

Press Release

6th October 2021

AfricInvest's Financial Inclusion Vehicle ("FIVE") acquires a minority stake in Royal Exchange General Insurance Company in Nigeria

AfricInvest, a leading Pan-African asset management platform covering Private Equity, Venture Capital, and Private Credit, is pleased to announce the acquisition of a minority stake in the Nigerian insurance company Royal Exchange General Insurance Company ("REGIC"). The investment was made through its evergreen private equity fund, FIVE (Financial Inclusion Vehicle), in the form of a subscription to a capital increase.

REGIC, one of the largest non-life insurance companies in Nigeria, was established in 2008, as part of the longstanding Nigerian group, Royal Exchange Plc, which has been operating for more than a century. FIVE has joined the shareholding of REGIC alongside the Royal Exchange Group and the InsuResilience Investment Fund (IIF), managed by the leading global impact investing firm BlueOrchard Finance Ltd. The IIF is an initiative created by KfW, the German Development Bank, on behalf of the German Ministry for Economic Cooperation and Development.

REGIC is rolling out its new strategy, widening its customer base by reinforcing its digital footprint, and deploying a more comprehensive retail strategy aiming at a unique positioning and product offering in agribusiness and insurtech. In addition to supporting the enhancement of REGIC's underwriting capacities, FIVE's investment has resulted in the reinforcement of the Company's board with seasoned directors possessing complementary skill sets, and the strengthening of its execution capabilities at top and middle management in order to ensure the successful implementation of its ambitious growth plan.

Speaking on the new investment by AfricInvest, the Chairman of Royal Exchange Plc Kenneth Ezenwani Odogwu, Chairman of Royal Exchange Group said, "Being the first insurance company in Nigeria and having been in business for over 100 years, I am excited and hopeful that we will be just as prominent for the next 100 years. The investment of AfricInvest and BlueOrchard is an important inflection point on this journey. Under the auspices of a new board led by a seasoned professional Mr. Ike Chioke,¹ I am confident that we will continue to provide relevant services and products to a new generation of insurance customers."

Mehdi Gharbi, Senior Partner at AfricInvest and Co-head of FIVE, commented, "REGIC represents a perfect fit with the investment strategy of FIVE as it combines return and impact.

¹ Awaiting NAICOM approval



REGIC's expansion plan will allow the Company to achieve sustainable and strong growth, facilitating access to insurance while creating value for stakeholders. I'm excited to join REGIC's board and to contribute alongside my colleagues to the emergence of a new champion in the Nigerian insurance market."

Ernesto Costa, Head of Private Equity Investments at BlueOrchard and representative of IIF in the board of REGIC added, "We are delighted to welcome an experienced and like-minded investor such as Africinvest. We look forward to teaming up with them and Royal Exchange Plc, strengthening REGIC's retail capabilities and contributing to increasing the resilience of small-scale farmers, SMEs and households to the effects of climate change."

Sylma du Plessis, Partner at Alkebulan and advisor to the Royal Exchange Group commented, "This transaction is a testament to REGIC's strong management and opportunity set that it could successfully attract investors of the caliber of FIVE. We are proud to have played a part in securing funding for, and giving financial advice to, the Royal Exchange Group."

The REGIC transaction marks FIVE's first investment in the insurance sector, and its first in Nigeria, adding a seventh portfolio company to the fund. This partnership will contribute to financial inclusion in Nigeria, with an innovative insurance offer for the underinsured.

The Company was advised by Alkebulan for the fundraising and AfricInvest was advised by the law firm Uubo.

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About AfricInvest

AfricInvest is among the leading private equity firms in Africa with over 1.9 billion USD of funds raised. Founded 27 years ago, AfricInvest has made over 180 investments in more than 25 countries across the African continent in a variety of sectors, contributing to significant socio-economic development mainly thanks to revenue growth and profitability improvement across its portfolio companies. AfricInvest FIVE is an evergreen investment vehicle raised in December 2017 and dedicated to the financial sector in Africa. FIVE stands for Financial Inclusion Vehicle. The number five represents the aspiration of AfricInvest and FIVE's investors to contribute to achieving universal access to financial services in Africa. As the current level of penetration on the continent is a mere 20%, achieving universal access will require a fivefold increase. Digital transformation is one of the key drivers toward the universal access and as such, FIVE seeks to enhance the digital strategies of its portfolio companies. Its evergreen structure enables it to support its portfolio companies in achieving meaningful strategic transformations. FIVE is backed by a strong investor base including FMO Norfund, KfW, BIO, AfDB and IFU. The fund is supported by AfricInvest's eight offices across the continent which impart deep experience and relationships, sectoral expertise, and environmental, social and governance improvements for investee companies.

For more information about AfricInvest, please visit:

Website: www.africinvest.com

Twitter: @Africinvest_Grp

LinkedIn: www.linkedin.com/company/africinvestgrp

About REGIC

Royal Exchange General Insurance Company Limited (REGIC) comes from a pedigree that is more than a century old. It is licensed by the National Insurance Commission to offer the full range of general and special risks insurance products. With decades of experience in the Nigerian market, REGIC has an enviable reputation for technical competence and financial strength.

The Company operates from thirteen (13) branches nation-wide to ensure maximum outreach and complete accessibility to its customer base. The recent implementation of a web-enabled backbone IT system has further enhanced its ability to provide incomparable service to customers.

The Company's capacity to underwrite oil and gas risk is widely acknowledged throughout the industry and its recent foray into agribusiness insurance has given REGIC an even stronger foothold within the insurance space.

With an unwavering dedication to its core values, the company continues to maintain its lead in underwriting majority of the corporate risks in Nigeria

For more information on REGIC, please visit:

Website: www.royalexchangeinsurance.com

Facebook/Twitter/Instagram: REGIC_ltd

LinkedIn: REGIC_ltd

Contacts

Ann Wyman	Senior Partner, AfricInvest	ann.wyman@africinvest.com
Jacqueline Nwandu	Head of Corporate Communication, REGIC	Jacqueline.nwandu@royalexchan