

News release

InsuResilience Investment Fund acquires stake in Royal Exchange General Insurance Company

Zurich, 18 July 2019 – The InsuResilience Investment Fund, set up on behalf of the German government by KfW and managed by Swiss based Impact Investment Manager BlueOrchard Finance, will be acquiring a 39.25% stake in Lagos-based Royal Exchange General Insurance Company Limited. Royal Exchange General Insurance is one of the largest non-life insurance companies in Nigeria. Through its activities, the company is expected to reach out to more than 1 million farmers by 2025.

The InsuResilience Investment Fund and Royal Exchange General Insurance Company have signed an agreement according to which the Fund will acquire a 39.25% equity stake and appoint nominees to the Board of Directors. Royal Exchange General Insurance Company, subsidiary of Royal Exchange Plc, is a leading player in agriculture insurance. The proceeds of the investment will help Royal Exchange General Insurance Company to spur growth by increasing the company's risk capital and supporting its underwriting capacity in agriculture, hereby extending its outreach to low income farmers.

Investment in Royal Exchange General Insurance Company aligns with the vision and principles of the InsuResilience Global Partnership, which was launched at the 2017 UN Climate Conference COP23 in Bonn by Germany. The vision of the Partnership is to strengthen the resilience of developing countries and to protect the lives and livelihoods of poor and vulnerable people against the impacts of natural disasters. The Partnership's objective is to enable more timely and reliable post-disaster response through use of climate and disaster risk finance and insurance solutions to reduce impacts and help poor and vulnerable people recover more quickly.

“The history, team and commitment of Royal Exchange General Insurance Company (REGIC) to agriculture insurance make it a great addition to our portfolio. The company is uniquely positioned to capture the opportunity presented by 30 million under-insured small-scale farmers in Nigeria. In the midst of Nigerian economy rebalancing its major economic sectors, REGIC has repositioned itself to meet the ever-changing needs of their clients to take full advantage of the opportunities that arise in the agriculture space. Agriculture insurance is one of the new growth areas for the Company, and will definitely be one of the core areas of growth going forward. 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.

“The company has entered into strategic alliances with various stakeholders in the agricultural space to foster insurance in this sector of the economy. Agriculture and insurance are huge opportunities. We will continue to develop products and services to strengthen our leading position in this space. Royal Exchange General Insurance is determined to take advantage of growth opportunities in the sector, while leveraging technology to expand its revenue base and bottom-line,” says Kenneth Ezenwani Odogwu, Chairman of Royal Exchange Plc.

The investment is subject to the satisfaction of closing conditions set out in the transaction agreements.

About InsuResilience Investment Fund

Luxembourg-based **InsuResilience Investment Fund** has been 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 InsuResilience Investment Fund 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 InsuResilience Investment Fund has been set up as a public-private-partnership for qualified investors 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

Royal Exchange General Insurance Company is a 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, Royal Exchange General Insurance 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 is a leading global impact investment manager. The firm is dedicated to fostering inclusive and climate-smart growth, while providing attractive returns for investors. BlueOrchard was founded in 2001, by initiative of the UN, as the world's first commercial manager of microfinance debt investments. Today, BlueOrchard provides investors around the world with premium investment solutions, including credit, private equity, and sustainable infrastructure. Being an expert in innovative blended finance mandates, the firm is a trusted partner of leading global development finance institutions. With a major global presence and offices on four continents, BlueOrchard has invested to date more than USD 6bn across 80 emerging and frontier markets, enabling tangible social and environmental impact. BlueOrchard is a licensed Swiss asset manager of collective investment schemes authorized by FINMA. Its Luxembourg entity, BlueOrchard Asset Management S.A., is a licensed UCITS management company as well as a licensed alternative investment fund manager (AIFM) authorized by CSSF. For additional information, please visit: www.blueorchard.com.

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