CONSOLIDATED HALLMARK HOLDINGS PLC

CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2026

CONSOLIDATED HALLMARK HOLDINGS PLC

REPORT AND CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2026

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Corporate Information

Directors	Mr. Shuaibu Idris, mni	Chairman (Effective 1st January 2024)
	Mr. Eddie Efekoha	Group CEO (Effective 1st January 2024)
	Mr. Babatunde Daramola	Group Chief Financial Officer (Effective 1st January 2024)
	HRH Eze Ben Onuora	Non-Executive Director (Effective 1st January 2024)
	Dr. Layi Fatona	Non-Executive Director (Effective 1st January 2024)
	Dr. Anthony Anonyai	Non-Executive Director (Effective 1st January 2024)
	Mr. Adegbola Adesina	Non-Executive Director (Effective 1st January 2024)
	Mrs. Chijioke Ugochukwu	Independent Non-Executive Director (Effective 1st January 2024)
	Chief Sunny Obidegwu	Non-Executive Director (Effective 29th April 2024)
	Dr. Seinde Fadeni	Non-Executive Director (Resigned)

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

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

Registration Number
1901273

Corporate Head Office
Consolidated Hallmark Holdings Plc
266, Ikorodu Road
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Registrars
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Bankers
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First Bank of Nigeria Limited
GTBank Limited
United Bank for Africa Plc
Zenith Bank Plc
FCMB

Reinsurers
African Reinsurers Corporation
Continental Reinsurance Plc
WAICA Reinsurance Corporation

Auditors
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PKF House
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Lagos, Nigeria.
Tel:+2349030001351
Website: www.pkf-ng.com

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Corporate Information

Actuary
Becoda Consulting
7 Ibiyinka Olorunbe Close
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Lagos

Subsidiaries
Consolidated Hallmark Insurance Ltd
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Hallmark Health Services Limited
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Obanikoro, Lagos

Hallmark Finance Company Limited
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CHI Life Assurance Limited
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Corporate Information

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Financial highlights	Group			Company		
	JUNE 2026	**DECEMBER** 2025		**JUNE 2026**	**DECEMBER 2025**	
	N	N	%	**N**	N	%
Financial Position						
Assets						
Cash and cash equivalents	**8,259,003,373**	7,375,213,054	12%	**1,144,388,603**	322,612,175	255%
Financial assets	**72,681,410,218**	45,904,279,422	58%	**1,832,291,098**	959,323,471	91%
Finance lease receivables	**2,007,323,895**	2,410,566,264	-17%	**-**		0%
Trade receivables	**3,434,379,202**	3,099,312,002	11%	**-**	-	0%
Reinsurance assets	**9,697,281,058**	10,900,338,464	-11%	**-**	-	0%
Other receivables & prepayments	**3,067,167,425**	1,332,854,746	130%	**315,229,555**	516,208,878	-39%
Investment in subsidiaries	**-**	(1)	0%	**6,170,000,001**	6,170,000,000	0%
Investment project	**-**	377,105,308	-100%	**-**	377,105,308	-100%
Intangible assets	**111,078,108**	109,919,393	1%	**1,780,467**	1,982,031	-10%
Investment properties	**1,018,531,229**	1,475,149,119	-31%	**377,105,309**	-	100%
Property and equipment	**2,132,892,014**	1,826,179,489	17%	**302,654,792**	46,529,295	550%
Right-of-use of assets (leased assets)	**65,610,267**	11,942,447	449%	**-**	-	0%
Statutory deposits	**2,500,000,000**	1,120,000,000	123%	**-**	-	0%
Total assets	**104,974,676,789**	75,942,859,707	**38%**	**10,143,449,825**	8,393,761,158	**21%**
Liabilities						
Insurance contract liabilities	**30,889,736,551**	25,206,405,961	23%	**-**	-	0%
Investment contract liabilities	**-**	32,105,704	-100%	**-**	-	0%
Trade payables	**-**	-	0%	**-**	-	0%
Borrowing	**3,071,689,135**	4,259,166,582	-28%	**-**	-	0%
Other payables and provisions	**1,901,344,847**	1,528,917,327	24%	**473,087,672**	179,371,897	164%
Income tax liabilities	**3,256,482,346**	2,496,670,758	30%	**649,106,558**	597,234,964	9%
Total liabilities	**39,626,744,382**	33,785,599,441	**17%**	**1,122,194,230**	776,606,861	**44%**
Equity and reserves						
Issued and paid up share capital	**5,420,000,001**	5,420,000,000	0%	**5,420,000,000**	5,420,000,000	0%
Share Premium	**168,933,838**	168,933,836	0%	**168,933,836**	168,933,836	0%
Contingency reserve	**10,249,361,336**	9,449,647,016	8%	**-**	-	0%
Statutory reserve	**248,072,874**	227,672,378	9%	**-**	-	0%
Fair value through OCI reserve	**97,226,657**	97,226,657	0%	**-**	-	0%
Revaluation reserve	**138,165,550**	138,165,551	0%	**-**	-	0%
Requlatory risk reserve	**-**	18,580,902	-100%	**-**	-	0%
Retained earnings	**49,026,172,142**	26,637,033,926	84%	**3,432,321,755**	2,028,220,460	69%
Shareholders fund	**65,347,932,398**	42,157,260,266	55%	**9,021,255,591**	7,617,154,296	18%
Statement of Profit or loss and Other comprehensive Income						
Investment result	**27,328,159,121**	1,230,873,480	2120%	**3,916,463,446**	2,494,592,645	57%
Insurance service result	**2,610,334,628**	3,258,510,074	-20%	**-**	-	0%
Other operating expenses	**(2,818,895,590)**	(2,604,064,703)	8%	**(798,490,092)**	(354,142,224)	125%
Net income	**27,119,598,159**	1,885,318,851	**1338%**	**3,117,973,354**	2,140,450,421	**46%**
Net credit impairment losses	**(17,732,404)**	(121,116,881)	-85%	**-**	-	0%
Profit before tax	**27,101,865,754**	1,764,201,970	1436%	**3,117,973,354**	2,140,450,421	46%
Income tax expense	**(1,824,105,619)**	(606,295,813)	201%	**(68,947,184)**	(25,198,102)	174%
Profit for the year	**25,277,760,135**	1,157,906,157	**2083%**	**3,049,026,170**	2,115,252,319	**44%**
Basic and diluted earnings per share (Kobo)	**233.19**	10.68		**28.13**	19.51	

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DIRECTORS REPORT

The Directors have the pleasure in submitting their report on the affairs of Consolidated Hallmark Holdings Plc for the year ended 31st December 2025.

LEGAL FORM

Consolidated Hallmark Holdings Plc evolved from Consolidated Hallmark Insurance Plc (now Ltd) whose history dates back to 2nd August, 1991 when it was incorporated. The company started as an insurance company and is the product of a merger between Hallmark Assurance Plc Consolidated Risks Insurers Ltd and the Nigeria General Insurance Company Limited that took effect on 1st March, 2007 in line with the consolidation reform of the National Insurance Commission announced in 2005. In 2022, the Company resolved to undergo another corporate restructuring (Scheme of Arrangement). The scheme of arrangement was approved by a court ordered meeting on 1st November, 2022 and sanctioned by the Federal High Court on 12th July, 2023 effectively birthing a non-operating Holding company called Consolidated Hallmark Holdings (CHH Plc).

CHANGE IN OWNERSHIP

There was a change in the shareholding structure of Group as Godsmart Limited divested itself of its 1,199,500,429 shares while Cordcap acquired a total of 1,000,000,000 shares thus holding a total of 9.23% of the Company's shares during the period under review.

DIRECTORS AS AT THE DATE OF THIS REPORT

1.	Mr. Shuaibu Idris, mni	Chairman	January 1, 2024
2.	Dr. Layi Fatona	Non-Executive Director	January 1, 2024
3.	HRH Eze Ben Onuora	Non-Executive Director	January 1, 2024
4.	Dr. Anthony Anonyai	Non-Executive Director	January 1, 2024
5.	Mr. Adegbola Adesina	Non-Executive Director	January 1, 2024
6.	Mrs. Chijioke Ugochukwu	Independent Non-Executive Director	January 1, 2024
7.	Chief Sunny Obidegwu	Non-Executive Director	April 29, 2024
8.	Dr. Seinde Fadeni	Non-Executive Director	December 4, 2024 (Resigned)
9.	Mr. Eddie Efekoha	Group CEO	January 1, 2024
10.	Mr. Babatunde Daramola	Group CFO	January 1, 2024

DIRECTORS AND THEIR INTEREST

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 2025	Indirect As at December 2025	Total As at December 2025
Mr. Shuaibu Idris	-	-	-
Dr. Layi Fatona	-	2,754,442,750	2,754,442,750
HRH Eze Ben Onuora	43,655,598	-	43,655,598
Dr. Anthony Anonyai	89,177,411	60,645,813	149,823,224
Mr. Adegbola Adesina	-	-	0
Mrs. Chijioke Ugochukwu	107,000	-	107,000
Chief Sunny Obidegwu	266,366,666	393,832,555	660,199,221
Mr. Eddie Efekoha	1,040,000,000	1,161,336,649	2,201,336,649
Mr. Babatunde Daramola	26,834,481	-	26,834,481

Director	Indirect Interest Represented
Mr. Eddie Efekoha	Sephine Edefe Nigeria Limited
Dr. Layi Fatona	Aradel Holdings Plc (formerly known as Niger Delta Exploration & Production Plc) Nouveau Technologies & Associates Ltd

SUBSTANTIAL INTEREST IN SHARES

Below are the Shareholders who held more than 5% of the issued share capital of the Company:

Shareholder	Unit Held	%
Aradel Holdings Plc	2,754,442,750	25.41
Mr. Eddie Efekoha	1,040,000,000	9.59
Sephine Edefe Nigeria Limited	1,161,336,649	10.71
Cordcap Nominee Limited	1,000,000,000	9.23

CONSOLIDATED HALLMARK HOLDINGS PLC

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DIRECTORS REPORT

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 or loss and cash flows for the year and that the statements comply with the International Financial Reporting Standards, Insurance Act 2003, Bank & Other Financial Institutions Act 2020 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 accounting 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.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW
The Company act as the Holding Company for various subsidiaries providing administrative and other shared services support to the Group members.

DIVIDEND
The Board of Directors, pursuant to the powers vested in it by the provisions of Section 426 of the Companies and Allied Matters Act (CAMA) 2020, has recommended a final dividend of 15kobo per share for the financial year ended 31st December 2025.

CORPORATE GOVERNANCE REPORT

INTRODUCTION
The Company is unswerving in its adherence to the principles of corporate governance as enshrined in the regulators' codes. The Company recognises the benefits that strict adherence to these codes afford its investors, the Company, 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 up of seasoned and accomplished professionals in law, petroleum, insurance, accounting and the 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 CHH is made up of nine directors. The Board was made up of majorly 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 the Nigerian Code of Corporate Governance 2018, SEC Corporate Governance Guidelines, and International Best Practice, the positions of the Chairman and the Chief Executive Officer/Managing Director are occupied by two separate persons.

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

1	Mr. Shuaibu Idris, mni	Chairman (Effective January 1, 2024
2	Mr. Eddie Efekoha	Group CEO (Effective January 1, 2024)
3	Mr. Babatunde Daramola	Group CFO (Effective January 1, 2024)
4	Dr. Layi Fatona	Non-Executive Director (Effective January 1, 2024)
5	HRH Eze Ben Onuora	Non-Executive Director (Effective January 1, 2024)
6	Mrs. Chijioke Ugochukwu	Independent Non-Executive Director (Effective January 1, 2024)
7	Dr. Anthony Anonyai	Non-Executive Director (Effective January 1, 2024)
8	Mr. Adegbola Adesina	Non-Executive Director (Effective January 1, 2024)
9	Chief Sunny Obidegwu	Non-Executive Director (Effective April 29, 2024)

DUTIES OF THE BOARD
1. Provision of strategic direction for the Company.
2. Approval of the budget of the Company.
3. Oversight of the effective performance of Management in running the affairs of the Company.
4. Ensuring human and financial resources are effectively deployed.
5. Establishment of an 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. Approval of 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 seven times in 2025, thus it ensured that the requirement of meeting at least once in every quarter was achieved. Required notices and meeting papers were sent in advance before the meeting to all the Directors.

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

The Committees have well-defined terms of reference which set out their roles, responsibilities, functions, scope of authority and procedure for reporting to the Board. The Committees consider matters that fall within their purview to ensure that decisions reached are as objective as possible.
Set out below are the various Committees and the terms of reference of each Board Committee:
1. Board Finance, Investment & Technology Committee (BFITC)
2. Board Audit & Risk Management Committee (BARMC)
3. Board Governance, Nomination & Remuneration Committee (BGNRC)

1 BOARD FINANCE, INVESTMENT & TECHNOLOGY COMMITTEE (BFITC)
PURPOSE
The Board Finance, Investment & Technology Committee (BFITC) is set up by and responsible to the Board of Directors. It shall 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 recommendations to the Board on the annual budget of the Company as well as periodically review the capital structure of the Company.
- To evaluate quarterly financial performance and position of the Company against board approved budget and make appropriate recommendations to the Board on same.
- To recommend strategic initiatives to the board and review major new businesses, especially those with significant capital allocation, acquisitions, disposal of business segments or subsidiaries and joint ventures and advise the Board thereon.
- To consider and approve extra budgetary expenditure in excess of the 10% of the original expenditure when and where necessary.
- To consider the dividend policy of the Company, review it from time to time and make recommendation to the Board for its approval
- To present the investment policies and 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, investment performance benchmarks and target risk management exposures.
- 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 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 monitor and notify the top debtors to the attention of 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 review and recommend the technology strategy to align with the Group's overall business objectives and long-term goals.
- To assess and oversee technology-related risks, including cybersecurity, data privacy, and IT compliance, and ensure the implementation of appropriate risk mitigation measures.
- To evaluate and approve proposed technology investments and ensure alignment with the Group's strategic priorities and financial objectives.
- To review and advise on the effectiveness of the Group's information systems, including the security, reliability, and performance of technology infrastructure.
- To monitor the trends in technology and advancements and advise on opportunities for innovation to enhance the competitive position of the Group.
- To recommend and review policies relating to technology and procedures, data control and processing to ensure compliance with relevant laws and regulations.
- To oversee the Group's cybersecurity posture, including reviewing incident response plans, monitoring threat landscapes, and ensure the adequacy of
- To give anticipatory approvals on behalf of the board on matters falling within its purview that require urgent decisions and ensure that such approvals are ratified by the Board at its next sitting.
- To consider any other matter that may be delegated to the Committee by the Board from time to time.
- To review the Company’s strategy to ensure it aligns with the Nigerian Data Protection Act 2023 and other data related law provision on cyber security.
- The Committee should also access and advise the Board on destructive risk on the Company’s IT infrastructure.
- Develop and or review from time to time the guidelines for all Director and related party transactions and investments.
- Review and recommend to the Board of Directors approval or otherwise for all Director and related party transactions.
- Oversee Management processes in relation to finance, investment, and technology and ascertain the integrity of the Company’s compliance with applaudable laws and regulations

MEETINGS AND PROCEDURE
The Committee meets quarterly and where necessary in-between to consider and review issues within its purview. The Committee ensured that attendance and resolutions reached at its meetings were adequately recorded and brought to the attention of the Board for the Board’s information or approval as the case may be. The Company Secretary provides secretarial support to the Committee.

MEMBERSHIP/COMPOSITION
The Committee met four times during the reporting period.

Dr. Anthony Anonyai	Non-Executive Director	Chairman
Mr. Eddie Efekoha	Group CEO	Member
Mr. Babatunde Daramola	Group CFO	Member
Mrs. Chijioke Ugochukwu	Independent Non-Executive Director	Member
Mr. Adegbola Adesina	Non-Executive Director	Member
Chief Sunny Obidegwu	Non-Executive Director	Member

2 BOARD AUDIT & RISK MANAGEMENT COMMITTEE
PURPOSE
The Board Audit and Risk Management Committee is set up by and responsible to the Board of Directors. It shall monitor and provide effective supervision of Management’s financial reporting process with a view to ensure 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, including the Internal Auditor and the External Auditor. It shall have the power to investigate any activity within its terms of reference, seek information from any employee and obtain external legal or professional advice from experts when necessary.

RESPONSIBILITIES
- To receive and review the activities, findings, conclusions and recommendations of the internal and external auditors relating to the Company’s quarterly reports and annual unaudited financial statements.
- To appoint an External Party to review the effectiveness of the Internal Audit Process once in every three years.
- To review for the approval of the Board the Company's risk management policy inc1uding risk appetite and risk strategy.
- Determine the adequacy and effectiveness of the Company’s risk detection and measurement systems and controls.
- Evaluate the Group’s internal control and assurance framework annually, in order to satisfy itself on the design and completeness of the framework relative to the activities and risk profile of the Company and its subsidiaries.
- Keep the effectiveness of the Company’s system of accounting, reporting and internal control under review and to ensure compliance with applicable laws, regulatory requirements and agreed ethical standards.
- To periodically review changes in the economic and business environment including emerging trends and other factors relevant to the company's risk profile.
- To review the procedure put in place to encourage whistle blowing; receive a summary of whistle blowing cases reported and the result of the investigation from the Internal Auditor.
- To review the oversight of management process for the identification of significant risk across the group and the adequacy of prevention, detection and reporting mechanisms.
- Review and recommend to the Board for approval, the contingency plan for specific risks.

- To conduct annual appraisal of the Head of Internal Auditor.
- Approval of the annual budget and resource requirements of the Internal Audit along with the Annual Audit scope and plan.
- The disciplinary issues relating to the Internal Auditor would be under the purview of the Audit Committee.
- To make recommendations to the Board regarding appointment, removal and remuneration of the external auditors of the company.
- To review the findings in Management letter in conjunction with the external auditors and Management's responses thereto.
- To review the independence of the external auditors before and after their appointment and ensure that where they are permitted to perform with audit services there is no real or perceived conflict of interest or other legal or ethical impediments.
- To discuss the interim and annual unaudited financial statements as well as significant financial reporting, findings, and recommendations with Management and external auditors prior to recommending them to the Board for appropriate action.
- At least once a year, review and recommend for approval of the Board, the Company's Information Technology (IT) data governance framework to ensure that its data and privacy risks are adequately mitigated, and relevant assets protected effectively.

MEETINGS AND PROCEDURE
The Committee meets quarterly and where necessary in-between to consider and review issues within its purview. The Committee ensured that attendance and resolutions reached at its meetings were adequately recorded and brought to the attention of the Board for the Board's information or approval as the case may be.

The Company Secretary provides secretarial support to the Committee.

MEMBERSHIP/COMPOSITION
The Committee met five times during the reporting period.

1	Mr. Adegbola Adesina	Non-Executive Director	Chairman
2	Dr. Seinde Fadeni	Non-Executive Director	Member
3	HRH Eze Ben Onuora	Non-Executive Director	Member
4	Dr. Anthony Anonyai	Non-Executive Director	Member

3 BOARD GOVERNANCE, NOMINATION & REMUNERATION COMMITTEE (BGNRC)

PURPOSE
The purpose of the Board Governance, Nomination & Remuneration Committee is to deal with matters affecting Executive Management staff as it relates to recruitment, assessment, promotion, disciplinary measures, career development amongst 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
- To review from time to time the human resources policies and conditions of service for executive management staff including but not limited to compensation structure, welfare package, succession plan, training, equality and diversity, organizational structure and make recommendations to the Board as appropriate.
- To consider and recommend to the Boards of the Company and its Subsidiaries, appointment of Executive Directors and Non-Executive Directors, Directors' fees, sitting allowances and other benefits, and bonuses of Executive Management staff.
- To consider periodically productivity/performance appraisal reports of Executive Management staff and where necessary recommend to the Board any promotion, salary increment, training, transfers and any disciplinary actions including but not limited to termination of appointment.
- To ensure that the Company complies with all requirements contained in the Codes of Corporate Governance issued by the various regulators, including but not limited to the Securities & Exchange Commission, the Nigerian Exchange Limited, and the Financial Reporting Council of Nigeria to which the Company reports.
- To evaluate the current composition, structure, organization 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.
- To ensure that an external consultant is appointed for the annual evaluation of the Board performance of the Group and their report presented t o and considered by the Board.
- To recommend to the Board, Director nominees for each Committee of the Board.
- To advise the Company on the best business practices being followed on corporate governance issues nationally and worldwide.
- To review and re-examine the Board Charter and the Committees' Terms of Reference every three years or shorter period if deemed fit and make recommendations to the Board for any proposed changes.
- To establish the criteria for Board and Board Committee memberships, review candidates' qualifications and any potential conflict of interest, assess the contribution of current directors in connection with their re-nomination and make recommendations to the Board.
- To prepare a job specification for the chairman's position, including an assessment of the time commitment required of the candidate.
- To periodically evaluate the skills, knowledge and experience required on the Board; make recommendations on experience required by Board Committee members, committee appointments and removal, operating structure, reporting and other committee operational matters.
- To provide input to the annual report of the Company in respect of Directors' compensation.
- To ensure that a succession policy and plan exists for the positions of Chairman, CEO/ GMD, the Executive Directors and the Managing/Executive Directors of the subsidiaries.
- To ensure that Management put in place a staff succession policy and plan across the Company and its subsidiaries.
- To review the performance and effectiveness of the subsidiary Company's Board on an annual basis where applicable.
- To develop a formal, clear and transparent framework for the remuneration policies and procedures for the Group
  To approve the annual Board training and capacity-building plans/program for the Board of Directors of the Group

MEETINGS AND PROCEDURE
The Committee meets quarterly and where necessary in-between to consider and review issues within its purview. The Committee ensured that attendance and resolutions reached at its meetings were adequately recorded and brought to the attention of the Board for the Board's information or approval as the case may be.

The Company Secretary provides secretarial support to the Committee.

MEMBERSHIP/COMPOSITION
The Committee met five times during the reporting period.

HRH Eze Ben Onuora	Non-Executive Director	Chairman
Dr. Layi Fatona	Non-Executive Director	Member
Mrs. Chijioke Ugochukwu	Independent Non-Executive Director	Member
Chief Sunny Obidegwu	Non-Executive Director	Member
Dr. Seinde Fadeni	Non-Executive Director	Member (Resigned)

ATTENDANCE AT THE BOARD & ITS COMMITTEES' MEETINGS

	BOARD	BARMC	BGNRC	BFITC
Mr. Shuaibu Idris, mni	7 / 7.	N/A	N/A	N/A
HRH Eze Ben Onuora	7 / 7.	5/5.	5/5.	N/A
Dr. Layi Fatona	6/7.	N/A	5/5.	N/A
Dr. Anthony Anonyai	7 / 7.	5/5.	N/A	6 / 6.
Mr. Adegbola Adesina	7/7.	5/5.	N/A	6 / 6.
Mrs. Chijioke Ugochukwu	7/7.	N/A	5/5.	6/ 6.
Chief Sunny Obidegwu	7/ 7.	N/A	5/5.	5/6.
Dr. Seinde Fadeni (Resigr	3/7.	3/5.	2/5.	N/A
Mr. Eddie Efekoha	7 / 7.	N/A	N/A	6/ 6.
Mr. Babatunde Daramola	7 / 7.	N/A	N/A	6/ 6.
	1/28/2025	1/23/2025	1/21/2025	1/23/2025
	3/7/2025	3/6/2025	3/4/2025	4/25/2025
	4/30/2025	4/24/2025	23&25/04/25	7/25/2025
	7/29/2025	7/25/2025	7/17/2025	9/19/2025
	9/23/2025	10/27/2025	10/22/2025	10/24/2025
	10/29/2025			12/15/2025
	12/18/2025			

TENURE OF DIRECTORS
The tenure of the Non-Executive Directors is limited to three terms of three years each. This is in compliance with Best Practices and is also fuelled by the necessity to reinforce the Board by continually injecting new energy, fresh ideas, and perspectives.

STATUTORY AUDIT COMMITTEE
The constitution and composition of the Statutory Audit Committee is in compliance with Section 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:

Chief James Emadoye	Shareholders' Representative	Chairman
Chief Simon Okiotorhoro	Shareholders' Representative	Member
HRH Eze Ben Onuora	Non-Executive Director	Member
Mr. Adegbola Adesina	Non-Executive Director	Member
Mr. Bola Temowo	Shareholders' Representative	Member
Mr. Azubuike Ogbeka	Shareholders' Representative	Member

RESPONSIBILITIES
- Ascertain whether the Accounting and Reporting Policies of the Company are in accordance with legal requirements and agreed ethical practice.
- Review the scope and planning of the Company/ Group annual audit exercise.
- Review the audit findings as contained in Management Letters and the Management responses thereon with External Auditors.
- Review the effectiveness of the Company's system of Accounting and Internal Control.
- Authorize the Internal Auditor to carry out investigations into any activities of the Company which may be of interest or concern to the Committee.
- Examine the Auditor's Report and make recommendations thereon to Shareholders at Annual General Meetings and to the Board as it deems fit.
- Assess qualifications and independence of External Auditor and performance of the Company's Internal Audit function as well as that of External Auditors.
- Ensure the development of a comprehensive Internal Control framework for the Company; obtain assurance and report annually in the financial report, on the operating effectiveness of the Company's Internal Control framework.
- At least on an annual basis, obtain and review a report by the internal auditor describing the strength and quality of internal controls including any issues or
- Meet separately and periodically with management, internal auditors and external auditors to review audit exercise, internal control issues and any other issues.
- Review and ensure that adequate whistle-blowing procedures are in place. A summary of issues reported are highlighted to the Chairman.
- Review the independence of the External Auditors and ensure that where non audit services are provided by the External Auditors, there is no conflict of interest.
- Preserve auditor's independence, by setting clear hiring policies for employees or former employees of Independent Auditors.
- Consider any related party transactions that may arise within the Company or Group.
- Invoke its authority to investigate any matter within its Terms of Reference and the Company must make available the resources to the Internal Auditors with which to carry out this function including access to external advice where necessary

MEETINGS OF THE COMMITTEE
The Committee meets at regular intervals and when necessary to consider and review issues within its purview. The Statutory Audit Committee met four times during the period under review.

Members		12TH MARCH 2025	14TH MAY 2025	13TH AUGUST 2025	26TH NOV. 2025

Chief James Emadoye	Shareholder / Chairman	√	√	√	√
Chief Simon Okiotorhoro	Shareholder	√	√	√	√
Mr. Bola Temowo	Shareholder	√	√	√	-
HRH Eze Ben Onuora	Director	√	√	√	√
Mr. Adegbola Adesina	Director	√	-	√	√
Mr. Azubuike Ogbeka	Shareholder	-	-	-	√

CORPORATE GOVERNANCE REPORT

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 meeting of the Company has 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. The representatives of the shareholders also attend and are allowed to make full and fair participation during the Annual General Meeting.

CONFLICT OF INTEREST

Consolidated Hallmark Holdings Plc 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. CHH's 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 APPOINTMENT 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

Annual training are organized for directors to enable them perform their responsibilities optimally. The 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 into the responsibilities of the Board. The Board Retreat also serves as an opportunity for integrating new Directors into the Board.

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: advise 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.

CORPORATE SOCIAL RESPONSIBILITY

In our bid to be good corporate citizens and promote the standards espoused by best corporate governance practices, the Company runs its operation taking into account the impacts it has on the environment particularly the effect on internal stakeholders for instance, focusing and investing in resources that promote the health and safety of workers.

SUSTAINABILITY AND ENVIRONMENTAL ISSUES

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.

HUMAN RIGHTS

The Company recognizes and respects the fundamental rights of its employees and stakeholders as enshrined under the constitution. It is also an equal-opportunity employer, and this is evidenced by its gender and culturally diverse personnel.

WHISTLEBLOWING POLICY

The Whistleblowing Policy of the Company provides employees with a platform to report misconduct like bribery and corruption. It provides a framework for safeguarding the reputation of the Company. The Policy is underpinned by the Nigerian Code of Corporate Governance 2018 and the Federal Government's stance on whistleblowing. This gives legal protection to employees against being discriminated or penalised by the employer as a result of publicly disclosing illegal or substantial unethical behaviour. The company is committed to ensuring that no member of staff should feel at a disadvantage for raising legitimate concerns, and the Board recognises its responsibility to implement the policy. This whistle-blowing policy is made known to employees, stakeholders such as contractors, shareholders, job applicants and the public at large.

CORPORATE GOVERNANCE REPORT

ANTI-BRIBERY AND CORRUPTION POLICY

It is our policy to conduct our businesses in an honest and ethical manner. We maintain a zero-tolerance approach to Bribery and Corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships. We also operate, implement, and enforce effective systems to counter bribery and corruption risk in our environment. We will uphold all laws relevant to countering bribery and corruption in all the locations where the Company operates. We remain bound by national, international, and relevant applicable laws concerning bribery and corruption.

COMPLAINTS MANAGEMENT POLICY

In compliance with regulatory requirements and to stay abreast with current best practices, the Company has in place a Complaints Management Policy that provides a framework for the swift resolution of disputes with stakeholders on issues relating to the Company's activities.

BOARD EVALUATION

A Board evaluation is annually conducted to assess how each Director, the committees of the Board and the Board are committed to their roles, work together, and continue to contribute effectively to the achievement of the Company's objectives and values. The independent status of the Independent Non-Executive Directors is also assessed annually and CHH declares that the Independent Non-Executive Directors are not close or extended family members of any of the company's advisers, directors, senior employees, consultants, auditors, creditors, suppliers, customers or substantial shareholder neither do they receive, and have not received additional remuneration from the Company apart from a Director's fee and allowances.

REMUNERATION

The Company 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 Unaudited Financial Statement.

EMPLOYMENT AND EMPLOYEES

a) Employment of Physically Challenged Persons

The Company does not discriminate in considering applications for employment from physically challenged persons. If a physically challenged 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 2025 there was no physically challenged person in the Company's 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 Health, Safety and Environment (HSE) issues is an essential component of our business strategies. 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.

Regular fire trainings and drill exercises are conducted 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, the Company 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. The Company equally has arrangements with off-site hospitals to cater for emergency cases that may occur during working hours.

INSIDER TRADING POLICY

In compliance with the requirement of Rule 17.15 (c) the Nigerian Exchange Limited Amended Rules, the Company has in place an Insider 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 PKF Professional Services have indicated their willingness to serve as the Company's External Auditors in accordance with section 401(2) 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 Government Agencies.

By Order of the Board

RUKEVWE FALANA
Company Secretary
FRC/2016/NBA/00000014035

CONSOLIDATED HALLMARK HOLDINGS PLC

REPORT AND CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2026

Statement of Directors' Responsibilities
In accordance with the provisions of Section 377 of the Companies and Allied Matters Act 2020, 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, 2020, Insurance Act 2003, Financial Reporting Council Act No 42 2023 (as amended) and Prudential Guidelines issued by NAICOM and CBN

- 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, 2020;
- NAICOM Prudential Guidelines; and
- Financial Reporting Council Act No 42 2023 (as amended).

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 July 29, 2026 by:

Eddie Efekoha
Group Chief Executive Officer
FRC/2013/CIIN/00000002189

Dated: 29th July 2026

Shuaibu Idris, mni
Chairman
FRC/2017/IODN/00000017485

Dated: 29th July 2026

Internal Control & Risk Management Report

Introduction and Overview

Consolidated Hallmark Holdings Plc ("the Group") operates a robust Enterprise Risk Management (ERM) framework designed to identify, assess, manage, and monitor risks that may impact the achievement of its strategic, operational, financial, and regulatory objectives.

The Board of Directors appreciates that risks are inherent in all aspects of the Group's operations and that it cannot eliminate risks. It therefore acknowledges the critical role of risk management in the achievement of the objectives of the Group.

The Enterprise Risk Management Framework establishes the criteria within which enterprise risks are managed. The intent of the framework is to ensure the effective communication and management of risk categories across all business units. The scope of the Framework is enterprise-wide and is applicable to Board, Management and employees of the Group.

Enterprise risk management is a process, applied by our organization in a strategic setting, which enables management to identify potential risk events that may affect the entity; and provides a framework to manage risk within the organization's risk appetite in order to provide reasonable assurance regarding the achievement of the organization's objectives.

The Board is committed to managing risk in accordance with established risk management standards and has overall responsibility for the establishment and oversight of the enterprise risk management framework. There is an established Board Audit and Risk Management Committee, which is responsible for developing and monitoring the enterprise risk management policies. It meets quarterly to receive reports from the Management. The Enterprise Risk Management Steering Committee in turn meets every month to review risk reports from the ERM Unit.

The enterprise risk management policies are established to give broad guidance on how strategic objectives are to be set, and cascaded through to operational, reporting and compliance objectives. To identify and analyze the risks faced by the Group, risks are attached to objectives, core processes and key dependencies. The Group's risk policies set appropriate risk limits and appetites that form the basis for prioritizing identified risks. Risk controls are set and reviewed continually to monitor adherence to risk appetite and limits.

The Group has a policy to review the risk management policies and systems regularly in order to reflect changes associated with its activities and the global economy generally. The Group, through regular risks workshops, trainings and design of standard operating procedures, aims to embed a risk culture in which all employees are aware of the risks in their respective roles and obligations.

The Group's risk management framework functions on three lines of risk defense. Core Process owners function as the first line of risk defense and they have responsibility for risk prevention. The risk management unit assumes the second line of risk defense and is assigned responsibility to holistically coordinate the risk control functions, enterprise-wide. The internal audit function, as the last line of risk defense, functions to secure assurance that risk controls are effective and efficient.

Objectives
The Group is committed to the management of inherent risks. The Group's enterprise risk management framework aims to:

- Promote proactive recognition of external factors and anticipate uncertainties that may affect the achievement of strategy.
- Protect the interests of the Group's shareholders.
- Provide assurance to counterparts, customers, employees and the community.
- Recognize that risk is embedded in all our activities and that the underlying risk appetite is key to effective decision making.
- Provide appropriate, consistent and transparent ownership and accountability around risk mitigation.
- Enable the design and implementation of controls.
- Improve performance measurement; the Group's improved understanding of its risk profile enables appropriate allocation of risk and economic capital to individual lines of business, which allows improved performance measurement and evaluation of activities.
- Ensure better control of operations; the Group expects that increased understanding of risk activities within various business units, the Board and senior management will lead to improvements in the control of operations and the emergence of a more proactive enterprise risk management culture.

Philosophy and principles
The continued successful safeguarding, maintenance and expansion of the Group's businesses requires a comprehensive approach to risk management.

It is the policy of the Group to identify, assess, control and monitor all risks that the business may incur to ensure that the risks are appropriate in relation to the scale and benefit of the associated project, business or practice and to ensure that no individual risk or combination of risks result in a likely material impact to the financial performance, brand or reputation of the Group.

By acknowledging that risk and control are part of everyone's job, and by incorporating risk management into the Group's daily business practices the Group will be better equipped to achieve its strategic objectives, whilst maintaining the highest ethical standards.

The Group adopts a risk philosophy aimed at maximizing business opportunities and minimizing adverse outcomes, thereby enhancing shareholder value by effectively balancing risk and reward.

The Board of Directors is responsible for setting the enterprise risk management strategy of the Group and its implementation. All staff are expected to demonstrate the highest ethical standards of behavior in development of strategy and pursuit of objectives.

The following philosophy and principles govern the management of enterprise risk in the Group:

- The Board approves and periodically reviews the enterprise risk management framework.
- Ownership, management and accountability for risk is decentralized with business and functional units.
- There are consistent standards for defining, evaluating, measuring, monitoring and reporting risks.
- The Group's enterprise risk management practices are subject to regular independent review internally and externally.
- Enterprise risk management is governed by well-defined policies and procedures which are clearly communicated across the Group.
- Enterprise risk-related issues are taken into consideration in business decisions including new product and process designs.
- Various risk and loss events are reported openly and fully to the appropriate levels once they are identified.
- Adequate processes and systems for identifying, measuring, monitoring, reporting and controlling risks are being implemented by the Group.

Strategy

Failure to manage risk effectively often results in significant financial losses, regulatory fines or censure, reputational damage, brand erosion or even the loss of operational license, all of which directly impact shareholder value. Accordingly, the Group's enterprise risk strategy aims to minimize the impact of various risks on its shareholders' value. In more specific terms, the Group's strategy is to:

- reduce the likelihood of occurrence of unexpected events and related cost by managing the risk factors and implementing loss prevention or reduction techniques to reduce variation in earnings;
- minimise the impact of unexpected and catastrophic events including related costs through risk financing strategies that support the Group's long-term growth, cash flow management and balance sheet protection; and
- make all managers responsible for the management of risk and thus minimize actual or potential losses.

The Group recognizes that some losses, such as operational errors, are inevitable and are normal business cost but will ensure these costs are kept within acceptable levels and potential losses are minimized.

In implementing this strategy, the Group:
- has put in place best-practice enterprise risk management policies and procedures. These include procedures to help identify, assess, control, manage and report various risks within the Group.
- ensures that roles and responsibilities are agreed and clearly understood by employees at all levels.
- ensures that all staff in business and support functions are aware of their responsibilities for risk management.
- considers the potential risk impact of its activities and products at the outset with a view to minimizing these as far as possible.
- has put in place structures and processes for reporting control failures to designated individuals and escalating material issues to the respective Board Audit & Risk Committees.
- ensures that staff are provided with appropriate enterprise risk management training that is commensurate to their roles.
- establishes a workable business continuity plan (including disaster recovery and crisis management procedures) that minimizes the impact of unexpected and catastrophic events on business operations and customer service.
- minimizes the financial impact of losses, through management of risk factors and utilization of insurance and other risk transfer strategies; and
- ensures that staff responsibility with respect to enterprise risk management is communicated through on-going risk awareness workshops and management action.

Governance and Structure
The overall responsibility for enterprise risk management in the Group resides with the Board. The responsibility of the day-to-day management has been delegated as described in this section. On a regular basis, the Board receives reports on Group's risk profile through the Board Audit & Risk Management Committee.

To ensure consistency and prudent management of risks, the responsibility for managing risk has been split as follows:

- the overall governance owned by the Board and Board Committees (Board Audit & Risk Management Committees) and Management Risk Committee;
- the approval of enterprise risk management policies and standards for risk identification, measurement, assessment, monitoring and reporting is the responsibility of the Board Audit & Risk Management Committees;
- the enterprise risk management framework implementation and review is owned by the Risk Management department;
- the implementation of the enterprise risk management framework within the branches, departments/business units and the day-to-day management of risks is owned by respective core processes and executed through management structure.
- The assurance role that risk management controls are effective and efficient is owned by the internal audit function.
- Legal and Compliance unit ensures that the Company adheres to laws, regulations, guidelines and specifications relevant to its business.

Risk Identification and Prioritization
Risk identification is a deliberate and systematic effort to identify and document the enterprise’s key risks. Risks emanate from internal or external sources which affects implementation of strategy or achievement of objectives.

The objective of risk identification is to understand what is at risk within the context of the enterprise's explicit and implicit objectives and to generate a comprehensive inventory of risks based on the threats and events that might prevent, degrade or delay the achievement of the objectives. The Group adopts a rigorous and ongoing process of risk identification that also includes mechanisms to identify new and emerging risks timely. These risks form the basis of the overall risk profile for the enterprise.
The following broad categories of risk are used to enable appropriate aggregation and to assist with the identification of inherent risks across the Group:

- Business Strategy Risk
- Credit Risk
- Compliance Risk
- Insurance Risk
- Legal/Regulatory Risk
- Liquidity Risk
- Market Risk
- Operational Risk
- Reputation/Brand Risk

Risk Appetite/Risk Tolerance
It is not always efficient to manage risks to zero residual risk or very low residual threshold because of the time, cost and effort that will be required. However, it is also poor risk management practice to accept risks which create unnecessary exposure for the enterprise.

As a result, the enterprise will not accept risks which could expose her to:

- Unacceptable levels of financial loss relative to strategic and operational targets
- Breaches of legislation or regulatory non-compliance
- Damage to its reputation
- Unacceptable interruption to the provision of services to customers
- Damage to relationships with its customers and key stakeholders

Risk Reporting and Communication

Information is needed at all levels to identify, assess and respond to risks. Like any other process, the success of risk management depends on the availability of reliable information and effective communication at various levels. Pertinent information has been identified, captured and communicated in a form and time frame that enables members of staff to carry out their responsibilities.

A reporting system is designed to provide assurance that the enterprise risks are adequately managed. Information is provided on risk management status and actions taken for continuous improvement. The report provides information on the effectiveness of achieving corporate objectives; a forward looking report that anticipates emerging risks.

Information and communication channels are in place to make various business units aware of risks that fall into their area of responsibility and the expected behavior to mitigate negative outcomes.

Relevant information, properly and timely communicated is essential to equip the relevant officials to identify, assess and respond to risks. The Enterprise's risk communication and reporting process supports enhanced decision making and accountability through; dissemination of relevant, timely, accurate and complete information.

Risk Management and Controls

In the management and control of risks, the information gained during risk assessments is used to develop control measures that would be applied to ensure appropriate management of risks. It involves the implementation of new polices and standards, physical changes and procedural changes that can reduce or eliminate certain risks within the various business units.

The following are the risk control measures the enterprise employs to mitigate risk:

Risk Avoidance: This involves committing to stop executing the activities that give rise to the risk. Risk avoidance is usually a function of consolidating business processes and implementing preventative controls to halt deviations from acceptable norms.

Risk Reduction: The risk reduction strategy involves reorganizing business processes to reduce the risk exposure inherent in them. Risk reduction involves reducing the severity of the loss or the likelihood of the loss occurring.

Risk Transfer: A risk transfer strategy involves reducing risk likelihood or impact by transferring or otherwise sharing a portion of the risk. Common risk transfer techniques used includes purchasing insurance products, pooling risks and engaging in hedging transactions.

Risk Acceptance: A risk acceptance strategy is a well-informed decision to accept loss, or benefit of gain, from a risk when it occurs. This involves making resources available internally to mitigate or accommodate such risks. An acceptance strategy is an effective way of addressing emerging risks which are those risks that are anticipated to arise in the future.

Control activities are also established to ensure that risk management decisions are carried out effectively and consistently throughout the Group. This involves formalizing risk management decisions in the Group's policies, ensuring clear accountability, utilizing self-assessment and monitoring tools and designing controls into the systems and critical business processes.

Samson Abiodun
Chief Risk Officer
FRC/2014/PRO/ICAN/004/00000005732

Dated: 29th July 2026

CONSOLIDATED HALLMARK HOLDINGS PLC

REPORT AND CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2026

Certification of Management's assessment on Internal Control Over Financial Reporting for the period ended 30 June 2026

To comply with the provisions of SEC Guidance on Implementation of Sections 60-63 of investments and securities Act 2007, I hereby make the following statements regarding the internal controls of Consolidated Hallmark Holdings Plc FOR THE PERIOD ENDED 30 JUNE 2026.

I, Eddie A. Efekoha , certify that;

a. I have reviewed this Management's assessment on internal control over financial reporting of Consolidated Hallmark Holdings Plc;

b. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the year covered in this report.

c. Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the entity as of , and for, the periods presented in this report.

d. The entity's other certifying officer and I:

i are responsible for establishing and maintaining internal controls;

ii have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the entity, and its consolidated subsidiaries is made known to us by others within those entities, particularly during the period in which this report is being prepared.

iii have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements to external purposes in accordance with generally accepted accounting principles;

iv have evaluated the effectiveness of the entity's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures , as of the end of the period covered by this report based on such evaluation.

e. The entity's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the entity's auditors and audit committee of the entity's Board of directors (or persons performing the equivalent functions):

i All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the entity's ability to record, process, summarize and report financial information; and

ii Any fraud, whether or not material, that involves management or other employees who have a significant role in the entity's internal control system.

f. The entity's other certifying officer(s) and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.

Eddie Efekoha
Group Chief Executive Officer
FRC/2013/CIIN/00000002189

Dated: 29th July 2026

CONSOLIDATED HALLMARK HOLDINGS PLC

REPORT AND CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2026

Certification of Management's Assessment on Internal Control Over Financial Reporting for the period ended 30 June 2026

To comply with the provisions of SEC Guidance on Implementation of Sections 60-63 of investments and securities Act 2007, I hereby make the following statements regarding the internal controls of Consolidated Hallmark Holdings Plc for the period ended 30th June 2026.

I, Babatunde Daramola , certify that:

a. I have reviewed this Management's assessment on internal control over financial reporting of Consolidated Hallmark Holdings Plc;

b. Based on my knowledge, this report does not contain any untrue statement of a material fact or misstate a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the year covered in this report.

c. Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the entity as of , and for, the periods presented in this report.

d. The entity's other certifying officer and I:

i are responsible for establishing and maintaining internal controls;

ii have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the entity, and its consolidated subsidiaries is made known to us by others within those entities, particularly during the period in which this report is being prepared.

iii have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements to external purposes in accordance with generally accepted accounting principles;

iv have evaluated the effectiveness of the entity's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures , as of the end of the period covered by this report based on such evaluation.

e. The entity's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the entity's auditors and audit committee of the entity's Board of Directors (or persons performing the equivalent functions):

i All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the entity's ability to record, process, summarize and report financial information; and

ii Any fraud, whether or not material, that involves management or other employees who have a significant role in the entity's internal control system.

f. The entity's other certifying officer(s) and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.

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

Dated: 29th July 2026

General Information

The Group

The Group comprises Consolidated Hallmark Holdings Plc (the Company) and its subsidiaries: Consolidated Hallmark Insurance Ltd, Hallmark Finance Company Ltd and Hallmark Health Services Ltd.

Company Information:

Consolidated Hallmark Holdings Plc (CHH Plc) is a non-operating Holdco having interests in General Insurance, Life Assurance, Health Management Organisation (HMO) and Finance Company Business.

Consolidated Hallmark Holdings Plc evolved from Consolidated Hallmark Insurance Plc (now Ltd) whose history dates back to 2nd August, 1991 when it was incorporated. The Company started as an insurance Company and is the product of a merger between Hallmark Assurance Plc, Consolidated Risks Insurers Ltd, and the Nigeria General Insurance Company Limited that took effect on 1st March, 2007, in line with the consolidation reform of the National Insurance Commission announced in 2005.

In 2022, the Company resolved to undergo another corporate restructuring (Scheme of Arrangement). The Scheme of Arrangement was approved by a court-ordered meeting on 1st November, 2022 and sanctioned by the Federal High Court on 12th July, 2023, effectively birthing a Non-Operating Holding Company called Consolidated Hallmark Holdings (CHH Plc.)

The Group remains steadfast and committed to its core values of Professionalism, Relationship, Integrity, Customer-Focus, and Excellence and will continue to uphold its time-tested high standard of Corporate Governance.

These consolidated and separate financial statements have been authorized for issue by the Board of Directors on **30 June, 2026**.

Principal Activities

Consolidated Hallmark Holdings Plc (CHH Plc) is a non-operating Holdco having interests in General Insurance, Life Assurance, Health Management Organisation (HMO) and Finance Company Business.

The Company is a public limited entity incorporated and domiciled in Nigeria. Its shares are listed on the floor of the Nigerian Exchange and it has its registered office at 266, Ikorodu Road, Obanikoro, Lagos.

Going concern assessment

These consolidated financial statements have been prepared on a going concern basis. The Group has neither the intention nor the 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:

Consolidated Hallmark Insurance Limited (CHI)

CHI Limited is a fully owned subsidiary of Consolidated Hallmark Holdings Plc, incorporated on the 2nd of August. 1991 and licensed by NAICOM to provide General insurance business covering Motor Insurance, Aviation, Oil and Energy, Bond, Fire and Burglary, General Accident, Marine and Engineering classes of insurance in Nigeria.

Hallmark Finance Company Limited

Hallmark Finance Company Limited is a fully owned subsidiary of Consolidated Hallmark Holdings Plc.
It is licensed by the Central Bank of Nigeria to render finance business, which comprises consumer lending, lease financing, working capital finance, LPO finance and other finance company business.

Hallmark Health Services Limited

Hallmark Health Services Limited is a fully owned subsidiary of Consolidated Hallmark Holdings Plc. Incorporated in 2017, the Company 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 Authority as a National Health Management Organization.

Statement of Material Accounting Policies

The following are the material 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 **2025** 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 42 2023 (as amended).

These are the Group’s financial statements for the year ended 31 December **2025**, prepared in accordance with IFRS 10 - Consolidated Financial Statements.

1.1.2 Application of new and amended standards

Standards and interpretation effective and adopted in current year

1.1.2.1.New and amended standards and interpretations

Several standards amendments and interpretations apply for the first time in **2025** but did not have an impact on the financial statements of the Group.

In the current year, the Group has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after **1 January 2025**. Their adoption has not had any material impact on the disclosures or on the amounts reported in these consolidated financial statements.

1.1.2.2.Amendments to IAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Non-current

The amendments to IAS 1 published in January 2020 affect only the presentation of liabilities as current or noncurrent in the consolidated statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of ‘settlement’ to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The directors of the Group have accessed the application of this amendment above and concluded that it did not have any material impact on the amounts recognised in the Group's consolidated financial statements for prior periods and in future periods.

1.1.2.3.Amendments to IAS 1 Presentation of Financial Statements—Non-current Liabilities with Covenants

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity’s right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or noncurrent). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity’s financial position at the reporting date that is assessed for compliance only after the reporting date).

The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity’s right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

The directors of the Group have accessed the application of this amendment above and concluded that it did not have any material impact on the amounts recognised in the Group's consolidated financial statements for prior periods and in future periods

1.1.2.4.Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangements

The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

The term 'supplier finance arrangements' is not defined. Instead, the amendments describe the characteristics of an arrangement for which an entity would be required to provide the information.

To meet the disclosure objective, an entity will be required to disclose in aggregate for its supplier finance arrangements:

* The terms and conditions of the arrangements;
* The carrying amount, and associated line items presented in the entity's statement of financial position, of the liabilities that are part of the arrangements;
* The carrying amount, and associated line items for which the suppliers have already received payment from the finance providers;
* Ranges of payment due dates for both those financial liabilities that are part of a supplier finance arrangement and comparable trade payables that are not part of a supplier finance arrangement;
* Liquidity risk information.

The directors of the Group have accessed the application of this amendment above and concluded that it did not have any material impact on the amounts recognised in the Group's consolidated financial statements for prior periods and in future periods

1.1.2.5.Amendment to IFRS 16 Leases—Lease Liability in a Sale and Leaseback

The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.

The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.

As part of the amendments, the IASB amended an Illustrative Example in IFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability, that arises from a sale and leaseback transaction that qualifies as a sale applying IFRS 15, is a lease liability.

The directors of the Group have accessed the application of this amendment above and concluded that it did not have any material impact on the amounts recognised in the Group's consolidated financial statements for prior periods and in future periods

1.1.3 Interpretations Issued and Effective on or after 1 January 2025

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

1.1.3.1. Standards issued and effective on or after 1 January 2025

* Amendments to IAS 21 -- Lack of Exchangeability (effective for annual periods beginning on or after 1 January 2025);
* Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026);
* IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective for annual periods beginning on or after 1 January 2027);
* IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027);

The directors do not expect that the adoption of the Standards listed above will have a material impact on the consolidated financial statements of the group in future periods, except if indicated below.

1.1.3.1.1.Amendments to IAS 21 -- Lack of Exchangeability (effective for annual periods beginning on or after 1 January 2025)

In August 2023, the IASB amended IAS 21 to help entities to determine whether a currency is exchangeable into another currency, and which spot exchange rate to use when it is not.

The directors do not expect that the adoption of the Standards listed above will have a material impact on the consolidated financial statements of the group in future periods, except if indicated below.

1.1.3.1.2.Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026)

On 30 May 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities.These amendments:

* clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
* clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
* add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
* update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The directors do not expect that the adoption of the Standards listed above will have a material impact on the consolidated financial statements of the group in future periods, except if indicated below.

1.1.3.1.3.IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective for annual periods beginning on or after 1 January 2027)

Issued in May 2024, IFRS 19 allows for certain eligible subsidiaries of parent entities that report under IFRS Accounting Standards to apply reduced disclosure requirements.

The directors do not expect that the adoption of the Standards listed above will have a material impact on the consolidated financial statements of the group in future periods, except if indicated below.

1.1.3.1.4.IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027)

IFRS 18 will replace IAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users.Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures.
within the financial statements.

The new standard introduces the following key new requirements:

* Entities are required to classify all income and expenses into five categories in the statement of profit or loss. Namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities net profit will not change.
* Management-defined performance measures (MPMs) are disclosed in a single note in the financial
* Enhances guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit sub-total as the starting points for the statement of cash flows when presenting operating cash flows under the indirect method.

Management is currently assessing the detailed implications of applying the new standard on the group's consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

* Although the adoption of IFRS 18 will have no impact on the group's net profit, the group mexpects that grouping items of income and expenses in the statement of profit or loss into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the group has performed, the following items might potentially impact operating profit:
  * Foreign exchange differences currently aggregated in the line item 'other income and other gains/(losses) – net' in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit.
  * IFRS 18 has specific requirements on the category in which derivative gains or losses are recognised – which is the same category as the income and expenses affected by the risk that the derivative is used to manage. Although the group currently recognises some gains or losses in operating profit and others in finance costs, there might be a change to where these gains or losses are recognised, and the group is currently evaluating the need for change.
* The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation. In addition, since goodwill will be required to be separately presented in the statement of financial position, the group will disaggregate goodwill and other intangible assets and present them separately in the statement of financial position.
* The directors of the group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:
  * management-defined performance measures;
  * a break-down of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss – this break-down is only required for certain nature expenses; and

* for the first annual period of application of IFRS 18, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying IFRS 18 and the amounts previously presented applying IAS 1.

* From a cash flow statement perspective, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as financing cash flows and interest received as investing cash flows, which is a change from current presentation as part of operating cash flows

The Group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with IFRS 18.

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 Group and its subsidiaries, Consolidated Hallmark Insurance Ltd, Hallmark Health Services Limited and Hallmark Finance Group 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 Group 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 Group'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 Group'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 Group's debt collection ratio per

(c) 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

2. Segment reporting
An operating segment is a component of the Group engaged in business activities from which it may earn revenues and incur expenses 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 and for which discrete financial information is available. 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 Group Executive Management.

3.0 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 Group 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 Group'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 Group'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

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 depend upon the facts and circumstances which need to be judged by the Management

Cash flow characteristics assessment

The Group 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

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 Group 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 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

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 Group's own credit risk which shall be recognized in OCI. Changes in fair value of liabilities due to changes in the Group's own credit risk, which are recognized in OCI, shall not be subsequently reclassified to the Consolidated Statement of Income upon

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 Group 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

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 assesses the under listed financial instruments for impairment using
Expected Credit Loss (ECL) approach:
1. Amortized cost financial assets; and
2. Debt securities classified as FVOCI;

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

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

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 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 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

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 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 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

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 Group are as follows:

- Group 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
- 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
- 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. Group 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
- 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 Group 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

A receivable represents the Groups right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due). Trade receivables are recognized when due. These include amounts due from agents, brokers and insurance contract holders. If there is objective evidence that the receivable is impaired, the Group reduces the carrying amount of the receivable accordingly and recognizes that impairment loss in the income statement. The Group first assesses whether objective evidence of impairment exists individually for receivables that are individually significant. If the Group 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 Group's historical outstanding payments

6. Reinsurance contract assets and liabilities

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

The benefits to which the Group 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 Group's property or casualty insurance contracts.

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

The Group assesses its reinsurance assets for impairment. If there is objective evidence that the reinsurance asset is impaired, the Group reduces the carrying amount of the reinsurance asset to its recoverable amount and recognizes that impairment loss in the income statement. The Group 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. 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.

8. 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).

9. 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.

10. 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 Group 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

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

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 represents10% of the minimum paid-up capital of the Group deposited with the Central Bank of Nigeria CBN) in pursuant to Section 10(3) of the Insurance Act, 2003. Statutory deposit is measured at cost.

15. 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 Group pays fixed contributions into a separate entity. The rate of contribution by the Group and its employee is 10% and 8% respectively of basic salary, housing and transport allowance. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

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

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

17. Share capital

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

18. Share premium

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

19. Contingency reserve

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

20. Statutory reserve

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

21. Regulatory risk reserve

The Subsidiary (Hallmark Finance Company 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 retained earnings in the year in which the dividend is approved by the Group's shareholders.

23. Revenue recognition

A. Key types of insurance contracts issued, and reinsurance contracts held.

Non-Life Business - The Group issues non-life insurance to individuals and businesses. Non-life insurance products offered include motor, property, marine, fire and personal accident. These products offer protection of policyholders' assets and indemnification of other parties that have suffered damage as a result of a policyholder's accident. The Group also issued Life insurance contracts through its Microinsurance sub-

The Group accounts for these contracts applying the Premium Allocation Approach (PAA).

The Group uses facultative and treaty reinsurance to mitigate some of its risk exposures

For the life business, the Group holds quota share reinsurance treaties and accounts for these treaties applying the PAA.

B. Definition and Classification

Products sold by the Group are classified as insurance contracts when the Group accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder.

This assessment is made on a contract-by-contract basis at the contract issue date. In making this assessment, the Group considers all its substantive rights and obligations, whether they arise from contract, law or regulation.

The Group determines whether a contract contains significant insurance risk by assessing if an insured event could cause the Group to pay to the policyholder additional amounts that are significant in any single scenario with commercial substance even if the insured event is extremely unlikely or the expected present value of the contingent cash flows is a small proportion of the expected present value of the remaining cash flows from the insurance contract.

The Group does not issue any contracts with direct participating features.

C.Separating components from insurance and reinsurance contracts

The Group assesses its insurance and reinsurance products to determine whether they contain components which must be accounted for under another IFRS 15 rather than IFRS 17 (distinct non - insurance components). After separating any distinct components, an entity must apply IFRS 17 to all remaining components of the (host) insurance contract.

Currently, the Group's products do not include distinct components that require separation.

Some term life contracts issued by the Group include a surrender option under which the surrender value is paid to the policyholder on maturity or earlier lapse of the contract. These surrender options have been assessed to meet the definition of a non -distinct investment component in IFRS 17. IFRS 17 defines investment components as the amounts that an insurance contract requires an insurer to repay to a policyholder in all circumstances, regardless of whether an insured event has occurred. Investment components which are highly interrelated with the insurance contract of which they form a part are considered non-distinct and are not separately accounted for. However, receipts and payments of the investment components are excluded from insurance revenue and insurance expenses. The surrender options are considered non distinct investment components as the Group is unable to measure the value of the surrender option component separately from

D. Level of aggregation

IFRS 17 requires an entity to determine the level of aggregation for applying its requirements. The Group identifies portfolios by aggregating insurance contracts that are subject to similar risks and managed together. In grouping insurance contracts into portfolios, the Group considers the similarity of risks rather than the specific labelling of product lines. The Group has determined that all contracts within each product line, as defined for management purposes, have similar risks. Therefore, when contracts are managed together, they represent a portfolio of contracts. Each portfolio is subdivided into groups of contracts to which the recognition and measurement requirements of IFRS 17 are applied.

At initial recognition, the Group segregates contracts based on when they were issued. A cohort contains all contracts that were issued within a 12-month period. Each cohort is then further disaggregated into three groups of contracts:

- Contracts that are onerous on initial recognition
- Contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently
- Any remaining contracts

For short term contracts accounted for applying the PAA, the Group determines that contracts are not onerous on initial recognition, unless there are facts and circumstances indicating otherwise. As IFRS 17 does not define what “facts/circumstances” entail; the following are considered on their impact on expected cashflows and resulting profitability:

Significant changes in external conditions including economic or regulatory changes.

Changes to the organization or processes
Changes in underwriting and pricing strategies

Trends in experience and expected variability in cashflows

This consideration is only required for Liabilities for Remaining Claims (LRC) and not Liabilities for Incurred Claims (LIC)which is already measured at the current fulfillment value. Fulfillment cashflows can be estimated at whichever aggregate level is deemed appropriate and then subsequently allocated into IFRS 17 portfolios and groups. The fact that incurred claims of a particular cohort are loss-making does not mean the LRC will also be onerous. Judgment is applied to determine whether each cohort’s LRC will be similar to this incurred experience and hence onerous. For example, actions taken to improve profitability a historically loss -making cohort may indicate that the cohort will be non-onerous going forward.

All short-term contracts have currently been assessed as having no possibility of becoming onerous. Though the Fire portfolio (non-Life) has historically been loss-making, the portfolio has been showing some improvement post-implementation of PRAN rates and other underwriting strategies such as removal of some toxic accounts etc. The Group expects that improvements will be sustained in future and therefore the cohort will be non-onerous. In subsequent periods, non-onerous contracts are re-assessed based on the likelihood of prevailing facts and circumstances leading to significant possibility of becoming onerous.

Reinsurance contracts held are assessed for aggregation on an individual contract basis and are assessed separately from insurance contracts. The smallest unit of account is a reinsurance contract, even where this contract covers more than one type of insurance product. However, there are cases where a reinsurance contract covers separate and identifiable product lines which are only included in the same legal document for administrative convenience. These contracts have been separated into its different component.

If two or more reinsurance contracts are written on a particular product line, these may be grouped together in the same portfolio as they will be covering risks of the same nature and will be managed together. For example, the Surplus contracts (1&2) on Fire have been grouped together as they cover risks of the same nature and can be measured under the same measurement approach (PAA because they have a contract boundary of 1 year). While, facultative and excess of loss contracts are in separate groups; though they cover the same risks and are even managed together, differing measurement approaches as well as recognition requirements may apply.

E. Recognition

The Group recognizes groups of insurance contracts issued from the date when the first payment from a policyholder in the group becomes due. As Group adheres to the statutory “no premium no cover”, the date premium is received from the policyholder will always be earlier or on the same date as the coverage period. This premium receipt date would then be used to separate the groups of insurance contracts into yearly cohorts. The contract groupings shall not be reassessed until they are derecognized.

F. Contract Boundaries

The Group includes in the measurement of a group of insurance contracts all the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay the premiums, or in which the Group has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation to provide insurance contract services ends when:

- The Group has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks Or
- Both of the following criteria are satisfied:
- The Group has the practical ability to reassess the risks of the portfolio of insurance contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio.
- The pricing of the premiums up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.

A liability or asset relating to expected premiums or claims outside the boundary of the insurance contract are not recognized. Such amounts relate to future insurance contracts.

G. Measurement of insurance contracts issued.

1. General Model - Initial Measurement

The Group measures a group of contracts on initial recognition as the sum of the expected fulfilment cash flows within the contract boundary and the contractual service margin representing the unearned profit in the contracts relating to services that will be provided under the contracts.
Fulfilment cash flows within contract boundary

The fulfilment cash flows are the current unbiased and probability-weighted estimates of the present value of the future cash flows, including a risk adjustment for non -financial risk. In arriving at a probability-weighted mean, the Group considers a range of scenarios to establish a full range of possible outcomes incorporating all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of expected future cash flows. The estimates of future cash flows reflect conditions existing at the measurement date including assumptions at that date about the future. The Group estimates expected future cash flows for a group of contracts at a portfolio level and allocates them to the groups in that portfolio in a

When estimating future cash flows, the Group includes all cash flows within the contract boundary including:

- Premiums and any additional cash flows resulting from those premiums.
- Reported claims that have not yet been paid, claims incurred but not yet reported, future claims expected to arise from the policy and potential cash inflows from recoveries on future claims covered by existing insurance contracts.
- An allocation of insurance acquisition cash flows attributable to the portfolio to which the issued contract
- Claim handling costs.
- Costs of providing contractual benefits in kind, such as home and vehicle repair
- Policy administration and maintenance costs including recurring commissions expected to be paid to intermediaries for policy administration services only (recurring commissions that are insurance acquisition cash flows are treated as such in the estimate of future cash flows)
- Transaction-based taxes
- An allocation of fixed and variable overheads directly attributable to the fulfilment of insurance contracts including overhead costs such as accounting, human resources, information technology and support, building depreciation, rent, and maintenance and utilities.
- Costs incurred for performing investment activities that enhance insurance coverage benefits for the
- Costs incurred for providing investment-related service and investment-return service to policyholders.
- Other costs specifically chargeable to the policyholder under the terms of the contract.

The Group does not provide investment-return services in respect of contracts that it issues, nor does it perform investment activities for the benefit of policyholders. The Group incorporates, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows.

The Group estimates the probabilities and amounts of future payments under existing contracts based on information obtained, including:

- Information about claims already reported by policyholders
- Other information about the known or estimated characteristics of the insurance contracts
- Historical data about the Group's own experience, supplemented, when necessary, with data from other sources. Historical data is adjusted to reflect current conditions.
- Current pricing information, when available

The measurement of fulfilment cash flows includes insurance acquisition cash flows which are allocated as a portion of premium to profit or loss (through insurance revenue) over the period of the contract in a systematic and rational way on the basis of the passage of time. The Group does not elect to accrete interest on insurance acquisition cash flows to be allocated to profit or loss.

Discount Rate

The time value of money and financial risk is measured separately from expected future cash flows with changes in financial risks recognized in profit or loss at the end of each reporting period unless the Group has elected the accounting policy to present the time value of money separately in profit or loss and other comprehensive income. The Group measures the time value of money using discount rates that reflect the liquidity characteristics of the insurance contracts and the characteristics of the cash flows, consistent with observable current market prices. They exclude the effect of factors that influence such observable market prices but do not affect the future cash flows of the insurance contracts (e.g., credit risk).

In determining discount rates for cash flows, the Group uses the 'bottom -up approach' to estimate discount rates starting from a risk-free rate with similar characteristics, plus an illiquidity premium where applicable. Risk free rates are determined by reference to the yields of highly liquid FGN Bonds. The illiquidity premium is determined by reference to observable market rates, including sovereign debt, corporate debt and market swap

Risk adjustment for non-financial risk
The Group measures the compensation it would require for bearing the uncertainty about the amount and timing of cash flows arising from insurance contracts, other than financial risk, separately as an adjustment for non-financial risk.

The Group uses the cost of capital method in estimating the risk adjustment. The level of capital and the cost of capital rate that feed this estimation technique are calibrated from the Group economic capital's approach within which the Group estimates the impact of non -financial risks. The economic capital approach includes a quantitative measure of the Group's risk appetite which allows a specific measure of the Group's non-financial risk and the degree of its risk aversion for financial reporting purposes. The Group's economical capital approach, and the risk adjustment calculation derived from it, include the benefits of diversification at the issuing entity level. This is allocated to all the groups of insurance contracts. Diversification benefits are derived from a study of the negative correlation that exists among the different non-financial variables impacting the cash flows from the portfolios of the Group and results in lower economic capital being necessary to absorb the residual

Contractual Service Margin (CSM)
The CSM is a component of the overall carrying amount of a group of insurance contracts representing unearned profit that the Group will recognize as it provides insurance contract services over the coverage

At initial recognition, the Group measures the CSM at an amount that, unless a group of insurance contracts is onerous, results in no gains recognized in profit or loss arising from:

- The expected fulfilment cash flows of the group.
- The amount of any derecognized asset for insurance acquisition cash flows allocated to the group
- Any other asset or liability previously recognized for cash flows related to the group.
- Any cash flows that have already arisen on the contracts as of that date.

If a group of contracts is onerous, the Group recognizes a loss on initial recognition. This results in the carrying amount of the liability for the group being equal to the fulfilment cash flows, and the CSM of the group being nil. A loss component is recognized for any loss on initial recognition of the group of insurance contracts.

The Group determines at initial recognition the group's coverage units. The Group then allocates the group's CSM based on the coverage units provided in the period.

The Group allocates contracts acquired with claims in the settlement phase into annual groups based on the expected profitability of the contracts at the date of acquisition. The Group uses the consideration received or paid as an approximation of premiums to calculate the CSM on initial recognition.

Insurance acquisition cash flows

The Group includes insurance acquisition cash flows in the measurement of a group of insurance contracts if they are directly attributable to either the individual contracts in a group, the group itself or the portfolio of insurance contracts to which the group belongs.

The Group estimates, at a portfolio level, insurance acquisition cash flows not directly attributable to the group but directly attributable to the portfolio. The Group then allocates them to the group of newly written and renewed contracts on a systematic and rational basis.

The Group applies judgement in determining the inputs used in the methodology to systematically and rationally allocate insurance acquisition cash flows to groups of insurance contracts. This includes judgements about whether insurance contracts are expected to arise from renewals of existing insurance contracts and, where applicable, the amount to be allocated to groups including future renewals and the volume of expected renewals from new contracts issued in the period.

In the current and prior years, the Group did not allocate any insurance acquisition cash flows to future groups of insurance contracts, as it did not expect any renewal contracts to arise from new contracts issued in the period.

In the current and prior year, the Group did not identify any facts and circumstances indicating that the assets may be impaired.

2. General Model - Subsequent Measurement

In estimating the total future fulfilment cash flows, the Group distinguishes between those relating to already incurred claims and those relating to future service. At the end of each reporting period, the carrying amount of the group of insurance contracts will reflect a current estimate of the liability for remaining coverage (LRC) as at that date and a current estimate of the liability for incurred claims (LIC).

The LRC represents the Group's obligation to investigate and pay valid claims under existing contracts for insured events that have not yet occurred, amounts that relate to other insurance contract services not yet provided (i.e. provision of investment-return and investment-related services) and investment components and other amounts not related to insurance contract services that have not yet been transferred to the LIC.

The LRC is comprised of:

(a) the fulfilment cash flows relating to future service,

(b) the CSM yet to be earned and

(c) any outstanding premiums for insurance contract services already provided.

The LIC includes the Group's liability to pay valid claims for insured events that have already incurred, other incurred insurance expenses arising from past coverage service and the liability for claims incurred but not yet reported. It also includes the Group's liability to pay amounts the Group is obliged to pay the policyholder under the contract. This includes repayment of investment components, when a contract is derecognized. The current estimate of LIC comprises the fulfilment cash flows related to current and past service allocated to the group at

Changes in fulfilment cash flows

At the end of each reporting period, the Group updates the fulfilment cash flows for both LIC and LRC to reflect the current estimates of the amounts, timing and uncertainty of future cash flows, as well as discount rates and other financial variables.

The Group has an accounting policy choice which calculates changes in fulfilment cash flows at the end of a reporting period for changes in non-financial assumptions, changes in discount rates and financial assumptions. The Group first calculates the changes in discount rates and financial assumptions on the fulfilment cash flows (as expected at the beginning of the period) and then calculate changes on those cash flows from the change in non-financial assumptions.

Experience adjustments are the difference between:

- The expected cash flow estimates at the beginning of the period and the actual cash flows for premiums received in the period (and any related cash flows paid such as insurance acquisition cash flows and insurance premium taxes)
- The expected cash flow estimates at the beginning of the period and the actual incurred amounts of insurance service expenses in the period (excluding insurance acquisition expenses).

Experience adjustments relating to current or past service are recognized in profit or loss. For incurred claims (including incurred but not reported) and other incurred insurance service expenses, experience adjustments always relate to current or past service. They are included in profit or loss as part of insurance service expenses.

Experience adjustments relating to future service are included in the LRC by adjusting the CSM. The release of the CSM depends on whether the contract does not participate, participates indirectly, or directly participates in the performance of the specified underlying items.

At the end of each reporting period, the Group re-estimates the LRC fulfilment cash flows, updating for changes in assumptions relating to financial and non-financial risks.

Adjustments to the CSM

The following changes in fulfilment cash flows are considered to be related to future service and adjust (or 'unlock') the CSM of the group of insurance contracts:

- Experience adjustments relating to the premiums received in the period that relate to future service, and any related cash flows such as insurance acquisition cash flows and premium -based taxes measured at the 'locked in' discount rates applicable when the contracts in the group were initially recognized.
- The change in the estimate of the present value of expected future cash flows in the liability for remaining coverage, related to non-financial variables, measured at the 'locked in' discount rates applicable when the contracts in the group were initially recognized. All financial variables are locked in at initial recognition.
- Changes in the risk adjustment for non-financial risk relating to future service. The Group has elected not to disaggregate the change in the risk adjustment for non-financial risk between:
- a change related to non-financial risk and
- the effect of the time value of money and changes in the time value of money.
- Differences between the amount of investment components that were expected to be payable in the period and the amount of investment components that actually became payable. The amount of investment components expected to be payable in the period is measured at the discount rates applicable before it

The following adjustments do not relate to future service and thus do not adjust the CSM:

- Changes in fulfilment cash flows for the effect of the time value of money and the effect of financial risk and changes thereof.
- Changes in the fulfilment cash flows relating to the LIC.
- Experience adjustments relating to insurance service expenses (excluding insurance acquisition cash flows)

Any further increases in fulfilment cash flows relating to future coverage are recognized in profit or loss as they occur, increasing the loss component of the group of insurance contracts. Any subsequent decreases in fulfilment cash flows related to future coverage do not adjust the CSM until the loss component of the group is fully reversed through profit or loss.

At the end of the reporting period, the carrying amount of the CSM for a group of insurance contracts without direct participating features is the carrying amount at the beginning of the period adjusted for:

- The effect of any new contracts added to the group.
- Interest accreted on the carrying amount of the CSM measured at the discount rates determined at initial recognition.
- The changes in fulfilment cash flows related to future service, except:
- Increases in fulfilment cash flows that exceed the carrying amount of the CSM, giving rise to a loss that results in the group of contracts becoming onerous or more onerous.
- Decreases in fulfilment cash flows that reverse a previously recognized loss on a group of onerous contracts.
- The effect of any currency exchange differences on the CSM
- The amount recognized as insurance revenue because of the transfer of insurance contract services in the period, determined by the allocation of the CSM remaining at the end of the reporting period over the current and remaining coverage period.

Recognition of the CSM in profit or loss

An amount of the CSM is released to profit or loss in each period during which the insurance contract services are provided.

In determining the amount of the CSM to be released in each period, the Group follows three steps:

- Determine the total number of coverage units in the group. The amount of coverage units in the group is determined by considering the quantity of benefits provided under the contract and the expected coverage period for each contract.
- Allocate the CSM at the end of the period (before any of it is released to profit or loss to reflect the insurance contract services provided in the period) equally to each of the coverage units provided in the current period and expected to be provided in the future
- Recognize in profit or loss the amount of CSM allocated to the coverage units provided during the period lapse or surrender and new contracts are added to the group. The total number of coverage units depends on the expected duration of the obligations that the Group has from its contracts. These can differ from the legal contract maturity because of the impact of policyholder behavior and the uncertainty surrounding future

By determining a number of coverage units, the Group exercises judgement in estimating the likelihood of insured events occurring and policyholder behavior to the extent that they affect expected period of coverage in the group, the different levels of service offered across periods and the ‘quantity of benefits’ provided under a

3. Premium Allocation Approach (PAA)

This is a simplification of the general model. The Group applies the PAA to the measurement of group life and non-life insurance contracts with a coverage period of each contract in the group of one year or less.

Contracts with coverage periods above one year which are not immediately eligible for the PAA, will be subjected to a PAA eligibility by assessing the expected LRC cashflows under both the PAA and General Model approaches. However, there is no material difference in the measurement of the liability for remaining coverage between PAA and the general model, therefore, these qualify for PAA.

On initial recognition, the Group measures the carrying amount of the Liability for remaining coverage for insurance contracts held as the premiums received - Gross Written premium

At subsequent measurement, the LRC is effectively the unearned premium reserve (UPR) under IFRS 4 less the deferred acquisition costs (DAC). Unlike IFRS 4, DAC will not be presented as an asset under IFRS17. It is instead reflected in the overall insurance contract liability for remaining coverage, without being identified as a separate component in the balance sheet.

Premium Experience Adjustment: Where premium experience adjustments relate to current/past service and are treated at the end of the period, this will be immediately recognized in the P&L as insurance revenue.

Insurance acquisition cash flows

IFRS 17 defines insurance acquisition cash flows as cash flows arising from the costs of selling, underwriting and starting a group of insurance contracts that are directly attributable to the portfolio of insurance contracts to which the group belongs. These include direct and indirect costs incurred in originating insurance contracts, including cashflows related to unsuccessful efforts to obtain new business.

Under the PAA, an entity can choose to immediately expense insurance acquisition cash flows in the P&L when incurred if and only if each insurance contract in a group has a coverage period of one year or less. CHI Limited has opted not to expense acquisition cash flows immediately when incurred. Alternatively, an entity can recognize insurance acquisition cash flows in the measurement of liability for remaining coverage (LRC) and amortize insurance acquisition cash flows in the P&L (systematically - in line with earning pattern of premium revenue OR passage of time, with the former being the method adopted by the Group).

The exiting IFRS 4 approach is to recognize a separate deferred acquisition cost (DAC) assets for costs associated with writing new insurance contracts (e.g., commissions paid to brokers). Under IFRS 17, if acquisition costs are paid before the related insurance groups are recognized, an entity shall recognize an asset. These assets are derecognized when the group of insurance contracts are recognized. If insurance acquisition cash flows are expected to be paid after the related group is recognized, then they are included as part of the measurement of insurance contracts (LRC).

IFRS 17 allows for the deferral of acquisition costs to smooth out the recognition of profits. Paid acquisition costs are an asset that is amortized (or derecognized) when they are included in the measurement of the related group of insurance contracts. Group has chosen to defer all insurance acquisition cash flows and recognize them over the coverage period of contracts or groups they are attributed to. Therefore, acquisition costs and related revenue are recognized over the same periods and in the same pattern, based on the passage of time.

It must be noted that IFRS 17 requires allocation to future renewals if the acquisition cashflows are judged to support future renewals. Also the expensing acquisition costs policy choice only applies for contracts with coverage period one year or less.

For contracts measured under PAA in the Group, insurance acquisition costs comprise of costs: that are directly attributable to individual contracts or groups of contracts in a portfolio that are directly attributable to individual contracts or groups of contracts in a portfolio that are not directly attributable to individual contracts but, directly attributable to the portfolio of insurance contracts to which the group belongs; with the costs being allocated to groups on a systematic and rationale method e.g., Activity-Based Costing method or based on GWP proportions or claims cost etc.

4. Onerous contracts

The Group considers an insurance contract to be onerous if the expected fulfilment cash flows allocated to the contract, any previously recognized acquisition cash flows and any cash flows arising from the contract at the date of initial recognition in total result in a net cash outflow.

On initial recognition, the onerous assessment is done on an individual contract level assessing future expected cash flows on a probability-weighted basis including a risk adjustment for non-financial risk. Contracts expected on initial recognition to be loss-making are grouped together and such groups are measured and presented separately. Once contracts are allocated to a group, they are not re-allocated to another group, unless they are

On initial recognition, the CSM of the group of onerous contracts is nil and the group's measurement consists entirely of fulfilment cash flows. A net outflow expected from a group of contracts determined to be onerous is considered to be the group's 'loss component'. It is initially calculated when the group is first considered to be onerous and is recognized at that date in profit or loss. The amount of the group's loss component is tracked for the purposes of presentation and subsequent measurement.

After the loss component is recognized, the Group allocates any subsequent changes in fulfilment cash flows of the LRC on a systematic basis between the loss component and the LRC excluding the loss component. For groups of onerous contracts, without direct participating features, the Group uses locked-in discount rates. They are determined at initial recognition to calculate the changes in the estimate of future cash flows relating to future service (both changes in a loss component and reversals of a loss component).

For all issued contracts, other than those accounted for applying the PAA, the subsequent changes in the fulfilment cash flows of the LRC to be allocated are:

- Insurance finance income or expense
- Changes in risk adjustment for non-financial risk recognized in profit or loss representing release from risk in the period.
- Estimates of the present value of future cash flows for claims and expenses released from the LRC because of incurred insurance service expenses in the period.

The Group determines the systematic allocation of insurance service expenses incurred based on the percentage of loss component to the total fulfilment cash outflows included in the LRC, including the risk adjustment for non- financial risk, excluding any investment component amount.

For contracts that are measured under PAA, the assumption is that there are no onerous contracts at initial recognition, unless facts and circumstances indicate otherwise. If the measurement of the LIC results in a loss-making group, this does not translate to the LRC being onerous. In this case, the group will be assessed as to whether its LRC will be similar to the incurred experience and hence considered to be onerous. For example, actions taken to improve profitability on the fire portfolio which has been historically loss-making may indicate that the LRC will have a different loss experience.

If facts and circumstances indicate that a group of contracts is onerous during the coverage period, the onerous liability is calculated as the difference between: the carrying amount of the liability for remaining coverage; and the FCF that relates to remaining coverage similar to what is needed under the GMM.

This difference is recognized as a loss and shall increase the liability for remaining coverage.

I. Measurement of Reinsurance contracts issued.

1. Recognition

Proportional reinsurance contracts held will be first recognized on the later of the beginning of the coverage period of the reinsurance contract or the date that the first underlying insurance contract in the treaty is initially

For example, if we enter a surplus fire reinsurance contract on 1 January 2022 and the first fire insurance policy in the treaty is written in February 2022, then the date of recognition of the surplus reinsurance contract will be February 2022. Though the contract agreement is in place in January, cashflows on the contract don't start until February.

Non-Proportionate reinsurance coverage will be recognized at the beginning of the coverage period of the contract.

2. Reinsurance contracts held measured under the PAA.

All reinsurance contracts with contract boundaries not exceeding one year are automatically considered to meet PAA eligibility. Most of the Group's Surplus reinsurance contracts are immediately eligible for PAA as they are written on a clean-cut basis. At the end of the period, the reinsurer withdraws from the contract and the reinsurance held portfolio (including outstanding recoveries and ceded portion of unexpired premiums) is

A smaller number of surplus reinsurance contracts and all Facultative contracts are written on an underwriting year basis. This basis extends the contract boundary beyond one year as coverage of contracts ceded to the treaty may continue even after the underwriting year has ended. For example, if an insurance contract incepted in May 2022 and cedes to the Marine Hull Surplus reinsurance treaty (which incepted 1 January 2022); the contract boundary extends till May 2023 when the insurance contract will expire. So, the contract boundary for the reinsurance contract is beyond one year i.e.. 1 Jan 2022 - May 2023.

Where the reinsurance contracts held covers a group of onerous underlying insurance contracts, the Group adjusts the carrying amount of the asset for remaining coverage and recognizes a gain when, in the same period, it reports a loss on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to a group. The recognition of this gain results in the recognition for the loss recovery component of the asset for the remaining coverage of a group of reinsurance contracts held.

J. Modification and Derecognition

- The Group derecognizes the original contract and recognizes the modified contract as a new contract, if the terms of insurance contracts are modified and the following are met: conditions.
- If the modified terms were included at contract inception and the Group would have concluded that the modified contract:
- · Is outside of the scope of IFRS 17
- – Results in a different insurance contract due to separating components from the host contract
- – Results in a substantially different contract boundary
- – Would be included in a different group of contracts.
- The original contract met the definition of an insurance contract with direct participating features, but the modified contract no longer meets the definition.
- The original contract was accounted for applying the PAA, but the modified contract no longer meets the PAA eligibility criteria for that approach.

If the contract modification meets any of the conditions, the Group performs all assessments applicable at initial recognition, derecognizes the original contract and recognizes the new modified contract as if it was entered for the first time.

If the contract modification does not meet any of the conditions, the Group treats the effect of the modification as changes in the estimates of fulfilment cash flows.

For insurance contracts accounted for applying the General Model, a change in the estimates of fulfilment cash flows results in a revised end of period CSM (before the current period allocation). A portion of the revised end of period CSM is allocated to the current period, as is the revised CSM amount applied from the beginning of the period but reflecting the change in the coverage units due to the modification during the period.

This portion is calculated using updated coverage unit amounts determined at the end of the period and weighted to reflect the fact that the revised coverage existed for only part of the current period.
For insurance contracts accounted for applying the PAA, the Group adjusts insurance revenue prospectively from the time of the contract modification.

The Group derecognizes an insurance contract when, and only when the contract is:

- Extinguished (when the obligation specified in the insurance contract expires or is discharged or cancelled)
- Modified and the derecognition criteria are met.
- When the Group derecognizes an insurance contract from within a group of contracts, it:
- Adjusts the fulfilment cash flows allocated to the group to eliminate the present value of the future cash flows and risk adjustment for non-financial risk relating to the rights and obligations that have been derecognized from the group.
- Adjusts the CSM of the group for the change in the fulfilment cash flows (unless it relates to the increase or reversal of the loss component)
- Adjusts the number of coverage units for expected remaining insurance contract services to reflect the coverage units derecognized from the group and recognizes in profit or loss in the period the amount of CSM based on that adjusted number.

When the Group transfers an insurance contract to a third party and that results in derecognition, the Group adjusts the CSM of the group from which the contract has been derecognized for the difference between the change in the carrying amount of the group caused by the derecognized fulfilment cash flows and the premium charged by the third party for the transfer.

When the Group derecognizes an insurance contract due to modification, it derecognizes the original insurance contract and recognizes a new one. The Group adjusts the CSM of the group from which the modified contract has been derecognized for the difference between the change in the carrying amount of the group as a result of adjustment to fulfilment cash flows due to derecognition and the premium the Group would have charged had it entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium actually charged for the modification.

K. Presentation

The Group has presented separately in the consolidated statement of financial position the carrying amount of portfolios of insurance contracts that are assets and those that are liabilities, and the portfolios of reinsurance contracts held that are assets and those that are liabilities.

The Group disaggregates the amounts recognized in the consolidated statement of profit or loss and other comprehensive income into an insurance service result sub -total that comprises insurance revenue and insurance service expenses and, separately from the insurance service result, the 'net insurance finance income or expenses' sub-total. The Group has voluntarily included the net insurance finance income or expenses line in another sub- total: net insurance and investment result, which also includes the income from all the assets backing the Group's insurance liabilities.

The Group includes any assets for insurance acquisition cash flows recognized before the corresponding groups of insurance contracts are recognized in the carrying amount of the related portfolios of insurance contracts

1. Insurance Revenue

As the Group provides insurance services under a group of insurance contracts issued, it reduces its LRC and recognizes insurance revenue, which is measured at the amount of consideration the Group expects to be entitled to in exchange for those services.

For groups of insurance contracts measured under the General Model, insurance revenue consists of the sum of the changes in the LRC due to:

- The insurance service expenses incurred in the period measured at the amounts expected at the beginning of the period, excluding:
- Amounts allocated to the loss component.
- Repayments of investment components.
- Amounts that relate to transaction-based taxes collected on behalf of third parties.
- Insurance acquisition expenses.
- Amounts relating to risk adjustment for non-financial risk.
- The change in the risk adjustment for non-financial risk, excluding:
- Changes that relate to future service that adjust the CSM.
- Amounts allocated to the loss component.
- The amount of CSM for the services provided in the period.

Other amounts, such as experience adjustments for premium receipts that relate to current or past service, if any Insurance revenue also includes the portion of premiums that relate to recovering those insurance acquisition cash flows included in the insurance service expenses in each period.
Both amounts are measured in a systematic way on the basis of the passage of time.
When applying the PAA, the Group recognizes insurance revenue for the period based on the passage of time by allocating expected premium receipts including premium experience adjustments to each period of service.

At the end of each reporting period, the Group considers whether there was a change in facts and circumstances indicating a need to change, on a prospective basis, the premium receipt allocation due to changes in the expected pattern of claim occurrence.

2. Insurance service expenses

Insurance service expenses arising from a group of insurance contracts issued comprises:

- Changes in the LIC related to claims and expenses incurred in the period excluding repayment of investment components.
- Changes in the LIC related to claims and expenses incurred in prior periods (related to past service)
- Other directly attributable insurance service expenses incurred in the period.
- Amortization of insurance acquisition cash flows, which is recognized at the same amount in both insurance service expenses and insurance contract revenue.
- Loss component of onerous groups of contracts initially recognized in the period.
- Changes in the LRC related to future service that do not adjust the CSM, because they are changes in the loss components of onerous groups of contracts.

3. Income or expenses from reinsurance contracts held.

The Group presents income or expenses from a group of reinsurance contracts held and reinsurance finance income or expenses in profit or loss for the period separately. Income or expenses from reinsurance contracts held are split into the following two amounts:

- Amount recovered from reinsurers.
- An allocation of the premiums paid.

The Group presents cash flows that are contingent on claims as part of the amount recovered from reinsurers. Ceding commissions that are not contingent on claims of the underlying contracts are presented as a deduction in the premiums to be paid to the reinsurer which is then allocated to profit or loss.

The Group establishes a loss recovery component of the asset for the remaining coverage for a group of reinsurance contracts held. This depicts the recovery of losses recognized on the initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to a group. The loss recovery component adjusts the CSM of the group of reinsurance contracts held. The loss recovery component is then adjusted to reflect:

- Changes in the fulfilment cash flows of the underlying insurance contracts that relate to future service and do not adjust the CSM of the respective groups to which the underlying insurance contracts belong to.
- Reversals of loss recovery component to the extent those reversals are not changes in the fulfilment cash flows of the group of reinsurance contracts held.
- Allocations of the loss recovery component against the amounts recovered from reinsurers reported in line with the associated reinsured incurred claims or expenses.

4. Insurance finance income and expenses

Insurance finance income or expenses present the effect of the time value of money and the change in the time value of money, together with the effect of financial risk and changesin financial risk of a group of insurance contracts and a group of reinsurance contracts held.

The use of OCI presentation for insurance finance income and expenses

The Group has an accounting policy choice to present all the period’s insurance finance income or expenses in profit or loss or to split the amount between profit or loss and other comprehensive income (OCI). When considering the choice of presentation of insurance finance income or expenses, the Group examines the assets held for that portfolio and how they are accounted for. Currently the Group present all the period’s insurance finance income or expenses in the profit or loss.

The Group may reassess its accounting policy choice during the duration of a group of direct participating contracts when there is a change in whether the Group holds the underlying items or no longer holds the underlying items. When such change occurs, the Group includes the amount accumulated in OCI by the date of change as a reclassification adjustment to profit or loss spread across the period of change and future periods based on the method and on assumptions that applied immediately before the date of change.

Comparatives are not restated.

When applying the PAA, the Group does not discount the liability for remaining coverage to reflect the time value of money and financial risk for group life and non-life policies with a coverage period of one year or less. For those claims that the Group expects to be paid within one year or less from the date of incurrence, the Group does not adjust future cash flows for the time value of money and the effects of financial risks. However, claims expected to take more than one year to settle are discounted applying the discount rate at the time the incurred claim is initially recognized.

L. Contracts existing at transition date.

On transition date, 1 January 2022, the Group:

- Has identified, recognized and measured each group of insurance contracts as if IFRS 17 had always applied (unless impracticable).
- Has identified, recognized and measured assets for insurance acquisition cash flows as if IFRS 17 had always applied. However, no recoverability assessment was performed before the transition date. At transition date, a recoverability assessment was performed, and no impairment loss was identified.
- Derecognized any existing balances that would not exist had IFRS 17 always applied.
- Recognized any resulting net difference in equity.

In determining the appropriate transition approach, the following were considered:

- the coverage period of the in-force policies
- the availability of historical data and assumptions driving measurement and the ability to obtain these without undue cost and effort.

1. Full Retrospective approach

On transition to IFRS 17, the Group applied the full retrospective approach unless impracticable to do so.

The Group has applied the full retrospective approach on transition to all short -term contracts in force at the transition date.

To do this, at the transition date, we have identified, recognized and measured each group of insurance contracts as if IFRS 17 had always applied; and derecognized any existing balances that would not exist had IFRS 17 always applied; and finally recognized any resulting net difference in equity.

2. Fair Value approach

The Group has applied the fair value approach on transition for individual life contracts as, prior to transition, it grouped contracts from multiple cohorts and years into a single unit for accounting purposes. Obtaining reasonable and supportable information to apply the full retrospective approach was impracticable without undue cost or effort. The Group has determined the CSM of the liability for remaining coverage at the transition date, as the difference between the fair value of the group of insurance contracts and the fulfilment cash flows measured at that date. In determining fair value, the Group has applied the requirements of IFRS 13 Fair Value Measurement, except for the demand deposit floor requirement.

The Group has aggregated contracts issued more than one year apart in determining groups of insurance contracts under the fair value approach at transition as it did not have reasonable and supportable information to aggregate groups into those including only contracts issued within one year.

27. Investment income

Investment income consists of dividends and 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 lines 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 recognized, 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

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 429 of the Companies and Allied Matters Act (CAMA 2020) 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 recognized initially at fair value. Borrowings are subsequently stated at amortized cost using the effective interest rate method; any difference between proceeds and the redemption value is recognized in the statement of profit or loss over the period of the borrowings using the effective interest rate method.

34. Revaluation Reserves

Revaluation reserve is an accounting term used when a Group 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 HOLDINGS PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE PERIOD ENDED 30 JUNE 2026

		Group		Company	
		30-Jun	30-Jun	30-Jun	30-Jun
		2026	2025	2026	2025
	Notes	N	N	N	N
Assets					
Cash and cash equivalents	2	**8,259,003,373**	7,375,213,054	**1,144,388,603**	322,612,175
Financial assets	3	**72,681,410,218**	45,904,279,422	**1,832,291,098**	959,323,471
Finance lease receivables	4	**2,007,323,895**	2,410,566,264	**-**	-
Trade receivables	5	**3,434,379,202**	3,099,312,002	**-**	-
Reinsurance contract assets	6	**9,697,281,058**	10,900,338,464	**-**	-
Other receivables & prepayments	7	**3,067,167,425**	1,332,854,746	**315,229,555**	516,208,878
Investment in subsidiaries	8	**- -**	**1**	**6,170,000,001**	6,170,000,000
Investment project	8.5	**-**	377,105,308	**-**	377,105,308
Intangible assets	9	**111,078,108**	109,919,393	**1,780,467**	1,982,031
Investment properties	10	**1,018,531,229**	1,475,149,119	**377,105,309**	-
Property and equipment	11	**2,132,892,014**	1,826,179,489	**302,654,792**	46,529,295
Right-of-use of assets (leased assets)	12	**65,610,267**	11,942,447	**-**	-
Statutory deposits	13	**2,500,000,000**	1,120,000,000	**-**	-
Total assets		**104,974,676,789**	75,942,859,707	**10,143,449,825**	8,393,761,158
Liabilities					
Insurance contract liabilities	14	**30,889,736,551**	25,206,405,961	**-**	-
Investment contract liabilities	14.2	**-**	32,105,704	**-**	-
Reinsurance contract liabilities	15.0	**77,251,667**	3,563,644	**-**	-
Trade payables	15	**-**	-	**-**	-
Borrowing	16	**3,071,689,135**	4,259,166,582	**-**	-
Other payables and provisions	17	**1,901,344,847**	1,528,917,327	**473,087,672**	179,371,897
Retirement benefit obligations	18	**17,866,405**	12,684,121	**-**	-
Income tax liabilities	19.2	**3,256,482,346**	2,496,670,758	**649,106,558**	597,234,964
Deferred tax liabilities	19.3	**412,373,431**	246,085,344	**-**	-
Total liabilities		**39,626,744,382**	33,785,599,441	**1,122,194,230**	776,606,861
Equity and reserves					
Issued and paid up share capital	20.1	**5,420,000,001**	5,420,000,000	**5,420,000,000**	5,420,000,000
Share premium	21	**168,933,838**	168,933,836	**168,933,836**	168,933,836
Contingency reserve	22.1	**10,249,361,336**	9,449,647,016	**-**	-
Statutory reserve	22.2	**248,072,874**	227,672,378	**-**	-
Fair value through OCI reserve	22.3	**97,226,657**	97,226,657	**-**	-
Revaluation reserve	22.4	**138,165,550**	138,165,551	**-**	-
Regulatory risk reserve	22.5	**-**	18,580,902	**-**	-
Retained earnings	23	**49,026,172,142**	26,637,033,926	**3,432,321,755**	2,028,220,460
Total equity and reserves		**65,347,932,398**	42,157,260,266	**9,021,255,591**	7,617,154,296
Total liabilities and equity and reserves		**104,974,676,780**	75,942,859,707	**10,143,449,821**	**8,393,761,157**

The consolidated financial statements were approved by the Board of Directors on 29th July **2026**.

Shuaibu Idris, mni
Chairman
FRC/2017/IODN/00000017485

Eddie Efekoha
Group Chief Executive Officer
FRC/2013/CIIN/00000002189

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

The accompanying notes form an integral part of this consolidated financial statements

CONSOLIDATED HALLMARK HOLDINGS PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2026

The Group

	Issued share capital	Share Premium	Contingency reserves	Fair Value Through OCI reserve	Revaluation reserve	Statutory reserve	Regulatory risk reserve	Retained earnings	Total equity
	N	N	N	N	N	N	N	N	N
At 1 January 2025	**-**	**-**	**7,998,035,551**	**102,081,848**	**-**	**178,029,337**	**18,580,901**	**20,939,171,329**	**29,235,898,966**
Changes in equity for 2025:									
Profit for the year	-	-	-			-		8,443,507,291	8,443,507,291
Other comprehensive income for the year:	-								
Loss during the year				2,622,075	-				2,622,075
Total comprehensive income for the year	**-**	**-**	**-**	**2,622,075**	**-**	**-**	**-**	**8,443,507,291**	**8,446,129,366**
Transactions with owners:								-	-
Transfer within reserves	-	-	1,451,608,811			(19,043)	-	(1,498,879,004)	(47,289,236)
Addition in the year	5,420,000,000	168,933,836							5,588,933,836
Recognised and transferred from CHI Ltd			2,654		138,165,551	49,662,084	-	(1,084,000,050)	(896,169,761)
Deferred tax on FVTOCI investments				(7,477,266)					(7,477,266)
Dividends relating to prior year paid during the year	-		-			-	-	(162,765,640)	(162,765,640)
Contribution by and to owners of the business	**5,420,000,000**	**168,933,836**	**1,451,611,465**	**(7,477,266)**	**138,165,551**	**49,643,041**	**-**	**(2,745,644,694)**	**4,475,231,933**
At December 2025	5,420,000,000	168,933,836	9,449,647,016	97,226,657	138,165,551	227,672,378	18,580,901	26,637,033,926	42,157,260,265
At 1 January 2026	**5,420,000,000**	**168,933,836**	**9,449,647,016**	**97,226,657**	**138,165,551**	**227,672,378**	**18,580,901**	**26,637,033,926**	**42,157,260,265**
Changes in equity for 2025:									
Profit for the year	-	-	-	-	-	-	-	**25,277,760,135**	**25,277,760,135**
Other comprehensive income for the year:									
Gain during the year	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**25,277,760,135**	**25,277,760,135**
Transactions with owners:									
Transfer within reserves	-	-	-	-	-	**20,400,496**	**(18,580,902)**	**(1,819,594)**	-
Addition in the year	-	-	-	-	-	-	-	-	-
Dividends relating to prior years paid during the year	-	-		-	-	-	-	**(1,626,000,000)**	**(1,626,000,000)**
Transfer from subsidiary	-	-	-		-	-	-	-	-
Deferred tax on FVTOCI investments	-	-	-	-	-	-	-	**(162,765,640)**	**(162,765,640)**
Recognised and transferred from CHI Ltd	-	-	**799,714,321**	-	-	-	-	**(1,100,428,576)**	**(300,714,255)**
Contribution by and to owners of the business	**-**	**-**	**799,714,321**	**-**	**-**	**20,400,496**	**(18,580,902)**	**(2,888,621,919)**	**(2,089,479,895)**
At 30 June 2026	**5,420,000,000**	**168,933,836**	**10,249,361,337**	**97,226,657**	**138,165,551**	**248,072,873**	**(2)**	**49,026,172,143**	**65,347,932,397**

CONSOLIDATED HALLMARK HOLDINGS PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2026

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
Transferred from CHI Ltd in the year							
At 1 January 2025	-	-	-	-	-	189,867,972	189,867,972
Changes in equity for 2025:							
Profit for the year	-	-	-			2,922,352,535	2,922,352,535
Other comprehensive income for the year:							
Gain during the year	-		-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**2,922,352,535**	**2,922,352,535**
Transactions with owners:							
Transfer within reserves	-		-	-		-	-
Transferred from CHI Ltd in the year	5,420,000,000	168,933,836	-	-	-	-	5,588,933,836
Dividend paid during the year	-	-	-	-		(1,102,924,922)	(1,102,924,922)
Contribution by and to owners of the business	5,420,000,000	168,933,836	-	-	-	(1,102,924,922)	4,486,008,914
At December 2025	5,420,000,000	168,933,836	-	-	-	2,009,295,585	7,598,229,421
At 1 January 2026	**5,420,000,000**	**168,933,836**	**-**	**-**	**-**	**2,009,295,585**	**7,598,229,421**
Changes in equity for 2026:							
Profit for the year	**-**	**-**	**-**		**-**	**3,049,026,170**	**3,049,026,170**
Other comprehensive income for the year:							
Gain during the year	**-**		**-**	**-**	**-**	**-**	**-**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**3,049,026,170**	**3,049,026,170**
Transactions with owners:							
Transfer within reserves	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Transferred from CHI Ltd in the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Dividend paid during the year	**-**	**-**	**-**	**-**	**-**	**(1,626,000,000)**	**(1,626,000,000)**
Contribution by and to owners of the business	**-**	**-**	**-**	**-**	**-**	**(1,626,000,000)**	**(1,626,000,000)**
At 30 June 2026	**5,420,000,000**	**168,933,836**	**-**	**-**	**-**	**3,432,321,755**	**9,021,255,590**

CONSOLIDATED HALLMARK HOLDINGS PLC

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2026

	30-Jun 2026 N	30-Jun 2025 N	30-Jun 2026 N	30-Jun 2025 N
Interest income calculated using the effective interest method	**3,304,540,990**	2,230,574,759	**147,881,851**	28,331,201
Other investment income	**206,135,200**	718,663,624	**2,909,042,500**	2,077,887,500
Other operating income	**112,903,925**	504,832,558	**878,339,095**	388,373,944
Net fair value gains on financial assets at fair value through profi or loss	**24,014,448,642**	(2,151,411,016)	**(18,800,000)**	-
Net foreign exchange income	**(309,869,636)**	(71,786,445)	**-**	-
Investment result	**27,328,159,121**	1,230,873,480	**3,916,463,446**	2,494,592,645
Insurance revenue	**25,037,960,259**	22,925,882,214	**-**	-
Insurance service expenses	**(16,964,412,120)**	(16,906,611,902)	**-**	-
Net expenses from reinsurance contracts held	**(5,463,213,511)**	(2,760,760,238)	**-**	-
Net finance income/(expenses) from insurance and reinsurance contract				
Insurance service result	**2,610,334,628**	3,258,510,074	**-**	-
Other operating expenses	**(2,818,895,590)**	(2,604,064,703)	**(798,490,092)**	(354,142,224)
Net income	**27,119,598,159**	**1,885,318,851**	**3,117,973,354**	2,140,450,421
Net credit impairment losses	**(17,732,404)**	**(121,116,881)**	**-**	-
Profit before income tax	**27,101,865,754**	1,764,201,970	**3,117,973,354**	2,140,450,421
Tax expense	**(1,824,105,619)**	(606,295,813)	**(68,947,184)**	(25,198,102)
Profit for the year	**25,277,760,135**	1,157,906,157	**3,049,026,170**	2,115,252,319
Other comprehensive income				
Items that may not be reclassified subsequently to profit or loss:				
Changes in the fair value on equity instruments at fair value through other comprehensive income	**-**	1,787,261	-	-
Total other comprehensive income for the year net of tax	**-**	1,787,261	**-**	-
Total Comprehensive income for the year net of tax	**25,277,760,135**	1,159,693,418	**3,049,026,170**	2,115,252,319
Profit attributable to:				
Profit attributable to equity holders	**25,277,760,135**	1,159,693,418	**3,049,026,170**	2,115,252,319
Basic & diluted earnings per share (Kobo)	**233.19**	10.68	**28.13**	19.51

The accompanying notes form an integral part of this consolidated financial statements.

CONSOLIDATED HALLMARK HOLDINGS PLC

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2026

	Notes	30-Jun 2026 N	30-Jun 2025 N	30-Jun 2026 N	30-Jun 2025 N
Cash flows from operating activities					
Premium received from policy holders	5	**29,796,768,856**	24,773,194,447		-
Reinsurance receipts in respect of claims		**736,788,151**	557,880,234	**-**	-
Commission received		**1,134,897,840**	1,001,790,552	**-**	-
Other operating receipts		**112,903,925**	433,046,113	**878,339,095**	388,373,944
Cash paid to and on behalf of employees	33.2.a.	**(1,519,970,506)**	(897,786,563)	**(463,213,744)**	(239,854,717)
Reinsurance premium paid	15	**(10,892,626,437)**	(9,248,160,273)	**-**	-
Claims paid		**(9,148,554,072)**	(5,357,318,572)	**-**	-
Amortisation of Insurance acquisition cash flows	14	**(3,559,131,322)**	(4,865,233,738)	**-**	-
Other operating cash payments		**(4,308,049,337)**	(1,140,217,941)	**(67,255,901)**	(22,082,358)
Company income tax paid	19.2	**(884,896,487)**	(535,757,271)	**(15,590,890)**	(10,978,021)
Net cash from operating activities	35	**1,468,130,611**	4,721,436,987	**332,278,560**	126,436,869
Cash flows from investing activities					
Purchase of property and equipment	11	**(537,426,906)**	(735,358,855)	**(262,786,000)**	(47,300,000)
Proceeds from sale of property and equipment	11	**90,652,702**	30,498,483	**-**	-
Purchase of intangible asset	9	**(11,200,000)**	(41,000,000)	**-**	-
Additions to investment properties	10	**(558,915,209)**	(25,187,500)	**-**	(25,187,500)
Proceeds from sale of Investment properties		**1,015,533,098**	-	**-**	
Investment in subsidiaries	8	**-**	(600,000,000)	**-**	600,000,000
Investment project	8.5	**-**	-	**-**	(173,399,972)
Investment in equtiy		**-**	-	**-**	-
Purchase of financial assets	3.1	**(6,538,346,612)**	(29,969,297,468)	**(678,640,483)**	-
Matured/liquidated		**1,065,397,105**	26,933,166,850	**-**	-
Proceeds from sale of financial assets	3.1	**2,920,115,422**	699,621,957		
Dividend received	27.2	**204,515,200**	-	**2,909,042,500**	2,077,887,500
Rental Income received	27.2	**1,620,000**	19,041,667	**-**	-
Interest received		**3,238,599,776**	2,027,912,279	**147,881,851**	28,331,201
Net cash (used in)/from investing activities		**890,544,576**	(1,660,602,587)	**2,115,497,868**	1,860,331,229
Cash flows from financing activities					
Proceeds from borrowing	16	**151,115,134**	168,933,836	**-**	-
Payment on borrowing (principal & Interest)	16	**-**	1,208,269,686	**-**	-
Dividend paid	23	**(1,626,000,000)**	-	**(1,626,000,000)**	-
Net cash used in financing activities		**(1,474,884,868)**	1,377,203,522	**(1,626,000,000)**	**(0)**
Increase in cash and cash equivalents		**883,790,319**	**4,438,037,922**	**821,776,428**	**1,986,768,098**
Cash and cash equivalents at Beginning		**7,375,213,054**	3,763,703,322	**322,612,175**	143,126,270
Gross Cash and cash equivalent at End	2	**8,259,003,373**	8,201,741,244	**1,144,388,603**	2,129,894,368

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2026

1. Corporate information

1.1 The Group

The group comprises of Consolidated Hallmark Holdings Plc (The Parent Group) with Consolidated Hallmark Insurance Limited, Hallmark Finance Company Limited and Hallmark Health Services Ltd as its direct subsidiaries. CHI Micro-Insurance Ltd, CHI Capital Ltd and CHI Support Services Ltd. remains the direct subsidiaries of Consolidated Hallmark Insurance Limited

1.2 The Company

Consolidated Hallmark Holdings Plc (CHH Plc) is a non-operating Holdco and has become the parent Group for the erstwhile Consolidated Hallmark Insurance Plc (CHI Plc). This restructuring was achieved by way of a scheme of arrangement between the Group and its shareholders. The Scheme Shareholders received one (1) HoldCo Share for every Scheme Share transferred.The Company is a public limited Company incorporated and domiciled in Nigeria. Its shares are listed on the floor of the Nigerian Exchange and have its registered office at Consolidated Hallmark House, 266, Ikorodu Road, Lagos.

1.3 Principal activities

Consolidated Hallmark Holdings Plc is a non-operating holding company with interest in Investment, Insurance, Finance and Health Finance Services.

1.4 These consolidated financial statements have been authorized for issue by the Board of Directors on 29 July**, 2026**.

		Group		Company	
		2026	2025	**2026**	2025
		N	N	**N**	N
2.	**Cash and cash equivalents**				
	Cash in hand	**5,085,204**	9,518,537	**-**	-
	Balance with banks	**3,997,113,126**	2,715,716,362	**595,305,119**	322,612,175
	Call deposits	**21,169,858**	4,988,168	**-**	-
	Fixed deposit - within 90 days (Note 2.1)	**4,250,022,706**	4,662,515,707	**549,083,484**	-
	Gross cash and cash equivalents	**8,273,390,894**	7,392,738,774	**1,144,388,603**	322,612,175
	Impairment on cash equivalents (Note 2.2)	**(14,387,521)**	**(17,525,720)**	**-**	-
	Net cash and cash equivalents	**8,259,003,373**	7,375,213,054	**1,144,388,603**	322,612,175

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

		Group 2026 N	Group 2025 N	Company 2026 N	Company 2025 N
2.2	**Movement in Impairment on cash equivalents**				
	At 1 January	**21,978,470**	(4,010,967)	**-**	-
	Charged for the year (Note 31)	**-**	(1,740,501)	**-**	-
	Movement during the year	**-**	27,729,938	**-**	-
	At 30 June	**14,387,521**	21,978,470	**-**	-

		Group		Company	
		2026	2025	**2026**	2025
		N	N	**N**	N
3.	**Financial assets**				
	At fair value through profit or loss (Note 3.2)	**47,593,112,783**	21,845,997,494	**149,193,672**	-
	At Amortised cost (Note 3.3)	**26,212,045,130**	23,843,437,041	**1,683,097,426**	959,323,471
	At fair value through OCI (Note 3.4)	**(1,123,747,695)**	214,844,887	**-**	-
		72,681,410,218	45,904,279,422	**1,832,291,098**	959,323,471
3.1.	**Movement in financial assets**				
	At 1 January	**45,904,279,422**	27,883,101,000	**959,323,471**	102,541,657
	Addition	**6,538,346,612**	17,218,811,644	**470,889,662**	906,515,330
	Repayment/Disposal	**(2,920,115,422)**	(32,474,278)	**402,077,965**	(44,252,441)
	Matured/liquidated	**(1,065,397,105)**	(1,740,446,246)	**-**	-
	Transferrred to Investment project (Note 8.5.1)	**-**	(377,105,308)	**-**	-
	Interest Capitalised + exchange gain	**65,941,214**	160,390,049	**-**	-
	Impairment write back on amortised cost (Note 31)	**(30,244,323)**	(28,127,350)	**-**	(5,481,075)
	Fair value gains on asset through profit or loss (Note 32.3)	**44,556,546,148**			-
	Fair value gains through OCI (Note 3.4)	**(43,724,285)**	(43,724,285)	**-**	-
	Movement during the year		(33,391,501)		-
	At 30 June	**72,681,410,218**	45,904,279,422	**1,832,291,098**	959,323,471
3.2.	**At fair value through profit or loss**				
	At 1 January	**1,450,979,420**	1,433,227,341	**-**	-
	Additions	**1,585,587,215**	17,752,079	**149,193,672**	-
		3,036,566,635	1,450,979,420	**149,193,672**	-
	Fair value for the year (Note 32.3)	**44,556,546,148**	15,356,855,297	**-**	-
	At 31 June	**47,593,112,783**	21,845,997,494	**149,193,672**	-
3.2.1.	**Analysis by maturity:**				
	Current	**47,593,112,783**	21,845,997,494	**149,193,672**	-
	Non Current	-	-	-	-
		47,593,112,783	21,845,997,494	**149,193,672**	-

3.2.2. 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.

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		Group		Company	
		2026	2025	**2026**	2025
		N	N	**N**	N
3.3	**Amortised Cost**				
	Staff loans (Note 3.3.2)	**57,414,913**	58,742,944	**-**	-
	Loan issued to corporate & individuals (Note 3.3.3)	**3,594,683,562**	3,392,859,496	**-**	-
	Debt Instruments (Note 3.3.4)	**2,789,319,475**	3,127,070,428	**321,696,044**	58,289,216
	Fixed deposit - above 90 days (Note 3.3.5)	**19,770,627,181**	17,264,764,174	**1,361,401,382**	901,034,255
		26,212,045,131	23,843,437,042	**1,683,097,426**	959,323,471
3.3.1.a.	**Analysis by maturity:**				
	Current	**23,646,078,170**	20,337,117,312	**1,121,412,437**	959,323,471
	Non Current	**2,565,966,962**	3,510,030,540	**561,684,989**	-
		26,212,045,131	23,843,437,042	**1,683,097,426**	959,323,471
3.3.1.b.	**Analysis by performance:**				
	Performing	**25,758,431,341**	23,392,362,651	**1,683,097,426**	959,323,471
	Non-performing	**453,613,790**	454,785,201	**-**	-
		26,212,045,131	23,843,437,042	**1,683,097,426**	959,323,471
3.3.2.	**Movement in staff loans**				
	At 1 January	**71,642,385**	81,239,908	**-**	-
	Addition	**34,112,404**	25,842,912	**-**	-
	Repayment	**(35,440,435)**	(35,440,435)	**-**	-
	Gross amount	**70,314,354**	71,642,385	**-**	-
	Impairment on staff loans (Note 3.3.2.1)	**(12,899,441)**	(12,899,441)	**-**	-
	At 30 June	**57,414,913**	58,742,944	**-**	-
3.3.2.1	**Movement in Impairment on staff loans**				
	At 1 Janaury	**12,899,441**	10,928,200	**-**	-
	Charged for the year (Note 3.3.6)	**-**	1,971,241	**-**	-
	At 30 June	**12,899,441**	12,899,441	**-**	-
3.3.2.2	**Analysis by maturity:**				
	Current	**44,515,472**	45,843,503	**-**	-
	Non Current	**12,899,441**	12,899,441	**-**	-
		57,414,913	58,742,944	**-**	-
3.3.3	**Movement in loan issued to corporate & individuals**				
	At 1 January	**3,824,920,193**	3,635,932,502	**-**	-
	Addition	**210,477,718**	188,987,691	**-**	-
	Repayment	**-**	-	**-**	-
	Gross amount	**4,035,397,911**	3,824,920,193	**-**	-
	Impairment on loans issued to corporate and individuals (Note 3.3.3.1)	**(440,714,349)**	(432,060,697)	-	-
	At 30 June	**3,594,683,562**	3,392,859,496	**-**	-

		Group		Company	
		2026	2025	**2026**	2025
		N	N	**N**	N
3.3.3.1	**Movement in Impairment on loans issued to corporate & individuals**				
	At 1 Janaury	**432,060,697**	389,489,108	**-**	-
	Charged for the year (Note 3.3.6)	**8,653,652**	38,860,779	**-**	-
	At 30 June	**440,714,349**	432,060,697	**-**	-
3.3.3.2	**Analysis by maturity:**				
	Current	**3,153,969,213**	2,968,220,419	**-**	-
	Non Current	**440,714,349**	428,349,887	**-**	-
		3,594,683,562	3,392,859,496	**-**	-

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3.3.4 Movement in debt Instruments				
At 1 January	**3,140,606,301**	2,111,299,587	**58,289,216**	-
At initial recognition - additions	**2,321,186,561**	2,983,502,062	**321,695,990**	102,541,657
	5,461,792,862	5,094,801,649	**379,985,206**	102,541,657
Disposal	**(1,673,017,496)**	2,966,157	**(58,289,162)**	(44,252,441)
Matured/liquidated	**(1,065,397,105)**	(1,740,446,246)	**-**	-
Transferred to Investment project (Note 8.5.1)	**-**	(377,105,308)	**-**	-
Amortised interest	**65,941,214**	**202,662,480**	**-**	-
Gross amount	**2,789,319,475**	3,140,606,301	**321,696,044**	58,289,216
Impairment on debt Instruments (Note 3..3.4.1)	**-**	(13,535,873)	**-**	-
At 30 June	**2,789,319,475**	3,127,070,428	**321,696,044**	58,289,216
3.3.4.1. Movement in Impairment on debt Instruments				
At 1 January	**13,535,873**	13,535,873	**-**	-
Charged for the year (Note 3.3.6)	**(13,535,873)**	-	**-**	-
At 30 June	**-**	13,535,873	**-**	-
3.3.4.2. Debts Instruments are analysed as follows:				
Listed	**2,789,319,475**	3,127,070,428	**321,696,044**	58,289,216
Unlisted	**-**	-	**-**	-
	2,789,319,475	3,127,070,428	**321,696,044**	58,289,216
3.3.4.3. Analysis by maturity:				
Current	**676,966,304**	1,316,316,674	**220,378,182**	102,541,657
Non Current	**2,112,353,172**	781,447,040	**101,317,862**	-
	2,789,319,475	3,127,070,428	**321,696,044**	58,289,216
3.3.4.4. Detailed analysis of debt instruments				
At the reporting date, no held to maturity assets were past due or impaired:				
FUNDIT 180 days (22%)	**101,317,808**	-	**101,317,808**	-
Dangote Bond Series 1 2020/2025	**-**	-	**-**	-
Axxela Series 1 Bond 2020/2027	**51,431,532**	97,211,913	**-**	-
Flour Mills Of Nigeria Plc 2023/2026 (Purchased With Capital Express)		1,603,110	**-**	-
Coleman	**45,029,721**	-	**-**	-
SG Holdings	**456,588,122**	-	**-**	-
Commercial papers	**-**	58,289,216		58,289,216
Anchoria Assets 180 days (22%)	**-**	-		-
Lekki Gardens 270 days 18.50 %	**220,378,182**	-	**220,378,182**	-
Stanbic IBTC CP 268DAYS 24.5%, 28 APRIL 2025 - 21 JANUARY 2026		582,897,094	**-**	-
HFC 20% (90 days)	**-**			
HFC 22% (90 days)	**-**			
Providus Bank Ltd CP 270 DAYS 25.5%, 6 MAY 2025 - 31 JANUARY 2026		466,788,853	**-**	-
C&I Leasing Commercial Paper 364 days 22%, 22 December 2025 - 21 December 2026		402,169,119	**-**	-
Commercial Paper- Zeenab Foods	**453,700,779**	447,442,706	**-**	-
Commercial Paper- Providus Bank		230,054,976	**-**	-
Commercial Paper- C & I Leasing	**1,313,094,439**	854,149,314	**-**	-
Bank Deposit/Call	**-**	-	**-**	-
At 30 June	**2,641,540,583**	3,140,606,301	**321,695,990**	58,289,216

		Group		Company	
		2026	2025	**2026**	2025
		N	N	**N**	N
3.3.5.	**Fixed deposit - above 90 days**				
	At 1 January	**17,335,399,019**	3,314,920,040	**906,515,330**	-
	Addition	**3,725,575,296**	14,020,478,979		906,515,330
	Matured and liquidated	**-**	-	-	-
	Exchange gain	**-**	-	-	-
	Recognised during the year and transferred from old CHI Ltd group (Note 8.4.1)	**(1,211,657,491)**	-	**460,367,127**	-
	Gross investment	**19,849,316,824**	17,335,399,019	**1,366,882,457**	906,515,330
	Impairment on fixed deposit - above 90 days (Note 3.3.5.1)	**(78,689,643)**	(70,634,845)	**(5,481,075)**	(5,481,075)
	At 30 June	**19,770,627,181**	17,264,764,174	**1,361,401,382**	901,034,255
3.3.5.1.	**Movement in Impairment on fixed deposit - above 90 days**				
	At 1 January	**70,634,845**	-	**5,481,075**	-
	Write back for the year (Note 31)	**8,054,798**	22,822,436	**-**	-
	Movement during the year	**-**	23,015,985	**-**	-
	At 30 June	**78,689,643**	70,634,845	**5,481,075**	5,481,075
3.3.5.2.	**Analysis by maturity:**				
	Current	**19,770,627,181**	17,264,764,174	**901,034,255**	901,034,255
	Non Current	**-**	-	**460,367,127**	-
		19,770,627,181	17,264,764,174	**1,361,401,382**	901,034,255
3.3.6.	**General movement in impairment on amortised cost other than fixed deposit- above 90 days:**				
	At 1 January	**525,420,046**	426,232,159	**-**	-
	Charged for the year (Note 31.1)	**3,172,577**	99,187,887	**-**	-
	Recognised during the year and transferred from old CHI Ltd group (Note 8.4.1)	**-**	-	**-**	-
	At 30 June	**528,592,623**	525,420,046	**-**	-
3.4	**At fair value through OCI**				
	At 1 January	**258,569,172**	259,684,429	**-**	-
	Addition	**(1,338,592,582)**	(1,115,257)	**-**	-
		(1,080,023,410)	258,569,172	**-**	-
	Fair value loss (Note 22.3)	**(43,724,285)**	(43,724,285)	**-**	-
	At 30 June	**(1,123,747,695)**	214,844,887	**-**	-
3.4.1	**Analysis by maturity:**				
	Current	-	-	-	-
	Non Current	**(1,123,747,695)**	214,844,887	**-**	-
		(1,123,747,695)	214,844,887	**-**	-

3.4.2.a. At fair value through other comrehensive income (FVTOCI) assets are the unquoted equity securities of the group and are fair valued using net asset method.

3.4.2.b. Fairvalue Through OCI equities is analysed as follows:

	No. of shares	Cost per unit	2026	2025
			Farivalue	
	Units	N	N	N
Planet Capital Limited (Formerly Strategy and Arbitrage Limited)	5,126,393	2.61	**13,383,689**	13,383,689
Energy & Allied Insurance Pool Nigeria limited	300,000.00	700.46	**210,138,522**	210,138,522
25,000 UNITS OF IPWA STOCKS	25,000	0.00	**-**	-
MTECK Communication Ltd	10,094,452	0.00	**-**	-
Continental Reinsurance			**1,115,258**	1,115,258
			224,637,469	224,637,469

3.4.2.c. 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.

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

	Group		Company	
	2026	2025	**2026**	2025
	N	N	**N**	N
4. Finance lease receivables				
At 1 January	**2,436,672,586**	643,927,698	-	-
Addition	**(361,751,845)**	1,792,744,888	-	-
Gross investment	**2,074,920,741**	**2,436,672,586**	**-**	**-**
Unearned income	**-**	-	-	-
Net investment	**2,074,920,741**	**2,436,672,586**	**-**	**-**
Impairment on finance lease receivables (Note 4.3)	**(77,630,975)**	(26,106,322)	**-**	-
At 30 June	**2,007,323,895**	2,410,566,264	**-**	-
4.1. Analysis by maturity:				
Current	-	-	-	-
Non Current	**2,007,323,895**	2,410,566,264	-	-
	2,007,323,895	2,410,566,264	**-**	-

		Group		Company	
		2026	2025	**2026**	2025
		N	N	**N**	N
4.2.	**Analysis by performance**				
	Performing	**2,007,323,895**	2,412,134,835	**-**	-
	Non-performing	**-**	-	**-**	-
		2,007,323,895	2,410,566,264	**-**	-
4.3	**Movement in impairment - finance lease receivables:**				
	At 1 January	**24,537,751**	24,537,751	-	-
	Charge in the year (Note 31)	**-**	-	**-**	-
	Recognised during the year and transferred from old CHI Ltd group (Note 8.4.1)	**-**	-		
	At 30 June	**24,537,751**	24,537,751	-	-
5.	**Trade receivables**				
	Receivable - general insurance business	**3,213,940,270**	3,009,524,842	**-**	-
	Receivable - micro insurance business	**-**	2,006,078	**-**	-
	Receivable - support service business	**-**	63,474	**-**	-
	Receivable - HMO insurance business	**-**	9,327,797	**-**	-
	Receivable - Life insurance business	**220,438,932**	83,931,238		
	Gross amount receivables	**3,434,379,202**	3,104,853,429	**-**	-
	Impairment allowance on trade receivables (Note 5.2)	**-**	(5,541,427)	**-**	-
	Net amount receivables	**3,434,379,202**	3,099,312,002	**-**	-
5.1.	**Analysis by maturity:**				
	Current	**3,434,379,202**	3,099,312,002	**-**	-
	Non Current	**-**	-	**-**	-
		3,434,379,202	3,099,312,002	**-**	-
5.2.	**Movement in impairment allowance on trade receivables**				
	At 1 January	**5,541,427**	3,586,698	**-**	**-**
	Charged for the year (Note 31)	**-**	1,954,729	**-**	-
	Recognised during the year and transferred from old CHI Ltd group (Note 8.4.1)	**(5,541,427)**	-	**-**	**-**
	At 30 June	**-**	5,541,427	**-**	-
5.3.	**Age analysis of trade receivable**				
	> =1Day <= 30 Days	**3,434,379,202**	3,099,312,002	**-**	-
	> =31Days <= 90 Days	**-**	-	**-**	-
	Above 90 Days	**-**	-	**-**	-
		3,434,379,202	3,099,312,002	**-**	-
6.	**Reinsurance contract assets/liabilities**				
6.a	**Reinsurance contract assets**				
	Assets for remaining coverage -ARC- (Note 6.4.a & 6.4.b)	**8,396,924,817**	4,014,804,462	**-**	-
	Assets for Incurred claims -AIC- (Note 6.4.a & 6.4.b)	**1,300,356,248**	5,387,262,379	**-**	-
		9,697,281,066	9,402,066,841	**-**	-
	Reinsurance receivable on claims paid		1,298,627,624	**-**	-
	Prepaid minimum & deposit premium	**-**	199,644,000	**-**	-
	Expected credit loss (Note 6.2)	**(8)**	(1)	**-**	-
	For the year ended 31st June 2026	**9,697,281,058**	#############	**-**	-
6.b	**Reinsurance contract liabilities**				
	Liability for remaining coverage		(3,563,644)	**-**	-
		-	(3,563,644)	**-**	-
	Net closing balance	**9,697,281,058**	#############	**-**	-
6.1	**Analysis by maturity:**				
	Current	**9,697,281,058**	#############	**-**	-
	Non-current	**-**	-	**-**	-
		9,697,281,058	#############	**-**	-
6.2	**Movement in Impairment credit loss of reinsurance contract**				
	At 1 January	**-**	-	**-**	-
	Charged for the year (Note 31)	**-**	-	**-**	-
	At 30 June	**-**	0	**-**	-

6.2.1 Impairment Expected Credit Loss was carried out on reinsurance receivable on claims paid and prepaid minimum & deposit premium. Included in the reinsurance asset stated on the financial position is recoverable on paid claims and prepaid minimum and

		Group		Company	
		2026	2025	2026	2025
		N	N	N	N
6.3.	Assets for remaining coverage -ARC- (Note 6.4.a)	8,396,924,817	4,014,804,462	-	-
	Assets for Incurred claims -AIC- (Note 6.4.a)	1,300,356,248	5,387,262,379	-	-
	Prepaid minimum & deposit premium	-	199,644,000	-	-
	Reinsurance receivable on claims paid	-	1,298,627,624	-	-
	Gross reinsurance assets	**9,697,281,066**	1,498,271,624	-	-
	Expected credit loss (Note 6.2)	-	-	-	-
	Net reinsurance assets	**9,697,281,066**	1,498,271,624	-	-

6.3.1 The Group 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.

6.4.a. Movement in reinsurance contract assets

The following table shows the reconciliation from opening to the closing balances of the net assets for remaining coverage and the asset for incurred claims.

Group	30 June 2026				
	Asset for remaining coverage		Asset for incurred claims		
	Excluding loss component	Loss component	Estimates of present value of future cash flows	Risk Adjustment	Total
At 1 January	N	N	N	N	N
Opening reinsurance contract assets	4,214,448,462	-	6,137,399,634	544,055,417	10,895,903,513
Opening reinsurance contract liabilities	-	-	-		-
Net Reinsurance contracts as of 1 January 2026	4,214,448,462	-	6,137,399,634	544,055,417	10,895,903,513
Changes in the statement of profit or loss and OCI:					
Allocation of reinsurance premium paid	(9,776,882,679)	-	(60,479,354)		(9,837,362,033)
Amount recovered from reinsurance			3,224,735,982		3,224,735,982
Changes in LIC	-	-			-
Other incurred directly attributable expenses					-
Changes in asset for incurred claims					-
Changes related to past service		-	867,776,117	118,623,220	986,399,337
Net expenses from reinsurance contracts held	(9,776,882,679)	-	4,032,032,744	118,623,220	(5,626,226,715)
Net finance income/expense from reinsurance contract held	-	-	265,364,834		265,364,834
Insurance finance expense	-	-			-
Total changes in the statement of profit or loss and OCI:	(9,776,882,679)	-	4,297,397,578	118,623,220	(5,360,861,881)
Cash flows					
Reinsurance premium Paid during the year	6,715,068,611	-	256,347,739		6,971,416,350
Reinsurance claims recovered		-			-
					-
Non Cashflow item					-
Premium paid net of ceeding commission					-
Reinsurance claims recovered			(2,750,789,623)		(2,750,789,623)
Commission income			(89,721,709)		(89,721,709)
Recoveries from reinsurers					-
Total cash flows	6,715,068,611	-	(2,584,163,593)	-	4,130,905,018
At 30 June					
Closing Insurance contract assets	1,152,634,393	-	7,850,633,620	662,678,637	9,665,946,649
Closing insurance contacts liabilities	-	-			-
Net closing balance at 30 June	1,152,634,393	-	7,850,633,620	662,678,637	9,665,946,649

Group	31 December 2025				
	Asset for remaining coverage		Asset for incurred claims		
	Excluding loss component	Loss component	Estimates of present value of future cash flows	Risk Adjustment	Total
At 1 January	N	N	N	N	N
Opening reinsurance contract assets	2,430,294,706	199,644,000	4,184,753,159	406,584,632	7,221,276,497
Opening reinsurance contract liabilities	-	-	-		-
Net Reinsurance contracts as of 1 January 2024	2,430,294,706	199,644,000	4,184,753,159	406,584,632	7,221,276,497
Changes in the statement of profit or loss and OCI:					
Allocation of reinsurance premium paid	(10,190,038,971)	-	-		(10,190,038,971)
Amount recovered from reinsurance					
Incurred reinsurance claims and other expenses	-	-			-
Recoveries from reinsurance contract issued			4,806,880,864		
Changes that relate to past service-adjustment to ARIC			1,337,561,880	137,320,819	1,474,882,700
		-			-
Effect of changes in the risk of reinsurers non-performance	-	-	-		-
Net expenses from reinsurance contracts held	(10,190,038,971)	-	6,144,442,744	137,320,819	(8,715,156,271)
Net finance income/expense from reinsurance contract held	-	-	525,776,137		525,776,137
Total changes in the statement of profit or loss and OCI:	(10,190,038,971)	-	6,670,218,881	137,320,819	(8,189,380,134)
Cash flows					
Reinsurance premium Paid during the year	11,974,192,727	-			11,974,192,727
Amounts received under reinsurance contracts held		-	(4,772,120,174)		(4,772,120,174)
Total cash flows	11,974,192,727	-	(4,772,120,174)		7,202,072,553
At 31 December					
Closing Insurance contract assets	4,214,448,462	199,644,000	6,082,851,866	543,905,451	11,040,849,778
Closing insurance contacts liabilities	-	-			-
Net closing balance at 31 December	4,214,448,462	199,644,000	6,082,851,866	543,905,451	11,040,849,778

		Group		Company	
		2026	2025	**2026**	2025
7.	**Other receivables and prepayments**				
	Staff advances & prepayment	**137,659,108**	61,826,648	**-**	-
	Account receivables(Note 7.3)	**1,791,716,258**	223,174,731	**160,940,415**	100,642,759
	Intercompany receivables (Note 42)	**369,500,222**	582,115,504	**-**	344,191,250
	Witholding tax credit	**429,316,157**	279,027,748	**52,026,437**	60,148,993
	Proceeds from right issues(Sterling Bank plc)	**-**	-	**-**	-
	Prepayments (Note 7.4)	**396,322,936**	251,886,675	**102,262,701**	11,225,876
		3,124,514,681	1,398,031,306	**315,229,555**	516,208,878
	Impairment allowance on other receivables (Note 7.2)	**(57,347,256)**	(65,176,560)	**-**	-
		3,067,167,425	1,332,854,746	**315,229,555**	516,208,878
7.1.	**Analysis by maturity:**				
	Current	**3,067,167,425**	1,332,854,746	**315,229,555**	-
	Non-current	**-**	-	**-**	-
		3,067,167,425	1,332,854,746	**315,229,555**	-
7.2.	**Impairment allowance on other receivables**				
	At 1 January	**65,176,560**	-	**-**	-
	Charged for the year (Note 31)	**(7,829,304)**	25,989,019	**-**	-
	At 30 June	**57,347,256**	65,176,560	**-**	-

		Group		Company	
		2026	2025	**2026**	2025
		N	N	**N**	N
7.4	**Prepayments**				
	Prepaid rent	**125,524,899**	58,689,567	**57,725,000**	-
	Other prepayments	**270,798,037**	193,197,108	**44,537,701**	11,225,876
		396,322,936	251,886,675	**102,262,701**	11,225,876
7.4.1	**Analysis by maturity:**				
	Current	**396,322,936**	251,886,675	**102,262,701**	11,225,876
	Non-current	**-**	-	**-**	-
		396,322,936	251,886,675	**102,262,701**	11,225,876
8.	**Investment in Subsidiaries**				
	Consolidated Hallmark Insurance Limited (Note 8.2.a)	**-**	-	**4,155,775,000**	4,155,775,000
	Hallmark Finance Company Ltd (Note 8.2.b)	**-**	**-**	**764,225,000**	764,225,000
	Hallmark Health Services Limited (Note 8.2.b)	**-**	**-**	**500,000,000**	500,000,000
	CHI Life Assurance (Note 8.2.d)				
		-	**(1)**	**6,170,000,001**	6,170,000,000

8.2.a **Consolidated Hallmark Insurance Ltd (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 Ltd 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 Ltd came into effect from 1 March 2007.

Hallmark Finance Company Limited is a fully owned subsidiary of Consolidated Hallmark Holdings Plc. Consolidated Hallmark Insurance Ltd transferred its 100% interest in Hallmark Finance Company Ltd to Consolidated Hallmark Holdings Plc. in 2024. Hallmark Finance Company Ltd is a CBN licensed finance company.

8.2.b **Hallmark Health Services Limited** is a fully owned subsidiary of Consolidated Hallmark Holdongs Plc. The group incorporated Hallmark Health Services Limited towards the end of the year 2017 and fully accredited by National Health Insurance Authority to operate in health Insurance sector. CHI Insurance Limited transferred its 100% interest in Hallmark Health Services Limited to Consolidated Hallmark Holdings Plc. in 2024.

	CHH Plc	CHI Group	Hallmark Finance	Hallmark Health	Elimination	Total
	N	N	N	N	N	N
Condensed result of consolidated entities - 2026						
8.3.a..i Condensed Statement of Financial Position						
Assets						
Cash and cash equivalents	1,144,388,603	5,218,125,911	1,269,132,761	627,356,097	-	8,259,003,372
Financial assets	1,832,291,098	68,358,553,139	3,594,683,563	234,475,000	(1,338,592,581)	72,681,410,219
Finance lease receivables	-	-	2,002,767,718	4,556,176	-	2,007,323,894
Trade receivables	-	3,434,379,201	-	-	-	3,434,379,201
Reinsurance assets	-	9,697,281,072	-		-	9,697,281,072
Other receivables and prepayment	315,229,555	2,638,355,260	31,195,889	82,386,716	-	3,067,167,420
Investment in subsidiaries	6,170,000,001	9,390,000,000	-	-	(15,560,000,001)	-
Investment project	-	-	-	-	-	-
Intangible assets	1,780,467	88,074,377	21,223,264	-		111,078,109
Investment properties	377,105,309	641,425,921	-	-	-	1,018,531,230
Property and equipment	302,654,792	1,749,587,392	44,019,481	36,630,331	-	2,132,891,996
Right-of-use of assets (leased assets)	-	56,250,000	-	9,360,265	-	65,610,265
Statutory deposits	-	2,500,000,000	-	-	-	2,500,000,000
Total assets	10,143,449,825	103,772,032,274	6,963,022,676	994,764,586	(16,898,592,582)	104,974,676,780
Liabilities						
Insurance contract liabilities	-	30,605,327,696	-	284,408,854	-	30,889,736,550
Reinsurance contract liabilities		77,251,667				77,251,667
Investment contract liabilities		-	-	-		-
Trade payables	-	0	-	-	-	0
Borrowing	-	-	4,410,281,716	-	(1,338,592,581)	3,071,689,135
Provision and other payables	473,087,672	717,727,577	495,346,433	211,688,747	-	1,897,850,429
Retirement benefit obligations	-	18,677,374	1,395,478	1,287,973	-	21,360,825
Tax liabilities	649,106,558	2,422,720,086	169,316,208	15,339,494	-	3,256,482,346
Deffered tax liabilities	-	391,931,110	18,630,108	1,812,212		412,373,430
Share capital	5,420,000,000	14,295,775,000	764,225,000	500,000,000	(15,560,000,000)	5,420,000,000
Share premium	168,933,836	-	-	-	-	168,933,836
Contingency reserve	-	10,249,361,336	-	-	-	10,249,361,336
Statutory reserve	-	-	248,072,874	-	-	248,072,874
Fair value through OCI reserve	-	97,226,657	-	-	-	97,226,657
Revaluation reserve	-	138,165,551	-	-	-	138,165,551
Requlatory risk reserve	-	-	-	-	-	-
Retained earnings	3,432,321,755	44,757,868,222	855,754,860	(19,772,697)	-	49,026,172,140
Total liabilities and equity	10,143,449,822	103,772,032,276	6,963,022,677	994,764,583	(16,898,592,581)	104,974,676,777

8.3.a.ii. Condensed result of consolidated entities - 2026

	CHH Plc	CHI Group	Hallmark Finance	Hallmark Health	Elimination	Total
Condensed statement of profit and loss and other comprehensive income						
Investment result	3,916,463,445	26,610,671,111	571,134,204	(460,453)	(3,787,381,594)	27,310,426,713
Insurance service result	-	2,288,637,118	-	321,697,509	-	2,610,334,627
Net income before operating expenses	3,916,463,445	28,899,308,229	571,134,204	321,237,055	(3,787,381,594)	29,920,761,339
Operating expenses	(798,490,092)	(2,221,473,479)	(376,843,767)	(300,427,353)	878,339,094	(2,818,895,597)
Net credit impairment losses	-	-		-	-	-
Profit before taxation	3,117,973,353	26,677,834,750	194,290,437	20,809,702	(2,909,042,500)	27,101,865,742
Taxation	(68,947,184)	(1,690,004,103)	(58,287,130)	(6,867,202)	-	(1,824,105,619)
Profit after taxation	3,049,026,169	24,987,830,647	136,003,307	13,942,500	(2,909,042,500)	25,277,760,123

	CHH Plc	CHI Group	Hallmark Finance	Hallmark Health	Elimination	Total
	N	N	N	N	N	N
Condensed result of consolidated entities - 2025						
8.3.a..i Condensed Statement of Financial Position						
Assets						
Cash and cash equivalents	322,612,175	5,478,643,077	929,599,811	644,357,991	-	7,375,213,054
Financial assets	959,323,471	41,550,871,454	3,394,084,497	-	-	45,904,279,422
Finance lease receivables	-	-	2,410,566,264	-	-	2,410,566,264
Trade receivables	-	3,095,462,158	-	3,849,844	-	3,099,312,002
Reinsurance assets	-	10,896,774,820	-	-	-	10,896,774,820
Other receivables and prepayment	516,208,881	855,180,047	20,550,274	36,432,890	(95,517,351)	1,332,854,741
Investment in subsidiaries	6,170,000,000	9,590,000,000	-	-	(15,760,000,000)	-
Investment project	377,105,308	-	-	-	-	377,105,308
Intangible assets	1,982,030	82,376,023	25,028,059	533,280		109,919,392
Investment properties	-	1,275,149,119	-	200,000,000	-	1,475,149,119
Property and equipment	46,529,295	1,693,274,828	51,608,920	34,766,446	-	1,826,179,489
Right-of-use of assets (leased assets)	-	-	-	11,942,447	-	11,942,447
Statutory deposits	-	1,120,000,000	-	-	-	1,120,000,000
Total assets	8,393,761,160	75,637,731,526	6,831,437,825	931,882,898	(15,855,517,351)	75,939,296,059
Liabilities						
Insurance contract liabilities	-	24,951,417,221	-	254,988,738	-	25,206,405,960
Investment contract liabilities		32,105,703	-	-		32,105,703
Trade payables	-	0	-	-	-	0
Borrowing	-	-	4,259,166,582	-	-	4,259,166,582
Provision and other payables	179,371,901	902,335,670	347,843,281	194,883,824	(95,517,351)	1,528,917,325
Retirement benefit obligations	-	11,510,001	1,119,843	54,277	-	12,684,121
Tax liabilities	597,234,964	1,756,849,420	128,727,331	13,859,043	-	2,496,670,757
Deffered tax liabilities	-	225,643,023	18,630,108	1,812,212		246,085,343
Share capital	5,420,000,000	14,495,775,000	764,225,000	500,000,000	(15,760,000,000)	5,420,000,000
Share premium	168,933,836	-	-	-	-	168,933,836
Contingency reserve	-	9,449,647,015	-	-	-	9,449,647,015
Statutory reserve	-	-	227,672,378	-	-	227,672,378
Fair value through OCI reserve	-	97,226,656	-	-	-	97,226,656
Revaluation reserve	-	138,165,551	-	-	-	138,165,551
Requlatory risk reserve	-	-	18,580,902	-	-	18,580,902
Retained earnings	2,028,220,459	23,577,056,261	1,065,472,402	(33,715,198)	-	26,637,033,925
Total liabilities and equity	8,393,761,161	75,637,731,522	6,831,437,827	931,882,896	(15,855,517,351)	75,939,296,056

8.3.a.ii. Condensed result of consolidated entities - 2025

	CHH Plc	CHI Group	Hallmark Finance	Hallmark Health	Elimination	Total
Condensed statement of profit and loss and other comprehensive income						
Investment result	2,494,592,645	206,114,084	522,823,072	85,231,186	(2,077,887,501)	1,230,873,486
Insurance service result	-	3,058,745,279	-	199,764,785	-	3,258,510,064
Net income before operating expenses	2,494,592,645	3,264,859,363	522,823,072	284,995,971	(2,077,887,501)	4,489,383,550
Operating expenses	(354,142,224)	(1,676,463,337)	(346,292,609)	(227,166,529)	-	(2,604,064,699.00)
Net credit impairment losses	-	(94,440,067)	(26,676,812)	-	-	(121,116,879.00)
Profit before taxation	2,140,450,421	1,493,955,959	149,853,651	57,829,442	(2,077,887,501)	1,764,201,972.00
Taxation	(25,198,102)	(566,716,856)	-	(14,380,856)	-	(606,295,814.00)
Profit after taxation	2,115,252,319	927,239,103	149,853,651	43,448,586	(2,077,887,501)	1,157,906,158.00

8.4. Transfer to Holdco

The corporate reorganization was achieved via a Scheme of Arrangement duly approved by the shareholders at its Court Ordered Meeting held on October 13, 2022 and sanctioned by the Court.CHI Plc was subsequently delisted from the floor of the Nigerian Exchange (NGX). Similarly, two of the subsidiaries of the erstwhile CHI Plc, namely Hallmark Finance Company Limited and Hallmark Health Services Limited has also become a direct subsidiary of the Holding Group. Consolidated Hallmark.Insurance Plc (CHI) has thus become a limited liability Company wholly owned by CHH Plc. CHI remains under the primary regulation of the National Insurance Commission (NAICOM).The new group comprises of Consolidated Hallmark Holdings Plc (The Parent) with Consolidated Hallmark Insurance Limited, Hallmark Finance Company Limited and Hallmark Health Services Ltd as its direct subsidiaries. CHI Micro-Insurance Ltd, CHI Capital Ltd and CHI Support Services Ltd. remains the direct subsidiaries of Consolidated Hallmark Insurance Limited.

	Group		Company	
	2026	2025	**2026**	2025
	N	N	**N**	N
8.5. Investment project				
CHI Life Assurance (Note 8.5.2.)	**-**	377,105,308	**-**	377,105,308
Deposit for investment property	**-**	-	**-**	
First Atlantic Reinsurance (Note 8.5.3.)	**-**		**-**	-
	-	377,105,308	**-**	377,105,308

	30 JUNE 2026			
	At 1 Jan	**Addition**	**Transferred*** **	**At 31 Dec**
8.5.1. Movement in investment project	**N**	**N**	**N**	**N**
CHI Life Assurance	**-**	**-**	**-**	**-**
Deposit for investment property	**377,105,308**	**-**	**-**	**377,105,308**
First Atlantic Reinsurance	**-**	**-**	**-**	**-**
	377,105,308	**-**	**-**	**377,105,308**

	31 December 2025			
	At 1 Jan	**Addition**	**Transferred*** **	**At 31 Dec**
Movement in investment project	**N**	**N**	**N**	**N**
CHI Life Assurance	8,537,601,830	-	3,287,601,830	-
Deposit for investment property	-	377,105,308		377,105,308
First Atlantic Reinsurance	1,400,000,000	-	1,400,000,000	-
	9,937,601,830	377,105,308	4,687,601,830	**377,105,308**

		Group		Company	
		2026	2025	**2026**	2025
		N	N	**N**	N
9.	**Intangible assets**				
	Cost:				
	At 1 January	**228,392,392**	148,392,392	**2,687,500**	-
	Addition	**11,200,000**	80,000,000	**-**	2,687,500
	At 30 June	**233,227,766**	228,392,392	**2,687,500**	2,687,500
	Accumulated amortization and impairment				
	At 1 January	**118,472,999**	99,179,259	**705,469**	302,344
	Charge for the year	**12,583,637**	19,293,741	**201,563**	302,244
	At 30 June	**122,149,658**	118,472,999	**907,032**	705,469
	Carrying amount:				
	At 30 June	**111,078,108**	**109,919,393**	**1,780,467**	**1,982,031**

9.1. Intangible represent cost of software capitalised for the runing of the company. This was purchased and not internally built.

10.	**Investment Properties**				
	At 1 January	**1,475,149,119**	1,473,391,118	**-**	-
	Prior Adjustment				
	Addition	**558,915,209**	**1,758,001**	**377,105,309**	-
	Disposal	**(1,015,533,098)**			
	Fair value change (Note 32)		-	**-**	-
	At 30 June	**1,018,531,229**	1,475,149,119	**377,105,309**	-

10.1. **Investment Properties**
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 Ltd. There is no dispute as to the title of Consolidated Hallmark Insurance Ltd to these properties.

10.1.1 All the total investment properties N1.27 billion are expected to be recovered more than 12 months after the reporting date

10.1.2 Changes in fair values are recognised as gains in the statement of profit or loss and other comprehensive income and included in net fair value gain at fair value through profit or loss under Note 35 of which that of group Nil while the Company Nil is attributable to investment properties held at the reporting date.

10.1.3 There are no restrictions on the realisability of investment property or remittance of income and proceeds of disposal. The Group has no contractual obligation to purchase, construct or develop investment property or for repairs or enhancement.

		Group		Company	
		2026	2025	**2026**	2025
		N	N	**N**	N
10.2	**Rental income derived from investment properties**				
	Investment properties related expenses	-	-	-	-
	Rental income derived from investment properties (Note 27.2)	**1,620,000**	45,148,334	**-**	-
		1,620,000	45,148,334	**-**	-

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10.3. The properties were professionally re-valued as at 20 November 2024, by Messrs Adegboyega Sanusi & Co (FRC/2013/NIESV/00000001757) on the basis of open market values.

10.4. 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 Ltd.

S/N	Type of Assets	Addresses	Amount 30 June 2026	Current title holder	Status on change of title
	Company		N		
1	Building	Plot A/5 Pocket Layout (Clerk Quarters) Owerri, Imo State.	206,000,000	Consolidated Hallmark Insurance Ltd.	Title over this property has been transferred to Consolidated Hallmark Insurance Plc.
2	Building	219, 220 and 221, Akukwe Street, Works Layout, Owerri, Imo State	229,000,000	Consolidated Hallmark Insurance Ltd.	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.	104,682,620	Consolidated Hallmark Insurance Ltd.	Title over this property has been transferred to Consolidated Hallmark Insurance Plc.
3	Building	Plot 33, Chief Ogbonda Layout, Rumuogba, Port Harcourt.	144,221,000	Consolidated Hallmark Insurance Ltd.	Title over this property has been transferred to Consolidated Hallmark Insurance Plc.
4	Building	Romax Homes Estate by Harris drivet beside VGCI Ikota, Lekki Lagos	199,002,000	Consolidated Hallmark Insurance Ltd.	The deed of assigment is in the name of Consolidated Hallmark Insurance Plc. Perfection of title in progress.
4	Building	3Units of 4 Bedroom Terrace At Westend Ikota, Lagos	139,108,098	Consolidated Hallmark Insurance Ltd.	The deed of assigment is in the name of Consolidated Hallmark Insurance Plc. Perfection of title in progress.
Total			**1,022,013,718**		

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11. Property and equipment

11.1. The group

	Land	Building	Office Equipment	Furniture & Fittings	Motor Vehicles	Computer Equipment	Total
	N	N	N	N	N	N	N
Costs/valuation							
At 1 January 2025	300,000,000	730,624,304	172,555,192	223,877,545	1,150,832,811	378,864,291	2,956,754,143
Additions during the year	-	-	3,868,073	31,013,800	391,736,046	120,523,824	547,141,743
Revaluation surplus	-	-	-	-	(9,800,000)	-	(9,800,000)
Disposals during the year	-	-	-	-		-	-
Recognised during the year and transferred from old CHI Ltd group (Note 8.4.1)							-
At 31 December 2025	300,000,000	730,624,304	176,423,265	254,891,345	1,532,768,857	499,388,115	3,494,095,886
At 1 January 2026	**300,000,000**	**730,624,304**	**176,423,265**	**254,891,345**	**1,532,768,857**	**499,388,115**	**3,494,095,886**
Additions during the year	**-**	91,857,301	13,819,374	4,705,250	295,706,908	131,338,073	**537,426,906**
Disposals during the year	**-**	**-**	**(2,060,445)**	**(356,804)**	**(42,644,022)**	**(66,608,006)**	**(111,669,277)**
Recognised during the year and transferred from old CHI Ltd group (Note 8.4.1)	**-**	**-**	**-**	**-**	**-**	**-**	**-**
At 30 June 2026	**300,000,000**	**829,929,494**	**188,296,119**	**259,303,541**	**1,793,751,821**	**567,141,157**	**3,938,422,132**
At 1 January 2025	-	203,267,014	124,133,506	166,689,734	678,273,053	271,854,809	1,444,218,116
Depreciation charge for the year	-	17,807,106	8,199,156	17,781,113	156,003,619	36,169,106	228,280,761
Disposals during the year	-	-	-	-	(4,582,480)	-	(4,582,480)
Recognised during the year and transferred from old CHI Ltd group (Note 8.4.1)	-						-
31 December 2025	-	221,074,120	132,332,662	184,470,847	829,694,192	308,023,915	1,667,916,397
At 1 January 2026		**221,074,120**	**132,332,662**	**184,470,847**	**829,694,192**	**308,023,915**	**1,675,595,736**
Depreciation charge for the year	**-**	**24,090,412**	**2,842,205**	**7,357,762**	**97,475,170**	**19,382,897**	**151,148,446**
Disposals during the year	**-**				**(14,246,575)**		**(14,246,575)**
At 30 June 2026	**-**	**245,014,070**	**135,004,874**	**191,741,174**	**907,662,003**	**326,107,997**	**1,805,530,118**
Carrying value:							
At 30 June 2026	**300,000,000**	**584,915,424**	**53,291,245**	**67,562,367**	**886,089,818**	**241,033,160**	**2,132,892,014**
At 31 December 2025	300,000,000	509,550,184	44,090,603	70,420,498	703,074,665	191,364,200	1,826,179,489

11.1.1. The properties were professionally re-valued as at 18 November 2025, 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 2025. There was no surplus arising from the 2025 revaluation.

11.2. Property and Equipment

The company

	Land	Building	Office & Equipment N	Furniture & Fittings N	Motor Vehicles N	Computer Equipment N	Total N
Costs/valuation							
At 1 January 2025	-	-	-	1,396,250	45,000,000	5,440,000	51,836,250
Additions during the year	-	-	-	-	-	-	-
Revaluation surplus	-	-	-	-	-	-	-
31 December 2025	-	-	-	1,396,250	45,000,000	5,440,000	51,836,250
At 1 January 2026	**-**	**-**	**-**	**1,396,250**	**45,000,000**	**5,440,000**	**51,836,250**
Additions during the year	**-**	**-**	**11,816,000**	**-**	**245,000,000**	**4,975,000**	**261,791,000**
Reclassification	**-**	**-**	**710,000**			**(710,000)**	
Disposals during the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**
At 30 June 2026	**-**	**-**	**12,526,000**	**1,396,250**	**290,000,000**	**9,705,000**	**313,627,254**
Accumulated depreciation							
At 1 January 2025	-	-	-	130,517	4,500,000	676,438	5,306,955
Depreciation charge for the year	-	-	-		-	-	-
31 December 2025	-	-		130,517	4,500,000	676,438	5,306,955
At 1 January 2026				**130,517**	**4,500,000**	**676,438**	**5,306,955**
Replacement			**329,813**			**(329,813)**	
Depreciation charge for the year			**469,725**	**104,719**	**4,500,000**	**591,063**	**5,665,507**
Disposals during the year				**-**	**-**	**-**	**-**
At 30 June 2026			**799,538**	**235,236**	**9,000,000**	**937,688**	**10,972,462**
Carrying value:							
At 30 June 2026			**11,726,462**	**1,161,014**	**281,000,000**	**8,767,312**	**302,654,792**
At 31 December 2025			-	1,265,733	40,500,000	4,763,562	46,529,295

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12. Right-of-Use of Assets (Leased Assets)

	Buildings	Furniture & Fittings	Motor Vehicles	Office Equipment	Computer Equipment	Total
		₦	₦	₦	₦	₦
Cost						
At 1 January 2025		6,913,742	32,500,000	3,912,175	520,000	43,845,917
Additions during the year		-	-	-	-	-
Disposal during the year		-	-	-	-	-
At 31 December 2025		6,913,742	32,500,000	3,912,175	520,000	43,845,917
At 1 January 2025		**6,913,742**	**32,500,000**	**3,912,175**	**520,000**	**43,845,917**
Additions during the year		**1**	**-**	**75,000,000**	**-**	**75,000,001**
At 30 June 2026		**6,913,743**	**32,500,000**	**78,912,175**	**520,000**	**118,845,918**
Accumulated Depreciation						
At 1 January 2025		6,913,573	15,357,809	3,912,116	519,972	26,703,470
Depreciation charge for the year						
Disposal during the year		-	5,200,000	-	-	5,200,000
At 31 December 2025		6,913,573	20,557,809	3,912,116	519,972	31,903,470
At 1 January 2025		**6,913,573**	**20,557,809**	**3,912,116**	**519,972**	**31,903,470**
Charge for the year		**18,750,000**	**2,582,181**	**-**	**-**	**21,332,181**
At 30 June 2026		**25,663,573**	**23,139,990**	**3,912,116**	**519,972**	**53,235,651**
Carrying value:						
At 30 June 2026		**(18,749,830)**	**9,360,010**	**75,000,059**	**28**	**65,610,267**
At 31 December 2025		***169***	***11,942,191***	***59***	***28***	***11,942,447***

12.1. The leased assets are owned by the Group at the expiration of the leased year, hence they were depreciated using the useful life of the assets.

	Group 2026	Group 2025	Company 2026	Company 2025
	N	N	N	N
13. Statutory deposits				
Consolidated Hallmark Insurance Ltd	**300,000,000**	300,000,000	-	-
Microinsurance Ltd	**2,200,000,000**	820,000,000	-	-
	2,500,000,000	1,120,000,000	-	-

13.1. This represents the amount deposited with

	Group 2026	Group 2025	Company 2026	Company 2025
14. Insurance contract liabilities				
Liability for incurred claim -LIC- (Note 14.1)	**13,103,428,789**	11,169,268,371	-	-
Liability for remaining coverage-LRC-(Note 14.1	**17,786,307,762**	14,037,137,590	-	-
	30,889,736,551	25,206,405,961	-	-

14.1. Reconciliation of insurance contracts issued 30 June 2026

The following table shows the reconciliation from opening to the closing balances of the net liability for remaining coverage and the liability for incurred claims

	Liability for remaining coverage-LRC Excluding loss component	Loss component	Liability for incurred claims-LIC(PAA) Estimates of present value of future cash flows	Risk Adjustment for non-financial risk	Total
At 1 January	N	N	N	N	N
Opening insurance contract assets	-		-	-	
Opening insurance contract liabilities	13,835,764,712		9,608,359,958	1,410,207,309	**24,854,331,979**
Net Opening balance at 1 January	**13,835,764,712**		**9,608,359,958**	**1,410,207,309**	**24,854,331,979**
Changes in the statement of profit or loss and OCI:					
Insurance revenue	(23,846,603,265)		93,743,853	-	(23,752,859,412)
Insurance service expenses					
Incurred claims	568,501,968		7,181,575,991	-	7,750,077,959
Other incurred insurance service expenses	241,203,410		2,549,930,831		2,791,134,241
Insurance acquisition expenses	4,117,188,974				4,117,188,974
Changes to losses on onerous contracts	2,118,442			-	2,118,442
Changes in liability for incurred claim	(21,481,676)		852,671,943	306,214,056	1,137,404,323
					-
Total Insurance service expenses	**4,907,531,118**	**-**	**10,584,178,765**	**306,214,056**	**15,797,923,939**
Investment components	-			-	-
					-
Insurance service result	**(18,939,072,147)**	**-**	**10,677,922,618**	**306,214,056**	**(7,954,935,473)**
Net finance income/expense from insurance contract issued	22,878,021		586,369,186		609,247,207
Total changes in the statement of profit or loss and OCI	**(18,916,194,126)**	**-**	**11,264,291,804**	**306,214,056**	**(7,345,688,266)**
Cash flows					
Premium received	29,661,933,064	-		-	29,661,933,064
Claims paid	(126,945,414)	-	(6,935,713,504)	-	(7,062,658,918)
Other insurance service expenses paid	(241,203,410)		(2,549,930,831)		(2,791,134,241)
Insurance acquisition cash flow	(6,552,731,881)	-		-	(6,552,731,881)
Total cash flows	**22,741,052,359**	**-**	**(9,485,644,335)**	**-**	**13,255,408,024**
At 31 December					
Closing insurance contract assets	-	-	-	-	-
Closing insurance contract liabities	**17,660,622,945**	**-**	**11,387,007,427**	**1,716,421,365**	**30,764,051,738**
Net balance at 31 December	**17,660,622,945**	**-**	**11,387,007,427**	**1,716,421,365**	**30,764,051,738**
Movement in insurance contract liabilities					

The following table shows the reconciliation from opening to the closing balances of the net liability for remaining coverage and the liability for incurred claims

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14.2.b **Movement in insurance contract liabilities**
Reconciliation of insurance contracts

The following table shows the reconciliation from opening to the closing balances of the net liability for remaining coverage and the liability for incurred claims

Group & Company	**31 December 2025**				
	Liability for remaining coverage-LRC		**Liability for incurred claims-LIC(PAA)**		
	Excluding loss component	**Loss component**	**Estimates of present value of future cash flows**	**Risk Adjustment for non-financial risk**	**Total**
Opening insurance contract assets	-	-	-	-	
Opening insurance contract liabilities	9,336,334,392.00	-	5,643,317,800	949,496,696	15,929,148,888
Net Opening balance at 1 January	**9,336,334,392.00**		**5,643,317,800**	949,496,696	15,929,148,888
Changes in the statement of profit or loss and OCI:					
Insurance revenue	**(41,457,042,135.00)**		**-**	-	(41,457,042,135)
Insurance service expenses					
Incurred claims			**10,626,691,964**	-	10,626,691,964
Incurred fulfilment expenses			**4,262,526,491**		4,262,526,491
Insurance acquisition expenses	**9,487,926,370.00**		**-**		9,487,926,370
Changes to losses on onerous contracts			**-**	-	
Changes in liability for incurred claim	**-**		**6,563,009,665**	460,710,607	7,023,720,272
Total Insurance service expenses	**9,487,926,370.00**		**21,452,228,120**	460,710,607	31,400,865,098
Investment components	-		-	-	
Insurance service result	(31,969,115,765.00)		21,452,228,120	460,710,607	(10,056,177,037)
Net finance income/expense from insurance contract issued	-		853,431,241		853,431,241
Total changes in the statement of profit or loss and OCI	**(31,969,115,765.00)**		22,305,659,362	460,710,607	(9,202,745,796)
Cash flows					
Premium received	45,576,891,142.00		-	-	45,576,891,142
Claims paid	-		(14,078,090,712)	-	(14,078,090,712)
Other insurance service expenses paid			(4,262,526,491)		(4,262,526,491)
Insurance acquisition cash flow	**(9,487,926,370.00)**		**-**	-	(9,487,926,370)
Total cash flows	**36,088,964,772.00**		**(18,340,617,203)**	-	17,748,347,569
At 31 December					
Closing insurance contract assets	-		-	-	
Closing insurance contract liabilities	13,456,183,399.00		9,608,359,958	1,410,207,309	24,474,750,666
Net balance at 31 December	**13,456,183,399.00**		**9,608,359,958**	**1,410,207,309**	**24,474,750,666**

Reconciliation of insurance contracts issued 31 December 2025
The following table shows the reconciliation from opening to the closing balances of the net liability for remaining coverage and the liability for incurred claims

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		Group		Company	
		2026	2025	**2026**	2025
		N	N	**N**	**N**
14.2	**Investment contract liabilities**				
	At 1 January	**32,105,704**	10,411,830	-	-
	Reduction	**-**	-	-	-
	Recognised during the year and transferred from old CHI Ltd group (Note 8.4.1)	**(32,105,704)**	21,693,874	-	-
	At 31 December	**-**	32,105,704	**-**	-
15	**Reinsurance contract liabilities**	**71,457,792**	**3,563,644**		
	Liability for remaining coverage				
		71,457,792	**3,563,644**		
16.	**Trade payables**				
	Payable - general insurance business	**1**	-	**-**	-
	Other trade payables	**-**	-	**-**	-
		1	-	**-**	-
15.1.	**Analysis by maturity:**				
	Current	**1**	-	**-**	-
	Non-current	**-**	-	**-**	-
		1	-	**-**	-
15.2.	**Movement in trade payables**				
	At 1 January	**-**	-	**-**	-
	Reinsurance during the year	**8,037,619,067**	-	**-**	-
	Payment	**(10,892,626,437)**	-	**-**	-
	Recognised and transferred from CHI Ltd (Note 8.4)	**2,855,007,371**	-	**-**	-
	At 31 December	**1**	-	**-**	-
16.	**Borrowing**				
	At 1 January	**4,259,166,582**	2,236,926,980	-	-
	Addition	**151,115,134**	4,441,809,565	-	-
	Repayment		(2,859,843,038)	-	-
	Interest capitalised		719,216,087	-	-
	Elimination	**(1,338,592,581)**			
	At 31 December	**3,071,689,135**	4,259,166,582	**-**	-

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

		Group 2026 N	Group 2025 N	Company 2026 N	Company 2025 N
17.	**Other payables and provision**				
	Staff payables	**11,683,409**	10,060,804	**-**	96,919
	Payable to related parties (Note 42)	**439,488,677**	260,016,905	**-**	-
	Audit fees	**17,718,946**	31,850,000	**-**	-
	Witholding tax payable	**323,864,216**	250,852,547	**-**	-
	Unclaimed dividend payable (Note 17.2)	**83,004,741**	83,004,741	**2,795,895**	2,795,895
	Accrued expenses	**396,183,267**	332,474,776	**206,051,172**	-
	Unearned Commission received	**761,518**	-	**761,518**	761,518
	Staff co-operative	**101,941,317**	93,162,202	**-**	-
	Sundry creditors	**526,698,756**	467,495,352	**263,479,088**	176,479,083
		1,901,344,847	1,528,917,327	**473,087,673**	180,133,415
17.1.	**Analysis by maturity:**				
	Current	**1,901,344,847**	1,528,917,327	**473,087,673**	-
	Non-current	**-**	-	**-**	-
		1,901,344,847	1,528,917,327	**473,087,673**	-

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

		Group		Company	
		2026	2025	**2026**	2025
		N	**N**	**N**	**N**
18.	**Retirement benefit obligation**				
	Defined contribution pension plan				
	At 1 January	**12,684,121**	-	**-**	-
	Provision during the year (Note 33.3.a)	**17,866,406**	43,084,878	**-**	-
	Payment during the year	**(12,684,121)**	(33,825,903)	**-**	-
	Recognised during the year and transferred from old CHI Ltd group (Note 8.4.1)		3,425,146	**-**	-
	At 31 December	**17,866,405**	12,684,121	**-**	-
18.1.	Employer contribution	**9,925,781**	-	**-**	-
	Employees contribution	**7,940,624**	-	**-**	-
		17,866,405	-	**-**	-
19.	**Taxation**				
19.1	**Income tax expense**				
	Income tax	**1,657,817,532**	629,930,856	**68,947,184**	25,198,102
	Information technology levy	**-**	-	**-**	
	Education tax	**-**	-	**-**	-
	Over provision in previous year	**-**	-	**-**	-
		1,657,817,532	629,930,856	**68,947,184**	25,198,102
	Deferred tax charge (Note 19.3)	**166,288,087**	(23,635,043)	**-**	-
		1,824,105,619	606,295,813	**68,947,184**	25,198,102

19.1.a 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	
		2026	2025	**2026**	2025
		N	N	**N**	N
19.2.	**Current income tax liabilities**				
	At 1 January	**2,496,670,758**	1,847,699,363	**597,234,964**	360,472,335
	Payments during the year	**(884,896,487)**	(978,267,034)	**(15,590,890)**	(16,649,130)
		1,611,774,271	869,432,329	**581,644,074**	343,823,205
	Prior year audit journal		-	**(1,484,700)**	-
	Charge for the year (Note 19.1)	**1,824,105,619**	1,627,238,429	**68,947,184**	253,411,759
	At 30 June	**3,256,482,346**	2,496,670,758	**649,106,558**	597,234,964
19.2.1.	**Reconciliation of effective tax rate**				
	Profit after tax	**25,277,760,135**	1,157,906,157	**3,049,026,170**	-
	Total income tax expense				
	Income	**1,657,817,532**	2,124,875,726	**68,947,184**	253,411,759
	Education	**-**	229,022,725	**-**	-
	Over provision	**-**	(979,656,498)	**-**	
	Deferred tax charge (Note 19.3)	**166,288,087**	(122,154,477)	**-**	
		1,824,105,619	1,252,087,476	**68,947,184**	253,411,759
	Profit for the year before income tax	**27,101,865,754**	2,409,993,633	**3,117,973,354**	253,411,759
	Effective tax rate	**7%**	**52%**	**2%**	**100%**
19.3.	**Deferred tax liabilities**				
	At 1 January	**246,085,344**	-	**-**	-
	Charge for the year (Note 19.1)	**166,288,087**	(23,635,043)	**-**	-
	Deferred tax on FVTOCI instruments (Note 22.3)		(10,735,531)	**-**	-
	Recognised during the year and transferred from old CHI Ltd group (Note 8.4.1)		280,455,918	**-**	-
	At 30 June	**412,373,431**	246,085,344	**-**	-

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

		Group		Company	
		2026	2025	**2026**	2025
		N	N	**N**	N
20.	**Share capital**				
	Authorised:				
	10.84 billion ordinary shares of 50k each	**5,420,000,000**	5,420,000,000	**5,420,000,000**	5,420,000,000
20.1	***Issued and fully paid:***				
	10.84 billion ordinary shares of 50k each				
	At 30 June	**5,420,000,001**	5,420,000,000	**5,420,000,000**	5,420,000,000
20.2	***Movement in issued and fully paid:***				
	At 1 January	**5,420,000,000**	-	**5,420,000,000**	-
	Transferred from CHI Ltd in the year (Note 20.2.2.)	**-**	5,420,000,000	**-**	**5,420,000,000**
	At 30 June	**5,420,000,001**	5,420,000,000	**5,420,000,000**	5,420,000,000

20.2.1. 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.

20.2.2 Board resolution on the virtual meeting held o the 26th day of April, 2023, the followings were proposed:
*That a total of 2,528,450,000 ordinary shares of CHI Ltd with a shareholding value of N1,264,2250,000 be and hereby surrendered to Consolidated Hallmark Holdings Plc further to the court-sanctioned scheme of arrangement.

*That the share capital of CHI Ltd be and is hereby reduced from N5,420,000,000 to N4,155,775,000 by the surrender of 2,528,450,000 ordinary shares with a total value of N1,264,225,000 to CHH Plc.

*That the directors of the company secretary be and hereby empowered to execute and file all requiste documents necessary to give effect to the above resolutions.

*The court-sanctioned the scheme of arrangement also directed the transfer of the share premium from the CHI to the CHH.

		Group		Company	
		2026	2025	**2026**	2025
		N	N	**N**	N
21.	**Share Premium**				
	At 1 January	**168,933,836**	-	**168,933,836**	-
	Transferred from CHI Ltd in the year (Note 20.2.2)	**-**	168,933,836	**-**	168,933,836
	At 31 December	**168,933,838**	168,933,836	**168,933,836**	**168,933,836**
22.	**Other reserves**				
22.1.	**Contingency reserve**				
	At 1 January	**9,449,647,016**	7,998,035,551	**-**	-
	Transfer from retained earnings (Note 23)	**-**	1,444,696,825	**-**	-
	Contributed by Chi microinsurance Ltd	**-**	6,911,986	**-**	-
	Recognised and transferred from CHI Ltd (Note 8.6)	**799,714,321**	2,654	**-**	-
	At 31 December	**10,249,361,337**	9,449,647,016	**-**	-

22.1.a The contingency reserve has been computed 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=4,524,391,795 based on 3% of total Premium.

		Group		Company	
		2026	2025	**2026**	2025
		N	N	**N**	N
22.2	**Statutory reserve**				
	At 1 January	**227,672,378**	178,029,337	**-**	-
	Transfer from retained earnings (Note 23)	**20,400,496**	49,662,084	**-**	-
	Recognised during the year and transferred from old CHI Ltd group (Note 8.4.1)	**-**	(19,043)	**-**	-
	At 31 December	**248,072,874**	227,672,378	**-**	-

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

		Group		Company	
		2026	2025	**2026**	2025
		N	**N**	**N**	**N**
22.3	**Fair value through OCI reserve**				
	At 1 January	**97,226,657**	102,081,848	**-**	-
	Loss during the year (Note 30)	**-**	2,622,075	**-**	-
	Deferred tax on FVTOCI investments		(7,477,266)	**-**	-
	Recognised during the year and transferred from old CHI Ltd group (Note 8.4.1)	**-**	-	**-**	-
	At 31 December	**97,226,657**	97,226,657	**-**	-
22.3.a	This comprises the net cummulative change in the fair value of financial assets measured at fair value through other comprehensive income.				
22.5	**Regulatory risk reserve**				
	At 1 January	**18,580,902**	18,580,901	**-**	-
	Transfer from retained earnings (Note 23)	**(18,580,902)**	-	**-**	-
	At 31 December	**-**	18,580,902	**-**	-
22.5.a	This is the difference between Expected Credit Loss (ECL) and CBN Prudential Guidelines Computations on Loans & Receivables and Finance Lease Receivables.				
23.	**Retained earnings**				
	At 1 January	**26,637,033,926**	20,939,171,329	**2,028,220,460**	189,867,972
	Dividend declared and paid in the year	**(1,626,000,000)**	(1,084,000,050)	**(1,626,000,000)**	(1,084,000,050)
	Transfer from subsidiary	**(162,765,640)**	(162,765,640)	**-**	
	Transfer to contigency reserve (Note 22.1)	**-**	(1,451,608,811)	**-**	-
	Profit for the year	**25,277,760,135**	8,443,507,291	**3,049,026,170**	2,922,352,535
	Transfer to regulatory risk reserve (Note 22.5)	**18,580,902**	-	**-**	-
	Transfer to statutory reserve (Note 22.2)	**(20,400,496)**	(47,270,193)	**-**	-
	Recognised during the year and transferred from old CHI Ltd group (Note 8.4.1)	**(1,100,428,576)**	-		-
	At 31 December	**49,026,172,142**	26,637,033,926	**3,432,321,755**	2,028,220,460
23.a.	Retained earnings are the carried forward recognised in come net of expenses plus current period profit attributa ble to shareholders.				
23.1.	**Profit before taxation**				
	Profit before taxation is stated after charging/crediting:				
	Depreciation of property and equipment	**15,181,466**	-	**-**	-
	Auditors' remuneration***	**-**	-	**-**	-
	Directors' remuneration:				
	- Fees	**11,000,000**	11,000,000	**11,000,000**	11,000,000
	Profit on disposal of property and equipment	**(6,770,000)**	30,498,483	**-**	-
	Foreign exchange gains	**309,869,636**	71,786,445	**-**	-

***The Auditors, Messrs PKF Professional did not render any other services to the Group besides Auditing services.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2026

		Group		Company	
		2026	2025	2026	2025
		N	N	N	N
24	**Insurance revenue**	**25,037,960,259**	22,925,882,214	-	-
24.1.	**Analysis by segment:**				
	Revenue from general insurance business	**23,128,886,814**	22,049,547,476	-	-
	Revenue from micro insurance business	-	63,699,682	-	-
	Revenue from CHI Life insurance business	**982,034,005**	34,616,999	-	-
	Revenue from HMO insurance business	**927,039,434**	778,018,057	-	-
		25,037,960,253	22,925,882,214	-	-
25.	**Insurance service expenses**	**16,964,412,120**	16,906,611,902	-	-
	Incurred claims and other expense	**11,441,975,306**	-	-	-
	Acquisition expenses (Note 25.1)	**3,559,131,322**	-	-	-
	Risk adjustment released for expired risks	**(937,945,146)**	-	-	-
	Changes related to past services	**2,872,105,564**	-	-	-
	Net finance income/(expenses) from insurance and reinsurance contract				
	Effect of changes in economic assumption-LIC	**24,732,996**	-		
	Impact of discounting reinsurance & econmic assumptions-LIC	**4,412,078**	-		
		29,145,074	-	-	-
	Total insurance service expenses	**16,964,412,120**	16,906,611,902	-	-
25.1.	**Amortisation of insurance Acquisition cashflows**				
	Amortisation of insurance expenses	**5,205,207,890**	5,205,207,890	-	-
	Amortisation of maintenance expenses	**2,288,250,431**	2,288,250,431	-	-
		7,493,458,321	7,493,458,321	-	-
26.	**Net expenses from reinsurance contracts h**	**5,463,213,511**	2,760,760,238	-	-

26.1. The Group presents separately on the face of the statement of profit or loss and other comprehensive income, the amounts expected to be recovered from reinsurers, and an allocation of the reinsurance premiums paid. The Group treats reinsurance cash flows that are contingent on claims on the underlying contracts as part of the claims that are expected to be reimbursed under the reinsurance contract held, and excludes investment components and commissions from an allocation of reinsurance premiums presented on the face of the statement of profit or loss and other comprehensive income

CONSOLIDATED HALLMARK HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR ' FOR THE PERIOD ENDED 30 JUNE 2026

		Group		Company	
		2026	2025	**2026**	2025
		N	N	**N**	N
27.	**Investment income**				
27.1.	**Interest income calculated using the effective interest method**				
	Interest received	**2,718,070,060**	1,377,248,542	**147,881,851**	28,331,201
	Interest received on corporate loan	**518,849,900**	501,721,896	**-**	**-**
	Interest accrued	**1,679,816**	(20,513,536)	**-**	**-**
	Interest on staff receivables		169,455,377	**-**	**-**
	Amortised interest gain on debts securities (Note 3.2.4)	**65,941,214**	202,662,480	**-**	**-**
		3,304,540,990	2,230,574,759	**147,881,851**	28,331,201
27.2.	**Other investment incomes**				
	Rent income on investment properties (Note 10.2)	**1,620,000**	19,041,667	**-**	-
	Dividend received	**204,515,200**	699,621,957	**2,909,042,500**	2,077,887,500
		206,135,200	718,663,624	**2,909,042,500**	2,077,887,500
	Total	**3,510,676,190**	2,949,238,383	**3,056,924,351**	2,106,218,701
28.	**Other operating income**				
	Profit on disposal of property and equipment	**(6,770,000)**	30,498,483	**-**	-
	Other income (Note 28.1)	**119,673,925**	474,334,075	**878,339,095**	388,373,944
		112,903,925	504,832,558	**878,339,095**	388,373,944
28.1.	Included in the figure above is N644.6 m representing share service fee.				
29.	**Exchange gain**				
	Gain on disposal of foreign currency	**-**	-	**-**	-
	Closing foreign currency balances	**(309,869,636)**	(71,786,445)	**-**	-
	Gain from fair valuation of capital market & other financial assets	**-**	-	**-**	-
		(309,869,636)	(71,786,445)	**-**	-
30.	**Fair value through OCI**				
	Items that will not be reclassified subsiquently to profit or loss:				
	Gain on revaluation of Land & Building (PPE)	**-**	-	**-**	-
	Loss on fair value through OCI (Note 22.3)	**-**	1,787,261	**-**	-
		-	1,787,261	**-**	-
	Deffered tax on Fair value through OCI:				
	Deffered tax on revaluation surplus Land & Building (Note 19.3)	**-**	-	**-**	-
		-	-	**-**	-
31.	**Net Impairment (charge)/write back**				
31.1.	**Impairment charged**				
	Cash and cash equivalent (Note 2.2)	**-**	(1,740,501)	**-**	-
	Staff loans, loans to corporate & individuals (Note 3.3.6)	**-**	-	**-**	-
	Debt Instruments (Note 3.3.4.1)	**-**	(42,638,358)	**-**	-
	Fixed deposit- above 90 days (Note 3.3.5.1.)	**-**	(22,822,436)	**-**	-
	Finance Lease receivable (Note 4.3)	**-**	-	**-**	-
	Loans and advances (Note 3.3.3.1)	**(17,732,404)**	(26,656,812)	**-**	-
	Trade receivables (Note 5.3)	**-**	-	**-**	-
	Reinsurance assets (Note 6.2)	**-**	(1,269,755)	**-**	-
	Other receivables (Note 9)	**-**	(25,989,019)	**-**	-
		(17,732,404)	(121,116,881)	**-**	-
		(17,732,404)	(121,116,881)	**-**	-