Mutual Benefits Assurance Plc.

RC 269837

CHANGE OF DATE OF THE ANNUAL GENERAL MEETING

Mutual Benefits Assurance Plc (the Company) wishes to notify its valued shareholders and stakeholders that the date of the 25th Annual General Meeting of the Company has been moved from 29th July 2021 to **5th August 2021** at **10.00 am**.

The venue and agenda for the meeting remains the same as previously communicated.

Date: Thursday 5th August 2021

Time: 10.00 am

Venue: Radisson Hotel, Isaac John Street, GRA Ikeja Lagos.

Apologies for any inconveniences caused.

Thank you.

JIDE IBITAYO
Company Secretary
FRC/2013/NBA/000003123
Dated the 13th Day of July 2021

Tel: 09054644444
Website: www.mutualng.com

...creating and protecting wealth

2020 ANNUAL REPORT & ACCOUNTS

EMPOWERMENT
VALUE CREATION
PARTNERSHIP

Mutual Benefits Assurance Plc.
RC 269837

A MEMBER OF THE NIGERIAN INSURERS ASSOCIATION

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Mutual Benefits Assurance Plc.

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VISION

A Leading World Class Company Providing Superior Financial Service to the Delight of all Stakeholders.

MISSION STATEMENT

Transcending the Expectations of our Customers for the Satisfaction of their Wealth Protection needs through the Provision of Qualitative Insurance and Risk Management Services thereby Creating Value for all Stakeholders

GUIDING PRINCIPLES

To act with due care and diligence in the pursuit of excellence in an atmosphere of mutual respect and understanding

CORE VALUE

> Integrity
> Responsiveness
> Leadership
> Knowledge
> Continuous Improvement

WHO WE ARE

Mutual Benefits Assurance Plc. (MUTUAL), has evolved into a conglomerate consisting of value-adding companies with interests in various sectors of the Nigerian economy through subsidiary relationships, investments, strategic alliances and partnerships. Today, MUTUAL is a leading brand in the Nigerian insurance industry with over 5000 staff and agents in its employment. MUTUAL is strong, well capitalized with a team of highly trained professionals, a respectable Board and access to the international insurance market. We pride ourselves in delivering excellent service to all our stakeholders.

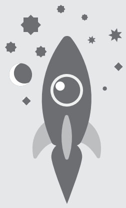
MUTUAL is the flagship of insurance in Liberia and also runs a full-fledged insurance operation in Republic of Niger, where we commenced business in January. 2014.

BRIEF HISTORY

MUTUAL BENEFITS ASSURANCE PLC (RC269837)

Incorporated as a Private Limited Company on **18th April 1995**

Granted Certificate of Registration as an as an insurer by the National Insurance Commission on 4th September 1995



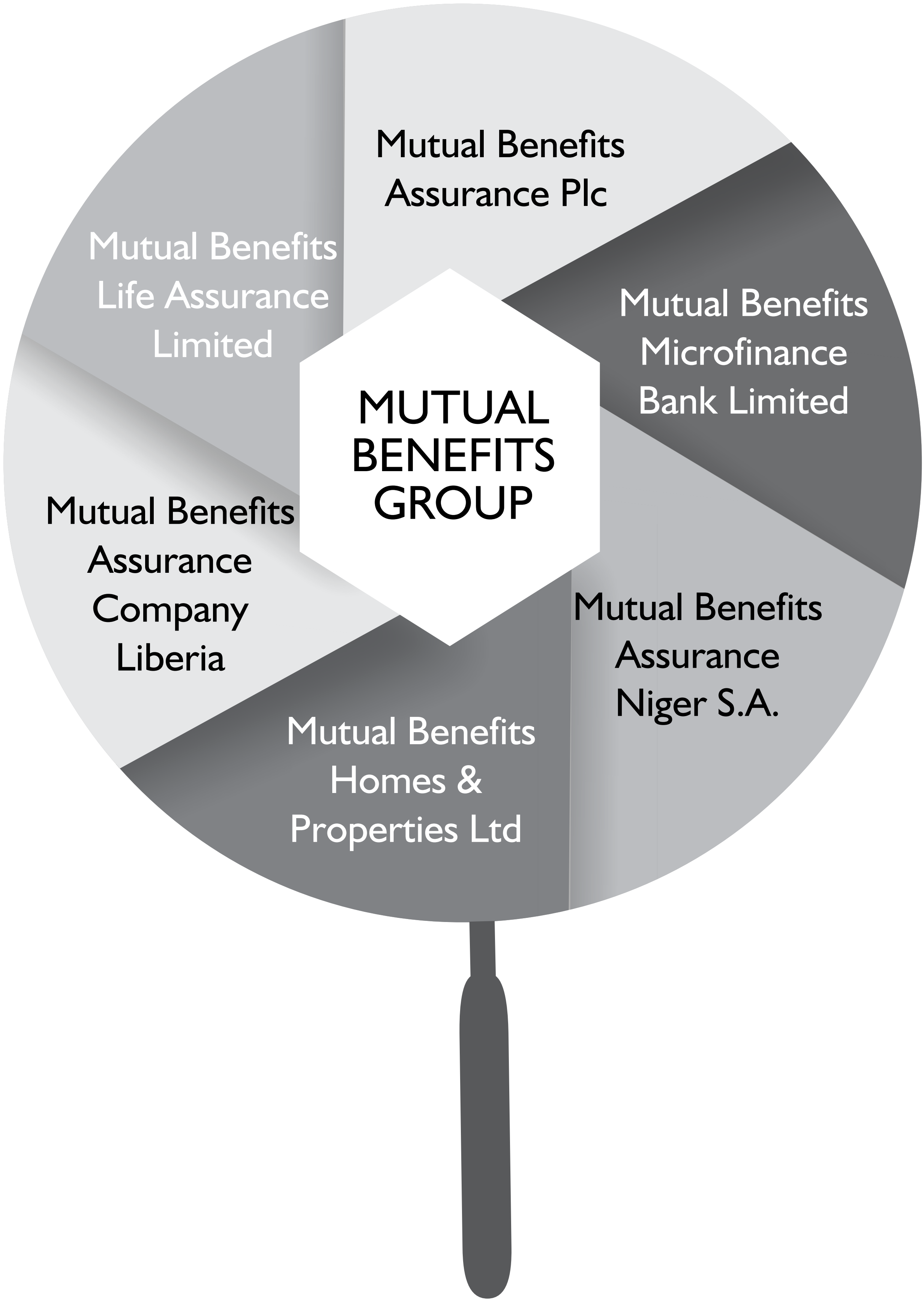
Commenced operations **on 2nd October 1995**

Became a Public Limited Liability Company on **24th May 2001**

Listed on the Nigeria Stock Exchange on **28th May 2002**

Transacts life and general insurance businesses authorised share capital ₦**10,000,000,000**

Paid-up share capital **₦5,586,366,754**


MUTUAL BENEFITS GROUP
Mutual Benefits Assurance Plc
Mutual Benefits Microfinance Bank Limited
Mutual Benefits Assurance Niger S.A.
Mutual Benefits Homes & Properties Ltd
Mutual Benefits Assurance Company Liberia
Mutual Benefits Life Assurance Limited

DR AKIN

OGUNBIYI

(B.Sc, MBA, FCII, FloD)
Chairman

An Economist, Consultant and Insurance Professional, Dr. Ogunbiyi is a graduate of Agricultural Economics from the University of Ife. He is also an alumnus of the famous International Graduate School of Management, University of Navarra (IESE) Barcelona, Spain where he took an Executive Masters in Business Administration. In addition, he is an alumnus of Lagos Business School and SAID Business School of University of Oxford where he attended the Oxford Advanced Management & Leadership Programme.

A fellow of the Chartered Insurance Institute, London, he did not only complete his Associateship examination in record time, Dr. Ogunbiyi has the rare honour of securing the highest number of distinctions in the professional examination in two sittings. He had his insurance training in NICON from where he moved to start the Finance and Insurance Experts Limited-a multi-disciplinary consultancy firm, as pioneer Associate Director/Ag. Chief Executive.

Dr. Ogunbiyi serves on the board of The Infrastructure Bank Plc and other companies.

OLUFEMI

ASENUGA

(B.Sc, M.SC, ACII)

Managing Director/CEO

Olufemi Asenuga holds a Master of Science Degree in Business Administration and a bachelor's degree in Insurance from the University of Lagos. He is an Associate of the Chartered Insurance Institute, Nigeria. Femi was the best graduating student in the finals of the B.Sc. Honours Insurance Examination. He won the Femi Johnson & Co. prize as well as the Unity Life & Fire Insurance Company award for being the best overall graduating student in the department of Insurance for 1989/1990 session

Mr. Asenuga started his insurance career with Metropolitan Trust Insurance Company in 1993. He joined Custodian and Allied Insurance in 1995 as a pioneer staff and Assistant Manager in the Technical Department. He joined Mutual Benefits Assurance Plc in 1997 as a Deputy Manager in the Technical Department. He rose through the ranks and was seconded to the Life subsidiary in 2007 as the pioneer Managing Director a position he held until his appointment as Managing Director of the Company in December 2019.

ADEBIYI

ASHIRU-MOBOLAJI

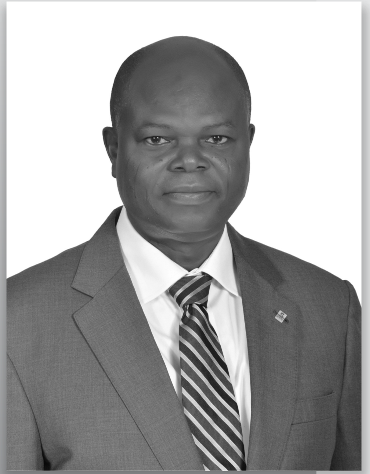
(HND, MBA, ACII)
Executive Director, Operations

Mr. Ashiru-Mobolaji oversees the Technical and Marketing & Distribution Channels of the Company. He is an Insurance graduate of Ibadan Polytechnic with an MBA from Lagos State University. He is an Associate Member of the Chartered Insurance Institute of Nigeria as well as an Alumnus of the Lagos Business School. Mr. Ashiru-Mobolaji started his Insurance career with a stint at Femi Johnson Insurance Brokers at the Executive Support Service Department. Thereafter, he proceeded to Great Nigeria Insurance Company Ltd. He also worked at Databoard Nigeria Limited, a company that pioneered On-line Insurance Service in Nigeria.

An astute goal getter and a dynamic Insurance practitioner, Mr. Ashiru-Mobolaji joined Mutual Benefits Assurance Plc in 1998 and rose through the ranks.

In 2007, he became Senior Manager, Micro Insurance, after a comprehensive training with International Cooperative and Mutual Insurance Federation (ICMIF) in Manchester, UK. In 2009, he was seconded to Cameroun as GM/CEO of the Cameroun subsidiary of MUTUAL; Assurances Generales du Cameroun.

On his return to Nigeria in 2012, Mr. Ashiru-Mobolaji became the Head, Technical Operations. In 2013 he became Deputy General Manager, Business Development and in 2016, prior to his current position; Mr. Ashiru-Mobolaji was promoted General Manager; in charge of the Marketing and Distribution Directorate of the company.



ADESOYE

OLATUNJI

(B.ENG, MBA, FCA)
Director

Mr. Soye Olatunji is a Chartered Accountant with a bachelor's degree in Chemical Engineering and an MBA from University of Lagos. He has over 30 years of cumulative experience in audit and tax consultancy, accounting and general management.

He was erstwhile General Manager, Best Oils Limited Ibadan, Oyo State and Finance Director, Vitamalt Plc, Agbara Industrial Estate, Ogun State. He joined Ventures & Trust Limited (V&T) as Managing Associate and Chief Financial Officer in 2003.

He joined Mutual Benefits Group in 2007 as Executive Director Corporate Planning and Investment from where he left as Group Finance Director, to establish Mutual Exploration and Production Limited, in 2013. He is an alumnus of SAID Business School of University of Oxford where he attended the Oxford Advanced Management & Leadership Programme.

DR. EZE
EBUBE (AMERICAN)
(B.A, OD, EJD)
Director

Dr. Ebube graduated with a B.A. (Microbiology) from Indiana University, Bloomington, Indiana, USA in 1982.

In 1986, he obtained a Doctorate degree in Optometry from Inter American University, San Juan, Puerto Rico, U.S.A. and in 2007 he graduated from Concord University School of Law, Los Angeles, California, U.S.A. with the Executive Juris Doctor degree.

Dr Ebube is an Optometrist and an active member of the Puerto Rico Optometry Association where he served as the Chairperson of its Political Action Committee. He is co-chair of FUTeLIV KONSULT, President and CEO of Eye Express 20-20, San Juan, Puerto Rico, USA.

Dr. Ebube worked with the Augustus Group, an Insurance Partnership based in Troy, Michigan, U.S.A. as Vice-President and he is presently the Managing Partner for Africa in Legacy Group, an international consulting and business development group in Virginia, U.S.A.

PROF. PATRICK
UTOMI
(BA, MA, PHD)
Director

A fellow of the Institute of Management Consultants of Nigeria and founding Senior Faculty of the Lagos Business School- Pan African University, he was Director of the Centre for Applied Economics at the Lagos Business School. He has served in senior positions in government, as an adviser to the President of Nigeria, the private sector, as Chief Operating Officer for Volkswagen of Nigeria and in academia. He is the author of several Management and Public Policy books. His academic background covers a range from Policy Economics, Business, and Political Science to Mass communications. As an entrepreneur, he founded and co-founded companies that are active in fields including financial services, ICT, and media.

A Professor of the Social and Political Economy Environment of Business and Entrepreneurship. He has been a scholar-in-residence at the American University in Washington DC and the Havard Business School.

As leader of Civil Society, he is the founder of the Centre for Values in Leadership; and the Concerned Professionals, among other social sector enterprise initiatives.

KADARIA
AHMED
(B.A, M.A,)
Independent Director,

Ms. Ahmed holds a Bachelor's Degree in Communications from Bayero University, Kano and a Master's Degree in Television from Goldsmiths' College, University of London. She is a seasoned professional media executive and strategic Communications consultant to NGOs, public and private sector boards.

Ms. Ahmed was a Senior Producer, Journalist and Acting Editor with the British Broadcasting Corporation. She was Co-founder and Media consultant for Blue Communications EMEA, from 2003 to 2006. Between 2006 and 2008, Ms. Ahmed worked with Shoreline Energy International as Head, Corporate Communications and Resort Group Limited, as Group Head, Corporate Communications

Ms. Ahmed was Editor, Timbuktu Media; Publishers of Next Newspaper; Nigeria's leading investigative Newspaper, for which she won many awards. Between 2011 and 2016, Ms. Ahmed worked with Africa Practice R & B and Reinvent Media Ltd. as Associate Director and Partner respectively.

Ms. Ahmed is an articulate panel discussion moderator, television host and opinion contributor with a strong grasp of current affairs including local and international politics, the economy, the arts and entertainmen.

She is also an influential member of the Nigerian Guild of Editors and also a British Council Chevening Scholar. Since February of 2016, Ms. Ahmed has been a Partner with DM Nigeria Ltd. in charge of Media Content Training and Business Development.

AKINBOYE
OYEWUMI
(B.Sc, MBA)
Director

Mr. Oyewumi holds a bachelor's degree in Business Administration from University of Maiduguri, Borno State, Nigeria and a Master's in Business Administration from the Middlesex University, London, United Kingdom.

Mr. Oyewumi has over 30 years' experience that covers strategy, business development, financial planning, mentoring and developing business leaders gained in both the private and public sectors in the United Kingdom and Nigeria

He is a serial investor with business interests in United Kingdom, Ghana, and Nigeria. He is the Group Managing Director of Silverage Group which he founded in 1988. The company and her sister companies are involved in Finance & Investments, Health & Safety Solutions for the energy and manufacturing sectors, Oracle Gold Partner and HP Partner, Enterprise Planning and Business Intelligence Solutions.

ALH. LAMIS
DIKKO
(B.Sc)
Independent Director

Alh. Dikko holds a bachelor's degree in Economics from Queen Mary College, University of London.

He started his career at the Kaduna State Radio as Producer of News and Current Affairs, from where he moved to the Nigerian Standard Newspaper as Sub-Editor. He also lectured briefly at College of Advanced Studies, Zaria.

He started his finance career as a senior supervisor at Habib Bank Nigeria Limited, after which he joined Intercity Bank Plc in 1998 and later became the Managing Director in 2001, a position he held until 2005. He went on to serve as an Executive Director of Unity Bank Plc, a position he held from 2005 until 2010. He is presently the Chairman, Board of Directors of The Infrastructure Bank and Legacy Pension Managers Limited and Eterna Plc. He sits on the board of several public and private companies.

ABIDEMI
SONOIKI
(M.Sc, ACIB, FCIA)
Independent Director

Mr. Sonoiki is a graduate of Accounting and has two Master's degree to his name. He is also currently pursuing a PhD at Portsmouth University, England.

Mr Sonoiki is an astute banker with two decades' experience in Banking operations, Treasury (foreign and local) and Marketing, having worked at various times at Sterling Capital, Marina International Bank Limited, First City Monument Bank Plc and Heritage Banking Company Limited.

He is a Fellow of the Institute of Credit Administration and the Institute of Credit and Collection Management; an Associate Member of the Chartered Institute of Bankers of Nigeria and Scotland and the Nigeria Institute of Management.

He has attended courses within and outside Nigeria including the Lagos Business School; Goldman Sachs, London; Bangor Business School, England and Harvard Business School.

He is currently the Chief Executive Officer of Noik Energy Limited.

FEMI ASENUGA (B.Sc, MSC, ACII)
MANAGING DIRECTOR/CEO

BIYI ASHIRU – MOBOLAJI
(HND, MBA, ACII, MIOD)
EXECUTIVE DIRECTOR. OPERATIONS

ADEMOLA FAGBAYI (B.Ed, ACII)
MANAGING DIRECTOR, MUTUAL LIFE

ABAYOMI OGUNWO (B.Sc, MBA, FCA, ACTI)
GENERAL MANAGER, FINANCE AND ACCOUNTS

JIDE IBITAYO (BL, LLM, FCIS, ACTI)
GENERAL MANAGER, LEGAL/COMPANY SECRETARY

JOSEPH OLADOKUN (MBA, ACII, ANIM)
GENERAL MANAGER, TECHNICIAL

BAYO AKINMOLADUN (MBA)
DEPUTY GENERAL MANAGER, BRANCH OPERATIONS

SOLA ADEKUNLE (B.Sc, ACII)
DEPUTY GENERAL MANAGER,
CORPORATE MARKETING, MUTUAL LIFE

LANRE HASSAN (HND, MMP, MBA, ACII)
DEPUTY GENERAL MANAGER, CORPORATE MARKETING,

MUHAMMED IBRAHIM (LLB, MPA, MNIM, ACAN)
ASSISTANT GENERAL MANAGER, NORTHERN REGION

TITI AKINSIKU (MBA, ACII)
ASSISTANT GENERAL MANAGER,TECHNICAL

OLAYINKA OGUNDEJI (MBA, FCA)
ASSISTANT GENERAL MANAGER, INTERNAL AUDIT

EMMANUEL ORMANE (MSC, ACA)
ASSISTANT GENERAL MANAGER, ERM

GABRIEL GBADEBO (B.A, ACII)
ASSISTANT GENERAL MANGER, TECHNICIAL, MUTUAL LIFE

OLAJUMOKE AKINNAWO (BSC, ACCA)
ASSISTANT GENERAL MANAGER, FINANCE AND ACCOUNTS, MUTUAL LIFE

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

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

KOLAPO OLLA (M.A, ACII, ACIPM)
CONTROLLER, SPECIAL RISK

TUNDE OGUNTADE (HND, MBA, ACIPM)
CONTROLLER, PROJECT MANAGEMENT

OKECHUKWU IGBOJEKWE (HND, ACA)
CONTROLLER, INTERNAL AUDIT & CONTROL (MUTUAL LIFE)

OLABUNMI ADIO (MBA, AMNIM)
CONTROLLER, CORPORATE MARKETING

OLUFEMI OLADIMEJI (HND)
CONTROLLER, RETAIL OPERATIONS

DAVID ADEWUNMI (B.Sc)
CONTROLLER, RETAIL ADMINISTRATION

OLUFUNTO IPAYE (B.Sc, ACII)
CONTROLLER, CORPORATE MARKETING

ADEKUNLE FOWOKAN (HND, MBA, ACIIN)
CONTROLLER CORPORATE MARKETING

AFAM EMODI (HND)
CONTROLLER, CORPORATE MARKETING, MUTUAL LIFE

BAMIDELE TIJANI (B.TECH, MBA, ACII)
CONTROLLER, CORPORATE MARKETING, MUTUAL LIFE

AYOBOLA ORIJA (B.Sc, MBA)
CONTROLLER, CORPORATE MARKETING, MUTUAL LIFE

JOACHIM VICTOR (B.Sc, MBA)
CONTROLLER NORTHERN REGION, MUTUAL LIFE

Notice is hereby given that the 25th Annual General Meeting of Mutual Benefits Assurance Plc. will be held at Radisson Hotel, Isaac John Street GRA Ikeja, Lagos on Thursday 29th July 2021 at 10.00am to transact the following business:

ORDINARY BUSINESS

1. To lay before the Members, the Audited Financial Statements of the Company for the year ended 31st December 2020 together with the Reports of Directors, Auditors and Statutory Audit Committee thereon.

2. To ratify the appointment of Mr Abidemi Sonoiki as a Non-Executive Director of the company.

3. To re-elect the following Directors retiring by rotation:
   i. Alhaji Lamis Dikko
   ii. Mr. Boye Oyewumi
   iii. Ms Kadaria Ahmed

4. To authorise the Directors to fix the remuneration of the Auditors;

5. To disclose the remuneration of the Managers;

6. To elect shareholders' representatives of the Statutory Auditee Committee.

NOTES

1. Compliance with COVID-19 Related Directives and Guidelines

In view of the COVID-19 pandemic, the curtailment measures and the guidelines put in place by the Federal Government, Lagos State Government, Health Authorities and Regulatory Agencies, particularly, the Lagos State Government prohibition of gathering of more than 50 people, and the Corporate Affairs Commission (CAC) issued Guidelines on Holding AGM of Public Companies by Proxy. The convening and conduct of the AGM shall be done in compliance with these directives and guideline.

2. Proxy

A member entitled to attend and vote at the Annual General Meeting is also entitled to appoint a proxy to attend and vote in his/her stead. A proxy need to be a member of the Company. To be valid, a proxy form must be completed and duly stamped by the Commissioner of Stamp Duties and returned to the Registrar, Meristem Registrars & Probate Services Limited, 213, Herbert Macaulay Way, Adekunle, Yaba, Lagos or by mail to info@meristemregistrars.com , not less than 48 hours before the time of the meeting.

3. Attendance by Proxy

In line with CAC Guidelines, attendance of the AGM shall be by proxy only. Shareholders are required to appoint a proxy of their choice from the list of nominated proxies below:

Dr. Akin Ogunbiyi	Chairman, Board of Directors
Mr. Olufemi Asenuga	Managing Director/CEO
Mr. Biyi Ashiru –Mobolaji	Executive Director
Mr Eric Akinduro	Shareholder
Dr Anthony Omojola	Shareholder
Mrs Bisi Bakare	Shareholder

4. Stamping of Proxy

The Company has made arrangements, at its cost, for the stamping of the duly completed and signed proxy forms submitted to the Company's Registrars within the stipulated time.

5. Broadcast of the AGM

The AGM will be streamed live. This will enable shareholders and other stakeholders who will not be attending physically to view the proceedings. The link for the AGM broadcast will be made available on the Company's website at **www.mutualng.com**

6. Closure of Register of Members

The Register of Members will be closed from 19th – 23rd July, 2021 to enable the Registrar prepare for the Annual General Meeting.

7. Biographical details of Directors for Election/Re-election

Biographic details of the Directors seeking election/re-election are provided in the Annual Report.

8. Questions from Shareholders

Shareholders and other holders of the Company's securities reserve the right to ask questions not only at the meeting, but also in writing prior to and after the meeting on any item contained in the Annual Report & Accounts. Please send all questions to investorerelations@mutualng.com

9. Statutory Audit Committee

In accordance with Section 404 (6) of the Companies and Allied Matters Act 2020, any shareholder may nominate another shareholder for election as a member of the Audit Committee by giving notice writing of such nomination to the Company Secretary at least 21 days before the Annual General Meeting.

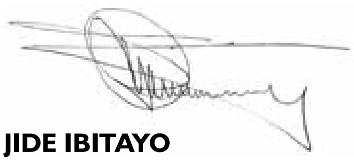
10. E-Dividend

Pursuant to the directive of the Securities and Exchange Commission, notice is hereby given to shareholders to provide/update their bank account details for the purpose of e-dividend/bonus. A form is included in this Annual Report & Accounts for completion by all shareholders to furnish the particulars of their accounts to the Registrars (Meristem Registrars & Probate Services Limited, 213, Herbert Macaulay Way Adekunle, Yaba Lagos)

12. Website

A copy of this Notice and other information relating to the Annual General Meeting can be found on our website **www.mutualng.com**

By Order of the Board



JIDE IBITAYO
Company Secretary
FRC/2013/NBA/000003123
Dated the 25th Day of June, 2021

Directors	Dr. Akin Ogunbiyi	Chairman
	Mr. Olufemi Asenuga	Managing Director/CEO
	Mr. Adebiyi Ashiru-Mobolaji	Executive Director Operation
	Mr. Adesoye Olatunji	Non-Executive Director
	Dr. Eze Ebube	Non-Executive Director (American)
	Prof. Patrick Utomi	Non-Executive Director
	Alh. Lamis Shehu Dikko	Non-Executive Director (Independent)
	Mr. Akinboye Oyewumi	Non-Executive Director
	Ms. Kadaria Ahmed	Non-Executive Director (Independent)
	Mr. Abidemi Sonoiki	Non-Executive Director (Independent) - w.e.f. 01/01/2021

Registered Office

Aret Adams House
233 Ikorodu Road, Ilupeju, Lagos

Auditor

Ernst & Young
UBA House, 10th and 13th Floors
57 Marina, Lagos

Company Secretary

Jide Ibitayo
FRC/2013/NBA/00000003123

Bankers

Access Bank Plc
Fidelity Bank Plc
First City Monument Bank Limited
First Bank of Nigeria Limited
Keystone Bank Limited
Sterling Bank Plc
Zenith Bank Plc
Mutual Benefits Microfinance Bank Limited
Ecobank Nigeria Limited
Stanbic IBTC Bank Nigeria Plc
Unity Bank Plc
Wema Bank Plc
United Bank for Africa Plc
Heritage Bank Limited
Polaris Bank Limited

Re-insurers

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

Actuaries

Zamara Consulting Actuaries Nigeria Limited
FRC/2017/NAS/00000016912

Registrar

Meristem Registrars & Probate Services Ltd
FRC/2013/00000001987

Estate Surveyors and Valuers

Alabi, Ojo & Makinde Consulting
FRC/2012/NIESV/000000314

Arigbede & Co Estate Surveyors and Valuers
FRC/2014/NIESV/00000004634

RC No

269837

STATEMENTS OF PROFIT OR LOSS for the year 31 December 2020	Group 2020 ₦'000	Group 2019 ₦'000		Company 2020 ₦'000	Company 2019 ₦'000	
Gross premium written	**19,983,843**	18,697,839	7	9,207,506	8,366,641	10
Gross premium income	**19,428,373**	18,121,911	7	8,398,764	8,538,415	(2)
Net premium income	**16,079,032**	15,289,115	5	6,136,755	6,579,594	(7)
Net underwriting income	**16,800,237**	15,771,881	7	6,656,302	6,927,802	(4)
Underwriting profit	**3,676,087**	5,398,988	(32)	953,058	2,583,373	(63)
Profit before income tax	**5,042,025**	3,754,054	34	1,882,327	1,291,971	46
Profit for the year	**5,109,209**	3,612,239	41	1,862,856	1,086,304	71
Earnings per share: Basic and diluted (kobo)	**46**	36		17	11	

STATEMENTS OF FINANCIAL POSITION As at 31 December	Group 2020 ₦'000	Group 2019 ₦'000		Company 2020 ₦'000	Company 2019 ₦'000	
Total assets	**82,869,407**	67,777,596	22	30,315,809	22,991,158	32
Insurance contract liabilities	**17,572,283**	14,100,805	25	7,428,602	5,028,508	48
Investment contract liabilities	**28,447,267**	26,266,129	8	-	-	-
Shareholders' fund	**23,354,759**	13,432,849	74	15,009,822	8,255,603	82

Distinguishes shareholders, it is with utmost pleasure that I welcome you to the 25th Annual General Meeting of Mutual Benefits Assurance Plc.

As the pandemic swept across the globe, it caused public health crisis of unimaginable scale, throwing the world into a recession. However, in this very challenging environment, we were able to deliver solid results.

OPERATING ENVIRONMENT

2020 will always be remembered as the year, the world "stood still". Practically the whole world was affected in one way or the other; either economically, public health or in more severe cases, both. Suddenly, the pandemic changed the way we work and live. In spite of the large-scale downturn in global economic activities, our Group navigated the crisis with vigor and tact. In our role as a shock absorber, we contributed our part in mitigating the effects of the pandemic whilst improving institutional resilience.

The year almost started off with a possible World War III (WW3) following the assassination of Iran's General Qassem Soleiman by US forces. Tensions were heighted globally, rocking financial markets all over. These rumors of war eventually took the back seat after a novel corona virus that was discovered in China in 2019 started making its way across the globe. Thailand was the first country the virus visited outside China when they reported their first case on 13th January. What started like a flu in Wuhan, China was eventually declared a global pandemic on 11th March by the World Health Organization with over 1 million cases worldwide by 4th April. On 16th March, the S&P index declined by 12%, its worst in over 30 years. The pandemic has had far reaching and devastating effects. Economies shut down, financial markets crashed and over 3.5million lives lost are just a few of the scars left by the pandemic.

Nigeria's ₦10.59tn 2020 budget tagged "Budget of Sustaining Growth and Job Creation" was presented to a joint session of National Assembly on 8th October 2019 but was signed into law on 17th December 2019. The early passage of the bill was not enough to reduce the impact of the pandemic on the possibility of its full implementation. On 10th July 2020 a revised ₦10.8tn budget

> *Despite the headwinds posed by the COVID-19 pandemic, the Group recorded an impressive 7% growth in Gross Premium Written (GPW) from ₦18.70bn in 2019 to ₦19.98bn in 2020. The performance was largely driven by a 12% growth in GPW in our non-life insurance business, from ₦10.17bn in 2019 to ₦11.35bn in 2020. The Group also recorded a 5% increase in Net Premium Income from ₦15.29bn in 2019 to ₦16.08bn in 2020. Conversely, an adverse claims experience resulted in a 32% decline in underwriting profit, from ₦5.40bn in 2019 to ₦3.68bn in 2020.*

22%

increase in the Total Assets from N67.78bn in 2019 to N82.87bn in 2020

70%

rise in Total Equity from N14.53bn in 2019 to N24.69bn in 2020.

was signed into law as the ravaging effect of the pandemic threw the assumptions/ workability of the old budget into doubt. The oil price benchmark was reduced from US$57 to US$28 per bbl, oil production was revised downwards from 2.18mbpd to 1.8mbpd. Furthermore, the ₦GN/US$ exchange rate was adjusted from N305/ US$ to ₦360/US$. Consequently, revenue projections declined from ₦8.42tn in the initial budget to ₦5.84tn in the revised budget despite the planned increase in expenditure to combat the impact of the pandemic.

The initial projected GDP growth of 2.3% for Nigeria was thrown out of whack as the pandemic began to take its toll on economic activities. This growth projection was later revised to a decline of 4.3%. Nigeria's GDP growth rates in the first 3 quarters of the year were 1.87%, -6.1% and -3.62% signaling a slip into recession. The economy however recovered with a 0.11% growth in Q4, 2020 culminating in a contraction of 1.9% for the whole of 2020. This marked the first recession since 2016 and the steepest drop in at over 30 years. The improved performance in Q4 was on the back of a 1.7% growth Y-o-Y in Q4. Agriculture and services sub-sectors grew by 3.4% and 5.9% in Q4 respectively, while oil sector nosedived by 19.8% Y-o-Y in Q4.

On the exchange rate the Naira suffered significant fluctuations in the parallel market rising as high as ₦500/US$1 during the year. Recent accommodating foreign exchange policies by the CBN have done little to ease the Naira with current value at the parallel market hovering around ₦495/US$1. The country's foreign reserves decreased from $38.6bn at the close of December 2019 to $35.4bn as at December 30, 2020. The decline could be attributed to the several attempts of the CBN to stabilize the Naira which has now technically been devalued to the official rate of ₦410/US$.

Several monetary policies of the CBN were maintained in 2020. The MPR reduced by 200bps from 13.5% in January 2020 to 11.5% in November 2020. Despite projections of an increase to 70%, the Loan to Deposit Ratio (LDR) for banks remained stable at 65% in 2020 following its increase from 60% in 2019. There are still calls by analysts suggesting other methods of stimulating lending as this increased LDR approach threatens the balance sheet and pro fitability of the banks. Treasury bill rates continued to decline in 2020 from a stop rate of over 5% in January 2020 to 1.2% in December 2020. The rate declined as low as 0.15% in the November 25 Auction. This downward trend eventually resulted in improved performance of the Nigeria Stock Exchange All Share Index (NSE-ASI) towards the latter part of 2020. The Nigerian Stock Exchange fi nished the year as the best performing exchange with a 50.03% 2020 YTD return. This is coming off the backdrop of consecutive yearly losses of -14.6% return in 2019 and -7.81% in 2018.

On the regulatory front, I am pleased to announce that Mutual Bene fits Assurance Plc has fully met the new recapitalization requirements set by NAICOM. The 1st Phase was achieved well before the deadline of 31st December 2020 with a paid-up share capital of ₦5.59bn and the 2nd Phase with a deadline of 30th September 2021 was achieved on 28th June 2021 with the listed paid-up share capital increased to ₦10.03bn.

FINANCIAL PERFORMANCE

Despite the headwinds posed by the COVID-19 pandemic, the Group recorded an impressive 7% growth in Gross Premium Written (GPW) from ₦18.70bn in 2019 to ₦19.98bn in 2020. The performance was largely driven by a 12% growth in GPW in our non-life insurance business, from ₦10.17bn in 2019 to ₦11.35bn in 2020. The Group also recorded a 5% increase in Net Premium Income from ₦15.29bn in 2019 to ₦16.08bn in 2020. Conversely, an adverse claims experience resulted in a 32% decline in underwriting profit, from ₦5.40bn in 2019 to ₦3.68bn in 2020.

The drop in underwriting profit was offset by impressive investing activities and improved cost controls, leading to a 34% rise in Profit Before Tax. This, in addition to the capital injection of ₦4.80bn led to the 22% increase in the Total Assets from ₦67.78bn in 2019 to ₦82.87bn in 2020 and the 70% rise in Total Equity from ₦14.53bn in 2019 to ₦24.69bn in 2020.

BOARD DEVELOPMENTS

To reinvigorate the performance of the Board, Mr. Abidemi Sonoiki was proposed as a non-executive director with effect from 1st January 2021 subject to regulatory approvals to fill casual vacancy on the Board.

Mr. Sonoiki is a finance expert with over 20 years' experience in the banking sector with competences in funding and funds management, domestic and foreign operations, private banking and wealth management, commercial banking, public sector businesses and treasury management.

I recommend him to you for appointment as a director.

The following directors are retiring at this meeting and being eligible offer themselves for re-election; Ms. Kadaria Ahmed, Alhaji Lamis Dikko and Mr. Akinboye Oyewumi.

The resume of Mr. Sonoiki and the directors for re-election are before you.

2021 OUTLOOK

The 2021 Budget of ₦13.6tn by the Federal Government tagged "Budget of Economic Recovery and Resilience" was assented to by the President on 31st December 2020. The budget is expected to accelerate the pace of Nigeria's economic recovery, promote economic diversification, enhance competitiveness, and ensure social inclusion. The budget is also designed to deliver on the goals of the Nigeria Economic Sustainability Plan (NESP) 2020. The NESP provides a road map for Nigeria's post-Coronavirus economic recovery and a bridge linking the Economic Recovery and Growth Plan (2017 – 2020) to the successor Medium-Term National Development Plan (2021 – 2023). The budget rests on a GDP growth projection of 3%. This is however still some way off from the 0.51% GDP growth recorded in Q1, marking 2 consecutive quarters of GDP growth following the ravaging impact of the COVID-19 pandemic. Other key assumptions are inflation rate at 11.95% (currently 18.12%),exchange rate of ₦379/US$1 (currently ₦410/US$1), oil price benchmark of US$40 (currently over $60 per barrel), and average daily production of 1.86mbpd. Capital expenditure is also projected to be ~29%.

With the COVID-19 pandemic gradually easing off (save for some countries in Asia and South America) many countries have slowly started reopening their countries, however with few restrictions on arrivals from COVID-19 hotspots such as India and Brazil. China's recovery has been faster than expected, with 18.3% growth recorded in 2021. The global economies recovery to pre-pandemic levels of activity remains a major focus of most economies adversely affected. The global economy is however expected to grow by 5.4% in 2021 (-4.9% in 2020). This performance rests a great deal on the mass adoption of the Pfizer, Moderna and Oxford-Astrazeneca vaccines which are expected to curb the spread and transmission of the COVID-19 virus, stability across various parts of the world, eg the recently signed Trade Deal between the UK and the EU, easing US-China trade wars, peace in the Middle East as well as gains on curbing terrorists' attacks in Sub Sharan Africa are expected to contribute to the growth forecast for 2021.

As we enter the final year of our 5-year Strategic Plan, the successful execution of several initiatives was hastened by the COVID-19 pandemic. This has led to improved value addition in our service and product offerings. It has also allowed us to adapt quickly to the rapidly changing environment. Continuous cost control measures, improved service delivery as well as increased market penetration via digital channels have played huge roles in the success of the 5-Year Plan.

Lastly, on behalf of the indefatigable Board of Directors, committed Management and other tireless members of staff, I would like to express our sincere gratitude for the continuous patronage by our esteemed customers. Looking ahead, we will continue to strengthen ourhorizontal and vertical partnerships across the sector and the wider economy and draw on our diversified asset base to live up to our vision – to be a leading world class company providing superior financial services to the delight of all stakeholders.

Thank you.

Dr. Akin Ogunbiyi
Chairman

FROM THE EXECUTIVE SUITE

Dear Esteemed Shareholders,

2020 would forever be remembered as 'The Year of the Pandemic". The world faced one of its most complex challenges since World War II. It was a year that took the whole world by surprise. As the COVID-19 pandemic swept across the globe, it generated an unprecedented public health crisis which eventually snowballed into a global recession and a 3.27% decline in global output. Despite the very challenging environment, the Group recorded impressive results thanks to the resilience of our business operations and a proactive management team. It is therefore my honor to present to you an overview of our 2020 financial performance.

REGULATORY ENVIRONMENT

Further to the earlier recapitalization directive (in 2019) by the industry regulator, NAICOM, to increase the minimum paid up capital for life, non-life, composite and reinsurance businesses to N8b, N10b, N18b and N20b respectively, the Company took active steps to fully meet the new capital requirement by 31st December 2020 despitethe phased recapitalizationdirected by the regulator. I am pleased to announce that the Company met the qualifying capital requirement for full recapitalization by 31 December 2020 with an additional N4.8b injected into the business by existing shareholders. The formal recapitalization process was completed on 28th June 2021 (ahead of the 30th September 2021 deadline) with the listing on the Daily Official List of NGX additional 8,888,888,889 ordinary shares of 50 Kobo each at N0.54 per share offered through Private Placement to Charles Enterprise LLC and Arubiewe Farms Ltd. The additional shares increased the total number of issued and fully paid-up shares of the Company to 20,061,622,397 ordinary shares of 50 Kobo each, thereby bringing the total paid-up share capital to N10.03b.

This development is in addition to the full recapitalization of our life subsidiary - Mutual Benefits Life Assurance Ltd – completed in 2019 as earlier reported in our 2019 Annual Report and Accounts.

GENERAL BUSINESS

Our non–life business portfolio demonstrated resilience during the peak of the COVID-19 pandemic to record a growth of 12% in Gross Premium Written (GPW) from N10.2b in 2019 to N11.3b in 2020. This performance was largely driven by a 10% and 40% growth in top line by the Company and the Nigerien subsidiary respectively. The lines of business which accounted for the largest share of increase were motor, general accident and fire which constituted 32%, 19% and 18% respectively of non-life business' top line in 2020. Net Premium Income (NPI) however decreased by 1% from N8.32b in 2019 to N8.26b in 2020.

Net claims expense increased by 61% from N2.8b in 2019 to N4.4b in 2020. This is attributable to significant increase in the industry claims experience majorly from general accident and special risks (oil & gas and aviation) during the year. The effect of the improved top-linewas drowned by the worsened claims expense resulting in a 53% decline in underwriting performance from N3.6b in 2019 to N1.7b in 2020.

LIFE BUSINESS

The top-line performance of our life business also weathered the storm posed by the pandemic to record a marginal GPW growth of 1% from N8.5b in 2019 to N8.6b in 2020. This performance was driven by an impressive 357% growth in life business by our Liberian subsidiary from N44m in 2019 to N203m in 2020. Seventyone percent (71%) of our life business portfolio comprises of group life businesses while 29% was from individual life policies. Our group life portfolio recorded a 4% decline from N6.4b in 2019 to N6.1b in 2020. The total net premium income from life businesses increased by 12% from N7.0b in 2019 to N7.8b in 2020.

Net claims expense increased by 13% from N3.2b in 2019 to N3.6b in 2020. This increase was expected considering the insecurity, health and economic crises during the year. This ultimately resulted in a 12% improvement in underwriting performance from an underwriting profit of N1.7b in 2019 to N1.9b in 2020.

MICROFINANCE BANKING

The drastic decline in fixed income rates in 2020, the downturn in economic activity due to the COVID-19 pandemic and ongoing restructuring of the risk appetite of the bank led to gross earnings declining by 83% from N289m in 2019 to N48m in 2020. Subsequently, net interest income declined by 91% from N199m in 2019 to N19m in 2020. In line with the downward trend in the earlier mentioned ratios, the operating income deteriorated by 85% from N237m in 2019 toN35m in 2020. A positive from the restructured risk assets of the bank was a minimal debt write-off of N2m (2019: N145m). The resultant cost-to-income ratio deteriorated significantly from 99% in 2019 t0 259% in 2020.

As part of the restructuring exercise to make the Bank efficient and profitable, the Bank went live in Q2 2021 with its digital core banking and e-channel solutions.

OPERATING PERFORMANCE

In 2020, the Group demonstrated its capacity to sustain extreme shocks while maintaining a solid performance. Despite the impact of COVID-19 on some of our businesses, our financial performance was remarkably robust as evident by an impressive 34% increase in profit before tax from N3.8b in 2019 to N5.0b in 2020.

During the year 2020, fixed income rates (especially treasury bill rates) crashed as much as 80% however this did not impact our investment income as we recorded a 4% growth from N2.5b in 2019 N2.6b in 2020. We also recorded a profit on deposit administered products of N416m representing a decline of 61% from N1.1b in 2019.

One of the major achievements during the year was the restructuring of our loan from Daewoo Securities Ltd. The Company entered into a settlement agreement in December with Concept Capital Management Ltd (CCM), the sole party with economic interests in the Bonds, to pay the sum of US$9.5m in instalments for full settlement of the obligation. The carrying amount of the Bonds at the time of extinguishment was N6.4b and costs incurred were N1.3b, resulting in a net gain of N1.6b recorded as other income in the statement of profit or loss.

In response to the ravaging impact of the COVID-19 pandemic, the Company proactively deployed improved and efficient operational measuresto adapt to the changing work environment. This resulted in a decline in our operating expense ratio from 40% in 2019 to 37% in 2020. Profit after tax also improved remarkably by 41% from N3.6b in 2019 to N5.1b in 2020.

Our capital position also remained strong. Improved performance during the year as well as injection of fresh capital resulted in a 70% growth in our Group's Total Equity. Our Solvency margin improved remarkably from 247% in 2019 to 470% in 2020. Our disciplined cash management as well as effective utilization of assets resulted in a 22% growth in the Group's Total Assets. Our policy holder liabilities also increased, albeit by a lower margin of 14% from N40b in 2019 to N46b in 2020.

"In 2020, the Group demonstrated its capacity to sustain extreme shocks while maintaining a solid performance. Despite the impact of COVID-19 on some of our businesses, our financial performance was remarkably robust as evident by an impressive 34% increase in profit before tax from N3.8b in 2019 to N5.0b in 2020."

22%

increase in the Total Assets from N67.78bn in 2019 to N82.87bn in 2020

70%

rise in Total Equity from N14.53bn in 2019 to N24.69bn in 2020.

PROJECT ONE-RELOADED INITIATIVES

While 2020 might not have been a year of record numbers in terms of operating performance, it was a year not to be forgotten by employees and customers. The onslaught of the pandemic further accelerated the digitization of our product offerings and service capabilities. These impressive feats further reiterate the fact that we are not just "getting by" in the pandemic but building a stronger Mutual Benefits brand. As highlighted in our 5-year Strategy Plan tagged "Project One Reloaded", we have remained committed to delivering more innovative and cutting-edge solutions to our teeming customers. The initiatives deployed during the year are highlighted below:

-Provision of portable mobile devices for our workforce. This ensured that service delivery was not hampered or delayed by lack of access to working tools amid restrictions in movement. The improved service delivery during the pandemic did not go unnoticed by our customers who commended us for the feat.

-Also, in our drive to deepen market penetration, we have consistently strengthened and widened the reach of the Retail arm of our business to be able to deliver value to the unserved and underserved parts of the market.

LOOKING FORWARD

While the new year does not necessarily provide significant relief from the effects of the pandemic, it presents another opportunity to consolidate on the tremendous feats made towards becoming the one-stop shop for provision of financial services solutions in all our countries of operations. Even as the business environment remains challenging due to economic uncertainty, our diversified business model, strong capital position and highly qualified and committed employees, provide the solid base for profitable and resilient growth.

Despite the slow-down in the number of new cases of the COVID-19 and relatively lower fatality rates from the virus in our countries of operation, we remain firm in ensuring that we are proactive as a Company in safeguarding our staff and customers whilst harnessing the opportunities it presents. The Business Continuity Plan implemented at the start of the Pandemic remains a workable plan if the rising cases in Latin America and Asia cause a 3rd wave globally and lead to instituting lockdown measures within our countries of operations. Safeguarding our employees and customers remains at the top of our priority. To ensure we succeed at this, we would keep emphasizing and encouraging the use of our recently launched online and web platforms for the sale of our insurance solutions.

Before concluding, I would like to commend the great exploits of the Mutual Benefits' teams, agents, brokers and partners who went above and beyond in a year second to none. In 2020, Mutual Benefits rose to the historic challenge, demonstrating how central to society insurance is. This was only made possible, thanks to the commitment and professionalism of Mutual Benefits' employees. I am honored to lead a company filled with such committed people. Lastly, my sincere gratitude to you the Shareholders. Thank you for the unwavering confidence you have placed in us and for your support all through these years.

Thank you.

Olufemi Asenuga
Managing Director/CEO

The Board has the pleasure of presenting their Report on the affairs of Mutual Benefits Assurance Plc ("the Company") and its subsidiaries (together "the Group") to the Shareholders along with the Group and the Company's Audited Financial Statements and the Auditor's Report for the year ended 31 December 2020.

LEGAL STATUS AND PRINCIPAL ACTIVITY

Mutual Benefits Assurance Plc was incorporated on the 18th day of April 1995 under the name Mutual Benefits Assurance Company Limited. The Company was converted and re-registered as a Public Limited Liability Company on 24 May 2001 and became listed on the Nigerian Stock Exchange (NSE) on 28 May 2002.

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

BUSINESS REVIEW

The Group is mainly involved in General and Life insurance underwriting (under separate licenses held by the Company and its subsidiary respectively), Risk Management, Financial Services, Microfinance Banking and Real Estate.

The Company has progressed into a group with five subsidiaries namely: Mutual Benefits Life Assurance Limited, Mutual Benefits Assurance Company Liberia, Mutual Benefits Assurance Niger SA, Mutual Benefits Homes and Properties Limited and Mutual Benefits Microfinance Bank Limited.

MUTUAL Group's insurance products and services include:

GENERAL BUSINESS PRODUCTS	LIFE INSURANCE PRODUCTS
Property Insurance	Individual Savings & Pension Plan
Fire and Special Perils	Mutual Education Guarantee Plan
Burglary/House Breaking	Keyman Assurance
Householder, House-owner	Mortgage Protection
Comprehensive	Group Life Assurance
Marine Cargo	Term Assurance
Marine Hull	Endowment Assurance
Motor	Insurvisa
Goods-in-Transit	Director's Liability
All Risk Insurance	Micro Personal Investment Plan
Engineering	
Industrial All Risks	
Liability/Bond Insurance	
Money	
Professional Indemnity	
Fidelity Guarantee	
Public Liability/Product Liability	

OPERATING RESULTS

Below is a summary of the Group's operating results: (in thousands of Naira)

	Group		Company	
	2020	2019	2020	2019
	₦'000	₦'000	₦'000	₦'000
Gross Premium Written	19,983,843	18,697,839	9,207,506	8,366,641
Profit before income tax	5,042,025	3,754,054	1,882,327	1,291,971
Income tax expense	67,184	(141,815)	(19,471)	(205,667)
Profit for the year	5,109,209	3,612,239	1,862,856	1,086,304

DIVIDENDS

The Board of Directors have not recommended any dividend for the year (2019: Nil).

DIRECTORS

The names of the Directors at the date of the report and of those who held offices during the year are as follows
:

Dr. Akin Ogunbiyi	Chairman (Non-Executive)
Mr. Olufemi Asenuga	Managing Director/CEO
Mr. Adebiyi Ashiru-Mobolaji	Executive Director, Operations
Mr. Adesoye Olatunji	Non-Executive Director
Dr. Eze Ebube	Non-Executive Director (American)
Prof. Patrick Utomi	Non-Executive Director
Alh. Lamis Shehu Dikko	Non-Executive Director (Independent)
Mr. Akinboye Oyewumi	Non-Executive Director
Ms. Kadaria Ahmed	Non-Executive Director (Independent)
Mr. Abidemi Sonoiki	Non-Executive Director (Independent) w.e.f. 01/01/2021

DIRECTORS' INTEREST IN SHARE CAPITAL

The Directors who served during the year and their direct and indirect interests in the issued share capital of the Company as recorded in the Register of Directors shareholding and/or as notified by the Directors for the purpose of Section 301 of the Companies and Allied Matters Act, 2020 and the requirements of the listing requirements of the Nigerian Stock Exchange is noted:

	2020		2019		
DIRECTORS:	DIRECT Unit **₦'000**	INDIRECT Unit **₦'000**	DIRECT Unit **₦'000**	INDIRECT Unit **₦'000**	PERSONS REPRESENTED
Dr. Akin Ogunbiyi	1,100,000,000	1,105,497,278	1,100,000,000	1,555,825,609	Charks Investment Ltd & Arubiewe Farms Ltd
Dr. Eze Ebube	5,000,000	3,150,000,000	2,500,000	3,150,000,000	Charles Enterprise LLC
Prof. Patrick Utomi	34,439,974	-	34,439,974	-	
Mr.Adesoye Olatunji	-	933,858,376	-	933,858,376	CIL Risk & Asset Management Limited
Alh. Lamis Sheu Dikko	-	-	-	-	
Mr. Akinboye Oyewumi	-	-	-	-	
Mr. Adebiyi Ashiru-Mobolaji	8,012,654	-	8,012,654	-	
Ms. Kadaria Ahmed	-	-	-	-	
Mr Olufemi Asenuga	21,593,150	-	21,593,150	-	

DIRECTORS' INTEREST IN CONTRACTS

In compliance with Section 303 of the Companies and Allied Matters Act, 2020, none of the Directors has notified the Company of any declarable interest in contracts involving the Company during the year under review.

ACQUISITION OF OWN SHARES

The Company did not purchase its own shares in the year 2020 (2019: Nil).

SECURITY TRADING POLICY

The Group has a policy on personal investment, which applies to directors, staff and related parties. This policy prevents Directors, members of Staff and related Companies/individuals from insider dealing on the shares of Mutual Benefits Assurance Plc. The purpose of this policy is to prevent the abuse of confidential non-public information that may be gained in the course of being a director or working for the Company. The policy also ensures compliance by the Company with extant laws and regulatory requirements.

In the course of the financial year, there was no case of violation of this policy.

RETIREMENT BY ROTATION

In accordance with Article 85 of the Company's Articles of Association and Companies and Allied Matters Act, 2020, the directors to retire by rotation are: Alh Lamis Dikko, Ms Kadaria Ahmed and Mr Akinboye Oyewumi and being eligible offer themselves for re-election.

CHANGES IN THE BOARD

Since the last General Meeting Mr. Abidemi Sonoiki was appointed on 1 January 2021 to fill the vacancy on the Board. The appointment is presented to shareholders for ratification.

PROPERTY, PLANT AND EQUIPMENT

Information relating to changes in property, plant and equipment is given in Note 32 to the consolidated and separate financial statements. In the Directors' opinion, the market value of the Group's property, plant and equipment is not less than the value shown in the financial statements.

DIRECTORS REMUNERATION

Remuneration	Description	Timing
Basic Salary	Part of gross salary package for Executive Directors only. The Company pays a competitive salary which is line with the insurance industry trend and reflects the extent to which the Company's objectives have been met.	Paid monthly during the financial year
Other Allowances	These are part of the gross salary package of the Executive Directors only	Paid periodically during the year
Director fees	Paid annually to Non-Executive Directors only	Paid during the year
Travelling allowances	Paid to Non-Executive Directors who reside outside Lagos/Nigeria for attendance at meeting	Paid during the year
Sitting allowances	Allowances paid to Non-Executive Directors only for sitting at Board and Committee meetings.	Paid after each meeting

DONATIONS AND CHARITABLE GIFTS

In identifying with the aspirations of the community and the environment within which the Company operates, a total sum of ₦3,989,500 (2019: ₦13,370,550) was given out as donations and charitable contributions during the year. Details of the donations and charitable gifts are as stated below:

Details of the tax allowable donations and charitable gifts are as stated below:

Organisations:	2020(₦)	2019 (₦)
Sponsorship of the Mutual Benefits' National Badminton Tournament.	-	6,335,550
Sponsorship of the Aret Adams' Foundation Annual Lecture.	-	500,000
Sponsorship of indigent students at College of Insurance and Financial Management	2,475,000	3,535,000
Centre for Values in Leadership	250,000	1,000,000
Chartered Insurance Institute of Nigeria's Compendium of Insurance Practice	-	2,000,000
Distribution of COVID-19 palliatives	1,264,500	-
TOTAL	3,989,500	13,370,550

BENEFICIAL OWNERSHIP

The following shareholders held 5% or more of the issued and paid up shares of the Company as at 31 December 2020:

Name of Holder	HOLDING	%
Charles Enterprises LLC	3,150,000,000	28.19%
Ogunbiyi Akinade Akanmu	1,100,000,000	9.85%
CIL Risk & Asset Mgt. Limited	933,858,376	8.36%
Arubiewe Farms Limited	851,275,000	7.62%
Ogunbiyi Adedotun	611,991,460	5.48%

*All the substantial shareholders (except Mrs. Adedotun Ogunbiyi) are represented on the Board - page 24 refers.

**No other shareholder(s) asides from the five (5) substantial shareholders hold 5% and above of the Company's issued and fully paid shares.

ACTIVE SHAREHOLDERS – SUMMARY (RANGE ANALYSIS) Position As at: 31.12.2020

Range	No. of Holders	Holders %	Holders Cum	Units	Units %	Units Cum
1 - 5,000	14,376	39.23%	14,376	33,761,483	0.30%	33,761,483
5,001 - 10,000	6,415	17.50%	20,791	54,131,802	0.48%	87,893,285
10,001 - 100,000	13,271	36.21%	34,062	494,604,794	4.43%	582,498,079
100,001 - 500,000	2,047	5.59%	36,109	450,856,210	4.04%	1,033,354,289
500,001 - 1,000,000	261	0.71%	36,370	207,215,353	1.85%	1,240,569,642
1,000,001 – 5,000,000	190	0.52%	36,560	396,745,126	3.55%	1,637,314,768
5,000,001 – 10,000,000	25	0.07%	36,585	165,887,694	1.48%	1,803,202,462
10,000,001–100,000,000	52	0.14%	36,637	1,574,855,922	14.10%	3,378,058,384
100,000,001 above	13	0.04%	36,650	7,794,675,124	69.77%	11,172,733,508
Grand total	**36,650**	**100.00%**		**11,172,733,508**	**100.00%**	

EVENT AFTER THE REPORTING DATE

As disclosed in Note 57 to the consolidated and separate financial statements, there are no significant events after the reporting date which could have had material effect on the state of affairs of the Company as at 31 December 2020, and its profit or loss and other comprehensive income for the year then ended.

EMPLOYMENT AND HUMAN RESOURCES (HR) MATTERS

(i) Employee Involvement and Training

The Company recognises that the acquisition of knowledge is continuous, and that to foster commitment, its employees need to hone their awareness of factors: economic, financial or otherwise, that affects its growth. To this end, the Company in the execution of its training programmes (both local and international) encourages and provides the opportunity for its staff to develop and enhance their skills, awareness and horizon.

Gender Analysis

The number and gender analysis of the total workforce of the Company is as follows:

		Male Number	Female Number	Male %	Female %
Employees		105	59	64	36
Gender analysis of Board and Top Management is as follows:					
Board		8	1	89	11
Top Management		8	2	80	20

Gender Analysis

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

	Male Number	Female Number	Male %	Female %
Assistant General Manager	3	2	60	40
Deputy General Manager	5	-	100	-
Executive Director	1	-	100	-
Chief Executive Officer	1	-	100	-
Non-Executive Director	6	1	86	14

(ii). Employment of Physically Challenged Persons

The Company adopts a non-discriminatory policy of giving fair consideration to applications for employment including those received from physically challenged persons having regard to their particular aptitudes and abilities.

(iii). Employee Health Safety and Welfare

The Company maintains business premises designed with a view to guaranteeing the safety and healthy living conditions of its employees and customers alike. Employees are adequately insured against occupational and other hazards. In addition, free medical services are provided for the Company's employees through Health Management Organisations (HMO). Fire prevention and fire-fighting equipment are installed in strategic locations within the Company's premises. The Company also operates a contributory pension plan in line with the Pension Reform Act 2014.

AUDITOR

The Auditor, Messrs. Ernst & Young have indicated their willingness to continue in office in compliance with the National Code of Corporate Governance of Nigeria 2018 and sectoral guideline issued by NAICOM. Messrs. Ernst & Young were appointed as Auditor of the Company in compliance with Section 407(1) of the Companies and Allied Matters Act, 2020.

COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE

In view of its commitment to the implementation of effective corporate governance principles in its business operations, the Company filed its Yearly Return with the Securities and Exchange Commission (SEC), and also its periodic returns with National Insurance Commission (NAICOM) as required by regulations.

Also, in line with the principles of Corporate Governance the Company made efforts to satisfy the requirement of convening a Board Meeting every quarter. The Board Committees established are viable and are working in line with their Terms of Reference.

By order of the Board

Jide Ibitayo
FRC/2013/NBA/00000003123
Company Secretary/ Legal Adviser

Date: 29 March 2021

Mutual Benefits Assurance Plc (the Company) remains committed to the principles and practices that promote good Corporate Governance. We recognize that sound corporate governance practices are necessary for effective management and control of the Company. Prior to the introduction of the Code of Corporate Governance for Companies in Nigeria, we had already adopted a responsible attitude towards Corporate Governance and issues of Corporate Social Responsibility in Nigeria. The Company conducts its business with integrity and pays due regard to the legitimate interest of all stakeholders.

The Company continues to comply with its Internal Governance Policies, the National Code of Corporate Governance 2018, and the sectoral Guideline issued by the National Insurance Commission. The National Code of Corporate Governance covers a wide range of issues including Board structure, Quality of Board Members, duties of the Board, Conduct of the Board of Directors, Rights of Shareholders and Committees of the Board.

THE BOARD OF DIRECTORS

The Board of Directors has the ultimate responsibility for the overall functioning of the Company. The responsibilities of the Board include setting the Company's strategic objectives and policies, providing leadership to put them into effect, supervising the management of the business, ensuring implementation of decisions reached at the Annual General Meeting, ensuring value creation to shareholders and employees, determination of the terms of reference and procedures of all Board Committees, ensuring maintenance of ethical standard as well as compliance with the laws of Nigeria. The Board consists of nine (9) Directors, made up of the Managing Director, Executive Director and seven (7) Non-Executive Directors, one of whom is the Chairman. The Directors are experienced stakeholders with diverse professional backgrounds in Insurance, Accounting, Banking, Commerce, Management, Media, Information, Technology etc. The Directors are men of impeccable character and high integrity.

The Company is indeed delighted to have a versatile Board with deep understanding of its responsibilities to Shareholders, Regulatory Authorities, Government and other Stakeholders. The Board always takes proactive steps to master and fully appreciate all cultural, legislative, ethical, institutional and all other factors, which impact our operations and operating environment. This has ensured that a culture of compliance with rules and regulation is entrenched at all levels of operations within the Company.

The meetings of the Board are scheduled well in advance and reports from Committees of the Board are circulated to all the Directors. The Board meets at least once quarterly and at other times as the need arises.

(a) RECORD OF DIRECTOR'S ATTENDANCE

In accordance with Section 318(3) of the Companies and Allied Matters Act 2020, the record of Directors' attendance and meetings held during year 2020 is available for inspection at the Annual General Meeting. The Board met five (5) times during the year and the meetings of the Board were presided over by the Chairman. Written notices of the Board meetings, along with the agenda were circulated at least fourteen days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

(a) Record of Director's attendance

DIRECTORS	**16.1.2020**	**20.3.2020**	**27.7.2020**	**30.10.2020**	**03.11.2020**	**TOTAL**
Dr. Akin Ogunbiyi	✓	✓	✓	✓	✓	5
Mr Adesoye Olatunji	✓	✓	✓	✓	✓	5
Dr. Eze Ebube	✓	×	✓	✓	✓	4
Prof. Patrick Utomi	✓	×	✓	✓	✓	4
Alh Lamis Dikko	✓	✓	✓	✓	✓	5
Mr. Akinboye Oyewumi	✓	✓	✓	✓	✓	5
Ms. Kadaria Ahmed	✓	✓	✓	✓	✓	5
Mr. Olufemi Asenuga	✓	✓	✓	✓	✓	5
Mr. Adebiyi Ashiru-Mobolaji	✓	✓	✓	✓	✓	5

✓ Attended   × Absent

(b) Committees

The Board also functioned through a total of four Standing Committees during the year under review.

i. Statutory Audit Committee

The Audit Committee is established in accordance with Section 404 of the Companies and Allied Matters Act (CAMA), 2020.

By virtue of Section 404(7) of CAMA the Statutory Audit Committee ("The Committee") is to assist the Board of Directors to (i) ascertain whether the accounting and reporting policies of the company are in accordance with legal requirements and agreed ethical practice (ii) review the scope and planning of audit requirements (iii) review the findings on management matters in conjunction with the external auditor and departmental responses thereon (iv) keep under review the effectiveness of the Company's system of accounting and internal control (v) make recommendations to the Board with regards to the appointment, removal and remuneration of the external auditors of the Company and (vi) authorise the internal auditor to carryout investigations into any activities of the company which may be of interest or concern to the Committee. The Committee is responsible for reviewing the adequacy of the internal audit plan, receive and deliberate on the report of the external auditors, review progress on recommendations made in both the internal and external audit reports, review the adequacy of internal control systems and the degree of business compliance with laid down internal policies, laws, code of business principles and other relevant regulatory frameworks.

The Committee consists of six (6) members, three (3) of whom are nominated by the Board and three (3) nominated and elected by shareholders and their tenure is renewed annually.

The Committee met five (5) times to review the adequacy of the internal audit plan, to receive and deliberate on the report of the external auditors, to review progress on recommendations made in both the internal and external audit reports, to review the adequacy of internal control systems and the degree of business compliance with laid down internal policies, laws, code of business principles and any other relevant regulatory framework. Mrs. Temi Durojaiye chaired the Committee during the year under review. The records of attendance at the meetings are as follows:

MEMBERS	**15.1.2020**	**18.3.2020**	**18.9.2020**	**26.10.2020**	**6.11.2020**	**TOTAL**
Mrs. Temilade Durojaiye	✓	✓	✓	✓	✓	5
Mr. Akin Odubiyi	✓	✓	✓	✓	✓	5
Mr. Osato Aideyan	✓	✓	✓	✓	✓	5
Dr. Eze Ebube	✓	✓	✓	✓	✓	5
Mr. Akinboye Oyewumi	✓	✓	✓	✓	✓	5
Mr. Adesoye Olatunji	✓	✓	✓	✓	✓	5

ii Finance , Investment & Strategy Committee

The Finance, Investment and Strategy Committee ("FISC" or "the Committee") assists the Board in strategy formulation and monitoring the Group's strategy implementation process, financial performance as well as the investment management process. The Committee also assists to review the investment guidelines of the Company, ensure that investments embarked upon by the Management are in line with the guidelines as well as the appropriate statutory regulations. The Committee comprises four (4) members namely: Alh. Lamis Dikko, Mr. Adesoye Olatunji, Akinboye Oyewumi, Mr. Femi Asenuga. Alh. Lamis Dikko Chaired the Committee during the year under review. The Committee met four (4) times during the period under review. The records of attendance at the meetings are as follows:

MEMBERS	15.1.2020	24.6.2020	27.7.2020	27.10.2020	TOTAL
Alh. Lamis Dikko	✓	✓	✓	✓	4
Mr. Adesoye Olatunji	✓	✓	✓	✓	4
Mr. Akinboye Oyewumi	✓	✓	✓	✓	4
Mr. Olufemi Asenuga	✓	✓	✓	✓	4

iii. Governance & Personnel Committee

The Board Governance & Personnel Committee ("BGPC" or "the Committee"), is responsible for ensuring fulfilment of the Board's governance responsibilities as well as responsible for overseeing the management of human resources to ensure that recruitment and remuneration policies and practices are designed to attract, retain and reward the calibre of Directors and staff members required to achieve the corporate objectives of the Company. The Committee is also responsible for making recommendations on the governance of the Company, remuneration and general welfare of the Senior Management and Staff of the Company.

The Governance & Personnel Committee comprises four members: Alh. Lamis Dikko, Mr. Akinboye Oyewumi, Dr. Eze Ebube and Ms. Kadaria Ahmed. The Committee is chaired by Alh. Lamis Dikko.

The Committee met three (3) times in the period under review. The records of attendance at the meetings are as follows:

MEMBERS	15.1.2020	24.07.2020	27.10.2020	TOTAL
Alh. Lamis Dikko	✓	✓	✓	3
Mr. Akinboye Oyewumi	✓	✓	✓	3
Dr. Eze Ebube	✓	✓	✓	3
Ms. Kadaria Ahmed	×	✓	✓	2

iv. Audit & Risk Management Committee

The Audit and Risk Management Committee oversees and advise the Board on its oversight responsibilities in relation to internal control, internal audit, financial reporting, risk management and regulatory compliance. The Committee also ensures compliance with Enterprise Risk Management Policies and the Regulatory Risk Management Requirements. The Committee deliberates on and make recommendations to the Board on technical and special matters in connection with the core business of the Company as referred to it from time to time by the Board.

The Audit & Risk Management Committee comprises four (4) members: Prof Pat Utomi, Dr Eze Ebube, Mr Adesoye Olatunji and Ms Kadaria Ahmed. The Committee is chaired by Prof Pat Utomi. The Audit & Risk Management Committee met three (3) times during the year under review. The records of attendance at the meeting are as follows:

MEMBERS	10.1.2020	10.7.2020	23.10.2020	TOTAL
Prof Patrick Utomi	✓	✓	✓	3
Dr Eze Ebube	✓	✓	✓	3
Mr. Adesoye Olatunji	✓	✓	✓	3
Ms. Kadaria Ahmed	✓	✓	✓	3

(c) Enterprise Risk Management

i. Introduction and Overview

Mutual Benefits Assurance Plc has a clear and functional Enterprise Risk Management (ERM) framework that helps in identifying, assessing and managing the likely impact of risks faced by the Company.

ii. Enterprise-wide Risk Management Principles

At Mutual Benefits Assurance Plc, we try as much as possible to balance our portfolio of risks while maximizing value to stakeholders through an approach that mitigates the inherent risks and reward our business.

To ensure effective and economic development of resources, we operate strictly by the following principles:

- The Company will not take any action that will compromise its integrity.
- The Company will at all times comply with all government regulations and uphold best international practice.
- The Company will build an enduring risk culture, which shall pervade the entire organisation.
- The Company will at all times hold a balanced portfolio and adhere to guidelines on investment issued by regulator and Finance, Investment & Strategy Committee of the Board.
- The Company will ensure that there is adequate reinsurance in place for its businesses and also ensure prompt payment of such premiums.

iii. Approach to Risk Management

At Mutual Benefits Assurance Plc, there are levels of authority put in place for the oversight function and management of risk to create and promote a culture that mitigates the negative impact of risks facing the Company.

iv. The Board

The Board sets the organisation's objectives, risk appetite and approves the strategy for managing risks. There is a Board Committee on Risk Management which ensures that various functions are geared towards minimizing the likelihood of the impacts of risks faced by the Company.

v. The Statutory Audit Committee

This is a statutory Committee of the Board which is saddled with the following functions:

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

vi. The Audit & Risk Management Committee

This Committee oversees the business process. Their functions include:

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

vii. Finance, Investment & Strategy Committee

Sets the investment limit and the type of businesses the Company should invest in.

- Reviews and approves the Company's Investment Policy
- Approves investments over and above Management's approval limit.
- Ensures that there is optimal asset allocation in order to meet the targeted goals of the Company.

The second level is the management of the Company. This comprises the Managing Director and the Management Committee.

They are responsible for implementation of the Enterprise Risk Management policies and guidelines set by the Regulator, Government and the Board for risk mitigation. This is achieved through the business unit they supervise.

The third level is that of the independent assurance. This comprises the internal audit function that provides independent and objective assurance of the effectiveness of the Company's system of internal controls established by the first and second lines of defence in management of Enterprise Risk across the organisation.

The Company has a robust complaint policy to resolve complaints from shareholders, customers and other stakeholders with speed. Below is the Company's complaints management procedure.

A complaint can be lodged either by forwarding letter of complaint addressed to the MD/CEO at the company's address 233, Ikorodu Road, Ilupeju, Lagos or electronically to complaints@mutualng.com.

The complaint should include the following details:

a. Names
b. Address
c. Telephone
d. E-mail Address
e. Signature (this may be dispersed with where the complaint is lodged electronically)
f. Date
g. A description of the action or issues complained about and reason for the complaint

The Managing Director/CEO or his nominees shall acknowledge receipt of the complaint within five working days either by email or by post.

The Company will use its best endeavour to resolve all complaints within ten working days of the receipt of the complaint. Where complaint cannot be led by the company within ten working days, the complaint will be so informed and the appropriate regulator will be notified within two working days with reason(s) for our inability to resolve the complaints. Such complaints may be referred to the appropriate regulator in case that requires the regulators intervention

The Company maintains a complaint register which contains the following information

a. Name of the complainant
b. Date of the compliant
c. Nature of the complaint
d. Summary of the complaint
e. Action taken
f. Remarks/comment

In addition, the Company maintains an ethics line/email managed independently and guarantees the anonymity of the complainant. The ethics line/email is managed by KPMG with details below:

Telephone toll free number 0703-000-0026, 0703-000-0027
0808-822-8888, 0708-060-1222, 0809-933-6366, 0705-889-0140
Email: kpmgethicsline@ng.kpmg.com
weblink: https://apps.ng.kpmg.com/ethics

To the members of Mutual Benefits Assurance Plc

In accordance with the relevant provisions of the Companies and Allied Matters Act, 2020, the Insurance Act 2003, relevant policy guidelines issued by the National Insurance Commission (NAICOM) and the Financial Reporting Council of Nigeria Act No. 6, 2011, the members of the Statutory Audit Committee of Mutual Benefits Assurance Plc. hereby report as follows:

- We have exercised our statutory functions under Section 404(7) of the Companies and Allied Matters Act, 2020, and we acknowledge that the scope and planning of both the external and internal audits for the year ended 31 December 2020 were satisfactory and reinforce the Company's Internal Control Systems.
- We confirm that the accounting and reporting policies of the Group are in accordance with legal requirements and agreed ethical practices.
- We are satisfied with the Management's responses to the external auditors' recommendations on accounting and internal control matters and with the effectiveness of the Company's system of accounting and Internal Control.
- We acknowledge the co-operation of Management and staff in the conduct of statutory responsibilities.

Mrs. Temilade Durojaiye
Chairman, Statutory Audit Committee
FRC/2013/ICAN/00000003102

Date: 29 March 2021

Members of the Statutory Audit Committee are:

1	Mrs. Temilade Durojaiye	Chairman and shareholders' representative
2	Mr. Akin Odubiyi	Shareholders' Representative
3	Mr. Osato Aideyan	Shareholders' Representative
4	Dr Eze Ebube	Board's Representative
5	Mr. Akinboye Oyewumi	Board's Representative
6	Mr. Adesoye Olatunji	Board's Representative

Secretary to the Committee

Babajide Ibitayo

Mutual Benefits Assurance Plc.

In line with the provision of Section 405 of CAMA 2020, we have reviewed the audited financial statements of the Company for the year ended 31 December 2020 and based on our knowledge confirm as follows:

a) The audited financial statements do not contain any untrue statement of material fact or omit to state a material fact which would make the statements misleading

b) The audited financial statements and all other financial information included in the statements give a true and fair view of the financial condition and results of operation of the Company as of and for the period ended 31 December 2020

c) The Company's internal controls have been designed to ensure that all material information relating to the Company is received and provided to the auditors in the course of the audit.

d) The Company's internal controls were evaluated within 90 days of the financial reporting date and are effective as of 31 December 2020.

e) That we have disclosed to the Company's auditors and Audit Committee the following information:

i) there are no significant deficiencies in the design or operation of the Company's internal controls which could adversely affect the Company's ability to record, process, summarise and report financial data, and have discussed with the auditor any weaknesses in internal controls observed in the cause of audit.

ii) there is no fraud involving management or other employees which could have any significant role in the Company's internal control.

f) There are no significant changes in internal controls or in the other factors that could significantly affect internal controls subsequent to the date of this audit, including any corrective actions with regard to any observed deficiencies and material weaknesses.

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

Date: 29 March 2021

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

Date: 29 March 2021

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE PREPARATION OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2020

The Companies and Allied Matters Act, 2020, requires the Directors to prepare consolidated and separate financial statements for each financial year that present fairly, in all material respects, the state of financial affairs of the Group at the end of the year and of its profit or loss and other comprehensive income. The responsibilities include ensuring that the Group:

a) keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Group and comply with the requirements of International Financial Reporting Standards, provisions of the Companies and Allied Matters Act, 2020, the Insurance Act 2003, relevant policy guidelines issued by the National Insurance Commission (NAICOM) and the Financial Reporting Council of Nigeria Act No. 6, 2011;

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

c) prepares its consolidated and separate financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates, and are consistently applied.

d) The Directors accept responsibility for the annual consolidated and separate financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with the International Financial Reporting Standards, provisions of the Companies and Allied Matters Act, 2020, the Insurance Act 2003, relevant policy guidelines issued by the National Insurance Commission (NAICOM) and the Financial Reporting Council of Nigeria Act No 6, 2011.

The Directors are of the opinion that the consolidated and separate financial statements present fairly, in all material respects, the state of the financial affairs of the Group and the Company as at, and of its profit or loss and other comprehensive income for the year ended 31 December 2020. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of the consolidated and separate financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the Group and the Company will not remain a going concern for at least twelve months from the date of this statement.

Dr. Akin Ogunbiyi	**Olufemi Asenuga**
Chairman	Managing Director/CEO
FRC/2013/CIIN/00000003114	*FRC/2013/CIIN/00000003104*
Date: 29 March 2021	Date: 29 March 2021

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MUTUAL BENEFITS ASSURANCE PLC

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Mutual Benefits Assurance Plc ("the Company") and its subsidiaries (together 'the Group') set out on pages 43-171, which comprise the consolidated and separate statements of financial position as at 31 December 2020, and consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and a summary of significant accounting policies and notes to the consolidated and separate financial statements.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Group and the Company as at 31 December 2020, and their consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the relevant provisions of the Companies and Allied Matters Act, 2020, the Insurance Act 2003 and relevant policy guidelines issued by the National Insurance Commission (NAICOM) and the Financial Reporting Council of Nigeria Act No. 6, 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated and separate financial statements in Nigeria, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current year. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and separate financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying consolidated and separate financial statements.

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MUTUAL BENEFITS ASSURANCE PLC - Continued
Key Audit Matters- continued

The Key Audit Matter applies equally to the audit of the consolidated and separate financial statements.

Key Audit Matter	How the matter was addressed in the audit
Adequacy of valuation of Insurance Contract Liabilities	
Insurance contract liabilities reported by the Group amounts to ₦17.57 billion as at 31 December 2020 (Dec 2019: ₦14.10 billion) representing 30% (Dec 2019: 26%) of the Group's total liabilities. The valuation of Insurance contract liabilities is an area that involves significant judgement over uncertain future outcomes and therefore we considered it a key audit matter for our audit. The Company engaged an independent actuary to ensure the adequacy of the estimated outstanding claims and unearned premium which comprised the insurance contract liabilities by performing an actuarial valuation as at year end. The complexity of the valuation models may give rise to errors as a result of inadequate/incomplete data or the design or application of the models. Economic assumptions such as interest rates and future inflation rates and actuarial assumptions such as customer behavior and uniform risk occurrence throughout the year are key inputs used to determine these liabilities. Significant judgement is applied in setting these assumptions. Insurance contract liabilities are disclosed in Note 35 to the consolidated and separate financial statements.	With the assistance of our actuarial specialist, we reviewed the Company's Independent Actuary's reports by reperforming the calculations, verifying the parameters used in the models such as interest rates, inflation rates, mortality, and assessing the reasonability and appropriateness of the following: i. Assumptions used in the valuation of the insurance contracts by reference to Company and industry data and expectations. ii. Non-economic assumptions used in the valuation of the Insurance contracts in relation to lapse or extension assumptions by reference to company specific and industry data. Other Key audit procedures included: i. We reviewed and documented management's process for estimating insurance contract liabilities. ii. We performed an evaluation of key outstanding contracts to ensure the appropriateness of unearned premium income and outstanding claims at year end. iii. We assessed claims paid subsequent to year end to ensure there was no understatement of claims.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the 178 - page document titled 'Mutual Benefits Assurance Plc's Annual Report for the year ended 31 December 2020, which includes the Report of the Directors, Corporate Governance report, Audit Committee's Report and other National Disclosures. The other

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MUTUAL BENEFITS ASSURANCE PLC - Continued

Other information – Continued

information does not include the consolidated and separate statements of profit or loss, consolidated and separate statements of financial position, consolidated and separate statements of changes in equity and consolidated and separate statement of cash flows statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors' for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS), and the provisions of the Companies and Allied Matters Act, 2020, the Insurance Act 2003, relevant policy guidelines issued by the National Insurance Commission (NAICOM), and the Financial Reporting Council of Nigeria Act No. 6, 2011 and for such internal control as the Directors determines necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MUTUAL BENEFITS ASSURANCE PLC - Continued

Auditor's Responsibilities for the Audit of the Financial Statements – Continued

appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MUTUAL BENEFITS ASSURANCE PLC - Continued

Auditor's Responsibilities for the Audit of the Financial Statements – Continued

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of Fifth schedule of the Companies and Allied Matters Act, 2020 and Section 28(2) of the Insurance Act 2003, we confirm that:

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

ii) in our opinion, proper books of account have been kept by the Group and Company, in so far as it appears from our examination of those books;

iii) the consolidated and separate statements of financial position and the consolidated and separate statements of profit or loss and other comprehensive income are in agreement with the books of account;and

iv) in our opinion, the consolidated and separate financial statements have been prepared in accordance with the provisions the Companies and Allied Matters Act , 2020 and of Section 28(2) of the Insurance Act 2003, so as to give a true and fair view of the state of affairs and financial performance of the Company and its subsidiaries.

Oluwasayo Elumaro, FCA
FRC/2012/1CAN/00000000139

For: Ernst & Young
Lagos, Nigeria

Date: 23 April 2021

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 n 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 30. Information on other related party relationships of the Group is provided in Note 54.

The consolidated and separate financial statements of the Company and its subsidiaries were authorised for issue by the Board of Directors on 29 March 2021.

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.

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.

2.3 Basis of presentation - continued

(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.

Information about significant areas of estimation uncertainties and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in Note 2.4.37.

2.4. Significant accounting policies

Except for the effect of the changes in accounting policies as disclosed in Note 2.4.36.1, 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 December 2020. 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

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 noncontrolling 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

2.4.2 Product classification - continued

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.

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. Nonmonetary 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 as disclosed Note 3.6.

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 Revenue recognition
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

2.4.6 Revenue recognition - continued

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.

2.4.7 Benefits, claims and expenses recognition

2.4.7.1 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 Benefits, claims and expenses recognition - continued

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 Initial recognition

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

2.4.9.1.2 Financial assets subsequent measurement - continued

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 flow
- 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

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 sel

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 passthrough 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.

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 writeoffs 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. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 3.5.

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.

2.4.11 Fair value measurement - continued

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.

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 flo 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.

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

2.4.15.1 Reinsurance ceded to reinsurance counterparties - continued

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.

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

2.4.20 Asset held for sale - continued

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.

2.4.23 Intangible assets - continued

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.

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.

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 straightline 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 - continued

Statutory deposit represent fixed deposit with the Central Bank of Nigeria in accordance with section 10(3) of the Insurance Act, 2003. The deposit is recognised at cost in the statement of financial position being 10% of the statutory minimum capital requirement of N3 billion for General insurance business and of N2 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 when the insurer issues financial instruments with a discretionary participation feature. These are computed in compliance with the provisions of Sections 20, 21, and 22 of the Insurance Act 2003 as follows:

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

2.4.27.3 Annuity contracts - continued

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.

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 Deferred revenue

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.

2.4.30.2 Deferred tax - continued

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.

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 Changes in accounting policy and disclosures

2.4.36.1. New and amended standards that are issued and effective

In these financial statements, the Group has applied the following standards that are issued and effective

2.4.36.1.1 The Conceptual Framework for Financial Reporting

The IASB has issued a revised Conceptual Framework which will be used in standard-setting decisions with immediate effect. Key changes include:

- increasing the prominence of stewardship in the objective of financial reporting
- reinstating prudence as a component of neutrality
- defining a reporting entity, which may be a legal entity, or a portion of an entity
- revising the definitions of an asset and a liability
- removing the probability threshold for recognition and adding guidance on derecognition
- adding guidance on different measurement basis, and
- stating that profit or loss is the primary performance indicator and that, in principle, income and expenses in other comprehensive income should be recycled where this enhances the relevance or faithful representation of the financial statements.

No changes will be made to any of the current accounting standards. However, entities that rely on the Framework in determining their accounting policies for transactions, events or conditions that are not otherwise dealt with under the accounting standards will need to apply the revised Framework from 1 January,2020. The application of the revised conceptual framework does not have a significant impact on the financial statement for the period under review.

2.4.36.1.2 Amendments to IAS 1 and IAS 8 Definition of materiality

In October 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

The IASB refined its definition of materiality to make it easier to understand. It is now aligned across IFRS Standards and the

2.4.36 Changes in accounting policy and disclosures - continued

conceptual framework. The changes to definition of material (Amendments to IAS 1 and IAS 8) all relate to a revised definition of “material” which is quoted below from the 16 final
amendments; “information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of these financial statements, which provide financial information about a specific reporting entity”.

The Board has also removed the definition of material omissions or misstatements from IAS 8 Accounting policies, changes in Accounting Estimates and Errors.

The amendments are effective from 1 January 2020 but may be applied earlier. However, the Board does not expect significant changes in the refinements are not intended to alter the concept of materiality. The amendments to the definition of material does not have an impact on the financial statements of the Group.

2.4.36.1.3 Amendments to IFRS 3: Definition of a Business

In October 2018, the IASB issued amendments to the definition of a business in IFRS 3 Business combinations to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test. New illustrative examples were provided along with the amendments. Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, the Group will not be affected by these amendments on the date on transition. The amendment has been considered in the preparation of these financial statements and it does not significantly affect the Group in term of our financial position or profitability.

2.4.36.1.4 Amendments to IFRS 9, IAS 39 and IFRS 7- Interest Rate Benchmark Reform

In September 2019, the IASB issued amendments to IFRS 9, IAS 39 and IFRS 7, which concludes phase one of its work to respond to the effects of Interbank Offered Rates (IBOR) reform on financial reporting. The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark with an alternative nearly risk-free interest rate (an RFR).

The amendments to IFRS 9 The amendments include a number of reliefs, which apply to all hedging relationships that are directly affected by the interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and/or amount of benchmark-based cash flo s of the hedged item or the hedging instrument.

Application of the reliefs is mandatory. The first three reliefs provide for:

- The assessment of whether a forecast transaction (or component thereof) is highly probable
- Assessing when to reclassify the amount in the cash flow hedge reserve to profit and loss
- The assessment of the economic relationship between the hedged item and the hedging instrument

For each of these reliefs, it is assumed that the benchmark on which the hedged cash flows (whether or not contractually specified) and/or for relief three, the benchmark on which the cash flows of the hedging instrument are based, are not altered as a result of IBOR reform.

The fourth relief provides that, for a benchmark component of interest rate risk that is affected by IBOR reform, the requirement that the risk component is separately identifiable need be met only at the inception of the hedging relationship. Where hedging instruments and hedged items may be added to or removed from an open portfolio in a continuous hedging strategy, the separately identifiable requirement need only be met when hedged items are initially designated within the hedging relationship. To the extent that a hedging instrument is altered so that its cash flows are based on an RFR, but the hedged item is still based on IBOR (or vice versa), there is no relief from measuring and recording any ineffectiveness that arises due to differences in their changes in fair value. The reliefs continue indefinitely in the absence of any of the events described in the amendments. When an entity designates a group of items as the hedged item, the requirements for

2.4.36 Changes in accounting policy and disclosures - continued

when the reliefs cease are applied separately to each individual item within the designated group of items. The amendments also introduce specific disclosure requirements for hedging relationships to which the reliefs are applied.

The amendments have been considered in the preparation of these financial statements and it does not significantly affect the Group in term of our financial position or profitability.

2.4.36.2 New and amended standards that are not yet effective

A number of new standards, amendment to standards and interpretations are effective for annual periods beginning after 1 January 2020 and earlier application is permitted; however, the Group has not applied the following new or amended standards in preparing these financial statements. The Group does not plan to early adopt these standards. These will be adopted in the period that they become mandatory and applicable unless otherwise indicated. Those Standards, Amendments to Standards, and interpretations which we considered may be relevant to the Company are set below;

2.4.36.2.1 Covid-19 Related Rent Concessions – Amendment to IFRS 16

The decisions by governments in many countries to curtail the spread of the Coronavirus, otherwise known as COVID-19, has had far reaching effects on the global economy. Many businesses have had to stop operations or adopt the approach of virtual working. As a result, business activities and resulting cash flo s have been significantly interrupted which is already resulting in some major economic downturn.

To respond to this situation, many governments have offered certain reliefs to businesses. In addition, parties to contracts are beginning to renegotiate contract terms for reliefs and concessions. One of such reliefs or concessions is providing some relief regarding rent holidays and temporary rent reductions.

The grant of reliefs and concessions has therefore triggered some accounting issues to which the International Accounting Standard Board (IASB) has provided certain responses. In May 2020, the IASB issued amendments to IFRS 16 on Leases to address the accounting and reporting issues arising from the rent concessions provided to lessees as a response to the COVID-19 Pandemic. The amendment has been considered in the preparation of these financial statements and it does not significantly affect the Group in term of our financial position or profitability.

2.4.36.2.2 IFRS 17 – Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure, which replaces IFRS 4 Insurance Contracts.

In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies for measurement purposes, IFRS 17 provides a comprehensive model (the general model) for insurance contracts, supplemented by the variable fee approach for contracts with direct participation features that are substantially investment-related service contracts, and the premium allocation approach mainly for short- duration which typically applies to certain non-life insurance contracts.

IFRS 17 supersedes IFRS 4 Insurance Contracts and aims to increase comparability and transparency about profitability. The new standard introduces a new comprehensive model ("general model") for the recognition and measurement of liabilities arising from insurance contracts. In addition, it includes a simplified approach and modifications to the general measurement model that can be applied in certain circumstances and to specific contracts, such as:

- Reinsurance contracts held;
- Direct participating contracts; and
- Investment contracts with discretionary participation features.

Under the new standard, investment components are excluded from insurance revenue and service expenses. Entities can also choose to present the effect of changes in discount rates and other financial risks in profit or loss or OCI. The new standard includes various new disclosures and requires additional granularity in disclosures to assist users to assess the effects of insurance contracts on the entity's financial statements.

The Group is in the process of determining the impact of IFRS 17 and will provide more detailed disclosure on the impact in future financial statements.

2.4.36.2 New and amended standards that are not yet effective - continued

The main features of the new accounting model for insurance contracts are, as follows:

- The measurement of the present value of future cash flows, incorporating an explicit risk adjustment, re-measured every reporting period (the fulfilment cash flows);
- A Contractual Service Margin (CSM) that is equal and opposite to any day one gain in the fulfilment cashflows of a group of contracts. The CSM represents the unearned profitability of the insurance contracts and is recognised in profit or loss over the service period (i.e., coverage period);
- Certain changes in the expected present value of future cash flows are adjusted against the CSM and thereby recognised in profit or loss over the remaining contractual service period;
- The effect of changes in discount rates will be reported in either profit or loss or other comprehensive income, determined by an accounting policy choice;
- The recognition of insurance revenue and insurance service expenses in the statement of comprehensive income based on the concept of services provided during the period;
- Amounts that the policyholder will always receive, regardless of whether an insured event happens (non-distinct investment components) are not presented in the income statement, but are recognised directly on the balance sheet;
- Insurance services results (earned revenue less incurred claims) are presented separately from the insurance finance income or expense;
- Extensive disclosures to provide information on the recognised amounts from insurance contracts and the nature and extent of risks arising from these contracts.

IFRS 17 is effective for annual reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. Retrospective application is required. However, if full retrospective application for a group of insurance contracts is impracticable, then the entity is required to choose either a modified retrospective approach or a fair value approach.

The Group started a project to implement IFRS 17 and has been performing a high-level impact assessment of IFRS 17. The Group expects that the new standard will result in an important change to the accounting policies for insurance contract liabilities of the Group and is likely to have a significant impact on profit and total equity together with presentation and disclosure.

2.4.36.2.3 Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognized in full.

Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. The IASB has deferred the effective date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively. The amendments are not expected to have an impact on the financial statements of the Group.

2.4.36.2.4 Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

The objective of the second phase of the Board's project was to assist entities in providing useful information about the effects of the transition to alternative benchmark rates and support preparers in applying the requirements of IFRS Standards when changes are made to contractual cash flows or hedging relationships as a result of the transition to an alternative benchmark interest rate. The amendments affect the following key areas: changes in the basis for determining the contractual cash flows as a result of benchmark interest rate reform, hedge accounting and disclosures. The amendments are not expected to have an impact on the financial statements of the Group.

2.4.36.2 New and amended standards that are not yet effective - continued

2.4.36.2.5 Reference to the Conceptual Framework – Amendment to IFRS 3

On May 14, 2020, the IASB published Reference to the Conceptual Framework (Amendments to IFRS 3) with amendments to IFRS 3, Business Combinations that update an outdated reference in IFRS 3 without significantly changing its requirements. IFRS 3, Business Combinations specifies how an entity should account for the assets and liabilities it acquires when it obtains control of a business. IFRS 3 requires an entity to refer to the Conceptual Framework for Financial Reporting (Conceptual Framework) to determine what constitutes an asset or a liability.

Originally, IFRS 3 required an entity to refer to the version of the Conceptual Framework that existed when IFRS 3 was developed. The purpose of this project was to update IFRS 3 to require an entity to refer instead to a later version issued in March 2018.The amendments are not expected to have an impact on the financial statements of the Group.

2.4.36.2.6 Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16) amends the standard to prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss. The amendments are not expected to have an impact on the financial statements of the Group.

2.4.36.2.7 Onerous Contracts – Costs of Fulfilling a Contract – Amendment to IAS 37

IAS 37, Provisions, Contingent Liabilities and Contingent Assets did not specify which costs to include in estimating the cost of fulfilling a contract for the purpose of assessing whether that contract is onerous. Research conducted by the IFRS Interpretations Committee indicated that differing views on which costs to include could lead to material differences in the financial statements of entities that enter into some types of contracts. In this project, the International Accounting Standards Board (IASB) developed amendments to IAS 37 to clarify that for the purpose of assessing whether a contract is onerous, the cost of fulfilling the contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

The Board issued the amendments in May 2020. The amendments are effective for contracts for which an entity has not yet fulfilled all its obligations on or after January 1, 2022 with earlier application being permitted. However, this has been critically evaluated and the Group has come to a conclusion that this does not in any way would impact on the financial statements of the Group.

2.4.36.2.8 First-time Adoption of International Financial Reporting Standards – Subsidiary as a firsttime adopter

The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs. The amendments are not expected to have an impact on the financial statements of the Group.

2.4.36.2.9 IFRS 9: Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. The amendments are not expected to have an impact on the financial statements of the Group.

2.4.36.2.10 Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

On 23 January 2020, the International Accounting Standards Board (IASB or the Board) issued amendments to IAS 1 Presentation of Financial Statements (the amendments) to clarify the requirements for classifying liabilities as current or non-current. More specifically:

(1) The amendments specify that the conditions which exist at the end of the reporting period are those which will be used to determine if a right to defer settlement of a liability exists.
(2) Management expectations about events after the balance sheet date, for example on whether a covenant will be breached, or whether early settlement will take place, are not relevant.

2.4.36.2 New and amended standards that are not yet effective - continued

(3) The amendments clarify the situations that are considered settlement of a liability. The new guidance will be effective for annual periods starting on or after 1 January 2023.

2.4.37 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.

Other disclosures relating to the Group's exposure to risks and uncertainties includes:

1. Capital management Note 3.2
2. Financial risk management and policies Note 3.1.2

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:

Property lease classification - Group as lessor

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.

2.4.37 Significant accounting judgements, estimates and assumptions - continued

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.

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 flo s 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 flo 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.

CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS

for the year ended 31 December 2020

		GROUP		COMPANY	
	Notes	**2020 ₦'000**	**2019 ₦'000**	**2020 ₦'000**	**2019 ₦'000**
Gross premium written	*4.1*	**19,983,843**	18,697,839	**9,207,506**	8,366,641
Gross premium income	*4.1*	**19,428,373**	18,121,911	**8,398,764**	8,538,415
Premiums ceded to reinsurers	*4.2*	**(3,349,341)**	(2,832,796)	**(2,262,009)**	(1,958,821)
Net premium income	*4.3*	**16,079,032**	15,289,115	**6,136,755**	6,579,594
Fees and commission income	*5*	**721,205**	482,766	**519,547**	348,208
Net underwriting income		**16,800,237**	15,771,881	**6,656,302**	6,927,802
Net benefits and claims	*6*	**7,995,711**	5,926,745	**3,556,150**	2,227,111
Change in life fund	*35.1.2*	**192,942**	354,439	**-**	-
Change in annuity reserve	*35.1.2*	**3,996**	(94,408)	**-**	-
Underwriting expenses	*7*	**4,931,501**	4,186,117	**2,147,094**	2,117,318
Net underwriting expenses		**13,124,150**	10,372,893	**5,703,244**	4,344,429
Underwriting profit		**3,676,087**	5,398,988	**953,058**	2,583,373
Profit on investment contracts	*8*	**416,303**	1,074,178	**-**	-
Investment income	*9*	**2,599,288**	2,487,931	**1,135,155**	1,282,142
Net fair value gains on assets at FVTPL	*10*	**3,292,431**	974,962	**1,127,088**	445,511
Other income	*11*	**1,697,590**	71,759	**1,616,965**	21,697
Impairment (charge)/write-back on financial assets	*12*	**(921,635)**	(354,230)	**(86,123)**	2,087
Employee benefit expenses	*13*	**(1,917,481)**	(2,245,924)	**(989,293)**	(1,060,858)
Management expenses	*14*	**(3,959,046)**	(3,798,865)	**(2,011,304)**	(1,907,871)
Net foreign exchange gains/ (losses)	*15*	**149,869**	(74,110)	**149,869**	(74,110)
Results of operating activities		**5,033,406**	3,534,689	**1,895,415**	1,291,971
Finance costs	*16*	**(23,351)**	(50,964)	**(13,088)**	-
Finance income	*17*	**31,970**	270,329	**-**	-
Profit before income tax		**5,042,025**	3,754,054	**1,882,327**	1,291,971
Income tax credit/ (expense)	*18*	**67,184**	(141,815)	**(19,471)**	(205,667)
Profit for the year		**5,109,209**	3,612,239	**1,862,856**	1,086,304
Profit attributable to:					
Owners of the parent		**5,131,816**	3,642,753	**1,862,856**	1,086,304
Non-controlling interests	*51*	**(22,607)**	(30,514)	**-**	-
		5,109,209	3,612,239	**1,862,856**	1,086,304
Earnings per share:					
Basic and diluted (kobo)	*19*	**46**	36	**17**	11

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.

	Notes	GROUP 2020 ₦'000	GROUP 2019 ₦'000	COMPANY 2020 ₦'000	COMPANY 2019 ₦'000
Profit for the year		**5,109,209**	3,612,239	**1,862,856**	1,086,304
Other comprehensive income (net of tax):					
Items that may be reclassified to the profit or loss account in subsequent periods:					
Foreign currency translation gain/ (loss) (net of tax)		**478,319**	(185,811)	**-**	-
		478,319	(185,811)	**-**	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax)					
Net revaluation (losses)/gains on equity instrument at FVOCI	*21.1*	**(205,326)**	(385,051)	**2,166**	3,631
		(205,326)	(385,051)	**2,166**	3,631
Total other comprehensive income for the year, net of tax		**272,993**	(570,862)	**2,166**	3,631
Total comprehensive income for the year, net of tax		**5,382,202**	3,041,377	**1,865,022**	1,089,935
Total comprehensive income attributable to:					
Owners of the parent		**5,149,271**	3,080,239	**1,865,022**	1,089,935
Non-controlling interests	*51*	**232,931**	(38,862)	**-**	-
		5,382,202	3,041,377	**1,865,022**	1,089,935

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.

		GROUP		COMPANY	
	Notes	**2020**	**2019**	**2020**	**2019**
		₦'000	**₦'000**	**₦'000**	**₦'000**
ASSETS					
Cash and cash equivalents	*20*	**11,420,144**	6,821,006	**4,761,993**	2,146,927
Equity instruments at fair value through OCI	*21.1*	**140,641**	345,967	**60,008**	57,842
Financial assets at fair value at through profit or loss	*21.2*	**21,899,279**	7,669,217	**5,879,688**	3,377,844
Loans and receivables	*21.3*	**12,849,870**	11,181,262	**250,916**	277,110
Debt Instruments at amortised cost	*21.4*	**18,824,128**	23,377,552	**7,625,685**	5,257,169
Financial assets held for trading pledged as collateral	*22*	**140,648**	123,742	**140,648**	123,742
Trade receivables	*23*	**348,617**	563,813	**182,138**	316,582
Reinsurance assets	*24*	**4,311,840**	4,313,967	**1,885,227**	1,823,103
Other receivables and prepayments	*25*	**865,217**	1,119,275	**267,111**	200,825
Deferred acquisition costs	*26*	**587,978**	526,618	**432,422**	355,388
Finance lease receivables	*27*	**657**	83,552	**657**	83,552
Inventories	*28*	**169,799**	436,156	**-**	-
Investment properties	*29*	**6,721,000**	6,931,000	**56,000**	56,000
Intangible assets	*31*	**46,853**	50,090	**12,706**	23,957
Property, plant and equipment	*32*	**3,423,421**	3,426,326	**2,219,816**	2,398,161
Investments in subsidiaries	*30*	**-**	-	**6,120,000**	6,000,000
Statutory deposit	*33*	**500,000**	500,000	**300,000**	300,000
Deposit for investment in equity	*34*	**7,238**	7,238	**29,238**	127,238
Deferred tax assets	*42.1*	**612,077**	300,815	**91,556**	65,718
Total assets		**82,869,407**	67,777,596	**30,315,809**	22,991,158
LIABILITIES					
Insurance contract liabilities	*35*	**17,572,283**	14,100,805	**7,428,602**	5,028,508
Investment contract liabilities	*36*	**28,447,267**	26,266,129	**-**	-
Trade payables	*37*	**2,127,006**	2,415,121	**756,603**	1,227,507
Other liabilities	*38*	**3,409,284**	1,380,767	**1,954,097**	375,331
Deposit liabilities	*39*	**301,618**	389,640	**-**	-
Current income tax liabilities	*41*	**904,704**	893,369	**616,987**	642,173
Borrowings	*40*	**3,890,130**	6,752,845	**3,890,130**	6,752,845
Deferred tax liabilities	*42.2*	**1,528,578**	1,045,224	**659,568**	709,191
Total liabilities		**58,180,870**	53,243,900	**15,305,987**	14,735,555
EQUITY					
Share capital	*43.2*	**5,586,367**	5,586,367	**5,586,367**	5,586,367
Treasury shares	*44*	**(250)**	(250)	**(250)**	(250)
Deposit for Shares	*45*	**4,800,000**	-	**4,800,000**	-
Foreign currency translation reserve	*46*	**1,161,602**	938,821	**-**	-
Contingency reserve	*47*	**4,172,059**	3,462,493	**3,118,041**	2,745,470
Fair value reserve	*48*	**(878,937)**	(673,611)	**(133,900)**	(136,066)
Revaluation reserve	*49*	**1,520,131**	1,520,131	**1,339,395**	1,339,395
Retained Earnings/ (accumulated losses)	*50*	**6,993,787**	2,598,898	**300,169**	(1,279,313)
Total shareholders' fund		**23,354,759**	13,432,849	**15,009,822**	8,255,603

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.

		GROUP		COMPANY	
	Notes	2020	2019	2020	2019
		₦'000	₦'000	₦'000	₦'000
Total equity attributable to the:					
Owners of the parent		**23,354,759**	13,432,849	15,009,822	8,255,603
Non-controlling interests in equity	*51*	**1,333,778**	1,100,847	-	-
Total equity		**24,688,537**	14,533,696	15,009,822	8,255,603
Total liabilities and equity		**82,869,407**	67,777,596	30,315,809	22,991,158

The consolidated and separate financial statements and accompanying summary of significant accounting policies and notes to the consolidated and separate financial statements were approved and authorised for issue by the Board of Directors on 29 March 2021 and were signed on its behalf by:

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

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.

Group

Attributable to equity holders of the Company

	Notes	Share capital	Treasury shares	Deposit for shares	Foreign currency translation reserve	Contingency reserve	Fair value reserve	Revaluation reserve	Retained earnings	Total	Non - controlling interests	Total equity
		₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
As at 1 January 2019		**4,000,000**	**(250)**	**-**	**1,116,284**	**2,960,268**	**(288,560)**	**1,520,131**	**(372,549)**	**8,935,324**	**174,699**	**9,110,023**
Total comprehensive income for the year:												
Profit for the year		-	-		-	-	-	-	3,642,753	3,642,753	(30,514)	3,612,239
Other comprehensive income		-	-		(177,463)	-	(385,051)	-	-	(562,514)	(8,348)	(570,862)
Total comprehensive income for the year, net of tax		**-**	**-**	**-**	**(177,463)**	**-**	**(385,051)**	**-**	**3,642,753**	**3,080,239**	**(38,862)**	**3,041,377**
Transactions with owners of equity												
Rights Issue	43.2	1,586,367	-		-	-	-	-	-	1,586,367	-	1,586,367
Right issue share expenses		-	-		-	-	-	-	(169,081)	(169,081)	-	(169,081)
Inflow from NCI for acquisition of subsidiary share	51	-	-		-	-	-	-		-	965,010	965,010
Transfer to contingency reserve	47	-	-		-	502,225	-	-	(502,225)	-	-	-
Total transactions with owners of equity		1,586,367	-	-	-	502,225	-	-	(671,306)	1,417,286	965,010	2,382,296
As at 31 December 2019		**5,586,367**	**(250)**	**-**	**938,821**	**3,462,493**	**(673,611)**	**1,520,131**	**2,598,898**	**13,432,849**	**1,100,847**	**14,533,696**
As at 1 January 2020		**5,586,367**	**(250)**	**-**	**938,821**	**3,462,493**	**(673,611)**	**1,520,131**	**2,598,898**	**13,432,849**	**1,100,847**	**14,533,696**
Total comprehensive income for the year:												
Profit for the year		-	-		-	-	-	-	5,131,816	5,131,816	(22,607)	5,109,209
Other comprehensive income		-	-		222,781	-	(205,326)	-	-	17,455	255,538	272,993
Total comprehensive income for the year, net of tax		-	-	-	222,781	-	(205,326)	-	5,131,816	5,149,272	232,931	5,382,202
Transactions with owners of equity												
Deposit for shares	43.2	-	-	4,800,000	-	-	-	-	-	4,800,000	-	4,800,000
Share issue expenses		-	-		-	-	-	-	(116,558)	(116,558)	-	(116,558)
Unclaimed dividends									89,197	89,197		89,197
Transfer to contingency reserve	47	-	-		-	709,566	-	-	(709,566)	-	-	-
Total transactions with owners of equity		-	-	4,800,000	-	709,566	-	-	(736,927)	4,772,639	-	4,772,639
As at 31 December 2020		**5,586,367**	**(250)**	**4,800,000**	**1,161,602**	**4,172,059**	**(878,937)**	**1,520,131**	**6,993,788**	**23,354,759**	**1,333,778**	**24,688,537**

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.

Company

Attributable to equity holders of the Company

	Notes	Share capital	Treasury shares	Deposit for shares	Contingency reserve	Fair value reserve	Revaluation reserve	Retained earnings/ Accumulated losses	Total
		₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
As at 1 January 2019		**4,000,000**	**(250)**	**-**	**2,494,470**	**(139,697)**	**1,339,395**	**(1,945,536)**	**5,748,382**
Total comprehensive income for the year:									
Profit for the year		-	-	-	-	-	-	1,086,304	1,086,304
Other comprehensive income		-	-	-	-	3,631	-	-	3,631
Total comprehensive income for the year, net of tax		-	-	-	-	3,631	-	1,086,304	1,089,935
Transactions with owners of equity									
Rights Issue		1,586,367	-	-	-	-	-	-	1,586,367
Right issue share expenses		-	-	-	-	-	-	(169,081)	(169,081)
Transfer to contingency reserve		-	-	-	251,000	-	-	(251,000)	-
Total transactions with owners of equity		1,586,367	-	-	251,000	-	-	(420,081)	1,417,286
As at 31 December 2019		**5,586,367**	**(250)**	**-**	**2,745,470**	**(136,066)**	**1,339,395**	**(1,279,313)**	**8,255,603**
As at 1 January 2020		**5,586,367**	**(250)**	**-**	**2,745,470**	**(136,066)**	**1,339,395**	**(1,279,313)**	**8,255,603**
Total comprehensive income for the year:									
Profit for the year		-	-	-	-	-	-	1,862,856	1,862,856
Other comprehensive income		-	-	-	-	2,166	-	-	2,166
Total comprehensive income for the year, net of tax		-	-	-	-	2,166	-	1,862,856	1,865,022
Transactions with owners of equity									
Deposit for Shares		-	-	4,800,000	-	-	-	-	4,800,000
Unclaimed dividends								89,197	89,197
Transfer to contingency reserve		-	-	-	372,571	-	-	(372,571)	-
Total transactions with owners of equity		-	-	4,800,000	372,571	-	-	(283,374)	4,889,197
As at 31 December 2020		**5,586,367**	**(250)**	**4,800,000**	**3,118,041**	**(133,900)**	**1,339,395**	**300,169**	**15,009,822**

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.

	Notes	GROUP 2020 ₦'000	GROUP 2019 ₦'000	COMPANY 2020 ₦'000	COMPANY 2019 ₦'000
Cash flows from operating activities					
Cash received from insurance contract policy holders		**19,733,489**	18,720,778	**8,876,400**	7,924,695
Cash received from investment contract policy holders		**11,568,246**	12,508,839	**-**	-
Cash withdrawal by investment contract policy holders	*36*	**(12,289,060)**	(13,553,409)	**-**	-
Additions to deposit for premium	*37.1*	**752,104**	930,794	**109,100**	547,377
Commission received		**734,975**	521,326	**543,855**	376,855
Reinsurance paid		**(3,017,264)**	(2,887,438)	**(2,258,423)**	(2,039,079)
Claims paid	*6*	**(7,954,688)**	(7,984,675)	**(3,146,778)**	(3,191,280)
Claims recovered from reinsurers	*24.2*	**1,866,206**	1,915,932	**601,081**	841,154
Commission paid		**(3,876,423)**	(3,115,031)	**(1,589,178)**	(1,123,207)
Payments to employees	*13*	**(1,917,481)**	(2,245,924)	**(989,293)**	(1,060,858)
Other cash received		**153,757**	342,088	**41,162**	21,697
Cash paid to brokers, suppliers and other providers of services		**(3,101,693)**	(4,630,768)	**(1,732,798)**	(2,334,937)
Income tax paid	*41*	**(312,689)**	(376,252)	**(120,118)**	(187,354)
Net cash flows from/(used in) operating activities	*52*	**2,339,478**	146,259	**335,010**	(224,937)
Investing activities:					
Purchase of intangible assets	*31*	**(11,090)**	(28,494)	**-**	(25,205)
Purchase of property, plants and equipments	*32*	**(190,547)**	(124,139)	**(74,825)**	(73,600)
Proceeds from sale of properties, plant and equipment		**8,145**	2,789	**2,950**	965
Investment income received		**3,054,750**	2,319,345	**950,986**	562,484
Dividend Income	*9.1*	**19,846**	1,904	**16,066**	1,904
Receipts on finance lease recievables	*27.1*	**3,428**	79,282	**3,428**	79,283
Receipts on loans and advances		**-**	2,310,000	**-**	-
Purchase of financial instruments at fair value through profit or loss	*21.2.1.1*	**(10,344,408)**	(6,581,216)	**(1,220,320)**	(3,045,514)
Proceed from sale of financial instruments at fair value through profit or loss	*21.2.1.1*	**-**	3,461,225	**-**	2,961,225
Purchase of debt instruments at amortised cost	*21.4.1*	**(19,139,067)**	(22,609,687)	**(8,000,249)**	(5,038,900)
Redemption of debt instruments at amortised cost	*21.4.1*	**23,798,734**	19,727,124	**5,674,151**	4,836,963
Proceeds from sale of investment properties		**110,000**	75,000	**-**	-
Investment in subsidiary	*30*	**-**	-	**-**	(2,000,000)
Payment for deposit for shares	*34*	**-**	-	**(22,000)**	(120,000)
Net cash flows used in investing activities		**(2,690,210)**	(1,366,867)	**(2,669,813)**	(1,860,394)
Financing activities					
Deposit for shares		**4,800,000**	-	**4,800,000**	-
Increase in non-controlling interest	*51*	**-**	965,010	**-**	-
Issue of shares		**-**	1,586,367	**-**	1,586,367
Net cash flows from financing activities		**4,800,000**	2,551,377	**4,800,000**	1,586,367
Net increase/(decrease) in cash and cash equivalents		**4,449,269**	1,330,769	**2,465,197**	(498,964)
Effects of exchange rate changes on cash and cash equivalents		**149,869**	6,890	**149,869**	6,890
Cash and cash equivalents as at 1 January		**6,821,006**	5,483,347	**2,146,927**	2,639,001
Cash and cash equivalents as at 31 December	*20*	**11,420,144**	6,821,006	**4,761,993**	2,146,927

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.

3.1 Management of Insurance and financial risks

3.1.1 Insurance risks management

The principal risk the Group faces under insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long–term claims. Therefore, the objective of the Group is to ensure that sufficient reserves are available to cover these liabilities.

The risk exposure is mitigated by diversification across a large portfolio of insurance contracts and geographical areas. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance arrangements.

The Group purchases reinsurance as part of its risks mitigation programme. Reinsurance ceded is placed on both a proportional and non–proportional basis. The majority of proportional reinsurance is quota–share reinsurance which is taken out to reduce the overall exposure of the Group to certain classes of business. Non–proportional reinsurance is primarily excess–of–loss reinsurance designed to mitigate the Group's net exposure to catastrophe losses. Retention limits for the excess–of–loss reinsurance vary by product line and territory.

Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts. Although the Group has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to ceded insurance, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance agreements. The Group's placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations of the Group substantially dependent upon any single reinsurance contract.

(a) Life insurance contracts

Life insurance contracts offered by the Group include: whole life, term assurance, annuities plan, anticipated endowment insurance, mortgage protection, Individual Savings and Protection, Child Education, Mutual Education Guarantee Assurance and Keyman assurance policy.

Term Assurance is a form of Life insurance policy that pays out a lump sum (Sum Assured) in the event of the death of the policy holder. The insurance can be extended to cover permanent disability and medical expenses insurred as a result of an accident.

Mortgage Protection policy is a reducing term assurance scheme which guarantees the payment of balance outstanding in respect of the loan given by a financial institution (Mortgage) to a Life Assured (Mortgagor) should he die before the loan is fully repaid.

Endowment assurance policy pays to the beneficiaries of a deceased assured compensation which is equal to the Sum Assured selected by him/her from the commencement of the policy. It also guarantees that the capital sum (Sum Assured) all the accrued reversionaty bonuses over the years be paid in the event that he/she survives till the end of the insurance year.

Individual Savings and Protection Plan is an anti-inflationary and income protection plan designed to assist all categories of individual cultivate a consistent savings culture and provide for their beneficiairies at death. A plan holder starts making a compulsory and regular savings for a number of years, which shall not be less than five years. Flexibility in the frequency of the premium payment is allowed.

(a) *Life insurance contracts - continued*

Annuity Plan is a contract to pay a set amount (the annuity) every month or quarter while the annuitant (the person on whose life the contract depends) is still alive. Annuities are usually expressed in terms of the annual amount payable although in practive they can be payable monthly, quarterly, half-yearly or yearly. There are Immediate Annuity Plan, Deferred Annuity Plan, Guaranteed Annuity Plan, Annuity Certain and Increasing Annuity.

The main risks that the Group is exposed to are as follows:

- Mortality risk – risk of loss arising due to policyholder death/health experience being different than expected
- Longevity risk – risk of loss arising due to the annuitant living longer than expected
- Investment return risk – risk of loss arising from actual returns being different than expected
- Expense risk – risk of loss arising from expense experience being different than expected
- Policyholder decision risk – risk of loss arising due to policyholder experiences (lapses and surrenders) being different than expected

These risks do not vary significantly in relation to the location of the risk insured by the Group, type of risk insured or by industry.

The Group's underwriting strategy is designed to ensure that risks are well diversified in terms of type of risk and level of insured benefits. This is largely achieved through diversification across industry sectors and geography, the use of medical screening in order to ensure that pricing takes account of current health conditions and family medical history, regular review of actual claims experience and product pricing, as well as detailed claims' handling procedures. Underwriting limits are in place to enforce appropriate risk selection criteria. For example, the Group has the right not to renew individual policies, it can impose deductibles and it has the right to reject the payment of fraudulent claims. Insurance contracts also entitle the Group to pursue third parties for payment of some or all costs. The Group further enforces a policy of actively managing and promptly pursuing claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the Group.

For contracts for which death or disability is the insured risk, the significant factors that could increase the overall frequency of claims are epidemics, widespread changes in lifestyle and natural disasters, resulting in earlier or more claims than expected. Group life reinsurance retention limits of ₦15,000,000 on any single life insured and ₦10,000,000 on all high risk individuals insured are in place.

The insurance risk described above is also affected by the contract holder's right to pay reduced premiums or no future premiums, to terminate the contract completely or to exercise guaranteed annuity options. As a result, the amount of insurance risk is also subject to contract holder behaviour.

(a) *Life insurance contracts- continued*

The following tables show the concentration of life insurance contract liabilities.

	GROUP			COMPANY		
	31 Dec-2020			31 Dec-2020		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Whole life and term assurance	**9,051,613**	**1,862,233**	**7,189,380**	-	-	-
Credit Life Assurance Scheme	**67,802**	-	**67,802**	-	-	-
Total	**9,119,415**	**1,862,233**	**7,257,182**	-	-	-

	GROUP			COMPANY		
	31 Dec-2019			31 Dec-2019		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Whole life and term assurance	8,373,845	2,127,927	6,245,918	-	-	-
Credit Life Assurance Scheme	58,589	-	58,589	-	-	-
Total	8,432,434	2,127,927	6,304,507	-	-	-

The geographical concentration of the Group's life insurance contract liabilities is shown below. The disclosure is based on the countries where the business is written. The analysis would not be materially different if based on the countries in which the counterparties are situated.

	GROUP			COMPANY		
	31 Dec-2020			31 Dec-2020		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Nigeria						
Liberia	**8,871,953**	**1,862,233**	**7,009,720**	-	-	-
Niger Republic	**247,462**		**247,462**	-	-	-
Total	**9,119,415**	**1,862,233**	**7,257,182**	-	-	-

	GROUP			COMPANY		
	31 Dec-2019			31 Dec-2019		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Nigeria	8,121,750	2,127,927	5,993,823	-	-	-
Liberia	310,684	-	310,684	-	-	-
Total	8,432,434	2,127,927	6,304,507	-	-	-

(a) *Life insurance contracts - continued*

Key assumptions
Material judgement is required in determining the liabilities and in the choice of assumptions. Assumptions in use are based on past experience, current internal data, external market indices and benchmarks which reflect current observable market prices and other published information. Assumptions and prudent estimates are determined at the date of valuation and no credit is taken for possible beneficial effects of voluntary withdrawals. Assumptions are further evaluated on a continuous basis in order to ensure realistic and reasonable valuations.

The key assumptions to which the estimation of liabilities is particularly sensitive are, as follows:

- Mortality and morbidity rates

Assumptions are based on standard industry and national tables, according to the type of contract written and the territory in which the insured person resides. They reflect recent historical experience and are adjusted when appropriate to reflect the Group's own experiences. An appropriate, but not excessive, prudent allowance is made for expected future improvements. Assumptions are differentiated by sex, underwriting class and contract type.
An increase in rates will lead to a larger number of claims (and claims could occur sooner than anticipated), which will increase the expenditure and reduce profits for the shareholders.

- Longevity

Assumptions are based on standard industry and national tables, adjusted when appropriate to reflect the Group's own risk experience. An appropriate, but not excessive, prudent allowance is made for expected future improvements. Assumptions are differentiated by sex, underwriting class and contract type. An increase in longevity rates will lead to an increase in the number of annuity payments to be made, which will increase the expenditure and reduce profits for the shareholders.

- Lapse and surrender rates

Lapses relate to the termination of policies due to non–payment of premiums. Surrenders relate to the voluntary termination of policies by policyholders. Policy termination assumptions are determined using statistical measures based on the Group's experience and vary by product type, policy duration and sales trends.

An increase in lapse rates early in the life of the policy would tend to reduce profits for shareholders, but later increases are broadly neutral in effect.

- Discount rate

Life insurance liabilities are determined as the sum of the discounted value of the expected benefits and future administration expenses directly related to the contract, less the discounted value of the expected theoretical premiums that would be required to meet these future cash outflows. Discount rates are based on current industry risk rates, adjusted for the Group's own risk exposure.
A decrease in the discount rate will increase the value of the insurance liability and therefore reduce profits for the shareholders.

(a) Life insurance contracts - continued

Sensitivities

The following analysis is performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on gross and net liabilities, profit before tax and equity. The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are non–linear. Sensitivity information will also vary according to the current economic assumptions, mainly due to the impact of changes to both the intrinsic cost and time value of options and guarantees. When options and guarantees exist, they are the main reason for the asymmetry of sensitivities. The method used for deriving sensitivity information and significant assumptions made did not change from the previous period.

		GROUP				COMPANY			
	Change in assumptions	Increase/ (decrease) on gross liabilities	Increase/ (decrease) on net liabilities	Increase/ (decrease) on profit before tax	Increase/ (decrease) on equity	Increase/ (decrease) on gross liabilities	Increase/ (decrease) on net liabilities	Increase/ (decrease) on profit before tax	Increase/ (decrease) on equity
31 Dec-2020		**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Mortality/morbidity rate	**+10%**	**35,862**	**35,862**	**35,862**	**35,862**	**35,862**	**35,862**	**35,862**	**35,862**
Longevity	**+10%**	**(2,386)**	**(2,386)**	**(2,386)**	**(2,386)**	**(2,386)**	**(2,386)**	**(2,386)**	**(2,386)**
Lapse and surrenders rate	**+10%**	**(207)**	**(207)**	**(207)**	**(207)**	**(207)**	**(207)**	**(207)**	**(207)**
Discount rate	**+1%**	**(96,745)**	**(96,745)**	**(96,745)**	**(96,745)**	**(96,745)**	**(96,745)**	**(96,745)**	**(96,745)**
					-				
Mortality/morbidity rate	**-10%**	**(41,390)**	**(41,390)**	**(41,390)**	**(41,390)**	**(41,390)**	**(41,390)**	**(41,390)**	**(41,390)**
Longevity	**-10%**	**2,458**	**2,458**	**2,458**	**2,458**	**2,458**	**2,458**	**2,458**	**2,458**
Lapse and surrenders rate	**-10%**	**275**	**275**	**275**	**275**	**275**	**275**	**275**	**275**
Discount rate	**-1%**	**97,602**	**97,602**	**97,602**	**97,602**	**97,602**	**97,602**	**97,602**	**97,602**

31 Dec-2019		GROUP				COMPANY			
	Change in assumptions	Increase/ (decrease) on gross liabilities	Increase/ (decrease) on net liabilities	Increase/ (decrease) on profit before tax	Increase/ (decrease) on equity	Increase/ (decrease) on gross liabilities	Increase/ (decrease) on net liabilities	Increase/ (decrease) on profit before tax	Increase/ (decrease) on equity
		₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Mortality/morbidity rate	+10%	35,039	35,039	35,039	24,527	35,039	35,039	35,039	24,527
Longevity	+10%	(2,192)	(2,192)	(2,192)	(1,534)	(2,192)	(2,192)	(2,192)	(1,534)
Lapse and surrenders rate	+10%	(99)	(99)	(99)	(69)	(99)	(99)	(99)	(69)
Discount rate	+1%	(25,170)	(25,170)	(25,170)	(17,619)	(25,170)	(25,170)	(25,170)	(17,619)
					-				
Mortality/morbidity rate	-10%	(30,272)	(30,272)	(30,272)	(21,190)	(30,272)	(30,272)	(30,272)	(21,190)
Longevity	-10%	2,259	2,259	2,259	1,581	2,259	2,259	2,259	1,581
Lapse and surrenders rate	-10%	136	136	136	95	136	136	136	95
Discount rate	-1%	9,668	9,668	9,668	6,768	9,668	9,668	9,668	6,768

(b) *Non–life insurance contracts*

The Group principally issues the following types of general insurance contracts: motor, general accident, Bond, Marine, Fire, Aviation and Oil and Gas. Risks under non–life insurance policies usually cover twelve months duration.

For general insurance contracts, the most significant risks arise from climate changes, natural disasters and terrorist activities. For longer tail claims that take some years to settle, there is also inflation risk.

These risks do not vary significantly in relation to the location of the risk insured by the Group, type of risk insured and by industry.

The above risk exposure is mitigated by diversification across a large portfolio of insurance contracts and geographical areas. The variability of risks is improved by careful selection and implementation of underwriting strategies, which are designed to ensure that risks are diversified in terms of type of risk and level of insured benefits. This is largely achieved through diversification across industry sectors and geography. Furthermore, strict claim review policies to assess all new and ongoing claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims are established to reduce the risk exposure of the Group. The Group further enforces a policy of actively managing and promptly pursuing claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the business. Inflation risk is mitigated by taking expected inflation into account when estimating insurance contract liabilities.

The Group has also limited its exposure by imposing maximum claim amounts on certain contracts as well as the use of reinsurance arrangements in order to limit exposure material events.

The table below sets out the concentration of non–life insurance contract liabilities by type of contract:

31 Dec-2020	**GROUP**			**COMPANY**		
	Gross liabilities	Reinsurance of liabilities	Net liabilities	Gross liabilities	Reinsurance of liabilities	Net liabilities
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Motor	**2,523,934**	**183,249**	**2,340,685**	**1,636,394**	**183,249**	**1,453,145**
Fire	**1,199,547**	**420,437**	**779,110**	**1,199,547**	**420,437**	**779,110**
General Accident	**2,462,450**	**962,862**	**1,499,588**	**2,325,727**	**962,862**	**1,362,865**
Marine	**981,723**	**213,993**	**767,730**	**981,723**	**213,993**	**767,730**
Aviation & Oil and Gas	**1,285,211**	**104,687**	**1,180,524**	**1,285,211**	**104,687**	**1,180,524**
	8,452,865	**1,885,227**	**6,567,638**	**7,428,602**	**1,885,227**	**5,543,375**

31 Dec-2019	**GROUP**			**COMPANY**		
	Gross liabilities	Reinsurance of liabilities	Net liabilities	Gross liabilities	Reinsurance of liabilities	Net liabilities
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Motor	1,858,475	52,206	1,806,269	1,480,088	52,206	1,427,882
Fire	834,149	322,819	511,330	834,149	322,819	511,330
General Accident	1,681,236	1,074,773	606,463	1,419,761	1,074,773	344,988
Marine	648,260	170,012	478,248	648,260	170,012	478,248
Aviation & Oil and Gas	646,251	203,293	442,958	646,250	203,293	442,957
	5,668,371	1,823,103	3,845,268	5,028,508	1,823,103	3,205,405

(b) Non–life insurance contracts - continued

Key assumptions

The principal assumption underlying the liability estimates is that the Group's future claims development will follow a similar pattern to past claims development experience. This includes assumptions in respect of average claim costs, claim handling costs, claim inflation factors and claim numbers for each accident year. Additional qualitative judgements are used to assess the extent to which past trends may not apply in the future, for example: one–off occurrence; changes in market factors such as public attitude to claiming: economic conditions: as well as internal factors such as portfolio mix, policy conditions and claims handling procedures.

Change in assumptions and sensitivity analysis

Sensitivity analyses are performed to test the variability around the reserves that are calculated at a best estimate level. The estimated claim amounts can never be an exact forecast of future claim amounts and therefore looking at how these claim amounts can vary can provide valuable information for business planning and risk appetite considerations.

A sensitivity analysis was done to determine how the IBNR reserve amount would change if we were to consider the 75th percentile as opposed to our best estimate figures included in reserve reviews as at 31 December 2020. The 75th percentile is a generally accepted level of prudency.

Results based on the Normal Distribution

We use the Normal distribution as a proxy for the distribution of the IBNR claims reserve with a mean equal to the best estimate reserve calculated for each class of business.

In order to determine the standard deviation of the distributions we equated the 0.5th percentile of the distributions to be equal to 0 thereby assuming that the IBNR reserve % cannot be negative.

Through the use of the mean and the 0.5th percentile we were able to calculate the implied standard deviations for each class.

Change in assumptions and sensitivity analysis

The results based on fitting a Normal distribution to the best estimate IBNR reserves as at 31 December 2020 are as follows:

Class of Business	**Best estimate**		**75th percentile using Normal distribution**	
	Gross IBNR **₦'000**	Net IBNR **₦'000**	Gross IBNR **₦'000**	Net IBNR **₦'000**
Fire	**241,796**	**137,399**	**305,111**	**173,377**
General Accident	**246,244**	**155,737**	**310,724**	**196,517**
Marine & Aviation	**243,513**	**152,463**	**307,277**	**192,387**
Motor	**101,402**	**92,104**	**127,955**	**116,221**
Oil & Gas	**299,065**	**299,065**	**377,376**	**377,376**
Total	**1,132,020**	**836,768**	**1,428,443**	**1,055,878**

Overall there is a 26% increase from the best estimate calculated and that at the 75th percentile.

The 75th percentile is generally regarded as a prudent level for IBNR reserves. More importantly, the difference between the best estimate and the 75th percentile provides management with an indication of the variability inherent in the IBNR reserves.

(b) Non–life insurance contracts - continued

Based on the assumption that reserves follow a Normal distribution, there is only a 25% chance that the gross IBNR reserves required by Mutual Benefits will exceed ₦1.428 billion as at 31 December 2020.

Claims development table

The following tables show the estimates of cumulative incurred claims, including both claims notified and IBNR for each successive accident year at each reporting date, together with cumulative payments to date.

Basic Chain Ladder method (BCL)

Development factors were calculated using the last 3, 4, 5, 6 and 7 years of data by accident year or quarter. Ultimate development factors are calculated for each of the permutations and the most appropriate pattern is selected.

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

For cases where there were large losses that had been reported but not paid, and therefore would not have influenced the development patterns, the total case reserve were excluded from the calculation of the IBNR.
i.e. IBNR = Ultimate claim amount (excl. extreme large losses) minus paid claims to date minus claims outstanding (excl. extreme large losses)

Assumptions underlying the BCL

The Basic Chain Ladder Method assumes that past experience is indicative of future experience i.e. thatclaims recorded to date will continue to develop in a similar manner in the future.

An implicit assumption is that, for an immature accident year, the claims observed thus far tell you something about the claims yet to be observed.

A further assumption is that it assumes consistent claim processing, a stable mix of types of claims, stable inflation and stable policy limits.

If any of these assumptions are invalidated, the results of the reserving exercise may prove to be inaccurate.

Loss Ratio method

For two (2) of the classes namely Energy and Aviation, there were very limited data. A BCL method was therefore inappropriate. Expected experience to date was considered as well as the average assumed Ultimate Loss ratio in carrying out the calculation.

Average delay durations were calculated from the data provided. In the absence of any data, various options were provided.

The IBNR is then calculated as: Expected % of claims to still arise in future based on average delay X average ultimate loss ratio assumed X earned premium for the current year

(b) Non–life insurance contracts - continued

Assumptions underlying the Loss Ratio Method

It was assumed that the average delay in reporting of claims will continue into the future. If it is expected that these delay assumptions no longer hold, an adjustment needs to be made to allow for this change in reporting. If the delay period in reporting is expected to have increased from previous years, the results shown in the report will be understated. Additionally, an estimate of the average ultimate loss ratio will need to be assumed. Loss ratios provided were used to obtain the average loss ratio as well as experience that has been seen to date in previous accident years. Although a reasonability check was not conducted on the loss ratios by comparing the loss ratios to industry figures, if the loss ratios average is not indicative of future experience, the IBNR calculated could be under/over estimated.

Unearned premium provision was calculated using a time – apportionment basis, in particular, the 365ths method. The same approach was taken for deferred acquisition cost. Combined ratio for financial year 31 December 2019 was calculated per class of business, taking into account the additional movement in claims reserves as at 31 December 2019 as a result of the IBNR figures calculated during the reserving exercise. This combined ratio was then applied to the UPR per class of business to determine the expected future underwriting experience for the unexpired risk period, and to ascertain whether the UPR held as at 31 December 2019 was deemed sufficient. The Additional Unexpired Risk Reserve (AURR) is limited to a minimum of 0, i.e. there is no allowance for reduction in the UPR due to expected future profits arising from premiums written which will be earned in future.

			DEVELOPMENT YEARS				
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Fire	**0**	**1**	**2**	**3**	**4**	**5**	**6**
Accident Year							
2014	113,696	249,224	253,131	265,388	252,197	252,646	252,542
2015	116,753	175,298	168,480	174,478	170,496	170,592	
2016	172,707	258,950	263,765	264,175	275,125		
2017	120,088	525,224	522,793	528,998			
2018	207,150	520,422	556,525				
2019	468,071	702,456					
2020	479,110						
Total	**1,677,575**	**2,431,574**	**1,764,694**	**1,233,039**	**697,818**	**423,238**	**252,542**

			DEVELOPMENT YEARS				
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
General accident	**0**	**1**	**2**	**3**	**4**	**5**	**6**
Accident Year							
2014	143,805	566,565	342,519	324,544	525,067	524,501	323,909
2015	557,565	559,819	569,646	581,550	568,581	381,529	
2016	179,565	295,805	556,307	357,286	344,461		
2017	289,068	395,665	452,575	533,114			
2018	376,848	538,011	559,155				
2019	276,099	360,778					
2020	308,071						
Total	**2,131,021**	**2,716,643**	**2,480,202**	**1,796,494**	**1,438,109**	**906,030**	**323,909**

(b) Non–life insurance contracts - continued

	DEVELOPMENT YEARS						
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Marine and Aviation	**0**	**1**	**2**	**3**	**4**	**5**	**6**
Accident Year							
2014	37,597	144,022	126,257	125,923	127,625	127,625	127,926
2015	89,090	180,665	175,509	182,276	182,564	185,020	
2016	72,495	117,525	146,796	175,495	175,595		
2017	109,101	211,754	214,107	215,546			
2018	149,661	240,657	285,473				
2019	135,360	258,202					
2020	264,606						
Total	**857,910**	**1,152,825**	**948,142**	**699,240**	**485,784**	**312,645**	**127,926**

	DEVELOPMENT YEARS						
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Motor	**0**	**1**	**2**	**3**	**4**	**5**	**6**
Accident Year							
2014	557,713	808,291	762,571	761,558	761,558	761,558	761,558
2015	644,665	732,127	715,961	714,789	715,522	711,751	
2016	686,053	776,475	770,899	751,299	749,943		
2017	809,480	974,211	922,115	927,595			
2018	975,582	1,069,981	1,060,872				
2019	1,187,742	1,281,292					
2020	900,434						
Total	**5,761,669**	**5,642,377**	**4,232,418**	**3,155,241**	**2,227,023**	**1,473,309**	**761,558**

	DEVELOPMENT YEARS						
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Oil & Gas	**0**	**1**	**2**	**3**	**4**	**5**	**6**
Accident Year							
2014	25	216,245	142,331	200,144	115,494	121,667	132,225
2015	23,844	29,937	68,155	74,559	67,939	67,939	
2016	517	5,946	9,339	25,054	36,991		
2017	27,566	78,467	150,270	557,200			
2018	1,106	1,151	111,919				
2019	-	225,426					
2020	19,215						
Total	**72,273**	**557,172**	**482,014**	**856,957**	**220,424**	**189,606**	**132,225**

3.1.2 *Financial risks management*

Introduction and overview

The Group is exposed to a range of financial risks through its financial instruments, insurance assets and insurance liabilities. The key financial risk is that in the long term its investments proceeds are not sufficient to fund the obligations arising from its insurance and investment contracts. The most important components of the financial risks are:

(a) Credit risk
(b) Liquidity risk
(c) Market risk

(a) Credit risk

Credit risk is the risk that one party to a financial instrument or reinsurance contract will cause a financial loss for the other party by failing to discharge an obligation.

Mutual Benefits Assurance Group is exposed to risk relating to its loan and receivables, finance lease receivable, statutory deposits, bank balances, debt instruments at amortised cost, financial assets at FVPL, reinsurance receivables and trade receivables. Its receivables comprise trade receivables from customers, reinsurers and coinsurers recoverables and other receivables. There are no financial assets that are classified as past due and impaired whose terms have been negotiated.

The following policies and procedures are in place to mitigate the Group's exposure to credit risk:

The Group's credit risk policy sets out the assessment and determination of what constitutes credit risk for the Group. Compliance with the policy is monitored and exposures and breaches are reported to the Group's risk committee. The policy is regularly reviewed for pertinence and for changes in the risk environment.

Credit risk relating to financial instruments is monitored by the investments team of the Group. It is their responsibility to review and manage credit risk, including environmental risk for all of counterparties. The Group manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for industry concentrations, and by monitoring exposures in relation to such limits. It is the Group's policy to invest in high quality financial instruments with a low risk of default. If there is a significant increase in credit risk, the policy dictates that the instrument should be sold and amounts recovered reinvested in high quality instruments.

Reinsurance is placed with counterparties that have a good credit rating and concentration of risk is avoided by following policy guidelines in respect of counterparties' limits that are set each year by the board of directors and are subject to regular reviews. At each reporting date, management performs an assessment of creditworthiness of reinsurers and updates the reinsurance purchase strategy.

The credit risk in respect of customer balances incurred on non–payment of premiums or contributions (trade receivables) will only persist during the grace period specified in the policy document or trust deed until expiry, when the policy is either paid up or terminated. The contractual credit agreement is strictly in line with the regulator's "No Premium, No Cover" policy. Stringent measures have been placed by the regulator to guide against credit default. Credit risk exposure operates from the level of brokered transactions with little emphasis placed on direct business. The Group's credit risk exposure to brokered business is very low as the Group requires brokers to provide credit note which is due 30 days from receipt before incepting insurance cover on behalf of their clients. In addition, commission paid to intermediaries is netted off against amounts receivable from them to reduce the risk of default.

The nature of the Group's exposure to credit risks and its objectives, policies and processes used to manage and measure the risks have not changed from the previous period.

3.1.2 Financial risks management Continued

(i) The Group's internal rating process

The Group's investment team prepares internal ratings for instruments held in which its counterparties are rated using internal grades (investment grade, non-investment grade (satisfactory), non-investment grade (unsatisfactory), past due but not impaired, and individually impaired). The ratings are determined incorporating both qualitative and quantitative information that builds on information from risk rating agencies, supplemented with information specific to the counterparty and other external information that could affect the counterparty's behaviour. These information sources are first used to determine whether an instrument has had a significant increase in credit risk. The Group's internal credit rating grades:

Internal rating grade	Internal rating description	Agusto & Co. rating (when applicable)	Basis for ECL Provision	Basis for Interest Income Calculation
1-2	Investment grade	Aaa	12 month ECL	Gross carrying amount
3	Investment grade	Aa	12 month ECL	Gross carrying amount
4	Investment grade	A	12 month ECL	Gross carrying amount
5	Non-investment grade (satisfactory)	Bbb	Lifetime ECL	Gross carrying amount
6-7	Non-investment grade (unsatisfactory)	Bb	Lifetime ECL	Amortized cost
8-9	Non-investment grade (unsatisfactory)	B	Lifetime ECL	Amortized cost
10	Past due but not impaired	C	Lifetime ECL	Amortized cost
11-12	Individually impaired	D	Lifetime ECL, credit impaired	None

(ii) Maximum exposure to credit risk

The maximum exposure is shown gross, before the effect of mitigation. The maximum risk exposure presented below does not include the exposure that arises in the future as a result of the changes in values. The credit risk analysis below is presented in line with how the Group manages the risk. The Group manages its credit exposure based on the carrying value of the financial instruments and insurance and reinsurance assets.

Below is the analysis of the group's and company's maximum exposure to credit risk at the year end.

31 Dec-2020	**GROUP**		**COMPANY**	
	31-Dec-20	**31-Dec-19**	31-Dec-20	**31-Dec-19**
	₦'000	**₦'000**	**₦'000**	**₦'000**
Cash and cash equivalents	**11,482,360**	6,859,322	**4,765,603**	2,137,642
Loans and receivables	**13,681,586**	11,649,855	**252,243**	279,023
Debt instruments at amortised cost	**18,829,219**	23,382,943	**7,627,747**	5,258,379
Financial assets at FVPL	**21,807,991**	7,645,303	**5,788,400**	3,353,930
Trade receivables	**416,375**	587,686	**182,138**	316,582
Reinsurance assets	**2,396,137**	3,155,625	**77,831**	830,287
Finance lease receivables	**293,682**	292,428	**214,852**	213,598
Other receivables	**1,015,334**	771,599	**273,040**	133,278
Statutory deposit	**500,000**	500,000	**300,000**	300,000
	70,422,684	54,844,761	**19,481,854**	12,822,719

(iii) *Industry concentration analysis*

All credit risks are concentrated across many industries in Nigeria. The Company monitors concentration of credit risk by sector.

31 December 2020

	GROUP					COMPANY				
	Financial services	Real estate	Oil & Gas sector	Other	Total	Financial services	Real estate	Oil & Gas sector	Other	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Cash and cash equivalents	11,482,360	-	-	-	11,482,360	4,765,603	-	-	-	4,765,603
Loans and advances	-	-	12,073,638	1,607,948	13,681,586	-			252,243	252,243
Debt instruments at amortised cost	18,829,219	-	-	-	18,829,219	7,627,747	-	-	-	7,627,747
Financial assets at FVPL	21,807,991	-	-	-	21,807,991	5,788,400	-	-	-	5,788,400
Trade receivables	416,375	-	-	-	416,375	182,138	-	-	-	182,138
Reinsurance assets	2,396,137	-	-	-	2,396,137	77,831	-	-	-	77,831
Other receivables	-	-	-	1,015,334	1,015,334	-	-	-	273,040	273,040
Finance lease receivables	-	-	-	293,682	293,682	-	-	-	214,852	214,852
Statutory deposit	500,000	-	-	-	500,000	300,000	-	-	-	300,000
	55,432,082	**-**	**12,073,638**	**2,916,964**	**70,422,684**	**18,741,719**	**-**	**-**	**740,135**	**19,481,855**

31 December 2019

	GROUP					COMPANY				
	Financial services	Real estate	Oil & Gas sector	Other	Total	Financial services	Real estate	Oil & Gas sector	Other	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Cash and cash equivalents	6,859,322	-	-	-	6,859,322	2,137,642	-	-	-	2,137,642
Loans and advances	-	-	10,070,981	1,578,874	11,649,855	-			279,023	279,023
Debt instruments at amortised cost	23,382,943	-	-	-	23,382,943	5,258,379	-	-	-	5,258,379
Financial assets at FVPL	7,645,303	-	-	-	7,645,303	3,353,930	-	-	-	3,353,930
Trade receivables	587,686	-	-	-	587,686	316,582	-	-	-	316,582
Reinsurance assets	3,155,625	-	-	-	3,155,625	830,287	-	-	-	830,287
Other receivables	-	-	-	771,599	771,599	-	-	-	133,278	133,278
Finance lease receivables	-	-	-	292,428	292,428	-	-	-	213,598	213,598
Statutory deposit	500,000	-	-	-	500,000	300,000	-	-	-	300,000
	42,130,879	**-**	**10,070,981**	**2,642,901**	**54,844,761**	**12,196,820**	**-**	**-**	**625,899**	**12,822,719**

(iii) *Credit exposure by credit rating*

The table below provides information regarding the credit risk exposure of the Group by classifying assets according to the Group's credit ratings of counterparties.

31 December 2020

	GROUP					COMPANY				
	Investment grade	Non-investment grade satisfactory	Non-investment grade un-satisfactory	Individually impaired	Total	Investment grade	Non-investment grade satisfactory	Non-investment grade un-satisfactory	Individually impaired	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Cash and cash equivalents	**11,482,360**	**-**	**-**	**-**	**11,482,360**	**4,765,603**	**-**	**-**	**-**	**4,765,603**
Loans and advances	**1,468,833**	**12,212,753**			**13,681,586**	**252,243**		**-**		**252,243**
Debt instruments at amortised cost	**18,829,219**	**-**	**-**	**-**	**18,829,219**	**7,627,747**	**-**	**-**	**-**	**7,627,747**
Financial assets at FVPL	**21,807,991**	**-**	**-**	**-**	**21,807,991**	**5,788,400**	**-**	**-**	**-**	**5,788,400**
Trade receivables	**416,375**	**-**	**-**	**-**	**416,375**	**182,138**	**-**	**-**	**-**	**182,138**
Reinsurance assets	**2,396,137**	**-**	**-**	**-**	**2,396,137**	**77,831**	**-**	**-**	**-**	**77,831**
Other receivables	**750,795**	**-**	**-**	**264,539**	**1,015,334**	**273,040**	**-**			**273,040**
Finance lease receivables	**-**	**293,682**	**-**	**-**	**293,682**	**-**	**214,852**	**-**	**-**	**214,852**
Statutory deposit	**500,000**	**-**	**-**	**-**	**500,000**	**300,000**	**-**	**-**	**-**	**300,000**
	57,651,710	**12,506,435**	**-**	**264,539**	**70,422,684**	**19,267,002**	**214,852**	**-**	**-**	**19,481,854**

31 December 2019

	GROUP					COMPANY				
	Investment grade	Non-investment grade satisfactory	Non-investment grade un-satisfactory	Individually impaired	Total	Investment grade	Non-investment grade satisfactory	Non-investment grade un-satisfactory	Individually impaired	Total
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Cash and cash equivalents	6,859,322	-	-	-	6,859,322	2,137,642	-	-	-	2,137,642
Loans and advances	11,649,855	-			11,649,855	279,023		-		279,023
Debt instruments at amortised cost	23,382,943	-	-	-	23,382,943	5,258,379	-	-	-	5,258,379
Financial assets at FVPL	7,645,303	-	-	-	7,645,303	3,353,930	-	-	-	3,353,930
Trade receivables	587,686	-	-	-	587,686	316,582	-	-	-	316,582
Reinsurance assets	3,155,625	-	-	-	3,155,625	830,287	-	-	-	830,287
Other receivables	586,826	-	132,501	52,272	771,599	133,278	-			133,278
Finance lease receivables	-	292,428	-	-	292,428	-	213,598	-	-	213,598
Statutory deposit	500,000	-	-	-	500,000	300,000	-	-	-	300,000
	54,367,560	**292,428**	**132,501**	**52,272**	**54,844,761**	**12,609,121**	**213,598**	**-**	**-**	**12,822,719**

(iii) *Credit collateral*

The Group holds collateral and other credit enhancements against certain of its credit exposures. The following table sets out the principal types of collateral held against different types of financial assets.

31 December 2019	**Percentage of exposure that is subject to collateral**				
	GROUP		**COMPANY**		
	2020	2019	2020	2019	Principal type of collateral held
Loans to oil & gas sector	100%	100%	100%	100%	Oil & gas assets.
Loans to construction sector	100%	100%	100%	100%	Real estate properties, inventory.
Loans to policyholders	100%	100%	100%	100%	Cash deposits.
Staff loans	100%	100%	100%	100%	Real estate properties, vehicles, securities.
Finance lease	100%	100%	100%	100%	Underlying assets.

The loan-to-value (LTV) ratio of the financial assets above is not more than 70%. LTV is calculated as the ratio of the gross amount of the loan to the value of the collateral. The valuation of the collateral excludes any adjustments for obtaining and selling the collateral. The value of the collateral for residential mortgage loans is based on the collateral value at origination updated based on changes in house price indices. For credit-impaired loans the value of collateral is based on the most recent appraisals.

(iv) Impairment assessment

A summary of the assumptions underpinning the Group's expected credit loss (ECL) model is as stated in Note 2.3.37.

(iv) (a) Significant increase in credit risk, default and cure

The Group continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12mECL or LTECL, the Group assesses whether there has been a significant increase in credit risk since initial recognition.

The Group considers that there has been a significant increase in credit risk when any contractual payments are more than 30 days past due. In addition, the Group also considers a variety of instances that may indicate unlikeliness to pay by assessing whether there has been a significant increase in credit risk. Such events include:

- Internal rating of the counterparty indicating default or near-default
- The counterparty having past due liabilities to public creditors or employees
- The counterparty (or any legal entity within the debtor's group) filing for bankruptcy application/protection
- Counterparty's listed debt or equity suspended at the primary exchange because of rumours or facts about financial difficulties

The Group considers a financial instrument defaulted and, therefore, credit-impaired for ECL calculations in all cases when the counterparty becomes 90 days past due on its contractual payments. The Group may also consider an instrument to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full. In such cases, the Group recognizes a lifetime ECL.

In rare cases when an instrument identified as defaulted, it is the Group's policy to consider a financial instrument as 'cured' and therefore re-classified out of credit-impaired when none of the default criteria have been present for at least twelve consecutive months.

There has been no significant increase in credit risk or default for financial assets during the year.

(iv) (b) Expected credit loss

The Group assesses the possible default events within 12 months for the calculation of the 12mECL. Given the investment policy, the probability of default for new instruments acquired is generally determined to be minimal.

In rare cases where a lifetime ECL is required to be calculated, the probability of default is estimated based on economic scenarios.

(v) Impairment losses on financial investments subject to impairment assessment

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Group's internal grading system are explained in Note 3.1.2 (a) (i).

3.1.2 Financial risks management
(a) Credit risk

(v) (a) Cash & short-term deposits in banks

Group	31-Dec-20				31-Dec-19			
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
	Stage 1	**Stage 2**	**Stage 3**	**Total**	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Investment grade	**11,341,418**	**-**	**-**	**11,341,418**	6,735,399	-	-	6,735,399
Non-investment grade (satisfactory)	**-**	**140,942**	**-**	**140,942**	-	123,923	-	123,923
Total Gross Amount	**11,341,418**	**140,942**	**-**	**11,482,360**	6,735,399	123,923	-	6,859,322
ECL	**(64,033)**	**(1,665)**	**-**	**(65,698)**	(54,653)	(1,243)	-	(55,896)
Total Net Amount	**11,277,385**	**139,277**	**-**	**11,416,662**	6,680,746	122,680	-	6,803,426

An analysis of changes in the gross amount and the corresponding ECLs is, as follows:

	31-Dec-20				31-Dec-19			
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
	Stage 1	**Stage 2**	**Stage 3**	**Total**	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January	**6,735,399**	**123,923**	**-**	**6,859,322**	5,322,138	166,779	-	5,488,917
New assets originated or purchased	**66,723,527**	**140,942**	**-**	**66,864,469**	6,735,398	123,923	-	6,859,321
Assets derecognised or repaid (excluding write offs)	**(62,154,411)**	**(123,923)**	**-**	**(62,278,334)**	(5,322,138)	(166,779)	-	(5,488,916)
Accrued interest capitalised	**36,901**	**-**	**-**	**36,901**	-	-	-	-
	4,606,018	**17,019**	**-**	**4,623,037**	1,413,260	(42,856)	-	1,370,405
At 31 December	**11,341,418**	**140,942**	**-**	**11,482,360**	6,735,399	123,923	-	6,859,322

	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
	Stage 1	**Stage 2**	**Stage 3**	**Total**	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January	**54,653**	**1,243**	**-**	**55,896**	19,862	2,195	-	22,057
New assets originated or purchased	**64,033**	**1,665**	**-**	**65,698**	56,909	2,753	-	59,662
Assets derecognised or repaid (excluding write offs)	**(54,653)**	**(1,243)**	**-**	**(55,896)**	(22,118)	(3,705)	-	(25,823)
	9,380	**422**	**-**	**9,802**	34,791	(952)	-	33,839
At 31 December	**64,033**	**1,665**	**-**	**65,698**	54,653	1,243	-	55,896

Company	**31-Dec-20**				**31-Dec-19**			
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
	Stage 1	**Stage 2**	**Stage 3**	**Total**	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Investment grade	**4,624,661**	**-**	**-**	**4,624,661**	2,013,719	-	-	2,013,719
Non-investment grade (satisfactory)	**-**	**140,942**	**-**	**140,942**	-	123,923	-	123,923
Total Gross Amount	**4,624,661**	**140,942**	**-**	**4,765,603**	2,013,719	123,923	-	2,137,642
ECL	**(4,056)**	**(1,665)**	**-**	**(5,721)**	(4,128)	(1,243)	-	(5,371)
Total Net Amount	**4,620,605**	**139,277**	**-**	**4,759,882**	2,009,591	122,680	-	2,132,271

An analysis of changes in the gross amount and the corresponding ECLs is, as follows:

	31-Dec-20				**31-Dec-19**			
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
	Stage 1	**Stage 2**	**Stage 3**	**Total**	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January	**2,013,719**	**123,923**	**-**	**2,137,642**	2,285,413	166,779	-	2,452,192
New assets originated or purchased	**21,764,923**	**17,019**	**-**	**21,781,943**	2,013,719	123,923	-	2,137,642
Assets derecognised or repaid (excluding write offs)	**(19,153,982)**	**-**	**-**	**(19,153,982)**	(2,285,413)	(166,779)	-	(2,452,192)
	2,610,942	**17,019**	**-**	**2,627,961**	(271,694)	(42,856)	-	(314,550)
At 31 December 2020	**4,624,661**	**140,942**	**-**	**4,765,603**	2,013,719	123,923	-	2,137,642

	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
	Stage 1	**Stage 2**	**Stage 3**	**Total**	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January	**4,128**	**1,243**	**-**	**5,371**	6,428	2,195	-	8,623
New assets originated or purchased	**4,056**	**1,665**	**-**	**5,721**	17,048	1,049	-	18,097
Assets derecognised or repaid (excluding write offs)	**(4,128)**	**(1,243)**	**-**	**(5,371)**	(19,937)	(1,412)	-	(21,349)
	(72)	**422**	**-**	**350**	(2,300)	(952)	-	(3,252)
At 31 December	**4,056**	**1,665**	**-**	**5,721**	4,128	1,243	-	5,371

(v) (b) Loans and receivables

Group

	31-Dec-20				31-Dec-19			
	₦'000 Stage 1	**₦'000 Stage 2**	**₦'000 Stage 3**	**₦'000 Total**	₦'000 Stage 1	₦'000 Stage 2	₦'000 Stage 3	₦'000 Total
Internal rating grade								
Investment grade	**1,468,833**	**-**	**-**	**1,468,833**	11,649,855	-	-	11,649,855
Non-investment grade (satisfactory)	**-**	**12,212,753**	**-**	**12,212,753**	-	-	-	-
Non-investment grade (unsatisfactory)	**-**	**-**	**-**	**-**	-	-	-	-
Past due but not impaired	**-**	**-**	**-**	**-**	-	-	-	-
Individually impaired	**-**	**-**	**-**	**-**	-	-	-	-
Total Gross Amount	**1,468,833**	**12,212,753**	**-**	**13,681,586**	11,649,855	-	-	11,649,855
ECL	**(22,379)**	**(809,337)**	**-**	**(831,716)**	(468,593)	-	-	(468,593)
Total Net Amount	**1,446,454**	**11,403,416**	**-**	**12,849,870**	11,181,262	-	-	11,181,262

An analysis of changes in the gross amount and the corresponding ECLs is, as follows:

	31-Dec-20				31-Dec-19			
	₦'000 Stage 1	**₦'000 Stage 2**	**₦'000 Stage 3**	**₦'000 Total**	₦'000 Stage 1	₦'000 Stage 2	₦'000 Stage 3	₦'000 Total
Gross carrying amount as at 1 January	**11,649,855**	**-**	**-**	**11,649,855**	11,966,079	174,851	152,135	12,293,065
New assets originated or purchased	**339,433**	**-**	**-**	**339,433**	2,839,651	-	-	2,839,651
Assets derecognised or repaid (excluding write offs)	**(308,249)**	**2,002,657**	**-**	**1,694,408**	(3,069,474)	-	-	(3,069,474)
Transfers to Stage 1	**-**	**-**	**-**	**-**	-	-	-	-
Transfers to Stage 2	**(10,210,096)**	**10,210,096**	**-**	**-**	(59,411)	59,411	-	-
Transfers to Stage 3	**-**	**-**	**-**	**-**	-	-	-	-
Amounts written off	**(2,110)**	**-**	**-**	**(2,110)**	(26,990)	(234,262)	(152,135)	(413,387)
	(10,181,022)	**12,212,753**	**-**	**2,031,731**	(316,224)	(174,851)	(152,135)	(643,210)
At 31 December	**1,468,833**	**12,212,753**	**-**	**13,681,586**	11,649,855	-	-	11,649,855

	₦'000 Stage 1	**₦'000 Stage 2**	**₦'000 Stage 3**	**₦'000 Total**	₦'000 Stage 1	₦'000 Stage 2	₦'000 Stage 3	₦'000 Total
ECL allowance as at 1 January	**468,593**	**-**	**-**	**468,593**	222,649	58,584	134,014	415,247
New assets originated or purchased	**1,443**	**-**	**-**	**1,443**	541,122		-	541,122
Assets derecognised or repaid (excluding write offs)	**(3,082)**	**-**	**-**	**(3,082)**	(253,859)	(41,717)	-	(295,576)
Transfers to Stage 1	**-**	**-**	**-**	**-**	-	-	-	-
Transfers to Stage 2	**(444,553)**	**444,553**	**-**	**-**	(41,049)	41,049	-	-
Transfers to Stage 3	**-**	**-**	**-**	**-**	-	-	-	-
Impact on year end ECL of exposures transferred between stages during the year		**364,783**	**-**	**364,783**	-	57,629	-	57,629
Amounts written off	**(21)**	**-**	**-**	**(21)**	(270)	(115,545)	(134,014)	(249,829)
	(446,214)	**809,337**	**-**	**363,123**	245,944	(58,584)	(134,014)	53,346
At 31 December	**22,379**	**809,337**	**-**	**831,716**	468,593	-	-	468,593

(v) (b) Loans and receivables

Company

	31-Dec-20				31-Dec-19			
	₦'000 Stage 1	**₦'000 Stage 2**	**₦'000 Stage 3**	**₦'000 Total**	₦'000 Stage 1	₦'000 Stage 2	₦'000 Stage 3	₦'000 Total
Internal rating grade								
Investment grade	**252,243**	**-**	**-**	**252,243**	279,023	-	-	279,023
Non-investment grade (satisfactory)	**-**	**-**	**-**	**-**	-	-	-	-
Non-investment grade (unsatisfactory)	**-**	**-**	**-**	**-**	-	-	-	-
Past due but not impaired	**-**	**-**	**-**	**-**	-	-	-	-
Individually impaired	**-**	**-**	**-**	**-**	-	-	-	-
Total Gross Amount	**252,243**	**-**	**-**	**252,243**	279,023	-	-	279,023
ECL	**(1,327)**	**-**	**-**	**(1,327)**	(1,913)	-	-	(1,913)
Total Net Amount	**250,916**	**-**	**-**	**250,916**	277,110	-	-	277,110

An analysis of changes in the gross amount and the corresponding ECLs is, as follows:

	31-Dec-20				31-Dec-19			
	₦'000 Stage 1	**₦'000 Stage 2**	**₦'000 Stage 3**	**₦'000 Total**	₦'000 Stage 1	₦'000 Stage 2	₦'000 Stage 3	₦'000 Total
Gross carrying amount as at 1 January	**279,023**	**-**	**-**	**279,023**	328,957	-	-	328,957
New assets originated or purchased	**45,932**	**-**	**-**	**45,932**	20,640	-	-	20,640
Assets derecognised or repaid (excluding write offs)	**(72,712)**	**-**	**-**	**(72,712)**	(70,574)	-	-	(70,574)
	(26,780)	**-**	**-**	**(26,780)**	(49,933)	-	-	(49,933)
At 31 December	**252,243**	**-**	**-**	**252,243**	279,023	-	-	279,023

	₦'000 Stage 1	**₦'000 Stage 2**	**₦'000 Stage 3**	**₦'000 Total**	₦'000 Stage 1	₦'000 Stage 2	₦'000 Stage 3	₦'000 Total
ECL allowance as at 1 January	**1,913**	**-**	**-**	**1,913**	3,881	-	-	3,881
New assets originated or purchased	**138**	**-**	**-**	**138**	1,913	-	-	1,913
Assets derecognised or repaid (excluding write offs)	**(724)**	**-**	**-**	**(724)**	(3,881)	-	-	(3,881)
	(586)	**-**	**-**	**(586)**	(1,968)	-	-	(1,968)
At 31 December	**1,327**	**-**	**-**	**1,327**	1,913	-	-	1,913

(v) (c) Debt instruments at amortised cost

Group

	31-Dec-20				31-Dec-19			
	₦'000 Stage 1	**₦'000 Stage 2**	**₦'000 Stage 3**	**₦'000 Total**	₦'000 Stage 1	₦'000 Stage 2	₦'000 Stage 3	₦'000 Total
Internal rating grade								
Investment grade	**18,829,219**	**-**	**-**	**18,829,219**	23,382,943	-	-	23,382,943
Non-investment grade (satisfactory)	**-**	**-**	**-**	**-**	-	-	-	-
Non-investment grade (unsatisfactory)	**-**	**-**	**-**	**-**	-	-	-	-
Past due but not impaired	**-**	**-**	**-**	**-**	-	-	-	-
Individually impaired	**-**	**-**	**-**	**-**	-	-	-	-
Total Gross Amount	**18,829,219**	**-**	**-**	**18,829,219**	23,382,943	-	-	23,382,943
ECL	**(5,091)**	**-**	**-**	**(5,091)**	(5,391)	-	-	(5,391)
Total Net Amount	**18,824,128**	**-**	**-**	**18,824,128**	23,377,552	-	-	23,377,552

An analysis of changes in the gross amount and the corresponding ECLs is, as follows:

	31-Dec-20				31-Dec-19			
	₦'000 Stage 1	**₦'000 Stage 2**	**₦'000 Stage 3**	**₦'000 Total**	₦'000 Stage 1	₦'000 Stage 2	₦'000 Stage 3	₦'000 Total
Gross carrying amount as at 1 January	**23,382,943**	**-**	**-**	**23,382,943**	19,352,837	-	-	19,352,837
New assets originated or purchased	**19,139,067**	**-**	**-**	**19,139,067**	23,382,943	-	-	-
Assets derecognised or matured (excluding write offs)	**(23,798,734)**	**-**	**-**	**(23,798,734)**	(19,352,837)	-	-	(19,352,837)
Accrued interest capitalised	**105,943**	**-**	**-**	**105,943**	-	-	-	-
	(4,553,724)	**-**	**-**	**(4,553,724)**	4,030,106	-	-	4,030,106
At 31 December	**18,829,219**	**-**	**-**	**18,829,219**	23,382,943	-	-	23,382,943

	₦'000 Stage 1	**₦'000 Stage 2**	**₦'000 Stage 3**	**₦'000 Total**	₦'000 Stage 1	₦'000 Stage 2	₦'000 Stage 3	₦'000 Total
ECL allowance as at 1 January	**5,391**	**-**	**-**	**5,391**	6,266	-	-	6,266
New assets originated or purchased	**5,091**	**-**	**-**	**5,091**	5,410	-	-	5,410
Assets derecognised or matured (excluding write offs)	**(5,391)**	**-**	**-**	**(5,391)**	(6,285)	-	-	(6,285)
	(300)	**-**	**-**	**(300)**	(875)	-	-	(875)
At 31 December	**5,091**	**-**	**-**	**5,091**	5,391	-	-	5,391

(v) (c) Debt instruments at amortised cost

Company

	31-Dec-20				31-Dec-19			
	₦'000 Stage 1	**₦'000 Stage 2**	**₦'000 Stage 3**	**₦'000 Total**	**₦'000** Stage 1	**₦'000** Stage 2	**₦'000** Stage 3	**₦'000** Total
Investment grade	**7,627,747**	**-**	**-**	**7,627,747**	5,258,379	-	-	5,258,379
Non-investment grade (satisfactory)	**-**	**-**	**-**	**-**	-	-	-	-
Non-investment grade (unsatisfactory)	**-**	**-**	**-**	**-**	-	-	-	-
Past due but not impaired	**-**	**-**	**-**	**-**	-	-	-	-
Individually impaired	**-**	**-**	**-**	**-**	-	-	-	-
Total Gross Amount	**7,627,747**	**-**	**-**	**7,627,747**	5,258,379	-	-	5,258,379
ECL	**(2,062)**	**-**	**-**	**(2,062)**	(1,210)	-	-	(1,210)
Total Net Amount	**7,625,685**	**-**	**-**	**7,625,685**	5,257,169	-	-	5,257,169

An analysis of changes in the gross amount and the corresponding ECLs is, as follows:

	31-Dec-20				31-Dec-19			
	₦'000 Stage 1	**₦'000 Stage 2**	**₦'000 Stage 3**	**₦'000 Total**	**₦'000** Stage 1	**₦'000** Stage 2	**₦'000** Stage 3	**₦'000** Total
Gross carrying amount as at 1 January	**5,258,379**	**-**	**-**	**5,258,379**	4,462,696	-	-	4,462,696
New assets originated or purchased	**13,258,627**	**-**	**-**	**7,627,747**	5,258,379	-	-	5,258,379
Assets derecognised or matured (excluding write offs)	**(5,674,151)**	**-**	**-**	**(5,258,379)**	(4,462,696)	-	-	(4,462,696)
Accrued interest capitalised	**43,270**	**-**	**-**	**43,270**	-	-	-	-
	2,369,368	**-**	**-**	**2,369,368**	795,683	-	-	795,683
At 31 December	**7,627,747**	**-**	**-**	**7,627,747**	5,258,379	-	-	5,258,379

	₦'000 Stage 1	**₦'000 Stage 2**	**₦'000 Stage 3**	**₦'000 Total**	**₦'000** Stage 1	**₦'000** Stage 2	**₦'000** Stage 3	**₦'000** Total
ECL allowance as at 1 January	**1,210**	**-**	**-**	**1,210**	1,450	-	-	1,450
New assets originated or purchased	**2,062**	**-**	**-**	**2,062**	1,210	-	-	1,210
Assets derecognised or matured (excluding write offs)	**(1,210)**	**-**	**-**	**(1,210)**	(1,450)	-	-	(1,450)
	852	**-**	**-**	**852**	(240)	-	-	(240)
At 31 December	**2,062**	**-**	**-**	**2,062**	1,210	-	-	1,210

(vi) (d) *Finance Lease receivables*

Group

	31-Dec-20				31-Dec-19			
	₦'000 Stage 1	**₦'000 Stage 2**	**₦'000 Stage 3**	**₦'000 Total**	₦'000 Stage 1	₦'000 Stage 2	₦'000 Stage 3	₦'000 Total
Internal rating grade								
Investment grade	**66,482**	**-**	**-**	**66,482**	176,148	-	-	176,148
Non-investment grade (satisfactory)	**-**	**96,535**	**-**	**96,535**	-	-	-	-
Non-investment grade (unsatisfactory)	**-**	**-**	**-**	**-**	-	-	-	-
Past due but not impaired	**-**	**-**	**-**	**-**	-	-	-	-
Individually impaired	**-**	**-**	**130,665**	**130,665**	-	-	116,280	116,280
Total Gross Amount	**66,482**	**96,535**	**130,665**	**293,682**	176,148	-	116,280	292,428
ECL	**(66,482)**	**(96,478)**	**(130,065)**	**(293,025)**	(13,765)	-	(195,111)	(208,876)
Total Net Amount	**(0)**	**57**	**600**	**657**	162,383	-	(78,831)	83,552

An analysis of changes in the gross amount and the corresponding ECLs is, as follows:

	31-Dec-20				31-Dec-19			
	₦'000 Stage 1	**₦'000 Stage 2**	**₦'000 Stage 3**	**₦'000 Total**	₦'000 Stage 1	₦'000 Stage 2	₦'000 Stage 3	₦'000 Total
Gross carrying amount as at 1 January	**176,148**	**-**	**116,280**	**292,428**	124,952	-	195,110	320,062
New assets originated or purchased		**96,535**		**96,535**	51,196	-	-	51,196
Assets derecognised or matured (excluding write offs)	**(115,603)**	**-**	**-**	**(115,603)**	-	-	(78,830)	(78,830)
Accrued interest capitalised	**4,683**		**-**	**4,683**	-	-	-	-
Transfers to Stage 3	**1,254**	**-**	**(1,254)**	**-**	-	-	-	-
	(109,666)	**96,535**	**14,385**	**1,254**	51,196	-	(78,830)	(27,634)
At 31 December	**66,482**	**96,535**	**130,665**	**293,682**	176,148	-	116,280	292,428

	₦'000 Stage 1	**₦'000 Stage 2**	**₦'000 Stage 3**	**₦'000 Total**	₦'000 Stage 1	₦'000 Stage 2	₦'000 Stage 3	₦'000 Total
ECL allowance as at 1 January	**13,765**	**-**	**195,111**	**208,876**	8,797	-	195,111	203,908
New assets originated or purchased	**52,717**	**96,478**	**-**	**149,195**	-	-	-	-
Assets derecognised or matured (excluding write offs)	**-**	**-**	**(65,046)**	**(65,046)**	-	-	-	-
Transfers to Stage 1	**-**	**-**	**-**	**-**	-	-	-	-
Transfers to Stage 3	**-**	**-**	**-**	**-**	-	-	-	-
Changes to models and inputs used for ECL calculations	**-**	**-**	**-**	**-**	4,968	-	-	4,968
Amounts written off	**-**	**-**	**-**	**-**	-	-	-	-
	52,717	**96,478**	**(65,046)**	**84,149**	4,968	-	-	4,968
At 31 December	**66,482**	**96,478**	**130,065**	**293,025**	13,765	-	195,111	208,876

(vi) (d) *Finance Lease receivables*

Company

	31-Dec-20				31-Dec-19			
	₦'000 Stage 1	**₦'000 Stage 2**	**₦'000 Stage 3**	**₦'000 Total**	**₦'000** Stage 1	**₦'000** Stage 2	**₦'000** Stage 3	**₦'000** Total
Internal rating grade								
Investment grade	**657**	**-**	**-**	**657**	97,318	-	-	97,318
Non-investment grade (unsatisfactory)	**-**	**84,130**	**-**	**84,130**	-	-	-	-
Past due but not impaired	**-**	**-**	**-**	**-**	-	-	-	-
Individually impaired	**-**	**-**	**130,065**	**130,065**	-	-	116,280	116,280
Total Gross Amount	**657**	**84,130**	**130,065**	**214,852**	97,318	-	116,280	213,598
ECL	**-**	**(84,130)**	**(130,065)**	**(214,195)**	(13,766)	-	(116,280)	(130,046)
Total Net Amount	**657**	**-**	**-**	**657**	83,552	-	-	83,552

An analysis of changes in the gross amount and the corresponding ECLs is, as follows:

	31-Dec-20				31-Dec-19			
	₦'000 Stage 1	**₦'000 Stage 2**	**₦'000 Stage 3**	**₦'000 Total**	**₦'000** Stage 1	**₦'000** Stage 2	**₦'000** Stage 3	**₦'000** Total
Gross carrying amount as at 1 January	**97,318**	**-**	**116,280**	**213,598**	124,952	-	116,280	241,232
New assets originated or purchased	**1,254**	**-**	**-**	**1,254**				-
Assets derecognised or matured (excluding write offs)		**-**	**-**	**-**	(27,634)	-	-	(27,634)
Accrued interest capitalised	**-**	**-**	**-**	**-**	-	-	-	-
Transfers to Stage 1	**-**	**-**	**-**	**-**	-	-	-	-
Transfers to Stage 2	**(84,130)**	**84,130**	**-**	**-**	-	-	-	-
Transfers to Stage 3	**(13,785)**	**-**	**13,785**	**-**	-	-	-	-
	(96,661)	**84,130**	**13,785**	**1,254**	(27,634)	-	-	(27,634)
At 31 December	**657**	**84,130**	**130,065**	**214,852**	97,318	-	116,280	213,598

	₦'000 Stage 1	**₦'000 Stage 2**	**₦'000 Stage 3**	**₦'000 Total**	**₦'000** Stage 1	**₦'000** Stage 2	**₦'000** Stage 3	**₦'000** Total
ECL allowance as at 1 January	**13,766**	**-**	**116,280**	**130,046**	8,798	-	116,280	125,078
New assets originated or purchased	**84,749**	**-**	**-**	**84,749**	-	-	-	-
Assets derecognised or matured (excluding write offs)	**-**	**-**	**(600)**	**(600)**	4,968	-	-	4,968
Transfers to Stage 1	**-**	**-**	**-**	**-**	-	-	-	-
Transfers to Stage 2	**(84,130)**	**84,130**	**-**	**-**	-	-	-	-
Transfers to Stage 3	**(14,385)**	**-**	**14,385**	**-**	-	-	-	-
	(13,766)	**84,130**	**13,785**	**84,149**	4,968	-	-	4,968
At 31 December	**-**	**84,130**	**130,065**	**214,195**	13,766	-	116,280	130,046

(b) Liquidity risk

Liquidity risk is the risk that cash may not be available to pay obligations when due at a reasonable cost. The Group mitigates this risk by monitoring cash activities and expected outflows. The Group's current liabilities arise as claims are made and clients request for termination of their investment-linked products. The Group has no material commitments for capital expenditures and there is no need for such expenditures in the normal course of business. Claims payments are funded by current operating cash flow including investment income

The Group's investment policy requires that a reasonable percentage of the non-life portfolio be held in cash and cash equivalent; this highlights availability of liquid marketable securities sufficient to meet its liabilities as at when due. Cash and cash equivalents include cash in hand, cash at banks and short-term deposits with an original maturity of less than 90 days.

The limits are monitored and reported on a weekly and monthly basis to ensure that exposure of the Group's investment portfolio to this risk is properly managed.

Below is a summary of undiscounted contractual cashflows of financial assets matched with financial liabilities.

Group *31 December 2020*	₦'000 Carrying amount	₦'000 1- 6 months	₦'000 1 - 5 years	₦'000 Above 5 years	₦'000 No maturity date	₦'000 1-6 months	₦'000 Gross total
Cash and cash equivalents	11,420,144	11,495,886	-	-	-	-	11,495,886
Loans and advances	12,849,870	301,789	1,693,517	18,632,193	89,599	-	20,717,097
Financial assets held for trading pledged as collateral	140,648	-	-		-	140,648	140,648
Financial assets fair value through profit or loss	21,899,279	952,175	952,175	9,521,754	31,962,032	91,288	43,479,425
Debt Instruments at amortised cost	18,824,128	98,594	18,978,400	-	-		19,076,994
Trade receivables	348,617	348,617	-	-	-	-	348,617
Reinsurance assets	2,396,137	2,396,137	-	-	-	-	2,396,137
Other receivables	441,356	441,356	-	-	-	-	441,356
Finance lease receivables	657	11,624	3,639	-	-	-	15,263
Total financial assets	**68,320,836**	**16,046,179**	**21,627,731**	**28,153,947**	**32,051,631**	**231,936**	**98,111,423**
Investment contract liabilities	28,447,267	7,501,078	7,501,078	14,923,494	574,448	-	30,500,099
Insurance contract liabilities*	12,014,154	9,527,115		-	-	2,487,039	12,014,154
Trade payables*	990,356	990,356	-	-	-	-	990,356
Other liabilities*	3,353,828	3,353,828	-	-	-	-	3,353,828
Deposit liabilities	301,618	301,618	-	-	-	-	301,618
Borrowings	3,890,130	1,910,000	764,000	1,216,130	-	-	3,890,130
Total financial liabilities	**48,997,353**	**23,583,995**	**8,265,078**	**16,139,624**	**574,448**	**2,487,039**	**51,050,185**
Total liquidity gap	**19,323,483**	**(7,537,816)**	**13,362,653**	**12,014,323**	**31,477,182**	**(2,255,103)**	**47,061,239**

*These balances are adjusted for non-financial items such as unearned premium, deferred commission, deposit for premium, WHT and VAT payable etc.

(b) Liquidity risk - Continued

Company ***31 December 2020***	**₦'000** **Carrying amount**	**₦'000** **1- 6 months**	**₦'000** **1 - 5 years**	**₦'000** **Above 5 years**	**₦'000** **No maturity date**	**₦'000** **1-6 months**	**₦'000** **Gross total**
Cash and cash equivalents	4,761,993	4,767,629	-	-	-	-	4,767,629
Loans and advances	250,916	28,329	20,056	145,567	89,599	-	283,551
Financial assets held for trading pledged as collateral	140,648			-		140,648	140,648
Financial assets fair value through profit or loss	5,879,688	252,328	252,328	2,523,279	9,099,353	91,288	12,218,576
Debt Instruments at amortised cost	7,625,685	98,594	7,627,400	-	-	-	7,725,994
Trade receivables	182,138	182,138	-	-	-	-	182,138
Reinsurance assets	77,831	77,831	-	-	-	-	77,831
Other receivables	191,160	191,160	-	-	-	-	191,160
Finance lease receivables	657	11,624	3,639	-	-	-	15,263
Total financial assets	**19,110,716**	**5,609,633**	**7,903,423**	**2,668,847**	**9,188,952**	**231,936**	**25,602,791**
Insurance contract liabilities*	4,024,793	2,892,773	-	-	-	1,132,020	4,024,793
Trade payables*	338,461	338,461	-	-	-	-	338,461
Other liabilities*	1,928,132	1,928,132	-	-	-	-	1,928,132
Borrowings	3,890,130	1,910,000	764,000	1,216,130	-	-	3,890,130
Total financial liabilities	**10,181,516**	**7,069,366**	**764,000**	**1,216,130**	**-**	**1,132,020**	**10,181,516**
Total liquidity gap	**8,929,200**	**(1,459,733)**	**7,139,423**	**1,452,717**	**9,188,952**	**(900,084)**	**15,421,275**

*These balances are adjusted for non-financial items such as unearned premium, deferred commission, WHT and VAT payable etc.

(b) Liquidity risk - Continued

Group *31 December 2019*	**₦'000 Carrying amount**	**₦'000 1- 6 months**	**₦'000 1 - 5 years**	**₦'000 Above 5 years**	**₦'000 No maturity date**	**₦'000 1-6 months**	**₦'000 Gross total**
Cash and cash equivalents	6,821,006	6,866,245	-	-	-	-	6,866,245
Loans and advances	11,181,262	1,434,355	11,277,245	156,598	97,591	-	12,965,789
Financial assets held for trading pledged as collateral	123,742	-	-	123,742	-	-	123,742
Financial assets fair value through profit or loss	7,669,217	387,063	434,891	4,253,257	15,217,513	-	20,292,724
Debt Instruments at amortised cost	23,377,552	530,307	24,610,500	-			25,140,807
Trade receivables	563,813	563,813	-	-	-	-	563,813
Reinsurance assets	3,155,625	3,155,625	-	-	-	-	3,155,625
Other receivables	618,599	618,599	-	-	-	-	618,599
Finance lease receivables	83,552	11,624	86,534	-	-	-	98,158
Total financial assets	**53,594,368**	**13,567,631**	**36,409,171**	**4,533,596**	**15,315,104**	**-**	**69,825,502**
Investment contract liabilities	26,266,129	6,925,948	6,925,948	13,779,265	530,404	-	28,161,564
Insurance contract liabilities*	9,098,146	7,371,037	1,217,080	-	-	1,727,109	10,315,226
Trade payables*	823,277	823,277	-	-	-	-	823,277
Other liabilities*	1,222,562	1,222,562	-	-	-	-	1,222,562
Deposit liabilities	389,640	389,640	-	-	-	-	389,640
Borrowings	6,752,845	-	4,935,000	-	1,817,845	-	6,752,845
Total financial liabilities	**44,552,599**	**16,732,464**	**13,078,027**	**13,779,265**	**2,348,249**	**1,727,109**	**47,665,114**
Total liquidity gap	**9,041,769**	**(3,164,833)**	**23,331,143**	**(9,245,669)**	**12,966,855**	**(1,727,109)**	**22,160,388**

*These balances are adjusted for non-financial items such as unearned premium, deferred commission, WHT and VAT payable etc.

(b) Liquidity risk - Continued

Company ***31 December 2019***	**₦'000** **Carrying amount**	**₦'000** **1- 6 months**	**₦'000** **1 - 5 years**	**₦'000** **Above 5 years**	**₦'000** **No maturity date**	**₦'000** **1-6 months**	**₦'000** **Gross total**
Cash and cash equivalents	2,146,927	2,161,166	-	-	-	-	2,161,166
Loans and advances	277,110	67,019	60,512	108,482	97,591	-	333,604
Financial assets held for trading pledged as collateral	123,742			123,742			123,742
Financial assets fair value through profit or loss	3,377,844	167,674	191,588	1,820,219	6,833,045		9,012,525
Debt Instruments at amortised cost	5,257,169	430,307	5,240,000	-	-	-	5,670,307
Trade receivables	316,582	316,582	-	-	-	-	316,582
Reinsurance assets	830,287	830,287	-	-	-	-	830,287
Other receivables	52,757	52,757	-	-	-	-	52,757
Finance lease receivables	83,552	11,624	86,534	-	-	-	98,158
Total financial assets	**12,465,970**	**4,037,416**	**5,578,633**	**2,052,443**	**6,930,636**	**-**	**18,599,128**
Insurance contract liabilities*	2,433,441	1,612,741	-	-	-	820,700	2,433,441
Trade payables*	477,223	477,223	-	-	-	-	477,223
Other liabilities*	284,988	284,988	-	-	-	-	284,988
Borrowings	6,752,845	-	4,935,000	-	1,817,845	-	6,752,845
Total financial liabilities	**9,948,497**	**2,374,952**	**4,935,000**	**-**	**1,817,845**	**820,700**	**9,948,497**
Total liquidity gap	**2,517,473**	**1,662,464**	**643,633**	**2,052,443**	**5,112,791**	**(820,700)**	**8,650,631**

*These balances are adjusted for non-financial items such as unearned premium, deferred commission, WHT and VAT payable etc.

(c) Market risk

i Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates

The Group's principal transactions are carried out in Naira and its exposure to foreign exchange risk arise primarily with respect to the US dollar and Yen.

The Group's financial assets are primarily denominated in the same currencies as its insurance and investment contract liabilities. Thus, the main foreign exchange risk arises from recognised assets and liabilities denominated in currencies other than those in which insurance and investment contract liabilities are expected to be settled.

Mutual Benefits Assurance Plc is exposed to foreign exchange currency risk primarily through undertaking certain transactions denominated in foreign currency. The Group exposure to foreign currency risk through its investment in short term placements, foreign domiciliary bank balance and foreign borrowing.

Group

	31 December 2020				31 December 2019			
	POUND	USD	EURO	Yen	POUND	USD	EURO	Yen
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Cash and cash equivalents	**104,973**	**639,094**	**20,901**	**-**	94,439	937,144	-	-
Borrowings		**-**	**-**	**-**	-	-	-	6,351,975
Outstanding claims		**434,202**	**-**	**-**	-	434,202	-	-

Company

	31 December 2020				31 December 2019			
	POUND	USD	EURO	Yen	POUND	USD	EURO	Yen
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Cash and cash equivalents	**4,264**	**433,962**	**20,901**	**-**	2,286	496,502	-	-
Borrowings		**-**	**-**	**-**	-	-	-	6,351,975
Outstanding claims		**434,202**	**-**	**-**	-	434,202	-	-

The following analysis is performed for reasonably possible movements in key variables with all other variables held constant, showing the impact on profit before tax and equity due to changes in the fair value of currency sensitive monetary assets and liabilities including insurance contract claim liabilities. The correlation of variables will have a significant effect in determining the ultimate
impact of currency risk, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis. It should be noted that movements in these variables are non–linear. The method used for deriving sensitivity information and significant variables did not change from the previous period.

(c) Market risk - Continued

Group

		GROUP				COMPANY			
		31 DECEMBER 2020		31 DECEMBER 2019		31 DECEMBER 2020		31 DECEMBER 2019	
	Change in variables	*Impact on profit before tax*	*Impact on equity*	*Impact on profit before tax*	*Impact on equity*	*Impact on profit before tax*	*Impact on equity*	*Impact on profit before tax*	*Impact on equity*
USD	+10%	**190,162**	**133,114**	204,391	143,074	**(24)**	**(17)**	6,230	4,361
EURO	+10%	**2,090**	**1,463**	-	-	**2,090**	**1,463**	-	-
YEN	+10%	**-**	**-**	(635,198)	(444,638)	**-**	**-**	(635,198)	(444,638)
POUND	+10%	**10,497**	**7,348**	9,444	6,611	**426**	**298**	229	160
USD	-10%	**(190,162)**	**(133,114)**	(204,391)	(143,074)	**24**	**17**	(6,230)	(4,361)
EURO	-10%	**(2,090)**	**(1,463)**	-	-	**(2,090)**	**(1,463)**	-	-
YEN	-10%	**-**	**-**	635,198	444,638	**-**	**-**	635,198	444,638
POUND	-10%	**(10,497)**	**(7,348)**	-	-	**(426)**	**(298)**	-	

ii Interest-rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates

Fixed interest rate instruments expose the Group to fair value interest risk. Group does no expose to cash flow interest risk

The Group has no significant concentration of interest rate risk.

iii Equity price risk

Equity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk). The investments of the Group are subject to normal market fluctuations and the risks inherent in investment in financial markets. The Group expoure to equity price risk is insignificant.

3.2 *Capital Management*

The National Insurance Commission (NAICOM), sets and monitors capital requirements for Insurance Companies. The individual subsidiaries are directly supervised by other regulators, i.e, Mutual Benefits Microfinance Bank Limited is regulated by the Central Bank of Nigeria, Mutual Benefits Niger Limited by Conference Interafricaine Des Marches D's assurance (CIMA) and Mutual Benefits Liberia Limited are being regulated by Central Bank of Liberia respectively.

3.2 Capital Management - continued

The Group's policy is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain the future development of the business. The impact of the level of capital on shareholders' return is also recognised and the Group recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position. The Group and its individually regulated operations have complied with all externally imposed capital requirements.

Management uses regulatory capital ratios to monitor its capital base. The allocation of capital between specific operations and activities is, to a large extent, driven by optimisation of the return achieved on the capital allocated. The amount of capital allocated to each operation or activity is based primarily on the regulatory capital, but in some cases the regulatory requirements do not fully reflect the varying degree of risk associated with different activities. In such cases, the capital requirements may be flexed to reflect differing risk profiles, subject to the overall level of capital to support a particular operation or activity not falling below the minimum required for regulatory purposes. The process of allocating capital to specific operations and activities is undertaken independently of those responsible for the operation by Group Risk and Group Credit, and is subject to review by the Group Credit Committee or the Group Asset and Liability Management Committee (ALCO), as appropriate. The Group ensures it maintains the minimum required capital at all times throughout the year. The table below summarises the minimum required capital across the Group and the regulatory capital held against each of them.

Capital management objectives, policies and approach

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

1 To maintain the required level of stability of the Company thereby providing a degree of security to policyholders;

2 To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and of its shareholders;

3 To retain financial flexibility by maintaining strong liquidity and access to a range of capital markets

4 To align the profile of assets and liabilities taking account of risks inherent in the business;

5 To maintain financial strength to support new business growth and to satisfy the requirements of the policyholders, regulators and stakeholders;

6 To maintain strong credit ratings and healthy capital ratios in order to support its business objectives and maximise shareholders value.

In reporting financial strength, capital and solvency are measured using the rules prescribed by the National Insurance Commission. These regulatory capital tests are based upon required levels of solvency, capital and a series of prudent assumptions in respect of the type of business written.

The Company's capital management policy for its insurance business is to hold sufficient capital to cover the statutory requirements based on the NAICOM directives, including any additional amounts required by the regulator.

The Company seeks to optimise the structure and sources of capital to ensure that it consistently maximises returns to the shareholders and policyholders.

The Company has had no significant changes in its policies and processes to its capital structure during the past year from previous years.

3.2 Capital Management - continued

Company	2020 ₦'000	2019 ₦'000
Available capital resources as at 31 December		
Total shareholders' funds per financial statements	**15,009,822**	8,255,603
Regulatory adjustments	**(923,479)**	(840,950)
Available capital resources	**14,086,343**	7,414,653
Minumum capital based required by regulator	**3,000,000**	3,000,000
Excess in solvency margin	**11,086,343**	4,414,653

The Solvency Margin for the parent as at 31 December 2020 is as follows:

	2020 ₦'000	2019 ₦'000
Admissible assets		
Cash and cash equivalents	**4,761,993**	2,146,927
Equity instruments at fair value through OCI	**60,008**	57,842
Financial assets fair value through profit or loss	**5,879,688**	3,377,844
Loans and receivables	**250,916**	277,110
Debt Instruments at amortised cost	**7,625,685**	5,257,169
Financial assets held for trading pledged as collateral	**140,648**	123,742
Trade receivables	**182,138**	316,582
Reinsurance assets	**1,885,227**	1,823,103
Deferred acquisition cost	**432,422**	355,388
Finance lease receivables	**657**	83,552
Investment properties & Land/Building	**1,000,000**	1,000,000
Investment in subsidiaries	**6,000,000**	6,000,000
Property, plant and equipment (less Land & Building)	**200,674**	297,801
Intangible assets	**12,706**	23,957
Statutory deposit	**300,000**	300,000
Total	**28,732,762**	21,441,017
Admissible liabilities		
Insurance contract liabilities	**7,428,602**	5,028,508
Borrowings	**3,890,130**	6,752,845
Trade payables	**756,603**	1,227,507
Other liabilities	**1,954,097**	375,331
Current income tax liabilities	**616,987**	642,173
Total	**14,646,419**	14,026,364
Solvency margin	**14,086,343**	7,414,653
The higher of 15% of Net premium income and minimum share capital requirement	**3,000,000**	3,000,000
Solvency ratio	**4.70**	2.47

3.3 *Asset and Liability Management*

The Company is exposed to a financial risks through its financial assets, financial liabilities (investment contracts and borrowings), reinsurance assets and insurance liabilities. In particular, the key financial risk is that in the long-term its investment proceeds are not sufficient to fund the obligations arising from its insurance and investment contracts. The most important components of this financial risk are liquidity risk and credit risk.

The Company manages these positions within an ALM framework that has been developed to achieve longterm investment returns in excess of its obligations under insurance and investment contracts. Within the ALM framework, the Group periodically produces reports at portfolio, legal entity and asset and liability class level that are circulated to the Group's key management personnel. The principal technique of the Company's ALM is to match assets to the liabilities arising from insurance and investment contracts by reference to the type of benefits payable to contract holders. For each distinct class of liabilities, a separate portfolio of assets is maintained. The Company has not changed the processes used to manage its risks from previous periods.

The Company's ALM is integrated with the management of the financial risks associated with the Company's other classes of financial assets and liabilities not directly associated with insurance and investment liabilities (in particular, borrowings and investments in foreign operations). The notes below explain how financial risks are managed using the categories utilized in the Company's ALM framework.

The table below hypothecates the total assets of the Company into assets that represents insurance funds and shareholders' funds:

	31 DECEMBER 2020			**31 DECEMBER 2019**		
	Carrying amount ₦'000	*Insurance contract ₦'000*	*Shareholders fund ₦'000*	**Carrying amount N'000**	**Insurance contract N'000**	**Shareholders fund N'000**
ASSETS						
Cash and cash equivalents	**4,761,993**	**1.552,183**	**3.209,810**	2,146,927	1.824,888	322.039
Equity instruments at fair value through OCI	**60,008**	**-**	**60,008**	57,842	-	57,842
Financial assets fair value through profit or loss	**5,879,688**	**91,288**	**5.788,400**	3,377,844	23,914	3,353,930
Loans and receivables	**250,916**	**-**	**250,916**	277.110	-	277.110
Debt instrument at amortised cost	**7,625,685**	**6,031,505**	**1.594.180**	5,257,169	3.475,478	1,781.691
Financial assets held for trading pledged as collateral	**140,648**	**-**	**140,648**	123,742	-	123.742
Trade receivables	**182,138**	**182,138**	**-**	316,582	316,582	-
Reinsurance assets	**1,885,227**	**1.885,227**	**-**	1,823,103	1.823.103	-
Other receivables and prepayments	**267,111**	**-**	**267.111**	200,825	-	200,825
Deferred acquisition cost	**432,422**	**-**	**432.422**	355,388	-	355,388
Finance lease receivables	**657**	**657**	**-**	83,552	83,552	-
Investment property	**56,000**	**-**	**56,000**	56,000	-	56,000
Investment in subsidiaries	**6,120,000**	**-**	**6.120,000**	6,000,000	-	6,000,000
Intangible assets	**12,706**	**-**	**12.706**	23,957	-	23,957
Property, plants and equipment	**2,219,816**	**-**	**2.219,816**	2,398,161	-	2.398,161
Statutory deposit	**300,000**	**-**	**300,000**	300,000	-	300,000
Deposit for shares	**29,238**	**-**	**29.238**	127,238	-	127.238
Deferred tax assets	**91,556**	**-**	**91,556**	65,718	-	65,718
Total assets	**30,315,809**	**9,742,998**	**20,572 810**	22,991158	7,547,517	15,443,642
Liabilities						
Insurance contract liabilities	**7,428,602**	**7.428,602**	**-**	5,028,508	5.028,508	-
Trade payables	**756,603**	**-**	**756,603**	1,227,507	-	1,227,507
Other liabilities	**1,954,097**	**-**	**1.954,097**	375,331	-	375,331
Borrowings	**3,890,130**	**-**	**3.890,130**	6,752,845	-	6,752,845
Current income tax liabilities	**616,987**	**-**	**616,987**	642,173	-	642.173
Deferred tax liability	**659,568**	**-**	**659,568**	709,191	-	709,191
Total liabilities	**15,305,987**	**7,428,602**	**7,877,385**	14,735,555	5,028,508	9,707,047
GAP	**15,009,822**	**2,314,396**	**12,695,426**	8,255,603	2,519,009	5,736,594

3.4 *Measurement of financial assets and liabilities*

Accounting classification measurement basis and fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

		Group		Company	
31 December 2020	*Note*	**Carrying amount ₦'000**	**Fair value ₦'000**	**Carrying amount ₦'000**	**Fair value ₦'000**
Loans and advances	*21.3*	**12,849,870**	**13,681,586**	**250,916**	**252,243**
Debt Instruments at amortised cost	*21.4*	**18,824,128**	**17,884,971**	**7,625,685**	**5,246,250**
Finance lease receivables	*21.2.2*	**657**	**657**	**657**	**657**
		31,674,655	**31,567,214**	**7,877,258**	**5,499,150**

		Group		Company	
31 December 2019	*Note*	**Carrying amount ₦'000**	**Fair value ₦'000**	**Carrying amount ₦'000**	**Fair value ₦'000**
Loans and advances	***21.3***	11,181,262	11,649,855	277,110	279,023
Debt Instruments at amortised cost	***21.4***	23,377,552	16,150,402	5,257,169	5,246,250
Finance lease receivables	**27**	83,552	83,552	83,552	83,552
		34,642,366	27,883,809	5,617,831	5,608,825

3.5 *Fair value hierarchy*

The Group's accounting policy on fair value measurements is discussed under note 2.3.11.

The fair values of financial assets and liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the group determines fair values using other valuation techniques.

For financial instruments that trade infrequently, and had little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risk affecting the specific instrument.

Valuation models

The group measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

3.5 Fair value hierarchy - Continued

Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise primarily Nigerian Stock Exchange equity investments classified as trading securities or available for sale. If the fair value cannot be measured reliably, these financial instruments are measured at cost, being the fair value of the consideration paid for the acquisition of the investment or the amount received on issuing the financial liability. All transaction costs directly attributable to the acquisition are also included in the cost of the investment. The group measure its available-sale instrument at costs.

Financial instruments in level 2

Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Financial instruments in level 3

Level 3: inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognised in the statement of financial position.

Financial instruments measured at fair value

The following table analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised:

31 December 2020	Group				Company			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Financial assets held for trading pledged as collateral	**140,648**	**-**	**-**	**140,648**	**140,648**	**-**	**-**	**140,648**
Equity instruments at fair value through OCI	**-**	**-**	**140,641**	**140,641**	**-**	**-**	**60,008**	**60,008**
Financial assets at FVPL	**-**	**21,899,279**	**-**	**21,899,279**	**-**	**5,879,688**	**-**	**5,879,688**
	140,648	**21,899,279**	**140,641**	**22,180,568**	**140,648**	**5,879,688**	**60,008**	**6,080,344**

31 December 2019	Group				Company			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Financial assets held for trading pledged as collateral	123,742	-	-	123,742	123,742	-	-	123,742
Equity instruments at fair value through OCI	-	-	345,967	345,967	-	-	57,842	57,842
Financial assets at FVPL	-	7,669,217	-	7,669,217	-	3,377,844	-	3,377,844
	123,742	7,669,217	345,967	8,138,926	123,742	3,377,844	57,842	3,559,428

Reconciliation of Level 3 item (equity instruments at FVOCI)

31 December 2019	Group		Company	
	31 Dec-2020	31 Dec-2019	31 Dec-2020	31 Dec-2019
	N'000	N'000	N'000	₦'000
At 1 January	**345,967**	731,018	**57,842**	54,211
Unrealised gains/(losses) in OCI	**(205,326)**	(385,051)	**2,166**	3,631
	140,641	345,967	**60,008**	57,842

3.5 *Fair value hierarchy - Continued*

Financial instruments not measured at fair value

The following table sets out the carrying amount of financial instruments not measured at fair value and the analysis per level in the fair value hierarchy into which each fair value measurement is categorised.

31 December 2020	Group				Company			
	Stage 1 ₦'000	Stage 2 ₦'000	Stage 3 ₦'000	Total ₦'000	Stage 1 ₦'000	Stage 2 ₦'000	Stage 3 ₦'000	Total ₦'000
Loans and advances	-	-	13,681,586	13,681,586	-	-	252,243	252,243
Debt Instruments at amortised cost	-	17,884,971		17,884,971		5,246,250		5,246,250
Finance lease receivables	-	-	657	657	-	-	657	657
	-	17,884,971	13,682,243	31,567,214	-	5,246,250	252,900	5,499,150

31 December 2019	Group				Company			
	Stage 1 ₦'000	Stage 2 ₦'000	Stage 3 ₦'000	Total ₦'000	Stage 1 ₦'000	Stage 2 ₦'000	Stage 3 ₦'000	Total ₦'000
Loans and advances	-	-	11,649,855	11,649,855	-	-	279,023	279,023
Debt Instruments at amortised cost	-	16,150,402		16,150,402		5,246,250		5,246,250
Finance lease receivables	-	-	83,552	83,552	-	-	83,552	83,552
	-	16,150,402	11,733,407	27,883,809	-	5,246,250	362,575	5,608,825

Fair value of financial assets and liabilities

Below are the methodologies and assumptions used to determine fair values for those financial instruments in the financial statements:

Assets and liabilities for which fair value approximates carrying value

The management assessed that cash and cash equivalents, trade receivables, reinsurance receivable, other receivables, trade payables, other liabilities and deposit liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

3.5 Fair value hierarchy - Continued

Loans and advances and finance lease receivables

The fair values of loans and advances are based on cash flows discounted using a rate based on the market interest rate of borrowings. The discount rate equals the prime lending rate as set by the Central Bank of Nigeria at the reporting dates. The fair values are within Level 3 of the fair value hierarchy.

Non financial asset measured at fair value

Investment property is a recurring fair value measurement valued using the market approach method of valuation. The valuation of the properties is based on the price for which comparable land and properties are being exchanged and/or are being marketed for sale. Therefore, the market-approach Method of Valuation was used. See Note 31 for the details of the description of valuation techniques used and key inputs to valuation on investment properties.

	Group				Company			
	Stage 1 ₦'000	Stage 2 ₦'000	Stage 3 ₦'000	Total ₦'000	Stage 1 ₦'000	Stage 2 ₦'000	Stage 3 ₦'000	Total ₦'000
Investment property 31 Dec 2020	**-**	**-**	**6,721,000**	**6,721,000**	**-**	**-**	**56,000**	**56,000**
Investment property 31 Dec 2019	-	-	6,931,000	6,931,000	-	-	56,000	56,000

3.6 Segment information

The Group is organized into three operating segments. These segments distribute their products through various forms of brokers, agencies and direct marketing programs. Management identifies its reportable operating segments by product line consistent with the reports used by the Management Investment and Underwriting Committee. These segments and their respective operations are as follows:

i **Assurance business:**This segment covers the protection of customers' assets (Particularly their properties, both for personal and commercial business) and indemnification of other parties that have suffered damage as a result of customers accident. All contracts in this segment are short term in nature.Revenue in this segment is derived primarily from insurance premium, investment income, net realised gains on financial assets , and net fair value gains on financial assets at fair value through profit or loss and covers the protection of the Group's customers against the risk of premature death, disability, critical illness and other accidents. Revenue from this segment is derived primarily from insurance premium, investment income, net realized gains on financial assets and net fair value gains on financial assets held for trading.

ii **Real Estate:** The Group undertakes real estate development project with the aim of outright sale or lease of the properties to meet the needs of individual and corporate bodies. The Group offers various products in real estate to meet client needs while promoting value adding business relationships and utilizes a combination of debt and equity finance to provide funds for projects. Revenue from this segment is derived primarily from property sale, fee income and investment income.

iii **Microfinance Banking:** The Group undertakes provision of retails and microfinance banking services at the community level. Revenue from this segment is derived primarily interest on micro loans and advances, SME loans, overdraft, fees and commission and investment income.

3.6 Segment information - Continued

The segment information provided by the Management Underwriting Investment Committee (MUIC) for the reporting segments for the year ended 31 December 2020 is as follows:

Group

	Assurance business				Real estate	Microfinance		
	Mutual Plc Nigeria ₦'000	Mutual Ltd Nigeria ₦'000	Mutual Niger ₦'000	Mutual Liberia ₦'000	Mutual Homes ₦'000	Mutual Microfinance ₦'000	Elimination adjustment ₦'000	Total ₦'000
Cash and cash equivalents	4,761,993	2,880,279	3,052,381	478,747	311	388,745	(142,310)	11,420,144
Equity instruments at fair value through OCI	60,008	39,117	-	111,500	-	-	(69,980)	140,641
Financial assets at fair value at through profit or loss	5,879,688	16,019,591	-	-	-	-	-	21,899,279
Loans and receivables	250,916	11,546,833	-	962,566	-	89,555	-	12,849,870
Debt Instruments at amortised cost	7,625,685	11,198,444	-	-	-	-	-	18,824,128
Financial assets held for trading pledged as collateral	140,648	-	-	-	-	-	-	140,648
Trade receivables	182,138	-	133,491	32,988	-	-	-	348,617
Reinsurance assets	1,885,227	1,862,233	566,940	(2,559)	-	-	-	4,311,840
Other receivables and prepayments	267,111	397,346	35,929	162,156	28,252	8,453	(34,030)	865,217
Deferred acquisition costs	432,422	155,557	-	-	-	-	-	587,978
Finance lease receivables	657	-	-	-	-	-	-	657
Inventories	-	-	-	-	169,799	-	-	169,799
Investment properties	56,000	6,665,000	-	-	-	-	-	6,721,000
Intangible assets	12,706	-	21,320	-	-	12,827	-	46,853
Property, plant and equipment	2,219,816	91,391	707,787	392,950	-	10,113	1,360	3,423,421
Investments in subsidiaries	6,120,000	1,016,981	-	-	-	-	(7,136,980)	-
Statutory deposit	300,000	200,000	-	-	-	-	-	500,000
Deposit for investment in equity	29,238	100,000	-	-	-	-	(122,000)	7,238
Deferred tax assets	91,556	469,865	-	-	-	-	50,660	612,077
Total assets	30,315,809	52,642,636	4,517,848	2,138,348	198,362	509,693	(7,453,280)	82,869,407

3.6 Segment information - Continued

The segment information provided by the Management Underwriting Investment Committee (MUIC) for the reporting segments as at 31 December 2020 is as follows:

Group

	Assurance business				Real estate	Microfinance		
	Mutual Plc Nigeria ₦'000	Mutual Ltd Nigeria ₦'000	Mutual Niger ₦'000	Mutual Liberia ₦'000	Mutual Homes ₦'000	Mutual Microfinance ₦'000	Elimination adjustment ₦'000	Total ₦'000
LIABILITIES								
Insurance contract liabilities	7,428,602	8,871,956	1,008,208	263,517	-	-	-	17,572,283
Investment contract liabilities	-	28,447,267	-	-	-	-	-	28,447,267
Trade payables	756,603	958,905	405,958	5,539	-	-	-	2,127,006
Other liabilities	1,954,097	1,034,044	298,801	116,988	353,479	150,766	(498,890)	3,409,284
Deposit liabilities	-	-	-	-	-	301,618	-	301,618
Borrowings	3,890,130	-	-	-	-	-	-	3,890,130
Current income tax liabilities	616,987	167,428	-	55,571	49,996	14,722	-	904,704
Deferred tax liabilities	659,568	-	-	-	8	3,636	865,370	1,528,578
Total liabilities	**15,305,987**	**39,479,600**	**1,712,967**	**441,616**	**403,483**	**470,741**	**366,480**	**58,180,870**
EQUITY								
Share capital	5,586,367	8,002,500	1,295,010	488,421	20,000	504,867	(10,310,800)	5,586,367
Treasury shares	(250)	-	-	-	-	-	-	(250)
Deposit for Shares	4,800,000	-	-	-	-	-	-	4,800,000
Foreign currency translation reserve	-	-	1,141,360	953,334	-	-	(933,092)	1,161,602
Contingency reserve	3,118,041	1,054,012	-	-	-	-	(1)	4,172,059
Fair value reserve	(133,900)	(176,942)	-	-	-	-	(568,095)	(878,937)
Revaluation reserve	1,339,395	-	139,140	74,003	-	-	(32,407)	1,520,131
Retained earnings/ (accumulated losses)	300,169	4,283,468	219,550	178,572	(225,121)	(480,475)	2,717,624	6,993,787
Shareholders fund	**15,009,822**	**13,163,037**	**2,795,060**	**1,694,331**	**(205,121)**	**24,392**	**(9,126,771)**	**23,354,759**
Owners of the parent	15,009,822	13,163,037	2,795,060	1,694,331	(205,121)	24,392	(9,126,771)	23,354,759
Non-controlling interests in equity	-	-	9,821	2,401	-	14,560	1,307,015	1,333,778
Total equity	**15,009,822**	**13,163,037**	**2,804,881**	**1,696,731**	**(205,121)**	**38,952**	**(7,819,756)**	**24,688,537**
Total liabilities and equity	**30,315,809**	**52,642,637**	**4,517,848**	**2,138,348**	**198,362**	**509,693**	**(7,453,276)**	**82,869,407**

3.6 Segment information - Continued

The segment information provided by the Management Underwriting Investment Committee (MUIC) for the reporting segments for the year ended 31 December 2020 is as follows:

Group

	Assurance business				Real estate	Microfinance		
	Mutual Plc Nigeria	Mutual Ltd Nigeria	Mutual Niger	Mutual Liberia	Mutual Homes	Mutual Microfinance	Elimination adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Gross premium written	9,207,506	8,433,063	1,763,513	579,760	-	-	-	19,983,843
Gross premium income	8,398,764	8,525,403	1,888,264	615,944	-	-	(2)	19,428,373
Premiums ceded to reinsurers	(2,262,009)	(947,345)	(133,537)	(6,450)	-	-	-	(3,349,341)
Net premiums income	6,136,755	7,578,058	1,754,727	609,494	-	-	(2)	16,079,032
Fee and commission income	519,547	179,529	22,129	-	-	-	-	721,205
Net underwriting income	6,656,302	7,757,587	1,776,856	609,494	-	-	(2)	16,800,237
Net benefits and claims	3,556,150	3,577,780	789,629	72,153	-	-	-	7,995,711
Increase in individual life fund	-	192,942	-	-	-	-	-	192,942
Increase in annuity reserve	-	3,997	-	-	-	-	(1)	3,996
Underwriting expenses	2,147,094	2,191,949	513,830	78,628	-	-	-	4,931,501
Net underwriting expenses	5,703,244	5,966,668	1,303,459	150,781	-	-	(1)	13,124,150
Underwriting profit	953,058	1,790,919	473,397	458,713	-	-	(1)	3,676,087
Profit on investment contracts	-	416,303	-	-	-	-	-	416,303
Investment income	1,135,155	1,283,258	95,336	85,539	-	-	-	2,599,288
Net fair value gain/(loss) on assets at FVTPL	1,127,088	2,165,343	-	-	-	-	-	3,292,431
Other income	1,616,965	62,031	2,675	-	2,475	9,141	4,303	1,697,590
Impairment charges	(86,123)	(896,584)	(2,302)	(43,885)	-	(93,625)	200,884	(921,635)
Employees benefit expenses	(989,293)	(626,356)	(153,482)	(106,258)	(1,125)	(40,967)	-	(1,917,481)
Other management expenses & FX loss	(1,861,435)	(1,057,028)	(300,222)	(272,204)	(266,932)	(47,055)	(4,301)	(3,809,177)
Result of operating activities	1,895,415	3,137,885	115,402	121,904	(265,582)	(172,506)	200,885	5,033,406
Finance costs	(13,088)	-	-	-	-	(10,263)	-	(23,351)
Finance income	-	-	-	-	-	31,970	-	31,970
Profit before income tax	1,882,327	3,137,885	115,402	121,904	(265,582)	(150,799)	200,885	5,042,025
Income tax (expense)/benefit	(19,471)	246,931	(144,725)	(45,412)	30,308	(445)	(1)	67,184
Profit for the year	1,862,856	3,384,816	(29,323)	76,492	(235,274)	(151,244)	200,884	5,109,209
Profit attributable to:								
Owners of the parent	1,862,856	3,384,816	(39,145)	74,091	(235,274)	(108,508)	192,977	5,131,816
Non-controlling interests	-	-	9,821	2,401	-	(42,736)	7,907	(22,607)
	1,862,856	3,384,816	(29,323)	76,492	(235,274)	(151,244)	200,884	5,109,209

3.6 Segment information - Continued

The segment information provided by the Management Underwriting Investment Committee (MUIC) for the reporting segments as at 31 December 2019 is as follows:

Group	Assurance business				Real estate	Microfinance		
	Mutual Plc Nigeria	Mutual Ltd Nigeria	Mutual Niger	Mutual Liberia	Mutual Homes	Mutual Microfinance	Elimination adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Cash and cash equivalents	2,146,927	2,081,656	1,826,979	355,240	657	412,546	(3,000)	6,821,006
Equity instruments at fair value through OCI	57,842	216,059	-	111,500	-	-	(39,430)	345,967
Financial assets at fair value at through profit or loss	3,377,844	4,291,374	-	-	-	-	-	7,669,217
Loans and receivables	277,110	10,042,114	-	888,117	-	195,261	(221,340)	11,181,262
Debt Instruments at amortised cost	5,257,169	18,120,383	-	-	-	-	-	23,377,552
Financial assets held for trading pledged as collateral	123,742	-	-	-	-	-	-	123,742
Trade receivables	316,582	-	156,671	90,560	-	-	-	563,813
Reinsurance assets	1,823,103	2,127,927	363,714	(776)	-	-	-	4,313,967
Other receivables and prepayments	200,825	751,979	46,105	151,583	46,977	11,793	(89,990)	1,119,275
Deferred acquisition costs	355,388	171,230	-	-	-	-	-	526,618
Finance lease receivables	83,552	-	-	-	-	-	-	83,552
Inventories	-	-	-	-	436,156	-	-	436,156
Investment properties	56,000	6,875,000	-	-	-	-	-	6,931,000
Intangible assets	23,957	22	22,208	-	-	3,902	-	50,090
Property, plant and equipment	2,398,161	127,465	485,420	392,557	-	22,722	-	3,426,326
Investments in subsidiaries	6,000,000	896,981	-	-	-	-	(6,896,980)	-
Statutory deposit	300,000	200,000	-	-	-	-	-	500,000
Deposit for investment in equity	127,238	120,000	-	-	-	-	(240,000)	7,238
Deferred tax assets	65,718	184,441	-	-	-	-	50,660	300,815
Total assets	**22,991,158**	**46,206,631**	**2,901,097**	**1,988,781**	**483,790**	**646,225**	**(7,440,080)**	**67,777,596**

3.6 Segment information

Group

	Assurance business				Real estate	Microfinance		
	Mutual Plc Nigeria	**Mutual Ltd Nigeria**	**Mutual Niger**	**Mutual Liberia**	**Mutual Homes**	**Mutual Microfinance**	**Elimination adjustment**	**Total**
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
LIABILITIES								
Insurance contract liabilities	5,028,508	8,121,751	633,150	317,395	-	-	-	14,100,805
Investment contract liabilities	-	26,263,838	-	2,291	-	-	-	26,266,129
Trade payables	1,227,507	925,363	260,315	1,936	-	-	-	2,415,121
Other liabilities	375,331	655,070	135,780	109,746	373,326	286,868	(555,350)	1,380,767
Deposit liabilities	-	-	-	-	-	389,640	-	389,640
Borrowings	6,752,845	-	-	-	-	-	-	6,752,845
Current income tax liabilities	642,173	153,930	-	16,439	49,769	16,097	14,960	893,369
Deferred tax liabilities	709,191	-	-	-	30,543	3,424	302,070	1,045,224
Total liabilities	**14,735,555**	**36,119,952**	**1,029,245**	**447,808**	**453,638**	**696,029**	**(238,320)**	**53,243,900**
EQUITY								
Share capital	5,586,367	330,000	1,295,010	488,421	20,000	264,867	(2,398,298)	5,586,367
Treasury shares	(250)	-	-	-	-	-	-	(250)
Share premium	-	5,670,000	-	-	-	-	(5,670,000)	-
Foreign currency translation reserve	-	-	179,007	874,068	-	-	(114,254)	938,821
Contingency reserve	2,745,470	717,023	-	-	-	-	-	3,462,493
Fair value reserve	(136,066)	(500,412)	-	-	-	-	(37,133)	(673,611)
Revaluation reserve	1,339,395	-	139,140	74,003	-	-	(32,407)	1,520,131
Retained earnings/ (accumulated losses)	(1,279,313)	3,870,067	248,874	102,080	10,153	(329,231)	(23,731)	2,598,898
Shareholders fund	**8,255,603**	**10,086,677**	**1,862,031**	**1,538,572**	**30,153**	**(64,364)**	**(8,275,823)**	**13,432,849**
Owners of the parent	8,255,603	10,086,677	1,862,031	1,538,572	30,153	(64,364)	(8,275,823)	13,432,849
Non-controlling interests in equity	-	-	9,821	2,401	-	14,560	1,074,066	1,100,847
Total equity	**8,255,603**	**10,086,677**	**1,871,852**	**1,540,973**	**30,153**	**(49,804)**	**(7,201,757)**	**14,533,696**
Total liabilities and equity	**22,991,158**	**46,206,631**	**2,901,097**	**1,988,781**	**483,790**	**646,225**	**(7,440,080)**	**67,777,596**

3.6 Segment information

The segment information provided by the Management Underwriting Investment Committee (MUIC) for the reporting segments for the year ended 31 December 2019 is as follows:

Group

	Assurance business				Real estate	Microfinance		
	Mutual Plc Nigeria	**Mutual Ltd Nigeria**	**Mutual Niger**	**Mutual Liberia**	**Mutual Homes**	**Mutual Microfinance**	**Elimination adjustment**	**Total**
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Gross premium written	8,366,641	8,488,202	1,259,059	583,937	-	-	-	18,697,839
Gross premium income	8,538,415	7,797,948	1,322,481	463,067	-	-	-	18,121,911
Premiums ceded to reinsurers	(1,958,821)	(753,189)	(98,701)	(22,085)	-	-	-	(2,832,796)
Net premiums income	6,579,594	7,044,759	1,223,780	440,982	-	-	-	15,289,115
Fee and commission income	348,208	131,570	2,987	-	-	-	-	482,766
Net underwriting income	**6,927,802**	**7,176,329**	**1,226,767**	**440,982**	**-**	**-**	**-**	**15,771,881**
Net benefits and claims	2,227,111	3,176,645	469,755	53,235	-	-	-	5,926,745
Increase in individual life fund	-	354,439	-	-	-	-	-	354,439
Decrease in annuity reserve	-	(94,408)	-	-	-	-	-	(94,408)
Underwriting expenses	2,117,318	1,871,828	156,651	40,320	-	-	-	4,186,117
Net underwriting expenses	**4,344,429**	**5,308,504**	**626,406**	**93,556**	**-**	**-**	**-**	**10,372,893**
Underwriting profit	2,583,373	1,867,825	600,361	347,426	-	-	-	5,398,988
Profit on investment contracts	-	1,068,929	-	-	-	-	5,249	1,074,178
Investment income	1,282,142	1,106,056	53,036	46,697	-	-	-	2,487,931
Net fair value gain/(loss) on assets at FVTPL	445,511	529,450	-	-	-	-	1	974,962
Other income	21,697	11,015	19,767	-	6,008	18,506	(5,233)	71,759
Impairment charge no longer required	-	-	-	-	-	-	-	-
Impairment reversal/ (charges)	2,087	(258,781)	-	(23,873)	-	(45,490)	(28,174)	(354,230)
Employees benefit expenses	(1,060,858)	(792,606)	(131,644)	(118,341)	(1,250)	(141,225)	(1)	(2,245,924)
Other management expenses & FX loss	(1,981,981)	(1,152,212)	(354,355)	(192,070)	(607)	(230,705)	38,954	(3,872,975)
Result of operating activities	1,291,971	2,379,675	187,165	59,840	4,151	(398,914)	10,796	3,534,689
Finance costs	-	-	-	-	-	(50,964)	-	(50,964)
Finance income	-	-	-	-	-	270,329	-	270,329
Profit before income tax	1,291,971	2,379,675	187,165	59,840	4,151	(179,549)	10,796	3,754,054
Income tax (expenses)/benefit	(205,667)	117,619	(64,401)	(11,829)	28,727	(6,260)	(4)	(141,815)
Profit for the year	**1,086,304**	**2,497,293**	**122,764**	**48,011**	**32,878**	**(185,809)**	**10,792**	**3,612,239**
Profit attributable to:								
Owners of the parent	1,086,304	2,497,293	112,943	45,611	32,878	(143,073)	10,792	3,642,753
Non-controlling interests	-	-	9,821	2,401	-	(42,736)	-	(30,514)
	1,086,304	**2,497,293**	**122,764**	**48,011**	**32,878**	**(185,809)**	**10,792**	**3,612,239**

4 Gross premium income

	Notes	Group 2020 N'000	Group 2019 N'000	Company 2020 N'000	Company 2019 ₦'000
4.1 Gross premium written					
Non-life		**11,347,783**	10,165,216	**9,207,506**	8,366,641
Life (Group life and individual life)		**8,636,060**	8,532,623	**-**	-
		19,983,843	18,697,839	**9,207,506**	8,366,641
Changes in unearned premium					
Non-life		**(683,992)**	235,196	**(808,742)**	171,774
Life (Group life and individual life)		**128,522**	(811,124)	**-**	-
		(555,470)	(575,928)	**(808,742)**	171,774
Gross premium income	35.2.i	**19,428,373**	18,121,911	**8,398,764**	8,538,415
4.2 Premiums ceded to reinsurers					
Outward premium - Non life		**2,353,237**	2,230,267	**2,213,249**	2,109,481
Outward premium - life		**947,345**	753,189	**-**	-
Changes in prepaid re-insurance		**48,759**	(150,660)	**48,760**	(150,660)
	24.3	**3,349,341**	2,832,796	**2,262,009**	1,958,821
4.3 Net premium income		**16,079,032**	15,289,115	**6,136,755**	6,579,594

5 Fees and commission income

	Notes	Group 2020 N'000	Group 2019 N'000	Company 2020 N'000	Company 2019 ₦'000
Commission received from reinsurance		**721,185**	417,270	**519,527**	282,712
Commission received from co-insurance		**20**	65,496	**20**	65,496
		721,205	482,766	**519,547**	348,208

6 Net benefits and claims

	Notes	Group 2020 N'000	Group 2019 N'000	Company 2020 N'000	Company 2019 ₦'000
Claims paid		**7,954,688**	7,984,675	**3,146,778**	3,191,280
Change in outstanding claims		**2,237,506**	519,160	**1,591,352**	67,647
Claims recoveries	24.2	**(1,373,507)**	(2,574,901)	**(318,640)**	(1,050,390)
Change in outstanding claims - Reinsurers	24.1	**(822,976)**	(2,189)	**(863,339)**	18,574
		7,995,711	5,926,745	**3,556,150**	2,227,111

7 Underwriting expenses

	Notes	Group 2020 N'000	Group 2019 N'000	Company 2020 N'000	Company 2019 ₦'000
Amortisation of deferred acquisition costs	26.1	**2,648,698**	1,993,619	**1,418,555**	1,155,472
Maintenance costs	7.1	**2,282,803**	2,192,498	**728,539**	961,846
		4,931,501	4,186,117	**2,147,094**	2,117,318

7.1 *Maintenance costs*

	Notes	Group 2020 N'000	Group 2019 N'000	Company 2020 N'000	Company 2019 ₦'000
Agency expenses on vehicle insurance business		**175,739**	222,090	**175,739**	222,090
Tracking expenses on insured vehicles		**50,595**	52,935	**50,595**	52,935
Agency expenses on travel insurance business		**151,722**	190,105	**151,722**	190,105
Administrative charges-Group Life		**11,084**	11,854	**-**	-
Agency allowance		**381,071**	271,191	**54,426**	30,444
Agency training		**5,114**	6,734	**-**	-
Transport & travelling-corporate		**40,765**	32,601	**-**	-
Superintending and surveyors fees		**98,173**	178,653	**98,173**	178,653
Actuary valuation report fee		**6,100**	6,100	**2,100**	2,100
Stamp duty expenses		**14,917**	9,877	**-**	-
Training and Forum for marketers		**350,024**	283,559	**-**	-
Agency unit manager allowance		**220,754**	227,022	**-**	-
Underwriting medical expenses		**1,550**	2,487	**-**	-
Marketing expenses		**775,195**	697,289	**195,784**	285,518
		2,282,803	2,192,498	**728,539**	961,846

8 Profit on investment contracts

	Notes	Group 2020 N'000	Group 2019 N'000	Company 2020 N'000	Company 2019 ₦'000
Interest income		**3,077,528**	3,556,496	**-**	-
Rental income on Alpha Court		**210,041**	86,664	**-**	-
Investment related expenses	8.1	**(56,726)**	(32,667)	**-**	-
Surrender fee		**393,762**	428,299	**-**	-
Guaranteed interest		**(2,146,434)**	(1,899,142)	**-**	-
Acquisition cost on investment policies		**(1,061,868)**	(1,065,472)	**-**	-
		416,303	1,074,178	**-**	-

8.1 *Investment related expenses*

	Group 2020 N'000	Group 2019 N'000	Company 2020 N'000	Company 2019 ₦'000
Property repairs and maintenance cost	**20,289**	27,664	**-**	-
Facility management	**6,437**	10,253	**-**	-
Loss/(gain) on disposal of Investment properties	**30,000**	(5,250)	**-**	-
	56,726	32,667	**-**	-

9 Investment income

9.1 *Investment income Insurance contracts:*

	Group 2020 N'000	Group 2019 N'000	Company 2020 N'000	Company 2019 ₦'000
Interest income on loans and advances	**32,349**	15,686	**9,032**	9,921
Dividend income	**19,846**	1,904	**16,066**	1,904
Interest income on fixed term deposits	**297,459**	382,660	**56,171**	176,223
Interest income on lease	**4,683**	51,650	**4,683**	51,650
Interest from current accounts with banks	**1,334**	21,522	**63**	409
Interest income from treasury bills	**1,324,928**	1,357,582	**461,792**	664,371
Rental income	**13,570**	8,188	**13,570**	8,188
	1,694,170	1,839,193	**561,377**	912,665

9.2 *Investment income from Shareholders funds:*

	Notes	Group 2020 N'000	Group 2019 N'000	Company 2020 N'000	Company 2019 ₦'000
Interest income on fixed term deposits		**103,139**	122,928	**24,749**	77,643
Interest income on bonds		**508,008**	252,766	**508,008**	252,766
Interest income on statutory deposit		**65,235**	64,821	**39,141**	38,893
Interest from current accounts with banks		**3,356**	9,135	**1,880**	174
Interest income from treasury bills		**225,380**	199,088	**-**	-
		905,118	648,738	**573,778**	369,477
		2,599,288	2,487,931	**1,135,155**	1,282,142

All interest income are calculated using effective interest method.

10 Net fair value gains/(losses) on assets at FVTPL

	Notes	Group 2020 N'000	Group 2019 N'000	Company 2020 N'000	Company 2019 ₦'000
Fair value gains/ (losses) on quoted equity shares	*21.2.2*	**20,865**	(5,766)	**20,865**	(5,766)
Fair value gains/ (losses) on financial assets held for trading pledged as collateral	*22*	**16,906**	(18,358)	**16,906**	(18,358)
Fair value gains on Quoted Bonds	*21.2.1.1*	**3,324,660**	1,019,086	**1,089,317**	469,635
Fair value loss in investment properties	*29*	**(70,000)**	(20,000)	**-**	-
		3,292,431	974,962	**1,127,088**	445,511

11 Other income

	Notes	Group 2020 N'000	Group 2019 N'000	Company 2020 N'000	Company 2019 ₦'000
Profit on sale of property, plant and equipment		**8,145**	2,789	**2,950**	965
Net income from sale of inventory materials		**2,475**	4,320	**-**	-
Micro finance fees and commission income		**7,441**	16,267	**-**	-
Gain on extinguishment of Loan	*40.3*	**1,575,803**	-	**1,575,803**	-
Commissions on turnover		**1,700**	2,239	**-**	-
Management fee on licensing business		**37,904**	20,159	**37,904**	20,159
Others		**1,442**	822	**-**	573
Insurance claim received		**308**	-	**308**	-
Net foreign exchange gain		**62,372**	25,163	**-**	-
		1,697,590	71,759	**1,616,965**	21,697

12 Impairment charge/(write-back) on financial assets

	Notes	Group 2020 N'000	Group 2019 N'000	Company 2020 N'000	Company 2019 ₦'000
Cash & cash equivalents	*3.12(v)(a)*	**9,802**	33,839	**350**	(3,252)
Loans and receivables	*21.3.2*	**363,123**	303,175	**(586)**	(1,968)
Debt instruments at amortized cost	*3.12(v)(c)*	**(300)**	(875)	**852**	(240)
Trade receivables	*23.1*	**43,885**	23,873	**-**	-
Other receivables	*25.7 (a)*	**420,977**	(10,749)	**1,359**	(1,594)
Finance lease receivables	*27.2*	**84,149**	4,968	**84,149**	4,968
		921,635	354,230	**86,123**	(2,087)

13 Employee benefit expenses

		Group		Company	
	Notes	**2020**	2019	**2020**	2019
		N'000	N'000	**N'000**	**₦'000**
Wages and salaries		**1,765,090**	2,071,002	**866,500**	922,158
Defined contribution pension costs		**152,391**	174,922	**122,793**	138,700
		1,917,481	2,245,924	**989,293**	1,060,858

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), 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.

14 Management expenses

Depreciation of property, plant and	**32**	**358,967**	514,970	**253,170**	364,700
equipment					
Repairs and maintainance Directors		**410,185**	344,238	**156,936**	141,415
fee and allowances Legal and		**336,490**	399,004	**265,109**	303,200
consultancy fees Training and		**473,066**	320,191	**321,606**	184,621
recruitment		**243,340**	375,689	**187,124**	308,877
Rents and Rates*		**120,875**	122,752	**38,106**	44,301
Transport and travelling Insurance		**68,213**	64,805	**48,873**	38,756
supervisory fee		**414,970**	392,526	**116,985**	57,791
Bank charges		**116,169**	106,758	**31,245**	34,368
Public relations and advertising		**260,440**	149,191	**159,953**	78,012
Medical expenses		**63,477**	61,185	**29,654**	27,707
Motor vehicle running expenses		**166,203**	162,234	**47,711**	33,406
Telecommunication expenses		**99,000**	100,048	**49,485**	40,216
Other expenses		**140,344**	181,573	**36,335**	28,146
Amortisation of intangible assets	**31**	**13,438**	16,311	**11,251**	12,172
Business entertainments		**95,279**	42,067	**72,198**	29,616
Utilities		**51,250**	44,252	**38,240**	38,131
Printing and stationery		**77,807**	39,552	**17,929**	20,000
Donations		**3,990**	38,695	**3,990**	13,371
Auditors' remunerations Insurance		**38,432**	45,981	**18,000**	18,000
Security expenses		**30,337**	36,756	**21,269**	26,645
Subscriptions		**30,422**	29,260	**18,163**	17,530
Conference and seminar expenses		**31,117**	33,417	**17,375**	16,485
Office general expenses		**24,214**	8,868	**24,214**	8,868
Newspapers and periodicals		**26,318**	21,454	**26,318**	21,454
Bad debt written off		**236**	855	**66**	83
Impairment of inventory Goodwill		**2,110**	144,690	**-**	-
written off	**14.1**	**266,357**	-	**-**	-
		-	1,543	**-**	-
		3,959,046	3,798,865	**2,011,304**	1,907,871

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

14.1 Impairment of inventory

The Group incurred an impairment loss on its real estate inventory items from their written down to net realisable value. These inventory includes wasting construction materials in the books of Mutual Benefit Homes and Properties Limited.

15 Net foreign exchange (loss)/gain

		Group		Company	
	Notes	**2020**	2019	**2020**	2019
		N'000	N'000	**N'000**	**₦'000**
Net foreign exchange gain on foreign bank balances		**149,869**	6,890	**149,869**	6,890
Net foreign exchange loss on foreign loan	**40.1**	**-**	(81,000)	**-**	(81,000)
		149,869	(74,110)	**149,869**	(74,110)

16 Finance costs

Interest on loans and overdraft	**40.1**	**13,088**	-	**13,088**	-
Interest charge on deposits		**9,727**	43,416	**-**	-
Other charges		**536**	7,548	**-**	-
		23,351	50,964	**13,088**	-

**Interest expense is calculated using the effective interest method.*

17 Finance income

Interest income on Micro loans	**31,561**	265,795	**-**	-
Interest income on overdraft	**-**	3,591	**-**	-
Interest income on treasury bills	**409**	943	**-**	-
	31,970	270,329	**-**	-

**Interest income is calculated using the effective interest method.*

18 Income tax expense

18.1 Current income tax charge

Company income tax	**259,309**	398,771	**68,710**	312,296
Education tax	**7,268**	24,464	**7,268**	24,414
Information technology tax	**50,334**	36,699	**18,954**	12,903
Minimum tax	**7,115**	16,160	**-**	-
Total current income tax expense	**324,025**	476,094	**94,932**	349,613

18.2 Deferred tax

Relating to origination and reversal of temporary differences

Deferred tax liability	**42.2**	**(79,948)**	(178,843)	**(49,624)**	(144,572)
Deferred tax asset	**42.1**	**(311,261)**	(155,437)	**(25,837)**	626
Total deferred tax expense		**(391,209)**	(334,280)	**(75,461)**	(143,946)
Total income tax expenses		**(67,184)**	141,815	**19,471**	205,667

18.3 *Reconciliation of income tax charge*

	Notes	Group 2020 N'000	Group 2019 N'000	Company 2020 N'000	Company 2019 ₦'000
Profit before income tax		**5,042,025**	3,754,054	**1,882,327**	1,291,971
Tax at Nigerian's statutory income tax rate		**1,512,608**	1,126,216	**564,698**	387,591
Effect of:					
Tax exempt income		**(4,187,138)**	(3,408,400)	**(571,449)**	(219,241)
Expenses not deductible for tax purposes		**2,542,630**	2,346,676	**-**	-
Information technology tax		**50,334**	36,699	**18,954**	12,903
Education tax		**7,268**	24,464	**7,268**	24,414
Mininum tax		**7,115**	16,160	**-**	-
		(67,184)	141,815	**19,471**	205,667
Effective Tax Rate		**-1%**	4%	**1%**	16%

19 Earnings per share

19.1 *Earnings per share - Basic*

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

	Notes	Group 2020 N'000	Group 2019 N'000	Company 2020 N'000	Company 2019 ₦'000
Profit attributable to equity holders		**5,131,816**	3,642,753	**1,862,856**	1,086,304
Weighted average number of ordinary shares for basic earnings per share	**19.2**	**11,172,234**	10,103,066	**11,172,234**	10,103,066
Basic earnings per ordinary share (kobo)		**46**	36	**17**	11

19.2 *Weighted average number of ordinary shares - basic*

	Group 2020	Group 2019	Company 2020	Company 2019
Issued ordinary shares at 1 January	**11,172,734**	8,000,000	**11,172,734**	8,000,000
Effect of treasury shares held at 1 January	**(500)**	(500)	**(500)**	(500)
Issued during the year	**-**	2,103,566	**-**	2,103,566
As at 31 December	**11,172,234**	10,103,066	**11,172,234**	10,103,066
Issued ordinary shares at 31 December	**11,172,234**	11,172,234	**11,172,234**	11,172,234

19.3 *Earnings per share- Diluted*

The calculation of diluted earnings per share has been based on the profit 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 (2019: Nil). Hence, the weighted average number of ordinary shares for basic and dilutive is the same so also the Dilutive and Basic earnings per share.

20 Cash and cash equivalents

	Notes	Group 2020 N'000	Group 2019 N'000	Company 2020 N'000	Company 2019 ₦'000
Cash on hand		**3,482**	17,580	**2,111**	14,656
Cash in banks		**7,285,936**	3,106,935	**3,780,661**	605,256
Short-term deposits	*20.1*	**4,196,424**	3,752,387	**984,942**	1,532,386
		11,485,842	6,876,902	**4,767,714**	2,152,298
Expected credit loss allowance	*3.1.2(v)(a)*	**(65,698)**	(55,896)	**(5,721)**	(5,371)
		11,420,144	6,821,006	**4,761,993**	2,146,927

20.1 Short-term deposits

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 2.4% per annum (2019: 8.9%).

For the purpose of the statement of cash flows, the cash and cash equivalents comprise balances with maturity of three months or less.

21 Financial assets

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

	Notes	Group 2020 N'000	Group 2019 N'000	Company 2020 N'000	Company 2019 ₦'000
Equity instruments at fair value through OCI	*21.1*	**140,641**	345,967	**60,008**	57,842
Financial assets at fair value through profit or loss	*21.2*	**21,899,279**	7,669,217	**5,879,688**	3,377,844
Loans and receivables	*21.3*	**12,849,870**	11,181,262	**250,916**	277,110
Debt Instruments at amortised cost	*21.4*	**18,824,128**	23,377,552	**7,625,685**	5,257,169
		53,713,918	42,573,998	**13,816,297**	8,969,965
Current		**21,462,895**	34,293,722	**7,784,897**	5,317,303
Non-current		**2,251,023**	8,280,276	**6,031,400**	3,652,662
		53,713,918	42,573,998	**13,816,297**	8,969,965

21.1 *Equity Instruments at fair value through OCI*

Group	Balance as at 1 January 2020 ₦'000	Additions during the year ₦'000	Disposals during the year ₦'000	Fair value Movement ₦'000	Balance as at 31 December 2020 ₦'000
The Infrastructure Bank Plc.	**189,627**	**-**	**-**	**(171,506)**	**18,121**
Leasing Company of Liberia	**72,066**	**-**	**-**	**(30,550)**	**41,516**
Avanage	**26,432**	**-**	**-**	**(5,436)**	**20,996**
WAICA Reinsurance Corporation Plc	**57,842**	**-**	**-**	**2,166**	**60,008**
	345,967	**-**	**-**	**(205,326)**	**140,641**

	Balance as at 1 January 2019 ₦'000	Additions during the year ₦'000	Disposals during the year ₦'000	Fair value Movement ₦'000	Balance as at 31 December 2019 ₦'000
The Infrastructure Bank Plc.	287,539	-	-	(97,912)	189,627
Leasing Company of Liberia	72,066	-	-	-	72,066
Motorways Asset Management Limited	161,290	-	-	(161,290)	-
Avanage	155,912	-	-	(129,480)	26,432
WAICA Reinsurance Corporation Plc	54,211	-	-	3,631	57,842
	731,018	**-**	**-**	**(385,051)**	**345,967**

Company	Balance as at 1 January 2020 ₦'000	Additions during the year ₦'000	Disposals during the year ₦'000	Fair value Movement ₦'000	Balance as at 31 December 2020 ₦'000
WAICA Reinsurance Corporation Plc	**57,842**	**-**	**-**	**2,166**	**60,008**
	57,842	**-**	**-**	**2,166**	**60,008**

	Balance as at 1 January 2019 ₦'000	Additions during the year ₦'000	Disposals during the year ₦'000	Fair value Movement ₦'000	Balance as at 31 December 2019 ₦'000
WAICA Reinsurance Corporation Plc	54,211	-	-	3,631	57,842
	54,211	**-**	**-**	**3,631**	**57,842**

As at 31 December 2018, Investment Credit Holdings Limited (ICHL) was absorbed by the The Infrastructure Bank (TIB), the company's shares formerly held in ICHL was converted to shares in TIB, the total number of shares issued to the Company being 565,128,000 ordinary shares at 50k each.

The Group has designated its unlisted equity investments as equity investments at FVOCI on the basis that these are not held for trading. In 2020, the Group received dividends of ₦3,780,000 from its unlisted equity investments (2019: Nil).

Valuation Techniques

When the fair values of items recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. The estimates include considerations of liquidity and model inputs related to items such as credit risks (both own and counterparty), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of items in the statement of financial position and the level where the items are disclosed in the fair value hierarchy. The models are tested for validity by calibrating to prices from any observable current market transactions in the same item (without modification or repackaging) when available. To assess the significance of a particular input to the entire measurement, the Group performs sensitivity analysis or stress testing techniques.

Unlisted equity investments

The Group invests in private equity companies that are not quoted in an active market. Transactions in such investments do not occur on a regular basis. The Group uses market-based valuation techniques and/or adjusted net assets discounted cash flow (DCF) technique for these positions. The Group classifies the fair value of these investments as Level 3 (see Note 3.5)

21.2 *Financial assets fair value through profit or loss*

	Notes	Group 2020 ₦'000	Group 2019 ₦'000	Company 2020 ₦'000	Company 2019 ₦'000
Quoted Bonds	*21.2.1*	**21,807,991**	7,645,303	**5,788,400**	3,353,930
Ouoted Shares	*21.2.2*	**91,288**	23,914	**91,288**	23,914
		21,899,279	7,669,217	**5,879,688**	3,377,844

21.2.1 *Quoted Bonds*

	Notes	Group 2020 ₦'000	Group 2019 ₦'000	Company 2020 ₦'000	Company 2019 ₦'000
Federal Government of Nigeria Bonds		**21,807,991**	7,645,303	**5,788,400**	3,353,930
		21,807,991	7,645,303	**5,788,400**	3,353,930
Current		**–**	–	**–**	–
Non-current		**21,807,991**	7,645,303	**5,788,400**	3,353,930
		21,807,991	7,645,303	**5,788,400**	3,353,930

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

Bond	Coupon Rate	Settlement Date ₦'000	Maturity Date ₦'000	Face Value ₦'000	Fair Value ₦'000
Federal Government of Nigeria	12.15%	07/08/2019	18/07/2034	1,730,000	2,395,450
Federal Government of Nigeria	12.15%	23/07/2020	18/07/2034	1,000,000	1,382,990
Federal Government of Nigeria	12.15%	08/07/2019	18/07/2034	555,000	768,443
Federal Government of Nigeria	12.15%	08/07/2019	18/07/2034	1,730,000	2,395,326
Federal Government of Nigeria	12.15%	16/10/2019	18/07/2034	1,720,000	2,381,480
Federal Government of Nigeria	12.15%	23/07/2020	18/07/2034	4,707,000	6,509,392
Federal Government of Nigeria	12.40%	16/10/2019	18/03/2036	1,395,000	2,009,959
Federal Government of Nigeria	16.25%	16/09/2020	18/04/2037	2,100,000	3,964,950
				14,937,000	21,807,991

21.2.1.1 The movement in Quoted Bonds

	Notes	Group 2020 ₦'000	Group 2019 ₦'000	Company 2020 ₦'000	Company 2019 ₦'000
At 1 January		**7,645,303**	3,163,227	**3,353,930**	2,675,998
Additions during the year		**10,344,408**	6,581,216	**1,220,320**	3,045,514
Accrued interest income		**493,620**	342,999	**124,833**	124,008
Redemption at maturity or disposal		**-**	(3,461,225)	**-**	(2,961,225)
Fair value adjustments through profit or loss	10	**3,324,660**	1,019,086	**1,089,317**	469,635
At 31 December		**21,807,991**	7,645,303	**5,788,400**	3,353,930

For all listed bonds with tenor over 365 days from origination. These instruments were assessed to fall within a business model where objective is achieved neither by collecting contractual cash flows nor selling the financial assets. These instruments are still presented in the statement of financial position as Financial Assets and classified as financial assets at FVPL in the notes.

21.2.2 Quoted Equity Shares

	Notes	Group 2020 ₦'000	Group 2019 ₦'000	Company 2020 ₦'000	Company 2019 ₦'000
Quoted shares		**91,288**	23,914	**91,288**	23,914
Movement in listed entities					
At 1 January		**23,914**	76,189	**23,914**	76,189
Disposal		**-**	(46,509)	**-**	(46,509)
Addition		**46,509**	-	**46,509**	-
Fair value gains/ (losses)	10	**20,865**	(5,766)	**20,865**	(5,766)
At 31 December		**91,288**	23,914	**91,288**	23,914

21.2.2.1 Analysis of investments in listed entities

	Notes	Group 2020 ₦'000	Group 2019 ₦'000	Company 2020 ₦'000	Company 2019 ₦'000
Africa Prudential Registrars Plc		**537**	344	**537**	344
Access Bank of Nigeria Plc		**14,231**	2,892	**14,231**	2,892
Cadbury Plc		**1,234**	6	**1,234**	6
Ecobank Transnational Inc		**103**	112	**103**	112
First Bank Holdings Plc		**14,944**	3,619	**14,944**	3,619
First City Monument Bank Plc		**461**	235	**461**	235
Guaranty Trust Bank Plc		**7,485**	-	**7,485**	-
Sterling Bank Plc		**15,398**	9,784	**15,398**	9,784
United Bank for Africa Plc		**24,537**	408	**24,537**	408
UBA Capital Plc		**1,619**	825	**1,619**	825
Unity Bank Plc		**34**	34	**34**	34
Universal Insurance Company Plc		**1,000**	1,000	**1,000**	1,000
Wema Bank Plc		**69**	-	**69**	-
Lafarge WAPCO Plc		**3,428**	-	**3,428**	-
West African Provincial Insurance Plc		**8**	7	**8**	7
Zenith International Bank Plc		**6,200**	4,650	**6,200**	4,650
		91,288	23,914	**91,288**	23,914

21.3 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those that the Group intends to sell in the short term or that it has designated as at fair value through profit or loss or available for sale. Details of balances of loans and receivables at the year end are as presented below:

		Group		Company	
	Notes	2020	2019	2020	2019
		₦'000	₦'000	₦'000	₦'000
Term loans	21.3.1	**13,409,977**	11,352,483	**167,730**	177,815
Overdrafts		**6,817**	-	**-**	-
Staff loans		**264,792**	297,372	**84,513**	101,208
Gross loans and advances		**13,681,586**	11,649,855	**252,243**	279,023
Expected credit loss allowance	21.3.2	**(831,716)**	(468,593)	**(1,327)**	(1,913)
		12,849,870	11,181,262	**250,916**	277,110
Current		**2,547,479**	10,892,256	**67,924**	36,220
Non-current		**10,302,391**	289,006	**182,992**	240,890
		12,849,870	11,181,262	**250,916**	277,110

21.3.1 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	
	Notes	2020	2019	2020	2019
		₦'000	₦'000	₦'000	₦'000
Prime Exploration and Production Limited		**12,073,638**	10,070,981	**-**	-
Staff mortgage loan		**167,730**	177,815	**167,730**	177,815
Others		**1,168,609**	1,103,687	**-**	-
Gross term loans		**13,409,977**	11,352,483	**167,730**	177,815

21.3.2 Impairment on loans and receivables

		Group		Company	
	Notes	2020	2019	2020	2019
		₦'000	₦'000	₦'000	₦'000
Balance as at 1 January		**468,593**	415,247	**1,913**	3,881
Write-offs		**-**	(249,829)	**-**	-
Expected credit loss charge/(reversal)	12	**363,123**	303,175	**(586)**	(1,968)
Gross loans and advances		**831,716**	468,593	**1,327**	1,913

21.3.3 Loans concentration

The Group monitors concentration of credit risk by borrowers; individual or corporate.

	Group		Company	
	Individuals	Loans to corporate	Individuals	Loans to corporate
	₦'000	₦'000	₦'000	₦'000
31 December 2020				
Gross	509,969	13,171,617	177,243	75,000
Expected credit loss allowance	(93,752)	(737,964)	(1,009)	(318)
Net Balance	**416,217**	**12,433,653**	**176,234**	**74,682**
31 December 2019				
Gross	591,388	11,058,467	204,023	75,000
Expected credit loss allowance	(34,680)	(433,913)	(1,605)	(308)
Net Balance	**556,708**	**10,624,554**	**202,418**	**74,692**

21.4 Debt Instruments at amortised cost

Treasury bills and bonds

		Group		Company	
		2020	2019	**2020**	2019
		₦'000	**₦'000**	**₦'000**	**₦'000**
Federal Government of Nigeria Treasury Bills		**18,829,219**	23,382,943	**7,627,747**	5,258,379
	21.4.1	**18,829,219**	23,382,943	**7,627,747**	5,258,379
Expected credit loss (ECL) allowance	*3.1.2 (v)(c)*	**(5,091)**	(5,391)	**(2,062)**	(1,210)
		18,824,128	23,377,552	**7,625,685**	5,257,169
Current		**18,824,128**	23,377,552	**7,625,685**	5,257,169
Non-current		**-**	-	**-**	-
		18,824,128	23,377,552	**7,625,685**	5,257,169

21.4.1 The movement in debt instruments at amortised cost

	Group		Company	
	2020	2019	**2020**	2019
	₦'000	**₦'000**	**₦'000**	**₦'000**
Balance as at 1 January	**23,382,943**	19,352,837	**5,258,379**	4,462,696
Additions during the year	**9,139,067**	22,609,687	**8,000,249**	5,038,900
Accrued interest income	**105,943**	1,147,542	**43,270**	593,746
Redemption at maturity	**(23,798,734)**	(19,727,124)	**(5,674,151)**	(4,836,963)
Balance as at 31 December	**18,829,219**	23,382,943	**7,627,747**	5,258,379

22 Financial assets held for trading pledged as collateral

	Notes	Group 2020 ₦'000	Group 2019 ₦'000	Company 2020 ₦'000	Company 2019 ₦'000
Listed equity instrument balance at 1 January		**123,742**	142,100	**123,742**	142,100
Fair value gains/ (losses)	*10*	**16,906**	(18,358)	**16,906**	(18,358)
Balance at 31 December		**140,648**	123,742	**140,648**	123,742

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 gain/(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 year end.

23 Trade receivables

	Notes	Group 2020 ₦'000	Group 2019 ₦'000	Company 2020 ₦'000	Company 2019 ₦'000
Trade receivables	*23.1*	**348,617**	563,813	**182,138**	316,582
Current		**348,617**	563,813	**182,138**	316,582
Non-current		**-**	-	**-**	-
		348,617	563,813	**182,138**	316,582

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 2020 ₦'000	Group 2019 ₦'000	Company 2020 ₦'000	Company 2019 ₦'000
Gross				
Due from insurance brokers	**416,375**	587,686	**182,138**	316,582
	416,375	587,686	**182,138**	316,582
Allowance for impairment				
Due from insurance brokers	**(67,758)**	(23,873)	**-**	-
	(67,758)	(23,873)	**-**	-
	348,617	563,813	**182,138**	316,582
The age analysis of gross insurance receivables as at the end of the year are as follows:				
0 – 90 days	**348,617**	563,813	**182,138**	316,582
91 – 180 days	**67,758**	23,873	**-**	-
	416,375	587,686	**182,138**	316,582

24 Reinsurance assets

	Notes	Group 2020 ₦'000	Group 2019 ₦'000	Company 2020 ₦'000	Company 2019 ₦'000
Reinsurance share of outstanding claims	24.1	**1,393,558**	570,582	**1,340,323**	476,984
Reinsurance receivable		**641,561**	908,350	**74,621**	544,636
Co-assurance claims receivable	24.2	**1,754,576**	2,247,275	**3,210**	285,651
Prepaid reinsurance	24.3	**522,145**	587,760	**467,073**	515,832
		4,311,840	4,313,967	**1,885,227**	1,823,103
Current		**4,311,840**	4,313,967	**1,885,227**	1,823,103
Non-current		**-**	-	**-**	-
		4,311,840	4,313,967	**1,885,227**	1,823,103

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

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

	Notes	Group 2020 ₦'000	Group 2019 ₦'000	Company 2020 ₦'000	Company 2019 ₦'000
At 1 January		**570,582**	568,394	**476,984**	495,557
Changes in reinsurer's share of outstanding claims	6	**822,976**	2,189	**863,339**	(18,574)
At 31 December		**1,393,558**	570,582	**1,340,323**	476,984

24.2 The movement in co-assurance claims receivable

	Notes	Group 2020 ₦'000	Group 2019 ₦'000	Company 2020 ₦'000	Company 2019 ₦'000
At 1 January		**2,247,275**	1,588,306	**285,651**	76,415
Addition during the year	6	**1,373,507**	2,574,901	**318,640**	1,050,390
Receipts during the year		**(1,866,206)**	(1,915,932)	**(601,081)**	(841,154)
At 31 December		**1,754,576**	2,247,275	**3,210**	285,651

24.3 The movement in prepaid reinsurance

	Notes	Group 2020 ₦'000	Group 2019 ₦'000	Company 2020 ₦'000	Company 2019 ₦'000
At 1 January		**587,760**	415,744	**515,832**	365,172
Additions during the year		**3,283,726**	3,004,812	**2,213,250**	2,109,481
Recognised in profit or loss	4.2	**(3,349,341)**	(2,832,796)	**(2,262,009)**	(1,958,821)
At 31 December		**522,145**	587,760	**467,073**	515,832

25 Other receivables and prepayments

	Notes	Group 2020 ₦'000	Group 2019 ₦'000	Company 2020 ₦'000	Company 2019 ₦'000
Prepayments*		**92,034**	180,528	**34,614**	106,731
WHT recoverable		**155,327**	143,649	**41,337**	41,337
Advance commission		**9,750**	17,622	**-**	-
ATM Receivables		**640**	698	**-**	-
Other bank debtors		**6,104**	4,386	**-**	-
Directors current account		**40,529**	36,582	**40,529**	36,582
VAT input recoverable on investment property		**176,500**	176,500	**-**	-
Other receivables	25.1	**958,311**	712,311	**232,511**	96,696
		1,439,195	1,272,276	**348,991**	281,346
Allowance for impairment charges on other receivables	25.5	**(573,978)**	(153,001)	**(81,880)**	(80,521)
		865,217	1,119,275	**267,111**	200,825
			-		
Current		**865,217**	1,119,275	**267,111**	200,825
Non-current		**-**	-	**-**	-
		865,217	1,119,275	**267,111**	200,825

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

25.1 Other receivables

	Notes	Group 2020 ₦'000	Group 2019 ₦'000	Company 2020 ₦'000	Company 2019 ₦'000
Other bank balances	25.2	**63,601**	63,601	**63,601**	63,601
Investment receivables	25.3	**16,757**	16,757	**16,757**	16,757
Sundry receivables	25.4	**877,953**	631,953	**152,153**	16,338
		958,311	712,311	**232,511**	96,696

25.2 Other bank balances

	Notes	Group 2020 ₦'000	Group 2019 ₦'000	Company 2020 ₦'000	Company 2019 ₦'000
Balance held in Polaris Bank Limited		**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
		63,601	63,601	**63,601**	63,601

25.3 Investment receivables

	Group 2020	Group 2019	Company 2020	Company 2019
Placement with Profound Securities	**16,757**	16,757	**16,757**	16,757
	16,757	16,757	**16,757**	16,757

25.4 *Sundry receivables*

	Notes	Group 2020 ₦'000	Group 2019 ₦'000	Company 2020 ₦'000	Company 2019 ₦'000
Excess interest charges		**6,390**	6,390	**-**	-
Receivables from property buyers		**25,127**	124,327	**-**	-
Property development debtors		**12,455**	92,819	**-**	-
Other trade receivables		**129,996**	123,293	**-**	-
Rent receivables		**212,267**	132,501	**-**	-
Investment placement with Flourish Securities Investments and Trust Limited		**7,129**	7,129	**-**	-
Investment placement with BGL Seceurities Limited		**38,753**	38,753	**-**	-
Others	27.5	**451,133**	106,741	**152,153**	16,338
		877,953	631,953	**152,153**	16,338

The financial element of Other receivables and prepayment includes Advance Commission, ATM Receivables, Other bank debtors, Directors current account and other receivables.

25.5 *Allowance for impairment charges on other receivables*

	Group 2020 ₦'000	Group 2019 ₦'000	Company 2020 ₦'000	Company 2019 ₦'000
Other bank balances	**63,601**	63,601	**63,601**	63,601
Investment receivable	**16,757**	16,757	**16,757**	16,757
Excess interest charges	**6,390**	6,390	**-**	-
Other receivables	**487,230**	66,253	**1,522**	163
	573,978	153,001	**81,880**	80,521

25 Other receivables and prepayments - continued

25.6 ***Set out below is the information about the credit exposure on the Group's other receivables items using a provision matrix. The loss allowance provision as at 31 December 2020 has also incorporated forward looking information.***

2020		Group		Company	
	Expected ratio	Carrying amount at default ₦'000	Expected credit loss ₦'000	Carrying amount at default ₦'000	Expected credit loss ₦'000
Current	**1%**	**613,414**	**6,133**	**152,153**	**1,522**
More than 30 days past due	**4%**	**-**	**-**	**-**	**-**
More than 60 days past due	**7%**	**-**	**-**	**-**	**-**
More than 90 days past due	**12%**	**-**	**-**	**-**	**-**
Individual impairment:					
WHT recoverable	**41%**	**113,990**	**46,449**	**-**	**-**
Excess interest charges	**100%**	**6,390**	**6,390**	**-**	**-**
Rent Recievables	**100%**	**212,267**	**212,267**	**-**	**-**
VAT input recoverable on investment property	**100%**	**176,500**	**176,500**	**-**	**-**
Florish Securities Investments and Trust Limited	**100%**	**7,129**	**7,129**	**-**	**-**
BGL Securities Limited	**100%**	**38,753**	**38,753**	**-**	**-**
Other bank balances	**100%**	**63,601**	**63,601**	**63,601**	**63,601**
Investment recievables	**100%**	**16,757**	**16,757**	**16,757**	**16,757**
Total		**958,311**	**573,978**	**232,511**	**81,880**

2019		Group		Company	
	Expected ratio	Carrying amount at default ₦'000	Expected credit loss ₦'000	Carrying amount at default ₦'000	Expected credit loss ₦'000
Current	1%	447,180	4,471	16,338	163
More than 30 days past due	4%	-	-	-	-
More than 60 days past due	7%	-	-	-	-
More than 90 days past due	12%	132,501	15,900	-	-
Individual impairment:					
Excess interest charges	100%	6,390	6,390	-	-
Florish Securities Investments and Trust Limited	100%	7,129	7,129	-	-
BGL Securities Limited	100%	38,753	38,753	-	-
Other bank balances	100%	63,601	63,601	63,601	63,601
Investment recievables	100%	16,757	16,757	16,757	16,757
Total		**712,311**	**153,001**	**96,696**	**80,521**

25 Other receivables and prepayments - continued

25.7 The movement in expected credit loss on other receivables

(a) Group

	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	31-Dec-20 Total Impairment provision	31-Dec-19 Total Impairment provision
	₦'000	₦'000	₦'000	₦'000
As as at 1 January	4,471	148,530	**153,001**	163,751
Expected credit loss charge/(reversal)	1,662	419,315	**420,977**	(10,749)
Balance at 31 December	6,133	567,845	**573,978**	153,001

(b) Company

	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	31-Dec-20 Total Impairment provision	31-Dec-19 Total Impairment provision
	₦'000	₦'000	₦'000	₦'000
As as at 1 January	163	80,358	**80,521**	82,115
Expected credit loss charge/(reversal)	1,359	-	**1,359**	(1,594)
Balance at 31 December	1,523	80,358	**81,880**	80,521

26 Deferred acquisition costs

	Notes	Group 2020	Group 2019	Company 2020	Company 2019
		₦'000	₦'000	₦'000	₦'000
Deferred acquisition cost - Fire		**78,570**	53,397	**78,570**	53,397
Deferred acquisition cost - Gen Accident		**135,865**	100,067	**135,865**	100,067
Deferred acquisition cost - Motor		**106,360**	117,944	**106,360**	117,944
Deferred acquisition cost - Marine		**96,153**	72,228	**96,153**	72,228
Deferred acquisition cost - Oil & Gas & aviation		**15,474**	11,753	**15,474**	11,753
Life Business		**155,556**	171,229	**-**	-
		587,978	526,618	**432,422**	355,388

26.1 The movement in deferred acquisition costs is as follows:

	Notes	Group 2020	Group 2019	Company 2020	Company 2019
		₦'000	₦'000	₦'000	₦'000
Balance, beginning of the year		**526,618**	457,248	**355,388**	352,860
Additions during the year		**2,710,058**	2,062,989	**1,495,589**	1,158,000
Amortisation in the year	7	**(2,648,698)**	(1,993,619)	**(1,418,555)**	(1,155,472)
Balance, end of year		**587,978**	526,618	**432,422**	355,388
Current		**587,978**	526,618	**432,422**	355,388
Non-current		**-**	-	**-**	-
		587,978	526,618	**432,422**	355,388

27 Finance lease receivables

	Notes	Group 2020 ₦'000	Group 2019 ₦'000	Company 2020 ₦'000	Company 2019 ₦'000
Gross amount		**301,178**	304,607	**222,348**	225,777
Unearned interest		**(7,496)**	(12,179)	**(7,496)**	(12,179)
Net investment in finance lease	27.1	**293,682**	292,428	**214,852**	213,598
Less:					
Expected credit loss	27.2	**(293,025)**	(208,876)	**(214,195)**	(130,046)
		657	83,552	**657**	83,552
Current		**657**	83,552	**657**	83,552
Non-current		**-**	-	**-**	-
		657	83,552	**657**	83,552

27.1 *Movement in finance lease*

	Notes	Group 2020 ₦'000	Group 2019 ₦'000	Company 2020 ₦'000	Company 2019 ₦'000
Balance at the beginning of the year		**292,428**	320,062	**213,598**	241,232
Interest on finance leases		**4,683**	51,650	**4,683**	51,650
Payments		**(3,428)**	(79,282)	**(3,428)**	(79,283)
Amounts written off		**-**	(2)	**-**	-
		293,682	292,428	**214,852**	213,598

27.2 *Movement in allowance for expected credit loss*

	Group 2020	Group 2019	Company 2020	Company 2019
Adjusted balance 1 January	**208,876**	203,908	**130,046**	125,078
Addition during the year	**84,149**	4,968	**84,149**	4,968
	293,025	208,876	**214,195**	130,046

28 Inventories

	Group 2020	Group 2019	Company 2020	Company 2019
Construction in progress	**169,799**	436,156	**-**	-
	169,799	436,156	**-**	-
			-	-
Current	**169,799**	436,156	**-**	-
Non-current	**-**	-	**-**	-
	169,799	436,156	**-**	-

Included in Inventories are plots of Land purchased for the construction of buildings for resale. The Landed properties also encompass cost of construction of the buildings meant for resale, cost of conversion and other such direct costs incurred in bringing the properties to their present location and condition in line with International Accounting Standard (IAS) 2. The Company's inventories are reported at the lower of cost and net realisable value.

29 Investment properties

	Notes	Group 2020 ₦'000	Group 2019 ₦'000	Company 2020 ₦'000	Company 2019 ₦'000
At the beginning of the year		**6,931,000**	1,476,000	**56,000**	56,000
Reclassified from Assets held for sale	28	**-**	5,550,000	**-**	-
Disposal		**(140,000)**	(75,000)	**-**	-
Fair value loss	10	**(70,000)**	(20,000)	**-**	-
		6,721,000	6,931,000	**56,000**	56,000
				-	
The items of investment properties are as shown below:					
Mutual Tulip Estate	i	**500,000**	500,000	**-**	-
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	**410,000**	550,000	**-**	-
Mutual Alpha Court duplex, Costain, Lagos	vii	**3,625,000**	3,625,000	**-**	-
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**	170,000	**-**	-
		6,721,000	6,931,000	**56,000**	56,000

Movement in Investment properties is shown below:

	Bal as at 1/1/2020	Reclassified from Assets held for sale ₦'000	Disposal ₦'000	Fair value gain/(loss) ₦'000	Bal as at 12/31/2020 ₦'000
Mutual Tulip Estate	500,000	-	-	-	500,000
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	550,000	-	(140,000)	-	410,000
Mutual Alpha Court duplex, Costain, Lagos	3,625,000	-	-	-	3,625,000
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	170,000	-	-	(70,000)	100,000
Balance at the end of the year	**6,931,000**	**-**	**(140,000)**	**(70,000)**	**6,721,000**

29 Investment properties - continued

Movement in Investment properties is shown below:

	Bal as at 1/1/2019	Reclassified from Assets held for sale ₦'000	Disposal ₦'000	Fair value gain/(loss) ₦'000	Bal as at 12/31/2019 ₦'000
Mutual Tulip Estate	-	500,000	-	-	500,000
Property at Ikeja Alausa	-	300,000	-	50,000	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	550,000	-	-	-	550,000
Mutual Alpha Court duplex, Costain, Lagos	-	3,700,000	(75,000)	-	3,625,000
Property at Asokoro, Abuja	700,000	-	-	(50,000)	650,000
Property at Akure Plots (5,302 Square Meters)	-	200,000	-	-	200,000
Property at Ado Ekiti Land	-	720,000	-	(20,000)	700,000
Property at Oyingbo, Lagos	170,000	-	-	-	170,000
Balance at the end of the year	**1,476,000**	**5,550,000**	**(75,000)**	**(20,000)**	**6,931,000**

Investment properties are stated at fair value, which has been determined based on valuations performed by Messr Alabi, Ojo & Makinde Consulting (FRC/2015/NIESV/00000010800) and Messr Arigbede & Co Estate Surveyors and Valuers (FRC/2014/00000004634). The valuers are specialists in valuing these types of investment properties. The determination of fair value of the investment property was supported by market evidence. The modalities and process of valuation utilized extensive analysis of market data and other sectors specific pecularities corroborated with available data derived from previous experiences.

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

The Group enters into operating lease arrangements for all of its investment properties. The rental income arising during the year amounted to ₦223,611,000 (2019: ₦94,852,000) which is included in investment income. Direct operating expenses arising in respect of such properties during the year are included in within operating and administrative expenses.

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.

29 Investment properties - continued

		Group		Company	
	Notes	2020 ₦'000	2019 ₦'000	2020 ₦'000	2019 ₦'000
Rental income derived from investment properties	9	**223,611**	94,852	**13,570**	8,188
Fair value loss on investment properties	10	**(70,000)**	(20,000)	**-**	-
Direct operating expenses, including repairs and maintenance, included in investment related expenses in profit on investment contracts		**(56,726)**	(32,667)	**-**	-
Profit arising from investment properties carried at fair value		**96,885**	42,185	**-**	-

Description of valuation techniques used and key inputs to valuation on investment properties:

The valuation of the 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. They have therefore relied on past transactions and recent adverts in deriving the value of the subject properties.

Description of valuation techniques used and key inputs to valuation on investment properties:

i Mutual Tulip Estate

Landed property of 11.40 Hectares with industrial development potential lying, situate and being at Isheri Oke Village, off Lagos/Ibadan Expressway, Ifo Local Government Area, Ogun State in Nigeria was purchased at a cost of ₦747million. Forty percent or 4.56 hectares of this land was sold as part of the disposal of investment properties in 2018. The remaining portion (6.84 hectares) was revalued to ₦500 million by Messrs Alabi, Ojo & Makinde Consulting Estate Surveyors and Valuers as at 31 December 2020. The subsisting title to the subject property is a Deed of Assignment.

ii Property at Ikeja Alausa

Landed property of 1,515.601 square metres of land located at Alausa central business district Lagos state in Nigeria was purchased at a cost of ₦177million. The landed property was revalued to ₦350 million by Messrs Alabi, Ojo & Makinde Consulting Estate Surveyors and Valuers as at 31 December 2020. The subsisting title to the subject property is a Deed of Assignment in favour of the Company.

iii Property at Ikota

The property is situated at Olori Bolaji Akinloye Street, Ikota Villa Estate, Off Lekki-Epe express way, Lagos State. The property has a registered title and there is an executed Deed of Assignment in favour of the Company. The property is 5-bedroom detached house. It measures a gross floor area of approximately 148.84 square meters. It is a building on two flo rs. The ground foor is provided with a sitting room, kitchen, store, a guest bedroom en-suite with toilet and bathroom. It was valued at ₦56million by Messr Alabi, Ojo & Makinde Consulting Estate Surveyors and Valuers as at 31 December 2020. Perfection of title is on-going.

29 Investment properties - continued

iv Property at Sango/Idiroko - Mogga

Landed property of 4040 square metres of land located at Sango/Idiroko road, opposite Mogga Petroleum, Onibukun village, Ota Atan, Ogun state in Nigeria was purchased at a cost of ₦90million. The landed property was valued to ₦80 million by Messrs Alabi, Ojo & Makinde Consulting Estate Surveyors and Valuers as at 31 December 2020. The subsisting title to the subject property is a Deed of Assignment in favour of Mutual Benefits Life Assurance Limited.

v Property at Sango/Idiroko - Caxtonjo

Landed property of 3665.6 square metres of land located at Sango/Idiroko road, opposite Caxtonjo Oil Onibukun village, Ota Atan, Ogun state in Nigeria was purchased at a cost of ₦60million. The landed property was valued to ₦50 million by Messrs Alabi, Ojo & Makinde Consulting Estate Surveyors and Valuers as at 31 December 2020. The subsisting title to the subject property is a Deed of Assignment in favour of Mutual Benefits Life Assurance Limited.

vi Property at Onireke,Ibadan

The property occupy 6808.179 square meters of land located at kudeti Avenue, Commercial Reservation Onireke, Ibadan, Oyo State in Nigeria was transferred from Mutual Benefits Assurance Plc to Mutual Benefits Life Assurance Limited in 2014. The property was transferred at a cost of ₦543,791,845. A portion of the property representing 3361.353 square meters of the land was sold during the year. The remaining portion of (3446.826 square meters) consisting of Land and building was revalued to ₦410 million by Messrs Alabi, Ojo and Makinde Consulting as at 31 December 2020. The subsisting title to the subject is a certificate of Occupancy in favour of the Company.

vii Mutual Alpha Court duplex, Costain, Lagos

This represents 48 unsold units of the 60 units Terrace Triplex housing scheme located at Costain Iporin, Lagos. The property was constructed by Mutual Benefits Homes and Properties Limited and was transferred to the Mutual Benefits Life Assurance Limited in 2014 as part settlement of loan. As at 31 December 2020, 48 units were revalued at ₦3,625,000,000 by Messr Alabi, Ojo & Makinde Consulting Estate Surveyors and Valuers. The subsisting title is vested in Deed of Assignment between Mutual Benefits Homes and Properties Limited and Mutual Benefits Life Assurance Limited.

viii Property At Abuja (Asokoro District, Abuja)

This is a six bedroom detached house (207.12 square meters) on a rectagular shaped site covering and approximately land area of 800 square meters, situated at 78 Yakubu Gowon Crescent, Asokoro, Abuja, The property was purchased at a cost of ₦666.25million. The property was valued at ₦650million by Messr Alabi, Ojo & Makinde Consulting Estate Surveyors and Valuers as at 31 December 2020. The subsisting title to the subject land is a deed of assignment in favour of the Company.

ix Property at Akure ,Ondo State

Landed property of 5,302 square meters of land located at Akure, Ondo State, Nigeria was transferred to the Company from Mutual Homes and Properties Limited at a fair value of ₦350million. The valuation was done by Messrs Arigbede & Co. Estate Surveyors and Valuers. The subsisting title to the subject property is a Deed of Assignment between Mutual Benefits Home and Properties Limited and Mutual Benefits Life Assurance Limited. The property was valued at ₦200million by Messrs Arigbede & Co. Estate Surveyors and Valuers as at 31 December 2020.

x Property at Ado Ekiti Land

Landed property consisting of 27,658 Hectares of land located at Ado-Ekiti, Ekiti State Nigeria was transferred to the Company from Mutual Homes and Properties Limited at a fair value of ₦700million. The property was valued at ₦700million by Messrs Arigbede & Co. Estate Surveyors and Valuers as at 31 December 2020. The subsisting title to the subject property is a deed of assignment in favour of the Company.

29 Investment properties - continued

xi Property at Oyingbo, Lagos

Property of 461 square meters of land and building located at Apapa Road, Ebute-Metta, Lagos State, Nigeria was transferred at a value of ₦180million. Deed of Assignment in favour of the Company is awaiting registration. Approximately 62.2 square meters of the land will be affected by the Lagos Rail Mass Transit Red line Project. The unaffected portion of the property (land and building) was valued at ₦100million by Messr Alabi, Ojo and Makinde Consulting, Estate Surveyors and Valuers as at 31 December 2020. The subsisting title to the subject is vested in a Land Certificate registered at the Land Registry Office in Lagos State.

30 Investments in subsidiaries

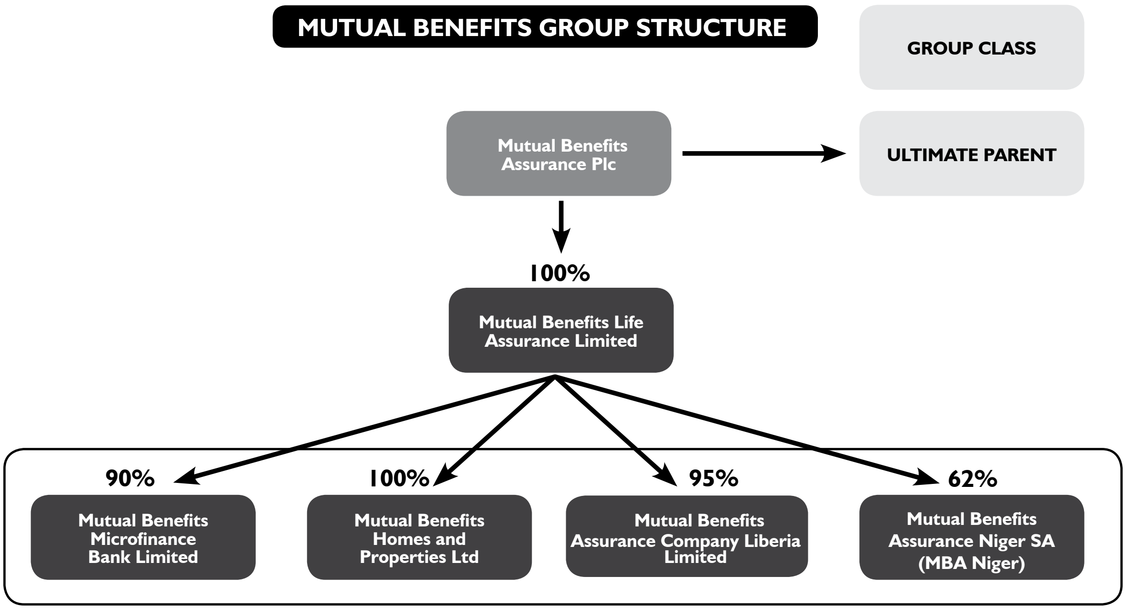
The Company's investment in its subsidiaries is as stated below:

	Company	
	31 Dec-2020	31 Dec-2019
	₦'000	**₦'000**
Mutual Benefits Life Assurance Limited	**6,000,000**	6,000,000
Mutual Benefits Microfinance Bank Limited	**120,000**	-
	6,120,000	6,000,000
Movement in investment in subsidiaries:		
At 1 January	**6,000,000**	4,000,000
Additional equity investment	**120,000**	2,000,000
At 31 December	**6,120,000**	6,000,000

The additional investment during the year is in respect of the alloted ₦120 million units of ordinary shares at ₦1 each with par value of ₦1 in Mutual Benefits Microfinance Bank Limited. The ₦120 million deposit for these shares was made in 2019.

In 2019, the Company injected ₦2 billion into Mutual Benefits Life Assurance Limited for 80 million units of ordinary shares at ₦25 each with par value of ₦1

30 *Investments in subsidiaries* - Continued



	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

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.

30 Investments in subsidiaries - continued

Mutual Benefits Assurance Company 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 Assurance Niger Republic S.A

Mutual Benefits Assurance Niger S.A commenced operations on 2 January 2014. It is into underwriting of all classes of non-life 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%.

31 Intangible assets: Software

		Group		Company	
	Notes	**2020**	2019	**2020**	2019
		₦'000	**₦'000**	**₦'000**	**₦'000**
Cost:					
Balance at the beginning of the year		**376,614**	356,807	**206,416**	181,211
Additions		**11,090**	28,494	**-**	25,205
Foreign exchange difference		**35,791**	(8,687)	**-**	-
		423,495	376,614	**206,416**	206,416
Amortization:					
Balance at the beginning of the year		**326,526**	307,258	**182,459**	170,287
Amortisation charge	14	**13,436**	16,311	**11,251**	12,172
Foreign exchange difference		**36,680**	2,957	**-**	-
		376,642	326,526	**193,710**	182,459
Carrying amount at the end of the year		**46,853**	50,090	**12,706**	23,957

32 Property, plant and equipments (Group)

	Notes	Land	Building	Leasehold Improvement	Plant and machinery	Motor vehicles	Furniture, fittings and equipment	Total
		₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Cost/revaluation:								
1 January 2019		**370,098**	**2,664,926**	**1,763,328**	**318,843**	**1,401,552**	**1,664,953**	**8,302,250**
Additions		-	-	26,773	12,895	47,807	36,665	124,139
Disposal		-	-	-	(1,080)	-	(4,300)	(5,380)
Foreign exchange difference		(77,496)	-	(30,780)	-	-	(24,838)	(133,114)
31 December 2019		**292,602**	**2,664,926**	**1,759,321**	**330,658**	**1,449,359**	**1,672,481**	**8,287,895**
Additions		-	-	31,190	13,514	31,472	114,371	190,547
Disposal		-	-	-	(12,899)	(37,937)	(15,811)	(66,646)
Foreign exchange difference		121,946	-	8,443	(126,704)	14,630	78,585	96,900
31 December 2020		**414,548**	**2,664,926**	**1,798,954**	**204,569**	**1,457,524**	**1,849,626**	**8,508,696**
Accumulated depreciation:								
1 January 2019		**2,179**	**270,747**	**1,354,857**	**262,693**	**959,968**	**1,402,740**	**4,371,733**
Charge for the year		-	47,890	146,384	11,907	195,823	112,965	514,970
Disposal		-	-	-	(1,080)	-	(4,300)	(5,380)
Foreign exchange difference		-		(8,414)	-	-	(11,340)	(19,753)
31 December 2019		**2,179**	**318,637**	**1,492,827**	**273,520**	**1,155,791**	**1,500,065**	**4,861,569**
Charge for the year		-	47,890	85,736	10,704	159,958	54,679	358,967
Disposal		-	-	-	(10,329)	(37,937)	(15,049)	(63,314)
Foreign exchange difference		(2,179)		16,599	(114,200)	25,377	2,456	(71,947)
31 December 2020		**-**	**366,527**	**1,595,163**	**159,695**	**1,303,189**	**1,542,151**	**5,085,275**
Carrying amounts at:								
31 December 2020		**414,548**	**2,298,399**	**203,791**	**44,874**	**154,335**	**307,475**	**3,423,421**
31 December 2019		**290,423**	**2,346,289**	**266,494**	**57,137**	**293,568**	**172,415**	**3,426,326**

No leased assets are included in the above property, plant and equipment and the Group had no capital commitments as at 31 December 2020. The capital work-in progress is a control account for the acquisition of property, plant and equipment for which advance payments have been made but assets yet to be completed, delivered and put to use. None of the assets have been pledged as collateral.

32 Property, plant and equipment (Company)

	Building ₦'000	Leasehold Improvement ₦'000	Plant and machinery ₦'000	Motor vehicles ₦'000	Furniture, fittings and equipment ₦'000	Total ₦'000
Cost/revaluation:						
1 January 2019	**2,394,587**	**713,475**	**72,232**	**941,661**	**1,019,204**	**5,141,159**
Additions	-	800	9,030	47,460	16,310	73,600
1 January 2020	**2,394,587**	**714,275**	**81,262**	**989,121**	**1,035,514**	**5,214,759**
Additions	-	15,212	13,322	6,270	40,021	74,825
Disposal	-	-	-	(29,243)	-	(29,243)
31 December 2020	**2,394,587**	**729,487**	**94,584**	**966,148**	**1,075,535**	**5,260,341**
Accumulated depreciation:						
1 January 2019	**309,980**	**563,992**	**63,644**	**615,779**	**898,503**	**2,451,898**
Charge for the year	47,890	86,640	4,030	143,400	82,740	364,700
1 January 2020	**357,870**	**650,632**	**67,674**	**759,179**	**981,243**	**2,816,598**
Charge for the year	47,890	48,540	5,880	117,750	33,110	253,170
Disposal	-	-	-	(29,243)	-	(29,243)
31 December 2020	**405,760**	**699,172**	**73,554**	**847,686**	**1,014,353**	**3,040,525**
Carrying amounts at:						
31 December 2020	**1,988,827**	**30,315**	**21,030**	**118,462**	**61,182**	**2,219,816**
31 December 2019	**2,036,717**	**63,643**	**13,588**	**229,942**	**54,271**	**2,398,161**

No leased assets are included in the above property, plant and equipment and the company had no capital commitments as at 31 December 2020. None of the assets have been pledged as collateral.

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 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	
	2020 ₦'000	2019 ₦'000	2020 ₦'000	2019 ₦'000
Cost	**498,011**	498,011	**130,161**	130,161
Accumulated depreciation	**(20,825)**	(18,222)	**(20,825)**	(18,222)
	477,186	479,789	**109,336**	111,939

33 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 13% per annum (2019: 13%) on statutory deposits are included in investment income (Note 9).

The deposit has been tested for adequacy as at 31 December 2020 and found to be adequate.

	Group		Company	
	2020	2019	**2020**	2019
	₦'000	**₦'000**	**₦'000**	**₦'000**
Statutory deposit	**500,000**	500,000	**300,000**	300,000
	500,000	500,000	**300,000**	300,000

34 Deposit for investment in equity

	Group		Company	
	2020	2019	**2020**	2019
	₦'000	**₦'000**	**₦'000**	**₦'000**
Deposit in shares in Mutual Exploration and Production Limited	**7,238**	7,238	**7,238**	7,238
Deposit for shares in Mutual Benefits MFB Limited	**-**	-	**22,000**	120,000
	7,238	7,238	**29,238**	127,238

34.1 *The movement in deposit for investment in equity shares is as follows:*

	Group		Company	
	2020	2019	**2020**	2019
	₦'000	**₦'000**	**₦'000**	**₦'000**
At 1 January	**7,238**	7,238	**127,238**	7,238
Addition - Mutual Benefits MFB Limited	**-**	-	**22,000**	120,000
Allotment of shares - Mutual Benefits MFB Limited	**-**	-	**(120,000)**	-
	7,238	7,238	**29,238**	127,238

35 Insurance contract liabilities

	Notes	Group		Company	
		2020	2019	**2020**	2019
		₦'000	**₦'000**	**₦'000**	**₦'000**
Outstanding claims	35.1	**12,014,154**	9,098,146	**4,024,793**	2,433,441
Unearned premiums	35.2	**5,558,129**	5,002,659	**3,403,809**	2,595,067
		17,572,283	14,100,805	**7,428,602**	5,028,508
Current		**17,572,283**	14,100,805	**7,428,602**	5,028,508
Non-current		**-**	-	**-**	-
		17,572,283	14,100,805	**7,428,602**	5,028,508

35 Insurance contract liabilities - continued

The Group engaged Zamara Consulting Actuaries Nigeria Limited to perform an insurance liability valuation as at 31 December 2020 for its Insurance and Investment contract businesses. The independent actuarial valuation was conducted by Seth Chengo (FRC/2017/NAS/00000016912).

35.1 Outstanding claims

	Notes	Group 2020 ₦'000	Group 2019 ₦'000	Company 2020 ₦'000	Company 2019 ₦'000
Non-Life business	35.1.1	**4,912,333**	2,811,830	**4,024,793**	2,433,441
Life business	35.1.2	**7,101,821**	6,286,316	**-**	-
		12,014,154	9,098,146	**4,024,793**	2,433,441

35.1.1 Non-Life business:

	Group 2020 ₦'000	Group 2019 ₦'000	Company 2020 ₦'000	Company 2019 ₦'000
Non-Life outstanding claims				
Claims reported by policyholders	**3,780,313**	1,991,130	**2,892,773**	1,612,741
Claims incurred but not reported (IBNR)	**1,132,020**	820,700	**1,132,020**	820,700
	4,912,333	2,811,830	**4,024,793**	2,433,441
	-	-		
Movement in Non-life outstanding claims				
At 1 January	**2,811,830**	3,049,347	**2,433,441**	2,365,795
Claims incurred in the current year	**6,067,777**	3,454,193	**4,738,130**	3,258,926
Claims paid during the year	**(3,967,274)**	(3,691,710)	**(3,146,778)**	(3,191,280)
	4,912,333	2,811,830	**4,024,793**	2,433,441
Analyis of Non-life outstanding claims per class of insurance				
Motor	**1,356,199**	810,891	**468,659**	432,504
Marine	**322,222**	188,694	**322,222**	188,694
Fire	**725,555**	510,321	**725,555**	510,321
General accident	**1,529,322**	867,722	**1,529,322**	867,722
Oil & Gas and Aviation	**979,035**	434,202	**979,035**	434,202
	4,912,333	2,811,830	**4,024,793**	2,433,441
The aging analysis of Non-life outstanding claims				
0 - 90	**3,780,313**	1,991,130	**2,892,773**	1,612,741
91 - 180	**-**	-	**-**	-
181 - 270	**-**	-	**-**	-
271 - 360	**-**	-	**-**	-
361 and above	**-**	-	**-**	-
No aging - IBNR	**1,132,020**	820,700	**1,132,020**	820,700
	4,912,333	2,811,830	**4,024,793**	2,433,441
No. of claimants for each age range of Non-life outstanding claims	**7,809**	5,922	**5,365**	4,788

The ageing of the outstanding claims is measured from the date of the issuance of discharge vouchers to the reporting dates.

35 Insurance contract liabilities - continued

35.1.2 Life business:

	Notes	Group 2020 ₦'000	Group 2019 ₦'000	Company 2020 ₦'000	Company 2019 ₦'000
Life outstanding claims					
Outstanding claims		**5,746,802**	5,379,907	**-**	-
Claims incurred but not reported (IBNR)		**1,355,019**	906,409	**-**	-
		7,101,821	6,286,316	**-**	-
Analyis of life outstanding claims per class of insurance					
Group life	i	**5,690,757**	5,071,640	**-**	-
Individual life	ii	**1,082,368**	889,976	**-**	-
Annuity	iii	**328,696**	324,700	**-**	-
		7,101,821	6,286,316	**-**	-
i ***Movement in group life outstanding claims***					
At 1 January		**5,071,640**	4,620,016	**-**	-
Claims incurred in the current year		**4,348,646**	4,593,829	**-**	-
Claims paid during the year		**(3,729,529)**	(4,142,205)	**-**	-
		5,690,757	5,071,640	**-**	-
ii ***Movement in individual life outstanding claims***					
At 1 January		**889,976**	535,353	**-**	-
Premiums written in the year		**2,517,408**	2,158,016	**-**	-
Premiums earned during the year		**(2,517,958)**	(2,157,832)	**-**	-
Claims incurred in the current year		**213,659**	105,132		
Claims paid during the year		**(213,659)**	(105,132)		
Changes in actuarial valuation		**192,942**	354,439		
At 31 December		**1,082,368**	889,976	**-**	-
iii ***Movement in annuity***					
At 1 January		**324,700**	419,108	**-**	-
Claims incurred in the current year		**44,226**	45,628		
Claims paid during the year		**(44,226)**	(45,628)	**-**	-
Changes in actuarial valuation		**3,996**	(94,408)	**-**	-
		328,696	324,700	**-**	-
The aging analysis of life outstanding claims					
0 - 90		**5,418,106**	5,055,207	**-**	-
91 - 180		**-**	-	**-**	-
181 - 270		**-**	-	**-**	-
271 - 360		**-**	-	**-**	-
361 and above		**-**	-	**-**	-
No aging - Annuity		**328,696**	324,700	**-**	-
No aging - IBNR		**1,355,019**	906,409	**-**	-
		7,101,821	6,286,316	**-**	-

The ageing of the outstanding claims is measured from the date of the issuance of discharge vouchers to the reporting dates.

35 Insurance contract liabilities - continued

35.2 Unearned premiums

	Notes	Group 2020 ₦'000	Group 2019 ₦'000	Company 2020 ₦'000	Company 2019 ₦'000
Non-Life business	ii	**3,540,532**	2,856,541	**3,403,809**	2,595,067
Life business	iv	**2,017,594**	2,146,118	**-**	-
		5,558,129	5,002,659	**3,403,809**	2,595,067

i ***The movement in unearned premium***

	Notes	Group 2020 ₦'000	Group 2019 ₦'000	Company 2020 ₦'000	Company 2019 ₦'000
At 1 January		**5,002,659**	4,426,731	**2,595,067**	2,766,841
Premiums written in the year	4.1	**19,983,843**	18,697,839	**9,207,506**	8,366,641
Premiums earned during the year	4.1	**(19,428,373)**	(18,121,911)	**(8,398,764)**	(8,538,415)
At 31 December		**5,558,129**	5,002,659	**3,403,809**	2,595,067
		-			

ii ***The movement in non-life unearned premium***

	Group 2020 ₦'000	Group 2019 ₦'000	Company 2020 ₦'000	Company 2019 ₦'000
At 1 January	**2,856,541**	2,766,841	**2,595,067**	2,766,841
Premiums written in the year	**11,347,783**	10,165,216	**9,207,506**	8,366,641
Premiums earned during the year	**(10,663,792)**	(10,075,516)	**(8,398,764)**	(8,538,415)
	3,540,532	2,856,541	**3,403,809**	2,595,067

iii ***Analysis of Non-life unearned premium***

	Group 2020 ₦'000	Group 2019 ₦'000	Company 2020 ₦'000	Company 2019 ₦'000
Motor	**1,167,735**	1,047,584	**1,167,735**	1,047,584
Marine	**659,501**	459,566	**659,501**	459,566
Fire	**473,992**	323,828	**473,992**	323,828
Oil & Gas and Aviation	**306,176**	212,049	**306,176**	212,049
General accident	**933,128**	813,514	**796,405**	552,039
	3,540,532	2,856,541	**3,403,809**	2,595,067

iv ***Analysis of life unearned premium***

	Group 2020 ₦'000	Group 2019 ₦'000	Company 2020 ₦'000	Company 2019 ₦'000
Group Life	**2,017,595**	2,146,118	**-**	-
	2,017,594	2,146,118	**-**	-

The movement in life unearned premium

	Group 2020 ₦'000	Group 2019 ₦'000	Company 2020 ₦'000	Company 2019 ₦'000
At 1 January	**2,146,118**	1,659,890	**-**	-
Premiums written in the year	**8,636,060**	8,532,623	**-**	-
Premiums earned during the year	**(8,764,584)**	(8,046,395)	**-**	-
	2,017,594	2,146,118	**-**	-

36 Investment contract liabilities

	Notes	Group 2020 ₦'000	Group 2019 ₦'000	Company 2020 ₦'000	Company 2019 ₦'000
Group deposit administration		**583,211**	341,991	**-**	-
Individual deposit administration		**27,864,056**	25,924,138	**-**	-
		28,447,267	26,266,129	**-**	-
Current		**11,094,434**	9,962,484	**-**	-
Non-current		**17,352,833**	16,303,645	**-**	-
		28,447,267	26,266,129	**-**	-
The movement in deposit administration funds					
Balance at the beginning of the year		**26,266,129**	25,276,261	**-**	-
Deposits received during the year		**12,323,764**	12,644,135	**-**	-
Guaranteed interest		**2,146,434**	1,899,142	**-**	-
Withdrawals during the year		**(12,289,060)**	(13,553,409)	**-**	-
Balance at the end of the year		**28,447,267**	26,266,129	**-**	-

37 Trade payables

	Notes	Group 2020 ₦'000	Group 2019 ₦'000	Company 2020 ₦'000	Company 2019 ₦'000
Reinsurance payables		**674,669**	408,207	**107,619**	152,792
Co-Insurance payables		**25,020**	19,906	**-**	-
Deferred commission		**194,598**	180,828	**183,948**	159,640
Commission payable		**290,667**	395,164	**230,842**	324,431
Deposits for premium	37.1	**942,052**	1,411,016	**234,194**	590,644
		2,127,006	2,415,121	**756,603**	1,227,507
Current		**2,127,006**	2,415,121	**756,603**	1,227,507
Non-current		**-**	-	**-**	-
		2,127,006	2,415,121	**756,603**	1,227,507

37.1 The movement in deposit for premium during the year is as follows:

	Group 2020 ₦'000	Group 2019 ₦'000	Company 2020 ₦'000	Company 2019 ₦'000
Balance at the beginning of the year	**1,411,016**	940,882	**590,644**	368,631
Addition during the year	**752,104**	930,794	**109,100**	547,377
Reclassified to premium income	**(465,550)**	(325,364)	**(465,550)**	(325,364)
Reclassified as investment contract liabilities	**(755,518)**	(135,296)	**-**	-
Balance at the end of the year	**942,052**	1,411,016	**234,194**	590,644

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.

38 Other liabilities

	Notes	Group 2020 ₦'000	Group 2019 ₦'000	Company 2020 ₦'000	Company 2019 ₦'000
Accruals*		**1,656,333**	217,025	**1,303,107**	101,653
Rent received in advance		**30,658**	69,008	**1,167**	1,146
Dividend payable		**24,798**	89,197	**24,798**	89,197
Due to related companies	54	**-**	-	**178,944**	66,809
PAYE		**1,202**	7,950	**546**	5,099
VAT payable		**546,852**	376,482	**-**	120
WHT payable		**17,105**	17,733	**10,222**	8,865
Staff pension		**10,104**	5,958	**7,717**	2,384
Salary control account		**23,910**	23,339	**-**	-
Amount due to Directors		**949**	949	**-**	-
National Housing Fund		**2,103**	1,916	**2,090**	1,449
Cooperative		**759**	3,957	**-**	-
Provision for NAICOM levy		**411,403**	272,597	**83,641**	41,961
Deposit for facility management		**42,279**	42,279	**-**	-
Other Creditors		**640,271**	252,060	**341,865**	56,648
Deposit for properties by customers		**317**	317	**-**	-
		3,409,284	1,380,767	**1,954,097**	375,331
Current		**3,409,284**	1,380,767	**1,954,097**	375,331
Non-current		**-**	-	**-**	-
		3,409,284	1,380,767	**1,954,097**	375,331

The financial element of the other liabilities includes; Accurals, Due to related companies, PAYE, VAT payable, WHT Payable, Staff pension, Salary control account, Amount due to Directors, National Housing fund, Cooperative, Provision for NAICOM levy, Deposit for facility management, Other creditors and Deposit for properties by customers.

*Included in the Accruals balance in 2020 is ₦1,300,000,000 representing the legal, negotiation and financial advisory costs incurred in extinguishing the Loan from Daewoo Securities Limited in December 2020 (see Note 40.3).

39 Deposit liabilities

	Notes	Group 2020 ₦'000	Group 2019 ₦'000	Company 2020 ₦'000	Company 2019 ₦'000
Current		**113,729**	87,251	**-**	-
Time		**119,922**	214,574	**-**	-
Savings		**67,967**	87,815	**-**	-
		301,618	389,640	**-**	-
		-	-		
Current		**301,618**	389,640	**-**	-
Non-current		**-**	-	**-**	-
		301,618	389,640	**-**	-

40 Borrowings

	Notes	Group 2020 ₦'000	Group 2019 ₦'000	Company 2020 ₦'000	Company 2019 ₦'000
GTBank margin facility	40.2	**400,870**	400,870	**400,870**	400,870
Loan from Daewoo Securities Limited	40.3	**-**	6,351,975	**-**	6,351,975
Loan from Concept Capital Management Ltd	40.4	**3,489,260**	-	**3,489,260**	-
		3,890,130	6,752,845	**3,890,130**	6,752,845
Current		**2,584,534**	-	**2,584,534**	-
Non-current		**1,305,596**	6,752,845	**1,305,596**	6,752,845
		3,890,130	6,752,845	**3,890,130**	6,752,845

40.1 The movement in borrowings during the year is as follows:

	Notes	Group 2020 ₦'000	Group 2019 ₦'000	Company 2020 ₦'000	Company 2019 ₦'000
Balance, beginning of the year		**6,752,845**	6,671,845	**6,752,845**	6,671,845
Additional of Loan from Concept Capital Management Ltd.		**3,476,172**	-	**3,476,172**	-
Impact of foreign exchange rate changes	15	**-**	81,000	**-**	81,000
Extinguishment of Loan from Daewoo Securities Ltd.		**(6,351,975)**	-	**(6,351,975)**	-
Accrued interest		**13,088**	-	**13,088**	-
Balance at the end of the year		**3,890,130**	6,752,845	**3,890,130**	6,752,845

40.2 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 of 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 N248,131,905.79 as at 31 December 2020. 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.

40.3 Loan from Daewoo Securities Limited

	Notes	Group 2020 ₦'000	Group 2019 ₦'000	Company 2020 ₦'000	Company 2019 ₦'000
Balance at 1 January		**6,351,975**	6,270,975	**6,351,975**	6,270,975
Interest		**-**	-	**-**	-
Loan Extinguishment		**(6,351,975)**	-	**(6,351,975)**	-
Impact of foreign exchange rate changes		**-**	81,000	**-**	81,000
		-	6,351,975	**-**	6,351,975

40 Borrowings - continued

The Company issued two (2) zero coupon, long term Japanese Yen (JPY) denominated Eurobonds with options in the aggregate sum of 2,500,000,000 JPY. Daewoo Securities (Europe) Limited acted as the lead manager, financial advisor and paying agent to the issues.

The first tranche in the sum of 1,750,000,000 Japanese Yen (JPY) with redemption date in year 2020 while the second tranche in the sum of 750,000,000 Japanese Yen (JPY) was due in year 2027. The Bonds were issued with the options to subscribe for the ordinary shares of the Company. However, the options are unenforceable as the arrangement was contrary to the extant capital market regulations.

In 2009, Daewoo Securities (Europe) Limited called for the early repayment of the bonds contrary to the fundamentals of the arrangement. The parties resorted to litigation to resolve their disputes. The sum of ₦421,455,030 (equivalent to JPY250,000,000) was redeemed on the Bonds between 2009 and 2010.

On 1 December 2020, the Company redeemed the remaining outstanding Bonds by the issuance of a new unsecured USD denominated debt instrument to the sole party with economic interests in the Bonds, Concept Capital Management Limited (CCM). The fair value of the new debt instrument at the issue date was USD9,149,699 (₦3,476,171,955). The carrying amount of the Bonds at the time of extinguishment was ₦6,351,975,000 and costs incurred were ₦1,300,000,000, resulting in a net gain on extinguishment of ₦1,575,803,045 which is included in other income in the statement of profit or loss

40.4 Loan from Concept Capital Management Ltd

		Group		Company	
	Notes	**2020**	2019	**2020**	2019
		₦'000	**₦'000**	**₦'000**	**₦'000**
Initial fair value of the loan		**3,476,172**	-	**3,476,172**	-
Accrued interest expense		**13,088**	-	**13,088**	-
Repayment during the year		**-**	-	**-**	-
		3,489,260	-	**3,489,260**	-

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 31 May 2021, 30 November 2021 and 30 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.

41 Current income tax liabilities

	Notes	Group 2020 ₦'000	Group 2019 ₦'000	Company 2020 ₦'000	Company 2019 ₦'000
Balance at 1 January		**893,369**	793,528	**642,173**	479,914
Current income tax charge					
Company income tax		**259,309**	398,771	**68,710**	312,296
Education tax		**7,268**	24,464	**7,268**	24,414
Information technology tax		**50,334**	36,699	**18,954**	12,903
Minimum tax		**7,115**	16,160	**-**	-
	18.1	**324,024**	476,093	**94,932**	349,613
Payments during the year		**(312,689)**	(376,252)	**(120,118)**	(187,354)
Balance at the end of the year		**904,704**	893,369	**616,987**	642,173

42 Deferred tax net liabilities

	Notes	Group 2020 ₦'000	Group 2019 ₦'000	Company 2020 ₦'000	Company 2019 ₦'000
Deferred tax assets	42.1	**612,077**	300,815	**91,556**	65,718
Deferred tax liabilities	42.2	**(1,528,579)**	(1,045,224)	**(659,568)**	(709,191)
		(916,502)	(744,409)	**(568,012)**	(643,473)

42.1 *Movement in Deferred tax assets*

	Notes	Group 2020	Group 2019	Company 2020	Company 2019
Balance at the beginning of the year		**300,815**	145,378	**65,718**	66,344
Credit in profit or loss for the year	18.2	**311,261**	155,437	**25,837**	(626)
Balance at the end of the year		**612,077**	300,815	**91,556**	65,718

Deferred tax assets is attributable to the following:

	Notes	Group 2020 ₦'000	Group 2019 ₦'000	Company 2020 ₦'000	Company 2019 ₦'000
Property, plant and equipment		**28,626**	30,271	**-**	-
Expected credit losses		**583,451**	270,544	**91,556**	65,718
Balance, end of year		**612,077**	300,815	**91,556**	65,718

42.2 *Movement in Deferred tax liabilities*

	Notes	Group 2020	Group 2019	Company 2020	Company 2019
Balance, beginning of year		**1,045,224**	1,263,609	**709,191**	853,763
Charge in profit or loss for the year	18.2	**(79,948)**	(178,843)	**(49,624)**	(144,572)
Charge in other comprehensive income		**563,300**	(39,542)	**-**	-
Balance at the end of the year		**1,528,579**	1,045,224	**659,568**	709,191
Deferred income tax liability is attributable to the following:					
Property, plant and equipment		**1,510,078**	1,026,724	**659,568**	709,191
Revaluation reserves		**18,501**	18,501	**-**	-
		1,528,579	1,045,224	**659,568**	709,191
Net Deferred tax liability		**916,502**	744,409	**568,012**	643,473

42 Deferred tax net liabilities - continued

42.3 Unrecognised deferred tax assets

Deferred tax assets relating to the Group's life business have not been recognised in respect of the following items because it is not probable that future taxable profit will be available against which the life business can use the benefits therefrom.

	Notes	Group 2020 ₦'000	Group 2019 ₦'000	Company 2020 ₦'000	Company 2019 ₦'000
Property, plant and equipment		**351,600**	328,064	**-**	-
Tax losses		**5,761,719**	2,699,462	**-**	-
Balance, end of year		**6,113,319**	3,027,526	**-**	-

43 Share capital

	Notes	Group 2020 ₦'000	Group 2019 ₦'000	Company 2020 ₦'000	Company 2019 ₦'000
Share capital comprises:					
43.1 ***Authorized:***					
20,000,000,000 (2019: 20,000,000,000) Ordinary shares of 50k each		**10,000,000**	10,000,000	**10,000,000**	10,000,000
43.2 ***Issued and fully paid:***					
11,172,733,508 (2019: 11,172,733,508) Ordinary shares of 50k each		**5,586,367**	5,586,367	**5,586,367**	5,586,367

44 Treasury shares

Company's shares held (500,000 shares at ₦0.50 per share)		**250**	250	**250**	250

45 Deposit for shares

This represents deposit for shares from the two existing investors in the Company (Charles Enterprise LLC and Arubiewe Farms Limited) via Private Placement, pending allotment of the shares.

The combined amount of N4.8 billion received on 21 December 2020 by the Company from Charles Enterprise LLC and Arubiewe Farms Limited is kept in a dedicated account by the issuing house, Radix Capital Partners Limited, pending the receipt of the final approval by the Securities and Exchange Commission (SEC). A 'No Objection' to raise the capital through the Private Placement was received from NAICOM on 17 December 2020.

The two investors have no intention of asking for a refund of their funds. Hence, the recognition of these funds in equity as Deposit for Shares pending the receipt of the final approval and allocation of the shares.

The Nigerian Exchange Limited granted approval for the listing of the Shares on 12 April 2021.

46 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.

47 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	
	Notes	**2020**	2019	**2020**	2019
		₦'000	**₦'000**	**₦'000**	**₦'000**
Balance, beginning of the year		**3,462,493**	2,960,268	**2,745,470**	2,494,470
Transfer from retained earnings		**709,566**	502,225	**372,571**	251,000
Balance, end of year		**4,172,059**	3,462,493	**3,118,041**	2,745,470
Analysis per business segment					
Non-life business		**3,118,041**	2,745,470	**3,118,041**	2,745,470
Life business		**1,054,018**	717,023	**-**	-
		4,172,059	3,462,493	**3,118,041**	2,745,470
Non-life business					
Balance, beginning of the year		**2,745,470**	2,494,470	**2,745,470**	2,494,470
Transfer from retained earnings		**372,571**	251,000	**372,571**	251,000
Balance, end of year		**3,118,041**	2,745,470	**3,118,041**	2,745,470
Life business					
Balance, beginning of the year		**717,023**	465,798	**-**	-
Transfer from retained earnings		**336,995**	251,225	**-**	-
Balance, end of year		**1,054,018**	717,023	**-**	-

48 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.

49 Revaluation reserve

	Notes	Group 2020 ₦'000	Group 2019 ₦'000	Company 2020 ₦'000	Company 2019 ₦'000
Balance, beginning of the year		**1,520,131**	1,520,131	**1,339,395**	1,339,395
		1,520,131	1,520,131	**1,339,395**	1,339,395

This is revaluation surplus in respect of building in line with the Company's accounting policies.

50 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).

51 Non-controlling interests in equity

	Notes	Group 2020 ₦'000	Group 2019 ₦'000
Opening balance		**1,100,847**	174,699
Inflow from NCI for acquisition of subsidiary share		**-**	965,010
Share from total comprehensive income		**232,931**	(38,862)
Balance as at year end		**1,333,778**	1,100,847

51 Non-controlling interests in equity - continued

The table below summarises the information relating to the Group's subsidiaries that have material Non-Controlling Interests (NCI) before any intra-group eliminations.

	Notes	Mutual Benefits Microfinance Bank Ltd		Mutual Benefits Niger SA	
		31 Dec-2020	31 Dec-2019	31 Dec-2020	31 Dec-2019
		₦'000	₦'000	₦'000	₦'000
NCI percentage		**10%**	20%	**38%**	38%
Cash and cash equivalents		**388,745**	412,546	**3,052,381**	1,826,979
Loans and receivables		**89,555**	195,261	**-**	-
Other receivables		**8,453**	11,793	**35,929**	46,105
Intangible assets		**12,827**	3,902	**21,320**	22,208
Reinsurance assets		**-**	-	**566,940**	363,714
Trade receivables		**-**	-	**133,491**	156,671
Property, plant and equipments		**10,113**	22,722	**707,787**	485,420
Insurance contract liabilities		**-**	-	**(1,008,208)**	(633,150)
Trade payables		**-**	-	**(405,958)**	(260,315)
Other liabilities		**(150,766)**	(286,868)	**(298,801)**	(135,780)
Deposit liabilities		**(301,618)**	(389,640)	**-**	-
Current income tax liabilities		**(14,722)**	(16,097)	**-**	-
Deferred tax liabilities		**(3,636)**	(3,424)	**-**	-
Net assets/(liabilities)		**38,952**	(49,804)	**2,804,881**	1,871,852
Carrying amount of NCI		**3,973**	(9,961)	**1,052,672**	702,506
Underwriting profit		**-**	-	**473,397**	600,361
Income		**45,413**	288,835	**98,011**	72,803
Expenses		**(196,211)**	(468,383)	**(453,704)**	(445,503)
Loss before tax		**-**	(179,549)	**-**	-
Loss after tax		**-**	(185,809)	**-**	-
Profit allocated to NCI		**-**	(42,736)	**-**	-
Cash flows (used in)/ from operating activities		**(161,616)**	125,268	**1,310,906**	1,048,979
Cash flows (used in)/ from investing activities		**5,781**	2,415	**(85,503)**	(22,533)
seitivitca gnicnanfi morf swolf hsaC		**122,000**	240,000	**-**	-
Net (decrease)/increase in cash and cash equivalents		**(33,835)**	367,683	**1,225,402**	1,026,446

52 Reconciliation of profit before income tax to cash flows provided by operating activities:

	Notes	GROUP 31 Dec-2020 ₦'000	GROUP 31 Dec-2019 ₦'000	COMPANY 31 Dec-2020 ₦'000	COMPANY 31 Dec-2019 ₦'000
Profit before income tax		**5,042,025**	3,754,054	**1,882,327**	1,291,971
Adjustments for non-cash items:					
Fair value gain/(loss) on financial assets through profit and loss	10	**(3,292,431)**	(974,962)	**(1,127,088)**	(445,511)
Amortisation of deferred acquisition costs	26.1	**2,648,698**	1,993,619	**1,418,555**	1,155,472
Interest income	8	**(3,077,528)**	(3,556,496)	**-**	-
Investment income	9	**(2,599,288)**	(2,487,931)	**(1,135,155)**	(1,282,142)
Interest on borrowings		**13,088**	-	**13,088**	-
Interest income on finance leases	27.1	**(4,683)**	(51,650)	**(4,683)**	(51,650)
Bad debt written off	14	**2,110**	144,690	**-**	-
Impairment charge/(write-back) on financial assets	12	**921,635**	354,230	**86,123**	(2,087)
Amortisation of intangible assets	31	**13,436**	16,311	**11,251**	12,172
Depreciation of property and equipments	32	**358,967**	514,970	**253,170**	364,700
Gain on disposal of property and equipment	11	**(8,145)**	(2,789)	**(2,950)**	(965)
Foreign exchange gain on cash and cash equivalents	15	**(149,869)**	(6,890)	**(149,869)**	(6,890)
Gain on extinguishment of loan	11	**(1,575,803)**	-	**(1,575,803)**	-
Foreign exchange loss foreign domiciliary borrowings	40.1	**-**	81,000	**-**	81,000
Fair value loss in investment property		**70,000**	20,000	**-**	-
Loss/(gain) on diposal of investment property	8.1	**30,000**	(5,250)	**-**	-
Inventory written down	14	**266,357**	-	**-**	-
Impairment of goodwill		**-**	1,543	**-**	-
Cash flow (used in)/from operating profit before changes in operating assets and liabilities		**(1,341,430)**	(205,551)	**(331,034)**	1,116,070
Trade receivables		**213,086**	203,613	**134,444**	(116,582)
Reinsurance assets		**2,127**	(739,244)	**(62,124)**	(315,591)
Other receivables and prepayment		**(1,875,832)**	(14,532)	**(2,885,459)**	24,617
Deferred acquisition cost		**(2,710,058)**	(2,062,989)	**(1,495,589)**	(1,157,999)
Inventories		**-**	82,080	**-**	-
Insurance contract liabilities - Claims		**2,916,008**	474,322	**1,591,352**	67,646
Insurance contract liabilities - Unearned premium		**555,470**	575,928	**808,742**	(171,774)
Trade payables		**(288,115)**	630,339	**(470,904)**	355,855
Other liabilities		**728,517**	441,260	**278,766**	105,154
Loans and receivables		**(503,437)**	269,930	**24,220**	55,021
Investment contract liabilities		**2,181,138**	989,868	**-**	-
Borrowings		**2,862,715**	-	**2,862,715**	-
Deposit liabilities		**(88,022)**	(122,513)	**-**	-
Income tax paid	41	**(312,689)**	(376,252)	**(120,118)**	(187,354)
Net cash flows (used in)/ from operating activities		**2,339,477**	146,259	**335,010**	(224,937)

53 Supplementary statement of profit or loss information

i Employees, other than the executive directors, whose duties were wholly or mainly discharged in Nigeria, received emoluments (excluding pension contribution and other allowances) in the following ranges:

	Notes	GROUP 31 Dec-2020 ₦'000	GROUP 31 Dec-2019 ₦'000	COMPANY 31 Dec-2020 ₦'000	COMPANY 31 Dec-2019 ₦'000
		Number	Number	**Number**	Number
₦220,001 – ₦720,000		**41**	50	**-**	5
₦720,001 – ₦1,400,000		**64**	93	**24**	36
₦1,400,001 – ₦2,050,000		**76**	81	**32**	33
₦2,050,001 – ₦2,330,000		**12**	14	**8**	13
₦2,330,001 – ₦2,840,000		**25**	35	**11**	14
₦2,840,001 – ₦3,000,000		**7**	9	**4**	4
₦3,000,001 – ₦4,500,000		**38**	47	**27**	33
₦4,500,001 – ₦5,950,000		**25**	24	**16**	15
₦5,950,001 – ₦6,800,000		**-**	7	**-**	6
₦6,800,001 – ₦7,800,000		**9**	3	**5**	-
₦7,800,001 – ₦8,600,000		**12**	8	**7**	3
₦8,600,001 – ₦11,800,000		**21**	17	**12**	8
Above ₦11,800,000		**20**	11	**13**	4
Balance, end of year		**350**	399	**159**	174

The average number of full time persons employed by the Company during the year was as followed:

	Notes	GROUP 31 Dec-2020	GROUP 31 Dec-2019	COMPANY 31 Dec-2020	COMPANY 31 Dec-2019
Executive Directors		**11**	9	**2**	2
Management staff		**139**	137	**78**	79
Non management staff		**211**	262	**81**	95
		361	408	**161**	176

ii **Directors' remuneration:**

Remuneration paid to the Directors of the Company was as follows:

	Notes	GROUP 31 Dec-2020 ₦'000	GROUP 31 Dec-2019 ₦'000	COMPANY 31 Dec-2020 ₦'000	COMPANY 31 Dec-2019 ₦'000
Executive compensation		**286,017**	294,092	**135,000**	135,000
Directors fees		**18,125**	18,125	**18,125**	18,125
Other directors expenses		**138,046**	176,681	**111,984**	150,075
		442,188	488,898	**265,109**	303,200

53 Supplementary statement of profit or loss information - Continued

The directors' remuneration shown above (excluding pension contributions and other allowances)

	Notes	GROUP 31 Dec-2020 ₦'000	GROUP 31 Dec-2019 ₦'000	COMPANY 31 Dec-2020 ₦'000	COMPANY 31 Dec-2019 ₦'000
Chairman		**13,373**	8,200	**5,200**	5,200
Highest paid director		**119,198**	112,427	**45,125**	45,125

The emoluments of all other directors fell within the following range:

	Notes	GROUP 31 Dec-2020 ₦'000	GROUP 31 Dec-2019 ₦'000	COMPANY 31 Dec-2020 ₦'000	COMPANY 31 Dec-2019 ₦'000
		Number	Number	**Number**	Number
N500,000- N1,000,000		**7**	8	**-**	-
Above N2,000,000		**13**	9	**9**	9
		20	17	**9**	9

54 Related parties

Parent

Mutual Benefits Assurance Plc (incorporated in Nigeria) is the ultimate parent of the group.

Transactions between Mutual Benefits Assurance Plc and the subsidiaries also meet the definition of related party transactions. Where these are eliminated on consolidation, they are not disclosed in the consolidated financial statements.

Transactions with key management personnel

The Group's key management personnel, and persons connected with them are considered to be related parties for disclosure purposes. The definition of key management includes close members of family of key personnel and any entity over which key management exercise control. The key management personnel have been identified as the executive and non-executive directors of the Group. Close members of family are those family members who may be expected to influence, or be influenced by that individual in their dealings with Mutual Be fits Assurance Plc.

The volume of related party transactions, outstanding balances at the period end, and related expense and income for the period are as follows:

	Notes	GROUP 31 Dec-2020 ₦'000	GROUP 31 Dec-2019 ₦'000	COMPANY 31 Dec-2020 ₦'000	COMPANY 31 Dec-2019 ₦'000
Key management compensation					
Salaries and other short-term benefits		**286,017**	294,092	**135,000**	135,000
Defined contribution pension		**11,346**	11,648	**8,946**	9,248
		297,363	305,740	**143,946**	144,248

54 Related parties - Continued

Transactions with key management personnel

	Notes	GROUP		COMPANY	
		31 Dec-2020	31 Dec-2019	31 Dec-2020	31 Dec-2019
		₦'000	₦'000	₦'000	₦'000
Loans and advances to directors					
Balance as at 1 January		**1,455**	5,126	**-**	-
Granted during the year		**-**	-	**-**	-
Interest during the year		**2,749**	3,679		
Repayment		**(4,204)**	(7,350)	**-**	-
Impact of foreign exchange rate changes		**-**	-		
Balance as at 31 December		**-**	1,455	**-**	-
Interest earned		**2,749**	3,679	**-**	-

Loans to key management personnel include mortgage loans and other personal loans which are given under terms that are no more favourable than those given to other staff. Mortgage loans are secured by the underlying assets. All other loans are unsecured.

No provision has been recognised in respect of loans given to key management personnel (2019:Nil).

Loans and advances to subsidiary	31 Dec-2020 ₦'000	31 Dec-2019 ₦'000
Mutual Homes and Properties Limited	**200,140**	221,340

	COMPANY	
	31 Dec-2020	31 Dec-2019
	₦'000	₦'000
Granted during the year	**-**	-
Repayment	**(21,200)**	(98,087)
Interest earned	**-**	-

During the year, the Company carried out transactions with some entities related to it. Details of these transactions and outstanding balances are stated below:

Name of related party	**Nature of relationship**	**Type of Transaction**	31 Dec-2020 ₦'000	31 Dec-2019 ₦'000
	GROUP		**COMPANY**	
Receivables/ (Payables)				
Mutual Homes & Properties Ltd	Subsidiary	Loan	**200,140**	221,340
Mutual Benefits Microfinance Bank Ltd	Subsidiary	Current account	**28,446**	5,733
Mutual Benefits Microfinance Bank Ltd	Subsidiary	Fixed deposit	**15,115**	-
Prime Exploration and Production Limited	Directors	Loan	**12,073,638**	10,070,981
Mutual Benefits Life Assurance Limited	Subsidiary	Intercompany	**(178,944)**	(66,809)
Mutual Benefits Assurance Company Liberia	Subsidiary	Intercompany	**-**	20,936

55 Contingent liabilities

Litigation and claims

The Company is presently involved in Eighteen (18) litigations as defendants with estimated claims of ₦485,652,176 (2019: ₦535,000,000). In the directors' opinion, after taking appropriate legal advice, the outcome of these legal claims will not give rise to any significant loss at 31 December 2020.

ii ***Capital commitments***

The Directors are of the opinion that all known liabilities and commitments which are relevant in assessing the Group's and the Company's state of financial affairs have been taken into account in the preparation of these consolidated and separate financial statements.

56 Contravention

	₦
Penalty for breach of Rule 19.7 of NSE	248,063

The penalty relates of a change in the AGM date which was not communicated to the Nigerian Stock Exchange (NSE) in line with Rule 19.7

57 Event after the reporting date

There were no events after the reporting date that requires disclosure or adjustment in the consolidated and separate financial statements that has not been disclosed or adjusted

58 Impact of COVID-19

Management has assessed the impact of the COVID-19 on the going concern of the Company and its assets, especially with respect to its life products, and has concluded that the use of the going concern is appropriate and that the company will be able to recover its assets and discharge its liabilities in the foreseeable future. However, the outbreak of the virus brought about a change in the Company's modus operandi as it had adopted the mix of both physical and virtual working and gap in service delivery has not been noticed in any areas of operations including sales as the Company remain committed to optimum service delivery to various clientele and stakeholders.

	General accident ₦'000	Aviation & oil and gas ₦'000	Bond ₦'000	Marine ₦'000	Motor ₦'000	Fire ₦'000	Dec 2020 Total ₦'000	Dec 2019 Total ₦'000
Gross premium written	1,696,895	1,912,379	60,697	1,508,653	2,617,214	1,411,668	**9,207,506**	8,366,641
Changes in unexpired premium	(183,472)	(196,860)	(34,926)	(104,798)	(129,445)	(159,241)	**(808,742)**	171,774
Gross premium earned	1,513,423	1,715,519	25,771	1,403,855	2,487,769	1,252,427	**8,398,764**	8,538,415
Premiums ceded to reinsurers	(490,794)	(443,899)	(12,686)	(483,615)	(33,941)	(797,074)	**(2,262,009)**	(1,958,821)
Net premium earned	1,022,629	1,271,620	13,085	920,241	2,453,828	455,353	**6,136,755**	6,579,594
Commission received	143,652	29,666	4,671	177,104	4,636	159,820	**519,547**	348,208
Total underwriting income	1,166,280	1,301,285	17,756	1,097,344	2,458,463	615,173	**6,656,302**	6,927,802
Gross claims paid	618,015	737,161	45,382	349,764	919,503	476,953	**3,146,779**	3,191,281
Change in outstanding claims	785,738	654,749	(54,819)	(19,484)	93,630	131,538	**1,591,352**	67,646
Gross claim incurred	1,403,753	1,391,910	(9,437)	330,280	1,013,133	608,491	**4,738,131**	3,258,927
Reinsurance recoveries	98,815	(295,129)	431	177,529	47,224	289,772	**318,640**	1,050,390
Due from re-insurers	188,868	-	15,596	132,789	93,984	432,101	**863,339**	(18,574)
Gross recoveries	287,683	(295,129)	16,027	310,318	141,208	721,873	**1,181,979**	1,031,816
Net benefits and claims	**1,116,070**	**1,687,039**	**(25,464)**	**19,962**	**871,926**	**(113,382)**	**3,556,150**	**2,227,111**
Net income	**50,210**	**(385,754)**	**43,220**	**1,077,383**	**1,586,537**	**728,555**	**3,100,150**	**4,700,692**
UNDERWRITING EXPENSES								
Amortised deferred acquisition costs	(242,413)	(167,555)	(3,876)	(189,761)	(590,475)	(224,474)	**(1,418,555)**	(1,025,380)
Other underwriting expenses	(134,266)	(151,316)	(4,803)	(119,371)	(207,086)	(111,698)	**(728,539)**	(813,569)
Underwriting profit	**(326,469)**	**(704,625)**	**34,541**	**768,250**	**788,977**	**392,383**	**953,058**	**2,583,373**

	GROUP				COMPANY			
	2020 ₦'000	%	**2019 ₦'000**	%	**2020 ₦'000**	%	**2019 ₦'000**	%
Gross premium written	**19,983,843**		18,697,839		**9,207,506**		8,366,641	
Net benefits and claims	**(7,995,711)**		(5,926,745)		**(3,556,150)**		(2,227,111)	
Premiums ceded to reinsurers	**(3,349,341)**		(2,832,796)		**(2,262,009)**		(1,958,821)	
Other charges and expenses	**(4,290,212)**		(6,406,792)		**(1,799,858)**		(3,207,230)	
Fees and commission income	**721,205**		482,766		**519,547**		348,208	
	5,069,784		4,014,272		**2,109,036**		1,321,687	
Investment income	**2,599,288**		2,487,931		**1,135,155**		1,282,142	
Value added	**7,669,072**	**100**	**6,502,203**	**100**	**3,244,191**	**100**	**2,603,829**	**100**
Applied to pay:								
Employee benefits	**1,917,481**	**25**	2,245,924	35	**989,293**	**30**	1,060,858	41
Government as tax	**324,025**	**4**	476,094	7	**94,932**	**3**	349,613	13
Retained in the business:								
Contingency reserve	**709,566**	**9**	502,225	8	**372,571**	**11**	251,000	10
Deferred income tax	**(391,209)**	**(5)**	(334,280)	(5)	**(75,461)**	**(2)**	(143,946)	(6)
Profit for the year	**5,131,816**	**67**	3,642,753	56	**1,862,856**	**57**	1,086,304	42
Non-controlling interest	**(22,607)**	**-**	(30,514)	-	**-**	**-**	-	-
Value added	**7,669,072**	**100**	**6,502,203**	**100**	**3,244,191**	**100**	**2,603,829**	**100**

Value added statement represents the wealth created by the efforts of the Group and its employees' efforts based on ordinary activities and the allocation of that wealth being created between employees, shareholders, government and that retained for the future creation of more wealth.

Group- Statement of financial position	31 Dec-2020 ₦'000	31 Dec-2019 ₦'000	31 Dec-2018 ₦'000	31 Dec-2017 ₦'000	31 Dec-2016 ₦'000
ASSETS					
Cash and cash equivalents	**11,420,144**	6,821,006	5,483,347	8,345,638	10,734,374
Financial assets:					
Available-for-sale investment securities	**-**	-	-	849,524	849,374
Fair value through profit or loss	**21,899,279**	7,669,217	3,239,416	110,952	64,097
Equity instruments at fair value through OCI Loans	**140,641**	345,967	731,018	-	-
and receivables	**12,849,870**	11,181,262	11,877,818	12,245,702	12,410,169
Held-to-maturity	**-**	-	-	16,840,317	8,214,636
Financial assets at amortised cost	**18,824,128**	23,377,552	19,346,552	-	-
Assets pledged as collateral	**-**	-	-	-	91,188
Financial assets held for trading pledged as collateral	**140,648**	123,742	142,100	168,064	-
Trade receivables	**348,617**	563,813	912,116	629,280	462,616
Reinsurance assets	**4,311,840**	4,313,967	3,574,723	2,455,731	1,871,739
Other receivables	**865,217**	1,119,275	1,343,309	993,182	888,020
Deferred acquisition costs	**587,978**	526,618	457,248	485,283	340,338
Finance lease receivables	**657**	83,552	116,154	145,055	420,049
Inventories	**169,799**	436,156	518,236	907,822	1,332,864
Assets held for sale	**-**	-	5,550,000	-	-
Investment properties	**6,721,000**	6,931,000	1,476,000	8,566,000	8,726,390
Intangible assets	**46,853**	50,090	49,550	43,994	73,531
Property, plant and equipment	**3,423,421**	3,426,326	3,930,517	3,922,931	4,024,297
Statutory deposit	**500,000**	500,000	500,000	500,000	500,000
Deposit for shares	**7,238**	7,238	7,238	480,588	460,588
Deferred tax assets	**612,077**	300,815	145,378	-	-
Goodwill	**-**	-	1,543	1,543	1,543
Total assets	**82,869,407**	67,777,596	59,402,263	57,691,606	51,465,813
LIABILITIES					
Insurance contract liabilities	**17,572,283**	14,100,805	13,050,555	10,299,090	7,401,872
Investment contract liabilities	**28,447,267**	26,266,129	25,276,261	26,564,221	25,956,771
Trade payables	**2,127,006**	2,415,121	1,784,782	2,858,296	1,270,219
Other liabilities	**3,409,284**	1,380,767	939,507	1,161,224	1,710,996
Deposit liabilities	**301,618**	389,640	512,153	259,268	203,845
Borrowings	**3,890,130**	6,752,845	6,671,845	6,509,170	6,258,070
Current income tax liabilities	**904,704**	893,369	793,528	687,173	503,843
Deferred tax liabilities	**1,528,578**	1,045,224	1,263,609	1,063,084	1,147,429
Total liabilities	**58,180,870**	53,243,900	50,292,240	49,401,526	44,453,045
EQUITY					
Share capital	**5,586,367**	5,586,367	4,000,000	4,000,000	4,000,000
Treasury shares	**(250)**	(250)	(250)	(250)	(250)
Deposit for Shares	**4,800,000**	-	-	-	-
Foreign currency translation reserve	**1,161,602**	938,821	1,116,284	911,064	906,502
Contingency reserve	**4,172,059**	3,462,493	2,960,268	2,801,764	2,533,160
Fair value reserve	**(878,937)**	(673,611)	(288,560)	-	-
Revaluation reserve	**1,520,131**	1,520,131	1,520,131	1,467,403	1,288,563
Retained earnings/(accumulated losses)	**6,993,787**	2,598,898	(372,549)	(1,079,247)	(1,838,814)
Shareholders' fund	**23,354,759**	13,432,849	8,935,324	8,100,734	6,889,161
Owners of the parent	**23,354,759**	13,432,849	8,935,324	8,100,734	6,889,161
Non-controlling interests in equity	**1,333,778**	1,100,847	174,699	189,346	123,607
Total equity	**24,688,537**	14,533,696	9,110,023	8,290,080	7,012,768
Total liabilities and equity	**82,869,407**	67,777,596	59,402,263	57,691,606	51,465,813

Group- Statement of profit or loss	**2020 N'000**	**2019 N'000**	**2018 N'000**	**2017 N'000**	**2016 N'000**
Gross premium written	**19,983,843**	18,697,839	15,840,697	14,037,879	12,143,610
Gross premium income	**19,428,373**	18,121,911	15,634,846	13,352,960	11,982,537
Profit/(loss) before income tax	**5,042,025**	3,754,054	1,380,983	1,335,093	(1,068,666)
Income tax expense	**67,184**	(141,815)	(231,975)	(312,585)	(277,620)
Profit/(loss) after income tax	**5,109,209**	3,612,239	1,149,008	1,022,508	(1,346,286)
Transfer to contingency reserve	**(709,566)**	(502,225)	(158,504)	(268,604)	(241,120)
Earnings per share- Basic (kobo)	**46**	36	14	13	(17)
Earnings per share- Diluted (kobo)	**46**	36	14	13	(17)

Company - Statement of financial position	31 Dec-2020 ₦'000	31 Dec-2019 ₦'000	31 Dec-2018 ₦'000	31 Dec-2017 ₦'000	31 Dec-2016 ₦'000
ASSETS					
Cash and cash equivalents	**4,761,993**	2,146,927	2,452,961	3,249,277	3,804,953
Financial assets:					
Available-for-sale investment securities	**-**	-	-	21,553	21,553
Equity Instruments at fair value through OCI	**60,008**	57,842	54,211	-	-
Financial assets at fair value through profit or loss	**5,879,688**	3,377,844	2,752,187	110,952	64,097
Loans and receivables	**250,916**	277,110	325,076	633,143	770,941
Held to maturity	**-**	-	-	4,457,954	2,030,905
Debt Instruments at amortised costs	**7,625,685**	5,257,169	4,461,246	-	-
Financial assets held for trading pledged as collateral	**140,648**	123,742	142,100	168,064	91,188
Trade receivables	**182,138**	316,582	386,040	278,159	102,994
Reinsurance assets	**1,885,227**	1,823,103	1,507,512	1,086,826	1,057,693
Other receivables	**267,111**	200,825	348,255	560,682	319,213
Deferred acquisition costs	**432,422**	355,388	352,860	312,182	235,053
Finance lease receivables	**657**	83,552	116,154	134,044	147,965
Investment properties	**56,000**	56,000	56,000	56,000	56,000
Investment in subsidiaries	**6,120,000**	6,000,000	4,000,000	4,000,000	4,000,000
Intangible assets	**12,706**	23,957	10,924	15,387	33,305
Property, plant and equipment	**2,219,816**	2,398,161	2,689,261	2,925,601	3,152,644
Statutory deposit	**300,000**	300,000	300,000	300,000	300,000
Deposit for shares	**29,238**	127,238	7,238	410,588	390,588
Deferred tax assets	**91,556**	65,718	66,344	-	-
Total assets	**30,315,809**	22,991,158	20,028,369	18,720,412	16,579,092
LIABILITIES					
Insurance contract liabilities	**7,428,602**	5,028,508	5,132,636	4,352,606	3,822,730
Trade payables	**756,603**	1,227,507	871,652	1,028,272	452,495
Other liabilities	**1,954,097**	375,331	270,177	235,695	287,412
Borrowings	**3,890,130**	6,752,845	6,671,845	6,509,170	6,258,070
Current income tax liabilities	**616,987**	642,173	479,914	422,005	217,733
Deferred tax liabilities	**659,568**	709,191	853,763	705,821	729,917
Total liabilities	**15,305,987**	14,735,555	14,279,987	13,253,569	11,768,357
EQUITY					
Share capital	**5,586,367**	5,586,367	4,000,000	4,000,000	4,000,000
Treasury shares	**(250)**	(250)	(250)	(250)	(250)
Deposit for Shares	**4,800,000**	-	-	-	-
Contingency reserve	**3,118,041**	2,745,470	2,494,470	2,398,485	2,179,515
Fair value losses	**(133,900)**	(136,066)	(139,697)	-	-
Revaluation reserve	**1,339,395**	1,339,395	1,339,395	1,339,395	1,288,563
Accumulated losses	**300,169**	(1,279,313)	(1,945,536)	(2,270,787)	(2,657,093)
Shareholders' fund	**15,009,822**	8,255,603	5,748,382	5,466,843	4,810,735
Total liabilities and equity	**30,315,809**	22,991,158	20,028,369	18,720,412	16,579,092

Company - Statement of profit or loss	**2020**	**2019** **₦'000**	**2018** **₦'000**	**2017** **₦'000**	**2016** **₦'000**
Gross premium written	**9,207,506**	8,366,641	8,018,299	7,298,974	6,586,846
Premium earned	**8,398,764**	8,538,415	7,677,706	6,986,273	6,660,747
Profit/(loss) before income tax	**1,882,327**	1,291,971	636,547	849,091	(1,248,946)
Income tax expense	**(19,471)**	(205,667)	(156,618)	(243,815)	(141,581)
Profit/(loss) after income tax	**1,862,856**	1,086,304	479,929	605,276	(1,390,527)
Transfer to contingency reserve	**(372,571)**	(251,000)	(95,985)	(218,970)	(197,605)
Earnings/(loss) per share- Basic (kobo)	**17**	11	6	8	(17)
Earnings/(loss) per share- Diluted (kobo)	**17**	11	6	8	(17)

	AUTHORIZED (N)		AUTHORIZED (N)		
DATE	INCREASE	CUMULATIVE	INCREASE	CUMULATIVE	CONSIDERATION
1995		5,000,000		5,000,000	CASH
1995	15,000,000	20,000,000	15,000,000	20,000,000	CASH
1996	10,000,000	30,000,000	10,000,000	30,000,000	CASH
1999	40,000,000	70,000,000	40,000,000	70,000,000	CASH
2001	150,000,000	220,000,000		70,000,000	CASH
2002	280,000,000	500,000,000	150,000,000	220,000,000	CASH(IPO)
2003		500,000,000	73,483,333	293,483,333	BONUS(1:5)
2004		500,000,000	206,516,667	500,000,000	CASH(RIGHT)
2006	2,500,000,000	3,000,000,000	450,000,000	950,000,000	BONUS(9:10)
2007	2,000,000,000	5,000,000,000	2,394,730,000	2,844,370,000	CASH(PUBLIC OFFER)
2009		5,000,000	1,155,639,000	4,000,000,000	CASH(Capitalization of deposit for share)
2018	5,000,000	10,000,000,000	-	4,000,000,000	Nil
2019	-	10,000,000,000	1,586,367,000	5,586,367,000	CASH (Right Issue)

Get Your Dividend the Instant You Need It with e-DIVIDEND PAYMENT

MERISTEM
REGISTRARS LIMITED
RC No: 489092

213, Herbert Macaulay Way,
Adekunle-Yaba,
P.O. Box 51585,
Falomo Ikoyi, Lagos.
Phone: +234 (1) 280 92 50 4
e Mail: info@meristemregistrars.com
Website: www.meristemregistrars.com

To:
The Registrar,
Meristem Registrars Limited,
21 3, Herbert Macaulay Way,
Adekunle-Yaba,
Lagos.

I/We hereby request that from now on, all my/our dividend warrant(s) due to me/us from my/our holding(s) in all the companies ticked at the right hand column be paid to my/our Bank named below.

Bank Name:______________________________

Bank Address:______________________________

____

NUBAN Account Number: ______________________________

Shareholder's Full Name:______________________________
(Surname First)

____

Shareholder's Address:______________________________

____

E-mail:______________________________

Mobile:______________________________

CSCS CHN ______________CSCS A/C No______________

Stockbroker: ______________________________

Single Shareholder's Signature:______________________________

Joint Shareholder's Signature 1)______________________________

2)______________________________

If company, Authorized Signatories 1)______________________________

2)______________________________

Company Seal:______________________________

Authorized Signature & Stamp Of Bankers:______________________________

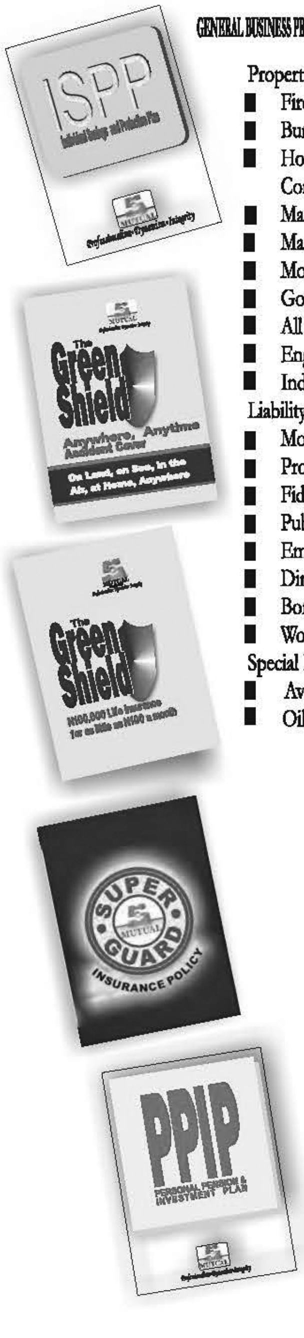
Sort Code: | | | | | | | | | | |

Please tick as applicable

AFRINVEST EQUITY FUND	
AIRLINE SERVICE & LOGISTICS PLC	
BERGER PAINTS NIG PLC	
CAVERTON OFFSHORE LIMITED	
CHELLARAMS BOND	
CONSOLIDATED HALLMARK INSURANCE PLC	
CUSTODIAN & ALLIED INSURANCE PLC	
ENCON NIGERIA LIMITED	
eTRANZACT	
FIDSON HEALTHCARE LIMITED	
FOOD CONCEPTS & ENTERTAINMENT PLC	
FTN COCOA PROCESSORS PLC	
GEO-FLUIDS PLC	
JUBILEE LIFE SAVINGS & LOANS LTD	
MAMA CASS RESTAURANTS LIMITED	
MUTUAL BENEFITS ASSURANCE PLC	
NASCON PLC	
NEIMETH INT'L PHARMS PLC	
NIGER STATE BOND	
PAINTS & COATINGS MANUFACTURERS NIG PLC	
R.T. BRISCOE NIGERIA PLC	
REGENCY ALLIANCE INSURANCE PLC	
SMART PRODUCTS NIGERIA LIMITED	
SOVEREIGN TRUST INSURANCE PLC	
TANTALIZERS PLC	
THE BGL NUBIAN FUND	
THE BGL SAPPHIRE FUND	
THOMAS WYATT PLC	
ZENITH ETHICAL FUND	
ZENITH EQUITY FUND	
ZENITH INCOME FUND	

e-DIVIDEND PAYMENT – One Stop Solution to Unclaimed Dividend – Take Advantage of It!

Mutual Benefits Assurance Plc.



GENERAL BUSINESS PRODUCTS

Property Insurance

- Fire and Special Perils
- Burglary/ House Breaking
- Householders, House-owners Comprehensive
- Marine Cargo
- Marine Hull
- Motor
- Goods- in-Transit
- All Risks
- Engineering
- Industrial All Risks

Liability/Bond Insurance

- Money
- Professional Indemnity
- Fidelity Guarantee
- Public Liability/Product Liability
- Employers' Liability
- Director's Liability
- Bond and Suretyship
- Workmen's Compensation

Special Risks

- Aviation &Related Risks
- Oil & Gas

LIFE PRODUCTS

Insurances of the Person

- Personal Accident
- Group Personal Accident
- Individual Savings & Pension Plan
- Personal Pension & Investment Plan
- Mutual Education Guarantee Plan
- Keyman Assurance
- Mortgage Protection
- Group Life Assurance
- Term Assurance
- Endowment Assurance

RETAIL MARKETING PRODUCTS

- Insurvisa -Travel Insurance
- Greenshield - 24 hr. Accident Cover
- Greenshield - Life
- Mutual Group Investment Protection Plan
- Micro Personal Investment Plan

SPECIAL PRODUCTS

- Automedics Car Insurance
- Micro Insurance
- Hygea Assistance - Overseas Health Insurance for Expatriates and Nigerians.
  - Expatriates
  - Nigerians

Mutual Benefits Assurance Plc.

PROXY FORM

Notice is hereby given that the 25th Annual General Meeting of **Mutual Benefits Assurance Plc.** will be held at **Radisson Hotel, Isaac John Street GRA Ikeja, Lagos on Thursday 29th July 2021 at 10.00 am** to transact the following business:

I/We ……………………………………………………………………….. of ……………………………....................................

..................…………………………………………………...…. being a member of MUTUAL BENEFITS ASSURANCE PLC,

hereby appoint ** Mr./Mrs ……………………………….......................... of ………………………………………………......

…………………………………………………………………………..................... or failing him, the chairman of the meeting

as my / our proxy to vote for me / our behalf at the Annual General Meeting of the company to be held on Wednesday, 29th, July, 2021 and at any adjournment thereof.

Dated this…………………………………………………………day of ……………………………….................... 2021

Shareholder's signature……………………………………………………………

RESOLUTION	FOR	AGANIST
1. To lay before the Members, the Audited Financial Statements of the Company for the year ended 31st December 2020 together with the Reports of Directors, Auditors and Statutory Audit Committee thereon.		
2. To ratify the appointment of Mr Abidemi Sonoiki as a Non-Executive Director of the company.		
3. To re-elect the following Directors retiring by rotation:		
i. Alhaji Lamis Dikko		
ii. Mr. Boye Oyewumi		
iii. Ms Kadaria Ahmed		
4. To authorise the Directors to fix the remuneration of the Auditors;		
5. To disclose the remuneration of the Managers;		
6. To elect shareholders' representatives of the Statutory Auditee Committee.		

"That the Company Secretary be and is hereby authorized to take such steps and to do such things as may be required to give effect to the above resolution.

Please indicate with **'X'** in the appropriate square how you wish your vote to be cast on the resolution referred to above. Unless otherwise instructed, the proxy will vote or abstain from voting at his discretion.

Compliance with the COVID-19 Related Directives and Guidelines

In view of the ravaging COVID-19 pandemic, the curtailment measures and the guidelines put in place by the Federal Government, Lagos State Government, Health Authorities and Regulatory Agencies, particularly, the Lagos State Government prohibition of gathering of more than 20 people, and the Corporate Affairs Commission (CAC) issued Guidelines on Holding AGM of Public Companies by Proxy. The convening and conduct of the AGM shall be done in compliance with these directives and guidelines.

PROXY

A member entitled to attend and vote at the Annual General Meeting is also entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not to be a member of the Company. To be a valid, a proxy form must be completed and duly stamped by the Commissioner of Stamp Duties and returned to the Registrar, Meristem Registrars & Probate Services Limited, 213, Herbert Macaulay Way, Adekunle, Yaba Lagos or by email to info@meristemregistrar.com, not less than 48 hours before the time of the meeting.

Attendance by Proxy

In line with CAC Guidelines, attendance of the AGM shall be by Proxy only. Shareholders are required to appoint a proxy of their choice from the list of nominated proxies below:

1. Dr. Akin Ogunbiyi — Chairman, Board of Directors
2. Mr. Olufemi Asenuga — Managing Director/CEO
3. Mr. Biyi Ashiru –Mobolaji — Executive Director
4. Mr Eric Akinduro — Shareholder
5. Dr Anthony Omojola — Shareholder
6. Mrs Bisi Bakare — Shareholder

Stamping of Proxy

The Company has made arrangements, at its cost for the stamping of the duly completed and signed proxy forms submitted to the Company's Registrars within the stipulated time.

Broadcast of the AGM

The AGM will be recorded and broadcast online. This will enable shareholders and other stakeholders who will not be attending physically to view the proceedings. The link for the AGM broadcast will be made on the Company's website at www.mutualng.com.

Please tear here

ADMISSION FORM

MUTUAL BENEFITS ASSURANCE PLC. RC 269837

The 25th Annual General Meeting of Mutual Benefits Assurance Plc. will be held at Radisson Hotel, Isaac John Street GRA Ikeja, Lagos on Thursday 29th July 2021 at 10.00 am.

Name of Shareholder* ____________________

IF YOU ARE UNABLE TO ATTEND THE MEETING

A member (shareholder) who is unable to attend Annual General meeting is allowed by law to vote by proxy and the above proxy Form has been prepared to enable you to exercise your right to vote in case you can not personally attend the meeting.

A. This admission form must be produced by his proxy in order to obtain entrance to the Annual General Meeting.

B. Shareholder or their proxies are represented to sign the admission form before attending the meeting:

Name of person attending:

Signature of Person attending:

- Event Centre Insurance
- Advertising Agency Insurance
- Corporate Office Insurance
- Sales Office Insurance
- Hair Salon Insurance
- Law Firm Insurance
- Accounting Firm Insurance
- Hotel Insurance
- School Insurance
- Hospital Insurance
- Fast Food Restaurant Insurance
- Nollywood Insurance
- Church Insurance
- Mosque Insurance
- Estate Managers Insurance
- Landlord and Tenant Insurance
- Travel and Tour Agency Insurance
- Market and Shopping
- Complex Insurance
- Saleshop and Supermarket Insurance

- Laundry And Cleaning
- Services Insurance
- Microfinance Bank Insurance
- SME Comprehensive Insurance
- Mega Comprehensive
- Motor Insurance
- Motor Dealers Complimentary
- Motor Insurance
- Politician And Political
- Risk Insurance

- Juvenile Life Assurance
- Lady Life Assurance
- Senior Life Assurance
- Mortgage Endowment Assurance
- Pilgrims Welfare Insurance
- Celebrity Life Assurance

MUTUAL

Mutual Benefits Assurance Plc.
RC 269837

Aret Adams House,
233, Ikorodu Road, Ilupeju, Lagos. P. O. Box 70986, Victoria Island, Lagos.
Tel: +234 (0) 9054744444; MUTUAL CARE: +234 (0) 9054644444
E-mail: info@mutualng.com; Website: www.mutualng.com

Mutual Benefits Life Assurance Ltd.
RC 681998

Aret Adams House,
233, Ikorodu Road, Ilupeju, Lagos. P. O. Box 3187, Mushin, Lagos.
Tel: +234 (0) 9054744444; MUTUAL CARE: +234 (0) 9054644444
E-mail: info@mutualng.com; Website: www.mutualng.com

...creating and protecting wealth

REGIONAL OFFICES

Abuja
Plot 78,
Yakubu Gowon Cres.,
Asokoro District,
FCT, Abuja.
Tel: 08150836973

Ikoyi
101, Awolowo Road,
Ikoyi, Lagos.
Tel: 08150836967

Ibadan
MUTUAL HOUSE,
Plot 47/49, Kudeti Ave.,
Onireke, G.R.A,
Ibadan.
Tel: 08150836965

Port Harcourt
Wordway Plaza, 129,
Aba Road, Waterlines,
Port Harcourt,
Tel: 08150836969

AGENCY OFFICES NATIONWIDE

Retail Plaza
324, Agege Motor Road,
Challenge Bus Stop,
Mushin.
Tel: 08150837051

Surulere
148, Bode Thomas Street,
Surulere
Tel: 08033961056

Ikeja
ASSBIFI House,
4 Assibifi Rd.
Alausa Ikeja
Tel: 08067952147

Lekki
Oando Service Station,
Ikota Second Gate,
Lekki-Epe Expressway,
Ajah, Lagos.

ASPAMDA
Favour Plaza,
Beside GTB
By Main Gate,
ASPAMDA, Ojo,
Lagos.
Tel: 08060580703

Ikorodu
75, Lagos Road,
By Aruna Bus-Stop,
Ikorodu, Lagos.
Tel: 08052849074

Ogudu
41A, LSDPC Housing Estate,
Ogudu Road, G.R.A Lagos
Tel: 08150837000

Festac
Plot Q, 1st Avenue,
By Festac Link Bridge,
Festac Town.
Lagos.
Tel: 08150837011

Ota
Rainbow Tower,
KM 127, Idiroko Rd.
Near NNPC Filling Station
Tel: 08150836986

Ijebu-Ode
No. 100, Ibadan Road,
Near Amao Tyres,
Ijebu- Ode.

Shagamu
137A, Akarigbo Street,
Ijoku, Shagamu,
Ogun State.
Tel: 08150837012

Abeokuta
Ikija House
1, Quarry Road
Panseke, Abeokuta
Tel: 08150836985

Abeokuta
Old Savanah Building,
Quarry Road,
Abeokuta.
Tel: 08150837016

Ibadan
2nd Floor, Sukazeem House,
74, MKO Abiola Way,
Opp. Total Petrol Station.
Oluwanya Area,
Ring Road, Ibadan.
Tel: 08150836983

Iwo
Km 4, Iwo-Ibadan Road,
Ileko Oba.
Tel: 08150837007

Gbagi
Mobus Shopping Complex,
Opp.Gbagi 2nd Gate,
Ibadan
Tel: 08150837008

Oyo Town
No 50, Ogbomosho Road,
Oyo State.
Tel: 08150837001

Ogbomosho
LAUTECH Teaching Hospital,
Ilorin Road,
Ogbomosho.
Tel: 08150836999

Osogbo
1, Omokehinde Street,
Last Floor, Mortgage/Jaiz
Bank Building,
Adjacent to Justrite,
Fakunle, Oshogbo,
Osun State.
Tel: 08150836989

Ilesha
Ita Akogun Area,
Ilesha.
Tel: 08150837017

Ilorin
199, Ibrahim Taiwo Road,
Ilorin. Kwara State.
Tel: 08150837014

Ado-Ekiti
76, Chukwuemeka Plaza,
Opposite GTBank,
Along New Iyin Road,
Ado-Ekiti.
Tel: 08150836978

Akure
12, Ado-Owo Road,
Beside Access Bank,
Alagbaka, Akure.
Tel: 08150836987

Benin
No 22, Akpapava Road,
Benin City,
Edo State.
Tel: 08150837015

Warri
Cedar House,
41, Airport Road,
By Edjeba Junction,
Warri
Tel: 08150836971

Bayelsa
2nd Floor, Abraka Ere House,
Melford Okilo Road,
Yenezue-Gene,
Yenegoa,
Bayelsa.
Tel: 08150836979

Kano
43, Ibrahim Taiwo Road, Kano.
Tel: 08150836974

Kaduna
Suit SF 56, 2ND Floor,
Turaki Ali House,
No 3, Kanta Road,
Kaduna North, Kaduna
Tel: 08111165137

Owerri
46 Wetheral Road, Owerri
Tel: 08150836982

Calabar
67, Ndidem,
Usang Iso Rd.,
(Marian Road),
Calabar.
Tel: 08150836990

INTERNATIONAL OPERATIONS

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2765, Boulevard del'Independance, Yantala YN-2
Rond Point Gadafawa, BP: 11.924, Niamey, Niger Republic
Tel: +227-20752033, Fax: +227-20350332
Website: www.mbaniger.com

MUTUAL Liberia
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