



PRESS RELEASE

Regulated Information

AIICO Reports 24.6% growth in IFRS 17 revenue to ₦14.8 billion in Q1 2023; Premiums written grew 28.7% to ₦31.7 billion.

Lagos, 2 May 2023 – AIICO Insurance Plc (“AIICO”, or “the Group”) announced its unaudited results for the interim period ended 31 March 2023.

Key Financial Highlights

	Group			Parent		
	31-Mar-23	31-Mar-22	Δ	31-Mar-23	31-Mar-22	Δ
Gross Premiums Written	31,739,824	24,663,743	28.7%	31,415,815	24,421,896	28.6%
Insurance Revenue	14,754,420	11,836,872	24.6%	14,482,847	11,573,711	25.1%
Insurance Service Expense	(10,647,405)	(9,762,418)	9.1%	(10,647,405)	(9,762,418)	9.1%
Net Expenses from Reinsurance Contracts	(2,156,138)	(1,607,717)	34.1%	(2,156,138)	(1,607,717)	34.1%
Insurance service result	1,950,878	466,737	318.0%	1,679,304	203,576	724.9%
Investment income	5,960,650	3,405,783	75.0%	5,864,001	3,109,066	88.6%
Net realized and fair value gains (losses)	(9,705,175)	1,059,799	1015.8%	(9,705,175)	1,059,799	1015.8%
Other Income	(132,220)	184,200	-171.8%	(153,353)	151,886	-201.0%
Net Investment Income	(3,876,744)	4,649,782	-183.4%	(3,994,528)	4,320,751	192.4%
Net Finance Expenses from Insurance Contracts	6,493,895	(736,264)	-982.0%	6,493,895	(736,264)	-982.0%
Net Finance Income from Reinsurance Contracts	179,427	145,572	23.3%	179,427	145,572	23.3%
Net insurance finance expenses	6,673,322	(590,692)	1229.7%	6,673,322	(590,692)	1229.7%
Net insurance and investment result	4,747,456	4,525,827	4.9%	4,358,098	3,933,635	10.8%
Personnel expenses	(1,132,745)	(944,554)	19.9%	(917,344)	(784,478)	16.9%
Other operating expenses	(2,171,662)	(2,017,926)	7.6%	(2,162,986)	(1,948,852)	11.0%
Impairment (charges)/reversal	(71,852)	-	-	-	-	-
Profit before income tax from continuing operations	1,371,197	1,563,347	-12.3%	1,277,769	1,200,306	6.5%
Profit after tax from continuing operations	1,379,536	1,552,238	-11.1%	1,289,532	1,200,306	7.4%
Profit from discontinued operations (net of tax)	-	3,389,839	-100.0%	-	3,389,777	-100.0%
Profit for the period	1,379,536	4,942,078	-72.1%	1,289,532	4,590,082	-71.9%

** - Other income includes profit from deposit administration, other operating income
 Figures in this release are subject to rounding differences.

Commenting on the results, Mr. Babatunde Fajemirokun, the Managing Director and Chief Executive Officer said, “We are proud to retain the trust of our customers despite the challenging economic environment in the first quarter of 2023. It is a testament to the investments we have made in improving our value proposition, productivity and embedding digital across our organization. We continue to see improvements in the

performance of our parent and subsidiary businesses, furthering our ambition to be a diversified financial services group.”

“The introduction of IFRS 17 as the standard for insurance reporting heralds a shift, not just in the way we report, but how investors and analysts should examine the fundamentals of a sustainable insurance business” said Oladeji Oluwatola, AIICO Insurance’s CFO. *“With this new standard, the investing public can better compare results between firms, regardless of their business model or the types of products they sell, a key improvement from the previous IFRS 4 standard.”*

Operational developments

- The company proposed a dividend of 3k per share to shareholders based on results from the 2022 fiscal year.
- The company has been recommended for continued certification by the British Standards Institution after passing its annual ISO 22301 audit that tests the company’s readiness to deal with business interruptions from unforeseen circumstances.

An overview of IFRS 17

Insurance contracts combine features of both a financial instrument and a service contract because they are paid in advance and cover customers over a period. As a result, while premiums may be collected and recognized as cash, insurance revenue is earned as the service provided is rendered over time. IFRS 4, the previous standard governing the recognition of insurance contracts accounted for this but allowed some variability in reporting because of the diversity in the types of products sold by insurers.

At its core, when insurance policies are sold, high-level assumptions are made about the cash outflows that will be made because of the sale (claims or benefits) and a profit margin to the company. In some cases, there is some variability in the cash outflows that insurance companies make over a long period. IFRS 17 aims to provide useful information to the public about the current measurement of the future cashflows and the recognition of profit over the period that services are provided. Unlike IFRS 4, which may recognize profits from longer-term contracts on day 1, IFRS 17 defers the recognition of profits and only recognizes them as the underlying service is rendered by the insurer.

When an insurance contract is initiated, a liability is created which includes:

1. The present value of future cash outflows from that contract
2. A risk adjustment based on the characteristics and the variability of the cashflows and,
3. A contractual service margin which represents the profit that an insurer expects to earn over the life of the contract.

These components all represent unearned revenue and profit reserves to the insurer. As the service is rendered, the revenue is recognized on the income statement as insurance revenue. The implications of this are quite apparent:

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- For our short-term business (contracts of 1-year or less) which are primarily group life or non-life insurance contracts, the changes to revenues, liabilities, or profits are not material. Actual revenue for this class of products in IFRS 4 is termed “gross premium income” or “gross premiums earned”.
- For our longer-term business (which typically comprises life insurance policies like annuities and long-term endowment products), the change in accounting standards leads to more material changes in reported revenue and financial position.

This has a significant impact on the structure of our financial statements even though there are no changes in the company’s business model or cash generating capacity. As described above, IFRS 17 de-emphasizes premiums written, which represent the cash received by the insurer, and emphasizes revenues earned for services rendered. The tables below show this:

IFRS 4	
	31-Mar-23
Gross premium written	31,739,824
Gross premium income	25,423,518
Reinsurance expenses	(4,480,006)
Net premium income	20,943,512
Fee and commission income:	
Insurance contracts	821,660
Pension and other contracts	159,500
Net underwriting income	21,924,672
Claims expenses:	
Claims expenses (Gross)	(13,778,123)
Claims expenses recovered from reinsurers	1,344,715
Claims expenses (Net)	(12,433,408)
Underwriting expenses	(3,691,307)
Change in life fund	872,885
Change in annuity fund	1,163,384
Change in other investment contracts	949,577
Total underwriting expenses	(13,138,869)
Underwriting profit/(loss)	7,804,643
Investment income	5,960,650
Profit from deposit administration	16,396
Net realised gains	578
Net fair value gains	(9,705,753)
Other operating income	(148,615)
Personnel expenses	(1,132,745)
Other operating expenses	(2,171,662)
Profit before income tax from continuing operations	1,532,799
Income tax expense	8,339
Profit after tax from continuing operations	1,541,138
Profit after tax from discontinued operations	-
Profit for the period	1,541,138

IFRS 17	
	31-Mar-23
Insurance Revenue	14,754,420
Insurance Service Expense	(10,647,405)
Net Expenses from Reinsurance Contracts	(2,156,138)
Insurance service result	1,950,878
Investment income	5,960,650
Profit from deposit administration	16,396
Net realised (loss)/gain	578
Net fair value losses	(9,705,753)
Other operating income	(148,615)
Net investment income	(3,876,744)
Net Finance Expenses from Insurance Contracts	6,493,895
Net Finance Income from Reinsurance Contracts	179,427
Net insurance finance expenses	6,673,322
Net insurance and investment result	4,747,456
Personnel expenses	(1,132,745)
Other operating expenses	(2,171,662)
Impairment (charges)/reversal	(71,852)
Share of associates' loss	-
Profit before income tax from continuing operations	1,371,197
Income tax expense	(3,424)
Minimum tax	11,763
Profit after tax from continuing operations	1,379,536
Discontinued operations	
Profit from discontinued operations (net of tax)	-
Profit for the period	1,379,536

Gross premiums, as we mentioned earlier, represent the cash an insurer has received over a period and not actual revenue. IFRS 4, in permitting this, allows insurers to recognize profits from long-term contracts on day 1. AIICO Insurance’s retail life business, which contributed close to 50% of premiums during the quarter, is predominantly made up of long-term contracts, some of which may be in force for over 20 years. Recognizing these premiums over the period of the contracts, accounts for the change in the headline figures when we compare IFRS 4 with IFRS 17. This applies to short-term (1 year or less) contracts as well.

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IFRS 17 defers these profits (the contractual service margin) and recognizes them as a liability on our balance sheet. As of 31st December 2021, these unearned profits amounted to about ₦4.8 billion. This mostly accounts for the reduction in shareholder funds and the increase in liabilities seen in the tables below:

Group - IFRS 4			
In thousands of naira	31-Mar-23	31-Dec-22	31-Dec-21
Assets			
Cash and cash equivalents	29,872,303	15,915,258	25,490,105
Financial assets	219,510,734	225,460,028	172,501,020
Trade receivables	1,072,143	866,977	728,518
Reinsurance assets	14,624,741	11,913,776	10,387,924
Deferred acquisition costs	1,651,146	858,307	739,223
Other receivables and prepayments	4,412,215	4,685,426	2,411,791
Right of use assets	47,675	60,055	105,855
Deferred tax assets	-	21,501	1,252
Investment in associate	-	0	705,629
Investment properties	708,000	760,000	806,000
Goodwill and other intangible assets	920,172	928,672	934,748
Property and equipment	8,340,061	8,359,520	7,068,787
Statutory deposits	500,000	500,000	500,000
Total assets	281,659,190	270,329,520	222,380,851
Liabilities			
Insurance contract liabilities	169,329,786	165,404,474	119,776,331
Investment contract liabilities	20,965,451	21,907,727	22,829,871
Trade payables	8,744,517	6,461,628	3,779,049
Other payables and accruals	8,237,912	8,088,876	3,700,219
Fixed income liabilities	27,744,482	22,781,598	33,506,178
Current income tax payable	637,652	669,543	407,282
Deferred tax liabilities	498	7,666	7,666
Total liabilities	235,660,299	225,321,512	184,006,595
Equity			
Share capital	18,302,639	18,302,639	18,302,639
Share premium	64,745	64,745	64,745
Revaluation reserve	2,764,016	2,764,016	1,812,707
Fair value reserve	(3,304,037)	(2,796,624)	(1,683,037)
Foreign exchange gains reserve	-	-	175,600
Contingency reserve	10,255,630	9,710,046	8,304,604
Retained earnings	17,506,693	16,540,784	11,051,695
Shareholders' funds	45,589,686	44,585,606	38,028,953
Non-controlling interests	409,206	422,402	345,303
Total equity	45,998,892	45,008,008	38,374,256
Total liabilities and equity	281,659,190	270,329,520	222,380,851

Group - IFRS 17			
In thousands of naira	31-Mar-23	31-Dec-22	1-Jan-22
Assets			
Cash and cash equivalents	29,872,303	15,915,258	25,490,105
Financial assets	219,510,734	225,460,028	172,501,020
Trade receivables	1,072,143	866,977	728,517
Contract assets	13,560,993	16,139,023	10,680,812
Deferred acquisition costs	1,651,146	928,558	699,928
Other receivables and prepayments	4,397,882	4,685,425	2,411,789
Deferred tax assets	14,334	21,501	1,252
Investment in associate	-	-	705,629
Investment properties	708,000	760,000	806,000
Property and equipment	8,340,061	8,359,520	7,068,787
Statutory deposits	500,000	500,000	500,000
Right of use assets	47,675	60,055	105,855
Goodwill and other intangible assets	920,173	928,672	934,748
Total assets	280,595,444	274,625,016	222,634,442
Liabilities			
Insurance contract liabilities	190,357,359	192,579,273	144,486,591
Investment contract liabilities	320,674	313,373	2,836,752
Trade payables	8,744,519	6,461,628	3,779,049
Other payables and accruals	8,237,913	8,088,876	3,700,218
Fixed income liabilities	27,744,482	22,781,598	33,506,178
Current income tax payable	637,652	669,543	407,282
Deferred tax liabilities	498	7,666	7,666
Total liabilities	236,043,097	230,901,956	188,723,736
Equity			
Share capital	18,302,638	18,302,639	18,302,638
Share premium	64,745	64,745	64,745
Revaluation reserve	2,764,016	2,764,016	1,812,707
Fair value reserve	(3,304,037)	(2,796,624)	(1,683,037)
Foreign exchange gains reserve	-	-	175,600
Contingency reserve	10,255,642	9,710,046	8,304,604
Retained earnings	16,060,136	15,255,837	6,588,146
Shareholders' funds	44,143,140	43,300,658	33,565,403
Non-controlling interests	409,206	422,402	345,303
Total equity	44,552,346	43,723,060	33,910,706
Total liabilities and equity	280,595,444	274,625,016	222,634,442

This increase in contract liabilities by the value of the contractual service margin is matched by the reduction in retained earnings. As the services were rendered in 2022, some of these deferred profits were recognized in 2022. This in addition to the increase in reinsurance contract assets resulted in the difference between shareholder funds on an IFRS 4 basis versus the IFRS 17 basis of ca. ₦1.28 billion for the period ended 31st December 2022.

Group Performance Review

Group revenues increased 28.1% year-on-year to ₦14.8 billion (Q1 2022: ₦11.5 billion). Under the IFRS 4 standard, premiums written grew 28.7% year-on-year to ₦31.7 billion (Q1 2022: ₦24.7 billion). Insurance service result, which is insurance revenue less expenses increased 318.0% year-on-year to ₦1.95 billion in Q1 2023 (Q1 2022: ₦466 million) due mainly to the increase in revenue during the quarter. Total income, or net insurance and investment result grew 4.9% to ₦4.7 billion (Q1 2022: ₦4.5 billion).

Profit before income tax from continuing operations increased 50.1% to ₦1.4 billion in Q1 2023 (FY 2022: ₦0.9 billion). The company's continuing operations have benefited from improved asset-liability management and risk selection, especially in our corporate business, which have reduced the volatility of the company's financial position. These are effects that we expect to persist over time. **Profit for the interim period declined** to ₦1.4 billion (Q1 2022: ₦4.3 billion) due solely to the profits earned on the sale of our pensions business in 2022.

Review of statement of financial position

Total assets increased by 2.2% to ₦280.6 billion as of Q1 2023 (FY 2022: ₦274.6 billion) driven mainly by an 87.7% growth in cash and cash equivalents, which constitutes ca. 10.6% of the total assets.

Total liabilities increased by 2.2% to ₦236.0 billion as of Q1 2023 (FY 2022: ₦230.9 billion). This was driven mainly by a 21.8% growth in fixed income liabilities relating to our non-pension asset management business. It constitutes ca. 11.8% of the total liabilities.

Total equity increased by 1.9% to ₦44.6 billion as of Q1 2023 (FY 2022: ₦43.7 billion) mainly due to a 5.3% increase in retained earnings to ₦16.1 billion as of Q1 2023 (FY 2022: ₦15.3 billion). This is as a result of the profit made in the Quarter.

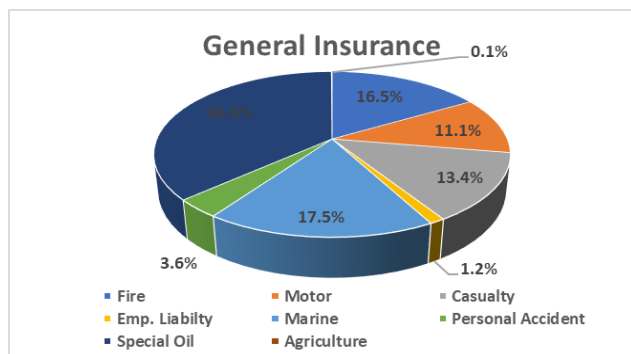
The Businesses

General Insurance

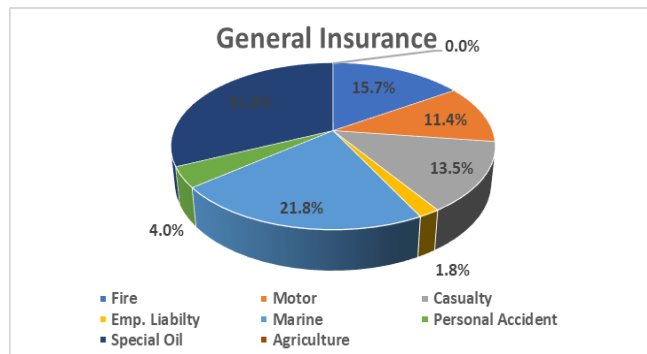
Premiums collected in our general insurance business grew by 32.2% to ₦11.6 billion in Q1 2023 (Q1 2022: ₦8.8 billion) resulting in insurance revenue of ₦6.9 billion for the quarter.

Growth in General Insurance was driven by an expansion in most product lines across the business. Special Oil contributed most significantly to premiums in Q1 2023 with 36.6% of total General Insurance premiums generated.

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FY 2023

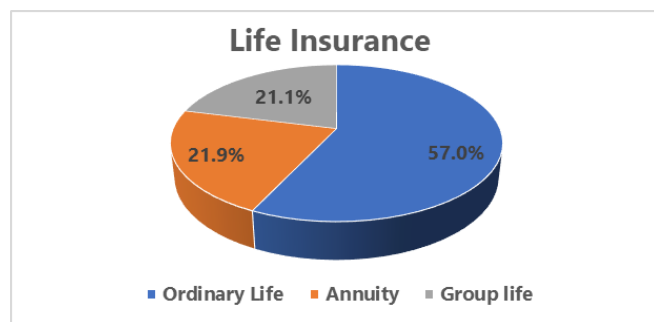


FY 2022

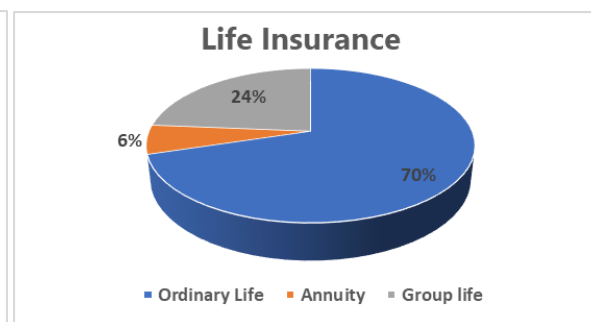
Our strategy to increase the contribution of special risks (oil and gas products) in our portfolio is bearing fruit – leadership in key special risks and the relative stability of our financial position also strengthens confidence in our ability to underwrite these large risks. In addition to special oil, marine (17.5% of general insurance premiums) and fire (16.5% of general insurance premiums) contributed most significantly to growth in 2023, growing by 6.5% and 38.7% respectively.

Life Insurance

Premiums and contributions collected in our life business increased by 26.6% to ₦19.8 billion in Q1 2023 (Q1 2022: ₦15.7 billion) resulting in insurance revenue of ₦7.6 billion for the quarter. Performance in Life Insurance was driven by the 12.8% growth in Group Life (21.1% of total Life Insurance) to ₦4.2 billion (Q1 2022: ₦3.7 billion) and 2.9% growth in Ordinary Life (57.0% of the Life business) to ₦11.3 billion (Q1 2022: ₦11.0 billion). Premiums from our annuity business are also up, growing 355.1% to ₦4.3 billion (Q1 2022: ₦0.9 billion).



Q1 2023



Q1 2022

Changes in sovereign bond yields significantly impact the value of our liabilities and assets. These movements are reflected in net finance income(expense) from insurance contracts as well as net 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. Given our product mix, asset-liability management remains a critical component of our operations. While the previous IFRS 4 standard resulted in swings in reported underwriting profitability, IFRS 17 provides a more holistic look at the drivers of an insurer’s profitability, emphasizing insurance and investment results.

AllCO Multishield

In Q1 2023, our HMO subsidiary recorded a 34.0% increase in premiums collected, reaching ₦324.0 million compared to ₦241.8 million in Q1 2022, resulting in insurance revenue of ₦271.6 million for the quarter. With the passage of the NHIA in 2022, significant changes are expected in the healthcare financing landscape in Nigeria. We believe that our business is well-positioned to leverage the strengths and relationships built over the last few years to improve our market position once the new regulations are operationalized.

AllCO Capital

Our non-pensions asset management business's revenue has been affected by the current high interest rate environment, which has reduced income from trading, a core contributor to earnings. Consequently, in Q1 2023, the net operating income declined to ₦238.2 million (Q1 2022: ₦390.1 million), and profit before taxes declined to ₦72.4 million (Q1 2022: ₦222.2 million). It is noteworthy that interest rate risk poses the most significant threat to our business model, and it's a phenomenon that affects most asset managers in the country today.

Outlook

Central banks of various nations have been tightening monetary policy to curb rising inflation rates. In response to inflation rates still higher than the target, the US increased its policy rates from 4.75% in February to 5% in March. However, the recent failures of Silicon Valley Bank, Signature Bank, and Credit Suisse have raised concerns in the global financial system about the unintended effects of these interest rate increases, leading central banks to exercise caution. Some have prioritized depositors' funds to maintain confidence in the financial system despite opposition from some quarters, a signal that further interest rate increases are in the offing.

As we transition from the current administration to the new administration, there are significant challenges to tackle in terms of the economic and security landscape of the country. We expect the incoming administration to implement critical macroeconomic and structural policy reforms tailored to reducing inflation and spurring economic growth, which will lead to a stronger and more sustainable economy. However, in the short term, government yields are expected to remain high due to the government's fiscal challenges. This highlights the need for policies to boost consumption and incentivize local production to generate taxes. We believe that insurance can play a role here, as it provides investors with the opportunity to transfer risks, making investments in productive capacity more likely, leading to increased consumption, jobs, and tax revenue.

The recent events in the first quarter remind us of the risks facing the financial services industry and emphasize the importance of sound risk assessment frameworks and prudence in asset and liability management. At AllCO Insurance, we prioritize this aspect of our operations because the well-being of our customers depends on our ability to meet our obligations. Our approach recognizes the nature of our liabilities, and we are organized internally to fulfill our customers' expectations when they partner with us.

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For further information, please contact:

Segun Olalandu

Head, Strategic Marketing & Communications

solalandu@aiicopl.com

Mobile: + 234 802 295 1735

Moyosore Onanuga

Investments and Corporate Planning

monanuga@aiicopl.com

Mobile: +234 809 229 9108

AIICO Investor Relations

ir@aiicopl.com

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Consolidated and separate statements of profit or loss and other comprehensive income for the interim period ended 31 March 2023

<i>In thousands of naira</i>	Group		Company	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
		<i>restated*</i>		<i>restated*</i>
GWP	31,739,824	24,663,743	31,415,815	24,421,896
Insurance Revenue	14,754,420	11,836,872	14,482,847	11,573,711
Insurance Service Expense	(10,647,405)	(9,762,418)	(10,647,405)	(9,762,418)
Net Expenses from Reinsurance Contracts	(2,156,138)	(1,607,717)	(2,156,138)	(1,607,717)
Insurance service result	1,950,878	466,737	1,679,304	203,576
Investment income	5,960,650	3,405,783	5,864,001	3,109,066
Profit from deposit administration	16,396	66,835	16,396	66,835
Net realised gain/(loss)	578	(391,199)	578	(391,199)
Net fair value losses	(9,705,753)	1,450,998	(9,705,753)	1,450,998
Other operating income	(148,615)	117,365	(169,749)	85,051
Net investment income	(3,876,744)	4,649,782	(3,994,528)	4,320,751
Net Finance income/(expense) from Insurance Contracts	6,493,895	(736,264)	6,493,895	(736,264)
Net Finance Income from Reinsurance Contracts	179,427	145,572	179,427	145,572
Net insurance finance income/(expenses)	6,673,322	(590,692)	6,673,322	(590,692)
Net insurance and investment result	4,747,456	4,525,827	4,358,098	3,933,635
Personnel expenses	(1,132,745)	(944,554)	(917,344)	(784,478)
Other operating expenses	(2,171,662)	(2,017,926)	(2,162,986)	(1,948,852)
Impairment reversal	(71,852)	-	-	-
Profit before income tax from continuing operations	1,371,197	1,563,347	1,277,769	1,200,306
Income tax expense	(3,424)	(11,109)	-	-
Minimum tax	11,763	-	11,763	-
Profit after tax from continuing operations	1,379,536	1,552,238	1,289,532	1,200,306
Profit from discontinued operations (net of tax)	-	3,389,839	-	3,389,777
Profit for the period	1,379,536	4,942,078	1,289,532	4,590,082
Attributable to owners of the parent	1,349,895	4,887,312	1,289,532	4,590,082
Attributable to non-controlling interest holders	29,641	54,766	-	-
	1,379,536	4,942,078	1,289,532	4,590,082
Other comprehensive income, net of tax				
Items within OCI that may be reclassified to profit or loss in subsequent periods:				
Fair value (loss)/gain on financial assets	(550,250)	466,804	(121,884)	84,498
Items within OCI that will not be reclassified to profit or loss in subsequent periods:				
Fair value gain on equity securities	-	3,810	-	-
Total other comprehensive (loss)/ income	(550,250)	470,614	(121,884)	84,498
Total comprehensive income for the period	829,286	5,412,692	1,167,648	4,674,580
Attributable to owners of the parent	842,481	5,319,314	1,167,648	4,674,580
Attributable to non-controlling interests	(13,196)	93,378	-	-
	829,286	5,412,692	1,167,648	4,674,580
Basic and diluted earnings per share (Kobo)	4	13	4	13

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Consolidated and separate statements of financial position as of 31 March 2023

As at	Group			Company		
<i>In thousands of naira</i>	31-Mar-23	31-Dec-22	1-Jan-22	31-Mar-23	31-Dec-22	1-Jan-22
Assets		<i>restated</i>	<i>restated</i>		<i>restated</i>	<i>restated</i>
Cash and cash equivalents	29,872,303	15,915,258	25,490,105	12,847,648	6,521,824	9,062,962
Financial assets	219,510,734	225,460,028	172,501,020	203,344,500	208,421,569	152,718,223
Trade receivables	1,072,143	866,977	728,517	961,144	852,113	689,375
Contracts assets	13,560,993	16,139,023	10,680,812	13,560,993	16,139,023	10,680,812
Deferred acquisition costs	1,651,146	928,558	699,928	1,651,146	928,558	699,928
Other receivables and prepayments	4,397,882	4,685,425	2,411,789	3,485,343	4,141,825	2,140,479
Deferred tax assets	14,334	21,501	1,252	-	-	-
Investment in subsidiaries	-	-	-	1,087,317	1,087,317	1,087,317
Investment in associate	-	-	705,629	-	-	705,691
Investment properties	708,000	760,000	806,000	708,000	760,000	806,000
Property and equipment	8,340,061	8,359,520	7,068,787	8,072,903	8,064,528	6,847,439
Statutory deposits	500,000	500,000	500,000	500,000	500,000	500,000
Right of use assets	47,675	60,055	105,855	47,675	60,055	105,855
Goodwill and other intangible assets	920,173	928,672	934,748	842,532	846,825	838,252
Total assets	280,595,444	274,625,016	222,634,442	247,109,201	248,323,636	186,882,333
Liabilities						
Insurance contract liabilities	190,357,359	192,579,273	144,486,591	190,088,557	192,263,573	144,275,558
Investment contract liabilities	320,674	313,373	2,836,752	320,674	313,373	2,836,752
Trade payables	8,744,519	6,461,628	3,779,049	8,744,517	6,461,628	3,748,134
Other payables and accruals	8,237,913	8,088,876	3,700,218	4,569,168	7,054,663	3,394,548
Fixed income liabilities	27,744,482	22,781,598	33,506,178	-	-	-
Current income tax payable	637,652	669,543	407,282	410,799	422,562	307,392
Deferred tax liabilities	498	7,666	7,666	-	-	-
Total liabilities	236,043,097	230,901,956	188,723,736	204,133,715	206,515,798	154,562,384
Equity						
Share capital	18,302,638	18,302,638	18,302,638	18,302,638	18,302,638	18,302,638
Share premium	64,745	64,745	64,745	64,745	64,745	64,745
Revaluation reserve	2,764,016	2,764,016	1,812,707	2,764,016	2,764,016	1,812,707
Fair value reserve	(3,304,037)	(2,796,624)	(1,683,037)	(1,943,581)	(1,821,697)	(1,016,727)
Foreign exchange gains reserve	-	-	175,600	-	-	175,600
Contingency reserve	10,255,642	9,710,046	8,304,604	10,255,642	9,710,046	8,304,604
Retained earnings	16,060,136	15,255,837	6,588,146	13,532,026	12,788,090	4,676,382
Shareholders' funds	44,143,140	43,300,658	33,565,403	42,975,486	41,807,838	32,319,949
Non-controlling interests	409,206	422,402	345,303	-	-	-
Total equity	44,552,346	43,723,060	33,910,706	42,975,486	41,807,838	32,319,949
Total liabilities and equity	280,595,444	274,625,016	222,634,442	247,109,201	248,323,636	186,882,333

AllCO Insurance Plc – Q1 2023 Unaudited Results

NGX Ticker: AIICO; Bloomberg Ticker: AIICO NL; Reuters: AIICO.LG

Definition of terms

Insurance service revenue refers to revenue earned for the period being reported. It is an amortization of unearned revenue liability that is assumed when premiums are paid.

Insurance service expense reflect the costs incurred in providing services for the period being reported. It excludes the payment of deposit components of contracts.

Net expenses from reinsurance contracts reflect the differences between the expected claims recovered from reinsurance and the actual amounts recovered from reinsurance including the costs of reinsurance coverage which is the expected profit a reinsurer makes from a reinsurance contract.

Net insurance finance income (expense) reflects the financial effect of the time value of money on unearned premiums. It also includes the effect on the carrying amount of insurance contracts of some changes in financial assumptions such as discount rates.

Net finance income from reinsurance contracts refers to the financial effect of the time value of money on unearned premiums.

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

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 realized gains, net fair value gains, and other operating income.

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

AIICO Insurance Plc – Q1 2023 Unaudited Results
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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.aicopl.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.