

ROYAL EXCHANGE PLC
UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
for the Quarter ended 30 September 2014

<i>In thousands of Naira</i>	<i>Note</i>	Group 30-Sep-14	Group 31-Dec-13	Company 30-Sep-14	Company 31-Dec-13
ASSETS					
Cash and Cash Equivalents	1	2,379,312	1,810,882	286,166	35,595
Loans and Advances	2	1,035,989	812,571	-	-
Advances under finance lease	3	202,516	218,585	-	-
Financial Assets:	4	3,465,923	3,558,965	-	-
Investment in Subsidiaries	5	-	-	7,620,464	7,620,464
Trade Receivables	6	1,030,292	421,637	-	-
Reinsurance Assets	7	2,023,278	2,044,041	-	-
Deferred Acquisition Cost	8	442,238	469,160	-	-
Other Receivables and prepayments	9	462,017	482,025	78,320	76,384
Investment in Associates	10	213,694	213,694	-	-
Investment Properties	11	7,115,828	7,092,569	-	-
Property and Equipment	12	1,705,629	1,690,707	19,304	16,852
Intangible Assets	13	57,364	37,419	-	-
Employees Retirement Benefits	14.b	197,334	166,963	-	-
Deferred Tax Assets	15.a	699,334	699,334	-	-
Statutory Deposits	16	555,000	555,000	-	-
Total Assets		21,585,748	20,273,551	8,004,254	7,749,295
LIABILITIES					
Bank borrowing	1	45,842	114	-	-
Deferred Income	17	125,133	84,797	-	-
Trade Payables	18	723,082	528,509	-	-
Other liabilities	19	1,128,156	1,170,110	521,059	452,819
Depositors' funds	20	972,075	595,449	-	-
Insurance Contract Liabilities	21	7,248,653	6,973,096	-	-
Investment Contract Liabilities	22	249,130	599,106	-	-
Dividend Payable	23	257,269	80,525	257,269	80,525
Current income tax liabilities	24	725,943	494,388	253,499	254,373
Employees benefit liability	14.a	515,031	550,660	20,139	20,139
Deferred Tax Liabilities	15.b	167,931	167,931	-	-
Total Liabilities		12,158,245	11,244,685	1,051,965	807,856
EQUITY					
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	1,171,704	947,734	-	-
Treasury shares	26.b	(500,000)	(500,000)	-	-
Retained earnings	26.c	3,270,860	3,096,193	1,688,107	1,677,257
Other component of equity	26.d	221,318	221,318	561	561
Equity attributable to parent's shareholders		9,427,503	9,028,866	6,952,289	6,941,439
Non-controlling interests		-	-	-	-
Total Equity		9,427,503	9,028,866	6,952,289	6,941,439
Total Equity & Liabilities		21,585,748	20,273,551	8,004,254	7,749,295



Philip Ashinze

Chief Financial Officer
(FRCH/2012/ICAN/00000000394)



Chike Mokwunye

Managing Director
(FRCN/2013/ODN/00000004071)

ROYAL EXCHANGE PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the Quarter ended 30 September 2014

Income taxes

		Group	Group	Company	Company
	Note	30-Sep-14	30-Sep-13	30-Sep-14	30-Sep-13
<i>In thousands of Naira</i>					
Gross premium written:	27.a	7,824,002	6,429,725	-	-
Unearned premium	27.a	(257,935)	(871,247)	-	-
Gross Premium Income		7,566,067	5,558,478	-	-
Reinsurance Expenses	27.a	(1,932,507)	(1,406,998)	-	-
Net Premium Income		5,633,560	4,151,480	-	-
Fees and commission income	28	307,473	270,914	-	-
Net Underwriting Income		5,941,033	4,422,394	-	-
Insurance claims and benefits incurred	29	(2,016,458)	(2,230,955)	-	-
Insurance claims and benefits incurred - recoverable from reinsurers	30	184,813	550,757	-	-
Net claims expenses		(1,831,644)	(1,680,198)	-	-
Underwriting Expenses	31	(1,934,388)	(1,553,613)	-	-
Total Underwriting Expenses		(3,766,032)	(3,233,811)	-	-
Underwriting Profit		2,175,000	1,188,583	-	-
Net Interest Income	32	142,031	111,089	-	-
Investment and other income	33	524,063	412,548	299,960	-
Net fair value gain or loss on financial assets	34	125,856	356,975	-	-
Write-back/(charge) of impairment allowance	35	22,524	123,604	-	-
Other operating income	36	103,019	63,605	209,898	194,950
Net Income		3,092,493	2,256,404	509,858	194,950
Foreign Exchange (Gains)/Losses	37	221	479	-	-
Management expenses	38	2,127,704	1,695,904	241,739	193,791
Total Expenses		2,127,926	1,696,383	241,739	193,791
Profit before tax		964,568	560,021	268,119	1,159
Income taxes	24	(308,662)	(179,207)	-	-
Profit after Taxation		655,906	380,814	268,119	1,159
Other Comprehensive Income, net of tax					
Total other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the period		655,906	380,814	268,119	1,159
Total comprehensive income attributable to shareholders					
Earnings per share - Basic and diluted (kobo)		0.13	0.07	0.05	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 Quarter ended 30 September 2014

Note	Group		Company	
	30-Sep-14	31-Dec-2013	30-Sep-14	31-Dec-2013
	N'000	N'000	N'000	N'000
Cash flows from operating activities				
Profit after taxation	655,906	790,952	268,119	281,277
Minimum tax expense		(47,346)		
Tax (credit)/expense	308,662	69,275	-	30,526
Profit before taxation	964,568	812,881	268,119	311,803
<i>Adjustments for:</i>				
Depreciation	165,505	152,402	6,510	10,527
Amortisation charge	8,886	13,372	-	1,875
Impairment (writeback)/losses on trades and other receivables	(22,524)	(134,414)		
Interest income	(142,031)	(332,858)		
Dividend income	(35,241)	(65,368)	(299,960)	(297,333)
Interest on loan & advances	(8,345)	(26,260)		
Rental income from investment properties	(37,452)	(61,541)		
Realised gains on financial assets	(42,133)	-		
Foreign exchange gain or loss	221	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	(125,856)	(1,511,555)		
Net cash flow before changes in working capital	725,598	(1,127,546)	(25,331)	26,872
<i>Changes in working capital:</i>				
Decrease/(Increase) in trade receivables	(608,655)	(3,254)		
(Increase)/decrease in loans and advances	(223,418)	(374,777)		
(Increase)/decrease in advances for lease	16,069	193,917		
(Increase)/decrease in reinsurance assets	20,763	(459,308)		
Decrease/(Increase) in other receivables	20,008	(293,492)	(1,936)	(59,982)
Increase in deferred acquisition cost	26,922	(252,712)		
Increase in depositors fund	376,626	2,225		
increase in investment contract liability	(349,976)	25,612		
Increase in unearned premium reserves	275,557	2,094,593		
Increase/(decrease) in trade payables	194,573	158,646		
Increase in provisions and other payables	(1,617)	525,657	68,241	16,806
Change in employee benefit	(35,629)	187,033		3,686
	436,820	676,593	40,974	(12,618)
Taxes paid	(77,107)	(112,323)	(873)	(35,459)
Net cash from operating activities	359,713	564,270	40,101	(48,077)
Cash flows from investing activities:				
Purchase of treasury bills		-		
Purchases of property and equipment	(174,405)	(388,307)	(8,962)	(6,738)
Proceeds from sale of property and equipment	66,897	11,015		-
Purchase of intangible assets	(28,832)	(13,041)		-
Investment in Subsidiary			299,960	297,333
Proceeds from sale of financial assets	594,562	372,864		
Purchase of financial assets	(391,934)	(373,685)		
Interest on loan & advances	8,345	26,260		
Dividend from equity accounted investees		19,382		
Rental income from investment properties	37,452	61,541		
Interest income	142,031	332,858		
Realised gains on financial assets		-		
Dividend income	35,241	65,368		
Proceed on disposal on available for sale investments				
Net cash used in investing activities	289,357	114,256	290,998	290,595
Cash flows from financing activities:				
Dividend paid	(80,525)	(205,815)	(80,525)	(205,815)
Payment of finance lease liabilities		-		
Net cash used in financing activities	(80,525)	(205,815)	(80,525)	(205,815)
Net increase/(decrease) in cash and cash equivalents	568,545	472,711	250,574	36,703
Cash and cash equivalents at beginning of year	1,810,767	1,338,056	35,594	(1,109)
Cash and cash equivalents at end of year	2,379,312	1,810,767	286,166	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

for the Quarter ended 30 September 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				655,906	-		-		-	655,906		655,906
Other Comprehensive Income:									-	-		-
Reclassification adjustments									-	-		-
Tax Effects on Other Comprehensive Income							-		-	-		-
Total Comprehensive Income	2,572,685	2,690,936	947,734	3,752,099	(500,000)	82,103	143,425	(4,210)	221,318	9,684,772	-	9,684,772
Transactions within Equity:												
Dividend paid				(257,269)					-	(257,269)		(257,269)
Transfer to Contingency Reserve			223,970	(223,970)					-	-		-
Transfer to Regulatory Reserve				-					-	-		-
Equity Component of a Compound Instrument									-	-		-
As at 30 September 2014	2,572,685	2,690,936	1,171,704	3,270,860	(500,000)	82,103	143,425	(4,210)	221,318	9,427,503	-	9,427,503

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 Contingency Reserve			225,503	(225,503)					-	-		-
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***for the Quarter ended 30 September 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	-	-	268,119	-	-	268,119	-	268,119
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	1,945,376	-	561	7,257,105	-	7,257,105
Dividend paid	-	-	(257,269)	-	-	(257,269)	-	(257,269)
Equity Component of a Compound Instrument	-	-	-	-	-	-	-	-
As at 30 September 2014	2,572,685	2,690,936	1,688,107	-	561	6,999,836	-	6,999,836

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
<i>Transactions within Equity:</i>								
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