

Press Release

6th October 2021

AFRICINVEST ACQUIRES MNORITY STAKE IN ROYAL EXCHANGE GENERAL INSURANCE COMPANY (REGIC)

Royal Exchange General Insurance Company (“REGIC”) is pleased to announce the acquisition of a minority stake in the company by AfricInvest, a leading Pan-African asset management company. The investment was made through its evergreen private equity fund, FIVE, in the form of a subscription to a capital increase.

The desire to participate in more large-ticket corporate transactions, diversify existing business and product lines as well as diversification of delivery channels were some of the key drivers behind this push for additional working capital by REGIC. The additional working capital will also enable the company to expand its underwriting capacity in key business areas such as the retail mass market, agricultural insurance and insurtech, which is the future of insurance.

This new investment, which has already been approved by NAICOM, will, in addition to supporting the enhancement of REGIC’s underwriting capacities, strengthen the company’s execution capabilities at top and middle management in order to ensure the successful implementation of an ambitious growth plan for the company within the next 5-7 years.

REGIC, which is one of Nigeria’s biggest private insurance companies, was established in 2008, following the restructuring of the then Royal Exchange Assurance Nigeria (REAN) which had been in operation for over a century in Nigeria.

FIVE has joined the shareholding of REGIC alongside the Royal Exchange Group and Blue Orchard’s InsuResilience Investment Fund (IIF), which had earlier invested in the Company in July 2019.

The investment by AfricInvest (FIVE Fund) will also result in the restructuring of the Board composition of REGIC, with the expected appointment of new Directors to the Board of REGIC, pending approval by the regulator, NAICOM. These new Directors are expected to bring their wealth of experience and expertise in their various fields into play and chart a new strategic direction for REGIC, as the company seeks to be among the Top 3 general insurance companies in Nigeria within the next 5 years.

Speaking on the new investment by AfricInvest, the Chairman of Royal Exchange Plc, Mr. Kenneth Ezenwani Odogwu, Chairman of Royal Exchange Group added, “Being the first insurance company in Nigeria and having been in business for over 100 years, I am excited and hopeful that we will be just as prominent for the next 100 years. The investment by AfricInvest and Blue

Orchard is an important inflection point on this journey. Under the auspices of a new board led by a seasoned professional like Mr. Ike Chioke (*awaiting NAICOM approval*), I am confident that we will continue to provide relevant services and products to a new generation of insurance customers”.

Mehdi Gharbi, Senior Partner at AfricInvest and Co-head of FIVE, commented, “REGIC represents a perfect fit with the investment strategy of FIVE as it combines return and impact. REGIC’s expansion plan will allow the Company to achieve sustainable and strong growth, facilitating access to insurance while creating value for stakeholders. I’m excited to join the REGIC’s board and to contribute alongside my colleagues the emergence of a new champion in the Nigerian insurance market.”

Ernesto Costa, Head of Private Equity Investments at BlueOrchard and representative of IIF in the board of REGIC added, “One of the key drivers behind our decision to invest in REGIC in 2019 was the history of the company, as well as the commitment of the key shareholders and management team to chart a new strategic direction for the company towards retail and improving the resilience of small-scale farmers, SMEs and households against the effects of climate change. We are happy with the addition of AfricInvest, a like-minded and experienced investor, as a strategic shareholder and together, we will offer the necessary expertise, leadership and direction from the Board to ensure REGIC continues on its growth trajectory.

Sylma du Plessis, Partner at Alkebulan and advisor to the Royal Exchange Group commented, “This transaction is testament to REGIC’s strong management and opportunity set that it could successfully attract investors of the caliber of FIVE. We are proud to have played a part in securing funding for and giving financial advice to the Royal Exchange Group.”

For this transaction, Royal Exchange General Insurance Company had Messers Alkebulan and Co as its Financial Advisers while the Firm of Sefton Fross were the Legal Advisers. FIVE’s Legal Adviser was UDO UDOMA, BELLO OSAGIE (UUBO) and Co., while Royal Exchange Plc’s Legal Adviser was Punuka International Law Centre.

About AfricInvest

AfricInvest is among the leading private equity firms in Africa with over 1.9 billion USD of funds raised. Founded 27 years ago, AfricInvest has made over 180 investments in more than 25 countries across the African continent in a variety of sectors, contributing to significant socio-economic development mainly thanks to revenue growth and profitability improvement across its portfolio companies. AfricInvest FIVE” is an evergreen investment vehicle raised in December 2017 and dedicated to the financial sector in Africa. FIVE stands for Financial Inclusion Vehicle. The number five represents the aspiration of AfricInvest and FIVE’s investors to contribute to achieving universal access to financial services in Africa. As the current level of penetration on the continent is a mere 20%, achieving universal access will require a fivefold increase.

Digital transformation is one of the key drivers toward the universal access and as such, FIVE seeks to enhance the digital strategies of its portfolio companies. Its evergreen structure enables it to support its portfolio companies in achieving meaningful strategic transformations. FIVE is backed by a strong investor base including FMO Norfund, KfW, BIO, AfDB and IFU. The fund is supported by AfricInvest's eight offices across the continent which impart deep experience and relationships, sectoral expertise, and environmental, social and governance improvements for investee companies.

For more information about AfricInvest, please visit:

Website: www.africinvest.com

Twitter: @Africinvest_Grp

LinkedIn: www.linkedin.com/company/africinvestgrp

About REGIC

Royal Exchange General Insurance Company Limited (REGIC) comes from a pedigree that is more than a century old. It is licensed by the National Insurance Commission to offer the full range of general and special risks insurance products. With decades of experience in the Nigerian market, REGIC has an enviable reputation for technical competence and financial strength.

The Company operates from thirteen (13) branches nation-wide to ensure maximum outreach and complete accessibility to its customer base. The recent implementation of a web-enabled backbone IT system has further enhanced its ability to provide incomparable service to customers.

The Company's capacity to underwrite oil and gas risk is widely acknowledged throughout the industry and its recent foray into agribusiness insurance has given REGIC an even stronger foothold within the insurance space.

With an unwavering dedication to its core values, the company continues to maintain its lead in underwriting majority of the corporate risks in Nigeria

For more information on REGIC, please visit:

Website: www.royalexchangeinsurance.com

Facebook/Twitter/Instagram: REGIC_ltd

LinkedIn: REGIC_ltd

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