

# AIICO INSURANCE PLC 2014 AUDITED FINANCIALS

## Group Statement of Comprehensive Income as at 31st December, 2014

	Group		Parent	
	2014	2013	2014	2013
	N'000	N'000	N'000	N'000
<b>Gross Premium Written</b>	<b>33,648,367</b>	<b>23,602,618</b>	<b>33,274,428</b>	<b>22,830,564</b>
Gross Premium Income	20,927,888	23,316,026	20,553,949	22,543,972
Reinsurance Expenses	(4,706,202)	(5,087,812)	(4,706,202)	(4,780,606)
<b>Net Premium Income</b>	<b>16,221,686</b>	<b>18,228,214</b>	<b>15,847,747</b>	<b>17,763,366</b>
<b>Fees and Commission Income</b>				
Insurance contract	1,833,450	1,514,722	739,661	874,108
<b>Net Underwriting Income</b>	<b>18,055,136</b>	<b>19,742,936</b>	<b>16,587,408</b>	<b>18,637,474</b>
<b>Claims Expenses:</b>				
Claims expenses (Gross)	10,467,388	10,187,515	10,467,388	10,187,515
Claims expenses recovered from reinsurer	(1,369,301)	(3,403,431)	(1,369,301)	(3,403,431)
<b>Claims expenses (Net)</b>	<b>9,098,087</b>	<b>6,784,084</b>	<b>9,098,087</b>	<b>6,784,084</b>
Underwriting Expenses	3,734,076	4,077,883	3,465,604	4,077,883
Increase in life fund during the year	-	6,150,308	-	6,150,308
<b>Total underwriting expenses</b>	<b>12,832,163</b>	<b>17,012,275</b>	<b>12,563,691</b>	<b>17,012,275</b>
<b>Underwriting Profit</b>	<b>5,222,973</b>	<b>2,730,661</b>	<b>4,023,717</b>	<b>1,625,199</b>
Investment Income	3,638,947	2,774,835	3,567,792	2,719,288
Investment Income on Deposit Administration	319,816	(185,611)	319,816	(185,611)
Net Realised Gains/(Losses)	181,507	272,815	181,507	272,814
Net Gains/(Losses) on Assets at fair value	13,000	(107,250)	13,000	(107,250)
Other Operating Income	104,624	413,776	104,129	324,904
Employee Benefits Expense	(3,055,865)	(1,981,028)	(2,433,226)	(1,412,856)
Other Operating Expenses	(3,024,220)	(2,763,088)	(2,568,952)	(2,329,477)
Finance cost	(26,630)	(16,691)	-	-
Impairment Loss on Investments	(97,592)	(1,278,914)	(97,592)	(1,278,914)
Impairment Provision on Trade & Reinsurance Receivables	-	(1,139,060)	-	(1,139,060)
<b>Profit/(Loss) before share of associate profit</b>	<b>3,276,560</b>	<b>(1,279,555)</b>	<b>3,110,191</b>	<b>(1,510,963)</b>
Share of associate profit	-	-	-	-
<b>Profit/(loss) before Taxation</b>	<b>3,276,560</b>	<b>(1,279,555)</b>	<b>3,110,191</b>	<b>(1,510,963)</b>
Income Taxes	(1,043,689)	540,329	(978,299)	580,805
<b>Profit/(loss) after Taxation</b>	<b>2,232,871</b>	<b>(739,226)</b>	<b>2,131,892</b>	<b>(930,158)</b>
<b>Attributable to Shareholders</b>	<b>2,179,149</b>	<b>(800,463)</b>	<b>2,131,892</b>	<b>(930,158)</b>
<b>Attributable to Non-Controlling Interest</b>	<b>53,722</b>	<b>61,237</b>	<b>-</b>	<b>-</b>
	<b>2,232,871</b>	<b>(739,226)</b>	<b>2,131,892</b>	<b>(930,158)</b>
<b>Other Comprehensive Income, Net of Tax</b>				
<b>Items within OCI that may be reclassified to the P&amp;L</b>				
* Net gain/(loss) on available-for-sale asset	(1,332,024)	452,312	(1,332,024)	453,779
* Revaluation gain on property & equipment	716,287	-	716,287	-
* Actuarial loss on defined benefit plan	-	118,689	-	118,689
* Income tax relating to other comprehensive income	(523,589)	(35,607)	(523,589)	(35,607)
<b>Total Other Comprehensive Income</b>	<b>(1,139,326)</b>	<b>535,394</b>	<b>(1,139,326)</b>	<b>536,861</b>
<b>Total Comprehensive Income/(Loss) for the year</b>	<b>1,093,545</b>	<b>(203,832)</b>	<b>992,566</b>	<b>(393,297)</b>
<b>Attributable to Shareholders</b>	<b>1,039,823</b>	<b>(262,802)</b>	<b>992,566</b>	<b>(393,297)</b>
<b>Attributable to Non-Controlling Interest</b>	<b>53,722</b>	<b>58,970</b>	<b>-</b>	<b>-</b>
	<b>1,093,545</b>	<b>(203,832)</b>	<b>992,566</b>	<b>(393,297)</b>
<b>Earnings per share</b>				
Basic Earnings Per Share (Kobo)	31.38	(11.55)	30.76	(13.42)
Diluted Earnings Per Share (Kobo)	31.36	(11.52)	30.76	(13.42)

## Group Statement of Financial Position as at 31st December, 2014

	Group		Parent	
	2014	2013	2014	2013
	N'000	N'000	N'000	N'000
<b>Assets</b>				
Cash and Cash Equivalents	7,954,370	8,541,729	6,577,102	7,700,467
Financial Assets	38,172,893	19,045,539	37,322,663	18,536,812
Trade Receivable	210,133	35,772	11,303	35,772
Reinsurance Assets	1,699,319	2,255,233	1,699,319	2,255,233
Deferred acquisition cost	443,945	285,133	443,945	285,133
Other Receivables and Prepayments	321,989	1,804,167	529,581	1,495,485
Deferred Tax Asset	1,696,850	2,907,536	1,531,097	2,741,784
Investment In Subsidiaries	-	-	2,133,417	1,619,479
Investment Properties	1,203,000	1,190,000	1,203,000	1,190,000
Goodwill and Other Intangible Assets	922,524	878,604	886,766	864,914
Property and Equipment	5,183,072	4,657,122	4,988,937	4,493,862
Statutory Deposit	530,000	500,000	530,000	500,000
<b>Total Assets</b>	<b>58,338,095</b>	<b>42,100,835</b>	<b>57,857,130</b>	<b>41,718,941</b>
<b>Liabilities and Equity</b>				
<b>Liabilities</b>				
Insurance Contract Liabilities	35,071,301	21,870,036	35,029,115	21,822,439
Investment Contract Liabilities	6,608,125	6,356,398	6,608,125	6,356,398
Trade Payables	643,762	58,792	643,762	58,792
Retirement Benefit Obligations	-	528,021	-	528,022
Book Overdraft	-	11,489	-	-
Dividend Payable	-	34,154	-	10,041
Other Payables and Accruals	3,702,330	1,776,462	3,399,891	1,491,265
Current Tax Payable	558,874	690,564	492,279	665,405
Deferred Tax Liability	7,364	151,780	-	144,416
Finance Lease Obligation	49,230	-	49,230	-
Cumulative Irredeemable Convertible Preference Shares	-	50,000	-	-
<b>Total liabilities</b>	<b>46,640,986</b>	<b>31,527,696</b>	<b>46,222,401</b>	<b>31,076,778</b>
<b>Equity</b>				
Issued Share Capital	3,465,102	3,465,102	3,465,102	3,465,102
Share Premium	2,824,389	2,824,389	2,824,389	2,824,389
Revaluation Reserves	1,221,707	1,029,009	1,221,707	1,029,009
Available-For-Sale Reserve	581,971	1,913,995	581,400	1,913,424
Statutory Reserve	14,629	-	-	-
Contingency Reserve	3,019,230	2,506,775	2,993,584	2,481,129
Retained Earnings	275,503	(1,407,214)	548,547	(1,070,890)
Cumulative Irredeemable Convertible Preference Shares	50,000	-	-	-
<b>Shareholders Funds</b>	<b>11,452,531</b>	<b>10,332,056</b>	<b>11,634,729</b>	<b>10,642,163</b>
Non Controlling Interest	244,578	241,086	-	-
<b>Total equity of the Group</b>	<b>11,697,109</b>	<b>10,573,142</b>	<b>11,634,729</b>	<b>10,642,163</b>
<b>Total liabilities and equity</b>	<b>58,338,095</b>	<b>42,100,835</b>	<b>57,857,130</b>	<b>41,718,941</b>

These Financial Statements were approved by the Board on 10 March 2015 and signed on its behalf by:

Chief Dele Fajemirokun  
Chairman  
FRC/2013/ODN/0000003604

Mr. Edwin Igbiti  
Group MD/CEO  
FRC/2013/CIIN/0000005551

Mr. Ayodele Bamidele  
CFO  
FRC/2013/ICAN/0000004332

## INDEPENDENT AUDITOR'S REPORT



### To The Members of AIICO Insurance Plc

We have audited the accompanying financial statements of AIICO Insurance PLC ("the Company") and its subsidiary companies (together "the Group"), which comprises the statements of financial position as at 31 December, 2014, and the statements of profit or loss and other comprehensive income, statement of changes in equity, and statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information as set out on pages 21 to 111

### Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Companies and Allied Matters Act of Nigeria, the Financial Reporting Council Act of Nigeria, 2011, the Insurance Act of Nigeria and relevant National Insurance Commission (NAICOM) guidelines and circulars, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, these financial statements give a true and fair view of the financial position of AIICO Insurance PLC ("the Company") and its subsidiaries (together "the Group") as at 31 December, 2014, and of the Group and Company's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies and Allied Matters Act of Nigeria, the Financial Reporting Council Act of Nigeria, 2011, the Insurance Act of Nigeria and relevant National Insurance Commission (NAICOM) guidelines and circulars and the Financial Reporting Council of Nigeria Act.

### Other Matters

The statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and related notes for the year ended 31 December 2013 were audited by another auditor whose report dated 28 April, 2014 expressed an unmodified opinion on the financial statements.

### Report on Other Legal and Regulatory Requirements

#### Compliance with the requirements of Schedule 6 of the Companies and Allied Matters Act of Nigeria

In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books and the Company's statement of financial position and statement of comprehensive income are in agreement with the books of account.

#### Compliance with the requirements of National Insurance Commission of Nigeria Guidelines

The Company incurred penalties in respect of contraventions of the requirements of certain sections of the National Insurance Commission of Nigeria's Operational Guidelines 2011 during the financial year. The details of these contraventions and penalties are disclosed in note 42 of the financial statements.

Signed:

Kabir Okunlola, FCA  
FRC/2012/ICAN/0000000428  
For: KPMG Professional Services  
Chartered Accountants  
9 April 2015  
Lagos, Nigeria.

