

SUMMARY FINANCIAL INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2020

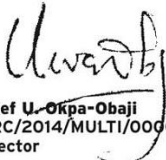
The directors present the summary financial information of Royal Exchange General Insurance Company Limited for the year ended 31 December 2020. These summary financial information are derived from the full financial statements for the year ended 31 December 2020 and are not the full financial statements of the Company. The full financial statements, from which these summary financial information were derived, will be delivered to the Corporate Affairs Commission within the required deadline. The Company's Auditors issued an unmodified audit opinion on the full financial statements for the year ended 31 December 2020 from which these summary financial information were derived.

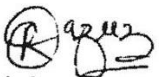
STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	31 Dec 2020 N'000	31 Dec 2019 N'000
Assets		
Cash and cash equivalents	9,777,898	10,619,459
Financial assets:		
- Fair value through profit or loss	756,657	666,176
- Fair value through other comprehensive income	4,288,656	701,340
- Amortised cost	93,735	44,674
Trade receivables	69,468	53,837
Reinsurance assets	1,744,049	2,235,297
Deferred acquisition cost	225,256	162,488
Other receivables and prepayments	1,218,453	882,465
Right to use of asset	71,472	76,895
Investment in associates	453,145	449,521
Investment properties	3,856,706	4,275,855
Property and equipment	1,130,784	1,137,844
Statutory deposits	340,000	340,000
Employee retirement benefits	257,168	295,649
Deferred tax assets		
Total assets	24,283,447	21,941,500
Liabilities and equity		
Insurance contract liabilities	4,042,104	4,591,292
Bank overdrafts	32,699	29,030
Deferred income	138,244	109,332
Trade payables	7,739,026	5,998,661
Other liabilities	1,109,902	734,950
Finance lease obligations	55,703	63,927
Current income tax liabilities	388,492	293,033
Employee benefit liability	26,893	24,750
Deferred tax liabilities	528,144	484,603
Total liabilities	14,061,207	12,329,578
EQUITY		
Share capital	5,366,667	5,366,667
Share premium	802,737	802,737
Contingency reserve	2,844,511	2,488,464
Retained earnings	709,711	691,534
Other component of equity	498,614	262,520
Total equity	10,222,240	9,611,922
Total equity and liabilities	24,283,447	21,941,500

These financial statements were approved by the Board of directors on 21 April, 2021 and signed on its behalf by:


Chief U. Okpa-Obaji
(FRC/2014/MULTI/00000010359)
Director


Ms. Toyin Azeez
FRC/2013/ICAN/00000004008
Chief Financial Officer

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER, 2020

	31 Dec 2020 N'000	31 Dec 2019 N'000
Gross premium written	11,868,240	10,584,353
Movement in unearned premium	(296,171)	283,995
Gross premium income	11,572,069	10,868,348
Reinsurance expenses	(6,296,278)	(5,389,854)
Net premium income	5,275,791	5,478,494
Fees and commission income	568,041	415,546
Net underwriting income	5,843,832	5,894,040
Insurance claims and benefits incurred	(1,289,168)	(1,668,575)
Insurance claims and benefits incurred - recoverable from reinsurers	599,636	554,305
Net claims expenses	(689,532)	(1,114,270)
Underwriting expenses	(3,705,527)	(3,633,542)
Total underwriting expenses	(4,395,059)	(4,747,812)
Underwriting profit	1,448,773	1,146,228
Net investment income	582,470	742,031
Finance income	35,583	40,712
Share of profit/loss on investment in associate	(13,303)	14,097
Net fair value gain or loss on financial assets	(73,763)	(86,259)
Write-back/(charge) of impairment allowance	(257,972)	(153,871)
ECL Impairment Allowance	(7,681)	20,506
Other operating income	439,779	244,040
	705,113	821,256
Net income	2,153,886	1,967,484
Foreign exchange losses	68,556	67,744
Management expenses	(1,198,343)	(1,060,585)
Expenses	(1,129,787)	(992,841)
Profit before taxation	1,024,099	974,643
Income tax charge	(230,521)	(319,938)
Profit after taxation	793,578	654,705
Other comprehensive income, net of tax		
Items that will never be classified in profit or loss		
Net actuarial gains/(losses) on employee benefits	(76,208)	(34,583)
Items that may be classified to profit or loss:		
Share of current year results in associates	16,927	2,643
Fair value changes on FVOCI	295,377	139,331
Total other comprehensive income, net of tax	236,096	107,391
Total comprehensive income for the year	1,029,674	762,096
Total comprehensive income attributable to shareholders	1,029,674	762,096

REPORT OF THE INDEPENDENT AUDITORS ON THE SUMMARY FINANCIAL STATEMENTS

To the Shareholders of Royal Exchange General Insurance Company Limited
Opinion
The summary financial statements of Royal Exchange General Insurance Company Limited which comprise the statement of financial position as at 31 December 2020, the statement of profit or loss and other comprehensive income and the related notes are derived from the audited financial statements of Royal Exchange General Insurance Company Limited for the year ended 31 December 2020.

In our opinion, the financial statements give a true and fair view of the financial position of Royal Exchange General Insurance Company Limited as at 31 December 2020, the financial performance and cash flows for the year then in accordance with the International Financial Reporting Standards, Companies and Allied Matters Act, 2020, Insurance Act CAP I17 LFN 2004, circulars and guidelines issued by the National Insurance Commission (NAICOM) and the Financial Reporting Council of Nigeria Act, 2011.

Summary Financial Statements
The summary financial statements do not contain all disclosures required by the International Financial Reporting Standards, Companies and Allied Matters Act, 2020, Insurance Act CAP I17 LFN 2004, circulars and guidelines issued by the National Insurance Commission (NAICOM) and the Financial Reporting Council of Nigeria Act, 2011 applied in the preparation of the audited financial statements of Royal Exchange General Insurance Company Limited.

Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report of Royal Exchange General Insurance Company Limited. The summary financial statements and those financial statements do not reflect the effects of events that occurred subsequent to the date of our report on those audited financial statements.

The Audited Financial Statements and Our Report Thereon
We expressed an unmodified audit opinion on those financial statements in our report dated 8 July, 2021.

That report also includes the communication of the key audit matter as described in the auditor's report on the financial statements. Key audit matters are those matters that in our professional judgement, were of most significance in our audit of the financial statements of the current year.

Directors' Responsibility for the Summary Consolidated Financial Statements
The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act, 2020, Insurance Act CAP I17 LFN 2004, NAICOM circulars and guidelines and Financial Reporting Council Act, 2011 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on whether the summary financial statements are consistent in all material respects with the audited financial statements based on our procedures which were conducted in accordance with International Standards on Auditing (ISA 810 revised). "Engagement to report on Summary Financial Statements".

Report on Other Legal and Regulatory Requirements
The Company complied with the fifth Schedule of the Companies and Allied Matters Act, 2020, and Section 28(2) of the Insurance Act CAP I17 LFN 2004.

No contravention of any section of Insurance Act or law came to our attention during the course of the audit.


Yetunde Odetayo, FRC/2013/ICAN/00000000823
For: Deloitte & Touche
Chartered Accountants,
Lagos, Nigeria.
8 July, 2020.

