

# AIICO INSURANCE PLC 2017 FULL YEAR AUDITED FINANCIALS

## CONSOLIDATED & SEPARATE STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER, 2017

## INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY FINANCIAL INFORMATION

	Group		Parent	
	2017	2016	2017	2016
<i>In thousands of Naira</i>				
<b>Gross premium written</b>	<b>32,097,692</b>	27,064,365	<b>30,407,396</b>	26,428,519
Gross premium income	21,291,729	30,029,334	19,693,468	29,507,169
Reinsurance expenses	(3,790,831)	(3,341,764)	(3,790,831)	(3,341,764)
<b>Net premium income</b>	<b>17,500,898</b>	26,687,570	<b>15,902,637</b>	26,165,405
<b>Fees and Commission income</b>				
Insurance contract	746,084	782,349	746,084	782,349
Pension and other contracts	1,610,122	1,334,953	-	-
<b>Net underwriting income</b>	<b>19,857,105</b>	28,804,872	<b>16,648,721</b>	26,947,754
<b>Claim expenses</b>				
Claims expenses (Gross)	23,273,691	14,940,358	21,784,491	14,571,206
Claims expenses recovered from reinsurer	(2,499,505)	(1,844,168)	(2,499,505)	(1,844,168)
<b>Claims expenses (Net)</b>	<b>20,774,186</b>	13,096,190	<b>19,284,986</b>	12,727,038
Underwriting Expenses	3,105,239	3,260,449	3,007,484	3,205,041
<b>Total Underwriting expenses</b>	<b>23,879,425</b>	16,356,639	<b>22,292,470</b>	15,932,079
<b>Underwriting loss/profit</b>	<b>(4,022,320)</b>	12,448,233	<b>(5,643,749)</b>	11,015,675
Investment income	8,632,454	7,249,662	8,884,693	6,952,345
Profit from deposit administration	212,773	141,091	212,773	141,091
Net realised gains	5,338,155	335,799	5,302,978	318,161
Net fair value (losses)/gains	140,725	176,548	140,725	176,548
Other operating income	871,431	103,984	645,084	47,358
Personnel expenses	(2,944,733)	(2,617,932)	(2,044,148)	(1,818,582)
Other operating expenses	(4,936,546)	(5,119,079)	(4,324,275)	(4,758,088)
Finance cost	(249,257)	(836,571)	(249,257)	(836,571)
Impairment loss on financial assets	(2,193)	(46,499)	-	(42,151)
<b>Profit before taxation</b>	<b>3,040,489</b>	11,835,236	<b>2,924,825</b>	11,195,786
Income taxes	(1,712,168)	(1,533,494)	(1,408,527)	(1,450,341)
Minimum tax	(45,044)	(63,331)	(45,044)	(63,331)
<b>Profit after taxation</b>	<b>1,283,276</b>	10,238,411	<b>1,471,254</b>	9,682,114
Attributable to shareholders	1,222,406	10,209,378	1,471,254	9,682,114
Attributable to non-controlling interest holders	60,871	29,033	-	-
	<b>1,283,276</b>	10,238,411	<b>1,471,254</b>	9,682,114
<b>Other comprehensive income (OCI), net of tax</b>				
<i>Items within OCI that may be reclassified to profit or loss:</i>				
Net gain/loss on available for sale financial assets	993,044	(11,341,921)	927,023	(11,295,895)
Revaluation gain on property and equipment	829,936	-	829,936	-
Exchange gains on available-for-sale financial assets	(448,287)	496,451	(448,287)	496,451
Income tax relating to other comprehensive income	(252,031)	(47,995)	(252,031)	(47,995)
<b>Total other comprehensive profit/(loss)</b>	<b>1,122,661</b>	(10,893,465)	<b>1,056,641</b>	(10,847,439)
<b>Total comprehensive profit/(loss) for the year</b>	<b>2,405,938</b>	(655,054)	<b>2,527,894</b>	(1,165,325)
Attributable to shareholders	2,345,067	(681,689)	2,527,894	(1,165,325)
Attributable to non-controlling interest	60,871	26,636	-	-
	<b>2,405,938</b>	(655,054)	<b>2,527,894</b>	(1,165,325)
Basic Earnings Per Share (Kobo)	18	147	21	140
Diluted earnings per share (Kobo)	13	105	16	100

To the Members of AIICO Insurance PLC:

### Report on the Summary Financial Information

#### Opinion

The summary financial information, which comprise the consolidated and separate statement of financial position as at 31 December, 2017, and the consolidated and separate statement of profit or loss and other comprehensive income, are derived from the audited financial statements of AIICO Insurance PLC ("the Company") and its subsidiary companies (together, "the Group") for the year ended 31 December 2017.

In our opinion, the accompanying summary financial information are consistent, in all material respects, with the audited financial statements, in accordance with the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004, the Financial Reporting Council of Nigeria Act, 2011, the Insurance Act, 2003 and the relevant National Insurance Commission of Nigeria ("NAICOM") Guidelines and Circulars.

#### Summary Financial Information

The summary financial information do not contain all the disclosures required by the International Financial Reporting Standards, the Companies and Allied Matters Act of Nigeria, Cap C.20, Laws of the Federation of Nigeria 2004, the Financial Reporting Council of Nigeria Act, 2011, the Insurance Act of Nigeria, 2003 and relevant National Insurance Commission of Nigeria (NAICOM) guidelines and circulars. Reading the summary financial information and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements of the Company and Group and the auditor's report thereon.

#### The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 26 March 2018. That report also includes the communication of key audit matters. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year.

#### Directors' Responsibility for the Summary Financial Information

The Directors are responsible for the preparation of the summary financial information in accordance with the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004, and the Insurance Act, 2003.

#### Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary financial information are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.

#### Report on Other Legal and Regulatory Requirements

During the year, National Insurance Commission (NAICOM) imposed a fine on the Company for non compliance with Section 2.5.7 of NAICOM Market and Conduct and Business Practice Guidelines for Insurance Institutions in Nigeria. Details of the penalties paid are disclosed in the financial statements.

## CONSOLIDATED & SEPARATE STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2017

	Group		Parent	
	2017	2016	2017	2016
<i>In thousands of Naira</i>				
<b>ASSETS</b>				
Cash and cash equivalents	5,199,385	7,491,178	3,949,642	4,335,655
Financial assets	73,635,612	56,556,261	67,970,438	54,677,784
Trade receivables	301,172	411,969	59,106	133,022
Reinsurance assets	3,644,489	2,816,503	3,644,489	2,816,503
Deferred acquisition costs	334,935	285,232	334,935	285,232
Other receivables and prepayments	454,902	324,457	391,384	230,216
Deferred tax asset	157,008	1,088,677	-	978,114
Investment in subsidiaries	-	-	2,308,690	2,308,690
Investment property	582,000	990,000	582,000	990,000
Goodwill and other intangible assets	1,060,451	1,092,031	1,032,242	1,080,822
Property and equipment	6,513,175	5,915,891	6,220,962	5,546,923
Statutory deposits	530,000	530,000	530,000	530,000
<b>Total assets</b>	<b>92,413,127</b>	77,502,199	<b>87,023,887</b>	73,912,962
<b>LIABILITIES</b>				
Investment contract liabilities	59,959,751	49,987,893	59,766,360	49,805,659
Insurance contract liabilities	10,909,624	10,061,636	10,909,624	10,061,636
Trade payables	1,721,918	1,599,841	1,711,219	1,599,841
Other payables and accruals	1,325,766	1,787,088	1,187,974	1,738,392
Fixed income liabilities	3,981,591	2,531,870	-	-
Current tax payable	826,643	623,761	426,920	572,512
Deferred tax liability	547,017	270,408	517,268	265,237
Finance lease obligation	-	7,368	-	7,368
Borrowings	2,182,289	1,785,650	2,182,289	1,785,650
Derivative liabilities	-	143,725	-	143,725
<b>Total liabilities</b>	<b>81,454,599</b>	68,799,221	<b>76,701,654</b>	65,980,021
<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	1,802,662	1,221,707	1,802,662	1,221,707
Available for sale reserves	(13,072,413)	(14,065,457)	(13,092,408)	(14,019,431)
Exchange gains/(loss) reserve	145,640	596,977	145,640	596,977
Statutory reserve	116,458	96,688	-	-
Contingency reserve	5,182,190	4,703,531	5,182,190	4,703,531
Retained earnings	10,083,426	9,498,054	9,994,656	9,140,665
Equity attributable to owners of the Company	10,547,455	8,340,991	10,322,233	7,932,941
Non controlling interest	411,073	361,987	-	-
<b>Total equity</b>	<b>10,958,528</b>	8,702,978	<b>10,322,233</b>	7,932,941
<b>Total liabilities and equity</b>	<b>92,413,127</b>	77,502,199	<b>87,023,887</b>	73,912,962

These financial statements were approved by the Board on March 20, 2018 and signed on its behalf by:

 Mr. Bukola Oluwadiya Chairman FRC/2013/CISN/00000005132	 Mr. Edwin Igbiti Group MD/CEO FRC/2013/CIN/00000005551	 Mr. Ayodele Bamidele CFO FRC/2013/CAN/00000004332
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Signed:

  
Kabir O. Okunola, FCA  
FRC/2012/ICAN/00000000428  
For: KPMG Professional Services  
Chartered Accountants  
26 March 2018  
Lagos, Nigeria

