



InsuResilience Investment Fund acquires stake in Royal Exchange General Insurance Company Limited

Lagos, July 16, 2019.

Royal Exchange Plc wishes to notify the Nigerian Stock Exchange, its shareholders and the investing public that the InsuResilience Investment Fund ("IIF") set up on behalf of the German government by KfW and managed by Swiss based Impact Investment Manager BlueOrchard Finance Ltd ("BlueOrchard"), has concluded its processes to acquire a 39.25% stake in Royal Exchange General Insurance Company Limited ("REGIC").

REGIC is one of the largest non-life insurance companies in Nigeria. Through its activities, the IIF is expected to reach out to more than 1 million Nigerian farmers by 2025.

The investment has been approved by the regulator of REGIC, the National Insurance Commission.

The IIF and REGIC have signed an agreement according to which the Fund will acquire a 39.25% equity stake. REGIC, a subsidiary of Royal Exchange Plc, is a leading player in agriculture insurance. The proceeds of the investment will help REGIC to spur growth by increasing its risk capital and supporting its underwriting capacity in agriculture, hereby extending its outreach to low income farmers.

"The history, team and commitment of REGIC to agriculture insurance make it a great addition to our portfolio. REGIC is uniquely positioned to capture the opportunity presented by 30 million under insured small scale farmers in Nigeria. We are thrilled to partner with and support REGIC with capital, technical assistance and our international network in the agriculture insurance space, with the objective to increase the resilience of small scale farmers to climate change", says Ernesto Costa, Senior Vice-President Private Equity at BlueOrchard.

"REGIC has entered into strategic alliances with various stakeholders in the agricultural space to drive insurance within that sector of the economy. Agriculture and retail insurance, we believe is the future of insurance and at Royal Exchange, we will continue to develop products and services to ensure that we remain relevant in this space. REGIC is determined to take advantage of growth initiatives available in the industry, while leveraging on technology to expand its revenue base and stronger bottom-line" says Kenny Ezenwani Odogwu, Chairman of Royal Exchange Plc.

Ernst & Young Nigeria acted as the financial due diligence advisor to IIF while Alkebulan Ltd acted as the financial and corporate advisor to REGIC for this transaction. Udo Udoma & Belo-Osagie acted as the legal advisor to IIF while Sefton Fross acted as legal advisor to REGIC.

About InsuResilience Investment Fund ("IIF")

Luxembourg-based IIF was set up by KfW, the German Development Bank, on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ). The overall objective of the IIF is to contribute to the adaptation to climate change by improving access to and the use of insurance in developing countries. The specific objective of the fund is to reduce the vulnerability of low-income households and micro, small and medium enterprises (MSME) to extreme weather events. The IIF has been set up as a public-private-partnership and combines private debt and equity investments in two separately investible sub-funds as well as technical assistance and premium support. The fund aims at both financial return and social impact. For further information, please visit: www.insuresilienceinvestment.fund

About Royal Exchange General Insurance Company Limited ("REGIC")

REGIC is a wholly owned subsidiary of Royal Exchange Plc, licensed by the National Insurance Commission to offer the full range of general and special risks insurance products. With 100 years in the Nigerian market, REGIC has an enviable reputation for reliability, integrity, professionalism, technical competence and financial strength. For further information please visit: <https://www.royalexchangeplc.com/General/Default.aspx>

About BlueOrchard Finance Ltd ("BlueOrchard")

BlueOrchard is a leading global impact investment management firm dedicated to fostering inclusive and sustainable growth while providing attractive returns for its investors. BlueOrchard offers premium multi-asset class solutions and is an expert in innovative blended finance and public-private-partnership mandates. With a major presence in emerging and frontier markets and offices on four continents, BlueOrchard helps its partners around the world make profound investment decisions and meet their objectives.

Founded in 2001 by the initiative of the United Nations, BlueOrchard was the first commercial manager of microfinance debt investments. The firm has utilized its know-how and experience to steadily expand into asset classes including credit, private equity, and sustainable infrastructure. To date, BlueOrchard has invested more than USD 4bn across 70 emerging and frontier markets, enabling fundamental social impact. BlueOrchard Finance is a licensed Swiss asset manager authorized by the FINMA. Its Luxembourg entity is a licensed alternative investment fund manager (AIFM) authorized by the CSSF. For additional information, please visit: www.blueorchard.com.

A handwritten signature in blue ink, appearing to read "Sheila Ezeuko".

Signed:
Company Secretary

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