
This document is important and should be read carefully. If you are in any doubt about its content or the action to be taken, please consult your Stockbroker, Accountant, Banker, Solicitor or any other professional adviser for guidance immediately. Investors are advised to note that liability for false or misleading statements or acts made in connection with the Rights Circular is provided in sections 85 and 86 of the Investments and Securities Act No 29, 2007 (the "Act"). For information concerning certain risk factors which should be considered by prospective investors, see "risk factors" on page 35



CONSOLIDATED HALLMARK INSURANCE PLC

RC168762

Offer by Way of Rights Issue

2,032,500,000

Ordinary Shares of 50 kobo each at 52 kobo per Share

On the basis of 1 new ordinary share for every 4 ordinary shares of 50 kobo each held as at the close of business on **3rd February 2020**

The Rights being offered are tradable on the floor of the Nigerian Stock Exchange for the duration of the Rights Issue

Payable in full on acceptance

Acceptance List Opens: **24th February 2020**

Acceptance List Closes: **1st April 2020**

Lead Issuing House



PLANET CAPITAL LIMITED

RC986761

Joint Issuing Houses



RC672560



This Rights Circular and the securities which it offers have been cleared and registered by the Securities & Exchange Commission. The Investments and Securities Act No 29, 2007 provides for civil and criminal liabilities for the issue of a Rights Circular which contains false or misleading information. The clearance and registration of this Rights Circular and the securities which it offers do not relieve the parties of any liability arising under the Act for false and misleading statements or for any omission of a material fact in this Rights Circular.

www.sec.gov.ng

www.chiplc.com

TABLE OF CONTENT

DEFINITIONS.....	3
CORPORATE DIRECTORY	4
INDICATIVE TIMETABLE.....	6
SUMMARY OF THE ISSUE	7
DECLARATION BY THE ISSUER.....	10
THE ISSUE.....	12
DIRECTORS, COMPANY SECRETARY & OTHER PARTIES TO THE ISSUE	12
CHAIRMAN'S LETTER	15
OVERVIEW OF THE NIGERIAN INSURANCE INDUSTRY	17
1. OVERVIEW	17
OUTLOOK	21
OVERVIEW OF CONSOLIDATED HALLMARK INSURANCE PLC.....	22
1. HISTORICAL OVERVIEW	22
2. BUSINESS OVERVIEW	23
3. PRODUCTS AND SERVICE OFFERINGS	23
4. KEY STRENGTHS	29
5. FUTURE PLANS	29
6. BOARD OF DIRECTORS	30
7. GROUP STRUCTURE	354
8. RISK FACTORS.....	36
RESOLUTIONS OF THE BOARD OF DIRECTORS	37
RESOLUTIONS OF THE SHAREHOLDERS.....	39
LETTER FROM DIRECTORS ON GOING CONCERN STATUS	41
LETTER FROM AUDITORS ON GOING CONCERN STATUS.....	42
INCORPORATION BY REFERENCE.....	44
CONSOLIDATED FINANCIAL INFORMATION	45
STATUTORY AND GENERATION INFORMATION.....	50
1. INCORPORATION AND SHARE CAPITAL HISTORY.....	50
2. DIVIDEND HISTORY.....	51
3. SHAREHOLDING STRUCTURE.....	51
4. DIRECTORS' BENEFICIAL INTERESTS	52
5. INDEBTEDNESS.....	52
6. OFF BALANCE SHEET ITEMS.....	52
7. SUBSIDIARIES AND ASSOCIATED COMPANIES	52
8. CLAIMS AND LITIGATION	53
9. USE OF PROCEEDS	53
10. COSTS AND EXPENSES.....	53
11. MATERIAL CONTRACTS.....	53
12. UNCLAIMED DIVIDENDS.....	54
13. OVERVIEW OF CORPORATE GOVERNANCE	55
14. RESEARCH AND DEVELOPMENT	56
15. MERGERS AND TAKEOVERS.....	56
16. RELATIONSHIP BETWEEN THE COMPANY AND ITS ADVISERS.....	56
17. RELATED PARTY TRANSACTION	56
18. DECLARATIONS.....	56
19. CONSENTS	56
18. DOCUMENTS FOR INSPECTION	58
PROVISIONAL ALLOTMENT LETTER	58
RECEIVING AGENTS.....	61
ACCEPTANCE FORM.....	62

DEFINITIONS

In this document, unless otherwise stated or clearly indicated by the context, the following words have the meanings stated opposite them:

TERMS	DEFINITIONS
“CHI” or “the Company”	Consolidated Hallmark Insurance Plc
“CAMA”	Companies and Allied Matters Act Cap C20 Laws of the Federation of Nigeria 2004
“Council”	Council of The Nigerian Stock Exchange
“CSCS”	Central Securities Clearing System
“Daily Official List”	Daily Official List of The Nigerian Stock Exchange
“Directors”	The members of the Board of Directors of Consolidated Hallmark Insurance Plc who at the date of this document are those persons whose names are set out on page 12 of this Rights Circular
“EPS”	Earnings Per Share
“Planet Capital”	Planet Capital Limited
“Parties to the Issue”	Professionals engaged, whose roles will ensure the success of the Rights Issue
“FGN”	Federal Government of Nigeria
“NAICOM”	National Insurance Commission
“GDP”	Gross Domestic Product
“IFRS”	International Financial Reporting Standards
“Issue” or “Rights Issue”	The Rights Issue by way of provisionally allotting 2,032,500,000 Ordinary Shares of 50 kobo each in the Company to its members whose names appear on the Register of Members as at the close of business on 3rd February 2020 , on the basis of 1 new share for every 4 Ordinary shares held on that date
“Lead Issuing House”	Planet Capital Limited
“Joint Issuing Houses”	Iworld Financial Services Limited and SFS Financial Services Limited
“Management”	Management of Consolidated Hallmark Insurance Plc
“MPR”	Monetary Policy Rate

DEFINITIONS CONT'D

TERMS	DEFINITIONS
"NAICOM"	National Insurance Commission
"NEFT"	Nigeria Electronic Funds Transfer
"NIBOR"	Nigerian Inter-Bank Offered Rate
"paripassu"	Equal in all respects
"PAT"	Profit After Tax
"PBT"	Profit Before Tax
"Receiving Agents"	Any of the institutions listed on page 61 of this Rights Circular to which shareholders may return their completed Acceptance Forms together with payment/evidence of payment
"Receiving Bank"	Sterling Bank Plc
"Register of Members"	The register that records the names and addresses of the ordinary shareholders of the Company
"Registrars"	Meristem Registrars Limited
"Rights Circular"	This document, which is issued in accordance with the Rules and Regulations of the Commission
"RTGS"	Real Time Gross Settlement
"Shareholders"	Existing shareholders of the Company as at the Qualification Date (as defined in this Rights Circular)
"SEC" or "the Commission"	Securities & Exchange Commission
"Stockbrokers"	Planet Capital Limited
"NSE" or "The Exchange"	The Nigerian Stock Exchange
"Working Day" or "Business Day"	Any day other than a Saturday, Sunday or official public holiday declared by the Federal Government of Nigeria from time to time

CORPORATE DIRECTORY

HEAD OFFICE
266 Ikorodu Road,
Obanikoro,
Lagos

PORT HACOURT
52, Emekuku Street,
Amazing Grace Plaza,
Rivers

ABA
4, Ezikwu Road,
Abia

OWERRI
5B Okigwe Road,
Opp Govt College,
Owerri, Imo

KANO
17, Zaria Road ,
Gyadi Gyadi,
Kano

ONITSHA
41, New Market Road,
Onitsha, Anambra

VICTORIA ISLAND OFFICE
Plot 33D Bishop Aboyade Close
Victoria Island,
Lagos

ABUJA
Metro Plaza B,
Plot 991/992 Zakariya Maimalari Street,
Central Business District, Abuja

KADUNA
NK 9, Constitution Road
Kaduna

AKURE
3rd Floor, Bank of Industry (BOI) House,
Alagbaka,
Akure, Ondo

WARRI
179, Jakpa Road,
Effurun,
Delta

IBADAN
1st Floor , Navada Plaza,
140/142 Liberty Stadium Road
Oyo

ENUGU
77, Ogui Road
Enugu

INDICATIVE TIMETABLE

DATE	ACTIVITY	RESPONSIBILITY
Mon, 24 Feb 2020	Acceptance List opens/Trading in Rights begins	Issuing Houses/Stockbrokers
Wed, 1 Apr 2020	Acceptance List closes/Trading in Rights closes	Issuing Houses/Stockbrokers
Wed, 15 Apr 2020	Receiving Agents make returns	Issuing Houses/Receiving Agents
Wed, 22 Apr 2020	File allotment proposal and draft newspaper announcement with SEC	Issuing Houses
Wed, 29 Apr 2020	Receive SEC's clearance of allotment proposal	Issuing Houses
Thur, 30 Apr 2020	Pay net Issue proceeds to CHI	Receiving Banks
Mon, 4 May 2020	Publish Allotment announcement in two national dailies	Issuing Houses
Wed, 6 May 2020	Return surplus/rejected application monies	Receiving Banks/Registrars
Wed, 13 May 2020	Distribute share certificates/credit CSCS accounts	Registrars
Thur, 14 May 2020	Forward Declaration of Compliance to The NSE	Stockbrokers
Mon, 18 May 2020	Listing of new CHI shares/trading commences	Stockbrokers
Tue, 26 May 2020	Forward Issue summary report to the SEC	Issuing Houses

SUMMARY OF THE ISSUE

This summary is derived from information contained elsewhere in this Rights Circular and as such does not contain all of the information you should consider in making your investment decision. It should therefore be read together with the more detailed information, including the financial statements elsewhere in this Rights Circular.

* A resolution of shareholders for the increase to 20,000,000,000 units has been given but the requisite filing is yet to be made at the CAC.

Issuer:	Consolidated Hallmark Insurance Plc
----------------	-------------------------------------

Issuing Houses:	Planet Capital Limited, Iworld Financial Services Limited and SFS Financial Services Limited			
Share Capital:				
Authorised:	₦7,500,000,000 made up of 15,000,000,000 Ordinary shares of 50 kobo each *			
Issued and fully paid:	₦4,065,000,000 made up of 8,130,000,000 Ordinary shares of 50 kobo each			
Now being offered:	2,032,500,000 Ordinary shares of 50 kobo each at 52 kobo per share by way of Rights Issue			
Gross Issue proceeds:	₦1,056,900,000			
Method of Issue:	By way of Rights Issue			
Offer Price:	52 kobo			
Payment:	In full on Acceptance			
Purpose:	The net proceeds of the Issue will be applied towards enhancing the capitalization of Consolidated Hallmark Insurance Plc in order to meet the revised minimum statutory capital of ₦10,000,000,000 (Ten Billion Naira) recently stipulated by the National Insurance Commission; as being the statutory requirement for the operation of a non-life (general) insurance business.			
Utilization of proceeds:	The proceeds of the Rights Issue will be applied as follows:			
Provisional Allotment:	1 new Ordinary Share for every 4 Ordinary shares held at the close of business on 3rd February 2020 . Ordinary Shares which are not taken up at the closure of the Offer, will be allotted on a pro-rata (equal) basis to existing shareholders who applied and paid for additional shares over and above their provisional allotment. Shareholders who do not accept their provisional allotment in full may have their shareholding in the Company diluted.			
Opening Date:	24th February 2020			
Closing Date:	1st April 2020			
Market Capitalisation (pre Offer):	₦4,227,600,000			
Market Capitalisation (post Offer):	₦5,284,500,000			

Qualification Date:	3rd February 2020																																																								
Financial Summary:	<table border="1"> <thead> <tr> <th>N^o millions</th> <th>9 Months ended 30 Sept. 2019</th> <th>2018</th> <th>2017</th> <th>2016</th> <th>2015</th> <th>2014</th> </tr> </thead> <tbody> <tr> <td>Gross Premium Income</td> <td>6,474</td> <td>6,482</td> <td>5,543</td> <td>5,708</td> <td>5,876</td> <td>4,679</td> </tr> <tr> <td>PBT</td> <td>659</td> <td>460</td> <td>565</td> <td>361</td> <td>687</td> <td>188</td> </tr> <tr> <td>PAT</td> <td>519</td> <td>376</td> <td>355</td> <td>198</td> <td>534</td> <td>185</td> </tr> <tr> <td>Share Capital</td> <td>4,065</td> <td>4,065</td> <td>3,000</td> <td>3,000</td> <td>3,000</td> <td>3,000</td> </tr> <tr> <td>Total Assets</td> <td>11,159</td> <td>10,463</td> <td>9,393</td> <td>7,393</td> <td>6,964</td> <td>6,112</td> </tr> <tr> <td>Net Assets</td> <td>6,532</td> <td>6,058</td> <td>4,602</td> <td>4,367</td> <td>4,229</td> <td>3,814</td> </tr> <tr> <td>EPS (kobo)</td> <td>6.39</td> <td>5.36</td> <td>5.91</td> <td>3.30</td> <td>8.90</td> <td>3.08</td> </tr> </tbody> </table>	N ^o millions	9 Months ended 30 Sept. 2019	2018	2017	2016	2015	2014	Gross Premium Income	6,474	6,482	5,543	5,708	5,876	4,679	PBT	659	460	565	361	687	188	PAT	519	376	355	198	534	185	Share Capital	4,065	4,065	3,000	3,000	3,000	3,000	Total Assets	11,159	10,463	9,393	7,393	6,964	6,112	Net Assets	6,532	6,058	4,602	4,367	4,229	3,814	EPS (kobo)	6.39	5.36	5.91	3.30	8.90	3.08
N ^o millions	9 Months ended 30 Sept. 2019	2018	2017	2016	2015	2014																																																			
Gross Premium Income	6,474	6,482	5,543	5,708	5,876	4,679																																																			
PBT	659	460	565	361	687	188																																																			
PAT	519	376	355	198	534	185																																																			
Share Capital	4,065	4,065	3,000	3,000	3,000	3,000																																																			
Total Assets	11,159	10,463	9,393	7,393	6,964	6,112																																																			
Net Assets	6,532	6,058	4,602	4,367	4,229	3,814																																																			
EPS (kobo)	6.39	5.36	5.91	3.30	8.90	3.08																																																			
Quotation:	CHI's entire issued and paid-up share capital is listed on The Exchange. The newly issued shares under the right issue will be listed on the Nigerian Stock Exchange.																																																								
Status:	The shares being issued will rank <i>pari passu</i> in all respects with the existing issued Ordinary Shares of the Company.																																																								
Dividend Qualification:	The shares being issued shall qualify for any dividend (or any other distribution), as long as the qualification date for the dividend (or any other distribution) declared is after the allotment of the ordinary shares now being issued.																																																								
Claims and Litigations:	<p>Consolidated Hallmark Insurance Plc is currently involved in three (3) cases, and all three (3) cases were instituted against the Company. A review of these cases was conducted to confirm their status and ascertain the "Contingent Liability" of the Company.</p> <p>In all three (3) cases instituted against the Company, CHI is a co-defendant, and its liability is dependent on the judgment of the defendant and the insurance cover CHI Plc has provided the Defendant. The solicitor is of the opinion that two of the cases will be decided in favor of the issuer. However, the solicitor is also of the opinion that the maximum liability to which the Company will be exposed to in the third case is capped by its Comprehensive Motor Insurance policy in the sum of N5,000,000 (Five Million Naira).</p> <p>The Solicitors to the proposed Rights Issue, are of the opinion that the Claims and Litigations are not likely to have any material adverse effect on the Company and/or the proposed Rights Issue and are not aware of any pending or threatened Claims or Litigation involving the Company other than those disclosed above.</p>																																																								
Underwriting	At the instance of the Issuer, this Issue is not underwritten.																																																								

Settlement	The CSCS accounts of Shareholders will be credited not later than 15 working days from the date of allotment. Shareholders are hereby advised to state the name of their respective stockbrokers and their Clearing House Numbers in the relevant spaces on the Acceptance Form. Certificates of Shareholders that do not provide their CSCS account details will be dispatched by registered post not later than 15 working days from the date of allotment.
Indebtedness	The Company has no outstanding debenture, mortgage, charges or other similar indebtedness other than in the ordinary course of business
Dilution	Shareholders who renounce their Rights or do not accept their provisional allotment in full may have their shareholding in the Company diluted.

DECLARATION BY THE ISSUER

DECLARATION BY THE ISSUER

This right circular has been prepared by the Issuing House on our behalf, Consolidated Hallmark Insurance Plc with a view to providing a description of the relevant aspects of the Company in connection with the Issue and investment in the securities therein.

On behalf of the Board of Directors, we hereby make the following declarations:

1. We confirm that the information contained in this right circular is to the best of our knowledge and belief, in accordance with the facts and contains no omission likely to affect the information therein.
2. We confirm that there has been no significant change in the financial condition or material adverse change in the prospects of the Issuer since the date of this right circular.
3. We confirm that the Company is not in breach of any terms and conditions in respect of borrowed monies which resulted in the occurrence of an event of default and an immediate recall of such borrowed monies during the 12 (twelve) months preceding the date of this right circular.

Signed for and on behalf of:
Consolidated Hallmark Insurance Plc

By its duly authorized representatives:



Rukevwe Falana
COMPANY SECRETARY



Babatunde Daramola
CHIEF FINANCIAL OFFICER



Eddie A. Efekoha
MANAGING DIRECTOR



HANNAH Z. NWEKE
SOLICITOR/NOTARY PUBLIC
08069361751

Rukevwe Falana
15th Nov. 2019



DIRECTORS
Obinna Ekezie (Chairman), Eddie A. Efekoha (Managing Director/CEO),
Babatunde Daramola (Executive Director, Finance, Systems & Investment), Mary Adeyanju (Executive Director, Operations),
Ngozi Nkerr, Ben C. Onuora, Adedola Odokale, Idris S. Abubakar, Layi Fatona.



THE ISSUE

A copy of this Rights Circular and the documents specified herein have been delivered to the Securities & Exchange Commission for clearance and registration.

This Rights Circular is issued in compliance with the provisions of the Investments and Securities Act No 29, 2007, the Rules and Regulations of the Commission and the listing requirements of The Exchange and contains particulars in compliance with the requirements of the Commission and The Exchange for the purpose of giving information to the public with regards to the Issue of 2,032,500,000 Ordinary Shares in Consolidated Hallmark Insurance Plc by Planet Capital Limited, Iworld Financial Services Limited and SFS Financial Services Limited. An application has been made to the Council of The Exchange for the admission to its Daily Official List of the 2,032,500,000 Ordinary Shares being offered via the Rights Issue.

The Directors of Consolidated Hallmark Insurance Plc individually and collectively accept full responsibility for the accuracy of the information contained in this Rights Circular. The Directors have taken reasonable care to ensure that the facts contained herein are true and accurate in all respects and confirm, having made all reasonable enquiries that to the best of their knowledge and belief, there are no material facts the omission of which would make any statement herein misleading or untrue.

The shares to be issued by the Company pursuant to the Rights Issue will rank pari passu in all respects with the existing issued Ordinary Shares of the Company.

PLANET CAPITAL LIMITED, IWORLD FINANCIAL SERVICES LIMITED

RC986761

RC661993

AND SFS FINANCIAL SERVICES LIMITED

RC672560

on behalf of

CONSOLIDATED HALLMARK INSURANCE PLC

RC168762

are authorized to receive acceptances for the

RIGHTS ISSUE OF

2,032,500,000 ORDINARY SHARES OF 50 KOBO EACH

AT 52 KOBO PER SHARE

on the basis of 1 new Ordinary Share for every 4 Ordinary Share held as at close of business on
3rd February 2020

Payable in full on Acceptance

The Acceptance List for the shares now being issued will open on **24th February 2020** and close on **1st April 2020**

SHARE CAPITAL AND RESERVES OF THE COMPANY AS AT SEPTEMBER 30, 2019

(Extracted from the unaudited interim financial statements as at September 30, 2019)

		₦millions
Authorised Share Capital:	15,000,000,000 Ordinary Shares of 50 kobo each *	7,500
Issued and fully paid:	8,130,000,000 Ordinary Shares of 50 kobo each	4,065
Equity:	Share capital	4,065
	Contingency reserve	1,798
	Statutory reserve	35.6
	Retained Earnings	479
	Total Equity and Reserves	6,532

* A resolution of shareholders for the increase to 20,000,000,000 units has been given but the requisite filing is yet to be made at the CAC.

DIRECTORS, COMPANY SECRETARY & OTHER PARTIES TO THE ISSUE

BOARD OF DIRECTORS	
Chairman	Mr Obinna Ekezie 266 Ikorodu Road, Obanikoro, Lagos
Chief Executive Officer	Mr Eddie Efekoha 266 Ikorodu Road, Obanikoro, Lagos
Executive Director	Mr Babatunde Darammola 266 Ikorodu Road, Obanikoro, Lagos
Executive Director	Mrs Mary Adeyanju 266 Ikorodu Road, Obanikoro, Lagos
Non - Executive Director	Dr. Layi Fatona 266 Ikorodu Road, Obanikoro, Lagos
Non - Executive Director	Mrs Ngozi Nkem 266 Ikorodu Road, Obanikoro, Lagos
Non - Executive Director	Prince Ben Onuora 266 Ikorodu Road, Obanikoro, Lagos
Non - Executive Director	Mrs Adebola Odukale 266 Ikorodu Road, Obanikoro, Lagos
Independent Director	Mr Shuaibu Abubakar Idris 266 Ikorodu Road, Obanikoro, Lagos

DIRECTORS, COMPANY SECRETARY & OTHER PARTIES TO THE ISSUE

Company Secretary	Mrs Rukevwe Falana FRC/2016/NBA/00000014035 Consolidated Hallmark Insurance Plc 266 Ikorodu Road, Obanikoro, Lagos
PROFESSIONAL PARTIES	
Lead Issuing House	Planet Capital Limited 3rd Floor, St Peters House, 3 Ajele Street, Lagos Island, Lagos
Joint Issuing Houses	Iworld Financial Services Limited 10 th Floor (Left Wing), Bookshop House, 50/52 Broad Street, Lagos Island, Lagos SFS Financial Services Limited Plot 287 Ajose Adeogun Street, Victoria Island, Lagos
Auditors	SIAO (Chartered Accountants) 18B, Olu Holloway Road, Off Alfred Rewane Road, Ikoyi, Lagos
Registrars	Meristem Registrars 213, Herbert Macaulay Road, Adekunle, Yaba, Lagos
Solicitors to the Issue	Sefton Fross 20B Kingsley Emu Street, Lekki, Lagos
Receiving Bank	Sterling Bank Plc 20 Marina, Lagos
Stockbrokers	Planet Capital Limited 3rd Floor, St Peters House, 3 Ajele Street, Lagos Island, Lagos

CHAIRMAN'S LETTER

December 16, 2019

To the Shareholders of,
Consolidated Hallmark Insurance Plc

Dear Sir/Madam,

PROPOSED RIGHT ISSUE BY CONSOLIDATED HALLMARK INSURANCE PLC

I write to inform you of the proposed capital raising by way of Rights Issue by your company Consolidated Hallmark Insurance Plc.

On May 20, 2019 the National Insurance Commission (NAICOM) released a Circular on the Commission's minimum paid up share capital policy for insurance and reinsurance companies in Nigeria. Statutory capital requirements for life, general and composite insurance companies were reviewed upward to N8Billion, N10Billion and N18Billion respectively.

Your company has consistently maintained strong liquidity and exceeded the required minimum regulatory capital adequacy ratios. This will be sustained into the foreseeable future.

Whilst CHI has continued to perform well on several parameters, the essence of this capital raising exercise is to enhance the capitalization of Consolidated Hallmark Insurance Plc in order to meet the revised minimum statutory capital of ₦10,000,000,000 (Ten Billion Naira) stipulated by the National Insurance Commission; as being the statutory requirement for the operation of a non-life (general) insurance business.

You would recall that at our Company's Annual General Meeting, held on the 21st November, 2019, you had authorized the Company amongst other matters to raise additional capital of up to ₦4.5 billion (Four Billion Five Hundred Thousand Naira Only) by way of issuance of shares subject to obtaining the relevant regulatory approvals in accordance with the Company's Memorandum and Articles of Association and the applicable laws.

Consequently, CHI intends to raise a sum of N1,056,900,000 by way of Rights Issue in order to achieve the minimum capital requirements. The Rights Issue also presents the shareholders with an opportunity to increase their investment in the company.

Your company embarked on a five-year corporate strategic plan in 2016. This encompasses various initiatives which includes deepening its existing market share and business diversification into Health Management Organization, Life Assurance company and other allied financial services business with a view to achieving enhanced shareholders value. The plans are being executed with early positive results. The focus remains to create a broad-based financial services company that leverages on technology and people competence to deliver quality service to existing and potential customers.

All necessary arrangements regarding the Rights Issue have been made by the Board of Directors of your company. Reputable professional parties have been selected to guide us through this process. The requisite approvals will be received from the Securities & Exchange Commission and The Nigerian Stock Exchange for the registration and the subsequent listing of the shares now being issued. It is important to note that the shares now being issued will rank pari passu in all respects with the existing issued Ordinary Shares of the Company and shall qualify for any dividend (or any other distribution) declared as long as the qualification date for the dividend (or any other distribution) declared is after the allotment of the Ordinary Shares now being issued.

Instructions for participating in the Rights Issue, including acceptance of your provisional rights will be contained in the provisional allotment letter from the Company Secretary as will be set out in the approved Rights Circular.

By supporting the Rights Issue through accepting your rights, the Company will be well positioned to achieve its strategic objectives and to deliver improved returns to all stakeholders, going forward. I therefore enjoin you to carefully consider this investment opportunity and take up your rights, in full, as the Company continues to harness imminent opportunities and deliver on its promises.

Yours faithfully,

A handwritten signature in black ink, appearing to be 'O. Ekezie', written in a cursive style.

Obinna Ekezie
Chairman

OVERVIEW OF THE NIGERIAN INSURANCE INDUSTRY

1. OVERVIEW

According to NAICOM, there are about 59 Insurance companies in Nigeria, consisting of 16 Life Insurers, 30 non life insurers, 11 composite companies and 2 Re-insurance companies. The major players in the industry are broadly structured into four sub groups:

- A. Insurers
- B. Reinsurers
- C. Insurance brokers and;
- D. Loss adjusters.

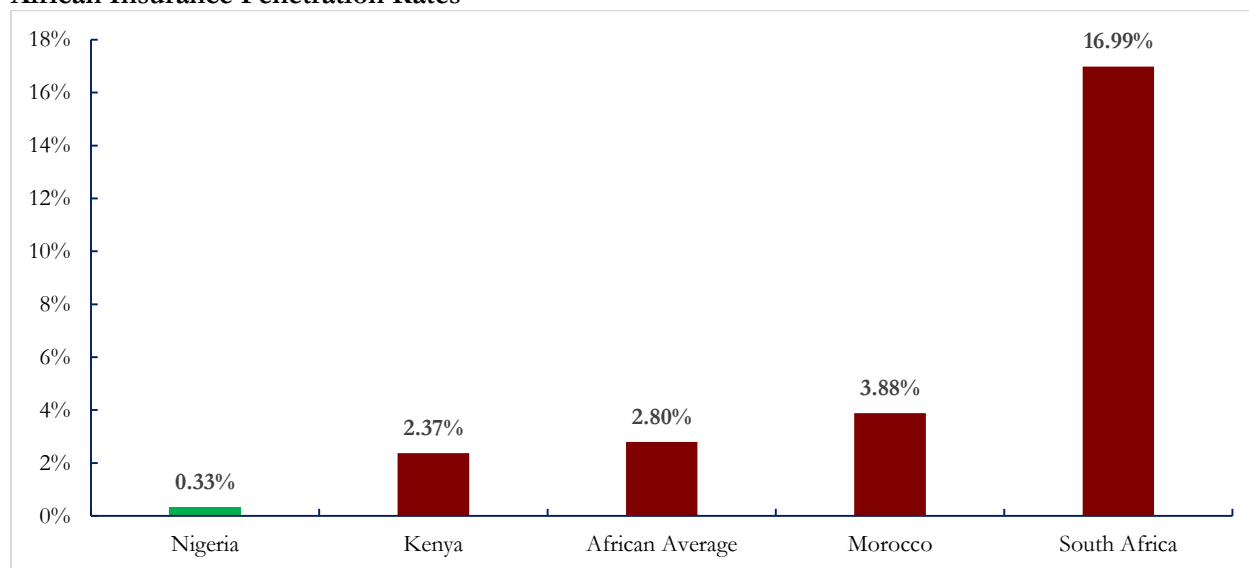
The insurance and reinsurance companies underwrite risks while the insurance brokers and agents act as intermediaries between the underwriters and the policy holders in the sale of insurance products and the collection of premiums. The loss adjusters, on the other hand, determine the appropriate valuation of the loss incurred in the event of a claim. In this industry, Brokers account for about 70% of all insurance premiums in Nigeria.

The key regulators of the industry include;

- A. National Insurance Commission (NAICOM)
- B. National Insurers Association of Nigeria (NIA)
- C. Chartered Insurance Institute of Nigeria (CIIN)
- D. Nigeria Council of Registered Brokers

With a population of about 200 million and insurance penetration of 0.33%, there is a large market for insurance products and services, which is largely untapped. The total premium underwritten in the Nigerian insurance industry in 2018 is estimated to be over N423 billion¹.

African Insurance Penetration Rates



Source: Swiss Re Institute Sigma 2019 World Insurance report, Africa Reinsurance Corporation, 2018 report.

OVERVIEW OF THE NIGERIAN INSURANCE INDUSTRY

NIGERIAN INSURANCE MARKET IN CONTEXT

NAICOM regulates the Nigerian insurance industry and is governed by the Insurance Act 2003.

INDUSTRY INITIATIVES DRIVING INSURANCE INCLUSION

Uninsured Nigerians face risks and require better mechanisms to mitigate these risks as an alternative to the informal arrangements currently in use. The low insurance penetration in Nigeria is, in part, a consequence of the lack of trust and confidence in insurance companies. A contributor to this perception of the market is the limited knowledge of insurance amongst the public.

There are 6 insurance products made compulsory by law by the Insurance Act 2003 and other sister legislations including:-

- a. Group life insurance in line with the PENCOM Act 2004
- b. Employers liability in line with the Workmen's Compensation Act 1987
- c. Buildings under construction-section 64 of the Insurance Act 2003
- d. Occupiers liability insurance – section 65 of the Insurance Act 2003
- e. Motor Third-party Insurance – section 68 of the Insurance Act 2003
- f. Health care Professional indemnity insurance - section 45 of the National Health Insurance Act 1999.

In order to improve penetration levels, NAICOM launched the Market Development and Restructuring Initiative (MDRI) in 2009 to enforce compulsory insurance and eradicate 'fake' insurance policies procured from unregistered insurers in the country.

Motor Insurance

Motor insurance is a mandatory class of insurance in Nigeria. As of October 2019, only 2.5 million motor insurance certificates out of about 12.5 million registered vehicles in the country had been captured on the database and can be verified by law enforcement agents through handheld monitoring devices. This fact indicates that about 10.5 million vehicles operate with either fake insurance cover or none at all.

In 2011, the Nigerian Insurance Association (NIA) with the support of NAICOM, created the Nigerian Insurance Industry Database (NIID) and Nigerian Insurance Industry Portal (NIIP) to serve as the central record of all motor and marine cargo insurance policies respectively, in Nigeria. The NIID and NIIP makes it easy to verify genuine insurance certificates by all stakeholders and enforce compliance to compulsory insurance in the motor and marine cargo business.

Oil & Gas Local Content Act

The poor participation of indigenous companies in the oil and gas industry led the Federal Government to pass the Nigerian Oil and Gas Industry Content Development Act ("Local Content Act") in 2010. The Local Content Act mandates operators in the oil & gas industry to utilize indigenous firms for third party services they may require. This is further strengthened by the insurance act which stipulates that all assets domiciled in-country must be insured with local insurance companies, to the extent that in-country insurance capacity is exhausted prior to seeking approval from NAICOM to place the surplus in the foreign insurance market.

OVERVIEW OF THE NIGERIAN INSURANCE INDUSTRY

Microinsurance

The potential for microinsurance in Nigeria is huge. EFInA (Enhancing Financial Innovation & Access), in its 2018 report on the Nigerian microinsurance industry, estimated that only 0.3 million of the 96.4 million adult population in Nigeria use microinsurance. Insurance companies in the country have developed and are innovating on products and distribution channels to grow their footprint in this market segment.

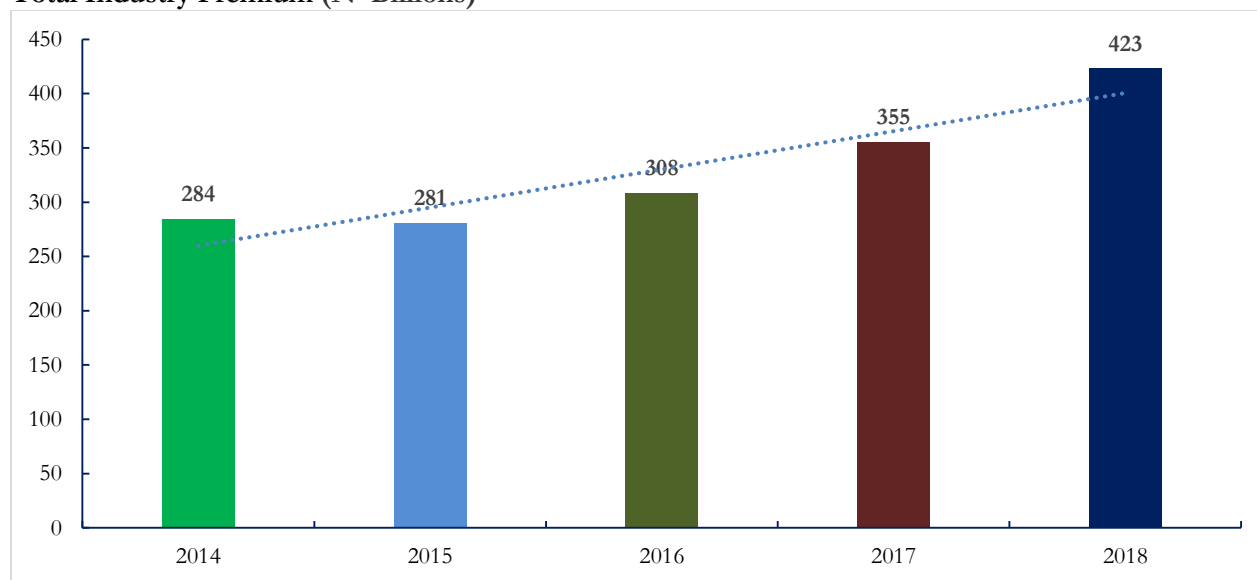
No Premium No Cover

The 'no premium no cover' policy introduced by NAICOM in 2013 ensures that no insurer will grant cover without receiving in full the corresponding premium. As such, premium income cannot be booked if payment for premium is not received. The implementation of this policy has enhanced premium collection and reduced receivables write down in the industry.

INDUSTRY INDICES

Over the last four years, the Nigerian insurance industry has maintained steady growth. Total industry premium grew at a Compounded Annual Growth Rate (CAGR) of 10.47%; N284 billion in 2014 to N423 billion in 2018. The rise in premiums can be attributed to the growth of mandatory coverage, which has made the purchase of insurance compulsory for lines such as third-party vehicle, employer's liability, occupiers' liability, construction insurance, healthcare professional indemnity, and group life insurance. The introduction of new distribution channels such as mobile apps and digital partnerships to increase access to customers has also supported premium growth. In addition, the Nigerian Oil and Gas Industry Content Act supported the considerable growth in the insurance industry.

Total Industry Premium (N 'Billions)

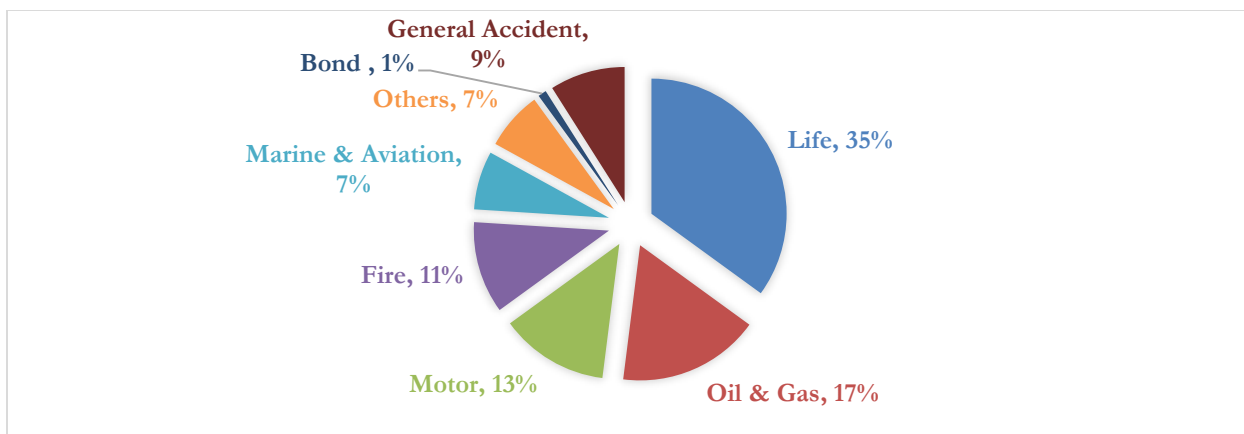


Source: Swiss Re Institute world insurance reports, 2019 & 2016.

This potential for growth has made the industry attractive to foreign entrants as well as to local players looking to expand their reach. A significant level of inorganic growth has been seen in the sector over the last decade, with 15 acquisitions recorded between 2011 and 2018. Most mergers and acquisitions were led by foreign firms.

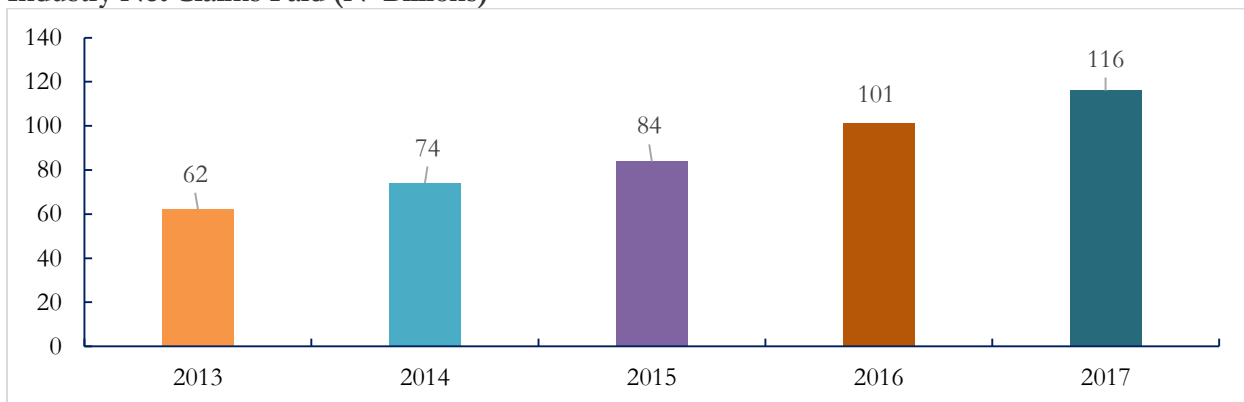
OVERVIEW OF THE NIGERIAN INSURANCE INDUSTRY

Industry Gross Premium Income by Business Line



Source: NIA 2017 Report.

Industry Net Claims Paid (N 'Billions)



Source: Agosto Research 2018.

INDUSTRY RECAPITALIZATION AND CONSOLIDATION

In May 2019, NAICOM issued a circular requiring increase in the minimum paid-up capital for the different classes of insurance and reinsurance companies by 30 June 2020 as shown below:

Class of Business	Existing Capital Requirement (N'bn)	New Capital Requirement (N'bn)
Reinsurers	10.00	20.00
Composite Insurers	5.00	18.00
Non-life Insurers	3.00	10.00
Life Insurers	2.00	8.00

Source: NAICOM's May 2019 Circular.

The deadline for this recapitalisation has however now been extended to 31st December 2020.

The increased capital requirement is expected to lead to consolidation in the industry, increase risk underwriting capacity of insurance companies and generally allow the industry players to take advantage of the existing opportunities in the country.

OVERVIEW OF THE NIGERIAN INSURANCE INDUSTRY

NAICOM's current drive to recapitalize insurance companies bears some similarities to the recapitalization of Nigerian banks in 2005. Prior to the recapitalization of the banks in 2005, banks faced similar challenges as the insurance companies currently face: low confidence in the banking system, low banking penetration, fragmented players and poor corporate governance.

However, after the recapitalization, the banks were able to attract millions of new accounts and were less fragmented, this gave them the financial capability to fund large ticket transactions in the oil & gas, manufacturing, and infrastructure sectors

Industry Opportunities

- An emerging middle class and a young and growing population;
- A relatively stable macroeconomic environment with potential for rapid economic and insurance market growth;
- An Influx of foreign investors which creates more opportunity for expansion;
- Strong and reliable regulator that is responsive to the changing environment;
- Progressive new legislation which supports premium and market growth and recognizes the need for local content development;
- Increasing levels of mobile telephony which provide access to the informal sector.

Industry Threats

- The population's apathy to insurance stemming from cultural constraints, low per capita income, and low insurance literacy;
- Inadequate regulatory enforcement and some unfavorable government policies which could result in fragmentation within the industry;
- Low capacity building and inability to attract specialized insurance skillset linked to inadequate funding and capitalization;
- Inappropriate pricing and profiling of risk;
- Poor governance structures.

OUTLOOK

Nigeria's insurance sector presents perhaps the most remarkable investment case of any industry in Nigeria. Insurance penetration, at 0.33 per cent is extremely low, even compared with countries with similar GDP per capita.

Nigeria has achieved great things in financial services. Pension Fund penetration is an example, with the total assets under management (AUM) of its pension funds growing, in real terms, at 9.8 per cent between 2008-2018 and taking the proportion of the population covered up to 4.3 per cent and rising.

The insurance industry has enormous potential that can be realized by strong cooperation between government, players and regulators; roll-out of micro-insurance with the development aim of financial inclusion; and technology innovation for partnerships and distribution.

OVERVIEW OF THE NIGERIAN INSURANCE INDUSTRY

INVESTMENT IN THE NIGERIAN INSURANCE INDUSTRY

The Nigerian insurance industry in the last decade attracted significant investment interests from local and foreign investors. A summary of the transactions in the industry is as shown below:

Company Name	Transaction	Year
Metropolitan Life Nigeria	Verod Capital Management acquired Metropolitan Life Nigeria from Momentum Metropolitan Holdings	2019
NEM Insurance Plc	AFIG Funds Private Equity acquired 29.9% shareholding	2018
Great Nigeria Insurance Plc	Insurance Resourcery Consultancy Services Limited acquired 75% shareholding	2017
Equity Assurance Plc	Sunu Assurances acquired 60% shareholding	2017
Cornerstone Insurance	Acquisition of FIN Insurance	2017
Unic Insurance Plc	Liberty Holdings acquired 75% shareholding	2017
Zenith Life	Prudential Plc acquired majority shareholding	2017
Leadway Assurance Company Ltd	Swiss Re acquired 25% shareholding	2016
Continental Reinsurance Plc	African Capital Alliance acquired 49% shareholding	2016
Mansard Plc	AXA France acquired 77% shareholding	2014
Law Union and Rock Insurance Plc	Swede Control Intertek Limited and Alternative Capital Partners (ACAP) acquired 60% shareholding	2012
Custodian and Allied Insurance Plc	Custodian and Allied Insurance Plc acquired 43.76% shareholding in Crusader (Nigeria) Plc	2012

OVERVIEW OF CONSOLIDATED HALLMARK INSURANCE PLC

1. HISTORICAL OVERVIEW

Consolidated Hallmark Insurance (CHI) Plc is a General Business and Special Risks Insurance underwriting firm fully capitalized in line with statutory requirements of the industry regulatory body – the National Insurance Commission (“NAICOM”).

The company was incorporated on 2nd August 1991 as a private limited liability company and commenced operations in 1992. It was 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's shares were listed on the floor of the Nigerian Stock Exchange on 22nd February, 2008.

CHI Plc has carved out a niche for itself through big ticket transactions in Aviation, Oil and Gas, Marine Cargo and Hull Business and other non-life insurance underwriting including Motor, Fire and Special Perils, Goods-in-Transit, Engineering Insurance, amongst others.

With a formidable Team of highly experienced professionals, CHI Plc prides itself in providing a robust training and retraining programme to enable the team keep abreast of developments locally and at the global level. This is backed by the deployment of a state-of-the art technology infrastructure that ensures prompt service delivery on-line real-time across all its branch and regional office network nationwide.

Consolidated Hallmark also blazed the trail in the deployment of ICT infrastructure for the on-line transaction of insurance business in the industry through a user friendly platform with the url www.motorthirdpartyonline.com.

The company has a board of Directors made up of highly skilled technocrats cutting across various sectors of the economy.

2. BUSINESS OVERVIEW

Consolidated Hallmark Insurance Plc is a leading General Business and Special Risks Insurance underwriting firm fully capitalized in line with statutory requirements of the industry regulatory body – National Insurance Commission.

The company underwrites Aviation, Oil and Gas, Marine Cargo and Hull and other non – life insurance underwriting including Motor, Fire and Special Perils, Goods-in-transit, Engineering Insurance and General Accident insurance businesses.

CHI identifies prompt claims payment as a means to achieving customer satisfaction and therefore emphasizes prompt claims payment in its operations. The company also invests its available funds in interest bearing and highly liquid instruments to generate adequate returns to meet its claims obligations.

OVERVIEW OF CONSOLIDATED HALLMARK INSURANCE PLC

3. PRODUCTS AND SERVICE OFFERINGS

Consolidated Hallmark Insurance Plc offers a wide range of insurance products tailored to meet the diverse needs of its customers. The Company's product offerings include:

Compulsory Insurance Online Payment

This is aimed at ensuring the mandatory deployment of Information and Communication Technology for some of the Company's insurance products which include;

- a) Third party motor insurance – Individual and fleet registration;
- b) Occupier Liability Insurance;
- c) Builder's Liability (Open) Insurance;
- d) Professional Indemnity Insurance and so on

Contractors All Risk

This type of policy covers loss or damage to the Permanent and Temporary works and the materials used for construction contracts brought to the situation of the contract for the purposes of the contract. It also covers the Contractors' Plant, Machinery and Equipment whilst at the situation of the contract.

Oil, Energy and Special risk

This insurance product covers the following:

Offshore Risk which includes:

1. Platforms, Oil Rigs
2. Control of Wells/Work Over
3. Terrorist Attack/Kidnap
4. Abandonment/Restoration
5. Operators Extra Expenses (OEE)

Onshore Risk including:

1. Refinerie and Petrochemical Plants
2. Storage Depots/Tank Farms
3. Business Interruption Risks
4. Abandonment

Special Risk

1. Aviation
2. Power & Steel
3. Hull
4. Protection and Indemnity

OVERVIEW OF CONSOLIDATED HALLMARK INSURANCE PLC

Bonds

The various bonds the Company issues and their characteristics are as follows;-

Bid/Tender Bond

The Company issues bonds to cover bids/tenders for contracts being awarded. The Bond is simply a Guarantee to the employer such that the contractor having submitted the accompanying bid for the contract in question

shall not withdraw such bid for any reason if the contract is awarded to him. i.e he shall accept the contract if awarded.

Performance Bond

After the bids/tenders have been accepted, it is customary for contractors to be called upon to present performance bonds. Our cover is against failure to perform and it also provides remedy for failure to perform according to specification.

Advance Payment Bond

Where a percentage of the contract value is to be given to the contractor to start work, the insurance bond is issued against failure to utilize the advance payment/mobilization for the execution of the project.

Houseowners/Householders Comprehensive Insurance

This policy provides indemnity to the insured against:

- Loss or damage to the buildings caused by an insured peril
- Loss or damage to the contents (household goods and personal effects), whilst contained in the buildings and caused by an insured peril.

The benefits include;

- Cost of alternative accommodation
- Loss of rental income. (For insured building only)
- Legal liability to the public
- Medical expenses up to a limit
- Death of the insured due to fire or break-in or robbery attacks on the premises.
- Cost of valuable contents (jewellery, wrist watch, glasses and other portable items) on All Risks basis.
- Cost of household goods and personal effects.
- Cost of buildings due to fire and extraneous perils

Consequential Loss Insurance

This covers loss of profits following fire damage to the properties of a profit making organisation. When fire occurs, the material damage of the loss is not only what the Insured suffers. For instance, a manufacturing firm will be unable to continue production in the event of such fire damage which will definitely result in loss of profit. This may also affect payment of wages to Employees. The Consequential Loss policy is designed to cover such risk.

OVERVIEW OF CONSOLIDATED HALLMARK INSURANCE PLC

Professional Indemnity Insurance

This type of Insurance indemnifies the Insured in respect of claims which may be made against him for breach of professional duty. Doctors, Accountants, Lawyers, Architects, Insurance Brokers etc require Professional Indemnity Insurance to protect themselves from possible acts of professional negligence.

Aviation Insurance

The Company's Aviation Insurance policy covers:

Accidental loss of or damage to the Aircraft itself in which case the Insurers will at their option pay for, replace or repair the Aircraft as the case may be. The risk of disappearance is also covered if the Aircraft is unreported for sixty (60) days after the commencement of flight.

The policy also covers the Insured's Legal liability to third parties (other than passengers) due to accident involving the aircraft

Goods in Transit

Goods-In-Transit insurance policy covers loss of or damage to the goods insured (owned or for which the insured is legally responsible) caused by accident, theft, collision, overturning or fire whilst in transit by road, air, rail and inland motor ways.

The policy also operates during the loading and unloading of goods.

However, delicate or fragile goods such as glass and explosives are not covered (unless declared at the start of the policy).

Features:

This insurance policy covers either All Risks or Restricted Cover.

All Risks

This type provides a very wide cover as it includes all the risks mentioned above. Cover commences immediately the goods are being loaded on to the transit vehicle and lasts until the goods are unloaded at the final destination. The conveyance can be either by road, air or by rail, and the geographical limit is anywhere in Nigeria.

Restricted Cover

Cover here is restricted in the sense that the risk of theft is only covered following an accident, collision or over-turning of the conveying vehicle. Cover similarly operates anywhere in Nigeria. The restricted cover is the one recommended for use.

Benefits

This policy covers the insured against:

- a) loss of or damage to your property whilst in transit by road, rail, air and inland motor ways
- b) accident, theft, collision, overturning or fire of your property whilst in transit anywhere in Nigeria.

OVERVIEW OF CONSOLIDATED HALLMARK INSURANCE PLC

Plant All Risk

The Company's All Risks Policy is designed to provide adequate cover for the assets of the insured which are mobile and moveable in nature. Examples of these assets are Phones, Laptops, Jewelleries, tablets, phablets, ipads, ipods, wrist watches e.t.c.

The assets are covered against loss of or damage caused by fire, burglary, theft, accident, etc,

The cover is not restricted to a particular geographical location or premises where the assets are kept. The cover is valid at locations specified by the geographical limit specified in the initial agreement. Occasionally, a world-wide cover may be given on request.

The policy covers all risks except perils that are specifically excluded. The cover provided by this policy is very wide.

Money Insurance

Money Insurance policy indemnifies the Insured against loss of money belonging to the insured occurring:

1. While in transit
2. From any of the Insured premises as a direct result of theft
3. From a locked safe or strongroom at the Insured's premises

Loss or damage to safe and strongrooms resulting from theft or any attempt thereat

Machinery Breakdown Insurance

This policy will indemnify you against damage to machinery caused by Breakdown resulting from excessive electrical current or voltage storm etc. In brief, breakdown of your machinery which is not covered by the fire policy is taken care of by the machinery breakdown policy.

Motor Insurance

The Company offers policies for 3 basic categories of Auto/Motor Insurance:

1. Thirdparty,
2. Thirdparty Fire & Theft and
3. Comprehensive

The Company's Standard Motor insurance provides cover for the following:

- Loss of or damage to the vehicle as a result of accident
- Loss or damage to the vehicle resulting from Fire
- Loss or damage to the vehicle due to theft
- Damage by the vehicle to another up to ₦1,000,000
- Damage to Third Party property by the vehicle up to ₦1,000,000
- Damage to Third parties by the vehicle which caused bodily injury and death is Unlimited.

OVERVIEW OF CONSOLIDATED HALLMARK INSURANCE PLC

Other Additional Features

- Medical expenses to the policy holder or holder's driver or any occupant of the vehicle to the tune of ₦10,000
- Passenger Liability (₦75,000 per person and a maximum of ₦300,000 per vehicle)

- Damage resulting from Riot, Strike and Civil Commotion (SRCC)
- Towing Limit up to ₦10,000

Fire and Special Perils Insurance

This policy provides compensation to the insured against:

- Loss or damage to the Buildings caused by an Insured peril
- Loss or damage to the Contents, whilst contained in the Buildings and caused by an Insured Peril

The insured perils include:

- Fire
- Lightning
- Domestic Explosion
- Special perils such as flood, tempest, storm, tornado, hurricane, explosion, impact, riot and strike, malicious damage, bush fire, burst pipe, subsidence, earthquake, etc

This policy is designed for Landlords, tenants, residential and business/office buildings, recreational centres, public buildings, shops and warehouses e.t.c.

It also affords the insured the option of flexible payment of premium. This is done to relieve the burden of annual payment.

Burglary Insurance

Burglary insurance is designed to protect the insured against loss of or damage to property for which the insured is responsible following burglary or housebreaking accompanied by actual forcible and violent entry into or exit from the premises.

The property covered by this policy includes furniture, fixtures and fittings, equipment and electronics damaged during burglary or housebreaking which the insured is legally responsible to bear.

This insurance policy is available to both private and business premises. These range from Residential buildings, Estate, Shopping Malls, Office premises, Commercial buildings e.t.c.

Features

- It covers not only the contents, but also fixtures and fittings damaged during burglary or housebreaking which you are legally responsible to bear.
- It does not cover pilferage, shoplifting or larceny, except so extended.
- It does not cover the building but cover any damage done to your building during break in.

OVERVIEW OF CONSOLIDATED HALLMARK INSURANCE PLC

Benefits

This policy covers against:

- a) loss of any part of property whilst within the premises:-
 - i) as a result of theft involving entry into or exit from the premises by forcible and violent means

- ii) following assault or violence or threat to the insured or employees
- b) With the payment of additional premium, the cover of this policy may be extended to cover loss or damage caused by the following additional perils:-
 - i) theft without involving entry into or exit from the premises by forcible and violent means
 - ii) armed robbery or hold-up

Marine Cargo/Hull Insurance

The Company issues Marine Cargo policies to cover Maritime risks associated with import transactions. The policy covers the Insured should goods coming into the country by Sea or Air be lost, destroyed or damaged whilst in transit.

The Company also covers damage to the Hull itself

4. KEY STRENGTHS

The following differentiating strengths set CHI apart from other players in the industry:

Strong Track Record and Diverse products

CHI over the past twelve (12) years of its existence has grown considerably currently ranking fourth in terms of Gross Premium income when compared to other general and special risk insurers. This is partly due to the Company's focus on serving its clients but more so due to the wide range of insurance products available to its diverse customer base. The Company's broad portfolio of products, management, customer service and brand equity has allowed it to grow consistently increasing both its market share and value.

Strong and experienced Board and Management Team

CHI's senior management team has extensive experience in the insurance industry and other related sectors, with an average of over 17 years experience gained in both local and international firms. The management team and board have a proven track record of implementing innovative, industry-leading initiatives, including the Company's current digital transformation exercise which will enable it position itself strategically to deliver exceptional returns to shareholders, be profitable and increase its market share. CHI believes the experience of its senior management team will continue to be a key strength in succeeding in an increasingly competitive industry.

Strong Corporate Governance

CHI over the years has shown its commitment to high standards of corporate governance recognising its importance in ensuring long-term business sustainability as well as transparency and accountability to its shareholders. The Company in its strict adherence to regulations, one of which is the corporate governance code, hired more experienced professionals into the board in 2016 further strengthening the depth and experience of its board and management. The Company is managed in a way that maximises long-term shareholder value and takes into account the interests of all of its stakeholders. Furthermore, the Company believes that full disclosure and transparency in its operations are in its best interest.

OVERVIEW OF CONSOLIDATED HALLMARK INSURANCE PLC

5. FUTURE PLANS

Consolidated Hallmark Insurance Plc is currently undergoing a 5 year Strategic Plan which will enable it position itself strategically. It is believed that it would help the company deliver exceptional returns to shareholders, be profitable and increase its market share as part of a comprehensive 5 Year Strategic Plan. The Company's 5 year strategic plan is anchored on 12 key initiatives summarised in the table below.

S/N	Objectives	Objectives commentary	Objective Results
1	Deliver exceptional returns to stakeholders	Meet and exceed stakeholders' expectations	Satisfied stakeholders who project the CHI brand
2	Increase Market Share	Be a leading provider of diverse range of insurance services	Stronger presence within the insurance industry
3	Improve profitability	Efficiently convert premium income into profit	Better retention of income for investment
4	Increase Capital Base	Availability of funds to expand business operations	Diversified income stream
5	Grow and deepen customer base	Obtain new customers and maintain existing ones	Higher number of new and repeat businesses
6	Comply with regulations	Build culture of compliance	Maximum compliance with all regulatory obligations
7	Improve brand visibility	Better awareness of the CHI brand	A strong brand with a strong presence in the insurance industry
8	Improve processes	Improve turnaround time for all internal and client facing processes	Enhanced customer satisfaction
9	Improve organisational efficiency	Reduce organisational inefficiencies	Improved profitability
10	Enhance human capacity	Achieve business results through empowered workforce	Quality skills to meet business needs
11	Grow strategic alliances	Expand operations leveraging beneficial partnerships	Increased market reach/share
12	Improve technology	Optimise operations leveraging technology	Improved efficiency and security

OVERVIEW OF CONSOLIDATED HALLMARK INSURANCE

6. BOARD OF DIRECTORS

Obinna Ekezie, Chairman

Mr Obinna Ekezie is the Founder & Managing Director of one of the fastest growing and largest Internet travel sites in Africa, Wakanow.com (2008-Date), which was established after an initial experiment with a travel website, Zeeprtravel.com.

He attended the University of Maryland - Robert H. Smith College of Business, Maryland U.S.A and with primary study in Mechanical Engineering and a Minor degree in IBM Total Quality Management from the same institution (1995-1999).

A talented strategist and tactician, his leadership offerings, strategic insights, and advice for market differentiation helped to secure Wakanow as the fifth fastest growing company in Nigeria within a short time.

A professional basketball player, his sojourn in the United States was remarkable with him signing on to attend and play basketball for the University of Maryland at College Park in 1995. He later competed at the highest levels in two continents from 1999-2007, contributing to the success of teams including the Vancouver Grizzlies, Washington Wizards, Dallas Mavericks, Los Angeles Clippers, Atlanta Hawks, Red Star Belgrade, amongst others.

Mr Ekezie is also the founder/chairman of African Basketball League (2015-Date), established to develop innovative organizational models in African Basketball.

Mr. Eddie Efekoha, Managing Director/CEO

He is the Managing Director of Consolidated Hallmark Insurance Plc and holds a Bachelor of Science degree in Insurance (1991-1994) and a Masters degree (1982-1985) in Business Administration both from the University of Lagos.

Since graduation Eddie had worked in various capacities at Everyman Insurance Brokers (1985-1986), Hogg Robinson Nigeria (1986-1988), and Glanvill Enthoven & Co (Nig.) from 1988 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 left Fountain Insurance Brokers in 2007.

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

Mrs Adebola F. Odukale, Non Executive Director

Mrs. Odukale is an Associate of the Chartered Insurance Institute of Nigeria (AIIN, 1998). She started her Insurance career with Nigerian Life and Pensions Consultants in 1991 before joining Capital Express Assurance Ltd as its Ikeja Branch Manager in May 2001.

She rose through the ranks in the company variously as Senior Manager, Technical, Controller Marketing, and Regional Director, South West prior to her appointment as the Managing Director of the company in 2011.

Mrs Odukale holds the Bachelor of Science degree in Economics from the Obafemi Awolowo University, Ile-Ife (1985-1989), and an MBA in Human Resource Management from the Lagos State University in 2004.

OVERVIEW OF CONSOLIDATED HALLMARK INSURANCE PLC

Prince Ben Onuora, Non Executive Director

Prince Ben Onuora is a Barrister, Solicitor, Arbitrator and Notary Public for Nigeria. He attended the University of Lagos where he obtained the Bachelor of Laws (LL.B) and Master of Laws (LLM) degrees in 1985 and 1991 respectively. He was called to the Nigerian Bar in 1986.

He started his working career with the Ministry of Justice, Minna, later as Counsel with Cosmic Chambers Minna, Akin Akintoye & Company, Lagos before establishing Benon Chambers, a commercial law firm where he currently serves as Managing Partner.

Prince Onuora belongs to several professional bodies including Nigerian Bar Association, (NBA), Capital Market Solicitors Association, Chartered Institute of Arbitrators (UK & Nigeria), Negotiation & Conflict Management Group (Founders of the Lagos Multi-Door Court House, LMDC) and Institute of Directors (IoD) where he is Legal Adviser and serves in the Executive Committee as well as the Governing Council.

He was elected a Fellow of the IoD of Nigeria in 2004. As the Chairman of the Research & Advocacy Committee of the IoD between 2011 and 2013, Prince Onuora organized a number of National Roundtable Conferences on Cashless Economy, Security Votes and Cost of Doing Business in Nigeria.

He has, as part of his insolvency law practice, been appointed and acted on several occasions as Receiver/Manager of notable companies in Nigeria. Prince Onuora is a consummate Alternative Dispute Resolution (ADR) Practitioner and a registered Legal Consultant by the Securities & Exchange Commission (“SEC”). In 2012 he was in the Federal Government Committee that advised on the merger of agencies and parastatals as part of the strategy to reduce the high cost of governance in Nigeria.

Dr. Layi Fatona, Non Executive Director

Dr. Layi Fatona is the Chief Executive Officer of Niger Delta Exploration and Production Plc, where he pioneered the first and only privately owned and operated refinery in Nigeria-the Ogbele Mini Refinery. He is a Petroleum Geologist with over forty years of practice. He worked with the Petroleum Engineering and Exploration & Production Departments at the Shell Petroleum Development Company Nigeria Ltd (SPDC) from 1974 to 1986. He resigned to join Geotrex Systems Limited in 1985, Nigeria’s foremost independent Exploration & Production Consultants, and rose to become the Chairman. A leading authority on the geology of the Niger Delta Oil and Gas Province, he has offered expertise to all the major oil operators in the country. 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), Dr. Fatona studied Geology at the University of Ibadan in 1973, obtained both Masters of Science (1976) and Doctorate (1980) degrees in Petroleum Geology and Sedimentology from the Royal School of Mines, Imperial College of Science, Technology and Medicine, University of London and Doctor of Science (Honoris Causa) (2018) from Osun State University.

Dr Fatona was a 2010 recipient of the prestigious Aret Adams Award bestowed by NAPE and in 2011, he was a finalist for the Ernst & Young Entrepreneur of the Year Awards, West Africa 2011, Master Category. He was appointed to the Board of Consolidated Hallmark Insurance Plc on 24th April 2019.

OVERVIEW OF CONSOLIDATED HALLMARK INSURANCE PLC

Mrs Ngozi Nkem, Non Executive Director

Mrs Ngozi Nkem is a graduate of Banking & Finance from Abia State University (1995). She worked as a banker for many years at Spring Bank (2002-2007). She also worked at All States Trust Ltd from 1996-2002. She currently manages Zopon Nigeria (2009-Date), a general merchant company engaged in the import, export and supply of goods and services as well as in the downstream oil & gas distribution.

She is also a Director in the following companies: Transglobe Securities Nigeria Ltd, Zopon Nigeria Ltd, Binez Hotel Ltd and Abia State Hotels Ltd. Mrs. Nkem is married with children.

Mr Babatunde Daramola, Executive Director, Finance, Systems and Investment

He has been with Consolidated Hallmark Insurance Plc since 2004 and was appointed to the Board on April 1 2016. He was until this appointment the General Manager, Finance and Investment in Consolidated Hallmark Insurance Plc from 2010-2016. He has played strategic roles in a number of Corporate Transformation projects within the Group in addition to his role as the Chief Financial Officer.

Mr. Daramola is a Fellow of the Institute of Chartered Accountants of Nigeria (2014) and an Associate of the Chartered Insurance Institute of Nigeria (1996). He is also a Member of the Nigerian Institute of Management. He graduated from the Lagos State Polytechnic in 1994 with a Higher National Diploma in Insurance and also holds the MBA (Finance and Accounting) of the University of Liverpool (U.K.) in 2010.

Tunde has vast working experience spanning Insurance Broking, Underwriting and Banking. He also had a stint in the oil industry having worked in Exxon Mobil Nigeria on secondment from Glanvill Enthoven & Co.(Nig.) from 1995-2001. He also worked at Continental Trust Bank Ltd. (now part of UBA PLC from 2002-2004), where he had responsibility for Insurance, Tax Management, Budgets and Regulatory and Audit Management.

Tunde has played a number of insurance industry roles. He served as a two-time Chairman and current Executive Member of the Accounting Technical Committee of the Nigerian Insurers Association (2012-Date). He also served as a member of the Insurance Industry Accounting Practices Committee established by the National Insurance Commission (2011-Date). He was also a member of MCPD planning Committee of the Institute of Chartered Accountants of Nigeria He is currently a member of the Finance and Audit Committee of the Chartered Insurance Institute of Nigeria (2015-Date). He is a Member, Finance Houses Association of Nigeria (2012-Date). Tunde is an Alumnus of the Lagos Business School (2013) and is the current Vice President of Lagos Business School AMP 25 Class (2013 to present).

Mary Adeyanju, Executive Director, Operations

Mrs Mary Adeyanju holds a Master's Degree in Business Administration from the Lagos State University (2002-2004) as well as a B.A (Theatre Arts) and Diploma in Insurance from the University of Jos (1988-1991) and Ahmadu Bello University (1985-1987) respectively.

An Associate of the Chartered Insurance Institute of Nigeria (2009), Mrs Adeyanju has over two decades of varied experience in the insurance industry, having commenced her career at Boof Africa Insurance Brokers (1992-1997). She later held top management positions in Carrier Insurance Brokers (1997-2002) and First Chartered Insurance Company (2002-2004).

OVERVIEW OF CONSOLIDATED HALLMARK INSURANCE PLC

She has been with Consolidated Hallmark Insurance Plc since 2004 (formerly Consolidated Risk Insurers). She recently held the position of Regional Director, Lagos/Western Operations of Consolidated Hallmark Insurance Plc from 2014-2016. She was appointed as Executive Director of Operations in July, 2016. She is an Alumna of the Lagos Business School (2011).

Idris Shuaibu Abubakar, Independent Director

Mr Idris was recently appointed as an Independent Director in line with statutory regulations in 2016.

A professional accountant of repute, he holds a B.Sc Degree in Accounting from the Bayero University (1981-1985), Kano and a M.A in Banking and Finance (University of Wales, U.K from 1991-1993).

His professional career has taken him through several reputable organisations including Continental Merchant Bank (1987-1996), Liberty Bank (2001-2002), Lakeside Investments Limited (1996-1998) amongst others, where he rose through the ranks culminating in his appointment as Deputy Managing Director of Dangote Industries Limited (2002-2010). He has been a board member of Mainstreet Bank Limited, Navision W.A. Limited, Coronation BDC Limited, and Council Member of the Kaduna State University

Mr Shuaibu has attended several training programmes which took him to some reputable international training institutions including Harvard University, University of Pretoria SA and the Lagos Business School of Pan Atlantic University.

Mrs Rukevwe Falana, Company Secretary & Legal Adviser

Mrs. Rukevwe Falana joined the board as Company Secretary and Legal Adviser with effect from 1st January, 2016. A member of the Nigerian Bar Association, she graduated from Delta State University (LLB Hons) in 2001 and finished from the Nigerian Law School (BL) in 2004.

She started her professional career as a Legal Officer with Consolidated Risk Insurers Plc (CRI) in 2004 where she rose through the ranks as a Corporate Counsel with particular focus in the insurance sector of the financial services industry.

Mrs. Falana has since 2007 upon consolidation in the insurance industry worked in Consolidated Hallmark Insurance Plc in diverse areas spanning company secretarial functions, corporate governance, company regulatory affairs, company compliance with Anti-Money Laundering and Combating Financing of Terrorism Laws and Regulations, and provision of advisory services on corporate commercial transactions and other general legal functions to the company. She has also served the company as the Secretary to all the committees of the board of directors including the statutory audit committee.

Rukevwe was also appointed in 2011 as the Chief Compliance Officer of the Company with the mandate to ensure compliance with all institutional regulatory laws governing the affairs of the company.

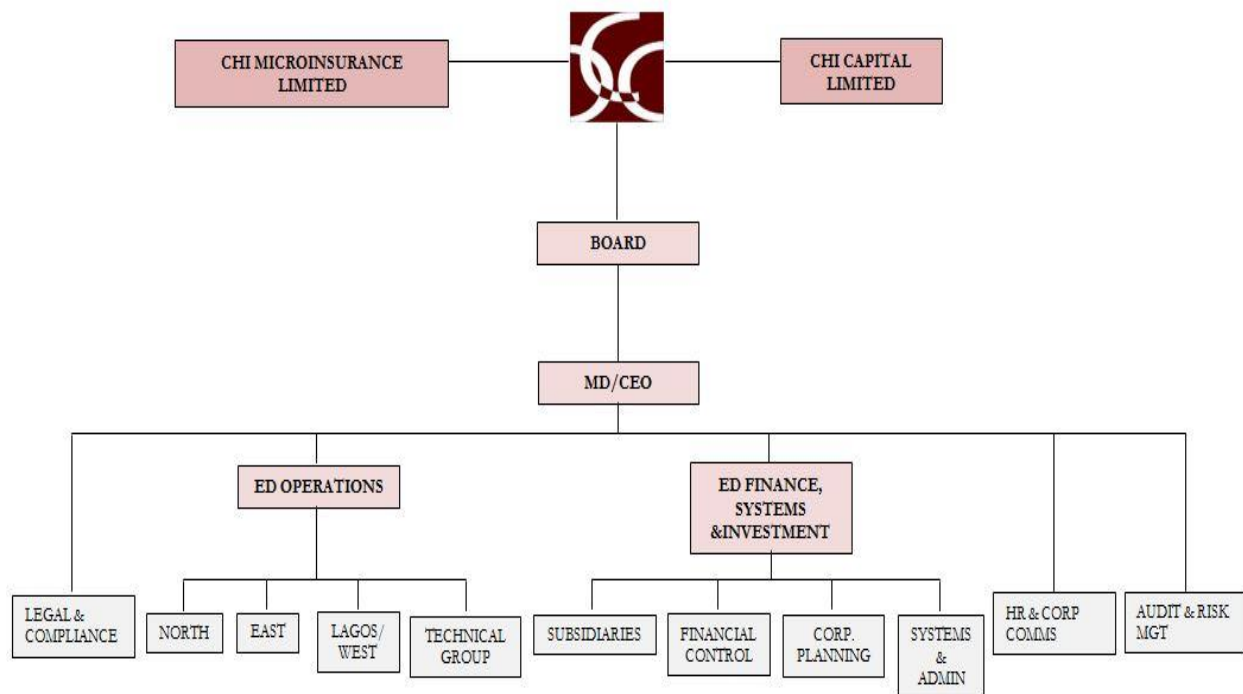
She has undergone several developmental trainings in diverse areas including commercial law and legal drafting.

OVERVIEW OF CONSOLIDATED HALLMARK INSURANCE PLC

7. GROUP STRUCTURE

The group comprises of Consolidated Hallmark Insurance Plc and its subsidiaries - CHI Capital Limited and CHI Microinsurance Limited. CHI Capital Limited has two wholly owned subsidiaries, Grand Treasurers Limited and CHI Support Services Limited.

The group structure is illustrated in the organogram below:



Key

ADMIN	-	Administration
CEO	-	Chief Executive Officer
COMMS	-	Communications
CORP	-	Corporate
ED	-	Executive Director
HR	-	Human Resources
MGT	-	Management

OVERVIEW OF CONSOLIDATED HALLMARK INSURANCE PLC

8. RISK FACTORS

In the context of the proposed Rights Issue by Consolidated Hallmark Insurance Plc, the following risk factors have been identified:

Business Risks

The Company may be affected by insurance liability claims or otherwise be subject to adverse publicity

CHI insures large ticket transactions in Marine Cargo/ Hull, Aviation and Oil & Gas sectors. Unforeseen circumstances could result in a material claim by clients in these sectors which could have a negative impact on the earnings of the Company.

Also, in the event that the Company is unable to pay its insurance claims, adverse publicity in this regard may affect the Company's brand equity and as such reduce its ability to generate premium income from new and existing customers thus impacting its earnings negatively.

Significant loss of market share by Consolidated Hallmark Insurance Plc may lead to a decline in earnings as its customers opt for competitor products

The insurance industry is intensely competitive. In particular, the General Insurance space is characterised by strong competition from other General Insurance companies as well as Composite Insurance Companies. A number of factors including changes in demographic and social trends, perception of insurance, the introduction of innovative insurance products, technology and downturn in economic conditions influence the demand for insurance. These factors may negatively impact a customer's willingness to purchase insurance products. Other factors including product pricing, claims management and execution are critical measures that determine the success and competitive advantage for CHI's insurance products.

A marked reduction in the gross premium income earned by CHI could have a negative impact on the Company's earnings.

Industry Risks

Change in existing regulations, increased regulations or failure to comply with existing regulations could have a significant negative effect on the Company's operations, cash flows and profitability

The Company operates in the insurance industry which is regulated by NAICOM hence its operations are subject to regulations regarding licensing, marketing, tax, labour and other matters. Failure to comply with laws and regulations could result in the loss, revocation or suspension of the Company's licenses and may result in negative publicity. Also changes in any laws or regulations

could have an adverse effect on the Company's business, results of operations, cash flow or financial condition.

OVERVIEW OF CONSOLIDATED HALLMARK INSURANCE PLC

There can be no assurance that the Company will not incur material costs or liabilities in connection with its compliance with current applicable regulatory requirements or that such regulations will not interfere with, restrict or affect the Company's business.

Country Risks

Political instability, insecurity, terrorism and ethnic, religious and regional differences

National security is one of the major challenges in Nigeria, particularly in the north-eastern part of the country. Despite the huge gains made by the Nigerian military in its fight against the Boko Haram insurgency, the humanitarian situation in the region is still deteriorating. Also, violence, oil theft and civil disturbance in the Niger Delta region by militant groups hampers the Federal Government's ability to generate revenues from oil production.

In spite of the Federal Government's efforts, continued criminal activity, unrest and political and religious conflicts in the country can easily lead to lower oil production, deter investments in the country and lead to increased political instability that could have a significant adverse effect on Nigeria's economy and hamper the Company's operations and profitability.

RESOLUTION OF THE BOARD OF DIRECTORS



Consolidated Hallmark
Insurance Plc.
Assessing Ability. Valuing Assurance

Corporate Head Office:
266 Ikorodu Road, Obanikoro, Lagos.
Tel: +234-1-2912543, 2912532
Customer Care:
0700CHINSURANCE (0700-244-6787-2932)
f myCHIPC
Email: info@chipc.com
Website: www.chipc.com

THE FEDERAL REPUBLIC OF NIGERIA
THE COMPANIES AND ALLIED MATTERS ACT, 2004
COMPANY LIMITED BY SHARES
RESOLUTION OF
THE BOARD OF DIRECTORS OF
CONSOLIDATED HALLMARK INSURANCE PLC RC 168762

At the meeting of the Board of Directors of Consolidated Hallmark Insurance Plc duly convened and held on the 21st day of November 2019 at 266 Ikorodu Road, Obanikoro Lagos, with a quorum present and voting throughout, the Directors agreed to propose the following resolutions for approval from the shareholders:

1. That the Directors be authorized to raise, whether by way of private/special placing, public offering, rights issue, preference share issue, or a combination or any other method(s) they deem fit, additional capital of up to ₦4,500,000,000 or its equivalent whether locally or internationally or a combination of both, through the issuance of shares, convertible securities or depository receipts or any other instrument(s), whether as a standalone transaction, or a combination of transactions which shall be determined by the directors; subject to obtaining the approvals of the relevant regulatory authorities.
2. That the Directors be authorized to raise additional capital of up to ₦1,056,900,000 (One Billion, Fifty Six Million and Nine Hundred Thousand Naira Only) through a Rights Issue of 2,032,500,000 (Two Billion, Thirty Two Million and Five Hundred Thousand) units in the ratio of 1:4 at ₦0.52 per share, on such terms and conditions and on such dates as may be determined by the Directors, subject to obtaining the approvals of the relevant regulatory authorities.

RESOLUTION OF THE BOARD OF DIRECTORS



3. That the Board be authorized to appoint such professional parties and advisers and undertake such other acts as may be necessary or incidental to and or required for effecting the objective as set out above.
4. That the Directors and Secretary be empowered to execute and file all the required documents necessary to give effect to the above resolutions.

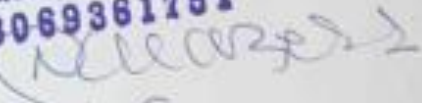
DATED THIS 21st November 2019


.....
Mary Adeyanju
Executive Director, Operations


.....
Eddie A. Efekoha
Managing Director/CEO



HANNAH Z. NWEKE
SOLICITOR/NOTARY PUBLIC
08069361751


3rd February 2020



RESOLUTION OF THE SHAREHOLDERS

THE FEDERAL REPUBLIC OF NIGERIA

THE COMPANIES AND ALLIED MATTERS ACT, 2004

COMPANY LIMITED BY SHARES

RESOLUTION OF

THE SHAREHOLDERS OF

CONSOLIDATED HALLMARK INSURANCE PLC-RC: 168762



At the Extra-Ordinary General Meeting of the Members of Consolidated Hallmark Insurance Plc duly convened and held on 21st day of November 2019 at The Providence By Mantis Hotel, 12A Oba Akinjobi Way, GRA Ikeja, Lagos with a quorum present and voting throughout, the following Special Resolutions were proposed and were duly passed:

1. That Members hereby approve that the Company's authorised share capital be and is hereby increased from N7,500,000, 000.00 divided into 15,000,000, 000 Ordinary shares of 50 Kobo each to N10,000,000,000 divided into 20,000,000,000 Ordinary shares of 50 Kobo each with the creation of additional 5,000,000,000 Ordinary shares of 50 Kobo each.
2. That Members hereby approve that the Company's Memorandum and Articles of Association be amended as follows:
By amending Clause 6 of the Memorandum and Articles of Association to read "The Capital of the Company is N10,000,000,000.00 (Ten Billion Naira Only) divided in 20,000,000,000.00 (Twenty Billion) Ordinary shares of 50 Kobo each with the power to increase and with the power from time to time to issue any shares of any new capital with preference or priority in the payment of dividends or distribution of assets or otherwise over any other shares whether ordinary or preference or whether issued or not and to vary regulations of the Company as far as necessary to give effect to any such preference or priority.
3. That Members hereby approve that the Directors be and are hereby authorised to raise additional capital of up to N1,056,900,000 (One Billion Fifty Six Million Nine Hundred Thousand Naira Only) through a Right Issue of 2,032,500,000 (Two Billion and Thirty-Two Million Five Hundred Thousand) units to the ratio of 1:4 at N0.52 per share, on such terms and conditions and on such dates as may be determined by the Directors, subject to obtaining the approvals of the relevant regulatory authorities.



DIRECTORS

Olenna Elewe (Chairman), Eddy A. Ekeleke (Managing Director/CEO),
Nabukunde Garankole (Executive Director, Finance, Systems & Investment), Mary Adesanya (Executive Director, Operations),
Rajul Nigam, Ben C. Osofina, Adedun Oshokun, Udu T. Abubakar, Layi Fatima



RC 168762
Authorized and Regulated by National Insurance Commission (NIC) NIF
ERANKEE KANNAKAM

SHAREHOLDERS' RESOLUTION



4. That Members hereby approve that the Directors be and are hereby authorised to raise, whether by way of private/public, special offering, right issue or a combination or any other method(s) they deem fit, additional capital of up to N4,500,000,000 (Four Billion Five Hundred Million Naira Only) or its equivalent whether locally or internationally or a combination of both, through the issuance of shares, long term debt, preference shares (redeemable or irredeemable), convertible and non-convertible securities or depository receipts or any other instrument(s), whether as a standalone transaction, or a combination which may be determined by the Directors for such consideration and upon such terms and conditions as the Directors may deem fit; subject to obtaining the approvals of relevant regulatory authorities.
5. That Members hereby approve that the Directors are hereby authorised to commence discussion on possible Mergers and Acquisition as the Directors deem fit; subject to obtaining the approval of the Shareholders and relevant regulatory authorities.
6. That Members hereby approve that the Directors be and are hereby authorised to do all acts and things and to approve, sign and/or execute all documents, appoint such professional parties and advisers, perform all such other things as may be necessary to give effect to the above resolutions including without limitation, complying with the directives of any regulatory authority.
7. That the Members hereby approve that all acts carried out by the Directors hitherto in connection with the above resolutions be and are hereby ratified.
8. That the Directors and the Company Secretary be and are hereby empowered to execute and file all the requisite documents necessary to give effect to the above resolutions.

DATED THIS 21ST DAY OF NOVEMBER 2019

Babatunde Daramola
DIRECTOR

Eddie A. Efekoba
DIRECTOR



HANNAH Z. NWEKE
SOLICITOR/NOTARY PUBLIC
08089381781

Hannah Z. Nweke
27th Jan. 2020



LETTER FROM DIRECTORS ON GOING CONCERN STATUS



**Consolidated Hallmark
Insurance Plc.**
Anxiety Away, Value Assured

Corporate Head Office:
266 Ikorodu Road, Obanikoro, Lagos.
Tel: +234-1-2912543, 2912532
Customer Care:
0700CHINSURANCE (0700-244-6787-2632)
f @myCHIplc
Email: info@chiplc.com
Website: www.chiplc.com

21st November 2019

The Director General
Securities and Exchange Commission
SEC Tower
Plot 272 Samuel Adesujo Ademulegun Street
Central Business District
Abuja.

Dear Sir,

CONFIRMATION OF GOING CONCERN STATUS OF CONSOLIDATED HALLMARK INSURANCE PLC

The Directors of Consolidated Hallmark Insurance Plc ("CHI" or "the Company") are required to prepare financial statements at the end of each financial period which give a true and fair view of the state of affairs and the Company's profitability. They are also responsible for maintaining proper accounting records and taking reasonable steps to prevent and detect fraud and other irregularities. The Directors are also responsible for selecting suitable accounting policies and applying them on a regular basis, making judgements and estimates that are prudent and reasonable.

The applicable International Financial Reporting Standards have been followed and CHI's financial statements are prepared using accounting policies which comply with generally accepted accounting standards in Nigeria, the Companies and Allied Matters Act, 2004 and the Financial Reporting Council of Nigeria Act, 2011.

The Directors of CHI, having made appropriate enquiries, reviewed budgets, projected cash flows and other relevant information, consider that adequate resources will exist for the business to continue in operations for the foreseeable future and therefore, it is appropriate to adopt the going concern basis in preparing the financial statements.

Signed for and on behalf of:
Consolidated Hallmark Insurance Plc

By its duly authorized representatives:


Rukevwe Falana
COMPANY SECRETARY


Babatunde Daramola
CHIEF FINANCIAL OFFICER


Eddie A. Efekoha
MANAGING DIRECTOR



HANNAH Z. NWEKE
SOLICITOR/NOTARY PUBLIC
08069361751

15th Nov. 2019



DIRECTORS

Obinna Ekezie (Chairman), Eddie A. Efekoha (Managing Director/CEO),
Babatunde Daramola (Executive Director, Finance, Systems & Investment), Mary Adeyanju (Executive Director, Operations),
Ngozi Nkem, Ben C. Onuora, Adedola Odukale, Idris S. Abubakar, Layi Fatona.



RC 168762
Authorized and Regulated by National Insurance Commission RIC 067
BRANCHES NATIONWIDE

LETTER FROM AUDITORS ON GOING CONCERN STATUS



Lagos: 18b Olu Holloway Road, Ikoyi, Lagos.
Tel: 01-463 0871-2 Fax: 01-463 0870

Abuja: 1st Floor, Bank of Industry Building
Central District Area, FCT, Abuja.
Tel: 09-291 2462-3
E-mail: enquiries@siao-ng.com
Website: www.siao-ng.com

SIAO/AU/3A/12789/19

20th December, 2019

The Directors

Consolidated Hallmark Insurance Plc
266 Ekorodu Road,
Obanikoro,
Lagos.

And

The Directors

Planet Capital Limited
3rd Floor, St Peter's House,
3, Ajele Street, Off Broad Street,
Marina.

Dear Sirs,

**CONSOLIDATED HALLMARK INSURANCE PLC
CONFIRMATION OF GOING CONCERN STATUS- FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31ST DECEMBER, 2018**

We are statutory auditors to Consolidated Hallmark Insurance Plc. We were responsible for the audit of the financial statements for the year ended, 31st December, 2018. In line with the requirements of International Standard on Auditing (ISA) 570 (Revised) Going Concern, we confirm as follows:

- i. The financial statements were prepared by management using the going concern basis of accounting, and management had neither intention nor need to reduce substantially its business operations or liquidate the entity, or to cease operations.
- ii. That we obtained sufficient appropriate audit evidence regarding, and conclude on, the appropriateness of management's use of the going concern basis of accounting in the preparation of the financial statements, and to conclude, based on the audit evidence obtained, whether a material uncertainty exists about Consolidated Hallmark Plc's ability to continue as a going concern.

LETTER FROM AUDITORS ON GOING CONCERN STATUS



- iii. Based on our audit, we conclude that, as at the date of the financial statements, there were no threats to Going Concern, and there was no material uncertainty about the ability of Consolidated Hallmark Insurance Plc to continue in business in the foreseeable future.

SIAO (Chartered Accountants)
Ikoyi, Lagos

A handwritten signature in blue ink, appearing to read 'Joshua Ansa', is written over a faint, light blue circular stamp or watermark.

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

INCORPORATION BY REFERENCE

The following documents which have previously been published, been filed with the SEC, shall be incorporated in, and form part of, this Rights Circular:

- (a) the unaudited financial statements of CHI for the 9 months ended 30 September 2019;
- (b) the audited financial statements of CHI for the year ended 31 December 2018;
- (c) the audited financial statements of CHI for the year ended 31 December 2017;
- (d) the audited financial statements of CHI for the year ended 31 December 2016;
- (e) the audited financial statements of CHI for the year ended 31 December 2015; and
- (f) the audited financial statements of CHI for the year ended 31 December 2014.

Copies of the documents incorporated by reference will be available for inspection during normal business hours on any weekday (except public holidays), from **24th February 2020** to **1st April 2020**, at the registered office of Consolidated Hallmark Insurance Plc located at, 266 Ikorodu Road, Obanikoro, Lagos, for viewing on the website of the Company at <http://www.chiplc.com> and at the offices of Planet Capital Limited, Iworld Financial Services Limited and SFS Financial Services Limited as shown on page 13.

CONSOLIDATED FINANCIAL INFORMATION

Consolidated Hallmark Insurance Plc maintains its books in Naira in accordance with International Financial Reporting standards (“IFRS”) as issued by the International Accounting Standards Board.

Unless otherwise indicated, the financial information set forth herein related to the Company and its consolidated subsidiaries (“the Group”) has been derived from the consolidated and separate financial statements for the years ended 31 December 2018, 2017, 2016, 2015 and 2014 (Individually, the “2018, 2017, 2016, 2015 and 2014 Financial Statements” respectively and together “the Financial Statements”). The Financial Statements were prepared in accordance with IFRS.

The Financial Statements were also prepared in accordance with the provisions of Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004 and the Financial Reporting Council of Nigeria Act No 6, 2011, which requirements are in addition to, and do not conflict with the requirements under IFRS.

The 2018, 2017 and 2016 Financial Statements were audited by SIAO (Chartered Accountants) (“SIAO”). The 2015 and 2014 Financial Statements were audited by PKF Professional Services (“PKF”) located at PKF House, 205A, Ikorodu Road, Obanikoro, Lagos, Nigeria, in accordance with International Standards on Auditing (“ISA”). Both SIAO and PKF are independent auditors in accordance with ISA.

The following tables set forth selected historical consolidated and separate financial information derived from the Financial Statements, and are included elsewhere in this Rights Circular.

CONSOLIDATED FINANCIAL INFORMATION

STATEMENT OF FINANCIAL POSITION						
In Millions	9 months ended 30 Sept. 2019	2018	2017	2016	2015	2014
	¥	¥	¥	¥	¥	¥
Assets						
Cash and cash equivalent	1,765	2,696	1,850	1,588	2,780	2,269
Financial assets:						
- At fair value through profit or loss	318	291	162	164	178	332
- Loans and receivables	692	480	249	212	71	19
- Available for sale	70	61	61	61	61	2
- Held-to-maturity	3,451	1,076	2,261	1,654	498	133
Finance Lease Receivables	117	-	-	-	-	-
Deposit for shares	-	-	-	180	-	50
Trade receivables	197	199	150	182	81	69
Reinsurance assets	1,900	2,032	1,656	546	692	652
Deferred acquisition cost	318	303	258	230	191	195
Other receivables and prepayments	195	211	166	214	135	142
Investment in subsidiaries	-	1,030	530	300	250	250
Intangible Assets	22	22	18	12	16	-
Investment properties	843	805	806	809	803	793
Property and equipment	968	927	926	941	909	906
Statutory deposits	300	300	300	300	300	300
Total assets	11,159	10,463	9,393	7,393	6,964	6,112
Liabilities						
Insurance contract liabilities	3,603	3,741	3,532	2,411	2,219	1,974
Trade payables	59	11	26	88	112	8
Borrowing	16					
Other payables and provision	319	181	245	195	172	172
Deposit for share	-		500	-	-	-
Retirement benefit obligations	7	6	5	0	0	-
Current income tax liabilities	451	299	252	163	93	48
Deferred tax liabilities	171	168	230	170	140	95
Total liabilities	4,626	4,405	4,791	3,026	2,735	2,297
Equity & reserves						
Issued and paid share capital	4,065	4,065	3,000	3,000	3,000	3,000
Share Premium	155	155	-	-	-	-
Contingency reserves	1,798	1,604	1,400	1,230	1,059	883
Statutory reserves	36					
Retained earnings	479	234	201	137	170	(68)

Shareholders' fund	6,532	6,058	4,602	4,367	4,229	3,815
Total liabilities and equity & reserves	11,159	10,463	9,393	7,393	6,964	6,112

STATEMENT OF COMPREHENSIVE INCOME						
	9 Months ended 30 Sept. 2019	2018	2017	2016	2015	2014
In Millions	₪	₪	₪	₪	₪	₪
Gross premium written	6,687	6,776	5,681	5,827	6,039	4,614
Gross premium income	6,474	6,482	5,543	5,708	5,876	4,679
Reinsurance premium expenses	(2,618)	(2,239)	(1,860)	(2,200)	2,686	(2,148)
Net premium income	3,856	4,242	3,683	3,508	3,190	2,530
Fee and commission income	449	356	371	204	146	208
Net underwriting income	4,306	4,599	4,054	3,712	3,336	2,738
Claims expenses	(2,266)	(4,770)	(3,354)	(1,731)	(1,341)	(1,234)
Claims recoveries from reinsurers	852	2,987	1,931	344	383	267
Claims incurred	(1,414)	(1,783)	(1,423)	(1,387)	(958)	(967)
Underwriting expenses	(1,551)	(1,621)	(1,388)	(1,271)	(1,016)	(947)
Underwriting profit	1,340	1,195	1,243	1,053	1,362	824
Investment income	793	617	673	472	402	300
Other operating income	28	25	69	123	171	33
Impairment charge	446	-	3	1	17	(17)
Net fair value gains/(loss) on financial assets at fair value through profit or loss	(35)	(151)	(5)	(7)	(138)	33
Management expenses	(1,467)	(1,529)	(1,419)	(1,281)	(1,126)	(984)
Profit/(loss) before taxation	659	460	565	361	687	188
Income tax (expenses)/credit	(140)	(84)	(210)	(163)	(153)	(3)
Profit/(loss) after taxation	519	376	355	198	534	185

CONSOLIDATED FINANCIAL INFORMATION

STATEMENT OF CASHFLOW						
	9 Months ended 30 Sept. 2019	2018	2017	2016	2015	2014
In millions	₹	₹	₹	₹	₹	₹
Cash flow from operating activities						
Premium received from policy holders	6,725	6,727	5,691	5,701	6,039	4,597
Reinsurance receipts in respect of claims	1,537	2,788	867	377	315	414
Commission received	449	370	391	215	151	208
Other operating receipts	450	25	69	123	155	33
Cash paid to and on behalf of employees	(580)	(542)	(543)	(492)	(532)	(375)
Reinsurance premium paid	(2,974)	(2,431)	(1,833)	(2,113)	(2,553)	(1,983)
Claims paid	(2,670)	(4,856)	(2,370)	(1,657)	(1,261)	(1,320)
Underwriting expenses	(1,566)	(1,666)	(1,416)	(1,311)	(1,016)	(947)
Other operating cash payments	(999)	(713)	(811)	(653)	(512)	(503)
Company Income tax paid	(62)	(99)	(60)	(64)	(63)	(105)
Net Cash from operating activities	105	(397)	(16)	126	723	18
Cash flow from investing activities						
Purchase of property and equipment	(38)	(122)	(76)	(122)	(100)	(17)
Purchase of Intangible assets	(6)	(9)	(10)		-	
Additions to investment properties	(0.77)	(3)	-	(6)	(10)	(4)
Increase in investment in subsidiaries	-	(500)	(50)	(230)	-	(24)
Proceeds from sale of property and equipment	7	8	5	7	8	8
Purchase of financial assets	(2,232)	(971)	(820)	(1,549)	(460)	(311)
Proceeds from sale of financial assets	890	2,090	629	356	83	69
Dividend received	16	9	8	30	6	10
Rental Income received	3	4	4	-	381	
Interest received	382	332	208	256	(91)	287
Net Cash from investing activities	(979)	(99)	(101)	(1,258)	-	18
Cash flow from financing activities						
Proceeds of right issue & Private Placement	-	720	500	-	-	-
Refund of Excess on Rights Issue	-	(457)	-	-	-	-
Proceeds from Borrowing	72					
Payment on Borrowing	(219)					
Dividend paid	(163)	(140)	(120)	(60)	(120)	-
Net cash from financing activities	(309)	580	380	(60)	-	-
Increase in cash and cash equivalents	(1,184)	846	263	(1,193)	512	36

Cash and cash equivalents at beginning	2,949	1,850	1,588	2,780	2,269	2,232
Cash and cash equivalents at end	1,765	2,696	1,850	1,588	2,780	2,269

STATUTORY AND GENERAL INFORMATION

1. INCORPORATION AND SHARE CAPITAL HISTORY

Consolidated Hallmark Insurance Plc (“CHI” or “the Company”) was incorporated on August 2, 1991, as a Public Limited Liability Company and commenced operations in 1992. The Company converted to a Public Limited Company in July 2005.

In 2007, the Company changed its name from Consolidated Risk Insurers Plc to Consolidated Hallmark Insurance Plc, following the merger of Consolidated Risk Insurers Plc and Hallmark Assurance Plc. The Company was listed on the Nigerian Stock Exchange in February 2008. The table below details the changes in the share capital of the Company since incorporation

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
1995	15,000,000	30,000,000	14,888,119	20,000,000	Cash
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
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	Cash
2005	500,000,000	1,000,000,000	-	300,000,000	Cash
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
2011	-	5,000,000,000	-	3,000,000,000	No change
2012	-	5,000,000,000	-	3,000,000,000	No change
2013	-	5,000,000,000	-	3,000,000,000	No change
2014	-	5,000,000,000	-	3,000,000,000	No change
2015	-	5,000,000,000	-	3,000,000,000	No change
2016	-	5,000,000,000	-	3,000,000,000	No change
2017	-	5,000,000,000	-	3,000,000,000	No change
2018	-	5,000,000,000	500,000,000	3,500,000,000	Rights Issue
2018	-	5,000,000,000	565,000,000	4,065,000,000	Private Placement
2019	2,500,000,000	7,500,000,000 *	-	4,065,000,000	No change

* A resolution of shareholders for the increase to N10,000,000,000 authorized share capital made up of 20,000,000,000 units of ordinary shares has been given but the requisite filing is yet to be made at the CAC

STATUTORY AND GENERAL INFORMATION

2. DIVIDEND HISTORY

Financial Year	Year Paid	Amount Paid (Kobo)	Total Amount (₦)
2008	2009	5	300,000,000
2009	2010	Nil	Nil
2010	2011	3	180,000,000
2011	2012	2	120,000,000
2012	2013	3	180,000,000
2013	2014	Nil	Nil
2014	2015	Nil	Nil
2015	2015	2	120,000,000 (Interim)
2015	2016	1	60,000,000 (final)
2016	2017	2	120,000,000
2017	2018	2	140,000,000
2018	2019	2	162,600,000

3. SHAREHOLDING STRUCTURE

As at January 2019, the Company's issued share capital of 8,130,000,000 ordinary shares of 50 Kobo each was beneficially held as follows:

Shareholder	Number of shares held	%
Capital Express Assurance Co Ltd	1,000,000,000	12.30
SPDC West Multipurpose Cooperative Society	500,000,000	6.15
Ugo (Dr.) Obi Ralph Ekezie	467,283,121	5.75
Mr Eddie Efekoha	704,840,000	8.67
Niger Delta Exploration & Production	1,329,832,063	16.36
Other Shareholders	4,128,044,816	50.78

STATUTORY AND GENERAL INFORMATION

4. DIRECTORS' BENEFICIAL INTERESTS

The interest of the Directors in the issued share capital of the Company as recorded in the Register of Directors' interest or as notified by them for the purpose of section 275(1) of CAMA as at February 2019 are as follows:

Director	Direct Interest	Indirect Interest	Total Interest	%
Mr Obinna Ekezie ¹	-	467,283,121	467,283,121	5.75%
Mrs Adebola Odukale ²	-	1,079,980,650	1,079,980,650	13.28%
Mr Eddie Efekoha ³	704,840,451	345,999,075	1,050,839,526	13%
Mrs Ngozi Nkem ⁴	260,000,000	674,118,755	934,118,755	11.49%
Dr. Layi Fatona		1,360,811,437	1,360,811,437	16.36%
Prince Ben Onuora	21,372,259	-	21,372,259	0.26%
Mr Babatunde Daramola	14,375,615	-	14,375,615	0.17%
Mrs Mary Adeyanju	21,731,666	-	21,731,666	0.26%
Mr. Shuaibu Idris	-	-	0	0%

1. Mr. Obinna Ekezie is representing Ugo (Dr) Obi Ralph Ekezie who holds 467,283,121 units on the board of CHI.
2. Mrs. Adebola Odukale is representing the following; Capital Assurance ltd which holds 1,000,000,000 units; Capital Express Managed Fund holds 65,062,350 units; Capital Express securities Ltd which holds 1,465,000 units and Capital Express Asset & Trust which holds 13,453,300 units on the board of CHI.
3. Mr. Eddie Efekoha is representing Sephine Edefe Nigeria limited who holds 345,999,075 units on the board of CHI
4. Mrs. Ngozi Nkem is representing Transglobe Investment & Financial Co Limited on the board of CHI.
5. Dr Layi Fatona is representing NDEP Plc who holds 1,360,822,437 units on the board of CHI

5. INDEBTEDNESS

As at the date of this Rights Circular, the Company has no outstanding debenture, mortgage, charges or other similar indebtedness other than in the ordinary course of business.

6. OFF BALANCE SHEET ITEMS

As at the date of this Rights Circular, the Company has no off balance sheet items in its records.

7. SUBSIDIARIES AND ASSOCIATED COMPANIES

As at the date of this Rights Circular, the Company owned 100% interest in the following companies:

- CHI Capital Limited
- CHI Microinsurance Limited

STATUTORY AND GENERAL INFORMATION

8. CLAIMS AND LITIGATION

Consolidated Hallmark Insurance Plc is currently involved in three (3) cases, and all three (3) cases were instituted against the Company. A review of these cases was conducted to confirm their status and ascertain the “Contingent Liability” of the Company.

In all three (3) cases instituted against the Company, CHI is a co-defendant, and its liability is dependent on the judgment of the defendant and the insurance cover CHI Plc has provided the Defendant. The solicitor is of the opinion that two of the cases will be decided in favor of the issuer. However, the solicitor is also of the opinion that the maximum liability to which the Company will be exposed to in the third case is capped by its Comprehensive motor Insurance policy in the sum of N5,000,000 (Five Million Naira).

The Solicitors to the Proposed Rights Issue, are of the opinion that the Claims and Litigations are not likely to have any material adverse effect on the Company and/or the proposed Rights Issue and are not aware of any pending or threatened Claims or Litigation involving the Company other than those disclosed above.

9. USE OF PROCEEDS

The proceeds of the Issue will be applied towards investment in the company’s subsidiary – Grand Treasurers Limited, expansion of the retail business platform and working capital enhancement.

The gross issue proceeds of N1,056,900,000 will be utilized as follows:

Purpose	Amount (₦)	% of proceeds	Period
Investment in Grand Treasurers Limited	264,225,000	25.00%	30 Sept., 2020
Branch network expansion (Lagos & Abuja)	340,721,703	32.24%	30 Sept., 2020
Working capital enhancement	422,760,000	40.00%	30 June, 2020
Cost of Issue	29,193,297	2.76%	Immediate

10. COSTS AND EXPENSES

The costs, charges and expenses of and incidental to the Issue including fees payable to SEC and The NSE, professional parties, brokerage, and printing and distribution expenses, are estimated at about ₦29,193,297 representing 2.76% of the Issue proceeds and are payable by Consolidated Hallmark Insurance Plc.

11. MATERIAL CONTRACTS

The following agreement has been entered into and is considered material to this Issue:

1. A Vending Agreement dated 12th February 2020 under the terms of which Planet Capital Limited, IWorld Financial Services Limited and SFS Financial Services Limited have agreed, on behalf of the Company, to offer by way of Rights of 2,032,500,000 Ordinary Shares of 50 kobo each at 52 kobo per share on the basis of 1 new Ordinary Share for every 4 Ordinary Shares in CHI.

STATUTORY AND GENERAL INFORMATION

12. UNCLAIMED DIVIDENDS

The total amount of unclaimed dividend as at December 31, 2018 was ₦72,801,737. In addressing the issue of unclaimed/unpaid dividend, the Company periodically publishes a schedule of unclaimed dividends in its Annual Report, circulated to all shareholders of the Company. In addition, the Company places notices on its website and through its registrars, encourages shareholders to open e-dividend accounts to enable payments directly into shareholders' accounts on every dividend payment date.

13. OVERVIEW OF CORPORATE GOVERNANCE

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

The Board is composed of five Non-Executive Directors, three Executive Directors and one Independent Director. In tandem with international best practice, the positions of the Chairman and the Chief Executive Officer/Managing Director are occupied by two different persons. The Board carries out its oversight function partially through its committees. The Chairman of the Board does not sit on any committee, in line with global best practice. The committees are:

Board Finance & General Purpose Committee

The Board Finance & General Purpose Committee is responsible to the Board of Directors and it is mandated to oversee the Company's financial affairs on behalf of the Board and to give initial consideration to and advice on any other Board business of particular importance or complexity. The Committee also in fulfilling its obligation and oversight responsibilities, makes investment decisions and formulates and advises the Board on strategic policy for the Company's capital and revenue investment programmes based on professional information/advice and for ensuring that systems are in place to identify, manage, and monitor principal risks that may impact on the Company's investment.

Board Audit, Risk Management & Compliance Committee

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

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

STATUTORY AND GENERAL INFORMATION

Board Investment Committee

The purpose of the Board Investment Committee is to assist the Board of Directors in fulfilling its obligation and oversight responsibilities in making investment decisions and formulating and

advising the Board on strategic policy for the Company's capital and revenue investment programmes based on professional information/advice and for ensuring that systems are in place to identify, manage, and monitor principal risks that may impact on the Company's investment.

Board Establishment & Governance Committee

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

14. RESEARCH AND DEVELOPMENT

In the last three years, the Company has invested in new technology that will allow the Company achieve its digitisation objectives. This new technology includes the development of a mobile application and improvements of its website that will allow customers acquire a range of insurance and microinsurance products seamlessly.

15. MERGERS AND TAKEOVERS

As at the date of this Rights Circular, the Company is not aware of any attempt by any investor to acquire a majority shareholding in the Company or by the Company of any other entity.

16. RELATIONSHIP BETWEEN THE COMPANY AND ITS ADVISERS

A Director of Planet Capital Limited (Lead Issuing House), Dr Tony Anonyai, is a shareholder of the Company and is on the Company's Audit Committee.

Also a Director of the Company, Dr Layi Fatona, is the Chairman of SFS Financial Services Limited (Joint Issuing House).

Save as disclosed, there is no relationship between the Company and its advisers as at the date of this Rights Circular except in the ordinary course of business.

17. RELATED PARTY TRANSACTION

As at the date of this Rights Circular, the Company was not involved in any related party transactions that may have affect the Issue.

18. DECLARATIONS

Except as otherwise disclosed in this Rights Circular:

1. No share of CHI is under option or agreed conditionally or unconditionally to be put under option;

STATUTORY AND GENERAL INFORMATION

2. No commissions, discounts, brokerages or other special terms have been granted by CHI to any person in connection with the Issue or sale of any share of the Company;

3. Save as disclosed herein, the Directors of CHI have not been informed of any holding representing 5% or more of the issued share capital of the Company;
4. There are no material service agreements between CHI or any of its Directors and employees other than in the ordinary course of business;
5. No Director of the Company has had any interest, direct or indirect, in any property purchased or proposed to be purchased by the Company in the three years prior to the date of this Rights Circular; and
6. No Director of the Company is or has been involved in any of the following:
 - A petition under any bankruptcy or insolvency laws filed (and not struck out) against him/her or any partnership in which he/she is or was a partner or any company of which he/she is or was a Director or key personnel;
 - A conviction in a criminal proceeding or is named subject of pending criminal proceedings relating to fraud or dishonesty; and
 - The subject of any order, judgment or ruling of any court of competent jurisdiction or regulatory body relating to fraud or dishonesty, restraining him/her from acting as an investment adviser, dealer in securities, Director or employee of a financial institution and engaging in any type of business or activity.

19. CONSENTS

The following have given and not withdrawn their written consents to the issue of this Rights Circular with their names and reports (where applicable) included on the form and context in which they appear:

Directors of the Company	Mr. Obinna Ekezie Mr. Eddie Efekoha Mr. Babatunde Daramola Mrs. Mary Adeyanju Dr. Layi Fatona Mrs. Ngozi Nkem Prince Ben Onuora Mrs. Adebola F. Odukale Mr. Shuaibu Abubakar Idris
---------------------------------	--

STATUTORY AND GENERAL INFORMATION

Company Secretary	Rukevwe Falana
Issuing Houses	Planet Capital Limited, Iworld Financial Services Limited and SFS Financial Services Limited

Stockbrokers	Planet Capital Limited
Auditors	SIAO (Chartered Accountants)
Solicitors to the Issue	Sefton Fross
Registrars	Meristem Registrars Limited
Receiving Bank	Sterling Bank Plc

18. DOCUMENTS FOR INSPECTION

- The Certificate of Incorporation of the Company;
- The Memorandum and Articles of Association of the Company;
- The Rights Circular issued in respect of the Issue;
- The audited financial statements of the Company for each of the five years from the period ended 31 December, 2014 to the period ended 31 December 2018 and the unaudited financial statement for the 9 Months period ended 30 September 2019;
- The Shareholders' Resolutions authorising the Issue;
- The Board Resolution authorising the Issue;
- The list of outstanding claims and litigation referred to on page 53;
- The material contract referred to on page 53;
- The written consents referred to on page 56;
- Letter of approval from SEC; and
- Letter of approval from The NSE.

PROVISIONAL ALLOTMENT LETTER



January 13 2020

RIGHTS ISSUE OF 2,032,500,000 ORDINARY SHARES OF 50 KOBO EACH AT 52 KOBO PER SHARE IN CONSOLIDATED HALLMARK INSURANCE PLC

Dear Sir/Madam,

1. Provisional Allotment

The letter dated, December 16, 2019 from the Chairman of your Company which is provided, on Page 14 of this Rights Circular contains particulars of the Rights Issue now being made. The Directors have provisionally allotted to you the number of new shares set out on the first page of the enclosed Participation Form, representing 1 new Ordinary Share for every 4 Ordinary Shares registered in your name at the close of business on 3rd February 2020. The new Ordinary Shares will rank pari passu in all respects with the existing Ordinary Shares of the Company.

You may accept all or some of the shares allotted to you or renounce your rights to all or some of them. If you are accepting the provisional allotment in full, kindly complete box A of the Participation Form, while if renouncing your rights partially or in full, kindly complete box B of the form. You may also apply for additional shares over and above your provisional allotment as described in 2(b) of this letter.

2. Acceptance and Payment

The receipt of any payment with your Acceptance Form will constitute an acceptance of all or part of this allotment on the terms of this letter, subject to the Memorandum and Articles of Association of the Company and to the clearance of the Securities & Exchange Commission. If payment is not received by the close of the Offer, the provisional allotment will be deemed to have been declined and will be cancelled. You may participate in the Rights Issue through any of the following methods:

a. Full Acceptance

If you wish to accept this provisional allotment in full, please complete box A of the Acceptance Form. The completed Acceptance Form together with a cheque or bank draft for the full amount payable must be submitted to any of the Receiving Agents listed on Page 61 of this document not later than **1st April 2020**. The cheque or draft must be made payable to the Receiving Agent and crossed "CHI Rights" with your name, address and mobile number written on the back of the cheque or draft. All cheques and drafts will be presented for payment on receipt and all Acceptance Forms in respect of which cheques are returned unpaid for any reason will be rejected and returned through the registered post.

PROVISIONAL ALLOTMENT LETTER

Any payment made electronically or with a value exceeding ₦10 million should be made via SWIFT, RTGS or NEFT into the designated Issue Proceeds Account stated on the Acceptance Form. Such payment must include the following transfer instruction narrative: "[FULL NAME OF SHAREHOLDER]'s PAYMENT FOR CHI RIGHTS".

b. Applying for Additional Shares

This may be done by completing item (ii) and (iii) of box A of the Acceptance Form. Payment should be made in accordance with 2(a) above. Shareholders who apply for additional shares using the Acceptance Form will be subject to the allotment process and may therefore be allotted less than the number of additional shares applied for (see item 4 below).

c. Partial Acceptance

To accept your provisional allotment partially, please complete box B of the Acceptance Form and submit the completed Acceptance Form to any of the Receiving Agents listed on Page 61 of this document together along with full amount payable in respect of the number of shares you wish to accept. Payment should be made in accordance with 2(a) above.

3. Trading in Rights on the NSE

The approval of The NSE has been obtained for trading in the rights of the Company. The Rights will be tradable between **24th February 2020** and **1st April 2020** at the price at which the Rights are quoted on the NSE. If you wish to renounce your Rights partially or in full, you may trade such renounced Rights on the Floor of The NSE between these dates. Please complete item (iii) of box B of the Participation Form and contact your stockbroker for assistance. If you wish to purchase renounced Rights, please contact your stockbroker who will guide you regarding payment and the procedure for purchasing CHI's Rights.

4. Allotment of Additional Shares

Ordinary Shares which are not taken up by **1st April 2020** will be allotted on a pro-rata (equal) basis to existing shareholders who applied and paid for additional shares over and above their provisional allotment by completing item (ii) of box A. Shares not taken up by shareholders after allotment will be returned to the CHI's authorized share capital as part of its un-issued shares.

5. Subscription Monies

Participation Forms must be accompanied with the full amount due on acceptance in accordance with 2(a) above. All subscription monies will be retained in interest yielding bank accounts by Sterling Bank Plc.

6. Surplus Application Monies

If any application for additional shares is not accepted or accepted for fewer shares than the number applied for, a cheque for the value of the additional shares not accepted including applicable interest would be sent by registered post not later than 5 working days after the date of allotment.

PROVISIONAL ALLOTMENT LETTER

Any electronic payment with a value exceeding ₦10 million would be made via RTGS or NEFT into the affected subscriber's bank account details stated on the Participation Form.

7. Rounding Principle

The allocation of Rights Issue shares will be such that shareholders will not be allocated a fraction of a Rights Issue share and as such any shareholding giving rise to a fraction of less than one of a Rights Issue share will be rounded down to the nearest whole number.

8. Settlement

The CSCS accounts of Shareholders will be credited not later than 15 working days from the date of allotment. Certificates of Shareholders that do not provide their CSCS account details will be dispatched by registered post not later than 15 working days from the date of allotment.

Yours faithfully,



Rukevwe Falana
Company Secretary

RECEIVING AGENTS

A copy of the Rights Circular has been forwarded to each of the shareholders whose names appeared in the Company's Register of Members as at 3rd February 2020. The completed Acceptance Forms together with a cheque or bank draft or evidence payment if via bank transfer for the full amount payable may be returned to any of the following Receiving Agents registered as market operators with the SEC to whom brokerage will

be paid at the rate of N0.25 per N100 worth of shares allotted in respect of Acceptance Forms bearing their official stamp.

The Issuing Houses cannot accept responsibility for the conduct of any of the institutions listed below. Shareholders are therefore advised to conduct their own enquiries before choosing an agent to act on their behalf. Evidence of lodgment of funds at any of the Receiving Agents listed below, in the absence of corresponding evidence of receipt by the Issuing Houses cannot give rise to a liability on the part of the Issuing Houses under any circumstances.

BANKS

Access Bank Plc Citibank Nigeria Limited Coronation Merchant Bank Limited Ecobank Nigeria Limited Fidelity Bank Plc	First Bank of Nigeria Limited First City Monument Bank Limited Guaranty Trust Bank Plc Heritage Bank Plc Keystone Bank Limited	PolarisBank Plc Stanbic IBTC Bank PLC Standard Chartered Bank Nigeria Ltd Sterling Bank Plc Union Bank of Nigeria Plc	United Bank for Africa Plc Unity Bank Plc Wema Bank Plc Zenith Bank Plc
---	--	---	--

STOCKBROKERS AND OTHERS

Adamawa Securities Limited Adonai Stockbrokers Limited African Alliance Stockbrokers Ltd Afrinvest (West Africa) Limited Alangrange Securities Limited Anchoria Inv& Securities Ltd Apel Asset Limited APT Sec. & Funds Limited Arian Capital Management Ltd ARM Securities Limited Arthur Steven Asset Mgt Ltd Associated Asset Managers Ltd Atlass Portfolio Limited Belfry Stockbrokers Limited Bestlink Investment Limited Bestworth Assets & Trust Ltd Calyx Securities Limited Camry Securities Limited Capital Asset Limited Capital Bancorp Limited Capital Express Securities Ltd Capital Trust Brokers Limited Cardinal Stone Securities Ltd Cashcraft Securities Limited Cashville Inv& Sec. Limited CDL Capital Markets Limited Centre-Point Inv. Limited Century Securities Limited Chapel Hill Denham Sec. Ltd Chartwell Securities Limited Citi Investment Capital Limited City-Code Trust & Inv Limited Clearview Inv Co. Limited Compass Inv and Sec Limited Cordros Capital Limited Core Trust & Investment Ltd Coronation Securities Limited Cowry Asset Mgt Limited Crane Securities Limited Crossworld Securities Limited Crown Capital Limited CSL Stockbrokers Limited Deep Trust Investment Limited De-Lords Securities Limited Dependable Securities Limited Diamond Securities Limited Dominion Trust Limited DSU Brokerage Services Ltd Dunbell Securities Limited Dunn Loren Merrifield Sec. Ltd Dynamic Portfolios Limited ECL Asset Management Limited EDC Securities Limited Edgefield Capital Mgt Ltd	EFCP Limited Elixir Securities Limited Emerging Capital Limited Enterprise Stockbroker Plc Equity Capital Solutions Limited Eurocomm Securities Limited Express Discount Asset Mgt Ltd Express Portfolio Services Ltd FBC Trust & Securities Limited FBN Securities Limited FCSL Asset Mgt. Company Ltd Fidelity Finance Company Ltd Fidelity Securities Limited Financial & Analytics Capital Ltd Financial Trust Company LtdFinmal Finance Company Ltd First Integrated Capital Mgt Ltd First Stockbrokers Limited FIS Securities Ltd Foresight Sec. & Inv Limited Forte Financial Limited Forthright Sec & Investments Ltd Fortress Capital Limited FSDH Securities Limited Funds Matrix & Assets Mgt Ltd Futureview Securities Limited Gem Assets Mgt Limited Gidauniya Inv. & Sec Limited Global Assets Mgt (Nig) Limited GlobalView Capital Limited Golden Securites Limited Greenwich Securities Limited Gruene Capital Limited GTI Capital Limited Harmony Securities Limited Heartbeat Investments Limited Hedge Sec. & Inv. Co. Limited Heritage Capital Mkt Limited Horizon Stockbrokers Limited ICMG Securities Limited ICON Stockbroker Limited Imperial Assets Managers Ltd Independent Securities Limited Integrated Trust & Inv. Limited Interstate Securities Limited Investment Centre Limited Investment One Stock Brokers Investment Shark & Asset Mgt. Ltd Investors & Trust Co Limited Iworld Financial Services Limited Kapital Care Trust & Sec. Ltd Kedari Securities Limited Kinley Securities Limited Kofana Securities & Inv. Limited	Kundila Finance Services Ltd Lambeth Trust & Inv. Co. Ltd Lead Securities and Inv. Limited Lighthouse Asset Mgt Limited Long Term Global Capital Ltd Magnartis Fin & Inv Limited Mainland Trust Limited Mainstreet Bank Securities Ltd Marriot Sec. & Invest. Co. Ltd Maven Asset Mgt Limited Maxifund Invest & Sec. Limited Mayfield Investment Limited MBC Securities Limited Mega Equities Limited Meristem Securities Limited Midas Stockbrokers Limited Milestone Capital Mgt Ltd Mission Securities Limited Molten Trust Limited Morgan Capital Sec Limited Mountain Invest. & Sec. Ltd Mutual Alliance Invest. and Sec. Ltd Network Capital Limited Network Sec. & Finance Ltd Newdevco Invest. & Sec. Co Ltd Nigerian Intl Sec Limited Nigerian Stockbrokers Limited Nova Finance & Securities Ltd Options Securities Limited PAC Securities Limited Partnership Securities Limited Peace Capital Market Limited Perfecta Inv Trust Limited Phronesis Sec Limited Pilot Securities Limited Pinefields Inv Serv Limited PIPC Securities Limited Pivot Trust and Invest. Co Ltd Planet Capital Limited Portfolio Advisers Limited Primera Africa Securities Prime Wealth Capital Limited Prominent Securities Limited PSI Securities Limited Pyramid Securities Limited Quantum Securities Limited Rainbow Sec. and Invest Co. Ltd Readings Investment Limited Regency Assets Mgt Limited Rencap Securities (Nig.) Limited Resort Securities & Trust Ltd Reward Invest and Services Ltd Rostrum Inv& Sec Limited Rowet Capital Mgt Limited	Royal Crest Finance Limited Royal Guaranty & Trust Limited Royal Trust Securities Limited Santrust Securities Limited Securities Africa Financial Ltd Securities and Capital Mgt. Co. Ltd. Security Swaps Limited SFC Securities Limited Shalom Invest. & Sec. Transactions Ltd Shelong Investment Limited Sigma Securities Limited Signet Investments & Sec. Ltd Skyview Capital Limited SMADAC Securities Limited Solid-Rock Sec & Invest. Plc Spring Trust & Securities Ltd Springboard Trust & Inv Limited Stanbic IBTC Stockbrokers Ltd Standard Alliance Capital Asset Mgt Ltd Standard Union Securities Ltd TFS Sec. & Investment Ltd The Bridge Securities Limited Tiddo Securities Limited Tomil Trust Limited Topmost Securities Limited Tower Asset Mgt Limited Tower Secs & Invest. Co. Ltd Trade Link Securities Limited Traders Trust & Invest Co. Ltd TransAfrica Fin. Services Ltd Transworld Invest & Sec. Ltd Trust Yields Securities Limited TrustBanc Capital Mgt Limited TrustHouse Investments Ltd TRW Stockbrokers Limited Tyndale Securities Limited UNEX Capital Limited Union Capital Markets Limited United Capital Securities Ltd Valmon Securities Limited Valueline Sec. & Invest. Ltd Vetiva Securities Limited Woodland Capital Markets Plc WSTC Financial Services Ltd Yuderb Inv. & Sec. Limited Zenith Securities Limited Zion Stockbrokers & Sec. Ltd
--	--	---	---

ACCEPTANCE FORM

Issuing Houses



Planet Capital RC986761



RC672560



RC: 691993

On behalf of



Acceptance List Opens
24th February 2020

Acceptance List Closes
1st April 2020

Consolidated Hallmark Insurance Plc

RC168762

Rights Issue of

2,032,500,000 Ordinary Shares of 50 kobo each

at 52 kobo per Share

on the basis of 1 new Ordinary Share

for every 4 shares held at the close of business on 3rd February 2020

PAYABLE IN FULL ON ACCEPTANCE

Instructions for Completing Acceptance Form

1. Acceptance and/or renunciation must be made on this Acceptance Form. Photocopies or scanned copies of the Form will be rejected
2. Allottees should complete only ONE of the boxes marked A and B on the reverse of this form. Shareholders accepting the provisional allotment in full should complete box A and submit their Acceptance Forms to any of the Receiving Agents listed on Page 61 of the Rights Circular together with a cheque or bank draft made payable to the Receiving Agent for the full amount payable on acceptance. The cheque or draft must be crossed "CHI RIGHTS", with the name, address and mobile number of the shareholder written on the back

Any payment made electronically or with a value exceeding N=10 million should be made via SWIFT, RTGS or NEFT into the designated Offer

Account Details:	Sterling Bank Plc
Account Name:	PLANET CAPITAL LIMITED/CHI PLC Rights Issue
Account Number:	0075751255
Narration:	<i>"[Full Name of Shareholder]'s payment for CHI PLC 2020 Rights"</i>

3. Shareholders accepting their provisional allotment partially should complete box B and submit their Acceptance Forms to any of the Receiving Agents listed on Page 61 of the Rights Circular together with the evidence of payment transfer for the partial acceptance.
4. Shareholders renouncing the provisional allotment partially or in full, who also wish to trade their rights on the floor of The Exchange should complete item (iii) of box B. They should obtain a Transfer Form from their stockbroker, complete it in accordance with these instructions, and return it to the stockbroker together with the completed Acceptance Form and the amount payable/evidence of transfer for any partial acceptance in accordance with 2 above.
5. Shareholders who wish to acquire additional shares over and above their provisional allotment may purchase renounced rights by contacting their stockbroker, and/or apply for additional shares by completing item (ii) and (iii) of box A.
6. All cheques or bank drafts for amounts below ₦10 million will be presented for payment on receipt and all acceptances in respect of which cheques are returned unpaid for any reason will be rejected and cancelled. Shareholders are advised to obtain an acknowledgement of the amount paid from the Receiving Agent through which this Acceptance Form is lodged.
7. Joint allottees must sign on separate lines in the appropriate section of the Acceptance Form
8. Acceptance Forms of corporate allottees must bear their incorporation numbers and corporate seals and must be completed under the hands of duly authorized officials who should also state their designations.

FOR REGISTRAR USE ONLY

Number of Ordinary Shares Accepted	Additional Ordinary shares applied for	Additional Ordinary Shares allotted	Total Amount Payable	Amount Paid	Amount to be returned /cheque/bank draft number
			₦	₦	₦

ACCEPTANCE FORM

Please Turn Over

Care should be taken to comply with these instructions as applications that do not comply may be rejected. If you are in doubt as to what action to take, you should immediately consult your Stockbroker, Accountant, Banker, Solicitor, Independent Investment Adviser or any other professional adviser for guidance.

Investor's Stockbroker.....CHN Number.....

Stockbroker Code.....CSCS Number.....

If you wish to trade in rights, please contact your stockbroker who will guide you regarding payment and the procedure for purchasing CHI Rights.

A. FULL ACCEPTANCE/ REQUEST FOR ADDITIONAL ORDINARY SHARES	
i.	I/We accept in full, the provisional allotment shown on the front of this form
ii.	I/We also apply for additional Ordinary Shares:
	Number of Additional Ordinary Shares applied for: <input type="text"/> Additional amount payable at 50 kobo per share <input type="text"/>
iii.	I/We agree to accept the same or smaller number of additional shares in respect of which allotment may be made to me/us, in accordance with the Provisional Allotment Letter contained in the Rights Circular.
iv.	I/We enclose my/our cheque/bank draft/evidence of payment transfer for ₦=..... being the sum of the amount payable as shown on the front of this form, and the additional amount payable as shown in item (ii) above.
Cheque details: Name of the bank/cheque number/branch	

B. RENUNCIATION OR PARTIAL ACCEPTANCE					
1	Number of Ordinary Shares accepted	2	Amount payable at 50 kobo per share	3	Number of Ordinary Shares renounced
	<input type="text"/>		<input type="text"/>		<input type="text"/>
i.	I/We accept only the number of Ordinary Shares shown in column (1) above and enclose my/our cheque/bank draft for the value shown in column (2) above.				
Cheque details: Name of bank/cheque number/branch					
ii.	I//We hereby renounce my/our rights to the Ordinary shares shown in column (3) above, being the balance of the Ordinary Shares allocated to me/us				
iii.	I/We confirm that I/We wish to trade my/our rights of Ordinary Shares (being my/our renounced shares as shown in column (3) above) on the floor of the Exchange. I/We shall obtain a Transfer Form from my/our stockbroker, complete it in accordance with his/her instructions and return it to the stockbroker with the form.				

MUST BE FULLY COMPLETED FOR BOTH A AND B	
Name (s) (in block letters) <input type="text"/>	
Next of Kin <input type="text"/>	
Telephone Number <input type="text"/>	Mobile Number <input type="text"/>
Email Address <input type="text"/>	
BANK DETAILS (FOR E-DIVIDEND)	
Account Name <input type="text"/>	
Bank Name <input type="text"/>	Branch <input type="text"/>
Account Number <input type="text"/>	BVN <input type="text"/>
Incorporation Number and Seal of Corporate Allottee <input type="text"/>	
Signature <input type="text"/>	2nd Signature (Joint Only) <input type="text"/>
Name of Authorised Signatory (Corporate Only) <input type="text"/>	Name of Authorised Signatory (Corporate Only) <input type="text"/>
Designation (Corporate Only) <input type="text"/>	Designation (Corporate Only) <input type="text"/>
C. TRADING IN RIGHTS	
i. Shareholders who wish to trade in their rights partially or in full may trade such rights on the floor of The Exchange. The rights will be traded actively on the floor of The Exchange	
ii. Shareholders who wish to acquire additional shares over and above their provisional allotment may purchase traded rights (see iv), and/or apply for additional shares by completing item (ii) of box A above.	
iii. Shareholders who purchase rights on the floor of The Exchange are guaranteed the number of shares purchased: they will not be subject to the allotment process in respect of shares so purchased. Those that apply for additional shares by completing item (ii) of box A will be subject to the allotment process i.e. they may be allotted a smaller number of additional shares than what they applied for.	
iv. If you wish to purchase renounced rights, please contact your stockbroker who will guide you regarding payment and the procedure for purchasing CHI rights.	



Stamp of Receiving Agent