

SUMMARY FINANCIAL INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2017

"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 2017. These summary financial information are derived from the full financial statements for the year ended 31 December 2017 and are not the full financial statements of the Group and the Company. The full financial statements, from which these summary financial information were derived, will be delivered to the Corporate Affairs Commission within the required deadline. The Company's Auditor issued an unmodified audit opinion on the full financial statements for the year ended 31 December 2017 from which these summary financial information were derived."

| CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME | | | | |
|---|--------------------|--------------------|--------------------|--------------------|
| | Group | Group | Company | Company |
| In thousands of naira | 31 Dec 17 | 31 Dec 16 | 31 Dec 17 | 31 Dec 16 |
| Gross premium written | 9,201,025 | 9,190,634 | 7,900,401 | 8,389,950 |
| Changes in unearned premium | (20,755) | (929,912) | 6,063 | (816,836) |
| Gross premium income | 9,180,270 | 8,260,722 | 7,906,464 | 7,573,114 |
| Changes in life fund | (271,889) | 171,186 | (271,889) | 171,186 |
| Changes in life annuity fund | 91,513 | 24,550 | 91,513 | 24,550 |
| Reinsurance expenses | (3,610,869) | (3,281,938) | (2,992,363) | (2,945,380) |
| Net premium income | 5,389,025 | 5,174,520 | 4,733,725 | 4,823,470 |
| Fees and commission income | 664,709 | 477,825 | 549,423 | 448,756 |
| Net underwriting income | 6,053,734 | 5,652,345 | 5,283,148 | 5,272,226 |
| Gross claims incurred | (7,444,276) | (4,573,714) | (6,969,212) | (4,527,743) |
| Insurance claims recoverable from reinsurance companies | 1,434,528 | 1,203,012 | 1,408,621 | 1,028,671 |
| Net claims expenses | (6,309,748) | (3,370,702) | (5,560,591) | (3,499,072) |
| Acquisition costs | (1,249,503) | (1,122,676) | (1,008,308) | (991,747) |
| Maintenance costs | (526,910) | (462,582) | (470,959) | (457,735) |
| Underwriting expenses | (1,776,413) | (1,585,258) | (1,479,267) | (1,449,482) |
| Underwriting results | (2,032,427) | 696,385 | (1,756,710) | 323,672 |
| Loss on deposit administration / investment contracts | (118,631) | (16,019) | (118,631) | (16,019) |
| Investment income on financial assets | 828,678 | 743,472 | 526,567 | 411,056 |
| Fair value changes in investment property | 9,000 | 8,000 | - | - |
| Fair value changes in financial assets - FVTPL | 236,343 | (2,390,911) | 236,343 | (2,390,911) |
| Net exchange gain | 972,029 | 2,943,457 | 882,261 | 2,888,881 |
| Net trading income | 86,699 | 11,094 | 37,846 | - |
| Operating income | 141,899 | 206,017 | 112,009 | 135,745 |
| Share of loss from joint ventures | (3,510) | (2,340) | (1,927) | (1,285) |
| Allowance for impairment losses | (51,455) | (35,118) | (43,945) | (82,666) |
| Perfection expenses | (1,738,294) | (1,840,339) | (1,441,563) | (1,511,163) |
| Depreciation | (256,846) | (237,470) | (198,231) | (186,449) |
| Amortisation | (26,162) | (19,594) | (21,964) | (16,766) |
| Other operating expenses | (1,359,889) | (1,311,265) | (997,428) | (1,056,895) |
| Finance costs | (113,951) | (20,029) | (15,800) | (13,413) |
| Loss before income and minimum tax | (3,426,517) | (1,264,660) | (2,801,173) | (1,516,213) |
| Income tax expense | 87,555 | (470,563) | 246,788 | (373,574) |
| Minimum tax | (23,118) | - | (23,118) | - |
| Loss for the year | (3,362,080) | (1,735,223) | (2,577,503) | (1,889,787) |
| Attributable to shareholders | (3,339,760) | (1,739,309) | (2,577,503) | (1,889,787) |
| Attributable to non-controlling interest holders | (22,320) | 4,086 | - | - |
| | (3,362,080) | (1,735,223) | (2,577,503) | (1,889,787) |
| Other comprehensive income, net of tax | | | | |
| Items that may be reclassified to profit or loss | | | | |
| Fair value changes on available-for-sale securities | 454,996 | (416,155) | 337,455 | 56,825 |
| Foreign currency gain on available-for-sale securities | - | 452,634 | - | - |
| Related tax | - | (135,790) | - | - |
| | 454,996 | (99,311) | 337,455 | 56,825 |
| Other comprehensive income, net of tax | 454,996 | (99,311) | 337,455 | 56,825 |
| Total comprehensive (loss)/income for the year | (2,907,084) | (1,834,534) | (2,240,048) | (1,832,962) |
| Attributable to shareholders | (2,910,986) | (1,837,520) | (2,240,048) | (1,832,962) |
| Attributable to non-controlling interest holders | 3,902 | 2,986 | - | - |
| | (2,907,084) | (1,834,534) | (2,240,048) | (1,832,962) |
| Basic and diluted earning per share (kobo) | (23) | (12) | (18) | (13) |

| CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION | | | | |
|---|-------------|------------|-------------|-------------|
| | Group | Group | Company | Company |
| In thousands of naira | 31 Dec 17 | 31 Dec 16 | 31 Dec 17 | 31 Dec 16 |
| Assets | | | | |
| Cash and cash equivalents | 3,610,235 | 3,093,080 | 2,638,566 | 2,557,153 |
| | 10,630,895 | 9,648,024 | 8,913,998 | 7,370,258 |
| Trade receivables | 871 | 73,731 | 396 | 73,224 |
| Other receivables and prepayments | 315,459 | 228,293 | 463,183 | 391,309 |
| Reinsurance assets | 2,825,193 | 2,492,227 | 2,548,666 | 2,224,827 |
| Deferred acquisition costs | 256,033 | 258,101 | 208,222 | 206,629 |
| Investment in joint venture | 2,629,132 | 1,894,885 | 1,380,359 | 1,188,609 |
| Deferred tax assets | 429,560 | - | 417,937 | 18,790 |
| Investment in subsidiaries | - | - | 2,954,748 | 2,954,748 |
| Investment properties | 503,000 | 494,000 | - | - |
| Property and equipment | 2,017,994 | 2,150,801 | 712,845 | 806,081 |
| Intangible assets | 70,885 | 86,069 | 65,632 | 76,620 |
| Statutory deposit | 800,000 | 800,000 | 500,000 | 500,000 |
| Assets classified as held-for-sale | - | 132,031 | - | - |
| Total assets | 24,089,257 | 21,351,242 | 20,804,552 | 18,368,248 |
| | | | | |
| Liabilities | | | | |
| Investment contract liabilities | 3,080,856 | 2,353,766 | 3,080,856 | 2,353,766 |
| Insurance contract liabilities | 10,653,497 | 6,941,872 | 9,435,616 | 6,307,846 |
| Trade payables | 1,237,929 | 456,521 | 1,047,059 | 452,649 |
| Other payables and accruals | 968,217 | 807,455 | 618,222 | 634,631 |
| Deferred commission income | 128,137 | - | 113,745 | - |
| Current tax liabilities | 491,267 | 414,398 | 311,784 | 302,091 |
| Deferred tax liabilities | 196,951 | 125,413 | - | - |
| Employees benefit obligations | 1,269 | 8,102 | 1,269 | 7,750 |
| Liabilities directly associated with assets classified as held-for-sale | - | 5,497 | - | - |
| Total liabilities | 16,758,123 | 11,113,024 | 14,608,551 | 10,058,733 |
| Equity | | | | |
| Share capital | 7,364,754 | 7,364,754 | 7,364,754 | 7,364,754 |
| Share premium | 1,947,166 | 1,947,166 | 1,947,166 | 1,947,166 |
| Treasury shares | (48,175) | (48,175) | (48,175) | (48,175) |
| Accumulated losses | (4,098,061) | (519,062) | (5,063,274) | (2,412,085) |
| Contingency reserve | 1,998,660 | 1,759,421 | 1,935,620 | 1,735,400 |
| AFS fair value reserve | 13,727 | (437,367) | 59,910 | (277,545) |
| Shareholders' funds | 7,178,071 | 10,066,737 | 6,196,001 | 8,309,515 |
| Non-controlling interest | 153,063 | 171,481 | - | - |
| Total equity | 7,331,134 | 10,238,218 | 6,196,001 | 8,309,515 |
| Total liabilities and equity | 24,089,257 | 21,351,242 | 20,804,552 | 18,368,248 |

The financial statements were approved by the Board on 9 March 2018 and signed on its behalf by:

Mr. Segun Adebajni (Chairman)
 FRC/2014/ICAN/00000008434

Mr. Emmanuel Ottolaiye (Head, Finance)
 FRC/2014/ICAN/00000008524

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

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY FINANCIAL INFORMATION

To the Shareholders of Cornerstone Insurance Plc

Report on the Summary Financial Information

Directors' Responsibility for the Summary Financial Information"

"Opinion

The summary financial information, which comprise the consolidated and separate statements of financial position as at 31 December 2017, and the consolidated and separate statements of profit or loss and other comprehensive income, are derived from the audited consolidated and separate financial statements of Cornerstone Insurance Plc ("the Company") and its subsidiaries (together, "the Group") for the year ended 31 December 2017.

In our opinion, the accompanying summary financial information are consistent, in all material respects, with the audited financial statements, in accordance with the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004 and the Insurance Act 2003. "

"The Directors are responsible for the preparation of the summary financial information in accordance with the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004 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, Cap C.20, Laws of the Federation of Nigeria, 2004, 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 26 July 2018. 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."

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

Ayodele H. Othihiwa, FCA
 FRC/2012/ICAN/00000000425
 For: KPMG Professional Services
 Chartered Accountants
 26 July 2018
 Lagos, Nigeria"

