CONSOLIDATED HALLMARK INSURANCE PLC
AND SUBSIDIARY COMPANIES

COMPANY RC:168762

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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Corporate Information

Directors	Mr. Obinna Ekezie	Chairman
	Mr. Eddie Efekoha	Managing Director/CEO
	Mr. Babatunde Daramola	Executive Director- Finance, Systems & Investment
	Mrs. Mary Adeyanju	Executive Director-Operations
	Prince Ben Onuora	Non-Executive Director
	Mrs. Adebola F. Odukale	Non-Executive Director
	Mr. Shuaibu Idris	Independent Non-Executive Director
	Dr. Layi Fatona	Non-Executive Director

Company Secretary
Mrs. Rukevwe Falana
Consolidated Hallmark Insurance Plc
266, Ikorodu Road
Obanikoro, Lagos

Registered Office
Consolidated Hallmark Insurance Plc
266, Ikorodu Road
Obanikoro, Lagos

Registration Number
168762

Corporate Head Office
Consolidated Hallmark Insurance Plc
266, Ikorodu Road
Obanikoro, Lagos
Email: info@chiplc.com

Registrars
Meristem Registrars & Probate Services Ltd
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Adekunle, Yaba Lagos
Tel: +234 (1) 8920491-2
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Bankers
Fidelity Bank Plc
First Bank of Nigeria Limited
GTBank Limited
United Bank for Africa Plc
Zenith Bank Plc
FCMB

Auditors
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Corporate Information (Cont'd)

Actuary

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Tel: + 234 1 6314 543

Reinsurers

African Reinsurers Corporation
Continental Reinsurance Plc
WAICA Reinsurance Corporation

Subsidiaries

CHI Capital Limited
33D Bishop Aboyade Cole Street
Victoria Island

CHI Microinsurance Limited
5A, Sawyer Close
Obanikoro, Lagos

Hallmark Health Services Limited
264, Ikorodu Road
Obanikoro, Lagos

Grand Treasurers Limited
Plot 33D Bishop Aboyade Cole Street
Victoria Island Lagos

Branch Networks

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Branch Offices

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Enugu Office
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Tel: 08180001142
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Results at a glance	Group				Company			
	31 December 2022	31 December 2021	%	**Change**	**31 December 2022**	31 December 2021	%	**Change**
	N'000	N'000		N'000	**N'000**	N'000		N'000
Financial Position								
Cash and cash equivalents	**1,669,477**	2,857,075	-42%	(1,187,598)	**1,183,949**	2,044,305	-42%	(860,356)
Financial assets	**8,855,080**	5,439,298	63%	3,415,781	**6,325,958**	3,926,828	61%	2,399,130
Trade receivables	**831,494**	601,620	38%	229,873	**773,061**	543,897	42%	229,163
Investments	**6,823,009**	6,476,777	5%	346,232	**8,079,872**	7,787,994	4%	291,878
Other receivables & prepayments	**292,572**	222,693	31%	69,880	**652,618**	547,377	19%	105,241
Intangible Assets	**64,110**	76,703	-16%	(12,593)	**22,104**	29,482	-25%	(7,378)
Total assets	**18,535,742**	15,674,166	18%	2,861,575	**17,037,562**	14,879,884	15%	2,157,679
Insurance contract liabilities	**6,547,611**	5,474,050	20%	1,073,561	**6,329,022**	5,299,545	19%	1,029,477
Total liabilities	**8,726,725**	6,662,383	31%	2,064,342	**7,587,404**	6,210,955	22%	1,376,450
Issued and paid up share capital	**5,420,000**	5,420,000	0%	-	**5,420,000**	5,420,000	0%	-
Share premium	**168,934**	168,934	0%	-	**168,934**	168,934	0%	-
Contingency reserve	**2,800,291**	2,437,638	15%	362,653	**2,799,153**	2,437,343	15%	361,810
Statutory reserve	**91,263**	72,040	27%	19,223	**-**	-		-
Regulatory risk reserve	**1,828**	1,354		474	**-**	-		-
Revaluation reserve	**125,277**	115,793		9,483	**125,277**	115,793		9,483
Fair Value Through OCI Reserve	**39,180**	30,616	28%	8,565	**39,163**	30,669		8,494
Retained earnings	**1,162,244**	765,408	52%	396,835	**897,632**	496,189	81%	401,442
Shareholders fund	**9,809,017**	9,011,784	9%	797,233	**9,450,158**	8,668,929	9%	781,229
Comprehensive Income	**31 December 2022**	31 December 2021			**31 December 2022**	31 December 2021		
	N'000	N'000		N'000	**N'000**	N'000		N'000
Gross premium	**12,826,865**	10,500,388	22%	2,326,477	**12,061,937**	10,024,047	20%	2,037,889
Net Premium earned	**6,858,715**	6,049,535	13%	809,179	**6,153,927**	5,538,172	11%	615,755
Net underwriting income	**7,573,241**	6,578,553	15%	994,688	**6,868,453**	6,067,189	13%	801,264
Other revenue	**1,906,760**	1,276,355	49%	630,405	**1,335,218**	697,251	91%	637,966
Total Revenue	**9,480,001**	7,854,908	21%	1,625,093	**8,203,671**	6,764,441	21%	1,439,230
Net Claims paid	**(2,599,181)**	(2,287,962)	14%	(311,219)	**(2,061,770)**	(1,923,940)	7%	(137,830)
Other expenses	**(5,473,114)**	(4,595,271)	19%	(877,844)	**(4,775,590)**	(4,076,285)	17%	(699,305)
Total Benefits, Claims and Other Expenses	**(8,072,296)**	(6,883,233)	17%	(1,189,063)	**(6,837,361)**	(6,000,225)	14%	(837,136)
Profit before tax	**1,407,705**	971,675	45%	436,030	**1,366,310**	764,216	79%	602,095
Income tax expense	**(411,720)**	(181,037)	127%	(230,683)	**(386,258)**	(122,060)	216%	(264,198)
Profit for the year	**995,985**	790,638	26%	205,347	**980,052**	642,155	53%	337,896
Basic and diluted earnings per share (Kobo)	**9.35**	8.52			**9.04**	5.92		

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST DECEMBER 2022

The Directors have the pleasure in submitting their report on the affairs of Consolidated Hallmark Insurance Plc together with the Group Audited Financial Statements for the year ended 31st December 2022

LEGAL FORM

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

PRINCIPAL ACTIVITIES AND CORPORATE DEVELOPMENT

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

OPERATING RESULTS

	GROUP		%	COMPANY		%
	2022	2021	Change	2022	2021	Change
Gross Written Premium	12,826,865,218	10,500,388,477	22%	12,061,936,819	10,024,047,477	20.3%
Gross Premium Earned	11,758,185,467	10,288,624,511	14%	11,047,899,514	9,777,260,944	13%
Net Premium Earned	6,858,714,547	6,049,535,107	13%	6,153,926,739	5,538,171,540	11%
Net Claim Paid	(2,599,181,487)	(2,287,962,371)	14%	(2,061,770,210)	(1,923,939,882)	7%
Management Expenses	(2,866,164,716)	(2,219,992,122)	29%	(2,228,062,316)	(1,745,727,614)	28%
Underwriting Profit	2,367,109,763	1,915,312,119	24%	2,259,154,610	1,812,691,817	25%
Profit or (Loss) Before Tax	1,407,704,795	971,674,800	45%	1,366,310,052	764,215,523	79%
Profit or (Loss) After Tax	995,985,050	790,638,017	26%	980,051,807	642,155,338	53%

Directors as at the date of this report

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

1.	Mr. Eddie Efekoha	Managing Director/CEO	
2.	Mr. Babatunde Daramola	Executive Director	Appointed 1st April 2016
3.	Mrs. Mary Adeyanju	Executive Director	Appointed 27th July 2016
4.	Mr. Obinna Ekezie	Non-Executive Director	Appointed 1st April 2016
5.	Mrs. Adebola Odukale	Non-Executive Director	Appointed 1st April 2016
6.	Prince Ben C. Onuora	Non-Executive Director	Appointed 1st April 2016
7.	Mr. Shuaibu Idris	Independent Director	Appointed 26th Oct 2016
8.	Dr. Layi Fatona	Non-Executive Director	Appointed 25th April 2019

DIRECTORS AND THEIR INTERESTS

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

Directors	Direct As at December 2021	Indirect As at December 2021	Total As at December 2021	December 31, 2021 % of Holding	Direct As at December 2022	Indirect As at December 2022	Total As at December 2022	December 31, 2022 % of Holding
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%
Dr. Layi Fatona		2,818,442,750	2,818,442,750	26.00%		2,818,442,750	2,818,442,750	26.00%
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%
Mr. Shuabu Idries	-	-	-		-	-	-	

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

SUBSTANTIAL INTEREST IN SHARES

Shareholders who held more than 5% of the issued share capital of the Company as at 31st December 2022 were as follows:

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

SHAREHOLDING ANALYSIS

The range of shareholding as at 31st December 2022 is as follows:

Range of Holding			No of Shareholders	Share Holdings	Share Holdings %
1	-	10,000	3,551	12,525,930	0.12%
10,001	-	100,000	4,080	130,862,096	1.21%
100,001	-	1,000,000	1,488	389,159,756	3.59%
1,000,001	-	10,000,000	288	715,487,684	6.60%
10,000,001	-	100,000,000	44	1,251,134,282	11.54%
100,000,001	-	ABOVE	15	8,340,830,252	76.94%
		8,130,000,000	9,466	10,840,000,000	100%

DIRECTORS RESPONSIBILITIES

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

a. Proper accounting records are maintained.

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

c. Applicable accounting standards are followed.

d. Suitable accounting policies are consistently applied.

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

f. The going concern basis is used unless it is inappropriate to presume that the Company shall continue in Business.

PROPERTY AND EQUIPMENT

Movements in Property and Equipment during the year are shown in note eleven on pages 69 to 73 In the opinion of the Directors the market value of the Company's fixed assets is not lower than the value shown in the Financial Statement.

CORPORATE GOVERNANCE REPORT

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

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

COMPOSITION OF THE BOARD
The Board of CHI is made up of eight Directors. The Board is composed majorly of Non-Executive Directors which makes it independent of Management and has thus, enabled the Board to carry out its oversight function in an objective and effective manner.

In tandem with international best practice, the positions of the Chairman and the Chief Executive Officer/Managing Director are occupied by two different persons.

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

Mr. Obinna Ekezie	Non-Executive Director (Appointed 1st April 2016)
Mr. Eddie Efekoha	Managing Director/Chief Executive Officer
Mrs. Adebola Odukale	Non-Executive Director (Appointed 1st April 2016)
Prince Ben C. Onuora	Non-Executive Director (Appointed 1st April 2016)
Mr. Shuaibu Abubakar Idris	Independent Non-Executive Director (Appointed 26th Oct 2016)
Dr. Layi Fatona	Non-Executive Director (Appointed 25th April 2019)
Mr. Babatunde Daramola	Executive Director (Appointed 1st April 2016)
Mrs. Mary Adeyanju	Executive Director (Appointed 27 July 2016)

DUTIES OF THE BOARD
1. Provides strategic direction for the Company.
2. Approves budget of the Company.
3. Oversees the effective performance of Management in running the affairs of the Company.
4. Ensures human and financial resources are effectively deployed.
5. Establishes adequate system of internal control procedures that ensure the safeguard of assets and assist in the prevention and detection of fraud and other irregularities
6. Following applicable accounting standards.
7. Consistently applying suitable accounting policies.

8. Ensures compliance with the code of corporate governance and with other regulatory laws and guidelines.
9. Performance appraisal of Board Members and senior executives.
10. Approves the policies surrounding the Company's communication and information dissemination system.

MEETINGS OF THE BOARD

The Board meets regularly and ensures that the minimum standards in terms of attendance and frequency of meetings are complied with. The Board met six times in 2022 thus it ensured that the requirement of meeting at least once in every quarter was surpassed. Required notices and meeting papers were sent in advance before the meeting to all the Directors while the Nigerian Stock Exchange was equally given prior notice before every meeting of the Board.

BOARD COMMITTEES

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

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

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

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

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

PURPOSE

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

RESPONSIBILITIES

- To review and make a recommendation to the Board on the annual budget and audited accounts of the Company. To recommend strategic initiatives to the Board.
- To review quarterly and annual performance against budget
- To consider and approve extra budgetary expenditure.
- To give anticipatory approvals on behalf of the Board and ensure that such approvals are ratified by the Board at the next sitting.
- To present the investment policies and investment plans to the Board annually for approval and ensure that investments are made in accordance with the policies.

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

MEETINGS OF THE COMMITTEE

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

MEMBERSHIP/COMPOSITION

Mrs. Adebola Odukale	Non-Executive Director	Chairman
Prince Ben Onuora	Non-Executive Director	Member
Dr. Layi Fatona	Non-Executive Director	Member
Mr. Eddie Efekoha	Managing Director	Member
Mr. Babatunde Daramola	Executive Director	Member
Mrs. Mary Adeyanju	Executive Director	Member

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

PURPOSE

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

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

RESPONSIBILITIES

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

MEETINGS OF THE COMMITTEE

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

MEMBERSHIP/COMPOSITION

Mr. Shuaibu Idris	Independent Non-Executive Director (Chairman)	
Mrs. Bola Odukale	Non-Executive Director	Member

Mr. Eddie Efekoha	Managing Director	Member

3. BOARD ESTABLISHMENT, GOVERNANCE & REMUNERATION COMMITTEE

PURPOSE

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

RESPONSIBILITIES

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

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

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

MEETINGS OF THE COMMITTEE
The Committee meets at least once in each quarter and as necessary. The Board Establishment, Governance & Remuneration Committee met seven times during the period under review.

MEMBERSHIP/COMPOSITION

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

ATTENDANCE AT BOARD & ITS COMMITTEES' MEETINGS

ATTENDANCE AT BOARD & ITS COMMITTEES' MEETINGS

	BOARD	FIGPC	ARMC	BEGRC
Mr. Obinna Ekezie	6	N/A	N/A	N/A
Mr. Eddie A. Efekoha	6	5	5	N/A
Mr. Shuaibu Idris	6	N/A	5	7
Prince Ben Onuora	5	5	N/A	7
Mrs. Adebola Odukale	6	5	5	N/A
Dr. Layi Fatona	6	4	N/A	7
Mrs. Mary Adeyanju	6	5	N/A	N/A
Mr. Babatunde Daramola	6	5	N/A	N/A
	26/01/22	21/01/22	23/01/22	19/01/22
	22/02/22	21/04/22	22/02/22	08/02/22
	27/04/22	26/07/22	21/04/22	23/04/22
	27/07/22	21/10/22	21/07/22	21/07/22
	29/10/22	07/12/22	24/10/22	18/10/22
	14/12/22		-	18/11/22
				23/11/22

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

ATTENDANCE RECORD OF DIRECTOR RETIRING BY ROTATION SUBJECT TO RE-ELECTION

	BOARD	FIGPC	ARMCC	BEGRC
Mr. Shuaibu Idris	6	N/A	5	6

STATUTORY AUDIT COMMITTEE
The constitution and composition of the statutory audit committee is in compliance with Section 404 of the Companies and Allied Matters Act, 2020. The Committee is made of two Directors and three representatives of Shareholders.

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

Dr. Tony Anonyai	Shareholders' Representative	Chairman
Chief Simon Okiotorhoro	Shareholders' Representative	Member
Chief James Emadoye	Shareholders' Representative	Member
Mr. Shuaibu Idris	Independent Non-Executive Director	Member
Mrs. Bola Odukale	Non-Executive Director	Member

Responsibilities

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

Meetings of the Committee

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

	Members		22/02/22	12/12/22
	Mr. Tony Anonyai	Shareholder/Chairman	✓	✓
	Chief James Emadoye	Shareholder	✓	✓
	Chief Simon Okiotorhoro	Shareholder	✓	✓
	Mrs. Bola Odukale	Director	✓	✓
	Mr. Shuaibu Idris	Director	✓	✓

SHAREHOLDERS RIGHTS

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

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

CONFLICT OF INTEREST

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

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

TRAINING AND INDUCTION OF NEW DIRECTORS
Training on directors needs to help them perform optimally in their responsibilities are organized on an annual basis. Board Retreat is also an avenue where the Board Members are trained and refreshed on their fiduciary duties to the Company and on emerging trends in the insurance industry and the general business environment.

Newly appointed Directors are made to undergo induction with the Board and top executives of the Company to aid seamless integration to the responsibilities of the Board. The Board Retreat also serve as an opportunity for integrating new Directors into the Board. However, no new Director was appointed in the financial year ended 31st December 2022.

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

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

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

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

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

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

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

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

SPONSORSHIP AND DONATIONS

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

Organisation	Amount
Chartered Insurance Institute Of Nigeria	100,000
Nigerian- British Chamber Of Commerce	100,000
Ebuka Okafor Foundation	150,000
Nigerian- British Chamber Of Commerce	250,000
National Association of Insurance and Pension Correspondents	250,000
Offices Representative Committee	250,000
Ibori Golf And Country Club	300,000
Professional Insurance Ladies Association	300,000
Chartered Insurance Institute Of Nigeria	850,000
Lagos Business School	1,000,000
Nigerian Insurers Association	1,000,000
Nigerian National Bureau, ECOWAS Brown Card Scheme	2,308,652
Hallmark Health Servises Limited- Blood donation exercise	855,000
Total	**7,713,652**

EMPLOYMENT AND EMPLOYEES

a) Employment of disabled persons
The Company does not discriminate in considering applications for employment from disabled persons. If a disabled person meets all recruitment requirements, the Company shall not by reason of disability deny such a person from employment opportunity but would make adequate provision for the accommodation of such person. However, as at 31st December 2022 there was no disabled person in the Company employment.

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

c) Health, Safety and Welfare of Employees
The Company strictly observes all safety and health regulations. Successfully managing HSE issues is an essential component of our business strategy. Through observance and encouragement of this policy, we assist in protecting the environment and the overall well-being

of all our stakeholders, specifically, our employees, clients, shareholders, contractors, and host communities.

We conduct regular fire training and drill exercises to sensitize all staff and stakeholders of the need to be safety conscious. The Company ensures that all safety measures are observed in all locations. During the period under consideration, we did not experience any workplace accident or health hazards.
Employees are registered with Health Management Organizations of their choice for provision of medical services at the designated hospitals. We equally have arrangement with offsite hospitals to cater for emergency cases that occur during working hours.

SECURITY TRADING POLICY
In compliance with the requirement of section 14 of the Nigerian Exchange Limited amended rules, the Company has in place a Security Trading Policy which is designed to prevent Insider Trading in the Company's securities by Board Members, Executive Management and persons that are closely related to them who are privy to price sensitive information.
The policy also prevents them from releasing such price sensitive information to their privies or agent for the purpose of trading in the Company's shares.

AUDITORS

The Auditors SIAO Professional Services have indicated their willingness to serve as the Company's External Auditors in accordance with section 401 of the Companies and Allied Matters Act 2020.
A resolution will be proposed at the Annual General Meeting to authorize the Directors to fix their remuneration.

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

By order of the Board

RUKEVWE FALANA
Company Secretary
FRC/2016/NBA/00000014035

Statement of Directors' Responsibilities

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

The responsibilities include ensuring that:

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

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

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

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

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

Signed on behalf of the Directors on February 27, 2023 by:

…………………………..	…………………………………..
Mr. Eddie Efekoha	**Mr. Obinna Ekezie**
Managing Director/CEO	**Chairman, Board of Director**
FRC/2013/CIIN/00000002189	FRC/2017/IODN/000000017485

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

We the undersigned hereby certify the following with regards to our Audited Financial Statements for the period ended December 31, 2022 that:

a. We have reviewed the report;

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

i. Any untrue statement of a material fact, or

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

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

c. We:

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

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

i. All significant deficiencies in the design or operation of internal controls which would adversely affect the company's ability to record, process, summarize and report financial data and have identified for the company's auditors any material weakness in internal controls, and

ii. Any fraud, whether or not material, that involves management or other employees who have significant role in the company's internal controls.

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

Mr. Babatunde Daramola
E.D. Finance, Systems & Investment
FRC/2012/ICAN/00000000564

Mr. Eddie Efekoha
Managing Director /CEO
FRC/2013/CIIN/00000002189

SIAO

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Email: enquiries@siao.ng.com
Website: www.siao-ng.com

INDEPENDENT AUDITOR'S REPORT

To the Members of Consolidated Hallmark Insurance Plc

Report on the Audit of the Consolidated Financial Statements for the year ended 31st December, 2022

Opinion

We have audited the consolidated financial statements of Consolidated Hallmark Insurance Plc (**the Company)** and its subsidiaries (**altogether, the Group**), which comprise the consolidated statement of financial position as at December 31, 2022 and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of **Consolidated Hallmark Insurance Plc and its subsidiaries** as at December 31, 2022 and of its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) applicable and in the manner required by the Financial Reporting Council Act 2011, Companies and Allied Matters Act, 2020, the Insurance Act 2003 of Nigeria, the Investments and Securities Act 2007 and the relevant NAICOM circulars.

Basis for Opinion

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

Key Audit Matters

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

Key Audit Matters

Valuation of Insurance Contract Liabilities	**How our audit addressed the key Audit Matters**
Refer to note 15 in the Group financial statements	Our procedures in relation to management's valuation of insurance contract liabilities using a firm of Actuaries include:
Management has estimated the value of insurance contract liabilities in the Group financial statements to be N6.548 billion as at year ended 31st December, 2022 based on a	- Evaluate and validate controls over insurance contract liability;

liability adequacy test carried out by an external firm of actuaries. The valuation depended on a set of key assumptions, and significant judgements including supposition that:

---Estimates are subject to uncertainty from various sources including changes in claim reporting patterns, claim settlement patterns, judicial decisions, legislation and economic conditions;

--- The report is subject to terms and limitations including limitations of liability agreed when commencing the exercise;

- Policies are written, and claims occur uniformly throughout the year for each class of business;
- Future claims follow a regression pattern;
- Weighted past average inflation will remain unchanged into the future;
- UPR is calculated on the assumption that risk will occur evenly during the duration of the policy.

- Evaluate the independent external actuary's competence, capability and objectivity;
- Assessing the methodologies used and the appropriateness of the key assumptions;
- Checking the accuracy and relevance of data provided to the actuary by management;
- Reviewing the result based on the assumptions.

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

Other information

Management is responsible for the Other Information. The Other Information comprises all the information in the Consolidated Hallmark Insurance Plc 2022 annual report other than the Group financial statements and our auditors' report thereon ("the Other Information").

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

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

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

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

Responsibilities of the Directors for the Group Financial Statements

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

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

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

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Group financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Group financial statements, including the disclosures, and whether the Group financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Group financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

Contravention of Regulatory Guidelines

Company did not contravene any regulatory infraction during the year.

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

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

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

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

i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

ii) In our opinion, proper books of account have been kept by the Group, so far as appears from our examination of those books;

iii) The Group's statement of financial position and profit or loss and other comprehensive income are in agreement with the books of account.

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

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
ICAN
0981919

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

Date: 6th March, 2023

Report of the Audit Committee

REPORT OF THE STATUTORY AUDIT COMMITTEE TO THE MEMBERS OF CONSOLIDATED HALLMARK INSURANCE PLC FOR THE YEAR ENDED 31ST DECEMBER 2022.
In accordance with the provision of section 404(7) of the Companies and Allied Matters Act 2020, we the Members of the Statutory Audit Committee of Consolidated Hallmark Insurance Plc, having carried out our statutory functions under the Act, hereby report as follows:

1. We confirm that we have reviewed the Audit Plan and scope and the Management letter on the audit of the account of the Company and the responses to the said letter.
2. In our opinion, the plan and scope of the audit for the year ended 31st December 2022 are adequate. We have reviewed the Auditor's findings and we are satisfied with the Management responses thereon.
3. The accounting and reporting policies of the Company conformed to statutory requirements and agreed ethical practices.
4. The internal control was being constantly and effectively monitored.
5. The Committee reviewed the internal audit programmes and report for the year and is satisfied with the status.
6. Finally, we acknowledge and appreciate the co-operation of Management and Staff in the conduct of these duties.

Dr. Tony Anonyai
Chairman of the Audit Committee
FRC/2013/ICAN/00000002579
Dated 28 February 2023

MEMBERS OF THE AUDIT COMMITTEE

Dr. Tony Anonyai	Shareholders' Representative	Chairman
Chief Simon Okiotorhoro	Shareholders' Representative	Member
Chief James Emadoye	Shareholders' Representative	Member
Mrs. Adebola Odukale	Non-Executive Director	Member
Mr. Shuaibu Abubakar Idris mni	Independent Non-Executive Director	Member

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

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 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 **February 27, 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.

Grand Treasurers Limited
Grand Treasurers 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).

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

CHI Support Services Limited is a company incorporated 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.

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.

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:

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

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. The impact will be effected on adoption 0f the standard.

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, Grand Treasurers Limited and CHI Microinsurance Limited, all made up to 31 December, each year. The financial statements of subsidiaries are consolidated from the date the group acquires control, up to the date that such effective control 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 Grand Treasurers Limited, a subsidiary within the group.

21. Regulatory risk reserve

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

22. Dividend distribution

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

23. Revenue recognition

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.

CONSOLIDATED HALLMARK INSURANCE PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Group		Company	
		31 DECEMBER 2022	31 December 2021	**31 DECEMBER 2022**	31 December 2021
		N	N	**N**	N
Assets					
Cash and cash equivalents	**2.0**	**1,669,476,978**	2,857,075,239	**1,183,948,834**	2,044,305,295
Financial assets	**3.0**	**8,644,183,149**	5,290,556,583	**6,325,958,061**	3,926,828,203
Finance lease receivables	**5**	**210,896,364**	148,741,442	**-**	-
Trade receivables	**6**	**831,493,560**	601,620,155	**773,060,783**	543,897,328
Reinsurance assets	**7**	**3,285,437,414**	3,410,440,180	**3,285,437,414**	3,410,440,180
Deferred acquisition cost	**8**	**565,555,745**	397,546,015	**551,735,100**	385,296,407
Other receivables & prepayments	**9**	**292,572,354**	222,692,503	**652,618,272**	547,376,937
Investment in subsidiaries	**10**	**-**	-	**1,594,225,000**	1,594,225,000
Intangible Assets	**11**	**64,109,633**	76,702,920	**22,104,164**	29,482,172
Investment properties	**12**	**1,405,226,470**	1,098,676,470	**1,265,226,470**	1,008,676,470
Property and equipment	**13**	**1,168,945,157**	1,163,708,129	**1,088,248,164**	1,089,355,653
Right-of-Use of Assets (Leased Assets)	**13.3**	**2,844,702**	6,406,590	**-**	-
Statutory deposits	**14**	**400,000,000**	400,000,000	**300,000,000**	300,000,000
Total assets		**18,540,741,526**	15,674,166,226	**17,042,562,262**	14,879,883,645
Liabilities					
Insurance contract liabilities	**15**	**6,547,611,485**	5,474,050,401	**6,329,021,551**	5,299,544,811
Investment contract liabilities	**15.5**	**13,723,775**	17,660,923	**-**	-
Trade payables	**16**	**33,472,651**	46,805,158	**33,472,651**	46,805,158
Borrowing	**17**	**680,107,894**	55,800,014	**-**	-
Other payables and provision	**18**	**429,876,513**	343,540,593	**350,746,765**	275,121,116
Retirement benefit obligations	**19**	**2,925,281**	2,075,682	**1,181,508**	1,367,928
Income tax liabilities	**21**	**766,699,256**	462,785,844	**635,139,647**	340,135,901
Deferred tax liabilities	**22**	**253,908,071**	259,663,907	**239,442,368**	247,979,804
Total liabilities		**8,728,324,926**	6,662,382,522	**7,589,004,490**	6,210,954,718
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**	**2,800,339,728**	2,437,638,438	**2,799,201,192**	2,437,343,087
Statutory reserve	**25.2**	**91,262,839**	72,039,762	**-**	-
Fair Value Through OCI Reserve	**25.3**	**39,180,405**	30,615,728	**39,163,090**	30,669,220
Revaluation reserve	**25.4**	**128,676,506**	115,793,288	**128,676,506**	115,793,288
Requlatory risk reserve	**25.5**	**1,828,189**	1,354,214	**-**	-
Retained earnings	**26**	**1,162,195,099**	765,408,440	**897,583,150**	496,189,498
Total equity and reserves		**9,812,416,600**	9,011,783,704	**9,453,557,772**	8,668,928,927
Total liabilities and equity and reserves		**18,540,741,526**	15,674,166,226	**17,042,562,262**	14,879,883,645

The consolidated financial statements were approved by the Board of Directors on February 27, 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 YEAR ENDED 31 DECEMBER 2022

		Group		Company	
	Notes	**31 DECEMBER 2022 N**	31 DECEMBER 2021 N	**31 DECEMBER 2022 N**	31 DECEMBER 2021 N
Gross premium written		**12,826,865,218**	10,500,388,477	**12,061,936,819**	10,024,047,477
Gross premium income	**27**	**11,758,185,467**	10,288,624,511	**11,047,899,514**	9,777,260,944
Reinsurance premium expenses	**28**	**(4,899,470,920)**	(4,239,089,404)	**(4,893,972,775)**	(4,239,089,404)
Net premium income		**6,858,714,547**	6,049,535,107	**6,153,926,739**	5,538,171,540
Fee and commission income	**29**	**714,526,205**	529,017,764	**714,526,205**	529,017,764
Net underwriting income		**7,573,240,753**	6,578,552,871	**6,868,452,944**	6,067,189,304
Claims expenses	**30a**	**(4,468,789,653)**	(3,999,916,445)	**(3,931,378,376)**	(3,635,893,957)
Claims recoveries from reinsurers	**30b**	**1,869,608,166**	1,711,954,075	**1,869,608,166**	1,711,954,075
Claims incurred		**(2,599,181,487)**	(2,287,962,370)	**(2,061,770,210)**	(1,923,939,882)
Underwriting expenses	**31**	**(2,606,949,503)**	(2,375,278,382)	**(2,547,528,124)**	(2,330,557,604)
Underwriting profit		**2,367,109,763**	1,915,312,119	**2,259,154,610**	1,812,691,818
Investment income	**32**	**1,377,674,302**	1,202,701,967	**752,385,146**	587,842,871
Other operating income	**33**	**657,121,706**	314,676,618	**595,355,189**	274,863,632
Impairment (charge)	**34**	**(200,333,486)**	(81,565,926)	**(22,685,769)**	(2,219,197)
Net fair value loss on financial assets at fair value through profit or loss	**35**	**72,297,226**	(159,457,854)	**10,163,192**	(163,235,988)
Operating & Administrative expenses	**36**	**(2,866,164,715)**	(2,219,992,124)	**(2,228,062,316)**	(1,745,727,614)
Profit before taxation		**1,407,704,796**	971,674,800	**1,366,310,052**	764,215,523
Income tax expense	**20**	**(411,719,745)**	(181,036,783)	**(386,258,245)**	(122,060,185)
			-		-
Profit after taxation		**995,985,051**	790,638,017	**980,051,807**	642,155,338
Other comprehensive income/(loss) net of tax					
Items that will be reclassified subsequently to profit or loss	**33.2**	**21,447,897**	132,457,706	**21,377,088**	132,511,199
Items that will not be reclassified subsequently to profit or loss		**-**	-	**-**	-
Total other comprehensive income		**21,447,897**	132,457,706	**21,377,088**	132,511,199
Total comprehensive income for the year		**1,017,432,947**	923,095,723	**1,001,428,895**	774,666,537
Profit attributable to:					
Equity holders of the parents'		**1,017,432,947**	923,095,723	**1,001,428,895**	774,666,537
Non-controlling interest interest		**-**	-	**-**	-
Profit attributable to:		**1,017,432,947**	923,095,723	**1,001,428,895**	774,666,537
Basic & diluted earnings per share (Kobo)	**37**	**9.39**	8.52	**9.04**	5.92

The accompanying notes form an integral part of this financial statements

CONSOLIDATED HALLMARK INSURANCE PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

The Group

	Issued share capital N	Share Premium N	Contingency reserves N	Fair Value Through OCI Reserve N	Revaluation Reserve N	Statutory reserve N	Requlatory risk reserve N	Retained earnings N	Total equity N
At 1 January 2021	**5,420,000,000**	**168,933,834**	**2,136,621,663**	**13,951,309**	**-**	**45,964,378**	**-**	**520,016,848**	**8,305,488,032**
Changes in equity for 2021:									
Profit for the period	**-**		**-**			**-**	**-**	**790,638,017**	**790,638,017**
Other comprehensive income for the period	**-**		**-**	**16,664,419**	**115,793,288**	**-**	**-**	**-**	**16,664,419**
Total comprehensive income for the period	**-**	**-**	**-**	**16,664,419**	**115,793,288**	**-**	**-**	**790,638,017**	**807,302,436**
Transactions with owners:									
Transfer within reserves	**-**	**-**	**301,016,775**			**26,075,384**	**-**	**(327,092,160)**	**-**
Addition	**-**	**-**					**1,354,214**	**(1,354,214)**	**-**
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	**-**	**-**	**301,016,775**	**-**	**-**	**26,075,384**	**1,354,214**	**(545,246,424)**	**(216,800,050)**
At December 2021	**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**
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**	**-**	**-**	**-**	**8,564,677**
Total comprehensive income for the period	**-**	**-**	**-**	**8,564,677**	**12,883,218**	**-**	**-**	**995,985,051**	**1,004,549,728**
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**

CONSOLIDATED HALLMARK INSURANCE PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

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	2,136,621,663	13,951,309	-	371,555,635	8,111,062,441
Changes in equity for 2021:							
Profit for the period	-	-	-			642,155,338	642,155,338
Other comprehensive income for the period	-		-			-	-
Total comprehensive income for the period	-	-	-	-	-	642,155,338	642,155,338
Transactions with owners:							
Transfer within reserves	-		300,721,424			(300,721,425)	-
Addition		-		16,717,911	115,793,288		132,511,199
Dividend paid during the period						(216,800,050)	(216,800,050)
Contribution by and to owners of the business	-	-	300,721,424	16,717,911	115,793,288	(517,521,475)	(84,288,851)
At December 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
At 1 January 2022	**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 2022:							
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 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**

CONSOLIDATED HALLMARK INSURANCE PLC

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

		Group		Company	
	Notes	**31 DECEMBER 2022**	31 December 2021	**31 DECEMBER 2022**	31 December 2021
		N	N	**N**	N
Cash flows from operating activities					
Premium received from policy holders	6.1	**12,595,491,111**	10,506,109,202	**11,832,773,364**	9,961,180,689
Reinsurance receipts in respect of claims		**2,082,996,900**	1,528,526,240	**2,082,996,900**	1,528,526,240
Commission received	29	**756,315,554**	571,439,345	**756,315,554**	571,439,345
Other operating receipts		**1,164,282,378**	314,676,618	**595,355,189**	274,863,632
Cash paid to and on behalf of employees	36a	**(822,404,959)**	(847,930,814)	**(673,461,944)**	(570,018,833)
Reinsurance premium paid	16	**(5,000,264,199)**	(4,425,912,507)	**(5,000,264,199)**	(4,425,912,507)
Claims paid	30a	**(4,453,350,219)**	(3,960,735,941)	**(3,915,938,942)**	(3,597,475,453)
Commission expenses	8	**(1,937,950,037)**	(1,680,302,391)	**(1,876,957,619)**	(1,633,891,705)
Maintainance expenses	31	**(837,009,198)**	(737,144,456)	**(837,009,198)**	(737,144,456)
Other operating cash payments		**(1,880,854,299)**	(1,259,772,847)	**(1,512,227,538)**	(1,216,808,918)
Company income tax paid	21.2	**(131,287,476)**	(69,731,872)	**(109,851,741)**	(65,054,114)
Net cash (used in)/ from operating activities		**1,535,965,557**	(60,779,422)	**1,341,729,826**	89,703,920
Cash flows from investing activities					
Purchase of property and equipment	13	**(135,836,290)**	(110,129,553)	**(96,503,662)**	(75,884,600)
Purchase of intangible asset	11	**(3,267,000)**	(51,224,666)	**-**	(7,296,908)
Additions to investment properties	12	**(182,053,732)**	(231,850,000)	**(182,053,732)**	(141,850,000)
Proceeds from sale of Investment properties		**-**	142,400,000	**-**	90,000,000
Investment in subsidiaries	10.	**-**	-	**-**	(100,000,000)
Proceeds from sale of property and equipment	13	**7,165,722**	28,145,393	**7,165,722**	28,145,393
Purchase of financial assets	3.	**(5,523,230,057)**	(2,941,522,447)	**(2,651,487,118)**	(1,582,048,547)
Proceeds from sale of financial assets	3.	**2,317,425,962**	2,189,231,793	**514,898,759**	1,522,762,958
Dividend received	32	**105,020,671**	101,095,583	**166,158,671**	101,095,583
Rental Income received	32	**31,569,000**	12,575,667	**31,569,000**	12,575,667
Interest received	32	**484,721,158**	1,102,851,757	**221,388,165**	153,074,513
Net cash from investing activities		**(2,898,484,565)**	241,573,527	**(1,988,864,196)**	574,058
Cash flows from financing activities					
Proceeds on private placemant	23.1	**-**	-	**-**	-
Proceeds from borrowing	**17**	**607,885,923**	142,596,600	**-**	-
Payment on borrowing (principal & Interest)	**17**	**(219,882,483)**	(91,809,639)	**-**	-
Dividend paid	26	**(216,800,050)**	(216,800,050)	**(216,800,050)**	(216,800,050)
Net cash used in financing activities		**171,203,390**	(166,013,089)	**(216,800,050)**	(216,800,050)
Increase in cash and cash equivalents		**(1,191,315,617)**	(310,875,245)	**(863,934,419)**	(126,522,071)
Cash and cash equivalents at Beginning		**2,955,763,754**	3,266,638,999	**2,141,514,391**	2,268,036,462
Gross Cash and cash equivalent at End	2	**1,764,448,137**	2,955,763,754	**1,277,579,972**	2,141,514,391

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 YEAR ENDED 31 DECEMBER 2022

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	
		31 DECEMBER 2022	31 December 2021	**31 DECEMBER 2022**	31 December 2021
		N	N	**N**	N
2.	**Cash and cash equivalents**				
	Cash in hand	**10,332,390**	17,233,925	**10,332,390**	17,233,925
	Balance with banks	**1,109,620,127**	1,235,172,472	**622,751,963**	420,923,109
	Call deposits	**25,761,049**	11,267,223	**25,761,049**	11,267,223
	Fixed deposits (Note 2.1)	**618,734,570**	1,692,090,134	**618,734,570**	1,692,090,134
		1,764,448,137	2,955,763,754	**1,277,579,972**	2,141,514,391
	Impairment charge (Note 2.2)	**(94,971,159)**	(98,688,515)	**(93,631,138)**	(97,209,096)
		1,669,476,978	2,857,075,239	**1,183,948,834**	2,044,305,295

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

2.2	**Impairment charge**				
	At 1 January	**98,688,515**	92,722,923	**97,209,096**	92,722,923
	IFRS 9 opening figure adjustment	**-**	4,391,994	**-**	3,613,504
	Charged	**(3,717,356)**	1,573,598	**(3,577,958)**	872,669
	AT DECEMBER 2022	**94,971,159**	98,688,515	**93,631,138**	97,209,096

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)	**827,492,587**	988,259,728	**805,071,520**	977,972,694
	At Amortised cost (Note 3.2)	**7,684,522,974**	4,183,462,524	**5,390,944,417**	2,832,142,511
	At fair value through OCI (Note 3.3)	**132,167,588**	118,834,331	**129,942,124**	116,712,998
		8,644,183,149	5,290,556,583	**6,325,958,060**	3,926,828,203
	Movement in Financial Assets				
	Opening	**5,290,556,583**	4,428,386,704	**3,926,828,203**	3,683,146,676
	Addition	**5,523,230,057**	2,941,522,447	**2,651,487,118**	1,582,048,547
	Disposal	**(2,317,425,962)**	(2,189,231,792)	**(514,898,759)**	(1,522,762,958)
	Interest Capitalised	**329,570,076**	318,668,456	**329,570,076**	318,668,456
	Impairment (note 34)	**(142,143,677)**	(67,242,888)	**(15,186,486)**	(225,717)
	Opening impaiment adjustment	**-**	(27,111,619)	**-**	(15,912,608)
	Opening Fair value gains through OCI adjustment	**-**	20,516,631	**-**	20,516,631
	Fair value (loss)/ gains	**(52,199,042)**	(159,457,854)	**(64,333,076)**	(163,235,988)
	Fair value gains through OCI	**12,595,116**	24,506,497	**12,490,985**	24,585,164
	Closing	**8,644,183,149**	5,290,556,583	**6,325,958,061**	3,926,828,203

3.1	**At fair value through profit or loss**				
	At 1 January	**1,088,611,153**	719,660,969	**1,079,986,078**	711,035,894
	Additions	**-**	368,950,184	**-**	368,950,184
	Disposals	**(108,568,099)**	-	**(108,568,099)**	-
		980,043,054	1,088,611,153	**971,417,979**	1,079,986,078
	Fair value (loss) (Note 35a)	**(152,550,467)**	(100,351,425)	**(166,346,460)**	(102,013,384)
	AT DECEMBER 2022	**827,492,587**	988,259,728	**805,071,520**	977,972,694
	Current	**827,492,587**	988,259,728	**805,071,520**	977,972,694
	Non Current	-	-	-	-

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

CONSOLIDATED HALLMARK INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

		Group		Company	
		31 DECEMBER 2022	December 2021	**31 DECEMBER 2022**	December 2021
		N	N	**N**	N
3.2	**Amortised Cost**				
	Staff loans (Note 3.2.1a)	**214,848,307**	218,854,849	**209,716,113**	218,854,849
	Loan issued to corporate individuals (Note 3.2.1b)	**2,293,578,557**	1,351,264,168	**5,188,038**	-
	Debts Instrument (Note 3.2.3)	**3,012,061,800**	2,613,343,506	**3,012,005,956**	2,613,287,662
	Fixed Deposit (Above 90Days) (3.2.4)	**2,164,034,310**	-	**2,164,034,310**	-
		7,684,522,974	4,183,462,523	**5,390,944,417**	2,832,142,511
	Current	**7,552,444,741**	4,031,547,569	**5,180,623,917**	2,728,942,482
	Non Current	**132,078,233**	151,914,955	**210,320,500**	103,200,030
3.2.1a	**Staff loans**				
	At 1 January	**223,079,916**	211,045,461	**223,079,916**	211,045,461
	Addition	**20,033,194**	36,212,000	**12,901,000**	36,212,000
	Repayment	**(20,039,298)**	(24,177,545)	**(18,039,298)**	(24,177,545)
		223,073,812	223,079,916	**217,941,618**	223,079,916
	Impairment on Loans & Receivable(Note 3.2.1ai)	**(8,225,505)**	(4,225,067)	**(8,225,505)**	(4,225,067)
	Closing	**214,848,307**	218,854,849	**209,716,113**	218,854,849
3.2.1ai	**Impairment on Loans & Receivable**				
	Opening	**4,225,067**	-	**4,225,067**	-
	IFRS 9 opening figure adjustment	**-**	3,997,138	**-**	3,997,138
	Charged	**4,000,438**	227,929	**4,000,438**	227,929
	Closing	**8,225,505**	**4,225,067**	**8,225,505**	4,225,067
3.2.1b	**Loan issued to corporate / individuals**				
	At 1 January	**1,552,789,443**	859,784,377	-	-
	Addition	**2,873,798,783**	1,359,473,900	**9,188,038**	-
	Bad debts written off	**-**	-	**-**	-
	Repayment	**(1,804,527,202)**	(666,468,834)	**(4,000,000)**	-
		2,622,061,024	1,552,789,443	**5,188,038**	-
	Impairment on loans issued to corporate and individuals (Note 3.2.4)	**(328,482,467)**	(201,525,275)	**-**	-
	At the end	**2,293,578,557**	1,351,264,168	**5,188,038**	-
3.2.2	**Analysis by performance:**				
	Performing (Note 3.2)	**7,684,522,974**	4,183,462,523	**5,390,944,417**	2,832,142,512
	Non-performing (Note 3.2.4.b)	**328,482,467**	201,525,275	**-**	-
		8,013,005,441	4,384,987,798	**5,390,944,417**	2,832,142,512
3.2	**Analysis by maturity:**				
	Due within one year	**7,552,444,741**	4,031,547,569	**5,180,623,917**	2,728,942,482
	Due within one - five years	**460,560,700**	353,440,230	**210,320,500**	103,200,030
	Due after five years	**-**	-	**-**	-
		8,013,005,441	4,384,987,799	**5,390,944,417**	2,832,142,512

		Group		**Company**	
		31 DECEMBER 2022	31 December 2021	**31 DECEMBER 2022**	December 2021
		N	N	**N**	N
3.2.3	**Debts Instrument**				
	At 1 January	**2,625,200,920**	2,629,694,266	**2,625,200,920**	2,629,694,266
	At initial recognition - additions	**353,714,679**	1,175,423,612	**353,714,679**	1,175,423,612
		2,978,915,599	3,805,117,878	**2,978,915,599**	3,805,117,878
	Disposal	**(384,291,363)**	(1,498,585,414)	**(384,291,363)**	(1,498,585,414)
	Exchange Gain on EUROBOND	**99,240,485**		**99,240,485**	
	Amortised interest	**329,570,076**	318,668,456	**329,570,076**	318,668,456
		3,023,434,797	2,625,200,920	**3,023,434,797**	2,625,200,920
	Impairment (note 3.2.4a)	**(11,372,996)**	(11,857,413)	**(11,428,841)**	(11,913,258)
	At the end	**3,012,061,800**	2,613,343,507	**3,012,005,956**	2,613,287,662

3.2.3a	**Movement on Impairment**				
	Opening	**11,857,413**	-	**11,913,258**	-
	IFRS 9 opening figure adjustment	**-**	11,859,625	**-**	11,915,470
	movement	**(484,417)**	(2,212)	**(484,417)**	(2,212)
	Closing	**11,372,996**	11,857,413	**11,428,841**	11,913,258

a)	**Debts Instruments are analysed as follows:**				
	Debts securities				
	Listed	**3,023,434,797**	2,625,200,920	**3,023,434,797**	2,625,200,920
	Unlisted	**-**	-	**-**	-
	At the end	**3,023,434,797**	2,625,200,920	**3,023,434,797**	2,625,200,920
	Current	**168,376,644**	17,421,398	**168,376,644**	17,421,398
	Non-current	**2,855,058,153**	2,607,779,522	**2,855,058,153**	2,607,779,522
		3,023,434,797	2,625,200,920	**3,023,434,797**	2,625,200,920

b)	**At the reporting date, no held to maturity assets were past due or impaired**				
	NIGERIAN AVIATION HANDLING CO FIXED RATE BOND SERIES2 NOV 27,2020	**52,992,199**	48,237,816	**52,992,199**	48,237,816
	FCMB NGN SERIES 2 BOND 2015/2020	**15,943,240**	22,487,874	**15,943,240**	22,487,874
	FCMB NGN SERIES 3 BOND 2016/2023	**209,194,101**	206,594,101	**209,194,101**	206,594,101
	C&I LEASING SERIES 1 BOND 2018/2023	**109,369,045**	108,276,373	**109,369,045**	108,276,373
	LAPO MFB SERIES 2 BOND 2020/2025	**95,414,790**	101,332,055	**95,414,790**	101,332,055
	DANGOTE BOND SERIES 1 2020/2025	**116,416,991**	116,300,127	**116,416,991**	116,300,127
	AXXELA SERIES 1 BOND 2020/2027	**476,739,816**	439,880,800	**476,739,816**	439,880,800
	FGN BOND (2020/2050) CORDROS	**103,815,787**	102,864,580	**103,815,787**	102,864,580
	FGN BOND (2020/2050) CORDROS	**260,849,583**	252,739,296	**260,849,583**	252,739,296
	FGN BOND (2020/2050) PLANET CAPITAL	**360,467,574**	343,329,875	**360,467,574**	343,329,875
	FGN BOND (2020/2024) MERISTEM	**215,750,718**	215,647,718	**215,750,718**	215,647,718
	FGN BOND (2020/2035) PLANET CAPITAL	**599,417,745**	470,106,534	**599,417,745**	470,106,534
	FGN BOND (2020/2037) PLANET CAPITAL	**214,971,323**	-	**214,971,323**	-
	8.625% FBN EUROBOND (2020/2050) FIRST ALLY	**23,715,241**	-	**23,715,241**	-
	ACCESS BANK COMMERCIAL PAPER	**168,376,644**	17,421,398	**168,376,644**	17,421,398
	TREASURY BILLS 9.75% APRIL 28,2021 APEL ASSET LIMITED - 364 DAYS	**-**	53,355,396	**-**	53,355,396
		-	126,626,977	**-**	126,626,977
	At the end	**3,023,434,797**	2,625,200,920	**3,023,434,797**	2,625,200,920

3.2.3.b	**Movement in impairment - loans and receivables :**				
	At 1 January	**201,525,276**	123,253,249	**-**	-
	IFRS 9 opening figure adjustment	**-**	11,254,856		
	Addition (Note 34)	**126,957,191**	67,017,171	**-**	-
	Impairment written off	**-**	-	**-**	-
	At the end	**328,482,467**	201,525,276	**-**	-

3.2.4	**Fixed Deposit (Above 90Days)**				
	At 1 January	**-**	-	-	-
	Addition	**2,175,704,775**	-	**2,175,704,775**	-
		2,175,704,775		**2,175,704,775**	
	Impairment	**(11,670,465)**	-	**(11,670,465)**	-
		2,164,034,310	-	**2,164,034,310**	-

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

3.3	**At fair value through OCI**				
	Opening	**118,834,331**	72,348,451	**116,712,998**	70,148,451
	IFRS 9 opening adjustment	**-**	20,516,631		20,516,631
	Addition	**738,141**	1,462,752	**738,141**	1,462,752
	Fair value gain	**12,595,116**	24,506,497	**12,490,985**	24,585,164
	At the end	**132,167,588**	118,834,331	**129,942,124**	**116,712,998**
	Current	-	-	-	-
	Non Current	**132,167,588**	118,834,331	**129,942,124**	116,712,998

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	**180,521,835**	109,262,041	-	-
	Addition	**128,303,219**	87,786,343	-	-
	Repayment	**(28,601,886)**	(16,526,549)	-	-
	Gross investment	**280,223,168**	180,521,835	-	-
	Unearned income	**-**	-	-	-
	Net investment (Note 5.1)	**280,223,168**	180,521,835	-	-
	Impairment on finance lease receivables (Note 5.2)	**(69,326,804)**	(31,780,393)	-	-
	At the end	**210,896,364**	148,741,442	**-**	**-**
5.1	Current	**124,877,617**	84,360,741	-	-
	Non-current	**155,345,551**	96,161,094	-	-
	Analysis by performance				
	Performing	**210,896,364**	148,741,442	-	-
	Non-performing	**69,326,804**	31,780,393	-	-
		280,223,168	180,521,835	-	-
	Analysis by maturity				
	Due within one year	**124,877,617**	84,360,741		
	Due between two - five years	**155,345,551**	96,161,094	-	-
		280,223,168	180,521,835	-	-
5.2	**Movement in impairment - finance lease receivables:**				
	At 1 January	**31,780,393**	23,015,010	-	-
	Charge for the year (note 34)	**37,546,411**	8,765,383	-	-
	At the end	**69,326,804**	31,780,393	-	-

6.	**Trade receivables**				
	Due from insurance companies	**424,583,307**	274,358,188	**424,583,307**	274,358,188
	Due from insurance brokers and agents	**351,069,353**	269,539,140	**348,477,476**	269,539,140
	Due from others	**-**	-	**-**	-
		775,652,660	543,897,328	**773,060,783**	543,897,328
	Impairment allowance	**-**	-	**-**	-
		775,652,660	543,897,328	**773,060,783**	543,897,328
	Hmo receivable	**62,427,664**	62,808,889	**-**	**-**
	Total	**838,080,324**	606,706,217	**773,060,783**	543,897,328
	Impairment charge (Note 6.2)	(6,586,764)	(5,086,062)	-	-
	Closing Balance	**831,493,560**	601,620,155	**773,060,783**	543,897,328
	Current	**838,080,324**	606,706,217	**773,060,783**	543,897,328
	Non-current	**-**	-	**-**	-
6.1	**Movement in Trade receivables**				
	Opening	**606,706,217**	612,426,941	**543,897,328**	481,030,540
	Gross Premium written	**12,826,865,218**	10,500,388,478	**12,061,936,819**	10,024,047,477
	Premium received	**(12,595,491,111)**	(10,506,109,202)	**(11,832,773,364)**	(9,961,180,689)
	Closing receivables	**838,080,324**	606,706,217	**773,060,783**	543,897,328

6.2 Impairment charge				
At 1 January	**5,086,062**	4,738,626	**-**	**-**
IFRS 9 opening balance adjustment	**-**	126,130		
Charged for the year (note 34)	**1,500,702**	221,306	**-**	**-**
At December 2022	**6,586,764**	5,086,062	**-**	**-**
Age Analysis of Trade receivable				
> =1Day <= 30 Days	**817,201,319**	580,827,212	**752,181,778**	518,018,323
> =31Days <= 90 Days	**20,879,005**	25,879,005	**20,879,005**	25,879,005
Above 90 Days	**-**	-	**-**	-
	838,080,324	606,706,217	**773,060,783**	543,897,328

	Group		Company	
	31 DECEMBER 2022	December 2021	**31 DECEMBER 2022**	December 2021
	N	**N**	**N**	**N**
7. Reinsurance Assets				
Prepaid reinsurance (Note 7.1a & 7.1b)	**1,159,980,388**	1,067,021,471	**1,159,980,388**	1,067,021,471
Reinsurers share of claims (Note 7.3)	**2,140,753,774**	2,354,142,508	**2,140,753,774**	2,354,142,508
	3,300,734,162	3,421,163,979	**3,300,734,162**	3,421,163,979
Impairment	**(15,296,748)**	(10,723,799)	**(15,296,748)**	(10,723,799)
At the end	**3,285,437,414**	3,410,440,180	**3,285,437,414**	3,410,440,180
Current	**3,300,734,162**	3,421,163,980	**3,300,734,162**	3,421,163,979
Non-current	**-**	-	**-**	-
Movement in Impairment(Credit Loss IFRS 9)				
Opening Balance	**10,723,799**	-	**10,723,799**	-
IFRS 9 opening balance adjustment	**-**	9,602,989	**-**	9,602,989
Charged during the year	**4,572,949**	1,120,810	**4,572,949**	1,120,810
At the end	**15,296,748**	10,723,799	**15,296,748**	10,723,799
Prepaid reinsurance premium(note 7.1a)	**1,108,212,388**	1,020,330,096	**1,108,212,388**	1,020,330,096
Prepaid minimum and deposit premium (note 7.1b)	**51,768,000**	46,691,375	**51,768,000**	46,691,375
Reinsurance share of outstanding claims	**532,389,158**	1,073,320,986	**532,389,158**	1,073,320,986
Reinsurance share of IBNR	**1,030,484,740**	718,521,485	**1,030,484,740**	718,521,485
Reinsurance receivable on claims paid (note 7.2b)	**577,879,876**	562,300,037	**577,879,876**	562,300,037
Total	**3,300,734,162**	3,421,163,979	**3,300,734,162**	3,421,163,979
Impairment (IFRS 9)	**(15,296,748)**	(10,723,799)	**(15,296,748)**	(10,723,799)
	3,285,437,414	3,410,440,180	**3,285,437,414**	3,410,440,180

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.

		Group		Company	
		31 DECEMBER 2022	December 2021	**31 DECEMBER 2022**	December 2021
		N	**N**	**N**	**N**
7.1a	**Prepaid Reinsurance Premium**				
	Fire	**214,609,438**	149,140,952	**214,609,438**	149,140,952
	General accident	**145,514,454**	141,909,274	**145,514,454**	141,909,274
	Motor	**7,304,010**	4,932,150	**7,304,010**	4,932,150
	Marine	**51,190,627**	95,539,565	**51,190,627**	95,539,565
	Bond	**50,186,353**	15,421,170	**50,186,353**	15,421,170
	Engineering	**163,034,435**	72,269,543	**163,034,435**	72,269,543
	Aviation	**76,794,159**	97,680,810	**76,794,159**	97,680,810
	Oil & gas	**399,578,912**	443,436,632	**399,578,912**	443,436,632
		1,108,212,388	1,020,330,096	**1,108,212,388**	1,020,330,096
7.1b	**Prepaid Minimum & Deposit Premium**				
	Fire	**13,995,000**	17,372,250	**13,995,000**	17,372,250
	General accident	**2,430,000**	1,983,500	**2,430,000**	1,983,500
	Motor	**4,275,000**	4,275,000	**4,275,000**	4,275,000
	Marine	**13,770,000**	8,767,500	**13,770,000**	8,767,500
	Engineering	**17,298,000**	14,293,125	**17,298,000**	14,293,125
		-	-	**-**	-
		-	-	**-**	-
		51,768,000	46,691,375	**51,768,000**	46,691,375
	Prepaid reinsurance	**1,159,980,388**	1,067,021,471	**1,159,980,388**	1,067,021,471
7.2 a	**Reinsurers Share of Claims**				
	Fire	**390,873,987**	672,248,809	**390,873,987**	672,248,809
	General accident	**578,629,910**	345,534,621	**578,629,910**	345,534,621
	Motor	**44,098,554**	39,128,200	**44,098,554**	39,128,200
	Marine	**223,348,534**	436,116,410	**223,348,534**	436,116,410
	Bond	**13,487,385**	6,094,897	**13,487,385**	6,094,897
	Engineering	**106,017,032**	74,635,046	**106,017,032**	74,635,046
	Aviation	**54,932,441**	80,785,776	**54,932,441**	80,785,776
	Oil & gas	**151,486,055**	137,298,712	**151,486,055**	137,298,712
		1,562,873,898	1,791,842,471	**1,562,873,898**	1,791,842,471
7.2b	**Reinsurers share of paid claims**				
	Fire	**353,340,533**	8,719,519	**353,340,533**	8,719,519
	General accident	**66,010,627**	200,907,030	**66,010,627**	200,907,030
	Motor	**25,649,642**	70,625,744	**25,649,642**	70,625,744
	Marine	**7,685,000**	16,443,442	**7,685,000**	16,443,442
	Bond	**-**	-	**-**	-
	Engineering	**10,182,772**	4,920,359	**10,182,772**	4,920,359
	Aviation	**-**	55,317,458	**-**	55,317,458
	Oil & gas	**115,011,302**	205,366,485	**115,011,302**	205,366,485
		577,879,876	562,300,037	**577,879,876**	562,300,037
7.3	**Reinsurance Assets:**				
	Movement in prepaid reinsurance:				
	At 1 January	**1,067,021,471**	847,365,944	**1,067,021,471**	847,365,944
	Additions during the period (Note 28)	**4,992,429,837**	4,458,744,931	**4,986,931,691**	4,458,744,931
		6,059,451,308	5,306,110,875	**6,053,953,162**	5,306,110,875
	Amortization during the period (Note 28)	**(4,899,470,920)**	(4,239,089,404)	**(4,893,972,774)**	(4,239,089,404)
	At the end	**1,159,980,388**	1,067,021,471	**1,159,980,388**	1,067,021,471
	Movement in claims recoverable:				
	At 1 January	2,354,142,508	2,170,714,673	**2,354,142,508**	2,170,714,673
	Additions during the period	1,869,608,166	1,711,954,074	**1,869,608,166**	1,711,954,074
		4,223,750,674	3,882,668,747	**4,223,750,674**	3,882,668,747
	Amortization during the period	(2,082,996,900)	(1,528,526,239)	**(2,082,996,900)**	(1,528,526,239)
	At the end	**2,140,753,774**	2,354,142,508	**2,140,753,774**	2,354,142,508
8.	**Deferred Acquisition Cost**				
	At 1 January	**397,546,015**	355,066,148	**385,296,407**	344,817,850
	Acquistion cost during the period	**1,937,950,037**	1,680,613,794	**1,876,957,619**	1,633,891,706
	Less: Amortisation during the period (Note 31)	**(1,769,940,305)**	(1,638,133,927)	**(1,710,518,926)**	(1,593,413,149)
	At the end	**565,555,747**	397,546,015	**551,735,100**	385,296,407
	Current	**565,555,747**	397,546,015	**551,735,100**	385,296,407
	Non-current	**-**	-	**-**	-

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

		Group		Company	
		31 DECEMBER 2022	December 2021	**31 DECEMBER 2022**	December 2021
		N	**N**	**N**	**N**
8.1	**Deferred Acquisition Cost Analysis**				
	Fire	**105,573,435**	75,189,179	**105,573,435**	75,189,179
	General accident	**77,598,662**	65,331,213	**77,598,662**	65,331,213
	Motor	**127,628,801**	91,453,591	**127,628,801**	91,453,591
	Marine	**25,440,673**	27,278,926	**25,440,673**	27,278,926
	Bond	**28,117,346**	9,710,496	**28,117,346**	9,710,496
	Engineering	**94,949,779**	32,741,876	**94,949,779**	32,741,876
	Aviation	**15,375,903**	20,298,332	**15,375,903**	20,298,332
	Oil & gas	**77,050,501**	63,292,794	**77,050,501**	63,292,794
	Company Total	**551,735,100**	385,296,407	**551,735,100**	385,296,407
	HMO Deferred acquisition	**13,820,645**	12,249,608	**-**	-
	Group Total	**565,555,745**	397,546,015	**551,735,100**	385,296,407
9.	**Other Receivables and Prepayments**				
	Staff advances & prepayment	**75,913,942**	38,223,806	**46,802,665**	38,223,806
	Account receivables **	**109,225,632**	17,283,848	**79,370,973**	30,933,113
	Intercompany Receivables	**-**	-	**408,968,433**	316,785,801
	Witholding tax credit	**24,406,769**	33,550,342	**24,406,769**	33,550,343
	Prepayments (Note 9.1)	**104,032,197**	136,409,435	**99,573,725**	127,883,874
		313,578,540	225,467,431	**659,122,565**	547,376,937
	Impairment allowance (Note 34)	**(21,062,031)**	(2,774,928)	**(6,504,293)**	-
		292,516,508	222,692,503	**652,618,272**	547,376,937
	Current	**313,578,540**	225,467,431	**652,618,272**	547,376,937
	Non-current	**-**	-	**-**	-
	Impairment allowance on other receivables				
	As at 1 January	**2,774,928**	-	**-**	**-**
	IFRS 9 opening balance adjustment	**-**	132,986	**-**	**-**
	Charged/(reversed)	**18,287,103**	2,641,942	**6,504,293**	**-**
	As at 31 December	**21,062,031**	2,774,928	**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	**96,584,960**	116,662,920	**92,126,488**	108,137,359
	Other prepayments	**7,447,237**	19,746,515	**7,447,237**	19,746,515
		104,032,197	136,409,435	**99,573,725**	127,883,874
	Current	**104,032,197**	136,409,435	**99,573,725**	127,883,874
	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**

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	Grand Treasurers Ltd	Elimination	Total
	N	N	N	N		N	N
Condensed result of consolidated entities - 2022							
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
Non-current Assets held for sale	-	-			-	-	-
Finance lease receivables	-	-		-	210,896,364	-	210,896,364
Trade receivables	773,060,783	-	2,353,272	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

		CHI PLC	CHI Capital	CHI Microinsurance	Hallmark Health Services LTD	Grand Treasurers Limited	Elimination	Total
		N	N	N	N		N	N
10.2	**Condensed result of consolidated entities - 2022**							
	Condensed profit and loss							
	Underwriting profit	**2,259,154,610**	**-**	**9,052,360**	**120,119,606**		**(21,216,812)**	**2,367,109,763**
	Investment income	**752,385,146**	**18,964,150**	**12,984,617**	**41,844,518**	**612,633,870**	**(61,138,000)**	**1,377,674,302**
	Other operating income	**595,355,189**	**1,583,722**	**164,182**	**6,705,787**	**53,312,826**	**-**	**657,121,706**
	Total operating income	**3,606,894,945**	**20,547,872**	**22,201,159**	**168,669,911**	**665,946,696**	**(82,354,812)**	**4,401,905,771**
	Impairment no longer required	**(22,685,769)**	**(5,657,020)**	**(6,681,961)**	**160,001**	**(165,468,737)**	**-**	**(200,333,486)**
	Net fair value gains/(losses) on financial assets at fair value through profit or loss	**10,163,192**	**12,214,033**		**50,000,000**	**(80,000)**	**-**	**72,297,226**
	Management expenses	**(2,228,062,316)**	**(1,540,759)**	**(34,409,059)**	**(274,779,862)**	**(348,589,532)**	**21,216,812**	**(2,866,164,716)**
	Profit before taxation	**1,366,310,051**	**25,564,126**	**(18,889,861)**	**(55,949,950)**	**151,808,427**	**(61,138,000)**	**1,407,704,795**
	Taxation	**(386,258,245)**	**-**		**(1,806,923)**	**(23,654,577)**	**-**	**(411,719,745)**
	Profit after taxation	**980,051,806**	**25,564,126**	**(18,889,861)**	**(57,756,873)**	**128,153,850**	**(61,138,000)**	**995,985,050**

		CHI PLC	CHI Capital Limited	**CHI Microinsurance**	**Hallmark Health Ltd**	**Grand Treasurers Ltd**	Elimination	**Total**
		N	N	**N**	**N**		N	**N**
	Condensed result of consolidated entities - 2021							
10.2	Condensed Financial Position							
	Assets							
	Cash and cash equivalents	2,044,305,295	156,237,257	173,494,407	422,344,464	60,693,817	-	2,857,075,239
	Financial assets	3,926,828,203	11,893,367	-	-	1,351,835,012	-	5,290,556,582
	Finance lease receivables	-	-		-	148,741,442	-	148,741,442
	Trade receivables	543,897,328	-		57,722,827		-	601,620,154
	Reinsurance assets	3,410,440,180	-				-	3,410,440,180
	Deferred acquisition cost	385,296,407	-		12,249,609		-	397,546,015
	Other receivables and prepayment	547,376,936	24,977,294	225,200	17,002,413	14,947,391	(381,836,730)	222,692,504
	Investment in subsidiaries	1,594,225,000	-			-	(1,594,225,000)	-
	Investment properties	1,008,676,470	-		90,000,000		-	1,098,676,470
	Leasehold properties	-	-		6,406,591		-	6,406,591
	Intangible Assets	29,482,172	-	10,347,330	307,003	36,566,414		76,702,920
	Property and equipment	1,089,355,653	-	8,504,716	30,913,856	34,933,903	-	1,163,708,129
	Deffered tax asset	-	-	-	-	-	-	-
	Statutory deposits	300,000,000	-	100,000,000			-	400,000,000
	Total assets	14,879,883,645	193,107,918	292,571,653	636,946,763	1,647,717,979	(1,976,061,730)	15,674,166,226
	Liabilities							
	Insurance contract liabilities	5,299,544,811	-	3,764,797	170,740,793		-	5,474,050,401
	Investment Contract liabilities		-	17,660,923				17,660,923
	Trade payables	46,805,158	-			-	-	46,805,158
	Borrowing	-	-			55,800,013	-	55,800,013
	Provision and other payables	275,121,116	4,774,970	42,323,580	92,024,414	311,133,243	(381,836,730)	343,540,594
	Staff retirement benefit	1,367,928	-			707,754	-	2,075,682
	Tax liabilities	340,135,901	7,829,349		2,244,905	112,575,690	-	462,785,844
	Deffered tax	247,979,804	4,858,727			6,825,376		259,663,907
	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	2,437,343,087	-	295,351		72,039,763	-	2,509,678,200
	Fair Value Through OCI Reserve	30,669,220	(53,493)				-	30,615,728
	Revaluation reserve	115,793,288						115,793,288
	Requlatory risk reserve	-				1,354,214		1,354,214
	Retained earnings	496,189,498	45,698,365	28,527,002	(128,063,349)	323,056,926		765,408,441
	Total liabilities and equity	14,879,883,645	193,107,918	292,571,653	636,946,763	1,647,717,979	(1,976,061,730)	15,674,166,226

10.2 Condensed result of consolidated entities - 2021

	CHI PLC	CHI Capital	CHI Microinsurance	Hallmark Health Ltd	Grand Treasurers Ltd	Elimination	Total
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	
		31 DECEMBER 2022 N	31 December 2021 N	**31 DECEMBER 2022 N**	31 December 2021 N
11.0	**Intangible assets**				
	Cost				
	At 1 January	**125,342,605**	74,117,939	**69,784,428**	62,487,520
	Addition	**3,267,000**	51,224,666	**-**	7,296,908
	Reclassification	**-**	-		
	31 DECEMBER	**128,609,605**	125,342,605	**69,784,428**	69,784,428
	Accumulated amortization				
	At 1 January	**48,639,685**	37,543,282	**40,302,256**	32,007,107
	Charge	**15,860,288**	11,096,403	**7,378,008**	8,295,149
	31 DECEMBER	**64,499,973**	48,639,685	**47,680,264**	40,302,256
	Carrying amount				
	31 DECEMBER	**64,109,632**	76,702,920	**22,104,164**	29,482,172
12	**Investment Properties**				
	At 1 January	**1,098,676,470**	1,042,487,470	**1,008,676,470**	948,826,470
	Addition	**182,053,732**	231,850,000	**182,053,732**	141,850,000
	Disposal/transfer (Note 12.1b)	**-**	(175,661,000)	**-**	(82,000,000)
	Fair value change	**124,496,268**	-	**74,496,268**	-
	31 DECEMBER	**1,405,226,470**	1,098,676,470	**1,265,226,470**	1,008,676,470

Investment Properties

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

The properties were professionally re-valued as at 25 November 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	195,000,000	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	135,900,000	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		**1,265,226,470**		
	Hallmark Health Services Limited				
	Building	Romax Homes Estate by Harris drivet beside VGCI Ikota, Lekki Lagos	**140,000,000**	Hallmark Health Services Ltd	The deed of assigment is in the name of Hallmark Health Services Ltd.
	Group Total		**1,405,226,470**		

Movement on Investment Properties

12.1b S/N	TYPE OF ASSET	ADDRESS	Opening	Addition	Disposal/transfer	Increase (decrease) in Fairvalue	Total
	Company						
1	Building	Plot A/5 Pocket Layout (Clerk Quarters) Owerri, Imo State.	206,000,000	-	-	-	206,000,000
2	Building	219, 220 and 221, Akukwe Street, Works Layout, Owerri, Imo	229,000,000	-	-	-	229,000,000
3	Building	No. 30, East Street, Rivers Layout Aba, Abia State.	104,105,470		-	-	104,105,470
4	Building	Plot 33, Chief Ogbonda Layout, Rumuogba, Port Harcourt.	141,921,000	2,300,000	-	-	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.		178,353,732	-	1,646,268	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	120,750,000	1,400,000	-	72,850,000	195,000,000
Company Total			**1,008,676,470**	**182,053,732**	**-**	**74,496,268**	**1,265,226,470**
	Subsidiary						
9	Building	Romax Homes Estate by Harris drivet beside	90,000,000	-	-	50,000,000	140,000,000
		Thomas estate Ajah Lagos	**-**		-		-
Group Total			**1,098,676,470**	**-**	**-**	**124,496,268**	**1,405,226,470**

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

13.0 Property and Equipment
2022
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	697,723,916	116,646,562	150,817,238	631,770,354	256,792,619	2,153,750,690
Additions during the period	-	-	6,014,366	10,824,030	95,856,478	23,141,416	135,836,290
Revaluation	-	18,945,909					18,945,909
Disposals during the period	-	-	-	-	(9,801,000)	-	(9,801,000)
31 DECEMBER	**300,000,000**	**716,669,825**	**122,660,928**	**161,641,268**	**717,825,832**	**279,934,035**	**2,298,731,889**
Accumulated depreciation							
At 1 January 2022	-	161,373,916	96,346,121	125,553,428	392,075,190	214,693,908	990,042,563
Depreciation charge for the period	-	13,945,909	7,067,451	10,072,445	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**	**1,168,945,157**
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

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

13.1b The group

2021	Land	Building	Office **Equipment**	Furniture & **Fittings**	Motor **Vehicles**	Computer **Equipment**	**Total**
	N	**N**	**N**	**N**	**N**	**N**	**N**
At 1 January	286,099,948	541,339,722	109,826,225	150,813,178	597,564,001	249,252,148	1,934,895,222
Additions during the period	-	-	7,458,717	5,181,424	82,780,332	14,709,080	110,129,553
Revaluation	13,900,052	156,384,194					170,284,246
Disposals during the period	-	-	(638,380)	(5,177,364)	(48,573,978)	(7,168,609)	(61,558,331)
31 December	300,000,000	697,723,916	116,646,562	150,817,238	631,770,354	256,792,619	2,153,750,690
Accumulated depreciation							
At 1 January 2021	-	150,547,122	88,279,356	122,568,164	341,805,022	210,123,333	913,322,997
Depreciation charge for the period	-	10,826,794	8,705,145	8,162,629	79,096,343	11,405,971	118,196,881
Disposals in the period	-	-	(638,380)	(5,177,364)	(28,826,175)	(6,835,396)	(41,477,316)
31 December	-	161,373,916	96,346,121	125,553,428	392,075,190	214,693,908	990,042,562
Accummulated impairment losses	-	-	-	-	-	-	-
Carrying value							
31 December	300,000,000	536,350,000	20,300,441	25,263,810	239,695,165	42,098,711	1,163,708,129
At 1 January 2021	286,099,948	390,792,600	21,546,869	28,245,014	255,758,979	39,128,815	1,021,572,225

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

13.2a Property and Equipment
2022
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	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
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	1,089,355,653

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 YEAR ENDED 31 DECEMBER 2022

Property and Equipment (Cont'd)
2021
The company

	Land	Building	Office Equipment	Furniture & Fittings	Motor Vehicles	Computer Equipment	Total
	N	N	N	N	N	N	N
At 1 January	286,099,948	541,339,722	108,926,630	154,710,665	524,028,579	244,588,152	1,859,693,696
Additions	-	-	2,440,698	5,127,424	58,500,000	9,816,478	75,884,600
Transfer from Investment Property(12.1a)	-	-					-
Revaluation	13,900,052	156,384,194					170,284,246
Disposals	-	-	(638,380)	(5,177,364)	(48,573,978)	(7,168,609)	(61,558,331)
31 December	300,000,000	697,723,916	110,728,948	154,660,725	533,954,601	247,236,021	2,044,304,211
Accumulated depreciation							
At 1 January	-	150,547,122	88,370,298	124,394,753	322,858,963	209,936,715	896,107,852
Depreciation charge for the period	-	10,826,794	6,708,174	8,152,879	65,244,226	9,385,948	100,318,022
Disposals			(638,380)	(5,177,364)	(28,826,175)	(6,835,396)	(41,477,316)
31 December	-	161,373,916	94,440,092	127,370,268	359,277,014	212,487,267	954,948,558
Carrying value							
31 December	300,000,000	536,350,000	16,288,856	27,290,457	174,677,587	34,748,754	1,089,355,653
At 31 December 2020	286,099,948	390,792,600	20,556,332	30,315,913	201,169,616	34,651,437	963,585,844

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

	Office Equipment	Furniture & Fittings	Motor Vehicles	Computer Equipment	Total
	N	N	N	N	N
Costs					
Balance as at 1 January 2021	6,913,742	9,300,000	3,912,175	520,000	20,645,917
Transferred from Property, Plant and Equipment					
Additions during the year	-	-	-	-	-
Balance as at 31 December 2021/1 January 2022	**6,913,742**	**9,300,000**	**3,912,175**	**520,000**	**20,645,917**
Additions during the year	**-**	**-**	**-**	**-**	**-**
Balance as at 31 December 2022	6,913,742	9,300,000	3,912,175	520,000	20,645,917
Accumulated Depreciation					
Balance as at 1 January 2021	3,108,343	5,576,438	1,758,871	233,786	10,677,438
Transferred from Property, Plant and Equipment	-	-	-	-	-
Charge for the year	1,037,061	1,860,000	586,826	78,001	3,561,888
Balance as at 31 December 2021/1 January 2022	4,145,404	7,436,438	2,345,697	311,787	14,239,326
Charge for the year	1,037,061	1,860,001	586,827	78,000	3,561,889
Balance as at 31 December 2022	**5,182,465**	**9,296,439**	**2,932,524**	**389,787**	**17,801,215**
Carrying Amount					
Cost	**6,913,742**	**9,300,000**	**3,912,175**	520,000	20,645,917
Accumulated Depreciation	*(4,145,404)*	*(7,436,438)*	*(2,345,697)*	*(311,787)*	*(14,239,326)*
Carrying amount as at 31 December 2021	*2,768,338*	*1,863,562*	*1,566,478*	*208,213*	*6,406,591*
Cost	***6,913,742***	***9,300,000***	***3,912,175***	***520,000***	***20,645,917***
Accumulated Depreciation	**(5,182,465)**	**(9,296,439)**	**(2,932,524)**	**(389,787)**	**(17,801,215)**
Carrying amount as at 31 December 2022	***1,731,277***	***3,561***	***979,651***	***130,213***	***2,844,702***

		Group		Company	
		2022	2021	2022	2021
		N	N	N	N
14.	**Statutory deposits**	**300,000,000**	300,000,000	**300,000,000**	300,000,000
	Microinsurance	**100,000,000**	100,000,000		
		400,000,000	400,000,000	**300,000,000**	300,000,000

This represents the amount deposited with the Central Bank of Nigeria as at 31 December, 2022.

15. Insurance contract liabilities

	Group 2022	Group 2021	Company 2022	Company 2021
Reserve for outstanding claims (Note 15.1)	**2,856,491,306**	2,841,412,777	**2,852,726,509**	2,837,287,074
Unearned premium reserve (Note 15.2)	**3,691,120,179**	2,632,637,624	**3,476,295,042**	2,462,257,737
	6,547,611,484	5,474,050,401	**6,329,021,551**	5,299,544,811

15.1 Reserve for outstanding claims - 2022

	Group			Company		
	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 claims	**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**

Reserve for outstanding claims - 2021

	Outstanding Claim	Provision for IBNR	Gross Reserve	Outstanding Claim	Provision for IBNR	Gross Reserve
	N	N	N	N	N	N
Fire	599,775,359	267,981,796	867,757,155	599,775,359	267,981,796	867,757,155
General accident	190,713,367	373,465,978	564,179,345	190,713,367	373,465,978	564,179,345
Motor	84,811,671	197,025,575	281,837,246	84,811,671	197,025,575	281,837,246
Marine	492,740,643	154,690,222	647,430,865	492,740,643	154,690,222	647,430,865
Bond	-	18,759,856	18,759,856	-	18,759,856	18,759,856
Engineering	9,648,186	109,225,751	118,873,937	9,648,186	109,225,751	118,873,937
Aviation	70,125,475	26,051,197	96,176,672	70,125,475	26,051,197	96,176,672
Oil & gas	91,719,064	150,552,934	242,271,998	91,719,064	150,552,934	242,271,998
	1,539,533,765	1,297,753,309	2,837,287,074	1,539,533,765	1,297,753,309	2,837,287,074
HMO - Outstanding (	4,125,704		4,125,704			
	1,543,659,469	1,297,753,309	2,841,412,778	1,539,533,765	1,297,753,309	2,837,287,074

	Group		Company	
	2022	2021	**2022**	2021
	N	**N**	**N**	**N**
15.2 Unearned premium reserve				
Fire	**556,115,664**	383,027,502	**556,115,664**	383,027,502
General accident	**420,129,809**	339,151,136	**420,129,809**	339,151,136
Motor	**1,132,424,114**	814,032,695	**1,132,424,114**	814,032,695
Marine	**127,520,249**	138,115,979	**127,520,249**	138,115,979
Oil & Gas	**533,583,780**	471,558,371	**533,583,780**	471,558,371
Engineering	**478,843,274**	163,976,093	**478,843,274**	163,976,093
Aviation	**81,703,494**	101,476,097	**81,703,494**	101,476,097
Bond	**145,974,658**	50,919,864	**145,974,658**	50,919,864
	3,476,295,042	2,462,257,737	**3,476,295,042**	2,462,257,737
HMO - Unearned premium reserve	**193,571,472**	166,615,090	**-**	-
Microinsurance - Unearned premium reserve	**21,253,665**	3,764,797		
	3,691,120,179	2,632,637,624	**3,476,295,042**	2,462,257,737

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**

CONSOLIDATED HALLMARK INSURANCE PLC

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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

		Group 2022 N	Group 2021 N	Company 2022 N	Company 2021 N
15.4	**Funds representing insurance contract liabilities**				
	Insurance Contract Liabilities	**6,547,611,485**	5,474,050,401	**6,329,021,551**	5,299,544,811
	Recoverable from reinsurance company	**(3,285,437,414)**	(3,410,440,180)	**(3,285,437,414)**	(3,410,440,180)
		3,262,174,071	2,063,610,221	**3,043,584,137**	1,889,104,631
	Balance with banks	**-**	-	**-**	-
	Fixed placement	**525,103,432**	1,594,881,038	**525,103,432**	1,594,881,038
	Fixed placement (above 90days)	**1,930,281,941**	-	**1,930,281,941**	-
	Investment property	**1,265,226,470**	1,008,676,470	**1,265,226,470**	1,008,676,470
	At fair value through profit or loss	**-**	-	**-**	-
		3,720,611,843	2,603,557,508	**3,720,611,843**	2,603,557,508
	Surplus	**458,437,772**	539,947,287	**677,027,706**	714,452,877
15.5	**Investment contract liabilities**				
	Opening	**17,660,923**	-	-	-
	movement	**(3,937,148)**	17,660,923	-	-
	Closing	**13,723,775**	17,660,923	-	-
16.	**Trade payables**				
	Due to insurance companies	**-**	-	**-**	-
	Due to reinsurance companies - local	**33,472,651**	46,805,158	**33,472,651**	46,805,158
	Other trade payables	**-**	-	**-**	-
		33,472,651	46,805,158	**33,472,651**	46,805,158
	Current	**33,472,651**	46,805,158	**33,472,651**	46,805,158
	Non-current	**-**	-	**-**	-
	Movement in Trade payables				
	Opening	**46,805,158**	13,972,733	**46,805,158**	13,972,733
	Reinsurance during the year	**4,986,931,692**	4,458,744,932	**4,986,931,692**	4,458,744,932
	Payment	**(5,000,264,199)**	(4,425,912,507)	**(5,000,264,199)**	(4,425,912,507)
	Closing	**33,472,651**	46,805,158	**33,472,651**	46,805,158
17	**Borrowing**				
	At 1 January	**55,800,014**	5,013,053	-	-
	Addition	**607,885,923**	142,596,600	-	-
	Repayment	**(219,882,483)**	(96,655,552)	-	-
	Interest capitalised	**236,304,440**	4,845,913	-	-
	As At 31 December	**680,107,894**	55,800,014	**-**	**-**

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

		Group 2022 N	Group 2021 N	Company 2022 N	Company 2021 N
18.	**Other payables and provision**				
	Audit fees	**9,932,500**	11,500,000	**5,432,500**	7,000,000
	VAT payable	**100,000**	100,000	**100,000**	100,000
	Witholding tax payable	**26,383,472**	5,320,984	**26,383,472**	5,320,984
	Unclaimed dividend payable (Note 18.1)	**82,423,287**	80,662,912	**82,423,287**	80,662,912
	Accrued expenses	**92,184,590**	68,193,685	**75,588,801**	45,799,518
	Unearned Commission received(Note 18.2)	**110,594,576**	68,805,228	**110,594,576**	68,805,228
	Staff Cooperative	**39,569,085**	46,672,519	**39,569,085**	46,672,519
	Sundry creditors	**68,689,004**	62,285,265	**10,655,045**	20,759,955
		429,876,514	343,540,593	**350,746,765**	275,121,116
	Current	**429,876,514**	343,540,593	**350,746,765**	275,121,116
	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 2022 N	Group 2021 N	Company 2022 N	Company 2021 N
	Fire	**36,629,908**	13,596,991	**36,629,908**	13,596,991
	General accident	**27,881,106**	16,729,758	**27,881,106**	16,729,758
	Motor	**1,326,889**	866,998	**1,326,889**	866,998
	Marine	**8,925,908**	12,242,178	**8,925,908**	12,242,178
	Oil & Gas	**-**	-	**-**	-
	Engineering	**27,048,153**	20,738,926	**27,048,153**	20,738,926
	Aviation	**-**	-	**-**	-
	Bond	**8,782,612**	4,630,377	**8,782,612**	4,630,377
		110,594,576	68,805,228	**110,594,576**	68,805,228

			Group 2022 N	Group 2021 N	Company 2022 N	Company 2021 N
19.	**Retirement benefit obligation**					
	Defined contribution pension plan					
	At 1 January		**2,075,682**	4,129,526	**1,367,928**	2,253,607
	Provision during the period (Note 36b)		**67,071,824**	51,461,849	**46,565,279**	47,593,611
	Payment during the period		**(66,222,225)**	(53,515,693)	**(46,751,699)**	(48,479,290)
	31 DECEMBER		**2,925,281**	2,075,682	**1,181,508**	1,367,928
19.a	Employer contribution	10%	**1,625,156**	1,153,157	**20,943**	391,282
	Employees contribution	8%	**1,300,125**	922,525	**1,160,565**	976,646
			2,925,281	2,075,682	**1,181,508**	1,367,928

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		Group		Company	
		2022	2021	**2022**	2021
		N	**N**	**N**	**N**
20	**Taxation**				
20	**Income tax expense**				
	Income tax	**509,874,686**	225,748,745	**479,529,286**	173,259,733
	Education tax	**27,326,201**	19,814,649	**27,326,201**	15,284,311
	Under/(over)provision in previous year	**(102,000,000)**	(77,388,702)	**(102,000,000)**	(72,500,000)
		435,200,887	168,174,692	**404,855,487**	116,044,044
	Deferred tax (Note 22)	**(23,481,142)**	12,862,091	**(18,597,242)**	6,016,141
		411,719,745	181,036,783	**386,258,245**	122,060,185

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

		Group		Company	
		2022	2021	**2022**	2021
		N	**N**	**N**	**N**
21.	**Current income tax liabilities**				
	At 1 January	**462,785,844**	359,459,121	**340,135,901**	289,145,971
	Payments during the period	**(131,287,476)**	(64,847,969)	**(109,851,741)**	(65,054,114)
		331,498,369	294,611,152	**230,284,160**	224,091,857
	Charge for the period (note 20)	**435,200,887**	168,174,692	**404,855,487**	116,044,044
	31 DECEMBER	**766,699,256**	462,785,844	**635,139,647**	340,135,901
21.1	**Reconciliation of effective tax rate**				
	Profit after tax	**995,985,051**	790,638,018	**980,051,807**	642,155,338
	Total income tax expense				
	Income	**509,874,686**	225,748,745	**479,529,286**	173,259,733
	Education	**27,326,201**	19,814,649	**27,326,201**	15,284,310
	(Over)/under-provision	**(102,000,000)**	(77,388,702)	**(102,000,000)**	(72,500,000)
	Deferred tax (Note 22)	**(23,481,142)**	12,862,091	**(18,597,242)**	6,016,141
		411,719,745	181,036,783	**386,258,245**	122,060,184
	Profit for the period before income tax	**1,407,704,796**	971,674,801	**1,366,310,052**	764,215,522
	Effective tax rate	**29%**	19%	**28%**	16%
22	**Deferred tax liabilities**				
	At 1 January	**259,663,907**	177,878,284	**247,979,804**	173,040,130
	IFRS 9 opening balance adjustment	**-**	6,565,322	**-**	6,565,322
	Charge for the period (Note 21.1)	**(23,481,142)**	12,862,090	**(18,597,242)**	6,016,141
	Deffered tax on Revalued Land & Building (PPE)	**6,062,691**	54,490,959	**6,062,691**	54,490,959
	Deffered tax on FVTOCI instruments	**11,662,615**	7,867,252	**3,997,115**	7,867,252
	31 DECEMBER	**253,908,071**	259,663,907	**239,442,368**	247,979,804

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

CONSOLIDATED HALLMARK INSURANCE PLC

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		Group		Company	
		2022	2021	**2022**	2021
		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				
	31 DECEMBER	**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**	**2022**	2021	**2022**	2021
	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	**168,933,834**	**168,933,834**	**168,933,834**	**168,933,834**

25. Other reserves

25.1.	**Contingency reserve**				
	At 1 January	**2,437,638,438**	2,136,621,663	**2,437,343,087**	2,136,621,662
	Transfer from income statement (Note 26)	**361,858,105**	300,721,425	**361,858,105**	300,721,425
	Chi Microinsurance Limited	**843,185**	295,350	**-**	-
	31 DECEMBER	**2,800,339,728**	2,437,638,438	**2,799,201,192**	2,437,343,087

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

25.2	**Statutory reserve**				
	At 1 January	**72,039,762**	45,964,378	**-**	-
	Transfer from income statement (Note 26)	**19,223,077**	26,075,384	**-**	-
				-	
	31 DECEMBER	**91,262,839**	72,039,762	**-**	-

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	**30,615,728**	-	**30,669,220**	-
	Gain on financial Assets meansured through OCI	**8,564,677**	30,615,728	**8,493,870**	30,669,220
				-	
	31 DECEMBER	**39,180,405**	30,615,728	**39,163,090**	**30,669,220**

25.4 Revaluation Reserve

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

25.5 Regulatory Risk Reserve

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

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

26. Retained earnings

At 1 January	**765,408,440**	550,078,221	**496,189,498**	400,684,735
Changes on initial application of IFRS 9		(30,061,373)	**-**	(29,129,100)
Dividend declared and paid in the year**	**(216,800,050)**	(216,800,050)	**(216,800,050)**	(216,800,050)
Transfer to contigency reserve (Note 25.1)	**(362,701,290)**	(301,016,776)	**(361,858,105)**	(300,721,425)
Transfer from income statement	**995,985,051**	790,638,017	**980,051,807**	642,155,338
Regulatory Risk Reserve	**(473,975)**	(1,354,214)	**-**	-
Transfer to statutory reserve (Note 25.2)	**(19,223,077)**	(26,075,385)	**-**	-
31 DECEMBER	**1,162,195,099**	765,408,440	**897,583,150**	496,189,498

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

** The Company paid a final dividend of 2kobo/share as final dividend for the year 2021 was approved by the Shareholders at the AGM. The total Dividend paid on 2021 financial report will be 4kobo/share.

26.1. Profit before taxation

Profit before taxation is stated after charging/crediting:

Depreciation of property and equipment	**147,045,169**	118,196,881	**114,057,061**	100,318,021
Auditors' remuneration	**9,932,500**	11,500,000	**6,500,000**	7,000,000
Directors' remuneration:				
- Fees	**8,000,000**	8,000,000	**8,000,000**	8,000,000
Profit on disposal of property and equipment	**-**	-	**-**	-
Foreign exchange (gains)/loss	**(590,678,251)**	(266,543,572)	**(590,678,251)**	(266,543,572)

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

27. Gross premium earned analysed as follows:

	<------------------- 2022		-------------->
	Direct Premium	**Inward Reinsurance Premium**	**Increase/ decrease in Unearned Premium**	**Gross Premium Earned**
	N	**N**	**N**	**N**
Fire	**1,759,694,709**	**14,611,278**	**(173,088,162)**	**1,601,217,825**
General accident	**1,551,262,720**	**14,401,414**	**(80,978,673)**	**1,484,685,461**
Motor	**2,726,032,368**	**41,390,988**	**(318,391,419)**	**2,449,031,937**
Aviation	**1,093,006,282**	**-**	**19,772,603**	**1,112,778,885**
Oil & Gas	**2,429,440,943**	**218,257,600**	**(62,025,409)**	**2,585,673,134**
Marine	**789,118,482**	**10,489,877**	**10,595,730**	**810,204,089**
Engineering	**925,726,865**	**4,136,890**	**(314,867,181)**	**614,996,575**
Bond	**483,966,712**	**399,691**	**(95,054,795)**	**389,311,608**
Company Total	**11,758,249,081**	**303,687,738**	**(1,014,037,306)**	**11,047,899,514**
Medical Premium	**701,552,359**	**-**	**(12,171,968)**	**689,380,391**
Microinsurance Premium	**42,159,228**		**(21,253,665)**	**20,905,563**
GroupTotal	**12,501,960,668**	**303,687,738**	**(1,047,462,939)**	**11,758,185,467**

Gross premium earned analysed as follows:

	<------------------- 2021		------------------->
	Direct premium	Inward reinsurance premium	Increase/ decrease in unearned premium	Gross premium earned
	N	**N**	**N**	**N**
Fire	1,204,762,676	13,243,949	(60,045,974)	1,157,960,651
General accident	1,287,973,757	4,573,664	21,069,296	1,313,616,717
Motor	2,224,194,518	28,680,349	(135,025,326)	2,117,849,541
Aviation	1,126,657,231	-	6,534,550	1,133,191,781
Oil & Gas	2,597,575,432	3,772,813	(60,003,052)	2,541,345,193
Marine	795,306,547	6,284,696	(7,621,320)	793,969,923
Engineering	466,934,382	6,818,013	(27,864,385)	445,888,010
Bond	256,578,658	690,792	16,169,678	273,439,128
Company Total	9,959,983,201	64,064,276	(246,786,533)	9,777,260,944
Medical Premium	442,358,174	-	58,002,665	500,360,839
Microinsurance Premium	14,767,526		(3,764,797)	11,002,728
GroupTotal	10,417,108,901	64,064,276	(192,548,665)	10,288,624,511

	Group		Company	
	2022	2021	**2022**	2021
	N	**N**	**N**	**N**
28. Reinsurance expense				
The reinsurance expense is analysed as follows:				
Reinsurance premium cost (Note 7.3)	**4,992,429,837**	4,458,744,931	**4,986,931,691**	4,458,744,931
(Increase)/decrease in prepaid reinsurance	**(92,958,917)**	(219,655,527)	**(92,958,917)**	(219,655,527)
Reinsurance expense (Note 7.3)	**4,899,470,920**	4,239,089,404	**4,893,972,774**	4,239,089,404
29. Fee and commission				
Fire	**184,056,937**	136,560,727	**184,056,937**	136,560,727
General accident	**192,857,317**	171,406,246	**192,857,317**	171,406,246
Motor	**29,175,426**	2,511,888	**29,175,426**	2,511,888
Aviation	**-**	-	**-**	-
Oil & Gas	**802,558**	-	**802,558**	-
Marine	**139,282,610**	124,659,046	**139,282,610**	124,659,046
Engineering	**104,767,879**	74,410,511	**104,767,879**	74,410,511
Bond	**63,583,479**	19,469,346	**63,583,479**	19,469,346
	714,526,206	529,017,764	**714,526,205**	529,017,764
Movement - Fee and commission				
Opening Unearned commission (Note 18.2)	**68,805,228**	26,383,647	**68,805,228**	26,383,647
Commission received	**756,315,554**	571,439,345	**756,315,554**	571,439,345
Commission earned	**(714,526,205)**	(529,017,764)	**(714,526,205)**	(529,017,764)
Closing Unearned commission (Note 18.2)	**110,594,576**	68,805,228	**110,594,576**	68,805,228

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		Group		Company	
		Claims expenses 31 DECEMBER 2022	**Claims expenses** 31 DECEMBER 2021	**Claims expenses 31 DECEMBER 2022**	Claims expenses 31 DECEMBER 2021
		N	**N**	**N**	N
30a	**Claims expenses**				
	Claims paid during the year	**4,453,350,219**	3,961,497,940	**3,915,938,942**	3,597,475,453
	Opening IBNR and outstanding claims(Note 15.1)	**(2,837,287,074)**	(2,798,868,569)	**(2,837,287,074)**	(2,798,868,569)
	Closing IBNR and outstanding claims (Note 15.1)	**2,852,726,509**	2,837,287,074	**2,852,726,509**	2,837,287,074
	Gross claims expenses	**4,468,789,653**	3,999,916,445	**3,931,378,377**	3,635,893,958
30b.	**Claims & IBNR recoverable**				
	Claims recoverable				
	Claims recovered (Note 7.3)	**2,082,996,900**	1,528,526,239	**2,082,996,900**	1,528,526,239
	Opening claims recoverable (Note 7.3)	**(2,354,142,508)**	(2,170,714,673)	**(2,354,142,508)**	(2,170,714,673)
	Closing claims recoverable	**2,140,753,774**	2,354,142,508	**2,140,753,774**	2,354,142,508
	Net recoverable	**1,869,608,166**	1,711,954,074	**1,869,608,166**	1,711,954,074

31. Underwriting expenses

	Group		Company	
Underwriting expenses- 2022	**Acquisition expenses**	**Maintenance expenses**	**Acquisition expenses**	**Maintenance expenses**
	N	**N**	**N**	**N**
Fire	**312,778,616**	**69,185,085**	**312,778,616**	**69,185,085**
General accident	**277,817,195**	**71,581,789**	**277,817,195**	**71,581,789**
Motor	**280,052,257**	**286,654,743**	**280,052,257**	**286,654,743**
Aviation	**156,539,010**	**228,248,402**	**156,539,010**	**228,248,402**
Oil & Gas	**339,267,985**	**90,510,699**	**339,267,985**	**90,510,699**
Marine	**153,270,819**	**40,480,595**	**153,270,819**	**40,480,595**
Engineering	**119,899,405**	**31,200,609**	**119,899,405**	**31,200,609**
Bond	**70,893,639**	**19,147,276**	**70,893,639**	**19,147,276**
	1,710,518,926	**837,009,198**	**1,710,518,926**	**837,009,198**
HMO Acquisition expenses	**58,167,049**		**-**	**-**
Microinsurance Acquisition expenses	**1,254,330**			
	1,769,940,305	**837,009,198**	**1,710,518,926**	**837,009,198**

Underwriting expenses- 2021	Acquisition expenses	Maintenance expenses	Acquisition expenses	Maintenance expenses
.	**N**	**N**	**N**	**N**
Fire	226,943,344	54,778,239	226,943,344	54,778,239
General accident	244,701,993	86,699,534	244,701,993	86,699,534
Motor	238,859,002	300,650,151	238,859,002	300,650,151
Aviation	193,871,062	100,834,014	193,871,062	100,834,014
Oil & Gas	396,917,165	111,905,299	396,917,165	111,905,299
Marine	152,512,246	51,100,285	152,512,246	51,100,285
Engineering	87,824,781	12,892,497	87,824,781	12,892,497
Bond	51,783,555	18,284,437	51,783,555	18,284,437
	1,593,413,148	737,144,456	1,593,413,148	737,144,456
HMO Acquisition expenses	44,409,375		-	-
Microinsurance Acquisition expenses	311,403			
	1,638,133,926	737,144,456	1,593,413,148	737,144,456

	Group		Company	
Underwriting expenses	**31 DECEMBER 2022**	**31 DECEMBER** 2021	**31 DECEMBER 2022**	**31 DECEMBER** 2021
	N	**N**	**N**	**N**
Acquisition Expenses	**1,769,940,305**	1,638,133,926	**1,710,518,926**	1,593,413,149
Maintenance Expenses	**837,009,198**	737,144,456	**837,009,198**	737,144,456
	2,606,949,504	2,375,278,382	**2,547,528,124**	2,330,557,605

		Group		Company	
		31 DECEMBER 2022	31 DECEMBER 2021	**31 DECEMBER 2022**	31 DECEMBER 2021
		N	**N**	**N**	**N**
32.	**Investment income**				
	Interest received	**105,986,321**	335,786,055	**168,309,588**	95,422,221
	Interest received on corporate loan	**7,175,836**	6,178,205	**7,175,836**	6,178,205
	Interest accrued	**798,352,398**	371,559,002	**49,601,975**	45,902,740
	Rent income on investment properties	**31,569,000**	12,575,666	**31,569,000**	12,575,666
	Profit on Disposal of financial	**-**	56,839,000	**-**	8,000,000
	Dividend received	**105,020,671**	101,095,583	**166,158,671**	101,095,583
		1,048,104,226	884,033,511	**422,815,070**	269,174,415
	Amortised gain on Debts Security (Note 3.2.4)	**329,570,076**	318,668,456	**329,570,076**	318,668,456
		1,377,674,302	1,202,701,967	**752,385,146**	587,842,871
32.1	**Investment income**				
	Investment income attributable to policyholders' fund	**329,570,076**	318,668,456	**329,570,076**	318,668,456
	Investment income attributable to shareholders' fund	**1,048,104,226**	1,209,689,772	**422,815,070**	269,174,415
		1,377,674,302	1,528,358,228	**752,385,146**	587,842,871
33.	**Other operating income**				
	Profit (Loss) on disposal of property and equipment	**4,665,722**	8,064,378	**4,665,722**	8,064,378
	Interest on staff receivables	**-**	252,682	**-**	252,682
	Exchange gain (Note 33.1)	**590,678,251**	266,543,572	**590,678,251**	266,543,572
	Other income	**61,777,733**	39,815,986	**11,216**	3,000
		657,121,706	314,676,618	**595,355,189**	274,863,632
33.1	**Exchange gain**				
	Gain on disposal of foreign currency	**322,842,500**	91,590,500	**322,842,500**	91,590,500
	Gain/ (loss) from valuation of closing foreign currency balances	**267,835,751**	174,953,072	**267,835,751**	174,953,072
		590,678,251	266,543,572	**590,678,251**	266,543,572
33.2	**Fair Value Through OCI**				
	Items that will be reclassified subsiquently to profit or loss				
	Revaluation of Land & Building (PPE)	**12,883,218**	**115,793,288**	**12,883,218**	115,793,288
	Gain on Fair value through OCI	**8,564,678**	**16,664,419**	**8,493,870**	16,717,912
		21,447,897	**132,457,706**	**21,377,088**	132,511,200
	Deffered tax on Fair value through OCI	**11,662,615**	**7,867,252**	**3,997,115**	7,867,252
	Deffered tax on revaluation surplus Land & Building	**6,062,691**	**54,490,959**	**6,062,691**	54,490,959
		17,725,306	62,358,211	**10,059,806**	62,358,211
34.	**Impairment charged**				
	Cash and cash equivalent (Note 2.2)	**3,717,356**	(1,573,598)	**3,577,958**	(872,669)
	Loans and receivables (Note 3.2)	**(130,957,629)**	(67,242,888)	**(4,000,438)**	(225,717)
	Fixed Deposits (90Days above) Note 3.2.4	**(11,670,465)**		**(11,670,465)**	
	Finance Lease receivable (Note 5.1)	**(37,546,411)**	(8,765,383)	**-**	-
	Reinsurance Assets (Note 7)	**(4,572,949)**	(1,120,810)	**(4,572,949)**	(1,120,810)
	Trade receivables (Note 6.1)	**(1,500,702)**	(221,306)	**-**	-
	Other receivables (Note 9)	**(18,287,103)**	(2,641,941)	**(6,504,293)**	-
	IFRS 9 Adjustment	**-**	-	**-**	-
		(200,817,903)	(81,565,926)	**(23,170,187)**	(2,219,196)
	Impairment no longer required				
	Loans and receivables (Note 3.2.4)	**484,417**	-	**484,417**	-
	Trade receivables (Note 6.1)	**-**	-	**-**	-
	Other receivables (Note 9)	**-**	-	**-**	-
	Inventories (Note 11)	**-**	-	**-**	-
	Finance Lease receivable (Note 5.2)	**-**	-		
		484,417	-	**484,417**	-
	Impairment (charge)/write back	**(200,333,486)**	**(81,565,926)**	**(22,685,770)**	(2,219,196)

	Group		Company	
	31 DECEMBER 2022	31 DECEMBER 2021	**31 DECEMBER 2022**	31 DECEMBER 2021
	N	N	**N**	N
35. Net fair value gain (loss) at fair value through profit or loss				
**Financial assets at fair value through profit or loss	**(52,199,042)**	(135,573,512)	**(64,333,076)**	(135,573,512)
Investment property (Note 12.0)	**124,496,268**	-	**74,496,268**	-
Fair value gains/(loss)	**72,297,226**	(135,573,512)	**10,163,192**	(135,573,512)

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	**(52,199,042)**	(159,457,854)	**(64,333,076)**	(163,235,988)
Closing balance	**(152,550,467)**	(100,351,425)	**(166,346,460)**	(102,013,384)

36. Operating & Administrative expenses				
Employee cost (Note 36a)	**822,404,959**	847,930,814	**673,461,944**	570,018,833
Rent, insurance and maintenance	**285,748,111**	159,080,680	**237,125,951**	131,063,773
Depreciation of property and equipment	**147,045,169**	118,196,881	**114,057,061**	100,318,021
Amortisation of intangible assets	**15,860,288**	11,096,403	**7,378,008**	8,295,149
Auditors' remuneration	**9,932,500**	**11,500,000**	**6,500,000**	7,000,000
Directors' remuneration:	**-**	-		
- Fees	**8,000,000**	8,000,000	**8,000,000**	8,000,000
- Allowance & Expenses	**86,653,586**	83,981,707	**43,537,200**	48,296,907
Professional charges	**280,631,012**	192,429,947	**206,166,386**	175,405,925
Printing and telecommunication	**58,224,820**	32,544,502	**36,233,476**	28,380,525
Advertising	**482,031,489**	313,851,096	**398,187,194**	301,016,411
Travelling and motor vehicle expenses	**197,602,930**	127,810,230	**158,049,956**	77,863,822
Rates, Insurance levy and utilities	**126,225,005**	100,852,909	**100,174,445**	92,684,957
Information Technology (note 20)	**13,571,804**	7,642,155	**13,571,804**	7,642,155
Office running expenses	**41,333,356**	19,975,844	**28,645,970**	19,497,073
Bank charges	**87,853,623**	25,506,876	**29,425,766**	23,406,676
Subscription,Clubs & Donation	**43,286,833**	21,550,394	**38,426,418**	21,550,394
Office security expenses	**51,660,640**	16,032,412	**42,082,801**	14,832,412
Brand management	**86,818,890**	114,062,692	**67,758,239**	105,767,543
Legal and Filing fees	**21,279,698**	6,946,580	**19,279,698**	4,687,038
Penalty	**-**	1,000,000	**-**	-
	2,866,164,714	2,219,992,122	**2,228,062,317**	1,745,727,614

	Group		Company	
	31 DECEMBER 2022	31 DECEMBER 2021	**31 DECEMBER** 2022	31 DECEMBER 2021
	N	N	**N**	N
36a Employee cost				
Wages and salaries	**618,936,472**	687,600,623	**495,300,328**	460,611,447
Medical	**44,984,613**	34,783,773	**41,994,321**	19,215,301
Staff training	**91,737,296**	74,084,569	**89,602,016**	42,598,474
Defined contribution pension plan (Note 19)	**66,746,578**	51,461,849	**46,565,279**	47,593,611
	822,404,959	847,930,814	**673,461,944**	570,018,833

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

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37. Basic/diluted earnings per share

Profit/(loss) after taxation	**1,017,432,947**	790,638,017	**980,051,807**	642,155,338
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)	**9.39**	8.52	**9.04**	5.92

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	
	31 DECEMBER 2022	31 DECEMBER 2021	**31 DECEMBER 2022**	31 DECEMBER 2021
Profit before tax	**1,407,704,796**	971,674,800	**1,366,310,052**	764,215,523
Adjustment for the following;				
Add, Depreciation & amortisation	**147,045,169**	118,196,881	**114,057,061**	100,318,021
Fair value gain on Investment Property	**(124,496,268)**		**(74,496,268)**	
Net fair value loss on financial assets at fair value	**52,199,042**	159,457,854	**64,333,076**	163,235,988
Less :				
Profit /Loss on disposal	**(4,665,722)**	(8,064,378)	**(4,665,722)**	(8,064,378)
Gain on sale of investment property				(8,000,000)
Investment income	**(1,272,653,631)**	(1,101,606,383)	**(586,226,476)**	(486,747,288)
Dividend received	**(105,020,671)**	(101,095,583)	**(166,158,671)**	(101,095,583)
Impairment	**200,333,486**	81,565,926	**22,685,769**	2,219,197
	300,446,201	120,129,117	**735,838,822**	426,081,480
Changes in working capital:				
Increase(deccrease) in trade receivable	**(229,873,405)**	6,068,161	**(229,163,455)**	(62,866,788)
Increase(deccrease) in reinsurance assets	**125,002,766**	(392,359,563)	**125,002,766**	(392,359,563)
Increase(deccrease) in deferred acquisition	**(168,009,730)**	(42,479,867)	**(166,438,693)**	(40,478,557)
Increase(deccrease) in other receivable	**(69,879,851)**	(93,339,392)	**(105,241,335)**	(159,127,066)
Increase(deccrease) in finance lease receivable	**(62,154,922)**	(62,494,410)	**-**	-
		3,561,887	**-**	-
Increase(deccrease) in trade payable	**(13,332,507)**	32,832,425	**(13,332,507)**	32,832,425
Increase(deccrease) in Borrowing	**624,307,880**	50,786,962	**-**	-
Increase(deccrease) in insurance contract liabilities	**1,073,561,083**	265,817,250	**1,029,476,740**	285,205,038
Increase(deccrease) in provision & other payable	**86,335,919**	122,483,724	**75,625,649**	66,356,744
Increase(deccrease) in retirement benefits	**849,599**	(2,053,844)	**(186,420)**	(885,679)
Increase(deccrease) in other Assets	**-**			-
Tax paid	**(131,287,476)**	(69,731,872)	**(109,851,741)**	(65,054,114)
	1,535,965,557	(60,779,422)	**1,341,729,826**	89,703,920

	Group		Company	
	2022 Number	2021 Number	**2022 Number**	2021 Number
39. Staff				
Average number of persons employed in the financial year were as follows:				
Managerial	**36**	31	**28**	26
Senior staff	**155**	124	**117**	109
Junior staff	**17**	23	**15**	16
	208	178	**160**	151

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

N		N	Group 2022	Group 2021	Company 2022	Company 2021
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 2022	Group 2021	Company 2022	Company 2021
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 2022	Group 2021	Company 2022	Company 2021
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		**158**	63	**119**	45
			208	178	**160**	151

40a. Capital commitments

There were no capital commitments as at 31 December 2022.

40b. Contingent liabilities

There were no contigent liabilities against the Group as at 31 December 2022.

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).

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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 DECEMBER 2022				
Operating income	**3,828,721,477**	**527,502,845**	**(82,354,812)**	**4,273,869,510**
Operating expenses	**(2,537,251,237)**	**(350,130,291)**	**21,216,812**	**(2,866,164,715)**
Operating profit	**1,291,470,240**	**177,372,553**	**(61,138,000)**	**1,407,704,795**
Taxation	**(388,065,168)**	**(23,654,577)**	**-**	**(411,719,745)**
Profit for the period	**903,405,073**	**153,717,976**	**(61,138,000)**	**995,985,050**
Total assets	**17,960,910,080**	**2,933,723,059**	**(2,353,891,612)**	**18,540,741,527**
Total liabilities	**7,983,240,042**	**1,504,751,496**	**(759,666,612)**	**8,728,324,926**
Share capital and reserves	**9,977,670,038**	**1,428,971,562**	**(1,594,225,000)**	**9,812,416,600**
Depreciation	**114,057,061**	**32,988,108**	**-**	**147,045,169**
ROCE	**13%**	**12%**	**-**	**14%**
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	2022 **31 DECEMBER**	2021 **31 DECEMBER**
Due from Grand Treasurers Limited	Consolidated Hallmark Insurance PLC	282,594,863	121,013,028
Due from Hallmark Health Services Limited	Consolidated Hallmark Insurance PLC	98,241,499	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	26,626,404	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	

	Group		Company	
	31 DECEMBER 2022	**31 December** 2021	**31 DECEMBER 2022**	**31 December** 2021
	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.

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SOLVENCY MARGIN COMPUTATION AS AT DECEMBER 31, 2022

CONSOLIDATED HALLMARK INSURANCE LIMITED

	TOTAL	**INADMISSIBLE ASSETS**	**ADMISSIBLE ASSETS**
ASSETS			
Cash and Cash Equivalents	1,183,948,834	233,752,369	950,196,465
Financial Assets	6,325,958,061	-	6,325,958,061
Deferred Acquisition Cost	551,735,100	-	551,735,100
Other receivables and prepayments	652,618,272	605,815,607	46,802,665
Reinsurance asset	3,285,437,414	-	3,285,437,414
Trade Receivable	773,060,783	-	773,060,783
Deposit for Shares	-	-	-
Intangible Assets	22,104,164	-	22,104,164
Investment in Subsidiaries	1,594,225,000	-	1,594,225,000
Investment Properties	1,265,226,470	-	1,265,226,470
Property & Equipment - Land & Building	841,350,000	-	841,350,000
Property & Equipment	246,898,164	-	246,898,164
Statutory Deposit	300,000,000	-	300,000,000
Total Assets	17,042,562,262	839,567,976	16,202,994,285
LIABILITIES			
Insurance Contract Liabilities	6,329,021,551	-	6,329,021,551
Trade payables	33,472,651	-	33,472,651
Provision and Other payables	350,746,765	-	350,746,765
Current Income Tax Liabilities	635,139,647	-	635,139,647
Deffered Tax Liability	239,442,368	239,442,368	-
Retirement Benefit Obligation	1,181,508	-	1,181,508
TOTAL LIABILITIES	7,589,004,490	239,442,368	7,349,562,122
			8,853,432,164
SOLVENCY MARGIN (ADMISSIBLE ASSETS MINUS ADMISSIBLE LIABILITIES)			-
Subject to higher of:			
15% OF NET PREMIUM: 15% X ₦6,153,926,739.11	923,089,011		
OR	or		
Minimum paid-up capital	3,000,000,000.00		
EXCESS SOLVENCY MARGIN			

49. Asset & Liability Management

Asset & Liability Management (ALM) is the practice of managing an insurer's financial position so that actions taken with respect to assets and liabilities are designed to address the broad set of financial risks inherent in their joint behavior.

Asset & Liability Management (ALM) attempts to address financial risks the group is exposed to which includes interest rate risks, foreign currency risks, equity price risks and credit risks. The major financial risk is that in the long run its investment proceeds are not sufficient to fund the obligations arising from its insurance contracts.

ALM ensures that specific assets of the group is allocated to cover reinsurance and other liabilities of the group.
The following tables reconcile the consolidated balance sheet to the classes and portfolios used in the Group's ALM framework.

Group 2022

	Insurance fund	Shareholders funds	December 2022
	N	N	N
ASSETS			
Cash and cash equivalents	525,103,432	1,144,373,547	1,669,476,978
Financial assets	-		
-At fair value through profit or loss	-	827,492,588	827,492,588
-At Ammortised Cost	1,930,281,941	5,754,241,033	7,684,522,974
-Fair Value Through OCI	-	132,167,588	132,167,588
Finance lease receivables		210,896,364	210,896,364
Trade receivables		831,493,560	831,493,560
Reinsurance assets	3,285,437,414	-	3,285,437,414
Deferred acquisition cost		565,555,745	565,555,745
Other receivables and prepayments		292,572,354	292,572,354
Investment in subsidiaries		-	-
Intangible Asset		64,109,633	64,109,633
Inventories		2,844,702	2,844,702
Investment properties	1,265,226,470	140,000,000	1,405,226,470
Property and equipment		1,168,945,157	1,168,945,157
Statutory deposit		400,000,000	400,000,000
TOTAL ASSETS	**7,006,049,257**	**11,534,692,270**	**18,540,741,526**
LIABILITIES			
Insurance contract liabilities	6,547,611,485	-	6,547,611,485
Trade payable		33,472,651	33,472,651
Other payables and Provision		429,876,513	429,876,513
Retirement benefit obligations		2,925,281	2,925,281
Income tax liabilities		766,699,256	766,699,256
Deferred income tax		253,908,071	253,908,071
TOTAL LIABILITIES	**6,547,611,485**	**1,486,881,772**	**8,034,493,257**
SURPLUS	**458,437,772**	**10,047,810,498**	**10,506,248,269**

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Group 2021

	Insurance fund	Shareholders funds	December 2021
	N	**N**	**N**
ASSETS			
Cash and cash equivalents	1,594,881,038	1,262,194,201	2,857,075,239
Financial assets	-		
-At fair value through profit or loss	-	988,259,728	988,259,728
-At Ammortised Cost	-	4,183,462,524	4,183,462,524
-Fair Value Through OCI	-	118,834,331	118,834,331
Finance lease receivables		148,741,442	148,741,442
Trade receivables		601,620,155	601,620,155
Reinsurance assets	3,410,440,180	-	3,410,440,180
Deferred acquisition cost		397,546,015	397,546,015
Other receivables and prepayments		222,692,503	222,692,503
Investment in subsidiaries		-	-
Intangible Asset		76,702,920	76,702,920
Right-of-Use Assets (Leased Assets)		6,406,590	6,406,590
Investment properties	1,008,676,470	90,000,000	1,098,676,470
Property and equipment		1,163,708,129	1,163,708,129
Statutory deposit		400,000,000	400,000,000
TOTAL ASSETS	6,013,997,688	9,660,168,538	15,674,166,226
LIABILITIES			
Insurance contract liabilities	5,474,050,401	-	5,474,050,401
Investment contract liabilities			17,660,923
Trade payable		46,805,158	46,805,158
Borrowing			55,800,014
Other payables and Provision		343,540,593	343,540,593
Retirement benefit obligations		2,075,682	2,075,682
Income tax liabilities		462,785,844	462,785,844
Deferred income tax		**259,663,907**	**259,663,907**
TOTAL LIABILITIES	5,474,050,401	1,114,871,184	6,662,382,522
SURPLUS	**539,947,286**	**8,545,297,354**	**9,011,783,704**

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Company 2022

	Insurance fund	Shareholders funds	December 2022
ASSETS			
Cash and cash equivalents	525,103,432	658,845,403	1,183,948,834
Financial assets:			
-At fair value through profit or loss	-	-	805,071,520
-At Ammortised Cost	1,930,281,941	3,460,662,476	5,390,944,417
-Fair Value Through OCI	-	129,942,123	129,942,123
Finance lease receivables	-	-	-
Trade receivables		773,060,783	773,060,783
Reinsurance assets	3,285,437,414	-	3,285,437,414
Deferred acquisition cost	-	551,735,100	551,735,100
Other receivables & prepayments	-	652,618,272	652,618,272
Investment in subsidiaries		1,594,225,000	1,594,225,000
Intangible Assets		22,104,164	22,104,164
Investment properties	1,265,226,470	0	1,265,226,470
Property and equipment		1,088,248,164	1,088,248,164
Right-of-Use of Assets (Leased Assets)		-	-
Statutory deposits		300,000,000	300,000,000
TOTAL ASSETS	**7,006,049,257**	**9,231,441,485**	**17,042,562,262**
LIABILITIES			
Insurance contract liabilities	**6,329,021,551**	-	6,329,021,551
Trade payable		33,472,651	33,472,651
Provision and Other payables		350,746,765	350,746,765
Retirement benefit obligations		1,181,508	1,181,508
Income tax liabilities		635,139,647	635,139,647
Deferred income tax		239,442,368	239,442,368
TOTAL LIABILITIES	**6,329,021,551**	**1,259,982,939**	**7,589,004,490**
SURPLUS	**677,027,706**	**7,971,458,546**	**9,453,557,772**

Company 2021

	Insurance fund	Shareholders funds	December 2021
ASSETS			
Cash and cash equivalents	1,594,881,038	449,424,257	2,044,305,295
Financial assets:			
-At fair value through profit or loss	-	977,972,694	977,972,694
-At Ammortised Cost	-	2,832,142,512	2,832,142,512
-Fair Value Through OCI	-	116,712,997	116,712,997
Finance lease receivables	-	-	-
Trade receivables		543,897,328	543,897,328
Reinsurance assets	3,410,440,180	-	3,410,440,180
Deferred acquisition cost	-	385,296,407	385,296,407
Other receivables & prepayments	-	547,376,936	547,376,936
Investment in subsidiaries		1,594,225,000	1,594,225,000
Intangible Assets		29,482,172	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	6,013,997,688	8,865,885,957	14,879,883,645
LIABILITIES			
Insurance contract liabilities	5,299,544,811	-	5,299,544,811
Trade payable		46,805,158	46,805,158
Provision and Other payables		275,121,117	275,121,116
Retirement benefit obligations		1,367,928	1,367,928
Income tax liabilities		340,135,901	340,135,901
Deferred income tax		247,979,804	247,979,804
TOTAL LIABILITIES	5,299,544,811	911,409,908	6,210,954,718
SURPLUS	714,452,877	7,954,476,049	8,668,928,927

50. Fair Value Hierarchy

IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable Observable input reflect market data obtained from independent sources; unobservable inputs reflect the Company's market assumptions.

The determination of fair value for each class of financial instruments was based on the particular characteristics of the instruments. Group's accounting policy on fair value measurements is discussed under the statement of significant accounting policies.

Level 1: Fair value measurements classified as Level 1 include exchange-traded prices of fixed maturities and equity securities unadjusted in active market for identical assets and liabilities.

Level 2: valuation techniques based on observable inputs. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data. Observable inputs generally used to measure the fair value of securities classified as Level 2 include benchmark yields, reported secondary trades, broker-dealer quotes, issuer spreads, benchmark securities, bids, offers and reference data.

Level 3: This includes financial instruments, the valuation of which incorporate significant inputs for the asset or liability that is not based on observable market data (unobservable inputs). Unobservable inputs are those not readily available in an active market due to market illiquidity or complexity of the product. These inputs are generally determined based on inputs of a similar nature, historic observations on the level of the input or analytical techniques.

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorized:

Group 31 December 2022

Asset Types	Carrying amount	Level 1	Level 2	Level 3	TOTAL
Cash and cash equivalents	1,669,476,978	1,669,476,978			1,669,476,978
Financial assets at fair value through profit and loss	827,492,588	827,492,588	-	-	827,492,588
At Ammortised Cost	7,684,522,974	-	7,684,522,974	-	7,684,522,974
Fair Value Through OCI	132,167,588	-	-	132,167,588	132,167,588
Finance lease receivables	210,896,364			210,896,364	210,896,364
Trade receivables	831,493,560			831,493,560	831,493,560
Reinsurance assets	3,285,437,414			3,285,437,414	3,285,437,414

Group 31 December 2021

Asset Types	Carrying amount	Level 1	Level 2	Level 3	TOTAL
Cash and cash equivalents	2,857,075,239	2,857,075,239			2,857,075,239
Financial assets at fair value through profit and loss	988,259,728	988,259,728	-	-	988,259,728
At Ammortised Cost	4,183,462,523	-	4,183,462,523	-	4,183,462,523
Fair Value Through OCI	118,834,331	-	-	118,834,331	118,834,331
Finance lease receivables	148,741,442			148,741,442	148,741,442
Trade receivables	601,620,155			601,620,155	601,620,155
Reinsurance assets	3,410,440,180			3,410,440,180	3,410,440,180

Company 31 December 2022

Asset Types	Carrying amount	Level 1	Level 2	Level 3	TOTAL
Cash and cash equivalents	1,183,948,834	1,183,948,834			1,183,948,834
Financial assets at fair value through profit and loss	805,071,520	805,071,520	-	-	805,071,520
At Ammortised Cost	5,390,944,417	-	5,390,944,417	-	5,390,944,417
Fair Value Through OCI	129,942,123	-	-	129,942,123	129,942,123
Trade receivables	773,060,783			773,060,783	773,060,783
Reinsurance assets	3,285,437,414			3,285,437,414	3,285,437,414

Company 31 December 2021

Asset Types	Carrying amount	Level 1	Level 2	Level 3	TOTAL
Cash and cash equivalents	2,044,305,295	2,044,305,295			2,044,305,295
Financial assets at fair value through profit and loss	977,972,694	977,972,694	-	-	977,972,694
At Ammortised Cost	2,832,142,512	-	2,832,142,512	-	2,832,142,512
Fair Value Through OCI	116,712,997	-	-	116,712,997	116,712,997
Trade receivables	543,897,328			543,897,328	543,897,328
Reinsurance assets	3,410,440,180			3,410,440,180	3,410,440,180

51. Management of Insurance and Financial risks

Risk Management Framework:

Consolidated Hallmark Insurance Plc has a robust and functional Risk Management System that is responsible for identifying and managing the inherent and residual risks facing the Group. As an insurance company, the management of risk is at the core of the operating structure of Consolidated Hallmark Insurance Plc. As a result, the best risk management practices are deployed to identify, measure, monitor, control and report every material risk prevalent in the business operation.

The Company's Risk Management System is in line with the guidelines as approved by the insurance industry regulator, National Insurance Commission (NAICOM), to identify, assess, manage and monitor the risks inherent in the operations. The risk structure includes our approach to management of risks inherent in the business and the appetite for these risk exposures. Under this approach, we continuously assess the Company's top risks and monitor the risk profile against approved limits. The main strategies for managing and mitigating risk include policies and tools that target specific broad risk categories.

The Company is guided by the following principles to ensure effective integration and to maximize value to stakeholders through an approach that balances the risk and reward in the business. The Company only accepts risks that fall within its risk acceptance criteria and have commensurate returns and continually review its activities to determine inherent risks level and adopt appropriate risk response at all times. It involves broad setting of strategy, risk appetite, performance measurement, establishment and maintenance of internal control and risk management in the business. In addition, business units have the primary responsibility for managing risks and are required to take responsibility for the identification, assessment, management, monitoring and reporting of risks arising within their respective businesses, thereby ensuring an informed risk and reward balance.

The Board sets the organization's risk appetite, approves the strategy for managing risk and is ultimately responsible for the organization's system of internal control. The Board carries out these function by setting Finance and General purpose Committee (FGPC), Board Audit and Risk Management Committee (BARM), Establishment and Governance Committee and Investment Committee. The Board Audit and Risk Management Committee performs the oversight functions of the external auditor and regulatory compliance. It also monitors the internal control process and oversight of enterprise risk management. Finance and General Purpose Committee of the Board functions on oversight of financial reporting and accounting. The Investment Committe reviews and approves the company's investment policy, and approves investment over and above managements' approval limit.

Management is responsible and accountable for ensuring that Risk management policies, framework and procedures are complied with; and Also that the risk profiled for areas under their control are refreshed and updated on a timely basis to enable the collation, analysis and reporting of risks to the Board Committees. Management also ensures that explanations are provided to the Board Committees for any major gaps in the risk profiled and any significant delays in planned treatments for high risk priority matters.

The internal audit function that provides independent and objective assurance of the effectiveness of the Company's systems of internal control is established by the organization in the management of enterprise risks across the organization.The internal audit functions evaluate the design and conceptual soundness of risk measures, accuracy of risk models, soundness of elements of the risk management information systems, adequacy and effectiveness of the procedures for monitoring risk, the progress of plans to upgrade risk management systems, the adequacy and effectiveness of application controls within the risk management information system, and the reliability of the vetting processes.

The Chief Risk Officer (a member of the Management) is responsible for the risk policies, risk methodologies and risk infrastructure. The Chief Risk Office (CRO) informs the Board, as well as the Management about the risk profile of the Company and also communicates the views of the Board and Senior Management down the Company. The CRO is also responsible for independently monitoring the broad risk limits set by the Board throughout the year.

a) Insurance Risk Management

The principal risk the Group faces under insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of the Group is to ensure that sufficient reserves are available to cover these liabilities.

Frequency and severity of claims can be affected by several factors. The most significant are the increasing level of damages suffered as a result of road accidents. The Group manages these risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling. The Group has the right to reject the payment of a fraudulent claim, and is entitled to pursue third parties for paymentof some or all costs.

The above risk exposure is mitigated by diversification across a large portfolio of insurance. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance arrangements.

The Group also has special claims unit that ensures mitigation of the risks surrounding all known claims. This unit investigates and adjusts all claims in conjunction with appointed loss adjusters. The Group actively manages and pursues early settlements of claims to reduce its exposure to unpredictable development.

The Group purchases reinsurance as part of its risks mitigation program. Retention limits for the excess-of-loss reinsurance vary by product line.

Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts. Although the Company has reinsurance arrangements, it is not relieved of its direct obligations to its policy holders and thus a credit exposure exists with respect to ceded insurance, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance agreements.

The Group writes insurance primarily over a twelve month duration. The most significant risks arise through high severity, low frequency events such as natural disasters or catastrophes. A concentration of risk may arise from insurance contracts issued in a specific geographic location since all insurance contracts are written in Nigeria.

The Group manages this risk via its underwriting and reinsurance strategy within an overall risk management framework. Exposures are limited by having documented underwriting limits and criteria. Pricing of property and liability policies are based on assumptions in regard to trends and past experience, in an attempt to correctly match policy revenue with exposed risk. Reinsurance is purchased to mitigate the effect of the potential loss to the Company. Reinsurance is placed with African Reinsurance Corporation, WAICA Reinsurance Corporation Plc and Continental Reinsurance Plc, these are Nigerian registered reinsurer.

a(i) Insurance risk associated with uncertainty in the estimation of future claim payments

Claims insurance contracts are payable on a claims-occurrence basis. The Company is liable for all insured events that occurred during the term of the contract. There are several variables that affect the amount and timing of cash flows from these contracts. These mainly relate to the inherent risks of the business activities carried out by individual contract holders and the risk management procedures they adopted. The Company takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. Although, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established. Certains reserves are held for these contracts which are provision for IBNR, a provision for reported claims not yet paid and a provision for uneared premium at the end of the reporting period.

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

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

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

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

Executive Summary
Recommendation

Following the completion of the reserving exercise, it is EY’s recommendation that the following Gross Incurred But Not Reported (“IBNR”) Reserve be held.This analysis relies on information and reasonability checks as provided by Consolidated Hallmark Insurance Plc.

We have calculated the IBNR reserve for each class of business and summarise our results below .The IBNR reserve is shown as a percentage of Gross Earned Premium (“GEP”).

Class of Business	Premium ₦	Gross IBNR ₦	GEP ₦
31 December,2022	11,047,899,514	1,516,712,086	**14%**
31 December,2021	9,777,260,944	1,297,753,309	**13%**

The Gross IBNR decreased by 13% from last year to a total of N848.65million. This decrease is supported by a 3% decline in Gross Earned Premium from 2016 to 2017.

On a Net Basis it is recommended that the following Net IBNR reserve be held. The comparable figures as at the last valuation are included. The IBNR reserve is shown as the percentage of Net Earned Premium ("NEP") in the table below.

Class of Business	Net Earned Premium ₦	Net IBNR ₦	Percentage of NEP ₦
31 December,2022	6,153,926,739	522,400,667	**8%**
31 December,2021	5,538,171,540	392,326,836	**11%**

Results summary

We estimate that the total Gross Technical Liability is N5.299 billion, comprising N2.837 billion for Gross Claims Reserves and N2.462 billion for Unearned Premium Reserve. Similarly, we estimate that the total Reinsurance Asset is N2.858 billion comprising N1.791 billion for Reinsurance Recoveries and N1067 billion for Reinsurance UPR including a detailed breakdown by line of business are shown below:

Reserves	Gross (₦)	Reinsurance Assets (₦)	Net (₦)
Claims	2,852,726,509	(1,562,873,898)	1,289,852,611
UPR	3,476,295,042	(1,159,980,388)	1,516,712,086
Total	6,329,021,551	(2,722,854,286)	2,806,564,697
31 December,2022	5,299,544,811	(1,603,819,225)	**1,475,520,132**

Table 6.1: *Basic Chain Ladder Method*

Class of Business	Gross Outstanding Claims ₦	Estimated Reinsurance Recoveries ₦	Net Outstanding Claims ₦
General Accident	951,867,080	(578,629,910)	373,237,170
Engineering	195,806,189	(106,017,032)	89,789,157
Fire	521,165,316	(390,873,987)	130,291,329
Marine	429,516,412	(223,348,534)	206,167,878
Motor	363,660,331	(44,098,554)	319,561,777
Aviation*	123,899,860	(54,932,441)	68,967,419
Bond*	22,478,975	(13,487,385)	8,991,590
Oil & Gas*	244,332,346	(151,486,055)	92,846,291
31 December,2022	**2,852,726,509**	**(1,562,873,898)**	**1,289,852,611**
31 December,2021	**2,837,287,074**	**(1,791,842,471)**	**1,045,444,603**

**Estimated using Expected Loss Ratio method and discounted*

Incurred But Not Reported (IBNR) Table

Table 6.2: IBNR Table

Class of Business	Outstanding Claim Reserves ₦	Outstanding Reported Claim Reserves ₦	IBNR ₦
General Accident	951,867,080	632,373,254	319,493,826
Engineering	195,806,189	44,471,880	151,334,309
Fire	521,165,316	168,853,860	352,311,456
Marine	429,516,412	169,435,744	260,080,668
Motor	363,660,331	174,209,322	189,451,009
Aviation	123,899,860	75,759,462	48,140,398
Bond	22,478,975	5,909,416	16,569,559
Oil & Gas	244,332,346	65,001,485	179,330,861
TOTAL	**2,852,726,509**	**1,336,014,423**	**1,516,712,086**

Reinsurance IBNR Table

Table 6.3: Reinsurance IBNR Table

Class of Business	Total Outstanding Reinsurance Recoveries ₦	Outstanding Reported Reinsurance Recoveries ₦	Reinsurance IBNR ₦
General Accident	578,629,910	345,078,992	233,550,918
Engineering	106,017,032	32,596,685	73,420,347
Fire	390,873,987	93,735,356	297,138,631
Marine	223,348,534	60,978,125	162,370,409
Motor	44,098,554	-	44,098,554
Aviation	54,932,441	-	54,932,441
Bond	13,487,385	-	13,487,385
Oil & Gas	151,486,055	-	151,486,055
TOTAL	**1,562,873,898**	**532,389,158**	**1,030,484,740**

UPR (Gross and Reinsurance UPR) – Result Table

Table 6.4: *Estimated UPR (net of reinsurance)*

Class of Business	Gross UPR ₦	Reinsurance UPR ₦	NET UPR ₦
General Accident	339,151,136	143,892,774	195,258,362
Engineering	163,976,093	86,562,668	77,413,425
Fire	383,027,502	166,513,202	216,514,300
Marine	138,115,979	104,307,065	33,808,914
Motor	814,032,695	9,207,150	804,825,545
Aviation	101,476,097	97,680,810	3,795,287
Bond	50,919,864	15,421,170	35,498,694
Oil & Gas	471,558,371	443,436,632	28,121,739
Total	**2,462,257,736**	**1,067,021,471**	**1,395,236,265**

DAC – Result Table

We summarise our DAC and DAR calculated using the 365th method in

Table 6.5: *Estimated DAC*

Class of Business	DAC ₦	DAR ₦
General Accident	77,598,662	27,881,106
Engineering	94,949,779	27,048,153
Fire	105,573,435	36,629,908
Marine	25,440,673	8,925,908
Motor	127,628,801	1,326,889
Aviation	15,375,903	-
Bond	28,117,346	8,782,612
Oil & Gas	77,050,501	-
Total	**551,735,100**	**110,594,576**

Additional Unexpired Risk Reserve (AURR)

We derived our expense ratio as the management expense ratio for the current year using the information provided by Consolidated Hallmark Insurance Plc.The current expense ratio was calculated to be about 40%. We do not have breakdown of management expenses by line of business and hence expense ratio has been estimated on a pooled basis and not per line of business.

The Claims Ratio was estimated as the average of the projected ultimate loss ratio in the last three years.

We have illustrated the combined ratio for each line of business with a maximum combined ratio of 97% for Fire in the table below. The resulting AURR as at the valuation date is Nil due to lower than 100% combined ratio for all the lines of business.

Table 6.6: *Loss Ratio Table*

Class of Business	Claims Ratio	Combined Ratio	AURR N
General Accident	53%	86%	-
Engineering	22%	56%	-
Fire	18%	51%	-
Marine	27%	61%	-
Motor	34%	68%	-
Aviation	50%	83%	-
Bond	6%	40%	-
Oil & Gas	33%	67%	-
Total			

<u>**Valuation Methodology**</u>

We describe in this section the methods used for calculating Premium and Claim Reserves.

The Premium Reserves

Our reserves consist of Unearned Premium Reserve ("UPR"), Unexpired Risk Reserve ("URR") and Additional Unexpired Risk Reserve ("AURR"), which are all described in section 3.

We adopted the 365th (time apportionment) method.Each policy's unexpired insurance period **(UP)** was calculated as the exact number of days of insurance cover available after the valuation date.The UPR is calculated as the premium *(UP)/ full policy duration.

Each policy's URR =UP*Assumed loss Ratio.

Typically, the Unearned Risk Reserve is expected to cover the unexpired risk. Where the unexpired risk exceeds the unearned premium we have held, an additiional reserve called Additional Unexpired Risk Reserve (AURR) as described in section 3.

The Claims Reserves

The claim reserves is the sum of:

Reserving method

To ensure the estimates calculated are not biased by the underlying assumptions of the model chosen, four different deterministic methods were considered ;

Chain Ladder Method (BCL)
Loss Ratio Method
Bornhuetter-Ferguson Method
Frequency and Severity Method
Stochastic Reserving Method (Bootstrap)

In estimating the Gross Claim Reserves under the Chainladder method, we used four(4) approaches namely:

The following section describes each of these approches under the chainladder method in turn;

The Basic Chain Ladder Method (BCL)

The Basic Chain Ladder method forms the basis to the deterministic reserving methods explained below. For each class of business, historical paid claims were grouped into accident year cohorts–representing when they were paid after their accident year. These cohorts form the development triangles.

Each accident years, paid claims were accumulated to the valuation date and projected into the future to attain the expected ultimate claim arising in the year.This assumes the trends observed in the historical data will continue. The gross claim reserve is calculated as the difference between the cumulated paid claims and the estimated ultimate claims.

For the later years where the cohorts are underdeveloped or has less than expected claims, the Bornheutter Ferguson (BF) method was used to estimate the ultimate claims. The appropriate loss ratio used in estimating the BF ultimate claim was the average of fully developed historical years.

The Inflation Adjusted Basic Chain Ladder Method (IABCL):

Under this method, the historical paid losses were adjusted to allow for inflation to the valuation date using the corresponding inflation index in each of the accident years.

The inflation adjusted claims were then treated similarly to the Basic Chain Ladder described above. The projected incremental paid claims are then inflated based on our future inflation assumption to the expected future payment date.

Discounted BCL and IABCL

This is the discounted form of the BCL and IABCL. In determining the value, the future expected cash flow for claim payments is discounted to present day terms using our assumed discount rate.

Loss Ratio Method

In 2018, reserves derived using ELR method were discounted assuming a development pattern. The available information is not sufficient to justify the assumed development pattern, hence we did not allow for discounting in 2019.

Bornhuetter-Ferguson Method

This method essentially combines the estimates attained from the above two methods.The BF method takes a weighted average of the two estimates, where the weights are related to the number of claims already reported. Therefore, the more past information there is available, the higher the weighting given to the chain ladder estimate.

Frequency and Severity Method

This method investigates the trend of the claim frequency and average cost per claim for each accident year. An Average of the fully run off accident years was used as a guide on the ultimate claim frequency and ultimate average cost which was then adopted for the accident years that are not fully run off.

Large Losses

Large losses distorting the claims payment trend was excluded from all our chain ladder projections and analyzed separately using the Average Cost per claim method. This is illustrated in Appendix 1.

We have adopted the official inflation indices below in our calculations:

Class of Business	Large Loss	Comment on Derivation
Motor	10,000,000	10m assumed
General Accident	10,000,000	10m assumed
Engineering	10,000,000	10m assumed
Fire	27,340,640	Mean + 3SD
Marine	15,742,698	Mean + 3SD
Aviation	N/A	Not Applicable
Bond	N/A	Not Applicable
Oil & Gas	N/A	Not Applicable

Stochastic Reserving Method (Bootstrap)

This method is a further extension of the chain ladder method.It provides a distribution of possible result rather than producing a single deterministic estimate. The approach starts with calculating the age-to-age ratios of loss development table. Unlike the chain ladder, the method takes randomly from the age-to-age ratios with replacement to produce a reserve estimate. Simulating this step 10,000 times results in a selection of 10,000 loss development factors and each time it makes a selection, it computes our estimated gross claim reserve. Running this 10,000 times therefore results in 10,000 possible estimated claim estimates. The final results is then a statistics (a mean or percentile) of the distribution. We at least recommend the mean of the gross claim reserve as our best estimate and the difference between 90, 95 or 99.5 percentile and our mean will serve as the capital required to cover any reserving risk.

Net of Reinsurance Claim reserves

Reinsurance recoveries were calculated using the same methodology as the gross reserves. However, the reinsurance recoveries for Aviation line of business was based on recovery rate approach due to significant changes to Aviation treaty programme in 2016. About 1% of the portfolio was based on excess of loss arrangement and the remaining 99% was based on 99.94% quota share. For the excess of loss component, we derived our recovery rate assumption as average of reinsurance share to gross outstanding reported claims for 2016 and 2017. This ratio was applied to 2017 gross claims reserve to determine the reinsurance recovery.

Valuation Results

We summarise 4 sets of results in this section under the following methods:

§ Basic Chain Ladder**– with claims discounted and undiscounted**

Basic Chain Ladder – Result Table

We present Gross claims technical reserves under Basic Chain Ladder,

Table 5.1a *: Basic Chain Ladder Method*

Class of Business	Gross Outstanding Claims N	Estimated Reinsurance Recoveries N	Net Outstanding Claims N
General Accident	951,867,080	(578,629,910)	373,237,170
Engineering	195,806,189	(106,017,032)	89,789,157
Fire	521,165,316	(390,873,987)	130,291,329
Marine	429,516,412	(223,348,534)	206,167,878
Motor	363,660,331	(44,098,554)	319,561,777
Aviation*	123,899,860	(54,932,441)	68,967,419
Bond*	22,478,975	(13,487,385)	8,991,590
Oil & Gas*	244,332,346	(151,486,055)	92,846,291
		-	-
			-
TOTAL	**2,852,726,509**	**(1,562,873,898)**	**1,289,852,611**
Accounts (Outstanding Claims)	**1,336,014,423**	**(532,389,158)**	**803,625,265**
Difference	1,516,712,086	(1,030,484,740)	486,227,346

**Estimated using Expected loss ratio method*

***Estimated using Expected loss ratio method and Outstanding Reported Recovery was held as Total Reinsurance Recovery*

***Table 5.1b**: Discounted Basic Chain Ladder Method*

Class of Business	Gross Outstanding Claims ₦	Estimated Reinsurance Recoveries ₦	Net Outstanding Claims ₦
General Accident	718,845,789	(490,017,733)	228,828,056
Engineering	176,799,277	(93,518,394)	83,280,883
Fire	479,748,688	(359,811,516)	119,937,172
Marine Hull	367,000,433	(190,840,225)	176,160,208
Motor	330,759,198	(40,958,757)	289,800,441
Aviation	123,899,860	(54,932,441)	68,967,419
Bond**	20,929,384	(12,557,630)	8,371,754
Oil & Gas**	186,530,280	(115,648,773)	70,881,507
			-
TOTAL	**2,404,512,909**	**(1,358,285,469)**	**1,046,227,440**
Accounts (Outstanding Claims)	**1,336,014,423**	**(532,389,158)**	**803,625,265**
Difference	1,068,498,486	(825,896,311)	242,602,175

**Estimated using Expected loss ratio method and discounted*

***Estimated using Expected loss ratio method and Outstanding Reported Recovery was held as Total Reinsurance Recovery*

Basic Chain Ladder Method – Result Table

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

Class of Business	Gross Outstanding Claims ₦	Estimated Reinsurance Recoveries ₦	Net Outstanding Claims ₦
General Accident	1,169,722,525	(589,784,120)	579,938,405
Engineering	232,235,582	(115,026,276)	117,209,306
Fire	657,952,649	(493,464,487)	164,488,162
Marine Hull	454,031,936	(236,096,607)	217,935,329
Motor	484,293,454	(48,891,469)	435,401,985
Aviation	123,899,860	(54,932,441)	68,967,419
Bond**	22,478,975	(13,487,385)	8,991,590
Oil & Gas**	244,332,346	(151,486,055)	92,846,291
			-
TOTAL	**3,388,947,327**	**(1,703,168,840)**	**1,685,778,487**
Accounts (Outstanding Claims)	**1,336,014,423**	**(532,389,158)**	**803,625,265**
Difference	2,052,932,904	(1,170,779,682)	882,153,222

**Estimated using Expected loss ratio method*

***Estimated using Expected loss ratio method and Outstanding Reported Recovery was held as Total Reinsurance Recovery*

a(ii) Expected Loss Ratio Method: This model was adopted because the volume of data available is too small to be relied upon when using a statistical approach. The reserve for oil & Gas, Bond, Aviation and Engineering was estimated based on this method. Under this method, we obtained the ultimate claims by assuming loss ratio. Paid claims already emerged is then allowed for from the estimated Ultimate claim.

b) Sensitivity analysis:- Claims

Sensitivity analysis attempts to estimate likely amount of reserves at rare/worst case scenarios. The estimated claim amounts can never be an exact forecast of future claim amounts and therefore looking at how these claim amounts vary could provide valuable information for business planning and risk appetite considerations. Results of sensitivity testing based on expected loss ratios are as follows, shown gross and net of reinsurance as impact on pre-tax income:

Sensitivity Analysis - Claims:		
	2022(M)	**2021(M)**
Gross Premium Earned	11,048	9,777
Reinsurance cost	4,894	4,239
Gross Claim incurred	3,931	3,636
Claims ratio	**36%**	**37%**
5% increase in claims	4,128	3,818
Claims ratio	**37%**	**39%**
5% reduction in claims	3,735	3,454
Claims ratio	**34%**	**35%**

PBT	**1,366**	**764**
5% increase in claims	**(197)**	**(182)**
PBT	**1,170**	**582**
SHF	**9,454**	**8,669**
5% increase in claims	**(197)**	**(182)**
SHF	**9,257**	**8,487**

A 5% increase or decrease in general Gross Claim experience translates to less than 10% impact on the operating performance of the group. The possibility of a 5% decline in claims experience is considered a rare occurence.

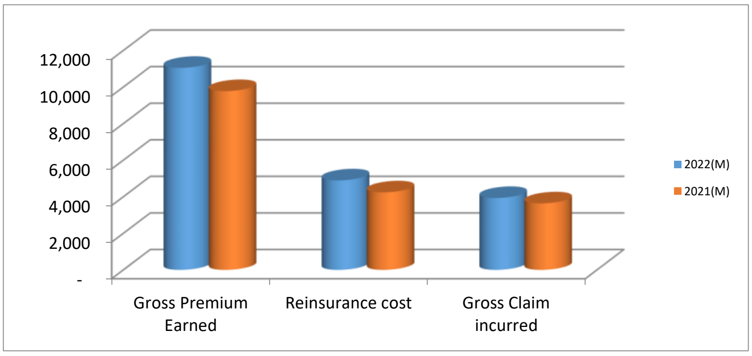


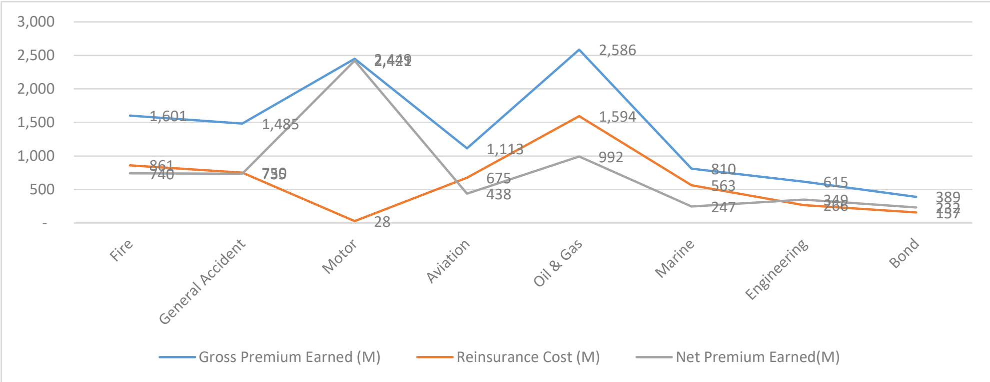
Figure 1 : Gross Premium earned vs Reinsurance Cost vs Gross Claim incured. (2022 & 2021)

c) *Risk Concentration*

Management assesses risk concentration per class of business. The concentration of insurance risk before and after reinsurance by class in relation to the type of insurance risk accepted is summarized below, with reference to the amount of gross and net premium earned before and after reinsurance respectively:

Year ended 31st December, 2022

Product	**Gross Premium Earned (M)**	**Reinsurance Cost (M)**	**Net Premium Earned(M)**
Fire	1,601	861	740
General Accident	1,485	750	735
Motor	2,449	28	2,421
Aviation	1,113	675	438
Oil & Gas	2,586	1,594	992
Marine	810	563	247
Engineering	615	266	349
Bond	389	157	232
	11,048	4,894	**6,154**



. Figure 2 : Gross premium earned vs Reinsurance Cost per class . (2022)

Year ended 31st December, 2021

Product	Gross Premium Earned	Reinsurance Cost	Net Premium Earned
Fire	1,007	531	477
General Accident	1,211	595	616
Motor	2,135	21	2,115
Aviation	951	421	530
Oil & Gas	2,646	1,532	1,114
Marine	585	230	355
Engineering	604	285	319
Bond	203	78	125
	9,344	**3,692**	**5,652**

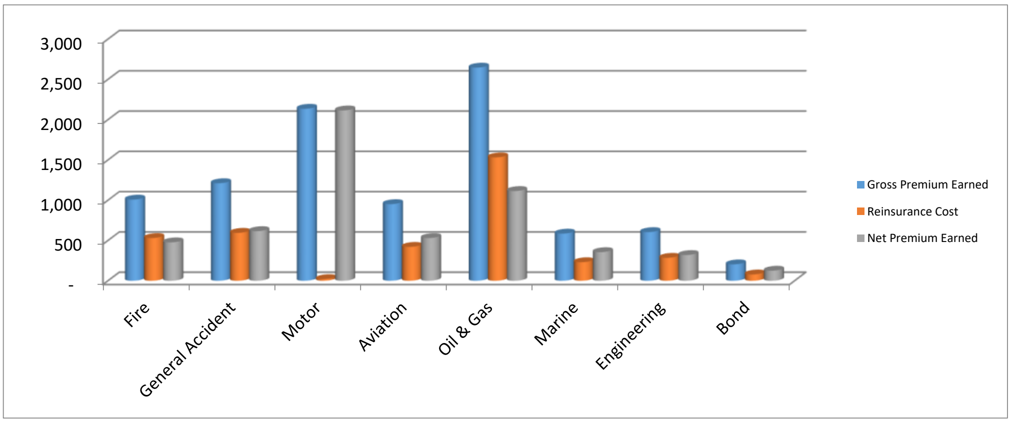
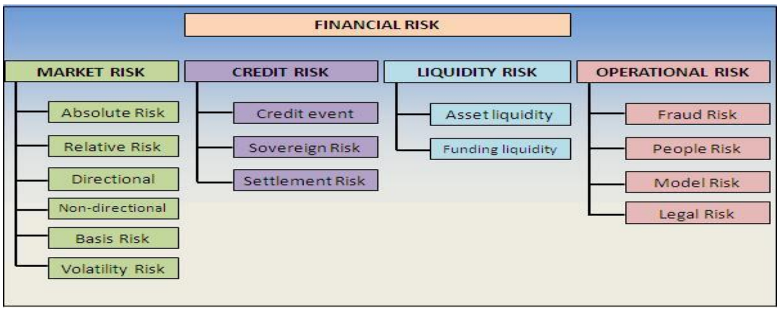


Figure 3 : Gross premium earned vs Reinsurance Cost per class. (2021)

d. Financial Risks Management (FRM)

Risk Classification: Most financial risk can be categorized as either systematic or non-systematic. **Systematic risk** affects an entire economy and all of the businesses within it; an example of systematic risk would be losses due to a recession. **Non-systematic risks** are those that vary between companies or industries; these risks can be avoided completely through careful planning. There are several types of systematic risk. Interest risk is the risk that changing interest rates will make your current investment's rate look unfavorable. Inflation risk is the risk that inflation will increase, making your current investment's return smaller in relation. Liquidity risk is associated with "tying up" your money in long-term assets that cannot be sold easily. There are also different types of non-systematic risk. Management risk is the risk that bad management decisions will hurt a company in which you're invested. Credit risk is the risk that a debt instrument issuer (such as a bond issuer) will default on their repayments to you. Consolidated Hallmark Insurance Plc is exposed to an array of risks through its operations. the Company has identified and categorized its exposure to these broad risks listed below: Market Risk, Credit Risk, Operational Risk, Liquidity Risk, Interest Rate Risk, Reputaional Risk, Foreign Currency Risk, Equity risk.

d(i) ***Financial risk*** is an umbrella term for multiple types of risk associated with financing, including financial transactions that include group loans in risk of default. Financial risk is one of the high-priority risk types for every business. Financial risk is caused due to market movements and market movements can include host of factors. Based on this, financial risk can be classified into various types such as Market Risk, Credit Risk, Liquidity Risk, Operational Risk and Legal Risk.The Group has exposure to the following risks and their management approach are disclosed in the accompanying explanatory notes:



d(ii) Operational risks

Operational risks are the risks of direct or indirect loss arising from a wide variety of causes associated with the company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the company's operations.

The Company's objective is to manage operational risks so as to balance the avoidance of financial losses and damage to the company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each unit. This responsibility is supported by the development of operational standards for the management of operational risk in the following areas:
- requirements for appropriate segregation of duties, including independent authorisation of
- requirements for the reconciliation and monitoring of transactions.
- compliance with regulatory and other legal requirements.
- documentation of controls and procedures.
- training and professional development.
- ethical and business standards.
- adequate insurance and reinsurance protection purchased

Reinsurance is placed with African Reinsurance Corporation, WAICA Reinsurance Corporation Plc and Continental Reinsurance Plc, these are Nigerian registered reinsurer. Management monitors the creditworthiness of the Reinsurers by reviewing their annual financial statements and through ongoing communications. Reinsurance treaties are reviewed annually by management prior to renewal of the reinsurance contract.

d(iii) Credit risks

Credit risk is the risk of financial loss to the Group if a debtor fails to make payments of interest and principal when due. The Group is exposed to this risk relating to its debt holdings in its investment portfolio and the reliance on reinsurers to make payment when certain loss conditions are met.

Sources of credit risk identified are Direct Default Risk that the Group will not receive the cash flows or assets to which it is entitled because a party with which the firm has a bilateral contract defaults on one or more obligations. Downgrade Risk that changes the possibility of future default by an obligor will adversely present value of the contract with the obligor today and Settlement risk arising from lag between the value and settlement dates of transactions. All these risks are closely monitored and measures are put in place to minimise the Groups exposure to them.

On insurance receivables, the Group has a credit control policy which is enforced by a credit control unit and which forms part of the underwriting process. In addition, the Maximum exposure to credit risk before collateral held or other credit enhancements:

	Group		Company	
Overall credit risk	**2022**	2021	**2022**	2021
Reinsurance contracts	**3,285,437,414**	3,410,440,180	**3,285,437,414**	3,410,440,180
Amortised cost	**7,684,522,974**	4,183,462,523	**5,390,944,417**	-
Trade receivables	**831,493,560**	601,620,155	**773,060,783**	543,897,328
Short-term funds treated as investment	**618,734,570**	1,692,090,134	**618,734,570**	1,692,090,134
Treasury bills	**-**	-	**-**	-
Equity investment	**827,492,588**	988,259,728	**805,071,520**	977,972,694
Cash and bank	**1,145,713,567**	1,263,673,620	**658,845,403**	449,424,257

The table below analyses end of the year values of the above exposures:

	Fair value as at 2022	Fair value as at 2021	**Fair value as at 2022**	Fair value as at 2021
Reinsurance contracts	**3,285,437,414**	3,410,440,180	**3,285,437,414**	3,410,440,180
Amortised cost	**7,684,522,974**	4,183,462,523	**5,390,944,417**	-
Trade receivables	**831,493,560**	601,620,155	**773,060,783**	543,897,328
Short-term funds treated as investment	**618,734,570**	1,692,090,134	**618,734,570**	1,692,090,134
Treasury bills	**-**	-	**-**	-
Equity investment	**827,492,588**	988,259,728	**805,071,520**	977,972,694
Cash and bank	**1,145,713,567**	1,263,673,620	**658,845,403**	449,424,257
	14,393,394,673	12,139,546,340	**11,532,094,107**	7,073,824,593

For credit risk purpose, the trade debtors are grouped into three categories:
Group A – the maximum trade credits allowed per participant under this group is N10m.
Group B – the maximum trade credits allowed per participant under this group is N7m.
Group C – the maximum trade credits allowed per participant under this group is N5m.
Past experience is used in grouping the debtors since most of the clients are not rated.
The profit before tax of the Group will be reduced by N389m if the overall credit is impaired by 5%

Loan issued to corporate / individuals				
Balance as at 31st December	**2,622,061,024**	1,552,789,443	**5,188,038**	-
Impairment on loans issued to corporate and individuals (Note 3.2.4)	**(328,482,467)**	(201,525,275)	**-**	-
	2,293,578,557	1,351,264,168	**5,188,038**	-

Maximum exposure to credit risk before collateral held or other credit enhancements:

	Group		**Company**	
	2022 =N='000	2021 =N='000	**2022 =N='000**	2021 =N='000
Neither past due nor impaired	9,151,653	5,264,851	6,946,566	1,002,765
Past due but not impaired	-	10,500	-	88,509
Impaired	328,482	201,525	-	-
Gross	9,480,135	5,476,876	6,946,566	1,091,274
Impairment allowance - collective	(474,007)	(273,844)	(347,328)	(54,564)
Net	9,006,128	5,203,032	6,599,238	1,036,710

Credit quality of financial assets per asset class-Group

31-Dec-22	**Cash and cash equivalents**	**Trade receivables**	**Amortised cost**
Neither past due nor impaired	**1,669,476,978**	**831,493,560**	**8,187,991,691**
Past due but not impaired		**-**	**-**
Impaired	**94,971,159**	**-**	**328,482,467**
Gross	**1,764,448,137**	**831,493,560**	**8,516,474,158**
Impairment allowance - collective	**(88,222,407)**	**(41,574,678)**	**(425,823,708)**
Net	**1,676,225,730**	**789,918,882**	**8,090,650,450**

Credit quality of financial assets per asset class-Group

31-Dec-21	Cash and cash equivalents	Trade receivables	Amortised cost
Neither past due nor impaired	2,857,075,239	601,620,155	4,554,896,468
Past due but not impaired		-	-
Impaired	98,688,515	-	201,525,275
Gross	2,955,763,754	601,620,155	4,756,421,743
Impairment allowance - collective	(147,788,188)	(30,081,008)	(237,821,087)
Net	2,807,975,566	571,539,147	4,518,600,656

Credit quality of financial assets per asset class-Company

31-Dec-22	**Cash and cash equivalents**	**Trade receivables**	**Amortised Cost**
Neither past due nor impaired	**1,183,948,834**	**773,060,783**	**5,893,562,189**
Past due but not impaired		**-**	**150,000,500**
Impaired		**-**	**-**
Gross	**1,183,948,834**	**773,060,783**	**6,043,562,689**
Impairment allowance - collective	**-**	**(38,653,039)**	**(302,178,134)**
Net	**1,183,948,834**	**734,407,744**	**5,741,384,555**

Credit quality of financial assets per asset class-Company

31-Dec-21	Cash and cash equivalents	Trade receivables	Amortised Cost
Neither past due nor impaired	2,044,305,295	543,897,328	3,229,518,948
Past due but not impaired		-	150,000,500
Impaired		-	-
Gross	2,044,305,295	543,897,328	3,379,519,448
Impairment allowance - collective	-	(27,194,866)	(168,975,972)
Net	2,044,305,295	516,702,462	3,210,543,476

(a) Financial assets neither past due nor impaired

The credit quality of the portfolio of insurance receivables and other loans and receivables, debt securities and other financial asset exposed to credit risk that were neither past due nor impaired can be assessed by reference to the capacity of the business to pay on written businesses. The Group does not rate any of its financial assets measured at amortised cost.

The assets above are analysed in the table below either using Standard & Poors or GCR rating agencies. Government securities are rated using soveregn rate.

Group	**A+**	**AA-**	**BBB-**	**Below BBB**	**Not rated**
31-Dec-22					
Cash and cash equivalents	**622,751,963**	**22,603,595**	**931,929,162**	**68,717,900**	**23,474,359**
Trade receivables					**831,493,560**
Amortised cost		**4,037,701,315**	**225,137,342**		**3,421,684,317**
Other assets		**-**			**292,572,354**
Reinsurance assets				**3,285,437,414**	**-**
Debt securities				**-**	
	622,751,963	**4,060,304,910**	**1,157,066,504**	**3,354,155,314**	**4,569,224,590**

Group	A+	A	BBB-	Below BBB	Not rated
31-Dec-21					
Cash and cash equivalents	833,298,552	761,604,573	931,929,162	306,768,594	23,474,359
Trade receivables					601,620,155
Loans and other receivables		2,217,065,778	282,437,371		1,683,959,375
Other assets		-			222,692,503
Reinsurance assets				3,410,440,180	-
Debt securities				-	
	833,298,552	2,978,670,351	1,214,366,533	3,717,208,774	2,531,746,392

Company	**A+**	**A**	**BBB-**	**Below BBB**	**Not rated**
31-Dec-22					
Cash and cash equivalents	**622,751,963**	**22,603,595**	**331,929,162**	**183,189,756**	**23,474,359**
Trade receivables					**773,060,783**
Amortised cost		**4,037,701,315**	**225,137,342**		**1,128,105,761**
Other assets		**-**			**652,618,272**
Reinsurance assets				**3,285,437,414**	**-**
Debt securities				**-**	
	622,751,963	**4,060,304,910**	**557,066,503**	**3,468,627,170**	**2,577,259,174**

Company	A+	A	BBB-	Below BBB	Not rated
31-Dec-21					
Cash and cash equivalents	833,298,552	761,604,573	331,929,162	93,998,649	23,474,359
Trade receivables					543,897,328
Loans and other receivables					2,832,142,512
Other assets		-			547,376,936
Reinsurance assets				3,410,440,180	-
Debt securities				-	
	833,298,552	761,604,573	331,929,162	3,504,438,829	3,946,891,135

(b) Age Analysis financial assets past due but not impaired

Group **31-Dec-22**	**< 90 days**	**91-180 days**	**181-270 days**	**271-365 days**	**Above 365days**
Trade receivables	**838,080,324**	**0**			
Total	**838,080,324**	**0**	**0**	**-**	**-**
Profile	**101%**	**0%**	**0%**	**0%**	**0%**

Group

31-Dec-21	< 90 days	91-180 days	181-270 days	271-365 days	1-2 yr
Trade receivables	606,706,217	-			
Total	606,706,217	-	-	-	-
Profile	101%	0%	0%	0%	0%

Company

31-Dec-22	**< 90 days**	**91-180 days**	**181-270 days**	**271-365 days**	**Above 365days**
Trade receivables	**773,060,783**	**0**			
Total	**773,060,783**	**-**	**-**	**-**	**-**
Profile	**100%**	**0%**	**0%**	**0%**	**0%**

Company

31-Dec-21	< 90 days	91-180 days	181-270 days	271-365 days	1-2 yr
Trade receivables	543,897,328	-			
Total	543,897,328	-	-	-	-
Profile	100%	0%	0%	0%	0%

IMPAIRMENT MODEL

Premium debtors are measured at amortised cost, less provision for impaired receivables. Under IFRS, an asset is impaired if the carrying amount is greater than the recoverable amount. IAS 39 favours the use of the incurred loss model in estimating the impairment of its receivables. However, with the inception of IFRS 9, which became effective for annual periods beginning on/after 1 January 2018, the Expected Credit Losses (ECL) method of impairment calculation will be in force.

Based on NAICOM's "No Premium No Cover" guidelines which state that "all insurance covers shall be provided on a strict 'no premium no cover' basis", only cover for which payment has been received shall be booked. However, brokers have a 30 day period to make payments from the date of the credit notes.

After analysing this financial instrument based on NAICOM "No Premium No Cover" guidelines, a nil impairment standpoint was taken.

The impairment requirements of IFRS 9 apply to all debt instruments that are measured at amortised cost or FVOCI, and to off-balance sheet lending commitments such as loan commitments and financial guarantees (hereafter collectively referred to as financial assets). This contrast to the IAS 39 impairment model which was not applicable to loan commitments and financial guarantee contracts, as there were instead covered by International Accounting standards 37: "Provisions, contingent liabilities and contingent assets (IAS 37)".

The determination of impairment loss and allowance moves from the incurred credit loss model whereby credit losses are recognised when a defined loss event occurs under IAS 39, to expected credit loss model under IFRS 9, where provisions are recognised upon initial recognition of the financial asset based on expectation of potential credit losses at the time of initial recognition. Under IFRS 9, The Company first evaluates individually whether objective evidence of impairment exists for loans that are individually significant and then collectively assess the loan and other receivables that are not significant and those which are significant but for which there is no objective evidence of impairment available under the individual assessment

Expected Credit Loss Impairment Model

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

The Group adopts a three-stage approach for impairment assesment based on changes in credit quality since initial recognition.

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

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

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

Impairment Methodology

Calculation of Expected Credit Losses

Calculation of the expected credit loss is based on the key risk parameters of PD, LGD and ED. The calculation of ECL incorporates forward-looking information in all the ECL components. This forward-looking information will impact the various ECL components as follows:

Probability of default – The PDs will vary during various stages of an economic cycle. It is based on the likelihood that a borrower will default within one year (PD), assessment of the creditworthiness of the counterparty and transformation of 1 Year horizon into lifetime of the asset.

Loss Given Default – Collateral values will vary based on the stage of an economic cycle.

Exposure at default – Change in interest rates may affect the EAD, e.g. higher interest rates may result in longer terms for loans causing a change in the EAD.

Loss Given Default

The Company applies historical experience to determine the expected loss given default ratios for each class of financial instruments. Where internal historical experience is not available, other sources, e.g. data available from rating companies as well as professional judgements are used to determine the LGD ratios that will apply. Collateral that is held against the financial assets is also considered in determining the LGD

The Company Management has resolved to use the recovery rates as published by Moodys credit analytics for all credit exposures to sovereign denominated in foreign currencies and all corporate exposures.

For sovereign exposures denominated in Naira which are assessed as low credit risk exposures, we have resolved to use LGDs within the rage of 5-10% based on the Central Banks of Nigeria's Revised Guidance Notes on Credit risk. Section 3.1 of the document addresses exposure to sovereigns and Central banks and states that financial institutions should assign a risk weight of 0% to the following:

Exposures to Federal Government of Nigeria (FGN) and Central Bank of Nigeria (CBN);

Instruments issued by other entities backed by express guarantee of the FGN;

Inter-bank transactions guaranteed by the FGN or CBN; and

Inter-bank transactions among supervised institutions collateralized by FGN Bonds, Treasury Bills or other similar sovereign bills.

Macroeconomic factors

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

Multiple forward-looking scenarios

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

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

Assessment of significant increase in credit risk (SICR)

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

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

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

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

Definition of Default and Credit Impaired Financial Assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cashflows of the financial assets have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

(i) Significant financial difficulty of the borrower or issuer;

(ii) A breach of contract such as a default or past due event;

(iii) It is becoming probable that the issuer will enter bankruptcy or other financial reorganisation; or

(iv)The disappearance of an active market for a security because of financial difficulties.

(v)The purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

An asset that has been renegotiated due to a deterioration in the issuer's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment.

In making an assessment of whether an investment in sovereign debt is credit-impaired, the Group considers the following factors.

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

Presentation of allowance for ECL in the statement of financial position Loan allowances for ECL are presented in the statement of financial position as follows:

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

Concentration of credit risk

Concentration risk (including geographical risk) includes identification of the concentration of risks insured by Consolidated Hallmark Insurance Plc utilize data analysis, software and market knowledge to determine the concentration of its risks by insurance class, geographic location, exposure to a client or business. The assessment of the concentration risk are consistent with the overall risk appetite as established by the Group.

Consolidated Hallmark Insurance Plc monitors concentration of credit risk by geographical and nature of business. An analysis of concentrations of credit risk for trade receivables are set out below:

(a) Geographical sectors

At 31 December	Group		Company	
	2022	**2021**	**2022**	**2021**
Lagos & Western region (Nigeria)	**183,040,500**	183,040,500	**454,367,890**	454,367,890
Eastern region (Nigeria)	**25,086,030**	31,050,230	**24,506,030**	23,879,028
Northern region (Nigeria)	**393,493,625**	393,597,586	**294,186,863**	65,650,410
Total	**601,620,155**	607,688,316	**773,060,783**	543,897,328

d(iv) Liquidity risks

Liquidity risk is the risk that the Group will not be able to meet all cash outflow obligations as they come due. The Group mitigates this risk by monitoring cash activities and expected outflows. The Group's current liabilities arise as claims are made. The Group does not have material liabilities that can be called unexpectedly at the demand of a lender or client. It has no material commitments for capital expenditures and there is no need for such expenditures in the normal course of business. Claim payments are funded by current operating cash flow including investment income. Short-term investments include treasury bills, commercial paper and term deposits with an original maturity of less than one year. There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

FINANCIAL ASSETS MATURITY PROFILE

The maturity profile Group's financial assets is as listed below:

Loans And Receivables	Group		Company	
	2022	2021	**2022**	2021
Analysis by Performance:				
Performing	**7,684,522,974**	947,576,589	**5,390,944,417**	211,045,461
Non - Performing	**328,482,467**	123,253,249	**-**	-
Total	**8,013,005,441**	1,070,829,838	**5,390,944,417**	211,045,461
Analysis by Maturity:				
0 - 30 days	**373,055,200**	50,258,181	**360,000,200**	103,313,181
1 - 3 months	**620,050,500**	101,227,169	**530,000,000**	11,176,669
3 - 6 months	**476,840,838**	150,333,246	**340,000,000**	13,492,409
6 - 12 months	**555,000,000**	327,585,740	**240,000,000**	12,585,740
Beyond 12 Months	**5,988,058,903**	441,425,503	**3,920,944,217**	70,477,463
Total	**8,013,005,441**	1,070,829,839	**5,390,944,417**	211,045,462

Fixed deposits with banks	Group		Company	
Analysis by maturity	**2022**	2021	**2022**	2021
0 - 30 days	**1,135,381,176**	837,274,946	**648,513,012**	253,328,670
30 - 90 days	**618,734,570**	2,418,414,019	**618,734,570**	2,003,757,758
Above 90 days	-	-	-	-
Grand Total	**1,754,115,746**	3,255,688,965	**1,267,247,582**	2,257,086,428

d(v) Equity risk

Equity risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The Group is exposed to this risk through its equity holdings within its investment portfolio. The Group's management of equity price risk is guided by Investment Quality and Limit Analysis, Stop Loss Limit Analysis and Stock to Total Loss Limit Analysis.

d(vi) Currency risks

Currency risks are the risks that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign exchange risk (also known as exchange rate risk or currency risk) is a financial risk posed by an exposure to unanticipated changes in the exchange rate between two currencies. Investors and multinational businesses exporting or importing goods and services or making foreign investments throughout the global economy are faced with an exchange rate risk which can have severe financial consequences if not managed appropriately.

The Group's principal transactions are carried out in Naira and its financial assets are primarily denominated in the Naira and its exposure to foreign exchange risk is minimal.

d(vii) Business Risks

Business risk relates to the potential erosion of our market position or revenue shortfall compared to the cost base due to strategic and/or reputational reasons. The corporate governacnce structure of the group is effective. Each level of leadership has limits of authority and approval to ensure business decisions are properly considered, relevant risks exposures evaluated and necessary measures implemented to mitigate such risks.

The Group holds regular strategic sessions both at the Board, Management and Operational Unit basis to review the corporate and the unit strategies and ensure the group market share is effectively defended against competition.

d(viii) Reputational Risks

Reputational risk, often called reputation risk, is a type of risk related to the trustworthiness of business. Damage to a firm's reputation can result in lost revenue or destruction of shareholder value, even if the company is not found guilty of a crime. Reputational risk can be a matter of corporate trust, but serves also as a tool in crisis prevention. This type of risk can be informational in nature or even financial. Extreme cases may even lead to bankruptcy.

The composition of the Board and leadership of the group are made up of reputable and experienced practitioners. The group also holds it core values of Professionalism, Relationship, Integrity, Zeal and Excellence (PRIZE) which is regularly communicated to every member and compliance monitored on an ongoing basis.

CONSOLIDATED HALLMARK INSURANCE PLC

STATEMENT OF VALUE ADDED - GROUP
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022		2021	
	N	%	N	%
Gross premium income	**11,758,185,467**		10,288,624,511	
Reinsurance, claims and Commissions & Others - local	**(9,381,030,544)**		(8,350,822,017)	
Reinsurance, claims and Commissions & Others - foreign	**-**		-	
Value added	**2,377,154,923**	**100**	1,937,802,494	100
Applied as follows:				
To pay employees				
Salaries, pension and welfare	**822,404,959**	**35**	847,930,814	46
To pay government				
Company income taxation	**411,719,745**	**17**	181,036,783	6
To pay providers of capital				
Shareholders as dividend	**216,800,050**	**9**	216,800,050	21
Retained for future maintenance of assets and future expansion of business:				
- Contingency & Statutory reserve	**380,570,153**	**16**	327,092,159	18
- Depreciation of fixed assets	**147,045,169**	**6**	118,196,881	6
'- Retained earnings for the year	**398,614,847**	**17**	246,745,807	3
Value added	**2,377,154,923**	**100**	1,937,802,494	100

Value added represents the wealth created by the Group during the reporting period. This statement shows the allocation of that wealth among employees, shareholders, government, and that retained for future creation of more wealth.

CONSOLIDATED HALLMARK INSURANCE PLC

STATEMENT OF VALUE ADDED - COMPANY
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022		2021	
	N	%	N	%
Gross premium income	**11,047,899,514**		9,777,260,944	
Reinsurance, claims and Commissions & Others - local	**(8,894,070,457)**		(8,342,708,568)	
Reinsurance, claims and Commissions & Others - foreign	**-**		-	
Value added	**2,153,829,057**	**100**	1,434,552,376	100
Applied as follows:				
To pay employees				
Salaries, pension and welfare	**673,461,944**	**31**	570,018,832	43
To pay government				
Company income taxation	**386,258,245**	**18**	122,060,185	6
To pay providers of capital				
Shareholders as dividend	**216,800,050**	**10**	216,800,050	24
Retained for future maintenance of assets and future expansion of business				
Contingency reserve	**361,858,105**	**17**	300,721,425	20
Depreciation of property and equipment	**114,057,061**	**5**	100,318,021	7
Retained earnings for the year	**401,393,652**	**19**	124,633,863	(0)
Value added	**2,153,829,057**	**100**	1,434,552,376	100

Value added represents the wealth created by the Company during the reporting period. This statement shows the allocation of that wealth among employees, shareholders, government, and that retained for future creation of more wealth.

CONSOLIDATED HALLMARK INSURANCE PLC

FIVE YEAR FINANCIAL SUMMARY - GROUP
STATEMENT OF FINANCIAL POSITION

	31 DECEMBER 2022 N	31 December 2021 N	31 December 2020 N	31 December 2019 N	31 December 2018 N
Assets					
Cash and cash equivalent	**1,669,476,978**	2,857,075,239	3,173,916,076	1,717,868,438	2,948,826,686
Financial assets:	**8,644,183,149**	5,290,556,583	4,428,386,704	4,197,638,009	2,626,123,540
Finance lease receivables	**210,896,364**	148,741,442	86,247,031	109,998,499	249,994,807
Trade receivables	**831,493,560**	601,620,155	607,688,316	293,747,996	234,852,324
Reinsurance assets	**3,285,437,414**	3,410,440,180	3,018,080,617	2,688,545,807	2,031,727,218
Deferred acquisition cost	**565,555,745**	397,546,015	355,066,148	360,563,251	307,344,920
Other receivables and prepayments	**292,572,354**	222,692,503	129,353,111	209,056,966	195,161,111
Intangible Assets	**64,109,633**	76,702,920	36,574,657	26,087,026	22,362,991
Investment properties	**1,405,226,470**	1,098,676,470	1,042,487,470	843,766,470	899,211,000
Deffered Tax	**-**	**-**	-		
Property and equipment	**1,168,945,157**	1,163,708,129	1,021,572,225	981,010,704	1,006,001,531
	2,844,702	6,406,590	9,968,479	13,540,124	-
Statutory deposits	**400,000,000**	400,000,000	402,000,000	300,000,000	300,000,000
Total assets	**18,540,741,526**	15,674,166,226	14,311,340,834	11,741,823,290	10,821,606,128
Liabilities					
Insurance contract liabilities	**6,547,611,485**	5,474,050,401	5,208,233,152	4,105,083,759	3,803,576,977
Investment contract liabilities	**13,723,775**	17,660,923			
Trade payables	**33,472,651**	46,805,158	13,972,733	54,241,112	10,777,564
Borowing	**680,107,894**	55,800,014	5,013,052	10,448,536	67,530,064
Other payables and provision	**429,876,513**	343,540,593	221,056,870	384,049,650	217,647,746
Deposit for shares	**-**	-	-	-	-
Retirement benefit obligations	**2,925,281**	2,075,682	4,129,526	7,290,620	6,403,628
Current income tax liabilities	**766,699,256**	462,785,844	359,459,121	436,426,812	368,204,246
Deferred tax liabilities	**253,908,071**	259,663,907	177,878,284	130,587,188	171,484,879
Total liabilities	**8,728,324,926**	6,662,382,522	5,989,742,738	5,128,127,677	4,645,625,104
Equity & reserves					
Issued and paid up share capital	**5,420,000,000**	5,420,000,000	5,420,000,000	4,065,000,000	4,065,000,000
Share Premium	**168,933,834**	168,933,834	168,933,834	155,264,167	155,264,167
Contingency reserves	**2,800,339,728**	2,437,638,438	2,136,621,663	1,855,299,252	1,603,720,833
Fair Value Through OCI Reserve	**39,180,405**	30,615,728	-		
Statutory reserves	**91,262,839**	72,039,762	45,964,378	36,863,982	27,726,056
Regulatory risk reserve	**1,828,189**	1,354,214			
Revaluation reserve	**128,676,506**	115,793,288			
Retained earnings	**1,162,195,099**	765,408,440	550,078,221	501,268,212	324,269,968
Total equity	**9,812,416,600**	9,011,783,704	8,321,598,096	6,613,695,613	6,175,981,024
Total liabilities and equity & reserves	**18,540,741,526**	15,674,166,226	14,311,340,834	11,741,823,290	10,821,606,128

CONSOLIDATED HALLMARK INSURANCE PLC

FIVE YEAR FINANCIAL SUMMARY - GROUP
STATEMENT OF COMPREHENSIVE INCOME

	31 DECEMBER 2022 N	31 December 2021 N	31 December 2020 N	31 December 2019 N	31 December 2018 N
Gross premium written	**12,826,865,218**	10,500,388,477	9,775,797,397	8,691,234,590	6,864,879,525
Gross premium income	**11,758,185,467**	10,288,624,511	9,698,993,709	8,302,808,423	6,512,335,014
Reinsurance premium expenses	**(4,899,470,920)**	(4,239,089,404)	(3,691,859,703)	(3,357,536,001)	(2,239,421,340)
				-	-
Net premium income	**6,858,714,547**	6,049,535,107	6,007,134,005	4,945,272,421	4,272,913,674
Fee and commission income	**714,526,205**	529,017,764	493,373,753	519,638,029	356,385,052
				-	-
Net underwriting income	**7,573,240,753**	6,578,552,871	6,500,507,758	5,464,910,450	4,629,298,727
				-	-
Claims expenses	**(4,468,789,653)**	(3,999,916,445)	(4,173,175,310)	(3,448,090,659)	(4,787,135,023)
Claims recoveries from reinsurers	**1,869,608,166**	1,711,954,075	1,607,269,895	1,768,819,617	2,987,313,881
Claims incurred	**(2,599,181,487)**	(2,287,962,371)	(2,565,905,415)	(1,679,271,042)	(1,799,821,142)
				-	-
Underwriting expenses	**(2,606,949,503)**	(2,375,278,382)	(2,073,847,971)	(1,957,228,763)	(1,622,040,692)
				-	-
Underwriting profit	**2,367,109,763**	1,915,312,119	1,860,754,372	1,828,410,645	1,207,436,893
Investment income	**1,377,674,302**	1,202,701,967	940,350,767	1,080,354,125	939,953,832
Other operating income	**657,121,706**	314,676,618	91,162,556	29,560,781	25,923,716
Impairment charge	**(200,333,486)**	(81,565,926)	(45,399,531)	(147,122,129)	(11,745,127)
Net fair value gains/(loss) on financial assets at fair value through profit or loss	**72,297,226**	(159,457,854)	72,321,055	(11,848,771)	151,362,024
Management expenses	**(2,866,164,715)**	(2,219,992,124)	(2,146,624,937)	(2,067,880,186)	(1,778,493,631)
				-	-
Profit/(loss) before taxation	**1,407,704,796**	971,674,800	772,564,282	711,474,464	534,437,706
Income tax (expense)/credit	**(411,719,745)**	(181,036,783)	(94,581,467)	(111,159,875)	(127,726,964)
				-	-
Profit/(loss) after taxation	**995,985,051**	790,638,017	677,982,816	600,314,589	406,710,742
				-	-
Other comprehensive income net of tax	**-**	-	-	-	-
				-	-
Total comprehensive income/(loss) for the year	**995,985,051**	790,638,017	677,982,816	600,314,589	406,710,742
Profit/(loss) attributable to:				-	-
Equity holders of the parent	**995,985,051**	790,638,017	677,982,816	600,314,589	406,710,742
Non-controlling interest	**-**	-	-	-	-
				-	-
	995,985,051	790,638,017	677,982,816	600,314,589	406,710,742
				-	-
				-	-
Basic and diluted earnings/(loss) per share (kobo)	**9.39**	8.52	6.90	7.38	5.79
	-	-	-	-	-

CONSOLIDATED HALLMARK INSURANCE PLC

FINANCIAL SUMMARY - COMPANY

31 DECEMBER	2022	2021	2020	2019	2018
	N	N	N	N	N
Assets					
Cash and cash equivalent	**1,183,948,834**	**2,044,305,295**	2,175,313,539	1,062,065,613	1,850,386,963
Financial assets	**6,325,958,061**	**3,926,828,203**	3,683,146,676	3,632,940,136	2,732,022,161
Deposit for shares	**-**	**-**	-	-	-
Trade receivables	**773,060,783**	**543,897,328**	481,030,540	199,899,308	150,356,282
Reinsurance assets	**3,285,437,414**	**3,410,440,180**	3,018,080,617	2,688,545,807	1,655,890,085
Deferred acquisition cost	**551,735,100**	**385,296,407**	344,817,850	349,815,691	257,664,385
Other receivables and prepayments	**652,618,272**	**547,376,937**	388,249,870	313,691,585	166,066,755
Investment in subsidiaries	**1,594,225,000**	**1,594,225,000**	1,494,225,000	1,030,000,000	530,000,000
Intangible Assets	**22,104,164**	**29,482,172**	30,480,413	24,620,360	18,458,195
Investment properties	**1,265,226,470**	**1,008,676,470**	948,826,470	750,105,470	806,000,000
Property and equipment	**1,088,248,164**	**1,089,355,653**	963,585,844	939,322,976	926,483,015
Statutory deposits	**300,000,000**	**300,000,000**	300,000,000	300,000,000	300,000,000
Total assets	**17,042,562,262**	**14,879,883,645**	13,827,756,819	11,291,006,944	9,393,327,840
Liabilities					
Insurance contract liabilities	**6,329,021,551**	**5,299,544,811**	5,014,339,773	3,923,826,888	3,532,407,618
Trade payables	**33,472,651**	**46,805,158**	13,972,733	54,241,112	26,482,944
Other payables and provision	**350,746,765**	**275,121,116**	208,764,373	343,406,713	244,704,571
Deposit for share	**-**	**-**	-	-	500,456,779
Retirement benefit obligations	**1,181,508**	**1,367,928**	2,253,607	6,690,086	5,169,023
Current income tax liabilities	**635,139,647**	**340,135,901**	289,145,971	355,578,462	252,351,030
Deferred tax liabilities	**239,442,368**	**247,979,804**	173,040,130	125,749,035	230,003,867
Total liabilities	**7,589,004,490**	**6,210,954,718**	5,701,516,587	4,809,492,296	4,791,575,832
Equity & reserves					
Issued and paid share capital	**5,420,000,000**	**5,420,000,000**	5,420,000,000	4,065,000,000	3,000,000,000
Share Premium	**168,933,834**	**168,933,834**	168,933,834	155,264,167	-
Contingency reserves	**2,799,201,192**	**2,437,343,087**	2,136,621,663	1,855,299,252	1,400,446,908
Fair Value Through OCI Reserve	**39,163,090**	**30,669,220**	-		
Revaluation reserve	**128,676,506**	**115,793,288**			
Statutory reserves	**-**	**-**	-	-	-
Retained earnings	**897,583,150**	**496,189,498**	400,684,735	405,951,229	201,305,100
Shareholders' fund	**9,453,557,772**	**8,668,928,927**	8,126,240,232	6,481,514,648	4,601,752,008
Total liabilities and equity & reserves	**17,042,562,262**	**14,879,883,645**	13,827,756,819	11,291,006,944	9,393,327,840

CONSOLIDATED HALLMARK INSURANCE PLC

FINANCIAL SUMMARY - COMPANY

31 DECEMBER	2022	2021	2020	2019	2018
	N	N	N	N	**N**
Gross premium written	**12,061,936,819**	10,024,047,477	9,377,413,707	8,385,947,285	6,775,797,496
	-	-	-	-	-
Gross premium income	**11,047,899,514**	9,777,260,944	9,343,768,010	8,077,895,958	6,481,636,218
Reinsurance premium expenses	**(4,893,972,775)**	(4,239,089,404)	(3,691,859,703)	(3,357,536,001)	(2,239,421,340)
Net premium income	**6,153,926,739**	5,538,171,540	5,651,908,307	4,720,359,957	4,242,214,878
Fee and commission income	**714,526,205**	529,017,764	493,373,753	519,638,029	356,385,052
Net underwriting income	**6,868,452,944**	6,067,189,304	6,145,282,060	5,239,997,985	4,598,599,931
Claims expenses	**(3,931,378,376)**	(3,635,893,957)	(3,951,755,823)	(3,316,118,494)	(4,770,447,651)
Claims recoveries from reinsurers	**1,869,608,166**	1,711,954,075	1,607,269,895	1,768,819,617	2,987,313,881
Claims incurred	**(2,061,770,210)**	(1,923,939,882)	(2,344,485,928)	(1,547,298,877)	(1,783,133,770)
Underwriting expenses	**(2,547,528,124)**	(2,330,557,604)	(2,043,917,985)	(1,939,548,370)	(1,620,609,007)
Underwriting profit	**2,259,154,609**	1,812,691,818	1,756,878,147	1,753,150,739	1,194,857,154
Investment income	**752,385,146**	587,842,871	608,376,462	696,105,599	617,407,797
Other operating income	**595,355,189**	274,863,632	61,797,712	18,176,973	25,487,990
Impairment charge	**(22,685,769)**	(2,219,197)	-	(72,636,175)	-
Net fair value gains/(loss) on financial assets at fair value through profit or loss	**10,163,192**	(163,235,988)	73,530,975	(10,942,516)	151,362,024
Management expenses	**(2,228,062,316)**	(1,745,727,614)	(1,794,138,119)	(1,716,472,888)	(1,529,426,707)
Profit/(loss) before taxation	**1,366,310,051**	764,215,523	706,445,177	667,381,732	459,688,259
Income tax (expenses)/credit	**(386,258,245)**	(122,060,185)	(91,639,259)	(81,307,778)	(83,663,738)
Profit/(loss) after taxation	**980,051,806**	642,155,338	614,805,918	586,073,954	376,024,521
Other comprehensive income net of tax	**21,377,088**	132,511,199	-	-	-
Total comprehensive (loss)/income for the year	**1,001,428,894**	774,666,537	614,805,918	586,073,954	376,024,521
Profit/(loss) attributable to:					
Equity holders of the parent	**1,001,428,894**	774,666,537	614,805,918	586,073,954	376,024,521
Contingency reserve	**(361,858,105)**	(300,721,425)	(281,322,411)	(251,578,419)	(203,273,925)
	639,570,790	473,945,113	333,483,506	334,495,535	172,750,596
				-	-
Basic and diluted earnings/(loss) per share (	**12.05**	**10.70**	**10.25**	**9.77**	**6.27**

CONSOLIDATED HALLMARK INSURANCE PLC
APPENDIX 1
REVENUE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2022

	Motor	Fire	Bond	Gen. Accident	Marine	Aviation	Oil & Gas	Engineering	2022 Total	2021 Total
	N	N	N	N	N	N	N	N	N	N
Income										
Direct premium	2,726,032,368	1,759,694,709	483,966,712	1,551,262,720	789,118,482	1,093,006,282	2,429,440,943	925,726,865	11,758,249,081	9,959,983,201
Inward reinsurance premium	41,390,988	14,611,278	399,691	14,401,414	10,489,877	-	218,257,600	4,136,890	303,687,738	64,064,276
										-
Gross written premium	2,767,423,356	1,774,305,987	484,366,403	1,565,664,134	799,608,359	1,093,006,282	2,647,698,543	929,863,755	12,061,936,819	10,024,047,477
(Increase)/decrease in unexpired premium reserve	(318,391,419)	(173,088,162)	(95,054,794)	(80,978,673)	10,595,730	19,772,603	(62,025,409)	(314,867,181)	(1,014,037,305)	(246,786,534)
Gross premium earned	2,449,031,937	1,601,217,825	389,311,609	1,484,685,461	810,204,088	1,112,778,885	2,585,673,135	614,996,575	11,047,899,514	9,777,260,944
Deduct:										
Outward reinsurance premiums	(29,953,171)	(923,524,163)	(192,251,380)	(753,828,440)	(523,516,937)	(653,663,821)	(1,549,981,373)	(360,212,405)	(4,986,931,692)	(4,458,744,932)
(Increase)/decrease in prepaid reinsurance	2,371,860	62,091,236	34,765,183	4,051,680	(39,346,438)	(20,886,651)	(43,857,720)	93,769,767	92,958,917	219,655,527
Reinsurance cost	(27,581,311)	(861,432,927)	(157,486,197)	(749,776,760)	(562,863,376)	(674,550,472)	(1,593,839,093)	(266,442,638)	(4,893,972,775)	(4,239,089,405)
Net premium earned	2,421,450,625	739,784,899	231,825,411	734,908,700	247,340,713	438,228,413	991,834,042	348,553,936	6,153,926,739	5,538,171,540
Commission received	29,635,317	207,089,854	67,735,714	204,008,665	135,966,340	-	802,558	111,077,106	756,315,554	801,229,606
(Increase)/decrease in unearned commission	(459,891)	(23,032,917)	(4,152,235)	(11,151,348)	3,316,270	-	-	(6,309,227)	(41,789,348)	(42,421,581)
Total Income	2,450,626,051	923,841,835	295,408,890	927,766,017	386,623,323	438,228,413	992,636,600	453,321,815	6,868,452,945	6,296,979,565
										-
Gross Claims Paid	(1,066,915,317)	(218,528,394)	(12,119,745)	(2,146,786,466)	(240,926,230)	(96,714,621)	(33,967,371)	(99,980,798)	(3,915,938,942)	(3,597,475,453)
(Increase)/decrease in outstanding claims provision	(81,823,085)	346,591,839	(29,389,553)	(387,687,735)	217,914,453	(27,723,188)	(2,060,348)	(51,261,818)	(15,439,435)	(38,418,505)
Gross claims incurred	(1,148,738,402)	128,063,445	(41,509,298)	(2,534,474,201)	(23,011,777)	(124,437,809)	(36,027,719)	(151,242,616)	(3,931,378,377)	(3,635,893,958)
Reinsurance claims recovery	96,943,359	733,135,682	-	846,485,459	143,466,219	-	200,936,869	62,029,312	2,082,996,900	1,528,526,240
(Increase)/decrease in reinsurance recoveries	(40,005,748)	63,246,192	7,392,488	98,198,886	(221,526,317)	(81,170,793)	(76,167,840)	36,644,399	(213,388,734)	183,427,835
										-
Net claims incurred	(1,091,800,791)	924,445,318	(34,116,810)	(1,589,789,857)	(101,071,875)	(205,608,602)	88,741,310	(52,568,905)	(2,061,770,211)	(1,923,939,883)
Acquisition expenses	(316,227,467)	(343,162,872)	(89,300,489)	(290,084,645)	(151,432,566)	(151,616,581)	(353,025,692)	(182,107,308)	(1,876,957,619)	(1,863,681,966)
(Increase)/decrease in commission expenses	36,175,210	30,384,256	18,406,850	12,267,449	(1,838,253)	(4,922,429)	13,757,707	62,207,903	166,438,693	40,478,557
Maintenance/operating expenses	(286,654,743)	(69,185,085)	(19,147,276)	(71,581,789)	(40,480,595)	(228,248,402)	(90,510,699)	(31,200,608)	(837,009,198)	(737,144,456)
Total expenses	(1,658,507,791)	542,481,617	(124,157,725)	(1,939,188,841)	(294,823,289)	(590,396,015)	(341,037,374)	(203,668,918)	(4,609,298,335)	(4,484,287,748)
										-
Underwriting profit/(loss)	792,118,260	1,466,323,453	171,251,165	(1,011,422,824)	91,800,034	(152,167,602)	651,599,226	249,652,897	2,259,154,609	1,812,691,816