

# Announcement

## Update on Bonus Approved by Shareholders for the year ended 31 December 2019 and Proposed Bonus for the 2020 FY

1. At the last Annual General Meeting (“AGM”) of AICO Insurance PLC (“AICO Insurance” or “the Company”), held on 8 December 2020, shareholders approved the issuance of a total of 5,098,591,860 ordinary shares of 50k by way of a bonus issue to shareholders as follows:
  - a. 1 new share for every 8 shares held (1 for 8), payable from retained earnings
  - b. 1 new share for every 5 shares held (1 for 5), payable from share premium
2. The qualification date for the bonus issue was 29 December 2020.
3. In line with the rules and regulations of the Securities and Exchange Commission (“SEC”), the approval of SEC was sought for the registration of the new bonus shares. However, SEC declined the approval for registration of the bonus shares, citing various announcements and changes in qualification dates, among other reasons.
4. The Company shall abide by the SEC directive, even though the bonus issue was undertaken primarily to meet the new minimum capital requirement in the insurance industry. Consequently, the above bonus issue is effectively cancelled, and the Company's financial statements would not reflect any bonus issue for the 31 December 2019 Financial Year. In addition, AICO Insurance's total number of shares in issue, as at 31 December 2020 would reflect 15,687,974,954 shares of 50k each, which translates to N7,843,987,477.
5. It should be recalled that the minimum capital requirement of insurance companies was increased to a share capital of **N18 billion**. AICO Insurance had informed its esteemed shareholders of its plans to meet the new minimum capital requirement, through a Private Placement (completed in February 2020), followed by a Rights Issue to its shareholders (completed in December 2020) and finally by the issue of bonus shares to its shareholders. AICO Insurance remains committed to complete the recapitalization process.
6. The Board of Directors of AICO Insurance PLC, in recognition of the continued support of the shareholders of the Company and in order to meet the new regulatory minimum share capital of N18 billion, has resolved to recommend a new bonus issue **of 12 new Ordinary Shares of 50k each for every 9 shares in issue**, payable as follows:
  - a. 8 new Ordinary shares of 50k each for every 9 shares in issue, payable from the share premium account
  - b. 4 new Ordinary shares of 50k each for every 9 shares in issue, payable from the retained earnings account
7. The qualification date for the new bonus issue is 23 November 2021 and the proposal will be tabled before shareholders at the next AGM scheduled to hold on 30 November 2021. All shares in issue as at the qualification date of 23 November 2021 will qualify for this bonus.
8. We expect this bonus issue to increase the Company's share capital above the required regulatory minimum capital of N18 billion.
9. Following the approval of shareholders of the bonus issue, the Company will apply for the registration of the bonus shares with SEC and apply for the shares to be listed on the Nigerian Exchange Limited.