

You are advised to read and understand the contents of this Rights Circular. If you are in any doubt about the actions to be taken, you should consult your Stockbroker, Accountant, Banker, Solicitor or any other professional adviser for guidance immediately. Investors are advised to note that liability for false or misleading statements or acts made in connection with the Rights Circular is provided in sections 85 and 86 of the Investments and Securities Act No. 29, 2007 (the "Act")

A copy of this Rights Circular will be available on AIICO Insurance PLC's website: www.aiicopl.com, for the duration of the Rights Issue. For information concerning certain risk factors which should be considered by prospective investors, see Risk Factors on pages 26 to 29



AIICO Insurance PLC
RC7340

Rights Issue of
4,357,770,954
Ordinary Shares

of 50 kobo each at ₦0.80 per Share
on the basis of **5** new Ordinary Shares
for every **13** Ordinary Shares held as at the close of business on
Monday, 15 June 2020

The rights being offered in this Rights Circular are tradable on the floor of The Nigerian Stock Exchange for the duration of the acceptance period of the Issue.

Payable in full on acceptance

ACCEPTANCE LIST OPENS: Wednesday, 02 September 2020
ACCEPTANCE LIST CLOSES: Wednesday, 07 October 2020



This Rights Circular and the securities which it offers have been cleared and registered by the Securities and Exchange Commission. Investors may confirm the clearance of this Rights Circular and the registration of the securities it offers with the Securities and Exchange Commission by contacting the Commission on sec@sec.gov.ng or +234 (0)9 462 1100; +234 (0)9 462 1168. The Investments and Securities Act No. 29, 2007 provides for civil and criminal liabilities for the issue of a Rights Circular which contains false or misleading information. The clearance and registration of this Rights Circular and the securities which it offers do not relieve the parties of any liability arising under the Act for false and misleading statements or for any omission of a material fact in this Rights Circular

This Rights Circular is dated 24 August 2020

IMPORTANT NOTICE

Notice to Shareholders outside Nigeria

The distribution of this Rights Circular and the offer of the shares in certain jurisdictions may be restricted by law. No action has been taken by the Issuer or the Issuing House that would permit a public offer of shares or possession, publication or distribution of this Rights Circular (or any other offer or publicity material or application form relating to the Issue) in any jurisdiction where action for the purpose is required, other than in Nigeria. Persons into whose possession this Rights Circular comes should inform themselves about and observe such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This Rights Circular does not constitute an offer of, or an invitation to subscribe or purchase, any shares being offered in any jurisdiction in which such an offer would be unlawful.

Forward-Looking Statements

Certain statements in this Rights Circular may constitute forward looking statements that involve a number of risks and uncertainties. These forward-looking statements include statements regarding the Company's intentions, beliefs or current expectations concerning, amongst other things, the Company's strategies, future plans and the industry in which it operates. Prospective investors should be aware that forward looking statements are not guarantees of future performance and that the Company's actual results of operations, financial condition and liquidity, and the development of the industry in which it operates may differ materially from those made in or suggested by the forward-looking statements contained in this Rights Circular. Actual results could differ materially from those contained in such forward-looking statements as a result of a variety of factors.

The Directors collectively and individually accept full responsibility for the information contained in this Rights Circular. To the best of the knowledge and belief of the Directors (having made all reasonable enquiries to ensure that such is the case), the information contained in this Rights Circular is in accordance with the facts and contains no omission likely to affect its import.

The Issuing House and/or any of its affiliates, acting as shareholders for their own accounts, may take up shares in the Issue and in that capacity may retain, purchase, sell, offer to sell or otherwise deal in such shares for their own account and any other securities of the Company or related investments and may offer or sell such shares or other investments other than in connection with the Issue.

No person has been authorised to give any information or make any representations other than those contained in this Rights Circular and if given or made, such information or representations must not be relied on as having been authorised by the Company and/or the Issuing House or any of their respective subsidiaries or affiliates.

The information contained in this Rights Circular has been provided by the Company and other sources duly identified herein. Each Shareholder should read this Rights Circular in its entirety and determine by himself/herself the relevance of the information contained herein and each shareholder's acceptance of his/her rights should be based upon such investigation as is deemed necessary. In making an investment decision, shareholders must rely upon their own examination of the Company and the terms of this Rights Circular, including the risks involved.

CONTENTS

DEFINITIONS	4
INDICATIVE TIMETABLE	6
CORPORATE DIRECTORY	7
SUMMARY OF THE RIGHTS ISSUE	9
THE RIGHTS ISSUE	12
DIRECTORS, COMPANY SECRETARY, PARTIES TO THE ISSUE AND AUDIT COMMITTEE	13
THE CHAIRMAN'S LETTER	14
OVERVIEW OF AIICO INSURANCE PLC	16
1. HISTORICAL OVERVIEW	16
2. BUSINESS OVERVIEW	16
3. GROUP STRUCTURE	16
4. OVERVIEW OF BUSINESS SEGMENTS	17
5. FUTURE PLANS	18
6. INVESTMENT HIGHLIGHTS	19
7. BOARD OF DIRECTORS	21
8. MANAGEMENT TEAM	22
9. OVERVIEW OF THE NIGERIAN INSURANCE INDUSTRY	24
10. RISK FACTORS	26
LETTER OF SWORN DECLARATION BY THE ISSUER	30
LETTER FROM THE DIRECTORS ON THE GOING CONCERN STATUS	31
LETTER FROM THE AUDITORS ON THE GOING CONCERN STATUS	32
INCORPORATION BY REFERENCE	33
FINANCIAL INFORMATION	34
1. STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME	34
2. STATEMENT OF FINANCIAL POSITION	35
3. STATEMENT OF CASH FLOWS	36
STATUTORY AND GENERAL INFORMATION	37
1. INCORPORATION AND SHARE CAPITAL HISTORY	37
2. SHAREHOLDING STRUCTURE	37
3. DIRECTORS' BENEFICIAL INTERESTS	38
4. INDEBTEDNESS	38
5. OFF BALANCE SHEET ITEMS	39
6. CLAIMS AND LITIGATION	39
7. PURPOSE OF ISSUE AND USE OF PROCEEDS	39
8. COSTS AND EXPENSES	40
9. MATERIAL CONTRACTS	40
10. UNCLAIMED DIVIDENDS	40
11. OVERVIEW OF CORPORATE GOVERNANCE	41
12. RESEARCH AND DEVELOPMENT	42
13. MERGERS AND TAKEOVERS	42
14. RELATIONSHIP BETWEEN THE COMPANY AND ITS ADVISERS	42
15. RELATED PARTY TRANSACTIONS	42
16. DECLARATIONS	42
17. CONSENTS	43
18. DOCUMENTS AVAILABLE FOR INSPECTION	43
PROVISIONAL ALLOTMENT LETTER	44
RECEIVING AGENTS LIST	46
PARTICIPATION FORM	47

DEFINITIONS

In this document, unless otherwise stated or clearly indicated by the context, the following words have the meanings stated opposite them.

“AIICO”, the “Company” or the “Issuer”	AIICO Insurance PLC
“AIICO Bahamas”	AIICO Bahamas Limited
“Board” or the “Directors”	The members of the Board of Directors of AIICO Insurance PLC who as at the date of this document are those persons whose names are set out on page 13 of this Rights Circular
“CAMA”	Companies and Allied Matters Act Chapter C20 Laws of the Federation of Nigeria 2004
“CBN”	Central Bank of Nigeria
“CHN”	Clearing House Number
“Council”	Council of The Nigerian Stock Exchange
“Court”	The Federal High Court of Nigeria
“CSCS”	Central Securities Clearing System PLC
“Daily Official List”	Daily Official List of The Nigerian Stock Exchange
“Federal Government” or “FGN”	Federal Government of Nigeria
“Group”	AIICO Insurance PLC and its subsidiary companies
“GDP”	Gross Domestic Product
“IASB”	International Accounting Standards Board
“IFRS”	International Financial Reporting Standards
“ISA”	Investments and Securities Act No. 29, 2007
“Issue” or “Rights Issue”	The Rights Issue by way of provisionally allotted rights to shareholders whose names appear on the Register of Members of the Company as at the close of business on 15 June 2020, of 4,357,770,954 ordinary shares of 50 kobo each in the Company, on the basis of 5 new ordinary shares for every 13 Ordinary Shares held by them on that date
“Issuing House”	Stanbic IBTC Capital Limited
“LeapFrog”	LeapFrog III Nigeria Insurance Holdings Limited
“Management”	Management of AIICO Insurance PLC
“NAICOM”	National Insurance Commission
“NEFT”	NIBSS Electronic Funds Transfer
“NIBSS”	Nigeria Inter-Bank Settlement System
“Ordinary Shares”	The ordinary shares of 50 kobo each in the Company held by the ordinary shareholders of the Company

DEFINITIONS

“Participation Form”	Form that must be duly completed by each shareholder in order to participate in the Rights Issue, as contained on page 47 of this Rights Circular
“Qualification Date”	15 June 2020
“Receiving Agents”	Any of the institutions listed on page 46 of this Rights Circular to which shareholders may return their completed Participation Forms together with payment/evidence of payment
“Receiving Bank”	Stanbic IBTC Bank PLC
“Register of Members”	The register that records the names and addresses of the shareholders of the Company
“Registrars”	United Securities Limited
“Rights Circular”	This document, which is issued in accordance with the rules and regulations of the Commission
“RIN”	Registrar Identification Number given by the Registrars to the shareholders who do not have CSCS accounts to warehouse their units of shareholding in public companies, under the Registrars custody at the CSCS
“RTGS”	Real Time Gross Settlement
“SEC” or the “Commission”	Securities and Exchange Commission
“Solicitors”	G. Elias & Co
“Stockbrokers”	Magnartis Finance and Investment Limited Stanbic IBTC Stockbrokers Limited
“The NSE” or “The Exchange”	The Nigerian Stock Exchange
“Working Day” or “Business Day”	Any day other than a Saturday, Sunday or public holiday declared by the Federal Government of Nigeria from time to time, on which banks are open for business in Nigeria

INDICATIVE TIMETABLE

The dates below, which reflect principal events of the Rights Issue, are indicative only and subject to change without notice:

DATE	ACTIVITY	RESPONSIBILITY
02 September 2020	Acceptance List opens / Trading in Rights begins	Issuing House / Stockbrokers
07 October 2020	Acceptance List closes / Trading in Rights closes	Issuing House / Stockbrokers
14 October 2020	Receiving Agents make returns	Issuing House / Receiving Agents / Registrars
23 October 2020	File allotment proposal and draft newspaper announcement with SEC	Issuing House
06 November 2020	Receive SEC's clearance of allotment proposal	Issuing House
09 November 2020	Pay net Issue proceeds to AIICO	Receiving Bank
09 November 2020	Credit CSCS accounts	Registrars
09 November 2020	Publish Allotment announcement	Issuing House
09 November 2020	Return surplus / rejected application monies	Issuing House / Registrars
09 November 2020	Forward Declaration of Compliance to The Exchange	Stockbrokers
11 November 2020	Listing of new AIICO shares / trading commences	Stockbrokers
25 November 2020	Forward Issue summary report to SEC	Issuing Houses

1. Head Office and registered address

AIICO Plaza
Plot PC 12
Churchgate Street
Victoria Island
Lagos

Website: www.aiicopl.com

Telephone: +234 (0)1 279 2930

Contact e-mail: aiicontact@aiicopl.com

2. The addresses of AIICO's subsidiaries, affiliates, branches and retail outlets are as follows:**Subsidiaries and affiliates**

S/N	Subsidiary Name	Address
1.	AIICO Capital Limited	12 Churchgate Street, Victoria Island, Lagos
2.	AIICO Multishield Limited	322 Ikorodu Road, Anthony, Lagos
3.	AIICO Pension Managers Limited	Plot 2 Oba Akran Avenue, Ikeja, Lagos

Branches

S/N	Branch	Address
4.	Aba	7 Factory Road, Aba, Abia
5.	Abuja	Prime Plaza, Plot 1012, Ademola Adetokunbo Crescent, opposite Rockview Hotel, Wuse II, Abuja
6.	Akure	3rd Floor, Tisco House, opposite Mr Biggs outlet, Ado-Owo Road, Akure, Ondo
7.	Amuwo Odofin	Plot 203, Festac Link Road, Amuwo Odofin, Lagos
8.	Anthony	Theodolite House, 306 Ikorodu Road, Anthony, Lagos
9.	Benin	28 Sokponba Road, Benin City, Edo
10.	Enugu	55-59 Chime Avenue, Gbujas Plaza, New Haven, Enugu
11.	Ibadan	12 Moshood Abiola Way, formerly Ring Road, Ibadan, Oyo
12.	Ilorin	1 New Yidi Road, Gomola Building, Ilorin, Kwara
13.	Jos	4 Beach Road, Jos, Plateau
14.	Kaduna	Yaman Phone House, 01 Constitution Road, Kaduna, Kaduna
15.	Kano	8 Post Office Road, Kano
16.	Lagos Ikeja	AIICO House, Plot 2 Oba Akran Avenue, opposite Dunlop, Ikeja, Lagos
17.	Lagos Ilupeju	AIICO House, 36/38 Ilupeju Industrial Avenue, Ilupeju, Lagos
18.	Lagos Isolo	203/205 Apapa-Oshodi Expressway, Isolo, Lagos

CORPORATE DIRECTORY

S/N	Branch	Address
19.	Lekki	Gamet Plaza, Lekki Ajah Express Way, Agungi Lekki, Lagos
20.	Onitsha	Noclink Plaza, 41 New Market, opposite UBA Bank, Onitsha, Anambra
21.	Owerri	46 Wetheral Road, Owerri, Imo
22.	Port Harcourt	Plot II, Ezingbu Link Road (Mummy B Road), off Stadium Road, GRA Phase IV, Port Harcourt, Rivers
23.	Uyo	164, Ikot Ekpene Ekpene Road Uyo, Akwa Ibom
24.	Warri	60 Effurun/Sapele Road, Effurun, Warri, Delta

Retail Outlets

S/N	Location	Address
1.	Abuja	46 Lobito Crescent, Wuse II, FCT Abuja
2.	Lekki	Ikate Community, opposite Manor House, Ikate, Lekki, Lagos
3.	Victoria Island	King's College Lagos (Annex Campus), Opposite Churchgate Towers, Churchgate Street, Victoria Island, Lagos

SUMMARY OF THE RIGHTS ISSUE

This summary draws attention to information contained elsewhere in this Rights Circular; it does not contain all of the information you should consider in making your investment decision. You should therefore read this summary together with the more detailed information, including the financial summary elsewhere in this Rights Circular.

- 1. Issuer:** AIICO Insurance PLC.
- 2. Issuing House:** Stanbic IBTC Capital Limited.
- 3. Share Capital:**
 - Authorised: ₦18,000,000,000.00 divided into 36,000,000,000 Ordinary Shares of 50 kobo each.
 - Issued and fully paid: ₦5,665,102,240.00 divided into 11,330,204,480 Ordinary Shares of 50 kobo each.
 - Now being issued: 4,357,770,954 ordinary shares of 50 kobo each at ₦0.80 per share.
 - Gross Issue Proceeds: ₦3,486,216,763.20.
- 4. Purpose:** The Issue is being undertaken to enable AIICO to improve its capital base, and invest further in its assets, technology, employees and customers' experience.
- 5. Use of Proceeds:** The Net Issue Proceeds estimated at ₦3,398,198,953.99 (after deducting issue costs of ₦88,017,809.21 representing 2.52% of the Gross Issue Proceeds) will be applied as shown below:

	₦'m	%	Time to completion
1. Investments in property, plant and equipment	2,081	61.23	Q4 2024
2. Investments in technology	1,317	38.77	Q2 2023
	3,398	100.00	
- 6. Method of Issue:** By way of rights to existing shareholders.
- 7. Provisional Allotment:** 5 new ordinary shares for every 13 Ordinary Shares of 50 kobo each held as at the close of business on 15 June 2020 by those shareholders whose names appear on the Register of Members and transfer books of the Company as at that date.
- 8. Issue Price per share:** ₦0.80.
- 9. Payment:** In full on acceptance.
- 10. Market capitalisation at Rights Issue Price (Pre-Issue):** ₦9,064,163,584.00.

SUMMARY OF THE RIGHTS ISSUE

- 11. Market capitalisation at Rights Issue Price (Post-Issue):** On completion of the Rights Issue, assuming all provisionally allotted Ordinary Shares are fully taken up, the Company will have a market capitalisation of ₦12,550,380,347.20.
- 12. Opening Date:** Wednesday, 02 September 2020.
- 13. Closing Date:** Wednesday, 07 October 2020.
- 14. Qualification Date:** 15 June 2020.
- 15. Application for Additional Shares:** Ordinary shares which are not taken up by close of the Issue will be allotted on a pro-rata basis to existing shareholders who applied and paid for additional shares over and above their provisional allotment. Shareholders, who do not accept their provisional allotment in full, may have their shareholding in the Company diluted.
- 16. Underwriting:** This Issue is not underwritten.
- 17. Consolidated Financial Summary:**

		N'millions				
	Unaudited	Audited year ended 31 Dec				
	Q1 2020	2019	2018	2017	2016	2015
Gross premium written	17,551	50,138	37,666	32,098	27,064	32,919
Profit before taxation	1,441	6,234	3,496	3,040	11,835	1,799
Profit after taxation	1,877	5,910	3,152	1,283	10,238	1,196
Retained earnings	7,672	5,889	1,479	10,083	9,498	898
Share capital	5,665	3,465	3,465	3,465	3,465	3,465
Equity	28,940	28,910	15,271	10,959	8,703	9,714
Total assets	176,664	159,476	109,989	92,413	77,502	80,126
Basic earnings per share (Kobo)	27	83	44	18	147	18

- 18. Quotation:** AIICO's entire issued and paid-up share capital is listed on The Exchange. An application has been made to the Council for the admission to its Daily Official List of the 4,357,770,954 ordinary shares being offered by way of Rights Issue.
- 19. Status:** The new ordinary shares being issued will rank *pari passu* in all respects with the existing issued Ordinary Shares of the Company.
- 20. Dividend Qualification:** The shares being issued shall qualify for any dividend (or any other distribution) declared for the financial year ending 31 December 2020, as long as the qualification date for the dividend (or any other distribution) declared is after the allotment of the Ordinary Shares now being issued.
- 21. Indebtedness:** As at 31 March 2020, the Company had an outstanding long-term loan of US\$5.83 million, relating to the US\$20 million convertible loan obtained from the International Finance Corporation. The amount represents the outstanding loan balance following repayment of US\$1.17 million from the US\$7 million initially drawn on the loan.
- Apart from the foregoing, the Company had no outstanding debentures, mortgages, charges or other similar indebtedness other than in the ordinary course of business.

22. Claims and Litigation:

The Company has a total of 17 (seventeen) pending litigious cases with claims of ₦1,000,000.00 and above as well as claims which may result in suspension or loss of regulatory licences, or otherwise hamper the Transaction (the “Disputes”). In all the Disputes, the Company is either sued as the defendant or a co-defendant.

As at 28 February 2020, the monetary claims against the Company is an aggregate sum of ₦923,545,887.50 (Nine Hundred and Twenty-Three Million, Five Hundred and Forty-Five Thousand, Eight Hundred and Eighty-Seven Naira, Fifty Kobo) and US\$5,582,322 (Five Million, Five Hundred and Eighty-Two Thousand, Three Hundred and Twenty-Two United States Dollars). These amounts exclude the several claims for interests on the primary amounts claimed. In a few of the Disputes, only declaratory and injunctive reliefs are claimed against the Company.

In a significant number of the claims, the Company appears to have a good defence and the Solicitors to the Issue are of the opinion that only a relatively small fraction of the claims in the Disputes is likely to succeed, and will not in any event, impact the Issue negatively, as some of the claims show no reasonable cause of action, or appear exaggerated with arbitrary interest claims.

23. Settlement:

The CSCS accounts of shareholders will be credited immediately after allotment. Shareholders are hereby advised to state the name of their respective stockbrokers, their CHN and CSCS account numbers in the relevant spaces on the Participation Form.

Any shareholder who does not have a valid CHN and CSCS account number, is advised to open a stockbroking account with a stockbroker and obtain a valid CHN and CSCS account number from the stockbrokers. In accordance with the SEC directive on dematerialization of share certificates, shareholders who do not provide valid CHN and CSCS account numbers will have their shares credited at the CSCS using a Registrar Identification Number. A Registrar Identification Number is a number allocated to shareholders who do not have valid CHN and CSCS account numbers to warehouse their units of shareholding in public companies under Registrar’s custody at the CSCS. The allotted shares will be transferred to the stockbroking account of the shareholder once valid CHN and CSCS account numbers are provided.

24. Group Structure:

The Group is made up of four entities comprising of the parent company, AIICO, and its three subsidiaries. An illustrative diagram of the Group’s structure (as at 31 December 2019) is shown below:



THE RIGHTS ISSUE

A copy of this Rights Circular and the documents specified herein have been delivered to the Securities and Exchange Commission for clearance and registration.

This Rights Circular is issued in compliance with the provisions of the Investments and Securities Act No. 29, 2007, the rules and regulations of the Commission and the listing requirements of The Exchange and contains particulars in compliance with the requirements of the Commission and The Exchange for the purpose of giving information to the public with regards to the Rights Issue of 4,357,770,954 Ordinary Shares of AIICO Insurance PLC by Stanbic IBTC Capital Limited. An application has been made to the Council of The Exchange for the admission to its Daily Official List of the 4,357,770,954 Ordinary Shares being offered via the Rights Issue.

The Directors of AIICO Insurance PLC individually and collectively accept full responsibility for the accuracy of the information contained in this Rights Circular. The Directors have taken reasonable care to ensure that the facts contained herein are true and accurate in all respects and confirm, having made all reasonable enquiries that to the best of their knowledge and belief, there are no material facts the omission of which would make any statement herein misleading or untrue.

The shares to be issued by the Company pursuant to the Rights Issue will rank pari passu in all respects with the existing issued Ordinary Shares of the Company.

STANBIC IBTC CAPITAL LIMITED

RC1031358

on behalf of

AIICO INSURANCE PLC

RC7340

is authorised to receive acceptances for the

RIGHTS ISSUE OF

4,357,770,954 ORDINARY SHARES OF 50 KOBO EACH

AT ₦0.80 PER SHARE

on the basis of 5 new Ordinary Shares for every 13 Ordinary Shares held as at the close of business on **Monday, 15 June 2020**

Payable in full on acceptance

The Acceptance List for the shares now being issued will open on Wednesday, 02 September 2020 and close on Wednesday, 07 October 2020.

SHARE CAPITAL AND RESERVES OF THE COMPANY AS AT 31 MARCH 2020

		₦'000
AUTHORISED	36,000,000,000 Ordinary Shares of 50 kobo each	18,000,000
ISSUED AND FULLY PAID	11,330,204,480 Ordinary Shares of 50 kobo each	5,665,102
EQUITY	Share Capital	5,665,102
	Share Premium	5,904,389
	Revaluation Reserves	1,812,707
	Fair Value Reserves	247,696
	Foreign Exchange Gains Reserve	159,677
	Statutory Reserve	212,160
	Contingency Reserve	6,320,410
	Retained Earnings	7,671,793
	Non-Controlling Interests	945,577
	Total Equity	28,939,510

DIRECTORS, COMPANY SECRETARY, PARTIES TO THE ISSUE AND AUDIT COMMITTEE

Directors:

Mr Kundan Sainani (Chairman)

Plot PC 12
Churchgate Street
Victoria Island
Lagos

BABATUNDE
FAJEMIROKUN

Mr Babatunde Fajemirokun (Managing Director)

Plot PC 12
Churchgate Street
Victoria Island
Lagos

Mr Adewale Kadri Abass (Executive)

Plot PC 12
Churchgate Street
Victoria Island
Lagos

Mr Ajayi Olusola Oludare (Executive)

Plot PC 12
Churchgate Street
Victoria Island
Lagos

Mr Ademola Adebise

Plot PC 12
Churchgate Street
Victoria Island
Lagos

Mr Olalekan Akinyanmi

Plot PC 12
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Lagos

Ms Folakemi Fajemirokun

Plot PC 12
Churchgate Street
Victoria Island
Lagos

Mr S.D.A. Sobanjo

Plot PC 12
Churchgate Street
Victoria Island
Lagos

Mr Samaila Zubairu

Plot PC 12
Churchgate Street
Victoria Island
Lagos

Company Secretary:

Mr Donald Kanu

Plot PC 12
Churchgate Street
Victoria Island
Lagos

Issuing House:

Stanbic IBTC Capital Limited
I.B.T.C. Place
Walter Carrington Crescent
Victoria Island
Lagos

Stockbrokers:

Magnartis Finance and Investment Limited
16 Boyle Street
Onikan
Lagos

Stanbic IBTC Stockbrokers Limited
I.B.T.C. Place
Walter Carrington Crescent
Victoria Island
Lagos

Solicitors:

G. Elias & Co.
6 Broad Street
Lagos Island
Lagos

Auditors:

Ernst & Young
10th and 13th Floors UBA House
57 Marina
Lagos Island
Lagos

Registrars:

United Securities Limited
Plot 9 Amodu Ojikutu Street
Victoria Island
Lagos

Receiving Bank:

Stanbic IBTC Bank PLC
I.B.T.C. Place
Walter Carrington Crescent
Victoria Island
Lagos

Audit Committee

Mr Samaila Zubairu (Chairman)
Sir Edmund U. Njoku (Vice-Chairman)
Mr Ademola Adebise (Member)
Mrs Funke Augustine (Member)
Chief Robert I. Igwe (Member)
Mr S.D.A. Sobanjo (Member)

THE CHAIRMAN'S LETTER

The following is the text of a letter received by Stanbic IBTC Capital Limited from Mr Kundan Sainani, Chairman of the Board of Directors of AIICO Insurance PLC.



24 August 2020

Dear Shareholders

RIGHTS ISSUE OF 4,357,770,954 ORDINARY SHARES OF 50 Kobo EACH AT ₦0.80 PER SHARE IN AIICO INSURANCE PLC

In 2018, the National Insurance Commission (“NAICOM”), Nigeria’s regulatory body for insurance firms, announced the introduction of a Tier Based Minimum Solvency Capital structure that required a realignment of operations of players across the industry. The policy was subsequently suspended in November 2018, following a legal action by a shareholders’ association against NAICOM.

Following a strategic review and considering the industry developments, the Company resolved to strengthen its balance sheet and secure long-term capital in anticipation of a compulsory industry-wide recapitalisation directive from NAICOM. Accordingly, at an Extra-Ordinary General Meeting on 05 October 2018, the Company sought and obtained shareholders’ approval authorising the Board of Directors to raise additional capital by way of a Private Placement (the “Placement”).

The Placement, which was concluded in February 2020, raised additional equity capital of ₦5.3 billion from two investors, AIICO Bahamas Limited and LeapFrog III Nigeria Insurance Holdings Limited, with extensive expertise to support the Company’s future growth and development. The Placement resulted in an improved capital base for AIICO, increasing paid-up capital (as defined by NAICOM) from ₦6.3 billion as at 31 December 2018 to ₦11.6 billion. Whilst improving capital base, proceeds of the Placement is being used for the repayment of the US\$7 million convertible loan obtained from the International Finance Corporation in 2015 and investments in technology, property, plant and equipment, and human capital development respectively.

However, the execution phase of the Placement coincided with the announcement of a compulsory recapitalisation exercise in May 2019, via a circular issued by NAICOM, amending the minimum paid-up share capital policy for Insurance and Reinsurance Companies in Nigeria. The circular revised the minimum paid-up capital requirement for composite insurers such as AIICO from ₦5 billion to ₦18 billion, implying that the Company needed to raise additional equity capital to maintain its license class. The circular also stipulated a recapitalisation deadline of 31 December 2020. However, due to the operational disruptions resulting from the SARS-CoV-2 (COVID-19) pandemic, NAICOM via a circular issued in June 2020, extended and segmented the recapitalisation process for insurers into two stages. The first stage requires insurers to have achieved 50% of the minimum paid-up capital by 31 December 2020, whilst the second stage requires insurers to have fully complied with the approved minimum paid-up capital by 30 September 2021.

Following extensive deliberations, the Board recommended a two-phased approach to achieve the new paid-up capital requirement for composite insurers. The first phase will involve the Company raising fresh equity of up to ₦3.5 billion via a Rights Issue to bolster its capital base and invest further in its assets, technology, employees and customers’ experience.

The Rights Issue will afford all shareholders an opportunity to support the Company’s efforts towards recapitalising and delivering a more sustainable balance sheet that will be the platform for future growth. If successful, the Rights Issue is expected to increase paid-up capital to ₦15.1 billion from ₦11.6 billion as at 31 March 2020. The second phase of the recommended approach will involve capitalising a portion of the Company’s retained earnings through the issuance of bonus shares to increase its paid-up capital. The bonus issue will also result in shareholders increasing their holdings in the Company at no cost.

THE CHAIRMAN'S LETTER

At a subsequent Extra-Ordinary General Meeting of the Company held on 05 March 2020, shareholders authorised the Directors of the Company to raise additional capital by way of a rights issue to existing shareholders. Furthermore, at a meeting of the Directors held on 12 May 2020, the Board authorised the Rights Issue of 4,357,770,954 Ordinary Shares at ₦0.80 per share to shareholders whose names appeared in the Company's Register of Members as at 15 June 2020, in the proportion of 5 new Ordinary Shares for every 13 Ordinary Shares held by them on that date. All necessary arrangements have now been concluded for the Rights Issue. We have received approval from the Securities and Exchange Commission for the registration of the shares and listing approval has been granted by The Nigerian Stock Exchange. The shares will rank pari passu in all respects with the existing issued Ordinary Shares of the Company.

As the insurance industry continues to evolve, AIICO is considering a number of strategies to increase its market share and position effectively to better serve its various stakeholders. Specifically, AIICO intends to strengthen its agency force and broaden its multi-channel distribution platform to enhance customer reach. The Company also intends to deepen its relationship with strategic broker partners and key public sector clients, whilst optimizing its product mix and simplifying its business model to improve margins, operational efficiencies and ultimately shareholders' returns.

Furthermore, it is important to note that AIICO has sufficient working capital to finance its operations and meet financial obligations as and when due, and the expectation is that the Company's working capital position will be further strengthened upon conclusion of the Rights Issue.

The Rights Circular contains general information relating to our Company, including our Company's history, summary historical financial information, details regarding the future plans as well as investment highlights in relation to the Rights Issue. A provisional allotment letter from the Company Secretary, which provides full instructions for the acceptance, payment and renunciation of your rights is also contained in the Rights Circular.

I urge you to participate in the Rights Issue by taking up your rights in full and also subscribing for additional shares.

On behalf of the Board and Management, I would like to thank you for your continuing support towards achieving the Company's recapitalisation initiatives.

Yours faithfully



Mr. Kundan Sainani
Chairman

1. HISTORICAL OVERVIEW

AIICO Insurance PLC commenced operations in Nigeria in 1963 as an agency office of American Life Insurance Company (“ALICO”), a wholly owned subsidiary of American International Group (“AIG”). In 1970, AIICO was fully incorporated, registered and licensed in Nigeria as American Life Insurance Company Limited to offer life and pension products, and insurance services. Following the acquisition of a 60% equity stake in the Company by the Federal Government of Nigeria from AIG, the Company was renamed American International Insurance Company Limited and later listed on The Nigerian Stock Exchange in 1990, after which the Federal Government and AIG divested.

Over the years, AIICO has evolved from an insurance agency of AIG to a diversified financial institution in Nigeria providing life insurance, non-life insurance, pension administration, asset management and health insurance. The Company took advantage of the opportunities presented by the Pension Reform Act of 2004, by incorporating a subsidiary, AIICO Pension Managers Limited (“APML”), in February 2005. APML became licensed as a Pension Fund Administrator by the National Pension Commission in April 2006 and commenced operations in May 2006.

During the insurance sector consolidation in 2007, the Company acquired NFI Insurance PLC and Lamda Insurance Company Limited. AIICO was subsequently re-certified as a general insurance and life assurance company by NAICOM, taking advantage of its legacy, brand, franchise and network, to grow a leading general insurance business.

In 2012 AIICO acquired an 80.88% equity stake in Multishield Limited, a health maintenance organisation providing prepaid health plans to cater for the health needs of individuals and corporate organisations. The Company also acquired a 19% strategic equity stake in Healthcare International Limited. In the same year, the Company established its asset management business, AIICO Capital Limited, which commenced operations in 2014 through the provision of bespoke wealth solutions for clients including portfolio management services, structured investments and mutual funds.

To ensure the Company remains a leading institution in Nigeria well positioned to tap immense opportunities in its various businesses, AIICO resolved to forge strategic relationships/partnerships with leading financial institutions to secure funding to drive its growth and expansion. In February 2015, AIICO partnered with the International Finance Corporation via a financing agreement under which IFC provided a US\$7 million convertible loan for the financing of the Company’s retail expansion, and investments in infrastructure and branding efforts.

In 2019, LeapFrog Investments Limited (an emerging market focused private equity fund that seeks to invest in emerging market countries including Nigeria) took up a stake in AIICO through Leapfrog III Nigeria Insurance Holdings Limited. Together with AIICO Bahamas Limited, the combined sum of ₦5.3 billion was invested in the Company.

Today, AIICO is a leading diversified non-banking financial institution in Nigeria which has demonstrated a long track record of successfully operating in the insurance sector (over five decades) and has built a strong reputation reflective of its vision to become a leading player in its various markets.

2. BUSINESS OVERVIEW

AIICO, together with its subsidiaries, provides mainly life and non-life insurance services as well as other complementary services including asset/wealth management, pension products, investment services and health management to retail, corporate and public sector clients across Nigeria.

The Company offers its complimentary services through its subsidiaries which include AIICO Pension Managers Limited, AIICO Capital Limited and AIICO Multishield Limited.

3. GROUP STRUCTURE

The Group is made up of four entities comprising of the parent company, AIICO, and its three subsidiaries. An illustrative diagram of the Group’s structure (as at 31 December 2019) is shown on the following page:



4. OVERVIEW OF BUSINESS SEGMENTS

The principal product lines of AIICO and its subsidiaries are organised along five main business segments as follows:

a. Life Insurance and Savings

AIICO's core strength lies in its life insurance business, which is the highest contributor to the Group's gross premium written (contributing 74% for the year ended 31 December 2019). The life business offers innovative life insurance-based solutions that address protection, retirement savings and funeral needs in Nigeria. AIICO's non-life products are classified under three categories, namely, ordinary life, group life and annuity.

The policies offered by the life and savings line of business are sold to customers through a multi-channel distribution network comprising affiliated agents, non-affiliated agents, AIICO branches and area offices, as well as the Company's partners.

b. Non-Life Insurance

The non-life insurance segment provides a wide range of general insurance products to individuals and businesses. AIICO's non-life insurance products range from fire, motor, casualty, employer's liability, marine, personal accident and special oil. These products offer protection of policyholders' assets and indemnification of other parties that have suffered damage as a result of a policyholder's accident. The Company is a leading insurer in the property, casualty and special risk categories of the non-life insurance segment.

c. Pension Management

AIICO Pension Managers Limited provides pension fund administration and management, as well as other advisory services relating to pension matters to private and public sector clients. It is a leading player in the pension industry with assets under management of c. ₦124 billion as at 31 December 2019.

d. Health Insurance

AIICO Multishield Limited offers prepaid health insurance plans and services to individuals and corporate clients. It delivers healthcare insurance services via 1,800 hospitals in its network, as at 31 December 2019, to its enrollees / client base.

e. Asset Management

AIICO Capital Limited provides asset management services. It provides investment management services to the insurance businesses of the Company, as well as to third party clients. As at 31 December 2019, it had assets under management of c. ₦6.3 billion.

5. FUTURE PLANS

GROW AND STRENGTHEN AIICO'S AGENCY FORCE

AIICO recognises that its agency force is the backbone of its distribution infrastructure and believes that future growth will be driven by the strength of its agency force. Therefore, the Company plans to grow the size of its agency network, by recruiting new agents and by focusing on the retention of its existing productive agents. To retain these agents, the Company will continue to improve its agent training and support programmes, foster career progression and development through clear promotion opportunities, and performance recognition programmes.

In addition, AIICO aims to significantly improve efficiency and effectiveness of its agency force. To drive agent efficiency and effectiveness, the Company recently restructured its training programme and recruited highly experienced training managers, with international exposure, to facilitate various trainings for its agents including needs-based selling, customer profiling and customer-to-product matching. The Company will also invest in automation and will significantly improve back-up customer services to provide its agents with access to the right tools aimed at improving productivity rates.

BROADEN THE COMPANY'S MULTI-CHANNEL DISTRIBUTION PLATFORM

AIICO plans to develop its other distribution channels to broaden access to potential customers in response to changing industry dynamics and evolving preferences of current and potential customers. In the coming years, the Company intends to diversify its premium sources by increasing the premium contribution from other channels such as partnerships, retail outlets, e-channels, bancassurance, direct marketing, and brokers.

In a bid to deepen financial inclusion and the penetration its products, AIICO plans to seize advantage of emerging digital technologies to engage in digital distribution. There is also an increasing demand by consumers for ease of transacting business, for which AIICO intends to digitally take its products to the comfort of consumers. The Company understands the limitless prospects in embracing technological advancements as it will help determine its long-time sustainability.

The Company has also identified bancassurance as a key part of its distribution channel diversification strategy, given the potential customer base the channel provides exposure to. To pursue this market, the Company will deploy a bancassurance strategy focused on establishing relationships with top-tier Nigerian banks. AIICO intends to make significant investments in technology, people, and systems to achieve the aggressive growth for its multi-channel distribution platform.

DEEPEN RELATIONSHIPS WITH KEY BROKERS AND PUBLIC SECTOR CLIENTS

Corporate business accounts form a significant portion of the insurance market in Nigeria, including AIICO's non-life gross written premiums. The Company believes that the corporate client segment presents a huge market opportunity that needs to be pursued aggressively in the near term. AIICO will focus on growing its wallet share of key corporate accounts by deepening relationships with its strategic broker partners rather than spreading across numerous brokers. Also, the Company plans to continue exploring opportunities focused on improving participation by key public sector clients in the coming years, given the significant premiums these accounts contribute to its non-life and group life businesses.

OPTIMISE PRODUCT MIX TO RISK-BASED, HIGH MARGIN PRODUCTS

The Company's top-line growth depends on profitable new businesses, i.e. targeting higher growth in value of new business over gross premium written growth and maintaining a dynamic product mix with increasing focus on high-margin risk products with low capital requirements. As such, AIICO intends to refocus its core distribution channel, the agency force, to target higher margin insurance products in the coming years.

To support this strategy further, AIICO will continue to optimise its product mix to adapt to market conditions, sell products that balance the risks of others, replace less profitable products with higher margin products and target affluent customers and high net-worth individuals. The Company believes that its robust distribution platform, on account of its strong tied-agency force and broad

product offering, positions it well to pursue the strategy of increasing the proportion of high margin insurance products it offers.

SIMPLIFY THE BUSINESS MODEL AND IMPROVE OPERATIONAL EFFICIENCIES

In addition to growing top-line premiums, AIICO will continue to focus on improving profitability by significantly reducing operating expenses and continue enhancing operational efficiency across its various businesses. Therefore, the Company will look to implement strategic initiatives including the establishment of corporate and shared services' centres to enable AIICO simplify its structure, consolidating of operations and eliminating duplicated functions in the current group structure. In addition, the Company plans to invest in technology that will improve efficiencies and enable it to effectively target and serve customers. To this end, AIICO intends on transforming from an insurance company with independently operating subsidiaries, to a holding company structure with centralized corporate and service functions.

LEVERAGE ITS PRE-EMINENT INSURANCE FRANCHISE AND RETAIL NETWORK TO BUILD A FINANCIAL SERVICES FRANCHISE

One of the principal reasons for the intended transformation into a holding company structure is to enable AIICO leverage its pre-eminent insurance franchise, retail strength, and distribution network to its other businesses. This will enable the Company offer its customers a broad range of complementary insurance and financial products and services such as wealth and asset management and pension products, all under the AIICO brand.

The Company plans to continue focusing on offering a broad product range which includes riders that can be effectively attached to its other insurance products. Consequently, AIICO intends to increase its agents' training on these non-life insurance products (from the traditional life insurance products) to encourage greater sales and to drive agency force productivity. Efforts will also be placed on tapping cross-selling opportunities and growth in non-insurance related financial services by leveraging the Company's well-recognised brand, product development capabilities, large agency force with long-term customer relationships and its expanding multi-channel distribution network and business infrastructure.

STRENGTHEN ITS PEOPLE

AIICO aims to continually nurture and expand the cadre of employees who deliver exceptional results and understands the need to be able to attract, motivate, and retain the best talents. To this end, the Company plans to build a performance-based culture with innovative incentive scheme practices, continue to implement employee and career development initiatives, and foster a cohesive and engaged workforce through an acculturation programme that emphasizes the "We" and "One AIICO" culture.

6. INVESTMENT HIGHLIGHTS

ATTRACTIVE INDUSTRY AND MACRO ECONOMY

Nigeria has the largest population in Africa and one of the largest globally, presenting a huge potential market for insurance products. The Government and relevant regulators are welcoming of investments and innovation in the insurance sector. The sector has remained highly underpenetrated, which presents opportunities for long-term growth. Recent regulation in relation to insurance also appears favourable to insurers and the industry at large.

HISTORY AND TRACK RECORD

AIICO was established in 1970 as one of the first insurers with established operations in Nigeria and has been in existence for about 50 years. The Company was a subsidiary of AIG and was instrumental in developing the Nigerian insurance industry. The history and track record in Nigeria bring about an in-depth understanding of local markets.

GEOGRAPHICAL FOOTPRINT

AIICO has an established presence nationwide, with 21 branches and 3 retail outlets in 16 states in Nigeria, serving its customers through an extensive multi-channel distribution network of agents, brokers, and advisors, allowing the Company take advantage of opportunities across markets in Nigeria.

DIVERSE PRODUCT OFFERING

AIICO is a composite player, offering life insurance, general insurance and investment products to individuals and corporate customers. The Company also plays in all subsegments of its respective businesses, thereby placing it in a position to effectively increase its market share as it offers a well-balanced product mix, which includes a suite of solutions targeted at identified clients and market needs.

The insurance business is also complemented by the pension, health management, and asset management businesses, proving that the Company is not entirely dependent on any one product / business for earnings, and can adjust its product mix to take advantage of market opportunities. The Company also continually seeks to grow its retail offerings product mix to capture shifting customer needs.

FINANCIAL PERFORMANCE AND GROWTH

AIICO's life business is the major contributor of the Company's gross premium, with a 76% contribution to the Company's gross premiums written as at 31 December 2019. In 2018, the life business contributed 72%. This came from a 40% growth in the premiums received from this segment, over the course of one year. Over the same period, the non-life business also grew by 20%.

AIICO achieved this growth by maintaining an intense commitment to clients, focusing on core businesses and key opportunities, solid risk management systems, technical underwriting capabilities, reinsurance arrangements and integrated franchise. The Company continues to strengthen its balance sheet, building a strong financial base needed to propel the Company to the next phase of growth.

INNOVATIVE DISTRIBUTION CHANNELS

AIICO currently has a network of over 4,000 agents across its retail outlets and branch offices nationwide. The Company also continually seeks to strengthen partner relationships, evidenced by its continuous improvement in underwriting ability and capacity to drive selected product ranges in its portfolio. The Company has intensified efforts at re-modernizing its Agency workforce.

There have been investments in best-in-class training and recruitment practices for the Company's Agency platform to improve productivity. The Company has also adjusted its incentive programs for its Agency salesforce / partners, to improve new business sales with a renewed focus on retention of existing businesses. AIICO continues to develop other distribution channels, particularly bancassurance and direct market, to create a multi-channel distribution platform tailored to all classes of consumers and clients across Nigeria's diverse market.

TECHNICAL EXPERTISE

The Company has deep technical expertise, developed from decades of insurance industry experience. AIICO is also in partnership with LeapFrog, a private equity investor targeted at insurers, asset managers, development finance institutions, foundations and family offices. LeapFrog has decades of experience as it has been in partnerships with other insurers on a global level, including Syn Mun Kong Insurance, Thailand; SoftLogic Life, Sri Lanka; ARM Life, Nigeria and several other firms in the industry.

ROBUST ENTERPRISE RISK MANAGEMENT FRAMEWORK

AIICO has strategies in place to minimize potential risks to its business whilst taking advantage of the upside risk in various scenarios and projections. The Company has a strong risk pricing and selection process, leveraging access to technical, actuarial and development expertise, to avoid excessive risk taking.

AIICO's investment in its actuarial capabilities and the inclusion of a Chief Actuary in the team has added significant value to its business strategy and execution. The Company also maintains a robust reinsurance treaty with a first-class pool of local and international re-insurers, such as Munich Re, Swiss Re, Africa Re, and Continental Re.

7. BOARD OF DIRECTORS

The board of directors of AIICO Insurance PLC consists of nine members. The Board exercises general governance over the Company's activities, ensuring the set-out goals and objectives are attained.

Mr Kundan Sainani was appointed Chairman of AIICO Insurance in 2019. He holds a Bachelor of Commerce degree from Mohanlal Sukhadia University in India (1986). He is also a qualified accountant with over 20 years' work experience in various companies including Viva Methanol Limited and Lekki Deep Sea Port, a subsidiary of Tolaram Group. Mr Sainani has also held a directorial position in Lagos Free Trade Zone Company. He became a member of the board of AIICO in 2015.

Mr Babatunde Fajemirokun was appointed as the Managing Director of AIICO in August 2019. He holds a Bachelor of Science degree in Business Economics from Glasgow (2000), a Master of Science in Business Information Technology Systems from University of Strathclyde (2002) and an MBA with a major in Finance from University of Chicago Booth School of Business (2013). He is a senior member of Chartered Insurance Institute of Nigeria and is a qualified charter in insurance. Before joining AIICO in May 2009, Mr Fajemirokun previously worked at Accenture and Capgemini Consulting, United Kingdom. He served various roles in the Company including oversight over the principal and operational functions, prior to his election to the board in 2015.

Mr Adewale Kadri Abass is an Executive Director of AIICO. Mr Kadri currently oversees the Corporate / Institutional Business Division. He holds a Higher National Diploma in Insurance from the Polytechnic of Ibadan (1994), a Master of Science degree in Business Administration with a major in Marketing from Lagos State University (2006) and a Bachelor of Science degree in Applied Accounting from Oxford Brookes University (2014). He is a Fellow of Chartered Insurance Institute of Nigeria and a Chartered Accountant. Mr Kadri began his career in Insurance at Worldwide Insurance Company Limited in 1997 and then moved to ELMAC Assurance Nigeria Limited. He previously served as an insurance officer at Modandola Group of Companies and later joined the marketing team at Newline Insurance Company Limited and Sun Insurance PLC. Mr Kadri later joined United Bank for Africa PLC in 2004, where he served as Group Head of the Brokers' Management Division. He also served in various other managerial capacities at NICON Insurance PLC and Oceanic Insurance Company Limited. Mr Kadri joined AIICO in 2017 as a General Manager.

Mr Ajayi Olusola Oludare is an Executive Director of AIICO. Mr Ajayi currently oversees the Group Retail Division and was previously the Head of Retail Business at AIICO before his appointment to the Board. He holds a Bachelor of Science degree in Chemical Engineering from University of Lagos (2000) and an MBA from INSEAD (2012). He is also an alumnus of Harvard Business School. Mr Ajayi has over 15 years' experience in leadership positions in management consulting and insurance in Nigeria and United Kingdom. He is a qualified Project Manager and Business Continuity Management Systems Auditor from British Standard Institute. Mr Ajayi had previously worked with Deloitte Consulting in the UK and also worked with Accenture in Nigeria. He joined AIICO from Deloitte Bahrain in 2009 and was appointed to the Company's Board in September 2019. Mr Ajayi is also the Chairman of AIICO Multishield Limited.

Mr Ademola Adebise is a Non-Executive Director of AIICO Insurance. He holds a Bachelor of Science degree in Computer Science from University of Lagos (1987), an MBA from Pan African University, Lagos Business School (2004) and he is an alumnus of Harvard Business School. He is a Fellow of the Institute of Chartered Accountants of Nigeria and an Associate of the Chartered Institute of Taxation & Computer Professionals. Mr Adebise has attained over 26 years of well-rounded work experience from Accenture, National Bank of Nigeria and Chartered Bank in various capacities. He is presently the Managing Director of Wema Bank and also serves on the Board of AIICO Pensions Managers Limited and the Financial Institutions Training Centre. He was appointed to the board of AIICO in 2016.

Mr Olalekan Akinyanmi is a Non-Executive Director of AIICO. He Holds a Bachelor of Science degree in Electronic and Electrical Engineering from Obafemi Awolowo University (1991) and an MBA from the Massachusetts Institute of Technology Sloan School of Management (2000). Mr Akinyanmi is the founder and Chief Executive Officer of Lekoil Limited, an Africa focused oil exploration and production company. He has over 20 years' experience in the oil and gas industry

and was the International Energy Sector Head at Alliance Bernstein L.P. in New York, USA, with direct responsibility for a US\$1 billion energy resource portfolio. Prior to that, he was an Associate Director at UBS Investment Research. Mr Akinyanmi also held engineering and operational roles within Schlumberger in a career that spanned Nigeria, Egypt, Pakistan, Oman and Scotland. He was appointed as a Non-Executive Director in 2019.

Ms Folakemi Fajemirokun is a Non-Executive Director of AIICO. She holds a Bachelor of Science degree in Economics from the University College London (2010) and a M.Sc. in Decision Sciences from the London School of Economics (2011). Ms Fajemirokun was awarded a Diploma in Management Accounting by the Chartered Institute of Management Accountants in 2014 and also obtained certification in Risk Management at the Institute of Risk Management in the same year. She commenced her career at Afrisk Management Consultants Limited in 2011 and later joined Deloitte LLP in England in 2012, where she developed business continuity plans and process mappings, and also engaged in Risk Management advisory and reviews for several companies. Ms Fajemirokun was appointed as Non-Executive Director in 2018.

Mr S.D.A Sobanjo is a Non-Executive Director of AIICO. He holds a Bachelor of Science degree in Actuarial Science from University of Lagos (1981), a post graduate degree in Business Administration with a major in General Management from University of Lagos (1996) and an MBA in Marketing from Enugu State University of Technology (1999). He is a charter of the Nigerian Institute of Management. He has varied experience spanning across pension administration, life insurance operations, general insurance administration, product development, marketing and information technology. He has worked at Union Bank of Nigeria PLC, SCIB Nigeria and Company, Glanville Einthoven Life and Pensions Insurance Brokers Limited, High Gate Insurance Brokers Limited and AIICO Insurance PLC. He has been a Director at AIICO Insurance since 2006 and resumed the position of Non-Executive Director in 2013.

Mr Samaila Zubairu is a Non-Executive Director of AIICO Insurance. He holds a Bachelor of Science degree in Accounting from Ahmadu Bello University (1989) and is a Fellow of the Institute of Chartered Accountants Nigeria and Eisenhower Fellowships International Leader Exchange, Philadelphia. He has held several leadership positions in various capacities including Chief Financial Officer at Dangote Cement PLC and Obajana Cement PLC, Head of Project Finance at Fidelity Bank PLC, Head of Investment Banking and Group Head of Risk Management at Liberty Bank PLC. Mr Zubairu is presently the Vice Chairman of Africapital-Gem Development Partners Limited, a Director of West Africa Infrastructure Investment Managers, a Joint Venture with Old Mutual Group. In 2018, Mr Zubairu was appointed as the President of Africa Finance Corporation, the leading infrastructure finance institution in Africa. He was appointed as a Non-Executive Director at AIICO in 2016.

8. MANAGEMENT TEAM

Mr Oladeji Oluwatola is the Chief Financial Officer for AIICO. He holds a B.Sc. in Applied Geophysics from Obafemi Awolowo University, Ile-Ife (2003), an MBA from the Lagos Business School (2018) and is also an Associate Chartered Accountant. He is an experienced finance professional with in-depth knowledge of accounting, accounting software, tax planning and organization of companies in the financial services industry. Mr Oluwatola is experienced with regulatory engagement and management. He has over 14 years' experience in audit and accounting practice. Mr Oluwatola commenced his career at KPMG in 2004 and rose through the career ladder to attain a Senior Manager level before he left the firm in December 2017 to assume the Chief Financial Officer role with Letshego Microfinance Bank Limited. He was appointed as Chief Financial Officer of AIICO in 2018.

Mr Abiodun Adebajo is the Chief Risk Officer of AIICO. He holds a Bachelor of Science degree in Mathematics and Statistics from University of Lagos (1991), as well as an MBA in Finance and Accounting from the University of Liverpool (2003). He is a Fellow of the Institute of Chartered Accountants of Nigeria, a member of the Institute of Taxation, the Institute of Internal Auditors and Nigeria Institute of Management Chartered. He has two decades of work experience in the financial services industry, having worked at Ecobank Nigeria PLC, Diamond Bank, UBA PLC and First Bank. He joined AIICO in 2010.

Mr Joseph Oduniyi is the Head of Non-Technical Life at AIICO. He holds a Bachelor of Science degree in Insurance from University of Lagos (1987). He is a member of the Chartered Insurance Institute of Nigeria and London. Mr Oduniyi has experience from services with Ministry of Works and Housing, The Nigerian Life & Pensions Consultants, Glanvill Enthoven & Co. Nigeria Limited, Union Commercial Insurance Brokers Limited and Risktech Insurance Brokers Limited.

Mr Benson Ogunyamoju is the Head of Group Life Business at AIICO. He holds a Bachelor of Science degree in Insurance from University of Lagos (1987). He is a Fellow of the Chartered Insurance Institute of Nigeria and a Fellow of the Life Management Institute of U.S.A. He has a wealth of experience in Life Insurance Operations spanning over two decades. He currently supervises the Life Technical Division which provides technical and actuarial expertise to support business objectives.

Mr Donald Kanu is the Company Secretary of AIICO. He holds a Bachelor's degree and a Master of Science degree in Business Administration from University of Calabar (1990). Mr Kanu is a member of the Nigerian Bar Association, the Institute of Chartered Secretaries and Administrators and the Institute of Directors. His career spans across the financial services, telecommunications and legal services sectors where he worked at Savannah Bank, A.U. Kalu (SAN) and Associates, UTB Trustees Limited, Fidelity Bank PLC, Globacom and Cornerstone Insurance PLC.

Mr Olusanjo Shodimu is the Chief Information Officer of AIICO. He holds a Bachelor of Science degree in Physics from University of Ibadan (2001) and an MBA from University of Chicago Booth School of Business (2018). He is a certified Project Manager and ITIL Expert from the Chartered Institute for IT, United Kingdom. Mr Shodimu has accrued over 15 years work experience in Business Transformation and Technology Management. He previously worked at Accenture for 10 years prior to joining AIICO.

Mrs Iyabo Adeniran is the Group Head of Brokers Management at AIICO. She holds an MBA from Federal University of Technology Akure (2002). She is also an alumnus of Lagos Business School and a certified Insurance Practitioner. Prior to joining AIICO in 2007, she worked at various organizations including Confidence Insurance Limited, Triumph Insurance Brokers Limited and Prudential Union Company Limited.

Mrs Titilola Okunlola is the Head of AIICO's Retail Business. She holds a Higher National Diploma in Insurance from the Polytechnic of Ibadan (1995) and an MBA from the University of Uyo (2005). She is also Fellow of the Chartered Insurance Institute of Nigeria (FCIIN) and an alumnus of the Lagos Business School. Mrs Okunlola commenced her career in 1996 as a Senior Superintendent (Underwriting) with Elmac Assurance (Nigeria) Limited, before joining Lasaco Assurance PLC as a Senior Manager Technical Operations, where she was responsible for technical operations of Life, Pensions & All Classes of Non-Life Business. Prior to joining AIICO Insurance, she worked with Cornerstone Insurance PLC as a Sectional Head of the Underwriting department. Mrs Okunlola joined AIICO in 2008 as Senior Manager and rose to the position of Head of Claims & Benefits for the Company's Life Business Division in 2013.

Mr Ezekiel Olukolajo is the Head, Technical – Non-Life Business at AIICO. He holds a Higher National Diploma in Insurance from the Polytechnic of Ibadan (1997) and a Postgraduate Diploma Education in Management & Administration from Lagos State University, Ojo (2008). He is an Associate of the Chartered Insurance Institute of Nigeria. Mr Olukolajo started his career as an Assistant Superintendent at Law Union & Rock Insurance PLC in 1999. He also has relevant experience gained from working at Royal Exchange Assurance Limited, UBA Insurance Company Limited, United Bank for Africa PLC, Old Mutual Nigeria Limited and Standard Alliance Insurance PLC, all at various leadership levels. Before joining AIICO, he worked with The Nigeria Incentive-Based Risk Sharing System for Agricultural Lending ("NIRSAL"), a corporation of the CBN, where he played key roles in activation and operationalization of the Insurance Facility Pillar, which is one of the five pillars of NIRSAL. Mr Olukolajo joined AIICO in October 2017.

Mr Wycliffe Obutu was appointed Chief Actuary at AIICO in 2018. He holds a Bachelor of Science Degree in Actuarial Science from the University of Nairobi in Kenya (2009). He is a Fellow of the Institute and Faculty of Actuaries (UK), a Fellow of the Actuarial Society of Kenya and a Fellow of the Actuarial Society of South Africa. Mr Obutu has close to a decade experience working in insurance and actuarial services. He commenced his career as an Actuarial Analyst at Alexander Forbes before moving to Old Mutual Kenya where he started as an Actuarial Assistant and rose to

Senior Actuarial Assistant. He has also held senior managerial positions in other leading institutions including UAP Group (now UAP-Old Mutual Group) in Kenya and Ernst & Young in South Africa.

9. OVERVIEW OF THE NIGERIAN INSURANCE INDUSTRY

The insurance industry is a sub-sector of the Nigerian Financial Services Sector and is regulated, supervised and controlled by the National Insurance Commission. The industry is broadly classified into the Life and Non-life segment. In 2018, total gross premium written in the industry was ₦423.8 billion¹.

NON-LIFE

The Nigerian non-life insurance segment is and has been the larger and more-developed segment of Nigeria's insurance market. All traditional non-life products are present in the market, and their market share is balanced between motor, property, transport and personal accident lines of business. Total gross premium written in this segment in 2018 was ₦233.1 billion¹, representing approximately 55% of the entire industry.

The segment is highly fragmented, providing scope for consolidation, especially as the market develops from what is quite a low base, enabling new entrants and existing players to generate economies of scale by potentially acquiring some of the small operators.

The non-life segment is dominated by three sub-sectors: motor vehicle, property (including both corporate and household covers) and personal accident. Motor and property insurance are currently the major drivers of the non-life segment.

MOTOR VEHICLE

Motor insurance is compulsory in Nigeria, and this is helpful in driving the demand for this product, although there are many cases of individuals purchasing fraudulent insurance certificates. Growth in the sub-segment is dependent primarily on the enforcement of existing legislation, which already mandates compulsory motor insurance on the one hand, and improved product provision on the other.

PROPERTY INSURANCE

This is the second largest sub-segment of the Nigerian non-life market. Demand is driven primarily by economic expansion, urbanisation and income. By international standards, property insurance in Nigeria is substantially underdeveloped. Its development has been constrained by the low incomes of most households, bearish oil price and deterioration of macroeconomic fundamentals, which led to oversupply.

The retail segment remains a bright spot, with demand for space in this segment belying the overall economic slowdown and encouraging greater construction activity. The strengthening of residential and retail real estate markets also aids market growth.

OTHER NON-LIFE INSURANCE PRODUCTS

Personal accident insurance is often the line first purchased by new users of insurance and is the third-largest sub-sector in terms of premiums written. Importantly, a growing number of Nigerians utilise personal accident insurance coverage. Transport insurance on the other hand is dominated by large and well capitalised companies, given that most customers are overwhelmingly large companies. The oil industry accounts for a significant bulk of commercial transport insurance.

Health insurance is yet to gain a solid foothold in this market, as majority of Nigerians pay for healthcare services out of pocket. Although undeveloped, health insurance presents significant long-term growth potential.

¹ MarketLine Industry Profiles: Insurance in Nigeria Report (February 2020)

The composition of Nigeria's non-life insurance claims for each of the market's sub-segments closely matches that of the value of premiums written within each of them, as motor vehicle and property insurance claims typically represent a significant portion of total claims in the market.

LIFE

Life insurance constitutes the smaller segment of Nigeria's insurance market. This sub-segment is largely driven by rising levels of disposable household incomes, oil prices as well as Nigeria's large and growing population, which makes this market increasingly attractive to long-term investment opportunities, evidenced by foreign multinationals being attracted by the market's strong growth prospects and accessible opportunities. Total gross premium written in this segment in 2018 was ₦190.7 billion², representing approximately 45% of the entire industry.

Despite Nigeria's large population, only a small portion purchases life insurance. Low incomes and a lack of understanding of the benefits of life insurance have remained the most important obstacles facing life insurers. Therefore, insurance companies deciding to enter the Nigerian market will likely need to invest quite heavily in educating prospective consumers and nurturing future demand.

Nigeria's life market has become more concentrated in recent years, having previously been very fragmented. The market however remains open to new entrants, particularly to those bringing the innovative capacity and capital needed to develop new, low-cost products for the country's growing middle class and micro-insurance solutions geared towards the lower income portion of the population.

Although traditional life insurance is offered, the share of corporate products will likely continue to outpace that of individual products, as the demand environment is strengthening due to legislative changes that make it compulsory for employers to purchase group life cover for their employees.

MICRO INSURANCE

In early 2018, NAICOM released a set of guidelines aimed at kick-starting an officially regulated microinsurance industry in the country. The guidelines set out a series of rules and standards for providers. NAICOM has so far issued microinsurance contracts to at least 16 operators in the country and has suggested that it would welcome outside investors in this segment.

Given Nigeria's large and fast-growing low-income population, there is considerable potential for the expansion of microinsurance. The development of the microinsurance industry is likely to lead to the expansion of the health segment as micro-insurance products geared more towards short-term life cover, are becoming increasingly popular among Nigerian consumers.

² MarketLine Industry Profiles: Insurance in Nigeria Report (February 2020)

10. RISK FACTORS

ECONOMIC RISKS

CHANGES IN ECONOMIC CONDITIONS AND MARKET FLUCTUATIONS MAY MATERIALLY IMPACT AIICO'S BUSINESS

As a financial services company, AIICO is materially affected by general economic conditions and market fluctuations across the globe. The economy of Nigeria has achieved steady growth levels since 2017, and whilst these growth levels are expected to continue for some years, this favourable business environment may not continue indefinitely. In the event of a reversal of these growth trends and a market downturn, AIICO's businesses could be adversely affected by factors such as reduction in demand for the Company's products and services, reduction in returns from its investment activities, reduction in shareholders' equity due to general decline in prices of financial assets, increased incidence of claims and lapses or surrenders of policies, and deferred payment of premiums, which could result in a significant decline in revenues of the business.

RISKS RELATED TO HEALTH EPIDEMICS, PANDEMICS AND SIMILAR OUTBREAKS MAY HAVE MATERIAL ADVERSE EFFECTS ON AIICO'S BUSINESS, FINANCIAL POSITION, RESULTS AND/OR CASH FLOWS

The Company is exposed to various risks related to health epidemics, pandemics and similar outbreaks, such as the global outbreak of coronavirus disease 2019 ("COVID-19"). In recent weeks, the continued spread of COVID-19 has led to disruption and volatility in the global markets and working conditions. If significant portions of our workforce are unable to work effectively because of illness, quarantines, government actions, location closures or other reasons / restrictions in connection with the COVID-19 or any similar outbreak, our operations will likely be impacted.

AIICO may be unable to perform fully on its contracts and its costs may increase as a result of the COVID-19 outbreak. It is possible that the continued spread of COVID-19 could impact investment performance, cause delay, increase claims or limit the ability of customers to perform (including making timely payments) and cause other unpredictable events. AIICO cannot predict the impact of the COVID-19 pandemic at this time, but it could have a material adverse effect on the Company's business, financial position, results of operations and/or cash flows.

MARKET RISKS

CHANGES IN INTEREST RATES MAY MATERIALLY AFFECT THE COMPANY'S BUSINESS

AIICO's business is exposed to fluctuations in interest rates, as a substantial portion of the Company's investment assets are in fixed income and interest-bearing assets. A decline in interest rates would reduce return on investments, which could have a material effect on profitability, due mainly to a decline in yield on maturing investments and accelerated payments on loans to take advantage of lower interest rate environment.

Secondly, the Company's obligations on its life insurance liabilities may have longer duration than the investment assets and premiums which have been calculated on assumed investment yields for the duration of the policy. A decline in interest rates for a prolonged period may lead to difficulty in effectively matching assets to liabilities and thereby negatively affecting profitability.

Furthermore, in a higher interest rate environment, surrenders and withdrawals of policies may increase as policyholders seek higher returns on investments/savings. This leads to a cash outflow requiring investments to be pre-liquidated at a loss and possibly the acceleration of amortisation of deferred acquisition costs, which may adversely affect profitability. Lastly, changes in interest rates may also negatively affect solvency levels and capital adequacy.

INVESTMENT RETURNS AND VALUE OF THE COMPANY'S FINANCIAL ASSETS MAY MATERIALLY AFFECT AIICO'S FINANCIAL PERFORMANCE AND CAPITAL

AIICO's investment returns and profitability may be materially affected by conditions affecting investments, including currency exchange rates, prices of commodities, credit and liquidity conditions, the performance and volatility of capital markets, asset values, and macroeconomic

conditions. In particular, the Company's ability to earn a profit on its life insurance products depends, in part, on the returns on investments supporting the obligations under these products, and the value of such investments may fluctuate substantially. Any significant deterioration in one or more of these factors may reduce the value of the Company's investment portfolio and income generated therefrom and may have a material adverse effect on the Company's business, financial condition, and operations.

CURRENCY RISKS

This relates to risks that arise from devaluation and or the change in price of one currency against another. It is the risk of losing earnings and capital arising from adverse movements in foreign exchange rates or a devaluation of the naira. Movement in exchange rates could result in the devaluation of the Naira, which may affect the value of foreign currency denominated assets and liabilities and have a negative impact on the Company's financial condition.

BUSINESS RISKS

OPERATIONAL RISKS MAY DISRUPT THE COMPANY'S BUSINESSES

Operational risks are the risks of loss resulting from the failure of people, internal processes, and systems or from external events. AIICO's businesses are built on the quality of service, processes, and its internal control systems. Consequently, reliance is placed on the Company's staff, processes, and systems. If any of these critical success factors do not operate properly, the Company may suffer financial loss, disruption to its businesses, liability to clients, reputational damage, or a regulatory risk in the event of an operational failure or error.

The inability of the Company's infrastructure and systems to accommodate an increasing volume of transactions could also constrain AIICO's ability to expand its businesses. Furthermore, the business could be compromised if it is unable to maintain the availability and integrity of its electronic systems and data/information.

AIICO'S SUCCESS MATERIALLY DEPENDS ON THE ABILITY TO RECRUIT, RETAIN AND MOTIVATE THE RIGHT KEY EMPLOYEES

The Company's performance is largely dependent on the talents and efforts of highly skilled individuals to run its various business units. Also, AIICO's ability to compete effectively in its businesses depends on the ability to attract new employees and to retain and motivate key staff. The Company could be adversely affected if it fails to implement adequate succession plans for key employees and positions.

FAILURE OF AIICO'S RISK MANAGEMENT POLICIES AND PROCEDURES AND SYSTEM OF INTERNAL CONTROLS MAY MATERIALLY AFFECT ITS BUSINESS

The Company has implemented best practice risk governance and risk management framework in managing its risk exposures, which include insurance, credit, market, liquidity, operational and related risks. However, the risk management policies, procedures and internal controls may not be adequate or effective in mitigating the Company's risk exposures, including risks that are unidentified or unanticipated. In particular, some methods of managing risk are based upon observed historical market behaviour and claims experience. These methods may fail to predict future risk exposures, which could be significantly greater than those indicated by historical measures and experience.

Other risk management methods depend upon an evaluation of available information regarding operating and market conditions and other matters, which may not be accurate, complete, up-to-date or properly evaluated. The proper management of operational, legal and regulatory risks requires, amongst other things, policies and procedures to record properly, and to verify a large number of transactions and events, as well as appropriate and consistently applied internal control systems. These policies, procedures and internal controls may not be adequate or effective, and the Company's business, financial condition and operations may be materially and adversely affected by the corresponding increase in its risk exposure and actual losses experienced as a direct or indirect result of failures of its risk management policies and internal controls.

Furthermore, any hedging programmes that AIICO may utilise may also not be fully effective and may leave the Company exposed to unidentified and unanticipated risks. In addition, the Company's investment portfolio is governed by its risk management and asset allocation decisions. Should the investment decision-making process fail to minimise losses while capturing gains, the Company may experience significant financial losses which may materially affect its business.

THE GROWTH OF AIICO'S LIFE INSURANCE BUSINESS MATERIALLY DEPENDS ON THE ABILITY TO RECRUIT, RETAIN AND MOTIVATE THE RIGHT AGENCY MANAGERS AND AGENTS

AIICO's life insurance products and services are largely distributed through the Company's tiered agency force made up of the agency managers and individual agents. The Company's strength in the agency force has largely been responsible for its market leadership in the life insurance business in Nigeria. Hence, AIICO faces intense competition to recruit and retain its agency managers and individual agents, and the Company competes with other companies for their services, primarily on the basis of reputation, product offering, compensation and retirement benefits, training, support services and financial position. Increasing competition from other insurance companies may force AIICO to increase the compensation of its agents, which may increase business acquisition costs and reduce profitability. If AIICO is unsuccessful in attracting and retaining agents, the Company's ability to effectively market and distribute its products may be negatively affected, which may materially affect financial conditions and operations.

GROWTH RATE DEPENDS PRIMARILY ON THE COMPANY'S ABILITY TO DISTRIBUTE ITS PRODUCTS AND SERVICES

AIICO's products are distributed through a wide variety of distribution channels including agents, brokers, affiliated firms (such as commercial banks), online channels, etc. In the event that distributors elect to renegotiate or terminate their distribution relationships with the Company, and AIICO is unable to substitute their relationships, the ability to market products effectively will be limited, thus operating results and financial performance may be adversely affected.

INABILITY TO REINSURE MAY MATERIALLY AFFECT AIICO'S BUSINESS

The ability to obtain external reinsurance on a timely basis and at a reasonable cost is subject to a number of factors, some of which may be beyond the Company's control. In particular, certain risks that AIICO is subject to, such as epidemics or catastrophes, may be difficult to reinsure. If the Company is unable to renew an expiring coverage or obtain acceptable new reinsurance coverage, its net risk exposure could increase or, if AIICO is unwilling to bear an increase in net risk exposure, its overall underwriting capacity and the amount that the Company is able to underwrite may decrease. Should the Company be unable to utilise external reinsurance successfully, its business, financial condition, operations may be materially affected.

THE COMPANY MAY BE UNABLE TO PROTECT ITS BRAND AND INTELLECTUAL PROPERTY RIGHTS, WHICH MAY MATERIALLY IMPACT ITS BUSINESS

"AIICO" and other brand and intellectual property rights are important assets of the Company. Significant resources have been spent establishing and promoting these brands, and the Company expects to expend significant resources promoting these brands in the future. Should the Company be unable to protect its brand and other intellectual property rights from infringement, its competitive position may be undermined, and it may suffer material losses as well as reputational damage.

SECTOR RISKS

CHANGES IN REGULATIONS OR NEW REGULATIONS MAY MATERIALLY AFFECT AIICO'S BUSINESS OPERATIONS, CAPITAL REQUIREMENTS AND PROFITABILITY

AIICO's businesses are subject to extensive heavy regulation and supervision by several governmental agencies, some of which are potentially conflicting. The powers of these regulatory bodies are far-reaching and largely discretionary, including the determination of AIICO's ability to carry on business as an insurance company. Furthermore, the primary objective of these regulatory bodies is the protection of clients and insurance contract holders, and not investors. The Company's businesses could be adversely affected where newer unfavourable regulations come in force.

COUNTRY RISKS

POLITICAL INSTABILITY, INSECURITY, TERRORISM AND ETHNIC, RELIGIOUS AND REGIONAL DIFFERENCES

Security remains a major challenge, particularly in the north-eastern part of Nigeria. Whilst there has been significant progress in the past regarding the fight against insurgency, the humanitarian situation has continued to deteriorate. There has also been violence, oil theft and civil disturbance in the Niger Delta, Nigeria's southern oil producing region, mainly from militant groups.

In spite of the Federal Government's efforts, continued criminal activity, unrest and political and religious conflicts in the country may lead to lower oil revenues and production, deter investments in the country and lead to increased political instability that could have a material adverse effect on Nigeria's economy and impact the Company's operations and profitability.

LETTER OF SWORN DECLARATION BY THE ISSUER



AIICO INSURANCE PLC.

AIICO Plaza : Plot PC 12, Churchgate Street, Victoria Island, P.O Box: 2577, Lagos, Nigeria
Tel : 0700AIICONTACT (0700 2442 6682 28), 08090335125, 01-2792930
Website: www.aiicopl.com
E-mail: aiicontact@aiicopl.com

18 March, 2020

The Acting Director General
Securities and Exchange Commission
SEC Tower
Plot 272, Samuel Adesujo Ademulegun Street
Central Business District
Abuja

Dear Madam

Sworn declaration on Full Disclosure of all Material Facts in the Rights Circular: Rights Issue of up to ₦3.5 billion by AIICO Insurance Plc

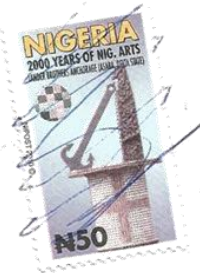
In accordance with Rule 280(3) of the Rules and Regulations of the Securities and Exchange Commission, AIICO Insurance PLC hereby makes a sworn declaration that it has fully disclosed all material facts in the Rights Circular in connection with the Issue.

Yours faithfully

Babatunde Fajemirokun
Managing Director

Oladeji Oluwatola
Chief Financial Officer

Donald Kanu
Company Secretary



...stability assured
Kundan Sainani (Chairman); Babatunde Fajemirokun (Managing Director/CEO); Adewale Kadri (Executive Director); Sola Ajayi (Executive Director); Ademola Adebiye (Non-Executive); S.D.A. Sobanjo (Non-Executive); Samaila Dalhat Zubairu (Non-Executive (Independent)); Folakemi Fajemirokun (Non-Executive); Olalekan Akinyanmi (Non-Executive)

Authorized and Regulated by the National Insurance Commission: RIC No. 004
Tax Identification No (TIN) 00401332-0001



LETTER FROM THE DIRECTORS ON THE GOING CONCERN STATUS



AIICO INSURANCE PLC.

AIICO Plaza : Plot PC 12, Churchgate Street, Victoria Island, P.O Box: 2577, Lagos, Nige
Tel : 0700AIICONTACT (0700 2442 6682 28), 08090335125, 01-2792930
Website: www.aiicopl.com
E-mail: aiicontact@aiicopl.com

March 5, 2020

The Directors
Stanbic IBTC Capital Limited
I.B.T.C. Place
Walter Carrington Crescent
Victoria Island
Lagos

Dear Sirs

Confirmation of Going Concern Status: Proposed Rights Issue by AIICO Insurance PLC (the "Issue")

The Directors of AIICO Insurance PLC ("AIICO" or the "Company") are required to prepare financial statements at the end of each financial period, which give a true and fair view of the state of affairs, and of the profit or loss of the Company. They are also responsible for maintaining proper accounting records and taking reasonable steps to prevent and detect fraud and other irregularities. The Directors are also responsible for selecting suitable accounting policies and applying them on a consistent basis, making judgements and estimates that are prudent and reasonable.

The applicable International Financial Reporting Standards have been followed and AIICO's financial statements are prepared using accounting policies, which comply with the requirements of the Financial Reporting Council of Nigeria Act, the Companies and Allied Matters Act, 2004 and the relevant National Insurance Commission guidelines and circulars.

The Directors of the Company, having made appropriate enquiries, reviewed budgets, projected cash flows and other relevant information, consider that adequate resources will exist for the business to continue in operational existence for the foreseeable future and therefore, it is appropriate to adopt the going concern basis in preparing the financial statements.

Yours faithfully


Mr Babatunde Fajemirokun
Managing Director/CEO


Mr Donald Kanu
Company Secretary



....stability assure
Kundan Sainani (Chairman); Babatunde Fajemirokun (Managing Director/CEO); Adewale Kadri (Executive Director); Sola Ajayi (Executive Director); Ademola Adebise (Non-Executive); S.D.A. Sobanjo (Non-Executive); Samaila Dalhat Zubairu (Non-Executive (Independent)); Folakemi Fajemirokun (Non-Executive); Olalekan Akinyanmi (Non-Executive)

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



LETTER FROM THE AUDITORS ON THE GOING CONCERN STATUS



Ernst & Young
10th Floor
UBA House
57, Marina
P. O. Box 2442, Marina
Lagos.

Tel: +234 (01) 631 4500
Fax: +234 (01) 463 0481
Email: Services@ng.ey.com
www.ey.com

21 April 2020

The Directors
AIIC Insurance Plc
Plot PC 12, Churchgate Street
Victoria Island
Lagos

The Chief Executive
Stanbic IBTC Capital Limited
I.B.T.C. Place, Walter Carrington Crescent
Victoria Island
Lagos

Dear Sir/Madam,

PROPOSED RIGHTS ISSUE OF UP TO N3.5 BILLION BY AIICO INSURANCE PLC

We have audited the consolidated and separate financial statements of AIICO Insurance Plc for the year ended 31 December 2019 and have issued our report thereon. The consolidated and separate financial statements were prepared in accordance with International Financial Reporting Standards as issued by International Accounting Standards Board (IASB) and the provisions of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, the Insurance Act 2003, the Pension Reform Act 2014, the Investment and Securities Act 2007, relevant National Insurance Commission (NAICOM) circulars and guidelines, and the Financial Reporting Council Act No.6,2011.

We conducted our audit in accordance with International Standards on Auditing (ISA). One of our responsibilities under these standards is to obtain sufficient appropriate audit evidence regarding, and conclude on, the appropriateness of management's use of the going concern basis of accounting in the preparation of the financial statement, and to conclude based on the audit evidences obtained, whether a material uncertainty exists about the entity's ability to continue as a going concern. Our Audit report on the 2019 financial statements does not contain a modification in relation to going concern as a material uncertainty paragraph.

We note however that as described in ISA 200 "Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with International Standard on Auditing", the potential effects of inherent limitations on the auditor's ability to detect material misstatements are greater for future events or conditions that may cause an entity to cease to continue as a going concern. We cannot predict such future events and conditions. Accordingly, the absence of any reference to material uncertainty about the Group and Company's ability to continue as a going concern in our auditor's report can not be viewed as a guarantee as to the Group and Company's ability to continue as a going concern.

This letter is issued solely in relation to the above-mentioned proposed transaction for regulatory filing purpose.

Yours Faithfully

Oluwasayo Elumaro FCA,
FRC/2012/ICAN/000000139
For: Ernst & Young
Lagos, Nigeria



A member firm of Ernst & Young Global Limited.

INCORPORATION BY REFERENCE

The following documents which have previously been published, and have been filed with the SEC, shall be incorporated in, and form part of, this Rights Circular:

- a) the audited financial statements of AIICO for the year ended 31 December 2015;
- b) the audited financial statements of AIICO for the year ended 31 December 2016;
- c) the audited financial statements of AIICO for the year ended 31 December 2017;
- d) the audited financial statements of AIICO for the year ended 31 December 2018;
- e) the audited financial statements of AIICO for the year ended 31 December 2019; and
- f) the unaudited financial statements of AIICO for the three months ended 31 March 2020.

Copies of the documents incorporated by reference will be available for inspection during normal business hours on any Working Day, from Wednesday, 02 September 2020 to Wednesday, 07 October 2020, at the registered office of AIICO Insurance PLC located at Plot PC 12, Churchgate Street, Victoria Island, Lagos and its website at www.aiicopl.com.

FINANCIAL INFORMATION

1. STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

In thousands of naira	Unaudited		----->Audited<-----			
	31-Mar-2020	31-Dec-2019	31-Dec-2018	31-Dec-2017	31-Dec-2016	31-Dec-2015
Gross premium written	17,550,885	50,138,467	37,665,507	32,097,692	27,064,365	32,918,820
Gross premium income	15,193,853	50,008,832	37,046,927	31,741,609	30,029,334	10,410,650
Reinsurance expenses	(1,886,233)	(6,232,810)	(5,181,225)	(3,790,831)	(3,341,764)	(3,662,162)
Net premium income	13,307,620	43,776,022	31,865,701	27,950,778	26,687,570	6,748,488
Fee/commission income						
Insurance contracts	469,996	1,433,827	1,161,366	746,084	782,349	744,069
Pension and other contracts	606,696	1,820,852	1,762,554	1,610,122	1,334,953	1,355,846
Net underwriting income	14,384,312	47,030,701	34,789,621	30,306,984	28,804,872	8,848,403
Claims expenses:						
Claims expenses (Gross)	9,960,280	30,608,604	29,065,365	23,273,691	14,940,358	13,045,452
Claims expenses recovered from reinsurers	(2,241,503)	(5,227,996)	(5,196,211)	(2,499,505)	(1,844,168)	(2,377,750)
Claims expenses (Net)	7,718,777	25,380,608	23,869,154	20,774,186	13,096,190	10,667,702
Underwriting expenses	1,743,231	6,260,563	4,415,428	3,105,239	3,260,449	3,679,535
Change in life fund	2,624,877	10,077,589	3,414,748	4,239,948.00	-	-
Change in annuity fund	1,104,465	8,388,032	(1,456,737)	4,950,559.00	-	-
Change in other investment contracts	975,592	3,266,802	1,333,148	1,259,373.00	-	-
Total underwriting expenses	14,166,942	53,373,595	31,575,741	34,329,305	16,356,639	14,347,237
Underwriting (loss)/profit	217,370	(6,342,894)	3,213,880	(4,022,321)	12,448,233	(5,498,834)
Investment income	3,793,094	10,580,837	9,051,954	8,632,454	7,249,662	5,717,056
Profit from deposit administration	24,349	11,269	193,394	212,773	141,091	147,772
Net realised gains	286,215	12,589,694	2,366,319	5,338,155	335,799	7,630,227
Net fair value (gains / losses)	642,116	1,652,807	(2,524,642)	140,725	176,548	(88,000)
Other operating income	168,297	552,056	763,492	871,431	103,984	569,965
Personnel expenses	(1,133,915)	(5,526,226)	(3,571,708)	(2,944,733)	(2,617,932)	(3,039,353)
Other operating expenses	(1,530,092)	(6,673,582)	(5,624,826)	(4,936,546)	(5,119,079)	(3,540,411)
Finance cost	(1,025,949)	(431,328)	(355,539)	(249,257)	(836,571)	(87,121)
Impairment (loss)/reversal	-	(178,782)	(16,455)	(2,193)	(46,499)	(12,007)
Profit before income tax	1,441,486	6,233,852	3,495,871	3,040,489	11,835,236	1,799,294
Income tax expense	435,661	(323,513)	(319,687)	(1,712,168)	(1,533,494)	(557,680)
Minimum tax	-	-	(24,594)	(45,044)	(63,331)	(46,008)
Profit after income tax	1,877,147	5,910,338	3,151,589	1,283,277	10,238,411	1,195,606
Attributable to shareholders	1,837,997	5,784,443	3,044,154	1,222,406	10,209,378	1,220,000
Attributable to non-controlling interest holders	39,150	125,895	107,436	60,871	29,033	(24,394)
	1,877,147	5,910,338	3,151,589	1,283,277	10,238,411	1,195,606
Other comprehensive income, net of tax						
Items within OCI that may be reclassified to profit or loss						
Net gain/(loss) on financial assets	(1,847,698)	3,139,394	(808,923)	993,044	(11,341,921)	(3,305,507)
Exchange gains/(losses) on financial assets		12,234	1,803	(448,287)	496,451	212,173
Income tax relating to other comprehensive income		-	-	(252,031)	(47,995)	(63,652)
Items within OCI that will not be reclassified to profit or loss						
Fair value (loss)/gain on equity securities	(12,097)	(298,382)	407,788	-	-	-
Revaluation gain on property and equipment		10,045	-	829,936	-	-
Total other comprehensive profit/ (loss)	(1,859,796)	2,863,290	(399,333)	1,122,661	(10,893,465)	(3,156,986)
Total comprehensive profit for the year	17,351	8,773,628	2,752,257	2,405,938	(655,054)	(1,961,380)
Attributable to shareholders	67,373	8,496,833	2,666,112	2,345,067	(681,688)	(1,936,963)
Attributable to non-controlling interests	(50,022)	276,795	86,145	60,871	26,636	(24,417)
	17,351	8,773,628	2,752,257	2,405,938	(655,054)	(1,961,380)
Basic earnings per share (Kobo)	27	83	44	18	147	18
Diluted earnings per share (Kobo)	27	83	35	13	105	14

FINANCIAL INFORMATION

2. STATEMENT OF FINANCIAL POSITION

<i>In thousands of naira</i>	Unaudited		----->Audited<-----			
	31-Mar-2020	31-Dec-2019	31-Dec-2018	31-Dec-2017	31-Dec-2016	31-Dec-2015
Assets						
Cash and cash equivalents	17,571,404	10,080,164	5,324,739	5,199,386	7,491,178	8,451,795
Financial assets	137,625,922	126,827,073	89,240,430	73,635,612	56,556,261	58,269,318
Trade receivables	1,661,311	386,749	417,103	301,172	411,969	296,514
Reinsurance assets	7,640,870	5,460,569	4,686,029	3,644,489	2,816,503	2,479,069
Deferred acquisition costs	698,858	488,884	465,991	334,934	285,232	264,842
Other receivables and prepayments	1,283,470	6,227,700	580,618	454,902	324,457	447,467
Deferred tax assets	154,862	149,379	149,379	157,008	1,088,677	1,775,779
Investment property	772,000	772,000	555,000	581,999	990,000	1,115,000
Goodwill and other intangible assets	969,746	985,861	1,014,085	1,060,451	1,092,031	1,142,720
Property and equipment	7,785,838	7,597,843	7,025,197	6,513,175	5,915,891	5,353,657
Statutory deposits	500,000	500,000	530,000	530,000	530,000	530,000
Total assets	176,664,282	159,476,222	109,988,570	92,413,128	77,502,199	80,126,161
Liabilities						
Insurance contract liabilities	91,832,697	84,986,351	65,540,532	59,959,751	49,987,893	55,548,154
Investment contract liabilities	17,214,519	16,201,367	12,319,617	10,909,624	10,061,637	8,295,046
Trade payables	1,286,253	1,839,238	1,013,475	1,721,918	1,599,841	1,547,548
Other payables and accruals	4,836,116	3,650,286	2,213,547	1,325,766	1,787,068	2,489,333
Fixed income liabilities	29,791,959	20,143,047	10,181,251	3,981,591	2,531,870	165,838
Current income tax payable	425,786	487,112	590,976	826,643	623,761	592,961
Deferred tax liabilities	201,866	629,281	533,836	547,017	270,408	269,133
Finance lease obligation	-	-	-	-	7,368	49,854
Long term borrowing	2,135,576	2,629,477	2,324,733	2,182,290	1,785,650	1,134,840
Derivative liabilities	-	-	-	-	143,725	319,274
Total liabilities	147,724,772	130,566,159	94,717,967	81,454,600	68,799,221	70,411,981
Net assets	28,939,510	28,910,063	15,270,603	10,958,528	8,702,978	9,714,180
Equity						
Issued share capital	5,665,102	3,465,102	3,465,102	3,465,102	3,465,102	3,465,102
Share premium	5,904,389	2,824,389	2,824,389	2,824,389	2,824,389	2,824,389
Revaluation reserves	1,812,707	1,812,707	1,802,662	1,802,662	1,221,707	1,221,707
Available-for-sale reserve	-	-	-	(13,072,413)	(14,065,457)	(2,723,536)
Fair value reserve	247,696	1,995,336	(1,143,847)	-	-	-
Foreign exchange gains reserve	159,677	159,677	147,443	145,640	596,977	148,521
Statutory reserve	212,160	167,874	143,882	116,458	96,688	55,240
Contingency reserve	6,320,410	6,320,410	5,807,411	5,182,190	4,703,531	3,482,076
Retained earnings	7,671,793	5,888,970	1,479,002	10,083,426	9,498,054	898,089
Deposit for shares	-	5,280,000	-	-	-	-
Shareholders' fund	27,993,933	27,914,464	14,526,044	10,547,455	8,340,991	9,371,588
Non-controlling interests	945,577	995,599	744,559	411,073	361,987	342,592
Total equity	28,939,510	28,910,063	15,270,603	10,958,528	8,702,978	9,714,180

FINANCIAL INFORMATION

3. STATEMENT OF CASH FLOWS

<i>In thousands of naira</i>	Unaudited	----->Audited<-----				
	31-Mar-2020	31-Dec-2019	31-Dec-2018	31-Dec-2017	31-Dec-2016	31-Dec-2015
Operating activities:						
Total premium received	16,276,323	49,872,426	37,157,440	31,534,236	26,443,405	32,832,439
Commission received	1,229,778	3,307,666	2,850,110	2,281,842	2,117,302	2,099,915
Commission paid	(1,974,228)	(5,146,495)	(3,940,843)	(2,721,071)	(2,697,258)	(3,499,384)
Premium paid in advance	(296,394)	588,068	172,747	-	-	-
Unallocated premium		321,343	123,647	-	-	-
Reinsurance premium paid	(3,215,821)	(6,523,365)	(5,719,524)	(3,762,423)	(3,298,478)	(3,756,587)
Gross benefits and claims paid	(9,134,477)	(29,699,588)	(25,969,700)	(22,767,536)	(16,602,033)	(10,174,473)
Claims recoveries	3,399,168	4,567,924	4,441,445	1,762,038	1,588,377	-
Receipt from deposit administration	29,870	539,074	60,111	181,057	43,556	-
Withdrawal from deposit administration	(25,167)	(108,480)	(78,551)	(1,628,676)	(71,466)	-
Other underwriting expenses paid	(234,737)	(1,136,962)	(605,641)	(433,871)	(351,860)	-
Payments to employees	(1,133,914)	(4,151,443)	(3,571,708)	(2,944,733)	(2,617,932)	(3,039,353)
Other operating cash payments	1,581,302	(12,750,097)	(4,611,100)	(3,395,142)	(4,688,528)	(8,001,287)
Other income received	170,047	449,208	765,839	635,588	3,064,926	10,433,225
Interest income on deposit shares		9,756	-	-	-	-
Fixed income received	9,648,912	11,141,795	6,199,660	-	-	-
Income tax paid	(67,080)	(473,798)	(593,129)	(730,931)	(885,057)	(450,413)
Net cash flows from operating activities	16,253,582	10,807,032	6,680,802	(1,989,621)	2,044,955	16,444,082
Investing activities:						
Interest income received	1,080,262	5,436,200	7,500,982	6,193,893	7,249,661	6,645,149
Purchase of property and equipment	(340,562)	(1,158,487)	(1,062,943)	(398,526)	(1,105,718)	(901,036)
Purchase of intangibles	(12,505)	(58,087)	(51,073)	(58,375)	(42,222)	(110,558)
Proceeds from sale of property and equipment	1,407	43,373	15,996	40,699	55,721	45,165
Purchase of financial assets at amortized cost	(9,138,411)	(21,410,477)	(17,256,718)	-	-	-
Purchase of financial assets at FVTOCI	(31,021,175)	(34,154,640)	(14,499,471)	-	-	-
Purchase of financial assets at FVTPL	(107,685,241)	(298,804,792)	(53,449,347)	-	-	-
Proceed on disposal/ redemption of financial assets	138,895,273	339,606,295	72,858,714	-	-	-
Net purchase of available-for-sale financial assets	-	-	-	-	(9,084,010)	(1,728,402)
Net purchase of held-to-maturity financial assets	-	-	-	-	-	(21,289,625)
Refund on investment in subsidiaries	-	-	-	-	-	-
Repayment of loans and receivables	-	-	-	-	239,450	-
Net purchase of treasury bills & bonds	-	-	-	(7,926,258)	-	-
Net (purchase)/disposal of Equities	-	-	-	1,776,754	-	-
Payment for loans	-	-	-	(49,412)	-	-
Proceeds from sale of investment property	-	-	-	468,200	126,000	-
Net cash flows (used in)/from investing activities	(8,220,952)	(10,500,615)	(5,943,859)	46,975	(2,561,118)	(17,339,307)
Financing activities:						
Convertible loan interest payment	(111,473)	(403,124)	(216,857)	(201,992)	(149,741)	-
IFC loan	(429,917)	-	-	-	-	1,392,650
Deposit for shares	-	5,280,000	-	-	-	-
Dividend paid to equity holders	-	(415,812)	(346,510)	(138,604)	(346,510)	-
Dividend paid to non controlling interest	-	(12,056)	(48,222)	(11,784)	(7,241)	-
Net cash flows from/(used in) financing activities	(541,390)	4,449,007	(611,589)	(352,380)	(503,492)	1,392,650
Net increase in cash and cash equivalents	7,491,240	4,755,425	125,354	(2,295,026)	(1,019,655)	497,425
Cash and cash equivalents at 1 January	10,080,164	5,324,739	5,199,385	7,491,178	8,451,795	7,954,370
Effect of exchange rate on cash and cash equivalent		-	-	3,234	59,038	-
Cash and cash equivalents at 31 December	17,571,404	10,080,164	5,324,739	5,199,386	7,491,178	8,451,795

STATUTORY AND GENERAL INFORMATION

1. INCORPORATION AND SHARE CAPITAL HISTORY

AIICO was incorporated on 14 July 1970 and listed on The NSE on 03 December 1990. As at the date of this Rights Circular, AIICO has an authorised share capital of ₦18,000,000,000 comprising 36,000,000,000 Ordinary Shares of 50 kobo each and an issued share capital of ₦5,665,102,240.00 comprising 11,330,204,480 Ordinary Shares of 50 kobo each. The changes in the share capital of the Company since 1970 are summarised below:

Year	Authorised (₦)		Issued & Fully Paid-up (₦)		Consideration
	Increase	Cumulative	Increase	Cumulative	
1970	200,000	200,000	57,304	57,304	Cash
1976	400,000	600,000	394,212	451,516	Bonus
1977	1,400,000	2,000,000	748,484	1,200,000	Bonus
1987	-	2,000,000	800,000	2,000,000	Bonus
1989	8,000,000	10,000,000	2,000,000	4,000,000	Bonus
1993	15,000,000	25,000,000	6,000,000	10,000,000	Cash
1994	75,000,000	100,000,000	10,000,000	20,000,000	Bonus
1995	-	100,000,000	10,000,000	30,000,000	Bonus
1996	-	100,000,000	20,000,000	50,000,000	Bonus
1997	100,000,000	200,000,000	50,000,000	100,000,000	Bonus
2002	300,000,000	500,000,000	50,000,000	150,000,000	Bonus
2003	-	500,000,000	200,000,000	350,000,000	Bonus / Cash
2004	500,000,000	1,000,000,000	-	350,000,000	Nil
2005	1,500,000,000	2,500,000,000	350,000,000	700,000,000	Bonus
2006	-	2,500,000,000	457,765,688	1,157,765,688	Cash
2006	2,500,000,000	5,000,000,000	175,000,000	1,332,765,688	Bonus
2007	-	5,000,000,000	318,864,000	1,651,629,688	Consolidation
2007	-	5,000,000,000	222,128,000	1,873,757,688	Bonus
2008	-	5,000,000,000	1,611,580,000	3,485,337,688	Cash
2009	-	5,000,000,000	34,744,792	3,520,082,480	Consolidation
2009	-	5,000,000,000	880,019,760	4,400,102,240	Bonus
2010	-	5,000,000,000	(935,000,000)	3,465,102,240	Share Capital Reduction
2014	2,500,000,000	7,500,000,000	-	3,465,102,240	Nil
2018	2,500,000,000	10,000,000,000	-	3,465,102,240	Nil
2019	8,000,000,000	18,000,000,000	-	3,465,102,240	Nil
2020	-	18,000,000,000	2,200,000,000	5,665,102,240	Cash

2. SHAREHOLDING STRUCTURE

Pre-Issue

As at the date of this Rights Circular, AIICO's issued share capital of 11,330,204,480 Ordinary Shares of 50 kobo each was beneficially held as follows:

Shareholder	Ordinary Shares held	%
LeapFrog III Nigeria Insurance Holdings Limited	3,200,000,000	28.24
DF Holdings Limited	1,524,650,716	13.46
AIICO Bahamas Limited	1,200,000,000	10.59
AIICO Investment Inc.	889,291,665	7.85

STATUTORY AND GENERAL INFORMATION

Shareholder	Ordinary Shares held	%
Others	4,516,262,099	39.86
	<u>11,330,204,480</u>	<u>100.00</u>

Except as stated above, no other shareholder holds more than 5% of the issued share capital of the Company as at the date of this Rights Circular.

Post-Issue

It is expected that on completion of the Issue, if all shareholders take up their rights in full, the Company's paid-up share capital should increase to ₦7,843,987,717 comprising 15,687,975,434 Ordinary Shares of 50 kobo each, to be beneficially held as follows:

Shareholder	Ordinary Shares held	%
LeapFrog III Nigeria Insurance Holdings Limited	4,430,769,231	28.24
DF Holdings Limited	2,111,054,838	13.46
AIICO Bahamas Limited	1,661,538,462	10.59
AIICO Investment Inc.	1,231,326,921	7.85
Others	6,253,285,983	39.86
	<u>15,687,975,434</u>	<u>100.00</u>

3. DIRECTORS' BENEFICIAL INTERESTS

The interests of the Directors in the issued share capital of the Company as recorded in the Register of Directors' Interests or as notified by them for the purpose of section 275(1) of CAMA as at 31 December 2019 are as follows:

Director	Direct Shareholding	Indirect Shareholding	%
Mr Kundan Sainani	Nil	Nil	-
Mr Babatunde Fajemirokun	2,340,695	Nil	0.0338
Mr Adewale Kadri Abbas	Nil	Nil	-
Mr Olusola Oludare Ajayi	Nil	Nil	-
Mr Ademola Adebise	21,030	Nil	0.0003
Mr Olalekan Akinyanmi	Nil	Nil	-
Ms Oluwafolakemi Fajemirokun	Nil	Nil	-
Mr S.D.A Sobanjo	37,284,895	Nil	0.5380
Mr Samaila Zubairu	Nil	Nil	-

4. INDEBTEDNESS

As at 31 March 2020, the Company had an outstanding long-term loan of US\$5.83m, relating to the US\$20 million convertible loan obtained from the International Finance Corporation. The amount represents the outstanding loan balance following repayment of US\$1.17m from the US\$7 million drawn on the loan.

Apart from the foregoing, the Company had no outstanding debentures, mortgages, charges or other similar indebtedness other than in the ordinary course of business.

5. OFF BALANCE SHEET ITEMS

As at 31 December 2019, the Company had no off-balance sheet items.

6. CLAIMS AND LITIGATION

The Company has a total of 17 (seventeen) pending litigious cases with claims of ₦1,000,000 and above as well as claims which may result in suspension or loss of regulatory licences, or otherwise hamper the Transaction (the “Disputes”). In all the Disputes, the Company is either sued as the defendant or a co-defendant.

As at 28 February 2020, the monetary claims against the Company is an aggregate sum of ₦923,545,887.50 (Nine Hundred and Twenty-Three Million, Five Hundred and Forty-Five Thousand, Eight Hundred and Eighty-Seven Naira, Fifty Kobo) and US\$5,582,322 (Five Million, Five Hundred and Eighty-Two Thousand, Three Hundred and Twenty-Two United States Dollars). These amounts exclude the several claims for interests on the primary amounts claimed. In a few of the Disputes, only declaratory and injunctive reliefs are claimed against the Company.

In a significant number of the claims, the Company appears to have a good defence and the Solicitors to the Issue are of the opinion that only a relatively small fraction of the claims in the Disputes is likely to succeed, and will not in any event, impact the Issue negatively, as some of the claims show no reasonable cause of action, or appear exaggerated with arbitrary interest claims.

7. PURPOSE OF ISSUE AND USE OF PROCEEDS

The Rights Issue is being undertaken to recapitalise the Company in order to achieve NAICOM’s revised minimum capital requirement for a composite insurer. The Issue presents shareholders with the opportunity to support AIICO in strengthening its balance sheet, increasing efficiency and repositioning the Company to increase market share with the ultimate aim of improving shareholder returns. The net Issue proceeds will be applied towards the following initiatives:

- Development of two world-class technologically advanced learning academies, each able to accommodate up to 1,000 people and situated in Abuja and Lagos. The academies will promote the training and development of AIICO’s agency workforce. In addition, a regional office will be established in the North-Western region to allow for improved insurance penetration in the region. The location of the office is yet to be determined, however a location in Kano State is being considered.
- Relocation of its existing archive facility from Ikeja, Lagos State, to an off-premium location based in either Lagos or Ogun State, in order to maximize the use of existing floor space for agency workforce expansion.
- Replacement of the central generators at its head office plaza, located in Victoria Island, Lagos and commencement of leasehold improvements for the core branches used for coordination of business activities based in the South-West and South-South regions of the country.
- AIICO will deploy solutions that allow for remote working by employees and other key stakeholders, including enhancement of virtual private networks to provide network reliability, while maintaining speed of business processing and protection of business data. AIICO will also implement threat intelligence and cybersecurity solutions for cloud and on-premise cyber risk prevention and mitigation.
- Development of refined business intelligence solutions for proactive risk monitoring and deployment of the mobile-first platform for retail distribution of insurance products.
- Expansion of the Health Management Organisation (“HMO”) business which entails deploying telematic solutions to work with devices placed in vehicles and setting up of mobile clinics and mini hospitals to support retail expansion of its HMO business. In addition, the Company will also replace the core managed care solution for the HMO business to allow for strategic alignment for optimum service delivery, enrollee management, claims administration and processing.

STATUTORY AND GENERAL INFORMATION

The Net Issue Proceeds estimated at ₦3,398,198,953.99 (after deducting issue costs of ₦88,017,809.21 representing 2.52% of the Gross Issue Proceeds) will be applied as follows:

	₦'m	%	Time to completion
1. Investments in property, plant and equipment			
a. Learning academies and new locations	1,100.00	32.37	Q4 2023
b. Purchase of record management / digitization facility and equipment	305.75	9.00	Q2 2023
c. Leasehold improvements and replacement of Head Office central generators	248.25	7.31	Q1 2024
d. Set-up of mobile clinic and mini hospitals to support retail expansion of the HMO business	426.86	12.56	Q4 2024
Sub-total	2,080.86	61.23	
2. Investments in technology			
a. Deployment of remote working facilities	341.50	10.05	Q3 2022
b. Replacement of the core managed care solution and deployment of telematics solution for the HMO business	357.09	10.51	Q2 2022
c. Risk management applications and software	481.00	14.15	Q2 2023
d. Network and infrastructure upgrade	137.75	4.05	Q2 2023
Sub-total	1,317.34	38.77	
Grand total	3,398.20	100.00	

8. COSTS AND EXPENSES

The costs, charges and expenses of and incidental to the Issue including fees payable to SEC and The NSE, professional parties, receiving agents' commission, and printing and distribution expenses, are estimated at about ₦88,017,809.21, representing 2.52% of the Gross Issue Proceeds and are payable by AIICO.

9. MATERIAL CONTRACTS

The following agreements have been entered into and are considered material to this Issue:

- A Vending Agreement dated 24 August 2020 under the terms of which Stanbic IBTC Capital Limited has agreed, on behalf of the Company, to offer by way of rights of 4,357,770,954 ordinary shares of 50 kobo at ₦0.80 per share on the basis of 5 new ordinary shares for every 13 Ordinary Shares in AIICO.
- Convertible Loan Agreement with the International Finance Corporation for the grant of the sum of US\$20,000,000.

Other than as stated above, the Company has not entered into any material contract except in the ordinary course of business.

10. UNCLAIMED DIVIDENDS

The total amount of unclaimed dividends as at 31 December 2019 was ₦737,202,835.22. The assets representing these unclaimed dividends do not form part of the assets of the Company. 10% of these funds are currently held by the Registrar, United Securities Limited in accounts domiciled with Access Bank PLC and Zenith Bank PLC, while the 90% balance is held in a fixed deposit account domiciled with Coronation Trustees Limited on behalf of the Company.

11. OVERVIEW OF CORPORATE GOVERNANCE

The Board of AIICO Insurance PLC recognizes that it has the primary responsibility for ensuring good corporate governance. Accordingly, the Company, through the Board, maintains corporate policies and standards designed to encourage good and transparent corporate governance, avoid potential conflicts of interest and promote ethical business practices. The Company's business is conducted with integrity which takes into consideration, the legitimate interests of stakeholders.

The Board is accountable to the Shareholders and does this through pro-actively evaluating the socio-economic, environmental and ethical matters that may impact on stakeholders' interest. The Board also oversees the performance of Management in order to protect and enhance shareholder value and meet the Company's obligations to its employees and all other stakeholders.

Entrepreneurial leadership for the Company is provided by the Board, within a framework of prudent and effective controls, setting the Company's strategic direction, objectives, values and standards and ensuring that the necessary financial, material and human resources are in place for the Company to meet its objectives. Management performance is reviewed to ensure that their obligations to shareholders and other stakeholders are understood and met.

The Board of Directors is currently made up of nine (9) directors comprising the Chairman, Managing Director, two Executive Directors and five non-executive directors. Each of the directors being qualified and outstanding individuals in their various fields of endeavours are knowledgeable on Board and Corporate matters. The Board members are provided with full, timely and adequate information to enable them carry out their duties from a very well-informed position. There are clear separation of responsibilities between the Chairman, CEO, Board and Management thus ensuring non-interference of the Board in Management functions.

In line with the provisions of the Company's Articles of Association, a third of the directors or a number closest to a third, excluding non-executive directors and those appointed by the Board during the year, retire by rotation at each Annual General Meeting of the Company and being eligible, present themselves for re-election. Directors retiring are those longest in office since their last election or re-election. Directors also make unfettered judgments and bring in views that are independent of Management and devoid of any business or other relationships that could interfere with their independent judgment.

Directors receive financial reports of the Company and may invite members of Senior Management at Board or Committee meetings. Access to Senior Management is unhindered and is calculated to ensure adequate clarification and information flow leading up to Management decisions. All the Directors are free to seek independent professional advice in the course of their duties at the Company's expense. Directors also have access to the advice and services of the Company Secretary on rules and regulations applicable to the operations of the Board and in particular corporate governance.

The Board functions through the corporate governance committee, finance and general-purpose committee and the investment & enterprise risk committee. The Corporate Governance Committee assists the Board fulfil its Governance responsibilities as well as its responsibilities for the management of human resources to ensure that recruitment and remuneration policies and practices are designed to attract, retain and reward fairly and responsibly with a clear link to corporate and individual performances.

The Finance and General-Purpose Committee is responsible for considering and advising the Board on transactions; giving consideration to, and recommending to, the Board the annual budget for revenue income and expenditure and any associated capital expenditure; reviewing the periodic management accounts of the Company and recommending to the Board, any in-year budget adjustments; reviewing the annual financial statements of the Company and recommending same to the Board for approval; monitoring the financial liquidity and solvency of the Company and ensuring that action is taken to maintain this at an acceptable level.

The Investment and Enterprise Risk Management Committee ensures that sound policies, procedures and practices are in place for the enterprise-wide management of the Company's material risks and reports the results of the Committee's activities to the Company's Audit Committee of the Board of Directors.

STATUTORY AND GENERAL INFORMATION

Management of the Company is responsible for satisfactorily mitigating material business risks. It does this by designing and implementing risk management practices, including providing ongoing guidance and support for the refinement of the overall risk management framework and ensuring best practices are incorporated, ensuring that management understands and accepts its responsibility for identifying, assessing and managing risk, ensuring that risk assessments are performed periodically and completely.

12. RESEARCH AND DEVELOPMENT

Over the past three years, the Company has expended around ₦186,878,045 on purchasing applications targeted at improving customer experiences and deep dive of actuarial data for better understanding and prediction of customers' behaviour.

13. MERGERS AND TAKEOVERS

AIICO is in discussions with FCMB Pensions Limited for the sale of c.70% stake in AIICO Pensions Limited. Other than the above, AIICO is not aware of any attempt by any other investor to acquire a majority shareholding in the Company and its subsidiaries, or by the Company of any other entity.

14. RELATIONSHIP BETWEEN THE COMPANY AND ITS ADVISERS

As at the date of this Rights Circular, there is no relationship between the Company and its advisers except in the ordinary course of business.

15. RELATED PARTY TRANSACTIONS

The Company had business dealings on an arm's length basis with other companies within the Group during the year ended 31 December 2019. These related party transactions are as follows:

Company	Relationship	Nature of transaction	Dec-19 (₦'000)	Dec-18 (₦'000)
AIICO Pension Managers Limited	Subsidiary	Insurance Premium	5,227	5,227
		Rent	10,786	10,786
		Health Premium	18,706	18,706
		Insurance Premium	7,496	7,496
AIICO Capital Limited	Subsidiary	Portfolio Management	208,195	275,582
		Insurance Premium	6,232	6,232
		Rent	11,700	11,700
Magnartis Finance and Investment Limited	Common Director	Stockbrokers	8,787	8,787
			277,129	344,516

16. DECLARATIONS

Except as otherwise disclosed in this Rights Circular:

- (i) No share of AIICO is under option or agreed conditionally or unconditionally to be put under option;
- (ii) No commissions, discounts, brokerages or other special terms have been granted by AIICO to any person in connection with the Issue or sale of any shares of the Company;
- (iii) Save as disclosed herein, the Directors of AIICO have not been informed of any holding representing 5% or more of the issued share capital of the Company;
- (iv) There are no material service agreements between AIICO or any of its Directors or employees other than in the ordinary course of business;
- (v) No Director of the Company has had any interest, direct or indirect, in any property purchased or proposed to be purchased by the Company in the three years prior to the date of this Rights Circular; and
- (vi) No Director of the Company is or has been involved in any of the following:

STATUTORY AND GENERAL INFORMATION

- A petition under any bankruptcy or insolvency laws filed (and not struck out) against him / her or any partnership in which he / she is or was a partner or any company of which he / she is or was a Director or key personnel;
- A conviction in a criminal proceeding or is named subject of pending criminal proceedings relating to fraud or dishonesty; or
- The subject of any order, judgment or ruling of any court of competent jurisdiction or regulatory body relating to fraud or dishonesty, restraining him/her from acting as an investment adviser, dealer in securities, Director or employee of a financial institution and engaging in any type of business or activity.

17. CONSENTS

The following have given and not withdrawn their written consents to the issue of this Rights Circular with their names and reports (where applicable) included in the form and context in which they appear:

Directors of the Company	Mr Kundan Sainani (Chairman) Mr Babatunde Fajemirokun (Managing Director) Mr Adewale Kadri Abbas (Executive) Mr Olusola Oludare Ajayi (Executive) Mr Ademola Adebise Mr Olalekan Akinyanmi Ms Oluwafolakemi Fajemirokun Mr S.D.A. Sobanjo Mr Samaila Zubairu
Company Secretary	Mr Donald Kanu
Issuing House	Stanbic IBTC Capital Limited
Stockbrokers	Magnartis Finance and Investment Limited Stanbic IBTC Stockbrokers Limited
Solicitors	G. Elias & Co.
Auditors	Ernst & Young
Registrars	United Securities Limited
Receiving Bank	Stanbic IBTC Bank PLC

18. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents can be inspected at Stanbic IBTC Capital Limited's Office located at I.B.T.C. Place, Walter Carrington Crescent, Victoria Island, and AIICO Insurance PLC's Head Office located at Plot PC 12, Churchgate Street, Victoria Island, Lagos, during normal business hours on any Working Day, from Wednesday, 02 September 2020 to Wednesday, 07 October 2020:

- The Certificate of Incorporation of the Company;
- The Memorandum and Articles of Association of the Company;
- The Rights Circular issued in respect of the Issue;
- The audited financial statements of the Company for each of the five years ended 31 December 2015 to 2019;
- The unaudited financial statements of the for the three months ended 31 March 2020;
- The Shareholders' Resolutions authorising the Issue;
- The Board Resolution authorising the Issue;
- The list of outstanding claims and litigation referred to in Section 6 on page 39;
- The material contracts referred to in Section 9 on page 40;
- The written consents referred to in Section 17 on page 43;
- Letter of approval from SEC; and
- Letter of approval from The NSE.

PROVISIONAL ALLOTMENT LETTER



24 August 2020

RIGHTS ISSUE OF 4,357,770,954 ORDINARY SHARES OF 50 Kobo EACH AT ₦0.80 PER SHARE IN AIICO INSURANCE PLC

Dear Sir / Madam

1. Provisional Allotment

The letter dated 22 May 2020 from the Chairman, which is provided, on page 14 of the Rights Circular contains particulars of the Rights Issue now being made. The Directors have provisionally allotted to you the number of new shares set out on the first page of the enclosed Participation Form, representing 5 new Ordinary Shares for every 13 Ordinary Shares registered in your name at the close of business on 15 June 2020. The new Ordinary Shares will rank pari passu in all respects with the existing Ordinary Shares of the Company.

You may accept all or some of the shares allotted to you or renounce your rights to all or some of them. If you are accepting the provisional allotment in full, kindly complete box A of the Participation Form, while if renouncing your rights partially or in full, kindly complete box B of the form. You may also apply for additional shares over and above your provisional allotment as described in paragraph 2(c) of this letter.

2. Acceptance and Payment

The receipt of payment with your Participation Form will constitute an acceptance of all or part of this allotment on the terms of this letter, subject to the Memorandum and Articles of Association of the Company and the clearance of the Securities and Exchange Commission. If payment is not received by the close of the acceptance period, the provisional allotment will be deemed to have been declined and will be cancelled. You may participate in the Rights Issue through any of the following methods:

a) Full Acceptance

If you wish to accept this provisional allotment in full, please complete box A of the Participation Form. The completed Participation Form together with a cheque or bank draft for the full amount payable must be submitted to any of the Receiving Agents listed on page 46 of the Rights Circular not later than Wednesday, 07 October 2020. **The cheque or draft must be made payable to the Receiving Agent** and crossed “**AIICO RIGHTS**” with your name, address and mobile number written on the back of the cheque or draft. All cheques and drafts will be presented for payment on receipt and all Participation Forms in respect of which cheques are returned unpaid for any reason will be rejected and returned through the registered post.

Shareholders who wish to make payments electronically for their rights, should contact any of the Receiving Agents listed on page 46 of this Rights Circular for the transfer details.

Any payment value exceeding ₦10,000,000.00 (ten million Naira) should be made via SWIFT, RTGS or NEFT into the designated account provided by the Receiving Agent. Such payment must include the subscriber's full name in the transfer instruction narrative.

b) Partial Acceptance

To accept your provisional allotment partially, please complete box B of the Participation Form and submit the completed Participation Form to any of the Receiving Agents listed on page 46 of the Rights Circular together with full amount payable in respect of the number of shares you wish to accept. Payment should be made in accordance with paragraph 2(a) above.

c) Applying for Additional Shares

This may be done by **completing items (ii) and (iii) of box A of the Participation Form**. Payment should be made in accordance with paragraph 2(a) above. Shareholders who apply

PROVISIONAL ALLOTMENT LETTER

for additional shares using the Participation Form will be subject to the allotment process and may therefore be allotted less than the number of additional shares applied for (see item 4 below).

3. Trading in Rights on The NSE

The approval of The NSE has been obtained for trading in the rights of the Company. The rights will be tradable between 02 September 2020 and 07 October 2020 at the price at which the rights are quoted on The NSE. Shareholders who wish to trade their rights partially or in full, may trade such rights on the floor of The NSE between these dates. Please complete item (iii) of box B of the Participation Form and contact your stockbroker for assistance. If you wish to purchase traded rights, please contact your stockbroker who will guide you regarding payment and the procedure for purchasing AIICO Rights.

4. Allotment of Shares

Allotment of shares will be made to shareholders who accepted their rights partially or in full, and to investors who purchased rights on the floor of The NSE. Ordinary shares which are not taken up by 07 October 2020 will be allotted to existing shareholders who applied and paid for additional shares over and above their provisional allotment based on an equal allocation ratio, in line with SEC rules.

5. Subscription Monies

Participation Forms must be accompanied with the full amount due on acceptance in accordance with paragraph 2 above. All subscription monies will be retained in an interest yielding bank account by the Receiving Bank.

6. Surplus Application Monies

If any application for additional shares is not accepted or accepted for fewer shares than the number applied for, a cheque for the value of the additional shares not accepted including applicable interest will be sent by registered post or electronic payment will be made into the affected subscriber's account as stated in the Participation Form not later than 5 (five) Working Days after the date of allotment.

7. Rounding Principle

Provisional allotment of shares will be such that shareholders will not be allocated a fraction of a share and as such any shareholding giving rise to a fraction of less than one share will be rounded down to the nearest whole number.

8. Settlement

The CSCS accounts of shareholders will be credited immediately after allotment. Shareholders are hereby advised to state the name of their respective stockbrokers, their CHN and CSCS account numbers in the relevant spaces on the Participation Form.

In accordance with the SEC Directive on Dematerialization of Share Certificates, shareholders who do not provide valid CHN and CSCS account numbers will have their shares credited at the CSCS using a Registrar Identification Number.

A Registrars Identification Number is a number allocated to shareholders who do not have valid CHN and CSCS account numbers to warehouse their units of shareholding in public companies under Registrars custody at the CSCS. The allotted shares will be transferred to the stockbroking account of the shareholder once valid CHN and CSCS account numbers are provided. Any shareholder who does not have a valid CHN and CSCS account number, is advised to open a stockbroking account with a stockbroker and obtain a valid CHN and CSCS account number from the stockbroker.

Yours faithfully



Mr Donald Kanu
Company Secretary

RECEIVING AGENTS LIST

A copy of the Rights Circular has been forwarded to each of the shareholders whose names appeared in the Company's Register of Members as at 15 June 2020. The completed Participation Forms together with a cheque or bank draft for the full amount payable may be returned to any of the following Receiving Agents to whom brokerage will be paid at the rate of 25 kobo per ₦100 worth of shares allotted in respect of Participation Forms bearing their official stamp.

The Company and Issuing House cannot accept responsibility for the conduct of any of the institutions listed below. Shareholders are therefore advised to conduct their own enquiries before choosing an agent to act on their behalf. Evidence of lodgement of funds or Participation Forms at any of the Receiving Agents listed below, in the absence of corresponding evidence of receipt by the Issuing House cannot give rise to a liability on the part of the Issuing House under any circumstances.

BANKS

Access Bank PLC Citibank Nigeria Limited Diamond Bank PLC Ecobank Nigeria PLC Fidelity Bank PLC	First Bank of Nigeria PLC First City Monument Bank Limited Guaranty Trust Bank PLC Heritage Bank PLC Keystone Bank Limited	Skye Bank PLC Stanbic IBTC Bank PLC Standard Chartered Bank Nigeria Limited Sterling Bank PLC	Union Bank of Nigeria PLC United Bank for Africa PLC Unity Bank PLC Wema Bank PLC Zenith Bank PLC
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STOCKBROKERS AND OTHERS

Adamawa Securities Limited Adonai Stockbrokers Limited African Alliance Stockbrokers Limited Afrinvest (West Africa) Limited AIMS Asset Management Limited Alangrange Securities Limited Allbond Investment Limited Alliance Capital Managt Co. Limited Altrade Securities Limited Aryn Investments Limited Anchorage Sec & Finance Limited Anchoria Inv & Securities Limited Apel Asset Limited APT Sec. & Funds Limited Arian Capital Management Limited ARM Securities Limited Associated Asset Managers Limited Atlass Portfolio Limited Belfry Stockbrokers Limited Bestlink Investment Limited Bestworth Assets & Trust Limited BFCL Assets & Sec Limited BIC Securities Limited Bytofel Trust & Securities Limited Cadington Securities Limited Calyx Securities Limited Camry Securities Limited Capital Asset Limited Capital Bancorp Limited Capital Express Securities Limited Capital Trust Brokers Limited Cardinal Stone Securities Limited Cashcraft Asset Mgt. Limited Cashville Inv & Sec. Limited Centre-Point Inv. Limited Century Securities Limited Chapel Hill Denham Securities Limited Chartwell Securities Limited Citi Investment Capital Limited City-Code Trust & Inv Limited Clearview Inv Co. Limited Colvia Securities Limited Compass Inv and Sec. Limited Consolidated Inv Limited Consortium Investments Limited Cordros Capital Limited Core Trust & Investment Limited Covenant Securities & Asset Management Limited Cowry Asset Mgt Limited Cradle Trust Fin & Sec. Limited Crane Securities Limited Crossworld Securities Limited Crown Capital Limited CSL Stockbrokers Limited Dakal Securities Limited Davandy Finance & Sec Limited DBSL Securities Limited De-canon Investments Limited Deep Trust Investment Limited De-Lords Securities Limited Dependable Securities Limited Diamond Securities Limited Dolbic Finance Limited Dominion Trust Limited DSU Brokerage Services Limited Dunbell Securities Limited Dunn Loren Merrifield Securities Limited Dynamic Portfolios Limited ECL Asset Management Limited EDC Securities Limited Edgefield Capital Management Limited Emerging Capital Limited EMI Capital Resources Limited Empire Securities Limited Enterprise Stockbroker PLC Epic Investment Trust Limited	Equity Capital Solutions Limited Eurocomm Securities Limited Excel Securities Limited Express Discount Asset Mgt Limited Express Portfolio Services Limited FCSL Asset Management Company Limited Falcon Securities Limited FBC Trust & Securities Limited FBNQuest Securities Limited Financial Trust Company Nigeria Limited Fidelity Securities Limited FinBank Securities Limited Finmal Finance Company Limited First Inland Capital Limited First Inland Sec. & Asset Mgt. Limited FIS Securities Limited Fittco Securities Limited Foresight Sec. & Inv Limited Forte Financial Limited Forthright Securities & Investments Limited Fortress Capital Limited FSDH Securities Limited Fund Matrix & Assets Mgt Limited Future view Financial Services Limited Future view Securities Limited Gem Assets Mgt Limited Genesis Securities & Inv. Limited Gidauniya Inv. & Sec Limited Global Assets Mgt (Nig) Limited Global Inv. & Sec. Limited Global View Consult & Investment Limited GMT Securities Golden Securities Limited Gombe Securities Limited Gosord Securities Limited Greenwich Securities Limited GTI Capital Limited Harmony Securities Limited Heartbeat Investments Limited Hedge Sec. & Inv. Co. Limited Heritage Capital Mkt Limited Horizon Stockbrokers Limited HP Securities Limited ICMG Securities Limited ICON Stockbroker Limited Imperial Assets Mgt Limited IMTL Securities Limited Independent Securities Limited Integrated Trust & Inv. Limited Intercontinental Securities Limited International Capital Sec. Limited International Standard Sec Limited Interstate Securities Limited Investment Centre Limited Investment One Financial Services Limited Investment One Stockbrokers International Limited Investors & Trust Co Limited ITIS Securities Limited Kakawa Asset Mgt Limited Kapital Care Trust & Sec. Limited Kedari Securities Limited Kinley Securities Limited Kofana Securities & Inv. Limited Kundila Finance Services Limited Laksworth Inv. & Sec Limited Lambeth Trust & Inv. Co. Limited LB Securities Limited Lead Securities and Inv. Limited Lighthouse Asset Mgt Limited Lion Stockbrokers Limited LMB Stockbrokers Limited Long Term Global Capital Limited Mact Securities Limited	Magnartis Fin & Inv Limited Mainland Trust Limited Maininvest Securities Limited Marina Securities Stockbroking Services Limited Maven Asset Mgt Limited Maxifund Invest & Sec. Limited Mayfield Investment Limited MBC Securities Limited MBL Financial Services Limited MC-Finco Investment limited Mega Equities Limited Mercov Securities Limited Meristem Securities Limited Midax Stockbrokers Limited Mission Securities Limited Molten Trust Limited Morgan Capital Sec Limited Mountain Investment & Securities Limited Mutual Alliance Investments and Securities Limited Network Capital Limited Networth Securities & Finance Limited Newdevco Investments & Securities Co Limited Nigerian Intl Sec Limited Nigerian Stockbrokers Limited Nova Finance & Securities Limited Oasis Capital Omas Investments & Trust Company Limited Options Securities Limited PAC Securities Limited Parthian Partners Limited Partnership Investment Company Limited Peace Capital Market Limited Peninsula Asset Mgt & Inv Co. Limited Perfecta Inv Trust Limited Phronesis Sec Limited Pilot Securities Limited Pinefields Inv Serv Limited PIPC Securities Limited Pivot Trust and Investment Co Limited Platinum Capital Limited Plural Securities Limited PML Securities Company Limited Portfolio Advisers Limited Primera Africa Securities Prime Wealth Capital Limited Professional Stockbrokers Limited, Profund Securities Limited Prominent Securities Limited Prudential Securities Limited Pyramid Securities Limited Quantum Securities Limited, Rainbow Securities and Investment Co. Limited Readings Investment Limited Redasel Investment Limited Regency Assets Mgt Limited Regency Financings Limited Rencap Securities (Nig.) Limited Resano Securities Limited Resort Securities & Trust Limited Reward Investments and Services Limited Richmond Securities Limited Riverside Trust Limited Rivtrust Securities Limited Rostrum Inv & Sec Limited Rowet Capital Mgt Limited Royal Crest Finance Limited Royal Trust Securities Limited Santrust Securities Limited Securities Africa Financial Limited Securities Solutions Limited	Securities Trading & Investments Limited Shelong Investment Limited Sigma Securities Limited Signet Investments & Securities Limited Sikon Securities and Investment Trust Limited Skyview Capital Limited SMADAC Securities Limited Solid-Rock Securities & Investment Limited Spring Trust & Securities Limited Springboard Trust & Inv Limited Stanbic IBTC Asset Mgt Limited Stanbic IBTC Capital Limited Stanbic IBTC Stockbrokers Limited Standard Alliance Capital & Asset Management Limited Standard Union Securities Limited Stanwal Securities Limited Strategy and Arbitrage Limited Summa Guaranty & Trust Co. PLC Summit Finance Company Limited Support Services Limited, Supra Commercial Trust Limited TFS Securities & Investment Limited The Bridge Securities Limited Tiddo Securities Limited Tomil Trust Limited Topmost Securities Limited Tower Asset Management Limited Tower Securities & Investment Co. Limited Trade Link Securities Limited Traders Trust & Investment Company Limited TransAfrica Financial Services Limited Transglobe Investment & Finance Co. Limited Transworld Investment & Securities Limited Tropics Securities Limited Trust Yields Securities Limited Trust House Investments Limited TRW Stockbrokers Limited UBA Securities Limited UIDC Securities Limited UNEX Capital Limited Union Capital Markets Limited Valmon Securities Limited Valueline Securities & Investments Limited Vetiva Capital Mgt Limited Vetiva Securities Limited Vision Trust & Investment Limited Wizetrade Capital & Asset Management Limited WSTC Financial Services Limited WT Securities Limited Yobe Inv. & Sec. Limited Yuderb Inv. & Sec. Limited Zenith Securities Limited
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PARTICIPATION FORM



AIICO Insurance PLC
RC7340

Rights Issue of

Acceptance List Opens
Wednesday, 02
September 2020

4,357,770,954 Ordinary Shares of 50 kobo each

Acceptance List Closes
Wednesday, 07
October 2020

at **₦0.80** per share

on the basis of 5 new Ordinary Shares

for every 13 Ordinary Shares held as at the close of business on 15 June 2020

PAYABLE IN FULL ON ACCEPTANCE

INSTRUCTIONS FOR COMPLETING THE PARTICIPATION FORM

1. Acceptance and/or renunciation must be made on this Participation Form.
2. Allottees should complete only **ONE** of the boxes marked A and B on the reverse of this form. Shareholders accepting the provisional allotment in full should complete box A and submit their Participation Forms to any of the Receiving Agents listed on page 46 of the Rights Circular together with a cheque or bank draft made payable to the Receiving Agent for the full amount payable on acceptance. The cheque or draft must be crossed "**AIICO RIGHTS**", with the name, address and mobile number of the shareholder written on the back. Shareholders who wish to make payments electronically for their rights, should contact any of the Receiving Agents listed on page 46 of this Rights Circular for the transfer details.

Evidence of all electronic transfers must be submitted to the Receiving Agents. If payment is not received by Wednesday, 07 October 2020, the provisional allotment will be deemed to have been declined and will be cancelled.
3. Shareholders accepting their provisional allotment partially should complete box B and submit their Participation Forms to any of the Receiving Agents listed on page 46 of the Rights Circular together with the evidence of payment transfer for the partial acceptance in accordance with 2 above.
4. Shareholders who wish to trade their rights partially or in full on the floor of The Exchange should complete item (iii) of box B. They should obtain a Transfer Form from their stockbroker, complete it in accordance with these instructions, and return it to the stockbroker together with the completed Participation Form and the amount payable/evidence of transfer for any partial acceptance in accordance with 2 above.
5. Shareholders who wish to acquire additional shares over and above their provisional allotment should apply for additional shares by completing item (ii) and (iii) of box A.
6. All cheques or bank drafts for amounts below ₦10 million will be presented for payment on receipt and all acceptances / applications in respect of which cheques are returned unpaid for any reason will be rejected and cancelled. Shareholders are advised to obtain an acknowledgement of the amount paid from the Receiving Agent through which this Participation Form is lodged.
7. Joint allottees must sign on separate lines in the appropriate section of the Participation Form.
8. Participation Forms of corporate allottees must bear their incorporation numbers and corporate seals and must be completed under the hands of duly authorised officials who should also state their designations.

FOR REGISTRAR'S USE ONLY

Number of ordinary shares provisionally allotted	Number of ordinary shares accepted	Number of additional ordinary shares applied for	Number of ordinary shares renounced	Number of additional ordinary shares allotted	Total number of ordinary shares allotted	Total amount payable	Amount paid	Amount to be returned	Bank draft/ cheque number
						₦	₦	₦	

STAMP OF RECEIVING AGENT

Please Turn Over ➡

PARTICIPATION FORM

Acceptance and/or renunciation must be made in accordance with the instructions set out on the front of this form. Care should be taken to comply with the instructions as application that do not comply may be rejected. If you are in doubt as to what action to take, you should immediately consult your Stockbroker, Accountant, Banker, Solicitor, Independent Investment Adviser or any other professional adviser for guidance. The Company and the Issuing House have the discretion to reject any incomplete Participation Form.

Investor's Stockbroker.....

CHN Number.....

Stockbroker Code.....

CSCS Number.....

A. FULL ACCEPTANCE / REQUEST FOR ADDITIONAL ORDINARY SHARES																													
i. I / We accept in full, the provisional allotment shown on the front of this form.																													
ii. I / We also apply for additional ordinary shares:																													
Number of additional ordinary shares applied for															Additional amount payable at ₦0.80 per share														
															N														
I / We agree to accept the same or smaller number of additional shares in respect of which allotment may be made to me/us, in accordance with the Provisional Allotment Letter contained in the Rights Circular.																													
iii. I / We enclose my / our cheque / bank draft / evidence of payment transfer for ₦.....																													
being the sum of the amount payable as shown on the front of this form, and the additional amount payable as shown in item (ii) above.																													
Cheque details: Name of bank / cheque number/branch.....																													
.....																													
B. RENUNCIATION OR PARTIAL ACCEPTANCE																													
1										2										3									
Number of ordinary shares accepted										Amount payable at ₦0.80 per share										Number of ordinary shares renounced									
										N																			
i. I / We accept only the number of ordinary shares shown in column (1) above and enclose my/our cheque / bank draft for the value shown in column (2) above. Cheque details: Name of bank / cheque number / branch.....																													
ii. I / We hereby renounce my / our rights to the ordinary shares shown in column (3) above, being the balance of the ordinary shares allocated to me / us.																													
iii. I / We confirm that I / We wish to trade my / our rights of ordinary shares on the floor of The Exchange. I / We shall obtain a Transfer Form from my / our stockbroker, complete it in accordance with his instructions and return it to the stockbroker with the form.																													
MUST BE FULLY COMPLETED FOR BOTH A AND B																													
Name (s) (in block letters)																													
Next of Kin																													
Daytime Telephone Number															Mobile (GSM) Telephone Number														
Email Address																													
Bank Verification Number (BVN)																													
BANK DETAILS (FOR E-DIVIDEND)																													
Name of Bank																													
Branch																				Incorporation Number and Seal of Corporate Allottee									
Account Number																													
Signature															2 nd Signature (Joint only)														
Name of Authorised Signatory (corporate only):															Name of Authorised Signatory (corporate only):														
Designation (corporate only):															Designation (corporate only):														
C. TRADING IN RIGHTS																													
i) Shareholders who wish to trade in their rights partially or in full may trade such rights on the floor of The Exchange. The rights will be traded actively on the floor of The Exchange.																													
ii) Shareholders who wish to acquire additional shares over and above their provisional allotment should apply for additional shares by completing item (ii) of box A above.																													
iii) Shareholders who purchase rights on the floor of The Exchange are guaranteed the number of shares purchased: they will not be subject to the allotment process in respect of shares so purchased. Those that apply for additional shares by completing item (ii) of box A will be subject to the allotment process i.e. they may be allotted a smaller number of additional shares than what they applied for.																													

STAMP OF RECEIVING AGENT