

**CONSOLIDATED HALLMARK INSURANCE PLC
AND SUBSIDIARY COMPANIES**

COMPANY RC:168762

INTERIM FINANCIAL STATEMENT

FOR THE PERIOD ENDED 31 MARCH 2021

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General Information;

The Group

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

Company Information:

Consolidated Hallmark Insurance Plc (formerly Consolidated Risk Insurers Plc) was incorporated on 2 August 1991 and domiciled in Nigeria. The address of the company registered office is 266 Ikorodu road Lagos (formerly plot 33d Bishop Aboyade Cole Street, Victoria Island, Lagos).

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 2005. Consolidated Hallmark Insurance Plc came into effect from 1 March 2007.

These consolidated and separate financial statements have been authorized for issue by the Board of Directors on **28 April, 2021**.

Securities Trading Policy

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of the Exchange 2015 (Issuers Rule) Consolidated Hallmark Insurance Plc maintains a Security Trading Policy which guides Directors, Audit Committee members, employees and all individuals categorized as insiders as to their dealing in the Company's securities. The Policy is periodically reviewed by the Board and updated. The Company has made specific inquiries of all its directors and other insiders and is not aware of any infringement of the policy during the period under review.

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.

Assessment of Impact of Covid 19 on Going Concern

The effect of Covid 19 was not too pronounced on the performance of the Group at the end of the Quarter one 2021, The company has fully adjusted to a mix of staff working from the office and some working remotely. Majority of the staff in Marketing and Operations have fully resumed to working from the office.

Subsidiaries;

CHI Microinsurance Limited (Undergoing Formation)

CHI Microinsurance Limited is a fully owned subsidiary of Consolidated Hallmark Insurance Plc, incorporated in 2016 and undergoing NAICOM licensing process to provide Life microinsurance services. Microinsurance is a financial arrangement to protect low income people against specific perils in exchange for regular premium payment proportionate to the likelihood and cost of risk involved.

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 incorporated CHI Support Services Limited in 2014 with 100% shareholdings.

Grand Treasurers Limited

Grand Treasurers Limited was indirect subsidiary of Consolidated Hallmark Insurance up to November 2019 before the Board of CHI Capital limited transferred Her holding 100% to the Parent (Consolidated Hallmark Insurance Plc).

Grand Treasurers Limited is now a direct subsidiary of the Consolidated Hallmark Insurance Plc. 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.

Hallmark Health Services Ltd

Hallmark Health Services Ltd is a fully owned subsidiary of Consolidated Hallmark Insurance Plc. Incorporated in 2017. It is envisioned to be a leading health insurance company to meet the need for quality health maintenance services providing affordable and lasting health care plan for all Nigerians

Statement of Significant Accounting Policies

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

1. Basis of presentation:

1.1 Statement of compliance with IFRS

These financial statements are the separate and consolidated financial statement of the company and its subsidiaries (together, "the group"). The group's financial statements for the period ended 31st of March 2021 have been prepared in accordance with the International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standard Board ("IASB"), and interpretations issued by IFRS's interpretation committee (IFRIC) and in compliance with the Financial Reporting Council of Nigeria Act, No 6, 2011.

These are the Group's financial statements for the period ended 31 March 2021, prepared in accordance with IFRS 10 - Consolidated Financial Statements.

1.1.2 Application of new and amended standards

The accounting policies adopted are consistent with those of the previous financial year despite the adoption of IFRS. For the preparation of these Financial Statements, the following new, revised or amended requirements are mandatory for the first time for the financial period beginning 1 January 2019.

IFRIC 23 — Uncertainty over Income Tax Treatments

The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12.

Effective for annual reporting periods beginning on or after January 1, 2019. Earlier application is permitted.

IFRS 16 — Leases

IFRS 16 specifies how to recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, unless the lease term is 12 months or less or the underlying asset has a low value. Lessor accounting however remains largely unchanged from IAS 17 and the distinction between operating and finance leases is retained.

Effective for annual periods beginning on or after January 1, 2019. Earlier application is permitted, if IFRS 15, Revenue from Contracts with Customers, has also been applied.

IFRS 9 - Financial instruments

IFRS 9 introduces a new approach for classification and measurement of financial instruments, a more forward looking Impairment methodology and a new general hedge accounting requirement.

Classification and Measurement

IFRS 9 requires financial assets to be classified into one of three measurement categories: fair value through profit or loss, fair value through other comprehensive income and amortised cost. Financial assets will be measured at amortised cost if they are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and their contractual cash flows represent solely payments of principal and interest.

Financial assets will be measured at fair value through other comprehensive income if they are held within a business model whose objective is achieved by collecting both contractual cash flows and selling financial assets and their contractual cash flows represent solely payments of principal and interest.

Financial assets not meeting either of these two business models; and all equity instruments (unless designated at inception to fair value through other comprehensive income); and all derivatives are measured at fair value through profit or loss. An entity may, at initial recognition, designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch. The Group has undertaken an assessment to determine the potential impact of changes in classification and measurement of financial assets. Our assessment revealed that the adoption of IFRS 9 is unlikely to result in significant changes to existing asset measurement bases. IFRS 9 retains most of the existing requirements for financial liabilities. However, for financial liabilities designated at fair value through profit or loss, gains or losses attributable to changes in own credit risk shall be presented in Other Comprehensive Income.

IFRS 9 retains most of the existing requirements for financial liabilities. However, for financial liabilities designated at fair value through profit or loss, gains or losses attributable to changes in own credit risk shall be presented in Other Comprehensive Income.

The hedge accounting requirements in IFRS 9 are optional. If certain eligibility and qualification criteria are met, hedge accounting allows an entity to reflect risk management activities in the financial statements by matching gains or losses on financial hedging instruments with losses or gains. The amendments had no material effect on the Group's Financial Statements.

Impairment Methodology

The IFRS 9 impairment model will be applicable to all financial assets at amortised cost, debt instruments measured at fair value through other comprehensive income, lease receivables, loan commitments and financial guarantees not measured at fair value through profit or loss.

IFRS 9 replaces the existing 'incurred loss' impairment approach with an Expected Credit Loss ('ECL') model, resulting in earlier recognition of credit losses compared with IAS 39. Expected credit losses are the unbiased probability weighted average credit losses

Statement of Significant Accounting Policies (Cont'd)

determined by evaluating a range of possible outcomes and future economic conditions. The ECL model has three stages. Entities are required to recognise a 12 month expected loss allowance on initial recognition (stage 1) and a lifetime expected loss allowance when there has been a significant increase in credit risk since initial recognition (stage 2). Stage 3 requires objective evidence that an asset is credit-impaired, which is similar to the guidance on incurred losses in IAS 39.

The requirement to recognise lifetime ECL for assets which have experienced a significant increase in credit risk since origination, but which are not credit impaired, does not exist under IAS 39. The assessment of whether an asset is in stage 1 or 2 considers the relative change in the probability of default occurring over the expected life of the instrument, not the change in the amount of expected credit losses. Reasonable and supportable forward looking information will also be used in determining the stage allocation. In general, assets more than 30 days past due, but not credit impaired, will be classed as stage 2.

IFRS 9 requires the use of more forward looking information including reasonable and supportable forecasts of future economic conditions. Reporting entities will be required to develop the capability to model a number of economic scenarios and capture the impact on credit

losses to ensure the overall ECL represents a reasonable distribution of economic outcomes. Appropriate governance and oversight needs to be established around the process.

An assessment of the ECL in the Group's balance sheet reflects an increase in the provisions for credit losses. However, this increase does not have a significant impact on regulatory capital and invariably the Capital adequacy due to the Group's strong earnings and retention capacity over the years.

The Group conducted an initial predominance assessment and having met the criteria for exemption, the Board opted for temporary exemption option (deferral approach). The result of the predominance assessment using 2015 financial report as stated in IFRS 4 amended 2016 section 20D of the standard is stated below;

The carrying amount of its liabilities arising from insurance contracts and insurance connected liabilities for the group sum up to N4.16billion as at 31 Dec 2018 (31 Dec 2017 : N3.85billion), Company N4.10billion (31 Dec 2017: 3.85billion) which is greater than 80 per cent of the total carrying amount of all its liabilities as at 31 Dec 2018 and 31 Dec 2017 respectively ;

The Company is registered with CAC to carryout insurance activities and its activities are predominantly connected with insurance contracts.

CONSOLIDATED HALLMARK INSURANCE PLC AND SUBSIDIARY COMPANIES
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Statement of Significant Accounting Policies (Cont'd)

Predominance Assessment Using 2015 Financial Report	Group		Company	
	Carrying amount	Insurance Liabilities	Carrying amount	Insurance Liabilities
Insurance Liabilities				
Insurance Contract Liabilities	2,218,670,079	2,218,670,079	2,218,670,079	2,218,670,079
Trade Payables	112,060,913	112,060,913	112,060,913	112,060,913
Other Payables and Provision	163,568,360	-	171,540,123	-
Retirement Benefit Obligations	184,444	-	4,430	-
Income Tax Liabilities	120,730,104	93,162,912	93,162,912	93,162,912
Deferred tax liabilities	140,289,268		139,693,165	
	2,755,503,168	2,423,893,904	2,735,131,622	2,423,893,904
Predominance ratio		88%		89%

The impact assessment of IFRS 9 on the Group's financial assets as December 31, 2017 which is the reporting date that immediately precedes January 1, 2018, i.e. the effective implementation date of the standard and that of the year 2018 & 2019 after the deferral of IFRS 9 are stated below;

Group

2017 Impact analysis on Financial Assets	2017 GROUP		Impact
	IAS 39	IFRS 9	
Financial Assets;			
-At fair value through profit or loss	170,256,830	170,256,830	-
-Loans and receivables(Amortised Cost)	408,385,061	402,769,036	5,616,025
-Available for sale assets(FVOCI)	60,950,000	74,189,168	(13,239,168)
-Held to maturity(Amortised Cost)	2,260,597,511	2,223,744,982	36,852,529
Trade receivables	234,852,324	233,208,358	1,643,966.27
	3,135,041,727	3,104,168,375	30,873,352

Company

Financial Assets;	2017 COMPANY		Impact
	IAS 39	IFRS 9	
-At fair value through profit or loss	161,850,795	161,850,795	-
-Loans and receivables(Amortised Cost)	248,623,854	224,426,679	24,197,175
-Available for sale assets(FVOCI)	60,950,000	74,189,168	(13,239,168)
-Held to maturity(Amortised Cost)	2,260,597,511	2,243,156,862	17,440,649
Trade receivables	150,356,282	149,905,213	451,069
	2,882,378,442	2,853,528,717	28,849,725

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2018 Impact analysis on Financial Assets	2018 GROUP		Impact
	IAS 39	IFRS 9	
Financial Assets;			
-At fair value through profit or loss	301,916,504	301,916,504	-
-Loans and receivables(Amortised Cost)	1,187,669,655	1,171,337,073	16,332,582
-Available for sale assets(FVOCI)	60,950,000	64,990,717	(4,040,717)
-Held to maturity(Amortised Cost)	1,075,587,381	1,058,053,028	17,534,353
Trade receivables	484,847,132	481,453,202	3,393,930
	3,110,970,672	3,077,750,523	33,220,148
	2018 COMPANY		
Financial Assets;	IAS 39	IFRS 9	Impact
-At fair value through profit or loss	291,091,429	291,091,429	-
-Loans and receivables(Amortised Cost)	479,876,252	473,277,095	6,599,157
-Available for sale assets(FVOCI)	60,950,000	64,990,717	(4,040,717)
-Held to maturity(Amortised Cost)	1,075,587,381	1,058,053,028	17,534,353
Trade receivables	199,248,468	197,853,729	1,394,739
	2,106,753,530	2,085,265,998	21,487,533

2019 Impact analysis on Financial Assets	2019 GROUP		Impact
	IAS 39	IFRS 9	
Financial Assets;			
-At fair value through profit or loss	342,463,380	342,463,380	-
-Loans and receivables(Amortised Cost)	595,806,033	587,612,634	8,193,399
-Available for sale assets(FVOCI)	70,148,451	74,189,168	(4,040,717)
-Held to maturity(Amortised Cost)	3,189,220,145	3,137,229,100	51,991,046
Trade receivables	403,746,494	400,920,269	2,826,225
	4,601,384,503	4,542,414,551	58,969,953
	2019 COMPANY		
Financial Assets;	IAS 39	IFRS 9	Impact
-At fair value through profit or loss	332,544,560	332,544,560	-
-Loans and receivables(Amortised Cost)	280,298,398	253,018,516	27,279,882
-Available for sale assets(FVOCI)	70,148,451	74,189,168	(4,040,717)
-Held to maturity(Amortised Cost)	2,949,948,726	2,929,299,085	20,649,641
Trade receivables	199,899,308	198,500,013	1,399,295
	3,832,839,443	3,787,551,342	45,288,102

Fair value disclosures

Financial assets with contractual terms that give rise to cash flows that are solely payments of principal and interest:

The group financial assets with contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets with contractual terms that do not give rise to cash flows that are solely payments of principal and interest

These are financial assets that meets the definition of held for trading in line with IFRS 9; or that is managed and whose performance is evaluated on a fair value basis.

The Central Bank of Nigeria that regulate a member of the Group, Grand Treasurers Limited, issued a Guidance Note dated November 30, 2018 to all Other Financial Institutions (OFI) on the implementation of IFRS 9 financial instruments. See OFISD/DIR/GEN/IFR/020/101.

Statement of Significant Accounting Policies (Cont'd)

1.1.3 Standards and Interpretations Issued but not yet Effective

IAS 1 — Presentation of Financial Statements

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

IAS 1 has been revised to incorporate a new definition of "material" and IAS 8 has been revised to refer to this new definition in IAS 1.

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

IAS 8 — Accounting Policies, Changes in Accounting Estimates and Errors

IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" is applied in selecting and applying accounting policies, accounting for changes in estimates and reflecting corrections of prior period errors. The standard requires compliance with any specific IFRS applying to a transaction, event or condition, and provides guidance on developing accounting policies for other items that result in relevant and reliable information.

Changes in accounting policies and corrections of errors are generally retrospectively accounted for, whereas changes in accounting estimates are generally accounted for on a prospective basis.

The amendment is effective for annual reporting periods beginning on or after January 1, 2020. Earlier application is permitted.

IFRS 17 — Insurance Contracts

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows.

The IASB tentatively decided to defer the effective date of IFRS 17, Insurance Contracts to annual periods beginning on or after January 1, 2022. The IASB also tentatively decided to defer the fixed expiry date for the temporary exemption to IFRS 9 in IFRS 4 by one year so that all insurance entities must apply IFRS 9 for annual periods on or after January 1, 2022.

The Group is assessing the potential impact of the new standard which will be effective for annual reporting periods beginning on or after 1 January 2022.

Statement of Significant Accounting Policies (Cont'd)

IFRS 3 — Business Combinations

IFRS 3 "Business Combinations" outlines the accounting when an acquirer obtains control of a business (e.g. an acquisition or merger). Such business combinations are accounted for using the 'acquisition method', which generally requires assets acquired and liabilities assumed to be measured at their fair values at the acquisition date.

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 subsidiaries, CHI Capital Limited, Hallmark Health Services Limited and CHI Microinsurance Limited, all made up to 30 September, 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.

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

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

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

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

1.5 Use of estimates and judgments

The Group makes estimate and assumption about the future that affects the reported amounts of assets and liabilities. Estimates and judgement are continually evaluated and based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and

Statement of Significant Accounting Policies (Cont'd)

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 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.

Statement of Significant Accounting Policies (Cont'd)

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

(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

Statement of Significant Accounting Policies (Cont'd)

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.

3.1 Financial assets

The Group classifies its financial assets into the following categories: at fair value through profit or loss, loans and receivables, held to maturity 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.

Statement of Significant Accounting Policies (Cont'd)

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 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

Statement of Significant Accounting Policies (Cont'd)

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.

Statement of Significant Accounting Policies (Cont'd)

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.

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

Statement of Significant Accounting Policies (Cont'd)

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

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

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

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

Statement of Significant Accounting Policies (Cont'd)

property, plant and equipment which is measured on the revaluation model, then that right-of-use asset may be measured on the revaluation model.

- The lease liability is subsequently increased by interest, reduced by lease payments and re-measured for reassessments or modifications. □ Re-measurements of lease liabilities are affected against right-of-use assets, unless the assets have been reduced to nil, in which case further adjustments are recognised in profit or loss.
- The lease liability is re-measured by discounting revised payments at a revised rate when there is a change in the lease term or a change in the assessment of an option to purchase the underlying asset.
- The lease liability is re-measured by discounting revised lease payments at the original discount rate when there is a change in the amounts expected to be paid in a residual value guarantee or when there is a change in future payments because of a change in index or rate used to determine those payments.
- Certain lease modifications are accounted for as separate leases. When lease modifications which decrease the scope of the lease are not required to be accounted for as separate leases, then the lessee re-measures the lease liability by decreasing the carrying amount of the right of lease asset to reflect the full or partial termination of the lease. Any gain or loss relating to the full or partial termination of the lease is recognised in profit or loss. For all other lease modifications which are not required to be accounted for as separate leases, the lessee re-measures the lease liability by making a corresponding adjustment to the right-of-use asset.
- Right-of-use assets and lease liabilities should be presented separately from other assets and liabilities. If not, then the line item in which they are included must be disclosed. This does not apply to right-of-use assets meeting the definition of investment property which must be presented within investment property. IFRS 16 contains different disclosure requirements compared to IAS 17 leases. Company as lessor:
- Accounting for leases by lessors remains similar to the provisions of IAS 17 in that leases are classified as either finance leases or operating leases. Lease classification is reassessed only if there has been a modification.
- A modification is required to be accounted for as a separate lease if it both increases the scope of the lease by adding the right to use one or more underlying assets; and the increase in consideration is commensurate to the stand alone price of the increase in scope.

Statement of Significant Accounting Policies (Cont'd)

- If a finance lease is modified, and the modification would not qualify as a separate lease, but the lease would have been an operating lease if the modification was in effect from inception, then the modification is accounted for as a separate lease.
- In addition, the carrying amount of the underlying asset shall be measured as the net investment in the lease immediately before the effective date of the modification. IFRS 9 is applied to all other modifications not required to be treated as a separate lease.
- Modifications to operating leases are required to be accounted for as new leases from the effective date of the modification. Changes have also been made to the disclosure requirements of leases in the lessor's financial statements.

Sale and leaseback transactions:

In the event of a sale and leaseback transaction, the requirements of IFRS 15 are applied to consider whether a performance obligation is satisfied to determine whether the transfer of the asset is accounted for as the sale of an asset.

If the transfer meets the requirements to be recognised as a sale, the seller-lessee must measure the new right-of use asset at the proportion of the previous carrying amount of the asset that relates to the right-of-use retained. The buyer-lessor accounts for the purchase by applying applicable standards and for the lease by applying IFRS 16.

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

5. Trade receivables

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

Statement of Significant Accounting Policies (Cont'd)

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 (assets)

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

Statement of Significant Accounting Policies (Cont'd)

would be treated at cost and at subsequent recognition, it would be recognized at cost less impairment (if any).

10. Investment in subsidiaries

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

- 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).

11. 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.

12. 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%

13. Property and equipment

13.1 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.

Statement of Significant Accounting Policies (Cont'd)

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	-	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.

13.2 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-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.

14. 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.

15. 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 (note 14.4). Balances arising from insurance

Statement of Significant Accounting Policies (Cont'd)

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.

15.1 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.

15.2 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.

15.3 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)".

15.4 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.

16. Retirement benefits obligations

16.1 Defined contribution plan

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

Under the defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expenses when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

Statement of Significant Accounting Policies (Cont'd)

17. Deposit for shares (liability)

Where the shareholders deposited for the equity of the entity and the necessary allotment of shares or share certificates have not been issued by the company due to authorization and approval from regulatory bodies, such deposit shall remain a liability until the allotment is done, when the obligation is converted into equity.

18. 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.

19. Share premium

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

20. 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.

21. 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.

22. Dividend distribution

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

23. Revenue recognition

23.1 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.

Statement of Significant Accounting Policies (Cont'd)

a) Gross premium

Gross premium is recognized at the point of attachment of risk to a policy before deducting 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.

23.2 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.

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

b) Reinsurance recoveries

Reinsurance recoveries 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.

Statement of Significant Accounting Policies (Cont'd)

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 in the provision for outstanding claims and claims incurred but not reported (IBNR).

a) 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 when incurred. Reinsurance recoveries are recognized when the company records the liability for the claims. Anticipated reinsurance recoveries on claims are disclosed separately as assets.

f) 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 an accrual basis and are charged to the profit and loss account in the year in which they were incurred.

Provision for unpaid claims and adjustment expenses

Individual loss estimates are provided on each claim 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.

25. 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.

26. 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.

Statement of Significant Accounting Policies (Cont'd)

27. Investment income

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

27.1 Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the assets carrying amount.

27.2 Other operating income

Other operating income is made up of rent income, profit on disposal of fixed assets, profit or loss on disposal of investment, exchange gain or loss and other line of income that are not investment income.

27.3 Realized gains and losses

The realized gains or losses on the disposal of an investment is the difference between proceeds received, net of transaction costs and its original or amortized costs as appropriate.

28. Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in 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.

Statement of Significant Accounting Policies (Cont'd)

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the Group controls the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities, where there is an intention to settle the balances on a net basis.

29. Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

30. Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. At the reporting date, unsettled monetary assets and liabilities are translated into the Group's functional currency by using the exchange rate in effect at the year-end date.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at exchange rates of monetary assets and liabilities denominated in currencies other than the group's functional currency are recognized in the consolidated income statement.

31. Unclaimed dividend

Unclaimed dividend are amounts payable to shareholders in respect of dividend previously declared by the Group which have remained unclaimed by the shareholder in compliance with section 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.

32. Earnings per share

The Group presents basic earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of shares outstanding during the year.

Statement of Significant Accounting Policies (Cont'd)

33. Borrowings

These are financial liabilities that mature within 12 months of the balance sheet date. Borrowings inclusive of transaction cost are recognized initially at fair value. Borrowings are subsequently stated at amortized cost using the effective interest rate method; any difference between proceeds and the redemption value is recognized in the statement of profit or loss over the period of the borrowings using the effective interest rate method.

ADDITIONAL NOTES TO THE ACCOUNT

1. Accounting Policy Changes

There was no change in the accounting Policy of the Group during the quarter ended 31 March 2021

2. Seasonality or Cyclicity of Operations

The business of Insurance is not subject to seasonality or cyclicity.

3. Unusual items

There were no unusual or exceptional items during the period.

4. Changes in estimates

The budget estimates for the period and the quarter had not changed as per attached.

5. Issuance, Repurchases, and Repayment of debts and equity securities

The Group did not have debt security and did not issue, repurchase or repay equity securities during the period.

6. Segment information

The Accounts of the Group is not affected by IAS 14 on segment accounting.

7. Significant Events after the end of the interim Period

There were no significant events after the end of the interim report materially affecting the report of the period.

8. Business Combination

The Accounts of the Group is not affected by accounting for business combination.

9. Long Term Investment

The Group's long term investment amounted to N 1,050,487,470 as at the quarter ended 31 March 2021.

10. Restructuring and Reversals of Restructuring Provisions

The account for the quarter did not contain restructuring provision or its reversal.

11. Discontinuing Operation

This did not apply to the Group.

12. Correction of Prior Period Errors

This did not apply to the Group.

13. Write Down of Inventory to Net Realizable Value

The Inventory of the Group was not written down to NRV during the period.

14. Impairment loss of Property, Plant, Equipment, Intangible and other assets and reversal of such impairment loss

Depreciation charge on Property, Plant, Equipment during the period was: ₦ 39,597,560.88.

Write off on Recapitalization Cost during the period was Nil

There was no reversal of impairment loss during the period.

15. Litigation Settlement

There were no litigation settlements during the period.

16. Any debt default or any breach of a debt covenant that has not been corrected subsequently

There was no debt default or breach of debt covenant during the period.

17. Acquisitions and disposals of Property, Plant and Equipment

Acquisition of Property, Plant and Equipment during the period was: ₦ 53,476,776.

Disposal of Property, Plant and Equipment during the period was: ₦ 6,426,870.13.

18. Commitments to Purchase Property, Plant and Equipment

There are no commitments to Purchase Property, Plant and Equipment during the period.

CONSOLIDATED HALLMARK INSURANCE PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE PERIOD ENDED 31 MARCH 2021

	Notes	Group	
		31 MARCH 2021 N	31 December 2020 N
Assets			
Cash and cash equivalents	2.0	3,056,062,530	3,173,916,076
Financial assets:			
-At fair value through profit or loss	3.1	1,091,408,538	778,767,398
-Loans and receivables	3.2	1,191,925,106	947,576,589
-Available for sale assets	3.3	72,348,451	72,348,451
-Held to maturity	3.4	2,661,895,259	2,629,694,266
Finance lease receivables	5.0	221,108,802	86,247,031
Trade receivables	6.0	802,334,970	607,688,316
Reinsurance assets	7.0	2,944,517,131	3,018,080,617
Deferred acquisition cost	8.0	357,303,659	355,066,148
Other receivables & prepayments	9.0	238,970,709	129,353,111
Leasehold properties	11.	9,090,205	9,968,479
Intangible Assets	11.0	35,017,777	36,574,657
Investment properties	12.0	1,050,487,470	1,042,487,470
Property and equipment	13.0	1,035,268,371	1,021,572,225
Statutory deposits	14.0	402,000,000	402,000,000
Total assets		15,169,738,978	14,311,340,834
Liabilities			
Insurance contract liabilities	15.0	5,522,052,315	5,208,233,152
Trade payables	16.0	42,495,363	13,972,733
Borrowing	17.0	5,070,838	5,013,052
Other payables and provision	18.0	287,736,887	221,056,870
Retirement benefit obligations	19.0	8,810,383	4,129,526
Income tax liabilities	21.2	512,645,588	359,459,121
Deferred tax liabilities	22.0	177,878,284	177,878,284
Total liabilities		6,556,689,658	5,989,742,738
Equity and reserves			
Issued and paid up share capital	23.1	5,420,000,000	5,420,000,000
Share Premium	24.0	168,933,834	168,933,834
Contingency reserve	25.1	2,236,065,115	2,136,621,663
Statutory reserve	25.2	51,376,757	45,964,378
Retained earnings	26.0	736,673,614	550,078,221
Total equity and reserves		8,613,049,320	8,321,598,096
Total liabilities and equity and reserves		15,169,738,978	14,311,340,834

The consolidated financial statements were approved by the Board of Directors on 28 April, 2021



Obinna Ekezie
Chairman
FRC/2017/IODN/00000017485



Eddie A. Efekoha
Managing Director
FRC/2013/CIIN/00000002189



Babatunde Daramola
Chief Financial Officer
FRC/2012/ICAN/00000000564

CONSOLIDATED HALLMARK INSURANCE PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD JAN 1ST - MARCH 2021

	Notes	Group			
		31 MARCH 2021 N	JAN- MAR. 2021 N	31 MARCH 2020 N	JAN- MAR. 2020 N
Gross premium written		3,519,938,938	3,519,938,938	3,113,712,555	3,113,712,555
Gross premium income	27.00	3,229,452,058	3,229,452,058	2,805,837,087	2,805,837,087
Reinsurance premium expenses	28.00	(975,397,122)	(975,397,122)	(988,721,731)	(988,721,731)
Net premium income		2,254,054,936	2,254,054,936	1,817,115,356	1,817,115,356
Fee and commission income	29.00	(1,383,480)	(1,383,480)	83,800,652	83,800,652
Net underwriting income		2,252,671,456	2,252,671,456	1,900,916,009	1,900,916,009
Claims expenses	30a	(915,078,457)	(915,078,457)	(519,083,346)	(519,083,346)
Claims recoveries from reinsurers	30b	216,957,578	216,957,578	14,719,880	14,719,880
Claims incurred		(698,120,879)	(698,120,879)	(504,363,466)	(504,363,466)
Underwriting expenses		(636,327,189)	(636,327,189)	(607,692,890)	(607,692,890)
Underwriting profit		918,223,389	918,223,389	788,859,652	788,859,653
Investment income	32.00	284,761,563	284,761,563	224,432,456	224,432,456
Other operating income	33.00	19,229,679	19,229,679	66,878,628	66,878,628
Impairment (charge)/write back	34.00	(1,816,417)	(1,816,417)	(2,903,617)	(2,903,617)
Net fair value gains on financial assets at fair value through profit or loss	35.00	(61,386,603)	(61,386,603)	(36,499,108)	(36,499,108)
Management expenses	36.00	(709,544,881)	(709,544,881)	(694,497,615)	(694,497,614)
Profit before taxation		449,466,730	449,466,730	346,270,397	346,270,397
Income tax expense	21.10	(158,015,505)	(158,015,505)	(136,760,828)	(136,760,828)
Profit after taxation		291,451,225	291,451,225	209,509,569	209,509,569
Total comprehensive income for the year		291,451,225	291,451,225	209,509,569	209,509,569
Profit attributable to:		-	-	-	-
Equity holders of the parents'		291,451,225	291,451,225	209,509,569	209,509,569
Profit transferred to revenue reserve		291,451,225	291,451,225	209,509,569	209,509,569
Basic and diluted earnings per share (Kobo)	37.00	3.58		2.58	

CONSOLIDATED HALLMARK INSURANCE PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2021

The Group	Issued share capital N	Share Premium	Contingency reserves N	Statutory reserve N	Retained earnings N	Total equity N
At 1 January 2020	4,065,000,000	155,264,167	1,855,299,252	36,863,982	501,268,212	6,613,695,613
Changes in equity for 2020:						
Profit for the period	-	-	-	-	209,509,569	209,509,569
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	209,509,569	209,509,569
Transactions with owners:						
Transfer within reserves	-	-	61,884,509	5,021,027	(66,905,537)	-
Addition	-	-	-	-	-	-
Dividends relating to prior periods paid during the march	-	-	-	-	-	-
Non-controlling interest arising on business combination	-	-	-	-	-	-
Contribution by and to owners of the business	-	-	61,884,509	5,021,027	(66,905,537)	-
At MARCH 2020	<u>4,065,000,000</u>	<u>155,264,167</u>	<u>1,917,183,761</u>	<u>41,885,009</u>	<u>643,872,244</u>	<u>6,823,205,182</u>
At 1 January 2021	5,420,000,000	168,933,834	2,136,621,663	45,964,378	550,078,221	8,321,598,095
Changes in equity for 2021:						
Profit for the period	-	-	-	-	291,451,225	291,451,225
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	291,451,225	291,451,225
Transactions with owners:						
Transfer within reserves	-	-	99,443,452	5,412,380	(104,855,832)	-
Addition	-	-	-	-	-	-
Dividends relating to prior periods paid during the march	-	-	-	-	-	-
Non-controlling interest arising on business combination	-	-	-	-	-	-
Contribution by and to owners of the business	-	-	99,443,452	5,412,380	(104,855,832)	-
At MARCH 2021	<u>5,420,000,000</u>	<u>168,933,834</u>	<u>2,236,065,115</u>	<u>51,376,757</u>	<u>736,673,614</u>	<u>8,613,049,320</u>

CONSOLIDATED HALLMARK INSURANCE PLC

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2021

	Notes	Group	
		31 MARCH 2021 N	31 MARCH 2020 N
Cash flows from operating activities			
Premium received from policy holders	6.1	3,325,292,285	2,835,365,232
Reinsurance receipts in respect of claims		341,021,564	353,373,468
Commission received	29	31,117,120	83,800,652
Other operating receipts	33	19,229,679	66,878,628
Cash paid to and on behalf of employees	36a	(221,023,748)	(186,670,418)
Reinsurance premium paid	16	(997,374,992)	(762,673,548)
Claims paid	30a	(888,510,179)	(543,583,346)
Commission expenses	8	(483,615,732)	(477,679,650)
Maintenance expenses	31	(156,376,105)	(170,011,601)
Other operating cash payments		(783,757,488)	(572,049,983)
Company income tax paid	21.2	(4,829,038)	(37,458,149)
Net cash (used in)/ from operating activities		181,173,366	589,291,284
Cash flows from investing activities			
Purchase of property and equipment	13	(53,476,776)	(11,721,100)
Purchase of intangible asset	11	(628,571)	(14,057,151)
Fair value change and additions to investment properties	12	(90,000,000)	(1,921,000)
Proceeds from sale of Investment properties		90,000,000	-
Increase in investment in subsidiaries	10.	-	-
Proceeds from sale of property and equipment	13	920,000	546,182
Purchase of financial assets		(972,991,036)	(1,110,252,319)
Proceeds from sale of financial assets		620,777,668	1,485,002,770
Dividend received	32	41,209,798	3,150,340
Rental Income received	32	1,027,000	1,009,000
Interest received	32	242,524,765	168,342,856
Net cash from investing activities		(120,637,154)	520,099,578
Cash flows from financing activities			
Proceeds on private placemant		-	-
Proceeds from borrowing	20.1 & 24	-	94,168,381
Payment on borrowing (principal & Interest)	17	57,786	(93,055,933)
Refund of excess on right issue	17	-	-
Dividend paid	17	-	-
Net cash used in financing activities		57,786	1,112,448
Increase in cash and cash equivalents		60,593,999	1,110,503,310
Cash and cash equivalents at beginning		3,088,191,455	1,810,591,031
Cash and cash equivalent at the end	2	3,148,785,454	2,921,094,341

The accompanying notes form an integral part of this statement of cash flows.

CONSOLIDATED HALLMARK INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2021

1. Corporate information

1.1 The Group

The group comprises of Consolidated Hallmark Insurance Plc and its subsidiaries - CHI Capital Ltd, CHI Micro-Insurance Ltd, Grand Treasurers Limited and Hallmark Health Services Ltd. CHI Capital Ltd also has a wholly owned subsidiary, 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 Group engaged in general insurance business and maintained offices in major cities in Nigeria with Corporate headquarters at 266 Moshood Abiola way (formerly Ikorodu Road), Lagos. The principal activities of the subsidiaries are portfolio management, short term lending, equipment leasing and provision of Health management services.

	Group		Company	
	31 MARCH 2021 N	December 2020 N	31 MARCH 2021 N	December 2020 N
2. Cash and cash equivalents				
Cash in hand	10,485,068	10,950,034	10,485,068	10,950,034
Balance with banks	589,524,120	830,541,720	82,576,962	246,595,444
Call deposits	12,389,904	6,733,226	12,389,904	6,733,226
Fixed deposits (Note 2.1)	2,536,386,361	2,418,414,019	2,446,967,303	2,003,757,758
	<u>3,148,785,453</u>	<u>3,266,638,999</u>	<u>2,552,419,237</u>	<u>2,268,036,461</u>
Impairment charge (Note 2.2)	(92,722,923)	(92,722,923)	(92,722,923)	(92,722,923)
	<u>3,056,062,530</u>	<u>3,173,916,076</u>	<u>2,459,696,314</u>	<u>2,175,313,538</u>

2.1 The Fixed deposits have a short term maturity of 30-90 days and the effect of discounting is immaterial.

2.2 Impairment charge

At 1 January	92,722,593	92,722,593	92,722,593	-
Written off in the year	-	-	-	92,722,593
Provision no longer required (Note 29)	-	-	-	-
At MARCH 2021	<u>92,722,593</u>	<u>92,722,593</u>	<u>92,722,593</u>	<u>92,722,593</u>

The impairment charge of N92,722,593 resulted from a fixed deposit of N100million with a mortgage bank in 2018 that went into a default in 2019 and had to be impaired in line with standard accounting practice and regulatory requirement. The company has taken necessary steps to recover the fund, including an ongoing court process and there is a positive indication that the fund will be recovered.

3. Financial assets

At fair value through profit or loss (Note 3.1)	1,091,408,538	778,767,398	1,081,321,504	772,258,498
Loans and receivables measured at amortised cost (Note 3.2)	1,191,925,106	947,576,589	211,637,471	211,045,461
Available for sale (Note 3.3)	72,348,451	72,348,451	70,148,451	70,148,451
Held to maturity (Note 3.4)	2,661,895,259	2,629,694,266	2,501,272,920	2,629,694,266
	<u>5,017,577,354</u>	<u>4,428,386,705</u>	<u>3,864,380,346</u>	<u>3,683,146,676</u>

Movement in Financial Assets

Opening	4,428,386,705	4,197,638,009	3,683,146,676	3,632,940,135
Addition	972,991,036	3,621,794,202	374,301,609	3,045,233,034
Disposal	(459,704,163)	(3,780,713,162)	(211,541,704)	(3,417,441,302)
Interest Capitalised	80,000,368	348,883,834	80,000,368	348,883,834
Impairment (loss)/gain	(1,816,417)	(31,537,233)	-	-
Fair value gains/(loss)	(2,280,174)	72,321,055	(61,526,603)	73,530,975
Closing	<u>5,017,577,354</u>	<u>4,428,386,705</u>	<u>3,864,380,346</u>	<u>3,683,146,676</u>

3.1 At fair value through profit or loss

At 1 January	719,660,969	355,678,006	711,035,894	344,852,931
Additions	374,027,743	366,182,963	370,589,609	366,182,963
Disposals	-	(2,200,000)	-	-
	<u>1,093,688,712</u>	<u>719,660,969</u>	<u>1,081,625,503</u>	<u>711,035,894</u>
Fair value gains/(loss) (Note 35a)	(2,280,174)	59,106,429	(303,999)	61,222,604
At MARCH 2021	<u>1,091,408,538</u>	<u>778,767,398</u>	<u>1,081,321,504</u>	<u>772,258,498</u>
Current	1,091,408,538	778,707,398	1,081,321,504	772,258,498
Non Current	-	-	-	-

Financial assets at fair value through profit or loss of the group represents investment where there is a ready and liquid quoted market, which are acquired for the purpose of short-term trade, and where mark-to-market valuations are possible on every trading day. Assets under this category have been acquired by management with the intent of short term trading.

CONSOLIDATED HALLMARK INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2021

	Group		Company	
	31 MARCH 2021 N	December 2020 N	31 MARCH 2021 N	December 2020 N
3.2 Loans and receivables				
Staff loans (Note 3.2.1a)	211,637,471	211,045,461	211,637,471	211,045,461
Loan issued to corporate individuals (Note 3.2.1b)	980,287,635	736,531,128	-	-
	1,191,925,106	947,576,589	211,637,471	211,045,461
Current	1,181,139,738	879,951,759	126,022,637	125,430,626
Non Current	10,785,368	67,624,831	85,614,835	85,614,835
3.2.1a Staff loans				
At 1 January	211,045,461	253,829,118	211,045,461	253,829,118
Addition	3,712,000	6,944,132	3,712,000	6,944,132
Repayment	(3,119,990)	(49,727,789)	(3,119,990)	(49,727,789)
	211,637,471	211,045,461	211,637,471	211,045,461
3.2.1b Loan issued to corporate / individuals				
At 1 January	859,784,377	503,095,920	-	95,872,269
Addition	434,628,954	634,718,433	-	60,357,265
Bad debts written off	-	(69,402,989)	-	-
Repayment	(189,056,030)	(208,626,986)	-	(86,826,546)
	1,105,357,301	859,784,377	-	69,402,989
Impairment on loans issued to corporate and individuals (Note 3.2.4)	(125,069,666)	(123,253,249)	-	(69,402,989)
At the end	980,287,635	736,531,128	-	0
3.2.2 Analysis by performance:				
Performing (Note 3.2)	1,191,925,106	947,576,589	211,637,471	211,045,461
Non-performing (Note 3.2.4)	125,069,666	123,253,249	-	69,402,989
	1,316,994,772	1,070,829,838	211,637,472	280,448,450
3.2.3 Analysis by maturity:				
Due within one year	1,181,139,737	879,951,758	126,022,637	125,430,626
Due within one - five years	135,855,035	190,878,080	85,614,835	85,614,835
Due after five years	-	-	-	69,402,989
	1,316,994,772	1,070,829,838	211,637,472	280,448,450
Movement in impairment - loans and receivables :				
3.2.4				
At 1 January	123,253,249	161,119,004	-	69,402,989
Addition (Note 34)	1,816,417	31,537,233	-	-
Impairment written off	-	(69,402,989)	-	(69,402,989)
Provision no longer required (Note 34)	-	-	-	-
At the end	125,069,666	123,253,249	-	-
3.3 Available for sale assets				
At 1 January	72,348,451	70,148,451	70,148,451	70,148,451
Addition	-	2,200,000	-	-
Exchange gains	-	-	-	-
Impairment on available for sale	-	-	-	-
At the end	72,348,451	72,348,451	70,148,451	70,148,451
Current	-	-	-	-
Non Current	72,348,451	72,348,451	70,148,451	70,148,451

Available for sale assets are the unquoted equity securities of the group and are measured at cost because their fair value could not be reliably measured. At period end there is no indication of impairment.

Available for sale equities is analysed as follows:

	No. of shares	Cost per unit	Total Cost
Planet Capital Limited (Formerly Strategy and Arbitrage Limited)	2,925,501	N1	2,000,000
Energy & Allied Insurance Pool Nigeria limited			58,950,000
25,000 UNITS OF IPWA STOCKS	25,000	0.50	12,500
MTECK Communication Ltd	10,094,452		9,185,951
	13,044,953		70,148,451

CONSOLIDATED HALLMARK INSURANCE PLC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021**

The Company is exposed to financial risk through its financial assets (investments and loans). The key focus of financial risk management for the Company is to ensure that the proceeds from financial assets are sufficient to fund its obligations arising from its insurance operations. The most important components of financial risk (market risk) arises from open positions in interest rate, fluctuations in stock prices, inflation, all of which are exposed to general and specific market movement and/or conditions. Investments above ninety-one (91) days are classified as part of financial assets of the Company. All financial instruments are initially recorded at transaction price. Subsequent to initial recognition, the fair values of financial instruments are measured at fair values that are quoted in an active market. When quoted prices are not available, fair value are determined by using valuation techniques that refer as far as possible to observable market data. These are compared with similar instruments where market observable prices exist.

	Group		Company	
	31 MARCH 2021 N	31 December 2020 N	31 MARCH 2021 N	December 2020 N
3.4 Held to maturity assets				
At 1 January	2,629,694,266	3,189,220,145	2,629,694,266	2,949,948,726
At initial recognition - additions	160,622,339	2,611,748,674	-	2,611,748,674
Disposal	2,790,316,605	5,800,968,819	2,629,694,266	5,561,697,400
Interest received	(208,421,714)	(251,854,707)	(208,421,714)	(251,854,707)
Amortised interest	80,000,368	348,883,834	80,000,368	348,883,834
At the end	2,661,895,259	2,629,694,266	2,501,272,920	2,629,694,266
a) Held to maturity assets are analysed as follows:				
Debits securities				
Listed	2,661,895,259	2,629,694,266	2,501,272,920	2,629,694,266
Unlisted	-	-	-	-
At the end	2,661,895,259	2,629,694,266	2,501,272,920	2,629,694,266
Current	185,213,115	340,163,934	185,213,115	340,163,934
Non-current	2,476,682,144	2,289,530,332	2,316,059,805	2,289,530,332
	2,661,895,259	2,629,694,266	2,501,272,920	2,629,694,266
b) At the reporting date, no held to maturity assets were past due or impaired				
NIGERIAN AVIATION HANDLING CO FIXED RATE BOND SERIES2 NOV 27 2020	-	-	-	3,816,104
FCMB NGN SERIES 2 BOND 2015/2020	-	-	-	54,828,767
FCMB NGN SERIES 3 BOND 2016/2023	58,977,713	56,851,001	58,977,713	54,535,840
C&I LEASING SERIES 1 BOND 2018/2023	31,342,573	29,303,395	31,342,573	36,095,811
LAPO MFB SERIES 2 BOND 2020/2025	200,111,910	206,594,101	200,111,910	-
DANGOTE BOND SERIES 1 2020/2025	111,537,248	108,270,125	111,537,248	-
AXXELA SERIES 1 BOND 2020/2027	104,858,082	101,332,055	104,858,082	-
FGN BOND (2020/2050) CORDROS	208,929,832	215,654,604	208,929,832	-
FGN BOND (2020/2050) PLANET CAPITAL	119,686,690	116,173,128	119,686,690	-
FGN BOND (2020/2024) MERISTEM	417,687,966	425,642,284	417,687,966	-
FGN BOND (2020/2035) PLANET CAPITAL	104,909,085	101,905,302	104,909,085	-
FGN BOND (2020/2037) PLANET CAPITAL	252,191,148	244,616,317	252,191,148	18,091,831
FGN BOND (2020/2049) CORDROS	338,055,581	326,192,176	338,055,581	-
8.625% FBN EURO BOND (2020/2050) FIRST ALLY	367,771,976	356,995,844	367,771,976	-
COMMERCIAL PAPER (Note 4)	185,213,115	340,163,934	185,213,115	859,849,218
ACCESS BANK COMMERCIAL PAPER	-	-	-	-
TREASURY BILLS 14.90% JAN 25 2019-JAN 02 2020 FSDH MERCHANT BANK LTD 342 DAYS.	-	-	-	39,967,394
TREASURY BILLS 14.90% JAN 25 2019-JAN 02 2020 FSDH MERCHANT BANK LTD 342 DAYS.	-	-	-	289,763,609
TREASURY BILLS 14.90% JAN 25 2019-JAN 02 2020 FSDH MERCHANT BANK LTD 342 DAYS.	-	-	-	100,551,000
TREASURY BILLS 14.90% JAN 25 2019-JAN 16 2020 FSDH MERCHANT BANK LTD 356 DAYS.	-	-	-	6,487,476
TREASURY BILLS 14.90% JAN 25 2019-JAN 16 2020 FSDH MERCHANT BANK LTD 356 DAYS.	-	-	-	71,403,965
TREASURY BILLS 14.90% FEB 04 2019-JAN 30 2020 CAPITAL EXPRESS LTD 360 DAYS.	-	-	-	144,084,116
TREASURY BILLS 14.90% FEB 14 2019-FEB 13 2020 CHAPEL HILL DENHAM LTD 364 DAYS.	-	-	-	86,506,542
TREASURY BILLS 13.00% MAR 05 2019-JAN 9 2020 CAPITAL EXPRESS LTD 310 DAYS.	-	-	-	149,414,549
TREASURY BILLS 12.25% APRIL 18, 2019 -02 APRIL 2020 PLANET CAPITAL 350 DAYS.	-	-	-	41,917,560
TREASURY BILLS 12.25% APRIL 18, 2019 -02 APRIL 2020 PLANET CAPITAL 350 DAYS.	-	-	-	47,698,470
TREASURY BILLS 11.75 JUNE 27, 2019 -02 APRIL 2020 PLANET CAPITAL 280 DAYS.	-	-	-	1,067,684
TREASURY BILLS 11.75 JUNE 27, 2019 -02 APRIL 2020 PLANET CAPITAL 280 DAYS.	-	-	-	406,716
TREASURY BILLS 12.00% AUGUST 14, 2019 - JULY 30, 2020 PLANET CAPITAL 351 DAYS.	-	-	-	11,782,339
TREASURY BILLS 12.00% AUGUST 15, 2019 - AUGUST 13, 2020 PLANET CAPITAL 364 DAYS.	-	-	-	66,032,271
TREASURY BILLS 13.20% SEPTEMBER 9, 2019 - AUGUST 20, 2020 PLANET CAPITAL 346 DAYS.	-	-	-	69,702,236
2019 - SEPTEMBER 10, 2020 PLANET CAPITAL 359 DAYS.	-	-	-	98,526,127
2019 - SEPTEMBER 10, 2020 ACCESS BANK- 352 DAYS	-	-	-	125,226,696
2019 - SEPTEMBER 24, 2020 CAPITAL EXPRESS- 363 DAYS	-	-	-	65,592,132
2019 - SEPTEMBER 3, 2020 PLANET CAPITAL 342 DAYS.	-	-	-	35,526,593
SEPTEMBER 17, 2020 CAPITAL EXPRESS 350 DAYS.	-	-	-	106,571,241
OCTOBER 15, 2020 CAPITAL EXPRESS - 364 DAYS	-	-	-	30,203,911
OCTOBER 15, 2020 CAPITAL EXPRESS- 363 DAYS	-	-	-	56,037,232
TREASURY BILLS 12.90% OCTOBER 23, 2019 - OCTOBER 8, 2020 FIDELITY BANK 358 DAYS.	-	-	-	201,911,294
OCTOBER 29, 2020 CAPITAL EXPRESS- 363 DAYS	-	-	-	58,577,580
OCTOBER 29, 2020 CAPITAL EXPRESS- 363 DAYS	-	-	-	17,772,423
Subsidiary treasury bills	160,622,339	-	-	-
At the end	2,661,895,259	2,629,694,266	2,501,272,920	2,949,948,726
4.0 Commercial Paper				
These are commercial papers issued by institutions with a minimum credit rating of bbb quoted on The Nigerian Stock Exchange or/and FMDO.				
5. Finance lease receivables				
At 1 January	109,262,041	123,967,520	-	-
Addition	134,861,770	158,460,731	-	-
Repayment	-	(173,166,210)	-	-
Gross investment	244,123,811	109,262,041	-	-
Unearned income	-	-	-	-
Net investment (Note 5.1)	244,123,811	109,262,041	-	-
Impairment on finance lease receivables (Note 5.2)	(23,015,010)	(23,015,010)	-	-
At the end	221,108,801	86,247,031	-	-
5.1 Current	131,436,168	109,262,041	-	-
Non-current	112,687,643	-	-	-
Analysis by performance				
Performing	221,108,801	86,247,031	-	-
Non-performing	23,015,010	23,015,010	-	-
	244,123,811	109,262,041	-	-
Analysis by maturity				
Due within one year	131,436,168	109,262,041	-	-
Due between one - five years	112,687,643	-	-	-
	244,123,811	109,262,041	-	-

CONSOLIDATED HALLMARK INSURANCE PLC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021**

5.2 Movement in impairment - finance lease receivables:

At 1 January	23,015,010	13,969,021	-	-
Charge for the year	-	9,045,989	-	-
At the end	23,015,010	23,015,010	-	-

6. Trade receivables

Due from insurance companies	10,957,144	251,473,770	10,957,144	251,473,770
Due from insurance brokers and agents	591,697,296	229,556,770	591,697,296	229,556,770
	602,644,439	481,030,540	602,644,439	481,030,540
Hmo receivable	199,690,531	126,657,776	-	-
	802,334,970	607,688,316	602,644,439	481,030,540
Current	802,334,970	607,688,316	602,644,439	481,030,540
Non-current	-	-	-	-

6.1 Movement in Trade receivables

Opening	607,688,316	293,747,996	481,030,540	199,899,308
Gross Premium written	3,519,938,938	9,775,797,397	3,314,781,726	9,377,413,707
Premium received	(3,325,292,285)	(9,461,857,077)	(3,193,167,827)	(9,096,282,475)
Closing receivables	802,334,969	607,688,316	602,644,439	481,030,540

Age Analysis of Trade receivable

> =1Day <= 30 Days	772,631,839	587,985,185	572,941,308	451,327,409
> =31Days <= 90 Days	14,055,081	14,055,081	14,055,081	14,055,081
Above 90 Days	15,648,050	5,648,050	15,648,050	15,648,050
	802,334,970	607,688,316	602,644,439	481,030,540

Group		Company	
31 MARCH	December	31 MARCH	December
2021	2020	2021	2020
N	N	N	N

7. Reinsurance Assets

Prepaid reinsurance (Note 7.1a & 7.1b)	897,866,444	847,365,944	897,866,444	846,948,052
Reinsurers share of claims (Note 7.3)	2,046,650,687	2,170,714,673	2,046,650,687	2,037,175,388
At the end	2,944,517,131	3,018,080,617	2,944,517,131	2,884,123,440
Current	2,944,517,131	3,018,080,617	2,944,517,131	2,884,123,440
Non-current	-	-	-	-
Prepaid reinsurance	870,694,494	820,193,994	870,694,494	819,776,103
Prepaid minimum and deposit	27,171,950	27,171,950	27,171,950	27,171,950
Reinsurance share of outstanding claims	1,237,310,625	1,200,949,611	1,237,310,625	1,200,949,611
Reinsurance share of IBNR	515,552,274	515,552,274	515,552,274	382,012,989
Reinsurance receivable on claims paid	293,787,788	454,212,788	293,787,788	454,212,788
Total	2,944,517,131	3,018,080,617	2,944,517,131	2,884,123,441

The Company assesses its reinsurance assets for impairment. If there is objective evidence that the reinsurance assets are impaired, the Company reduces the carrying amount of the reinsurance assets 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.

CONSOLIDATED HALLMARK INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2021

	Group		Company	
	31 MARCH 2021 N	December 2020 N	31 MARCH 2021 N	December 2020 N
7.1a Prepaid Reinsurance				
Fire	146,867,453	138,349,104	146,867,453	138,349,104
General accident	165,228,471	155,645,178	165,228,471	155,645,178
Motor	1,104,743	1,040,668	1,104,743	1,040,668
Marine	69,071,682	65,065,507	69,071,682	65,065,507
Bond	12,210,811	11,502,581	12,210,811	11,502,581
Engineering	81,112,466	76,407,923	81,112,466	76,407,923
Aviation	88,650,453	83,508,704	88,650,453	83,508,704
Oil & gas	306,448,414	288,674,329	306,448,414	288,674,329
	870,694,494	820,193,994	870,694,494	820,193,994
7.1b Prepaid Minimum Deposit				
Fire	11,542,500	11,542,500	11,542,500	11,542,500
General accident	1,540,000	1,540,000	1,540,000	1,540,000
Motor	4,275,000	4,275,000	4,275,000	4,275,000
Marine	2,451,000	2,451,000	2,451,000	2,451,000
Engineering	7,363,450	7,363,450	7,363,450	7,363,450
	27,171,950	27,171,950	27,171,950	27,171,950
Prepaid reinsurance	897,866,444	847,365,944	897,866,444	847,365,944
7.2 a Reinsurers Share of Claims				
Fire	923,161,625	910,744,124	923,161,625	910,744,124
General accident	246,522,642	203,317,452	246,522,642	203,317,452
Motor	34,043,019	34,043,019	34,043,019	34,043,019
Marine	97,017,224	116,697,364	97,017,224	116,697,364
Bond	6,538,397	6,544,397	6,538,397	6,544,397
Engineering	159,426,267	159,001,803	159,426,267	159,001,803
Aviation	70,071,266	70,071,266	70,071,266	70,071,266
Oil & gas	216,082,460	216,082,460	216,082,460	216,082,460
	1,752,862,900	1,716,501,885	1,752,862,900	1,716,501,885
7.2b Reinsurers share of paid claims				
Fire	17,206,125	17,206,125	17,206,125	17,206,125
General accident	226,494,440	226,494,440	226,494,440	226,494,440
Motor	7,060,000	7,060,000	7,060,000	7,060,000
Marine	9,505,771	9,505,771	9,505,771	9,505,771
Bond	225,563	225,563	225,563	225,563
Engineering	33,295,889	33,295,889	33,295,889	33,295,889
Aviation	0	160,425,000	0	160,425,000
Oil & gas	-	-	-	-
	293,787,788	454,212,788	293,787,788	454,212,788
7.3 Reinsurance Assets:				
Movement in prepaid reinsurance:				
At 1 January	846,948,052	1,025,729,471	846,948,052	1,025,729,471
Additions during the year (Note 28)	1,025,897,622	3,513,496,175	1,025,897,622	3,513,496,175
	1,872,845,674	4,539,225,646	1,872,845,674	4,539,225,646
Amortization during the year (Note 28)	(975,397,122)	(3,691,859,703)	(975,397,122)	(3,691,859,703)
At the end	897,448,552	847,365,944	897,448,552	847,365,944
Movement in claims recoverable:				
At 1 January	2,037,175,388	1,662,816,336	2,037,175,388	1,662,816,336
Additions during the period	216,957,578	1,778,804,248	216,957,578	1,778,804,248
	2,254,132,966	3,441,620,584	2,254,132,966	3,441,620,584
Amortization during the period	(207,482,279)	(1,270,905,911)	(207,482,279)	(1,270,905,911)
At the end	2,046,650,687	2,170,714,673	2,046,650,687	2,170,714,673
8. Deferred Acquisition Cost				
At 1 January	355,066,149	360,563,251	344,817,850	349,815,691
Acquisition cost during the period	483,615,732	1,316,132,468	465,045,337	1,305,884,169
Less: Amortisation during the period (Note 31)	(481,378,222)	(1,321,629,570)	(471,129,924)	(1,310,882,010)
At the end	357,303,659	355,066,149	338,733,264	344,817,850
Current	357,303,659	355,066,149	338,733,264	344,817,850
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.

CONSOLIDATED HALLMARK INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2021

	Group		Company	
	31 MARCH 2021 N	December 2020 N	31 MARCH 2021 N	December 2020 N
8.1 Deferred Acquisition Cost Analysis				
Fire	61,509,921	62,614,809	61,509,921	62,614,809
General accident	60,876,096	61,969,599	60,876,096	61,969,599
Motor	74,447,572	75,784,856	74,447,572	75,784,856
Marine	25,162,168	25,614,150	25,162,168	25,614,150
Bond	12,738,910	12,967,736	12,738,910	12,967,736
Engineering	25,898,548	26,363,758	25,898,548	26,363,758
Aviation	16,556,596	16,853,998	16,556,596	16,853,998
Oil & gas	61,543,453	62,648,944	61,543,453	62,648,944
Company Total	338,733,264	344,817,850	338,733,264	344,817,850
HMO Deferred acquisition	18,570,395	10,248,299		
Group Total	357,303,659	355,066,149	338,733,264	344,817,850
9. Other Receivables and Prepayments				
Staff advances & prepayment	91,634,978	35,554,032	91,634,978	35,554,032
Account receivables **	71,638,745	17,638,265	72,481,285	72,117,239
Intercompany Receivables	-	-	281,120,253	213,683,342
Withholding tax credit	29,031,547	26,361,774	29,031,547	26,361,774
Prepayments (Note 9.1)	46,665,439	49,799,040	35,868,116	40,533,483
	238,970,709	129,353,111	510,136,179	388,249,870
Impairment allowance (Note 34)	-	-	-	-
	238,970,709	129,353,111	510,136,179	388,249,870
Current	238,970,709	129,353,111	510,136,179	388,249,870
Non-current	-	-	-	-
** Included in Account receivable is =N=12.5 being the balance of the amount deposited with lead underwriters for the purpose of settling claims based on MOU signed at the inception of the policies. The amount =N=12.5 million is the balance as at 31st December 2019.				
9.1 Prepayments				
Prepaid rent	36,683,256	38,916,648	25,885,933	30,091,300
Other prepayments	9,982,183	10,442,183	9,982,183	10,442,183
	46,665,439	49,358,832	35,868,116	40,533,483
Current	46,665,439	49,358,832	35,868,116	40,533,483
Non-current	-	-	-	-
10. Investment in Subsidiaries				
CHI Capital (Note 10.1a)	-	-	130,000,000	130,000,000
Chi Microinsurance Limited (10.1b)			200,000,000	200,000,000
Grand Treasurers Limited			764,225,000	764,225,000
Hallmark Health Services Limited (10.1c)			500,000,000	400,000,000
	-	-	1,594,225,000	1,494,225,000
	Grand Treasurers Limited	CHI Capital Limited	Hallmark Health Services Limited	Chi Microinsurance Limited
Movement in Investment in subsidiaries				
Opening	764,225,000	130,000,000	400,000,000	200,000,000
Addition	-	-	100,000,000	-
Disposal	-	-	-	-
Closing	764,225,000	130,000,000	500,000,000	200,000,000

In the year 2020, the Board approved and invested additional Capital of N464.225m into Grand Treasurers Limited. In the year 2019, the Board of CHI Capital transferred its holding in Grand Treasurers Limited to the parent (Consolidated Hallmark Insurance Plc). the Board approved additional investment of N350million into Hallmark Health Services Ltd by increasing the paid up capital to N400million. Also, an approval was

CONSOLIDATED HALLMARK INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2021

- 10.1a** CHI Capital Limited is a fully owned subsidiary of Consolidated Hallmark Insurance Plc. It carries on the business of consumer leasing. In 2019, CHI Capital Limited transferred its 100% interest in Grand Treasurers Limited to Consolidated Hallmark Insurance Plc. Grand Treasurers Ltd is a CBN licensed finance company, acquired by CHI Capital Ltd in December 2010 with the purpose of carrying on financing activities. CHI Capital Limited also owns 100% interest in CHI Support Services Limited which is into the business of vehicle tracking.
- 10.1b** CHI Microinsurance Limited is a fully owned subsidiary of Consolidated Hallmark Insurance Plc. The group incorporated CHI Microinsurance Limited in the year 2016 and is still in the process of getting NAICOM licence to further deepen its market share on general insurance business.
- 10.1c** Hallmark Health Services Limited is a fully owned subsidiary of Consolidated Hallmark Insurance Plc. The group incorporated Hallmark Health Services Limited towards the end of the year 2017 and is in the process of obtaining National Health Insurance Scheme licence to operate in health Insurance sector.

	CHI PLC	CHI Capital Limited	CHI Microinsurance	Hallmark Health Ltd	Grand Treasurers Ltd	Elimination	Total
	N	N	N	N		N	N
Condensed result of consolidated entities - 2020							
10.2 Condensed Financial Position							
Assets							
Cash and cash equivalents	2,459,696,314	11,815,269	12,196,666	489,439,680	82,914,601	-	3,056,062,530
Financial assets	3,864,380,346	11,447,034	160,622,339	-	981,127,635	-	5,017,577,354
Deposit for shares	-	-	-	-	-	-	-
Finance lease receivables	-	-	-	-	226,235,756	(5,126,954)	221,108,802
Trade receivables	602,644,439	-	-	199,690,531	-	-	802,334,970
Reinsurance assets	2,944,517,131	-	-	-	-	-	2,944,517,131
Deferred acquisition cost	338,733,264	-	-	18,570,395	-	-	357,303,659
Other receivables and prepayment	510,136,179	27,497,438	-	19,274,176	15,902,322	(333,839,405)	238,970,709
Investment in subsidiaries	1,594,225,000	-	-	-	-	(1,594,225,000)	-
Investment properties	866,826,470	93,661,000	-	90,000,000	-	-	1,050,487,470
Leasehold properties	-	-	-	9,090,205	-	-	9,090,205
Intangible Assets	28,779,503	-	-	2,475,918	3,762,356	-	35,017,777
Property and equipment	982,283,857	-	-	16,289,037	36,695,477	-	1,035,268,371
Statutory deposits	300,000,000	-	102,000,000	-	-	-	402,000,000
Total assets	14,492,222,503	144,420,741	274,819,006	844,829,941	1,346,638,148	(1,933,191,360)	15,169,738,978
Liabilities							
Insurance contract liabilities	5,268,074,484	-	-	253,977,832	-	-	5,522,052,315
Trade payables	42,495,363	-	-	-	-	-	42,495,363
Borrowing	-	-	-	-	5,070,838	-	5,070,838
Provision and other payables	233,520,266	6,337,931	29,991,804	135,436,808	685,641,438	(803,191,360)	287,736,887
Staff retirement benefit	7,572,922	-	-	-	1,237,462	-	8,810,384
Tax liabilities	415,618,972	7,829,346	-	13,044,558	76,152,712	-	512,645,589
Deffered tax	173,040,130	-	-	-	4,838,154	-	177,878,284
Share capital	5,420,000,000	130,000,000	200,000,000	500,000,000	300,000,000	(1,130,000,000)	5,420,000,000
Share Premium	168,933,834	-	-	-	-	-	168,933,834
Statutory reserve	2,236,065,115	-	-	-	51,376,758	-	2,287,441,872
Retained earnings	526,901,418	253,464	44,827,202	(57,629,256)	222,320,786	-	736,673,614
Total liabilities and equity	14,492,222,502	144,420,741	274,819,006	844,829,941	1,346,638,149	(1,933,191,360)	15,169,738,979

CONSOLIDATED HALLMARK INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2021

	CHI PLC N	CHI Capital N	CHI Microinsurance N	Hallmark Health Services LTD N	Grand Treasurers Limited N	Elimination N	Total N
10.2 Condensed result of consolidated entities - 2021							
Condensed profit and loss							
Underwriting profit	846,129,523	-	1,310,688	70,783,177	-	-	918,223,389
Investment income	163,345,454	3,438,134	8,350,920	10,693,129	98,933,926	-	284,761,563
Other operating income	(5,229,355)	15,298,567	-	16,000	9,144,468	-	19,229,679
Total operating income	1,004,245,622	18,736,700	9,661,608	81,492,306	108,078,395	-	1,222,214,631
Impairment charge value	-	-	-	-	(1,816,417)	-	(1,816,417)
gains/(los)	(61,526,603)	-	-	-	140,000	-	(61,386,603)
Management expenses	(588,772,159)	(15,818,710)	(8,279,211)	(44,127,347)	(52,547,454)	-	(709,544,881)
Profit before taxation	353,946,860	2,917,991	1,382,397	37,364,959	53,854,523	-	449,466,730
Taxation	(128,286,726)	-	-	(11,956,787)	(17,771,993)	-	(158,015,505)
Profit after taxation	225,660,134	2,917,991	1,382,397	25,408,172	36,082,530	-	291,451,224

	CHI PLC N	CHI Capital Limited N	CHI Microinsurance N	Hallmark Health Ltd N	Grand Treasurers Ltd N	Elimination N	Total N
10.2 Condensed Financial Position							
Assets							
Cash and cash equivalents	1,062,065,613	12,238,383	14,087,703	407,490,645	221,986,096	-	1,717,868,439
Financial assets	3,632,940,135	9,418,820	239,271,420	-	515,481,972	(199,474,338)	4,197,638,009
Deposit for shares	-	-	-	-	-	-	-
Finance lease receivables	-	-	-	-	123,800,587	(13,802,089)	109,998,499
Trade receivables	199,899,308	-	-	93,848,688	-	-	293,747,996
Reinsurance assets	2,688,545,807	-	-	-	-	-	2,688,545,807
Deferred acquisition cost	349,815,691	-	-	10,747,561	-	-	360,563,251
Other receivables and prepayment	313,691,585	26,752,230	-	22,783,416	17,842,105	(172,012,370)	209,056,966
Investment in subsidiaries	1,030,000,000	-	-	-	-	(1,030,000,000)	-
Investment properties	750,105,470	93,661,000	-	-	-	-	843,766,470
Inventories	-	-	-	-	-	-	-
Intangible Assets	24,620,360	-	-	1,466,667	-	-	26,087,027
Property and equipment	939,322,976	-	-	29,754,346	25,473,505	-	994,550,828
Statutory deposits	300,000,000	-	-	-	-	-	300,000,000
Total assets	11,291,006,944	142,070,433	253,359,123	566,091,322	904,584,265	(1,415,288,797)	11,741,823,290
Liabilities							
Insurance contract liabilities	3,923,826,888	-	-	181,256,871	-	-	4,105,083,759
Trade payables	54,241,112	-	-	-	-	-	54,241,112
Borrowing	-	-	-	-	209,922,874	(199,474,338)	10,448,536
Provision and other payables	343,406,713	4,556,385	25,000,000	72,643,021	124,257,991	(185,814,459)	384,049,650
Staff retirement benefit	6,690,086	-	-	-	600,533	-	7,290,620
Tax liabilities	355,578,462	7,829,347	-	-	73,019,003	-	436,426,812
Deferred tax	125,749,035	-	-	-	4,838,154	-	130,587,188
Share capital	4,065,000,000	130,000,000	200,000,000	400,000,000	300,000,000	(1,030,000,000)	4,065,000,000
Share Premium	155,264,167	-	-	-	-	-	155,264,167
Statutory reserve	1,855,299,252	-	-	-	36,863,982	-	1,892,163,234
Retained earnings	405,951,229	(315,299)	28,359,123	(87,808,570)	155,081,729	-	501,268,212
Total liabilities and equity	11,291,006,943	142,070,433	253,359,123	566,091,322	904,584,266	(1,415,288,797)	11,741,823,290

10.2 Condensed result of consolidated entities - 2020

Condensed profit and loss							
Underwriting profit	800,243,206	-	702,675	(12,086,229)	-	-	788,859,652
Investment income	144,938,931	-	4,175,460	8,848,937	66,469,128	-	224,432,456
Other operating income	61,405,116	63,731	-	10,500	5,399,282	-	66,878,628
Total operating income	1,006,587,253	63,731	4,878,134	(3,226,792)	71,868,410	-	1,080,170,736
Impairment charge	-	-	-	-	(2,903,616)	-	(2,903,616)
Net fair	(34,004,613)	(2,454,495)	-	-	(40,000)	-	(36,499,108)
Management expenses	(626,621,716)	-	(4,151,645)	(28,960,726)	(34,763,527)	-	(694,497,615)
Profit before taxation	345,960,924	(2,390,764)	726,489	(32,187,518)	34,161,266	-	346,270,397
Taxation	(125,372,878)	(114,731)	-	-	(11,273,219)	-	(136,760,828)
Profit after taxation	220,588,046	(2,505,495)	726,489	(32,187,518)	22,888,047	-	209,509,569

CONSOLIDATED HALLMARK INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2021

	Group		Company	
	31 MARCH 2021 N	31 December 2020 N	31 MARCH 2021 N	31 December 2020 N
11.0 Intangible assets				
Cost				
At 1 January	74,117,939	52,669,875	62,487,520	48,901,607
Addition	628,571	21,448,064	-	13,585,913
Reclassification	-	-	-	-
31 MARCH	<u>74,746,511</u>	<u>74,117,939</u>	<u>62,487,520</u>	<u>62,487,520</u>
Accumulated amortization				
At 1 January	37,543,283	26,582,849	32,007,107	24,281,248
Addition	2,185,451	10,960,433	1,700,910	7,725,859
31 MARCH	<u>39,728,734</u>	<u>37,543,283</u>	<u>33,708,017</u>	<u>32,007,107</u>
Carrying amount				
31 MARCH	35,017,777	36,574,657	28,779,503	30,480,413

11.0 Leasehold properties

	Office Equipment N	Furniture & Fittings N	Motor Vehicles N	Computer Equipment N	Total N
Costs					
At 1 January	3,912,175	6,913,742	9,300,000	520,000	20,645,917
Additions	-	-	-	-	-
Disposals/movement	-	-	-	-	-
31 MARCH	<u>3,912,175</u>	<u>6,913,742</u>	<u>9,300,000</u>	<u>520,000</u>	<u>20,645,917</u>

Accumulated depreciation

At 1 January	1,758,871	3,108,343	5,576,438	233,786	10,677,438
Depreciation charge a:	144,697	255,714	458,630	19,233	878,274
Disposals	-	-	-	-	-
31 MARCH	<u>1,903,568</u>	<u>3,364,056</u>	<u>6,035,068</u>	<u>253,019</u>	<u>11,555,712</u>
Carrying value					
31 MARCH	<u>2,008,607</u>	<u>3,549,686</u>	<u>3,264,932</u>	<u>266,981</u>	<u>9,090,205</u>
At 31 December 2019	2,153,304	3,805,399	3,723,562	286,214	9,968,479

12 Investment Properties

At 1 January	1,042,487,470	843,766,470	948,826,470	750,105,470
Addition	90,000,000	198,721,000	-	198,721,000
Disposal/transfer (Note 12.1b)	(82,000,000)	-	(82,000,000)	-
Fair value change	-	-	-	-
31 MARCH	<u>1,050,487,470</u>	<u>1,042,487,470</u>	<u>866,826,470</u>	<u>948,826,470</u>

Investment Properties

Investment properties are made up of buildings and properties held by the company to earn rentals or for capital appreciation or both and are accounted for in line with International Accounting Standard (IAS) 40. Some of these properties retained the title of one of the legacy companies making up Consolidated Hallmark Insurance Plc. There is no dispute as to the title of Consolidated Hallmark Insurance Plc to these properties. However, in line with NAICOM requirement, provided below is the list of these properties and status of efforts to change their name to Consolidated Hallmark Insurance Plc.

- 12.1 The company property at Plot 3 Sea Gate Estate valued for =N=56,550,000 as at July 2019 was disposed during the year for =N=95,000,000 net of commission and fees.

S/N	TYPE OF ASSET	ADDRESS	AMOUNT N	CURRENT TITLE	STATUS ON CHANGE OF TITLE
Company					
1	Building	Plot A/5 Pocket Layout (Clerk Quarters) Owerri, Imo State.	206,000,000	Consolidated Hallmark Insurance Plc.	Title over this property has been transferred to Consolidated Hallmark
2	Building	219, 220 and 221, Akukwe Street, Works Layout, Owerri, Imo State	229,000,000	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.	104,105,470	Consolidated Hallmark Insurance Plc.	Title over this property has been transferred to Consolidated Hallmark
4	Building	Plot 33, Chief Ogbonda Layout, Rumuogba, Port Harcourt.	141,921,000	Consolidated Hallmark Insurance Plc.	Title over this property has been transferred to Consolidated Hallmark
5	Building	Rivers State Housing Estate, Abuloma PH	48,000,000	Consolidated Hallmark Insurance Plc.	Title over this property has been transferred to Consolidated Hallmark
6	Land	Plot 14, 1(W) Road, First Avenue, Lugbe Estate, Abuja.	23,000,000	Hallmark Assurance Plc (Legacy Company)	The Company had paid all required fees to the Federal Housing Authority
7	Building	Romax Homes Estate by Harris drivet beside VGCI Ikota, Lekki Lagos	114,800,000		
			866,826,470		
CHI Capital Limited					
	Land	Thomas estate Ajah Lagos	93,661,000	CHI Capital Limited	Already exist in the name of CHI
	Total		1,050,487,470		

CONSOLIDATED HALLMARK INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2021

Movement on Investment Properties

12.1b	S/N	TYPE OF ASSET	ADDRESS	Opening	Addition	Disposal/transfer	Increase (decrease) in Fairvalue	Total
		Company						
	1	Building	Plot A/5 Pocket Layout (Clerk Quarters) Owerri, Imo State.	206,000,000	-	-	-	206,000,000
	2	Building	219, 220 and 221, Akukwe Street, Works Layout, Owerri, Imo	229,000,000	-	-	-	229,000,000
	3**	Building	No. 30, East Street, Rivers Layout Aba, Abia State.	104,105,470		-	-	104,105,470
	4	Building	Plot 33, Chief Ogbonda Layout, Rumuogba, Port Harcourt.	141,921,000	-	-	-	141,921,000
	6	Building	Rivers State Housing Estate, Abuloma PH	48,000,000	-	-	-	48,000,000
	7	Land	Plot 14, 1(W) Road, First Avenue, Lugbe Estate, Abuja.	23,000,000	-	-	-	23,000,000
	8	Building	Romax Homes Estate by Harris drivet beside	196,800,000	-	(82,000,000)	-	114,800,000
				948,826,470	-	(82,000,000)	-	866,826,470
		CHI Capital Limited						
	8	Building	Romax Homes Estate by Harris drivet beside	-	90,000,000	-	-	90,000,000
			Thomas estate Ajah Lagos	93,661,000				93,661,000
	Total			1,042,487,470	90,000,000	(82,000,000)	-	1,050,487,470

**Addition to item no 3 as stated on the table above, represent amount paid for interlocking of the building premises.

CONSOLIDATED HALLMARK INSURANCE PLC

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13.0 Property and Equipment 2021

13.1a The group

	Land N	Building N	Office Equipment N	Furniture & Fittings N	Motor Vehicles N	Computer Equipment N	Total N
Costs							
At 1 January	286,099,948	541,339,722	109,826,225	150,813,178	597,564,001	249,252,148	1,934,895,222
Additions during the period	-	-	295,000	960,000	43,580,731	8,641,045	53,476,776
Disposals during the period	-	-	(584,600)	(3,192,270)	(2,650,000)	-	(6,426,870)
31 MARCH	286,099,948	541,339,722	109,536,625	148,580,908	638,494,732	257,893,193	1,981,945,128
Accumulated depreciation							
At 1 January 2021	-	150,547,122	88,279,357	122,568,163	341,805,022	210,123,333	913,322,997
Depreciation charge for the period	-	2,669,621	2,644,463	3,303,941	26,060,368	4,919,168	39,597,560
Disposals in the period	-	-	(546,155)	(3,047,645)	(2,650,000)	-	(6,243,800)
31 MARCH	-	153,216,743	90,377,665	122,824,459	365,215,390	215,042,501	946,676,757
Accumulated impairment losses	-	-	-	-	-	-	-
Carrying value							
31 MARCH	286,099,948	388,122,979	19,158,960	25,756,449	273,279,342	42,850,692	1,035,268,371
At 1 January 2021	286,099,948	390,792,600	21,546,868	28,245,015	255,758,979	39,128,815	1,021,572,226

Some fixed assets were professionally re-valued as at 31 December 2006, by Messrs Adegboyega Sanusi & Co.(FRC/2013/NIESV/00000001757) on the basis of open market values. These values were incorporated in the books at that date. The surplus arising on the revaluation over the written down values was treated in the NGAAP financial statements as fixed assets revaluation reserve. However, in compliance with IFRS (i.e. IAS 16) the revalued amount was taken as deemed cost at transition date and the revaluation reserve was transferred to revenue reserve.

In the year ended 31 December 2011, the landed property of CHI Capital Limited were professionally re-valued at N84 million by Messrs Adegboyega Sanusi & Co. Estate Surveyors & Valuers on the basis of open market value between a willing seller and buyer. The sum of N65,495,775 was then recognised as revaluation reserve in the financial statements.

CONSOLIDATED HALLMARK INSURANCE PLC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021**

Property and Equipment								
13.1b	The group							
	2020	Land	Building	Office	Furniture &	Motor	Computer	Total
		N	N	Equipment	Fittings	Vehicles	Equipment	N
		N	N	N	N	N	N	N
	At 1 January	286,099,948	541,339,722	104,916,000	142,158,254	524,541,736	230,159,488	1,829,215,148
	Additions in the year	-	-	4,910,225	9,237,855	112,594,698	19,430,776	146,173,554
	Transfer from Investment Property	-	-	-	-	-	-	-
	Disposals in the year	-	-	-	(582,931)	(39,572,433)	(338,116)	(40,493,480)
	December	<u>286,099,948</u>	<u>541,339,722</u>	<u>109,826,225</u>	<u>150,813,178</u>	<u>597,564,001</u>	<u>249,252,148</u>	<u>1,934,895,222</u>
Accumulated depreciation								
	At 1 January 2020	-	139,690,665	81,808,948	115,302,649	309,424,674	201,977,509	848,204,444
	Depreciation charge for the period	-	10,856,457	6,470,408	7,848,445	71,950,001	8,170,557	105,295,867
	Disposals in the period	-	-	-	(582,930)	(39,569,652)	(24,733)	(40,177,315)
	December	<u>-</u>	<u>150,547,122</u>	<u>88,279,357</u>	<u>122,568,163</u>	<u>341,805,022</u>	<u>210,123,333</u>	<u>913,322,997</u>
	Accumulated impairment losses	-	-	-	-	-	-	-
Carrying value								
	December	<u>286,099,948</u>	<u>390,792,600</u>	<u>21,546,868</u>	<u>28,245,015</u>	<u>255,758,979</u>	<u>39,128,816</u>	<u>1,021,572,225</u>
	At 1 January 2020	<u>286,099,948</u>	<u>401,649,057</u>	<u>23,107,052</u>	<u>26,855,605</u>	<u>215,117,063</u>	<u>28,181,979</u>	<u>981,010,704</u>

CONSOLIDATED HALLMARK INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2021

13.2a Property and Equipment 2021 The company

	Land N	Building N	Office Equipment N	Furniture & Fittings N	Motor Vehicles N	Computer Equipment N	Total N
Costs							
At 1 January	286,099,948	541,339,722	108,926,630	154,710,665	524,028,579	244,588,152	1,859,693,696
Additions			295,000	960,000	35,000,000	8,641,045	44,896,045
Transfer from Investment Property(12.1a)							-
Disposals			(584,600)	(3,192,270)	(2,650,000)	-	(6,426,870)
31 MARCH	286,099,948	541,339,722	108,637,030	152,478,395	556,378,579	253,229,197	1,898,162,871
Accumulated depreciation							
At 1 January	-	150,547,122	88,370,298	124,394,753	322,858,963	209,936,715	832,235,721
Depreciation charge for the period	-	2,669,621	1,610,728	1,950,097	17,540,249	2,244,268	26,014,963
Disposals			(546,155)	(3,047,645)	(2,650,000)		(6,243,800)
31 MARCH	-	153,216,743	89,434,871	123,297,205	337,749,212	212,180,983	915,879,014
Carrying value							
31 MARCH	286,099,948	388,122,979	19,202,159	29,181,191	218,629,367	41,048,215	982,283,857
At 31 December 2020	286,099,948	390,792,600	20,556,332	30,315,913	201,169,615	34,651,437	963,585,844

Some items of property and equipment were professionally re-valued as at 31 December 2006, by Messrs Adegboyega Sanusi & Co..(FRC/2013/NIESV/00000001757) on the basis of open market values. These values were incorporated in the books at that date. The surplus arising on the revaluation over the written down values was treated in the NGAAP financial statements as revaluation surplus. However, in compliance with IFRS (i.e IAS 16) the revalued amount was taken as deemed cost at transition date and the surplus on revaluation was transferred to retained earnings.

CONSOLIDATED HALLMARK INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021

Property and Equipment (Cont'd)

2020

The company

	Land N	Building N	Office Equipment N	Furniture & Fittings N	Motor Vehicles N	Computer Equipment N	Total N
At 1 January	286,099,948	541,339,722	106,016,405	149,071,996	462,251,011	226,779,614	1,771,558,696
Additions			2,910,225	6,221,600	101,350,000	18,146,654	128,628,480
Transfer from Investment Property(12.1a)		-					-
Disposals			-	(582,931)	(39,572,433)	(338,116)	(40,493,480)
December	<u>286,099,948</u>	<u>541,339,722</u>	<u>108,926,630</u>	<u>154,710,665</u>	<u>524,028,579</u>	<u>244,588,152</u>	<u>1,859,693,696</u>
Accumulated depreciation							
At 1 January	-	139,690,665	81,911,134	117,080,520	291,704,211	201,849,191	832,235,721
Depreciation charge for the period	-	10,856,457	6,459,163	7,897,164	70,724,410	8,112,257	104,049,452
Disposals				(582,930)	(39,569,652)	(24,733)	(40,177,314)
December	<u>-</u>	<u>150,547,122</u>	<u>88,370,298</u>	<u>124,394,753</u>	<u>322,858,963</u>	<u>209,936,715</u>	<u>896,107,852</u>
Carrying value							
December	<u>286,099,948</u>	<u>390,792,600</u>	<u>20,556,332</u>	<u>30,315,913</u>	<u>201,169,615</u>	<u>34,651,437</u>	<u>963,585,844</u>
At 31 December 2019	<u>286,099,948</u>	<u>401,649,057</u>	<u>24,105,271</u>	<u>31,991,476</u>	<u>170,546,800</u>	<u>24,930,423</u>	<u>939,322,976</u>

CONSOLIDATED HALLMARK INSURANCE PLC
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13.3 Right-of-Use of Assets (Leased Assets)

	Furniture & Fittings	Motor Vehicles	Office Equipment	Computer Equipment	Total
	₹	₹	₹	₹	₹
Cost					
Costs					
At 1 January	3,912,175	6,913,742	9,300,000	520,000	20,645,917
Additions	-	-	-	-	-
Disposals/movement	3,912,175	6,913,742	9,300,000	520,000	20,645,917
Accumulated depreciation					
At 1 January	1,758,871	3,108,343	5,576,438	233,786	10,677,438
Depreciation charge as at 31st January 2021	144,697	255,714	458,630	19,233	878,274
Disposals	1,903,568	3,364,056	6,035,068	253,019	11,555,712
Carrying value					
As At 31 March 2021	2,008,607	3,549,686	3,264,932	266,981	9,090,205
At 31 December 2020	2,153,304	3,805,399	3,723,562	286,214	9,968,479

CONSOLIDATED HALLMARK INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2021

	Group		Company	
	2021 N	2020 N	2021 N	2020 N
14. Statutory deposits	300,000,000	300,000,000	300,000,000	300,000,000
Microinsurance	102,000,000	102,000,000	102,000,000	102,000,000
	402,000,000	402,000,000	402,000,000	402,000,000

This represents the amount deposited with the Central Bank of Nigeria as at 31 March 2021.

15. Insurance contract liabilities

Reserve for outstanding claims (Note 15.1)	2,829,562,551	2,802,994,272	2,825,436,848	2,798,868,569
Unearned premium reserve (Note 15.2)	2,692,489,764	2,405,238,880	2,442,637,636	2,215,471,204
	5,522,052,315	5,208,233,152	5,268,074,483	5,014,339,773

15.1 Reserve for outstanding claims - 2021

	Group			Company		
	Outstanding Claim N	Provision for IBNR N	Gross Reserve N	Outstanding Claim N	Provision for IBNR N	Gross Reserve N
Fire	855,386,266	219,244,654	1,074,630,920	855,386,266	219,244,654	1,074,630,920
General accident	278,085,874	197,289,820	475,375,694	278,085,874	197,289,820	475,375,694
Motor	103,342,530	125,287,692	228,630,222	103,342,530	125,287,692	228,630,222
Marine	138,731,866	27,325,765	166,057,631	138,731,866	27,325,765	166,057,631
Bond	-	13,692,867	13,692,867	-	13,692,867	13,692,867
Engineering	166,169,227	83,597,519	249,766,746	166,169,227	83,597,519	249,766,746
Aviation	51,053,614	72,846,999	123,900,612	51,053,614	72,846,999	123,900,612
Oil & gas	329,922,851	163,459,305	493,382,156	329,922,851	163,459,305	493,382,156
	1,922,692,228	902,744,620	2,825,436,848	1,922,692,228	902,744,620	2,825,436,848
HMO - Outstanding claims	4,125,703		4,125,703			
	1,926,817,931	902,744,620	2,829,562,551	1,922,692,228	902,744,620	2,825,436,848

Reserve for outstanding claims - 2020

	Group			Company		
	Outstanding Claim N	Provision for IBNR N	Gross Reserve N	Outstanding Claim N	Provision for IBNR N	Gross Reserve N
Fire	842,395,557	219,244,654	1,061,640,211	842,395,557	219,244,654	1,061,640,211
General accident	226,545,391	197,289,820	423,835,211	226,545,391	197,289,820	423,835,211
Motor	90,318,483	125,287,692	215,606,175	90,318,483	125,287,692	215,606,175
Marine	182,375,802	27,325,765	209,701,566	182,375,802	27,325,765	209,701,566
Bond	8,780,635	13,692,867	22,473,502	8,780,635	13,692,867	22,473,502
Engineering	165,469,298	83,597,519	249,066,817	165,469,298	83,597,519	249,066,817
Aviation	51,053,614	72,846,999	123,900,613	51,053,614	72,846,999	123,900,613
Oil & gas	329,185,170	163,459,305	492,644,475	329,185,170	163,459,305	492,644,475
	1,896,123,948	902,744,620	2,798,868,569	1,896,123,948	902,744,621	2,798,868,569
HMO - Outstanding c	4,125,703		4,125,703			
	1,900,249,651	902,744,620	2,802,994,272	1,896,123,948	902,744,621	2,798,868,569

	Group		Company	
	2021 N	2020 N	2021 N	2020 N
15.2 Unearned premium reserve				
Fire	356,098,890	322,981,528	356,098,890	322,981,528
General accident	397,156,137	360,220,432	397,156,137	360,220,432
Motor	748,630,337	679,007,369	748,630,337	679,007,369
Marine	143,875,111	130,494,659	143,875,111	130,494,659
Oil & Gas	453,754,718	411,555,319	453,754,718	411,555,319
Engineering	150,068,112	136,111,708	150,068,112	136,111,708
Aviation	119,085,669	108,010,647	119,085,669	108,010,647
Bond	73,968,662	67,089,542	73,968,662	67,089,542
	2,442,637,636	2,215,471,204	2,442,637,636	2,215,471,204
HMO - Unearned premium reserve	249,852,128	189,767,676	-	-
	2,692,489,764	2,405,238,880	2,442,637,636	2,215,471,204

Estimates of incurred but not reported (IBNR) claims liability and calculation of unearned premium was developed by the Management of the Company with the use of a professional actuary (Ernst & Young), certified firm of actuaries with FRC registration number FRC/2012/NAS/00000000738

Management believes that the carrying amount of insurance liabilities represents a reasonable approximation of fair value.

CONSOLIDATED HALLMARK INSURANCE PLC

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15.3 AGE ANALYSIS OF OUTSTANDING CLAIMS AS AT 31 DECEMBER, 2019

	0-90 DAYS	91-180 DAYS	181-270 DAYS	271-365 DAYS	ABOVE 365 DAYS	TOTAL
1-250,000	32,047,974	18,209,023	16,306,287	12,664,130	52,716,781	131,944,195
250,001-500,000	12,963,432	13,079,363	5,048,325	6,606,350	13,136,014	50,833,484
500,001-1,500,000	14,927,979	15,351,299	12,086,101	2,529,387	10,896,858	55,791,624
1,500,001-2,500,000	9,226,813	7,624,526	5,564,500	3,532,000	8,600,104	34,547,942
2,500,001-5,000,000	24,270,140	8,064,500	11,465,000	10,703,000	10,587,917	65,090,557
ABOVE 5,000,000	50,641,250	150,333,500	17,961,897	8,500,000	59,840,613	287,277,260
TOTAL	144,077,588	212,662,211	68,432,110	44,534,867	155,778,286	625,485,063

AGE ANALYSIS OF OUTSTANDING CLAIMS AS AT 31 DECEMBER, 2019

	0-90 DAYS	91-180 DAYS	181-270 DAYS	271-365 DAYS	ABOVE 365 DAYS	TOTAL
1-250,000	32,047,974	18,209,023	16,306,287	12,664,130	52,716,781	131,944,195
250,001-500,000	12,963,432	13,079,363	5,048,325	6,606,350	13,136,014	50,833,484
500,001-1,500,000	14,927,979	15,351,299	12,086,101	2,529,387	10,896,858	55,791,624
1,500,001-2,500,000	9,226,813	7,624,526	5,564,500	3,532,000	8,600,104	34,547,942
2,500,001-5,000,000	24,270,140	8,064,500	11,465,000	10,703,000	10,587,917	65,090,557
ABOVE 5,000,000	50,641,250	150,333,500	17,961,897	8,500,000	59,840,613	287,277,260
TOTAL	144,077,588	212,662,211	68,432,110	44,534,867	155,778,286	625,485,063

Number of claimants in each category

	0-90 DAYS	91-180 DAYS	181-270 DAYS	271-365 DAYS	ABOVE 365 DAYS	TOTAL
At December 2019	525	327	315	253	1,218	2,638
At December 2019	525	327	315	253	1,218	2,638

Further Analysis of Outstanding Claims

OUTSTANDING CLAIMS (AWAITING EDV)

	0-90 DAYS	91-180 DAYS	181-270 DAYS	271-365 DAYS	ABOVE 365 DAYS	TOTAL
1-250,000	-	-	-	50,000	-	50,000
250,001-500,000	-	-	-	-	-	-
500,001-1,500,000	-	-	-	-	-	-
1,500,001-2,500,000	-	-	-	-	-	-
2,500,001-5,000,000	-	-	-	-	-	-
ABOVE 5,000,000	-	-	-	-	-	-
TOTAL	-	-	-	50,000	-	50,000

CONSOLIDATED HALLMARK INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021

OUTSTANDING CLAIMS (AWAITING SETTLEMENT DECISION)

	0-90 DAYS	91-180 DAYS	181-270 DAYS	271-365 DAYS	ABOVE 365 DAYS	TOTAL
1-250,000	878,650	-	-	-	-	878,650
250,001-500,000	705,912	-	-	-	-	705,912
500,001-1,500,000	-	-	-	-	-	-
1,500,001-2,500,000	-	-	-	-	-	-
2,500,001-5,000,000	-	-	-	-	-	-
ABOVE 5,000,000	-	-	-	-	-	-
TOTAL	1,584,561	-	-	-	-	1,584,561

OUTSTANDING CLAIMS (AWAITING SUPPORTING DOCUMENT)

	0-90 DAYS	91-180 DAYS	181-270 DAYS	271-365 DAYS	ABOVE 365 DAYS	TOTAL
1-250,000	26,191,412	17,093,603	14,919,251	12,435,342	51,281,560	121,921,168
250,001-500,000	8,790,980	12,043,108	4,320,880	6,606,350	12,636,014	44,397,332
500,001-1,500,000	13,414,979	14,351,299	10,186,101	2,529,387	10,317,156	50,798,922
1,500,001-2,500,000	9,226,813	7,624,526	5,564,500	3,532,000	8,600,104	34,547,942
2,500,001-5,000,000	24,270,140	8,064,500	8,400,000	13,768,000	10,587,917	65,090,557
ABOVE 5,000,000	50,641,250	150,333,500	17,961,897	8,500,000	59,840,613	287,277,260
TOTAL	132,535,573	209,510,536	61,352,629	47,371,079	153,263,363	604,033,180

OUTSTANDING CLAIMS (BEING ADJUSTED)

	0-90 DAYS	91-180 DAYS	181-270 DAYS	271-365 DAYS	ABOVE 365 DAYS	TOTAL
1-250,000	5,328,063	975,420	1,317,036	182,000	650,221	8,452,740
250,001-500,000	3,443,986	1,036,255	400,000	-	500,000	5,380,241
500,001-1,500,000	613,000	-	1,000,000	-	-	1,613,000
1,500,001-2,500,000	-	-	-	-	-	-
2,500,001-5,000,000	-	-	-	-	-	-
ABOVE 5,000,000	-	-	-	-	-	-
TOTAL	9,385,049	2,011,675	2,717,036	182,000	1,150,221	15,445,981

OUTSTANDING CLAIMS (SIGNED DISCHARGE VOUCHER UNPAID)

	0-90 DAYS	91-180 DAYS	181-270 DAYS	271-365 DAYS	ABOVE 365 DAYS	TOTAL
1-250,000	491,637	-	-	-	-	491,637
250,001-500,000	350,000	-	-	-	-	350,000
500,001-1,500,000	3,379,702	-	-	-	-	3,379,702
1,500,001-2,500,000	-	-	-	-	-	-
2,500,001-5,000,000	-	-	-	-	-	-
ABOVE 5,000,000	-	-	-	-	-	-
TOTAL	4,221,339	-	-	-	-	4,221,339

Please note that, the group do not have any outstanding claim with executed discharge voucher that is more than 90 days in accordance with Section 70 (1a) of the Insurance Act 2003

CONSOLIDATED HALLMARK INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2021

	Group		Company	
	2021 N	2020 N	2021 N	2020 N
15.4 Funds representing insurance contract liabilities				
Balance with banks	82,576,962	246,595,445	82,576,962	246,595,445
Fixed placement	2,366,634,284	1,892,159,984	2,366,634,284	1,892,159,984
Treasury bill & Bonds	2,150,242,193	2,629,694,266	2,150,242,193	2,629,694,266
Recoverable from reinsurance company	-	2,170,714,673	-	2,170,714,673
At fair value through profit or loss	1,081,321,504	772,258,498	1,081,321,504	772,258,498
	5,680,774,942	7,711,422,866	5,680,774,942	7,711,422,866
16. Trade payables				
Due to insurance companies	-	-	-	-
Due to reinsurance companies - local	42,495,363	13,972,733	42,495,363	13,972,733
Other trade payables	-	-	-	-
	42,495,363	13,972,733	42,495,363	13,972,733
Current	42,495,363	13,972,733	42,495,363	13,972,733
Non-current	-	-	-	-
Movement in Trade payables				
Opening	13,972,733	54,241,112	13,972,733	54,241,112
Reinsurance during the year	1,025,897,622	3,484,030,788	1,025,897,622	3,513,496,175
Payment	(997,374,992)	(3,524,299,166)	(997,374,992)	(3,553,764,554)
Closing	42,495,363	13,972,733	42,495,363	13,972,733
17 Borrowing				
At 1 January	5,013,052	10,448,536	-	-
Addition	-	2,000,000	-	-
Repayment	-	(15,048,403)	-	-
Interest capitalised	57,786	7,612,919	-	-
As At 31 December	5,070,838	5,013,052	-	-

These are financial liabilities that mature within 12months of the balance sheet date. It is measure at fair value at initial recognition.

18. Other payables and provision				
Audit fees	4,845,000	9,037,500	2,845,000	7,037,500
VAT payable	100,000	100,000	100,000	100,000
Withholding tax payable	8,218,861	5,813,998	8,218,861	5,813,998
Unclaimed dividend payable (Note 18.1)	80,662,912	80,662,912	80,662,912	80,662,912
Accrued expenses	40,763,930	58,483,667	18,369,762	36,089,500
Unearned Commission received(Note 18.2)	58,884,247	26,383,647	58,884,247	124,470,032
Staff Cooperative	47,715,495	34,923,889	47,715,495	43,923,924
Sundry creditors **	46,546,442	5,651,257	16,723,989	(59,936,717)
	287,736,887	221,056,870	233,520,266	238,161,149
Current	287,736,887	221,056,870	233,520,266	238,161,149
Non-current	-	-	-	-

** Included in 2019 Sundry creditors, is an amount of N83,020,488 being Fund deposited as Collateral for Bond issued to Wakanow.com

18.1 Unclaimed dividend payable represents amount of dividend which shareholders are yet to collect from the company's registrars and which, in line with the relevant rules of the Securities and Exchange Commission, have been returned to the Company to be held in a separate investment trust account.

	Group		Company	
	2021 N	2020 N	2021 N	2020 N
18.2 Unearned Commission Reserve				
Fire	676,888	303,286	676,888	34,426,025
General accident	519,449	232,744	519,449	37,303,487
Motor	406,457	182,117	406,457	182,673
Marine	51,032,263	22,865,491	51,032,263	26,308,912
Oil & Gas	-	-	-	-
Engineering	6,093,376	2,730,195	6,093,376	20,744,275
Aviation	0	-	0	0
Bond	155,814	69,814	155,814	5,504,660
	58,884,247	26,383,647	58,884,247	124,470,032

		Group		Company	
		2021 N	2020 N	2021 N	2020 N
19. Retirement benefit obligation					
Defined contribution pension plan					
At 1 January		4,129,526	7,290,620	2,253,607	6,690,086
Provision during the period (Note 36b)		15,860,590	46,692,927	11,992,353	42,824,690
Payment during the period		(11,179,733)	(49,854,021)	(6,673,038)	(47,261,169)
31 MARCH		8,810,383	4,129,526	7,572,922	2,253,607
19.a					
Employer contribution	10%	4,894,657	2,294,181	3,698,347	936,712
Employees contribution	8%	3,915,726	1,835,345	3,874,575	1,316,895
		8,810,383	4,129,526	7,572,922	2,253,607

CONSOLIDATED HALLMARK INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2021

	Group		Company	
	2021 N	2020 N	2021 N	2020 N
21. Taxation				
21.1 Income tax expense				
Income tax	150,936,568	118,569,995	121,207,789	107,182,045
Education tax	7,078,937	18,190,833	7,078,937	18,190,833
Under/(over)provision in previous year	-	-	-	-
	<u>158,015,505</u>	<u>136,760,829</u>	<u>128,286,726</u>	<u>125,372,878</u>
Deferred tax (Note 22)	-	-	-	-
	<u>158,015,505</u>	<u>136,760,829</u>	<u>128,286,726</u>	<u>125,372,878</u>

21.1.1 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	
	2021 N	2020 N	2021 N	2020 N
21.2 Current income tax liabilities				
At 1 January	359,459,121	436,426,812	289,145,971	355,578,462
Payments during the period	(4,829,038)	(124,258,062)	-	(110,780,655)
	<u>354,630,083</u>	<u>312,168,749</u>	<u>289,145,971</u>	<u>244,797,807</u>
Charge for the period	158,015,505	47,290,372	128,286,726	44,348,164
31 MARCH	<u>512,645,588</u>	<u>359,459,121</u>	<u>415,618,972</u>	<u>289,145,971</u>
21.3 Reconciliation of effective tax rate				
Profit after tax	<u>291,451,225</u>	<u>677,982,816</u>	<u>225,660,134</u>	<u>614,805,918</u>
Total income tax expense				
Income	150,936,568	137,577,543	121,207,789	134,635,334
Education	7,078,937	39,510,636	7,078,937	39,510,636
(Over)/under-provision	-	(129,797,807)	-	(129,797,807)
Deferred tax (Note 22)	-	47,291,095	-	47,291,095
	<u>158,015,505</u>	<u>94,581,467</u>	<u>128,286,726</u>	<u>91,639,259</u>
Profit for the period before income tax	<u>449,466,730</u>	<u>772,564,284</u>	<u>353,946,860</u>	<u>706,445,176</u>
Effective tax rate	<u>35%</u>	<u>12%</u>	<u>36%</u>	<u>13%</u>
22 Deferred tax liabilities				
At 1 January	177,878,284	130,587,189	173,040,130	125,749,035
Charge for the period (Note 21.1)	-	47,291,095	-	47,291,095
31 MARCH	<u>177,878,284</u>	<u>177,878,284</u>	<u>173,040,130</u>	<u>173,040,130</u>

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

CONSOLIDATED HALLMARK INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2021

	Group		Company	
	2021	2020	2021	2020
	N	N	N	N
23. Share capital				
Authorised:				
20 billion ordinary shares of 50k each	10,000,000,000	10,000,000,000	10,000,000,000	10,000,000,000
23.1 Issued and fully paid:				
8.130 billion ordinary shares of 50k each				
31 MARCH	5,420,000,000	5,420,000,000	5,420,000,000	5,420,000,000
Opening	5,420,000,000	4,065,000,000	5,420,000,000	4,065,000,000
Addition: Right issue	-	1,016,250,000	-	1,016,250,000
Bonus Issue	-	338,750,000	-	338,750,000
Closing	5,420,000,000	5,420,000,000	5,420,000,000	5,420,000,000

The holder of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at meetings of the Group.

The Company is proposing a bonus issue of 1 for every 15shares from 2019 financials.

	Group		Company	
	2021	2020	2021	2020
24 Share Premium				
Number (units) of shares issued	-	-	-	-
Issue price	-	-	-	-
Opening	168,933,834	155,264,167	168,933,834	155,264,167
Addition	-	40,650,000	-	40,650,000
Issue expenses	-	(26,980,333)	-	(26,980,333)
Share Premium	168,933,834	168,933,834	168,933,834	168,933,834

The share premium arises from the right issue of 2,032,500,000 shares @ the price of 52kobo which is above the nominal value of 50kobo. The excess amount after deducting all charges is stated as share premium

25. Other reserves

25.1. Contingency reserve

At 1 January	2,136,621,663	1,855,299,252	2,136,621,663	1,855,299,252
Transfer from income statement (Note 26)	99,443,452	281,322,411	99,443,452	281,322,411
31 MARCH	2,236,065,115	2,136,621,663	2,236,065,115	2,136,621,663

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. The current year transfer of ₦251,578,419 is based on 3% of total premium.

25.2 Statutory reserve

At 1 January	45,964,378	36,863,982	-	-
Transfer from income statement (Note 26)	5,412,380	9,100,396	-	-
31 MARCH	51,376,757	45,964,378	-	-

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.

26. Retained earnings

At 1 January	550,078,221	501,268,212	400,684,735	405,951,229
Dividend declared and paid in the year based on the previous year published accounts	-	(338,750,000)	-	(338,750,000)
Transfer to contingency reserve (Note 25.1)	(99,443,452)	(281,322,411)	(99,443,452)	(281,322,411)
Transfer from income statement	291,451,225	677,982,816	225,660,134	614,805,918
Transfer to statutory reserve (Note 25.2)	(5,412,380)	(9,100,396)	-	-
31 MARCH	736,673,614	550,078,221	526,901,418	400,684,735

Retained earnings are the carried forward recognised income net of expenses plus current period profit attributable to shareholders.

26.1. Profit before taxation

Profit before taxation is stated after charging/crediting:				
Depreciation of property and equipment	34,765,673	105,295,867	27,715,872	104,049,451
Auditors' remuneration	10,000	11,326,808	10,000	7,326,808
Directors' remuneration:				
- Fees	-	650,000	-	650,000
Profit on disposal of property and equipment	-	-	-	-
Foreign exchange (gains)/loss	5,966,285	(56,648,517)	5,966,285	(56,648,517)

The Auditors, Messrs SIAO Partners did not render any other services to the Group besides Auditing services.

CONSOLIDATED HALLMARK INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2021

27. Gross premium earned analysed as follows:

	<----- 2021 ----->			
	Direct premium N	Inward reinsurance premium N	increase/ decrease in unearned premium N	Gross premium earned N
Fire	375,922,380	1,796,091	(33,117,362)	344,601,109
General accident	515,552,716	3,068,559	(36,935,705)	481,685,571
Motor	810,839,734	6,145,449	(69,622,968)	747,362,215
Aviation	356,660,192	-	(11,075,022)	345,585,170
Oil & Gas	717,602,004	3,772,813	(42,199,399)	679,175,418
Marine	350,574,378	1,337,223	(13,380,452)	338,531,149
Engineering	125,303,859	1,229,500	(13,956,404)	112,576,955
Bond	44,612,522	364,306	(6,879,120)	38,097,708
Company Total	3,297,067,785	17,713,942	(227,166,432)	3,087,615,294
Medical Premium	205,157,212	-	(63,320,448)	141,836,764
GroupTotal	3,502,224,997	17,713,942	(290,486,880)	3,229,452,058

Gross premium earned analysed as follows:

	<----- 2020 ----->			
	Direct premium N	Inward reinsurance premium N	Increase/ decrease in unearned premium N	Gross premium earned N
Fire	393,550,007	7,655,746	(24,295,636)	376,910,116
General accident	638,180,136	4,078,802	(42,546,177)	599,712,761
Motor	749,028,597	10,138,858	(79,584,872)	679,582,584
Aviation	257,865,355	-	(14,970,105)	242,895,250
Oil & Gas	511,392,989	18,492,469	(49,307,646)	480,577,812
Marine	153,831,709	1,208,604	(12,959,721)	142,080,593
Engineering	224,663,526	1,072,751	(25,883,064)	199,853,212
Bond	35,612,832	-	(10,452,780)	25,160,053
Company Total	2,964,125,150	42,647,230	(260,000,000)	2,746,772,381
Medical Premium	106,237,499	-	(47,172,793)	59,064,707
GroupTotal	3,070,362,650	42,647,230	(307,875,468)	2,805,837,088

Group		Company	
2021	2020	2021	2020
N	N	N	N

28. Reinsurance expense

The reinsurance expense is analysed as follows:

Reinsurance premium cost (Note 7.3)	1,025,897,622	781,066,931	1,025,897,622	781,066,931
(Increase)/decrease in prepaid reinsurance	(50,500,500)	207,654,801	(50,500,500)	207,654,801
Reinsurance expense (Note 7.3)	975,397,122	68,246,279	975,397,122	68,246,279

29. Fee and commission

Fire	3,530,181	20,982,978	3,530,181	20,982,978
General accident	10,237,836	2,189,362	10,237,836	2,189,362
Motor	1,084,816	254,509	1,084,816	254,509
Aviation	-	3,087,509	-	3,087,509
Oil & Gas	-	369,988	-	369,988
Marine	(19,389,257)	44,731,310	(19,389,257)	44,731,310
Engineering	3,224,276	12,099,243	3,224,276	12,099,243
Bond	(71,331)	85,752	(71,331)	85,752
	(1,383,480)	83,800,652	(1,383,480)	83,800,652

Movement - Fee and commission

Opening Unearned commission (Note 18.2)	26,383,647	116,900,695	124,470,032	116,900,695
Commission received	31,117,120	83,800,652	31,117,120	83,800,652
Commission earned	1,383,480	(83,800,652)	1,383,480	(83,800,652)
Closing Unearned commission (Note 18.2)	58,884,247	116,900,695	156,970,632	116,900,695

CONSOLIDATED HALLMARK INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2021

	Group		Company	
	Claims expenses 31 MARCH 2021 N	Claims expenses 31 MARCH 2020 N	Claims expenses 31 MARCH 2021 N	Claims expenses 31 MARCH 2020 N
30a Claims expenses				
Claims paid during the year	888,510,179	543,583,346	827,588,441	477,285,088
Opening IBNR and outstanding claims (Note 15.1)	(2,798,868,569)	(1,742,001,381)	(2,798,868,569)	(1,742,001,381)
Closing IBNR and outstanding claims (Note 15.1)	2,825,436,848	1,717,501,381	2,825,436,848	1,717,501,381
Gross claims expenses	915,078,457	519,083,346	854,156,719	452,785,088
Gross claims expenses excluding IBNR				
Claims paid during the year	888,510,179	543,583,346	827,588,441	477,285,088
Opening outstanding claims	(1,896,123,948)	(625,485,061)	(1,896,123,948)	(625,485,061)
Closing outstanding claims (Note 14.1)	1,922,692,228	1,124,479,192	1,922,692,228	1,124,479,192
Gross claims expenses excluding IBNR	915,078,458	1,042,577,477	854,156,720	976,279,219
30b. Claims & IBNR recoverable				
Claims recoverable				
Claims recovered	207,482,279	353,373,468	207,482,279	353,373,468
Opening claims recoverable (Note 7.3)	(2,037,175,388)	(1,668,215,354)	(2,037,175,388)	(1,668,215,354)
Closing claims recoverable	2,046,650,687	1,329,561,766	2,046,650,687	1,329,561,766
Net recoverable	216,957,578	14,719,880	216,957,578	14,719,880
31. Underwriting expenses				
Underwriting expenses- 2021				
	Group		Company	
	Acquisition expenses N	Maintenance expenses N	Acquisition expenses N	Maintenance expenses N
Fire	51,669,951	12,500,713	51,669,951	12,500,713
General accident	72,299,633	20,554,999	72,299,633	20,554,999
Motor	96,699,218	53,629,991	96,699,218	53,629,991
Aviation	63,877,668	37,216,847	63,877,668	37,216,847
Oil & Gas	124,791,150	16,807,151	124,791,150	16,807,151
Marine	45,728,194	11,540,286	45,728,194	11,540,286
Engineering	15,250,403	3,333,180	15,250,403	3,333,180
Bond	813,706	792,938	813,706	792,938
	471,129,924	156,376,105	471,129,923	156,376,105
HMO Acquisition expenses	8,821,161	-	-	-
	479,951,085	156,376,105	471,129,923	156,376,105
Underwriting expenses- 2020				
	Acquisition expenses N	Maintenance expenses N	Acquisition expenses N	Maintenance expenses N
Fire	75,062,606	25,026,159	75,062,606	25,026,159
General accident	104,346,787	50,248,875	104,346,787	50,248,875
Motor	83,282,302	67,922,428	83,282,302	67,922,428
Aviation	32,351,731	9,619,798	32,351,731	9,619,798
Oil & Gas	65,363,095	9,330,494	65,363,095	9,330,494
Marine	27,842,856	(4,377,251)	27,842,856	(4,377,251)
Engineering	40,343,517	12,542,230	40,343,517	12,542,230
Bond	4,938,392	(301,132)	4,938,392	(301,132)
	433,531,287	170,011,601	433,531,287	170,011,601
HMO Acquisition expenses	4,150,002	-	-	-
	437,681,289	170,011,601	433,531,287	170,011,601
Underwriting expenses	Group		Company	
	31 MARCH 2021 N	31 MARCH 2020 N	31 MARCH 2021 N	31 MARCH 2020 N
Acquisition Expenses	479,951,085	437,681,289	471,129,923	433,531,287
Maintenance Expenses	156,376,105	170,011,601	156,376,105	170,011,601
	636,327,189	607,692,890	627,506,028	603,542,888

CONSOLIDATED HALLMARK INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2021

	Group		Company	
	31 MARCH 2021 N	31 MARCH 2020 N	31 MARCH 2021 N	31 MARCH 2020 N
32. Investment income				
Interest received	147,227,298	110,624,107	25,811,190	31,130,582
Interest received on corporate loan	1,830,688	7,325,988	1,830,688	7,325,988
Interest accrued	13,466,411	13,466,411	13,466,411	13,466,411
Amortised gain(loss) on held to maturity (Note 3.4)	80,000,368	88,856,610	80,000,368	88,856,610
Gain on disposal of investment property	-	-	-	-
Rent income on investment properties	1,027,000	1,009,000	1,027,000	1,009,000
Dividend received	41,209,798	3,150,340	41,209,798	3,150,340
	284,761,563	224,432,456	163,345,454	144,938,931
32.1 Investment income				
Investment income attributable to policyholders' fund	80,000,368	88,856,610	80,000,368	88,856,610
Investment income attributable to shareholders' fund	204,761,195	132,170,852	83,345,086	56,082,321
	284,761,563	221,027,462	163,345,454	144,938,931
33. Other operating income				
Profit (Loss) on disposal of property and equipment	736,929	546,182	736,929	546,182
Interest on staff receivables	-	-	-	-
Exchange gain (Note 33.1)	(5,966,285)	60,857,808	(5,966,285)	60,857,808
Other income	24,459,035	5,474,638	-	1,125
	19,229,679	66,878,628	(5,229,355)	61,405,116
33.1 Exchange gain				
Gain on disposal of foreign currency	-	-	-	-
Gain/ (loss) from valuation of closing foreign currency balances	(5,966,285)	60,857,808	(5,966,285)	60,857,808
	(5,966,285)	60,857,808	(5,966,285)	60,857,808
34. Impairment charged				
Cash and cash equivalent (Note 2.2)	-	-	-	-
Loans and receivables (Note 3.2)	(1,816,417)	(1,208,594)	-	-
Finance Lease receivable (Note 5.1)	-	(1,695,023)	-	-
Trade receivables (Note 6.1)	-	-	-	-
Other receivables (Note 9)	-	-	-	-
Inventories (Note 11)	-	-	-	-
	(1,816,417)	(2,903,617)	-	-
Impairment no longer required				
Loans and receivables (Note 3.2.4)	-	-	-	20,086,418
Trade receivables (Note 6.1)	-	-	-	-
Other receivables (Note 9)	-	-	-	-
Inventories (Note 11)	-	-	-	-
Finance Lease receivable (Note 5.2)	-	-	-	-
	-	-	-	20,086,418
Impairment (charge)/write back	(1,816,417)	(2,903,617)	-	20,086,418

CONSOLIDATED HALLMARK INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2021

	Group		Company	
	31 MARCH 2021 N	31 MARCH 2020 N	31 MARCH 2021 N	31 MARCH 2020 N
35. Net fair value gain (loss) at fair value through profit or loss				
Financial assets at fair value through profit or loss	(61,386,603)	36,499,108	(61,526,603)	34,004,613
Investment property (Note 12.0)	-	-	-	-
Others	-	-	-	-
Fair value gains/(loss)	(61,386,603)	36,499,108	(61,526,603)	34,004,613

This represents increase in the value of financial assets and investment properties at fair value through profit or loss during the year.

35a Financial Asset at fair value through profit or loss (Note 3.1)				
Opening balance	59,106,429	(13,214,626)	61,222,604	(12,308,371)
Addition charged to profit or loss	(61,386,603)	72,321,055	(61,526,603)	73,530,975
Disposal	-	-	-	-
Closing balance	(2,280,174)	59,106,429	(303,999)	61,222,604

36. Operating & Administrative expenses

Employee cost (Note 36)	221,023,748	186,670,418	153,089,766	159,178,048
Rent, insurance and maintenance	66,663,019	66,514,659	55,706,351	63,215,286
Depreciation of property and equipment	34,765,673	32,188,568	27,715,872	24,707,090
Auditors' remuneration	10,000	3,826,808	10,000	3,826,808
Directors' remuneration:	-	-	-	-
- Fees	-	650,000	-	650,000
- Allowance & Expenses	6,100,150	4,725,180	5,460,000	2,441,650
Professional charges**	91,108,461	77,141,677	90,617,463	76,650,678
Printing and telecommunication	13,386,034	12,101,650	8,808,691	9,267,607
Advertising	113,381,366	151,195,401	111,897,637	149,711,672
Travelling and motor vehicle expenses	29,017,604	30,371,064	21,040,875	19,958,380
Rates, Insurance levy and utilities	88,458,403	79,708,897	84,541,645	76,402,026
Information Technology (note 20)	-	-	-	-
Office running and bank charges	19,582,976	13,417,133	8,748,451	8,130,628
Donation	10,850,295	14,380,229	10,840,295	14,370,229
Office security expenses	8,969,128	10,137,871	7,769,128	10,137,871
Brand management	463,100	3,147,313	463,100	3,147,313
Legal and Filing fees	5,764,924	7,691,785	2,062,886	4,197,470
Penalty	-	628,961	-	628,961
	709,544,881	694,497,615	588,772,159	626,621,716

**Included in professional Charges were expenses incurred for the purpose of increasing the authorised share capital from 5billion naira to 7.5 billion naira.

	Group		Company	
	31 MARCH 2021 N	31 MARCH 2020 N	31 MARCH 2021 N	31 MARCH 2020 N
36a Employee cost				
Wages and salaries	189,871,634	147,798,409	127,568,081	121,574,589
Medical	10,189,002	9,343,850	8,998,811	9,153,658
Staff training	5,102,523	18,309,592	4,530,523	17,737,592
Defined contribution pension plan (Note 17)	15,860,590	11,218,568	11,992,353	10,712,209
	221,023,748	186,670,418	153,089,766	159,178,048

36b Chairman's and Directors' emoluments, pensions and compensation for loss of office

Emoluments:				
Chairman	750,000	750,000	750,000	750,000
Other Directors	4,962,500	4,962,500	4,962,500	4,962,500
Other emolument of executives	16,320,000	16,320,000	16,320,000	16,320,000
Emolument of highest paid Director	12,000,000	12,000,000	12,000,000	12,000,000

CONSOLIDATED HALLMARK INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2021

37. Basic/diluted earnings per share

Profit/(loss) after taxation	291,451,225	209,509,569	225,660,134	220,588,045
Number of shares	8,130,000,000	8,130,000,000	8,130,000,000	8,130,000,000
Movement in Numbers of Share Capital				
Opening	8,130,000,000	8,130,000,000	8,130,000,000	8,130,000,000
Right issue	-	-	-	-
Private placement	-	-	-	-
Closing	8,130,000,000	8,130,000,000	8,130,000,000	8,130,000,000
Weighted Average nos of share				
Opening	8,130,000,000	8,130,000,000	8,130,000,000	8,130,000,000
Right issue (full year)	-	-	-	-
Private placement	-	-	-	-
Weighted Average nos of share	8,130,000,000	8,130,000,000	8,130,000,000	8,130,000,000
Basic/diluted earnings per share (kobo)	3.58	2.58	2.78	2.71

Earnings/(loss) per share have been computed on profit/(loss) after taxation attributable to ordinary shareholders and divided by the number of shares at 50k ordinary shares in issue at year end.

38 Reconciliation of net cashflow from operating activities

	Group		Company	
	31 MARCH 2021	31 MARCH 2020	31 MARCH 2021	31 MARCH 2020
Profit before tax	449,466,730	346,270,397	353,946,860	345,960,923
Adjustment for the following:				
Add, Depreciation & amortisation other non cash transaction	34,765,673	32,188,568	27,715,872	24,707,090
Net fair value loss on financial assets at fair value through profit or loss	(61,386,603)	36,499,108	(61,526,603)	34,004,613
Less :				
Profit /Loss on disposal	(736,929)	(546,182)	(736,929)	(546,182)
Investment income	(243,551,765)	(217,877,123)	(122,135,657)	(141,788,591)
Dividend received	(41,209,798)	(3,150,340)	(41,209,798)	(3,150,340)
Impairment	1,816,417	2,903,617	-	-
	139,163,724	196,288,045	156,053,745	259,187,513
Changes in working capital:				
Increase(decrease) in trade receivable	(194,646,655)	(278,347,323)	(121,613,899)	(284,686,220)
Increase(decrease) in reinsurance assets	73,563,485	540,909,371	73,563,485	540,909,371
Increase(decrease) in deferred acquisition	(2,237,510)	(29,250,801)	6,084,586	(25,000,000)
Increase(decrease) in other receivable	(109,617,598)	(29,526,762)	(121,886,308)	(61,358,420)
Increase(decrease) in finance lease receivable	(134,861,771)	18,911,669	-	-
Increase(decrease) in inventory	878,274	(12,652,093)	30,480,413	-
Increase(decrease) in trade payable	28,522,630	18,393,382	28,522,630	18,393,382
Increase(decrease) in Borrowing	57,787	1,112,448	-	-
Increase(decrease) in insurance contract liabilit	313,819,164	283,375,468	253,734,711	235,500,000
Increase(decrease) in provision & other payable	66,680,017	(81,838,213)	24,755,893	(51,840,975)
Increase(decrease) in retirement benefits	4,680,857	(625,759)	5,319,315	(90,183)
Tax paid	(4,829,038)	(37,458,149)	-	(45,900,961)
	181,173,366	589,291,284	335,014,571	585,113,507

CONSOLIDATED HALLMARK INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2021

	Group		Company	
	2021	2020	2021	2020
	Number	Number	Number	Number
39. Staff				
Average number of persons employed in the financial year were as follows:				
Managerial	36	33	31	28
Senior staff	131	126	117	112
Junior staff	21	33	14	26
	188	192	162	166
39a. The number of Directors excluding the Chairman whose emoluments were within the following ranges were:				
	N	N		
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	10	10	10	10
Emolument				
Number of Directors who have waived their rights to receive emoluments	Nil	Nil	Nil	Nil
39b. Employees remunerated at higher rates				
The number of employees in respect of emoluments within the following ranges were:				
	N	N		
200,001 - 300,000	7	7	6	6
300,001 - 400,000	30	30	26	30
400,001 - 500,000	29	29	29	29
500,001 - 600,000	14	14	14	14
600,001 - 700,000	2	2	2	2
700,001 - 800,000	11	11	11	11
800,001 - 900,000	15	15	13	13
900,001 - 1,000,000	7	7	5	5
1,000,001 and above	73	77	56	56
	188	192	162	166
40a. Capital commitments				
There were no capital commitments as at 30 September 2020.				
40b. Contingent liabilities				
There no contingent liability against Consolidated Hallmark Insurance as at 30 March 2021.				
41. Comparative figures				
Where necessary, comparative figures have been adjusted to conform with changes in presentation of the current year in accordance with the International Accounting Standards (IAS 1).				

CONSOLIDATED HALLMARK INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2021

42. Segment Information

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

The Group is organized into two operating segments, these segments and their respective operations are as follows:

General Insurance Business & HMO: This segment provides cover for indemnifying customers' properties, and compensation for other parties that have suffered damage as a result of customers' accidents. Major sources of revenue in this segment are mainly from insurance premium, investment income, commission received, net fair value gains on financial assets at fair value through profit or loss.

CHI Capital Ltd: This is a subsidiary of Consolidated Hallmark Insurance Plc. The company is registered by CAC to offer consumer leasing and support services to Consolidated Hallmark Insurance Plc (the parent company). In addition, it owns Grand Treasurers Ltd. In 2019, CHI Capital Ltd transferred 100% of its interest in Grand Treasurers Ltd to Consolidated Hallmark Insurance Plc. Grand Treasurers Ltd is registered by CBN to offer wide range financial services and products domestically to suit customer's long- and short-term financial needs. These products include L.P.O financing, Consumer Lease, Working Capital financing, Auto lease, Project financing and intermediation and Financial Management Consultancy Services. Revenue from this segment is derived primarily from interest income, fee income, investment income and net fair value gains on financial assets at fair value through profit and loss.

Segment information by company and subsidiaries:

	General Insurance & HMO N	Finance and support services N	Elimination N	Total N
At MARCH 2021				
Operating income	1,033,872,933	125,138,678	-	1,159,011,611
Operating expenses	(641,178,716)	(68,366,164)	-	(709,544,880)
Operating profit	392,694,216	56,772,514	-	449,466,730
Taxation	(140,243,513)	(17,771,993)	-	(158,015,505)
Profit for the period	252,450,703	39,000,521	-	291,451,225
Total assets	15,611,871,449	1,491,058,889	(1,933,191,360)	15,169,738,977
Total liabilities	6,572,773,137	787,107,882	(803,191,360)	6,556,689,659
Share capital and reserves	9,039,098,313	703,951,008	(1,130,000,000)	8,613,049,320
Depreciation	27,715,872	11,758,839	-	39,474,711
ROCE	4%	8%	-	5%
At 31 December 2020				
Operating income	974,233,982	66,534,029	-	1,040,768,011
Operating expenses	(659,734,088)	(34,763,527)	-	(694,497,615)
Operating profit	314,499,895	31,770,502	-	346,270,397
Taxation	(125,372,878)	(11,387,950)	-	(136,760,828)
Profit for the period	189,127,017	20,382,552	-	209,509,568
Total assets	12,110,457,390	1,046,654,698	(1,415,288,797)	11,741,823,291
Total liabilities	5,088,392,187	425,024,286	(385,288,797)	5,128,127,676
Share capital and reserves	7,022,065,201	621,630,412	(1,030,000,000)	6,613,695,614
Depreciation	24,707,090	7,481,477	-	32,188,568
ROCE	4%	4%	0%	5%

CONSOLIDATED HALLMARK INSURANCE PLC
APPENDIX 1
REVENUE ACCOUNT
FOR THE PERIOD ENDED 31 MARCH 2021

	Motor N	Fire N	Bond N	Gen. Accident N	Marine N	Aviation N	Oil & Gas N	Engineering N	2021 Total N	2020 Total N
Income										
Direct premium	810,839,734	375,922,380	44,612,522	515,552,716	350,574,378	356,660,192	717,602,004	125,303,859	3,297,067,785	2,964,125,150
Inward reinsurance premium	6,145,449	1,796,091	364,306	3,068,559	1,337,223	-	3,772,813	1,229,500	17,713,942	42,647,230
Gross written premium	816,985,183	377,718,471	44,976,828	518,621,275	351,911,601	356,660,192	721,374,817	126,533,359	3,314,781,726	3,006,772,381
(Increase)/decrease in unexpired premium reserve	(69,622,968)	(33,117,362)	(6,879,120)	(36,935,705)	(13,380,452)	(11,075,022)	(42,199,399)	(13,956,404)	(227,166,432)	(260,000,000)
Gross premium earned	747,362,215	344,601,109	38,097,708	481,685,570	338,531,148	345,585,170	679,175,418	112,576,956	3,087,615,294	2,746,772,381
Deduct:										
Outward reinsurance premiums (Increase)/decrease in prepaid reinsurance	(7,480,890)	(114,902,811)	(25,024,601)	(148,604,048)	(129,389,296)	(178,353,031)	(369,751,145)	(52,391,800)	(1,025,897,622)	(781,066,931)
Reinsurance cost	(7,416,814)	(106,384,462)	(24,316,371)	(139,020,755)	(125,383,121)	(173,211,282)	(351,977,060)	(47,687,256)	(975,397,122)	(988,721,731)
	(63,754,814)	(312,623,067)	(5,698,147)	(789,640,629)	(232,907,296)	(789,640,629)	(789,640,629)	(63,542,807)	(2,139,694,818)	(2,139,694,818)
Net premium earned	739,945,400	238,216,647	13,781,337	342,664,815	213,148,027	172,373,887	327,198,358	64,889,700	2,112,218,172	1,758,050,649
Commission received (Increase)/decrease in unearned commission	1,309,156	3,903,783	14,669	10,524,541	8,777,515	-	-	6,587,457	31,117,120	83,800,652
	(224,340)	(373,602)	(86,000)	(286,705)	(28,166,772)	-	-	(3,363,181)	(32,500,600)	-
Total Income	741,030,216	241,746,827	13,710,007	352,902,651	193,758,770	172,373,887	327,198,358	68,113,976	2,110,834,692	1,841,851,302
Gross Claims Paid	(294,940,147)	(23,488,620)	-	(323,234,033)	(50,695,760)	(7,914,492)	(112,512,658)	(14,802,731)	(827,588,441)	(477,285,088)
(Increase)/decrease in outstanding claims provision	(13,024,047)	(12,990,709)	8,780,635	(51,540,483)	43,643,935	-	(737,681)	(699,929)	(26,568,279)	24,500,000
Gross claims incurred	(307,964,194)	(36,479,329)	8,780,635	(374,774,517)	(7,051,825)	(7,914,491)	(113,250,340)	(15,502,659)	(854,156,720)	(452,785,088)
Reinsurance claims recovery (Increase)/decrease in reinsurance recoveries	15,117,021	(60,004,963)	225,563	144,614,540	9,372,010	206,310,548	-	25,386,845	341,021,564	353,373,468
	-	12,417,501	(6,000)	43,205,190	(19,680,140)	(160,425,000)	-	424,464	(124,063,985)	(338,653,588)
Net claims incurred	(292,847,173)	(84,066,791)	9,000,198	(186,954,787)	(17,359,956)	37,971,057	(113,250,340)	10,308,649	(637,199,141)	(438,065,209)
Acquisition expenses (Increase)/decrease in commission expenses	(95,361,934)	(50,565,063)	(584,880)	(71,206,130)	(45,276,211)	(63,580,266)	(123,685,660)	(14,785,194)	(465,045,337)	(458,531,286)
Maintenance/operating expenses	(1,337,284)	(1,104,888)	(228,826)	(1,093,503)	(451,982)	(297,403)	(1,105,491)	(465,210)	(6,084,586)	25,000,000
	(53,629,991)	(12,500,713)	(792,938)	(20,554,999)	(11,540,286)	(37,216,847)	(16,807,151)	(3,333,180)	(156,376,105)	(170,011,601)
Total expenses	(443,176,382)	(148,237,455)	7,393,553	(279,809,420)	(74,628,434)	(63,123,459)	(254,848,641)	(8,274,934)	(1,264,705,170)	(1,041,608,097)
Underwriting profit/(loss)	297,853,834	93,509,371	21,103,559	73,093,231	119,130,336	109,250,428	72,349,717	59,839,042	846,129,522	800,243,204