



CORNERSTONE INSURANCE PLC

Cornerstone
RC163170

SUMMARY FINANCIAL INFORMATION FOR THE PERIOD ENDED 31 DECEMBER 2021

"The Directors present the summary financial information of Cornerstone Insurance Plc ("the Company") and its subsidiary companies (together "the Group") for the year ended 31 December 2021. These summary financial information are derived from the full consolidated and separate financial statements for the year ended 31 December 2021 and are not the full consolidated and separate financial statements of the Company and Group. The full consolidated and separate financial statements, from which these summary financial information were derived, will be delivered to the Corporate Affairs Commission within the required deadline.

CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION				
AS AT	Group 31 Dec 2021 N'000	Group 31 Dec 2020 N'000	Company 31 Dec 2021 N'000	Company 31 Dec 2020 N'000
ASSETS				
Cash and cash equivalents	14,402,330	11,662,703	9,732,527	8,175,263
Financial assets	18,563,816	18,402,727	14,321,092	14,065,366
Trade receivables	300,788	154,580	255,793	108,675
Other receivables and prepayments	1,273,809	612,224	1,213,181	789,101
Reinsurance assets	9,369,713	7,719,422	8,618,365	7,197,096
Deferred acquisition costs	853,729	567,596	708,289	466,196
Investment in joint venture	510	271,295	280	137,738
Deferred tax assets	861,211	838,000	861,211	838,000
Investment in subsidiaries	-	-	3,620,847	3,620,847
Investment properties	625,000	602,000	-	-
Property and equipment	1,838,314	1,780,020	582,447	570,093
Intangible assets	11,805	17,648	3,397	13,500
Statutory deposit	1,200,000	1,200,000	500,000	500,000
Total assets	49,301,025	43,828,215	40,417,429	36,481,875
LIABILITIES				
Insurance contract liabilities	19,736,834	18,746,225	17,812,613	17,203,861
Investment contract liabilities	3,735,317	3,674,861	3,268,015	3,226,593
Trade payables	2,739,704	1,619,695	2,410,119	1,403,882
Deferred commission income	981,777	770,626	879,264	704,472
Other payables and accruals	1,058,081	842,765	790,444	676,315
Current tax liabilities	475,575	445,799	345,704	276,964
Deferred tax liabilities	88,026	-	23,211	-
Employees benefit obligations	13,553	3,793	11,529	1,769
Total liabilities	28,828,867	26,103,764	25,540,899	23,493,856
EQUITY				
Share capital	9,083,196	9,083,196	9,083,196	9,083,196
Share premium	183,165	183,165	183,165	183,165
Treasury shares	(67,130)	(58,440)	(67,130)	(58,440)
Contingency reserve	4,735,167	4,017,271	3,844,841	3,305,027
Fair value reserves	387,889	1,132,194	63,261	906,871
Retained Earnings/(Accumulated Deficit)	5,855,597	3,101,415	1,769,197	(431,800)
Shareholders' funds	20,177,884	17,458,801	14,876,530	12,988,019
Non-controlling interests	294,274	265,650	-	-
Total equity	20,472,158	17,724,451	14,876,530	12,988,019
Total liabilities and equity	49,301,025	43,828,215	40,417,429	36,481,875

CONSOLIDATED AND SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME				
FOR THE YEAR ENDED	Group 31 Dec 2021 N'000	Group 31 Dec 2020 N'000	Company 31 Dec 2021 N'000	Company 31 Dec 2020 N'000
Gross premium written	20,920,553	17,539,219	18,288,139	15,787,124
Changes in unearned premium	(3,127,934)	(1,820,508)	(2,940,341)	(1,576,275)
Gross premium income	17,792,619	15,718,711	15,347,798	14,210,849
Changes in life fund	928,394	(634,469)	936,826	(634,469)
Changes in life annuity fund	913,703	(1,902,099)	913,703	(1,902,099)
Reinsurance expense	(10,968,450)	(7,579,125)	(9,645,696)	(6,877,674)
Net premium income	8,666,266	5,603,018	7,552,631	4,796,607
Fees and commission income	2,227,978	1,617,999	1,957,456	1,447,461
Net underwriting income	10,894,244	7,221,017	9,510,087	6,244,068
Gross claims incurred	(4,700,817)	(7,264,175)	(4,082,679)	(6,693,005)
Insurance claims recoveries from reinsurers	2,105,689	3,308,904	1,875,158	3,201,106
Net claims expenses	(2,595,128)	(3,955,271)	(2,207,521)	(3,491,899)
Acquisition cost	(2,020,130)	(1,709,394)	(1,597,103)	(1,447,008)
Maintenance cost	(1,028,697)	(467,093)	(921,359)	(328,792)
Underwriting expenses	(3,048,827)	(2,176,487)	(2,518,462)	(1,775,800)
Underwriting results	5,250,289	1,089,259	4,784,104	976,369
Gain/(Loss) on deposit administration / investment contracts	33,808	258,008	33,808	258,008
Investment income	1,609,351	1,157,830	1,091,964	732,354
Fair value changes in investment property	23,000	42,000	-	-
Fair value changes in financial assets - FVTPL	(742,348)	1,799,740	(742,348)	1,799,740
Net exchange gain	1,385,923	1,349,534	713,817	935,838
Net trading income	-	255,394	-	45,101
Other operating income	61,570	225,794	59,896	113,053
Share of (loss)/profit in joint venture	95,232	(283,010)	68,201	(155,378)
Impairment losses on financial assets	(75,315)	(841,519)	(75,315)	(868,832)
Personnel expenses	(2,243,538)	(1,868,699)	(1,763,689)	(1,465,209)
Depreciation	(198,940)	(219,289)	(155,105)	(168,018)
Amortisation	(13,405)	(16,927)	(10,402)	(16,568)
Other Operating Expenses	(1,382,579)	(1,128,368)	(1,105,961)	(881,196)
Finance cost	(62,041)	(52,654)	(46,604)	(28,136)
Profit before income and minimum tax	3,741,007	1,767,093	2,852,366	1,277,126
Minimum tax	(2,433)	-	(2,433)	-
Profit after minimum tax	3,738,574	1,767,093	2,849,933	1,277,126
Income tax (expense) credit	(202,639)	427,764	(109,122)	461,045
Profit for the year from continuing operations	3,535,935	2,194,857	2,740,811	1,738,171
Profit from discontinued operations	-	-	-	36,748
Profit for the year	3,535,935	2,194,857	2,740,811	1,774,919
Attributable to shareholders	3,511,220	2,181,077	2,740,811	1,774,919
Attributable to non-controlling interest holders	24,715	13,780	-	-
	3,535,935	2,194,857	2,740,811	1,774,919
Other comprehensive income, net of tax:				
Items within OCI that may be reclassified to profit or loss				
Fair value (losses) / gains on available-for-sale securities	(739,022)	707,043	(843,610)	672,249
	(739,022)	707,043	(843,610)	672,249
Revaluation gain on property and equipment	52,830	-	-	-
Related tax	(5,283)	-	-	-
	47,547	-	-	-
Other comprehensive (loss) / income, net of tax:	(691,475)	707,043	(843,610)	672,249
Total comprehensive income for the year	2,844,460	2,901,900	1,897,201	2,447,168
Attributable to shareholders	2,815,837	2,886,965	1,897,201	2,447,168
Attributable to non-controlling interest	28,623	14,935	-	-
	2,844,460	2,901,900	1,897,201	2,447,168
Basic and diluted earning per share (Kobo)	19	12	15	10

Mr. Segun Adebajji
Chairman
FRC/2014/ICAN/00000008434

Mr. Ganiyu Musa
Group Managing Director/CEO
FRC/2013/ICAN/00000003110

Mr. Kehinde Olorundare
Chief Financial Officer
FRC/2013/ICAN/00000000731

CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS				
AS AT	Group 31 Dec 2021 N'000	Group 31 Dec 2020 N'000	Company 31 Dec 2021 N'000	Company 31 Dec 2020 N'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Insurance premium received	19,378,260	17,448,946	16,745,086	15,740,673
Premium deposits received	2,535,584	1,728,814	2,530,882	1,707,196
Deposit liabilities - contributions during the year	1,782,020	1,396,936	1,472,755	1,205,513
Deposit liabilities - withdrawals during the year	(1,887,409)	(1,293,203)	(1,597,178)	(1,129,608)
Reinsurance premium paid	(11,774,266)	(11,068,738)	(10,421,801)	(10,322,823)
Commission received	2,439,129	2,123,552	2,132,249	1,919,973
Claims paid during the year	(4,996,046)	(4,601,817)	(4,563,740)	(4,142,858)
Reinsurance claims recovered	1,254,492	2,320,790	1,114,052	2,320,790
Commission paid	(2,319,029)	(1,981,876)	(1,851,963)	(1,668,722)
Maintenance cost paid	(1,028,697)	(467,093)	(921,359)	(328,792)
Other operating income	61,431	189,280	59,896	113,053
Personnel and employee expenses	(2,233,778)	(1,868,483)	(1,753,929)	(1,464,993)
Other operating cash payments	(2,309,121)	(2,043,933)	(1,840,364)	(2,416,143)
Income tax paid	902,570	1,883,175	1,104,586	1,533,259
	(154,906)	(102,231)	(42,817)	(80,021)
Net cash flows from operating activities	747,664	1,780,944	1,061,769	1,453,238
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	1,257,177	439,463	1,065,757	331,059
Dividend received	263,987	331,086	195,466	264,097
Rent received	12,500	-	-	-
Purchase of property and equipment	(283,078)	(147,444)	(191,460)	(122,255)
Purchase of intangibles	(7,562)	(5,211)	(298)	(704)
Redemptions on loans to policyholders	39,605	103,373	39,605	103,373
Proceeds from sale of property and equipment	140	48,000	-	15,000
Purchase of AFS financial assets	(34,830)	-	-	-
Purchase of FVTPL financial assets	(2,451,023)	(3,732,530)	(2,451,023)	(3,711,977)
Investment in subsidiary	-	-	-	(200,000)
Addition to loans to policy holders	(41,109)	(60,665)	(41,109)	(60,665)
Purchase of HTM investments	(2,013,736)	(3,424,111)	-	(619,542)
Proceeds from sale of financial assets	3,432,988	3,788,892	899,865	2,614,239
Net cash flows from investing activities	175,059	(2,659,147)	(483,197)	(1,387,375)
CASH FLOWS FROM FINANCING ACTIVITIES				
Share issuing cost	-	(45,559)	-	(45,559)
Treasury share	(8,690)	(10,265)	(8,690)	(10,265)
Finance cost	(62,041)	(52,654)	(46,604)	(28,136)
Net cash flows from financing activities	(70,731)	(108,478)	(55,294)	(83,960)
Net increase / (decrease) in cash and cash equivalents	851,992	(986,681)	523,278	(18,097)
Effect of exchange rate changes on cash and cash equivalents	1,887,635	-	1,033,986	-
Cash and cash equivalents, beginning of the year	11,662,703	12,649,384	8,175,263	8,193,360
Cash and cash equivalents, end of the year	14,402,330	11,662,703	9,732,527	8,175,263

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Cornerstone Insurance Plc.

Report on the Summary Financial Information

Opinion

The summary financial information, which comprise: the consolidated and separate statements of financial position as at 31 December, 2021; the consolidated and separate statements of profit or loss and other comprehensive income; and the consolidated and separate statements of cash flows for the year are derived from the audited financial statements of Cornerstone Plc for the year ended December 31, 2021.

In our opinion, the accompanying summary financial information are consistent, in all material respects, with the financial statements, in accordance with the Companies and Allied Matters Act (CAMA), 2020 and the Insurance Act, 2003.

Summary Financial Information

The summary financial information do not contain all the disclosures required by the International Financial Reporting Standards, the Companies and Allied Matters Act (CAMA), 2020, the Financial Reporting Council of Nigeria Act, 2011, the Insurance Act, 2003 and relevant National Insurance Commission of Nigeria ("NAICOM") Circulars. Reading the summary financial information and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon.

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 9 March 2022. That report also includes the communication of key audit matters. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period.

Directors' Responsibility for the Summary Financial Information

The Directors are responsible for the preparation of the summary financial information in accordance with the Companies and Allied Matters Act (CAMA), 2020 and the Insurance Act, 2003.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary financial information are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Schedule 5 of the Companies and Allied Matters Act (CAMA), 2020 and Section 28(2) of the Insurance Act, 2003

• We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purpose of our audit.

• In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books.

• The Company's statement of financial position and statement of comprehensive income are in agreement with the books of account.

Penalties

The Company did not pay any penalty in respect of contraventions of the requirements of the National Insurance Commission of Nigeria Guidelines and Circulars during the year ended 31 December 2021

Akinyemi J. Ashade, FCA
FRC/2013/ICAN/00000000786
For: KPMG Professional Services
Chartered Accountants
09 March 2022
Lagos, Nigeria

