



Consolidated Hallmark Insurance Plc

We are what we have...



**2010 Annual Report
And Accounts**

**ENDURING
VALUES...**

Our Vision

To be the Leading Provider of Insurance and Other Financial Services of International standard.



Our Core Values

- P Professionalism
- R Relationship
- I Integrity
- Z Zeal
- E Excellence

Our Mission

To Provide Quality Insurance and Other Financial Services to our Clients, using Technology, Highly Skilled and Motivated Team thereby delivering Exceptional Returns to All Stakeholders



Contents

Chapter 001

the board//meeting
//profile

Corporate Information //04
Board of Directors //05-07
Notice of Annual General Meeting //08
Result at a Glance //09
Chairman's Statement //10-12
Chief Executive Officer's Statement //13-15
Executive Management Team//16

Chapter 002

report//auditor
//acc policies

Directors' Report //18-22
Auditors' Report //23
Report of the Audit Committee //24
Statement of Accounting Policies //25-31

Chapter 003

financials//statements

Balance Sheet //33
Profit and Loss Account //34
Revenue Account //35
Statement of Cash Flows //36-37
Notes on the Accounts //38-50
Statement of Value Added //51
Five Years Financial Summary //52
Share Capital History //53
Photo-News //54
Management Team //55
Branch Network //56
E-Mandate Form
Proxy Form



Chapter 001

the board//meeting
//profile

Corporate Information //04
Board of Directors //05-07
Notice of Annual General meeting //08
Result at a Glance //09
Chairman's Statement //10-12
Chief Executive Officer's Statement //13-15
Executive Management Team//16



PROFESSIONALISM
RELATIONSHIP
INTEGRITY
ZEAL
EXCELLENCE



Corporate Information

Directors

Ugo (Dr.) Obi Ralph Ekezie	Chairman
Tony Aletor	Vice Chairman
Eddie Efekoha	Managing Director
Obashola Alo	Executive Director
Nze (Dr.) Clement Maduako (MFR)	Director
Dr. Layi Fatona	Director
Chief Ben C. Ikejiaku	Director
Friday Ebojoh	Director
Pat Azurunwa	Director
Chief Sunny Obidegwu	Director

Company Secretaries: Foundation Chambers
24B Apapa Lane
Dolphin Estate
Ikoyi , Lagos

Auditors: PKF (Chartered Accountants & business advisers)
Toloye House
362, Ikorodu Road/1A, Okupe Estate,
Maryland, Lagos

Registrars: Meristem Registrars Limited
213, Herbert Macaulay Street,
Adekunle, Yaba
Lagos.

Bankers: Zenith Bank Plc
Oceanic Bank Plc
Bank PHB
Guaranty Trust Bank Plc
First Bank of Nigeria Plc

Registered Office: Plot 33D Bishop Aboyade Cole Street
Victoria Island,
Lagos

Board of Directors



Ugo (Dr.) Obi Ralph Ekezie
Chairman

Dr. Ralph Ekezie, the Chairman of the company, is a professional petroleum engineer and has been a key player in the oil industry for years. He was a former Managing Director of Schlumberger, a multinational oil firm and currently the Managing Director of Drillog Petro-Dynamics Ltd, an oil services company with offices in Nigeria and Texas, USA.

Dr Ekezie was until recently the Chairman, Indigenous Petroleum Technologists Association of Nigeria. Currently he is the Chairman of the Association's board of trustees.

Chief Ekezie has made outstanding contributions to the education and industrial sectors of the Nigerian economy. He was Chairman of Hallmark Assurance Plc, and has many years experience in Management and International Economics.



Mr. Tony Aletor
Vice Chairman

Mr. Anthony Aletor is the Vice Chairman of the company.

He is a versatile financial services player, and is currently the Group Managing Director of Capital Express Group which comprises Capital Express Insurance Company Limited, Capital Express Securities Limited, CAPEX Medicare Limited and UTIB Insurance Brokers Limited.

Mr. Aletor holds a B.Sc degree in Insurance from University of Lagos and MBA from University of Ibadan. He is an Associate of the Chartered Insurance Institute, London and Nigeria as well as a dealing clerk of The Nigerian Stock Exchange.

Mr. Aletor is a Chartered Insurer and Investment Analyst with cognate experience spanning over two (2) decades, and he is also a major player in the Nigerian Insurance Industry. He is a member of many professional bodies such as: Chartered Institute of Stock Brokers, Chartered Insurance Institute of London and Nigeria, Nigeria Institute of Management, Institute of Directors, and Association of Pension Funds Managers



Mr. Eddie Efekoha
MD/CEO

Mr. Efekoha is the Managing Director/Chief Executive Officer of Consolidated Hallmark Insurance Plc. He holds a Bachelor of Science degree in Insurance and a Masters degree in Business Administration both from the University of Lagos.

Since graduation Eddie worked in various capacities at Everyman Insurance Brokers, Hogg Robinson Nigeria, and Glanvill Enthoven & Co (Nig.) where he left as Executive Director (Technical) in 1997 to pioneer the effective take off of Fountain Insurance Brokers Ltd as its Managing Director/Chief Executive.

He was the Vice Chairman/CEO of Consolidated Risk Insurers Plc before his current appointment.

A Fellow of both the Chartered Insurance Institutes of London and Nigeria, Eddie has attended several local and international courses in both Insurance and Management.

Board of Directors



Mr. Obashola Alo ED

Mr. Obashola Alo is the Executive Director (Operations) of Consolidated Hallmark Insurance Plc.

A 1983 graduate of the University of Lagos, He holds a Masters Degree in International Relations as well as MBA also from the University of Lagos. Alo is also an Associate of the Chartered Insurance Institute of Nigeria.

He started his insurance career at Leadway Assurance Co. Ltd where he rose to become the National Agency Manager in 1989. Other notable establishments he worked for include Afribank Insurance Brokers Ltd. where he held top positions that culminated in his appointment as a Regional Manager Eastern Operations.

In 2001, Mr Alo joined the Central Insurance Company as the Assistant General Manager in charge of Marketing and Business Development, and thereafter became the Managing Director/CEO of First Assurance Plc. He was Managing Director/CEO of Hallmark Assurance Plc, a company he helped to re-engineer and reposition, from July 2004 to March 2007, until his current appointment.



Nze (Dr.) Clement Maduako, (CON)

Nze Maduako, a renowned industrialist and businessman is a former president of the National Association of Chambers of Commerce, Industries, Mines and Agriculture (NACCIMA).

A philanthropist, he is a Director of Eastern Bulkcem Company Ltd, chairman and Proprietor, Binez Hotels Ltd Aba, President Aba Shippers' Association, a founding Chairman of Hallmark Bank Plc, among other formidable organizations.

He is widely travelled with extensive business trips having taken him to practically all corners of the globe.



Mr. Pat Azurunwa

Mr. Pat Azurunwa's Insurance career started in 1990 as a Youth Corper at Foresight Insurance Brokers. He rose to the level of Manager in 1996 before joining UTIB Insurance Brokers Ltd., first as a Coordinator and later as GM/COO, a position he occupied until September 2004 when he teamed up with Capital



Dr. Layi Fatona

Dr. Fatona is a Petroleum Geologist and was formerly the President of Geotrex Systems Limited, a foremost indigenous Exploration and Production consulting company. He was previously with the Shell Petroleum Development Company of Nigeria Limited. He is widely consulted by Nigerian and foreign oil companies, and is a Past President and Fellow of the Nigerian Association of Petroleum Explorationists (NAPE).

A certified Petroleum Geologist of the American Association of Petroleum Geologists (AAPG). He is the Chief Executive officer of Niger Delta Exploration and Production Plc.

Mr. Pat Azurunwa (Cont'd)

Express General Insurance Ltd as Chief Operating Officer. He returned to UTIB Insurance Brokers Ltd in September, 2006 as CEO. A Business Manager by training and education, he is an Associate Member of The Chartered Insurance Institute of Nigeria (CIIN), The Chartered Institute of Arbitrators (U.K), The Nigeria Council of Registered Insurance Brokers (NCRIB) and The Nigerian Institute of Management (NIM). He holds the MBA degree (specializing in Insurance & Risk Management) of ESUT Business School, Enugu and is greatly exposed to all aspects of risk identification, analysis and management. A Rotarian, Mr. Azurunwa has published various articles on Risk Management, Planning, SMEs, and has attended several local and international courses cutting across Arbitration, Management, Corporate Finance and Insurance.

Board of Directors



Chief Ben Ikejiaku

Chief Benson Chukwuma Ikejiaku, a director of Consolidated Hallmark Insurance Plc is a Professional Accountant of many years standing.

He started his Accounting Career in 1961 as an Accounts Clerk with the Eastern Nigeria Development Corporation in Enugu and thereafter worked in formidable organizations including the Nigerian Construction and Furniture Company Limited, Nigergas Co. Ltd, Emene Enugu, and Hardel and Enic Nigeria Limited, where he served as the Group Financial Controller and later Financial Director between 1984 to 2001.

Chief Ikejiaku is a graduate of the West Bromwich College of Science and Technology, England and the Brunel University, London's Pacific States University European Summer Residential Programme, where he obtained a 1987 Masters Degree in Business Administration (MBA).

He is a Fellow of the Association of Chartered Certified Accountants (FCCA), and Fellow, Institute of Chartered Accountants of Nigeria (FCA), amongst other professional laurels.

Chief Ikejiaku is currently a management consultant and a director in Champion Newspapers Limited and Sunrise Insurance Brokers Ltd.



Mr. Friday Ebojoh

Mr. Ebojoh holds a Bachelor of Science degree in Accounting from the University of Lagos and he is an Associate member of the Institute of Chartered Accountants of Nigeria. He has over two decades of varied work experience in the Banking and Finance sector where he held positions including Assistant General Manager / Head, Money & Capital Market Group of New Nigeria Bank Plc, Assistant General Manager/ Head, Treasury & Financial Services Division of Gateway Bank Plc, and Group Treasurer UBA Plc with responsibility for Treasury Sales, Trading and Balance Sheet.

Mr Ebojoh has attended several local and international courses including the Integrated Financial Management Program in London, United Kingdom.



Mr. Sunny Obidegwu

Mr. Sunny Chukwudi Obidegwu is a 1981 graduate of the State University of New York, Buffalo, where he obtained a Bachelor of Science Degree in Business Administration.

In 1983, Mr. Obidegwu received a Master of Science Degree (M.Sc, Magna Cum Laude) from the University of New Haven, West Haven, Connecticut, U.S.A. His working career has taken him through international and local establishments commencing with the State of Connecticut U.S.A as a Revenue Examiner between 1983 to 1984.

Mr. Obidegwu has also worked in Eastern Bulkem Ltd (manufacturers of Eagle Cement), Continental Merchant Bank Ltd, Manufacturers' Merchant Bank Ltd, and lately, in Sunthel Trust Ltd, an integrated financial management and consultancy firm where he has been piloting affairs as Chief Operating Officer from 2003 to date.

Notice of 16th Annual General Meeting

NOTICE IS HEREBY GIVEN that the 16th Annual General Meeting of the shareholders of the company will be held on the 28th July 2011 at 11.00am prompt at Protea Hotel, Oakwood Park, Lekki Expressway, Lekki Peninsula, Lagos to transact the following business:

ORDINARY BUSINESS

- 1.To receive and consider the Audited Financial Statement for the year ended December 31st 2010 together with the reports of the Directors, Auditors and Audit Committee thereon.
- 2.To declare a dividend.
- 3.To re-elect Directors.
- 4.To re-appoint the Auditors.
- 5.To authorize the Directors to determine the remuneration of the Auditors.
- 6.To elect Members of the Audit Committee.

SPECIAL BUSINESS

- A.To approve the remuneration of the Directors for the year ending 31st December 2011.

Dated this 27th June 2011

BY ORDER OF THE BOARD



L. CHIDI ILOGU ESQ
PP: FOUNDATION CHAMBERS
(Company Secretaries)

NOTES

PROXY

A member of the company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him/her. A proxy need not be a member of the company. Executed form of proxy should be deposited at the Registered Office of the Company being Plot 33D Bishop Aboyade Cole Street, Victoria Island Lagos, not less than 48 hours before the time of holding the meeting. To be effective the proxy form should be duly stamped and signed by the Commissioner for Stamp Duties.

CLOSURE OF REGISTER AND TRANSFER BOOKS

The Register of members and transfer books will be closed from Monday 11th July to Friday 15th July 2011 to enable the Registrar prepare for the payment of dividend. Accordingly dividend will only be paid to shareholders whose names are on the register before the date of closure.

PAYMENT OF DIVIDEND

If the dividend of 3kobo per every ordinary share recommended by the Board is approved and declared, those shareholders whose names appear in the Company's Register of Members as at the closure date shall have dividend warrants posted to them not later than 31st July 2011. The payment of dividend shall be subject to deduction of appropriate withholding tax.

AUDIT COMMITTEE

In accordance with section 359(5) of the Companies and Allied Matters Act 2004, any member may nominate a shareholder as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 (Twenty One) days before the Annual General Meeting.

RE-ELECTION OF DIRECTORS

In accordance with the Company's Articles of Association, Dr. Layi Fatona, Chief Sunny Obidegwu and Mr. Friday Ebojoh retire by rotation and being eligible offer themselves for re-election.

AGE DECLARATION

Nze (Dr.) C.O. Maduako (MFR) in accordance with section 252 (1) of the Companies and Allied Matters Act 2004, intends to disclose at the meeting that he is over 70 years of age.



Result at a Glance

	2010	2009
	N	N
MAJOR PROFIT AND LOSS ACCOUNT ITEMS		
Gross premium written	3,057,586,242	2,454,929,044
Gross premium earned	2,853,109,323	3,023,019,526
Investment and Other Income	76,566,857	160,122,970
Profit before tax and exceptional item	253,252,317	563,396,315
Taxation	(41,677,728)	(220,795,732)
Profit after tax	211,574,589	242,673,169
MAJOR BALANCE SHEET ITEMS		
Total assets	5,475,579,816	4,959,467,086
Shareholders' fund	4,195,562,074	3,973,271,459
Investments	2,590,840,751	2,278,251,778
Share capital	3,000,000,000	3,000,000,000
Insurance funds	695,008,515	490,531,595
PER SHARE DATA		
Earnings (k)	3.53	4.04
Net Assets (k)	70	66
No. of offices	16	20

Chairman's Statement



Ugo (Dr.) Obi Ralph Ekezie
Chairman, Board of Directors



Chairman's Statement



Distinguished Shareholders,

It is my pleasure to once again welcome you to the Annual General Meeting of your company. This occasion marks the fifth time we are successfully holding our AGM post-consolidation, and indeed the 16th Annual General Meeting of the company.

The modest success recorded thus far is indeed traceable to the efforts of not only the management and board, but also to the support of you all shareholders. Your company operated in the year 2010 amidst a socio-political and economic terrain characterized by political uncertainty following the illness of the late President- Alhaji Musa Yar'Adua, a tighter regulation in the financial services sector especially by the Central Bank of Nigeria, and the resultant tighter control regime by the insurance regulator – the National Insurance Commission, a review which would be clearer below:

OPERATING ENVIRONMENT

The 2010 financial year witnessed a widespread unwillingness on the part of banks in Nigeria to resume lending, not only to the real sector of the economy, but also other sectors due largely to the bitter lessons from huge non-performing loans which were later taken over by the Assets Management Corporation of Nigeria (AMCON).

The expectation that the establishment of AMCON would come early in the year was cut short as the enabling law of the corporation did not come into effect till the end of the last quarter of the year under review. 2010 was thus characterised

largely by a financial system where funds that can drive economic activity were practically kept under lock and key in bank vaults.

This situation did not help the insurance sector which had already started bracing up to reap the gains accruing from increased assets financing by the banks. On the national economic front however, greater stability was recorded in the export of the country's major revenue earner- crude oil, as the restiveness in the Niger Delta region was addressed largely by the success of the Federal Government's amnesty programme. Disruption of the commodity's export was minimal and the price of crude hovered comfortably above the \$100 mark – a price that was above the 2009 figure at the height of the economic meltdown.

INSURANCE SECTOR

There are continuous speculations that further consolidation will take place in the insurance industry, in line with recent events in the banking sector. Your company plans to be proactive by adopting measures deemed fit in order not be caught napping by the industry regulatory body.

However, it is worthy of note that the regulator in the course of the financial year under review embarked on series of measures to further deepen insurance penetration in Nigeria.

Foremost amongst these measures is the Market Development and Research Initiative (MDRI) by which the organization hopes to significantly improve on the patronage of insurance, especially the compulsory ones amongst Nigerians.

We sincerely hope that when adequately driven, such market penetration efforts especially in respect of the various compulsory insurances would pave the way for significant revenue growth in the industry.

Efforts at better financial regulation by NAICOM and their collaboration with the operators on IFRS is worthy of mention. This is expected to impact positively on the integrity of financial reports issued by the industry.

ESTABLISHMENT OF SUBSIDIARY COMPANY

The company, in line with efforts to expand its foray into other areas of financial services has acquired a subsidiary - Grand Treasurers Limited. (GTL). GTL is a CBN licensed finance company and was directly acquired by CHI Capital Limited- another subsidiary of Consolidated Hallmark Insurance Plc. Its activities will revolve around asset leasing (Consumer Lease, Auto Lease), LPO Financing, Short term Loans, Commercial Papers Financing and Trade Finance.





Chairman's Statement Cont'd

However, it is worthy of note that the regulator in the course of the financial year under review embarked on series of measures to further deepen insurance penetration in Nigeria. Foremost amongst these measures is the Market Development and Research Initiative (MDRI)

COMPANY PERFORMANCE

It has indeed been a very challenging year not only for our company or the insurance sector, but for the entire economy. Recent financial results of hitherto big players in the insurance industry reveal the reality of the economic situation.



APPRECIATION

I wish to thank you all, our distinguished shareholders for your confidence in us despite the very challenging operating environment both within the insurance sector and the Nigerian economy at large. It is our desire that you continue to enjoy the highest returns possible on your investments.

To you my fellow directors, I say thank you. Without your support, the modest achievements recorded would not have been possible.

To the management and entire staff of the company, I appreciate you all and hope you keep up the good work. To our numerous customers, brokers and agents whose growing confidence in us to manage their risks have helped us to achieve this modest results, I say thank you. Be assured that we will do our best to exceed your expectations.

We put our infinite trust in God Almighty that with His help and support, our collect efforts will continue to yield the desired results as we seek to take CHI to greater heights.

Ugo (Dr.) Obi Ralph Ekezie
Chairman, Board of Directors

July, 2011

STAFF TRAINING & PERFORMANCE MEASUREMENT

Consolidated Hallmark Insurance Plc is not relenting in its efforts geared towards ensuring that its members of staff, being the most valuable assets of the organisation are continually exposed to the best training internally and externally. This is aimed at empowering staff to perform at their best.

Also, a new Performance Management System was put in place in the company in the year, a system which seeks to adequately reward performers, whilst identifying training needs of under performers to enable them improve adequately to meet the expectations of the organisation. The implementation of the PMS has now commenced company-wide.

Your company was however able to forge ahead generating a gross premium written of N3.06 billion which represents 25% improvement over 2009 figure of N2.45 billion. Profit After Tax came to N211.57m representing a drop of 12.8% over 2009 figure. Our shareholders funds grew by 6% from N3.97 billion to N4.19 billion.

DIVIDEND

It is gratifying that in spite of the reduction in profit, the company is in a position to pay dividend for the 2010 financial year. The board is therefore recommending a dividend of N180 million for your approval to be paid to members whose names appear in the register before the date of closure on 15th July, 2011. This translates to a dividend of 3kobo per share.





Chief Executive Officer's Statement



Eddie A. Efekoha

Chief Executive Officer



Chief Executive Officer's Statement



Distinguished shareholders,

Fellow members of the Board,

Ladies and Gentlemen,

It is with great pleasure that I once again welcome you to the Annual General Meeting of your company. It has indeed been another eventful year since our last meeting in Abuja.

The company, like others in the insurance sector and other players in the financial services sector of the economy had to sail through an economy that was struggling to remain afloat due to the economic downturn which was global. Several companies barely managed to remain afloat especially against the backdrop of deteriorating infrastructure and epileptic energy situation in the country. Your company like others has continually grappled with the burden of sustaining operations with a significant proportion of its revenue being channeled into electricity generation.

Despite the challenges of an economy that was quite slow at recovery and the set back as a result of the state of infrastructure mentioned above, we have been able to achieve the modest results being presented before you today.

This modest success is attributable to you all, our distinguished shareholders who have made it possible. We appreciate you for your immense contributions towards the success of this great company.

While we have success stories for all stake holders, we will not hesitate to highlight some key developments in the course of the year under review.

INDUSTRY DEVELOPMENTS

The Nigerian Insurance market keeps evolving over time. In the year under review, the industry sacrificed another class of business to the Nigerian Social Insurance Trust Fund (NSITF) -the Workmen's Compensation class of insurance business was taken away from the industry through the Employees' Compensation Act which has since been passed into law by the National Assembly. Significant revenue which hitherto accrued to the industry from this source is gradually being eroded.

Despite the challenges of an economy that was quite slow at recovery and the set back as a result of the state of infrastructure mentioned above, we have been able to achieve the modest results being presented before you today.

The industry is also on the march to eradicate the influx of fake motor insurance certificates; this initiative is being anchored by the NIA in conjunction with all other insurance companies. The provision of a central database that will capture all information on the certificates and make them verifiable is expected to significantly reduce the incidence of fake motor insurance.

Also worthy of note is the positive impact of the regulator in enforcing compliance by companies in meeting the deadline on the International Financial Reporting Standards (IFRS). This will regularize the mode of financial reporting across the industry and make financial analysis easy to comprehend. All these factors will set the industry on the path to greater heights.





Chief Executive Officer's Statement Cont'd

PROSPECTS

Consolidated Hallmark Insurance Plc is focused to improve on its market share in the coming years. In order to achieve this, the management is poised to enhance its products line and embark on an aggressive service delivery initiative. We recognize the need to satisfy our customers and as such have made prompt claims settlement our focal point.

STAFF WELFARE

Our people are the strength of the company. We have implemented the Balanced Scorecard Performance Management System. This will not only ensure that merit is identified and rewarded, but would also provide an opportunity for the identification of training needs of staff.

The ultimate goal is a merit driven environment. Staff training is continuously being organized both internally and externally for all cadre of staff; this will keep our people abreast with current trends in the industry. The company is focused on attracting, retaining and developing the best hands for continuous growth.

INVESTMENT ACTIVITIES

The Company now has a fully functional CBN licensed subsidiary called Grand Treasurers Limited. Grand Treasurers Ltd will now act as the investment vehicle of the company though operating independently and as a separate entity. Subsequently, activities of the company will be very visible in the public domain as the investment vehicle attempts to carve a niche for itself in the financial services sector.

LAGOS MAINLAND OFFICE COMPLEX

Your company embarked on a massive upgrade of its office complex at the ever busy Ikorodu Road Lagos.

We believe this would enhance our visibility, accessibility and comfort for our staff and customers.

INFORMATION TECHNOLOGY

The company recognizes the immense contribution and value technology brings to bear on the business and therefore continues to invest and leverage on its robust ICT platform to enhance returns. We will remain at the forefront in using ICT to serve our customers.

PUBLIC SECTOR

The Government especially at the federal level has continued to be the major patron of insurance through its big ticket transactions. Your company is therefore positioning itself to take advantage of the opportunities in the sector by setting up a unit to participate effectively in the sector. This will enable us actively reap therein, especially with the stability expected from the successful transition and the new federal cabinet in place.

CONCLUSION

I thank my Chairman Ugo (Dr) Obi Ralph Ekezie and others on CHI Board for their ongoing support and also thank my executive management team and all staff of CHI for the modest achievements of the past year. Most importantly, I thank you the shareholders of CHI for your continued loyalty and trust in our future.

Thank you.

July, 2011

Eddie Efekoha
Chief Executive Officer



Executive Management Team



Eddie Efekoha
// Managing Director/Chief Executive Officer



Obashola Alo
// Executive Director, (Operations)



Bode Opadokun
// Group Head (Technical)



Mac Ekechukwu
// Regional Director (North)



Ijeoma Pearl Okoro
// Regional Director (East)



Tunde Daramola
// Group Head (Finance)



Gbolaga Adeyanju
// Regional Director (Lagos/West)



Kate Itua
// Group Head (Audit & Risk Management)



Dotun Adeogun
// Group Head (Legal & Corporate Services)



Chapter 002

report//auditor
//acc policies

Directors' Report //18-22
Auditors' Report //23
Report of the Audit Committee //24
Statement of Accounting Policies //25-31



PROFESSIONALISM
RELATIONSHIP
INTEGRITY
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Director's Report

The directors have the pleasure in submitting their reports on the affairs of Consolidated Hallmark Insurance Plc together with the Company's Audited Financial Statements for the year ended 31 December 2010.

LEGAL FORM

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

PRINCIPAL ACTIVITIES AND CORPORATE DEVELOPMENT

During the year under review the company engaged in general insurance business and maintained 16 corporate offices.

DIRECTORS AND THEIR INTERESTS

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

Directors	Direct 2010	Indirect 2010	Direct 2009	Indirect 2009
Ugo (Dr.) Obi Ralph Ekezie	370,715,888	-	370,715,888	-
Mr. Anthony Aletor	-	1,065,000,000	-	1,065,000,000
Mr. Eddie Efekoha	316,000,000	254,683,205	315,439,000	252,329,569
Mr. Obashola Alo	9,662,488	-	9,662,488	-
Dr. Layi Fatona	-	21,553,750	-	21,553,750
Nze (Dr.) C.O. Maduako (MFR)	-	917,820,607	-	917,820,607
Chief Ben Ikejiaku	15,500,000	-	15,500,000	-
Mr. Pat Azurunwa	-	-	-	-
Mr. Friday Ebojoh	26,625,000	-	26,625,000	-
Mr. Sunny Obidegwu	25,000,000	25,000,000	25,000,000	25,000,000

DIRECTOR

Mr. Anthony Aletor

Dr. Layi Fatona

Nze (Dr.) C.O. Maduako (MFR)

Mr. Eddie Efekoha

INDIRECT INTEREST REPRESENTED

Capital Express Insurance Company Limited and
Capital Express Securities Limited
Nouveau Technologies Limited
Maduako Group Limited
Sephine Edefe Nigeria Limited



Director's Report (cont'd.)

SUBSTANTIAL INTEREST IN SHARES:

Shareholders who held more than 5% of the issued share capital of the company as at 31st December 2010 were as follows:

Shareholder	Units Held	%
Maduako Group Limited	917,820,607	15.29
Capital Express Insurance Co. Ltd	1,065,000,000	17.75
SPDC West Multipurpose Cooperative	500,000,000	8.3
Ugo (Dr.) Obi Ralph Ekezie	370,715,888	6.17
Mr. Eddie Efekoha	316,000,000	5.27

The range of shareholding as at 31st December 2010 is as follows:

Range of holdings	No of shareholders	No of shareholdings	%
1 - 10,000	3445	17,761,862	0.30
10,001 - 100,000	3869	157,154,722	2.62
100,001 - 1,000,000	1314	459,156,560	7.65
1,000,001 - 10,000,000	239	721,283,771	12.02
10,000,001 - Above	43	4,644,643,085	77.41
	8,910	6,000,000,000	100.00

DIRECTORS RESPONSIBILITIES

The Company's directors are responsible, in accordance with the provisions of Section 334 of the Companies and Allied Matters Act 2004, for the preparation of financial statements which give a true and fair view of the state of affairs of the company as at the year end of each financial year and of its profit and loss and cash flows for the year then ended and that the statements of accounting policies comply with the Insurance Act 2003 and Companies and Allied Matters Act 2004.

In doing so they ensure that:

- a. Proper accounting records are maintained.



Director's Report (cont'd.)

- b. Adequate internal control procedures are established which as far as is reasonably possible, safeguard the assets and prevent and detect fraud and other irregularities.
- c. Applicable accounting standards are followed.
- d. Suitable accounting policies are consistently applied.
- e. Judgments and estimates made are reasonable and prudent and consistently applied.
- f. The going concern basis is used unless it is inappropriate to presume that the company shall continue in Business.

FIXED ASSETS

Movements in fixed assets during the year are shown in Note 10 on page 42. In the opinion of the Directors the market value of the Company's fixed assets is not lower than the value shown in the financial statements.

CORPORATE GOVERNANCE

The Company maintains corporate policies and principles designed to ensure that the operations and procedures of the Company are in line with transparent corporate governance principles as directed by its regulators. The activities of the Company are legal, high standards of professionalism/accountability and integrity which provides due regard to the genuine interests of all our stakeholders.

BOARD OF DIRECTORS

The Board of Directors consists of 10 members - a chairman, vice chairman, the managing director, one executive director and six non-executive directors. There were no changes in the composition in the course of the year.

BOARD MEETINGS:

The Board membership and attendance of meetings during the Financial Year is set out below:

DIRECTOR	BOARD MEETING ATTENDANCE	BOARD AUDIT COMMITTEE MEETING ATTENDANCE	BOARD FINANCE & GENERAL PURPOSE COMMITTEE MEETING ATTENDANCE	BOARD INVESTMENT & RISK MANAGEMENT COMMITTEE MEETING ATTENDANCE	BOARD ESTABLISHMENT & CORPORATE GOVERNANCE COMMITTEE MEETING ATTENDANCE
Obi Ralph Ekezie	5	N/A	N/A	N/A	N/A
Anthony Aletor	4	N/A	N/A	2	N/A
Eddie Efekoha	5	3	4	2	4
Obashola Alo	5	N/A	N/A	2	4
Layi Fatona	4	N/A	1	2	N/A
Clement O. Maduako	4	N/A	N/A	N/A	4
Ben C. Ikejiaku	5	3	4	N/A	N/A
Pat Azurunwa	5	N/A	3	N/A	4
Friday A. Ebojoh	5	3	3	N/A	N/A
Sunny C. Obidegwu	4	N/A	N/A	2	4



Director's Report (cont'd.)

The following Committees carried out the oversight functions on behalf of the Board during the Financial Year:

1. Audit Committee
2. Finance and General Purpose Committee
3. Investment and Risk Management Committee
4. Establishment & Governance Committee

POST BALANCE SHEET EVENT

There has been no significant post balance sheet event that could have had a material effect on the financial position of the company as at 31st December 2010

REINSURANCE ARRANGEMENT

The company had treaty arrangements with the following companies during the year:

African Reinsurance Corporation
Continental Reinsurance Company Limited

CSR/DONATION AND SPONSORSHIPS

Sponsorships and donations during the year amounted to N1,720,000 and were made to the following organisations:

Sponsorship of CIIN Education Seminar materials	100,000
Purchase of Gift Items for Lekki Motherless Babies Home	200,000
Sponsorship of CIIN Education Seminar	250,000
Sponsorship of CIIN Insurance Awareness Programme on Radio	350,000
Support for CIIN's Calendar	150,000
Bronze sponsorship of Professional Insurance Ladies' Association	250,000
Donation to NCRIB's 2010 National Insurance Conference (Abuja)	50,000
Donation to Risk & Insurance Management Society of Nigeria	100,000
Sponsorship of CIIN Delta State Chapter Education Seminar	100,000
Donation to CIIN PortHarcourt Chapter for Insurance Week	50,000
Sponsorship of Nat. Association of Insurance Corresspondents Annual Get-together	50,000
Donation to Ikoyi Club 1938 for Chairman/staff party	70,000

1,720,000



Director's Report (cont'd.)

EMPLOYMENT AND EMPLOYEES

a) Employment of Disabled Persons:

The company does not discriminate in considering applications for employment including those from Disabled persons. However 31st December 2010 there was no disabled person in the Company's employment.

b) Employees' training & Involvement

The company ensures that the employees are kept fully informed regarding the company's values, goals, performance and progress. Their views are sought on matters affecting them directly. All officers of the company attend regular meetings and retreats where members of staff critically review the company's performance and recommend solutions to identified problems in order to enhance the flat structure of the company. Professionalism and technical expertise among the staff are encouraged via regular, continuous and extensive in-house and external training.

b) Health Safety and Welfare of Employees:

The company strictly observes all safety and health regulations. The Company provides safety equipments at all its premises. Staff medical is handled by Health Management Organisation while subsidies are provided to all categories of staff for their accommodation, transportation, meals etc.

AUDITORS

The Auditors, PKF (Chartered Accountants) have indicated their willingness to continue in office in accordance with section 357 (2) of the Companies and Allied Matters Act 1990.

A resolution will be proposed at the Annual General Meeting to authorise the Directors to fix their remuneration.

By order of the Board

L. CHIDI ILOGU ESQ
PP:Foundation Chambers
(Company Secretaries)

Report of the Auditors



Chartered Accountants &
business advisers

Report on the Financial Statements

We have audited the accompanying financial statements of Consolidated Hallmark Insurance Plc, as at 31 December 2010, set out on pages 33 to 52 which have been prepared on the basis of the significant accounting policies on pages 25 to 31 and other explanatory notes on pages 38 to 50.

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with Statement of Accounting Standards applicable in Nigeria and in the manner required by the Companies and Allied Matters Act CAP C20 LFN 2004. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Nigerian and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Company has kept proper accounting records and the financial statements are in agreement with the records in all material respects and give in the prescribed manner, information required by the Companies and Allied Matters Act CAP C20 LFN 2004, the applicable provisions of the Insurance Act CAP 117 LFN 2004 and relevant guidelines issued by the National Insurance Commission. The financial statements give a true and fair view of the financial position of Consolidated Hallmark Insurance Plc as at 31 December 2010, and of its financial performance and its Cash flows for the year then ended in accordance with the Statement of Accounting Standards issued by the Nigerian Accounting Standards Board.

PKF

Chartered Accountants
Lagos, Nigeria

Date: 12 May 2011





Report of the Audit Committee

In compliance with section 359 (6) of the Companies and Allied Matters Act 1990, we have reviewed the Audit Report for the year ended December 31, 2010 and hereby state as follows:

1. The scope and planning of the audit were adequate in our opinion;
2. The accounting and reporting policies of the company conformed with statutory requirements and agreed ethical practices;
3. The internal control was being constantly and effectively monitored; and
4. The external auditors' management report received satisfactory response from Management.

Dated May 11th, 2011

Tony Anonyai
Chairman, Audit Committee

Members of The Committee

Tony Anonyai
Tony Ukatu
Simon Okiatorhoro
Friday Akpome Ebojoh
Chief Ben C. Ikejiaku
Eddie Efekoha



Statement of Significant Accounting Policies

For the year ended 31 December, 2010

The following are the significant accounting policies adopted by the Company in the preparation of its financial statements. These policies have been constantly applied to all year's presentations, unless otherwise stated.

1. Basis of accounting

- The financial statements are prepared in compliance with Nigerian Statements of Accounting Standards (SAS). The Companies and Allied Matters Act (CAMA) CAP C20 LFN 2004. The Insurance Act and Regulation 2003 and its interpretation issued by the National Insurance Commission in its insurance industry policy guidelines.
- The financial statements are presented in the functional currency, Nigeria naira and prepared under the historical cost convention as modified by the revaluation of certain property, plant and equipment.
- The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period
- The annual accounting basis is used to determine the underwriting result of each class of insurance business written.

2. Property, plant & equipment

Property, plant and equipment are stated at the cost, less depreciation on a straight-line basis over the estimated useful life of the assets, taking into consideration any residual value, excluding the costs of day-to-day servicing.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year the asset is derecognised.

Assets on lease are accounted for in accordance with the substance and financial reality of the transaction. Depreciation is provided to write off the related assets over the period of the lease. Income from assets on lease is accrued evenly over the respective period of the leases.

3. Depreciation of property, plant & equipment

Depreciation is calculated to write off the cost of property, plant & equipment during their expected useful lives on a straight-line basis. In the case of revalued property, plant & equipment, depreciation is calculated by reference to the enhanced value of the assets concerned. The principal annual rates of depreciation, which are consistent with those of previous years, are:

Buildings	-	2%
Furniture, Fittings & Equipment	-	15%
Computers	-	15%
Motor Vehicles	-	20%
Office Equipment	-	15%

Depreciation is not calculated on property, plant & equipment until they are brought into use. Gains or losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit.





Statement of Significant Accounting Policies (cont'd)

For the year ended 31 December, 2010

4. Provision for unexpired risks

Reserves for unexpired risk are those proportions of the premium written in a year, that relate to the period of risk from January in the following accounting year to the subsequent date of expiry of the policies and have been computed in accordance with Section 20(1) (a) of the Insurance Act 2003, which stipulates that provision for the reserve for unexpired risks is calculated on a time apportionment basis in respect of the risks accepted during the year.

5. Provision for outstanding claims/incurred but not yet reported

Full provision is made for the estimated amount of outstanding claims notified but not settled at the date of the balance sheet, less reinsurance recoveries, using the best information available at that time. Provision is also made for the cost of claims incurred but not reported (IBNR) until after the balance sheet date on the basis of claims notified but not settled in compliance with the provisions of Section 20(1) (b) of the Insurance Act 2003. Similarly, provisions are made for "unallocated claims expenses" being the estimated administrative expenses that will be incurred after the balance sheet date in settling all claims outstanding as at the date, including IBNR.

Differences between the provisions for outstanding claims at a balance sheet date and the subsequent settlement are included in the revenue Account of the following year.

6. Contingency reserve

Contingency reserve has been calculated at 3% of the total premium or 20% of the Net Profit before tax which ever is greater in accordance with Section 21(2) of the Insurance Act 2003 until the accumulated reserve reaches the amount of the minimum paid-up capital or 50 per centum of the net premiums (which ever is greater).

7. Foreign currencies translation

The financial statements are presented in Naira, which is the Company's functional and presentation currency. Income and expenses denominated in foreign currencies are translated to the Naira at the rates of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currency balances are converted to the Naira at the applicable rates of exchange ruling at the balance sheet date. Any profit or loss arising on the conversion of foreign currencies is included in the profit and loss account.

8. Investments

The company categorizes its investments into the following categories: short term investments and long-term investments;

i) Short term investments

Short-term investments are investments held temporarily in place of cash and which can be converted into cash when current financing needs make such conversion desirable. In addition, management intends to hold such investments for not more than one year.

Funds Under Management

Funds Under Management shall be the total value of assets that the company shall invest with a portfolio management company, a mutual fund or an hedge fund to be managed for the benefit of the company. This shall be treated on a portfolio basis as an investment.

An increase in carrying amount arising from the revaluation of Fund Under Management would be credited to income. Also, a decline in value of Fund Under Management, the carrying amount of the investment would be written down to recognize the loss.



Statement of Significant Accounting Policies (cont'd)

For the year ended 31 December, 2010

Investments (cont'd)

When an investment has been written down as stated above, the new carrying amount is deemed to be the new basis for subsequent accounting purposes.

ii) Long term investments

Investments intended to be held for over a period exceeding one year, which are either held to maturity or available for sale in response to needs for liquidity or changes in interest rates, exchange rates or equity prices are classified as long term investments.

Long-term investments are stated at cost or revalued amount on Balance Sheet date while short term investments are stated at cost less provision for diminution in values.

No provision is made for diminution in the market value of government securities as it is the Company's policy to hold such Securities until maturity

iii) Valuation

- a) Short term investments are stated at cost less provision for diminution in values.
- b) Quoted investments are stated at market value.
- c) Unquoted investments are held as long term and stated at cost less provision for diminution in values.

9. Investments in subsidiaries

Investments in subsidiaries are carried in the company's balance sheet at cost less provisions for impairment losses. Where, in the opinion of the Directors, there has been impairment in the value of an investment, the loss is recognized as an expense in the period in which the impairment is identified.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit and loss account.

10. Investment properties

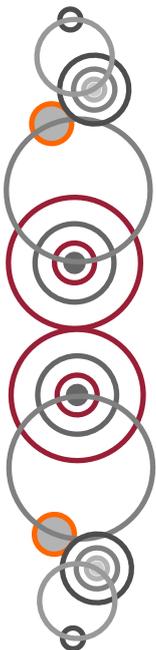
Investment properties, which are held for capital appreciation, is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are transferred to investment properties revaluation reserve.

11) Investment in leases

When assets are held subject to a finance lease, the transactions are recognised in the books of the Company at the net investment in the lease. Net investment in the lease is the gross investment in the lease discounted at the interest rate implicit in the lease. The gross investment is the sum of the minimum lease payments plus any residual value payable on the lease. The discount on lease is defined as the difference between the gross investment and the present value of the asset under the lease.

The discount is recognised as unearned in the books of the Company and amortised to income as they are earned over the life of the lease at a basis that reflects a constant rate of return on the Company's net investment in the lease.

Finance leases are treated as risk assets and the net investment in the lease are subject to the provisioning policy listed in (13).





Statement of Significant Accounting Policies (cont'd)

For the year ended 31 December, 2010

12. Investment income

Interest and rental income are shown gross and are accounted for on accrual basis. Dividends are accounted for on the basis of the amounts actually received during the year.

13. Trade debtors

Debtors are stated at cost after writing off bad debts and deducting provision for other specific debts considered to be doubtful of recovery. An allowance for specific debts is established when there is objective evidence that the company will not be able to collect all the amounts due according to the terms of the receivables.

In accordance with the National Insurance Commission (NAICOM) guidelines, allowances is made for potential bad debts as follows:

Period Outstanding	% Allowance Required
Up to 3 months	Nil
3 - 6 months	50%
6 - 12 months	100%

14. Employees' retirement benefits

Pension Fund Scheme

The Company operates a defined contributory retirement benefits scheme for members of staff, which is independent of its finances and is managed by Pension Fund Administrators. The Scheme, which is funded by contributions from employees (7½%) and the Company (7½%) is consistent with the provisions of the Pension Reform Act 2004. The company's contribution in each year is charge against income and is included in staff cost.

15. Taxation

Income tax expense is the aggregate of the charge to the profit and loss account in respect of current income tax, education tax and deferred income/capital gains tax.

i) Income tax

Income tax payable is provided by applying the currently enacted tax rates on the profit of the Company as adjusted for taxation purposes.

ii) Deferred taxation

Deferred taxation, which arises from timing differences in the recognition of items for accounting and tax purposes, is calculated using the liability method. Deferred income tax assets and liabilities are measured at the rates that are expected to apply to the year when the asset is realized or the liability settled, based on tax rates and tax laws that have been enacted at the balance sheet date.

iii) Capital gains tax

Capital Gains Tax is included in the tax expenses for the period to which it relates. Capital Gain Tax relating to a disposal of an extra ordinary item is deducted from such item.



Statement of Significant Accounting Policies (cont'd)

For the year ended 31 December, 2010

iv) Value added tax

Non-recoverable VAT paid in respect of an item of expenses is expensed. Non-recoverable VAT paid in respect of property, plant & equipment is capitalized as part of the cost of the property, plant and equipment.

The net amount owing to or due from the tax authority is included in the recoverable VAT outstanding for over three years is fully provided for output VAT is excluded from the turnover shown in the profit and loss account.

v) Withholding tax

The withholding tax credit is used to set off against income tax payable. Tax credit, which is considered irrecoverable, is written off as part of the tax charge for the year.

16. Claims

- a. Gross Claims Paid: Consist of claims, plus reinsurance claims
- b. Gross Claims Incurred: Consists of claims handling expenses paid during the financial year after adjusting for movement in provision for outstanding claims and IBNR
- c. Net Claims Incurred: is gross claims incurred after adjusting for reinsurance claims recoveries

17. Maintenance expenses

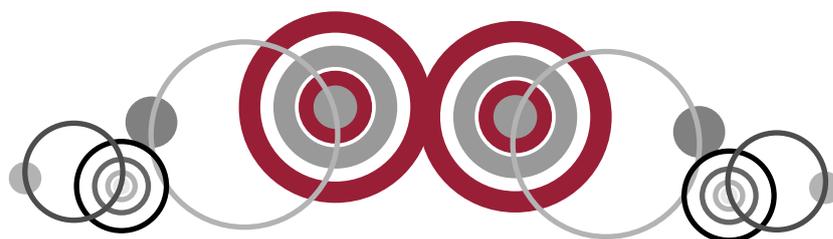
Maintenance expenses are apportioned amongst the various classes of insurance business on the basis of net premium earned in each class.

18. Gross premium

Gross premium is recognized at the point of attachment of risk to a policy before deducting cost of reinsurance cover. All written premium relating to risk for period not falling within the accounting period is carried forward as unearned premium.

19. Premium

- (a) Gross Premium: is recognized at the point of attachment of risk to a policy before cost of reinsurance cover.
- (b) Gross Premium Earned: Is written after adjusting for the unearned portion of the premium.
- (c) Unearned Premium: Premium relating to risk for period not falling within the accounting period forward as unearned premium.
- (d) Net Premium Earned: Net premium Earned represents gross premium less reinsurance cost.





Statement of Significant Accounting Policies (cont'd)

For the year ended 31 December, 2010

20. Commission

Commissions are recognized on ceding business to reinsurers and other insurance companies and are accounted for in the profit and loss account in the period they are incurred and calculated on a time basis of the risks accepted in the year

21. Reinsurance

Proportional and non-proportional reinsurance premiums are accounted for on an accrual basis. Reinsurance premium are recognized as outflows in accordance with the tenor of the reinsurance contract.

22. Reinsurance cost/ prepaid reinsurance premium

Reinsurance cost represents outward premium paid to reinsurance companies less unexpired portion as at the end of the accounting year. The unexpired portion is recognized as asset in the balance sheet.

23. Reinsurance recoveries

Reinsurance recoveries represent that portion of claims paid/ payable on risks ceded out in respect of which recoveries are received/ receivable from the reinsurer.

24. Prepaid reinsurance

Unexpired reinsurance cost is determined on a time apportionment basis and is reported under other asset in the balance sheet.

25. Provisions

Provisions is recognized when the Company has present obligation, whether legal or constructive, as a result of a past event for which it is possible that an outflow of a resources embodying economic benefit will be recognized to settle the obligation in accordance with the statement of Accounting Standard (SAS23).

26. Cash and cash equivalents

Cash and Cash Equivalents comprise of cash on hand and deposits held with banks. Cash equivalents are short term, highly liquid instruments, which are:

- (a) Readily convertible into cash, whether in local or foreign currency; and
- (b) So near to their maturity dates as to present significant risk of changes in value as a result of change in interest rates.
- (c) For the purpose of reporting cash flows, cash and cash equivalents include cash on hand; cash balances with banks and bank overdrafts.



Statement of Significant Accounting Policies (cont'd)

For the year ended 31 December, 2010

27. Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the financial statements in the year in which the dividend is approved by the Company's shareholders.

28. Earnings per share

The Company 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 Bank by the weighted average number of shares outstanding during the year.

29. Deferred acquisition expenses

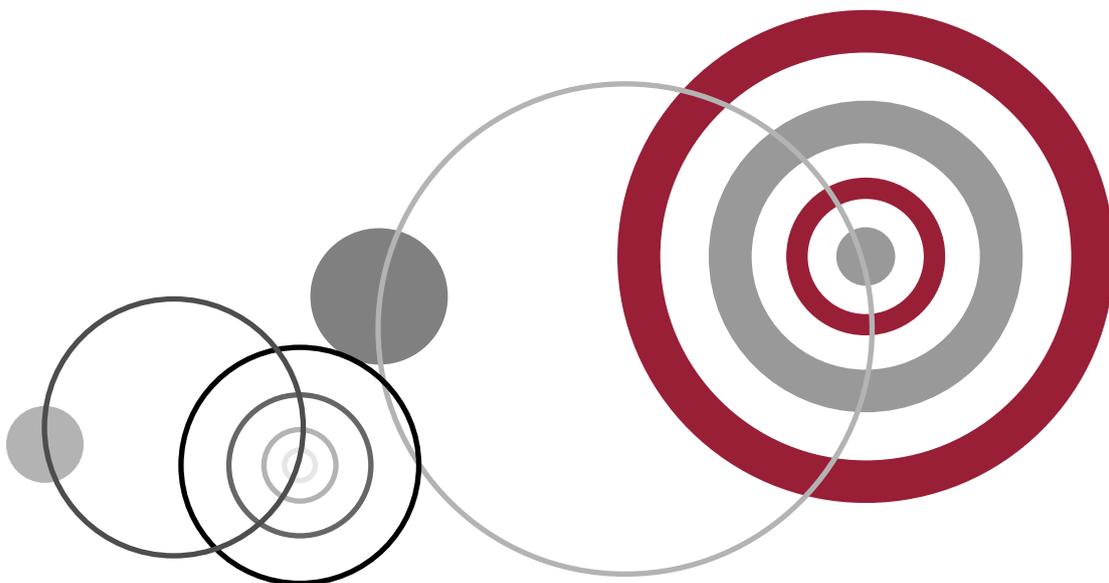
Prepaid expenses include deferred acquisition expenses. These expenses are incurred as a result of direct business earned from brokers. The deferred portion is calculated based on the percentage of unearned premium to written premium.

30. Capital reserve

Capital reserve arising on consolidation represents the shortfall between the cost of acquisition over the fair value of the identifiable assets and liabilities of a merging entity at the date of acquisition and recognized as part of shareholders fund.

31. Segment reporting

A segment is a distinguishable component of the Company that is engaged in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Company's formats for segment reporting are based on business segments.





Chapter 003

financials//statements

Balance Sheet //33
Profit and Loss Account //34
Revenue Account //35
Statement of Cash Flows //36-37
Notes on the Accounts //38-50
Statement of Value Added //51
Five Years Financial Summary //52
Share Capital History //53
Photo-News //54
Management Team //55
Branch Network //56
E-Mandate Form
Proxy Form

PROFESSIONALISM
RELATIONSHIP
INTEGRITY
ZEAL
EXCELLENCE



Balance Sheet As at 31 December, 2010

		2010 N	2009 N
Assets			
Cash and bank balances	2	176,133,401	143,052,555
Short term investments	3A	1,320,236,996	987,455,798
Investments in leases	7	50,572,455	81,480,706
Premium debtors	4	1,163,495,747	1,150,140,363
Reinsurance debtors	5	373,881,793	216,761,081
Other debtors & prepayments	6	114,025,943	97,928,080
Deferred acquisition expenses	8	99,835,583	73,874,443
Long term investments	3B	12,716,027	2,000,000
Investment in subsidiaries	3D	126,407,680	126,407,680
Statutory deposits	9	300,000,000	300,000,000
Investment properties	3E	780,907,593	780,907,593
Fixed assets	10	957,366,598	999,458,786
Total assets		5,475,579,816	4,959,467,086
Liabilities			
Creditors & accruals	11	195,568,029	120,340,880
Outstanding claims	12A	71,018,783	69,359,334
Insurance funds	12B	695,008,515	490,531,595
Taxation	28B	191,805,345	162,925,217
Deferred taxation	28C	126,617,070	143,038,601
		1,280,017,742	986,195,627
Net assets		4,195,562,074	3,973,271,459
Capital & reserves			
Authorised share capital		5,000,000,000	5,000,000,000
Paid up share capital	13	3,000,000,000	3,000,000,000
Statutory contingency reserve	14	370,321,437	278,593,850
Fixed assets revaluation reserve	15	24,811,148	24,811,148
Capital reserve	18	374,947,692	364,231,665
Revenue reserve		425,481,797	305,634,796
shareholders' fund		4,195,562,074	3,973,271,459
Total liabilities and reserves		5,475,579,816	4,959,467,086

Approved by the board on 12th May, 2011



 UGO. (DR.) OBI RALPH EKEZIE



 EDDIE EFEKOHA

} DIRECTORS

The accounting policies on pages 25 to 31 and the explanatory notes on pages 38 to 50 form part of these financial statements.

Profit & Loss Account For the year ended 31 December, 2010

	Notes	2010 N	2009 N
Gross premium income	20	2,853,109,323	3,023,019,526
Reinsurance cost	21	<u>(724,834,414)</u>	<u>(628,868,885)</u>
Premium earned		2,128,274,909	2,394,150,641
Commissions received	20	<u>67,820,677</u>	<u>101,592,367</u>
Total income		2,196,095,586	2,495,743,008
Expenses			
Claims incurred		(370,958,514)	(306,294,057)
Underwriting expenses:			
Acquisition expenses	23	<u>(463,027,936)</u>	<u>(397,005,333)</u>
Maintenance expenses	23	<u>(232,015,481)</u>	<u>(121,807,516)</u>
Underwriting profits		1,130,093,655	1,670,636,102
Investment income	24a	58,995,305	89,764,057
Other Income	24b	<u>17,571,552</u>	<u>70,358,913</u>
Net operating income		1,206,660,512	1,830,759,072
Management expenses		(829,795,603)	(885,513,358)
Diminution of investment	22	(48,938,028)	-
Provision for bad and doubtful debts	4a	<u>(74,674,564)</u>	<u>(381,849,399)</u>
Profit on ordinary activities before taxation and exceptional items		253,252,317	563,396,315
Exceptional item	25	<u>-</u>	<u>(99,927,414)</u>
Profit on ordinary activities before taxation		253,252,317	463,468,901
Information technology levy	27	(2,532,523)	(4,634,689)
Income taxation	28a	(55,566,736)	(163,962,266)
Deferred taxation	28c	<u>16,421,531</u>	<u>(52,198,777)</u>
Profit after taxation		211,574,589	242,673,169
Statutory contingency reserve	14	<u>(91,727,587)</u>	<u>(92,693,780)</u>
Retained profit transferred to revenue reserve		119,847,002	149,979,389
Earnings per share (Kobo)	26	3.53	4.04

The accounting policies on pages 25 to 31 and the explanatory notes on pages 38 to 50 form part of these financial statements.



Statement of Cash Flows For the year ended 31 December, 2010

	Notes	2010 N	N	2009 N	N
Cash flows from operating activities					
Premium received from policy holders		3,015,977,950		2,147,274,008	
Commission received		67,820,677		101,592,367	
Other operating receipts		4,357,007		70,358,913	
Reinsurance receipts in respect of claims		105,816,424		118,044,094	
Cash paid to and on behalf of employees		(264,186,798)		(345,448,608)	
Reinsurance premium paid		(724,834,414)		(628,868,883)	
Other operating cash payments		(1,273,496,685)		(663,163,309)	
Net VAT paid		-		-	
Claims paid		(521,537,143)		(448,218,502)	
Company Income tax paid		(29,219,131)		(59,013,210)	
Net cash provided by operating activities			380,697,887		292,556,872
Cash flows from investing activities					
Purchase of fixed assets		(52,716,717)		(65,310,041)	
Purchase of investments		(385,023,337)		(617,070,903)	
Realisation of /(addition to) other investments		-		488,962,454	
Proceeds from sales of investments		30,426,194		148,836,690	
Sale of fixed assets		701,509		1,279,598	
Dividend received		6,670,998		6,473,032	
Interest received		52,324,307		83,291,025	
Net cash provided by investing activities			(347,617,046)		46,461,854
Cash flows from financing activities					
Dividend paid		-		(300,000,000)	
Net cash provided by financing activities			-		(300,000,000)
Increase in cash and cash equivalents			33,080,841		39,018,726
Cash at the beginning			143,052,555		104,033,829
Cash at 31 December,			176,133,396		143,052,555

The accompanying notes form part of this Statement of Cash Flows.



Statement of Cash Flows (cont'd) For the year ended 31 December, 2010

1. Reconciliation of operating profit to the cash provided by operating activities

	2010 N	2009 N
Operating profit after tax	211,574,589	242,673,169
Depreciation	90,134,044	116,114,967
Bad debt provision	74,674,564	381,849,399
Bad debts/ investment written off	3,786,166	15,926,101
Investment income	(58,995,307)	(89,764,057)
Exceptional items	-	99,927,414
Diminution in investments	48,938,028	-
Loss/(profit) on disposal of fixed assets	1,323,351	(809,095)
Increase /(decrease) in unearned premiums	204,476,920	(568,090,482)
Increase /(decrease) in creditors	77,877,150	(76,980,158)
Increase /(decrease) in claims provisions	1,659,448	(23,880,351)
(Increase) /decrease in debtors	(261,248,523)	41,257,428
(Increase) /decrease in deferred acquisition expenses	(25,961,140)	(12,084,682)
Taxation	12,458,597	166,417,211
Cash provided by operating activities	<u>380,697,887</u>	<u>292,556,864</u>

2. Analysis of changes in cash and cash equivalents and other liquid Investments

	Cash & Cash Equivalents N	Investments N	Total N
Balance as at 1 Jan. 2010	143,052,555	1,978,251,777	2,121,304,332
Net cash inflow	33,080,846	-	33,080,846
Purchase of investments	-	312,588,974	312,588,974
Balance as at 31 December 2010	<u>176,133,401</u>	<u>2,290,840,751</u>	<u>2,466,974,152</u>

3. Analysis of the Balance of cash and cash equivalents and other liquid investments

	2010 N	2009 N	Changes during the year N
Cash at Bank and in hand	176,133,401	143,052,555	33,080,846
Investments	<u>2,290,840,751</u>	<u>1,978,251,777</u>	<u>312,588,974</u>
	<u>2,466,974,152</u>	<u>2,121,304,332</u>	<u>345,669,820</u>



Notes on the Accounts For the year ended 31 December, 2010

1a Legal form

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

b Principal activities and corporate development

During the year under review, the Company engaged in general insurance business and maintained offices in major cities with corporate headquarters in Victoria Island, Lagos.

	2010 N	2009 N
2. Cash and bank balances		
Cash in hand	215,343	-
Balance with banks	175,918,058	143,052,555
	<u>176,133,401</u>	<u>143,052,555</u>
3a Short term investments		
Bankers acceptances	5,688,817	7,621,289
Fixed deposits	923,161,996	546,424,911
Fund under management	404,926,205	433,409,598
	<u>1,333,777,018</u>	<u>987,455,798</u>
Provision for doubtful investments	(13,540,022)	-
	<u>1,320,236,996</u>	<u>987,455,798</u>
b. Long term investments		
Quoted investment (Market value)	10,716,027	-
Unquoted ordinary shares (Note 3c)	2,000,000	2,000,000
	<u>12,716,027</u>	<u>2,000,000</u>

The directors are of the opinion that the market value of unquoted investments is not lower than cost

c. Movement in unquoted ordinary shares

At 1 January	2,000,000	17,000,000
Disposal during the year	-	(15,000,000)
At 31 December	<u>2,000,000</u>	<u>2,000,000</u>

d. Investment in subsidiaries

%

CHI Capital	99.9 <u>126,407,680</u>	<u>126,407,680</u>
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CHI Capital is yet to commence full operations.

e. Investment properties (Note 10)

	<u>780,907,593</u>	<u>780,907,593</u>
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Some fixed assets, which were not occupied but used to generate income were transferred to investment properties in line with Statement of Accounting Standard (SAS) 13.



Notes on the Accounts (cont'd) For the year ended 31 December, 2010

e 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 statement of accounting standard (SAS) 13. Some of these properties retained the title of one of the legacy companies made up Consolidated Hallmark Insurance plc. There is no dispute as to the title of Consolidated Hallmark Insurance plc to these properties. However, in line with NAICOM requirement, provided below is the list of these properties and status of efforts to change their title names to Consolidated Hallmark Insurance plc.

S/N	TYPE OF ASSET	ADDRESS	AMOUNT	CURRENT TITLE HOLDER	STATUS ON CHANGE OF TITLE
1			N		
2	Building	NO 30 East Street, Rivers Layout Aba, Abia State	114,473,220.20	Hallmark Assurance plc (Legacy company)	Lawyer engaged to process change of the name of title holder to Consolidated Hallmark Insurance plc.
3	Building	219, 220 AND 221, akukwe Street, Works Layout Owerri, Imo State	229,229,954.00	Hallmark Assurance plc (Legacy company)	Lawyer engaged to process change of the name of title holder to Consolidated Hallmark Insurance plc.
4	Building	Rivers State Housing Estate Abuloma PH	38,158,055.08	Hallmark Assurance plc (Legacy company)	Lawyer engaged to process change of the name of title holder to Consolidated Hallmark Insurance plc.
5	Land	Plot 3 Sea Gate Estate, Phase 1 Lekki Peninsula Eti Osa	38,160,890.21	Hallmark Assurance plc (Legacy company)	Lawyer engaged to process change of the name of title holder to Consolidated Hallmark Insurance plc.
6	Building	Plot A/5 Pocket Layout (Clerk Quarters) Owerri Imo State	203,507,737.00	Hallmark Assurance plc (Legacy company)	Lawyer engaged to process change of the name of title holder to Consolidated Hallmark Insurance plc.
7	Building	Plot 33 Chief Ogbonda Layout Rumuogba Port harcourt	139,911,923.58	Hallmark Assurance plc (Legacy company)	Lawyer engaged to process change of the name of title holder to Consolidated Hallmark Insurance plc.
8	Land	Plot 14,1(W) Road, First Avenue Lugbe Estate Abuja	15,263,411.04	Hallmark Assurance plc (Legacy company)	Lawyer engaged to process change of the name of title holder to Consolidated Hallmark Insurance plc.
9	Shops	Trade Fair Shopping Complex	2,202,402.00	Consolidated Hallmark Insurance plc	Already exist in the name of Consolidated Hallmark Insurance plc.
		TOTAL	780,907,593.00		



Notes on the Accounts (cont'd) For the year ended 31 December, 2010

	2010 N	2009 N
4 Premium Debtors		
Direct premium	308,993,468	341,721,494
Amount due from re-insurance and insurance companies	294,382,162	247,960,506
Amount due from insurance brokers and agents	<u>1,491,468,967</u>	<u>1,417,132,649</u>
	2,094,844,597	2,006,814,649
Provision for bad and doubtful debts (Note 4a)	<u>(931,348,850)</u>	<u>(856,674,286)</u>
	<u>1,163,495,747</u>	<u>1,150,140,363</u>
4a Provision for bad and doubtful debts		
At 1 January	856,674,286	474,824,887
Charge for the year	<u>74,674,564</u>	<u>381,849,399</u>
At 31 December	<u>931,348,850</u>	<u>856,674,286</u>
4b The age analysis of premium debtors and related provisions are as follows		
	Gross Premium	Provision
Under 90 Days	956,443,860	-
91 - 180 days	414,103,795	207,051,897
Above 180 days	724,296,943	724,296,943
	<u>2,094,844,598</u>	<u>931,348,840</u>
5 Prepaid re-insurance premium/ceded premiums		
Ceded premium-Motor	51,342,811	545,310
Ceded premium-Fire	39,919,346	31,111,275
Ceded premium-General Accident	34,768,579	24,913,543
Ceded premium-Marine	40,162,552	31,595,522
Ceded premium-Aviation	68,412,664	64,611,445
Ceded premium-Oil & Gas	127,444,224	42,728,161
Ceded premium-Engineering	7,060,549	13,882,412
Ceded premium-Bond	4,771,068	7,373,413
	<u>373,881,793</u>	<u>216,761,081</u>
Balance as at 31 December	<u>373,881,793</u>	<u>216,761,081</u>
6 Other debtors & prepayments		
Prepayments	63,351,344	83,095,852
Prepaid expenses to staff	3,457,676	124,000
Staff loans	12,624,897	14,708,228
Intercompany balance	34,592,026	-
	<u>114,025,943</u>	<u>97,928,080</u>



Notes on the Accounts (cont'd) For the year ended 31 December, 2010

	2010 N	2009 N
7. Investments in leases		
At 1 January	113,831,770	139,393,457
Movement during the year	4,489,755	93,270,083
Gross investment	<u>118,321,525</u>	<u>232,663,540</u>
Unearned income	-	(118,831,770)
Net investment	118,321,525	113,831,770
Provisions	<u>(67,749,070)</u>	<u>(32,351,064)</u>
At 31 December	<u>50,572,455</u>	<u>81,480,706</u>
<i>Analysis by performance:</i>		
Performing	15,210,450	81,480,706
Non-performing	<u>35,362,005</u>	<u>32,351,064</u>
	<u>50,572,455</u>	<u>113,831,770</u>
<i>Analysis by maturity</i>		
0 - 30 days	35,362,005	108,135,937
1 - 3 months	5,415,499	5,695,833
3 - 6 months	5,415,499	-
6 - 12 months	<u>4,379,452</u>	-
	<u>50,572,455</u>	<u>113,831,770</u>
<i>Movement in provision - investments in leases:</i>		
At 1 January	-	-
Addition	<u>35,398,006</u>	-
At 31 December	<u>35,398,006</u>	-
Interest in suspense	<u>32,351,064</u>	<u>32,351,064</u>

8. Deferred Acquisition Expenses

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

	2010 N	2009 N
At 1 January	73,874,443	85,959,125
Increase/(decrease) during the year	25,961,140	(12,084,682)
At 31 December	<u>99,835,583</u>	<u>73,874,443</u>

This represents unexpired commissions as at 31/12/2010.

9. Statutory Deposits

	2010 N	2009 N
	<u>300,000,000</u>	<u>300,000,000</u>

This deposit represents the amount deposited with the Central Bank of Nigeria as at 31st December, 2008, in accordance with section 9(1) and Section 10(3) of Insurance Act 2003-N300,000,000(2009-N300,000,000)



Notes on the Accounts (cont'd) For the year ended 31 December, 2010

10. Fixed assets	Land & building N	Office equipment N	Furniture & fittings N	Motor vehicles N	Leasehold motor vehicles N	Computer equipment N	Total N
Costs/Valuations							
At 1 January 2010	755,020,475	61,617,370	79,175,566	187,006,182	32,400,000	171,600,734	1,286,820,327
Additions	28,815,000	3,743,800	2,408,940	12,943,500	-	4,805,477	52,716,717
Disposals	-	-	-	(3,999,567)	(2,650,000)	-	(6,649,567)
At 31 December 2010	<u>783,835,475</u>	<u>65,361,170</u>	<u>81,584,506</u>	<u>195,950,115</u>	<u>29,750,000</u>	<u>176,406,211</u>	<u>1,332,887,477</u>
Accumulated Depreciations							
At 1 January 2010	45,300,000	24,887,372	34,552,204	97,468,147	16,886,971	68,266,848	287,361,542
Charge in the year	15,190,927	8,368,268	10,609,915	24,803,675	6,480,000	24,681,259	90,134,044
Disposal	-	-	-	(914,707)	(1,060,000)	-	(1,974,707)
Transfers/reclassification	-	-	-	10,593,638	(10,593,638)	-	-
At 31 December 2010	<u>60,490,927</u>	<u>33,255,640</u>	<u>45,162,119</u>	<u>131,950,753</u>	<u>11,713,333</u>	<u>92,948,107</u>	<u>375,520,879</u>
Net book value							
At 31 December 2010	<u>723,344,548</u>	<u>32,105,530</u>	<u>36,422,387</u>	<u>63,999,362</u>	<u>18,036,667</u>	<u>83,458,104</u>	<u>957,366,598</u>
At 31 December 2009	<u>709,720,475</u>	<u>36,729,998</u>	<u>44,623,362</u>	<u>89,538,035</u>	<u>15,513,029</u>	<u>103,333,886</u>	<u>999,458,785</u>

Some fixed assets were professionally re-valued as at 31 December, 2006, by Messrs Adegboyega Sanusi & Co. on the basis of open market values. This values were incorporated in the books at that date. The surplus arising on the revaluation over the written down values is treated in these financial statements as fixed assets revaluation reserve (Note 15). Revaluation is carried out at the discretion of the directors and it is considered as and when necessary.

10b. Accumulated Depreciation

The movement of N10,593,638 on accumulated depreciation from leasehold motor vehicle to motor vehicles represent depreciation on motor vehicle in previous year wrongly classified as depreciation on leasehold motor vehicle

Notes on the Accounts (cont'd) For the year ended 31 December, 2010

	2010 N	2009 N				
11. Creditors & accruals						
Due to agents, reinsurance companies and brokers (11a)	151,783,120	43,296,151				
Lease payable (due within one year)	9,217,216	32,400,000				
Sundry creditors and accruals	28,417,872	41,001,651				
Legacy companies current accounts	6,149,821	3,643,077				
	<u>195,568,029</u>	<u>120,340,879</u>				
11a Due to agents, reinsurance companies and brokers						
Agents	79,358	44,086				
Brokers	200,117	200,117				
Insurance companies	57,995,973	38,786,550				
Reinsurance companies - local	93,507,672	4,209,386				
	<u>151,783,120</u>	<u>43,240,139</u>				
12. Insurance funds	2010	2010	2010	2009	2009	2009
		Provision for			Provision for	
a Reserve for outstanding claims	Gross	IBNR	Total	Gross	IBNR	Total
	N	N	N	N	N	N
Fire	6,042,044	604,204	6,646,248	5,513,929	551,393	6,065,322
General Accident	9,825,234	982,523	10,807,757	15,558,304	1,555,830	17,114,134
Motor	35,003,982	3,500,398	38,504,380	22,431,929	2,243,193	24,675,122
Marine	7,930,989	793,099	8,724,088	13,177,051	1,317,705	14,494,756
Bond	4,090,909	409,091	4,500,000	4,090,909	409,091	4,500,000
Engineering	1,669,373	166,937	1,836,310	2,281,818	228,182	2,510,000
	<u>64,562,531</u>	<u>6,456,252</u>	<u>71,018,783</u>	<u>63,053,940</u>	<u>6,305,394</u>	<u>69,359,334</u>
b. Insurance fund:	2010	2009				
Provision for unexpired risks	N	N				
Fire	51,800,995	38,929,353				
General accident	112,021,356	99,790,647				
Motor	332,150,487	205,682,535				
Marine	15,145,122	15,041,006				
Oil & gas	60,682,810	4,982,733				
Engineering	18,510,301	7,832,521				
Aviation	104,697,444	118,272,800				
Total insurable funds	<u>695,008,515</u>	<u>490,531,595</u>				



Notes on the Accounts (cont'd) For the year ended 31 December, 2010

13. Share capital

	Number	2010 N	Number	2009 N
<i>Authorised:</i>				
10billion ordinary shares of 50k each	<u>10,000,000,000</u>	<u>5,000,000,000</u>	<u>10,000,000,000</u>	<u>5,000,000,000</u>
Issued and fully paid:	Number	2010 N	Number	2009 N
Ordinary share of 50k each 6,000,000,000 at 31 December	6,000,000,000	<u>3,000,000,000</u>	6,000,000,000	<u>3,000,000,000</u>

14. Statutory contingency reserve

Balance as at 1 January	278,593,850	185,900,070
Transfer from profit and loss account	91,727,587	92,693,780
Balance as at 31 December	<u><u>370,321,437</u></u>	<u><u>278,593,850</u></u>

This is maintained in compliance with section 21(1) and (2) and 22(16) of the Insurance Act 2003.

15. Fixed assets revaluation reserve

At 31 December	<u>24,811,148</u>	<u>24,811,148</u>
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Notes on the Accounts (cont'd) For the year ended 31 December, 2010

	2010 N	2009 N
16. Investment revaluation reserve		
Balance as at 1 January	-	-
Movement during the year	-	(32,033,745)
	<u>-</u>	<u>(32,033,745)</u>
Diminution transferred to income and expenditure	-	32,033,745
Balance as at 31 December	<u>-</u>	<u>-</u>
17. Revenue reserve		
At 1 January	305,634,795	455,655,406
Dividend proposed and paid during the year based on the previous year account	-	(300,000,000)
Transfer from profit & loss account	119,847,002	149,979,389
At 31 December	<u>425,481,797</u>	<u>305,634,795</u>

18. Capital Reserve/ Goodwill arising from Consolidation

	Hallmark Assurance Plc N'000	Nigerian General Insurance Co. Ltd. N'000	General N'000	Total N'000
Net assets as at 1 March 2007	1,758,231	442,419	-	2,200,650
Adjustments (Note 18a)	562,193	(54,589)	(96,941)	410,663
Final Net Assets taken over as at 1 March 2007	<u>2,320,424</u>	<u>387,830</u>	<u>(96,941)</u>	<u>2,611,313</u>
Value of Shares issued	(1,500,000)	(600,000)	-	(2,100,000)
	<u>820,424</u>	<u>(212,170)</u>	<u>(96,941)</u>	<u>511,313</u>
Recapitalisation expenses	-	-	(95,693)	(95,693)
Adjustment (Note 18a)	10,716	(51,388)	-	(40,672)
Capital reserve/ (goodwill)	<u>831,140</u>	<u>(263,558)</u>	<u>(192,634)</u>	<u>374,948</u>

18a. Adjustments arose from the review of assets and liabilities of legacy entities subsequent to the merger date in line with provision of article 11(1) of the Memorandum of Understanding (MOU) dated 20th February 2007.



Notes on the Accounts (cont'd) For the year ended 31 December, 2010

	2010 N	2009 N
19. Profit before taxation		
Profit before taxation is stated after charging/crediting:		
Depreciation of fixed assets	90,134,044	116,114,966
Auditors' remuneration	3,500,000	3,500,000
Directors' remuneration:		
Fees	3,100,000	2,790,000
Other remuneration	8,160,000	28,020,000
Loss on disposal of fixed assets	1,323,351	(809,095)
Foreign exchange(gains)/loss	<u>(13,214,546)</u>	<u>26,688,141</u>

20. Gross/net premium earned & commission received
Analysed as follows

	Gross premium	Net premium	Commission received	Gross premium	Net premium	Commission received
		2010 N			2009 N	
Fire	159,691,968	92,563,520	25,920,647	163,709,038	130,340,861	16,672,012
Gen. Accdt.	637,972,229	574,692,435	19,179,018	366,398,757	316,712,986	13,896,655
Motor	854,483,529	823,098,441	724,729	1,297,205,516	1,265,447,454	693,870
Aviation	341,882,856	209,009,598	-	476,194,433	176,991,909	17,651,743
Oil & Gas	483,653,326	137,298,781	4,743,227	315,325,053	169,336,533	27,203,891
Marine	233,740,516	179,169,389	12,035,771	274,269,085	229,469,773	15,463,609
Engineering	121,543,078	102,416,924	3,383,680	74,765,655	62,076,035	6,147,732
Bond	<u>20,141,821</u>	<u>10,025,821</u>	<u>1,833,605</u>	<u>55,151,989</u>	<u>43,775,093</u>	<u>3,862,855</u>
	<u>2,853,109,323</u>	<u>2,128,274,909</u>	<u>67,820,677</u>	<u>3,023,019,526</u>	<u>2,394,150,644</u>	<u>101,592,367</u>

21. Reinsurance Cost

The cost of reinsurance is analysed as follows:

	2010 N	2009 N
Reinsurance premium paid	881,955,126	414,545,494
(Increase)/(decrease prepaid reinsurance (Note 5))	(157,120,712)	214,323,391
Reinsurance cost	<u>724,834,414</u>	<u>628,868,885</u>

22. Diminution of investments

This represents diminution in the value of investments during the year as given below:

	2010 N	2009 N
Investment in leases	35,398,006	-
Bankers acceptances	<u>13,540,022</u>	-
	<u>48,938,028</u>	<u>-</u>



Notes on the Accounts (cont'd) For the year ended 31 December, 2010

	Acquisition expenses 2010 N	Maintenance expenses 2010 N	Acquisition expenses 2009 N	Maintenance expenses 2009 N
23. Underwriting expenses				
Fire	31,032,026	13,094,456	26,883,774	6,767,162
Gen. Accdt.	139,152,615	49,338,640	71,936,521	14,418,007
Motor	96,511,565	74,436,471	144,789,401	53,954,125
Aviation	69,394,573	24,912,600	41,971,744	16,168,786
Oil & Gas	55,112,148	40,927,166	43,561,412	12,964,008
Marine	43,666,916	17,744,577	44,698,726	12,189,081
Engineering	24,117,988	10,033,171	13,588,574	2,844,024
Bond	4,040,105	1,528,400	9,575,181	2,502,323
	<u>463,027,936</u>	<u>232,015,481</u>	<u>397,005,333</u>	<u>121,807,516</u>
24a. Investment income		52,324,307	83,291,025	
Interest received-fixed deposit		6,670,998	6,473,032	
Dividend received		<u>58,995,305</u>	<u>89,764,057</u>	
24b. Other income		-	809,095	
Profit on disposal of fixed assets		2,195,822	3,240,902	
Lease rental		-	6,152,175	
Income on investment properties		13,214,545	26,688,141	
Exchange gain		2,161,185	33,468,600	
Others		<u>17,571,552</u>	<u>70,358,913</u>	
25. Exceptional item				
This represents diminution in the value of investments during the year as given below:				
Fund under management		-	68,524,717	
Quoted Investments		-	31,402,697	
		<u>-</u>	<u>99,927,414</u>	
26. Earnings per share				
Earnings per share is calculated on the net profits after taxation based on the share capital in issue at 31 December		<u>3.53</u>	<u>4.04</u>	
27. Information Technology Development		<u>2,532,523</u>	<u>4,634,689</u>	



Notes on the Accounts (cont'd) For the year ended 31 December, 2010

The Nigeria 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.

28. Taxation	2010 N	2009 N
a. Per profit and loss account		
Income tax based on profit for the year	47,498,673	151,933,334
Education tax	8,068,063	12,028,932
Charge to profit	<u>55,566,736</u>	<u>163,962,266</u>
b. Per balance sheet		
At 1 January	162,925,217	53,341,472
Payments during the year	<u>(29,219,131)</u>	<u>(59,013,210)</u>
	133,706,086	(5,671,738)
Charge for the year	58,099,259	168,596,955
At 31 December	<u>191,805,345</u>	<u>162,925,217</u>

The charge for taxation in these accounts is based on the provisions of the Companies Income Tax Act CAP C21LFN 2004 as amended and the Education Tax CAP E4 LFN 2004

c. Deferred taxation	2010 N	2009 N
Per profit and loss account		
Write back/ Charge for the year	<u>(16,421,531)</u>	<u>52,198,777</u>
Per Balance Sheet		
At 1 January	143,038,601	90,839,824
Charge for the year	<u>(16,421,531)</u>	<u>52,198,777</u>
At 31 December	<u>126,617,070</u>	<u>143,038,601</u>

The company has adopted the Statement of Accounting Standard SAS 19 on deferred taxation which is now computed using liability method.



Notes on the Accounts (cont'd) For the year ended 31 December, 2010

29. Staff	2010 N	2009 N
Average number of persons employed in the financial year and staff costs were as follows:		
	Number	Number
Managerial	25	25
Senior Staff	90	98
Junior Staff	37	37
	152	160
30. Staff costs	N	N
Wages & salaries	221,995,826	272,728,581
Paye	-	11,202,601
Medical	6,821,767	608,630
Staff training	24,154,884	35,961,599
Pension	12,119,523	24,947,196
	265,092,000	345,448,607
31. Pension		
At 1 January	10,022,612	7,553,888
Provision during the year	12,119,523	24,947,196
Payment during the year	(11,214,321)	(22,478,472)
At 31 December	10,927,814	10,022,612
32. Chairman's and director's emolument's, pensions and Compensation for Loss of Office:	N	N
Emoluments:	400,000	400,000
Chairman	2,100,000	2,100,000
Other directors	8,160,000	8,160,000
Other emolument of executives	6,000,000	6,000,000
Emolument of highest paid director	6,000,000	6,000,000
The number of directors excluding the chairman whose emoluments were within the following ranges were:		
	2010 Number	2009 Number
NIL - N50,000	Nil	Nil
N50001 - N60,000	Nil	Nil
N60001 - N80,000	Nil	Nil
above N80,000	9	9
Emoluments waived		
Number of directors who have waived their rights to receive emoluments.	Nil	Nil





Notes on the Accounts (cont'd) For the year ended 31 December, 2010

33. Employees remunerated at higher rates

The number of employees in respect of emoluments within the following ranges were:

	2010 (Number)	2009 (Number)
N100,001 - 200,000	-	8
N200,001 - 300,000	2	12
N300,001 - 400,000	7	34
N400,001 - 500,000	5	4
N500,001 - 600,000	12	-
N600,001 - 700,000	2	-
N700,001 - 800,000	5	12
N800,001 - 900,000	-	6
N900,001 - 1,000,000	26	16
N1,000,001 and above	<u>93</u>	<u>44</u>

34. Capital commitments

There were no capital commitments at 31 December 2010

35. Contingent liabilities

There were no material contingent liabilities at 31 December 2010

36. Comparative figures

Where necessary, comparative figures have been adjusted to conform with changes in presentation of the current year in accordance with the Statement of Accounting Standard No 2 (SAS 2)

37. Post balance sheet events

No events or transactions have occurred since the balance sheet date, which would have a material effect upon the financial statements at that date or which need to be mentioned in the financial statements.

38. Segment information

Segment information is presented in respect of the Company's business segments, which represents the primary segment reporting format and is based on the Company's management and reporting structure. No geographical segment information has been provided in these financial statements as there is only one geographical segment.

Business segments charge and earn interest among themselves on a transfer pricing arrangement to reflect the assets and liabilities.

Business segments

The Company operates Non-life (General) business, which includes general insurance transactions with individual and corporate customers.

39. Proposed dividend

In respect of the current year, the directors have proposed that a dividend of 3kobo per ordinary share be paid to shareholders. The dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as liability in the financial statements in accordance with the statement of accounting standard 23. The proposed dividend is subject to withholding tax at the appropriate tax rate and is payable to shareholders whose name appear in the register of members at closure date. The gross dividend proposed is N180,000,000

40. Approval of financial statements

The Financial Statements were approved by the Board of Directors on 12th of May, 2011.

Statement of Value Added For the year ended 31 December, 2010

	2010 N	%	2009 N	%
Income				
Gross premium earned	2,853,109,323		3,023,019,526	
Commission Received	67,820,676		101,592,367	
Investment and other income	76,566,857		160,122,970	
	<u>2,997,496,856</u>		<u>3,284,734,863</u>	
Less:				
Reinsurance, claims and commissions	1,558,820,869		1,332,168,275	
Other expenses and services - local	1,036,333,996		1,619,504,946	
- imported	-		-	
Increase in Insurable Fund	(206,136,369)		(591,970,833)	
	<u>2,389,018,496</u>		<u>2,359,702,388</u>	
Value Added	<u>608,478,360</u>	<u>100</u>	<u>925,032,475</u>	<u>100</u>
Applied as follows:				
To pay employees' salaries, wages and other benefits	265,092,000	43	345,448,607	37
To pay taxation	41,677,728	7	220,795,732	24
Depreciation	90,134,043	15	116,114,967	13
Transfer to contingency reserve	91,727,587	15	92,693,780	10
Retained profit	119,847,002	20	149,979,389	16
	<u>608,478,360</u>	<u>100</u>	<u>925,032,475</u>	<u>100</u>

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



Five-Year Financial Summary For the year ended 31 December, 2010

	2010 N	2009 N	2008 N	2007 N	2006 N
Results					
Gross premium written	3,057,586,242	2,454,929,044	3,043,296,387	1,506,209,059	508,368,380
Net Premium earned	2,853,109,323	3,023,019,526	2,321,385,568	976,581,124	449,766,767
Profit / (Loss) before tax	253,252,317	463,468,901	301,978,879	237,089,706	87,334,978
Profit/ (Loss) after tax	<u>211,574,589</u>	<u>242,673,169</u>	<u>360,457,830</u>	<u>230,006,854</u>	<u>56,870,711</u>
Earnings per share (k)	<u>3.53</u>	<u>4.04</u>	<u>6.0</u>	<u>3.8</u>	<u>4.3</u>
Balance Sheet					
Assets					
Current assets	1,927,372,467	1,681,756,522	2,082,506,784	993,636,373	332,952,093
Investments	2,290,840,751	1,978,251,777	1,393,531,937	1,476,105,171	723,096,145
Statutory deposits	300,000,000	300,000,000	300,000,000	300,000,000	20,000,000
Fixed assets	957,366,598	999,458,786	1,831,662,281	1,881,931,887	72,248,470
Total Assets	<u>5,475,579,816</u>	<u>4,959,467,085</u>	<u>5,607,701,002</u>	<u>4,651,673,431</u>	<u>1,148,296,708</u>
Liabilities					
Current liabilities	387,373,374	283,266,097	283,013,573	196,567,907	58,947,186
Deferred taxation	126,617,070	143,038,601	90,839,824	42,746,700	9,517,025
Insurance Funds	766,027,298	559,890,929	1,151,861,762	675,711,250	179,098,270
Share capital	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000	665,155,330
Capital reserve	374,947,692	364,231,665	415,619,219	415,619,220	-
Bonus issue reserve	-	-	-	-	158,370,317
Reserves	795,803,234	584,228,645	641,555,476	281,097,643	51,090,788
Investments revaluation reserve	-	-	-	15,119,563	1,306,644
Assets revaluation reserve	24,811,148	24,811,148	24,811,148	24,811,148	24,811,148
Total Liabilities	<u>5,475,579,816</u>	<u>4,959,467,085</u>	<u>5,607,701,002</u>	<u>4,651,673,431</u>	<u>1,148,296,708</u>





Share Capital History

Year	Authorized		Issued and Fully Paid		Consideration
	Increase	Cumulative	Increase	Cumulative	
1991	5,000,000	5,000,000			
1992	10,000,000	15,000,000	3,611,881	3,611,881	Cash
1993	-	15,000,000	1,500,000	5,111,881	Cash
1994	-	15,000,000	-	5,111,881	No Change
1995	15,000,000	30,000,000	14,888,119	20,000,000	Cash
1996	-	30,000,000	-	20,000,000	No Change
1997	-	30,000,000	-	20,000,000	No Change
1998	-	30,000,000	5,601,651	25,601,651	Bonus
1999	-	30,000,000	239,500	25,841,151	Cash
2000	-	30,000,000	259,632	26,100,783	Cash
2001	-	30,000,000	-	26,100,783	No Change
2002	-	30,000,000	-	26,100,783	No Change
2003	320,000,000	350,000,000	223,899,217	250,000,000	Cash
2004	150,000,000	500,000,000	50,000,000	300,000,000	No Change
2005	500,000,000	1,000,000,000	-	300,000,000	No Change
2006	-	1,000,000,000	365,155,330	665,155,330	cash
2007	4,000,000,000	5,000,000,000	2,334,844,670	3,000,000,000	Acquisition/Bonus
2008	-	5,000,000,000	-	3,000,000,000	No Change
2009	-	5,000,000,000	-	3,000,000,000	No Change
2010	-	5,000,000,000	-	3,000,000,000	No Change



Photo News



Enitan Banjo of the Finance Group, Consolidated Hallmark Insurance plc being presented with the Team Player Of The Year 2010 Award by the Managing Director, Mr. Eddie Efekoha

From left, O. P. Anyim, Dotun Adeogun both of Consolidated Hallmark Insurance plc' Mr. Phillip of The Lagos State Motherless Home, Lekki, & Maria Adekola of Consolidated Hallmark, during the Annual Children's Day presentation of gift items to the orphanage.



Simon Anionwe of Consolidated Hallmark Insurance plc, displaying the company's banner during The Annual Fitness Walk organised by the Chartered Insurance Institute Of Nigeria(CIIN)



Management Team

Eddie Efekoha // Managing Director/Chief Executive Officer

Obashola Alo // Executive Director,

Bode Opadokun // General Manager

Mac Ekechukwu // General Manager

Ijeoma Pearl Okoro // General Manager

Tunde Daramola // General Manager

Gbolaga Adeyanju // Deputy General Manager

Kate Itua // Assistant General Manager

Bariu Abdul Gaffar // Controller

Mary Adeyanju // Controller

Shola Osho // Controller

Jimalex Orjiako // Senior Manager

Promise Anyim // Senior Manager

Ose Oluyanwo // Senior Manager

Gboyega Adetoki // Senior Manager

Olu Adeoye // Senior Manager

Tope Ilesanmi // Senior Manager

Oyenike Nihinlola // Senior Manager

Chukumah Uwajeh // Manager

Gloria Edemcord // Manager

Oladotun Adeogun // Manager

Charles Nwanze // Manager

Rosemary Maduakor // Manager

Goddy Ezeala // Manager

Saint Huomah // Manager

Job Oyedele // Manager



Branch Network

CORPORATE HEAD OFFICE

Plot 33D Bishop Aboyade Cole Street
Victoria Island
Lagos
Tel: 01-4618222-5
Fax: 01-4618380
e-mail: info@consolidatedhallmark.com
Website: www.consolidatedhallmark.com

REGIONAL OFFICES

ABUJA OFFICE

MetroPlaza Annex B
Plot 991/992 Zakariya Maimalari Street
Central Business District
Tel: 09 2347 965 Fax: 09 780 4398
abuja@consolidatedhallmark.com

LAGOS CONTROL OFFICE

Consolidated Hallmark Insurance House
266, Ikorodu Road,
Obanikoro,
Lagos
Tel.01-2700273 Fax.01-2700272
e-mail: control@consolidatedhallmark.com

PORT-HARCOURT OFFICE

52 Emekuku Street
Amazing Grace Plaza
D/Line,
Tel: 084-234608 Fax: 084 462 061
phc@consolidatedhallmark.com

Aba Office

4, Eziukwu Road,
Tel/Fax:082-223216
aba@consolidatedhallmark.com

Akure Office

3rd Floor
Bank of Industry (BOI)
House Obanikoro,
Alagbaka, Akure
Tel.034 243 644
akure@consolidatedhallmark.com

Calabar Office

26, Etta Agbor Road
Calabar
Tel.0703 956 8107
E-Mail: cal@consolidatedhallmark.com

Enugu Office

77, Ogui Road,
Tel: 07039568107
Fax:042-255813
enugu@consolidatedhallmark.com

Kaduna Office

24, Constitution Road
Kaduna
Tel/Fax:062-240961
kad@consolidatedhallmark.com

Kano Office

17 Zaria Road
Gyadi Gyadi
Tel: 064-662 432
Fax: 064-642 456
kano@consolidatedhallmark.com

Onitsha Office

41, New Market Road, Onitsha
Tel/Fax:046-413840
onitsha@consolidatedhallmark.com

Orlu Office

3, L. N. Obioha Road
Tel/Fax:083-520 590
orlu@consolidatedhallmark.com

Ibadan Office

Ibrafund House
(Green House), Ring Road,
Tel:02-2008281 Fax:02-2311804
ibd@consolidatedhallmark.com

Owerri Office

5B Okigwe Road
Opp. Govt. College, Owerri
Tel.083-234306,083-303992
owerri@consolidatedhallmark.com

Warri Office

179, Jakpa Road, Effurun
Tel.0703 956 8540
warri@consolidatedhallmark.com

Yenegoa Office

Abriaka Eri House
53, Mbiama/Yenegoa Road,
Yenezue-Gene Yenegoa,
Tel.0703 353 9517
yen@consolidatedhallmark.com



Get your dividend the instant you need it with
E-Dividend Payment
MANDATE FOR DIVIDEND PAYMENT TO BANKS(E-Dividend)



To:

The Register,
Meristem Registrars Limited,
213, Herbert Macaulay Way,
Adekunle, Yaba,
Lagos.

213, Herbert Macaulay Way,
Sabo-Yaba,
P.O. Box 51585,
Falomo-Ikoyi,
Lagos.

Phone: 01-8920491, 8920492
Fax: 01-2702361

E-mail: info@meristemregistrars.com
Website: www.meristemregistrars.com

I/We hereby request that from now on all, my/our dividend warrant(s) due to me or/our holding(s) in Consolidated Hallmark Insurance Plc be paid to my/our Bank named Below.

Paid to my/our Bank Name Bellow.

Bank Name: _____

Bank Address: _____

Account Number: _____

Shareholders' Full Name: _____

Shareholders' Address: _____

E-mail: _____

Mobile No _____
CSCS CHN _____ CSCS A/C NO: _____

Single Shareholder's Signature: _____

Joint Shareholder's Signature:

(1) _____

(2) _____

If Company,
Authorized Signatory:

(1) _____

(2) _____

Company Seal:

Authorized Signature & Stamp of Bankers: _____

Sort Cod

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e-DIVIDEND PAYMENT
One Stop Solution to Unclaimed Dividend
Take advantage of it!



16th Annual General Meeting to be held at Protea Hotel, Oakwood Park, Lekki Expressway, Lekki Peninsula, Lagos, on Thursday 28th July, 2011, at 11.00 a.m.

I / We _____
of _____

Being a member / members of Consolidated Hallmark Insurance plc hereby appoint**

_____ of _____
or failing him the Chairman of the Company as my / our proxy to act and vote for me / us on my / our behalf at the Annual General Meeting of the Company to be held on the 28th July, 2011 and any adjournment thereof.

Dated this _____ day of _____ 2011
Shareholder's Signature _____

ORDINARY BUSINESS		FOR	AGAINST
	To receive the Reports and Financial Statements		
1	To declare Dividend		
2	To re-elect Directors		
3	To re-appoint the Auditors To authorize the Directors to fix the remuneration of the Auditors		
4	To elect members of the Audit Committee		
5	SPECIAL BUSINESS		
6	To approve the remuneration of the Directors		
Please indicate with "X" in the appropriate square how you wish your votes to be cast on the resolutions set above. Unless otherwise instructed, the proxy will vote or abstain from voting at his discretion.			

NOTE

- (i) A Member (shareholder) entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy in his stead. All proxy forms should be deposited at the Company Secretary's Office not later than 48 hours before the time of holding the meeting.
- (ii) In the case of joint Shareholders, any of such may complete the form, but names of all joint Shareholders must be stated.
- (iii) If the Shareholder is a corporation, this form must be under its common seal or under the hand of an officer or attorney duly authorized.
- (iv) Provision has been made on this form for the Chairman of the Company to act as proxy. But if you wish, you may insert in the blank space on the form (marked **) the name of any person weather a Member of the Company or not, who will attend the meeting and vote on your behalf instead of the Chairman.
- (v) The proxy must produce the Admission Slip with the notice of Meeting to obtain entrance to the meeting.



ADMISSION SLIP

Please admit _____ to the Annual General Meeting of Consolidated Hallmark Insurance Plc which will hold at Protea Hotel, Oakwood Park, Lekki Expressway, Lekki Peninsula, Lagos.

Admission Slip must be produced by the shareholder or his proxy in order to obtain entrance to the Annual General Meeting.

Foundation Chambers
(Secretaries)

Name & Address of Shareholders _____

Number of Shares held _____

Postage
Stamp

MERISTEM REGISTERS
Meristem Registrars Limited,
213, Herbert Macaulay Way,
Adekunle, Yaba,
Lagos.
P.O. Box 51585, Ikoyi

ENDURING VALUES...



Enduring Values

The business of insurance goes beyond settling claims and taking policies. It's all about human beings, their fears, hopes, dreams, plans and how they will play out in their daily life and business.

Thus, this Annual Report theme appeals to the emotional essence of customers with the intention to reassure them of our core values and what Consolidated Hallmark stands for.