



**PRESS RELEASE**

Regulated Information

**AICO Reports 15.7% growth in Gross Premiums to ₦71.7 billion for FY 2021**

Lagos, 28 January 2022 – AICO Insurance Plc (“AICO”, or “the Group”) announced its results for the Fiscal Year ended 31 December 2021.

**Key Financial Highlights**

| In thousands of naira                                      | Group              |                    |                | Company            |                    |                |
|--|--------------------|--------------------|----------------|--------------------|--------------------|----------------|
|  | FY 2021            | FY 2020            | Δ              | FY 2021            | FY 2020            | Δ              |
| <b>Gross premium written</b>                               | <b>71,682,989</b>  | <b>61,979,667</b>  | <b>15.7%</b>   | <b>71,001,519</b>  | <b>61,318,398</b>  | <b>15.7%</b>   |
| Gross premium income                                       | 70,621,124         | 60,680,800         | 16.4%          | 69,976,217         | 60,038,913         | 16.6%          |
| <b>Net premium income</b>                                  | <b>58,599,530</b>  | <b>52,779,760</b>  | <b>11.0%</b>   | <b>57,954,623</b>  | <b>52,137,873</b>  | <b>11.2%</b>   |
| Fee and commission income                                  | 2,576,165          | 1,962,615          | 31.3%          | 2,284,681          | 1,556,537          | 46.8%          |
| <b>Net underwriting income</b>                             | <b>61,175,695</b>  | <b>54,742,375</b>  | <b>11.8%</b>   | <b>60,239,304</b>  | <b>53,694,410</b>  | <b>12.2%</b>   |
| <b>Claims expenses (Net)</b>                               | <b>-39,836,377</b> | <b>-31,656,713</b> | <b>25.8%</b>   | <b>-39,385,597</b> | <b>-31,211,819</b> | <b>26.2%</b>   |
| Other Underwriting expenses*                               | 8,155,180          | -59,357,718        | -113.7%        | 8,206,501          | -59,316,770        | -113.8%        |
| <b>Underwriting Profit (Loss)</b>                          | <b>29,494,498</b>  | <b>-36,272,055</b> | <b>-181.3%</b> | <b>29,060,208</b>  | <b>-36,834,179</b> | <b>-178.9%</b> |
| Investment income  | 13,426,749         | 11,712,513         | 14.6%          | 12,847,745         | 11,811,450         | 8.8%           |
| Net realized and fair value gains                          | -32,250,266        | 38,022,972         | -184.8%        | -32,250,266        | 38,022,972         | -184.8%        |
| Other income**   | 2,202,030          | 2,772,888          | -20.6%         | 1,201,959          | 816,560            | 47.2%          |
| Personnel expenses   | -3,542,350         | -3,917,598         | -9.6%          | -2,844,438         | -3,217,429         | -11.6%         |
| Other operating expenses                                   | -7,404,856         | -7,552,932         | -2.0%          | -6,893,082         | -6,158,019         | 11.9%          |
| Other expenses***  | 2,413              | -133,714           | -101.8%        | -                  | -65,629            | -100.0%        |
| <b>Profit before income tax from continuing operations</b> | <b>1,928,217</b>   | <b>4,632,074</b>   | <b>-58.4%</b>  | <b>1,122,126</b>   | <b>4,375,726</b>   | <b>-74.4%</b>  |
| <b>Profit from discontinued operations</b>                 | <b>2,372,854</b>   | <b>269,490</b>     | <b>780.5%</b>  | <b>3,013,374</b>   | <b>-</b>           |                |
| <b>Profit for the year</b>                                 | <b>4,150,295</b>   | <b>5,249,825</b>   | <b>-20.9%</b>  | <b>3,995,648</b>   | <b>4,764,596</b>   | <b>-16.1%</b>  |
| <b>Earnings Per share (Kobo)</b>                           | <b>26</b>          | <b>44</b>          |                | <b>42</b>          | <b>32</b>          |                |

\* - Other underwriting expenses include acquisition costs as well as changes in life & annuity funds and other investment contracts

\*\* - Other income includes profit from deposit administration, other operating income and share of profit from associate

\*\*\* - Other expenses include impairment and finance costs

Figures in this release are subject to rounding differences.

Commenting on the results, Mr. Babatunde Fajemirokun, the Managing Director and Chief Executive Officer said, “Technology is playing an increasingly pivotal role in our personal and professional lives. In 2021, we formalized the philosophy we have had over the last 3 years at AICO by changing our mission and vision statements to reflect the world we expect to see and how we believe our customers want to be served. Over the year, we doubled down on this approach by introducing AICO Ella, our artificial intelligence chatbot as well as AICO Express, a mobile application for our partner agents across the country. In addition to the increased value proposition

*to our customers and partners, these new channels provide an opportunity for these stakeholders to hold us to the standards that we espouse internally.*

*The makeup of the Group also changed quite significantly in 2021 with the sale of AICO Pensions to FCMB Group. For over a decade, AICO Pensions served its customers, delivering some of the most competitive returns in the pensions industry as a part of AICO Insurance. For us however, a sustainable and competitive advantage is the yardstick by which we decide on markets to enter or remain; we took a strategic decision to focus on our insurance and asset management businesses - segments where we believe that we have built competitive advantages over time."*

*"Our business model remains resilient, with the Company recording double digit growth in Gross Premium in 2021 despite the continued uncertainty in the local and global macroenvironments" said Oladeji Oluwatola, AICO Insurance's CFO. "In 2021, we also declared a bonus of 12 shares for every 9 shares held to our shareholders, clearing the way for AICO Insurance to comply with NAICOM's new capital requirements."*

#### Operational developments

- AICO Ella, our official chatbot, was launched to the public in August 2021. Ella is only as useful as our understanding of consumer preferences and needs and she will therefore evolve over time. In 2021, we added two major functions, a call back feature and a feedback menu, to learn more about customer preferences and improve overall quality of service and our ability to retain our customers over time.
- We also launched AICO Express during the year. This is a one-stop mobile application for agents to serve customers better and faster. Agents are now better managing their pipelines and compensation, while allowing the provision of on-site advice to customers to help them close sales. To date, the application has over 1,300 active users who use the application to generate quotes and attend to customer queries in real time.
- We partnered with the International Finance Corporation (IFC), and the Nigerian Exchange Group to launch the Nigeria2Equal program, a program that aims to reduce gender gaps across employment and entrepreneurship in Nigeria's private sector. A paper has been released by the IFC with clear recommendations across four major categories to improve outcomes for women in the private sector.

#### **Group Performance Review**

Gross written premium grew by 15.7% y-o-y to ₦71.7 billion in FY 2021 (FY 2020: ₦62.0 billion). This was due to a y-o-y increase of 36.1% in General Insurance to ₦19.0 billion (FY 2020: ₦14.0 billion). Life Insurance premiums increased by 9.8% y-o-y to ₦52.0 billion (FY 2020: ₦47.3 billion) and premiums from our Health Maintenance Organization (HMO) increased by 3.1% y-o-y to ₦681.5 million (FY 2020: ₦661.3 million). Management fees in Asset Management increased by 1.6% y-o-y to ₦397.2 million (FY 2020: ₦390.8 million).

**Profit before income tax from continuing operations** declined to ₦1.9 billion y-o-y in FY 2021 (FY 2020: ₦4.6 billion) as profits declined from our annuity business (due to reduced volumes from the change in regulation) and in our Group Life and General Insurance businesses as operating income (specifically investment income) declined in both businesses. Profit before tax from our Asset Management business declined by 27.2% due to the decline in investment income and other income while profit before taxes from our HMO business declined by 26.0% y-o-y. Benefitting from

the profits realized in the partial sale of AIICO Pensions to FCMB Group, **profit for the year** declined to ₦4.2 billion in FY 2021 (FY 2020: ₦5.2 billion).

Review of statement of financial position

**Total assets** declined by 8.7% to ₦221.9 billion as of FY 2021 (FY 2020: ₦243.1 billion) driven by a reduction in financial assets (-8.6%; 77.5% of total assets) and cash and cash equivalents (-20.4%; 11.4% of total assets). Financial assets declined because of the significant increase in FGN bond yields during the year.

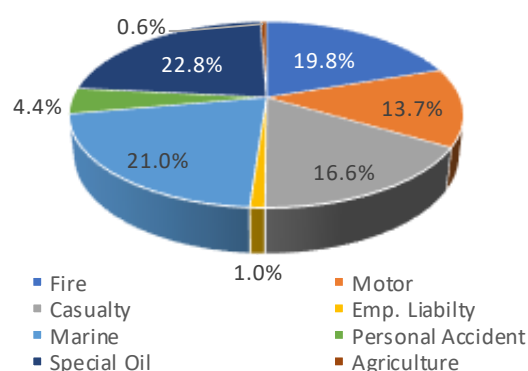
**Total liabilities** declined by 11.7% to ₦184.1 billion as of FY 2021 (FY 2020: ₦208.4 billion). This was driven mainly by a decline in insurance contract liabilities (-11.5%: 65.4% of total liabilities) from the rise in yields and reserving for new business and fixed income liabilities (-23.5%: 17.9% of total liabilities) in our asset management business. Both insurance contract liabilities and fixed income liabilities account for 82.3% of total liabilities.

**Total equity** increased by 9.2% to ₦37.9 billion as of FY 2021 (FY 2020: ₦34.7 billion) mainly due to a 40.3% increase in retained earnings to ₦13.9 billion as of FY 2021 (FY 2020: ₦9.9 billion).

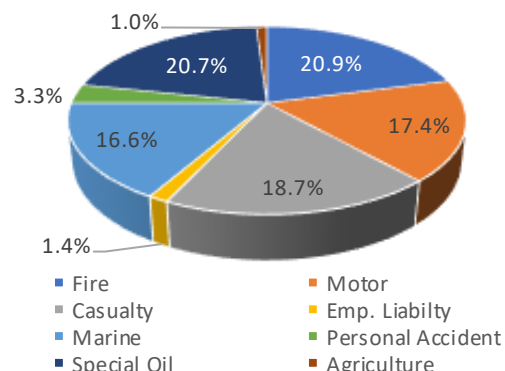
**The Businesses**

***General Insurance***

Growth in General Insurance was driven by an expansion in all product lines across the business except agriculture insurance. Special Oil contributed most significantly to premiums in 2021 with 22.8% of total General Insurance premiums generated.



**FY 2021**



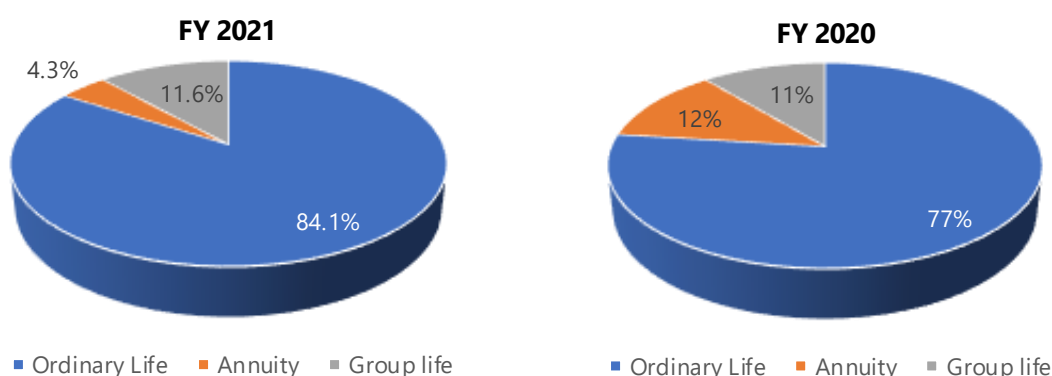
**FY 2020**

Growth in Special Oil reflects the increased confidence in our ability to underwrite large risks which stems from sustained growth in shareholders’ funds, a key focus of our strategy. In addition to Special Oil, Fire (19.8% of General Insurance premium) and Marine (21.0% of General Insurance premium) contributed most significantly to the growth in 2021, growing by 28.9%, and 72.2% y-o-y respectively as of FY 2021.

Underwriting profit grew by 39.2% y-o-y to ₦1.5 billion in FY 2021 (FY 2020: ₦1.1 billion); however, investment and other income in the business declined by 32.8% y-o-y to ₦1.9 billion (FY 2020: ₦2.9 billion) reducing net operating income and profitability despite the improved claims ratio (47.8% vs 61.6% in 2020) and operating expense ratio (51.6% vs 56.8% in 2020).s in 2021.

**Life Insurance**

Performance in Life Insurance was driven by the 20.0% growth in Ordinary Life (84.1% of total Life Insurance) to ₦43.7 billion (FY 2020: ₦36.4 billion) and 15.8% growth in Group Life (11.6% of the Life business) to ₦6.0 billion (FY 2020: ₦5.2 billion). Our efforts to diversify our portfolio mean that even though the PENCOM-regulated annuity segment of the market has contracted in 2021 because of regulatory changes, the cash generating capacity of our channels has remained robust. Prior to the new regulation, a pensioner could purchase an annuity contract immediately after retirement. Today, pensioners must enroll in the programmed withdrawal option for at least one year before they can purchase an annuity from an insurer. This consequently affected our ability to convert new customers and the annuity business contracted by 61.0% in 2021 to ₦2.2 billion as a result (FY 2020: ₦5.7 billion).



Changes in sovereign bond yields significantly impacted the value of our liabilities and assets. These movements are reflected in the change in Ordinary Life and Annuity Funds as well as fair value/realized gains or losses on the income statement. In the Life business, we are typically concerned about whether there is a surplus or deficit of assets over liabilities because of these movements. However, due to limitations in financial reporting, changes in liabilities affect underwriting profit while changes in assets are reported below underwriting profit. The effect is the significant variation in underwriting profits especially in volatile investment yield environments, such as we have in Nigeria. Over the period under review, the reference interest rate (the yield on the FGN 2049 bond) with which we value our liabilities rose by 5.42% leading to a reduction in the fair values of assets and liabilities. The reduction in liabilities led to positive underwriting profit while the reduction in assets is reflected in the fair value losses for the year.

**AICO Multishield**

Underwriting Income, including fees, in AICO Multishield, our HMO business increased by 4.3% y-o-y to N950.1 million (FY 2020: ₦910.8 million) and net claims ratio improved by 1.4%, however, profit for the period declined by 26.0% to ₦58.9 million (FY 2020: ₦79.7 million) due to lower investment income for the year.

**AICO Capital**

Net operating income (including investment and other income) in our Wealth Management business declined by 36.7% to ₦1.9 billion (FY 2020: ₦2.9 billion) driven by lower investment income and other trading income. However, cost to income ratios improved (62.3% in 2021 vs 64.7% in

2020) and return on average equity remains robust at 32%. Profit for the year declined by 27.2% to ₦705.8 million (FY 2020: ₦969.8 million)

## **Outlook**

As we look ahead to 2022, we are optimistic despite the challenging economic headwinds. Brent crude is expected to trade at an average price of \$75 per barrel in 2022. This means that the Federal Government should be able to defend the Naira. Higher prices for crude oil also strengthen the Federal Government's ability to spend over the next year. Despite this, the high inflation conditions continue to affect Nigerians daily and unemployment remains high. Analysts predict that economic growth in 2022 will be between three and four percent, which is just above population growth. The environment remains volatile, uncertain, complex, and ambiguous and therefore, people will still seek solutions to manage their risks.

There is an overwhelming sense that the world is returning to normal, although the specifics of this new normal remain to be fully seen. For us, the focus remains the same: to meet consumers where they are. Consumers have more access to AIICO Insurance than at any time in our history because we believe that making the customer journey as painless as possible increases our chance of converting a consumer into a customer. This means continued investments in technology to improve the functionality of our existing infrastructure such as AIICO Ella and AIICO Express, which should translate to an improved customer experience. Underpinning this infrastructure is a sound risk management culture that ensures that we are in the best possible position to meet our obligations when they come due. In 2021, AIICO Insurance paid almost ₦50 billion in claims and benefits; in the context of our solid financial position, this should inspire confidence in consumers and all stakeholders.

### **For further information, please contact:**

#### **Segun Olalandu,**

Head, Strategic Marketing & Communications

[solalandu@aiicopl.com](mailto:solalandu@aiicopl.com)

Mobile: + 234 802 295 1735

#### **Moyosore Onanuga**

Investor Relations Manager

[monanuga@aiicopl.com](mailto:monanuga@aiicopl.com)

Mobile: +234 809 229 9108

#### **AIICO Investor Relations**

[ir@aiicopl.com](mailto:ir@aiicopl.com)

Consolidated and separate statements of profit or loss and other comprehensive income  
For the year ended 31 December 2021

| For the year ended 31 December 2021<br><i>In thousands of naira</i> | Group               |                     | Company             |                     |
|---|---------------------|---------------------|---------------------|---------------------|
|   | 2021                | 2020                | 2021                | 2020                |
| <b>Gross premium written</b>  | <b>71,682,989</b>   | <b>61,979,667</b>   | <b>71,001,519</b>   | <b>61,318,398</b>   |
| Gross premium income  | 70,621,124          | 60,680,800          | 69,976,217          | 60,038,913          |
| Reinsurance expenses  | (12,021,594)        | (7,901,040)         | (12,021,594)        | (7,901,040)         |
| Net premium income  | <b>58,599,530</b>   | <b>52,779,760</b>   | <b>57,954,623</b>   | <b>52,137,873</b>   |
| <b>Fee and commission income</b>                                    |                     |                     |                     |                     |
| Insurance contracts   | 2,284,681           | 1,556,537           | 2,284,681           | 1,556,537           |
| Pension and other contracts   | 291,484             | 406,077             | -                   | -                   |
| <b>Net underwriting income</b>                                      | <b>61,175,695</b>   | <b>54,742,375</b>   | <b>60,239,304</b>   | <b>53,694,410</b>   |
| <b>Claims expenses:</b>   |                     |                     |                     |                     |
| Claims expenses (Gross)   | (47,126,202)        | (39,746,511)        | (46,675,422)        | (39,301,617)        |
| Claims expenses recovered from reinsurers                           | 7,289,825           | 8,089,798           | 7,289,825           | 8,089,798           |
| <b>Claims expenses (Net)</b>  | <b>(39,836,377)</b> | <b>(31,656,713)</b> | <b>(39,385,597)</b> | <b>(31,211,819)</b> |
| Underwriting expenses   | (10,637,435)        | (7,774,553)         | (10,586,114)        | (7,733,605)         |
| Change in life fund   | 8,473,654           | (29,641,976)        | 8,473,654           | (29,641,976)        |
| Change in annuity fund  | 11,397,920          | (16,736,767)        | 11,397,920          | (16,736,768)        |
| Change in other investment contracts                                | (1,078,959)         | (5,204,421)         | (1,078,959)         | (5,204,421)         |
| <b>Total underwriting expenses</b>                                  | <b>(31,681,196)</b> | <b>(91,014,430)</b> | <b>(31,179,096)</b> | <b>(90,528,589)</b> |
| <b>Underwriting profit/(loss)</b>                                   | <b>29,494,498</b>   | <b>(36,272,055)</b> | <b>29,060,208</b>   | <b>(36,834,179)</b> |
| Investment income   | 13,426,749          | 11,712,513          | 12,847,745          | 11,811,450          |
| Profit from deposit administration                                  | 473,630             | 54,485              | 473,630             | 54,485              |
| Net realized gains  | 2,470,263           | 7,399,596           | 2,470,263           | 7,399,596           |
| Net fair value gains  | (34,720,529)        | 30,623,376          | (34,720,529)        | 30,623,376          |
| Other operating income  | 1,687,024           | 2,718,404           | 728,329             | 762,075             |
| Personnel expenses  | (3,542,350)         | (3,917,598)         | (2,844,438)         | (3,217,429)         |
| Other operating expenses  | (7,404,856)         | (7,552,932)         | (6,893,082)         | (6,158,019)         |
| Finance cost  | -                   | (96,743)            | -                   | (96,743)            |
| Impairment loss   | 2,413               | (36,971)            | -                   | 31,114              |
| <b>Share of Associate Profit</b>                                    | <b>41,376</b>       | <b>-</b>            | <b>-</b>            | <b>-</b>            |
| <b>Profit before income tax from continuing operations</b>          | <b>1,928,217</b>    | <b>4,632,074</b>    | <b>1,122,126</b>    | <b>4,375,726</b>    |
| Income tax expense  | (150,777)           | 348,261             | (139,853)           | 388,870             |
| <b>Profit after tax from continuing operations</b>                  | <b>1,777,440</b>    | <b>4,980,335</b>    | <b>982,274</b>      | <b>4,764,596</b>    |
| <b>Discontinued operations</b>                                      |                     |                     |                     |                     |
| Profit after tax from discontinued operations                       | 2,372,854           | 269,490             | 3,013,374           | -                   |
| <b>Profit for the period</b>  | <b>4,150,295</b>    | <b>5,249,825</b>    | <b>3,995,648</b>    | <b>4,764,596</b>    |
| <b>Attributable to shareholders</b>                                 | <b>4,066,731</b>    | <b>5,061,120</b>    | <b>3,995,648</b>    | <b>4,764,596</b>    |
| <b>Attributable to non-controlling interest holders</b>             | <b>83,564</b>       | <b>188,707</b>      | <b>-</b>            | <b>-</b>            |
|   | <b>4,150,295</b>    | <b>5,249,826</b>    | <b>3,995,648</b>    | <b>4,764,596</b>    |

**AIICO Insurance Plc – FY 2021 Unaudited Results**  
**NGX Ticker: AIICO; Bloomberg Ticker: AIICO NL; Reuters: AIICO.LG**

|  |                    |                    |                  |                    |
|--|--------------------|--------------------|------------------|--------------------|
| <b>Other comprehensive income, net of tax</b>  |                    |                    |                  |                    |
| <b>Items within OCI that may be reclassified to profit or loss in subsequent periods:</b>      |                    |                    |                  |                    |
| Net (loss) / gain on financial assets  | (939,994)          | (2,542,201)        | (359,276)        | (1,236,135)        |
| <b>Items within OCI that will not be reclassified to profit or loss in subsequent periods:</b> |                    |                    |                  |                    |
| Fair value (loss) on equity securities   | (89,369)           | (56,406)           | (85,611)         | (136,269)          |
| Exchange (loss)/gains on financial assets  | (47,379)           | 15,923             | (47,379)         | 15,923             |
| <b>Total other comprehensive (loss)/ income</b>  | <b>(1,076,742)</b> | <b>(2,701,346)</b> | <b>(492,266)</b> | <b>(1,542,113)</b> |
| <b>Total comprehensive profit for the period</b>   | <b>3,073,553</b>   | <b>2,548,479</b>   | <b>3,503,381</b> | <b>3,222,482</b>   |
| <b>Attributable to shareholders</b>  | 3,132,001          | 2,475,697          | 3,503,381        | 3,222,482          |
| <b>Attributable to non-controlling interests</b>   | (58,448)           | 72,783             | -                | -                  |
|  | <b>3,073,553</b>   | <b>2,548,480</b>   | <b>3,503,381</b> | <b>3,222,482</b>   |
| Basic and diluted earnings per share (Kobo)  | 26                 | 44                 | 42               | 32                 |
| Diluted earnings per share (Kobo)  | 15                 | 33                 | 19               | 32                 |

Consolidated and separate statements of financial position  
As of 31 December 2021

| <b>As of 31 December 2021</b>                                    | <b>Group</b>       |                    | <b>Company</b>     |                    |
|--|--------------------|--------------------|--------------------|--------------------|
| <i>In thousands of naira</i>                                     | <b>31-Dec-21</b>   | <b>31-Dec-20</b>   | <b>31-Dec-21</b>   | <b>31-Dec-20</b>   |
| <b>Assets</b>  |                    |                    |                    |                    |
| Cash and cash equivalents  | 25,388,729         | 31,913,335         | 8,934,064          | 9,279,385          |
| Financial assets   | 172,067,008        | 188,342,047        | 152,853,576        | 166,074,396        |
| Trade receivables  | 236,202            | 937,078            | 226,218            | 897,596            |
| Reinsurance assets   | 10,077,327         | 7,496,395          | 10,077,327         | 7,496,395          |
| Deferred acquisition costs                                       | 739,223            | 582,265            | 739,223            | 582,265            |
| Other receivables and prepayments                                | 3,385,819          | 2,426,871          | 3,052,069          | 726,262            |
| Deferred tax assets  | 10,833             | 6,168              | -                  | -                  |
| Investment in subsidiaries                                       | -                  | -                  | 1,087,317.00       | 1,087,317          |
| Investment in associate  | 781,908            | -                  | 705,691            | -                  |
| Investment properties  | 758,000            | 758,000            | 758,000            | 758,000            |
| Goodwill and other intangible assets                             | 934,611            | 889,082            | 838,253            | 862,379            |
| Property and equipment   | 7,062,746          | 7,009,404          | 6,841,397          | 6,705,570          |
| Statutory deposits   | 500,000            | 500,000            | 500,000            | 500,000            |
| Assets classified as held for sale                               | -                  | 2,237,780          | -                  | 1,365,042          |
| <b>Total assets</b>  | <b>221,942,405</b> | <b>243,098,424</b> | <b>186,613,135</b> | <b>196,334,608</b> |
| <b>Liabilities</b>   |                    |                    |                    |                    |
| Insurance contract liabilities                                   | 120,474,146        | 136,078,388        | 120,329,195        | 135,856,973        |
| Investment contract liabilities                                  | 22,844,354         | 21,835,376         | 22,844,354         | 21,835,376         |
| Trade payables   | 2,985,090          | 2,020,724          | 2,890,612          | 1,963,893          |
| Other payables and accruals                                      | 4,520,719          | 4,774,609          | 4,240,310          | 3,892,160          |
| Fixed income liabilities   | 32,928,431         | 43,046,848         | -                  | -                  |
| Current income tax payable                                       | 337,647            | 358,099            | 326,697            | 307,621            |
| Deferred tax liabilities   | -                  | 8,837              | -                  | -                  |
| Liabilities attributable to assets held for sale                 | -                  | 316,462            | -                  | -                  |
| <b>Total liabilities</b>   | <b>184,090,387</b> | <b>208,439,343</b> | <b>150,631,167</b> | <b>163,856,023</b> |
| <b>Equity</b>  |                    |                    |                    |                    |
| Issued share capital   | 7,843,988          | 7,843,988          | 7,843,988          | 7,843,988          |
| Share premium  | 7,037,181          | 7,037,181          | 7,037,181          | 7,037,181          |
| Revaluation reserve  | 1,812,707          | 1,812,707          | 1,812,707          | 1,812,707          |
| Fair value reserve   | (1,568,076)        | (507,416)          | (797,864)          | (438,586)          |
| Foreign exchange gains reserve                                   | 128,221            | 175,600            | 128,221            | 175,600            |
| Contingency reserve  | 8,304,604          | 7,213,594          | 8,304,604          | 7,213,594          |
| Retained earnings  | 13,919,054         | 9,924,143          | 11,653,130         | 8,834,100          |
| Statutory reserve of disposal assets classified as held for sale | -                  | 202,042            | -                  | -                  |
| <b>Shareholders' funds</b>                                       | <b>37,477,677</b>  | <b>33,701,838</b>  | <b>35,981,966</b>  | <b>32,478,584</b>  |
| Non-controlling interests  | 374,341            | 957,243            | -                  | -                  |
| <b>Total equity</b>  | <b>37,852,018</b>  | <b>34,659,081</b>  | <b>35,981,966</b>  | <b>32,478,584</b>  |
| <b>Total liabilities and equity</b>                              | <b>221,942,405</b> | <b>243,098,424</b> | <b>186,613,134</b> | <b>196,334,608</b> |



**Definition of terms**

**Gross premium written** refers to combination of premiums for general, life (individual and group), annuity, and health management

**Gross premium income** refers to premiums received which have been earned in the financial period under review. Premiums are paid for a period and are only earned fully when the Company has fulfilled its duties for that period.

**Net premium income** refers to gross premium income less applicable reinsurance expense.

**Change in life and annuity funds** refers to the change in the insurance or investment liability in the life business. The liability changes as policies are underwritten and interest rates, upon which some liability valuations depend, change.

**Benefits** refer to planned pay-outs to policyholders who purchase insurance policies in our life business. Benefits are classified as claims in our financial statements; however, they are not contingent liabilities (they do not depend on an event to trigger payment).

**Claims** refer to contingent liabilities that arise because of an event that is covered by an insurance policy.

**Total underwriting expenses** refer to the direct costs of providing insurance. They include cash line items like claims, benefits, and acquisition costs as well as non-cash line items such as change in life and annuity funds.

**Investment income** refers to income from policyholders' funds, annuity funds and shareholders' funds as well as investment income from asset management activities.

**Total operating expenses** refer to the sum of employee benefits expense and other operating expenses.

**Profit before tax** refers to underwriting profit (loss), personnel expenses, other operating expenses, finance cost, and impairment loss less investment income, profit from deposit administration, net realised gains, net fair value gains, and other operating income.

**Profit after tax** refers to profit before tax less income tax.

**About AIICO Insurance Plc**

AIICO Insurance Plc (NGX: AIICO) is a leading composite insurer in Nigeria with a record of accomplishment of serving our clients that dates back over 50 years. Founded in 1963, AIICO provides life and health insurance, general insurance, and investment management as a means to create and protect wealth for individuals, families and corporate customers.

The Life Insurance segment offers savings, protection products and other long-term contracts (both with and without insurance risk). It comprises a wide range of whole life, term assurance, guaranteed pensions, pure endowment pensions and mortgage endowment products. Revenue from this segment is derived primarily from insurance premium, fees and commission income and investment income.

The General Insurance segment comprises general insurance to individuals and businesses. General insurance products offered include auto, household, commercial and business interruption insurance. These products offer protection of policyholder's assets and indemnification of other parties that have suffered damage as a result of policyholder's accident.

The Health segment is a Health Maintenance Organization for prepaid health plans to cater for the health needs of individuals and corporate organizations. The segment became a full subsidiary of AIICO Insurance Plc on July 1, 2012.

The Asset Management segment is registered and licensed by the Securities & Exchange Commission in 2012, to carry out portfolio/fund management services. The segment commenced full operations in 2014 through the provision of bespoke wealth solutions for clients, by adopting a research-based approach for every investment decision. The segment offers portfolio management services, structured investments and mutual funds to suit the investment needs of corporate and individual clients.

For more information visit <https://www.aiicopl.com/index.php/about-us/our-company/about-aiico>

**Disclaimer**

This announcement contains or will contain forward-looking statements which reflect management's expectations regarding the Company's future growth, results of operations, performance, business prospects and opportunities. Wherever possible, words such as "anticipate", "believe", "expects", "intend" "estimate", "project", "target", "risks", "goals" and similar terms and phrases have been used to identify the forward-looking statements. These statements reflect management's current beliefs and are based on information currently available to management. Certain material factors or assumptions have been applied in drawing the conclusions contained in the forward-looking statements. These factors or assumptions are subject to inherent risks and uncertainties surrounding future expectations generally. AIICO Insurance Plc cautions readers that several factors could cause actual results, performance or achievements to differ materially from the results discussed or implied in the forward-looking statements. These factors should be considered carefully, and undue reliance should not be placed on the forward-looking statements. For additional information with respect to certain of these risks or factors, reference should be made to the Company's disclosure materials filed from time to time with Securities & Exchange Commission in Nigeria. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether because of new information, future events or otherwise.