

**CONSOLIDATED HALLMARK INSURANCE PLC
AND SUBSIDIARY COMPANIES**

COMPANY RC:168762

INTERIM FINANCIAL STATEMENT

FOR THE PERIOD ENDED 30 SEPTEMBER 2021

INDEX

Statement of Accounting Policies

Statement of Financial Position

Statement of Comprehensive Income

Revenue Accounts

Statement of Cash Flows

Notes on the Accounts

Additional Information/Disclosure Requirement

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 **30 SEPTEMBER 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.

**CONSOLIDATED HALLMARK INSURANCE PLC AND SUBSIDIARY COMPANIES
INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2021**

Hypothetical Case on Free Float Computation								
Directors	Direct	Indirect	Total	September 30, 2020	Direct	Indirect	Total	September 30, 2021
	As at September 2020	As at September 2020	As at September 2020	% of Holding	As at September 2021	As at September 2021	As at September 2021	% of Holding
Issued Share Capital			10,840,000,000	100%			10,840,000,000	100%
Mr. Obinna Ekezie	-	526,537,893	526,537,893	4.86%	-	526,537,893	526,537,893	4.86%
Mrs. Adebola Odukale	-	1,151,979,358	1,151,979,358	10.63%		1,151,979,358	1,151,979,358	10.63%
Mr. Eddie Efekoha	1,040,000,000	586,798,809	1,626,798,809	15.01%	1,040,000,000	586,798,809	1,626,798,809	15.01%
Mrs. Ngozi Nkem	277,333,333	659,326,671	936,660,004	8.64%	277,333,333	659,326,671	936,660,004	8.64%
Dr. Layi Fatona		2,818,442,750	2,818,442,750	26.00%		2,818,442,750	2,818,442,750	26.00%
			7,060,418,814	65.13%	1,317,333,333	5,743,085,481	7,060,418,814	65.13%
Directors' Shareholdings (direct and indirect), excluding directors with substantial interests								
Mr. Babatunde Daramola	26,834,481		26,834,481	0.25%	26,834,481		26,834,481	0.25%
Mrs. Mary Adeyanju	33,953,777		33,953,777	0.31%	33,953,777		33,953,777	0.31%
Prince Ben Onuora	43,655,598		43,655,598	0.40%	43,655,598		43,655,598	0.40%
			104,443,856	0.96%			104,443,856	0.96%
Other Influential Shareholdings			-				-	
Free Float in Units and Percentage			3,675,137,330	33.90%			3,675,137,330	33.90%
Free Float in Value			1,837,568,665.00				1,837,568,665	
(A) CONSOLIDATED HALLMARK INSURANCE Plc with a free float percentage of 33.90% as at 30 September 2021, is compliant with The Exchange's free float requirements for companies listed on the Main Board.								
(B) CONSOLIDATED HALLMARK INSURANCE Plc with a free float value of N1,837,568,665 as at 30 September 2021, is compliant with The Exchange's free float requirements for companies listed on the Main Board.								

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 three 2021, The company has fully adjusted to a mix of staff working from the office and some working remotely. The Marketing and Operations staff have fully resumed.

Subsidiaries;

CHI Microinsurance Limited

CHI Microinsurance Limited is a fully owned subsidiary of Consolidated Hallmark Insurance Plc, incorporated in 2016 and licensed by NAICOM in 2021 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.

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.

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.

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 30th of September 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 30 September 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.

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

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, Grand Treasurers Ltd, 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 (note15.). 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 30 September 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.

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 1,192,337,470 as at the quarter ended 30 September 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: ₦ 94,673,482.

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: ₦ 82,109,830.94

Disposal of Property, Plant and Equipment during the period was: ₦ 18,060,744.54

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

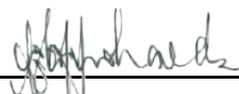
CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE PERIOD ENDED 30 SEPTEMBER 2021

	Notes	Group	
		30 September 2021 N	31 December 2020 N
Assets			
Cash and cash equivalents	2.0	2,803,898,295	3,173,916,076
Financial assets:			
-At fair value through profit or loss	3.1	1,016,339,904	778,767,398
-Loans and receivables	3.2	1,500,801,266	947,576,589
-Available for sale assets	3.3	72,348,451	72,348,451
-Held to maturity	3.4	2,770,659,788	2,629,694,266
Finance lease receivables	5.0	196,522,229	86,247,031
Trade receivables	6.0	559,842,056	607,688,316
Reinsurance assets	7.0	3,347,201,298	3,018,080,617
Deferred acquisition cost	8.0	352,902,913	355,066,148
Other receivables & prepayments	9.0	245,271,486	129,353,111
Intangible Assets	11.0	32,128,645	36,574,657
Investment properties	12.0	1,192,337,470	1,042,487,470
Property and equipment	13.0	1,009,008,074	1,021,572,225
Right-of-Use of Assets (Leased Assets)	13.3	7,304,382	9,968,479
Statutory deposits	14.0	402,000,000	402,000,000
Total assets		15,508,566,257	14,311,340,834
Liabilities			
Insurance contract liabilities	15.0	5,684,732,367	5,208,233,152
Trade payables	16.0	30,871,753	13,972,733
Borrowing	17.0	114,158,808	5,013,052
Other payables and provision	18.0	327,820,416	221,056,870
Retirement benefit obligations	19.0	8,901,327	4,129,526
Income tax liabilities	21.0	507,139,295	359,459,121
Deferred tax liabilities	22.0	196,325,209	177,878,284
Total liabilities		6,869,949,175	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	2,375,879,385	2,136,621,663
Statutory reserve	25.2	68,558,208	45,964,378
Retained earnings	26.0	605,245,655	550,078,221
Total equity and reserves		8,638,617,082	8,321,598,096
Total liabilities and equity and reserves		15,508,566,257	14,311,340,834

The consolidated financial statements were approved by the Board of Directors on 28 October, 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 - September 2021

	Notes	Group			
		30 September 2021 N	JULY- SEPT. 2021 N	30 September 2020 N	JULY- SEPT. 2020 N
Gross premium written		8,356,056,920	2,270,706,670	7,556,862,931	2,222,111,225
Gross premium income	27.00	7,952,569,063	2,176,661,620	7,420,178,400	2,358,498,806
Reinsurance premium expenses	28.00	(3,348,939,587)	(895,081,390)	(2,908,239,815)	(774,726,246)
Net premium income		4,603,629,476	1,281,580,230	4,511,938,586	1,583,772,560
Fee and commission income	29.00	212,714,703	178,055,679	369,075,704	139,765,039
Net underwriting income		4,816,344,179	1,459,635,908	4,881,014,289	1,723,537,599
Claims expenses	30a	(2,750,152,883)	(433,012,063)	(2,814,721,932)	(1,755,949,794)
Claims recoveries from reinsurers	30b	1,084,697,909	(199,386,669)	1,029,042,863	967,881,834
Claims incurred		(1,665,454,974)	(632,398,732)	(1,785,679,069)	(788,067,961)
Underwriting expenses		(1,637,302,755)	(589,070,682)	(1,535,232,670)	(478,716,315)
Underwriting profit		1,513,586,450	238,166,495	1,560,102,550	456,753,321
Investment income	32.00	868,288,113	295,199,059	660,674,243	216,147,618
Other operating income	33.00	293,273,115	164,225,287	92,183,008	24,642,807
Impairment (charge)/write back	34.00	(10,495,132)	4,604,030	(3,369,698)	(317,741)
Net fair value gains on financial assets at fair value through profit or loss	35.00	(135,573,512)	(18,953,453)	14,493,290	12,436,363
Management expenses	36.00	(1,759,551,623)	(518,836,986)	(1,651,957,793)	(481,966,378)
Profit before taxation		769,527,411	164,404,432	672,125,600	227,695,991
Income tax expense	20.10	(235,081,284)	(66,438,781)	(215,860,388)	(66,827,481)
Profit after taxation		534,446,127	97,965,651	456,265,212	160,868,510
Total comprehensive income for the year		534,446,127	97,965,651	456,265,212	160,868,510
Profit attributable to:		-	-	-	-
Equity holders of the parents'		534,446,127	97,965,651	456,265,212	160,868,510
Profit transferred to revenue reserve		534,446,127	97,965,651	456,265,212	160,868,510
Basic and diluted earnings per share (Kobo)	37.00	5.26		5.32	

CONSOLIDATED HALLMARK INSURANCE PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 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	-	-	-	-	456,265,214	456,265,214
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	456,265,214	456,265,214
Transactions with owners:						
Transfer within reserves	-	-	219,817,059	12,693,538	(232,510,597)	-
Addition	1,016,250,000	13,669,667	-	-	-	1,029,919,667
Dividends relating to prior periods paid during the period	-	-	-	-	-	-
Non-controlling interest arising on business combination	-	-	-	-	-	-
Contribution by and to owners of the business	1,016,250,000	13,669,667	219,817,059	12,693,538	(232,510,597)	1,029,919,667
At September 2020	<u>5,081,250,000</u>	<u>168,933,834</u>	<u>2,075,116,310</u>	<u>49,557,521</u>	<u>725,022,829</u>	<u>8,099,880,494</u>
At 1 January 2021	<u>5,420,000,000</u>	<u>168,933,834</u>	<u>2,136,621,663</u>	<u>45,964,378</u>	<u>550,078,221</u>	<u>8,321,598,095</u>
Changes in equity for 2021:						
Profit for the period	-	-	-	-	534,446,127	534,446,127
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	534,446,127	534,446,127
Transactions with owners:						
Transfer within reserves	-	-	239,257,722	22,593,830	(261,851,552)	1
Addition	-	-	-	-	(627,091)	(627,091)
Dividends relating to prior periods paid during the march	-	-	-	-	(216,800,050)	(216,800,050)
Non-controlling interest arising on business combination	-	-	-	-	-	-
Contribution by and to owners of the business	-	-	239,257,722	22,593,830	(479,278,693)	(217,427,141)
At September 2021	<u>5,420,000,000</u>	<u>168,933,834</u>	<u>2,375,879,385</u>	<u>68,558,208</u>	<u>605,245,655</u>	<u>8,638,617,082</u>

CONSOLIDATED HALLMARK INSURANCE PLC

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2021

	Notes	Group	
		30 September 2021 N	30 September 2020 N
Cash flows from operating activities			
Premium received from policy holders	6.1	8,403,903,180	7,443,306,532
Reinsurance receipts in respect of claims		980,163,491	1,085,889,061
Commission received	29	245,215,303	324,050,183
Other operating receipts	33	293,273,115	92,183,008
Cash paid to and on behalf of employees	36a	(557,885,814)	(587,078,278)
Reinsurance premium paid	16	(3,544,765,067)	(2,622,936,638)
Claims paid	30a	(2,702,811,644)	(2,262,918,776)
Commission expenses	8	(1,068,316,793)	(1,092,482,388)
Maintenance expenses	31	(546,023,516)	(467,750,281)
Other operating cash payments		(1,275,103,856)	(1,084,607,614)
Company income tax paid	21.2	(68,954,185)	(134,042,594)
Net cash (used in)/ from operating activities		228,694,213	693,612,213
Cash flows from investing activities			
Purchase of property and equipment	13	(82,109,831)	(131,025,221)
Purchase of intangible asset	11	(2,695,142)	(21,448,064)
Fair value change and additions to investment properties	12	(231,850,000)	(1,921,000)
Proceeds from sale of Investment properties		(0.17)	-
Increase in investment in subsidiaries	10.	-	-
Proceeds from sale of property and equipment	13	3,806,929	546,182
Purchase of financial assets		(1,279,855,431)	(3,208,386,785)
Proceeds from sale of financial assets		233,357,664	3,227,917,564
Dividend received	32	86,094,735	23,741,997
Rental Income received	32	6,498,667	2,866,333
Interest received	32	775,694,711	634,065,913
Net cash from investing activities		(491,057,699)	526,356,918
Cash flows from financing activities			
Proceeds on private placemant		-	1,029,919,667
Proceeds from borrowing	23.1	109,087,970	2,000,000
Payment on borrowing (principal & Interest)	17	57,786	(6,876,412)
Refund of excess on right issue	17	-	-
Dividend paid	17	(216,800,050)	-
Net cash used in financing activities		(107,654,294)	1,025,043,255
Increase in cash and cash equivalents		(370,017,780)	2,245,012,387
Cash and cash equivalents at beginning		3,266,638,999	1,810,591,031
Cash and cash equivalent at the end	2	2,896,621,219	4,055,603,418

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 30 SEPTEMBER 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	
	30 September 2021 N	December 2020 N	30 September 2021 N	December 2020 N
2. Cash and cash equivalents				
Cash in hand	14,859,900	10,950,034	14,859,900	10,950,034
Balance with banks	663,274,663	830,541,720	217,100,845	246,595,444
Call deposits	6,743,928	6,733,226	6,743,928	6,733,226
Fixed deposits (Note 2.1)	2,211,742,727	2,418,414,019	2,078,571,368	2,003,757,758
	<u>2,896,621,218</u>	<u>3,266,638,999</u>	<u>2,317,276,041</u>	<u>2,268,036,462</u>
Impairment charge (Note 2.2)	(92,722,923)	(92,722,923)	(92,722,923)	(92,722,923)
	<u>2,803,898,295</u>	<u>3,173,916,076</u>	<u>2,224,553,118</u>	<u>2,175,313,539</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 September 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)	1,016,339,904	778,767,398	1,005,740,170	772,258,498
Loans and receivables measured at amortised cost (Note 3.2)	1,500,801,266	947,576,589	215,872,512	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)	2,770,659,788	2,629,694,266	2,610,037,448	2,629,694,266
	<u>5,360,149,409</u>	<u>4,428,386,705</u>	<u>3,901,798,581</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	1,279,855,431	3,621,794,202	397,162,184	3,045,233,034
Disposal	(500,069,284)	(3,780,713,162)	(281,980,539)	(3,417,441,302)
Interest Capitalised	238,938,772	348,883,834	238,938,772	348,883,834
Impairment (loss)/gain	(10,495,132)	(31,537,233)	-	-
Fair value gains/(loss)	(76,467,083)	72,321,055	(135,468,512)	73,530,975
Closing	<u>5,360,149,409</u>	<u>4,428,386,705</u>	<u>3,901,798,581</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	373,146,018	366,182,963	368,950,184	366,182,963
Disposals	-	(2,200,000)	-	-
	<u>1,092,806,987</u>	<u>719,660,969</u>	<u>1,079,986,078</u>	<u>711,035,894</u>
Fair value gains/(loss) (Note 35a)	(76,467,083)	59,106,429	(74,245,908)	61,222,604
At September 2021	<u>1,016,339,904</u>	<u>778,767,398</u>	<u>1,005,740,170</u>	<u>772,258,498</u>
Current	1,016,339,904	778,707,398	1,005,740,170	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 30 SEPTEMBER 2021

	Group		Company	
	30 September 2021 N	December 2020 N	30 September 2021 N	December 2020 N
3.2 Loans and receivables				
Staff loans (Note 3.2.1a)	215,872,512	211,045,461	215,872,512	211,045,461
Loan issued to corporate individuals (Note 3.2.1b)	1,284,928,753	736,531,128	-	-
	1,500,801,265	947,576,589	215,872,512	211,045,461
Current	1,472,430,701	879,951,759	112,672,482	125,430,626
Non Current	28,370,564	67,624,830	103,200,030	85,614,835
3.2.1a Staff loans				
At 1 January	211,045,461	253,829,118	211,045,461	253,829,118
Addition	28,212,000	6,944,132	28,212,000	6,944,132
Repayment	(23,384,949)	(49,727,789)	(23,384,949)	(49,727,789)
	215,872,512	211,045,461	215,872,512	211,045,461
3.2.1b Loan issued to corporate / individuals				
At 1 January	859,784,377	503,095,920	-	95,872,269
Addition	717,875,074	634,718,432	-	60,357,265
Bad debts written off	-	(69,402,989)	-	-
Repayment	(167,661,032)	(208,626,986)	-	(86,826,546)
	1,409,998,419	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	1,284,928,753	736,531,128	-	-
3.2.2 Analysis by performance:				
Performing (Note 3.2)	1,500,801,265	947,576,589	215,872,512	211,045,461
Non-performing (Note 3.2.4)	125,069,666	123,253,249	-	69,402,989
	1,625,870,931	1,070,829,838	215,872,512	280,448,450
3.2.3 Analysis by maturity:				
Due within one year	1,472,430,701	879,951,758	112,672,482	125,430,626
Due within one - five years	153,440,230	190,878,080	103,200,030	85,614,835
Due after five years	-	-	-	69,402,989
	1,625,870,931	1,070,829,838	215,872,512	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 30 SEPTEMBER 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	
	30 September 2021 N	31 December 2020 N	30 September 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	160,622,340	2,611,748,674	-	2,611,748,674
	2,790,316,606	5,800,968,819	2,629,694,266	5,561,697,400
Disposal	(258,595,590)	(3,268,303,680)	(258,595,590)	(3,029,032,261)
Interest received	-	(251,854,707)	-	(251,854,707)
Amortised interest	238,938,772	348,883,834	238,938,772	348,883,834
At the end	2,770,659,788	2,629,694,266	2,610,037,448	2,629,694,266
a) Held to maturity assets are analysed as follows:				
Debts securities				
Listed	2,770,659,788	2,629,694,266	2,610,037,448	2,629,694,266
Unlisted	-	-	-	-
At the end	2,770,659,788	2,629,694,266	2,610,037,448	2,629,694,266
Current	-	340,163,934	-	340,163,934
Non-current	2,770,659,788	2,289,530,332	2,610,037,448	2,289,530,332
	2,770,659,788	2,629,694,266	2,610,037,448	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	-	-	-	-
FCMB NGN SERIES 2 BOND 2015/2020	-	-	-	-
FCMB NGN SERIES 3 BOND 2016/2023	50,388,158	56,851,001	50,388,158	56,851,001
C&I LEASING SERIES 1 BOND 2018/2023	27,946,141	29,303,395	27,946,141	29,303,395
LAPO MFB SERIES 2 BOND 2020/2025	200,040,677	206,594,101	200,040,677	206,594,101
DANGOTE BOND SERIES 1 2020/2025	111,579,798	108,270,125	111,579,798	108,270,125
AXXELA SERIES 1 BOND 2020/2027	104,936,438	101,332,055	104,936,438	101,332,055
FGN BOND (2020/2050) CORDROS	222,335,861	215,654,604	222,335,861	215,654,604
FGN BOND (2020/2050) PLANET CAPITAL	119,832,855	116,173,128	119,832,855	116,173,128
FGN BOND (2020/2024) MERISTEM	424,888,703	425,642,284	424,888,703	425,642,284
FGN BOND (2020/2035) PLANET CAPITAL	105,455,601	101,905,302	105,455,601	101,905,302
FGN BOND (2020/2037) PLANET CAPITAL	256,332,039	244,616,317	256,332,039	244,616,317
8.625% FBN EUROBOND (2020/2050) FIRST ALLY	346,732,914	326,192,176	346,732,914	326,192,176
COMMERCIAL PAPER (Note 4)	464,066,728	356,995,844	464,066,728	356,995,844
ACCESS BANK COMMERCIAL PAPER	-	340,163,934	-	340,163,934
TREASURY BILLS 9.5% APRIL 28,2021 MERISTEM	-	-	-	-
WEALTH MANAGEMENT LTD - 364 DAYS	52,073,163	-	52,073,163	-
TREASURY BILLS 9.75% APRIL 28,2021 APEL ASSET LIMITED - 364 DAYS	123,428,372	-	123,428,372	-
Subsidiary treasury bills	160,622,339	-	-	-
At the end	2,770,659,788	2,629,694,266	2,610,037,448	2,629,694,266
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 FMDQ.				
5. Finance lease receivables				
At 1 January	109,262,041	123,967,520	-	-
Addition	134,861,770	158,460,731	-	-
Repayment	(16,526,550)	(173,166,210)	-	-
Gross investment	227,597,261	109,262,041	-	-
Unearned income	-	-	-	-
Net investment (Note 5.1)	227,597,261	109,262,041	-	-
Impairment on finance lease receivables (Note 5.2)	(31,075,032)	(23,015,010)	-	-
At the end	196,522,229	86,247,031	-	-
5.1 Current	131,436,168	109,262,041	-	-
Non-current	96,161,093	-	-	-

CONSOLIDATED HALLMARK INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2021

Analysis by performance

Performing	196,522,229	86,247,031	-	-
Non-performing	31,075,032	23,015,010	-	-
	<u>227,597,261</u>	<u>109,262,041</u>	<u>-</u>	<u>-</u>

Analysis by maturity

Due within one year	131,436,168	109,262,041	-	-
Due between one - five years	96,161,093	-	-	-
	<u>227,597,261</u>	<u>109,262,041</u>	<u>-</u>	<u>-</u>

5.2 Movement in impairment - finance lease receivables:

At 1 January	23,015,010	13,969,021	-	-
Charge for the year	8,060,022	9,045,989	-	-
At the end	31,075,032	23,015,010	-	-

6. Trade receivables

Due from insurance companies	(405,335,084)	251,473,770	(405,335,084)	251,473,770
Due from insurance brokers and agents	862,426,588	229,556,770	862,426,588	229,556,770
	<u>457,091,504</u>	<u>481,030,540</u>	<u>457,091,504</u>	<u>481,030,540</u>
Hmo receivable	102,750,552	126,657,776	-	-
	<u>559,842,056</u>	<u>607,688,316</u>	<u>457,091,504</u>	<u>481,030,540</u>
Current	559,842,056	607,688,316	457,091,504	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	8,356,056,920	9,775,797,397	7,975,257,406	9,377,413,707
Premium received	(8,403,903,180)	(9,461,857,077)	(7,999,196,442)	(9,096,282,475)
Closing receivables	<u>559,842,056</u>	<u>607,688,316</u>	<u>457,091,504</u>	<u>481,030,540</u>

Age Analysis of Trade receivable

> =1Day <= 30 Days	530,138,925	587,985,185	427,388,373	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
	<u>559,842,056</u>	<u>607,688,316</u>	<u>457,091,504</u>	<u>481,030,540</u>

Group		Company	
30 September 2021 N	December 2020 N	30 September 2021 N	December 2020 N

7. Reinsurance Assets

Prepaid reinsurance (Note 7.1a & 7.1b)	1,060,090,444	847,365,944	1,060,090,444	847,365,944
Reinsurers share of claims (Note 7.3)	2,287,110,854	2,170,714,673	2,287,110,854	2,170,714,673
At the end	3,347,201,298	3,018,080,617	3,347,201,298	3,018,080,617
Current	3,347,201,298	3,018,080,617	3,347,201,298	3,018,080,617
Non-current	-	-	-	-
Prepaid reinsurance	1,032,918,493	820,193,994	1,032,918,493	820,193,994
Prepaid minimum and deposit	27,171,950	27,171,950	27,171,950	27,171,950
Reinsurance share of outstanding claims	1,252,270,477	1,200,949,611	1,252,270,477	1,200,949,611
Reinsurance share of IBNR	515,552,275	515,552,274	515,552,275	515,552,274
Reinsurance receivable on claims paid	519,288,102	454,212,788	519,288,102	454,212,788
Total	<u>3,347,201,298</u>	<u>3,018,080,617</u>	<u>3,347,201,298</u>	<u>3,018,080,617</u>

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 30 SEPTEMBER 2021

	Group		Company	
	30 September 2021 N	December 2020 N	30 September 2021 N	December 2020 N
7.1a Prepaid Reinsurance				
Fire	207,555,053	138,349,104	207,555,053	138,349,104
General accident	213,669,371	155,645,178	213,669,371	155,645,178
Motor	1,104,743	1,040,668	1,104,743	1,040,668
Marine	93,406,682	65,065,507	93,406,682	65,065,507
Bond	40,971,311	11,502,581	40,971,311	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
	<u>1,032,918,493</u>	<u>820,193,994</u>	<u>1,032,918,493</u>	<u>820,193,994</u>
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
	<u>27,171,950</u>	<u>27,171,950</u>	<u>27,171,950</u>	<u>27,171,950</u>
Prepaid reinsurance	<u>1,060,090,443</u>	<u>847,365,944</u>	<u>1,060,090,443</u>	<u>847,365,944</u>
7.2 a Reinsurers Share of Claims				
Fire	725,150,849	910,744,124	725,150,849	910,744,124
General accident	240,803,702	203,317,452	240,803,702	203,317,452
Motor	34,043,019	34,043,019	34,043,019	34,043,019
Marine	472,209,138	116,697,364	472,209,138	116,697,364
Bond	6,538,397	6,544,397	6,538,397	6,544,397
Engineering	76,123,920	159,001,803	76,123,920	159,001,803
Aviation	70,071,266	70,071,266	70,071,266	70,071,266
Oil & gas	142,882,460	216,082,460	142,882,460	216,082,460
	<u>1,767,822,751</u>	<u>1,716,501,885</u>	<u>1,767,822,751</u>	<u>1,716,501,885</u>
7.2b Reinsurers share of paid claims				
Fire	8,135,233	17,206,125	8,135,233	17,206,125
General accident	494,053,782	226,494,440	494,053,782	226,494,440
Motor	-	7,060,000	-	7,060,000
Marine	4,651,367	9,505,771	4,651,367	9,505,771
Bond	-	225,563	-	225,563
Engineering	12,447,720	33,295,889	12,447,720	33,295,889
Aviation	-	160,425,000	-	160,425,000
Oil & gas	-	-	-	-
	<u>519,288,101</u>	<u>454,212,788</u>	<u>519,288,101</u>	<u>454,212,788</u>
7.3 Reinsurance Assets:				
Movement in prepaid reinsurance:				
At 1 January	847,365,944	1,025,729,471	847,365,944	1,025,729,471
Additions during the year (Note 28)	3,561,664,086	3,513,496,175	3,561,664,086	3,513,496,175
	<u>4,409,030,030</u>	<u>4,539,225,646</u>	<u>4,409,030,030</u>	<u>4,539,225,646</u>
Amortization during the year (Note 28)	(3,348,939,587)	(3,691,859,703)	(3,348,939,587)	(3,691,859,703)
At the end	<u>1,060,090,443</u>	<u>847,365,944</u>	<u>1,060,090,443</u>	<u>847,365,944</u>
Movement in claims recoverable:				
At 1 January	2,170,714,673	1,662,816,336	2,170,714,673	1,662,816,336
Additions during the period	1,084,697,909	1,778,804,248	1,084,697,909	1,778,804,248
	<u>3,255,412,582</u>	<u>3,441,620,584</u>	<u>3,255,412,582</u>	<u>3,441,620,584</u>
Amortization during the period	(968,301,728)	(1,270,905,911)	(968,301,728)	(1,270,905,911)
At the end	<u>2,287,110,853</u>	<u>2,170,714,673</u>	<u>2,287,110,853</u>	<u>2,170,714,673</u>
8. Deferred Acquisition Cost				
At 1 January	355,066,148	360,563,251	344,817,850	349,815,691
Acquisition cost during the period	1,068,316,793	1,316,132,467	1,055,946,670	1,305,884,169
Less: Amortisation during the period (Note 31)	(1,070,480,028)	(1,321,629,570)	(1,060,231,730)	(1,310,882,010)
At the end	<u>352,902,913</u>	<u>355,066,148</u>	<u>340,532,790</u>	<u>344,817,850</u>
Current	352,902,913	355,066,148	340,532,790	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 30 SEPTEMBER 2021

	Group		Company	
	30 September 2021 N	December 2020 N	30 September 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	12,967,736	12,967,736	12,967,736	12,967,736
Engineering	26,363,758	26,363,758	26,363,758	26,363,758
Aviation	16,556,596	16,853,998	16,556,596	16,853,998
Oil & gas	62,648,944	62,648,944	62,648,944	62,648,944
Company Total	340,532,790	344,817,850	340,532,790	344,817,850
HMO Deferred acquisition	12,370,123	10,248,299		
Group Total	352,902,913	355,066,149	340,532,790	344,817,850
9. Other Receivables and Prepayments				
Staff advances & prepayment	78,132,305	35,554,032	78,132,305	35,554,032
Account receivables **	34,793,342	17,638,265	34,532,467	72,117,239
Intercompany Receivables	-	-	176,672,703	213,683,342
Withholding tax credit	32,642,210	26,361,774	32,642,210	26,361,774
Prepayments (Note 9.1)	99,703,629	49,799,040	89,858,362	40,533,483
	245,271,486	129,353,111	411,838,047	388,249,870
Impairment allowance (Note 34)	-	-	-	-
	245,271,486	129,353,111	411,838,047	388,249,870
Current	245,271,486	129,353,111	411,838,047	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	90,127,475	39,356,857	80,282,208	30,091,300
Other prepayments	9,576,154	10,442,183	9,576,154	10,442,183
	99,703,629	49,799,040	89,858,362	40,533,483
Current	99,703,629	49,799,040	89,858,362	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.

CONSOLIDATED HALLMARK INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 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 - 2021							
10.2 Condensed Financial Position							
Assets							
Cash and cash equivalents	2,224,553,118	11,474,551	11,569,573	428,504,650	127,796,404	-	2,803,898,296
Financial assets	3,901,798,582	12,204,734	160,622,339	-	1,285,523,754	-	5,360,149,409
Deposit for shares	-	-	-	-	-	-	-
Finance lease receivables	-	-	-	-	197,481,186	(958,957)	196,522,229
Trade receivables	457,091,504	-	-	102,750,553	-	-	559,842,057
Reinsurance assets	3,347,201,298	-	-	-	-	-	3,347,201,298
Deferred acquisition cost	340,532,790	-	-	12,370,123	-	-	352,902,913
Other receivables and prepayment	411,838,047	28,318,166	-	18,322,119	16,185,009	(229,391,855)	245,271,486
Investment in subsidiaries	1,594,225,000	-	-	-	-	(1,594,225,000)	-
Investment properties	1,008,676,470	93,661,000	-	90,000,000	-	-	1,192,337,470
Leasehold properties	-	-	-	7,304,382	-	-	7,304,382
Intangible Assets	25,340,369	-	-	3,373,214	3,415,061	-	32,128,645
Property and equipment	957,669,199	-	-	19,521,194	31,817,681	-	1,009,008,074
Statutory deposits	300,000,000	-	102,000,000	-	-	-	402,000,000
Total assets	14,568,926,376	145,658,451	274,191,913	682,146,234	1,662,219,095	(1,824,575,813)	15,508,566,256
Liabilities							
Insurance contract liabilities	5,455,010,983	-	-	229,721,384	-	-	5,684,732,367
Trade payables	30,871,753	-	-	-	-	-	30,871,753
Borrowing	-	-	-	-	114,158,808	-	114,158,808
Provision and other payables	202,060,473	6,140,692	29,991,804	61,505,543	258,472,716	(230,350,813)	327,820,416
Staff retirement benefit	7,541,598	-	-	-	1,359,730	-	8,901,328
Tax liabilities	367,294,838	7,829,346	-	1,090,970	130,924,141	-	507,139,295
Deferred tax	191,487,055	-	-	-	4,838,154	-	196,325,209
Share capital	5,420,000,000	130,000,000	200,000,000	500,000,000	764,225,000	(1,594,225,000)	5,420,000,000
Share Premium	168,933,834	-	-	-	-	-	168,933,834
Statutory reserve	2,375,879,385	-	-	-	68,558,208	-	2,444,437,593
Retained earnings	349,846,457	1,688,413	44,200,109	(110,171,664)	319,682,340	-	605,245,655
Total liabilities and equity	14,568,926,375	145,658,451	274,191,913	682,146,234	1,662,219,096	(1,824,575,813)	15,508,566,255

CONSOLIDATED HALLMARK INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 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	1,436,350,040	-	1,310,688	75,925,722	-	-	1,513,586,450
Investment income	451,866,000	4,195,834	8,350,920	30,655,259	373,220,100	-	868,288,113
Other operating income	269,308,787	1,012,528	-	165,257	22,786,544	-	293,273,115
Total operating income	2,157,524,827	5,208,362	9,661,608	106,746,238	396,006,644	-	2,675,147,679
Impairment charge value	-	-	-	-	(10,495,132)	-	(10,495,132)
gains/(los)	(135,468,512)	-	-	-	(105,000)	-	(135,573,512)
Management expenses	(1,455,944,234)	(855,422)	(8,279,211)	(133,880,475)	(160,592,281)	-	(1,759,551,623)
Profit before taxation	566,112,081	4,352,940	1,382,397	(27,134,237)	224,814,230	-	769,527,411
Taxation	(160,892,588)	-	-	0	(74,188,696)	-	(235,081,284)
Profit after taxation	405,219,493	4,352,940	1,382,397	(27,134,237)	150,625,534	-	534,446,127

	CHI PLC N	CHI Capital Limited N	CHI Microinsurance N	Hallmark Health Ltd N	Grand Treasurers Ltd N	Elimination N	Total N
Condensed result of consolidated entities - 2019							

10.2 Condensed Financial Position

	CHI PLC N	CHI Capital Limited N	CHI Microinsurance N	Hallmark Health Ltd N	Grand Treasurers Ltd N	Elimination N	Total N
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	1,529,463,359	-	1,310,688	29,328,504	-	-	1,560,102,551
Investment income	424,974,702	-	8,350,920	16,765,202	210,583,420	-	660,674,243
Other operating income	78,611,574	155,141	-	25,463	13,390,831	-	92,183,008
Total operating income	2,033,049,634	155,141	9,661,608	46,119,169	223,974,251	-	2,312,959,803
Impairment charge	-	-	-	-	(3,369,698)	-	(3,369,698)
Net fair	15,445,890	(992,600)	-	-	40,000	-	14,493,290
Management expenses	(1,470,317,653)	(30,693)	(8,279,211)	(78,989,541)	(94,340,695)	-	(1,651,957,793)
Profit before taxation	578,177,871	(868,152)	1,382,397	(32,870,372)	126,303,858	-	672,125,602
Taxation	(174,145,971)	(34,144)	-	-	(41,680,273)	-	(215,860,388)
Profit after taxation	404,031,900	(902,296)	1,382,397	(32,870,372)	84,623,585	-	456,265,214

CONSOLIDATED HALLMARK INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2021

	Group		Company	
	30 September 2021 N	31 December 2020 N	30 September 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	2,695,142	21,448,064	-	13,585,913
Reclassification	-	-	-	-
30 September	76,813,082	74,117,939	62,487,520	62,487,520
Accumulated amortization				
At 1 January	37,543,283	26,582,849	32,007,107	24,281,248
Addition	7,141,154	10,960,433	5,140,044	7,725,859
30 September	44,684,437	37,543,283	37,147,151	32,007,107
Carrying amount				
30 September	32,128,645	36,574,657	25,340,369	30,480,413

12 Investment Properties

At 1 January	1,042,487,470	843,766,470	948,826,470	750,105,470
Addition	231,850,000	198,721,000	141,850,000	198,721,000
Disposal/transfer (Note 12.1b)	(82,000,000)	-	(82,000,000)	-
Fair value change	-	-	-	-
30 September	1,192,337,470	1,042,487,470	1,008,676,470	948,826,470

Investment Properties

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

- 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	120,750,000		
8	Building	3UNIT OF 4 BEDROOM TERRACE AT WESTEND IKOTA	135,900,000		
			1,008,676,470		
CHI Capital Limited					
	Land	Thomas estate Ajah Lagos	93,661,000	CHI Capital Limited	Already exist in the name of CHI
	Total		1,192,337,470		

CONSOLIDATED HALLMARK INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 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
	5	Building	Jacob's Arena Plot 4, close4, road 4, Westend EstateIkota.,		135,900,000			135,900,000
	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	5,950,000	(82,000,000)	-	120,750,000
				948,826,470	141,850,000	(82,000,000)	-	1,008,676,470
		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)	-	1,192,337,470

CONSOLIDATED HALLMARK INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2021

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	-	-	2,050,698	3,250,924	67,080,731	9,727,478	82,109,831
Disposals during the period	-	-	(638,380)	(5,177,364)	(12,245,000)	-	(18,060,745)
30 September	286,099,948	541,339,722	111,238,543	148,886,738	652,399,731	258,979,626	1,998,944,308
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	-	8,097,849	5,062,351	5,562,622	67,965,738	7,985,422	94,673,982
Disposals in the period	-	-	(638,380)	(5,177,364)	(12,245,000)	-	(18,060,745)
30 September	-	158,644,971	92,703,328	122,953,421	397,525,760	218,108,755	989,936,234
Accumulated impairment losses	-	-	-	-	-	-	-
Carrying value							
30 September	286,099,948	382,694,751	18,535,215	25,933,317	254,873,972	40,870,871	1,009,008,074
At 1 January 2021	286,099,948	390,792,600	21,546,868	28,245,015	255,758,979	39,128,815	1,021,572,225

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 30 SEPTEMBER 2021**

Property and Equipment								
13.1b	The group							
	2020	Land	Building	Office	Furniture &	Motor	Computer	Total
		N	N	Equipment	Fittings	Vehicles	Equipment	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	309,424,673	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 30 SEPTEMBER 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			2,050,698	3,250,924	58,500,000	9,727,478	73,529,100
Transfer from Investment Property(12.1a)							-
Disposals			(638,380)	(5,177,364)	(12,245,000)	-	(18,060,745)
30 September	286,099,948	541,339,722	110,338,948	152,784,225	570,283,579	254,315,630	1,915,162,051
Accumulated depreciation							
At 1 January	-	150,547,122	88,370,298	124,394,753	322,858,963	209,936,715	896,107,852
Depreciation charge for the period	-	8,097,849	4,961,147	6,001,090	53,401,969	6,983,690	79,445,745
Disposals			(638,380)	(5,177,364)	(12,245,000)		(18,060,745)
30 September	-	158,644,971	92,693,065	125,218,478	364,015,932	216,920,405	957,492,852
Carrying value							
30 September	286,099,948	382,694,751	17,645,883	27,565,747	206,267,647	37,395,225	957,669,199
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 30 SEPTEMBER 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
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2021

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	438,914	775,665	1,391,178	58,340	2,664,097
Disposals	2,197,785	3,884,008	6,967,616	292,126	13,341,535
Carrying value					
As At 30 September 2021	1,714,390	3,029,734	2,332,384	227,874	7,304,382
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 30 SEPTEMBER 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		
	402,000,000	402,000,000	300,000,000	300,000,000

This represents the amount deposited with the Central Bank of Nigeria as at 30 September 2021.

15. Insurance contract liabilities

Reserve for outstanding claims (Note 15.1)	2,850,335,511	2,802,994,272	2,846,209,808	2,798,868,569
Unearned premium reserve (Note 15.2)	2,834,396,856	2,405,238,880	2,608,801,175	2,215,471,204
	5,684,732,367	5,208,233,152	5,455,010,983	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	796,892,920	173,553,854	970,446,774	796,892,920	173,553,854	970,446,774
General accident	327,910,977	147,240,820	475,151,797	327,910,977	147,240,820	475,151,797
Motor	176,249,778	125,287,692	301,537,470	176,249,778	125,287,692	301,537,470
Marine	545,076,449	22,320,715	567,397,164	545,076,449	22,320,715	567,397,164
Bond	-	13,692,867	13,692,867	-	13,692,867	13,692,867
Engineering	40,919,436	65,097,129	106,016,565	40,919,436	65,097,129	106,016,565
Aviation	55,947,054	67,846,999	123,794,052	55,947,054	67,846,999	123,794,052
Oil & gas	178,769,074	109,404,045	288,173,119	178,769,074	109,404,045	288,173,119
	2,121,765,688	724,444,121	2,846,209,808	2,121,765,688	724,444,121	2,846,209,808
HMO - Outstanding claims	4,125,703		4,125,703			
	2,125,891,391	724,444,121	2,850,335,511	2,121,765,688	724,444,121	2,846,209,808

Reserve for outstanding claims - 2020

	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
	1,896,123,950	902,744,621	2,798,868,569	1,896,123,950	902,744,621	2,798,868,569
HMO - Outstanding c	4,125,703		4,125,703			
	1,900,249,653	902,744,621	2,802,994,272	1,896,123,950	902,744,621	2,798,868,569

	Group		Company	
	2021 N	2020 N	2021 N	2020 N
15.2 Unearned premium reserve				
Fire	305,255,764	322,981,528	305,255,764	322,981,528
General accident	394,584,676	360,220,432	394,584,676	360,220,432
Motor	940,847,067	679,007,369	940,847,067	679,007,369
Marine	155,655,418	130,494,659	155,655,418	130,494,659
Oil & Gas	465,809,476	411,555,319	465,809,476	411,555,319
Engineering	162,355,494	136,111,708	162,355,494	136,111,708
Aviation	104,268,160	108,010,647	104,268,160	108,010,647
Bond	80,025,120	67,089,542	80,025,120	67,089,542
	2,608,801,175	2,215,471,204	2,608,801,175	2,215,471,204
HMO - Unearned premium reserve	225,595,681	189,767,676	-	-
	2,834,396,856	2,405,238,880	2,608,801,175	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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2021

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 30 SEPTEMBER 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 30 SEPTEMBER 2021

	Group		Company	
	2021	2020	2021	2020
	N	N	N	N
15.4 Funds representing insurance contract liabilities				
Balance with banks	217,100,845	246,595,445	217,100,845	246,595,445
Fixed placement	1,992,592,373	1,892,159,984	1,992,592,373	1,892,159,984
Treasury bill & Bonds	2,259,006,721	2,629,694,266	2,259,006,721	2,629,694,266
Recoverable from reinsurance company	-	2,170,714,673	-	2,170,714,673
At fair value through profit or loss	1,005,740,170	772,258,498	1,005,740,170	772,258,498
	5,474,440,109	7,711,422,866	5,474,440,109	7,711,422,866
16. Trade payables				
Due to insurance companies	-	-	-	-
Due to reinsurance companies - local	30,871,753	13,972,733	30,871,753	13,972,733
Other trade payables	-	-	-	-
	30,871,753	13,972,733	30,871,753	13,972,733
Current	30,871,753	13,972,733	30,871,753	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	3,561,664,087	3,513,496,175	3,561,664,087	3,513,496,175
Payment	(3,544,765,067)	(3,553,764,554)	(3,544,765,067)	(3,553,764,554)
Closing	30,871,753	13,972,733	30,871,753	13,972,733
17 Borrowing				
At 1 January	5,013,052	10,448,536	-	-
Addition	109,087,970	2,000,000	-	-
Repayment	-	(15,048,403)	-	-
Interest capitalised	57,786	7,612,919	-	-
As At 31 December	114,158,808	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	2,892,815	5,813,998	2,892,815	5,813,998
Unclaimed dividend payable (Note 18.1)	80,662,912	80,662,912	80,662,912	80,662,912
Accrued expenses	27,142,167	58,483,667	4,748,000	36,089,500
Unearned Commission received(Note 18.2)	58,884,247	26,383,647	58,884,247	26,383,647
Staff Cooperative	43,507,332	34,923,889	43,507,332	34,923,889
Sundry creditors	109,785,943	5,651,257	8,420,167	17,752,927
	327,820,416	221,056,870	202,060,473	208,764,373
Current	327,820,416	221,056,870	202,060,473	208,764,373
Non-current	-	-	-	-
18.1	Unclaimed dividend payable represents amount of dividend which shareholders are yet to collect from the company's registrars and which, in line with the relevant rules of the Securities and Exchange Commission, have been returned to the Company to be held in a separate investment trust account.			
18.2 Unearned Commission Reserve				
	Group		Company	
	2021	2020	2021	2020
	N	N	N	N
Fire	676,888	303,286	676,888	303,286
General accident	519,449	232,744	519,449	232,744
Motor	406,457	182,117	406,457	182,117
Marine	51,032,263	22,865,491	51,032,263	22,865,491
Oil & Gas	-	-	-	-
Engineering	6,093,376	2,730,195	6,093,376	2,730,195
Aviation	-	-	-	-
Bond	155,814	69,814	155,814	69,814
	58,884,247	26,383,647	58,884,247	26,383,647
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)	39,771,820	46,692,927	35,903,582	42,824,690
Payment during the period	(35,000,019)	(49,854,021)	(30,615,591)	(47,261,169)
30 September	8,901,327	4,129,526	7,541,598	2,253,607
19.a				
Employer contribution	10%	4,945,182	2,294,181	3,790,674
Employees contribution	8%	3,956,145	1,835,345	3,750,924
		8,901,327	4,129,526	7,541,598

CONSOLIDATED HALLMARK INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2021

	Group		Company	
	2021	2020	2021	2020
	N	N	N	N
20 Taxation				
20 Income tax expense				
Income tax	205,312,117	199,481,114	131,123,421	157,766,697
Education tax	11,322,242	16,379,274	11,322,242	16,379,274
Under/(over)provision in previous year	-	-	-	-
	216,634,359	215,860,388	142,445,663	174,145,971
Deferred tax (Note 22)	18,446,925	-	18,446,925	-
	235,081,284	215,860,388	160,892,588	174,145,971

20.1 The Nigerian Information Technology Development Agency (NITDA) Act was signed into law on 24 April 2007. Section 12(2a) of the Act demands that, 1% of profit before tax should be paid to the Nigerian Information Technology Development Agency. In line with the Act, the Company has provided for NITDA levy at the specified rate.

	Group		Company	
	2021	2020	2021	2020
	N	N	N	N
21. Current income tax liabilities				
At 1 January	359,459,121	436,426,812	289,145,971	355,578,462
Payments during the period	(68,954,185)	(124,258,062)	(64,296,796)	(110,780,655)
	290,504,936	312,168,749	224,849,175	244,797,807
Charge for the period	216,634,359	47,290,372	142,445,663	44,348,164
30 September	507,139,295	359,459,121	367,294,838	289,145,971
21.3 Reconciliation of effective tax rate				
Profit after tax	534,446,127	456,265,214	405,219,493	404,031,900
Total income tax expense				
Income	205,312,117	199,481,114	131,123,421	157,766,697
Education	11,322,242	16,379,274	11,322,242	16,379,274
(Over)/under-provision	-	-	-	-
Deferred tax (Note 22)	18,446,925	-	18,446,925	-
	235,081,284	215,860,388	160,892,588	174,145,971
Profit for the period before income tax	769,527,411	672,125,603	566,112,081	578,177,871
Effective tax rate	31%	32%	28%	30%
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)	18,446,925	47,291,095	18,446,925	47,291,095
30 September	196,325,209	177,878,284	191,487,055	173,040,130

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 30 SEPTEMBER 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 30 September	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) 30 September	239,257,722	281,322,411	239,257,722	281,322,411
	2,375,879,385	2,136,621,663	2,375,879,385	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) 30 September	22,593,830	9,100,396	-	-
	68,558,208	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	(627,091)	-	-	-
Transfer to contingency reserve (Note 25.1)	(216,800,050)	(338,750,000)	(216,800,050)	(338,750,000)
Transfer from income statement	(239,257,722)	(281,322,411)	(239,257,722)	(281,322,411)
Transfer to statutory reserve (Note 25.2)	534,446,127	677,982,816	405,219,493	614,805,918
Transfer to statutory reserve (Note 25.2) 30 September	(22,593,830)	(9,100,396)	-	-
	605,245,655	550,078,221	349,846,457	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	101,815,136	105,295,867	84,585,788	104,049,451
Auditors' remuneration	10,000	11,326,808	10,000	7,326,808
Directors' remuneration:				
- Fees	8,000,000	650,000	8,000,000	650,000
Profit on disposal of property and equipment	-	-	-	-
Foreign exchange (gains)/loss	(265,246,176)	(56,648,517)	(265,246,176)	(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 30 SEPTEMBER 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	959,769,133	6,432,268	17,725,763	983,927,164
General accident	1,055,101,858	4,049,080	(34,364,244)	1,024,786,694
Motor	1,821,518,442	23,404,532	(261,839,698)	1,583,083,277
Aviation	852,616,412	-	3,742,487	856,358,900
Oil & Gas	2,121,818,478	3,772,813	(54,254,157)	2,071,337,135
Marine	585,204,872	5,316,017	(25,160,759)	565,360,129
Engineering	378,215,616	4,630,813	(26,243,786)	356,602,643
Bond	153,042,764	364,306	(12,935,578)	140,471,493
Company Total	7,927,287,575	47,969,829	(393,329,971)	7,581,927,435
Medical Premium	380,799,514	-	(10,157,886)	370,641,628
GroupTotal	8,308,087,089	47,969,829	(403,487,857)	7,952,569,063

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	870,567,112	14,234,023	(21,982,249)	862,818,886
General accident	1,034,395,695	4,692,553	(15,018,418)	1,024,069,830
Motor	1,654,500,024	21,588,281	(42,613,826)	1,633,474,478
Aviation	659,297,481	276,251	(3,433,941)	656,139,791
Oil & Gas	2,058,794,532	41,921,129	(21,959,204)	2,078,756,457
Marine	414,089,919	5,094,211	(8,663,387)	410,520,743
Engineering	424,836,020	4,895,893	(6,677,709)	423,054,204
Bond	118,062,163	-	(4,651,265)	113,410,898
Company Total	7,234,542,945	92,702,342	(125,000,000)	7,202,245,287
Medical Premium	229,617,644	-	(11,684,530)	217,933,114
GroupTotal	7,464,160,589	92,702,342	(136,684,530)	7,420,178,400

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)	3,561,664,086	2,822,874,089	3,561,664,086	2,822,874,089
(Increase)/decrease in prepaid reinsurance	(212,724,499)	85,365,726	(212,724,499)	85,365,726
Reinsurance expense (Note 7.3)	3,348,939,587	2,908,239,815	3,348,939,587	2,908,239,815

29. Fee and commission

Fire	56,360,459	102,093,632	56,360,459	102,093,632
General accident	87,095,409	102,173,135	87,095,409	102,173,135
Motor	2,426,829	704,150	2,426,829	704,150
Aviation	-	32,758,062	-	32,758,062
Oil & Gas	-	2,642,785	-	2,642,785
Marine	18,980,354	65,242,325	18,980,354	65,242,325
Engineering	38,021,732	62,132,030	38,021,732	62,132,030
Bond	9,829,919	1,329,585	9,829,919	1,329,585
	212,714,703	369,075,704	212,714,703	369,075,704

Movement - Fee and commission

Opening Unearned commission (Note 18.2)	26,383,647	116,900,695	26,383,647	116,900,695
Commission received	245,215,303	324,050,183	245,215,303	324,050,183
Commission earned	(212,714,703)	(369,075,704)	(212,714,703)	(369,075,704)
Closing Unearned commission (Note 18.2)	58,884,247	71,875,174	58,884,247	71,875,174

CONSOLIDATED HALLMARK INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2021

	Group		Company	
	Claims expenses 30 September 2021 N	Claims expenses 30 September 2020 N	Claims expenses 30 September 2021 N	Claims expenses 30 September 2020 N
30a Claims expenses				
Claims paid during the year	2,702,811,644	2,262,918,776	2,440,453,935	2,095,905,559
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)	2,846,209,808	2,293,804,537	2,846,209,808	2,293,804,537
Gross claims expenses	2,750,152,883	2,814,721,932	2,487,795,174	2,647,708,715
Gross claims expenses excluding IBNR				
Claims paid during the year	2,702,811,644	2,262,918,776	2,440,453,935	2,095,905,559
Opening outstanding claims	(1,896,123,950)	(625,485,061)	(1,896,123,950)	(625,485,061)
Closing outstanding claims (Note 14.1)	2,121,765,688	1,790,782,349	2,121,765,688	1,790,782,349
Gross claims expenses excluding IBNR	2,928,453,382	3,428,216,064	2,666,095,673	3,261,202,847
30b. Claims & IBNR recoverable				
Claims recoverable				
Claims recovered	968,301,728	980,490,043	968,301,728	980,490,043
Opening claims recoverable (Note 7.3)	(2,170,714,673)	(1,662,816,336)	(2,170,714,673)	(1,662,816,336)
Closing claims recoverable	2,287,110,854	1,711,369,156	2,287,110,854	1,711,369,156
Net recoverable	1,084,697,909	1,029,042,863	1,084,697,909	1,029,042,863
31. Underwriting expenses				
Underwriting expenses- 2021				
	Group		Company	
	Acquisition expenses N	Maintenance expenses N	Acquisition expenses N	Maintenance expenses N
Fire	127,741,115	38,278,133	127,741,115	38,278,133
General accident	147,962,232	68,248,493	147,962,232	68,248,493
Motor	212,653,413	201,233,211	212,653,413	201,233,211
Aviation	118,409,422	83,497,202	118,409,422	83,497,202
Oil & Gas	308,571,651	97,654,002	308,571,651	97,654,002
Marine	71,405,628	30,260,020	71,405,628	30,260,020
Engineering	53,223,970	16,384,932	53,223,970	16,384,932
Bond	20,264,299	10,467,523	20,264,299	10,467,523
	1,060,231,730	546,023,516	1,060,231,730	546,023,516
HMO Acquisition expenses	31,047,509	-	-	-
	1,091,279,239	546,023,516	1,060,231,730	546,023,516
Underwriting expenses- 2020				
	Acquisition expenses N	Maintenance expenses N	Acquisition expenses N	Maintenance expenses N
Fire	170,733,815	49,167,484	170,733,815	49,167,484
General accident	179,751,859	66,096,932	179,751,859	66,096,932
Motor	186,868,025	172,480,332	186,868,025	172,480,332
Aviation	88,283,142	62,870,611	88,283,142	62,870,611
Oil & Gas	245,968,137	72,321,678	245,968,137	72,321,678
Marine	74,300,256	13,094,208	74,300,256	13,094,208
Engineering	80,949,227	24,344,718	80,949,227	24,344,718
Bond	20,347,224	7,374,318	20,347,224	7,374,318
	1,047,201,684	467,750,281	1,047,201,684	467,750,281
HMO Acquisition expenses	20,280,705	-	-	-
	1,067,482,389	467,750,281	1,047,201,684	467,750,281
Underwriting expenses	Group		Company	
	30 September 2021 N	30 September 2020 N	30 September 2021 N	30 September 2020 N
Acquisition Expenses	1,091,279,239	1,067,482,389	1,060,231,730	1,047,201,684
Maintenance Expenses	546,023,516	467,750,281	546,023,516	467,750,281
	1,637,302,755	1,535,232,670	1,606,255,246	1,514,951,965

CONSOLIDATED HALLMARK INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2021

	Group		Company	
	30 September 2021 N	30 September 2020 N	30 September 2021 N	30 September 2020 N
32. Investment income				
Interest received	518,985,195	340,791,244	102,563,082	105,091,703
Interest received on corporate loan	4,304,333	16,194,384	4,304,333	16,194,384
Interest accrued	13,466,411	13,466,411	13,466,411	13,466,411
Gain on disposal of investment property	-	-	-	-
Rent income on investment properties	6,498,667	2,866,333	6,498,667	2,866,333
Dividend received	86,094,735	23,741,997	86,094,735	23,741,997
	629,349,341	397,060,369	212,927,228	161,360,828
Amortised gain(loss) on held to maturity (Note 3.4)	238,938,772	263,613,874	238,938,772	263,613,874
	868,288,113	660,674,243	451,866,000	424,974,702
32.1 Investment income				
Investment income attributable to policyholders' fund	238,938,772	263,613,873	238,938,772	263,613,874
Investment income attributable to shareholders' fund	629,349,341	397,060,370	212,927,228	161,360,828
	868,288,113	660,674,243	451,866,000	424,974,702
33. Other operating income				
Profit (Loss) on disposal of property and equipment	3,806,929	543,404	3,806,929	543,405
Interest on staff receivables	252,682	-	252,682	-
Exchange gain (Note 33.1)	265,246,176	78,057,044	265,246,176	78,057,044
Other income	23,967,328	13,582,560	3,000	11,125
	293,273,115	92,183,008	269,308,787	78,611,574
33.1 Exchange gain				
Gain on disposal of foreign currency	91,590,500	-	91,590,500	-
Gain/ (loss) from valuation of closing foreign currency balances	173,655,676	78,057,044	173,655,676	78,057,044
	265,246,176	78,057,044	265,246,176	78,057,044
34. Impairment charged				
Cash and cash equivalent (Note 2.2)	-	-	-	-
Loans and receivables (Note 3.2)	(13,482,539)	(2,465,414)	-	-
Finance Lease receivable (Note 5.1)	2,987,407	(904,284)	-	-
Trade receivables (Note 6.1)	-	-	-	-
Other receivables (Note 9)	-	-	-	-
Inventories (Note 11)	-	-	-	-
	(10,495,132)	(3,369,698)	-	-
Impairment no longer required				
Loans and receivables (Note 3.2.4)	-	-	-	-
Trade receivables (Note 6.1)	-	-	-	-
Other receivables (Note 9)	-	-	-	-
Inventories (Note 11)	-	-	-	-
Finance Lease receivable (Note 5.2)	-	-	-	-
	(10,495,132)	(3,369,698)	-	-
Impairment (charge)/write back				

CONSOLIDATED HALLMARK INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2021

	Group		Company	
	30 September 2021 N	30 September 2020 N	30 September 2021 N	30 September 2020 N
35. Net fair value gain (loss) at fair value through profit or loss				
**Financial assets at fair value through profit or loss	(135,573,512)	14,493,290	(135,468,512)	15,445,890
Investment property (Note 12.0)	-	-	-	-
Others	-	-	-	-
Fair value gains/(loss)	<u>(135,573,512)</u>	<u>14,493,290</u>	<u>(135,468,512)</u>	<u>15,445,890</u>

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

**Financial assets at fair value through profit or loss were measured using The Nigeria Stock Exchange and NASD price list at the close of business on the 30th September 2021.

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	(135,573,512)	72,321,055	(135,468,512)	73,530,975
Disposal	-	-	-	-
Closing balance	<u>(76,467,083)</u>	<u>59,106,429</u>	<u>(74,245,908)</u>	<u>61,222,604</u>

36. Operating & Administrative expenses

Employee cost (Note 36)	557,885,814	587,078,279	442,367,617	499,817,477
Rent, insurance and maintenance	180,589,982	139,966,590	153,633,314	129,009,922
Depreciation of property and equipment	101,815,136	87,113,138	84,585,788	80,063,337
Auditors' remuneration	10,000	3,826,808	10,000	3,826,808
Directors' remuneration:	-	-	-	-
- Fees	8,000,000	650,000	8,000,000	650,000
- Allowance & Expenses	38,537,058	25,950,983	37,896,908	25,310,833
Professional charges**	185,454,469	96,012,240	160,963,471	95,521,241
Printing and telecommunication	32,883,446	43,205,295	26,306,103	38,627,952
Advertising	302,626,190	354,913,939	286,142,461	353,430,210
Travelling and motor vehicle expenses	129,088,814	83,336,088	74,041,178	43,839,578
Rates, Insurance levy and utilities	97,231,751	100,076,423	89,314,993	96,159,665
Information Technology (note 20)	-	-	-	-
Office running and bank charges	62,458,496	42,117,019	36,623,971	23,282,494
Donation	25,879,626	37,713,801	25,869,626	37,703,801
Office security expenses	27,138,003	26,225,145	25,938,003	23,004,327
Brand management	1,106,123	6,923,389	1,106,123	6,923,389
Legal and Filing fees	8,796,715	16,219,696	3,094,678	12,517,659
Penalty	50,000	628,961	50,000	628,961
	<u>1,759,551,623</u>	<u>1,651,957,793</u>	<u>1,455,944,234</u>	<u>1,470,317,653</u>

**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	
	30 September 2021 N	30 September 2020 N	30 September 2021 N	30 September 2020 N
36a Employee cost				
Wages and salaries	463,534,433	435,054,770	356,646,665	370,424,397
Medical	20,188,257	18,745,738	18,998,066	17,555,546
Staff training	34,391,304	97,300,633	30,819,304	79,728,633
Defined contribution pension plan (Note 17)	39,771,820	35,977,138	35,903,582	32,108,901
	<u>557,885,814</u>	<u>587,078,279</u>	<u>442,367,617</u>	<u>499,817,477</u>

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 30 SEPTEMBER 2021

37. Basic/diluted earnings per share

Profit/(loss) after taxation	534,446,127	456,265,214	405,219,493	404,031,900
Number of shares	10,162,500,000	8,130,000,000	10,162,500,000	8,130,000,000
Movement in Numbers of Share Capital				
Opening	10,162,500,000	8,130,000,000	10,162,500,000	8,130,000,000
Right issue	-	2,032,500,000	-	2,032,500,000
Private placement	-	-	-	-
Closing	10,162,500,000	10,162,500,000	10,162,500,000	10,162,500,000
Weighted Average nos of share				
Opening	10,162,500,000	8,130,000,000	10,162,500,000	8,130,000,000
Right issue (full year)	-	451,666,667	-	451,666,667
Private placement	-	-	-	-
Weighted Average nos of share	10,162,500,000	8,581,666,667	10,162,500,000	8,581,666,667
Basic/diluted earnings per share (kobo)	5.26	5.32	3.99	4.71

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	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
Profit before tax	769,527,411	420,792,305	566,112,081	367,573,801
Adjustment for the following:				
Add, Depreciation & amortisation	101,815,136	61,536,794	84,585,788	51,512,759
other non cash transaction				
Net fair value loss on financial assets at fair value through profit or loss	76,467,083	(2,056,927)	135,468,512	(4,052,382)
Less :				
Profit /Loss on disposal	(3,806,929)	(543,405)	(3,806,929)	(543,405)
Gain on sale of investment property			(8,000,000)	-
Investment income	(782,193,378)	(416,690,782)	(365,771,264)	(265,644,446)
Dividend received	(86,094,735)	368,085	(86,094,735)	(21,631,915)
Impairment	10,495,132	2,903,617	-	-
	86,209,721	66,309,687	322,493,453	127,214,412
Changes in working capital:				
Increase(decrease) in trade receivable	47,846,259	(293,839,193.3)	23,939,036	(290,745,429)
Increase(decrease) in reinsurance assets	(329,120,681)	835,324,309	(329,120,681)	835,324,309
Increase(decrease) in deferred acquisition	2,163,236	(27,444,928)	4,285,060	(25,000,000)
Increase(decrease) in other receivable	(115,918,374)	(7,187,982)	(23,588,177)	(40,458,159)
Increase(decrease) in finance lease receivable	(110,275,198)	47,665,287	-	-
Increase(decrease) in inventory	2,664,097	(11,764,060)	-	-
Increase(decrease) in trade payable	16,899,020	246,024,577	16,899,020	246,024,577
Increase(decrease) in Borrowing	109,145,756	(202,627,360)	-	-
Increase(decrease) in insurance contract liabilities	476,499,215	16,507,578	440,671,210	(2,475,308)
Increase(decrease) in provision & other payable	106,763,546	(169,234,052)	(6,703,900)	(132,072,024)
Increase(decrease) in retirement benefits	4,771,801	(755,898)	5,287,991	(102,244)
Tax paid	(68,954,185)	(37,458,149)	(64,296,796)	(45,900,961)
	228,694,213	461,519,816	389,866,216	671,809,174

CONSOLIDATED HALLMARK INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 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	34	33	29	28
Senior staff	128	126	114	112
Junior staff	24	116	17	109
	186	275	160	249
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	71	157	54	139
	186	272	160	249
40a. Capital commitments				
There were no capital commitments as at 30 June 2021.				
40b. Contingent liabilities				
There no contingent liability against Consolidated Hallmark Insurance as at 30 September 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 30 SEPTEMBER 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 September 2021				
Operating income	2,138,464,161	390,614,873	-	2,529,079,034
Operating expenses	(1,598,103,920)	(161,447,703)	-	(1,759,551,623)
Operating profit	540,360,241	229,167,170	-	769,527,411
Taxation	(160,892,588)	(74,188,696)	-	(235,081,284)
Profit for the period	379,467,653	154,978,474	-	534,446,127
Total assets	15,525,264,522	1,807,877,546	(1,824,575,813)	15,508,566,255
Total liabilities	6,576,576,401	523,723,587	(230,350,813)	6,869,949,174
Share capital and reserves	8,948,688,122	1,284,153,960	(1,594,225,000)	8,638,617,082
Depreciation	84,585,788	17,229,348	-	101,815,136
ROCE	6%	18%	-	9%
At 30 June 2020				
Operating income	1,450,316,544	139,975,308	(1,521,422)	1,588,770,430
Operating expenses	(1,097,813,434)	(70,164,691)	-	(1,167,978,125)
Operating profit	352,503,109	69,810,617	-	420,792,305
Taxation	(125,372,878)	(23,660,029)	-	(149,032,907)
Profit for the period	227,130,231	46,150,588	-	271,759,398
Total assets	12,475,068,019	1,108,125,330	(1,644,314,006)	11,938,879,343
Total liabilities	5,236,102,033	239,899,817	(414,314,006)	5,061,687,844
Share capital and reserves	7,238,965,986	868,225,514	(1,230,000,000)	6,877,191,499
Depreciation	51,512,759	10,024,035	-	61,536,794
ROCE	5%	8%	0%	6%

CONSOLIDATED HALLMARK INSURANCE PLC
APPENDIX 1
REVENUE ACCOUNT
FOR THE PERIOD ENDED 30 SEPTEMBER 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	1,821,518,442	959,769,133	153,042,764	1,055,101,858	585,204,872	852,616,412	2,121,818,478	378,215,616	7,927,287,576	7,234,542,945
Inward reinsurance premium	<u>23,404,532</u>	<u>6,432,268</u>	<u>364,306</u>	<u>4,049,080</u>	<u>5,316,017</u>	<u>-</u>	<u>3,772,813</u>	<u>4,630,813</u>	<u>47,969,830</u>	<u>92,702,342</u>
Gross written premium	1,844,922,974	966,201,401	153,407,071	1,059,150,938	590,520,889	852,616,412	2,125,591,291	382,846,429	7,975,257,406	7,327,245,287
(Increase)/decrease in unexpired premium reserve	<u>(261,839,698)</u>	<u>17,725,763</u>	<u>(12,935,578)</u>	<u>(34,364,244)</u>	<u>(25,160,759)</u>	<u>3,742,487</u>	<u>(54,254,157)</u>	<u>(26,243,786)</u>	<u>(393,329,971)</u>	<u>(125,000,000)</u>
Gross premium earned	1,583,083,277	983,927,164	140,471,493	1,024,786,694	565,360,129	856,358,900	2,071,337,135	356,602,643	7,581,927,435	7,202,245,287
Deduct:										
Outward reinsurance premiums (Increase)/decrease in prepaid reinsurance	<u>(22,638,027)</u>	<u>(670,344,138)</u>	<u>(58,827,995)</u>	<u>(497,677,121)</u>	<u>(300,179,451)</u>	<u>(704,820,931)</u>	<u>(1,103,367,774)</u>	<u>(203,808,650)</u>	<u>(3,561,664,087)</u>	<u>(2,822,874,089)</u>
Reinsurance cost	<u>(22,573,951)</u>	<u>(601,138,188)</u>	<u>(29,359,265)</u>	<u>(439,652,928)</u>	<u>(271,838,276)</u>	<u>(699,679,182)</u>	<u>(1,085,593,689)</u>	<u>(199,104,106)</u>	<u>(3,348,939,587)</u>	<u>(2,908,239,815)</u>
Net premium earned	1,560,509,325	382,788,975	111,112,228	585,133,766	293,521,853	156,679,717	985,743,445	157,498,537	4,232,987,848	4,294,005,472
Commission received (Increase)/decrease in unearned commission	<u>2,651,169</u>	<u>56,734,061</u>	<u>9,915,919</u>	<u>87,382,114</u>	<u>47,147,127</u>	<u>-</u>	<u>-</u>	<u>41,384,913</u>	<u>245,215,303</u>	<u>324,050,183</u>
Total Income	<u>1,562,936,154</u>	<u>439,149,434</u>	<u>120,942,147</u>	<u>672,229,175</u>	<u>312,502,208</u>	<u>156,679,717</u>	<u>985,743,445</u>	<u>195,520,270</u>	<u>4,445,702,551</u>	<u>4,663,081,176</u>
Gross Claims Paid	(787,279,926)	(102,672,573)	(10,035,000)	(1,264,296,463)	(85,606,692)	(16,130,177)	(137,985,638)	(36,447,466)	(2,440,453,935)	(2,095,905,560)
(Increase)/decrease in outstanding claims provision	<u>(85,931,295)</u>	<u>91,193,437</u>	<u>119,847,894</u>	<u>(51,316,586)</u>	<u>(357,695,598)</u>	<u>106,560</u>	<u>204,471,356</u>	<u>31,982,992</u>	<u>(47,341,240)</u>	<u>(551,803,156)</u>
Gross claims incurred	(873,211,221)	(11,479,136)	109,812,894	(1,315,613,049)	(443,302,291)	(16,023,616)	66,485,717	(4,464,474)	(2,487,795,175)	(2,647,708,716)
Reinsurance claims recovery (Increase)/decrease in reinsurance recoveries	<u>49,787,517</u>	<u>146,216,574</u>	<u>225,563</u>	<u>440,678,398</u>	<u>56,581,186</u>	<u>220,364,499</u>	<u>-</u>	<u>66,309,754</u>	<u>980,163,491</u>	<u>1,085,889,061</u>
Net claims incurred	<u>(828,851,424)</u>	<u>(59,926,729)</u>	<u>109,806,894</u>	<u>(566,020,373)</u>	<u>(41,720,754)</u>	<u>43,915,883</u>	<u>(6,714,283)</u>	<u>(53,586,481)</u>	<u>(1,403,097,266)</u>	<u>(1,618,665,854)</u>
Acquisition expenses (Increase)/decrease in commission expenses	<u>(211,316,129)</u>	<u>(126,636,227)</u>	<u>(20,264,299)</u>	<u>(146,868,729)</u>	<u>(70,953,646)</u>	<u>(118,112,019)</u>	<u>(308,571,651)</u>	<u>(53,223,970)</u>	<u>(1,055,946,670)</u>	<u>(1,072,201,684)</u>
Maintenance/operating expenses	<u>(1,337,284)</u>	<u>(1,104,888)</u>	<u>-</u>	<u>(1,093,503)</u>	<u>(451,982)</u>	<u>(297,403)</u>	<u>-</u>	<u>-</u>	<u>(4,285,060)</u>	<u>25,000,000</u>
Total expenses	<u>(1,242,738,048)</u>	<u>(225,945,978)</u>	<u>79,075,072</u>	<u>(782,231,098)</u>	<u>(143,386,402)</u>	<u>(157,990,741)</u>	<u>(412,939,935)</u>	<u>(123,195,384)</u>	<u>(3,009,352,512)</u>	<u>(3,133,617,819)</u>
Underwriting profit/(loss)	<u>320,198,105</u>	<u>213,203,455</u>	<u>200,017,219</u>	<u>(110,001,922)</u>	<u>169,115,806</u>	<u>(1,311,024)</u>	<u>572,803,510</u>	<u>72,324,886</u>	<u>1,436,350,040</u>	<u>1,529,463,359</u>