2015 ANNUAL REPORT
+ ACCOUNTS

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CUSTOMER FOCUS; OUR GOAL

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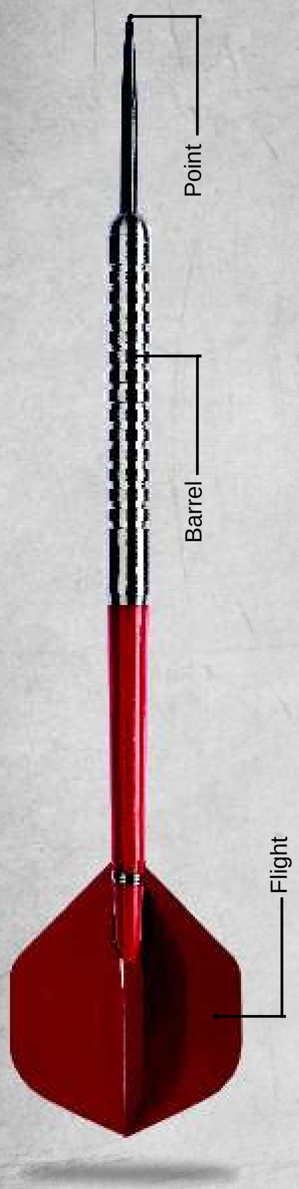
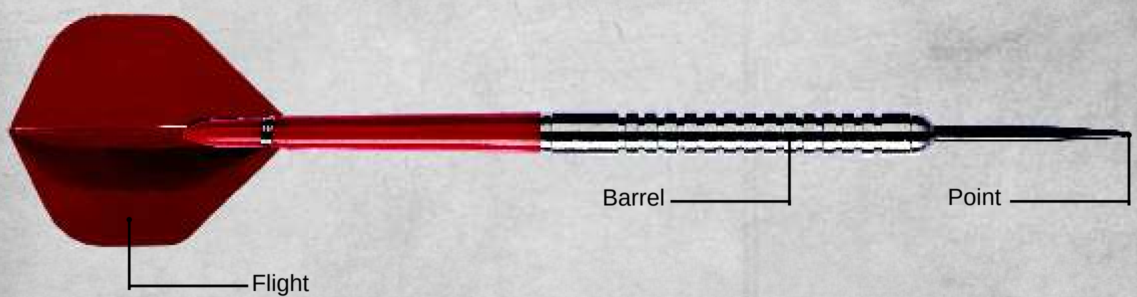
Consolidated Hallmark Insurance Plc

"Those who are lifting the world upward and onward are those who encourage more than criticize."
Elizabeth Harrison





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Overview

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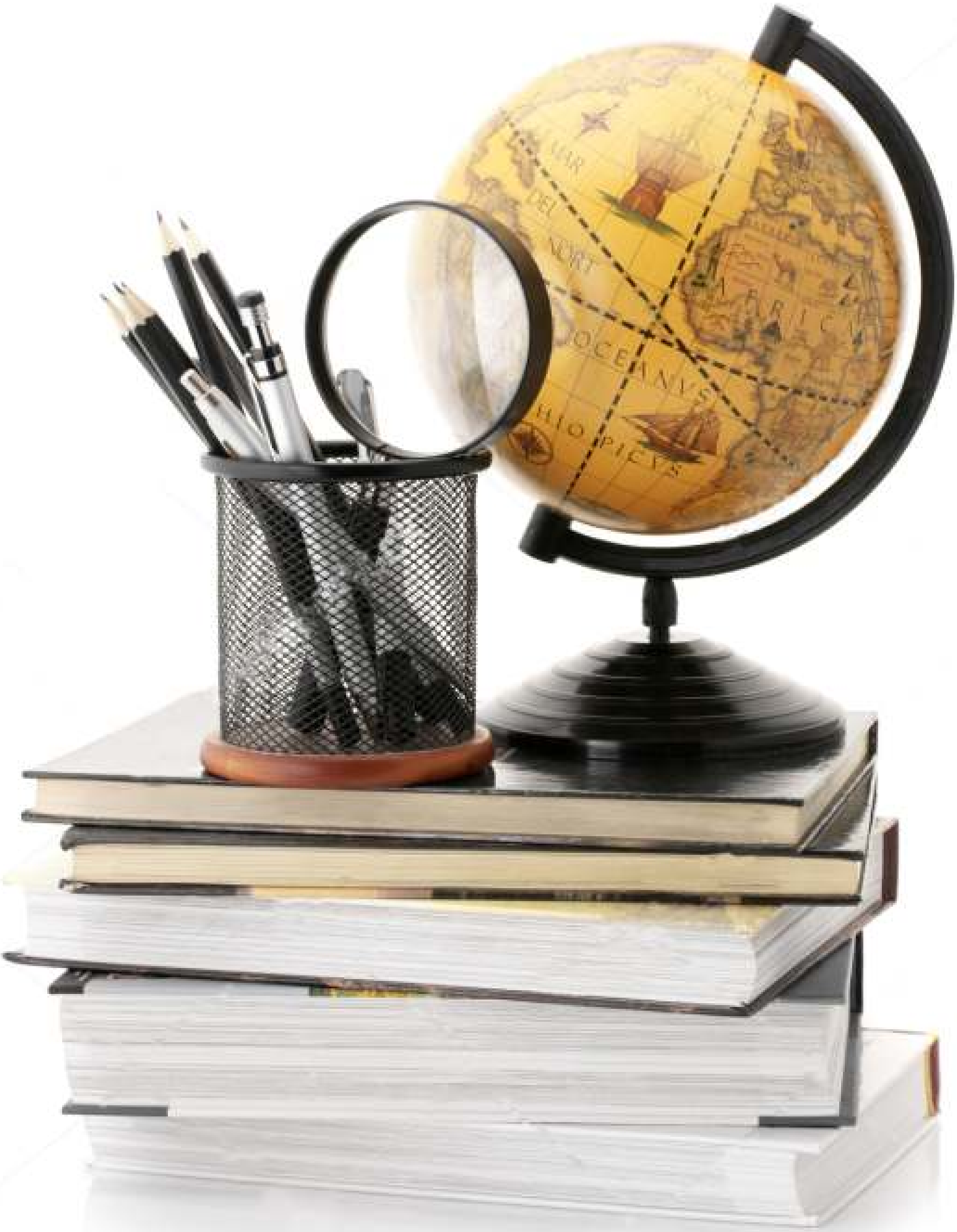

Corporate Profile

Consolidated Hallmark Insurance (CHI) Plc is a General Business and Special Risks Insurance underwriting firm fully capitalized in line with statutory requirements of the industry regulatory body – the National Insurance Commission.

The company was incorporated on 2nd August 1991 as a private limited liability company and commenced operations in 1992. It was converted to a public limited company in July 2005 and in 2007 changed its name from Consolidated Risk Insurers Plc to Consolidated Hallmark Insurance Plc. The company's shares were listed on the floor of the Nigerian Stock Exchange on 27th February, 2008.

CHI Plc has carved a niche for itself through big ticket transactions in Aviation, Oil and Gas, Marine Cargo and Hull Business and other non-life insurance underwriting including Motor, Fire and Special Perils, Goods-in-Transit, Engineering Insurance, amongst others.

With a formidable Team of highly experienced professionals, CHI Plc prides itself with a robust training and retraining programme to enable the team keep abreast of developments locally and at the global level. This is backed by the deployment of a state-of-the art technology infrastructure that ensures prompt service delivery across the on-line real time network of regional offices across Nigeria.

Consolidated Hallmark blazed the trail in the deployment of ICT infrastructure for the on-line transaction of insurance business in the industry through a user friendly platform - a development that is now fast spreading.

The company has a board of Directors made up of highly skilled technocrats cutting across various sectors of the economy.

Products & Services

1. Compulsory Insurance Online Payment:
   Motor third party - Individual Registration & Fleet Registration
   Occupier Liability Insurance
   Builders Liability (Open) Insurance
   Healthcare Professional Indemnity Insurance

2. Contractors All Risk
3. Energy And Special Risk:
   Offshore risks
   Onshore risks
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. Good-In-Transit
10. Money Insurance
11. Plant Insurance
12. Machinery Breakdown Insurance
13. Motor Insurance
14. Fire Insurance
15. Burglary Insurance
16. Marine Cargo/Hall Insurance

Brand Platform

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

Corporate Information

REGISTERED OFFICE:

266 Ikorodu Road Obanikoro
Lagos.
Tel: +234 1 2912543, 2912532,
0700CHINSURANCE
Email: info@consolidatedhallmark.com
Web:www.consolidatedhallmark.com

facebook.com/conhallmark
twitter:@con_hallmark
BBM: C002A41B5

REGISTRARS:

Meristem Registrars Limited
213, Herbert Macaulay Street,
Adekunle, Yaba Lagos.
Tel: +234 (1) 8920491-2

DIRECTORS

Ugo(Dr.) Obi Ralph Ekezie	Chairman
Mr. Tony Aletor	Vice Chairman
Mr. Eddie Efekoha	Managing Director
Mrs. Ngozi Nkem	Director
Dr. Layi Fatona	Director
Chief Ben C. Ikejiaku	Director
Mr.Friday Ebojoh	Director
Chief Sunny Obidegwu	Director

REINSURERS

African-reinsurance Corporation
Continental Reinsurance Plc
Swiss Re
Company/lloyds Underwriters

ACTUARY

HR Limited

BANKERS:

Access Bank Plc
EcoBank Plc
Fidelity Bank Plc
First Bank Of Nigeria Plc
GTBank Plc
Keystone Bank Plc
Skye Bank Plc
Stanbic IBTC
Sterling Bank Plc
UBA Plc
Zenith Bank Plc

GRAND TREASURERS LIMITED

(A subsidiary of Consolidated Hallmark Insurance Plc)

Dr. Layi Fatona	Chairman
Mr. Samuel Adeniyi	General Manager/CEO
Mr. Eddie Efekoha	Director
Mr. Friday Ebojoh	Director
Mr. Tunde Daramola	Director

COMPANY SECRETARY:

RUKEVWE FALANA
FRC/2016/NBA/00000014035
266 Ikorodu Road Obanikoro Lagos.
Tel: +234 1 2912543, 2912532,
Email: rfalana@consolidatedhallmark.com

AUDITORS:

PKF Professional Services
PKF House
205A, Ikorodu Road Obanikoro, Lagos
G.P.O Box 2047, Marina Lagos
Tel: +234 (1) 8042074, 773940

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 21st Annual General Meeting of the Members of Consolidated Hallmark Insurance Plc will be held on the 24th of May 2016 at 11.00am prompt at Agip Recital Hall, Muson Centre, 8/9 Marina, Lagos to transact the following business:

ORDINARY BUSINESS

1. To receive and consider the Audited Financial Statement for the year ended December 31st 2015 together with the reports of the Directors, Auditors and Audit Committee thereon.
2. To declare a dividend.
3. To re-elect a Director.
4. To ratify the appointment of new Directors.
5. To ratify the appointment of SIAO Professional Services as External Auditors to the Company.
6. To authorize the Directors to determine the remuneration of the Auditors.
7. To elect Members of the Audit Committee.

SPECIAL BUSINESS

1. To approve the remuneration of the Directors for the year ending 31st December 2016.

Dated this 13th day of April, 2016.
BY ORDER OF THE BOARD

RUKEVWE FALANA
Company Secretary
FRC/2016/NBA/00000014035

NOTES:

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 Registered Office of the Company being 266 Ikorodu Road, Obanikoro, Lagos, 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 9th May to 13th May 2016 (both dates inclusive).

DIVIDEND PAYMENT
The Board of Directors of the Company has recommended an additional dividend of N60,000,000.00 that is one (1) Kobo per ordinary share of 50Kobo, which is payable less withholding tax. If the recommendation is approved in the forthcoming Annual General Meeting, the shareholders whose names appear in the Register of Members as at the close of business on the 6th of May 2016 will have their accounts credited on the 24th of May 2016. Please note that an interim dividend of N120,000,000 that is two (2) Kobo per ordinary share of 50Kobo had earlier been paid on 27th August, 2015. This would bring the total of dividend paid against 2015 Financial Year to N180,000,000 that is three (3) Kobo per ordinary share.

E-DIVIDEND
All shareholders are hereby advised to open bank accounts and forward details of such accounts to the Company's Registrars for faster receipt of dividend. A detachable e-dividend form is attached to the Annual Report and Accounts for your completion.

UNCLAIMED DIVIDEND WARRANTS
Shareholders are hereby informed that a number of dividend warrants have been returned to the Registrars as unclaimed. Any shareholder who is affected by this notice is advised to contact the Company's Registrars, Meristem Registrars Limited, 213 Herbert Macaulay Way, Adekunle, Yaba, Lagos.

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 must be submitted to the Company at 266 Ikorodu Road, Obanikoro, Lagos on or before the 10th of May 2016.

AUDIT COMMITTEE
In accordance with section 359(5) of the Companies and Allied Maters Act Cap C20 2004, 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.

RE-ELECTION OF DIRECTORS
In accordance with the Company's Articles of Association, Mrs. Ngozi Nkem retires by rotation and being eligible offer herself for re-election.

RESIGNATION OF DIRECTORS
In accordance with the provision of section 258 (1)(e) of the Companies and Allied Matters Act Cap C20 LFN 2004 and section 5.04(vii) of the 2009 NAICOM's Code of Good Corporate Governance, Ugo (Dr.) Obi Ralph Ekezie, Mr. Anthony Aletor, Mr. Friday Ebojoh, Dr. Layi Fatona, Chief Ben C. Ikejiaku and Chief Sunny Obidegwu resigned from the board of the Company on 31st of March 2016.

APPROVAL OF NEW DIRECTORS
Pursuant to section 249 of the Companies and Allied Matters Act Cap C20 2004, the Board of Directors appointed Mr. Obinna Ekezie, Mr. Joel Botete Avhurhi, Prince Ben C. Onuora, Mrs. Adebola Odukale, Mrs. Eziaku Ethel Obidegwu and Chief Andrew D.S. Odigie as Non-Executive Directors on 1st April, 2016 to fill the casual vacancies arising from the resignation of the above mentioned Non-Executive Directors. These appointments are subject to the approval of Members at this meeting.

AGE DECLARATION
Chief A.D.S. Odigie in accordance with section 252 (1) of the Companies and Allied Matters Act Cap C20 LFN 2004, intends to disclose at this meeting that he is over 70 years of age.

Board of Directors

Ugo (Dr.) Obi Ralph Ekezie | Chairman

Dr. Ralph Ekezie, the Chairman of the company, is a professional petroleum engineer and has been a key player in the oil industry for years. He was a former Managing Director of Schlumberger, a multinational oil firm and currently the Managing Director of Drillog Petro- Dynamics Ltd, an oil services company with offices in Nigeria and Texas, USA.

Dr Ekezie is the Founding Chairman, Indigenous Petroleum Technologists Association of Nigeria, where he served for ten years, and currently the Chairman of the Association's board of trustees.

Chief Ekezie has made outstanding contributions to the education and industrial sectors of the Nigerian economy. He was Chairman of Hallmark Assurance Plc, and has many years experience in Management and International Economics.

He is also the special adviser to the Imo State Governor on Petroleum and Energy.

Resigned on 31st March 2016

Mr. Tony Aletor | Vice Chairman

Mr. Anthony Aletor is the Vice Chairman of the company, He is a versatile financial services player, and was until recently, the Managing Director of Capital Express Group which comprises Capital Express Insurance Company Limited, Capital Express Securities Limited, CAPEX Medicare Limited and UTIB Insurance Brokers Limited.

Mr. Aletor holds a B. Sc degree in Insurance from University of Lagos and MBA from University of Ibadan. He is an Associate of the Chartered Insurance Institute, London and Nigeria as well as a dealing clerk of The Nigerian Stock Exchange.

Mr. Aletor is a Chartered Insurer and Investment Analyst with cognate experience spanning over two (2) decades, and he is also a major player in the Nigerian Insurance Industry. He is a member of many professional bodies such as: Chartered Institute of Stock Brokers, Chartered Insurance Institute of London and Nigeria, Nigeria Institute of Management, Institute of Directors, and Association of Pension Funds Managers

Resigned on 31st March 2016

Mr. Eddie Efekoha | MD/CEO

Mr. Efekoha is the Managing Director/Chief Executive Officer of Consolidated Hallmark Insurance Plc. He holds a Bachelor's degree in Insurance and a Masters degree in Business Administration both from the University of Lagos.

Since graduation Eddie had worked in various capacities at Everyman Insurance Brokers, Hogg Robinson Nigeria, and Glanvill Enthoven & Co (Nig.) where he left as Executive Director (Technical) in 1997 to pioneer the effective take off of Fountain Insurance Brokers Ltd as its Managing Director/Chief Executive. He was the Vice Chairman/CEO of Consolidated Risk Insurers Plc before his current appointment. A Fellow of both the Chartered Insurance Institutes of London and Nigeria, Eddie has attended several local and international courses in both Insurance and Management.

He is a council member of the Chartered Insurance Institute of Nigeria and the deputy chairman of Nigeria Insurers Association (NIA).

Board of Directors

Chief Ben Ikejiaku

Chief Benson Chukwuma Ikejiaku, a director of Consolidated Hallmark Insurance Plc is a Professional Accountant of many years standing.
He worked with the Eastern Nigeria Development Corporation in Enugu and other formidable organizations including the Nigerian Construction and Furniture Company Limited, Nigergas Co. Ltd, Emene Enugu, and Hardel and Enic Nigeria Limited, where he served as the Group Financial Controller and later Financial Director between 1984 to 2001.

Chief Ikejiaku is a graduate of the West Bromwich College of Science and Technology, England and the Brunel University, London's Pacific States University European Summer Residential Programme, where he obtained a Masters Degree in Business Administration (MBA) in 1987.
He is a Fellow of the Association of Chartered Certified Accountants (FCCA), and Fellow, Institute of Chartered Accountants of Nigeria (FCA),amongst other professional laurels. Chief Ikejiaku is currently the Chairman of Sandwell Farms Ltd.

Resigned on 31st March 2016

Mrs. Ngozi Nkem

Mrs Ngozi Nkem is a graduate of Banking & Finance from Abia State University. She worked as a banker for many years and currently manages Zopon Nigeria Ltd, a general merchant company engaged in the import, export and supply of goods and services as well as in the downstream oil & gas distribution.

She is also a Director in the following companies: Transglobe Securities Nigeria Ltd, Zopon Nigeria Ltd, Binez Hotel Ltd and Abia State Hotels Ltd. Mrs. Nkem is married with children.

Dr. Layi Fatona

Dr. Fatona is a Petroleum Geologist and was formerly the President of Geotrex Systems Limited, a foremost indigenous Exploration and Production consulting company. He was previously with the Shell Petroleum Development Company of Nigeria Limited.
He is widely consulted by Nigerian and foreign oil companies, and is a Past President and Fellow of the Nigerian Association of Petroleum Explorationists (NAPE). A certified Petroleum Geologist of the American Association of Petroleum Geologists (AAPG).

He is 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 Ogbele Mini Refinery.

Dr. Fatona studied Geology at the University of Ibadan and Petroleum Geology and Sedimentology at the University of London.

Resigned on 31st March 2016

Board of Directors

Mr. Friday Ebojoh

Mr. Ebojoh holds a Bachelor of Science degree in Accounting from the University of Lagos and he is an Associate member of the Institute of Chartered Accountants of Nigeria.

He has over eighteen years of varied work experience in the Banking and Finance services sector and was Group Treasurer of UBA Plc.He is currently the President of Trifex Limited; a trading, advisory and consulting company.

Mr Ebojoh trained with some of the world's best financial institutions and brings to the board his diverse experience from the financial services sector of the Nigeria economy.

Resigned on 31st March 2016

Mr. Sunny Obidegwu

Mr. Sunny Chukwudi Obidegwu is a1981 graduate of the State University of New York, Buffalo, where he obtained a Bachelor of Science Degree in Business Administration. In 1983, Mr. Obidegwu received a Master of Science Degree (M.Sc, Magna Cum Laude) from the University of New Haven, West Haven, Connecticut, U.S.A.
His working career has taken him through international and local establishments commencing with the State of Connecticut U.S.A as a Revenue Examiner between 1983 to 1984.
Mr. Obidegwu has also worked in Eastern Bulkcem Ltd (manufacturers of Eagle Cement), Continental Merchant Bank Ltd, Manufacturers' Merchant Bank Ltd, and lately, in Sunthel Trust Ltd, an integrated financial management and consultancy firm where he has been piloting affairs as Chief Operating Officer from 2003 to date.

Resigned on 31st March 2016

Performance

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Result at a Glance

	2015		2014	
	Group	Company	Group	Company
Gross Premium Written	6,039,451,539	6,039,451,539	4,614,438,474	4,614,438,474
Net Prmium Earned	3,189,789,051	3,189,789,051	2,530,311,668	2,530,311,668
Investment And Other Income	486,225,405	434,394,876	395,285,936	365,356,100
Profit Before Tax and Exceptional Item	704,911,959	686,997,116	205,621,179	188,047,765
Taxation	(159,100,881)	(152,718,047)	(12,544,394)	(2,995,231)
Profit After Tax	545,811,078	534,279,069	193,076,785	185,052,534
Major Balance Sheet Items				
Total Assets	7,023,316,035	6,964,209,568	6,138,626,002	6,111,846,251
Trade Receivables	81,030,026	81,030,026	69,245,808	69,245,808
Investments	4,985,936,359	4,940,957,995	4,169,064,341	3,898,393,070
Share Capital	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000
Shareholders' Funds	4,267,812,867	4,229,077,946	3,842,311,648	3,814,798,877
Per Share Data				
Earnings (k)	9.1	8.9	3.22	3.08
Net Asset (k)	71	70	64	60
No of Offices	14	14	14	14

Ugo (Dr.) Obi Ralph Ekezie
Chairman Board of Directors

Chairman's Valedictory Statement

Distinguished Shareholders,
Pioneer Colleagues on the Board of Directors,
Members of the reconstituted Board of Directors,
Ladies and Gentlemen!

I welcome you all to the 21st Annual General Meeting (AGM) of your company, the 9th in the series of our annual meetings since we met in Enugu in 2008 for the first time to review our 2007 operations post consolidation.

The 2015 Financial Statements of the company were approved by the board on 2nd March, 2016 prior to my retirement alongside some other colleagues in line with the National Insurance Commission (NAICOM) 2009 Code of Good Corporate Governance, having served out our nine year tenure.

It behoves on me however, as chairman during the financial year to make this valedictory statement which includes a review of our approved accounts and operating environment.

Business Environment

Hopes remained high in 2015, like in previous years of a better operating environment, especially against the backdrop of a very successful political transition which helped to douse the hitherto tense atmosphere. There was therefore, heightened expectations that the economy which had been bedeviled by intense politicking and non-execution of the capital component of the budget would pick up with the change of baton.

Contrary to expectations however, activities were in limbo due to the delay in constituting the federal cabinet. The operating environment remained as challenging as ever especially on the domestic front. The emergence of Nigeria as Africa's largest economy, with a rebased Gross Domestic Product of $510bn did not translate to a significant expansion in insurance penetration as the contribution of the sector to the GDP still fell below the 1% mark.

The power sector remained a challenge as the relative stability witnessed for a couple of weeks mid-year, turned out to be a flash in the pan which was not sustained, resulting in the continued deployment of huge resources to power operations.

During the year also, the foreign exchange situation continued to deteriorate with the official rate plummeting to the USD $1 – N197-199 band with its attendant consequence on business operations.

The economy also felt the impact of inflationary pressure as the headline rate neared the double digit figures having fallen to 9.55% in December, according to figures from the National Bureau of Statistics. The rate has since fallen further during the first quarter of the new year to 12.1%.

Also, the continued fall in the price of crude oil, our economy's mainstay led to massive depletion in revenues accruable to the federation account from where the various tiers of government derive over 90% of their revenues.

In 2015, the performance of the Nigerian Stock Exchange showed that as at Dec. 31, the equity market dipped by 17.36 per cent when compared with a decline of 16.14 per cent posted in 2014. The All-Shares Index lost 6014.90 points or 17.36 per cent to close at 28,642.25 from the 34,657.15 it opened for the year. The market capitalisation, which opened at N11.478 trillion, lost N1.628 trillion to close at N9.850 trillion on Dec 31, 2015.

President of Manufacturers Association of Nigeria (MAN), Frank Udemba Jacobs said, with the CBN policy of foreign exchange restriction, most manufacturers were unable to source for raw materials, a situation which led to a decline in capacity utilization to about 40% from the average of 51% in 2014.

Chairman's Valedictory Statement

Nigerian Insurance Industry

A change of guard occurred at the echelon of the industry regulator in 2015, with the coming on board of Alhaji Mohammed Kari, the new Commissioner For Insurance. He has since assumption of duty moved swiftly to continue with the sweeping reforms started by his predecessor.

A major plank of this is the intensification of the risk based supervision, which is likely to result in a call for further injection of capital by operators soon. Also,
as indicated in the opening remarks, the implementation of the 2009 Code of Good Corporate Governance by the National Insurance Commission led to the retirement of six members of the board of your company. This development cut across the industry at over 200 non-executive directors reportedly retired in March, 2016.

The new NAICOM helmsman has also sent a strong warning to operators about their preparedness to sanitise the system in line with the anti corruption disposition of the current federal government. A name and shame approach will reportedly be adopted on operators who fall offline with the hammer already falling on some (regulator-appointed interim company boards) over alleged infractions.

Efforts are also being intensified by both the regulator and the industry umbrella association – the Nigerian Insurers Association to ensure compliance with compulsory insurance business, especially the most visible motor insurance. It is hoped that with the intensified clampdown on holders of fake certificates, more revenue from these classes of insurance will accrue to your company in particular and the industry generally.

Recently, we have heard of greater collaborative efforts by the commission with the various Ministries, Departments and Agencies to ensure that assets of the federal government are adequately insured and premium paid. This measure, if pursued vigorously alongside the logical implementation of other strategic initiatives like the MDRI will no doubt improve the income of players in the industry.

Operating Results

We set out in 2007 upon consolidation to ensure we emerge a formidable player not only in insurance, but the financial services sector. I am happy to inform you that as we retire from the board, I and my colleagues were able to ensure your company consistently posted profits and grew revenue yearly, albeit modestly.

For the nine years we were on board, premium income grew from the N 1,506,209,059 recorded in 2007 to N3,043,296,387 (2008), There was a slight decline in 2009 to N2,454,929,044 but picked up again to N3,057,586,242 (2010).Thereafter yearly growths have been recorded with the posting of N4,098,659,307 (2011),N4,142,126,782 (2012), and N4,153,820,829 in 2013.
Your company posted a Premium Income of N4,678,556,485 during the 2014 Financial Year, a figure that rose by 30.8% to hit N6,039,451,539 in 2015.

Your company's Total Assets was grown from N 4,651,673,431 in 2007 grown from ₦ 4,651,673,431 in 2007 to ₦ 7,023,316,035 in 2015, having improved significantly from the ₦6,138,626,002 recorded in 2014.

Also, basic and diluted earnings per share in 2015 is 9.10k from the 3.22k of 2014 while Profit Before Tax and Exceptional item grew by 182.70% from ₦193, 076,785 in 2014 to ₦545,811,078 during the year under review.

Dividend Payment

In line with our commitment to the growth of shareholder value over the years, profits have consistently been posted annually, except for the 2014 financial year where provision was made for impairment charges.

We have now passed on the baton successfully to a new team of capable hands who we believe will successfully take your company to greater heights. Our desire is to continue to provide the necessary support to the new members of the board to enable them succeed.

Chairman's Valedictory Statement

It is my pleasure to inform you once again, dear shareholders, that from the profit of ₦545,811,078 attributable to shareholders, a dividend of three kobo per share is being proposed for approval at this meeting. Upon approval, this will translate to a total dividend payout of ₦180,000,000 from the 2015 operations, having earlier paid an interim dividend of ₦120 million from the half year ended 2015 results.

Your company has been one of the regular dividend paying insurers in the industry, having made payments four times prior to this meeting in (2009: 2008 Accounts- N300,000,000), (2011:2010 Accounts- N180,000,000), (2012: 2011 Accounts N120,000,000), (2013: 2012 Accounts N180,000,000 . The total payout of N180,000,000 proposed for your approval in respect of the 2015 Accounts will therefore translate to N960,000,000 and five times, during our period of stewardship.

Changes in the composition of the Board

The company has appointed an Executive Director, Finance, Systems & Investment with effect from 1st April, 2016. He is Mr Babatunde Daramola.

Also, to fill immediately the vacuum created by the retirement of six non executive directors including me, the following highly experienced professionals from diverse disciplines have been appointed, and are to join the board, on 1st April, 2016:

Mr. Obinna Ekezie, Mrs Eziaku Obidegwu, Chief Andrew S. Odigie, Mr Joel B. Avhurhi, Mrs Adebola F. Odukale and Prince Ben Onuorah.

A new company Secretary/Legal Adviser, Mrs Rukevwe Falana has also been appointed to replace Messrs Foundation Chambers.

These changes are in full compliance with various regulatory provisions particularly the 2009 NAICOM Code of Good Corporate Governance mentioned earlier.

Future Outlook

We have now passed on the baton successfully to a new team of capable hands who we believe will successfully take your company to greater heights. Our desire is to continue to provide the necessary support to the new members of the board to enable them succeed.

Certain strategic measures have been put in place, including the strategic plan to grow the company. We believe the insurance industry will surely take its rightful place in the economy.

At the national level, once the economy is stimulated adequately and production activities commence, our company and the various players will benefit.

Appreciation

There is no doubt that our nine year tenure on the board would not have been a success if we did not receive the cooperation and support we got from you dear, Shareholders. On behalf of my former colleagues on the board, I wish to express our immense gratitude to you all.

My appreciation also goes specially to the Managing Director, his management team and entire staff who, through their support, contributed to the modest growth we have recorded.

Our partners, the insurance brokers, agents and customers have also been very supportive and remain our pillars of success. A BIG THANK YOU for entrusting your assets and those of our mutual clients to us.
It is my belief that the new board will continue to draw richly from you.

Finally, on behalf of the April 2007 – March 2016 Members of the Board of Directors of your company, I want to thank God for His faithfulness, Mercy and Love to us and the company.

The modest financial success we recorded and the good health have been made possible by His Grace.

May He continually guide the new board, management and staff in their quest to make your company the first choice provider of insurance and other financial services in Nigeria.

Ugo (Dr.) Obi Ralph Ekezie
Chairman, Board of Directors

31st March, 2016.

Mr. Eddie Efekoha
MD/CEO

From the desk of the Managing Director/CEO

DISTINGUISHED SHAREHOLDERS,

Immediate past Members of the Board,

Our New Members of the Board,

Ladies and Gentlemen,

It is with great pleasure that I welcome you all to the 21st Annual General Meeting of Consolidated Hallmark Insurance Plc, your company. This meeting is particularly auspicious as it marks the inaugural attendance by the newly constituted board of directors. It has been nine eventful years with my former colleagues on the board, whose immense contributions took the company to where it is today.

The 2015 Financial Year was one of the most eventful in the annals of this company from consolidation in 2007 as it marked the growth of income to an all time high of N6.039bn. This is remarkable when we consider the N1.506bn Gross Premium in 2007. Profitability also increased from N230,006,854 to the N545,811,078 recorded as Profit After Tax for the year 2015. It has been nine years of steady growth although not as fast as envisaged.

The results were achieved under economic conditions which remained quite challenging during the period. For most part of the first half of 2015, there was a massive lull in economic activities due to the political situation in the country. Focus was more on the general elections hence execution of the capital component of the federal and state budgets did not attract the desired attention. The economy also suffered from the apathy of investors – local and offshore, who due to uncertainty about the outcome of the process, preferred to slow down on investment decisions.

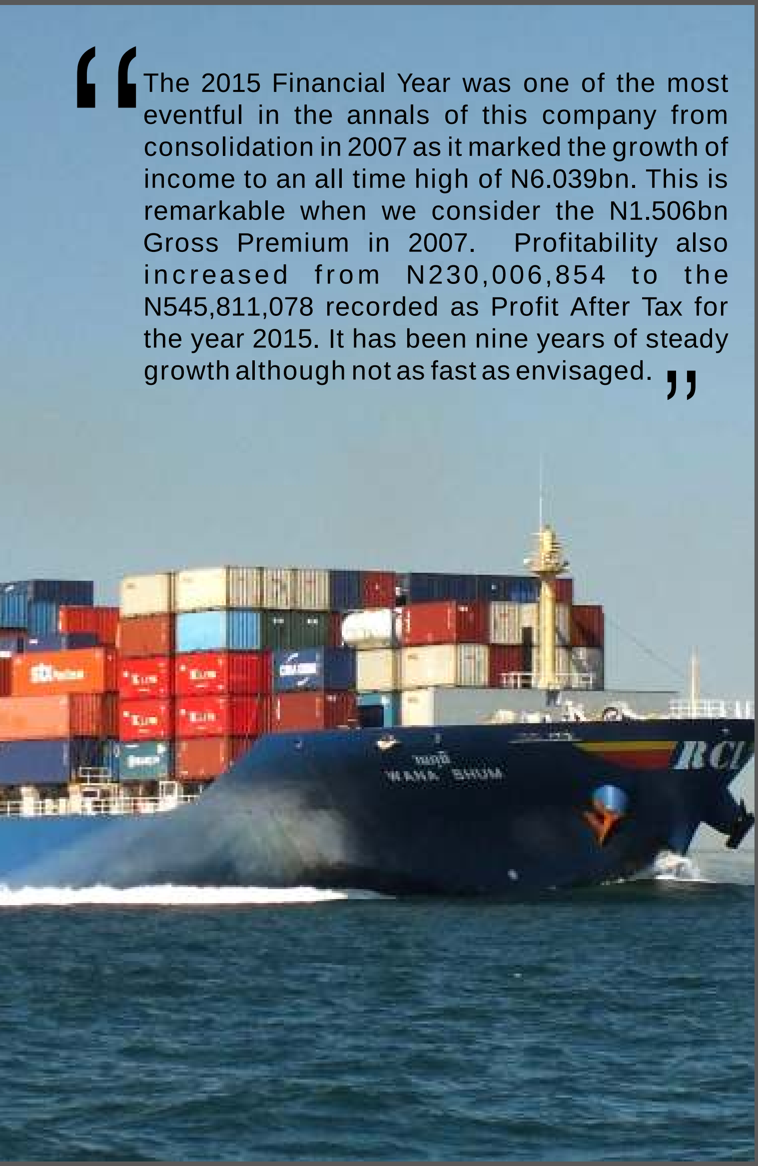
With the smooth political transition however, the economy as at close of the financial year did not receive the expected boost as a result of the late composition of the federal executive council.

Thus, our 2015 Financial Year results, impressive as they have appeared, would have been better, had the economy been fuelled with the requisite budgetary executions in critical sectors, and the huge cost outlay deployed in self provision of power supply by businesses reduced.

Insurance Industry Developments:

The change of baton at the federal and state levels of governance also extended to the industry's regulatory environment with the assumption of office of a new helmsman at the National Insurance Commission (NAICOM). The new leadership has since sent the signal to the entire industry about its preparedness not only to continue with the reforms of the predecessor, but to build on them.

From the desk of the Managing Director/CEO



> "The 2015 Financial Year was one of the most eventful in the annals of this company from consolidation in 2007 as it marked the growth of income to an all time high of N6.039bn. This is remarkable when we consider the N1.506bn Gross Premium in 2007. Profitability also increased from N230,006,854 to the N545,811,078 recorded as Profit After Tax for the year 2015. It has been nine years of steady growth although not as fast as envisaged."

In this regard, activities have since been stepped up in the implementation of the Risk based supervision model earlier adopted by the regulator. Enterprise Risk Management Reports which identify the risks that are most critical to the financial viability of the institution are now regularly filed with the commission and addressed.

Greater emphasis is now being placed on the three pillars of the model (a) minimum capital requirements - the need for a review of current capital provisions in an attempt to determine their adequacy for risks being covered (b) supervisory review – which requires the establishment of a risk management framework to identify, assess and manage major risks inherent in the institution and allocate adequate capital against those risks, and (c) market discipline – which sets out to promote market discipline by requiring a number of disclosures in respect of the institution's risk exposures, risk assessment process and capital adequacy.

The first pillar above may therefore result soon in further consolidation through injection of additional capital, to ensure operators are adequately equipped to transact their classes of business.

NAICOM has also rolled out the guidelines for licensing of micro insurance operators at local levels with lower levels of capitalization in an attempt to ensure a greater level of penetration at the grassroots. Some companies have taken advantage of this.

Efforts by the industry umbrella association, the Nigerian Insurers Association to ensure enforcement of compulsory insurance, especially motor insurance, led to collaboration with law enforcement agencies in some states. Devices for verification of valid vehicle insurance captured in the Nigerian Insurance Industry Data Base (NIID) were deployed to Vehicle Inspection Officers. This is beginning to yield fruits with the periodic detection of fake certificate holders and awareness by members of the public of the need for genuine insurance.

The Leadership of your company has continued to play a key role in decision making of the umbrella body with my membership, not only of the governing council of the NIA but its current deputy chairman.

Interestingly, insurance premium rates have continued to bear the brunt of national inflationary trends as they continue to drop due to intense competition, against the tide of other price indices that keep rising. Regulation should enforce a minimum rating cap below which no operator should go, even as we continue to make efforts to significantly grow volume of transactions.

It is gladdening to note that issues of outstanding premium from current operations have now been virtually eliminated.

Prospects:

The only way to look is upwards; therefore decline in performance is not an option. To accelerate our growth towards the desired heights therefore, a five year growth plan was recently rolled out. A strategic component of this plan is our new vision To Be the First Choice Provider of Insurance and Other Financial Services In Nigeria with a reviewed mission To Preserve Wealth, Reduce Anxiety and Create Value.

Implementation of the plan has since commenced with the robust engagement of our clients through social media facilitated by the establishment of an e-channels desk. Plans are also afoot to improve significantly on brand visibility through Integrated Marketing Communications.

Your company has established a retail unit

From the desk of the Managing Director/CEO

with the aim of growing the business through the advantages inherent in the largely untapped volumes available from the mass market. Recruitment of experienced personnel and training of existing ones to aid the process are ongoing.

Corporate Social Responsibility

Our flagship Corporate Social Responsibility initiative, the Annual Essay Competition has continued to attract the attention of more participants. It is currently in its 5th edition and attracted some winners recently from an institution as far as the University of Uyo, Akwa Ibom State. Also, the National Insurance Commission and the Chartered Insurance Institute of Nigeria (CIIN) have shown their support through their very active presence in the recent awards event.

Other social intervention initiatives including periodic provision of succor to motherless babies in orphanage home remain on course.

Staff Training & Productivity

Our firm belief in training and retraining of staff to adequately equip them with up to date skills has ensured the continued implementation of a robust annual training calendar. Our annual quality training programmes that cut across local and international exposures remain in place and are continually being fine-tuned to ensure the impartation of latest skills.

These trainings and other self development efforts now form an integral aspect of the Performance Management System. It has since been automated as a result of our determination to make it objective, timely and relevant, and in tune with best practice.

Appreciation

The implementation of the 2009 Code of Good Corporate Governance by the National Insurance Commission led to the retirement of a significant number of members of the board of directors of many companies in the industry, including ours.

I will personally miss the invaluable contributions of my former colleagues on the board.

My special appreciation goes to them all, Chairman, Ugo (Dr.) Obi Ralph Ekezie, his Vice, Mr Tony Aletor, Dr. Layi Fatona, Chief

Ben Ikejiaku, Chief Sunny Obidegwu, and Mr Friday Ebojoh. They, in no small measure contributed to the growth of the company during their nine year period on the board.

To our major partners, the insurance brokers and agents, we say a big thank you for your tremendous support over the years. As we join hands in our quest to satisfy our mutual customers, we wish to assure you that our commitment to continue to deliver on our promises remains unwavering. Customer Focus is our goal, as they are the major reason we remain in business.

Our management team and entire staff have also made invaluable contributions to the progress of the organization. Thank you so much for your solid support and faith in the Consolidated Hallmark project.

Above all, I wish to express my immense gratitude to God Almighty who has remained faithful to us. With Him on our side, we shall surely continue to make progress.

Thank you.

Eddie Efekoha
Managing Director/CEO
April, 2015

Executive Management Team

Eddie Efekoha
Managing
Director/C.E.O

Ijeoma Pearl Okoro
Regional Director
(East)

Gbolaga Adeyanju
Group Head
(Technical)

Mary Adeyanju
Regional Director
(Lagos/West)

Tunde Daramola
Executive Director,(FSI)
Appointed 1st Apr 2016

Mac Ekechukwu
Regional Director
(North)

Katherine Itua
Group Head
(Audit &
Risk Management)

Dotun Adeogun
Group Head
(HR & Communications)
Eff: 1st Apr 2016

Customer Focus; Our Goal

"If we can keep our competitors focused on us while we stay focused on the customer, ultimately we'll turn out all right."
- Jeff Bezos

Governance

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038 Complaint Policy
039 Report of the Statutory Audit Committee
040 Report of the Independent Auditors
041 Statement of Significant Accounting Policies

Directors' Report

For the year ended 31 December, 2015

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 2015.

LEGAL FORM

The Company was incorporated on 2nd August 1991 as a private limited liability Company and commenced operations in 1992. The Company converted to a public limited Company in July 2005 and in 2007 changed its name from Consolidated Risk Insurers Plc to Consolidated Hallmark Insurance Plc. The Company shares were listed on the floor of The Nigerian Stock Exchange on 22nd February 2008.

PRINCIPAL ACTIVITIES AND CORPORATE DEVELOPMENT

During the year under review the Company engaged in general insurance business and maintained 14 corporate offices.

OPERATING RESULTS

	2015	2014	Change	Change %
Gross Written Premium	6,039,451,539	4,614,438,482	1,425,013,057	31
Gross Premium Earned	5,875,522,094	4,678,556,485	1,196,965,609	26
Premium Earned	3,189,789,052	2,530,311,668	659,477,384	26
Net Claim Paid	958,013,626	967,054,587	9,041,124	-1
Management Expenses	1,126,380,571	984,089,670	142,290,901	14
Underwriting Profit	1,361,579,901	824,184,245	537,395,656	65
Profit Before Tax Exceptional Item	686,997,116	188,047,765	498,949,351	265
Profit After Tax	534,279,069	185,052,534	349,226,535	189

Resignation & Appointment of Directors

The names of the Directors at the date of this report and of those who held office during the year are as follows:

1. Mr. Eddie Efekoha	Managing Director	
2. Mr. Babatunde Daramola	Executive Director	Appointed 1April 2016
3. Mrs. Ngozi Nkem	Non-Executive Director	
4. Mr. Obinna Ekezie	Non-Executive Director	Appointed 1 April 2016
5. Mrs. Eziaku Ethel Obidegwu	Non-Executive Director	Appointed 1 April 2016
6. Mrs. Adebola Odukale	Non-Executive Director	Appointed 1 April 2016
7. Prince Ben C. Onuora	Non-Executive Director	Appointed 1 April 2016
8. Mr. Joel Botete Avhurhi	Non-Executive Director	Appointed 1 April 2016
9. Chief Andrew Dele Stephen Odigie	Non-Executive Director	Appointed 1 April 2016
10. Ugo (Dr.) Obi Ralph Ekezie	Non-Executive Director	Resigned 31 March 2016
11. Mr. Anthony Aletor	Non-Executive Director	Resigned 31 March 2016
12. Mr. Friday Ebojoh	Non-Executive Director	Resigned 31 March 2016
13. Dr. Layi Fatona	Non-Executive Director	Resigned 31 March 2016
14. Chief Sunny Obidegwu	Non-Executive Director	Resigned 31 March 2016
15. Chief Ben C. Ikejiaku	Non-Executive Director	Resigned 31 March 2016

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' Report

For the year ended 31 December, 2015

Directors	Direct 2015	Indirect 2015	Direct 2014	Indirect 2014
Ugo (Dr.) Obi Ralph Ekezie	399,285,136	-	396,285,136	-
Mr. Tony Aletor	-	1,001,465,000	-	1,066,465,000
Mr. Eddie Efekoha	505,690,000	256,318,100	505,690,000	256,318,100
Dr. Layi Fatona	-	26,553,750	-	26,553,750
Mrs. Ngozi Nkem	240,000,000	557,820,607	240,000,000	557,820,607
Chief Ben Ikejiaku	15,500,000	-	15,500,000	-
Mr. Friday Ebojoh	6,625,000	-	6,625,000	-
Chief Sunny Obidegwu	145,000,000	25,000,000	145,000,000	25,000,000

Director	Indirect Interest Represented
Mr. Tony Aletor	Capital Express Assurance Company Limited
	Capital Express Securities Limited
Dr. Layi Fatona	Nouveau Technologies Limited
Mrs. Ngozi Nkem	Maduako Group Limited
Mr. Eddie Efekoha	Sephine Edefe Nigeria Limited
Chief Sunny Obidegwu	Sunthel Trust Limited

SUBSTANTIAL INTEREST IN SHARES

Shareholders who held more than 5% of the issued share capital of the Company as at 31st December 2015 were as follows:

Shareholder	Units Held	%
Maduako Group Limited	557,820,607	9.2
Capital Express Assurance Co. Ltd	1,000,000,000	16.7
SPDC West Multipurpose Cooperative Society	500,000,000	8.3
Ugo (Dr.) Obi Ralph Ekezie	399,285,136	6.6
Mr. Eddie Efekoha	505,690,000	8.4

SHAREHOLDING ANALYSIS

The range of shareholding as at 31st December 2015 is as follows:

Range of Holding	No of Shareholders	Share Holdings	%
1 - 10,000	3,662	17,705,317	0.30%
10,001 - 100,000	,800	154,571,064	2.58%
100,001 - 1,000,000	1,259	435,665,606	7.26%
1,000,001 - 10,000,000	229	671,120,382	11.19%
10,000,001 - 100,000,000	34	931,040,516	15.52%
100,000,001 - ABOVE	11	3,789,897,115	63.16%
	8,995	6,000,000,000	100%

DIRECTORS RESPONSIBILITIES

The Company's Directors are responsible, in accordance with the provisions of Section 334 of the Companies and Allied Matters Act CAP C20 LFN 2004, for the preparation of Financial Statements which give a true and fair view of the state of affairs of the Group 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 CAP 20 LFN 2004(as amended). In doing so they ensure that:

Directors' Report

For the year ended 31 December, 2015

a. Proper accounting records are maintained.

b. Adequate internal control procedures are established which as far as is reasonably possible, safeguard the assets, prevent and detect fraud and other irregularity.

c. Applicable accounting standards are followed.

d. Suitable accounting policies are consistently applied.

e. Judgments and estimates made are reasonable and prudent and consistently applied.

f. 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 eleven on pages 70 and 71. 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

Consolidated Hallmark Insurance Plc ('CHI') is unswerving in its adherence to the principles of corporate governance as enshrined in the regulators' codes. CHI 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 Group 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.

THE BOARD

The Company's Board of Directors is made 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 nine Directors. The Board is composed majorly 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 international best practice, the positions of the Chairman and the Chief Executive Officer/Managing Director are occupied by two different persons.

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

Mr. Obinna Ekezie	Non-Executive Director(Appointed April 1 2016)
Mr. Eddie Efekoha	Managing Director/Chief Executive Officer
Mr. Babatunde Daramola	Executive Director(Appointed April 1 2016)
Mrs. Ngozi Nkem	Non-Executive Director
Chief Andrew Dele Stephen Odigie	Non-Executive Director(Appointed April 1 2016)
Mrs. Eziaku Ethel Obidegwu	Non-Executive Director(Appointed April 1 2016)
Mrs. Adebola Odukale	Non-Executive Director(Appointed April 1 2016)
Prince Ben C. Onuora	Non-Executive Director(Appointed April 1 2016)
Mr. Joel Botete Avhurhi	Non-Executive Director(Appointed April 1 2016)
Ugo (Dr.) Obi Ralph Ekezie	Chairman (Resigned 31st March 2016)
Mr. Tony Aletor	Vice Chairman (Resigned 31st March 2016)
Dr. Layi Fatona	Non-Executive Director (Resigned 31st March 2016)
Chief Sunny Obidegwu	Non-Executive Director (Resigned 31st March 2016)
Mr. Friday Ebojoh	Non-Executive Director (Resigned 31st March 2016)
Chief Ben C. Ikejiaku	Non-Executive Director (Resigned 31st March 2016)

Directors' Report
For the year ended 31 December, 2015

DUTIES OF THE BOARD
1. Provides strategic direction for the Company.
2. Approves budget of the Company.
3. Oversees the effective performance of Management in running the affairs of the Company.
4. Ensures human and financial resources are effectively deployed.
5. Establishes adequate system of internal control procedures that ensure the safeguard of assets and assist in the prevention and detection of fraud and other irregularities
6. Following applicable accounting standards.
7. Consistently applying suitable accounting policies.
8. Ensures compliance with the code of corporate governance and with other regulatory laws and guidelines.
9. Performance appraisal of Board Members and senior executives.
10. Approves 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 five times in 2015, 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 Stock Exchange was equally given prior notice before every meeting of the Board.

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 & General Purpose Committee (FGPC)
2. Board Audit & Risk Management Committee (ARMC)
3. Board Investment Committee (BIC)
4. Board Establishment & Governance Committee (EGC)

1. BOARD FINANCE & GENERAL PURPOSE COMMITTEE (FGPC)
PURPOSE
The Board Finance & 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 recommendation 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.
- 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.

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

Directors' Report

For the year ended 31 December, 2015

MEMBERSHIP/COMPOSITION

Chief Ben Ikejiaku	Non Executive Director	Chairman
Mr. Friday Ebojoh	Non Executive Director	Member
Dr. Layi Fatona	Non Executive Director	Member
Mr. Eddie Efekoha	Managing Director	Member

2. BOARD AUDIT & RISK MANAGEMENT COMMITTEE (ARMC)

PURPOSE

The primary objective of the Audit & Risk Management 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 Audit Committee also oversees the work carried out in the financial reporting process by Management, Internal Auditor and the External Auditor. The Audit 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 Group'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.
- The Committee reviews the effectiveness of the Company's system of accounting and internal control.
- The promotion, co-ordination and monitoring of risk management activities, including regular review and input to the corporate risk profile.
- The Committee shall 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.
- Carry out review of 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.
- It makes recommendation to the Board with regard to the appointment, removal and remuneration of the External Auditors, financial and senior management of the Company.
- 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.

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. Friday Ebojoh	Non-Executive Director	Chairman
Chief Ben Ikejiaku	Non-Executive Director	Member
Mrs. Ngozi Nkem	Non-Executive Director	Member
Mr. Tony Aletor	Non-Executive Director	Member
Mr. Eddie Efekoha	Managing Director	Member

3. BOARD INVESTMENT COMMITTEE (BIC)

PURPOSE

The purpose of the Board Investment Committee is to assist the Board of Directors in fulfilling its obligation and oversight responsibilities in making investment decisions and formulating and advising the Board on strategic policy for the Company's capital and revenue investment programmes based on professional information/advice and for ensuring that systems are in place to identify, manage, and monitor principal risks that may impact on the Company's investment.

RESPONSIBILITIES

- To consider and advise the Board on strategic policies for the Company's investment programmes.
- The Investment Committee has responsibility for deciding on the appropriateness of all investments within the Company as it affects its clients, lines of business, Management staff and IT systems.
- The Committee takes full responsibility for investment decisions whether to proceed with change initiatives, and necessary release or withdrawal of funds on behalf of the Board and in line with the Company's strategic objectives.
- Ensuring that the assets of the Company are protected and effective control measures are put in place for sufficient internal checks and balances.
- Considers and approves the investment policies of the Company.

MEETINGS AND PROCEDURE

The Committee meets at regular intervals and as necessary to consider and review issues within its purview. The Board Investment Committee met four times during the period under review.

MEMBERSHIP/COMPOSITION

Mr. Tony Aletor	Non-Executive Director	Chairman
Dr. Layi Fatona	Non-Executive Director	Member
Chief Sunny Obidegwu	Non-Executive Director	Member
Mr. Eddie Efekoha	Managing Director	Member

4. BOARD ESTABLISHMENT & GOVERNANCE COMMITTEE

PURPOSE

The Committee deals with matters affecting executive management staff as it relates to recruitment, assessment, promotion, disciplinary measures, career development among 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

- Review from time to time the People Management Policies and make recommendations to the Board as appropriate;
- 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;
- Reviews periodically, reports on productivity/performance of Top Management;
- Review of staff compensation and welfare packages and make recommendation to the Board;
- Consider and approve annual training programmes for the Company's staff in order to ensure overall staff development.

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 world - wide;
- Recommend to the Board the governance structure for the management of the affairs of the Company;
- Review and re-examine the Board charter annually 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, 2015

MEETINGS OF THE COMMITTEE

The Committee meets at least once in each quarter and as necessary. The Board Establishment & Governance Committee met five times during the period under review.

MEMBERSHIP/COMPOSITION

Chief Sunny Obidegwu	Non-Executive Director	Chairman
Mrs. Ngozi Nkem	Non-Executive Director	Member
Mr. Eddie Efekoha	Managing Director	Member

ATTENDANCE AT BOARD & ITS COMMITTEES' MEETINGS

	BOARD	FGPC	ARMC	BIC	BEGC
Ugo (Dr) Obi Ralph Ekezie	2	N/A	N/A	N/A	N/A
Mr. Tony Aletor	5	N/A	2	4	N/A
Mr. Eddie Efekoha	5	5	5	4	5
Chief Ben C. Ikejiaku	5	5	5	N/A	N/A
Chief Sunny Obidegwu	4	N/A	N/A	4	5
Mr. Friday Ebojoh	4	5	5	N/A	N/A
Dr Layi Fatona	2	-	N/A	-	N/A
Mrs. Ngozi Nkem	5	N/A	4	N/A	5
Dates of Meetings					
	28/01/15	26/01/15	26/01/15	27/01/15	22/04/15
	09/03/15	28/04/15	04/03/15	22/04/15	10/06/15
	29/04/15	24/07/15	28/04/15	07/08/15	07/08/15
	26/08/15	22/10/15	24/07/15	11/12/15	12/08/15
	18/12/15	16/12/15	22/10/15		11/12/15

TENURE OF DIRECTORS

The tenure of the Non-Executive Directors is limited to three terms of three years each. This is in compliance with CAMA, NAICOM's Code of Good Corporate Governance and also fuelled by the necessity to reinforce the Board by continually injecting new energy, fresh ideas and perspectives.

STATUTORY AUDIT COMMITTEE

The constitution and composition of the statutory audit committee is in compliance with Section 359 of the Companies and Allied Matters Act, Cap C20 LFN 2004. The Committee is made of three 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:

Mr. Tony Anonyai	Shareholders' Representative	Chairman
Chief Simon Okiotorhoro	Shareholders' Representative	Member
Chief James Emadoye	Shareholders' Representative	Member (Elected August 27, 2015)
Mr. Friday Ebojoh	Non Executive Director	Member
Chief Ben Ikejiaku	Non Executive Director	Member
Mr. Tony Aletor	Non Executive Director	Member

Directors' Report
For the year ended 31 December, 2015

Responsibilities

1. Ascertain whether the accounting and reporting policies of the company are in accordance with legal requirements and agreed ethical practices
2. Review the scope and planning of audit requirements
3. Review the findings on management matters in conjunction with external auditor and departmental responses thereon
4. Keep under review the effectiveness of the company's system of accounting and internal control
5. Make recommendations to the Board in regard to the appointment, removal and remuneration of the external auditors of the company
6. Authorise the internal auditor to carry out investigation into any activities of the company which may be of interest or concern to the Committee.

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

Members		27 January 2015	7 August 2015
Mr. Tony Anonyai	Shareholder/Chairman	✓	✓
Chief Simon Okiotorhoro	Shareholder	✓	✓
Mr. Tony Aletor	Director	✓	✓
Chief Ben C. Ikejiaku	Director	✓	✓
Mr. Friday Ebojoh	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 NSE are always in attendance at our annual general meetings. The representatives of the shareholders association 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.

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: advice the Directors on their duties, and ensure that they comply with corporate legislation and the Articles of Association of the Company; Arranging 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.

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 stated in the Audited Financial Statement.

Directors' Report

For the year ended 31 December, 2015

SPONSORSHIP AND DONATIONS

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

• Ibadan Golf Club Insurance Tournament	- 200,000
• Professional Insurance Ladies Association	- 300,000
• Chartered Insurance Institute of Nigeria Insurance Industry Mega Conference	- 500,000
• Chartered Insurance Institute of Nigeria President's Investiture	- 350,000
• Chartered Insurance Institute of Nigeria Education Conference	- 250,000
• Sacred Heart's Catholic Church, Ojota Building Project	- 150,000
• Red Cross Orphanage Home, Yaba	- 150,000
• Lagos State Motherless Babies Home, Lekki	- 150,000
• National Association of Insurance Correspondents GPA	- 100,000
• Consolidated Hallmark Insurance Plc Tertiary Institutions Annual Award Prices	- 500,000

EMPLOYMENT AND EMPLOYEES

a) Employment of disabled persons

The group does not discriminate in considering applications for employment from disabled persons. If a disabled person meets all recruitment requirements, the group 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 2015 there was no disabled person in the group employment.

b) Employees' training and Involvement

The group 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 group. The group 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.

c) Health, Safety and welfare of employees

The group 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 drill exercises to sensitize all staff and stakeholders of the need to be safety conscious. The group 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 arrangement 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 Stock Exchange 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 SIAO Professional Services have indicated their willingness to serve as the Company's External Auditors in accordance with section 357(2) of the Companies and Allied Matters Act Cap C20 LFN 2004.
A resolution will be proposed at the annual general meeting to authorize the Directors to fix their remuneration.

By order of the Board

RUKEVWE FALANA
Company Secretary
FRC/2016/NBA/00000014035

Internal Control & Risk Management Report

Executive summary

Taking measured risks is part of Consolidated Hallmark Insurance's business. As a financial services company active in General Insurance including Oil and Gas Insurance, Consolidated Hallmark is naturally exposed to a variety of risks. To ensure measured risk taking, the company has integrated risk management in its daily business activities and strategic planning. Risk

Management assists with the formulation of risk appetite, strategies, policies and limits and provides a review, oversight and support function throughout Consolidated Hallmark Insurance on risk-related issues. The main financial risks Consolidated Hallmark Insurance is exposed to are credit risk, market risk (including interest rate and foreign exchange risks), insurance risk (Underwriting risk, claims management risk and reinsurance risk), liquidity risk and business risk. In addition, Consolidated Hallmark Insurance is also exposed to non-financial risks, e.g. Operational risk, Legal risk and Reputational risk. The way Consolidated Hallmark Insurance manages these risks on a day-to-day basis is described in the risk management framework.

Risk management framework

In order to achieve its mission and objectives, Consolidated Hallmark Insurance relies on its risk management framework. At the heart of the risk management framework is a governance process with clear responsibilities for taking, managing, monitoring and reporting risks. Consolidated Hallmark Insurance articulates the roles and responsibilities for risk management throughout the organization, from the Board of Directors and the Chief Executive Officer (CEO) to its businesses and functional areas, thus embedding risk management in the business.

To support the governance process, the company relies on documented policies and guidelines. The Risk Policy is Consolidated Hallmark Insurance's main risk governance document; it specifies our risk tolerance, risk limits and authorities, reporting requirements, procedures to approve any exceptions and procedures for referring risk issues to senior management and the Board of Directors. Limits are specified per risk type, reflecting the group's willingness and ability to take risk, considering earnings stability, economic capital adequacy, financial flexibility, liquidity and reputation, our strategic direction and operational plan, and a reasonable balance between risk and return, aligned with economic and financial objectives.

Consolidated Hallmark Insurance regularly enhances its Risk Policy to reflect new insights and changes in it environment and to reflect changes to the Group's risk tolerance. As an ongoing process, adherence to requirements stated in the Risk Policy is assessed. One of the key elements of the Group's risk management framework is to foster risk transparency by establishing risk reporting standards throughout the group. The Group regularly reports on its risk profile, current risk issues, adherence to its risk policies and improvement actions to both Management and the Board through the Board Audit & Risk Management Committee.

Consolidated Hallmark Insurance has procedures in place for the timely referral of risk issues to Senior Management and the Board of Directors. Various governance and control functions coordinate to help ensure that objectives are being achieved, risks are identified and appropriately managed, also internal controls are in place and operating effectively.

Risk Management is not only embedded in the Group's businesses but is also aligned with its strategic and operational planning process. Consolidated Hallmark Insurance assesses risks systematically and from a strategic perspective through its Risk Profiling process, which allows the Group to identify and then evaluate the probability of a risk scenario occurring, as well as the severity of the consequences should it occur. The Group then develop, implement and monitors appropriate improvement actions. The Risk Profiling process is integral to how the Group deals with change, and is particularly suited for evaluating strategic risks as well as risks to its reputation. At Consolidated Hallmark Insurance this process is reviewed regularly and tied to the planning process. Through these processes, responsibilities and policies, Consolidated Hallmark Insurance embeds a culture of disciplined risk taking across the Group. We continue to consciously take risks for which we expect an adequate return. This approach requires sound judgment and an acceptance that certain risks can and will materialize in the future.

Three lines of defense

Critical to the success of Consolidated Hallmark's risk management framework is the 'three lines of defense' concept which ensures that risks are managed in line with the risk appetite as defined by the Board of Directors and is cascaded throughout the company. This concept provides a clear allocation of responsibilities for the ownership and management of risk, to avoid overlaps and/or gaps in risk governance. The first line of defense are the Business Line Managers who are primarily responsible for risk management. The process of assessing, evaluating and measuring risk is ongoing and is integrated into the day-to-day activities of the business. This process includes implementing the group's risk management framework, identifying issues and taking remedial action where required. The Risk Management Unit as the second line of defense is primarily responsible for setting the group's risk management framework and policy, providing oversight and independent reporting to the Board through the Board Audit and Risk Management Committee and the Executive Management The business unit risk management functions implement the group's risks management framework and policy in the business units, approve risk within specific mandates and provide an independent overview of the effectiveness of risk management by the first line of defense. The Internal Audit function provides an ongoing independent (i.e. outside of the risk organization) and objective assessment of the effectiveness of internal controls, including financial and operational risk management which forms the third line of defense. The Internal Audit reports to the Board through the Board Audit and Risk Management Committee.

Internal Control & Risk Management Report

Risk Governance

To ensure measured risk-taking throughout the organization, Consolidated Hallmark operates through a comprehensive risk management framework. This ensures the identification, measurement and control of risks at all levels of the organization so that Consolidated Hallmark Insurance's financial strength is safeguarded.

The objective of Consolidated Hallmark Insurance's risk management function is to build a sustainable competitive advantage by fully integrating risk management into daily business activities and strategic planning. This objective is fully embedded in Consolidated Hallmark Insurance's business processes. The following principles support this objective:

- Products and portfolios are structured, underwritten, priced, approved and managed appropriately while compliance with internal and external rules and guidelines are monitored;
- Consolidated Hallmark's risk profile is transparent, managed to avoid surprises, and is consistent with delegated authorities;
- Delegated authorities are consistent with the overall Insurance strategy and risk appetite;
- Transparent communication to internal and external stakeholders on risk management and value creation.

Risk Management Function

The risk management function is embedded in all levels of the Consolidated Hallmark Insurance organization.

Chief Risk Officer

The Chief Risk Officer (CRO), who is a Senior Management staff, bears primary overall responsibility for the risk management function. The CRO is responsible for the management and control of risk on a consolidated level to ensure that Consolidated Hallmark Insurance risk profile is consistent with its financial resources and the risk appetite. The CRO is also responsible for establishing and maintaining a robust organizational basis for the management of risk throughout the organization.

Risk policies

Consolidated Hallmark Insurance has a framework of risk management policies, procedures and standards in place to create consistency throughout the organization, and to define minimum requirements that are binding on all business units. The Governance Framework of the business units aligns with the company's framework and meets regulatory requirements. Senior Management is responsible to ensure policies, procedures and standards are implemented and adhered to. Policies, procedures and standards are regularly reviewed and updated to reflect changes in markets as well as emerging best practices.

Risk profile

Consolidated Hallmark Insurance uses an integrated risk management approach for its activities. The Board and Executive Management uses the risk appetite frameworks to monitor and manage the actual risk profile in relation to the risk appetite. It enables them to identify possible risk concentrations and to support strategic decision making. The risk appetite level is reported to the Board through the Board Audit & Risk Management Committee on a quarterly basis. Consolidated Hallmark Insurance's risk appetite is defined by the Board of Directors as part of the strategic planning process.
Consolidated Hallmark's 'three lines of defense' governance framework ensures that risk is managed in line with the risk appetite as defined by the Board. Risk appetite is cascaded throughout the organization, thereby safeguarding controlled risk taking. The role of the business lines is to maximize the value within established risk boundaries. Each quarter, the Board through the Board Audit & Risk Management Committee monitors that the financial and non-financial risks are within the boundaries of the risk appetite as set in the strategic planning process.

Risk types

The various risk types the company is exposed to and how they are managed have been explained in details as part of the explanatory notes to the Financial Statements.

Conclusion

The Company shall continue to focus on proactive identification and management of risks in its operations under a rapidly transforming environment, through critical up-scaling of the Enterprise Risk Management framework with the strategic objective of maintaining risk at acceptable levels. The Board and Management will continue to critically subject business initiatives to risk considerations and proceed on such initiatives only when the risk is considered fair, avoiding unguarded and uncalculated risk to the capital. The disclosures in this report demonstrate the commitment of the Company to sound corporate governance, transparency and best-in-class risk management practices.

Katherine Itua (Mrs.)
Chief Risk Officer
FRC/2012/ICAN/00000000514

Complaint Policy

Prior to the directive of the Securities and Exchange Commission 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 Securities and Exchange Commission.

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 Insurance Plc.

3. Complaint Coordinator (s) - Depending on the nature of the complaint, the Chairman, Board, Managing Director or a committee made up of the heads or assigned members of the following groups to wit, Finance Group, Corporate Services Group, Technical Group, Business Development Group, Audit and Risk Management and the Legal and Compliance Unit will critically analyse the complaint with a view to resolving any issue or complaint made by the complainant within a reasonable timeframe.

A complaint can be filed by either submitting a letter of complaint or via an email to the Managing Director/Chief Executive Officer of Consolidated Hallmark Insurance Plc at 266 Ikorodu Road, Obanikoro Lagos or to info@consolidatedhallmark.com.

The letter of complaint must be signed by the complainant and should include the following information:

a. Full name
b. Full address
c. GSM 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;

Where the complainant chooses to communicate his or her grievance via email, the afore-stated components of a complaint except the signature of the complainant, must be stated.

The Managing Director/Chief Executive Officer or any senior management staff directed by the CEO shall acknowledge the receipt of the letter of complaint within two to five working days either by email or by post for complaints received by email and by post respectively.

The Company will endeavour to resolve all complaints within ten working days of the receipt of the complaint. If any matter or compliant 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 requires 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.

The Company shall also maintain a compliant 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. Remarks/Comment.

A quarterly status report of all complaints received by the Company shall be filed with the Securities and Exchange Commission (SEC) and the Nigerian Stock Exchange (NSE).

Rukevwe Falana	Eddie Efekoha
Company Secretary	Managing Director
FRC/2016/NBA/00000014035	FRC/2013/CIIN/00000002189

Report of The Statutory Audit Committee

REPORT OF THE AUDIT COMMITTEE TO THE MEMBERS OF CONSOLIDATED HALLMARK INSURANCE PLC FOR THE YEAR ENDED 31 DECEMBER 2015

In accordance with the provision of section 359(6) of the Companies and Allied Matters Act CAP C20 Laws of the Federation of Nigeria 2004, we the members of the Audit Committee 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 31 December 2015 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.

Tony Anonyai
Chairman, Audit Committee
FRC/2013/ICAN/000002579

MEMBERS OF THE AUDIT COMMITTEE
Tony Anonyai
Chief Simon Okiotorhoro
Chief James Emadoye
Tony Aletor
Friday Ebojoh
Chief Ben C. Ikejiaku

PKF
Pannell Kerr Forster

Report of the Independent Auditors

For the year ended 31 December, 2015

TO THE MEMBERS OF CONSOLIDATED HALLMARK INSURANCE PLC

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Consolidated Hallmark Insurance Plc, (the Company") and its subsidiary (together "the Group"), which comprise the consolidated statement of financial position at 31 December 2015, the consolidated statement of comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, a summary of significant accounting policies, and other explanatory information.

Directors' Responsibility for the Consolidated Financial Statements

The Directors are responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Companies and Allied Matters Act, Cap C20, LFN 2004, the Nigerian Insurance Act and in the manner required by the International Financial Reporting Standards in compliance with the Financial Reporting Council of Nigeria Act, No 6, 2011, and for such internal control as the Directors determine are necessary to enable the preparation of consolidated financial statements that are free from material misstatement whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects the consolidated financial position of Consolidated Hallmark Insurance Plc ("the Company") and its subsidiary (together "the Group") at 31 December 2015, and of their financial performance and cash flows for the year then ended, in accordance with the Companies and Allied Matters Act, Cap C20, LFN 2004, the Nigerian Insurance Act and in the manner required by the International Financial Reporting Standards in compliance with the Financial Reporting Council of Nigeria Act, No 6, 2011, and relevant guidelines issued by the National Insurance Commission.

Report on other legal requirements:

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

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. the company and its subsidiaries have kept proper books of account, as it appears from our examination of those books and returns adequate for our audit have been received from branches not visited by us.

iii. the company's statement of financial position and statement of comprehensive income are in agreement with the books of account.

Najeeb A. Abdus-salaam, FCA, FRC/2013/ICAN/00000000753
For: PKF Professional Services
Chartered Accountants
Lagos, Nigeria.

0906559

Dated: 02 March 2016

Statement of Significant Accounting Policies

For the year ended 31 December, 2015

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

Group information and accounting policies

The Group

The group comprises of Consolidated Hallmark Insurance Plc (the company) and its subsidiary - CHI Capital Limited. CHI Capital Limited has two wholly owned subsidiaries, Grand Treasurers Limited and CHI Support Services Limited.

Company Information:

Consolidated Hallmark Insurance Plc (formerly Consolidated Risk Insurers Plc) was incorporated on 2 August 1991. The Company changed its name from Consolidated Risk Insurers Plc to Consolidated Hallmark Insurance Plc following its merger with Hallmark Assurance Plc and The Nigerian General Insurance Company Limited in line with the consolidation reform of the National Insurance Commission (NAICOM) announced in 2006. Consolidated Hallmark Insurance Plc came into effect from 1 March 2007.

These consolidated financial statements have been authorized for issue by the Board of Directors on 02 March 2016.

Principal Activities

Consolidated Hallmark Insurance Plc is a General Business and Special Risks Insurance underwriting firm fully capitalized in line with statutory requirements of the industry regulatory body – National Insurance Commission. The company underwrites Aviation, Oil and Gas, Marine Cargo and Hull and other non – life insurance underwriting including Motor, Fire and Special Perils, Goods-in-transit, Engineering Insurance and General Accident insurance businesses.

The Company identifies prompt claims payment as a means to achieving customer satisfaction and therefore emphasizes prompt claims payment in its operations. The company also invests its available funds in interest bearing and highly liquid instruments to generate adequate returns to meet its claims obligations.

The Company is a public limited company incorporated and domiciled in Nigeria. Its shares are listed on the floor of the Nigerian Stock Exchange and have its registered office at Consolidated Hallmark House, 266, Ikorodu Road, Lagos.

Going concern assessment

These consolidated financial statements have been prepared on a going concern basis. The group has neither intention nor need to reduce substantially its business operations. The management believes that the going concern assumption is appropriate for the group and there are no going concern threats to the operations of the group.

Subsidiary; CHI Capital Limited

CHI Capital Limited is a fully owned subsidiary of Consolidated Hallmark Insurance Plc. It carries on the business of consumer leasing and corporate support services. CHI Capital Limited acquired 100% interest in Grand Treasurers Limited in 2010 and also, incorporated CHI Support Services Limited in 2014 with 100% shareholdings.

Grand Treasurers Limited was incorporated in October 1990 and commenced operations in January 1991. Duly licensed by CBN as a non bank finance institution, Grand Treasurers Limited is a wholly owned subsidiary of CHI Capital Limited. The business of the company is consumer lending, lease financing and other finance company business.

CHI Support Services Limited is a company incorporated under the Companies and Allied Matters Act CAP C20 LFN 2004, as a limited liability company in 2014 and authorised by the Nigerian Communication Commission to provide the service of tracking vehicles. CHI Support Services was incorporated in Nigeria.

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 2015 have been prepared in accordance with the International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standard Board ("IASB") 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 2015, prepared in accordance with IFRS 10 - Consolidated Financial Statements.

1.1.2 New and amended standards and interpretations There were no new amendments or standards issued and or effective in the year under review, therefore there has been no impact on the financial statements as a result of this.
However, new and amended standards and interpretations issued and effective in future periods with their estimated impact have not been applied in preparing these financial statements are outlined as follows:

Standards and interpretations issued/amended but not yet effective

Other standards and interpretations issued that are effective for annual periods beginning after 1 January 2015, as outlined below , have not been applied in

Statement of Significant Accounting Policies

For the year ended 31 December, 2015

preparing these financial statements and their impact on the company.

Standards and interpretations issued and effective on or after 1 January 2016

a) IFRS 5: Changes in methods of disposal

Amendments clarify that if an entity reclassifies an asset (or disposal group) directly from being held for sale to being held for distribution to owners, or vice-versa, then the change in classification is considered a continuation of the original plan of disposal.

The impact of this amendment has been reviewed and have been estimated to have no or minimal impact on the financial statements of the entity in future periods

b) Amendments to IFRS 10, IFRS 12 and IAS 27: Investment Entities - Applying the Consolidated Exception

Narrow-scope amendments to IFRS 10, IFRS 12 and IAS 28 introduce clarifications to the requirements when accounting for investment entities. The amendments also provide relief in particular circumstances, which will reduce the costs of applying the Standards.

The impact of this amendment has been reviewed and have been estimated to have no or minimal impact on the financial statements of the entity in future periods.

c) IFRS 7: Servicing contracts & Applicability of the amendments to IFRS 7 to condensed interim financial statements

Amendments clarify the meaning of "continuing involvement" in a transferred financial asset. Amendments also clarify that previous amendments to IFRS 7 (concerning offsetting) are not specifically required for all interim periods and should be dealt with in terms of IAS34.p15

The impact of this amendment has been reviewed and have been estimated to have no or minimal impact on the financial statements of the entity in future periods

d) IFRS 10 & IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Clarification was provided on the treatment where a parent loses control of a subsidiary as a result of a transaction involving an associate or a joint venture.The impact of this amendment has been reviewed and have been estimated to have no or minimal impact on the financial statements of the entity in future periods

e) IFRS 11: Accounting for Acquisitions of Interests in Joint Operations

Amendments adding new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business which specify the appropriate accounting treatment for such acquisitions.

The impact of this amendment has been reviewed and have been estimated to have no or minimal impact on the financial statements of the entity in future periods when they become effective

f) IFRS 14: Regulatory deferral accounts

IFRS 14 allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of IFRS. Existing IFRS preparers are prohibited from applying the standard. Also, an entity whose current GAAP does not allow the recognition of rate-regulated assets and liabilities, or that has not adopted such policy under its current GAAP, would not be allowed to recognize them on first-time application of IFRS.

Entities that adopt IFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in these account balances as separate line items in the statement of profit or loss and other comprehensive income.

The standard requires disclosures on the nature of, and risks associated with, the entity's rate regulation and the effects of that rate regulation on its financial statements.

g) IAS 1: Disclosure Initiative

Amendments designed to encourage entities to apply professional judgement in determining what information to disclose in their financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. Furthermore, the amendments clarify that entities should use professional judgement in determining where and in what order information is presented in

Statement of Significant Accounting Policies

For the year ended 31 December, 2015

the financial disclosures.

The impact of this amendment has been reviewed and have been estimated to have no or minimal impact on the financial statements of the entity in future periods when they become effective.

h) IAS 16 & 38: Clarification of Acceptable Methods of Depreciation and Amortisation
Amendment to both IAS 16 and IAS 38 clarifying, that when applying the principle of "the basis of depreciation and amortisation is the expected pattern of consumption of the future economic benefits of an asset", revenue is generally presumed to be an inappropriate basis for measuring the consumption of economic benefits in such assets.

Additionally further clarified the basis for the calculation of depreciation and amortisation.

The impact of this amendment has been reviewed and have been estimated to have no or minimal impact on the financial statements of the entity in future periods when they become effective.

i) IAS 16 & 41: Agriculture ~ Bearer Plants
Amendments to IAS 16 and IAS 41 which defines bearer plants and includes bearer plants in the scope of IAS 16 Property, Plant and Equipment, rather than IAS 41 allowing such assets to be accounted for after initial recognition in accordance with IAS 16.

The impact of this amendment has been reviewed and have been estimated to have no or minimal impact on the financial statements of the entity in future periods when they become effective.

j) IAS 19: Discount rate ~ regional market issue
Clarification given that when looking at a deep market in terms of the standard the deep market requirement applies to the currency as a whole and not to a specific country.

The impact of this amendment has been reviewed and have been estimated to have no or minimal impact on the financial statements of the entity in future periods when they become effective.

k) IAS 27: Equity Method in Separate Financial Statements
Amendments to IAS 27 will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.

The impact of this amendment has been reviewed and have been estimated to have no or minimal impact on the financial statements of the entity in future periods when they become effective

l) IAS 34: Disclosure of information 'elsewhere in the interim financial report'
Clarified that some disclosures required may be presented by cross-reference to other statement(s) that are available to the users of the financial statements on the same terms as the interim financial statements and at the same time.

The impact of this amendment has been reviewed and have been estimated to have no or minimal impact on the financial statements of the entity in future periods when they become effective

Standards and interpretations issued and effective on or after 1 January 2017
Other standards and interpretations issued that are effective for annual periods beginning after 1 January 2017 , as outlined below , have not been applied in preparing these financial statements and the company is yet to assess the full impact of the amendments from these standards.

a) IFRS 15: Revenue from contracts with customers
To recognize revenue, a company would apply the following five steps: Identify the contract(s) with the customer, Identify the performance obligations in the contract, Determine the transaction price, Allocate the transaction price; Recognize revenue when a performance obligation is satisfied. A company would recognize an asset for the incremental costs of obtaining a contract if those costs are expected to be recovered. For many contracts, such as many straight forward retail transactions, IFRS 15 will have little, if any, effect on the amount and timing of revenue recognition. A company will be able to recognize revenue over time

Standards and interpretations issued and effective on or after 1 January 2018
Other standards and interpretations issued that are effective for annual periods beginning after 1 January 2018 , as outlined below , have not been applied in preparing these financial statements and the company is yet to assess the full impact of the amendments from these standards.

Statement of Significant Accounting Policies

For the year ended 31 December, 2015

a) IFRS 9 Financial instruments

IFRS 9 introduces new requirements for classifying and measuring financial assets. At the IASB's July 2011 meeting, the IASB decided to postpone the mandatory application of IFRS 9 to annual periods beginning on or after 1 January 2015 with early application still permitted.

1.2 Basis of measurement

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

- Available-for-sale financial assets are measured at fair value.
- 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 subsidiary, CHI Capital 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 seizes. A subsidiary is an entity over which the Group has the power to govern the ?nancial and operating policies generally accompanying a shareholding of more than one half of the voting rights. CHI Capital Limited is a wholly owned subsidiary of the company.

All intercompany transactions, balances, unrealized surplus and deficit on transactions between group companies are eliminated on consolidation. Unrealized losses are also eliminated in the same manner as unrealized gains. The financial statements of the subsidiary has been prepared in accordance with IFRSs and the accounting policies of the subsidiary are consistent with the accounting policies adopted by the group which are in accordance with IFRSs.

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 available-for-sale equity financial assets

The Group determines that available-for-sale equity financial assets are impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgement. In

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making this judgement, the group evaluates among other factors, the normal volatility in share price, the financial health of the investee, industry and sector performance, changes in technology, and operational and financing cash flow. Impairment may be appropriate when there is evidence of deterioration in the financial health of the investee, industry and sector performance, changes in technology, and financing and operational cash flows.

The fair values of financial instruments where no active market exists or where quoted prices are not otherwise available are determined by using valuation techniques. In these cases the fair values are estimated from observable data in respect of similar financial instruments or using models. Where market observable inputs are not available, they are estimated based on appropriate assumptions. Where valuation techniques (for example, models) are used to determine fair values, they are validated and periodically reviewed by qualified personnel independent of those that sourced them.

All models are certified before they are used, and models are calibrated to ensure that outputs reflect actual data and comparative market prices. To the extent practical, models use only observable data; however, areas such as credit risk, volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The group adopts costs less impairment to determine the fair value of its available for sale financial assets whenever observable market data exist for this asset.

(c) Impairment of trade receivables

The management adopted the policy of no premium no cover and the trade receivables outstanding as at the reporting period are premium receivable within 30days that are due from brokers. The trades receivable were 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.

(d) Deferred acquisition costs (DAC)

Commissions that vary with and are related to securing new contracts and renewing existing contracts are capitalised as an intangible asset under Deferred Acquisition Costs (DAC). The amount of commission to be deferred is directly proportional to the time apportionment basis of the underlying premium income to which the acquisition cost is directly related.

(e) 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. 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 90days.

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3.1 Financial assets

The Group classifies its financial assets into the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification is determined by management at initial recognition and depends on the purpose for which the investments were acquired. At initial recognition, the Group classifies its financial assets in the following categories:

3.1.1 Financial assets at fair value through profit or loss

A financial asset is classified in this category if acquired principally for the purpose of selling or repurchasing in the short-term. Financial instruments in this category are recognized initially and subsequently at fair value. Transaction costs are expensed in the consolidated statement of income. Gains and losses arising from changes in fair value are presented in the consolidated statement of income in the period in which they arise. Non-derivative financial assets and liabilities at fair value through profit or loss are classified as current except for the portion expected to be realized or paid beyond twelve months of the balance sheet date, which are classified as long-term.

Assets 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, are trading assets. Assets do not fall under this category merely because there is a market for the asset – the entity must have acquired the asset for short term trading intent.

3.1.2 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those that the Group intends to sell in the short term or that it has designated as at fair value through profit or loss or available for sale. The Group's loans and receivables comprise loans issued to corporate entities, individual and/or staff of the Group.

Loans and receivables are initially recognized at the amount expected to be received, less, when material, a discount to reduce the loans and receivables to fair value.
Subsequently, loans and receivables are measured at amortized cost using the effective interest rate method less a provision for impairment.

3.1.3 Available-for-sale investments

These are financial assets that are intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices or that are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss. The Group's available-for-sale assets comprise investments in equity securities (other than those qualifying as cash equivalents).

Available-for-sale investments are recognized initially at fair value plus transaction costs and are subsequently carried at fair value. In cases where the fair value of an unlisted equity cannot be measured reliably, the instruments are carried at cost less impairment. Gains or losses arising from remeasurement are recognized in other comprehensive income except for exchange gains and losses on the translation of debt securities, which are recognized in the consolidated statement of income. When an available-for-sale investment is sold or impaired, the accumulated gains or losses are moved from accumulated other comprehensive income to the statement of income. Available-for-sale investments are classified as non-current, unless an investment matures within twelve months, or management expects to dispose of it within twelve months.

Dividends on available-for-sale equity instruments are recognized in the statement of income as dividend income when the Group's right to receive payment is established.

3.1.4 Held-to-maturity financial assets

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity other than:

- those that the Group upon initial recognition

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- designates as at fair value through profit or loss;
- those that the Group designates as available for sale; and
- those that meet the definition of loans and receivables.

Held-to-maturity investments are initially recognized at cost and subsequently measured at amortized cost. Interests on held-to-maturity investments are included in the income statement and are reported as 'Interest and similar income. In the event of an impairment, it is being reported as a deduction from the carrying value of the investment and recognised in the income statement as 'Net gains/ (losses) on investment securities'

3.2 Reclassifications

Financial assets other than loans and receivables are permitted to be reclassified out of the held-for-trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near-term. In addition, the Group may choose to reclassify financial assets that would meet the definition of loans and receivables out of the held-for-trading or available-for-sale categories, if the Group has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortized cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

3.3 Impairment of assets

3.3.1 Financial assets carried at amortized cost

The Group assesses at each end of the reporting period whether there is objective evidence that a financial asset or company of financial assets is impaired. A financial asset or company of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or company of financial assets that can be reliably estimated. Objective evidence that a financial asset or company of assets is impaired includes observable data that comes to the attention of the Group about the following events:

- Significant financial difficulty of the issuer or debtor;
- A breach of contract, such as a default or delinquency in payments;
- It is becoming probable that the issuer or debtor will enter bankruptcy or other financial reorganization;
- The disappearance of an active market for that financial asset because of financial difficulties; or observable data indicating that there is a measurable decrease in the estimated future cash flow from a company of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the Group, including: adverse changes in the payment status of issuers or debtors in the Group; or national or local economic conditions that correlate with defaults on the assets in the Group.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a company of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred on loans and receivables or held-to-maturity investments carried at amortized cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement. If a held-to-maturity investment or a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

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For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics (i.e., on the basis of the Group's grading process that considers asset type, industry, geographical location, past-due status and other relevant factors). Those characteristics are relevant to the estimation of future cash flows of such assets by being indicative of the issuer's ability to pay all amounts due under the contractual terms of the debt instrument being evaluated.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as improved credit rating), the previously recognized impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the income statement.

3.3.2 Assets classified as available for sale

The Group assesses at each date of the statement of financial position whether there is objective evidence that a financial asset or a company of financial assets is impaired. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is an objective evidence of impairment resulting in the recognition of an impairment loss. In this respect, a decline of 20% or more is regarded as significant, and a period of 12 months or longer is considered to be prolonged. If any such quantitative evidence exists for available-for-sale financial assets, the asset is considered for impairment, taking qualitative evidence into account.

The cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss) is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement. If in a subsequent period the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the income statement.

3.3.3 Impairment of non-financial assets

The Group assesses annually whether there is any indication that any of its assets have been impaired. If such indication exists, the asset's recoverable amount is estimated and compared to its carrying value. Where it is impossible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the smallest cash-generating unit to which the asset is allocated. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount an impairment loss is recognized immediately in profit or loss, unless the asset is carried at a revalued amount, in which case the impairment loss is recognized as revaluation decrease.

3.3.4 Impairment of other non-financial assets

Assets that have an indefinite useful life – for example, land – are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

4. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

4.1 As Lessor
4.1.1 Finance leases

Assets held under finance leases are recognized as finance lease receivable of the Group at the fair value at the inception of the lease or if lower, at the present value of the minimum lease payments. The related liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between interest expenses and capital redemption of the liability, Interest is recognized immediately in the income statement, unless attributable to qualifying assets, in

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which case they are capitalized to the cost of those assets. Contingent rentals are recognised as expenses in the periods in which they are incurred.

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 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 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. Deferred acquisition costs

Acquisition costs comprise mainly of agent's commission. These costs are amortized and deferred over the terms of the related policies to the extent that they are considered to be recoverable from unearned premium.

8. 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.

9. Deposit for shares

Where the company invested in the equities of other entities and the necessary allotment of shares or share certificates have not been received by the company, such investment shall be treated as deposit for shares. At initial recognition, it would be treated at cost and at subsequent recognition, it would be recognized at cost less impairment (if any).

10. Inventories

Inventories are assets held for sale in the ordinary course of business, in the process of production for such sale or in the form of materials or supplies to be consumed in the production process or in the rendering of services. Inventories shall be measured at the lower of cost and net realizable value. The cost of inventories shall comprise all costs of purchase, costs of conversion and other cost incurred in bringing the inventories to their present location and condition.

11. Investment in subsidiaries

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

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I. Power over the investee
II. Exposure, or rights, to variable returns from its involvement with the investee; and
III. 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).

12. 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.

13. Investment properties

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the group's operations or for administrative purposes. Investment property comprises freehold land and building and is initially recognized at cost and subsequently recognized at fair value with any change recognized in income statement. Fair value is based on active market prices, 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.

13. Intangible assets

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

14. Property and equipment

14.1 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. 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 and equipment	-	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.

14.2 Reclassification to investment property

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-

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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.

15. Statutory Deposit

Statutory deposit represents 10% of the 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.

16. Insurance Contracts Liabilities

In accordance with IFRS 4, the company has continued to apply the accounting policies it applied in accordance with Pre-changeover Nigerian GAAP subject to issue of Liability adequacy test (note14.4).Balances arising from insurance contracts primarily includes unearned premium, provisions for outstanding claims and adjustment expenses, re-insurers share of provision for unearned premium and outstanding claims and adjustment expenses, deferred acquisition costs, and salvage and subrogation receivables.

16.1 Reserves for unearned premium

In compliance with Section 20 (1) (a) of Insurance Act 2003, the reserve for unearned premium is calculated on a time apportionment basis in respect of the risks accepted during the year.

16.2 Reserves for outstanding claims

The reserve for outstanding claims is maintained at the total amount of outstanding claims incurred and reported plus claims incurred but not reported ("IBNR") as at the balance sheet date. The IBNR is based on the liability adequacy test.

16.3 Reserves for unexpired risk

A provision for additional unexpired risk reserve (AURR) is recognized for an underwriting year where it is envisaged that the estimated cost of claims and expenses would exceed the unearned premium reserve (UPR)".

16.4 Liability adequacy test

At each reporting date, the company performs a liability adequacy test through an Actuary on its insurance contract liabilities less deferred acquisition costs to ensure the carrying amount is adequate, If the estimate shows the carrying amount of liabilities is inadequate, any deficiency is recognized as an expense to the income statement initially by writing off the deferred acquisition expense and subsequently by recognizing an additional claims liability for claims provisions.

17. Trade payables related to insurance contracts

Trade payables are recognized when due. These include amounts due to agents, brokers and insurance contract holders. Trade payables are initially recognized at fair value and subsequently measure at amortized cost using effective interest rate method. Where it is a non interest bearing liability, it is measure at a discounted repayment amount. However if the due date is less than one year, discounting is omitted.

18. Other payables and provisions

Other payables are stated at their original invoiced value, as the interest that would be recognized from discounting future cash payments over the short payment period is not considered to be material.

19. Retirement benefits obligations

19.1 Defined contribution plan

The Group runs a defined contribution plan. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. 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.

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20. 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.

21. 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.

22. 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.

23. 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.

24. Revenue recognition

24.1 Premium

Written premium for non-life (general insurance) business comprises the premiums on contract incepting in the financial year. Written premium are stated at gross of commissions payable to intermediaries. Unearned premiums are those portions of the premium, which relates to periods of risks after the balance sheet date. Unearned premiums are prorated evenly over the term of the insurance policy. The portion of the premium related to the unexpired portion of the policy at the end of the fiscal year is reflected in the unearned premium.

a) Gross premium

Gross premium is recognized at the point of attachment of risk to a policy before conducting cost of reinsurance.

b) Gross premium earned

Gross premium earned is the written premium recognized after adjusting for the unearned portion of the premium.

a) Unearned premium

This is the portion of the gross premium on the insurance contract, determined on a contract by contract basis, which is deemed to be relating to the risk for period not falling within the current accounting year. This is carried forward to the next accounting period as unearned premium.

b) Net premium

Net premium represents gross premium earned less reinsurance costs.

c) Reinsurance premium

Reinsurance premium is the ceding to a reinsurance part of a risk or liability accepted in order to ensure greater and reduced liability on the part of the company.

The outward reinsurance premium relating to earned premiums are recognized as outflow in accordance with the reinsurance services received.

24.2 Reinsurer's share of unearned premium

Reinsurer's share of unearned premium is recognized as an asset using principles consistent with the company's method for determining the unearned premium liability.

25. Expenses

a) Reinsurance cost

This represents the outward reinsurance premium paid to reinsurance companies less the unexpired portion as at the end of the current accounting year.

The reinsurance cost is charged to the

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underwriting revenue account while the unexpired portion is shown as prepaid reinsurance costs, on asset, on the balance sheet.

b) Reinsurance recoveries
Reinsurance represents that portion of claims paid or payable on risks ceded out to reinsurance companies on which recoveries are received or receivable from the reinsurer.

The recoveries are applied to reduce the gross claims incurred on the underwriting revenue account.

c) Prepaid reinsurance cost
This is the unexpired reinsurance cost determined on a time apportionment basis and is reported under other asset on the balance sheet.

d) Gross claims paid
This is the direct claims payments during the year plus reinsurance claims paid, if any.

e) Gross claims incurred
The is made up of claims and claims handling expenses paid during the financial year after adjusting for the movement it the prevision for outstanding claims and claims incurred but not reported (IBNR).

f) Net claims incurred
This is gross claims incurred after adjusting for reinsurance claims recoveries.
All claims paid and incurred are charged against the underwriting revenue account as expense wren Incurred. Reinsurance recoveries are recognized when the company records the liability for the claims.
Anticipated reinsurance recoveries on claims ore disclosed separately as assets.

g) Management expenses
Management expenses are expenses other than claims, investments and underwriting expenses. They include salaries, depreciation charges and other administrative but non-operating expenses. They are accounted for on or accrual basis and are charged to the profit and loss account n the year in which they were incurred.

26. Provision for unpaid claims and adjustment expenses

Individual loss estimates are provided on each claims reported. In addition, provisions are made for adjustment expenses, changes in reported claims, and for claims incurred but not reported, based on past experience and business in force. The estimates are regularly reviewed and updated, and any resulting adjustments are included in the current income.

27. Salvage and subrogation recoverable

In the normal course of business, the company obtains ownership of damaged properties, which they resell to various salvage operators. Unsold property is valued at its estimated net realizable value.

Where the company indemnifies policyholders against a liability claim, it acquires the right to subrogate its claims against other parties. These claims are reflected at amounts expected to be received from the subrogated parties net of related costs.

28. Fees and commission income

Fees and commissions consist primarily of reinsurance commission and other contract fees. All other fee and commission income is recognized as services are provided.

29. Investment income

Investment income consists of dividend, interest income. Dividends are recognized only when the group's right to payments is established.

29.1 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

29.2 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.

29.3 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.

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30. 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 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.

31. 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.

32. 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 385 of the Companies and Allied Matters Act (Cap C20) laws of the Federation of Nigeria 2004. Unclaimed dividends are transferred to general reserves after twelve years.

33. 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.

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Consolidated Statement of Financial Position

At 31 December, 2015

	Notes	Group 31 December 2015 ₦	Group 31 December 2014 ₦	Company 31 December 2015 ₦	Company 31 December 2014 ₦
Assets					
Cash and cash equivalents	2.	2,822,735,766	2,299,949,368	2,780,220,924	2,268,572,191
Financial assets:					
At fair value through profit or loss	3.1	183,200,238	343,086,193	177,671,643	331,557,775
Loans and receivables	3.2	61,029,203	34,221,228	70,851,262	19,379,021
Available for sale assets	3.3	60,950,000	2,000,000	60,950,000	2,000,000
Held to maturity	3.4	497,905,166	133,173,401	497,905,166	133,173,401
Deposit for shares	4.	-	50,250,000	-	50,250,000
Finance lease receivables	5.	172,095,986	128,423,469	-	-
Trade receivables	6.	81,030,026	69,245,808	81,030,026	69,245,808
Reinsurance assets	7.	691,913,416	651,767,868	691,913,416	651,767,868
Deferred acquisition cost	8.	190,525,298	194,835,265	190,525,298	194,835,265
Other receivables & prepayments	9.	135,246,867	141,675,841	135,266,048	141,704,560
Inventories	11.	5,146,854	2,888,332	-	-
Investment in subsidiaries	10.	-	-	250,000,000	250,000,000
Intangible assets	12.	16,467,871	13,685,959	15,592,433	13,685,959
Investment properties	13.1	888,020,000	877,960,682	803,359,000	793,460,682
Property and equipment	14.	917,049,344	895,462,588	908,924,352	892,213,721
Statutory deposits	15.	300,000,000	300,000,000	300,000,000	300,000,000
Total assets		7,023,316,035	6,138,626,002	6,964,209,568	6,111,846,251
Liabilities					
Insurance contract liabilities	16.	2,218,670,079	1,974,439,083	2,218,670,079	1,974,439,083
Trade payables	17.	112,060,913	7,829,896	112,060,913	7,829,896
Other payables and provision	18.	163,568,360	146,105,612	171,540,123	171,622,017
Retirement benefit obligations	19.	184,444	137,815	4,430	-
Income tax liabilities	20.2	120,730,104	72,341,424	93,162,912	47,695,854
Deferred tax liabilities	20.3	140,289,268	95,460,524	139,693,165	95,460,524
Total liabilities		2,755,503,168	2,296,314,354	2,735,131,622	2,297,047,374
Equity and reserves					
Issued and paid up share capital	21.1	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000
Contingency reserve	22.1	1,058,782,003	882,516,340	1,058,782,003	882,516,340
Statutory reserve	22.2	5,826,986	8,477,548	-	-
Retained earnings	23.	203,203,878	(48,682,240)	170,295,943	(67,717,463)
Total equity		4,267,812,867	3,842,311,648	4,229,077,946	3,814,798,877
Total liabilities and equity		7,023,316,035	6,138,626,002	6,964,209,568	6,111,846,251

The consolidated financial statements were approved by the Board of Directors on 02 March 2016 and signed on its behalf by:

Ugo. (Dr.) Obi Ralph Ekezie
Chairman
FRC/2013/COREN/00000002188

Eddie Efekoha
Managing Director
FRC/2013/CIIN/00000002189

Babatunde Daramola
Chief Financial Officer
FRC/2013/ICAN/00000000564

The accompanying notes form an integral part of these financial statements.

Consolidated Statement Of Comprehensive Income

For The Year Ended 31 December 2015

	Notes	Group 31 December 2015 ₦	Group 31 December 2014 ₦	Company 31 December 2015 ₦	Company 31 December 2014 ₦
Gross premium written		6,039,451,539	4,614,438,474	6,039,451,539	4,614,438,474
Gross premium income	25.	5,875,522,094	4,678,556,485	5,875,522,094	4,678,556,485
Reinsurance premium expenses	26.	(2,685,733,043)	(2,148,244,817)	(2,685,733,043)	(2,148,244,817)
Net premium income		3,189,789,051	2,530,311,668	3,189,789,051	2,530,311,668
Fee and commission income	27.	145,879,333	207,872,453	145,879,333	207,872,453
Net underwriting income		3,335,668,384	2,738,184,121	3,335,668,384	2,738,184,121
Claims expenses	28a	(1,341,181,328)	(1,234,297,773)	(1,341,181,328)	(1,234,297,773)
Claims recoveries from reinsurers	28b.	383,167,702	267,243,023	383,167,702	267,243,023
Claims incurred		(958,013,626)	(967,054,750)	(958,013,626)	(967,054,750)
Underwriting expenses	29.	(1,007,902,155)	(907,885,365)	(1,016,074,857)	(946,945,126)
Underwriting profit		1,369,752,603	863,244,006	1,361,579,901	824,184,245
Investment income	30.	447,362,355	329,369,606	402,048,193	299,595,699
Other operating income	31.	177,053,841	36,973,619	170,537,974	32,848,143
Impairment charge	32.	16,935,040	(20,767,457)	17,402,910	(17,402,910)
Net fair value gains/(losses) recognised in the year	33.	(138,190,791)	32,307,258	(138,191,291)	32,912,258
Management expenses	34.	(1,168,001,089)	(1,035,505,853)	(1,126,380,571)	(984,089,670)
Profit/(loss) before taxation		704,911,959	205,621,179	686,997,116	188,047,765
Income tax expense	20.1	(159,100,881)	(12,544,394)	(152,718,047)	(2,995,231)
Profit/(loss) after taxation		545,811,078	193,076,785	534,279,069	185,052,534
Other comprehensive income/(loss) net of tax					
Other comprehensive income/(loss) net of tax		-	-	-	-
Total other comprehensive income		-	-	-	-
Total comprehensive income/(loss) for the year		545,811,078	193,076,785	534,279,069	185,052,534
Profit/(loss) attributable to:					
Equity holders of the parents'		545,811,078	193,076,785	534,279,069	185,052,534
Non-controlling interest		-	-	-	-
		545,811,078	193,076,785	534,279,069	185,052,534
Basic and diluted earnings per share (Kobo)	35.	9.10	3.22	8.90	3.08

The accompanying notes form an integral part of these financial statements.

Consolidated Statement Of Changes in Equity

For The Year Ended 31 December 2015

The Group

	Issued share capital ₦	Contingency reserves ₦	Statutory reserve ₦	Retained earnings ₦	Total equity ₦
At 1 January 2014	3,000,000,000	742,159,645	6,690,381	(99,615,163)	3,649,234,863
Changes in equity for 2014:					
Profit for the year	-	-	-	193,076,785	193,076,785
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	193,076,785	193,076,785
Transactions with owners:					
Transfer within reserves	-	140,356,695	1,787,167	(142,143,862)	-
Dividends declared during the year	-	-	-	-	-
Non-controlling interest arising on business combination	-	-	-	-	-
	-	-	-	-	-
Contribution by and to owners of the business	-	140,356,695	1,787,167	(142,143,862)	-
At 31 December 2014	3,000,000,000	882,516,340	8,477,548	(48,682,240)	3,842,311,648
At 1 January 2015	3,000,000,000	882,516,340	8,477,548	(48,682,240)	3,842,311,648
Changes in equity for 2015:					
Profit for the year	-		-	545,811,078	545,811,078
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	545,811,078	545,811,078
Transactions with owners:					
Transfer to contigency reserves	-	176,265,663	-	(176,265,663)	-
Transfer to statutory reserves	-	-	(2,650,562)	2,340,703	(309,859)
Dividends declared during the year	-	-	-	(120,000,000)	(120,000,000)
Non-controlling interest arising on business combination	-	-	-	-	-
Contribution by and to owners of the business	-	176,265,663	(2,650,562)	(293,924,960)	(120,309,859)
At 31 December 2015	3,000,000,000	1,058,782,003	5,826,986	203,203,878	4,267,812,867

Consolidated Statement of Changes in Equity

For The Year Ended 31 December, 2015

The Company

	Issued share capital ₦	Contigency reserves ₦	Retained earnings ₦	Total equity ₦
At 1 January 2014	3,000,000,000	742,159,645	(112,413,302)	3,629,746,343
Changes in equity for 2014:				
Profit for the year	-	-	185,052,534	185,052,534
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	185,052,534	185,052,534
Transactions with owners:				
Transfer to contigency reserves	-	140,356,695	(140,356,695)	-
Transfer to statutory reserves	-	-	-	-
Contribution by and to owners of the business	-	140,356,695	(140,356,695)	-
At 31 December 2014	3,000,000,000	882,516,340	(67,717,463)	3,814,798,877
At 1 January 2015	3,000,000,000	882,516,340	(67,717,463)	3,814,798,877
Changes in equity for 2015:				
Profit for the year	-	-	534,279,069	534,279,069
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	534,279,069	534,279,069
Transactions with owners:				
Transfer to contigency reserves	-	176,265,663	(176,265,663)	-
Transfer to statutory reserves	-	-	-	-
Dividends declared during the year	-	-	(120,000,000)	(120,000,000)
Contribution by and to owners of the business	-	176,265,663	(296,265,663)	(120,000,000)
At 31 December 2015	3,000,000,000	1,058,782,003	170,295,943	4,229,077,946

Consolidated Statement Of Cash Flows

For The Year Ended 31 December 2015

	Notes	Group 31 December 2015 ₦	Group 31 December 2014 ₦	Company 31 December 2015 ₦	Company 31 December 2014 ₦
Cash flows from operating activities					
Premium received from policy holders		6,039,256,088	4,596,590,853	6,039,256,088	4,596,590,853
Reinsurance receipts in respect of claims	28b.	314,780,998	413,664,449	314,780,998	413,664,449
Commission received	27.	150,878,677	207,872,453	150,878,661	207,872,453
Other operating receipts	31.	161,924,867	36,973,619	155,399,462	32,848,143
Cash paid to and on behalf of employees	36.	(553,499,753)	(392,487,514)	(532,115,976)	(374,854,931)
Reinsurance premium paid		(2,553,260,869)	(1,983,139,025)	(2,553,260,869)	(1,983,139,025)
Claims paid	28a	(1,260,879,778)	(1,319,998,793)	(1,260,879,778)	(1,319,998,793)
Underwriting expenses	29.	(1,007,902,155)	(907,885,365)	(1,016,074,857)	(946,945,126)
Other operating cash payments		(508,768,666)	(597,867,814)	(512,036,354)	(502,804,884)
Company income tax paid	20.2	(65,883,457)	(104,747,997)	(63,018,348)	(104,964,382)
Net cash (used in)/ from operating activities		716,645,952	(51,025,134)	722,929,027	18,268,757
Cash flows from investing activities					
Purchase of property and equipment	14.	(107,445,819)	(17,147,906)	(99,646,496)	(17,147,906)
Addition to investment properties	13.	(9,665,093)	(3,682,082)	(9,504,593)	(3,682,082)
Additional investment in subsidiaries	10.	-	-	-	(23,592,320)
Proceeds from sale of property and equipment	14.	7,469,828	8,092,467	7,927,313	8,092,468
Purchase of financial assets	3.	(581,298,577)	(310,628,923)	(460,044,542)	(310,628,923)
Proceeds from sale of financial assets	3.1	184,874,395	72,642,951	83,096,480	68,645,724
Dividend received	30.	5,963,163	9,910,822	5,963,163	9,797,800
Interest received	30.	426,242,550	316,285,383	380,928,388	286,624,498
Net cash from investing activities		(73,859,553)	75,472,712	(91,280,287)	18,109,259
Cash flows from financing activities					
Dividend paid	23.	(120,000,000)	-	(120,000,000)	-
Net cash used in financing activities		(120,000,000)	-	(120,000,000)	-
Increase in cash and cash equivalents		522,786,399	24,447,578	511,648,740	36,378,016
Cash and cash equivalent at 1 January 2015		2,299,949,368	2,275,501,790	2,268,572,185	2,232,194,169
Cash and cash equivalent at 31 December 2015	2	2,822,735,767	2,299,949,368	2,780,220,925	2,268,572,185

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, 2015

1. Corporation information

1.1 The Group

The group comprises of Consolidated Hallmark Insurance Plc and its subsidiary - CHI Capital Limited. CHI Capital Limited is a parent company to two wholly owned subsidiaries, Grand Treasurers Limited and CHI Support Services Ltd.

1.2 The Company

Consolidated Hallmark Insurance Plc (formerly Consolidated Risk Insurers Plc) was incorporated on 2 August 1991. The Company changed its name from Consolidated Risk Insurers Plc to Consolidated Hallmark Insurance Plc following its merger with Hallmark Assurance Plc and The Nigerian General Insurance Company Limited in line with the consolidation reform of NAICOM announced in 2006. Consolidated Hallmark Insurance Plc came into effect from 1 March 2007.

1.3 Principal activities

During the year under review, the Company engaged in general insurance business and maintained offices in major cities with Corporate headquarters at 266 Moshood Abiola way, Lagos. The principal activities of the subsidiaries are portfolio management, short term lending, equipment leasing and auto tracking services.

		Group		Company	
		31 December 2015 ₦	31 December 2014 ₦	31 December 2015 ₦	31 December 2014 ₦
2.	Cash and cash equivalents				
	Cash in hand	2,126,570	434,615	2,126,570	434,615
	Balance with banks	123,888,545	155,225,566	102,987,121	134,996,469
	Call deposits	7,725,567	22,004,842	7,725,567	22,004,842
	Fixed placement	2,688,995,084	2,122,284,345	2,667,381,666	2,111,136,265
		2,822,735,766	2,299,949,368	2,780,220,924	2,268,572,191
3.	Financial assets				
	At fair value through profit or loss (Note 3.1)	183,200,238	343,086,193	177,671,643	331,557,775
	Loans and receivables measured at amortised cost (Note 3.2)	61,029,203	34,221,228	70,851,262	19,379,021
	Available for sale (Note 3.3)	60,950,000	2,000,000	60,950,000	2,000,000
	Held to maturity (Note 3.4)	497,905,166	133,173,401	497,905,166	133,173,401
		803,084,607	512,480,822	807,378,071	486,110,197
3.1	At fair value through profit or loss				
	At 1 January	343,086,193	174,453,485	331,557,775	156,076,887
	Additions	1,032,084	215,628,923	1,032,084	215,628,923
	Disposals	(20,333,023)	(74,888,904)	(14,333,200)	(68,645,724)
	Transfers to cash and WHT receivables	-	(4,414,570)	-	(4,414,570)
		323,480,254	310,778,934	318,256,659	298,645,516
	Fair value (loss)/gain (Note 33)	(140,585,016)	32,307,259	(140,585,016)	32,912,259
	At 31 December	183,200,238	343,086,193	177,671,643	331,557,775

Trading securities 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 for short term trading intent.

Notes To The Consolidated Financial Statements

For The Year Ended 31 December, 2015

		Group		Company	
		31 December 2015 ₦	31 December 2014 ₦	31 December 2015 ₦	31 December 2014 ₦
3.2	Loans and receivables				
	Staff loans	30,321,897	15,466,228	30,321,897	15,466,228
	Loan issued to corporate individuals (Note 3.2.1)	30,707,306	18,755,000	40,529,365	3,912,793
		61,029,203	34,221,228	70,851,262	19,379,021
3.2.1	Loan issued to corporate individuals				
	At 1 January	114,520,593	136,153,737	98,291,698	108,923,397
	Addition	52,633,603	30,000,000	109,437,335	30,000,000
	Repayment	(40,751,669)	(51,633,144)	(73,320,762)	(40,631,699)
		126,402,527	114,520,593	134,408,271	98,291,698
	Impairment on loans issued to corporate individuals (Note 3.2.4)	(95,695,221)	(95,765,592)	(93,878,905)	(94,378,905)
	At 31 December	30,707,306	18,755,001	40,529,366	3,912,793
3.2.2	Analysis by performance:				
	Performing	61,029,203	34,221,229	70,851,264	19,379,022
	Non-performing	95,695,221	95,765,592	93,878,904	94,378,904
		156,724,424	129,986,821	164,730,168	113,757,926
3.2.3	Analysis by maturity:				
	Due within one year	126,853,941	99,289,539	136,751,877	98,378,905
	Due within one - five years	29,870,483	30,697,282	27,978,291	15,379,021
	Due after five years	-	-	-	-
		156,724,424	129,986,821	164,730,168	113,757,926
3.2.4	Movement in impairment - loans and receivables :				
	At 1 January	95,765,592	95,521,718	94,378,905	94,378,905
	Addition (Note 29)	429,629	660,000	-	-
	Provision no longer required (Note 29)	(500,000)	(416,126)	(500,000)	-
	At 31 December	95,695,221	95,765,592	93,878,905	94,378,905
3.3	Available for sale assets				
	At 1 January	2,000,000	2,000,000	2,000,000	2,000,000
	Transfer from deposit for shares	50,250,000	-	50,250,000	-
	Exchange gains (Note 31)	8,700,000	-	8,700,000	-
	Impairment on available for sale	-	-	-	-
	At 31 December	60,950,000	2,000,000	60,950,000	2,000,000

Available for sale assets are the unquoted equity securities of the group and are measured at cost because their fair values could not be reliably measured.

Available for sale equities are analysed as follows:

	No. of shares	Cost per unit	Total Cost N
Planet Capital Limited (Formerly Strategy and Arbitrage Limited)	2,000,000	₦1	2,000,000
Energy & Allied Insurance Pool of Nigeria (Limited by Guarantee)			50,250,000

Notes To The Consolidated Financial Statements

For The Year Ended 31 December, 2015

		Group		Company	
		31 December 2015 ₦	31 December 2014 ₦	31 December 2015 N	31 December 2014 ₦
3.4	Held to maturity assets				
	At 1 January	130,000,000	65,000,000	130,000,000	65,000,000
	At initial recognition - additions	349,575,123	65,000,000	349,575,123	65,000,000
	Value at maturity	479,575,123	130,000,000	479,575,123	130,000,000
	Amortised interest (Note 3.4.1)	18,330,043	3,173,401	18,330,043	3,173,401
	At 31 December	497,905,166	133,173,401	497,905,166	133,173,401
3.4.1	Amortised interest				
	At 1 January	3,173,401	-	3,173,401	-
	Interest income in the year (Note 30)	47,864,142	12,298,401	47,864,142	12,298,401
	Coupons received in the year	(32,707,500)	(9,125,000)	(32,707,500)	(9,125,000)
	At 31 December	18,330,043	3,173,401	18,330,043	3,173,401
3.4.2	Held to maturity assets are analysed as follows:				
	Debts securities				
	Listed	497,905,166	133,173,401	497,905,166	133,173,401
	Unlisted	-	-	-	-
	At 31 December	497,905,166	133,173,401	497,905,166	133,173,401
	Current	281,700,688	3,173,401	281,700,688	3,173,401
	Non-current	216,204,478	130,000,000	216,204,478	130,000,000
		497,905,166	133,173,401	497,905,166	133,173,401
3.4.3	At the reporting date, no held to maturity assets were past due or impaired				
	15.25% NAHCO Bond series 2 2013/2020	20,217,260	20,217,260	20,217,260	20,217,260
	13.5% Lagos State Government Bond series 2 2013/2020	45,565,891	45,565,891	45,565,891	45,565,891
	13.05% FGN bond 2014/2016	67,390,250	67,390,250	67,378,055	67,390,250
	FCMB NGN SERIES 2 BOND 2015/2020	51,130,137	-	51,130,137	-
	15.1% FGN APR 2017	99,303,385	-	99,303,385	-
	WEMA BANK 182D CP JAN 2016	214,298,243	-	214,310,438	-
	At 31 December	497,905,166	133,173,401	497,905,166	133,173,401
4.	Deposit for shares	-	50,250,000	-	50,250,000
	This represents fund deposited by the company for the shares of the Energy & Allied Insurance Pool of Nigeria limited through the NIA. This has now been transferred to available for sale assets				
5.	Finance lease receivables				
	At 1 January	137,320,490	91,768,811	-	-
	Addition	216,625,756	134,313,165	-	-
	Repayment	(134,347,008)	(52,819,220)	-	-
	Gross investment	219,599,238	173,262,756	-	-
	Unearned income	(38,567,989)	(35,942,266)	-	-
	Net investment	181,031,249	137,320,490	-	-
	Impairment on finance lease receivables (Note 5.1)	(8,935,263)	(8,897,021)	-	-
	At 31 December	172,095,986	128,423,469	-	-
	Current	118,784,190	74,181,980	-	-
	Non-current	62,247,059	63,138,510	-	-
	Analysis by performance				
	Performing	171,836,442	128,423,469	-	-
	Non-performing	9,194,807	8,897,021	-	-
		181,031,249	137,320,490	-	-
	Analysis by maturity				
	Due within one year	118,784,190	74,181,980	-	-
	Due within one - five years	62,247,059	63,138,510	-	-
	Due after five years	-	-	-	-
		181,031,249	137,320,490	-	-

Notes To The Consolidated Financial Statements

For The Year Ended 31 December, 2015

		Group		Company	
		31 December 2015 ₦	31 December 2014 ₦	31 December 2015 ₦	31 December 2014 ₦
5.1	Movement in impairment - finance lease receivables:				
	At 1 January	8,897,021	7,653,455	-	-
	Charge for the year (Note 32)	38,242	2,389,860	-	-
	Write back	-	(1,146,294)	-	-
	At 31 December	8,935,263	8,897,021	-	-
6.	Trade receivables				
	Due from insurance companies	10,686,478	10,939,070	10,686,478	10,939,070
	Due from insurance brokers and agents	70,343,548	75,709,648	70,343,548	75,709,648
		81,030,026	86,648,718	81,030,026	86,648,718
	Impairment allowance (Note 6.1)	-	(17,402,910)	-	(17,402,910)
		81,030,026	69,245,808	81,030,026	69,245,808
	Current	81,030,026	69,245,808	81,030,026	69,245,808
	Non-current	-	-	-	-
6.1	Impairment allowance				
	At 1 January	17,402,910	1,302,059,367	17,402,910	1,302,059,367
	Written off in the year	-	(1,302,059,367)	-	(1,302,059,367)
	Recovered in the year	(17,402,910)	-	(17,402,910)	-
	Charge for the year (Note 29)	-	17,402,910	-	17,402,910
	At 31 December	-	17,402,910	-	17,402,910
7.	Reinsurance assets				
	Prepaid reinsurance (Note 7.1)	409,975,490	438,216,646	409,975,490	438,216,646
	Reinsurers share of outstanding claims (Note 7.2)	281,937,926	213,551,222	281,937,926	213,551,222
	At 31 December	691,913,416	651,767,868	691,913,416	651,767,868
	Current	691,913,416	651,767,868	691,913,416	651,767,868
	Non-current	-	-	-	-

Prepaid reinsurance (Note 7.1)	31 December 2015 N	31 December 2014 N	31 December 2015 N	31 December 2014 N
Opening Prepaid reinsurance	438,216,646	621,548,852	438,216,646	621,548,852
Addition during the year	2,657,491,886	1,964,912,612	2,657,491,886	1,964,912,612
Charged during the year	(2,685,733,042)	(2,148,244,817)	(2,685,733,042)	(2,148,244,817)
Closing reinsurance	409,975,490	438,216,646	409,975,490	438,216,646

Reinsurers share of outstanding claims (Note 7.2)	31 December 2015 N	31 December 2014 N	31 December 2015 N	31 December 2014 N
Opening Prepaid reinsurance	213,551,222	359,972,648	213,551,222	359,972,648
Addition during the year	383,167,702	267,243,023	383,167,702	267,243,023
Claims Recovered during the year	(314,780,998)	413,664,449	(314,780,998)	413,664,449
Closing claims recoverable	281,937,926	213,551,222	281,937,926	213,551,222

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 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.

		Group		Company	
		31 December 2015 ₦	31 December 2014 ₦	31 December 2015 ₦	31 December 2014 ₦
7.1	Prepaid reinsurance				
	Fire	137,100,731	124,852,539	137,100,731	124,852,539
	General accident	23,912,990	107,947,760	23,912,990	107,947,760
	Motor	4,565,263	9,044,246	4,565,263	9,044,246
	Marine	30,900,057	45,960,053	30,900,057	45,960,053
	Bond	3,177,107	4,417,229	3,177,107	4,417,229
	Engineering	4,652,158	20,506,442	4,652,158	20,506,442
	Aviation	67,103,737	41,127	67,103,737	41,127
	Oil & gas	138,563,447	125,447,250	138,563,447	125,447,250
		409,975,490	438,216,646	409,975,490	438,216,646

Notes To The Consolidated Financial Statements

For The Year Ended 31 December, 2015

		Group		Company	
		31 December 2015 N	31 December 2014 N	31 December 2015 N	31 December 2014 N
7.2	Reinsurers share of outstanding claims				
	Fire	143,252,064	60,931,407	143,252,064	60,931,407
	General accident	55,888,491	78,864,084	55,888,491	78,864,084
	Motor	5,929,828	12,985,912	5,929,828	12,985,912
	Marine	17,345,649	6,089,642	17,345,649	6,089,642
	Bond	750,020	261,879	750,020	261,879
	Engineering	9,438,056	18,254,539	9,438,056	18,254,539
	Aviation	31,175,169	23,298,875	31,175,169	23,298,875
	Oil & gas	18,158,649	12,864,884	18,158,649	12,864,884
		281,937,926	213,551,222	281,937,926	213,551,222
8.	Deferred acquisition cost				
	At 1 January	194,835,265	204,941,728	194,835,265	204,941,728
	Increase/(decrease) during the year	661,713,497	687,757,894	661,713,497	687,757,894
	Less: amortisation during the year	(666,023,464)	(697,864,357)	(666,023,464)	(697,864,357)
	At 31 December	190,525,298	194,835,265	190,525,298	194,835,265
	Current	190,525,298	194,835,265	190,525,298	194,835,265
	Non-current	-	-	-	-

Deferred acquisition cost represent commissions on unearned premium relating to the unexpired risk. The movement in the deferred acquisition cost during the year is as shown above.

		Group 31 December 2015 N	Group 31 December 2014 N	Company 31 December 2015 N	Company 31 December 2014 N
8.1	Deferred acquisition cost analysis				
	Fire	36,914,648	29,946,278	36,914,648	29,946,278
	General accident	34,494,094	28,267,252	34,494,094	28,267,252
	Motor	55,535,274	49,487,768	55,535,274	49,487,768
	Marine	19,947,150	11,279,537	19,947,150	11,279,537
	Bond	1,146,299	1,445,380	1,146,299	1,445,380
	Engineering	9,797,034	7,894,942	9,797,034	7,894,942
	Aviation	9,695,867	7,040,114	9,695,867	7,040,114
	Oil & gas	22,994,932	59,473,994	22,994,932	59,473,994
		190,525,298	194,835,265	190,525,298	194,835,265
9.	Other receivables and prepayments				
	Staff advances	18,050,009	17,336,365	18,050,009	17,336,365
	Account receivables	34,793,406	20,130,240	34,620,844	17,283,333
	Withholding tax credit	58,554,822	40,910,015	58,399,440	40,910,015
	Prepayments (Note 9.1)	24,195,755	63,803,047	24,195,755	66,174,847
		135,593,992	142,179,667	135,266,048	141,704,560
	Impairment allowance (Note 32)	(347,125)	(503,826)	-	-
		135,246,867	141,675,841	135,266,048	141,704,560
	Current	135,246,867	141,675,841	135,266,048	141,704,560
	Non-current	-	-	-	-
9.1	Prepayments				
	Prepaid rents	24,195,755	35,171,668	24,195,755	36,671,668
	Other prepayments	-	28,631,379	-	29,503,179
		24,195,755	63,803,047	24,195,755	66,174,847
	Current	24,195,755	63,803,047	24,195,755	63,803,047
	Non-current	-	-	-	-
10.	Investment in subsidiaries				
	CHI Capital (Note 10.1)	-	-	250,000,000	250,000,000

10.1 CHI Capital Limited is a fully owned subsidiary of Consolidated Hallmark Insurance Plc. It carries on the business of consumer leasing. CHI Capital Limited acquired 100% interest in Grand Treasurers Limited, a CBN licensed finance company, in December 2010 with the purpose of carrying on financing activities. It is also the parent company of CHI Support Services Limited

Notes To The Consolidated Financial Statements

For The Year Ended 31 December, 2015

	CHI PLC	CHI Capital Limited	Elimination	Total
	₦	₦	₦	N
10.2 Condensed result of consolidated entities - 2015				
Condensed financial position				
Assets				
Cash and cash equivalent	2,780,220,924	42,514,842	-	2,822,735,766
Financial assets	807,378,071	34,799,377	(39,092,841)	803,084,607
Finance lease receivables	-	172,095,986	-	172,095,986
Trade receivables	81,030,026	5,420,000	(5,420,000)	81,030,026
Reinsurance assets	691,913,416	-	-	691,913,416
Deferred acquisition cost	190,525,298	-	-	190,525,298
Other receivables and prepayment	135,266,048	34,056,665	(34,075,846)	135,246,867
Investment in subsidiaries	250,000,000	-	(250,000,000)	-
Inventories	-	5,146,854	-	5,146,854
Intangible assets	15,592,433	875,438	-	16,467,871
Investment properties	803,359,000	84,661,000	-	888,020,000
Property and equipment	908,924,352	8,124,992	-	917,049,344
Statutory deposits	300,000,000	-	-	300,000,000
Total assets	6,964,209,568	387,695,154	(328,588,687)	7,023,316,035
Liabilities				
Insurance contract liabilities	2,218,670,079	-	-	2,218,670,079
Trade payables	112,060,913	-	-	112,060,913
Other payables and provision	171,540,123	70,616,924	(78,588,687)	163,568,360
Retirement benefit obligation	4,430	180,014	-	184,444
Tax liabilities	232,856,077	28,163,295	-	261,019,372
Share capital	3,000,000,000	250,000,000	(250,000,000)	3,000,000,000
Statutory reserve	1,058,782,003	5,826,986	-	1,064,608,989
Retained earnings	170,295,943	32,907,935	-	203,203,878
Total liabilities and equity	6,964,209,568	387,695,154	(328,588,687)	7,023,316,035
10.2 Condensed result of consolidated entities - 2015				
Condensed profit and loss				
Underwriting profit	1,361,579,901	(15,287,298)	23,460,000	1,369,752,603
Investment income	402,048,193	45,314,162	-	447,362,355
Other operating income	170,537,974	29,975,867	(23,460,000)	177,053,841
Total operating income	1,934,166,068	60,002,731	-	1,994,168,799
Impairment charge	17,402,910	(467,872)	-	16,935,038
Net fair value gains/(losses)	(138,191,291)	500	-	(138,190,791)
Management expenses	(1,126,380,571)	(41,620,516)	-	(1,168,001,087)
Profit before taxation	686,997,116	17,914,843	-	704,911,959
Taxation	(152,718,047)	(6,382,834)	-	(159,100,881)
Profit after tax	534,279,069	11,532,009	-	545,811,078

Notes To The Consolidated Financial Statements
For The Year Ended 31 December, 2015

	CHI Plc N	CHI Capital N	Elimination N	Total N
10.2 Condensed result of consolidated entities - 2014				
Condensed financial position				
Cash and cash equivalents	2,268,572,191	31,377,178	-	2,299,949,369
Financial assets	486,110,197	26,370,629	-	512,480,826
Deposit for shares	50,250,000	-	-	50,250,000
Finance lease receivables	-	128,423,469	-	128,423,469
Trade receivables	69,245,808	32,560,000	(32,560,000)	69,245,808
Reinsurance assets	651,767,868	-	-	651,767,868
Deferred acquisition costs	194,835,265	-	-	194,835,265
Other receivables and prepayment	141,704,560	26,155,718	(26,184,437)	141,675,841
Inventories	-	2,888,332	-	2,888,332
Investment in subsidiaries	250,000,000	-	(250,000,000)	-
Investment properties	793,460,682	84,500,000	-	877,960,682
Intangible assets	13,685,959	-		13,685,959
Property and equipment	892,213,721	3,248,862	-	895,462,583
Statutory deposits	300,000,000	-	-	300,000,000
Total assets	6,111,846,251	335,524,188	(308,744,437)	6,138,626,002
Liabilities				
Insurance contract liabilities	1,974,439,083	-	-	1,974,439,083
Trade payables	7,829,896	-	-	7,829,896
Other payables and provision	171,622,017	33,537,890	(58,837,911)	146,321,996
Retirement benefit obligation	-	137,823	-	137,823
Income tax liabilities	47,695,854	24,645,569	-	72,341,423
Deferred tax liabilities	95,460,524	-	-	95,460,524
Share capital	3,000,000,000	250,000,000	(250,000,000)	3,000,000,000
Statutory reserve	882,516,340	8,477,547	-	890,993,887
Retained earnings	(67,717,463)	18,725,359	93,474	(48,898,630)
Total liabilities and equity	6,111,846,251	335,524,188	(308,744,437)	6,138,626,002
10.2 Condensed result of consolidated entities - 2014				
Condensed profit and loss				
Underwriting profit	824,184,245	39,059,751	-	863,243,996
Investment income	299,595,699	29,773,907	-	329,369,606
Other operating income	32,848,143	4,095,476	30,000	36,973,619
Total operating income	1,156,628,087	72,929,134	30,000	1,229,587,221
Impairment charge	(17,402,910)	(3,428,022)	63,474	(20,767,458)
Net fair value gains/(losses) on financial assets at fair value through profit or loss	32,912,258	(605,000)	-	32,307,258
Management expenses	(984,089,670)	(51,416,173)	-	(1,035,505,843)
Profit before tax	188,047,765	17,479,939	93,474	205,621,178
Taxation	(2,995,231)	(9,549,162)	-	(12,544,393)
Profit after tax	185,052,534	7,930,777	93,474	193,076,785

Notes To The Consolidated Financial Statements
For The Year Ended 31 December, 2015

	Group		Company	
	31 December 2015 N	31 December 2014 N	31 December 2015 N	31 December 2014 N
11. Inventories				
Auto track devices	6,520,134	4,261,612	-	-
Impairment allowance (Note 29)	(1,373,280)	(1,373,280)	-	-
	5,146,854	2,888,332	-	-
12. Intangible assets				
Cost				
At 1 January	16,500,000	16,500,000	16,500,000	16,500,000
Additions	5,765,000	-	4,837,500	-
At 31 December	22,265,000	16,500,000	21,337,500	16,500,000
Accumulated amortization				
At 1 January	2,814,041	412,500	2,814,041	412,500
Charge for the year	2,983,088	2,401,541	2,931,026	2,401,541
At 31 December	5,797,129	2,814,041	5,745,067	2,814,041
Carrying amount				
At 31 December	16,467,871	13,685,959	15,592,433	13,685,959
13. Investment properties				
At 1 January	877,960,682	874,278,600	793,460,682	789,778,600
Addition	9,665,093	3,682,082	9,504,593	3,682,082
Fair value change	394,225	-	393,725	-
At 31 December	888,020,000	877,960,682	803,359,000	793,460,682

Notes To The Consolidated Financial Statements
For The Year Ended 31 December, 2015

13.1 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 titles 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 requirements, provided below is the list of these properties and status of efforts to change their name to Consolidated Hallmark Insurance Plc.

S/N	TYPE OF ASSET	ADDRESS	AMOUNT ₦	CURRENT TITLE HOLDER	STATUS ON CHANGE OF TITLE
	Company				
1	Building	Plot A/5 Pocket Layout (Clerk Quarters) Owerri, Imo State.	207,680,000.00	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, Owerri, Imo State	240,270,000.00	Consolidated Hallmark Insurance Plc.	Title now changed from Hallmark Assurance Plc to the name of Consolidated Hallmark Insurance Plc.
3	Building	No. 30, East Street, Rivers Layout Aba, Abia State.	109,580,000.00	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.	130,314,000.00	Consolidated Hallmark Insurance Plc.	Title has been transferred to CHI
5	Land	Plot 3, Sea Gate Estate, Phase 1, Lekki Peninsula, Eti-Osa.	47,020,000.00	Consolidated Hallmark Insurance Plc.	The purchase documents now regularized in the name of Consolidated Hallmark Insurance Plc.
6	Building	Rivers State Housing Estate, Abuloma PH	42,150,000.00	Consolidated Hallmark Insurance Plc.	Title over this property transferred to Consolidated Hallmark Insurance Plc.
7	Land	Plot 14, 1(W) Road, First Avenue, Lugbe Estate, Abuja.	23,275,000.00	Hallmark Assurance Plc (Legacy Company)	The Company made payments to the Federal Housing Authority, Abuja during the year and is awaiting final approval from them.
8	Shops	Trade Fair Shopping Complex	3,070,000.00	Consolidated Hallmark Insurance Plc	Already exist in the name of Consolidated Hallmark Insurance Plc.
			803,359,000.00		
	Chi Capital Limited				
		Thomas Estate, Orile Ibama, Ajah, Lagos	84,661,000.00	CHI Capital Limited	Already exist in the name of CHI Capital Limited
	Total		888,020,000.00		

Notes To The Consolidated Financial Statements

For The Year Ended 31 December, 2015

14. Property and equipment

14.2a The group

2015	Land ₦	Building ₦	Office Equipment ₦	Furniture & Fittings ₦	Motor Vehicles ₦	Computer Equipment ₦	Total ₦
Cost							
At 1 January	286,099,948	536,339,722	78,041,943	105,157,160	274,518,389	208,533,277	1,488,690,439
Additions in the year	-	-	6,328,448	3,540,697	89,448,174	2,363,500	101,680,819
Disposals in the year	-	-	(691,039)	(825,000)	(25,140,882)	(2,460,553)	(29,117,474)
At 31 December 2015	286,099,948	536,339,722	83,679,352	107,872,857	338,825,681	208,436,224	1,561,253,784
Accumulated depreciation							
At 1 January	-	80,162,865	62,144,799	89,066,570	179,808,113	182,045,504	593,227,851
Depreciation charge for the year	-	16,407,673	4,727,459	5,008,144	41,152,831	8,264,557	75,560,664
Disposals in the year	-	-	(687,039)	(825,000)	(21,041,394)	(2,030,642)	(24,584,075)
At 31 December 2015	-	96,570,538	66,185,219	93,249,714	199,919,550	188,279,419	644,204,440
Accumulated impairment losses	-	-	-	-	-	-	-
Carrying value							
At 31 December 2015	286,099,948	439,769,184	17,494,133	14,623,143	138,906,131	20,156,805	917,049,344
2014							
Cost							
At 1 January	286,099,948	536,339,722	76,944,193	104,531,697	272,861,934	204,509,014	1,481,286,508
Additions in the year	-	-	1,136,750	854,000	10,966,455	4,190,701	17,147,906
Disposals in the year	-	-	(39,000)	(228,537)	(9,310,000)	(166,438)	(9,743,975)
At 31 December 2014	286,099,948	536,339,722	78,041,943	105,157,160	274,518,389	208,533,277	1,488,690,439
Accumulated depreciation							
At 1 January	-	69,463,165	57,430,401	83,701,442	150,294,349	172,380,041	533,269,398
Depreciation charge for the year	-	10,699,700	4,740,202	5,576,933	31,511,698	9,719,526	62,248,059
Disposals in the year	-	-	(25,804)	(211,805)	(1,997,934)	(54,063)	(2,289,606)
At 31 December 2014	-	80,162,865	62,144,799	89,066,570	179,808,113	182,045,504	593,227,851
Accumulated impairment losses	-	-	-	-	-	-	-
Carrying value							
At 31 December 2014	286,099,948	456,176,857	15,897,144	16,090,590	94,710,276	26,487,773	895,462,588
At 31 December 2013	286,099,948	466,876,557	19,513,792	20,830,255	122,567,585	32,128,973	948,017,110

The properties of the company were professionally re-valued as at 30 November 2015, by Messrs. Adegboyega Sanusi & Co and the estimates of their fair values determined to be N836,340,000 (Land: N300,000,000 and Building: N536,340,000), on the basis of their open market values. These values have not been incorporated in the books as at that date.

Notes To The Consolidated Financial Statements
For The Year Ended 31 December, 2015

14.2b Property and equipment

The company

2015	Land ₦	Building ₦	Office Equipment ₦	Furniture & Fittings ₦	Motor Vehicles ₦	Computer Equipment ₦	Total ₦
Cost							
At 1 January	286,099,948	536,339,722	77,986,942	105,157,160	270,068,388	207,905,526	1,483,557,686
Additions	-	-	6,268,625	3,540,697	82,783,174	2,216,500	94,808,996
Disposals	-	-	(691,039)	(825,000)	(25,140,882)	(2,460,553)	(29,117,474)
At 31 December 2015	286,099,948	536,339,722	83,564,528	107,872,857	327,710,680	207,661,473	1,549,249,208
Accumulated depreciation							
At 1 January	-	80,162,865	62,129,675	89,066,571	178,176,446	181,808,408	591,343,965
Depreciation charge for the year	-	16,407,673	4,713,221	5,008,144	39,267,561	8,168,367	73,564,966
Disposals	-	-	(687,039)	(825,000)	(21,041,394)	(2,030,642)	(24,584,075)
At 31 December 2015	-	96,570,538	66,155,857	93,249,715	196,402,613	187,946,133	640,324,856
Accumulated impairment losses	-	-	-	-	-	-	-
Carrying value							
At 31 December 2015	286,099,948	439,769,184	17,408,671	14,623,142	131,308,067	19,715,340	908,924,352
2014							
Cost							
At 1 January	286,099,948	536,339,722	76,889,192	104,531,697	268,411,933	203,881,264	1,476,153,756
Additions	-	-	1,136,750	854,000	10,966,455	4,190,701	17,147,906
Disposals	-	-	(39,000)	(228,537)	(9,310,000)	(166,439)	(9,743,976)
At 31 December 2014	286,099,948	536,339,722	77,986,942	105,157,160	270,068,388	207,905,526	1,483,557,686
Accumulated depreciation							
At 1 January	-	69,463,165	57,423,525	83,701,442	149,552,681	172,225,197	532,366,010
Depreciation charge for the year	-	10,699,700	4,731,954	5,576,935	30,621,699	9,637,273	61,267,561
Disposals	-	-	(25,804)	(211,806)	(1,997,934)	(54,062)	(2,289,606)
At 31 December 2014	-	80,162,865	62,129,675	89,066,571	178,176,446	181,808,408	591,343,965
Accumulated impairment losses	-	-	-	-	-	-	-
Carrying value							
At 31 December 2014	286,099,948	456,176,857	15,857,267	16,090,589	91,891,942	26,097,118	892,213,721
At 31 December 2013	286,099,948	466,876,557	19,465,667	20,830,255	118,859,252	31,656,067	943,787,746

The properties of the company were professionally re-valued as at 30 November 2015, by Messrs. Adegboyega Sanusi & Co and the estimates of their fair values determined to be N836,340,000 (Land: N300,000,000 and Building: N536,340,000), on the basis of their open market values. These values have not been incorporated in the books as at that date.

Notes To The Consolidated Financial Statements

For The Year Ended 31 December, 2015

	Group		Company	
	2015	2014	2015	2014
	₦	₦	₦	₦
15. Statutory deposits	300,000,000	300,000,000	300,000,000	300,000,000

This represents the amount deposited with the Central Bank of Nigeria as at 31 December 2015.

16. Insurance contract liabilities	Group 2015 ₦	Group 2014 ₦	Company 2015 ₦	Company 2014 ₦
Reserve for outstanding claims (Note 16.1)	895,550,802	815,249,252	895,550,802	815,249,252
Unearned premium reserve (Note 16.2)	1,323,119,277	1,159,189,831	1,323,119,277	1,159,189,831
	2,218,670,079	1,974,439,083	2,218,670,079	1,974,439,083

16.1 Reserve for outstanding claims - 2015

	Group			Company		
	Outstanding Claim	Provision for IBNR	Gross Reserve	Outstanding Claim	Provision for IBNR	Gross Reserve
	N	N	N	N	N	N
Fire	81,379,156	168,797,842	250,176,998	81,379,156	168,797,842	250,176,998
General accident	141,109,259	68,837,677	209,946,936	141,109,259	68,837,677	209,946,936
Motor	71,889,477	92,686,257	164,575,734	71,889,477	92,686,257	164,575,734
Marine	7,531,131	27,293,489	34,824,620	7,531,131	27,293,489	34,824,620
Bond	706,800	6,374,014	7,080,814	706,800	6,374,014	7,080,814
Engineering	6,804,722	26,963,770	33,768,492	6,804,722	26,963,770	33,768,492
Aviation	6,770,000	76,131,277	82,901,277	6,770,000	76,131,277	82,901,277
Oil & gas	12,345,000	99,930,931	112,275,931	12,345,000	99,930,931	112,275,931
	328,535,545	567,015,257	895,550,802	328,535,545	567,015,257	895,550,802

Reserve for outstanding claims - 2014

	Outstanding Claim	Provision for IBNR	Gross Reserve	Outstanding Claim	Provision for IBNR	Gross Reserve
	₦	₦	₦	₦	₦	₦
Fire	62,367,722	36,903,342	99,271,064	62,367,722	36,903,342	99,271,064
General accident	208,742,236	67,881,783	276,624,019	208,742,236	67,881,783	276,624,019
Motor	65,696,051	3,474,484	69,170,535	65,696,051	3,474,484	69,170,535
Marine	16,805,363	22,475,117	39,280,480	16,805,363	22,475,117	39,280,480
Bond	2,841,240	970,843	3,812,083	2,841,240	970,843	3,812,083
Engineering	33,436,617	9,362,584	42,799,201	33,436,617	9,362,584	42,799,201
Aviation	9,734,370	21,405,672	31,140,042	9,734,370	21,405,672	31,140,042
Oil & gas	37,168,810	215,983,018	253,151,828	37,168,810	215,983,018	253,151,828
	436,792,409	378,456,843	815,249,252	436,792,409	378,456,843	815,249,252

16.2 Unearned premium reserve	2015	2014	2015	2014
	₦	₦	₦	₦
Fire	181,680,772	155,212,249	181,680,772	155,212,249
General accident	173,968,966	145,045,977	173,968,966	145,045,977
Motor	462,932,271	415,037,198	462,932,271	415,037,198
Marine	98,518,877	56,267,538	98,518,877	56,267,538
Oil & Gas	250,900,679	306,178,971	250,900,679	306,178,971
Engineering	46,918,726	40,126,105	46,918,726	40,126,105
Aviation	101,429,847	33,798,775	101,429,847	33,798,775
Bond	6,769,139	7,523,018	6,769,139	7,523,018
	1,323,119,277	1,159,189,831	1,323,119,277	1,159,189,831

Notes To The Consolidated Financial Statements
For The Year Ended 31 December, 2015

		Group		Company	
		2015 N	2014 N	2015 N	2014 N
16.3	Funds representing insurance contract liabilities				
	Balance with banks	102,987,121	134,996,469	102,987,121	134,996,469
	Fixed deposits	2,667,381,666	2,111,136,265	2,667,381,666	2,111,136,265
		2,770,368,787	2,246,132,734	2,770,368,787	2,246,132,734
17.	Trade payables				
	Due to insurance companies	-	6,328,691	-	6,328,691
	Due to reinsurance companies	112,060,913	1,501,205	112,060,913	1,501,205
		112,060,913	7,829,896	112,060,913	7,829,896
	Current	112,060,913	7,829,896	112,060,913	7,829,896
	Non-current	-	-	-	-
18.	Other payables and provision				
	Lease payables	-	2,401,735	-	2,401,735
	Audit fees	12,132,500	17,300,000	6,970,000	12,800,000
	VAT payable	7,543,934	10,025,034	7,543,934	10,025,034
	Withholding tax payable	740,082	-	740,082	-
	Dividend payables (16.1)	72,747,541	58,528,961	72,747,541	58,528,961
	Due to CHI Capital (Note 16.2)	-	-	30,822,980	35,466,040
	Accruals	47,201,405	36,030,074	29,512,688	30,580,439
	Sundry creditors	23,202,898	21,819,808	23,202,898	21,819,808
		163,568,360	146,105,612	171,540,123	171,622,017
	Current	163,568,360	146,105,612	171,540,123	171,622,017
	Non-current	-	-	-	-

18.1 Unclaimed dividend represents value of dividend yet to be collected by shareholders from the group's registrars and which, in line with the relevant rules of the Securities and Exchange Commission, has been returned to the Group to be held in a separate investment trust account. The balance in the fund is N72,708,200 (2014: N58,489,620).

18.2 The amount due to CHI Capital Limited of N30,822,980 (2014:N35,466,040) includes the following:

I N23,592,320.05 (2014:N23,592,320.05) represents the amount payable for the additional investment of Consolidated Insurance Plc in CHI Capital Limited to increase its investment in CHI Capital Limited from N226,407,679.95 (2013) to N250,000,000 (2014).

ii N5,450,000 (2014: N11,873,720) represents the outstanding payment due from Consolidated Hallmark Insurance Plc for auto tracking services provided by CHI Support Services Limited (a wholly owned subsidiary of CHI Capital Limited). Others are receipts expected from CHI Capital Limited for services paid on their behalf.

		Group		Company	
		2015 N	2014 N	2015 N	2014 N
19.	Retirement benefit obligation				
	At 1 January	137,815	4,104,327	-	3,920,473
	Provision during the year (Note 36)	54,019,284	22,277,507	51,916,751	20,860,869
	Payment during the year	(53,972,655)	(26,244,019)	(51,912,321)	(24,781,342)
	At 31 December	184,444	137,815	4,430	-
	Current	184,444	137,815	4,430	-
	Non - current	-	-	-	-

Notes To The Consolidated Financial Statements

For The Year Ended 31 December, 2015

	Group		Company	
	2015 ₦	2014 ₦	2015 ₦	2014 ₦
20. Taxation				
20.1 Income tax expense				
Income tax	100,477,804	49,939,421	95,264,465	41,242,724
Education tax	6,698,520	5,024,923	6,350,964	4,572,653
Information technology development	7,095,813	2,280,674	6,869,977	1,880,478
Under/(over)provision in previous year	-	13,566,945	-	13,566,945
	114,272,137	70,811,963	108,485,406	61,262,800
Deferred tax (Note 20.3)	44,828,744	(58,267,569)	44,232,641	(58,267,569)
	159,100,881	12,544,394	152,718,047	2,995,231

20.1.1 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.

	Group		Company	
	2015 ₦	2014 ₦	2015 ₦	2014 ₦
20.2 Current income tax liabilities				
At 1 January	72,341,424	145,018,810	47,695,854	130,138,788
Transfer from VAT and WHT payable	-	(38,741,352)	-	(38,741,352)
Payments during the year	(65,883,457)	(104,747,997)	(63,018,348)	(104,964,382)
	6,457,967	1,529,461	(15,322,494)	(13,566,946)
Charge for the year	114,272,137	70,811,963	108,485,406	61,262,800
At 31 December	120,730,104	72,341,424	93,162,912	47,695,854
Current	114,272,137	70,811,963	93,162,912	47,695,854
Non - current	6,457,967	1,529,461	-	-
20.3 Deferred tax liabilities				
At 1 January	95,460,524	153,728,093	95,460,524	153,728,093
Charge for the year (Note 20.1)	44,828,744	(58,267,569)	44,232,641	(58,267,569)
At 31 December	140,289,268	95,460,524	139,693,165	95,460,524
Current	-	-	-	-
Non - current	140,289,268	95,460,524	139,693,165	95,460,524

The Company has adopted the International Accounting Standards (IAS 12) on accounting for taxation, which is now computed using liability method.

	Group		Company	
	2015 ₦	2014 ₦	2015 ₦	2014 ₦
20.4 Reconciliation of effective tax rate				
Profit after tax	545,811,078	193,076,785	534,279,069	185,052,534
Total income tax expense				
Income	100,477,804	49,939,421	95,264,465	41,242,724
Education	6,698,520	5,024,923	6,350,964	4,572,653
Information technology tax	7,095,813	2,280,674	6,869,977	1,880,478
(Over)/under-provision	-	13,566,945	-	13,566,945
Deferred tax (Note 20.3)	44,828,744	(58,267,569)	44,232,641	(58,267,569)
	159,100,881	12,544,394	152,718,047	2,995,231
Profit for the period before excluding income tax	704,911,959	205,621,179	686,997,116	188,047,765
Effective tax rate	23%	6%	22%	2%

Notes To The Consolidated Financial Statements

For The Year Ended 31 December, 2015

	Group 2015 ₦	Group 2014 ₦	Company 2015 ₦	Company 2014 ₦
21. Share capital				
Authorised:				
10 billion ordinary shares of 50k each	5,000,000,000	5,000,000,000	5,000,000,000	5,000,000,000
21.1 *Issued and fully paid:*				
6 billion ordinary shares of 50k each				
At 31 December	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000

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.

	Group 2015 ₦	Group 2014 ₦	Company 2015 ₦	Company 2014 ₦
22. Other reserves				
22.1 Contingency reserve				
At 1 January	882,516,340	742,159,645	882,516,340	742,159,645
Transfer from income statement (Note 23)	176,265,663	140,356,695	176,265,663	140,356,695
At 31 December	1,058,782,003	882,516,340	1,058,782,003	882,516,340

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.

	Group 2015 ₦	Group 2014 ₦	Company 2015 ₦	Company 2014 ₦
22.2 Statutory reserve				
At 1 January	8,477,548	6,690,381	-	-
Transfer from income statement (Note 23)	(2,650,562)	1,787,167	-	-
At 31 December	5,826,986	8,477,548	-	-
23. Retained earnings				
At 1 January	(48,682,240)	(99,615,163)	(67,717,463)	(112,413,302)
Dividend declared during the year	(120,000,000)	-	(120,000,000)	-
Adjustment	(309,859)	-	-	-
Transfer to contigency reserve (Note 22.1)	(176,265,663)	(140,356,695)	(176,265,663)	(140,356,695)
Transfer from income statement	545,811,078	193,076,785	534,279,069	185,052,534
Transfer to statutory reserve (Note 22.2)	2,650,562	(1,787,167)	-	-
At 31 December	203,203,878	(48,682,240)	170,295,943	(67,717,463)

Retained earnings are prior years income net of expenses plus current period profit attributable to shareholders.

	Group 2015 ₦	Group 2014 ₦	Company 2015 ₦	Company 2014 ₦
24. Profit before taxation				
Profit before taxation is stated after charging/crediting:				
Depreciation and amortisation	78,543,747	64,649,597	76,495,992	63,669,096
Auditors' remuneration	11,300,000	10,500,000	6,800,000	6,800,000
Directors' remuneration:				
- Fees	4,250,000	4,250,000	4,250,000	4,250,000
Profit on disposal of property and equipment	(2,936,429)	(638,098)	(3,393,914)	(638,098)
Gains on foreign exchange movements	(166,383,629)	(17,223,130)	(166,383,629)	(17,223,130)

Notes To The Consolidated Financial Statements

For The Year Ended 31 December, 2015

25. Gross premium earned analysed as follows:

	< ---------- 2015	----------	----------	---------- >
	Direct premium ₦	Inward reinsurance premium ₦	Increase/ decrease in unearned premium ₦	Gross premium earned ₦
Fire	653,720,777	24,512,056	(18,923,778)	659,309,055
General accident	667,606,144	4,534,769	(36,467,734)	635,673,179
Motor	1,235,352,608	18,659,396	(47,895,073)	1,206,116,931
Aviation	1,553,766,955	68,706,226	(67,631,072)	1,554,842,109
Oil & Gas	1,289,548,901	17,488,223	55,278,292	1,362,315,416
Marine	333,621,892	10,158,646	(42,251,339)	301,529,199
Engineering	136,629,069	5,505,538	(6,792,621)	135,341,986
Bond	19,640,339	-	753,880	20,394,219
	5,889,886,685	149,564,854	(163,929,445)	5,875,522,094

Gross premium earned analysed as follows:

	< ---------- 2014	----------	----------	---------- >
	Direct premium ₦	Inward reinsurance premium ₦	Increase/ decrease in unearned premium ₦	Gross premium earned ₦
Fire	526,200,714	20,094,843	44,102,895	590,398,452
General accident	586,561,389	14,650,813	4,648,132	605,860,334
Motor	1,133,235,132	5,992,292	(20,904,839)	1,118,322,585
Aviation	878,760,841	10,935,915	352,413	890,049,169
Oil & Gas	1,039,589,326	20,375,816	(22,253,041)	1,037,712,101
Marine	233,347,794	10,286,840	23,763,178	267,397,812
Engineering	104,258,354	9,216,437	36,172,726	149,647,517
Bond	20,913,687	18,281	(1,763,453)	19,168,515
	4,522,867,237	91,571,237	64,118,011	4,678,556,485

	Group		Company	
	2015 ₦	2014 ₦	2015 ₦	2014 ₦
26. Reinsurance expense				
The reinsurance expense is analysed as follows:				
Reinsurance premium cost	2,657,491,887	1,964,912,612	2,657,491,887	1,964,912,612
(Increase)/decrease in prepaid reinsurance (Note 7.1)	28,241,156	183,332,205	28,241,156	183,332,205
Reinsurance expense	2,685,733,043	2,148,244,817	2,685,733,043	2,148,244,817
27. Fee and commission				
Fire	67,305,191	87,719,253	67,305,191	87,719,253
General accident	8,034,450	56,752,972	8,034,450	56,752,972
Motor	1,528,160	3,027,663	1,528,160	3,027,663
Aviation	17,423,429	16,590,818	17,423,429	16,590,818
Oil & Gas	21,543,175	1,794,311	21,543,175	1,794,311
Marine	12,878,241	18,876,975	12,878,241	18,876,975
Engineering	18,042,785	20,610,461	18,042,785	20,610,461
Bond	(876,098)	2,500,000	(876,098)	2,500,000
	145,879,333	207,872,453	145,879,333	207,872,453

Notes To The Consolidated Financial Statements
For The Year Ended 31 December, 2015

		Group		Company	
		2015 ₦	2014 ₦	2015 ₦	2014 ₦
28a	Claims expenses				
	Claims paid during the year	1,260,879,778	1,319,998,793	1,260,879,778	1,319,998,793
	Opening IBNR and outstanding claims	(815,249,252)	(900,950,272)	(815,249,252)	(900,950,272)
	Closing IBNR and outstanding claims(Note 16.1)	895,550,802	815,249,252	895,550,802	815,249,252
	Gross claims expenses	1,341,181,328	1,234,297,773	1,341,181,328	1,234,297,773
28b.	Claims recoverable				
	Opening claims recoverable	(213,551,222)	(359,972,648)	(213,551,222)	(359,972,648)
	Claims recovered	314,780,998	413,664,449	314,780,998	413,664,449
	Closing claims recoverable	281,937,926	213,551,222	281,937,926	213,551,222
	Net recoverable	383,167,702	267,243,023	383,167,702	267,243,023
	Net claims expenses	958,013,626	967,054,750	958,013,626	967,054,750

29. Underwriting expenses

	Group		Company	
	<-------------------- 2015 -------------------->			
	Acquisition expenses ₦	Maintenance expenses ₦	Acquisition expenses ₦	Maintenance expenses ₦
Fire	132,405,803	29,420,635	132,405,803	29,420,635
General accident	130,553,606	89,167,398	130,553,606	73,880,100
Motor	148,256,706	58,527,669	148,256,706	81,987,669
Aviation	37,357,369	50,619,716	37,357,369	50,619,716
Oil & Gas	119,346,570	90,419,144	119,346,570	90,419,144
Marine	65,348,908	15,720,657	65,348,908	15,720,657
Engineering	28,454,517	6,697,483	28,454,517	6,697,483
Bond	4,299,985	1,305,989	4,299,985	1,305,989
	666,023,464	341,878,691	666,023,464	350,051,393

	<-------------------- 2014 -------------------->			
	Acquisition expenses ₦	Maintenance expenses ₦	Acquisition expenses ₦	Maintenance expenses ₦
Fire	115,439,357	22,275,788	115,439,357	22,275,788
General accident	118,225,058	39,514,431	118,225,058	39,514,431
Motor	131,779,957	46,520,258	131,779,957	85,580,019
Aviation	27,908,576	15,060,130	27,908,576	15,060,130
Oil & Gas	217,302,350	68,557,059	217,302,350	68,557,059
Marine	54,312,063	10,800,643	54,312,063	10,800,643
Engineering	29,482,225	2,513,449	29,482,225	2,513,449
Bond	3,414,771	4,779,250	3,414,771	4,779,250
	697,864,357	210,021,008	697,864,357	249,080,769

Notes To The Consolidated Financial Statements

For The Year Ended 31 December, 2015

		Group		Company	
		2015 ₦	2014 ₦	2015 ₦	2014 ₦
30.	**Investment income**				
	Interest received	393,535,050	316,285,383	348,220,888	286,624,498
	Amortised gain/(loss) on held to maturity (Note 3.4)	47,864,142	3,173,401	47,864,142	3,173,401
	Dividend received	5,963,163	9,910,822	5,963,163	9,797,800
		447,362,355	329,369,606	402,048,193	299,595,699
30.1	**Investment income**				
	Investment income attributable to policyholders' fund	302,889,917	239,783,871	302,889,917	239,783,872
	Investment income attributable to shareholders' fund	144,472,438	89,585,735	99,158,276	59,811,827
		447,362,355	329,369,606	402,048,193	299,595,699
31.	**Other operating income**				
	Profit on disposal of property and equipment	2,936,429	638,098	3,393,914	638,098
	Interest on staff receivables	-	1,864,881	-	1,864,881
	Rent income on investment properties	595,833	1,150,500	595,833	1,150,500
	Recoveries in the year	2,000	938,140	2,000	938,140
	Exchange gain	166,383,629	17,223,130	166,383,629	17,223,130
	Other income	7,135,950	15,158,870	162,598	11,033,394
		177,053,841	36,973,619	170,537,974	32,848,143
32.	**Impairment charge**				
	Loans and receivables (Note 3.2)	429,629	243,875	-	-
	Finance lease receivable (Note 5.1)	38,242	1,243,566	-	-
	Trade receivables (Note 6.1)	(17,402,910)	17,402,910	(17,402,910)	17,402,910
	Other receivables (Note 9)	-	503,826	-	-
	Inventories (Note 12)	-	1,373,280	-	-
		(16,935,040)	20,767,457	(17,402,910)	17,402,910
33.	**Net fair value (loss)/gain recognised in the year**				
	Fair value through profit or loss (Note 3.1)	(140,585,016)	32,307,258	(140,585,016)	32,912,258
	Investment property (Note 13)	394,225	-	393,725	-
	Others	2,000,000	-	2,000,000	-
		(138,190,791)	32,307,258	(138,191,291)	32,912,258

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		Group		Company	
		2015 ₦	2014 ₦	2015 ₦	2014 ₦
34.	Management expenses				
	Employee costs (Note 36)	553,499,753	392,487,514	532,115,976	374,854,931
	Rent, insurance and maintenance	116,246,215	155,445,373	114,136,495	149,785,078
	Depreciation and amortisation	78,543,747	64,649,597	76,495,992	63,669,096
	Auditors' remuneration	11,300,000	10,500,000	6,800,000	6,800,000
	Directors' remuneration:				
	- Fees (Note 37)	4,250,000	4,250,000	4,250,000	4,250,000
	- Expenses	31,853,326	35,768,317	31,363,326	35,573,757
	Professional charges	47,022,556	50,037,017	47,022,556	49,097,237
	Printing and telecommunication	23,249,360	53,366,716	20,667,140	51,673,657
	Advertising	108,845,295	34,060,898	108,845,295	34,060,898
	Travelling and motor vehicle expenses	75,120,965	82,190,687	69,485,731	82,061,984
	Rates and utilities	22,984,616	39,972,082	22,984,616	39,972,082
	Office running,bank charges,AGM expenses	50,364,586	68,966,985	47,779,414	62,020,595
	Recovery expenses	-	12,355,500	-	-
	Others	44,720,670	31,455,167	44,434,030	30,270,355
		1,168,001,089	1,035,505,853	1,126,380,571	984,089,670
35.	Basic/diluted earnings per share				
	Profit after taxation	545,811,078	193,076,785	534,279,069	185,052,534
	Number of shares	6,000,000,000	6,000,000,000	6,000,000,000	6,000,000,000
	Earnings per share (kobo)				
	Basic	9.10	3.22	8.90	3.08
	Diluted	9.10	3.22	8.90	3.08
	Earnings per share have been computed on profits/(loss) after taxation attributable to ordinary shareholders and divided by the number of shares at 50k ordinary shares in issue at year end.				
36.	Employee costs				
	Wages and salaries	394,861,736	291,216,201	375,899,632	276,386,175
	Medical	36,955,027	27,008,377	36,895,027	26,777,374
	Staff training	67,663,706	51,985,430	67,404,566	50,830,514
	Defined contribution pension plan (Note 19)	54,019,284	22,277,506	51,916,751	20,860,868
		553,499,753	392,487,514	532,115,976	374,854,931
37.	Chairman's and Directors' emoluments, pensions and compensation for loss of office				
	Emoluments:				
	Chairman	750,000	750,000	750,000	750,000
	Other Directors	3,500,000	3,500,000	3,500,000	3,500,000
	Other emolument of executives	12,750,000	8,160,000	12,750,000	8,160,000
	Emolument of highest paid Director	16,500,000	12,000,000	16,500,000	12,000,000

Notes To The Consolidated Financial Statements

For The Year Ended 31 December, 2015

		Group		Company	
		2015 Number	2014 Number	2015 Number	2014 Number
37.1.	**Staff**				
	Average number of persons employed in the financial year and staff costs were as follows:				
	Managerial	29	29	28	27
	Senior	108	101	101	97
	Junior	106	84	100	81
		243	214	229	205
37.2.	The number of Directors excluding the Chairman whose emoluments were within the following ranges were:				
	₦ - ₦				
	Nil - 100,000	Nil	Nil	Nil	Nil
	100,001 - 200,000	Nil	Nil	Nil	Nil
	200,001 - 300,000	Nil	Nil	Nil	Nil
	Above - 300,000	8	9	8	9
	Emolument				
	Number of Directors who have waived their rights to receive emoluments	Nil	Nil	Nil	Nil
37.3.	**Employees remunerated at higher rates**				
	The number of employees in respect of emoluments within the following ranges were:				
	₦ - ₦				
	200,001 - 300,000	7	15	6	15
	300,001 - 400,000	30	38	30	37
	400,001 - 500,000	26	34	26	33
	500,001 - 600,000	14	16	14	16
	600,001 - 700,000	1	1	1	1
	700,001 - 800,000	11	13	10	10
	800,001 - 900,000	15	15	14	14
	900,001 - 1,000,000	-	-	-	-
	1,000,001 and above	139	82	128	79
		243	214	229	205

38. **Capital commitments**

There were no capital commitments at 31 December 2015 (31 December 2014: nil).

39. **Contingent liabilities**

There were contingent liabilities at 31 December 2015 amounting to N13,225,055 (31 December 2014: nil) in respect of legal claims. The Directors are of the opinion that the liabilities will not crystallize and therefore no provision has been made in these consolidated financial statements.

40. **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.

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41. 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, which 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 Insurance Business: 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 Plc. The company is registered by CAC and it serves as the holding company to Grand Treasurers Ltd which 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 LPO financing, consumer Lease, working capital financing, auto lease, project financing and intermediation and financial Management consultancy services; and CHI Support Services Limited which offers auto tracking and support services to Consolidated Hallmark Insurance Plc (the ultimate parent company). 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 ₦	Finance and support services ₦	Elimination ₦	Total ₦
As at 31 December 2015				
Operating income	1,795,974,777	60,003,231	(23,460,000)	1,832,518,008
Operating expenses	(1,108,977,661)	(42,088,388)	-	(1,151,066,049)
Operating profit	686,997,116	17,914,842	(23,460,000)	681,451,959
Taxation	(152,718,047)	(6,382,834)	-	(159,100,881)
Profit for the year	534,279,069	11,532,008	(23,460,000)	522,351,078
Total assets	6,964,209,568	387,695,154	328,588,687	7,680,493,409
Total liabilities	2,735,131,622	98,960,233	(78,588,687)	2,755,503,168
Total equity	4,229,077,946	288,734,921	(250,000,000)	4,267,812,867
Depreciation	76,495,992	2,047,755	-	78,543,747
ROCE	13%	4%		12%
As at 31 December 2014				
Operating income	1,189,540,345	72,324,134	30,000	1,261,894,479
Operating expenses	(1,001,492,580)	(54,844,195)	63,474	(1,056,273,301)
Operating profit	188,047,765	17,479,939	93,474	205,621,178
Taxation	(2,995,231)	(9,549,162)	-	(12,544,393)
Profit for the year	185,052,534	7,930,777	93,474	193,076,785
Total assets	6,111,846,251	335,524,183	(308,744,432)	6,138,626,002
Total liabilities	2,297,047,374	58,321,275	(59,054,295)	2,296,314,354
Total equity	3,814,798,877	277,202,907	(249,690,136)	3,842,311,648
Depreciation	63,669,096	980,501	-	64,649,597
ROCE	5%	3%		5%

Notes To The Consolidated Financial Statements

For The Year Ended 31 December, 2015

42. Contraventions

There were no contraventions of any of the provisions and guidelines of the National Insurance Commission (NAICOM) and other regulators during the year under review.

43. Reinsurance treaty

The Company has a reinsurance agreement with African Reinsurance Corporation, and Continental Reinsurance 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 2015.

44. Related party transactions

During the year, the Company had some business dealings with the its related parties.

Parent:

The Group is controlled by Consolidated Hallmark Insurance Plc. which is the parent company, whose shares are widely held. Consolidated Hallmark Insurance Plc, is a General Business Insurance Company licensed by the National Insurance Commission.

Subsidiaries:

Consolidated Hallmark Insurance Plc holds 100% interest in CHI Capital Limited. Transactions between Consolidated Hallmark Plc and this subsidiary is eliminated on consolidation and already disclosed in Note 10.2 Also, CHI Capital Limited has two subsidiaries which are indirect subsidiaries of Consolidated Hallmark Insurance Plc, they are Grand Treasurers Limited and CHI Support Services Limited.

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 period are as stated below with the respective entities.

Transactions/Balances	Relationship	Entity	31-Dec-15	31-Dec-14
Underwriting expenses	Indirect subsidiary	CHI Support Services Limited	23,460,000	17,450,000
Underwriting expenses	Indirect subsidiary	Grand Treasurers Limited	3,012,136	
Loans and receivables	Indirect subsidiary	Grand Treasurers Limited	39,092,841	-
Other receivables	Indirect subsidiary	CHI Support Services Limited	10,727,624	1,500,000
Other receivables	Indirect subsidiary	Grand Treasurers Limited	4,215,300	2,377,500
Other payables and provision	Indirect subsidiary	CHI Capital Limited	23,592,340	23,592,340
Other payables and provision	Indirect subsidiary	CHI Support Services Limited	5,420,000	11,873,720
Fair value through profit or loss	Key mgt personnel	Niger Delta Exploration & Prod Plc	118,809,600	252,000,000
Gross premium income	Key mgt personnel	Drillog Petrodynamics Limited	23,430,904	-
Gross premium income	Key mgt personnel	Niger Delta Petroleum Resources	27,363,552	-
Gross premium income	Key mgt personnel	Dr. Layi Fatona	748,490	-
Gross premium income	Key mgt personnel	Dr. Clement Nze Maduakor	367,800	-
Gross premium income	Close family members	Mrs O. F. Fatona	156,875	-

	Group 2015 ₦	Group 2014 ₦	Company 2015 ₦	Company 2014 ₦
45. Compensation of key management personnel:				
Directors Fees	4,250,000	4,250,000	4,250,000	4,250,000

46. Events after the reporting date:

No event or transaction has occurred since the reporting date, which would have had a material effect on the financial statements as at that date or which needs to be mentioned in the financial statement in the interests of fair presentation of the Group's financial position as at the reporting date or its result for the year then ended.

47. 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 and liabilities. The regulators generally expect companies to comply with capital adequacy requirements and the Group has consistently exceeded this minimum over the years. The regulator has the authority to request more extensive reporting and can place restrictions on the Group's operations if the Company falls below this requirement as deemed necessary.

Notes To The Consolidated Financial Statements

For The Year Ended 31 December, 2015

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 the 2015 financial year maintained admisible assets of N6,693,404,529 which exceeded the total admissible liabilities of N2,595,438,457. 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 N1,097,966,072 (37%) in excess of the minimum requirement of N3billion for General Insurance Business. Thus, the solvency margin above satisfies the requirement of the regulatory requirement.

48. 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

	Insurance fund ₦	Shareholders funds ₦	December 2015 ₦	Insurance fund ₦	Shareholders funds ₦	December 2014 ₦
Assets						
Cash and cash equivalents	2,218,670,079	604,065,687	2,822,735,766	1,974,439,083	325,510,284	2,299,949,368
Financial assets						
- At fair value through profit or loss		183,200,238	183,200,238		343,086,193	343,086,193
- Loans and receivables		61,029,203	61,029,203		34,221,228	34,221,228
- Available for sale		60,950,000	60,950,000		2,000,000	2,000,000
-Held -to-maturity		497,905,166	497,905,166		133,173,401	133,173,401
Deposit for shares		-	-		50,250,000	50,250,000
Finance lease receivables		172,095,986	172,095,986		128,423,469	128,423,469
Trade receivables		81,030,026	81,030,026		69,245,808	69,245,808
Reinsurance assets		691,913,416	691,913,416		651,767,868	651,767,868
Deferred acquisition cost		190,525,298	190,525,298		194,835,265	194,835,265
Other receivables and prepayments		135,246,867	135,246,867		141,675,841	141,675,841
Investment in subsidiaries		-	-		-	-
Inventories		5,146,854	5,146,854		2,888,332	2,888,332
Intangible assets		15,592,433	15,592,433			
Investment properties		888,020,000	888,020,000		877,960,682	877,960,682
Property and equipment		917,049,344	917,049,344		909,148,547	909,148,547
Statutory deposit		300,000,000	300,000,000		300,000,000	300,000,000
Total assets	2,218,670,079	4,803,770,518	7,022,440,597	1,974,439,083	4,164,186,919	6,138,626,002
Liabilities						
Insurance contract liabilities	2,218,670,079	-	2,218,670,079	1,974,439,083	-	1,974,439,083
Trade payable		112,060,913	112,060,913		7,829,896	7,829,896
Other payables and Provision		163,568,360	163,568,360		146,105,612	146,105,612
Retirement benefit obligations		184,444	184,444		137,815	137,815
Income tax liabilities		120,730,104	120,730,104		72,341,424	72,341,424
Deferred tax liabilities		140,289,268	140,289,268		95,460,524	95,460,524
Total liabilities	2,218,670,079	536,833,089	2,755,503,168	1,974,439,083	321,875,270	2,296,314,354
Surplus	-	4,266,937,429	4,266,937,429	-	3,842,311,649	3,842,311,648

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Company

	Insurance fund ₦	Shareholders funds ₦	December 2015 ₦	Insurance fund ₦	Shareholders funds ₦	December 2014 ₦
Assets						
Cash and cash equivalents	2,218,670,079	561,550,845	2,780,220,924	1,974,439,083	294,133,108	2,268,572,191
Financial assets						
– At fair value through profit or loss		177,671,643	177,671,643		331,557,775	331,557,775
- Loans and receivables		70,851,262	70,851,262		19,379,021	19,379,021
– Available for sale		60,950,000	60,950,000		2,000,000	2,000,000
-Held-to-maturity		497,905,166	497,905,166		133,173,401	133,173,401
Deposit for shares		-	-		50,250,000	50,250,000
Trade receivables		81,030,026	81,030,026		69,245,808	69,245,808
Reinsurance assets		691,913,416	691,913,416		651,767,868	651,767,868
Deferred acquisition cost		190,525,298	190,525,298		194,835,265	194,835,265
Other receivables and prepayments		135,266,048	135,266,048		141,704,560	141,704,560
Investment in subsidiaries		250,000,000	250,000,000		250,000,000	250,000,000
Investment properties		803,359,000	803,359,000		793,460,682	793,460,682
Property, plant and equipment		908,924,352	908,924,352		905,899,680	905,899,680
Statutory deposit		300,000,000	300,000,000		300,000,000	300,000,000
Total assets	2,218,670,079	4,729,947,056	6,948,617,135	1,974,439,083	4,137,407,168	6,111,846,251
Liabilities						
Insurance contract liabilities	2,218,670,079	-	2,218,670,079	1,974,439,083	-	1,974,439,083
Trade payable		112,060,913	112,060,913		7,829,896	7,829,896
Provision and Other payables		171,540,123	171,540,123		171,622,017	171,622,017
Retirement benefit obligations		4,430	4,430		-	-
Income tax liabilities		93,162,912	93,162,912		47,695,854	47,695,854
Deferred income tax		139,693,165	139,693,165		95,460,524	95,460,524
Total liabilities	2,218,670,079	516,461,543	2,735,131,622	1,974,439,083	322,608,291	2,297,047,374
Surplus	-	4,213,485,513	4,213,485,513	-	3,814,798,877	3,814,798,877

49. Fair value hierarchy

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.

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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 2015

Asset Types	Level 1	Level 2	Level 3	TOTAL
	₦	₦	₦	₦
Financial assets at fair value through profit and loss	183,200,238	-	-	183,200,238
Held to maturity	497,905,166	-	-	497,905,166
Available for sale	-	-	60,950,000	60,950,000

Group 31 December 2014

Asset Types	Level 1	Level 2	Level 3	TOTAL
	₦	₦	₦	₦
Financial assets at fair value through profit and loss	343,086,193	-	-	343,086,193
Held to maturity	133,173,401	-	-	133,173,401
Available for sale	-	-	2,000,000	2,000,000

Company 31 December 2015

Asset Types	Level 1	Level 2	Level 3	TOTAL
	₦	₦	₦	₦
Financial assets at fair value through profit and loss	177,671,643	-	-	177,671,643
Held to maturity	-	497,905,166	-	497,905,166
Available for sale	-	-	60,950,000	60,950,000

Company 31 December 2014

Asset Types	Level 1	Level 2	Level 3	TOTAL
	₦	₦	₦	₦
Financial assets at fair value through profit and loss	331,557,775	-	-	331,557,775
Held to maturity	133,173,401	-	-	133,173,401
Available for sale	-	-	2,000,000	2,000,000

50. Management of Insurance and Financial risks

Risk Management framework:
Consolidated Hallmark Insurance 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 an insurance company, the management of risk is at the core of the operating structure of Consolidated Hallmark Insurance 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 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 ourapproach 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 organization'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 and General purpose Committee (FGPC), Board Audit and Risk Management Committee (BARM), Establishment and Governance Committee and Investment Committee. 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 and General Purpose Committee of the Board functions on oversight of financial reporting and accounting. The Investment Committee reviews and approves the company's investment policy, and approves investment over and above managements' approval limit.

Notes To The Consolidated Financial Statements

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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 the Management) is responsible for the risk policies, risk methodologies and risk infrastructure. The Chief Risk Office (CRO) informs the Board, as well as the 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.

(a) 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 paymentof 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 Group 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.

(a)(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. Certains reserves are held for these contracts which are provision for IBNR, a provision for reported claims not yet paid and a provision for uneared premium at the end of the reporting period.

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In deciding the assumption used, the Company uses different methods to incorporate the various assumptions made in order to estimate the ultimate cost of claims. The two methods used are the Basic Chain Ladder and the Loss Ratio methods adjusted for assumed experience to date.

Claims paid data were grouped into classes of business and Large claims were projected separately as they can significantly distort patterns. The Company also ensure prompt payment of claims as it's the main purpose of the business and also to avoid possible reputational risk.

The Basic Chain Ladder method was adopted in the calculations. Historical claims paid are grouped into years cohorts representing when they were paid after their underwriting year. These cohorts are called claim development years.

The historical paid losses are projected to their ultimate values for each underwriting year. This is done by projecting the latest paid losses in the BCL method, loss development factors (LDF) were calculated for each development year, and also the Ultimate claims are then derived using the LDF and the latest paid historical claims.

(a)(ii) Expected loss ratio method
This method is used where 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 was derived by assuming a loss ratio of 30%. Paid claims already emerged is then allowed for the estimated Ultimate claim.

(a)(iii) Claims development tables
The risks associated with insurance contracts are complex and subject to a number of variables which complicate quantitative sensitivity analysis. The Company's various techniques based on past claims development experience to quantify these sensitivities. This includes indicators such as average claim cost, amount of claims occurrence, expected loss ratios and claims development.

The claims development table shows how the claims develop over time to provide a scientific basis to estimate the value of claims that could arise from the policies already written by the company. The tables below illustrates the claims development for General Accident, Marine Hull, Marine Cargo, Motor and Fire class of business. The Bond, Engineering, Aviation and Oil and Gas classes were based on the estimated loss basis as stated in item a(vi) on pg xxx.

Technical Reserve Using Basic Chain Ladder Method

Class of Business	Gross Outstanding Claims	Estimated Reinsurance Recoveries	Net Outstanding Claims
	₦	₦	₦
Accident	276,624,019	(78,864,084)	197,759,935
Fire	99,271,064	(60,931,407)	38,339,657
Marine Cargo	27,750,859	(1,088,332)	26,662,527
Marine Hull	11,529,621	(5,001,310)	6,528,311
Motor	69,170,535	(12,985,912)	56,184,624
Bond*	3,812,083	(261,879)	3,550,204
Engineering*	42,799,200	(18,254,539)	24,544,661
Oil & Gas*	253,151,828	(12,864,884)	240,286,944
Aviation*	31,140,042	(23,298,875)	7,841,167
TOTAL	815,249,251	(213,551,222)	601,698,029
Account (Outstanding Claim)	436,792,409	(320,809,122)	115,983,287
Difference	378,456,842	107,257,900	485,714,742

Reserves for Aviation, engineering, Oil and Gas & Bond were based on Expected Loss Ratio Approach

Technical Reserves
We estimate the claims reserve net of reinsurance asset as N636.41 million and net UPR as N720.83 million, leading to a total Net Liability of N1.36 billion as shown in Table 7.2, and this estimate meets the Liability Adequacy Test.

Appendix 1. Illustration of Gross Claim Reserving
Basic Chain Ladder Method - Gross General Accident Claims

The claims paid are allocated to claim development years as illustrated below. Of the claims that arose in 2008, N19.22 million was paid in 2009 (development year 1), N40.48 million in 2008 (development year 2) etc.

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Valuation Results

We summarise 4 sets of results in this section under the following methods: § Basic Chain Ladder- with claims discounted and undiscounted§ Inflation Adjusted Basic Chain Ladder- with claims discounted and undiscounted"

Basic Chain Ladder – Result Table

We present Gross claims technical reserves under Basic Chain Ladder, Inflation Adjusted Chain Ladder. We have also assumed a discounted approach of the methods used and results presented in table 5.1b and 5.2b.

Table 5.1a: *Basic Chain Ladder Method*

Class of Business	Gross Outstanding Claims	Estimated Reinsurance Recoveries	Net Outstanding Claims
	₦	₦	₦
General Accident	209,946,936	-55,888,491	154,058,445
Engineering	33,768,492	-9,438,056	24,330,436
Fire	250,176,998	-143,252,064	106,924,933
Marine Hull	8,910,615	-3,567,486	5,343,128
Marine Cargo	25,914,005	-13,778,163	12,135,842
Motor	164,575,734	-5,929,828	158,645,906
Bond*	7,080,814	-750,020	6,330,794
Oil & Gas*	112,275,931	-18,158,649	94,117,282
Aviation*	82,901,277	-31,175,169	51,726,108
TOTAL	895,550,802	-281,937,927	613,612,875
Accounts (Outstanding Claims)	328,535,544	-	328,535,544
Difference	567,015,258	-281,937,927	285,077,331

Estimated using Expected loss ratio method

Table 5.1b: Discounted *Basic Chain Ladder Method*

Class of Business	Gross Outstanding Claims	Estimated Reinsurance Recoveries	Net Outstanding Claims
	₦	₦	₦
General Accident	192,655,319	-51,881,281	140,774,038
Engineering	31,143,973	-8,978,535	22,165,438
Fire	225,349,466	-134,696,125	90,653,341
Marine Hull	8,476,854	-3,392,623	5,084,231
Marine Cargo	24,325,881	-13,036,972	11,288,909
Motor	154,886,348	-5,531,718	149,354,630
Bond*	6,388,619	-676,701	5,711,918
Oil & Gas*	101,300,232	-16,383,524	84,916,708
Aviation*	74,797,141	-28,127,595	46,669,546
TOTAL	819,323,832	-262,705,073	556,618,760
Accounts (Outstanding Claims)	328,535,544	-	328,535,544
Difference	490,788,288	-262,705,073	228,083,215

Estimated using Expected loss ratio method

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Inflation Adjusted Chain Ladder Method - Result Table
Table 5.2a: *Inflation Adjusted Basic Chain Ladder Method*

Class of Business	Gross Outstanding Claims	Estimated Reinsurance Recoveries	Net Outstanding Claims
	₦	₦	₦
General Accident	226,929,940	-53,933,848	172,996,092
Engineering	34,164,798	-9,837,289	24,327,509
Fire	275,396,731	-144,672,757	130,723,974
Marine Hull	9,392,019	-4,619,019	4,773,000
Marine Cargo	26,375,186	-13,594,170	12,781,016
Motor	185,282,187	-2,838,770	182,443,416
Bond*	7,080,814	-750,020	6,330,794
Oil & Gas*	112,275,931	-18,158,649	94,117,282
Aviation*	82,901,277	-31,175,169	51,726,108
TOTAL	959,798,884	-279,579,691	680,219,193
Accounts (Outstanding Claims)	328,535,544	-	328,535,544
Difference	631,263,339	-279,579,691	351,683,648

Estimated using Expected loss ratio method

Table 5.2b: *Discounted Inflation Adjusted Basic Chain Ladder Method - Discounted*

Class of Business	Gross Outstanding Claims	Estimated Reinsurance Recoveries	Net Outstanding Claims
	₦	₦	₦
General Accident	208,459,702	-50,022,127	158,437,576
Engineering	31,537,547	-9,360,897	22,176,650
Fire	249,295,908	-136,053,037	113,242,871
Marine Hull	8,934,078	-4,306,820	4,627,258
Marine Cargo	24,744,088	-12,860,012	11,884,077
Motor	174,474,467	-2,614,085	171,860,382
Bond*	6,388,619	-676,701	5,711,918
Oil & Gas*	101,300,232	-16,383,524	84,916,708
Aviation*	74,797,141	-28,127,595	46,669,546
TOTAL	879,931,782	-260,404,797	619,526,985
Accounts (Outstanding Claims)	328,535,544	-	328,535,544
Difference	551,396,238	-260,404,797	290,991,441

Estimated using Expected loss ratio method

UPR (Gross and Reinsurance UPR) - Result Table
Table 5.3: *Estimated UPR (net of reinsurance)*

Class of Business	Gross UPR	Reinsurance UPR	NET UPR
	₦	₦	₦
General Accident	173,968,966	-23,912,990	150,055,976
Engineering	46,918,726	-4,652,158	42,266,568
Fire	181,680,772	-137,100,731	44,580,041
Marine Hull	77,896,554	-15,785,766	62,110,788
Marine Cargo	20,622,323	-15,114,291	5,508,032
Motor	462,932,271	-4,565,263	458,367,009
Bond	6,769,139	-3,177,107	3,592,033
Oil & Gas	250,900,679	-138,563,447	112,337,232
Aviation	101,429,847	-67,103,737	34,326,110
Total	1,323,119,278	-409,975,489	913,143,789

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Additional Unexpired Risk Reserve (AURR

The AURR is the additional risk reserves required where the URR is greater than the UPR and is estimated by multiplying the UPR by our estimated ultimate loss ratio for each business line. We illustrate below that our assumed ultimate loss ratios are less 100% earned premiums for every class of business written. Accordingly we estimate a nil AURR for the business.

Table 6.0: *Loss Ratio Table*

Class of Business	Assumed Loss Ratio
General Accident	35%
Engineering	27%
Fire	43%
Marine Hull	17%
Marine Cargo	38%
Motor	31%
Bond	18%
Oil & Gas	9%
Aviation	7%

Conclusion

The table below shows a range of calculated gross claim reserves from N0.82 billion to N0.96 billion.

Gross Estimate of Outstanding Claims

Valutaion Method	Full Value (No Disounting) ₦	Present Value (Discounting) ₦
BCL	895,550,802	819,323,832
IABCL	959,798,884	879,931,782

We are adopting the Basic Chain Ladder Method which presents a gross claims reserve of N0.895 billion and reinsurance recoveries estimate N0.281 billion (a net position of N0.62 billion) as being representative.

This figure:

- aniticipates that total claims may be exposed to inflationary increase
- recognises that present value needs to be reserved for anticipated future payments

Technical Reserves

We estimate the claims reserve net of reinsurance asset as N0.62 billion and net UPR as N0.91 billion, leading to a total Net Liability of N1.53 billion as shown in table 7.2, and this estimate meets the Liability Adequacy Test.

Table 7.2: *Technical Reserves*

	Gross (₦ '000)	Reinsurance Assets (₦ '000)	Net (₦ '000)
Claims	879,931,782	-260,404,797	619,526,985
UPR	1,323,119,278	-409,975,489	913,143,789
Total	2,203,051,060	-670,380,285	1,532,670,775

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Appendix 1 : Illustration of Gross Claim Reserving

Basic Chain Ladder Method – Gross General Accident Claims
The claims paid are allocated to claim development years as illustrated below. Of the claims that arose in 2008, N19.22 million was paid in 2008 (development year 1), N40.48 million in 2009 (development year 2) etc.

Table 5.1

Incremental Chain Ladder (Table of claims paid excluding large claims (Attritional Table))

Incremental Chain Ladder-Yearly Projections (₦ '000)									
Accident year	1	2	3	4	5	6	7	8	9
2007	-	20,316	5,065	703	8	1,107	-	2,435	-
2008	19,220	40,482	7,472	5,007	2,131	1,328	804	316	-
2009	22,662	48,569	10,802	6,145	1,082	55	1,596	-	-
2010	31,789	66,911	8,718	7,157	5,044	687	-	-	-
2011	75,787	73,096	22,331	3,847	1,590	-	-	-	-
2012	43,311	109,591	24,448	9,434	-	-	-	-	-
2013	39,421	42,499	9,323	-	-	-	-	-	-
2014	39,874	53,601	-	-	-	-	-	-	-
2015	57,946	-	-	-	-	-	-	-	-

We then cumulate the claim as illustrated below. For instance, in 2008, N19.22 million was paid from claims arising that year. At the end of 2009, the total claim payments arising from accidents in 2009 was N59.7 million, this increased to N67.17 million in 2010 etc.

Cumulative Data (for Attritional loses)

Cumulative Chain Ladder-Yearly Projections (₦ '000)									
Accident year	1	2	3	4	5	6	7	8	9
2007	-	20,316	25,381	26,084	26,092	27,199	27,199	29,633	29,633
2008	19,220	59,702	67,174	72,181	74,312	75,640	76,444	76,761	-
2009	22,662	71,230	82,032	88,178	89,260	89,315	90,910	-	-
2010	31,789	98,700	107,417	114,574	119,618	120,305	-	-	-
2011	75,787	148,883	171,214	175,060	176,650	-	-	-	-
2012	43,311	152,902	177,350	186,784	-	-	-	-	-
2013	39,421	81,920	91,243	-	-	-	-	-	-
2014	39,874	93,475	-	-	-	-	-	-	-
2015	57,946	-	-	-	-	-	-	-	-
Loss Dev Factors		2.373	1.128	1.051	1.021	1.010	1.009*	1.000	1.000

* Derived using average of link ratios between the years 2007 to 2013. The others are based on weighted averages

We then use this table to estimate the average ratio of claims paid at different periods e.g. we estimate that the ratio of total claims paid of the accident year is 2.922 obtained as '= (59,702,184 + 71,230,432 + 98,699,882 + 148,882,985 + 152,902,303 + 105,738,763) (19,220,499 + 22,661,636 + 31,788,604 + 75,787,351 + 43,311,107 + 39,421,231) Similarly, the cumulative ratio of total claims paid at the end of year 3 to 2 is 1.167. Projecting the cumulative ratios, we estimate cumulative payments for each accident year below.

From the combined settlement patterns we project the accumulation amounts payable in future years.

For instance we project that;

- no further claims will arise after 2013 in respect of claims incurred in 2008
- total claims from 2009 accident year will be N89.69million, of which N89.26million had been paid as at the end of year 2013.

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Projected Table

Cumulative Chain Ladder-Annual Projections (₦ '000)									
Accident year	1	2	3	4	5	6	7	8	9
2007	-	20,316	25,381	26,084	26,092	27,199	27,199	29,633	29,633
2008	19,220	59,702	67,174	72,181	74,312	75,640	76,444	76,761	76,761
2009	22,662	71,230	82,032	88,178	89,260	89,315	90,910	90,910	90,910
2010	31,789	98,700	107,417	114,574	119,618	120,305	121,448	121,448	121,448
2011	75,787	148,883	171,214	175,060	176,650	178,465	180,160	180,160	180,160
2012	43,311	152,902	177,350	186,784	190,651	192,609	194,439	194,439	194,439
2013	39,421	81,920	91,243	101,794	102,844	102,923	103,901	103,901	103,901
2014	39,874	93,475	137,383	141,489	142,950	143,059	144,418	144,418	144,418
2015	57,946	137,500	155,101	163,044	166,419	168,128	169,725	169,725	169,725

Unwinding the cumulative payments we expect claim payments to be made till 2021 as follows

Non-Cumulative Chain Ladder-Annual Projections (₦ '000)									
Accident year	1	2	3	4	5	6	7	8	9
2007									
2008									-
2009								-	-
2010							1,143	-	-
2011						1,815	1,695	-	-
2012					3,867	1,959	1,830	-	-
2013				10,550	1,051	79	978	-	-
2014			43,908	4,107	1,460	110	1,359	-	-
2015		79,555	17,600	7,943	3,375	1,710	1,597	-	-

We illustrate our reserves for General Accident large loss as follows

Accident year	Exposure/ Earned Premium (₦'000)	Total Paid Amounts (₦'000)	O/s Reported LG Reserve	No. of Large Losses	Claim Frequency	Average Paid Cost (₦'000)	Ult Avg Cost	Ultimate Freq	Ultimate Paid Amounts (₦'000)	Large Loss Reserves (₦'000)
2009	366,399	70,072	0	10	0.0000273	7,007	35,036	0.0000273	70,072	-
2010	637,972	31,400	0	4	0.0000063	7,850	15,700	0.0000063	31,400	-
2011	960,118	24,635	0	5	0.0000052	4,927	12,317	0.0000052	24,635	-
2012	884,718	111,662	0	18	0.0000203	6,203	55,831	0.0000203	111,662	-
2013	792,299	37,353	4,500	8	0.0000101	4,669	20,926	0.0000101	41,853	4,500
2014	605,896	50,916	6,800	8	0.0000132	6,365	28,858	0.0000132	57,716	6,800
2015	635,687	52,866	4,159	6	0.0000094	8,811	28,512	0.0000094	63,825	10,958
										22,258

Average Ultimate Frequency	0.0017%
Average Ultimate Severity	5985

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1.1.7 From the above tables, we illustrate the total expected payment for each future year as follows

Accident year	
2016	140,837,409
2017	26,411,457
2018	11,311,747
2019	4,462,330
2020	3,068,478
2021	1,597,019
2022	0
Attritional Losses	187,688,440
Large Loss	22,258,496
Total	209,946,936

Appendix 2A: An illustration of Expected Loss Ratio Method – Oil and Gas claims

Accident year	Gross Earned Premium	Claims Paid till date	Total O/s as at 31 Dec 2014	Current Incurred	Current Loss Ratio	Ultimate Loss Ratio	Ultimate Losses	Outstanding Claim Reserves
	(₦ '000)	(₦ '000)	(₦ '000)	(₦ '000)			(₦ '000)	(₦ '000)
2011	427,491	369,106	0	369,106	86%	86%	369,106	-
2012	600,874	105,027	250	105,277	18%	18%	105,277	250
2013	809,852	46,311	1,650	47,961	6%	6%	47,961	1,650
2014	1,042,272	13,985	6,345	20,330	2%	7%	72,959	58,974
2015	1,362,315	44,060	4,000	48,060	4%	7%	95,362	51,302
Total	6,342,202	626,969	12,345	639,314			690,962	112,276

We are assuming that the pre 2014 claims information are fully developed and have adopted the 2014 loss ratio for 2015 accident year

Appendix 2B: An illustration of Expected Loss Ratio Method – Bond claims

Accident year	Gross Earned Premium	Claims Paid till date	Total O/s as at 31 Dec 2014	Current Incurred	Current Loss Ratio	Ultimate Loss Ratio	Ultimate Losses	Outstanding Claim Reserves
	(₦ '000)	(₦ '000)	(₦ '000)	(₦ '000)			(₦ '000)	(₦ '000)
2011	43,966	14,224	14,224	28,448	32%	32%	14,224	-
2012	8,954	1,584	0	1,584	18%	18%	1,584	-
2013	18,489	6,712	0	6,712	36%	36%	6,712	-
2014	19,632	0	0	0	0%	18%	3,473	3,473
2015	20,394	0	8,296	8,296	3%	18%	3,608	3,608
Total	111,435	22,519	22,519	45,039			29,600	7,081

We are assuming that the pre 2014 claims information are fully developed and have adopted the 2014 loss ratio for 2015 accident year

Appendix 2C: An illustration of Expected Loss Ratio Method – Aviation claims

Accident year	Gross Earned Premium	Claims Paid till date	Total O/s as at 31 Dec 2014	Current Incurred	Current Loss Ratio	Ultimate Loss Ratio	Ultimate Losses	Outstanding Claim Reserves
	(₦ '000)	(₦ '000)	(₦ '000)	(₦ '000)			(₦ '000)	(₦ '000)
2011	728,154	41,219	0	41,219	6%	6%	41,219	-
2012	369,802	19,623	0	19,623	5%	5%	19,623	-
2013	496,837	31,880	0	31,880	6%	6%	31,880	-
2014	891,181	68,539	4,250	72,789	8%	8%	72,789	4,250
2015	1,554,809	20,667	2,520	23,187	1%	6%	99,319	78,651
Total	4,040,783	181,928	6,770	188,698			264,830	82,901

We are assuming that the pre 2014 claims information are fully developed and have adopted the average of 2011 to 2014 loss ratios for 2015 accident year.

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Appendix 3: An illustration of Stochastic Reserving Method – General Accident claims

Development Age	1	2	3	4	5	6	7	8
Link ratio	1.6332	1.1116	1.4254	1.0717	1.0016	1.0012	1.0000	1.0000
Age to Ultimate factor	2.4748	1.5664	1.4870	1.0083	1.0015	1.0008	1.0002	1.0000
Cumulative Paid	35,117	297,488	55,396	74,026	114,114	136,038	105,217	220,651
Ultimate	91,806	451,679	79,124	74,631	114,269	136,135	105,247	220,651
Gross claim reserve	56,689	154,191	23,728	605	155	97	30	0
Sum of Gross Reserve	235,495							

The process continues by simulating the random link factor. Each result of the link factor is used to compute the ultimate claim. The gross claim reserve is then the difference between the ultimate claim and the cumulated paid. Repeating this 10,000 times produces a distribution of 10,000 possible gross claim reserve. We then estimate the mean of our distribution as our least recommended estimate

Appendix 4 – Cumulative Claims Development Pattern: FIRE

Table 1: Table of claims paid excluding large claims (Attritional Table)

Incremental Chain Ladder-Yearly Projections (₦ '000)									
Accident year	1	2	3	4	5	6	7	8	9
2007	-	6,397	46	-	17	-	-	-	-
2008	9,472	6,889	-	226	150	28	-	334	-
2009	10,509	10,492	4,757	275	-	-	-	-	-
2010	5,641	3,829	6,750	1,729	1,192	363	-	-	-
2011	7,434	51,673	8,303	4,102	1,384	-	-	-	-
2012	33,469	40,237	11,647	1,269	-	-	-	-	-
2013	20,822	34,439	11,256	-	-	-	-	-	-
2014	87,535	62,224	-	-	-	-	-	-	-
2015	75,855	-	-	-	-	-	-	-	-

Table 2: Cumulative table for Attritional loses

Cumulative Chain ladder-Annual Projections (₦ '000)									
Accident year	1	2	3	4	5	6	7	8	9
2007	-	6,397	6,443	6,443	6,461	6,461	6,461	6,461	6,461
2008	9,472	16,361	16,361	16,587	16,737	16,765	16,765	17,098	-
2009	10,509	21,001	25,758	26,033	26,033	26,033	26,033	-	-
2010	5,641	9,470	16,220	17,948	19,140	19,503	-	-	-
2011	7,434	59,107	67,409	71,511	72,896	-	-	-	-
2012	33,469	73,706	85,353	86,622	-	-	-	-	-
2013	20,822	55,260	66,516	-	-	-	-	-	-
2014	87,535	149,759	-	-	-	-	-	-	-
2015	75,855	-	-	-	-	-	-	-	-

Appendix 4 – Cumulative Claims Development Pattern: FIRE

Table 3: Reserve for Large Losses

Accident Year	Exposure/ Earned Premium (N'000)	Total Paid Amounts (N'000)	O/s Reported LG Reserve	No. of Large Losses	Claim Frequency	Average Paid Cost (N'000)	Ult Avg Cost	Ultimate Freq	Ultimate Paid Amounts (N'000)	Large Loss Reserves (N'000)
2009	163,709	0	-	0	0.000000%	0	0	0.0000%	0	0
2010	159,692	26,909	-	2	0.001252%	13,455	13,455	0.0013%	26,909	0
2011	204,842	15,924	-	1	0.000488%	15,924	15,924	0.0005%	15,924	0
2012	358,272	51,407	-	5	0.001396%	10,281	10,281	0.0014%	51,407	0
2013	482,031	35,470	-	2	0.000415%	17,735	17,735	0.0004%	35,470	0
2014	580,859	131,968	-	6	0.001033%	21,995	18,853	0.0010%	131,968	0
2015	659,156	70,794	50,000,000	3	0.000455%	23,598	30,199	0.0012%	129,168	58,374

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Average Ultimate Frequency	0.0012%
Average Ultimate Severity	16,138,030

Table 4: Combined results table (Attritional and Large Losses)

Summary of Results						
Accident Year	Paid to date (N,000)	Latest Paid Large Loss (N'000)	Total Ultimate	Gross Claims Reserve	Gross Earned Premium	Ultimate Loss Ratio
2009	26,033	-	26,133	100	163,709	16%
2010	19,503	26,909	46,812	400	159,692	29%
2011	72,896	15,924	90,201	1,381	204,842	44%
2012	86,622	51,407	143,455	5,426	358,272	40%
2013	66,516	35,470	112,417	10,432	482,031	23%
2014	149,759	131,968	330,753	49,026	580,859	57%
2015	75,855	70,794	330,062	183,413	659,156	50%

Appendix 5: Cumulative Claims Development Pattern for Engineering

Table 1: Table of claims paid excluding large claims (Attritional Table)

Incremental Chain ladder-Yearly Projections (N'000)									
Accident year	1	2	3	4	5	6	7	8	9
2007	-	-	108	-	-	-	-	-	-
2008	-	33	-	-	-	-	-	-	-
2009	1,413	-	350	128	-	-	-	-	-
2010	-	1,089	1,853	27	-	-	-	-	-
2011	2	11,870	-	-	-	-	-	-	-
2012	1,786	11,084	229	-	-	-	-	-	-
2013	3,029	3,508	1,194	-	-	-	-	-	-
2014	17,033	14,207	-	-	-	-	-	-	-
2015	11,238	-	-	-	-	-	-	-	-

Table 2: Cumulative table for Attritional loses

Cumulative Chain ladder-Annual Projections (N '000)									
Accident year	1	2	3	4	5	6	7	8	9
2007	-	-	108	108	108	108	108	108	108
2008	-	33	33	33	33	33	33	33	-
2009	1,413	1,413	1,763	1,891	1,891	1,891	1,891	-	-
2010	-	1,089	2,942	2,969	2,969	2,969	-	-	-
2011	2	11,872	11,872	11,872	11,872	-	-	-	-
2012	1,786	12,869	13,099	13,099	-	-	-	-	-
2013	3,029	6,538	7,732	-	-	-	-	-	-
2014	17,033	31,240	-	-	-	-	-	-	-
2015	11,238	-	-	-	-	-	-	-	-

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Table 3: Reserve for Large Losses

Accident Year	Exposure/ Earned Premium (N'000)	Total Paid Amounts (N'000)	O/s Reported LG Reserve	No. of Large Losses	Claim Frequency	Average Paid Cost (N'000)	Ult Avg Cost	Ultimate Freq	Ultimate Paid Amounts (N'000)	Large Loss Reserves (N'000)
2009	74,766	0	0		0.00000%	0	0	0.00000%	0	0
2010	121,543	0	0		0.00000%	0	0	0.00000%	0	0
2011	111,030	0	0		0.00000%	0	0	0.00000%	0	0
2012	112,881	0	0		0.00000%	0	0	0.00000%	0	0
2013	185,452	0	0		0.00000%	0	0	0.00000%	0	0
2014	142,463	0	0		0.00000%	0	0	0.00000%	0	0
2015	135,342	0	0		0.00000%	0	0	0.00000%	0	0

Average Ultimate Frequency	0.000000%
Average Ultimate Severity	-

Table: Combined results table (Attritional and Large Losses)

Summary of Results						
Accident Year	Paid to date (N,000)	Latest Paid Large Loss (N'000)	Total Ultimate	Gross Claims Reserve	Gross Earned Premium	Ultimate Loss Ratio
2009	1,891	-	1,891	-	74,766	3%
2010	2,969	-	2,969	-	121,543	2%
2011	11,872	-	11,897	25	111,030	11%
2012	13,099	-	13,124	25	112,881	12%
2013	7,732	-	8,048	316	185,452	4%
2014	31,240	-	44,166	12,926	142,463	31%
2015	11,238	-	31,715	20,477	135,342	23%
Total	80,182	0	113,951	33,768	946,675	

Appendix 6 – Cumulative Claims Development Pattern: General Accident

Table 1: Table of claims paid excluding large claims (Attritional Table)

Incremental Chain ladder-Yearly Projections (N'000)									
Accident year	1	2	3	4	5	6	7	8	9
2007	-	20,316	5,065	703	8	1,107	-	2,435	-
2008	19,220	40,482	7,472	5,007	2,131	1,328	804	316	-
2009	22,662	48,569	10,802	6,145	1,082	55	1,596	-	-
2010	31,789	66,911	8,718	7,157	5,044	687	-	-	-
2011	75,787	73,096	22,331	3,847	1,590	-	-	-	-
2012	43,311	109,591	24,448	9,434	-	-	-	-	-
2013	39,421	42,499	9,323	-	-	-	-	-	-
2014	39,874	53,601	-	-	-	-	-	-	-
2015	57,946	-	-	-	-	-	-	-	-

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Table 2: Cumulative table for Attritional loses

	Cumulative Chain ladder-Annual Projections (N '000)								
Accident year	1	2	3	4	5	6	7	8	9
2007	-	20,316	25,381	26,084	26,092	27,199	27,199	29,633	29,633
2008	19,220	59,702	67,174	72,181	74,312	75,640	76,444	76,761	-
2009	22,662	71,230	82,032	88,178	89,260	89,315	90,910	-	-
2010	31,789	98,700	107,417	114,574	119,618	120,305	-	-	-
2011	75,787	148,883	171,214	175,060	176,650	-	-	-	-
2012	43,311	152,902	177,350	186,784	-	-	-	-	-
2013	39,421	81,920	91,243	-	-	-	-	-	-
2014	39,874	93,475	-	-	-	-	-	-	-
2015	57,946	-	-	-	-	-	-	-	-

Table 3: Reserve for Large Losses

Accident Year	Exposure/ Earned Premium (N'000)	Total Paid Amounts (N'000)	O/s Reported LG Reserve	No. of Large Losses	Claim Frequency	Average Paid Cost (N'000)	Ult Avg Cost	Ultimate Freq	Ultimate Paid Amounts (N'000)	Large Loss Reserves (N'000)
2009	366,398.76	70,071.79	-	10	0.0027%	7,007	35,036	0.0027%	70,072	-
2010	637,972.23	31,400.23	-	4	0.0006%	7,850	15,700	0.0006%	31,400	-
2011	960,117.56	24,634.67	-	5	0.0005%	4,927	12,317	0.0005%	24,635	-
2012	884,718.17	111,661.61	-	18	0.0020%	6,203	55,831	0.0020%	111,662	-
2013	792,298.86	37,352.99	4,500.00	8	0.0010%	4,669	20,926	0.0010%	41,853	4,500,000
2014	605,895.81	50,916.12	6,800.00	8	0.0013%	6,365	28,858	0.0013%	57,716	6,800,000
2015	635,687.33	52,866.48	4,158.50	6	0.0009%	8,811	28,512	0.0009%	63,825	10,958,496

Average Ultimate Frequency	0.001677%
Average Ultimate Severity	5,985,451

Table 4: Combined results table (Attritional and Large Losses)

	Summary of Results					
Accident Year	Paid to date (N,000)	Latest Paid Large Loss (N'000)	Total Ultimate	Gross Claims Reserve	Gross Earned Premium	Ultimate Loss Ratio
2009	90,910	70,072	160,982	-	366,399	43.9%
2010	120,305	31,400	152,848	1,143	637,972	24.0%
2011	176,650	24,635	204,795	3,510	960,118	21.3%
2012	186,784	111,662	306,100	7,655	884,718	34.6%
2013	91,243	37,353	145,754	17,158	792,299	18.4%
2014	93,475	50,916	202,134	57,744	605,896	33.4%
2015	57,946	52,866	233,550	122,738	635,687	36.7%
Total	923,707	452,163	1,585,817	209,947	4,883,089	

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Appendix 7: Cumulative Claims Development Pattern: Marine Hull

Table 1: Table of claims paid excluding large claims (Attritional Table)

	Incremental Chain ladder-Yearly Projections (N'000)								
Accident year	1	2	3	4	5	6	7	8	9
2007	-	5,899	80	33	-	-	-	-	-
2008	4,620	2,699	2,497	221	-	-	-	-	-
2009	15,579	11,649	284	-	-	-	-	-	-
2010	10,733	8,575	289	-	-	-	-	-	-
2011	10,674	7,264	-	-	-	-	-	-	-
2012	6,798	1,537	-	-	-	-	-	-	-
2013	3,732	696	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-
2015	13,368	-	-	-	-	-	-	-	-

Table 2: Cumulative table for Attritional loses

	Cumulative Chain ladder-Annual Projections (N '000)								
Accident year	1	2	3	4	5	6	7	8	9
2007	-	5,899	5,978	6,012	6,012	6,012	6,012	6,012	6,012
2008	4,620	7,319	9,816	10,037	10,037	10,037	10,037	10,037	-
2009	15,579	27,228	27,513	27,513	27,513	27,513	27,513	-	-
2010	10,733	19,308	19,596	19,596	19,596	19,596	-	-	-
2011	10,674	17,938	17,938	17,938	17,938	-	-	-	-
2012	6,798	8,335	8,335	8,335	-	-	-	-	-
2013	3,732	4,428	4,428	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-
2015	13,368	-	-	-	-	-	-	-	-

Appendix 8: Cumulative Claims Development Pattern: Marine

Table 3: Reserve for Large Losses

Accident Year	Exposure/ Earned Premium (N'000)	Total Paid Amounts (N'000)	O/s Reported LG Reserve	No. of Large Losses	Claim Frequency	Average Paid Cost (N'000)	Ult Avg Cost	Ultimate Freq	Ultimate Paid Amounts (N'000)	Large Loss Reserves (N'000)
2009	155,108	38,273	-	1	0.0006%	38,273	38,273	0.00064%	38,273	0
2010	77,914	-	-	0	0.0000%	0	0	0.00000%	0	0
2011	59,530	-	-	0	0.0000%	0	0	0.00000%	0	0
2012	62,906	-	-	0	0.0000%	0	0	0.00000%	0	0
2013	79,489	-	-	0	0.0000%	0	0	0.00000%	0	0
2014	30,043	-	-	0	0.0000%	0	0	0.00000%	0	0
2015	64,799	-	-	0	0.0000%	0	0	0.00000%	0	0
								Total Reserves		-

Average Ultimate Frequency	0.000000%
Average Ultimate Severity	7,654,500

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Table 4: Combined results table (Attritional and Large Losses)

Summary of Results						
Accident Year	Paid to date (N,000)	Latest Paid Large Loss (N'000)	Total Ultimate (N'000)	Gross Claims Reserve (N'000)	Gross Earned Premium (N'000)	Ultimate Loss Ratio
2009	27,513	38,273	65,785	-	155,108	42%
2010	19,596	-	19,596	-	77,914	25%
2011	17,938	-	17,938	-	59,530	30%
2012	8,335	-	8,335	-	62,906	13%
2013	4,428	-	4,440	13	79,489	6%
2014	-	-	1,678	1,678	30,043	6%
2015	13,368	-	20,588	7,220	64,799	32%
Total	107,226	38,273	154,409	8,911	529,789	

Appendix 8 – Cumulative Claims Development Pattern: Marine Cargo

Table 1: Table of claims paid excluding large claims (Attritional Table)

Incremental Chain ladder-Yearly Projections (N'000)									
Accident year	1	2	3	4	5	6	7	8	9
2007	-	838	500	43	-	2,224	-	-	-
2008	9,376	1,461	323	750	96	2,289	-	-	-
2009	2,493	4,873	2,249	17	-	-	-	-	-
2010	4,498	19,153	303	-	-	-	-	-	-
2011	4,244	920	528	-	-	-	-	-	-
2012	1,935	24,756	4,301	-	-	-	-	-	-
2013	774	1,709	-	-	-	-	-	-	-
2014	20,196	12	-	-	-	-	-	-	-
2015	11,214	-	-	-	-	-	-	-	-

Appendix 8 – Cumulative Claims Development Pattern: Marine Cargo (Cont'd)

Table 2: Cumulative table for Attritional loses

Cumulative Chain ladder-Annual Projections (N '000)									
Accident year	1	2	3	4	5	6	7	8	9
2007	-	838	1,338	1,380	1,380	3,604	3,604	3,604	3,604
2008	9,376	10,837	11,160	11,910	12,005	14,295	14,295	14,295	-
2009	2,493	7,366	9,615	9,632	9,632	9,632	9,632	-	-
2010	4,498	23,651	23,954	23,954	23,954	23,954	-	-	-
2011	4,244	5,164	5,692	5,692	5,692	-	-	-	-
2012	1,935	26,691	30,992	30,992	-	-	-	-	-
2013	774	2,482	2,482	-	-	-	-	-	-
2014	20,196	20,208	-	-	-	-	-	-	-
2015	11,214	-	-	-	-	-	-	-	-

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Appendix 8: Cumulative Claims Development Pattern: Marine Cargo

Table 3: Reserve for Large Losses

Accident Year	Exposure/ Earned Premium (N'000)	Total Paid Amounts (N'000)	O/s Reported LG Reserve	No. of Large Losses	Claim Frequency	Average Paid Cost (N'000)	Ult Avg Cost	Ultimate Freq	Ultimate Paid Amounts (N'000)	Large Loss Reserves (N'000)
2009	160,217	-	-	-	0.0000%	-	-	0.00000%	-	-
2010	155,827	-	-	-	0.0000%	-	-	0.00000%	-	-
2011	238,119	-	-	-	0.0000%	-	-	0.00000%	-	-
2012	188,718	-	-	-	0.0000%	-	-	0.00000%	-	-
2013	138,688	-	-	-	0.0000%	-	-	0.00000%	-	-
2014	109,897	173,351.00	-	2.00	0.0018%	86,675	86,675	0.00182%	173,351	-
2015	236,591	-	-	-	0.0000%	-	-	0.00000%	-	-
								Total Reserves		-

Average Ultimate Frequency	0.000455%
Average Ultimate Severity	0

Table 4: Combined results table (Attritional and Large Losses)

Summary of Results						
Accident Year	Paid to date (N,000)	Latest Paid Large Loss (N'000)	Total Ultimate (N'000)	Gross Claims Reserve (N'000)	Gross Earned Premium (N'000)	Ultimate Loss Ratio
2009	9,632	-	9,632	-	160,217	6%
2010	23,954	-	23,954	-	155,827	15%
2011	5,692	-	5,692	-	238,119	2%
2012	30,992	-	31,048	57	188,718	16%
2013	2,482	-	2,511	29	138,688	2%
2014	20,208	173,351	195,970	2,412	109,897	178%
2015	11,214	-	34,631	23,417	236,591	15%
Total	122,073	173,351	321,338	25,914	1,228,057	

Appendix 9 – Cumulative Claims Development Pattern: MOTOR

Table 1: Table of claims paid excluding large claims (Attritional Table)

Incremental Chain ladder-Yearly Projections (N'000)									
Accident year	1	2	3	4	5	6	7	8	9
2007	-	59,522	1,895	1,530	151	-	-	-	-
2008	122,877	104,532	18,519	3,924	247	9	-	-	-
2009	130,815	115,583	7,455	1,335	-	101	-	-	-
2010	155,868	83,730	5,826	-	1,143	-	-	-	-
2011	198,259	59,110	4,420	2,665	152	-	-	-	-
2012	199,106	82,476	4,700	106	-	-	-	-	-
2013	125,806	66,307	6,628	-	-	-	-	-	-
2014	278,142	138,063	-	-	-	-	-	-	-
2015	294,632	-	-	-	-	-	-	-	-

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Table 2: Cumulative table for Attritional loses

Cumulative Chain ladder-Annual Projections (N '000)									
Accident year	1	2	3	4	5	6	7	8	9
2007	-	59,522	61,418	62,948	63,099	63,099	63,099	63,099	63,099
2008	122,877	227,408	245,927	249,852	250,099	250,108	250,108	250,108	-
2009	130,815	246,398	253,853	255,188	255,188	255,289	255,289	-	-
2010	155,868	239,598	245,425	245,425	246,568	246,568	-	-	-
2011	198,259	257,369	261,788	264,453	264,606	-	-	-	-
2012	199,106	281,582	286,281	286,387	-	-	-	-	-
2013	125,806	192,112	198,741	-	-	-	-	-	-
2014	278,142	416,205	-	-	-	-	-	-	-
2015	294,632	-	-	-	-	-	-	-	-

Appendix 9: Cumulative Claims Development Pattern: MOTOR (Cont'd)

Table 3: Reserve for Large Losses

Accident Year	Exposure/ Earned Premium (N'000)	Total Paid Amounts (N'000)	O/s Reported LG Reserve	No. of Large Losses	Claim Frequency	Average Paid Cost (N'000)	Ult Avg Cost	Ultimate Freq	Ultimate Paid Amounts (N'000)	Large Loss Reserves (N'000)
2009	1,297,205.52	10,971.45	-	1.00	0.0001%	10,971	10,971	0.0001%	10,971	-
2010	854,483.53	-	-	-	0.0000%	-	-	0.0000%	-	-
2011	1,109,467.29	-	-	-	0.0000%	-	-	0.0000%	-	-
2012	1,248,871.00	94,487.98	-	6.00	0.0005%	15,748	15,748	0.0005%	94,488	-
2013	1,161,582.59	-	-	-	0.0000%	-	-	0.0000%	-	-
2014	1,118,693.88	-	-	-	0.0000%	-	-	0.0000%	-	-
2015	1,204,995.68	41,319.88	-	2.00	0.0002%	20,660	20,660	0.0002%	41,320	-
								Total Reserves		-

Average Ultimate Frequency	
Average Ultimate Severity	

Table 4: Combined results table (Attritional and Large Losses)

Summary of Results						
Accident Year	Paid to date (N,000)	Latest Paid Large Loss (N'000)	Total Ultimate (N'000)	Gross Claims Reserve (N'000)	Gross Earned Premium (N'000)	Ultimate Loss Ratio
2009	255,289	10,971	266,260	-	1,297,206	21%
2010	246,568	-	246,568	-	854,484	29%
2011	264,606	-	264,642	36	1,109,467	24%
2012	286,387	94,488	381,364	489	1,248,871	31%
2013	198,741	-	200,485	1,744	1,161,583	17%
2014	416,205	-	430,181	13,976	1,118,694	38%
2015	294,632	41,320	484,283	148,331	1,204,996	40%
Total	2,275,635	146,779	2,586,990	164,576	7,995,299	

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For The Year Ended 31 December, 2015

Appendix 9: Consolidated Hallmark Insurance Reconciliation for 2014 and 2015 Outstanding Claim Reserves

Class of Business	2014 O/s Claims Reserves (IBNR + O/s Reported Claims)	Paid in 2015 for prior accident years	Remaining Reserves	Recalculated Reserves as at 31st December 2015 for prior Accident years	Actuarial Loss/Gain
	N'000	N'000	N'000	N'000	N'000
Motor	93,719,738	144,949,816	-51,230,078	16,244,770	-67,474,849
General Accident	284,001,733	113,991,631	170,010,102	87,208,582	82,801,519
Fire	100,671,996	106,823,455	-6,151,459	66,764,407	-72,915,866
Engineering	42,799,200	15,401,569	27,397,631	13,291,770	14,105,860
Marine Hull	11,935,961	-	11,935,961	1,690,903	10,245,058
Marine Cargo	25,423,102	86,954,220	-61,531,118	2,497,465	-64,028,583
Oil and Gas	253,151,828	16,927,509	236,224,319	60,973,898	175,250,421
Aviation	31,140,042	64,569,957	-33,429,915	4,250,000	-37,679,915
Bond	3,812,083	8,295,672	-4,483,589	3,472,960	-7,956,549
Total	846,655,683	557,913,829	288,741,854	256,394,755	32,347,096

2015 Accident Year

Class of business	2015 Earned Premiums (as at 31st December)	Claims Paid as at 31st December for 2015 Accident Year	Reserves for December 31st, 2015 Accident year (IBNR + O/s Reported Reserves)	Potential Underwriting Profit (Excl Expenses)	Loss Ratios
Motor	1,204,995,675	335,951,987	148,330,963	720,712,724	40%
General Accident	635,687,330	110,812,044	122,738,354	402,136,933	37%
Fire	659,156,178	146,648,914	183,412,591	329,094,673	50%
Engineering	135,341,986	11,238,332	20,476,722	103,626,932	23%
Marine Hull	64,798,913	13,368,348	7,219,712	44,210,853	32%
Marine Cargo		11,214,023	23,416,540	-34,630,564	
Oil & Gas	1,362,315,416	44,060,046	51,302,033	1,266,953,337	7%
Aviation	1,554,809,280	20,667,476	78,651,277		6%
Bond	20,394,219	-	3,607,854	16,786,365	18%
Total	5,637,498,996.78	693,961,170	639,156,047	2,848,891,253	

Paid Amount in 2015	1,251,874,999
Total Reserves as at December 2015 as is in the report	895,550,802

Notes To The Consolidated Financial Statements
For The Year Ended 31 December, 2015

a(vi) 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:- Claims
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 - Claims:		
	2015(M)	2014(M)
Gross Premium Earned	6,039	4,614
Reinsurance cost	2,686	2,148
Gross Claim incurred	1,341	1,234
Claims ratio	22%	27%
5% increase in claims	1,408	1,296
Claims ratio	23%	28%
5% reduction in claims	1,274	1,173
Claims ratio	21%	25%

A 5% increase or decrease in general Gross Claim 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.

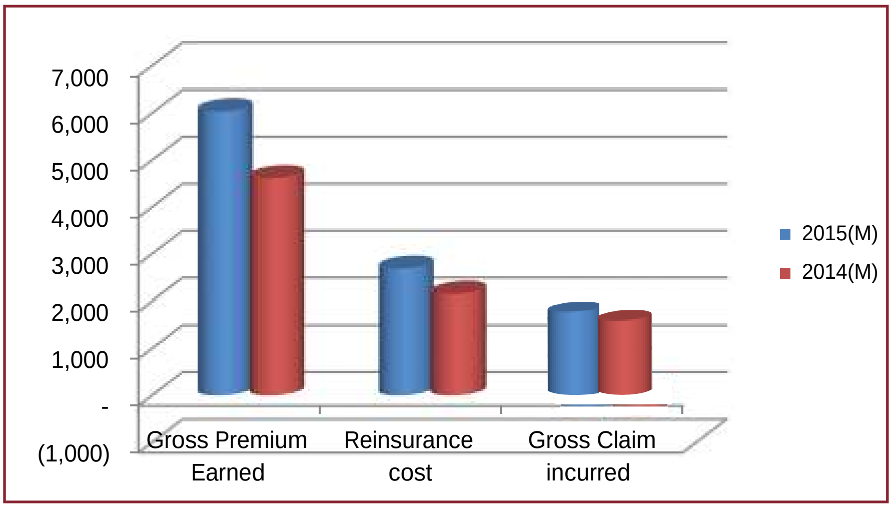


Figure 1 : Gross Premium earned vs Reinsurance Cost vs Gross Claim incured. (2015 & 2014)

Notes To The Consolidated Financial Statements
For The Year Ended 31 December, 2015

c) 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:

Year ended 31st December, 2015

Product	Gross Premium Earned (M)	Reinsurance Cost (M)	Net Premium Earned(M)
Fire	659	(219)	440
General Accident	636	(157)	478
Motor	1,206	(17)	1,189
Aviation	1,555	(1,303)	252
Oil & Gas	1,362	(791)	571
Marine	302	(119)	182
Engineering	135	(72)	64
Bond	20	(7)	13
	5,876	(2,686)	3,190

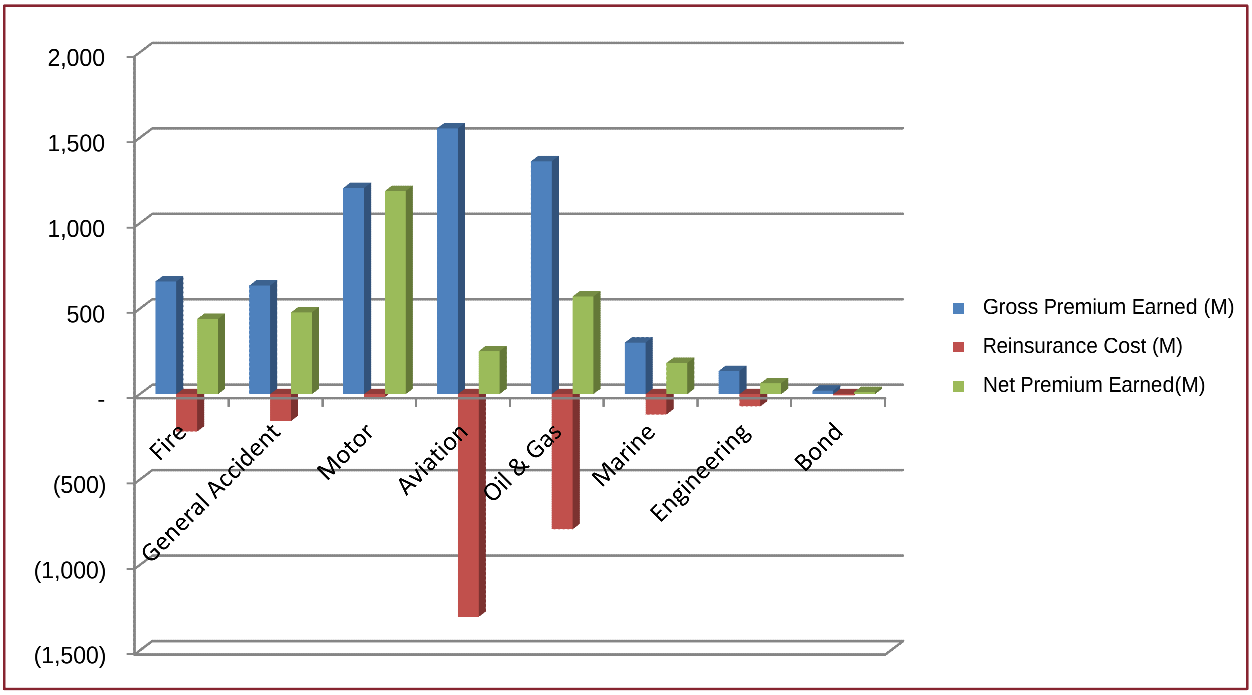


Figure 2 : Gross premium earned vs Reinsurance Cost per class . (2015)

Notes To The Consolidated Financial Statements

For The Year Ended 31 December, 2015

Year ended 31st December, 2014

Product	Gross Premium Earned	Reinsurance Cost	Net Premium Earned
Fire	590	(313)	277
General Accident	606	(233)	373
Motor	1,118	(63)	1,055
Aviation	890	(798)	92
Oil & Gas	1,038	(592)	446
Marine	267	(79)	188
Engineering	150	(64)	86
Bond	19	(6)	13
	4,678	(2,148)	2,530

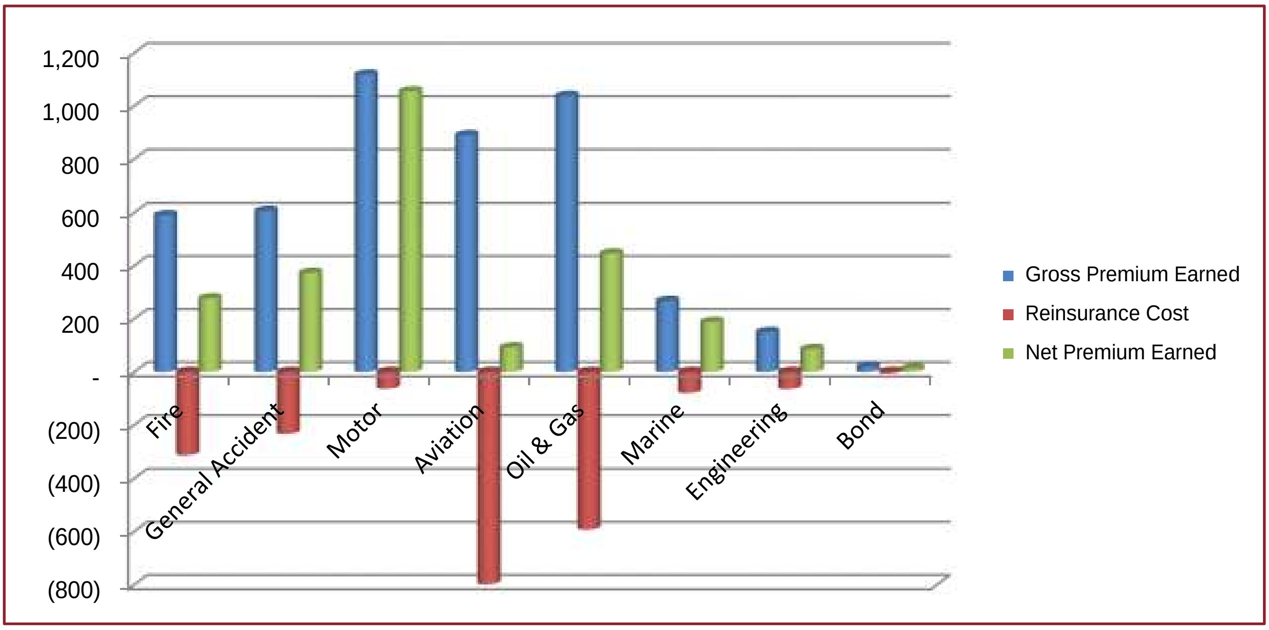


Figure 3 : Gross premium earned vs Reinsurance Cost per class. (2014)

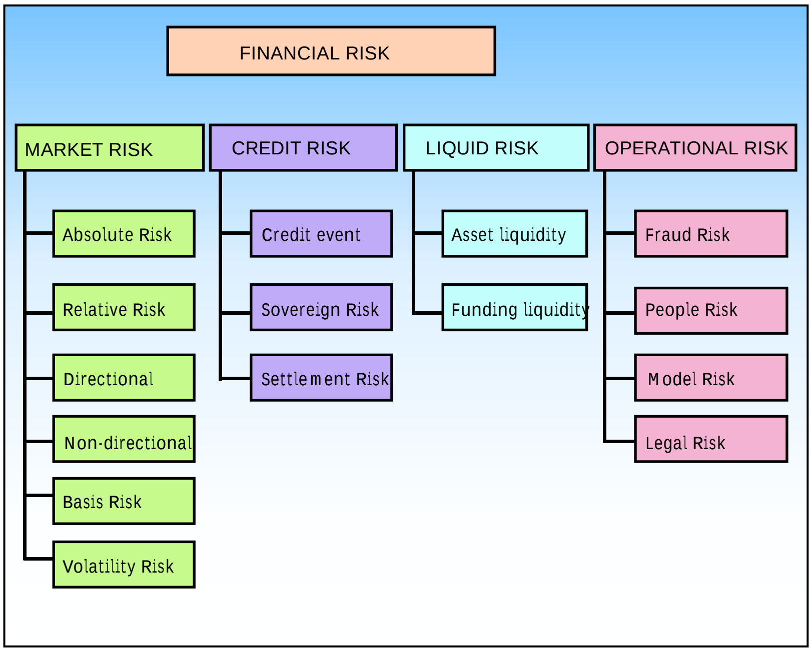
d. Financial Risks Management (FRM)

"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, Reputaional Risk, Foreign Currency Risk, Equity risk."

d(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:

Notes To The Consolidated Financial Statements

For The Year Ended 31 December, 2015



d(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.

d(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.

Notes To The Consolidated Financial Statements
For The Year Ended 31 December, 2015

d(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:

	Group		Company	
	2015	2014	2015	2014
Loans And Receivables				
Analysis by Performance:				
Performing	61,029,203	34,221,229	34,221,229	70,851,264
Non - Performing	95,695,221	95,765,592	95,765,592	93,878,904
Total	156,724,424	129,986,821	129,986,821	164,730,168
Analysis by Maturity:				
0 - 30 days	126,853,941	99,289,539	99,289,539	136,751,877
1 - 3 months	29,870,483	30,697,282	30,697,282	27,978,291
3 - 6 months	-	-	-	-
6 - 12 months	-	-	-	-
Beyond 12 Months	-	-	-	-
Total	156,724,424	129,986,821	129,986,821	164,730,168
Fixed Deposits with Banks				
Analysis by maturity				
0 - 30 days	605,415,625	605,415,625	947,644,846	947,644,846
30 - 90 days	1,516,868,720	1,475,775,615	1,163,491,419	1,098,900,674
Above 90 days	-	-	-	-
Grand Total	2,122,284,345	2,081,191,240	2,111,136,265	2,046,545,520

d(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."

d(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.

d(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

Statement Of Value Added - Group

For The Year Ended 31 December, 2015

reputational reasons. The corporate governacnce 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.

d(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 it core values of Professionalism, Relationship, Integrity, Zeal and Excellence (PRIZE) which is regularly communicated to every member and compliance monitored on an ongoing basis.

	2015 N	%	2014 N	%
Gross premium income	5,875,522,094		4,678,556,485	
Reinsurance, claims and commissions and others:				
- Local	(4,418,566,635)		(4,015,798,195)	
- Foreign	-		-	
Value added	1,456,955,459	100	662,758,290	100
Applied as follows:				
To pay employees				
Salaries, pension and welfare	553,499,753	38	392,487,514	59
To pay government				
Company income taxation	159,100,881	11	12,544,394	2
To pay providers of capital				
Shareholders as dividend	120,000,000	8	-	-
Retained for future maintenance of assets and future expansion of business:				
- Contingency reserve	176,265,663	12	140,356,695	21
- Depreciation and amortisation	78,543,747	5	64,649,597	10
'- Profit for the year	369,545,415	25	52,720,090	8
Value added	1,456,955,459	100	662,758,290	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.

Statement Of Value Added - Company

For The Year Ended 31 December, 2015

	2015 N	%	2014 N	%
Gross premium income	5,875,522,094		4,678,556,485	
Reinsurance, claims and commissions & others - local	(4,459,913,010)		(4,051,984,692)	
Reinsurance, claims and vommissions & others - foreign	-		-	
Value added	1,415,609,084	100	626,571,793	100
Applied as follows:				
To pay employees				
Salaries, pension and welfare	532,115,976	38	374,854,931	60
To pay government				
Company income taxation	152,718,047	11	2,995,231	0
To pay providers of capital				
Shareholders as dividend	120,000,000	8	-	-
Retained for future maintenance of assets and future expansion of business				
Contingency reserve	176,265,663	12	140,356,695	22
Depreciation and amortisation	76,495,992	5	63,669,096	10
Profit for the year	358,013,406	25	44,695,839	7
Value added	1,415,609,084	100	626,571,793	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.

Five Year Financial Summary - Group

For The Year Ended 31 December

	31 December 2015 N	31 December 2014 N	31 December 2013	Restated 31 December 2012 N	31 December 2011 N
Statement of financial position					
Assets					
Cash and cash equivalent	2,822,735,766	2,299,949,368	2,275,501,790	1,857,303,251	1,449,326,577
Financial assets:					
- At fair value through profit or loss	183,200,238	343,086,193	174,453,485	182,451,560	307,139,471
- Loans and receivables	61,029,203	34,221,228	68,342,353	41,082,638	38,045,841
- Available for sale	60,950,000	2,000,000	2,000,000	2,000,000	2,000,000
- Held-to-maturity	497,905,166	133,173,401	65,783,151	-	
Deposit for shares	-	50,250,000	-	-	-
Finance lease receivables	172,095,986	128,423,469	82,093,614	24,731,816	3,683,648
Trade receivables	81,030,026	69,245,808	51,398,191	1,138,068,666	1,087,834,621
Reinsurance assets	691,913,416	651,767,868	981,521,496	1,068,907,833	873,061,080
Deferred acquisition cost	190,525,298	194,835,265	204,941,728	195,734,475	140,827,494
Other receivables and prepayments	135,246,867	141,675,841	125,024,460	50,413,486	47,945,478
Investment in subsidiaries	-	-	-	-	-
Inventories	5,146,854	2,888,332	-	-	-
Intangible assets	16,467,871	13,685,959			
Investment properties	888,020,000	877,960,682	874,278,599	870,331,600	870,578,915
Property and equipment	917,049,344	895,462,588	964,104,610	946,746,285	957,325,946
Statutory deposits	300,000,000	300,000,000	300,000,000	300,000,000	300,000,000
Total assets	7,023,316,035	6,138,626,002	6,169,443,477	6,677,771,610	6,077,769,071
Liabilities					
Insurance contract liabilities	2,218,670,079	1,974,439,083	2,124,258,117	2,044,293,984	1,766,281,709
Trade payables	112,060,913	7,829,896	26,056,310	218,963,082	93,054,868
Other payables and provision	163,568,360	146,105,612	67,042,956	78,514,068	27,605,076
Finance lease payable	-	-	-	-	-
Retirement benefit obligations	184,444	137,815	4,104,327	8,507,055	8,413,206
Current income tax liabilities	120,730,104	72,341,424	145,018,810	170,767,513	152,263,638
Deferred tax liabilities	140,289,268	95,460,524	153,728,094	126,936,011	118,692,730
Total liabilities	2,755,503,168	2,296,314,354	2,520,208,614	2,647,981,713	2,166,311,227
Equity & reserves					
Issued and paid share capital	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000
Contingency reserves	1,058,782,003	882,516,340	742,159,645	617,545,019	493,281,216
Statutory reserves	5,826,986	8,477,548	6,690,382	5,826,986	533,415
Retained earnings	203,203,878	(48,682,240)	(99,615,164)	406,417,892	417,643,213
Total equity	4,267,812,867	3,842,311,648	3,649,234,863	4,029,789,897	3,911,457,844
Total liabilities and equity	7,023,316,035	6,138,626,002	6,169,443,477	6,677,771,610	6,077,769,071

Five Year Financial Summary - Group

For The Year Ended 31 December

	31 December 2015 N	31 December 2014 N	31 December 2013	31 December 2012 N	31 December 2011 N
Statement of comprehensive income					
Gross premium written	6,039,451,539	4,614,438,474	4,153,820,829	4,142,126,782	4,098,659,307
Gross premium income	5,875,522,094	4,678,556,485	4,151,298,704	3,835,996,495	3,879,112,389
Reinsurance premium expenses	(2,685,733,043)	(2,148,244,817)	(1,582,605,604)	(925,237,855)	(1,125,903,511)
Net premium income	3,189,789,051	2,530,311,668	2,568,693,100	2,910,758,640	2,753,208,878
Fee and commission income	145,879,333	207,872,453	203,633,369	237,243,585	76,172,079
Net underwriting income	3,335,668,384	2,738,184,121	2,772,326,469	3,148,002,225	2,829,380,957
Claims expenses	(1,341,181,328)	(1,234,297,773)	(965,106,416)	(846,618,408)	(733,464,392)
Claims recoveries from reinsurers	383,167,702	267,243,023	314,751,829	123,875,046	93,505,090
Claims incurred	(958,013,626)	(967,054,750)	(650,354,587)	(722,743,362)	(639,959,302)
Underwriting expenses	(1,007,902,155)	(907,885,365)	(1,064,854,654)	(904,686,101)	(816,265,617)
Underwriting profit	1,369,752,603	863,244,006	1,057,117,228	1,520,572,762	1,373,156,038
Investment income	447,362,355	329,369,606	299,470,300	246,691,774	118,215,172
Other operating income	177,053,841	36,973,619	21,756,652	10,803,367	88,709,456
Impairment charge	16,935,040	(20,767,457)	(550,641,729)	(422,184,651)	(447,425,932)
Net fair value gains/(loss) on financial assets at fair value through profit or loss	(138,190,791)	32,307,258	16,100,005	(19,468,439)	(122,023,661)
Management expenses	(1,168,001,089)	(1,035,505,853)	(1,024,904,284)	(940,275,018)	(862,399,977)
Results of operating activities	704,911,959	205,621,179	(181,101,828)	396,139,795	148,231,095
Finance cost	-	-	-	-	-
Profit/(loss) before taxation	704,911,959	205,621,179	(181,101,828)	396,139,795	148,231,095
Income tax (expense)/credit	(159,100,881)	(12,544,394)	(19,453,205)	(156,642,418)	5,158,169
Profit/(loss) after taxation	545,811,078	193,076,785	(200,555,033)	239,497,377	153,389,264
Other comprehensive income net of tax	-	-	-	-	-
Total comprehensive income/(loss) for the year	545,811,078	193,076,785	(200,555,033)	239,497,377	153,389,264
Profit/(loss) attributable to:					
Equity holders of the parent	545,811,078	193,076,785	(200,555,033)	239,497,377	153,389,264
Non-controlling interest	-	-	-	-	-
	545,811,078	193,076,785	(200,555,033)	239,497,377	153,389,264
Basic and diluted earnings/(loss) per share (kobo)	9.10	3.22	(3.34)	3.99	2.56

Five Year Financial Summary - Company

For The Year Ended 31 December

	2015	2014	2013	2012	2011
	N	N	N	N	N
Assets					
Cash and cash equivalent	2,780,220,924	2,268,572,191	2,232,194,170	1,746,507,954	1,411,518,588
Financial assets:					
- At fair value through profit or loss	177,671,643	331,557,775	156,076,888	167,695,232	290,605,960
- Loans and receivables	70,851,262	19,379,021	42,254,825	25,122,448	33,274,773
- Available for sale	60,950,000	2,000,000	2,000,000	2,000,000	2,000,000
- Held-to-maturity	497,905,166	133,173,401	65,783,151	-	
Deposit for shares	-	50,250,000	-	-	-
Trade receivables	81,030,026	69,245,808	51,398,191	1,138,068,666	1,087,834,621
Reinsurance assets	691,913,416	651,767,868	981,521,496	1,068,907,833	873,061,080
Deferred acquisition cost	190,525,298	194,835,265	204,941,728	195,734,475	140,827,494
Other receivables and prepayments	135,266,048	141,704,560	118,125,647	61,710,099	61,917,660
Investment in subsidiaries	250,000,000	250,000,000	226,407,681	226,407,680	126,407,680
Intangible assets	15,592,433	13,685,959			
Investment properties	803,359,000	793,460,682	789,778,600	785,831,600	786,578,915
Property and equipment	908,924,352	892,213,721	959,875,241	946,346,035	957,325,946
Statutory deposits	300,000,000	300,000,000	300,000,000	300,000,000	300,000,000
Total assets	6,964,209,568	6,111,846,251	6,130,357,618	6,664,332,022	6,071,352,717
Liabilities					
Insurance contract liabilities	2,218,670,079	1,974,439,083	2,124,258,117	2,044,293,984	1,766,281,709
Trade payables	112,060,913	7,829,896	26,056,310	218,963,082	93,054,868
Other payables and provision	171,540,123	171,622,017	62,509,494	87,474,075	23,803,827
Finance lease payable	-	-	-	-	-
Retirement benefit obligations	4,430	-	3,920,473	8,429,295	8,413,206
Current income tax liabilities	93,162,912	47,695,854	130,138,788	161,377,528	151,027,491
Deferred tax liabilities	139,693,165	95,460,524	153,728,093	126,936,011	118,692,730
Total liabilities	2,735,131,622	2,297,047,374	2,500,611,275	2,647,473,975	2,161,273,831
Equity & reserves					
Issued and paid share capital	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000
Contingency reserves	1,058,782,003	882,516,340	742,159,645	617,545,019	493,281,216
Statutory reserves	-	-	-	-	-
Retained earnings	170,295,943	(67,717,463)	(112,413,302)	399,313,028	416,797,670
Total equity	4,229,077,946	3,814,798,877	3,629,746,343	4,016,858,047	3,910,078,886
Total liabilities and equity	6,964,209,568	6,111,846,251	6,130,357,618	6,664,332,022	6,071,352,717

Five Year Financial Summary - Company

For The Year Ended 31 December

	2015	2014	2013	Restated 2012	2011
	N	N	N	N	N
Gross premium written	6,039,451,539	4,614,438,474	4,153,820,829	4,142,126,782	4,098,659,307
	-				
Gross premium income	5,875,522,094	4,678,556,485	4,151,298,704	3,835,996,495	3,879,112,389
Reinsurance premium expenses	(2,685,733,043)	(2,148,244,817)	(1,582,605,604)	(925,237,855)	(1,125,903,511)
Net premium income	3,189,789,051	2,530,311,668	2,568,693,100	2,910,758,640	2,753,208,878
Fee and commission income	145,879,333	207,872,453	203,633,369	237,243,585	76,172,079
Net underwriting income	3,335,668,384	2,738,184,121	2,772,326,469	3,148,002,225	2,829,380,957
Claims expenses	(1,341,181,328)	(1,234,297,773)	(965,106,417)	(846,618,408)	(733,464,392)
Claims recoveries from reinsurers	383,167,702	267,243,023	314,751,829	123,875,046	93,505,090
Claims incurred	(958,013,626)	(967,054,750)	(650,354,588)	(722,743,362)	(639,959,302)
Underwriting expenses	(1,016,074,857)	(946,945,126)	(1,082,304,654)	(930,996,101)	(816,265,617)
Underwriting profit	1,361,579,901	824,184,245	1,039,667,227	1,494,262,762	1,373,156,038
Investment income	402,048,193	299,595,699	270,979,045	230,811,905	111,984,769
Other operating income	170,537,974	32,848,143	24,256,702	7,650,497	19,020,534
Impairment charge	17,402,910	(17,402,910)	(544,652,983)	(419,336,868)	(447,425,932)
Net fair value gains/(loss) on financial assets at fair value through profit or loss	(138,191,291)	32,912,258	12,856,767	(20,313,928)	(113,644,156)
Management expenses	(1,126,380,571)	(984,089,670)	(996,255,297)	(916,641,303)	(846,277,148)
Results of operating activities	686,997,116	188,047,765	(193,148,539)	376,433,065	96,814,104
Finance cost	-	-	-	-	-
Profit/(loss) before taxation	686,997,116	188,047,765	(193,148,539)	376,433,065	96,814,104
Income tax (expenses)/credit	(152,718,047)	(2,995,231)	(13,963,167)	(149,653,904)	6,394,316
Profit/(loss) after taxation	534,279,069	185,052,534	(207,111,706)	226,779,161	103,208,420
Other comprehensive income net of tax	-	-	-	-	-
Total comprehensive (loss)/income for the year	534,279,069	185,052,534	(207,111,706)	226,779,161	103,208,420
Profit/(loss) attributable to:					
Equity holders of the parent	534,279,069	185,052,534	(207,111,706)	226,779,161	103,208,420
Non-controlling interest	-	-	-	-	-
	534,279,069	185,052,534	(207,111,706)	226,779,161	103,208,420
Basic and diluted earnings/(loss) per share (kobo)	8.90	3.08	(3.45)	3.78	1.72

Revenue Account

For The Year Ended 31 December, 2015

	Motor N	Fire N	Bond N	Gen. Accident N	Marine N	Aviation N	Oil & Gas N	Engineering N	2015 Total N	2014 Total N
Income										
Direct premium	1,235,352,608	653,720,777	19,640,339	667,606,144	333,621,892	1,553,766,955	1,289,548,901	136,629,069	5,889,886,685	4,522,867,237
Inward reinsurance premium	18,659,396	24,512,056	-	4,534,769	10,158,646	68,706,226	17,488,223	5,505,538	149,564,854	91,571,237
Gross written premium	1,254,012,004	678,232,833	19,640,339	672,140,913	343,780,538	1,622,473,180	1,307,037,124	142,134,607	6,039,451,539	4,614,438,474
(Increase)/decrease in unexpired premium reserve	(47,895,073)	(18,923,778)	753,880	(36,467,734)	(42,251,339)	(67,631,072)	55,278,292	(6,792,621)	(163,929,445)	64,118,011
Gross premium earned	1,206,116,931	659,309,055	20,394,219	635,673,179	301,529,199	1,554,842,108	1,362,315,416	135,341,986	5,875,522,094	4,678,556,485
Deduct:										
Outward reinsurance premium	(12,841,486)	(231,118,560)	(6,070,206)	(73,310,735)	(104,032,992)	(1,370,256,384)	(803,946,454)	(55,915,069)	(2,657,491,886)	(1,964,912,612)
(Increase)/decrease in prepaid reinsurance	(4,478,983)	12,248,192	(1,240,122)	(84,034,770)	(15,059,996)	67,062,610	13,116,197	(15,854,284)	(28,241,156)	(183,332,205)
Reinsurance cost	(17,320,469)	(218,870,368)	(7,310,328)	(157,345,505)	(119,092,988)	(1,303,193,774)	(790,830,257)	(71,769,353)	(2,685,733,042)	(2,148,244,817)
Net premium earned	1,188,796,462	440,438,687	13,083,891	478,327,674	182,436,211	251,648,334	571,485,159	63,572,633	3,189,789,052	2,530,311,668
Commission received	1,528,160	67,305,191	(876,098)	8,034,450	12,878,241	17,423,429	21,543,175	18,042,785	145,879,333	207,872,453
Total income	1,190,324,621	507,743,877	12,207,793	486,362,124	195,314,452	269,071,763	593,028,334	81,615,418	3,335,668,385	2,738,184,121
Gross claims paid	486,208,709	254,447,820	8,295,672	225,811,528	111,536,592	86,569,763	61,369,793	26,639,901	1,260,879,778	1,319,998,793
Increase/(decrease) in outstanding claims provision	95,405,199	150,905,934	3,268,731	(66,677,083)	(4,455,860)	51,761,235	(140,875,897)	(9,030,709)	80,301,550	(85,701,020)
Gross claims incurred	581,613,909	405,353,754	11,564,403	159,134,445	107,080,732	138,330,998	(79,506,104)	17,609,191	1,341,181,328	1,234,297,773
Reinsurance claims recovery	(43,963,435)	(75,188,032)	(192,703)	(112,983,038)	(73,551,434)	-	(759,969)	(8,142,387)	(314,780,998)	(413,664,449)
Increase/(decrease) in outstanding claims recoverable	7,056,084	(82,320,657)	(488,141)	22,975,593	(11,256,007)	(7,876,294)	(5,293,765)	8,816,483	(68,386,704)	146,421,426
Net claims paid incurred	544,706,558	247,845,065	10,883,559	69,127,000	22,273,291	130,454,704	(85,559,839)	18,283,287	958,013,626	967,054,750
Acquisition expenses	148,256,706	132,405,803	4,299,985	130,553,606	65,348,908	37,357,369	119,346,570	28,454,517	666,023,464	697,864,357
Maintenance/operating expenses	81,987,669	29,420,635	1,305,989	73,880,100	15,720,657	50,619,716	90,419,144	6,697,483	350,051,393	249,080,769
Total expenses	774,950,933	409,671,503	16,489,533	273,560,706	103,342,856	218,431,789	124,205,875	53,435,287	1,974,088,483	1,913,999,876
Underwriting profit	415,373,688	98,072,375	(4,281,740)	212,801,418	91,971,596	50,639,974	468,822,458	28,180,131	1,361,579,901	824,184,245

Shareholder Information

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Share Capital History

Year	Authorized		Issued and Fully Paid		Consideration
	Increase	Cumulative	Increase	Cumulative	
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

Dividend History

Financial Year	Year Paid	Amount Paid Per Share(Kobo)	Total Amount Paid(=N=)
2007	2008	Nil	Nil
2008	2009	3Kobo	300,000,000
2009	2010	Nil	Nil
2010	2011	3Kobo	180,000,000
2011	2012	2Kobo	120,000,000
2012	2013	3Kobo	180,000,000
2013	2014	Nil	Nil
2014	2015	Nil	Nil
2015	2015	2Kobo (Interim)	120,000,000 (Interim)

Photo News

President of Independent Shareholders Association of Nigeria, Sir Sunny Nwosu (Third from left), with the Managing Director Mr Eddie Efekoha, Vice Chairman, Mr Tony Aletor, Other Directors- Chief Ben Ikejiakwu, Mr Friday Ebojoh and Dr. Layi Fatona after the 20th Annual General Meeting in Lagos.

Team Player of the Year James Ilesanmi, receiving his trophy and being congratulated by the Managing Director, Mr Eddie Efekoha

Team Player of the Year, North, Sandra Dasouza with Regional Director North, Mr Mac Ekechukwu and other staff of Northern Operations

Sylvester Obuakor with his Award as Team Player of the Year, East. With him is the Regional Director, East, Mrs Ijeoma Okoro and Mr Tope Ilesanmi.

1st , 2nd and 3rd Prize Winners of the 2015 Edition of the Annual Consolidated Hallmark Insurance Plc Essay Awards for Tertiary Institutions with Alhaji Adamu Balante of the National Insurance Commission (NAICOM) and the Managing Director, Mr Eddie Efekoha.

Management Team

Eddie Efekoha	Managing Director/ Chief Executive Officer
Babatunde Daramola	Executive Officer (FSI) Eff: 1 Apr 2016
Mac Ekechukwu	General Manager
Ijeoma Pearl Okoro	General Manager
Gbolaga Adeyanju	Deputy General Manager
Katherine Itua	Deputy General Manager
Mary Adeyanju	Assistant General Manager
Jimalex Orjiako	Assistant General Manager Eff: 1 Apr 2016
Promise Anyim	Controller
Ose Oluyanwo	Controller
Tope Ilesanmi	Controller
Gboyega Adetoki	Controller
Oyenike Nihinlola	Controller
Oladotun Adeogun	Controller Eff: 1 Apr 2016
Olu Adeoye	Senior Manager
Chukwuma Uwajeh	Senior Manager
Gloria Edemcord	Senior Manager
Ayo Fanibe	Senior Manager
Charles Nwanze	Senior Manager
Job Oyedele	Senior Manager
Goddy Ezeala	Manager
Tope Adefehinti	Manager
Maria Adekola	Manager
Kehinde Abdulkareem	Manager
Yusuf Salihu	Manager
Bukola Owofolaju	Manager
Folaranmi Adedeji	Manager
Rukevwe Falana	Manager Eff: 1 Jan 2016
Kayode Babatunde	Manager Eff: 1 Apr 2016

Branch Network

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Tel: 08180001152
ibadan@consolidatedhallmark.com

Notice to shareholders on e-copy of Annual Report & Accounts

Dear Shareholder,

In view of regular postal delays, your company is desirous of taking advantage of technological advancement to ensure prompt delivery of e-copies of the Annual Report & Accounts to you via e-mail, in addition to the postage of hard copies.

If you wish to receive an e-copy of the 2015 Annual Report & Accounts and subsequent editions via e-mail, kindly send an e-mail to the following addresses:

1. info@consolidatedhallmark.com
2. info@meristemregistrars.com

Your e-mail will be used solely for the purpose stated above.

Mandate Form

Get your dividend the instant you need it with E-Dividend payment
MANDATE FOR DIVIDEND PAYMENT TO BANKS (e-Dividend)

Meristem Registrars Limited
213, Herbert Macaulay way
Adekunle Yaba
P.O.Box 51585
Ikoyi, Lagos
phone; 01-8920491, 8920492
Fax; 01-2702361
E.mail; info@meristemeregistrars.com
Website; www.meristemregistrar.com

To:
The Registrar,
Meristem Registrars Limited,
213, Herbert Macaulay Way,
Adekunle, Yaba,
Lagos.

I/we hereby request that from now on all, my/our dividend warrant(s) due to me or/our holding(s) in Consolidated Hallmark Insurance Plc be paid to my/our Bank named Below.

Bank Name: ....
Bank Address: ....
Account Number: ....
Shareholders' Full Name: ....
Shareholder's Address: ....
(Surname First)
E-mail: ....
Mobile No
CSCS CHN: .... CSCS A/C NO: ....
Single Shareholder's Signature...
Joint shareholder's signature...
(1) ....
(2) ....
If company,
Authorized signatory:
(1) ....
(2) ....

Company seal:

Authorized signature or stamp of Banks: ....

Sort Cold

e-DIVIDEND PAYMENT-
One stop solution to unclaimed dividend
Take advantage of it!

Proxy Form

21st Annual General Meeting to be held at Agip Recital Hall, Muson Centre, 8/9 Marina, Lagos State, on 24th May, 2016, at 11.00 a.m.

I / We……………………..........…………………………………….
of……………………………………………......………….....………
…………………………………………………...…………………….

Being a member / members of Consolidated Hallmark Insurance Plc hereby appoint**

…………………………………………………………………………
of ………………………………………………………………………
or failing him 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 the 24th of May, 2016 and any adjournment thereof.

Dated this …………...................…..day of …………………2016

Shareholder's Signature ....……………………………. …......

	ORDINARY BUSINESS	FOR	AGAINST
1	To receive the Reports and Financial Statements.		
2	To declare a final dividend.		
3	To re-elect Mrs Ngozi Nkem		
4	To ratify the appointment of new Non-Executive Directors		
5	To ratify the appointment of SIAO Professional Services as the Company's External Auditors.		
6	To authorize the Directors to determine the remuneration of the Auditors.		
7	To elect members of the Audit Committee.		
	SPECIAL BUSINESS		
1	To approve the remuneration of the 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.		

NOTE

(I) A Member (shareholder) entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy instead of him or her. All proxy forms should be deposited at the registered office of the Company being 266 Ikorodu Road, Obanikoro, Lagos 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, Mrs. Ngozi Nkem retires by rotation and being eligible offer herself for re-election.

✂---Tear off from here---

ADMISSION SLIP

Please admit ……………………………………………………………………………………………………… to the Annual General Meeting of Consolidated Hallmark Insurance Plc which will hold at Agip Recital Hall, Muson Centre, 8/9 Marina, Lagos State, on 24th May, 2016, at 11.00 a.m..

Admission Slip must be produced by the shareholder or his/her proxy in order to obtain entrance to the Annual General Meeting.

Name & Address of Shareholders ……………………………………………….......................................……………………………………...................

Number of Shares held ………………………………………………………………..................................……………………….………………………

Signature of person attending ………………………………………………………….......................................……………………………………………

For Company's use only

Number of shares ………….....................…………………………

Rukevwe Falana
(Company Secretary)
FRC/2016/NBA/00000014035

Notes

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