



Consolidated Hallmark Holdings Plc

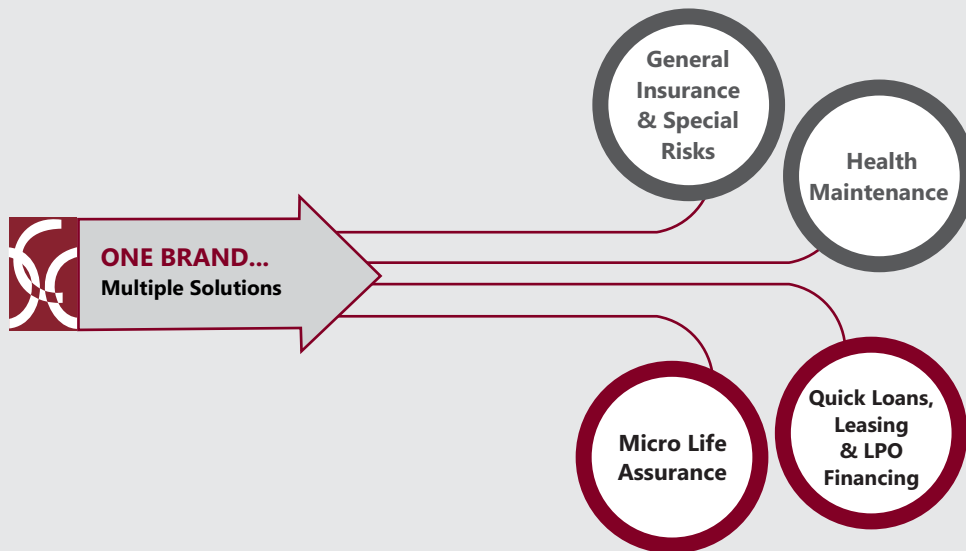
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ADAPTING, EVOLVING, 2023 ANNUAL REPORT & ACCOUNTS THRIVING GENERAL INSURANCE | MICRO LIFE ASSURANCE | HMO | FINANCE TOGETHER.



Consolidated Hallmark Holdings Plc



www.chhplc.com



INTRODUCTION

Consolidated Hallmark Holdings Plc (the "Company" or the "Parent") and its subsidiaries (hereinafter referred to jointly as the "Group") present this Financial Statement and give assurance that it complies with the applicable legal requirements of the Securities and Exchange Commission (SEC), National Insurance Commission (NAICOM), Nigeria Exchange Group Plc (NGX), Corporate Affairs Commission (CAC), National Health Insurance Authority (NHIA), and Central Bank of Nigeria (CBN) as it relates to Annual Financial Statements and therefore comprises separate and consolidated Financial Statements for the Group for the year ended 31st December 2023. The Financial Statements have been prepared in accordance with the International Financial Reporting Standards 17 as adopted by the Financial Reporting Council of Nigeria. The numbers presented in this document may not precisely add up to the totals provided and the percentages may not precisely reflect the absolute figures due to rounding only.



CON TENTS



Over view

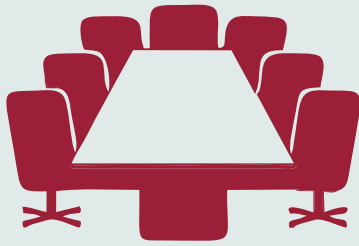
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Performance Report

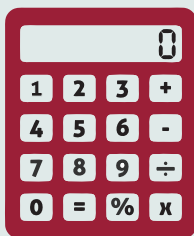
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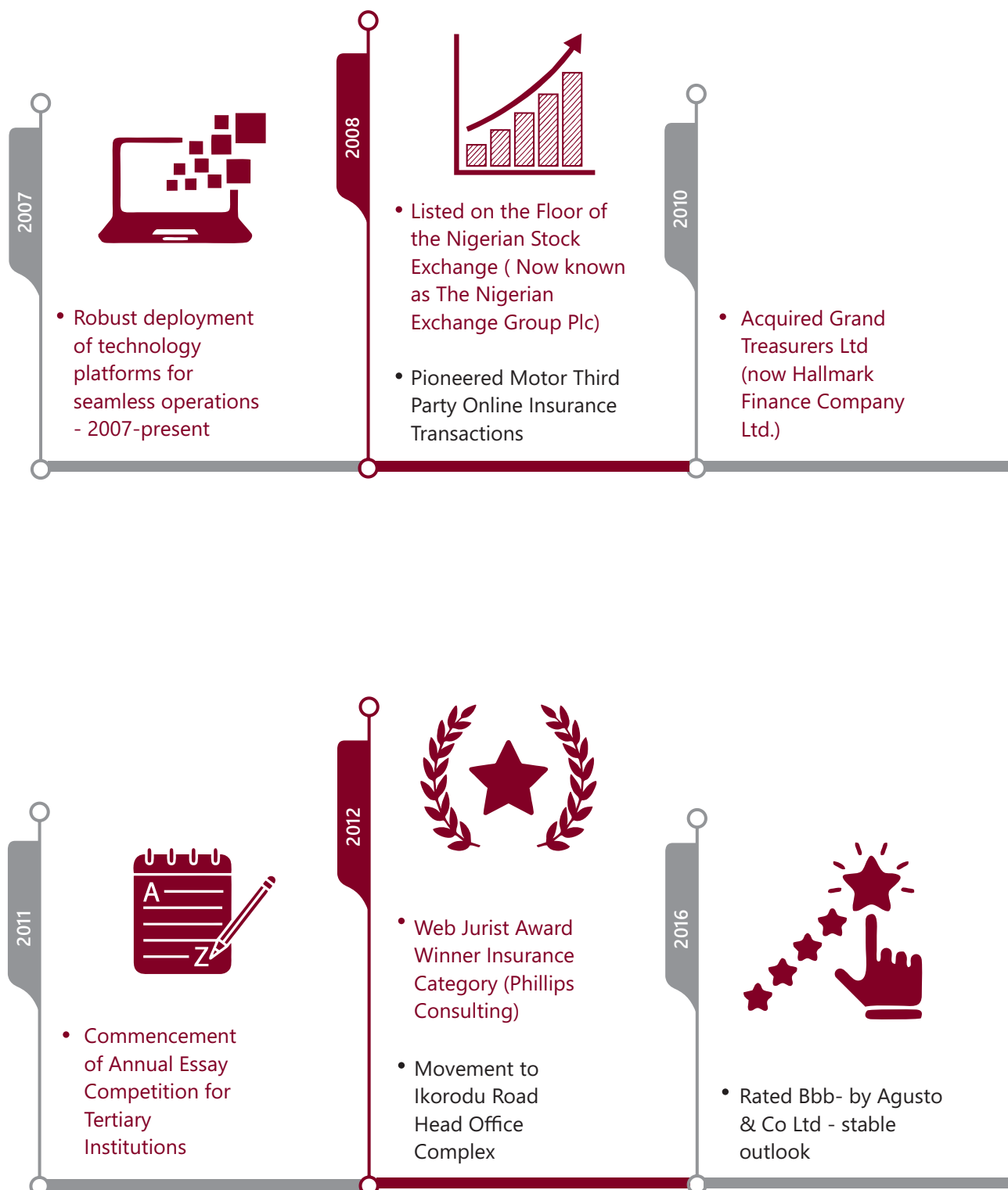


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Our Key Milestones



Our Key Milestones

2017



- ISO 9001: 2015 Quality Management Systems Certification
- Established Hallmark Health Services Ltd (The HMO Subsidiary Of The Group)
- Asset Growth by over 100% from N4.65bn in 2007 to N9.49bn

2018 - 2019



- Retained Bbb- rating by Agosto & Co Ltd
- CEO investiture as CIIN President
- Birthed subsidiary in Micro Life Assurance

2022

- Grew Total Assets from N4.6bn in 2007 to N18.2bn
- Grew Gross Premium Income from N1.50bn in 2007 to N12.8bn
- GMD elected as WAICA President
- Regular Dividend Payments

2023



2023

- ISO 9001:2015 Re-Certification
- GCR Rating by -A(NG) (Stable Outlook)
- GMD emerged Top 25 CEOs - BusinessDay Award
- Renamed GTL to Hallmark Finance Company Limited

- Transformed into Holdco Structure/Delisted Insurance arm from NGX - 2023/2024
- GMD Emerged Champion Insurance CEO of the Year 2023
- Consolidated Hallmark
- Insurance emerged Champion Newspapers Insurance Company of the Year 2023



Brand Platform



CONSOLIDATED HALLMARK ANTHEM

(Verse 1)

Consolidated Hallmark...
One big family, nurtured
To serve you In diverse areas
we offer you a place of hope and a place of safety and care

(Chorus)

We are focused on you, safeguarding your wealth, in
health's embrace, We shield and support amidst financial
tempests, we are your refuge in every way.

(Verse 2)

Each day we grow
Our eyes are on you, reaching out with strength Helping
you navigate life's deep valleys.
We shield, support, A harbor in tempest,
A refuge from the storm, your place of succor We are
Consolidated Hallmark
We are your refuge in every way.
Consolidated Hallmark
Anxiety Away, Value Assured.

Our Vision

To be the first choice
provider of insurance
and other financial
services in Nigeria



Our Mission

To preserve wealth,
reduce anxiety, and
create value.



Our Core Values

Professionalism
Relationship
Integrity
Customer Focused
Excellence



Professionalism



Relationship



Integrity



Customer Focused



Excellence



Consolidated Hallmark
Holdings Plc

Our Value Proposition

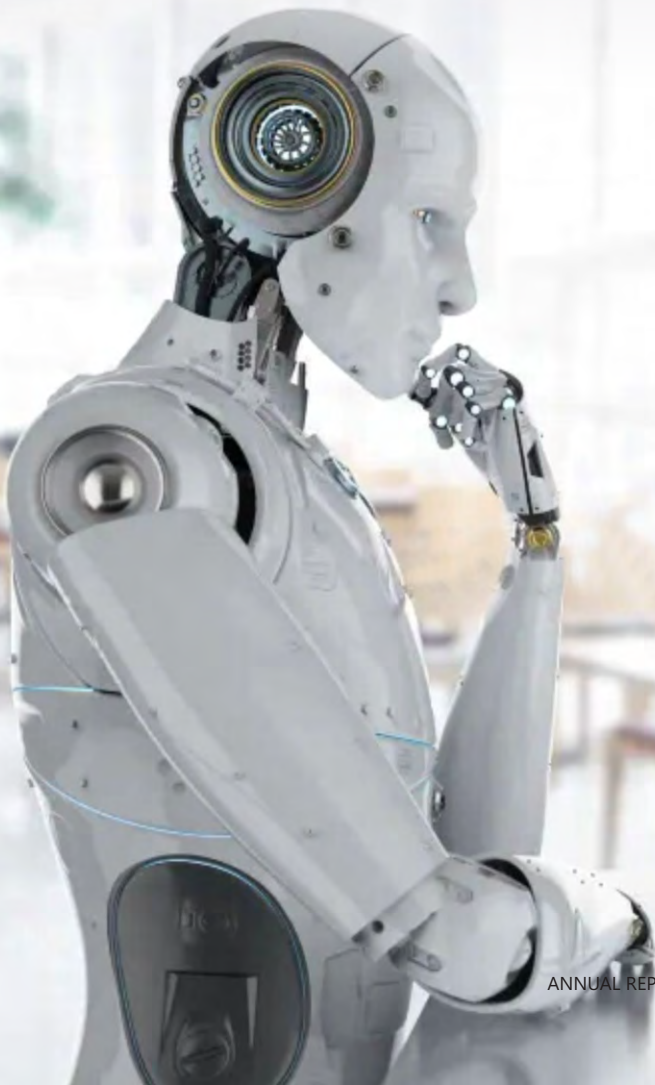
- Innovation - Adaptation - Continuous Improvement

- Customer Centric
- Prompt Claims Payment
- A Market Leader in Aviation and Oil & Gas Insurance
- Strong Brand Equity
- Competent Workforce

Consolidated Hallmark is on a mission to Preserve Wealth, Reduce Anxiety and Create Value for our customers. The Group preserves your assets through General Insurance and Micro Life Assurance, Health Insurance and other Financial Services.

We have always been committed to quality, thus earning the NIS ISO 9001:2015 certification by our insurance subsidiary from the Standards Organization of Nigeria in recognition of our conformity to internationally acceptable standard.

We will continue to provide our customers with the right level of quality service delivery expected of a world-class company because we are committed not only to meeting the expectations of our clients but surpassing them.



Our Focus Markets



Consolidated Hallmark Insurance Limited

1. Oil, Energy And Special Risks:
 - ▶ Offshore risks
 - ▶ Onshore risks
2. Compulsory Insurance (Online Payment):
 - ▶ Motor third party - Individual & Fleet Registration
 - ▶ Occupiers Liability Insurance
 - ▶ Builders Liability (open) Insurance
 - ▶ Healthcare Professional Indemnity Insurance
3. Contractors All Risk
4. Bonds:
 - Bid/Tender Bond
 - Performance Bond
 - Advance Payment Bond
5. Householders Comprehensive Insurance
6. Consequential Loss Insurance
7. Professional Indemnity Insurance
8. Aviation Insurance
9. Goods-In-Transit
10. Money Insurance
11. Plant Insurance
12. Machinery Breakdown Insurance
13. Motor Vehicles Insurance
14. Fire Insurance
15. Burglary Insurance
16. Marine Cargo/Hull Insurance
17. Travel Insurance



CHI Microinsurance Limited

1. Group Life Plan
2. Welfare Plan
3. Esusu Savings Plan
4. School Fees Secure Plan
5. Cooperative Plan
6. Guaranteed Education Plan
7. Achiever Plan
8. Family Reward Plan
9. Credit Life
10. Enhanced Health Plan



Hallmark Finance

1. Loans to the public & private sectors
2. Leases
3. Treasury Management
4. Financial Advisory Services

Our Focus Markets



Hallmark HMO

SME Plans

Hallmark Zircon
Hallmark Sapphire

Retail Plans

Hallmark Beryl
Hallmark Ruby
Hallmark Topaz
Hallmark Emerald
Hallmark Diamond

Corporate Plans

Hallmark Beryl
Hallmark Ruby
Hallmark Topaz
Hallmark Emerald

International Plans

Plan A
Plan B

Corporate Profile

Consolidated Hallmark Holdings Plc, which evolved from Consolidated Hallmark Insurance Plc has its history dated back to 2nd of August 1991 when the legacy company was incorporated by the Corporate Affairs Commission. The Company which started as an insurance company is a merger between Hallmark Assurance Plc, Consolidated Risks Insurers Plc and The Nigerian General Insurance Company Limited that took effect on 1st March 2007 in line with consolidation reform of the National Insurance Commission (NAICOM) announced in 2005

From 2007 to 2022, Consolidated Hallmark Insurance Ltd was the Parent Company of several subsidiaries: Hallmark Health Services Limited, CHI Microinsurance Limited and Hallmark Finance Company Limited. However, in 2022, the Company resolved to undergo another corporate structuring with the incorporation of a Non-Operating Holding Company called "Consolidated Hallmark Holdings (CHH) Plc" in furtherance of its objective for value maximisation and operational efficiency. The Corporate Restructuring (Scheme of Arrangement) was approved by a Court-Ordered Meeting on 1st November 2022, and sanctioned by the Federal High Court on 12th July 2023.

Following the sanctioning of the Scheme of Arrangement, the shares of the Consolidated Hallmark Insurance Plc was delisted from the Nigerian Stock Exchange while the shares of the Consolidated Hallmark Holdings Plc was listed. The corporate status of Consolidated Hallmark Insurance Plc changed from a public limited liability company to a private limited liability company.

Presently, Consolidated Hallmark Insurance Ltd operates as the flagship subsidiary of Consolidated Hallmark Holdings Plc. The latter entity is listed on the Nigerian Exchange under the symbol code "CONHALLPLC".

Commitment to CSR/Sustainability

We remain committed towards the improvement/development of not only our immediate operating environment but the society at large. Towards this end, we have provided and continually provide support in the following areas:



Environmental Conservation/Green Energy Initiative

In support of the campaign against deforestation, we have significantly reduced the use of paper and are gradually moving towards a paperless environment in our operations through the robust use of technology. "If you do not really need it, do not print" is a message we embrace.



We have also reduced the effects of carbon emissions around us by investing heavily in clean energy. For us, that investment remains a double-edged sword – to cut down on power costs and improve the environment/health of the people in our immediate environment. The investment is paying off with cost savings in total energy costs, especially with the recent tariff increase by the electricity utility companies. Deployment of solar energy has thus reduced the number of hours of connection to public power supply.



Annual Blood Donation.

In commemoration of the yearly World Blood Donation Day, Hallmark Health Services Ltd, (a subsidiary of Consolidated Hallmark Holdings Plc) partners with the Lagos University Teaching Hospital (LUTH) for voluntary donation of blood by staff of member companies of the organization.

The exercise is geared towards boosting supply in the blood bank of the leading tertiary healthcare provider, to improve access by needy patients and the health officials conduct the screening of volunteers for safety in line with the national standard for blood establishment and safety regulations in Nigeria.



Protection for Industry Journalists

We are at the forefront of providing valued protection for insurance journalists who are exposed to various road and other risks in the course of reporting developments in the industry. The General Accident Insurance Scheme offers compensation to the tune of N24 million to the corps of the National Association of Insurance and Pension Correspondents in the event of Accidental Death, Permanent Disability or for Medical Expenses incurred as a result of an accident. The scheme has been running for over a decade and renewable annually on 1st October.

Support for Orphanage Homes

On a yearly basis, we extend a hand of love and compassion to the less privileged around us. Part of this has led to the donation of food items and provisions worth millions of Naira to orphanages and homes of the needy in different parts of the country including Lekki, Yaba, Surulere, Ketu, Ibadan, Abuja and Port Harcourt. We take advantage of celebrations like the yuletide period and children's day to reach out to them.



Industry Talent Grooming

Poised to continually groom talents for the insurance industry, promote research and academic excellence, we have for the last 10 years organized the Annual Essay Competition for young undergraduates studying Insurance or Actuarial Science in tertiary institutions in Nigeria. The competition has made significant impact in the lives of participants not only through the winning cash prizes ranging from N100,000 to N250,000 but development of their talents which has enriched the workforce of the industry.



The competition has over the years helped in the development of their talents in the insurance industry. We have continued to invest our time and resources towards the sustenance of the scheme across the country.

Corporate Information

Directors

Mr. Shuaibu Idris
Mr. Eddie Efekoha
Mr. Babatunde Daramola
Prince Ben Onuora
Dr. Layi Fatona
Dr. Anthony Anonyai
Mr. Adegbola Adesina
Mrs. Chijioko Ugochukwu
Chief Sunny Chukwudi Obidegwu

Mr. Obinna Ekezie
Mrs. Mary Adeyanju
Mrs. Katherine Itua
Mr. Jimalex Orjiako
Mrs. Adebola Odukale
Mr. Francis Udubor
Mr. Charles Ojo
Mr. Olumide Ajomale

Mr. Eddie Efekoha
Mr. Babatunde Daramola
Mrs. Mary Adeyanju
Mr. Adegboyega Adetoki
Mr. Jimalex Orjiako
Mr. Alex Goma
Mr. Friday Ebojoh

Mr. Eddie Efekoha
Mrs. Oladotun Adeogun
Mr. Babatunde Daramola
Mr. Joel Avhurhi
Mr. Lampe Omoyele
Mr. Mahmoud Modibbo
Mr. Tope Ilesanmi
Mrs. Abimbola Adebakin

Mr. Eddie Efekoha
Mr. Obaro Osah
Mrs. Mary Adeyanju
Mr. Pius Kariyen
Mr. Douglas Osimi

Consolidated Hallmark Holdings Plc

Chairman (Effective 1st January 2024)
Group CEO (Effective 1st January 2024)
Group Chief Financial Officer (Effective 1st January 2024)
Non-Executive Director (Effective 1st January 2024)
Non-Executive Director (Effective 1st January 2024)
Non-Executive Director (Effective 1st January 2024)
Non-Executive Director (Effective 1st January 2024)
Independent Non-Executive Director (Effective 1st January 2024)
Non-Executive Director (Effective 29th April 2024)

Consolidated Hallmark Insurance Ltd

Chairman (Appointed 1st April 2016)
Managing Director (Effective 1st January 2024)
Executive Director, Finance & Investment (Effective 1st January 2024)
Executive Director, Operations (Effective 1st January 2024)
Non-Executive Director (Resigned 30th April 2024)
Non-Executive Director (Awaiting NAICOM's approval)
Non-Executive Director (Awaiting NAICOM's approval)
Independent Non-Executive Director (Awaiting NAICOM's approval)

Hallmark Finance Company Ltd

Non-Executive Director (Appointed 22nd November 2010)
Non-Executive Director (Appointed 22nd November 2010)
Non-Executive Director (Appointed 26th October 2016)
Independent Non-Executive Director (Appointed 20th October 2020)
Non-Executive Director (Awaiting CBN's approval)
Independent Non-Executive Director (Awaiting CBN's approval)
Non-Executive Director (Awaiting CBN's approval)

Hallmark Health Services Ltd

Non-Executive Director (Appointed 9th Nov. 2017)
MD/CEO (Appointed 9th Nov. 2017)
Non-Executive Director (Appointed 9th Nov. 2017)
Non-Executive Director (Appointed 9th Nov. 2017)
Non-Executive Director (Appointed 1st Dec. 2021)
Non-Executive Director (Appointed 1st Dec. 2021)
Non-Executive Director (Appointed 18th April 2021)
Independent Non-Executive Director (Resigned 30th June 2023)

CHI Microinsurance Ltd

Non-Executive Director (Appointed 9th November 2015)
Independent Non-Executive Director (Appointed 19th March 2018)
Non-Executive Director (Appointed 9th November 2015)
Managing Director (Resigned 31st July 2023)
Managing Director (Appointed 17th April 2024)

Registered Office/Corporate Head Office

Consolidated Hallmark Holdings Plc
266, Ikorodu Road
Obanikoro, Lagos
FRC/2013/0000000000608
Email: info@chhplc.com
Tel: +234 - 2012912543, 02012912532

Registrars

Meristem Registrars & Probate Services Ltd
213, Herbert Macaulay Road
Adekunle, Yaba Lagos
Tel: +234 (1) 8920491-2
Lagos

Registration Number

1901273

Actuary

Becoda Consulting
7, Ibiyinka Olorunbe Close
Victoria Island, Lagos
Tel: 0803 719 0578

Reinsurers

African Reinsurers Corporation
Continental Reinsurance Plc
WAICA Reinsurance Corporation

Company Secretary

Mrs. Rukevwe Falana
FRC/2016/NBA/00000014035

Auditors

SIAO (Chartered Accountants)
18b, Olu Holloway Road
Off Alfred Rewane Road
Falomo Ikoyi, Lagos
P.O.Box 55461, Falomo
Ikoyi, Lagos.
Tel: +234 01 463 0871-2
Website: www.siao-ng.com
E-mail: enquiries@siao-ng.com

Subsidiaries

Hallmark Health Services Limited

264, Ikorodu Road
Obanikoro, Lagos
www.hallmarkhmo.com

CHI Microinsurance Limited

Corporate Office:
5A, Sawyer Crescent,
Anthony Village, Lagos.
www.chimicroinsure.com

Hallmark Finance Company Limited

Plot 33D Bishop Aboyade
Cole Street, Victoria Island, Lagos.
www.hallmarkfinance.ng



Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the **1st Annual General Meeting** of the Members of Consolidated Hallmark Holdings Plc will be held on the **26th of June 2024** at 11.00am prompt at **The Metropolitan Club, 15 Kofo Abayomi Street, Victoria Island, Lagos** to transact the following business:

ORDINARY BUSINESS

1. To receive the Company's Audited Financial Statement for the year ended 31st December 2023 together with the reports of the Directors, Auditors and Audit Committee thereon.
2. To declare a dividend.
3. To re-elect Directors.
4. To appoint PKF Professional Services as the External Auditors of the Company.
5. To authorize the Directors to determine the remuneration of the Auditors.
6. To disclose the remuneration of Managers of the Company
7. To elect Members of the Audit Committee.

SPECIAL BUSINESS

1. To approve the remuneration of the Non-Executive Directors for the year ending 31st December 2024.

Dated this 29th day of April 2024.

BY ORDER OF THE BOARD



RUKEVWE FALANA

Company Secretary
FRC/2016/NBA/00000014035

PROXY:

A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him/her. A proxy need not be a Member of the Company. Executed form of proxy should be deposited at the Company's Registrars' Office, Meristem

Registrars & Probate Services Ltd, or via email at info@meristemregistrars.com not less than 48 hours before the time of holding the meeting. To be effective the proxy form should be duly stamped and signed by the Commissioner for Stamp Duties.

CLOSURE OF REGISTER AND TRANSFER BOOKS

The Register of Members and transfer books will be closed from Monday, 17th June 2024 to Friday, 21st June 2024 (both dates inclusive) for the purpose of dividend payment, making Friday, June 14th, 2024, the qualification date.

DIVIDEND PAYMENT:

The Board of Directors of the Company has recommended a dividend of N0.05 that is 5Kobo per ordinary share of 50Kobo, which is payable less withholding tax. If the recommendation is approved at the forthcoming Annual General Meeting, the Shareholders whose names appear in the Register of Members as at the close of business on the 31st of May 2024 will have their accounts credited immediately after the Annual General Meeting on 26th June 2024.

E-DIVIDEND

All Shareholders are hereby advised to update their records and forward details of such records and account numbers to the Company's Registrars, Meristem Registrars & Probate Services Limited for faster receipt of dividend. Detachable forms in respect of mandate for e-dividend payment, unclaimed/stale dividend payment and Shareholder's data update are attached to the Annual Report and Accounts for your completion. Any Shareholder who is affected by this notice is advised to complete the form(s) and return same to the Company's Registrars, Meristem Registrars & Probate Services Limited, 213 Herbert Macaulay Way, Adekunle, Yaba, Lagos. Please note that the aforementioned forms can also be downloaded from the Company's website: www.chhplc.com.

RIGHT OF SECURITIES' HOLDERS TO ASK QUESTIONS

"Securities Holders have a right to ask questions not only at the meeting, but also in writing prior to the meeting and such questions may be submitted to the Company at



Notice of Annual General Meeting

266 Ikorodu Road, Obanikoro, Lagos or via email at info@chhplc.com on or before the 14th June 2024.

E-ANNUAL REPORT

The electronic version of this Annual report (e-annual report) can be downloaded from the Company's website www.chhplc.com. The e-annual report will be emailed to all Shareholders who have provided their email addresses to the Company's Registrars. Shareholders who wish to receive the e-annual report are kindly requested to send an email to info@chhplc.com or investorrelations@chhplc.com or info@meristemregistrars.com

WEBSITE

A copy of this Notice and other information relating to the meeting can be found at www.chhplc.com

AUDIT COMMITTEE

In accordance with section 404(6) of the Companies and Allied Matters Act 2020, any Member may nominate a Shareholder as a Member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 (Twenty-One) days before the Annual General Meeting.

Section 404 (5) of CAMA 2020 provides that "All members of the Audit Committee shall be financially literate, and at least one member shall be a member of a professional Accounting body in Nigeria established by an Act of the National Assembly".

In view of the above, nominations to the Statutory Audit Committee should be supported by a Curriculum Vitae of the nominees.

ELECTION/RE-ELECTION OF DIRECTORS

1. Mr. Shuaibu Idris is being proposed for re-election as an Independent Non-Executive Director (Chairman).
2. Mr. Eddie Efekoha is being proposed for re-election as Executive Director (Group Chief Executive Officer).
3. Mr. Babatunde Daramola is being proposed for re-election as Executive Director (Group Chief Finance Officer)
4. Mrs. Chijioke Ugochukwu is being proposed for re-election as an Independent Non-Executive Director.
5. Dr. Layi Fatona is being proposed for re-election as a Non-Executive Director.
6. Dr. Tony Anonyai is being proposed for re-election as a Non-Executive Director.

7. Prince Ben Onuora is being proposed for re-election as a Non-Executive Director.
8. Mr. Adegbola Adesina is being proposed for re-election as a Non-Executive Director.
9. Chief Sunny Obidegwu is being proposed for re-election as a Non-Executive Director.

The appointment of the aforementioned Directors will be presented for Shareholders approval at the first Annual General Meeting.

AGE DECLARATION

Dr. Layi Fatona in accordance with section 278 (1) of the Companies and Allied Matters Act 2020, intends to disclose at this meeting that he is over 70 years of age.

PROFILE OF DIRECTORS

The profile of all Directors is available in the Annual Report and for viewing on the Company's website, www.chhplc.com.



RUKEVWE FALANA

Company Secretary

Performance Report

EXCELLENCE



Board Of Directors - Consolidated Hallmark Holdings Plc



Mr. Shuaibu Abubakar Idris mni

Non-Executive Director (Chairman)

Mr. Shuaibu Abubakar Idris was previously the Independent Non-Executive Director of Consolidated Hallmark Insurance Ltd. Currently, he is the Managing Director/ Chief Executive Officer of Time-Line Consult Limited, where he is responsible for providing strategic direction and guidance, managing the day-to-day operation, and marketing for clients across the west coast of Africa and beyond.

Previously, he served as the Deputy Managing Director of Dangote Flour Mills Plc where he was saddled with the responsibility of the overall management of the company and coordination of the Supply Chain, Sales and Marketing, Human Resource, Finance, Quality Control and Corporate Affairs. Prior to becoming Deputy Managing Director, he served as the Special Assistant to the Group Chief Executive Officer, Dangote Group, Group Treasurer, Executive Director, Sales and Marketing and Group General Manager Human Resources and Administration; from where he amassed several years of professional experiences. He worked as an investment and lending banker with the defunct Chase Merchant Bank Nigeria and rose to senior management and director positions respectively at a Nigerian bank.

He attended the Lagos Business School, the Harvard Business School Advanced Management Programme (AMP) and the Advanced Leadership Programme from George Business School, Cambridge University, UK. He also attended the prestigious National Institute for Policy and Strategic Studies, Kuru, Jos, Nigeria.

Currently, he serves as an independent non executive director of GT Pension Managers Limited, Investors Protection Funds of the Nigeria Exchange, as well as member of Board of Governors of IoD Centre For Corporate Governance to mention but a few.

He is a member of several professional bodies such as Chartered Institute of Personnel Management, Chartered Institute of Marketing, Chartered Institute of Management, Chartered Institute of Directors, and Association of National Accountants.

He was appointed Chairman of the Board of Directors of Consolidated Hallmark Holdings Plc on 25th October 2023.



Mr. Eddie A. Efekoha

Group Chief Executive Officer

Mr. Eddie Efekoha is the Group Chief Executive Officer of Consolidated Hallmark Holdings Plc. He is the 40th President of the West African Insurance Companies Association (WAIACA). Prior to this appointment, he was the 49th President & Chairman of the Governing Council of the Chartered Insurance Institute of Nigeria (2018-2020) and the 22nd Chairman of the Nigerian Insurers Association (2016-2018), the umbrella body of all licensed and operating insurance companies in Nigeria. At the continental level, he is the Chairman of the Book Review Committee of the African Insurance Organization.

He has worked with leading insurance brokerage and underwriting firms for a period spanning 1985 - 2007. These include but are not limited to Hogg Robinson Nigeria, Glanvill Enthoven & Co. Nigeria Limited, Fountain Insurance Brokers Limited and Consolidated Risk Insurers Plc from 1985 to 2007 during which he held senior executive positions.

He holds a B.Sc. degree in Insurance and an MBA, both from the University of Lagos, Nigeria. A Fellow of the Chartered Insurance Institutes of both London and Nigeria, Mr. Efekoha has attended several local and international educational programmes including but not limited to the Chief Executive Programme (CEP-14) of the Lagos Business School; Leading Change & Organizational Renewal, Private Equity & Venture Capital and Owner/President Management Program (OPM 57) of the Harvard Business School, Boston, USA.

He serves as Chairman of the Company's subsidiaries namely: Hallmark Health Services Limited (a Health Management Organization) and CHI Micro Insurance Limited (Life Assurance).

He was appointed as the Group Executive Officer of Consolidated Hallmark Holdings Plc on 1st January 2024.



Board Of Directors - Consolidated Hallmark Holdings Plc



Mr. Babatunde Daramola

Group Chief Financial Officer

Mr. Babatunde Daramola was the Executive Director, Finance, Systems & Investment in Consolidated Hallmark Insurance Ltd where he played strategic roles in several Corporate Transformation projects undertaken by the Company.

He is a Fellow of the Institute of Chartered Accountants of Nigeria and Fellow of the Chartered Insurance Institute of Nigeria. He is also a Member of the Nigerian Institute of Management. He graduated from the Lagos State Polytechnic in 1994 with a Higher National Diploma in Insurance and holds an MBA (Finance and Accounting) from the University of Liverpool (U.K.).

He has vast working experience spanning Insurance Broking, Underwriting, Banking and Finance and serves as a Non-Executive Director of Hallmark Health Services Ltd.

He is an alumnus of the Lagos Business School and a member of the Executive and Governing Council of the Lagos Business School Alumni Association (LBSAA).

He was appointed the Group Chief Financial Officer of Consolidated Hallmark Holdings Plc on 9th November 2023.



Prince Ben Onuora

Non-Executive Director

Prince Ben Onuora holds both bachelor's and master's degrees in law from the University of Lagos. He has been in commercial law practice for over three decades in leading law firms, including Benon Chambers where he is currently the Managing Partner.

He is an Arbitrator, a Notary Public for Nigeria and a registered legal consultant by the Securities and Exchange Commission. He is a Fellow of the Nigerian Institute of Management (Chartered) as well as the Institute of Directors where he served as Hon. Legal Adviser and a member of the Governing Council.

He was also a member of the Board of Governors of the IoD Centre for Corporate Governance. He is a member of the Nigerian Bar Association, Capital Market Solicitors Association, Chartered Institute of Arbitrators (UK) and Negotiation & Conflict Management Group (Founders of the Lagos Multi-Door Courthouse).

He joined the Board of Consolidated Hallmark Holdings Plc on 9th November 2023.



Board Of Directors - Consolidated Hallmark Holdings Plc



Dr. Layi Fatona

Non-Executive Director

Dr. Layi Fatona was the Chief Executive officer of Niger Delta Exploration and Production Plc, where he pioneered the first and only privately-owned and operated refinery in Nigeria (The Ogbale Mini Refinery). A Petroleum Geologist with more than forty years of oil industry experience. He graduated with a Bachelor of Science Degree in Geology at the University of Ibadan (Nigeria) in 1973 and obtained both the Master of Science and Doctorate degrees in Petroleum Geology and Sedimentology from the Royal School of Mines, Imperial College of Science, Technology and Medicine, University of London.

He started his career as a Review Geologist responsible for regional geological studies in the Niger Delta with The Shell Petroleum Development Company, rising through the ranks in the seven years he was there. He left to join other like minds to start up Geotrex Systems Limited (Petroleum Exploration and Production Consultants) starting as a Senior Consultant and currently retaining the position of Chairman of the Company.

He holds other board positions across the industry. He is a staunch believer in the ability of indigenous minds to control the narrative of the Nigerian oil and gas industry. He insists that Nigerians can and should increasingly play major roles in exploring, producing and creating additional value for the country and its people from our vast oil and gas reserves.

He joined the Board of Directors of Consolidated Hallmark Holdings Plc on 9th November 2023.



Dr. Anthony Anonyai

Non-Executive Director

Dr. Tony Anonyai is a Co-CEO at Planet Capital Limited, an investment banking group. He has extensive hands-on experience in corporate finance, capital markets, corporate governance. He expertly combines these competencies in advising clients as they seek to transform their organisations and sustainably improve performance. Tony began his career in 1990 with the professional accounting firm of Anjous, Uku, Eweka & Co. (Chartered Accountants) and later worked with Capri-Martins Finance Limited as an Accountant. In 1994, he set up a financial intermediation and advisory firm, Ouec Investment Limited, and in 2005, he founded and became the Managing Director & Chief Executive Officer of Strategy & Arbitrage Limited, a brokerage and dealing member firm of the Nigerian Stock Exchange and one of the legacy companies in Planet Capital Limited.

He holds a PhD in International Business (Finance specialisation) from the International School of Management, Paris, and Master of Banking and Finance Degree from the University of Lagos. He is a fellow of the Institute of Chartered Accountants of Nigeria, the Chartered Institute of Stockbrokers, and the Chartered Institute of Taxation of Nigeria, an Associate of the Certified Pension Institute of Nigeria, and a member of the Institute of Directors. He has attended executive and professional development courses at the Lagos Business School, IESE Business School, and Harvard Business School.

He serves on the Boards of Chateau Royal Real Estate Limited, PlanetCap Asset Management Limited, and Planet Governance Advisory Limited. He is the vice-chairman of the Financial Services & Capital Markets Committee of the Institute of Directors of Nigeria.

He joined the Board of Directors of Consolidated Hallmark Holdings Plc on 9th November 2023.



Board Of Directors - Consolidated Hallmark Holdings Plc



Mr. Adegbola Adesina

Non-Executive Director

Mr. Adegbola Adesina holds an Executive MBA from the INSEAD Business School, as well as a First-Class Bachelor's degree in Accounting from the University of Lagos. He is an Associate Member of the Institute of Chartered Accountants of Nigeria (ICAN) and has also earned the Chartered Financial Analyst (CFA) designation.

He has over 19 years of experience covering investment banking, financial and transaction advisory, audit, project, and management accounting that span a diverse range of businesses, including private equity, energy and infrastructure, oilfield services, banking and manufacturing.

During this time, he led, participated in, and managed capital raising (debt and equity) assignments and other forms of financing/restructuring for infrastructure projects and infrastructure-based companies on both the buy and sell sides. In the past eight years, he held senior finance roles across the upstream production and gas processing businesses.

He was appointed to the Board of Consolidated Hallmark Holdings Plc on 9th November 2023.



Mrs. Chijioke Nkechinyere Ugochukwu

Independent Non-Executive Director

Mrs. Chijioke Ugochukwu is a Chartered Director and Fellow of the Institute of Directors (IoD), United Kingdom and of the CloD Nigeria as well as a Fellow of the Chartered Institute of Bankers Nigeria (CIBN). She has spent well over 30 years in the Board room, and is presently an Independent Director with Access Pensions Limited. Before this, she was the Executive Director, Shared Services & Products and Chief Information Officer at Fidelity Bank plc. In addition, she serves on several committees and councils of the CloD Nigeria, the CIBN and the Lagos Business School (LBS). And is a member of the Board of Governors of the Babington Macaulay Seminary.

She holds a Bachelor of Laws (LL.B Hons.) degree from Obafemi Awolowo University, Ile-Ife and Barrister at Law (BL) from the Nigerian Law School. She also holds a Masters of Business Administration degree from IESE/University de Navarre, Barcelona. She has attended several Executive Education programs globally at the Institute of Directors UK, the Institute of Management Development (IMD), Massachusetts Institute of Technology (MIT), Harvard Business School, Stanford Graduate School of Business, Oxford Said Business School, The Wharton School and Columbia Business School amongst others.

She also facilitates classes in Business Ethics and Women in Leadership at the Lagos Business School.

She joined the Board of Consolidated Hallmark Holdings Plc on 20th December 2023.



Board Of Directors - Consolidated Hallmark Holdings Plc



Chief Sunny Chukwudi Obidegwu

Non-Executive Director

Chief Sunny Chukwudi Obidegwu joined the Board of Directors of Consolidated Hallmark Holdings Plc on 29th April 2024. He graduated with a Bachelor of Science in Business Administration from the State University of New York at Buffalo, and obtained his Masters degree in Managerial Accounting from the University of New Haven, Connecticut, U.S.A. He is a former banker and former revenue officer in the State of Connecticut, U.S.A., and currently the Managing Director of Sunthel Trust Ltd., a company that is involved in integrated financial management and consultancy.

He has served on the Board of several companies including Eastern Bulkem Co Ltd., Cement Company of Nigeria Ltd., Consolidated Hallmark Insurance Plc., Hallmark Finance Company Limited formerly known as Grand Treasurers Limited, Transglobe Finance and Investment Co. Ltd., and Obodoukwu Microfinance Bank Ltd. He has also featured in several key capital market transactions in Nigeria including the financial and corporate restructuring of Cement Company of Nigeria, Nkalagu, Ebonyi State, the recapitalization of Broad Bank of Nigeria Ltd, and the Successful merger of Fidelity Bank Plc.



Board Of Directors - Consolidated Hallmark Insurance Ltd



Mr. Obinna Ekezie

Chairman
Consolidated Hallmark Insurance Ltd

Mr. Obinna Ekezie is the Founder & immediate past Managing Director of one of the fastest growing and largest Internet travel sites in Africa, wakanow.com, which was established after an initial experiment with a travel website, Zeepravel.com.

He is an alumnus of the University of Maryland - Robert H. Smith College of Business, Maryland U.S.A and with a Minor degree in IBM Total Quality Management, from the same institution.

A talented strategist and tactician, his leadership offerings, strategic insights, and advice for market differentiation helped to secure Wakanow as the fifth fastest growing company in Nigeria within a short time.

A professional basketball player, his sojourn in the United States was remarkable with him signing on to attend and play basketball for the University of Maryland at College Park in 1995. He later competed at the highest levels in two continents while contributing to the success of teams including the Vancouver Grizzlies, Washington Wizards, Dallas Mavericks, Los Angeles Clippers, Atlanta Hawks, amongst others.

He is also the founder/chairman of African Basketball League, established to develop innovative organizational models in African Basketball.

He was appointed as the Chairman of Consolidated Hallmark Insurance Ltd on 1st April 2016.



Mrs. Mary Adeyanju

Managing Director/CEO
Consolidated Hallmark Insurance Ltd

Mrs. Adeyanju possesses a Master's Degree in Business Administration from the Lagos State University as well as a B.A (Theatre Arts) and Diploma in Insurance from the University of Jos and Ahmadu Bello University respectively.

She is a Fellow of the Chartered Insurance Institute of Nigeria, and has over two decades of varied experience in the Insurance industry, having commenced her career in Boof Africa Insurance Brokers. She later held top management positions in Carrier Insurance Brokers, First Chartered Insurance Company and later Consolidated Risks Insurers.

She was the Regional Director, Lagos/Western Operations of Consolidated Hallmark Insurance Plc before assuming the position of Executive Director, Operations. She is also a Non Executive Director of Grand Treasurers Limited and Hallmark Health Services Limited.

She has attended both local and international conferences and papers at various business fora.

She is an alumnus of the Lagos Business School.

She became the MD/CEO of Consolidated Hallmark Insurance Ltd Effective January 1, 2024.



Board Of Directors - Consolidated Hallmark Insurance Ltd



Orjiako Jimalex

Executive Director (Operations)
Consolidated Hallmark Insurance Ltd

Jim is a graduate of Insurance from the Lagos State Polytechnic and has a Post Graduate Diploma in Financial Management from the Lagos State University. He is an Associate member of the Nigerian Gas Association, Nigerian Institute of Management and a member of the Institute of Operational Risk, UK, the Chartered Insurance Institutes of London and Nigeria as well as the Faculty of underwriting London.

He joined the Board of Directors, effective January 1, 2024.



Katherine Itua

Executive Director (Finance & Investments)
Consolidated Hallmark Insurance Ltd

Kate holds a Bachelor's Degree in Economics/Education from the University of Ibadan. A Chartered Accountant and Fellow of the Institute of Chartered Accountants of Nigeria, her wealth of experience spans over a decade most of which was spent at the foremost Audit/Consultancy firm, Akintola Williams Deloitte at Senior Management level. Kate is also a member of the AMP 27 Class of the Lagos Business School.

She joined the Board of Directors, effective January 1, 2024.

Board Of Directors - Consolidated Hallmark Insurance Ltd



Mrs. Adebola F. Odukale

Non-Executive Director
Consolidated Hallmark Insurance Ltd

Mrs. Odukale is an Associate of the Chartered Insurance Institute of Nigeria (AIIN). She started her Insurance career with Nigerian Life and Pensions Consultants in 1991 before joining Capital Express Assurance Ltd as a Branch Manager Ikeja.

She rose through the ranks in the company variously as Senior Manager, Technical, Controller Marketing, and Regional Director, South West prior to her appointment as the Managing Director of the company.

She holds the Bachelor of Science degree in Economics from the Obafemi Awolowo University, Ile-Ife, and an MBA in Human Resource Management from the Lagos State University.

She resigned from the board of Consolidated Hallmark Insurance Ltd on 30th April 2024.



Sir. Charles Ojo

Non-Executive Director
(Awaiting NAICOM's approval)

Sir. Charles Ojo, is a seasoned banker with an excellent pedigree in corporate restructuring, infrastructure and project finance, equity raising, and fixed income issuance. Notably, he contributed to the financial strategies for Lagos State Government's \$2.1 billion Light Rail Project and was instrumental in building Sterling Capital Markets Limited into a leading investment banking institution.

His track record includes pivotal roles in landmark transactions such as being a vital part of the team of Joint Financial Advisers/Issuing Houses to the Lagos State Government's N275 Billion Bond Issuance Programme for Lagos State, showcasing his strategic acumen and expertise in financial advisory.

Board Of Directors - Consolidated Hallmark Insurance Ltd



Mr Francis Udubor

Director
(Awaiting NAICOM's approval)

FRANCIS NWARIWE UDUBOR is a seasoned quantity surveyor with over twenty years of experience in Cost Management and Quantity Surveying Practice. He is the Founder and Principal Partner of Du-Franc & Partners Ltd.

The Firm also engages in the provision of project management and procurement services.

A senior and corporate member of the Nigerian Institute of Quantity Surveyors, He is a RICS accredited and chartered Mediator.

He holds a master's degree in project management from the University of Lagos, an MBA from Ambrose Ali University, Ekpoma, and a Higher National Diploma in Quantity Surveying from Auchi Polytechnic, Auchi, Edo State.

Mr. Udubor also holds RICS Advance Diploma in Quantity Surveying. He is a Fellow of the Nigerian Institute of Quantity Surveyor and a registered quantity surveyor with Quantity Surveyor Registration Board of Nigeria.

He is a former Executive Member of the Association of Consulting Quantity Surveyors (2019 - 2021), held the Treasurer position between 2018 - 2020 and assisted in putting together the byelaws of the Association. He has been a resource person for the NIQS Mandatory Refresher Course Lagos Chapter since 2016 till date, facilitating in Professional Practice and Procedure (PPP). He had also sponsored some activities of NIQS Lagos State Chapter.



Mr. Olumide Ajomale

Independent Non-Executive Director
(Awaiting NAICOM's approval)

Mr. Olumide Ajomale is a Chartered Accountant, Learning and Development Practitioner, Certified NLP Master Practitioner with over 35 years working experience.

He is currently involved in Capacity Building Consultancy as well as Training and Development functions.

His career to date covers stints in Financial and Management Consulting, Oil & Gas, Telecommunications and Lotteries Management.



Result at a Glance

	Group			Company		
	31 December 2023 N'000	31 December 2022 N'000	%	31 December 2023 N'000	31 December 2022 N'000	%
Financial Position						
Cash and cash equivalents	2,985,320	1,666,364	79%	1,933,951	1,183,949	63%
Financial assets	14,822,533	8,644,183	71%	12,432,077	6,325,958	97%
Trade receivables	1,182,794	831,494	42%	1,150,281	773,061	49%
Investments	6,659,506	6,740,290	-1%	7,811,823	7,800,077	0%
Other receivables & prepayments	478,478	295,685	62%	644,341	652,618	-1%
Intangible Assets	49,681	64,110	-23%	14,767	22,104	-33%
Total assets	26,178,313	18,242,125	44%	23,987,241	16,757,767	43%
Insurance contract liabilities	9,979,029	6,927,749	44%	9,701,038	6,706,663	45%
Total liabilities	13,282,809	8,887,273	49%	11,849,607	7,745,457	53%
Issued and paid up share capital	5,420,000	5,420,000	0%	5,420,000	5,420,000	0%
Share premium	168,934	168,934	0%	168,934	168,934	0%
Contingency reserve	3,473,338	2,800,340	24%	3,469,814	2,799,201	24%
Statutory reserve	133,137	91,263	46%	-	-	
Regulatory risk reserve	17,294	1,828	846%	-	-	
Revaluation reserve	138,166	128,677	7%	138,166	128,677	7%
Fair Value Through OCI Reserve	126,394	39,180	223%	127,131	39,163	225%
Retained earnings	3,418,242	704,631	385%	2,813,588	456,335	517%
Shareholders fund	12,895,504	9,354,852	38%	12,137,633	9,012,310	35%
	31 December 2023 N'000	31 December 2022 N'000		31 December 2023 N'000	31 December 2022 N'000	
Comprehensive Income						
Insurance revenue	15,710,849	11,880,011	32%	14,815,866	11,142,728	33%
Insurance service expenses	(12,099,491)	(8,963,515)	35%	(11,518,480)	(8,300,194)	39%
Net expenses from reinsurance contracts held	(3,727,210)	(2,745,106)	36%	(3,710,381)	(2,741,455)	35%
Insurance service result	(115,852)	171,389	-168%	(412,996)	101,079	-509%
Net investment income	6,373,965	1,904,870		5,487,985	1,333,161	
Net insurance and investment result	6,258,114	2,076,259	201%	5,074,990	1,434,240	254%
Other expenses	(1,692,470)	(1,159,454)	46%	(967,087)	(500,372)	93%
Other Income	86,211	66,439	30%	5,117	4,677	9%
Profit before tax	4,651,855	983,244	373%	4,113,020	938,545	338%
Income tax expense	(882,705)	(436,230)	102%	(759,953)	(410,768)	85%
Profit for the year	3,769,150	547,015	589%	3,353,066	527,777	535%
Basic and diluted earnings per share (Kobo)	34.77	5.05		30.93	4.87	

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Your Company was able to record significant improvements in key financial indicators during the 2023 Financial Year.

The results showed an Insurance Revenue growth from N11.9b in 2022 to N15.7b in 2023, a 32% growth in revenue. The Total Assets of the company recorded a significant leap to N26.2b when compared with the N18.2b of 2022, a significant 44% growth in the total assets of the company.

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Responding to market dynamics



Focus on growing retail insurance



Create differentiated products



Technology driven

Chairman's Statement



Mr. Shuaibu Abubakar Idris (mni)

Chairman

Chairman's Statement

Distinguished Shareholders, Fellow Board Members, Regulators here present, Members of the Press, Ladies and Gentlemen,

It is my pleasure to welcome you all to this inaugural Annual General Meeting of your Company, Consolidated Hallmark Holdings Plc. As you are already aware, I and my colleagues on the Board assumed the mantle of leadership in January 2024 following the successful transition of your Company to a Holding Company structure.

The Annual Report and Accounts being presented to you during this meeting therefore is a review of the 2023 Financial Year under the then Consolidated Hallmark Insurance Plc and its then Subsidiaries.

The year 2023 was indeed full of hopes and expectations, for us as an organisation, the economy generally, and the entire nation. Being an election year, the political transition came with its usual uncertainties and the attendant challenges on all fronts. Against all odds however, the results for the Group performance in 2023 were still positive in various key performance indicators as we shall from this report.

Like other years, factors which impacted the performance of your Company transcended the local scene as some are from the International scene. A brief analysis of the interplay of some of these factors is imperative so as to situate events.

Global Economic Impact

The International Monetary Fund (IMF) in its World Economic Output Report in January 2023 projected that global economic growth will fall to 2.9% in 2023 but rise to 3.1% in 2024. Activities of major economic powers and other developments at the international front usually impact on national economies and business operations globally. These include trade practices between the major economic powers such as the United States of America and China and activities of non-state actors. For instance, the Organisation of Petroleum Exporting Countries (OPEC) has a significant influence on the global price of crude oil which affects cost of petroleum products, a key driver of activities in many if not all economies.

Average crude oil price opened the year at a price of about \$83 per barrel for the global benchmark crude oil but closed around \$75 per barrel according to statistics from the Energy Information Administration EIA. The fluctuation in price, coupled with the inability of Nigeria to meet its oil production quota led to a heavy strain on the foreign exchange reserves of the Nation. With the resultant fluctuation in Exchange rates, the Federal Government was faced with the twin dilemma of how to keep up with the announced policy of full deregulation of the

downstream sector of the petroleum industry and continuous devaluation of the Naira. Pump prices of Premium Motor Spirit strangely remained stable even as the exchange rate plummeted, leading to assertions that the landing cost of the product was higher than the pump price thus meaning the subsidy era is still with us. The price of diesel however felt the full impact of the exchange rate fluctuations leading to a serious strain in the operational expenses of manufacturing and corporates that depend on the source of energy.

In addition to enduring fiscal and economic vulnerabilities, democratic institutions across Africa grappled with significant threats as a series of coup events rattled several nations on the continent. In July 2023, the military leadership in Niger, under Abdourahamane Tchiani, staged a coup, toppling the democratically elected President Mohamed Bazoum. Similarly, in Gabon, President Ali Bongo was ousted by the military following a contentious general election. Burkina Faso, Guinea Conakry, and Mali also witnessed changes in leadership from civilian to military rule. Meanwhile, both Sierra Leone and Guinea-Bissau experienced failed coup attempts, adding to the region's political instability.



Chairman's Statement

Against this backdrop, socio-economic conditions across the continent deteriorated, exacerbated by the spillover effects from adverse global economic and geopolitical conditions. Throughout 2023, many African countries currencies experienced significant depreciation against the US dollar, further intensifying economic challenges. These exchange-rate weaknesses are expected to persist into 2024, albeit with somewhat reduced intensity.

The Nigerian Business Environment

Major factors which greatly impacted the operations of companies in the Nigerian Business Environment during the year under review include the energy situation especially instability in power supply which made operators to devote a significant proportion of their resources to powering their operations using alternative energy at exorbitant cost, the unprecedented devaluation in the value of the local currency, its attendant volatility and the rise in the cost of inputs, coupled with the high inflation, sharp increases in prices of petroleum products, money and equities market, and high inflation with its impact on the purchasing power of the populace. Permit me to provide some further analysis of this issues:

Foreign Exchange Market

The new leadership at the federal level, in an effort to ensure a

convergence between the official exchange rates and parallel market rates as well as put a halt to the multiple exchange rates prevalent during the previous administration, in June 2023 announced the unification of the multiple exchange rates. The immediate impact of this move was the depreciation of the local currency from an average of rate of N423.7/\$1 which was then the official rate to about N750/\$1 as of June 2023, mid-way into the 2023 financial year. This decision by the Central Bank of Nigeria to transition from a managed float exchange rate system to a free float regime had significant impact on the economy as explained by some economists to include: a rise in government debt, a rise in debt to GDP ratio, rise in debt service cost, increase in government revenue in Naira terms, but however correctly posited that the situation will lead to a decline in corporate tax collection as many businesses crystallize foreign exchange losses due to the higher exchange rate. This situation has since played out as seen in results declared by some large corporations for the year ended 2023. The exchange rate fell to about N941/\$1 in December 2023. It declined to a high of N1,900/\$1, and is now hovering around N1,500/\$1

Prices of Petroleum Products

Immediately after the removal of fuel subsidy, the price of premium motor spirit otherwise called petrol, which remained the only

subsidized petroleum product, moved from N195 per litre to N545, indicating an increase of 210% when compared with the value during the corresponding period of 2022. By the end of the Financial Year under review, the price of petrol had increased to an average of N671 per litre across the country. Also, the price of deregulated Automotive Gas Oil (diesel) which industries and other organisations depend heavily on to power their operations moved significantly from an average of N733 per litre in June 2022 to about N815 in June 2023, an increase of 11%. By December 2023, the price of the commodity had increased to N1,120.

These increases in the prices of petroleum products occurred due to a combination of factors ranging from the rapid decline in the value of the naira and the rise in the price of crude oil in the global market.

Inflationary Trends

In January 2023, Nigeria's headline inflation rate was 21.82% from 21.34 % in December 2022. According to the National Bureau of Statistics (NBS) in its Executive Summary for the period, this showed an increase of 0.47% points when compared to December 2022. On a year-on-year basis however, the NBS stated that the rate was 6.22% higher when compared to the corresponding period in 2022. Mid way into the year by June 2023, the headline inflation rate rose to 22.79%



Chairman's Statement

relative to the preceding month of May 2023 which was 22.41%. The June headline inflation rate showed an increase of 0.38% points when compared to that of the preceding month of May. On a year-on-year basis, the rate was 4.19% points higher than that of June 2022.

By December 2023, the headline inflation rate had increased to 28.92% relative to November 2023 rate of 28.20%. The NBS in its Consumer Price Index (CPI) and Inflation Report for December 2023 stated that the headline inflation rate was 7.58% higher when compared to the rate for the corresponding period in 2022.

Gross Domestic Product(GDP)

According to the National Bureau of Statistics, the GDP Growth rate of the Nigerian economy as at Q4 2023 was 3.46 percent. The NBS said the growth rate was lower than the 3.52 percent recorded during the corresponding period of 2022, an indication of a marginal decline.

The data shows that the growth was mainly driven by the services sector, which recorded 3.98% and contributed 56.55% to the aggregate GDP. Statistics for other sectors of the economy during the period indicate that the Agricultural Sector grew by 2.10% (from 2.05% in Q4 2022), Industry Sector 3.86% (from -0.94%, a significant improvement). The Industry and the Services Sectors contributed more to the aggregate GDP in Q4 of 2023 than the

corresponding period of 2022.

On an annual basis, the nation's GDP declined to 2.74% in 2023 from the 3.10% during the previous year. Like it occurred in 2022 when the growth in the economy was largely driven by the non-oil sector which contributed 95.66%, as at Q4 2023, the growth in the non-oil sector was 95.3% thus reflecting the increasing role of that sector in the economy. The oil sector however contributed 4.70% to the GDP during the period, a marginal increase on the 4.34% during the corresponding period of 2022. This increase is attributable to an improvement on the daily crude oil production which moved to 1.55 million barrels from 1.34 million barrels.

Money and Equities Market

As at January 2023, the benchmark interest rate or Monetary Policy Rate(MPR) was 16.5%, however, the Monetary Policy Committee of the Central Bank of Nigeria voted in its January Meeting to raise the rate to 17.5%. The hike at the onset of the new year followed the trend of 2022 during which the Apex Bank raised its rates by about 500 cumulative basis points, a policy which was attributed to the need to tame rising inflation. The rate was further increased to 18.75% by the MPC of the Central Bank during its first meeting in July, 2023 under the new regime at the federal level. This was a 25 basis points increase and the highest rise in interest rates since 2002. The increase marked a

significant jump from the 11.5% MPR as at May 2022, thus limiting access to credit and placing Nigeria on the chart as one of the countries with the highest interest rates globally.

By close of the year in December 2023, the interest rate remained unchanged at 18.75% as the newly appointed Central Bank Governor, Olayemi Cardoso did not make any policy statement in that regard until February 2024 when the MPR was further increased to 22.75%.

On a positive note, the Nigerian Exchange Limited (NGX) reported a gain of 45.9%, a significant improvement over the 25.2% recorded in 2022 as the Market capitalization closed at N40.92tn when compared with the N27.91 trillion in December 2022. Meanwhile, the All-Share Index which opened the year at 51,251.06 closed at 74,773.77.

Nigerian Insurance Environment

For the Nigerian Insurance Industry, the primary industry of our major subsidiary, the growth recorded during the financial year was remarkable. For the first time, premium income hit the N 1 trillion mark. This was a double-digit growth, as premium income moved from the N726.2 billion recorded in 2022.

Some factors responsible for this include the increase in the premium rate for Third Party Motor Insurance, which was moved from



Chairman's Statement

N5,000 to N15,000 by the regulator, the National Insurance Commission (NAICOM). The rate which took effect from 1st January 2023 also led to the fixing of minimum premium payable for comprehensive motor insurance cover at 5% of the value of the asset. However, the inflationary trends and foreign exchange crisis negatively impacted the disposable income of insurance consumers.

NAICOM also kicked off the implementation of the IFRS 17 Accounting Standard in the industry during the year and tasked operators with the implementation in reporting companies financials.

Transformation to a Holding Company

Our transformation journey to a Holding Company started in November 2022 with your unanimous approval then at the Extra-Ordinary General Meeting. The process was successfully concluded in November 2023 with the listing of the shares of Consolidated Hallmark Holdings Plc on the trading floor of the NGX. I am glad to announce that it is upon the successful completion of other processes and due authorisation that we are witnesses to this first Annual General Meeting, to the Glory of God as well as benefits to all stakeholders of the businesses.

Board Composition

The details of membership of the Board of Directors of your

Company, as duly constituted and approved by the regulators, are included in this Annual Report and Accounts. They are also available on the Company's website. Other details regarding dates of appointment of Board Members and Board composition during the financial year under review are as indicated.

Operating Results

It is clear to all players within the local operating environment, and even outside the shores of the country that indeed, the challenges faced by business operators are enormous. Some of these challenges led to the exit of some multinationals from our shores. However, despite the odds, your Company was able to record significant improvements in key financial indicators during the 2023 Financial Year.

The results showed an Insurance Revenue growth from N11.9b in 2022 to N15.7b in 2023, a 32% growth in revenue. The Total Assets of the Company recorded a significant leap to N26.2b when compared with the N18.2b of 2022, a significant 44% growth in the total assets of the Company.

Profit Before Tax rose to N4.6b from the N983m in 2022 while total profit attributable to shareholders for the 2023 financial year is N3.8b from N547m in 2022.

Dividend

Our commitment to adequate returns on investments to our shareholders through consistent dividend payment remain firm and we shall stay focused on that pathway. Towards this end, we wish to hereby present to you for your consideration and approval, a dividend of N0.05 or 5 kobo per ordinary share of 50 kobo. The total dividend payout will amount to N542 million.

The amount payable, as usual, is subject to the appropriate Withholding Tax. Upon your approval of the dividend proposed, bank accounts of qualifying shareholders who have updated their records with the Registrars shall be credited beginning from the end of this meeting.

Future Outlook:

Your Company, though a Non-operating Holdings Company shall strive to effectively carry out its primary functions of maintaining control over the subsidiaries, establishing additional investments in diverse sectors where the opportunities arise, protecting the assets of the Group and providing strategic direction.

We have assembled a Board made up of experienced business leaders. Permit me to use this opportunity to welcome the new Board Members joining the Group for the first time both at the Holding Company and the Subsidiary companies. I also wish to note that



Chairman's Statement



Focus on growing
retail insurance



Create
differentiated
products



Increase in Gross
Premium
Income



Technology
driven

we have a good balance of old and new Members. This is deliberate as it ensures stability while at the same time engendering fresh ideas to create the future we seek.

We remain optimistic of a more friendly operating environment in the years ahead, which we hope to take full advantage of and increase the market share of our member companies in all sectors where we are operational.

The use of technology remains pivotal in our quest to continually consolidate our operations as one of the top players in the financial services sector and beyond.

Appreciation

On behalf of my colleagues on the Board, I sincerely appreciate you all for your support over the years. My appreciation also goes specially to our regulators, other partners, the Insurance Brokers, Agents, our loyal customers, our stakeholders in the health and financial services sector generally, and to the Management and Staff of the Group.

I wish to ask that you continue to extend the same level of support to us as we go into the next phase of our journey as a Holding Company.

Thank you for your attendance at this maiden Annual General Meeting, dear distinguished Shareholders.

Once again, thank you all.

Shuaib Abubakar Idris mni
Chairman, Board of Directors.



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The journey to our new status started from 2007 following the market recapitalisation exercise which led to the emergence of the then Consolidated Hallmark Insurance Plc, which was focused on the General Insurance business

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Performance

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In spite of the economic challenges, your company was able to grow the Group's Insurance Revenue to N15.7b from N11.9b recorded in 2022. This represents a 32% improvement and a 943% growth from the N1.5b premium income of the 2007 financial year.

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Mr. Eddie A. Efekoha

Group Chief Executive Officer

Our Journey to a Holdco

Group Chief Executive Officer's Statement



Group Chief Executive Officer's Statement

**Distinguished Shareholders,
Our Regulators'
Representatives
Fellow members of the Board,
Professional Parties,
Gentlemen of the Press,
Ladies and Gentlemen,**

Welcome

It is my honour and great privilege to welcome you all to this Annual General Meeting. History is indeed being made today as this meeting marks the very first in the life of our new Company, Consolidated Hallmark Holdings Plc. I would like to specially express my delight over the successful migration of all erstwhile shareholders of our legacy insurance Company to the Holdco platform. The future of your investment can only be better and brighter.

Background

The journey to our new status started from 2007 following the market recapitalisation exercise which led to the emergence of the then Consolidated Hallmark Insurance Plc, which was focused on the General Insurance business. It is gratifying to note that we have since evolved into a Financial Services institution which

encompasses General Insurance, Micro Life Assurance, Health Maintenance, and a Finance company business.

This statement will go a bit into the memory lane to recapture our history and then review our performance during the 2023 financial year.

Our Key Milestones

In 2007, we were one of the first insurance companies to rebrand and unveil its new identity following a successful merger. This was followed quickly in 2008 with the listing of the shares on the trading floor of the then Nigerian Stock Exchange (NSE). Our quest to make our services available to consumers using technology led to the deployment of an online portal for a Do-It-Yourself generation of the popular third-party motor insurance cover, another industry first.

Your company had also acquired Grand Treasurers Limited (now known as Hallmark Finance Limited), a CBN licensed Finance Company in October 2010. This marked the beginning of the Group expansion within the financial institution space in Nigeria.

In 2011, we flagged off the Annual Essay Competition for Students offering Insurance and Actuarial Science. The competition is now in its thirteenth edition and has produced winners across geopolitical zones in the country from polytechnics, state and federal universities. Industry Organisations including the National Insurance Commission and the Chartered Insurance Institute of Nigeria (CIIN) have since commended the efforts.

In 2012, your Company won the web jurist award in the insurance category of the best website in functionality and aesthetics, and moved to a Head Office complex, renovated to the best standards, for ease of access by our stakeholders.

2016 was another remarkable year as the Company got the Bbb- stable outlook rating from Augusto & Co. It was also the year I was elected as the 22nd Chairman of the industry umbrella body, the Nigerian Insurers Association (NIA). In 2017, we veered into the Healthcare industry with the establishment of Hallmark Health Services Limited.



Group Chief Executive Officer's Statement



Business
Outlook



Performance
Ratios



Industry
Developments

In 2017, I was invested as the 49th President and Chairman of council of the industry training arm, CIIN. This was made possible by the institutional platform provided by your Company, which also gave a positive image and visibility to the brand. We commenced annual credit rating in 2015 with Augusto and Co. Rating Agency, and your Company consistently maintained an investment grade. As at 2023, Consolidated Hallmark Insurance Plc was rated as A(NG) Stable Outlook by an International Rating Agency (GCR).

In 2018, your Company obtained the ISO 9001: 2015 Quality Management Systems Certification. This was based on a rigorous assessment of processes in the organisation by Standards Organisation of Nigeria

In 2019, we obtained NAICOM operating License for a National Micro Life Assurance subsidiary, named CHI Microinsurance Limited.

In 2023, I was elected as President of the West African Insurance Companies Association (WAICA). I also emerged as one of the

BusinessDay Top 25 CEOs in Nigeria in 2023 and the Champion Newspapers Insurance CEO of the Year 2023. In a similar vein, your Company, Consolidated Hallmark Insurance, bagged Insurance Company of The Year (2023) Award by the Champion Newspapers.

Distinguished Shareholders, you will recall that in November 2022 at the Extra-Ordinary General Meeting of our Company, you granted a unanimous approval for us to proceed with the transition arrangement to a Holding Company Structure. I am happy to report that transition has been successfully completed and all the necessary governance and regulatory structures put in place and running effectively. We salute your vision, and we believe that this is a step in the right direction.

Financial Performance

Your Company has maintained its growth trajectory and paid dividends for most of its years of operations. The Financial Year under review, 2023 was quite remarkable as it was a political transition year. The new



Group Chief Executive Officer's Statement

government introduced two policies which have had remarkable impact on the operations of many businesses across all sectors of the economy, including your Company. The deregulation of the downstream sector of the petroleum industry through the removal of subsidy on petrol led to an immediate jump in the price of the commodity at the pumps by over 100% on 30th May 2023. This has had a significant impact in the disposable income of Nigerians, including insurance consumers. Also, the attempt to achieve a converge between the official and other exchange rates of the Naira with other currencies in the forex market led to the deregulation of the local currency from below N500/\$1 at the onset of the administration to well over N900/\$1 with the rate worsen at N1,900/\$1 in recent times, before attempting a sort of stability at N1,500/\$1, though still volatile. Prices of commodities which are mostly imported have been greatly impacted. These include replacement parts in Motor Insurance Claims, Buildings Insurance and across other classes of insurance.

Gross Premium Income

In spite of these economic challenges, your Company was able to grow the Group's Insurance Revenue to N16.62b from N12.06b recorded in 2022. This represents a 31% improvement and a 693% growth from the N1.5b premium income of the 2007 financial year.

Total Assets

Your Company grew the Total Assets to N26b from N18b in 2022. In comparative terms, we have been able to achieve a 465% growth from the Total Assets of N4.6b in 2007.

Profitability

I am happy to inform you that our bottom line also recorded an improvement of 589% growth from a Profit After Tax (PAT) of N547m in 2022 to N3.7b in 2023. We had a positive impact of exchange rate gain during the year.

It is important to mention some developments by the insurance regulator, the National Insurance Commission (NAICOM) which helped to, improve the industry financial performance and its ability to

deliver value to the customers and other stakeholders. The increase in the Premium rate of Motor Insurance and strenuous efforts to ensure compliance paved the way for improved income from the class of business. Indeed, the increased rate for third party motor insurance from N5,000 to N15,000 for private cars was the way to go, in view of inflationary trends and the failure of the industry to periodically review rates to reflect the economic realities over the years. The regulation stipulating a minimum premium rate of 5% of the value of private vehicles under comprehensive cover was also a positive development. The market also reviewed the tariff for fire insurance to ensure adequate rating for risk exposure. These came into effect at the onset of the 2023 Financial Year, following implementation of the recommendations of the NAICOM Technical Committee.

Prompt Claims Payments

One of our major strategies remains the prompt payment of fully documented claims. This has continued to endear us to our clients in retail, corporates, and brokerage. We have further simplified the processes using



Group Chief Executive Officer's Statement

technology to Fasttrack the claims journey. The amount expended on claims has risen significantly over the years as we fully meet our obligations.

In 2023, Group Claims Settlement was N5,097,038,215 from the N4,468,789,653 expended in 2022. There has been a rise by 2,485% in 2023 FY over the 2007 Claims payment figure of N197.2 million. As a Group, we remain committed to prompt claims settlement whether in Health Insurance, Micro life Assurance or in our General Business and Special Risks Insurance. Our quest to significantly grow our market would continually receive a boost with the faith of our customers in our ability and preparedness to meet their needs when claims arises.

Group Strategic Initiatives

As a Holding Company, we are currently working with , Messrs PwC, an international consulting firm to develop our 3-year Strategic Plan. The result of this initiative will be visible when we reconvene in 2025 by the Grace of God.

Other Subsidiaries' Contribution to Growth

Although the insurance arm remains one of the major revenue generators, our member companies are increasingly contributing a significant proportion of income to that of the Group, with improvements in their operations.

Hallmark Health Services Limited (Hallmark HMO) during the 2023 FY, for instance grew their income from N711 million in 2022 to N 833 million while Profit After Tax improved from the loss of N59 million in 2022 to N80 million .The Company is gradually expanding its customer base by spreading tentacles of coverage to more sectors.

On its part, Hallmark Finance Company Limited was able to grow its revenue to N1.1bn in 2023 when compared to the N 802 million recorded in 2022. Its PAT also expanded from N128 million to N279 million during the period.

CHI Micro Insurance Limited is still evolving and is now a subsidiary of Consolidated Hallmark Insurance Limited,

with the right team and processes now in place to ensure that its current improved performance and future growth is sustainable.

Environmental Sustainability/Cost Reduction

The environmental impact of hydrocarbon emissions is quite significant. Though injurious to health, the use of diesel-powered generators has been on the increase as electricity generation and distribution from the national grid is yet to witness much improvement.

It is in consideration of the need to reduce the effects of carbon emissions around us that we invested heavily in clean energy during the 2023 FY.

For us, the impact of the investment is two pronged: 1. reduction in the operating costs: and 2. aligning with the sustainability goals of the UN which reinforces the ESG commitment of the Company. The investment is paying off with cost savings in total energy costs, especially with the recent tariff increase by the electricity utility companies. Deployment of solar energy has thus reduced the number of hours of



Group Chief Executive Officer's Statement

connection to public power supply.

Corporate Social Responsibility

The Annual Essay Competition for Institutions of Higher Learning which commenced in 2011 has been sustained and now in its 13th edition. The competition is increasingly attracting participation from students offering insurance and actuarial science in universities and polytechnics across different geopolitical zones. Our objective for instituting the competition is being actualized. Also, Our Health Maintenance subsidiary, Hallmark HMO has revved up its annual drive to beef up the Blood Bank of the Lagos University Teaching Hospital, LUTH through annual blood donations. The Company is also making its presence felt through Stakeholders-Engagement where practitioners and regulators are gathered to brainstorm annually and proffer solutions to the myriads of problems in the sector. The 3rd edition of the event was held recently in Lagos.

Also, periodic donation of foodstuff and provisions to

orphanage homes has remained one of our CSR initiatives, even as we have sustained the provision of Group Personal Accident Insurance cover for insurance journalists in view of the professional hazards they are exposed to while discharging their duties.

Future Outlook

As we set out for the adoption and full execution of our strategic plan, we shall perform optimally, the primary responsibility of providing leadership for all member companies within the Group and adopt measures to grow market share in the various economic sectors we operate.

The Nigerian mass market remains largely untapped in financial inclusion, health, life, and property insurance, thus opening up channels for growth.

Conclusion

The journey over the past seventeen (17) years has been quite eventful and we have full cause to celebrate. You our Shareholders have been a part of this journey and have

remained steadfast and kept faith with us. Thank you for entrusting the affairs of your organisation to us over the years.

One thing we can assure you of is that it can only get better, with your support, and by the Grace of God.

Appreciation

On behalf of my colleagues in the management team, I wish to thank you all, our customers, brokers, shareholders, fellow members on the board and entire staff for your support.

We have entrusted the affairs of each of our subsidiaries in the hands of capable business managers and leaders and we believe that they will take the business forwards better as we wish the new leaderships tremendous success.



Eddie A. Efekoha

Group Chief Executive Officer





Consolidated Hallmark Holdings Plc

Executive Management Team



Eddie A. Efekoha
Group Chief Executive Officer



Babatunde Daramola
Group Chief Financial Officer



Rukeywe Falana
Company Secretary & Group Head
(Legal, Compliance & Secretarial)



Gbenga Totoyi
Group Head
(Human Resources)



Babajide Solesi
Acting Group Head
(Audit & Risk Mgt.)



Consolidated Hallmark Insurance Limited



Mary Adeyanju
Managing Director/CEO



Orjiako Jimalex
Executive Director
(Operations)



Katherine Itua
Executive Director
(Finance & Investments)



Tope Ilesanmi
Divisional Director
(Retail & West)



Ose Oluyanwo
Regional Director
(Lagos, Retail & West)



Ijeoma Pearl Okoro
Regional Director (East)



Mac Ekechukwu
Regional Director (North)

Other Subsidiaries



Dotun Adeogun
Managing Director,
Hallmark Health Services
Limited



Kayode Babatunde
Acting Chief Financial Officer
Hallmark Finance Co. Ltd



Douglas Osimi
Managing Director
CHI MicroInsurance Ltd
(Life Assurance)



Corporate Governance





Easy life is ensured when your
#HealthIsBae



Get easy access to health care by subscribing to any of our health plans.

OUR SERVICES

- Corporate Health Plans
- Third Party Administration
- Retail Health Plan
- Medical Claims Administration
- Ambulance Services
- Pre-Employment Health Screening

TO DISCUSS OUR OFFERINGS, CALL:

Lagos Office: 08090918931, 08183601181

PH Office: 08090634528

Abuja Office: 09083301425

T & C applies....

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info@hallmarkhmo.com

@HallmarkHMO

Directors' Report

For The Year Ended 31 December 2023

The Directors have the pleasure in submitting their report on the affairs of Consolidated Hallmark Insurance Plc together with the Group Audited Financial Statements for the year ended 31st December 2023

LEGAL FORM

Consolidated Hallmark Holdings Plc evolved from Consolidated Hallmark Insurance Plc (now Ltd) whose history dates back to 2nd August, 1991 when it was incorporated. The company started as an insurance company and is the product of a merger between Hallmark Assurance Plc Consolidated Risks Insurers Ltd and the Nigeria General Insurance Company Limited that took effect on 1st March, 2007 in line with the consolidation reform of the National Insurance Commission announced in 2005.

In 2022, the Company resolved to undergo another corporate restructuring (Scheme of Arrangement). The scheme of arrangement was approved by a court ordered meeting on 1st November, 2022 and sanctioned by the Federal High Court on 12th July, 2023 effectively birthing a non-operating Holding company called Consolidated Hallmark Holdings (CHH Plc).

PRINCIPAL ACTIVITIES AND CORPORATE DEVELOPMENT

During the year under review, the Company engaged in general insurance business and maintained 13 corporate offices.

OPERATING RESULTS

	GROUP Dec 2023 N	Dec 2022 N	% Change	COMPANY Dec 2023 N	Dec 2022 N	% Change
Gross premium written	17,524,710,893	12,826,865,218	37	16,629,727,639	12,061,936,819	38
Gross premium income	14,865,820,629	11,758,185,467	26	14,815,865,738	11,047,899,514	34
Net premium income	8,412,634,873	6,858,714,547	23	8,381,261,124	6,153,926,739	36
Claims incurred	(3,447,224,996)	(2,599,181,487)	33	(3,443,548,689)	(2,061,770,210)	67
Underwriting profit	2,201,031,939	2,367,109,763	(7)	2,170,474,976	2,259,154,610	(4)
Operating & Administrative expenses	(4,275,940,935)	(2,866,164,716)	49	(3,550,557,593)	(2,228,062,316)	59
Profit before taxation	4,651,854,576	983,244,436	373	4,113,019,837	938,544,979	338
Profit after taxation	3,769,149,580	547,014,781	589	3,353,066,481	527,776,824	535

DIRECTORS AS AT THE DATE OF THIS REPORT

The names of the directors of Consolidated Hallmark Insurance Plc as at the reporting period are as follows:

1. Mr. Obinna Ekezie	Non-Executive Director	Appointed 1st April 2016
2. Mr. Eddie Efekeoha	Managing Director	Retired 31st Dec 2023
3. Mr. Babatunde Daramola	Executive Director	Resigned 31st Dec 2023
4. Mrs. Mary Adeyanju	Managing Director	Effective date 1st Jan 2024
5. Mrs. Katherine Itua	Executive Director	Effective date 1st Jan 2024
6. Mr. Jimalex Orjiako	Executive Director	Effective date 1st Jan 2024
7. Mrs. Adebola Odukale	Non-Executive Director	Resigned 30th April 2024
8. Prince Ben C. Onuora	Non-Executive Director	Appointed 1st April 2016
9. Mr. Shuaibu Abubakar Idris	Independent Non-Executive Director	Appointed 26th Oct 2016
10. Dr. Layi Fatona	Non-Executive Director	Appointed 25th April 2019



Directors' Report

For The Year Ended 31 December 2023

DIRECTORS AND THEIR INTERESTS

The Directors of the Company who held office during the year together with their direct and indirect interest in the share capital of the Company were as follows:

Directors	Direct 2022	Indirect 2022	Direct 2023	Indirect 2023
Mr. Obinna Ekezie	-	526,537,893	-	526,537,893
Mrs. Adebola Odukale	-	1,151,979,358	-	1,151,979,358
Mr. Eddie Efekoha	1,040,000,000	586,798,809	1,040,000,000	586,798,809
Prince Ben Onuora	43,655,598	-	43,655,598	-
Dr. Layi Fatona	-	2,818,442,750	-	2,818,442,750
Mr. Babatunde Daramola	26,834,481	-	26,834,481	-
Mrs. Mary Adeyanju	33,953,777	-	33,953,777	-
Mr. Shuaibu Idris	-	-	-	-

Director	Indirect Interest Represented
Mr. Obinna Ekezie	Ugo (Dr.) Obi Ralph Ekezie
Mrs. Adebola Odukale	Capital Express Assurance Company Limited Capital Express Securities Limited Capital Express Managed Fund Capital Express Assets & Trust Ltd
Mr. Eddie Efekoha	Sephine Edefe Nigeria Limited
Dr. Layi Fatona	Aradel Plc (formerly known as Niger Delta Exploration & Production Plc) Nouveau Technologies & Associates Ltd

SUBSTANTIAL INTEREST IN SHARES

Shareholders who held more than 5% of the issued share capital of the Company as at 31st December 2023 were as follows:

Shareholder	Units Held	%
Niger Delta Exploration & Production Plc	2,754,442,750	25.41
Capital Express Assurance Co. Ltd	1,066,666,666	9.84
Mr. Eddie Efekoha	1,040,000,000	9.59
Sephine Edefe Nig Ltd	586,798,809	5.41



Directors' Report

For The Year Ended 31 December 2023

SHAREHOLDING ANALYSIS

The range of shareholding as at 31st December 2023 is as follows:

Range of Holding			No of Shareholders	Share Holdings	Share Holdings %
1	-	10,000	4,257	13,122,648	0.12%
10,001	-	100,000	4,146	135,676,703	1.25%
100,001	-	1,000,000	1,523	410,549,676	3.79%
1,000,001	-	10,000,000	298	748,967,922	6.91%
10,000,001	-	100,000,000	44	1,202,806,310	11.10%
100,000,001	-	ABOVE	15	8,328,876,741	76.83%
			10,283	10,840,000,000	100%

DIRECTORS RESPONSIBILITIES

The Company's Directors are responsible, in accordance with the provisions of Section 377 of the Companies and Allied Matters Act 2020, for the preparation of Financial Statements which give a true and fair view of the state of affairs of the Company as at the end of each financial year and of its profit and loss and cash flows for the year and that the statements comply with the International Financial Reporting Standard, Insurance Act 2003 and Companies and Allied Matters Act 2020. In doing so they ensure that:

- Proper accounting records are maintained.
- Adequate internal control procedures are established which as far as is reasonably possible, safeguard the assets, prevent and detect fraud and other irregularity.
- Applicable accounting standards are followed.
- Suitable accounting policies are consistently applied.
- Judgments and estimates made are reasonable and prudent and consistently applied.
- The going concern basis is used unless it is inappropriate to presume that the Company shall continue in Business.

FIXED ASSETS

Movements in fixed assets during the year are shown in Note 13. In the opinion of the Directors, the market value of the Company's fixed assets is not lower than the value shown in the Financial Statement.

CORPORATE GOVERNANCE REPORT

INTRODUCTION

The Company is unswerving in its adherence to the principles of corporate governance as enshrined in the regulators' codes. The Company recognizes the benefits that strict adherence to these codes afford its investors, the Company, the insurance industry and the financial market in Nigeria and beyond. The Company has thus, not reneged in its commitment and efforts toward ensuring full compliance with the various and similar standards required of it by its regulators.



Directors' Report

For The Year Ended 31 December 2023

THE BOARD

The Company's Board of Directors was made up of seasoned and accomplished professionals in the petroleum, insurance, accounting and banking industry. This assemblage of well-bred and accomplished professionals with vast experience who are very conscious of their various professional ethics and the regulated nature of the insurance business have over the years brought these experiences to bear by their robust, dispassionate and consistent review of the Company's policies.

COMPOSITION OF THE BOARD

The Board of CHI is made up of ten directors. The Board was made up of majority of Non-Executive Directors which makes it independent of Management and has thus, enabled the Board to carry out its oversight function in an objective and effective manner.

In tandem with the Nigerian Code of Corporate Governance 2018 and International Best Practice, the positions of the Chairman and the Chief Executive Officer/Managing Director are occupied by two separate persons.

The details of the composition of the Board are stated below:

Mr. Obinna Ekezie	Non-Executive Director (Appointed 1st April 2016)
Mr. Eddie Efekoha	Managing Director/Chief Executive Officer (Retired 31st Dec 2023)
Mrs. Mary Adeyanju	Managing Director (Effective Date 1st January 2024)
Mrs. Adebola Odukale	Non-Executive Director (Resigned 30th April 2024)
Prince Ben C. Onuora	Non-Executive Director (Appointed 1st April 2016)
Mr. Shuaibu Abubakar Idris	Independent Non-Executive Director (Appointed 26th Oct 2016)
Dr. Layi Fatona	Non-Executive Director (Appointed 25th April 2019)
Mr. Babatunde Daramola	Executive Director (Resigned 31st Dec 2023)
Mr. Jimalex Orjiako	Executive Director (Effective Date 1st January 2024)
Mrs. Katherine Itua	Executive Director (Effective Date 1st January 2024)

DUTIES OF THE BOARD

- To provide strategic direction for the Company.
- To approve budget of the Company.
- To oversee the effective performance of Management in running the affairs of the Company.
- To ensure human and financial resources are effectively deployed.
- To establish adequate system of internal control procedures that ensure the safeguard of assets and assist in the prevention and detection of fraud and other irregularities
- Following applicable accounting standards.
- Consistently applying suitable accounting policies.
- Ensures compliance with the Nigerian Code of Corporate Governance and with other applicable regulatory laws and guidelines.
- Performance appraisal of Board Members and senior executives.
- To approve the policies surrounding the Company's communication and information dissemination system.

MEETINGS OF THE BOARD

The Board meets regularly and ensures that the minimum standards in terms of attendance and frequency of meetings are complied with. The Board met eight times in 2023. Thus, it ensured that the requirement of meeting at least once in every quarter was surpassed. Required notices and meeting papers were sent in advance before the meeting to all the Directors while the Nigerian Exchange Limited was also given prior notice of every meeting of the Board.



Directors' Report

For The Year Ended 31 December 2023

BOARD COMMITTEES

To assist in the execution of its responsibilities, the Board discharges its oversight functions through various Committees put in place. The Committees are set up in line with statutory and regulatory requirements and are consistent with Global Best Practices. Membership of the Committees of the Board is intended to make the best use of the skills and experience of non-Executive Directors in particular.

The Committees have well defined terms of reference which set out their roles, responsibilities, functions, scope of authority and procedure for reporting to the Board. The Committees consider matters that fall within their purview to ensure that decisions reached are as objective as possible.

Set out below are the various Committees and the terms of reference of each Board Committee:

1. Board Finance, Investment & General Purpose Committee (FIGPC)
2. Board Audit, Risk Management & Compliance Committee (ARMCC)
3. Board Establishment, Governance & Remuneration Committee (EGRC)

1. BOARD FINANCE, INVESTMENT & GENERAL PURPOSE COMMITTEE (FIGPC)

PURPOSE

The Board Finance, Investment & General-Purpose Committee is responsible to the Board of Directors and it is mandated to oversee the Company's financial affairs on behalf of the Board and to give initial consideration to and advice on any other Board business of particular importance or complexity.

RESPONSIBILITIES

- To review and make recommendations to the Board on the annual budget and audited accounts of the Company.
- To recommend strategic initiatives to the Board.
- To review quarterly and annual performance against budget
- To consider and approve extra budgetary expenditure.
- To give anticipatory approvals on behalf of the Board and ensure that such approvals are ratified by the Board at next sitting.
- To present the investment policies and investment plans to the Board annually for approval and ensure that investments are made in accordance with the policies.
- To consider and advise the Board on strategic policies for the Company's investment programmes.
- To decide on the appropriateness of all investments within the Company that affects the Company's clients, lines of business, management and staff and also IT systems.
- To ensure that guidelines for investment comply with legal and regulatory requirements and that investment activities reflect the goals and strategy of the Company.
- To ensure that the assets of the Company are protected and effective control measures are put in place for sufficient internal checks and balances.
- To present the investment policies and investment plans to the Board annually for approval and ensure that investments are made in accordance with the policies.
- To consider and advise the Board on strategic policies for the Company's investment programmes.
- To approve all investment in excess of the limits delegated to Management Investment Committee.
- To approve provisions for non-performing investments based on presentation by the CEO and in line with existing regulations.
- To review Management Investment Committee's authority level as and when deemed necessary and recommend new levels to the Board for consideration.
- To conduct quarterly review of investments granted by the Company to ensure compliance with the Company's internal control systems and investment approval procedures.
- To notify all Director-related investment to the Board.
- To ensure that the investment assets of the Company are protected and effective control measures are put in place for sufficient internal checks and balances.
- To monitor and notify the top debtors to the attention of the Board.
- Any other matter that is not specifically covered by any other Committee.
- Any other matter as may be delegated to the Committee by the Board from time-to-time.



Directors' Report

For The Year Ended 31 December 2023

MEETINGS OF THE COMMITTEE

The Committee meets as often as it considers necessary, but not less than once per quarter. The Committee met four times during the period under review.

MEMBERSHIP/COMPOSITION

Mrs. Bola Odukale	Non-Executive Director	Chairman (Resigned 30th April 2024)
Prince Ben Onuora	Non-Executive Director	Member
Dr. Layi Fatona	Non-Executive Director	Member
Mr. Eddie Efekoha	Managing Director	Member (Retired 31st Dec 2023)
Mr. Babatunde Daramola	Executive Director	Member (Resigned 31st Dec 2023)
Mrs. Mary Adeyanju	Managing Director	Member (Effective 1st January 2024)

2. BOARD AUDIT, RISK MANAGEMENT & COMPLIANCE COMMITTEE (ARMCC) PURPOSE

The primary objective of the Audit, Risk Management & Compliance Committee of the Board is to monitor and provide effective supervision of the Management's Financial Reporting Process with a view to ensuring accurate, timely and proper disclosures, transparency, integrity and quality of financial reporting.

The Committee also oversees the work carried out in the financial reporting process by Management, Internal Auditor and the External Auditor. The Committee has the power to investigate any activity within its terms of reference, seek information from any employee when necessary and obtain external legal or professional advice from experts when necessary.

RESPONSIBILITIES

- Monitors the integrity of the Financial Statements of the Company and any formal announcements relating to the Company's financial performance, reviewing significant reporting judgments contained in them, assisting the Board's oversight of the Company's compliance with applicable legal and regulatory requirements in this respect.
- Reviews and approves the External Auditors' terms of engagement, propose fees and planned audit scope.
- Oversees, monitors and reviews the functions and effectiveness of Internal Audit.
- It reviews the scope and planning of Internal Audit requirements.
- It reviews findings on Management matters in conjunction with the External Auditors.
- To review the effectiveness of the Company's system of accounting and internal control.
- To promote, co-ordinate and monitor risk management activities, including regular review and input to the corporate risk profile.
- To ensure that principal risks of the Company's business are identified and effectively managed.
- To ensure that infrastructure, resources and systems are in place for risk management.
- Review the risk mitigation programmes for completeness, adequacy, proportionality and optimal allocation of resources.
- Setting the Company's tolerance for risks.
- Ensuring that Management establishes a framework for assessing the various risks.
- To make recommendations to the Board with regard to the appointment, removal and remuneration of the External Auditors.
- It has the power to instruct the Internal Auditors to carry out investigations into any of the Company's activities which might be of interest or concern to the Board.
- The Committee is responsible for the review of the integrity of the Company's financial reporting and oversees the independence and objectivity of the External Auditors.
- The Committee may seek explanations and additional information from the External Auditors with management presence.
- It receives quarterly reports of the Internal Auditors.



Directors' Report

For The Year Ended 31 December 2023

MEETINGS OF THE COMMITTEE

The Committee meets not less than four times per annum and more frequently as circumstances require. This Committee met five times during the period under review..

MEMBERSHIP/COMPOSITION

Mr. Shuaibu Idris Mrs. Bola Odukale Mr. Eddie Efekoha	Independent Non-Executive Director Non-Executive Director Managing Director	Chairman (Resigned 30th April 2024) Member (Retired 31st Dec 2023)
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3. BOARD ESTABLISHMENT, GOVERNANCE & REMUNERATION COMMITTEE PURPOSE

The Committee deals with matters affecting executive management staff as it relates to recruitment, assessment, promotion, disciplinary measures, career development amongst others. The Committee is also responsible for monitoring corporate governance developments, best practices for corporate governance and furthering the effectiveness of the Company's corporate governance practices.

RESPONSIBILITIES

- To review from time to time the People Management Policies and make recommendations to the Board as appropriate.
- To review and recommend recruitment, appointment and promotion of Top Management Staff.
- Consideration and approval of disciplinary matters and exit/severance matters pertaining to Top Management Staff.
- To review periodically, reports on productivity/performance of Top Management.
- To review staff compensation and welfare packages and make recommendations to the Board.
- To consider and approve annual training programmes for the Company's staff in order to ensure overall staff development.
- To develop a formal, clear and transparent framework for the Company's remuneration policies and procedures.
- To make recommendations on compensation structure for Executive Directors.

In carrying out its Corporate Governance functions, the Committee shall undertake the following duties:

- Evaluate the current composition, organisation and governance of the Board and its Committees, as well as determine future requirements and make recommendations in this regard to the Board for its approval.
- Oversee the evaluation of the Board.
- Recommend to the Board, Director nominees for each Committee of the Board.
- Coordinate and recommend Board and Committee meeting schedules.
- Advise the Company on the best business practices being followed on corporate governance issues nationally and globally.
- Recommend to the Board the governance structure for the management of the affairs of the Company.
- Review and re-examine the Board charter regularly and make recommendations to the Board for any proposed changes; and
- Annually review and evaluate Board performance.



Directors' Report

For The Year Ended 31 December 2023

MEETINGS OF THE COMMITTEE

The Committee meets at least once in each quarter and when necessary. The Board Establishment, Governance & Remuneration Committee met six times during the period under review.

MEMBERSHIP/COMPOSITION

Prince Ben Onuora	Non-Executive Director	Chairman
Mr. Shuaibu Idris	Independent Non-Executive Director	Member
Dr. Layi Fatona	Non-Executive Director	Member

ATTENDANCE AT BOARD & ITS COMMITTEES' MEETINGS

	BOARD	FIGPC	ARMC	BEGRC
Mr. Obinna Ekezie	8	N/A	N/A	N/A
Mr. Eddie A. Efekoha	8	4	5	N/A
Mr. Shuaibu Idris	8	N/A	N/A	6
Prince Ben Onuora	8	4	5	6
Mrs. Adebola Odukale	8	4	5	N/A
Dr. Layi Fatona	7	4	5	6
Mrs. Mary Adeyanju	8	4	5	N/A
Mr. Babatunde Daramola	8	4	5	N/A
	25/01/23	19/01/23	19/01/23	19/01/23
	27/02/23	21/04/23	24/02/23	21/02/23
	26/04/23	20/07/23	21/04/23	21/04/23
	26/07/23	19/10/23	20/07/23	18/07/23
	30/08/23		19/10/23	24/08/23
	25/10/23			18/10/23
	15/11/23			
	21/12/23			

TENURE OF DIRECTORS

The tenure of the Non-Executive Directors is limited to three terms of three years each. This is in compliance with NAICOM's Corporate Governance Guidelines for Insurance and Reinsurance Companies 2021 and also fueled by the necessity to refresh the Board by continually injecting new energy, fresh ideas and perspectives.



Directors' Report

For The Year Ended 31 December 2023

5. STATUTORY AUDIT COMMITTEE

The constitution and composition of the Statutory Audit Committee is in compliance with Section 404 of the Companies and Allied Matters Act, 2020. The Committee is made of two Directors and three representatives of Shareholders.

The Statutory Audit Committee, amongst other things examines the Auditor's report and make recommendations thereon at the Annual General Meeting as it deems fit. The Committee's composition is set out below:

Dr. Tony Anonyai Chief Simon Okiatorhoro Chief James Emadoye Mr. Shuaibu Idris Mrs. Bola Odukale	Shareholders' Representative Shareholders' Representative Shareholders' Representative Independent Non-Executive Director Non-Executive Director	Chairman (Resigned 9th November 2023) Member Member Member Member (Resigned 30th April 2024)
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RESPONSIBILITIES

- Ascertain whether the Accounting and Reporting Policies of the Company are in accordance with legal requirements and agreed ethical practice.
- Review the scope and planning of the Company/ Group annual audit exercise.
- Review the audit findings as contained in Management Letters and the Management responses thereon with External Auditors.
- Review the effectiveness of the Company's system of Accounting and Internal Control.
- Authorize the Internal Auditor to carry out investigations into any activities of the Company which may be of interest or concern to the Committee.
- Examine the Auditor's Report and make recommendations thereon to Shareholders at Annual General Meetings and to the Board as it deems fit.
- Assess qualifications and independence of External Auditor and performance of the Company's Internal Audit function as well as that of External Auditors.
- Ensure the development of a comprehensive Internal Control framework for the Company; obtain assurance and report annually in the financial report, on the operating effectiveness of the Company's Internal Control framework.
- At least on an annual basis, obtain and review a report by the internal auditor describing the strength and quality of internal controls including any issues or recommendations for improvement, raised by the most recent internal control review of the company.
- Meet separately and periodically with management, internal auditors and external auditors to review audit exercise, internal control issues and any other issues.
- Review and ensure that adequate whistle-blowing procedures are in place. A summary of issues reported are highlighted to the Chairman.
- Review the independence of the External Auditors and ensure that where non audit services are provided by the External Auditors, there is no conflict of interest.
- Preserve auditor's independence, by setting clear hiring policies for employees or former employees of Independent Auditors.
- Consider any related party transactions that may arise within the Company or Group.
- Invoke its authority to investigate any matter within its Terms of Reference and the Company must make available the resources to the Internal Auditors with which to carry out this function including access to external advice where necessary.



Directors' Report

For The Year Ended 31 December 2023

MEETINGS OF THE COMMITTEE

The Committee meets at regular intervals and when necessary to consider and review issues within its purview. The Statutory Audit Committee met four times during the period under review.

Members		28/02/23	21/04/23	20/07/23	19/10/23
Mr. Tony Anonyai	Shareholder/Chairman	✓	✓	✓	✓
Chief James Emadoye	Shareholder	✓	✓	✓	✓
Chief Simon Okiotorhoro	Shareholder	✓	✓	✓	✓
Mrs. Bola Odukale	Director	✓	✓	✓	✓
Mr. Shuaibu Idris	Director	✓	✓	✓	✓

SHAREHOLDERS RIGHTS

The Board is continuously committed to the fair treatment of shareholders and ensures that the shareholders are given equal access to information about the Company irrespective of their shareholdings. The general meetings of the Company have always been conducted in an open manner which allows for free discussions on all issues on the agenda. The statutory and general rights of the shareholders are protected at all times.

Representatives of regulatory bodies such as the NAICOM, SEC and the NGX are always in attendance at our annual general meetings. The representatives of the shareholders' associations also attend the Company's general meetings and they are allowed to make full and fair participation during the meetings.

CONFLICT OF INTEREST

CHI has a policy in place that requires prompt disclosure from Directors of any real or potential conflict of interest that they may have regarding any matter that may come before the Board or its Committees. CHI policy requires any Director who has or may have a conflict of interest to abstain from discussions and voting on such matters.

DIRECTORS' NOMINATION AND APPOINTMENT PROCESSES

Appointment to the Board is regulated by an approved Board Appointment Policy which accords with best practice, the requirements of the applicable codes of Corporate Governance and the provisions of the Companies and Allied Matters Act 2020.

TRAINING AND INDUCTION OF NEW DIRECTORS

Annual training are organized for directors to enable them perform their responsibilities optimally. Board Retreat is also an avenue where the Board Members are trained and refreshed on their fiduciary duties to the Company and on emerging trends in the insurance industry and the general business environment.

Newly appointed Directors are made to undergo induction with the Board and top executives of the Company to aid seamless integration into the responsibilities of the Board. The Board Retreat also serves as an opportunity for integrating new Directors into the Board.

THE COMPANY SECRETARY

The Company Secretary primarily assists the Board and Management in the implementation and development of good corporate governance. The Company Secretary provides guidance and advice to the Board and the Management of the Company on issues of ethics, conflict of interest and good corporate governance.

The Company Secretary also does the following: (1) Advise the Directors on their duties and ensure that they comply with corporate legislation and the Articles of Association of the Company; (2) Arrange meetings of the Directors and the Shareholders. This responsibility involves the issue of proper notices of meetings, preparation of agenda, circulation of relevant papers and taking and producing minutes to record the business transacted at the meetings and the decisions taken.



Directors' Report

For The Year Ended 31 December 2023

REMUNERATION

CHI has a comprehensive remuneration policy for Directors and all levels of Management staff. Our remuneration policy is adequate to attract, motivate and retain skilled, qualified and experienced individuals required to manage the Company successfully. The statement of the Directors remuneration is contained in the Audited Financial Statement.

SUSTAINABILITY REPORTING

The following principles and practices are part of the Company's approach towards ensuring a sustainable socio-economic environment:

• Corruption

Ours is a Company that abhors corruption in business practice. To ensure activities in this regard are discouraged, we have put in place an Anti- bribery policy which is included in all Service Level Agreements with vendors.

• Environmental Protection

The nature of our services is not such that emit hazardous substances to the environment. We nonetheless have in place a robust Enterprise Risk Management framework. This consists of a policy and a set of procedures to identify, assess and manage environmental and other risks.

• HIV/AIDS

The Company does not discriminate in the employment of persons living with HIV/AIDS and any form of disability. This is explicit in the employment policy.

• Awareness Creation

We are known as the foremost contributor to tertiary education in insurance through the annual Consolidated Hallmark Insurance Essay Competition. This forms part of our Corporate Social Responsibilities

SPONSORSHIP AND DONATIONS

In line with our Corporate Social Responsibility initiatives, sponsorship and donations were made to various organisations during the year, including:

Organization	Amount
Ikeja Golf Club	250,000
Ikoyi Club 1938	250,000
Chartered Insurance institute of Nigeria	1,550,000
Mind Builders School	50,000
National Association of Insurance and Pension Correspondents	350,000
Professional Insurance Ladies Association	500,000
Hallmark Health Services Limited CSR Initiatives	1,500,000
Nigerian British Chamber of Commer	500,000
Tamilore Areola Foundation TAF	500,000
Corporate Farmers International	200,000
Actual Science and Insurance Students' Association of Nigeria	100,000
Chartered Institute of Arbitrators	1,000,000
Total	6,750,000

EMPLOYMENT AND EMPLOYEES

• Employment of Disabled Persons

The Company does not discriminate in considering applications for employment from disabled persons. If a disabled person meets all recruitment requirements, the Company shall not by reason of disability deny such a person from employment opportunity but would make adequate provision for the accommodation of such person. However, as at 31st December 2023 there was no disabled person in the Company's employment.



Directors' Report

For The Year Ended 31 December 2023

• Employees' Training and Involvement

The Company ensures that the employees are kept fully informed of the values, goals and performance plans and progress during the year. They are involved in the goal setting at the beginning of the year and meet regularly to review performances. They make recommendations on innovative ideas towards meeting customers' expectations and improving on general operations and relationships within the Company. The Company pays strong importance to the use of our core values in the discharge of duties across the Company and acquisition of technical expertise through extensive internal and external training, on the job skills enhancement and professional development.

• Health, Safety and Welfare of Employees

The Company strictly observes all safety and health regulations. Successfully managing HSE issues is an essential component of our business strategy. Through observance and encouragement of this policy, we assist in protecting the environment and the overall well-being of all our stakeholders, specifically, our employees, clients, shareholders, contractors, and host communities.

We conduct regular fire training and drilling exercises to sensitize all staff and stakeholders of the need to be safety conscious. The Company ensures that all safety measures are observed in all locations.

During the period under consideration, we did not experience any workplace accident or health hazards.

Employees are registered with Health Management Organizations of their choice for provision of medical services at the designated hospitals. We equally have arrangements with offsite hospitals to cater for emergency cases that occur during working hours.

SECURITY TRADING POLICY

In compliance with the requirement of section 14 of the Nigerian Exchange Limited amended rules, the Company has in place a Security Trading Policy which is designed to prevent Insider Trading in the Company's securities by Board Members, Executive Management and persons that are closely related to them who are privy to price sensitive information.

The policy also prevents them from releasing such price sensitive information to their privies or agent for the purpose of trading in the Company's shares.

AUDITORS

The Auditors, PKF Professional Services have indicated their willingness to serve as the Company's External Auditors in accordance with section 401 of the Companies and Allied Matters Act 2020.

A resolution will be proposed at the Annual General Meeting to ratify and authorize the Directors to fix their remuneration.

COMPLIANCE STATEMENT

The Board of Directors affirm that it is in substantial compliance with the Nigerian Code of Corporate Governance and requirements of the Securities and Exchange Commission, National Insurance Commission, the Financial Reporting Council, the Nigerian Exchange Limited, the Corporate Affairs Commission and other applicable regulatory requirements of Governments Agencies.

By Order of the Board



RUKEVWE FALANA

Company Secretary

FRC/2016/NBA/00000014035





With my **CREDIT INSURANCE,**
I have **REST OF MIND.**


CHI MicroInsurance
www.chimicroinsure.com

   @MyCHImicro
Tel: 0809 055 7508

Code of Conduct for Directors and Employees

1. In accordance with legal requirements and agreed ethical standards, Directors and employees of the company will act honestly, in good faith and in the best interests of the Company;
2. Directors owe a fiduciary duty to the Company as a whole, and have a duty to use due care and diligence in fulfilling the functions of office and exercising the powers attached to that office;
3. Directors shall undertake diligent analysis of all proposals placed before the Board and act with a level of skill expected from directors of the company;
4. Directors and employees shall keep confidential, information received in the course of the exercise of their duties and such information remains the property of the Company and it is improper to disclose it, or allow it to be disclosed, unless that disclosure has been authorised by the person from whom the information is provided, or is required by law;
5. Directors and employees shall not take improper advantage of their positions or use the position for personal gain or to compete with the company;
6. Directors and employees shall not take advantage of company property or use such property for personal gain or to compete with the company;
7. Directors and employees shall protect and ensure the efficient use of the company's assets for legitimate business purposes;
8. Directors and employees shall not allow personal interests, or the interest of any associated person, to conflict with the interests of the Company;
9. Directors shall make reasonable enquiries to ensure that the company is operating efficiently, effectively and legally, towards achieving its goals;
10. Directors shall not engage in conduct likely to bring discredit upon the company, and should encourage fair dealing by all employees with the company's customers, suppliers, competitors and other employees;
11. Directors shall encourage the reporting of unlawful/unethical behaviour and actively promote ethical behaviour and protection for those who report violations in good faith;
12. Employees of the Company shall abide by all applicable law, rules and regulations in the discharge of their duties to the Company.
13. Directors are under obligation, at all times, to comply with the principles of the Company's Memorandum and Articles of Association, National Insurance Commission/Securities and Exchange Commission codes of Corporate Governance and The Nigerian Exchange Listing Rules.



Independent Board Evaluation Report to the Shareholders of Consolidated Hallmark Insurance Limited



13 May 2024

TO: THE SHAREHOLDERS OF CONSOLIDATED HALLMARK INSURANCE LIMITED

INDEPENDENT BOARD EVALUATION REPORT FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2023

We, EL-Values Advisory, were appointed by Consolidated Hallmark Insurance Ltd. (“CHI”) to carry out an evaluation of the Board of Directors of the Company for the year ended 31st December 2023. The assignment required that the Board Evaluation be conducted in line with the requirements of the Nigerian Code of Corporate Governance 2018, the NAICOM Guidelines 2021, the SEC Corporate Governance Guidelines 2020, the Companies and Allied Matters Act as amended 2020 (CAMA 2020), and relevant international best practices applicable to CHI for the financial year ended 31st December 2023.

In executing the assignment, we reviewed relevant Corporate Governance documents and examined Board practices as they relate to the key Focus areas of Board Structure and Composition; Strategy and Planning; Board Functioning and Effectiveness; Monitoring, Measuring, and Reporting Performance; Risk Management, Audit, and Compliance (including Technology Governance); Sustainability and Good Corporate Citizenship; and Transparency and Disclosure. Our review extended to the committees of the Board. We also used a Peer Evaluation approach to assess the performance, roles, and activities of the Individual Directors. The peer evaluations have been provided to the Chairman for discussion with the individual directors.

We obtained all the information and explanations necessary and relevant to our evaluations and believe these were appropriate to provide a foundation for our conclusions and recommendations.

The report of the board evaluation with the Board's areas of strength and recommended improvements has been presented to the Board of Directors for their attention and implementation of recommendations.

Our analysis and findings indicate that the Board and its Committees discharged their duties, responsibilities, and oversight functions adequately within the period under review. The Board has also shown good commitment to the principles of Corporate Governance.

Thank you.

Dr. Nechi Ezeako, FCIS, MCIOB, HCIB, MCI Arb
EL-Values Advisory



Statement of Directors' Responsibilities

In accordance with the provisions of Section 334 and 335 of the Companies and Allied Matters Act 2020 and Sections 24 and 28 of the Banks and Other Financial Institutions Act 1991, the Directors are responsible for the preparation of Annual Financial Statements which give a true and fair view of the financial position at the end of the Financial Year of the Company and its Subsidiaries and of the operating result for the year then ended.

The responsibilities include ensuring that:

- Appropriate and adequate internal controls are established to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.
- The Group keeps proper accounting records which disclose with reasonable accuracy the financial position of the Group and which ensure that the Financial Statements comply with the requirements of the Companies and Allied Matters Act, 2020, Banks and Other Financial Institutions Act, 1991, Insurance Act 2003, Financial Reporting Council Act 2011 and Prudential Guidelines issued by NAICOM.
- The Group has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates, and that all applicable accounting standards have been followed; and
- The Financial Statements are prepared on a going concern basis unless it is presumed that the Group will not continue in business.

The Directors accept responsibility for the year's Financial Statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates in conformity with;

- Insurance Act 2003
- International Financial Reporting Standards;
- Companies and Allied Matters Act 2020;
- Banks and Other Financial Institutions Act, 1991;
- NAICOM Prudential Guidelines; and
- Financial Reporting Council Act, 2011.

The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Group and of its operating result for the year ended.

The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of the Financial Statements, as well as adequate systems of financial control. Nothing has come to the attention of the Directors to indicate that the Group will not remain a going concern for at least twelve months from the date of this Statement.

Signed on behalf of the Directors on December 31, 2023 by:



Mr. Eddie Efekoha
Group Chief Executive Officer
FRC/2013/CIIN/00000002189



Shuaib Abubakar Idris (mni)
(Chairman) Board of Director
FRC/2014/ANAN/0000008186



Certification Pursuant to Section 60 (2) of Investment and Securities Act No. 29 of 2007

We the undersigned hereby certify the following with regards to our Audited Financial Statements for the period ended December 31, 2023 that:

a. We have reviewed the report;

To the best of our knowledge, the report does not contain:

- i. Any untrue statement of a material fact, or
- ii. Omit to state a material fact, which would make the statements misleading in the light of circumstances under which such statements were made;

b. To the best of our knowledge, the Financial Statement and other financial information included in this report fairly present in all material respects the financial condition and results of operation of the Company as of, and for the periods presented in this report.

c. We:

- Are responsible for establishing and maintaining internal controls.
- have designed such internal controls to ensure that material information relating to the Company and its consolidated subsidiaries is made known to such officers by others within those entities particularly during the period in which the periodic reports are being prepared;
- have evaluated the effectiveness of the Company's internal controls as of date within 90 days prior to the report;
- have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date;

d. We have disclosed to the auditors of the Company and Audit Committee:

- i. All significant deficiencies in the design or operation of internal controls which would adversely affect the Company's ability to record, process, summarize and report financial data and have identified for the Company's auditors any material weakness in internal controls, and
- ii. Any fraud, whether or not material, that involves Management or other employees who have significant role in the Company's internal controls.

We have identified in the report whether or not there were significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.



Mr. Babatunde Daramola
Group Chief Financial Officer
FRC/2012/ICAN/00000000564



Mr. Eddie Efekoha
Group Chief Executive Officer
FRC/2013/CIIN/00000002189



Internal Control & Risk Management Report

Introduction

CHH, and its subsidiaries remains steadfast in its commitment to implementing a disciplined approach to risk management, ensuring robustness, independence, and alignment with Global Best Practices. The Company's Enterprise Risk Management (ERM) framework, as outlined in CHI's Risk Management Strategy, encompasses various risk classes including strategic, insurance, operational, financial, and hazard risks. This framework, supported by the Board's governance and an approved risk appetite, serves as the cornerstone for reducing uncertainty and enhancing business performance stability.

Risk Management Framework

CHH relies on a comprehensive risk management framework, with a governance process delineating clear responsibilities for risk-taking, management, monitoring, and reporting. This governance structure extends from the Board of Directors and Chief Executive Officer (CEO) down to business units and functional areas, embedding risk management throughout the organization.

Documented policies and guidelines, notably the Risk Policy, dictate risk tolerance, risk limits, reporting requirements, and procedures for exceptions and issues escalation. The Risk Policy undergoes regular enhancements to reflect evolving insights and environmental changes, ensuring alignment with the Company's risk tolerance. Adherence to these policies is rigorously assessed, with transparent risk reporting to both Management and the Board facilitated through the Board Audit, Risk Management, and Compliance Committee.

Timely referral mechanisms ensure that risk issues are promptly escalated to Senior Management and the Board of Directors. Various governance and control functions collaborate to ensure objectives are achieved, risks are identified and managed effectively, and internal controls operate efficiently.

Risk Appetite

CHH's risk appetite underpins its ERM framework, guiding the level of risk the Board and Management are willing to accept in pursuit of organisational objectives. This appetite permeates strategic and business planning decisions, with ongoing monitoring against established boundaries.

In line with CHI's core values and the expectations of stakeholders, the Group only takes reasonable risks that fit its strategy and capability, and that can be understood and managed, and do not expose the Group to:

- Harmful conditions affecting safety and health of employees, and the public.
- Material financial loss impacting the financial viability and strategy execution.
- Material breach of regulatory guidelines that could lead to loss of critical operational and business licences, and / or substantial fines.
- Material damage to the Group's reputation and brand name.
- Business process interruptions that could lead to negative customer opinion of our services.

CHH established risk profiling criteria in line with its risk appetite to help assess and prioritise each identified risk according to its consequence and likelihood. In assessing the consequence of a risk, CHI considers financial consequences, in addition to non-financial ones, comprising Safety and Health, Environment, Regulatory and Governance, Reputation, and Operations and Systems.

Governance

The Board assumes a pivotal role in the ERM framework, overseeing the effective implementation of risk management strategies and defining risk appetite boundaries. Supported by the Board Audit, Risk Management, and Compliance Committee, the Board ensures active and appropriate risk management aligned with the stated appetite, strategy, and business plans.



Internal Control & Risk Management Report

CHH adheres to the "three lines of defence" governance model, ensuring coordinated risk management efforts and clear accountabilities across all levels of the organization. The first line is responsible for managing the risk that arises as a result of activities undertaken in our risk-taking businesses. The second line includes the risk management functions which is responsible for the maintenance and monitoring of the risk management framework, as well as the measurement and reporting of risk performance and compliance. The third line is provided by the internal audit function, which is responsible for providing independent assurance to the Board through the Board Audit, Risk Management and Compliance committee that risk management and internal control frameworks are working as designed.

Risk Culture

Risk culture, defined as observable patterns of behavior concerning risk, is integral to CHI's ERM framework. Efforts are directed towards aligning risk culture with the broader organisational culture and conduct risk, while emphasizing first-line accountability. Initiatives to bolster risk culture are ongoing, reinforcing a culture of prudent risk-taking across the Company.

Emerging Risks

CHH acknowledges the dynamic nature of the risk environment, and the Group ensures active monitoring and analysis of emerging risks so as to mitigate potential impacts or exploit opportunities. The risk management framework facilitates identification, assessment, and mitigation of both existing and emerging risks.

Business Risk

Business risk, encompasses potential revenue shortfalls due to strategic or reputational reasons, Business risk is managed through rigorous due diligence, stakeholder engagement, profitability monitoring, cost management, and responsiveness to market changes.

The approach followed by the Company in quantifying business risk is to estimate a net revenue or loss distribution for each business unit.

Reputational Risk

Reputational risk results from damage to the Company's image which may impair its ability to retain and generate business. Such damage may result from a breakdown of trust, confidence, or business relationships.

Protecting the Company's reputation is paramount, with each business unit tasked with identifying, assessing, and mitigating reputational risks. Aligned with the Company's values, efforts are directed towards minimizing reputational damage, considering both likelihood and impact of potential risks.

The Company's agreed values provide guidance on acceptable behaviours for all staff members and provide structure and guidance for non-quantifiable decision making, thereby assisting in the management of the Company's reputation.

Conclusion

In an inherently volatile economy and insurance industry, CHI's commitment to sound risk management has proven effective in ensuring continued seamless service delivery to customers. Recognizing the ongoing importance of enhancing risk management capabilities, CHI remains dedicated to achieving its financial and strategic objectives within approved risk appetite levels.

Babajide Solesi

Ag. Group Chief Risk Officer
FRC/2012/ICAN/00000000487



Complaint Policy

Prior to the directive of the Industry regulators, we have been attending to and resolving legitimate complaints from our shareholders, customers and stakeholders with speed. We are at this juncture conveying our complaints management policy to the public as directed by the National Insurance Commission and the Securities and Exchange Commission.

INTRODUCTION/OBJECTIVE

The Company acknowledges that there are situations that will warrant complaints to be made by our clients and other stakeholders and further acknowledge that the clients and other stakeholders have the right at any time using the medium stated below to make their complaint known.

The Company hereby states that it will ensure that every complaint received is resolved to the satisfaction of all parties within the timeline stated below. In doing this, the Company will ensure that its complaint resolution processes are efficient, fair and accessible to all clients and customers.

DEFINITION OF TERMS

1. Complaint means in the context of this policy any written expression of grievance by or on behalf of a complainant concerning our service delivery in general or as it relates to the actions or negligence of any member of our staff, management, board members, that has not been resolved after the initial steps to resolve the complaint have been taken informally.
2. Complainant means any natural person or legal person who files a written complaint. There are also special procedures for complaints made by employees of Consolidated Hallmark Holdings Plc. and its subsidiaries
3. Complaint Coordinator (s) - Depending on the nature of the complaint, the Chairman, Board, Managing Director or the Internal Complaint committee made up of the heads or assigned members of the following groups-Customer Service, Finance, Systems & Investment Directorate, Technical Group, Audit and Risk Management Group and the Legal, Compliance and Human Resources will critically analyse the complaint with a view to resolving any issue or complaint made by the complainant within a reasonable timeframe.

Complaint Resolution Stages:

The following are the stages followed in resolving any complaint received from any of our clients or stakeholders:

- a. First Stage- Notification and Acknowledgement: All complaints received will be acknowledged by the front desk officers and forwarded to the Personal Assistant of the Managing Director who shall record such complaints and forward same to the relevant groups or units for resolution. For complaints received via email and other social networks, the appropriate officer of the company will acknowledge the receipts of such complaints not later than two working days after the receipt of such complaints while other complaints received by post shall be acknowledged in writing not later than 5 working days of the receipt of such complaints. Efforts shall be made to resolve complaints within 5 days of the receipt of such complaints.
- b. Second Stage- Complaints not resolved within 5 days shall be forwarded to the Executive Director Operations for resolution. Attempts shall be made at this stage to resolve such complaints within ten working days.
- c. Third Stage- Where necessary and in cases where such complaints could not be resolved at the second stage, the Internal Complaint Committee shall convene a meeting to review such complaints with the aim of resolving them. The Complainant will at this stage be informed of the delay to the resolution of his or her complain.
- d. Fourth Stage- Complaints that could not be ultimately resolved by the Company depending on the nature and peculiarities of such complaints will be forwarded to the National Insurance Commission, Securities and Exchange Commission and Nigerian Stock Exchange. The Complainant will be notified of such referrals to any of the regulators.

Modes of Filing Complaint: A complaint can be filed by either submitting a letter of complaint addressed to the Managing Director/ Chief Executive Officer of Consolidated Hallmark Insurance Plc at 266 Ikorodu Road, Obanikoro Lagos or via an email to info@chiplc.com. Complaints can also be sent to our social media network accounts: @myCHIplc



Complaint Policy continued

Condition for Resolution & Closure/Declinature: The Company shall only entertain and resolve only legitimate claims and complaints to the extent that such complaints and claims where they relate to insurance contracts are received within the tenor of an insurance policy, justifiable under the Insurance Act, Regulations and Guidelines and as required by the applicable provisions of the law in other non-insurance matters.

Complaints that are within the purview of law enforcement agencies shall be entertained by the Company. The Company will endeavour to resolve complaints within ten working days except for situation where further documentations are required from the customer and delay in receiving such document is occasioned by the customer as in application to claims related complaints.

The complaint may be sent through any of the social network medium of the Company, via email or by post (and where sent by a written letter must be signed by the complainant) and should include the following information:

- a. Full name
- b. Full address
- c. Mobile Number
- d. E-mail address
- e. Signature of the complainant
- f. Date
- g. A description and reason for objecting to the act or issue complained about;

The Company will endeavour to resolve all complaints within ten Working days of the receipt of the complaint. If any matter or complaint could not be resolved by the Company within ten working days, the appropriate regulator depending on the nature of the complaint will be notified within two working days with reason[s] for the delay and/or inability to resolve the complaint and refer such complaints to the regulators in deserving cases that require the regulators' intervention.

The Company shall be guided by the twin pillars of natural justice, audi alteram partem [each party shall be given the opportunity to respond to the evidence against them] and nemo judex in causa sua [no one should be a judge in his own cause] in the resolution of all complaints received.

Complaint register: the Company shall also maintain a complaint register which shall contain the following information:

- a. Name of the complainant
- b. Date of the complaint
- c. Nature of the complaint
- d. Complaints details in brief
- e. Resolution date
- f. Remarks/comment.

Record keeping: record of all complaints received and action taken together with records of the resolved complaints shall be kept by the Head of Customer Service and subject of review on a monthly basis by the Divisional Head of the Technical Group and by the Executive Management Team. The Internal Complaint Committee shall also review records of complaints received at its meeting and at any event on a quarterly basis.



Rukevwe Falana

Company Secretary

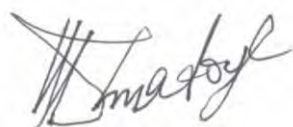
FRC/2016/NBA/00000014035



Report Of The Audit Committee

In accordance with the provision of section 404(7) of the Companies and Allied Matters Act 2020, we the Members of the Statutory Audit Committee of Consolidated Hallmark Holdings Plc, having carried out our statutory functions under the Act, hereby report as follows:

1. We confirm that we have reviewed the Audit Plan and scope and the Management letter on the audit of the account of the Company and the responses to the said letter.
2. In our opinion, the plan and scope of the audit for the year ended 31st December 2023 are adequate. We have reviewed the Auditor's findings and we are satisfied with the Management responses thereon.
3. The accounting and reporting policies of the Company conformed to statutory requirements and agreed ethical practices.
4. The internal control was being constantly and effectively monitored.
5. The Committee reviewed the internal audit programmes and report for the year and is satisfied with the status.
6. Finally, we acknowledge and appreciate the co-operation of Management and Staff in the conduct of these duties.



Chief James Emadoye

Chairman of the Audit Committee
FRC/2012/COY/00000000352

Dated 29th, April 2024.

MEMBERS OF THE AUDIT COMMITTEE

Chief James Emadoye	Shareholders' Representative	Chairman
Chief Simon Okiatorhoro	Shareholders' Representative	Member
Mrs. Adebola Odukale	Non-Executive Director	Member (Resigned 30th April 2024)
Mr. Shuaibu Idris mni	Independent Non-Executive Director	Member
Dr. Tony Anonyai	Shareholders' Representative	Member (Resigned 9th November 2023)

The Company Secretary/Legal Adviser acted as the Secretary to the Committee.





Independent Auditor's Report

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Central District Area, FCT, Abuja.

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INDEPENDENT AUDITOR'S REPORT

To the Members of Consolidated Hallmark Holdings Plc

Report on the Audit of the Consolidated Financial Statements for the year ended 31st December, 2023

Opinion

We have audited the consolidated financial statements of Consolidated Hallmark Holdings Plc (**the Company**) and its subsidiaries (**altogether, the Group**), which comprise the consolidated statement of financial position as at December 31, 2023 and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of **Consolidated Hallmark Holdings Plc and its subsidiaries** as at December 31, 2023 and of its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) applicable and in the manner required by the Financial Reporting Council Act 2011, Companies and Allied Matters Act, 2020, the Insurance Act 2003 of Nigeria, the Investments and Securities Act 2007 and the relevant NAICOM circulars.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the international Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The following key audit matters were identified:

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Consolidated Hallmark
Holdings Plc



Independent Auditor's Report

Key Audit Matters

Valuation of Insurance Contract Liabilities

Refer to note 15 in the Group financial statements

Management has estimated the value of insurance contract liabilities in the Group financial statements to be N9.979 billion as at year ended 31st December, 2023 based on a liability adequacy test carried out by an external firm of actuaries. The valuation depended on a set of key assumptions, and significant judgements including supposition that:

---Estimates are subject to uncertainty from various sources including changes in claim reporting patterns, claim settlement patterns, judicial decisions, legislation and economic conditions;
 --- The report is subject to terms and limitations including limitations of liability agreed when commencing the exercise;

- Policies are written, and claims occur uniformly throughout the year for each class of business;
- Future claims follow a regression pattern;
- Weighted past average inflation will remain unchanged into the future;

How our audit addressed the key Audit Matters

Our procedures in relation to management's valuation of insurance contract liabilities using a firm of Actuaries include:

- Evaluate and validate controls over insurance contract liability;
- Evaluate the independent external actuary's competence, capability and objectivity;
- Assessing the methodologies used and the appropriateness of the key assumptions;

- Checking the accuracy and relevance of data provided to the actuary by management;
- Reviewing the result based on the assumptions.

We assessed the disclosures on note 15 and found them to be appropriate based on the assumptions and test result.

Other information

Management is responsible for the Other Information. The Other Information comprises all the information in the Consolidated Hallmark Holdings Plc 2023 annual report other than the Group financial statements and our auditors' report thereon ("the Other Information").

Our opinion on the Group financial statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Group financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the Group financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.



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Independent Auditor's Report

Based on the work we have performed on the other information obtained prior to the date of this auditors' report, if we conclude that there is a material misstatement of the Other Information; we are required to report that fact.

We performed our responsibility on the other information and have nothing to report in this regard.

Responsibilities of the Directors for the Group Financial Statements

The directors are responsible for the preparation of Group financial statements that give a true and fair view in accordance with International Financial Reporting Standard (IFRSs) and in the manner required by the Companies and Allied Matters Act, 2020, Financial Reporting Council Act 2011, the Insurance Act 2003 of Nigeria, the Investments and Securities Act 2007 and National Insurance Commission (NAICOM) circulars. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In preparing the Group financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee assists the directors in discharging their responsibilities for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Group Financial Statements

Our Objectives are to obtain reasonable assurance about whether the Group financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with Companies and Allied Matters Act, 2020 and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Group financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Group financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks; and, obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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Consolidated Hallmark
Holdings Plc



Independent Auditor's Report

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Group financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Group financial statements, including the disclosures, and whether the Group financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Group financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationship and other matters that may reasonably be thought to bear on our independence.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the Group financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest of such communication.

Report on Other Legal and Regulatory Requirements

Contravention of Regulatory Guidelines

Company did not contravene any regulatory infraction during the year.



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Independent Auditor's Report



Compliance with the FRC guidance for reporting the effects of COVID-19 on business operations

The Group complied with the guidance provided by the Financial Reporting Council (FRC) for reporting the impact of COVID-19 on its operations. Also, we confirm that we have obtained sufficient appropriate audit evidence regarding going concern applicability. We conclude, based on the audit evidence obtained up to the date of our auditor's report that no material uncertainty exists about the Group's ability to continue as a going concern.

Compliance with the requirements of the Companies and Allied Matters Act, 2020 and Nigerian Insurance Act 2003

The Companies and Allied Matters Act and Nigerian Insurance Act require that in carrying out our audit we consider and report to you on the following matters. We confirm:

- i) 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;
- ii) In our opinion, proper books of account have been kept by the Group, so far as appears from our examination of those books;
- iii) The Group's statement of financial position and profit or loss and other comprehensive income are in agreement with the books of account.

For: S I A O
(Chartered Accountants)
Ikoyi, Lagos



Engagement Partner: Joshua Ansa, FCA
FRC/2013/ICAN/00000001728

Date: 8th May, 2024

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Consolidated Hallmark
Holdings Plc

Statement of Significant Accounting Policies

For The Year Ended 31 December 2023

The following are the significant accounting policies adopted by the Group in the preparation of its consolidated financial statements. These policies have been consistently applied to all year's presentations, unless otherwise stated

1. Basis of Presentation:

1.1 Statement of compliance with IFRS

These financial statements are the separate and consolidated financial statement of the company and its subsidiaries (together, "the group"). The group's financial statements for the year 2023 have been prepared in accordance with the International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standard Board ("IASB"), and interpretations issued by IFRS's interpretation committee (IFRIC) and in compliance with the Financial Reporting Council of Nigeria Act, No 6, 2011.

These are the Group's financial statements for the year ended 31 December 2023, prepared in accordance with IFRS 10 - Consolidated Financial Statements.

1.1.2 Application of new and amended standards

New and amended standards and interpretations
Standards and interpretation effective and adopted in current year

6.1 Standards and interpretations effective for the first time for 31 December 2023 year end

The accounting policies adopted are consistent with those of the previous financial year despite the adoption of IFRS. For the preparation of these Financial Statements, the following new, revised or amended requirements are mandatory for the first time for the financial year beginning 1 January 2023.

IAS 8 Accounting Policies, Change in Accounting Estimates and Errors

IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" is applied in selecting and applying accounting policies, accounting for changes in estimates and reflecting corrections of

prior period errors. The standard requires compliance with any specific IFRS applying to a transaction, event or condition, and provides guidance on developing accounting policies for other items that result in relevant and reliable information. Changes in accounting policies and corrections of errors are generally retrospectively accounted for, whereas changes in accounting estimates are generally accounted for on a prospective basis.

Effective January 1, 2011, earlier application is permitted. The amendments are effective for annual periods beginning on or after January 1, 2023.

Onerous Contracts - Costs of Fulfilling a Contract - Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments. The amendments are not expected to have a material impact on the Group.

IFRS 1 First-time Adoption of International Financial Reporting Standards - Subsidiary as a first-time adopter

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 1 First-time Adoption of International Financial



Statement of Significant Accounting Policies

For The Year Ended 31 December 2023

Reporting Standards. The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS1.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The amendments is not applicable to the Group.

IFRS 9 Financial Instruments - Fees in the '10 per cent' test for derecognition of financial liabilities

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received by the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendments are not expected to have a material impact on the Group.

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts

covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) which was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- ✓ A specific adaptation for contracts with direct participation features (the variable fee approach)
- ✓ A simplified approach (the premium allocation approach) mainly for short-duration contracts

Level of aggregation

Liability Measurement

Presentation and disclosure

Production Classification

Transition Approach

LEVEL OF AGGREGATION

IFRS 17 defines the level of aggregation to be used for measuring insurance contracts and their related profitability. This is a key issue in identifying onerous contracts and in determining the recognition of profit or loss and presentation in the financial statements.

The starting point for aggregating contracts is to identify portfolios of insurance contracts. A portfolio comprises contracts that are subject to similar risks and managed together.



Statement of Significant Accounting Policies

For The Year Ended 31 December 2023

1(a) Current Product Segmentation:- Where the current product segmentation meets the requirements of IFRS 17, the current product segmentation option may be adopted.

The Group has adopted the **Current Product Segmentation** because this is what Consolidated Hallmark Insurance Plc does currently and the Naicom grouping meets this requirement as each group has similar risk and can be managed together.

1(b) DETERMINATION OF COHORTS

Annual Cohorts:- Group the contracts into annual time buckets that coincides with an entity's annual reporting period.

The Group has adopted the **contracts into annual cohorts** The Group has adopted the **contracts into annual cohorts** because we group all contracts to the same line of business on annual basis.

1(c) ASSESSMENT OF PROFITABILITY FOR NON-LIFE:-

Expected Combined Ratio:- - The expected combined ratio is very similar to combined ratio, however, under this method, the profitability of contracts is assessed under different scenarios and a weighted ratio is derived.

The Group has adopted the option of Expected Combined Ratio. This helps to develop appropriate models to determine possible scenarios and respective scenario weights. However, given that these contracts are one year or less, this approach may be feasible.

LIABILITY MEASUREMENT

2(a) DETERMINATION OF MEASUREMENT MODELS;

Premium Allocation Approach (PAA):- Premium allocation approach (PAA) is an optional measurement model and a simplification to the GMM but can only be applied if certain criteria are met.

The company has adopted a Premium Allocation Approach (PAA) for the measurement of insurance contract liabilities. Analysis of the portfolios show that 97.8% of the contracts have contract boundaries of one year or less, hence qualified for the use of PAA approach. The general principle is that Long-dated contracts are eligible for the PAA if the liability for remaining coverage (LRC) calculation is comparable to that under the GMM.

The table below shows the summary of the Gross Premium written split by the contract boundary.

Summary of Gross premium for contracts used for December 2023 LRC calculations			
PORTFOLIO	One year or less	Above one year	Percentage Difference
Aviation	1,474,387,077	39,460,031	2.6%
Bonds	987,450,875	19,408,118	2.0%
Engineering	1,251,525,442	247,106,785	16.5%
Fire	3,799,481,308	63,086,689	1.6%
General Accident	2,710,355,770	63,194,470	2.3%
Marine	1,360,164,364	3,882,187	0.3%
Motor	7,027,677,667	89,305,496	1.3%
Oil & Gas	4,581,733,693	7,294,315	0.2%
Total	23,162,776,197	532,738,089	2.2%



Statement of Significant Accounting Policies

For The Year Ended 31 December 2023

We tested the principle on the Engineering portfolio which has 16.5% of the gross premium written with contract boundary of more than one year. Our test indicated that the difference between the Liability for Remaining Coverage using GMM and PAA is 3.4%. We can confirm that this difference is not material, hence we have applied PAA model across all contracts in all portfolios.

The Group has adopted the approach of Premium Allocation Approach because its feasible for the group life and non-life contracts because they have a duration of one year or less.

2(b) ESTIMATION OF FULFILLMENT CASH FLOWS:-

Individual Policies Level:- Estimate fulfillment cash flows at the individual policies/contract level.

The Group has adopted the Individual policies approach since the Company currently has the required data for in-force contracts so it will be easy to allocate the estimated fulfilment cash flows to the different Unit of accounts which is consistent with Level of Aggregation.

2(c) DETERMINATION OF DISCOUNTING APPROACH:-

Bottom-Up Approach: Under this approach, a liquid risk-free yield curve is adjusted "to reflect the differences between the liquidity characteristics of the financial instruments that underlie the rates observed in the market and the liquidity characteristics of the insurance contracts."

The Group has adopted the yield curve produced by Nigeria Actuarial Society (NAS) which is based on bottom-up approach as yield curve can be generated from government bonds.

2(d) CALCULATION OF RISK ADJUSTMENT:-

Value at risk (VAR) approach: - Value at risk approach also called the confidence level technique is calculated with reference to a particular confidence level. Choosing a VAR methodology requires an entity to calculate the discounted value of the best estimate future cash flows under a range of different scenarios to produce a risk distribution.

The Group has adopted the option of Value at risk approach. This is because we have historical data to determine the confidence level.

3 PRESENTATION AND DISCLOSURES

3(a) INSURANCE FINANCE AND EXPENSES:-

Disaggregate between profit or loss and other comprehensive income:- Accounting policy choice to disaggregate insurance finance income or expense between profit or loss and other comprehensive income (OCI).

The Group has adopted the **Disaggregate between profit or loss and other comprehensive income** as this may be relatively easy to adopt given that the difference between the change in the cash flows measured at a current rate and the change in the cash flows measured at the locked-in discount rate (i.e. at inception) will be recognised in OCI leading to less volatilities.

3(b) PRESENTATION OF CHANGE IN THE RISK ADJUSTMENT FOR NON-FINANCIAL RISK:-

Include as part of insurance service result:- Entities have an accounting policy choice to include the change in the risk adjustment for non-financial risk as part of insurance service result.

The Group has adopted the 2nd option of Include as part of insurance service result. This approach is fairly easy to adopt compared to the alternative.



Statement of Significant Accounting Policies

For The Year Ended 31 December 2023

3(c) PRESENTATION OF REINSURANCE INCOME OR EXPENSES:

Present combined as one-line item:- Entities have an accounting policy choice to present reinsurance income and expense combined in one-line/single item (net presentation) in profit or loss.

The Group has adopted the option of presenting combined as one-line item. This approach may require considerable amount of work (reconciliation, system upgrade, etc) to separate properly as provided by the Standard.

4 PRODUCT CLASSIFICATION

(4a) PREMIUM ALLOCATION APPROACH ELIGIBILITY:-

Contract duration:- This approach requires the entity to estimate at what time period after 12 months would the liability for remaining coverage be expected to differ significantly between the PAA and GMM.

The Group has adopted the option of Contract duration. This approach is easy to adopt as the analysis would need to be performed on an annual basis and may not necessarily require full computation given that it can be derived intuitively.

(4b) Expense acquisition costs:-

Expense acquisition costs:- Entities have an accounting policy choice to recognise any insurance acquisition cash flows as expenses.

The Group has adopted the option of expense acquisition costs. This approach is easy to adopt considering the current treatment of initial acquisition costs (DAC).

5 TRANSITION APPROACH

5(a) NON – LIFE:-

Full retrospective approach:- This approach requires IFRS 17 to be applied to all in-force contracts as if the standard has always been applied. It requires day one data and the full history of transactions to date for all groups of contracts.

The Group has adopted the option of Full retrospective approach. This would not require as much data and is relatively easier to adopt because of the simplifications available.

5(b) FAIR VALUE OR MODIFIED RETROSPECTIVE APPROACH:-

Not to include in a group, contracts issued more than one year apart:- This approach requires an entity not to include contracts issued more than one year apart in the same group.

The Group has adopted option Not to include in a group, contracts issued more than one year apart. However, this option is expected to involve a higher complexity.



Statement of Significant Accounting Policies

For The Year Ended 31 December 2023

TRANSITIONAL FINANCIAL POSITION				Balance as at Jan 1st 2022 after reclassification and remeasurement	
Assets	COMPANY	31 Dec 2021 N	Reclassification N	Remeasurement N	N
Cash and cash equivalents		2,044,305,295			2,044,305,295
Financial assets		3,926,828,203			3,926,828,203
Finance lease receivables					-
Trade receivables		543,897,328			543,897,328
Reinsurance assets		3,410,440,180	(68,805,228)	745,059,261	4,086,694,213
Deferred acquisition cost		385,296,407	(385,296,407)		-
Other receivables & prepayments		547,376,936			547,376,936
Investment in subsidiaries		1,594,225,000			1,594,225,000
Intangible Assets		29,482,173			29,482,173
Investment properties		1,008,676,470			1,008,676,470
Property and equipment		1,089,355,653			1,089,355,653
Deferred tax liabilities					-
Right-of-Use of Assets (Leased Assets)					-
Statutory deposits		300,000,000			300,000,000
Total assets		14,879,883,645	(454,101,635)	745,059,261	15,170,841,271
Insurance contract liabilities		5,299,544,811	(385,296,407)	734,032,304	5,648,280,708
Investment contract liabilities					-
Trade payables		46,805,158			46,805,158
Borrowing					-
Other payables and provision		275,121,116	(68,805,228)		206,315,888
Retirement benefit obligations		1,367,928			1,367,928
Deposit for Shares					-
Income tax liabilities		340,135,901			340,135,901
Deferred tax liabilities		247,979,804			247,979,804
Total liabilities		6,210,954,718	(454,101,635)	734,032,304	6,490,885,387
Issued and paid up share capital		5,420,000,000			5,420,000,000
Share Premium		168,933,834			168,933,834
Contingency reserve		2,437,343,087			2,437,343,087
Statutory reserve					-
Fair Value Through OCI Reserve		30,669,220			30,669,220
Revaluation reserve		115,793,288			115,793,288
Regulatory risk reserve					-
Retained earnings		496,189,498		11,026,957	507,216,455
Total equity and reserves		8,668,928,927		11,026,957	8,679,955,884
Total Liabilities and equity and reserves		14,879,883,645	(454,101,635)	745,059,261	15,170,841,271



Statement of Significant Accounting Policies

For The Year Ended 31 December 2023

REINSURANCE ASSETS (COMPANY)	December 31st 2022 (N)	January 1st 2022 (N)
Reinsurance Asset on IFRS 4	3,285,437,414	3,410,440,180
Amount reclassified to reinsurance contract assets on IFRS 17	(3,285,437,414)	(3,410,440,180)
	-	-
REINSURANCE CONTRACT ASSETS		
Reinsurance assets reclassified under ifrs 4	3,285,437,414	3,410,440,180
Unearned commission income reclassified	(110,594,576)	(68,805,228)
IFRS 17 Reinsurance contracts assets impact:		
(a) Estimates of present value of future cashflows	83,979,236	471,643,823
(b) Risk adjustment	293,554,880	273,415,438
Reinsurance Contract Assets	3,552,376,954	4,086,694,213

REINSURANCE ASSETS (GROUP)	December 31st 2022 (N)	January 1st 2022 (N)
Reinsurance Asset on IFRS 4	3,285,437,414	3,410,440,180
Amount reclassified to reinsurance contract assets on IFRS 17	(3,285,437,414)	(3,410,440,180)
	-	-
REINSURANCE CONTRACT ASSETS		
Reinsurance assets reclassified under ifrs 4	3,285,437,414	3,410,440,180
Unearned commission income reclassified	(110,594,576)	(68,805,228)
IFRS 17 Reinsurance contracts assets impact:		
(a) Estimates of present value of future cashflows	83,979,236	471,643,823
(b) Risk adjustment	293,554,880	273,415,438
Reinsurance Contract Assets	3,552,376,954	4,086,694,213

INSURANCE CONTRACT LIABILITY (COMPANY)	December 31st 2022 (N)	January 1st 2022 (N)
Insurance contract liability on IFRS 4	6,329,021,551	5,299,544,811
Amount reclassified to insurance contract liability on IFRS 17	(6,329,021,551)	(5,299,544,811)
	-	-
INSURANCE CONTRACT LIABILITY		
Insurance contract liability reclassified under ifrs 4	6,329,021,551	5,299,544,811
Deferred acquisition cost reclassified	(551,735,100)	(385,296,407)
IFRS 17 Insurance Contract Liability impact:		
(a) Estimates of present value of future cashflows	501,636,207	430,025,901
(b) Risk adjustment	427,740,512	304,006,403
Insurance Contract Liability	6,706,663,170	5,648,280,708

INSURANCE CONTRACT LIABILITY (GROUP)	December 31st 2022 N	January 1st 2022 N
Insurance contract liability on IFRS 4	6,547,611,485	5,474,050,401
Amount reclassified to insurance contract liability on IFRS 17	(6,547,611,485)	(5,474,050,401)
	-	-
INSURANCE CONTRACT LIABILITY		
Insurance contract liability reclassified under ifrs 4	6,547,611,485	5,474,050,401
Deferred acquisition cost reclassified	(565,555,745)	(397,546,015)
IFRS 17 Insurance Contract Liability impact:		
(a) Estimates of present value of future cashflows	517,952,518	448,055,644
(b) Risk adjustment	427,740,512	304,006,403
Insurance Contract Liability	6,927,748,770	5,828,566,433



Statement of Significant Accounting Policies

For The Year Ended 31 December 2023

2021 RETAINED EARNING RECONCILIATION FROM IFRS 4 TO IFRS 17

IFRS 4 Retained Profit as at 31/12/2021	
Remeasurement of IFRS 4 Reinsurance Assets to IFRS 17	496,189,498
Reclassification of Deferred acquisition cost	745,059,261
Impairment on Reinsurance Assets No Longer Required	(385,296,407)
Remeasurement of IFRS 4 Insurance Contract Liability to IFRS 17	3,869,236
Opening Retained Profit as at January 1, 2022	(348,735,897)
	507,216,455

GROUP				Balance as at Jan 1st 2022 after reclassification and remeasurement
Assets	31 Dec 2021 N	Reclassification N	Remeasurement N	
Cash and cash equivalents	2,857,075,239			2,857,075,239
Financial assets	5,290,556,583			5,290,556,583
Finance lease receivables	148,741,442			148,741,442
Trade receivables	601,620,155			601,620,155
Reinsurance assets	3,410,440,180	(68,805,228)	745,059,260	4,086,694,212
Deferred acquisition cost	397,546,015	(397,546,015)		-
Other receivables & prepayments	222,692,503			222,692,503
Investment in subsidiaries				-
Intangible Assets	76,702,920			76,702,920
Investment properties	1,098,676,470			1,098,676,470
Property and equipment	1,163,708,129	(237,066)		1,163,471,063
Deferred tax liabilities				-
Right-of-Use of Assets (Leased Assets)	6,406,590			6,406,590
Statutory deposits	400,000,000			400,000,000
Total assets	15,674,166,226	(466,588,309)	745,059,260	15,952,637,177
Insurance contract liabilities	5,474,050,401	(397,546,015)	752,062,047	5,828,566,433
Investment contract liabilities	17,660,923			17,660,923
Trade payables	46,805,158			46,805,158
Borrowing	55,800,014			55,800,014
Other payables and provision	343,540,593	(68,805,228)		274,735,365
Retirement benefit obligations	2,075,682			2,075,682
Deposit for Shares				-
Income tax liabilities	462,785,844			462,785,844
Deferred tax liabilities	259,663,907			259,663,907
Total liabilities	6,662,382,522	(466,351,243)	752,062,047	6,948,093,326
Issued and paid up share capital	5,420,000,000			5,420,000,000
Share Premium	168,933,834			168,933,834
Contingency reserve	2,437,638,438			2,437,638,438
Statutory reserve	72,039,762			72,039,762
Fair Value Through OCI Reserve	30,615,728			30,615,728
Revaluation reserve	115,793,288			115,793,288
Regulatory risk reserve	1,354,214			1,354,214
Retained earnings	765,408,440	(237,066)	(7,002,787)	758,168,587
Total equity and reserves	9,011,783,704	(237,066)	(7,002,787)	9,004,543,851
Total Liabilities and equity and reserves	15,674,166,226	(466,588,309)	745,059,260	15,952,637,177

GROUP

2021 RETAINED EARNING RECONCILIATION FROM IFRS 4 TO IFRS 17

IFRS 4 Retained Profit as at 31/12/2021	765,408,440
Remeasurement of IFRS 4 Reinsurance Assets to IFRS 17	745,059,260
Remeasurement of IFRS 17 Insurance Contract Liability	(752,062,047)
Reclassification of other asset	(237,066)
Opening Retained Profit as at January 1, 2022	758,168,587



Statement of Significant Accounting Policies

For The Year Ended 31 December 2023

COMPANY				Balance as at December 31 2022 after reclassification and remeasurement
Assets	31 Dec 2022 N	Reclassification	Remeasurement	
Cash and cash equivalents	1,183,948,834			1,183,948,834
Financial assets	6,325,958,061			6,325,958,061
Finance lease receivables	-			-
Trade receivables	773,060,783			773,060,783
Reinsurance assets	3,285,437,414	(110,594,576)	377,534,116	3,552,376,954
Deferred acquisition cost	551,735,100	(551,735,100)		-
Other receivables & prepayments	652,618,272			652,618,272
Investment in subsidiaries	1,594,225,000			1,594,225,000
Intangible Assets	22,104,164			22,104,164
Investment properties	1,265,226,470			1,265,226,470
Property and equipment	1,088,248,164			1,088,248,164
Deferred tax liabilities	-			-
Right-of-Use of Assets (Leased Assets)	-			-
Statutory deposits	300,000,000			300,000,000
Total assets	17,042,562,262	(662,329,676)	377,534,116	16,757,766,702
Liabilities				
Insurance contract liabilities	6,329,021,551	(551,735,100)	929,376,719	6,706,663,170
Investment contract liabilities	-			-
Trade payables	33,472,651			33,472,651
Borrowing	-			-
Other payables and provision	350,746,765	(110,594,576)		240,152,189
Retirement benefit obligations	1,181,508			1,181,508
Deposit for Shares	-			-
Income tax liabilities	635,139,647		(110,594,578)	524,545,069
Deferred tax liabilities	239,442,368			239,442,368
Total liabilities	7,589,004,490	(662,329,676)	818,782,141	7,745,456,955
Equity and reserves				
Issued and paid up share capital	5,420,000,000			5,420,000,000
Share Premium	168,933,834			168,933,834
Contingency reserve	2,799,201,192			2,799,201,192
Statutory reserve	-			-
Fair Value Through OCI Reserve	39,163,090			39,163,090
Revaluation reserve	128,676,506			128,676,506
Regulatory risk reserve	-			-
Retained earnings	897,583,150	-	(441,248,026)	456,335,124
Total equity and reserves	9,453,557,771	-	(441,248,026)	9,012,309,745
Total Liabilities and equity and reserves	17,042,562,261	(662,329,676)	377,534,116	16,757,766,702

2022 RETAINED EARNING RECONCILIATION FROM IFRS 4 TO IFRS 17

IFRS 4 Retained Profit as at 31/12/2022	897,583,150
Remeasurement of IFRS 4 Reinsurance Assets to IFRS 17	377,534,116
Remeasurement of IFRS 17 Insurance Contract Liability	(929,376,719)
Remeasurement of IFRS 17 Company Income tax	110,594,578
Opening Retained Profit as at December 31, 2022	456,335,124



Statement of Significant Accounting Policies

For The Year Ended 31 December 2023

GROUP				Balance as at December 31 2022 after reclassification and remeasurement
Assets	31 Dec 2022 N	Reclassification	Remeasurement	
Cash and cash equivalents	1,669,476,979	(3,112,779)		1,666,364,200
Financial assets	8,644,183,149			8,644,183,149
Finance lease receivables	210,896,364			210,896,364
Trade receivables	831,493,560			831,493,560
Reinsurance assets	3,285,437,414	4,883,900	262,055,640	3,552,376,954
Deferred acquisition cost	565,555,745	(565,555,745)		-
Other receivables & prepayments	292,572,354		3,112,779	295,685,133
Investment in subsidiaries	(0)	-		-
Intangible Assets	64,109,633			64,109,633
Investment properties	1,405,226,470			1,405,226,470
Property and equipment	1,168,945,157			1,168,945,157
Right-of-Use of Assets (Leased Assets)	2,844,702			2,844,702
Statutory deposits	400,000,000			400,000,000
Total assets	18,540,741,527	(563,784,625)	265,168,420	18,242,125,320
Liabilities				
Insurance contract liabilities	6,547,611,485		380,137,285	6,927,748,770
Investment contract liabilities	13,723,775			13,723,775
Trade payables	33,472,651			33,472,651
Borrowing	680,107,894			680,107,894
Other payables and provision	429,876,513	(105,710,676)		324,165,837
Retirement benefit obligations	2,925,281			2,925,281
Income tax liabilities	766,699,256		(115,478,478)	651,220,778
Deferred tax liabilities	253,908,071			253,908,071
Total liabilities	8,728,324,926	(105,710,676)	264,658,807	8,887,273,057
Equity and reserves				
Issued and paid up share capital	5,420,000,000			5,420,000,000
Share Premium	168,933,834			168,933,834
Contingency reserve	2,800,339,728			2,800,339,728
Statutory reserve	91,262,839			91,262,839
Fair Value Through OCI Reserve	39,180,406			39,180,406
Revaluation reserve	128,676,506			128,676,506
Regulatory risk reserve	1,828,189			1,828,189
Retained earnings	1,162,195,099	(458,073,949)	509,613	704,630,761
Total equity and reserves	9,812,416,601	(458,073,949)	509,613	9,354,852,264
Total Liabilities and equity and reserves	18,540,741,527	(563,784,625)	265,168,420	18,242,125,320

GROUP

2022 RETAINED EARNING RECONCILIATION FROM IFRS 4 TO IFRS 17

IFRS 4 Retained Profit as at 31/12/2022	1,162,195,099
Remeasurement of IFRS 4 Reinsurance Assets to IFRS 17	262,055,640
Reclassification of Deferred acquisition cost	(565,555,745)
Remeasurement of IFRS 17 Insurance Contract Liability	(380,137,285)
Reclassification of Unearned commission income	110,594,576
Remeasurement of IFRS 17 Company Income tax	115,478,476
Opening Retained Profit as at January 1, 2023	704,630,762



Statement of Significant Accounting Policies

For The Year Ended 31 December 2023

Reconciliation of Statements of Comprehensive Income

IFRS 4 Statement of profit or loss

Gross premium written	12,061,936,819
Change in insurance contract Liabilities	(1,014,037,305)
Change in the risk adjustment	
27 Gross premium income	11,047,899,514
Claims expenses	(3,931,378,376)
Operating & Administrative expenses	(2,228,062,316)
Underwriting expenses	(2,547,528,124)
changes in BEL related to LIC	-
Change in the risk adjustment	-
28 Insurance service expense	(8,706,968,816)
Reinsurance premium expenses	(4,893,972,775)
Fee and commission income	714,526,206
Reinsurance RA allocation	-
Claims recoveries from reinsurers	1,869,608,166
changes in BEL related to reinsurance LIC	-
30 Net gains or loss from reinsurance	(2,309,838,403)
Insurance service result	31,092,295
32 Investment income	752,385,146
33 Other operating income	595,355,189
34 Impairment (charge)	(22,685,769)
35 Net fair value loss on financial assets at fair value through profit or loss	10,163,192
Total Net Investment Income	1,335,217,758
Insurance finance expenses	
Reinsurance finance income	
Financial insurance result	1,335,217,758
36 Other expenses	
Profit before Tax	1,366,310,053
Income tax	(386,258,245)
Profit after Tax	980,051,808
Items that will be reclassified subsequently to profit or loss	21,377,088
Total comprehensive income for the year	1,001,428,896

IFRS 17 Statement of profit or loss

Expected benefits incurred	11,142,727,902
Change in the risk adjustment	-
Insurance revenue	11,142,727,902
Incurred claims	3,915,938,942
Incurred Fulfilment expenses	2,017,863,268
Amortisation of insurance acquisition cash flows	2,547,528,124
changes in BEL related to LIC	(57,402,640)
Change in the risk adjustment	(123,734,110)
Insurance service expense	8,300,193,584
Expected recovery for claims	(1,396,202,283)
Fee and commission income	(756,315,553)
Reinsurance RA allocation	4,986,931,692
Amounts recoverable for claims	-
changes in BEL related to reinsurance LIC	-
Net income or expense from reinsurance contracts held	2,741,454,939
Insurance service result	101,079,380
Other investment revenue	752,385,146
Net foreign exchange income or expense	590,678,251
Net impairment loss on financial assets	(20,066,075)
Amounts recognised in OCI	10,163,192
Total Net Investment Income	1,333,160,515
Insurance finance expenses	-
Reinsurance finance income	
Financial insurance result	1,333,160,515
Other expenses	(500,371,852)
Other income	4,676,938
Profit before Tax	938,544,980
Income tax	(410,768,155)
Profit after Tax	527,776,825
	21,377,088
549,153,913	



Statement of Significant Accounting Policies

For The Year Ended 31 December 2023

DECEMBER 2021 TRANSITION NUMBERS	IFRS 17	IFRS 4
Liability for Remaining Coverage (LRC)		
Present Value of Future Cashflows	2,202,980,829	2,158,251,334
Total Liability for Remaining Coverage (LRC)	2,202,980,829	2,158,251,334
Liability for Incurred Claims (IBNR+Outstanding Claims)	3,141,293,477	3,141,293,477
Risk Adjustment	304,006,403	
Total Insurance Contract Liabilities	5,648,280,708	5,299,544,811

DECEMBER 2022 COMPARATIVES	IFRS 17	IFRS 4
Insurance Contract Liabilities		
Liability for Remaining Coverage (LRC)		
Present Value of Future Cashflows	2,998,455,636	3,048,554,529
Total Liability for Remaining Coverage (LRC)	2,998,455,636	3,048,554,529
Liability for Incurred Claims (IBNR+Outstanding Claims)	3,280,467,021	3,280,467,021
Risk Adjustment	427,740,512	
Total Insurance Contract Liabilities	6,706,663,170	6,329,021,551

Statement of Significant Accounting Policies

For The Year Ended 31 December 2023

DECEMBER 2021 REINSURANCE ASSETS TRANSITION FIGURES	IFRS 17	IFRS 4
Reinsurance Contract Assets	IFRS 17	IFRS 4
Liability for Remaining Coverage (LRC)		
Present Value of Future Cashflows	1,189,590,065	782,882,234
Total Liability for Remaining Coverage (LRC)	1,189,590,065	782,882,234
Liability for Incurred Claims (IBNR+Outstanding Claims)	2,627,557,946	2,627,557,946
Risk Adjustment	273,415,438	
Total Reinsurance Contract Assets	4,090,563,449	3,410,440,180

DECEMBER 2022 REINSURANCE ASSETS COMPARATIVES	IFRS 17	IFRS 4
Reinsurance Contract Assets	IFRS 17	IFRS 4
Liability for Remaining Coverage (LRC)		
Present Value of Future Cashflows	830,335,912	851,128,762
Total Liability for Remaining Coverage (LRC)	830,335,912	851,128,762
Liability for Incurred Claims (IBNR+Outstanding Claims)	2,434,308,653	2,434,308,653
Risk Adjustment	293,554,880	
Total Reinsurance Contract Assets	3,558,199,444	3,285,437,414



Statement of Significant Accounting Policies

For The Year Ended 31 December 2023

6.2 Standards and interpretations not yet effective

The following standards have been issued or amended by the IASB but are yet to become effective for annual periods beginning on or after 1 January 2023:

AS 1 Presentation of Financial statements

AS 1 "Presentation of Financial Statements" sets out the overall requirements for financial statements, including how they should be structured, the minimum requirements for their content and overriding concepts such as going concern, the accrual basis of accounting and the current/non-current distinction. The standard requires a complete set of financial statements to comprise a statement of financial position, a statement of profit or loss and other comprehensive income, a statement of changes in equity and a statement of cash flows.

Effective January 1, 2011, earlier application is permitted. The amendments are effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted. The amendments are effective for reporting periods beginning on or after January 1, 2024. The amendments are applied retrospectively in accordance with IAS 8 and earlier application is permitted.

The Board also added two new paragraphs (Paragraph 76A and 76B) to IAS1 to clarify what is meant by "settlement" of a liability. The Board concluded that it was important to link the settlement of the liability with the outflow of resources of the entity.

The amendment does not have any material impact on the Group.

IFRS 16 Leases

IFRS 16 specifies how to recognize, measure, present and disclose leases. The standard provides a single

lessee accounting model, requiring the recognition of assets and liabilities for all leases, unless the lease term is 12 months or less or the underlying asset has a low value. Lessor accounting however remains largely unchanged from IAS 17 and the distinction between operating and finance leases is retained.

Effective January 1, 2019, earlier application is permitted. The amendments are effective for annual periods beginning on or after January 1, 2020. Earlier application is permitted. The amendments are effective for annual reporting periods beginning on or after January 1, 2024. Earlier application is permitted.

1.2 Basis of measurement

These financial statements are prepared on the historical cost basis except for the following:

✓ Investment property is measured at fair value.

✓ Assets held for trading are measured at fair value

1.3 Functional and presentation currency

The financial statements are presented in the functional currency, Nigeria naira which is the Group's functional currency.

1.4 Consolidation

The Group financial statements comprise the financial statements of the company and its subsidiaries, CHI Capital Limited, Hallmark Health Services Limited, Grand Treasurers Limited and CHI Microinsurance Limited, all made up to 31 December, each year. The financial statements of subsidiaries are consolidated from the date the group acquires control, up to the date that such effective control ceases.

Subsidiaries are all entities (including structured entities) over which the Group exercise control. Control is achieved when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.



Statement of Significant Accounting Policies

For The Year Ended 31 December 2023

Power over the investee

Exposure, or rights, to variable returns from its involvement with the investee, and

The ability to use its power over the investee to affect the amount of the investor's returns.

The subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

Subsidiaries are measured at cost less impairment in the separate financial statement.

1.5 Use of estimates and judgments

The Group makes estimate and assumption about the future that affects the reported amounts of assets and liabilities. Estimates and judgement are continually evaluated and based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumption. The annual accounting basis is used to determine the underwriting result of each class of insurance business written.

The effect of a change in an accounting estimate is recognized prospectively by including it in the comprehensive income in the period of the change, if the change

affects that period only, or in the period of change and future period, if the change affects both.

The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amount of asset and liabilities within the next financial year are discussed below:

(a) The ultimate liability arising from claims made under insurance contracts

The estimation of the ultimate liability arising from claims made under insurance contracts is the group's most critical accounting estimate. There are several

sources of uncertainty that need to be considered in the estimate of the liability that the company will ultimately pay for such claims. The uncertainty arises because all events affecting the ultimate settlement of the claims have not taken place and may not take place for some time. Changes in the estimate of the provision may be caused by receipt of additional claim information, changes in judicial interpretation of contract, or significant changes in severity or frequency of claims from historical records. The estimates are based on the company's historical data and industry experience. The ultimate claims liability computation is subjected to a liability adequacy test by an actuarial consultant using actuarial models.

(b) Impairment of trade receivables

The Group adopted the policy of no premium no cover and the trade receivables outstanding as at the reporting period are premium receivable within 30 days that are due from brokers. The trade receivable was further subjected to impairment based on management judgement. Internal models were developed based on company's specific collectability factors and trends to determine amounts to be provided for impairment of trade receivables. Efforts are made to assess significant debtors individually based on information available to management and where there is objective evidence of impairment they are appropriately impaired. Other trade receivables either significant or otherwise that are not specifically impaired are grouped on a sectorial basis and assessed based on a collective impairment model that reflects the company's debt collection ratio per sector.

(c) Income taxes

The Group periodically assesses its liabilities and contingencies related to income taxes for all years open to audit based on the latest information available. For matters where it is probable that an adjustment will be made, the Group records its best estimate of the tax liability including the related interest and penalties in the current tax provision.



Statement of Significant Accounting Policies

For The Year Ended 31 December 2023

Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

2. Segment reporting

An operating segment is a component of the Group engaged in business activities from which it can earn revenues whose operating results are reviewed regularly by the Group's Executive Management in order to make decisions about resources to be allocated to segments and assessing segments performance. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker is the Executive Management.

3. Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, deposits with a maturity of three months or less and other short-term highly liquid investments that are readily convertible into known amounts of cash. For the purpose of reporting cash flows, cash and cash equivalents include cash on hand; bank balances, fixed deposits and treasury bills within 90 days.

3.1 Financial Instruments

Financial Assets Recognition

The Group on the date of origination or purchase recognizes placements, equity securities and deposits at the fair value of consideration paid. Regular-way purchases and sales of financial assets shall be recognized on the settlement date. All other financial assets and liabilities, including derivatives, shall be initially recognized on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Classification and Measurement

Initial measurement of a financial asset or liability shall be at fair value plus transaction costs that are

directly attributable to its purchase or issuance. For instruments measured at fair value through profit or loss, transaction costs shall be recognized immediately in profit or loss. Financial assets include placement with banks, treasury bills and equity instruments.

Financial assets shall be classified into one of the following measurement categories in line with the provisions of IFRS 9:

Amortised cost

Fair Value through Other Comprehensive Income (FVOCI)

Fair Value through Profit or Loss (FVTPL) for trading related assets.

The Group shall classify its financial assets based on the business model for managing the assets and the asset's contractual cash flow characteristics.

Business Model Assessment

Business model assessment shall involve determining whether financial assets are managed in order to generate cash flows from collection of contractual cash flows, selling financial assets or both. The Group shall assess business model at a portfolio level reflective of how groups of assets are managed together to achieve a particular business objective. For the assessment of business model the Group will take into consideration the following factors:

The stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that shall be funding those assets or realizing cash flows through the sale of the assets;

• How the performance of assets in a portfolio will be evaluated and reported to the relevant heads of department and other key decision makers within the Company's business lines;

• The risks that affect the performance of assets held within a business model and how those risks shall



Statement of Significant Accounting Policies

For The Year Ended 31 December 2023

be managed;

• How compensation shall be determined for the Company's business lines, management that manages the assets; and

• The frequency and volume of sales in prior periods and expectations about future sales activity.

Management shall determine the classification of the financial instruments at initial recognition. The business model assessment falls under three categories:

Business Model 1 (BM1): Financial assets held with the sole objective to collect contractual cash flows

Business Model 2 (BM2): Financial assets held with the objective of both collecting contractual cash flows and selling; and

Business Model 3 (BM3): Financial assets held with neither of the objectives mentioned in BM1 or BM2 above. These shall be basically financial assets held with the sole objective to trade and to realize fair value changes.

The Group may decide to sell financial instruments held under the BM1 category with the objective to collect contractual cash flows without necessarily changing its business model if one or more of the following conditions shall be met:

Where these sales shall be infrequent even if significant in value. A Sale of financial assets shall be considered infrequent if the sale shall be one-off during the Financial Year and/or occurs at most once during the quarter or at most three (3) times within the Financial Year.

Where these sales shall be insignificant in value both individually and in aggregate, even if frequent. A sale shall be considered insignificant if the portion of the financial assets sold shall be equal to or less than five (5) per cent of the carrying amount (book value) of the total assets within the business model.

When these sales shall be made close to the maturity of the financial assets and the proceeds from the sales approximates the collection of the remaining contractual cash flows. A sale is considered to be close to maturity if the financial assets has a tenor to maturity of not more than one (1) year and/or the difference between the remaining contractual cash flows expected from the financial asset does not exceed the cash flows from the sales by ten (10) per cent.

Other reasons: The following reasons outlined below may constitute 'Other Reasons' that may necessitate selling financial assets from the BM1 category that will not constitute a change in business model:

Selling the financial asset to realize cash to deal with unforeseen need for liquidity (infrequent).

Selling the financial asset to manage credit concentration risk (infrequent)

Selling the financial assets as a result of changes in tax laws (infrequent).

Other situations also depends upon the facts and circumstances which need to be judged by the Management

Cash flow characteristics assessment

The company shall assess the contractual features of an instrument to determine if they give rise to cash that shall be consistent with a basic investment arrangement.

Contractual cash flows shall be consistent with a basic deposit arrangement if they represent cash flow that are solely payments of principal and interest on the principal amount outstanding (SPPI).

Principal shall be defined as the fair value of the instrument at initial recognition. Principal may change over the life of the instruments due to repayments. Interest shall be defined as consideration for the time value of money and the credit risk associated with the principal amount outstanding and for other basic lending risks and costs (liquidity risk and administrative costs), as well as a profit margin.



Statement of Significant Accounting Policies

For The Year Ended 31 December 2023

Classification of Financial Assets

a) Financial assets measured at amortised cost

Financial assets shall be measured at amortised cost if they are held within a business model whose objective shall be to hold for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. After initial measurement, debt instruments in this category shall be carried at amortized cost using the effective interest rate method. The effective interest rate shall be the rate that discounts estimated future cash payments or receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. Amortized cost shall be calculated taking into account any discount or premium on acquisition, transaction costs and fees that shall be an integral part of the effective interest rate.

Amortization shall be included in Interest income in the Consolidated Statement of Income. Impairment on financial assets measured at amortized cost shall be calculated using the expected credit loss approach. Financial assets measured at amortized cost shall be presented net of the allowance for credit losses (ECL) in the statement of financial position.

b) Financial assets measured at FVOCI

Financial assets shall be measured at FVOCI if they are to be held within a business model whose objective shall be to hold for collection of contractual cash flows and for selling financial assets, where the assets' cash flows represent payments that shall be solely payments of principal and interest. Subsequent to initial recognition, unrealized gains and losses on debt instruments measured at FVOCI shall be recorded in Other Comprehensive Income (OCI).

c) Financial assets measured at FVTPL

Financial assets measured at FVTPL include assets held for trading purposes, assets held as part of a portfolio managed on a fair value basis and assets whose cash flows do not represent payments that shall be solely payments of principal and interest.

Financial assets may also be designated at FVTPL if by so doing eliminates or significantly reduces an accounting mismatch which would otherwise arise. These instruments shall be measured at fair value in the Consolidated Statement of Financial Position, with transaction costs recognized immediately in the Consolidated Statement of Income.

d) Equity Investments

Equity instruments shall be measured at FVTPL, unless an election is made to designate them at FVOCI upon purchase. For equity instruments measured at FVTPL, changes in fair value shall be recognized in the Consolidated Statement of Income. The Company can elect to classify non-trading equity instruments at FVOCI. This election will be used for certain equity investments for strategic or longer term investment purposes. The FVOCI election shall be made upon initial recognition, on an instrument-by-instrument basis and once made shall be irrevocable. Gains and losses on these instruments including when derecognized/sold shall be recorded in OCI and shall not be subsequently reclassified to the Consolidated Statement of Income.

Dividends received shall be recorded in Interest income in the Consolidated Statement of Income. Any transaction costs incurred upon purchase of the security shall be added to the cost basis of the security and shall not be reclassified to the Consolidated Statement of Income on sale of the security.

Financial Liabilities

Financial liabilities shall be classified into one of the following measurement categories:

- a) Fair Value through Profit or Loss (FVTPL)
- (b) Amortised cost

a) Financial Liabilities at fair value through profit or loss

Financial liabilities accounted for at fair value through profit or loss fall into two categories: financial liabilities held for trading and financial liabilities designated at fair value through profit or



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loss on inception.

Financial liabilities at fair value through profit or loss shall be financial liabilities held for trading. A financial liability shall be classified as held for trading if it shall be incurred principally for the purpose of repurchasing it in the near term or if it shall be part of a portfolio of identified financial instruments that shall be managed together and for which there shall be evidence of a recent actual pattern of profit-taking. Derivatives shall also be categorized as held for trading unless they shall be designated and effective as hedging instruments. Financial liabilities held for trading also include obligations to deliver financial assets borrowed by a short seller.

Gains and losses arising from changes in fair value of financial liabilities classified as held for trading shall be included in the income statement and shall be reported as 'Net gains/(losses) on financial instruments classified as held for trading'. Interest expenses on financial liabilities held for trading shall be included in 'Net interest income'.

Financial Liabilities shall be designated at FVTPL when either the designation eliminates or significantly reduces an accounting mismatch which would otherwise arise or the financial liability contains one or more embedded derivatives which significantly modify the cash flows otherwise required. For liabilities designated at fair value through profit or loss, all changes in fair value shall be recognized in the Consolidated Statement of Income, except for changes in fair value arising from changes in the company's own credit risk which shall be recognized in OCI. Changes in fair value of liabilities due to changes in the company's own credit risk, which are recognized in OCI, shall not be subsequently reclassified to the Consolidated Statement of Income upon derecognition/extinguishment of the liabilities.

b) Financial Liabilities at amortised cost

Financial liabilities that are not classified at fair value through profit or loss fall into this category and shall be measured at amortised cost using the effective

interest rate method. Financial liabilities measured at amortised cost shall be debt securities in issue for which the fair value option is not applied, convertible bonds and subordinated debts.

Reclassifications

Financial assets shall not be reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets. A change in the Group's business model will occur only when the Group either begins or ceases to perform an activity that is significant to its operations such as:

- Significant internal restructuring or business combinations; for example: an acquisition of a private asset management company that might necessitate transfer and sale of assets to willing buyers, this action will constitute changes in business model and subsequent reclassification of the assets held from BM1 to BM2 Category.

Any other reason that might warrant a change in the Group's business model are determined by management based on facts and circumstances.

The following shall not be considered to be changes in the business model:

- A change in intention related to particular financial assets (even in circumstances of significant changes in market conditions)

- A temporary disappearance of a particular market for financial assets.

- A transfer of financial assets between parts of the Group with different business models.

When reclassification occurs, the Group shall reclassify all affected financial assets in accordance with the new business model. Reclassification shall be applied prospectively from the 'reclassification date'. Reclassification date shall be 'the first day of the first reporting period following the change in business model. Gains, losses or interest previously recognised shall not be restated when reclassification occurs.

Impairment of Financial Assets



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In line with IFRS 9, the Group assess the under listed financial instruments for impairment using Expected Credit Loss (ECL) approach:

1. Amortized cost financial assets; and
 2. Debt securities classified as at FVOCI;
- Equity instruments and financial assets measured at FVTPL shall not be subjected to impairment under the standard.

Expected Credit Loss Impairment Model

The Group's allowance for credit losses calculations shall be outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. The expected credit loss impairment model reflects the present value of all cash shortfalls related to default events either over the following twelve months or over the expected life of a financial instrument depending on credit deterioration from inception. The allowance for credit losses reflects an unbiased, probability-weighted outcome which considers multiple scenarios based on reasonable and supportable forecasts.

The Group shall adopt a three-stage approach for impairment assessment based on changes in credit quality since initial recognition.

Stage 1 – Where there has not been a Significant Increase in Credit Risk (SICR) since initial recognition of a financial instrument, an amount equal to 12 months expected credit loss shall be recorded. The expected credit loss shall be computed using a probability of default occurring over the next 12 months. For those instruments with a remaining maturity of less than 12 months, a probability of default corresponding to remaining term to maturity shall be used.

Stage 2 – When a financial instrument experiences a SICR subsequent to origination but is not considered to be in default, it shall be included in Stage 2. This requires the computation of expected credit loss based on the probability of default over the

remaining estimated life of the financial instrument.

Stage 3 – Financial instruments that are considered to be in default shall be included in this stage. Similar to Stage 2, the allowance for credit losses captures the lifetime expected credit losses.

The guiding principle for ECL model shall be to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments since initial recognition. The ECL allowance shall be based on credit losses expected to arise over the life of the asset (life time expected credit loss), unless there has been no significant increase in credit risk since origination. Examples of financial assets with low credit risk (no significant increase in credit risk) include: Risk free and gilt edged debt investment securities that shall be determined to have low credit risk at the reporting date; and Other financial instruments (other than lease receivables) on which credit risk has not increased significantly since their initial recognition.

Measurement of Expected Credit Losses

The probability of default (PD), exposure at default (EAD), and loss given default (LGD) inputs used to estimate expected credit losses shall be modelled based on macroeconomic variables that are most closely related with credit losses in the relevant portfolio.

Details of these statistical parameters/inputs are as follows:

PD – The probability of default shall be an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the remaining estimated life, if the asset has not been previously derecognized and are still in the portfolio.

12-month PDs – This is the estimated probability of default occurring with the next 12 months (or over the remaining life of the financial instrument if that is less than 12 months). This shall be used to calculate 12-month ECLs.



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Lifetime PDs – This is the estimated probability of default occurring over the remaining life of the financial instrument. This shall be used to calculate lifetime ECLs for “stage 2” and stage 3 exposures. PDs shall be limited to the maximum exposure required by IFRS 9

EAD – The exposure at default shall be an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

LGD – The loss given default shall be an estimate of the loss arising in the case where a default occurs at a given time. It shall be based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral. It shall be usually expressed as a percentage of the EAD.

Forward-looking information

The measurement of expected credit losses for each stage and the assessment of significant increases in credit risk considers information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions. The estimation and application of forward-looking information requires significant judgement.

Macroeconomic factors

The Group shall rely on a broad range of forward looking information as economic inputs, such as GDP growth, unemployment rates, central bank base rates, crude oil prices, inflation rates and foreign exchange rates. The inputs and models used for calculating expected credit losses may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative

adjustments or overlays shall be made as temporary adjustments using expert credit judgement.

Multiple forward-looking scenarios

The Group shall determine allowance for credit losses using three probability-weighted forward looking scenarios. The Group shall consider both internal and external sources of information in order to achieve an unbiased measure of the scenarios used. The Group prepares the scenarios using forecasts generated by credible sources such as Business Monitor International (BMI), International Monetary Fund (IMF), Nigeria Bureau of Statistics (NBS), World Bank, Central Bank of Nigeria (CBN), Nigeria Insurers Association, Financial Markets Dealers Quotation (FMDQ), and Trading Economics.

The Group estimates three scenarios for each risk parameter (LGD, EAD, CCF and PD) – Normal, Upturn and Downturn, which in turn shall be used in the estimation of the multiple scenario ECLs. The 'normal case' represents the most likely outcome and shall be aligned with information used by the company for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. The Group has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables, credit risk and credit losses.

Assessment of significant increase in credit risk (SICR)

At each reporting date, the company shall assess whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the remaining expected life from the reporting date and the date of initial recognition. The assessment considers borrower-specific quantitative and qualitative information without consideration of collateral, and the impact of forward-looking



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macroeconomic factors. The common assessments for SICR on retail and non-retail portfolios include macroeconomic outlook, management judgement, and delinquency and monitoring. Forward looking Macroeconomic factors shall be a key component of the macroeconomic outlook. The importance and relevance of each specific macroeconomic factor depends on the type of product, characteristics of the financial instruments and the borrower and the geographical region.

The Group shall adopt a multi factor approach in assessing changes in credit risk. This approach considers: Quantitative (primary), Qualitative (secondary) and Back stop indicators which are critical in allocating financial assets into stages.

The quantitative models considers deterioration in the credit rating of obligor/counterparty based on the company's internal rating system or External Credit Assessment Institutions (ECAI) while qualitative factors considers information such as expected forbearance, restructuring, exposure classification by licensed credit bureau etc.

A backstop shall be used to ensure that in the (unlikely) event that the primary (quantitative) indicators do not change and there is no trigger from the secondary (qualitative) indicators, an account that has breached the 30 days past due criteria for SICR and 90 days past due criteria for Default shall be transferred to stage 2 and stage 3 respectively except there is a reasonable and supportable evidence available without undue cost to rebut the presumption.

Definition of Default and Credit Impaired Financial Assets

At each reporting date, the Group shall assess whether financial assets are credit impaired. A financial asset shall be credit impaired when one or more of the following events have a detrimental impact on the estimated future cash flows of the financial asset:

- Significant financial difficulty of the Issuer;
- A breach of contract such as a default or past due event;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganization.
- The disappearance of an active market for a security because of financial difficulties

A debt that has been renegotiated due to a deterioration in the issuer's condition shall be considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there shall be no other indicators of impairment. In making an assessment of whether an investment in sovereign debts is credit-impaired, the Group shall consider the following factors.

1. The market's assessment of credit worthiness as reflected in the bond yields
2. The rating agencies' assessments of credit worthiness
3. The country's ability to access the capital markets for new debt issuance
4. The probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness
5. The international support mechanisms in place to provide the necessary support as lender of last resort to that country as well as the intention, reflected in public statements of governments and agencies to use those mechanisms. This includes an assessment of the depth of those mechanisms and irrespective of the political intent, whether there is the capacity to fulfil the required Criteria.

Presentation of allowance for ECL in the statement of financial position

Allowances for ECL shall be presented in the statement of financial position as follows:

- Financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets



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Financial assets measured at FVOCI: no loss allowance shall be recognized in the statement of financial position because the carrying amount of these assets shall be their fair value. However, the loss allowance shall be disclosed and recognized in the fair value reserve.

Write-off

The Group writes off an impaired financial asset (and the related impairment allowance), either partially or in full, when there shall be no realistic prospect of recovery. After a full evaluation of a non-performing exposure, in the event that either one or all of the following conditions apply, such exposure shall be recommended for write-off (either partially or in full):

- Continued contact with the customer is impossible;
- Recovery cost is expected to be higher than the outstanding debt;
- Amount obtained from realization of credit collateral security leaves a balance of the debt; or
- It is reasonably determined that no further recovery on the facility is possible.

4. Leases

This is a new standard which replaces IAS 17 Leases, and introduces a single lessee accounting model. The main changes arising from the issue of IFRS 16 which are likely to impact the company are as follows:

- Company as lessee: Lessees are required to recognize a right-of-use asset and a lease liability for all leases, except short term leases or leases where the underlying asset has a low value, which are expensed on a straight line or other systematic basis.
- The cost of the right-of-use asset includes, where appropriate, the initial amount of the lease liability; lease payments made prior to commencement of the lease less incentives received; initial direct costs of the lessee; and an estimate for any provision for dismantling, restoration and removal related to the underlying asset.

The lease liability takes into consideration, where appropriate, fixed and variable lease payments; residual value guarantees to be made by the lessee; exercise price of purchase options; and payments of penalties for terminating the lease.

The right-of-use asset is subsequently measured on the cost model at cost less accumulated depreciation and impairment and adjusted for any re-measurement of the lease liability. However, right-of-use assets are measured at fair value when they meet the definition of investment property and all other investment property is accounted for on the fair value model. If a right-of-use asset relates to a class of property, plant and equipment which is measured on the revaluation model, then that right-of-use asset may be measured on the revaluation model.

The lease liability is subsequently increased by interest, reduced by lease payments and re-measured for reassessments or modifications. Re-measurements of lease liabilities are affected against right-of-use assets, unless the assets have been reduced to nil, in which case further adjustments are recognised in profit or loss.

The lease liability is re-measured by discounting revised payments at a revised rate when there is a change in the lease term or a change in the assessment of an option to purchase the underlying asset.

The lease liability is re-measured by discounting revised lease payments at the original discount rate when there is a change in the amounts expected to be paid in a residual value guarantee or when there is a change in future payments because of a change in index or rate used to determine those payments.

Certain lease modifications are accounted for as separate leases. When lease modifications which decrease the scope of the lease are not required to be accounted for as separate leases, then the lessee



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re-measures the lease liability by decreasing the carrying amount of the right of lease asset to reflect the full or partial termination of the lease. Any gain or loss relating to the full or partial termination of the lease is recognised in profit or loss. For all other lease modifications which are not required to be accounted for as separate leases, the lessee re-measures the lease liability by making a corresponding adjustment to the right-of-use asset.

• Right-of-use assets and lease liabilities should be presented separately from other assets and liabilities. If not, then the line item in which they are included must be disclosed. This does not apply to right-of-use assets meeting the definition of investment property which must be presented within investment property. IFRS 16 contains different disclosure requirements compared to IAS 17 leases. Company as lessor:

• Accounting for leases by lessors remains similar to the provisions of IAS 17 in that leases are classified as either finance leases or operating leases. Lease classification is reassessed only if there has been a modification.

• A modification is required to be accounted for as a separate lease if it both increases the scope of the lease by adding the right to use one or more underlying assets; and the increase in consideration is commensurate to the stand alone price of the increase in scope.

• If a finance lease is modified, and the modification would not qualify as a separate lease, but the lease would have been an operating lease if the modification was in effect from inception, then the modification is accounted for as a separate lease. In addition, the carrying amount of the underlying asset shall be measured as the net investment in the lease immediately before the effective date of the modification. IFRS 9 is applied to all other modifications not required to be treated as a separate lease.

• Modifications to operating leases are required to be accounted for as new leases from the effective date of the modification. Changes have also been made to the disclosure requirements of leases in the lessor's financial statements.

Sale and leaseback transactions:

In the event of a sale and leaseback transaction, the requirements of IFRS 15 are applied to consider whether a performance obligation is satisfied to determine whether the transfer of the asset is accounted for as the sale of an asset. If the transfer meets the requirements to be recognised as a sale, the seller-lessee must measure the new right-of use asset at the proportion of the previous carrying amount of the asset that relates to the right-of-use retained. The buyer-lessor accounts for the purchase by applying applicable standards and for the lease by applying IFRS 16.

If the fair value of consideration for the sale is not equal to the fair value of the asset, then IFRS 16 requires adjustments to be made to the sale proceeds. When the transfer of the asset is not a sale, then the seller-lessee continues to recognize the transferred asset and recognizes a financial liability equal to the transfer proceeds. The buyer-lessor recognizes a financial asset equal to the transfer proceeds. The effective date of the standard is for years beginning on or after January 1, 2019. The company adopted the standard for the first time in the 2019 annual report and financial statements. The impact of this standard is not material on the financial statements.

5. Trade receivables

Trade receivables are recognized when due. These include amounts due from agents, brokers and insurance contract holders. If there is objective evidence that the insurance receivable is impaired, the Company reduces the carrying amount of the insurance receivable accordingly and recognizes that impairment loss in the income statement. The



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Company first assesses whether objective evidence of impairment exists individually for receivables that are individually significant. If the company determines that no objective evidence of impairment exists for an individually assessed receivable, whether significant or not, it includes the receivable in a group of receivables with similar credit risk characteristics and collectively assesses them for impairment using the model that reflects the company's historical outstanding premium collection ratio per sector.

6. Reinsurance contract assets and liabilities

These are contracts entered into by the Company with reinsurers under which the Company is compensated for losses on one or more contracts issued by the Company, and which also meets the classification requirements for insurance contracts held as reinsurance contracts. Insurance contracts entered into by the Company under which the contract holder is another insurer (inwards reinsurance) are included in insurance contracts.

The benefits to which the Company is entitled under its reinsurance contracts are recognized as reinsurance assets. These assets consist of short-term balances due from reinsurers, as well as long term receivables that are dependent on the expected claims and benefits arising under the related reinsured insurance contracts. Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and in accordance with the terms of each reinsurance contract.

In certain cases, a reinsurance contract is entered into retrospectively to reinsure a notified claim under the Company's property or casualty insurance contracts.

Where the premium due to the reinsurer differs from the liability established by the Company for the related claim, the difference is amortized over the estimated remaining settlement period.

The Company assesses its reinsurance assets for impairment. If there is objective evidence that the reinsurance asset is impaired, the Company reduces the carrying amount of the reinsurance asset to its recoverable amount and recognizes that impairment loss in the income statement. The Company gathers the objective evidence that a reinsurance asset is impaired using the same process adopted for financial assets held at amortized cost. The impairment loss is calculated following the same method used for these financial assets

7. Other receivables and prepayments

Receivables are stated at their original invoiced value, as the interest that would be recognized from discounting future cash receipts over the short credit period is not considered to be material. These receivables are reduced by appropriate allowances for estimated irrecoverable amounts. Interest on overdue receivables is recognized as it accrues.

8. Investment in subsidiaries

Subsidiaries are entities controlled by the parent. In accordance with IAS 10, control exists when the parent has:

- Power over the investee
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect the amount of investor's returns.

Investments in subsidiaries are reported at cost less impairment (if any).

9. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

10. Intangible assets

Intangible assets acquired separately are shown at historical cost less accumulated amortization and



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impairment losses. Amortization is charged to profit or loss on a straight-line basis over the estimated useful lives of the intangible asset unless such lives are indefinite. These charges are included in other expenses in profit or loss. Intangible assets with an indefinite useful life are tested for impairment annually.

Amortization periods and methods are reviewed annually and adjusted if appropriate.

The class of the intangible assets recognised by the company and its amortisation rates are as follows:

	Rate
Computer software	15%

12. Property and equipment

12.1 Recognition and Measurement

All property and equipment are stated at historical cost less accumulated depreciation less accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Land is not depreciated. Land and Building shall be measured using the revaluation model. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

Buildings	-	2%
Furniture & fittings	-	15%
Computers	-	15%
Motor vehicles	-	20%
Office equipment	-	15%

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment. The assets' residual values and useful lives are reviewed at the end of each reporting period and adjusted if appropriate. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable value.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount, these are included in the income statement in operating income.

The Group reviews the estimated useful lives of property and equipment at the end of each reporting period.

12.2 Investment property

Property held for long-term rental yields and (or) capital appreciation that is not occupied by the companies in the Group is classified as investment property.

Investment property comprises freehold land and buildings. It is carried at fair values, adjusted if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods such as discounted cash flow projections or recent prices in less active markets. Gains/losses in the fair value of investment properties are recognised in the income statement.

These valuations are reviewed annually by an independent valuation expert. Investment Property under construction that is being developed for continuing use as investment property are measured at cost.

Property located on land that is held under an operating lease is classified as investment property as long as it is held for long-term rental yields and is not



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occupied by the companies in the consolidated Group. The initial cost of the property shall be the fair value (where available), when not available the initial cost shall be used. The property is carried at fair value after initial recognition.

When the use of a property changes from owner-occupied to investment property, the property is re-measured to fair value and reclassified as investment property. Any gain arising on re-measurement is recognized in income statement to the extent the gain reverses a previous impairment loss on the specific property, with any remaining gain recognized in other comprehensive income and presented in the revaluation reserve in equity.

Any loss is recognized in other comprehensive income and presented in the revaluation reserve in equity to the extent that an amount had previously been included in the revaluation reserve relating to the specific property, with any remaining loss recognized immediately in income statement.

13. Statutory Deposit

Statutory deposit represents 10% of the minimum paid-up capital of the Company deposited with the Central Bank of Nigeria (CBN) in pursuant to Section 10(3) of the Insurance Act, 2003. Statutory deposit is measured at cost.

15. Investment Contract Liability

Investment contracts are those contracts that transfer financial risk with no significant insurance risk. Financial risk is the risk of a possible future change in one or more of a specified interest rate, security price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

The Group enters into investment contracts with guarantee returns and other businesses of savings nature. Those contracts are termed investment

contract liabilities and are initially measured at fair value and subsequently at amortised cost. Finance cost on investment contract liabilities is recognised as an expense in profit or loss using the effective interest rate.

16. Retirement benefits obligations

16.1 Defined contribution plan

The Group runs a defined contribution plan in line with the Pension Reform Act Amended 2014. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The rate of contribution by the Group and its employee is 10% and 8% respectively of basic salary, housing and transport allowance. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Under the defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expenses when they are due.

Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

17. Share capital

Shares are classified as equity when there is no obligation to transfer cash or other assets. Equity instruments issued are recorded at the value of proceeds received, net of costs directly attributable to the issue of the instruments. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax.



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18. Share premium

Share premium is the excess amount over the par value of the shares. This is classified as equity when there is no obligation to transfer cash or other assets. The proceeds received are recorded as net of costs. This reserve is not ordinarily available for distribution.

19. Contingency reserve

In compliance with Section 21 (2) of Insurance Act 2003, the contingency reserve is credited with the greater of 3% of total premiums, or 20% of the net profits. This shall accumulate until it reaches the amount of greater of minimum paid-up capital or 50 percent of net premium.

20. Statutory reserve

In line with Central Bank of Nigeria guideline, Finance companies in Nigeria are required to transfer a minimum of 15% of its profit before tax to statutory reserve until the reserve fund equals the Paid-up Capital and a minimum of 10% thereafter. This applies to Grand Treasurers Limited, a subsidiary within the group.

21. Regulatory risk reserve

The Subsidiary (Grand Treasurers Ltd) determines its loan loss provisions based on the requirements of IFRS. The difference between the loan loss provision as determined under Nigerian Prudential guideline (as prescribed by the Central Bank of Nigeria) is recorded in this reserve. This reserve is non distributable.

22. Dividend distribution

Dividend distribution to the Group's shareholders is recognized as a deduction in the revenue reserve in the year in which the dividend is approved by the Company's shareholders.

23. Revenue recognition

A. Key types of insurance contracts issued, and reinsurance contracts held.

Non-Life Business - The Company issues non-life

insurance to individuals and businesses. Non-life insurance products offered include motor, property, marine, fire and personal accident. These products offer protection of policyholder's assets and indemnification of other parties that have suffered damage as a result of a policyholder's accident.

- ✓ The Company accounts for these contracts applying the Premium Allocation Approach (PAA).
- ✓ The Company also holds the following types of reinsurance contracts to mitigate risk exposure.
- ✓ For the life business, the Company holds quota share reinsurance treaties and accounts for these treaties applying the PAA.

B. Definition and Classification

Products sold by the Company are classified as insurance contracts when the Company accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder.

This assessment is made on a contract-by-contract basis at the contract issue date. In making this assessment, the Company considers all its substantive rights and obligations, whether they arise from contract, law or regulation.

The Company determines whether a contract contains significant insurance risk by assessing if an insured event could cause the Company to pay to the policyholder additional amounts that are significant in any single scenario with commercial substance even if the insured event is extremely unlikely or the expected present value of the contingent cash flows is a small proportion of the expected present value of the remaining cash flows from the insurance contract.

The Company does not issue any contracts with direct participating features.

C. Separating components from insurance and reinsurance contracts

The Company assesses its insurance and reinsurance



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products to determine whether they contain components which must be accounted for under another IFRS rather than IFRS 17 (distinct non-insurance components). After separating any distinct components, an entity must apply IFRS 17 to all remaining components of the (host) insurance contract.

Currently, the Company's products do not include distinct components that require separation.

Some term life contracts issued by the Company include a surrender option under which the surrender value is paid to the policyholder on maturity or earlier lapse of the contract. These surrender options have been assessed to meet the definition of a non-distinct investment component in IFRS 17. IFRS 17 defines investment components as the amounts that an insurance contract requires an insurer to repay to a policyholder in all circumstances, regardless of whether an insured event has occurred. Investment components which are highly interrelated with the insurance contract of which they form a part are considered non-distinct and are not separately accounted for. However, receipts and payments of the investment components are excluded from insurance revenue and insurance expenses. The surrender options are considered non distinct investment components as the Company is unable to measure the value of the surrender option component separately from the life insurance portion of the contract.

D. Level of aggregation

IFRS 17 requires an entity to determine the level of aggregation for applying its requirements. The Company identifies portfolios by aggregating insurance contracts that are subject to similar risks and managed together. In grouping insurance contracts into portfolios, the Company considers the similarity of risks rather than the specific labelling of product lines. The Company has determined that all contracts within each product line, as defined for management purposes, have similar risks. Therefore, when contracts are managed together, they represent a portfolio of contracts.

Each portfolio is subdivided into groups of contracts to which the recognition and measurement requirements of IFRS 17 are applied.

At initial recognition, the Company segregates contracts based on when they were issued. A cohort contains all contracts that were issued within a 12-month period. Each cohort is then further disaggregated into three groups of contracts:

- Contracts that are onerous on initial recognition
- Contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently
- Any remaining contracts

For short term contracts accounted for applying the PAA, the Group determines that contracts are not onerous on initial recognition, unless there are facts and circumstances indicating otherwise. As IFRS 17 does not define what "facts/circumstances" entail; the following are considered on their impact on expected cashflows and resulting profitability:

Significant changes in external conditions including economic or regulatory changes.

- Changes to the organization or processes
- Changes in underwriting and pricing strategies

Trends in experience and expected variability in cashflows

This consideration is only required for Liabilities for Remaining Claims (LRC) and not Liabilities for Incurred Claims (LIC) which is already measured at the current fulfillment value. Fulfillment cashflows can be estimated at whichever aggregate level is deemed appropriate and then subsequently allocated into IFRS 17 portfolios and groups. The fact that incurred claims of a particular cohort are loss-making does not mean the LRC will also be onerous. Judgment is applied to determine whether each cohort's LRC will be similar to this incurred experience and hence onerous. For example, actions taken to improve profitability a historically loss-making cohort may indicate that the cohort will be non-onerous going forward.



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All short-term contracts have currently been assessed as having no possibility of becoming onerous. Though the Fire portfolio (non-Life) has historically been loss-making, the portfolio has been showing some improvement post-implementation of PRAN rates and other underwriting strategies such as removal of some toxic accounts etc. The Company expects that improvements will be sustained in future and therefore the cohort will be non-onerous. In subsequent periods, non-onerous contracts are re-assessed based on the likelihood of prevailing facts and circumstances leading to significant possibility of becoming onerous.

Reinsurance contracts held are assessed for aggregation on an individual contract basis and are assessed separately from insurance contracts. The smallest unit of account is a reinsurance contract, even where this contract covers more than one type of insurance product. However, there are cases where a reinsurance contract covers separate and identifiable product lines which are only included in the same legal document for administrative convenience. These contracts have been separated into its different component.

If two or more reinsurance contracts are written on a particular product line, these may be grouped together in the same portfolio as they will be covering risks of the same nature and will be managed together. For example, the Surplus contracts (1&2) on Fire have been grouped together as they cover risks of the same nature and can be measured under the same measurement approach (PAA because they have a contract boundary of 1 year). While, facultative and excess of loss contracts are in separate groups; though they cover the same risks and are even managed together, differing measurement approaches as well as recognition requirements may apply.

E. Recognition

The Company recognizes groups of insurance contracts issued from the date when the first

payment from a policyholder in the group becomes due. As Company adheres to the statutory "no premium no cover", the date premium is received from the policyholder will always be earlier or on the same date as the coverage period. This premium receipt date would then be used to separate the groups of insurance contracts into yearly cohorts. The contract groupings shall not be reassessed until they are derecognized.

F. Contract Boundaries

The Company includes in the measurement of a group of insurance contracts all the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay the premiums, or in which the Group has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation to provide insurance contract services ends when:

- ✓ The Company has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks Or
- ✓ Both of the following criteria are satisfied:
- ✓ The Company has the practical ability to reassess the risks of the portfolio of insurance contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio.
- ✓ The pricing of the premiums up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.

A liability or asset relating to expected premiums or claims outside the boundary of the insurance contract are not recognized. Such amounts relate to future insurance contracts.

G. Measurement of insurance contracts issued.

1. General Model – Initial Measurement



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The Company measures a group of contracts on initial recognition as the sum of the expected fulfilment cash flows within the contract boundary and the contractual service margin representing the unearned profit in the contracts relating to services that will be provided under the contracts.

Fulfilment cash flows within contract boundary

The fulfilment cash flows are the current unbiased and probability-weighted estimates of the present value of the future cash flows, including a risk adjustment for non-financial risk. In arriving at a probability-weighted mean, the Company considers a range of scenarios to establish a full range of possible outcomes incorporating all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of expected future cash flows. The estimates of future cash flows reflect conditions existing at the measurement date including assumptions at that date about the future. The Company estimates expected future cash flows for a group of contracts at a portfolio level and allocates them to the groups in that portfolio in a systematic and rational way.

When estimating future cash flows, the Group includes all cash flows within the contract boundary including:

- ▼ Premiums and any additional cash flows resulting from those premiums.
- ▼ Reported claims that have not yet been paid, claims incurred but not yet reported, future claims expected to arise from the policy and potential cash inflows from recoveries on future claims covered by existing insurance contracts.
- ▼ An allocation of insurance acquisition cash flows attributable to the portfolio to which the issued contract belongs.
- ▼ Claim handling costs.
- ▼ Costs of providing contractual benefits in kind, such as home and vehicle repair
- ▼ Policy administration and maintenance costs including recurring commissions expected to be paid to intermediaries for policy administration services only (recurring commissions that are insurance acquisition cash flows are treated as such in the estimate of future cash flows)
- ▼ Transaction-based taxes
- ▼ An allocation of fixed and variable overheads directly attributable to the fulfilment of insurance contracts

including overhead costs such as accounting, human resources, information technology and support, building depreciation, rent, and maintenance and utilities

- ▼ Costs incurred for performing investment activities that enhance insurance coverage benefits for the policyholder.
- ▼ Costs incurred for providing investment-related service and investment-return service to policyholders.
- ▼ Other costs specifically chargeable to the policyholder under the terms of the contract

The Company does not provide investment-return services in respect of contracts that it issues, nor does it perform investment activities for the benefit of policyholders.

The Company incorporates, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows. The Company estimates the probabilities and amounts of future payments under existing contracts based on information obtained, including:

- ▼ Information about claims already reported by policyholders
- ▼ Other information about the known or estimated characteristics of the insurance contracts
- ▼ Historical data about the Company's own experience, supplemented, when necessary, with data from other sources. Historical data is adjusted to reflect current conditions.
- ▼ Current pricing information, when available

The measurement of fulfilment cash flows includes insurance acquisition cash flows which are allocated as a portion of premium to profit or loss (through insurance revenue) over the period of the contract in a systematic and rational way on the basis of the passage of time. The Company does not elect to accrete interest on insurance acquisition cash flows to be allocated to profit or loss.

Discount Rate

The time value of money and financial risk is measured separately from expected future cash flows with changes in financial risks recognized in profit or loss at the end of each reporting period unless the Company has elected the accounting policy to present the time value of money separately in profit or loss and other comprehensive



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income. The Company measures the time value of money using discount rates that reflect the liquidity characteristics of the insurance contracts and the characteristics of the cash flows, consistent with observable current market prices. They exclude the effect of factors that influence such observable market prices but do not affect the future cash flows of the insurance contracts (e.g., credit risk).

In determining discount rates for cash flows, the Company uses the 'bottom-up approach' to estimate discount rates starting from a risk-free rate with similar characteristics, plus an illiquidity premium where applicable. Risk free rates are determined by reference to the yields of highly liquid FGN Bonds. The illiquidity premium is determined by reference to observable market rates, including sovereign debt, corporate debt and market swap rates.

Risk adjustment for non-financial risk

The Company measures the compensation it would require for bearing the uncertainty about the amount and timing of cash flows arising from insurance contracts, other than financial risk, separately as an adjustment for non-financial risk

The Company uses the cost of capital method in estimating the risk adjustment. The level of capital and the cost of capital rate that feed this estimation technique are calibrated from the Group economic capital's approach within which the Group estimates the impact of non-financial risks. The economic capital approach includes a quantitative measure of the Group's risk appetite which allows a specific measure of the Company's non-financial risk and the degree of its risk aversion for financial reporting purposes. The Company's economical capital approach, and the risk adjustment calculation derived from it, include the benefits of diversification at the issuing entity level. This is allocated to all the groups of insurance contracts. Diversification benefits are derived from a study of the negative correlation that exists among the different non-financial variables impacting the cash flows from the portfolios of the Company and results in lower economic capital being necessary to absorb the residual level of uncertainty.

Contractual Service Margin (CSM)

The CSM is a component of the overall carrying amount of a group of insurance contracts representing unearned profit that the Group will recognize as it provides insurance contract services over the coverage period.

At initial recognition, the Group measures the CSM at an amount that, unless a group of insurance contracts is onerous, results in no gains recognized in profit or loss arising from:

- ✓ The expected fulfilment cash flows of the group. The amount of any derecognized asset for insurance acquisition cash flows allocated to the group
- ✓ Any other asset or liability previously recognized for cash flows related to the group.
- ✓ Any cash flows that have already arisen on the contracts as of that date.

If a group of contracts is onerous, the Group recognizes a loss on initial recognition. This results in the carrying amount of the liability for the group being equal to the fulfilment cash flows, and the CSM of the group being nil. A loss component is recognized for any loss on initial recognition of the group of insurance contracts.

The Company determines at initial recognition the group's coverage units. The Company then allocates the group's CSM based on the coverage units provided in the period.

The Company allocates contracts acquired with claims in the settlement phase into annual groups based on the expected profitability of the contracts at the date of acquisition. The Group uses the consideration received or paid as an approximation of premiums to calculate the CSM on initial recognition.

Insurance acquisition cash flows

The Company includes insurance acquisition cash flows in the measurement of a group of insurance contracts if they are directly attributable to either the individual contracts in a group, the group itself or the portfolio of insurance contracts to which the group belongs.

The Company estimates, at a portfolio level, insurance acquisition cash flows not directly attributable to the group but directly attributable to the portfolio. The Company then allocates them to the group of newly written and renewed contracts on a systematic and rational basis.

The Company applies judgement in determining the inputs used in the methodology to systematically and rationally allocate insurance acquisition cash flows to groups of insurance contracts. This includes judgements about whether insurance contracts are expected to arise from renewals of existing insurance contracts and, where applicable, the amount to be allocated to groups including



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future renewals and the volume of expected renewals from new contracts issued in the period.

In the current and prior years, the Company did not allocate any insurance acquisition cash flows to future groups of insurance contracts, as it did not expect any renewal contracts to arise from new contracts issued in the period.

In the current and prior year, the Company did not identify any facts and circumstances indicating that the assets may be impaired.

2. General Model – Subsequent Measurement

In estimating the total future fulfilment cash flows, the Group distinguishes between those relating to already incurred claims and those relating to future service. At the end of each reporting period, the carrying amount of the group of insurance contracts will reflect a current estimate of the liability for remaining coverage (LRC) as at that date and a current estimate of the liability for incurred claims (LIC). The LRC represents the Group's obligation to investigate and pay valid claims under existing contracts for insured events that have not yet occurred, amounts that relate to other insurance contract services not yet provided (i.e. provision of investment-return and investment-related services) and investment components and other amounts not related to insurance contract services that have not yet been transferred to the LIC.

The LRC is comprised of:

- (a) the fulfilment cash flows relating to future service,
- (b) the CSM yet to be earned and
- (c) any outstanding premiums for insurance contract services already provided.

The LIC includes the Company's liability to pay valid claims for insured events that have already incurred, other incurred insurance expenses arising from past coverage service and the liability for claims incurred but not yet reported. It also includes the Group's liability to pay amounts the Group is obliged to pay the policyholder under the contract. This includes repayment of investment components, when a contract is derecognized. The current estimate of LIC comprises the fulfilment cash flows related to current and past service allocated to the group at the reporting date.

Changes in fulfilment cash flows

At the end of each reporting period, the Company updates the fulfilment cash flows for both LIC and LRC to reflect the current estimates of the amounts, timing and uncertainty of future cash flows, as well as discount rates and other financial variable.

The Company has an accounting policy choice which calculates changes in fulfilment cash flows at the end of a reporting period for changes in non-financial assumptions, changes in discount rates and financial assumptions. The Company first calculates the changes in discount rates and financial assumptions on the fulfilment cash flows (as expected at the beginning of the period) and then calculate changes on those cash flows from the change in non-financial assumptions.

Experience adjustments are the difference between:

- ✓ The expected cash flow estimates at the beginning of the period and the actual cash flows for premiums received in the period (and any related cash flows paid such as insurance acquisition cash flows and insurance premium taxes)
- ✓ The expected cash flow estimates at the beginning of the period and the actual incurred amounts of insurance service expenses in the period (excluding insurance acquisition expenses)

Experience adjustments relating to current or past service are recognized in profit or loss. For incurred claims (including incurred but not reported) and other incurred insurance service expenses, experience adjustments always relate to current or past service. They are included in profit or loss as part of insurance service expenses.

Experience adjustments relating to future service are included in the LRC by adjusting the CSM. The release of the CSM depends on whether the contract does not participate, participates indirectly, or directly participates in the performance of the specified underlying items.

At the end of each reporting period, the Group re-estimates the LRC fulfilment cash flows, updating for changes in assumptions relating to financial and non-financial risks.

Adjustments to the CSM

The following changes in fulfilment cash flows are considered to be related to future service and adjust (or 'unlock') the CSM of the group of insurance contracts:



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• Experience adjustments relating to the premiums received in the period that relate to future service, and any relate cash flows such as insurance acquisition cash flows and premium-based taxes measured at the 'locked in' discount rates applicable when the contracts in the group were initially recognized.

• The change in the estimate of the present value of expected future cash flows in the liability for remaining coverage, related to non-financial variables, measured at the 'locked in' discount rates applicable when the contracts in the group were initially recognized. All financial variables are locked in at initial recognition.

• Changes in the risk adjustment for non-financial risk relating to future service. The Company has elected not to disaggregate the change in the risk adjustment for non-financial risk between:

• a change related to non-financial risk and

• the effect of the time value of money and changes in the time value of money.

• Differences between the amount of investment components that were expected to be payable in the period and the amount of investment components that actually became payable. The amount of investment components expected to be payable in the period is measured at the discount rates applicable before it became payable.

The following adjustments do not relate to future service and thus do not adjust the CSM:

• Changes in fulfilment cash flows for the effect of the time value of money and the effect of financial risk and changes thereof.

• Changes in the fulfilment cash flows relating to the LIC.

• Experience adjustments relating to insurance service expenses (excluding insurance acquisition cash flows)

Any further increases in fulfilment cash flows relating to future coverage are recognized in profit or loss as they occur, increasing the loss component of the group of insurance contracts. Any subsequent decreases in fulfilment cash flows related to future coverage do not adjust the CSM until the loss component of the group is fully reversed through profit or loss.

At the end of the reporting period, the carrying amount of the CSM for a group of insurance contracts without direct participating features is the carrying amount at the beginning of the period adjusted for:

• The effect of any new contracts added to the group.

• Interest accreted on the carrying amount of the CSM measured at the discount rates determined at initial recognition.

• The changes in fulfilment cash flows related to future service, except:

- Increases in fulfilment cash flows that exceed the carrying amount of the CSM, giving rise to a loss that results in the group of contracts becoming onerous or more onerous.

- Decreases in fulfilment cash flows that reverse a previously recognized loss on a group of onerous contracts.

- The effect of any currency exchange differences on the CSM

- The amount recognized as insurance revenue because of the transfer of insurance contract services in the period, determined by the allocation of the CSM remaining at the end of the reporting period over the current and remaining coverage period.

Recognition of the CSM in profit or loss

An amount of the CSM is released to profit or loss in each period during which the insurance contract services are provided.

In determining the amount of the CSM to be released in each period, the Company follows three steps:

• Determine the total number of coverage units in the group. The amount of coverage units in the group is determined by considering the quantity of benefits provided under the contract and the expected coverage period for each contract.

• Allocate the CSM at the end of the period (before any of it is released to profit or loss to reflect the insurance contract services provided in the period) equally to each of the coverage units provided in the current period and expected to be provided in the future

• Recognize in profit or loss the amount of CSM allocated to the coverage units provided during the period.

lapse or surrender and new contracts are added to the group. The total number of coverage units depends on the expected duration of the obligations that the Company has from its contracts. These can differ from the legal contract maturity because of the impact of policyholder behavior and the uncertainty surrounding future insured events.

By determining a number of coverage units, the Company exercises judgement in estimating the likelihood of insured events occurring and policyholder behavior to the extent



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that they affect expected period of coverage in the group, the different levels of service offered across periods and the 'quantity of benefits' provided under a contract.

3. Premium Allocation Approach (PAA)

This is a simplification of the general model. The Company applies the PAA to the measurement of group life and non-life insurance contracts with a coverage period of each contract in the group of one year or less.

Contracts with coverage period above one year which are not immediately eligible for the PAA, will be subjected to a PAA eligibility by assessing the expected LRC cashflows under both the PAA and General Model approaches. However, there is no material difference in the measurement of the liability for remaining coverage between PAA and the general model, therefore, these qualify for PAA.

On initial recognition, the Group measures the carrying amount of the Liability for remaining coverage for insurance contracts held as the premiums received - Gross Written premium

At subsequent measurement, the LRC is effectively the unearned premium reserve (UPR) under IFRS 4 less the deferred acquisition costs (DAC). Unlike IFRS 4, DAC will not be presented as an asset under IFRS 17. It is instead reflected in the overall insurance contract liability for remaining coverage, without being identified as a separate component in the balance sheet.

Premium Experience Adjustment: Where premium experience adjustments relate to current/ past service and are treated at the end of the period, this will be immediately recognized in the P&L as insurance revenue.

Insurance acquisition cash flows

IFRS 17 defines insurance acquisition cash flows as cash flows arising from the costs of selling, underwriting and starting a group of insurance contracts that are directly attributable to the portfolio of insurance contracts to which the group belongs. These include direct and indirect costs incurred in originating insurance contracts, including cashflows related to unsuccessful efforts to obtain new business.

Under the PAA, an entity can choose to immediately expense insurance acquisition cash flows in the P&L when incurred if and only if each insurance contract in a group

has a coverage period of one year or less. CHI Limited has opted not to expense acquisition cash flows immediately when incurred. Alternatively, an entity can recognize insurance acquisition cash flows in the measurement of liability for remaining coverage (LRC) and amortize insurance acquisition cash flows in the P&L (systematically - in line with earning pattern of premium revenue OR passage of time, with the former being the method adopted by the Company).

The exiting IFRS 4 approach is to recognize a separate deferred acquisition cost (DAC) assets for costs associated with writing new insurance contracts (e.g., commissions paid to brokers). Under IFRS 17, if acquisition costs are paid before the related insurance groups are recognized, an entity shall recognize an asset. These assets are derecognized when the group of insurance contracts are recognized. If insurance acquisition cash flows are expected to be paid after the related group is recognized, then they are included as part of the measurement of insurance contracts (LRC).

IFRS 17 allows for the deferral of acquisition costs to smooth out the recognition of profits. Paid acquisition costs are an asset that is amortized (or derecognized) when they are included in the measurement of the related group of insurance contracts. Company has chosen to defer all insurance acquisition cash flows and recognize them over the coverage period of contracts or groups they are attributed to. Therefore, acquisition costs and related revenue are recognized over the same periods and in the same pattern, based on the passage of time.

It must be noted that IFRS 17 requires allocation to future renewals if the acquisition cashflows are judged to support future renewals. Also the expensing acquisition costs policy choice only applies for contracts with coverage period one year or less.

For contracts measured under PAA in the Group, insurance acquisition costs comprise of costs: that are directly attributable to individual contracts or groups of contracts in a portfolio that are not directly attributable to individual contracts but, directly attributable to the portfolio of insurance contracts to which the group belongs; with the costs being allocated to groups on a systematic and rationale method e.g., Activity-Based Costing method or based on GWP proportions or claims cost etc.



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4. Onerous contracts

The Company considers an insurance contract to be onerous if the expected fulfilment cash flows allocated to the contract, any previously recognized acquisition cash flows and any cash flows arising from the contract at the date of initial recognition in total result in a net cash outflow.

On initial recognition, the onerous assessment is done on an individual contract level assessing future expected cash flows on a probability-weighted basis including a risk adjustment for non-financial risk. Contracts expected on initial recognition to be loss-making are grouped together and such groups are measured and presented separately. Once contracts are allocated to a group, they are not re-allocated to another group, unless they are substantively modified.

On initial recognition, the CSM of the group of onerous contracts is nil and the group's measurement consists entirely of fulfilment cash flows. A net outflow expected from a group of contracts determined to be onerous is considered to be the group's 'loss component'. It is initially calculated when the group is first considered to be onerous and is recognized at that date in profit or loss. The amount of the group's loss component is tracked for the purposes of presentation and subsequent measurement.

After the loss component is recognized, the Group allocates any subsequent changes in fulfilment cash flows of the LRC on a systematic basis between the loss component and the LRC excluding the loss component. For groups of onerous contracts, without direct participating features, the Group uses locked-in discount rates. They are determined at initial recognition to calculate the changes in the estimate of future cash flows relating to future service (both changes in a loss component and reversals of a loss component).

For all issued contracts, other than those accounted for applying the PAA, the subsequent changes in the fulfilment cash flows of the LRC to be allocated are:

- Insurance finance income or expense
- Changes in risk adjustment for non-financial risk recognized in profit or loss representing release from risk in the period.
- Estimates of the present value of future cash flows for claims and expenses released from the LRC because of incurred insurance service expenses in the period.

The Company determines the systematic allocation of insurance service expenses incurred based on the percentage of loss component to the total fulfilment cash outflows included in the LRC, including the risk adjustment for non-financial risk, excluding any investment component amount.

For contracts that are measured under PAA, the assumption is that there are no onerous contracts at initial recognition, unless facts and circumstances indicate otherwise. If the measurement of the LIC results in a loss-making group, this does not translate to the LRC being onerous. In this case, the group will be assessed as to whether its LRC will be similar to the incurred experience and hence considered to be onerous. For example, actions taken to improve profitability on the fire portfolio which has been historically loss-making may indicate that the LRC will have a different loss experience.

If facts and circumstances indicate that a group of contracts is onerous during the coverage period, the onerous liability is calculated as the difference between:

- the carrying amount of the liability for remaining coverage; and
- the FCF that relates to remaining coverage similar to what is needed under the GMM.

This difference is recognized as a loss and shall increase the liability for remaining coverage.

1. Measurement of Reinsurance contracts issued.

1. Recognition

Proportional reinsurance contracts held will be first recognized on the later of the beginning of the coverage period of the reinsurance contract or the date that the first underlying insurance contract in the treaty is initially recognized.

For example, if we enter a surplus fire reinsurance contract on 1 January 2022 and the first fire insurance policy in the treaty is written in February 2022, then the date of recognition of the surplus reinsurance contract will be February 2022. Though the contract agreement is in place in January, cashflows on the contract don't start until February.

Non-Proportionate reinsurance coverage will be recognized at the beginning of the coverage period of the



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contract.

2. Reinsurance contracts held measured under the PAA.

All reinsurance contracts with contract boundaries not exceeding one year are automatically considered to meet PAA eligibility. Most of the Group's Surplus reinsurance contracts are immediately eligible for PAA as they are written on a clean-cut basis. At the end of the period, the reinsurer withdraws from the contract and the reinsurance held portfolio (including outstanding recoveries and ceded portion of unexpired premiums) is transferred to a new reinsurer.

A smaller number of surplus reinsurance contracts and all Facultative contracts are written on an underwriting year basis. This basis extends the contract boundary beyond one year as coverage of contracts ceded to the treaty may continue even after the underwriting year has ended.

For example, if an insurance contract inceptioned in May 2022 and cedes to the Marine Hull Surplus reinsurance treaty (which inceptioned 1 January 2022); the contract boundary extends till May 2023 when the insurance contract will expire. So, the contract boundary for the reinsurance contract is beyond one year i.e.. 1 Jan 2022 – May 2023. Where the reinsurance contracts held covers a group of onerous underlying insurance contracts, the Group adjusts the carrying amount of the asset for remaining coverage and recognizes a gain when, in the same period, it reports a loss on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to a group. The recognition of this gain results in the recognition for the loss recovery component of the asset for the remaining coverage of a group of reinsurance contracts held.

J. Modification and Derecognition

The Company derecognizes the original contract and recognizes the modified contract as a new contract, if the terms of insurance contracts are modified and the following are met: conditions

¶ If the modified terms were included at contract inception and the Group would have concluded that the modified contract:-

¶ Is outside of the scope of IFRS 17

- Results in a different insurance contract due to separating components from the host contract
- Results in a substantially different contract boundary
- Would be included in a different group of contracts.

The original contract met the definition of an insurance contract with direct participating features, but the modified contract no longer meets the definition.

¶ The original contract was accounted for applying the PAA, but the modified contract no longer meets the PAA eligibility criteria for that approach.

If the contract modification meets any of the conditions, the Group performs all assessments applicable at initial recognition, derecognizes the original contract and recognizes the new modified contract as if it was entered for the first time.

If the contract modification does not meet any of the conditions, the Group treats the effect of the modification as changes in the estimates of fulfilment cash flows.

For insurance contracts accounted for applying the General Model, a change in the estimates of fulfilment cash flows results in a revised end of period CSM (before the current period allocation). A portion of the revised end of period CSM is allocated to the current period, as is the revised CSM amount applied from the beginning of the period but reflecting the change in the coverage units due to the modification during the period.

This portion is calculated using updated coverage unit amounts determined at the end of the period and weighted to reflect the fact that the revised coverage existed for only part of the current period.

For insurance contracts accounted for applying the PAA, the Group adjusts insurance revenue prospectively from the time of the contract modification.

The Company derecognizes an insurance contract when, and only when the contract is:

¶ Extinguished (when the obligation specified in the insurance contract expires or is discharged or cancelled) Modified and the derecognition criteria are met.

¶ When the Group derecognizes an insurance contract from within a group of contracts, it:

¶ Adjusts the fulfilment cash flows allocated to the group to eliminate the present value of the future cash flows and risk adjustment for non-financial risk relating to the rights and obligations that have been derecognized from the group.

¶ Adjusts the CSM of the group for the change in the fulfilment cash flows (unless it relates to the increase or reversal of the loss component)



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↯ Adjusts the number of coverage units for expected remaining insurance contract services to reflect the coverage units derecognized from the group and recognizes in profit or loss in the period the amount of CSM based on that adjusted number.

When the Company transfers an insurance contract to a third party and that results in derecognition, the Group adjusts the CSM of the group from which the contract has been derecognized for the difference between the change in the carrying amount of the group caused by the derecognized fulfilment cash flows and the premium charged by the third party for the transfer.

When the Company derecognizes an insurance contract due to modification, it derecognizes the original insurance contract and recognizes a new one. The Group adjusts the CSM of the group from which the modified contract has been derecognized for the difference between the change in the carrying amount of the group as a result of adjustment to fulfilment cash flows due to derecognition and the premium the Group would have charged had it entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium actually charged for the modification.

K. Presentation

The Company has presented separately in the consolidated statement of financial position the carrying amount of portfolios of insurance contracts that are assets and those that are liabilities, and the portfolios of reinsurance contracts held that are assets and those that are liabilities.

The Company disaggregates the amounts recognized in the consolidated statement of profit or loss and other comprehensive income into an insurance service result sub-total that comprises insurance revenue and insurance service expenses and, separately from the insurance service result, the 'net insurance finance income or expenses' sub-total. The Group has voluntarily included the net insurance finance income or expenses line in another sub- total: net insurance and investment result, which also includes the income from all the assets backing the Group's insurance liabilities.

The Company includes any assets for insurance acquisition cash flows recognized before the corresponding groups of insurance contracts are recognized in the carrying amount of the related portfolios of insurance contracts issued.

1. Insurance Revenue

As the Company provides insurance services under a group of insurance contracts issued, it reduces its LRC and recognizes insurance revenue, which is measured at the amount of consideration the Company expects to be entitled to in exchange for those services.

For groups of insurance contracts measured under the General Model, insurance revenue consists of the sum of the changes in the LRC due to:

↯ The insurance service expenses incurred in the period measured at the amounts expected at the beginning of the period, excluding:

- Amounts allocated to the loss component.
- Repayments of investment components.
- Amounts that relate to transaction-based taxes collected on behalf of third parties.
- Insurance acquisition expenses.
- Amounts relating to risk adjustment for non-financial risk.

↯ The change in the risk adjustment for non-financial risk, excluding:

- Changes that relate to future service that adjust the CSM.
- Amounts allocated to the loss component.

↯ The amount of CSM for the services provided in the period.

↯ Other amounts, such as experience adjustments for premium receipts that relate to current or past service, if any Insurance revenue also includes the portion of premiums that relate to recovering those insurance acquisition cash flows included in the insurance service expenses in each period.

Both amounts are measured in a systematic way on the basis of the passage of time.

When applying the PAA, the Group recognizes insurance revenue for the period based on the passage of time by allocating expected premium receipts including premium experience adjustments to each period of service.

At the end of each reporting period, the Group considers whether there was a change in facts and circumstances indicating a need to change, on a prospective basis, the premium receipt allocation due to changes in the expected pattern of claim occurrence.

2. Insurance service expenses

Insurance service expenses arising from a group of insurance contracts issued comprises:



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Changes in the LIC related to claims and expenses incurred in the period excluding repayment of investment components.

- ▼ Changes in the LIC related to claims and expenses incurred in prior periods (related to past service)
- ▼ Other directly attributable insurance service expenses incurred in the period.
- ▼ Amortization of insurance acquisition cash flows, which is recognized at the same amount in both insurance service expenses and insurance contract revenue.
- ▼ Loss component of onerous groups of contracts initially recognized in the period.
- ▼ Changes in the LRC related to future service that do not adjust the CSM, because they are changes in the loss components of onerous groups of contracts.

3. Income or expenses from reinsurance contracts held.

The Company presents income or expenses from a group of reinsurance contracts held and reinsurance finance income or expenses in profit or loss for the period separately. Income or expenses from reinsurance contracts held are split into the following two amounts:

- ▼ Amount recovered from reinsurers.
- ▼ An allocation of the premiums paid.

The Company presents cash flows that are contingent on claims as part of the amount recovered from reinsurers. Ceding commissions that are not contingent on claims of the underlying contracts are presented as a deduction in the premiums to be paid to the reinsurer which is then allocated to profit or loss.

The Company establishes a loss recovery component of the asset for the remaining coverage for a group of reinsurance contracts held. This depicts the recovery of losses recognized on the initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to a group. The loss recovery component adjusts the CSM of the group of reinsurance contracts held. The loss recovery component is then adjusted to reflect:

- ▼ Changes in the fulfilment cash flows of the underlying insurance contracts that relate to future service and do not adjust the CSM of the respective groups to which the underlying insurance contracts belong to.
- ▼ Reversals of loss recovery component to the extent those reversals are not changes in the fulfilment cash flows of the group of reinsurance contracts held.
- ▼ Allocations of the loss recovery component against the

amounts recovered from reinsurers reported in line with the associated reinsured incurred claims or expenses.

4. Insurance finance income and expenses

Insurance finance income or expenses present the effect of the time value of money and the change in the time value of money, together with the effect of financial risk and changes in financial risk of a group of insurance contracts and a group of reinsurance contracts held.

The use of OCI presentation for insurance finance income and expenses

The Company has an accounting policy choice to present all the period's insurance finance income or expenses in profit or loss or to split the amount between profit or loss and other comprehensive income (OCI). When considering the choice of presentation of insurance finance income or expenses, the Group examines the assets held for that portfolio and how they are accounted for.

Currently the Company present all the period's insurance finance income or expenses in the profit or loss.

The Company may reassess its accounting policy choice during the duration of a group of direct participating contracts when there is a change in whether the Company holds the underlying items or no longer holds the underlying items. When such change occurs, the Group includes the amount accumulated in OCI by the date of change as a reclassification adjustment to profit or loss spread across the period of change and future periods based on the method and on assumptions that applied immediately before the date of change.

Comparatives are not restated.

When applying the PAA, the Group does not discount the liability for remaining coverage to reflect the time value of money and financial risk for group life and non-life policies with a coverage period of one year or less. For those claims that the Group expects to be paid within one year or less from the date of incurrence, the Group does not adjust future cash flows for the time value of money and the effects of financial risks. However, claims expected to take more than one year to settle are discounted applying the discount rate at the time the incurred claim is initially recognized.

L. Contracts existing at transition date.

On transition date, 1 January 2022, the Group:



Statement of Significant Accounting Policies

For The Year Ended 31 December 2023

✓ Has identified, recognized and measured each group of insurance contracts as if IFRS 17 had always applied (unless impracticable).

✓ Has identified, recognized and measured assets for insurance acquisition cash flows as if IFRS 17 had always applied. However, no recoverability assessment was performed before the transition date. At transition date, a recoverability assessment was performed, and no impairment loss was identified.

✓ Derecognized any existing balances that would not exist had IFRS 17 always applied.

Recognized any resulting net difference in equity.

In determining the appropriate transition approach, the following were considered:

- the coverage period of the in-force policies
- the availability of historical data and assumptions driving measurement and the ability to obtain these without undue cost and effort.

1. Full Retrospective approach

On transition to IFRS 17, the Company applied the full retrospective approach unless impracticable to do so.

The Company has applied the full retrospective approach on transition to all short-term contracts in force at the transition date.

To do this, at the transition date, we have identified, recognized and measured each group of insurance contracts as if IFRS 17 had always applied; and derecognized any existing balances that would not exist had IFRS 17 always applied; and finally recognized any resulting net difference in equity

2. Fair Value approach

The Company has applied the fair value approach on transition for individual life contracts as, prior to transition, it grouped contracts from multiple cohorts and years into a single unit for accounting purposes. Obtaining reasonable and supportable information to apply the full retrospective approach was impracticable without undue cost or effort. The Company has determined the CSM of the liability for remaining coverage at the transition date, as the difference between the fair value of the group of insurance contracts and the fulfilment cash flows measured at that date. In determining fair value, the Company has applied the requirements of IFRS 13 Fair Value Measurement, except for the demand deposit floor requirement.

The Company has aggregated contracts issued more than one year apart in determining groups of insurance

contracts under the fair value approach at transition as it did not have reasonable and supportable information to aggregate groups into those including only contracts issued within one year.

27. Investment income

Investment income consists of dividend, interest income. Dividends are recognized only when the group's right to payments is established.

27.1 Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the assets carrying amount

27.2 Other operating income

Other operating income is made up of rent income, profit on disposal of fixed assets, profit or loss on disposal of investment, exchange gain or loss and other line of income that are not investment income.

27.3 Realized gains and losses

The realized gains or losses on the disposal of an investment is the difference between proceeds received, net of transaction costs and its original or amortized costs as appropriate.

28. Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in



Statement of Significant Accounting Policies

For The Year Ended 31 December 2023

the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit (loss), it is not accounted for. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the Group controls the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities, where there is an intention to settle the balances on a net basis.

29. Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

30. Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. At the reporting date, unsettled monetary assets and liabilities are translated into the Group's functional currency by using the exchange rate in effect at the year-end date.

Foreign exchange gains and losses resulting from the

settlement of foreign currency transactions and from the translation at exchange rates of monetary assets and liabilities denominated in currencies other than the group's functional currency are recognized in the consolidated income statement.

31. Unclaimed dividend

Unclaimed dividend are amounts payable to shareholders in respect of dividend previously declared by the Group which have remained unclaimed by the shareholder in compliance with section 429 of the Companies and Allied Matters Act 2020. Unclaimed dividends are transferred to general reserves after twelve years.

32. Earnings per share

The Group presents basic earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of shares outstanding during the year.

33. Borrowings

These are financial liabilities that mature within 12 months of the balance sheet date. Borrowings inclusive of transaction cost are recognize initially at fair value. Borrowings are subsequently stated at amortized cost using the effective interest rate method; any difference between proceeds and the redemption value is recognized in the statement of profit or loss over the period of the borrowings using the effective interest rate method.

34. Revaluation Reserves

Revaluation reserve is an accounting term used when a company creates a line item on its balance sheet for the purpose of maintaining a reserve account tied to certain assets. This line item can be used when a revaluation assessment finds that the carrying value of the asset has changed. The Group uses revaluation reserve lines on the financial Position to account for value fluctuations in long-term assets.



Financial Statement



Consolidated Statement of Financial Position

For The Year Ended 31 December 2023

		Group			Company		
	Notes	31 December 2023 N	Restated 31 December 2022 N	Restated 1 January 2022 N	31 December 2023 N	Restated 31 December 2022 N	Restated 1 January 2022 N
Assets							
Cash and cash equivalents	2	2,985,320,307	1,666,364,199	2,857,075,240	1,933,950,945	1,183,948,834	2,044,305,295
Financial assets	3	14,822,533,183	8,644,183,149	5,290,556,582	12,432,077,250	6,325,958,061	3,926,828,203
Finance lease receivables	5	115,832,776	210,896,364	148,741,442	-	-	-
Trade receivables	6	1,182,794,434	831,493,560	601,620,155	1,150,281,154	773,060,783	543,897,328
Reinsurance contracts assets	7	3,446,441,321	3,552,376,954	4,086,694,213	3,446,441,321	3,552,376,954	4,086,694,213
Other receivables & prepayments	9	478,478,481	295,685,133	222,692,504	644,340,993	652,618,272	547,376,936
Investment in subsidiaries	10	-	-	-	1,594,225,000	1,594,225,000	1,594,225,000
Intangible Assets	11	49,681,219	64,109,632	76,702,921	14,767,281	22,104,164	29,482,173
Investment properties	12	1,474,449,524	1,405,226,470	1,098,676,470	1,271,781,524	1,265,226,470	1,008,676,470
Property and equipment	13	1,279,747,102	1,168,945,157	1,163,471,059	1,199,375,172	1,088,248,164	1,089,355,653
Right-of-Use of Assets (Leased Assets)	13.3	23,035,044	2,844,702	6,406,591	-	-	-
Statutory deposits	14	320,000,000	400,000,000	400,000,000	300,000,000	300,000,000	300,000,000
Total assets		26,178,313,391	18,242,125,320	15,952,637,177	23,987,240,640	16,757,766,702	15,170,841,271
Liabilities							
Insurance contract liabilities	15	9,979,029,160	6,927,748,770	5,828,566,433	9,701,037,803	6,706,663,170	5,648,280,708
Investment contract liabilities	15.5	10,437,775	13,723,775	17,660,923	-	-	-
Trade payables	16	330,749,570	33,472,651	46,805,158	330,749,570	33,472,651	46,805,158
Borrowing	17	597,302,864	680,107,895	55,800,013	-	-	-
Other payables and provision	18	515,543,558	324,165,837	274,735,366	224,024,963	240,152,189	206,315,888
Retirement benefit obligations	19	15,709,020	2,925,282	2,075,682	13,677,328	1,181,508	1,367,928
Income tax liabilities	21	1,554,577,043	651,220,778	462,785,845	1,316,060,787	524,545,069	340,135,901
Deferred tax liabilities	22	279,460,225	253,908,071	259,663,907	264,056,690	239,442,368	247,979,804
Total liabilities		13,282,809,214	8,887,273,058	6,948,093,327	11,849,607,141	7,745,456,955	6,490,885,387
Equity and reserves							
Issued and paid up share capital	23	5,420,000,000	5,420,000,000	5,420,000,000	5,420,000,000	5,420,000,000	5,420,000,000
Share Premium	24	168,933,834	168,933,834	168,933,834	168,933,834	168,933,834	168,933,834
Contingency reserve	25.1	3,473,337,958	2,800,339,728	2,437,638,438	3,469,814,488	2,799,201,192	2,437,343,087
Statutory reserve	25.2	133,136,812	91,262,839	72,039,763	-	-	-
Fair Value Through OCI Reserve	25.3	126,393,794	39,180,406	30,615,727	127,131,418	39,163,090	30,669,220
Revaluation reserve	25.4	138,165,551	128,676,506	115,793,288	138,165,551	128,676,506	115,793,288
Regulatory risk reserve	25.5	17,293,896	1,828,189	1,354,214	-	-	-
Retained earnings	26	3,418,242,332	704,630,761	758,168,587	2,813,588,208	456,335,125	507,216,455
Total equity and reserves		12,895,504,177	9,354,852,262	9,004,543,850	12,137,633,499	9,012,309,747	8,679,955,884
Total liabilities and equity and reserves		26,178,313,391	18,242,125,320	15,952,637,177	23,987,240,640	16,757,766,702	15,170,841,271

The consolidated financial statements were approved by the Board of Directors on February 29, 2024



Shuaibu A. Idris
Chairman
FRC/2014/ANAN/0000008186



Eddie A. Efekoha
Group Chief Executive Officer
FRC/2013/CIIN/0000002189



Babatunde Daramola
Group Chief Financial Officer
FRC/2012/ICAN/0000000564

The accompanying notes form an integral part of this financial statements.



Consolidated Statement Of Comprehensive Income

For The Year Ended 31 December 2023

		Group		Company	
		31 December	Restated	31 December	Restated
		2023	2022	2023	2022
	Notes	N	N	N	N
Insurance revenue	27.	15,710,848,992	11,880,010,802	14,815,865,738	11,142,727,902
Insurance service expenses	28	(12,099,491,055)	(8,963,514,992)	(11,518,480,207)	(8,300,193,584)
Net expenses from reinsurance contracts held	30	(3,727,209,643)	(2,745,106,417)	(3,710,381,308)	(2,741,454,939)
Insurance service result		(115,851,705)	171,389,393	(412,995,777)	101,079,379
Interest revenue calculated using the effective interest method	32.	1,903,202,041	1,439,608,085	1,072,526,533	752,385,146
Net fair value gains/(losses) on financial assets at fair value through profit or loss	35.	1,539,014,618	72,297,226	1,468,699,284	10,163,192
Net fair value gains on derecognition of financial assets measured at fair value through other comprehensive income		-	-	-	-
Net foreign exchange income/(expense)	33.1	2,958,598,009	590,678,251	2,958,598,009	590,678,251
Net credit impairment losses	34	(26,849,335)	(197,713,788)	(11,838,371)	(20,066,075)
		-	-	-	-
Net change in investment contract liabilities		-	-	-	-
Net investment income		6,373,965,333	1,904,869,773	5,487,985,455	1,333,160,515
Finance expenses from insurance contracts issued		-	-	-	-
Finance income from reinsurance contracts held		-	-	-	-
Net insurance finance expenses		-	-	-	-
Net insurance and investment result		6,258,113,628	2,076,259,166	5,074,989,678	1,434,239,894
Asset management services revenue		-	-	-	-
Other finance costs		-	-	-	-
Other expenses	36.	(1,692,470,183)	(1,159,454,003)	(967,086,841)	(500,371,852)
Other income	33.	86,211,132	66,439,274	5,117,000	4,676,938
Share of profit of associates and joint ventures accounted for using the equity method		-	-	-	-
Profit before income tax		4,651,854,576	983,244,436	4,113,019,837	938,544,979
Tax expense	20	(882,704,996)	(436,229,655)	(759,953,356)	(410,768,155)
Profit for the year		3,769,149,580	547,014,781	3,353,066,481	527,776,824
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss					
Net Fair Value through OCI	33.2	96,702,433	21,394,404	97,457,373	21,377,088
Net finance income from reinsurance contracts		-	-	-	-
Income tax relating to these items					
Items that may not be reclassified subsequently to profit or loss		3,865,852,013	568,409,185	3,450,523,854	549,153,913
Changes in the fair value on equity instruments at fair value through other comprehensive income					
Profit attributable to Equity holders		3,865,852,013	568,409,185	3,450,523,854	549,153,913
		-	-	-	-
Other comprehensive income for the year. Net of tax		3,865,852,013	568,409,185	3,450,523,854	549,153,913
Basic & diluted earnings per share (Kobo)	37	34.77	5.05	30.93	4.87

The accompanying notes form an integral part of this financial statements



Consolidated Statement Of Changes in Equity

For The Year Ended 31 December 2023

The Group

	Issued share capital	Share Premium	Contingency reserves	Fair Value Through OCI Reserve	Revaluation Reserve	Statutory reserve	Regulatory risk reserve	Retained earnings	Total equity
	N	N	N	N	N	N	N	N	N
Restated									
At 1 January 2022	5,420,000,000	168,933,834	2,437,638,438	30,615,728	115,793,288	72,039,762	1,354,214	758,168,587	9,004,543,850
Changes in equity for 2022:									
Profit for the period	-	-	-	-	-	-	-	547,014,781	547,014,781
Other comprehensive income for the period	-	-	-	8,564,677	12,883,218	-	-	21,447,895	21,447,895
Total comprehensive income for the period	-	-	-	8,564,677	12,883,218	-	-	547,014,781	568,462,677
Transactions with owners:									
Transfer within reserves	-	-	362,701,290	-	-	19,223,077	(1,354,214)	(381,924,367)	(1,354,214)
Addition	-	-	-	-	-	-	1,828,189	(1,828,189)	-
Dividends relating to prior periods paid during the period	-	-	-	-	-	-	-	(216,800,050)	(216,800,050)
Non-controlling interest arising on business combination	-	-	-	-	-	-	-	-	-
Contribution by and to owners of the business	-	-	362,701,290	-	-	19,223,077	473,975	(600,552,606)	(218,154,264)
At December 2022	5,420,000,000	168,933,834	2,800,339,728	39,180,405	128,676,506	91,262,839	1,828,189	704,630,762	9,354,852,263
At 1 January 2023	5,420,000,000	168,933,834	2,800,339,728	39,180,405	128,676,506	91,262,839	1,828,189	704,630,762	9,354,852,263
Changes in equity for 2023:									
Profit for the period	-	-	-	(9,489,044)	-	-	-	3,769,149,580	3,769,149,581
Other comprehensive income for the period	-	-	-	96,702,433	9,489,045	-	-	-	96,702,433
Total comprehensive income for the period	-	-	-	87,213,389	9,489,045	-	-	3,769,149,580	3,865,852,014
Transactions with owners:									
Transfer within reserves	-	-	672,998,230	-	-	41,873,973	15,465,706	(730,337,909)	-
Addition	-	-	-	-	-	-	-	-	-
Dividends relating to prior periods paid during the period	-	-	-	-	-	-	-	(325,200,100)	(325,200,100)
Non-controlling interest arising on business combination	-	-	-	-	-	-	-	-	-
Contribution by and to owners of the business	-	-	672,998,230	-	-	41,873,973	15,465,706	(1,055,538,010)	(325,200,100)
December 31, 2023	5,420,000,000	168,933,834	3,473,337,958	126,393,794	138,165,551	133,136,812	17,293,895	3,418,242,332	12,895,504,177



Consolidated Statement Of Changes in Equity

For The Year Ended 31 December 2023

The Company

	Issued share capital	Share Premium	Contingency reserves	Fair Value Through OCI Reserve	Revaluation Reserve	Retained earnings	Total equity
	N	N	N	N	N	N	N
Restated							
At 1 January 2022	5,420,000,000	168,933,834	2,437,343,087	30,669,220	115,793,288	507,216,455	8,679,955,883
Changes in equity for 2022:							
Profit for the period	-	-	-	-	-	527,776,824	527,776,824
Other comprehensive income for the period	-	-	-	8,493,870	12,883,218	-	21,377,088
Total comprehensive income for the period	-	-	-	8,493,870	12,883,218	527,776,824	549,153,913
Transactions with owners:							
Transfer within reserves	-	-	361,858,105	-	-	(361,858,105)	-
Addition	-	-	-	-	-	-	-
Dividend paid during the period	-	-	-	-	-	(216,800,050)	(216,800,050)
Contribution by and to owners of the business	-	-	361,858,105	-	-	(578,658,155)	(216,800,050)
At December 2022	5,420,000,000	168,933,834	2,799,201,192	39,163,090	128,676,506	456,335,125	9,012,309,745
At 1 January 2023	5,420,000,000	168,933,834	2,799,201,192	39,163,090	128,676,506	456,335,125	9,012,309,745
Changes in equity for 2023:							
Profit for the period	-	-	-	-	-	3,353,066,481	3,353,066,481
Other comprehensive income for the period	-	-	-	87,968,328	9,489,045	-	97,457,373
Total comprehensive income for the period	-	-	-	87,968,328	9,489,045	3,353,066,481	3,450,523,854
Transactions with owners:							
Transfer within reserves	-	-	670,613,297	-	-	(670,613,297)	-
Addition	-	-	-	-	-	-	-
Dividend paid during the period	-	-	-	-	-	(325,200,100)	(325,200,100)
Contribution by and to owners of the business	-	-	670,613,297	-	-	(995,813,397)	(325,200,100)
December 31, 2023	5,420,000,000	168,933,834	3,469,814,489	127,131,418	138,165,551	2,813,588,208	12,137,633,499



Consolidated Statement of Cash Flows

For The Year Ended 31 December 2023

		Group		Company	
	Notes	31 December 2023 N	31 December 2022 N	31 December 2023 N	31 December 2022 N
Cash flows from operating activities					
Premium received from policy holders	6.1	17,173,410,019	12,595,491,111	16,252,507,268	11,832,773,364
Reinsurance receipts in respect of claims		1,507,162,123	2,082,996,900	1,507,162,125	2,082,996,900
Commission received	29	1,074,410,088	756,315,554	1,074,410,088	756,315,554
Other operating receipts		86,211,132	1,164,282,378	5,117,000	595,355,189
Cash paid to and on behalf of employees	36a	(1,344,194,433)	(822,404,959)	(251,960,032)	(673,461,944)
Reinsurance premium paid	16	(5,710,639,932)	(5,000,264,199)	(5,710,639,932)	(5,000,264,199)
Incurred Claims	30a	(3,856,525,487)	(4,453,350,219)	(3,912,849,180)	(3,915,938,942)
Amortisation of Insurance Acquisition Cash flows	31	(2,577,811,664)	(1,937,950,037)	(2,533,559,482)	(1,876,957,619)
Amortisation of Insurance Acquisition Cash flows	31	(1,308,088,064)	(837,009,198)	(1,308,088,064)	(837,009,198)
Other operating cash payments		(2,668,300,966)	(1,880,854,299)	(3,310,646,707)	(1,512,227,538)
Company income tax paid	21.	(134,769,937)	(131,287,476)	(122,565,743)	(109,851,741)
Net cash (used in)/ from operating activities		2,240,862,877	1,535,965,557	1,688,887,341	1,341,729,826
Cash flows from investing activities					
Purchase of property and equipment	13	(252,268,196)	(135,836,290)	(215,176,700)	(96,503,662)
Purchase of intangible asset	11	-	(3,267,000)	-	-
Additions to investment properties	12	(6,555,054)	(182,053,732)	(6,555,054)	(182,053,732)
Proceeds from sale of Investment properties		-	-	-	-
Investment in subsidiaries	10.	-	-	-	-
Proceeds from sale of property and equipment	13	4,936,000	7,165,722	4,936,000	7,165,722
Purchase of financial assets	3.	(5,314,990,914)	(5,523,230,057)	(4,514,119,840)	(3,242,165,369)
Proceeds from sale of financial assets	3.	1,092,604,283	2,317,425,962	436,059,999	514,898,760
Dividend received	32	157,224,481	105,020,671	157,224,481	166,158,671
Rental Income received	32	43,710,256	31,569,000	43,710,256	31,569,000
Foreign exchange gain	33.1	2,958,598,009	590,678,251	2,958,598,009	590,678,251
Interest received	32	999,684,505	484,721,158	428,837,389	221,388,165
Net cash from investing activities		(317,056,631)	(2,307,806,315)	(706,485,459)	(1,988,864,195)
Cash flows from financing activities					
Proceeds on private placement	23.1	-	-	-	-
Proceeds from borrowing	17	1,506,337,088	607,885,923	-	-
Payment on borrowing (principal & Interest)	17	(1,880,662,738)	(219,882,483)	-	-
Dividend paid	26	(325,200,100)	(216,800,050)	(325,200,100)	(216,800,050)
Net cash used in financing activities		(699,525,750)	171,203,390	(325,200,100)	(216,800,050)
Increase in cash and cash equivalents		1,224,280,497	(1,191,315,617)	657,201,781	(863,934,419)
Cash and cash equivalents at Beginning		1,764,448,137	2,955,763,754	1,277,579,972	2,141,514,391
Gross Cash and cash equivalent at End	2	2,988,728,634	1,764,448,137	1,934,781,754	1,277,579,972

The accompanying notes form an integral part of this statement of cash flows.



Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

Corporate information

1.1 The Group

Consolidated Hallmark Holdings Plc and its subsidiary companies, collectively known as the Group is a Non-Operating Corporate Entity with a portfolio in Insurance, Health Management and Finance Company.

The Group's journey started with the insurance business in 1991, with the flagship brand Consolidated Hallmark Insurance Ltd, a general business insurer. Part of the long-term vision was to become a financial power- house. In line with this vision, the Company has progressively over the years diversified into other related businesses within the financial services sector. This diversification gave rise to its acquisition of Grand Treasurers Limited (now Hallmark Finance Company Limited), a CBN Licensed Finance Company in October 2010, It also founded Hallmark Health Services Limited (a NHIA accredited Health Management Organization) in 2017 and CHI Microinsurance Limited (a Micro Life Assurance Company, licensed by NAICOM in 2015.

1.2 Transformation into Consolidated Hallmark Holdings Plc

Having considered the long-term strategic goals of the Group and following a comprehensive evaluation of the operating and competitive environment, the Board of Directors of Consolidated Hallmark Insurance Plc, in 2022 made the decision to embark on restructuring the Group under a non-operating Holding Company. This is to align the Group's operations with Global Best Practices, ensure greater flexibility and adapt to the rapidly evolving financial landscape. It is also part of positioning the Group as an investment vehicle that would bring alive new business ventures, enhance its earnings base and deliver greater shareholder value. This led to the Group hitherto called Consolidated Hallmark Insurance Plc transforming to Consolidated Hallmark Holdings Plc in late 2023 having fulfilled all regulatory requirements in this regard.

1.2.1 Operations During the Year

Given that Consolidated Hallmark Holdings Plc became operational in 2024, comparative figures presented under the heading of Company in this report are that of Consolidated Hallmark Insurance Ltd

1.3 Principal activities

During the year under review, the Group's principal activities encompass general insurance business, Micro Life Assurance business, Health Management Organization and Finance Company business. The Group maintained offices in major cities in Nigeria with corporate headquarters at 266 Ikorodu Road, Obanikoro Lagos.



Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

	Group			Company		
	31 December 2023 N	31 December 2022 N	1 January 2022 N	31 December 2023 N	31 December 2022 N	1 January 2022 N
2. Cash and cash equivalents						
Cash in hand	15,441,476	10,929,091	17,233,925	15,025,508	10,332,390	17,233,925
Balance with banks	1,257,143,181	1,119,628,647	1,235,172,473	1,066,340,993	622,751,963	420,923,109
Call deposits	19,919,990	25,761,050	11,267,223	19,919,990	25,761,049	11,267,223
Fixed deposits (Note 2.1)	1,696,223,987	605,016,570	1,692,090,134	833,495,262	618,734,570	1,692,090,134
	2,988,728,633	1,761,335,358	2,955,763,755	1,934,781,753	1,277,579,972	2,141,514,391
Impairment charge (Note 2.2)	(3,408,326)	(94,971,159)	(98,688,515)	(830,808)	(93,631,138)	(97,209,096)
	2,985,320,307	1,666,364,199	2,857,075,240	1,933,950,945	1,183,948,834	2,044,305,295
2.1 The Fixed deposits have a short term maturity of 30-90 days and the effect of discounting is immaterial.						
	2023 N	2022 N	2022 N	2023 N	2022 N	2022 N
2.2 Impairment charge						
At 1 January	94,971,159	98,688,515	92,722,923.30	93,631,138	97,209,096	92,722,923
			4,391,993.94	-		3,613,504
Amount written off during the year (Safetrust)	(92,722,924)	-	-	(92,722,924)	-	-
Charged	1,160,092	(3,717,356)	1,573,597.58	(77,406)	(3,577,958)	872,669
For the year ended 31st December 2023	3,408,326	94,971,159	98,688,515	830,808	93,631,138	97,209,096
The impairment charge of N92,722,924 as at January 1, 2020 resulted from a fixed deposit of N100million with a mortgage bank in 2018 that went into a default in 2019 impaired in line with standard accounting practice and regulatory requirement had been fully written off based on CBN publication of licence withdrawal.						
	2023 N	2022 N	2022 N	2023 N	2022 N	2022 N
3 Financial assets						
At fair value through profit or loss (Note 3.1)	2,480,597,165	827,492,587	988,259,727	2,450,528,763	805,071,520	977,972,694
At Amortised cost (Note 3.2)	12,080,403,241	7,684,522,974	4,183,462,524	9,722,241,174	5,390,944,417	2,832,142,511
At fair value through OCI (Note 3.3)	261,532,777	132,167,588	118,834,331	259,307,313	129,942,124	116,712,998
	14,822,533,183	8,644,183,149	5,290,556,582	12,432,077,250	6,325,958,061	3,926,828,203
Movement in Financial Assets						
Opening	8,644,183,149	5,290,556,583	4,428,386,704	6,325,958,061	3,926,828,203	3,683,146,676
Addition	5,288,799,314	5,523,230,057	2,941,522,447	4,514,119,840	2,651,487,118	1,582,048,547
Disposal	(1,092,604,283)	(2,317,425,962)	(2,189,231,793)	(436,059,999)	(514,898,760)	(1,522,762,958)
Interest Capitalised	442,754,407	329,570,076	318,668,456	442,754,407	329,570,076	318,668,456
Impairment (note 34)	(66,311,212)	(142,143,677)	(67,242,888)	(12,759,532)	(15,186,486)	(225,717)
Opening impairment adjustment	-	-	(27,111,619)	-	-	(15,912,608)
Opening Fair value gains through OCI adjustment	-	-	20,516,631	-	-	20,516,631
Fair value (loss)/ gains	1,476,346,618	(52,199,042)	(159,457,854)	1,468,699,283	(64,333,076)	(163,235,988)
Fair value gains through OCI	129,365,189	12,595,115	24,506,497	129,365,189	12,490,985	24,585,164
Closing	14,822,533,183	8,644,183,149	8,644,183,149	12,432,077,250	6,325,958,061	3,926,828,203
3.1 At fair value through profit or loss						
At 1 January	980,043,054	1,088,611,153	719,660,969	971,417,979	1,079,986,078	711,035,894
Additions	176,757,960	-	368,950,184	176,757,960	-	368,950,184
Disposals	-	(108,568,099)	-	-	(108,568,099)	-
	1,156,801,014	980,043,054	1,088,611,153	1,148,175,939	971,417,979	1,079,986,078
Fair value (loss) (Note 35a)	1,323,796,151	(152,550,467)	(100,351,425)	1,302,352,824	(166,346,460)	(102,013,384)
For the year ended 31st December 2023	2,480,597,165	827,492,587	988,259,728	2,450,528,763	805,071,520	977,972,694
Current	2,480,597,165	827,492,587	988,259,728	2,450,528,763	805,071,520	977,972,694
Non Current						

Financial assets at fair value through profit or loss of the group represents investment where there is a ready and liquid quoted market, which are acquired for the purpose of short-term trade, and where mark-to-market valuations are possible on every trading day. Assets under this category have been acquired by management with the intent of short term trading.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

		Group			Company		
		31 December 2023 N	December 2022 N	1 January 2022	31 December 2023 N	December 2022 N	1 January 2022
3.2	Amortised Cost						
	Staff loans (Note 3.2.1a)	96,279,930	214,848,307	218,854,849	91,147,736	209,716,113	218,854,849
	Loan issued to corporate individuals (Note 3.2.1b)	2,924,950,471	2,293,578,557	1,351,264,168	-	5,188,038	-
	Debts Instrument (Note 3.2.3)	4,608,870,938	3,012,061,800	2,613,343,506	4,608,870,938	3,012,005,956	2,613,287,662
	Fixed Deposit (Above 90Days) (3.2.4)	4,450,301,902	2,164,034,310	-	5,022,222,500	2,164,034,310	-
		12,080,403,241	7,684,522,974	4,183,462,523	9,722,241,174	5,390,944,417	2,832,142,511
	Current	12,001,820,844	7,552,444,741	4,031,547,569	9,511,920,674	5,180,623,917	2,728,942,482
		78,582,397	132,078,233	151,914,955	210,320,500	210,320,500	103,200,030
3.2.1a	Staff loans						
	At 1 January	223,073,812	223,079,916	211,045,461	217,941,618	223,079,916	211,045,461
	Addition	61,250,000	20,033,194	36,212,000	61,250,000	12,901,000	36,212,000
	Repayment	(180,511,397)	(20,039,298)	(24,177,545)	(180,511,397)	(18,039,298)	(24,177,545)
		103,812,415	223,073,812	223,079,916	98,680,221	217,941,618	223,079,916
	Impairment on Loans & Receivable(Note 3.2.1ai)	(7,532,485)	(8,225,505)	(4,225,067)	(7,532,485)	(8,225,505)	(4,225,067)
	Closing	96,279,930	214,848,307	218,854,849	91,147,736	209,716,113	218,854,849
3.2.1ai	Impairment on Loans & Receivable						
	Opening	8,225,505	4,225,067	-	8,225,505	4,225,067	-
	IFRS 9 opening figure adjustment	-	-	3,997,138	-	-	3,997,138
	Charged	(693,020)	4,000,438	227,929	(693,020)	4,000,438	227,929
	Closing	7,532,485	8,225,505	4,225,067	7,532,485	8,225,505	4,225,067
		2023 N	2022 N	2022 N	2023 N	2022 N	2022 N
3.2.1b	Loan issued to corporate / individuals						
	At 1 January	2,622,061,024	2,622,061,024	859,784,377	5,188,038	-	-
	Addition	1,346,600,072	1,417,413,897	1,359,473,900	-	9,188,038	-
	Bad debts written off	-	-	-	-	-	-
	Repayment	(661,732,322)	(761,220,101)	(666,468,834)	(5,188,038)	(4,000,000)	-
		3,306,928,774	2,622,061,024	1,552,789,443	-	5,188,038	-
	Impairment on loans issued to corporate and individuals (Note 3.2.3b)	(381,978,303)	(328,482,467)	(201,525,275)	-	-	-
	For the year ended 31st December 2023	2,924,950,471	2,293,578,557	1,351,264,168	-	5,188,038	-
3.2.2	Analysis by performance:						
	Performing (Note 3.2)	12,080,403,241	-	4,183,462,523	9,722,241,174	5,390,944,417	2,832,142,512
	Non-performing (Note 3.2.3b)	381,978,303	328,482,467	201,525,275	-	-	-
		12,462,381,544	8,013,005,441	4,384,987,798	9,722,241,174	5,390,944,417	2,832,142,512
3.2.3	Analysis by maturity:						
	Due within one year	12,001,820,844	7,552,444,741	4,031,547,569	9,511,920,674	5,180,623,917	2,728,942,482
	Due within one - five years	460,560,700	460,560,700	353,440,230	210,320,500	210,320,500	103,200,030
	Due after five years	-	-	-	-	-	-
		12,462,381,544	8,013,005,441	4,384,987,799	9,722,241,174	5,390,944,417	2,832,142,512



Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

	Group			Company		
	31 December 2023 N	31 December 2022 N	1 January 2022	31 December 2023 N	December 2022 N	1 January 2022
3.2.4 Debts Instrument						
At 1 January	3,023,434,797	2,625,200,920	2,629,694,266	3,023,434,797	2,625,200,920	2,629,694,266
At initial recognition - additions	198,834,787	353,714,679	1,175,423,612	198,834,787	353,714,679	1,175,423,612
	3,222,269,584	2,978,915,599	3,805,117,878	3,222,269,584	2,978,915,599	3,805,117,878
Disposal	(250,360,564)	(384,291,363)	(1,476,857,811)	(250,360,564)	(384,291,363)	(1,476,857,811)
Exchange Gain on EUROBOND	1,207,743,383	99,240,485		1,207,743,383	99,240,485	-
Amortised interest	442,754,407	329,570,076	318,668,456	442,754,407	329,570,076	318,668,456
	4,622,406,811	3,023,434,797	2,625,200,920	4,622,406,811	3,023,434,797	2,625,200,920
Impairment (note 3.2.4a)	(13,535,873)	(11,372,996)	(11,857,413)	(13,535,873)	(11,428,841)	(11,913,258)
For the year ended 31st December 2023	4,608,870,938	3,012,061,800	2,613,343,507	4,608,870,938	3,012,005,956	2,613,287,662
3.2.4a Movement on Impairment						
Opening	11,372,996	11,857,413	-	11,428,841	11,913,258	-
IFRS 9 opening figure adjustment	-	-	11,859,625	-	-	11,915,470
movement	2,162,876	(484,417)	(2,212)	2,107,032	(484,417)	(2,212)
Closing	13,535,872	11,372,996	11,857,413	13,535,873	11,428,841	11,913,258
a) Debts Instruments are analysed as follows:						
Debts securities						
Listed	4,622,406,811	3,023,434,797	2,625,200,920	4,622,406,811	3,023,434,797	2,625,200,920
Unlisted	-	-	-	-	-	-
For the year ended 31st December 2023	4,622,406,811	3,023,434,797	2,625,200,920	4,622,406,811	3,023,434,797	2,625,200,920
Current	1,022,952,473	168,376,644	17,421,398	1,022,952,473	168,376,644	17,421,398
Non-current	3,599,454,338	2,855,058,153	2,607,779,522	3,599,454,338	2,855,058,153	2,607,779,522
	4,622,406,811	3,023,434,797	2,625,200,920	4,622,406,811	3,023,434,797	2,625,200,920



Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

	Group			Company		
	31 Dec 2023	31 Dec 2022	Jan 1, 2022	31 Dec 2023	31 Dec 2022	Jan 1, 2022
	N	N	N	N	N	N
b) At the reporting date, no held to maturity assets were past due or impaired						
FCMB NGN SERIES 3 BOND 2016/2023	60,884,665	52,992,199	48,237,816	60,884,665	52,992,199	48,237,816
C&I LEASING SERIES 1 BOND 2018/2023	16,025,761	15,943,240	22,487,874	16,025,761	15,943,240	22,487,874
LAPO MFB SERIES 2 BOND 2020/2025	221,189,718	209,194,101	206,594,101	221,189,718	209,194,101	206,594,101
DANGOTE BOND SERIES 1 2020/2025	121,493,702	109,369,045	108,276,373	121,493,702	109,369,045	108,276,373
AXXELA SERIES 1 BOND 2020/2027	81,118,254	95,414,790	101,332,055	81,118,254	95,414,790	101,332,055
FLOUR MILLS OF NIGERIA PLC 2023/2026 (PURCHASED WITH CAPITAL EXPRESS)	141,353,630	116,416,991	116,300,127	141,353,630	116,416,991	116,300,127
	-	-	439,880,800	-	-	439,880,800
FGN BOND (2020/2050) CORDROS	213,582,751	476,739,816	102,864,580	213,582,751	476,739,816	102,864,580
FGN BOND (2020/2050) PLANET CAPITAL	115,323,628	103,815,787	252,739,296	115,323,628	103,815,787	252,739,296
FGN BOND (2020/2024) MERISTEM	485,814,144	260,849,583	343,329,875	485,814,144	260,849,583	343,329,875
FGN BOND (2020/2035) PLANET CAPITAL	103,732,357	360,467,574	215,647,718	103,732,357	360,467,574	215,647,718
FGN BOND (2020/2037) PLANET CAPITAL	266,412,705	215,750,718	470,106,534	266,412,705	215,750,718	470,106,534
FGN BOND (2020/2049) CORDROS	373,518,988	599,417,745	-	373,518,988	599,417,745	-
FGN 2051 EUROBOND(FIRST ALLY ASSET MANAGEMENT LTD)	932,004,498	214,971,323	-	932,004,498	214,971,323	-
FGN 2038 EUROBOND(FIRST ALLY ASSET MANAGEMENT LTD)	430,102,835	23,715,241	-	430,102,835	23,715,241	-
FGN 2032 EUROBOND(FIRST ALLY ASSET MANAGEMENT LTD)	36,896,700	-	17,421,398	36,896,700	-	17,421,398
	-	-	53,355,396	-	-	53,355,396
ACCESS BANK COMMERCIAL PAPER	1,022,952,473	168,376,644	126,626,977	1,022,952,473	168,376,644	126,626,977
For the year ended 31st December 2023	4,622,406,810	3,023,434,797	2,625,200,919	4,622,406,811	3,023,434,797	2,625,200,919
3.2.4.b Movement in impairment - loans and receivables :						
At 1 January	328,482,467	201,525,276	123,253,249	-	-	-
Addition (Note 34)	53,495,836	126,957,191	67,017,171	-	-	-
Impairment written off	-	-	-	-	-	-
For the year ended 31st December 2023	381,978,303	328,482,467	201,525,276	-	-	-
3.2.5 Fixed Deposit (Above 90Days)						
At 1 January	2,175,704,775	-	-	2,175,704,775	-	-
Addition	2,297,613,112	2,175,704,775	-	2,869,533,710	2,175,704,775	-
	4,473,317,887	2,175,704,775	-	5,045,238,485	2,175,704,775	-
Impairment	(23,015,985)	(11,670,465)	-	(23,015,985)	(11,670,465)	-
	4,450,301,902	2,164,034,310	-	5,022,222,500	2,164,034,310	-
3.2.5a Movement in impairment -Fixed Deposit :						
At 1 January	11,670,465	-	-	11,670,465	-	-
Charged	11,345,520	11,670,465	-	11,345,520	11,428,841	-
For the year ended 31st December 2023	23,015,985	11,670,465	-	23,015,985	11,670,465	-
3.3 At fair value through OCI						
Opening	132,167,588	118,834,331	72,348,451	129,942,124	116,712,998	70,148,451
Addition	-	738,141	1,462,752	-	738,141	1,462,752
Fair value gain	129,365,189	12,595,116	24,506,497	129,365,189	12,490,985	24,585,164
For the year ended 31st December 2023	261,532,777	132,167,588	118,834,331	259,307,313	129,942,124	116,712,998
Current	-	-	-	-	-	-
Non Current	261,532,777	132,167,588	118,834,331	259,307,313	129,942,124	116,712,998

At fairvalue through Other Comprehensive Income (FVTOCI) assets are the unquoted equity securities of the group and are fair valued using net asset method.

Fairvalue Through OCI equities is analysed as follows:

Non current assets held for sale represent collateral properties recovered from defaulted loan with aim of converting the properties to cash within the shortest period of time.



Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

The Company is exposed to financial risk through its financial assets (investments and loans). The key focus of financial risk management for the Company is to ensure that the proceeds from financial assets are sufficient to fund its obligations arising from its insurance operations. The most important components of financial risk (market risk) arises from open positions in interest rate, fluctuations in stock prices, inflation, all of which are exposed to general and specific market movement and/or conditions. Investments above ninety-one (91) days are classified as part of financial assets of the Company. All financial instruments are initially recorded at transaction price. Subsequent to initial recognition, the fair values of financial instruments are measured at fair values that are quoted in an active market. When quoted prices are not available, fair value are determined by using valuation techniques that refer as far as possible to observable market data. These are compared with similar instruments where market observable prices exist.

	Group			Company		
	31 Dec 2023 N	31 Dec 2022 N	Jan 1, 2022 N	31 Dec 2023 N	31 Dec 2022 N	Jan 1, 2022 N
5. Finance lease receivables						
At 1 January	280,225,667	180,524,334	109,262,041	-	-	-
Addition	21,062,412	252,054,233	87,786,343	-	-	-
Repayment	(160,917,552)	(152,352,900)	(16,526,549)	-	-	-
Gross investment	140,370,527	280,225,667	180,521,835	-	-	-
Unearned income	-	-	-	-	-	-
Net investment (Note 5.1)	140,370,527	280,225,667	180,521,835	-	-	-
impairment on finance lease receivables (Note 5.2)	(24,537,751)	(69,326,804)	(31,780,393)	-	-	-
For the year ended 31st December 2023	115,832,776	210,896,364	148,741,442	-	-	-
5.1 Current	20,636,810	124,877,617	84,360,741	-	-	-
Non-current	119,733,717	155,345,551	96,161,094	-	-	-
Analysis by performance						
Performing	115,832,776	210,896,364	148,741,442	-	-	-
Non-performing	24,537,751	69,326,804	31,780,393	-	-	-
	140,370,527	280,223,168	180,521,835	-	-	-
Analysis by maturity						
Due within one year	17,636,810	124,877,617	84,360,741	-	-	-
Due between two - five years	122,733,717	155,345,551	96,161,094	-	-	-
	140,370,527	280,223,168	180,521,835	-	-	-
5.2 Movement in impairment - finance lease receivables:						
At 1 January	69,326,804	31,780,393	23,015,010	-	-	-
Charge for the year (note 34)	(44,789,053)	37,546,411	8,765,383	-	-	-
For the year ended 31st December 2023	24,537,751	69,326,804	31,780,393	-	-	-
6. Trade receivables						
Due from insurance companies	984,232,248	424,583,307	274,358,188	943,744,126	424,583,307	274,358,188
Due from insurance brokers and agents	206,537,028	351,069,353	269,539,140	206,537,028	348,477,476	269,539,140
Due from others	-	-	-	-	-	-
	1,190,769,276	775,652,660	543,897,328	1,150,281,154	773,060,783	543,897,328
Hmo receivable	-	62,427,664	62,808,889	-	-	-
Total	1,190,769,276	838,080,324	606,706,217	1,150,281,154	773,060,783	543,897,328
Impairment charge (Note 6.2)	(7,974,842)	(6,586,764)	(5,086,062)	-	-	-
Closing Balance	1,182,794,434	831,493,560	601,620,155	1,150,281,154	773,060,783	543,897,328
Current	1,182,794,434	831,493,560	606,706,217	1,150,281,154	773,060,783	543,897,328
Non-current	-	-	-	-	-	-
6.1 Movement in Trade receivables						
Opening	831,493,560	606,706,217	612,426,941	773,060,783	543,897,328	481,030,540
Gross Premium written	17,524,710,892	12,826,865,218	10,500,388,477	16,629,727,639	12,061,936,819	10,024,047,477
Premium received	(17,173,410,019)	(12,602,077,875)	(10,506,109,202)	(16,252,507,268)	(11,832,773,364)	(9,961,180,689)
Closing receivables	1,182,794,434	831,493,560	606,706,217	1,150,281,154	773,060,783	543,897,328
6.2 Impairment charge						
At 1 January	6,586,764	5,086,062	4,738,626	-	-	-
IFRS 9 opening balance adjustment	-	-	126,130	-	-	-
Charged for the year (note 34)	1,388,077	1,500,702	221,306	-	-	-
At December 2023	7,974,842	6,586,764	5,086,062	-	-	-
Age Analysis of Trade receivable						
> =1Day <= 30 Days	931,915,429	817,201,319	580,827,212	899,402,149	752,181,778	518,018,323
> =31Days <= 90 Days	250,879,005	14,292,241	25,879,005	250,879,005	20,879,005	25,879,005
Above 90 Days	-	-	-	-	-	-
	1,182,794,434	831,493,560	606,706,217	1,150,281,154	773,060,783	543,897,328



Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

	Group			Company		
	31 December 2023	December 2022	1 January 2022	31 December 2023	December 2022	1 January 2022
	N	N	N	N	N	N
7. Reinsurance Contracts Assets						
Liability for Remaining Coverage (LRC) (Note 7.1a & 7.1b)	867,277,933	1,072,122,791	1,416,314,128	867,277,933	1,072,122,791	1,416,314,128
Liability for Incurred claims (LIC) (Note 7.2a & 7.2b)	2,209,343,429	1,856,428,777	2,065,257,909	2,209,343,429	1,856,428,777	2,065,257,909
	3,076,621,362	2,928,551,568	3,481,572,037	3,076,621,362	2,928,551,568	3,481,572,037
Reinsurance receivable on claims paid (note 7.2b)	305,465,976	577,879,876	562,300,037	305,465,976	577,879,876	562,300,037
Prepaid Minimum & Deposit Premium	66,859,500	51,768,000	46,691,375	66,859,500	51,768,000	46,691,375
	3,448,946,838	3,558,199,444	4,090,563,449	3,448,946,838	3,558,199,444	4,090,563,449
Expected Credit Loss (IFRS9)	(2,505,518)	(5,822,490)	(3,869,236)	(2,505,518)	(5,822,490)	(3,869,236)
For the year ended 31st December 2023	3,446,441,320	3,552,376,954	4,086,694,213	3,446,441,320	3,552,376,954	4,086,694,213
Current	3,448,946,838	3,558,199,444	4,090,563,449	3,448,946,838	3,558,199,444	4,090,563,449
Non-current	-	-	-	-	-	-
Movement in Impairment(Credit Loss IFRS 9)						
Opening Balance	5,822,490	3,869,236	-	5,822,490	3,869,236	-
IFRS 9 opening balance adjustment	-	-	-	-	-	-
Charged during the year (Note 34)	(3,316,973)	1,953,254	3,869,236	(3,316,973)	1,953,254	3,869,236
For the year ended 31st December 2023	2,505,518	5,822,490	3,869,236	2,505,518	5,822,490	3,869,236

Impairment (Expected Credit Loss was carried out on reinsurance receivable on claims paid and prepaid minimum & deposit premium.

Included in the reinsurance asset stated on the financial position is recoverable on paid claims and prepaid minimum and deposit premium

	31 December 2023	December 2022	1 January 2022	31 December 2023	December 2022	1 January 2022
	N	N	N	N	N	N
7.1 Liability for Remaining Coverage (LRC) (7.1a)	800,418,433	1,072,122,791	1,142,898,690	800,418,433	1,072,122,791	1,142,898,690
Liability for Incurred Claims (LIC)(7.1a)	2,276,202,930	1,856,428,778	2,338,673,347	2,276,202,930	1,856,428,778	2,338,673,348
	66,859,500	51,768,000	46,691,375	66,859,500	51,768,000	46,691,375
Prepaid Minimum & Deposit Premium	305,465,976	577,879,876	562,300,037	305,465,976	577,879,876	562,300,037
Reinsurance receivable on claims paid (note 7.2b)	3,448,946,839	3,558,199,445	4,090,563,449	3,448,946,839	3,558,199,445	4,090,563,449
Total	3,448,946,839	3,558,199,445	4,090,563,449	3,448,946,839	3,558,199,445	4,090,563,449
Expected Credit Loss (IFRS9)		(5,822,490)	(3,869,236)		(5,822,490)	(3,869,236)
	3,446,441,321	3,552,376,954	4,086,694,213	3,446,441,321	3,552,376,954	4,086,694,213

The Company has a reinsurance agreement with African Reinsurance Corporation, and Continental Reinsurance Plc. Based on the financial position and performance during the period under review, they are solvent and had never defaulted on their obligations. Consequently, there are no indications of impairment as at the reporting date.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

Company

Movement in carrying amounts by LRC and LIC - Reinsurance - PAA

Contracts measured under PAA are non-life insurance contract

Balance as at 1st January 2022	Liability for Remaining		Liability for incurred claim	
	Excluding Loss Component N	Loss Component N	Estimates of Present Value of Future Cash Flows N	Total N
Opening reinsurance contracts assets	1,463,005,503	-	2,627,557,946	4,090,563,449
Opening reinsurance liability				
Impairment on reinsurance recoverables			(3,869,236)	(3,869,236)
Net opening balance	1,463,005,503	-	2,623,688,710	4,086,694,213
Balance as at 31 December 2022	Liability for Remaining Coverage		Liability for incurred claim	
	Excluding Loss Component N	Loss Component N	Estimates of Present Value of Future Cash Flows N	Total N
Opening reinsurance contracts assets	1,463,005,503	-	2,627,557,946	4,090,563,449
Opening reinsurance liability				
Impairment on reinsurance recoverables			(3,869,236)	(3,869,236)
Net opening balance	1,463,005,503	-	2,623,688,710	4,086,694,213
Net income (expenses) from reinsurance contracts held				
Reinsurance expenses	4,230,616,138			4,230,616,138
Other incurred directly attributable expenses				-
Claims recovered from reinsurers			(1,396,202,283)	(1,396,202,283)
Charges that relates to past service-adjustment to incurred claims			(92,958,917)	(92,958,917)
Effect of changes in the risk of reinsurers non-performance			-	-
Net income (expenses) from reinsurance contracts held	4,230,616,138	-	(1,489,161,200)	2,741,454,939
Finance income from reinsurance contract held				
Total amounts recognised in income statement	4,230,616,138		(1,489,161,200)	2,741,454,939
Cash flows	-			
Premiums paid net of ceding commission	4,243,948,645			4,243,948,645
Other directly attributable expenses paid	(3,120,057,854)		4,517,305,553	1,397,247,699
Recoveries from reinsurers			(2,082,996,900)	(2,082,996,900)
Total cash flows	1,123,890,791		2,434,308,653	3,558,199,444
Net balance as at the end	-			
Impairment on reinsurance recoverables			(5,822,490)	(5,822,490)
Closing insurance contract assets	1,123,890,791		2,434,308,653	3,552,376,954
Closing insurance contract liabilities				
Net closing balance	1,123,890,791	-	2,428,486,163	3,552,376,954

The Company has a reinsurance agreement with African Reinsurance Corporation, and Continental Reinsurance Plc. Based on the financial position and performance during the period under review, they are solvent and had never defaulted on their obligations. Consequently, there are no indications of impairment as at the reporting date.



Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

Company

Balance as at 31 December 2023

	Liability for Remaining		Liability for incurred claim	
	Excluding Loss Component	Loss Component	Estimates of Present Value of Future Cash Flows	Total
	N	N	N	N
Opening reinsurance contracts assets	1,123,890,791	-	2,434,308,653	3,558,199,444
Opening reinsurance liability				
Impairment on reinsurance recoverables			(5,822,490)	(5,822,490)
Net opening balance	1,123,890,791	-	2,428,486,163	3,552,376,954
Net income (expenses) from reinsurance contracts				
Reinsurance expenses	4,933,506,763			4,933,506,763
Other incurred directly attributable expenses				-
Claims recovered from reinsurers			(1,554,515,391)	(1,554,515,391)
Charges that relates to past service-adjustment to			331,389,936	331,389,936
Effect of changes in the risk of reinsurers non-performance				-
Net income (expenses) from reinsurance contracts held	4,933,506,763	-	(1,223,125,455)	3,710,381,308
Finance income from reinsurance contract held				-
Total amounts recognised in income statement	4,933,506,763		(1,223,125,455)	3,710,381,308
Cash flows				
Premiums paid net of ceding commission	4,636,229,845			4,636,229,845
Other directly attributable expenses paid	(3,835,811,411)		3,783,365,056	8,419,594,901
Recoveries from reinsurers			(1,507,162,125)	(1,507,162,125)
Total cash flows	800,418,434	-	2,276,202,931	3,076,621,364
Net balance as at the end				
Prepaid Minimum & Deposit Premium			66,859,500	66,859,500
Reinsurance receivable on claims paid			305,465,976	305,465,976
Impairment on reinsurance recoverables			(2,505,519)	(2,505,519)
Closing insurance contract assets	800,418,434		369,819,957	3,446,441,321
Closing insurance contract liabilities	-			-
Net closing balance	800,418,434	-	367,314,438	3,446,441,321
Net closing balance	-	-	-	-

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

Group

Balance as at 1st January 2022

	Liability for Remaining Coverage		Liability for Incurred Claim	
	Excluding Loss Component	Loss Component	Estimates of Present Value of Future Cash Flows	Total
	N	N	N	N
Opening reinsurance contracts assets	1,463,005,503	-	2,627,557,946	4,090,563,449
Opening reinsurance liability				
Impairment on reinsurance recoverables			(3,869,236)	(3,869,236)
Net opening balance	1,463,005,503	-	2,623,688,710	4,086,694,213

Group

Balance as at 31 December 2022

	Liability for Remaining Coverage		Liability for incurred claim	
	Excluding Loss Component	Loss Component	Estimates of Present Value of Future Cash Flows	Total
	N	N	N	N
Opening reinsurance contracts assets	1,463,005,503	-	2,627,557,946	4,090,563,449
Opening reinsurance liability				
Net opening balance	1,463,005,503	-	2,627,557,946	4,090,563,449

Net income (expenses) from reinsurance contracts

Reinsurance expenses	4,236,114,284	-	4,236,114,284
Other incurred directly attributable expenses			
Claims recovered from reinsurers	-	(1,398,048,950)	(1,398,048,950)
Charges that relates to past service-adjustment to	-	(92,958,917)	(92,958,917)
Effect of changes in the risk of reinsurers non-performance			

Net income (expenses) from reinsurance contracts held **4,236,114,284** **-** **(1,491,007,867)** **2,745,106,417**

Finance income from reinsurance contract held

Total amounts recognised in income statement **4,236,114,284** **(1,491,007,867)** **2,745,106,417**

Cash flows

Premiums paid net of ceding commission	4,243,948,645	-	4,243,948,645
Other directly attributable expenses paid	(3,120,057,854)	4,517,305,553	1,397,247,699
Recoveries from reinsurers		(2,082,996,900)	(2,082,996,900)
Total cash flows	1,123,890,791	2,434,308,653	3,558,199,444

Net balance as at the end

Impairment on reinsurance recoverables	-	(5,822,490)	(5,822,490)
Closing insurance contract assets	1,123,890,791	2,434,308,653	3,552,376,954
Closing insurance contract liabilities			
Net closing balance	1,123,890,791	-	2,428,486,163



Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

Group				
Balance as at 31 December 2023				
	Liability for Remaining Coverage		Liability for incurred claim	
	Excluding Loss Component	Loss Component	Estimates of Present Value of Future Cash Flows	Total
	N	N	N	N
Opening reinsurance contracts assets	1,123,890,791		2,434,308,653	3,558,199,444
Opening reinsurance liability				
Impairment on reinsurance recoverables			(5,822,490)	(5,822,490)
Net opening balance	1,123,890,791	-	2,428,486,163	3,552,376,954
Net income (expenses) from reinsurance contracts				
Reinsurance expenses	4,950,335,097		-	4,950,335,097
Other incurred directly attributable expenses				
Claims recovered from reinsurers	-		(1,554,515,390)	(1,554,515,390)
Charges that relates to past service-adjustment to	-		331,389,936	331,389,936
Effect of changes in the risk of reinsurers non-performance				
Net income (expenses) from reinsurance contracts held	4,950,335,097	-	(1,223,125,454)	3,727,209,643
Finance income from reinsurance contract held				
Total amounts recognised in income statement	4,950,335,097		(1,223,125,454)	3,727,209,643
Cash flows				
Premiums paid net of ceding commission	4,636,229,845		4,636,229,845	4,636,229,845
Other directly attributable expenses paid	(3,835,811,411)		-	8,419,594,901
Recoveries from reinsurers			(1,507,162,125)	(1,507,162,125)
Total cash flows	800,418,434	-	2,276,202,931	3,076,621,364
Net balance as at the end				
Prepaid Minimum & Deposit Premium	-		66,859,500	66,859,500
Reinsurance receivable on claims paid	-		305,465,976	305,465,976
Impairment on reinsurance recoverables	-		(2,505,519)	(2,505,519)
Closing insurance contract assets	800,418,434		369,819,957	3,446,441,321
Closing insurance contract liabilities	-			-
Net closing balance	800,418,434	-	367,314,438	3,446,441,321
Net closing balance	-	-	-	-

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

		Group			Company		
		31 December 2023	December 2022	1 January 2022	31 December 2023	December 2022	1 January 2022
		N	N		N	N	
7.1a	Liability for Remaining Coverage (LRC)						
	Motor	7ai 49,473,035	7,403,602	4,932,150	49,473,035	3,128,602	4,932,150
	Aviation	7aii 127,262	77,327,750	97,680,810	127,262	77,327,750	97,680,810
	Fire	7aiii 240,097,756	210,858,452	149,140,952	240,097,756	196,863,452	149,140,952
	General accident	7aiv 147,007,080	147,730,377	141,909,274	147,007,080	145,300,377	141,909,274
	Marine	7av 95,404,313	63,472,397	95,539,565	95,404,313	49,702,397	95,539,565
	Bond	7avi 69,984,646	50,556,198	15,421,170	69,984,646	33,258,198	15,421,170
	Oil & gas	7avii 124,325,778	403,720,592	443,436,632	124,325,778	403,720,592	443,436,632
	Engineering	7aviii 73,998,563	162,821,424	72,269,543	73,998,563	162,821,424	72,269,543
		800,418,433	1,123,890,792	1,020,330,096	800,418,433	1,072,122,792	1,020,330,096
7.1b	Prepaid Minimum & Deposit Premium						
	Fire	7aiii 15,876,000	13,995,000	17,372,250	15,876,000	13,995,000	17,372,250
	General accident	7aiv 1,500,000	2,430,000	1,983,500	1,500,000	2,430,000	1,983,500
	Motor	7ai 5,280,000	4,275,000	4,275,000	5,280,000	4,275,000	4,275,000
	Marine	7av 24,106,500	13,770,000	8,767,500	24,106,500	13,770,000	8,767,500
	Engineering	7aviii 20,097,000	17,298,000	14,293,125	20,097,000	17,298,000	14,293,125
		66,859,500	51,768,000	46,691,375	66,859,500	51,768,000	46,691,375
	Liability for Remaining Coverage (LRC)	867,277,933	1,175,658,792	1,067,021,471	867,277,933	1,123,890,792	1,067,021,471
7.2 a	Liability for Incurred Claims (LIC)						
	Motor	7ai 22,263,985	44,098,554	39,128,200	22,263,985	44,098,554	39,128,200
	Aviation	7aii 112,812,449	54,932,441	80,785,776	112,812,449	54,932,441	80,785,776
	Fire	7aiii 314,657,893	390,873,987	672,248,809	314,657,893	390,873,987	672,248,809
	General accident	7aiv 1,336,514,478	578,629,910	345,534,621	1,336,514,478	578,629,910	345,534,621
	Marine	7av 101,816,226	223,348,534	436,116,410	101,816,226	223,348,534	436,116,410
	Bond	7avi 1,216,777	13,487,385	6,094,897	1,216,777	13,487,385	6,094,897
	Oil & gas	7avii 310,199,846	151,486,055	137,298,712	310,199,846	151,486,055	137,298,712
	Engineering	7aviii 76,721,278	106,017,032	74,635,046	76,721,278	106,017,032	74,635,046
		2,276,202,931	1,562,873,898	1,791,842,471	2,276,202,931	1,562,873,898	1,791,842,471
7.2b	Reinsurers share of paid claims/Risk Adjustment						
	Fire	24,176,692	353,340,533	8,719,519	24,176,692	353,340,533	8,719,519
	General accident	189,318,392	66,010,627	200,907,030	189,318,392	66,010,627	200,907,030
	Motor	-	25,649,642	70,625,744	-	25,649,642	70,625,744
	Marine	57,549,590	7,685,000	16,443,442	57,549,590	7,685,000	16,443,442
	Bond	-	-	-	-	-	-
	Engineering	34,421,301	10,182,772	4,920,359	34,421,301	10,182,772	4,920,359
	Aviation	-	-	55,317,458	-	-	55,317,458
	Oil & gas	-	115,011,302	205,366,485	-	115,011,302	205,366,485
	Agric	-	-	-	-	-	-
		305,465,976	577,879,876	562,300,037	305,465,976	577,879,876	562,300,037
7.3	Reinsurance Contract Assets:						
	Movement in Liability for Remaining Coverage:						
	At 1 January	1,072,122,791	1,463,005,503	847,365,944	1,072,122,791	1,463,005,503	847,365,944
	Additions during the period (Note 28)	6,002,084,808	4,992,429,837	4,458,744,931	6,007,916,850	4,986,931,691	4,458,744,931
		7,074,207,599	6,059,451,308	5,306,110,875	7,080,039,641	6,053,953,162	5,306,110,875
	Amortization during the period (Note 28)	(3,710,381,308)	(2,309,838,404)	(4,239,089,404)	(3,710,381,308)	(2,309,838,404)	(4,239,089,404)
	For the year ended 31st December 2023	3,363,826,291	1,159,980,388	1,067,021,471	3,369,658,334	3,744,114,759	1,067,021,471
	Movement in Liability for Incurred claims:						
	At 1 January	1,856,428,777	2,354,142,508	2,170,714,673	1,856,428,777	2,627,557,946	2,170,714,673
	Additions during the period	1,860,076,777	2,163,163,044	1,711,954,074	1,860,076,777	2,163,163,044	1,711,954,074
		3,716,505,555	4,517,305,553	3,882,668,747	3,716,505,555	4,790,720,991	3,882,668,747
	Amortization during the period	(1,507,162,126)	(2,082,996,900)	(1,528,526,239)	(1,507,162,126)	(2,082,996,900)	(1,528,526,239)
	At the end	2,209,343,429	2,434,308,653	2,354,142,508	2,209,343,429	2,707,724,091	2,354,142,508



Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

	Group			Company		
	31 Dec 2023	31 Dec 2022	Jan 1, 2022	31 Dec 2023	31 Dec 2022	Jan 1, 2022
	N	N	N	N	N	N
9. Other Receivables and Prepayments						
Staff advances & prepayment	59,906,912	75,913,942	38,223,808	59,906,912	46,802,665	38,223,806
Account receivables **	307,147,652	112,394,257	17,283,848	78,113,990	79,370,973	30,933,113
Intercompany Receivables	-	-	-	379,358,487	408,968,433	316,785,801
Withholding tax credit	30,300,846	24,406,769	33,550,342	30,300,847	24,406,769	33,550,343
Prepayments (Note 9.1)	110,606,249	104,032,197	136,409,435	104,945,247	99,573,725	127,883,874
	507,961,659	316,747,164	225,467,432	652,625,483	659,122,565	547,376,937
Impairment allowance	(29,483,178)	(21,062,031)	(2,774,928)	(8,284,491)	(6,504,293)	-
	478,478,482	295,685,133	222,692,504	644,340,993	652,618,272	547,376,937
Current	478,478,482	295,685,133	225,467,431	644,340,993	652,618,272	547,376,937
Non-current	-	-	-	-	-	-
Impairment allowance on other receivables						
As at 1 January	21,062,031	2,774,928	-	6,504,293	-	-
IFRS 9 opening balance adjustment	-	-	132,986	-	-	-
Charged/(reversed) (Note 34)	8,421,147	18,287,103	2,641,942	1,780,199	6,504,293	-
As at 31 December	29,483,178	21,062,031	2,774,928	8,284,491	6,504,293	-
** Included in Account receivable were Assets totalling =N=160m repossessed from defaulted customer of Hallmark Finance Company limited, =N=55m being the balance of the amount deposited with lead underwriters for the purpose of settling claims based on MOU signed at the inception of the policies. The amount =N=83.9 million is the balance as at 31st December 2022.						
9.1 Prepayments						
Prepaid rent	103,159,013	96,584,960	116,662,920	97,498,011	92,126,488	108,137,359
Other prepayments	7,447,236	7,447,237	19,746,515	7,447,236	7,447,237	19,746,515
	110,606,249	104,032,197	136,409,435	104,945,247	99,573,725	127,883,874
Current	110,606,249	104,032,197	136,409,435	104,945,247	99,573,725	127,883,874
Non-current	-	-	-	-	-	-
10. Investment in Subsidiaries						
CHI Capital (Note 10.1a)	-	-	-	130,000,000	130,000,000	130,000,000
CHI Microinsurance Limited (10.1b)	-	-	-	200,000,000	200,000,000	200,000,000
Hallmark Finance Company Limited	-	-	-	764,225,000	764,225,000	764,225,000
Hallmark Health Services Limited (10.1c)	-	-	-	500,000,000	500,000,000	500,000,000
	-	-	-	1,594,225,000	1,594,225,000	1,594,225,000
Movement in Investment in subsidiaries						
Opening	764,225,000	130,000,000		500,000,000		200,000,000
Addition	-	-		-		-
Disposal	-	-		-		-
Closing	764,225,000	130,000,000		500,000,000		200,000,000

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

- 10.1a CHI Capital Limited is a fully owned subsidiary of Consolidated Hallmark Insurance Plc. It carries on the business of corporate support services. In 2019, CHI Capital Limited transferred its 100% interest in Hallmark Finance Company Limited to Consolidated Hallmark Insurance Plc. Hallmark Finance Company Ltd is a CBN licensed finance company, acquired by CHI Capital Ltd in December 2010 with the purpose of carrying on financing activities. CHI Capital Limited also owns 100% interest in CHI Support Services Limited started as a vehicle tracking Company, but now focused on corporate support services for the Group.
- 10.1b CHI Microinsurance Limited is a fully owned subsidiary of Consolidated Hallmark Insurance Plc. The group incorporated CHI Microinsurance Limited in the year 2016 and licensed by NAICOM to carryout micro life assurance business to further deepen its market share in insurance business.
- 10.1c Hallmark Health Services Limited is a fully owned subsidiary of Consolidated Hallmark Insurance Plc. The group incorporated Hallmark Health Services Limited towards the end of the year 2017 and fully accredited by National Health Insurance Scheme to operate in health Insurance sector.

	CHI PLC	CHI Capital Limited	CHI Microinsurance	Hallmark Health Ltd	Hallmark Finance Company Ltd	Elimination	Total
	N	N	N	N	N	N	N
Condensed result of consolidated entities - 2023							
10.2 Condensed Financial Position							
Assets							
Cash and cash equivalents	1,933,950,945	201,006,598	271,862,506	456,590,518	588,076,417	(466,166,678)	2,985,320,307
Financial assets	12,432,077,250	32,901,660	-	-	2,932,455,526	(574,901,252)	14,822,533,183
Non-current Assets held for sale	-	-	-	-	-	-	-
Finance lease receivables	-	-	-	-	115,832,776	-	115,832,776
Trade receivables	1,150,281,154	-	18,460,702	14,052,577	-	-	1,182,794,433
Reinsurance contract assets	3,446,441,321	-	-	-	-	-	3,446,441,321
Deferred acquisition cost	-	-	-	-	-	-	-
Other receivables and prepayment	644,340,993	29,883,623	8,095,556	44,207,875	160,405,237	(408,454,802)	478,478,481
Investment in subsidiaries	1,594,225,000	-	-	-	-	(1,594,225,000)	-
Investment properties	1,271,781,524	-	-	202,668,000	-	-	1,474,449,524
Leasehold properties	-	-	-	23,035,044	-	-	23,035,044
Intangible Assets	14,767,281	-	5,811,480	1,822,340	27,280,118	-	49,681,219
Property and equipment	1,199,375,172	-	3,866,223	33,683,322	42,822,384	-	1,279,747,102
Deferred tax asset	-	-	-	-	-	-	-
Statutory deposits	300,000,000	-	20,000,000	-	-	-	320,000,000
Total assets	23,987,240,640	263,791,881	328,096,467	776,059,677	3,866,872,458	(3,043,747,732)	26,178,313,391
Liabilities							
Insurance contract liabilities	9,701,037,803	-	49,029,040	228,962,317	-	-	9,979,029,160
Investment Contract liabilities	-	-	10,437,775	-	-	-	10,437,775
Trade payables	330,749,570	-	-	-	-	-	330,749,570
Borrowing	-	-	-	-	1,638,370,794	(1,041,067,930)	597,302,864
Provision and other payables	224,024,963	23,416,347	28,399,078	143,292,869	504,865,103	(408,454,802)	515,543,558
Staff retirement benefit	13,677,328	-	-	-	2,031,691	-	15,709,020
Tax liabilities	1,316,060,787	7,829,349	8,354,822	23,329,439	199,002,646	-	1,554,577,043
Deferred tax	264,056,690	(347,116)	-	-	15,750,652	-	279,460,226
Share capital	5,420,000,000	130,000,000	200,000,000	500,000,000	764,225,000	(1,594,225,000)	5,420,000,000
Share Premium	168,933,834	-	-	-	-	-	168,933,834
Statutory reserve	3,469,814,488	-	3,523,470	-	133,136,812	-	3,606,474,770
Fair Value Through OCI Reserve	127,131,418	(737,624)	-	-	-	-	126,393,794
Revaluation reserve	138,165,551	-	-	-	-	-	138,165,551
Regulatory risk reserve	-	-	-	-	17,293,896	-	17,293,896
Retained earnings	2,813,588,208	103,630,925	28,352,282	(119,524,947)	592,195,864	-	3,418,242,311
Total liabilities and equity	23,987,240,640	263,791,881	328,096,467	776,059,677	3,866,872,457	(3,043,747,732)	26,178,313,391



Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

10.2 Condensed result of consolidated entities - 2023

	CHI PLC	CHI Capital N	Microinsurance N	Hallmark Health Services Ltd N	Hallmark Finance Company Ltd N	Elimination N	Total N
Condensed profit and loss							
Insurance Revenue Result	(412,995,777)	-	33,824,152	263,319,920	-	-	(115,851,705)
Investment Revenue Result	1,072,526,533	25,258,060	46,614,992	47,807,850	710,994,605	-	1,903,202,041
Other operating income	2,963,715,009	2,351,401	-	4,910,304	73,832,426	-	3,044,809,141
Total operating income	3,623,245,765	27,609,461	80,439,144	316,038,074	784,827,031	-	4,832,159,476
Impairment no longer required	(11,838,371)	(2,531,489)	-	2,325,167	(14,804,642)	-	(26,849,334)
Net fair value gains/(losses) on financial assets at fair value through profit or loss	1,468,699,284	9,800,334	-	60,000,000	515,000	-	1,539,014,618
Management Expenses	(967,086,841)	(2,509,875)	(47,645,399)	(278,420,532)	(396,807,537)	-	(1,692,470,183)
Profit before taxation	4,113,019,837	32,368,431	32,793,746	99,942,709	373,729,852	-	4,651,854,576
Taxation	(759,953,356)	-	(8,354,822)	(19,826,785)	(94,570,033)	-	(882,704,996)
Profit after taxation	3,353,066,481	32,368,431	24,438,924	80,115,925	279,159,819	-	3,769,149,581

10.2 Condensed Financial Position

	CHI PLC N	CHI Capital Limited N	CHI Microinsurance N	Hallmark Health Ltd N	Hallmark Finance N	Elimination N	Total N
Assets							
Cash and cash equivalents	1,183,948,834	168,055,991	150,333,413	349,077,777	125,903,484	(307,842,520)	1,669,476,979
Financial assets	6,325,958,061	24,211,532	-	-	2,294,013,557	-	8,644,183,149
Finance lease receivables	-	-	-	-	210,896,364	-	210,896,364
Trade receivables	773,060,783	-	2,353,272.00	56,079,505	-	-	831,493,560
Reinsurance assets	3,552,376,954	-	-	-	-	-	3,552,376,954
Deferred acquisition cost	-	-	-	-	-	-	-
Other receivables and prepayment	652,618,272	26,896,544	14,452,000	33,569,749	16,859,879	(451,824,092)	292,572,353
Investment in subsidiaries	1,594,225,000	-	-	-	-	(1,594,225,000)	-
Investment properties	1,265,226,470	-	-	140,000,000	-	-	1,405,226,470
Leasehold properties	-	-	-	2,844,702	-	-	2,844,702
Intangible Assets	22,104,164	-	8,079,405	791,354	33,134,708	-	64,109,632
Property and equipment	1,088,248,164	-	6,223,562	40,722,431	33,751,000	-	1,168,945,157
Deferred tax asset	-	-	-	-	-	-	-
Statutory deposits	300,000,000	-	100,000,000	-	-	-	400,000,000
Total assets	16,757,766,702	219,164,067	281,441,653	623,085,520	2,714,558,992	(2,353,891,612)	18,242,125,320
Liabilities							
Insurance contract liabilities	6,706,663,170	-	27,514,128	193,571,472	-	-	6,927,748,770
Investment Contract liabilities	-	-	13,723,775	-	-	-	13,723,775
Trade payables	33,472,651	-	-	-	-	-	33,472,651
Borrowing	-	-	-	-	987,950,415	(307,842,521)	680,107,894
Provision and other payables	240,152,189	5,162,860	32,766,922	125,652,266	367,371,791	(451,824,091)	319,281,937
Staff retirement benefit	1,181,508	-	-	-	1,743,773	-	2,925,281
Tax liabilities	524,545,069	12,713,249	-	3,502,654	115,343,705	-	656,104,678
Deferred tax	239,442,368	8,149	-	-	14,457,554	-	253,908,071
Share capital	5,420,000,000	130,000,000	200,000,000	500,000,000	764,225,000	(1,594,225,000)	5,420,000,000
Share Premium	168,933,834	-	-	-	-	-	168,933,834
Statutory reserve	2,799,201,192	-	1,138,536	-	91,262,839	-	2,891,602,567
Fair Value Through OCI Reserve	39,163,090	17,316	-	-	-	-	39,180,406
Revaluation reserve	128,676,506	-	-	-	-	-	128,676,506
Regulatory risk reserve	-	-	-	-	1,828,189	-	1,828,189
Retained earnings	456,335,125	71,262,493	6,298,292	(199,640,872)	370,375,726	-	704,630,763
Total liabilities and equity	16,757,766,702	219,164,067	281,441,653	623,085,520	2,714,558,992	(2,353,891,612)	18,242,125,320

10.2 Condensed result of consolidated entities - 2022

	CHI PLC	CHI Capital Limited	CHI Microinsurance	Hallmark Health Ltd	Hallmark Finance	Elimination	
Condensed profit and loss							
Insurance Revenue Result	101,079,379	-	14,200,893	118,548,569	-	(82,354,812)	151,474,029
Investment Revenue Result	752,385,146	18,964,150	13,780,400	41,844,518	612,633,870	(1,141,447)	1,438,466,638
Other operating income	595,355,189	1,583,722	-	6,705,787	53,312,826	-	656,957,524
Total operating income	1,448,819,714	20,547,871	27,981,293	167,098,874	665,946,697	(83,496,259)	2,246,898,190
Impairment no longer required	(20,066,075)	(5,657,017)	(6,681,961)	160,001	(165,468,737)	-	(197,713,788)
Net fair value gains/(losses) on financial assets	10,163,192	12,214,033	-	50,000,000	(80,000)	-	72,297,226
Management Expenses	(500,371,852)	(1,540,761)	(34,409,059)	(274,542,797)	(348,589,534)	21,216,812	(1,138,237,191)
Profit before taxation	938,544,979	25,564,127	(13,109,727)	(57,283,923)	151,808,427	(62,279,447)	983,244,436
Taxation	(410,768,155)	-	-	(1,806,923)	(23,654,577)	-	(436,229,655)
Profit after taxation	527,776,824	25,564,127	(13,109,727)	(59,090,845)	128,153,850	(62,279,447)	547,014,781



Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

	Group			Company		
	31 December 2023 N	31 December 2022 N	1 January 2022	31 December 2023 N	31 December 2022 N	1 January 2022
11 Intangible assets						
Cost						
At 1 January	128,609,605	125,342,605	74,117,939	69,784,428	69,784,428	62,487,520
Addition	-	3,267,000	51,224,666	-	-	7,296,908
Reclassification	-	-	-	-	-	-
For the year ended 31st December 2023	128,609,605	128,609,605	125,342,605	69,784,428	69,784,428	69,784,428
Accumulated amortization						
	64,499,973	48,639,685	37,543,282	47,680,264	40,302,256	32,007,107
Charge	14,428,413	15,860,288	11,096,403	7,336,883	7,378,008	8,295,149
For the year ended 31st December 2023	78,928,386	64,499,973	48,639,685	55,017,146	47,680,264	40,302,256
Carrying amount						
For the year ended 31st December 2023	49,681,219	64,109,632	76,702,921	14,767,281	22,104,164	29,482,173
12 Investment Properties						
At 1 January	1,405,226,470	1,098,676,470	1,042,487,470	1,265,226,470	1,008,676,470	948,826,470
Addition	6,555,054	182,053,732	231,850,000	6,555,054	182,053,732	141,850,000
Disposal/transfer (Note 12.1b)	-	-	(175,661,000)	-	-	(82,000,000)
Fair value change (Note 35)	62,668,000	124,496,268	-	-	74,496,268	-
For the year ended 31st December 2023	1,474,449,524	1,405,226,470	1,098,676,470	1,271,781,524	1,265,226,470	1,008,676,470

Investment Properties

Investment properties are made up of buildings and properties held by the Company to earn rentals or for capital appreciation or both and are accounted for in line with International Accounting Standard (IAS) 40. Some of these properties retained the title of one of the legacy companies making up Consolidated Hallmark Insurance Plc. There is no dispute as to the title of Consolidated Hallmark Insurance Plc to these properties. However, in line with NAICOM requirement, provided below is the list of these properties and status of efforts to change their name to Consolidated Hallmark Insurance Plc.

The properties were professionally re-valued as at 25 November 2023, by Messrs Adegboyega Sanusi & Co (FRC/2013/NIESV/00000001757) on the basis of open market values.



Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

S/N	TYPE OF ASSET	ADDRESS	AMOUNT N	CURRENT TITLE HOLDER	STATUS ON CHANGE OF TITLE
12a	Company (CHI Ltd)		N		
1	Building	Plot A/5 Pocket Layout (Clerk Quarters) Owerri, Imo State.	206,000,000	Consolidated Hallmark Insurance Plc.	Title over this property has been transferred to Consolidated Hallmark Insurance Plc.
2	Building	219, 220 and 221, Akukwe Street, Works Layout,	229,000,000	Consolidated Hallmark Insurance Plc.	Title now changed from Hallmark Assurance Plc to the name of Consolidated Hallmark Insurance Plc.
3	Building	Owerri, Imo State No. 30, East Street, Rivers Layout Aba, Abia State.	104,682,620	Consolidated Hallmark Insurance Plc.	Title over this property has been transferred to Consolidated Hallmark Insurance Plc.
4	Building	Plot 33, Chief Ogbonda Layout, Rumuogba, Port Harcourt.	144,221,000	Consolidated Hallmark Insurance Plc.	Title over this property has been transferred to Consolidated Hallmark Insurance Plc.
5	Building	Rivers State Housing Estate, Abuloma PH	48,000,000	Consolidated Hallmark Insurance Plc.	Title over this property has been transferred to Consolidated Hallmark Insurance Plc.
6	Land	Plot 14, 1(W) Road, First Avenue, Lugbe Estate, Abuja.	23,000,000	Hallmark Assurance Plc (Legacy Company)	The Company had paid all required fees to the Federal Housing Authority since 2017 and is awaiting final approval from them.
7	Building	Romax Homes Estate by Harris drivet beside VGCI Ikota, Lekki Lagos	199,002,000	Consolidated Hallmark Insurance Plc.	The deed of assignment is in the name of Consolidated Hallmark Insurance Plc. Perfection of title in progress
8	Building	3 Units of 4 Bedroom Terrace At Westend Ikota, Lagos	137,875,904	Consolidated Hallmark Insurance Plc.	The deed of assignment is in the name of Consolidated Hallmark Insurance Plc. Perfection of title in progress
9	Building	Semi detached duplex at Osapa London, Lekki Lagos.	180,000,000	Consolidated Hallmark Insurance Plc.	The deed of assignment is in the name of Consolidated Hallmark Insurance Plc. Perfection of title in progress
	Company's Total		1,271,781,524		
	Hallmark Health Services Limited				
	Building	Romax Homes Estate by Harris drivet beside VGCI Ikota, Lekki Lagos	142,168,000	Hallmark Health Services Ltd	The deed of assignment is in the name of Hallmark Health Services Ltd.
	Group Total		1,474,449,524		



Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

S/N	Movement in Investment Properties		Opening	Addition	Disposal/ transfer	Increase (decrease) in Fairvalue	Total
	TYPE OF ASSET	ADDRESS					
12b	Company (CHI Ltd)		N	N	N	N	N
1	Building	Plot A/5 Pocket Layout (Clerk Quarters) Owerri, Imo State.	206,000,000	-	-	-	206,000,000
2	Building	219, 220 and 221, Akukwe Street, Works Layout,	229,000,000	-	-	-	229,000,000
3	Building	No. 30, East Street, Rivers Layout Aba, Abia State.	104,105,470	577,150.00	-	-	104,682,620
4	Building	Plot 33, Chief Ogbonda Layout, Rumuogba, Port Harcourt.	144,221,000	-	-	-	144,221,000
5	Building	Jacob's Arena Plot 4, close4, road 4, Westend Estate Ikorota, Lagos	135,900,000	1,975,903.96	-	-	137,875,904
		Semi detached duplex at Osapa London, Lekki Lagos.	180,000,000	-	-	-	180,000,000
6	Building	Rivers State Housing Estate, Abuloma PH	48,000,000	-	-	-	48,000,000
7	Land	Plot 14, 1(W) Road, First Avenue, Lugbe Estate, Abuja.	23,000,000	-	-	-	23,000,000
8	Building	Romax Homes Estate by Harris drivet beside	195,000,000	4,002,000	-	-	199,002,000
	Company Total		1,265,226,470	6,555,054	-	-	1,271,781,524
	Subsidiary						
9	Building	Romax Homes Estate by Harris drivet beside	140,000,000	62,668,000			202,668,000
		Thomas Estate Ajah Lagos					
	Group Total		1,405,226,470	69,223,054			1,474,449,524

Addition to item no 3,5 and 8 as stated on the table above represents amount paid for construction of borehole, renovation of apartment and electrification and processing charges to the estate management respectively.



Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

13.0 Property and Equipment

2023

13.1a The group

	Land N	Building N	Office Equipment N	Furniture & Fittings N	Motor Vehicles N	Computer Equipment N	Total N
Costs							
At 1 January	300,000,000	716,669,825	122,660,928	161,641,268	717,825,832	279,934,035	2,298,731,887
Additions during the period	-	-	44,044,772	28,170,990	153,562,569	26,489,865	252,268,196
Revaluation	-	13,954,478	-	-	-	-	13,954,478
Disposals during the period	-	-	-	-	-	-	-
For the year ended 31st December 2023	300,000,000	730,624,303	166,705,700	189,812,258	871,388,401	306,423,900	2,564,954,561
Accumulated depreciation							
At 1 January 2023	-	175,319,825	103,413,572	135,625,874	487,471,808	227,955,653	1,129,786,732
Depreciation charge for the period	-	13,954,478	7,950,828	12,610,140	104,202,971	16,702,313	155,420,730
Disposals in the period	-	-	-	-	-	-	-
For the year ended 31st December 2023	-	189,274,304	111,364,400	148,236,014	591,674,779	244,657,966	1,285,207,462
Accumulated impairment losses	-	-	-	-	-	-	-
Carrying value							
For the year ended 31st December 2023	300,000,000	541,350,000	55,341,301	41,576,244	279,713,623	61,765,934	1,279,747,102
At 1 January 2023	300,000,000	541,350,000	19,247,355	26,015,394	230,354,024	51,978,382	1,168,945,157

The properties were professionally re-valued as at 25 November 2023, by Messrs Adegboyega Sanusi & Co (FRC/2013/NIESV/00000001757) on the basis of open market values. These values were incorporated in the books at end of the year 2023. The surplus arising on the revaluation over the written down values was treated as revaluation surplus.

Note : There was no lien on any of the properties non the properties pledged as collateral for any loan or to any creditor. And Land was not depreciated.

Property and Equipment

13.1b The Group

2022

	Land N	Building N	Office Equipment N	Fittings N	Motor Vehicles N	Computer Equipment N	Total N
At 1 January	300,000,000	697,723,916	116,646,562	150,817,238	631,770,354	256,792,619	2,153,750,690
Additions during the period	-	-	6,014,366	10,824,030	95,856,478	23,141,416	135,836,290
Revaluation	-	18,945,909	-	-	-	-	18,945,909
Disposals during the period	-	-	-	-	(9,801,000)	-	(9,801,000)
31 December	300,000,000	716,669,825	122,660,928	161,641,268	717,825,832	279,934,035	2,298,731,889
Accumulated depreciation							
At 1 January 2022	-	161,373,916	96,346,121	125,553,428	392,075,190	214,693,908	990,042,563
Depreciation charge for the period	-	13,945,909	7,067,451	10,072,446	102,697,618	13,261,745	147,045,169
Disposals in the period	-	-	-	-	(7,301,000)	-	(7,301,000)
31 December	-	175,319,825	103,413,572	135,625,874	487,471,808	227,955,653	1,129,786,732
Accumulated impairment losses	-	-	-	-	-	-	-
Carrying value							
31 December 2022	300,000,000	541,350,000	19,247,356	26,015,394	230,354,024	51,978,382	1,168,945,157
At 1 January 2022	300,000,000	536,350,000	20,300,441	25,263,810	239,458,097	42,098,712	1,163,471,059



Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

13.2a Property and Equipment 2023

The Company

Costs

	Land	Building	Office Equipment	Furniture & Fittings	Motor Vehicles	Computer Equipment	Total
	N	N	N	N	N	N	N
At 1 January	300,000,000	716,669,825	114,000,493	163,215,975	599,020,079	257,046,410	2,149,952,783
Additions	-	-	43,053,772	26,061,990	126,862,569	19,198,365	215,176,700
Revaluation	-	13,954,478	-	-	-	-	13,954,478
Disposals	-	-	-	-	-	-	-
For the year ended 31st December 2023	300,000,000	730,624,303	157,054,264	189,277,965	725,882,648	276,244,776	2,379,083,960

Accumulated depreciation

At 1 January	-	175,319,825	100,419,985	136,186,020	427,409,980	222,368,808	1,061,704,618
Depreciation charge for the period	-	13,954,478	6,226,630	10,643,160	75,761,622	11,418,278	118,004,170
Disposals	-	-	-	-	-	-	-
For the year ended 31st December 2023	-	189,274,303	106,646,615	146,829,179	503,171,601	233,787,087	1,179,708,789

Carrying value

For the year ended 31st December 2023	300,000,000	541,350,000	50,407,649	42,448,786	222,711,046	42,457,689	1,199,375,172
At 1st January 2023	300,000,000	541,350,000	13,580,508	27,029,955	171,610,099	34,677,602	1,088,248,164

The properties were professionally re-valued as at 25 November 2023, by Messrs Adegboyega Sanusi & Co (FRC/2013/NIESV/00000001757) on the basis of open market values. These values were incorporated in the books at end of the year 2023. The surplus arising on the revaluation over the written down values was treated as revaluation surplus.



Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

13.2b Property and Equipment (Cont'd)

2022

The company

	Land	Building	Office Equipment	Furniture & Fittings	Motor Vehicles	Computer Equipment	Total
	N	N	N	N	N	N	N
At 1 January	300,000,000	697,723,916	110,728,948	154,660,725	533,954,601	247,236,021	2,044,304,211
Additions	-	-	3,271,545	8,555,250	74,866,478	9,810,389	96,503,662
Transfer from Investment Property(12.1a)	-	-	-	-	-	-	-
Revaluation	-	18,945,909	-	-	-	-	18,945,909
Disposals	-	-	-	-	(9,801,000)	-	(9,801,000)
31 December	300,000,000	716,669,825	114,000,493	163,215,975	599,020,079	257,046,410	2,149,952,782
Accumulated depreciation							
At 1 January	-	161,373,916	94,440,092	127,370,268	359,277,014	212,487,267	954,948,557
Depreciation charge for the period	-	13,945,909	5,979,893	8,815,752	75,433,966	9,881,541	114,057,061
Disposals	-	-	-	-	(7,301,000)	-	(7,301,000)
31 December	-	175,319,825	100,419,985	136,186,020	427,409,980	222,368,808	1,061,704,618
Carrying value							
31 December 2022	300,000,000	541,350,000	13,580,508	27,029,955	171,610,099	34,677,602	1,088,248,164
At 1 January 2022	300,000,000	536,350,000	16,288,856	27,290,457	174,677,587	34,748,754	1,089,355,654

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

13.3 Right-of-Use of Assets (Leased Assets)

	Furniture & Fittings N	Motor Vehicles N	Office Equipment N	Computer Equipment N	Total N
Cost					
Balance as at 1 January 2022	4,145,404	7,436,438	2,345,697	311,787	14,239,326
Additions during the year	1,037,061	1,860,000	586,826	78,001	3,561,888
Balance as at 31 December 2022/1 January 2023	5,182,464	9,296,438	2,932,524	389,787	17,801,213
Disposal during the year		(2,800,000)			(2,800,000)
Additions during the year	1,731,278	26,003,562	979,651	130,213	28,844,704
Balance as at 31 December 2023	6,913,742	32,500,000	3,912,175	520,000	43,845,917
Accumulated Depreciation					
Balance as at 1 January 2022	4,145,404	7,436,438	2,345,697	311,787	14,239,326
Charge for the year	1,037,061	1,860,000	586,826	78,001	3,561,888
Balance as at 31 December 2022/1 January 2023	5,182,464	9,296,438	2,932,524	389,787	17,801,214
Disposal during the year		(2,800,000)			(2,800,000)
Charge for the year	1,104,323	3,650,685	976,652	78,000	5,809,660
Balance as at 31 December 2023	6,286,787	10,147,124	3,909,175	467,787	20,810,873
Carrying Amount					
Carrying amount as at 31 December 2022	1,731,277	3,561	979,651	130,213	2,844,702
Carrying amount as at 31 December 2023	626,955	22,352,876	3,000	52,213	23,035,044

	Group			Company		
	31 Dec 2023 N	31 Dec 2022 N	Jan 1, 2022 N	31 Dec 2023 N	31 Dec 2022 N	Jan 1, 2022 N
14. Statutory deposits	300,000,000	300,000,000	300,000,000	300,000,000	300,000,000	300,000,000
Microinsurance	20,000,000	100,000,000	100,000,000	-	-	-
	320,000,000	400,000,000	400,000,000	300,000,000	300,000,000	300,000,000

This represents the amount deposited with the Central Bank of Nigeria as at 31 March, 2023. However There was a partial refund from CBN for Chi Micro Limited after license approval.

	31 Dec 2023 N	31 Dec 2022 N	Jan 1, 2022 N	31 Dec 2023 N	31 Dec 2022 N	Jan 1, 2022 N
15. Insurance contract liabilities	4,533,328,447	3,280,467,021	2,841,412,777	4,460,979,750	3,280,467,021	2,837,287,074
Liability for Incured Claim (LIC) (Note 15.1)	5,445,700,713	3,647,281,748	2,632,637,624	5,240,058,054	3,426,196,149	2,462,257,737
Liability for Remaining Coverage (LRC)(Note 15.2)	-	-	354,516,031	-	-	348,735,897
IFRS 17 Adjustment	9,979,029,160	6,927,748,770	5,828,566,433	9,701,037,803	6,706,663,170	5,648,280,708



Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

15.1	Insurance contract liabilities (2023)	Group			Company	
		Liability for Remaining Coverage (LRC)			Liability for Incurred Claim (LIC)	
		Excluding Loss Component	Loss Component	PV of future cashflow	Risk Adjustment	Total
		N	N	N	N	N
	MOTOR	1,928,390,951	-	476,446,216	39,110,939	2,443,948,106
	FIRE	799,837,570	-	424,779,935	71,777,640	1,296,395,144
	AVIATION	166,213,613	-	186,944,497	34,534,067	387,692,177
	OIL & GAS	692,113,690	-	904,426,725	162,987,340	1,759,527,755
	ENGINEERING	407,458,544	-	198,106,277	43,106,111	648,670,932
	BOND	262,667,172	-	29,687,405	2,668,882	295,023,459
	GENERAL ACCIDENT	585,045,256	-	1,455,484,550	291,333,773	2,331,863,579
	MARINE	398,331,257	-	117,307,080	22,278,311	537,916,649
		5,240,058,053	-	3,793,182,686	667,797,063	9,701,037,802
	HMO - LRC/LIC	156,613,620		72,348,697		228,962,317
	Microinsurance - (LRC)	49,029,040				49,029,040
		5,445,700,713	-	3,865,531,383	667,797,063	9,979,029,158

Insurance contract liabilities 2022

		Liability for Remaining Coverage (LRC)		Liability for Incurred Claim (LIC)		Total
		Excluding Loss Component	Loss Component	PV of future cashflow	Risk Adjustment	
		N	N	N	N	N
MOTOR	15. i	1,022,278,126	-	363,660,331	18,183,017	1,404,121,474
FIRE	15.ii	523,775,134	-	521,165,316	19,330,515	1,064,270,965
AVIATION	15.iii	88,900,375	-	123,899,860	6,194,993	218,995,228
OIL & GAS	15.iv	522,396,718	-	244,332,345	12,456,143	779,185,206
ENGINEERING	15.v	508,790,836	-	195,806,189	29,056,538	733,653,563
BOND	15.vi	156,888,742	-	22,478,975	1,123,949	180,491,666
GENERAL ACCIDENT	15.vii	459,220,522	-	951,867,080	319,919,538	1,731,007,140
MARINE	15.viii	143,945,695	-	429,516,413	21,475,821	594,937,929
		3,426,196,148	-	2,852,726,509	427,740,514	6,706,663,171
HMO - LRC/LIC		122,809,341		70,762,130		193,571,471
Microinsurance - (LRC)		27,514,128				27,514,128
		3,576,519,617	-	2,923,488,639	427,740,514	6,927,748,770

		Liability for Remaining Coverage (LRC)		Liability for Incurred Claim (LIC)		Total
		Excluding Loss Component	Loss Component	PV of future cashflow	Risk Adjustment	
		N	N	N	N	N
Insurance contract liabilities 2021						
MOTOR	15. i	833,210,000	-	281,837,246	14,091,862	1,129,139,108
FIRE	15.ii	346,066,546	-	867,757,155	32,185,934	1,246,009,635
AVIATION	15.iii	102,138,794	-	96,176,672	4,808,834	203,124,300
OIL & GAS	15.iv	454,137,875	-	242,271,998	12,351,106	708,760,979
ENGINEERING	15.v	185,232,684	-	118,873,937	17,640,224	321,746,845
BOND	15.vi	59,792,680	-	18,759,856	937,993	79,490,529
GENERAL ACCIDENT	15.vii	377,623,968	-	564,179,345	189,618,907	1,131,422,220
MARINE	15.viii	148,784,684	-	647,430,865	32,371,543	828,587,092
		2,506,987,231	-	2,837,287,074	304,006,403	5,648,280,708
HMO - LRC/LIC		110,637,393		60,103,400		170,740,793
Microinsurance - (LRC)		9,544,931				9,544,932
		2,627,169,555	-	2,897,390,474	304,006,403	5,828,566,433

Estimates of incurred but not reported (IBNR) claims liability and calculation of liability for remaining coverage was developed by the Management of the Company with the use of a professional actuary (Becoda Consulting Ltd), certified firm of actuaries with FRC registration number FRC/2015/NAS/00000012946

Management believes that the carrying amount of insurance liabilities represents a reasonable approximation of fair value.



Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

Reconciliation/Movement in carrying amounts by LRC and LIC - Insurance Contract Liability -PAA

Contracts measured under PAA are non-life insurance contract

Balance as at 1st January 2022	Liability for Remaining Excluding Loss Component N	Coverage Loss Component N	Liability for incurred claim Estimates of Present Value of Future Cash Flows N	Risk Adjustment for Non- Financial Risk N	Total N
Insurance Contract Liability as at 1st Jan 2022	2,506,987,232		2,837,287,075	304,006,401	5,648,280,708
Company Net closing balance	2,506,987,232	-	2,837,287,075	304,006,401	5,648,280,708
Hallmark Health Services Ltd	110,637,373		60,103,420		170,740,793
CHI Micro Insurance Ltd	9,544,931				9,544,931
Group Closing balance	2,627,169,536	-	2,897,390,495	304,006,401	5,828,566,432

Balance as at 31 December 2022	Liability for Remaining Excluding Loss Component N	Coverage Loss Component N	Liability for incurred claim Present Value of Future Cash Flows N	Risk Adjustment for Non- Financial Risk N	Total N
Opening reinsurance contracts assets					
Opening reinsurance contracts liability	2,506,987,232		2,837,287,074	304,006,403	5,648,280,708
Net opening balance	2,506,987,232	-	2,837,287,074	304,006,403	5,648,280,708

Insurance revenue	(11,142,727,902)				(11,142,727,902)
Insurance service expenses					
Incurred claims and other expenses			5,354,202,092		5,354,202,092
Risk Adjustment release for expired risks				123,730,000	123,730,000
Experience adjustments					-
Acquisition expenses	2,713,966,817				2,713,966,817
Changes related to future service					
Changes related to past service			108,294,675		108,294,675
Total Insurance service expenses	2,713,966,817	-	5,462,496,767	123,730,000	8,300,193,584
Investment components					
Insurance service result	(8,428,761,085)		5,462,496,767	123,730,000	(2,842,534,318)
Insurance finance expenses	-				
Total change in comprehensive income	(8,428,761,085)		5,462,496,767	123,730,000	(2,842,534,318)
Premiums received	12,061,936,819				12,061,936,819
Adjustments to liabilities for incurred claims					-
Claims and expenses paid	-		(5,447,053,222)		(5,447,053,222)
Acquisition cash flows	(2,713,966,817)				(2,713,966,817)
Total cash flows	9,347,970,002		(5,447,053,222)	123,730,000	4,024,646,779
Closing insurance contract assets					
Closing insurance contract liabilities	3,426,196,149		2,852,730,619	427,736,402	6,706,663,170
Company Net closing balance	3,426,196,149	-	2,852,730,619	427,736,402	6,706,663,170



Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

Reconciliation/Movement in carrying amounts by LRC and LIC - Insurance Contract Liability -PAA Continue

Balance as at 31 December 2023

Liability for Remaining

	Excluding Loss Component N	Loss Component N	Estimates of Present Value of Future Cash Flows N	Risk Adjustment for Non-Financial Risk N	Total N
Opening reinsurancecontracts assets					
Opening reinsurancecontracts liability	3,426,196,149		2,852,730,619	427,736,402	6,706,663,170
Net opening balance	3,426,196,149	-	2,852,730,619	427,736,402	6,706,663,170
Insurance revenue	(14,815,865,738)		-	-	(14,815,865,738)
Insurance service expenses					
Incurred claims and other expenses	-		5,630,329,561		5,630,329,561
Risk Adjustment release for expired risks	-			240,056,551	240,056,551
Experience adjustments			-		-
Acquisition expenses	3,841,647,546		-	-	3,841,647,546
Changes related to future service					
Changes related to past service	-		1,806,446,548	-	1,806,446,548
Total Insurance service expenses	3,841,647,546	-	7,436,776,109	240,056,551	11,518,480,206
Investment components					
Insurance service result	(10,974,218,192)		7,436,776,109	240,056,551	(3,297,385,531)
Insurance finance expenses	-				
Total change in comprehensive income	(10,974,218,192)		7,436,776,109	240,056,551	(3,297,385,531)
Premiums received	16,629,727,642		-		16,629,727,642
Adjustments to liabilities for incurred claims	-		-		-
Claims and expenses paid	-		(6,496,319,933)		(6,496,319,933)
Acquisition cash flows	(3,841,647,546)				(3,841,647,546)
Total cash flows	12,788,080,096		(6,496,319,933)		6,291,760,163
Closing insurance contract assets					
Closing insurance contract liabilities	5,240,058,053		3,793,186,796	667,792,953	9,701,037,802
Company Net closing balance	5,240,058,053	-	3,793,186,796	667,792,953	9,701,037,802

GROUP

Balance as at 1st January 2022

	Liability for Remaining Excluding Loss Component N	Coverage Loss Component N	Liability for incurred claim Estimates of Present Value of Future Cash Flows N	Risk Adjustment for Non-Financial Risk N	Total N
Insurance Contract Liability as at 1st Jan 2022	2,627,169,536		2,897,390,495	304,006,401	5,828,566,432
Company Net closing balance	2,627,169,536		2,897,390,495	304,006,401	5,828,566,432



Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

Reconciliation/Movement in carrying amounts by LRC and LIC - Insurance Contract Liability -PAA Continue

GROUP

Balance as at 31 December 2022	Liability for Remaining	Coverage	Liability for incurred claim		
	Excluding	Loss	Present Value	Risk	Total
	Loss Component	Component	of Future	Adjustment for	
	N	N	Cash Flows	Non-Financial Risk	N
Opening reinsurance contracts assets					
Opening reinsurance contracts liability	2,506,987,232		2,837,287,074	304,006,403	5,648,280,708
Net opening balance	2,506,987,232	-	2,837,287,074	304,006,403	5,648,280,708
Insurance revenue	(11,880,010,802)				(11,880,010,802)
Insurance service expenses					
Incurred claims and other expenses	-		6,124,536,704		6,124,536,704
Risk Adjustment release for expired risks			-	123,734,110	123,734,110
Experience adjustments					-
Acquisition expenses	2,606,949,503		-		2,606,949,503
Changes related to future service					
Changes related to past service			108,294,675		108,294,675
Total Insurance service expenses	2,606,949,503	-	6,232,831,379	123,734,110	8,963,514,992
Investment components					
Insurance service result	(9,273,061,299)		6,232,831,379	123,734,110	(2,916,495,810)
Insurance finance expenses	-				
Total change in comprehensive income	(9,273,061,299)		6,232,831,379	123,734,110	(2,916,495,810)
Premiums received	12,061,936,819		-		12,061,936,819
Adjustments to liabilities for incurred claims					-
Claims and expenses paid	-		(5,480,109,044)		(5,480,109,044)
Acquisition cash flows	(2,606,949,503)				(2,606,949,503)
Total cash flows	9,454,987,316		(5,480,109,044)		3,974,878,272
Closing insurance contract assets					
Closing insurance contract liabilities	2,839,236,718		3,660,771,539	427,740,512	6,927,748,769
Company Net closing balance	2,839,236,718	-	3,660,771,539	427,740,512	6,927,748,769

GROUP

Balance as at 31 December 2023	Liability for Remaining	Coverage	Liability for incurred claim		
	Excluding	Loss	Estimates of	Risk	Total
	Loss Component	Component	Present Value of	Adjustment for	
	N	N	Future Cash Flows	Non-Financial Risk	N
Opening reinsurance contracts assets					
Opening reinsurance contracts liability	3,426,196,149		2,852,730,619	427,740,512	6,706,667,280
Net opening balance	3,426,196,149		2,852,730,619	427,740,512	6,706,667,280
Insurance revenue	(15,710,848,992)		-	-	(15,710,848,992)
Insurance service expenses					
Incurred claims and other expenses	-		6,335,546,869	-	6,335,546,869
Risk Adjustment release for expired risks			-	240,056,551	240,056,551
Experience adjustments					-
Acquisition expenses	3,717,441,086		-	-	3,717,441,086
Changes related to future service					
Changes related to past service	-		(1,806,446,548)	-	1,806,446,548
Total Insurance service expenses	3,717,441,086	-	8,141,993,417	240,056,551	12,099,491,054
Investment components					
Insurance service result	(11,993,407,906)		8,141,993,417	240,056,551	(3,611,357,938)
Insurance finance expenses	-		-	-	-
Total change in comprehensive income	(11,993,407,906)		8,141,993,417	240,056,551	(3,611,357,938)
Premiums received	16,629,727,642		-		-
Adjustments to liabilities for incurred claims					-
Claims and expenses paid	-		(6,306,558,095)		(6,306,558,095)
Acquisition cash flows	-3,717,441,086				
Total cash flows	12,912,286,556		(6,306,558,095)		6,605,728,461
Closing insurance contract assets					
Closing insurance contract liabilities	4,550,717,459		4,760,514,638	667,797,063	9,979,029,160
Company Net closing balance	4,550,717,459	-	4,760,514,638	667,797,063	9,979,029,160

Notes to the Consolidated Financial Statements

15.2 DATA SUMMARY AND RECONCILIATIONS

For The Year Ended 31 December 2023

This section outlines the summary of the data used for the IFRS 17 valuation.

Valuation Results

Insurance Contract Liabilities - December 2023				
Portfolios	Liability for Remaining Coverage (LRC) N	Liability for Incurred Claims (LIC)		Total
		Outstanding claims N	Risk Adjustment N	
Motor	1,928,390,951	363,660,331	39,110,939	2,443,948,106
Fire	799,837,570	521,165,316	71,777,640	1,296,395,144
General Accident	585,045,256	951,867,080	291,333,773	2,331,863,579
Marine	398,331,257	429,516,413	22,278,311	537,916,649
Bonds	262,667,172	22,478,975	2,668,882	295,023,459
Oil & Gas	692,113,690	244,332,345	162,987,340	1,759,527,755
Engineering	407,458,544	195,806,189	43,106,111	648,670,932
Aviation	166,213,613	123,899,860	34,534,067	387,692,177
Total	5,240,058,053	2,852,726,509	667,797,063	9,701,037,801

53%

33%

33%

56%

15.2.1 Transactional claims Data

The table below summarises the claims incurred in the reporting period, claims paid and outstanding claims.

Insurance Transactional Data and Outstanding claims in the reporting			
Portfolios	Incurred Claims N	Claims Paid N	Outstanding claims N
Aviation	44,604,392	74,542,773	58,168,190
Bonds	30,906,813	34,221,715	2,836,082
Engineering	168,934,432	260,568,170	37,111,463
Fire	337,856,637	298,011,601	109,242,852
General Accident	1,098,521,139	1,423,512,389	253,557,870
Marine	277,152,257	368,537,286	25,324,086
Motor	1,198,675,720	1,304,089,900	76,232,568
Oil & Gas	130,263,970	180,171,723	40,719,811
Total	3,286,915,359	3,943,655,557	603,192,922

15.2.1 RESULTS OF VALUATION

15.3.1 Insurance Contract Liabilities

The total gross liability for the IFRS 17 insurance portfolio is N9,701m as at 31 December 2023. This is made up of N5,240m of liabilities for remaining coverage (LRC) and N4,461m of liabilities for incurred claims (LIC).

The breakdown of the gross insurance contract liabilities is shown in the table below:

Insurance Contract Liabilities - December 2022 Comparatives				
Portfolios	Liability for Remaining Coverage (LRC) N	Liability for Incurred Claims (LIC)		Total N
		Outstanding claims N	Risk Adjustment N	
Motor	1,022,278,126	363,660,331	18,183,017	1,404,121,474
Fire	523,775,134	521,165,316	19,330,515	1,064,270,965
General Accident	459,220,522	951,867,080	319,919,538	1,731,007,140
Marine	143,945,695	429,516,413	21,475,821	594,937,929
Bonds	156,888,742	22,478,975	1,123,949	180,491,666
Oil & Gas	522,396,718	244,332,345	12,456,143	779,185,206
Engineering	508,790,836	195,806,189	29,056,538	733,653,563
Aviation	88,900,375	123,899,860	6,194,993	218,995,228
Total	3,426,196,149	2,852,726,509	427,740,512	6,706,663,170

The total insurance contract liabilities increased by 45% from N6.7bn reported in December 2022 to N9.7bn as at December 2023.



Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

15.3 AGE ANALYSIS OF OUTSTANDING CLAIMS AS AT 31 DECEMBER, 2023

	0-90 DAYS	91-180 DAYS	181-270 DAYS	271-365 DAYS	ABOVE 365 DAYS	TOTAL
1-250,000	24,204,668	18,716,445	20,133,996	16,381,898	31,204,483	110,641,490
250,001-500,000	7,932,795	5,222,000	23,063,222	30,410,079	26,607,131	93,235,228
500,001-1,500,000	15,500,000	7,284,112	26,263,400	33,848,441	68,202,998	151,098,951
1,500,001-2,500,000	11,948,570	6,000,000	4,290,145	12,100,000	8,076,600	42,415,315
2,500,001-5,000,000	3,000,000	26,015,753	20,000,000	28,125,542	28,684,293	105,825,588
ABOVE 5,000,000	14,168,700	7,120,868	6,250,438	29,806,604	42,629,740	99,976,350
TOTAL	76,754,733	70,359,178	100,001,202	150,672,564	205,405,245	603,192,922

AGE ANALYSIS OF OUTSTANDING CLAIMS AS AT 31 DECEMBER, 2022

	0-90 DAYS	91-180 DAYS	181-270 DAYS	271-365 DAYS	ABOVE 365 DAYS	TOTAL
1-250,000	28,578,289	18,991,061	17,252,131	13,286,098	55,203,107	133,310,687
250,001-500,000	18,875,451	11,348,613	10,661,250	15,897,200	49,997,081	106,779,595
500,001-1,500,000	33,286,322	25,204,937	42,469,094	32,826,487	70,542,470	204,329,309
1,500,001-2,500,000	15,716,046	10,143,086	7,696,600	5,665,000	11,791,993	51,012,725
2,500,001-5,000,000	28,621,816	17,611,841	18,254,950	27,377,893	61,485,004	153,351,504
ABOVE 5,000,000	85,515,400	183,803,100	7,000,000		410,912,103	687,230,603
TOTAL	210,593,324	267,102,638	103,334,025	95,052,678	659,931,758	1,336,014,423

Number of claimants in each category

	0-90 DAYS	91-180 DAYS	181-270 DAYS	271-365 DAYS	ABOVE 365 DAYS	TOTAL
At December 2023	439	381	323	320	636	2,099
At December 2022	483	331	319	289	1,174	2,596

Further Analysis of Outstanding Claims

OUTSTANDING CLAIMS (AWAITING EDV)

	0-90 DAYS	181-270 DAYS	271-365 DAYS	ABOVE 365 DAYS	TOTAL
1-250,000	-	-	-	-	-
250,001-500,000	-	-	-	-	-
500,001-1,500,000	-	-	-	-	-
1,500,001-2,500,000	-	-	-	-	-
2,500,001-5,000,000	-	-	-	-	-
ABOVE 5,000,000	-	-	-	-	-
TOTAL	-	-	-	-	-



Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

OUTSTANDING CLAIMS (AWAITING SETTLEMENT DECISION)

	0-90 DAYS	91-180 DAYS	181-270 DAYS	271-365 DAYS	ABOVE 365 DAYS	TOTAL
1-250,000	-	566,819.00	654,342.08	100,000.00	811,667.02	2,132,828.10
250,001-500,000	-	-	800,000.00	-	-	800,000.00
500,001-1,500,000	-	1,374,112.00	1,335,590.16	1,500,000.00	1,000,000.00	5,209,702.16
1,500,001-2,500,000	-	-	-	-	-	-
2,500,001-5,000,000	-	-	-	-	-	-
ABOVE 5,000,000	-	-	-	-	-	-
TOTAL	-	1,940,931.00	2,789,932.24	1,600,000.00	1,811,667.02	8,142,530.26

OUTSTANDING CLAIMS (AWAITING SUPPORTING DOCUMENT)

	0-90 DAYS	91-180 DAYS	181-270 DAYS	271-365 DAYS	ABOVE 365 DAYS	TOTAL
1-250,000	22,685,886.75	16,885,646.00	18,646,040.00	15,716,922.86	29,249,393.86	103,183,889.47
250,001-500,000	6,485,145.35	4,500,000.00	22,263,222.40	29,910,079.23	26,318,518.19	89,476,965.17
500,001-1,500,000	15,500,000.00	5,910,000.00	24,927,810.12	31,648,440.67	65,202,997.61	143,189,248.40
1,500,001-2,500,000	8,000,000.00	6,000,000.00	4,290,145.23	12,100,000.00	8,076,600.00	38,466,745.23
2,500,001-5,000,000	3,000,000.00	20,029,337.06	20,000,000.00	25,003,666.69	24,531,093.01	92,564,096.76
ABOVE 5,000,000	14,168,700.00	-	6,250,438.00	29,806,604.13	35,629,740.00	85,855,482.13
TOTAL	69,839,732.10	53,324,983.06	96,377,655.75	144,185,713.58	189,008,342.67	552,736,427.16

OUTSTANDING CLAIMS (BEING ADJUSTED)

	0-90 DAYS	91-180 DAYS	181-270 DAYS	271-365 DAYS	ABOVE 365 DAYS	TOTAL
1-250,000	1,508,781.29	1,263,980.20	683,614.20	564,975.00	978,390.40	4,999,741.09
250,001-500,000	1,447,650.00	722,000.00	-	500,000.00	288,612.90	2,958,262.90
500,001-1,500,000	-	-	-	700,000.00	-	700,000.00
1,500,001-2,500,000	3,948,569.75	-	-	-	-	3,948,569.75
2,500,001-5,000,000	-	5,986,416.04	-	3,121,875.00	4,153,200.00	13,261,491.04
ABOVE 5,000,000	-	7,120,868.10	-	-	7,000,000.00	14,120,868.10
TOTAL	6,905,001.04	15,093,264.34	683,614.20	4,886,850.00	12,420,203.30	39,988,932.88

OUTSTANDING CLAIMS (SIGNED DISCHARGE VOUCHER UNPAID)

	0-90 DAYS	91-180 DAYS	181-270 DAYS	271-365 DAYS	ABOVE 365 DAYS	TOTAL
1-250,000	265,031.65	-	-	-	-	265,031.65
250,001-500,000	-	-	-	-	-	-
500,001-1,500,000	2,000,000.00	-	-	-	-	2,000,000.00
1,500,001-2,500,000	-	-	-	-	-	-
2,500,001-5,000,000	-	-	-	-	-	-
ABOVE 5,000,000	-	-	-	-	-	-
TOTAL	2,265,031.65	-	-	-	-	2,265,031.65

Please note that, the group do not have any outstanding claim with executed discharge voucher that is more than 90 days in accordance with Section 70 (1a) of the Insurance Act 2003



Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

	Group			Company		
	2023 N	2022 N	Jan 1, 2022 N	2023 N	2022 N	Jan 1, 2022 N
15.4 Funds representing insurance contract liabilities						
Insurance Contract Liabilities	9,701,037,803	6,706,663,170	5,828,566,433	9,701,037,803	6,706,663,170	5,648,280,708
Recoverable from reinsurance company	(3,446,441,321)	(3,552,376,954)	(4,086,694,213)	(3,446,441,321)	(3,552,376,954)	(4,086,694,213)
	6,254,596,483	3,154,286,216	1,741,872,220	6,254,596,483	3,154,286,216	1,561,586,495
Balance with banks	-	-	-	-	-	-
Fixed placement	832,664,454	525,103,432	1,594,881,038	832,664,454	525,103,432	1,594,881,038
Fixed placement (above 90days)	5,022,222,500	1,930,281,941	-	5,022,222,500	1,930,281,941	-
Investment property	1,271,781,524	1,265,226,470	1,008,676,470	1,271,781,524	1,265,226,470	1,008,676,470
	2,450,528,763	-	-	2,450,528,763	-	-
	9,577,197,242	3,720,611,843	2,603,557,508	9,577,197,242	3,720,611,843	2,603,557,508
Surplus	3,322,600,759	458,437,772	861,685,288	3,322,600,759	677,027,706	1,041,971,013
15.5 Investment contract liabilities						
Opening	13,723,775	17,660,923	-	-	-	-
movement	(3,286,000)	(3,937,148)	17,660,923	-	-	-
Closing	10,437,775	13,723,775	17,660,923	-	-	-
16. Trade payables						
Due to insurance companies	-	-	-	-	-	-
Due to reinsurance companies - local	330,749,570	33,472,651	46,805,158	330,749,570	33,472,651	46,805,158
Other trade payables	-	-	-	-	-	-
	330,749,570	33,472,651	46,805,158	330,749,570	33,472,651	46,805,158
Current	330,749,570	33,472,651	46,805,158	330,749,570	33,472,651	46,805,158
Non-current	-	-	-	-	-	-
Movement in Trade payables						
Opening	33,472,651	46,805,158	13,972,733	33,472,651	46,805,158	13,972,733
Reinsurance during the year	6,007,916,851	4,986,931,692	4,458,744,932	6,007,916,851	4,986,931,692	4,458,744,932
Payment	(5,710,639,932)	(5,000,264,199)	(4,425,912,507)	(5,710,639,932)	(5,000,264,199)	(4,425,912,507)
Closing	330,749,570	33,472,651	46,805,158	330,749,570	33,472,651	46,805,158
17 Borrowing						
At 1 January	680,107,895	55,800,013	5,013,053	-	-	-
Addition	1,506,337,088	607,885,923	142,596,600	-	-	-
Repayment	(1,880,662,738)	(71,713,122)	(96,655,552)	-	-	-
Interest capitalised	291,520,620	88,135,080	4,845,913	-	-	-
As At 31st December	597,302,864	680,107,895	55,800,013	-	-	-

These are financial liabilities that mature within 12months of the balance sheet date. It is measure at fair value at initial recognition.



Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

		Group			Company		
		2023	2022	Jan 1, 2022	2023	2022	Jan 1, 2022
		N	N	N	N	N	N
18.	Other payables and provision						
	Audit fees	14,520,000	9,932,500	11,500,000	8,020,000	5,432,500	7,000,000
	VAT payable	100,000	100,000	100,000	100,000	100,000	100,000
	Withholding tax payable	64,333,855	26,383,472	5,320,984	64,333,855	26,383,472	5,320,984
	Unclaimed dividend payable (Note 18.1)	82,423,287	82,423,287	80,662,912	82,423,287	82,423,287	80,662,912
	Accrued expenses	45,012,420	92,184,590	68,193,685	45,012,420	75,588,801	45,799,518
	Unearned Commission received (Note 18.2)	-	-	-	-	-	-
	Staff Cooperative	41,870,700	39,569,085	46,672,519	41,870,700	39,569,085	46,672,519
	Sundry creditors	267,283,296	73,572,903	62,285,265	(17,735,299)	10,655,045	20,759,955
		515,543,559	324,165,837	274,735,366	224,024,963	240,152,189	206,315,888
	Current	515,543,559	324,165,837	274,735,366	224,024,963	240,152,189	206,315,888
	Non-current	-	-	-	-	-	-

- 18.1 Unclaimed dividend payable represents amount of dividend which shareholders are yet to collect from the company's registrars and which, in line with the relevant rules of the Securities and Exchange Commission, have been returned to the Company to be held in a separate investment trust account.

		Group			Company		
		2023	2022	Jan 1, 2022	2023	2022	Jan 1, 2022
		N	N	N	N	N	N
19.	Retirement benefit obligation						
	Defined contribution pension plan						
	At 1 January	2,925,282	2,075,682	4,129,526	1,181,508	1,367,928	2,253,607
	Provision during the period (Note 36b)	60,223,992	67,071,824	51,461,849	56,175,917	46,565,279	47,593,611
	Payment during the period	(47,440,254)	(66,222,225)	(53,515,693)	(43,680,097)	(46,751,699)	(48,479,290)
	December 31 2023	15,709,020	2,925,282	2,075,682	13,677,328	1,181,508	1,367,928
19.a	Employer contribution	8,727,234	1,625,156	1,153,157	8,022,364	20,943	391,282
	Employees contribution	6,981,787	1,300,125	922,525	5,654,964	1,160,565	976,646
		15,709,020	2,925,282	2,075,682	13,677,328	1,181,508	1,367,928

		Group			Company		
		2023	2022	Jan 1, 2022	2023	2022	Jan 1, 2022
		N	N	N	N	N	N
20	Taxation						
20	Income tax expense						
	Income tax	1,136,823,041	534,384,596	225,748,745	990,225,386	504,039,196	173,259,733
	Education tax	19,753,486	27,326,201	19,814,649	8,546,100	27,326,201	15,284,310
	Under/(over)provision in previous year	(251,330,458)	(102,000,000)	(77,388,702)	(217,570,158)	(102,000,000)	(72,500,000)
		905,246,069	459,710,797	168,174,692	781,201,327	429,365,397	116,044,044
	Deferred tax (Note 22)	(22,541,069)	(23,481,142)	12,862,091	(21,247,971)	(18,597,242)	6,016,141
		882,704,999	436,229,655	181,036,783	759,953,356	410,768,155	122,060,185

- 20.1 The Nigerian Information Technology Development Agency (NITDA) Act was signed into law on 24 April 2007. Section 12(2a) of the Act demands that, 1% of profit before tax should be paid to the Nigerian Information Technology Development Agency. In line with the Act, the Company has provided for NITDA levy at the specified rate.



Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

		Group			Company		
		2023 N	2022 N	Jan 1, 2022 N	2023 N	2022 N	Jan 1, 2022 N
21.	Current income tax liabilities						
	At 1 January	651,220,777	462,785,845	359,459,121	524,545,069	340,135,901	289,145,971
	IFRS 17 Adjustment	132,880,134	-	-	132,880,134	-	-
	Payments during the period	(134,769,937)	(246,765,955)	(64,847,969)	(122,565,743)	(226,358,987)	(65,054,114)
		649,330,974	216,019,890	294,611,152	534,859,460	113,776,914	224,091,857
	IFRS 17 Adjustment	-	-	-	-	-	-
	Charge for the period (note 20)	905,246,069	435,200,887	168,174,692	781,201,327	410,768,155	116,044,044
	For the year ended 31st December 2023	1,554,577,043	651,220,778	462,785,845	1,316,060,787	524,545,069	340,135,901
21.1	Reconciliation of effective tax rate						
	Profit after tax	3,769,149,580	547,014,781	790,638,018	3,353,066,481	527,776,824	642,155,338
	Total income tax expense						
	Income	1,136,823,041	534,384,596	225,748,745	990,225,386	504,039,195	173,259,733
		19,753,486	27,326,201	19,814,649	8,546,100	27,326,201	15,284,310
	(Over)/under-provision	(251,330,458)	(102,000,000)	(77,388,702)	(217,570,158)	(102,000,000)	(72,500,000)
	Deferred tax (Note 22)	(22,541,069)	(23,481,142)	12,862,091	(21,247,971)	(18,597,242)	6,016,141
		882,705,000	436,229,655	181,036,783	759,953,357	410,768,155	122,060,184
	Profit for the period before income tax	4,651,854,580	983,244,436	971,674,801	4,113,019,837	938,544,979	764,215,522
	Effective tax rate	19%	44%	19%	18%	44%	16%
22	Deferred tax liabilities						
	At 1 January	253,908,071	259,663,907	177,878,284	239,442,368	247,979,804	173,040,130
	IFRS 9 Opening Balance Adjustment	-	-	6,565,322	-	-	6,565,322
	Charge for the period (Note 21.1)	22,541,069	(23,481,142)	12,862,090	21,247,971	(18,597,242)	6,016,141
	Deferred tax on Revalued Land & Building (PPE)	3,011,084	6,062,691	54,490,959	3,366,351	6,062,691	54,490,959
	Deferred tax on FVTOCI instruments	-	11,662,615	7,867,252	-	3,997,115	7,867,252
	For the year ended 31st December 2023	279,460,225	253,908,071	259,663,907	264,056,690	239,442,368	247,979,804

The Company has adopted the International Accounting Standards (IAS 12) on accounting for taxation, which is now computed using liability method.

		Group			Company		
		2023 N	2022 N	Jan 1, 2022 N	2023 N	2022 N	Jan 1, 2022 N
23	Issued and fully paid:						
	10.84 billion ordinary shares of 50k each						
	For the year ended 31st December 2023	5,420,000,000	5,420,000,000	5,420,000,000	5,420,000,000	5,420,000,000	5,420,000,000
		5,420,000,000	5,420,000,000	5,420,000,000	5,420,000,000	5,420,000,000	5,420,000,000
	Addition: Right issue	-	-	-	-	-	-
	Bonus Issue	-	-	-	-	-	-
	Closing	5,420,000,000	5,420,000,000	5,420,000,000	5,420,000,000	5,420,000,000	5,420,000,000

The holder of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at meetings of the Group.



Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

		Group			Company		
		31 Dec 2023	31 Dec 2022	Jan 1, 2022	31 Dec 2023	31 Dec 2022	Jan 1, 2022
		N	N	N	N	N	N
24	Share Premium	168,933,834	168,933,834	168,933,834	168,933,834	168,933,834	168,933,834
	Opening	168,933,834	168,933,834	168,933,834	168,933,834	168,933,834	168,933,834
	Share Premium						
25.	Other reserves						
		31 Dec 2023	31 Dec 2022	Jan 1, 2022	31 Dec 2023	31 Dec 2022	Jan 1, 2022
		N	N	N	N	N	N
25.1.	Contingency reserve	2,800,339,728	2,437,638,438	2,136,621,663	2,799,201,192	2,437,343,087	2,136,621,662
	At 1 January						
	Transfer from income statement (Note 26)	670,613,296	361,858,105	300,721,425	670,613,297	361,858,105	300,721,425
	Chi Microinsurance Limited	2,384,934	843,185	295,350	-	-	-
	For the year ended 31st December 2023	3,473,337,958	2,800,339,728	2,437,638,438	3,469,814,488	2,799,201,192	2,437,343,087
In line with sections 21(1) and (2) and 22(16) of the Insurance Act 2003, Insurance companies in Nigeria are required to transfer to the statutory contingency reserve, the higher of 20% of net profits and 3% of total Premium. In the year, the Company transferred the sum of =N=670,613,297 based on 20% of net Profit.							
25.2	Statutory reserve						
	At 1 January	91,262,839	72,039,762	45,964,379	-	-	-
	Transfer from income statement (Note 26)	41,873,973	19,223,077	26,075,384	-	-	-
	For the year ended 31st December 2023	133,136,812	91,262,839	72,039,763	-	-	-
In line with Central Bank of Nigeria guideline, Finance companies in Nigeria are required to transfer a minimum of 15% of its profit before tax to statutory reserve until the reserve fund equals the Paid-up Capital and a minimum of 10% thereafter. This applies to Hallmark Finance Company Limited a subsidiary within the group.							
25.3	Fair Value Through OCI Reserve						
	At 1 January	39,180,406	30,615,728	-	39,163,090	30,669,220	-
	Gain on financial Assets measured through OCI	87,213,388	8,564,677	30,615,727	87,968,328	8,493,870	30,669,220
	For the year ended 31st December 2023	126,393,794	39,180,406	30,615,727	127,131,418	39,163,090	30,669,220
25.4	Revaluation Reserve						
	At 1 January	128,676,506	115,793,288	-	128,676,506	115,793,288	-
	Revaluation gain on PPE (Land & Building)	9,489,045	12,883,218	115,793,288	9,489,045	12,883,218	115,793,288
	For the year ended 31st December 2023	138,165,551	128,676,506	115,793,288	138,165,551	128,676,506	115,793,288
25.5	Regulatory Risk Reserve						
	At 1 January	1,828,189	1,354,214	-	-	-	-
	Transfer to/(from) Retained earnings (Note:26).	15,465,707	473,975	1,354,214	-	-	-
	For the year ended 31st December 2023	17,293,896	1,828,189	1,354,214	-	-	-

This is the difference between Expected Credit Loss (ECL) and CBN Prudential Guidelines Computations on Loans & Receivables and Finance Lease Receivables.

Notes to the Consolidated Financial Statements

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		Group			Company		
		2023	2022	Jan 1, 2022	2023	2022	Jan 1, 2022
		N	N	N	N	N	N
26.	Retained earnings						
	At 1 January	704,630,761	758,168,587	550,078,221	456,335,125	507,216,455	400,684,735
	Changes on initial application of IFRS 9	-	-	(33,930,609)	-	-	(32,998,336)
	Changes on initial application of IFRS 17	-	-	(3,370,618)	-	-	14,896,192
	Dividend declared and paid in the year	(325,200,100)	(216,800,050)	(216,800,050)	(325,200,100)	(216,800,050)	(216,800,050)
	Transfer to contingency reserve (Note 25.1)	(672,998,230)	(362,701,290)	(301,016,775)	(670,613,297)	(361,858,105)	(300,721,425)
	Transfer from income statement	3,769,149,581	547,014,781	790,638,017	3,353,066,481	527,776,824	642,155,338
	Regulatory Risk Reserve	(15,465,707)	(1,828,189)	(1,354,214)	-	-	-
	Transfer to statutory reserve (Note 25.2)	(41,873,973)	(19,223,077)	(26,075,385)	-	-	-
	For the year ended 31st December 2023	3,418,242,332	704,630,761	758,168,587	2,813,588,209	456,335,125	507,216,455

Retained earnings are the carried forward recognised income net of expenses plus current period profit attributable to shareholders.

The Board has recommended

26.1.	Profit before taxation						
	Profit before taxation is stated after charging/crediting:						
	Depreciation of property and equipment	72,817,812	147,045,169	118,196,881	118,004,168	114,057,061	100,318,021
	Auditors' remuneration	2,880,000	9,932,500	11,500,000	2,100,000	6,500,000	7,000,000
	Directors' remuneration:						
	- Fees	17,000,000	8,000,000	8,000,000	17,000,000	8,000,000	8,000,000
	Profit on disposal of property and equipment	-	-	-	-	-	-
	Foreign exchange (gains)/loss	(2,958,598,009)	(590,678,251)	(266,543,572)	(2,958,598,009)	(590,678,251)	(266,543,572)

The Auditors, Messrs SIAO Partners did not render any other services to the Group besides Statutory Auditing services.

		Group		Company	
		2023	2022	2023	2022
		N	N	N	N
27	Insurance Revenue				
	Insurance Revenue	15,710,848,992	11,880,010,802	14,815,865,738	11,142,727,902
27.1	Insurance Revenue analysed as follows:				
	Fire	2,296,564,771	1,601,217,825	2,296,564,771	1,601,217,825
	General accident	1,669,296,461	1,484,685,461	1,669,296,461	1,484,685,461
	Motor	4,031,349,516	2,449,031,937	4,031,349,516	2,449,031,937
	Aviation	1,234,369,328	1,112,778,885	1,234,369,328	1,112,778,885
	Oil & Gas	3,223,495,685	2,680,501,523	3,223,495,685	2,680,501,523
	Marine	890,340,933	810,204,089	890,340,933	810,204,089
	Engineering	871,238,723	614,996,575	871,238,723	614,996,575
	Bond	599,210,321	389,311,609	599,210,321	389,311,609
	Agric	-	-	-	-
	Company Total	14,815,865,738	11,142,727,902	14,815,865,737	11,142,727,903
	Medical Premium	832,636,942	710,597,203	-	-
	Micro-insurance Premium	62,346,313	26,685,696	-	-
	Group Total	15,710,848,992	11,880,010,801	-	-

The insurance revenue for the period is the amount of expected premium receipts (excluding any investment component) allocated to the period. The Company allocates the expected premium receipts to each period of insurance contract services on the basis of the passage of time.



Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

Insurance Service Insurance Service Insurance Service Insurance Service

	Group		Company	
	expenses	expenses	expenses	expenses
	31 December	31 December	31 December	31 December
	2023	2022	2023	2022
	N	N	N	N
28 Insurance Service Expenses				
Incurred claims and other expenses	6,335,546,869	6,124,536,704	5,630,329,559	5,354,202,092
Acquisition expenses	3,717,441,086	2,606,949,503	3,841,647,546	2,713,966,817
Risk Adjustment release for expired risks	240,056,551	123,734,110	240,056,551	123,730,000
Changes related to past service	1,806,446,548	108,294,675	1,806,446,548	108,294,675
Insurance Service Expenses	12,099,491,054	8,963,514,992	11,518,480,204	8,300,193,584

	Group		Company	
	2023	2022	2023	2022
	N	N	N	N
30. Net expenses from reinsurance contracts held				
The reinsurance expense is analysed as follows:				
Reinsurance expense cost (Note 7.3)	4,950,335,097	4,236,114,284	4,933,506,763	4,230,616,138
Charges that relates to past service- adjustment to incurred claims	331,389,936	(92,958,917)	331,389,936	(92,958,917)
Claims recovered from reinsurers	(1,554,515,390)	(1,398,048,950)	(1,554,515,391)	(1,396,202,283)
Net expenses from reinsurance contracts held (Note 7.3)	3,727,209,643	2,745,106,417	3,710,381,308	2,741,454,939

The Company presents separately on the face of the statement of profit or loss and other comprehensive income, the amounts expected to be recovered from reinsurers, and an allocation of the reinsurance premiums paid. The Company treats reinsurance cash flows that are contingent on claims on the underlying contracts as part of the claims that are expected to be reimbursed under the reinsurance contract held, and excludes investment components and commissions from an allocation of reinsurance premiums presented on the face of the statement of profit or loss and other comprehensive income

30a Fee and commission				
Fire	391,413,813	207,089,854	391,413,813	207,089,854
General accident	245,188,700	204,008,665	245,188,700	204,008,665
Motor	10,913,339	29,635,317	10,913,339	29,635,317
Aviation	-	-	-	-
Oil & Gas	-	802,558	-	802,558
Marine	218,472,653	135,966,340	218,472,653	135,966,340
Engineering	120,696,295	111,077,106	120,696,295	111,077,106
Bond	87,725,287	67,735,714	87,725,287	67,735,714
Agric	-	-	-	-
	1,074,410,088	756,315,554	1,074,410,088	756,315,554

31. Amortisation of Insurance Acquisition Cash Flows				
	Group		Company	
	31 December	31 December	31 December	31 December
	2023	2022	2023	2022
	N	N	N	N
Amortisation of Insurance Acquisition Cash Flows	2,535,146,047	1,769,940,305	2,533,559,482	1,876,957,619
Amortisation of Insurance Acquisition Cash Flows	1,182,295,039	837,009,198	1,308,088,064	837,009,198
	3,717,441,086	2,606,949,503	3,841,647,546	2,713,966,817

Insurance acquisition cash flows are cash flows arising from the costs of selling, underwriting, and starting a group of insurance contracts that are directly attributable to the portfolio of insurance contracts to which the group belongs.



Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

	Group		Company	
	31 DECEMBER 2023 N	31 December 2022 N	31 DECEMBER 2023 N	31 December 2022 N
32. Investment income				
Interest received	132,190,039	105,986,321	372,027,129	168,309,588
Interest received on corporate loan	7,208,285	7,175,836	7,208,285	7,175,836
Interest accrued	1,120,114,573	860,286,181	49,601,975	49,601,975
Rent income on investment properties	43,710,256	31,569,000	43,710,256	31,569,000
Dividend Received	157,224,481	105,020,671	157,224,481	166,158,671
	1,460,447,633	1,110,038,009	629,772,126	422,815,070
Amortised gain on Debts Security (Note 3.2.3)	442,754,407	329,570,076	442,754,407	329,570,076
	1,903,202,041	1,439,608,085	1,072,526,533	752,385,146
32.1 Investment income				
Investment income attributable to policyholders' fund	442,754,408	239,923,636	442,754,408	239,923,637
Investment income attributable to shareholders' fund	1,460,447,633	776,481,284	629,772,125	339,470,503
	1,903,202,041	1,016,404,920	1,072,526,533	579,394,140
33. Other operating income				
Profit (Loss) on disposal of property and equipment	4,936,000	4,665,722	4,936,000	4,665,722
Interest on staff receivables	125,000	-	125,000	-
Other income	81,150,132	61,773,552	56,000	11,216
	86,211,132	66,439,274	5,117,000	4,676,938
33.1 Exchange gain				
Gain on disposal of foreign currency	1,231,315,092	322,842,500	1,231,315,092	322,842,500
Gain/ (loss) from valuation of closing foreign currency balances	1,727,282,917	267,835,751	1,727,282,917	267,835,751
	2,958,598,009	590,678,251	2,958,598,009	590,678,251
33.2 Fair Value Through OCI				
Items that will be reclassified subsequently to profit or loss				
Revaluation of Land & Building (PPE)	9,489,045	12,883,218	9,489,045	12,883,218
Gain on Fair value through OCI	87,213,388	8,511,186	87,968,328	8,493,870
	96,702,433	21,394,404	97,457,373	21,377,088
Deffered tax on Fair value through OCI	-	-	-	3,997,115
Deffered tax on revaluation surplus Land & Building	3,011,084	6,062,691	3,366,351	6,062,691
	3,011,084	6,062,691	3,366,351	10,059,806
34. Impairment charged				
Cash and cash equivalent (Note 2.2)	(1,160,092)	3,717,356	77,406	3,577,958
Loans and receivables (Note 3.2)	(54,965,692)	(130,957,629)	(2,107,032)	(4,000,438)
Fixed Deposits (90Days above) Note 3.2.4	(11,345,520)	(11,670,465)	(11,345,520)	(11,670,465)
Finance Lease receivable (Note 5.1)	-	(37,546,411)	-	-
Reinsurance Assets (Note 7)	3,316,973	(1,953,254)	3,316,973	(1,953,254)
Trade receivables (Note 6.1)	(1,388,077)	(1,500,702)	-	-
Other receivables (Note 9)	(8,421,147)	(18,287,100)	(1,780,199)	(6,504,293)
IFRS 9 Adjustment	-	-	-	-
	(73,963,555)	(198,198,205)	(11,838,372)	(20,550,493)
Impairment no longer required				
Loans and receivables (Note 3.2.4)	-	484,417	-	484,417
Trade receivables (Note 6.1)	-	-	-	-
Other receivables (Note 9)	2,325,167	-	-	-
Inventories (Note 11)	-	-	-	-
Finance Lease receivable (Note 5.2)	44,789,053	-	-	-
	47,114,220	484,417	-	484,417
Impairment (charge)/write back	(26,849,335)	(197,713,788)	(11,838,372)	(20,066,076)

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

	Group		Company	
	31 DECEMBER 2023 N	31 December 2022 N	31 DECEMBER 2023 N	31 December 2022 N
35. Net fair value gain (loss) at fair value through profit or loss				
**Financial assets at fair value through profit or loss	1,476,346,618	(52,199,042)	1,468,699,284	(64,333,076)
Investment property (Note 12.0)	62,668,000	124,496,268	-	74,496,268
Fair value gains/(loss)	1,539,014,618	72,297,226	1,468,699,284	10,163,192
This represents increase/(decrease) in the value of financial assets and investment properties at fair value through profit or loss during the year.				
35a Financial Asset at fair value through profit or loss (Note 3.1)				
Opening balance	(152,550,467)	(100,351,425)	(166,346,460)	(102,013,384)
Addition charged to profit or loss	1,476,346,618	(52,199,042)	1,468,699,284	(64,333,076)
Closing balance	1,323,796,151	(152,550,467)	1,302,352,824	(166,346,460)
36. Other Expenses				
Employee cost (Note 36a)	683,841,232	156,327,792	251,960,032	119,384,778
Rent, insurance and maintenance	62,598,288	191,948,303	99,557,574	98,850,380
Depreciation of property and equipment	72,817,812	78,507,250	35,401,250	45,691,946
Amortisation of intangible assets	9,292,594	11,433,483	2,201,065	2,951,203
Auditors' remuneration	2,880,000	7,030,000	2,100,000	2,600,000
Directors' remuneration:	-	-	-	-
- Fees	8,100,000	3,200,000	5,100,000	3,200,000
- Allowance & Expenses	66,989,540	48,531,266	36,989,540	10,414,880
Professional charges	268,318,683	192,931,181	118,216,852	40,544,358
Printing and telecommunication	44,192,183	71,392,515	15,238,939	14,493,390
Advertising	308,750,078	196,977	201,654,753	39,274,877
Travelling and motor vehicle expenses	20,657,407	95,772,957	61,249,873	31,219,983
Rates, Insurance levy and utilities	-	30,120,338	44,166,664	12,069,778
Information Technology (note 20)	-	11,856,918	-	5,428,722
Office running expenses	37,286,708	38,145,775	8,100,805	15,458,388
Bank charges	196,883	70,182,534	8,707,075	11,770,306
Subscription, Clubs & Donation	17,720,077	40,230,982	16,907,200	15,370,567
Office security expenses	22,993,488	17,769,907	17,001,501	16,833,120
Brand management	45,433,761	74,030,152	29,569,593	7,103,296
Legal and Filing fees	20,401,449	19,845,675	12,964,119	7,711,879
	1,692,470,183	1,159,454,003	967,086,835	500,371,851

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

	Group		Company	
	31 DECEMBER 2023 N	31 December 2022 N	31 DECEMBER 2023 N	31 December 2022 N
36.1 Incurred Fullfillment Expenses (Note 28)				
Employee cost (Note 36a)	912,436,214	666,077,166	912,436,214	654,077,166
Rent, insurance and maintenance	232,301,007	166,275,571	232,301,007	148,275,571
Depreciation of property and equipment	82,602,918	68,537,919	82,602,918	68,537,919
Amortisation of intangible assets	5,135,818	4,426,805	5,135,818	4,426,805
Auditors' remuneration	4,900,000	3,900,000	4,900,000	3,900,000
Directors' remuneration:	-	-	-	-
- Fees	11,900,000	4,800,000	11,900,000	4,800,000
- Allowance & Expenses	86,308,926	38,122,320	86,308,926	38,122,320
Professional charges	275,839,321	183,699,831	275,839,321	183,699,831
Printing and telecommunication	37,100,523	21,740,086	35,557,523	21,740,086
Advertising	470,527,758	495,834,512	470,527,758	495,834,512
Travelling and motor vehicle expenses	143,416,371	106,829,974	142,916,371	106,829,974
Rates, Insurance levy and utilities	105,460,868	78,104,667	105,460,868	78,104,667
Information Technology (note 20)	-	8,143,082	-	8,143,082
Office running expenses	19,837,477	23,187,582	18,901,879	23,187,582
Bank charges	21,643,042	17,655,460	20,316,508	17,655,460
Subscription, Clubs & Donation	39,450,132	23,055,851	39,450,132	23,055,851
Office security expenses	39,903,039	25,249,681	39,670,169	25,249,681
Brand management	68,995,717	100,654,944	68,995,717	100,654,944
Legal and Filing fees	30,249,624	11,567,819	30,249,624	11,567,819
	2,588,008,755	2,047,863,268	2,583,470,753	2,017,863,268
36.2 Non-Attributable Expenses				
Incurred Fullfillment Expenses (Note 28)	1,806,446,548	108,294,675	1,806,446,548	108,294,675
Other Expenses	1,692,470,183	1,159,454,003	967,086,835	500,371,852
	3,498,916,731	1,267,748,678	2,773,533,383	608,666,527
36.2a Employee cost				
Wages and salaries	1,120,630,114	618,936,472	954,860,747	495,300,328
Medical	54,022,881	44,984,613	46,073,827	41,994,321
Staff training	107,285,754	91,737,296	107,285,754	89,602,016
Defined contribution pension plan (Note 19)	62,255,684	66,746,578	56,175,917	46,565,279
	1,344,194,433	822,404,959	1,164,396,245	673,461,944
36.2b Chairman's and Directors' emoluments, pensions and compensation for loss of office				
Emoluments:				
Chairman	5,000,000	2,000,000	2,000,000	2,000,000
Other Directors	12,000,000	6,000,000	6,000,000	6,000,000
Other emolument of executives	18,760,000	18,760,000	18,760,000	18,760,000
Emolument of highest paid Director	14,500,000	14,500,000	14,500,000	14,500,000



Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

	Group		Company	
	31 DECEMBER 2023 N	31 December 2022 N	31 DECEMBER 2023 N	31 December 2022 N
37. Basic/diluted earnings per share				
Profit/(loss) after taxation	3,769,149,580	547,014,781	3,450,523,854	527,776,824
Number of shares	10,840,000,000	10,840,000,000	10,840,000,000	10,840,000,000
Movement in Numbers of Share Capital				
Opening	10,840,000,000	10,840,000,000	10,840,000,000	10,840,000,000
Right issue	-	-	-	-
Bonus Issue	-	-	-	-
Private placement	-	-	-	-
Closing	10,840,000,000	10,840,000,000	10,840,000,000	10,840,000,000
Weighted Average nos of share				
Opening	10,840,000,000	10,840,000,000	10,840,000,000	10,840,000,000
Right issue (half year)	-	-	-	-
Bonus Issue	-	-	-	-
Private placement	-	-	-	-
Weighted Average nos of share	10,840,000,000	10,840,000,000	10,840,000,000	10,840,000,000
Basic/diluted earnings per share (kobo)	34.77	5.05	30.93	4.87

Earnings/(loss) per share have been computed on profit/(loss) after taxation attributable to ordinary shareholders and divided by the number of shares at 50k ordinary shares in issue at year end.



Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

	Group		Company	
38 Reconciliation of net cashflow from operating activities				
	31 DECEMBER 2023 N	31 December 2022 N	31 DECEMBER 2023 N	31 December 2022 N
Profit before tax	4,651,854,576	1,407,704,796	4,113,019,837	1,366,310,052
Adjustment for the following;				
Add, Depreciation & amortisation	72,817,812	147,045,169	35,401,250	114,057,061
Fair value gain on Investment Property	(62,668,000)	(124,496,268)	-	(74,496,268)
Net fair value gain/loss on financial assets at fair value through profit or loss	(1,476,346,618)	52,199,042	(1,468,699,283)	64,333,076
Less :				
Profit /Loss on disposal	(4,936,000)	(4,665,722)	(4,936,000)	(4,665,722)
Gain from valuation of closing foreign currency balances	(2,958,598,009)	-	(2,958,598,009)	-
Investment income	(1,745,977,560)	(1,272,653,631)	(915,302,052)	(586,226,476)
Dividend received	(157,224,481)	(105,020,671)	(157,224,481)	(166,158,671)
Impairment	26,849,335	200,333,486	11,838,371	22,685,769
	(1,654,228,945)	300,446,201	(1,344,500,367)	735,838,821
Changes in working capital:				
Increase(decrease) in trade receivable	351,300,874	(229,873,405)	(377,220,371)	(229,163,455)
Increase(decrease) in reinsurance assets	(105,935,633)	125,002,766	105,935,633	125,002,766
Increase(decrease) in deferred acquisition	-	(168,009,730)	-	(166,438,693)
Increase(decrease) in other receivable	182,793,348	(69,879,851)	8,277,279	(105,241,335)
Increase(decrease) in finance lease receivable	(95,063,588)	(62,154,922)	-	-
Increase(decrease) in trade payable	297,276,919	(13,332,507)	297,276,919	(13,332,507)
Increase(decrease) in Borrowing	(82,805,031)	624,307,880	-	-
Increase(decrease) in insurance contract liabilities	3,051,280,390	1,073,561,083	2,994,374,633	1,029,476,740
Increase(decrease) in provision & other payable	418,230,744	86,335,919	114,813,536	75,625,649
Increase(decrease) in retirement benefits	12,783,737	849,599	12,495,820	(186,420)
Increase(decrease) in other Assets	-	-	-	-
Tax paid	(134,769,937)	(131,287,476)	(122,565,742)	(109,851,741)
	2,240,862,877	1,535,965,557	1,688,887,341	1,341,729,825

Group					Company	
	2023 NUMBER	2022 Number	2023 NUMBER	2022 Number		
39. Staff						
Average number of persons employed in the financial year were as follows:						
Managerial	39	31	31	26		
Senior staff	161	124	123	109		
Junior staff	18	23	17	16		
	218	178	171	151		



Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

		Group		Company	
		2023 NUMBER	2022 Number	2023 NUMBER	2022 Number
39a. The number of Directors excluding the Chairman whose emoluments were within the following ranges were:					
	N				
	Nil				
	- 500,000				
	500,001	Nil	Nil	Nil	Nil
	- 1,000,000				
	1,000,001	Nil	Nil	Nil	Nil
	- 1,500,000				
	1,500,001	Nil	Nil	Nil	Nil
	- 2,000,000				
	Above	7	7	7	7
	- 2,000,000				
Emolument					
▪ Number of Directors who have waived their rights to receive emoluments					
		Nil	Nil	Nil	Nil
▪ The directors specify here are those of CHI Ltd who were in office for the entire reporting period.					
39b. Employees remunerated at higher rates					
The number of employees in respect of emoluments within the following ranges were:					
	N				
	200,001		7		6
	- 300,000				
	300,001		30		26
	- 400,000				
	400,001		29		29
	- 500,000				
	500,001		14		14
	- 600,000				
	600,001		2		2
	- 700,000				
	700,001		11		11
	- 800,000				
	800,001		15		13
	- 900,000				
	900,001	213	7	169	5
	- 1,000,000				
	1,000,001 and above	5	63	2	45
		218	178	171	151

40a. Capital commitments

There were no capital commitments as at 31st December 2023.

40b. Contingent liabilities

There were no contingent liabilities against the Group as at 31 December 2023.

41. Comparative figures

Where necessary, comparative figures have been adjusted to conform with changes in presentation of the current year in accordance with the International Accounting Standards (IAS 1).

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

42a. The Insurance Assets and Liability values have been restated resulting from the change in measurement from IFRS 4 to IFRS 17 for insurance operations

42b. Segment Information

An operating segment is a component of the Group engaged in business activities from which it can earn revenues whose operating results are reviewed regularly by the Group's Executive Management in order to make decisions about resources to be allocated to segments and assessing segments performance. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Group's Executive Management.

The Group is organized into two operating segments, these segments and their respective operations are as follows:

General & Micro Life Insurance Business & HMO: This segment provides cover for indemnifying customers' properties, and compensation for other parties that have suffered damage as a result of customers' accidents. Major sources of revenue in this segment are mainly from insurance premium, investment income, commission received, net fair value gains on financial assets at fair value through profit or loss.

CHI Capital Ltd: This is a subsidiary of Consolidated Hallmark Insurance Ltd. The Company is registered by CAC to offer corporate support services to Consolidated Hallmark Insurance Plc (the parent company). In addition, it owns Hallmark Finance Company Ltd. In 2019, CHI Capital Ltd transferred 100% of its interest in Hallmark Finance Company Ltd (Grand Treasurers Ltd) to Consolidated Hallmark Insurance Plc. Hallmark Finance Company Ltd is registered by CBN to offer wide range financial services and products domestically to suit customer's long- and short-term financial needs. These products include L.P.O financing, Consumer Lease, Working Capital financing, Auto lease, Project financing and intermediation and Financial Management Consultancy Services. Revenue from this segment is derived primarily from interest income, fee income, investment income and net fair value gains on financial assets at fair value through profit and loss.

Segment information by company and subsidiaries:

	General Insurance, HMO & Life N	Finance and support services N	Elimination N	Total N
Operating income	5,538,909,063	805,415,696	-	6,344,324,759
Operating expenses	(1,293,152,771)	(399,317,412)	-	(1,692,470,182)
Operating profit	4,245,756,292	406,098,283	-	4,651,854,577
Taxation	(788,134,963)	(94,570,033)	-	(882,704,996)
Profit for the period	3,457,621,330	311,528,251	-	3,769,149,581
Total assets	25,091,396,784	4,130,664,339	(3,043,747,732)	26,178,313,391
Total liabilities	12,341,412,480	2,390,919,466	(1,449,522,732)	13,282,809,214
Share capital and reserves	12,749,984,304	1,739,744,872	(1,594,225,000)	12,895,504,176
Depreciation	118,004,168	37,416,562	-	155,420,729
ROCE	33%	23%	-	36%
At 31 December 2022				
Operating income	1,677,475,038	444,006,589	-	2,121,481,628
Operating expenses	(809,323,708)	(328,913,483)	-	(1,138,237,191)
Operating profit	868,151,330	115,093,106	-	983,244,436
Taxation	(412,575,078)	(23,654,577)	-	(436,229,655)
Profit for the period	455,576,252	91,438,529	-	547,014,781
Total assets	17,662,293,874	2,933,723,059	(2,353,891,612)	18,242,125,321
Total liabilities	8,142,188,172	1,504,751,496	(759,666,612)	8,887,273,056
Share capital and reserves	9,520,105,702	1,428,971,562	(1,594,225,000)	9,354,852,265
Depreciation	100,318,000	17,878,860	-	118,196,860
ROCE	13%	12%	0%	14%

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

Reconciliation/Movement of the liability for remaining coverage and the liability for incurred claims for insurance contracts -

Reconciliation of carrying amounts by LRC/LIC: insurance	Liability for Remaining Coverage (LRC) Non-onerous N	Onerous N	Liability for Incurred Claims LIC N	Insurance Contract Liabilities (ICL) N
Opening insurance contract assets	1,196,813,258	-	447,036,055.30	1,643,849,314
Opening insurance contract liabilities	1,022,278,126	-	381,843,348	1,404,121,474
Net opening balance	174,535,132	-	65,192,708	239,727,840
Insurance revenue	(4,031,349,516)	-	-	(4,031,349,516)
Insurance service expenses	-	-	-	-
Incurred claims and other expenses	-	-	1,965,723,132	1,965,723,132
Acquisition expenses	961,570,710	-	-	961,570,710
Changes related to future service	-	-	-	-
Changes related to past service	-	-	199,758,528	199,758,528
Total Insurance service expenses	961,570,710	-	2,165,481,660	3,127,052,370
Investment components	-	-	-	-
Insurance service result	(3,069,778,806)	-	2,165,481,660	(904,297,146)
Insurance finance expenses	-	-	-	-
Total change in comprehensive income	(3,069,778,806)	-	2,165,481,660	(904,297,146)
Premiums received	4,937,462,341	-	-	4,937,462,341
Claims and expenses paid	-	-	(2,031,767,852)	(2,031,767,852)
Acquisition costs paid	(961,570,710)	-	-	(961,570,710)
Total cash flows	3,975,891,631	-	(2,031,767,852)	1,944,123,779
Closing insurance contract assets	2,456,705,355	-	656,802,514	3,113,507,868
Closing insurance contract liabilities	1,928,390,951	-	515,557,155	2,443,948,106
Net closing balance	528,314,404	-	141,245,358	669,559,762

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

Reconciliation/Movement of the liability for remaining coverage and the liability for incurred claims for insurance contracts -

Reconciliation of carrying amounts by LRC/LIC: insurance	Liability for Remaining Coverage (LRC)	Onerous	Liability for Incurred Claims LIC	Insurance Contract Liabilities (ICL)
	Non-onerous N		N	N
Opening insurance contract assets	97,198,802	-	142,238,588	239,437,390
Opening insurance contract liabilities	88,900,375	-	130,094,853	218,995,228
Net opening balance	8,298,427	-	12,143,735	20,442,162
Insurance revenue	(1,234,369,328)	-	-	(1,234,369,328)
Insurance service expenses	-	-	-	-
Incurred claims and other expenses	-	-	248,377,636	248,377,636
Acquisition expenses	781,167,404	-	-	781,167,404
Changes related to future service	-	-	-	-
Changes related to past service	-	-	121,322,092	121,322,092
Total Insurance service expenses	781,167,404	-	369,699,728	1,150,867,132
Investment components	-	-	-	-
Insurance service result	(453,201,924)	-	369,699,728	(83,502,196)
Insurance finance expenses	-	-	-	-
Total change in comprehensive income	(453,201,924)	-	369,699,728	(83,502,196)
Premiums received	1,311,682,566	-	-	1,311,682,566
Claims and expenses paid	-	-	(278,316,017)	(278,316,017)
Acquisition costs paid	(781,167,404)	-	-	(781,167,404)
Total cash flows	530,515,162	-	(278,316,017)	252,199,145
Closing insurance contract assets	182,093,261	-	242,638,092	424,731,354
Closing insurance contract liabilities	166,213,613	-	221,478,564	387,692,177
Net closing balance	15,879,648	-	21,159,529	37,039,177



Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

Reconciliation/Movement of the liability for remaining coverage and the liability for incurred claims for insurance contract

Reconciliation of carrying amounts by LRC/LIC: insurance	Liability for Remaining Coverage (LRC)		Liability for Incurred Claims	Insurance Contract Liabilities
	Non-onerous N	Onerous N	LIC N	ICL N
Opening insurance contract assets	671,427,557	-	692,861,825	1,364,289,382
Opening insurance contract liabilities	523,775,134	-	540,495,831	1,064,270,965
Net opening balance	147,652,423	-	152,365,994	300,018,417
Insurance revenue	(2,296,564,771)	-	-	(2,296,564,771)
Insurance service expenses	-	-	-	-
Incurred claims and other expenses	-	-	737,520,858	737,520,858
Acquisition expenses	639,371,747	-	-	639,371,747
Changes related to future service	-	-	-	-
Changes related to past service	-	-	(83,783,292)	(83,783,292)
Total Insurance service expenses	639,371,747	-	653,737,566	1,293,109,313
Insurance service result	(1,657,193,024)	-	653,737,566	(1,003,455,458)
Insurance finance expenses	-	-	-	-
Total change in comprehensive income	(1,657,193,024)	-	653,737,566	(1,003,455,458)
Premiums received	2,572,627,207	-	-	2,572,627,207
Claims and expenses paid	-	-	(697,675,822)	(697,675,822)
Acquisition costs paid	(639,371,747)	-	-	(639,371,747)
Total cash flows	1,933,255,460	-	(697,675,822)	1,235,579,638
Closing insurance contract assets	1,134,599,200	-	704,385,300	1,838,984,500
Closing insurance contract liabilities	799,837,570	-	496,557,575	1,296,395,144
Net closing balance	334,761,630	-	207,827,726	542,589,356

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

Reconciliation/Movement of the liability for remaining coverage and the liability for incurred claims for insurance contracts - General

Reconciliation of carrying amounts by LRC/LIC: insurance	Liability for Remaining Coverage (LRC)	Onerous	Liability for Incurred Claims LIC	Insurance Contract Liabilities (ICL)
	Non-onerous N		LIC N	(ICL) N
Opening insurance contract assets	497,970,667	-	1,379,103,065	1,877,073,732
Opening insurance contract liabilities	459,220,522	-	1,271,786,618	1,731,007,140
Net opening balance	38,750,144	-	107,316,447	146,066,592
Insurance revenue	(1,669,296,461)	-	-	(1,669,296,461)
Insurance service expenses	-	-	-	-
Incurred claims and other expenses	-	-	1,377,397,812	1,377,397,812
Acquisition expenses	434,093,634	-	-	434,093,634
Changes related to future service	-	-	-	-
Changes related to past service	-	-	790,470,238	790,470,238
Total Insurance service expenses	434,093,634	-	2,167,868,049	2,601,961,683
Investment components	-	-	-	-
Insurance service result	(1,235,202,827)	-	2,167,868,049	932,665,222
Insurance finance expenses	-	-	-	-
Total change in comprehensive income	(1,235,202,827)	-	2,167,868,049	932,665,222
Premiums received	1,795,121,195	-	-	1,795,121,195
Claims and expenses paid	-	-	(1,692,836,344)	(1,692,836,344)
Acquisition costs paid	(434,093,634)	-	-	(434,093,634)
Total cash flows	1,361,027,561	-	(1,692,836,344)	(331,808,783)
Closing insurance contract assets	641,561,534	-	1,915,563,678	2,557,125,212
Closing insurance contract liabilities	585,045,256	-	1,746,818,323	2,331,863,579
Net closing balance	56,516,278	-	168,745,355	225,261,633



Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

Reconciliation/Movement of the liability for remaining coverage and the liability for incurred claims for insurance contracts - Marine

	Liability for Remaining Coverage (LRC)		Liability for Incurred Claims		Insurance Contract Liabilities
	Non-onerous N	Onerous N	LIC N	ICL N	
Reconciliation of carrying amounts by LRC/LIC: insurance					
Opening insurance contract assets	159,895,743	-	500,964,884	660,860,627	
Opening insurance contract liabilities	143,945,695	-	450,992,234	594,937,929	
Net opening balance	15,950,048	-	49,972,650	65,922,699	
Insurance revenue	(890,340,933)	-	-	(890,340,933)	
Insurance service expenses	-	-	-	-	
Incurred claims and other expenses	-	-	454,988,448	454,988,448	
Acquisition expenses	217,603,445	-	-	217,603,445	
Changes related to future service	-	-	-	-	
Changes related to past service	-	-	(201,906,012)	(201,906,012)	
Total Insurance service expenses	217,603,445	-	253,082,436	470,685,881	
Insurance service result	(672,737,488)	-	253,082,436	(419,655,052)	
Insurance finance expenses	-	-	-	-	
Total change in comprehensive income	(672,737,488)		253,082,436	(419,655,052)	
Premiums received	1,144,726,495	-	-	1,144,726,495	
Claims and expenses paid	-	-	(564,489,277)	(564,489,277)	
Acquisition costs paid	(217,603,445)	-	-	(217,603,445)	
Total cash flows	927,123,050	-	(564,489,277)	362,633,773	
Closing insurance contract assets	496,169,698	-	173,870,467	670,040,164	
Closing insurance contract liabilities	398,331,257	-	139,585,392	537,916,649	
Net closing balance	97,838,441	-	34,285,075	132,123,516	

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

Reconciliation/Movement of the liability for remaining coverage and the liability for incurred claims for insurance contracts - Bonds

	Liability for Remaining Coverage (LRC)		Liability for Incurred Claims	Insurance Contract Liabilities
	Non-onerous	Onerous	LIC	ICL
	N	N	N	N
Reconciliation of carrying amounts				
Opening insurance contract assets	190,689,939	-	28,688,101	219,378,040
Opening insurance contract liabilities	156,888,742	-	23,602,924	180,491,666
Net opening balance	33,801,197	-	5,085,177	38,886,374
Insurance revenue	(599,210,318)	-	-	(599,210,318)
Insurance service expenses	-	-	-	-
Incurred claims and other expenses	-	-	140,428,619	140,428,619
Acquisition expenses	101,962,569	-	-	101,962,569
Changes related to future service	-	-	-	-
Changes related to past service	-	-	12,068,266	12,068,266
Total Insurance service expenses	101,962,569	-	152,496,885	254,459,454
Insurance service result	(497,247,749)	-	152,496,885	(344,750,864)
Insurance finance expenses	-	-	-	-
Total change in comprehensive income	(497,247,749)		152,496,885	(344,750,864)
Premiums received	704,988,748	-	-	704,988,748
Claims and expenses paid	-	-	(143,743,521)	(143,743,521)
Acquisition costs paid	(101,962,569)	-	-	(101,962,569)
Total cash flows	603,026,179	-	(143,743,521)	459,282,658
Closing insurance contract assets	361,714,249	-	44,557,263	406,271,512
Closing insurance contract liabilities	262,667,172	-	32,356,287	295,023,459
Net closing balance	99,047,077	-	12,200,975	111,248,053



Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

Reconciliation/Movement of the liability for remaining coverage and the liability for incurred claims for insurance contracts - Oil & Gas

	Liability for Remaining Coverage (LRC)		Liability for Incurred Claims	Insurance Contract Liabilities
	Non-onerous	Onerous	LIC	ICL
	N	N	N	N
Reconciliation of carrying amounts by LRC/LIC: insurance				
Opening insurance contract assets	620,730,315	-	305,125,192	925,855,506
Opening insurance contract liabilities	522,396,718	-	256,788,488	779,185,206
Net opening balance	98,333,596	-	48,336,704	146,670,300
Insurance revenue	(3,223,495,688)	-	-	(3,223,495,688)
Insurance service expenses	-	-	-	-
Incurred claims and other expenses	-	-	657,408,242	657,408,242
Acquisition expenses	524,659,899	-	-	524,659,899
Changes related to future service	-	-	-	-
Changes related to past service	-	-	860,533,330	860,533,330
Total Insurance service expenses	524,659,899	-	1,517,941,571	2,042,601,470
Insurance service result	(2,698,835,789)	-	1,517,941,571	(1,180,894,217)
Insurance finance expenses	-	-	-	-
Total change in comprehensive income	(2,698,835,789)	-	1,517,941,571	(1,180,894,217)
Premiums received	3,393,212,659	-	-	3,393,212,659
Claims and expenses paid	-	-	(707,315,994)	(707,315,994)
Acquisition costs paid	(524,659,899)	-	-	(524,659,899)
Total cash flows	2,868,552,760	-	(707,315,994)	2,161,236,766
Closing insurance contract assets	808,110,088	-	1,246,309,800	2,054,419,887
Closing insurance contract liabilities	692,113,690	-	1,067,414,065	1,759,527,755
Net closing balance	115,996,398	-	178,895,734	294,892,133

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

Reconciliation/Movement of the liability for remaining coverage and the liability for incurred claims for insurance contracts - Engineering

	Liability for Remaining Coverage (LRC)		Liability for Incurred Claims LIC	Insurance Contract Liabilities ICL
	Non-onerous	Onerous		
	N	N	N	N
Reconciliation of carrying amounts				
Opening insurance contract assets	565,005,762	-	249,707,203	814,712,965
Opening insurance contract liabilities	508,790,836	-	224,862,727	733,653,563
Net opening balance	56,214,926	-	24,844,476	81,059,402
Insurance revenue	(871,238,722)	-	-	(871,238,722)
Insurance service expenses	-	-	-	-
Incurred claims and other expenses	-	-	288,541,366	288,541,366
Acquisition expenses	181,218,138	-	-	181,218,138
Changes related to future service	-	-	-	-
Changes related to past service	-	-	107,983,399	107,983,399
Total insurance service expenses	181,218,138	-	396,524,765	577,742,903
Insurance service result	(690,020,584)	-	396,524,765	(293,495,819)
Insurance finance expenses	-	-	-	-
Total change in comprehensive income	(690,020,584)		396,524,765	(293,495,819)
Premiums received	769,906,431	-	-	769,906,431
Claims and expenses paid	-	-	(380,175,104)	(380,175,104)
Acquisition costs paid	(181,218,138)	-	-	(181,218,138)
Total cash flows	588,688,293	-	(380,175,104)	208,513,189
Closing insurance contract assets	492,795,449	-	291,731,192	784,526,641
Closing insurance contract liabilities	407,458,544	-	241,212,388	648,670,932
Net closing balance	85,336,905	-	50,518,805	135,855,709



Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

43. Contraventions

The Group did not contravened rules or regulation during the period of reporting.

44. Reinsurance treaty

The Company has a reinsurance agreement with African Reinsurance Corporation, Continental Reinsurance Plc and WAICA Reinsurance Corporation Plc to reinsure the risks associated with fire and consequential loss, General accident, Marine cargo, motor, aviation and special risks etc. according to agreed quota share, surplus treaty or excess of loss treaty. This agreement was last modified 31 December 2023.

45. Related party transactions

There are no significant business dealings with its related parties during the period under review. All transactions were at arms length.

Parent:

The Group is controlled by Consolidated Hallmark Holdings Plc, which is the parent company, whose shares are widely held. Consolidated Hallmark Holdings Plc, is a Non Operating Corporate Entity with a port folio in Insurance, Health management and Finance Company.

Subsidiaries:

Consolidated Hallmark Holdings Plc holds 100% interest in CHI Insurance Limited, 100% in HMO Service Limited and Finance Company. Transactions between Consolidated Hallmark Holdings Plc and all the subsidiaries are eliminated on consolidation and already disclosed in Note 10.2

Key management personnel:

"Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group or Company, directly or indirectly, including any director (whether executive or otherwise). It includes close members of their families who may be expected to influence or be influenced by that individual in their dealings with the Group."

The significant related party transaction in the course of the reporting year with the subsidiaries are as stated below;

		2023 31 December N	2022 31 December N
Due from Hallmark Finance Company Limited	Consolidated Hallmark Insurance PLC	238,458,338	121,013,028
Due from Hallmark Health Services Limited	Consolidated Hallmark Insurance PLC	104,692,269	17,250,000
Due from Hallmark Health Services Limited	Hallmark Finance Company Limited	8,265,953	7,601,857
Medical Expenses paid to Hallmark Health Services Limited	Consolidated Hallmark Insurance PLC		13,276,026
Due from Microinsurance Limited	Consolidated Hallmark Insurance PLC	20,469,254	49,413,172
Due from CHI Capital Limited	Consolidated Hallmark Insurance PLC	1,215,667	26,007,142
Due to Hallmark Health Services Limited from HFC	Hallmark Finance Company Limited	351,310,148	307,842,521
Due from Hallmark Finance Company Limited	Consolidated Hallmark Insurance PLC	574,901,252	
Due from Hallmark Finance Company Limited	Microinsurance LimitedGroup	114,856,530	
Interest Expense to Hallmark Finance Company Ltd	Consolidated Hallmark Insurance PLC	49,829,779	
Interest Expense to Hallmark Finance Company Ltd	Hallmark Health Services Limited	19,283,256.00	
Interest Expense to Hallmark Finance Company Ltd	Microinsurance Limited	5,088,803	
		<u>31 DECEMBER 2023 N</u>	<u>31 December 2022 N</u>

46. Compensation of key management personnel:

Salaries and other benefits of key management personnel	63,354,864	49,074,864	53,688,000	39,408,000
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Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

47. Events after the reporting period:

Consolidated Hallmark Holding Plc commenced operations officially 1st January 2024. The Share of then Consolidated Hallmark Insurance Plc were transferred to Consolidated Hallmark Holding at 1 for 1. Consolidated Hallmark Insurance Plc was delisted while Consolidated Hallmark Holding was enlisted and then Consolidated Hallmark Insurance Plc is now Consolidated Hallmark Insurance Limited. The new group comprises of Consolidated Hallmark Holdings Plc (The Parent Company) with Consolidated Hallmark Insurance Limited, Hallmark Finance Company Limited and Hallmark Health Services Ltd as its direct subsidiaries.. Similarly, CHI Micro-Insurance Ltd, CHI Capital Ltd and CHI Support Services Ltd. remain the direct subsidiaries of Consolidated Hallmark Insurance Limited.

48. Capital management

The Group's objectives with respect to capital management are to maintain a capital base that adequately meets regulatory requirements and to utilize capital allocations efficiently and effectively. Capital levels are determined either based on internal assessment or regulatory requirements.

The Nigerian Insurance Act 2003 stipulates the minimum capital requirement for a non life insurance company as an amount not less than 15% of the gross premium income less reinsurance premiums paid out during the year under review or the minimum paid up capital whichever is greater. The Act defines what constitutes admissible assets liabilities. The regulators generally expect companies to comply with capital adequacy requirements and the Company has consistently exceeded this minimum over the years. The regulator has the authority to request more extensive reporting and can place restrictions on the Company's operations if the Company falls below this requirement as deemed necessary.

All of the Groups capital is Tier 1 (core capital) which consists of share capital and reserves created by appropriation of retained earnings. The following sources of funds are available to the group to meet its capital growth requirements:

1. Profits from operations: The group had regularly appropriated from its profit to grow its capital.
2. Issue of shares: The Group can successfully access the capital market to raise the desired funds for its operations and needs.
3. Loans (long term/short term): this remains a source of capital even though the group had never had cause to access this source for funding its operations.

Compliance with statutory solvency margin requirement:

The company at the end of financial period ended 31 December 2023, maintained admissible assets of N22,827,905,308 which exceeded the total admissible liabilities of N11,585,550,450. The solvency margin was computed in line with the requirements of Section 24 of the insurance Act 2003, latest NAICOM guidelines. This showed a solvency margin of N11,242,354,857 The minimum requirement for General Insurance Business is N3billion. Thus, the solvency margin above satisfies the requirement of the Regulator.



Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

SOLVENCY MARGIN COMPUTATION AS AT DECEMBER 31, 2023

CONSOLIDATED HALLMARK INSURANCE LIMITED

	TOTAL N	INADMISSIBLE ASSETS N	ADMISSIBLE ASSETS N
ASSETS			
Cash and Cash Equivalents	1,933,950,945	574,901,252	1,359,049,693
Financial Assets	12,432,077,250	-	12,432,077,250
Deferred Acquisition Cost	-	-	-
Other receivables and prepayments	644,340,993	584,434,080	59,906,912
Reinsurance asset	3,446,441,321	-	3,446,441,321
Trade Receivable	1,150,281,154	-	1,150,281,154
Deposit for Shares	-	-	-
Intangible Assets	14,767,281	-	14,767,281
Investment in Subsidiaries	1,594,225,000	-	1,594,225,000
Investment Properties	1,271,781,524	-	1,271,781,524
Property & Equipment - Land & Building	841,350,000	-	841,350,000
Property & Equipment	358,025,172	-	358,025,172
Statutory Deposit	300,000,000	-	300,000,000
Total Assets	23,987,240,641	1,159,335,332	22,827,905,308
LIABILITIES			
Insurance Contract Liabilities	9,701,037,803	-	9,701,037,803
Trade payables	330,749,570	-	330,749,570
Provision and Other payables	224,024,963	-	224,024,963
Current Income Tax Liabilities	1,316,060,787	-	1,316,060,787
Deferred Tax Liability	264,056,690	264,056,690	-
Retirement Benefit Obligation	13,677,328	-	13,677,328
TOTAL LIABILITIES	11,849,607,140	264,056,690	11,585,550,450
			11,242,354,857

SOLVENCY MARGIN (ADMISSIBLE ASSETS MINUS ADMISSIBLE LIABILITIES)

Subject to higher of:

15% OF NET PREMIUM: $15\% \times 7,919,652,272.93$	1,257,189,169
OR	or
Minimum paid-up capital	3,000,000,000.00
EXCESS SOLVENCY MARGIN	

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

49. Asset & Liability Management

Asset & Liability Management (ALM) is the practice of managing an insurer's financial position so that actions taken with respect to assets and liabilities are designed to address the broad set of financial risks inherent in their joint behavior.

Asset & Liability Management (ALM) attempts to address financial risks the group is exposed to which includes interest rate risks, foreign currency risks, equity price risks and credit risks. The major financial risk is that in the long run its investment proceeds are not sufficient to fund the obligations arising from its insurance contracts.

ALM ensures that specific assets of the group is allocated to cover reinsurance and other liabilities of the group.

The following tables reconcile the consolidated balance sheet to the classes and portfolios used in the Group's ALM framework.

Group 2023

	Insurance fund	Shareholders funds	December 2023
	N	N	N
ASSETS			
Cash and cash equivalents	832,664,454	2,152,655,853	2,985,320,307
Financial assets	7,472,751,263	7,349,781,920	14,822,533,183
Finance lease receivables		115,832,776	115,832,776
Trade receivables		1,182,794,434	1,182,794,434
Reinsurance assets	3,446,441,321	-	3,446,441,321
Other receivables and prepayments		478,478,481	478,478,481
Investment in subsidiaries		-	-
Intangible Asset		49,681,219	49,681,219
Right-of-Use of Assets (Leased Assets)		23,035,044	23,035,044
Investment properties	1,271,781,524	202,668,000	1,474,449,524
Property and equipment		1,279,747,102	1,279,747,102
Statutory deposit		320,000,000	320,000,000
TOTAL ASSETS	13,023,638,563	13,154,674,829	26,178,313,391
LIABILITIES			
Insurance contract liabilities	9,979,029,160	-	9,979,029,160
Investment contract liabilities		10,437,775	10,437,775
Trade payable		330,749,570	330,749,570
Borrowing		597,302,864	597,302,864
Other payables and Provision		515,543,558	515,543,558
Retirement benefit obligations		15,709,020	15,709,020
Income tax liabilities		1,554,577,043	1,554,577,043
Deferred income tax		279,460,225	279,460,225
TOTAL LIABILITIES	9,979,029,160	3,303,780,054	13,282,809,213
SURPLUS	3,044,609,403	9,850,894,775	12,895,504,178



Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

Group 2022

	Insurance funds	Shareholders funds	December 2022
	N	N	N
ASSETS			
Cash and cash equivalents	525,103,432	1,144,373,547	1,669,476,979
Financial assets	-	-	-
-At fair value through profit or loss	-	827,492,588	827,492,588
-At Ammortised Cost	1,930,281,941	5,754,241,033	7,684,522,974
-Fair Value Through OCI	-	132,167,588	132,167,588
Finance lease receivables		210,896,364	210,896,364
Trade receivables		831,493,560	831,493,560
Reinsurance assets	3,552,376,954	-	3,552,376,954
Deferred acquisition cost		-	-
Other receivables and prepayments		292,572,354	292,572,354
Investment in subsidiaries		-	-
Intangible Asset		64,109,633	64,109,633
Right-of-Use Assets (Leased Assets)		2,844,702	2,844,702
Investment properties	1,265,226,470	140,000,000	1,405,226,470
Property and equipment		1,168,945,157	1,168,945,157
Statutory deposit		400,000,000	400,000,000
TOTAL ASSETS	7,272,988,797	10,969,136,526	18,242,125,323
LIABILITIES			
Insurance contract liabilities	6,927,748,770	-	6,927,748,770
Investment contract liabilities			13,723,775
Trade payable		33,472,651	33,472,651
Borrowing			680,107,895
Other payables and Provision		429,876,513	324,165,837
Retirement benefit obligations		2,925,281	2,925,282
Income tax liabilities		766,699,256	651,220,778
Deferred income tax		253,908,071	253,908,071
TOTAL LIABILITIES	6,927,748,770	1,486,881,772	8,887,273,058
SURPLUS	345,240,028	9,482,254,754	9,354,852,265

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

Company 2023

	Insurance fund	Shareholders funds	December 2023
	N	N	N
ASSETS			
Cash and cash equivalents	832,664,454	1,101,286,491	1,933,950,945
Financial assets:	7,472,751,263	4,959,325,987	12,432,077,250
Finance lease receivables	-	-	-
Trade receivables		1,150,281,154	1,150,281,154
Reinsurance assets	3,446,441,321	-	3,446,441,321
Deferred acquisition cost	-		
Other receivables & prepayments	-	644,340,993	644,340,993
Investment in subsidiaries		1,594,225,000	1,594,225,000
Intangible Assets		14,767,281	14,767,281
Investment properties	1,271,781,524	0	1,271,781,524
Property and equipment		1,199,375,172	1,199,375,172
Right-of-Use of Assets (Leased Assets)		-	-
Statutory deposits		300,000,000	300,000,000
TOTAL ASSETS	13,023,638,563	10,963,602,078	23,987,240,640
LIABILITIES			
Insurance contract liabilities	9,701,037,803	-	9,701,037,803
Trade payable		330,749,570	330,749,570
Provision and Other payables		224,024,963	224,024,963
Retirement benefit obligations		13,677,328	13,677,328
Income tax liabilities		1,316,060,787	1,316,060,787
Deferred income tax		264,056,690	264,056,690
TOTAL LIABILITIES	9,701,037,803	2,148,569,338	11,849,607,141
SURPLUS	3,322,600,760	8,815,032,741	12,137,633,499



Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

Fair Value Hierarchy Continue

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorized:

Group 31 December 2023

Asset Types	Carrying amount N	Level 1 N	Level 2 N	Level 3 N	TOTAL N
Cash and cash equivalents	2,985,320,307	2,985,320,307			2,985,320,307
Financial assets at fair value through profit and loss	2,483,265,165	2,483,265,165	-	-	2,483,265,165
At Ammortised Cost	12,101,224,594	-	12,101,224,594	-	12,101,224,594
Fair Value Through OCI	261,532,777	-	-	261,532,777	261,532,777
Finance lease receivables	115,832,776	-	-	115,832,776	115,832,776
Trade receivables	1,182,794,434	-	-	1,182,794,434	1,183,958,654
Reinsurance assets	3,446,441,321	-	-	3,446,441,321	3,446,441,321

Group 31 December 2022

Asset Types	Carrying amount	Level 1	Level 2	Level 3	TOTAL
Cash and cash equivalents	1,666,364,199	1,666,364,199			1,666,364,199
Financial assets at fair value through profit and loss	827,492,587	827,492,587	-	-	827,492,587
At Ammortised Cost	7,684,522,974	-	7,684,522,974	-	7,684,522,974
Fair Value Through OCI	132,167,588	-	-	132,167,588	132,167,588
Finance lease receivables	210,896,364	-	-	210,896,364	210,896,364
Trade receivables	831,493,560	-	-	831,493,560	831,493,560
Reinsurance assets	3,552,376,954	-	-	3,552,376,954	3,552,376,954

Company 31 December 2023

Asset Types	Carrying amount	Level 1	Level 2	Level 3	TOTAL
Cash and cash equivalents	1,933,950,945	1,933,950,945			1,933,950,945
Financial assets at fair value through profit and loss	2,450,528,764	2,450,528,764	-	-	2,450,528,764
At Ammortised Cost	9,722,241,174	-	9,722,241,174	-	9,722,241,174
Fair Value Through OCI	259,307,312	-	-	259,307,312	259,307,312
Trade receivables	1,150,281,154	-	-	1,150,281,154	1,150,281,154
Reinsurance assets	3,446,441,321	-	-	3,446,441,321	3,446,441,321

Company 31 December 2022

Asset Types	Carrying amount	Level 1	Level 2	Level 3	TOTAL
Cash and cash equivalents	1,183,948,834	1,183,948,834			1,183,948,834
Financial assets at fair value through profit and loss	805,071,520	805,071,520	-	-	805,071,520
At Ammortised Cost	5,390,944,417	-	5,390,944,417	-	5,390,944,417
Fair Value Through OCI	129,942,124	-	-	129,942,124	129,942,124
Trade receivables	773,060,783	-	-	773,060,783	773,060,783
Reinsurance assets	3,552,376,954	-	-	3,552,376,954	3,552,376,954



Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

Company 2022

	Insurance funds	Shareholders funds	December 2022
	N	N	N
ASSETS			
Cash and cash equivalents	525,103,432	658,845,403	1,183,948,835
Financial assets:			
-At fair value through profit or loss	-		805,071,520
-At Ammortised Cost	1,930,281,941	3,460,662,476	5,390,944,417
-Fair Value Through OCI	-	129,942,123	129,942,123
Finance lease receivables	-	-	-
Trade receivables		773,060,783	773,060,783
Reinsurance assets	3,552,376,954	-	3,552,376,954
Other receivables & prepayments	-	652,618,272	652,618,272
Investment in subsidiaries		1,594,225,000	1,594,225,000
Intangible Assets		22,104,164	22,104,164
Investment properties	1,265,226,470	-	1,265,226,470
Property and equipment		1,088,248,164	1,088,248,164
Right-of-Use of Assets (Leased Assets)		-	-
Statutory deposits		300,000,000	300,000,000
TOTAL ASSETS	7,272,988,797	8,679,706,385	16,757,766,702
LIABILITIES			
Insurance contract liabilities	6,706,663,170	-	6,706,663,170
Trade payable		33,472,651	33,472,651
Provision and Other payables		240,152,189	240,152,189
Retirement benefit obligations		1,181,508	1,181,508
Income tax liabilities		524,545,069	524,545,069
Deferred income tax		239,442,368	239,442,368
TOTAL LIABILITIES	6,706,663,170	1,038,793,785	7,745,456,955
SURPLUS	566,325,627	7,640,912,600	9,012,309,747

50. Fair Value Hierarchy

IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable input reflect market data obtained from independent sources; unobservable inputs reflect the Company's market assumptions.

The determination of fair value for each class of financial instruments was based on the particular characteristics of the instruments. Group's accounting policy on fair value measurements is discussed under the statement of significant accounting policies.

Level 1: Fair value measurements classified as Level 1 include exchange-traded prices of fixed maturities and equity securities unadjusted in active market for identical assets and liabilities.

Level 2: valuation techniques based on observable inputs. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data. Observable inputs generally used to measure the fair value of securities classified as Level 2 include benchmark yields, reported secondary trades, broker-dealer quotes, issuer spreads, benchmark securities, bids, offers and reference data.

Level 3: This includes financial instruments, the valuation of which incorporate significant inputs for the asset or liability that is not based on observable market data (unobservable inputs). Unobservable inputs are those not readily available in an active market due to market illiquidity or complexity of the product. These inputs are generally determined based on inputs of a similar nature, historic observations on the level of the input or analytical techniques.



Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

b) Insurance Risk Management

The principal risk the Group faces under insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of the Group is to ensure that sufficient reserves are available to cover these liabilities.

Frequency and severity of claims can be affected by several factors. The most significant are the increasing level of damages suffered as a result of road accidents. The Group manages these risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling. The Group has the right to reject the payment of a fraudulent claim, and is entitled to pursue third parties for payment of some or all costs.

The above risk exposure is mitigated by diversification across a large portfolio of insurance. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance arrangements.

The Group also has special claims unit that ensures mitigation of the risks surrounding all known claims. This unit investigates and adjusts all claims in conjunction with appointed loss adjusters. The Group actively manages and pursues early settlements of claims to reduce its exposure to unpredictable development.

The Group purchases reinsurance as part of its risks mitigation program. Retention limits for the excess-of-loss reinsurance vary by product line.

Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts. Although the Company has reinsurance arrangements, it is not relieved of its direct obligations to its policy holders and thus a credit exposure exists with respect to ceded insurance, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance agreements.

The Insurance Company writes insurance primarily over a twelve month duration. The most significant risks arise through high severity, low frequency events such as natural disasters or catastrophes. A concentration of risk may arise from insurance contracts issued in a specific geographic location since all insurance contracts are written in Nigeria.

The Group manages this risk via its underwriting and reinsurance strategy within an overall risk management framework. Exposures are limited by having documented underwriting limits and criteria. Pricing of property and liability policies are based on assumptions in regard to trends and past experience, in an attempt to correctly match policy revenue with exposed risk. Reinsurance is purchased to mitigate the effect of the potential loss to the Company. Reinsurance is placed with African Reinsurance Corporation, WAICA Reinsurance Corporation Plc and Continental Reinsurance Plc, these are Nigerian registered reinsurer.

b(i) Insurance risk associated with uncertainty in the estimation of future claim payments

Claims insurance contracts are payable on a claims-occurrence basis. The Company is liable for all insured events that occurred during the term of the contract. There are several variables that affect the amount and timing of cash flows from these contracts. These mainly relate to the inherent risks of the business activities carried out by individual contract holders and the risk management procedures they adopted. The Company takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. Although, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established. Certain reserves are held for these contracts which are provision for IBNR, a provision for reported claims not yet paid and a provision for unearned premium at the end of the reporting period.

Results summary

Actuarial Valuation inline with IFRS 17

This report covers only the Insurance portfolios that fall under IFRS 17 reporting. Any comments made and figures provided are for the IFRS 17 insurance portfolios of Consolidated Hallmark Insurance and must be considered accordingly.

The last valuation exercise carried out by Consolidated Hallmark Insurance Plc for its IFRS 17 Insurance Portfolio was at 31 December 2022.



Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

51. Management of Insurance and Financial risks

a) Risk Management Framework:

Consolidated Hallmark Holdings Plc has a robust and functional Risk Management System that is responsible for identifying and managing the inherent and residual risks facing the Group. As a Holdings company, the management of risk is at the core of the operating structure of Consolidated Hallmark Holdings Plc. As a result, the best risk management practices are deployed to identify, measure, monitor, control and report every material risk prevalent in the business operation.

The Company's Insurance Subsidiary's Risk Management System is in line with the guidelines as approved by the insurance industry regulator, National Insurance Commission (NAICOM), to identify, assess, manage and monitor the risks inherent in the operations. The risk structure includes our approach to management of risks inherent in the business and the appetite for these risk exposures. Under this approach, we continuously assess the Company's top risks and monitor the risk profile against approved limits. The main strategies for managing and mitigating risk include policies and tools that target specific broad risk categories.

The Company is guided by the following principles to ensure effective integration and to maximize value to stakeholders through an approach that balances the risk and reward in the business. The Company only accepts risks that fall within its risk acceptance criteria and have commensurate returns and continually review its activities to determine inherent risks level and adopt appropriate risk response at all times. It involves broad setting of strategy, risk appetite, performance measurement, establishment and maintenance of internal control and risk management in the business. In addition, business units have the primary responsibility for managing risks and are required to take responsibility for the identification, assessment, management, monitoring and reporting of risks arising within their respective businesses, thereby ensuring an informed risk and reward balance.

The Board sets the organisation's risk appetite, approves the strategy for managing risk and is ultimately responsible for the organization's system of internal control. The Board carries out these function by setting Finance Investment and General Purpose Committee (FIGPC), Board Audit and Risk Management Committee (BARMC), Board Establishment Governance and Remuneration Committee (BEGRC) The Board Audit and Risk Management Committee performs the oversight functions of the external auditor and regulatory compliance. It also monitors the internal control process and oversight of enterprise risk management. Finance Investment and General Purpose Committee of the Board functions on oversight of financial reporting and accounting, and reviews and approves the company's investment policy, and investment above managements' approval limit.

Management is responsible and accountable for ensuring that Risk management policies, framework and procedures are complied with; and Also that the risk profiled for areas under their control are refreshed and updated on a timely basis to enable the collation, analysis and reporting of risks to the Board Committees. Management also ensures that explanations are provided to the Board Committees for any major gaps in the risk profiled and any significant delays in planned treatments for high risk priority matters.

The internal audit function that provides independent and objective assurance of the effectiveness of the Company's systems of internal control is established by the organization in the management of enterprise risks across the organization. The internal audit functions evaluate the design and conceptual soundness of risk measures, accuracy of risk models, soundness of elements of the risk management information systems, adequacy and effectiveness of the procedures for monitoring risk, the progress of plans to upgrade risk management systems, the adequacy and effectiveness of application controls within the risk management information system, and the reliability of the vetting processes.

The Chief Risk Officer (a member of Management) is responsible for the risk policies, risk methodologies and risk infrastructure. The Chief Risk Office (CRO) informs the Board, as well as Management about the risk profile of the Company and also communicates the views of the Board and Senior Management down the Company. The CRO is also responsible for independently monitoring the broad risk limits set by the Board throughout the year.



Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

IFRS17 Insurance Portfolio information

1.1 Consolidated Hallmark offers comprehensive insurance coverage for the following lines of businesses:

- Engineering
- General Accident
- Motor
- Fire
- Aviation
- Marine (i.e. Marine Cargo and Marine Hull combined)
- Oil and Gas
- Bond

The total gross liability for the IFRS 17 insurance portfolio is N9,701m as at 31 December 2023. This is made up of N5,240m of liabilities for remaining coverage (LRC) and N4,461m of liabilities for incurred claims (LIC).

The LIC is made up of N3,190m of Incurred But Not Reported (IBNR) Claims, N603m of outstanding claims and N668m of Risk Adjustment.

The breakdown of the IFRS 17 Insurance contract liabilities is shown in the table below:

Valuation Results

Insurance Contract Liabilities - December 2023				
Portfolios	Liability for Remaining Coverage (LRC) N	Liability for Incurred Claims (LIC)		Total N
		Outstanding claims N	Risk Adjustment N	
Motor	1,928,390,951	476,446,216	39,110,939	2,443,948,106
Fire	799,837,570	424,779,935	71,777,640	1,296,395,144
General Accident	585,045,256	1,455,484,550	291,333,773	2,331,863,579
Marine	398,331,257	117,307,080	22,278,311	537,916,649
Bonds	262,667,172	29,687,405	2,668,882	295,023,459
Oil & Gas	692,113,690	904,426,725	162,987,340	1,759,527,755
Engineering	407,458,544	198,106,277	43,106,111	648,670,932
Aviation	166,213,613	186,944,497	34,534,067	387,692,177
Total	5,240,058,053	3,793,182,685	667,797,063	9,701,037,801

53%

33%

33%

56%

The breakdown of the corresponding Insurance Contract Liabilities for the December 2022 IFRS 17 comparatives is shown in the table below.

Insurance Contract Liabilities - December 2022 Comparatives				
Portfolios	Liability for Incurred Claims (LIC)			Total N
	Liability for Remaining N	Outstanding claims N	Risk Adjustment N	
Motor	1,022,278,126	363,660,331	18,183,017	1,404,121,474
Fire	523,775,134	521,165,316	19,330,515	1,064,270,965
General Accident	459,220,522	951,867,080	319,919,538	1,731,007,140
Marine	143,945,695	429,516,413	21,475,821	594,937,929
Bonds	156,888,742	22,478,975	1,123,949	180,491,666
Oil & Gas	522,396,718	244,332,345	12,456,143	779,185,206
Engineering	508,790,836	195,806,189	29,056,538	733,653,563
Aviation	88,900,375	123,899,860	6,194,993	218,995,228
Total	3,426,196,149	2,852,726,509	427,740,512	6,706,663,170

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

VALUATION METHOD

In determining the IFRS 17 Insurance Contract Liabilities of the company, the following principles have been used.

A Liability for Remaining Coverage (LRC)

The Premium Allocation Approach has been used for the calculation of the liability of the Remaining Coverage as outlined in paragraph 55 (b) of the IFRS 17 standard.

Using the premium allocation approach, the liability for remaining coverage is the carrying amount at the start of the reporting period.
I Plus the premium received in the period

ii Minus insurance acquisition cash flows: unless the entity chooses to recognise the payments as an expense applying paragraph 59 (a)

iii Plus any amounts relating to the amortisation of insurance acquisition cashflows recognised as an expense in the reporting period < unless the entity chooses to recognise insurance acquisition cashflows as an expenses.

iv Plus any adjustment to a financing component

v Minus the amount recognised as insurance revenue for services provided in that period.

vi Minus any investment component paid or transferred to the liability for incurred claims.

The approach adopted is to recognise acquisition cashflows as expense for full year reporting , However, for reporting periods within the year, the acquisition cashflows are amortised over the reporting year.

The carrying amount of the liability for remaining coverage has not been adjusted to reflect time value of money and the effect of financial risk because the time between providing each part of the services and the related premium due date is no more than a year as paragraph 56 of the standard.

There is no Investment component on businessess underwritten by Consolidated Hallmark Insurance Plc

B Liability for Incurred Claims (LIC)

The liability for Incurred claims is made up of the Incurred But Not Reported (IBNR) Reserve, Outstanding Claims and their corresponding Risk Adjustment.



Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

C Incurred But Not Reported (IBNR) Reserves

The IBNR makes allowance for the delay in reporting claims. To ensure the estimates calculated are not biased by the underlying assumptions of the model chosen, the following deterministic methods were considered:

- Ci** Inflation-Adjusted Basic Chain Ladder Method (IABCL)
- Cii** Inflation Adjusted Loss Development Factor Method (IALDF)
- Ciii** Bornhuetter - Ferguson Method (with IABCL loss development factors)
- Civ** Bornhuetter - Ferguson Method (using the average of IABCL and IALDF loss development factors)

Under the Basic Chain Ladder method, historically paid claims were grouped into accident year cohorts-representing when they were paid after their accident year. These cohorts form the development triangles. For each accident year, paid claims were accumulated to the valuation date and projected into the future to attain the expected ultimate claim arising in the year. This assumes the trends observed in the historical data will continue. The gross claim reserve is the difference between the cumulated paid claims and the estimated ultimate claims. Under the inflation-adjusted variant of this method, projected claims allow for inflation and then are discounted to the valuation date's monetary terms.

The Loss Development Factor method looks at the pattern of claim development for each development year, for every loss year, in the data provided. This then uses the average observed development factor to project the claims into the future. The inflation-adjusted variant (ie, IALDF) uses the pattern of inflation-adjusted claims.

Under the Bornhuetter - Ferguson (BF) methods, the reserve is based on an estimate of the ultimate claims. This uses the loss development factors derived under the basic chain ladder to project the development of the claims. The appropriate loss ratio used in estimating the BF ultimate claim is the cumulative average loss ratio observed in the data provided.

We have considered two variants of this approach based on loss development factors from the IABCL method and the average loss development factors from the IABCL and IALDF methods.

The IBNR reserves have been estimated using the variant of the Bornhuetter-Ferguson Method based on the average loss development factors from the IABCL and IALDF methods.

The minimum IBNR reserve is 10% of the outstanding claims reserve.

D OUTSTANDING CLAIMS

We adopted the outstanding claims figures as provided and reported by the company, Note that any deficiencies in these reserves are captured in the IBNR provision via projected Ultimate Claims.



Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

E RISK ADJUSTMENT (RA)

The risk adjustment is the additional liability a company needs to hold to cover the uncertainty about the amount and timing of the cashflows that arises from Non-Financial risk as the company fulfill its insurance contracts. The uncertainty and timing for Consolidated Hallmark Insurance arises in the estimate of the Loss Reserve, hence only the uncertainty arising from claims reserve have been allowed for in the Risk Adjustment calculation.

We have used the Value at Risk (VAR) approach to estimate the Risk Adjustment. We have used the historical claims as per the data used in the IBNR calculation and have ranked the claims and the development factors from the claims and have applied a 70% confidence level to determine the Risk Adjustment.

The percentage of the Risk Adjustment calculated as a percentage of the sum of the IBNR and the outstanding claims is outlined in the table below:

	RISK ADJUSTMENT	
Portfolios	RA Factor as % of IBNR and Outstanding Claims	
Motor	8.2%	
Fire	16.9%	
General Accident	20%	
Marine	19%	
Bonds	9%	
Oil & Gas	18%	
Engineering	21%	
Aviation	18.5%	

F ASSUMPTIONS

fi We have allowed for inflation in our calculations based on the following official inflation data. We have adopted 17.2% for future rates as we expect the future rates to converge to 15%.

Year	Inflation Rate	Accumulated Inflation Factor
2018	11.4%	2.33
2019	12.0%	2.08
2020	15.8%	1.80
2021	15.6%	1.56
2022	21.3%	1.28
2023	28.2%	1.00
2024+	17.2%	



Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

G DISCOUNT RATE

The projected claims under the IBNR reserves have been discounted using the discount rate published by Nigeria Actuarial Society. The discount rates used are published in the appendix of this report.

Other Assumptions Underlying the Valuation Methods

- i Policies are written uniformly throughout the year for each class of business
- ii Claims occur uniformly throughout the year for each class of business. This implies that claims occur on average halfway through the year.
- iii Future claims follow a regression pattern from the historical data. Hence, payment patterns will be broadly similar in each accident year. The proportionate increase in the known cumulative payment from one development year to the next is used to calculate the expected cumulative payments for the future development periods.
- iv We assume the gross claim amount and unearned premium includes all related claim expenses. No additional reserve has been held for expenses.
- v The Premium Allocation Approach (PAA) is calculated on the assumption that risk will occur evenly during the duration of the policy.

The table below shows the reconciliation of the insurance contract liabilities and assets from the December 2022 comparatives to December 2023.

Reconciliation of the liability for remaining coverage and the liability for incurred claims for insurance contracts				
Reconciliation of carrying amounts by LRC/LIC: insurance	Liability for Remaining Coverage (LRC)		Liability for Incurred Claims	Insurance Contract
	Non-onerous N	Onerous N	LIC N	Liabilities (ICL) N
Opening insurance contract assets	3,999,732,042	-	3,745,724,913	7,745,456,955
Opening insurance contract liabilities	3,426,196,149	-	3,280,467,021	6,706,663,170
Net opening balance	573,535,893	-	465,257,892	1,038,793,785
Insurance revenue	(14,815,865,738)	-	-	(14,815,865,738)
Insurance service expenses	-	-	-	-
Incurred claims and other expenses	-	-	5,870,386,112	5,870,386,112
Acquisition expenses	3,841,647,546	-	-	3,841,647,546
Changes related to future service	-	-	-	-
Changes related to past service	-	-	1,806,446,548	1,806,446,548
Total Insurance service expenses	3,841,647,546	-	7,676,832,660	11,518,480,206
Investment components	-	-	-	-
Insurance service result	(10,974,218,192)	-	7,676,832,660	(3,297,385,531)
Insurance finance expenses	-	-	-	-
Total change in comprehensive income	(10,974,218,192)	-	7,676,832,660	(3,297,385,531)
Premiums received	16,629,727,642	-	-	16,629,727,642
Claims and expenses paid	-	-	(6,496,319,933)	(6,496,319,933)
Acquisition costs paid	(3,841,647,546)	-	-	(3,841,647,546)
Total cash flows	12,788,080,096	-	(6,496,319,933)	6,291,760,163
Closing insurance contract assets	6,573,748,833	-	5,275,858,306	11,849,607,140
Closing insurance contract liabilities	5,240,058,053	-	4,460,979,749	9,701,037,802
Net closing balance	1,333,690,780	-	814,878,557	2,148,569,338

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

Inflation Adjusted Loss Development Factor

Lob	Motor
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Inflation Adjusted Loss Development Factor Method (IALDF)

Gross Loss Reserve calculations

Attritional Claims

Incremental Claims ('000)

Loss Year	Development Year							
	1	2	3	4	5	6	7	8
2016	343,032	194,138	1,876	6,313	20	0	0	0
2017	403,038	119,399	1,816	74	0	0	0	0
2018	430,992	129,433	5,540	775	38	0	0	0
2019	530,967	170,125	19,615	453	0	0	0	0
2020	551,725	166,816	18,048	2,604	0	0	0	0
2021	845,002	214,455	7,749	0	0	0	0	0
2022	815,481	195,874	0	0	0	0	0	0
2023	868,535	0	0	0	0	0	0	0

Inflation Adjusted Cumulative Projected Claims ('000)

Loss Year	Development Year							
	1	2	3	4	5	6	7	8
2016	1,028,235	1,532,636	1,537,011	1,550,155	1,550,190	1,550,190	1,550,190	1,550,190
2017	1,047,156	1,325,528	1,329,310	1,329,442	1,329,442	1,329,442	1,329,442	
2018	1,004,832	1,274,314	1,284,280	1,285,486	1,285,535	1,285,535		
2019	1,105,480	1,411,488	1,442,000	1,442,581	1,442,581			
2020	992,397	1,251,892	1,275,030	1,277,634				
2021	1,314,467	1,589,398	1,597,147					
2022	1,045,446	1,241,320						
2023	868,535							

Cumulative Projected Claims ('000)

Loss Year	Development Year							
	1 --> 2	2 --> 3	3 --> 4	4 --> 5	5 --> 6	6 --> 7	7 --> 8	8 --> 9
2016	1.4906	1.0029	1.0086	1.0000	1.0000	1.0000	1.0000	
2017	1.2658	1.0029	1.0001	1.0000	1.0000	1.0000		
2018	1.2682	1.0078	1.0009	1.0000	1.0000			
2019	1.2768	1.0216	1.0004	1.0000				
2020	1.2615	1.0185	1.0020					
2021	1.2092	1.0049						
2022	1.1874							
2023								

IALDF Devt Factors* 1.254 1.010 1.001 1.000 1.000 1.000 1.000 1.000

Cumulative DF 1.267 1.011 1.001 1.000 1.000 1.000 1.000 1.000

	2023	2022	2021	2020	2019	2018	2017
Premium ('000)	4,937,462	2,767,423	2,252,875	2,119,710	2,005,379	1,782,316	1,389,896
Est. Loss factor (1-1/(cumul DF))	21.10%	1.07%	0.12%	0.00%	0.00%	0.00%	0.00%
Ultimate claims ratio		36.84%					
Loss reserve (Attritional)		395,871	=sumproduct((Premium),(Estimated IBNR factor))*Ultimate claims ratio				
Loss reserve (Attritional) - Inflation Adjusted		415,171					



Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

Large Claims

Loss Year	Exposure / Earned premium N'000	Total Paid Amounts N'000	Total Paid Amounts (Inf adj) N'000	Number of Large Losses	Claim Frequency	Average Paid Cost N'000	Ultimate Avg Cost	Ultimate Frequency	Ultimate Paid Amounts N'000	Large Loss Reserves N'000
2017	1,389,896	0	0	0	0.000000%	0	0	0	0	0
2018	1,782,316	0	0	0	0.000000%	0	0	0	0	0
2019	2,005,379	0	0	0	0.000000%	0	0	0	0	0
2020	2,119,710	32,400	32,400	2	0.000094%	16,200	16,200	0	32,400	0
2021	2,252,875	97,830	97,830	3	0.000133%	32,610	32,610	0	97,830	0
2022	2,767,423	129,717	129,717	6	0.000217%	21,620	21,620	0	129,717	0
2023	4,937,462	115,787	115,787	1	0.000020%	115,787	30,514	0	69,122	69,122

Large	61,275
Attritional	415,171
Total Gross Loss Reserve	476,446
Reported Outstanding Claim	76,233
Gross IBNR	400,214

*This is the average of the 75% and 25% percentile of the LDFs, which excludes extreme values from the calculation.

LOB	Fire
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Inflation-Adjusted Basic Chain Ladder Method
(IABCL)

Gross Loss Reserve calculations

Attritional Claims

Incremental Claims ('000)

Loss Year	Development Year							
	1	2	3	4	5	6	7	8
2016	139,641	472,075	42,420	28,011	9,915	0	0	0
2017	349,847	233,515	46,968	27,294	0	93	21	0
2018	205,575	256,337	20,953	1,668	12	169	0	0
2019	330,364	183,418	6,076	602	0	0	0	0
2020	205,223	58,751	9,364	13,985	0	0	0	0
2021	55,730	33,562	21,690	0	0	0	0	0
2022	171,584	69,815	0	0	0	0	0	0
2023	115,468	0	0	0	0	0	0	0

Inflation Adjusted Cumulative Projected Claims ('000)

Loss Year	Development Year							
	1	2	3	4	5	6	7	8
2016	418,573	1,645,096	1,743,995	1,802,315	1,820,149	1,820,149	1,820,149	1,820,149
2017	908,956	1,453,381	1,551,169	1,600,262	1,600,262	1,600,382	1,600,403	
2018	479,285	1,012,981	1,050,670	1,053,264	1,053,279	1,053,448		
2019	687,821	1,017,738	1,027,189	1,027,961	1,027,961			
2020	369,138	460,531	472,536	486,521				
2021	86,692	129,718	151,408					
2022	219,971	289,786						
2023	115,468							

IABCL Devt Factors	1.895	1.049	1.021	1.003	1.000	1.000	1.000	1.000
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Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

Inflation Adjusted Cumulative Projected Claims ('000)*

Loss Year	Development Year							
	1	2	3	4	5	6	7	8
2016	418,573	1,645,096	1,743,995	1,802,315	1,820,149	1,820,149	1,820,149	1,820,149
2017	908,956	1,453,381	1,551,169	1,600,262	1,600,262	1,600,382	1,600,403	1,600,403
2018	479,285	1,012,981	1,050,670	1,053,264	1,053,279	1,053,448	1,053,455	1,053,455
2019	687,821	1,017,738	1,027,189	1,027,961	1,027,961	1,028,028	1,028,034	1,028,034
2020	369,138	460,531	472,536	486,521	488,105	488,136	488,139	488,139
2021	86,692	129,718	151,408	154,640	155,143	155,153	155,154	155,154
2022	219,971	289,786	303,847	310,332	311,342	311,362	311,364	311,364
2023	115,468	218,857	229,476	234,374	235,137	235,152	235,154	235,154

*Inflation adjustment on paid claims only

Inflation Adjusted Cumulative Projected Claims ('000)**

Loss Year	Development Year							
	1	2	3	4	5	6	7	8
2012	418,573	1,645,096	1,743,995	1,802,315	1,820,149	1,820,149	1,820,149	1,820,149
2013	908,956	1,453,381	1,551,169	1,600,262	1,600,262	1,600,382	1,600,403	1,600,403
2014	479,285	1,012,981	1,050,670	1,053,264	1,053,279	1,053,448	1,053,457	1,053,457
2015	687,821	1,017,738	1,027,189	1,027,961	1,027,961	1,028,040	1,028,048	1,028,048
2016	369,138	460,531	472,536	486,521	488,338	488,375	488,379	488,379
2017	86,692	129,718	151,408	154,973	155,550	155,562	155,564	155,564
2018	219,971	289,786	304,699	311,853	313,012	313,036	313,038	313,038
2019	115,468	220,905	232,168	237,571	238,446	238,464	238,466	238,466

Inflation adjustment on paid and projected claims only

Loss reserve (Attritional) - Inflation Adjusted 152,359

*Inflation adjustment on paid claims only



Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

LOB General Accident

Gross Loss Reserve calculations

Attritional Claims

Incremental Claims ('000)

Inflation Adjusted Loss Development Factor
Method (IALDF)

Loss Year	Development Year							
	1	2	3	4	5	6	7	8
2016	124,541	168,644	87,021	6,446	3,776	13,120	33,412	2,119
2017	105,567	132,844	32,036	4,335	137,482	53,525	8,072	0
2018	114,253	112,611	76,691	57,928	32,026	2,099	0	0
2019	241,643	180,382	127,927	8,037	844	0	0	0
2020	289,193	513,541	193,816	32,766	0	0	0	0
2021	352,947	359,414	107,531	0	0	0	0	0
2022	476,627	569,785	0	0	0	0	0	0
2023	593,898	0	0	0	0	0	0	0

Inflation Adjusted Cumulative Projected Claims ('000)

Loss Year	Development Year							
	1	2	3	4	5	6	7	8
2016	373,310	811,473	1,014,358	1,027,780	1,034,571	1,054,980	1,097,815	1,099,934
2017	274,280	583,997	650,697	658,495	872,359	940,978	949,050	
2018	266,374	500,831	638,777	728,889	769,947	772,045		
2019	503,104	827,561	1,026,562	1,036,865	1,037,709			
2020	520,176	1,319,030	1,567,502	1,600,268				
2021	549,038	1,009,807	1,117,338					
2022	611,036	1,180,821						
2023	593,898							

Cumulative Projected Claims ('000)

Loss Year	Development Year							
	1 --> 2	2 --> 3	3 --> 4	4 --> 5	5 --> 6	6 --> 7	7 --> 8	8 --> 9
2016	2.1737	1.2500	1.0132	1.0066	1.0197	1.0406	1.0019	
2017	2.1292	1.1142	1.0120	1.3248	1.0787	1.0086		
2018	1.8802	1.2754	1.1411	1.0563	1.0027			
2019	1.6449	1.2405	1.0100	1.0008				
2020	2.5357	1.1884	1.0209					
2021	1.8392	1.1065						
2022	1.9325							
2023								

IALDF Devt Factors*

2.006

1.190

1.016

1.064

1.030

1.025

1.000

Cumulative DF

2.726

1.359

1.142

1.123

1.056

1.025

1.000

	2023	2022	2021	2020	2019	2018	2017
Premium ('000)	1,795,121	1,565,664	1,292,547	1,287,197	1,105,412	859,881	787,789
Est. Loss factor (1-1/(cumul DF))	63.31%	26.42%	12.43%	10.99%	5.26%	2.40%	0.00%
Ultimate claims ratio		54.71%					
Loss reserve (Attritional)		1,056,395	=sumproduct((Premium),(Estimated IBNR factor))*Ultimate claims ratio				
Loss reserve (Attritional) - Inflation Adjusted		1,133,304					

Large Claims

Loss Year	Exposure / Earned premium N'000	Total Paid Amounts N'000	Total Paid Amounts (Inf adj) N'000	Number of Large Losses	Claim Frequency	Average Paid Cost N'000	Ultimate Avg Cost	Ultimate Frequency	Ultimate Paid Amounts N'000	Large Loss Reserves N'000
2017	787,789	0	0	0	0.000000%	0	0	0	0	0
2018	859,881	0	0	0	0.000000%	0	0	0	0	0
2019	1,105,412	342,811	342,811	3	0.000271%	114,270	114,270	0	342,811	0
2020	1,287,197	886,655	886,655	4	0.000311%	221,664	221,664	0	886,655	0
2021	1,292,547	187,561	187,561	2	0.000155%	93,780	93,780	0	187,561	0
2022	1,565,664	285,047	285,047	3	0.000192%	95,016	95,016	0	285,047	0
2023	1,795,121	0	0	1	0.000056%	0	130,929	0	342,188	342,188

*This is the average of the 75% and 25% percentile of the LDFs, which excludes extreme values from the calculation.

Large
Attritional 322,180
Total Gross Loss Reserve 1,455,485
Reported Outstanding Claim 253,558
Gross IBNR 1,201,927

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

LOB

Marine

Bornhuetter-Ferguson Method (using the average of IABCL and IALDF loss development factors)

Gross Loss Reserve calculations

Attritional Claims

Incremental Claims ('000)

Loss Year	Development Year							
	1	2	3	4	5	6	7	8
2016	51,185	36,398	7,932	597	0	0	754	0
2017	37,819	30,203	2,765	92	4	3,452	0	0
2018	2,226,221	37,269	1,176	7,499	2,403	4,531	0	0
2019	67,797	41,377	7,268	526	3,664	0	0	0
2020	34,386	36,316	46,812	11,071	0	0	0	0
2021	23,315	79,428	27,925	0	0	0	0	0
2022	107,058	232,981	0	0	0	0	0	0
2023	87,354	0	0	0	0	0	0	0

Inflation Adjusted Cumulative Projected Claims ('000)

Loss Year	Development Year							
	1	2	3	4	5	6	7	8
2016	153,427	247,994	266,488	267,730	267,730	267,730	268,696	268,696
2017	98,260	168,675	174,433	174,598	174,604	179,029	179,029	
2018	5,190,298	5,267,893	5,270,008	5,281,673	5,284,754	5,289,285		
2019	141,153	215,578	226,885	227,559	231,222			
2020	61,850	118,342	178,356	189,426				
2021	36,269	138,096	166,021					
2022	137,248	370,230						
2023	87,354							

IABCL Devt Factors (A)	1.122	1.020	1.004	1.001	1.002	1.002	1.000
IALDF Devt Factors (B)	1.939	1.105	1.003	1.002	1.007	1.002	1.000
Average [(A),(B)]	1.530	1.062	1.004	1.002	1.004	1.002	1.000
Cumulative DF	1.645	1.075	1.012	1.008	1.006	1.002	1.000



Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

	2023	2022	2021	2020	2019	2018	2017
Premium ('000)	1,144,726	799,608	801,591	602,843	598,145	478,342	545,347
Est. Loss factor (1-1/(cumul DF))	39.20%	6.96%	1.15%	0.78%	0.61%	0.20%	0.00%
Ultimate claims ratio		21.22%					
Loss reserve (Attritional)		110,964	=sumproduct((Premium),(Estimated IBNR factor))*Ultimate claims ratio				
Loss reserve (Attritional) - Inflation Adjusted		117,307					

Large Claims

Loss Year	Exposure / Earned premium N'000	Total Paid Amounts N'000	Total Paid Amounts (Inf adj) N'000	Number of Large Losses	Claim Frequency	Average Paid Cost N'000	Ultimate Avg Cost	Ultimate Frequency	Ultimate Paid Amounts N'000	Large Loss Reserves N'000
2017	545,347	0	0	0	0.000000%	0	0	0	0	
2018	478,342	0	0	0	0.000000%	0	0	0	0	0
2019	598,145	0	0	0	0.000000%	0	0	0	0	0
2020	602,843	0	0	0	0.000000%	0	0	0	0	0
2021	801,591	0	0	0	0.000000%	0	0	0	0	0
2022	799,608	0	0	0	0.000000%	0	0	0	0	0
2023	1,144,726	0	0	1	0.000087%	0	0	0	0	0

Large	0
Attritional	117,307
Total Gross Loss Reserve	117,307
Reported Outstanding Claim	25,324
Gross IBNR	91,983

LOB

Bonds

Inflation Adjusted Loss Development Factor
Method (IALDF)

Gross Loss Reserve calculations

Attritional Claims

Incremental Claims ('000)

Loss Year	Development Year							
	1	2	3	4	5	6	7	8
2016	0	5,443	0	0	0	0	0	0
2017	1,638	5,288	0	0	0	0	0	0
2018	0	0	0	0	0	0	0	0
2019	158	10,190	10,035	0	0	0	0	0
2020	2,347	0	0	0	0	0	0	0
2021	0	0	0	0	0	0	0	0
2022	2,297	0	0	0	0	0	0	0
2023	25,479	0	0	0	0	0	0	0

Inflation Adjusted Cumulative Projected Claims ('000)

Loss Year	Development Year							
	1	2	3	4	5	6	7	8
2016	0	14,142	14,142	14,142	14,142	14,142	14,142	14,142
2017	4,256	16,584	16,584	16,584	16,584	16,584	16,584	
2018	0	0	0	0	0	0		
2019	328	18,657	34,267	34,267	34,267			
2020	4,221	4,221	4,221	4,221				
2021	0	0	0					
2022	2,944	2,944						
2023	25,479							



Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

LOB

Bonds

Inflation Adjusted Loss Development Factor Method (IALDF)

Gross Loss Reserve calculations

Attritional Claims

Incremental Claims ('000)

Loss Year	Development Year							
	1	2	3	4	5	6	7	8
2016	0	5,443	0	0	0	0	0	0
2017	1,638	5,288	0	0	0	0	0	0
2018	0	0	0	0	0	0	0	0
2019	158	10,190	10,035	0	0	0	0	0
2020	2,347	0	0	0	0	0	0	0
2021	0	0	0	0	0	0	0	0
2022	2,297	0	0	0	0	0	0	0
2023	25,479	0	0	0	0	0	0	0

Inflation Adjusted Cumulative Projected Claims ('000)

Loss Year	Development Year							
	1	2	3	4	5	6	7	8
2016	0	14,142	14,142	14,142	14,142	14,142	14,142	14,142
2017	4,256	16,584	16,584	16,584	16,584	16,584	16,584	
2018	0	0	0	0	0	0		
2019	328	18,657	34,267	34,267	34,267			
2020	4,221	4,221	4,221	4,221				
2021	0	0	0					
2022	2,944	2,944						
2023	25,479							

Cumulative Projected Claims ('000)

Loss Year	Development Year							
	1 --> 2	2 --> 3	3 --> 4	4 --> 5	5 --> 6	6 --> 7	7 --> 8	8 --> 9
2016	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
2017	3.8968	1.0000	1.0000	1.0000	1.0000	1.0000		
2018	1.0000	1.0000	1.0000	1.0000	1.0000			
2019	56.8266	1.8367	1.0000	1.0000				
2020	1.0000	1.0000	1.0000					
2021	1.0000	1.0000						
2022	1.0000							
2023								

IALDF Devt Factors*

Cumulative DF

1.724	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1.724	1.000	1.000	1.000	1.000	1.000	1.000	1.000

	2023	2022	2021	2020	2019	2018	2017
Premium ('000)	704,989	484,366	257,269	179,318	223,407	131,688	70,374
Est. Loss factor (1-1/(cumul DF))	42.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Ultimate claims ratio		9.48%					
Loss reserve (Attritional)		28,079	=sumproduct({Premium},{Estimated IBNR factor})*Ultimate claims ratio				
Loss reserve (Attritional) - Inflation Adjusted		29,687					

Total Gross Loss Reserve **29,687**
 Reported Outstanding Claim 2,836
Gross IBNR **26,851**

*This is the average of the 75% and 25% percentile of the LDFs, which excludes extreme values from the calculation.



Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

LOB	Oil & Gas
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Inflation-Adjusted Basic Chain Ladder Method (IABCL)

Gross Loss Reserve calculations

Attritional Claims

Incremental Claims ('000)

Loss Year	Development Year							
	1	2	3	4	5	6	7	8
2016	19,285	121,166	8,226	30,794	43	26,037	0	48,333
2017	11,767	51,809	104,046	273,755	50,109	0	0	0
2018	344	143,877	949	23,942	17,509	0	0	0
2019	100,035	16,334	34,296	12,711	0	0	0	0
2020	8,064	417,969	598	7,129	0	0	0	0
2021	2,295	0	52,262	0	0	0	0	0
2022	0	23,974	0	0	0	0	0	0
2023	48,473	0	0	0	0	0	0	0

Cumulative Inflation Adjusted Paid Claims ('000)

Loss Year	Development Year							
	1	2	3	4	5	6	7	8
2016	57,806	372,613	391,792	455,905	455,983	496,485	496,485	544,818
2017	30,573	151,363	367,989	860,397	938,345	938,345	938,345	
2018	802	300,356	302,064	339,308	361,755	361,755		
2019	208,274	237,654	291,004	307,299	307,299			
2020	14,505	664,689	665,457	672,586				
2021	3,571	3,571	55,833					
2022	0	23,974						
2023	48,473							

IABCL Devt Factors 5.560 1.199 1.306 1.051 1.023 1.000 1.097

Inflation Adjusted Cumulative Projected Claims ('000)*

Loss Year	Development Year							
	1	2	3	4	5	6	7	8
2016	57,806	372,613	391,792	455,905	455,983	496,485	496,485	544,818
2017	30,573	151,363	367,989	860,397	938,345	938,345	938,345	1,029,694
2018	802	300,356	302,064	339,308	361,755	361,755	361,755	396,972
2019	208,274	237,654	291,004	307,299	307,299	314,386	314,386	344,992
2020	14,505	664,689	665,457	672,586	707,013	723,319	723,319	793,734
2021	3,571	3,571	55,833	72,907	76,639	78,406	78,406	86,039
2022	0	23,974	28,739	37,527	39,448	40,358	40,358	44,287
2023	48,473	269,489	323,051	421,839	443,431	453,658	453,658	497,822

*Inflation adjustment on paid claims only

Inflation Adjusted Cumulative Projected Claims ('000)**

Loss Year	Development Year							
	1	2	3	4	5	6	7	8
2012	57,806	372,613	391,792	455,905	455,983	496,485	496,485	544,818
2013	30,573	151,363	367,989	860,397	938,345	938,345	938,345	1,056,231
2014	802	300,356	302,064	339,308	361,755	361,755	361,755	407,203
2015	208,274	237,654	291,004	307,299	307,299	315,755	315,755	355,252
2016	14,505	664,689	665,457	672,586	712,080	731,536	731,536	822,407
2017	3,571	3,571	55,833	74,666	78,947	81,056	81,056	90,907
2018	0	23,974	29,028	38,722	40,925	42,011	42,011	47,081
2019	48,473	273,868	330,677	439,646	464,416	476,618	476,618	533,612

**Inflation adjustment on paid and projected claims only

Loss reserve (Attritional) - Inflation Adjusted 904,427

Large Claims

Loss Year	Exposure / Earned premium N'000	Total Paid Amounts N'000	Total Paid Amounts (Inf adj) N'000	Number of Large Losses	Claim Frequency	Average Paid Cost N'000	Ultimate Avg Cost	Ultimate Frequency	Ultimate Paid Amounts N'000	Large Loss Reserves N'000
2017	1,304,287	0	0	0	0.000000%	0	0	0	0	0
2018	1,861,221	0	0	0	0.000000%	0	0	0	0	0
2019	2,129,277	0	0	0	0.000000%	0	0	0	0	0
2020	2,627,092	0	0	0	0.000000%	0	0	0	0	0
2021	2,601,348	0	0	0	0.000000%	0	0	0	0	0
2022	2,647,699	0	0	0	0.000000%	0	0	0	0	0
2023	3,393,213	0	0	1	0.000029%	0	0	0	0	0

Large 0
Attritional 904,427
Total Gross Loss Reserve 904,427
Reported Outstanding Claim 40,720
Gross IBNR 863,707



Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

LOB	Engineering
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Bornhuetter-Ferguson Method (using the average of IABCL and IALDF loss development factors)

Gross Loss Reserve calculations

Attritional Claims

Incremental Claims ('000)

Loss Year	Development Year							
	1	2	3	4	5	6	7	8
2016	11,042	16,531	1,846	1,330	2,408	365	0	0
2017	8,132	19,072	4,241	17,145	359	0	0	0
2018	19,085	14,553	230	1,583	111	0	0	0
2019	55,522	8,048	1,488	664	440	0	0	0
2020	25,581	21,991	10,042	246	0	0	0	0
2021	33,313	25,641	18,886	0	0	0	0	0
2022	23,263	63,112	0	0	0	0	0	0
2023	36,261	0	0	0	0	0	0	0

Inflation Adjusted Cumulative Projected Claims ('000)

Loss Year	Development Year							
	1	2	3	4	5	6	7	8
2016	33,100	76,049	80,353	83,122	87,453	88,021	88,021	88,021
2017	21,128	65,594	74,424	105,264	105,822	105,822	105,822	
2018	44,495	74,795	75,208	77,670	77,813	77,813		
2019	115,598	130,075	132,389	133,240	133,680			
2020	46,012	80,221	93,096	93,342				
2021	51,821	84,693	103,579					
2022	29,823	92,935						
2023	36,261							

IABCL Devt Factors (A)	1.767	1.093	1.082	1.014	1.002	1.000	1.000
IALDF Devt Factors (B)	2.179	1.091	1.020	1.010	1.002	1.000	1.000
Average [(A),(B)]	1.973	1.092	1.051	1.012	1.002	1.000	1.000
Cumulative DF	2.296	1.163	1.065	1.014	1.002	1.000	1.000

	2023	2022	2021	2020	2019	2018	2017
Premium ('000)	769,906	929,864	473,752	514,273	419,871	348,826	163,664
Est. Loss factor (1-1/(cumul DF))	56.44%	14.04%	6.14%	1.35%	0.19%	0.00%	0.00%
Ultimate claims ratio		19.65%					
Loss reserve (Attritional)		118,304	=sumproduct((Premium),(Estimated IBNR factor))*Ultimate claims ratio				
Loss reserve (Attritional) - Inflation Adjusted		126,164					

Large Claims

Loss Year	Exposure / Earned premium N'000	Total Paid Amounts N'000	Total Paid Amounts (Inf adj) N'000	Number of Large Losses	Claim Frequency	Average Paid Cost N'000	Ultimate Avg Cost	Ultimate Frequency	Ultimate Paid Amounts N'000	Large Loss Reserves N'000
2017	163,664	0	0	0	0.000000%	0	0	0	0	0
2018	348,826	0	0	0	0.000000%	0	0	0	0	0
2019	419,871	94,097	94,097	3	0.000715%	31,366	31,366	0	94,097	0
2020	514,273	10,965	10,965	1	0.000194%	10,965	10,965	0	10,965	0
2021	473,752	141,589	141,589	3	0.000633%	47,196	47,196	0	141,589	0
2022	929,864	51,343	51,343	3	0.000323%	17,114	17,114	0	51,343	0
2023	769,906	0	0	1	0.000130%	0	24,533	0	91,548	91,548

Large Attritional 71,942
Total Gross Loss Reserve 126,164
Reported Outstanding Claim 198,106
Gross IBNR 37,111
160,995

IABCL Devt Factors (A)	1.767	1.093	1.082	1.014	1.002	1.000	1.000
IALDF Devt Factors (B)	2.179	1.091	1.020	1.010	1.002	1.000	1.000
Average [(A),(B)]	1.973	1.092	1.051	1.012	1.002	1.000	1.000
Cumulative DF	2.296	1.163	1.065	1.014	1.002	1.000	1.000



Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

LOB	Aviation
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*Inflation Adjusted Loss Development Factor
Method (IALDF)*

Gross Loss Reserve calculations

Attritional Claims

Incremental Claims ('000)

Loss Year	Development Year							
	1	2	3	4	5	6	7	8
2016	157,092	97,289	23,939	7,793	0	0	142	0
2017	68,663	20,553	158,772	0	0	0	0	0
2018	349,776	64,802	126,759	7,395	0	0	0	0
2019	179,243	9,511	821	38,083	0	0	0	0
2020	32,544	7,914	813	0	0	0	0	0
2021	0	8,127	0	0	0	0	0	0
2022	28,092	48,683	0	0	0	0	0	0
2023	25,859	0	0	0	0	0	0	0

Inflation Adjusted Cumulative Projected Claims ('000)

Loss Year	Development Year							
	1	2	3	4	5	6	7	8
2016	470,881	723,654	779,466	795,690	795,690	795,690	795,872	795,872
2017	178,398	226,316	556,881	556,881	556,881	556,881	556,881	
2018	815,481	950,400	1,178,404	1,189,907	1,189,907	1,189,907		
2019	373,187	390,295	391,572	440,395	440,395			
2020	58,538	70,849	71,892	71,892				
2021	0	10,418	10,418					
2022	36,014	84,697						
2023	25,859							

Cumulative Projected Claims ('000)

Loss Year	Development Year							
	1 --> 2	2 --> 3	3 --> 4	4 --> 5	5 --> 6	6 --> 7	7 --> 8	8 --> 9
2016	1.5368	1.0771	1.0208	1.0000	1.0000	1.0002	1.0000	
2017	1.2686	2.4606	1.0000	1.0000	1.0000	1.0000		
2018	1.1654	1.2399	1.0098	1.0000	1.0000			
2019	1.0458	1.0033	1.1247	1.0000				
2020	1.2103	1.0147	1.0000					
2021	1.0000	1.0000						
2022	2.3518							
2023								

IALDF Devt Factors*

1.254 1.103 1.010 1.000 1.000 1.000 1.000

Cumulative DF

1.397 1.114 1.011 1.000 1.000 1.000 1.000

	2023	2022	2021	2020	2019	2018	2017
Premium ('000)	1,311,683	1,093,006	1,126,657	928,595	812,112	305,404	571,293
Est. Loss factor (1-1/(cumul DF))	28.44%	10.26%	1.04%	0.01%	0.01%	0.01%	0.00%
Ultimate claims ratio		35.73%					
Loss reserve (Attritional)		177,605	=sumproduct({Premium},{Estimated IBNR factor})*Ultimate claims ratio				
Loss reserve (Attritional) - Inflation Adjusted		186,944					

Large Claims

Loss Year	Exposure / Earned premium N'000	Total Paid Amounts N'000	Total Paid Amounts (Inf adj) N'000	Number of Large Losses	Claim Frequency	Average Paid Cost N'000	Ultimate Avg Cost	Ultimate Frequency	Ultimate Paid Amounts N'000	Large Loss Reserves N'000
2017	571,293	0	0	0	0.000000%	0	0	0	0	0
2018	305,404	0	0	0	0.000000%	0	0	0	0	0
2019	812,112	0	0	0	0.000000%	0	0	0	0	0
2020	928,595	0	0	0	0.000000%	0	0	0	0	0
2021	1,126,657	0	0	0	0.000000%	0	0	0	0	0
2022	1,093,006	0	0	0	0.000000%	0	0	0	0	0
2023	1,311,683	0	0	1	0.000076%	0	0	0	0	0

Large
Attritional 0
Total Gross Loss Reserve 186,944
Reported Outstanding Claim 58,168
Gross IBNR 128,776

*This is the average of the 75% and 25% percentile of the LDFs, which excludes extreme values from the calculation.

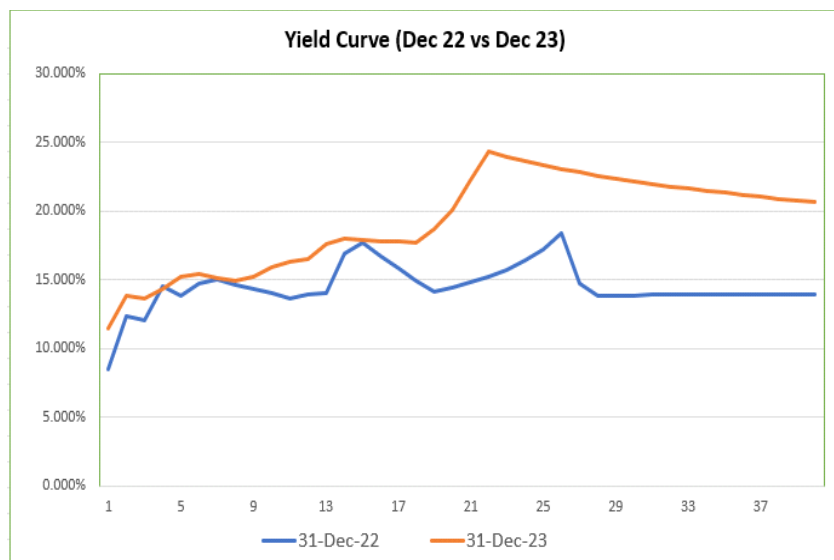
Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

DISCOUNT RATES

The discount rates applied have been based on the yield curve at 31 December 2023, as published by the Nigerian Actuarial Society (NAS). The table and chart below present this, alongside the yield curve as at 31 December, 2022.

Term (annual)	Spot Rate (Annual)	
	31-Dec-22	31-Dec-23
0		
1	8.4614%	11.5092%
2	12.3921%	13.7947%
3	12.0812%	13.6021%
4	14.5519%	14.3614%
5	13.8183%	15.2478%
6	14.7387%	15.3810%
7	15.0025%	15.1418%
8	14.6557%	14.9153%
9	14.3253%	15.2359%
10	14.0022%	15.8931%
11	13.6821%	16.3600%
12	13.8942%	16.5188%
13	14.0620%	17.5555%
14	16.9022%	17.9572%
15	17.7443%	17.8762%
16	16.7188%	17.8151%
17	15.7850%	17.7716%
18	14.9293%	17.7453%
19	14.1433%	18.6901%
20	14.4068%	20.0784%
21	14.7809%	22.2644%
22	15.2129%	24.2879%
23	15.7267%	23.9388%
24	16.3610%	23.6220%
25	17.1859%	23.3312%
26	18.3395%	23.0634%
27	14.7552%	22.8160%
28	13.8566%	22.5867%
29	13.8790%	22.3736%
30	13.8839%	22.1750%
31	13.8876%	21.9795%
32	13.8912%	21.7962%
33	13.8945%	21.6243%
34	13.8976%	21.4628%
35	13.9005%	21.3106%
36	13.9033%	21.1671%
37	13.9059%	21.0315%
38	13.9084%	20.9032%
39	13.9107%	20.7816%
40	13.9130%	20.6662%
...
120	13.9712%	17.7038%



Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

H Expected Loss Ratio Method: This model was adopted because the volume of data available is too small to be relied upon when using a statistical approach. The reserve for oil & Gas, Bond, Aviation and Engineering was estimated based on this method. Under this method, we obtained the ultimate claims by assuming loss ratio. Paid claims already emerged is then allowed for from the estimated Ultimate claim.

I Sensitivity analysis:- LIC

Sensitivity analysis attempts to estimate likely amount of reserves at rare/worst case scenarios. The estimated claim amounts can never be an exact forecast of future claim amounts and therefore looking at how these claim amounts vary could provide valuable information for business planning and risk appetite considerations. Results of sensitivity testing based on expected loss ratios are as follows, shown gross and net of reinsurance as impact on pre-tax income:

Sensitivity Analysis - LIC:

	2023(M)	2022(M)
Insurance Revenue	14,816	11,143
Reinsurance cost	6,339	4,894
Gross Claim incurred	5,093	3,931
Claims ratio	34%	36%
5% increase in claims	5,348	4,128
Claims ratio	36%	37%
5% reduction in claims	4,839	3,735
Claims ratio	33%	34%
PBT	4,113	939
5% increase in claims	(255)	(197)
PBT	3,868	1,265
SHF	12,138	9,012
5% increase in claims	(255)	(197)
SHF	11,883	816

A 5% increase or decrease in general Liability for incurred claims experience translates to less than 10% impact on the operating performance of the group. The possibility of a 5% decline in claims experience is considered a rare occurrence.

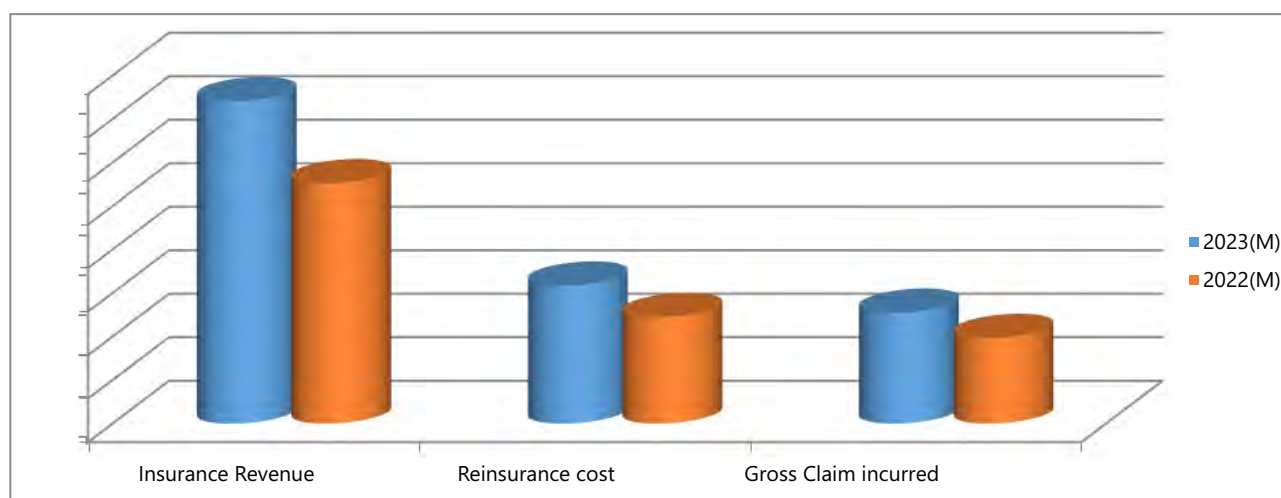


Figure 1 : Gross Premium earned vs Reinsurance Cost vs Gross Claim incurred. (2023 & 2022)

J Risk Concentration

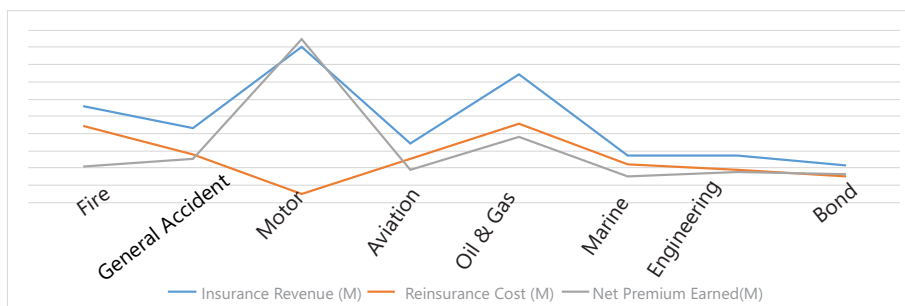
Management assesses risk concentration per class of business. The concentration of insurance risk before and after reinsurance by class in relation to the type of insurance risk accepted is summarized below, with reference to the amount of gross and net premium earned before and after reinsurance respectively:



Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

Year ended 31st December, 2023	Insurance Revenue (M)	Reinsurance Cost (M)	Net Premium Earned(M)
Product			
Fire	2,297	1,726	571
General Accident	1,669	897	773
Motor	4,031	(228)	4,260
Aviation	1,234	779	455
Oil & Gas	3,223	1,809	1,415
Marine	890	614	276
Engineering	871	470	401
Bond	599	273	326
	14,816	6,339	8,477



.Figure 2 : Gross premium earned vs Reinsurance Cost per class . (2023)

Year ended 31st December, 2022

Product	Gross Premium Earned	Reinsurance Cost	Net Premium Earned
Fire	1,601	861	740
General Accident	1,485	750	735
Motor	2,449	28	2,421
Aviation	1,113	675	438
Oil & Gas	2,586	1,594	992
Marine	810	563	247
Engineering	615	266	349
Bond	389	157	232
	11,048	4,894	6,154

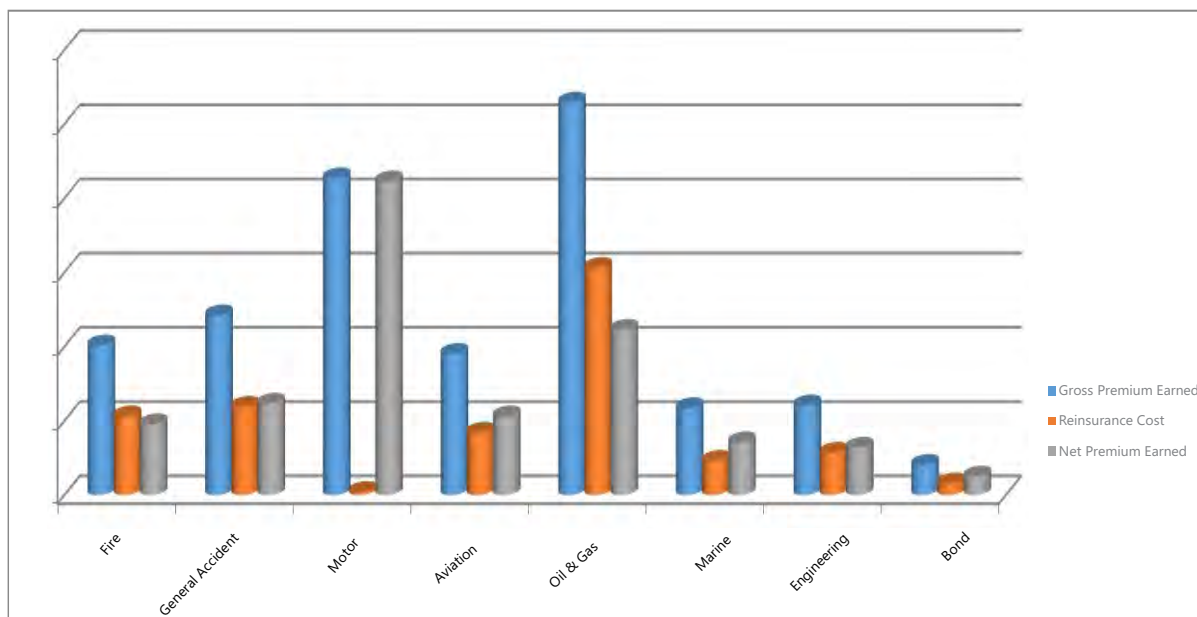


Figure 3 : Gross premium earned vs Reinsurance Cost per class. (2021)

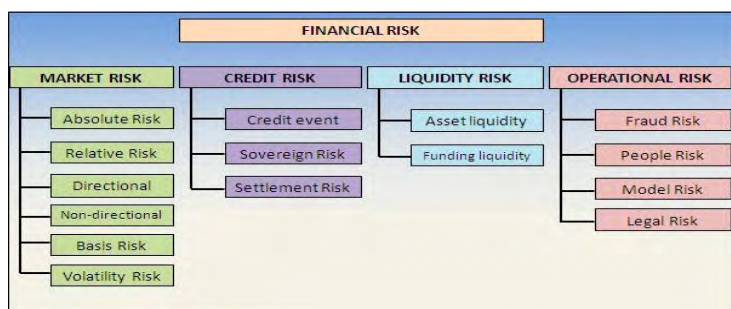
Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

K Financial Risks Management (FRM)

"Risk Classification: Most financial risk can be categorized as either systematic or non-systematic. Systematic risk affects an entire economy and all of the businesses within it; an example of systematic risk would be losses due to a recession. Non-systematic risks are those that vary between companies or industries; these risks can be avoided completely through careful planning. There are several types of systematic risk. Interest risk is the risk that changing interest rates will make your current investment's rate look unfavorable. Inflation risk is the risk that inflation will increase, making your current investment's return smaller in relation. Liquidity risk is associated with "tying up" your money in long-term assets that cannot be sold easily. There are also different types of non-systematic risk. Management risk is the risk that bad management decisions will hurt a company in which you're invested. Credit risk is the risk that a debt instrument issuer (such as a bond issuer) will default on their repayments to you. Consolidated Hallmark Insurance Plc is exposed to an array of risks through its operations. the Company has identified and categorized its exposure to these broad risks listed below: Market Risk, Credit Risk, Operational Risk, Liquidity Risk, Interest Rate Risk, Reputational Risk, Foreign Currency Risk, Equity risk."

K(i) Financial risk is an umbrella term for multiple types of risk associated with financing, including financial transactions that include group loans in risk of default. Financial risk is one of the high-priority risk types for every business. Financial risk is caused due to market movements and market movements can include host of factors. Based on this, financial risk can be classified into various types such as Market Risk, Credit Risk, Liquidity Risk, Operational Risk and Legal Risk. The Group has exposure to the following risks and their management approach are disclosed in the accompanying explanatory notes:



K(ii) Operational risks

Operational risks are the risks of direct or indirect loss arising from a wide variety of causes associated with the company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the company's operations.

The Company's objective is to manage operational risks so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each unit. This responsibility is supported by the development of operational standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including independent authorisation of transactions.
- requirements for the reconciliation and monitoring of transactions.
- compliance with regulatory and other legal requirements.
- documentation of controls and procedures.
- training and professional development.
- ethical and business standards.
- adequate insurance and reinsurance protection purchased

Reinsurance is placed with African Reinsurance Corporation, WAICA Reinsurance Corporation Plc and Continental Reinsurance Plc, these are Nigerian registered reinsurer. Management monitors the creditworthiness of the Reinsurers by reviewing their annual financial statements and through ongoing communications. Reinsurance treaties are reviewed annually by management prior to renewal of the reinsurance contract.



Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

k(iii) Credit risks

Credit risk is the risk of financial loss to the Group if a debtor fails to make payments of interest and principal when due. The Group is exposed to this risk relating to its debt holdings in its investment portfolio and the reliance on reinsurers to make payment when certain loss conditions are met.

Sources of credit risk identified are Direct Default Risk that the Group will not receive the cash flows or assets to which it is entitled because a party with which the firm has a bilateral contract defaults on one or more obligations. Downgrade Risk that changes the possibility of future default by an obligor will adversely present value of the contract with the obligor today and Settlement risk arising from lag between the value and settlement dates of transactions. All these risks are closely monitored and measures are put in place to minimise the Groups exposure to them.

On insurance receivables, the Group has a credit control policy which is enforced by a credit control unit and which forms part of the underwriting process. In addition, the Maximum exposure to credit risk before collateral held or other credit enhancements:

	Group		Company	
	2023	2022	2023	2022
	N	N	N	N
Overall credit risk				
Reinsurance contracts asset	3,446,441,321	3,552,376,954	3,446,441,321	3,552,376,954
Amortised cost	12,101,224,594	7,684,522,974	9,722,241,174	-
Trade receivables	1,182,794,434	831,493,560	1,150,281,154	773,060,783
Short-term funds treated as investment	1,696,223,987	605,016,570	833,495,262	618,734,570
Treasury bills	-	-	-	-
Equity investment	2,483,265,165	827,492,588	2,450,528,764	805,071,520
Cash and bank	1,292,504,647	1,156,318,788	1,101,286,491	658,845,402

The table below analyses end of the year values of the above exposures:

	Fair value as at 2023	Fair value as at 2022	Fair value as at 2023	Fair value as at 2022
	3,446,441,321	3,552,376,954	3,446,441,321	3,552,376,954
Reinsurance contracts	12,101,224,594	7,684,522,974	9,722,241,174	-
Amortised cost	1,182,794,434	831,493,560	1,150,281,154	773,060,783
Trade receivables	1,696,223,987	605,016,570	833,495,262	618,734,570
Short-term funds treated as investment	-	-	-	-
Treasury bills	2,483,265,165	827,492,588	2,450,528,764	805,071,520
Equity investment	1,292,504,647	1,156,318,788	1,101,286,491	658,845,402
Cash and bank	22,202,454,147	14,657,221,433	18,704,274,166	6,408,089,230

For credit risk purpose, the trade debtors are grouped into three categories:

Group A – the maximum trade credits allowed per participant under this group is N10m.

Group B – the maximum trade credits allowed per participant under this group is N7m.

Group C – the maximum trade credits allowed per participant under this group is N5m.

Past experience is used in grouping the debtors since most of the clients are not rated.

The profit before tax of the Group will be reduced by N389m if the overall credit is impaired by 5%

Loan issued to corporate / individuals

Balance as at 31st December

Impairment on loans issued to corporate and individuals (Note 3.2.3b)



Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

Loan issued to corporate / individuals	3,306,928,774	2,622,061,024	-	5,188,038
Balance as at 31st December				
Impairment on loans issued to corporate and individuals (Note 3.2.3b)	(381,978,303)	(328,482,467)	-	-
	2,924,950,471	2,293,578,557	-	5,188,038

Maximum exposure to credit risk before collateral held or other credit enhancements:

	Group		Company	
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
Neither past due nor impaired	14,080,226	9,141,153	11,776,171	1,337,170
Past due but not impaired	-	10,500	-	88,509
Impaired	381,978	328,482	-	-
Gross	14,462,204	9,480,135	11,776,171	1,425,679
Impairment allowance - collective	(723,110)	(474,007)	(588,809)	(71,284)
Net	13,739,094	9,006,129	11,187,362	1,354,395

Credit quality of financial assets per asset class-Group 31-Dec-23

	Cash and cash equivalents	Trade receivables	Amortised cost
Neither past due nor impaired	2,987,311,205	1,182,794,434	12,634,734,508
Past due but not impaired	-	-	-
Impaired	3,408,326	-	381,978,303
Gross	2,990,719,532	1,183,958,654	13,016,712,811
Impairment allowance - collective	(149,535,977)	(59,197,933)	(650,835,641)
Net	2,841,183,555	1,124,760,721	12,365,877,170

Credit quality of financial assets per asset class-Group 31-Dec-22

	Cash and cash equivalents	Trade receivables	Amortised Cost
Neither past due nor impaired	1,666,364,199	831,493,560	8,187,991,691
Past due but not impaired	-	-	-
Impaired	94,971,159	-	328,482,467
Gross	1,761,335,358	831,493,560	8,516,474,158
Impairment allowance - collective	(88,222,407)	(41,574,678)	(425,823,708)
Net	1,673,112,951	789,918,882	8,090,650,450

Credit quality of financial assets per asset class-Company 31-Dec-23

	Cash and cash equivalents	Trade receivables	Amortised Cost
Neither past due nor impaired	1,933,950,945	1,150,281,154	10,216,581,667
Past due but not impaired	-	-	150,000,500
Impaired	-	-	-
Gross	1,933,950,945	1,150,281,154	10,366,582,167
Impairment allowance - collective	-	(57,514,058)	(518,329,108)
Net	1,933,950,945	1,092,767,096	9,848,253,059

Credit quality of financial assets per asset class-Company 31-Dec-22

	Cash and cash equivalents	Trade receivables	Amortised Cost
Neither past due nor impaired	1,183,948,834	773,060,783	5,893,562,189
Past due but not impaired	-	-	150,000
Impaired	-	-	-
Gross	1,183,948,834	831,493,560	8,516,474,158
Impairment allowance - collective	-	(38,653,039)	(302,178,134)
Net	1,183,948,834	734,407,744	5,741,384,555

(a) Financial assets neither past due nor impaired

The credit quality of the portfolio of insurance receivables and other loans and receivables, debt securities and other financial asset exposed to credit risk that were neither past due nor impaired can be assessed by reference to the capacity of the business to pay on written businesses. The Group does not rate any of its financial assets measured at amortised cost.



Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

The assets above are analysed in the table below either using Standard & Poors or GCR rating agencies. Government securities are rated using sovereign rate.

Group	A+	AA-	BBB-	Below BBB	Not rated
31-Dec-23					
Cash and cash equivalents	1,058,075,553	41,240,984	931,929,162	932,591,148	23,474,359
Trade receivables	-	-	-	-	1,182,794,434
Amortised cost	-	3,597,577,237	237,215,479	-	8,266,431,878
Other assets	-	-	-	-	417,677,138
Reinsurance assets	-	-	-	3,446,441,321	-
Debt securities	-	-	-	-	-
	1,058,075,553	3,638,818,221	1,169,144,641	4,379,032,468	9,890,377,808

Group	A+	A	BBB-	Below BBB	Not rated
31-Dec-22					
Cash and cash equivalents	622,751,963	22,603,595	931,929,162	68,717,900	23,474,359
Trade receivables	-	-	-	-	831,493,560
Loans and other receivables	-	4,037,701,315	225,137,342	-	3,421,684,317
Other assets	-	-	-	3,552,376,954	547,376,936
Reinsurance assets	-	-	-	-	-
Debt securities	-	-	-	-	-
	622,751,963	4,060,304,910	1,157,066,504	3,621,094,584	4,499,344,739

Company	A+	A	BBB-	Below BBB	Not rated
31-Dec-23					
Cash and cash equivalents	1,058,075,553	41,240,984	331,929,162	479,230,888	23,474,359
Trade receivables	-	-	-	-	1,150,281,154
Amortised cost	-	3,597,577,237	237,215,479	-	5,887,448,458
Other assets	-	-	-	-	644,340,993
Reinsurance assets	-	-	-	3,446,441,321	-
Debt securities	-	-	-	-	-
	1,058,075,553	3,638,818,221	569,144,641	3,925,672,209	7,705,544,963

Company	A+	A	BBB-	Below BBB	Not rated
31-Dec-22					
Cash and cash equivalents	622,751,963	22,603,595	331,929,162	183,189,756	23,474,359
Trade receivables	-	-	-	-	773,060,783
Loans and other receivables	-	4,037,701,315	225,137,342	-	1,128,105,761
Other assets	-	-	-	3,552,376,954	652,618,272
Reinsurance assets	-	-	-	-	-
Debt securities	-	-	-	-	-
	622,751,963	4,060,304,910	557,066,503	3,735,566,710	2,577,259,175



Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

(b) Age Analysis financial assets past due but not impaired

Group	< 90 days	181-270 days	271-365 days	Above 365days
31-Dec-23				
Trade receivables	1,182,794,434	-	-	-
Total	1,182,794,434	-	-	-
Profile	100%	0%	0%	0%
Group				
31-Dec-22	< 90 days	181-270 days	271-365 days	1-2 yr
Trade receivables	831,493,560	-	-	-
Total	831,493,560	-	-	-
Profile	101%	0%	0%	0%
Company	< 90 days	181-270 days	271-365 days	Above 365days
31-Dec-23	1,150,281,154	-	-	-
Trade receivables				
Total	1,150,281,154	-	-	-
Profile	100%	0%	0%	0%
Company				
31-Dec-22	< 90 days	181-270 days	271-365 days	1-2 yr
Trade receivables	773,060,783	-	-	-
Total	773,060,783	-	-	-
Profile	100%	0%	0%	0%

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

IMPAIRMENT MODEL

Premium debtors are measured at amortised cost, less provision for impaired receivables. Under IFRS, an asset is impaired if the carrying amount is greater than the recoverable amount. IAS 39 favours the use of the incurred loss model in estimating the impairment of its receivables. However, with the inception of IFRS 9, which became effective for annual periods beginning on/after 1 January 2018, the Expected Credit Losses (ECL) method of impairment calculation will be in force.

Based on NAICOM's "No Premium No Cover" guidelines which state that "all insurance covers shall be provided on a strict 'no premium no cover' basis", only cover for which payment has been received shall be booked. However, brokers have a 30 day period to make payments from the date of the credit notes.

After analysing this financial instrument based on NAICOM "No Premium No Cover" guidelines, a nil impairment standpoint was taken.

The impairment requirements of IFRS 9 apply to all debt instruments that are measured at amortised cost or FVOCI, and to off-balance sheet lending commitments such as loan commitments and financial guarantees (hereafter collectively referred to as financial assets). This contrast to the IAS 39 impairment model which was not applicable to loan commitments and financial guarantee contracts, as there were instead covered by International Accounting standards 37: "Provisions, contingent liabilities and contingent assets (IAS 37)".

The determination of impairment loss and allowance moves from the incurred credit loss model whereby credit losses are recognised when a defined loss event occurs under IAS 39, to expected credit loss model under IFRS 9, where provisions are recognised upon initial recognition of the financial asset based on expectation of potential credit losses at the time of initial recognition. Under IFRS 9, The Company first evaluates individually whether objective evidence of impairment exists for loans that are individually significant and then collectively assess the loan and other receivables that are not significant and those which are significant but for which there is no objective evidence of impairment available under the individual assessment

Expected Credit Loss Impairment Model

The Group's allowance for credit losses calculations are outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. The expected credit loss impairment model reflects the present value of all cash shortfalls related to default events either over the following twelve months or over the expected life of a financial instrument depending on credit deterioration from inception. The allowance for credit losses reflects an unbiased, probability-weighted outcome which considers multiple scenarios based on reasonable and supportable forecasts.

The Group adopts a three-stage approach for impairment assesment based on changes in credit quality since initial recognition.

- Stage 1 – Where there has not been a significant increase in credit risk (SICR) since initial recognition of a financial instrument, an amount equal to 12 months expected credit loss is recorded. The expected credit loss is computed using a probability of default occurring over the next 12 months. For those instruments with a remaining maturity of less than 12 months, a probability of default corresponding to remaining term to maturity is used.
- Stage 2 – When a financial instrument experiences a SICR subsequent to origination but is not considered to be in default, it is included in Stage 2. This requires the computation of expected credit loss based on the probability of default over the remaining estimated life of the financial instrument.
- Stage 3 – Financial instruments that are considered to be in default are included in this stage. Similar to Stage 2, the allowance for credit losses captures the lifetime expected credit losses.

Impairment Methodology

Calculation of Expected Credit Losses

Calculation of the expected credit loss is based on the key risk parameters of PD, LGD and ED. The calculation of ECL incorporates forward-looking information in all the ECL components. This forward-looking information will impact the various ECL components as follows:

Probability of default – The PDs will vary during various stages of an economic cycle. It is based on the likelihood that a borrower will default within one year (PD), assessment of the creditworthiness of the counterparty and transformation of 1 Year horizon into lifetime of the asset.

Loss Given Default – Collateral values will vary based on the stage of an economic cycle.

Exposure at default – Change in interest rates may affect the EAD, e.g. higher interest rates may result in longer terms for loans causing a change in the EAD.

Loss Given Default

The Company applies historical experience to determine the expected loss given default ratios for each class of financial instruments. Where internal historical experience is not available, other sources, e.g. data available from rating companies as well as professional judgements are



Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

used to determine the LGD ratios that will apply. Collateral that is held against the financial assets is also considered in determining the LGD

The Company Management has resolved to use the recovery rates as published by Moodys credit analytics for all credit exposures to sovereign denominated in foreign currencies and all corporate exposures.

For sovereign exposures denominated in Naira which are assessed as low credit risk exposures, we have resolved to use LGDs within the range of 5-10% based on the Central Banks of Nigeria's Revised Guidance Notes on Credit risk. Section 3.1 of the document addresses exposure to sovereigns and Central banks and states that financial institutions should assign a risk weight of 0% to the following:

Exposures to Federal Government of Nigeria (FGN) and Central Bank of Nigeria (CBN);
Instruments issued by other entities backed by express guarantee of the FGN;

Inter-bank transactions guaranteed by the FGN or CBN; and

Inter-bank transactions among supervised institutions collateralized by FGN Bonds, Treasury Bills or other similar sovereign bills.

Macroeconomic factors

The Group relies on a broad range of forward looking information as economic inputs, such as: GDP growth, unemployment rates, central bank base rates, crude oil prices, inflation rates and foreign exchange rates. The inputs and models used for calculating expected credit losses may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays may be made as temporary adjustments using expert credit judgement.

Multiple forward-looking scenarios

The Group determines allowance for credit losses using probability-weighted forward looking scenarios. The Group considers both internal and external sources of information in order to achieve an unbiased measure of the scenarios used. The Group prepares the scenarios using forecasts generated by credible sources such as Business Monitor International (BMI), International Monetary Fund (IMF), Nigeria Bureau of Statistics (NBS), World Bank, Central Bank of Nigeria (CBN), Financial Markets Dealers Quotation (FMDQ) and Trading Economics.

The Group estimates three scenarios for each risk parameter (LGD, EAD, CCF and PD) – Normal, Upturn and Downturn, which in turn are used in the estimation of the multiple scenario ECLs. The normal case represents the most likely outcome and is aligned with information used by the Group for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. The Group has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables, credit risk and credit losses.

Assessment of significant increase in credit risk (SICR)

At each reporting date, the Group assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the remaining expected life from the reporting date and the date of initial recognition. The assessment considers specific quantitative and qualitative information about the issuer without consideration of collateral, and the impact of forward-looking macroeconomic factors. The common assessments for SICR on retail and non-retail portfolios include macroeconomic outlook, management judgement, and delinquency and monitoring. Forward looking macroeconomic factors are a key component of the macroeconomic outlook. The importance and relevance of each specific macroeconomic factor depends on the type of product, characteristics of the financial instruments and the issuer and the geographical region.

The Group adopts a multi factor approach in assessing changes in credit risk. This approach considers: Quantitative (primary), Qualitative (secondary) and Back stop indicators which are critical in allocating financial assets into stages.

The quantitative models considers deterioration in the credit rating of obligor/counterparty based on the Group's internal rating system or External Credit Assessment Institutions (ECAI) while qualitative factors considers information such as expected forbearance, restructuring, exposure classification by licensed credit bureau etc.

A backstop is typically used to ensure that in the (unlikely) event that the primary (quantitative) indicators do not change and there is no trigger from the secondary (qualitative) indicators, an account that has breached the 30 days past due criteria for SICR and 90 days past due criteria for default is transferred to stage 2 and stage 3 respectively except there is a reasonable and supportable evidence available without undue cost to rebut the presumption.

Definition of Default and Credit Impaired Financial Assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cashflows of the financial assets have occurred.



Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

Evidence that a financial asset is credit-impaired includes the following observable data:

- (i) Significant financial difficulty of the borrower or issuer;
- (ii) A breach of contract such as a default or past due event;
- (iii) It is becoming probable that the issuer will enter bankruptcy or other financial reorganisation; or
- (iv) The disappearance of an active market for a security because of financial difficulties.
- (v) The purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

An asset that has been renegotiated due to a deterioration in the issuer's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment.

In making an assessment of whether an investment in sovereign debt is credit-impaired, the Group considers the following factors.

- The market's assessment of creditworthiness as reflected in the bond yields.
- The rating agencies' assessments of creditworthiness.
- The country's ability to access the capital markets for new debt issuance.
- The probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness.

The international support mechanisms in place to provide the necessary support as 'lender of last resort' to that country, as well as the intention, reflected in public statements, of governments and agencies to use those mechanisms. This includes an assessment of the depth of those mechanisms and, irrespective of the political intent, whether there is the capacity to fulfil the required criteria.

Presentation of allowance for ECL in the statement of financial position Loan allowances for ECL are presented in the statement of financial position as follows:

- Financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets:
- Debt instruments measured at FVOCI: no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognised in the fair value reserve.

Concentration of credit risk

Concentration risk (including geographical risk) includes identification of the concentration of risks insured by Consolidated Hallmark Insurance Plc utilize data analysis, software and market knowledge to determine the concentration of its risks by insurance class, geographic location, exposure to a client or business. The assessment of the concentration risk are consistent with the overall risk appetite as established by the Group.

Consolidated Hallmark Insurance Plc monitors concentration of credit risk by geographical and nature of business. An analysis of concentrations of credit risk for trade receivables are set out below:



Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

(a) Geographical sectors

At 31 December

	Group		Company	
	2023	2022	2023	2022
	N	N	N	N
Lagos & Western region (Nigeria)	483,040,500	183,040,500	454,367,890	174,657,098
Eastern region (Nigeria)	27,564,765	25,086,030	24,506,030	23,879,028
Northern region (Nigeria)	672,189,169	623,367,030	671,407,234	574,524,657
Total	1,182,794,434	831,493,560	1,150,281,154	773,060,783

k(iv) Liquidity risks

Liquidity risk is the risk that the Group will not be able to meet all cash outflow obligations as they come due. The Group mitigates this risk by monitoring cash activities and expected outflows. The Group's current liabilities arise as claims are made. The Group does not have material liabilities that can be called unexpectedly at the demand of a lender or client. It has no material commitments for capital expenditures and there is no need for such expenditures in the normal course of business. Claim payments are funded by current operating cash flow including investment income. Short-term investments include treasury bills, commercial paper and term deposits with an original maturity of less than one year. There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

FINANCIAL ASSETS MATURITY PROFILE

The maturity profile Group's financial assets is as listed below:				
Loans And Receivables				
	Group		Company	
	2023	2022	2023	2022
	N	N	N	N
Analysis by Performance:				
Performing	12,080,403,241	7,684,522,974	9,722,241,174	5,390,944,417
Non - Performing	381,978,303	328,482,467	-	-
Total	12,462,381,544	8,013,005,441	9,722,241,174	5,390,944,417
Analysis by Maturity:				
0 - 30 days	373,055,200	373,055,200	360,000,200	360,000,200
1 - 3 months	620,050,500	620,050,500	530,000,000	530,000,000
3 - 6 months	476,840,838	476,840,838	340,000,000	340,000,000
6 - 12 months	555,000,000	555,000,000	240,000,000	240,000,000
Beyond 12 Months	10,437,435,006	5,988,058,903	8,252,240,974	3,920,944,217
Total	12,462,381,544	8,013,005,441	9,722,241,174	5,390,944,417
Fixed deposits with banks				
	Group		Company	
Analysis by maturity	2023	2022	2023	2022
	N	N	N	N
0 - 30 days	1,277,063,171	1,135,381,176	1,086,260,983	648,513,012
30 - 90 days	1,696,223,987	618,734,570	833,495,262	618,734,570
Above 90 days	-	-	-	-
Grand Total	2,973,287,157	1,754,155,746	1,919,756,245	1,267,247,582

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2023

k(v) Equity risk

"Equity risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The Group is exposed to this risk through its equity holdings within its investment portfolio. The Group's management of equity price risk is guided by Investment Quality and Limit Analysis, Stop Loss Limit Analysis and Stock to Total Loss Limit Analysis."

k(vi) Currency risks

Currency risks are the risks that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign exchange risk (also known as exchange rate risk or currency risk) is a financial risk posed by an exposure to unanticipated changes in the exchange rate between two currencies. Investors and multinational businesses exporting or importing goods and services or making foreign investments throughout the global economy are faced with an exchange rate risk which can have severe financial consequences if not managed appropriately.

The Group's principal transactions are carried out in Naira and its financial assets are primarily denominated in the Naira and its exposure to foreign exchange risk is minimal.

k(vii) Business Risks

"Business risk relates to the potential erosion of our market position or revenue shortfall compared to the cost base due to strategic and/or reputational reasons. The corporate governance structure of the group is effective. Each level of leadership has limits of authority and approval to ensure business decisions are properly considered, relevant risks exposures evaluated and necessary measures implemented to mitigate such risks."

The Group holds regular strategic sessions both at the Board, Management and Operational Unit basis to review the corporate and the unit strategies and ensure the group market share is effectively defended against competition.

k(viii) Reputational Risks

Reputational risk, often called reputation risk, is a type of risk related to the trustworthiness of business. Damage to a firm's reputation can result in lost revenue or destruction of shareholder value, even if the company is not found guilty of a crime. Reputational risk can be a matter of corporate trust, but serves also as a tool in crisis prevention. This type of risk can be informational in nature or even financial. Extreme cases may even lead to bankruptcy.

The composition of the Board and leadership of the group are made up of reputable and experienced practitioners. The group also holds its core values of Professionalism, Relationship, Integrity, Zeal and Excellence (PRIZE) which is regularly communicated to every member and compliance monitored on an ongoing basis.

a(ii) Expected Loss Ratio Method: This model was adopted because the volume of data available is too small to be relied upon when using a statistical approach. The reserve for oil & Gas, Bond, Aviation and Engineering was estimated based on this method. Under this method, we obtained the ultimate claims by assuming loss ratio. Paid claims already emerged is then allowed for from the estimated Ultimate claim.

b) Sensitivity analysis:- LIC

Sensitivity analysis attempts to estimate likely amount of reserves at rare/worst case scenarios. The estimated claim amounts can never be an exact forecast of future claim amounts and therefore looking at how these claim amounts vary could provide valuable information for business planning and risk appetite considerations. Results of sensitivity testing based on expected loss ratios are as follows, shown gross and net of reinsurance as impact on pre-tax income:



Statement Of Value Added - Company

For the year ended 31st December 2023

	2023 N	%	2022 N	%
Insurance Revenue				
Reinsurance, claims and Commissions & Others - local	14,815,865,738		11,047,899,514	
Reinsurance, claims and Commissions & Others - foreign	(8,641,386,940)		(8,894,070,457)	
	-		-	
Value added	6,174,478,798	100	2,153,829,057	100
Applied as follows:				
To pay employees				
Salaries, pension and welfare	1,479,782,785	24	673,461,944	31
To pay government				
Company income taxation	759,953,356	12	386,258,245	18
To pay providers of capital				
Shareholders as dividend	325,200,100	5	216,800,050	10
Retained for future maintenance of assets and future expansion of business				
Contingency reserve	670,613,296	11	361,858,105	17
Depreciation of property and equipment	125,341,051	2	114,057,061	5
Retained earnings for the year	2,813,588,208	46	401,393,652	19
Value added	6,174,478,798	100	2,153,829,057	100

Value added represents the wealth created by the Company during the reporting period. This statement shows the allocation of that wealth among employees, shareholders, government, and that retained for future creation of more wealth.

Statement Of Value Added - Group

For the year ended 31st December 2023

	2023		2022	
	N	%	N	%
Insurance Revenue				
Reinsurance, claims and Commissions & Others - local	15,710,848,992		11,758,185,467	
Reinsurance, claims and Commissions & Others - foreign	(8,674,481,380)		(9,381,030,544)	
Value added	-		-	
	<u>7,036,367,612</u>	100	<u>2,377,154,923</u>	100
Applied as follows:				
To pay employees				
Salaries, pension and welfare	1,532,233,665	22	822,404,959	35
To pay government				
Company income taxation	882,704,996	13	411,719,745	17
To pay providers of capital				
Shareholders as dividend	325,200,100	5	216,800,050	9
Retained for future maintenance of assets and future expansion of business:				
- Contingency & Statutory reserve	730,337,909	10	380,570,153	16
- Depreciation of fixed assets	147,648,610	2	147,045,169	6
'- Retained earnings for the year	3,418,242,332	49	398,614,847	17
Value added	<u>7,036,367,612</u>	100	<u>2,377,154,923</u>	100

Value added represents the wealth created by the Group during the reporting period. This statement shows the allocation of that wealth among employees, shareholders, government, and that retained for future creation of more wealth.



Five Year Financial Summary - Group Statement Of Financial Position

For the year ended 31st December 2023

	31 December 2023 N	31 December 2022 N	31 December 2021 N	31 December 2020 N	31 December 2019 N
Assets					
Cash and cash equivalent	2,985,320,307	1,666,364,199	2,857,075,240	3,173,916,076	1,717,868,438
Financial assets:	14,822,533,183	8,644,183,149	5,290,556,582	4,428,386,704	4,197,638,009
Finance lease receivables	115,832,776	210,896,364	148,741,442	86,247,031	109,998,499
Trade receivables	1,182,794,434	831,493,560	601,620,155	607,688,316	293,747,996
Reinsurance contract assets	3,446,441,321	3,552,376,954	4,086,694,213	3,018,080,617	2,688,545,807
Deferred acquisition cost	-	-	-	355,066,148	360,563,251
Other receivables and prepayments	478,478,481	295,685,133	222,692,504	129,353,111	209,056,966
Intangible Assets	49,681,219	64,109,632	76,702,921	36,574,657	26,087,026
Investment properties	1,474,449,524	1,405,226,470	1,098,676,470	1,042,487,470	843,766,470
Deferred Tax	-	-	-	-	-
Property and equipment	1,279,747,102	1,168,945,157	1,163,471,059	1,021,572,225	981,010,704
Right-of-Use of Assets (Leased Assets)	23,035,044	2,844,702	6,406,591	9,968,479	13,540,124
Statutory deposits	320,000,000	400,000,000	400,000,000	402,000,000	300,000,000
Total assets	26,178,313,391	18,242,125,320	15,952,637,177	14,311,340,834	11,741,823,290
Liabilities					
Insurance contract liabilities	9,979,029,160	6,927,748,770	5,828,566,433	5,208,233,152	4,105,083,759
Investment contract liabilities	10,437,775	13,723,775	17,660,923	-	-
Trade payables	330,749,570	33,472,651	46,805,158	13,972,733	54,241,112
Borrowing	597,302,864	680,107,895	55,800,013	5,013,052	10,448,536
Other payables and provision	515,543,558	324,165,837	274,735,366	221,056,870	384,049,650
Deposit for shares	-	-	-	-	-
Retirement benefit obligations	15,709,020	2,925,282	2,075,682	4,129,526	7,290,620
Current income tax liabilities	1,554,577,043	651,220,778	462,785,845	359,459,121	436,426,812
Deferred tax liabilities	279,460,225	253,908,071	259,663,907	177,878,284	130,587,188
Total liabilities	13,282,809,214	8,887,273,058	6,948,093,327	5,989,742,738	5,128,127,676
Equity & reserves					
Issued and paid up share capital	5,420,000,000	5,420,000,000	5,420,000,000	5,420,000,000	4,065,000,000
Share Premium	168,933,834	168,933,834	168,933,834	168,933,834	155,264,167
Contingency reserves	3,473,337,958	2,800,339,728	2,437,638,438	2,136,621,663	1,855,299,252
Fair Value Through OCI Reserve	126,393,794	39,180,406	30,615,727	-	-
Statutory reserves	133,136,812	91,262,839	72,039,763	45,964,378	36,863,982
Regulatory risk reserve	17,293,896	1,828,189	1,354,214	-	-
Revaluation reserve	138,165,551	128,676,506	115,793,288	-	-
Retained earnings	3,418,242,332	704,630,761	758,168,587	550,078,221	501,268,212
Total equity	12,895,504,177	9,354,852,263	9,004,543,850	8,321,598,096	6,613,695,613
Total liabilities and equity & reserves	26,178,313,391	18,242,125,320	15,952,637,177	14,311,340,834	11,741,823,290



Five Year Financial Summary - Group

Statement Of Comprehensive Income

For the year ended 31st December 2023

	2023 N	2022 N
Insurance revenue	15,710,848,992	11,880,010,802
Insurance service expenses	(12,099,491,055)	(8,963,514,992)
Net expenses from reinsurance contracts held	(3,727,209,643)	(2,745,106,417)
Insurance service result	(115,851,705)	171,389,393
Interest revenue calculated using the effective interest method	1,903,202,041	1,439,608,085
Net fair value gains/(losses) on financial assets at fair value through profit or loss	1,539,014,618	72,297,226
Net fair value gains on derecognition of financial assets measured at fair value through other comprehensive income		
Net foreign exchange income/(expense)	2,958,598,009	590,678,251
Net credit impairment losses	(26,849,335)	(197,713,788)
Net change in investment contract liabilities		
Net investment income	6,373,965,333	1,904,869,773
Finance expenses from insurance contracts issued		
Finance income from reinsurance contracts issued		
Net insurance finance expenses		
Net insurance and investment result	6,258,113,628	2,076,259,166
Asset management services revenue		
Other finance costs		
Other expenses	(1,692,470,183)	(1,159,454,003)
Other income	86,211,132	66,439,274
Share of profit of associates and joint ventures accounted for using the equity method		
Profit before income tax	4,651,854,576	983,244,436
Tax expense	(882,704,996)	(436,229,655)
Profit for the year	3,769,149,580	547,014,781
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss		
Net finance expenses from insurance contracts	96,702,433	21,394,404
Net finance income from reinsurance contracts		
Income tax relating to these items		
Items that may not be reclassified subsequently to profit or loss	3,865,852,013	568,409,185
Changes in the fair value on equity instruments at fair value through other comprehensive income		
Profit attributable to Equity holders	3,865,852,013	568,409,185
Other comprehensive income for the year. Net of tax	3,865,852,013	568,409,185
Total comprehensive income for the year		
EPS	34.8	5



Five Year Financial Summary - Group

Statement Of Comprehensive Income cont'd

For the year ended 31st December 2023

	31 December 2021 N	31 December 2020 N	31 December 2019 N
Gross premium written	9,775,797,397	8,691,234,590	6,864,879,525
Gross premium income	9,698,993,709	8,302,808,423	6,512,335,014
Reinsurance premium expenses	(3,691,859,703)	(3,357,536,001)	(2,239,421,340)
Net premium income	6,007,134,005	4,945,272,421	4,272,913,674
Fee and commission income	493,373,753	519,638,029	356,385,052
Net underwriting income	6,500,507,758	5,464,910,450	4,629,298,727
Claims expenses	(4,173,175,310)	(3,448,090,659)	(4,787,135,023)
Claims recoveries from reinsurers	1,607,269,895	1,768,819,617	2,987,313,881
Claims incurred	(2,565,905,415)	(1,679,271,042)	(1,799,821,142)
Underwriting expenses	(2,073,847,971)	(1,957,228,763)	(1,622,040,692)
Underwriting profit	1,860,754,372	1,828,410,645	1,207,436,893
Investment income	940,350,767	1,080,354,125	939,953,832
Other operating income	91,162,556	29,560,781	25,923,716
Impairment charge	(45,399,531)	(147,122,129)	(11,745,127)
Net fair value gains/(loss) on financial assets at fair value through profit or loss	72,321,055	(11,848,771)	151,362,024
Management expenses	(2,146,624,937)	(2,067,880,186)	(1,778,493,631)
Profit/(loss) before taxation	772,564,282	711,474,464	534,437,706
Income tax (expense)/credit	(94,581,467)	(111,159,875)	(127,726,964)
Profit/(loss) after taxation	677,982,816	600,314,589	406,710,742
Other comprehensive income net of tax	-	-	-
Total comprehensive income/(loss) for the year	677,982,816	600,314,589	406,710,742
Profit/(loss) attributable to:			
Equity holders of the parent	677,982,816	600,314,589	406,710,742
Non-controlling interest	-	-	-
	677,982,816	600,314,589	406,710,742
Basic and diluted earnings/(loss) per share (kobo)	6.90	7.38	5.79

Statement of Comprehensive Income under five years financial summary was presented in two format as a result of defferent presentation of CIS under IFRS 17 and IFRS 4 standards.

- 2023 and 2022 were presented in line with IFRS 17 standard.
- The remaining three years were presented in line with IFRS 4 standard.



Five Year Financial Summary-Company

Statement of Financial Position

	2023 N	2022 N	2021 N	2020 N	2019 N
Assets					
Cash and cash equivalent	1,933,950,945	1,183,948,834	2,044,305,295	2,175,313,539	1,062,065,613
Financial assets	12,432,077,250	6,325,958,061	3,926,828,203	3,683,146,676	3,632,940,136
Deposit for shares	-	-	-	-	-
Trade receivables	1,150,281,154	773,060,783	543,897,328	481,030,540	199,899,308
Reinsurance assets	3,446,441,321	3,552,376,954	4,086,694,213	3,018,080,617	2,688,545,807
Deferred acquisition cost	-	-	-	344,817,850	349,815,691
Other receivables and prepayments	644,340,993	652,618,272	547,376,936	388,249,870	313,691,585
Investment in subsidiaries	1,594,225,000	1,594,225,000	1,594,225,000	1,494,225,000	1,030,000,000
Intangible Assets	14,767,281	22,104,164	29,482,173	30,480,413	24,620,360
Investment properties	1,271,781,524	1,265,226,470	1,008,676,470	948,826,470	750,105,470
Property and equipment	1,199,375,172	1,088,248,164	1,089,355,653	963,585,844	939,322,976
Statutory deposits	300,000,000	300,000,000	300,000,000	300,000,000	300,000,000
Total assets	23,987,240,641	16,757,766,702	15,170,841,271	13,827,756,819	11,291,009,944
Liabilities					
Insurance contract liabilities	9,701,037,803	6,706,663,170	5,648,280,708	5,014,339,773	3,923,826,888
Trade payables	330,749,570	33,472,651	46,805,158	13,972,733	54,241,112
Other payables and provision	224,024,963	240,152,189	206,315,888	208,764,373	343,406,713
Deposit for share	-	-	-	-	-
Retirement benefit obligations	13,677,328	1,181,508	1,367,928	2,253,607	6,690,086
Current income tax liabilities	1,316,060,787	524,545,069	340,135,901	289,145,971	355,578,462
Deferred tax liabilities	264,056,690	239,442,368	247,979,804	173,040,130	125,749,035
Total liabilities	11,849,607,141	7,745,456,955	6,490,885,387	5,701,516,587	4,809,492,295
Equity & reserves					
Issued and paid share capital	5,420,000,000	5,420,000,000	5,420,000,000	5,420,000,000	4,065,000,000
Share Premium	168,933,834	168,933,834	168,933,834	168,933,834	155,264,167
Contingency reserves	3,469,814,488	2,799,201,192	2,437,343,087	2,136,621,663	1,855,299,252
Fair Value Through OCI Reserve	127,131,418	39,163,090	30,669,220	-	-
Revaluation reserve	138,165,551	128,676,506	30,669,220	-	-
Statutory reserves	-	-	-	-	-
Retained earnings	2,813,588,208	456,335,125	507,216,455	400,684,735	405,951,229
Shareholders' fund	12,137,633,500	9,012,309,747	8,594,831,816	8,126,240,232	6,481,514,648
Total liabilities and equity & reserves	23,987,240,640	16,757,766,702	15,170,841,271	13,827,756,819	11,291,006,943



Five Year Financial Summary - Company

Statement Of Comprehensive Income

December 31, 2023

	2023 N	2022 N
Insurance revenue	14,815,865,738	11,142,727,902
Insurance service expenses	(11,518,480,207)	(8,300,193,584)
Net expenses from reinsurance contracts held	(3,710,381,308)	(2,741,454,939)
Insurance service result	(412,995,777)	101,079,379
Interest revenue calculated using the effective interest method	1,072,526,533	752,385,146
Net fair value gains/(losses) on financial assets at fair value through profit or loss	1,468,699,284	10,163,192
Net fair value gains on derecognition of financial assets measured at fair value through other comprehensive income		
Net foreign exchange income/(expense)	2,958,598,009	590,678,251
Net credit impairment losses	(11,838,371)	(20,066,075)
Net change in investment contract liabilities		
Net investment income	5,487,985,455	1,333,160,515
Finance expenses from insurance contracts issued		
Finance income from reinsurance contracts issued		
Net insurance finance expenses		
Net insurance and investment result	5,074,989,678	1,434,239,894
Asset management services revenue		
Other finance costs		
Other expenses	(967,086,841)	(500,371,852)
Other income	5,117,000	4,676,938
Share of profit of associates and joint ventures accounted for using the equity method		
Profit before income tax	4,113,019,837	938,544,979
Tax expense	(759,953,356)	(410,768,155)
Profit for the year	3,353,066,481	527,776,824
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss		
Net fair value through OCI	97,457,373	21,377,088
Net finance expenses from insurance contracts		
Net finance income from reinsurance contracts		
Income tax relating to these items		
Items that may not be reclassified subsequently to profit or loss	3,450,523,854	549,153,913
Changes in the fair value on equity instruments at fair value through other comprehensive income		
Profit attributable to Equity holders	3,450,523,854	549,153,913
Other comprehensive income for the year. Net of tax	3,450,523,854	549,153,913
Total comprehensive income for the year		
EPS	30.9	4.9



Five Year Financial Summary - Company

Statement Of Comprehensive Income cont'd

December 31, 2023

	2021 N	2020 N	2019 N
Gross premium written	9,377,413,707	8,385,947,285	6,775,797,496
Gross premium income	9,343,768,010	8,077,895,958	6,481,636,218
Reinsurance premium expenses	(3,691,859,703)	(3,357,536,001)	(2,239,421,340)
Net premium income	5,651,908,307	4,720,359,957	4,242,214,878
Fee and commission income	493,373,753	519,638,029	356,385,052
Net underwriting income	6,145,282,060	5,239,997,985	4,598,599,931
Claims expenses	(3,951,755,823)	(3,316,118,494)	(4,770,447,651)
Claims recoveries from reinsurers	1,607,269,895	1,768,819,617	2,987,313,881
Claims incurred	(2,344,485,928)	(1,547,298,877)	(1,783,133,770)
Underwriting expenses	(2,043,917,985)	(1,939,548,370)	(1,620,609,007)
Underwriting profit	1,756,878,147	1,753,150,739	1,194,857,154
Investment income	608,376,462	696,105,599	617,407,797
Other operating income	61,797,712	18,176,973	25,487,990
Impairment charge	-	(72,636,175)	-
Net fair value gains/(loss) on financial assets at fair value through profit or loss	73,530,975	(10,942,516)	151,362,024
Management expenses	(1,794,138,119)	(1,716,472,888)	(1,529,426,707)
Profit/(loss) before taxation	706,445,177	667,381,732	459,688,259
Income tax (expenses)/credit	(91,639,259)	(81,307,778)	(83,663,738)
Profit/(loss) after taxation	614,805,918	586,073,954	376,024,521
Other comprehensive income net of tax	-	-	-
Total comprehensive (loss)/income for the year	614,805,918	586,073,954	376,024,521
Profit/(loss) attributable to:			
Equity holders of the parent	614,805,918	586,073,954	376,024,521
Contingency reserve	(281,322,411)	(251,578,419)	(203,273,925)
	333,483,506	334,495,535	172,750,596
Basic and diluted earnings/(loss) per share (kobo)	10.25	9.77	6.27



Appendix 1

Revenue Account

For the year ended 31st December 2023

	Motor	Fire	Bond	Gen. Accident	Marine	Aviation	Oil & Gas	Engineering	2023 Total	2022 Total
Income	N	N	N	N	N	N	N	N	N	N
Direct premium	4,873,941,384	2,570,590,203	704,988,748	1,784,269,028	1,128,701,089	1,311,682,566	3,310,417,571	755,858,389	16,440,448,977	11,758,249,081
Inward reinsurance premium	63,520,957	2,037,005	-	10,852,167	16,025,406	-	82,795,086	14,048,042	189,278,662	303,687,738
Gross written premium	4,937,462,341	2,572,627,207	704,988,748	1,795,121,195	1,144,726,495	1,311,682,566	3,393,212,657	769,906,431	16,629,727,640	12,061,936,819
(Increase)/decrease in unexpired premium reserve	(906,112,825)	(276,062,436)	(105,778,431)	(125,824,734)	(254,385,562)	(77,313,238)	(169,716,972)	101,332,292	(1,813,861,906)	(1,014,037,305)
Gross premium earned	4,031,349,516	2,296,564,772	599,210,316	1,669,296,461	890,340,933	1,234,369,328	3,223,495,685	871,238,723	14,815,865,733	11,047,899,513
Deduct:										
Outward reinsurance premiums	(350,330,610)	(1,221,026,977)	(292,417,623)	(892,290,486)	(644,446,939)	(701,523,167)	(1,526,148,669)	(379,732,380)	(6,007,916,851)	(4,986,931,692)
(Increase)/decrease in prepaid reinsurance	578,803,226	(505,000,598)	19,133,362	(4,396,411)	30,560,176	(77,810,955)	(282,481,643)	(90,197,094)	(331,389,936)	92,958,917
Reinsurance cost	228,472,617	(1,726,027,575)	(273,284,261)	(896,686,897)	(613,886,763)	(779,334,122)	(1,808,630,312)	(469,929,474)	(6,339,306,787)	(4,893,972,775)
Net premium earned	4,259,822,132	570,537,198	325,926,056	772,609,564	276,454,170	455,035,205	1,414,865,373	401,309,249	8,476,558,947	6,153,926,739
Commission received	10,913,339	391,413,813	87,725,287	245,188,700	218,472,653	-	-	120,696,295	1,074,410,088	756,315,554
(Increase)/decrease in unearned commission	-	-	-	-	-	-	-	-	-	(41,789,348)
Total Income	4,270,735,472	961,951,011	413,651,342	1,017,798,264	494,926,823	455,035,205	1,414,865,373	522,005,544	9,550,969,034	6,868,452,945
Gross Claims Paid	(1,264,720,440)	(298,011,601)	(34,221,715)	(1,413,959,672)	(386,653,086)	(74,542,773)	(180,171,723)	(260,568,170)	(3,912,849,180)	(3,915,938,942)
(Increase)/decrease in outstanding claims provision	(174,196,012)	43,938,256	(8,753,363)	(475,031,707)	351,889,046	(91,383,711)	(810,625,576)	(16,349,661)	(1,180,512,728)	(15,439,435)
Gross claims incurred	(1,438,916,452)	(254,073,346)	(42,975,078)	(1,888,991,378)	(34,764,041)	(165,926,484)	(990,797,299)	(276,917,831)	(5,093,361,908)	(3,931,378,377)
Reinsurance claims recovery	14,387,750	736,906,755	-	400,621,304	169,250,161	-	-	185,996,155	1,507,162,125	2,082,996,900
(Increase)/decrease in reinsurance recoveries	(51,640,145)	(432,983,556)	(12,944,977)	657,151,501	(83,219,395)	55,133,386	30,116,365	(18,962,086)	142,651,094	(213,388,734)
Net claims incurred	(1,476,168,848)	49,849,853	(55,920,055)	(831,218,573)	51,266,726	(110,793,099)	(960,680,933)	(109,883,762)	(3,443,548,689)	(2,061,770,211)
Acquisition expenses	(573,199,412)	(477,812,744)	(119,741,174)	(344,687,253)	(225,067,764)	(235,458,306)	(406,005,457)	(151,587,372)	(2,533,559,482)	(1,876,957,619)
(Increase)/decrease in commission expenses	-	-	-	-	-	(0)	-	-	(0)	166,438,693
Maintenance/operating expenses	(427,172,110)	(52,370,611)	(29,054,335)	(79,608,395)	(26,795,836)	(531,418,963)	(125,793,025)	(35,874,789)	(1,308,088,064)	(837,009,198)
Total expenses	(2,476,540,369)	(480,333,502)	(204,715,564)	(1,255,514,221)	(200,596,874)	(877,670,368)	(1,492,479,415)	(297,345,923)	(7,285,196,235)	(4,609,298,336)
Underwriting profit/(loss)	1,794,195,103	481,617,509	208,935,778	(237,715,957)	294,329,949	(422,635,162)	(77,614,042)	224,659,620	2,265,772,799	2,259,154,609



Photo News



GCEO Receiving The CEO of The Year Award from the Deputy Governor, Borno State, Umar Usman Kadafur



L-R - Brig. Gen Mohammed Buba Marwa, GCFO Babatunde Daramola, ED Finance & Investments Katherine Itua, ED Operations Jimalax Orijakor at the Champion Newspaper Award Ceremony



GCFO, Babatunde Daramola (centre) receiving Top 25 BusinessDay CEOs Award on Behalf of the GCEO, Eddie A. Efekoha.



Group Chief Financial Officer, Babatunde Daramola at the 2023 Chartered Insurance Institute of Nigeria Business Outlook Conference



At the Consolidated Hallmark Insurance Plc Pavilion during the National Insurance Commission (NAICOM) Conference on compulsory insurance of Public Buildings.



MD Consolidated Hallmark Insurance, Mary Adeyanju and the MD, Leadway Assurance, Mr. Gboyega Lesi during the Golf Kitty at Ikoyi club held to celebrate their promotions.



MD Consolidated Hallmark Insurance, Mary Adeyanju, and the Team at the 2024 CIIN Fitness Walk



Hallmark HMO MD, Dotun Adeogun with GCEO Eddie A. Efekoha, GCFO Babatunde Daramola, CHI MD Mary Adeyanju and the Guest Speaker, Dr. Onyia during the Hallmark HMO Stakeholders' Engagement 3.0 in Lagos



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Notice to shareholders on e-copy of Annual Report & Accounts

Dear Shareholders,

For quick access to the e-copy of the 2023 Annual Report & Accounts, please send a request via email to any of the addresses below:

1. info@chhplc.com
2. legal@chhplc.com
3. investorrelations@chhplc.com
4. info@meristemregistrars.com

You may also wish to download a copy of the document from our website using the link:

www.chiplc.com/financials

Hard copies shall be posted to your last known physical address and also made available at the venue of the Annual General Meeting.

Dated this 29th day of April 2024.

BY ORDER OF THE BOARD



RUKEVWE FALANA
Company Secretary
FRC/2016/NBA/00000014035



Shareholders Information



Share Capital History

Year	Authorized		Issued and fully paid		Consideration
	Increase	Cumulative	Increase		
1991	5,000,000	5,000,000	-	-	
1992	10,000,000	15,000,000	3,611,881	3,611,881	cash
1993	-	15,000,000	1,500,000	5,111,881	cash
1994	-	15,000,000	-	5,111,881	No Change
1995	15,000,000	30,000,000	14,888,119	20,000,000	cash
1996	-	30,000,000	-	20,000,000	No Change
1997	-	30,000,000	-	20,000,000	No Change
1998	-	30,000,000	5,601,651	25,601,651	Bonus
1999	-	30,000,000	239,500	25,841,151	cash
2000	-	30,000,000	259,632	26,100,783	cash
2001	-	30,000,000	-	26,100,783	No Change
2002	-	30,000,000	-	26,100,783	No Change
2003	320,000,000	350,000,000	223,899,217	250,000,000	cash
2004	150,000,000	500,000,000	50,000,000	300,000,000	No Change
2005	500,000,000	1,000,000,000	-	300,000,000	No Change
2006	-	1,000,000,000	365,155,330	665,155,330	cash
2007	4,000,000,000	5,000,000,000	2,334,844,670	3,000,000,000	Acquisition/Bonus
2008	-	5,000,000,000	-	3,000,000,000	No Change
2009	-	5,000,000,000	-	3,000,000,000	No Change
2010	-	5,000,000,000	-	3,000,000,000	No Change
2011	-	5,000,000,000	-	3,000,000,000	No Change
2012	-	5,000,000,000	-	3,000,000,000	No Change
2013	-	5,000,000,000	-	3,000,000,000	No Change
2014	-	5,000,000,000	-	3,000,000,000	No Change
2015	-	5,000,000,000	-	3,000,000,000	No Change
2016	-	5,000,000,000	-	3,000,000,000	No Change
2017	-	5,000,000,000	-	3,000,000,000	No Change
2018	-	5,000,000,000	500,000,000	3,500,000,000	Rights Issue
2018	-	5,000,000,000	565,000,000	4,065,000,000	Private Placement
2019	2,500,000,000	7,500,000,000	-	4,065,000,000	Increase in Authorised Share Capital
2020	2,500,000,000	10,000,000,000	-	4,065,000,000	Increase in Authorised Share Capital
2020	-	10,000,000,000	1,016,250,000	5,081,250,000	Rights issue
2020	-	10,000,000,000	338,750,000	5,420,000,000	Bonus issue
2021	-	10,000,000,000	-	5,420,000,000	No Change
2022	-	10,000,000,000	-	5,420,000,000	No Change

Dividend History

Financial Year	Year Paid	Amount paid per Share (kobo)	Total Amount Paid(=N=)
2007	2008	Nil	Nil
2008	2009	5Kobo	300,000,000
2009	2010	Nil	Nil
2010	2011	3Kobo	180,000,000.00
2011	2012	2Kobo	120,000,000.00
2012	2013	3Kobo	180,000,000.00
2013	2014	Nil	Nil
2014	2015	Nil	Nil
2015	2015	2Kobo (Interim)	120,000,000 (Interim)
2015	2016	1Kobo (Final)	60,000,000 (Final)
2016	2017	2Kobo	120,000,000
2017	2018	2kobo	140,000,000
2018	2019	2kobo	162,600,000
2019	2020	Nil	Nil
2020	2021	Nil	Nil
2021	2021	2Kobo (Interim)	216,800,000 (Interim)
2021	2022	2Kobo (Final)	216,800,000 (Final)
2022	2023	3kobo	325,200,000



**Affix
Current
Passport**

(To be stamped by Bankers)

Write your name at the back of
your passport photograph

**This service costs ₦150.00 per
approved Mandate per Company.**

MERISTEM

E-DIVIDEND MANDATE ACTIVATION FORM

Instruction

Please complete all sections of this form to make it eligible for processing and return to the address below

The Registrar

Meristem Registrars And Probate Services Limited
213, Herbert Macaulay Way
Adekunle-Yaba
Lagos State

I/We hereby request that henceforth, all my/our Dividend Payment(s) due to me/us from my/our holdings in all the companies ticked at the right hand column be credited directly to my \ our bank account detailed below:

Bank Verification Number

Bank Name

Bank Account Number

Account Opening Date

Shareholder Account Information

Surname/Company's Name

First Name

Other Names

Address:

City

State

Country

Previous Address (If address has changed)

CHN

CSCS A/c No

Name of Stockbroker

Mobile Telephone 1

Mobile Telephone 2

Email Address

Signature(s)

Company Seal (If applicable)

Joint/Company's Signatories

TICK	NAME OF COMPANY	SHARE A/C NO
	AELLA FINANCIAL SOLUTIONS BOND	
	AFRINVEST EQUITY FUND	
	BERGER PAINTS NIG PLC	
	CASAFINA CAPITAL LIMITED BOND	
	CEAT FIXED INCOME FUND	
	CITITRUST HOLDINGS PLC	
	CONOIL PLC	
	CONSOLIDATED HALLMARK HOLDINGS PLC	
	CUSTODIAN INVESTMENT PLC	
	COVENANT SALT NIGERIA LIMITED	
	DEVELOPMENT BANK OF NIGERIA PLC	
	EMPLOYEE ENERGY LIMITED	
	ENERGY COMPANY OF NIGERIA PLC [ENCON]	
	eTRANZACT INTERNATIONAL PLC	
	FBN HOLDINGS PLC	
	FIDSON HEALTHCARE PLC	
	FOOD CONCEPTS PLC	
	FTN COCOA PROCESSORS PLC	
	GDL INCOME FUND	
	GEREGU POWER PLC	
	IMPERIAL AFRICA PLC	
	INTERNATIONAL ENERGY INSURANCE PLC	
	INTERNATIONAL TOBACCO COMPANY LIMITED	
	JUBILEE LIFE MORTGAGE BANK LTD	
	LASG SERIES 2 SUKUK BOND	
	MAMA CASS RESTAURANTS LIMITED	
	MCN DIOCESE OF REMO	
	MCN LAGOS CENTRAL	
	MCN TAILORING FACTORY [NIGERIA] LIMITED	
	MULTI-TREX INTEGRATED FOODS PLC	
	NASCON ALLIED INDUSTRIES PLC	
	NEIMETH INT'L PHARMS PLC	
	NEWRESTASL NIGERIA PLC	
	NIGER INSURANCE PLC	
	NIGERIA MORTGAGE REFINANCE COMPANY [NMRC] PLC	
	NIGERIA MORTGAGE REFINANCE COMPANY PLC [NMRC] BOND	
	ONWARD PAPER MILLS PLC	
	PACAM BALANCED FUND	
	PAINTCOM INVESTMENT PLC	
	PROPERTYGATE DEVT. & INVEST. PLC	
	R.T. BRISCOE NIGERIA PLC	
	RADIX HORIZON FUND	
	RAEDIAL FARMS LIMITED BOND	
	REGENCY ALLIANCE INSURANCE PLC	
	SMART PRODUCTS NIGERIA PLC	
	SOVEREIGN TRUST INSURANCE PLC	
	TANTALIZERS PLC	
	THOMAS WYATT PLC	
	TRANSPORT SERVICES LIMITED BOND	
	VITAFOAM NIGERIA PLC	
	ZENITH EQUITY FUND	
	ZENITH ETHICAL FUND	
	ZENITH INCOME FUND	

Help Desk Telephone No/Contact Centre Information for Issue resolution or clarification: 01-2809250-4



Meristem Registrars And Probate Services Limited

Web: www.meristemregistrars.com; email: info@meristemregistrars.com

ANNUAL REPORT & ACCOUNTS 2023

Affix N50.00
Postage Stamp
Here

Meristem Registrars & Probate Services Limited
213, Herbert Macaulay Street,
Adekunle, Yaba Lagos



1st Annual General Meeting to be held at Metropolitan Club,
15 Kofo Abayomi Street, Victoria Island, Lagos State, on 26th
June 2024, at 11.00 a.m.

I / We

of

.....

Being a member/members of Consolidated Hallmark

Holdings Plc hereby appoint**

.....

of

or failing the Chairman of the Company as my/our

proxy to act and vote for me/us on my/ our behalf at the

Annual General Meeting of the Company to be held on 26th

June 2024 and any adjournment thereof.

Dated thisday of2024

Shareholder's Signature

NOTE

- (i) A Member (shareholder) entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy instead of him. All proxy forms should be deposited at the Company Secretary's Office not later than 48 hours before the time of holding the meeting.
- (ii) In the case of joint Shareholders, any of such may complete the form, but names of all joint Shareholders must be stated.
- (iii) If the Shareholder is a corporation, this form must be under its common seal or under the hand of an officer or attorney duly authorized.
- (iv) Provision has been made on this form for the Chairman of the Company to act as proxy. But if you wish, you may insert in the blank space on the form (marked **) the name of any person whether a Member of the Company or not, who will attend the meeting and vote on your behalf instead of the Chairman.
- (v) The proxy must produce the Admission Slip with the notice of Meeting to obtain entrance to the meeting.

RE-ELECTION OF DIRECTORS

In accordance with the Company's Articles of Association, Mr. Shuaibu Idris, Mr. Eddie Efekoha, Mr. Babatunde Daramola, Mrs. Chijioke Ugochukwu, Dr. Layi Fatona, Dr. Tony Anonyai, Prince Ben Onuora, Mr. Adegbola Adesina and Mr. Sunny Obidegwu retire by rotation and being eligible, offer themselves for re-election.

ADMISSION SLIP

Please admit to the Annual General Meeting of Consolidated Hallmark Holdings Plc which will hold at Metropolitan Club, 15 Kofo Abayomi Street, Victoria Island, Lagos State.

Admission Slip must be produced by the shareholder or his proxy in order to obtain entrance to the Annual General Meeting.

Name & Address of Shareholders

Number of Shares held

Proxy Form

	ORDINARY BUSINESS	FOR	AGAINST
1	To receive and consider the Audited Financial Statements for the year ended 31st December 2023 together with the reports of the Directors, Auditors and Audit Committee thereon.		
2	To declare a dividend.		
3	To re-elect retiring Directors.		
	Mr. Shuaibu Idris Mr. Eddie Efekoha Mr. Babatunde Daramola Mrs. Chijioke Ugochukwu Dr. Layi Fatona Dr. Tony Anonyai Prince Ben Onuora Mr. Adegbola Adesina Mr. Sunny Obidegwu		
4	To Appoint the Auditors.		
5	To authorize the Directors to determine the remuneration of the Auditors.		
6	To disclose the remuneration of Managers of the Company		
7	To elect Members of the Audit Committee.		
	SPECIAL BUSINESS		
	To approve the remuneration of the Directors.		
	To approve the remuneration of Non-Executive Directors.		
	Please indicate with "X" in the appropriate square how you wish your votes to be cast on the resolutions set above. Unless otherwise instructed, the proxy will vote or abstain from voting at his discretion.		



[illegible]



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www.xstrataconsulting.com

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