

# SUMMARY CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

The Directors present the summary consolidated and separate financial statements of AIICO Insurance Plc for the year ended 31 December 2019. These summary consolidated and separate financial statements are derived from the full consolidated and separate financial statements for the year ended 31 December 2019 and are not the full consolidated and separate financial statements of the Group. The Group's Independent Auditors issued an unqualified audit opinion on the full consolidated and separate financial statements for the year ended 31 December 2019 from which these summary consolidated and separate financial statements were derived. The full consolidated and separate financial statements are available on the Company's website [www.aiicopl.com](http://www.aiicopl.com).

## CONSOLIDATED & SEPARATE STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER, 2019

In thousands of naira	Group		Parent	
	2019	2018	2019	2018
<b>Gross premium written</b>	<b>50,138,467</b>	<b>37,665,507</b>	<b>49,440,231</b>	<b>37,002,279</b>
Gross premium income	50,008,832	37,046,927	49,376,338	36,441,690
Reinsurance expenses	(6,232,810)	(5,181,225)	(6,232,810)	(5,181,225)
<b>Net premium income</b>	<b>43,776,022</b>	<b>31,865,701</b>	<b>43,143,528</b>	<b>31,260,465</b>
<b>Fee/commission income</b>				
Insurance contracts	1,433,827	1,161,366	1,433,827	1,161,366
Pension and other contracts	1,820,852	1,762,554	-	-
<b>Net underwriting income</b>	<b>47,030,701</b>	<b>34,789,621</b>	<b>44,577,355</b>	<b>32,421,831</b>
<b>Claims expenses:</b>				
Claims expenses (Gross)	30,608,604	29,065,365	30,151,535	28,552,048
Claims expenses recovered from reinsurers	(5,227,996)	(5,196,211)	(5,227,996)	(5,196,211)
<b>Claims expenses (Net)</b>	<b>25,380,608</b>	<b>23,869,154</b>	<b>24,923,539</b>	<b>23,355,837</b>
Underwriting expenses	6,260,563	4,415,428	6,189,049	4,331,084
Change in life fund	10,077,589	3,414,748	10,077,589	3,414,748
Change in annuity fund	8,388,032	(1,456,737)	8,388,032	(1,456,737)
Change in other investment contracts	3,266,802	1,333,148	3,266,802	1,333,148
<b>Total underwriting expenses</b>	<b>53,373,595</b>	<b>31,575,741</b>	<b>52,845,011</b>	<b>30,978,080</b>
<b>Underwriting (loss)/profit</b>	<b>(6,342,894)</b>	<b>3,213,880</b>	<b>(8,267,656)</b>	<b>1,443,752</b>
Investment income	10,580,837	9,051,954	9,087,686	8,306,149
Profit from deposit administration	11,269	193,394	11,269	193,394
Net realised gains	12,589,694	2,366,319	12,590,253	2,363,429
Net fair value (gains / losses)	1,652,807	(2,524,642)	1,652,807	(2,524,642)
Other operating income	552,056	763,492	202,800	489,192
Personnel expenses	(5,526,226)	(3,571,708)	(4,183,247)	(2,241,468)
Other operating expenses	(6,673,582)	(5,624,826)	(5,297,475)	(4,712,776)
Finance cost	(431,328)	(355,539)	(431,328)	(355,539)
Impairment (loss)/reversal	(178,782)	(16,455)	(141,155)	5,025
<b>Profit before income tax</b>	<b>6,233,852</b>	<b>3,495,871</b>	<b>5,223,954</b>	<b>2,966,516</b>
Income tax expense	(323,513)	(319,687)	(66,695)	(337,510)
Minimum tax	-	(24,594)	-	(24,594)
<b>Profit after income tax</b>	<b>5,910,338</b>	<b>3,151,589</b>	<b>5,157,259</b>	<b>2,604,412</b>
<b>Attributable to shareholders</b>	<b>5,784,443</b>	<b>3,044,154</b>	<b>5,157,259</b>	<b>2,604,412</b>
<b>Attributable to non-controlling interest holders</b>	<b>125,895</b>	<b>107,436</b>	<b>-</b>	<b>-</b>
<b>Other comprehensive income, net of tax</b>				
<b>Items within OCI that may be reclassified to profit or loss</b>				
Net gain on financial assets	3,139,394	(808,923)	1,781,081	(595,041)
Exchange gains on financial assets	12,234	1,803	12,234	1,803
Income tax relating to other comprehensive	-	-	-	-
<b>Items within OCI that will not be reclassified to profit or loss</b>				
Fair value (loss)/gain on equity securities	(298,382)	407,788	(227,697)	406,810
Revaluation gain on property and equipment	10,045	-	10,045	-
<b>Total other comprehensive profit/ (loss)</b>	<b>2,863,291</b>	<b>(399,333)</b>	<b>1,575,663</b>	<b>(186,429)</b>
<b>Total comprehensive profit for the year</b>	<b>8,773,628</b>	<b>2,752,257</b>	<b>6,732,921</b>	<b>2,417,983</b>
<b>Attributable to shareholders</b>	<b>8,496,833</b>	<b>2,666,112</b>	<b>6,732,921</b>	<b>2,417,983</b>
<b>Attributable to non-controlling interests</b>	<b>276,795</b>	<b>86,145</b>	<b>-</b>	<b>-</b>
<b>Basic earnings per share (Kobo)</b>	<b>83</b>	<b>44</b>	<b>74</b>	<b>38</b>
<b>Diluted earnings per share (Kobo)</b>	<b>83</b>	<b>35</b>	<b>74</b>	<b>30</b>

## CONSOLIDATED & SEPARATE STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER, 2019

In thousands of naira	Group		Parent	
	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
<b>Assets</b>				
Cash and cash equivalents	10,080,164	5,324,739	8,166,352	4,519,953
Financial assets	126,827,073	89,240,430	103,414,529	76,757,634
Trade receivables	386,749	417,103	303,106	131,841
Reinsurance assets	5,460,569	4,686,029	5,460,569	4,686,029
Deferred acquisition costs	488,884	465,991	488,884	465,991
Other receivables and prepayments	6,227,700	580,618	5,762,765	408,428
Deferred tax assets	149,379	149,379	-	-
Investment in subsidiaries	-	-	2,452,359	2,452,359
Investment properties	772,000	555,000	772,000	555,000
Goodwill and other intangible assets	985,861	1,014,085	906,680	965,905
Property and equipment	7,597,843	7,025,197	7,036,211	6,697,108
Statutory deposits	500,000	530,000	500,000	530,000
<b>Total assets</b>	<b>159,476,222</b>	<b>109,988,570</b>	<b>135,263,455</b>	<b>98,170,248</b>
<b>Liabilities and equity</b>				
<b>Liabilities</b>				
Insurance contract liabilities	84,986,351	65,540,532	84,766,122	65,341,550
Investment contract liabilities	16,201,367	12,319,617	16,201,367	12,319,617
Trade payables	1,839,238	1,013,475	1,512,394	839,400
Other payables and accruals	3,650,286	2,213,547	3,406,751	2,002,558
Fixed income liabilities	20,143,047	10,181,251	-	-
Current income tax payable	487,112	590,976	361,505	507,241
Deferred tax liabilities	629,281	533,836	441,416	487,836
Finance lease obligation	-	-	-	-
Borrowings	2,629,477	2,324,733	2,629,477	2,324,733
Derivative liabilities	-	-	-	-
<b>Total liabilities</b>	<b>130,566,159</b>	<b>94,717,967</b>	<b>109,319,032</b>	<b>83,822,935</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	1,812,707	1,802,662	1,812,707	1,802,662
Fair value reserve	1,995,336	(1,143,847)	828,179	(952,902)
Foreign exchange gains reserve	159,677	147,443	159,677	147,443
Statutory reserve	167,874	143,882	-	-
Contingency reserve	6,320,410	5,807,411	6,320,410	5,807,411
Retained earnings	5,888,970	1,479,002	5,253,959	1,253,208
Deposit for shares	5,280,000	-	5,280,000	-
<b>Shareholders' funds</b>	<b>27,914,464</b>	<b>14,526,044</b>	<b>25,944,423</b>	<b>14,347,313</b>
Non-controlling interests	995,599	744,559	-	-
<b>Total equity</b>	<b>28,910,063</b>	<b>15,270,603</b>	<b>25,944,423</b>	<b>14,347,313</b>
<b>Total liabilities and equity</b>	<b>159,476,222</b>	<b>109,988,570</b>	<b>135,263,455</b>	<b>98,170,248</b>

These financial statements were approved by the Board on February 27, 2020 and signed on its behalf by:

**Mr. Kundan Sainani**  
Director  
FRC/2013/IODN/00000003622

**Mr. Babatunde Fajemirokun**  
MD/CEO  
FRC/2015/MULTI/00000019973

**Mr. Oladeji Oluwatola**  
Chief Financial Officer  
FRC/2013/ICAN/0000004910

## INDEPENDENT AUDITOR'S REPORT

### To the Members of AIICO Insurance Plc

#### Opinion

The summarised financial statements of AIICO Insurance Plc ("the Company") and its subsidiaries (collectively "the Group"), which comprise the consolidated and separate statements of financial position as at 31 December 2019, the consolidated and separate statements of profit and loss and other comprehensive income for the year ended as at 31 December 2019, are derived from the consolidated and separate financial statements of AIICO Insurance Plc ("the Company") and its subsidiaries (collectively "the Group") as at 31 December 2019.

In our opinion, the accompanying summary consolidated and separate financial statements are consistent, in all material respects, with the consolidated and separate financial statements from which they were derived.

#### Summary Consolidated and Separate Financial Statements

The summary consolidated and separate financial statements do not contain all the disclosures required by the International Financial Reporting Standards, the provision of Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, the Insurance Act 2003 and relevant policy guidelines issued by the National Insurance Commission (NAICOM), the Pension Reform Act 2014, the Investment and Securities Act 2007 and the Financial Reporting Council of Nigeria Act No. 6, 2011 applied in the preparation of the consolidated and separate financial statements of the Group. Reading the accompanying summary consolidated and separate financial statements, therefore, is not a substitute for reading the full consolidated and separate financial statements of the Company and Group.

#### The Consolidated and Separate Financial Statements and Our Report Thereon

We have audited the consolidated and separate financial statements of AIICO Insurance Plc ("the Company") and its subsidiaries (collectively "the Group") as at 31 December 2019, from which the summary consolidated and separate financial statements were derived, in accordance with the International Standards on Auditing. We expressed an unqualified opinion on the consolidated and separate financial statements in our report dated 19 March 2020. That report also includes a description of the Group's Valuation of Insurance Contract Liabilities and Reserve Adequacy Testing as Key Audit Matter.

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

The Directors are responsible for the preparation and fair presentation of these summary consolidated and separate financial statements in accordance with International Financial Reporting Standards, the provisions of Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, the Insurance Act 2003 and relevant policy guidelines issued by the National Insurance Commission (NAICOM), the Pension Reform Act 2014, the Investment and Securities Act 2007, the Financial Reporting Council of Nigeria Act No. 6,

2011 and for such internal control as the Directors determine is necessary to enable the preparation of the consolidated and separate financial statements that are free from material misstatements whether due to fraud or error.

#### Auditor's Responsibility for the Summary Financial Statements

Our responsibility is to express an opinion on the summary consolidated and separate financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA) 810 - (Revised), Engagements to Report on Summary Financial Statements

#### Report on Other Legal and Regulatory Requirements

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- In our opinion, proper books of account have been kept by the Company, in so far as it appears from our examination of those books;
- The Group and Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.
- In our opinion, the consolidated and separate financial statements have been prepared in accordance with the provisions of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004 and Section 28(2) of the Insurance Act 2003 so as to present fairly the consolidated and separate statements of profit or loss and other comprehensive income of the Company and its subsidiaries.

#### Contraventions

The Group incurred penalties in respect of contraventions of the requirement of certain sections of the National Insurance Commission's Operational Guideline 2015 and the Financial Reporting Council of Nigeria Act No. 6, 2011 during the financial year. The details of the contraventions and penalties are disclosed in the Notes to the consolidated and separate financial statements.

Oluwasayo Elumaro, FCA  
FRC/2012/ICAN/0000000139  
For Ernst & Young  
Lagos, Nigeria  
11 March 2020

