



## SUMMARY FINANCIAL INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2020

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 2020. These summary financial information are derived from the full consolidated and separate financial statements for the year ended 31 December 2020 and are not the full consolidated and separate financial statements of the Company and the 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. The Company's Auditor issued an unmodified audit opinion on the full consolidated and separate financial statements for the year ended 31 December 2020 from which these summary financial information were derived.

### CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

AS AT	Group		Company	
	31 Dec 2020 N'000	31 Dec 2019 N'000	31 Dec 2020 N'000	31 Dec 2019 N'000
<b>ASSETS</b>				
Cash and cash equivalents	11,662,703	12,649,384	8,175,263	8,193,360
Financial assets	18,402,727	12,661,308	14,065,366	11,169,338
Trade receivables	154,580	60,183	108,675	58,100
Other receivables and prepayments	612,224	405,460	789,101	434,060
Reinsurance assets	7,719,422	4,732,524	7,197,096	4,352,839
Deferred acquisition costs	567,596	257,866	466,196	219,592
Investment in joint venture	271,295	554,305	137,738	293,116
Deferred tax assets	838,000	338,923	838,000	338,923
Investment in subsidiaries	-	-	3,620,847	2,954,748
Investment properties	602,000	560,000	-	-
Property and equipment	1,780,019	1,904,212	570,093	639,309
Intangible assets	17,648	29,364	13,500	29,364
Statutory deposit	1,200,000	1,000,000	500,000	700,000
<b>Total assets</b>	<b>43,828,214</b>	<b>35,153,529</b>	<b>36,481,875</b>	<b>29,382,749</b>
<b>LIABILITIES</b>				
Investment contract liabilities	3,674,861	3,406,701	3,226,593	3,406,701
Insurance contract liabilities	18,746,225	11,730,130	17,203,861	10,703,380
Trade payables	1,619,695	3,591,779	1,403,882	3,481,119
Other payables and accruals	842,765	801,176	676,315	642,407
Deferred commission income	770,626	265,073	704,472	231,961
Current tax liabilities	445,799	476,717	276,964	318,953
Employees benefit obligations	3,793	3,577	1,769	1,553
<b>Total liabilities</b>	<b>26,103,764</b>	<b>20,275,153</b>	<b>23,493,856</b>	<b>18,786,074</b>
<b>EQUITY</b>				
Share capital	9,083,196	7,364,754	9,083,196	7,364,754
Share premium	183,165	1,947,166	183,165	1,947,166
Treasury shares	(58,440)	(48,175)	(58,440)	(48,175)
Retained Earnings/(Accumulated deficit)	3,101,415	1,392,250	(431,800)	(1,844,004)
Contingency reserve	4,017,271	3,545,360	3,305,027	2,942,312
Fair value reserves	1,132,194	426,306	906,871	234,622
<b>Shareholders' funds</b>	<b>17,458,800</b>	<b>14,627,661</b>	<b>12,988,019</b>	<b>10,596,675</b>
Non-controlling interest	265,650	250,715	-	-
<b>Total equity</b>	<b>17,724,450</b>	<b>14,878,376</b>	<b>12,988,019</b>	<b>10,596,675</b>
<b>Total liabilities and equity</b>	<b>43,828,214</b>	<b>35,153,529</b>	<b>36,481,875</b>	<b>29,382,749</b>

The full consolidated and separate financial statements which can be accessed via <https://www.cornerstone.com/ng/corporate/financials.php> were approved by the Board of Directors on 23 February 2021 and signed on its behalf by:

 <b>Mr. Segun Adebajji</b> Chairman FRC/2014/ICAN/00000008434	 <b>Mr. Ganiyu Musa</b> Group Managing Director/CEO FRC/2013/ICAN/00000003110	 <b>Mr. Kehinde Olorundare</b> Chief Financial Officer FRC/2013/ICAN/00000000731
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### CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED	Group		Company	
	31 Dec 2020 N'000	31 Dec 2019 N'000	31 Dec 2020 N'000	31 Dec 2019 N'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Insurance premium received	17,448,946	13,134,737	15,740,673	11,896,404
Premium deposits received	1,728,814	693,162	1,707,196	635,380
Deposit liabilities - contributions during the year	1,396,936	1,403,778	1,205,513	1,403,778
Deposit liabilities - withdrawals during the year	(1,293,203)	(1,599,777)	(1,129,608)	(1,599,777)
Reinsurance premium paid	(11,068,738)	(5,722,565)	(10,322,823)	(5,108,089)
Commission received	2,123,552	1,241,030	1,919,973	1,108,625
Claims paid during the year	(4,601,817)	(4,508,078)	(4,142,858)	(3,851,153)
Reinsurance claims recovered	2,320,790	993,320	2,320,790	993,320
Commission paid	(1,981,876)	(1,451,569)	(1,668,722)	(1,276,394)
Maintenance cost paid	(467,093)	(514,559)	(328,792)	(418,035)
Recovery on subrogation	-	47,642	-	38,287
Administrative income	-	29,110	-	29,110
Other operating income	189,280	413,505	113,053	346,836
Personnel and employee expenses	(1,868,483)	(1,786,356)	(1,464,993)	(1,500,446)
Payment for statutory deposits	-	(200,000)	-	(200,000)
Other operating cash payments	(2,043,932)	(2,467,174)	(2,416,143)	(2,424,837)
<b>Tax paid</b>	<b>1,883,175</b>	<b>(293,794)</b>	<b>1,533,259</b>	<b>73,009</b>
<b>Net cashflows from operating activities</b>	<b>1,780,944</b>	<b>(472,249)</b>	<b>1,453,238</b>	<b>(29,542)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	439,463	529,649	331,059	223,587
Dividend received	331,086	330,219	264,097	261,135
Purchase of property and equipment	(147,444)	(202,159)	(122,255)	(164,105)
Purchase of intangibles	(5,211)	(2,916)	(704)	(2,916)
Redemptions on loans to policyholders	103,373	113,680	103,373	113,680
Investment in joint venture	-	(598,220)	-	(332,226)
Proceeds from sale of property and equipment	48,000	1,596	15,000	1,370
Purchase of AFS financial assets	-	(2,627,590)	-	(2,627,590)
Purchase of FVTPL financial assets	(3,732,530)	-	(3,711,977)	-
Investment in subsidiary	-	-	(200,000)	-
Addition to loans to policy holders	(60,665)	(103,466)	(60,665)	(103,466)
Purchase of HTM investments	(3,424,111)	(3,567,360)	(619,542)	(2,813,819)
Dividend received from joint venture	-	7,686,948	-	4,220,286
Proceeds from sale of financial assets	3,788,892	7,400,962	2,614,239	6,079,851
<b>Net cashflows from investing activities</b>	<b>(2,659,147)</b>	<b>8,961,343</b>	<b>(1,387,375)</b>	<b>4,855,787</b>
<b>FINANCING ACTIVITIES</b>				
Share issuing cost	(45,560)	-	(45,560)	-
Treasury share	(10,265)	-	(10,265)	-
Finance cost	(52,654)	(66,785)	(28,136)	(56,929)
<b>Net cash from financing activities</b>	<b>(108,479)</b>	<b>(66,785)</b>	<b>(83,961)</b>	<b>(56,929)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(986,681)</b>	<b>8,422,309</b>	<b>(18,097)</b>	<b>4,769,316</b>
Cash and cash equivalents, beginning of the year	12,649,384	4,227,075	8,193,360	3,424,044
<b>Cash and cash equivalents at end of the year</b>	<b>11,662,703</b>	<b>12,649,384</b>	<b>8,175,263</b>	<b>8,193,360</b>

### CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED	Group		Company	
	31 Dec 2020 N'000	31 Dec 2019 N'000	31 Dec 2020 N'000	31 Dec 2019 N'000
Gross premium written	17,539,219	13,058,899	15,787,124	11,583,704
Changes in unearned premium	(1,820,508)	237,237	(1,576,275)	293,462
<b>Gross premium income</b>	<b>15,718,711</b>	<b>13,296,136</b>	<b>14,210,849</b>	<b>11,877,166</b>
Changes in life fund	(634,469)	53,102	(634,469)	53,102
Changes in life annuity fund	(1,902,099)	(405,124)	(1,902,099)	(405,124)
Reinsurance expense	(7,579,125)	(6,355,184)	(6,877,674)	(5,740,144)
<b>Net premium income</b>	<b>5,603,018</b>	<b>6,588,930</b>	<b>4,796,607</b>	<b>5,785,000</b>
Fees and commission income	1,617,999	1,143,006	1,447,461	1,010,298
<b>Net underwriting income</b>	<b>7,221,017</b>	<b>7,731,936</b>	<b>6,244,068</b>	<b>6,795,298</b>
Gross claims incurred	(7,264,175)	(5,098,082)	(6,693,005)	(4,639,381)
Insurance claims recoveries from reinsurers	3,308,904	2,029,214	3,201,106	1,908,280
<b>Net claims expenses</b>	<b>(3,955,271)</b>	<b>(3,068,868)</b>	<b>(3,491,899)</b>	<b>(2,731,101)</b>
Acquisition cost	(1,709,394)	(1,476,999)	(1,447,008)	(1,267,022)
Maintenance cost	(467,093)	(514,559)	(328,792)	(418,035)
<b>Underwriting expenses</b>	<b>(2,176,487)</b>	<b>(1,991,558)</b>	<b>(1,775,800)</b>	<b>(1,685,057)</b>
<b>Underwriting results</b>	<b>1,089,258</b>	<b>2,671,510</b>	<b>976,369</b>	<b>2,379,140</b>
Gain/(Loss) on deposit administration / investment contracts	258,008	(186,336)	258,008	(186,336)
Investment income	1,157,830	1,128,420	732,354	771,790
Fair value changes in investment property	42,000	28,000	-	-
Fair value changes in financial assets - FVTPL	1,799,740	476,176	1,799,740	476,176
Net exchange gain	1,349,534	67,305	935,838	59,393
Net trading income	255,394	1,267,790	45,101	1,120,669
Other operating income	225,794	481,275	113,053	414,233
Share of (loss)/profit in joint venture	(283,010)	1,586,483	(155,378)	871,010
Impairment losses on financial assets	(841,519)	(51,089)	(868,832)	(51,089)
Personnel expenses	(1,868,699)	(1,797,399)	(1,465,209)	(1,500,717)
Depreciation	(219,290)	(161,450)	(168,018)	(124,508)
Amortisation	(16,927)	(22,368)	(16,568)	(19,936)
Other Operating Expenses	(1,128,368)	(1,407,790)	(881,196)	(1,129,475)
Finance cost	(52,654)	(66,785)	(28,136)	(56,929)
<b>Profit before income and minimum tax</b>	<b>1,767,092</b>	<b>4,013,742</b>	<b>1,277,126</b>	<b>3,023,421</b>
Minimum tax	-	(54,874)	-	(48,921)
<b>Profit after minimum tax</b>	<b>1,767,092</b>	<b>3,958,868</b>	<b>1,277,126</b>	<b>2,974,500</b>
Income tax expense	427,664	150,055	461,045	(48,585)
<b>Profit for the year from continuing operations</b>	<b>2,194,856</b>	<b>4,108,923</b>	<b>1,738,171</b>	<b>2,925,915</b>
<b>Profit from discontinued operations</b>	<b>-</b>	<b>-</b>	<b>36,748</b>	<b>11,309</b>
<b>Profit for the year</b>	<b>2,194,856</b>	<b>4,108,923</b>	<b>1,774,919</b>	<b>2,937,224</b>
Attributable to shareholders	2,181,076	4,068,735	1,774,919	2,937,224
Attributable to non-controlling interest	13,780	40,188	-	-
<b>Other comprehensive income, net of tax:</b>	<b>2,194,856</b>	<b>4,108,923</b>	<b>1,774,919</b>	<b>2,937,224</b>
Items within OCI that may be reclassified to profit or loss	707,043	357,395	672,249	167,360
Fair value changes on available-for-sale securities	707,043	357,395	672,249	167,360
<b>Total other comprehensive income, net of tax:</b>	<b>707,043</b>	<b>357,395</b>	<b>672,249</b>	<b>167,360</b>
<b>Total comprehensive income for the year</b>	<b>2,901,899</b>	<b>4,466,318</b>	<b>2,447,168</b>	<b>3,104,584</b>
Attributable to shareholders	2,886,964	4,419,821	2,447,168	3,104,584
Attributable to non-controlling interest	14,935	46,497	-	-
<b>Basic and diluted earning per share (Kobo)</b>	<b>12</b>	<b>28</b>	<b>10</b>	<b>20</b>

### 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, 2020;
- 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 Insurance Plc for the year ended December 31, 2020.

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 (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 18 May 2021. 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 paid penalties in respect of contraventions of the requirements of the National Insurance Commission of Nigeria Guidelines and Circulars during the year ended 31 December 2020.

Signed:

**Akinyemi J. Ashade, FCA**  
FRC/2013/ICAN/00000000786  
For: KPMG Professional Services Chartered Accountants  
18 May 2021  
Lagos, Nigeria

