

AIICO INSURANCE PLC 2020 3RD QUARTER UNAUDITED FINANCIAL REPORT

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

In thousands of naira	Group		Parent	
	30-Sep-20	31-Dec-19	30-Sep-20	31-Dec-19
Assets				
Cash and cash equivalents	26,007,437	10,080,164	7,702,087	8,166,352
Financial assets	194,324,578	126,827,073	144,889,988	103,414,529
Trade receivables	911,203	386,749	653,226	303,106
Reinsurance assets	10,191,919	5,460,569	10,191,919	5,460,569
Deferred acquisition costs	787,589	488,884	787,589	488,884
Other receivables and prepayments	1,614,915	6,227,700	1,398,055	5,762,765
Deferred tax assets	154,717	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	908,529	985,862	858,354	906,680
Property and equipment	7,467,505	7,597,843	7,208,527	7,036,211
Statutory deposits	500,000	500,000	500,000	500,000
Assets classified as held for sale	2,200,566	-	1,365,042	-
Total assets	245,840,958	159,476,222	177,414,103	135,263,455
Liabilities and equity				
Liabilities				
Insurance contract liabilities	122,782,410	84,986,351	122,564,218	84,766,122
Investment contract liabilities	20,640,275	16,201,367	20,640,275	16,201,367
Trade payables	1,806,104	1,839,238	1,491,769	1,512,394
Other payables and accruals	3,870,004	3,650,286	3,261,705	3,406,751
Fixed income liabilities	61,348,879	20,143,047	-	-
Current income tax payable	153,730	487,112	69,999	361,505
Deferred tax liabilities	155,866	629,281	-	441,416
Borrowings	1,506,019	2,629,477	1,506,019	2,629,477
Liabilities attributable to assets held for sale	372,649	-	-	-
Total liabilities	212,635,936	130,566,159	149,533,986	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	1,192,728	1,995,336	(283,560)	828,179
Foreign exchange gains reserve	175,600	159,677	175,600	159,677
Statutory reserves	-	167,874	-	-
Contingency reserve	6,799,563	6,320,410	6,799,563	6,320,410
Retained earnings	10,307,209	5,888,970	7,884,513	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	31,946,975	27,914,465	27,880,118	25,944,424
Non-controlling interests	1,258,049	995,599	-	-
Total equity	33,205,024	28,910,063	27,880,118	25,944,424
Total liabilities and equity	245,840,958	159,476,222	177,414,103	135,263,455

These financial statements were approved by the Board on 29 October 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 SEPTEMBER 2020

In thousands of naira	Group		Parent	
	30-Sep-20	30-Sep-19	30-Sep-20	30-Sep-19
Gross premium written	47,194,259	37,046,663	46,624,645	36,487,567
Gross premium income	44,132,294	35,555,001	43,652,878	35,087,273
Reinsurance expenses	(5,366,699)	(4,476,911)	(5,366,699)	(4,476,911)
Net premium income	38,765,595	31,078,090	38,286,179	30,610,362
Fee/commission income				
Insurance contracts	1,089,654	1,079,070	1,089,654	1,079,070
Pension and other contracts	341,619	273,581	-	-
Net underwriting income	40,196,868	32,430,741	39,375,833	31,689,432
Claims expenses:				
Claims expenses (Gross)	29,630,349	23,172,977	29,313,923	22,880,857
Claims expenses recovered from reinsurers	(6,853,525)	(4,675,778)	(6,853,525)	(4,675,778)
Claims expenses (Net)	22,776,824	18,497,199	22,460,398	18,205,079
Underwriting expenses	5,654,324	4,391,680	5,620,942	4,330,429
Change in life fund	18,593,296	6,597,744	18,593,296	6,597,744
Change in annuity fund	11,459,179	5,440,912	11,459,179	5,440,912
Change in other investment contracts	4,145,613	2,283,630	4,145,613	2,283,630
Total underwriting expenses	62,629,236	37,211,165	62,279,428	36,857,794
Underwriting (loss)/profit	(22,432,368)	(4,780,424)	(22,903,595)	(5,168,362)
Investment income	10,625,486	7,841,011	7,730,453	6,933,971
Profit from deposit administration	51,552	59,553	51,552	59,553
Net realised gains	1,505,145	1,881,952	1,505,145	1,881,078
Net fair value (gains / losses)	21,044,467	6,244,480	21,044,467	6,244,480
Other operating income	1,234,583	126,489	1,078,225	124,583
Personnel expenses	(2,869,532)	(2,639,926)	(2,065,230)	(2,139,662)
Other operating expenses	(4,401,267)	(3,543,600)	(3,737,777)	(3,300,366)
Finance cost	(96,743)	(192,342)	(96,743)	(192,342)
Impairment (loss)/reversal	-	(10,742)	-	(10,646)
Profit before income tax from continuing operations	4,661,324	4,986,452	2,606,497	4,432,287
Income tax expense	564,578	(503,721)	626,491	(454,000)
Minimum tax	-	-	-	-
Profit after tax from continuing operations	5,225,901	4,482,730	3,232,988	3,978,287
Discontinued operations				
Profit after tax from discontinued operations	179,465	126,861	-	-
Profit for the year	5,405,366	4,609,591	3,232,988	3,978,287
Attributable to shareholders	5,135,874	4,503,146	3,232,988	3,978,287
Attributable to non-controlling interest holders	269,492	106,445	-	-
Other comprehensive income, net of tax				
Items within OCI that may be reclassified to profit or loss				
Net gain on financial assets	(817,674)	735,169	(1,111,738)	850,956
Exchange gains on financial assets	15,923	-	15,923	-
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	(167,752)	(789,810)	(123,279)	(701,207)
Revaluation gain on property and equipment	-	10,045	-	10,045
Total other comprehensive profit/ (loss)	(969,502)	(44,596)	(1,219,094)	159,794
Total comprehensive profit for the year	4,435,864	4,564,995	2,013,893	4,138,081
Attributable to shareholders	4,166,372	4,478,984	2,013,893	4,138,081
Attributable to non-controlling interests	269,492	86,011	-	-
Basic earnings per share (Kobo)	45	65	29	57
Diluted earnings per share (Kobo)	45	54	29	48

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

In thousands of naira	Group		Parent	
	2020	2019	2020	2019
Operating activities:				
Total premium received	47,036,144	34,439,749	46,640,864	36,079,544
Commission received	1,179,545	2,270,502	837,926	983,423
Commission paid	(5,128,935)	(3,913,828)	(5,095,552)	(3,840,648)
Premium paid in advance	563,283	88,257	563,283	88,257
Reinsurance premium paid	(7,271,145)	(5,213,478)	(7,271,145)	(5,213,478)
Gross benefits and claims paid	(24,882,896)	(21,750,810)	(24,539,976)	(21,403,916)
Claims recoveries	10,313,013	3,826,856	10,313,013	3,826,856
Receipt from deposit administration	240,231	210,242	240,231	210,242
Withdrawal from deposit administration	(41,843)	(69,943)	(41,843)	(69,943)
Other underwriting expenses paid	(1,122,800)	(683,711)	(1,122,800)	(683,711)
Payments to employees	(2,869,532)	(3,199,212)	(2,065,230)	(2,139,662)
Other operating cash payments	12,313,519	(4,602,499)	(8,043,565)	(3,739,756)
Other income received	391,282	161,800	228,462	156,942
Fixed income received	41,205,832	10,472,392	-	-
Statutory deposit	-	-	-	-
Income tax paid	(203,287)	(326,408)	(106,430)	(258,851)
Net cash flows from operating activities	71,722,410	11,709,909	10,537,238	3,995,299
Investing activities:				
Interest income received	7,142,579	4,918,093	4,701,886	4,010,120
Purchase of property and equipment	(568,485)	(510,104)	(526,302)	(425,675)
Purchase of intangibles	(48,537)	(49,812)	-	(22,749)
Purchase of investment properties	-	-	-	-
Proceeds from sale of property and equipment	9,656	18,557	2,781	17,760
Purchase of financial assets at amortized cost	(13,312,342)	(21,425,070)	(8,170,798)	(18,819,623)
Purchase of financial assets at FVTOCI	(58,604,987)	(28,734,971)	(8,739,670)	(12,110,205)
Purchase of financial assets at FVTPL	(127,553,479)	(90,842,679)	(127,553,479)	(90,842,679)
Proceed on disposal/ redemption of financial assets	139,317,337	127,251,354	130,491,753	115,284,374
Net cash flows (used in)/from investing activities	(53,618,258)	(9,374,633)	(9,793,829)	(2,908,677)
Financing activities:				
Convertible loan & interest payment	(1,207,674)	(233,124)	(1,207,674)	(233,124)
Preference dividend paid to non-controlling interest holders	-	-	-	-
Deposit for shares	-	-	-	-
Dividend paid to equity holders	-	(415,812)	-	(415,812)
Dividend paid to non-controlling interest	(32,003)	(32,147)	-	-
Net cash flows from/(used in) financing activities	(1,239,676)	(681,084)	(1,207,674)	(648,937)
Net increase in cash and cash equivalents	16,864,476	1,654,192	(464,265)	437,684
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	(937,201)	-	-	-
Cash and cash equivalents as at	26,007,438	6,978,931	7,702,087	4,957,638