

This document is important and should be read carefully. If you are in doubt about its contents or the action to take, kindly consult your Stockbroker, Accountant, Banker, Solicitor or any other professional adviser for guidance immediately. Investors are advised to note that liability for false or misleading statements or acts made in connection with the Private Memorandum is provided in section 85 and 86 of the Investment and Securities Act No.29, 2007

**“FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS
PLEASE REFER TO THE SECTION ON “RISK FACTORS” ON PAGES 25 to 28**

PLACEMENT MEMORANDUM



RC 269837

MUTUAL BENEFITS ASSURANCE PLC

Private Placement

of

8,888,888,889 Ordinary Shares of 50 kobo each

at ₦ 0.54 per share

Payable in full on Acceptance

APPLICATION LIST OPENS: March 31, 2021

APPLICATION LIST CLOSES: March 31, 2021

Issuing House:



RC 733583

This Placement Memorandum and the securities which it offers have been cleared and registered by the Securities and Exchange Commission. It is a civil wrong and criminal offence under the Investments and Securities Act, No. 29 of 2007 to issue a Placement Memorandum that contains false or misleading information. Clearance and registration of the Placement Memorandum and the Securities that it offers do not relieve the parties from any liability arising under the act for false and untrue statements contained therein or for any omission of a material fact.

“Investors may confirm the clearance of the placement memorandum and registration of the securities with the Securities and Exchange Commission by contacting the Commission on sec@sec.gov.ng or +234(0)94621100; +234(0) 94621168”

This Placement Memorandum is dated March 26, 2021

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DEFINITION

In this document, unless otherwise stated or clearly indicated by the context, the following words have the meanings stated opposite them.

“Allotment Date”	The date after the Offer Closing Date when the securities allotted to successful subscribers are approved by the SEC
“Business Day”	Any day other than Saturday, Sunday or official public holiday declared by the FGN in Nigeria
“CAC”	Corporate Affairs Commission
“CAMA”	Companies and Allied Matters Act 2020
“CBN”	Central Bank of Nigeria
“CSCS”	Central Securities Clearing System Plc
“DIRECTORS”	The members of the Board of Directors of Mutual Benefits Assurance Plc who as at the date of this document are those persons whose names are set out on page 11 of this Placement Memorandum
“EGM”	Extra-Ordinary General Meeting
“FGN”	Federal Government of Nigeria
“IFRS”	International Financial Reporting Standards
“ISA”	Investment and Securities Act No.29, 2007
“Offer” or “Private Placement”	Issue by way of private placement to potential investors of 8,888,888,889 ordinary shares of 50 Kobo each at 54 Kobo per share
“Issuing House”	Radix Capital Partners Limited
“Management”	Management of Mutual Benefits Assurance Plc.
“Mutual Benefits” or the “Company”	Mutual Benefits Assurance Plc
“NAICOM”	National Insurance Commission
“NEFT”	NIBSS Electronic Funds Transfer
“NGAAP”	Nigerian Generally Accepted Accounting Practice
“NIBSS”	Nigeria Inter-Bank Settlement System
“Receiving Bank”	United Bank for Africa Plc
“Register of Members”	The register that records the names and addresses of the ordinary shareholders of the Company
“Registrars”	Meristem Registrars and Probate Services Limited
“RIN”	Registrars Identification Number
“Placement Memorandum”	This document which is issued in accordance with the Rules and Regulations of the Commission
“SEC” or “The Commission”	Securities and Exchange Commission
“Solicitors”	Abdulai, Taiwo & Co.
“Stockbrokers”	Core Securities Limited
“The NSE” or “The Exchange”	The Nigerian Stock Exchange
“Working Day”	Any day other than Saturday, Sunday or official public holiday declared by the FGN

ABRIDGED INDICATIVE TIMELINE

The dates given below are indicative only. The timetable has been prepared on the assumption that certain key events for the Private Placement would be achieved as stated, if not, then dates surrounding key events in the timetable may be subject to adjustment

Date	Activity	Responsibility
March 31, 2021	Application list opens	Issuing House
March 31, 2021	Application list closes	Issuing House
April 08, 2021	Forward basis of allotment proposed to the SEC	Issuing House
April 12, 2021	Obtain the SEC's clearance of the basis of allotment	Issuing House
April 14, 2021	Publish basis of allotment in two (2) national dailies	Issuer/Issuing House
April 15, 2021	Disburse net proceeds to Mutual Benefits	Issuing House/Receiving Bank
April 19, 2021	Credit CSCS account of Investor	Registrars
April 20, 2021	List the allotted shares on the NSE Platform	Stockbroker
April 22, 2021	Submit Placement summary report to the SEC	Issuing House

IMPORTANT NOTICE

This Placement Memorandum contains confidential information about Mutual Benefits Assurance Plc in connection with the Private Placement of 8,888,888,889 Ordinary shares of 50 kobo each (“The Shares”) at 54 Kobo per share (“The Placement” or “Special Placement”) in Mutual Benefits Assurance Plc (“The Company” or “Mutual Benefits”) for the purpose of giving information to the prospective investors in respect of the Placement described therein. The Placement shall be further described as “MBA Placement”.

The Placement Memorandum and the Securities offered have been cleared and registered with the Securities and Exchange Commission (“the SEC” or “the Commission”). An application was also made to the Nigerian Stock Exchange for the admission of the shares being offered by way of this Private Placement.

The Shares being offered will rank pari passu in all respects with all other existing shares issued by the Company, including the right to receive dividends or other distributions declared, made or paid on the Shares after Allotment by the Company. No person has been authorized to give any information or make any representations other than those contained in this Placement Memorandum and if given or made, such information or representations must not be relied on as having been authorized by the Company and/or the Issuing House. Without prejudice to any obligation of the Company to publish a Placement Memorandum in line with the rules of the SEC, neither the delivery of this Placement Memorandum nor any purchase made under this Placement Memorandum shall under any circumstances, create any implication that there has been no change in the affairs of the Company and its subsidiaries since, or that the information contained herein is correct as of any time subsequent to the date of this Placement Memorandum.

The Company accepts responsibility for the information contained in this Placement Memorandum. To the best of the knowledge and belief of the Company (which has taken all reasonable care to ensure that such is the case) the information contained in this Placement Memorandum is in accordance with the Investment and Securities Act No. 29 of 2007 and the Rules and Regulations of the Commission and contains no omission to affect its import. Radix Capital Partners Limited (“the Issuing House”), which is registered with the SEC in Nigeria, is acting exclusively for the Company in connection with the Private Placement.

Additional information, may be obtained through Radix Capital Partners Limited’s registered office at 3rd Floor, AIICO House, 12, Churchgate Street, Victoria Island, Lagos, Nigeria, on any business day during the Offer period provided, the Issuing House possesses such information or can acquire it without unreasonable effort or expense, as necessary.

CONTACT INFORMATION

Further information and enquiries about this Private Placement should be directed to the person(s) indicated below:

ISSUER	FINANCIAL ADVISER & ISSUING HOUSE
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MUTUAL BENEFITS ASSURANCE PLC	RADIX CAPITAL PARTNERS LIMITED
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Aret Adams House, 233 Ikorodu Road, Ilupeju - Lagos. P. O. Box 70986, Victoria Island, Lagos.	AIICO House: 3rd Floor PC 12 Churchgate Street Victoria Island, Lagos
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CONTACT PERSONS:

MUTUAL BENEFITS ASSURANCE PLC

Babajide IBITAYO	Abayomi OGUNWO
-------------------------	-----------------------

Group Company Secretary/Legal Adviser Tel: +234 (0)703 668 1367 Email: jide.ibitayo@mutualng.com	Chief Financial Officer Tel: +234 (0)705 656 8036 Email: abayomi.ogunwo@mutualng.com
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RADIX CAPITAL PARTNERS LIMITED

Olaseni ODUWOLE	Ayobammy AKINSANYA
------------------------	---------------------------

Managing Director Tel: +234 (0)803 553 8099 Email: seni.oduwole@radixng.com	Senior Analyst Tel: +234 (0)803 821 9562 Email: ayobammy.akinsanya@radixng.com
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CORPORATE DIRECTORY

Head Office and Registered Address Aret Adams House, 233 Ikorodu Road, Ilupeju - Lagos. P. O. Box 70986, Victoria Island, Lagos. Tel: 09054644444, 09054744444 Email: info@mutualng.com Web: www.mutualng.com	
Regional Business Locations Ibadan Office Plot 47/49 Kudeti Ave. Onikere, G.R.A, Ibadan Tel: 08150836965	Ikoyi Office 101, Awolowo Road, Ikoyi, Lagos State Tel: 08150836967
Abuja Office Plot 78, Yakubu Gowon Crescent, Asokoro, Abuja. Tel: 08150836965,	Port Harcourt Office Wordway Plaza, 129, Aba Road, Waterlines, Port Harcourt Tel: 08150836969,
Agency Offices: Retail Plaza 324, Agege Motor Road, Challenge Bus Stop, Mushin	Gbagada Office 38, Diya Street Gbagada, Lagos Tel: 08150837019
Akure Office 12, Ado-Owo Road, Beside Access Bank, Alagbaka, Akure. Tel: 08150836987	Shagamu Office 137A, Akarigbo Street, Shagamu, Ogun State Tel: 08150837012
Asaba Office 308, Nnebisi Road, Asaba, Delta State Tel: 08150836977	Oshogbo Office Opposite Customary Court, Court of Appeal, Oke-Ifa. Tel: 08150837018
Kano Office 43, Ibrahim Taiwo Road, Kano. Tel: 08150836974	Ikeja Office ASSBIFI House, 4 Assibifi Road. Alausa Ikeja Tel: 08067952147
Lekki Office Oando Service Station, Ikota 2nd Gate, Lekki Epe Expressway, Ajah, Lagos Tel: 08034101413	Ikorodu Office 75, Lagos Road, By Aruna Bus-Stop, Ikorodu, Lagos. Tel: 08150837002
Ikoyi Office 6 Norman Williams Street, S/W Ikoyi, Lagos Tel: 07025251505, 08055197451	Ota Office Rainbow Tower, Km 1, Idi-iroko Road, NNPC Filling Station, Sango Ota, Ogun State. Tel: 08150836986
Owerri Office 46 Wetheral Road, Owerri Tel: 08150836982	Ogudu Office 41A, LSDPC Housing Estate, Ogudu Road, G.R.A Lagos Tel: 08150837000
Festac Office 32 Road, Dstv Office 2, Festac, Lagos Tel: 08150837011	Ijebu Office No. 100, Ibadan Road, Near Amao Tyres, Ijebu-ode.

CORPORATE DIRECTORY

Abeokuta Office Ikija House 1, Quarry Road Panseke Abeokuta Tel: 08150836985	Abeokuta Office Old Savanah Building, Quarry Road Abeokuta Tel: 08150837016
Ibadan Office 2 nd Floor, Sukazeem House, 74, MKO Abiola Way, Opp. Total Petrol Station, Oluwanya Area, Ring Road, Ibadan Tel:08150836983	Gbayi Office Mobus Shopping Complex, Opp. Gbayi 2 nd Gate, Ibadan Tel: 08150837008
Oyo Town No 50, Ogbomosho Road, Oyo State. Tel:08150837001	Ogbomosho Office LAUTECH Teaching Hospital, Ilorin Road, Ogbomosho
Ibadan Office No. 1A Akinyemi Street, By GTBANK, Ring Road Ibadan Tel:08150837012	Osogbo 1, Omokehinde Street, Last floor, Mortgage/Jaiz Bank Building, Adjacent to Justrite, Fakunle, Oshogbo, Osun State. Tel: 08150836989
Ilesha Office Ita Akogun Area, Ilesha Street, Tel:08150837017	Ado Ekiti Mutual House, Fajuyi Road, Ado-Ekiti Tel: 08150836978
Benin Office No 22, Akpapawa Road, Benin City, Edo State Tel:08150837015	Calabar Office No 67, Ndidem, Iso Rd. Calabar Tel: 08150836990
Aspamda Office Favour Plaza Beside GTB By Main Gate, ASPAMDA, Ojo, Lagos Tel: 08060580703	Port Harcourt Office Wordway Plaza, 129, Aba Road Waterlines, Port Harcourt. Tel: 08032703220, 08032700725
Yenagoa Office 2 nd Floor, Abraka Ere House, Melford Okilo Expressway Yenezue-Gene, Opposite Globacom Office By Zenith Bank, Yenagoa, Bayelsa Tel: 08150836979	Kaduna Office Nm 20, Constitution Road, Kaduna. Tel: 08150836972
Warri Office Cedar House, 41, Airport Road by Edjeba Junction, Warri Tel: 08150836971	Surulere Office 148, Bode Thomas Street, Surulere Tel: 08033961056
<u>International Operations</u> MUTUAL BENEFIT, NIGER REPUBLIC Mutual Benefits Assurance Niger SA (MBA Niger) 2765, Boulevard del' Independence, Yantala YN-2 (Rond Point) BP: 11.92, Niamey Tel: +227-20752033 Fax: +227-20350332 www.mbaniger.com	MUTUAL LIBERIA Mutual Benefits Assurance Company MBA HOUSE, 17th Street, Sinkor, Tubman Boulevard, Monrovia, Republic of Liberia. Tel: +(231) 886769420, +(231) 777812257

PLACEMENT SUMMARY

This summary draws attention to information contained elsewhere in this Placement Memorandum; it does not contain all of the information you should consider in making your investment decision. You should therefore read this summary together with the more detailed information, including the financial summary elsewhere in this Placement Memorandum.

The following information contains the major highlights of the proposed capital raising exercise.

1.	Issuer	Mutual Benefits Assurance Plc
2.	Issuing House	Radix Capital Partners Limited
3.	Investors	i. Charles Enterprises LLC ii. Arubiewe Farms Limited
4.	Share Capital (As at the date of the Placement Memorandum) Authorized Share Capital Issued and Fully Paid Capital: Now being Issued:	 ₦10,050,000,000 comprising 20,100,000,000 Ordinary Share of 50 Kobo Each ₦5,586,366,754 comprising of 11,172,733,508 Ordinary Shares of 50k each. 8,888,888,889 Ordinary Shares of 50k each at 54 Kobo each
5.	Placement Size	₦4,800,000,000
6.	Placement Price	54 Kobo
7.	Purpose of the Offer	The offer is undertaken to increase the capitalization of the Company to meet up with the recapitalization requirements of the National Insurance Commission (“NAICOM”).
8.	Utilization of Proceeds	The net placement proceeds, estimated at ₦4,701,375,542.00, after deducting the total cost of the Placement, estimated at ₦98,624,458.00 (representing 2.055% of the Placement size), will be applied as shown on page 26.
9.	Method of Issue	By way of Private Placement to two existing shareholders of the Company.
10.	Payment	In full on application
11.	Market Capitalization at Pre-Offer (at Placement Price): Post-Offer (at Placement Price):	₦6,033,276,094.32 ₦10,833,276,094.38
12.	Application Opens	Wednesday, 31 st March, 2021
13.	Application Closes	Wednesday, 31 st March, 2021
14.	Quotation	Mutual Benefits’ entire issued and paid-up share capital is quoted on the daily official list of the NSE. Application has been made to The Council of the NSE for the admission to its Daily Official List of the 8,888,888,889 Ordinary Shares being offered by way of Private Placement.
15.	Status	The Shares being issued will rank <i>pari passu</i> in all respects with the existing issued Ordinary Shares of the Company

PLACEMENT SUMMARY

16.	Indebtedness:	<p>As at the date of this Placement Memorandum, the Company has a total of ₦8,479,270,000 indebtedness to the following:</p> <ul style="list-style-type: none"> i. Debt of 2,250,000,000 JPY (₦8,078,400,000) on the zero-coupon global bonds issued to Daewoo Securities (Europe Limited) in 2007 in two tranches. The 1,500,000,000 JPY and 750,000,000 JPY bonds are due for repayment in years 2020 and 2027 respectively. The bonds are issued with the options to subscribe for the Company's Ordinary Shares. However, the options are unenforceable as the arrangement was contrary to the extant capital market regulations. ii. Margin finance facility balance of ₦400,870,000 from Guaranty Trust Bank Plc to finance working capital requirements for Margin trading at 16% per annum on the 19 June 2007.
17.	Claims and Litigations	<p>As at 18th December, 2020, the Company is currently involved in a total of 21 (Twenty-one) litigation matters. The total claims against the Company in 19 (Nineteen) of the litigation matters are in the sum of ₦938,332,918 (Nine Hundred and Thirty-Eight Million, Three Hundred and Thirty-Two Thousand, Nine Hundred and Eighteen Naira Only), ¥2,500,000,000 (Two Billion, Five Hundred Million Japanese Yen), and £35, 286.21 (Thirty-Five Thousand, Two Hundred and Eighty-Six United Kingdom Pound and Twenty-One Pence). A total of 12 (Twelve) claims pertain to the business of the Company.</p> <p>The Company instituted 2 (Two) claims in the sum of ₦120,000,000 (One Hundred and Twenty Million Naira) and in which judgement was given in its favour.</p> <p>The Solicitors are of the considered opinion that the claims would not have a material adverse effects on this transaction nor on the Company's ability to perform its obligation under this transaction and are not aware of any other pending and/or threatened material litigation or claims involving the Company. However, this opinion is subject to the decision of the courts.</p>

PLACEMENT SUMMARY

18.	E-Allotment/Share Certificate	<p>The CSCS account of the potential investors will be credited immediately from the date of allotment. The potential investors are thereby advised to state the name of their respective stockbroker and their clearing House Number (“CHN”) in the relevant spaces on the Application Form.</p> <p>In accordance with the SEC Directive on Dematerialization of Share Certificates, shareholders who do not provide valid CHN and CSCS account numbers will have their shares credited at the CSCS using a Registrars Identification Number (RIN). A RIN is a number allocated to shareholders who do not have valid CHN and CSCS account numbers to warehouse their units of shareholding in public companies under Registrar’s custody at the CSCS. The allotted shares will be transferred to the stockbroking account of the shareholder once valid CHN and CSCS account numbers are provided. Any shareholder who does not have a valid CHN and CSCS account number, is advised to open a stockbroking account with a stockbroker and obtain a valid CHN and CSCS account number from the stockbroker.</p>
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BOARD OF DIRECTORS

Chairman	Dr. Akin Ogunbiyi Aret Adams House, 233 Ikorodu Road, Ilupeju, Lagos.
Managing Director	Mr. Olufemi Asenuga Aret Adams House, 233 Ikorodu Road, Ilupeju, Lagos.
Executive Director – Operation	Mr. Adebisi Ashiru-Mobolaji Aret Adams House, 233 Ikorodu Road, Ilupeju, Lagos.
Non-Executive Director	Mr. Soye Olatunji Aret Adams House, 233 Ikorodu Road, Ilupeju, Lagos.
Non-Executive Director	DR. Eze C. Ebube Aret Adams House, 233 Ikorodu Road, Ilupeju, Lagos.
Non-Executive Director	Prof. Pat Utomi Aret Adams House, 233 Ikorodu Road, Ilupeju, Lagos.
Independent Director	Ms. Kadaria Ahmed Aret Adams House, 233 Ikorodu Road, Ilupeju, Lagos.
Independent Director	Alh. Lamis Dikko Aret Adams House, 233 Ikorodu Road, Ilupeju, Lagos.
Non-Executive Director	Mr. Akinboye Oyewumi Aret Adams House, 233 Ikorodu Road, Ilupeju, Lagos.
Group Company Secretary/Legal Adviser	Mr. Babajide Ibitayo Aret Adams House, 233 Ikorodu Road, Ilupeju, Lagos.

PROFESSIONAL PARTIES

Issuing House

Radix Capital Partners Limited

AIICO House: 3rd Floor
PC 12 Churchgate Street
Victoria Island, Lagos

Solicitors

Abdulai Taiwo & Co., Solicitors

“Goodwill House”
278, Ikorodu Road, Lagos

Stockbroker

Core Securities Limited

YMCA Building
77, Awolowo Road,
Ikoyi, Lagos

Registrars

Meristem Registrars and Probate Services Limited

213, Herbert Macaulay Way
Adekunle, Yaba
Lagos

Auditors

Ernst & Young

10th Floor
UBA House
57, Marina Road, Lagos Island
Lagos

Receiving Bank

United Bank for Africa Plc

UBA House
57, Marina Road, Lagos Island
Lagos

LETTER OF DECLARATION



Mutual Benefits Assurance Plc.

Aret Adams House, 233, Ikorodu Road, Ilupeju, Lagos.
P. O. Box 70986, Victoria Island, Lagos.
Tel: 09054744444, MUTUAL CARE: 09054644444
E-mail: info@mutualng.com
Website: www.mutualng.com

RC 260937

09th December, 2020

The Director- General
SECURITIES & EXCHANGE COMMISSION
Plot 272/273, Samuel A. Ademulegun Street,
Central Business District,
Garki,
Abuja.

Dear Sir,

PRIVATE PLACEMENT OF 8,888,888,889 ORDINARY SHARES OF 50 KOBO EACH AT 54 KOBO PER SHARE BY MUTUAL BENEFITS ASSURANCE PLC ("THE PLACEMENT")

This placement memorandum has been prepared by the issuing house on our behalf with a view to providing the description of the company and other material disclosures in connection with the Placement.

On behalf of the Board of Directors, we hereby declare that the information contained in this Placement Memorandum is to the best of knowledge in accordance with the facts and does not omit any information likely to affect its import.

Yours faithfully,

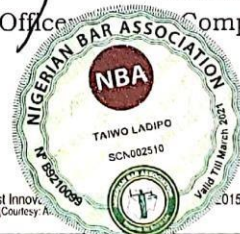
Signed for and on behalf of
MUTUAL BENEFITS ASSURANCE PLC
By its duly authorized representatives

AKIN OGUNBIYI
Director

YOMI OGUNWO
Chief Financial Officer

BABAJIDE IBITAYO
Company Secretary

BEFORE ME
NOTARY PUBLIC



2015 Overall Highest Award (The PEARL of the Capital Market)
(Courtesy: PEARL Awards Nigeria)

Africa's Most Innovative
(Courtesy: Africa's Most Innovative Awards)

Chairman: Dr. Akin A. Ogunbiyi
Non-Executive Directors: Prof. Pat Utomi, Dr. Eze Ebube (American), Adesoye Olatunji, Kadaria Ahmed, Lamis Dikko, Boye Oyewumi
Managing Director/CEO: Femi Asenuga, Executive Director: Biyi Ashiru-Mobolaji

AUTHORISED AND REGULATED BY NATIONAL INSURANCE COMMISSION, RIC-027(G)

THE CHAIRMAN’S LETTER

The following is the text of a letter received by Radix Capital Partners Limited from Dr. Akin Ogunbiyi, Chairman, Board of Directors of Mutual Benefits Assurance Plc.



233, Ikorodu Road,
Ilupeju
Lagos
www.mutualng.com

Thursday, December 3rd, 2020

Dear Investors,

MUTUAL BENEFITS PLC (“MUTUAL BENEFITS” OR THE “COMPANY”) – PRIVATE PLACEMENT OF 8,888,888,889 ORDINARY SHARES OF 50 Kobo EACH AT 54 Kobo PER SHARE

INTRODUCTION

At the Extraordinary General Meeting of the Company duly convened and held on the 3rd day of December, 2020 at Sheba Centre, 20 Mobolaji Bank Anthony Way Ikeja Lagos, the shareholders resolved amongst other things, to issue 8,888,888,889 ordinary shares through a Private Placement at a price of 54 kobo per share and all necessary resolutions were passed authorizing the commencement of the exercise. Consequently, the Directors of the Company appointed professional parties for the purpose of this Private Placement to ensure that all necessary documentations were done and all approvals from the regulators were obtained.

On behalf of the Board of Directors, I am pleased to inform you that, in line with the aforementioned shareholders’ resolution, the Board of Directors of Mutual Benefits has resolved to issue by way of Private Placement, 8,888,888,889 ordinary shares of 50 kobo each at 0.54 kobo per share. It is important to note that the shares to be issued (after the receipt of SEC’s approval) will rank *pari passu* in all respect with the existing issued shares of the Company and shall qualify for any dividend (or any other distribution) declared going forward.

OVERVIEW OF THE COMPANY

1. Mutual Benefit’s History

Mutual Benefits Plc was incorporated on 18th April, 1995 and commenced operation on the 2nd of October, 1995. It is a premier provider of life insurance, auto, health, special risks and investment products and services. The company became a public liability company on 24th May, 2001 and was listed on the Nigerian Stock Exchange on the 28th May, 2002. Mutual Benefits Plc has since evolved into a conglomerate consisting of value-adding companies with diverse interests in various sectors of the Nigerian economy through investments, strategic alliances and partnerships.

The Company operates with over 5,000 staff and agents in its employment. The Company operates in Nigeria, Liberia and Republic of Niger. The Company has Authorised Share Capital of ₦10.05 billion. Mutual Benefits concluded a Rights Issue on the 7th of May, 2019 through which ₦1,586,366,754 was

THE CHAIRMAN’S LETTER

raised and 3,172,733,508 ordinary shares were issued bringing its issued and fully paid shares to 11,172,733,508 (₦5,586,366,754)

Mutual Benefits Plc is strong, well-capitalized with a team of highly trained professionals, a respectable Board and access to the International Insurance Market. The Company operates through five (5) subsidiary companies 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. The Group Company is mainly involved in general and life underwriting (under separate licenses held by the Company and its subsidiaries), risk management and provision of financial services

The Group’s head office is located at “Aret Adams House”, 233 Ikorodu Road, Ilupeju and has branches spread across the nation in Abeokuta, Abuja, Ado-Ekiti, Akure, Port Harcourt, Warri, Lagos, Benin, Calabar, Ikorodu, Ilorin, Ibadan, Kaduna, Kano, Lafia, Ojo, Oshogbo, Ota, Owerri, and Yenagoa.

2. Products Offerings

Mutual Benefits is a diversified Company offering various insurance products which include:

- a) General Business Products
Property Insurance; Fire and special perils; Burglary/House breaking; Householder, House-owner; Comprehensive Insurance; Marine Cargo; Marine Hull; Motor; Goods-in-Transit; All Risk Insurance; Engineering; Industrial All Risks; Liability/Bond Insurance; Money; Professional Indemnity; Fidelity Insurance; Public Liability/Product Liability
- b) Life Insurance Products
Insurance of person; Personal Insurance; Group personal accident; Individual savings & pension plan; Mutual Education Guarantee Plan; Keyman Assurance; Mortgage Protection; Group Life Assurance; Term Assurance; Endowment; Retail Marketing Products; Insurvias; Greenshield-24Hr Accident Cover; Greenshield-Life; Director’s liability; Mutual Group Investment Production Plan; Micro Personal Investment Plan.

GLOBAL AND ECONOMIC ENVIRONMENT

The COVID-19 pandemic has spread with alarming speed, infecting millions and bringing economic activity to a near-standstill especially in the first half of 2020. The COVID-19 pandemic has had a more negative impact on activity in the first half of 2020 than anticipated, and the recovery is projected to be more gradual than previously forecast.

The fiscal balances of developing countries deteriorated sharply in the wake of the 2008–09 global financial crisis, during the 2014–16 commodity price downturn, and now again in 2020. During the economic upswings that followed the former two crises, government budgets never fully recovered and generally remained in deficit. As a result, almost four out of five developing countries entered the COVID-19 crisis with a fiscal deficit.

On average, developing countries have been running a primary fiscal deficit in every year since 2009. At the same time, the interest burden has risen steadily over the past decade. In 2020, average interest payments are projected to account for about 2 per cent of GDP and 12 per cent of government revenues, the highest levels since 2002. Several developing countries with very large populations including Brazil, Nigeria and Pakistan governments are expected to spend at least a quarter of total revenues on interest payments in 2020.

THE CHAIRMAN'S LETTER

COVID-19 has not only plunged many developing countries into deep recessions, but, like past crises, will also likely inflict longer-lasting damage to economies. As bankruptcies rise, private investment is likely to remain weak, stifling innovation and productivity growth. At the same time, prolonged school closures and rising unemployment are expected to adversely affect human capital accumulation, exacerbating existing skills shortages. An increasingly fragmented and uncertain global trade environment, amid heightened opposition to globalization, could further reduce developing countries' growth potential in the short to medium term.

NIGERIAN INSURANCE INDUSTRY

The Nigerian Insurance Industry has experienced growth in recent times, supported by relatively stable macroeconomic environment and sustained growth in the economy. However, the industry still displays sub-optimal performance, when considering its inherent potentials, as it considerably trails the banking industry within the Financial Services Sector. The industry has been plagued by inadequate public awareness, underserved retail market, cultural bias, unhealthy competition premised on rates undercutting as well as slower advancement by certain players, which has hindered efforts put in place by leading players and other stakeholders to attain the requisite critical mass.

National Insurance Commission (NAICOM), as the regulator of the Nigeria's Insurance Industry, commenced implementation of the "No Premium No Cover" policy on the 1st of January, 2013, following its directive that all insurance companies report their financial statements in accordance with IFRS reporting standards in December, 2012. This became necessary because of challenges arising from huge levels of outstanding premiums reported in the financial statements of insurance companies. The effect of this initiative has been an overall increase in liquidity, and more prompt claims payments to genuine policy holders.

In response to global trends, NAICOM also released updated guidelines for risk-based supervision to ensure adequate protection for policyholders and investors; an initiative that, supported by growing interest from law makers, is intended to help broaden and deepen the market. NAICOM also commenced working with operators to fast-track the provision of terrorism cover to bring relief to victims of terrorism, a product hitherto excluded from coverage in Nigeria. In addition, NAICOM continued to spearhead the development of the micro-insurance sector to provide cover, for low-income earners, with the release of Micro-Insurance and Takaful insurance guidelines to foster financial inclusion across all segments of the society.

Furthermore, the FGN has indicated its intention to strengthen the Group Life Insurance scheme in order to make it more effective, thus achieving the desired objectives initially conceived when the scheme was made compulsory by the Pension Reform Act, 2014, as amended. In furtherance of this plan, the FGN recently made the possession of evidence of compliance with the Group Life Insurance scheme a pre-condition for awarding government contracts.

In 2019, the National Insurance Commission ("NAICOM") revised the capitalization requirements of insurance companies operating in Nigeria since the last recapitalization exercise that was carried out in the Insurance sector in 2005. In order to adopt an international best practice in the industry, a sensitization program based on a risk-based capital and supervision model using BASEL II was carried out in 2011/2012. To domesticate the BASEL II, NAICOM introduced a Tier Based Minimum Solvency Capital (TBMSC). Under the TBMSC requirement, insurers are classified in tiers based on different level of capital and each tier can only underwrite specific risk. However, the TBMSC was cancelled, which led to the current recapitalization model of Minimum Paid-Up Capital (MPC)

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The Minimum Paid-up Capital is an absolute paid-up share capital, as distinct from solvency capital/capital fund/capital base. The components of the MPC include - existing paid-up share capital, cash payment for new shares issued, retained earnings, share premium and payment in kind. In addition, the MPC can be shore up through mergers and acquisition. However, due to the negative consequence of the COVID-19 pandemic on the implementation of the recapitalization exercise, NAICOM extends and segment the recapitalization process into two phases as follows:

- i. 50% of the minimum Paid-Up Capital for Insurance and 60% for Reinsurance shall be met by 31st December, 2020
- ii. Insurance Companies are required to fully comply with the approved Minimum Paid-Up Capital not later than 30th September, 2021;

The segmentation is as indicated in the table below:

Class of Business	Existing Minimum Paid-up Capital	Minimum Paid-Up Capital Dec. 31, 2020 (Phase I)	Minimum Paid-Up Capital Sep. 30, 2021 (Phase II)
Life	₦2.0 Billion	₦4.0 Billion	₦8.0 Billion
Non-Life	₦3.0 Billion	₦5.0 Billion	₦10.0 Billion
Composite	₦5.0 Billion	₦9.0 Billion	₦18.0 Billion
Reinsurance	₦10.0 Billion	₦12.0 Billion	₦20.0 Billion

According to the Lagoon and Blue Ocean narratives of Nigerian Insurance sector report, “With a market supported by the country’s steady economy and large population, Nigeria’s insurance sector will enjoy a period of growth and development over the medium and long term, albeit interrupted by a slower pace of growth in 2020 due to the effects of the coronavirus pandemic. The outlook for premiums growth, however, continues to be limited due to low average earnings and widespread poverty, which will weigh on insurance affordability. As even the more affluent middle-class consumers tend to avoid purchasing insurance, which hampers the growth of compulsory basic insurance lines such as motor vehicle insurance, Nigeria’s potential consumer base needs to be educated more about the benefits of both life and non-life insurance coverage to support more robust growth in the sector”.

“In spite of Nigeria’s large population, only a small proportion purchases life insurance. Life premiums currently account for 41.9% of overall insurance spending in the country. Low incomes and a lack of understanding of the benefits of life insurance remain the most important obstacles facing life insurers. However, a recovering economy, coupled with rising employment and incomes, will drive demand for life insurance products over the forecast period,”

MUTUAL BENEFITS TODAY

An assessment of Mutual Benefits Assurance Plc strategic positioning has revealed that the Group’s Gross Premium Written (GPW) and profit before tax (PBT) grew by Compound Average Growth Rates (CAGR) of +6.4% and +32.9% between 2015 and 2019 respectively. However, the decline in the business performance in 2016 is attributable to the economic recession and the significant devaluation of the local currency during the year. Overall, the Group’s return on equity (ROE) has been at an average of +7.4% between 2015 and 2019.

On the 2019 financial performance, the Company recorded a Gross Premium Written of ₦18.70 billion, an increase of 18% from the ₦15.84 billion in 2018. The Company recorded a 172% increase in its Profit Before Tax, moving from ₦1.38 billion in 2018 to ₦3.75 billion in 2019. The Company also increased its Profit After Tax by 214%, from ₦1.15 billion in 2018 to ₦3.61 billion in 2019. The Company’s Total Assets stood at ₦67.78 billion and Equity at ₦14.53 billion at the end of 2019 financial year.

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FUTURE PLANS

Mutual Benefits' overall vision is to emerge as the leading world class company offering superior financial services to the delight of all stakeholders. Its strategic aspiration is to become, the number one insurance company in Nigeria by 2021 in terms of growth and profitability. To achieve this, the company is restructuring its operations. KPMG was engaged to work with us in identifying our weak areas, and proffer solutions towards rectifying same. In the immediate, a five-year strategy document has been put together and its implementation has commenced in earnest. To achieve this aspiration, the Company intends to place strong emphasis on four major strategic themes:

Deepen Market Penetration/Customer Acquisition

The Company plans to aggressively grow its customer base across all segments (Life and Non-Life) particularly in the retail sector. These initiatives are tailored to achieve:

- the highest annual GPW growth rate in the industry
- profitable and efficient alternate channels, regional and branch operations
- best insurance brand in Nigeria.

Embed Customer and Service Delivery Excellence

The Company shall establish itself as the most focused insurance company in the industry by establishing a strong service culture, data analytics and optimizing key customer facing processes.

Transform People and Culture

Create the right environment to attract, develop and retain knowledgeable and motivated staff. To achieve this, the Company will:

- Transform the workplace environment and culture
- Create an employee value proposition to attract and retain talented workforce
- Build a structured, fair, and transparent performance appraisal system
- Deepen the skills and competences of Mutual Benefits staff
- Optimize the HR function to support the strategy implementation process.

Drive Operational Effectiveness

Leverage innovation and technology to achieve and sustain industry leading operational effectiveness/efficiency. The Strategic initiatives are to:

- Embed innovation in the Company's culture and work environment
- Upgrade IT systems to drive business efficiency
- Leverage ERP and mobile technology to manage key operation processes for improved productivity and efficiency
- Enhance decision support structures to drive improved business performance
- Establish structures for risk management and business continuity planning.

BOARD OF DIRECTORS

The Company's general policies are determined by a board of 9 members. The Board comprise of the Chairman, two Executive Directors and six other Non-Executive Directors including two Independent Directors.

DR. AKIN OGUNBIYI (B.Sc, MBA, ACII)

Chairman

An Economist, Consultant and Insurance Professional, Dr. Ogunbiyi is a graduate of Agricultural Economics from the University of Ife (1986). He is also an alumnus of the famous International

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Graduate School of Management, University of Navarra (IESE) Barcelona, Spain where he obtained an Executive Masters in Business Administration (1999). 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.

An Associate of the Chartered Insurance Institute, London (1991), 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.

MR. OLUFEMI ASENUGA (*B.Sc, M.Sc, ACII*)
Managing Director/CEO

Mr. 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. He 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 2007 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 the Managing Director/CEO of Mutual Benefits Assurance Plc in 2019

He has attended various management and leadership courses at home and abroad including the Senior Management Programme at Lagos Business School, Advance Management course at University of Navarra Barcelona, Spain and the Said Business School, University of Oxford where he attended the Oxford Advanced Management & Leadership Programme.

MR. ADEBIYI ASHIRU-MOBOLAJI (*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

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Cooperative and Mutual Insurance Federation (ICMIF) in Manchester, UK. In 2009, he was seconded to Cameroun as GM/CEO of the former 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. In 2016, Mr. Ashiru-Mobolaji was promoted General Manager; in charge of the Marketing and Distribution Directorate of the company. He became the executive director, operations in 2017.

SOYE OLATUNJI (B.ENG, MBA, FCA)

Director

Mr. Soye Olatunji, 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 (B.A.) (AMERICAN) (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 works with the Augustus Group, an Insurance Partnership based in Troy, Michigan, U.S.A. as VicePresident 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. PAT UTOMI (B.A, 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

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an entrepreneur, he founded and cofounded companies that are active in fields including financial services, ICT, and media.

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

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ALHAJI LAMIS DIKKO (BSc.)

Independent Director

Mr. 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, Legacy Pension Managers Limited and Eterna Plc. He sits on the board of several public and private companies

MANAGEMENT TEAM

The senior management team of the Company, led by the Managing Director and the Executive Directors, are responsible for the day-to-day management of the Company and report to the Board of Directors. In addition to the Managing Director/Chief Executive Officer and the Executive Director, the following are other members of the Company's executive management team:

BAYO AKINMOLADUN (MBA, HND,)

Deputy General Manager, Branch Operations

Bayo Akinmoladun graduated from the Federal Polytechnic Ilaro, Ogun State in 1991. He holds a Postgraduate Diploma in Management from University of Calabar and an MBA in Insurance and Risk Management from Enugu State University of Technology.

He started his career with Perpetual Assurance Company Limited in 1991. He later moved to Summit Insurance Company Limited in 1994 from where he joined Mutual Benefits Assurance Plc in 1996 in the Finance and Accounts. His exploit in marketing of Insurance while in Finance and Accounts

Department led to his deployment to Marketing department. Mr. Bayo Akinmoladun has experience spanning over two decades in Accounting, Credit Control, Audit and Insurance. Bayo was heading the Eastern Zonal Office before his current position.

OGUNWO ABAYOMI AYODEJI (BSc, ACA, MBA)

Deputy General Manager, Finance and Accounts

Mr. Ogunwo, a Chartered Accountant, is a graduate of Obafemi Awolowo University, Ile-Ife, where he obtained a Bachelor's degree in Mathematics and an MBA in Finance. He worked with Tunde Olamoju & Co Accounting firm after which he joined Mutual Benefits Assurance Plc in 2003, where he has proven himself to be a seasoned financial expert and his career has experienced sporadic growth.

In 2007, he was instrumental in the integration of the operations of both Legacy Worldwide Insurance Company and that of Mutual Benefits Assurance Plc after the later acquired the former in 2007.

Abayomi has served in various capacities as Chief Financial Officer of Harig Oil Trading & Supply Limited, Secretary to the Board for Finance & General-Purpose Committee (2007-2009) and Chief Financial Officer, Assurances Generales du Cameroon (2009-2011). In 2012, he became Head, Credit Control department, from where he was posted to head the Finance & Accounts department till date.

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JIDE IBITAYO (LLM)

Company Secretary/Legal Adviser

Jide Ibitayo is the Company Secretary/Legal Adviser. He is a Barrister & Solicitor of the Supreme Court of Nigeria and a Solicitor of England & Wales. He obtained his Master of Laws (LLM) from the prestigious University College London specializing in Corporate and Commercial Laws. He is also a Fellow of the Institute of Chartered Secretaries & Administrators and member, Chartered Institute of Taxation of Nigeria

Prior to joining Mutual Benefits, he was a legal officer at City Express Bank Plc (acquired by UBA Plc), he also lectured Company and Revenue Laws at Universities of Wolverhampton and Huddersfield through the Holborn College of Law. He was the Senior Partner at Peniel Solicitors London.

JOSEPH OLADOKUN (MBA, B.SC, AIIN, ANIMN)

Deputy General Manager, Technical

Mr. Oladokun holds a Bachelor's Degree (Honours) in Geography from University of Ibadan and a Master's Degree in Business Administration (Marketing) from Ladoke Akintola University of Technology, Ogbomoso. He is an Associate of the Chartered Insurance Institute of Nigeria (CIIN) and the National Institute of Marketing of Nigeria (NIMN).

Before joining Mutual Benefits Assurance Plc., Mr. Oladokun was the Head of Technical for about five years at Fin Insurance Company Limited after being Head of Underwriting for over a year.

He started his Insurance career with Leadway Assurance Company Limited where he served in various capacities over a period of 10 years.

LANRE HASAN (HND, MMP, MBA ACIIN, AMNIM)

Deputy General Manager, Corporate Marketing

Lanre is a graduate of The Polytechnic Ibadan, where he had his Higher National Diploma in Insurance. He is an alumnus of University of Ibadan, with Masters' in Managerial Psychology and Obafemi Awolowo University, Ile-Ife for his second Masters' programme in Business Administration (MBA) with specialization in General Management. He is a Professional associate of Chartered Insurance Institute of Nigeria (ACIIN), Associate of Chartered Institute of Marketing of Nigeria (ACIMN) and Associate Member, Nigeria Institute of Management (AMNIM)

An astute Professional of two decades in sales of both life & Non-life Insurances with diverse achievement orientation in Brokers, Energy, Financial Institutions, Corporations and Public sectors.

Prior to Joining Mutual Benefits Group, 'Lanre was Head Business Development at Great Nigeria Insurance Plc. He brings on-board his wealth of experience and professional expertise in sales and marketing. He has attended numerous professional training, seminars and workshop within and outside the Country.

MOHAMMED B. T. IBRAHIM (LL. B (Hons), PGD, MPA, MNIM, ACAN)

Regional Director, Northern Operations

Mr. Mohammed Ibrahim is a 1983 graduate of Law from Ahmadu Bello University, Zaria. He also holds a Post Graduate Diploma in Public Administration from Niger State Polytechnic, Zungeru and a Master's Degree in Public Administration from the Nigeria Defense Academy (NDA), Kaduna. He is a member of professional bodies such as the Nigerian Institute of Management (MNIM) and Chartered Administrators of Nigeria (ACAN).

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Mr. Ibrahim voluntarily retired from Public Service to join Mutual Benefits Assurance Plc in 2014.

TAIWO 'DAYO-ABATAN (BSc, MBA, SPHPi, MCIPM)

Assistant General Manager, Human Resources

Taiwo 'Dayo-Abatan is a seasoned HR Specialist and current Head, Human Resources, Mutual Benefits Assurance Plc. Taiwo has over 14 years' experience in Human Resources Management. She has over the years developed competencies in Learning and Development, Manpower Planning, Recruitment and Selection, Organizational Development and Employee Relations and her career spans different sectors of the Nigerian Economy.

An alumnus of The London Academy Business School, and a Certified Senior Professional in Human Resources International (SPHRi), Taiwo is a graduate of University of Ado-Ekiti. She holds an MBA from the Federal University of Technology, Akure.

She is a member of several professional bodies among which are The Chartered Institute of Personnel Management (CIPM), The Nigerian Institute of Management (NIM), Nigerian Institute of Training and Development (NITAD), The Institute of Professional Managers and Administrators (IPMA) as well as the Human Resources Certification Institute (HRCI), USA.

OGUNDEJI OLAYINKA (BSc, MBA, FCA)

Assistant General Manager, Internal Audit

Olayinka Ogundeji holds a Bachelor of Science degree in Accounting from Ogun State University (now Olabisi Onabanjo University) and an Executive Masters in Business Administration from Obafemi Awolowo University. He is also a fellow of the Institute of Chartered Accountants of Nigeria (ICAN) and a member of the Association of Chartered Certified Accountants (ACCA).

Olayinka whose expertise is mainly in Internal Audit, Internal Control, Enterprise Risk Management, Financial Reporting and Corporate Governance, has over 14 years working experience in the Insurance and Banking Sector. He currently heads the Internal Audit Department of Mutual Benefits Assurance Plc.

TITILAYO AKINSIKU (HND, MBA, ACIIN, MNIM)

Assistant General Manager, Technical

Mrs. Titilayo Akinsiku, attended Lagos State Polytechnic, Lagos where she graduated as the best graduating student in Insurance in the 2001/2002 academic session. She later proceeded to Obafemi Awolowo University, Ile-Ife where she obtained a Master of Business Administration (MBA) Degree.

Titi is an Associate member of Chartered Insurance Institute of Nigeria (CIIN) and the Nigerian Institute of Management (NIM). She has attended several courses and conferences on Insurance both within and outside the country.

She joined Mutual Benefits Assurance Plc in 2004.

EMMANUEL ORMANE (BSc, ACA)

Assistant General Manager, Enterprise Risk Management

Emmanuel Ormane is a graduate of Mathematics and Economic from the University of Benin and a Corporate Finance graduate of the University of Liverpool United Kingdom. His work experience span over fourteen years in the financial sector; commercial banking, microfinance banking, mortgage, and insurance.

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He is a chartered accountant, certified microfinance banker, and a G31000 certified member of the global community of risk managers. Before joining Mutual Benefits Assurance PLC as Head, Enterprise Risk Management, he had worked in financial control, internal control, credit control

PURPOSES OF THE PRIVATE PLACEMENT AND USE OF PROCEEDS

In general terms, the Private Placement offers Mutual Benefit Assurance Plc the required capital buffer to meet the new regulatory minimum capital requirements as stipulated by NAICOM.

Specifically, the net placement proceeds, estimated at ₦4,701,375,542.00, after deducting the total cost of the Placement, estimated at ₦98,624,458.00 (representing 2.055% of the Placement size), will be applied as follows:

Utilization	Amount	Percent	Duration
Replacement of capital for the recapitalization of Mutual Benefits Life Assurance Limited	2,000,000,000.00	42.54%	Immediately
Working Capital	1,900,000,000.00	40.41%	Immediately
Statutory Deposit with CBN	700,000,000.00	14.89%	Immediately
ICT Upgrade and CAPEX:			
a) Computer Hardware (laptops, servers & UPS)	26,375,542.00	0.56%	December, 2022
b) Electric Power Generators for Lagos, Warri, Port-Harcourt, and Akure offices	10,000,000.00	0.21%	
c) Motor Vehicle	65,000,000.00	1.38%	
TOTAL	4,701,375,542.00	100.00%	

RISK FACTORS

The following risk factors were identified and should be considered by the investors intending to participate in the Private Placement. Should the identified risks crystallize, the Company's business, financial performance, financial condition and/or prospects could be materially and adversely affected. The identified risk factors are not in any order of priority and are not exhaustive, there could therefore be further risks of which the Company is not aware or believes to be immaterial which may, in the future, adversely affect the Company's business.

Political risk

Security issues in Nigeria remains a major risk; recurrent ethnic and religious instability, terrorism by Boko Haram and banditry in the Northern part of the country, Herders and Farmers clashes across the country, reported cases of violence and oil theft especially in the Niger Delta region are all challenges that could have a material and adverse effect on the economy as well as impact the operations of the Company. In particular, rising populations, high unemployment and competition for diminishing resources in a period of slower economic growth will exacerbate ethnic and religious grievances in Nigeria over the next decade.

Macroeconomic risk

The Nigerian economy is highly dependent on a number of external variables beyond the control of policy makers and domestic agents. Most important among those variables is the price of oil, which is highly uncertain and is driven by the vagaries in the international crude oil markets. With oil accounting for more than 90 percent of Nigeria's exports, 25 percent of its GDP, and 80 percent of its public revenue, a fairly small price change can have a significant impact. At present, Nigeria faces some macro-economic problems. To return to a path of sustainable growth and of poverty reduction, the

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country must address a number of critical issues, including promoting fiscal transparency and fiscal discipline, and returning to market-determined exchange and interest rates.

Recently, the COVID-19 pandemic has spread with alarming speed, infecting millions and bringing economic activity to a near-standstill especially in the first half of 2020. The COVID-19 pandemic is still having a negative impact on economic activities, and the recovery is projected to be more gradual than previously forecast.

Industry risk

Today's insurers face a wide range of complex challenges, from navigating financial market uncertainty and evolving consumer demands to outpacing digitally savvy new competitors.

Similarly, there has been recent surge of foreign direct investment (FDI) in the Nigerian insurance market by some of the reputable global names in the Nigeria insurance industry. Foreign entrants are expected to come to the market with experience and capacity that will change the phase of competition in the market.

Insurance risks

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.

a. Life Insurance Contracts

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

- i. **Mortality Risk:** risk of loss arising due to policyholder death/health experience being different than expected
- ii. **Longevity Risk:** risk of loss arising due to the annuitant living longer than expected
- iii. **Investment Risk:** risk of loss arising from actual returns being different than expected
- iv. **Expense Risk:** risk of loss arising from expense experience being different than expected
- v. **Policyholder Decision Risk:** risk of loss arising due to policyholder experiences (lapses and surrenders) being different than expected

b. Non-Life Insurance Contracts

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.

Financial Risks

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

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

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receivables and trade receivables. Its receivables comprise trade receivables from customers, reinsurers and co-insurers and other receivables. There are no financial assets that are classified as past due and impaired whose terms have been negotiated.

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'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.

c. Market risk

The following are the type of market risks the Company faced:

1. 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 Japanese 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.

2. 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.

3. 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.

CORPORATE GOVERNANCE

Mutual Benefits recognizes the importance of adopting best practice principles, its valuable contribution to long-term business prosperity and accountability to its shareholders. The Company is managed in a way that engenders public trust and confidence while meeting the expectations of all stakeholders. In view of this objective, the Company consistently reappraises its processes to ensure that it operates on the global standards of corporate governance.

Mutual Benefits believes that full disclosure and transparency in its business operations are in line with good corporate governance and best practices; and is implementing principles set out in the Code of Corporate Governance issued by the Securities and Exchange Commission.

CONCLUSION

On a final note, the Board and Management of Mutual Benefits Plc are optimistic that in the absence of unforeseen contingencies, the Company will continue to record significant growth and improvements in its operations over the coming years and be in compliance with the NAICOM's recapitalization requirements subsequent to the closure of this private placement.

THE CHAIRMAN'S LETTER

Consequently, I strongly believe that the future of the Company remains very bright and filled with opportunities which we will harness. I believe this private placement will create a win-win for both the Company, the investors, the shareholders and other stakeholders in translating this investment into significant economic benefits and enhanced shareholder value.

Yours faithfully

For: Mutual Benefits Assurance Plc



Dr. Akin Ogunbiyi

Chairman

INFORMATION ABOUT CHARLES ENTERPRISES LLC

Charles Enterprises LLC

Charles Enterprises LLC (CEL) is a Limited Liability Company incorporated on 1st June, 2007 in New York, United States of America. CEL has a 28.2% stake in Mutual Benefits Assurance Plc, Nigeria (“Mutual”) through its investment in 3,150,000,000 shares of Mutual. In addition to its investment in Mutual, CEL is also into real estate and property developments. CEL is currently represented on the Board of Mutual by Dr. Eze Ebube (American). Its past representatives are Ambassador Hans Hertell (the second longest serving US Ambassador) and Mr. Michael Govan (American).

Profile of Directors

Dr. Akin Ogunbiyi:

An Economist, Consultant and Insurance Professional, Dr. Ogunbiyi is a graduate of Agricultural Economics from the University of Ife (1986). He is also an alumnus of the famous International Graduate School of Management, University of Navarra (IESE) Barcelona, Spain where he obtained an Executive Master’s in Business Administration (1999). 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.

An Associate of the Chartered Insurance Institute, London (1991), 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.

Mr. Adelabu Muraina

He studied Nursing at School of Nursing Eleyele Ibadan and obtained a degree in Nursing from University of Ibadan, he also obtained a post graduate qualification from Lehman College New York. He possesses certification and licenses from Nigeria, USA, UK and New Zealand. He has almost four-decade career cognate experience gained from Nigeria, Kingdom of Saudi Arabia, and USA. He is Registered Nurse Tutor.

Mr Adelabu is also a consummate businessman with interests in automobile and industrial tools and equipment import and export, real estate developments and property management. His business interests cut across Nigeria and USA.

INFORMATION ABOUT CHARLES ENTERPRISES LLC

Comfort Letter from Prospective Investor



446, TURNER AVENUE,
NEW YORK NY 10473.
TEL: +1(917)365-8073

December 7, 2020

The Director General
Securities and Exchange Commission
SEC Tower
272, Samuel Adesujo Ademulegun Street
Central Business District
Garki, Abuja.

Dear Sir,

**MUTUAL BENEFITS ASSURANCE PLC ("THE COMPANY") PRIVATE
PLACEMENT OF 8,888,888,889 ORDINARY SHARES OF 50 KOBO EACH AT 54
KOBO PER SHARE ("THE PLACEMENT")**

We, **CHARLES ENTERPRISES LLC**, investor in the private placement of Mutual Benefits Assurance Plc comprising of 8,888,888,889 ordinary shares of 50 kobo each at 54 kobo per share, inform and confirm to the Securities and Exchange Commission that we have carried out a satisfactory due diligence exercise of the Company comprising of Financial, Legal, Regulatory and Commercial Evaluation and are satisfied as to our findings on the company and ready to take up equity investment in Mutual Benefits Assurance Plc.

Yours faithfully,


Michael Govan
Vice President
Charles Enterprises LLC



INFORMATION ABOUT ARUBIEWE FARMS LIMITED

COMPANY OVERVIEW:

Arubiewe Farms Limited is a Company incorporated on 16th June 2003 under the Nigerian Law. The primary business of the Company is cash crop farming, fishery and poultry farming. It holds the shares of Mutual Benefits Assurance Plc as an investment.

PROFILE OF DIRECTORS

Ogunbiyi Akinade:

An Economist, Consultant and Insurance Professional, Mr. Ogunbiyi is a graduate of Agricultural Economics from the University of Ife (1986). He is also an alumnus of the famous International Graduate School of Management, University of Navarra (IESE) Barcelona, Spain where he obtained an Executive Masters in Business Administration (1999). 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.

An Associate of the Chartered Insurance Institute, London (1991), he did not only complete his Associateship examination in record time, Mr. 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.

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

Mrs Ogunbiyi Adedotun

Mrs Ogunbiyi is a graduate of Agricultural science from the University of Ife. She is an educationist who has risen to the highest level of her career and businesswoman with interests in event management and catering services.

Miss Ogunbiyi Motunrayo

Miss Ogunbiyi holds a first degree in Economics from University of Bradford and a master's in Management & Organisational Innovation from Queen Mary University of London. She is a chartered Accountant and Senior Audit Associate with KPMG

She is a Chartered Accountant with hands-on experience in managing and controlling internal audit functions, guiding clients on complex accounting treatments, and reviewing compliance level of companies against standards. She possesses in-depth knowledge and understanding of financial reporting, data evaluation, process improvement, audit co-ordination, and people management.

INFORMATION ABOUT ARUBIEWE FARMS LIMITED

Comfort Letter from Prospective Investor

Arubiewe Farms Limited

Aret Adams House,
233, Ikorodu Road, Ilupeju,
Lagos.
Tel: 08035118078, 08027442902
E-mail: info@arubiewegroups.com

10th December 2020

The Director General
Securities and Exchange Commission
SEC Tower
272, Samuel Adesujo Ademulegun Street
Central Business District
Garki, Abuja.

Dear Sir,

**MUTUAL BENEFITS ASSURANCE PLC ("THE COMPANY") PRIVATE PLACEMENT OF
8,888,888,889 ORDINARY SHARES OF 50 KOBO EACH AT 54 KOBO PER SHARE
("THE PLACEMENT")**

We, **ARUBIEWE FARMS LIMITED**, investor in the private placement of Mutual Benefits Assurance Plc comprising of 8,888,888,889 ordinary shares of 50 kobo each at 54 kobo per share, inform and confirm to the Securities and Exchange Commission that we have carried out a satisfactory due diligence exercise of the Company comprising of Financial, Legal, Regulatory and Commercial Evaluation and are satisfied as to our findings on the company and ready to take up equity investment in Mutual Benefits Assurance Plc.

Yours faithfully,
For: ARUBIEWE FARMS LIMITED


MOTUNRAYO OGUNBIYI
Director


MUSTAPHA LERAMOH
Director/Company Secretary

Directors: Akin Ogunbiyi, Dotun Ogunbiyi, Motunrayo Ogunbiyi, Dare Ojo

LETTER FROM THE AUDITORS ON GOING CONCERN STATUS



Ernst & Young
10th & 13th Floors
UBA House
57 Marina
P.O. Box 2442, Marina
Lagos, Nigeria

Tel: +234 (01) 631 4500
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Email: service@ng.ey.com
www.ey.com

8 December 2020

The Directors
Mutual Benefits Assurance Plc
Aret Adams House
233, Ikorodu Road
Ilupeju, Lagos

The Directors
Radix Capital Partners Limited
3rd Floor, AIICO Plaza
PC 12, Churchgate Street
Victoria Island, Lagos

The Directors
Meristem Registrars and Probate Services Limited
213, Herbert Macaulay Way
Adekunle, Yaba, Lagos

The Directors
Core Securities Limited
YMCA Building,
77, Awolowo Road
Ikoyi, Lagos

The Partners
Abdulai Taiwo & Co
Goodwill House,
278, Ikorodu Road, Lagos

Dear Sir,

CONFIRMATION OF GOING CONCERN STATUS OF MUTUAL BENEFITS ASSURANCE PLC

Mutual Benefits Assurance Plc (the "company") is in the process of raising additional ₦4.8billion to meet new regulatory requirement.

Based on our audit of the financial statements of the Company for the year ended 31 December 2019, we do not have any reason to believe that the Company will not continue as a going concern.

This letter has been prepared only for the purposes of compliance with the rules and regulations of the Nigerian Securities and Exchange Commission.

Yours faithfully,

Oluwasayo Elumaro, FCA, FRC/2012/ICAN/00000000139

For Ernst & Young
Lagos, Nigeria

HISTORICAL FINANCIAL SUMMARY

Income Statement

₹'000	Audited 2015	Audited 2016	Audited 2017	Audited 2018	Audited 2019	Unaudited Sep-20
Gross Premium Written	14,598,070	12,143,610	14,037,879	15,840,697	18,697,004	14,815,747
Gross Premium Income	13,801,208	11,982,537	13,352,960	15,634,846	17,857,849	14,026,112
Premium Ceded to Reinsurers	(6,066,626)	(1,711,110)	(1,885,655)	(2,155,601)	(2,669,147)	(2,128,530)
Net Premium Income	7,734,582	10,271,427	11,467,305	13,479,245	15,188,702	11,897,582
Fee and Commission Income	660,364	430,522	309,646	482,307	508,755	482,398
Net Underwriting Income (a)	8,394,946	10,701,949	11,776,951	13,961,552	15,697,457	12,379,980
Claims:						
Net Benefits and Claims	2,337,384	3,348,883	5,154,205	6,976,613	6,122,283	5,504,889
Change in life fund	(3,273)	(161,532)	(4,270)	455,428	-	250,000
Change in annuity reserve	30,633	354,038	(22,252)	21,990	(45,628)	(35,530)
Underwriting Expenses	2,411,187	2,972,533	2,944,601	3,448,990	4,075,145	3,464,352
Net Underwriting Expenses (b)	4,775,931	6,513,922	8,072,284	10,903,021	10,151,800	9,183,711
Underwriting Profit (c = a - b)	3,619,015	4,188,027	3,704,667	3,058,531	5,545,657	3,196,269
Profit/(Loss) on investment contract liabilities	782,150	555,466	891,899	1,548,910	1,052,373	1,063,907
Investment Income	854,296	979,765	1,597,262	2,186,282	2,515,387	1,749,558
Net Fair Value (Loss)/Gain on Assets at FVTPL	111,743	(58,750)	38,341	(157,584)	1,182,522	1,904,682
Other Income	767,997	257,485	477,649	321,134	23,782	45,463
Impairment Charge No Longer Required	8,473	61,682	2,011	-	-	-
Impairment Charges	(54,656)	(10,574)	(169,137)	(102,880)	(252,017)	(2,852)
Employment Benefit Expenses	(1,863,591)	(1,914,606)	(1,939,809)	(1,842,628)	(2,234,570)	(1,374,143)
Management Expenses	(2,765,504)	(3,364,345)	(3,451,213)	(3,861,923)	(4,222,853)	(2,287,055)
Net Foreign Exchange Gain/(Loss)	(488,310)	(1,890,120)	22,285	(50,520)	(75,123)	(1,646,724)
Share of Profit of the Associate	3,616	-	-	-	-	-
Result of Operating Activities	975,229	(1,195,970)	1,173,955	1,099,322	3,535,158	2,649,105
Finance Costs	(29,848)	(27,681)	(39,432)	(46,199)	(50,968)	(9,295)
Finance Income	249,891	154,985	200,570	327,860	247,569	22,122
Profit/ (Loss) Before Taxation	1,195,272	(1,068,666)	1,335,093	1,380,983	3,731,759	2,661,932
Income Tax Expenses	(303,500)	(277,620)	(312,585)	(231,975)	(1,075,354)	(268,828)
Profit/(Loss) After Tax	891,772	(1,346,286)	1,022,508	1,149,008	2,656,405	2,393,104

HISTORICAL FINANCIAL SUMMARY

Statement of Financial Position

N'000	Audited 2015	Audited 2016	Audited 2017	Audited 2018	Audited 2019	Unaudited Sep-20
Cash & Cash Equivalents	14,016,106	10,734,374	8,345,638	5,483,347	7,041,606	13,384,387
Available for Sale Investment Securities	694,036	849,374	110,952	-	-	-
Equity instruments at fair value through OCI	-	-	-	731,018	342,337	348,425
Fair Value through Profit or Loss	93,463	64,097	849,524	3,239,416	7,976,546	19,960,253
Loans and Receivables	11,799,273	12,410,169	12,245,702	11,877,818	10,858,954	13,172,620
Held to Maturity	-	8,214,636	16,840,317	-	-	-
Debt instruments at amortised cost	-	-	-	19,346,552	23,054,707	13,201,735
Financial asset pledged as collateral	-	-	-	-	-	112,889
Financial assets held for trading pledged as collateral	115,297	91,188	168,064	142,100	121,292	19,759
Trade Receivables	208,703	462,616	629,280	912,116	612,556	858,504
Reinsurance Assets	1,414,600	1,871,739	2,455,731	3,574,723	4,515,911	3,934,653
Other Receivables and Prepayments	1,454,498	888,020	993,182	1,343,309	1,294,187	1,151,077
Finance Lease Receivables	1,044,864	420,049	145,055	116,154	88,879	83,224
Deferred Acquisition Costs	322,609	340,338	485,283	457,248	575,960	592,183
Inventories	1,533,164	1,332,864	907,822	518,236	436,156	436,156
Assets held for sale	-	-	-	5,550,000	-	-
Investment Properties	8,731,665	8,726,390	8,566,000	1,476,000	6,951,000	6,931,000
Intangible Assets	89,646	73,531	43,994	49,550	76,056	46,527
Property, Plant & Equipment	3,850,522	4,024,297	3,922,931	3,930,518	3,415,175	3,406,707
Investment in Associates	6,116	-	-	-	-	-
Statutory Deposits	500,000	500,000	500,000	500,000	500,000	500,000
Deposit for Investment in Equity	417,587	460,588	480,588	7,238	247,238	7,238
Deferred Tax Assets	-	-	-	-	-	300,815
Goodwill	1,543	1,543	1,543	1,543	1,543	-
Total Assets	46,293,692	51,465,813	57,691,606	59,256,886	68,110,103	78,448,152
LIABILITIES						
Insurance Contract Liabilities	6,087,972	7,401,872	10,299,090	13,050,555	14,386,038	16,028,883
Investment contract liabilities	24,217,581	25,956,771	26,564,221	25,276,261	26,247,962	27,615,977
Trade Payables	816,655	1,270,219	2,858,296	1,768,573	2,259,785	3,113,469
Other Liabilities	1,285,888	1,710,996	1,161,224	955,719	1,887,616	1,338,052
Deposit liabilities	509,867	203,845	259,268	512,153	389,644	369,130
Book Overdraft	-	-	-	-	-	-
Current Income Tax Liabilities	521,385	503,843	687,173	793,528	1,585,272	996,622
Borrowings	4,073,095	6,258,070	6,509,170	6,671,845	6,742,495	8,479,270
Deferred Tax Liabilities	1,136,079	1,147,429	1,063,084	1,118,231	877,537	1,188,684
Total Liabilities	38,648,522	44,453,045	49,401,526	50,146,865	54,376,349	59,130,087
EQUITY						
Share Capital	4,000,000	4,000,000	4,000,000	4,000,000	5,586,367	5,586,367
Treasury Shares	(250)	(250)	(250)	(250)	(250)	(250)
Deposit for shares	-	-	-	-	-	1,921,236
Foreign Currency Translation Reserve	184,491	906,502	911,064	1,116,284	981,891	1,364,128
Contingency Reserves	2,292,040	2,533,160	2,801,764	2,960,268	3,385,125	3,951,397
Fair Value Reserve	-	-	-	(288,560)	(560,639)	(671,153)
Revaluation Reserve	1,288,563	1,288,563	1,467,403	1,520,131	1,520,131	1,524,068
Accumulated Losses	(246,828)	(1,838,814)	(1,079,247)	(421,610)	1,656,664	4,272,197
Non-controlling interests in equity	127,154	123,607	189,346	223,758	1,164,465	1,370,075
Total equity	7,645,170	7,012,768	8,290,080	9,110,021	13,733,754	19,318,065
Total liabilities and equity	46,293,692	51,465,813	57,691,606	59,256,886	68,110,103	78,448,152

HISTORICAL FINANCIAL SUMMARY

Statement of Cash Flow

Mutual Benefits Assurance Plc.

Statement of Cashflows

₦'000	Audited 2015	Audited 2016	Audited 2017	Audited 2018	Audited 2019	Unaudited Sep-20
Cash Flows from Operating Activities						
Cash received from insurance contract policy holders	14,389,357	12,092,836	14,131,483	15,268,487	18,720,778	14,521,056
Cash received from investment contract policy holders	12,862,465	12,338,438	11,985,338	12,054,121	12,508,839	9,621,175
Cash withdrawal by investment contract policy holders	(10,625,331)	(12,227,691)	(13,419,003)	(15,577,726)	(13,553,409)	(9,766,684)
Additions to deposit for premium	-	-	-	748,332	930,794	482,398
Commission received	660,364	561,388	262,001	541,354	521,326	(2,287,336)
Reinsurance paid	(5,767,076)	(1,798,578)	(1,410,546)	(2,180,459)	(2,887,438)	(5,727,017)
Claims paid	(3,036,515)	(3,220,168)	(4,870,058)	(8,277,607)	(7,984,675)	1,526,533
Claims recovered from reinsurers	624,074	406,640	2,270,525	2,674,640	2,574,901	(1,842,617)
Commission paid	(1,963,638)	(2,323,825)	(2,299,574)	(2,739,360)	(3,115,031)	(1,374,143)
Payment to employees	(1,863,591)	(1,914,606)	(1,939,809)	(1,842,628)	(2,245,924)	1,749,558
Investment income	854,296	979,765	1,597,262	2,186,282	2,487,931	67,585
Other cash received	1,017,888	412,470	678,219	493,596	347,338	(2,909,616)
Cash paid to brokers, suppliers & providers of services	(5,448,383)	(2,484,433)	(4,529,326)	(5,103,141)	(6,796,509)	-
Income tax paid	(211,598)	(283,812)	(235,386)	(138,408)	376,253	(165,575)
Net cash flows from operating activities	1,492,312	2,538,424	2,221,126	(2,640,849)	1,885,174	3,895,317
Investing Activities						
Purchase of investment properties	(666,250)	-	-	-	-	-
Purchase of intangible assets	(48,759)	(18,759)	(21,796)	(3,974)	(28,494)	-
Purchase of property, plants and equipment	(412,416)	(716,340)	(366,979)	(521,838)	(124,139)	(128,408)
Proceeds from disposal of subsidiaries	14,500	-	-	1,244	2,789	5,600
Proceeds from sale of properties, plant & equipment	107,731	21,986	8,903	-	-	-
Proceeds from sale of marketable securities	-	-	-	-	-	-
Receipts on loans and advances	-	-	-	-	-	21,200
Receipts on finance lease receivables	479,517	742,500	227,959	22,392	79,283	1,003
Additions to finance lease receivables	(192,481)	(8,527)	-	-	-	-
Additions to loans and receivables	-	-	-	-	-	-
Receipts on loans and advances	-	1,691,491	2,050,001	2,250,000	2,310,000	-
Purchase of financial instruments at fair value through	-	-	-	(3,127,851)	(6,581,215)	(10,344,408)
Purchase of Held-to-maturity financial assets	-	(7,693,808)	(16,252,540)	961,328	3,461,225	-
Redemption of debt instruments at amortised cost	-	-	-	24,133,116	21,061,982	-
Proceeds from Held-to-maturity financial assets	-	-	9,401,338	-	-	-
Proceeds from sale of investment properties	525,000	-	75,000	1,530,500	75,000	-
Additions to deposit for shares	(222,108)	(113,001)	(20,000)	-	-	-
Purchase of debt instruments at amortised cost	-	-	-	(26,682,638)	(22,609,706)	(13,183,805)
Refunds from deposit for shares	-	-	-	473,350	-	24,412,498
Purchase of available-for-sale investments	(284,582)	(20,553)	-	-	-	-
Net cash flows used in investing activities	(699,848)	(6,115,011)	(4,898,114)	(964,371)	(2,353,275)	783,680
Financing Activities						
Dividend paid	-	-	-	(160,000)	-	-
Deposit for shares	-	-	-	-	-	1,921,236
Share issue expenses	-	-	-	-	-	(116,555)
Dividend paid to non-controlling interest	-	-	-	(49,059)	-	-
Increase in non-controlling interests	-	-	14,867	-	965,010	-
Repayments of borrowings	-	-	-	-	1,586,367	-
Net cash flows used in financing activities	-	-	14,867	(209,059)	2,551,377	1,804,681
Net(decrease)/ increase in cash and cash equivalents	792,464	(3,576,587)	(2,662,121)	(3,065,946)	1,330,769	6,483,678
Effects of exchange rate changes on cash and cash equivalents	22,270	294,855	273,385	112,155	6,890	79,701
Cash and cash equivalents as at 1 January	13,201,372	14,016,106	10,734,374	8,437,138	5,483,347	6,821,006
Cash and cash equivalents at the end	14,016,106	10,734,374	8,345,638	5,483,347	6,821,006	13,384,385

HISTORICAL FINANCIAL SUMMARY

Summary of Significant Accounting Policies

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.

1.1. Basis of presentation and 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) issued by the International Accounting Standards Board (IASB). Additional information required by national regulations has been included where appropriate.

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

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

2. Revenue recognition

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

2.1. 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 include any adjustments arising in the accounting period for premiums receivable in respect of business written in prior accounting periods. Premiums collected by intermediaries, but not yet received, are assessed based on estimates from underwriting or past experience and are included in premiums written.

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

3. Reinsurance

3.1. Reinsurance ceded to reinsurance counterparties

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

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

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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.

4. 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:

4.1. 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.

4.2. 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.

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

(i). Life fund

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

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”.

5. Contingency reserve

(i). Non-life business

In compliance with Section 21 (2) of Insurance Act 2003, the contingency reserve is credited with the greater of 3% of total premiums, or 20% of the net profits. This shall accumulate until it reaches the amount of greater of minimum paid-up capital or 50 percent of net premium.

(ii). 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 premiums or 10% of net profit.

6. 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 asset 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.

7. New and amended Standards and interpretation

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2019. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

7.1. Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

7.2. 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.

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, remeasured 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.

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Notes to the Financial Statement

	Audited 2015	Audited 2016	Audited 2017	Audited 2018	Audited 2019	Unaudited Sep-20
4.1 Gross premium written						
Non-life	3,410,716	4,217,078	8,840,857	9,789,781	10,165,216	2,943,599
Life (Group life and individual life)	26,354	310,875	5,197,022	6,050,916	8,532,623	1,704,977
	3,437,070	4,527,953	14,037,879	15,840,697	18,697,839	4,648,576
Changes in unearned premium						
Non-life	(390,622)	67,314	(358,873)	(484,313)	235,196	(814,384)
Life (Group life and individual life)	(406,240)	(228,387)	(326,046)	278,462	(811,124)	773,261
	(796,862)	(796,862)	(684,919)	(205,851)	(575,928)	(41,123)
4.2 Premiums ceded to reinsurers						
Outward premium - Non life	5,739,140	1,197,141	1,252,418	1,639,821	2,230,267	585,050
Outward premium - life	100,118	173,181	761,363	537,713	753,189	92,414
Changes in prepaid re-insurance	227,368	340,788	(128,126)	(21,933)	(150,660)	(96,172)
	6,066,626	1,711,110	1,885,655	2,155,601	2,832,796	581,292
4.3 Net premium income	13,801,208	10,271,427	11,467,305	13,479,245	15,289,115	4,026,161
5 Fees and commission income						
Commission received from reinsurance	94,919	223,499	94,919	481,512	417,270	147,957
Commission received from co-insurance	214,727	207,023	214,727	795	65,496	-
	309,646	430,522	309,646	482,307	482,766	147,957
6 Net benefits and claims						
Claims paid	3,036,515	3,220,168	4,870,058	8,277,607	7,984,675	2,545,771
Change in outstanding claims	69,205	870,474	1,864,309	1,726,622	519,160	894,177
Claims recoveries	(624,074)	(406,640)	(2,270,525)	(2,674,640)	(2,574,901)	(936,927)
Change in outstanding claims - Reinsurers	(144,262)	(335,119)	690,363	(352,976)	(2,189)	138,889
	2,337,384	3,348,883	5,154,205	6,976,613	5,926,745	2,641,910
7 Underwriting expenses						
Amortisation of deferred acquisition costs	1,069,202	1,530,788	1,622,654	1,685,424	1,993,619	375,648
Maintenance costs	1,341,985	1,441,745	1,321,947	1,763,566	2,192,498	645,861
	2,411,187	2,972,533	2,944,601	3,448,990	4,186,117	1,021,509
7.1 Maintenance costs						
Agency expenses on vehicle insurance business	14,978	51,419	54,781	182,184	222,090	128,953
Tracking expenses on insured vehicles	139,827	143,936	156,492	132,738	52,935	15,729
Agency expenses on travel insurance business	88,638	157,151	153,035	143,968	190,105	89,532
Administrative charges-Group Life	7,364	6,435	5,858	23,414	11,854	11,321
Agency allowance	115,212	151,641	155,738	167,700	271,191	14,803
Agency training	38,870	21,855	6,319	5,910	6,734	610
Transport & Travelling-Corporate	100,898	76,202	62,648	48,571	32,601	23,953
Superintending and surveyors fees	231,787	74,456	91,200	217,530	178,653	(200)
Actuary valuation report fee	4,600	5,288	3,700	4,900	6,100	8,516
Stamp duty expenses	4,696	2,415	2,336	6,362	9,877	72,477
Training and Forum for marketers	166,398	167,013	194,153	153,453	283,559	57,908
Agency unit manager allowance	174,174	217,797	194,183	188,968	227,022	34,928
Business promotion expenses	-	26,269	-	-	-	652
Value added tax	3,004	-	71,508	-	-	-
Underwriting medical expenses	5,851	5,094	2,758	2,174	2,487	185,672
Marketing expenses	245,688	334,774	167,238	485,694	697,289	645,861
	1,327,007	1,441,745	1,321,947	1,763,566	2,192,497	1,290,715

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Notes to the Financial Statement Cont'd

8 Profit on investment contracts						
Interest income	2,431,185	2,890,406	3,280,959	3,606,857	3,556,496	-
Rental income on Alpha Court	-	94,039	80,011	192,280	86,664	-
Investment related expenses	-	(250,033)	(63,573)	(90,907)	(37,917)	-
Surrender fee	312,485	314,785	514,648	536,508	428,299	-
Guaranteed interest	(1,122,476)	(1,628,443)	(2,041,115)	(1,803,613)	(1,899,142)	-
Acquisition cost on investment policies	(839,044)	(865,288)	(879,031)	(892,215)	(1,065,472)	-
	782,150	555,466	891,899	1,548,910	1,068,928	-
9.1 Investment income Insurance contracts						
Interest income on loans and advances	457	34,657	34,203	19,583	15,686	970,071
Dividend income	541	35,948	202	244	1,904	-
Interest income on fixed term deposits	484,848	428,028	518,968	519,222	382,660	-
Surrender fee	-	-	-	-	-	122,889
Interest income on statutory deposit	37,044	56,641	75,422	-	-	-
Guaranteed interest	-	-	-	-	-	(737,484)
Interest income on lease	66,648	77,092	31,795	10,277	51,650	-
Interest from current accounts with banks	1,323	3,306	5,229	3,309	21,522	-
Acquisition cost on investment policies	-	-	-	-	-	(293,953)
Rental expenses	-	-	-	-	-	(1,622)
Interest income from treasury bills	244,865	332,303	910,829	1,248,042	1,357,582	-
Rental income	18,570	11,790	20,614	10,289	8,188	146,053
	854,296	979,765	1,597,262	1,810,966	1,839,192	205,954
9.2 Investment income from Shareholders funds						
Interest income on loans and advances	-	-	-	-	-	158
Dividend income	-	-	-	-	-	85
Interest income on lease	-	-	-	-	-	14,204
Interest income on fixed term deposits	-	-	-	135,060	122,928	67,179
Interest income on bonds	-	-	-	90,641	252,766	-
Interest income on statutory deposit	-	-	-	76,830	64,821	28,712
Interest Income from Staff Mortgage Loan	-	-	-	-	-	2,187
Rental income	-	-	-	-	-	6,988
Interest from current accounts with banks	-	-	-	621	9,135	991
Interest income from treasury bills	-	-	-	72,164	199,088	493,827
	-	-	-	375,316	648,738	614,331
10 Net fair value gains/(losses) on assets at FVTPL						
Fair value losses on quoted equity shares assets held	-	-	46,855	(34,763)	(5,766)	-
Fair value losses on financial trading pledged as collateral	-	-	76,876	(25,964)	(18,358)	-
Fair value loss on assets held for sale	-	-	-	(65,329)	469,635	1,261,883
Fair value loss in investment property	-	-	(85,390)	-	-	-
	-	-	38,341	(126,056)	445,511	1,261,883
11 Other income						
Profit on sale of property, plant and equipment	91,127	16,643	8,000	1,245	2,789	2,800
Bank charges income	143,649	598	-	-	-	-
Net income from sale of properties	818	90	39,958	5,063	9,570	544
Micro finance fees and commission income	92,079	13,115	47,473	66,608	16,267	-
Default charges	34,830	19,763	-	-	-	-
Commissions on turnover	33,333	5,718	5,371	2,800	2,239	480
Management fee on Ondo State licensing business	10,165	38,184	3,822	48,394	20,159	9,600
Others	-	1,251	20,796	1,248	822	68
Insurance claim received	122	-	254	-	-	-
Remeasurement gain on interest in associate	2,500	-	-	-	-	-
Release of expired deposit premiums	119,663	-	286,734	155,398	-	-
Sundry income	132,677	78,865	36,165	-	-	-
Income from logistics activities	97,460	81,285	-	-	-	-
Gain on disposal of PPE	-	-	-	-	-	(374)
Net foreign exchange gain	-	1,973	29,076	40,379	25,163	-
	758,423	257,485	477,649	321,135	77,009	13,118

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Notes to the Financial Statement Cont'd

12 Impairment charge/(write-back) on financial assets						
Cash & cash equivalents	-	-	-	(28,049)	(6,657)	-
Loans and receivables	25,895	-	-	96,774	303,175	(980)
Debt instruments at amortized cost		-	-	982	(875)	-
Trade receivables	28,761	-	-	-	23,873	-
Other receivables	-	10,574	-	33,250	(10,749)	-
Finance lease receivables	-		-	(76)	4,968	-
	54,656	10,574	-	102,881	313,735	(980)
13 Employee benefit expenses						
Wages and salaries	1,750,690	1,788,157	1,721,123	1,705,262	2,071,002	458,220
Defined contribution pension costs	112,901	126,449	218,686	137,366	174,922	3,200
	1,863,591	1,914,606	1,939,809	1,842,628	2,245,924	461,420
14 Management expenses						
Depreciation of property, plant and equipment	601,001	648,442	699,713	697,789	514,970	120,424
Repairs and maintainance	61,906	308,947	431,150	512,628	344,733	34,578
Directors fee and allowances	32,161	391,090	358,577	401,135	399,004	62,930
Legal and consultancy fees	158,742	462,585	313,733	305,268	320,191	116,830
Training and recruitment	365,840	304,981	305,922	366,619	375,689	2,080
Rents and Rates	55,841	142,307	148,989	136,440	122,752	41,218
Transport and travelling	16,306	122,380	141,656	149,826	64,805	1,371
Insurance supervisory fee	12,555	127,072	117,145	152,262	392,526	124,988
Bank charges	169,768	122,700	106,244	95,501	106,758	21,557
Public relations and advertising	250,513	114,704	105,486	239,709	149,191	29,121
Medical expenses	29,895	29,635	81,506	96,921	61,996	5,180
Motor vehicle running expenses	68,095	63,165	68,994	74,793	162,234	12,672
Telecommunication expenses	117,343	86,306	64,265	76,234	100,048	25,955
Other expenses	46,398	58,257	56,224	98,191	180,765	41,198
Amortisation of intangible assets	31,309	46,705	54,986	12,244	16,309	3,029
Business entertainments	88,602	40,010	44,673	39,596	42,067	3,029
Utilities	39,630	30,463	39,643	56,039	44,252	11,365
Printing and stationery	243,789	42,050	38,323	70,312	79,552	17,240
Donations	111,004	24,420	36,449	62,530	38,695	3,152
Auditors' remunerations	10,864	34,002	33,547	39,754	45,981	14,915
Insurance	8,320	44,139	33,451	32,445	36,756	12,561
Security expenses	2,506	26,535	55,807	54,835	29,260	7,229
Business acquisition costs	-	-	-	-	-	3,251
Newspapers and periodicals	-	-	-	-	-	11
Subscriptions	49,947	22,526	22,111	39,682	33,417	145
Conference and seminar expenses	49,741	31,150	17,300	30,307	8,868	2,230
Office general expenses	17,122	-	882	17,944	21,454	-
Newspapers and periodicals	43,950	880	-	419	855	-
Bad debt written off	-	38,681	440	-	144,690	-
Loss on disposal of investment properties	595	213	-	2,500	-	-
Goodwill written off	81,761	-	-	-	1,543	-
	2,765,504	3,364,345	3,377,216	3,861,923	3,839,361	718,259
15 Net foreign exchange (loss)/ gain						
Net foreign exchange gain on foreign bank balances	(22,270)	294,855	273,385	112,155	6,890	(42,778)
Net foreign exchange loss on foreign loan	510,580	(2,184,975)	(251,100)	(162,675)	(81,000)	552,600
	488,310	(1,890,120)	22,285	(50,520)	(74,110)	509,822

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Notes to the Financial Statement Cont'd

17 Finance income

Interest income on Micro loans	229,201	131,295	198,111	325,273	22,760	-
Interest on Eazy cash product	244	7	-	-	-	3,914
Interest income on overdraft	11,520	16,300	2,459	-	3,591	24
Interest income on treasury bills	1,772	3,359	-	2,587	943	237
Income from funds placement	7,154	4,024	-	-	-	3,198
	242,737	150,961	200,570	327,860	27,294	7,373

18 Income tax expense

Company income tax	30,453	165,764	69,387	151,562	398,771	109,949
Education tax	14,969	15,921	15,200	14,023	24,464	-
Information technology tax	12,692	1,569	9,432	14,368	36,699	-
Minimum tax	191,700	83,015	324,697	64,811	16,160	-
Total current income tax expense	249,814	266,269	418,716	244,764	476,094	109,949

18 Deferred tax

Deferred tax liability	-	-	(106,131)	20,106	(178,843)	-
Deferred tax asset	-	-	-	(32,894)	(155,437)	-
Total current income tax expense	-	-	(106,131)	(12,788)	(334,280)	-

18 Reconciliation of income tax charge

Profit before income tax	1,195,272	(1,088,666)	1,335,093	636,547	37,540,054	-
Tax at Nigerian's statutory income tax rate	358,582	(320,600)	400,528	-	-	-
Effect of:	-	-	-	190,964	1,124,216	-
Tax exempt income	(791,847)	(645,912)	(713,409)	(534,581)	(1,320,784)	-
Expenses not deductible for tax purposes	517,404	1,142,571	259,059	(232,409)	1,320,784	-
Tax rate differential on fair value loss	-	1,055	17,078	-	-	-
Information technology tax	12,692	1,599	9,432	177,836	259,059	-
Education tax	14,969	15,921	15,200	7,039	36,699	-
Minimum tax	191,700	83,015	324,697	13,188	24,464	-
	1,498,772	(811,017)	1,647,678	258,584	38,984,492	-

20 Cash and cash equivalents

Cash on hand	1,671,479	8,350	10,558	16,488	17,580	-
Cash in banks	10,275,067	3,058,422	1,709,604	2,073,673	3,106,935	5,433,121
Short-term deposits	2,069,560	6,860,196	6,625,476	3,415,244	3,711,892	7,951,266
Treasury bills with original maturity of less than 90days	-	807,406	-	-	-	-
	14,016,106	10,726,024	8,345,638	5,505,405	6,836,407	13,384,387
Expected credit loss	14,016,106	10,726,024	8,345,638	5,505,405	6,836,407	13,384,387

Financial assets

Available-for-sale investment securities	694,036	849,374	849,524	-	-	-
Equity instruments at fair value through OCI	93,463	64,097	-	731,018	345,967	348,425
Financial assets at fair value through profit or loss	11,799,273	12,410,169	110,952	3,239,416	7,669,217	19,960,253
Loans and receivables	-	8,214,636	12,245,702	11,877,818	11,181,262	13,172,620
Financial assets held for trading	-	-	16,840,317	-	-	19,759
Debt Instruments at amortised cost	-	-	-	19,346,552	23,377,552	13,201,735
	11,892,736	20,688,902	29,196,971	35,194,804	42,573,998	46,702,792

21 Financial assets fair value through profit or loss

Quoted Bonds	-	-	-	3,163,227	7,645,303	-
Quoted Shares	93,463	64,097	110,952	76,189	23,914	-
	93,463	64,097	110,952	3,239,416	7,669,217	-

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Notes to the Financial Statement Cont'd

21 Loans and receivables						
Term loans	11,278,142	11,809,226	11,594,873	12,063,046	11,352,483	13,286,368
Overdrafts	31,997	18,953	370,304	230,019	297,372	337,697
Staff loans	551,687	611,108	399,950	-	-	-
Gross loans and advances	583,684	630,061	12,365,127	12,293,065	11,649,855	13,624,065
	-	-	-	(415,247)	(468,593)	(451,445)
Expected credit losses	583,684	630,061	12,365,127	11,877,818	11,181,262	13,172,620
21 Debt Instruments at amortised cost						
NIGTB 02 Jan 2020	-	-	-	-	99,944	-
NIGTB 30 Apr 2020	-	-	-	-	13,467	-
NIGTB 15 May 2020	-	-	-	-	59,320	-
NIGTB 16 Jul 2020	-	-	-	-	6,215,591	-
NIGTB 03 Sep 2020	-	-	-	-	1,368,821	-
NIGTB 10 Sep 2020	-	-	-	-	9,552,311	-
NIGTB 17 Sep 2020	-	-	-	-	2,270,753	-
NIGTB 17 Sep 2020	-	-	-	-	1,404,984	-
NIGTB 24 Sep 2020	-	-	-	-	121,637	-
NIGTB 15 Oct 2020	-	-	-	-	1,915,163	-
NIGTB 10 Dec 2020	-	-	-	-	34,790	-
NIGTB 30 Dec 2020	-	-	-	-	326,176	-
NIGTB 30 Dec 2020	-	-	-	123,874	-	-
NIGTB 21 Feb 2019	-	-	-	267,680	-	-
NIGTB 07 Mar 2019	-	-	-	203,895	-	-
NIGTB 14 Mar 2019	-	-	-	14,643	-	-
NIGTB 21 Mar 2019	-	-	-	30,967	-	-
NIGTB 28 Mar 2019	-	-	-	1,695,065	-	-
NIGTB 04 April 2019	-	-	-	13,248	-	-
NIGTB 08 April 2019	-	-	-	287,264	-	-
NIGTB 24 Oct 2019	-	-	-	1,826,060	-	-
NIGTB 14 Nov 2019	-	-	-	2,838,370	-	-
NTB - 20/6/2019	-	-	-	147,649	-	-
NTD -21/2/2019	-	-	-	5,904,808	-	-
NTB 18/07/2019	-	-	-	1,031,091	-	-
NTB 18/07/2019	-	-	-	1,374,526	-	-
NTB-03/10/2019	-	-	-	3,593,897	-	-
NTB 14/12/2019	-	-	-	-	-	-
	-	-	-	19,353,037	23,382,957	-
Expected credit loss	-	-	-	(6,285)	(1,210)	-
	-	-	-	19,346,752	23,381,747	-
22 Financial assets held for trading pledged as collateral						
Listed equity instrument balance at 1 January	129,467	115,297	91,188	168,064	142,100	-
Fair value losses	(14,170)	(24,109)	76,876	(25,964)	(18,358)	-
	115,297	91,188	168,064	142,100	123,742	-
24 Reinsurance share of outstanding claims						
Reinsurance share of outstanding claims	570,661	905,780	215,417	568,394	570,582	516,233
Reinsurance receivable	1,170	112,248	786,600	1,002,279	908,350	594,401
Co-assurance claims receivable	262,897	162,746	1,088,418	1,588,306	2,247,275	2,077,453
Prepaid reinsurance	579,872	690,965	365,296	415,744	587,760	746,566
	1,414,600	1,871,739	2,455,731	3,574,723	4,313,967	3,934,653

HISTORICAL FINANCIAL SUMMARY

Notes to the Financial Statement Cont'd

25 Other receivables and prepayments						
Prepayments*	425,000	292,350	235,526	105,494	180,528	145,814
Loan to policy holders	4,906	4,184	-	-	-	-
WHT recoverable	-	-	67,402	103,357	143,649	112,072
Advance commission	-	-	5,969	18,293	17,622	11,123
ATM Receivables	-	-	957	957	698	646
Other bank debtors	-	-	10,648	4,814	4,386	4,386
Telephone	-	-	20	-	-	-
Other bank balances	72,781	74,332	63,601	-	-	63,601
Investment receivables	70,292	16,757	16,757	-	-	16,757
Other assets	65,067	99,395	-	-	-	-
Due from related companies	-	-	-	-	-	-
Sundries receivables	88,623	100,554	-	-	-	727,680
Share issue expenses	-	-	132,180	132,180	-	-
Directors current account	100,207	57,918	36,399	35,338	36,582	92,984
Property development	147,575	28,686	-	-	-	-
VAT input recoverable on investment property	198,750	202,500	198,750	180,250	176,500	176,500
Trade receivables of non-insurance subsidiaries	164,447	102,277	50,254	-	-	-
Other receivables	-	-	261,467	926,377	712,311	-
	1,337,648	978,953	1,079,930	1,507,060	1,272,276	1,351,563
Allowance for impairment charges on other receivables	(81,900)	(90,933)	-	(163,751)	(153,001)	(153,001)
	1,255,748	888,020	1,079,930	1,343,309	1,119,275	1,198,562
26 Deferred acquisition costs						
Deferred acquisition cost - Fire	27,845	36,849	41,570	51,930	53,397	94,599
Deferred acquisition cost - Gen Accident	108,532	57,268	72,416	133,632	100,067	99,131
Deferred acquisition cost - Motor	56,955	65,764	86,275	96,796	117,944	126,019
Deferred acquisition cost - Marine	34,286	41,315	49,067	67,843	72,228	75,656
Deferred acquisition cost - Bond	-	-	3,205	-	-	-
Deferred acquisition cost - Oil & Gas & aviation	34,179	33,857	18,754	2,659	11,753	25,635
Life Business	60,811	105,285	213,997	104,388	171,229	171,143
	322,608	340,338	485,284	457,248	526,618	592,183
27 Finance lease receivables						
Gross amount	-	664,985	399,240	338,879	304,606	292,100
Unearned interest	-	(125,633)	(56,052)	(18,817)	(12,179)	(208,876)
Net investment in finance lease	1,164,167	539,352	343,188	320,062	292,427	83,224
Expected credit loss	(119,303)	(119,303)	(198,133)	(208,875)	(208,908)	-
	1,044,864	420,049	145,055	111,187	83,519	83,224
30 Investment properties						
At the beginning of the year	6,984,764	8,731,665	8,726,390	8,566,000	1,476,000	6,931,000
Reclassified to Assets held for sale	666,250	-	-	(5,557,000)	-	-
Reclassified from Assets held for sale	1,445,000	(5,275)	(75,000)	-	5,550,000	-
Disposal	(525,000)	-	(85,390)	(1,533,000)	(75,000)	-
Fair value (loss)/gain	160,651	-	-	-	(20,000)	-
	8,731,665	8,726,390	8,566,000	1,476,000	6,931,000	6,931,000
Deposit for investment in equity						
Deposit in shares in Mutual Exploration and Production Lim	480,588	480,588	480,588	480,588	7,238	-
Deposit for shares in Mutual Benefits MFB	-	-	-	-	-	-
Refund of deposit for shares during the year	-	-	-	(473,350)	-	-
	480,588	480,588	480,588	7,238	7,238	-

HISTORICAL FINANCIAL SUMMARY

Notes to the Financial Statement Cont'd

36 Insurance contract liabilities						
Outstanding claims	2,713,084	3,865,911	6,078,210	8,623,824	9,098,145	10,235,357
Unearned premiums	3,374,888	3,535,961	4,220,880	4,426,731	5,002,659	5,793,526
	6,087,972	7,401,872	10,299,090	13,050,555	14,100,804	16,028,883
38 Trade payables						
Reinsurance payables	92,178	115,803	-	290,833	408,207	604,204
Co-Insurance payables	285	6,239	-	29,065	19,906	78,931
Deferred commission	-	130,866	-	142,268	180,828	172,183
Commission payable	134,454	224,434	-	381,734	395,164	656,468
Deposits for premium	589,738	792,877	-	940,882	1,411,016	1,221,997
	816,655	1,270,219	-	1,784,782	2,415,121	2,733,783
39 Other liabilities						
Accruals	264,850	612,083	165,360	161,604	217,025	506,772
Rent received in advance	52,714	29,070	30,663	30,689	69,008	54,124
Dividend Payable	58,875	89,141	89,141	89,197	89,197	89,197
Due to related companies	89,141	4,472	3,954	-	-	-
PAYE	5,074	413,497	401,280	4,224	7,950	5,936
VAT payable	169,106	31,669	28,711	294,081	376,482	354,708
WHT payable	66,516	3,503	6,976	19,799	17,733	18,972
Staff pension	9,363	-	34,962	15,696	5,958	6,091
ATM Working capital	-	-	-	-	-	19,550
Salary control account	2,495	964	52	26,384	23,339	-
Deferred income	3,219	18,051	4,019	52	-	-
Amount due to Directors	4,441	6,647	2,466	1,851	949	22,150
National Housing Fund	3,671	3,185	3,131	1,992	1,916	1,814
Cooperative	111,004	131,994	116,627	-	3,957	5,293
Provision for NAICOM levy	222,860	37,418	43,268	144,710	272,597	71,981
Deposit for facility management	-	57,806	5,000	41,346	42,279	42,279
Professional fee	23,809	-	9,284	71,469	-	-
Other Creditors	-	197,370	166,004	36,096	252,060	203,613
Land deduction	-	-	9	-	-	317
Deposit for properties by customers	-	74,126	50,317	317	317	-
	1,087,138	1,710,996	1,161,224	939,507	1,380,767	1,402,797
41 Borrowings						
GTBank margin facility	400,870	400,870	400,870	400,870	400,870	400,870
Loan from Daewoo Securities Limited	3,672,225	5,857,200	6,108,300	6,270,975	6,351,975	8,078,400
	4,073,095	6,258,070	6,509,170	6,671,845	6,752,845	8,479,270
42 Current income tax liabilities						
Balance at 1 January	-	521,385	503,843	687,173	793,528	893,369
Current income tax charge	505,961	-	-	-	-	-
Company income tax	30,453	165,764	69,387	151,562	398,771	245,547
Education tax	14,969	15,921	15,200	14,023	24,464	23,281
Information technology tax	12,692	1,569	9,432	14,368	36,699	-
Minimum tax	191,700	83,015	324,697	64,811	16,160	-
	755,775	787,654	922,559	931,937	1,269,622	1,162,197

HISTORICAL FINANCIAL SUMMARY

Notes to the Financial Statement Cont'd

43 Deferred tax net liabilities						
Deferred tax asset	-	-	-	145,378	300,815	(300,815)
Deferred tax liabilities	(1,136,079)	(1,147,429)	(1,063,084)	(1,263,609)	(1,045,224)	1,188,684
	(1,136,079)	(1,147,429)	(1,063,084)	(1,118,231)	(744,409)	887,869
43 Movement in Deferred tax liabilities						
Balance, beginning of year	1,237,469	1,136,079	-	1,131,458	1,263,609	-
Charge in profit or loss for the year	53,686	11,350	-	20,106	(178,843)	-
Charge in other comprehensive income	(155,076)	-	-	112,046	(39,542)	-
	(101,390)	11,350	-	132,152	(218,385)	-
44 Issued and fully paid:						
11,172,733,508 (2018:8,000,000,000)						
Ordinary shares of 50k each	4,000,000	4,000,000	4,000,000	4,000,000	5,586,367	5,586,367
47 Contingency reserve						
Balance, beginning of the year	1,942,418	2,292,040	2,533,160	2,801,764	2,960,268	3,462,493
Transfer from retained earnings	349,622	241,120	268,604	158,504	502,225	488,904
	2,292,040	2,533,160	2,801,764	2,960,268	3,462,493	3,951,397
Analysis per business segment						
Non-life business	1,981,910	2,179,515	2,398,485	2,494,470	2,745,470	2,943,546
Life business	310,130	353,645	403,279	465,798	717,023	1,007,851
	2,292,040	2,533,160	2,801,764	2,960,268	3,462,493	3,951,397
Non-life business						
Balance, beginning of the year	1,665,665	1,981,910	2,179,515	2,398,485	2,494,470	2,745,470
Transfer from retained earnings	316,245	197,605	218,970	95,985	251,000	198,076
	1,981,910	2,179,515	2,398,485	2,494,470	2,745,470	2,943,546
49 Revaluation reserve						
Balance, beginning of the year	-	1,288,563	1,288,563	1,467,403	1,520,131	1,520,131
Revaluation surplus on Land and building	-	-	211,756	74,003	-	-
Tax on revaluation surplus	-	-	(21,785)	(18,500)	-	-
NCI Portion of revaluation surplus	-	-	(11,131)	(2,775)	-	-
	-	1,288,563	1,467,403	1,520,131	1,520,131	1,520,131
Non-controlling interests in equity						
Opening balance	23,139	127,154	123,607	189,346	174,699	1,100,847
Inflow from NCI for acquisition of subsidiary	68,555	-	14,867	-	-	-
shares Dividend	12,738	-	8,310	-	965,010	-
Share from total comprehensive income	-	(8,127)	-	(49,059)	-	-
Balance as at year end	22,722	4,580	42,562	34,412	(38,862)	-
	127,154	123,607	189,346	174,699	1,100,847	1,100,847

STATUTORY AND GENERAL INFORMATION

INCORPORATION AND SHARE CAPITAL HISTORY

Mutual Benefits was incorporated on the 18th of April, 1995 and commenced operation on the 2nd of October, 1995. It is a premier provider of life insurance, auto, health, special risks and investment products and services. The company became a public liability company on 24th May, 2001 and got listed on the Nigerian Stock Exchange on 28th May, 2002.

At the date of the Placement Memorandum, Mutual Benefits' authorized share capital is ₦10,050,000,000 comprising 20,100,000,000 Ordinary Shares of 50 kobo each, of which ₦5,586,366,754 comprising of 11,172,733,508 Ordinary Shares of 50 kobo each have been issued and fully paid up. The changes in the share capital of the Company since inception are summarized below:

DATE	AUTHORIZED (₦)		ISSUED AND FULLY PAID-UP (₦)		CONSIDERATION
	INCREASE	CUMULATIVE	INCREASE	CUMULATIVE	
1995	-	5,000,000	-	5,000,000	CASH
1995	15,000,000	20,000,000	15,000,000	20,000,000	CASH
1996	10,000,000	30,000,000	10,000,000	30,000,000	CASH
1999	40,000,000	70,000,000	40,000,000	70,000,000	CASH
2001	150,000,000	220,000,000	-	70,000,000	CASH
2002	280,000,000	500,000,000	150,000,000	220,000,000	CASH (IPO)
2003	-	500,000,000	73,483,333	293,483,333	BONUS (1:3)
2005	-	500,000,000	206,516,667	500,000,000	CASH (RIGHTS)
2006	2,500,000,000	3,000,000,000	450,000,000	950,000,000	BONUS (9:10)
2007	2,000,000,000	5,000,000,000	1,894,370,000	2,844,370,000	CASH (PUBLIC OFFER)
2009	-	5,000,000,000	1,155,630,000	4,000,000,000	CASH
2017	5,000,000,000	10,000,000,000	-	4,000,000,000	-
2019	-	10,000,000,000	1,586,366,754	5,586,366,754	Rights Issue
2020	50,000,000	10,050,000,000	-	5,586,366,754	-

SHAREHOLDING STRUCTURE

As at the 4th of December, 2020, the 11,172,733,508 ordinary shares of 50 Kobo each in the issued ordinary share capital of the Company were beneficially held as follows:

Shareholder	Units	Percent
Charles Enterprises LLC	3,150,000,000	28.19%
Ogunbiyi Akinade Akanmu	1,100,000,000	9.85%
CIL Risk & Asset Management Ltd	933,858,376	8.36%
Arubiewe Farms Limited	814,000,000	7.29%
Ogunbiyi Adedotun	611,991,460	5.48%
Other Shareholders	4,562,883,672	40.84%
Total	11,172,733,508	100.0%

DIRECTORS' BENEFICIAL INTERESTS

The interests of the Directors of Mutual Benefits in the issued share capital of the Company as recorded in the Register of Members as at the 4th of December, 2020 and as notified by them for the purpose of Section 275 (1) of the Companies & Allied Matters Act Cap C20 LFN 2004 are as follows:

STATUTORY AND GENERAL INFORMATION

Directors	Direct Shareholding	Indirect Shareholding	Total Shareholding	Percentage Holding
Dr. Akin Ogunbiyi ¹	1,100,000,000	1,518,550,609	2,618,550,609	23.44%
Mr. Femi Asenuga	21,593,150	Nil	21,593,150	0.19%
Mr. Adebisi Ashiru-Mobolaji	8,012,654	Nil	8,012,654	0.07%
Mr. Adesoye Olatunji ²	Nil	933,858,376	933,858,376	8.36%
Dr. Eze C. Ebube ³	5,000,000	3,150,000,000	3,155,000,000	28.24%
Prof. Pat Utomi	34,439,974	Nil	34,439,974	0.31%
Ms. Kalaria Ahmed	Nil	Nil	Nil	-
Mr. Akinboye Taiwo Oyewumi	Nil	Nil	Nil	-
Alhaji Lamis Shehu Dikko	Nil	Nil	Nil	-

1. Dr. Akin Ogunbiyi represents the interest of Arubiewe Farms Limited; Charks Investment Limited; Core Trust & Investment Limited and Core Assets Management Limited which holds 814,000,000; 254,222,278; 340,298,065 and 110,030,266 ordinary shares respectively

2. Mr. Adesoye Olatunji represents the interest of CIL Risk & Asset Management Ltd which holds 933,858,376 ordinary shares

3. Dr. Eze C. Ebube represents the interest of Charles Enterprises LLC which holds 3,150,000,000 ordinary shares

SUBSIDIARIES AND ASSOCIATED COMPANIES

As at the date of this Placement memorandum, the Company had the following subsidiaries:

Company	Country of Incorporation	Shareholding
Mutual Benefits Life Assurance Ltd.	Nigeria	99.7%
Mutual Benefits Assurance Company Liberia	Liberia	95.0%
Mutual Benefits Homes & Properties Ltd	Nigeria	100.0%
Mutual Benefits Assurance Niger S.A	Niger Republic	62.0%
Mutual Benefits Microfinance Bank Ltd	Nigeria	89.8%

INDEBTEDNESS

As at the 30th of September, 2020, the Company has the following indebtedness in the ordinary course of business

S/n	Obligations	Amount (₦)
1.	Daewoo Securities Limited	8,078,400,000
2.	Guaranty Trust Bank Plc	400,870,000

EXTRACTS FROM THE MEMORANDUM AND ARTICLES OF ASSOCIATION

MEMORANDUM OF ASSOCIATION

4. The Company is Public Company

6. The Share Capital of the company is N10,050,000,000(Ten Billion and Fifty Million Naira) divided into 20,100,000,000 ordinary shares of 50 Kobo each with power to increase the capital and any shares in the original capital. Any shares in the original capital and any new shares may be divided into different classes and maybe issued with special right, preferences, conditions or disqualification as regards dividends, capital, voting or other matters attached thereto as may be provided by the Company Articles of Association or on such terms as the Company may from time to time determine.

STATUTORY AND GENERAL INFORMATION

ARTICLES OF ASSOCIATION

6 SHARES MAY BE ISSUED WITH VARYING RIGHT

Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, any shares in the Company may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting or otherwise or on the basis that the same is, or at the option of the Company is liable to be redeemed as the CGilpdiiy may from time to time by ordinary resolution determine

10 RESTRICTION ON OFFER ALLOTMENT OF SALES

The Directors shall, as regards any offer or allotment of shares, comply with such of the provisions of the Statutes. As may be applicable thereto and in particular shall comply with the Statutes as to the minimum subscription on which the Company may proceed to an allotment of its shares.

18 TRANSFER OF SHARES SOLD

To give effect to any such sale the Directors may authorise some person to transfer the shares sold to then purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer, sale and he shall not be bound to see to the application of the, purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

19 APPLICATION OF PROCEEDS

The net proceeds of the sale shall be received by them and applied in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue, if any, shall (subject to a like lien or sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

33 RIGHT OF STOCKHOLDERS

The holders of stock may transfer the same, or any part thereof, in the same manner, and subject to the same regulations, as and subject to which the stock, if existing as shares, might have been transferred, or as near thereto as circumstances admit.

34 REGULATIONS APPLICABLE TO PAID UP SHARES TO APPLY TO STOCK

Unless otherwise expressly provided, such of these Articles as are applicable to paid up shares shall apply to stock, and words "share" and "shareholder" herein shall include "stock" and "stockholder".

38 ANNUAL GENERAL MEETING

A General Meeting to be known as the Annual General Meeting shall be held once in every calendar year at such time (not being more than fifteen months' after the holding of the last preceding Annual General Meeting) and place as may be determined by the Directors.

39 EXTRAORDINARY GENERAL MEETINGS

All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings.

STATUTORY AND GENERAL INFORMATION

53 CONDUCT OF POLL

Voting on a poll will be as prescribed by Section 276 of the Act. A poll demanded on the election of a Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the Chairman of the meeting directs, and any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.

64 AUTHORITIES OF PROXIES

The instrument appointing a proxy shall be deemed to include the power to demand or join in demanding a poll and generally to act at the meeting for the Member giving the proxy.

67 DIRECTORS' QUALIFICATION

A Shareholder with 10% or above is entitled to have a representative on the Board.

70 DISCLOSURE BY DIRECTORS OF INTEREST CONTRACTS

A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the nature of his interest at a meeting of the Directors in accordance with Section 277 of the Act.

CORPORATE GOVERNANCE

Mutual Benefits Assurance Plc remains committed to the principles and practice that promote good Corporate Governance. We recognize that sound corporate governance practices are necessary for effective management and control of the company's business. The Company adopts a responsible attitude towards Corporate Governance and issue of Corporate Social Responsibility. The Company conducts business with integrity and pays due regard to the legitimate interest of its stakeholders.

The Company continues to comply with its Internal Governance Policies and Code of Corporate Governance for public Companies in Nigeria as enunciated by the Securities and Exchange Commission. As an insurance Company, we also comply with the Code of Good Corporate Governance for the Insurance Industry in Nigeria, issued by the National Insurance Commission in February 2009. The NAICOM'S Code of Corporate Governance covers a wide range of issues including Board of Directors, Rights of Shareholders and Committees and 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 twelve (12) Directors, made up of two (2) Executive Directors and ten (10) 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, Government, etc.

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,

STATUTORY AND GENERAL INFORMATION

institutional and all other factors, which impact our operations and operating environment. This has ensured that culture of compliance with rules and regulations is entrenched at all levels of operations within the Company.

The positions of Managing Director and Chairman of the Board are occupied by separate individuals; the Managing Director drives implementation of the Company's business strategy through the day to day running of the business.

The Board performs its functions through its Committees. The Committees have clearly defined responsibilities, scope of authority and procedures for reporting to the Board. Membership of these Committees is structured in such a manner as to take optimum advantage of the skills and experience of the Non – Executive Directors. The Committees are:

a) Committees

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

1. Statutory Audit Committee

The Statutory Audit Committee ("The Committee") is established in accordance with Section 359(6) of the Companies and Allied Matters, CAP C20 Laws of the Federation of Nigeria 2004. The Committee is to assist the board of directors to ascertain whether the accounting and reporting policies are in accordance with legal requirement, review both the process scope of audit requirement & the finding on the management matters in conjunction with the external auditor, keep under review the effectiveness of the company's system of accounting and internal control, make recommendation to the board with regards appointment, removal and remuneration, the Committee reviews 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.

The Committee has the oversight functions for the Company's Financial Statements. The Committee, however, is answerable to the Board. The Committee consists of six (6) members, three (3) whom are nominated by the Board and three (3) nominated and elected by shareholders whose tenure is renewed annually at Annual General Meetings.

2. Finance, Investment and Strategy Committee

The Finance and General Purposes comprises five members namely: Mr. Babatunde Dabiri, Alh. Lamis Dikko, Mr. Adesoye Olatunji, Akinboye Oyewunmi, Mr. Olusegun Omosehin. The Committee meets to assist the board in strategy formulation and monitoring of the Group's strategy implementation process as well as review the investment guidelines of the Company, ensure that investments embarked upon by the Management are in line with guidelines as well as the appropriate statutory regulations, and also considers other miscellaneous issues.

3. Governance & Personnel Committee

The Establishment / Governance Committee comprises four members. The Committee considers and makes recommendation on the governance of the Company, remuneration and general welfare of the Senior Management and Staff of the Company.

The Committee comprises of Four Members: Alh. Lamis Dikko, Mr. Akinboye Oyewumi, Dr. Eze Ebube and Ms. Kadaria Ahmed. The committee is chaired by Alh. Lamis Dikko

STATUTORY AND GENERAL INFORMATION

4. 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 also deliberates on and makes 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 and Risk Management Committee comprises four (4) members: Prof. Pat Utomi, Mr. Babatunde Dabiri, Mr. Adesoye Olatunji and Ms. Kadaria Ahmed. The Committee is chaired by Prof. Pat Utomi.

b) Enterprise Risk Management

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

The Company tries as much as possible to balance its portfolio of risks while maximizing value to stakeholders through an approach that mitigates the inherent risks and reward the business.

To ensure effective and economic development of resources, the Company operates 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 organization.
- The Company will at all times hold a balanced portfolio and adhere to guidelines on investment issued by regulator and Finance and General-Purpose Committee of the Company.
- The Company will ensure that there is adequate reinsurance in place for its businesses and also ensure prompt payment of such premiums.

There are 3 levels of authority put in place for the oversight function and management of risk to create and promote a culture that migrates the negative impact of risks facing the Company. These levels are:

- i. The Board: sets the overall organisation's objectives, risk appetite and approves the strategy for managing risk.
- ii. The Management of the Company: comprises the Managing Director and the Management Committee. They are responsible for the strategic implementation of the Enterprise Risk Management policies and guidelines set by the Regulator, Government and the Board for risk mitigation. This is achieved through the business unit they supervise.
- iii. The independence assurance: this comprises the internal audit function that provides independent and objective assurance of the effectiveness of the Company's system of internal control established by the first and second lines of defence in management of Enterprise Risk across the organization.

CLAIMS AND LITIGATIONS

As at 18th December, 2020, the Company is currently involved in a total of 21 (Twenty-one) litigation matters. The total claims against the Company in 19 (Nineteen) of the litigation matters are in the sum of ₦938,332,918 (Nine Hundred and Thirty-Eight Million, Three Hundred and Thirty-Two Thousand

STATUTORY AND GENERAL INFORMATION

Nine Hundred and Eighteen Naira Only), ¥2,500,000,000 (Two Billion, Five Hundred Million Japanese Yen), and £35, 286.21 (Thirty-Five Thousand, Two Hundred and Eighty-Six United Kingdom Pound and Twenty-One Pence). A total of 12 (Twelve) claims pertain to the business of the Company.

The Company instituted 2 (Two) claims in the sum of ₦120,000,000 (One Hundred and Twenty Million Naira) and in which judgement was given in its favour.

The Solicitors are of the considered opinion that the claims would not have a material adverse effects on this transaction nor on the Company's ability to perform its obligation under this transaction and are not aware of any other pending and/or threatened material litigation or claims involving the Company. However, this opinion is subject to the decision of the courts.

RELATIONSHIP BETWEEN THE ISSUER AND THE ISSUING HOUSE/OTHER ADVISERS

As at the date of this Memorandum, Abdulai Taiwo & Co were the former Company Secretary to Mutual Benefits Assurance Plc and are acting as Solicitors to the Private Placement. The Issuing House/other Advisers may also hold the ordinary shares of Mutual Benefits in their proprietary position or for investment purposes.

Save as disclosed, there is no other relationship between Mutual Benefits Assurance Plc and its Advisers except in the ordinary course of business.

MATERIALS CONTRACTS

The following agreements have been entered into and are considered material to this Private Placement:

1. A Vending Agreement dated Monday, 17th December, 2020 by which Radix Capital Partners Limited has agreed on behalf of Mutual Benefits Assurance Plc to offer by way of a Private Placement of 8,888,888,889 Ordinary Shares of 50 kobo each at 54 Kobo per share;
2. Balance of ₦8,078, 400,000 Loan from Daewoo Securities Limited. The Company issued two 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.
3. Margin facility balance of ₦400,870,000 from Guaranty Trust Bank Plc to finance working capital requirements for Margin trading at 16% per annum on the 19 June 2007. 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.

Other than as stated above, the Company has not entered into any material contract except in the ordinary course of business.

DECLARATIONS

Except as otherwise disclosed in this Placing Memorandum:

STATUTORY AND GENERAL INFORMATION

1. No share of Mutual Benefit is under option or agreed conditionally or unconditionally to be put under option;
2. No commissions, discounts, brokerages or other special terms have been granted by Mutual Benefits to any person in connection with the offer or sale of any share of the Company;
3. Save as disclosed herein, the Directors of Mutual Benefits have not been informed of any holding representing 5% or more of the issued share capital of the Company;
4. There are no founders', management or deferred shares or any options outstanding in Mutual Benefits;
5. There are no material service agreements between Mutual Benefits or any of its Directors and employees other than in the ordinary course of business;
6. There are no long-term service agreements between Mutual Benefits and any of its Directors and employees except Pension Agreements;
7. No Director of the Company has had any interest, direct or indirect, in any property purchased or proposed to be purchased by the Company in the five years prior to the date of this Placement Memorandum; and
8. No Director or key management staff of the Company is or has been involved in any of the following (whether in or outside Nigeria):
 - a. A petition under any bankruptcy or insolvency laws filed (and not struck out) against him/her or any partnership in which he/she is or was a partner or any company of which he/she is or was Director or key personnel;
 - b. A conviction in a criminal proceeding or is named subject of pending criminal proceedings relating to fraud or dishonesty; and
 - c. The subject of any order, judgement or ruling of any court of competent jurisdiction or regulatory body relating to fraud or dishonesty, restraining him/her from acting as an investment adviser, dealer in securities, Director or employee of a financial institution and engaging in any type of business or activity.

CONSENTS

The following have given and not withdrawn their written consents to the issue of this Memorandum with their names and reports (where applicable) included in the form and context in which they appear:

ROLE	NAME
Directors of the Company	Dr. Akin Ogunbiyi (Chairman)
	Mr. Olufemi Asenuga (Managing Director)
	Mr. Adebisi Ashiru-Mobolaji (Executive Director- Operation)
	Mr. Soye Olatunji (Non-Executive Director)
	Dr. Eze Ebube (Non-Executive Director)
	Prof. Pat Utomi (Non-Executive Director)
	Ms. Kadaria Ahmed (Independent Director)
	Mr. Akinboye Oyewumi (Non-Executive Director)
	Alhaji Lamis Dikko (Independent Director)
Group Company Secretary	Mr. Babajide Ibitayo
Issuing House	Radix Capital Partners Limited
Solicitors	Abdulai Taiwo & Co., Solicitors
Stockbroker	Core Securities Limited
Registrars	Meristem Registrars and Probate Services Limited
Auditors	Ernst & Young
Receiving Bank	United Bank for Africa Plc

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the office of Radix Capital Partners Limited, during normal business hours on any weekday (except public holidays), on Wednesday, 31st March, 2021.

- a. Certificate of Incorporation of the Company;
- b. Memorandum and Articles of Association of the Company;
- c. The Company's most recent Form CAC 7 (particulars of Directors and any changes therein);
- d. The Company's most recent Form CAC 2 (Statement of Share Capital and Returns of Allotment of Shares);
- e. Placement Memorandum issued in respect of the Placement;
- f. Shareholders' Resolution authorizing the Placement, which was passed at the meeting of Thursday, 3rd December, 2020;
- g. Resolution of the Board of Directors recommending the Placing, which was passed at the meeting of Tuesday, 3rd November, 2020;
- h. Audited financial statements of the Company for each of the five years ended 31 December, 2019;
- i. List of Claims and Litigations referred to on page 55;
- j. Material Contracts referred to on page 56;
- k. The written consents referred to on page 57;
- l. A letter dated Wednesday, 24th March, 2021 from the SEC approving the Placement; and
- m. A letter dated Friday, 26th March, 2021 from The NSE approving the Placement;

PROCEDURE FOR APPLICATION AND ALLOCATION/ALLOTMENT

The process for participating in this Private Placement for Mutual Benefits Plc's ordinary shares involves the following key steps as discussed below:

Application for shares

- Only the potential strategic investor for whom this Placement Memorandum has been prepared and to whom it is now addressed will apply for shares through the Issuing Houses.
- Application for the shares must be made in accordance with the instructions set out at the back of the Application form. Care must be taken to follow these instructions.
- The Application List for the shares will be open to the potential strategic investor on Wednesday, 31st March, 2021. The number of shares for which the application is being made and the value of payment, to be made through the e-payment mode, should be entered in the boxes provided.
- Each applicant should sign the form, with name and address written in full and any daytime telephone numbers(s) should also be indicated in the boxes provided. The applicant should also affix its seal and state its Incorporation (RC) number if applicable.

APPLICATION FORM

Application List Opening Date

March 31, 2021

ISSUING HOUSE



Application List Closing Date

March 31, 2021

On behalf of



MUTUAL BENEFIT RC:269837

Private Placement of
8,888,888,889 ORDINARY SHARES OF 50 KOBO EACH
AT ₦ 0.54 PER SHARE
Payable in full on Application

Please complete all relevant sections of this Form USING BLOCK LETTERS WHERE APPLICABLE

GUIDE TO APPLICATION										DATE (DD/MM/YYYY)										CONTROL NO. (REGISTRAR USE ONLY)									
Application must be made in accordance with the instruction set out on the back of this application form. Care must be taken to follow these instructions or applications that do not comply may be rejected. If you are in doubt, please consult your Stockbroker, Accountant, Banker, Solicitors or any other professional adviser for guidance										<input type="checkbox"/> I/We am/are 18 years of age or over <input type="checkbox"/> I/We attach the amount payable in full on application for the number of shares in MUTUAL BENEFIT ASSURANCE PLC of 54 Kobo per share <input type="checkbox"/> I/We agree to accept the number or any smaller number of shares in respect of which allotment may be made upon the terms of the Placement and subject to the Memorandum and Articles of Association of MUTUAL BENEFIT ASSURANCE PLC <input type="checkbox"/> I/We declare that I/We have read a copy of the Placement Memorandum dated March 26, 2021, prepared by the Issuing House on behalf of MUTUAL BENEFIT ASSURANCE PLC																			

PARTICIPATION DETAILS (INDIVIDUAL/CORPORATE/JOINT) (Please use one box for one alphabet leaving one box blank between first word and second)

Number of Shares Applied For										Value of Shares Applied for									
1. INDIVIDUAL / CORPORATE APPLICANT										Title									
SURNAME / COMPANY NAME																			
JOINT APPLICANT'S FIRST NAME (IF APPLICABLE)										Other Names									
Surname																			
CONTACT PERSON (FOR CORPORATE APPLICANT) NEXT OF KIN (FOR INDIVIDUAL APPLICANT)																			
ADDRESS IN FULL (PLEASE DO NOT REPEAT APPLICANT(S) NAME. POST BOX ALONE IS NOT SUFFICIENT)																			
Next of Kin																			
CITY:										STATE:									
TEL:										EMAIL:									
CHN NO (CLEARING HOUSE NUMBER)										NAME OF YOUR STOCKBROKER									
Bank Details																			
BANK NAME										BRANCH CODE									
ACCOUNT NO.										CITY/STATE									
BVN																			
Signatures																			
SIGNATURE										2ND SIGNATURE									
NAME OF AUTHORISED SIGNATORY (Corporate Only)										NAME OF SIGNATORY (Corporate/Joint)									
DESIGNATION (Corporate Only)										DESIGNATION (Corporate Only)									

INSTRUCTION FOR COMPLETING THE APPLICATION FORM

1. The application must be made only on the accompanying Application Form.
2. The Application List for the shares will be open to the potential investors on Wednesday, 31st March, 2021
3. The number of shares for which the application is being made and the value of the e-payment made should be entered in the boxes provided.
4. The Application form when completed should be lodged with Meristem Registrars and Probate Services Limited and the evidence of making payment via e-payment should be presented.
5. The Application form, being from a corporate body, must bear the corporate body's seal and be completed under the hand of a duly authorised official or representative.

Application Form
MUTUAL BENEFITS ASSURANCE PLC