

CONSOLIDATED HALLMARK HOLDINGS PLC

**CONSOLIDATED AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

CONSOLIDATED HALLMARK HOLDINGS PLC

REPORT AND CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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Corporate Information

Directors	Mr. Shuaibu Idris (mni)	Chairman (Effective 1st January 2024)
	Mr. Eddie Efekeha	Group CEO (Effective 1st January 2024)
	Mr. Babatunde Daramola	Group Chief Financial Officer (Effective 1st January 2024)
	Eze (Barr.) 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 (Effective 4th December 2024)
Company Secretary	Mrs. Rukevwe Falana Consolidated Hallmark Holding Plc 266, Ikorodu Road Obanikoro, Lagos	
Registered Office	Consolidated Hallmark Holding Plc 266, Ikorodu Road Obanikoro, Lagos	
Registration Number	1901273	
Corporate Head Office	Consolidated Hallmark Holdings Plc 266, Ikorodu Road Obanikoro, Lagos Email: info@chiplc.com	
Registrars	Meristem Registrars & Probate Services Ltd 213, Herbert Macaulay Road Adekunle, Yaba Lagos Tel: +234 (1) 8920491-2 Lagos	
Bankers	Fidelity Bank Plc 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	PKF Professional Services PKF House 205A, Ikorodu Road, Obanikoro Lagos, Nigeria. Tel:+2349030001351 Website: www.pkf-ng.com	

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Corporate Information

Actuary

Becoda Consulting
7 Ibiyinka Olorunbe Close
Victoria Island
Lagos

Subsidiaries

Consolidated Hallmark Insurance Ltd
266, Ikorodu Road
Obanikoro, Lagos

Hallmark Health Services Limited
264, Ikorodu Road
Obanikoro, Lagos

Hallmark Finance Company Limited
Plot 33D Bishop Aboyade Cole Street
Victoria Island
Lagos

Branch Networks

Corporate Head Office

266, Ikorodu Road
Obanikoro, Lagos
Tel: +234-1-2912543
0700CHINSURANCE
070024467872
e-mail: info@chiplc.com
website: www.chhplc.com

Regional Offices

Port Harcourt
52, Emekuku Street
Amazing Grace Plaza
Tel: 09092861724, 09033543581
porthacourt@chiplc.com

Abuja

5th Floor, Rivers Plaza and Mall
Plot 470 Abogo Largema Off Constitution Road
Central Business District, Abuja
Tel: 09-2347965 Fax: 097804398
abuja@chiplc.com

Victoria Island Office

Plot 33D Bishop Aboyade Cole Street
Victoria Island Lagos
Tel: 01-4618222
Fax 01-4618380
e-mail: info@chiplc.com
website: www.chiplc.com

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Corporate Information

Aba Office

4, Eziukwu Road
Tel: 08180001164
aba@chipc.com

Owerri Office

5B Okigwe Road
Opp. Govt College Owerri
08180001162
owerri@chipc.com

Kano Office

17, Zaria Road
Gyadi Gyadi
Tel: 08180001146
kano@chipc.com

Onitsha Office

41, New Market Road Onitsha
Tel: 08180001139
onitsha@chipc.com

Ibadan Office

1st Floor, Navada Plaza
140/142 Liberty Stadium Road
Tel: 08180001152
ibadan@chipc.com

Kaduna Office

NK 9, Constitution Road
Kaduna
Tel: 08180001148
kaduna@chipc.com

Akure Office

3rd Floor, Bank of Industry (BOI) House
Alagbaka Akure
Tel: 08180001154
akure@chipc.com

Warri Office

179, Jakpa Road, Effurun
Tel: 08180001157
warri@chipc.com

Enugu Office

77, Ogui Road
Tel: 08180001142
enugu@chipc.com

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Financial highlight	Group		Company	
	2024		2024	
	N	%	N	%
Financial Position				
Assets				
Cash and cash equivalents	3,763,703,322	100%	143,126,270	100%
Financial assets	27,883,101,000	100%	102,541,657	100%
Finance lease receivables	619,068,355	100%	-	100%
Trade receivables	2,802,228,697	100%	-	100%
Reinsurance assets	7,021,632,499	100%	-	100%
Other receivables & prepayments	1,546,969,167	100%	73,296,950	100%
Investment in subsidiaries	-	100%	5,420,000,000	100%
Investment project	9,937,601,830	100%	600,000,000	100%
Intangible assets	49,213,132	100%	2,385,155	100%
Investment properties	1,473,391,118	100%	-	100%
Property and equipment	1,512,536,026	100%	2,175,297	100%
Right-of-use of assets (leased assets)	17,142,447	100%	-	100%
Statutory deposits	320,000,000	100%	-	100%
Total assets	56,946,587,593	100%	6,343,525,329	100%
Liabilities				
Insurance contract liabilities	15,226,123,296	100%	-	100%
Investment contract liabilities	10,411,830	100%	-	100%
Trade payables	1,039,156,405	100%	-	100%
Borrowing	1,957,983,968	100%	-	100%
Income tax liabilities	1,847,699,363	100%	360,472,335	100%
Total liabilities	21,983,589,239	100%	564,723,522	100%
Issued and paid up share capital	5,420,000,000	100%	5,420,000,000	100%
Share Premium	168,933,836	100%	168,933,836	100%
Contingency reserve	7,998,035,551	100%	-	100%
Statutory reserve	178,029,337	100%	-	100%
Fair value through OCI reserve	102,081,848	100%	-	100%
Revaluation reserve	138,165,551	100%	-	100%
Regulatory risk reserve	18,580,901	100%	-	100%
Retained earnings	20,939,171,330	100%	189,867,971	100%
Shareholders fund	34,962,998,354	100%	5,778,801,807	100%
Statement of Profit or loss and Other comprehensive Income				
Investment result	23,829,314,357	100%	1,838,383,615	100%
Insurance service result	3,097,132,144	100%	-	100%
Other operating expenses	(3,596,875,458)	100%	(746,043,208)	100%
Net income	23,329,571,043	100%	1,092,340,407	100%
Net credit impairment losses	(41,712,687)		-	
Profit before tax	23,287,858,355	100%	1,092,340,407	100%
Income tax expense	(662,375,366)	100%	(360,472,335)	100%
Profit for the year	22,625,482,989	100%	731,868,072	100%
Basic and diluted earnings per share (Kobo)	208.72		6.75	

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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 2024.

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 Plc (CHH Plc).

CHANGE IN OWNERSHIP

There was a change in the shareholding structure of Group as Godsmart Limited acquired 1,199,500,429 shares previously owned by Capital Express Assurance Ltd thus holding 10.91% of the Company's shares during the period under review.

DIRECTORS AS AT THE DATE OF THIS REPORT

1.	Mr. Shuaibu Idris	Chairman	January 1, 2024
2.	Mr. Eddie Efekoha	Group CEO	January 1, 2024
3.	Mr. Babatunde Daramola	Group CFO	January 1, 2024
4.	Dr. Layi Fatona	Non-Executive Director	January 1, 2024
5.	Eze (Barr.) Ben Onuora	Non-Executive Director	January 1, 2024
6.	Mrs. Chijioke Ugochukwu	Independent Non-Executive Director	January 1, 2024
7.	Dr. Anthony Anonyai	Non-Executive Director	January 1, 2024
8.	Mr. Adegbola Adesina	Non-Executive Director	January 1, 2024
9.	Chief Sunny Obidegwu	Non-Executive Director	April 29, 2024
10.	Dr. Seinde Fadeni	Non-Executive Director	December 4, 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 2024	Indirect 2024	Total
Mr. Eddie Efekoha	1,040,000,000	586,798,809	1,626,798,809
Eze (Barr.) Ben Onuora	43,655,598	-	43,655,598
Dr. Layi Fatona	-	2,818,442,750	2,818,442,750
Mr. Babatunde Daramola	26,834,481	-	26,834,481
Mr. Shuaibu Idris	-	-	-
Dr. Seinde Fadeni	-	1,217,606,781	1,217,606,781
Dr. Anthony Anonyai	88,601,965	-	88,601,965
Mr. Adegbola Adesina	-	-	-
Chief Sunny Obidegwu	167,866,666	393,832,555	561,699,221
Mrs. Chijioke Ugochukwu	107,000	-	107,000

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

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DIRECTORS REPORT

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 Nig Ltd	586,798,809	5.41
Godsmart Limited	1,217,606,781	11.23

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:

- Proper accounting records are maintained.
- Adequate internal control procedures are established which as far as is reasonably possible, safeguard the assets, prevent and detect fraud and other irregularity.
- Applicable accounting standards are followed.
- Suitable accounting policies are consistently applied.
- Judgments and estimates made are reasonable and prudent and consistently applied.
- 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 adminsitartive 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 not recommended a dividend for the financial year ended 31st December 2024.

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CORPORATE GOVERNANCE REPORT

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

COMPOSITION OF THE BOARD

The Board of CHH is made up of ten directors. The Board was made up of majority of Non-Executive Directors which makes it independent of Management and has thus, enabled the Board to carry out its oversight function in an objective and effective manner. In tandem with the Nigerian Code of Corporate Governance 2018 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	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	Eze (Barr.) 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)
10	Dr. Seinde Fadeni	Non-Executive Director (Effective December 4, 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 Ensures 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 2024, 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.

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CORPORATE GOVERNANCE REPORT

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 cybersecurity defences and advice on risks related to third party and outsourced IT service providers.
- 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.

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CORPORATE GOVERNANCE REPORT

- 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 audited 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 including 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 audited 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.

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CORPORATE GOVERNANCE REPORT

- 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 three times during the reporting period.

1	Mr. Adegbola Adesina	Non-Executive Director	Chairman
2	Dr. Seinde Fadeni	Non-Executive Director	Member
3	Eze (Barr.) 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 Securities & Exchange Commission, Nigerian Stock Exchange, 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 to 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

CONSOLIDATED HALLMARK HOLDINGS PLC

REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

CORPORATE GOVERNANCE REPORT

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.

Eze (Barr.) 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

ATTENDANCE AT THE BOARD & ITS COMMITTEES' MEETINGS

	BOARD	BARMC	BGNRC	BFITC
Mr. Shuaibu Idris	07-Jul	N/A	N/A	N/A
Mr. Eddie Efekoha	07-Jul	N/A	N/A	04-Apr
Mr. Babatunde Daramola	07-Jul	N/A	N/A	04-Apr
Dr. Layi Fatona	07-Jul	N/A	05-May	N/A
Eze (Barr.) Ben Onuora	07-Jul	03-Mar	05-May	N/A
Mrs. Chijioke Ugochukwu	07-Jul	N/A	05-May	04-Apr
Dr. Anthony Anonyai	07-Jul	03-Mar	N/A	04-Apr
Mr. Adegbola Adesina	05-Jul	03-Mar	N/A	04-Apr
Chief Sunny Obidegwu	04-Jul	N/A	03-May	03-Apr
	30/01/2024	25/04/2024	27/01/2024	25/04/2024
	28/02/2024	24/07/2024	10/04/2024	24/07/2024
	29/04/2024	24/10/2024	22/07/2024	22/10/2024
	02/07/2024		10/10/2024	02/12/2024
	30/07/2024		28/11/2024	
	29/10/2024			
	04/12/2024			

TENURE OF DIRECTORS

The tenure of the Non-Executive Directors is limited to three terms of three years each. This is in compliance with the Code of Corporate Governance 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 Okiatorhoro	Shareholders' Representative	Member
Eze (Barr.) Ben Onuora	Non-Executive Director	Member
Mr. Adegbola Adesina	Non-Executive Director	Member
Mr. Bola Temowo	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 Auditor.
- 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.

CONSOLIDATED HALLMARK HOLDINGS PLC

REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

CORPORATE GOVERNANCE REPORT

- 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 recommendations for improvement, raised by the most recent internal control review of the company.
- 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		20TH MARCH 2024	28 TH JUNE 2024	13TH AUGUST 2024	5TH NOVEMBER 2024	10TH DECEMBER R 2024
Chief James Emadoye	Shareholder / Chairman	√	√	√	√	√
Chief Simon Okitorhoro	Shareholder	√	√	√	√	√
Eze (Barr.) Ben Onuora	Director	√	√	√	√	√
Mr. Adegbola Adesina	Director	√	√	√	√	√
Mr. Bola Temowo	Shareholder	-	√	√	-	√

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

TRAINING AND INDUCTION OF NEW DIRECTORS

Annual training are organized for directors to enable them perform their responsibilities optimally. 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.

CONSOLIDATED HALLMARK HOLDINGS PLC

REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

CORPORATE GOVERNANCE REPORT

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 Code of Corporate Governance for Finance Companies in Nigeria 2018 (Section 5.3 of the Code) and the Federal Government's stance on whistleblowing. This gives legal protection to employees against being discriminated or penalized 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 recognizes its responsibility to implement the policy. This whistle-blowing policy is made known to employees, stakeholders such as contractors, shareholders, job applicants and the

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 Audited 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 2024 there was no physically challenged person in the Company's employment.

b) Employees' Training and Involvement

CONSOLIDATED HALLMARK HOLDINGS PLC

REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

CORPORATE GOVERNANCE REPORT

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

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 section 14 of 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 Governments

By Order of the Board



RUKEVWE FALANA

Company Secretary

FRC/2016/NBA/00000014035

CONSOLIDATED HALLMARK HOLDINGS PLC

REPORT AND CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Statement of Directors' Responsibilities

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

The responsibilities include ensuring that:

- Appropriate and adequate internal controls are established to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.
- The Group keeps proper accounting records which disclose with reasonable accuracy the financial position of the Group and which ensure that the financial statements comply with the requirements of the Companies and Allied Matters Act, 2020, Banks and Other Financial Institutions Act, 1991, Insurance Act 2003, Financial Reporting Council Act No 42 2023 (as amended) and Prudential
- The Group has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates, and that all applicable accounting standards have been followed; and
- The financial statements are prepared on a going concern basis unless it is presumed that the Group will not continue in business.

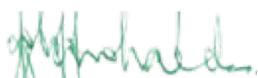
The Directors accept responsibility for the year's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates in conformity with;

- Insurance Act 2003
- International Financial Reporting Standards;
- Companies and Allied Matters Act 2020;
- Banks and Other Financial Institutions Act, 1991;
- NAICOM Prudential Guidelines; and
- Financial Reporting Council Act 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 March 7, 2025 by:



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

Dated: 7 March 2025



Shuaib Idris (mni)
Chairman
FRC/2017/IODN/00000017485

Dated: 7 March 2025

CONSOLIDATED HALLMARK HOLDINGS PLC

REPORT AND CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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

We the undersigned hereby certify the following with regards to our Audited Financial Statements for the period ended December 31, 2024 that:

a. We have reviewed the report;

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

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

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

c. We:

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

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

- i. All significant deficiencies in the design or operation of internal controls which would adversely affect the company's ability to record, process, summarize and report financial data and have identified for the company's auditors any material weakness in internal controls, and
- ii. Any fraud, whether or not material, that involves management or other employees who have significant role in the company's internal controls.

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



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

Dated: 7 March 2025



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

Dated: 7 March 2025

CONSOLIDATED HALLMARK HOLDINGS PLC

REPORT AND CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Internal Control & Risk Management Report

Introduction

Consolidated Hallmark Holdings Plc (CHH) remains committed to a disciplined approach to risk management, ensuring robustness, independence, and alignment with global best practices. The company's Enterprise Risk Management (ERM) framework, as outlined in CHH's Risk Management Strategy, encompasses various risk classes, including strategic, insurance, operational, financial, and hazard risks. This framework, supported by the Board's governance and an approved risk appetite, serves as the cornerstone for reducing uncertainty and enhancing business performance stability.

Risk Management Framework

CHH employs a comprehensive risk management framework with a governance process that delineates clear responsibilities for risk-taking, management, monitoring, and reporting. This governance structure extends from the Board of Directors and Chief Executive Officer (CEO) down to business units and functional areas, embedding risk management throughout the organization.

Documented policies and guidelines, notably the Risk Policy, dictate risk tolerance, risk limits, reporting requirements, and procedures for exceptions and issue escalation. The Risk Policy undergoes regular enhancements to reflect evolving insights and environmental changes, ensuring alignment with the company's risk tolerance. Adherence to these policies is rigorously assessed, with transparent risk reporting to both Management and the Board facilitated through the Board Audit, Risk Management, and Compliance Committee.

Timely referral mechanisms ensure that risk issues are promptly escalated to Senior Management and the Board of Directors. Various governance and control functions collaborate to ensure objectives are achieved, risks are effectively identified and managed, and internal controls operate efficiently.

Risk Appetite

CHH's risk appetite underpins its ERM framework, guiding the level of risk the Board and management are willing to accept in pursuit of organizational objectives. This appetite influences strategic and business planning decisions, with ongoing monitoring against established boundaries.

Aligning with CHH's core values and stakeholder expectations, the Group only assumes reasonable risks that fit its strategy and capability, can be understood and managed, and do not expose the Group to:

- Harmful conditions affecting the safety and health of employees and the public.
- Material financial loss impacting financial viability and strategy execution.
- Material breaches of regulatory guidelines that could lead to the loss of critical operational and business licenses, and/or substantial fines.
- Material damage to the Group's reputation and brand name.
- Business process interruptions that could lead to negative customer opinions of our services.

CHH has established risk profiling criteria which aligned with its risk appetite to assess and prioritize each identified risk according to its consequence and likelihood. In assessing the consequence of a risk, CHH considers financial implications, as well as nonfinancial aspects such as Safety and Health, Environment, Regulatory and Governance, Reputation, and Operations and Systems.

Governance

The Board plays a pivotal role in the ERM framework, overseeing the effective implementation of risk management strategies and defining risk appetite boundaries. Supported by the Board Audit, Risk Management, and Compliance Committee, the Board ensures active and appropriate risk management aligned with the stated appetite, strategy, and business plans.

CONSOLIDATED HALLMARK HOLDINGS PLC

REPORT AND CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

CHH adheres to the “three lines of defense” governance model, ensuring coordinated risk management efforts and clear accountabilities across all organizational levels:

- 1. First Line:** Responsible for managing risks arising from activities undertaken in our risk-taking businesses.
- 2. Second Line:** Comprises the risk management functions responsible for maintaining and monitoring the risk management framework, as well as measuring and reporting risk performance and compliance.
- 3. Third Line:** Provided by the internal audit function, which offers independent assurance to the Board through the Board Audit, Risk Management, and Compliance Committee that risk management and internal control frameworks are functioning as designed.

Risk Culture

Risk culture, defined as observable patterns of behavior concerning risk, is integral to CHH's ERM framework. Efforts are directed towards aligning risk culture with the broader organizational culture and conduct risk, while emphasizing first-line accountability. Initiatives to bolster risk culture are ongoing, reinforcing a culture of prudent risk-taking across the company

Emerging Risks

CHH acknowledges the dynamic nature of the risk environment and ensures active monitoring and analysis of emerging risks to mitigate potential impacts or exploit opportunities. The risk management framework facilitates the identification, assessment, and mitigation of both existing and emerging risks

Business Risk

Business risk, encompassing potential revenue shortfalls due to strategic or reputational reasons, is managed through rigorous due diligence, stakeholder engagement, profitability monitoring, cost management, and responsiveness to market changes. The company quantifies business risk by estimating a net revenue or loss distribution for each business unit.

Reputational Risk

Reputational risk arises from damage to the company's image, which may impair its ability to retain and generate business. Such damage may result from a breakdown of trust, confidence, or business relationships.

Protecting the company's reputation is paramount, with each business unit tasked with identifying, assessing, and mitigating reputational risks. Aligned with the company's values, efforts are directed towards minimizing reputational damage, considering both the likelihood and impact of potential risks. The company's agreed values provide guidance on acceptable behaviors for all staff members and offer structure for nonquantifiable decision-making, thereby assisting in managing the company's reputation.

Conclusion

In an inherently volatile economy and insurance industry, CHH's commitment to sound risk management has proven effective in ensuring continued seamless service delivery to customers. Recognizing the ongoing importance of enhancing risk management capabilities, CHH remains dedicated to achieving its financial and strategic objectives within approved risk appetite levels



Babajide Solesi

Ag. Chief Risk Officer

FRC/2012/ICAN/00000000487

Dated: 7 March 2025

CONSOLIDATED HALLMARK HOLDINGS PLC

REPORT AND CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Certification of Management's assessment on Internal Control Over Financial Reporting for the year ended 31 December 2024

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 year ended **31 December 2024**.

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: 7 March 2025

CONSOLIDATED HALLMARK HOLDINGS PLC

REPORT AND CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Certification of Management's assessment on Internal Control Over Financial Reporting for the year ended 31 December 2024

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 year ended **31 December 2024**.

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 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.



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

Dated: 7 March 2025

CONSOLIDATED HALLMARK HOLDINGS PLC

REPORT AND CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Management's Annual Assessment of, and Report on, the Entity's Internal Control over Financial Reporting

To comply with the provision of Section 1.3 of SEC Guidance on implementation of Sections 60-63 of the investments and securities Act No. 29, 2007 for the year ended 31st December, 2024.

We, the undersigned hereby make the following statements regarding the Internal Controls of the **Consolidated Hallmark Holdings Plc**. Over the audited financial statements for the year ended **31st December 2024** that:

- i. Management is responsible for establishing and maintaining a system of internal controls over financial reporting ("ICFR") that provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with International Financial Reporting Standards.
- ii. Management used the Committee of Sponsoring Organisation of the Treadway Commission (COSO) internal Control-Integrated Framework to conduct the required evaluation of the effectiveness of the entity's ICFR.
- iii. Management has assessed that the entity's ICFR as of the end of 31 December 2024 is effective.
- iv. The external auditor Messrs PKF Professional Services that audited the group financial statements, included in the annual report, has issued an attestation report on management's assessment of the company's and group's internal control over financial reporting.

The attestation report of Messrs PKF Professional Services that audited its consolidated financial statements will be filed as part of its annual report.



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

Dated: 7 March 2025



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

Dated: 7 March 2025

CONSOLIDATED HALLMARK HOLDINGS PLC

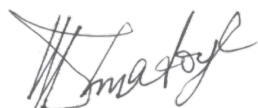
REPORT AND CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Report of the Audit Committee

Report of the Statutory Audit Committee to the Members of Consolidated Hallmark Holdings Plc for the year ended 31 December 2024

In accordance with the provision of section 404(7) of the Companies and Allied Matters Act 2020, we the Members of the Statutory Audit Committee of Consolidated Hallmark Holding Plc, having carried out our statutory functions under the Act, hereby report as follows:

1. We confirm that we have reviewed the Audit Plan and scope and the Management letter on the audit of the account of the Company and the responses to the said letter.
2. In our opinion, the plan and scope of the audit for the year ended 31 st December 2024 are adequate. We have reviewed the Auditor's findings and we are satisfied with the Management responses thereon.
3. The accounting and reporting policies of the Company conformed to statutory requirements and agreed ethical practices.
4. The internal control was being constantly and effectively monitored.
5. The Committee reviewed the internal audit programmes and report for the year and is satisfied with the status.
6. Finally, we acknowledge and appreciate the co-operation of Management and Staff in the conduct of these duties.



Chief James Emadoye
Chairman of the Audit Committee
FRC/2012/COY/00000000352

Dated: 7 March 2025

Independent Auditor's Attestation Report on Management's Assessment of Internal Controls over Financial Reporting**To the Shareholders of Consolidated Hallmark Holdings Plc****Attestation**

We have performed a limited review assurance engagement on management's assessment of the effectiveness of internal control over financial reporting of **Consolidated Hallmark Holdings Plc** ("the Company") and its Subsidiaries ("the Group") as at **31 December 2024**, in compliance with the SEC Guidance on Implementation of Section 60-63 of the Investments and Securities Act 2007 issued by the Securities and Exchange Commission and in accordance with the FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting ("the Guidance") issued by the Financial Reporting Council of Nigeria.

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that the Company's and the Group's internal control over financial reporting as of 31 December 2024 is not effective, in compliance with the SEC Guidance on Implementation of Section 60-63 of the Investments and Securities Act 2007 issued by the Securities and Exchange Commission and the FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting ("the Guidance") issued by the Financial Reporting Council of Nigeria.

Basis for Attestation

We conducted a limited review assurance engagement on management's assessment of the effectiveness of internal control over financial reporting of **Consolidated Hallmark Holdings Plc** ("the Company") and its Subsidiaries ("the Group") as of 31 December 2024, based on FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting ("the Guidance") issued by the Financial Reporting Council of Nigeria.

Our responsibilities under those sections and the guidance are further described in the Auditor's Responsibilities for the Audit of the internal control procedures over financial reporting section of our report.

We are independent of the Company and the Group in accordance with the requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the internal control procedures over financial reporting in Nigeria.

We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements that are relevant to our audit of internal control procedures over financial reporting in Nigeria.

Responsibilities of the Directors and Those Charged with Governance for maintaining effective internal control over financial reporting

The directors are responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, in accordance with requirement of Section 405 of the Companies and Allied Matters Act, 2020, in connection with Section 1.3 of SEC Guidance on implementation of Sections 60-63 of the Investments and Securities Act, No. 29, 2007 and in compliance with the FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting ("the Guidance") issued by the Financial Reporting Council of Nigeria.

Auditor's Responsibilities for the Audit of the internal control procedures over financial reporting

Our responsibility is to express an opinion on the management's assessment of the effectiveness of the Company's and the Group's internal control over financial reporting based on our limited review.

We conducted our limited review assurance engagement in accordance with "the Guidance", which requires that we planned and performed the assurance engagement and provide a limited assurance report on the entity's internal control over financial reporting based on our assurance engagement.

As prescribed in the Guidance, the procedures we performed included:

- obtaining an understanding of internal control over financial reporting,
- assessed the risks that a material weakness may exist, and
- evaluated the result of the test of design and operating effectiveness of internal control based on the assessed risks.

Our engagement also included performing such other procedures as we considered necessary in the circumstances. We believe the procedures performed provide a basis for our report on the internal control put in place by management over financial reporting.

Definition of Internal Control over Financial Reporting

The Company's internal control over financial reporting is process designed by, or under the supervision of, the entity's principal executive and principal financial officers, or persons performing similar functions, and effected by the entity's board of directors, management, and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Generally Acceptable Accounting Principles and includes those policies and procedures

- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company and the Group.
- b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company and the Group are being made only in accordance with authorisations of management and direction of the Company and the Group; and
- c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's and the Group's assets that could have a material effect on the financial statements.

Limitations of Internal Control over Financial Reporting

Because of such limitations, Internal Control over Financial Reporting cannot prevent or detect all misstatements, whether unintentional errors or fraud. However, these inherent limitations are known features of the financial reporting process, therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk. The major limitation are:

- a) Internal Control over Financial Reporting cannot provide absolute assurance due to its inherent limitations;
- b) it is a process that involves human diligence and compliance and is subject to lapses in judgment and breakdowns resulting from human failures.
- c) It can be circumvented by collusion or improper management override.

Other Information

We have also audited, in accordance with the requirements of International Standards on Auditing, the financial statements of the **Consolidated Hallmark Holdings Plc** ("the Company") and its Subsidiaries ("the Group") our report, dated **7 March 2025**, expressed an unqualified opinion.



Najeeb Abdussalaam
FRC/2013/PRO/ICAN/002/00000000753
For: PKF Professional Services
Chartered Accountants
FRC/2023/COY/141906
Lagos, Nigeria

Dated: 7 March 2025



Independent Auditor's Report**To the Shareholders of Consolidated Hallmark Holdings Plc****Opinion**

We have audited the consolidated financial statements of Consolidated Hallmark Holdings Plc. ("the Company") and its Subsidiaries ("the Group"), which comprise the consolidated statement of financial position at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and with the requirements of the Companies and Allied Matters Act 2020, the Insurance Act, Cap I17, LFN 2003, Central Bank of Nigeria Guidelines and Circulars, and relevant policy guidelines issued by the National Insurance Commission (NAICOM) and the Financial Reporting Council of Nigeria Act, No 42, 2023 (as amended).

Basis for Opinion

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

Key audit matters

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

Key audit matters	How the matters were addressed in the audit
<p>a) Valuation of Insurance and reinsurance</p> <p>Contract assets and Liabilities</p> <p>The Group and the Company have insurance contract liabilities and reinsurance assets for the Group ₦15.23 billion and ₦7.02 billion while the Company ₦0.00 billion and ₦0.00 billion which are significant. The valuation of insurance contract liabilities and reinsurance assets involves high estimation uncertainties, risk adjustment, time value of money and other significant judgments over uncertain future outcomes.</p> <p>Liabilities for incurred claims are essentially based on the present value of the fulfilment future cash flows plus, if any, risk adjustment. This reserve is for outstanding claims, including incurred but not yet reported claims and risk adjustment. Liabilities for remaining coverage involved calculating of each policy's unexpired insurance coverage period (UP) as the exact number of days of insurance cover available after the review date, then we calculates the UPR as the year's premium multiplied by the unexpired period divided by the policy duration, using 365th UPR reserve approach on the gross premium. The LRC is equal to unearned premium unless facts and circumstances indicate that the group is onerous, in which case the LRC will be supplemented by an amount (the loss component) that would bring it to the level it would be under the GMA.</p> <p>Reinsurance recoveries and recoverable are based on historical experience and actual claims put forward. This involves ascertain any contingent cash flows commitments made by the reinsurers and the cedant and the risk for the risk adjustment, for the reinsurance asset value.</p> <p>The Group has an external consultant who assesss on periodic basis, an estimate of the insurance liabilities. At the end of each year management employed the services of an external actuary in the determination of its insurance contract liability and reinsurance assets in line with the requirements of IFRS 17, after considering the accuracy and integrity of data used in the valuation. Necessary adjustments are made in the financial statements to reflect the liabilities and/or assets determined by the actuary.</p> <p>The Group's accounting policy on the valuation of insurance contract liabilities and related disclosures are shown in Note 6,6 and 14 respectively.</p>	<p>Our approaches in relation to management's valuation of insurance contract liabilities and reinsurance assets included the following:</p> <ul style="list-style-type: none"> i) We evaluated the design, implementation and operating effectiveness of key controls instituted by the Group which includes management review of data used for the valuation of insurance contract liabilities and reinsurance assets. ii) We tested the accuracy and completeness of the underlying data used in actuarial valuations by checking claims paid, outstanding claims and underwriting data recorded in the Group's books. iii) We engaged our actuarial specialists to challenge the appropriateness of the methodology used by the Group's external actuary in calculating the insurance contract liabilities and reinsurance contract asset. This involved an assessment of the appropriateness of the valuation methods, taking into account available industry data and specific product features of the Group. iv) With the assistance of our actuarial specialists, we evaluated the reasonableness of the actuarial assumptions used by the Group's external actuary and performed liability adequacy tests based on the requirements of IFRS 17 on cohort of policies with similar contract boundary and homogenous risk grouping on insurance contract liabilities and reinsurance contract assets including basis for risk adjustments, impact of time value of money, assumptions and estimates on the present value of the total future fulfilment cashflows, best estimate liability (BEL), undiscounted and discounted estimate, basic chain ladder, runoff period, inflation rate, mortality and discount rates by comparing them to Group specific data, available industry data and market experience. v) We considered the Group's valuation methodology and assumptions for consistency between reporting periods as well as indicators of possible management bias. We were also assisted by our actuarial specialists in this regard. <p>Based on the work we have performed, we consider the valuation of insurance contract liabilities and reinsurance assets acceptable.</p>

Key audit matters	How the matters were addressed in the audit
<p>b) Valuation of investment properties, land and buildings</p> <p>The valuation of the Group's investment property, land and buildings are identified as a key audit matter due to the significance of the balance and judgment required in assessing the key valuation assumptions and methodology.</p> <p>The investment properties, land and buildings are valued annually using the income capitalization methodology. Key assumptions in the valuation methodology include capitalization rate, vacancy rate, estimated expenses, future rental income, property not affected by or subject to compulsory acquisition, road widening, new proposal or planning scheme, title to the property is good and marketable.</p> <p>At the end of each year, management employed the services of external valuers in the determination of its investment properties, land and buildings' valuation. Necessary adjustments are made in the financial statements to reflect the valuation determined by the valuers.</p> <p>The Group's accounting policy on investment properties; property and equipment and related disclosures are shown in Notes 12, 12.2, 10 and 11.</p>	<p>Our audit approach included the following:</p> <ul style="list-style-type: none"> i) We assessed the appropriateness of the valuation methodology adopted by giving due consideration to the requirements of the relevant accounting standards and the Group accounting policies. ii) We challenged key assumptions applied in the valuation of the properties, including the capitalization rates, vacancy rate, estimated expenses and future rental income, by comparing the assumptions to publicly available sales information, historical data, market experience and properties specific attributes such as location and asset condition. iii) We ensured the appropriateness of the journals posted and agreed the figures in the consolidated financial statements to the valuation report. iv) We recomputed the fair value gain on investment properties. v) We involved our legal experts in the determination of the adequacy of the properties' title documents. <p>Based on the work we have performed, we consider the valuations of investment properties and land and buildings acceptable.</p>
<p>c) Impairment allowance on financial assets</p> <p>The impairment assessment of investment securities at amortised costs, insurance contract receivable, reinsurance contract claims recoverable and other assets are key areas of judgment due to the level of subjectivity inherent in estimating the impact of key assumptions on the recoverable amount of the insurance and reinsurance assets and other receivable.</p> <p>Significant judgement is required by the Directors in assessing the impairment of financial assets in compliance with IFRS 9, which requires a loss allowance for Expected Credit Loss (ECL) to be measured at the reporting date for those financial assets subject to impairment accounting. With the concept of a significant increase in credit risk arising as a result of the default in recovery rate and diminution in value of financial assets in determining expected credit losses, this assessment must consider all reasonable and supportable historic and forward-looking information.</p>	<p>We focused our testing of management's impairment assessment on investment securities at amortised costs, insurance contract receivable, reinsurance contract claims recoverable and other assets included:</p> <ul style="list-style-type: none"> i) We reviewed the IT general controls governing the IFRS reporting process employed by the Group in assigning PD's to the financial assets. <p>Also, tested the key controls relating to the preparation of the impairment model including the competence and authority of person(s) performing the control, frequency, and consistency with which the control is performed;</p>

Key audit matters	How the matters were addressed in the audit
<p>c) Impairment allowance on financial assets (Cont'd)</p> <p>The use of the Expected Credit Loss (ECL) model for the computation of impairment allowance requires the application of certain indices which are derived from historical financial data within and outside the Group, this includes:</p> <ul style="list-style-type: none"> • Assessing the relationship between the quantitative and qualitative factors incorporated in determining the Probability of Default (PD), and the Loss Given Default (LGD) and the Exposure at Default (EAD). • Incorporating forward-looking information into the ECL model and probability weightings applied to them. • Factors considered in cash flow estimation including timing and amount. • Analysis of external ratings, internal benchmarking or grouping risks together when the Group relies on such. The Group might be unable to support the suitability of any groupings to justify such approach as this may mask underlying credit losses or increases in credit risks, if the segments are not sufficiently homogeneous. <p>The Group's accounting policy on impairment and placement with banks, investment securities at amortised cost, trade receivable, reinsurance recoverable and other assets are disclosed in Notes 3.2.4, 3.5.5.5, 16, 17.3, 18, 19 and 20.</p>	<p>Our further procedures in relation included:</p> <ul style="list-style-type: none"> ii) For insurance contract receivable, reinsurance contract claims recoverable and other assets, obtained an understanding of the Expected Credit Loss (ECL) model prepared by management for the computation of impairment. iii) Checked the forward-looking information used by management in its ECL calculations and corroborated the information using publicly available data comprising foreign exchange rate, gross domestic (GDP) growth rate, inflation, interest rates, unemployment rate etc. iv) Assessed the appropriateness of the most significant model assumptions including loss given default and probability of default and recalculated the impairment allowance. v) Validated material transactions during the year to debit and credit notes. vi) We reviewed subsequent receipts after year end of insurance and reinsurance assets and other assets. vii) Evaluated the appropriateness of the related disclosures in line with IFRS 9 requirements. viii) Verifying the source of the credit ratings used and check the appropriateness of the ratings in accordance with IFRS 9. <p>Based on the work we have performed, we consider the level of impairment allowance acceptable.</p>

Other Matters

We drew attention to the following matters:

- The audited consolidated financial statements of Consolidated Hallmark Holdings Plc for the year ended 31 December, 2024 were audited by another auditor who expressed an unmodified opinion on those consolidated statements on 7 March, 2025.

Other information

The directors are responsible for the other information. The other information comprises the Chairman's statement, Directors' Report; Audit Committee's Report, and Statement of Directors Responsibilities which are expected to be made available to us after that date. The other information does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appeared to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors and those charged with Governance for the consolidated financial statements

The Directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) and with the requirements of the Companies and Allied Matters Act, 2020, the Insurance Act, Cap 117, LFN 2003, Central Bank of Nigeria Guidelines and Circulars, and relevant policy guidelines issued by the National Insurance Commission (NAICOM), and the Financial Reporting Council of Nigeria Act, No 42, 2023 (as amended) and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Concluded on the appropriateness of the director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists and related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluated the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on other legal and regulatory requirements

In accordance with the fifth schedule of the Companies and Allied Matters Act, 2020 and Section 28(2) of the Insurance Act, Cap I17, LFN 2003, we confirm that:

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- In our opinion, proper books of account have been kept by the Group, so far as it appears from our examination of those books;
- The Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income are in agreement with the books of account;
- In accordance with the provisions of Section 28(2) of the Insurance Act 2003, Central Bank of Nigeria Guidelines and Circulars, the consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income present fairly, in all material respects, the consolidated financial position and consolidated financial performance of the Group.

Compliance with FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting

In accordance with the requirements of the financial Reporting Council of Nigeria, we performed a limited assurance engagement and reported on management's assessment of the Company's internal control over financial reporting as of 31 December 2024. The work performed was done in accordance with ISAE 3000 (Revised) Assurance Engagements Other Than Audit or Reviews of Historical Financial Information and the FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting. We have issued an unmodified conclusion in our report dated 7 March 2025. The report is included in the annual report.



Najeab Abdussalaam
FRC/2013/PRO/ICAN/002/00000000753
 For: PKF Professional Services
 Chartered Accountants
FRC/2023/COY/141906
 Lagos, Nigeria



Dated: 7 March 2025

CONSOLIDATED HALLMARK HOLDINGS PLC

REPORT AND CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

General Information

The Group

The group comprises of Consolidated Hallmark Holdings Plc (the company) and its subsidiaries - Consolidated Hallmark Insurance Limited, 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, Healthcare finance (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 (CHHPlc).

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 **7 March, 2025**.

Principal Activities

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

The Company is a public limited company incorporated and domiciled in Nigeria. Its shares are listed on the floor of the Nigerian Stock Exchange and have its registered office at Consolidated Hallmark House, 266, Ikorodu Road, Lagos.

Going concern assessment

These consolidated financial statements have been prepared on a going concern basis. The group has neither intention nor need to reduce substantially its business operations. The management believes that the going concern assumption is appropriate for the group and there are no going concern threats to the operations of the group.

Subsidiaries:

Consolidated Hallmark Insurance Limited

CHI Microinsurance 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.

CONSOLIDATED HALLMARK HOLDINGS PLC

REPORT AND CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Hallmark Finance Company Limited

Hallmark Finance Company Limited a direct subsidiary of Consolidated Hallmark Holdings Plc.

Hallmark Finance Company Limited is licensed by Central Bank of Nigeria to render finance company business. This covers consumer lending, lease financing, working capital finance, LPO finance and other finance company business.

Hallmark Health Services Ltd

Hallmark Health Services Ltd 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 HMO.

CONSOLIDATED HALLMARK HOLDINGS PLC

REPORT AND CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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 **2024** 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 **2024**, 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 **2024** 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 2024**. 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 assessed 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.

CONSOLIDATED HALLMARK HOLDINGS PLC

REPORT AND CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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 assessed 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 assessed 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

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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 assessed 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

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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.

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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.

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 statements.
- * 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 expects 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 do 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

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- * 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 ceases.

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.

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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 30 days that are due from brokers. The trade receivable was further subjected to impairment based on management judgement. Internal models were developed based on 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 sector.

(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 liabilities.

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 90 days.

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.

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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 changes.

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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 margin.

Classification of Financial Assets

a) Financial assets measured at amortised cost

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

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

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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 income'.

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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 derecognition/extinguishment of the liabilities.

b) Financial Liabilities at amortised cost

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

Reclassifications

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

- Significant internal restructuring or business combinations; for example: an acquisition of a private asset management 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 Category.

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

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

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

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

Impairment of Financial Assets

In line with IFRS 9, the Group 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 standard.

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Expected Credit Loss Impairment Model

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

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

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

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

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

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

Measurement of Expected Credit Losses

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

Details of these statistical parameters/inputs are as follows:

PD - The probability of default shall be an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the remaining estimated life, if the asset has not been previously derecognized and are still in the portfolio.

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

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

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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 instruments and the borrower and the geographical region.

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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 rebut the presumption.

Definition of Default and Credit Impaired Financial Assets

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

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

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

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

Presentation of allowance for ECL in the statement of financial position

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

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

However, the loss allowance shall be disclosed and recognized in the fair value reserve.

Write-off

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

- Continued contact with the customer is impossible;

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- 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 asset.
- The lease liability takes into consideration, where appropriate, fixed and variable lease payments; residual value guarantees to be made by the lessee; exercise price of purchase options; and payments of penalties for terminating the lease.
- The right-of-use asset is subsequently measured on the cost model at cost less accumulated depreciation and impairment and adjusted for any re-measurement of the lease liability. However, right-of-use assets are measured at fair value when they meet the definition of investment property and all other investment property is accounted for on the fair value model. If a right-of-use asset relates to a class of property, plant and equipment which is measured on the revaluation model, then that right-of-use asset may be measured on the revaluation model.
- The lease liability is subsequently increased by interest, reduced by lease payments and re-measured for reassessments or modifications. □ Re-measurements of lease liabilities are affected against right-of-use assets, unless the assets have been reduced to nil, in which case further adjustments are recognised in profit or loss.
- The lease liability is re-measured by discounting revised payments at a revised rate when there is a change in the lease term or a change in the assessment of an option to purchase the underlying asset.

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- 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
- 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 modification.
- A modification is required to be accounted for as a separate lease if it both increases the scope of the lease by adding the right to use one or more underlying assets; and the increase in consideration is commensurate to the stand alone price of the increase in scope.
- If a finance lease is modified, and the modification would not qualify as a separate lease, but the lease would have been an operating lease if the modification was in effect from inception, then the modification is accounted for as a separate lease. In addition, the carrying amount of the underlying asset shall be measured as the net investment in the lease immediately before the effective date of the modification. IFRS 9 is applied to all other modifications not required to be treated as a separate
- 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.

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5. Trade receivables

A receivable represents the Group's 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 collection ratio per sector.

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).

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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 recoverable value.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount, these are included in the income statement in operating income. The Group reviews the estimated useful lives of property and equipment at the end of each reporting period.

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12.2 Investment property

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

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

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

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

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

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

13. Statutory Deposit

Statutory deposit represents 10% of the minimum paid-up capital of the 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.

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

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

17. Share capital

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

18. Share premium

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

19. Contingency reserve

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

20. Statutory reserve

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

21. Regulatory risk reserve

The Subsidiary (Hallmark Finance Company 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-subsiidiary.

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.

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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 the life insurance portion of the contract.

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

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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.

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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 systematic and rational way.

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

- 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 belongs.
- 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.

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- Costs incurred for performing investment activities that enhance insurance coverage benefits for the policyholder.
- 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 rates.

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 level of uncertainty.

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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 period.

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).

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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 the reporting date.

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 variable.

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 relate 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.

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- 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 became payable.

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

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- 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 insured events.

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 contract.

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 period 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).

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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 substantively modified.

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).

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.

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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 recognized.

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

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 transferred to a new reinsurer.

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 inceptioned in May 2022 and cedes to the Marine Hull Surplus reinsurance treaty (which inceptioned 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.

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- 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.

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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 issued.

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.

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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 changes in 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

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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.

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

27.1 Interest income

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

27.2 Other operating income

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

27.3 Realized gains and losses

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

28. Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate.

Deferred income tax is cognised, 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.

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Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the Group controls the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

29. Provisions

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

30. Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. At the reporting date, unsettled monetary assets and liabilities are translated into the Group's functional currency by using the exchange rate in effect at the year-end date. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at exchange rates of monetary assets and liabilities denominated in currencies other than the group's functional currency are recognized in the consolidated income statement.

31. Unclaimed dividend

Unclaimed dividend are amounts payable to shareholders in respect of dividend previously declared by the Group which have remained unclaimed by the shareholder in compliance with section 385 of the Companies and Allied Matters Act (Cap C20) laws of the Federation of Nigeria 2004. Unclaimed dividends are transferred to general reserves after twelve years.

32. Earnings per share

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

33. Borrowings

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

34. Revaluation Reserves

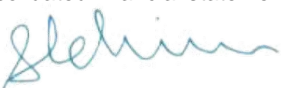
Revaluation reserve is an accounting term used when a Group creates a line item on its balance sheet for the purpose of maintaining a reserve account tied to certain assets. This line item can be used when a revaluation assessment finds that the carrying value of the asset has changed. The Group uses 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 AT 31 DECEMBER 2024

		Group	Company
		31 December	31 December
		2024	2024
	Notes	N	N
Assets			
Cash and cash equivalents	2	3,763,703,322	143,126,270
Financial assets	3	27,883,101,000	102,541,657
Finance lease receivables	4	619,068,355	-
Trade receivables	5	2,802,228,697	-
Reinsurance assets	6	7,021,632,499	-
Other receivables & prepayments	7	1,546,969,167	73,296,950
Investment in subsidiaries	8	-	5,420,000,000
Investment project	8.5	9,937,601,830	600,000,000
Intangible assets	9	49,213,132	2,385,155
Investment properties	10	1,473,391,118	-
Property and equipment	11	1,512,536,026	2,175,297
Right-of-use of assets (leased assets)	12	17,142,447	-
Statutory deposits	13	320,000,000	-
Total assets		56,946,587,593	6,343,525,329
Liabilities			
Insurance contract liabilities	14	15,226,123,296	-
Investment contract liabilities	14.3	10,411,830	-
Trade payables	15	1,039,156,405	-
Borrowing	16	1,957,983,968	-
Other payables and provision	17	1,515,079,350	204,251,187
Retirement benefit obligations	18	9,737,105	-
Income tax liabilities	19.2	1,847,699,363	360,472,335
Deferred tax liabilities	19.3	377,397,922	-
Total liabilities		21,983,589,239	564,723,522
Equity and reserves			
Issued and paid up share capital	20.1	5,420,000,000	5,420,000,000
Share premium	21	168,933,836	168,933,836
Contingency reserve	22.1	7,998,035,551	-
Statutory reserve	22.2	178,029,337	-
Fair value through OCI reserve	22.3	102,081,848	-
Revaluation reserve	22.4	138,165,551	-
Regulatory risk reserve	22.5	18,580,901	-
Retained earnings	23	20,939,171,330	189,867,971
Total equity and reserves		34,962,998,354	5,778,801,807
Total liabilities and equity and reserves		56,946,587,593	6,343,525,329

The consolidated financial statements were approved by the Board of Directors on 7 March 2025.



Shuaib 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 PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

		31 December 2024 N	31 December 2024 N
	Notes		
Interest income calculated using the effective interest method	27.1.	2,809,367,799	52,096,587
Other investment income	27.3.	601,263,677	1,141,639,500
Other operating income	28.	683,559,701	644,647,528
Net fair value gains on financial assets at fair value through profit or loss	32.	16,205,580,867	-
Net foreign exchange income	29.	3,529,542,313	-
Investment result		23,829,314,357	1,838,383,615
Insurance revenue	24.1	29,428,036,021	-
Insurance service expenses	25.	(21,568,350,081)	-
Net expenses from reinsurance contracts held	26.	(4,762,553,796)	-
Insurance service result		3,097,132,144	-
Other operating expenses	33.2.	(3,596,875,458)	(746,043,208)
Net income		23,329,571,043	1,092,340,407
Net credit impairment losses	31.	(41,712,687)	-
Profit before income tax		23,287,858,355	1,092,340,407
Tax expense	19.1	(662,375,366)	(360,472,335)
Profit for the year		22,625,482,989	731,868,072
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	30.	(35,785,102)	-
Total other comprehensive income for the year net of tax		(35,785,102)	-
Total Comprehensive income for the year net of tax		22,589,697,887	731,868,072
Profit attributable to:			
Equity holders of the parents'		22,589,697,887	731,868,072
Non-controlling interest interest		-	-
Profit attributable to:		22,589,697,887	731,868,072
Basic & diluted earnings per share (Kobo)	34.	208.72	6.75

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

CONSOLIDATED HALLMARK HOLDINGS PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

The Group

	Issued share capital N	Share Premium N	Contingency reserves N	Fair Value Through OCI reserve N	Revaluation reserve N	Statutory reserve N	Regulatory risk reserve N	Retained earnings N	Total equity N
At 1 January 2024	-	-	-	-	-	-	-	-	-
Changes in equity for 2024:									
Profit for the year	-	-	-	-	-	-	-	22,625,482,989	22,625,482,989
Other comprehensive income for the year:									
Loss during the year	-	-	-	(35,785,102)	-	-	-	-	(35,785,102)
Total comprehensive income for the year	-	-	-	(35,785,102)	-	-	-	22,625,482,989	22,589,697,887
Transactions with owners:									
Transfer within reserves	-	-	4,524,391,795	-	-	44,892,524	1,287,005	(4,570,571,324)	-
Addition in the year	5,420,000,000	168,933,836	-	-	-	-	-	-	5,588,933,836
Dividends relating to prior years paid during the year	-	-	-	-	-	-	-	(542,000,100)	(542,000,100)
Deferred tax on FVTOCI investments	-	-	-	11,473,156	-	-	-	-	11,473,156
Recognised and transferred from CHI Ltd	-	-	3,473,643,756	126,393,794	138,165,551	133,136,812	17,293,896	3,426,259,765	7,314,893,574
Contribution by and to owners of the business	5,420,000,000	168,933,836	7,998,035,551	137,866,950	138,165,551	178,029,336	18,580,901	(1,686,311,659)	12,373,300,466
At 31 December 2024	5,420,000,000	168,933,836	7,998,035,551	102,081,848	138,165,551	178,029,335	18,580,900	20,939,171,331	34,962,998,354

CONSOLIDATED HALLMARK HOLDINGS PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

The Company

	Issued share capital	Share Premium	Contingency 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 2024	-	-	-	-	-	-	-
Changes in equity for 2024:							
Profit for the year	-	-	-		-	731,868,072	731,868,072
Other comprehensive income for the year:							
Gain during the year	-		-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	731,868,072	731,868,072
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	-	-	-	-	-	(542,000,100)	(542,000,100)
Contribution by and to owners of the business	5,420,000,000	168,933,836	-	-	-	(542,000,100)	5,046,933,736
At 31 December 2024	5,420,000,000	168,933,836	-	-	-	189,867,972	5,778,801,807

CONSOLIDATED HALLMARK HOLDINGS PLC

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	31 December 2024 N	31 December 2024 N
Cash flows from operating activities			
Premium received from policy holders	5.2	29,729,607,359	-
Reinsurance receipts in respect of claims		443,026,793	-
Commission received	26.2	1,250,936,568	-
Other operating receipts		4,213,102,014	644,647,528
Cash paid to and on behalf of employees	33.3.a	(855,066,600)	(518,182,787)
Reinsurance premium paid	15.2	(9,248,160,273)	-
Claims paid	25	(9,063,368,897)	-
Amortisation of Insurance acquisition cash flows	25	(7,581,082,124)	-
Other operating cash payments		(2,252,291,824)	(96,552,887)
Company income tax paid	19.2	(252,996,477)	-
Net cash from operating activities	35	6,383,706,539	29,911,854
Cash flows from investing activities			
Purchase of property and equipment	11	(401,020,060)	(2,226,250)
Proceeds from sale of property and equipment	11	22,189,494	-
Purchase of intangible asset	9	(2,687,500)	(2,687,500)
Investment project	8.5	(5,250,000,000)	(600,000,000)
Purchase of financial assets	3.1	(4,416,736,587)	(102,541,657)
Proceeds from sale of financial assets	3.1	4,509,089,605	-
Dividend received	27.3.	531,919,787	1,141,639,500
Rental Income received	27.3.	69,343,890	-
Foreign exchange gain	29.	413,036,000	-
Interest received	27.1.	2,383,229,715	52,096,587
Net cash from/(used in) investing activities		(2,141,635,656)	486,280,680
Cash flows from financing activities			
Share premium		168,933,836	168,933,836
Proceeds from borrowing	16	1,783,781,408	-
Payment on borrowing (principal & Interest)	16	(1,889,082,705)	-
Dividend paid	23	(542,000,100)	(542,000,100)
Net cash used in financing activities		(478,367,561)	(373,066,264)
Increase in cash and cash equivalents		3,763,703,322	143,126,270
Cash and cash equivalents at Beginning		-	-
Gross Cash and cash equivalent at End	2	3,763,703,322	143,126,270

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

CONSOLIDATED HALLMARK HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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

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 7 March, 2025.

	Group 2024 N	Company 2024 N
2. Cash and cash equivalents		
Cash in hand	15,266,875	-
Balance with banks	1,395,217,002	143,126,270
Call deposits	32,429,993	-
Fixed deposit - within 90 days (Note 2.1)	<u>2,324,800,419</u>	<u>-</u>
Gross cash and cash equivalents	3,767,714,289	143,126,270
Impairment on cash equivalents (Note 2.2)	<u>(4,010,967)</u>	<u>-</u>
Net cash and cash equivalents	<u>3,763,703,322</u>	<u>143,126,270</u>
2.1	The Fixed deposits have a short term maturity of 30-90 days and the effect of discounting is immaterial.	
2.2 Movement in Impairment on cash equivalents		
At 1 January	-	-
Charged for the year (Note 31)	964,153	-
Recognised and transferred from CHI Ltd (Note 8.4)	<u>3,046,814</u>	<u>-</u>
At 31 December	<u>4,010,967</u>	<u>-</u>
3. Financial assets		
At fair value through profit or loss (Note 3.2)	18,941,303,654	-
At Amortised cost (Note 3.3)	8,717,159,877	102,541,657
At fair value through OCI (Note 3.4)	<u>224,637,469</u>	<u>-</u>
	<u>27,883,101,000</u>	<u>102,541,657</u>

CONSOLIDATED HALLMARK HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

3.1. Movement in financial assets

At 1 January	-	-
Addition	4,416,736,587	102,541,657
Repayment/Disposal	(7,165,171,161)	-
Transferred to Investment project (Note 8.5)	(4,687,601,830)	-
Interest Capitalised + exchange gain	3,939,314,482	-
Impairment write back on amortised cost (Note 31)	7,341,292	-
Fair value gains on asset through profit or loss (Note 32.3)	16,204,985,867	-
Fair value gains through OCI (Note 3.4)	(161,440,754)	-
Recognised and transferred from CHI Ltd (Note 8.4)	15,328,936,517	-
At 31 December	27,883,101,000	102,541,657

3.2. At fair value through profit or loss

At 1 January	-	-
Additions	274,881,327	-
Recognised and transferred from CHI Ltd (Note 8.4)	1,158,346,014	-
	1,433,227,341	-
Fair value for the year (Note 32.3)	17,508,076,313	-
At 31 December	18,941,303,654	-

3.2.1. Analysis by maturity:

Current	18,941,303,654	-
Non Current	-	-
	18,941,303,654	-

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.

CONSOLIDATED HALLMARK HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

	Group		Company	
	2024 N	2023 N	2024 N	2023 N
3.3 Amortised Cost				
Staff loans (Note 3.3.2)	70,311,708	-	-	-
Loan issued to corporate & individuals (Note 3.3.3)	3,246,443,394	-	-	-
Debt Instruments (Note 3.3.4)	2,097,763,714	-	102,541,657	-
Fixed deposit - above 90 days (Note 3.3.5)	3,302,641,062	-	-	-
	<u>8,717,159,878</u>	<u>-</u>	<u>102,541,657</u>	<u>-</u>
3.3.1.a. Analysis by maturity:				
Current	7,535,295,530	-	102,541,657	-
Non Current	1,181,864,348	-	-	-
	<u>8,717,159,878</u>	<u>-</u>	<u>102,541,657</u>	<u>-</u>
3.3.1.b. Analysis by performance:				
Performing	8,303,206,697	-	102,541,657	-
Non-performing	413,953,181	-	-	-
	<u>8,717,159,878</u>	<u>-</u>	<u>102,541,657</u>	<u>-</u>
3.3.2. Movement in staff loans				
At 1 January	-	-	-	-
Addition	5,000,000	-	-	-
Repayment	(27,572,507)	-	-	-
Recognised and transferred from CHI Ltd (Note 8.4)	103,812,415	-	-	-
Gross amount	81,239,908	-	-	-
Impairment on staff loans (Note 3.3.2.1)	(10,928,200)	-	-	-
At 31 December	70,311,708	-	-	-
3.3.2.1 Movement in Impairment on staff loans				
At 1 January	-	-	-	-
Charged for the year (Note 3.3.6)	10,928,200	-	-	-
At 31 December	10,928,200	-	-	-
3.3.2.2 Analysis by maturity:				
Current	59,383,508	-	-	-
Non Current	10,928,200	-	-	-
	<u>70,311,708</u>	<u>-</u>	<u>-</u>	<u>-</u>
3.3.3 Movement in loan issued to corporate & individuals				
At 1 January	-	-	-	-
Addition	-	-	-	-
Repayment	-	-	-	-
Recognised and transferred from CHI Ltd (Note 8.4)	3,635,932,502	-	-	-
Gross amount	3,635,932,502	-	-	-
Impairment on loans issued to corporate and individuals (Note 3.3.3.1)	(389,489,108)	-	-	-
At 31 December	3,246,443,394	-	-	-
3.3.3.1 Movement in Impairment on loans issued to corporate & individuals				
At 1 January	-	-	-	-
Charged for the year (Note 3.3.6)	8,955,954	-	-	-
Recognised and transferred from CHI Ltd (Note 8.4)	-	-	-	-
At 31 December	389,489,108	-	-	-
3.3.3.2 Analysis by maturity:				
Current	2,856,954,286	-	-	-
Non Current	389,489,108	-	-	-
	<u>3,246,443,394</u>	<u>-</u>	<u>-</u>	<u>-</u>
3.3.4 Movement in debt Instruments				
At 1 January	-	-	-	-
At initial recognition - additions	102,541,657	-	102,541,657	-
	<u>102,541,657</u>	<u>-</u>	<u>102,541,657</u>	<u>-</u>
Disposal	(8,578,980)	-	-	-
Transferred to Investment project (Note 8.5)	(4,687,601,830)	-	-	-
Recognised and transferred from CHI Ltd (Note 8.4)	6,278,800,656	-	-	-
Amortised interest	426,138,084	-	-	-
Gross amount	2,111,299,587	-	102,541,657	-
Impairment on debt Instruments (Note 3.3.4.1)	(13,535,873)	-	-	-
At 31 December	2,097,763,714	-	102,541,657	-

CONSOLIDATED HALLMARK HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

	Group		Company	
	2024	2023	2024	2023
	N	N	N	N
3.3.4.1. Movement in Impairment on debt Instruments				
At 1 January	-	-	-	-
Charged for the year (Note 3.3.6)	13,535,873	-	-	-
At 31 December	13,535,873	-	-	-
3.3.4.2. Debts Instruments are analysed as follows:				
Listed	2,097,763,714	-	102,541,657	-
Unlisted	-	-	-	-
	2,097,763,714	-	102,541,657	-
3.3.4.3. Analysis by maturity:				
Current	1,316,316,674	-	102,541,657	-
Non Current	781,447,040	-	-	-
	2,097,763,714	-	102,541,657	-
3.3.4.4. Detailed analysis of debt instruments				
At the reporting date, no held to maturity assets were past due or impaired:				
Lapo Mfb Series 2 Bond 2020/2025	249,469,170	-	-	-
Dangote Bond Series 1 2020/2025	135,905,346	-	-	-
Axxela Series 1 Bond 2020/2027	82,911,913	-	-	-
Flour Mills Of Nigeria Plc 2023/2026 (Purchased With Capital Express)	86,636,549	-	-	-
FGN Bond (2020/2050) Planet Capital	240,059,935	-	-	-
FGN Bond (2020/2024) Meristem	407,740,859	-	-	-
Commercial papers	102,541,657	-	102,541,657	-
Treasury Bills 19.8% March 8, 2024 Cardinalstone Securities - 363 Days	600,113,795	-	-	-
Coleman Technical Industries Limited Cp 270 Days				
25% 25 March, 2024 - 20 Dec, 2024	205,070,292	-	-	-
Bank Deposit/Call	850,071	-	-	-
At 31 December	2,111,299,587	-	102,541,657	-
3.3.5. Fixed deposit - above 90 days				
At 1 January	-	-	-	-
Addition	3,535,972,531	-	-	-
Matured and liquidated	(7,129,019,674)	-	-	-
Exchange gain	2,457,665,281	-	-	-
Recognised and transferred from CHI Ltd (Note 8.4)	4,450,301,902	-	-	-
Gross investment	3,314,920,040	-	-	-
Impairment on fixed deposit - above 90 days (Note 3.3.5.1)	(12,278,978)	-	-	-
At 31 December	3,302,641,062	-	-	-
Movement in Impairment on fixed deposit - above 90 days				
3.3.5.1. 90 days				
At 1 January	-	-	-	-
Write back for the year (Note 31)	(10,737,007)	-	-	-
Recognised and transferred from CHI Ltd (Note 8.4)	23,015,985	-	-	-
At 31 December	12,278,978	-	-	-
3.3.5.2. Analysis by maturity:				
Current	3,302,641,062	-	-	-
Non Current	-	-	-	-
	3,302,641,062	-	-	-

CONSOLIDATED HALLMARK HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

	Group		Company	
	2024 N	2023 N	2024 N	2023 N
General movement in impairment on amortised cost other than fixed deposit- above 90 days:				
3.3.6. At 1 January	-	-	-	-
Charged for the year	33,420,027	-	-	-
Recognised and transferred from CHI Ltd (Note 8.4)	380,533,154	-	-	-
At 31 December	413,953,181	-	-	-
3.4 At fair value through OCI				
At 1 January	-	-	-	-
Addition	126,393,276	-	-	-
Recognised and transferred from CHI Ltd (Note 8.4)	133,291,153	-	-	-
	259,684,429	-	-	-
Fair value gain (Note 22.3)	(35,046,960)	-	-	-
At 31 December	224,637,469	-	-	-
3.4.1 Analysis by maturity:				
Current	-	-	-	-
Non Current	224,637,469	-	-	-
	224,637,469	-	-	-

3.4.2.a. At fair value through other comprehensive 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 Units	Cost per unit N	2024	2023
			Fairvalue N	N
Planet Capital Limited (Formerly Strategy and Arbitrage Limited)	5,126,393	2.61	13,383,689	-
Energy & Allied Insurance Pool Nigeria limited	300,000.00	700.46	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	-
			224,637,469	-

3.4.2.c. Non current assets held for sale represent collateral properties recovered from defaulted loan with aim of converting 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	
	2024 N	2023 N	2024 N	2023 N
4. Finance lease receivables				
At 1 January	-	-	-	-
Addition	503,557,171	-	-	-
Recognised and transferred from CHI Ltd (Note 8.4)	140,370,527	-	-	-
Gross investment	643,927,698	-	-	-
Unearned income	-	-	-	-
Net investment	643,927,698	-	-	-
Impairment on finance lease receivables (Note 4.3)	(24,537,751)	-	-	-
At 31 December	619,068,355	-	-	-
4.1. Analysis by maturity:				
Current	-	-	-	-
Non Current	619,068,355	-	-	-
	619,068,355	-	-	-

CONSOLIDATED HALLMARK HOLDINGS PLC

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	Group 2024 N	Company 2024 N
4.2. Analysis by performance		
Performing	619,068,355	-
Non-performing	-	-
	<u>619,068,355</u>	<u>-</u>
4.3 Movement in impairment - finance lease receivables:		
At 1 January	-	-
Charge in the year (Note 31)	8,400,292	-
Recognised and transferred from CHI Ltd (Note 8.4)	16,137,459	-
At 31 December	<u>24,537,751</u>	<u>-</u>
5. Trade receivables		
Receivable - general insurance business	2,781,327,367	-
Receivable - micro insurance business	12,016,264	-
Receivable - support service business	63,474	-
Receivable - HMO insurance business	12,408,290	-
Gross amount receivables	2,805,815,395	-
Impairment allowance on trade receivables (Note 5.2)	(3,586,698)	-
Net amount receivables	<u>2,802,228,697</u>	<u>-</u>
5.1. Analysis by maturity:		
Current	2,802,228,697	-
Non Current	-	-
	<u>2,802,228,697</u>	<u>-</u>
5.2. Movement in impairment allowance on trade receivables		
At 1 January	-	-
Charged for the year (Note 31)	-	-
Recognised and transferred from CHI Ltd (Note 8.4)	3,586,698	-
At December	<u>3,586,698</u>	<u>-</u>
5.3. Age analysis of trade receivable		
> =1Day <= 30 Days	2,802,228,697	-
> =31Days <= 90 Days	-	-
Above 90 Days	-	-
	<u>2,802,228,697</u>	<u>-</u>
6. Reinsurance contract assets		
Assets for remaining coverage -ARC- (Note 6.4.a & 6.4.b)	2,430,294,706	-
Assets for Incurred claims -AIC- (Note 6.4.a & 6.4.b)	2,483,801,752	-
	4,914,096,458	-
Reinsurance receivable on claims paid	1,991,505,639	-
Prepaid minimum & deposit premium	149,269,500	-
Expected credit loss (Note 6.2)	(33,239,098)	-
For the year ended 31st December 2024	<u>7,021,632,499</u>	<u>-</u>
6.1 Analysis by maturity:		
Current	7,021,632,499	-
Non-current	-	-
	<u>7,021,632,499</u>	<u>-</u>
6.2 Movement in Impairment credit loss		
At 1 January	-	-
Charged for the year (Note 31)	30,733,580	-
At 31 December	<u>33,239,098</u>	<u>-</u>

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 deposit premium.

CONSOLIDATED HALLMARK HOLDINGS PLC

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	Group		Company	
	2024 N	2023 N	2024 N	2023 N
6.3. Assets for remaining coverage -ARC- (Note 6.4.a)	2,430,294,706	-	-	-
Assets for Incurred claims -AIC- (Note 6.4.a)	2,483,801,752	-	-	-
Prepaid minimum & deposit premium	149,269,500	-	-	-
Reinsurance receivable on claims paid	1,991,505,639	-	-	-
Gross reinsurance assets	7,054,871,597	-	-	-
Expected credit loss (Note 6.2)	(33,239,098)	-	-	-
Net reinsurance assets	7,021,632,499	-	-	-

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	31 December 2024			
	Asset for remaining coverage		Asset for incurred claims	
	Excluding loss component	Loss component	Estimates of present value of future cash flows	Total
	N	N	N	N
At 1 January				
Assets	800,418,434	-	2,276,202,931	3,076,621,365
Impairment on reinsurance recoverables	-	-	-	-
Liabilities	-	-	-	-
Net at 1 January	800,418,434	-	2,276,202,931	3,076,621,365
Changes in the statement of profit or loss and OCI:				
Allocation of reinsurance premium paid	8,716,175,247	-	-	8,716,175,247
Amount recovered from reinsurance				
Claims recovered from reinsurers	-	-	(2,323,745,178)	(2,323,745,178)
Other incurred directly attributable expenses				
Changes that relate to past service-adjustment to incurred claims	-	-	(1,629,876,273)	(1,629,876,273)
Effect of changes in the risk of reinsurers adjustment	-	-	-	-
Net expenses from reinsurance contracts held	8,716,175,247	-	(3,953,621,451)	4,762,553,796
Net finance income from reinsurance contract held	-	-	-	-
Effect of movement in exchange rate	-	-	-	-
Total changes in the statement of profit or loss and OCI	8,716,175,247	-	(3,953,621,451)	4,762,553,796
Cash flows				
Premium paid net of ceding commission	10,346,051,519	-	-	10,346,051,519
Other directly attributable expenses paid	-	-	-	-
Recoveries from reinsurers	-	-	(1,638,486,589)	(1,638,486,589)
Total cash flows	10,346,051,519	-	(1,638,486,589)	8,707,564,930
At 31 December	N	N	N	N
Assets	2,430,294,706	-	4,591,337,793	7,021,632,499
Impairment on reinsurance recoverables	-	-	-	-
Liabilities	-	-	-	-
Net at 31 December	2,430,294,706	-	4,591,337,793	7,021,632,499

CONSOLIDATED HALLMARK HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

	Group		Company	
	2024	2023	2024	2023
	N	N	N	N
7. Other receivables and prepayments				
Staff advances & prepayment	46,458,141	-	-	-
Account receivables(Note 7.3)	222,356,320	-	48,155,050	-
Intercompany receivables (Note 46)	1,050,261,747	-	6,240,000	-
Withholding tax credit	78,741,105	-	1,431,218	-
Prepayments (Note 7.4)	177,131,215	-	17,470,680	-
	1,574,948,528	-	73,296,950	-
Impairment allowance on other receivables (Note 7.2)	(27,979,361)	-	-	-
	1,546,969,167	-	73,296,950	-
7.1. Analysis by maturity:				
Current	1,546,969,167	-	73,296,950	-
Non-current	-	-	-	-
	1,546,969,167	-	73,296,950	-
7.2. Impairment allowance on other receivables				
At 1 January	-	-	-	-
Charged for the year (Note 31)	-	-	-	-
Recognised and transferred from CHI Ltd (Note 8.4)	27,979,361	-	-	-
At 31 December 2024	27,979,361	-	-	-

Included in Account receivable is =N=57.4m being the balance of the amount deposited with lead underwriters for the purpose of settling claims based on MOU signed at the inception of the policies. The amount =N=55 million is the balance as at 31st December 2023.

	Group		Company	
	2024	2023	2024	2023
	N	N	N	N
7.4 Prepayments				
Prepaid rent	146,087,056	-	-	-
Other prepayments	31,044,159	-	17,470,680	-
	177,131,215	-	17,470,680	-
7.4.1 Analysis by maturity:				
Current	177,131,215	-	17,470,680	-
Non-current	-	-	-	-
	177,131,215	-	17,470,680	-
8. Investment in Subsidiaries				
Consolidated Hallmark Insurance Limited (Note 8.2.a)	-	-	4,155,775,000	-
Hallmark Finance Company Ltd (Note 8.2.b)	-	-	764,225,000	-
Hallmark Health Services Limited (Note 8.2.b)	-	-	500,000,000	-
	-	-	5,420,000,000	-

8.1. Movement in Investment in subsidiaries

	31 December 2024			
	At 1 Jan	Addition	Transferred	At 31 Dec
	N	N	N	N
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
	-	-	5,420,000,000	5,420,000,000

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.

8.2.b Hallmark Finance Company Limited is a fully owned subsidiary of Consolidated Hallmark Insurance Limited. CHI Insurance Limited 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.c Hallmark Health Services Limited is a fully owned subsidiary of Consolidated Hallmark Insurance Plc. The group incorporated Hallmark Health Services Limited towards the end of the year 2017 and fully accredited by National Health Insurance 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.

CONSOLIDATED HALLMARK HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

	CHH Plc N	CHI Group N	Hallmark Finance N	Hallmark Health N	Elimination N	Total N
Condensed result of consolidated entities - 2024						
8.3.a.i. Condensed Statement of Financial Position						
Assets						
Cash and cash equivalents	143,126,270	2,638,500,413	373,920,809	608,155,829	-	3,763,703,322
Financial assets	102,541,657	24,532,570,949	3,247,988,394	-	-	27,883,101,000
Finance lease receivables	-	-	619,068,354	-	-	619,068,354
Trade receivables	-	2,793,343,630	-	8,885,067	-	2,802,228,697
Reinsurance assets	-	7,021,632,499	-	-	-	7,021,632,499
Other receivables and prepayment	73,296,950	1,481,137,777	19,805,479	45,745,326	(73,016,365)	1,546,969,168
Investment in subsidiaries	5,420,000,000	340,000,000	-	-	(5,760,000,000)	-
Investment project	600,000,000	9,337,601,830	-	-	-	9,937,601,830
Intangible assets	2,385,155	12,889,757	32,637,649	1,300,572	-	49,213,133
Investment properties	-	1,273,391,118	-	200,000,000	-	1,473,391,118
Property and equipment	2,175,297	1,418,056,030	62,143,109	30,161,590	-	1,512,536,026
Right-of-use of assets (leased assets)	-	-	-	17,142,447	-	17,142,447
Statutory deposits	-	320,000,000	-	-	-	320,000,000
Total assets	6,343,525,329	51,169,124,003	4,355,563,794	911,390,831	(5,833,016,365)	56,946,587,593
Liabilities						
Insurance contract liabilities	-	14,947,193,554	-	278,929,742	-	15,226,123,296
Investment contract liabilities	-	10,411,829	-	-	-	10,411,829
Trade payables	-	1,039,156,405	-	-	-	1,039,156,405
Borrowing	-	-	1,957,983,968	-	-	1,957,983,968
Provision and other payables	204,251,187	757,225,551	470,203,505	156,415,477	(73,016,365)	1,515,079,355
Retirement benefit obligations	-	7,298,322	1,538,744	900,039	-	9,737,105
Tax liabilities	360,472,335	1,306,801,383	156,952,747	23,472,898	-	1,847,699,363
Deferred tax liabilities	-	349,735,180	25,850,530	1,812,212	-	377,397,921
Share capital	5,420,000,000	4,495,775,000	764,225,000	500,000,000	(5,760,000,000)	5,420,000,000
Share premium	168,933,836	-	-	-	-	168,933,836
Contingency reserve	-	7,998,035,551	-	-	-	7,998,035,551
Statutory reserve	-	-	178,029,337	-	-	178,029,337
Fair value through OCI reserve	-	102,081,847	-	-	-	102,081,847
Revaluation reserve	-	138,165,551	-	-	-	138,165,551
Regulatory risk reserve	-	-	18,580,901	-	-	18,580,901
Retained earnings	189,867,971	20,017,243,832	782,199,070	(50,139,545)	-	20,939,171,328
Total liabilities and equity	6,343,525,329	51,169,124,004	4,355,563,800	911,390,823	(5,833,016,365)	56,946,587,593
8.3.a.ii. Condensed result of consolidated entities - 2024						
Condensed statement of profit and loss and other comprehensive income						
Investment result	1,838,383,615	22,166,913,153	853,816,224	111,840,869	(1,141,639,500)	23,829,314,361
Insurance service result	-	2,760,412,783	-	336,719,356	-	3,097,132,139
Net income before operating expenses	1,838,383,615	24,927,325,937	853,816,224	448,560,225	(1,141,639,500)	26,926,446,500
Operating expenses	(746,043,208)	(1,948,959,516)	(527,803,631)	(374,069,095)	-	(3,596,875,450)
Net credit impairment losses	-	(24,356,441)	(17,356,255)	-	-	(41,712,696)
Profit before taxation	1,092,340,407	22,954,009,980	308,656,338	74,491,130	(1,141,639,500)	23,287,858,355
Taxation	(360,472,335)	(279,628,876)	(11,335,613)	(10,938,541)	-	(662,375,365)
Profit after taxation	731,868,072	22,674,381,104	297,320,724	63,552,589	(1,141,639,500)	22,625,482,989

CONSOLIDATED HALLMARK HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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	
	2024	2023	2024	2023
	N	N	N	N
8.5. Investment project				
CHI Life Assurance (Note 8.5.2.)	8,537,601,830	-	600,000,000	-
First Atlantic Reinsurance (Note 8.5.3.)	1,400,000,000	-	-	-
	9,937,601,830	-	600,000,000	-
	31 December 2024			
	At 1 Jan	Addition	Transferred***	At 31 Dec
	N	N	N	N
8.5.1. Movement in investment project				
CHI Life Assurance (Note 8.5.1.)	-	5,250,000,000	3,287,601,830	8,537,601,830
First Atlantic Reinsurance (Note 8.5.2.)	-	-	1,400,000,000	1,400,000,000
	-	5,250,000,000	4,687,601,830	9,937,601,830

8.5.2. This represents amount incurred till date in setting up CHI Life Assurance. The Company has not commenced operations.

8.5.3. This represents 70% commitment paid out the proposed N2,000,000,000 investment of Consolidated Hallmark Insurance Limited invested in First Atlantic Reinsurance.

*** This represents the amount transferred from debt instruments in note 3.3.4 during the year

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Group		Company	
	2024 N	2023 N	2024 N	2023 N
9. Intangible assets				
Cost:				
At 1 January	-	-	-	-
Addition	2,687,500	-	2,687,500	-
Recognised and transferred from CHI Ltd (Note 8.4)	145,704,892	-	-	-
At 31 December	148,392,392	-	2,687,500	-
Accumulated amortization and impairment				
At 1 January	-	-	-	-
Charge for the year	6,439,866	-	302,244	-
Recognised and transferred from CHI Ltd (Note 8.4)	92,739,394	-	-	-
At 31 December	99,179,260	-	302,344	-
Carrying amount:				
At 31 December	49,213,132	-	2,385,155	-
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	-	-	-	-
Addition	-	-	-	-
Fair value change (Note 32)	-	-	-	-
Recognised and transferred from CHI Ltd (Note 8.4)	1,473,391,118	-	-	-
At 31 December	1,473,391,118	-	-	-

10.1. Investment Properties

Investment properties are made up of buildings and properties held by the company to earn rentals or for capital appreciation or both and are accounted for in line with International Accounting Standard (IAS) 40. Some of these properties retained the title of one of the legacy companies making up Consolidated Hallmark Insurance 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	
	2024 N	2023 N	2024 N	2023 N
10.2 Rental income derived from investment properties				
Investment properties related expenses	-	-	-	-
Rental income derived from investment properties (Note 27.2)	69,343,890	-	-	-
	69,343,890	-	-	-

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.

31 December 2024						
S/N	Type of Assets	Addresses	Amount	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	
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	
4	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	
5	Building	Rivers State Housing Estate, Abuloma PH	48,712,400	Consolidated Hallmark Insurance Ltd.	Title over this property has been transferred to Consolidated Hallmark	
6	Land	Plot 14, 1(W) Road, First Avenue, Lugbe Estate, Abuja.	23,000,000	Consolidated Hallmark Insurance Ltd.	The Company had paid all required fees to the Federal Housing Authority since 2017 and is awaiting final approval from them.	
7		Romax Homes Estate by Harris drivet beside VGCI Ikota, Lekki Lagos	199,002,000	Consolidated Hallmark Insurance Ltd.	The deed of assignment is in the name of Consolidated Hallmark Insurance Plc.	
8	Building	Jacob Arena, Plot 4. Close 4, rd 4, west end Estate Ikota Lagos	138,418,198	# Consolidated Hallmark Insurance Ltd.	The deed of assignment is in the name of Consolidated Hallmark Insurance Plc. Perfection of title in progress	
9	Building	Semi detached duplex at Osapa London, Lekki Lagos.	180,000,000	Consolidated Hallmark Insurance Ltd.	The deed of assignment is in the name of Consolidated Hallmark Insurance Plc. Perfection of title in progress	
10	Building	Romax Homes Estate by Harris drivet beside VGCI Ikota, Lekki Lagos	200,000,000	Hallmark Finance Company Ltd		
Total			1,473,391,118			

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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 2024							
Additions during the year	-	-	3,296,400	18,766,985	322,376,666	56,580,009	401,020,060
Disposals during the year	-	-	(130,000)	-	(54,958,978)	-	(55,088,978)
Recognised and transferred from CHI Ltd (Note 8.4)	300,000,000	730,624,303	169,388,792	205,110,560	883,415,123	322,284,282	2,610,823,060
At 31 December 2024	300,000,000	730,624,303	172,555,192	223,877,545	1,150,832,811	378,864,291	2,956,754,142
Accumulated depreciation							
At 1 January 2024							
Depreciation charge for the year	-	13,992,710	10,305,162	11,337,859	117,750,038	17,350,724	170,736,493
Disposals during the year	-	-	(130,000)	-	(44,429,128)	-	(44,559,128)
Recognised and transferred from CHI Ltd (Note 8.4)	-	189,274,304	113,958,344	155,351,875	604,952,143	254,504,085	1,318,040,751
At 31 December 2024	-	203,267,014	124,133,506	166,689,734	678,273,053	271,854,809	1,444,218,116
Carrying value:							
At 31 December 2024	300,000,000	527,357,289	48,421,686	57,187,811	472,559,758	107,009,482	1,512,536,026
At 31 December 2023	-	-	-	-	-	-	-

11.1.1. 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. These values were incorporated in the books at end of the year 2024. There was surplus arising from the 2024 revaluation.

CONSOLIDATED HALLMARK HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

11.2. Property and Equipment

The company

Costs/valuation

At 1 January 2024

Additions during the year

Disposals during the year

At 31 December 2024

Accumulated depreciation

At 1 January 2024

Depreciation charge for the year

Disposals during the year

At 31 December 2024

Carrying value:

At 31 December 2024

At 31 December 2023

Furniture & Fittings	Motor Vehicles	Computer Equipment	Total
N	N	N	N
-	-	-	-
376,250	-	1,850,000	2,226,250
-	-	-	-
376,250	-	1,850,000	2,226,254
-	-	-	-
4,703	-	46,250	50,955
-	-	-	-
4,704	-	46,250	50,957
371,546	-	1,803,750	2,175,297
-	-	-	-

CONSOLIDATED HALLMARK HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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

	Furniture & Fittings	Motor Vehicles	Office Equipment	Computer Equipment	Total
	₦	₦	₦	₦	₦
Cost					
At 1 January 2024	-	-	-	-	-
Additions during the year	-	-	-	-	-
Recognised and transferred from CHI Ltd (Note 8.4)	6,913,742	32,500,000	3,912,175	520,000	43,845,917
At 31 December 2024	6,913,743	32,500,000	3,912,175	520,000	43,845,917
Accumulated Depreciation					
At 1 January 2023	-	-	-	-	-
Depreciation charge for the year	-	-	-	-	-
Disposal during the year	-	-	-	-	-
At 31 December	-	-	-	-	-
At 1 January 2024	-	-	-	-	-
Charge for the year	626,786	5,210,685	2,941	52,185	5,892,597
Recognised and transferred from CHI Ltd (Note 8.4)	6,286,787	10,147,124	3,909,175	467,787	20,810,873
At 31 December 2024	6,913,573	15,357,809	3,912,116	519,972	26,703,470
Carrying value:					
At 31 December 2024	170	17,142,191	59	28	17,142,447
At 31 December 2023	-	-	-	-	-

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.

CONSOLIDATED HALLMARK HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

	Group		Company	
	2024 N	2023 N	2024 N	2023 N
13. Statutory deposits				
Consolidated Hallmark Insurance Ltd	300,000,000	-	-	-
Microinsurance Ltd	20,000,000	-	-	-
	<u>320,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
13.1. This represents the amount deposited with the Central Bank of Nigeria as at 31 December, 2024.				
14. Insurance contract liabilities				
Liability for incurred claim -LIC- (Note 14.1.a & 14.1.b)	6,676,622,548	-	-	-
Liability for remaining coverage-LRC-(Note 14.1.a & 14.1.b)	8,549,500,748	-	-	-
	<u>15,226,123,296</u>	<u>-</u>	<u>-</u>	<u>-</u>

14.2.a 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

Group	31 December 2024				
	Liability for remaining coverage-LRC	Liability for incurred claims-	Risk		
	Excluding loss component	Loss component	Estimates of present value of future cash flows	Adjustment for non-financial risk	Total
	N	N	N	N	N
At 1 January					
Assets	-	-	-	-	-
Liabilities	5,445,700,713	-	3,865,535,494	667,792,953	9,979,029,160
Net at 1 January	<u>5,445,700,713</u>	<u>-</u>	<u>3,865,535,494</u>	<u>667,792,953</u>	<u>9,979,029,160</u>
Changes in the statement of profit or loss and OCI:					
Insurance revenue	(29,428,036,021)	-	-	-	(29,428,036,021)
Insurance service expenses					
Incurred claims and other expenses	-	-	11,848,597,381	-	11,848,597,381
Risk adjustment release for expired risk	-	-	-	1,198,959,752	1,198,959,752
Experience adjustment	-	-	-	-	-
Acquisition expenses	7,581,082,124	-	-	-	7,581,082,124
Changes related to future service	-	-	-	-	-
Changes related to past services	-	-	939,710,824	-	939,710,824
Total Insurance service expenses	<u>7,581,082,124</u>	<u>-</u>	<u>12,788,308,205</u>	<u>1,198,959,752</u>	<u>21,568,350,081</u>
Investment components	-	-	-	-	-
Insurance service result	<u>(21,846,953,897)</u>	<u>-</u>	<u>12,788,308,205</u>	<u>1,198,959,752</u>	<u>(7,859,685,940)</u>
Insurance finance income or expenses	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	<u>(21,846,953,897)</u>	<u>-</u>	<u>12,788,308,205</u>	<u>1,198,959,752</u>	<u>(7,859,685,940)</u>
Cash flows					
Premium received	32,531,836,056	-	-	-	32,531,836,056
Adjustment to liabilities for incurred claims	-	-	-	-	-
Claims and expenses paid	-	-	(9,977,221,151)	-	(9,977,221,151)
Insurance acquisition cash flow	(7,581,082,124)	-	-	-	(7,581,082,124)
Total cash flows	<u>24,950,753,932</u>	<u>-</u>	<u>(9,977,221,151)</u>	<u>-</u>	<u>14,973,532,781</u>
At 31 December					
Assets	-	-	-	-	-
Liabilities	8,549,500,748	-	6,676,622,548	1,866,752,705	17,092,876,001
Net at 31 December	<u>8,549,500,748</u>	<u>-</u>	<u>6,676,622,548</u>	<u>1,866,752,705</u>	<u>17,092,876,001</u>

CONSOLIDATED HALLMARK HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

	Group		Company	
	2024	2023	2024	2023
	N	N	N	N
14.3 Investment contract liabilities				
At 1 January	-	-	-	-
Reduction	(25,945)	-	-	-
Recognised and transferred from CHI Ltd (Note 8.4)	10,437,775	-	-	-
At 31 December	10,411,830	-	-	-
15. Trade payables				
Payable - general insurance business	1,039,156,405	-	-	-
Other trade payables	-	-	-	-
	1,039,156,405	-	-	-
15.1. Analysis by maturity:				
Current	1,039,156,405	-	-	-
Non-current	-	-	-	-
	1,039,156,405	-	-	-
16. Borrowing				
At 1 January	-	-	-	-
Addition	1,783,781,408	-	-	-
Repayment	(1,889,082,705)	-	-	-
Interest capitalised	356,131,721	-	-	-
Recognised and transferred from CHI Ltd (Note 8.4)	1,707,153,544	-	-	-
At 31 December	1,957,983,968	-	-	-
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.				
17. Other payables and provision				
Staff payables	53,109,164	-	-	-
Payable to related parties (Note 43)	345,533,836	-	-	-
Audit fees	13,633,750	-	-	-
Withholding tax payable	176,579,524	-	-	-
Unclaimed dividend payable (Note 17.2)	83,004,740	-	2,795,895	-
Accrued expenses	487,282,685	-	31,226,912	-
Staff co-operative	54,552,301	-	-	-
Sundry creditors	301,383,350	-	170,228,380	-
	1,515,079,350	-	204,251,187	-
17.1. Analysis by maturity:				
Current	1,515,079,350	-	204,251,187	-
Non-current	-	-	-	-
	1,515,079,350	-	204,251,187	-
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.				

CONSOLIDATED HALLMARK HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

	Group		Company	
	2024 N	2023 N	2024 N	2023 N
18. Retirement benefit obligation				
Defined contribution pension plan				
At 1 January	-	-	-	-
Provision during the year (Note 33.3.a)	57,122,916	-	-	-
Payment during the year	(50,810,957)	-	-	-
Recognised and transferred from CHI Ltd (Note 8.4)	3,425,146	-	-	-
At 31 December	9,737,105	-	-	-
18.1. Employer contribution	5,409,503	-	-	-
Employees contribution	4,327,602	-	-	-
	9,737,105	-	-	-
19. Taxation				
19.1 Income tax expense				
Income tax	1,053,151,647	-	360,472,335	-
Information technology levy	252,996,476	-	-	-
Education tax	229,022,725	-	-	-
Over provision in previous year	(979,656,498)	-	-	-
	555,514,350	-	360,472,335	-
Deferred tax charge (Note 19.3)	106,861,016	-	-	-
	662,375,366	-	360,472,335	-

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	
	2024 N	2023 N	2024 N	2023 N
19.2. Current income tax liabilities				
At 1 January	-	-	-	-
Payments during the year	(252,996,477)	-	-	-
	(252,996,477)	-	-	-
Recognised and transferred from CHI Ltd (Note 8.4)	1,545,181,490	-	-	-
Charge for the year (Note 19.1)	555,514,350	-	360,472,335	-
At 31 December	1,847,699,363	-	360,472,335	-
19.2.1. Reconciliation of effective tax rate				
Profit after tax	22,625,482,989	-	731,868,072	-
Total income tax expense				
Income	1,053,151,647	-	360,472,335	-
Education	229,022,725	-	-	-
Over provision	(979,656,498)	-	-	-
Deferred tax charge (Note 19.3)	106,861,016	-	-	-
	409,378,890	-	360,472,335	-
Profit for the year before income tax	23,034,861,879	-	1,092,340,407	-
Effective tax rate	2%		33%	
19.3. Deferred tax liabilities				
At 1 January	-	-	-	-
Charge for the year (Note 19.1)	106,861,016	-	-	-
Deferred tax on FVTOCI instruments (Note 22.3)	(10,735,531)	-	-	-
Recognised and transferred from CHI Ltd (Note 8.4)	281,272,437	-	-	-
At 31 December	377,397,922	-	-	-

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

CONSOLIDATED HALLMARK HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

	Group		Company	
	2024 N	2023 N	2024 N	2023 N
20. Share capital				
Authorised:				
10.84 billion ordinary shares of 50k each	<u>5,420,000,000</u>	<u>-</u>	<u>5,420,000,000</u>	<u>-</u>
20.1 Issued and fully paid:				
10.84 billion ordinary shares of 50k each				
At 31 December	<u>5,420,000,000</u>	<u>-</u>	<u>5,420,000,000</u>	<u>-</u>
20.2 Movement in issued and fully paid:				
At 1 January	-	-	-	-
Transferred from CHI Ltd in the year (Note 20.2.2.)	<u>5,420,000,000</u>	<u>-</u>	<u>5,420,000,000</u>	<u>-</u>
At 31 December	<u>5,420,000,000</u>	<u>-</u>	<u>5,420,000,000</u>	<u>-</u>

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 on the 26th day of April, 2023, the followings were proposed:
*That a total of 2,528,450,000 ordinary shares of CHI with a shareholding value of N1,264,225,000 be and hereby surrendered to Consolidated Hallmark Holdings Plc further to the court -sanctioned scheme of arrangement.

*That the share capital of CHI 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 CHH.

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

	Group		Company	
	2024 N	2023 N	2024 N	2023 N
21. Share Premium				
At 1 January	-	-	-	-
Transferred from CHI Ltd in the year (Note 20.2.2)	<u>168,933,836</u>	<u>-</u>	<u>168,933,836</u>	<u>-</u>
At 31 December	<u>168,933,836</u>	<u>-</u>	<u>168,933,836</u>	<u>-</u>

22. Other reserves

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.

22.2 Statutory reserve

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	
	2024 N	2023 N	2024 N	2023 N
22.3 Fair value through OCI reserve				
At 1 January	-	-	-	-
Loss during the year (Note 30)	<u>(35,785,102)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred tax on FVTOCI investments	<u>11,473,156</u>	<u>-</u>	<u>-</u>	<u>-</u>
Recognised and transferred from CHI Ltd (Note 8.4)	<u>126,393,794</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December	<u>102,081,848</u>	<u>-</u>	<u>-</u>	<u>-</u>

22.3.a This comprises the net commulative change in the fair value of financial assets measured at fair value through other comprehensive income.

22.4 Revaluation reserve

This represents net of deferred tax revaluation gain on land and buildings

CONSOLIDATED HALLMARK HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

		Group		Company	
		2024	2023	2024	2023
		N	N	N	N
22.5	Regulatory risk reserve				
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	-	-	-	-
	Dividend declared and paid in the year	(542,000,100)	-	(542,000,100)	-
	Transfer to contingency reserve (Note 22.1)	(4,524,391,795)	-	-	-
	Profit for the year	22,625,482,989	-	731,868,072	-
	Transfer to regulatory risk reserve (Note 22.5)	(1,287,005)	-	-	-
	Transfer to statutory reserve (Note 22.2)	(44,892,524)	-	-	-
	Recognised and transferred from CHI Ltd (Note 8.6)	3,426,259,765	-	-	-
	At 31 December	20,939,171,330	-	189,867,971	-
23.a.	Retained earnings are the carried forward recognised income net of expenses plus current period profit attributable to shareholders.				
23.1.	Profit before taxation				
	Profit before taxation is stated after charging/crediting:				
	Depreciation of property and equipment	102,441,896	-	-	-
	Auditors' remuneration***	6,115,500	-	-	-
	Directors' remuneration:				
	- Fees	11,000,000	12,334,144	11,000,000	12,334,144
	Profit on disposal of property and equipment	11,659,644	-	-	-
	Foreign exchange gains	(3,529,542,313)	-	-	-

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

CONSOLIDATED HALLMARK HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

		Group		Company	
		2024	2023	2024	2023
		N	N	N	N
24	Insurance revenue	<u>29,428,036,021</u>	<u>-</u>	<u>-</u>	<u>-</u>
24.1.	Analysis by segment:				
	Revenue from general insurance business	28,160,973,728	-	-	-
	Revenue from micro insurance business	95,898,753	-	-	-
	Revenue from HMO insurance business	1,171,163,540	-	-	-
		<u>29,428,036,021</u>	<u>-</u>	<u>-</u>	<u>-</u>
25.	Insurance service expenses	<u>21,568,350,081</u>	<u>-</u>	<u>-</u>	<u>-</u>
25.1.	Analysis by segment:				
	Contributed by general insurance business	20,673,153,080	-	-	-
	Contributed by micro insurance business	60,752,818	-	-	-
	Contributedby HMO insurance business	834,444,183	-	-	-
		<u>21,568,350,081</u>	<u>-</u>	<u>-</u>	<u>-</u>
26.	Net expenses from reinsurance contracts held	<u>4,762,553,796</u>	<u>-</u>	<u>-</u>	<u>-</u>
26.1.	Analysis by segment:				
	Contributed by general insurance business	4,755,029,185	-	-	-
	Contributed micro insurance business	7,524,610	-	-	-
		<u>4,762,553,795</u>	<u>-</u>	<u>-</u>	<u>-</u>

CONSOLIDATED HALLMARK HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

	Group		Company	
	2024	2023	2024	2023
	N	N	N	N
27. Investment income				
27.1. Interest income calculated using the effective interest method				
Interest received	1,536,870,813	-	52,096,587	-
Interest received on corporate loan	795,638,171	-	-	-
Interest accrued	26,505,943	-	-	-
Interest on staff receivables	24,214,788	-	-	-
Amortised interest gain on debts securities (Note 3.2.4)	426,138,084	-	-	-
	<u>2,809,367,799</u>	<u>-</u>	<u>52,096,587</u>	<u>-</u>
27.2. Other investment incomes				
Rent income on investment properties (Note 10.2)	69,343,890	-	-	-
Dividend received	531,919,787	-	1,141,639,500	-
	<u>601,263,677</u>	<u>-</u>	<u>1,141,639,500</u>	<u>-</u>
Total	<u>3,410,631,476</u>	<u>-</u>	<u>1,193,736,087</u>	<u>-</u>
28. Other operating income				
Profit on disposal of property and equipment	11,659,644	-	-	-
Other income (Note 28.1)	671,900,057	-	644,647,528	-
	<u>683,559,701</u>	<u>-</u>	<u>644,647,528</u>	<u>-</u>
28.1. Included in the figure above is N644.6 m representing share service fee				
29. Exchange gain				
Gain on disposal of foreign currency	413,036,000	-	-	-
Closing foreign currency balances	(583,075,474)	-	-	-
Gain from fair valuation of capital market & other financial assets	3,699,581,787	-	-	-
	<u>3,529,542,313</u>	<u>-</u>	<u>-</u>	<u>-</u>
30. Fair value through OCI				
Items that will not be reclassified subsequently to profit or loss:				
Gain on revaluation of Land & Building (PPE)	-	-	-	-
Loss on fair value through OCI (Note 22.3)	(35,785,102)	-	-	-
	<u>(35,785,102)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred tax on Fair value through OCI:				
Deferred tax on revaluation surplus Land & Building (Note 19.3)	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
31. Net Impairment (charge)/write back				
31.1. Impairment charged				
Cash and cash equivalent (Note 2.2)	(964,153)	-	-	-
Staff loans, loans to corporate & individuals (Note 3.3.6)	(3,395,715)	-	-	-
Fixed deposit- above 90 days (Note 3.3.5.1.)	10,737,007	-	-	-
Finance Lease receivable (Note 4.3)	(8,400,292)	-	-	-
Loans and advances (Note 3.3.3.1)	(8,955,954)	-	-	-
Reinsurance assets (Note 6.2)	(30,733,580)	-	-	-
	<u>(41,712,687)</u>	<u>-</u>	<u>-</u>	<u>-</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

	Group 2024 N	Company 2024 N
32. Net fair value gain at fair value through profit or loss		
Financial assets at fair value through profit or loss (Note 3.1.)**	16,205,580,867	-
Investment properties (Note 11)	-	-
	<u>16,205,580,867</u>	<u>-</u>

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

32.2. **Financial assets at fair value through profit or loss were measured using The Nigeria Exchange and NASD price list at the close of business on the 31 December 2024.

	Group 2024 N	Company 2024 N
32.3. Financial asset at fair value through profit or loss		
At 1 January	-	-
Addition charged to profit or loss (Note 32)	16,205,580,867	-
Recognised and transferred from CHI Ltd (Note 8.4)	1,302,495,446	-
At 31 December	<u>17,508,076,313</u>	<u>-</u>

33.2. Other Operating Expenses

Employee cost (Note 33.3.a)	1,249,380,912	497,111,970
Rent, insurance and maintenance	466,272,302	-
Depreciation of property and equipment	109,079,666	50,953
Amortisation of intangible assets	11,818,440	302,344
Auditors' remuneration	10,420,750	1,075,000
Directors' remuneration:		
- Fees	110,878,320	99,653,320
- Allowance & Expenses	35,855,000	-
Professional charges	276,795,727	48,787,163
Printing and telecommunication	66,337,192	-
Advertising	428,183,882	-
Travelling and motor vehicle expenses	86,365,326	-
Entertainment	28,603,466	-
Utilities	93,500,680	-
Bank charges	49,987,054	546,759
Subscription, Clubs & Donation	30,299,525	1,626,987
Office security expenses	10,710,075	-
Brand management	121,287,941	-
Legal and Filing fees	9,092,217	-
Penalty	433,600	-
Office running expenses	401,573,383	96,888,712
	<u>3,596,875,458</u>	<u>746,043,208</u>

CONSOLIDATED HALLMARK HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

	Group 2024 N	Company 2024 N
33.3. Chairman's and Directors' emoluments, pensions and compensation for loss of office		
Emoluments:		
Chairman	2,000,000	2,000,000
Other Directors	6,000,000	6,000,000
Other emolument of executives	18,760,000	18,760,000
Emolument of highest paid Director	<u>14,500,000</u>	<u>14,500,000</u>
34. Basic/diluted earnings per share		
Profit after taxation	<u>22,625,482,989</u>	<u>731,868,072</u>
Number of shares	<u>10,840,000,000</u>	<u>10,840,000,000</u>
Movement in Numbers of Share Capital		
At 1 January	-	-
Transferred from CHI Ltd in the year (Note 20.2.2.)	<u>10,840,000,000</u>	<u>10,840,000,000</u>
At 31 December	<u>10,840,000,000</u>	<u>10,840,000,000</u>
Weighted Average nos of share		
At 1 January	-	-
Transferred from CHI Ltd in the year (Note 20.2.2.)	<u>10,840,000,000</u>	<u>10,840,000,000</u>
Weighted Average nos of share	<u>10,840,000,000</u>	<u>10,840,000,000</u>
Basic/diluted earnings per share (kobo)	<u>208.72</u>	<u>6.75</u>
34.1. Earnings per share have been computed on profit after taxation attributable to ordinary shareholders and divided by the number of shares at 50k ordinary shares in issue at year end.		
35. Reconciliation of net cashflow from operating activities		
Profit before tax	23,287,858,355	1,092,340,407
Adjustment for the following:		
Add:		
Depreciation	211,521,562	50,953
Amortisation	15,682,360	302,344
Net fair value gain on financial assets at fair value through profit or loss	(16,204,985,867)	-
Less :		
Profit on disposal	(11,659,644)	-
Gain on disposal of foreign currency	(3,529,542,313)	-
Investment income	(2,452,573,605)	(52,096,587)
Dividend received	(531,919,787)	(1,141,639,500)
Net credit impairment losses	<u>41,712,687</u>	<u>-</u>
	826,093,749	(101,042,383)
Changes in working capital:		
Increase in trade receivable	(2,802,228,697)	-
Increase in reinsurance assets	(7,021,632,499)	-
Increase in other receivable and prepayments	(1,546,969,167)	(73,296,950)
Increase in finance lease receivable	(619,068,355)	-
Increase in trade payable	1,039,156,405	-
Increase in insurance contract liabilities	15,226,123,296	-
Increase in Investment contract liabilities	10,411,830	-
Increase in provision & other payable	1,515,079,350	204,251,187
Increase in retirement benefits	9,737,105	-
Tax paid	<u>(252,996,477)</u>	<u>-</u>
	<u>6,383,706,539</u>	<u>29,911,854</u>

CONSOLIDATED HALLMARK HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

		Group		Company	
		2024	2023	2024	2023
		Number	Number	Number	Number
36. Staff					
Average number of persons employed in the financial year were as follows:					
Managerial		36		4	-
Senior staff		149		3	-
Junior staff		17		2	-
		<u>202</u>	<u>-</u>	<u>9</u>	<u>-</u>
36.a.	The number of Directors excluding the Chairman whose emoluments were within the following ranges were:				
	N	N			
	Nil - 1,000,000	Nil		Nil	
	1,000,001 - 1,500,000	Nil		Nil	
	1,500,001 - 2,000,000	Nil		Nil	
	2,000,001 - Above	7		7	
	Emolument				
	Number of Directors who have waived their rights to receive emoluments	<u>Nil</u>	<u></u>	<u>Nil</u>	<u></u>
36.b.	Employees remunerated at higher rates				
The number of employees in respect of emoluments within the following ranges were:					
	N	N			
	700,001 - 800,000	7		-	
	800,001 - 900,000	7		-	
	900,001 - 1,000,000	4		-	
	1,000,001 - 1,100,000	2		-	
	1,100,001 - 1,200,000	2		-	
	1,200,001 - 1,300,000	8		-	
	1,300,001 - 1,400,000	15		-	
	1,400,001 - 1,500,000	5		5	
	1,000,001 and above	152		4	
		<u>202</u>	<u>-</u>	<u>9</u>	<u>-</u>
37.a.	Capital commitments				
There were no capital commitments as at 31 December 2024.					
37.b.	Contingent liabilities				
There were no contingent liabilities against the Group as at 31 December 2024.					
38.	Comparative figures				
Where necessary, comparative figures have been adjusted to conform with changes in presentation of the current year in accordance with the International Accounting Standards (IAS 1).					

CONSOLIDATED HALLMARK HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

39. Segment Information

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

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

Consolidated Hallmark Holdings Plc (CHH Plc) : CHH Plc is a non-operating Holdco. Its principal activities is to hold equity investments in strategic businesses which for the current period includes General Insurance business, Finance Company Business and Health Management Organisation (HMO) business.

Consolidated Hallmark Insurance Limited (CHI Group), Hallmark Finance Company Limited (HFC) and Hallmark Health Services Limited (HHSL) collectively called the Subsidiaries: Consolidated Hallmark Insurance Ltd. Is a general insurance business company. It holds 100% investment in CHI Micro-Insurance Limited, CHI Capital Limited. CHI Capital Limited holds 100% stake in CHI Support Services Limited. Hallmark Finance Company Limited is a CBN licensed Finance Company that offers loans and finance to individuals, SMEs and Corporate entities Hallmark Health Services Limited is a Health Finance company (HMO) licensed by the National Health Insurance Authority. All the subsidiaries play in a related industry and therefore can be segmented together.

Segment information by company and subsidiaries:

	CHH Plc N	CHI Group, CHFC & Health N	Elimination N	Total N
At 31 December 2024				
Operating income	1,838,383,615	26,229,702,386	(1,141,639,500)	26,926,446,500
Operating expenses	(746,043,208)	(2,850,832,242)	-	(3,596,875,450)
Net credit impairment losses	-	(41,712,696)	-	(41,712,696)
Operating profit	1,092,340,407	23,337,157,448	(1,141,639,500)	23,287,858,355
Taxation	(360,472,335)	(301,903,030)	-	(662,375,365)
Profit for the year	731,868,072	23,035,254,418	(1,141,639,500)	22,625,482,989
Total assets	6,343,525,329	56,436,078,629	(5,833,016,365)	56,946,587,592
Total liabilities	564,723,522	21,669,911,420	(73,016,365)	22,161,618,578
Share capital and reserves	5,778,801,807	34,766,167,207	(5,760,000,000)	34,784,969,014
Depreciation	50,953	102,441,896	-	102,492,849
ROCE	19%	67%	-	67%

CONSOLIDATED HALLMARK HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

40. Contraventions

The Group did not contravene rules or regulations during the year of reporting.

41. Reinsurance treaty

The Group has a reinsurance agreement with African Reinsurance Corporation, Continental Reinsurance Plc and WAICA Reinsurance Corporation Plc to reinsure the risks associated with fire and consequential loss, General accident, Marine cargo, motor, aviation and special risks etc. according to agreed quota share, surplus treaty or excess of loss treaty. This agreement was last modified 31 December 2024.

42. Related party transactions

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

Parent:

The Group is controlled by Consolidated Hallmark Holdings Plc (CHH Plc), which is the parent company, is a non-operating Holdco.

Subsidiaries:

Consolidated Hallmark Insurance Ltd holds 99.99% interest in CHI Capital Limited, 100% in Micro Insurance Limited. In addition, Holdco also own a 100% interest in Hallmark Finance Ltd and Hallmark Services Ltd.. Transactions between Consolidated Hallmark Insurance Ltd and all the subsidiaries are eliminated on consolidation and already disclosed in Note 8.3.

Key management personnel:

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

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

		31 December	
		2024	2023
	Entity		
Due from Hallmark Finance Limited	Consolidated Hallmark Insurance Ltd	226,914,383	238,458,338
Due from Hallmark Health Services Limited	Consolidated Hallmark Insurance Ltd	114,790,529	104,692,269
Due from Microinsurance Limited	Consolidated Hallmark Insurance Ltd	31,432,587	20,469,254
Due from CHI Capital Limited	Consolidated Hallmark Insurance Ltd	1,215,667	1,215,667
Due to Hallmark Health Services Limited from HFC	Hallmark Finance Company Limited	-	351,310,148
Due from Hallmark Finance Company Limited	Consolidated Hallmark Insurance Ltd	646,179,093	574,901,252
Due from Hallmark Finance Company Limited	Microinsurance Limited Group	-	114,856,530
Interest Expense to Hallmark Finance Company Ltd	Consolidated Hallmark Insurance Ltd	-	49,829,779
Interest Expense to Hallmark Finance Company Ltd	Hallmark Health Services Limited	-	19,283,256
Interest Expense to Hallmark Finance Company Ltd	Microinsurance Limited	-	5,088,803
	CHI Support service	87,201,851	-
		Group	
		2024	2023
		N	N
		Company	
		2024	2023
		N	N

43. Compensation of key management personnel:

Salaries and other benefits of key management personnel	53,688,000	-	53,688,000	-
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44. Events after the reporting year

There are no events after reporting date which could have a material effect on the consolidated financial statements of the Group as at 31 December 2024 or the consolidated financial performance for the year ended that have been adequately provided for or disclosed.

45. Security Trading Policy

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

CONSOLIDATED HALLMARK HOLDINGS PLC

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

OTHER NATIONAL DISCLOSURES

CONSOLIDATED HALLMARK HOLDINGS PLC

STATEMENT OF VALUE ADDED - GROUP FOR THE YEAR ENDED 31 DECEMBER 2024

	2024	%	2023	%
	N		N	
Insurance Revenue	29,428,036,021		-	
Reinsurance, claims and Commissions & Others - local	324,216,566		-	
Reinsurance, claims and Commissions & Others - foreign	-		-	
Value added	29,752,252,587	100	-	
Applied as follows:				
To pay employees				
Salaries, pension and welfare	1,249,380,912	4	-	-
To pay government				
Company income taxation	662,375,366	2	-	-
To pay providers of capital				
Shareholders as dividend	542,000,100	2	-	-
Retained for future maintenance of assets and future expansion of business:				
- Contingency & Statutory reserve	4,570,571,324	15	-	-
- Depreciation of fixed assets	102,441,896	-	-	-
'- Retained earnings for the year	22,625,482,989	77	-	-
Value added	29,752,252,587	100	-	-

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

CONSOLIDATED HALLMARK HOLDINGS PLC

STATEMENT OF VALUE ADDED - COMPANY FOR THE YEAR ENDED 31 DECEMBER 2024

	2024		2023	
	N	%	N	%
Gross income	1,838,383,615		-	
Operating expenses & Others - local	293,068,862		-	
Operating expenses & Others - foreign	-		-	
Value added	2,131,452,477	100	-	
Applied as follows:				
To pay employees				
Salaries, pension and welfare	497,111,970	23	-	-
To pay government				
Company income taxation	360,472,335	17	-	-
To pay providers of capital				
Shareholders as dividend	542,000,100	25	-	-
Retained for future maintenance of assets and future expansion of business				
Contingency reserve	-	-	-	-
Depreciation of property and equipment	-	-	-	-
Retained earnings for the year	731,868,072	35	-	-
Value added	2,131,452,477	100	-	-

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