

AIICO INSURANCE PLC 2020 HALF YEAR UNAUDITED FINANCIAL REPORT

CONSOLIDATED & SEPARATE STATEMENT OF FINANCIAL POSITION FOR THE PERIOD ENDED 30 JUNE 2020

In thousands of naira	Group		Parent	
	30-Jun-20	31-Dec-19	30-Jun-20	31-Dec-19
Assets				
Cash and cash equivalents	12,866,565	10,080,164	9,863,285	8,166,352
Financial assets	183,078,735	126,827,073	127,266,856	103,414,529
Trade receivables	919,044	386,749	609,576	303,106
Reinsurance assets	8,476,801	5,460,569	8,476,801	5,460,569
Deferred acquisition costs	721,222	488,884	721,222	488,884
Other receivables and prepayments	1,654,187	6,227,700	1,444,833	5,762,765
Deferred tax assets	154,862	149,379	-	-
Investment in subsidiaries	-	-	1,087,317	2,452,359
Investment properties	772,000	772,000	772,000	772,000
Goodwill and other intangible assets	907,408	985,862	866,763	906,680
Property and equipment	7,451,831	7,597,843	7,220,226	7,036,211
Statutory deposits	500,000	500,000	500,000	500,000
Assets classified as held for sale	2,176,544	-	1,365,042	-
Total assets	219,679,198	159,476,222	160,193,919	135,263,455
Liabilities and equity				
Liabilities				
Insurance contract liabilities	106,913,311	84,986,351	106,646,853	84,766,122
Investment contract liabilities	19,307,445	16,201,367	19,307,445	16,201,367
Trade payables	1,381,024	1,839,238	1,349,660	1,512,394
Other payables and accruals	11,467,712	3,650,286	3,460,782	3,406,751
Fixed income liabilities	46,859,180	20,143,047	-	-
Current income tax payable	119,365	487,112	69,999	361,505
Deferred tax liabilities	155,866	629,281	-	441,416
Finance lease obligation	-	-	-	-
Borrowings	1,504,329	2,629,477	1,504,329	2,629,477
Liabilities attributable to assets held for sale	348,474	-	-	-
Derivative liabilities	-	-	-	-
Total liabilities	188,056,707	130,566,159	132,339,069	109,319,032
Equity				
Issued share capital	5,665,102	3,465,102	5,665,102	3,465,102
Share premium	5,826,193	2,824,389	5,826,193	2,824,389
Revaluation reserves	1,812,707	1,812,707	1,812,707	1,812,707
Fair value reserve	1,890,223	1,995,336	414,719	828,179
Foreign exchange gains reserve	175,599	159,677	175,599	159,677
Statutory reserves	-	167,874	-	-
Contingency reserve	6,703,272	6,320,410	6,703,272	6,320,410
Retained earnings	8,293,662	5,888,970	7,257,258	5,253,959
Deposit for shares	-	5,280,000	-	5,280,000
Statutory reserves of disposal assets classified as held for sale	167,874	-	-	-
Shareholders' funds	30,534,632	27,914,465	27,854,850	25,944,424
Non-controlling interests	1,087,859	995,599	-	-
Total equity	31,622,491	28,910,063	27,854,850	25,944,424
Total liabilities and equity	219,679,198	159,476,222	160,193,919	135,263,455

These financial statements were approved by the Board on July 30, 2020 and signed on its behalf by:

Mr. Oladeji Oluwatola
Chief Financial Officer

FRC/2013/ICAN/0000004910

Mr. Babatunde Fajemirokun
Managing Director/ Chief Executive Officer

FRC/2015/MULTI/00000019973

Mr. Kundan Sainani
Chairman

FRC/2013/IODN/00000003622

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Authorized and Regulated by the National Insurance Commission. RIC No. 004

CONSOLIDATED & SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2020

In thousands of naira	Group		Parent	
	30-Jun-20	30-Jun-19	30-Jun-20	30-Jun-19
Gross premium written	31,923,129	25,422,023	31,466,681	25,045,201
Gross premium income	29,071,849	23,385,827	28,756,471	23,015,423
Reinsurance expenses	(3,284,231)	(2,782,419)	(3,284,231)	(2,782,419)
Net premium income	25,787,618	20,603,407	25,472,240	20,233,004
Fee/commission income				
Insurance contracts	777,920	654,793	777,920	654,793
Pension and other contracts	280,422	138,321	-	-
Net underwriting income	26,845,959	21,396,521	26,250,160	20,887,797
Claims expenses:				
Claims expenses (Gross)	18,021,473	15,707,015	17,860,277	15,550,124
Claims expenses recovered from reinsurers	(3,566,830)	(3,388,908)	(3,566,830)	(3,388,908)
Claims expenses (Net)	14,454,643	12,318,107	14,293,447	12,161,216
Underwriting expenses	3,434,428	3,141,304	3,420,577	3,100,127
Change in life fund	10,053,011	5,880,859	10,053,011	5,880,859
Change in annuity fund	6,835,801	4,209,798	6,835,802	4,209,798
Change in other investment contracts	2,926,631	1,494,084	2,926,631	1,494,084
Total underwriting expenses	37,704,515	27,044,152	37,529,468	26,846,084
Underwriting (loss)/profit	(10,858,557)	(5,647,632)	(11,279,308)	(5,958,287)
Investment income	7,577,081	5,228,481	5,006,886	4,687,631
Profit from deposit administration	43,648	48,640	43,648	48,640
Net realised gains	264,717	1,215,823	264,717	1,214,943
Net fair value (gains / losses)	11,508,854	6,295,215	11,508,854	6,295,215
Other operating income	133,518	122,750	7,178	122,590
Personnel expenses	(1,739,903)	(1,809,207)	(1,374,947)	(1,488,514)
Other operating expenses	(2,646,341)	(2,245,944)	(2,320,614)	(2,105,493)
Finance cost	(2,110,819)	(181,614)	(96,743)	(181,614)
Impairment (loss)/reversal	-	(10,742)	-	(10,646)
Profit before income tax from continuing operations	2,172,197	3,015,772	1,759,671	2,624,465
Income tax expense	616,646	(164,679)	626,491	(146,675)
Minimum tax	-	-	-	-
Profit after tax from continuing operations	2,788,842	2,851,092	2,386,162	2,477,790
Discontinued operations				
Profit after tax from discontinued operations	72,222	92,729	-	-
Profit for the period	2,861,064	2,943,821	2,386,162	2,477,790
Attributable to shareholders	2,787,555	2,836,385	2,386,162	2,477,790
Attributable to non-controlling interest holders	73,509	107,436	-	-
Total other comprehensive profit/ (loss)	2,861,064	2,943,821	2,386,162	2,477,790
Other comprehensive income, net of tax				
Items within OCI that may be reclassified to profit or loss				
Net gain on financial assets	(86,362)	518,775	(258,939)	297,613
Exchange gains on financial assets	15,922	-	15,922	-
Income tax relating to other comprehensive income	-	-	-	-
Items within OCI that will not be reclassified to profit or loss				
Fair value (loss)/gain on equity securities	(154,520)	(789,810)	(154,520)	(701,207)
Revaluation gain on property and equipment	-	9,573	-	9,573
Total other comprehensive profit/ (loss)	(224,961)	(261,462)	(397,537)	(394,020)
Total comprehensive profit for the period	2,636,103	2,682,360	1,988,625	2,083,769
Attributable to shareholders	2,562,594	2,596,214	1,988,625	2,083,769
Attributable to non-controlling interests	73,509	86,145	-	-
Total comprehensive profit/ (loss)	2,636,103	2,682,360	1,988,625	2,083,769
Basic earnings per share (Kobo)	40	41	34	36
Diluted earnings per share (Kobo)	40	34	34	29

CONSOLIDATED & SEPARATE STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2020

In thousands of naira	Group		Parent	
	30-Jun-20	30-Jun-19	30-Jun-20	30-Jun-19
Operating activities:				
Total premium received	31,576,026	14,049,026	31,345,403	14,028,022
Commission received	824,506	617,770	544,084	94,201
Commission paid	(3,288,880)	(1,454,127)	(3,275,028)	(1,440,876)
Premium paid in advance	338,328	77,133	338,328	77,133
Reinsurance premium paid	(5,055,229)	(1,598,925)	(5,055,229)	(1,598,925)
Gross benefits and claims paid	(15,768,778)	(7,313,216)	(15,578,480)	(7,224,862)
Claims recoveries	5,349,771	836,635	5,349,771	836,635
Receipt from deposit administration	153,682	110,994	153,682	110,994
Withdrawal from deposit administration	(31,240)	(25,757)	(31,240)	(25,757)
Other underwriting expenses paid	(610,225)	(281,482)	(610,225)	(281,482)
Payments to employees	(1,739,903)	(1,152,986)	(1,374,947)	(799,868)
Other operating cash payments	4,392,301	(1,696,311)	(3,332,750)	(1,367,564)
Other income received	268,799	205,329	142,459	71,900
Fixed income received	26,716,133	3,345,193	-	-
Income tax paid	(185,583)	-	(106,430)	-
Net cash flows from operating activities	42,939,708	5,719,275	8,509,397	2,479,550
Investing activities:				
Interest income received	4,048,253	1,450,525	1,797,133	252,267
Purchase of property and equipment	(432,564)	(1,062,943)	(414,868)	(61,226)
Purchase of intangibles	(34,585)	(51,073)	-	-
Proceeds from sale of property and equipment	8,282	28,633	1,407	15,268
Purchase of financial assets at amortized cost	(13,312,342)	(6,948,219)	(9,383,189)	(7,168,299)
Purchase of financial assets at FVTOCI	(58,604,987)	(11,044,505)	(8,739,670)	(8,373,077)
Purchase of financial assets at FVTPL	(107,358,470)	(29,585,825)	(107,358,470)	(29,585,825)
Proceed on disposal/ redemption of financial assets	138,078,283	44,945,456	118,492,866	44,930,003
Net cash flows (used in)/from investing activities	(37,608,130)	(2,267,950)	(5,604,791)	9,112
Financing activities:				
Convertible loan & interest payment	(1,207,674)	(113,622)	(1,207,674)	(113,622)
Net cash flows from/(used in) financing activities	(1,207,674)	(113,622)	(1,207,674)	(113,622)
Net increase in cash and cash equivalents	4,123,904	3,337,703	1,696,933	2,375,041
Cash and cash equivalents at 1 January	10,080,164	5,324,739	8,166,352	4,519,953
Included in the assets of the disposal group	(1,337,503)	-	-	-
Cash and cash equivalents as at	12,866,565	8,662,443	9,863,285	6,894,994