CONSOLIDATED HALLMARK INSURANCE PLC
AND SUBSIDIARY COMPANIES

COMPANY RC:168762

INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 SEPTEMBER 2023

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General Information;

The Group
The group comprises of Consolidated Hallmark Insurance Plc (the company) and its subsidiaries - CHI Capital Limited, Hallmark Health Services Limited, CHI Microinsurance Limited and Hallmark Finance Company Limited (formerly 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 Registered Office Address of the Company 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 **October 19, 2023**.

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.

Subsidiaries;

CHI Microinsurance Limited
CHI Microinsurance Limited is a fully owned subsidiary of Consolidated Hallmark Insurance Plc, incorporated in 2016 and Licensed by NAICOM 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 corporate support services. CHI Capital Limited incorporated CHI Support Services Limited in 2014 with 100% shareholdings.

Hallmark Finance Company Limited
Hallmark Finance Company Limited was an 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).

Hallmark Finance Company Limited is now a direct subsidiary of the Consolidated Hallmark Insurance Plc. The business of the company is consumer lending, lease financing and other finance company business.

CHI Support Services Limited is a company incorporated as a limited liability company in 2014. CHI Support Services ltd started as an autotrack business but has now focused on providing corporate support services for the Group. CHI Support Services was incorporated in Nigeria.

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

Impact of Covid 19 on Financial Statement
Following the outbreak of COVID-19 pandemic, the Group instituted various measures to preserve the health and well-being of its employees, clients and communities while minimizing the impact of the pandemic on its Businesses in all the jurisdiction where it operates. The Group activated its Business Continuity Plans and came up with various initiatives to prevent business disruptions while ensuring adequate customer service delivery. The Group also came up with palliative measures to ease the difficulty encountered by obligors in identified vulnerable segments and partnered with Government on initiatives aimed at alleviating suffering brought by COVID-19.

In 2021, following medical breakthrough with vaccines for the Covid 19 pandemic, a number of countries, including Nigeria, had relaxed the strict rules around social distancing and other COVID-19 protocol. This has positive impact on our ability to return most of our staff back to the office without necessarily letting go of the flexibility and efficiency that came along with the remote working regime. It also enabled our marketing activities as the nature of our businesses still demand some level of physical engagement with existing and potential customers.

In 2022, most of the general apprehension about COVID 19 had literally disappeared, aside from its resurgence in China towards the third quarter of the year. But, global air travel had resumed in full swing and this impacted positively on our Aviation Insurance class of business. Suffice to mention that COVID 19 had no adverse economic on our business during the period.

The group will continue to closely monitor the national and global developments on the COVID 19 pandemic, and we are confident in our capacity to respond with promptness as may be needed to safeguard the health and safety of our staff and collaborate with all other stakeholders to contain any untoward development in this regard. We will also continue to sustain the Group's Business Continuity Plans, and our ICT capabilities order to take advantage of the flexible work environment that has come to stay as a measure for efficiency and employee work life balance.

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.

Free Float Computation

Directors	Direct As at December 2022	Indirect As at December 2022	Total As at December 2022	December 31, 2022 % of Holding	Direct As at 30 September 2023	Indirect As at 30 September 2023	Total As at 30 September 2023	September 30, 2023 % 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 2023, 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 2023, is compliant with The Exchange's free float requirements for companies listed on the Main Board.

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 year 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 year ended 31 December 2022, prepared in accordance with IFRS 10 - Consolidated Financial Statements.

1.1.2 Application of new and amended standards

New and amended standards and interpretations
New standards and interpretations
6.1 Standards and interpretations effective for the first time for 31 December 2022 year end
In the current year, the Group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Reference to the Conceptual Framework -Amendments to IFRS 3

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential "day 2" gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements. The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively. The amendments are not expected to have a material impact on the Group.

Property, Plant and Equipment: Proceeds before Intended Use - Amendments to IAS 16
In May 2020, the IASB issued Property, Plant and Equipment - Proceeds before Intended Use, which prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.
The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment. The amendments are not expected to have a material impact on the Group.

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

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

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

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

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

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

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

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

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

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) which was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

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

1. Level of aggregation
2. Liability Measurement
3. Presentation and disclosure
4. Production Classification
5. Transition Approach

(1) LEVEL OF AGGREGATION

(1a) **IDENTIFICATION OF PORFOLIO OF CONTRACT**;- There three options provided by the standard. These are;

Current Product Segmentation;- Where the current product segmentation meets the requirements of IFRS 17, the current product segmentation option may be adopted.

Further Breakdown of Current Product Segmentation: - To meet the requirement of IFRS 17, an entity may decide to further breakdown the current product segmentation based on contracts with similar risks that are managed together.

Create a New Product Portfolio: - A new product portfolio may be created to meet the requirements of IFRS 17.

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

(1b) DETERMINATION OF COHORTS:- There three options provided by the standard. These are;

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

Semi-Annual Cohorts:- Alternatively, group the contracts into semi-annual time buckets that coincides with entity's half year reporting period.

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

The Group has adopted the **contracts into quarterly cohorts** so as to close each group on a more frequent basis and also identify trends with profitability faster and at a more granular level.

(1c) ASSESSMENT OF PROFITABILITY FOR NON-LIFE:- There three options provided by the standard. These are;

Combined Ratio:- Use the combined ratio to assess the profitability of insurance contracts by comparing the insurance outflows with inflows.

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

Pricing Basis:- Perform annual pricing of each non-life insurance product to determine the profitability of the non-life insurance contracts**.**

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

(2)LIABILITY MEASUREMENT
(2a) DETERMINATION OF MEASUREMENT MODELS;- There three options provided by the standard. These are;

General Measurement Model (GMM):- Default measurement model for all insurance contracts

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

Variable Fee Approach (VFA):- Applied if an entity has contracts with direct participatory features.

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

(2b) **ESTIMATION OF FULFILLMENT CASH FLOWS:-** There three options provided by the standard. These are;

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

Premium Allocation Approach (PAA):- Alternatively, estimate fulfillment cash flows at the unit of account level.

Aggregate portfolio level:- Estimate fulfillment cash flows at a higher level of aggregation. This will entail combining different portfolio of contracts.

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

(2c) **DETERMINATION OF DISCOUNTING APPROACH:-** There two options provided by the standard. These are;

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

Top-down approach:- In this approach, the yield to maturity of a reference portfolio of assets is adjusted "to eliminate any factors that are not relevant to insurance contracts." The liquidity characteristics of the reference portfolio would reasonably reflect the liquidity characteristics of the cash flows, but the entity "is not required to adjust the yield curve for differences in characteristics of the insurance contracts and the reference portfolio.

The Group has adopted the **bottom-up approach** as yield curve can be generated from government bonds.

(2d) **CALCULATION OF RISK ADJUSTMENT:-** There are three options provided by the standard. These are;

Cost of Capital Approach:- Cost of capital approach assesses the cost of holding capital sufficient to cover the relevant risks over the lifetime of the business. It requires judgement to determine the appropriate level of capital in the future and the cost of capital rate. This approach is used to determine the risk margin under Solvency 2.

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

Tail value at risk approach:- Tail value at risk approach also called conditional tail expectation is also calculated with reference to a particular confidence level, however the tail value at risk is the expected value above that confidence level.

The Group has adopted the option of **Cost of Capital Approach**. The use of solvency II prescribed cost of capital for its risk margin. This approach could be complex to adopt, the major complexity that will be encountered in adopting this approach will be the determination of the cost of capital rate and the future capital required.

(2e) **DETERMINATION OF COVERAGE UNITS FOR CSM AMORTIZATION NON-LIFE:-** There three options provided by the standard. These are;

Straight Line Allocation Approach:- This approach requires straight line allocation of CSM over the passage of time but reflecting the number of contracts in a group. This is only applicable where the BBA is adopted for the non-life contracts.

Maximum Contractual Cover Approach:- Under this approach, CSM is amortised based on the maximum contractual cover in each period. This is only applicable where the BBA is adopted for the non-life contracts.

Expected outflows approach:- Under this approach, CSM is amortised based on the amount of expected outflows (e.g. claims expected at inception) over the term of the insurance contract. This is only applicable where the BBA is adopted for the non-life contracts.

The Group has adopted the **Maximum contractual cover approach** as this is feasible to adopt.

(3)PRESENTATION AND DISCLOSURES

(3a) INSURANCE FINANCE AND EXPENSES:- There are two options provided by the standard. These are;

Present Within Profit or Loss:- Accounting policy choice to present the total insurance finance income or expenses in the profit or loss.

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

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

(3b) **PRESENTATION OF CHANGE IN THE RISK ADJUSTMENT FOR NON-FINANCIAL RISK:-** There two options provided by the standard. These are;

Disaggregate between insurance service result and insurance finance income or expense:- Entities have an accounting policy choice to disaggregate the change in the risk adjustment for non-financial risk between insurance service result and insurance finance income or expense.

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

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

(3c) **PRESENTATION OF REINSURANCE INCOME OR EXPENSES:** There two options provided by the standard. These are;

Present separately:- Entities have an accounting policy choice to present the reinsurance income or expenses separately as amounts recovered from the reinsurer and an allocation of the premiums paid (gross presentation) in the profit or loss.

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

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

(4) PRODUCT CLASSIFICATION

(4a) **PREMIUM ALLOCATION APPROACH ELIGIBILITY:-** There two options provided by the standard. These are;

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

Percentage threshold:- This approach requires the entity to determine a threshold that it considers significant. If the difference in the liability for remaining coverage is more than the determined threshold, the contract is measured using GMM.

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

(4b) **Expense acquisition costs:-** There two options provided by the standard. These are;

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

Do not expense acquisition costs:- Entities have an accounting policy choice to defer insurance acquisition cash flows.

The Group has adopted the option of Do not expense acquisition costs. This approach is easy to adopt considering the current treatment of initial acquisition costs (DAC).

(5) **TRANSITION APPROACH**
(5a) NON – LIFE:- There three options provided by the standard. These are;

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

Modified retrospective approach:- This is a modification to full retrospective approach. Simplifications available include aggregation, discount rates, historic cash flows amongst others.

Fair value approach:- Alternative to the modified retrospective approach, the fair value approach can be used to determine the profit/loss in line with IFRS 17.

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

(5b) **FAIR VALUE APPROACH:-** There three options provided by the standard. These are;

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

Modified retrospective approach:- This is a modification to full retrospective approach. Simplifications available include aggregation, discount rates, historic cash flows amongst others.

Fair value approach:- This would not require as much data and is relatively easier to adopt because of the simplifications available. However, CHI does not have the historical data at the granularity required.

The Group has adopted the option of Modified retrospective approach. This would not require as much data and is relatively easier to adopt because of the simplifications available. However, Micro Insurance as subsidiary does not have the historical data at the granularity required.

(5c) **FAIR VALUE OR MODIFIED RETROSPECTIVE APPROACH:-** There two options provided by the standard. These are;

Include in a group, contracts issued more than one year apart:- This approach requires an entity to include contracts issued more than one year apart in the same group.

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

The Group has adopted option 2 .**Not to include in a group, contracts issued more than one year apart**. However, this option is expected to involve a higher complexity.

6.2 Standards and interpretations not yet effective

The Group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2023 or later periods:

2021 DECEMBER 31 TRANSITION ADJUSTMENT - COMPANY					
		IFRS4			IFRS17
	JOURNALS	31 December	DE-RECOGNI	RS 17 VALUATION	JANUARY 1, 2022
		2021			
		N			
Assets					
Cash and cash equivalents		2,044,305,295	-	-	2,044,305,295
Financial assets		3,926,828,203	-	-	3,926,828,203
Trade receivables		543,897,328	-	-	543,897,328
Reinsurance assets	**A & B**	3,410,440,180	- 3,410,440,180	3,947,550,871	3,947,550,871
Deferred acquisition cost	**C**	385,296,407	-	(385,296,407)	-
Other receivables & prepayments		547,376,937	-	-	547,376,937
Investment in subsidiaries		1,594,225,000	-	-	1,594,225,000
Intangible Assets		29,482,172	-	-	29,482,172
Investment properties		1,008,676,470	-	-	1,008,676,470
Property and equipment		1,089,355,653	-	-	1,089,355,653
Right-of-Use of Assets (Leased Assets)		-	-	-	-
Statutory deposits		300,000,000	-	-	300,000,000
					-
Total assets		14,879,883,646	(3,410,440,180)	3,562,254,464	15,031,697,929
Liabilities					
Insurance contract liabilities	**D & E**	5,299,544,811	- 5,299,544,811	5,319,415,744	5,319,415,744
Investment contract liabilities		-			-
Trade payables		46,805,158			46,805,158
Borrowing		-			-
Other payables and provision		275,121,116			275,121,116
Retirement benefit obligations		1,367,928			1,367,928
Income tax liabilities	**F**	340,135,901			340,135,901
Deferred tax liabilities		247,979,804			247,979,804
Total liabilities		6,210,954,719	- 5,299,544,811	5,319,415,744	6,230,825,652
					-
Equity and reserves					-
Issued and paid up share capital		5,420,000,000			5,420,000,000
Share Premium		168,933,834			168,933,834
Contingency reserve		2,437,343,087			2,437,343,087
Statutory reserve		-			-
Fair Value Through OCI Reserve		30,669,220			30,669,220
Revaluation reserve		115,793,288			115,793,288
Requlatory risk reserve		-			-
Retained earnings	**A,B,C,D & E**	496,189,498	1,889,104,631	(1,757,161,280)	628,132,848
Total equity and reserves		8,668,928,926	1,889,104,631	(1,757,161,280)	8,800,872,277
					-
Total liabilities and equity and reserves		14,879,883,645	- 3,410,440,180	3,562,254,464	15,031,697,929

		DR	CR
A	Retained earnings	3,410,440,179.95	
	Reinsurance assets		3,410,440,179.95
	BEING REVERSAL OF IFRS 4 REINSURANCE ASSETS TO RETAINED EARNINGS		
B	Reinsurance assets	3,947,550,870.70	
	Retained earnings		3,947,550,870.70
	BEING INTRODUCTION OF IFRS 17 REINSURANCE ASSETS TO RETAINED EARNINGS		
C	Retained earnings	385,296,407.00	
	Deferred acquisition cost		385,296,407.00
	BEING DEFFERED COMMISSION EXPENSES WRITTEN OFF TO RETAINED EARNINGS		
D	Insurance contract liabilities	5,299,544,810.80	
	Retained earnings		5,299,544,810.80
	BEING REVERSAL OF IFRS 4 INSURANCE CONTRACTS LIABILITIES TO RETAINED EARNINGS		
E	Retained earnings	5,319,415,744.17	
	Insurance contract liabilities		5,319,415,744.17
	BEING INTRODUCTION OF IFRS 17 INSURANCE CONTRACT LIABILITIES TO RETAINED EARNINGS		

Amendment to IAS 1 – Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendment to IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The amendment clarify:

• What is meant by a right to defer settlement.

• That a right to defer must exist at the end of the reporting period.

• That classification is unaffected by the likelihood that an entity will exercise its deferral right.

• That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The Board also added two new paragraphs (Paragraph 76A and 76B) to IAS1 to clarify what is meant by "settlement" of a liability. The Board concluded that it was important to link the settlement of the liability with the outflow of resources of the entity.
The amendment does not have any material impact on the Group.

IFRS 8 – Definition of Accounting Estimates
The amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the Board. The amendment does not have any material impact on the Group.

IFRS 3 – Reference to the Conceptual Framework

The amendments add an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date. The amendment do not have any material impact on the Group.

IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability.
Under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal.

Nevertheless, it is possible that the resulting deferred tax assets and liabilities are not equal (e.g., if the entity is unable to benefit from the tax deductions or if different tax rates apply to the taxable and deductible temporary differences). In such cases, which the Board expects to occur infrequently, an entity would need to account for the difference between the deferred tax asset and liability in profit or loss. The amendment do not have any material impact on the Group.

1.2 Basis of measurement

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

- Investment property is measured at fair value.
- Assets held for trading are measured at fair value

1.3 Functional and presentation currency

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

1.4 Consolidation

The Group financial statements comprise the financial statements of the company and its subsidiaries, CHI Capital Limited, Hallmark Health Services Limited, Hallmark Finance Company Limited and CHI Microinsurance Limited, all made up to 31 December, each year. The financial statements of subsidiaries are consolidated from the date the group acquires control, up to the date that such effective control 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 assumption. The annual accounting basis is used to determine the underwriting result of each class of insurance business written.

The effect of a change in an accounting estimate is recognized prospectively by including it in the comprehensive income in the period of the change, if the change
affects that period only, or in the period of change and future period, if the change affects both.

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

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

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

(c) 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.

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

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

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

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

3.1 Financial Instruments

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

Classification and Measurement
Initial measurement of a financial asset or liability shall be at fair value plus transaction costs that are directly attributable to its purchase or issuance. For instruments measured at fair value through profit or loss, transaction costs shall be recognized immediately in profit or loss. Financial assets include placement with banks, treasury bills and equity instruments.

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

1. Amortised cost
2. Fair Value through Other Comprehensive Income (FVOCI)
3. Fair Value through Profit or Loss (FVTPL) for trading related assets.

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

Business Model Assessment

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

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

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

- The risks that affect the performance of assets held within a business model and how those risks shall be managed;

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

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

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

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

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

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

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

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

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

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

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

1. Selling the financial asset to realize cash to deal with unforeseen need for liquidity (infrequent).
2. Selling the financial asset to manage credit concentration risk (infrequent)
3. Selling the financial assets as a result of changes in tax laws (infrequent).
4. Other situations also depends upon the facts and circumstances which need to be judged by the Management

Cash flow characteristics assessment
The company shall assess the contractual features of an instrument to determine if they give rise to cash that shall be consistent with a basic investment arrangement.
Contractual cash flows shall be consistent with a basic deposit arrangement if they represent cash flow that are solely payments of principal and interest on the principal amount outstanding (SPPI).
Principal shall be defined as the fair value of the instrument at initial recognition. Principal may change over the life of the instruments due to repayments. Interest shall be defined as consideration for the time value of money and the credit risk associated with the principal amount outstanding and for other basic lending risks and costs (liquidity risk and administrative costs), as well as a profit margin.

Classification of Financial Assets
a) Financial assets measured at amortised cost

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

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

b) **Financial assets measured at FVOCI**

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

c) **Financial assets measured at FVTPL**

Financial assets measured at FVTPL include assets held for trading purposes, assets held as part of a portfolio managed on a fair value basis and assets whose cash flows do not represent payments that shall be solely payments of principal and interest. Financial assets may also be designated at FVTPL if by so doing eliminates or significantly reduces an accounting mismatch which would otherwise arise. These instruments shall be measured at fair value in the Consolidated Statement of Financial Position, with transaction costs recognized immediately in the Consolidated Statement of Income.

d) **Equity Investments**

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

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

Financial Liabilities

Financial liabilities shall be classified into one of the following measurement categories:
a) Fair Value through Profit or Loss (FVTPL)
(b) Amortised cost

a) **Financial Liabilities at fair value through profit or loss**

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

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

Gains and losses arising from changes in fair value of financial liabilities classified as held for trading shall be included in the income statement and shall be reported as 'Net gains/(losses) on financial instruments classified as held for trading'. Interest expenses on financial liabilities held for trading shall be included in 'Net interest income'.
Financial Liabilities shall be designated at FVTPL when either the designation eliminates or significantly reduces an accounting mismatch which would otherwise arise or the financial liability contains one or more embedded derivatives which significantly modify the cash flows otherwise required. For liabilities designated at fair value through profit or loss, all changes in fair value shall be recognized in the Consolidated Statement of Income, except for changes in fair value arising from changes in the company's own credit risk which shall be recognized in OCI. Changes in fair value of liabilities due to changes in the company's own credit risk, which are recognized in OCI, shall not be subsequently reclassified to the Consolidated Statement of Income upon derecognition/extinguishment of the liabilities.

b) **Financial Liabilities at amortised cost**
Financial liabilities that are not classified at fair value through profit or loss fall into this category and shall be measured at amortised cost using the effective interest rate method. Financial liabilities measured at amortised cost shall be debt securities in issue for which the fair value option is not applied, convertible bonds and subordinated debts.

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

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

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

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

(a) A change in intention related to particular financial assets (even in circumstances of significant changes in market conditions)
(b) A temporary disappearance of a particular market for financial assets.
(c) A transfer of financial assets between parts of the Group with different business models.

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

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

1. Amortized cost financial assets; and
2. Debt securities classified as at FVOCI;

Equity instruments and financial assets measured at FVTPL shall not be subjected to impairment under the standard.

Expected Credit Loss Impairment Model

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

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

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

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

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

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

Measurement of Expected Credit Losses

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

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

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

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

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

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

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

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

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

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

Assessment of significant increase in credit risk (SICR)
At each reporting date, the company shall assess whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the remaining expected life from the reporting date and the date of initial recognition. The assessment considers borrower-specific quantitative and qualitative information without consideration of collateral, and the impact of forward-looking macroeconomic factors. The common assessments for SICR on retail and non-retail portfolios include macroeconomic outlook, management judgement, and delinquency and monitoring. Forward looking Macroeconomic factors shall be a key component of the macroeconomic outlook. The importance and relevance of each specific macroeconomic factor depends on the type of product, characteristics of the financial instruments and the borrower and the geographical region.

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

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

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

Definition of Default and Credit Impaired Financial Assets

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

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

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

1. The market's assessment of credit worthiness as reflected in the bond yields
2. The rating agencies' assessments of credit worthiness
3. The country's ability to access the capital markets for new debt issuance
4. The probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness

5. The international support mechanisms in place to provide the necessary support as lender of last resort to that country as well as the intention, reflected in public statements of governments and agencies to use those mechanisms. This includes an assessment of the depth of those mechanisms and irrespective of the political intent, whether there is the capacity to fulfil the required Criteria.

Presentation of allowance for ECL in the statement of financial position

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

- Financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets
- Financial assets measured at FVOCI: no loss allowance shall be recognized in the statement of financial position because the carrying amount of these assets shall be their fair value. However, the loss allowance shall be disclosed and recognized in the fair value reserve.

Write-off

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

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

4. Leases

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

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

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

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

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

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

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

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

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

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

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

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

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

Sale and leaseback transactions:
In the event of a sale and leaseback transaction, the requirements of IFRS 15 are applied to consider whether a performance obligation is satisfied to determine whether the transfer of

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

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

5. Trade receivables

Trade receivables are recognized when due. These include amounts due from agents, brokers and insurance contract holders. If there is objective evidence that the insurance receivable is impaired, the Company reduces the carrying amount of the insurance receivable accordingly and recognizes that impairment loss in the income statement. The Company first assesses whether objective evidence of impairment exists individually for receivables that are individually significant. If the company determines that no objective evidence of impairment exists for an individually assessed receivable, whether significant or not, it includes the receivable in a group of receivables with similar credit risk characteristics and collectively assesses them for impairment using the model that reflects the company’s historical outstanding premium collection ratio per sector.

6. Reinsurance assets and liabilities

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

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

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

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

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

7. Deferred acquisition costs

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

8. Other receivables and prepayments

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

9. 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).

10. 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.

11. 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%

12. Property and equipment

12.1 Recognition and Measurement

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

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

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

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

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment. The assets' residual values and useful lives are reviewed at the end of each reporting period and adjusted if appropriate. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable value.
Gains and losses on disposals are determined by comparing the proceeds with the carrying amount, these are included in the income statement in operating income.

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

12.2 Investment property

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

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

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

Property located on land that is held under an operating lease is classified as investment property as long as it is held for long-term rental yields and is not occupied by the companies in the consolidated Group. The initial cost of the property shall be the fair value (where available), when not available the initial cost shall be used. The property is carried at fair value after initial recognition.

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

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

13. Statutory Deposit

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

14. Insurance Contract Liabilities

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

14.1 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.

14.2 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.

14.3 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)".

14.4 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.

15. Investment Contract Liability

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

The Group enters into investment contracts with guarantee returns and other businesses of savings nature. Those contracts are termed investment contract liabilities and are initially measured at fair value and subsequently at amortised cost. Finance cost on investment contract liabilities is recognised as an expense in profit or loss using the effective interest rate.

16. Retirement benefits obligations

16.1 Defined contribution plan

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

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

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

17. Share capital

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

18. Share premium

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

19. Contingency reserve

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

20. Statutory reserve

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

21. Regulatory risk reserve

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

22. Dividend distribution

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

23. Revenue recognition

23.1 Premium

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

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

d) Gross claims paid

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

e) Gross claims incurred

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

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 wren Incurred. Reinsurance recoveries are recognized when the company records the liability for the claims.
Anticipated reinsurance recoveries on claims ore disclosed separately as assets.

f) Operating and Administrative expenses

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

Provision for unpaid claims and adjustment expenses

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

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.

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.
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.

33. Borrowings

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

34. **Revaluation Reserves**

Revaluation reserve is an accounting term used when a company creates a line item on its balance sheet for the purpose of maintaining a reserve account tied to certain assets. This line item can be used when a revaluation assessment finds that the carrying value of the asset has changed. The Group uses revaluation reserve lines on the financial Position to account for value fluctuations in long-term assets.

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 2023

2. Seasonality or Cyclicality of Operations
The business of Insurance is not subject to seasonality or cyclicality.

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 1,472,139,475 as at the quarter ended 30 SEPTEMBER 2023.

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: ₦ 84,157,558

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: ₦134,861,486
Disposal of Property, Plant and Equipment during the period was: ₦ Nil

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 2023

	Notes	Group		Company	
		30 SEPTEMBER 2023	1 January 2023	**30 SEPTEMBER 2023**	1 January 2023
		N	N	**N**	N
Assets					
Cash and cash equivalents	**2.0**	**3,065,744,345**	1,669,476,978	**1,644,765,274**	1,183,948,834
Financial assets	**3.0**	**12,874,073,107**	8,644,183,149	**9,635,443,328**	6,325,958,061
Finance lease receivables	**5**	**158,789,190**	210,896,364	**-**	-
Trade receivables	**6**	**822,506,918**	831,493,560	**775,473,605**	773,060,783
Reinsurance assets	**7**	**2,591,863,735**	3,285,437,414	**2,591,863,735**	3,439,649,357
Other receivables & prepayments	**9**	**658,956,790**	292,572,354	**943,447,846**	652,618,272
Investment in subsidiaries	**10**	**-**	-	**1,594,225,000**	1,594,225,000
Intangible Assets	**11**	**52,608,896**	64,109,633	**16,668,810**	22,104,164
Investment properties	**12**	**1,472,139,475**	1,405,226,470	**1,269,471,475**	1,265,226,470
Property and equipment	**13**	**1,219,649,084**	1,168,945,157	**1,093,098,977**	1,088,248,164
Right-of-Use of Assets (Leased Assets)	**13.3**	**34,531,785**	2,844,702	**-**	
Statutory deposits	**14**	**320,000,000**	400,000,000	**300,000,000**	300,000,000
Total assets		**23,270,863,325**	17,975,185,781	**19,864,458,050**	16,645,039,105
Liabilities					
Insurance contract liabilities	**15**	**8,311,450,398**	6,719,992,879	**7,979,624,148**	6,599,249,986
Investment contract liabilities	**15.5**	**6,454,316**	13,723,775	**-**	-
Trade payables	**16**	**294,689,038**	33,472,651	**294,689,038**	33,472,651
Borrowing	**17**	**1,745,713,691**	680,107,894	**-**	-
Other payables and provision	**18**	**838,147,364**	429,876,513	**378,454,238**	350,746,765
Retirement benefit obligations	**19**	**15,680,834**	2,925,281	**13,956,368**	1,181,508
Income tax liabilities	**21**	**1,376,047,534**	615,621,090	**1,140,966,268**	554,247,029
Deferred tax liabilities	**22**	**225,896,679**	253,908,071	**211,439,125**	239,442,368
Total liabilities		**12,814,079,854**	8,749,628,154	**10,019,129,185**	7,778,340,307
Equity and reserves					
Issued and paid up share capital	**23.1**	**5,420,000,000**	5,420,000,000	**5,420,000,000**	5,420,000,000
Share Premium	**24**	**168,933,834**	168,933,834	**168,933,834**	168,933,834
Contingency reserve	**25.1**	**3,183,588,537**	2,800,339,728	**3,180,892,470**	2,799,201,192
Statutory reserve	**25.2**	**117,839,085**	91,262,839	**-**	-
Fair Value Through OCI Reserve	**25.3**	**39,180,405**	39,180,405	**39,163,090**	39,163,090
Revaluation reserve	**25.4**	**128,676,506**	128,676,506	**128,676,506**	128,676,506
Requlatory risk reserve	**25.5**	**1,828,189**	1,828,189	**-**	-
Retained earnings	**26**	**1,396,736,915**	575,336,126	**907,662,963**	310,724,176
Total equity and reserves		**10,456,783,471**	9,225,557,627	**9,845,328,865**	8,866,698,798
Total liabilities and equity and reserves		**23,270,863,325**	17,975,185,781	**19,864,458,050**	16,645,039,105

The consolidated financial statements were approved by the Board of Directors on October 19, 2023

Obinna Ekezie	**Eddie A. Efekoha**	**Babatunde Daramola**
Chairman	**Managing Director**	**Chief Financial Officer**
FRC/2017/IODN/00000017485	**FRC/2013/CIIN/00000002189**	**FRC/2012/ICAN/00000000564**

The accompanying notes form an integral part of this financial statements

CONSOLIDATED HALLMARK INSURANCE PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2023

		Group		Company	
		30 SEPTEMBER 2023	30 SEPTEMBER 2022	**30 SEPTEMBER 2023**	30 SEPTEMBER 2022
	Notes	**N**	N	**N**	N
Insurance revenue	**27.**	**10,981,845,726**	9,082,031,977	**10,380,555,883**	8,582,871,960
Insurance service expenses	**30**	**(6,063,420,917)**	(6,548,347,230)	**(5,594,076,068)**	(6,113,676,342)
Net expenses from reinsurance contracts held	**28**	**(2,529,149,353)**	(773,102,525)	**(2,521,460,236)**	(771,302,525)
Insurance service result		**2,389,275,456**	1,760,582,221	**2,265,019,579**	**1,697,893,093**
Interest revenue calculated using the effective interest method	**32.**	**1,297,749,334**	1,016,404,920	**724,201,378**	579,394,139
Net fair value gains/(losses) on financial assets at fair value through profi or loss	**35.**	**639,416,213**	(114,411,123)	**572,793,879**	(178,606,590)
Net fair value gains on derecognition of fonancial assets measured at fair value through other comprehensive income		**-**	-		-
Net foreign exchange income/(expense)					
Net credit impairment losses	**34**	**(18,166,244)**	102,280,824	**-**	
		-	-	**-**	-
Net change in investment contract liabilities		**-**	-	**-**	**-**
Net investment income		**1,918,999,303**	1,004,274,622	**1,296,995,257**	**400,787,549**
Finance expenses from insurance contracts issued		**-**	-	**-**	-
Finance income from reinsurance contracs issued				**-**	
Net insurance finance expenses		**-**	-	**-**	-
Net insurance and investment result		**4,308,274,760**	2,764,856,842	**3,562,014,836**	2,098,680,642
Asset management services revenue		**-**			
Other finance costs		**-**	-	**-**	-
Other expenses	**36.**	**(2,516,444,867)**	(2,068,247,412)	**(2,045,050,486)**	(1,659,638,178)
Other income	**33.**	**464,371,687**	225,872,359	**387,254,935**	176,025,972
Share of profit of associates and joint ventures accounted for using the equity method		**-**	-	**-**	-
Profit before income tax		**2,256,201,580**	922,481,789	**1,904,219,285**	615,068,436
Tax expense	**20**	**(698,985,507)**	(254,477,327)	**(600,389,121)**	(185,345,734)
Profit for the year		**1,557,216,073**	668,004,463	**1,303,830,164**	429,722,703
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss					
Net finance expenses from insurance contracts	**.**	**-**	-	**-**	-
Net finance income from reinsurance contracts		**-**	-	**-**	-
Income tax relating to these items		**-**	-	**-**	-
Items that may not be reclassified subsequently to profit or los		**1,557,216,073**	668,004,463	**1,303,830,164**	429,722,703
Changes in the fair value on equity instruments at fair value through other comprehensive income					
Income tax relating to these items		**1,557,216,073**	668,004,463	**1,303,830,164**	429,722,703
		-	-	**-**	-
Other comprehensive income for the year. Net of tax		**1,557,216,073**	668,004,463	**1,303,830,164**	429,722,703
Basic & diluted earnings per share (Kobo)		14.37	6.16	12.03	3.96

The accompanying notes form an integral part of this financial statements

CONSOLIDATED HALLMARK INSURANCE PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2023

The Group

	Issued share capital	Share Premium	Contingency reserves	Fair Value Through OCI Reserve	Revaluation Reserve	Statutory reserve	Requlatory risk reserve	Retained earnings	Total equity
	N	N	N	N	N	N	N	N	N
At 1 January 2022	5,420,000,000	168,933,834	2,437,638,438	30,615,728	115,793,288	72,039,762	1,354,214	765,408,440	9,011,783,704
Changes in equity for 2022:								-	
Profit for the period	-		-			-	-	995,985,051	995,985,051
Other comprehensive income for the period	-		-	8,564,677	12,883,218	-	-	-	21,447,895
Total comprehensive income for the period	-	-	-	8,564,677	12,883,218	-	-	995,985,051	1,017,432,946
Transactions with owners:								-	-
Transfer within reserves	-	-	362,701,290			19,223,077	(1,354,214)	(380,570,153)	-
Addition	-	-					1,828,189	(1,828,189)	-
Dividends relating to prior periods paid during the period	-		-			-	-	(216,800,050)	(216,800,050)
Non-controlling interest arising on business combination									-
	-		-			-	-	-	-
Contribution by and to owners of the business	-	-	362,701,290	-	-	19,223,077	473,975	(599,198,392)	(216,800,050)
At December 2022	5,420,000,000	168,933,834	2,800,339,728	39,180,405	128,676,506	91,262,839	1,828,189	1,162,195,099	9,812,416,600
IFRS 17 implimentation adjustment								(586,858,973)	(586,858,973)
At 1 January 2023	5,420,000,000	168,933,834	2,800,339,728	39,180,405	128,676,506	91,262,839	1,828,189	575,336,126	9,225,557,627
Changes in equity for 2023:								(270,438)	(270,438)
Profit for the period	-		-			-	-	1,557,340,897	1,557,340,897
Other comprehensive income for the period	-		-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	-	1,557,070,459	1,557,070,459
Transactions with owners:								-	
Transfer within reserves	-	-	383,248,809			26,576,245	-	(409,825,054)	-
Addition	-	-					-	(644,522)	(644,522)
Dividends relating to prior periods paid during the period	-		-			-	-	(325,200,100)	(325,200,100)
Non-controlling interest arising on business combination									-
	-		-			-	-	-	-
Contribution by and to owners of the business	-	-	383,248,809		-	26,576,245	-	(735,669,670)	(325,844,622)
AT SEPTEMBER 2023	5,420,000,000	168,933,834	3,183,588,537	39,180,405	128,676,506	117,839,084	1,828,189	1,396,736,915	10,456,783,470

CONSOLIDATED HALLMARK INSURANCE PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2023

The Company

	Issued share capital	Share Premium	Contigency reserves	Fair Value Through OCI Reserve	Revaluation Reserve	Retained earnings	Total equity
	N	N	N	N	N	N	N
At 1 January 2021	5,420,000,000	168,933,834	2,437,343,087	30,669,220	115,793,288	496,189,498	8,668,928,927
Changes in equity for 2021:							
Profit for the period	-	-	-			980,051,807	980,051,807
Other comprehensive income for the period	-		-	8,493,870	12,883,218	-	21,377,088
Total comprehensive income for the period	-	-	-	8,493,870	12,883,218	980,051,807	1,001,428,895
Transactions with owners:							
Transfer within reserves	-		361,858,105			(361,858,105)	-
Addition		-		-	-		-
Dividend paid during the period						(216,800,050)	(216,800,050)
Contribution by and to owners of the business	-	-	361,858,105	-	-	(578,658,155)	(216,800,050)
At December 2021	5,420,000,000	168,933,834	2,799,201,192	39,163,090	128,676,506	897,583,150	9,453,557,772
At 1 January 2022	**5,420,000,000**	**168,933,834**	**2,799,201,192**	**39,163,090**	**128,676,506**	**897,583,150**	**9,453,557,772**
Changes in equity for 2022:						**(586,858,973)**	**(586,858,973)**
Profit for the period	**-**	**-**	**-**			**1,303,830,164**	**1,303,830,164**
Other comprehensive income for the period	**-**		**-**	**-**	**-**	**-**	**-**
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**1,303,830,164**	**1,303,830,164**
Transactions with owners:							
Transfer within reserves	**-**		**381,691,279**			**(381,691,279)**	**-**
Addition		**-**		**-**	**-**		**-**
Dividend paid during the period						**(325,200,100)**	**(325,200,100)**
Contribution by and to owners of the business	**-**	**-**	**381,691,279**	**-**	**-**	**(706,891,379)**	**(325,200,100)**
AT SEPTEMBER 2023	**5,420,000,000**	**168,933,834**	**3,180,892,470**	**39,163,090**	**128,676,506**	**907,662,963**	**9,845,328,863**

CONSOLIDATED HALLMARK INSURANCE PLC

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2023

		Group		Company	
		30 SEPTEMBER	**31 December**	**30 SEPTEMBER**	**31 December**
	Notes	**2023**	2022	**2023**	2022
		N	N	**N**	N
Cash flows from operating activities					
Premium received from policy holders	6.1	**13,436,649,958**	12,595,491,111	**12,720,629,771**	11,832,773,364
Reinsurance receipts in respect of claims		**977,497,217**	2,082,996,900	**977,497,217**	2,082,996,900
Commission received	29	**853,053,376**	756,315,554	**853,053,376**	756,315,554
Other operating receipts		**464,371,687**	1,164,282,378	**387,254,935**	595,355,189
Cash paid to and on behalf of employees	36a	**(822,404,959)**	(822,404,959)	**(540,044,031)**	(673,461,944)
Reinsurance premium paid	16	**(3,987,796,005)**	(5,000,264,199)	**(3,987,796,005)**	(5,000,264,199)
Claims paid	30a	**(3,256,802,953)**	(4,453,350,219)	**(2,840,643,217)**	(3,915,938,942)
Commission expenses	31	**(1,975,362,404)**	(1,937,950,037)	**(1,922,177,292)**	(1,876,957,619)
Maintainance expenses	31	**(971,404,571)**	(837,009,198)	**(971,404,571)**	(837,009,198)
Other operating cash payments		**(818,086,846)**	(1,880,854,299)	**(1,780,262,020)**	(1,512,227,538)
Company income tax paid	21.	**(117,648,622)**	(131,287,476)	**(122,565,743)**	(109,851,741)
Net cash (used in)/ from operating activities		**3,782,065,880**	1,535,965,557	**2,773,542,422**	1,341,729,826
Cash flows from investing activities					
Purchase of property and equipment	13	**(134,861,485)**	(135,836,290)	**(88,655,359)**	(96,503,662)
Purchase of intangible asset	11	**-**	(3,267,000)	**-**	-
Additions to investment properties	12	**(66,913,005)**	(182,053,732)	**(4,245,005)**	(182,053,732)
Proceeds from sale of Investment properties		**-**	-	**-**	-
Investment in subsidiaries	10.	**-**	-	**-**	-
Proceeds from sale of property and equipment	13	**2,319,000**	7,165,722	**2,319,000**	7,165,722
Purchase of financial assets	3.	**(3,919,730,874)**	(5,523,230,057)	**(2,483,383,176)**	(2,651,487,118)
Proceeds from sale of financial assets	3.	**291,199,648**	2,317,425,962	**96,427,561**	514,898,760
Dividend received	32	**119,676,782**	105,020,671	**119,676,782**	166,158,671
Rental Income received	32	**638,400**	31,569,000	**638,400**	31,569,000
Interest received	32	**613,679,108**	484,721,158	**276,064,778**	221,388,165
Net cash from investing activities		**(3,093,992,426)**	(2,898,484,565)	**(2,081,157,020)**	(1,988,864,195)
Cash flows from financing activities					
Proceeds on private placemant	23.1	**-**	-	**-**	-
Proceeds from borrowing	**17**	**1,061,994,793**	607,885,923	**-**	-
Payment on borrowing (principal & Interest)	**17**	**(123,571,939)**	(219,882,483)	**-**	-
Dividend paid	26	**(325,200,100)**	(216,800,050)	**(325,200,100)**	(216,800,050)
Net cash used in financing activities		**613,222,754**	171,203,390	**(325,200,100)**	(216,800,050)
Increase in cash and cash equivalents		**1,301,296,208**	(1,191,315,617)	**367,185,301**	(863,934,419)
Cash and cash equivalents at Beginning		**1,764,448,137**	2,955,763,754	**1,277,579,972**	2,141,514,391
Gross Cash and cash equivalent at End	2	**3,065,744,345**	1,764,448,137	**1,644,765,274**	1,277,579,972

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 2023

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. In 2022, the Company commenced a process of transforming into Holding Company structure. Schemed documents was issued and court order meetings was held to obtain Shareholders approval of the scheme.

1.2 The Company

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

1.3 Principal activities

During the year under review, the Company engaged in general insurance business and maintained offices in major cities 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, provision of Health management services and microinsurance life business.

		Group		Company	
		30 SEPTEMBER 2023	31 December 2022	**30 SEPTEMBER 2023**	31 December 2022
		N	N	**N**	N
2.	**Cash and cash equivalents**				
	Cash in hand	**16,910,644**	10,332,390	**16,910,644**	10,332,390
	Balance with banks	**2,616,687,363**	1,109,620,127	**1,194,368,272**	622,751,963
	Call deposits	**16,406,448**	25,761,050	**16,406,448**	25,761,049
	Fixed deposits (Note 2.1)	**417,079,910**	618,734,570	**417,079,910**	618,734,570
		3,067,084,365	1,764,448,137	**1,644,765,274**	1,277,579,972
	Impairment charge (Note 2.2)	**(1,340,020)**	(94,971,159)	**(0)**	(93,631,138)
		3,065,744,345	1,669,476,978	**1,644,765,274**	1,183,948,834

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	**94,971,159**	98,688,515	**93,631,138**	97,209,096
	IFRS 9 opening figure adjustment	**-**	-	**-**	-
	Charged	**(93,631,138)**	(3,717,356)	**(93,631,138)**	(3,577,958)
	AT SEPTEMBER 2023	**1,340,021**	94,971,159	**(0)**	93,631,138

The impairment charge of N92,722,593 as at January 1, 2020 resulted from a fixed deposit of N100million with a mortgage bank in 2018 that went into a default in 2019 and had to be impaired in line with standard accounting practice and regulatory requirement. The company has obtained a court sanction of the settlement reached with the Mortgage Bank to recovered the fund. There is a positive indication that the fund will be recovered.

3.	**Financial assets**				
	At fair value through profit or loss (Note 3.1)	**1,406,908,800**	827,492,587	**1,377,865,399**	805,071,520
	At Amortised cost (Note 3.2)	**11,334,996,719**	7,684,522,974	**8,127,635,805**	5,390,944,417
	At fair value through OCI (Note 3.3)	**132,167,588**	132,167,588	**129,942,124**	129,942,124
		12,874,073,107	8,644,183,149	**9,635,443,328**	6,325,958,061
	Movement in Financial Assets				
	Opening	**8,644,183,149**	5,290,556,583	**6,325,958,061**	3,926,828,203
	Addition	**3,919,730,874**	5,523,230,057	**2,483,383,176**	2,651,487,118
	Disposal	**(291,199,648)**	(2,317,425,962)	**(96,427,561)**	(514,898,760)
	Interest Capitalised	**285,402,698**	329,570,076	**285,402,698**	329,570,076
	Impairment (note 34)	**(18,166,244)**	(142,143,677)	**-**	(15,186,486)
	Opening impaiment adjustment	**-**	-	**-**	-
	Opening Fair value gains through OCI adjustment	**-**	-	**-**	-
	Fair value (loss)/ gains	**624,815,488**	(52,199,042)	**637,126,954**	(64,333,076)
	Fair value gains through OCI	**-**	12,595,115	**-**	12,490,985
	Closing	**12,874,073,107**	8,644,183,149	**9,635,443,328**	6,325,958,061

3.1	**At fair value through profit or loss**				
	At 1 January	**980,043,054**	1,088,611,153	**971,417,979**	1,079,986,078
	Additions	**18,933,800**	-	**-**	-
	Disposals	**(64,333,075)**	(108,568,099)	**(64,333,075)**	(108,568,099)
		934,643,779	980,043,054	**907,084,904**	971,417,979
	Fair value (loss) (Note 35a)	**472,265,021**	(152,550,467)	**470,780,495**	(166,346,460)
	AT SEPTEMBER 2023	**1,406,908,800**	827,492,587	**1,377,865,399**	805,071,520
	Current	**1,406,908,800**	827,492,587	**1,377,865,399**	805,071,520
	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 2023

		Group		Company	
		30 SEPTEMBER 2023	December 2022	**30 SEPTEMBER 2023**	December 2022
		N	N	**N**	N
3.2	**Amortised Cost**				
	Staff loans (Note 3.2.1a)	**232,632,779**	214,848,307	**227,500,585**	209,716,113
	Loan issued to corporate individuals (Note 3.2.1b)	**3,365,622,722**	2,293,578,557	**693,020**	5,188,038
	Debts Instrument (Note 3.2.3)	**4,233,588,486**	3,012,061,800	**4,233,532,641**	3,012,005,956
	Fixed Deposit (Above 90Days) (3.2.4)	**3,665,909,559**	2,164,034,310	**3,665,909,559**	2,164,034,310
		11,497,753,546	7,684,522,974	**8,127,635,805**	5,390,944,417
	Current	**11,380,803,610**	7,552,444,741	**7,917,315,305**	5,180,623,917
	Non Current	**116,949,936**	132,078,233	**210,320,500**	210,320,500
3.2.1a	**Staff loans**				
	At 1 January	**223,073,812**	223,079,916	**217,941,618**	223,079,916
	Addition	**45,383,940**	20,033,194	**45,383,940**	12,901,000
	Repayment	**(27,599,468)**	(20,039,298)	**(27,599,468)**	(18,039,298)
		240,858,284	223,073,812	**235,726,090**	217,941,618
	Impairment on Loans & Receivable(Note 3.2.1ai)	**(8,225,505)**	(8,225,505)	**(8,225,505)**	(8,225,505)
	Closing	**232,632,779**	214,848,307	**227,500,585**	209,716,113
3.2.1ai	**Impairment on Loans & Receivable**				
	Opening	**8,225,505**	4,225,067	**8,225,505**	4,225,067
	IFRS 9 opening figure adjustment	**-**	-	**-**	-
	Charged	**-**	4,000,438	**-**	4,000,438
	Closing	**8,225,505**	**8,225,505**	**8,225,505**	8,225,505
3.2.1b	**Loan issued to corporate / individuals**				
	At 1 January	**2,622,061,024**	1,552,789,443	5,188,038	-
	Addition	**1,417,413,897**	2,873,798,783	**-**	9,188,038
	Bad debts written off	**-**	-	**-**	-
	Repayment	**(330,241,435)**	(1,804,527,202)	**(4,495,018)**	(4,000,000)
		3,709,233,486	2,622,061,024	**693,020**	5,188,038
	Impairment on loans issued to corporate and individuals (Note 3.2.4)	**(343,610,764)**	(328,482,467)	**-**	-
	At the end	**3,365,622,722**	2,293,578,557	**693,020**	5,188,038.13
3.2.2	**Analysis by performance:**				
	Performing (Note 3.2)	**11,497,753,546**	7,684,522,974	**8,127,635,805**	5,390,944,417
	Non-performing (Note 3.2.4.b)	**343,610,764**	328,482,467	**-**	.
		11,841,364,310	8,013,005,441	**8,127,635,805**	5,390,944,417
3.2	**Analysis by maturity:**				
	Due within one year	**11,380,803,610**	7,552,444,741	**7,917,315,305**	5,180,623,917
	Due within one - five years	**460,560,700**	460,560,700	**210,320,500**	210,320,500
	Due after five years	**-**	-	**-**	-
		11,841,364,310	8,013,005,441	**8,127,635,805**	5,390,944,417

		Group		**Company**	
		30 SEPTEMBER 2023	31 December 2022	**30 SEPTEMBER 2023**	December 2022
		N	N	**N**	N
3.2.3	**Debts Instrument**				
	At 1 January	**3,023,434,797**	2,625,200,920	**3,023,434,797**	2,625,200,920
	At initial recognition - additions	**936,123,988**	353,714,679	**936,123,988**	353,714,679
		3,959,558,785	2,978,915,599	**3,959,558,785**	2,978,915,599
	Disposal	**-**	(384,291,363)	**-**	(384,291,363)
	Exchange Gain on EUROBOND	**-**	99,240,485	**-**	99,240,485
	Amortised interest	**285,402,698**	329,570,076	**285,402,698**	329,570,076
		4,244,961,482	3,023,434,797	**4,244,961,482**	3,023,434,797
	Impairment (note 3.2.4a)	**(11,372,996)**	(11,372,996)	**(11,428,841)**	(11,428,841)
	At the end	**4,233,588,486**	3,012,061,800	**4,233,532,641**	3,012,005,956

CONSOLIDATED HALLMARK INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2023

3.2.3a	**Movement on Impairment**				
	Opening	**11,372,996**	11,857,413	**11,428,841**	11,913,257.91
	IFRS 9 opening figure adjustment	**-**	-	**-**	-
	movement	**-**	(484,417)	**-**	(484,417)
	Closing	**11,372,996**	11,372,996	**11,428,841**	11,428,841

a)	**Debts Instruments are analysed as follows:**				
	Debts securities				
	Listed	**4,244,961,482**	3,023,434,797	**4,244,961,482**	3,023,434,797
	Unlisted	**-**	-	**-**	-
	At the end	**4,244,961,482**	3,023,434,797	**4,244,961,482**	3,023,434,797
	Current	**992,417,301**	168,376,644	**992,417,301**	168,376,644
	Non-current	**3,252,544,181**	2,855,058,153	**3,252,544,181**	2,855,058,153
		4,244,961,482	3,023,434,797	**4,244,961,482**	3,023,434,797

b)	**At the reporting date, no held to maturity assets were past due or impaired**				
	FCMB NGN SERIES 3 BOND 2016/2023	**59,443,227**	52,992,199	**59,443,227**	52,992,199
	C&I LEASING SERIES 1 BOND 2018/2023	**-**	15,943,240		15,943,240
	LAPO MFB SERIES 2 BOND 2020/2025	**216,844,512**	209,194,101	**216,844,512**	209,194,101
	DANGOTE BOND SERIES 1 2020/2025	**119,279,319**	109,369,045	**119,279,319**	109,369,045
	AXXELA SERIES 1 BOND 2020/2027	**92,486,477**	95,414,790	**92,486,477**	95,414,790
	FLOUR MILLS OF NIGERIA PLC 2023/2026 (PUR(	**150,858,082**	116,416,991	**150,858,082**	116,416,991
	FGN BOND (2020/2050) CORDROS	**209,114,075**	476,739,816	**209,114,075**	476,739,816
	FGN BOND (2020/2050) PLANET CAPITAL	**120,066,583**	103,815,787	**120,066,583**	103,815,787
	FGN BOND (2020/2024) MERISTEM	**475,873,732**	260,849,583	**475,873,732**	260,849,583
	FGN BOND (2020/2035) PLANET CAPITAL	**107,358,016**	360,467,574	**107,358,016**	360,467,574
	FGN BOND (2020/2037) PLANET CAPITAL	**272,614,555**	215,750,718	**272,614,555**	215,750,718
	FGN BOND (2020/2049) CORDROS	**381,008,311**	599,417,745	**381,008,311**	599,417,745
	FGN 2051 EUROBOND(FIRST ALLY ASSET MAN	**804,930,975**	214,971,323	**804,930,975**	214,971,323
	FGN 2038 EUROBOND(FIRST ALLY ASSET MAN	**210,781,360**	23,715,241	**210,781,360**	23,715,241
	FGN 2032 EUROBOND(FIRST ALLY ASSET MAN	**31,884,956**		**31,884,956**	
	FGN 2038 EUROBOND(FIRST ALLY ASSET MAN	**-**			
	ACCESS BANK COMMERCIAL PAPER	**992,417,300**	168,376,644	**992,417,300**	168,376,644
	TREASURY BILLS 9.75% APRIL 28,2021 APEL ASSET LIMITED - 364 DAYS	**-**	-	**-**	-
		-	-	**-**	-
	At the end	**4,244,961,482**	3,023,434,796	**4,244,961,482**	3,023,434,797

3.2.3.b	**Movement in impairment - loans and receivables :**				
	At 1 January	**328,482,467**	201,525,276	**-**	-
	IFRS 9 opening figure adjustment	**-**	-		
	Addition (Note 34)	**15,128,297**	126,957,191	**-**	-
	Impairment written off	**-**	-	**-**	-
	At the end	**343,610,764**	328,482,467	**-**	-

3.2.4	**Fixed Deposit (Above 90Days)**				
	At 1 January	**2,164,034,310**	-	2,175,704,775	-
	Addition	**1,501,875,249**	2,175,704,775	**1,501,875,249**	2,175,704,775
		3,665,909,559	2,175,704,775	**3,677,580,024**	2,175,704,775
	Impairment	**(11,670,465)**	(11,670,465)	**(11,670,465)**	(11,670,465)
		3,654,239,094	2,164,034,310	**3,665,909,559**	2,164,034,310

3.2.4a	**Movement in impairment -Fixed Deposit :**				
	At 1 January	11,670,465	-	11,670,465	-
	Charged	-	11,670,465	-	11,670,465
	At the end	**11,670,465**	11,670,465	**11,670,465**	11,670,465

3.3	**At fair value through OCI**				
	Opening	**132,167,588**	118,834,331	**129,942,124**	116,712,998
	IFRS 9 opening adjustment	**-**	-		
	Addition	**-**	738,141	**-**	738,141
	Fair value gain	**-**	12,595,116	**-**	12,490,985
	At the end	**132,167,588**	132,167,588	**129,942,124**	**129,942,124**
	Current	-	-	-	-
	Non Current	**132,167,588**	132,167,588	**129,942,124**	129,942,124

At fairvalue through Other Comrehensive Income (FVTOCI) assets are the unquoted equity securities of the group and are fair valued using net asset method.

Fairvalue Through OCI equities is analysed as follows:

Non current assets held for sale represent collateral properties recoverred from defaulted loan with aim of coverting the properties to cash within the shortest period of time.

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.

5.	**Finance lease receivables**				
	At 1 January	**280,223,168**	180,521,835	-	-
	Addition	**20,946,578**	128,303,219	-	-
	Repayment	**(109,501,063)**	(28,601,886)	-	-
	Gross investment	**191,668,683**	280,223,168	-	-
	Unearned income	**-**	-	-	-
	Net investment (Note 5.1)	**191,668,683**	280,223,168	-	-
	Impairment on finance lease receivables (Note 5.2)	**(32,879,493)**	(69,326,804)	-	-
	At the end	**158,789,190**	210,896,364	**-**	**-**
5.1	Current	**20,520,976**	124,877,617	-	-
	Non-current	**171,147,707**	155,345,551	-	-
	Analysis by performance				
	Performing	**158,789,190**	210,896,364	-	-
	Non-performing	**32,879,493**	69,326,804	-	-
		191,668,683	280,223,168	-	-
	Analysis by maturity				
	Due within one year	**17,520,976**	124,877,617		
	Due between two - five years	**174,147,707**	155,345,551	-	-
		191,668,683	280,223,168	-	-
5.2	**Movement in impairment - finance lease receivables:**				
	At 1 January	**69,326,804**	31,780,393	-	-
	Charge for the year (note 34)	**(36,447,311)**	37,546,411	-	-
	At the end	**32,879,493**	69,326,804	-	-
6.	**Trade receivables**				
	Due from insurance companies	**1,528,688,519**	424,583,307	**1,528,688,519**	424,583,307
	Due from insurance brokers and agents	**(741,970,629)**	351,069,353	**(753,214,914)**	348,477,476
	Due from others	**-**	-	**-**	-
		786,717,890	775,652,660	**775,473,605**	773,060,783
	Impairment allowance	**-**	-	**-**	-
		786,717,890	775,652,660	**775,473,605**	773,060,783
	Hmo receivable	**42,375,792**	62,427,664	**-**	**-**
	Total	**829,093,682**	838,080,324	**775,473,605**	773,060,783
	Impairment charge (Note 6.2)	(6,586,764)	(6,586,764)	-	-
	Closing Balance	**822,506,918**	831,493,560	**775,473,605**	773,060,783
	Current	**829,093,682**	838,080,324	**775,473,605**	773,060,783
	Non-current	**-**	-	**-**	-
6.1	**Movement in Trade receivables**				
	Opening	**838,080,324**	606,706,217	**773,060,783**	543,897,328
	Gross Premium written	**13,427,663,315**	12,826,865,218	**12,723,042,593**	12,061,936,819
	Premium received	**(13,436,649,958)**	(12,595,491,111)	**(12,720,629,771)**	(11,832,773,364)
	Closing receivables	**829,093,681**	838,080,324	**775,473,605**	773,060,783

6.2	**Impairment charge**				
	At 1 January	**6,586,764**	5,086,062	**-**	**-**
	IFRS 9 opening balance adjustment	**-**	-		
	Charged for the year (note 34)	**-**	1,500,702	**-**	**-**
	At December 2022	**6,586,764**	6,586,764	**-**	**-**
	Age Analysis of Trade receivable				
	> =1Day <= 30 Days	**578,214,677**	817,201,319	**524,594,600**	752,181,778
	> =31Days <= 90 Days	**250,879,005**	20,879,005	**250,879,005**	20,879,005
	Above 90 Days	**-**	-	**-**	-
		829,093,682	838,080,324	**775,473,605**	773,060,783

		Group		Company	
		30 SEPTEMBER 2023	December 2022	**30 SEPTEMBER 2023**	December 2022
		N	**N**	**N**	**N**
7.	**Reinsurance Assets**				
	Prepaid reinsurance (Note 7.1a & 7.1b)	**1,242,490,133**	1,159,980,388	**1,242,490,133**	1,159,980,388
	Reinsurers share of claims (Note 7.3)	**1,951,529,324**	2,140,753,774	**1,951,529,324**	2,140,753,774
		3,194,019,457	3,300,734,162	**3,194,019,457**	3,300,734,162
	Impairment	**(15,296,748)**	(15,296,748)	**(15,296,748)**	(15,296,748)
	At the end	**3,178,722,709**	3,285,437,414	**3,178,722,709**	3,285,437,414
	Current	**3,194,019,457**	3,300,734,162	**3,194,019,457**	3,300,734,162
	Non-current	**-**	-	**-**	-
	Movement in Impairment(Credit Loss IFRS 9)				
	Opening Balance	**15,296,748**	10,723,799	**15,296,748**	10,723,798.94
	IFRS 9 opening balance adjustment	**-**	-	**-**	-
	Charged during the year	**-**	4,572,949	**-**	4,572,949
	At the end	**15,296,748**	15,296,748	**15,296,748**	15,296,748
	Prepaid reinsurance premium(note 7.1a)	**1,190,722,133**	1,108,212,388	**1,190,722,133**	1,108,212,388
	Prepaid minimum and deposit premium (note 7.1b)	**51,768,000**	51,768,000	**51,768,000**	51,768,000
	Reinsurance share of outstanding claims	**268,469,619**	532,389,158	**268,469,619**	532,389,158
	Reinsurance share of IBNR	**1,008,896,096**	1,030,484,740	**1,008,896,096**	1,030,484,740
	Reinsurance receivable on claims paid (note 7.2b)	**87,304,635**	577,879,876	**87,304,635**	577,879,876
	Total	**2,607,160,483**	3,300,734,162	**2,607,160,483**	3,300,734,162
	Impairment (IFRS 9)	**(15,296,748)**	(15,296,748)	**(15,296,748)**	(15,296,748)
		2,591,863,735	3,285,437,414	**2,591,863,735**	3,285,437,414

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.

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		Group		Company	
		30 SEPTEMBER 2023	December 2022	30 SEPTEMBER 2023	December 2022
		N	N	N	N
7.1a	**Prepaid Reinsurance Premium**				
	Fire	**209,552,241**	214,609,438	**209,552,241**	214,609,438
	General accident	**379,387,534**	145,514,454	**379,387,534**	145,514,454
	Motor	**40,312,564**	7,304,010	**40,312,564**	7,304,010
	Marine	**277,467,699**	51,190,627	**277,467,699**	51,190,627
	Bond	**2,749,120**	50,186,353	**2,749,120**	50,186,353
	Engineering	**280,822,566**	163,034,435	**280,822,566**	163,034,435
	Aviation	**5,857,660**	76,794,159	**5,857,660**	76,794,159
	Oil & gas	**(5,427,251)**	399,578,912	**-5,427,251**	399,578,912
	Agric	**-**		**0**	
		1,190,722,133	1,108,212,388	**1,190,722,133**	1,108,212,388
7.1b	**Prepaid Minimum & Deposit Premium**				
	Fire	**13,995,000**	13,995,000	**13,995,000**	13,995,000
	General accident	**2,430,000**	2,430,000	**2,430,000**	2,430,000
	Motor	**4,275,000**	4,275,000	**4,275,000**	4,275,000
	Marine	**13,770,000**	13,770,000	**13,770,000**	13,770,000
	Engineering	**17,298,000**	17,298,000	**17,298,000**	17,298,000
		-	-	**-**	-
		-	-	**-**	-
		51,768,000	51,768,000	**51,768,000**	51,768,000
	Prepaid reinsurance	**1,242,490,133**	1,159,980,388	**1,242,490,133**	1,159,980,388
7.2 a	**Reinsurers Share of Claims**				
	Fire	**204,053,990**	390,873,987	**204,053,990**	390,873,987
	General accident	**515,985,588**	578,629,910	**515,985,588**	578,629,910
	Motor	**22,648,925**	44,098,554	**22,648,925**	44,098,554
	Marine	**183,067,031**	223,348,534	**183,067,031**	223,348,534
	Bond	**60,527,854**	13,487,385	**60,527,854**	13,487,385
	Engineering	**25,286,720**	106,017,032	**25,286,720**	106,017,032
	Aviation	**54,932,441**	54,932,441	**54,932,441**	54,932,441
	Oil & gas	**210,863,167**	151,486,055	**210,863,167**	151,486,055
	Agric	**-**		**-**	
		1,277,365,716	1,562,873,898	**1,277,365,716**	1,562,873,898
7.2b	**Reinsurers share of paid claims**				
	Fire	**28,481,558**	353,340,533	**28,481,558**	353,340,533
	General accident	**6,010,627**	66,010,627	**6,010,627**	66,010,627
	Motor	**13,271,911**	25,649,642	**13,271,911**	25,649,642
	Marine	**7,685,000**	7,685,000	**7,685,000**	7,685,000
	Bond	**-**	-	**-**	-
	Engineering	**6,844,236**	10,182,772	**6,844,236**	10,182,772
	Aviation	**-**	-	**-**	-
	Oil & gas	**25,011,302**	115,011,302	**25,011,302**	115,011,302
	Agric	**-**		**-**	
		87,304,634	577,879,876	**87,304,634**	577,879,876

7.3 Reinsurance Assets:

Movement in prepaid reinsurance:

At 1 January	**1,159,980,388**	1,067,021,471	**1,159,980,388**	1,067,021,471
Additions during the period (Note 28)	**4,254,510,537**	4,992,429,837	**4,249,012,391**	4,986,931,691
	5,414,490,925	6,059,451,308	**5,408,992,779**	6,053,953,162
Amortization during the period (Note 28)	**(2,526,958,382)**	(4,899,470,920)	**(2,521,460,236)**	(4,893,972,774)
At the end	**2,887,532,543**	1,159,980,388	**2,887,532,543**	1,159,980,388

Movement in claims recoverable:

At 1 January	2,140,753,774	2,354,142,508	**2,140,753,774**	2,354,142,508
Additions during the period	791,989,034	1,869,608,166	**791,989,034**	1,869,608,166
	2,932,742,808	4,223,750,674	**2,932,742,808**	4,223,750,674
Amortization during the period	(490,638,242)	(2,082,996,900)	**(490,638,242)**	(2,082,996,900)
At the end	**2,442,104,566**	2,140,753,774	**2,442,104,566**	2,140,753,774

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9. Other Receivables and Prepayments

Staff advances & prepayment	**240,413,434**	75,913,942	**204,314,460**	46,802,665
Account receivables **	**303,208,220**	109,281,478	**263,771,127**	79,370,973
Intercompany Receivables	**-**	-	**349,927,857**	408,968,433
Witholding tax credit	**44,680,140**	24,406,769	**44,680,140**	24,406,769
Prepayments (Note 9.1)	**91,717,026**	104,032,197	**87,258,554**	99,573,725
	680,018,820	313,634,385	**949,952,139**	659,122,565
Impairment allowance (Note 34)	**(21,062,030)**	(21,062,031)	**(6,504,293)**	(6,504,293)
	658,956,790	292,572,354	**943,447,846**	652,618,272
Current	**658,956,790**	313,578,540	**943,447,846**	652,618,272
Non-current	**-**	-	**-**	-

Impairment allowance on other receivables

As at 1 January	**21,062,031**	2,774,928	**6,504,293**	**-**
IFRS 9 opening balance adjustment	**-**	-	**-**	**-**
Charged/(reversed)	**-**	18,287,103	**-**	**6,504,293**
As at 30 September	**21,062,031**	21,062,031	**6,504,293**	6,504,293

** Included in Account receivable is =N=83.9m 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=27.4 million is the balance as at 31st December 2022.

9.1 Prepayments

Prepaid rent	**60,546,167**	96,584,960	**56,087,695**	92,126,488
Other prepayments	**31,170,859**	7,447,237	**31,170,859**	7,447,237
	91,717,026	104,032,197	**87,258,554**	99,573,725
Current	**91,717,026**	104,032,197	**87,258,554**	99,573,725
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**	500,000,000
	-	**-**	**1,594,225,000**	1,594,225,000

Movement in Investment in subsidiaries	**Grand Treasurers Limited**	**CHI Capital Limited**	**Hallmark Health Services Limited**	**Chi Microinsurance Limited**
Opening	**764,225,000**	**130,000,000**	500,000,000	**200,000,000**
Addition	**-**	**-**	**-**	**-**
Disposal	**-**	**-**	-	**-**
Closing	**764,225,000**	**130,000,000**	**500,000,000**	**200,000,000**

CONSOLIDATED HALLMARK INSURANCE PLC

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10.1a CHI Capital Limited is a fully owned subsidiary of Consolidated Hallmark Insurance Plc. It carries on the business of corporate support services. In 2019, CHI Capital Limited transferred its 100% interest in 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 started as a vehicle tracking Company, but now focused on corporate support services for the Group.

10.1b CHI Microinsurance Limited is a fully owned subsidiary of Consolidated Hallmark Insurance Plc. The group incorporated CHI Microinsurance Limited in the year 2016 and licensed by NAICOM to carryout micro life assurance business to further deepen its market share in insurance business.

10.1c Hallmark Health Services Limited is a fully owned subsidiary of Consolidated Hallmark Insurance Plc. The group incorporated Hallmark Health Services Limited towards the end of the year 2017 and fully accredited by National Health Insurance Scheme to operate in health Insurance sector.

		CHI PLC	CHI Capital Limited	CHI Microinsurance	Hallmark Health Ltd	Hallmark Finance Company Ltd	Elimination	Total
		N	N	N	N		N	N
	Condensed result of consolidated entities - 2023							
10.2	**Condensed Financial Position**							
	Assets							
	Cash and cash equivalents	1,644,765,274	192,348,013	266,885,526	458,935,533	810,652,519	(307,842,520)	3,065,744,344
	Financial assets	9,635,443,328	30,333,866	-	-	3,208,295,913	-	12,874,073,107
	Non-current Assets held for sale	-	-			-	-	-
	Finance lease receivables	-	-		-	167,871,878	(9,082,688)	158,789,190
	Trade receivables	775,473,605	-	11,244,286	35,789,027		-	822,506,918
	Reinsurance assets	2,591,863,735	-				-	2,591,863,735
	Deferred acquisition cost	-	-		8,932,929		-	8,932,929
	Other receivables and prepayment	943,447,846	28,726,540	14,058,119	40,557,447	19,752,556	(387,585,718)	658,956,788
	Investment in subsidiaries	1,594,225,000	-			-	(1,594,225,000)	-
	Investment properties	1,269,471,475	-		202,668,000		-	1,472,139,475
	Leasehold properties	-	-		34,531,785		-	34,531,785
	Intangible Assets	16,668,810	-	6,383,122	813,201	28,743,764		52,608,896
	Property and equipment	1,093,098,977	-	4,460,402	57,438,709	64,650,997	-	1,219,649,084
	Deffered tax asset	-	-	-	-	-	-	-
	Statutory deposits	300,000,000	-	20,000,000			-	320,000,000
	Total assets	19,864,458,051	251,408,418	323,031,453	839,666,630	4,299,967,627	(2,298,735,926)	23,279,796,252
	Liabilities							
	Insurance contract liabilities	7,979,624,148	-	56,825,180	283,933,998		-	8,320,383,327
	Investment Contract liabilities		-	6,454,316				6,454,316
	Trade payables	294,689,038	-				-	294,689,038
	Borrowing	-	-			2,053,556,212	(307,842,521)	1,745,713,691
	Provision and other payables	378,454,238	15,640,513	27,569,124	169,447,056	643,704,839	(396,668,405)	838,147,364
	Staff retirement benefit	13,956,368	-			1,724,467	-	15,680,834
	Tax liabilities	1,140,966,268	7,829,347	6,675,102	38,918,978	181,657,840	-	1,376,047,535
	Deffered tax	211,439,125	-			14,457,554		225,896,679
	Share capital	5,420,000,000	130,000,000	200,000,000	500,000,000	764,225,000	(1,594,225,000)	5,420,000,000
	Share Premium	168,933,834	-	-			-	168,933,834
	Statutory reserve	3,180,892,470	-	2,696,061		117,839,085	-	3,301,427,615
	Fair Value Through OCI Reserve	39,163,090	17,316					39,180,405
	Revaluation reserve	128,676,506						128,676,506
	Requlatory risk reserve	-				1,828,189		1,828,189
	Retained earnings	907,662,963	97,921,243	22,811,670	(152,633,402)	520,974,440		1,396,736,914
	Total liabilities and equity	19,864,458,047	251,408,418	323,031,453	839,666,630	4,299,967,624	(2,298,735,926)	23,279,796,248

15 **Condensed result of consolidated entities - 2023**

Condensed income statement	**CHI Capital ₦**	**Chi Support Services Ltd ₦**	**Total ₦**	**Elimination**	**CHI Capital Group Total ₦**
Fees and commission income	-	1,780,707	1,780,707		1,780,707
Fees and commission expense			-		-
Net fees and commission income	-	1,780,707	1,780,707	-	1,780,707
Interest income	-	-	-		-
Interest expense			-		-
Net interest income	-	1,780,707	1,780,707	-	1,780,707
Other operating income	18,891,645	-	18,891,645	-	18,891,645
Net Gain on financial assets at fair value through profit or loss	6,122,334	-	6,122,334		6,122,334
Impairment charge	-	-	-		-
Credit loss expense	-	-	-		-
Capital Gain tax	-	-	-		-
Operating expenses	(25,247)	(110,689)	(135,936)		(135,936)
Profit before tax	24,988,731	1,670,018	26,658,749	-	26,658,749
Tax expense		-	-		-
Profit before tax	**24,988,731**	**1,670,018**	**26,658,749**	**-**	**26,658,749**
oci					
Condensed financial position					
Cash and cash equivalent			-	-	**-**
Balance with banks and cash	276,686	9,302,857	9,579,543	-	**9,579,543**
Fixed placements	177,063,197	5,705,273	182,768,470	-	**182,768,470**
Fair value through profit or loss	28,108,401	-	28,108,401	-	**28,108,401**
Fair value through OCI	2,225,464	-	2,225,464	-	**2,225,464**
Loan and advances	-	-	-	-	**-**
Finance lease receivables	-	-	-	-	**-**
Lease provision	-	-	-	-	**-**
Loan loss provision	-	-	-	-	**-**
Other receivables and prepayment	30,886,467	2,167,809	33,054,276	(542,500)	**32,511,776**
Other receivable provison	(3,785,235)	-	(3,785,235)	-	**(3,785,235)**
Investment in subsidiaries	10,000,000	-	10,000,000	(10,000,000)	**-**
Investment properties	-	-	-	-	**-**
Intangible assets	-	-	-	-	**-**
Deferred tax asset on unrealised income	-	-	-	-	**-**
Property and equipment	-	-	-	-	**-**
	244,774,980	**17,175,939**	**261,950,919**	**(10,542,500)**	**251,408,419**
Liabilities	-				
Borrowings	-	-	-	-	**-**
Payables and provision	6,394,229	9,758,784	16,153,013	(512,500)	**15,640,513**
Staff retirement benefit	-	-	-	-	**-**
Income tax liabilities	4,498,356	3,330,991	7,829,347		**7,829,347**
Deferred tax	-	-	-	-	**-**
Share capital	130,000,000	10,000,000	140,000,000	(10,000,000)	**130,000,000**
Statutory reserve	-	-	-	-	**-**
FVOCI	17,316	-	17,316		**17,316**
Revenue reserve	103,865,079	(5,913,836)	97,951,243	(30,000)	**97,921,243**
	244,774,980	**17,175,939**	**261,950,918**	**(10,542,500)**	**251,408,418**

CONSOLIDATED HALLMARK INSURANCE PLC

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FOR THE PERIOD ENDED 30 SEPTEMBER 2023

	CHI PLC N	Capital N	Microinsurance N	Health Services LTD N	Hallmark Finance Company Limited	Elimination N	Total N
10.2 Condensed result of consolidated entities - 2022							
Condensed profit and loss							
Underwriting profit	**2,265,019,580**	**-**	**11,536,553**	133,936,137		**(21,216,812)**	**2,389,275,457**
Investment income	**724,201,378**	**1,780,707**	40,570,794	35,920,431	**495,276,024**	**-**	**1,297,749,334**
Other operating income	**387,254,935**	**18,891,645**	**-**	**5,515,331**	**52,709,777**	**-**	**464,371,687**
Total operating income	**3,376,475,893**	**20,672,352**	**52,107,347**	**175,371,899**	**547,985,800**	**(21,216,812)**	**4,151,396,478**
Impairment no longer required	**-**	**-**	**-**	**-**	**(18,166,244)**	**-**	**(18,166,244)**
Net fair value gains/(losses) on financial assets at fair value through profit or loss	**572,793,879**	**6,122,334**		**60,000,000**	**500,000**	**-**	**639,416,213**
Management expenses	**(2,045,050,486)**	**(135,936)**	**(29,857,006)**	**(185,405,788)**	**(277,212,463)**	**21,216,812**	**(2,516,444,868)**
Profit before taxation	**1,904,219,286**	**26,658,750**	**22,250,340**	**49,966,111**	**253,107,092**	**-**	**2,256,201,579**
Taxation	**(600,389,121)**	**-**	**(6,675,102)**	**(15,989,156)**	**(75,932,128)**	**-**	**(698,985,507)**
Profit after taxation	**1,303,830,164**	**26,658,750**	**15,575,238**	**33,976,956**	**177,174,964**	**-**	**1,557,216,072**

	CHI PLC N	CHI Capital Limited N	**CHI Microinsurance** **N**	**Hallmark Health Ltd** **N**	**Grand Treasurers Ltd**	Elimination N	**Total** **N**
Condensed result of consolidated entities - 2021							
10.2 Condensed Financial Position							
Assets							
Cash and cash equivalents	1,183,948,834	168,055,991	150,333,414	349,077,777	125,903,484	(307,842,520)	1,669,476,979
Financial assets	6,325,958,061	24,211,532	-	-	2,294,013,557	-	8,644,183,149
Finance lease receivables	-	-		-	210,896,364	-	210,896,364
Trade receivables	773,060,783	-	2,353,272.23	56,079,505		-	831,493,560
Reinsurance assets	3,285,437,414	-				-	3,285,437,414
Deferred acquisition cost	551,735,100	-		13,820,645		-	565,555,745
Other receivables and prepayment	652,618,272	26,896,544	14,452,000	33,569,750	16,859,879	(451,824,092)	292,572,354
Investment in subsidiaries	1,594,225,000	-			-	(1,594,225,000)	-
Investment properties	1,265,226,470	-		140,000,000		-	1,405,226,470
Leasehold properties	-	-		2,844,702		-	2,844,702
Intangible Assets	22,104,164	-	8,079,405	791,355	33,134,708		64,109,633
Property and equipment	1,088,248,164	-	6,223,562	40,722,431	33,751,000	-	1,168,945,157
Deffered tax asset	-	-	-	-	-	-	-
Statutory deposits	300,000,000	-	100,000,000			-	400,000,000
Total assets	17,042,562,262	219,164,067	281,441,653	636,906,165	2,714,558,992	(2,353,891,612)	18,540,741,527
Liabilities							
Insurance contract liabilities	6,329,021,551	-	25,018,463	193,571,472		-	6,547,611,485
Investment Contract liabilities		-	13,723,775				13,723,775
Trade payables	33,472,651	-				-	33,472,651
Borrowing	-	-			987,950,415	(307,842,521)	680,107,894
Provision and other payables	350,746,765	5,162,860	32,766,922	125,652,266	367,371,791	(451,824,091)	429,876,513
Staff retirement benefit	1,181,508	-			1,743,773	-	2,925,281
Tax liabilities	635,139,647	12,713,249		3,502,654	115,343,705	-	766,699,256
Deffered tax	239,442,368	8,149			14,457,554		253,908,071
Share capital	5,420,000,000	130,000,000	200,000,000	500,000,000	764,225,000	(1,594,225,000)	5,420,000,000
Share Premium	168,933,834	-	-			-	168,933,834
Statutory reserve	2,799,201,192	-	1,138,536		91,262,839	-	2,891,602,567
Fair Value Through OCI Reserve	39,163,090	17,316					39,180,406
Revaluation reserve	128,676,506						128,676,506
Requlatory risk reserve	-				1,828,189		1,828,189
Retained earnings	897,583,150	71,262,493	8,793,957	(185,820,227)	370,375,726		1,162,195,099
Total liabilities and equity	17,042,562,262	219,164,067	281,441,653	636,906,165	2,714,558,992	(2,353,891,612)	18,540,741,527

10.2 Condensed result of consolidated entities - 2022

Condensed profit and loss							
Underwriting profit	1,812,691,817	-	9,929,326	111,906,277		(19,215,301)	1,915,312,120
Investment income	587,842,871	51,056,047	10,920,324	40,491,832	527,390,893	(15,000,000)	1,202,701,966
Other operating income	274,863,632	1,386,591	358,802	7,610,843	30,456,751	-	314,676,618
Total operating income	2,675,398,320	52,442,638	21,208,452	160,008,952	557,847,644	(34,215,301)	3,432,690,704
Impairment charge	(2,219,197)	(1,698,564)	(441,135)	(1,424,477)	(75,782,553)	-	(81,565,927)
value	(163,235,987)	3,963,134			(185,000)	-	(159,457,854)
Management expenses	(1,745,727,613)	(6,511,790)	(35,128,732)	(201,790,030)	(250,049,256)	19,215,301	(2,219,992,123)
Profit before taxation	764,215,523	48,195,418	(14,361,415)	(43,205,555)	231,830,835	(15,000,000)	971,674,800
Taxation	(122,060,185)	-		(1,149,134)	(57,827,465)	-	(181,036,783)
Profit after taxation	642,155,338	48,195,418	(14,361,415)	(44,354,689)	174,003,370	(15,000,000)	790,638,017

		Group		Company	
		30 SEPTEMBER 2023	31 December 2022	**30 SEPTEMBER 2023**	31 December 2022
		N	N	**N**	N
11.0	**Intangible assets**				
	Cost				
	At 1 January	**128,609,605**	125,342,605	**69,784,428**	69,784,428
	Addition	**-**	3,267,000	**-**	-
	Reclassification	**-**	-		
	30 SEPTEMBER	**128,609,605**	128,609,605	**69,784,428**	69,784,428
	Accumulated amortization				
	At 1 January	**64,499,973**	48,639,685	**47,680,264**	40,302,256
	Charge	**11,500,736**	15,860,288	**5,435,354**	7,378,008
	30 SEPTEMBER	**76,000,709**	64,499,973	**53,115,618**	47,680,264
	Carrying amount				
	30 SEPTEMBER	**52,608,896**	64,109,632	**16,668,810**	22,104,164
12	**Investment Properties**				
	At 1 January	**1,405,226,470**	1,098,676,470	**1,265,226,470**	1,008,676,470
	Addition	**66,913,005**	182,053,732	**4,245,005**	182,053,732
	Disposal/transfer (Note 12.1b)	**-**	-	**-**	-
	Fair value change	**-**	124,496,268	**-**	74,496,268
	30 SEPTEMBER	**1,472,139,475**	1,405,226,470	**1,269,471,475**	1,265,226,470

Investment Properties

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

The properties were professionally re-valued as at 25 November 2022, by Messrs Adegboyega Sanusi & Co (FRC/2013/NIESV/00000001757) on the basis of open market values.

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.	144,221,000	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 since
7	Building	Romax Homes Estate by Harris drivet beside VGCI Ikota, Lekki Lagos	199,919,777	Consolidated Hallmark Insurance Plc.	The deed of assigment is in the name of Consolidated Hallmark Insurance Plc.
8	Building	3Units of 4 Bedroom Terrace At Westend Ikota, Lagos	135,225,228	Consolidated Hallmark Insurance Plc.	The deed of assigment is in the name of Consolidated Hallmark Insurance Plc. Perfection of title in progress
9	Building	Semi detached duplex at Osapa London, Lekki Lagos.	180,000,000	Consolidated Hallmark Insurance Plc.	The deed of assigment is in the name of Consolidated Hallmark Insurance Plc. Perfection of title in progress
		Company's Total	**1,269,471,475**		
	Hallmark Health Services Limited				
	Building	Romax Homes Estate by Harris drivet beside VGCI Ikota, Lekki Lagos	**142,168,000**	Hallmark Health Services Ltd	The deed of assigment is in the name of Hallmark Health Services Ltd.
		Group Total	**1,472,139,475**		

CONSOLIDATED HALLMARK INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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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.	144,221,000	-	-	-	144,221,000
	5	Building	Jacob's Arena Plot 4, close4, road 4, Westend EstateIkota., Lagos	135,900,000				135,900,000
			Semi detached duplex at Osapa London, Lekki Lagos.	180,000,000	-	-	-	180,000,000
	6	Building	Rivers State Housing Estate, Abuloma PH	48,000,000		-	-	48,000,000
	7	Land	Plot 14, 1(W) Road, First Avenue, Lugbe Estate, Abuja.	23,000,000	-	-	-	23,000,000
	8	Building	Romax Homes Estate by Harris drivet beside	195,000,000	4,245,005	-	-	199,245,005
	Company Total			**1,265,226,470**	**4,245,005**	**-**	**-**	**1,269,471,475**
		Subsidiary						
	9	Building	Romax Homes Estate by Harris drivet beside	140,000,000	62,668,000	-	-	202,668,000
			Thomas estate Ajah Lagos			-		-
	Group Total			**1,405,226,470**	**66,913,005**	**-**	**-**	**1,472,139,475**

Addition to item no 8 as stated on the table above represents amount paid for electrification and processing charges to the estate management.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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13.0 Property and Equipment
2023
13.1a The group

	Land	Building	Office Equipment	Furniture & Fittings	Motor Vehicles	Computer Equipment	Total
	N	N	N	N	N	N	N
Costs							
At 1 January	300,000,000	716,669,825	122,660,928	161,641,268	717,825,832	279,934,035	2,298,731,888
Additions during the period	-	-	1,315,000	6,667,620	63,400,000	63,478,865	134,861,485
Revaluation	-	-					-
Disposals during the period	-	-	-	-	-	-	-
30 SEPTEMBER	**300,000,000**	**716,669,825**	**123,975,928**	**168,308,888**	**781,225,832**	**343,412,900**	**2,433,593,373**
Accumulated depreciation							
At 1 January 2023	-	175,319,825	103,413,572	135,625,874	487,471,808	227,955,653	1,129,786,732
Depreciation charge for the period	-	10,437,185	3,842,876	8,114,229	52,966,113	8,797,155	84,157,558
Disposals in the period	-	-	-	-	-	-	-
30 SEPTEMBER	**-**	**185,757,010**	**107,256,448**	**143,740,103**	**540,437,921**	**236,752,808**	**1,213,944,290**
Accummulated impairment losses	-	-	-	-	-	-	**-**
Carrying value							
30 SEPTEMBER	**300,000,000**	**530,912,815**	**16,719,480**	**24,568,785**	**240,787,912**	**106,660,092**	**1,219,649,083**
At 1 January 2023	300,000,000	541,350,000	19,247,355	26,015,394	230,354,024	51,978,382	1,168,945,155

The properties were professionally re-valued as at 25 November 2022, by Messrs Adegboyega Sanusi & Co (FRC/2013/NIESV/00000001757) on the basis of open market values. These values were incorporated in the books at end of the year 2022. The surplus arising on the revaluation over the written down values was treated as revaluation surplus.

CONSOLIDATED HALLMARK INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2023

Property and Equipment

13.1b The group

2022	Land	Building	Office **Equipment**	Furniture & **Fittings**	Motor **Vehicles**	Computer **Equipment**	**Total**
	N	**N**	**N**	**N**	**N**	**N**	**N**
At 1 January	300,000,000	697,723,916	116,646,562	150,817,238	631,770,354	256,792,619	2,153,750,689
Additions during the period	-	-	6,014,366	10,824,030	95,856,478	23,141,416	135,836,290
Revaluation	-	18,945,909					18,945,909
Disposals during the period	-	-	-	-	(9,801,000)	-	(9,801,000)
31 December	300,000,000	716,669,825	122,660,928	161,641,268	717,825,832	279,934,035	2,298,731,888
Accumulated depreciation							
At 1 January 2022	-	161,373,916	96,346,121	125,553,428	392,075,190	214,693,908	990,042,563
Depreciation charge for the period	-	13,945,909	7,067,451	10,072,446	102,697,618	13,261,745	147,045,169
Disposals in the period	-	-	-	-	(7,301,000)	-	(7,301,000)
31 December	-	175,319,825	103,413,572	135,625,874	487,471,808	227,955,653	1,129,786,732
Accummulated impairment losses	-	-	-	-	-	-	-
Carrying value							
31 December	300,000,000	541,350,000	19,247,356	26,015,394	230,354,024	51,978,382	1,168,945,156
At 1 January 2022	300,000,000	536,350,000	20,300,441	25,263,810	239,695,165	42,098,712	1,163,708,128

13.2a Property and Equipment
2023
The company

	Land	Building	Office Equipment	Furniture & Fittings	Motor Vehicles	Computer Equipment	Total
	N	N	N	N	N	N	N
Costs							
At 1 January	300,000,000	716,669,825	114,000,493	163,215,975	599,020,079	257,046,410	2,149,952,783
Additions			1,315,000	26,061,990	50,000,000	11,278,365	88,655,359
Revaluation		-	-				-
Disposals	-	-			-		-
30 SEPTEMBER	**300,000,000**	**716,669,826**	**115,315,493**	**189,277,965**	**649,020,079**	**268,324,776**	**2,238,608,142**
Accumulated depreciation							
At 1 January	-	175,319,825	100,419,985	136,186,020	427,409,980	222,368,808	1,061,704,618
Depreciation charge for the period	-	10,437,185	3,149,973	7,706,956	54,213,295	8,297,135	83,804,547
Disposals			-	-	-	-	-
30 SEPTEMBER	**-**	**185,757,010**	**103,569,959**	**143,892,975**	**481,623,274**	**230,665,944**	**1,145,509,165**
Carrying value							
30 SEPTEMBER	**300,000,000**	**530,912,815**	**11,745,534**	**45,384,990**	**167,396,804**	**37,658,832**	**1,093,098,977**
At 31 December 2022	300,000,000	541,350,000	13,580,508	27,029,955	171,610,099	34,677,602	1,088,248,164

The properties were professionally re-valued as at 25 November 2022, by Messrs Adegboyega Sanusi & Co (FRC/2013/NIESV/00000001757) on the basis of open market values. These values were incorporated in the books at end of the year 2022. The surplus arising on the revaluation over the written down values was treated as revaluation surplus.

Property and Equipment (Cont'd)

2022

The company

	Land	Building	Office Equipment	Furniture & Fittings	Motor Vehicles	Computer Equipment	Total
	N	N	N	N	N	N	N
At 1 January	300,000,000	697,723,916	110,728,948	154,660,725	533,954,601	247,236,021	2,044,304,211
Additions	-	-	3,271,545	8,555,250	74,866,478	9,810,389	96,503,662
Transfer from Investment Property(12.1a)	-	-					-
Revaluation		18,945,909	-				18,945,909
Disposals	-	-			(9,801,000)		(9,801,000)
31 December	300,000,000	716,669,825	114,000,493	163,215,975	599,020,079	257,046,410	2,149,952,782
Accumulated depreciation							
At 1 January	-	161,373,916	94,440,092	127,370,268	359,277,014	212,487,267	954,948,557
Depreciation charge for the period	-	13,945,909	5,979,893	8,815,752	75,433,966	9,881,541	114,057,061
Disposals			-	-	(7,301,000)	-	(7,301,000)
31 December	-	175,319,825	100,419,985	136,186,020	427,409,980	222,368,808	1,061,704,618
Carrying value							
31 December	300,000,000	541,350,000	13,580,508	27,029,955	171,610,099	34,677,602	1,088,248,164
At 31 December 2021	300,000,000	536,350,000	16,288,856	27,290,457	174,677,587	34,748,754	1,089,355,654

13.3 Right-of-Use of Assets (Leased Assets)

2023
The company

	Office Equipment	Furniture & Fittings	Motor Vehicles	Computer Equipment	Total
	N	N	N	N	N
Costs					
At 1 January	3,912,175	6,913,742	9,300,000	520,000	20,645,917
Additions					-
Disposals/movement			26,000,000		26,000,000
2023	3,912,175	6,913,742	35,300,000	520,000	46,645,917
Accumulated depreciation					
At 1 January	2,932,524	5,182,465	9,296,438	389,786	17,801,213
Depreciation charge as at 30 June 2023	291,002	514,269	(8,270,685)	1,778,333	(5,687,081)
Disposals					
2023	3,223,525	5,696,734	1,025,753	2,168,120	12,114,132
Carrying value					
As At 30 September 2023	688,650	1,217,008	34,274,247	- 1,648,120	34,531,785
At 31 December 2022	979,651.49	1,731,277	3,562	130,214	2,844,702

CONSOLIDATED HALLMARK INSURANCE PLC

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		Group		Company	
		2023	2022	2023	2022
		N	N	N	N
14.	**Statutory deposits**	**300,000,000**	300,000,000	**300,000,000**	300,000,000
	Microinsurance	**20,000,000**	100,000,000		
		320,000,000	400,000,000	**300,000,000**	300,000,000

This represents the amount deposited with the Central Bank of Nigeria as at 31 March, 2023.

15.	**Insurance contract liabilities**			.	
	Reserve for outstanding claims (Note 15.1)	**2,823,394,806**	2,856,491,305	**2,712,577,497**	2,852,726,509
	Unearned premium reserve (Note 15.2)	**5,488,055,592**	3,691,120,179	**5,267,046,651**	3,476,295,042
		8,311,450,398	6,547,611,484	**7,979,624,148**	6,329,021,551

15.1 Reserve for outstanding claims - 2023

	Group			Company		
	Outstanding Claim	**Provision for IBNR**	**Gross Reserve**	**Outstanding Claim**	**Provision for IBNR**	**Gross Reserve**
	N	**N**	**N**	**N**	**N**	**N**
Fire	**201,713,691**	**632,700,142**	**834,413,833**	**201,713,691**	**632,700,142**	**834,413,833**
General accident	**407,740,008**	**149,740,989**	**557,480,998**	**407,740,008**	**149,740,989**	**557,480,998**
Motor	**192,403,904**	**186,423,357**	**378,827,262**	**192,403,904**	**186,423,357**	**378,827,261**
Marine	**32,543,732**	**175,797,509**	**208,341,240**	**32,543,732**	**175,797,509**	**208,341,240**
Bond	**3,836,082**	**18,069,558**	**21,905,640**	**3,836,082**	**18,069,558**	**21,905,640**
Engineering	**46,715,478**	**109,389,080**	**156,104,558**	**46,715,478**	**109,389,080**	**156,104,558**
Aviation	**101,786,740**	**55,939,240**	**157,725,980**	**101,786,740**	**55,939,240**	**157,725,980**
Oil & gas	**143,185,481**	**254,592,506**	**397,777,987**	**143,185,481**	**254,592,506**	**397,777,987**
Agric	**-**	**-**	**-**	**-**	**-**	**-**
	1,129,925,115	**1,582,652,382**	**2,712,577,497**	**1,129,925,115**	**1,582,652,382**	**2,712,577,497**
HMO - Outstanding claims	**110,817,307**		**110,817,307**			
	1,240,742,422	**1,582,652,382**	**2,823,394,804**	**1,129,925,115**	**1,582,652,382**	**2,712,577,497**

Reserve for outstanding claims - 2022

	Outstanding Claim	Provision for IBNR	Gross Reserve	Outstanding Claim	Provision for IBNR	Gross Reserve
	N	N	N	N	N	N
Fire	168,853,860	352,311,456	521,165,316	168,853,860	352,311,456	521,165,316
General accident	632,373,254	319,493,826	951,867,080	632,373,254	319,493,826	951,867,080
Motor	174,209,322	189,451,009	363,660,331	174,209,322	189,451,009	363,660,331
Marine	169,435,744	260,080,669	429,516,412	169,435,744	260,080,669	429,516,413
Bond	5,909,416	16,569,559	22,478,975	5,909,416	16,569,559	22,478,975
Engineering	44,471,880	151,334,309	195,806,189	44,471,880	151,334,309	195,806,189
Aviation	75,759,462	48,140,398	123,899,860	75,759,462	48,140,398	123,899,860
Oil & gas	65,001,485	179,330,860	244,332,346	65,001,485	179,330,860	244,332,345
	1,336,014,423	1,516,712,086	2,852,726,509	1,336,014,423	1,516,712,086	2,852,726,509
HMO - Outstanding c	3,764,797		3,764,797			
	1,339,779,220	1,516,712,086	2,856,491,306	1,336,014,423	1,516,712,086	2,852,726,509

		Group		Company	
		2023	2022	**2023**	2022
		N	**N**	**N**	**N**
15.2	**Unearned premium reserve**				
	Fire	**940,592,428**	556,115,664	**940,592,428**	556,115,664
	General accident	**711,956,081**	420,129,809	**711,956,081**	420,129,809
	Motor	**1,401,530,414**	1,132,424,114	**1,401,530,414**	1,132,424,114
	Marine	**332,445,452**	127,520,249	**332,445,452**	127,520,249
	Oil & Gas	**630,453,127**	533,583,780	**630,453,127**	533,583,780
	Engineering	**893,163,245**	478,843,274	**893,163,245**	478,843,274
	Aviation	**126,716,711**	81,703,494	**126,716,711**	81,703,494
	Bond	**230,189,193**	145,974,658	**230,189,193**	145,974,658
	Agric	**-**		**-**	
		5,267,046,650	3,476,295,042	**5,267,046,651**	3,476,295,042
	HMO - Unearned premium reserve	**164,183,762**	193,571,472	**-**	-
	Microinsurance - Unearned premium reserve	**56,825,180**	21,253,665		
		5,488,055,592	3,691,120,179	**5,267,046,651**	3,476,295,042

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.

15.3 **AGE ANALYSIS OF OUTSTANDING CLAIMS AS AT 31 DECEMBER, 2022**

	0-90 DAYS	91-180 DAYS	181-270 DAYS	271-365 DAYS	ABOVE 365 DAYS	TOTAL
1-250,000	28,578,289	18,991,061	17,252,131	13,286,098	55,203,107	133,310,687
250,001-500,000	18,875,451	11,348,613	10,661,250	15,897,200	49,997,081	106,779,595
500,001-1,500,000	33,286,322	25,204,937	42,469,094	32,826,487	70,542,470	204,329,309
1,500,001-2,500,000	15,716,046	10,143,086	7,696,600	5,665,000	11,791,993	51,012,725
2,500,001-5,000,000	28,621,816	17,611,841	18,254,950	27,377,893	61,485,004	153,351,504
ABOVE 5,000,000	85,515,400	183,803,100	7,000,000		410,912,103	687,230,603
TOTAL	**210,593,324**	**267,102,638**	**103,334,025**	**95,052,678**	**659,931,758**	**1,336,014,423**

AGE ANALYSIS OF OUTSTANDING CLAIMS AS AT 31 DECEMBER, 2021

	0-90 DAYS	91-180 DAYS	181-270 DAYS	271-365 DAYS	ABOVE 365 DAYS	TOTAL
1-250,000	30,585,445	19,942,921	13,183,113	12,871,840	49,077,655	125,660,974
250,001-500,000	34,712,117	17,327,000	12,110,210	10,348,971	20,675,150	95,173,448
500,001-1,500,000	31,258,796	36,725,415	15,950,000	11,500,000	23,452,299	118,886,510
1,500,001-2,500,000	4,900,287	7,586,331	3,919,000		16,005,950	32,411,568
2,500,001-5,000,000	19,102,500	4,102,500	8,693,710	4,000,000	27,422,610	63,321,320
ABOVE 5,000,000	58,027,938	400,000,000	460,000,000	26,613,194	159,438,814	1,104,079,946
TOTAL	**178,587,083**	**485,684,167**	**513,856,033**	**65,334,005**	**296,072,478**	**1,539,533,766**

Number of claimants in each category

	0-90 DAYS	91-180 DAYS	181-270 DAYS	271-365 DAYS	ABOVE 365 DAYS	TOTAL
At December 2022	483	331	319	289	1,174	2,596
At December 2021	637	397	301	271	1,011	2,617

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**

-

OUTSTANDING CLAIMS (AWAITING SETTLEMENT DECISION)

	0-90 DAYS	91-180 DAYS	181-270 DAYS	271-365 DAYS	ABOVE 365 DAYS	TOTAL
1-250,000	712,900	2,201,000	910,173	643,265	67,000	4,534,338
250,001-500,000	283,993	-				283,993
500,001-1,500,000			2,000,000			2,000,000
1,500,001-2,500,000	-	1,774,198				1,774,198
2,500,001-5,000,000	2,765,972					2,765,972
ABOVE 5,000,000	-				50,000,000	50,000,000
TOTAL	**3,762,865**	**3,975,198**	**2,910,173**	**643,265**	**50,067,000**	**61,358,501**

OUTSTANDING CLAIMS (AWAITING SUPPORTING DOCUMENT)

	0-90 DAYS	91-180 DAYS	181-270 DAYS	271-365 DAYS	ABOVE 365 DAYS	TOTAL
1-250,000	25,162,789	15,588,803	15,534,018	12,378,883	53,245,046	121,909,539
250,001-500,000	16,947,938	10,760,000	10,661,250	15,030,750	47,997,081	101,397,019
500,001-1,500,000	33,286,322	24,626,242	39,749,094	30,826,487	69,460,977	197,949,121
1,500,001-2,500,000	15,716,046	6,500,000	7,696,600	5,665,000	11,791,993	47,369,639
2,500,001-5,000,000	25,855,844	10,153,200	18,254,950	27,377,893	56,893,794	138,535,681
ABOVE 5,000,000	85,515,400	183,803,100			321,533,353	590,851,853
TOTAL	**202,484,339**	**251,431,345**	**91,895,912**	**91,279,013**	**560,922,244**	**1,198,012,852**

OUTSTANDING CLAIMS (BEING ADJUSTED)

	0-90 DAYS	91-180 DAYS	181-270 DAYS	271-365 DAYS	ABOVE 365 DAYS	TOTAL
1-250,000	2,702,600	1,100,176	807,940	250,000	1,684,206	6,544,922
250,001-500,000	1,643,520	588,613		375,550	2,000,000	4,607,683
500,001-1,500,000		720,000			1,081,492	1,801,492
1,500,001-2,500,000						-
2,500,001-5,000,000		4,153,200			4,591,210	8,744,410
ABOVE 5,000,000			7,000,000		39,378,750	46,378,750
TOTAL	**4,346,120**	**6,561,989**	**7,807,940**	**625,550**	**48,735,658**	**68,077,257**

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	321,888	-	-	-	-	321,888
250,001-500,000	490,900	-	-	-	-	490,900
500,001-1,500,000	2,578,695	-	-	-	-	2,578,695
1,500,001-2,500,000	1,868,888	-	-	-	-	1,868,888
2,500,001-5,000,000	3,305,441	-	-	-	-	3,305,441
ABOVE 5,000,000	-	-	-	-	-	-
TOTAL	**8,565,812**	**-**	**-**	**-**	**-**	**8,565,812**

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

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		Group		Company	
		2023	2022	**2023**	2022
		N	N	**N**	**N**
15.4	**Funds representing insurance contract liabilities**				
	Insurance Contract Liabilities	**8,320,383,327**	6,547,611,485	**7,979,624,148**	6,329,021,551
	Recoverable from reinsurance company	**(3,178,722,710)**	(3,285,437,414)	**(2,591,863,735)**	(3,285,437,414)
		5,141,660,617	3,262,174,071	**5,387,760,414**	3,043,584,137
	Balance with banks	**-**	-	**-**	-
	Fixed placement	**417,079,910**	525,103,432	**417,079,910**	525,103,432
	Fixed placement (above 90days)	**3,432,157,189**	1,930,281,941	**3,432,157,189**	1,930,281,941
	Investment property	**1,269,471,475**	1,265,226,470	**1,269,471,475**	1,265,226,470
	At fair value through profit or loss	**-**	-	**-**	-
		5,118,708,575	3,720,611,843	**5,118,708,575**	3,720,611,843
	Surplus	**(22,952,042)**	458,437,772	**(269,051,839)**	677,027,706
15.5	**Investment contract liabilities**				
	Opening	**13,723,775**	17,660,923	-	-
	movement	**(7,269,459)**	(3,937,148)	-	-
	Closing	**6,454,316**	13,723,775	-	-
16.	**Trade payables**				
	Due to insurance companies	**-**	-	**-**	-
	Due to reinsurance companies - local	**294,689,038**	33,472,651	**294,689,038**	33,472,651
	Other trade payables	**-**	-	**-**	-
		294,689,038	33,472,651	**294,689,038**	33,472,651
	Current	**294,689,038**	33,472,651	**294,689,038**	33,472,651
	Non-current	**-**	-	**-**	-
	Movement in Trade payables				
	Opening	**33,472,651**	46,805,158	**33,472,651**	46,805,158
	Reinsurance during the year	**4,249,012,391**	4,986,931,692	**4,249,012,391**	4,986,931,692
	Payment	**(3,987,796,005)**	(5,000,264,199)	**(3,987,796,005)**	(5,000,264,199)
	Closing	**294,689,038**	33,472,651	**294,689,038**	33,472,651
17	**Borrowing**				
	At 1 January	**680,107,894**	55,800,014	-	-
	Addition	**1,061,994,793**	607,885,923	-	-
	Repayment	**(123,571,939)**	(219,882,483)	-	-
	Interest capitalised	**127,182,943**	236,304,440	-	-
	As At 30th September	**1,745,713,691**	680,107,894	**-**	**-**

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

		Group 2023 N	Group 2022 N	Company 2023 N	Company 2022 N
18.	**Other payables and provision**				
	Audit fees	**1,020,000**	9,932,500	**1,020,000**	5,432,500
	VAT payable	**100,000**	100,000	**100,000**	100,000
	Witholding tax payable	**53,255,984**	26,383,471	**53,255,984**	26,383,472
	Unclaimed dividend payable (Note 18.1)	**82,423,287**	82,423,287	**82,423,287**	82,423,287
	Accrued expenses	**23,805,575**	92,184,590	**7,209,787**	75,588,801
	Unearned Commission received(Note 18.2)	**110,594,576**	110,594,576	**110,594,576**	110,594,576
	Staff Cooperative	**56,761,410**	39,569,085	**56,761,410**	39,569,085
	Sundry creditors	**510,186,532**	68,689,004	**67,089,194**	10,655,045
		838,147,364	429,876,513	**378,454,238**	350,746,765
	Current	**838,147,364**	429,876,513	**378,454,238**	350,746,765
	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.

It was invested in money market, the Fund and the interest earned at the end of the year 2022 was N82,423,287 and N8,662,515 respectivefully.

18.2	**Unearned Commission Reserve**	Group		Company	
		2023	**2022**	**2023**	**2022**
		N	**N**	**N**	**N**
	Fire	**36,629,908**	36,629,908	**36,629,908**	36,629,908
	General accident	**27,881,106**	27,881,106	**27,881,106**	27,881,106
	Motor	**1,326,889**	1,326,889	**1,326,889**	1,326,889
	Marine	**8,925,908**	8,925,908	**8,925,908**	8,925,908
	Oil & Gas	**-**	-	**-**	-
	Engineering	**27,048,153**	27,048,153	**27,048,153**	27,048,153
	Aviation	**-**	-	**-**	-
	Bond	**8,782,612**	8,782,612	**8,782,612**	8,782,612
		110,594,576	110,594,576	**110,594,576**	110,594,576

			Group		Company	
			2023	2022	**2023**	2022
			N	N	**N**	**N**
19.	**Retirement benefit obligation**					
	Defined contribution pension plan					
	At 1 January		**2,925,281**	2,075,682	**1,181,508**	1,367,928
	Provision during the period (Note 36b)		**66,746,578**	67,071,824	**41,829,936**	46,565,279
	Payment during the period		**(53,991,025)**	(66,222,225)	**(29,055,076)**	(46,751,699)
	30 SEPTEMBER		**15,680,834**	2,925,281	**13,956,368**	1,181,508
19.a	Employer contribution	10%	**8,711,574**	1,625,156	**6,302,473**	20,943
	Employees contribution	8%	**6,969,260**	1,300,125	**7,653,895**	1,160,565
			15,680,834	2,925,281	**13,956,368**	1,181,508

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		Group		Company	
		2023	2022	**2023**	2022
		N	**N**	**N**	**N**
20	**Taxation**				
20	**Income tax expense**				
	Income tax	**688,912,513**	197,369,134	**590,307,978**	147,550,690
	Education tax	**38,084,386**	10,691,710	**38,084,386**	10,691,710
	Under/(over)provision in previous year	**-**	-	**-**	-
		726,996,900	208,060,845	**628,392,364**	158,242,400
	Deferred tax (Note 22)	**(28,011,393)**	(4,883,900)	**(28,003,243)**	-
		698,985,507	203,176,945	**600,389,121**	158,242,400

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	
		2023	2022	**2023**	2022
		N	**N**	**N**	**N**
21.	**Current income tax liabilities**				
	At 1 January	**766,699,256**	462,785,844	**635,139,647**	340,135,901
	Payments during the period	**(117,648,622)**	(131,287,475)	**(122,565,743)**	(109,851,741)
		649,050,634	331,498,369	**512,573,904**	230,284,160
	Charge for the period (note 20)	**726,996,900**	435,200,887	**628,392,364**	404,855,487
	30 SEPTEMBER	**1,376,047,534**	766,699,256	**1,140,966,268**	635,139,647
21.1	**Reconciliation of effective tax rate**				
	Profit after tax	**1,557,340,897**	995,985,051	**1,303,830,164**	980,051,807
	Total income tax expense				
	Income	**688,912,513**	509,874,686	**590,307,978**	479,529,286
	Education	**38,084,386**	27,326,201	**38,084,386**	27,326,201
	(Over)/under-provision	**-**	(102,000,000)	**-**	(102,000,000)
	Deferred tax (Note 22)	**(28,011,393)**	(23,481,142)	**(28,003,243)**	(18,597,242)
		698,985,507	411,719,745	**600,389,121**	386,258,245
	Profit for the period before income tax	**2,256,326,404**	1,407,704,796	**1,904,219,286**	1,366,310,052
	Effective tax rate	**31%**	29%	**32%**	28%
22	**Deferred tax liabilities**				
	At 1 January	**253,908,072**	259,663,907	**239,442,368**	247,979,804
	IFRS 9 opening balance adjustment	**-**	-	**-**	-
	Charge for the period (Note 21.1)	**(28,011,393)**	(23,481,142)	**(28,003,243)**	(18,597,242)
	Deffered tax on Revalued Land & Building (PPE)	**-**	6,062,691	**-**	6,062,691
	Deffered tax on FVTOCI instruments	**-**	11,662,615	**-**	3,997,115
	30 SEPTEMBER	**225,896,679**	253,908,071	**211,439,125**	239,442,368

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

		Group		Company	
		2023	2022	**2023**	2022
		N	N	**N**	N
23.	**Share capital**				
	Authorised:				
	10.84 billion ordinary shares of 50k each	**5,420,000,000**	10,000,000,000	**5,420,000,000**	10,000,000,000

In 2022 CAC came up with a regulation that compelled all Companies that have unpaid Authorised shares capital to delete them from the book. In line with this CAC requirement, the remaining Authorised shares that are yet to be issued and paid for has been dealt with.

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**	5,420,000,000	**5,420,000,000**	5,420,000,000
	Addition: Right issue	**-**	-	**-**	-
	Bonus Issue	**-**	-	**-**	-
	Closing	**5,420,000,000**	5,420,000,000	**5,420,000,000**	5,420,000,000

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

		Group		Company	
24	**Share Premium**	**2023**	2022	**2023**	2022
	Number (units) of shares issued	**-**	-	**-**	-
	Issue price	**-**	-	-	-
	Opening	**168,933,834**	168,933,834	**168,933,834**	168,933,834
	Addition	**-**	-	**-**	-
	Issue expenses	**-**	-	**-**	-
	Share Premium	**168,933,836**	**168,933,834**	**168,933,836**	**168,933,834**

25. Other reserves

25.1.	**Contingency reserve**				
	At 1 January	**2,800,339,728**	2,437,638,438	**2,799,201,192**	2,437,343,087
	Transfer from income statement (Note 26)	**381,691,278**	361,858,105	**381,691,278**	361,858,105
	Chi Microinsurance Limited	**1,557,531**	843,185	**-**	-
	30 SEPTEMBER	**3,183,588,537**	2,800,339,728	**3,180,892,470**	2,799,201,192

In line with sections 21(1) and (2) and 22(16) of the Insurance Act 2003, Insurance companies in Nigeria are required to transfer to the statutory contingency reserve, the higher of 20% of net profits and 3% of total Premium. In the year, the Company transferred the sum of =N=361,809,641 based on 3% of total Premium.

25.2	**Statutory reserve**				
	At 1 January	**91,262,839**	72,039,762	**-**	-
	Transfer from income statement (Note 26)	**26,576,246**	19,223,077	**-**	-
				-	
	30 SEPTEMBER	**117,839,085**	91,262,839	**-**	-

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.

25.3	**Fair Value Through OCI Reserve**				
	At 1 January	**39,180,405**	30,615,728	**39,163,090**	30,669,220
	Gain on financial Assets meansured through OCI	**-**	8,564,677	**-**	8,493,870
				-	-
	30 SEPTEMBER	**39,180,405**	39,180,405	**39,163,090**	**39,163,090**

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25.4 Revaluation Reserve

At 1 January	**128,676,506**	115,793,288	**128,676,506**	115,793,288
Revaluation gain on PPE (Land & Building)	**-**	12,883,218	**-**	12,883,218
30 SEPTEMBER	**128,676,506**	128,676,506	**128,676,506**	**128,676,506**

25.5 Regulatory Risk Reserve

At 1 January	**1,828,189**	1,354,214	**-**	-
Transfer to/(from) Retained earnings **(Note:26**).	**0**	473,975	**-**	-
30 SEPTEMBER	**1,828,189**	1,828,189	**-**	**-**

This is the difference between Expected Credit Loss (ECL) and CBN Prudential Guidelines Computations on Loans & Receivables and Finance Lease Receivables.

26. Retained earnings

At 1 January	**575,336,126**	765,408,440	**310,724,176**	496,189,498
Changes on initial application of IFRS 9	**(270,432)**	(586,858,973)	**-**	(586,858,973)
Dividend declared and paid in the year	**(325,200,100)**	(216,800,050)	**(325,200,100)**	(216,800,050)
Transfer to contigency reserve (Note 25.1)	**(383,248,809)**	(362,701,290)	**(381,691,279)**	(361,858,105)
Transfer from income statement	**1,557,340,897**	995,985,051	**1,303,830,165**	980,051,807
Regulatory Risk Reserve	**(644,521)**	(473,975)	**-**	-
Transfer to statutory reserve (Note 25.2)	**(26,576,246)**	(19,223,077)	**-**	-
30 SEPTEMBER	**1,396,736,915**	575,336,126	**907,662,963**	310,724,176

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

26.1. Profit before taxation

Profit before taxation is stated after charging/crediting:				
Depreciation of property and equipment	**84,157,558**	118,196,881	**83,804,545**	100,318,021
Auditors' remuneration	**1,055,000**	11,500,000	**-**	7,000,000
Directors' remuneration:				
- Fees	**17,000,000**	8,000,000	**17,000,000**	8,000,000
Profit on disposal of property and equipment	**-**	-	**-**	-
Foreign exchange (gains)/loss	**(351,636,419)**	(266,543,572)	**(351,636,419)**	(266,543,572)

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

CONSOLIDATED HALLMARK INSURANCE PLC

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27. Insurance Revunue analysed as follows:

	<------------------- 2023		--------------->	
	Direct Premium	**Inward Reinsurance Premium**	**Increase/ decrease in Unearned Premium & Risk**	**Insurance Revenue**
	N	**N**	**N**	**N**
Fire	**1,985,244,068**	**2,037,005**	**(490,050,199)**	**1,497,230,874**
General accident	**1,419,627,731**	**6,136,419**	**(369,424,934)**	**1,056,339,216**
Motor	**3,619,702,875**	**47,001,521**	**(396,735,101)**	**3,269,969,296**
Aviation	**1,125,141,038**	**-**	**(60,389,120)**	**1,064,751,918**
Oil & Gas	**2,510,738,347**	**82,795,086**	**(173,919,848)**	**2,419,613,585**
Marine	**792,123,354**	**11,634,969**	**(230,365,876)**	**573,392,447**
Engineering	**564,553,351**	**14,048,042**	**(509,269,750)**	**69,331,643**
Bond	**542,258,787**	**-**	**(112,331,883)**	**429,926,904**
Company Total	**12,559,389,552**	**163,653,041**	**(2,342,486,710)**	**10,380,555,883**
Medical Premium	**627,406,087**	**-**	**(50,307,350)**	**577,098,736**
Microinsurance Premium	**55,997,824**		**(31,806,717)**	**24,191,107**
GroupTotal	**13,242,793,463**	**163,653,041**	**(2,424,600,778)**	**10,981,845,726**

Insurance Revunue analysed as follows:

	<-------------------- 2022		------------------->	
	Direct premium	Inward reinsurance premium	Increase/ decrease in unearned premium	premium Gross earned
	N	**N**	**N**	**N**
Fire	1,065,587,076	10,684,977	(290,513,533)	785,758,520
General accident	953,591,135	13,387,050	(42,687,946)	924,290,239
Motor	1,378,940,235	22,121,711	(71,200,147)	1,329,861,799
Aviation	645,320,734	-	2,989,976	648,310,711
Oil & Gas	1,259,733,671	214,385,094	13,365,851	1,487,484,615
Marine	423,430,363	3,833,548	(81,295,871)	345,968,041
Engineering	325,503,825	1,850,618	(41,340,133)	286,014,310
Bond	208,484,473	-	(108,043,424)	100,441,049
Company Total	6,260,591,512	266,262,999	(618,725,227)	5,908,129,284
Medical Premium	326,516,449	-	(3,208,608)	323,307,841
Microinsurance Premium	15,566,817		(10,179,097)	5,387,720
GroupTotal	6,602,674,778	266,262,999	(632,112,931)	6,236,824,845

	Group		Company	
	2023	2022	**2023**	2022
	N	**N**	**N**	**N**
28. Net Reinsurance deficit/(surplus)				
The reinsurance expense is analysed as follows:				
Reinsurance premium cost (Note 7.3)	**4,256,701,508**	2,302,582,978	**4,249,012,391**	2,300,782,978
(Increase)/decrease in prepaid reinsurance	**(82,509,745)**	7,688,452	**(82,509,745)**	7,688,452
Fee and commission (Note 29)	**(853,053,376)**	(417,768,817)	**(853,053,376)**	(417,768,817)
Net recoverable	**(791,989,034)**	(1,132,148,840)	**(791,989,034)**	(1,132,148,840)
Reinsurance expense (Note 7.3)	**2,529,149,353**	760,353,773	**2,521,460,236**	758,553,773
29. Fee and commission				
Fire	**332,206,781**	123,462,196	**332,206,781**	123,462,196
General accident	**185,682,005**	114,596,704	**185,682,005**	114,596,704
Motor	**8,435,718**	3,296,254	**8,435,718**	3,296,254
Aviation	**-**	-	**-**	-
Oil & Gas	**-**	-	**-**	-
Marine	**173,265,995**	78,676,343	**173,265,995**	78,676,343
Engineering	**87,440,638**	60,721,023	**87,440,638**	60,721,023
Bond	**66,022,239**	37,016,298	**66,022,239**	37,016,298
Agric	**(0)**		**(0)**	
	853,053,376	417,768,817	**853,053,376**	417,768,817
Movement - Fee and commission				
Opening Unearned commission (Note 18.2)	**110,594,576**	68,805,228	**110,594,576**	68,805,228
Commission received	**853,053,376**	756,315,554	**853,053,376**	756,315,554
Commission earned	**(853,053,376)**	(714,526,205)	**(853,053,376)**	(714,526,205)
Closing Unearned commission (Note 18.2)	**110,594,576**	**110,594,577**	**110,594,576**	**110,594,577**

		Group		Company	
		Claims expenses	Claims expenses	Claims expenses	Claims expenses
		30 SEPTEMBER 2023	30 SEPTEMBER 2022	30 SEPTEMBER 2023	30 SEPTEMBER 2022
		N	N	N	N
30	**Insurance Expenses**				
	Claims paid during the year	**3,256,802,953**	2,342,868,355	**2,840,643,217**	2,071,945,040
	Opening IBNR and outstanding claims(Note 15.1)	**(2,852,726,508)**	(2,837,287,074)	**(2,852,726,509)**	(2,837,287,074)
	Closing IBNR and outstanding claims (Note 15.1)	**2,712,577,497**	3,184,386,310	**2,712,577,497**	3,184,386,310
	Acquisition Cost (Note 31)	**1,975,362,404**	977,315,444	**1,922,177,292**	947,605,789
	Maintenance Expenses (Note 31)	**971,404,571**	387,592,810	**971,404,571**	387,592,810
	Gross claims expenses	**6,063,420,917**	4,054,875,846	**5,594,076,068**	3,754,242,876
30b.	**Claims & IBNR recoverable**				
	Claims recoverable				
	Claims recovered (Note 7.3)	**977,497,217**	1,416,142,075	**977,497,217**	1,416,142,075
	Opening claims recoverable (Note 7.3)	**(2,140,753,774)**	(2,354,142,508)	**(2,140,753,774)**	(2,354,142,508)
	Closing claims recoverable	**1,955,245,591**	2,070,149,273	**1,955,245,591**	2,070,149,273
	Net recoverable	**791,989,034**	1,132,148,840	**791,989,034**	1,132,148,840

31. Underwriting expenses

	Group		Company	
Underwriting expenses- 2023	**Acquisition expenses**	**Maintenance expenses**	**Acquisition expenses**	**Maintenance expenses**
	N	**N**	**N**	**N**
Fire	**370,949,140**	**49,479,279**	**370,949,140**	**49,479,279**
General accident	**272,487,689**	**63,798,526**	**272,487,689**	**63,798,526**
Motor	**424,855,712**	**316,701,075**	**424,855,712**	**316,701,075**
Aviation	**193,966,134**	**414,391,822**	**193,966,134**	**414,391,822**
Oil & Gas	**290,466,894**	**89,349,560**	**290,466,894**	**89,349,560**
Marine	**158,055,615**	**30,927,447**	**158,055,615**	**30,927,447**
Engineering	**114,160,568**	**(7,118,594)**	**114,160,568**	**(7,118,594)**
Bond	**97,235,540**	**13,875,456**	**97,235,540**	**13,875,456**
	1,922,177,292	**971,404,571**	**1,922,177,292**	**971,404,571**
HMO Acquisition expenses	**53,569,630**		**-**	**-**
Microinsurance Acquisition expenses	**(384,518)**			
	1,975,362,404	**971,404,571**	**1,922,177,292**	**971,404,571**

Underwriting expenses- 2022	Acquisition expenses	Maintenance expenses	Acquisition expenses	Maintenance expenses
.	N	N	N	N
Fire	154,125,944	24,283,301	154,125,944	24,283,301
General accident	190,218,455	41,743,092	190,218,455	41,743,092
Motor	154,271,217	138,323,826	154,271,217	138,323,826
Aviation	80,924,108	104,013,083	80,924,108	104,013,083
Oil & Gas	213,214,023	62,081,830	213,214,023	62,081,830
Marine	64,124,381	7,652,461	64,124,381	7,652,461
Engineering	72,311,591	8,738,805	72,311,591	8,738,805
Bond	18,416,069	756,413	18,416,069	756,413
	947,605,789	387,592,810	947,605,789	387,592,810
HMO Acquisition expenses	28,924,144		-	-
Microinsurance Acquisition expenses	785,510			
	977,315,444	387,592,810	947,605,789	387,592,810

	Group		Company	
Underwriting expenses	**30 SEPTEMBER 2023**	**30 SEPTEMBER** 2022	**30 SEPTEMBER 2023**	**30 SEPTEMBER** 2022
	N	**N**	**N**	**N**
Acquisition Expenses	**1,975,362,404**	1,769,940,305	**1,922,177,292**	1,710,518,926
Maintenance Expenses	**971,404,571**	837,009,198	**971,404,571**	837,009,198
	2,946,766,975	2,606,949,503	**2,893,581,863**	2,547,528,124

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		Group		Company	
		30 SEPTEMBER 2023	30 SEPTEMBER 2022	**30 SEPTEMBER 2023**	30 SEPTEMBER 2022
		N	**N**	**N**	**N**
32.	**Investment income**				
	Interest received	**76,055,477**	64,732,232	**263,264,100**	152,544,403
	Interest received on corporate loan	**5,617,423**	5,424,880	**5,617,423**	5,424,880
	Interest accrued	**810,358,553**	532,006,208	**49,601,975**	7,183,255
	Rent income on investment properties	**638,400**	24,885,334	**638,400**	24,885,334
	Profit on Disposal of financial	**-**	-	**-**	-
	Dividend received	**119,676,782**	149,432,630	**119,676,782**	149,432,630
		1,012,346,635	776,481,284	**438,798,680**	339,470,502
	Amortised gain on Debts Security (Note 3.2.4)	**285,402,698**	239,923,636	**285,402,698**	239,923,637
		1,297,749,334	1,016,404,920	**724,201,378**	579,394,139
32.1	**Investment income**				
	Investment income attributable to policyholders' fund	**285,402,699**	239,923,636	**285,402,699**	239,923,637
	Investment income attributable to shareholders' fund	**1,012,346,635**	776,481,284	**438,798,679**	339,470,503
		1,297,749,334	1,016,404,920	**724,201,378**	579,394,139
33.	**Other operating income**				
	Profit (Loss) on disposal of property and equipment	**2,319,000**	4,394,722	**2,319,000**	4,394,722
	Interest on staff receivables	**7,340,956**	-	**7,340,956**	-
	Exchange gain (Note 33.1)	**351,636,419**	171,611,811	**351,636,419**	171,611,811
	Other income	**103,075,312**	49,865,825	**25,958,560**	19,439
		464,371,687	225,872,359	**387,254,935**	176,025,972
33.1	**Exchange gain**				
	Gain on disposal of foreign currency	**-**	18,672,500	**-**	18,672,500
	Gain/ (loss) from valuation of closing foreign currency balances	**351,636,419**	152,939,311	**351,636,419**	152,939,311
		351,636,419	171,611,811	**351,636,419**	171,611,811
33.2	**Fair Value Through OCI**				
	Items that will be reclassified subsiquently to profit or loss				
	Revaluation of Land & Building (PPE)	**-**	**-**	**-**	-
	Gain on Fair value through OCI	**-**	**-**	**-**	-
		-	**-**	**-**	-
	Deffered tax on Fair value through OCI	**-**	**7,867,252**	**-**	7,867,252
	Deffered tax on revaluation surplus Land & Building	**-**	**54,490,959**	**-**	54,490,959
		-	62,358,211	**-**	62,358,211
34.	**Impairment charged**				
	Cash and cash equivalent (Note 2.2)				-
	Loans and receivables (Note 3.2)	**(18,166,244)**	102,280,824	**-**	-
	Fixed Deposits (90Days above) Note 3.2.4	**-**		**-**	-
	Finance Lease receivable (Note 5.1)	**-**		**-**	-
	Reinsurance Assets (Note 7)	**-**		**-**	-
	Trade receivables (Note 6.1)	**-**		**-**	-
	Other receivables (Note 9)	**-**		**-**	-
	IFRS 9 Adjustment	**-**		**-**	-
		(18,166,244)	**102,280,824**	**-**	-
	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)	**-**	-		
		-	-	**-**	-
	Impairment (charge)/write back	**(18,166,244)**	**(81,565,926)**	**-**	-

	Group		Company	
	30 SEPTEMBER 2023 N	30 SEPTEMBER 2022 N	**30 SEPTEMBER 2023 N**	30 SEPTEMBER 2022 N
35. Net fair value gain (loss) at fair value through profit or loss				
**Financial assets at fair value through profit or loss	**572,616,446**	(98,826,816)	**572,793,879**	(108,745,850)
Investment property (Note 12.0)	**66,799,767**	-	**-**	-
Fair value gains/(loss)	**639,416,213**	(98,826,816)	**572,793,879**	(108,745,850)

This represents increase/(decrease) 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 31 December 2022.

35a Financial Assest at fair value through profit or loss (Note 3.1)				
Openning balance	**(100,351,425)**	59,106,429	**(102,013,384)**	61,222,604
Addition charged to profit or loss	**572,616,446**	(159,457,854)	**572,793,879**	(163,235,988)
Closing balance	**472,265,021**	(100,351,425)	**470,780,495**	(102,013,384)

36. Operating & Administrative expenses				
Employee cost (Note 36a)	**822,404,959**	221,934,765	**540,044,031**	149,989,996
Rent, insurance and maintenance	**205,719,279**	69,619,584	**197,097,119**	68,200,260
Depreciation of property and equipment	**84,157,558**	38,767,047	**83,804,545**	32,939,739
Amortisation of intangible assets	**11,500,736**	2,571,152	**5,435,355**	1,902,834
Auditors' remuneration	**1,055,000**	**-**	**-**	-
Directors' remuneration:	**-**	-		
- Fees	**17,000,000**	-	**17,000,000**	-
- Allowance & Expenses	**50,893,886**	20,489,625	**47,777,500**	7,609,800
Professional charges	**179,676,058**	42,751,107	**178,711,482**	40,992,305
Printing and telecommunication	**37,331,493**	14,251,295	**35,340,149**	12,099,742
Advertising	**488,033,417**	132,518,964	**480,189,122**	127,735,682
Travelling and motor vehicle expenses	**134,318,547**	54,378,028	**123,215,624**	50,018,836
Rates, Insurance levy and utilities	**133,988,941**	89,158,351	**132,938,380**	83,867,860
Information Technology (note 20)	**-**	-	**-**	-
Office running expenses	**25,822,670**	17,104,116	**17,135,283**	7,762,465
Bank charges	**31,995,727**	6,266,488	**27,567,869**	4,469,557
Subscription,Clubs & Donation	**47,290,207**	14,053,093	**42,429,792**	14,053,093
Office security expenses	**153,641,543**	13,304,687	**36,883,185**	13,304,687
Brand management	**78,003,709**	5,446,995	**65,869,913**	5,446,995
Legal and Filing fees	**13,611,137**	5,244,527	**13,611,137**	3,648,422
Penalty	**-**	-	**-**	-
	2,516,444,867	747,859,826	**2,045,050,486**	624,042,273

	Group		Company	
	30 SEPTEMBER 2023 N	30 SEPTEMBER 2022 N	**30 SEPTEMBER** 2023 **N**	30 SEPTEMBER 2022 N
36a Employee cost				
Wages and salaries	**618,936,472**	618,936,472	**394,847,504**	495,300,328
Medical	**44,984,613**	44,984,613	**30,833,691**	41,994,321
Staff training	**91,737,296**	91,737,296	**72,532,900**	89,602,016
Defined contribution pension plan (Note 19)	**66,746,578**	66,746,578	**41,829,936**	46,565,279
	822,404,959	822,404,959	**540,044,031**	673,461,944
36b Chairman's and Directors' emoluments, pensions and compensation for loss of office				
Emoluments:				
Chairman	**2,000,000**	2,000,000	**2,000,000**	2,000,000
Other Directors	**6,000,000**	6,000,000	**6,000,000**	6,000,000
Other emolument of executives	**18,760,000**	18,760,000	**18,760,000**	18,760,000
Emolument of highest paid Director	**14,500,000**	14,500,000	**14,500,000**	14,500,000

CONSOLIDATED HALLMARK INSURANCE PLC

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37. Basic/diluted earnings per share

Profit/(loss) after taxation	**1,557,340,897**	668,004,463	**1,303,830,164**	429,722,703
Number of shares	**10,840,000,000**	10,840,000,000	**10,840,000,000**	10,840,000,000
Movement in Numbers of Share Capital				
Opening	**10,840,000,000**	10,840,000,000	**10,840,000,000**	10,840,000,000
Right issue	**-**	-	**-**	-
Bonus Issue				
Private placement	**-**	-	**-**	-
Closing	**10,840,000,000**	10,840,000,000	**10,840,000,000**	10,840,000,000
Weighted Average nos of share				
Opening	**10,840,000,000**	10,840,000,000	**10,840,000,000**	10,840,000,000
Right issue (half year)	**-**	-	**-**	-
Bonus Issue				
Private placement	**-**	-	**-**	-
Weighted Average nos of share	**10,840,000,000**	10,840,000,000	**10,840,000,000**	10,840,000,000
Basic/diluted earnings per share (kobo)	**14.37**	**6.16**	**12.03**	**3.96**

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

	Group		**Company**	
	30 SEPTEMBER 2023	31 DECEMBER 2022	**30 SEPTEMBER 2023**	31 DECEMBER 2022
Profit before tax	**2,256,326,404**	971,674,800	**1,904,219,286**	764,215,523
Adjustment for the following;				
Add, Depreciation & amortisation	**84,157,558**	118,196,881	**83,804,545**	100,318,021
Fair value gain on Investment Property	**(66,799,767)**		**-**	
Net fair value loss on financial assets at fair value	**(624,815,488)**	159,457,854	**(637,126,954)**	163,235,988
Less :				
Profit /Loss on disposal	**(2,319,000)**	(8,064,378)	**(2,319,000)**	(8,064,378)
Gain on sale of investment property				(8,000,000)
Investment income	**(1,178,072,552)**	(1,101,606,383)	**(604,524,596)**	(486,747,288)
Dividend received	**(119,676,782)**	(101,095,583)	**(119,676,782)**	(101,095,583)
Impairment	**18,166,244**	81,565,926	**-**	2,219,197
	366,966,617	120,129,117	**624,376,498**	426,081,480
Changes in working capital:				
Increase(deccrease) in trade receivable	**8,986,642**	6,068,161	**(2,412,823)**	(62,866,788)
Increase(deccrease) in reinsurance assets	**106,714,704**	(392,359,563)	**106,714,705**	(392,359,563)
Increase(deccrease) in deferred acquisition	**556,622,815**	(42,479,867)	**-**	(40,478,557)
Increase(deccrease) in other receivable	**(366,384,434)**	(93,339,392)	**(290,829,575)**	(159,127,066)
Increase(deccrease) in finance lease receivable	**52,107,174**	(62,494,410)	**-**	-
		3,561,887	**-**	-
Increase(deccrease) in trade payable	**261,216,386**	32,832,425	**261,216,386**	32,832,425
Increase(deccrease) in Borrowing	**1,065,605,797**	50,786,962	**-**	-
Increase(deccrease) in insurance contract liabilities	**1,772,771,841**	265,817,250	**2,156,560,640**	285,205,038
Increase(deccrease) in provision & other payable	**415,075,443**	122,483,724	**27,707,473**	66,356,744
Increase(deccrease) in retirement benefits	**12,755,553**	(2,053,844)	**12,774,859**	(885,679)
Increase(deccrease) in other Assets	**-**			-
Tax paid	**(117,648,622)**	(69,731,872)	**(122,565,742)**	(65,054,114)
	4,134,789,917	(60,779,422)	**2,773,542,422**	89,703,920

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		Group		Company	
		2023 Number	2022 Number	**2023 Number**	2022 Number
39.	**Staff**				
	Average number of persons employed in the financial year were as follows:				
	Managerial	**36**	31	**28**	26
	Senior staff	**149**	124	**111**	109
	Junior staff	**17**	23	**15**	16
		202	178	**154**	151

39a. The number of Directors excluding the Chairman whose emoluments were within the following ranges were:

N		N	Group 2023	Group 2022	Company 2023	Company 2022
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	**7**	**7**	7	**7**

Emolument

	Group 2023	Group 2022	Company 2023	Company 2022
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	Group 2023	Group 2022	Company 2023	Company 2022
200,001	-	300,000	**7**	7	**6**	6
300,001	-	400,000	**7**	30	**5**	26
400,001		500,000	**4**	29	**4**	29
500,001	-	600,000	**2**	14	**2**	14
600,001	-	700,000	**2**	2	**2**	2
700,001	-	800,000	**8**	11	**4**	11
800,001	-	900,000	**15**	15	**13**	13
900,001	-	1,000,000	**5**	7	**5**	5
1,000,001	and above		**152**	63	**113**	45
			202	178	**154**	151

40a. **Capital commitments**
There were no capital commitments as at 31 March 2023.

40b. **Contingent liabilities**
There were no contigent liabilities against the Group as at 31 March 2023.

41. **Comparative figures** -
Where necessary, comparative figures have been adjusted to conform with changes in presentation of the current year in accordance with the International Accounting Standards (IAS 1).

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

CHI Capital Ltd: This is a subsidiary of Consolidated Hallmark Insurance Plc. The company is registered by CAC to offer corporate 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 & Life	Finance and support services	Elimination	Total
	N	N	N	N
AT SEPTEMBER 2023				
Operating income	**4,236,749,017**	**557,114,241**	**(21,216,812)**	**4,772,646,447**
Operating expenses	**(2,260,313,280)**	**(277,348,400)**	**21,216,812**	**(2,516,444,867)**
Operating profit	**1,976,435,737**	**279,765,842**	**-**	**2,256,201,580**
Taxation	**(623,053,379)**	**(75,932,128)**	**-**	**(698,985,507)**
Profit for the period	**1,353,382,358**	**203,833,714**	**-**	**1,557,216,073**
Total assets	**21,614,015,108**	**4,551,376,046**	**(2,298,735,926)**	**23,866,655,228**
Total liabilities	**10,608,952,939**	**2,918,570,771**	**(704,510,926)**	**12,823,012,784**
Share capital and reserves	**10,418,203,191**	**1,632,805,272**	**(1,594,225,000)**	**10,456,783,463**
Depreciation	**83,804,544**	**353,014**	**-**	**84,157,558**
ROCE	**19%**	**17%**	**-**	**22%**
At 31 December 2021				
Operating income	2,689,294,927	536,587,298	(34,215,301)	3,191,666,924
Operating expenses	(1,982,646,376)	(256,561,047)	19,215,301	(2,219,992,123)
Operating profit	706,648,551	280,026,251	(15,000,000)	971,674,801
Taxation	(123,209,319)	(57,827,465)	-	(181,036,784)
Profit for the period	583,439,232	222,198,786	(15,000,000)	790,638,017
Total assets	15,809,402,061	1,840,825,895	(1,976,061,730)	15,674,166,225
Total liabilities	6,539,714,131	504,505,122	(381,836,730)	6,662,382,523
Share capital and reserves	9,269,687,931	1,336,320,774	(1,594,225,000)	9,011,783,704
Depreciation	100,318,020	17,878,860	-	118,196,881
ROCE	8%	21%	0%	11%

43. Contraventions

The Group do not contravened rules or regulation during the period of reporting.

44. Reinsurance treaty

The Company has a reinsurance agreement with African Reinsurance Corporation, Continental Reinsurance Plc and WAICA Reinsurance Corporation Plc to reinsure the risks associated with fire and consequential loss, General accident, Marine cargo, motor, aviation and special risks etc. according to agreed quota share, surplus treaty or excess of loss treaty. This agreement was last modified 31 December 2022.

45. Related party transactions

There are no significant business dealings with its related parties during the period under review. All transactions were at arms length.

Parent:

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

Subsidiaries:

Consolidated Hallmark Insurance Plc holds 99.99% interest in CHI Capital Limited, 100% in Micro Insurance Limited and 100% in HMO Service Limited. Transactions between Consolidated Hallmark Insurance Plc and all the subsidiaries are eliminated on consolidation and already disclosed in Note 10.2

Key management personnel:

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group or Company, directly or indirectly, including any director (whether executive or otherwise). It includes close members of their families who may be expected to influence or be influenced by that individual in their dealings with the Group.

The significant related party transaction in the course of the reporting year with the subsidiaries are as stated below;

	Entity	2023 **30 SEPTEMBER**	2022 **31 December**
Due from Grand Treasurers Limited	Consolidated Hallmark Insurance PLC	213,479,198	121,013,028
Due from Hallmark Health Services Limited	Consolidated Hallmark Insurance PLC	103,819,326	17,250,000
Due from Hallmark Health Services Limited	Grand Treasurers Limited		7,601,857
Medical Expenses paid to Hallmark Health Services Limit	Consolidated Hallmark Insurance PLC	21,216,812	13,276,026
Due from Microinsurance Limited	Consolidated Hallmark Insurance PLC	21,909,219	49,413,172
Due from CHI Capital Limited	Consolidated Hallmark Insurance PLC	1,215,667	26,007,142
Due to Hallmark Health Services Limited from GTL	Grand Treasurers Limited	307,842,521	307,842,521

	Group		Company	
	30 SEPTEMBER 2023	**31 December** 2022	**30 SEPTEMBER 2023**	**31 December** 2022
	N	**N**	**N**	**N**
46. Compensation of key management personnel:				
Salaries and other benefits of key management personnel	**49,074,864**	49,074,864	**39,408,000**	39,408,000

47. Events after the reporting period:

Approvals of NAICOM AND SEC have been obtained, for the new Holdco structure. Court sanction to be obtained and to be filed with SEC and new shares registered with CAC and SEC. Consolidated Hallmark Insurance Plc shares to be delisted from NGX and become Consolidated Hallmark Insurance Ltd. while Consolidated Hallmark Holding Plc to become listed. The Shareholders of Consolidated Hallmark Insurance Plc will be transferred into Consolidated Hallmark Holding Plc at 1 for 1.

48. Capital management

The Group's objectives with respect to capital management are to maintain a capital base that adequately meets regulatory requirements and to utilize capital allocations efficiently and effectively. Capital levels are determined either based on internal assessment or regulatory requirements.

The Nigerian Insurance Act 2003 stipulates the minimum capital requirement for a non life insurance company as an amount not less than 15% of the gross premium income less reinsurance premiums paid out during the year under review or the minimum paid up capital whichever is greater. The Act defines what constitutes admissible assets liabilities. The regulators generally expect companies to comply with capital adequacy requirements and the Company has consistently exceeded this minimum over the years. The regulator has the authority to request more extensive reporting and can place restrictions on the Company's operations if the Company falls below this requirement as deemed neccessary.

All of the Groups capital is Tier 1 (core capital) which consists of share capital and reserves created by appropriation of retained earnings. The following sources of funds are available to the group to meet its capital growth requirements:

1. Profits from operations: The group had regularly appropriated from its profit to grow its capital.
2. Issue of shares: The Group can successfully access the capital market to raise the desired funds for its operations and needs.
3. Loans (long term/short term): this remains a source of capital even though the group had never had cause to access this source for funding its operations.

Compliance with statutory solvency margin requirement:

The company at the end of financial period ended 31 December 2022, maintained admisible assets of N16,202,994,285 which exceeded the total admissible liabilities of N7,349,562,122. The solvency margin was computed in line with the requirements of Section 24 of the insurance Act 2003, latest NAICOM guidelines. This showed a solvency margin of N8,853,432,163.53 The minimum requirement for General Insurance Business is N3billion. Thus, the solvency margin above satisfies the requirement of the Regulator.

SOLVENCY MARGIN COMPUTATION AS AT DECEMBER 31, 2022

CONSOLIDATED HALLMARK INSURANCE LIMITED

	TOTAL	INADMISSIBLE ASSETS	ADMISSIBLE ASSETS
ASSETS			
Cash and Cash Equivalents	1,644,765,274	233,752,369	1,411,012,904
Financial Assets	9,635,443,328	-	9,635,443,328
Deferred Acquisition Cost	-	-	-
Other receivables and prepayments	943,447,846	739,133,386	204,314,460
Reinsurance asset	3,178,722,710	-	3,178,722,710
Trade Receivable	775,473,605	-	775,473,605
Deposit for Shares	-	-	-
Intangible Assets	16,668,810	-	16,668,810
Investment in Subsidiaries	1,594,225,000	-	1,594,225,000
Investment Properties	1,269,471,475	-	1,269,471,475
Property & Equipment - Land & Building	830,912,815	-	830,912,815
Property & Equipment	262,186,162	-	262,186,162
Statutory Deposit	300,000,000	-	300,000,000
Total Assets	20,451,317,025	972,885,755	19,478,431,269
LIABILITIES			
Insurance Contract Liabilities	7,979,624,148	-	7,979,624,148
Trade payables	294,689,038	-	294,689,038
Provision and Other payables	378,454,238	-	378,454,238
Current Income Tax Liabilities	1,140,966,268	-	1,140,966,268
Deffered Tax Liability	211,439,125	211,439,125	-
Retirement Benefit Obligation	13,956,368	-	13,956,368
TOTAL LIABILITIES	10,019,129,184	211,439,125	9,807,690,059
			9,670,741,210
SOLVENCY MARGIN (ADMISSIBLE ASSETS MINUS ADMISSIBLE LIABILITIES)			-
Subject to higher of:			
15% OF NET PREMIUM: 15% X ₦6,153,926,739.11	932,107,986		
OR	or		
Minimum paid-up capital	3,000,000,000.00		
EXCESS SOLVENCY MARGIN			

CONSOLIDATED HALLMARK INSURANCE PLC

APPENDIX 1
REVENUE ACCOUNT
FOR THE PERIOD ENDED 30 SEPTEMBER 2023

	Motor N	Fire N	Bond N	Gen. Accident N	Marine N	Aviation N	Oil & Gas N	Engineering N	Agric	2023 Total N	2022 Total N
Income											
Direct premium	3,619,702,875	1,985,244,068	542,258,787	1,419,627,731	792,123,354	1,125,141,038	2,510,738,347	564,553,351	-	12,559,389,552	7,984,588,212
Inward reinsurance premium	47,001,521	2,037,005	-	6,136,419	11,634,969	-	82,795,086	14,048,042	-	163,653,041	280,473,335
											-
Gross written premium	3,666,704,397	1,987,281,073	542,258,787	1,425,764,150	803,758,323	1,125,141,038	2,593,533,433	578,601,393	(0)	12,723,042,594	8,265,061,546
(Increase)/decrease in unexpired premium reserve	(396,735,101)	(490,050,199)	(112,331,882)	(369,424,934)	(230,365,876)	(60,389,120)	(173,919,848)	(509,269,750)	-	(2,342,486,710)	(618,725,227)
Gross premium earned	3,269,969,296	1,497,230,875	429,926,905	1,056,339,216	573,392,447	1,064,751,918	2,419,613,585	69,331,643	(0)	10,380,555,884	7,646,336,319
Deduct:											
Outward reinsurance premiums	(64,468,042)	(925,233,927)	(220,074,128)	(669,175,958)	(462,807,960)	(670,308,181)	(965,050,156)	(271,894,039)	-	(4,249,012,391)	(2,926,860,716)
(Increase)/decrease in prepaid reinsurance	33,008,554	(5,057,197)	(47,437,233)	233,873,080	226,277,072	(70,936,499)	(405,006,163)	117,788,131	-	82,509,745	(7,688,452)
Reinsurance cost	(31,459,487)	(930,291,125)	(267,511,362)	(435,302,877)	(236,530,888)	(741,244,680)	(1,370,056,318)	(154,105,908)	-	(4,166,502,646)	(2,934,549,169)
Net premium earned	3,238,509,808	566,939,750	162,415,543	621,036,338	336,861,559	323,507,238	1,049,557,267	(84,774,266)	(0)	6,214,053,238	4,711,787,151
Commission received	8,435,718	332,206,781	66,022,239	185,682,005	173,265,995	-	-	87,440,638	-	853,053,376	661,751,990
(Increase)/decrease in unearned commission	-	-	-	-	-	-	-	-	-	-	-
Total Income	3,246,945,527	899,146,532	228,437,781	806,718,343	510,127,555	323,507,238	1,049,557,267	2,666,372	(0)	7,067,106,614	5,373,539,141
											-
Gross Claims Paid	(976,152,279)	(233,919,062)	(8,742,669)	(1,010,700,368)	(261,797,108)	(56,732,660)	(121,115,917)	(171,483,154)	-	(2,840,643,217)	(2,789,809,125)
(Increase)/decrease in outstanding claims provision	(55,649,135)	(313,248,517)	573,335	394,386,083	261,657,377	(33,826,120)	(153,445,641)	39,701,631	-	140,149,012	(347,099,236)
Gross claims incurred	(1,031,801,415)	(547,167,580)	(8,169,334)	(616,314,285)	(139,731)	(90,558,780)	(274,561,558)	(131,781,522)	-	(2,700,494,205)	(3,136,908,361)
Reinsurance claims recovery	12,841,495	504,061,973	-	226,651,035	127,170,756	-	-	106,771,959	-	977,497,217	1,417,375,341
(Increase)/decrease in reinsurance recoveries	(21,449,629)	(186,819,997)	47,040,469	37,355,678	(40,281,503)	(0)	59,377,112	(80,730,312)	0	(185,508,183)	(57,493,285)
											-
Net claims incurred	(1,040,409,549)	(229,925,605)	38,871,134	(352,307,572)	86,749,522	(90,558,780)	(215,184,447)	(105,739,876)	0	(1,908,505,170)	(1,777,026,306)
Acquisition expenses	(424,855,712)	(370,949,140)	(97,235,540)	(272,487,689)	(158,055,615)	(193,966,133)	(290,466,894)	(114,160,568)	-	(1,922,177,292)	(1,531,830,791)
(Increase)/decrease in commission expenses	-	-	-	-	-	(0)	-	-	-	(0)	77,273,098
Maintenance/operating expenses	(316,701,075)	(49,479,279)	(13,875,456)	(63,798,526)	(30,927,447)	(414,391,822)	(89,349,560)	7,118,594	0	(971,404,571)	(544,471,381)
Total expenses	(1,781,966,336)	(650,354,023)	(72,239,861)	(688,593,788)	(102,233,540)	(698,916,736)	(595,000,901)	(212,781,850)	(0)	(4,802,087,034)	(3,776,055,380)
											-
Underwriting profit/(loss)	1,464,979,191	248,792,509	156,197,920	118,124,555	407,894,015	(375,409,498)	454,556,366	(210,115,478)	(0)	2,265,019,581	1,597,483,761