

# ROYAL EXCHANGE PLC

## Unaudited Statement of Financial Position As At 30th June 2013

|                                          |      | GROUP                |                      | COMPANY              |                      |
|------------------------------------------|------|----------------------|----------------------|----------------------|----------------------|
|                                          | Note | 30-Jun-2013<br>N'000 | 31-Dec-2012<br>N'000 | 30-Jun-2013<br>N'000 | 31-Dec-2012<br>N'000 |
| <b>ASSETS</b>                            |      |                      |                      |                      |                      |
| Cash and Cash Equivalents                | 5    | 2,305,473            | 1,338,057            | 4,751                | 579                  |
| Loans and Advances                       |      | 679,825              | 435,830              | -                    | -                    |
| Advances under finance lease             |      | 414,970              | 412,961              | -                    | -                    |
| Financial Assets:                        | 6    | 3,111,042            | 2,937,965            | -                    | -                    |
| Investment in subsidiaries               | 7    | -                    | -                    | 7,620,464            | 7,620,464            |
| Deferred Acquisition Cost                |      | 198,658              | 171,965              | -                    | -                    |
| Trade Receivables                        | 8    | 453,850              | 418,381              | -                    | -                    |
| Other Receivables                        |      | 429,326              | 188,533              | 82,703               | 46,135               |
| Reinsurance Assets                       | 9    | 1,921,800            | 1,584,733            | -                    | -                    |
| Statutory Deposits                       | 10   | 555,000              | 555,000              | -                    | -                    |
| Intangible Assets                        | 11   | 32,477               | 38,035               | 1,250                | 1,875                |
| Investment Properties                    | 12   | 6,356,473            | 6,356,474            | -                    | -                    |
| Property, Plant and Equipment            | 13   | 1,465,022            | 1,379,719            | 15,399               | 20,641               |
| Employees Retirement Benefits/LSA        |      | 49,370               | 49,370               | -                    | -                    |
| Deferred Tax Assets                      | 14   | 434,772              | 434,772              | -                    | -                    |
| <b>Total Assets</b>                      |      | <b>18,408,059</b>    | <b>16,301,795</b>    | <b>7,724,568</b>     | <b>7,689,694</b>     |
| <b>EQUITY &amp; LIABILITIES</b>          |      |                      |                      |                      |                      |
| <i>Share Capital &amp; Reserves:</i>     |      |                      |                      |                      |                      |
| Ordinary Share Capital                   | 15   | 2,572,685            | 2,572,685            | 2,572,685            | 2,572,685            |
| Share Premium                            | 16   | 2,690,936            | 2,690,936            | 2,690,936            | 2,690,936            |
| Contingency Reserve                      | 17   | 818,795              | 722,231              | -                    | -                    |
| Retained Earnings (General Reserve)      | 18   | 2,605,540            | 2,695,350            | 1,596,950            | 1,606,162            |
| Treasury shares                          |      | (500,000)            | (500,000)            | -                    | -                    |
| Other component of equity                |      | (52,538)             | (52,538)             | (2,200)              | (2,200)              |
| <b>Total Equity</b>                      |      | <b>8,135,418</b>     | <b>8,128,664</b>     | <b>6,858,372</b>     | <b>6,867,583</b>     |
| <i>Liabilities:</i>                      |      |                      |                      |                      |                      |
| Bank Overdraft                           | 19   | 98,992               | -                    | -                    | 1,688                |
| Deferred Income                          |      | 23,941               | 48,192               | -                    | -                    |
| Trade Payables                           | 20   | 619,499              | 369,863              | -                    | -                    |
| Provisions and Other Payables            |      | 1,023,767            | 635,069              | 595,929              | 436,014              |
| Depositors' fund                         |      | 748,217              | 593,225              | -                    | -                    |
| Insurance Liabilities                    | 21   | 6,168,798            | 4,878,504            | -                    | -                    |
| Investment contract liabilities          | 21   | 627,513              | 573,494              | -                    | -                    |
| Income Tax                               | 23   | 486,763              | 519,109              | 255,422              | 289,039              |
| Dividend Payable                         | 24   | -                    | 80,525               | -                    | 80,525               |
| Employees Retirement Benefit Obligations |      | 475,150              | 475,150              | 14,845               | 14,845               |
| <b>Liabilities</b>                       |      | <b>10,272,642</b>    | <b>8,173,131</b>     | <b>866,197</b>       | <b>822,111</b>       |
| <b>Total Equity &amp; Liabilities</b>    |      | <b>18,408,059</b>    | <b>16,301,795</b>    | <b>7,724,568</b>     | <b>7,689,694</b>     |

# ROYAL EXCHANGE PLC

Unaudited IFRS Financial Results For  
FOR THE 2ND QUARTER ENDED 30TH JUNE 2013

## INCOME STATEMENT

|                                                                      | Note | Group            |                  | Company        |                 |
|----------------------------------------------------------------------|------|------------------|------------------|----------------|-----------------|
|                                                                      |      | 30-Jun-2013      | 30-Jun-2012      | 30-Jun-2013    | 30-Jun-2012     |
|                                                                      |      | N'000            | N'000            | 2013<br>N'000  | 2012<br>N'000   |
| <b>Gross Written Premium</b>                                         |      | <b>4,597,806</b> | <b>4,661,892</b> | <b>120,642</b> | <b>81,196</b>   |
| Gross premium income                                                 | 26   | 3,795,533        | 3,403,895        | -              | -               |
| Reinsurance expenses                                                 | 26   | (869,732)        | (616,891)        | -              | -               |
| <b>Net premium income</b>                                            |      | <b>2,925,801</b> | <b>2,787,004</b> | -              | -               |
| Fees and commission income                                           |      | 240,262          | 187,709          | -              | -               |
| Total underwriting income                                            |      | 3,166,063        | 2,974,713        | -              | -               |
| Insurance claims and benefits incurred - Gross                       | 25   | 1,563,269        | 1,202,593        | -              | -               |
| Insurance claims and benefits incurred - Recoverable from reinsurers |      | (299,747)        | (168,647)        | -              | -               |
| Claims expenses                                                      |      | 1,263,522        | 1,033,946        | -              | -               |
| <b>Underwriting expenses</b>                                         |      | <b>962,427</b>   | <b>849,560</b>   | -              | -               |
|                                                                      |      | 2,225,949        | 1,883,506        | -              | -               |
| <b>Underwriting profit</b>                                           |      | <b>940,114</b>   | <b>1,091,207</b> | -              | -               |
| Net Interest income                                                  |      | 76,316           | 69,518           | -              | -               |
| Investment & other income                                            | 24   | 323,336          | 224,941          | 120,642        | 81,196          |
| Other operating income                                               |      | 25,252           | 29,596           | -              | -               |
| Net fair value gain or (loss)                                        |      | 15,595           | (18,978)         | -              | -               |
| Foreign exchange gains/(loss)                                        |      | (479)            | (1,965)          | -              | -               |
| <b>NET INCOME</b>                                                    |      | <b>1,380,135</b> | <b>1,394,319</b> | <b>120,642</b> | <b>81,196</b>   |
| Allowance for impairment                                             |      | 63,744           | (264,832)        | -              | -               |
| Management expenses                                                  |      | (1,125,622)      | (796,742)        | (129,854)      | (130,070)       |
| Total expenses                                                       |      | (1,061,878)      | (1,061,574)      | (129,854)      | (130,070)       |
| <b>Profit Before Tax</b>                                             |      | <b>318,257</b>   | <b>332,745</b>   | <b>(9,212)</b> | <b>(48,874)</b> |
| Taxation expenses                                                    | 23   | (101,842)        | (106,478)        | -              | -               |
| <b>PROFIT AFTER TAXATION</b>                                         |      | <b>216,415</b>   | <b>226,267</b>   | <b>(9,212)</b> | <b>(48,874)</b> |
| <b>Other comprehensive income</b>                                    |      |                  |                  |                |                 |
|                                                                      |      | -                | -                | -              | -               |
| Net Actuarial Gains/Losses of Defined Benefit Obligations            |      | -                | -                | -              | -               |
| <b>Other Comprehensive Income, net of taxes</b>                      |      | <b>-</b>         | <b>-</b>         | <b>-</b>       | <b>-</b>        |
| <b>Total Comprehensive Income for the year</b>                       |      | <b>216,415</b>   | <b>226,267</b>   | <b>(9,212)</b> | <b>(48,874)</b> |

**Earnings Per Share- Basic (kobo)**

## ROYAL EXCHANGE PLC

### Consolidated Statement of Changes in Equity-Group FOR THE PERIOD ENDED 30TH JUNE 2013

|                                          | Share Capital<br>N'000 | Share Premium<br>N'000 | Contingency Reserve<br>N'000 | Retained Earnings<br>N'000 | Treasury Shares<br>N'000 | Actuarial gain/(loss)<br>reserve<br>N'000 | Other<br>Component of<br>N'000 | Total<br>N'000   |
|------------------------------------------|------------------------|------------------------|------------------------------|----------------------------|--------------------------|-------------------------------------------|--------------------------------|------------------|
| <b>As at 1 January 2013</b>              | <b>2,572,685</b>       | <b>2,690,936</b>       | <b>722,231</b>               | <b>2,695,350</b>           | <b>(500,000)</b>         | <b>(52,538)</b>                           | <b>(52,538)</b>                | <b>8,128,664</b> |
| Profit for the year                      |                        |                        |                              | 216,415                    |                          |                                           |                                | 216,415          |
| Dividend paid                            |                        |                        |                              |                            |                          |                                           |                                | -                |
| Transfer to contingency reserves         |                        |                        | 96,564                       | (96,564)                   |                          |                                           |                                | 0                |
| Revaluation Surplus/(Deficits)           |                        |                        |                              |                            |                          |                                           |                                | -                |
| Changes in fair value of AFS Investments |                        |                        |                              |                            |                          |                                           | -                              | -                |
| <b>As at 30 June 2013</b>                | <b>2,572,685</b>       | <b>2,690,936</b>       | <b>818,795</b>               | <b>2,815,201</b>           | <b>(500,000)</b>         | <b>(52,538)</b>                           | <b>(52,538)</b>                | <b>8,345,079</b> |
| <b>As at 1 January 2012</b>              | <b>2,572,685</b>       | <b>2,690,936</b>       | <b>525,193</b>               | <b>2,474,268</b>           | <b>(500,000)</b>         | <b>87,770</b>                             | <b>87,770</b>                  | <b>7,850,852</b> |
| Profit for the year                      |                        |                        |                              | 623,935                    |                          |                                           |                                | 623,935          |
| Dividend paid                            |                        |                        | -                            | (205,815)                  |                          |                                           |                                | (205,815)        |
| Net actuarial gains/(losses)             |                        |                        |                              |                            |                          | (140,308)                                 | (140,308)                      | (140,308)        |
| Transfer from share premium              |                        |                        |                              |                            |                          |                                           |                                | -                |
| Transfer to contingency reserves         |                        | -                      | 197,038                      | (197,038)                  |                          |                                           |                                | -                |
| <b>As at 30 December 2012</b>            | <b>2,572,685</b>       | <b>2,690,936</b>       | <b>722,231</b>               | <b>2,695,350</b>           | <b>(500,000)</b>         | <b>(52,538)</b>                           | <b>(52,538)</b>                | <b>8,128,664</b> |

## ROYAL EXCHANGE PLC

### Consolidated Statement of Changes in Equity-Company FOR THE PERIOD ENDED 30TH JUNE 2013

|                                          | Share Capital<br>N'000 | Share Premium<br>N'000 | Contingency Reserve<br>N'000 | Retained Earnings<br>N'000 | Treasury Shares | Actuarial gain/(loss)<br>reserve | Other<br>Component of | Total<br>N'000   |
|------------------------------------------|------------------------|------------------------|------------------------------|----------------------------|-----------------|----------------------------------|-----------------------|------------------|
| <b>As at 1 January 2013</b>              | <b>2,572,685</b>       | <b>2,690,936</b>       | <b>-</b>                     | <b>1,606,162</b>           | <b>-</b>        | <b>(2,200)</b>                   | <b>(2,200)</b>        | <b>6,867,583</b> |
| Profit for the year                      |                        |                        | -                            | (9,212)                    |                 |                                  |                       | (9,212)          |
| Dividend paid                            |                        |                        |                              | -                          |                 |                                  |                       | -                |
| Transfer to contingency reserves         |                        |                        |                              |                            |                 |                                  |                       | -                |
| Revaluation Surplus/(Deficits)           |                        |                        |                              |                            |                 |                                  |                       | -                |
| Changes in fair value of AFS Investments |                        |                        |                              |                            |                 |                                  | -                     | -                |
| <b>As at 30 June 2013</b>                | <b>2,572,685</b>       | <b>2,690,936</b>       | <b>-</b>                     | <b>1,596,950</b>           |                 | <b>(2,200)</b>                   | <b>(2,200)</b>        | <b>6,858,371</b> |
| <b>As at 1 January 2012</b>              | <b>2,572,685</b>       | <b>2,690,936</b>       | <b>-</b>                     | <b>1,647,142</b>           | <b>-</b>        | <b>4,367</b>                     | <b>4,367</b>          | <b>6,915,130</b> |
| Profit for the year                      |                        |                        |                              | 164,835                    |                 |                                  |                       | 164,835          |
| Dividend paid                            |                        |                        |                              | (205,815)                  |                 |                                  |                       | (205,815)        |
| Net actuarial gains/(losses)             |                        |                        |                              |                            |                 | (6,567)                          | (6,567)               | (6,567)          |
| <b>As at 30 December 2012</b>            | <b>2,572,685</b>       | <b>2,690,936</b>       | <b>-</b>                     | <b>1,606,162</b>           | <b>-</b>        | <b>(2,200)</b>                   | <b>(2,200)</b>        | <b>6,867,583</b> |

# ROYAL EXCHANGE PLC

## STATEMENT OF CASH FLOWS

FOR THE 2ND QUARTER ENDED 30 JUNE 2013

|                                                               |      | Group                |                    | Company              |                    |
|---------------------------------------------------------------|------|----------------------|--------------------|----------------------|--------------------|
|                                                               | Note | 30-Jun-2013<br>N'000 | 31-Dec-12<br>N'000 | 30-Jun-2013<br>N'000 | 31-Dec-12<br>N'000 |
| <b>Cash flows from operating activities</b>                   |      |                      |                    |                      |                    |
| Premium income                                                |      | 3,823,809            | 6,987,926          | -                    | -                  |
| Interest received                                             |      | 116,894              | 251,748            | -                    | -                  |
| Interest paid                                                 |      | (40,578)             | (51,637)           | -                    | -                  |
| Claims recovered from reinsurance                             |      | 299,747              | 588,504            | -                    | -                  |
| Depositors Fund Increase                                      |      | (154,992)            | 287,865            | -                    | -                  |
| Commission income                                             |      | 240,262              | 190,217            | -                    | -                  |
| Commission expense                                            |      | (528,965)            | (767,774)          | -                    | -                  |
| Reinsurance premium paid                                      |      | (532,665)            | (1,755,447)        | -                    | -                  |
| Net VAT input/output                                          |      | -                    | (16,152)           | -                    | -                  |
| Other operating cash payments                                 |      | (1,110,799)          | (3,338,421)        | (80,522)             | (200,030)          |
| Loans and Advances                                            |      | (241,489)            | (192,261)          | -                    | -                  |
| Claims paid                                                   |      | (1,563,269)          | (2,185,511)        | -                    | -                  |
| Other income                                                  |      | (63,744)             | 233,452            | 120,642              | 260,855            |
|                                                               |      | 244,211              | 232,510            | 40,120               | 60,825             |
| Tax paid                                                      | 23   | (234,253)            | (234,949)          | (33,617)             | (56,704)           |
| Net cash (used in)/provided by operating activities           |      | <b>9,959</b>         | <b>(2,439)</b>     | <b>6,504</b>         | <b>4,121</b>       |
| <b>Cash flows from investing activities:</b>                  |      |                      |                    |                      |                    |
| Proceeds from disposal of fixed assets                        | 13   | 11,576               | 2,444              | -                    | <b>1,566</b>       |
| Investment properties additions                               |      | (500)                | (7,990)            | -                    | -                  |
| Purchase of fixed assets                                      | 13   | (304,211)            | (153,852)          | (644)                | (17,975)           |
| Proceeds from disposal of investments                         | 12   | 617,015              | 467,948            | -                    | -                  |
| Dividend income                                               |      | 111,475              | 97,023             | -                    | 133,800            |
| Rental income from investment properties                      |      | 38,300               | 34,563             | -                    | -                  |
| Interest income                                               |      | 162,247              | 90                 | -                    | -                  |
| Financial assets investment                                   |      | 222,562              | (241,119)          | -                    | -                  |
| Net cash provided by/(used in) investing activities           |      | <b>858,464</b>       | <b>199,107</b>     | <b>(644)</b>         | <b>117,391</b>     |
| <b>Cash flows from financing activities:</b>                  |      |                      |                    |                      |                    |
| Dividend paid                                                 |      | -                    | (125,290)          | -                    | (125,290)          |
| Net cash (used in)/from financing activities:                 |      | -                    | <b>(125,290)</b>   | -                    | (125,290)          |
| <b>Net(decrease)/increase in cash &amp; cash equivalents</b>  |      | 868,422              | 71,378             | 5,860                | (3,778)            |
| <b>Cash and cash equivalents at the beginning of the year</b> |      | 1,338,057            | 1,266,679          | (1,109)              | 2,669              |
| <b>Cash and cash equivalents at the end of the period</b>     | 42   | <b>2,206,480</b>     | <b>1,338,057</b>   | <b>4,751</b>         | <b>(1,109)</b>     |