

SUMMARY CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

The Directors present the summary financial statements of AIICO Insurance Plc for the year ended 31 December 2020. These summary financial statements are derived from the full financial statements for the year ended 31 December 2020 and are not the full financial statements of the Group. The Company's Independent Auditors issued an unqualified audit opinion on the full financial statements for the year ended 31 December 2020 from which these summary financial statements were derived.

CONSOLIDATED & SEPARATE STATEMENT OF FINANCIAL POSITION
FOR THE PERIOD ENDED 31 DECEMBER 2020

	Group		Parent	
In thousands of naira	31-Dec-20	31-Dec-19	31-Dec-20	31-Dec-19
Assets				
Cash and cash equivalents	31,913,335	10,080,164	9,279,385	8,166,352
Financial assets	188,342,047	126,827,073	166,074,396	103,414,529
Trade receivables	937,078	386,749	897,596	303,106
Reinsurance assets	7,496,395	5,460,569	7,496,395	5,460,569
Deferred acquisition costs	582,265	488,884	582,265	488,884
Other receivables and prepayments	2,426,871	6,227,700	726,262	5,762,765
Deferred tax assets	6,168	149,379	-	-
Investment in subsidiaries	-	-	1,087,317	2,452,359
Investment properties	758,000	772,000	758,000	772,000
Goodwill and other intangible assets	889,082	985,862	862,379	906,680
Property and equipment	7,009,404	7,597,843	6,705,570	7,036,211
Statutory deposits	500,000	500,000	500,000	500,000
Assets classified as held for sale	2,237,780	-	1,365,042	-
Total assets	243,098,424	159,476,222	196,334,608	135,263,455
Liabilities				
Insurance contract liabilities	136,078,388	84,986,351	135,856,973	84,766,122
Investment contract liabilities	21,835,376	16,201,367	21,835,376	16,201,367
Trade payables	2,020,724	1,839,238	1,963,893	1,512,394
Other payables and accruals	4,774,609	3,650,286	3,892,160	3,406,751
Fixed income liabilities	43,046,848	20,143,047	-	-
Current income tax payable	358,099	487,112	307,621	361,505
Deferred tax liabilities	8,837	629,281	-	441,416
Borrowings	-	2,629,477	-	2,629,477
Liabilities attributable to assets held for sale	316,462	-	-	-
Total liabilities	208,439,343	130,566,159	163,856,023	109,319,031
Equity				
Issued share capital	7,843,988	3,465,102	7,843,988	3,465,102
Share premium	7,037,181	2,824,389	7,037,181	2,824,389
Revaluation reserve	1,812,707	1,812,707	1,812,707	1,812,707
Fair value reserve	(507,416)	1,995,336	(438,588)	828,179
Foreign exchange gains reserve	175,600	159,677	175,600	159,677
Statutory reserve	-	167,874	-	-
Contingency reserve	7,213,594	6,320,410	7,213,594	6,320,410
Retained earnings	9,924,143	5,888,970	8,834,102	5,253,959
Deposit for shares	-	5,280,000	-	5,280,000
Statutory reserve of disposal assets classified as held for sale	202,042	-	-	-
Shareholders' funds	33,701,838	27,914,464	32,478,585	25,944,424
Non-controlling interests	957,243	995,599	-	-
Total equity	34,659,081	28,910,063	32,478,585	25,944,424
Total liabilities and equity	243,098,424	159,476,222	196,334,608	135,263,455

These financial statements were approved by the Board on 25 February 2021 and signed on its behalf by:

Table with 3 columns: Signature, Name, Title, and Reference Number. Includes Mr. Oladeji Oluwatola (Chief Financial Officer), Mr. Babatunde Fajemirokun (Managing Director/ Chief Executive Officer), and Mr. Kundan Sainani (Chairman).



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AIICO INSURANCE PLC ON THE SUMMARY CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Report on the Audit of the Summary Consolidated and Separate Financial Statements

Opinion
The summary consolidated and separate financial statements of AIICO Insurance Plc ("the Company") and its subsidiaries (together "the Group"), which comprise the consolidated and separate statements of financial position as at 31 December 2020 and the consolidated and separate statements of profit and loss and other comprehensive income for the year then ended, are derived from the audited consolidated and separate financial statements of AIICO Insurance Plc and its subsidiaries ("the Group") for the year ended 31 December 2020.

In our opinion, the accompanying summary consolidated and separate financial statements are consistent, in all material respects, with the audited consolidated and separate financial statements, in accordance with International Financial Reporting Standards and the relevant provisions of the Companies and Allied Matters Act, 2020, the Insurance Act 2003, the National Insurance Commission (NAICOM) and in compliance with the Financial Reporting Council of Nigeria Act No. 6, 2011.

Summary Consolidated and Separate Financial Statements
The summary consolidated and separate financial statements financial statements do not contain all the disclosures required by the International Financial Reporting Standards, the provisions of the Companies and Allied Matters Act, 2020, the Insurance Act 2003, relevant policy guidelines issued by the National Insurance Commission (NAICOM) and in compliance with the Financial Reporting Council of Nigeria Act No. 6, 2011, applied in the preparation of the consolidated and separate financial statements of the Group. The summary financial statements should be read in conjunction with the audited financial statements. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated and separate financial statements and the auditor's report thereon. The summary consolidated and separate financial statements and the audited consolidated and separate financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited consolidated and separate financial statements.

The Audited Consolidated and Separate Financial Statements and Our Report Thereon
We expressed an unqualified opinion on the audited consolidated and separate financial statements in our report dated 31 March 2020. That report also includes the communication of key audit matters which discussed the adequacy of the valuation of insurance contract liabilities (outstanding claims).

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 the Companies and Allied Matters Act, 2020, the Insurance Act 2003, relevant policy guidelines issued by the National Insurance Commission (NAICOM) and in compliance with 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 consolidated and separate financial statements that are free from material misstatements whether due to fraud or error.

Auditors' Responsibility for the Summary Financial Statements
Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited consolidated and separate financial statements based on our procedures, which were conducted in accordance with International Standards on Auditing (ISA) 810 (Revised) Engagement to Report on Summary Financial Statements.

Report on Other Legal and Regulatory Requirements
In accordance with the requirement of Schedule 5 of the Companies and Allied Matters Act 2020, we confirm that:

- i. 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;
- ii. in our opinion, proper books of account have been kept by the Group and the Company, in so far as it appears from our examination of those books;
- iii. the consolidated and separate statements of financial position and the consolidated and separate statements of profit or loss and other comprehensive income are in agreement with the books of account;
- iv. in our opinion, the consolidated and separate financial statements have been prepared in accordance with the provisions of the Companies and Allied Matters Act (CAMA), 2020 so as to give a true and fair view of the state of affairs and financial performance of the Company and its subsidiaries.

Penalty
The Group incurred penalties in respect of contravention of the requirement of certain sections of the National Insurance Commission's Operational Guideline 2015 and the Financial Reporting Council Act No. 6, 2011 during the financial year. The details of the contraventions and penalties are disclosed in Note 40 of the full consolidated and separate financial statements.



CONSOLIDATED & SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2020

	Group		Parent	
In thousands of naira	2020	2019	2020	2019
Gross premium written	61,979,667	50,138,467	61,318,398	49,440,231
Gross premium income	60,680,800	50,008,831	60,038,913	49,376,338
Reinsurance expenses	(7,901,040)	(6,232,810)	(7,901,040)	(6,232,810)
Net premium income	52,779,760	43,776,021	52,137,873	43,143,528
Fee and commission income				
Insurance contracts	1,556,537	1,433,827	1,556,537	1,433,827
Pension and other contracts	406,077	434,013	-	-
Net underwriting income	54,742,375	45,643,861	53,694,410	44,577,355
Claims expenses:				
Claims expenses (Gross)	(39,746,511)	(30,608,604)	(39,301,617)	(30,151,535)
Claims expenses recovered from reinsurers	8,089,798	5,227,996	8,089,798	5,227,996
Claims expenses (Net)	(31,656,713)	(25,380,608)	(31,211,819)	(24,923,539)
Underwriting expenses	(7,774,553)	(6,260,563)	(7,733,605)	(6,189,049)
Change in life fund	(29,641,976)	(10,077,589)	(29,641,976)	(10,077,589)
Change in annuity fund	(16,736,767)	(8,388,032)	(16,736,768)	(8,388,032)
Change in other investment contracts	(5,204,421)	(3,266,802)	(5,204,421)	(3,266,802)
Total underwriting expenses	(91,014,430)	(53,373,594)	(90,528,589)	(52,845,011)
Underwriting (loss)	(36,272,055)	(7,729,733)	(36,834,179)	(8,267,656)
Investment income	11,712,513	10,354,006	11,811,450	9,087,686
Profit from deposit administration	54,485	11,269	54,485	11,269
Net realised gains	7,399,596	12,590,671	7,399,596	12,590,254
Net fair value gains	30,623,376	1,652,807	30,623,376	1,652,807
Other operating income	2,718,404	549,537	762,075	202,800
Personnel expenses	(3,917,598)	(4,796,939)	(3,217,429)	(4,183,247)
Other operating expenses	(7,552,932)	(6,038,555)	(6,158,019)	(5,297,475)
Finance cost	(96,743)	(431,328)	(96,743)	(431,328)
Impairment loss	(36,971)	(176,489)	31,114	(141,155)
Profit before income tax from continuing operations	4,632,074	5,985,245	4,375,726	5,223,956
Income tax expense	348,261	(266,836)	388,870	(66,695)
Minimum tax	-	-	-	-
Profit after tax from continuing operations	4,980,336	5,718,408	4,764,596	5,157,260
Discontinued operations				
Profit after tax from discontinued operations	269,490	191,931	-	-
Profit for the year	5,249,826	5,910,339	4,764,596	5,157,260
Attributable to shareholders	5,061,120	5,784,444	4,764,596	5,157,260
Attributable to non-controlling interest holders	188,707	125,895	-	-
	5,249,826	5,910,339	4,764,596	5,157,260
Other comprehensive income, net of tax				
Items within OCI that may be reclassified to profit or loss in subsequent periods:				
Net (loss) / gain on financial assets	(2,542,201)	3,137,476	(1,236,135)	1,779,163
Impairment reversal on FVTOCI	36,338	1,918	(30,632)	1,918
Items within OCI that will not be reclassified to profit or loss in subsequent periods:				
Fair value (loss) on equity securities	(56,406)	(298,382)	(136,269)	(227,697)
Revaluation (loss)/gain on property and equipment	(155,000)	10,045	(155,000)	10,045
Exchange gains on financial assets	15,923	12,234	15,923	12,234
Income tax relating to other comprehensive income	-	-	-	-
Total other comprehensive (loss)/ income	(2,701,346)	2,863,291	(1,542,113)	1,575,663
Total comprehensive profit for the year	2,548,480	8,773,630	3,222,482	6,732,923
Attributable to shareholders	2,475,697	8,496,834	3,222,482	6,732,923
Attributable to non-controlling interests	72,783	276,795	-	-
	2,548,480	8,773,630	3,222,482	6,732,923
Basic earnings per share (Kobo)	33	83	32	74
Diluted earnings per share (Kobo)	33	83	32	74

CONSOLIDATED & SEPARATE STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2020

	Group		Parent	
	2020	2019	2020	2019
Operating activities:				
Total premium received	61,930,410	49,872,426	61,224,981	48,972,572
Commission received	1,962,615	3,307,666	1,682,202	1,380,840
Commission paid	6,854,647	(5,146,495)	6,837,684	(5,097,873)
Premium paid in advance	428,665	588,068	428,665	588,068
Unallocated premium	501,073	321,343	501,073	321,343
Reinsurance premium paid	(7,966,699)	(6,523,365)	(7,966,699)	(6,523,365)
Prepaid minimum deposit	(46,805)	(65,341)	(46,805)	(65,341)
Gross benefits and claims paid	(36,285,521)	(29,699,588)	(35,867,444)	(29,256,018)
Claims recoveries	9,632,236	4,567,924	9,632,236	4,567,924
Receipt from deposit administration	357,998	539,074	357,998	539,074
Withdrawal from deposit administration	(59,747)	(108,480)	(59,747)	(108,480)
Other underwriting expenses paid	(1,427,216)	(1,136,962)	(1,427,216)	(1,136,962)
Payments to employees	(3,010,537)	(4,151,443)	(2,310,368)	(2,808,464)
Other operating cash payments	(25,997,338)	(12,684,756)	(24,014,945)	(10,067,660)
Other income received	2,685,985	449,208	671,961	100,928
Interest income on deposit for shares	-	9,756	-	9,756
Fixed income received	22,903,801	11,141,795	-	-
Income tax paid	(222,166)	(473,798)	(106,430)	(258,851)
Net cash flows from/ (used in) operating activities	32,241,400	10,807,032	9,537,144	1,157,491
Investing activities:				
Interest income received	8,768,582	5,436,200	10,347,668	4,187,769
Purchase of property and equipment	(682,657)	(1,158,487)	(632,611)	(742,111)
Purchase of intangibles	(44,812)	(58,087)	-	-
Purchase of Investment properties	-	-	-	-
Proceeds from sale of property and equipment	335,189	43,373	327,480	19,087
Purchase of financial assets at amortized cost	(23,257,157)	(21,410,477)	(10,577,821)	(18,806,064)
Purchase of financial assets at FVTOCI	(22,802,094)	(34,154,640)	(15,072,250)	(12,397,883)
Purchase of financial assets at FVTPL	(132,926,739)	(298,804,792)	(132,926,739)	(298,750,672)
Proceed on disposal/ redemption of financial assets	161,398,890	339,606,295	139,446,509	324,517,718
Net cash flows from/ (used in) investing activities	(9,210,798)	(10,500,615)	(9,087,763)	(1,972,155)
Financing activities:				
Principal & interest payment on borrowings	(2,726,220)	(403,124)	(2,726,220)	(403,124)
Deposit for shares	-	5,280,000	-	5,280,000
Receipt of right issue proceeds	3,389,874	-	3,389,874	-
Dividend paid to equity holders	-	(415,812)	-	(415,812)
Dividend paid to non controlling interest	(111,140)	(12,056)	-	-
Net cash flows (used in)/ from financing activities	552,514	4,449,007	663,654	4,461,063
Net increase in cash and cash equivalents	23,583,116	4,755,425	1,113,035	3,646,399
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	(1,749,941)	-	-	-
Cash and cash equivalents as at 31 December	31,913,335	10,080,164	9,279,385	8,166,352

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