

ROYAL EXCHANGE PLC**UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION***for the Quarter ended 31 March 2014*

<i>In thousands of Naira</i>	Note	Group 31-Mar-14	Group 31-Dec-13	Company 31-Mar-14	Company 31-Dec-13
<u>ASSETS</u>					
Cash and Cash Equivalents	1	2,475,588	1,810,882	8,559	35,595
Loans and Advances	2	901,328	812,571	-	-
Advances under finance lease	3	226,456	218,585	-	-
Financial Assets:	4	3,127,227	3,558,965	-	-
Investment in Subsidiaries	5	-	-	7,620,464	7,620,464
Trade Receivables	6	1,127,475	421,637	-	-
Reinsurance Assets	7	2,056,092	2,044,041	-	-
Deferred Acquisition Cost	8	553,158	469,160	-	-
Other Receivables and prepayments	9	529,799	482,025	93,012	76,384
Investment in Associates	10	213,694	213,694	-	-
Investment Properties	11	7,092,569	7,092,569	-	-
Property and Equipment	12	1,688,989	1,690,707	10,873	16,852
Intangible Assets	13	57,635	37,419	-	-
Employees Retirement Benefits	14.a	166,963	166,963	-	-
Deferred Tax Assets	15.a	699,334	699,334	-	-
Statutory Deposits	16	555,000	555,000	-	-
Total Assets		21,471,308	20,273,551	7,732,909	7,749,295
<u>LIABILITIES</u>					
Bank borrowing	1	-	114	-	-
Deferred Income	17	108,674	84,797	-	-
Trade Payables	18	629,007	528,509	-	-
Other liabilities	19	666,061	1,170,110	495,129	452,819
Depositors' funds	20	912,069	595,449	-	-
Insurance Contract Liabilities	21	8,083,277	6,973,096	-	-
Investment Contract Liabilities	22	593,747	599,106	-	-
Dividend Payable	23	80,525	80,525	80,525	80,525
Current income tax liabilities	24	552,091	494,388	254,373	254,373
Employees benefit liability	14.b	526,440	550,660	(20,139)	20,139
Deferred Tax Liabilities	15.b	167,931	167,931	-	-
Total Liabilities		12,319,823	11,244,685	809,888	807,856
<u>EQUITY</u>					
Share capital	25	2,572,685	2,572,685	2,572,685	2,572,685
Share premium	25	2,690,936	2,690,936	2,690,936	2,690,936
Contingency reserve	26.a	1,071,947	947,734	-	-
Treasury shares	26.b	(500,000)	(500,000)	-	-
Retained earnings	26.c	3,094,600	3,096,193	1,658,839	1,677,257
Other component of equity	26.d	221,318	221,318	561	561
Equity attributable to parent's shareholders		9,151,486	9,028,866	6,923,021	6,941,439
Non-controlling interests					-
Total Equity		9,151,486	9,028,866	6,923,021	6,941,439
Total Equity & Liabilities		21,471,308	20,273,551	7,732,909	7,749,295

ROYAL EXCHANGE PLC**UNAUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME***for the Quarter ended 31 March 2014*

Income taxes

		Group	Group	Company	Company
<i>In thousands of Naira</i>	Note	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13
Gross premium written:	27.a	3,800,778	2,410,003	-	-
Unearned premium	27.a	(1,229,829)	(614,986)	-	-
Gross Premium Income		2,570,949	1,795,017	-	-
Reinsurance Expenses	27.a	(566,279)	(421,314)	-	-
Net Premium Income		2,004,671	1,373,703	-	-
Fees and commission income	28	80,798	104,288	-	-
Net Underwriting Income		2,085,468	1,477,991	-	-
Insurance claims and benefits incurred	29	(785,504)	(1,064,520)	-	-
Insurance claims and benefits incurred - recoverable from reinsurers	30	83,092	215,719	-	-
Net claims expenses		(702,412)	(848,801)	-	-
Underwriting Expenses	31	(771,596)	(488,291)	-	-
Total Underwriting Expenses		(1,474,008)	(1,337,092)	-	-
Underwriting Profit		611,460	140,899	-	-
Net Interest Income	32	42,539	27,657	-	-
Investment and other income	33	94,670	99,231	-	-
Net fair value gain or loss on financial assets	34	(49,023)	(9,849)	-	-
Write-back/(charge) of impairment allowance	35	(15,060)	286,372	-	-
Other operating income	36	135,728	26,614	66,178	59,278
Net Income		820,314	570,924	66,178	59,278
Foreign Exchange (Gains)/Losses	37	(3)	(479)	-	-
Management expenses	38	639,994	406,383	84,596	61,069
Total Expenses		639,991	405,904	84,596	61,069
Profit before tax		180,323	165,020	(18,418)	(1,791)
Income taxes	24	(57,703)	(52,806)	-	-
Profit after Taxation		122,619	112,214	(18,418)	(1,791)
Other Comprehensive Income, net of tax					
Total other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the period		122,619	112,214	(18,418)	(1,791)
Total comprehensive income attributable to shareholders					
Earnings per share - Basic and diluted (kobo)		0.02	0.02	(0.00)	(0.00)

The statement of significant accounting policies and the accompanying notes form an integral part of these financial statements.

ROYAL EXCHANGE PLC**Statement of Cash Flows***for the period ended 31 March 2014*

			Company	
		31-Mar-14	31-Dec-2013	
		N'000	N'000	
	Note		31-Mar-14	31-Dec-2013
			N'000	N'000
Cash flows from operating activities				
Profit after taxation		122,619	790,952	(18,418)
Minimum tax expense			(47,346)	
Tax (credit)/expense		57,703	69,275	-
Profit before taxation		180,323	812,881	(18,418)
<i>Adjustments for:</i>				
Depreciation		57,199	152,402	(5,979)
Amortisation charge		2,906	13,372	-
Impairment (writeback)/losses on trades and other receivables				
		15,060	(134,414)	
Interest income		42,539	(332,858)	
Dividend income		(26,785)	(65,368)	(297,333)
Interest on loan & advances		(8,345)	(26,260)	
Rental income from investment properties		(26,354)	(61,541)	
Realised gains on financial assets		(33,186)	-	
Foreign exchange gain or loss		(3)	43,949	
Share of profit of equity accounted investees		-	(12,342)	
Gain on sale of property, plant and equipment		-	(5,812)	
Increase in fair value of financial assets		49,023	(1,511,555)	
Net cash flow before changes in working capital		252,376	(1,127,546)	(24,397)
Changes in working capital:				
Decrease/(Increase) in trade receivables		(705,838)	(3,254)	
(Increase)/decrease in loans and advances		(88,757)	(374,777)	
(Increase)/decrease in advances for lease		(7,871)	193,917	
(Increase)/decrease in reinsurance assets		(12,051)	(459,308)	
Decrease/(Increase) in other receivables		(47,774)	(293,492)	(4,669)
Increase in deferred acquisition cost		(83,998)	(252,712)	(59,982)
Increase in depositors fund		316,620	2,225	
increase in investment contract liability		(5,359)	25,612	
Increase in unearned premium reserves		1,110,181	2,094,593	
Increase/(decrease) in trade payables		100,498	158,646	
Increase in provisions and other payables		(480,172)	525,657	2,033
Change in employee benefit		(24,220)	187,033	16,806
		323,635	676,593	(27,033)
				(12,618) #
Taxes paid		-	(112,323)	-
Net cash from operating activities		323,635	564,270	(27,033)
				(48,077) #
Cash flows from investing activities:				
Purchase of treasury bills			-	
Purchases of property and equipment		(55,483)	(388,307)	(6,738)
Proceeds from sale of property and equipment		-	11,015	-
Purchase of intangible assets		(23,123)	(13,041)	-
Investment in Subsidiary				-
Proceeds from sale of financial assets		446,611	372,864	297,333
Purchase of financial assets		(45,767)	(373,685)	
Interest on loan & advances		8,345	26,260	
Dividend from equity accounted investees			19,382	
Rental income from investment properties		26,354	61,541	
Interest income		(42,539)	332,858	
Realised gains on financial assets			-	
Dividend income		26,785	65,368	
Proceed on disposal on available for sale investments				
Cash flows from financing activities:				
Dividend paid		-	(205,815)	-
Payment of finance lease liabilities			-	(205,815)
Net cash used in financing activities		-	(205,815)	-
				(205,815) #
Net increase/(decrease) in cash and cash equivalents		664,818	472,711	(27,033)
Cash and cash equivalents at beginning of year		1,810,767	1,338,056	35,594
Cash and cash equivalents at end of year		2,475,586	1,810,767	8,560
				35,594 #

The statement of significant accounting policies and the accompanying notes form an integral part of these financial statements.

ROYAL EXCHANGE PLC
STATEMENT OF CHANGES IN EQUITY
as at 31 March 2014

Group

In thousands of Naira

	Share Capital	Share Premium	Contingency Reserve	Retained Earnings	Treasury Shares	Regulatory risk reserve	Actuarial Gain/Loss Reserve	Other reserves	Other Component of Equity (Total)	Equity attributable to Parent's Shareholders	Non-controlling Interests	Total Equity
As at 1 January 2014	2,572,685	2,690,936	947,734	3,096,193	(500,000)	82,103	143,425	(4,210)	221,318	9,028,866	-	9,028,866
				-							-	-
As at 1 January 2014	2,572,685	2,690,936	947,734	3,096,193	(500,000)	82,103	143,425	(4,210)	221,318	9,028,866	-	9,028,866
Profit for the year				122,619	-		-		-	122,619		122,619
Other Comprehensive Income:												
Reclassification adjustments									-	-		-
Tax Effects on Other Comprehensive Income							-		-	-		-
Total Comprehensive Income	2,572,685	2,690,936	947,734	3,218,813	(500,000)	82,103	143,425	(4,210)	221,318	9,151,486	-	9,151,486
Transactions within Equity:												
Dividend paid				-					-	-		-
Transfer to Contingency Reserve			124,213	(124,213)					-	-		-
Transfer to Regulatory Reserve				-		-			-	-		-
Equity Component of a Compound Instrument									-	-		-
As at 31 March 2014	2,572,685	2,690,936	1,071,947	3,094,600	(500,000)	82,103	143,425	(4,210)	221,318	9,151,486	-	9,151,486

Statement of Changes in Equity

as at 31 December 2013

Group

In thousands of Naira

	Share Capital	Share Premium	Contingency Reserve	Retained Earnings	Treasury Shares	Regulatory risk reserve	Actuarial Gain/Loss Reserve	Other reserves	Other Component of Equity (Total)	Equity attributable to Parent's Shareholders	Non-controlling Interests	Total Equity
As at 1 January 2013 (Restated)	2,572,685	2,690,936	722,231	2,803,330	(500,000)		30,836	-	30,836	8,320,018	-	8,320,018
Profit for the year				806,284	-		-		-	806,284	-	806,284
Other Comprehensive Income:												
Changes in fair value of AFS Investments								(4,210)	(4,210)	(4,210)	-	(4,210)
Revaluation Surplus on PPE									-	-	-	-
Net Actuarial Gains/Losses							111,523		111,523	111,523	-	111,523
Tax Effects on Other Comprehensive Income							1,066		1,066	1,066	-	1,066
Total Comprehensive Income	2,572,685	2,690,936	722,231	3,609,614	(500,000)	-	143,425	(4,210)	139,215	9,234,681	-	9,234,681
Dividend paid				(205,815)					-	(205,815)		(205,815)
Transfer to Regulatory Reserve				(82,103)		82,103			82,103	-		-
Transfer of portion of Revaluation Reserve to Retained Earnings									-	-		-
Equity Component of a Compound Instrument									-	-		-
Equity Component of a Compound Instrument	-	-	-	-	-	-	-	-	-	-		-
As at 31 December 2013	2,572,685	2,690,936	947,734	3,096,193	(500,000)	82,103	143,425	(4,210)	221,318	9,028,866	-	9,028,866

ROYAL EXCHANGE PLC
STATEMENT OF CHANGES IN EQUITY
as at 31 March 2014

Company

In thousands of Naira

			Other Component of Equity					
	Share Capital	Share Premium	Retained Earnings	Actuarial Gain/Loss Reserve	Other Component of Equity (Total)	Equity attributable to Parent's Shareholders	Non-controlling Interests	Total Equity
As at 1 January 2014	2,572,685	2,690,936	1,677,257	-	561	6,988,986	-	6,988,986
Profit for the year	-	-	(18,418)	-	-	(18,418)	-	(18,418)
Share of gain (loss) on property revaluation of associates/JV	-	-	-	-	-	-	-	-
Net Actuarial Gains/Losses	-	-	-	-	-	-	-	-
Tax Effects on Other Comprehensive Income	-	-	-	-	-	-	-	-
Total Comprehensive Income	2,572,685	2,690,936	1,658,839	-	561	6,970,568	-	6,970,568
Dividend paid	-	-	-	-	-	-	-	-
Equity Component of a Compound Instrument	-	-	-	-	-	-	-	-
As at 31 March 2014	2,572,685	2,690,936	1,658,839	-	561	6,970,568	-	6,970,568

Company

In thousands of Naira

			Other Component of Equity					
	Share Capital	Share Premium	Retained Earnings	Actuarial Gain/Loss Reserve	Other Component of Equity (Total)	Equity attributable to Parent's Shareholders	Non-controlling Interests	Total Equity
As at 1 January 2013	2,572,685	2,690,936	1,601,795	2,167	2,167	6,867,583	-	6,867,583
Profit for the year	-	-	281,277	-	-	281,277	-	281,277
Share of gain (loss) on property revaluation of associates/JV	-	-	-	-	-	-	-	-
Net Actuarial Gains/Losses	-	-	-	-	-	-	-	-
Tax Effects on Other Comprehensive Income	-	-	-	(1,606)	(1,606)	(1,606)	-	(1,606)
Total Comprehensive Income	2,572,685	2,690,936	1,883,072	561	561	7,147,254	-	7,147,254
Transactions within Equity:								
Dividend paid	-	-	(205,815)	-	-	(205,815)	-	(205,815)
Equity Component of a Compound Instrument	-	-	-	-	-	-	-	-
As at 31 December 2013	2,572,685	2,690,936	1,677,257	561	561	6,941,439	-	6,941,439