,041,805**	**3,404,872**	**4,174,179**
3.2	**Premiums ceded to reinsurers**					
	Outward premium - Non life		1,043,600	1,099,187	1,025,751	1,099,187
	Outward premium - life		191,450	490,278	-	-
	Changes in prepaid re-insurance		(347,365)	-	(350,142)	-
		23.3	**887,685**	**1,589,465**	**675,609**	**1,099,187**
3.3	**Net premium income**		**6,767,935**	**5,452,340**	**2,729,263**	**3,074,992**
4	**Fees and commission income**					
	Commission received from reinsurance		318,838	384,647	289,515	280,693
	Commission received from co-insurance		1,324	-	352	-
			320,162	**384,647**	**289,867**	**280,693**
5	**Net benefits and claims**					
	Claims paid		4,176,120	2,368,984	1,886,181	1,362,107
	Change in outstanding claims		(14,664)	(881,690)	(334,900)	(245,531)
	Claims recoveries	23.2	(1,498,467)	(380,154)	(584,258)	(126,945)
	Change in outstanding claims - Reinsurers	23.1	(159,486)	243,185	(159,486)	202,822
			2,503,503	**1,350,325**	**807,537**	**1,192,453**
6	**Underwriting expenses**					
	Amortisation of deferred acquisition costs	25.1	888,272	718,296	517,669	395,256
	Maintenance costs	6.1	1,138,542	611,935	345,550	167,928
			2,026,814	**1,330,231**	**863,219**	**563,184**

Underwriting expenses can be sub-divided into commission expenses (acquisition costs) and maintenance costs. Commission expenses are those incurred in obtaining and renewing insurance contracts. They include commissions or brokerage paid to agents or brokers and any other indirect expenses. Maintenance costs are those incurred in servicing existing policies/contracts. These include processing costs, preparation of statistics and reports, and other incidental costs attributable to maintenance.

6.1 **Maintenance costs**

		GROUP		COMPANY	
in thousands of Nigerian Naira	Notes	**MARCH 2022 ACTUAL YTD**	**MARCH 2021 ACTUAL YTD**	**MARCH 2022 ACTUAL YTD**	**MARCH 2021 ACTUAL YTD**
Superintending and surveyors fees		155,601	57,940	155,601	57,940
Marketing expenses		303,206	255,625	40,834	8,084
Agency allowance		108,332	84,309	39,350	28,500
Training and Forum for marketers		372,554	61,915	-	-
Agency unit manager allowance		62,398	61,755	-	-
Tracking expenses on insured vehicles		24,391	17,195	24,391	17,195
Agency expenses on travel insurance business		3,468	8,535	3,468	8,535
Stamp duty expenses		3,093	3,776	-	-
Administrative charges-Group Life		20,039	10,014	-	-
Agency expenses on vehicle insurance business		81,906	47,674	81,906	47,674
Agency training		89	97	-	-
Actuary valuation report fee		3,465	3,100	-	-
		1,138,542	**611,935**	**345,550**	**167,928**

7 **Profit / (loss) on investment contracts**

Interest income	635,455	1,276,047	-	-
Surrender fee	111,229	110,569	-	-
Rental income derived from investment properties	6,556	17,145	-	-
Investment related expenses	(25,000)	-	-	-
Acquisition cost on investment policies	(208,352)	(307,989)	-	-
Guaranteed interest	(506,295)	(598,150)	-	-
	13,593	**497,622**	**-**	**-**

8 **Investment income**

Interest income on loans and advances	1,811	2,069	1,811	2,069
Dividend income	-	759	-	759
Interest income on fixed term deposits	116,458	29,333	30,227	3,487
Interest income from commercial papers	1,327	-	1,327	-
Interest income on bonds	44,708	121,248	44,708	125,060
Interest income on statutory deposit	5,526	16,309	5,526	9,785
Interest income on lease	5,758	6,313	5,758	6,313
Interest from current accounts with banks	222	2,266	53	4
Interest income from treasury bills	242,561	91,773	176,650	36,583
Rental income	939	-	939	-
	419,310	**270,070**	**266,999**	**184,060**

* All interest income are calculated using effective interest method.

9 Net fair value (loss)/gain on assets at FVTPL

in thousands of Nigerian Naira	Notes	GROUP MARCH 2022 ACTUAL YTD	GROUP MARCH 2021 ACTUAL YTD	COMPANY MARCH 2022 ACTUAL YTD	COMPANY MARCH 2021 ACTUAL YTD
Fair value gains on quoted equity shares	21.2.2	1,429	(8,987)	1,429	(8,987)
Fair value (losses)/gains on financial assets held for trading pledged as collateral	21	(18,173)	9,841	(18,173)	9,841
Fair value gains / (losses) on Quoted Bonds	21.2.1.1	240,046	(4,719,244)	96,552	(1,232,516)
		223,302	**(4,718,390)**	**79,808**	**(1,231,662)**

10 Other income

		GROUP MARCH 2022 ACTUAL YTD	GROUP MARCH 2021 ACTUAL YTD	COMPANY MARCH 2022 ACTUAL YTD	COMPANY MARCH 2021 ACTUAL YTD
Profit on sale of property, plant and equipment		366	700	-	200
Micro finance fees and commission income		28,331	1,921	-	-
Management fee on licensing business		10,765	25,322	10,765	25,322
Insurance claim received		-	3,355	-	3,355
Income from logistics activities		50,384	-	-	-
Net foreign exchange gain		7,815	50	-	-
		97,661	**31,348**	**10,765**	**28,877**

11 Impairment (reversal)/loss on financial assets

	Notes	GROUP MARCH 2022 ACTUAL YTD	GROUP MARCH 2021 ACTUAL YTD	COMPANY MARCH 2022 ACTUAL YTD	COMPANY MARCH 2021 ACTUAL YTD
Loans and receivables	21.3.1.3	(9,155)	-	-	-
		(9,155)	**-**	**-**	**-**

		GROUP		COMPANY	
in thousands of Nigerian Naira	Notes	MARCH 2022 ACTUAL YTD	MARCH 2021 ACTUAL YTD	MARCH 2022 ACTUAL YTD	MARCH 2021 ACTUAL YTD

12 **Employee benefit expenses**

Wages and salaries	454,866	382,356	220,763	206,263
Defined contribution pension costs	21,728	18,077	14,646	11,753
	476,594	**400,433**	**235,409**	**218,016**

In line with the provisions of the Pension Reform Act 2014, the Company instituted a contributory pension scheme for all its employees. Its employees each contributes 8% of employees' annual insurable earnings (basic pay, transport and housing allowance), while the employer contributes 10% to the scheme. Staff contributions to the scheme are funded through payroll deductions while the entity's contribution is charged each year to the statement of profit or loss as staff cost.

13 **Management expenses**

in thousands of Nigerian Naira	Notes	MARCH 2022 ACTUAL YTD	MARCH 2021 ACTUAL YTD	MARCH 2022 ACTUAL YTD	MARCH 2021 ACTUAL YTD
Amortisation of intangible assets	30	7,444	4,619	4,821	2,432
Auditors' remunerations	14.1	6,145	10,165	1,500	4,500
Bank charges		35,935	19,270	20,095	10,293
Business enternainments		37,117	12,222	24,879	6,107
Conference and seminar expenses		42,295	42,086	42,295	42,086
Depreciation of property, plant and equipment	31	149,557	165,665	37,861	54,214
Directors fee and allowances		75,384	87,816	52,808	85,201
Donations		6,249	7,410	72	1,076
Insurance		11,050	11,537	10,635	10,398
Insurance supervisory fee		135,291	100,085	50,673	20,917
Legal and consultancy fees		131,887	38,077	84,143	23,364
Medical expenses		33,159	18,915	17,695	13,666
Motor vehicle running expenses		43,491	23,870	20,524	16,557
Newspapers and periodicals		105	99	42	40
Other expenses		5,544	1,548	2,120	-
Printing and stationery		29,467	15,567	12,475	4,114
Public relations and advertising		70,430	92,429	64,837	84,221
Rents and Rates*		35,794	17,656	17,162	2,784
Repairs and maintainance		86,042	57,251	62,160	54,874
Security expenses		8,307	6,105	3,097	3,153
Subscriptions		14,086	13,739	10,959	12,052
Telecommunication expenses		19,596	16,371	7,412	6,408
Training and recruitment		15,779	6,953	13,636	6,193
Transport and travelling		30,451	12,109	5,714	9,545
Utilities		13,292	14,577	10,882	10,865
		1,043,897	**796,141**	**578,497**	**485,060**

*Rent and Rates includes payment for rent and service charge on facilities for a period not more than 1 year.

14.1 **Auditors' remunerations**

The external auditor did not perform any non-audit services for the period ended 31 March 2022.

14 **Net foreign exchange gain/(loss)**

		GROUP		COMPANY	
in thousands of Nigerian Naira	Notes	MARCH 2022 ACTUAL YTD	MARCH 2021 ACTUAL YTD	MARCH 2022 ACTUAL YTD	MARCH 2021 ACTUAL YTD
Net foreign exchange gain/(loss) on foreign bank balances		-	108,870	-	108,870
Net foreign exchange gain/(loss) on foreign loan	38.1	48,995	3,876	48,995	3,876
		48,995	**112,746**	**48,995**	**112,746**

15 **Finance costs**

Interest expense calculated using the effective interest method:

		GROUP		COMPANY	
in thousands of Nigerian Naira	Notes	MARCH 2022 ACTUAL YTD	MARCH 2021 ACTUAL YTD	MARCH 2022 ACTUAL YTD	MARCH 2021 ACTUAL YTD
Interest on loans and overdraft	38.1	16,477	39,220	16,477	39,220
Interest charge on deposits		15,771	144	-	-
Other charges		32	22	-	-
		32,280	**39,386**	**16,477**	**39,220**

16 **Finance income**

Interest income calculated using the effective interest method:

Interest income on Micro loans	46,675	1,593	-	-
Interest income on overdraft	9	34	-	-
Interest income on treasury bills	739	2,058	-	-
	47,423	**3,685**	**-**	**-**

17 Income tax expense/(credit)

17.1 Current income tax charge

Company income tax		225,347	80,210	195,649	21,720
Education tax		-	23,281	-	-
Total current income tax expense		225,347	103,491	195,649	21,720

17.2 Deferred tax

Relating to origination and reversal of temporary differences

Deferred tax liability	40.2	-	-	-	-
Deferred tax asset	40.1	-	-	-	-
Total deferred tax expense		-	-	-	-
Total income tax (credit) / expense		**225,347**	**103,491**	**195,649**	**21,720**

17.3 Reconciliation of income tax charge

		GROUP		COMPANY	
in thousands of Nigerian Naira	Notes	**MARCH 2022 ACTUAL YTD**	**MARCH 2021 ACTUAL YTD**	**MARCH 2022 ACTUAL YTD**	**MARCH 2021 ACTUAL YTD**
Profit/(Loss) before income tax		1,874,925	(1,871,506)	924,558	(48,227)
Tax at Nigerian's statutory income tax rate of 30% (2020: 30%)		562,478	(561,452)	277,367	(14,468)
Effect of:					
Tax exempt income/expenses		(337,131)	641,662	(81,719)	36,188
Education tax		-	23,281	-	-
		225,347	**103,491**	**195,649**	**21,720**
Effective Tax Rate		12%	-6%	21%	-45%

The Company was assessed based on minimum tax: In line with Section 16, of Companies Income Tax Act 2004 (as amended by the Finance Act, 2020)

18 Earnings/(loss) per share

18.1 *Earnings/(loss) per share - Basic*

Basic Earnings/(loss) per share is calculated by dividing the profit/(loss) for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Company and held as treasury shares.

		GROUP		COMPANY	
in thousands of Nigerian Naira	Notes	MARCH 2022 ACTUAL YTD	MARCH 2021 ACTUAL YTD	MARCH 2022 ACTUAL YTD	MARCH 2021 ACTUAL YTD
Profit/(Loss) attributable to equity holders		1,596,991	(2,077,963)	728,909	(69,947)
Weighted average number of ordinary shares for basic earnings per share	18.2	20,061,122	11,172,234	20,061,122	11,172,234
Basic earnings/(loss) per ordinary share (kobo)		8	(19)	4	(1)

18.2 *Weighted average number of ordinary shares - basic*

Issued ordinary shares at 1 January	20,061,622	11,172,734	20,061,622	11,172,734
Effect of treasury shares held at 1 January	(500)	(500)	(500)	(500)
As at 31 March	20,061,122	11,172,234	20,061,122	11,172,234
Weighted average number of ordinary shares for basic earnings per share in line with IAS 33	20,061,122	11,172,234	20,061,122	11,172,234

On 28 June 2021, the Company concluded its private placement of 8,888,888,889 ordinary shares of 50 kobo each in which N4.8 billion was raised from two shareholders. The shares were issued at 54 kobo per share.

18.3 *Earnings/(Loss) per share- Diluted*

The calculation of diluted earnings/loss per share has been based on the profit/loss attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

The Company has no potential dilutive ordinary shares during the year (2021: Nil). Hence, the weighted average number of ordinary shares for basic and dilutive is the same so also the Dilutive and Basic earnings/loss per share.

19 Cash and cash equivalents

in thousands of Nigerian Naira	Notes	GROUP		COMPANY	
		MARCH 2022 ACTUAL YTD	**DECEMBER 2021 ACTUAL YTD**	**MARCH 2022 ACTUAL YTD**	**DECEMBER 2021 ACTUAL YTD**
Cash on hand		167,211	3,964	167,633	2,018
Cash in banks	19.1	5,492,332	4,659,973	276,014	251,140
Short-term deposits	19.1	11,274,087	9,557,144	3,065,832	2,480,128
		16,933,630	**14,221,081**	**3,509,479**	**2,733,286**
Expected credit loss allowance		(56,644)	(56,644)	(14,159)	(14,159)
		16,876,986	**14,164,437**	**3,495,320**	**2,719,127**

19.1 *Cash and cash equivalents*

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group. All short-term deposits are subject to an average variable interest rate of 6% per annum (2021: 4%).

For the purpose of the statement of cash flows, the cash and cash equivalents consist of cash and short-term deposits, as defined above and are subject to insignificant change in fair value, and used by the Group to manage its short term cash commitments.

20 Financial assets

The Group’s financial assets are summarized below by measurement category:

in thousands of Nigerian Naira	Notes	GROUP		COMPANY	
		MARCH 2022 ACTUAL YTD	**DECEMBER 2021 ACTUAL YTD**	**MARCH 2022 ACTUAL YTD**	**DECEMBER 2021 ACTUAL YTD**
Equity instruments at fair value through OCI	20.1	459,849	459,849	79,021	79,021
Financial assets at fair value through profit or loss	20.2	3,386,272	3,239,653	1,555,810	1,499,610
Financial assets at amortised cost	20.3	47,709,659	47,711,126	11,354,934	11,195,891
		51,555,780	51,410,628	12,989,765	12,774,522
Current		36,737,873	37,219,200	11,279,885	11,114,365
Non-current		14,817,907	14,191,428	1,709,880	1,660,157
		51,555,780	51,410,628	12,989,765	12,774,522

20.1 **Equity Instruments at fair value through OCI**

Group

in thousands of Nigerian Naira	Balance as at 1 January 2022	Additions during the year	Disposals during the year	Fair value Movement	Balance as at 31 March 2022
The Infrastructure Bank Plc.	293,866	-	-	-	293,867
Leasing Company of Liberia	67,436	-	-	-	67,436
Avanage	19,526	-	-	-	19,526
WAICA Reinsurance Corporation Plc	79,021	-	-	-	79,021
	459,849	-	-	-	**459,849**

in thousands of Nigerian Naira	Balance as at 1 January 2021	Additions during the year	Disposals during the year	Fair value Movement	Balance as at 31 December 2021
The Infrastructure Bank Plc.	18,121	-	-	275,745	293,866
Leasing Company of Liberia	41,516	-	-	25,920	67,436
Avanage	20,996	-	-	(1,470)	19,526
WAICA Reinsurance Corporation Plc	60,008	-	-	19,013	79,021
	140,641	-	-	319,208	**459,849**

Company

in thousands of Nigerian Naira	Balance as at 1 January 2022	Additions during the year	Disposals during the year	Fair value Movement	Balance as at 31 March 2022
WAICA Reinsurance Corporation Plc	79,021	-	-	-	79,021
	79,021	-	-	-	**79,021**

in thousands of Nigerian Naira	Balance as at 1 January 2021	Additions during the year	Disposals during the year	Fair value Movement	Balance as at 31 December 2021
WAICA Reinsurance Corporation Plc	60,008	-	-	19,013	79,021
	60,008	-	-	19,013	**79,021**

20.2 **Financial assets at fair value through profit or loss**

in thousands of Nigerian Naira		GROUP MARCH 2022 ACTUAL YTD	GROUP DECEMBER 2021 ACTUAL YTD	COMPANY MARCH 2022 ACTUAL YTD	COMPANY DECEMBER 2021 ACTUAL YTD
Quoted Bonds	21.2.1	3,288,087	3,142,897	1,457,625	1,402,854
Ouoted Shares	21.2.2	98,185	96,756	98,185	96,756
		3,386,272	3,239,653	1,555,810	1,499,610

21.2.1 **Quoted Bonds**

in thousands of Nigerian Naira	GROUP MARCH 2022 ACTUAL YTD	GROUP DECEMBER 2021 ACTUAL YTD	COMPANY MARCH 2022 ACTUAL YTD	COMPANY DECEMBER 2021 ACTUAL YTD
Federal Government of Nigeria Bonds	3,288,087	3,142,897	1,457,625	1,402,854
	3,288,087	**3,142,897**	**1,457,625**	**1,402,854**
Current	-	-	-	-
Non-current	3,288,087	3,142,897	1,457,625	1,402,854
	3,288,087	**3,142,897**	**1,457,625**	**1,402,854**

The breakdown of the Group's bonds at the reporting date are analysed below:

Bond	**Coupon Rate**	**Settlement Date**	**Maturity Date**	**Face Value N'000**	**Fair Value N'000**
Federal Government of Nigeria	12.15%	16/10/2019	18/07/2034	1,720,000	1,830,462
Federal Government of Nigeria	12.40%	16/10/2019	18/03/2036	1,395,000	1,457,625
				3,115,000	**3,288,087**

21.2.1.1 ***The movement in Quoted Bonds***

in thousands of Nigerian Naira		GROUP MARCH 2022 ACTUAL YTD	GROUP DECEMBER 2021 ACTUAL YTD	COMPANY MARCH 2022 ACTUAL YTD	COMPANY DECEMBER 2021 ACTUAL YTD
At 1 January		3,142,897	21,807,991	1,402,854	5,788,400
Accrued interest income		47,382	144,325	6,161	49,287
Redemption at maturity or disposal		(142,238)	(13,200,330)	(47,942)	(2,969,263)
Fair value adjustments through profit or loss	10	240,046	(5,609,088)	96,552	(1,465,570)
At period end		**3,288,087**	**3,142,897**	**1,457,625**	**1,402,854**

21.2.2 **Quoted Equity Shares**

		GROUP		COMPANY	
in thousands of Nigerian Naira	Notes	MARCH 2022 ACTUAL YTD	DECEMBER 2021 ACTUAL YTD	MARCH 2022 ACTUAL YTD	DECEMBER 2021 ACTUAL YTD
Quoted shares		98,185	96,756	98,185	96,756
Movement in listed entities					
At 1 January		96,756	91,288	96,756	91,288
Fair value gains/ (losses)	9	1,429	5,468	1,429	5,468
At period end		**98,185**	**96,756**	**98,185**	**96,756**

21.2.2.1 ***Analysis of investments in listed entities***

		GROUP		COMPANY	
in thousands of Nigerian Naira	Notes	MARCH 2022 ACTUAL YTD	DECEMBER 2021 ACTUAL YTD	MARCH 2022 ACTUAL YTD	DECEMBER 2021 ACTUAL YTD
Africa Prudential Registrars Plc		516	546	516	546
Access Bank of Nigeria Plc		16,421	15,662	16,421	15,662
Cadbury Plc		1,153	1,207	1,153	1,207
Ecobank Transnational Inc		207	150	207	150
First Bank Holdings Plc		25,916	23,826	25,916	23,826
First City Monument Bank Plc		470	413	470	413
Guaranty Trust Bank Plc		5,183	6,016	5,183	6,016
Sterling Bank Plc		11,397	11,397	11,397	11,397
United Bank for Africa Plc		21,842	22,835	21,842	22,835
UBA Capital Plc		4,315	3,404	4,315	3,404
Unity Bank Plc		25	29	25	29
Universal Insurance Company Plc		1,000	1,000	1,000	1,000
Wema Bank Plc		273	72	273	72
Lafarge WAPCO Plc		3,859	3,900	3,859	3,900
West African Provincial Insurance Plc		8	11	8	11
Zenith International Bank Plc		5,600	6,288	5,600	6,288
		98,185	**96,756**	**98,185**	**96,756**

20.3 **Financial assets at amortised cost**

in thousands of Nigerian Naira	Notes	GROUP		COMPANY	
		MARCH 2022 ACTUAL YTD	**DECEMBER 2021 ACTUAL YTD**	**MARCH 2022 ACTUAL YTD**	**DECEMBER 2021 ACTUAL YTD**
Loans and receivables	21.3.1	14,104,250	14,498,476	149,699	163,096
Treasury bills	21.3.2	33,510,946	33,212,650	11,110,772	11,032,795
Commercial Papers	21.3.3	94,463	-	94,463	-
		47,709,659	**47,711,126**	**11,354,934**	**11,195,891**

21.3.1 **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:

in thousands of Nigerian Naira	Notes	GROUP		COMPANY	
		MARCH 2022 ACTUAL YTD	**DECEMBER 2021 ACTUAL YTD**	**MARCH 2022 ACTUAL YTD**	**DECEMBER 2021 ACTUAL YTD**
Term loans	21.3.1.2	14,294,675	14,693,407	71,543	74,866
Overdrafts		10,789	10,655	-	-
Staff loans		180,433	185,216	78,888	88,962
Gross loans and advances		14,485,897	14,889,278	150,431	163,828
Expected credit loss allowance	21.3.1.3	(381,647)	(390,802)	(732)	(732)
		14,104,250	**14,498,476**	**149,699**	**163,096**
Current		3,132,464	4,006,550	74,650	81,570
Non-current		10,971,786	10,491,926	75,049	81,526
		14,104,250	**14,498,476**	**149,699**	**163,096**

21.3.1.1 The movement in loans and receivables:

in thousands of Nigerian Naira	Notes	GROUP		COMPANY	
		MARCH 2022 ACTUAL YTD	**DECEMBER 2021 ACTUAL YTD**	**MARCH 2022 ACTUAL YTD**	**DECEMBER 2021 ACTUAL YTD**
Balance as at 1 January		14,889,278	13,681,586	163,828	252,243
Additions during the year		32,476	1,915,881	3,600	70,209
Interest on loan		478,705	1,846,314	1,523	9,115
Amounts written off		-	(168,727)	-	-
Payments received		(914,562)	(2,385,776)	(18,520)	(167,739)
At period end		14,485,897	14,889,278	150,431	163,828

21.3.1.2 **Term loans**

The Company granted loans to staff, related companies and third parties for income generation, the break down of loans and receivables granted are as stated below:

		GROUP		COMPANY	
in thousands of Nigerian Naira	Notes	**MARCH 2022 ACTUAL YTD**	**DECEMBER 2021 ACTUAL YTD**	**MARCH 2022 ACTUAL YTD**	**DECEMBER 2021 ACTUAL YTD**
Prime Exploration and Production Limited		12,952,859	12,484,684	-	-
Staff mortgage loan		71,475	74,865	71,543	74,866
Other loans to corporates and individuals		1,270,341	2,133,858	-	-
Gross term loans		**14,294,675**	**14,693,407**	**71,543**	**74,866**

21.3.1.3 **Impairment on loans and receivables**

		GROUP		COMPANY	
in thousands of Nigerian Naira	Notes	**MARCH 2022 ACTUAL YTD**	**DECEMBER 2021 ACTUAL YTD**	**MARCH 2022 ACTUAL YTD**	**DECEMBER 2021 ACTUAL YTD**
Balance as at 1 January		390,802	831,716	732	1,327
Expected credit loss (reversal) / charge	11	(9,155)	(440,914)	-	(595)
Balance as at period end		**381,647**	**390,802**	**732**	**732**

21.3.2 **Treasury bills**

		GROUP		COMPANY	
in thousands of Nigerian Naira		**MARCH 2022 ACTUAL YTD**	**DECEMBER 2021 ACTUAL YTD**	**MARCH 2022 ACTUAL YTD**	**DECEMBER 2021 ACTUAL YTD**
Federal Government of Nigeria Treasury Bills		33,519,257	33,220,961	11,113,533	11,035,556
	21.3.2.1	33,519,257	33,220,961	11,113,533	11,035,556
Expected credit loss (ECL) allowance		(8,311)	(8,311)	(2,761)	(2,761)
		33,510,946	**33,212,650**	**11,110,772**	**11,032,795**
Current		33,510,946	33,212,650	11,110,772	11,032,795
Non-current		-	-	-	-
		33,510,946	**33,212,650**	**11,110,772**	**11,032,795**

21.3.2.1 The movement in treasury bills

		GROUP		COMPANY	
in thousands of Nigerian Naira	Notes	**MARCH 2022 ACTUAL YTD**	**DECEMBER 2021 ACTUAL YTD**	**MARCH 2022 ACTUAL YTD**	**DECEMBER 2021 ACTUAL YTD**
Balance as at 1 January		33,220,961	18,829,219	11,035,556	7,627,747
Additions during the year		-	49,801,150	-	11,377,467
Accrued interest income		536,346	521,987	174,950	183,105
Redemption at maturity		(238,050)	(35,931,395)	(96,973)	(8,152,762)
Balance as at period end		**33,519,257**	**33,220,961**	**11,113,533**	**11,035,556**

21.3.3 **Commercial paper**

	GROUP		COMPANY	
in thousands of Nigerian Naira	**MARCH 2022 ACTUAL YTD**	**DECEMBER 2021 ACTUAL YTD**	**MARCH 2022 ACTUAL YTD**	**DECEMBER 2021 ACTUAL YTD**
Coronation Merchant Bank	94,463	-	94,463	-
	94,463	**-**	**94,463**	**-**

21.3.3.1 The movement in commercial paper

		GROUP		COMPANY	
in thousands of Nigerian Naira	Notes	**MARCH 2022 ACTUAL YTD**	**DECEMBER 2021 ACTUAL YTD**	**MARCH 2022 ACTUAL YTD**	**DECEMBER 2021 ACTUAL YTD**
Balance as at 1 January		-	-	-	-
Additions during the year		93,136	-	93,136	-
Accrued interest income		1,327	-	1,327	-
Balance as at period end		**94,463**	**-**	**94,463**	**-**

21 Financial assets held for trading pledged as collateral

		GROUP		COMPANY	
in thousands of Nigerian Naira	Notes	MARCH 2022 ACTUAL YTD	DECEMBER 2021 ACTUAL YTD	MARCH 2022 ACTUAL YTD	DECEMBER 2021 ACTUAL YTD
Listed equity instrument balance at 1 January		137,283	140,648	137,283	140,648
Fair value losses	9	(18,173)	(3,365)	(18,173)	(3,365)
Balance as at period end		**119,110**	**137,283**	**119,110**	**137,283**

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.

Mutual Benefits Assurance Plc purchased quoted shares of ₦400 million with a Margin facility from Guaranty Trust Bank Plc (see Note 41).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 has been recognized in the consolidated and separate financial statements.

The movement in the carrying amount is the fair value change in respect of the market price as at the period end.

22 **Trade receivables**

in thousands of Nigerian Naira	Notes	GROUP MARCH 2022 ACTUAL YTD	GROUP DECEMBER 2021 ACTUAL YTD	COMPANY MARCH 2022 ACTUAL YTD	COMPANY DECEMBER 2021 ACTUAL YTD
Trade receivables	23.1	517,740	425,908	54,751	57,882
		-	-	-	-
Current		517,740	425,908	54,751	57,882
Non-current		-	-	-	-
		517,740	**425,908**	**54,751**	**57,882**

Trade receivables are not interest bearing and are generally on terms of 30 to 90 days.

23.1 *Analysis of insurance receivables by counter party*

	GROUP MARCH 2022 ACTUAL YTD	GROUP DECEMBER 2021 ACTUAL YTD	COMPANY MARCH 2022 ACTUAL YTD	COMPANY DECEMBER 2021 ACTUAL YTD
Gross				
Due from insurance brokers	609,877	518,045	54,751	57,882
	609,877	**518,045**	**54,751**	**57,882**
Allowance for impairment				
Due from insurance brokers	(92,137)	(92,137)	-	-
	(92,137)	**(92,137)**	**-**	**-**
	517,740	**425,908**	**54,751**	**57,882**

23.1.1 *Analysis of movement in ECL as at 30 March 2022*	MARCH 2022 ACTUAL YTD	DECEMBER 2021 ACTUAL YTD	MARCH 2022 ACTUAL YTD	DECEMBER 2021 ACTUAL YTD
Balance at 1 January	92,137	67,758	-	-
Additions during the year	-	24,379	-	-
	92,137	**92,137**	**-**	**-**

23 **Reinsurance assets**

		GROUP		COMPANY	
in thousands of Nigerian Naira	Notes	**MARCH 2022 ACTUAL YTD**	**DECEMBER 2021 ACTUAL YTD**	**MARCH 2022 ACTUAL YTD**	**DECEMBER 2021 ACTUAL YTD**
Reinsurance share of outstanding claims	23.1	1,714,719	1,555,232	1,577,277	1,417,790
Reinsurance receivable		303,944	716,029	102,171	32,800
Co-assurance claims receivable	23.2	1,747,803	1,410,541	69,943	11,471
Prepaid reinsurance	23.3	1,322,033	974,668	1,274,405	924,263
		5,088,499	**4,656,470**	**3,023,796**	**2,386,324**
Current		5,088,499	4,656,470	3,023,796	2,386,324
Non-current		-	-	-	-
		5,088,499	**4,656,470**	**3,023,796**	**2,386,324**

Reinsurance receivables are to be settled on demand and the carrying amount is not significantly different from their fair value.

23.1 The movement in reinsurers' share of claims reported and loss adjustment expenses is as follows:

		GROUP		COMPANY	
in thousands of Nigerian Naira	Notes	**MARCH 2022 ACTUAL YTD**	**DECEMBER 2021 ACTUAL YTD**	**MARCH 2022 ACTUAL YTD**	**DECEMBER 2021 ACTUAL YTD**
At 1 January		1,555,232	1,393,558	1,417,790	1,340,323
Changes in reinsurer's share of outstanding claims	5	159,486	161,674	159,486	77,467
At period end		**1,714,719**	**1,555,232**	**1,577,277**	**1,417,790**

23.2 The movement in co-assurance claims receivable

		GROUP		COMPANY	
in thousands of Nigerian Naira	Notes	**MARCH 2022 ACTUAL YTD**	**DECEMBER 2021 ACTUAL YTD**	**MARCH 2022 ACTUAL YTD**	**DECEMBER 2021 ACTUAL YTD**
At 1 January		1,410,541	1,754,576	11,471	3,210
Addition during the year	5	1,498,467	2,807,789	584,258	1,921,172
Receipts during the year		(1,161,205)	(3,151,824)	(525,786)	(1,912,911)
At period end		**1,747,803**	**1,410,541**	**69,943**	**11,471**

23.3 *The movement in prepaid reinsurance*

		GROUP		COMPANY	
in thousands of Nigerian Naira	Notes	**MARCH 2022 ACTUAL YTD**	**DECEMBER 2021 ACTUAL YTD**	**MARCH 2022 ACTUAL YTD**	**DECEMBER 2021 ACTUAL YTD**
At 1 January		974,668	522,145	924,263	467,073
Additions during the year		1,235,050	4,126,249	1,025,751	3,167,133
Recognised in profit or loss	3.2	(887,685)	(3,673,726)	(675,609)	(2,709,943)
At period end		**1,322,033**	**974,668**	**1,274,405**	**924,263**

24 **Other receivables and prepayments**

Prepayments	24.1	164,621	156,997	86,423	87,799
WHT recoverable		106,467	101,080	-	-
Advance commission		2,848	6,653	-	-
ATM Receivables		529	529	-	-
Other bank debtors	24.2	6,699	6,690	-	-
Deposit for shares in Mutual Benefits MFB Limited		-	-	100,000	100,000
Deposit for shares in Mutual Exploration and Production Ltd		7,238	7,238	7,238	7,238
Directors current account		32,504	44,279	32,504	44,279
Other receivables	24.3	1,534,841	1,453,264	357,269	354,332
		1,855,747	**1,776,730**	**583,434**	**593,648**
Allowance for impairment charges on other receivables		(774,646)	(774,646)	(83,097)	(83,097)
		1,081,101	**1,002,084**	**500,337**	**510,551**
Current		1,081,101	1,002,084	500,337	510,551
Non-current		-	-	-	-
		1,081,101	**1,002,084**	**500,337**	**510,551**

24.1 Prepayment is made up of prepaid rent, prepaid staff benefits and advance payments.

24.2 This is made up of reversals in the bank statement of the Company by the Bank but with inadequate information to determine the reason for the reversal. The entry is corrected once the detailed information is obtained from the bank.

24.3 Analysis of other receivables is as shown below:

in thousands of Nigerian Naira	Notes	GROUP MARCH 2022 ACTUAL YTD	GROUP DECEMBER 2021 ACTUAL YTD	COMPANY MARCH 2022 ACTUAL YTD	COMPANY DECEMBER 2021 ACTUAL YTD
Non-financial instruments					
Excess interest charges		6,390	6,390	-	-
VAT input recoverable on investment property		176,500	176,500	-	-
Other trade receivables		148,877	148,877	-	-
Balance held in Polaris Bank Plc		2,533	2,533	2,533	2,533
Balance held in Guaranty Trust Bank Plc		61,067	61,067	61,067	61,067
Balance held in Unity Bank Plc		1	1	1	1
		395,368	395,368	63,601	63,601
Financial instruments					
Receivables from property buyers		25,127	25,127	-	-
Property development debtors		3,123	3,123	-	-
Rent receivables		358,500	358,500	-	-
Investment placement with Flourish Securities Investments and Trust Limited		7,129	7,129	-	-
Investment placement with BGL Securities Limited		38,753	38,753	-	-
Investment placement with Profound Securities		16,757	16,757	16,757	16,757
Others *		690,084	608,507	276,911	273,974
		1,139,473	1,057,896	293,668	290,731
		1,534,841	**1,453,264**	**357,269**	**354,332**

* These relate to staff housing upfront, receivable on disposal of Mutual Tulip Estate, etc.

25 **Deferred acquisition costs**

in thousands of Nigerian Naira	Notes	GROUP MARCH 2022 ACTUAL YTD	GROUP DECEMBER 2021 ACTUAL YTD	COMPANY MARCH 2022 ACTUAL YTD	COMPANY DECEMBER 2021 ACTUAL YTD
Deferred acquisition cost - Fire		150,718	94,870	150,718	94,870
Deferred acquisition cost - Gen Accident		276,810	204,112	276,810	204,112
Deferred acquisition cost - Motor		160,149	143,128	160,149	143,128
Deferred acquisition cost - Marine		148,719	145,859	148,719	145,859
Deferred acquisition cost - Oil & Gas & aviation		119,309	67,101	119,309	67,101
Life Business		419,830	294,950	-	-
		1,275,536	**950,020**	**855,706**	**655,070**

25.1 The movement in deferred acquisition costs is as follows:

in thousands of Nigerian Naira	Notes	GROUP MARCH 2022 ACTUAL YTD	GROUP DECEMBER 2021 ACTUAL YTD	COMPANY MARCH 2022 ACTUAL YTD	COMPANY DECEMBER 2021 ACTUAL YTD
Balance, beginning of the year		950,020	587,978	655,070	432,422
Additions during the year		1,213,788	3,379,449	718,305	1,982,104
Amortisation in the year	6	(888,272)	(3,017,407)	(517,669)	(1,759,456)
Balance, end of period		**1,275,536**	**950,020**	**855,706**	**655,070**
Current		1,275,536	950,020	855,706	655,070
Non-current		-	-	-	-
		1,275,536	**950,020**	**855,706**	**655,070**

26 Finance lease receivables

		GROUP		COMPANY	
in thousands of Nigerian Naira	Notes	**MARCH 2022 ACTUAL YTD**	**DECEMBER 2021 ACTUAL YTD**	**MARCH 2022 ACTUAL YTD**	**DECEMBER 2021 ACTUAL YTD**
Gross amount		303,775	303,425	224,945	224,595
Unearned interest		(7,361)	(8,710)	(7,361)	(8,710)
Net investment in finance lease	26.1	296,414	294,715	217,584	215,885
Less:					
Expected credit loss	26.2	(292,375)	(292,375)	(213,545)	(213,545)
		4,039	**2,340**	**4,039**	**2,340**
Current		4,039	2,340	4,039	2,340
Non-current		-	-	-	-
		4,039	**2,340**	**4,039**	**2,340**

26.1 *Movement in finance lease*

Balance at the beginning of the year	294,715	293,682	215,885	214,852
Interest on finance leases	5,758	39,149	5,758	39,149
Payments	(4,059)	(38,116)	(4,059)	(38,116)
	296,414	294,715	217,584	215,885

26.2 Movement in allowance for expected credit loss

Adjusted balance 1 January	292,375	293,025	213,545	214,195
Addition during the year	-	(650)	-	(650)
	292,375	**292,375**	**213,545**	**213,545**

27 Inventories

Construction in progress	44,299	44,299	-	-
	44,299	**44,299**	**-**	**-**
			-	-
Current	44,299	44,299	-	-
Non-current	-	-	-	-
	44,299	**44,299**	**-**	**-**

28 **Investment properties**

in thousands of Nigerian Naira	Notes	GROUP MARCH 2022 ACTUAL YTD	GROUP DECEMBER 2021 ACTUAL YTD	COMPANY MARCH 2022 ACTUAL YTD	COMPANY DECEMBER 2021 ACTUAL YTD
At the beginning of the year		6,091,000	6,721,000	56,000	56,000
Disposal		(150,000)	(640,769)	-	-
Fair value loss on investment properties	9	-	10,769	-	-
		5,941,000	**6,091,000**	**56,000**	**56,000**

The items of investment properties are as shown below:

in thousands of Nigerian Naira	Notes	GROUP MARCH 2022 ACTUAL YTD	GROUP DECEMBER 2021 ACTUAL YTD	COMPANY MARCH 2022 ACTUAL YTD	COMPANY DECEMBER 2021 ACTUAL YTD
Mutual Tulip Estate	i	180,000	180,000	-	-
Property at Ikeja Alausa	ii	350,000	350,000	-	-
Property at Ikota	iii	56,000	56,000	56,000	56,000
Property at Sango/Idiroko - Mogga	iv	80,000	80,000	-	-
Property at Sango/Idiroko - Caxtonjo	v	50,000	50,000	-	-
Property at Onireke,Ibadan	vi	325,000	325,000	-	-
Mutual Alpha Court duplex, Costain, Lagos	vii	3,250,000	3,400,000	-	-
Property at Asokoro, Abuja	viii	650,000	650,000	-	-
Property at Akure Plots (5,302 Square Meters)	ix	200,000	200,000	-	-
Property at Ado Ekiti Land	x	700,000	700,000	-	-
Property at Oyingbo, Lagos	xi	100,000	100,000	-	-
		5,941,000	**6,091,000**	**56,000**	**56,000**

28 **Investment properties - Continued**

Movement in Investment properties is shown below:

	Bal as at 1/1/2022	Additions	Disposal	Fair value gain/(loss)	Bal as at 31/3/2022
Mutual Tulip Estate	180,000	-	-	-	180,000
Property at Ikeja Alausa	350,000	-	-	-	350,000
Property at Ikota	56,000	-	-	-	56,000
Property at Sango/Idiroko - Mogga	80,000	-	-	-	80,000
Property at Sango/Idiroko - Caxtonjo	50,000	-	-	-	50,000
Property at Onireke,Ibadan	325,000	-	-	-	325,000
Mutual Alpha Court duplex, Costain, Lagos	3,400,000	-	(150,000)	-	3,250,000
Property at Asokoro, Abuja	650,000	-	-	-	650,000
Property at Akure Plots (5,302 Square Meters)	200,000	-	-	-	200,000
Property at Ado Ekiti Land	700,000	-	-	-	700,000
Property at Oyingbo, Lagos	100,000	-	-	-	100,000
Balance at the end of the period	**6,091,000**	**-**	**(150,000)**	**-**	**5,941,000**

Movement in Investment properties is shown below:

	Bal as at 1/1/2021	Additions	Disposal	Fair value gain/(loss)	Bal as at 31/12/2021
Mutual Tulip Estate	500,000	-	(319,357)	(643)	180,000
Property at Ikeja Alausa	350,000	-	-	-	350,000
Property at Ikota	56,000	-	-	-	56,000
Property at Sango/Idiroko - Mogga	80,000	-	-	-	80,000
Property at Sango/Idiroko - Caxtonjo	50,000	-	-	-	50,000
Property at Onireke,Ibadan	410,000	-	(85,000)	-	325,000
Mutual Alpha Court duplex, Costain, Lagos	3,625,000	-	(236,412)	11,412	3,400,000
Property at Asokoro, Abuja	650,000	-	-	-	650,000
Property at Akure Plots (5,302 Square Meters)	200,000	-	-	-	200,000
Property at Ado Ekiti Land	700,000	-	-	-	700,000
Property at Oyingbo, Lagos	100,000	-	-	-	100,000
Balance at the end of the period	**6,721,000**	**-**	**(640,769)**	**10,769**	**6,091,000**

Valuations are performed on an annual basis and the fair value gains and losses were recorded within the profit or loss.

There are no restrictions on the realisability of investment property or remittance of income and proceeds of disposal. The Company has no contractual obligations to purchase, construct or develop investment property or for repairs or enhancement.

		GROUP		COMPANY	
in thousands of Nigerian Naira	Notes	**MARCH 2022 ACTUAL YTD**	**DECEMBER 2021 ACTUAL YTD**	**MARCH 2022 ACTUAL YTD**	**DECEMBER 2021 ACTUAL YTD**
Rental income derived from investment properties		7,495	189,284	-	11,610
Fair value gain/(loss) on investment properties		-	10,769	-	-
Direct operating expenses, including repairs and maintenance, included in investment related expenses in profit on investment contracts	7	(25,000)	(161,526)	-	-
Profit arising from investment properties carried at fair value		**(17,505)**	**38,527**	**-**	**11,610**

29 Investments in subsidiaries

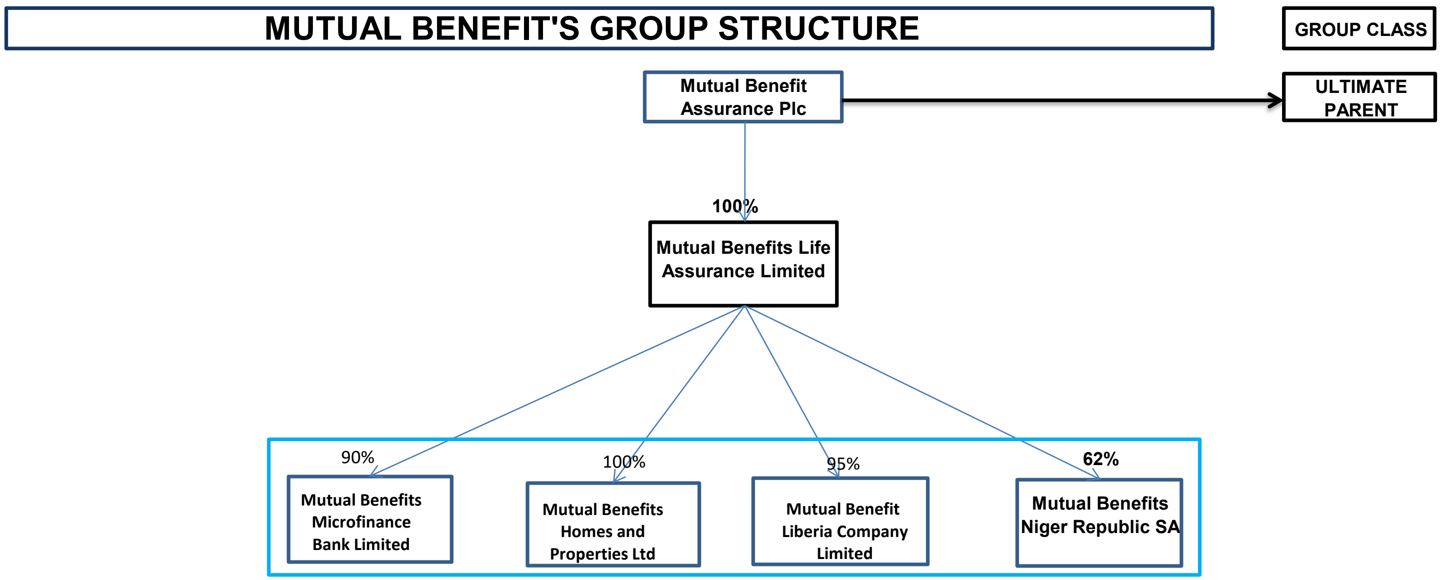
The Company’s investment in its subsidiaries is

	COMPANY	
in thousands of Nigerian Naira	**MARCH 2022 ACTUAL YTD**	**DECEMBER 2021 ACTUAL YTD**
Mutual Benefits Life Assurance Limited	6,000,000	6,000,000
Mutual Benefits Microfinance Bank Limited	120,000	120,000
	6,120,000	**6,120,000**

Movement in investment in subsidiaries:

At 1 January	6,120,000	6,120,000
Additional equity investment	-	-
At period end	**6,120,000**	**6,120,000**

29 **Investments in subsidiaries**



	Company name	Nature of business	Country of origin	Relationship	% of equity controlled	NCI	Status	Year of control
1	Mutual Benefits Life Assurance Ltd	Insurance	Nigeria	Direct - Subsidiary	100%	0%	Set up	Dec 2007
2	Mutual Benefits Microfinance Bank Ltd	Banking	Nigeria	Indirect - Subsidiary	90%	10%	Acquired	Jan 2009
3	Mutual Benefits Homes and Properties Ltd	Property development	Nigeria	Indirect - Subsidiary	100%	0%	Set up	Jan 2008
4	Mutual Benefits Liberia	Insurance	Liberia	Indirect - Subsidiary	95%	5%	Set up	Jan 2008
5	Mutual Benefits Niger Republic	Insurance	Niger Republic	Indirect - Subsidiary	62%	38%	Set up	Jan 2014

29 Investments in subsidiaries

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 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. During the year 2020, Mutual Benefits Assurance Plc and its subsidiary, Mutual Benefits Life Assurance Ltd, increased total shareholding to 89.8% through the acquisition of additional 240 million units of ordinary shares in the Bank.

Mutual Benefits Homes and Properties Ltd

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.

Mutual Benefits Liberia

Mutual Benefit Assurance Company Liberia was incorporated on 29 August 2007 and commenced operations on 2 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.

Mutual Benefits Niger Republic

Mutual Benefits Niger S.A commenced operations on 2 January 2014. It is into underwriting non-life and health/medical insurance businesses. It was 96% owned by Mutual Benefits Life Assurance Limited until 31 December 2019 when the Company issued additional 59,484 unit of shares at a price of 31942CFA totalling 1,900,000,000CFA (NGN965,010,000). The shares were taken up by other shareholders (Non controlling interest), thereby diluting the shareholding of Mutual Benefits Life Assurance Limited in the Company to 62.47%.

30 **Intangible assets: Software**

		GROUP		COMPANY	
in thousands of Nigerian Naira	Note	**MARCH 2022 ACTUAL YTD**	**DECEMBER 2021 ACTUAL YTD**	**MARCH 2022 ACTUAL YTD**	**DECEMBER 2021 ACTUAL YTD**
Cost:					
Balance at the beginning of the year		836,546	423,495	277,572	206,416
Additions		97,270	403,378	-	71,156
Foreign exchange difference		(12,072)	9,673	-	-
		921,744	836,546	277,572	277,572
Amortization:					
Balance at the beginning of the year		502,566	376,642	199,392	193,710
Amortisation charge	13	7,444	116,345	4,821	5,682
Foreign exchange difference		886	9,579	-	-
		510,896	502,566	204,213	199,392
Carrying amount at the end of the year		**410,848**	**333,980**	**73,359**	**78,180**

31 Property, plant and equipments (Group)

in thousands of Nigerian Naira	Note	Land	Building	Leasehold Improvement	Plant and machinery	Motor vehicles	Furniture, fittings and equipment	Total
Cost/revaluation:								
1 January 2021		**414,548**	**2,664,926**	**1,798,954**	**204,569**	**1,457,524**	**1,849,626**	**8,390,146**
Additions		-	8,173	-	1,808	12,827	217,302	**240,110**
Disposal		-	-	-	(8,271)	(32,215)	(21,163)	**(61,649)**
Foreign exchange difference		-	140,306	-	2,262	25,487	24,194	**192,250**
31 December 2021		**414,548**	**2,813,404**	**1,798,954**	**200,368**	**1,463,623**	**2,069,960**	**8,760,856**
Additions		-	-	-	218	13,650	15,886	**29,753**
Disposal		-	-	-	-	(16,575)	(2,783)	**(19,358)**
Foreign exchange difference		-	(73,088)	-	-	-	(72,991)	**(146,079)**
31 March 2022		**414,548**	**2,740,316**	**1,798,954**	**200,586**	**1,460,698**	**2,010,071**	**8,625,173**
Accumulated depreciation:								
1 January 2021		**-**	**366,527**	**1,595,162**	**159,695**	**1,303,189**	**1,542,151**	**4,966,724**
Charge for the year		-	61,395	20,490	8,770	109,896	123,316	**323,867**
Disposal		-	-	-	(8,102)	(32,215)	(21,057)	**(61,374)**
Foreign exchange difference		-	9,281	-	2,262	21,835	14,847	**48,225**
31 December 2021		**-**	**437,203**	**1,615,652**	**162,625**	**1,402,704**	**1,659,257**	**5,277,441**
Charge for the year		-	14,466	1,646	1,473	10,319	121,653	**149,556**
Disposal		-	-	-	-	(16,575)	(2,783)	**(19,358)**
Foreign exchange difference		-	(10,177)	-	-	-	(11,100)	**(21,277)**
31 March 2022		**-**	**441,492**	**1,617,298**	**164,098**	**1,396,448**	**1,767,027**	**5,386,362**
Carrying amounts at:								
31 March 2022		**414,548**	**2,298,824**	**181,656**	**36,488**	**64,250**	**243,044**	**3,238,811**
31 December 2021		**414,548**	**2,376,201**	**183,302**	**37,743**	**60,918**	**410,702**	**3,483,414**

No leased assets are included in the above property, plant and equipment and the Group had no capital commitments as at 31 March 2022. None of the assets have been pledged as collateral.

31 Property, plant and equipment (Company)

in thousands of Nigerian Naira	Buildings	Leasehold Improvements	Plant and machinery	Motor vehicles	Furniture, fittings and equipment	Total
1 January 2021	**2,394,587**	**729,487**	**94,584**	**966,148**	**1,075,535**	**5,260,341**
Additions	-	-	-	9,890	92,383	**102,273**
Disposal	-	-	-	(23,165)	(9,986)	**(33,151)**
1 January 2022	**2,394,587**	**729,487**	**94,584**	**952,873**	**1,157,932**	**5,329,463**
Additions	-	-	-	13,650	9,615	**23,265**
Disposal	-	-	-	(13,275)	(2,783)	**(16,058)**
31 March 2022	**2,394,587**	**729,487**	**94,584**	**953,248**	**1,164,764**	**5,336,670**
Accumulated depreciation:						
1 January 2021	**405,760**	**699,172**	**73,554**	**847,686**	**1,014,353**	**3,040,525**
Charge for the year	47,890	20,490	8,140	74,953	33,387	**184,860**
Disposal	-	-	-	(23,165)	(9,986)	**(33,151)**
1 January 2022	**453,650**	**719,662**	**81,694**	**899,474**	**1,037,754**	**3,192,234**
Charge for the year	11,972	1,646	1,171	7,846	15,226	**37,861**
Disposal	-	-	-	(13,275)	(2,783)	**(16,058)**
31 March 2022	**465,622**	**721,308**	**82,865**	**894,045**	**1,050,197**	**3,214,038**
Carrying amounts at:						
31 March 2022	**1,928,965**	**8,179**	**11,719**	**59,203**	**114,567**	**2,122,633**
31 December 2021	**1,940,937**	**9,825**	**12,890**	**53,399**	**120,178**	**2,137,229**

No leased assets are included in the above property, plant and equipment and the company had no capital commitments as at 31 March 2022. None of the assets have been pledged as collateral.

31 Property, plant and equipments (Company)

i The Company's land and building at Aret Adams House were professionally valued on 19 January 2018 by Alabi, Ojo & Makinde Estate Surveyors and Valuers (FRC/2015/NIESV/00000010800). The valuation which was based on open market value between a willing buyer and a willing seller produced a surplus amount of ₦72,617,000 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 2017 was ₦1,450,000,000.

The cost to date at the date of the initial revaluation in 2012 was ₦130,161,000. 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.

ii If land and buildings were measured using the cost model, the carrying amounts would be as follows:

	GROUP		COMPANY	
in thousands of Nigerian Naira	**31 Dec-2021**	**31 Dec-2020**	**31 Dec-2021**	**31 Dec-2020**
Cost	498,011	498,011	130,161	130,161
Accumulated depreciation	(23,428)	(20,825)	(23,428)	(20,825)
	474,583	477,186	106,733	109,336

32 Statutory deposit

This represents amounts deposited with the Central Bank of Nigeria (CBN) pursuant to Section 10(3) of the Insurance Act, 2003. This amount is not available for the day-to-day use in the working capital of the Company and so it is excluded from the cash and cash equivalents. Interest earned at annual average rate of 3% per annum (2021: 3%) on statutory deposits are included in investment income (Note 9).

The deposit has been tested for adequacy as at 31 March 2022 and found to be adequate.

	GROUP		COMPANY	
in thousands of Nigerian Naira	MARCH 2022 ACTUAL YTD	DECEMBER 2021 ACTUAL YTD	MARCH 2022 ACTUAL YTD	DECEMBER 2021 ACTUAL YTD
Statutory deposit	500,000	500,000	300,000	300,000
	500,000	**500,000**	**300,000**	**300,000**

33 Insurance contract liabilities

		GROUP		COMPANY	
in thousands of Nigerian Naira	Notes	MARCH 2022 ACTUAL YTD	DECEMBER 2021 ACTUAL YTD	MARCH 2022 ACTUAL YTD	DECEMBER 2021 ACTUAL YTD
Outstanding claims	33.1	14,721,094	14,735,758	4,814,887	5,149,788
Unearned premiums	33.2	12,059,870	8,728,385	6,501,502	4,807,867
		26,780,964	23,464,143	11,316,389	9,957,655

33.1 Outstanding claims

		GROUP		COMPANY	
in thousands of Nigerian Naira		MARCH 2022 ACTUAL YTD	DECEMBER 2021 ACTUAL YTD	MARCH 2022 ACTUAL YTD	DECEMBER 2021 ACTUAL YTD
Non-Life business	33.1.1	5,244,013	6,279,300	4,814,887	5,149,788
Life business	33.1.2	9,477,081	8,456,458	-	-
		14,721,094	14,735,758	4,814,887	5,149,788

33 **Insurance contract liabilities - Continued**

33.1.1 *Non-Life business:*	GROUP MARCH 2022 ACTUAL YTD	GROUP DECEMBER 2021 ACTUAL YTD	COMPANY MARCH 2022 ACTUAL YTD	COMPANY DECEMBER 2021 ACTUAL YTD
Non-Life outstanding claims				
Claims reported by policyholders	3,319,014	4,604,301	2,889,888	3,474,789
Claims incurred but not reported (IBNR)	1,924,999	1,674,999	1,924,999	1,674,999
	5,244,013	6,279,300	4,814,887	5,149,788
Movement in Non-life outstanding claims				
At 1 January	6,279,300	4,912,333	5,149,788	4,024,793
Claims incurred in the current year	1,952,481	10,759,850	1,551,280	6,628,899
Claims paid during the year	(2,987,768)	(9,392,883)	(1,886,181)	(5,503,904)
	5,244,013	6,279,300	4,814,887	5,149,788
Analyis of Non-life outstanding claims per class of insurance				
Motor	1,528,524	1,832,922	1,099,398	703,409
Marine	317,362	561,054	317,362	561,054
Fire	793,955	1,149,233	793,955	1,149,233
General accident	1,740,618	1,687,882	1,740,618	1,687,882
Oil & Gas and Aviation	863,553	1,048,209	863,553	1,048,209
	5,244,013	6,279,300	4,814,887	5,149,788

33 **Insurance contract liabilities - Continued**

33.1.2

	Life business:		GROUP		COMPANY	
	in thousands of Nigerian Naira	Notes	**MARCH 2022 ACTUAL YTD**	**DECEMBER 2021 ACTUAL YTD**	**MARCH 2022 ACTUAL YTD**	**DECEMBER 2021 ACTUAL YTD**
	Life outstanding claims					
	Outstanding claims		6,977,731	6,518,990	-	-
	Claims incurred but not reported (IBNR)		2,499,350	1,937,468	-	-
			9,477,081	8,456,458	-	-
	Analyis of life outstanding claims per class of insurance					
	Group life	i	7,096,630	6,148,311	-	-
	Individual life	ii	2,016,035	1,933,254	-	-
	Annuity	iii	364,416	374,893	-	-
			9,477,081	8,456,458	-	-
i	***Movement in group life outstanding claims***					
	At 1 January		6,148,311	5,690,757	-	-
	Claims incurred in the current year		1,894,104	5,109,199	-	-
	Claims paid during the year		(945,785)	(4,651,645)	-	-
			7,096,630	6,148,311	-	-
ii	***Movement in individual life outstanding claims***					
	At 1 January		1,933,254	1,082,368	-	-
	Premiums written in the year		852,244	3,052,022	-	-
	Premiums earned during the year		(852,244)	(3,052,022)	-	-
	Claims incurred in the current year		314,870	883,157	-	-
	Claims paid during the year		(232,089)	(806,885)	-	-
	Changes in actuarial valuation		-	774,614	-	-
	At 31 March		2,016,035	1,933,254	-	-
iii	***Movement in annuity***					
	At 1 January		374,893	328,696	-	-
	Claims incurred in the current year		10,477	42,374		
	Claims paid during the year		(10,477)	(42,374)	-	-
	Changes in actuarial valuation		(10,477)	46,196	-	-
			364,416	374,893	-	-

33.2 **Unearned premiums**

in thousands of Nigerian Naira	Notes	GROUP MARCH 2022 ACTUAL YTD	GROUP DECEMBER 2021 ACTUAL YTD	COMPANY MARCH 2022 ACTUAL YTD	COMPANY DECEMBER 2021 ACTUAL YTD
Non-Life business	ii	6,957,992	5,163,460	6,501,502	4,807,867
Life business	iv	5,101,878	3,564,925	-	-
		12,059,870	8,728,385	6,501,502	4,807,867
i ***The movement in unearned premium***					
At 1 January		8,728,385	5,558,129	4,807,867	3,403,809
Premiums written in the year	3.1	10,987,105	29,299,247	5,098,507	13,794,276
Premiums earned during the year	3.1	(7,655,620)	(26,128,991)	(3,404,872)	(12,390,218)
At 31 March		12,059,870	8,728,385	6,501,502	4,807,867
ii ***The movement in non-life unearned premium***					
At 1 January		5,163,460	3,540,532	4,807,867	3,403,809
Premiums written in the year		6,145,260	17,284,726	5,098,507	13,794,276
Premiums earned during the year		(4,350,728)	(15,661,798)	(3,404,872)	(12,390,218)
		6,957,992	5,163,460	6,501,502	4,807,867
iii ***Analysis of Non-life unearned premium***					
Motor		2,239,145	1,999,253	1,883,552	1,643,660
Marine		1,024,248	951,168	1,024,248	951,168
Fire		869,067	541,601	869,067	541,601
Oil & Gas and Aviation		1,240,922	500,659	1,240,922	500,659
General accident		1,584,610	1,170,779	1,483,713	1,170,779
		6,957,992	5,163,460	6,501,502	4,807,867
iv ***Analysis of life unearned premium***					
Group Life		5,101,878	3,564,925	-	-
		5,101,878	3,564,925	-	-
The movement in life unearned premium					
At 1 January		3,564,925	2,017,596	-	-
Premiums written in the year		4,841,845	12,014,521	-	-
Premiums earned during the year		(3,304,892)	(10,467,192)	-	-
		5,101,878	3,564,925	-	-

34 **Investment contract liabilities**

in thousands of Nigerian Naira	Notes	GROUP MARCH 2022 ACTUAL YTD	GROUP DECEMBER 2021 ACTUAL YTD	COMPANY MARCH 2022 ACTUAL YTD	COMPANY DECEMBER 2021 ACTUAL YTD
Group deposit administration		588,409	843,195	-	-
Individual deposit administration		29,713,845	29,335,421	-	-
		30,302,254	30,178,616	-	-
Current		13,034,563	13,034,563	-	-
Non-current		17,267,690	17,144,053	-	-
		30,302,254	**30,178,616**	**-**	**-**
The movement in deposit administration funds					
Balance at the beginning of the year		30,178,616	28,447,267	-	-
Deposits received during the year		3,684,365	14,266,728	-	-
Guaranteed interest		506,295	1,428,000	-	-
Withdrawals during the year		(4,067,023)	(13,963,379)	-	-
Balance at the end of the period		**30,302,254**	**30,178,616**	**-**	**-**

35 **Trade payables**

Reinsurance payables		566,251	791,795	339,394	180,874
Co-Insurance payables		78,210	24,651	-	-
Deferred commission		213,262	212,447	200,328	200,327
Commission payable		235,963	121,890	23,098	16,991
Deposits for premium	35.1	1,477,458	994,948	501,137	303,785
		2,571,144	2,145,731	1,063,957	701,977
Current		2,571,144	2,145,731	1,063,957	701,977
Non-current		-	-	-	-
		2,571,144	**2,145,731**	**1,063,957**	**701,977**

35.1 Deposit for premium represents premium received on general business, life insurance contracts and investment contracts for which the policy holders are yet to be identified at the reporting date. However, the Company employs all resources at its disposal to ensure prompt identification of the policy holders and subsequent reclassification to appropriate financial statement area as neccessary.

36 **Other liabilities**

		GROUP		**COMPANY**	
in thousands of Nigerian Naira	Notes	**MARCH 2022 ACTUAL YTD**	**DECEMBER 2021 ACTUAL YTD**	**MARCH 2022 ACTUAL YTD**	**DECEMBER 2021 ACTUAL YTD**
Accruals		445,352	868,332	162,310	204,586
Rent received in advance		66,291	59,455	5,489	1,428
Dividend payable		24,798	24,798	24,798	24,798
Due to related companies		-	-	645,354	613,600
PAYE		3,022	3,066	-	-
VAT payable		26,542	125,311	-	-
WHT payable		34,630	36,090	28,450	24,152
Staff pension		2,256	13,835	-	-
ATM working capital		16,718	16,718	-	-
Amount due to Directors		14,818	10,902	-	-
National Housing Fund		3	17	-	-
Cooperative deductions		-	759	-	-
Provision for NAICOM levy		363,837	398,059	189,895	139,222
Deposit for facility management		2,938	2,438	-	-
Salary control account		11,062	-	-	-
Other Creditors	36.1	1,293,018	914,475	719,904	773,100
Land deduction		138	138	-	-
Deposit for properties by customers		119,962	126,082	-	-
		2,425,385	2,600,475	1,776,200	1,780,886
Current		2,425,385	2,600,475	1,776,200	1,780,886
Non-current		-	-	-	-
		2,425,385	**2,600,475**	**1,776,200**	**1,780,886**

36.1 These are other sundry creditors that includes cheques for reissue; rent collected on behalf of third parties; income for allocation; and the balance for suppliers of general goods and services.

37 **Deposit liabilities**

	Notes	GROUP MARCH 2022 ACTUAL YTD	GROUP DECEMBER 2021 ACTUAL YTD	COMPANY MARCH 2022 ACTUAL YTD	COMPANY DECEMBER 2021 ACTUAL YTD
Current		106,297	165,908	-	-
Time		381,318	1,079,673	-	-
Savings		81,958	81,884	-	-
		569,573	1,327,465	-	-
Current		569,573	1,327,465	-	-
Non-current		-	-	-	-
		569,573	**1,327,465**	**-**	**-**

38 **Borrowings**

in thousands of Nigerian Naira	Notes	GROUP MARCH 2022 ACTUAL YTD	GROUP DECEMBER 2021 ACTUAL YTD	COMPANY MARCH 2022 ACTUAL YTD	COMPANY DECEMBER 2021 ACTUAL YTD
GTBank margin facility	38.2	400,870	400,870	400,870	400,870
Loan from Concept Capital Management Ltd	38.3	1,084,943	1,937,461	1,084,943	1,937,461
		1,485,813	2,338,331	1,485,813	2,338,331
		-	-	-	-
Current		1,084,943	1,937,461	1,084,943	1,937,461
Non-current		400,870	400,870	400,870	400,870
		1,485,813	**2,338,331**	**1,485,813**	**2,338,331**

38.1 ***The movement in borrowings during the year is as follows:***

	Notes	GROUP MARCH 2022 ACTUAL YTD	GROUP DECEMBER 2021 ACTUAL YTD	COMPANY MARCH 2022 ACTUAL YTD	COMPANY DECEMBER 2021 ACTUAL YTD
Balance, beginning of the year		2,338,331	3,890,130	2,338,331	3,890,130
Impact of foreign exchange rate changes	14	(48,995)	387,589	(48,995)	387,589
Accrued interest	15	16,477	110,612	16,477	110,612
Payments during the year		(820,000)	(2,050,000)	(820,000)	(2,050,000)
Balance at the end of the period		**1,485,813**	**2,338,331**	**1,485,813**	**2,338,331**

38.2 ***GTBank margin facility***

The Company obtained a margin loan facility of ₦600 million from Guaranty Trust Bank Plc to finance working capital requirements for Margin trading at 16% per annum on the 19 June 2007 out of which ₦450 million was utilised. The facility was secured by lien on shares financed and an upfront 50% margin contribution (representing a 150% cover). The Bank was to dispose off the warehoused shares to liquidate the facility whenever the cover falls to 130%. Repayment of the facility was to be from proceeds of sale of shares financed.

There is however an on-going litigation on this facility arising from the rejection by the Company of the additional investment cover requested for by the Bank due to the fall in the value of the shares purchased against which the facility was initially secured. In the ensuing litigation, judgment was given in 2017 in favour of the Company at the Lagos High Court in the sum of N120,148,773.70 plus interest at 10% p.a at the Lagos High Court. The total figure stood at N260,146,783.16 as at 31 December 2021. The bank has appealed the judgment to the Court of Appeal.

The directors, having sought the advice of professional counsel, are of the opinion that no significant liability other than the amount already recognised will crystalise from this litigation.

38.3 **Loan from Concept Capital Management Ltd**

in thousands of Nigerian Naira		GROUP MARCH 2022 ACTUAL YTD	GROUP DECEMBER 2021 ACTUAL YTD	COMPANY MARCH 2022 ACTUAL YTD	COMPANY DECEMBER 2021 ACTUAL YTD
Balance at 1 January		1,937,461	3,489,260	1,937,461	3,489,260
Accrued interest expense	15	16,477	110,612	16,477	110,612
Foreign exchange difference		(48,995)	387,589	(48,995)	387,589
Repayment during the year		(820,000)	(2,050,000)	(820,000)	(2,050,000)
		1,084,943	**1,937,461**	**1,084,943**	**1,937,461**

The Company issued a USD9.5 million unsecured debt instrument at 0% coupon to Concept Capital Management Limited (CCM) on 1 December 2020 to redeem the balance on the loan from Daewoo Securities Limited. The loan is repayable in three (3) instalments of USD5 million, USD2 million and USD2.5 million on 22 September 2021, 30 January 2022 and 30 April 2022 respectively as per the amended Settlement Agreement.

The three (3) installmental payments of USD5 million, USD2 million and USD2.5 million were made on 22 September 2021, 26 January 2022 and 27 April 2022 respectively.

The initial fair value of the loan was determined using a market interest rate for an equivalent unsecured loan at the issue date. The liability is subsequently recognised on an amortised cost basis until extinguished on payment of the last instalment.

39 Current income tax liabilities

in thousands of Nigerian Naira	Notes	GROUP MARCH 2022 ACTUAL YTD	GROUP DECEMBER 2021 ACTUAL YTD	COMPANY MARCH 2022 ACTUAL YTD	COMPANY DECEMBER 2021 ACTUAL YTD
Balance at 1 January		485,119	904,704	228,456	616,987
Current income tax charge					
Company income tax		225,347	184,968	195,649	-
Minimum tax		-	40,910	-	30,976
Prior year over provision		-	(199,856)	-	(246,026)
	17.1	**225,347**	**26,022**	**195,649**	**(215,051)**
Payments during the year		(101,220)	(445,607)	(7,757)	(173,480)
Balance at the end of the period		609,246	485,119	416,348	228,456

40 Deferred tax net liabilities

	Notes	GROUP MARCH 2022 ACTUAL YTD	GROUP DECEMBER 2021 ACTUAL YTD	COMPANY MARCH 2022 ACTUAL YTD	COMPANY DECEMBER 2021 ACTUAL YTD
Deferred tax assets	40.1	578,480	578,480	94,288	94,288
Deferred tax liabilities	40.2	(1,249,201)	(1,364,586)	(519,212)	(519,212)
		(670,721)	(786,106)	(424,924)	(424,924)

40.1 *Movement in Deferred tax assets*

	Notes	GROUP MARCH 2022 ACTUAL YTD	GROUP DECEMBER 2021 ACTUAL YTD	COMPANY MARCH 2022 ACTUAL YTD	COMPANY DECEMBER 2021 ACTUAL YTD
Balance at the beginning of the year		578,480	612,077	94,288	91,556
Charge in profit or loss for the year	17.2	-	(33,596)	-	2,733
Balance at the end of the period		**578,480**	**578,480**	**94,288**	**94,288**

40.2 *Movement in Deferred tax liabilities*

	Notes	GROUP MARCH 2022 ACTUAL YTD	GROUP DECEMBER 2021 ACTUAL YTD	COMPANY MARCH 2022 ACTUAL YTD	COMPANY DECEMBER 2021 ACTUAL YTD
Balance, beginning of year		1,364,586	1,528,578	519,212	659,567
Charge in profit or loss for the year	17.2	-	(224,975)	-	(140,355)
Charge in other comprehensive income		(115,385)	60,983	-	-
Balance at the end of the period		**1,249,201**	**1,364,586**	**519,212**	**519,212**

41 Share capital

in thousands of Nigerian Naira	GROUP MARCH 2022 ACTUAL YTD	GROUP DECEMBER 2021 ACTUAL YTD	COMPANY MARCH 2022 ACTUAL YTD	COMPANY DECEMBER 2021 ACTUAL YTD
Share capital comprises:				
41.1 ***Authorized number of shares:***				
At 1 January 2022: 20,100,000,000 (2021: 20,000,000,000) ord shares of 50k each	10,050,000	10,000,000	10,050,000	10,000,000
Addition in the year: NIL (2021: 100,000,000) ord shares of 50k each	-	50,000	-	50,000
At 31 March 2022: 20,100,000,000 (Dec 2021: 20,100,000,000) ordinary shares of 50k each	**10,050,000**	**10,050,000**	**10,050,000**	**10,050,000**

The Company increased it authorised share capital from ₦10,000,000,000 to ₦10,050,000,000 by the creation of 100,000,000 ordinary shares of 50 kobo each in prior year and this was registered with the Commission on 16 February 2021.

	GROUP MARCH 2022 ACTUAL YTD	GROUP DECEMBER 2021 ACTUAL YTD	COMPANY MARCH 2022 ACTUAL YTD	COMPANY DECEMBER 2021 ACTUAL YTD
41.2 ***Issued and fully paid number of shares:***				
At 1 January 2022: 20,061,622,397 (2021: 11,172,733,508) ord shares of 50k each	10,030,811	5,586,367	10,030,811	5,586,367
Addition in the year: NIL (2021: 8,888,888,889) ord shares of 50k each	-	4,444,444	-	4,444,444
At 31 March 2022: 20,061,622,397 (Dec 2021: 20,061,622,397) Ordinary shares of 50k each	**10,030,811**	**10,030,811**	**10,030,811**	**10,030,811**

On 28 June 2021, the Company concluded its Private Placement of 8,888,888,889 ordinary shares of 50k each in which ₦4.8 billion was raised from two shareholders. The shares were issued at 54 kobo per share.

41.3 Share premium

in thousands of Nigerian Naira	GROUP MARCH 2022 ACTUAL YTD	GROUP DECEMBER 2021 ACTUAL YTD	COMPANY MARCH 2022 ACTUAL YTD	COMPANY DECEMBER 2021 ACTUAL YTD
At 1 January	276,486	-	276,486	-
Addition during the period	-	276,486	-	276,486
Balance, end of period	**276,486**	**276,486**	**276,486**	**276,486**

The addition in 2021 represents the premium on the Private Placement less the share issue expenses.

43.4 **Shareholding Structure/Free Float Status**

Share Price at end of reporting period N0.24 (2021: N0.33)

	MARCH 2022 ACTUAL YTD		DECEMBER 2021 ACTUAL YTD	
Description	**Unit**	**Unit**	**Unit**	**Unit**
Issued Share Capital	**20,061,622,397**	**#**	**20,061,622,397**	**100.00%**
Substantial Shareholdings(5% and above)				
Charles Enterprises LLC	8,481,044,445	42.27%	8,481,044,445	42.27%
Arubiewe Farms Limited	4,409,119,444	21.98%	4,409,119,444	21.98%
Ogunbiyi Akinade Akanmu	1,100,000,000	5.48%	1,100,000,000	5.48%
CIL Risk & Asset Management Limited	816,525,303	4.07%	933,858,376	4.65%
Ogunbiyi Adedotun	611,991,460	3.05%	611,991,460	3.05%
Total Substantial Shareholdings	**15,418,680,652**	**76.86%**	**15,536,013,725**	**77.44%**
Directors' Shareholdings				
Prof.Patrick Utomi	34,439,974	0.17%	34,439,974	0.17%
Olufemi Asenuga	21,593,150	0.11%	21,593,150	0.11%
Adebiyi Ashiru-Mobolaji	8,012,654	0.04%	8,012,654	0.04%
Dr.Eze Ebube	5,000,000	0.02%	5,000,000	0.02%
Total Directors' Shareholdings	**69,045,778**	**0.34%**	**69,045,778**	**0.34%**
Other Influential Shareholdings				
Charks Investment Limited	254,222,278	1.27%	254,222,278	1.27%
Total Influential Shareholdings	**254,222,278**	**1.27%**	**254,222,278**	**1.27%**
Free Floats in Units and Percentage	**4,319,673,689**	**21.53%**	**4,202,340,616**	**20.95%**
Free Float in Value	**1,036,721,685**		**1,386,772,403**	

Declaration:

i) Mutual Benefits Assurance Plc with a free float percentage of 21.53% and value of N1,036,721,685 as at 31 March 2022, is compliant with The Exchange's free float requirements for companies listed on the Main Board.

ii) Mutual Benefits Assurance Plc with a free float percentage of 20.95% and value of N1,386,772,403 as at 31 December 2021, is compliant with The Exchange's free float requirements for companies listed on the Main Board.

42 **Treasury shares**

	GROUP		COMPANY	
in thousands of Nigerian Naira	**MARCH 2022 ACTUAL YTD**	**DECEMBER 2021 ACTUAL YTD**	**MARCH 2022 ACTUAL YTD**	**DECEMBER 2021 ACTUAL YTD**
Company's shares held (500,000 shares at ₦0.50 per share)	250	250	250	250

43 **Foreign currency translation reserve**

This comprises exchange differences resulting from the translation to Naira of the results and financial position of Group companies that have a functional currency other than Nigerian Naira. Mutual Benefits Assurance Company Liberia and Mutual Benefits Niger Republic SA have functional currencies other than Naira.

	GROUP	
in thousands of Nigerian Naira	**MARCH 2022 ACTUAL YTD**	**DECEMBER 2021 ACTUAL YTD**
Balance, beginning of the year	1,551,085	1,161,602
Other comprehensive income	(102,254)	389,483
Balance, end of period	**1,448,831**	**1,551,085**

44 **Contingency reserve**

In compliance with Section 21 (1) of Insurance Act 2003, 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 for life business, the contingency 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.

		GROUP		COMPANY	
in thousands of Nigerian Naira		**MARCH 2022 ACTUAL YTD**	**DECEMBER 2021 ACTUAL YTD**	**MARCH 2022 ACTUAL YTD**	**DECEMBER 2021 ACTUAL YTD**
Balance, beginning of the year		4,702,054	4,172,059	3,531,871	3,118,041
Transfer from retained earnings		209,271	529,995	152,953	413,830
Balance, end of period		**4,911,325**	**4,702,054**	**3,684,824**	**3,531,871**
44.1 ***Analysis per business segment***					
Non-life business	44.2	3,684,824	3,531,871	3,684,824	3,531,871
Life business	44.3	1,226,501	1,170,183	-	-
		4,911,325	**4,702,054**	**3,684,824**	**3,531,871**
44.2 ***Non-life business***					
Balance, beginning of the year		3,531,871	3,118,041	3,531,871	3,118,041
Transfer from retained earnings		152,953	413,830	152,953	413,830
Balance, end of period		**3,684,824**	**3,531,871**	**3,684,824**	**3,531,871**
44.3 ***Life business***					
Balance, beginning of the year		1,170,183	1,054,018	-	-
Transfer from retained earnings		56,318	116,165	-	-
Balance, end of period		**1,226,501**	**1,170,183**	**-**	**-**

45 **Fair value reserve**

The fair value reserve includes the net cumulative change in the fair value of fair value through other comprehensive income investments until the investment is derecognised or impaired. See statement of changes in equity for movement in fair value reserve.

		GROUP		COMPANY	
in thousands of Nigerian Naira	Notes	**MARCH 2022 ACTUAL YTD**	**DECEMBER 2021 ACTUAL YTD**	**MARCH 2022 ACTUAL YTD**	**DECEMBER 2021 ACTUAL YTD**
Balance, beginning of the year		(559,729)	(878,937)	(114,887)	(133,900)
Net revaluation gains/(losses) on equity instrument at FVOCI		-	319,208	-	19,013
Balance, end of period		**(559,729)**	**(559,729)**	**(114,887)**	**(114,887)**

46 **Revaluation reserve**

This reserve is the accumulation of revaluation gain on the group's land and buildings in line with the Company's accounting policies. See statement of changes in equity for movement in fair value reserve.

		GROUP		COMPANY	
in thousands of Nigerian Naira	Notes	**MARCH 2022 ACTUAL YTD**	**DECEMBER 2021 ACTUAL YTD**	**MARCH 2022 ACTUAL YTD**	**DECEMBER 2021 ACTUAL YTD**
Revaluation surplus on property, plant and equipment - Land and building		1,520,131	1,520,131	1,339,395	1,339,395

47 **Retained Earnings/(accumulated losses)**

Retained earnings represents the amount available for dividend distribution to the equity shareholders of the Company, while accumulated losses represents the loss retained in the business over the periods. See statement of changes in equity for movement in retained earnings/(accumulated losses).

48 **Non-controlling interests in equity**

		GROUP	
in thousands of Nigerian Naira	Notes	**MARCH 2022 ACTUAL YTD**	**DECEMBER 2021 ACTUAL YTD**
Opening balance		1,466,869	1,333,778
Share from total comprehensive income		(131,965)	133,090
Balance as at period end		1,334,904	1,466,869
		-	-

49 **Securities Trading Policy**

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of the Exchange 2015 (Issuers Rule) Mutual Benefits Assurance Plc maintains a Security Trading Policy which guides Directors, Audit Committee members, employees and all individuals categorized as insiders as to their dealing in the Company's shares. The Policy is regularly reviewed and updated by the Board. The Company has made specific inquiries of all the directors and other insiders and is not aware of any infringement of the policy during the period.

50 **Statement of Investor Relation**

Mutual Benefits Assurance Plc has a dedicated investors' portal on its corporate website which can be accessed via this link https://www.mutualng.com/plc/about-investor The Company's Investors' Relations officer can be reached through electronic mail at investor.relations@mutualng.com or telephone on; +2349054644444 for any investment relation enquiry.