

SUMMARY FINANCIAL INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2019

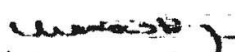
The directors present the summary financial information of Royal Exchange General Insurance Company Limited for the year ended 31 December 2019. These summary financial information are derived from the full financial statements for the year ended 31 December 2019 and are not the full financial statements 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 2019 from which these summary financial information were derived.

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

	COMPANY	
	31 Dec 2019 N'000	31 Dec 2018 N'000
Assets		
Cash and cash equivalents	10,619,459	11,325,338
Financial assets:		
- Fair value through profit or loss	666,176	781,688
- Fair value through other comprehensive income	701,340	547,584
- Amortised cost	44,674	93,407
Trade receivables	53,837	361,667
Reinsurance assets	2,235,297	2,709,833
Deferred acquisition cost	162,488	217,457
Other receivables and prepayments	882,465	745,873
Right of use asset	76,895	-
Investment in associates	449,521	432,781
Investment properties	4,275,855	4,239,347
Property and equipment	1,137,844	1,226,384
Statutory deposits	340,000	340,000
Employee retirement benefits	295,649	283,850
Deferred tax assets	-	-
Total assets	21,941,500	23,305,209
Liabilities and equity		
Insurance contract liabilities	4,591,292	5,318,102
Bank overdrafts	29,030	54,220
Deferred income	109,332	144,133
Borrowings	-	31,708
Trade payables	5,998,661	5,465,549
Other liabilities	734,950	737,733
Deposit for share	-	2,000,000
Finance lease obligations	63,927	49,473
Current income tax liabilities	293,033	376,966
Employee benefit liability	24,750	21,239
Deferred tax liabilities	484,603	256,260
Total liabilities	12,329,578	14,455,383
EQUITY		
Share capital	5,366,667	5,366,667
Share premium	802,737	802,737
Contingency reserve	2,488,464	2,170,933
Retained earnings	691,534	354,360
Other component of equity	262,520	155,129
Total equity	9,611,922	8,849,826
Total equity and liabilities	21,941,500	23,305,209

These financial statements were approved by the Board of directors on 1 May, 2020 and signed on its behalf by:


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


Mr. Olafekan Jaiyeola
FRC/2012/ICAN/00000000460
Chief Financial Officer


Mr. Benjamin Agili
FRC/2016/CIIN/00000014211
Managing Director

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED

31 DECEMBER, 2019

	COMPANY	
	31 Dec 2019 N'000	31 Dec 2018 N'000
Gross premium written	10,584,353	10,716,756
Movement in unearned premium	283,995	384,212
Gross premium income	10,868,348	11,100,968
Reinsurance expenses	(5,389,854)	(5,599,932)
Net premium income	5,478,494	5,501,036
Fees and commission income	415,546	494,463
Net underwriting income	5,894,040	5,995,499
Insurance claims and benefits incurred	(1,668,575)	(3,116,927)
Insurance claims and benefits incurred - recoverable from reinsurers	554,305	2,472,471
Net claims expenses	(1,114,270)	(644,456)
Underwriting expenses	(3,633,542)	(2,913,306)
Total underwriting expenses	(4,747,812)	(3,557,762)
Underwriting profit	1,146,228	2,437,737
Net investment income	742,031	375,200
Finance income	40,712	38,679
Share of profit/loss on investment in associate	14,097	11,288
Net fair value gain or loss on financial assets	(86,259)	(55,853)
Write-back/(charge) of impairment allowance	(153,871)	262,822
ECL Impairment Allowance	20,506	14,453
Other operating income	244,040	334,625
	821,256	981,034
Net income	1,967,484	3,418,771
Foreign exchange losses	67,744	(339,814)
Management expenses	(1,060,585)	(1,924,439)
Expenses	(992,841)	(2,264,253)
Profit before minimum taxation	974,643	1,154,518
Minimum tax	-	-
Profit after taxation	974,643	1,154,518
Income tax charge	(319,938)	(419,191)
Profit after taxation	654,705	735,327
Other comprehensive income, net of tax		
Items that will never be classified in profit or loss		
Net actuarial gains/(losses) on employee benefits	(34,583)	(5,354)
Tax effects on Employee benefits	-	-
Items that may be classified to profit or loss:		
Share of current year results in associates	2,643	3,072
Fair value changes on FVOCI	139,331	(33,122)
Total other comprehensive income, net of tax	107,391	(35,404)
Total comprehensive income for the year	762,096	699,923
Total comprehensive income attributable to shareholders	762,096	699,923

REPORT OF THE INDEPENDENT AUDITORS ON THE SUMMARY FINANCIAL STATEMENTS

To the Shareholders of Royal Exchange General Insurance Limited
Opinion

The summary financial statements which comprise the summary statement of financial position as at 31 December 2019, the summary statement of profit or loss and other comprehensive income for the year ended are derived from the audited financial statements of Royal Exchange General Insurance Limited for the year ended 31 December 2019.

In our opinion, the summary financial statements give a true and fair view of the financial position and financial performance of Royal Exchange General Insurance Limited for the year ended 31 December 2019, in accordance with the International Financial Reporting Standards, Companies and Allied Matters Act, Cap C20, LFN 2004, Insurance Act 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 CAP C20 LFN 2004, Insurance Act 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 Limited.

Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements of Royal Exchange General Insurance Limited and the auditor's report thereon.

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on those financial statements in our report dated 10 August, 2020. The report also includes the communication of the key audit matter as described in the auditor's report on the financial statements.

Key audit matter is the matter that in our professional judgement, was 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 preparing and presenting an appropriate summary of the audited financial statements in accordance with the International Financial Reporting Standards, Section 355 of the Companies and Allied Matters Act CAP C20 LFN 2004, Insurance Act I17 LFN 2004, circulars and guidelines issued by the National Insurance Commission (NAICOM) and Financial Reporting Council Act, 2011.

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 sixth schedule of the Companies and Allied Matters Act CAP C20 LFN 2004 and section 28(2) of the Insurance Act CAP I17 LFN 2004.

No contravention of the requirement of the relevant circulars and guidelines issued by National Insurance Commission ("NAICOM") was brought to our attention during the audit of the financial statements.



For: Deloitte & Touche
Chartered Accountants,
Lagos, Nigeria.
10 August, 2020.



Signing Partner: Yetunde Odetayo, FCA
FRC/2013/ICAN/0000000823