

2023
ANNUAL REPORT

RESOLUTE

• Investment Banking • Asset Management • Trustees Services • Securities Trading • Consumer Finance • UCEE Microfinance Bank



RESOLUTE

/'rɛzəl(j)u:t/

adjective:

Marked by firm determination in character, action, or ideas; unwavering, admirably purposeful

While economic currents swirled in unpredictable patterns, United Capital remained resolute, anchored by an unwavering commitment to excellence. We expanded existing territories, charted new courses, and unearthed new opportunities for growth. Our resolute spirit lies not in the absence of obstacles, but in our will to overcome them, forging new paths even as the familiar ground shifts beneath our feet.

Table Of Contents

ABOUT UNITED CAPITAL	4
About United Capital Plc	4
Board of Directors	10
Board Profile	12
Subsidiary Managing Directors	17
Management Team	20
STRATEGIC REPORTS	30
Chairman's Statement	31
Group CEO's Letter to Shareholders	36
Sustainability Report	40
CORPORATE GOVERNANCE	50
Board Appointment Process	51
Attendance at Board Meetings	56
Composition of the Board of Directors	56
DIRECTORS' REPORT	63
Legal Form	64
Changes on the Board	65
Analysis of Shareholding	67
Employment and Employees	69
Board Evaluation Report	72
Corporate Governance Report	73
FINANCIAL STATEMENTS	75
Statement of Directors' Responsibilities	76
Statement of Corporate Responsibility Over Financial Reporting	77
Legal and Regulatory Risk Management	78
Certification of Management's Assessment of Internal Control Over Financial Reporting	81
Management's Annual Assessment of and Report on Internal Control Over Financial Reporting	83
Independent Auditor's Report	84
Independent Auditor's Report on Internal Control Over Financial Reporting	89
Consolidated and Separate Statements of Profit or Loss and Other Comprehensive Income	91
Consolidated and Separate Statements of Financial Position	92
Consolidated and Separate Statements of Changes in Equity	93
Consolidated and Separate Statements of Cash Flows	95
Notes to the Consolidated and Separate Financial Statements	96
Value Added Statements	167
Five-Year Financial Summary	168
INVESTOR INFORMATION	171
Corporate Information	172
United Capital in Pictures	174
Notice of AGM	184
E-Dividend Mandate	185
E-Share Registration	186
Full Dematerialization Form for Migration	187
E-Service/Data Update Form	188
Proxy Form	189



About United Capital Plc



AFRICA'S FASTEST GROWING COMPANIES **2023**

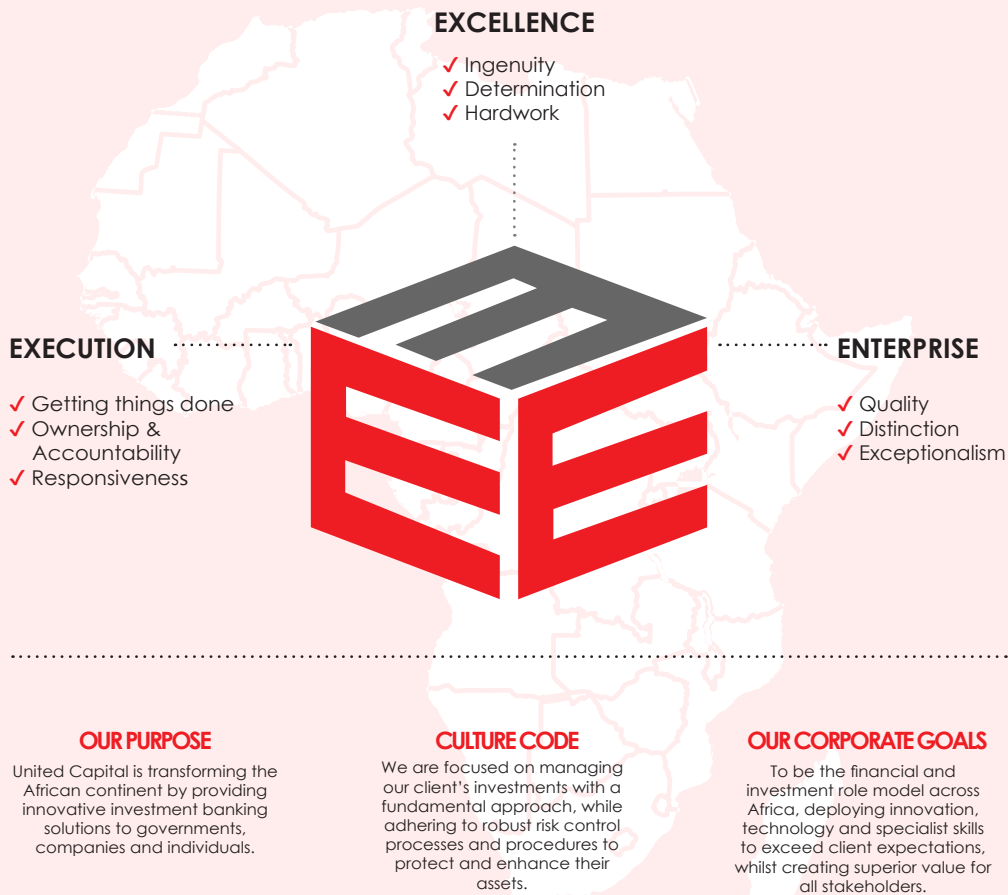
WE ARE HONORED TO BE RECOGNIZED BY
FINANCIAL TIMES AND **STATISTA** AS ONE OF
AFRICA'S FASTEST GROWING COMPANIES
FOR THE SECOND YEAR IN A ROW.



■ About United Capital Plc

United Capital Plc is a leading Pan-African financial and investment services Group, providing bespoke value-added services to our clientele. We play a strategic role in facilitating the strategic objectives of African governments, corporations, and individuals, through a robust suite of financial service offerings under our subsidiary businesses - Investment Banking, Asset Management, Trusteeship, Securities Trading, Wealth Management, Consumer Finance and Ucee Microfinance Bank. The Group is regulated by the Securities and Exchange Commission (SEC) in Nigeria and The Central Bank of Nigeria (CBN). The Group has been listed on the Nigerian Exchange since 2013.

■ Core Values



For 6 decades, United Capital Plc has sustained a legacy of excellence in the African financial services sector, demonstrating a remarkable capacity to adapt to dynamic market conditions, innovating with each passing season and discovering ingenious methods to provide even more value to its clients. At the forefront of our digital offering is InvestNow, our cutting-edge investment platform, providing retail clients with seamless access to a diverse array of investment and financial services solutions - mutual funds, stock trading, private trusts, loans, and so on – all accessible from the convenience of their smartphones or computers.

■ About United Capital Plc *cont'd*

■ Milestones

A+
Rating
DataPro

A-
Rating
Agusto

1st

Bond Issuance
by a Capital
Market Operator
in Nigeria

₦45.90bn
Gross Earnings
▲ 71% YoY

₦931.95bn
Total Assets
▲ 55% YoY



**Strong Presence in
Nigeria, Ghana &
Cote d'Ivoire.**

₦17.30bn
Profit Before tax
▲ 28% YoY

₦90.71bn
Shareholder
Funds
▲ 175% YoY

260,000+

Shareholders

400,000+

Accounts

> ₦1tr

**Funds Under
Management**

Broadening our reach into new markets, we recently obtained a license from the Central Bank of Nigeria (CBN) to operate a microfinance bank subsidiary. UCEE Microfinance Bank is set to adopt a hybrid banking model - maintaining the operational framework of a traditional bank while leveraging technology to deliver seamless, customer-centric digital banking solutions.

United Capital Plc is leading the charge to become the model investment management and financial services company in Africa expanding our geographical footprints in various regions across Nigeria, Ghana, and Cote d'Ivoire, with ongoing plans to expand into additional African nations. Our pan-African expansion drive is fueled by our commitment to transforming the financial service landscape through provision of cutting-edge financial solutions leveraging innovation, technology, and specialist skills.

We are on a trajectory to become the epitome of financial and investment excellence throughout Africa and a beacon in the global business world - a long-standing mission that has begun to materialize, as evidenced by our recognition by the Financial Times as one of Africa's fastest growing companies for two consecutive years.

Looking ahead, we remain steadfast in our dedication to Africa's economic progress and prosperity. Through strategic alliances with key players in the financial landscape, both within and beyond the continent's borders, and an unwavering commitment to innovation, we are poised to drive transformative solutions to Africa's funding challenges.

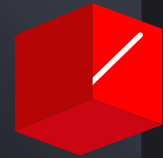
Africa's Foremost Financial Services Group

Providing investment services at your fingertips

Our Businesses

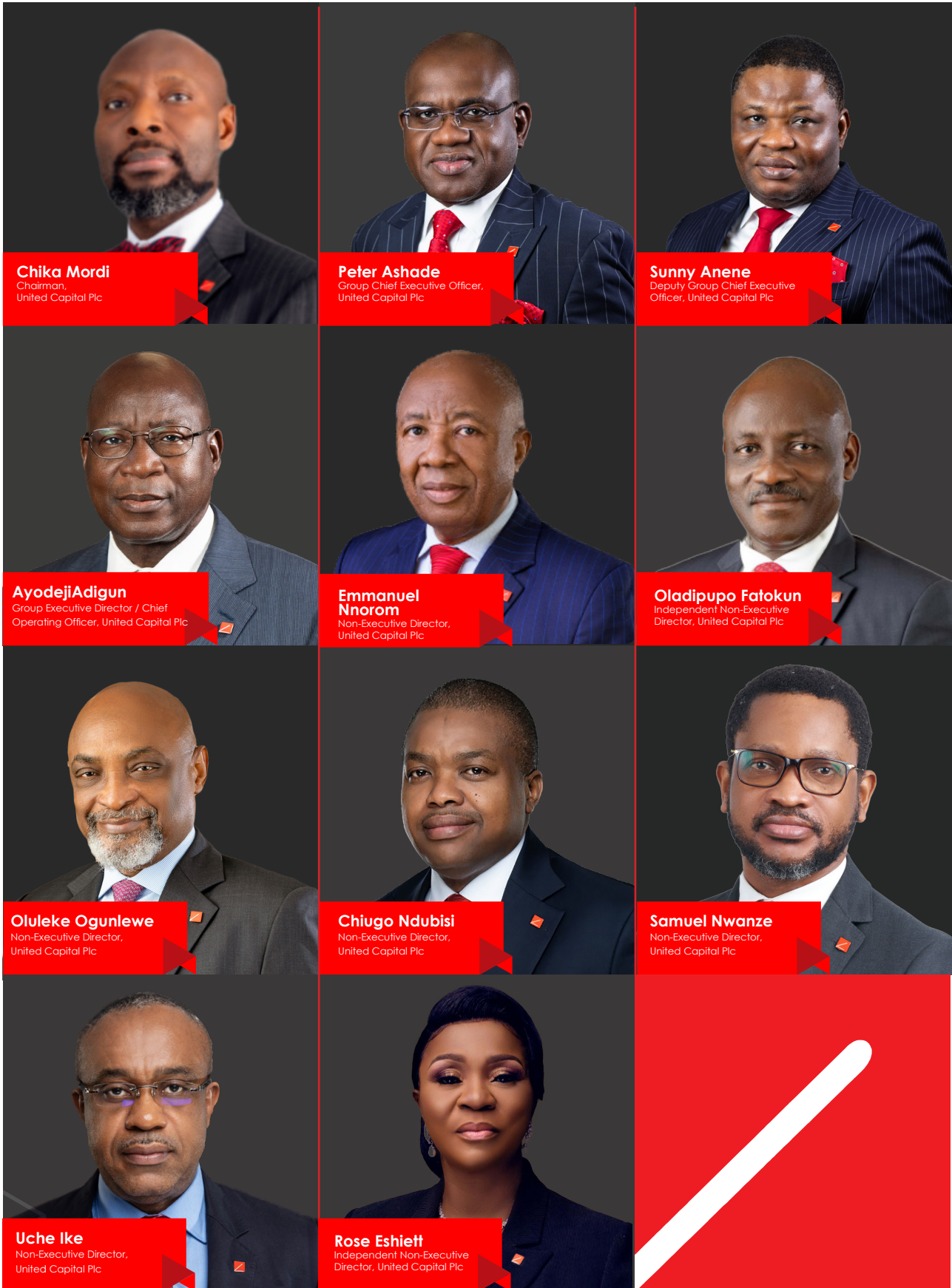
Investment Banking | Asset Management | Securities Trading
Trustees | Wealth Management | Consumer Finance
UCEE Microfinance Bank





Board of **Directors**

Board Of Directors



■ Board Of Director's Profile

Matthias Chika Mordi brings significant experience to the Board in the areas of governance, regional knowledge and industry expertise. An accomplished investment banker, he served (often in a supervisory capacity) on the boards of more than 30 companies of diverse sizes in Nigeria, Ghana, Cameroon, the United Kingdom and the United States of America. He is a member of the Advisory Board of Harvard's Shorenstein Centre and served on several government and multilateral committees, including the World Economic Forum's agenda board and USAID. He is a Professor at Johns Hopkins School of Advanced International Studies, and the CEO of Washington D.C. based Vantage Insights & Strategies LLC. from where he advises governments, businesses and individuals on competitiveness and strategy.



An avid scholar, Mordi holds an MPA from Harvard Kennedy School, an MBA from IESE Business School, a Master's degree from SAIS John Hopkins, a Master's degree in Public Communication from American University in the USA, an advanced management diploma from Harvard Business School and a BSc in Economics from the University of Ilorin. He contributes regularly to international print and broadcast media outlets, speaks multiple languages and has travelled to over sixty countries. He was appointed the Chairman of United Capital Plc on January 10, 2014.



Peter is an astute corporate executive renowned for his expertise in Execution, Business Transformation, Organizational Strategy, and Leadership with an illustrious career spanning over 34 years in Nigeria's financial sector, including over two decades as Chief Executive of leading financial institutions in Nigeria. He has cognate experience in finance with specialist experience in Retail Business Development, Banking and Capital Market operations having participated in numerous notable market transactions across all segments of the financial markets.

He holds an MBA in Marketing from the University of Ife (now Obafemi Awolowo University), an MSc in Finance from the University of Lagos and a BSc in Banking and Finance from Ogun State University (now Olabisi Onabanjo University). He is a Fellow of several prestigious organizations including the Institute of Chartered Accountants of Nigeria, the Chartered Institute of Bankers and the Institute of Capital Market Registrars. He is an associate of the Chartered Institute of Taxation of Nigeria, the Institute of Directors and an alumnus of the prestigious Lagos Business School (CEP23) and Global CEO program.

Prior to joining United Capital Plc, Peter served as Managing Director/CEO, Africa Prudential Plc (formerly UBA Registrars Limited). He sits on the board of notable organizations and is a member of the Institute of Directors (IoD) Nigeria. He is the Group Chief Executive Officer of United Capital Plc, a position he has held since his appointment in July 2018.

■ Board Of Director's Profile *cont'd*

Sunny is the Deputy Group Chief Executive Officer, responsible for the supervision of 4 business areas – United Capital Asset Management Limited, United Capital Securities Limited, United Capital Trustees and the Wealth Management Business.

Prior to this time, he was the Group Executive Director supervising two businesses and three functional areas: Finance, Treasury and Operations. Before this, he also served as MD/CEO of United Capital Asset Management Limited, which he turned around and put on the part of growth. He has also served as the Group Chief Finance Officer with responsibilities in Risk Management, Information Technology, Treasury, Finance, Operations and Corporate Services. His experience spans through decades of expertise in financial services cutting across banking and finance, investment management, Capital markets and Pension industries. His proven ingenuity in these areas is brought to bear on his stellar management of the Group's extensive businesses.

Prior to joining United Capital Plc, he was Head of Operations at FCMB Capital Markets, and later Lead Trader for CSL Stockbrokers, the Securities Trading arm of the Group. He moved to pension management in Zenith Pension Custodian Limited, a subsidiary of Zenith Bank Plc. He returned to the Capital Markets in 2008 when he joined Chapel Hill Denham where he spent six (6) years in two different roles, first as the Director of Finance and Operations, and then the MD/CEO for the securities trading business.

He holds a Master's degree in Finance from the University of Lagos. He is a fellow of the Chartered Institute of Stockbrokers (CIS), the Institute of Chartered Accountants of Nigeria (ICAN), the Chartered Institute of Taxation of Nigeria (CITN), an Associate of the Certified Pension Institute of Nigeria and a member of the Institute of Directors. He is an alumnus of Lagos Business School (LBS) and IESE Business School, Barcelona, Spain. He has attended leadership trainings organized by Harvard Business School and General Electric (GE), USA. He was appointed a director on January 2, 2019.

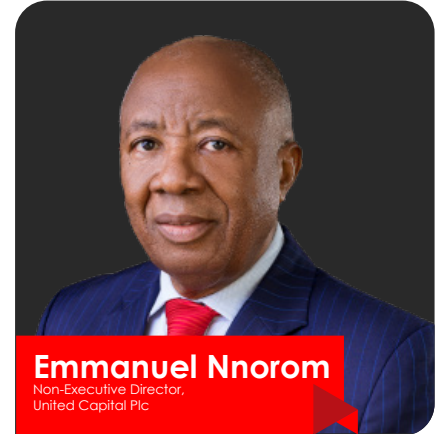


Ayodeji Adigun is the Group Executive Director/Chief Operating Officer of United Capital Plc. He has over three decades of banking and finance experience with a strong background and core competencies in financial control, performance management, operations, audit, strategic planning, and business transformation. He is a graduate of the University of Lagos, where he obtained a Bachelor of Science degree in Accounting with First Class Honors. He is a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN), an associate member of the Chartered Institute of Management Accountants (CIMA), UK and the Chartered Institute of Taxation of Nigeria (CITN).

Prior to joining United Capital Plc, he was an Executive Director/Chief Operating Officer at Nova Merchant Bank Limited as well as the General Manager/Chief of Staff to the Group Managing Director of United Bank for Africa Plc. While at UBA, he held other positions such as General Manager and Head of Strategy and Business Transformation with responsibilities over project management, strategic planning, and the Group Executive Office.

■ Board Of Directors Profile *cont'd*

Emmanuel Nnorom is an alumnus of the Oxford University Templeton College and a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN). He is also an honorary member of the Chartered Institute of Bankers of Nigeria (CIBN). He has over 38 years work experience in accounting and finance (including at executive levels) in both real estate and banking sectors of the Nigerian economy, working with publicly listed companies. He was an Executive Director at United Bank for Africa Plc and Managing Director of UBA Africa, overseeing the Group's African subsidiaries. He was appointed a Director in United Capital on January 10, 2014 and is currently the Chairman of the Finance and General Purpose Committee.



Mr. Oladipupo Fatokun holds a Bachelor's degree in Accounting and an MBA in Banking and Finance from the University of Ilorin and the University of Lagos, respectively. He is a fellow of two professional bodies namely: Chartered Institute of Bankers of Nigeria and the Institute of Chartered Accountants of Nigeria. He is a retired Director, Banking Services Department as well as the Banking and Payment Systems Department at the Central Bank of Nigeria. He was appointed a Director on February 14, 2020 and is currently the Chairman of the Audit and Governance Committee.=.

■ Board Of Directors Profile *cont'd*

Mr. Oluleke Ogunlewe holds a Bachelor of Science degree in Economics from the University of Ibadan and an MBA from the University of Lagos. Oluleke is one of Nigeria's most experienced and leading bankers with exposure and leadership in Banking Operations, Corporate and Investment Banking, Energy Banking, Retail/Commercial Banking, Capital Markets, Project Finance as well as Financial Advisory Services. He has over 37 years experience in banking which cut across several financial institutions such as NAL Merchant Bank Plc (Sterling Bank Plc), City Trust Merchant Bank Limited (Union Bank), Manufacturers Merchant Bank Limited (Fidelity Bank Plc), Royal Merchant Bank Limited, United Bank for Africa Plc and Standard Chartered Bank Limited. He retired as Head of Global Banking (MD) and Executive Director, Corporate and Institutional Banking for Standard Chartered Bank with responsibility for Financial Markets/Treasury, Financial Institutions, International Corporates, Corporate Finance and Transaction Banking. He was appointed a Director on October 29, 2021.



Chiugo Ndubisi hold a first-class honours degree in Engineering from the University of Nigeria Nsukka, and a Master of Business Administration degree from the University of Lagos. He is a Fellow of three professional bodies: the Institute of Chartered Accountants of Nigeria (ICAN), Chartered Institute of Bankers of Nigeria (CIBN) and the Chartered Institute of Taxation of Nigeria (CITN).

His career spans over 25 years in the Banking industry. Prior to United Capital, he was the Executive Director, Treasury & International Banking at United Bank of Africa, UBA, where he was responsible for the Treasury Business across UBA Group. He was also responsible for UBA's international subsidiaries i.e., UBA America, UBA UK, UBA France, and UBA Dubai. At UBA, he had previously functioned as Executive Director, Group Chief Operating Officer and Group Executive, Transformation & Resources.

Prior to joining UBA, he had worked with Diamond Bank Plc (now Access Bank) and played various roles such as Executive Director/Chief Finance Officer, Divisional Head, Financial Management, Group Financial Controller and Head, Investor Relations. During his career, he had served as a member of the Board of Trustees, Central Bank of Nigeria (CBN) Banking Industry Resolution Trust Fund, as well as member of the Audit Committee of the Nigeria Interbank Settlement Systems (NIBSS).

■ Board Of Directors Profile *cont'd*

Samuel Nwanze is an astute, well-rounded finance professional, business executive, investment banker and management consultant with experience in managing a broad spectrum of financial and banking responsibilities, including mergers and acquisitions, finance, performance management, treasury management, project management, integration and strategic planning.

He is the Executive Director/Chief Finance Officer of Heirs Energies Limited and has held various key positions including Chief Investment Officer and Chief Executive Officer in different sectors. He obtained his Bachelor of Science degree from the University of Ibadan. He also attended Cranfield University, United Kingdom, where he obtained a Master of Science degree in Finance & Management. Samuel is a Fellow of the Chartered Institute of Management Accountants (CIMA), and an Associate of the Institute of Directors, the Nigerian Institute of Management, and the Certified Pension Institute of Nigeria. He is also a Chartered Global Management Accountant and a Chartered Alternative Investment Analyst.



Samuel Nwanze
Non-Executive Director,
United Capital Plc



Uche Ike
Non-Executive Director,
United Capital Plc

Uche Ike is an experienced professional who holds a B.Sc. degree in Accountancy, and a Master degree in Business Administration. He is an Associate Member of the Institute of Chartered Accountants of Nigeria (ICAN). He has over three decades of banking experience spanning Operations, Internal Audit, Enterprise Risk Management, Fraud Management and Regulatory Compliance. He was the General Manager of UBA New York Branch and had also previously supervised operations in the East and South Banks of UBA Nigeria. He is currently the Chairman of the Risk and Investment Committee.

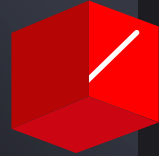
He was appointed a Director on June 13, 2023.

Mrs. Rose Nat-Eshiett has over 35 years working experience with the Nigerian National Petroleum Company Limited (NNPCL) in the Oil and Gas sector where she retired as the Group General Manager, Crude Oil Marketing Division. At NNPCL, she worked and held top management positions in various Commercial, Project financing and investments, Financial Accounting and Auditing. Currently, she is an Honorary Adviser on Oil and Gas to Akwa Ibom State Government.

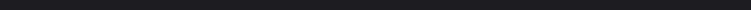
She holds a Bsc in Finance from the University of Calabar, Cross River State, a Fellow of the Chartered Institute of Bankers, and Chartered Institute of Taxation of Nigeria, as well as membership of the Institute of Directors of Nigeria and the Nigerian Institute of Management respectively. She was appointed an Independent Non-Executive Director on February 8, 2024



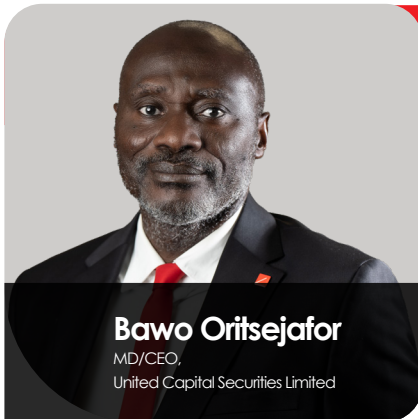
Rose Nat-Eshiett
Independent Non-Executive
Director, United Capital Plc



Subsidiary **Leaders**



■ Subsidiary Leaders



Bawo is the Managing Director of United Capital Securities Limited. His experience spans over 30 years in Securities Trading and Asset Management. He started his career in financial services with Cashcraft Asset Management where he rose to become the Head, Stockbroking Department. He later joined the UBA Group in 1998 with the then UBA Capital & Trust Limited, which later changed to UBA Asset Management Limited, where he was the Head, Capital Market, the investment arm of the business.

Odiri has a career spanning over 15 years across diverse roles in the financial services industry such as investment management, financial analyses, and reporting enhancements, tax and regulatory management, strategy and investor relations, treasury and cash flow management, business process automation, capital raising (equity and debt), budget preparation and analysis, corporate rating management, audit and compliance, and business development.

Her past roles include Group Chief Finance Officer at United Capital Plc. Odiri was also the CFO at UBA Capital Limited (the defunct investment banking arm of United Bank for Africa Plc), Portfolio Analyst at BGL Plc, and Audit Senior at Akintola Williams & Deloitte (now Deloitte). She is a First-Class Graduate of Accounting from Babcock University, a Fellow of the Institute of Chartered Accountants of Nigeria, and a CFA Charter holder.



Dr Leo is a doyen of trusteeship in Nigeria and is renowned for his expertise in structuring bespoke estate planning products for clients and also providing security for lenders and borrowers in syndications and club arrangements. He has an illustrious career in trusteeship spanning over two decades as Managing Director/Chief Executive of leading trusteeship companies in Nigeria and has participated in numerous and notable transactions across all segments of the capital market.

He holds a PhD in Law with specialization in intestacy and inter vivos trust from the Babcock University, Ilishan Remo, Ogun State, a Master of Law (LLM) degree and a Bachelor of Law (LLB) degree from the University of Lagos respectively. He is a Fellow of the Institute of Chartered Secretaries and Administrators, United Kingdom (FCIS), an Associate of the Chartered Institute of Stockbrokers (ACS) and a Member of the Institute of Directors, Nigeria (MIOD). He is an author with several books and publications.

Prior to joining United Capital Plc, he was the pioneer Managing Director/CEO of Zenith Trustees Limited (former subsidiary of Zenith Bank Plc), now Quantum Zenith Trustees Limited and later the Managing Director/CEO of PHB Capital & Trust Limited (a subsidiary of defunct Bank PHB/Keystone Bank Limited), now Apel Capital & Trust Limited. He began his career in the prestigious law firm of G. Elias & Co, a foremost commercial law in Nigeria and from there he proceed to FBN Quest Trustees Limited (formerly First Trustees Nigeria Limited) and Sterling Asset Management & Trustees Limited respectively between 2000 and 2008 respectively. He was appointed Acting Managing Director between February 8 and December 31, 2023.

■ Subsidiary Leaders *cont'd*



Dr. Gbadebo Adenrele holds an MBBS and MBA (Finance) degrees from the University of Lagos, as well as MS Global Finance degree from New York University and HKUST. Post-graduation, Gbadebo worked as a medical practitioner at leading healthcare facilities, including Lagos University Teaching Hospital and Premier Specialists Medical Centre.

Gbadebo has been an investment banker for 17 of his over 20 years' working experience. His investment banking experience started with the Investment Banking Division at Zenith Bank Plc, where he worked on capital market transactions. He was subsequently a pioneer staff of Zenith Capital Limited, where he was involved in corporate finance and project finance transactions for leading Nigerian corporates. Prior to joining United Capital Plc, Gbadebo spent over 11 years at Vetiva Capital Management Limited, where he led the Investment Banking team for 8 years and advised governments, governmental institutions, leading corporates, domestic and global financial institutions on a broad range of transactions across key sectors and jurisdictions.

Richard holds a Bsc degree from the Obafemi Awolowo University, Ife, and an Msc in Economics from the University of Aberdeen. He is a Fellow of the Institute of Chartered Accountants of Nigeria and a member of the Chartered Institute of Bankers of Nigeria. He began his career as a Tax Auditor and Relationship Manager at the Lagos State Revenue Service and later the Chief Finance Officer at Agora Limited. Prior to joining United Capital Plc, he was the Team Lead, Retail Risk Assets Products Management Team at First City Monument Bank Limited (FCMB), where he assisted the bank to attain leadership in consumer finance and personal lending space. He led the digital laboratory and championed the first commercial digital lending initiative in FCMB and the banking industry.



Adetola is a seasoned professional with significant experience in the financial services industry as a senior business development and investor relations professional with emphasis on asset and wealth management. Her primary focus is to serve the needs of the mass affluent and high networth individuals and works with clients to help manage their wealth responsibly, grow it tax-efficiently, and maintain it for years to come so that it fulfills the lifestyle they desire.

Prior to joining United Capital Plc, Adetola was the Managing Director of SCM Capital Asset Management Limited and the General Manager/CEO of MBL Financial Services Limited (the stockbroking arm of Metropolitan Bank Limited, now UBA), where she packaged the company in an attractive position for eventual divestment. Her experience covers money markets, equities, fixed income securities, real estate, and foreign currency trading. She is a licensed equity trader on the Nigerian Bourse. She was the Group Head of Operations at Metropolitan Bank, responsible for planning, developing, organizing, and supervising all operations at the Head Office and Branches nationwide. At Access Bank, she was the Head of Foreign Operations Department.

Adetola is a Certified Fellow of the American Academy of Financial Management and a Chartered Wealth Manager. She holds a Combined Honours (Bsc) degree in Computer Science with Economics and an MBA from the Obafemi Awolowo University, Ife. She is a Fellow of the Chartered Institute of Bankers of Nigeria and an Associate of the Chartered Institute of Stockbrokers, and the Certified Pensions Institute of Nigeria.



Management **Team**

■ Management Team



Peter is an astute corporate executive renowned for his expertise in Execution, Business Transformation, Organizational Strategy, and Leadership with an illustrious career spanning over 34 years in Nigeria's financial sector, including over two decades as Chief Executive of leading financial institutions in Nigeria. He has cognate experience in finance with specialist experience in Retail Business Development, Banking and Capital Market operations having participated in numerous notable market transactions across all segments of the financial markets. He holds an MBA in Marketing from the University of Ife (now Obafemi Awolowo University), an MSc in Finance from the University of Lagos and a BSc in Banking and Finance from Ogun State University (now Olabisi Onabanjo University). He is a Fellow of several prestigious organizations including the Institute of Chartered Accountants of Nigeria, the Chartered Institute of Bankers and the Institute of Capital Market Registrars. He is an associate of the Chartered Institute of Taxation of Nigeria, the Institute of Directors and an alumnus of the prestigious Lagos Business School (CEP23) and Global CEO program.

Prior to joining United Capital Plc, Peter served as Managing Director/CEO, Africa Prudential Plc (formerly UBA Registrars Limited). He sits on the board of notable organizations and is a member of the Institute of Directors (IoD) Nigeria. He is the Group Chief Executive Officer of United Capital Plc, a position he has held since his appointment in July 2018.

Sunny is the Deputy Group Chief Executive Officer, responsible for the supervision of 4 business areas – United Capital Asset Management Limited, United Capital Securities Limited, United Capital Trustees and the Wealth Management Business.

Prior to this time, he was the Group Executive Director supervising two businesses and three functional areas: Finance, Treasury and Operations. Before this, he also served as MD/CEO of United Capital Asset Management Limited, which he turned around and put on the part of growth. He has also served as the Group Chief Finance Officer with responsibilities in Risk Management, Information Technology, Treasury, Finance, Operations and Corporate Services. His experience spans through decades of expertise in financial services cutting across banking and finance, investment management, Capital markets and Pension industries. His proven ingenuity in these areas is brought to bear on his stellar management of the Group's extensive businesses.

Prior to joining United Capital Plc, he was Head of Operations at FCMB Capital Markets, and later Lead Trader for CSL Stockbrokers, the Securities Trading arm of the Group. He moved to pension management in Zenith Pension Custodian Limited, a subsidiary of Zenith Bank Plc. He returned to the Capital Markets in 2008 when he joined Chapel Hill Denham where he spent six (6) years in two different roles, first as the Director of Finance and Operations, and then the MD/CEO for the securities trading business. He holds a Master's degree in Finance from the University of Lagos.

He is a fellow of the Chartered Institute of Stockbrokers (CIS), the Institute of Chartered Accountants of Nigeria (ICAN), the Chartered Institute of Taxation of Nigeria (CITN), an Associate of the Certified Pension Institute of Nigeria and a member of the Institute of Directors. He is an alumnus of Lagos Business School (LBS) and IESE Business School, Barcelona, Spain. He has attended leadership trainings organized by Harvard Business School and General Electric (GE), USA. He was appointed a director on January 2, 2019.



■ Management Team *cont'd*



Ayodeji Adigun
Group Executive Director/ Chief
Operating Officer, United Capital Plc

Ayodeji Adigun is the Group Executive Director/Chief Operating Officer of United Capital Plc. He has over three decades of banking and finance experience with a strong background and core competencies in financial control, performance management, operations, audit, strategic planning, and business transformation. He is a graduate of the University of Lagos, where he obtained a Bachelor of Science degree in Accounting with First Class Honors. He is a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN), an associate member of the Chartered Institute of Management Accountants (CIMA), UK and the Chartered Institute of Taxation of Nigeria (CITN).

Prior to joining United Capital Plc, he was an Executive Director/Chief Operating Officer at Nova Merchant Bank Limited as well as the General Manager/Chief of Staff to the Group Managing Director of United Bank for Africa Plc. While at UBA, he held other positions such as General Manager and Head of Strategy and Business Transformation with responsibilities over project management, strategic planning, and the Group Executive Office.

Dr Leo Okafor is the Group Company Secretary/General Counsel of United Capital Plc, a Lawyer, author, Chartered Secretary, Chartered Stockbroker, Trust and Estate Planner and Author. He holds a Doctor of Philosophy (PhD) degree in Law with specialization in intestacy and inter vivos trust.

He has over 28 years post call and over 24 years' experience in the business of trusteeship and company secretarial practice spanning over five trusteeship companies and financial institutions. Prior to joining United Capital Plc, he was the Managing Director of PHB Capital & Trust Limited (subsidiary of defunct Bank PHB and Keystone Bank Limited) and the pioneer Managing Director of Quantum Zenith Trustees Limited (former subsidiary of Zenith Bank Plc). He began his career in the law firm of G. Elias & Co, foremost commercial law firm in Lagos and left in 2000 to join First Trustees Nigeria Limited (now FBN Quest Trustees Limited). He had also worked at Sterling Asset Management & Trustees Limited (formerly NAL Asset Management & Trustees Limited).

An avid writer and has authored several books and publications in the areas of estate planning and company secretarial practice. He is a Fellow of the Institute of Chartered Secretaries and Administrators of Nigeria (FCIS), an Associate of the Chartered Institute of Stockbrokers (CIS), and a Member of the Institute of Directors (M.IoD).



Leo Okafor
Group Company
Secretary/General Counsel

Tesilimi holds a Bsc in Computer Science with Economics from the Obafemi Awolowo University, Ile-Ife and an Msc in Economics and Finance from the Nottingham Business School, United Kingdom. He has over 15 years' work experience.

Prior to joining United Capital Plc, Tesilimi spent four years at Venture Garden Group, where he worked in different managerial roles such as Group Head, Vibranium Valley and New Businesses; Deputy Chief Operating Officer, Technical and Sales Operations; Head of Engineering Operation and Vice President of Business Development. Prior to Venture Garden, he was the Operations Manager at Splashers Technologies Limited.



Tesilimi Yusuf
Director, Digital Transformation

■ Management Team *cont'd*



Shedrack is an Economist and a Chartered Accountant with over 23 years of experience in financial management, business planning, capital raising projects, mergers, and acquisitions etc. Prior to joining United Capital Plc, he had held various positions within and outside of Nigeria in different industries ranging from manufacturing to financial services. He was the Group Enterprise Manager at Heirs Holdings Limited and the CFO at Tenoil Energy, Heirs Insurance and Union Assurance Plc (now Allianz Insurance). He was also the CFO, Industrial and General Insurance (Ghana) Limited.

He holds a Bsc in Economics from the Olabisi Onabanjo University, Ago-Iwoye, Ogun State and an MBA from the Lagos Business School. He is a Fellow of the Institute of Chartered Accountants of Nigeria and obtained his Balanced Scorecard Professional Certificate from the Balanced Scorecard Institute, USA. He also obtained his license as an International Financial Analyst from the International Research Association, Harvard Square, Cambridge, Massachusetts, USA.

Oluseye Komolafe is a human resource professional with specialties in Organization Development and Culture Management, Employee Experience and Engagement, Change Management and Digital Transformation, Diversity and Inclusion, Competency Mapping and Modelling, Learning Management and Recruitment processes. He has over 15 years of experience and knowledge in designing efficient and effective HR interventions targeted at positioning human assets for sustainable competitive advantage within organizations.

Prior to joining United Capital, Oluseye worked in various capacities and roles at MTN Nigeria as the Manager, Culture, and Change; HR Business Partner, IT and Enterprise Business divisions, Organization Change Manager, Transformation Programme Manager, and Advisor Competency and Change Management. In his 8 years at MTN, he successfully facilitated the implementation of various organization's change in the Business Operating Model. Prior to joining MTN, he worked with Leading Edge Consulting and Michael Stevens Consulting as Senior Consultant and Supervisory Consultant respectively.

He holds a Bachelor's degree in Biochemistry and an Executive Masters Certificate in Human Resource Management. In addition, he has professional certifications in Organization Development, Change Management, Life Coaching, and Competency-Mapping & Modelling. He is a Professional Scrum Master and an ICAgile Certified Professional-Agile Coach.



■ Management Team *cont'd*



Seun Babasola is the Director, Regional Operations (Nigeria), where he oversees the Group's activities as well as providing investment strategies, solutions and product offerings for Asset Management, Trustees, Investment Banking, Securities Trading and Consumer Finance businesses of the Group. He has extensive cognate experience that cut across banking and capital markets, and as such played a fundamental role in fund mobilization, origination, and execution of several distinguished landmark transactions in the financial market space in Nigeria.

Prior to joining United Capital Plc, he was the pioneer Head of Business Development and Equities at CardinalStone Partners where he was responsible for driving the company's equity's trading and sales business. Prior to CardinalStone, he was a Relationship Manager at Skye Bank Plc, where he was in charge of strategy, deal origination and execution. He began his working career in Guaranty Trust Bank Plc as a Relationship Manager.

Lucky is the Regional Director, West. He has over 20 years of experience in the financial services industry covering banking and capital markets with core expertise in Operations, Core Services, Project Management, Business Development and Relationship Management. Prior to his current role, he was the pioneer Head, Digital Business, Group Head of Operations and Head of Corporate Services at United Capital Plc. He was also the Branch Operations Manager, Ikeja Branch of UBA Plc, and Regional Customer Service Manager at Diamond Bank Plc (now Access Bank Limited).

He holds a Bsc in Business Administration and an MBA from the University of Benin respectively. He is an Associate member of the Chartered Institute of Stockbrokers and the Nigerian Institute of Management. He is also an Associate member of the Chartered Institute for Securities and Investment, United Kingdom



Mohammed Bagudu is the Regional Director, North where he drives the investment activities of the company across the 19 States. Prior to joining United Capital Plc, he served in similar capacity as the Regional Manager North-Central and North-Western Regions at Investment One Pension Managers where he was responsible for overseeing the sales and operational activities of over 10 States. While at this role, he was part of the team that grew the assets under management of the organization by over 1,000% in seven years. A similar feat he attained as an Assistant Manager at Sterling Bank Plc. Bagudu is passionate about relationship management and strategic marketing.

He has demonstrated impressive capacity in the areas of pension remittance management and banking with over 15 years' experience in the field. He is a graduate of the Ahmadu Bello University, Zaria where he studied Political Science.

■ Management Team *cont'd*



Chukwuma is the Regional Director, South and he oversees the Group's investment activities across the 11 Southern States in Nigeria. Prior to his appointment, he was the Regional Branch Head South-East sub-region of United Capital Plc. Chukwuma has over 16 years of working experience in the financial services industry, spanning banking and capital markets.

Prior to joining United Capital Plc, he worked at UBA Plc. He started his banking career with Access Bank Plc, where he demonstrated exceptional talent and commitment. He is a passionate relationship manager with strong capabilities in executing business growth and initiatives that positively impact organisational aspirations. He is a versatile business development expert and has continuously honed his skills through training at esteemed institutions like the Lagos Business School and Harvard Business School.

He holds a Bachelor of Science (Bsc) in Economics from the University of Calabar and a Master of Science (Msc) in Monetary Economics from the University of Port Harcourt.

Ejikeme Okoli is a Senior Executive and serves as Director, Strategy & Africa Operations overseeing United Capital's burgeoning Africa Business, driving implementation of its international expansion plans, and extending the Group's value proposition across the continent by facilitating cross-border capital flows, stimulating intra-African trade, and curating innovative solutions to meet the financial, investing and capital raising needs of people, businesses, public institutions, and governments.

Prior to his appointment, he was the Group Head, Strategy & Innovation steering growth and transformation across its subsidiaries and regional businesses. Ejikeme's career journey integrates a broad spectrum of industries including Finance, Technology, Energy and Manufacturing sectors involving corporate strategy & business development, research & market intelligence, transformation & change management, project coordination and performance analytics including multinational experience with Chevron Corporation and Diageo.

He is a Certified Investment Manager (University of Geneva) and Fellow, Institute of Management Consultants. He is an Engineering graduate (with honours) and holds Advanced Management certifications in Corporate Strategy, Leadership and Project Finance from top business schools including HEC Paris, Bocconi University, and Harvard Business School.



■ Management Team *cont'd*



Isiaka Arowolo has over 25 years Banking experience, spanning across Internal Audit, Internal Control, Financial Control, Treasury Operations and Finance Operations. Over the course of his career, he had led audit teams to several Africa Countries, New York, and the United Kingdom while working in UBA Plc. In addition, he held positions such as Head of Audit at the Head Office Audit & Assurance; Head, Branch Internal Controls and Team Lead for Africa Subsidiaries Audit in UBA Plc and other commercial bank he has worked in Nigeria. He also served as the Chief Audit Executive [CAE] of Nova Merchant Bank before joining United Capital Plc as the Head of Internal audit for the group.

Isiaka holds a bachelor's degree in Accounting from the Obafemi Awolowo University Ile-Ife in 1992 and a master's degree in business administration [MBA] from the same Institution in 2000. He is a Fellow of the Institute of Chartered Accountants of Nigeria [FCA], a Certified Fraud Examiner [CFE], a Certified Systems Auditor [CISA] and a Designated Compliance Professionals [DCP]-Compliance Institute of Nigeria.

Opeyemi is a Treasury Management Professional with over 17 years' experience in the Financial Industry. Her passion for investments and the global financial markets has been her drive. She has an in-depth resource of the global financial market in the last decade and has developed over the years, the ability to adapt to numerous market scenarios regardless of market conditions. She has managed financial transactions both within Nigeria, Africa, and the global market from plain vanilla to highly structured across multiple currencies.

Opeyemi joined United Capital in 2019 as Head, Group Treasury. Prior to United Capital Group, she was the Chief Dealer at Providus Bank where she supervised the Fixed Income Trading and Sales desk. Prior to Providus Bank, she worked at Coronation Merchant Bank and traded all Treasury products, developed strategies for dynamic asset allocations and created multiple reports for BUY/HOLD/SELL recommendations to hedge portfolio risk. Prior to Coronation Merchant Bank, she worked as a Relationship officer at Ecobank Nigeria Limited where she managed treasury products in her branch.

Over the years she has gained expertise in Money Market, Risk Management, Local and Foreign Securities Trading, Business Strategy, Market Research, and Investment Analysis. She holds a Bsc in Computer Science from the University of Lagos, an M.Sc. in Business Information System from the Royal Holloway University of London, UK and ACI dealing certificate France, Paris.



■ Management Team *cont'd*



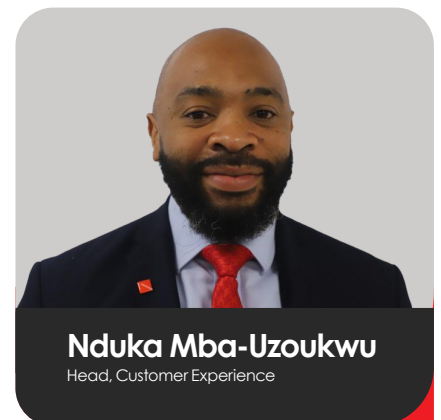
An alumnus of the Lagos Business School Executive MBA programme, Joseph graduated with distinction and is a member of the prestigious internationally acclaimed BetaGammaSigma honours society for top 5% graduates of business schools globally.

Over the last 18 years, Joseph had worked with and led teams whose responsibilities cut across a major spectrum of technology transformational and retail growth projects and consultancy. Joseph was the Group Chief Information Officer, a role in which his focus on execution to reposition the business was exemplary, hence leading to increased digital presence, exponential retail growth and improved revenues, with keen focus on our growth during the COVID-19 pandemic where the business was run totally virtual and saw outstanding growth in retail customer base, revenue, and profitability.

Prior to joining United Capital, Joseph was the Group Head Technology Operations at Cordros Capital Limited where he transitioned the business from a High Net-worth Individual (HNI) focused business to retail-focused business with total leverage on technology to drive B2C sales across verticals while exploring new markets and partnerships. Prior to Cordros Capital, he had led the Enterprise & Cloud Services team at Soft Solutions Limited, an IT Consultancy firm with a footprint across 15 Nigerian banks on enterprise security, cloud projects, and consultancy where he developed, deployed, and led support teams to manage several banks, financial and FMCG solutions suites.

Nduka Mba-Uzoukwu holds a BA in Mass Communication from the University of Nigeria, Nsukka. He has 23 years experience in Customer Service and Customer Experience Management, capacities in Banking, Telecommunications, Pension Fund Management and Management Consulting. Some of the companies he worked for include Airtel Nigeria, Keystone Bank, Heritage Bank, Access Bank, Leadway Pensure PFA and Sterling Bank, where he led the Customer Experience Management Group as an Assistant General Manager.

Prior to joining United Capital, Nduka served as the Group Customer Experience Director at Heirs Holdings.



■ Management Team *cont'd*



Olufemi Olayiwola is a financial services expert with expertise in executing risk management, internal control/audit, compliance, and process improvement strategies.

Prior to joining United Capital Plc, he had worked in United Bank for Africa Plc, Diamond Bank Plc and Access Bank Plc where he functioned in various capacities such as the Head, Operational Risk Management Group, Head, Compliance and Quality Assurance, Head Office Control Group, Regional Control Manager, Area Control Manager, Internal Audit Supervisor, Resident Control Officer, Clearing Service Officer, and Branch Operations Officer, among others.

Olufemi holds a BSc in Accounting from the University of Ilorin, Ilorin, and an MBA (General Management) from Obafemi Awolowo University, Ile-Ife. He is a member of several professional bodies such as the Chartered Risk Management Institute of Nigeria (CRM), Institute of Chartered Accountants of Nigeria (Fellow), Association of Anti-Money Laundering Specialists (CAMS), Chartered Institute of Bankers of Nigeria (ICIB).

He is a Certified Data Protection Officer and PECB Certified ISO 37301 Lead Implementer.

Rita Unuigboje is the Group Head, Operations at United Capital Plc. Prior to United Capital, she had worked with FSL Management Services Limited, a subsidiary of the FSL Securities Group ("FSL"), specialized in HR Services, where she worked as Chief Executive Officer.

Prior to joining FSL, she worked with the United Bank for Africa Plc for over 13 years, and rose to the Assistant General Manager grade. During this time, she worked in various roles, across Strategy, Customer Service, Business Development and Operations. In her last role, she was the Head of Operations and had responsibility for foreign and domestic operations functions.

Rita joined UBA Plc in 2006, from Standard Chartered Bank, Nigeria where she had worked for over 4 years, in different capacities within the Consumer Banking Group. She was at a time, the Service Quality Manager, with responsibility for driving service excellence across the Bank. Rita has had a banking career spanning over 20 years, including Standard Trust Bank and FSB International Bank (now Fidelity Bank).

Rita holds a B.Sc. in Management, from the University of Port Harcourt, an M.Sc. in International Banking and Finance from the University of Greenwich, London and a Postgraduate Diploma in Advanced Management from the European School of Management and Technology, Berlin. In 2020, she completed the Women in Leadership Certificate Programme from the University of Stellenbosch, South Africa.



Africa's Foremost Financial Services Group

- Investment Banking
- Asset Management
- Trustee Services
- Securities Trading
- Wealth Management
- Consumer Finance



Scan to learn more

Download the **InvestNow** app



Linking you to a world of Opportunities

📍 3rd & 4th Floor, Afriland Towers, 97/105 Broad Street, Lagos

☎ 07000468378 (07000INVEST) ✉ info@unitedcapitalplcgroup.com



Strategic Reports



Chairman's Statement

Dear Shareholders,

It is my honour to present the 2023 Annual Financial Report of our great institution, United Capital Plc.

The review of our group operation in the past financial year affords us the opportunity to assess our strategies and position our business for stronger domestic and regional growth. The year 2023 was marked with the CBN's cash crunch policy, electioneering activities, removal of fuel subsidy, unification of official exchange rate windows, adoption of a flexible exchange rate, geo-political tension, elevated inflationary pressure, interest rate hikes, large-scale oil theft and abysmally low government revenues.

Likewise, the sharp increase in government borrowings which raised debt sustainability concerns and interest rate hikes created a tumultuous operating environment for businesses. Nevertheless, we were able to deliver on our 2023 set targets. For 2024, we will relentlessly continue to pursue our set goals and are optimistic that we would deliver higher performance.



■ Chairman's Statement *cont'd*

Global Economy Review and Outlook

The Russian-Ukraine war which started on 24 February 2022 spilled over to 2023 further aggravating global economic hardship as energy and food prices skyrocketed. Major central banks like the Federal Reserve Bank, European Central Bank, and Bank of England etc. responded to heightened inflationary pressure by hiking interest rates with an inflationary target framework of 2.0%. Thus, the global economy faced challenges from interest rate hikes, with slow and uneven growth across different economies. The Gross Domestic Product (GDP) growth in 2023 was 2.5% relative to 3.1% in 2022. The Eurozone exhibited divergent growth. Germany (-0.3%) and the Netherlands (0.1%) showed tepid performances, whereas Italy (0.9%), France (0.9%) and Spain's estimates of 2.5% showed positive performances. Conversely, China's recovery from COVID-19 pandemic was brief due to stagnant exports and strained US relations. Adding to the challenges, the Israeli-Hamas war in and around the Gaza Strip since 07 October 2023 further dampened global growth in the latter part of 2023.

Global growth rate is expected to slow down to 2.9% in 2024.

Due to financial sector turmoil in the US (failure of Silicon Valley Bank, Signature Bank, First Republic Bank etc.), elevated inflation, effects of interest rate hikes, Russia-Ukraine war, supply shortages, long-term effects of COVID-19, and economic fragmentation, the IMF revised its 2023 global growth forecasts three times at 3.0% compared to 2022 forecast of 3.2% and actual growth rate of 3.1% in 2022. Meanwhile, global growth rate is expected to slow down to 2.9% in 2024. Advanced Economies (AEs) are anticipated to decline from 2.6% in 2022 to 1.5% in 2023 and 1.4% in 2024 as policy tightening starts to bite. However, Emerging Market and Developing Economies (EMDEs) are projected to have a modest decrease in growth from 4.1% in 2022 to 4.0% in both 2023 and 2024, reflecting the property sector crisis in China, debt burden, weak currency, and geopolitical tension.

In the backdrop of disparate economic growth, the World Trade Organization (WTO) underscored that, notwithstanding escalating geopolitical tensions, trade continues to serve as a catalyst for economic resilience and recovery. Consequently, the WTO anticipates global merchandise trade volume to surge to 3.2% in 2024 compared to 1.7% in 2023.

Sub-Saharan Africa ("SSA")

SSA grappled with a constellation of challenges, including supply shortages, a heightened cost of living, elevated interest rates, debt burdens, insecurity, and geopolitical tension in 2023, lead the International Monetary Fund (IMF) to forecast a contraction in SSA's economic growth from 4.0% in 2022 to 3.3% in 2023. Despite these immediate headwinds, the IMF foresees a subsequent rebound, projecting a return to a 4.0% growth rate in 2024.

Notably, Standard & Poor's, Moody's Services, and Fitch Group separately downgraded Nigeria, Ghana, Kenya, and Morocco, among others. The downgrades were attributed to increasing government financing needs, pressures arising from impending Eurobond maturities, and the suboptimal structuring of terms associated with international bonds. Moreover, the global credit rating agencies justified their downgrades by citing a deterioration in external liquidity position, stemming from an unfavorable FX trajectory, escalation of debt service costs, and elevated yields in the Eurobond financial markets. Specifically, among these rating agencies, Moody's confirmed Nigeria's rating at Caa1, downgraded Ghana to Ca, lowered Kenya to B3, and assigned a BB+ rating to Morocco.

Domestic Economy:

Since 2015, Nigeria's economy has experienced a notable decline, marked by a substantial decrease in average growth rates from 6.1% to 1.3%. This downturn is attributed to subpar oil sector performance, excessive subsidies, elevated debt levels, a weakened currency, and insecurity. Despite the surge in global oil prices since

■ Chairman's Statement *cont'd*

2021, regrettably, Nigeria has not reaped the anticipated benefits.

The new administration in 2023 confronted formidable decisions with severe implications on the economy. President Tinubu swiftly terminated fuel subsidy, implemented a flexible exchange rate regime, and initiated other economic reforms. The unification of foreign exchange windows and removal of fuel subsidy immediately resulted in a heightened inflationary pressure, influencing key economic indicators.

Furthermore, Nigeria grapples with a confluence of political and economic challenges, as evidenced by a contraction in the economy, registering a year-on-year growth of 2.31% in Q1-2023, as opposed to 3.11% in Q1-2022 and 3.52% in Q4 -2022. This decline in growth is attributed to the adverse impact of a cash crunch experienced in the initial quarter. Moreso, Q2-2023 slipped further to 2.51%, in contrast to 3.54% in Q2-2022. This downturn is linked to the removal of fuel subsidy and the floatation of Naira. Expanding upon this, Q3-2023 recorded a slight growth of 2.54%, in contrast to 2.25% in Q3-2022 and 2.51% in Q2-2023. The primary impetus for growth continued to be the non-oil sector with a 2.7% growth, contributing 94.5% to the GDP, buoyed by growth in the financial, communication, and agricultural sub-sectors. Services sector grew by 3.9%, contributing 52.7% to the GDP, while agriculture sector grew by 1.3%, contributing 29.3% to the GDP. The construction sector grew by 3.8% whereas the manufacturing sector recorded a marginal growth of 0.4%. The trade sector had a growth of 1.8% in the first nine months of 2023. Nevertheless, Nigeria's economic growth in Q4-2023 decreased to 3.46% compared to 3.52% recorded same period in 2022.

Remarkably, crude oil production grew by 4.6% but remained historically low. For nearly two decades, crude oil production has consistently fallen below OPEC's quotas, due to low investments, theft, pipeline vandalism, and insecurity. President Tinubu had expressed commitment to bolster crude oil production from 1.3mbpd to 2.0mbpd. Efforts taken to improve oil

production yielded some positive results as average daily crude oil production in Q3-2023 increased to 1.45mbpd. It is expedient to note that production levels remained low when compared to the country's target of 1.78mbpd. Conversely, in Q4-2023, Nigeria's crude oil production improved to 1.55mbpd as government combated crude oil theft. Notably, oil prices fluctuated to as low as \$67.0/bbl. to \$72.0/bbl. due to dampened sentiments and worries of global recession. However, in Q3 and Q4-2023, oil prices rebounded due to production cuts by OPEC+. However, despite the resurgence in crude oil prices, Nigeria fell short of reaping the full benefits of price increases due to production levels.

In 2023, inflation surged to unprecedented levels, averaging 25.0% between January and November, and headline inflation rate climbed to 28.92% in December-2023. The double shock of Naira devaluation and removal of fuel subsidy defined most of the inflationary environment. Thus, Premium Motor Spirit (PMS) rose by 210.3% y/y from N175.90/litre to N545.80/litre in June-2023. The Naira depreciated against the Dollar to over N1,000.00/\$ in the official and BDC markets, leading to a spike in inflation rate.

In response to the elevated inflation rate, the Monetary Policy Committee (MPC) maintained a hawkish stance by increasing the Monetary Policy Rate (MPR) by 725bps, reaching 18.75%. Subsequently, in October 2023, the asymmetric corridor surrounding the MPR was adjusted from +100/-700 to +100/-300 basis points. Open Market Operations (OMO) was reinstated with a substantial intervention of N325 billion.

Meanwhile, the fiscal landscape in 2023 reflects an intricate interplay of reforms, revenue, and expenditure challenges. Despite the cessation of petrol subsidy and a slight uptick in oil revenues, public finance remains fragile, primarily attributed to exchange rate depreciation. Nevertheless, in the latter part of 2023, Nigeria's fiscal outlook displayed positive indications, with a projected total revenue of N7.7 trillion compared to the actual revenue of N6.5 trillion recorded in 2022. On the flip side,

■ Chairman's Statement *cont'd*

estimated total expenditure for 2023 pegged at N13.7 trillion contrasts the actual total expenditure of N7.7 trillion in 2022.

In the meantime, Fitch Ratings affirmed Nigeria's credit rating at B-, stating that the rating was constrained by weak governance, low non-oil revenue, high hydrocarbon dependence, insecurity, elevated inflation, low net foreign exchange reserves, and ongoing weakness in the exchange-rate framework.

Based on the foregoing, Nigeria's real GDP is anticipated to increase modestly, reaching 2.9% in 2024 compared to 2.4% in 2023 by the IMF. The principal catalyst for growth is envisaged to be net exports, driven by an increase in oil export volumes attributed to anticipated production from the Dangote and Port Harcourt refineries.

Financial Markets:

The domestic fixed income market was volatile in 2023, resulting in record-high bond yields observed in both primary and secondary markets. Factors including MPR, system liquidity, FX volatility influenced the performance of bonds. Likewise, the Eurobonds market exhibited volatility driven by Moody's downgrade of 9 Nigerian Banks in Q1-2023, interest rate hikes, Eurobond maturities, coupon payment inflows, FX challenges, stronger Dollar, monetary policy stance in major central banks of advanced economies.

In the corporate bonds segment, a total of 10 corporate bonds with a total face value of N594.06bn were listed on FMDQ Exchange compared to 13 corporate bonds with a face value of N329.08bn listed in the same period in 2022, representing an 80.5% year-on-year increase. Furthermore, the FMDQ quoted 195 commercial papers (CPS) with a cumulative face value of N1.4 trillion in the first 9 months of 2023. This indicates a notable increase compared to 90 CPs with a face value of N576.3 billion quoted same period in 2022, reflecting a year-on-year surge of 138.1% (N795.7 billion).



The NGX-ASI surpassed the historic resistance level of 66,371.2 points.

The Nigerian equities market recorded a positive performance in 2023 as the NGX-ASI surpassed the historic resistance level of 66,371.2 points. Despite the unabating economic challenges, banks recorded impressive profits due to FX gains emanating from interest earned from foreign investments. However, corporates in the consumer and industrial goods sector incurred substantial FX losses and faced increased operating expenses (OPEX). Meanwhile, higher oil prices in Q3 and Q4-2023, underpinned by supply cuts by Russia and Saudi Arabia, and the geopolitical tension in the Middle East (Israel and Hamas) bolstered the revenue of oil companies like SEPLAT (+129.45% YTD) and TOTAL (+120.66% YTD).

The financial system was very liquid for a significant portion of 2023. There was a prevalence of Cash Reserve Ratio (CRR) debits in H1-2023. The short tenure (9 June – 15 September 2023) of Mr. Folashodun Adebisi Shonubi as acting governor adopted unconventional approaches leveraging system liquidity to impact short-term yield directions. Subsequently, Chief Olayemi Cardoso, in October 2023, introduced conventional methods marked by OMO auctions and removal of restrictions at the Standing Deposit Facility (SDF). This approach essentially encouraged higher rates across the yield curve, maintaining a threshold of the MPR at 18.75% minus a 300bps asymmetric corridor.

In the broader context, rates in the money market, particularly within the short-term fixed income segment, exhibited volatility throughout Q3-2023, where liquidity emerged as the pivotal factor shaping rate dynamics. In contrast, Q4-2023 witnessed a predominant influence of orthodox fundamentals on yields, a trend evident at both primary and secondary market levels.

In 2024, the financial market will be shaped by a

■ Chairman's Statement *cont'd*

confluence of factors, including economic reforms by the new administration, FX volatility, devaluation of the Naira, MPR decisions by policymakers, level of system liquidity, heightened inflation rates and interest rate adjustments by advanced economies.

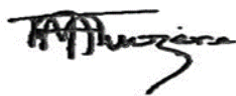
Financial Performance

Despite the macroeconomic turbulence in 2023, United Capital plc reported an outstanding financial performance. Total Revenue accelerated by 71% year-on-year to N45.9 billion in 2023 from N26.9 billion earned in 2022. Profit Before Tax surged by 28.2% to N17.3 billion in 2023 from N13.5 billion recorded in 2022, indicating impressive growth in the overall profitability of the Group.

In terms of our financial position, Total Assets of the Group appreciated by 55% year-on-year to N931.9 billion by December 2023 from N601.9 billion as of December 2022. This was driven majorly by 80% growth in investment securities. Shareholders' Funds rose by 175.0% to N90.7 billion from N32.9 billion. The Group's Return on Average Equity (RoAE) for the 2023 financial year stood at 18%, signifying strong value creation for our shareholders.

Conclusion

Distinguished shareholders, I am confident in our ability to deliver consistent superior returns to you as we have put in place appropriate strategies to respond to possible scenarios that the year 2024 could throw at us, hence we believe that we will make progress in our quest to build Africa's leading investment bank. Our staff remain resourceful, motivated and dedicated, and we continue to attract the best talent to execute our short-medium and long-term strategic objectives. We are cognizant of the challenges inherent in the current, volatile, complex and uncertain environment, and would strive to maximize value creation for you, our esteemed shareholders.



Professor Chika Mordi

Chairman, United Capital Plc

Group CEO's Statement

Distinguished Shareholders,

I am pleased to welcome you to the 11th Annual General Meeting of United Capital Plc and to present to you our full-year report which highlights our performance in the previous year.

The year 2023 was an historic one as it ushered in the arrival of a new political dispensation. The first half of the year was clouded in series of political uncertainties while the second half of the year was accompanied by post-election anxiety led by declining external reserves, heightened inflationary pressures and subsidy removal on oil prices. Despite the challenging environment, we stayed true to our strategy, we put our clients first and remained focused on achieving our corporate objectives.

Distinguished shareholders, you will recall in the last annual report that presented our business outlook for the year 2023, captioned "Staying Ahead Amid Progressive Developments", in the business and political terrain. I am proud to say that we kept true to our promise of staying ahead and delivering superior shareholder value during the year as you would have seen in the financial sections of this report.

It is on this assuring note that I present an appraisal of how your company fared during the 2023 financial year. For us at United Capital, the year under review represents a significant milestone as we commemorate our 10th Anniversary of becoming a publicly quoted company since we got listed on the Nigerian Exchange (NGX).

I will proceed to highlight progressive developments which continue to shape the direction of activities for your beloved organization. In the meantime, please let me touch on noteworthy events that defined our operating environment during the previous year.



■ GCEO's Statement *cont'd*

2023 Operating Environment

The global economy remained remarkably resilient in 2023 despite facing an early setback in the form of the most significant banking panic stemming from the United States. The financial sector turbulence commenced with the collapse of Silicon Valley Bank, swiftly extending to Signature Bank, eventually impacting Credit Suisse and First Republic.

Despite the crises in the banking sector, the year witnessed substantial improvements in price pressures across multiple fronts. Energy prices dropped amid rising oil and gas supply; food inflation slowed as the after effects of Russia's invasion of Ukraine faded. Notably, prices for core manufactured goods, which had been emblematic of pandemic-induced supply chain inflation, even registered a decline for the first time since early 2020.

On the domestic front, the Nigerian economy was projected to retain its upbeat performance from 2022 with the upside of strong GDP figures in 2023. The expected growth was hinged on the recovery of the oil sector and sustained strong growth in the non-oil sector. However, several factors shaped economic realities for the Nigerian macroeconomic environment, some of which includes the Central Bank of Nigeria's (CBN) Naira redesign policy in Q1-2023, the removal of the fuel subsidy and the harmonization of the different Foreign Exchange (FX) market segments (which led to the devaluation of the Naira). The combination of these factors led to a slowdown in economic growth in 2023.

The real Gross Domestic Product (GDP) performance slowed in 2023 compared to the growth recorded in 2022 due to the negative impact of government policies and political tensions. In Q1-2023, Nigeria's real Gross Domestic Product (GDP) slowed to 2.3% y/y, down 121bps from its 3.5% y/y print in Q4-2022. The slowdown was a result of the negative effects of the CBN's demonetization policy, which led to a scarcity of the Naira, reduction of currency in circulation and

subsequently deceleration of economic activities. Nonetheless, economic activities rebounded marginally in Q3-2023, as real GDP printed at 2.5% y/y. The rebound was attributed to the improvement witnessed in the oil sector.

On price level, inflationary pressures lingered throughout the year, with the Consumer Price Index (CPI) rising to an all-time high of 28.9% y/y in Dec-2023. The price increase was triggered by rising food and energy costs, as well as Foreign Exchange (FX) pressures due to the depreciating Naira. As a result of rising inflationary pressures both in the domestic and global scene, the Monetary Policy Committee (MPC) maintained its hawkish monetary policy stance to combat rising headline inflation. In similar manner, protecting capital flight and matching the attractiveness of its yields with the rest of the world were other key considerations for the MPC.

The equities market recorded an outstanding performance in FY-2023, returning a growth rate of 45.9%. The Nigerian Exchange (NGX) was one of the best-performing markets in 2023, surpassing the likes of Ghana (28.1%) and Kenya (-32.0%). Notably, the NGX outperformed the MSCI Index for Frontier (7.9%) and Emerging (7.0%) markets. This brings to fore the superior disposition of the Nigerian equities market among other African equities market.

Organisational Milestones & Progressive Developments

Despite the high level of economic uncertainty in 2023, the Group remained focused on value accretion and leveraged its human and financial resources to deliver remarkable returns to you, our shareholders.

The Group achieved several milestones and delivered impressive growth outcomes across its business lines during the year under review which placed the organisation on the path of stability as embedded in highlights below:

■ GCEO's Statement *cont'd*

- UCAP share price touched a high of N25.30 and closed the year 2023 at N23.00, up 64% from N14.00 at the end of 2022. This brings our market capitalization to N138 billion, up 64% from N84 billion market capitalization in 2022.
- United Capital Plc was recognized among the Fastest Growing African Companies for the second year in a row by the prestigious Financial Times London in 2023.
- In a historic landslide performance, our Securities trading business attained number one position in terms of volume of stocks traded and emerged top 10 player in terms of the value of stocks traded on the Nigerian Exchange (NGX) thereby contributing 11.3% to total volume of stocks traded and 4.4% to value of stocks traded on the Exchange in 2023 financial year.
- We solidified our footing and effectively positioned the UCAP brand in the Insurance space. Our Securities business hosted professionals, financial experts and industry regulators in the insurance sector to a roundtable discussion at the 2nd edition of the CEO Breakfast Roundtable Forum.
- Our Asset Management business launched the United Capital Global Fixed Income Fund "UCGFIF" to consolidate our position as the second largest USD fund manager in Nigeria with a YoY portfolio growth of 30% from USD231 million to USD300 million.
- Our investment Banking Business retained its spot as the Top 5 investment house on the FDMQ League Table for Debt Capital Market transactions while pioneering the SME growth landscape spanning Commercial Paper and Bond Issuances underscoring our dominance as a leading issuing house in the capital market.
- Our Trustees business was appointed joint Trustees to the first Shariah-compliant instrument issued by the Lagos State Government valued at N115 billion ten-year bond and N19 billion seven-year bond respectively.
- We contributed to financial literacy development in our operating environment by organizing the second edition of "Money Savy Kids" aimed at promoting financial literacy among kids and teenagers.
- In 2023, despite the volatile operating environment, we stayed focused on our growth strategy which impacted our bottom-line profit and group financial position positively.
- Furthermore, as part of the pillars of our growth strategy, our I.T infrastructure received a major boost. For the first time in a decade, we successfully achieved a 360-degree upgrade of our I.T infrastructure thereby attaining 10-year reliability status level for our enterprise business servers.

2023: Financial Performance

Income: United Capital Group delivered another strong performance in 2023, building on the successes recorded in the prior year. Gross earnings grew by 71% year-on-year to ₦45.90 billion from ₦26.90 billion in 2022. Performance was largely driven by growth in Net Trading income of ₦3.97 billion (2022: ₦2.44 billion) representing a 63% growth year-on-year and Other Income of ₦24.44 billion (2022: ₦2.53 billion) representing 865% growth year-on-year.

Expenses: Operating expenses was up 113% year-on-year from ₦13.72 billion in 2022 to ₦29.28 billion driven by impairments (credit loss expense) on some investments in emerging market sovereign bond instruments which were downgraded during the year under review. Considering the increased country risk of default resulting from the sovereign bond instrument downgrade, and our record-high revenue generation during the year 2023, the Board proactively decided to incur specific and general impairment expenses.

Earnings: Our pre-tax earnings rose 28% year-on-year to ₦17.30 billion, from ₦13.50 billion in 2022, reflecting our resilience and profitability amidst the challenges of

■ GCEO's Statement *cont'd*

2023. Despite the economic and political uncertainties, we remained steadfast in sustaining robust business operations, operating resilient and profitable businesses amid the tough operating environment during the year 2023. We are poised to capitalize on this momentum, driving continued growth and value creation in the future.

Financial Position: The Group's total assets rose by 55% year-on-year to ₦931.95 billion, from ₦601.92 billion as at December 31, 2022, primarily driven by a 80% growth in investment securities. Similarly, Shareholders' funds rose by 175% year-on-year to ₦90.71 billion in 2023 compared to ₦32.99 billion in 2022 driven by an increase in fair value reserve during the year under review.

Shareholder Returns: Furthermore, the Group delivered solid real returns to shareholders as Return on Average Equity (RoAE) for the year under review stood at 18%. Consequently, our share price closed the year at ₦23.00, up 64% year-on-year from ₦14.00 at the end of 2022 outperforming the Nigerian All Share Index (45.90%) in 2023.

2024 Outlook - Winning Amid the Volatile Operating Environment

As we proceed into 2024, many countries and territories worldwide continue to grapple with heightened levels of discontent, primarily stemming from the soaring cost of living. Despite an apparent peak in inflation in many places and the 'backlog' of economic problems such as higher public debt caused by the Covid-19 pandemic and the lingering effects of the Russian - Ukraine war. It is anticipated that these issues will endure for several more months.

The year 2024 will see elections held in an unusually high number of large or geopolitically significant economies compared to previous years. Notably, elections are scheduled for 2024 in Iran, Russia, India, South Africa, the United Kingdom (Legislative) and the European Parliament (EU). The US election will be of greatest interest to international businesses, investors, and governments, where there are heightened possibilities of

former President Donald Trump returning to Presidential Villa. The prospect of such a return is likely to prompt apprehensions about potential shifts in U.S. policies related to trade, taxation, environmental matters, foreign relations, and defense.

In Nigeria, we expect economic activities to rebound compared to levels recorded in 2023. This is hinged on the expectations that the current administration's fiscal and monetary policies will come to fruition. Additionally, inflationary pressures are expected to slow down given the high base effect from the previous year. Looking ahead, there is a cautious optimism for the year ahead, particularly as it marks the final year in our three-year strategic plan spanning from 2022 to 2024.

Our objectives for 2024 are centered around unlocking further opportunities for our stakeholders. To realize this vision, we are committed to establishing a dynamic, efficient, and agile one-stop-shop financial institution. This institution will embody a digital-driven mindset, enabling us to deliver best-in-class services while ensuring superior shareholder value. Our strategic focus remains on creating value and fostering growth for all our Stakeholders.

In conclusion, I remain thankful to the Board of Directors for upholding strong governance standards in the pursuit of our goals and aspirations. I am grateful to the Management Team and indeed all employees for their relentless contribution to the growth of the organisation while building a strong financial services group that will be a reference in the global financial services sector.



Peter Ashade

Group Chief Executive Officer

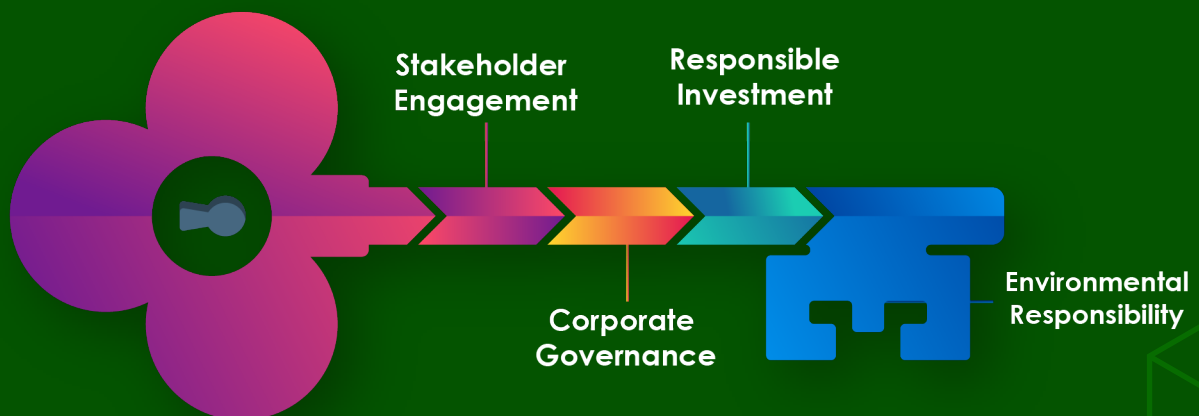
■ Sustainability Report



As a leading financial services institution, United Capital plays a strategic role in helping individuals, corporates and governments achieve their strategic objectives through our robust suite of financial and investment service offerings. In line with the increased call for corporate organizations to look beyond financial performance and ensure that they do business in a more sustainable manner, we are committed to ensuring continuous improvement of our sustainability journey in line with our sustainability strategy.

Our sustainability strategy is aspirational, and our goal is to continuously improve our practices to achieve long-term economic and social value for all our stakeholders.

Our sustainability strategy is centered around the following four key pillars:



■ Sustainability Report *cont'd*

Stakeholder Engagement

We proactively and responsibly engage our stakeholders as we are committed to ensuring that our business decisions and practices are beneficial to all stakeholders.

Corporate Governance

We are committed to upholding the highest corporate governance standards and ensuring that our corporate governance policies and practices align with our overall sustainability goals.

Responsible Investment

As a leading financial services institution, we are deliberate about responsible investment practices across our businesses. This entails development of sustainable products and service offerings; and investment in sustainable businesses and asset classes, which will add economic and social value to the environment.

Environmental Responsibility

We understand the importance of the environment and the need for us to play our role in the protection and preservation of the environment. Accordingly, we strive to adopt responsible environmental practices across all our office locations.

Please see details of our activities in 2023 across each of the four key pillars.

ON STAKEHOLDER ENGAGEMENT

At United Capital, we understand the importance of our stakeholders and we value the trust that our stakeholders have consistently placed in us over the years.

Accordingly, we strive to ensure that our actions uphold this trust by proactively engaging our stakeholders in an open, responsible and constructive manner. We strive to maintain relationships of mutual respect, trust

and collaboration with both internal and external stakeholder groups. Also, we recognize the importance of understanding and responding to the needs of our stakeholders, and we strive to build strong relationships with them by providing accurate and timely information, responding to their inquiries in a timely manner, and actively engaging in dialogue. We believe that this open dialogue will help us better understand the needs of our stakeholders and develop sustainable solutions to enable us serve them better.

In addition, we are committed to providing our stakeholders with a means to provide feedback, share ideas and concerns, and help shape the future of our organization. We are committed to transparency and accountability, and we strive to be responsible custodians of our clients' investments.

Above all, we are committed to making a positive contribution to our stakeholders' lives and to the communities in which we operate. We also strive to create economic opportunities and to make a positive impact on the environment, society and the economy.

Please see below highlights of our engagement activities for each stakeholder group:

Employees

At United Capital, we are committed to creating an enabling environment which allows our employees thrive. We are an equal opportunity employer and as part of our overall people strategy, we increasingly seek out ways to ensure that our people are engaged and uphold our three core values of Enterprise, Excellence and Execution (the "3Es").

In 2023, we held a culture immersion session which afforded new employees the opportunity of being introduced to the United Capital work culture. We are deliberate about talent attraction and selection, talent management and development, performance management and employee engagement.

■ Sustainability Report *cont'd*

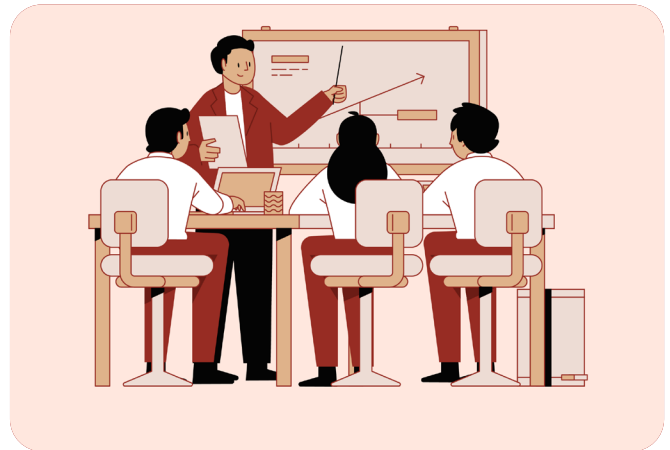
In demonstration of our commitment to supporting the holistic health and happiness of our people, in 2023, we introduced the Employee Assistance Programme ("EAP"), which is a workplace benefit provided to support the well being and mental health of our employees, affording them services including confidential counseling, assessment and referral services to assist with personal or work related challenges that may impact their performance, health or overall well-being. These services are provided by highly qualified and experienced EAP providers who work with us to promote employee health and well-being.

Chat with the Group CEO

We ensure that employees at all levels are duly informed of the strategic priorities of the Group for each year. In view of this, the Group Chief Executive Officer (the "Group CEO") holds an interactive session with all employees at least twice a year. Each session is an interactive session which affords employees the opportunity to hear directly from top management on how the Group has fared so far and the strategic priorities going forward. In addition to the strategic priorities, employees also get to engage the Group CEO directly on pain points and required areas of improvement. These chats have proven quite useful as they give our people a sense of belonging and the awareness of the key part they play in achieving our corporate goals.



Employee Trainings



In line with our commitment to ensuring that our people are equipped with the right skills to enable us compete favourably in the markets in which we operate, we take learning and development very seriously. Through the year, our people, across all businesses, departments, locations and bands, participated in several technical and soft skill trainings relevant to their job roles.

In addition, we held Knowledge Sharing Sessions on a regular basis to address identified knowledge gaps and keep employees informed of trends and new developments in their areas of focus. We also have an internal learning portal which has courses on varying subjects. We set learning targets for all employees across board, and we actively work with employees to ensure that these targets are met.

Other Employee Engagement Exercises

We also celebrated with our people all through the year. From Valentine's Day celebrations to Christmas celebrations – and everything in between – TGIFs, Workers' Day and Africa Day/UC Walkathon prize giving ceremony. We kept our employees delighted all through the year. We were also delighted to be globally recognized, for the second year in a row by the prestigious Financial Times, London as one of Fastest Growing African Companies in Africa!

■ Sustainability Report *cont'd*

Our Clients

At United Capital, our clients are at the core of our stakeholder management strategy because of the key role they play in our continued existence. In line with our core value of excellence, we are committed to excellent service delivery and continuous improvement of the service that we provide to our clients.

Customer Experience

We recognize that exceptional customer experience is not just a goal but a journey. Accordingly, we are committed to continually improving the customer experience journey of our customers and ensure we have a 360-degree view of all our customer interactions.

We strive to provide a seamless, personalized experience that meets the needs of our customers and reflects our core values of Excellence, Execution And Excellence. To achieve this goal, we adopt a holistic approach to customer experience improvement and take a proactive approach to understanding our customers, their needs, and how our services can best meet those needs. We also regularly review customer feedback and use it to inform and refine our strategies for providing the best possible service. In addition, complaints are handled expeditiously, and our processes are continuously improved to reduce complaints.

To improve on our customer experience journey, going forward, we intend to focus on accessibility and convenience, transparency and clarity, continuous improvement and empowerment and education of our customers to ensure that they get the best support towards a more secure financial future.

Digital Transformation

At United Capital Plc, we recognize that the landscape of the financial services industry is evolving very quickly driven by technological advancements and changing customer expectations. Following the establishment of our Digital Transformation directorate, we have had a

fundamental shift in how we operate and deliver value to our stakeholders, and we remain ever committed to embracing digital transformation as a key part of our sustainability journey.

In 2023, our digital transformation journey centred largely on innovation, operational excellence and cybersecurity. We leveraged the use of data and analytics to help achieve data aggregation, business performance measurement and monitoring, proactive decision making and support, data as a single source of truth, as well as data democratization and security.

To improve the security of our infrastructure, we also configured and set up network devices for the establishment of inter-site connectivity links. We also upgraded old end-of-life infrastructure at our data centres to ensure stability, scalability, availability and reliability to meet current business needs – which led to the stabilization of our systems and the elimination of downtimes.

We also successfully deployed an automated transaction reporting solution to facilitate the generation of timely and accurate transaction reports, to ensure that we effectively meet our regulatory filing obligations.

We also worked on improvement of processes and operations across the Company by deploying technological solutions for manual processes including access control systems, asset tagging systems, exit system for employees exiting the Company and strengthening the internet infrastructure of our regional offices. In addition, we deployed transaction and data monitoring solutions across various touchpoints to ensure adequate monitoring and evaluation of key data sets. To facilitate internal communication, we also deployed an intranet to manage internal communications and campaigns.

Through our commitment to digital transformation, we aim to future-proof our business, unlock new opportunities for growth and deliver sustainable value for all our stakeholders.

■ Sustainability Report *cont'd*

Cybersecurity and Data Protection/Privacy

We recognize the critical importance of cybersecurity in safeguarding the integrity, confidentiality and availability of data. As custodians of sensitive personal information of our clients, we are committed to cultivating and maintaining the highest standards of cybersecurity as well as data protection and privacy across all aspects of our operations. Our cybersecurity initiatives are centred around proactive risk management, investment in technology and infrastructure, stakeholder collaboration and employee education on cybersecurity as well as data protection and privacy.

In line with global trends in cybersecurity, in 2023, we significantly ramped up on our cybersecurity framework and governance. We implemented an email security tool for phishing email prevention and other social engineering threats. We also revamped the file integrity monitoring solutions and implemented endpoint detection and response tools for improved visibility and proactive response to cyber threats across endpoints on the network.

Other activities undertaken in 2023 include the NDPR annual audit and a comprehensive end-to-end vulnerability assessment and penetration testing of the United Capital infrastructure estate. We marked the International Cybersecurity Awareness Month in October 2023 and held various activities and knowledge sharing sessions on cyber hygiene and general information security. Cybersecurity training has also been institutionalized as we work with globally recognized cyber security training partners to deploy relevant cybersecurity training for our people.

All these measures have helped strengthen our resilience against cyber-attacks. Through our commitment to cyber security and data protection and privacy, we aim to protect the confidentiality, integrity and availability of data and uphold the trust and confidence our stakeholders have placed in us over the years.

Other Stakeholders

We also actively manage our other stakeholders through proactive and meaningful engagements. All through the year, we had a few engagement initiatives. Please see some highlights below.

Money-Savvy Kids



We held the second edition of Money Savvy Kid - a financial literacy workshop/competition with the goal of equipping kids between ages 7 and 16 with essential money management skills that will groom them to be financially responsible adults. The event was held in 2 streams to accommodate more participants.

With 421 virtual participants and 112 physical participants, the winners of the Money Savvy Kid workshop/competition were given cash prizes. Donations were also made to their respective schools.

Money Minute Radio Show



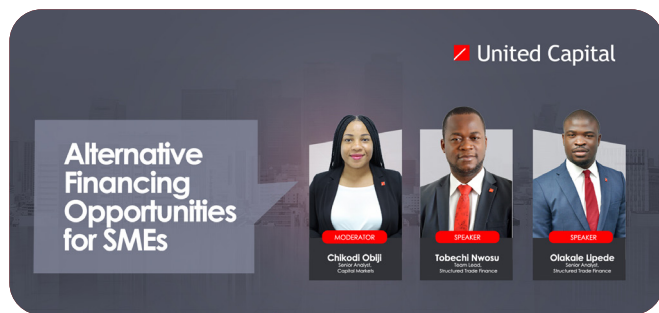
We also continued our flagship financial literacy show on the radio – “Money Minute powered by United Capital Plc” - aimed at providing on-the-go financial education to individuals and businesses. The interview-style show takes on an interactive and simplistic approach to discussing

■ Sustainability Report *cont'd*

personal finance as it relates to money management, investment culture, wealth generation and sustenance.

With 39 episodes aired across 5 radio stations in Lagos, Ibadan, Port Harcourt and Abuja, we were able to further champion our dedication to financial literacy and inclusion and expand our reach and visibility across new Nigerian markets.

Investment Clinics



In the course of the year, we also held investment clinics and chats across digital platforms on infrastructure and trade finance topics including exploring investment opportunities in infrastructure sectors and alternative financing opportunities for SMEs.

CEO Breakfast Session with the Insurance Industry



After a successful first edition in 2022, we again hosted industry leaders and key regulatory officials in the insurance sector at the second edition of the CEO Breakfast Roundtable Forum. The event explored technology as a critical driver of growth and transformation in the Nigerian insurance landscape and called for inter-sectoral collaboration between both

industries. As a Group, we continue to collaborate closely with the Insurance sector as we believe in building strategic synergies and partnerships to enable us add more value to our stakeholders.

ON CORPORATE GOVERNANCE

At United Capital, we are committed to high corporate governance standards. We have a governance framework that is fit for a company of our size, sector and our overall strategic aspirations. In line with emerging trends, and in addition to the other corporate governance focus areas, we are consistently ramping up our capacities in the following key corporate governance areas:

- **Ethical Leadership:** We are committed to adherence to ethical standards and integrity in all our operations. This entails institutionalizing and implementing our Code of Conduct, Insider Trading Policy, Whistle blowing protection measures and other corporate governance policies.
- **Board of Directors:** We have a highly effective Board, with Directors who have the required knowledge and experience to set the tone from the top. In recognition of global trends and the need to position the Company to continue to be competitive across its lines of business, in 2023, the Board had comprehensive training sessions on topical areas including Artificial Intelligence, ESG and IFRS 9, with key action plans identified for implementation in 2024 and beyond.
- **Risk Management:** We proactively monitor the risks across our lines of business and areas of operation. Accordingly, we have a comprehensive risk management framework in place to identify, measure, monitor, manage and mitigate potential risks. We are committed to robust risk management practices that ensure safety, stability and sustainability of our operations. In 2023, we undertook a comprehensive end-to-end review of

■ Sustainability Report *cont'd*

our risk management architecture, which enabled us test the strength of our processes and identify areas of improvement. We will continue to actively undertake comprehensive risk assessment and monitoring, set prudent risk appetites and limits, ensure risk-based decision making, and cultivate a culture of risk awareness and accountability.

- **Transparency and Accountability:** We are committed to transparency and accountability in our operations. This includes providing timely and accurate financial information to shareholders and other stakeholders. We ensure that our periodic financials are available to the investors promptly. We also hold regular investor calls where we update investors and market analysts on our performance and the plans for the future.
- **Corporate Social Responsibility:** As responsible corporate citizens, we also demonstrate a commitment to social responsibility and sustainability. Over the coming years, we intend to significantly ramp up on our Corporate Social Responsibility (CSR) activities and positively impact our communities on a larger scale.

ON RESPONSIBLE INVESTMENT

As a foremost financial services institutions with businesses across the financial and investment services value chain, we are placing an increased focus on responsible investment policies and practices aimed at creating positive social, environmental and economic outcomes. Through our United Capital Infrastructure Fund which is focused on providing long-term financing for the delivery of critical infrastructure that would bridge the infrastructure deficit in Nigeria and sub-Sahara Africa, as well as other parts of our businesses, we aim to ramp up on providing financial and investment services for the following:

- Projects and initiatives that create measurable social, environmental, and economic outcomes;

- Projects and initiatives that promote the use of renewable energy sources, reduce greenhouse gas emissions, and improve the environmental health of their operations;
- Projects and companies that create social benefits, such as improved access to education, healthcare, and workforce development initiatives;
- Projects and companies that promote diversity, equity, and inclusion; and
- Projects and initiatives that promote transparent, accountable, and ethical business practices.

We expect that the totality of these initiatives will create meaningful, long-term value for all our stakeholders and society at large.

Our Wealth for Women Fund

United Capital
Asset Management

Reintroducing
**The United Capital
Wealth for Women Fund**

A long-term investment fund designed specifically to help women invest towards retirement.

- Capital Appreciation
- Portfolio Diversification
- Low volatility of returns

Open an account now with just **N10,000**

We continue to make our Wealth for Women Fund available to the investing public. To ensure that the Fund provides value for all investors, we closely monitor the performance of the Fund and ensure active portfolio

■ Sustainability Report *cont'd*

management in line with the Trust Deed of the Fund to ensure that the Fund creates value for the investors. The Wealth for Women Fund is a collective investment scheme registered with the Securities and Exchange Commission as a balanced fund targeted primarily at women investors, although open to all prospective investors irrespective of gender.

#ThisGirlInvests



In the course of the year, we launched a campaign dubbed #ThisGirlInvests to sensitize the public on the realities of women and retirement in Nigeria. The campaign, which was deployed through digital and traditional media channels, garnered significant engagements and helped shed more light on the financial realities of women in our society.

Financial Inclusion

As an organization, we are very much aware of the key role we play in financial inclusion. Financial inclusion entails more than just access to a bank account as it extends to having access to other bouquet of products and services in the financial services value chain including investments, credit and insurance.

As part of our evolving corporate strategy, there has been an increasing focus on the mass retail, under-served segment of the economy. This has been at the center of our product development initiatives as well as our marketing activities.

National Youth Service Corps

We work with the National Youth Service Corps across different states and ensure onboarding of Corps Members to enable them gain access to our retail investment products. Products such as our mutual funds which allow us to pool the investments of several investors and invest the pool in high yield, risk free instruments help ensure that younger investors are able to inculcate an investment culture from early on in their career. Without products such as these, investors may not have direct access to investment products. We are however able to bring them into the financial system to undertake more than just vanilla banking services to more sophisticated investment services.

Also, as players in financial services, we have a strict KYC policy which is observed in line with regulatory requirements. We however understand that the under-served segment of the market may not have the documents required in the KYC onboarding process thus, in line with applicable regulation, we conduct a simple customer due diligence on them, without prejudice to our responsibility to ensure adequate protections against money laundering and other financial crimes. With this approach, we are able to bring more people into the financial system.

ON ENVIRONMENTAL RESPONSIBILITY

As part of our sustainability strategy, we increasingly seek out companies looking to undertake clean energy projects which do little or no harm to the environment. Over the coming years, we will explore partnerships with Development Finance Institutions and other institutions on projects which positively impact the environment.

In addition, further to our digital transformation drive, we have significantly shifted towards paperless services for our clients through the use of our digital solutions and platforms.

We continue to ensure a significant reduction in our carbon footprint by encouraging the use of

■ Sustainability Report *cont'd*

teleconferences in place of travelling to meet with clients and partners. Also, our office building is set up to conserve energy as our light bulbs have motion sensors which ensure that the bulbs go off when not in use.

Over the coming years, we hope to increasingly ramp up on our environmentally sustainable practices as we are aware of the need to play our part in the protection of our environment.

CONCLUSION

Sustainability is entrenched in the very essence of our purpose of transforming lives through innovative financial and investment solutions. Our approach has always been that of responsibility and integrity in dealing with our different stakeholders. We will continue to work towards our purpose with a view to providing value for all stakeholder groups.

Our sustainability strategy is aspirational, and our goal is to continuously improve our practices to achieve long-term economic and social value for all our stakeholders.

***Cautionary Statement Regarding Forward-Looking Statements**

This Sustainability Report may contain projections, estimates, forecasts, targets, opinions, prospects, results, returns and forward-looking statements with respect to the results of operations, strategy and the business of United Capital Plc, which can be identified by the use of forward-looking terminology such as "may", "will", "should", "project", "estimate", "intend", "target" or other variations or comparable terminology ("forward-looking statements"). Any such forward-looking statements are not a reliable indicator of future performance, as they may involve significant stated or implied assumptions and subjective judgements, which may or may not prove to be correct. There can be no assurance that any of the matters set out in forward-looking statements are attainable, will actually occur or will be realized or are complete or accurate. Any such forward-looking

statements are based on the beliefs and expectations of United Capital Plc at the date of this Report, and United Capital does not assume, and hereby disclaims, any obligation or duty to update, revise or supplement them if circumstances or beliefs, expectations or opinions should change. For the avoidance of doubt, no representations or warranties, expressed or implied, are given by or on behalf of United Capital Plc as to the achievement or reasonableness of any projections, estimates, forecasts, targets, prospects or returns in this Report.



Let your children sing your praises for years to come!

Nurture your child's brilliance by providing them with the gift of an education trust. By creating a **United Capital Education Trust** account, you ensure that your wishes for your child(ren) as regards tuition, welfare, health and leisure are realized.



Scan to learn more

Visit investnow.ng to get started

Download the
Investnow App



Lagos

United Capital Plc
3rd & 4th Floor, Afriland Towers,
97/105 Broad St, Lagos, Nigeria
+234-1-280-7596, +234-1-280-8919
Info@unitedcapitalplcgroup.com

Abuja

United Capital Plc
43, Monrovia Street,
Wuse 2, Abuja, Nigeria.
+234 -1-280-8412
Info@unitedcapitalplcgroup.com

Port Harcourt

United Capital Plc
1st Floor, UBA House, 14, Azikiwe road,
Port Harcourt, Nigeria
+234-8-455-6577, +234-704-617-5444
Info@unitedcapitalplcgroup.com

Ibadan

UBA Building
Lebanon/ Jubilee Market Street,
Dugbe, Ibadan, Oyo State.
Info@unitedcapitalplcgroup.com

Ghana

Heritage Tower,
Ambassadorial Enclave, off Liberia Road,
Ridge, Accra, Ghana.
Info@unitedcapitalplcgroup.com



Corporate Governance



■ Corporate Governance

United Capital Plc is a Financial Services Group listed on the Nigerian Exchange Limited ("NGX"). It operates in a highly regulated industry and therefore is obliged to comply with all applicable laws, regulations, codes, and standards. The observance of these regulations had helped us to reduce the risk of regulatory sanctions and penalties.

Board of Directors

Appointment Process

The Board appointment process is guided by transparent and high ethical standards. In other words, the process of appointment to the Board of United Capital Plc is transparent and in accordance with relevant regulatory laws and guidelines. In compliance with the Nigerian Code of Corporate Governance and the Board Charter, Directors are selected based on their skills, competence, and experience. The Board Audit and Governance Committee is saddled with the responsibility of identifying, considering, and recommending to the Board suitable candidates for appointment. Upon approval by the Board, such candidates are presented to the Securities and Exchange Commission for approval before they are presented to the Shareholders at the Annual General Meeting for final approval.

General Board Philosophy

The Board provides overall guidance and policy direction to the Management and acts on behalf of shareholders in the overall interest of the stakeholders and is accountable to the shareholders. It prides itself in people with a blend of experience and knowledge cutting across various lines of the company. In accordance with best practices, the Board comprises eleven (11) Directors made up of two (2) Independent Non-Executive Director, six (6) Non-Executive Directors and three (3) Executive Directors i.e., the Group Chief Executive Officer, Deputy Group Chief Executive Officer and the Group Executive Director/Chief Operating Officer.

Board Profile

The Board is made up of the following people:

Professor M. Chika Mordi – Chairman (Non-Executive Director)

Matthias Chika Mordi brings significant experience to the Board in the areas of governance, regional knowledge, and industry expertise. An accomplished investment banker, he served (often in a supervisory capacity) on the boards of more than 30 companies of diverse sizes in Nigeria, Ghana, Cameroon, the United Kingdom, and the United States of America. He is a member of the Advisory Board of Harvard's Shorenstein Centre and served on several government and multilateral committees, including the World Economic Forum's agenda board and USAID. He is a Professor at Johns Hopkins School of Advanced International Studies, and the CEO of Washington D.C. - based Vantage Insights & Strategies LLC. from where he advises governments, businesses and individuals on competitiveness and strategy.

An avid scholar, Mordi holds an MPA from Harvard Kennedy School, an MBA from IESE Business School, a master's degree from SAIS John Hopkins, a master's degree in public communication from American University in the USA, an advanced management diploma from Harvard Business School and a BSc in Economics from the University of Ilorin. He contributes regularly to international print and broadcast media outlets, speaks multiple languages, and has travelled to over sixty countries. He was appointed the Chairman of United Capital Plc on January 10, 2014.

■ Corporate Governance *cont'd*

Mr. Peter Ashade – Group Chief Executive Officer

Peter is an astute corporate executive renowned for his expertise in Execution, Business Transformation, Organizational Strategy, and Leadership with an illustrious career spanning over 34 years in Nigeria's financial sector, including over two decades as Chief Executive of leading financial institutions in Nigeria. He has cognate experience in finance with specialist experience in Retail Business Development, Banking and Capital Market operations having participated in numerous notable market transactions across all segments of the financial markets.

He holds an MBA in Marketing from the University of Ife (now Obafemi Awolowo University), an MSc in Finance from the University of Lagos and a BSc in Banking and Finance from Ogun State University (now Olabisi Onabanjo University). He is a Fellow of several prestigious organizations including the Institute of Chartered Accountants of Nigeria, the Chartered Institute of Bankers and the Institute of Capital Market Registrars. He is an associate of the Chartered Institute of Taxation of Nigeria, the Institute of Directors and an alumnus of the prestigious Lagos Business School (CEP23) and Global CEO program.

Prior to joining United Capital Plc, Peter served as Managing Director/CEO, Africa Prudential Plc (formerly UBA Registrars Limited). He sits on the board of notable organizations and is a member of the Institute of Directors (IoD) Nigeria. He is the Group Chief Executive Officer of United Capital Plc, a position he has held since his appointment in July 2018.

Mr. Sunny Anene – Deputy Group Chief Executive Officer

Sunny is the Deputy Group Chief Executive Officer, responsible for the supervision of 4 business areas – United Capital Asset Management Limited, United Capital Securities Limited, United Capital Trustees and the Wealth Management Business.

Prior to this time, he was the Group Executive Director supervising two businesses and three functional areas: Finance, Treasury and Operations. Before this, he also served as MD/CEO of United Capital Asset Management Limited, which he turned around and put on the part of growth. He has also served as the Group Chief Finance Officer with responsibilities in Risk Management, Information Technology, Treasury, Finance, Operations and Corporate Services. His experience spans through decades of expertise in financial services cutting across banking and finance, investment management, Capital markets and Pension industries. His proven ingenuity in these areas is brought to bear on his stellar management of the Group's extensive businesses.

Prior to joining United Capital Plc, he was Head of Operations at FCMB Capital Markets, and later Lead Trader for CSL Stockbrokers, the Securities Trading arm of the Group. He moved to pension management in Zenith Pension Custodian Limited, a subsidiary of Zenith Bank Plc. He returned to the Capital Markets in 2008 when he joined Chapel Hill Denham where he spent six (6) years in two different roles, first as the Director of Finance and Operations, and then the MD/CEO for the securities trading business. He holds a Master's degree in Finance from the University of Lagos.

He is a fellow of the Chartered Institute of Stockbrokers (CIS), the Institute of Chartered Accountants of Nigeria (ICAN), the Chartered Institute of Taxation of Nigeria (CITN), an Associate of the Certified Pension Institute of Nigeria and a member of the Institute of Directors. He is an alumnus of Lagos Business School (LBS) and IESE Business School, Barcelona, Spain. He has attended leadership trainings organized by Harvard Business School and General Electric (GE), USA. He was appointed a director on January 2, 2019.

Mr. Ayodeji Adigun – Group Executive Director/Chief Operating Officer

Ayodeji Adigun is the Group Executive Director/Chief Operating Officer of United Capital Plc. He has over three decades of banking and finance experience with a strong background and core competencies in financial control, performance management, operations, audit, strategic planning, and business transformation. He is a graduate of the University of Lagos, where he obtained a Bachelor of Science degree in Accounting with First Class Honors. He is a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN), an associate member of the Chartered Institute of Management Accountants (CIMA), UK and the Chartered Institute of Taxation of Nigeria (CITN).

■ Corporate Governance *cont'd*

Prior to joining United Capital Plc, he was an Executive Director/Chief Operating Officer at Nova Merchant Bank Limited as well as the General Manager/Chief of Staff to the Group Managing Director of United Bank for Africa Plc. While at UBA, he held other positions such as General Manager and Head of Strategy and Business Transformation with responsibilities over project management, strategic planning, and the Group Executive Office.

Mr. Emmanuel Nnorom – Non Executive Director

Emmanuel Nnorom is an alumnus of the Oxford University Templeton College and a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN). He is also an honorary member of the Chartered Institute of Bankers of Nigeria (CIBN). He has over 38 years work experience in accounting and finance (including at executive levels) in both real estate and banking sectors of the Nigerian economy, working with publicly listed companies. He was an Executive Director at United Bank for Africa Plc and Managing Director of UBA Africa, overseeing the Group's African subsidiaries. He was appointed a Director in United Capital on January 10, 2014 and is currently the Chairman of the Finance and General Purpose Committee.

Mr. Titus Oladipupo Fatokun – Independent Non-Executive Director

Mr. Oladipupo Fatokun holds a Bachelor's degree in Accounting and an MBA in Banking and Finance from the University of Ilorin and the University of Lagos, respectively. He is a fellow of two professional bodies namely: Chartered Institute of Bankers of Nigeria and the Institute of Chartered Accountants of Nigeria. He is a retired Director, Banking Services Department as well as the Banking and Payment Systems Department at the Central Bank of Nigeria. He was appointed a Director on February 14, 2020 and is currently the Chairman of the Audit and Governance Committee.

Mr. Oluleke Ogunlewe – Non Executive Director

Mr. Oluleke Ogunlewe holds a Bachelor of Science degree in Economics from the University of Ibadan and an MBA from the University of Lagos. Oluleke is one of Nigeria's most experienced and leading bankers with exposure and leadership in Banking Operations, Corporate and Investment Banking, Energy Banking, Retail/Commercial Banking, Capital Markets, Project Finance as well as Financial Advisory Services. He has over 37 years experience in banking which cut across several financial institutions such as NAL Merchant Bank Plc (Sterling Bank Plc), City Trust Merchant Bank Limited (Union Bank), Manufacturers Merchant Bank Limited (Fidelity Bank Plc), Royal Merchant Bank Limited, United Bank for Africa Plc and Standard Chartered Bank Limited. He retired as Head of Global Banking (MD) and Executive Director, Corporate and Institutional Banking for Standard Chartered Bank with responsibility for Financial Markets/Treasury, Financial Institutions, International Corporates, Corporate Finance and Transaction Banking. He was appointed a Director on October 29, 2021.

Mr. Chiugo Ndubisi – Non Executive Director

Chiugo Ndubisi hold a first-class honours degree in Engineering from the University of Nigeria Nsukka, and a Master of Business Administration degree from the University of Lagos. He is a Fellow of three professional bodies: the Institute of Chartered Accountants of Nigeria (ICAN), Chartered Institute of Bankers of Nigeria (CIBN) and the Chartered Institute of Taxation of Nigeria (CITN).

His career spans over 25 years in the Banking industry. Prior to United Capital, he was the Executive Director, Treasury & International Banking at United Bank of Africa, UBA, where he was responsible for the Treasury Business across UBA Group. He was also responsible for UBA's international subsidiaries i.e., UBA America, UBA UK, UBA France, and UBA Dubai. At UBA, he had previously functioned as Executive Director, Group Chief Operating Officer and Group Executive, Transformation & Resources.

■ Corporate Governance *cont'd*

Prior to joining UBA, he had worked with Diamond Bank Plc (now Access Bank) and played various roles such as Executive Director/Chief Finance Officer, Divisional Head, Financial Management, Group Financial Controller and Head, Investor Relations. During his career, he had served as a member of the Board of Trustees, Central Bank of Nigeria (CBN) Banking Industry Resolution Trust Fund, as well as member of the Audit Committee of the Nigeria Interbank Settlement Systems (NIBSS).

He was appointed a Director on July 20, 2023.

Mr. Samuel Nwanze – Non Executive Director

Samuel Nwanze is an astute, well-rounded finance professional, business executive, investment banker and management consultant with experience in managing a broad spectrum of financial and banking responsibilities, including mergers and acquisitions, finance, performance management, treasury management, project management, integration and strategic planning.

He is the Executive Director/Chief Finance Officer of Heirs Energies Limited and has held various key positions including Chief Investment Officer and Chief Executive Officer in different sectors. He obtained his Bachelor of Science degree from the University of Ibadan. He also attended Cranfield University, United Kingdom, where he obtained a Master of Science degree in Finance & Management. Samuel is a Fellow of the Chartered Institute of Management Accountants (CIMA), and an Associate of the Institute of Directors, the Nigerian Institute of Management, and the Certified Pension Institute of Nigeria. He is also a Chartered Global Management Accountant and a Chartered Alternative Investment Analyst.

He was appointed a Director on July 20, 2023.

Mr. Uche Ike – Non Executive Director

Uche Ike is an experienced professional who holds a B.Sc. degree in Accountancy, and a Master degree in Business Administration. He is an Associate Member of the Institute of Chartered Accountants of Nigeria (ICAN). He has over three decades of banking experience spanning Operations, Internal Audit, Enterprise Risk Management, Fraud Management and Regulatory Compliance. He was the General Manager of UBA New York Branch and had also previously supervised operations in the East and South Banks of UBA Nigeria. He is currently the Chairman of the Risk and Investment Committee.

He was appointed a Director on June 13, 2023.

Mrs. Rose Nat-Eshiett – Independent Non-Executive Director

Rose Nat Eshiett has over 35 years working experience with the Nigerian National Petroleum Company Limited (NNPCL) in the Oil and Gas sector where she retired as the Group General Manager, Crude Oil Marketing Division. At NNPCL, she worked and held top management positions in various Commercial, Project financing and investments, Financial Accounting and Auditing. Currently, she is an Honorary Adviser on Oil and Gas to Akwa Ibom State Government.

She holds a Bsc in Finance from the University of Calabar, Cross River State, a Fellow of the Chartered Institute of Bankers, and Chartered Institute of Taxation of Nigeria, as well as membership of the Institute of Directors of Nigeria and the Nigerian Institute of Management respectively. She was appointed an Independent Non-Executive Director on February 8, 2024

■ Corporate Governance *cont'd*

Code of Business Conduct and Ethics

The Code of Business Conduct and Ethics ("CBCE") is an integral part of the corporate governance practice of United Capital Plc. Built on the foundation of integrity, the CBCE provides ample guidance on how to build and sustain the corporate objectives of the company.

Importantly, the CBCE govern the conduct of United Capital in all its relationships policies such as Anti-Money Laundering, Anti-Corruption, Competition and Anti-Trust, among others. Consequently, these policies bind the Board, Management and other Employees of United Capital and ensures strict compliance to the CBCE and other policies in its day-to-day operations.

The key components of the United Capital CBCE include:

- Its core corporate values
- Compliance with extant laws and regulations
- Commitment to the welfare of employees
- Commitment to valued shareholders
- Commitment to all stakeholders
- Commitment to customers

Anti-Corruption and Bribery Policy

As a responsible organization, United Capital in union with the global community condemns all forms of corrupt practices knowing that it is a serious threat to its business and reputation. Therefore, the Board and Management are committed to transparent dealings and has adopted a zero tolerance to corruption and corrupt practices. United Capital therefore confirm that it has in place an Anti-Corruption and Bribery Policy that reiterates the company's commitment to the fight against corruption and bribery, as well as the enforcement of anti-bribery and corruption regulations.

Remuneration Policy

United Capital has an established remuneration framework for the Board and employees which aligns with the provisions of extant laws and regulations. The policy supports the company's remuneration policy which is geared towards attracting, retaining, and motivating the best talents at the Board and Management levels to achieve the company's financial strategic objectives. United Capital ensures that the remuneration of the Board and Management are set levels which are fair and competitive taking into consideration the economic realities in the financial services sector and the Nigerian Code of Corporate Governance, 2018.

■ Corporate Governance *cont'd*

Attendance at Board Meetings

The Board of United Capital Plc met five times in 2023. Please find the record of attendance below:

Meetings Held					
Names	24/02/23	25/04/2023	20/07/23	20/10/23	15/12/23
Chika Mordi	✓	✓	✓	✓	✓
Peter Ashade	✓	✓	✓	✓	✓
Sunny Anene	✓	✓	✓	✓	✓
Ayodeji Adigun ¹	✓	✓	✓	✓	✓
Emmanuel Nnorom	✓	✓	✓	✓	✓
Sonny Iroche ²	✓	✓	✓		
Stephen Nwadiuko ³	✓	✓	✓		
Oladipupo Fatokun	✓	✓	✓	✓	✓
Oluleke Ogunlewe	✓	✓	✓		✓
Chiugo Ndubisi ^{* 4}			✓	✓	✓
Samuel Nwanze ^{* 5}			✓	✓	✓
Uche Ike ^{*6}				✓	✓
Rose Nat Eshiett ^{*7}					

1. *Appointed at the July 2023 Board Meeting
2. *Resigned 2023
3. *Resigned July 31, 2023
4. *Appointed at the July 2023 Board Meeting
5. *Appointed at the July 2023 Board Meeting
6. *Appointed at the October 2023 Board
7. *Appointed February 8, 2024

Composition of the Board of Directors

The Board carries out its oversight function through its Standing Committees, each of which has a Charter that clearly defines its purpose, composition and structure, frequency of meetings, duties, and tenure, among others. Through these Committees, the Board monitors the effective coverage and control over the operations of the United Capital Group. It is important to note that in line with best practice, the Chairman of the Board does not sit on any of the Committees.

The Board of United Capital has three (3) Committees namely:

1. Finance and General Purpose Committee ("FGPC");
2. Audit and Governance Committee ("AGC") and
3. Risk and Investment Committee ("RIC")

■ Corporate Governance *cont'd*

1. Finance and General Purpose Committee

The responsibilities of FGPC are as follows:

- 1.1 Formulate and shape the strategy of the Group and make recommendations to the Board for approval.
- 1.2 Provide oversight on financial matters and the performance of the Group.
- 1.3 Monitor and assess the overall integrity of the financial statements and disclosures of the financial condition and results of operations of the Group.
- 1.4 Review the Group's investment portfolio annually.
- 1.5 Monitor, review and assess the integrity and adequacy of the overall risk management framework of the Group.
- 1.6 Ensure that risk assessments are performed on a continual basis and ensure that frameworks and methodologies are in place to increase the probability of anticipating unpredictable risks.

2. Audit and Governance Committee

The responsibilities of the AGC are as follows:

- 2.1 Advise the Board on corporate governance standards and policies.
- 2.2 Review and recommend to the Board for approval all human resources and governance policies.
- 2.3 Organize Board and Board Committee inductions and trainings.
- 2.4 Evaluate and appraise the performance of the Board and Board Committees and its members annually in conjunction with consultants.
- 2.5 Ensure that an effective system of financial and internal controls is in place.
- 2.6 Make recommendations to the Board on the election and re-election of directors.
- 2.7 Provide a central source of guidance and advice to the Board and company on matters of ethics, conflict of interest and good corporate governance.
- 2.8 Review Audit exception reports relating to the Group's compliance of major policies including Expense and Human Resource policies.

3. Risk and Investment Committee

The Risk and Investment Committee ("RIC") is responsible for discharging the Board's specific functions as it relates to Risk monitoring, management, Investment of the assets of the Group and approval of counterparties and Information Technology (IT) governance.

The responsibilities of RIC include the following:

- 3.1 Business Strategy & investments
- 3.2 Review and recommend investment opportunities or initiatives to the Board.
- 3.3 Recommend financial and investment decisions within its approved limits on behalf of the Board.
- 3.4 Review the Company's investment portfolio annually or as occasion demands.
- 3.5 Review investment/divestment proposals on behalf of the Company and recommend them to the Board for approval.
- 3.6 Review all the Company's investment proposals irrespective of the amount, before presenting them to the Board.
- 3.7 Review any new business activity by the Company irrespective of the amount of capital commitment and recommend it to the Board for approval.
- 3.8 Review from time to time the capital (debt/equity) requirements of the Company and recommend to the Board for approval.

■ Corporate Governance *cont'd*

- 3.9 In carrying out its functions, the RIC may engage an adviser on behalf of the Board to facilitate an annual review of the Company's risk and investment that the Company may face in the future.
- 3.10 Exercise oversight over the process for the identification and assessment of risks across the Company and the adequacy of prevention, detection, and reporting mechanisms.
- 3.11 Monitor, review and assess the integrity and adequacy of the overall risk management framework of the Company.
- 3.12 Set the Company's appetite and tolerance for risk and recommend risk limits within acceptable tolerance for risk levels to the Board for approval.
- 3.13 Ensure that risk assessments are performed on a continual basis and ensure that risk management frameworks and methodologies are in place and integrated into the day to day operations of the Company to increase the probability of anticipating unpredictable risks.

Attendance at Board Committee Meetings

Finance and General Purpose Committee

Meetings Held				
Names	23/02/23	13/04/23	20/07/23	13/10/23
Emmanuel Nnorom	✓	✓	✓	✓
Peter Ashade	✓	✓	✓	✓
Sunny Anene	✓	✓	✓	✓
Ayodeji Adigun ⁸			✓	✓
Sonny Iroche ⁹	✓	✓	✓	
Chiugo Ndubisi ¹⁰			✓	✓
Samuel Nwanze ¹¹			✓	✓

8. Joined at the July 2023 FGPC Meeting
9. Resigned after the July 2023 FGPC Meeting
10. Joined at the July 2023 FGPC Meeting
11. Joined at the July 2023 FGPC Meeting

■ Corporate Governance *cont'd*

Audit and Governance Committee

Meetings Held				
Names	23/02/23	13/04/23	20/07/23	13/10/23
Oladipupo Fatokun	✓	✓	✓	✓
Emmanuel Nnorom	✓	✓	✓	✓
Stephen Nwadiuko ¹²	✓	✓	✓	
Chiugo Ndubisi ¹³			✓	✓
Uche Ike ¹⁵			✓	✓

12. Resigned after the July 2023 AGC Meeting

13. Joined at the July 2023 AGC Meeting

14. Joined at the July 2023 AGC Meeting

15. Joined at the July 2023 AGC Meeting

Risk and Investment Committee

Meetings Held				
Names	23/02/23	13/04/23	20/07/23	13/10/23
Uche Ike	✓	✓	✓	✓
Emmanuel Nnorom	✓	✓	✓	✓
Oluleke Ogunlewe	✓	✓	✓	✓
Peter Ashade	✓	✓	✓	✓
Ayodeji Adigun ¹⁶			✓	✓
Chiugo Ndubisi ¹⁷			✓	✓
Samuel Nwanze ¹⁸			✓	✓

16. Joined at the July 2023 RIC Meeting

17. Joined at the July 2023 RIC Meeting

18. Joined at the July 2023 RIC Meeting

■ Corporate Governance *cont'd*

Statutory Audit Committee

By virtue of section 404 (3) of the Companies and Allied Matters Act, 2020 every public company is required to establish a Statutory Audit Committee ("SAC") composed of three members and two non-executive directors.

The profiles of the shareholder representatives in SAC are:

1. Paul Olele - Chairman

Mr. Paul Olele holds a Bachelor of Science degree in Economics from the University of Benin and an MBA from the University of Lagos. He is a seasoned Financial Executive with over thirty years' experience in the Financial services industry. Prior to his election into the SAC of United Capital Plc, he had served as a member of the Audit Committee of African Petroleum Plc and Ashaka Cement Plc (now Lafarge Group).

2. Alex Adio – Member

Alex Adio has an MBA (Finance) from the Ladoke Akintola University, Ogbomosho, and is a fellow of the Institute of Management Consultant. A Justice of the Peace from Oyo State and an investment consultant with over a decade of experience in capital market operations. Prior to his election to the SAC of United Capital Plc, he had served as the SAC Chairman of Dangote Flour Mills Plc, University Press Plc, Great Nigeria Insurance Plc and Japaul Oil & Maritime Plc. He had also served as a member of the SAC of Union Bank Plc and Niger Insurance Plc.

3. Faith George-Usman - Member

Mrs. Faith George-Usman holds a Bachelor of Science degree in Economics from the University of Lagos and also a Master of Science degree in Economics from the University of Lagos. She is a fellow of the Chartered Institute of Taxation of Nigeria and a member of the Nigerian Institute of Management. She is a member of the Independent Shareholders Association of Nigeria.

Terms of Reference of SAC

The Terms of Reference of the SAC include the following:

1. Assist in the oversight of the integrity of United Capital Plc ("UCAP")'s financial statements, compliance with legal and other regulatory requirements, assessment of qualifications and independence of external auditor, and performance of the company's internal audit functions as well as that of external auditors.
2. Ensure the development of a comprehensive internal control framework for the company, obtain assurance and report annually in the financial report, on the operating effectiveness of UCAP's internal control framework.
3. Oversee management's process for the identification of significant fraud risks across UCAP and ensure that adequate prevention, detection and reporting mechanisms are in place.
4. Discuss the annual audited financial statements and half yearly unaudited financial statements with management and external auditors.
5. Discuss policies and strategies with respect to risk assessment and management.

■ Corporate Governance *cont'd*

6. Review and ensure that adequate whistle-blowing procedures are in place and that a summary of issues reported are highlighted to the Chairman.
7. Review, with the external auditor, any audit scope limitations or problems encountered and management's responses to same. In addition, to review the independence of external auditors and ensure that where non-audit services are provided by the external auditors, there is no conflict of interest.
8. Preserve auditor independence, by setting clear hiring policies for employees or former employees of independent auditors.
9. Invoke its authority to investigate any matter within its terms of reference for which purpose the company must make available the resources to the internal auditors with which to carry out this function, including access to external advice where necessary.

Attendance at SAC Meetings

In the course of the financial year 2023, the Statutory Audit Committee of United Capital Plc met four times as illustrated in the table below.

Meetings Held				
Names	23/02/2023	13/04/2023	13/07/2023	17/10/2023
Mr. Paul Olele	✓	✓	✓	✓
Mr. Pastor Alex Adio	✓	✓	✓	✓
Mrs. Faith George Usman	✓	✓	✓	✓
Mr. Oladipupo Fatokun	✓	✓	✓	✓
Sir. Stephen Nwadiuko	✓	✓	✓	✓

Whistle Blowing Procedures

The Board of United Capital Plc is committed to high ethical standards and probity and expects all its employees and officers to display the same in all their dealings. In a nutshell, the act of whistle blowing involves raising alarms or concerns about certain inappropriate actions, unlawful conduct, and illegal acts such as fraud, corruption, bribery etc.

Therefore, on the strength of the above elucidations, the Board recognizes that there may be instances where extant laws and ethical guidelines may be breached by persons under its employment. To address this important fact, the Board approved the Whistle Blowing Policy ("WBP"), a channel for employees and other relevant stakeholders to report such breaches in strict confidence. It is important to note that the WBP complies with the requirements of various relevant regulatory authorities that oversee the operation of the Group.

The WBP applies to both internal and external whistleblowers. Internal whistle blowers include staff and Directors of

■ Corporate Governance *cont'd*

United Capital, while external whistleblowers include customers, service providers, auditors, consultants, regulators, and other stakeholders. The WBP is intended to encourage internal and external whistleblowers to report perceived unethical or illegal conduct of employees, Management and Directors etc to appropriate authorities without fear of harassment, intimidation, or victimization.

The full version of the United Capital WBP can be viewed on our website: www.unitedcapitalplcgroup.com.

To encourage the culture of whistleblowing among internal whistleblowers, the Board ensures through the Management that there is a regular periodic sensitization and the channels through which they can report perceived breaches of the WBP. Internal and external whistleblowing involves a whistleblower reporting or flagging acts of impropriety, unethical or illegal conduct through any of the following channels:

1. Formal letter to the Group Chief Executive Officer or Head of Audit and Business Assurance.
2. Call or send a text to the whistleblowing number: **0808 627 4621**.
3. Dedicated email address: **whistleblowing@unitedcapitalplcgroup.com**

BY ORDER OF THE BOARD



Dr (Sir) LEO OKAFOR (PhD), FCIS, ACS, M.IOD, KSJI
Group Company Secretary/General Counsel
FRC/2013/NBA/00000002520



Directors' Report



■ Directors' Report

The Directors present their report together with the audited financial statements of the Group for the year ended December 31, 2023.

1. LEGAL FORM

United Capital Plc ("UCAP") was incorporated in Nigeria as a limited liability company on March 14, 2002 under the Companies and Allied Matters Act, No.3, 2020. It became a public company and was listed on the Nigerian Stock Exchange in January 2013 after a successful spin-off from United Bank for Africa Plc, a commercial bank in Nigeria. UCAP is the first investment bank to be listed on the Nigerian Exchange Limited. UCAP is a holding company with four subsidiaries namely United Capital Trustees Limited, United Capital Asset Management, United Capital Securities Limited and Ucee Microfinance Bank Limited. Its areas of business include investment banking, asset management, trusteeship, securities trading, micro-finance bank and consumer finance.

2. PRINCIPAL ACTIVITIES

UCAP is engaged in the business of investment banking and provides issuing house, corporate investment advisory services, project finance, debt restructuring, mergers and acquisitions, and debt capital markets. Through its subsidiaries and affiliates, it provides additional services such as trusteeship, asset management, wealth management, securities trading, consumer finance, microfinance bank and insurance.

RESULTS

	Group		Company	
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
Gross Earnings	45,895,098	26,896,411	21,624,979	13,981,324
Profit before tax	17,304,286	13,500,388	17,401,885	11,405,916
Income tax	(5,884,534)	(3,847,363)	(3,454,473)	(2,058,261)
Profit for the year	11,419,752	9,653,025	13,947,412	9,347,655
Other Comprehensive income	55,306,383	1,787,472	15,600,129	1,047,467
Total Comprehensive income	66,726,135	11,440,497	29,547,541	10,395,122
Total comprehensive income attributable to equity holders of the Company	66,726,135	11,440,497	29,547,541	10,395,122
Earnings per share (Kobo)	190	161	232	156

3. DIVIDEND

In respect of the current year, the Directors propose that a dividend of **N1.80 kobo per ordinary share of 50 kobo each amounting to N10.8 Billion**, be paid to shareholders upon approval at the Annual General Meeting. The proposed dividend is subject to withholding tax at the appropriate tax rate and is payable to shareholders whose names appear on the Register of Members on April 9, 2024.

■ Directors' Report *cont'd*

4. BUSINESS REVIEW AND FUTURE DEVELOPMENT

UCAP carries out its business in accordance with its Memorandum and Articles of Association. A comprehensive report of the business for the year and the prospect for the ensuing year is contained in the Group Chief Executive's Report.

5. CHANGES ON THE BOARD

Appointments

During the financial year ended December 31, 2023 four new Directors comprising one Executive Director (Mr. Ayodeji Adigun) and three Non-Executive Directors (Mr. Chiugo Ndubisi, Mr. Samuel Nwanze and Mr. Uche Ike) were appointed to further strengthen the Board. Their appointments have been approved by the Securities & Exchange Commission and they will be presented at this AGM for approval by the Shareholders.

In addition, in Q1, 2024, Mrs. Rose Nat Eshiett was appointed an Independent Non-Executive Director of United Capital Plc. Her appointment has also been approved by the commission.

Profile of Mr. Ayodeji Adigun

Ayodeji Adigun is the Group Executive Director/Chief Operating Officer of United Capital Plc. He has over three decades of banking and finance experience with a strong background and core competencies in financial control, performance management, operations, audit, strategic planning, and business transformation. He is a graduate of the University of Lagos, where he obtained a Bachelor of Science degree in Accounting with First Class Honors. He is a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN), an associate member of the Chartered Institute of Management Accountants (CIMA), UK and the Chartered Institute of Taxation of Nigeria (CITN).

Prior to joining United Capital Plc, he was an Executive Director/Chief Operating Officer at Nova Merchant Bank Limited as well as the General Manager/Chief of Staff to the Group Managing Director of United Bank for Africa Plc. While at UBA, he held other positions such as General Manager and Head of Strategy and Business Transformation with responsibilities over project management, strategic planning, and the Group Executive Office.

Profile of Mr. Chiugo Ndubisi

Chiugo Ndubisi hold a first-class honours degree in Engineering from the University of Nigeria Nsukka, and a Master of Business Administration degree from the University of Lagos. He is a Fellow of three professional bodies: the Institute of Chartered Accountants of Nigeria (ICAN), Chartered Institute of Bankers of Nigeria (CIBN) and the Chartered Institute of Taxation of Nigeria (CITN).

His career spans over 25 years in the Banking industry. Prior to United Capital, he was the Executive Director, Treasury & International Banking at United Bank of Africa, UBA, where he was responsible for the Treasury Business across UBA Group. He was also responsible for UBA's international subsidiaries i.e., UBA America, UBA UK, UBA France, and UBA Dubai. At UBA, he had previously functioned as Executive Director, Group Chief Operating Officer and Group Executive, Transformation & Resources.

Prior to joining UBA, he had worked with Diamond Bank Plc (now Access Bank) and played various roles such as Executive Director/Chief Finance Officer, Divisional Head, Financial Management, Group Financial Controller and Head, Investor Relations. During his career, he had served as a member of the Board of Trustees, Central Bank of Nigeria (CBN) Banking Industry Resolution Trust Fund, as well as member of the Audit Committee of the Nigeria Interbank Settlement Systems (NIBSS).

■ Directors' Report *cont'd*

Profile of Mr. Samuel Nwanze

Samuel Nwanze is an astute, well-rounded finance professional, business executive, investment banker and management consultant with experience in managing a broad spectrum of financial and banking responsibilities, including mergers and acquisitions, finance, performance management, treasury management, project management, integration and strategic planning.

He is the Executive Director/Chief Finance Officer of Heirs Energies Limited and has held various key positions including Chief Investment Officer and Chief Executive Officer in different sectors. He obtained his Bachelor of Science degree from the University of Ibadan. He also attended Cranfield University, United Kingdom, where he obtained a Master of Science degree in Finance & Management. Samuel is a Fellow of the Chartered Institute of Management Accountants (CIMA), and an Associate of the Institute of Directors, the Nigerian Institute of Management, and the Certified Pension Institute of Nigeria. He is also a Chartered Global Management Accountant and a Chartered Alternative Investment Analyst.

Profile of Mr. Uche Ike

Uche Ike is an experienced professional who holds a B.Sc. degree in Accountancy, and a Master degree in Business Administration. He is an Associate Member of the Institute of Chartered Accountants of Nigeria (ICAN). He has over three decades of banking experience spanning Operations, Internal Audit, Enterprise Risk Management, Fraud Management and Regulatory Compliance. He was the General Manager of UBA New York Branch and had also previously supervised operations in the East and South Banks of UBA Nigeria. He is currently the Chairman of the Risk and Investment Committee.

He was appointed a Director on June 13, 2023.

Profile of Mrs. Rose Nat Eshiett

Rose Nat Eshiett has over 35 years working experience with the Nigerian National Petroleum Company Limited (NNPCL) in the Oil and Gas sector where she retired as the Group General Manager, Crude Oil Marketing Division. At NNPCL, she worked and held top management positions in various Commercial, Project financing and investments, Financial Accounting and Auditing. Currently, she is an Honorary Adviser on Oil and Gas to Akwa Ibom State Government.

She holds a Bsc in Finance from the University of Calabar, Cross River State, a Fellow of the Chartered Institute of Bankers, and Chartered Institute of Taxation of Nigeria, as well as membership of the Institute of Directors of Nigeria and the Nigerian Institute of Management respectively.

She was appointed an Independent Non-Executive Director on February 8, 2024

Retirement

During the financial year ended December 31, 2023, Mr. Sonny Iroche and Sir Stephen Nwadiuko, Independent Non-Executive Directors retired after five (5) years on the Board. Their retirement has since been communicated to the Securities & Exchange Commission and the Nigerian Exchange Limited.

■ Directors' Report *cont'd*

6. DIRECTORS RETIRING BY ROTATION

In accordance with Section 285 of the Companies and Allied Matters Act, 2020 the following Directors are retiring by rotation and have offered themselves for re-election:

1. Emmanuel Nnorom; and
2. Oluleke Ogunlewe

The profiles of the retiring Directors are available on page 13 and 14 of this Report.

7. DIRECTORS' INTERESTS

The interest of the Directors in the issued share capital of the company are recorded in the Register of Directors' shareholding as of December 31, 2023 as follows:

S/N	NAMES OF DIRECTORS	31-Dec-23	31-Dec-23	31-Dec-22	31-Dec-22
		DIRECT	INDIRECT	DIRECT	INDIRECT
1	Chika Mordi	12,363	Nil	12,363	Nil
2	Emmanuel Nnorom	Nil	35,976,541 (Vine Foods)	Nil	30,502,000 (Vine Foods)
3	Peter Ashade	2,400,456	9,784,544(Artol Inv.)	1,215,456	8,784,544 (Artol Inv.)
4	Sunny Anene	7,000,000	Nil	6,000,000	Nil
5	Ayodeji Adigun	340,297	Nil	340,297	Nil
6	Oladipupo Fatokun	1,000,000	Nil	Nil	Nil
7	Oluleke Ogunlewe	1,000,000	Nil	Nil	Nil
8	Chiugo Ndubisi	Nil	Nil	Nil	Nil
9	Samuel Nwanze	Nil	Nil	Nil	Nil
10	Uche Ike	1,221,931	Nil	1,221,931	Nil

8. ANALYSIS OF SHAREHOLDING

As of the end of 2023, United Capital's shares were held by **260,216** shareholders as analyzed in the table below:

RANGE ANALYSIS AS AT 31-12-2023

Range	No. of Holders	Holders %	Holders Cum.	Units	Units %	Units Cum.	
1	1,000	171,339	65.84%	171,339	61,387,519	1.02%	61,387,519
1,001	5,000	61,078	23.47%	232,417	129,805,645	2.16%	191,193,164
5,001	10,000	12,212	4.69%	244,629	85,012,091	1.42%	276,205,255
10,001	50,000	10,976	4.22%	255,605	232,791,649	3.88%	508,996,904
50,001	100,000	1,837	0.71%	257,442	132,286,661	2.20%	641,283,565
100,001	500,000	2,000	0.77%	259,442	422,000,229	7.03%	1,063,283,794
500,001	1,000,000	357	0.14%	259,799	256,332,198	4.27%	1,319,615,992
1,000,000	999,999,999,999	417	0.16%	260,216	4,680,384,008	78.01%	6,000,000,000
Grand Total		260,216	100%		6,000,000,000	100%	

■ Directors' Report *cont'd*

8.1 SHARE CAPITAL HISTORY

Period	Authorised unit of shares		Issued and paid		Type
	Increase	Cumulative	Increase	Cumulative	
2002	300,000,000	300,000,000	300,000,000	300,000,000	Initial capital
2006	1,700,000,000	2,000,000,000	1,700,000,000	2,000,000,000	Increase
2013	1,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000	Rights Issue

8.2 SUBSTANTIAL INTEREST IN SHARES (5% and above)

As of the end of December 31, 2023, the shareholders with 5% and above are shown in the table below:

SHAREHOLDERS	SHAREHOLDING	%HOLDING
West Coast Equity Limited	1,560,000,000	26%

8.3 SUMMARY OF DEALINGS IN UCAP SHARES AS OF DECEMBER 31, 2023

QUARTER	UNITS	QUARTERLY DAILY AVERAGE
MARCH QUARTER	192,131,490.00	3,098,895.00
JUNE QUARTER	279,948,356.00	4,374,193.06
SEPTEMBER QUARTER	170,086,157.00	3,037,252.80
DECEMBER QUARTER	219,308,375.00	3,426,693.36

8.4 DIRECTOR'S REMUNERATION

United Capital ensures that remuneration paid to its Directors complies with the provisions of the Code of Corporate Governance issued by its regulators. Therefore, in compliance with section 34 (5) (f) of the SEC Code of Corporate Governance for Public Companies, the Company makes disclosures of the remuneration paid to its Directors.

Package	Type	Description	Period
Basic Salary	Fixed	This is part of the gross salary package for Executive Directors only	Paid monthly during the financial year
Directors Fees	Fixed	This is paid quarterly to Non-Executive Directors only	Paid Quarterly
Sitting Allowance	Fixed	This is paid quarterly to Non-Executive Directors only	Paid after each meeting
Medical	Fixed	This is paid only to Non-Executive Directors	One-off payment

■ Directors' Report *cont'd*

9. ACQUISITION OF OWN SHARES

The Company did not purchase its own shares during the period.

10. PROPERTY, PLANT AND EQUIPMENT

In the opinion of the Directors, the market value of the company's properties is not less than the value shown in the financial statement.

11. EMPLOYMENT AND EMPLOYEES

Employment of Physically Challenged Persons

The Company operates a non-discriminatory policy in consideration of applications for employment including those received from physically challenged persons. The Company's policy is that the most qualified persons are recruited for appropriate job levels irrespective of an applicant's state of origin, ethnicity, religion, or physical condition.

Health, Safety at Work and Welfare of Employees

The Company maintains a business premises designed with a view to guaranteeing the safety and healthy living conditions of its employees and customers alike. Employees are adequately insured against occupational and other hazards. In addition, the Company provides medical facilities to its employees and immediate families at its expense.

Employee Involvement and Training

The Company encourages participation of its employees in arriving at decisions in respect of matters affecting their well-being. Towards this end, the Company provides opportunities where employees deliberate on issues affecting the Company and employees' interest, with a view to making inputs to decisions thereon. The Company places a high premium on the development of its manpower.

Research and Development

The Company also on a continuous basis carries out research into new financial service products and services.

12. EVALUATION

Board Evaluation

A Board evaluation was undertaken in 2023 by Angela Aneke & Co. The performance of the Board, Board Committees and individual directors were adjudged satisfactory and necessary feedback were communicated to individual directors arising from the exercise.

Corporate Governance Evaluation

An evaluation of the Corporate Governance practice of the Company was also undertaken by Angela Aneke & Co and the performance of the Company was adjudged satisfactory. The Board resolved to sustain its performance and to surpass it in subsequent years.

■ Directors' Report *cont'd*

13. COMPLIANCE

Securities Trading Policy

In compliance with the Rules of the Nigerian Exchange Limited, we have put in place a Securities Trading Policy to guide Directors, Employees, External Advisers and related parties on trading in the securities of the Company during the closed period. Under this policy the closed period is when no Director, Employee and Related Party with inside information can trade in the securities of the Company. The closed period is 15 days prior to the date of any meeting of the Board of Directors proposed to be held to consider any of the matters or the date of circulation of agenda papers pertaining to any of the said matters (whichever is earlier), up to 24 hours after the price sensitive information is submitted to the Exchange, the trading window shall thereafter be opened:

The following matters shall be considered as price sensitive:

- ✓ Declaration of financial results (quarterly, half-yearly and annual).
- ✓ Declaration of dividend (interim and final).
- ✓ Offer of securities by way of public offer or rights issue, or bonus etc.
- ✓ Any major expansion plans or winning of bid or execution of new projects, disposal of the whole or a substantial part of the undertaking.
- ✓ Any changes in policies, plans or operations of the Company that are likely materially to affect the prices of the securities of the Company.
- ✓ Disruption of operations due to natural calamities.
- ✓ Litigation/dispute with a material impact.
- ✓ Any information which if disclosed in the opinion of the person discharging the same is likely to materially affect the price of the securities of the Company.

We hereby confirm that no Director traded in the securities of the Company within the closed period.

Nigerian Code of Corporate Governance for Public Companies in Nigeria

The Company has complied with the Nigerian Code of Corporate Governance 2018.

Complaint Management Framework

The Company has a Compliant Management Framework in place which has been uploaded on its website.

Company's Remuneration Policy

The Company confirms that it has a Remuneration Policy for Directors and for Employees.

Whistle Blowing Policy

The Company has a Whistle Blowing Policy in place. This was extensively reviewed by the Board and it covers among other things the procedures for the receipt, retention and treatment of information received from whistle blowers and the custodian of the dedicated line.

■ Directors' Report *cont'd*

14. POST-BALANCE SHEET EVENTS

There are no post balance sheet events which could have had a material effect on the financial statement as of December 31, 2023.

15. AUDITORS

The external Auditors, Messrs. Pricewaterhousecoopers has confirmed their willingness to continue in office in accordance with the Companies and Allied Matters Act, 2020. A resolution will be proposed at the Annual General Meeting to authorize the Directors to determine their remuneration.

BY THE ORDER OF THE BOARD



Dr. (Sir) Leo Okafor (PhD), FCIS, ACS, KSJI, M.IOD
Group Company Secretary
FRC/2013/NBA/00000002520



Angela Aneke & Co. Plot 5A, Block 5, Theophilus Oji street off Fola Osibo, Lekki Phase 1, Lagos, Nigeria, boardevaluations@angelaanekeco.com

April 2, 2024

Statement by the External Consultants on the Board Evaluation of United Capital Plc. for the year ended December 31, 2023

The Board of Directors of United Capital Plc. (the "Company") engaged Angela Aneke & Co. Limited to perform an evaluation of the Board for the year ended December 31, 2023, in line with the requirements of Principle 14 of the Financial Reporting Council's Nigerian Code of Corporate Governance (FRC Code). The agreed scope of services for the evaluation exercise was specified in our letter of engagement.

The criteria for our review and report are benchmarked against principles in the FRC Code, the Securities and Exchange Commission Corporate Governance guidelines (SCGG), the Company's corporate governance framework, as well as global best practice.

Our methodology included a review of documents provided by the Company, research on global best practice, interviews, and questionnaires, including an online self and peer assessment by members of the Board. Our detailed report has been submitted to the Board of Directors for their adoption and further action.

The Chairman provides effective leadership to the Board to ensure that the Company's strategic objectives are met and plays a lead role in the assessment, improvement, and development of the Board. He also provides guidance to the Group CEO in the effective discharge of his duties.

United Capital Plc has an effective Board underpinned by an established Board Governance Charter. The mandates and terms of reference of the Board Committees are clearly defined in the Board Governance Charter and they address the effective monitoring of financial performance, strategy, governance, remuneration, risk management, internal audit and controls, regulatory compliance, and information technology governance. Furthermore, Directors largely achieved 100% attendance at all the Board and Board Committee meetings held in 2023.

The Board and its Committees are composed of seasoned professionals with a wealth of experience committed to the long-term success of the Company. It is a forward-thinking and cohesive Board, with an appropriate balance of skills and diversity including experience and age. The Board executed its functions of Strategic Direction, Policy Formulation, Decision Making and Oversight within the year objectively and effectively. The Board was enhanced in 2023 with the appointment of four new Directors, including a Group Executive Director/Chief Operating Officer.

On the basis of our work, we conclude that the Board of United Capital Plc is effective and continues to demonstrate a commitment to maintaining strong corporate governance in line with global best practice. Its corporate governance framework is established, and the Company has substantially applied the 28 principles of the FRC Code.

Yours faithfully,
FOR: **Angela Aneke & Co. Limited**


Angela Aneke
MD/CEO



Angela Aneke & Co. Plot 5A, Block 5, Theophilus Oji street off Fola Osibo, Lekki Phase 1, Lagos, Nigeria, boardvaluations@angelaanekeco.com

April 2, 2024

Statement by the External Consultants on the Corporate Governance Evaluation of United Capital Plc. for the year ended December 31, 2023

The Board of Directors of United Capital Plc. (the "Company") engaged Angela Aneke & Co. Limited to perform a Corporate Governance evaluation for the year ended December 31, 2023, in line with the requirements of Principle 15 of the FRC's Nigerian Code of Corporate Governance (FRC Code). The agreed scope of services for the evaluation exercise was specified in our letter of engagement.

The criteria for our review and report are benchmarked against the 28 principles of the FRC Code, Securities and Exchange Commission Corporate Governance Guidelines (SCGG), the Company's corporate governance framework and charters, as well as global best practice.

Our methodology included a review of documents provided by the Company, research on global best practice, interviews, and questionnaires, including an online self and peer assessment by members of the Board. Our detailed report has been submitted to the Board of Directors for their adoption and further action.

United Capital Plc. has well established system of corporate governance underpinned by a Board Governance Charter as well as various policies and charters that guide the governance culture of the Company. The mandates and terms of reference of the Board Committees are clearly defined in the Board Governance Charter and they address the effective monitoring of financial performance, strategy, governance, remuneration, risk management, internal audit and controls, regulatory compliance, and information technology governance. Policies that address risk management, internal control, code of conduct, business ethics, shareholder engagement and disclosures are well established at United Capital Plc.

A framework for managing risk and internal control system are effective at United Capital Plc. The risks the company faces and risk mitigating strategies are effectively monitored and reported to the Board at its quarterly meetings. The internal control function also provides assurance to the Board and its Committees at its quarterly meetings. A whistleblowing framework for reporting illegal and unethical conduct is also in place. In 2023, the Company remained committed to sustainability and acted as a responsible citizen by embarking on several corporate social responsibility activities.

On the basis of our work, we conclude that corporate governance practices at United Capital Plc are effective and are in line with global best practice. The corporate governance framework of the Company has substantially applied the 28 principles of the FRC Code.

Yours faithfully,
FOR: **Angela Aneke & Co. Limited**


Angela Aneke
MD/CEO

Let's go on the search for you

Track and unlock the value of your unclaimed dividends with UTRACE.



Scan to learn more

Download the **Investnow App**



Visit investnow.ng to get started

Lagos

United Capital Plc
3rd & 4th Floor, Afriland Towers,
97/105 Broad St, Lagos, Nigeria
+234-1-280-7596, +234-1-280-8919
Info@unitedcapitalplcgroup.com

Abuja

United Capital Plc
43, Monrovia Street,
Wuse 2, Abuja, Nigeria.
+234-1-280-8412
Info@unitedcapitalplcgroup.com

Port Harcourt

United Capital Plc
1st Floor, UBA House, 14, Azikiwe road,
Port Harcourt, Nigeria
+234-8-455-6577, +234-704-617-5444
Info@unitedcapitalplcgroup.com

Ibadan

UBA Building
Lebanon/ Jubilee Market Street,
Dugbe, Ibadan, Oyo State.
Info@unitedcapitalplcgroup.com

Ghana

Heritage Tower,
Ambassadorial Enclave, off Liberia Road,
Ridge, Accra, Ghana.
Info@unitedcapitalplcgroup.com



Financial Statements



■ STATEMENT OF DIRECTORS' RESPONSIBILITIES

Audited Consolidated and Separate Financial Statements 31 December 2023

The Companies and Allied Matters Act requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the Group at the end of the year and of its profit or loss. The responsibilities include ensuring that the Group:

- keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Group and comply with the requirements of the Companies and Allied Matters Act 2020;
 - establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
 - prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates, and are consistently applied.
- a. The Directors are responsible for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board, and the requirements of the Financial Reporting Council of Nigeria Act and the Companies and Allied Matters Act.
 - b. The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Group and of its profit.
 - c. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.
 - d. Nothing has come to the attention of the Directors to indicate that the Group will not remain a going concern for at least twelve months from the date of this statement.



Chika Mordi
Chairman
FRC/2014/IODN/00000006667



Peter Ashade
Group Chief Executive Officer
FRC/2013/ICAN/00000002719

REPORT OF THE STATUTORY AUDIT COMMITTEE

For the year ended December 31, 2023

To the members of United Capital Plc

In the course of the financial year 2023, the Statutory Audit Committee of United Capital Plc met four times as illustrated in the table below and all members were present.

Names	Meeting Held			
	23/02/2023	13/04/2023	13/07/2023	17/10/2023
Mr. Paul Olele	✓	✓	✓	✓
Pastor Alex Adio	✓	✓	✓	✓
Mrs. Faith George Usman	✓	✓	✓	✓
Mr. Oladipupo Fatokun	✓	✓	✓	✓
Sir. Stephen Nwadiuko	✓	✓	✓	✓

Therefore, in accordance with the provisions of Section 404(7) of the Companies and Allied Matters Act 2020 (“the Act”), we, the members of the Audit Committee of United Capital Plc, having performed our statutory obligations under the Act, hereby report that:

- The accounting and reporting policies of the Company for the year ended December 31, 2023 are consistent with legal requirements and ethical practices.
- The internal audit programs are extensive and provide a satisfactory evaluation of the efficiency of the internal control systems.
- The scope and planning of the statutory independent audit for the year ended December 31, 2023 are satisfactory; and
- We have considered the independent auditors' post-audit report and Management responses thereon and are satisfied with the responses to our questions as well as the state of affairs at United Capital Plc.



Paul Olele

FRC/2014'/CISN/00000009273

Dated March 26, 2024

Members of the Statutory Audit Committee

- | | | |
|----|-------------------------|----------|
| 1. | Mr. Paul Olele | Chairman |
| 2. | Pastor Alex Adio | Member |
| 3. | Mrs. Faith George-Usman | Member |
| 4. | Mr. Oladipupo Fatokun | Member |
| 5. | Sir. Stephen Nwadiuko | Member |

■ STATEMENT OF CORPORATE RESPONSIBILITY OVER FINANCIAL REPORTING

Pursuant to Section 405 of the Companies and Allied Matters Act, 2020, we confirm that we have reviewed the Audited Financial Statements of UNITED CAPITAL PLC ("The Group ") for the year ended December 31, 2023.

We acknowledge our responsibility for establishing and maintaining internal controls within UNITED CAPITAL PLC and have designed such internal controls to ensure that material information relating to the Group is made known to us by other officers of the Group, particularly during the period in which the Audited Financial Statements were prepared.

We have evaluated the effectiveness of the Group's internal controls within 90 days prior to the date on our audited financial statements, and certify that the Group's internal controls are effective as of that date.

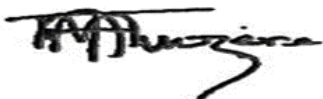
We also confirm that the Group's Auditors and Audit Committee have been informed about the following:

- that there are no significant deficiencies in the design or operation of internal controls which could adversely affect the Group's ability to record, process, summarise and report financial data, and has identified for the Group's Auditors any deficiency in internal controls, and
- that there are no fraud that involves management or other employees who have a significant role in the Group's internal control;

During the year, there were no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

We hereby certify that based on our knowledge, the Financial Statements do not contain any untrue statement of material fact or material omission that may make the Financial Statements misleading and the Financial Statements fairly presents in all material respects the financial condition and results of operations of the Group and Company for the year ended December 31, 2023.

On behalf of the Directors of the Group



Chika Mordi
Chairman
FRC/2014/IODN/00000006667



Peter Ashade
Group Chief Executive Officer
FRC/2013/ICAN/00000002719

■ LEGAL AND REGULATORY RISK MANAGEMENT

1. Legal and Regulatory Risk Management

a. Regulatory Provision

Regulatory risk is the risk arising from a change in regulation in any legal, taxation and accounting pronouncement or specific industry regulations that pertain to the business of the Company and the Group. The Securities Business is subject to the extensive regulation which includes the SEC 2007 Rules and other Guidelines issued by the regulator. Violation of applicable laws or regulations could result in fines, temporary permanent prohibition of the engagement in certain activities, reputational harm and related client termination, suspension of personal or revocation of their licenses, or other sanctions, which could have material adverse effect of the Company's reputation, business, result of operations or financial condition and cause a decline in earnings. In order to actively manage these risks, the Company via its internal control and compliance unit engages in periodic assessments and review ensuring adherence to regulatory provisions at all times.

Regulatory Capital Risk

Regulatory capital risk is the risk that the entities within the United Capital Group will not have sufficient capital to meet either minimum regulatory or internal amount. The Securities and Exchange Commission sets and monitors capital requirement for all Investment, Registrar, Trust and Security Management Companies in Nigeria. The Securities and Exchange Commission prescribes the minimum capital requirement for asset management companies operating within Nigeria at N152m. Trustees business has a minimum capital of N300m, Securities Business has a minimum capital base of N300m and Investment banking business has N200m as the minimum capital. As at the reporting date, the minimum capital requirement as set by the regulators have been met and the shareholders' funds are far in excess of the minimum capital requirement.

b. Legal Risk Assessment

Legal risk is defined as the risk of loss due to defensive contractual arrangement, legal liability (both criminal and Civil) incurred during operations by the inability of the organization to enforce its rights, or by failure to address identified concerns to the appropriate authorities where changes in the law are proposed. The Company manages this risk by monitoring new legislation, creation of awareness of legislation amongst employee, identification of significant legal risks as well as assessing the potential impact of these. Legal risk management in the Company is also being enhanced by appropriate product risk review and management of contractual obligations via well documented Service Level Agreement and other contractual documents. The Company's legal matters are handled by the Company's secretary and legal department.

2. Operational Risk Management

Operational risk is the risk of loss resulting from inadequate or failed processes or systems, human factors or external events.

Operational risk is inherent in each of the Group's businesses and support activities. Operational risk can manifest itself in various ways, including errors, fraudulent acts, business interruptions, inappropriate behaviour of employees, or vendors that do not perform in accordance with their arrangements. These events could result in financial losses, including litigation and regulatory fines, as well as other damage to the Group, including reputational harm.

To monitor and control operational risk, the Group maintains an overall framework that includes strong oversight and governance, comprehensive policies and processes, consistent practices across the lines of business, and enterprise risk management tools intended to provide a sound and well controlled operational environment. The framework includes:

- Ownership of the risk by the businesses and functional areas
- Monitoring and validation by internal control officers

■ LEGAL AND REGULATORY RISK MANAGEMENT *cont'd*

- Oversight by independent risk management
- Independent review by Internal Audit

The goal is to keep operational risk at appropriate levels, in light of the Group's financial strength, the characteristics of its businesses, the markets in which it operates, and the competitive and regulatory environment to which it is subject.

In order to strengthen focus on the Group's control environment and drive consistent practices across businesses and functional areas, the Group established a group shared service operational platform in 2021. Critical to the effectiveness, efficiency and stability of this operating environment is the deployment and implementation of suitable technology leveraging an Enterprise Resource Platform. In addition, the Group has invested in the development of business continuity plans, systems and capabilities to ensure resilience and stability of our business operations in the face of unforeseen disruptions.

The Group's approach to operational risk management is intended to identify potential issues and mitigate losses by supplementing traditional control-based approaches to operational risk with risk measures, tools and disciplines that are risk-specific, consistently applied and utilized group-wide. Key themes are transparency of information, escalation of key issues and accountability for issue resolution. The Group has a process for monitoring operational risk event data, which permits analysis of errors and losses as well as trends. Such analysis, performed both at a line of business level and by risk-event type, enables identification of the causes associated with risk events faced by the businesses.

Internal Audit utilizes a risk-based program of audit coverage to provide an independent assessment of the design and effectiveness of key controls over the Group's operations, regulatory compliance and reporting. This includes reviewing the operational risk framework, the effectiveness of the internal control environment, and the loss data-collection and reporting activities.

Business and Strategic risks are governed by the group executive committee - which is ultimately responsible for managing the costs and revenues of the Group, and the board.

3. Financial crime control

Financial crime includes fraud, money laundering, violent crime and misconduct by staff, customers, suppliers, business partners, stakeholders and third parties. The Group will not condone any instance of financial crime and where these instances arise, the Group takes timely and appropriate remedial action.

Financial crime control is defined as the prevention and detection of, and response to, all financial crime in order to mitigate economic loss, reputational risk and regulatory sanction. This function is anchored by the Group's compliance, operations, internal control and internal audit functions.

4. Reputational Risk

Reputational risk results from damage to the Group's image which may impair its ability to retain and generate business. Such damage may result in a breakdown of trust, confidence or business relationships.

Safeguarding the Group's reputation is of utmost importance. Each business line, legal entity or support function executive is responsible for identifying, assessing and determining all reputational risks that may arise within their respective areas of business. The impact of such risks is considered alongside financial or other impacts.

Matters identified as a reputational risk to the Group are reported to the group chief executive officer and head, audit and business assurance; if required, the matter will be escalated to group executive committee.

■ LEGAL AND REGULATORY RISK MANAGEMENT *cont'd*

Should a risk event occur, the Group's crisis management processes are designed to minimize the reputational impact of the event. This includes ensuring that the Group's perspective is fairly represented.

5. Capital Management

The Group's capital management approach is driven by its strategic and organizational requirements, taking into account the regulatory and commercial environment in which it operates. It is the Group's policy to maintain a strong capital base to support the development of its business and to meet regulatory capital requirements at all times. Capital management practices are designed to ensure that the group and its legal entities are capitalized in line with the risk profile, economic capital needs and target ratios approved by the board. Capital is managed under a seven-year sustainability framework which ensures the adequacy of regulatory capital despite seven consecutive years of allocated economic capital depletion.

Through its corporate governance processes, the Group maintains discipline over its investment decisions and where it allocates its capital, seeking to ensure that returns on investment are appropriate after taking account of capital costs.

The Group's strategy is to allocate capital to businesses based on their economic profit generation and, within this process, regulatory and economic capital requirements and the cost of capital are key factors.

The Group's capital is divided into two tiers:

- Tier 1 capital: core equity tier one capital including ordinary shares, statutory reserve, share premium and general reserve.
- Tier 2 capital: qualifying subordinated loan capital, preference shares, collective impairment allowances, and unrealized gains arising on the fair valuation of equity instruments through OCI.

	December 2023	December 2022
Tier 1 capital	N'000	N'000
Share capital	3,000,000	3,000,000
Share premium	683,611	683,611
Retained earnings	31,733,315	29,313,563
Total qualifying for Tier 1 capital	35,416,926	32,997,174
Tier 2 capital		
Fair value reserve	55,296,499	(9,884)
Other borrowings	179,844,249	100,454,344
Total qualifying for Tier 2 capital	235,140,748	100,444,460
Total regulatory capital	270,557,674	133,441,634

■ CERTIFICATION OF MANAGEMENT'S ASSESSMENT OF INTERNAL CONTROL OVER FINANCIAL REPORTING

To comply with the provisions of Section 1.1 of SEC Guidance on Implementation of Sections 60-63 of Investments and Securities Act 2007, I hereby make the following statements regarding the Internal Controls of UNITED CAPITAL PLC for the year ended 31 December 2023.

I, Shedrack Onakpoma, certify that:

1. I have reviewed this management assessment on internal control over financial reporting of UNITED CAPITAL PLC;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Group as of, and for, the periods presented in this report;
4. The Group's other certifying officer and I:
 - a. are responsible for establishing and maintaining internal controls;
 - b. have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the Group, and its consolidated subsidiaries, is made known to us by others within those Companies, particularly during the period in which this report is being prepared;
 - c. have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - d. have evaluated the effectiveness of the Group's internal controls and procedures as of a date within 60 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.
5. The Group's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the Group's Auditors, the Audit Committee and the Group's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the Group's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Group's internal control system.
6. The Group's other certifying officer(s) and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.



SHEDRACK ONAKPOMA
(Group Chief Finance Officer)
FRC/2013/ICAN/00000001643
26th March, 2024

■ CERTIFICATION OF MANAGEMENT'S ASSESSMENT OF INTERNAL CONTROL OVER FINANCIAL REPORTING

To comply with the provisions of Section 1.1 of SEC Guidance on Implementation of Sections 60-63 of Investments and Securities Act 2007, I hereby make the following statements regarding the Internal Controls of UNITED CAPITAL PLC for the year ended 31 December 2023.

I, Peter Ashade, certify that:

1. I have reviewed this management assessment on internal control over financial reporting of UNITED CAPITAL PLC;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Group as of, and for, the periods presented in this report;
4. The Group's other certifying officer and I:
 - a. are responsible for establishing and maintaining internal controls;
 - b. have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the Group, and its consolidated subsidiaries, is made known to us by others within those Companies, particularly during the period in which this report is being prepared;
 - c. have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - d. have evaluated the effectiveness of the Group's internal controls and procedures as of a date within 60 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.
5. The Group's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the Group's Auditors, the Audit Committee and the Group's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the Group's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Group's internal control system.
6. The Group's other certifying officer(s) and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.



Peter Ashade

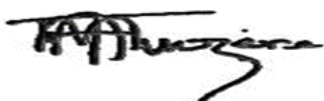
Group Chief Executive Officer
FRC/2013/ICAN/00000002719
26th March, 2024

■ MANAGEMENT'S ANNUAL ASSESSMENT OF AND REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

To comply with the provisions of Section 1.3 of SEC Guidance on Implementation of Sections 60-63 of Investments and Securities Act 2007, we hereby make the following statements regarding the Internal Controls of United Capital Plc for the year ended 31 December 2023:

- i. United Capital Plc's management is responsible for establishing and maintaining a system of internal control over financial reporting ("ICFR") that provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards.
- ii. United Capital Plc's management used the Committee of Sponsoring Organization of the Treadway Commission (COSO) Internal Control-Integrated Framework to conduct the required evaluation of the effectiveness of the Group's ICFR;
- iii. United Capital Plc's management has assessed that the Group's ICFR as of the end of 31 December 2023 is effective.
- iv. United Capital Plc's external auditor Messrs PricewaterhouseCoopers that audited the financial statements, included in the annual report, has issued an attestation report on management's assessment of the Group's internal control over financial reporting.

The attestation report of Messrs PricewaterhouseCoopers that audited the Group's financial statements will be filed as part of United Capital Plc's annual report.



Chika Mordi
Chairman
FRC/2014/IODN/00000006667



Peter Ashade
Group Chief Executive Officer
FRC/2013/ICAN/00000002719



Independent auditor's report

To the Members of United Capital Plc

Report on the audit of the consolidated and separate financial statements

Our opinion

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of United Capital Plc ("the company") and its subsidiaries (together "the group") as at 31 December 2023, and of their consolidated and separate financial performance and their consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act and the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

What we have audited

United Capital Plc's consolidated and separate financial statements comprise:

- the consolidated and separate statements of profit or loss and other comprehensive income for the year ended 31 December 2023;
- the consolidated and separate statements of financial position as at 31 December 2023;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of material accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated and separate financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), i.e. the IESBA Code issued by the International Ethics Standards Board for Accountants. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

PricewaterhouseCoopers Chartered Accountants

Landmark Towers, 5B Water Corporation Road, Victoria Island, Lagos, Nigeria

T: +234 1 271 1700, www.pwc.com/ng

TIN: 01556757-0001 BN: 958268

Partners: S Abu, O Adekoya, T Adeleke, W Adetokunbo-Ajayi, S Adu, E Agbeyi, A Akingbade, UN Akpata, O Alakhume, A Alitabi, C Azobu, A Banjo, E Erhie, K Erikume, M Iwelumo, H Jaiyeola, T Labeodan, U Muogilim, C Obaro, C Ojechi, U Ojinmah, O Oladipo, W Olowofoyeku, P Omontuemhen, O Osinubi, O Ubah, C Uwaegbute, Y Yusuf



Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Impairment allowance on financial assets measured at amortised cost (refer to notes 2.11b and 16.1)</p> <p>The estimation of expected credit losses (ECL) on financial assets at amortised cost is considered to be a key audit matter because it is significant to the consolidated financial statements and requires a high level of judgement.</p> <p>The gross balance of financial assets at amortised cost as at 31 December 2023 for the Group was N323.6bn (Company: N125.1bn) and the associated impairment allowance was N16.5bn (Company: N1.7bn)</p> <p>The measurement of the impairment allowance is highly subjective and entails exercise of significant judgement and the use of complex models and assumptions. The areas of significant judgement in the calculation include:</p> <ul style="list-style-type: none"> determination of default and significant increase in credit risk (SICR). methodology and assumptions used by management in estimating Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD), which are the key variables in the ECL Model; and incorporation of macro-economic inputs into the ECL model and the probability weightings applied to them. <p>This is considered a key audit matter in both the consolidated and separate financial statements.</p>	<p>We adopted a substantive approach to the audit of expected credit loss allowance.</p> <p>Specifically, we:</p> <ul style="list-style-type: none"> checked the reasonableness of management’s definition of default and significant increase in credit risk; inspected contracts, deal slips and evidence of repayment (where applicable) to assess management’s conclusion relating to whether or not there has been a default or SICR; reviewed the International Financial Reporting Standard (IFRS) 9 impairment model and calculation tool for reasonableness and compliance with the requirement of the reporting standards; reviewed the probability of default methodology and computations for reasonableness and accuracy; assessed the validity of the assumptions used in estimation of the LGD based on available information for compliance with the requirements of IFRS 9; reviewed the EAD computations for accuracy and consistency with the provisions of the standard; and checked the reasonableness of forward-looking information and multiple economic scenario considered. <p>We assessed the adequacy of the disclosure in the consolidated and separate financial statements in accordance with IFRS 9.</p>



Other information

The directors are responsible for the other information. The other information comprises the Corporate Information, Directors' Report, Statements of Directors' Responsibilities, Statement of Corporate Responsibility Over Financial Reporting, Legal and Regulatory Risk Management, Certification of Management's Assessment of Internal Control over Financial Reporting, Management's Annual Assessment of and Report on Internal Control over Financial Reporting, Value Added Statements, Five-Year Financial Summary -Group and Five-Year Financial Summary-Company, but does not include the consolidated and separate financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the other sections of the United Capital Plc 2023 Annual Report which are expected to be made available to us after that date.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other sections of the United Capital Plc 2023 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the directors and those charged with governance for the consolidated and separate financial statements

The directors are responsible for the preparation of the consolidated and separate financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act, the Financial Reporting Council of Nigeria (Amendment) Act, 2023 and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.



As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication



Report on other legal and regulatory requirements

The Companies and Allied Matters Act requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) the company has kept proper books of account, so far as appears from our examination of those books and returns adequate for our audit have been received from branches not visited by us;
- iii) the company's Consolidated and separate statement of financial position and Consolidated and separate statement of Profit or Loss and Other Comprehensive Income are in agreement with the books of account and returns.

In accordance with the requirements of the Financial Reporting Council, we performed a limited assurance engagement and reported on management's assessment of United Capital Plc's internal control over financial reporting as of 31 December 2023. The work performed was done in accordance with FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting issued by the Financial Reporting Council of Nigeria, and we have issued an unqualified conclusion in our report dated 26 March 2024.

Chidi Ojechi

For: **PricewaterhouseCoopers**
Chartered Accountants
Lagos, Nigeria

Engagement Partner: Chidi Ojechi
FRC/2017/PRO/ICAN/004/00000015955



26 March 2024

PricewaterhouseCoopers Chartered Accountants
Landmark Towers, 5B Water Corporation Road, Victoria Island, Lagos, Nigeria
T: +234 1 271 1700, www.pwc.com/ng TIN: 01556757-0001 BN: 958268

Partners: S Abu, O Adekoya, T Adeleke, W Adetokunbo-Ajayi, S Adu, E Agbeyi, A Akingbade, UN Akpata, O Alakhume, A Attitebi, C Azobu, A Banjo, E Erhie, K Erikume, M Iwelumo, H Jaiyeola, T Labeodan, U Muogilim, C Obaro, C Ojechi, U Ojirmah, O Oladipo, W Olowofoyeku, P Omontuemen, O Osinubi, O Ubah, C Uwaegbute, Y Yusuf



Independent practitioner's report

To the Members of United Capital Plc

Report on an assurance engagement performed by an independent practitioner to report on management's assessment of controls over financial reporting

Our opinion

In our opinion, nothing has come to our attention that the internal control procedures over financial reporting put in place by management of United Capital Plc ("the company's") and its subsidiaries (together "the group") are not adequate as of 31 December 2023, based on the SEC Guidance on Implementation of Section 60 – 63 of The Investments and Securities Act 2007 issued by The Securities and Exchange Commission.

What we have performed

We have performed an assurance engagement on United Capital Plc's internal control over financial reporting as of December 31, 2023, based on FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting ("the Guidance") issued by the Financial Reporting Council of Nigeria. The company's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Assessment of and Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our assurance engagement.

Basis for opinion

We conducted our assurance engagement in accordance with the Guidance, which requires that we plan and perform the assurance engagement and provide a limited assurance report on the entity's internal control over financial reporting based on our assurance engagement. As prescribed in the Guidance, the procedures we performed included obtaining an understanding of internal control over financial reporting, assessing the risk that a control deficiency exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our engagement also included performing such other procedures as we considered necessary in the circumstances. We believe the procedures performed provide a basis for our report on the internal control put in place by management over financial reporting.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that



controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other matter

We also have audited, in accordance with the International Standards on Auditing, the consolidated and separate financial statements of United Capital Plc and our report dated 26 March 2024 expressed an unqualified opinion.

Chidi Ojechi
For: PricewaterhouseCoopers
Chartered Accountants
Lagos, Nigeria

Engagement Partner: Chidi Ojechi
FRC/2017/PRO/ICAN/004/000000015955



26 March 2024

Consolidated and Separate Statements of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Group		Company	
		31 December 2023	31 December 2022	31 December 2023	31 December 2022
		=N=' 000	=N=' 000	=N=' 000	=N=' 000
Gross Earnings		45,895,098	26,896,411	21,624,979	13,981,324
Investment income	4	8,524,788	13,819,670	4,221,826	3,130,219
Fee and commission income	5	8,096,450	8,123,215	1,347,026	2,500,953
Net trading income	6	3,977,495	2,443,423	722,791	250,193
Net operating income		20,598,733	24,386,308	6,291,643	5,881,365
Other income	7	24,445,753	2,531,952	8,515,408	838,804
Dividend income from subsidiaries	18	-	-	6,309,000	7,218,000
Net gain/(loss) on financial assets at fair value through profit or loss	8	850,612	(21,849)	508,928	43,155
Total Revenue		45,895,098	26,896,411	21,624,979	13,981,324
Personnel expenses	9	(3,537,746)	(2,339,058)	(874,868)	(591,000)
Other operating expenses	10	(6,601,607)	(4,899,778)	(1,882,864)	(1,105,814)
Depreciation of property and equipment	11	(311,251)	(197,595)	(271,136)	(166,868)
Amortisation of intangible & right of use assets	11	(133,518)	(108,005)	(125,311)	(104,019)
Impairment for credit losses	12	(18,697,784)	(6,172,694)	(1,068,915)	(607,707)
Total Expenses		(29,281,906)	(13,717,130)	(4,223,094)	(2,575,408)
Operating profit before income tax		16,613,192	13,179,281	17,401,885	11,405,916
Share of accumulated profit of associates	22	691,094	321,107	-	-
Profit before income tax		17,304,286	13,500,388	17,401,885	11,405,916
Income tax expense	13	(5,884,534)	(3,847,363)	(3,454,473)	(2,058,261)
Profit for the year		11,419,752	9,653,025	13,947,412	9,347,655
Other comprehensive income, net of income tax items that will not be reclassified subsequently to profit or loss					
Fair value gain on investments in equity instruments measured at FVTOCI (net of tax)	33.1	54,792,264	985,402	15,600,129	176,502
Items that may be reclassified subsequently to profit or loss					
Fair value gain on investments in debt instruments measured at FVTOCI (net of tax)	33.2	514,119	802,070	-	870,965
Other comprehensive income for the year, net of taxes		55,306,383	1,787,472	15,600,129	1,047,467
Total comprehensive income for the year		66,726,135	11,440,497	29,547,541	10,395,122
Profit for the year attributable to:					
Equity holders of the Company		11,419,752	9,653,025	13,947,412	9,347,655
Total comprehensive income attributable to:					
Equity holders of the Company		66,726,135	11,440,497	29,547,541	10,395,122
Earnings per share-basic (kobo)	14	190	161	232	156
Earnings per share-diluted (kobo)	14	190	161	232	156

The accompanying notes form an integral part of these financial statements.

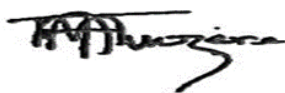
CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Notes	Group		Company	
		31 December 2023 =N=' 000	31 December 2022 =N=' 000	31 December 2023 =N=' 000	31 December 2022 =N=' 000
ASSETS					
Cash and cash equivalents	15	145,255,523	149,867,038	12,683,441	22,907,336
Investment securities	16	693,984,483	386,544,095	150,008,249	85,387,058
Trade and other receivables	17	85,463,551	58,943,091	83,793,521	47,812,682
Dividend receivable from subsidiaries	18	-	-	6,309,000	7,218,000
Right of use assets	19	94,692	141,944	94,692	141,944
Intangible assets	20	188,615	179,301	151,997	169,617
Investments in subsidiaries	21	-	-	1,101,000	901,000
Investments in associates	22	5,305,788	4,614,694	4,500,000	4,500,000
Property and equipment	23	1,253,484	386,555	1,168,588	343,876
Deferred tax assets	24	402,044	1,238,493	-	-
TOTAL ASSETS		931,948,180	601,915,211	259,810,488	169,381,513
LIABILITIES					
Managed funds	25	600,106,217	413,698,697	-	-
Borrowed funds	26	200,822,968	100,454,344	199,132,509	100,849,650
Other liabilities	27	27,782,946	48,649,198	15,148,590	47,671,635
Defined benefit Obligations	28	365,768	-	253,246	-
Current tax liabilities	29	2,950,805	5,292,648	1,435,398	1,902,059
Deferred tax liabilities	24	9,206,051	833,034	5,122,483	787,448
TOTAL LIABILITIES		841,234,755	568,927,921	221,092,226	151,210,792
SHAREHOLDERS FUND					
Share capital	30	3,000,000	3,000,000	3,000,000	3,000,000
Share premium	31	683,611	683,611	683,611	683,611
Retained earnings	32	31,733,315	29,313,563	18,253,353	13,305,941
Fair value reserves	33.3	55,296,499	(9,884)	16,781,298	1,181,169
TOTAL SHAREHOLDERS FUND		90,713,425	32,987,290	38,718,262	18,170,721
TOTAL LIABILITIES AND SHAREHOLDERS FUND		931,948,180	601,915,211	259,810,488	169,381,513

The accompanying notes form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 26th March 2024 and signed on its behalf by:



Chika Mordi
Chairman
FRC/2014/IODN/00000006667



SHDRACK ONAKPOMA
(Group Chief Finance Officer)
FRC/2013/ICAN/00000001643



Peter Ashade
Group Chief Executive Officer
FRC/2013/ICAN/00000002719

■ CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY

AS AT 31 DECEMBER 2023

2023 Group	Share capital	Retained earnings	Share premium	Fair value reserves	Shareholders' funds
	=N=' 000	=N=' 000	=N=' 000	=N=' 000	=N=' 000
As at 1 January 2023	3,000,000	29,313,563	683,611	(9,884)	32,987,290
Transfer from profit or loss account	-	11,419,752	-	-	11,419,752
Net change in fair value on equity instruments at FVTOCI	-	-	-	54,792,264	54,792,264
Net change in fair value on debt instruments at FVTOCI	-	-	-	514,119	514,119
Total other comprehensive income	-	-	-	55,306,383	55,306,383
Total comprehensive income	-	11,419,752	-	55,306,383	66,726,135
Transactions with owners in their capacity as owners					
Dividend paid	-	(9,000,000)	-	-	(9,000,000)
As at 31 December 2023	3,000,000	31,733,315	683,611	55,296,499	90,713,425
Company					
At 1 January 2023	3,000,000	13,305,941	683,611	1,181,169	18,170,720
Transfer from profit or loss account	-	13,947,412	-	-	13,947,412
Net change in fair value on equity instruments at FVTOCI	-	-	-	15,600,129	15,600,129
Total other comprehensive income	-	-	-	15,600,129	15,600,129
Total comprehensive income	-	13,947,412	-	15,600,129	29,547,541
Transactions with owners in their capacity as owners					
Dividend paid	-	(9,000,000)	-	-	(9,000,000)
As at 31 December 2023	3,000,000	18,253,353	683,611	16,781,298	38,718,262

■ CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY *cont'd*

2022 Group	Share capital	Retained earnings	Share premium	Fair value reserves	Shareholders' funds
	=N=' 000	=N=' 000	=N=' 000	=N=' 000	=N=' 000
At 1 January 2022	3,000,000	28,660,538	683,611	(1,797,356)	30,546,793
Transfer from profit or loss account	-	9,653,025	-	-	9,653,025
Net change in fair value on equity instruments at FVTOCI	-	-	-	985,402	985,402
Net change in fair value on debt instruments at FVTOCI	-	-	-	802,070	802,070
Total other comprehensive income	-	-	-	1,787,472	1,787,472
Total comprehensive income	-	9,653,025	-	1,787,472	11,440,497
Transactions with owners in their capacity as owners					
Dividend paid	-	(9,000,000)	-	-	(9,000,000)
At 31 December 2022	3,000,000	29,313,563	683,611	(9,884)	32,987,290
Company					
At 1 January 2022	3,000,000	12,958,286	683,611	133,702	16,775,599
Transfer from profit or loss account	-	9,347,655	-	-	9,347,655
Net change in fair value on equity instruments at FVTOCI	-	-	-	176,502	176,502
Net change in fair value on debt instruments at FVTOCI	-	-	-	870,965	870,965
Total other comprehensive income	-	-	-	1,047,467	1,047,467
Total comprehensive income	-	9,347,655	-	1,047,467	10,395,122
Transactions with owners in their capacity as owners					
Dividend paid	-	(9,000,000)	-	-	(9,000,000)
At 31 December 2022	3,000,000	13,305,941	683,611	1,181,169	18,170,721

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

		Group		Company	
		31 December 2023 N' 000	31 December 2022 N' 000	31 December 2023 N' 000	31 December 2022 N' 000
Profit before tax		17,304,286	13,500,388	17,401,885	11,405,916
Adjustments for:					
Amortisation of Intangibles	11	59,2367	37,130	51,030	33,144
Depreciation of property and equipment	11	311,251	197,595	271,136	166,868
Depreciation of right of use	11	74,281	70,875	74,281	70,875
Foreign exchange revaluation	7	(24,211,808)	(1,883,105)	(8,352,373)	(487,472)
Gain on disposal of property and equipment	7	(610)	4	(610)	4
Net interest income	4	(7,542,778)	(13,124,707)	(3,423,285)	(3,011,103)
Dividend income	4	(982,011)	(1,016,070)	(798,062)	(119,116)
Dividend income from subsidiary	18	-	-	(6,309,000)	(7,218,000)
Fair value changes on financial instruments at fair value through profit or loss	8	(905,412)	4,020	(508,928)	(43,155)
Impairment charge on other financial assets	12	18,697,784	6,172,694	1,068,915	607,707
		2,804,222	3,958,824	(525,011)	1,405,668
Changes in working capital					
Trade receivables	17	(34,488,824)	(28,539,414)	(36,204,503)	(17,880,974)
Managed funds	25	186,407,520	86,449,673	-	-
Other liabilities	27	(20,866,252)	34,470,349	(32,523,045)	42,535,207
Current service cost		365,768	-	253,246	-
Cash generated from/(used in) operations		134,222,434	96,339,432	(68,999,313)	26,059,902
Interest received	4	76,436,548	52,890,397	21,912,765	8,897,951
Interest paid	4	(67,911,760)	(39,070,727)	(17,690,939)	(5,767,732)
Income tax paid	29	(2,802,255)	(533,130)	(264,840)	(100,819)
Net cash generated by/(used in) operating activities		139,944,967	109,625,972	(65,042,328)	29,089,301
Cash flows from investing activities					
Purchase of investment securities		(291,277,043)	(78,430,720)	(65,339,232)	(40,384,454)
Disposal of investment securities		50,983,278	57,574,866	17,111,905	15,765,345
Purchase of property and equipment	23	(1,178,179)	(110,868)	(1,095,849)	(95,129)
Purchase of right of use assets	19	(27,029)	-	(27,029)	-
Purchase of intangible assets	20	(68,551)	(137,835)	(33,409)	(134,610)
Investment in subsidiary		-	-	(200,000)	
Proceeds from the sale of property and equipment		1,012	491	610	491
Dividends received	4 & 18	982,011	1,016,070	8,016,062	4,947,616
Net cash used in investing activities		(240,584,501)	(20,087,996)	(41,566,943)	(19,900,742)
Cash flows from financing activities					
Dividend paid to owners of equity capital	32	(9,000,000)	(9,000,000)	(9,000,000)	(9,000,000)
Proceeds from borrowings	26	109,680,275	36,026,042	109,680,275	36,026,042
Repayment of borrowings		(11,031,648)	(18,990,389)	(11,397,416)	(18,990,389)
Net cash generated from financing activities		89,648,627	8,035,653	89,282,859	8,035,653
Net increase/(decrease) in cash and cash equivalents		(10,990,910)	97,573,629	(17,326,411)	17,224,212
Effect of foreign exchange changes on cash		5,715,369	(1,513,322)	7,196,004	(1,360,817)
Cash and cash equivalents at beginning of year	15b	149,675,694	53,615,387	22,811,247	6,947,852
Cash and cash equivalents at end of year		144,400,153	149,675,694	12,680,840	22,811,247

The accompanying notes form an integral part of these financial statements.

■ NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For The Year Ended 31 December 2023

1. Company information

These financial statements are the consolidated and separate financial statements of United Capital Plc, a Company incorporated in Nigeria and its subsidiaries (hereafter referred to as 'the Group').

United Capital Plc (previously called UBA Capital Plc) was incorporated and domiciled in Nigeria, as a Public liability company, on 3 August, 2012, to act as the ultimate holding company for the United Capital Group. The Company was listed on the Nigerian Stock exchange on 17 January, 2013. The Company changed its name to United Capital Plc following the approval of the resolution by shareholders on the 16th December, 2014.

The principal activities of the Group are mainly the provision of investment banking services, portfolio management services, securities trading and trusteeship.

2. Summary of significant accounting policies

The principal accounting policies adopted by the Group in the preparation of these consolidated and separate financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1 Going concern

These financial statements have been prepared on the going concern basis. The Group has no intention or need to reduce substantially its business operations. The management believes that the going concern assumption is appropriate for the Group due to sufficient capital adequacy ratio and projected liquidity, based on historical experience that short term obligations will be refinanced in the normal course of business. Liquidity ratio and continuous evaluation of current ratio of the Group is carried out by the Group to ensure that there are no going concern threats to the operation of the Group.

2.2 Basis of preparation and measurement

The Group's consolidated and separate financial statements for the period ended 31 December 2023 have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations as issued by the IASB. Additional information required by national regulations is included where appropriate.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Directors to exercise its judgement in the process of applying the Group's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the year the assumptions changed. The Directors believe that the underlying assumptions are appropriate and that the Group's financial statements therefore present the financial position and results fairly. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in the notes to the financial statements.

2.2.1 Basis of measurement

The Group's consolidated and separate financial statements for the period ended 31 December 2023 have been prepared on the historical cost basis except for the following item in the statement of financial position.

■ NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

- Financial instruments at fair value through profit or loss are measured at fair value
- Financial instrument at amortised cost are measured at amortised cost
- Financial instruments at fair value through other comprehensive income are measure at fair value through equity

The Group applies accrual accounting for recognition of its income and expenses.

The financial statements are presented and rounded to the nearest thousands of Naira.

2.2.2 Statement of Compliance

The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board (IASB) and adopted by the Financial Reporting Council of Nigeria.

The consolidated and separate financial statements comply with the requirement of the International Financial Reporting Standard, Companies and Allied Matters Act, Investment and Securities Act, the Financial Reporting Council Act, to the extent that they are not in conflict with the International Financial Reporting Standards (IFRS).

2.2.3 Use of estimates and judgement

The preparation of the consolidated and separate financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates. In preparing these consolidated and separate annual financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses.

2.2.4 Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the note below;

2.2.5 Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the period ended 31 December 2023 is included in the following notes.

Impairment of financial instruments: assessment of whether credit risk on the financial asset has increased significantly since initial recognition and incorporation of forward-looking information in the measurement of ECL.

Determination of the fair value of financial instruments with significant unobservable inputs. (note 3.7.1)

"Recognition of deferred tax assets: - availability of future taxable profit against which carry-forward tax losses can be used (see note 24) as well as the likelihood and uncertainties of the extension of the tax exempt status of income on Government securities which we have assumed to be highly likely.

■ NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

Recognition of defined benefit obligation in note 28 also spells out estimates and assumptions relied upon to determine the present values of defined benefit obligations recognised in the financial statements. A sensitivity analysis of these assumptions are also provided in the note to the financial statements.

The Group applies accrual accounting for recognition of its income and expenses.

The consolidated and separate financial statements have been prepared on the basis that the Group and Company will continue to operate as a going concern."

2.3 Changes in accounting policies

Except as described below, the Group has consistently applied the accounting policies as set out in note 2.3.1 to all periods presented in these annual financial statements.

2.3.1 New and revised IFRSs/IFRICs affecting amounts reported and/or disclosures in these financial statements

In the current period, the Group has applied a number of amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2023.

New or amended standards	Summary of the requirements	Impact on financial statements
Classification of Liabilities as Current or Noncurrent (Amendments to IAS 1)	<p>"This amendment seeks to clarify the requirements for classifying liabilities as current or non-current. Including the conditions which exist at the end of the reporting period are those which will be used to determine if a right to defer settlement of a liability exists, Management expectations about events after the balance sheet date, and the situations that are considered settlement of a liability. The amendments will be applied retrospectively.</p> <p>This standard becomes effective 1st January 2023 and early adoption is permitted."</p>	This standard does not have significant impact on the financial statements.
Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12	<p>"This standard is Effective for annual periods beginning on or after 1 January 2023. In determining the tax base of assets and liabilities, the amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability.</p> <p>Also, in respect of changes to the initial recognition exception under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary</p>	This standard does not have significant impact on the financial statements.

■ NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

<p>Definition of Accounting Estimates (Amendments to IAS 8)</p>	<p>"The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.</p> <p>The effective date of this amendment is from periods beginning on or after 1 January 2023"</p>	<p>This standard does not have significant impact on the financial statements.</p>
<p>IFRS 17 - Insurance Contracts</p>	<p>"IFRS 17 was issued in May 2017 and applies to annual reporting periods beginning on or after 1 January 2023. The new IFRS 17 standard establishes the principles for the recognition, measurement, presentation and disclosure of Insurance contracts within the scope of the Standard. It also requires similar principles for reinsurance contracts held and issued investment contracts with discretionary participation features. The standard brings a greater degree of comparability and transparency about an insurer's financial health and the profitability of new and in-force insurance business.</p> <p>IFRS 17 introduces a general measurement model that measures groups of insurance contracts based on fulfilment cash flows (comprising probability-weighted current estimates of future cash flows and an explicit entity-specific adjustment for risk) and a contractual service margin. The premium allocation approach (PAA) is a simplified measurement model that may be applied when certain conditions are fulfilled. Under the PAA approach, the liability for remaining coverage will be initially recognised as the premiums, if any, received at initial recognition, minus any insurance acquisition cash flows. The general measurement model has specific modifications applicable to accounting for reinsurance contracts, direct participating contracts and investment contracts with discretionary participation features."</p>	<p>This standard does not impact the Group as it is not into an insurance business. However, the Group has a 25% equity stake in two Insurance Companies. The investments are treated as investment in associates and will not be consolidated.</p>

■ NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

2.3.2 Standards issued but not yet effective

The following standards and interpretations had been issued but were not mandatory for the reporting period ended 31 December 2023. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

New or amended standards	Summary of the requirements	Impact on financial statements
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	<p>"IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.</p> <p>This standard becomes effective 1 January 2024."</p>	The impact of this standard on the financial statements is currently under assessment.
IFRS S2 Climate-related Disclosures	<p>"IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.</p> <p>This standard becomes effective 1 January 2024."</p>	The impact of this standard on the financial statements is currently under assessment.
Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)	<p>"The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.</p> <p>This amendment becomes effective 1 January 2024."</p>	This amendment is not expected to have significant impact on the financial statements. The Company has opted not to early adopt.
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	<p>"The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.</p> <p>This amendment becomes effective 1 January 2024."</p>	This amendment is not expected to have significant impact on the financial statements. The Company has opted not to early adopt.
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	<p>"The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.</p> <p>This amendment becomes effective 1 January 2024"</p>	This amendment is not expected to have significant impact on the financial statements. The Company has opted not to early adopt.

■ **NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS** *cont'd*

<p>Amendment to IAS 21- Lack of exchangeability</p>	<p>"An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.</p> <p>The amendment is not expected to have a material impact on the financial statements of the Group as the Group has foreign currency transactions in US Dollars and Euro that are readily exchangeable.</p> <p>This amendment becomes effective January 1 2025."</p>	<p>This amendment is not expected to have significant impact on the financial statements. The Company has opted not to early adopt.</p>
<p>Amendment to IAS 1</p>	<p>"This amendment relates to classification of Liabilities as Current or Non-current which will provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the balance sheet date.</p> <p>The amendment only affect the presentation of liabilities in the statement of financial position and not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items. The amendment will</p> <ul style="list-style-type: none"> clarify that classification of liabilities as current or non-current should be based on rights that are in existence at the end of the balance sheet date, clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability and make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. <p>This amendment becomes effective 1 January 2024."</p>	<p>This standard does not have significant impact on the financial statements.</p>

All other amendment had no significant impact on the Group.

■ NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

2.4 Consolidation

The financial statements of the subsidiaries used to prepare the consolidated financial statements were prepared as of the parent company's reporting date. The consolidation principles are unchanged as against the previous year.

2.4.1 Subsidiaries

The consolidated and separate financial statements incorporates the financial statements of the Company and all its subsidiaries where it is determined that there is a capacity to control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Control is assessed on a continuous basis.

All the facts of a particular situation are considered when determining whether control exists. Control is usually present when an entity has:

- power over more than one-half of the voting rights of the other entity;
- power to govern the financial and operating policies of the other entity;
- power to appoint or remove the majority of the members of the board of directors or equivalent governing body;
- or
- power to cast the majority of votes at meetings of the board of directors or equivalent governing body of the entity.

a. Separate financial statements

Investments in subsidiaries are accounted for at cost less accumulated impairment losses (where applicable) in the separate financial statements. The carrying amounts of these investments are reviewed annually for impairment indicators and, where an indicator of impairment exists, are impaired to the higher of the investment's fair value less costs to sell and value in use.

b. Consolidated financial statements

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date that control ceases. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (transactions with owners). Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the Group.

Inter-company transactions, balances and unrealised gains on transactions between companies within the Group are eliminated on consolidation. Unrealised losses are also eliminated in the same manner as unrealised gains, but only to the extent that there is no evidence of impairment. Consistent accounting policies are used throughout the Group for the purposes of consolidation.

i. Acquisition

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The consideration transferred is measured as the sum of the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the acquisition date. The consideration includes any asset, liability or equity resulting from a contingent consideration arrangement. The obligation to pay contingent consideration is classified as either a liability or equity based on the terms of the arrangement. The right to a return of previously transferred consideration is

■ NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

classified as an asset. Transaction costs are recognised within profit or loss as and when they are incurred. Where the initial accounting is incomplete by the end of the reporting year in which the business combination occurs (but no later than 12 months since the acquisition date), the Group reports provisional amounts.

Where applicable, the Group adjusts retrospectively the provisional amounts to reflect new information obtained about facts and circumstances that existed at the acquisition date and affected the measurement of the provisional amounts. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any NCI. The excess (shortage) of the sum of the consideration transferred (including contingent consideration), the value of NCI recognised and the acquisition date fair value of any previously held equity interest in the subsidiary over the fair value of identifiable net assets acquired is recorded as goodwill in the statement of financial position (gain on bargain purchase, which is recognised directly in profit or loss).

When a business combination occurs in stages, the previously held equity interest is remeasured to fair value at the acquisition date and any resulting gain or loss is recognised in profit or loss.

Increases in the Group's interest in a subsidiary, when the Group already has control, are accounted for as transactions with equity holders of the Group. The difference between the purchase consideration and the Group's proportionate share of the subsidiary's additional net asset value acquired is accounted for directly in equity.

ii. Loss of Control

The Group could lose control of a subsidiary through the disposal of the subsidiary. When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between the fair value of the consideration received (including the fair value of any retained interest in the underlying investee) and the carrying amount of the assets and liabilities and any non-controlling interest. Any gains or losses in OCI that relate to the subsidiary are reclassified to profit or loss at the time of the disposal.

iii. Partial Disposal

Where the Group partially disposes a subsidiary which gives rise to a reduction in the Group's ownership interest in an investee that is not a disposal (i.e. a reduction in the group's interest in a subsidiary whilst retaining control). Decreases in the Group's interest in a subsidiary, where the Group retains control, are accounted for as transactions with equity holders of the Group. Gains or losses on the partial disposal of the Group's interest in a subsidiary are computed as the difference between the sales consideration and the Group's proportionate share of the investee's net asset value disposed of, and are accounted for directly in equity.

iv Initial measurement of Non-Controlling Interest (NCI)

The Group elects on each acquisition to initially measure NCI on the acquisition date at either fair value or at the NCI's proportionate share of the investees' identifiable net assets.

2.4.2 Associates

An associate is an entity in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control over these policies. Significant influence is generally demonstrated by the Group holding in excess of 20%, but less than 50%, of the voting rights.

The Group's share of results of the associate entity is included in the consolidated income statement. Investments in

■ NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

associates are carried in the statement of financial position at cost plus the Group's share of post-acquisition changes in the net assets of the associate. Investments in associates are reviewed for any indication of impairment at least at each reporting date. The carrying amount of the investment is tested for impairment, where there is an indication that the investment may be impaired.

When the Group's share of losses or other reductions in equity in an associate equals or exceeds the recorded interest, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the entity.

The Group's share of the results of associates is based on financial statements made up to a date not earlier than three months before the balance sheet date, adjusted to conform with the accounting policies of the Group. Unrealised gains and losses on transactions are eliminated to the extent of the Group's interest in the investee. Losses may provide evidence of impairment of the asset transferred in which case appropriate allowance is made for impairment.

In the separate financial statements of the Company, investments in associates are initially recognised at cost and subsequently adjusted for by the post-acquisition changes in the investor's share of net assets of the investees. The Group uses the equity method in accounting for investments in associates.

2.5 Common control transactions

A business combination involving entities or businesses under common control is excluded from the scope of IFRS 3: Business Combinations. The exemption is applicable where the combining entities or businesses are controlled by the same party both before and after the combination. Where such transactions occur, the Group, in accordance with IAS 8, uses its judgement in developing and applying an accounting policy that is relevant and reliable. In making this judgement, the Directors consider the requirements of IFRS dealing with similar and related issues and the definitions, recognition criteria and measurement concepts for assets, liabilities, income and expenses in the framework. The Directors also consider the most recent pronouncements of other standard setting bodies that use a similar conceptual framework to develop accounting standards, to the extent that these do not conflict with the IFRS Framework or any other IFRS or interpretation.

The Group incorporates the results of the acquired businesses only from the date on which the business combination occurs.

2.6 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

The consolidated financial statements are presented in Naira, which is the Group's presentation and functional currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured.

Monetary items denominated in foreign currencies are retranslated at the rate prevailing on the statement of financial

■ NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

position date. Foreign exchange gains and losses resulting from the retranslation and settlement of these items are recognised in profit or loss within other income.

Non-monetary items measured at historical cost denominated in a foreign currency are translated with the exchange rate as at the date of initial recognition; non-monetary assets that are measured at fair value are translated using the exchange rate at the date that the fair value was determined. Translation differences on non-monetary financial instruments held at fair value through profit or loss are reported as part of the fair value gain or loss. Translation differences on non-monetary financial instruments measured at fair value through other comprehensive income are included in the fair value reserve in other comprehensive income. Non-monetary items that are measured under the historical cost basis are not retranslated.

2.7 Revenue recognition

(a) Investment income

Interest income for all interest-bearing financial instruments are recognised within 'investment income' in the income statement using the effective interest on the gross carrying amount of the financial assets. However, when a financial asset is classified as Stage 3 impaired, interest income is calculated on the impaired value (gross carrying value less specific impairment) based on the original effective interest rate.

The effective interest method is a method of calculating the amortised cost of a financial asset or liability (or group of assets and liabilities) and of allocating the interest income/expense over the relevant period. The effective interest rate is the rate that exactly discounts the expected future cash payments or receipts through the expected life of the financial instrument, or when appropriate, a shorter period, to the net carrying amount of the instrument. The application of the method has the effect of recognising income (and expense) receivable (or payable) on the instrument evenly in proportion to the amount outstanding over the period to maturity or repayment. In calculating effective interest, the Group estimates cash flows considering all contractual terms of the financial instrument but excluding future credit losses.

(b) Fees and commission income

Unless included in the effective interest calculation, fees and commissions are recognised on an accruals basis as the service is provided. Fees and commissions not integral to effective interest arising from negotiating, or participating in the negotiation of a transaction from a third party, such as the acquisition of loans, shares or other securities or the purchase or sale of businesses, are recognised on completion of the underlying transaction. Portfolio and other management advisory and service fees are recognised over time based on the applicable service contracts. The same principle is applied to the recognition of income from wealth management, financial planning and custody services that are continuously provided over an extended period of time.

The Group recognises fees and commission from management of mutual funds over time on a monthly basis as fees are accrued as a percentage of net asset value (NAV). Arranger and issuing house services fees are recognised over time as milestones of performance obligations are delivered to clients. Other fees and commission income are recognised at point in time when performance obligation on contracts are delivered to clients as brokerage fees and commission.

(c) Dividend income

Dividends are recognised in the income statement as "Dividend income" under investment income when the entity's right to receive payment is established

■ NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

2.8 Income taxation

(a) Current income tax

Income tax is calculated on the basis of the applicable tax laws in Nigeria and is recognised as an expense or credit for the period except to the extent that current tax related to items that are charged or credited in other comprehensive income or directly to equity. In these circumstances, current tax is charged or credited to other comprehensive income or to equity (for example, current tax on equity instruments for which the entity has elected to present gains and losses in other comprehensive income).

(b) Deferred income tax

Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the date of the statement of financial position and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The tax effects of carry-forwards of unused losses, unused tax credits and other deferred tax assets are recognised when it is probable that future taxable profit will be available against which these losses and other temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising from investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the difference will not reverse in the foreseeable future.

Deferred and current tax assets and liabilities are only offset when they arise in the same tax reporting group and where there is both the legal right and the intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.9 Earnings per share

The Group presents basic earnings per share for its ordinary shares. Basic earnings per share are calculated by dividing the profit attributable to ordinary shareholders of the Group by the weighted average number of shares outstanding during the period.

2.10 Cash and cash equivalents

Cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair values and are readily convertible to known amount of cash. Cash and cash equivalents includes balances and placements with banks and other short term investments including bank overdrafts. Bank overdrafts are shown separately as current liabilities in the statement of financial position.

■ NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

2.11 Financial assets & liabilities

a. Classification and subsequent measurement

For the purpose of measuring a financial asset after initial recognition, the Group classifies financial assets into the following categories: at fair value through profit or loss; at fair value through other comprehensive income and at amortised cost. For debt financial assets, the classification is based on the results of the Group's business model test and the contractual cashflow characteristics of the financial assets. At initial recognition, all assets are measured at fair value plus transaction costs that are incremental and directly attributable to the acquisition of the financial assets in the case of financial asset not at fair value through profit or loss.

i. Financial assets at fair value through profit or loss

Debt instruments at fair value through profit or loss are financial assets held for trading and those designated by the Group as at fair value through profit or loss upon initial recognition. Financial assets classified as fair value through profit or loss are those that have been acquired principally for the purpose of selling in the short term or repurchasing in the near term, or held as part of a portfolio that is managed together for short-term profit.

Financial instruments included in this category are recognised initially at fair value; transaction costs are taken directly to profit or loss. Gains and losses arising from changes in fair value are included directly in profit or loss and are reported as 'Net gains/(losses) on financial assets classified as fair value through profit or loss'. Interest income and expense and dividend income on financial assets fair valued through profit or loss are included in 'Interest income, interest expense and dividend income', respectively and reported under investment income.

ii. Amortised Cost

Except for debt financial assets that are designated at initial recognition as at fair value through profit or loss, a debt financial asset is measured at amortised cost only if both of the following conditions are met:

- a. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows (the business model test) and
- b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flows characteristics test).

If a financial asset satisfies both of these conditions, it is required to be measured at amortised cost unless it is designated as at fair value through profit or loss (FVTPL) on initial recognition.

iii. Fair Value through other comprehensive income (FVTOCI)

Except for debt financial assets that are designated at initial recognition as at fair value through profit or loss, a financial asset is measured at fair value through other comprehensive income (FVTOCI) if both of the following conditions are met:

- a. The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets (the business model test); and
- b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flows characteristics test).

■ NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

This assessment includes determining the objective of holding the asset and whether the contractual cash flows are consistent with a basic lending arrangement. Where the contractual terms introduces exposure to risk or volatility that are not considered de minimis and are inconsistent with a basis lending arrangement, the financial asset is classified as fair value through profit or loss – default.

All equity financial assets are measured at fair value through profit or loss, however, equity financial assets which are not held for trading may be irrevocably elected (on an asset-by-asset basis) to be measured at fair value through OCI.

b. Impairment of financial assets

The impairment model under IFRS 9 reflects expected credit losses. Under the impairment approach in IFRS 9, it is no longer necessary for a credit event to have occurred before credit losses are recognised. Instead, the Group always accounts for expected credit losses and changes in those expected credit losses. The amount of expected credit losses should be updated at each reporting date to reflect changes in credit risk since initial recognition.

The Group recognizes loss allowances for Expected Credit Losses (ECL) on the following financial instruments that are not measured at FVTPL:

For financial assets that are debt instruments, trade receivables, Loan and advances to customers, Other receivables, and money market placements; The Group measures expected credit losses and recognizes interest income on risk assets based on the following stages:

Stage 1: Assets that are performing. If credit risk is low as of the reporting date or the credit risk has not increased significantly since initial recognition, the Group recognize a loss allowance at an amount equal to 12-month expected credit losses. This amount of credit losses is intended to represent lifetime expected credit losses that will result if a default occurs in the 12 months after the reporting date, weighted by the probability of that default occurring.

Stage 2: Assets that have significant increases in credit risk. In instances where credit risk has increased significantly since initial recognition, the Group measures a loss allowance at an amount equal to full lifetime expected credit losses. That is, the expected credit losses that result from all possible default events over the life of the financial instrument. For these debt instruments, interest income recognition will be based on the effective interest rate (EIR) multiplied by the gross carrying amount. Exposures which are overdue for more than 30days are considered to have significantly increased in credit risk.

Stage 3: A lifetime ECL is calculated for financial assets that are assessed to be credit impaired. For debt instruments that have observable evidence of impairment. Exposure which are overdue for more than 90 days are considered to be in default.

Default

The Group's definition of default has been aligned to its internal credit risk management definitions and approaches. A financial asset is considered to be in default when there is objective evidence of impairment. The following criteria are used in determining whether there is objective evidence of impairment for financial assets or groups of financial assets:

- significant financial difficulty of borrower and/or modification (i.e. known cash flow difficulties experienced by the borrower)
- a breach of contract, such as default or delinquency in interest and/or principal payments
- disappearance of active market due to financial difficulties
- it becomes probable that the borrower will enter bankruptcy or other financial reorganisation
- where the Group, for economic or legal reasons relating to the borrower's financial difficulty, grants the borrower

■ NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

a concession that the Group would not otherwise consider.

Exposures which are overdue for more than 90 days are also considered to be in default.

The Group's process to assess changes in credit risk is multi-factor and has three main elements;

- I. Quantitative element - A quantitative comparison of PD at the reporting date and PD at initial recognition
- II. Qualitative elements
- III. Backstop indicators

For individually significant exposures such as corporate and commercial risk assets, the assessment is driven by the internal credit rating of the exposure and a combination of forward-looking information that is specific to the individual borrower and forward-looking information on the macro economy, commercial sector (to the extent such information has not been already reflected in the rating process).

For other exposures, significant increases in credit risk is made on a collective basis that incorporates all relevant credit information, including forward-looking macroeconomic information and factors which are expected to have significant impact on the portfolio or individual counterparty exposures. For this purpose, the Group categorises its exposures on the basis of shared credit risk characteristics.

Applicable forward looking macroeconomic information used in the impairment model includes;

- a. GDP information
- b. Inflation rate
- c. exchange rates
- d. Oil price fluctuation

The impact of these economic variables on the Probability of default (PD), Exposure at default (EAD) and Loss given default (LGD) has been determined by performing statistical regression analysis to understand the impact changes in these variables have had historically on default rates and on the components of LGD and EAD.

Based on advice from the Group research team and economic experts and consideration of a variety of external actual and forecast information, the Group formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios and scenario weightings. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies and monetary authorities where the Group operates, supranational organisations such as the International Monetary Fund, and selected private-sector and academic forecasters. The base case represents a most-likely outcome while the other scenarios represent more optimistic and more pessimistic outcomes. Periodically, the Group carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios. The scenario weightings are determined by a combination of statistical analysis and expert credit judgement, taking account of the range of possible outcomes each chosen scenario is representative of.

Significant increase in credit risk (SICR)

The Group's decision on whether expected credit losses are based on 12-month expected credit losses or lifetime expected credit losses depends on whether there has been a significant increase in credit risk since initial recognition. An assessment of whether credit risk has increased significantly is made at each reporting date. When making the assessment, the Group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. This forms the basis of stage 1, 2 and 3 classification and subsequent migration.

■ NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

The assessment of SICR is performed using the Lifetime PD under each of the base, and the other scenarios, multiplied by the associated scenario weighting, along with qualitative and backstop indicators. This determines whether the whole financial instrument is in Stage 1, Stage 2, or Stage 3 and hence whether 12-month or lifetime ECL should be recorded.

Following this assessment, the Group measures ECL as either a probability weighted 12 month ECL (Stage 1), or a probability weighted lifetime ECL (Stages 2 and 3). These probability-weighted ECLs are determined by running each scenario through the relevant ECL model and multiplying it by the appropriate scenario weighting (as opposed to weighting the inputs).

The criteria for determining whether credit risk has increased significantly vary by portfolio and include quantitative and qualitative factors. Using its expert credit judgement and where possible relevant historical experience, the Group may determine that an exposure has undergone a significant increase in credit risk based on particular qualitative indicators that it considers are indicative of such and whose effect may not otherwise be fully reflected in its quantitative analysis on a timely basis.

As a backstop, the Group considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due. There is a rebuttable presumption that the credit risk has increased significantly if contractual payments are more than 30 days past due; this presumption is applied unless the Company has reasonable and supportable information demonstrating that the credit risk has not increased significantly since initial recognition. The number of days past due is determined by counting the number of days since the date the full payment has not been received. Due dates are determined without considering any grace period that might be available to the borrower. The Group monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews

i) Assets carried at amortised cost

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in income statement. If a financial instrument has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

The calculation of the present value of the estimated future cash flows of a collateralised financial asset reflects the cash flows that may result from disposal less costs for obtaining and selling the collateral, whether or not disposal is probable.

For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics (i.e. on the basis of the Group's grading process that considers asset type, industry, geographical location, collateral type, past-due status and other relevant factors). Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the assets in the group and historical loss experience for assets with credit risk characteristics similar to those in the group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not currently exist.

■ NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

Estimates of changes in future cash flows for groups of assets are reflected and directionally consistent with changes in related observable data from period to period (for example, changes in unemployment rates, property prices, payment status, or other factors indicative of changes in the probability of losses in the group and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Group to reduce any differences between loss estimates and actual loss experience.

When a loan is uncollectible, it is written off against the related allowance for loan impairment. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Impairment charges relating to loans and advances to banks, loans and advances to customers and investment securities are classified in 'Impairment writeback /(charge) for credit losses'.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in profit or loss.

The Group applies the simplified approach and recognises lifetime ECL for trade receivables using a provision matrix. The provision matrix is based on the historical observed default rates, adjusted for forward looking estimates. At each reporting date, the historical observed default rates are updated.

ii) Assets classified as fair value through other comprehensive income

The Group can choose to make an irrevocable election at initial recognition for investments in equity instruments that do not meet the definition of held for trading, which would otherwise be measured at fair value through profit or loss, to present changes in fair value in other comprehensive income.

Reclassification of amounts recognised in other comprehensive income and accumulated in equity to profit or loss is not done. This applies throughout the life of the instrument and also at derecognition; such investments will not be subject to the impairment requirements.

Dividends on investments in equity instruments with gains and losses irrevocably presented in other comprehensive income are recognised in profit or loss if the dividend is not a return on investment (like dividends on any other holdings of equity instrument) when:

- a. the Group's right to receive payment of the dividend is established;
- b. it is probable that the economic benefits associated with the dividend will flow to the Group; and
- c. the amount of the dividend can be measured reliably.

For debt instruments measured at FVTOCI, changes in fair value is recognised in other comprehensive income, except for: interest calculated using the effective interest rate method, foreign exchange gains or losses and; impairment gains or losses until the financial asset is derecognised or reclassified.

When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Also, when a debt instrument asset is measured at fair value through other comprehensive income, the amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if the financial asset had been measured at amortised cost.

■ NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

c. Reclassification of financial assets

Reclassification of financial assets is determined by the Group's senior management, and is done as a result of external or internal changes which are significant to the Group's operations and demonstrable to external parties.

Reclassification of debt instruments occurs when the Group changes its business model for managing financial assets.

Investments in equity instruments that are designated as at FVTOCI at initial recognition cannot be reclassified because the election to designate as at FVTOCI is irrevocable.

d. Derecognition of financial assets

Financial assets are derecognised when the contractual rights to receive cash flows from the financial assets have expired, or where the Group has transferred its contractual rights to receive cash flows on the financial asset such that it has transferred substantially all the risks and rewards of ownership of the financial asset. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability

In transfers where control over the asset is retained, the Group continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset. Any cumulative gain/loss recognised in OCI in respect of equity investments designated at FVOCI is not recognised in profit or loss on derecognition of such assets.

e. Modification of financial assets and liabilities

Where an existing financial asset or liability is replaced by another with the same counterparty on substantially different terms, or the terms of an existing financial asset or liability are substantially modified, such an exchange or modification is treated as a derecognition of the original asset or liability and the recognition of a new asset or liability at fair value and recalculates a new effective interest rate, with the difference in the respective carrying amounts being recognised in other gains and losses on financial instruments within non-interest revenue. The date of recognition of a new asset is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the Group also assesses whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognised in profit or loss as a gain or loss on derecognition.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Group recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

If the terms are not substantially different for financial assets or financial liabilities, the group recalculates the new gross carrying amount by discounting the modified cash flows of the financial asset or financial liability using the original effective interest rate. The difference between the new carrying gross carrying amount and the original gross carrying amount is recognised as a modification gain or loss within credit impairments (for distressed financial asset modifications) or gains and losses on financial instruments within non-interest revenue (for all other modifications).

■ NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

f. Write off

Financial assets are written off when there is no reasonable expectation of recovery. Financial assets which are written off may still be subject to enforcement activities.

2.12 Financial liabilities

Classification and subsequent measurement

The Group's holding in financial liabilities represents mainly 'borrowings', 'managed funds' and 'other liabilities'. These are all classified as financial liabilities measured at amortised cost. These financial liabilities are initially recognised at fair value and subsequently measured at amortised cost. Any difference between the proceeds net of transaction costs and the redemption value is recognised in the income statement over the period of the borrowing using the effective interest rate method.

Fees paid on the establishment of the liabilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Financial liabilities are derecognised when the obligation of the financial liabilities are extinguished, that is, when the obligation is discharged, cancelled or expires.

2.13 Property and Equipment

All property and equipment used by the Group is measured at historical cost less depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent expenditures are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repair and maintenance costs are charged to other operating expenses within the income statement during the financial period in which they are incurred.

Depreciation of other assets is calculated using the straight-line method to allocate their cost net of their residual values over their estimated useful lives, as follows:

Asset Class	Useful lives
Motor vehicles	4 years
Furniture, fittings & equipment	5 years
Computer equipment Building	5 years
Building	40 years
Leasehold improvements	over shorter of the useful life of item or lease period

■ NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

Depreciation rates, methods and the residual values underlying the calculation of depreciation of items of property and equipment are kept under review on an annual basis to take account of any change in circumstances.

When deciding on depreciation rates and methods, the principal factors the Group takes into account are the expected rate of technological developments and expected market requirements for, and the expected pattern of usage of, the assets.

When reviewing residual values, the Group estimates the amount that it would currently obtain for the disposal of the asset after deducting the estimated cost of disposal if the asset were already of the age and condition expected at the end of its useful economic life.

Construction cost and improvements in respect of offices is carried at cost as capital work in progress. On completion of construction or improvements, the related amounts are transferred to the appropriate category of property and equipment.

Payments in advance for items of property and equipment are included as Prepayments in "Trade and other receivables" and upon delivery are reclassified as additions in the appropriate category of property and equipment.

Property and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal. The gain or loss on derecognition is recognised in profit or loss and is determined as the difference between the net disposal proceeds and the carrying amount of the non-financial asset.

There are no restrictions to the use of property and equipment.

2.14 Intangible assets

(a) Computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group, are recognised as intangible assets when the following criteria are met:

It is technically feasible to complete the software product so that it will be available for use;

- Management intends to complete the software product and use or sell it;
 - There is an ability to use or sell the software product;
 - It can be demonstrated how the software product will generate probable future economic benefits;
 - Adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
 - The expenditure attributable to the software product during its development can be reliably measured.
- Subsequent expenditure on computer software is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Direct computer software development costs recognised as intangible assets are amortised on the straight-line basis over 5 years and are carried at cost less any accumulated amortisation and any accumulated impairment losses. The carrying amount of capitalised computer software is reviewed annually and is written down when the carrying amount exceeds its recoverable amount.

(b) Impairment of tangible and intangible assets

At each reporting date, or more frequently where events or changes in circumstances dictate, tangible and intangible

■ NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

assets, are assessed for indications of impairment. If indications are present, these assets are subject to an impairment review. The impairment review comprises a comparison of the carrying amount of the asset with its recoverable amount: the higher of the asset's or the cash-generating unit's net selling price and its value in use. Net selling price is calculated by reference to the amount at which the asset could be disposed of in a binding sale agreement in an arm's length transaction evidenced by an active market or recent transactions for similar assets.

Value in use is calculated by discounting the expected future cash flows obtainable as a result of the asset's continued use, including those resulting from its ultimate disposal, at a market-based discount rate on a pre-tax basis.

The carrying values of tangible and intangible assets are written down by the amount of any impairment and this loss is recognised in the income statement in the period in which it occurs. A previously recognised impairment loss relating to a tangible or intangible asset may be reversed in part or in full when a change in circumstances leads to a change in the estimates used to determine the tangible or intangible asset's recoverable amount. The carrying amount of the tangible or intangible asset will only be increased up to the amount that it would have been had the original impairment not been recognised. For the purpose of conducting impairment reviews, cash-generating units are the lowest level at which the Directors monitor the return on investment on assets.

2.15 Leased assets

For any new contracts entered into on or after 1 January 2019, United Capital Plc considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the United Capital Limited ('United Capital') assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to United Capital.
- United Capital has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.
- United Capital has the right to direct the use of the identified asset throughout the period of use. United Capital assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Lease liabilities

At the commencement date of a lease, the Group recognises lease liabilities at the present value of lease payments to be made over the lease term. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The lease payments are discounted using the Group's incremental borrowing rate, being the rate that members of the Group would have to pay to borrow the funds necessary to obtain an asset of similar value to the right of use asset in a similar economic environment with similar terms, security and conditions.

■ NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Group has elected not to separate lease and non-lease components. There were no lease liability during the period.

Right of use assets

Right-of-use assets are initially measured at cost, comprising of the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date, less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. This depreciation is recognised as part of operating expenses.

Short term leases and leases of low-value-assets

Short-term leases are those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Low-value assets are assets that have values less than N5,000,000.00 (Five million naira only) when new, and depends on the nature of the asset. Lease payments on short-term leases and leases of low-value assets would be recognised as expenses in profit or loss on a straight-line basis over the lease term.

Extension and termination options - Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of properties, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Group is reasonably certain to extend (or not terminate).
- Otherwise, the Group considers other factors, including historical lease durations and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and is within the control of the Group.

Termination of leases:

On derecognition of the right-of-use asset and lease liability, any difference is recognised as a derecognition gain

■ NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

or loss together with termination or cancellation costs in profit or loss. Payments made under these leases, net of any incentives received from the lessor, are recognised in operating expenses on a straight-line basis over the term of the lease. When these leases are terminated before the lease period has expired, any payment required to be made to the lessor by way of a penalty is recognised as operating expenses in the period in which termination takes place.

Lease Modification:

When the Group modifies the terms of a lease resulting in an increase in scope and the consideration for the lease increases by an amount commensurate with a stand-alone price for the increase in scope, the Group accounts for these modifications as a separate new lease. All other lease modifications that are not accounted for as a separate lease are accounted for in terms of IFRS 9, unless the classification of the lease would have been accounted for as an operating lease had the modification been in effect at inception of the lease. These lease modifications are accounted for as a separate new lease from the effective date of the modification and the net investment in the lease becomes the carrying amount of the underlying asset.

Reassessment of lease terms and lease modifications that are not accounted for as a separate lease:

When the Group reassesses the terms of any lease (i.e. it re-assesses the probability of exercising an extension or termination option) or modifies the terms of a lease without increasing the scope of the lease or where the increased scope is not commensurate with the stand-alone price, it adjusts the carrying amount of the lease liability to reflect the payments to be made over the revised term, which are discounted at the applicable rate at the date of reassessment or modification. The carrying amount of lease liability is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. For reassessments to the lease terms, an equivalent adjustment is made to the carrying amount of the right-of-use asset, with the revised carrying amount being depreciated over the revised lease term. However, if the carrying amount of the right-of-use asset is reduced to zero any further reduction in the measurement of the lease liability, is recognised in profit or loss.

2.16 Investment Properties

Investment properties are properties held to earn rentals and/or capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are accounted for as investment properties and are measured using the fair value model. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

2.17 Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those classified by the Group as fair value through profit or loss or through other comprehensive income or those for which the Group may not recover substantially all of its initial investment, other than because of credit deterioration.

Trade and other receivables are subsequently measured at amortised cost using the effective interest method, less

■ NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

any impairment losses. Transaction costs that are integral to the effective rate are capitalised to the value of the receivables and amortised through interest income using the effective interest rate method. The Group's trade and other receivables include prepayments, WHT receivables, accrued income, other receivables, trade debtors as well as deposits for investments.

2.18 Provisions and Contingent Liabilities

Provisions are recognised for present obligations arising as consequences of past events where it is probable that a transfer of economic benefit will be necessary to settle the obligation, and it can be reliably estimated.

Provisions are determined by discounting the expected future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is uncertain or cannot be reliably measured. Contingent liabilities are not recognised but are disclosed unless they are remote.

2.19 Issued debt and equity securities

Issued financial instruments or their components are classified as liabilities where the contractual arrangement results in the Group having a present obligation to either deliver cash or another financial asset to the holder, to exchange financial instruments on terms that are potentially unfavourable or to satisfy the obligation otherwise than by the exchange of a fixed amount of cash or another financial asset for a fixed number of equity shares. Issued financial instruments, or their components, are classified as equity where they meet the definition of equity and confer on the holder a residual interest in the assets of the company. The components of issued financial instruments that contain both liability and equity elements are accounted for separately with the equity component being assigned the residual amount after deducting from the instrument as a whole the amount separately determined as the fair value of the liability component.

2.20 Share capital

Ordinary shares are classified as share capital.

(a) Share issue costs

Incremental costs directly attributable to the issue of new shares or options or to the acquisition of a business are shown in equity as a deduction, net of tax, from the proceeds.

(b) Dividend on ordinary shares

Dividend on ordinary shares are recognised in equity in the period in which they are approved by the company's shareholders.

Dividend for the year that are declared after the date of the statement of financial position are dealt with in the subsequent events note.

Dividend proposed by the Directors but not yet approved by members are disclosed in the financial statements in accordance with the requirements of the Company and Allied Matters Act.

■ NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

2.21 Employee benefits

Defined contribution plan

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Company operates a contributory pension plan in line with the Pension Reform Act 2014. Employees and the Company contribute 8% and 10% respectively of each of the qualifying staff salary in line with the provisions of the Pension Reforms Act 2014.

Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting year are discounted to their present value.

Defined benefit obligation - long service awards

The Group runs an unfunded lumpsum defined benefit plan on long service awards to all staff. The long service award is designed to reward employees who have served for periods covering 5 years and subsequent 5 years following the initial 5 years of service rendered. For the first 5 years the amount payable is 2 monthly salary for pioneer staff and 1.5 monthly salary for non-pioneer staff. Subsequent 5 year is 2.5 monthly salary for all categories of staff.

The calculation of the defined benefit is performed annually by a qualified actuary using the projected unit credit method. When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is immediately recognized in the income statement. The Group recognizes all actuarial gains or losses and all expenses arising from defined benefit plan immediately in the balance sheet, with a charge or credit to other comprehensive income (OCI) in the years in which they occur. They are not recycled subsequently in the income statement.

2.22 Fiduciary activities

The Group acts as trustees and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions.

2.23 Related party transactions

Transactions with related parties are conducted and recorded at arms' length and disclosed in accordance with IAS 24 "Related party disclosures".

■ NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - FINANCIAL RISK MANAGEMENT

3 Financial Risk Management

3.1 Introduction and Overview

Three Lines of Defence model

	Functions	Responsibilities
1 st Line of Defence	Business Line and Legal Entity Management	As the point of contact, they have primary responsibility for risk management. The process of assessing, measuring and controlling risks is ongoing and integrated in the day-to-day activities of the business through business and risk frameworks set by the second line of defence.
2 nd Line of Defence	Consists of specialist roles: Finance function; Risk Management function; Legal function; the governance and assurance functions (excluding Internal Audit)	The second line of defence functions are responsible for setting frameworks within the parameters set by the Board; and report to the Board Governance Committees. They implement the Group's risk management framework and policies, approve risk within specific mandates and provide an independent overview of the effectiveness of risk management by the first line of defence.
3 rd Line of Defence	Internal Audit	They set the internal audit framework and provide an independent assessment of the adequacy and effectiveness of the overall risk management framework and risk governance structures, and reports to the board through the Audit & Governance committee.

The Group adopts the 3 lines of defence model. Reporting lines reinforce the segregation of duties and independence within the model:

3.2 Risk Categories

The risk types that the Group is exposed to within its business operations are defined below. The definitions are consistent with the Group's risk culture and language

3.21 Credit Risk

Credit risk is the risk of loss from obligor or counterparty default on financial or contractual obligations. Credit risk comprises counterparty risk, settlement risk and concentration risk. These risk types are defined as follows:

Counterparty risk: The risk of credit loss to the Group as a result of the failure by a counterparty to meet its financial and/or contractual obligations to the Group as they fall due. This risk type has three components:

- i. **Primary credit risk:** The exposure at default arising from lending and related investment product activities (including their underwriting).
- ii. **Pre-settlement credit risk:** The exposure at default arising from unsettled forward and derivative transactions. This risk arises from the default of the counterparty to the transaction and is measured as the cost of replacing the transaction at current market rates.
- iii. **Issuer risk:** The exposure at default arising from traded credit and equity products (including the primary market issue underwriting of these products).
- iv. **Settlement risk:** Settlement is the exchange of two payments or the exchange of an asset for a payment. Settlement risk represents the risk of loss to the Group from settling a transaction where value is exchanged, but where the Group may not receive all or part of the counter value.

■ NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - FINANCIAL RISK MANAGEMENT *cont'd*

Credit concentration risk: The risk of loss to the Group as a result of excessive build-up of exposure to, among others, a single counterparty or counterparty segment, an industry, a market, a product, a financial instrument or type of security, a country or geography, or a maturity. This concentration typically exists where a number of counterparties are engaged in similar activities and have similar characteristics, which could result in their ability to meet contractual obligations being similarly affected by changes in economic or other conditions

3.22 Country Risk

The Group defines country risk to include cross-border risk. Country risk is the risk of loss arising where political or economic conditions or events in a particular country inhibit the ability of counterparties resident in that country to meet their financial obligations. Country risk events may include sovereign defaults, banking or currency crises, social instability and governmental policy changes or interventions such as expropriation, nationalization and asset confiscation. Transfer and convertibility risk (such as exchange controls and foreign debt moratoria) represent an important element of cross-border country risk.

3.23 Liquidity Risk

Liquidity risk arises when the Group, despite being solvent, is unable to maintain or generate sufficient cash resources to meet its payment obligations as they fall due, and/or can only do so on materially disadvantageous terms. This may arise when counterparties who provide the Group with funding withdraw or do not roll over that funding, or as a result of a general disruption in asset markets that renders normally liquid assets illiquid

Liquidity risk encompasses both funding liquidity risk and asset liquidity risk:

- i. Funding liquidity risk (also referred to as cash-flow risk) is defined as the risk that a financial institution will be unable to raise the cash necessary to roll over its debt; to fulfil the cash, margin, or collateral requirements of counterparties; or to meet capital withdrawals.
- ii. Asset liquidity risk (also referred to as market or trading liquidity risk) results from a large position size forcing transactions to influence the price of securities. This is managed by establishing position limits on assets (especially assets that are not heavily traded).

3.24 Market Risk

Market risk is the exposure to an adverse change in the market value, earnings (actual or effective) or future cash flows of a portfolio of financial instruments (including commodities) caused by adverse movements in market variables such as equity, bond and commodity prices; currency exchange and interest rates; credit spreads; recovery rates and correlations; as well as implied volatilities in these variables.

3.25 Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This includes business risk, information and legal risk; but excludes reputational risk.

Business risk: is the risk of loss, due to operating revenues not covering operating costs and is usually caused by:

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
- FINANCIAL RISK MANAGEMENT *cont'd*

- inflexible cost structures;
- market-driven pressures, such as decreased demand, increased competition or cost increases;
- group-specific causes, such as a poor choice of strategy, reputational damage or the decision to absorb costs or losses to preserve reputation.

It includes strategic risk, which is the risk that the Group's future business plans and strategies may be inadequate to prevent financial loss or protect the Group's competitive position and shareholder value.

3.26 Reputational Risk

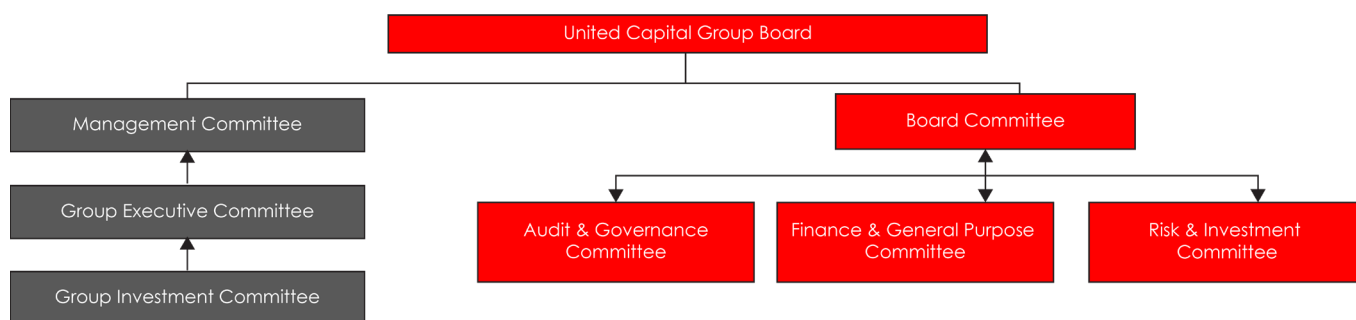
Reputational risk results from damage to the Group's image among stakeholders, which may impair its ability to retain and generate business. Such damage may result from a breakdown of trust, confidence or business relationships.

3.3 Risk Management Framework

3.31 Governance Structure

Strong independent oversight is in place at all levels throughout the Group. The risk governance structure is based on the principle that each line of business is responsible for managing the risks inherent in its business, albeit with appropriate corporate oversight. In support of this framework, business risk policies are approved to guide each line of business for decisions regarding the business' risk strategy, policies as appropriate and controls.

Risk management reports independently of the lines of business to provide oversight of Group-wide risk management and controls, and is viewed as a partner in achieving appropriate business risk and reward objectives. Risk Management coordinates and communicates with each line of business through the Group executive committee and business line governance committees. The chief risk officer (Head, Risk Management) is a member of the business line governance committees (which also has the business line chief executive officer as a member).



3.3 Risk Governance Process

The Group has established a practical risk governance process that relies on both individual responsibility and collective oversight, supported by comprehensive and independent reporting. This approach balances strong corporate oversight at Group level with participation by the senior executives of the Group in all significant risk matters. This also supports the effectiveness of the three lines of defense system as business line managers are kept abreast of inherent and emerging risks related to their respective business lines.

The governance committees are a key component of the risk management framework. They have clearly defined

■ NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - FINANCIAL RISK MANAGEMENT *cont'd*

mandates and authorities, which are reviewed regularly. Board committees meet at least quarterly to review business strategies and ongoing achievement of risk and business objectives. This is achieved by means of formal reporting by respective business and governance units within the Group; as well as interviews/testimonials from key senior business and support executives.

Management committees meet at least monthly to review the business environment, execute strategy revalidation, and are focused on measuring, monitoring and managing risk. The Group Investment Committee is charged with the asset/liability management, as well as ongoing capital and liquidity risk management of the Group and individual business entities; as well as the review and risk analysis of investment and/or new product/business proposals from business units (either due to the type of product/investment or the size/risk profile of the transaction). All approvals are executed in line with clearly defined authority levels (e.g. new business product/service lines must be approved by the Board on recommendation of the Finance, Investments and Risk Management committee).

Business line governance committees are constituted in line with the nature and risk of specific business activities. Business (line) risk framework/policies defined by the Group Risk Management function may prescribe the establishment of a business line governance committee to guide the strategy/operation of specific business lines (for instance: proprietary trading activities). Business line governance committees typically have membership from independent research, risk management, internal control and business line managers. These committees typically meet weekly (or as otherwise defined in specific business risk policy). Business risk frameworks define the risk appetite for the specific business lines amidst capital allocated for the business operation. In aggregate, the Group seeks to maintain a low-moderate risk appetite.

The board establishes and maintains oversight of the Group's risk appetite by:

- i. Providing strategic leadership and guidance;
- ii. Reviewing and approving annual budgets and forecasts, under both normal and stressed conditions, for the Group and each business unit; and
- iii. Regularly reviewing and monitoring the Group's risk performance through quarterly board reports.

The Group's ERM framework stipulates the following terms which have specific meaning within the Group and guide risk management considerations:

- i. **Residual risk:** the leftover risk exposure after implementation of mitigation efforts and controls
- ii. **Risk appetite:** the amount or type of residual risk that the Group is prepared to accept to deliver on its financial/business objectives. It reflects the capacity to sustain losses and continue to meet obligations as they fall due, under both normal and a range of stress conditions.
- iii. **Risk tolerance:** the maximum amount or type of risk the Group is prepared to tolerate above stipulated risk appetite levels for short periods of time (based on the understanding that management action is taken to get back within risk appetite).
- iv. **Risk capacity:** the maximum amount of risk the Group is able to support within its available financial resources
- v. **Risk profile:** the amount or type of risk the Group holds at a specific point in time

■ NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

- FINANCIAL RISK MANAGEMENT *cont'd*

vi. **Risk tendency:** is defined as a forward-looking view of the anticipated change in the Group's risk profile as a result of portfolio effects and/or changes in economic conditions. Changes in economic conditions may either be in the form of formally approved macroeconomic stress scenarios or ad-hoc stress scenarios models

The Group runs a Group Shared Service operations process supported by an Enterprise Resource Platform system. Risk Management is supported by risk technology and operations functions that are responsible for building the information technology infrastructure used to monitor and manage risk Group-wide and at respective business line and entity levels. Risk Management has oversight of all risk types (excluding Legal risk which is managed by the Legal and Compliance; and Reputational risk which is under the oversight of the Group Chief Operating Officer)

3.4 Credit Risk Management

Credit risk is the risk of loss from obligor or counterparty default on financial or contractual obligations. The Group may be exposed to credit risk arising primarily from trading activities (including debt securities), settlement balances with market counterparties, fair value through other comprehensive income (FVTOCI) and reverse repurchase lending agreements. Other sources include wholesale credit to large corporate and institutional clients (on a restrictive basis)

Credit risk management is overseen by the group risk management function and implemented within the lines of business; with oversight by the management and board committees. The Group's credit risk management governance consists of the following objectives:

- Establish a robust risk policy and control framework
- Maintain a strong culture of responsible investing
- Identify, assess and measure credit risk across the Group, from the level of individual securities and counterparties; up to aggregate portfolio holdings
- Define, implement and continually re-evaluate business risk appetite under actual and scenario conditions
- Monitoring and managing credit risk across individual exposures and all portfolio segments
- Assigning and ensuring adherence to agreed controls
- Ensure there is independent, expert analysis of credit risks; and their mitigation

3.41 Risk Identification and Measurement

The Group is exposed to credit risk through its capital and money market activities and advisory services businesses. Risk Management works in partnership with the business segments in identifying and aggregating exposures across all lines of business.

The Group dedicates considerable resources to gaining a clear and accurate understanding of credit risk across the business and ensuring that its balance sheet correctly reflects the value of the assets in accordance with IFRS.

To measure credit risk, the Group employs several methodologies for estimating the likelihood of obligor or counterparty default. In the year under review, credit risk exposure was quantified on the basis of both adjusted exposure and absolute exposure. External credit ratings are considered in evaluating probability of default. The enterprise risk

■ NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - FINANCIAL RISK MANAGEMENT *cont'd*

management framework recognizes credit ratings from Basel recognized External Credit Assessment Institutions (ECAI) and Agosto & Co. Ltd. External ratings are often internally adjusted for prudence. The Group regularly validates the performance of ratings and their predictive power with regard to default events.

Primary credit risk arising from debt exposure is measured in accordance with the accounting value for outstanding exposure, including applicable accrued interest and gross of any specific credit impairments, and a measure of the expectation of additional exposure which may arise at default. Debt portfolios are structured to have an investment grade profile.

Wholesale credit risk exposure, where it exists, is monitored regularly at an aggregate portfolio, industry and individual counterparty basis with established concentration limits that are reviewed and revised, as deemed appropriate by Group investment committee, at least on an annual basis. Industry and counterparty limits, as measured in terms of exposure and economic credit risk capital, are subject to stress-based loss constraints. Management of the Group's wholesale credit risk exposure is accomplished through a number of means including: stringent loan underwriting and credit approval process; as well as collateral and other risk-reduction techniques. Wholesale credit exposure are at a minimum reviewed and approved at the level of the Group investment committee

Pre-settlement risk is measured on a potential future exposure basis, taking into account implicitly the liquidity and explicitly the volatility of the reference asset or price of the instrument or product and the tenor of the exposure. Instruments that give rise to issuer credit risk are measured as primary credit risk

Settlement risk is measured on a notional basis, assuming that the counter value will not be received. The daily settlement profile for the counterparty concerned is the aggregate of all settlements due by the counterparty on that date, either on a gross or net basis, depending on whether the underlying transaction agreements include netting or not.

3.42 Maximum exposure to credit risk

	Group		Company	
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
Cash and cash equivalents	145,255,523	149,867,038	12,683,441	22,907,336
Financial assets:				
Amortised cost	307,107,805	167,662,848	123,377,070	75,477,029
Fair value through OCI (FVOCI)	17,676,481	12,197,078	8,645,813	4,952,770
Trade and other receivables	8,300,395	17,557,033	2,077,634	4,576,637
	478,340,203	347,283,997	146,783,957	107,913,772

Balances included in Trade and other receivables above are those subject to credit risks. Items not subject to credit risk, which include prepayment, deposit for shares and WHT receivable have been excluded

■ NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - FINANCIAL RISK MANAGEMENT *cont'd*

3.43 Credit risk analysis as at 31 December, 2023

Group

	AAA - A N'000	BBB - B- N'000	ccc+ - ccc- N'000	Not rated N'000	Gross amount N'000
Cash and cash equivalents	84,943,226	59,456,927	-	-	144,400,153
Financial assets:					
Amortised cost	51,305,956	62,323,843	100,127,538	93,350,468	307,107,806
Long term placements	41,522,498	-	4,811,598	27,035,627	73,369,723
Commercial papers	62,041	-	7,553,965	-	7,616,006
Loans to customers	-	-	-	66,314,841	66,314,841
Treasury bills	-	-	2,752,731	-	2,752,731
Federal government bonds	9,721,417	-	30,810,329	-	40,531,746
State government bonds	-	-	20,648,069	-	20,648,069
Eurobond	-	-	1,067,558	-	1,067,558
Corporate bonds	-	62,323,843	32,483,288	-	94,807,131
Fair value through OCI (FVOCI)	8,221,445	-	9,455,036	-	17,676,481
Treasury bills	-	-	-	-	-
Bonds	8,221,445	-	-	-	8,221,445
Mutual funds	-	-	9,455,036	-	9,455,036
Trade and other receivables	-	-	-	8,300,395	8,300,395
Total	144,470,627	121,780,770	109,582,574	101,650,863	477,484,835

Company

	AAA - A N'000	BBB+ - B- N'000	ccc+ - ccc- N'000	Not rated N'000	Gross amount N'000
Cash and cash equivalents	9,687,803	2,995,638	-	-	12,683,441
Financial assets:					
Amortised cost	-	52,621,447	1,067,558	71,382,827	125,071,832
Long term placements	-	39,938,611	-	5,067,986	45,006,597
Commercial papers	-	-	-	-	-
Loans to customers	-	-	-	66,314,841	66,314,841
Treasury bills	-	-	-	-	-
Eurobonds	-	-	1,067,558	-	1,067,558
Federal government bonds	-	2,063,695	-	-	2,063,695
State government bonds	-	9,153,994	-	-	9,153,994
Corporate bonds	-	1,465,147	-	-	1,465,147
Fair value through OCI (FVOCI)	3,680,501	-	-	4,965,312	8,645,813
Bonds	-	-	-	-	-
Mutual funds	3,680,501	-	-	4,965,312	8,645,813
Trade and other receivables	-	-	-	2,077,634	2,077,634
Total	13,368,304	55,617,085	1,067,558	78,425,772	148,478,720

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

- FINANCIAL RISK MANAGEMENT *cont'd*

Credit risk analysis as at 31 December, 2022

Group	AAA - A N'000	BBB - B- N'000	ccc+ - ccc- N'000	Not rated N'000	Gross amount N'000
Cash and cash equivalents	-	149,867,038	-	-	149,867,038
Financial assets:					
Amortised cost	-	13,812,301	128,197,303	25,653,244	167,662,848
Long term placements	-	-	41,604,619	-	41,604,619
Commercial papers	-	-	21,752,655	-	21,752,655
Loans to customer	-	-	-	25,653,244	25,653,244
Treasury bills	-	11,930,948	-	-	11,930,948
Federal government bonds	-	1,881,353	15,256,775	-	17,138,128
State government bonds	-	-	22,759,507	-	22,759,507
Corporate bonds	-	-	26,823,747	-	26,823,747
Fair value through OCI (FVOCI)	-	12,197,077	-	-	12,197,077
Bonds	-	5,076,346	-	-	5,076,346
Mutual Funds	-	7,120,731	-	-	7,120,731
Trade and other receivables	-	-	-	17,557,033	17,557,033
Total	-	175,876,416	128,197,303	43,210,277	347,283,996

Company

	AAA to A N'000	BBB to B- N'000	ccc+ to ccc- N'000	Not rated N'000	Gross amount N'000
Cash and cash equivalents	-	22,907,336	-	-	22,907,336
Financial assets:					
Amortised cost	-	477,685	38,892,831	36,106,513	75,477,029
Long term placements	-	-	27,057,497	-	27,057,497
Loans to customers	-	-	-	36,106,513	36,106,513
Federal government bonds	-	477,685	-	-	477,685
State government bonds	-	-	10,370,100	-	10,370,100
Corporate bonds	-	-	1,465,234	-	1,465,234
Fair value through OCI (FVOCI)	-	3,771,601	-	-	3,771,601
Bonds	-	-	-	-	-
Mutual funds	-	3,771,601	-	-	3,771,601
Trade and other receivables	-	-	-	4,576,637	4,576,637
Total	-	27,156,622	38,892,831	40,683,151	106,732,603

Geographical sectors

2023	Group		Company	
	Nigeria	Other Countries	Nigeria	Other Countries
	N'000	N'000	N'000	N'000
Cash and cash equivalents (excluding cash in hand)	145,255,523	-	12,683,441	-
Financial assets:				
Amortised cost	307,107,805	-	125,071,832	-
Fair value through OCI (FVOCI)	17,676,481	-	8,645,813	-
Trade and other receivables	8,300,395	-	2,077,634	-
	478,340,203	-	148,478,720	-

■ NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - FINANCIAL RISK MANAGEMENT *cont'd*

2022	Group		Company	
	Nigeria	Other Countries	Nigeria	Other Countries
	N'000	N'000	N'000	N'000
Cash and cash equivalents	149,867,038	-	22,907,336	-
Financial assets:				
Amortised cost	167,662,848	-	75,477,029	-
Fair value through OCI (FVOCI)	12,197,078	-	4,952,770	-
Trade and other receivables	17,557,033	-	4,576,637	-
	347,283,997	-	107,913,772	-

Credit Quality

Some financial assets are past due and impaired during the year with N16.47b (2022: N7.46b) impairment on amortised cost financial assets and N9.52b for trade receivables (2022: N1.55b).

3.44 Risk Monitoring and Management

The Group employs the use of internal exposure limits to its counterparties. Money market counterparties are selected on using a set of criteria that includes an investment grade credit rating and a systemic risk relevance based on a benchmark hurdle rate. Exposure limits are assigned on the basis of the counterparty assessment based on these selection criteria.

The Group has developed policies and practices that are designed to preserve the independence and integrity of the approval and business decision-making process to ensure credit risks are assessed accurately, approved properly, monitored regularly and managed actively at both the transaction and portfolio levels.

The framework establishes credit approval authorities, concentration limits, risk-rating methodologies, and portfolio review parameters. The Group manages, limits and controls concentrations of credit risk wherever they are identified – in particular, to individual counterparties and groups, and to industries, geographies and countries.

Impairment allowances are recognized for financial reporting purposes only for losses that have been incurred at the date of the consolidated statement of financial position based on objective evidence of impairment.

3.45 Risk reporting

To enable monitoring of credit risk and effective decision making, aggregate credit exposure, credit quality forecasts, concentration levels and risk profile changes are reported regularly to the management committees; and board committee at least quarterly. Stress testing is important in measuring and managing credit risk in the Group's business portfolios. The process assesses the potential impact of alternative economic and business scenarios on estimated credit losses for the Group. In conjunction with independent research, the risk management function considers economic scenarios (and parameters underlying those scenarios) which may lead to credit migration, changes in counterparty liquidity and/or solvency states and the potential losses from credit exposures. During the period under review, credit exposures are considered on the basis of absolute loss exposure impact.

3.5 Country Risk Management

Country risk is the risk that a political, economic or sovereign event or action alters the value or terms of contractual obligations of obligors, counterparties and issuers related to a country. The Financial Investment and Risk Management

■ NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

- FINANCIAL RISK MANAGEMENT *cont'd*

(F.I.R.M) committee is responsible for the management of country risk across the Group. The F.I.R.M committee delegates the functional oversight of country risk management to the Group executive committee. The Group risk management function maintains oversight of country risk exposures and reports to the Group executive committee monthly and the F.I.R.M committee on a quarterly basis.

Risk Identification and Measurement

The Group country risk governance standards incorporate the use of external ratings from qualifying External Credit Assessment Institutions (ECAIs). Country risk exposure management is based on country, sovereign and business environment risk assessment. Exposure in countries qualifying as medium and high risk countries is subject to increased analysis and monitoring.

Country exposures are generally measured by considering the Group's risk to an immediate default of the counterparty or obligor, with zero recovery. Where required, the group seeks to incorporate country risk mitigation via methods like co- financing with multilateral institutions; political and commercial risk insurance; transaction structures to mitigate transferability and convertibility risk (such as collateral, collection and margining deposits outside the jurisdiction in question)

Risk Monitoring and Control

Group risk management in conjunction with independent research employs the use of surveillance tools for early identification of potential country risk concerns. Country ratings and exposures are actively monitored and reported on a regular basis based on an assessment of potential risk of loss associated with a significant sovereign, political, social, or economic crisis

3.5 Liquidity Risk Management

Liquidity risk management is intended to ensure that the Group has the appropriate amount, composition and tenor of funding and liquidity to support its assets.

The primary objectives of effective liquidity management are to ensure that the Group's legal entities are able to operate in support of client needs and meet contractual and contingent obligations under both normal and stressed market conditions; as well as to maintain debt ratings that enable the Group to optimize its funding mix and liquidity sources at minimal cost.

United Capital manages liquidity and funding using a centralized Treasury approach in order to actively manage liquidity for the Group as a whole, monitor exposure and identify constraints on the transfer of liquidity within the Group; and maintain the appropriate amount of surplus liquidity as part of the Group's overall balance sheet management strategy.

Risk Identification and Measurement

In the context of the Group's liquidity management, Treasury is responsible for:

- Measuring, managing, monitoring and reporting the Firm's current and projected liquidity sources and uses;
- Managing funding mix and deployment of excess short term cash

In addition, in conjunction with the Group risk management function, Treasury is also responsible for:

■ NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - FINANCIAL RISK MANAGEMENT *cont'd*

- Understanding the liquidity characteristics of the Firm's assets and liabilities;
- Defining and monitoring Group-wide and legal entity liquidity strategies and contingency funding plans;
- Liquidity stress testing under a variety of adverse scenarios;
- Defining and addressing the impact of regulatory changes on funding and liquidity.

The Group adopts a three pronged approach to its liquidity risk management process which aligns strategies to liquidity risk categories. The Group recognizes three categories of liquidity risk - short-term, structural, and contingent liquidity risk. These three liquidity risk management categories are governed by a comprehensive internal governance framework to identify, measure and manage exposure to liquidity risk

Treasury, in conjunction with the Group risk management, is responsible for business activities governing the implementation of the Group's liquidity management process:

Category	Activities
Short term liquidity risk management	<ul style="list-style-type: none"> • Monitor daily cash flow requirements • Manage intra-day liquidity positions • Monitor repo and bank funding shortage levels • Manage short term cash flows • Manage daily foreign currency liquidity • Provide guidance on fund taking rates in conformity with longer term and contingent liquidity requirements (as informed by the management committees)
Structural liquidity risk management	<ul style="list-style-type: none"> • Identify and manage medium to long term liquidity mismatches • Ensure a structurally sound balance sheet • Manage long term cash flows • Determine and apply behavioural profiling to investor portfolios (in conjunction with asset portfolio managers) • Preserve a diversified funding base • Assess foreign currency liquidity exposures • Establish liquidity risk appetite
Contingency liquidity risk management	<ul style="list-style-type: none"> • Establish and maintain contingency funding plans • Monitor and manage early warning liquidity indicators • Ensure regular liquidity stress tests and scenario analysis • Establish liquidity buffer levels in conformity with anticipated stress events • Convene liquidity crisis management committees (as required) • Ensure diversification of liquidity buffer portfolios

Risk Monitoring and Control

Monitoring and reporting entails cash flow measurement and forecasting for the next day, week, biweekly, month, quarter, half-year and yearly as these are key periods for liquidity management. The starting point for those projections is an analysis of the contractual maturity of the financial liabilities and the expected receivable date of the financial assets.

Foreign currency liquidity risk management

The Group maintains active monitoring and management of foreign currency assets and liabilities using suitable

■ NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - FINANCIAL RISK MANAGEMENT *cont'd*

indicators to consistently track changes in market liquidity and/or exchange rates. In general, uncovered or unmatched or un-hedged FX positions is restricted.

Funding

The Group is funded primarily by a well-diversified mix of retail, corporate and public sector funds. This funding base ensures stability and low funding cost with minimal reliance on more expensive tenured deposit and loan markets. The Group places considerable importance on the Sinking fund portfolio and other managed funds from both Trusteeship and wealth management business.

The Group employs a diversified funding strategy to fund its balance sheet which incorporates a coordinated approach to accessing capital and loan markets (where necessary). Funding markets are evaluated on an ongoing basis to ensure appropriate Group funding strategies are executed depending on the market, competitive and regulatory environment.

Concentration risk limits are used within the Group to ensure that funding diversification is maintained across products, sectors, geography and counterparties.

Non-derivative financial liabilities and assets held for managing liquidity risk

Presented in the table below are the cash flows payable by the Group under non-derivative financial liabilities and assets held for managing liquidity risk by remaining contractual maturities at the date of the consolidated statement of financial position. The amounts disclosed in the table below, are the contractual undiscounted cash flow and the assets held for managing liquidity risk.

Group – 31 December, 2023	< 30 days	31 - 90 days	91 - 180 days	181 - 365 days	1-3 years years	> 3 years	Total
Assets	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Cash and cash equivalents	17,444,761	127,810,762	-	-	-	-	145,255,523
Eurobonds	-	-	22,378,254	110,297,636	-	15,058,398	147,734,288
Federal government bonds	-	-	-	40,531,746	-	-	40,531,746
State government bonds	-	-	-	20,648,069	-	-	20,648,069
Corporate bonds	-	-	-	94,807,131	-	-	94,807,131
Commercial papers	-	-	-	7,616,006	-	-	7,616,006
Mutual funds	-	-	-	127,594,759	9,675,234	29,731,482	167,001,475
Quoted equities	25,630,038	-	-	-	-	-	25,630,038
Unquoted equities	-	-	-	-	-	86,847,154	86,847,154
Trade and other receivables	-	-	6,888,421	5,670,511	-	72,904,620	85,463,552
Loans and receivables	-	-	-	-	73,369,723	66,314,841	139,684,564
Total	43,074,799	127,810,762	29,266,675	407,165,859	83,044,957	270,856,495	961,219,547
Liabilities							
Borrowings	-	-	7,427,355	22,297,547	-	171,098,067	200,822,968
Managed funds	11,969,749	129,540,480	4,345,142	384,784,966	14,043,145	55,422,735	600,106,217
Other Liabilities	2,041,141	29,058,378	-	-	-	-	31,099,519
Total	14,010,890	158,598,857	11,772,497	407,082,513	14,043,145	226,520,802	832,028,704

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

- FINANCIAL RISK MANAGEMENT *cont'd*

Assets	43,074,799	127,810,762	29,266,675	407,165,859	83,044,957	270,856,495	961,219,547
Liabilities	14,010,890	158,598,857	11,772,497	407,082,513	14,043,145	226,520,802	832,028,704
Liquidity gap	29,063,909	(30,788,095)	17,494,178	83,346	69,001,812	44,335,694	129,190,843
Cummulative gap	29,063,909	(1,724,186)	15,769,992	15,853,337	84,855,149	129,190,843	

Company – 31 December, 2023	< 30 days	31 - 90 days	91 - 180 days	181 - 365 days	1-3 years years	> 3 years	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Assets							
Cash and cash equivalents	899,832	12,301,573	-	-	-	-	13,201,405
Long-term investments	-	-	19,738,988	20,199,623	-	5,067,986	45,006,597
Bond	-	-	-	1,094,529	-	11,588,307	12,682,836
Commercial paper	-	-	-	-	-	-	-
Mutual funds	-	-	-	-	8,645,813	-	8,645,813
Quoted equities	17,388,502	-	-	-	-	-	17,388,502
Unquoted equities	-	-	-	-	-	-	-
Trade and other receivables	27,709	677	2,032,414	45,426	725,057	72,904,620	75,735,902
Dividend receivable	-	6,309,000	-	-	-	-	6,309,000
Loans and receivables	-	-	-	-	-	64,620,079	64,620,079
Total	18,316,042	18,611,249	21,771,402	21,339,578	9,370,870	154,180,992	243,590,133
Liabilities							
Borrowings	-	16,237,079	7,427,355	22,297,547	-	153,170,529	199,132,509
Other liabilities	-	15,148,590	-	-	-	-	15,148,590
Total	-	31,385,669	7,427,355	22,297,547	-	153,170,529	214,281,099
Assets	18,316,042	18,611,249	21,771,402	21,339,578	9,370,870	154,180,992	243,590,133
Liabilities	-	31,385,669	7,427,355	22,297,547	-	153,170,529	214,281,099
Liquidity gap	18,316,042	(12,774,419)	14,344,048	(957,969)	9,370,870	1,010,463	29,309,034
Cummulative gap	18,316,042	5,541,623	19,885,671	18,927,702	28,298,571	29,309,034	

Group – 31 December, 2022	< 30 days	31 - 90 days	91 - 180 days	181 - 365 days	1-3 years years	> 3 years	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Assets							
Cash and cash equivalents	10,336,587	139,530,451	-	-	-	-	149,867,038
Bond	-	-	15,342,567	33,208,121	2,031,874	13,751,235	64,333,797
Treasury bills	-	-	4,356,235	7,574,713	-	-	11,930,948
Mutual funds	40,321,720	1,299,234	5,765,234	39,354,125	15,636,730	22,615,398	124,992,441
Quoted equities	-	-	-	-	-	13,937,794	13,937,794
Unquoted equities	-	-	-	-	-	11,720,243	11,720,243
Trade and other receivables	-	-	1,115,547	5,104,912	-	40,285,112	46,505,572
Loans and receivables	-	-	-	-	41,604,619	33,117,175	74,721,794
Total	50,658,307	140,829,685	26,579,583	85,241,871	59,273,223	135,426,957	498,009,627
Liabilities							
Borrowings	-	-	3,160,905	5,176,693	-	92,116,746	100,454,344
Managed funds	13,893,215	148,555,138	14,345,142	80,150,322	140,332,145	16,422,735	413,698,697
Other liabilities	35,459,323	7,594,938	5,594,938	-	-	-	48,649,198
Total	49,352,538	156,150,076	23,100,985	85,327,015	140,332,145	108,539,481	562,802,239

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

- FINANCIAL RISK MANAGEMENT *cont'd*

Assets	50,658,307	140,829,685	26,579,583	85,241,871	59,273,223	135,426,957	498,009,627
Liabilities	49,352,538	156,150,076	23,100,985	85,327,015	140,332,145	108,539,481	562,802,239
Liquidity gap	1,305,770	(15,320,391)	3,478,599	(85,144)	(81,058,922)	26,887,476	(64,792,612)
Cummulative gap	1,305,770	(14,014,621)	(10,536,023)	(10,621,167)	(91,680,089)	(64,792,613)	
Company – 31 December, 2022	< 30 days	31 - 90 days	91 - 180 days	181 - 365 days	1-3 years	> 3 years	Total
Assets	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Cash and cash equivalents	2,501,903	20,405,433	-	-	-	-	22,907,336
Long term investment	-	5,558,458	21,499,039	-	-	-	27,057,497
Bond	-	-	-	-	2,031,874	10,281,144	12,313,018
Mutual funds	-	-	-	4,952,770	-	-	4,952,770
Quoted equities	2,134,639	-	-	-	-	-	2,134,639
Unquoted equities	-	-	-	-	-	-	-
Trade and other receivables	-	-	1,449,830	3,497,122	-	39,754,128	44,701,081
Dividend receivable	-	7,218,000	-	-	-	-	7,218,000
Loans and receivables	-	-	-	3,187,772	9,563,317	24,722,900	37,473,989
Total	4,636,541	33,181,891	22,948,869	11,637,664	11,595,191	74,758,173	158,758,330
Liabilities							
Borrowings	1,882,177	7,716,114	3,160,905	5,176,693	27,771,310	55,142,451	100,849,650
Other liabilities	-	47,671,635	-	-	-	-	47,671,635
Total	1,882,177	55,387,749	3,160,905	5,176,693	27,771,310	55,142,451	148,521,285
Assets	4,636,541	33,181,891	22,948,869	11,637,664	11,595,191	74,758,173	158,758,330
Liabilities	1,882,177	55,387,749	3,160,905	5,176,693	27,771,310	55,142,451	148,521,285
Liquidity gap	2,754,364	(22,205,858)	19,787,964	6,460,971	(16,176,119)	19,615,722	10,237,045
Cummulative gap	2,754,364	(19,451,494)	336,470	6,797,442	(9,378,677)	10,237,044	

Stress Testing

Liquidity stress tests are intended to ensure sufficient liquidity for the Group under adverse scenarios. Stress tests are considered in the formulation of the Group's funding plan and assessment of its liquidity position. Liquidity outflow assumptions are modelled across a range of time horizons and market and idiosyncratic stress.

Liquidity stress tests assume all of the Group's contractual obligations, as well as estimates of potential non-contractual and contingent outflows are met and also take into consideration varying levels of access to unsecured and secured funding markets.

Credit Ratings

The cost and availability of financing are influenced by the Group's credit ratings. Reductions in these ratings could have an adverse effect on the Group's access to liquidity sources, increase the cost of funds, trigger additional collateral or funding requirements and decrease the number of investors and counterparties willing to lend to the Group. Accordingly, the Group places due emphasis on maintaining and improving its credit rating.

Credit ratings are dependent on multiple factors including the sovereign rating, capital adequacy levels, quality of earnings, credit exposure, our risk management framework and funding diversification. The Group's F.I.R.M committee ensures proper monitoring of these parameters and their possible impact on our credit rating as part of the Group's liquidity risk management and contingency planning considerations.

■ NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - FINANCIAL RISK MANAGEMENT *cont'd*

3.6 Market Risk Management

Market risk is the exposure to an adverse change in the market value of portfolios and financial instruments caused by a change in their market prices

The Group's exposure to market risks is categorized as follows:

- Market risk in trading activities: trading activities which may comprise market making, arbitrage and proprietary trading. These activities are primarily carried out within the Group's securities trading business
- Interest rate risk on the balance sheet: this refers to risks inherent in the different re-pricing characteristics of balance sheet assets and liabilities. These may include re-pricing risk, basis risk, yield curve risk, and optionality risk.
- Equity investments on the balance sheet: this refers to risks resulting from price changes in listed and unlisted equity investments carried on the group's
- balance sheet. These investments are typically classified as fair value through other comprehensive income (FVTOCI).
- Foreign currency risk: The Group may be exposed to foreign currency risk as a result of foreign-denominated cash exposures and accruals.

In managing market risks, the Group risk management function works in close partnership with the lines of business, including Treasury, to identify and monitor market risks throughout the Group. The Group's market risk management practices seek to control risk, facilitate efficient risk/return decisions, reduce volatility in operating performance, and provide transparency of the Group's market risk profile to executive management and the board of directors. This involves:

- Independent measurement, monitoring and control of business line and Group wide market risk in accordance to approved risk limits
- Qualitative risk assessments and stress tests

Risk Identification and Measurement

The risk management function articulates market risk management framework and specific business (line) risk frameworks that guide each line of business in the management of the market risks within its unit. The risk management function also responsible for independent oversight of each line of business to ensure that all material market risks are appropriately identified, measured, monitored and managed in accordance with framework guidelines approved.

The Group risk management function uses various metrics, both statistical and non-statistical, to measure and manage market risks including: value-at-risk; stop-loss triggers; stress tests; back-testing; and specific business unit portfolio and product controls.

Value-at-risk, a statistical risk measure, is used to measure the potential loss from adverse market moves under normal market conditions. Historical VaR simulation is used specifically for market risk under normal conditions. Where adopted historical VaR is based un-weighted historical data for the previous 12 months, a holding period of one day and a 99% confidence level. Daily VaR estimates are converted to a ten-day holding period. Expected shortfall is quantified to counteract the limitations of VaR.

Stop-loss triggers are used to protect the profitability of trading desks, and refer to cumulative or daily trading losses

■ NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

- FINANCIAL RISK MANAGEMENT *cont'd*

that prompt a review or close-out of positions in trading portfolios.

Specific business unit portfolio and product controls are market risk controls applied to specific business units. These may include permissible instruments, concentration of exposures, gap limits, maximum tenor, stop loss triggers, price validation and balance sheet substantiation. In addition, only approved products that can be independently priced and properly processed are permitted to be traded.

In recognition of the unpredictability of markets, stress testing is adopted to provide an indication of the potential losses that could occur under extreme market conditions and where longer holding periods may be required to exit positions.

Stress tests carried out by the Group include individual market risk factor testing, combination of market risk factor testing, combination of market factors per trading desk and combinations of trading desks. The testing considers both historical market events and hypothetical forward-looking scenarios. A consistent stress-testing methodology is applied to trading and non-trading books. Stress scenarios are regularly updated to reflect changes in risk profile and economic events.

Interest rate risks in trading and non-trading portfolios are quantified using both earnings- and valuation-based measurement techniques. This is monitored at least on a monthly basis by the Group investment committee.

Interest rate sensitivity analysis as at 31 December, 2023

Group	Value as at 2023	5% higher	5% lower
	N'000	N'000	N'000
Cash and cash equivalent	127,810,762	6,390,538	(6,390,538)
Financia asset measured at armotised cost	307,107,805	15,355,390	(15,355,390)
Trade and other receivables - deposit for investment	72,904,620	3,645,231	(3,645,231)
	507,823,187	25,391,159	(25,391,159)
Company	Value as at 2023	5% higher	5% lower
	N'000	N'000	N'000
Cash and cash equivalent	12,301,573	615,079	(615,079)
Financia asset measured at armotised cost	123,377,070	6,168,853	(6,168,853)
Trade and other receivables - deposit for investment	72,904,620	3,645,231	(3,645,231)
	208,583,263	10,429,163	(10,429,163)

Interest rate sensitivity analysis as at 31 December, 2022

Group	Value as at 2022	5% higher	5% lower
	N'000	N'000	N'000
Cash and cash equivalent	139,530,451	6,976,523	(6,976,523)
Financia asset measured at armotised cost	167,662,848	8,383,142	(8,383,142)
Trade and other receivables - deposit for investment	40,285,112	2,014,256	(2,014,256)
	40,285,112	2,014,256	(2,014,256)
Company	Value as at 2022	5% higher	5% lower
	N'000	N'000	N'000
Cash and cash equivalent	20,405,433	1,020,272	(1,020,272)
Financia asset measured at armotised cost	75,477,029	3,773,851	(3,773,851)
Trade and other receivables - deposit for investment	40,285,112	2,014,256	(2,014,256)
	136,167,574	6,808,379	(6,808,379)

■ NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

- FINANCIAL RISK MANAGEMENT *cont'd*

Foreign currency risk exposure may arise as a result of foreign-denominated cash exposures, foreign-denominated accruals, and foreign-denominated debt. The finance/treasury function maintains oversight of aggregate foreign currency risk exposure, taking into account naturally offsetting risk positions and managing the Group's residual risk. In general, the Group's policy is not to ordinarily hold significant open FX exposures on the balance sheet. The risk management function conducts foreign currency sensitivity tests to monitor potential impact from rate movements in the FX markets. The table below shows the impact on the Group's and Company's profit before tax if foreign exchange rates on financial instruments held at amortised cost or at fair value had increased by 5 percent (5%), with all other variables held constant.

Foreign currency sensitivity analysis

	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	=N=' 000	=N=' 000	=N=' 000	=N=' 000
Assets	11,431,020	852,014	9,122,053	758,687
Liabilities	7,799,249	699,484	7,869,197	699,484
Impact on profit	3,631,771	152,530	1,252,856	59,203

The Group's market risk management process ensures disciplined risk-taking within a framework of well-defined risk appetite that enables the group to boost shareholders value while maintaining competitive advantage through effective utilization of risk capital.

3.7 Equity risk

The Group holds investments in listed and unlisted securities. Listed equity securities (quoted on the Nigerian Stock Exchange) is exposed to movement based on the general movement of the all share index and movement in prices of specific securities held by the Group.

Sensitivity analysis assuming a 5% increase/decrease in value of equities.

	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	=N=' 000	=N=' 000	=N=' 000	=N=' 000
Investment securities at FVTPL	2,397,595	1,971,040	1,305,386	878,831
Investment securities at FVOCI	27,515,639	12,688,332	16,083,115	1,255,808
Impact on Profit for the period				
Favourable change @ 5% increase in prices	119,880	98,552	65,269	43,942
Unfavourable change @ 5% reduction in prices	(119,880)	(98,552)	(65,269)	(43,942)
Impact on Other Comprehensive Income				
Favourable change @ 5% increase in prices	1,375,782	634,417	804,156	62,790
Unfavourable change @ 5% reduction in prices	(1,375,782)	(634,417)	(804,156)	(62,790)

■ NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

- FINANCIAL RISK MANAGEMENT *cont'd*

Risk Monitoring and Control

Market risk is controlled primarily through a series of limits set in the context of the market environment and business strategy. In setting limits, the Group takes into consideration factors such as market volatility, asset liquidity and accommodation of client business and management experience.

Limits may also be allocated within the lines of business, as well at portfolio level. Limits are established by risk management. Limits are reviewed regularly and updated as appropriate, with any changes approved by appropriate governance committees and risk management.

3.7.1 Fair value estimation

a) Financial instruments measured at fair value

IFRS 7 requires disclosures for all financial instruments measured at fair value.

The table below analyses financial instruments carried at fair value, by valuation method.

The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liabilities, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).

Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs (level 3).

Group 2023	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value	N'000	N'000	N'000	N'000
Bonds	8,221,445	-	-	8,221,445
Equity- quoted	25,630,038	-	-	25,630,038
Equity- unquoted	-	20,384,459	-	20,384,459
Mutual funds	-	-	167,001,475	167,001,475
	33,851,483	20,384,459	167,001,475	221,237,418
Company 2023	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value	N'000	N'000	N'000	N'000
Treasury bills	-	-	-	-
Bonds	-	-	-	-
Equity- quoted	17,388,502	-	-	17,388,502
Mutual funds	-	-	8,645,813	8,645,813
	17,388,502	-	8,645,813	26,034,314
Group 2022	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value	N'000	N'000	N'000	N'000
Bonds	5,076,346	-	-	5,076,346
Equity- quoted	14,140,008	-	-	14,140,008
Equity- unquoted	-	7,018,029	-	7,018,029
Mutual funds	-	-	124,992,441	124,992,441
	19,216,354	7,018,029	124,992,441	151,226,823
Company 2022	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value	N'000	N'000	N'000	N'000
Equity- quoted	3,315,807	-	-	3,315,807
Mutual funds	-	-	6,594,222	6,594,222
	3,315,807	-	6,594,222	9,910,030

■ NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - FINANCIAL RISK MANAGEMENT *cont'd*

Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry Company, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily NSE equity investments, treasury bills and bonds classified as trading securities or financial asset through OCI.

Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Specific valuation techniques used to value financial instruments include:

- a. Quoted market prices or dealer quotes for similar instruments;
- b. The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value;
- c. Other techniques, such as discounted cash flow analysis, sales prices of comparable properties in close proximity are used to determine fair value for the remaining financial instrument.

Financial instruments in level 3

Inputs for the asset or liability in this fair value hierarchy are not based on observable market data (unobservable inputs). This level includes equity investments with significant unobservable components.

Description of valuation methodology and inputs:

The steps involved in estimating the fair value of the company's unquoted equity investments are as follows:

Step 1: The most appropriate valuation methodology was selected to value each of the unquoted equity investment.

Step 2: Comparative multiples were sourced from S & P Capital IQ based on available comparable companies in Sub-Saharan Africa and Emerging Asia and an average multiple was computed.

Step 3: The enterprise value was derived by multiplying the average multiple to the relevant financial metric.

Step 4: Equity value of the firm was derived by deducting the value of the debt of the company and adding the closing cash balance.

Step 5: A lack of marketability discount of 14.9% was applied to the equity value.

Step 6: The equity value was derived by multiplying the company's equity value by Roger Miller equity stake.

■ NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

- FINANCIAL RISK MANAGEMENT *cont'd*

Step 7: The latest transaction price was adopted to estimate the fair value of unquoted equity investment in Brozi Leisures Limited.

There was no transfer of securities between levels in 2023 (2022: nil).

Information about the fair value measurements using significant unobservable Inputs (Level 3) are given below:

31 December 2023

Description	Fair value at 31 Dec. 2023	Valuation technique	Unobservable input	Reasonable possible shift +/- (absolute value)	Change in valuation +/- N'000
FSDH (Naira - million)	5,402	DDM	- Discounted factor - Cashflow estimate	1%	54
AFC ('Naira - million)	12,592	DDM	- Discounted factor - Cashflow estimate	1%	125.92

31 December 2022

Description	Fair value at 31 Dec. 2022	Valuation technique	Unobservable input	Reasonable possible shift +/- (absolute value)	Change in valuation +/- N'000
FSDH (Naira - million)	2,351	Justified P/BV	"-Discounted factor -Cashflow estimate"	1%	24
AFC ('Naira - million)	4,665	DDM	"-Discounted factor -Cashflow estimate"	1%	46.65

The change in valuation disclosed in the table shows the direction an increase or decrease in the respective input variables would have on the valuation result. For equity securities, increase in the EBITDA multiple would lead to an increase in estimated value. However, an increase in the discount for lack of marketability would lead to a decrease in value.

The valuation of FSDH unquoted equity was based on the recent sales price of the shares. A 1% increase/(decrease) in the share price of the equities at the reporting date would have increased/(decreased) the profit before tax by N270million

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - FINANCIAL RISK MANAGEMENT *cont'd*

(b) Financial instruments not measured at fair value

Group	At 31 December 2023		At 31 December 2022	
	Carrying value	Fair value	Carrying value	Fair value
	N'000	N'000	N'000	N'000
Financial assets				
Cash and cash equivalent	145,255,523	145,255,523	149,867,038	149,867,038
Investment securities at amortised cost	323,581,907	321,793,754	175,126,779	173,338,627
Trade and other receivables*	80,996,356	80,996,356	56,733,019	56,733,019
	549,833,786	548,045,633	381,726,837	379,938,685
Financial liabilities				
Other liabilities	85,463,551	85,463,551	48,649,198	48,649,198
Managed funds*	600,106,217	600,106,217	413,698,697	413,698,697
Borrowings	200,822,968	200,822,968	100,454,344	100,454,344
	886,392,736	886,392,736	562,802,239	562,802,239

Company	At 31 December 2023		At 31 December 2022	
	Carrying value	Fair value	Carrying value	Fair value
	N'000	N'000	N'000	N'000
Financial assets				
Cash and cash equivalents	12,683,441	12,683,441	22,907,336	22,907,336
Investment securities at amortised cost	125,071,832	123,283,679	76,844,505	75,056,352
Trade and other receivables	83,793,521	82,050,334	47,812,682	46,289,074
	221,548,794	218,017,454	147,564,523	144,252,762
Financial liabilities				
Other liabilities	83,793,521	83,793,521	47,812,682	47,812,682
Borrowings	199,132,509	199,132,509	100,849,650	100,849,650
	282,926,031	282,926,031	148,662,332	148,662,333

*The carrying values of these assets and liabilities approximates their fair values.

Cash and bank balances have been designated as level 2 while loans, managed funds, long term placements as well as trade and other payables have been designated as level 3 within the fair value hierarchy. State and corporate bonds are designated as level 1 within the fair value hierarchy.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	=N=' 000	=N=' 000	=N=' 000	=N=' 000
4	Net investment income			
	20,409,276	1,331,351	12,414,011	4,045,913
Interest from placements and bonds				
Income from loans	4,507,419	5,547,480	1,653,088	4,323,870
Dividend income from securities investments	982,011	1,016,070	798,062	119,116
Profit on disposal of investment	6,244	1,477,751	-	-
Income from managed Funds	50,531,598	43,517,745	7,047,604	409,052
	76,436,548	52,890,397	21,912,765	8,897,951
Interest expense on managed funds and other borrowings	(67,911,760)	(39,070,727)	(17,690,939)	(5,767,732)
	8,524,788	13,819,670	4,221,826	3,130,219
Investment income from items measured at amortised cost	7,273,654	10,363,093	4,221,826	3,130,219
Investment income from items carried at fair value through OCI	1,251,134	3,456,577	-	-
	8,524,788	13,819,670	4,221,826	3,130,219
5	Fees and commssion income			
	1,347,026	2,500,953	1,347,026	2,500,953
Financial advisory fees				
Other fees and commissions	6,749,424	5,622,262	-	-
	8,096,450	8,123,215	1,347,026	2,500,953
Fees recognised at point in time	3,392,072	4,316,641	1,347,026	2,500,953
Fees recognised over time	4,704,378	3,806,574	-	-
	8,096,450	8,123,215	1,347,026	2,500,953
6	Net Trading Income.			
	3,977,495	2,443,423	722,791	250,193
Net trading income includes gains and losses arising both on the purchase and sale of financial instruments at FVTPL				
7	Other income			
	24,211,808	1,883,105	8,352,373	487,472
Exchange gains/(loss)				
Interest on staff loans	2,130	2,105	-	-
Gain on Disposal of PPE	610	(4)	610	(4)
Other income	231,205	646,746	162,425	351,336
	24,445,753	2,531,952	8,515,408	838,804

Management fees and commission income include brokerage fee of N2.03b, Management fee of N3.68b and trustees fees of N676m which are recognised at point in time. Management fees and transaction sign-on fees which are recognised at point in time the mandate is consummated. Management fee accrues monthly as a percentage of the net asset value (NAV) at each point in time.

Other income includes trading gain of N173m (2022: N351m) as well as interest on current account bank balances of N2.53m.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

	Group		Company		
	31 December 2023	31 December 2022	31 December 2023	31 December 2022	
	=N=' 000	=N=' 000	=N=' 000	=N=' 000	
8	Net (loss)/gain from financial assets at fair valued through profit or loss				
	Net (loss)/gain on equity instruments at FVTPL	850,612	(21,849)	508,928	43,155
		850,612	(21,849)	508,928	43,155
9	Personnel expenses				
	Staff cost	3,062,291	2,289,049	595,667	569,751
	Contributions to defined contribution plans	109,687	50,009	25,955	21,249
	Defined benefit cost (Note 28)	365,768	-	253,246	-
		3,537,746	2,339,058	874,868	591,000

	Group		Company		
	31 December 2023	31 December 2022	31 December 2023	31 December 2022	
	=N=' 000	=N=' 000	=N=' 000	=N=' 000	
10	Other operating expenses				
	Premises and equipment costs	511,784	427,761	33,909	19,052
	Auditors remuneration	80,625	62,370	12,975	18,240
	Professional fees	1,493,308	711,815	536,325	284,725
	Travel and accommodation	160,350	131,416	39,484	44,610
	Rent and rates (See note a)	154,813	115,634	46,098	55,181
	AGM expenses	99,404	60,737	16,788	12,495
	Dividend processing expenses	47,487	37,447	16,392	15,295
	Donations	347,250	424,897	133,028	166,001
	Subscription	65,967	47,849	14,827	25,360
	Insurance	98,438	60,757	25,479	21,010
	Statutory expenses	113,235	81,710	-	-
	General administrative expenses	1,604,751	524,510	482,256	175,111
	Advertisement and branding	177,247	548,020	10,736	24,265
	Share register fee	15,184	31,921	9,302	13,294
	Directors fees and other allowances	175,179	57,030	25,510	11,585
	Printing and stationeries	10,130	7,579	2,641	2,061
	Office running expenses	756,587	429,480	125,375	-
	Business entertainment	184,179	109,640	36,564	42,446
	Fines and penalties	11,750	12,180	425	5,805
	Business development	293,822	791,821	251,435	12,270
	IT license and maintenance fee	138,610	72,366	28,132	24,741
	Training and conference	46,683	36,636	20,359	16,067
	Bad debt	14,824	116,201	14,824	116,201
		6,601,607	4,899,778	1,882,864	1,105,814

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

The Group did not incur a non-audit fees paid to the Auditors during the year under review. However, a service for data analytics project was rendered in 2022 and the Group paid N20m.

Professional fees of N1.493b includes payment made on Technical Service Agreement of N657m (2022: N412m). In 2023 the Group embarked on a major overhaul of IT infrastructure, a total of N820m was incurred and included in the General admin expenses for associated expenses other than the cost of infrastructure procured.

a This represent payment for short tem and low value leases paid for during the year.

	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
11 Depreciation & amortisation	=N=' 000	=N=' 000	=N=' 000	=N=' 000
11.1 Depreciation of property and equipments (note 23)	311,251	197,595	271,136	166,868
11.2 Amortisation				
Amortisation of intangible assets (note 20)	59,237	37,130	51,030	33,144
Amortisation of right of use assets (note 19)	74,281	70,875	74,281	70,875
	133,518	108,005	125,311	104,019
12 Impairment charge/(writeback) for credit losses				
Loss allowance on cash and cash equivalents (note 15a)				
write back on financial assets at amortised cost (note 16.1a)	1,719,249	-	517,964	-
Loss allowance on financial assets at amortised cost (note 16.1a)	9,010,171	5,657,125	327,286	649,818
Loss allowance on trade receivables (note 17.1)	7,968,364	515,569	223,665	(42,111)
	18,697,784	6,172,694	1,068,915	607,707
12a Impairment Categorisation				
Stage 1	2,061,931	2,310,217	801,920	403,849
Stage 2	-	-	-	-
Stage 3	16,635,853	3,862,477	266,995	203,858
	18,697,784	6,172,694	1,068,915	607,707

The stage 3 impairment have been approved by the Board and the impairments relating to financial assets that are deemed to be bad and doubtful of recovery.

13 Income tax expense				
Recognised in the profit or loss				
Income tax	1,687,791	3,415,506	703,422	1,123,370
Education tax	203,013	409,022	90,249	115,313
Information technology tax	331,294	197,054	189,409	114,059
Police trust fund levy	1,656	985	947	570
	2,223,754	4,022,567	984,027	1,353,312
Deferred tax expense (note 24)	3,660,780	(175,204)	2,470,446	704,949
	5,884,534	3,847,363	3,454,473	2,058,261

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

	Group				Company			
	31 December 2023		31 December 2022		31 December 2023		31 December 2022	
	=N=' 000		=N=' 000		=N=' 000		=N=' 000	
13.1 Proof of Tax								
The income tax expense for the period can be reconciled to the accounting profit as follows:								
Profit before tax from continuing operations	17,304,286		13,500,388		17,401,885		11,405,916	
Income tax expense calculated at 30% of PBT	6,876,659	40%	5,926,725	44%	5,220,565	30%	3,421,775	30%
Effect of Income that is exempt from taxation	(4,571,898)	-26%	(3,236,040)	-24%	(2,227,851)	-13%	(2,234,455)	-20%
Effect of expenses that are not deductible in determining taxable profit	2,730,724	16%	1,608,725	12%	325,468	2%	250,772	2%
Effect of Concessions (research and development and other allowances)	-	0%	(1,286)	0%	-	0%	(1,183)	0%
Effect of tax adjustment	940,787	5%	70,106	1%	190,229	1%	113,692	1%
Adjustment recognised due to difference in tax rates	489,947	3%	(276,951)	-2%	251,215	1%	9,529	0%
Education tax at 3% of assessable profits	224,866	1%	409,022	3%	90,249	1%	115,313	1%
	6,691,086	39%	4,500,302	33%	3,849,876	22%	1,675,443	15%
Adjustment recognised in the current period relating to the deferred tax of prior periods	(806,552)	-5%	(652,939)	-5%	(395,404)	-2%	382,818	3%
	5,884,534	34%	3,847,363	28%	3,454,473	20%	2,058,261	18%
Recognised in other comprehensive income								
deferred tax recognised in other comprehensive income	5,548,686		18,055		1,864,589		10,580	
	5,548,686		18,055		1,864,589		10,580	

	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	=N=' 000	=N=' 000	=N=' 000	=N=' 000
14 Earnings per share				
Basic earnings per share				
Basic earnings attributable to shareholders (N'000)	11,419,752	9,653,025	13,947,412	9,347,655
Weighted number of ordinary shares in issue for basic ('000)	6,000,000	6,000,000	6,000,000	6,000,000
Weighted number of ordinary shares in issue on conversion of dilutive shares ('000)	6,000,000	6,000,000	6,000,000	6,000,000
Basic earnings per share (kobo)	190	161	232	156
Diluted earnings per share (kobo)	190	161	232	156

There are no dilutive instruments in issue as at the reporting date. Consequently, basic and diluted EPS are same.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	=N=' 000	=N=' 000	=N=' 000	=N=' 000
15 Cash and cash equivalents				
Cash and balances with banks	19,227,401	10,336,587	899,832	2,501,903
Money market placements	127,810,762	139,593,842	12,301,573	20,405,433
	147,038,163	149,930,429	13,201,405	22,907,336
Impairment charge	(1,782,640)	(63,391)	(517,964)	-
	145,255,523	149,867,038	12,683,441	22,907,336
Current	145,255,523	149,867,038	12,683,441	22,907,336
Non-Current	-	-	-	-
	145,255,523	149,867,038	12,683,441	22,907,336
15a Impairment adjustments on Cash				
At 1 January	63,391	63,391	-	-
Arising during the year	1,719,249	-	517,964	-
Closing Balance	1,782,640	63,391	517,964	-

"Cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisitions, including cash in hand, deposits held at call with other banks and other short-term highly liquid investments with original maturities less than three months".

All bank balances and money market placements are assessed as stage 1 credit risk at each reporting date as they are held with reputable financial institutions and in most cases secured by way of Government securities. The identified ECL on cash and cash equivalent for the Company and the Group were considered immaterial and was not recognised in prior year. However, impairment charge of N1.783b has been recognised in 2023.

	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	=N=' 000	=N=' 000	=N=' 000	=N=' 000
15b Cash and cash equivalent for cashflow purposes				
Cash and cash equivalent	145,255,523	149,867,038	12,683,441	22,907,336
Bank overdraft	(855,370)	(191,344)	(2,601)	(96,089)
Closing Balance	144,400,153	149,675,694	12,680,840	22,811,247
16 Investment securities				
Financial assets measured at amortised cost - (note 16.1)	307,107,805	167,662,848	123,377,070	75,477,029
Financial assets at Fair value through other comprehensive income - (note 16.2)	99,282,580	24,031,197	24,728,928	6,208,578
Financial assets at Fair value through profit or loss - (note 16.3)	287,594,098	194,850,050	1,902,251	3,701,452
	693,984,483	386,544,095	150,008,249	85,387,058
Current	140,291,896	60,481,636	18,483,031	7,087,409
Non-Current	553,692,587	326,062,459	131,525,218	78,299,649
	693,984,483	386,544,095	150,008,249	85,387,058

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
16.1 Financial assets measured at amortised cost				
Investment in long term placement	89,843,825	41,604,619	45,006,597	27,057,497
Commercial papers	7,616,006	21,752,655	-	-
Loans to customer	66,314,841	33,117,175	66,314,841	37,473,989
Treasury bills	2,752,731	11,930,948	-	-
Eurobonds	1,067,558	-	1,067,558	-
Federal government bonds	40,531,746	17,138,128	2,063,695	477,685
State government bonds	20,648,069	22,759,507	9,153,994	10,370,100
Corporate bonds	94,807,131	26,823,747	1,465,147	1,465,234
	323,581,907	175,126,779	125,071,832	76,844,505
Loss allowance on financial assets at amortised costs (note 16.1a)	(16,474,102)	(7,463,931)	(1,694,762)	(1,367,476)
	307,107,805	167,662,848	123,377,070	75,477,029
16.1a Loss allowance on financial assets at amortised costs				
At 1 January	7,463,931	1,806,806	1,367,476	717,658
Charge during the period:				
Loss allowance on other financial assets	9,010,171	5,657,125	327,286	649,818
	16,474,102	7,463,931	1,694,762	1,367,476

The specific impairment have been approved by the Board and the are impairments relating to financial assets that are deemed to be bad and doubtful of recovery. A total of N7.92b was approved as specific provision for impairment on these doubtful financial assets.

FGN bonds measured at amortised cost are assessed to have low credit risk at each reporting date based on their respective external credit ratings. As such, the Group assumes that the credit risk on these financial instruments have not increased significantly since initial recognition as permitted by IFRS 9 and recognises 12 month ECL for these assets. There was additional impairment of N9.01b on financial assets during the year.

	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	=N=' 000	=N=' 000	=N=' 000	=N=' 000
16.2 Financial assets measure at fair value through other comprehensive income (FVTOCI)				
Bonds	8,221,445	5,076,346	-	-
Equity- quoted	20,760,915	11,834,120	1,255,807	1,255,808
Mutual funds	9,455,036	7,130,615	4,827,234	3,771,601
	38,437,396	24,041,081	6,083,041	5,027,409
Fair value adjustments (16.2a)	60,845,184	(9,884)	18,645,887	1,181,169
	99,282,580	24,031,197	24,728,928	6,208,578

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	=N=' 000	=N=' 000	=N=' 000	=N=' 000
16.2a	Changes in fair value reserve			
At 1 January	(9,884)	(1,797,356)	1,181,169	133,702
Arising during the period	60,855,068	1,787,472	17,464,718	1,047,467
At 31 December	60,845,186	(9,884)	18,645,887	1,181,169
16.3	Financial asset measured at fair Value Through Profit or Loss (FVTPL)			
Quoted equity investment	4,869,123	2,103,675	742,028	742,027
Mutua Funds	103,676,567	67,654,422	-	-
Wealth management investments	157,546,439	117,861,826	514,491	2,822,621
Equity- Unquoted	20,384,459	7,018,029	-	-
	286,476,588	194,637,952	1,256,519	3,564,648
Fair value adjustment (note 16.3a)	1,117,510	212,098	645,732	136,804
	287,594,098	194,850,050	1,902,251	3,701,452
16.3a	Changes in fair value reserve			
At 1 January	(212,098)	(233,946)	(136,804)	(93,649)
Arising during the period	(905,412)	21,848	(508,928)	(43,155)
At 31 December	(1,117,510)	(212,098)	(645,732)	(136,804)
17	Trade receivables & other receivables			
Trade debtors	288,248	479,651	19,554	192,503
Prepayments	803,862	440,136	647,619	370,315
Accrued income	2,341,636	1,745,022	813,685	887,012
Other receivables	5,670,511	5,104,912	1,999,044	3,497,122
Due from related parties	-	-	4,389,490	1,368,415
Due from Counter-parties	8,505,104	10,227,448	-	-
WHT receivable	4,467,195	2,210,072	3,774,158	1,743,187
Deposit for investment	72,904,620	40,285,112	72,904,620	40,285,112
	94,981,176	60,492,352	84,548,170	48,343,666
Loss allowance on trade receivables (note 17.1)	(9,517,625)	(1,549,261)	(754,649)	(530,984)
	85,463,551	58,943,091	83,793,521	47,812,682
Current	12,558,932	6,220,459	2,077,840	4,946,952
Non-Current	72,904,619	52,722,632	81,715,681	42,865,730
	85,463,551	58,943,091	83,793,521	47,812,682
17.1	Loss allowance on trade receivables			
At 1 January	1,549,261	1,089,534	530,984	573,095
Provision no longer required (write off)	-	(97,953)	-	(42,111)
Arising during the period	7,968,364	557,680	223,665	-
At 31 December	9,517,625	1,549,261	754,649	530,984

The Group applies the simplified approach and recognises lifetime ECL for trade receivables using a provision matrix. The provision matrix is based on the historical observed default rates, adjusted for forward looking estimates. At each reporting date, the historical observed default rates are updated. More information on ECL is disclosed in note 2.11b

■ NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	=N=' 000	=N=' 000	=N=' 000	=N=' 000
18				
Dividend receivable from Subsidiaries				
At 1 January	-	-	7,218,000	4,828,500
Arising during the year	-	-	6,309,000	7,218,000
Receipt during the year	-	-	(7,218,000)	(4,828,500)
	-	-	6,309,000	7,218,000
Current	-	-	6,309,000	7,218,000
Non-Current	-	-	-	-
	-	-	6,309,000	7,218,000
			Group	Company
			=N=' 000	=N=' 000
19				
Right of use assets				
Cost				
At 1 January 2023			354,375	354,375
Addition			27,029	27,029
As at 31 December 2023			381,404	381,404
Depreciation				
At 1 January 2023			212,431	212,431
Charge for the period			74,281	74,281
Disposal			-	-
As at 31 December 2023			286,712	286,712
Carrying amounts				
As at 31 December 2023			94,692	94,692
At 31 December 2022			141,944	141,944
			Group	Company
19.1				
Right of use assets				
			=N=' 000	=N=' 000
Cost				
At 1 January 2022			354,375	354,375
Addition			-	-
At 31 December 2022			354,375	354,375
Depreciation				
At 1 January 2022			141,556	141,556
Charge for the period			70,875	70,875
At 31 December 2022			212,431	212,431
Carrying amounts				
At 31 December 2022			141,944	141,944
At 1 January 2022			212,819	212,819

Right of use asset relate to lease rentals on the head office occupied by the Group. The lease agreement covers a period of five (5) years. Depreciation is charged over the period of the lease.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

	Group	Company
	=N=' 000	=N=' 000
20 Intangible assets		
Cost		
At 1 January 2023	315,103	289,479
Addition	68,551	33,410
As at 31 December 2023	383,654	322,889
Amortisation		
At 1 January 2023	135,802	119,862
Charge for the period	59,237	51,030
As at 31 December 2023	195,039	170,892
Carrying amounts		
As at 31 December 2023	188,615	151,997
At 31 December 2022	179,301	169,617

	Group	Company
	=N=' 000	=N=' 000
20.1 Intangible assets		
Cost		
At 1 January 2022	177,268	154,869
Addition	137,835	134,610
At 31 December 2022	315,103	289,479
Amortisation		
At 1 January 2022	98,672	86,718
Charge for the period	37,130	33,144
At 31 December 2022	135,802	119,862
Carrying amounts		
At 31 December 2022	179,301	169,617
At 31 December 2021	78,595	68,151

21 Investment in subsidiaries

	Date of Investment	Holding	Value	Country
United Capital Securities Limited	2006	100%	100,000	Nigeria
United Capital Assets Management Limited	2013	100%	500,000	Nigeria
United Capital Trustees Limited	2013	100%	300,000	Nigeria
UC Plus Advance Limited	2019	100%	1,000	Nigeria
UCEE MFB	2023	100%	200,000	Nigeria
			1,101,000	

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

21.1 Other information on subsidiaries

- (i) United Capital Securities Limited is a dealing member of the Nigerian Stock Exchange (NSE) and registered by the Securities & Exchange Commission (SEC) as a Broker/Dealer. It is also a registered dealing member of NASD OTC Plc and FMDQ OTC Plc. This enables the Company to deal in over-the-counter Equity and Fixed Income Securities. The Company provides services such as securities dealing, receiving agents to new issues, stockbrokers to primary issues, designated adviser to SME's and equity portfolio management services.
- (ii) United Capital Assets Management Limited is registered and licensed by the Securities and Exchange Commission of Nigeria (SEC) to act as investment advisers, funds and portfolio managers.
- (iii) United Capital Trustees Limited is a leading provider of Trust services such as debenture trust, bond trusteeship to corporate and sub-sovereign issuers of public debt instruments and trustees to collective investment schemes.
- (iv) UC Plus Advance Limited is a consumer lending company established by United Capital Plc with the sole objective of enhancing financial inclusion and providing pay day loans to working class individuals and SMEs. UC Plus Advance Limited was licensed by the Lagos State Government in 2019 but commenced operations in 2020.
- (v) UCEE MFB was established in 2022 and obtained her operating licence from the Central Bank of Nigeria (CBN) in 2023 to commence business as a digital Bank under the Micro Finance Banking Licence. The Bank is fully owned by United Capital Plc.

21.2 Non-controlling interest of subsidiaries

The Group does not have any non-wholly owned subsidiaries that have material non-controlling interest.

21.3 Significant restrictions

The Group does not have significant restrictions on its ability to access or use the assets and settle the liabilities of any member of the Group other than those resulting from the subsidiaries' supervisory frameworks. Disclosures on liquidity, capital adequacy and credit risk were disclosed in the enterprise risk management.

22 Investment in Associates

	Date of Investment	Holding	Country	31 December 2022	31 December 2021
				=N=' 000	=N=' 000
Heirs General Insurance Limited	2020	25%	Nigeria	2,500,000	2,500,000
Heirs Life Assurance Limited	2020	25%	Nigeria	2,000,000	2,000,000
				4,500,000	4,500,000

22.1 Other information on Associates

- (i) Heirs General Insurance Limited was formerly registered as a General Insurance Company by the Nigeria Insurance Commission (NAICOM) in September 2020. The Company fully commence operations in 2021. United Capital Plc currently own 25% stake in the Company.
- (ii) Heirs Life Assurance Limited was formerly registered as a Life Assurance Company by the Nigeria Insurance Commission (NAICOM) in September 2020. The Company fully commence operations in 2021. United Capital Plc currently own 25% stake in the Company.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

22.2 Investment in associates

	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	N' 000	N' 000	N' 000	N' 000
Heirs General Insurance Limited	3,048,678	2,360,350	2,500,000	2,500,000
Heirs Life Assurance Limited	2,257,110	2,254,344	2,000,000	2,000,000
	5,305,788	4,614,694	4,500,000	4,500,000

(a) Nature of investment in associates	Place of business/ country of incorporation	% of ownership interest	Nature of relationship	Measurement method
Investment in Heirs General Insurance Limited	Nigeria	25%	Investee	Equity method
Investment in Heirs Life Assurance Limited	Nigeria	25%	Investee	Equity method

This represents holding in the ordinary share capital of Heirs General Insurance Limited and Heirs Life Assurance Limited respectively, companies incorporated and operating in Nigeria (2020: 25%). The holding became an associate at commencement of the investee businesses in 2020.

(b) Summarised financial information for associates

Below are the summarised financial information for investment in associates accounted for using the equity method.

(i) Summarised balance sheet

	Heirs General Insurance Limited	Heirs Life Assurance Limited	Heirs General Insurance Limited	Heirs Life Assurance Limited
	31 December 2023	31 December 2023	31 December 2022	31 December 2022
	N' 000	N' 000	N' 000	N' 000
Assets				
Cash and Cash Equivalents	1,469,395	1,707,586	603,923	472,784
Financial Assets	11,285,638	33,273,641	8,896,241	15,695,353
Insurance contract assets	2,556,773	-	-	-
Reinsurance contract assets	770,911	-	-	-
Receivables and prepayments	1,335,474	667,783	1,047,974	404,718
Right-of-use asset	599,392	633,650	642,653	681,423
Property and equipment	473,745	333,420	286,434	247,820
Intangible asset	291,939	267,815	220,212	283,263
Statutory deposit	1,000,000	800,000	1,000,000	800,000
Total assets	19,783,267	37,683,895	12,697,437	18,585,361
Liabilities				
Insurance Contract liabilities	5,825,250	26,633,849	-	-
Reinsurance contract liabilities	867,644	-	422,210	815,976
Other liabilities	895,662	2,021,607	2,833,828	8,752,009
Total liabilities	7,588,556	28,655,456	3,256,038	9,567,985
Total equity	12,194,711	9,028,439	9,441,399	9,017,376

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

(ii) Summarised statement of profit or loss and other comprehensive income

	Heirs General Insurance Limited	Heirs Life Assurance Limited	Heirs General Insurance Limited	Heirs Life Assurance Limited
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	N' 000	N' 000	N' 000	N' 000
Net insurance service result	(427,556)	(1,175,871)	1,570,968	2,680,508
Investment return	1,213,101	2,907,211	941,306	745,609
Net Insurance and Investment Result	785,545	1,731,340	2,512,274	3,426,117
Other income	2,974,874	364,587	-	-
Operating expense	(1,323,384)	(611,696)	(1,833,661)	(2,130,503)
Profit before tax	2,437,035	1,484,231	678,613	1,295,614
Income tax	(316,815)	(192,950)	(128,936)	(246,167)
Profit after tax	2,120,220	1,291,281	549,677	1,049,447
Other comprehensive income	-	-	-	-
Total comprehensive income	2,120,220	1,291,281	549,677	1,049,447
Adjustment to associates' prior year loss after tax	98,398	(745,529)	(295,718)	(18,982)
Total comprehensive income	2,218,618	545,752	253,959	1,030,465

(c) Movement in investment in associate

Group	31 December 2023	31 December 2022
	N' 000	N' 000
Balance at 1 January	4,614,694	4,293,587
Share of current period profit	691,094	321,107
Balance as at 31 December	5,305,788	4,614,694

(d) Reconciliation of share of net assets

Share of net assets	5,305,788	4,614,694
Investment in associates	5,305,788	4,614,694
	-	-

23 (i) Property and equipment Group	Leasehold Improvements	Land and Building	Furniture, fittings & equipment	Motor vehicles	Computer equipment	Total
	=N=' 000	=N=' 000	=N=' 000	=N=' 000	=N=' 000	=N=' 000
Cost						
At 1 January 2023	258,059	-	181,598	755,320	305,511	1,500,489
Additions	-	284,383	123,256	70,800	699,741	1,178,179
Disposals	-	-	-	-	(402)	(402)
As at 31 December 2023	258,059	284,383	304,854	826,120	1,004,850	2,678,266
Depreciation						
At 1 January 2023	149,201	-	99,893	657,275	207,564	1,113,933
Charge for the year	54,278	6,517	51,599	70,319	128,538	311,251
Disposals	-	-	-	-	(402)	(402)
As at 31 December 2023	203,479	6,517	151,492	727,594	335,700	1,424,782
Carrying amounts						
As at 31 December 2023	54,580	277,865	153,362	98,525	669,150	1,253,484
At 31 December 2022	108,858	-	81,705	98,044	97,947	386,555

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

(ii) Property and equipment Company	Leasehold Improvements	Land and Building	Furniture, fittings & equipment	Motor vehicles	Computer equipment	Total
Cost	Improvements	Building	& equipment	vehicles	equipment	Total
At 1 January 2023	258,059	-	140,006	497,837	221,018	1,116,920
Addition	-	284,383	122,626	-	688,840	1,095,849
Disposals	-	-	-	-	(402)	(402)
As at 31 December 2023	258,059	284,383	262,632	497,837	909,456	2,212,367
Depreciation						
At 1 January 2023	149,201	-	67,021	425,201	131,621	773,044
Charged for the year	54,278	6,517	47,218	38,264	124,860	271,137
Disposals	-	-	-	-	(402)	(402)
As at 31 December 2023	203,479	6,517	114,239	463,465	256,079	1,043,779
Carrying amounts						
As at 31 December 2023	54,580	277,866	148,393	34,372	653,377	1,168,588
At 31 December 2022	108,858	-	72,985	72,636	89,397	343,876

All property and equipment items are non-current

23.1 (i) Property and equipment Group	Leasehold Improvements	Land and Building	Furniture, fittings & equipment	Motor vehicles	Computer equipment	Total
	=N=' 000	=N=' 000	=N=' 000	=N=' 000	=N=' 000	=N=' 000
Cost						
At 1 January 2022	258,059	-	175,461	692,035	263,103	1,388,658
Additions	-	-	6,137	63,285	42,875	112,297
Disposals	-	-	-	-	(467)	(467)
At 31 December 2022	258,059	-	181,598	755,320	305,511	1,500,488
Depreciation						
At 1 January 2022	94,923	-	69,700	575,438	176,744	916,805
Charge for the year	54,278	-	30,193	81,837	31,287	197,595
Disposals	-	-	-	-	(467)	(467)
At 31 December 2022	149,201	-	99,893	657,275	207,564	1,113,933
Carrying amounts						
At 31 December 2022	108,858	-	81,705	98,044	97,947	386,555
At 31 December 2021	163,135	-	105,761	116,596	86,360	471,853

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

(ii) Property and equipment Company	Leasehold Improvements	Land and Building	Furniture, fittings & equipment	Motor vehicles	Computer equipment	Total
Cost	=N=' 000		=N=' 000	=N=' 000	=N=' 000	=N=' 000
At 1 January 2022	258,059	-	133,869	446,837	182,063	1,020,828
Additions	-	-	6,137	51,000	39,421	96,559
Disposals	-	-	-	-	(467)	(467)
At 31 December 2022	258,059	-	140,006	497,837	221,017	1,116,920
Depreciation						
At 1 January 2022	94,923	-	41,187	366,498	104,034	606,643
Charge for the year	54,278	-	25,834	58,703	28,053	166,868
Disposals	-	-	-	-	(467)	(467)
At 31 December 2022	149,201	-	67,021	425,201	131,620	773,044
Carrying amounts						
At 31 December 2022	108,858	-	72,985	72,636	89,397	343,876
At 31 December 2021	163,134	-	92,682	80,339	78,029	414,185

24 Deferred tax - (Asset)

	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	=N=' 000	=N=' 000	=N=' 000	=N=' 000
Deferred tax assets:				
1 January	1,238,493	312,755	-	-
(Reversal)/charge for the period	(836,449)	925,738	-	-
	402,044	1,238,493	-	-
Deferred tax asset recoverable within 12 months	-	4,614	-	-
Deferred tax asset recoverable after 12 months	402,044	1,233,879	-	-
	402,044	1,238,493	-	-
The break down of deferred tax assets are as follows:				
Property and equipment	(3,313)	38,545	-	-
Exchange difference	(87,046)	(453,581)	-	-
Losses	1,153,448	915,402	-	-
Fair value adjustments	(1,030,955)	(156,589)	-	-
Provisions	369,910	894,716	-	-
	402,044	1,238,493	-	-
Deferred tax liabilities:				
1 January	833,034	82,500	787,448	82,500
Charge for the period	8,373,017	750,534	4,335,035	704,948
Total	9,206,051	833,034	5,122,483	787,448
Deferred tax liabilities recoverable within 12 months	1,798,732	67,274	165,305	62,660
Deferred tax liabilities recoverable within 12 months	7,407,319	765,760	4,957,178	724,788
Subtotal	9,206,051	833,034	5,122,483	787,448
The break down of deferred tax liabilities are as follows:				
Property and equipment	180,383	67,274	165,305	62,660
Exchange difference	7,401,915	296,447	2,879,498	296,447
Losses	(213,419)	9,499	-	-
Fair value adjustments	4,194,989	498,097	2,077,680	428,341
Provisions	(2,357,816)	(38,283)	-	-
	9,206,051	833,034	5,122,483	787,448

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

Parent - Deferred tax liabilities	1 January 2023	Recognised in P&L	Recognised in OCI	31 December 2023
	N'000	N'000	N'000	N'000
Property and equipment	62,660	102,645	-	165,305
Exchange difference	296,447	2,583,051	-	2,879,498
Losses	-	-	-	-
Fair value adjustments	428,341	(215,250)	1,864,589	2,077,680
Provisions	-	-	-	-
	787,448	2,470,446	1,864,589	5,122,483

Group - Deferred tax liabilities	1 January 2023	Recognised in P&L	Recognised in OCI	31 December 2023
	N'000	N'000	N'000	N'000
Property and equipment	67,274	113,109	-	180,383
Exchange difference	296,447	7,105,467	-	7,401,915
Losses	9,499	(222,917)	-	(213,419)
Fair value adjustments	498,097	(285,005)	3,981,898	4,194,989
Provisions	(38,283)	(2,319,534)	-	(2,357,816)
	833,034	4,391,120	3,981,898	9,206,051

Group - Deferred tax asset	1 January 2023	Recognised in P&L	Recognised in OCI	31 December 2023
	N'000	N'000	N'000	N'000
Property and equipment	38,545	(41,858)	-	(3,313)
Exchange difference	(453,581)	366,535	-	(87,046)
Losses	915,402	238,046	-	1,153,448
Fair value adjustments	(156,589)	692,423	(1,566,788)	(1,030,955)
Provisions	894,716	(524,806)	-	369,910
	1,238,493	730,340	(1,566,788)	402,044

Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the unused tax losses can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The Group has not recognised deferred tax assets of about N2.34b arising from tax losses during the period under review as it considers the probability of recovering these losses to be low. This is because the tax exempt status of income realised on Nigerian government securities is one of the major drivers for the negative taxable profit within the Group, which is the largest contributor to the deferred tax asset, through tax losses, in the Group. The uncertainty surrounding the extension or termination of the tax exempt status at the end of 2021 has made management conclude that not all tax losses carried forward should be recorded as deferred tax assets.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

25	Managed Funds	Group		Company	
		31 December 2023 =N=' 000	31 December 2022 =N=' 000	31 December 2023 =N=' 000	31 December 2022 =N=' 000
	Short term investments	304,924,698	252,972,481	-	-
	Ucap Investments	171,001,966	65,002,813	-	-
	Trust funds	106,291,933	77,105,539	-	-
	Sinking Funds	16,864,039	16,921,277	-	-
	Payable on trust accounts	1,023,581	1,696,587	-	-
		600,106,217	413,698,697	-	-
	Current	530,640,338	256,943,817	-	-
	Non-Current	69,465,879	156,754,880	-	-
		600,106,217	413,698,697	-	-

Sinking Funds are funds managed by Trustees on behalf of bond issuers. The funds are invested in fixed income instruments for liquidity purposes in order to meet bondholders obligations as they become due.

26 Borrowed funds

Borrowing from banks and other financial institutions	161,754,081	82,260,716	160,916,391	82,751,277
Bank overdraft	855,370	191,344	2,601	96,089
Issued debt - Bonds	17,234,798	18,002,284	17,234,798	18,002,284
Commercial Papers	20,978,719	-	20,978,719	-
	200,822,968	100,454,344	199,132,509	100,849,650
Current	6,600,303	6,192,105	5,747,533	6,096,851
Non-Current	194,222,665	94,262,239	193,384,976	94,752,799
	200,822,968	100,454,344	199,132,509	100,849,650

Borrowing from bank - Loans from commercial bank represent different facilities with interest rates indexed to money market conditions for a period of ten (10) years maturing in 2030. The loans are collateralised by negative pledge.

Issued debt (Bond) - In 2020, the Company successfully issued its first bond of N10b out of its N30b bond issuance programme. The debt is an unsecured, amortising subordinate 5 year bond instrument. In September 2022 the series 2 bond of N11.73b was issued. The series 2 bond is a bullet payment bond of 7 years instrument. The Company has not had any default in payment of principal and interests.

Commercial papers - In 2023, the Company issued several series of CPs. Some of which matured same period except for series 2, 3, 5 and 6 which are maturing at different dates in 2024. The Company currently carries in its books Series 2, 3, 5 and 6 CPs with a total face value of N20.98b.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

27 Other liabilities	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	=N=' 000	=N=' 000	=N=' 000	=N=' 000
Creditors and accruals	5,863,298	2,277,520	1,818,137	1,803,656
Due to related parties	-	-	1,275,432	-
Customers deposit	8,340,838	48,396	-	-
Due to counter-parties	12,055,021	45,867,979	12,055,021	45,867,979
Other current liabilities	1,523,789	455,303	-	-
Dividend payable	-	-	-	-
	27,782,946	48,649,198	15,148,590	47,671,635
Current	27,782,946	48,649,198	15,148,590	47,671,635
Non-Current	-	-	-	-
	27,782,946	48,649,198	15,148,590	47,671,635

28 Defined Benefit Obligation

Opening	-	-	-	-
Recognised during the year	365,768	-	253,246	-
	365,768	-	253,246	-
Current	196,408	-	139,110	-
Non-Current	169,360	-	114,136	-
	365,768	-	253,246	-

The charge for income tax in these financial statements is based on the provisions of the Companies Income Tax Act as amended, while Education Tax is based on Education Tax Act. We also have tax charged on information technology levy and police trust fund based on Police trust fund Act.

28.1 Expense recognised in income statement				
Current service cost	365,768		253,246	-
Total expense recognised in profit and loss (see note 9)	365,768	-	253,246	-

The Group operates a long service award scheme which prior to 2023 was expensed as they occur. Management has decided to carry out an actuarial valuation of the scheme to make provision for these liabilities. The actuarial was carried out by EY consulting (The consulting Actuary was Miller Kingsley (FNAS, FSA) - FRC/2012/NAS/0000002392) and the outcome of the actuarial valuation has been recognised in the books of the Group as highlighted in note 28 above.

The long service award is designed to reward employees who have served for periods covering 5 years and subsequent 5 years following the initial 5 years of service rendered. For the first 5 years the amount payable is 2 monthly salary for pioneer staff and 1.5 monthly salary for non-pioneer staff. Subsequent 5 years is 2.5 monthly salary for all categories of staff.

The following assumptions have been made in arriving at the defined benefit obligations recognised in the financial statements.

* Inflation rate of 14.5% per annum,

* Discount rate of 15.5% per annum,

* Salary increase rate of 15% per annum.

In line with IAS 19, the Projected Unit Credit (PUC) method has been adopted to establish the value of accrued liabilities. In calculating the liabilities, the method;

a. Recognised the Group's service rendered by each member of staff at the review date.

b. Anticipates that benefits will increase between the review date and each future milestone.

c. Discounts the expected benefit payments to the review date.

The emerging total value (for each individual) is described by IAS 19 as the defined benefit obligation.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

28.2 Sensitivity analysis on defined benefit obligation

		31 December 2023 =N=' 000	31 December 2023 =N=' 000
Base		365,768	-
Discount Rate	+1%	454,730	-
	-1%	388,044	-
Salary increase rate	+1%	389,626	-
	-1%	343,974	-
Mortality experience	Age rated up by 1 Year	364,591	-
	Age rated down by 1 Year	366,827	-

29 Current tax liabilities

	Group		Company	
	31 December 2023	31 December 2022 =N=' 000	31 December 2023	31 December 2022 =N=' 000
At 1 January	5,292,648	1,803,211	1,902,059	649,566
Charge for the period	2,223,754	4,022,567	984,026	1,353,312
WHT credit note settlement	(1,763,342)	-	(1,185,848)	-
Cash settlement	(2,802,255)	(533,130)	(264,840)	(100,819)
Closing Balance	2,950,805	5,292,648	1,435,398	1,902,059

The charge for income tax in these financial statements is based on the provisions of the Companies Income Tax Act as amended, while Education Tax is based on Education Tax Act. We also have tax charged on information technology levy and police trust fund based on Police trust fund Act.

30 Share capital

	Group		Company	
	31 December 2023 =N=' 000	31 December 2022 =N=' 000	31 December 2023 =N=' 000	31 December 2022 =N=' 000
The share capital comprises:				
(i) Authorised -				
6,000,000,000 Ordinary				
shares of N0.5 each	3,000,000	3,000,000	3,000,000	3,000,000
(ii) Issued and fully paid -				
6,000,000 Ordinary				
shares of N0.5 each	3,000,000	3,000,000	3,000,000	3,000,000

31 Share Premium

Share premium balance	683,611	683,611	683,611	683,611
-----------------------	---------	---------	---------	---------

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
32 Retained earnings	=N=' 000	=N=' 000	=N=' 000	=N=' 000
At 1 January	29,313,563	28,660,538	13,305,941	12,958,286
Transfer from profit or loss account	11,419,752	9,653,025	13,947,412	9,347,655
Dividend paid during the period (2022: N1.50k)	(9,000,000)	(9,000,000)	(9,000,000)	(9,000,000)
	31,733,315	29,313,563	18,253,353	13,305,941
33 Fair Value Reserves				
At 1 January	(9,884)	(1,797,356)	1,181,169	133,702
Arising during the period:				
Fair valuation on items that will not be subsequently reclassified to profit or loss (note 33.1)	60,340,949	985,402	17,464,718	176,502
Fair valuation on items that will be subsequently reclassified to profit or loss (note 33.2)	514,119	802,070	-	870,965
	60,845,185	(9,884)	18,645,887	1,181,169
33.1 Fair valuation on items that will not be subsequently reclassified to profit or loss				
Net fair value (loss)/gain on investments in quoted equity instruments measured at FVTOCI	60,340,949	985,402	17,464,718	176,502
Net fair value gain/(loss) on investments in unquoted equity instruments measured at FVTOCI	-	-	-	-
	60,340,949	985,402	17,464,718	176,502
33.2 Fair valuation on items that may be subsequently reclassified to profit or loss				
Net fair value (loss)/gain on investments in other financial instruments measured at FVTOCI	514,119	802,070	-	870,965
	514,119	802,070	-	870,965
33.3 Fair Value Reserves - Net of taxes				
Fair value reserve	60,845,185	(9,884)	18,645,887	1,181,169
Deferred tax	(5,548,686)	-	(1,864,589)	-
Balance	55,296,499	(9,884)	16,781,298	1,181,169

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

	Group		Company	
	31 December 2023 =N=' 000	31 December 2022 =N=' 000	31 December 2023 =N=' 000	31 December 2022 =N=' 000
34 Reconciliation of profit after tax to net cash from operating activities				
Profit before tax	17,304,286	13,500,388	17,401,885	11,405,916
Adjustments to reconcile net cash provided:				
Depreciation and amortisation	444,769	305,600	396,448	270,887
Foreign exchange revaluation	(24,211,808)	(1,883,105)	(8,352,373)	(487,472)
Net interest income	(7,542,778)	(13,124,707)	(3,423,285)	(3,011,103)
Dividend income	(982,011)	(1,016,070)	(798,062)	(119,116)
Fair value changes on financial instruments at fair value through profit or loss	(905,412)	4,020	(508,928)	(43,155)
Dividend from subsidiaries	-	-	(6,309,000)	(7,218,000)
Gain on disposal of property and equipment	(610)	4	(610)	4
Allowance for impairment - financial assets	10,729,420	5,657,125	845,250	649,818
Allowance for impairment - other assets	7,968,364	515,569	223,665	(42,111)
	2,804,222	3,958,824	(525,010)	1,405,668
Net movement in operating assets and liabilities				
Trade receivables and prepayment	(34,488,824)	(28,539,414)	(36,204,504)	(17,880,974)
Managed funds	186,407,520	86,449,673	-	-
Defined benefit obligation	365,768	-	253,246	-
Other liabilities	(20,866,252)	34,470,349	(32,523,045)	42,535,207
Net cash from operations	134,222,432	96,339,432	(68,999,313)	26,059,902
Interest received	76,436,548	52,890,397	21,912,765	8,897,951
Interest paid	(67,911,760)	(39,070,727)	(17,690,939)	(5,767,732)
Tax Paid	(2,802,254)	(533,130)	(264,840)	(100,819)
Net cash (used in)/provided by operating activities	139,944,967	109,625,973	(65,042,328)	29,089,301

35 Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise influence over the other party in making financial and operational decisions, or one other party controls both. The definition includes subsidiaries, associates, joint ventures as well as key management personnel.

35.1 Identity of related parties

	Relationship	%
United Capital Asset Management Limited	Subsidiary	100
United Capital Trustees Limited	Subsidiary	100
United Capital Securities Limited	Subsidiary	100
UC Plus Advance Limited	Subsidiary	100
Heirs General Insurance Limited	Associate	25
Heirs Life Assurance Limited	Associate	25
UCEE MFB	Subsidiary	100

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

35.2 Key management personnel

Key management personnel constitutes those individuals who have the authority and the responsibility for planning, directing and controlling the activities of United Capital Plc, directly or indirectly, including any director (whether executive or non-executive). The individuals who comprise the key management personnel are the Board of Directors as well as certain key management and officers. These personnels include Managing Directors/CEOs within the Group.

35.3 Other information on key management personnel

	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	=N='000	=N='000	=N='000	=N='000
Emoluments:				
Chairman	23,315	7,725	5,829	1,931
Highest paid director	145,525	134,525	145,525	134,525
Other Directors	696,325	604,766	564,142	565,115
	865,165	747,016	715,496	701,571
Fees	72,488	25,500	6,375	6,375
Other emoluments	792,677	721,516	709,121	695,196
	865,165	747,016	715,496	701,571
The total number of Directors were:	10	10	10	10
35.4 Transactions with key management personnel				
Loan obtained during the year	109,750	100,200	27,438	25,050
Interest income recognised	16,463	15,030	4,116	3,758
35.5 The number of persons employed (excluding directors) in the company during the period was as follows:	166	139	14	11

35.6 The table below shows the number of employees of the company that earned over N1,000,000.00 in the period and which fell within the bands stated below;

	31 December 2023	31 December 2022	31 December 2023	31 December 2022
N4,000,000 - N9,999,999	66	67	4	4
N10,000,000 - N20,999,999	55	37	5	5
N22,000,000 - N48,999,999	27	20	5	2
N49,000,000 and above	18	15	-	-
	166	139	14	11

■ NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

35.7 Transactions with related companies

The following are the transactions and balances arising from dealings with subsidiaries of United Capital Group during the period.

	31 December 2023	31 December 2022
Placements		
United Capital Asset Management Limited	7,985,389	663,157
United Capital Trustees Ltd	3,134,384	4,634,384
UC Plus Advance Ltd	5,126,786	230,437
UCEE Microfinance Bank Ltd	914,219	-
	17,160,778	5,527,978
Account receivables		
United Capital Asset Management Limited	462,270	-
United Capital Securities Limited	93,043	14,009
UC Plus Advance Limited	281,217	-
UCEE Microfinance Bank Limited	3,924	-
United Capital Ghana	2,121	-
United Capital Investments Limited	6,277	-
	848,852	14,009
Account payable		
United Capital Trustees Limited	1,275,432	54,725
United Capital Asset Management Limited	-	-
	1,275,432	54,725
Borrowings		
United Capital Asset Management Ltd	12,187,902	9,215,382
United Capital Trustees Limited	-	3,032,722
United Capital Securities Limited	7,546,575	10,000,000
	19,734,477	22,248,104
Interest expense		
United Capital Trustees Limited	137,491	162,256
United Capital Asset Management Ltd	796,137	385,196
United Capital Securities Limited	361,115	161,216
	1,294,743	708,668
Interest income		
United Capital Asset Management Ltd	365,062	29,556
United Capital Trustees Ltd	450,000	352,036
UC Plus Advance Ltd	123,965	12,480
UCEE Microfinance Bank Ltd	128,158	-
	1,067,185	394,072

■ NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

36 Operating Segments

Segment information is presented in respect of the Group's geographic segments which represents the primary segment reporting format and is based on the Group's management and reporting structure. The Board of Directors, reviews the Group's performance along these business segments and resources are allocated accordingly.

Geographical segments

The Group operates in the following geographical regions:

- **Nigeria:** This comprise the Head office in Lagos and regional offices in all geo-political zones

Business segments

Investment Banking: This business segment engage in the business of investment banking and provides issuing house, corporate investment advisory services, project finance, debt restructuring, mergers & acquisitions and debt capital markets

Asset Management: The principal activities of this business segment is to carry out the business of fund/portfolio manager and investment advisory.

Wealth Management: The principal activities of this business segment is to carry out wealth management activities that caters to institutions and High Net Worth clients.

Trustees: The principal activity of the Company is the provision of a wide range of quality trusteeship services tailored to meet the varying needs of its customers, such as debenture trust, bond trusteeship, trustees to collective investment scheme, private trusts and security trusts.

Securities Trading: The principal activity of the Company is the provision of a wide range of quality stockbroking services tailored to meet the varying needs of its customers.

Consumer Finance: The principal activity of this business segment is to carry out consumer lending and engage in financing of micro, small and medium scale enterprises under the license of the Lagos State Government.

UCEE MFB: The principal activity of this business segment is to carry out consumer lending and engage in financing of micro, small and medium scale enterprises under the license of the Central Bank of Nigeria.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

36.1 Summarised statement of consolidating segments

Summarised statement of consolidating segments	Investment banking	Asset Management	Ucap Investment Wealth Management	Trustees	Securities trading	Consumer finance	MFB	Eliminating items	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000		
Income statement									
Gross earnings	21,624,979	18,611,563	1,659,581	5,323,236	3,593,687	1,372,288	18,766	(6,309,000)	45,895,098
Personnel expense	(874,868)	(1,124,288)	(245,606)	(554,051)	(434,323)	(200,484)	(104,125)	-	(3,537,746)
Other operating expense	(2,279,312)	(1,975,566)	(372,081)	(1,249,363)	(850,047)	(294,322)	(25,683)	-	(7,046,376)
Impairment charge/ (writeback)	(1,068,915)	(1,939,090)	(2,687,841)	(12,950,244)	(47,497)	(10)	(4,188)	-	(18,697,784)
Total expense	(4,223,095)	(5,038,944)	(3,305,529)	(14,753,658)	(1,331,867)	(494,816)	(133,996)	-	(29,281,906)
Operating profit before tax	17,401,884	13,572,619	(1,645,948)	(9,430,422)	2,261,820	877,473	(115,230)	(6,309,000)	16,613,192
Share of profit of associate	-	-	-	-	-	-	-	691,094	691,094
Profit before tax	17,401,884	13,572,619	(1,645,948)	(9,430,422)	2,261,820	877,473	(115,230)	(5,617,906)	17,304,286
Taxation	(3,454,473)	(3,817,895)	-	1,597,877	(210,044)	-	-	-	(5,884,534)
Profit after tax	13,947,411	9,754,724	(1,645,948)	(7,832,545)	2,051,776	877,473	(115,230)	(5,617,906)	11,419,752
Financial position									
As at 31 December 2023									
Total assets	259,810,488	385,324,370	170,567,948	134,779,391	11,545,337	24,853,302	507,554	(55,440,211)	931,948,179
Total liabilities	221,092,226	355,178,466	171,002,966	124,845,948	2,985,729	23,345,923	422,784	(57,639,289)	841,234,755
Shareholders' fund	38,718,262	30,145,904	(435,018)	9,933,443	8,559,608	1,507,378	84,770	2,199,077	90,713,425

■ NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

36.2 Summarised statement of consolidating segments

Summarised statement of consolidating segments	Investment banking	Asset Management	Ucap Investment Wealth Management	Trustees	Securities trading	Consumer finance	MFB	Eliminating items	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000		
Income statement									
Gross earnings	13,981,324	10,473,927	1,245,665	5,278,829	2,148,582	986,084	-	(7,218,000)	26,896,411
Personnel expense	(591,000)	(769,915)	(113,009)	(523,277)	(295,053)	(46,804)	-	-	(2,339,058)
Other operating expense	(1,376,701)	(1,393,018)	(539,325)	(1,107,014)	(491,573)	(297,748)	-	-	(5,205,378)
Impairment charge/ (writeback)	(607,707)	(1,796,199)	(1,037,368)	(2,733,817)	2,397	-	-	-	(6,172,694)
Total expense	(2,575,407)	(3,959,132)	(1,689,702)	(4,364,108)	(784,229)	(344,551)	-	-	(13,717,130)
Operating profit before tax	11,405,917	6,514,795	(444,036)	914,722	1,364,353	641,532	-	(7,218,000)	13,179,281
Share of (loss)/profit of associate	-	-	-	-	-	-	-	321,107	321,107
Profit before tax	11,405,917	6,514,795	(444,036)	914,722	1,364,353	641,532	-	(6,896,893)	13,500,388
Taxation	(2,058,261)	(80,907)	(66,605)	(1,148,329)	(493,260)	-	-	-	(3,847,363)
Profit after tax	9,347,656	6,433,888	(510,642)	(233,607)	871,093	641,532	-	(6,896,893)	9,653,025
Financial position									
As at 31st December 2022									
Total assets	169,381,513	235,990,341	98,218,000	107,224,828	3,992,172	9,821,142	-	(22,712,784)	601,915,211
Total liabilities	151,210,792	229,729,479	97,848,423	103,090,104	1,577,656	9,089,567	-	(23,618,100)	568,927,921
Shareholders' fund	18,170,721	7,047,260	(416,822)	4,134,724	2,414,516	731,576	-	905,315	32,987,290

■ NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

37 Events after reporting period

The Directors are of the opinion that no event or transaction has occurred since the reporting date which would have had a material effect on the financial statement as at that date.

38 Contingent liabilities

The Group had no contingent liabilities during the period and no provision was made in financial statements during the period under review

39 Capital/financial commitments

The Directors are of the opinion that all known liabilities and commitments which are relevant in assessing the state of affairs of the Group have been taken into account in the preparation of the financial statements. There are no commitments for capital expenditure authorised by the Directors which has not been provided for in the financial statements as at 31 December 2023.

40 Contraventions

The Group incurred fines of N11.75m during the period under review (2022: N12.18m). The fines during the period under review were as a result of reporting and presentation error in filing of Trustees investment portfolio returns to the SEC. as well as fine incurred and paid to FMDQ on delays in filing arranges report on CP issuance of a client.

41 Securities Trading Policy

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of the Exchange 2015 (Issuers Rule) United Capital Plc maintains a Security Trading Policy which guides Directors, Audit Committee members, employees and all individuals categorized as insiders as to their dealing in the Company's shares. The policy undergoes periodic reviews by the Board and is updated accordingly. The Company has made specific inquiries of all its Directors and other insiders and is not aware of any infringement of the policy during the period.

42 Litigation and claims

The Group is involved in cases with claims amounting to N152m (2022: N152m). Directors are of the opinion that the possibility of an outflow of resources embodying economic benefit is remote and as such no provision is required.

OTHER NATIONAL DISCLOSURES

VALUE ADDED STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

	Group				Company			
	2023		2022		2023		2022	
	=N=' 000	%	=N=' 000	%	=N=' 000	%	=N=' 000	%
Gross earnings	45,895,097		26,896,411		21,624,979		13,981,324	
Share of profit in associates	691,094		321,107		-		-	
Operating expenses: Local	(6,601,607)		(4,899,778)		(1,882,864)		(1,105,814)	
VALUE ADDED	39,984,584	100%	22,317,740	100%	19,742,115	100%	12,875,510	100%

Applied as follows:

To pay employees:

Salaries and other benefits	3,537,746	9%	2,339,058	10%	874,868	4%	591,000	5%
-----------------------------	-----------	----	-----------	-----	---------	----	---------	----

To pay Government:

Taxes	2,223,754	6%	4,022,567	18%	984,026	5%	1,353,312	11%
-------	-----------	----	-----------	-----	---------	----	-----------	-----

Retained for future replacement of assets and expansion of business:

- Deferred tax	3,660,780	9%	(175,204)	-1%	2,470,446	13%	704,949	5%
- Depreciation	311,251	1%	197,595	1%	271,136	1%	166,868	1%
- Amortisation	133,517	0%	108,005	0.5%	125,311	1%	104,019	0.8%
- Impairment loss	18,697,784	47%	6,172,694	28%	1,068,915	5%	607,707	5%
- Retained profit for the year	11,419,752	29%	9,653,025	43%	13,947,412	71%	9,347,655	73%
	39,984,584	100%	22,317,740	100%	19,742,115	100%	12,875,510	100%

Value added represents the additional wealth which the company has been able to create on its own and employees' efforts. The statement shows the allocation of that wealth between the employees, government and that retained by the company for the future creation of more wealth.

OTHER NATIONAL DISCLOSURES *cont'd*

5 YEAR FINANCIAL SUMMARY - GROUP

	December 2023	December 2022	December 2021	December 2020	December 2019
	=N=' 000	=N=' 000	=N=' 000	=N=' 000	=N=' 000
ASSETS					
Cash and cash equivalents	145,255,523	149,867,038	53,661,848	43,420,443	30,132,099
Investment in financial assets	693,984,483	386,544,095	363,647,252	145,148,841	94,142,345
Trade and other receivables	85,463,551	58,943,091	30,919,246	28,472,742	25,528,546
Rights of use assets	94,692	141,944	212,819	283,694	312
Intangible assets	188,615	179,301	78,595	42,015	43,771
Investments in associates	5,305,788	4,614,694	4,293,587	4,500,000	-
Property and equipment	1,253,484	386,555	471,852	565,824	357,118
Deferred tax assets	402,044	1,238,493	312,755	314,736	260,184
TOTAL ASSETS	931,948,180	601,915,211	453,597,954	222,748,295	150,464,375
LIABILITIES					
Managed Funds	600,106,217	413,698,697	327,249,024	116,019,077	72,379,297
Borrowed funds	200,822,968	100,454,344	79,691,116	72,661,645	50,876,737
Other liabilities	27,782,946	48,649,198	14,225,310	7,683,308	5,400,633
Defined benefit liabilities	365,768	-	-	-	-
Current tax liabilities	2,950,805	5,292,648	1,803,211	1,830,812	1,569,828
Deferred tax liabilities	9,206,051	833,034	82,500	126,974	652,041
TOTAL LIABILITIES	841,234,755	568,927,921	423,051,161	198,321,816	130,878,536
EQUITY					
Share capital	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Share premium	683,611	683,611	683,611	683,611	683,611
Retained earnings	31,733,315	29,313,563	28,660,538	21,601,800	16,790,622
Other reserves	55,296,499	(9,884)	(1,797,356)	(858,932)	(888,394)
SHAREHOLDER'S FUND	90,713,425	32,987,290	30,546,793	24,426,479	19,585,839
TOTAL LIABILITIES AND EQUITY	931,948,180	601,915,211	453,597,954	222,748,295	150,464,375

■ OTHER NATIONAL DISCLOSURES *cont'd*

5 YEAR FINANCIAL SUMMARY - COMPANY

	December 2023	December 2022	December 2021	December 2020	December 2019
	=N=' 000	=N=' 000	=N=' 000	=N=' 000	=N=' 000
ASSETS					
Cash and cash equivalents	12,683,441	22,907,336	6,951,413	12,196,469	2,401,282
Investment in financial assets	150,008,249	85,387,058	58,599,896	40,456,026	35,071,034
Trade and other receivables	83,793,521	47,812,682	29,889,598	27,476,909	24,558,776
Dividend receivable from subsidiaries	6,309,000	7,218,000	4,828,500	3,670,000	2,520,000
Rights of use assets	94,692	141,944	212,819	283,694	312
Intangible assets	151,997	169,617	68,151	39,032	38,768
Investments in subsidiaries	1,101,000	901,000	901,000	901,000	901,000
Investments in associates	4,500,000	4,500,000	4,500,000	4,500,000	-
Property and equipment	1,168,588	343,876	414,185	487,457	269,384
TOTAL ASSETS	259,810,488	169,381,513	106,365,562	90,010,587	65,760,556
LIABILITIES					
Borrowed funds	199,132,509	100,849,650	83,717,908	72,432,512	50,876,737
Other liabilities	15,148,590	47,671,635	5,139,989	2,261,913	2,213,132
Defined benefit liabilities	253,246	-	-	-	-
Current tax liabilities	1,435,398	1,902,059	649,566	1,012,778	729,230
Deferred tax liabilities	5,122,483	787,448	82,500	113,701	343,324
TOTAL LIABILITIES	221,092,226	151,210,792	89,589,963	75,820,904	54,162,423
EQUITY					
Share capital	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Share premium	683,611	683,611	683,611	683,611	683,611
Retained earnings	18,253,353	13,305,941	12,958,286	10,434,895	7,847,830
Other reserves	16,781,298	1,181,169	133,702	71,177	66,692
SHAREHOLDER'S FUND	38,718,262	18,170,721	16,775,599	14,189,683	11,598,133
TOTAL LIABILITIES AND EQUITY	259,810,488	169,381,513	106,365,562	90,010,587	65,760,556

OTHER NATIONAL DISCLOSURES *cont'd*

5 YEAR FINANCIAL SUMMARY - GROUP

	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019
	=N=' 000	=N=' 000	=N=' 000	=N=' 000	=N=' 000
Gross earnings	45,895,098	26,896,411	18,065,183	12,873,897	8,591,929
Gross operating expenses	(29,281,906)	(13,717,130)	(5,941,170)	(4,926,227)	(3,642,209)
Operating profit before income tax	16,613,192	13,179,281	12,124,013	7,947,670	4,949,720
Share of (loss)/profit in associate companies	691,094	321,107	(206,412)	-	-
Profit before income tax	17,304,286	13,500,388	11,917,601	7,947,670	4,949,720
Income tax expense	(5,884,534)	(3,847,363)	(658,863)	(136,492)	23,699
Profit for the year from continuing operations	11,419,752	9,653,025	11,258,738	7,811,178	4,973,419
Other comprehensive income for the year	55,306,383	1,787,472	(938,423)	29,462	778,413
Total comprehensive income for the year	66,726,135	11,440,497	10,320,315	7,840,640	5,751,832
Earnings per share-basic (kobo) - annualised	190	161	188	130	83

5 YEAR FINANCIAL SUMMARY - COMPANY

	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019
	=N=' 000	=N=' 000	=N=' 000	=N=' 000	=N=' 000
Gross earnings	21,624,979	13,981,324	8,238,600	7,560,671	4,930,671
Gross operating expenses	(4,223,094)	(2,575,408)	(1,447,404)	(1,733,601)	(1,494,323)
Operating profit before income tax	17,401,885	11,405,916	6,791,196	5,827,070	3,436,348
Share of (loss)/profit in associate companies	-	-	-	-	-
Profit before income tax	17,401,885	11,405,916	6,791,196	5,827,070	3,436,348
Income tax expense	(3,454,473)	(2,058,261)	(67,805)	(240,006)	(400,275)
Profit for the year from continuing operations	13,947,412	9,347,655	6,723,392	5,587,064	3,036,073
Other comprehensive income for the year	15,600,129	1,047,467	62,525	4,485	12,901
Total comprehensive income for the year	29,547,541	10,395,122	6,785,917	5,591,549	3,048,974
Earnings per share-basic (kobo) - annualised	232	156	112	93	51



Investor Information



■ Corporate Information

Directors

Chika Mordi	Chairman (Non Executive Director)
Peter Ashade	Group Chief Executive Officer
Sunny Anene	Deputy Group Chief Executive Officer
Ayodeji Adigun	Group Executive Director (Appointed 25th April 2023)
Emmanuel N. Nnorom	Non Executive Director
Oladipupo Fatokun	Independent Non Executive Director
Oluleke Ogunlewe	Non-Executive Director
Samuel Nwanze	Non-Executive Director (Appointed 20th July 2023)
Chiugo Ndubisi	Non-Executive Director (Appointed 20th July 2023)
Uche Ike	Non-Executive Director (Appointed 13th June 2023)
Sonny Iroche	Independent Non Executive Director (Resigned 30th June 2023)
Stephen Nwadiuko	Independent Non Executive Director (Resigned 30th June 2023)
Rose Nat Eshiet	Independent Non Executive Director (Appointed 8th February 2024)

Executive Management

Peter Ashade	Group Chief Executive Officer
Sunny Anene	Deputy Group Chief Executive Officer
Ayodeji Adigun	Group Executive Director/Chief Operating Officer
Gbadebo Adenrele	Managing Director, United Capital Investment Banking
Bawo Oritshajafor	Managing Director, United Capital Securities Limited
Odiri Oginni	Managing Director, United Capital Asset Management Limited
Micheal Abiodun-Thomas	Managing Director, United Capital Trustees Limited (Appointed 2nd January 2024)
Leo Okafor	Group Company Secretary/General Counsel
Shedrack Onakpoma	Group Chief Finance Officer

RC No. :

RC444999

FRC No. :

FRC/2013/00000000001976

REGISTERED OFFICE:

3rd & 4th Floor Afriland Towers,
97/105 Broad Street, Lagos Island, Lagos, Nigeria

BANKERS:

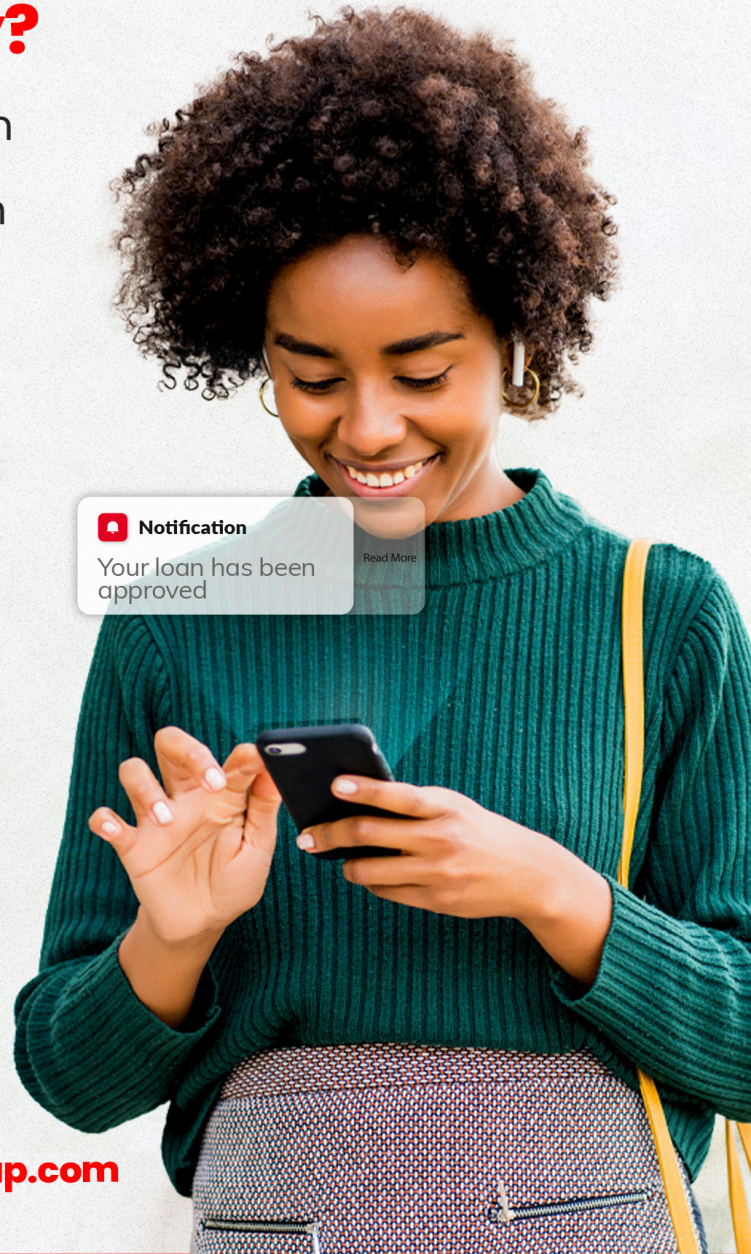
United Bank for Africa Plc
57, Marina, Lagos Island, Lagos.

AUDITORS:

PricewaterhouseCoopers Nigeria
5B Water Corporation Road, Landmark Towers, Victoria Island
Lagos, Nigeria

Do you know you can access quick loans with **your United Capital Investment as surety?**

With our **Asset-backed Loan**, you can access loans of up to 95% of your United Capital investment value at an affordable rate.



To get started, send an email to
Consumerfinance@unitedcapitalplcgroup.com

Lagos

United Capital Plc
3rd & 4th Floor, Afriland Towers,
97/105 Broad St, Lagos, Nigeria
+234-1-280-7596, +234-1-280-8919
Info@unitedcapitalplcgroup.com

Abuja

United Capital Plc
43, Monrovia Street,
Wuse 2, Abuja, Nigeria.
+234 -1-280-8412
Info@unitedcapitalplcgroup.com

Port Harcourt

United Capital Plc
1st Floor, UBA House, 14, Azikwe road,
Port Harcourt, Nigeria
+234-8-455-6577, +234-704-617-5444
Info@unitedcapitalplcgroup.com

Ibadan

UBA Building
Lebanon/ Jubilee Market Street,
Dugbe, Ibadan, Oyo State.
Info@unitedcapitalplcgroup.com

Ghana

Heritage Tower,
Ambassadorial Enclave, off Liberia Road,
Ridge, Accra, Ghana.
Info@unitedcapitalplcgroup.com

■ UCAP in Pictures

United Capital Townhall Meeting



■ UCAP in Pictures

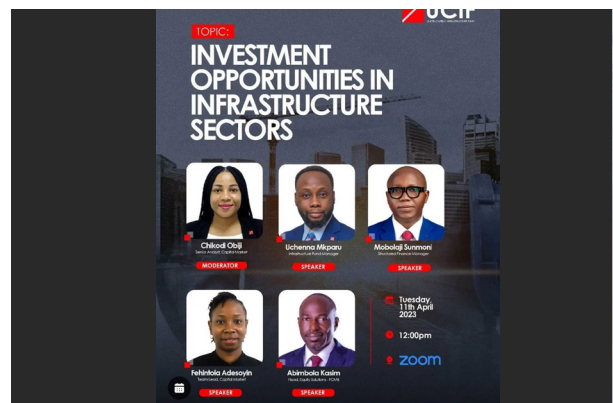
United Capital & Hartleys Supermarket Commercial Paper Signing Ceremony



#ThisGirlInvest



UCIF Webinar



■ UCAP in Pictures

2023 Annual General Meeting



■ UCAP in Pictures

2023 Annual General Meeting



■ UCAP in Pictures

Africa Day At Ucap



■ UCAP in Pictures

United Capital Walkathon Winners



UCAP in Pictures

United Capital Securities Limited CEO Breakfast Forum



■ UCAP in Pictures

Money Savvy Kid



■ UCAP in Pictures

Money Savvy Kid



■ UCAP in Pictures

End-Of-The-Year Staff Activities



■ UCAP in Pictures

End-Of-The-Year Staff Activities





NOTICE OF ANNUAL GENERAL MEETING OF UNITED CAPITAL PLC

NOTICE IS HEREBY GIVEN that the **11th** Annual General Meeting of United Capital Plc will hold at the Transcorp Hilton Hotel, 1, Aguiyi Ironsi Street, Maitama, Abuja on Tuesday **April 23, 2024** at **10am** to transact the following businesses:

ORDINARY BUSINESS:

1. To lay before the members the Audited Financial Statements for the year ended December 31, 2023 and the Report of the Directors, Auditors and Audit Committee thereon.
2. To declare a Dividend.
3. To appoint the following new Directors:
 - 3.1 Mr. Ayodeji Adigun
 - 3.2 Mr. Samuel Nwanze
 - 3.3 Mr. Chiugo Ndubisi
 - 3.4 Mr. Uche Ike
 - 3.5 Mrs. Rose Nat Eshiett
4. To re-elect the following Directors retiring by rotation:
 - 4.1 Mr. Emmanuel Nnorom; and
 - 4.2 Mr. Oluleke Ogunlewe.
5. To authorise the Directors to determine the remuneration of the Auditors.
6. To disclose the remuneration of Managers.
7. To elect/re-elect members of the Statutory Audit Committee.

SPECIAL BUSINESS:

8. To consider and if thought fit, pass the following as an ordinary resolution:

"That the Director's fees payable to Non-Executive Directors, until further notice, be and is hereby fixed at the sum of N230,000,000 (Two hundred and thirty million naira only) for the year ending December 31, 2024. Such payments to be effective from January 1, 2024.

Dated March 28, 2024.

BY ORDER OF THE BOARD

Dr. (Sir) Leo Okafor (PhD), FCIS, ACS, M.IOD
GROUP COMPANY SECRETARY/GENERAL COUNSEL
FRC/2013/NBA/00000002520

NOTES:

PROXY

Any member of the Company entitled to attend and vote at this meeting is also entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the Company. A proxy form must be completed and deposited at the office of the Company's Registrar, Africa Prudential Registrars Plc, 220B Ikorodu Road, Palmgrove, Lagos, not later than 48 hours before the time fixed for the meeting.

RIGHT OF SECURITIES' HOLDERS TO ASK QUESTIONS

Securities' Holders have a right to ask questions not only at the Meeting, but also in writing prior to the Meeting, and such questions must be submitted to the Company on or before April 19, 2024.

NOMINATION TO THE AUDIT COMMITTEE

Pursuant to Section 404(6) of the Companies & Allied Matters Act, 2020, any member may nominate a shareholder as a member of the Audit Committee by giving notice in writing of such nomination. Such notice shall reach the Company Secretary at least 21 days before the Annual General Meeting. The Nigerian Code of Corporate Governance 2018 has advised that members of the Audit Committee should have basic financial literacy and should be able to read Financial Statements. We therefore request that nominations be accompanied by a copy of the nominee's genuine curriculum vitae.

DIVIDEND

If the Dividend recommended by the Directors is approved by the members at the Annual General Meeting, Dividend will be paid by April 23, 2024 to the Shareholders whose names appear in the Company's Register of Members at the close of business on April 9, 2024.

CLOSURE OF REGISTER

The Register of Members and Transfer Books will be closed from April 10, 2024 to April 13, 2024 both days inclusive for the purpose of updating the Register of Members.

E-DIVIDEND

Notice is hereby given to all Shareholders (who are yet to do so) to open bank accounts, stockbroking accounts and CSCS accounts for the purpose of dividend. A detachable application form for e-dividend is attached to this Annual Report to enable all shareholders furnish particulars of their accounts to the Registrar as soon as possible.

UNCLAIMED DIVIDEND WARRANTS AND SHARE CERTIFICATES

Shareholders are hereby informed that a number of share certificates and dividend warrants which were returned to the Registrars as unclaimed are still in the custody of the Registrars. Any shareholder affected by this notice is advised to contact the Company's Registrars, Africa Prudential Plc, 220B Ikorodu Road, Palmgrove, Lagos, or via cxc@afriicaprudential.com to lay claim.

PROFILES OF DIRECTORS FOR RE-ELECTION

The profiles of Mr. Emmanuel Nnorom and Mr. Oluleke Ogunlewe who will be retiring by rotation and will be presenting themselves for re-election are amongst the profiles of Directors that are provided in the Annual Report and on the Company's website at www.unitedcapitalplcgroup.com

E- ANNUAL REPORT PUBLISHED ON THE WEBSITE

In order to improve delivery of our Annual Report, we have inserted a detachable form in the Annual Report and hereby request shareholders to complete the form by providing their contact and any other requested details and thereafter return same to the Registrars for further processing. Additionally, an electronic version of the Annual Report is available on the Company's website at www.unitedcapitalplcgroup.com

E- REPORT

In order to improve delivery of our Annual Report, we have inserted a detachable Form to the Annual Report and hereby request Shareholders who wish to receive the Annual Report of United Capital Plc in an electronic format to complete and return the Form to the Registrars for further processing.



E-DIVIDEND MANDATE ACTIVATION FORM

INSTRUCTION

Please complete all section of this form to make it eligible for processing and return to the address below.

The Registrar

Africa Prudential Plc
220B, Ikorodu Road, Palmgrove, Lagos.

I/We hereby request that henceforth, all my/our Dividend Payment(s) due to me/us from my/our holdings in all the companies ticked at the right hand column be credited directly to my /our bank detailed below:

Bank Verification Number (BVN):

Bank Name:

Bank Account Number:

Account Opening Date: DD MM YYYY

SHAREHOLDER ACCOUNT INFORMATION

Gender: Male Female Date Of Birth DD MM YYYY

Surname/Company's Name First Name Other Name

Address

City State Country

Clearing House Number (CHN) (if any) Name of Stockbroking Firm

Mobile Telephone 1 Mobile Telephone 2

E-mail Address

DECLARATION

I/We hereby declare that the information I have provided is true and correct and that I shall be held personally liable for any of my personal details.

I/We also agree and consent that Africa Prudential Plc ("Afriprud") may collect, use, disclose, process and deal in any manner whatsoever with my/our personal, biometric and shareholding information set out in this form and/or otherwise provided by me/us or possessed by Afriprud for administration of my/our shareholding and matters related thereto.

Signature: Signature: Company Seal (if applicable)

Joint/Company's Signatories

Affix
Recent Passport
Photograph

**USE GUM ONLY
NO STAPLE PINS**

(To be stamped by your banker)
ONLY CLEARING BANKS ARE ACCEPTABLE

**Please tick against the company(ies)
where you have shareholdings**

CLIENTELE

1. ABBEY MORTGAGE BANK PLC
 2. ADAMAWA STATE GOVERNMENT BOND
 3. AFRILAND PROPERTIES PLC
 4. AFRICA PRUDENTIAL PLC
 5. A & G INSURANCE PLC
 6. ALUMACO PLC
 7. A.R.M LIFE PLC
 8. BECO PETROLEUM PRODUCTS PLC
 9. BUA GROUP
 10. BENUE STATE GOVERNMENT BOND
 11. CAP PLC
 12. CAPP AND D'ALBERTO PLC
 13. CEMENT COY. OF NORTHERN NIG. PLC
 14. CSCS PLC
 15. CHAMPION BREWERIES PLC
 16. CWG PLC
 17. CORDROS MONEY MARKET FUND
 18. EBONYI STATE GOVERNMENT BOND
 19. GOLDEN CAPITAL PLC
 20. INFINITY TRUST MORTGAGE BANK PLC
 21. INVESTMENT & ALLIED ASSURANCE PLC
 22. JAIZ BANK PLC
 23. KADUNA STATE GOVERNMENT BOND
 24. LAGOS BUILDING INVESTMENT CO. PLC
 25. GLOBAL SPECTRUM ENERGY SERVICES PLC
 26. MED-VIEW AIRLINE PLC
 27. MIXTA REAL ESTATE PLC (formerly ARM Properties PLC)
 28. NEXANS KABLEMETAL NIG. PLC
 29. OMOJUABI MORTGAGE BANK PLC
 30. PERSONAL TRUST & SAVINGS LTD
 31. P.S MANDRIDES PLC
 32. PORTLAND PAINTS & PRODUCTS NIG. PLC
 33. PREMIER BREWERIES PLC
 34. RESORT SAVINGS & LOANS PLC
 35. ROADS NIGERIA PLC
 36. SCOA NIGERIA PLC
 37. TRANSORP HOTELS PLC
 38. TRANSORP PLC
 39. TOWER BOND
 40. THE LA CASERA CORPORATE BOND
 41. UACN PLC
 42. UNITED BANK FOR AFRICA PLC
 43. UNITED CAPITAL PLC
 44. UNITED CAPITAL BALANCED FUND
 45. UNITED CAPITAL BOND FUND
 46. UNITED CAPITAL EQUITY FUND
 47. UNITED CAPITAL MONEY MARKET FUND
 48. UNITED CAPITAL NIGERIAN EUROBOND FUND
 49. UNITED CAPITAL WEALTH FOR WOMEN FUND
 50. UNIC DIVERSIFIED HOLDINGS PLC
 51. UNIC INSURANCE PLC
 52. UAC PROPERTY DEVELOPMENT COMPANY PLC
 53. UTC NIGERIA PLC
 54. VFD GROUP PLC
 55. WEST AFRICAN GLASS IND PLC
- OTHERS:

HEAD OFFICE: 220B, Ikorodu Road, Palmgrove, Lagos.
 ABUJA: Infinity House (2nd Floor), 11 Kaura Namoda Street, Off Faskari Crescent, Area 3, Garki, Abuja.
 PORT-HARCOURT: Oklen Suite Building (2nd Floor), No. 1A, Evo Road, GRA Phase 2.
 TEL: 0700 AFRIPRUD (0700 2374 7783) | E-MAIL: cxc@afriprudential.com | www.afriprudential.com | @afriprud





e-SHARE REGISTRATION APPLICATION FORM

Dear Registrar,

Please take this as authority to activate my account(s) on your SharePortal where I will be able to view and manage my investment portfolio online with ease.

*** = Compulsory fields**

1. *SURNAME/COMPANY NAME:

2. *FIRST NAME:

3. OTHER NAME:

4. *E-MAIL:

5. ALTERNATE E-MAIL:

6. *MOBILE NO.: 1. 2.

7. SEX: MALE FEMALE 8. *DATE OF BIRTH

9. *POSTAL ADDRESS:

10. CSCS CLEARING HOUSE NO.:

11. NAME OF STOCKBROKER:

DECLARATION

I/We hereby declare that the information I have provided is true and correct and that I shall be held personally liable for any of my personal details.

I/We also agree and consent that Africa Prudential Plc ("Afriprud") may collect, use, disclose, process and deal in any manner whatsoever with my/our personal, biometric and shareholding information set out in this form and/or otherwise provided by me/us or possessed by Afriprud for administration of my/our shareholding and matters related thereto.

Signature:

Signature:

Joint/Company's Signatories

Company Seal (if applicable)

Please tick against the company(ies) where you have shareholdings

CLIENTELE

- 1. ABBEY MORTGAGE BANK PLC
- 2. ADAMAWA STATE GOVERNMENT BOND
- 3. AFRILAND PROPERTIES PLC
- 4. AFRICA PRUDENTIAL PLC
- 5. A & G INSURANCE PLC
- 6. ALUMACO PLC
- 7. A.R.M LIFE PLC
- 8. BECO PETROLEUM PRODUCTS PLC
- 9. BUA GROUP
- 10. BENUE STATE GOVERNMENT BOND
- 11. CAP PLC
- 12. CAPP AND D'ALBERTO PLC
- 13. CEMENT COY. OF NORTHERN NIG. PLC
- 14. CSCS PLC
- 15. CHAMPION BREWERIES PLC
- 16. CWG PLC
- 17. CORDROS MONEY MARKET FUND
- 18. EBONYI STATE GOVERNMENT BOND
- 19. GOLDEN CAPITAL PLC
- 20. INFINITY TRUST MORTGAGE BANK PLC
- 21. INVESTMENT & ALLIED ASSURANCE PLC
- 22. JAIZ BANK PLC
- 23. KADUNA STATE GOVERNMENT BOND
- 24. LAGOS BUILDING INVESTMENT CO. PLC
- 25. GLOBAL SPECTRUM ENERGY SERVICES PLC
- 26. MED-VIEW AIRLINE PLC
- 27. MIXTA REAL ESTATE PLC (formerly ARM Properties Plc)
- 28. NEXANS KABLEMETAL NIG. PLC
- 29. OMOLUABI MORTGAGE BANK PLC
- 30. PERSONAL TRUST & SAVINGS LTD
- 31. P.S MANDRIDES PLC
- 32. PORTLAND PAINTS & PRODUCTS NIG. PLC
- 33. PREMIER BREWERIES PLC
- 34. RESORT SAVINGS & LOANS PLC
- 35. ROADS NIGERIA PLC
- 36. SCOA NIGERIA PLC
- 37. TRANSCORP HOTELS PLC
- 38. TRANSCORP PLC
- 39. TOWER BOND
- 40. THE LA CASERA CORPORATE BOND
- 41. UACN PLC
- 42. UNITED BANK FOR AFRICA PLC
- 43. UNITED CAPITAL PLC
- 44. UNITED CAPITAL BALANCED FUND
- 45. UNITED CAPITAL BOND FUND
- 46. UNITED CAPITAL EQUITY FUND
- 47. UNITED CAPITAL MONEY MARKET FUND
- 48. UNITED CAPITAL NIGERIAN EUROBOND FUND
- 49. UNITED CAPITAL WEALTH FOR WOMEN FUND
- 50. UNIC DIVERSIFIED HOLDINGS PLC
- 51. UNIC INSURANCE PLC
- 52. UAC PROPERTY DEVELOPMENT COMPANY PLC
- 53. UTC NIGERIA PLC
- 54. VFD GROUP PLC
- 55. WEST AFRICAN GLASS IND PLC

OTHERS:

HEAD OFFICE: 220B, Ikorodu Road, Palmgrove, Lagos.

ABUJA: Infinity House (2nd Floor), 11 Kaura Namoda Street, Off Faskari Crescent, Area 3, Garki, Abuja.

PORT-HARCOURT: Oklen Suite Building (2nd Floor), No. 1A, Evo Road, GRA Phase 2.

TEL: 0700 AFRIPRUD (0700 2374 7783) | E-MAIL: cxc@aficaprudential.com | www.aficaprudential.com | @afripud





E-SERVICE/DATA UPDATE FORM

KINDLY FILL AND RETURN FORM TO ANY OF OUR OFFICE ADDRESSES STATED BELOW | * = COMPULSORY FIELDS

1. *SURNAME/COMPANY NAME

2. *FIRST NAME 3. OTHER NAME

4. *GENDER M F 5. E-MAIL

6. ALTERNATE E-MAIL

7. *DATE OF BIRTH DD MM YYY YYY

8. *MOBILE (1) (2)

9. *ADDRESS

10. OLD ADDRESS (if any)

11. *NATIONALITY 12. *OCCUPATION

13. *NEXT OF KIN NAME MOBILE

14. *MOTHER'S MAIDEN NAME

15. BANK NAME 16. A/C NO.

17. A/C NAME 18. A/C OPENING DATE DD MM YYY YYY

19. BANK VERIFICATION NO. (BVN) 20. NAME OF STOCKBROKING FIRM

21. CSCS CLEARING HOUSE NO. (CHN) C

DECLARATION

I/We hereby declare that the information I have provided is true and correct and that I shall be held personally liable for any of my personal details.

I/We also agree and consent that Africa Prudential Plc ("Afriprud") may collect, use, disclose, process and deal in any manner whatsoever with my/our personal, biometric and shareholding information set out in this form and/or otherwise provided by me/us or possessed by Afriprud for administration of my/our shareholding and matters related thereto.

Signature:

Signature:

Joint/Company's Signatories

Company Seal (if applicable)

Please tick against the company(ies) where you have shareholdings

CLIENTELE

- 1. ABBEY MORTGAGE BANK PLC
- 2. ADAMAWA STATE GOVERNMENT BOND
- 3. AFRILAND PROPERTIES PLC
- 4. AFRICA PRUDENTIAL PLC
- 5. A & G INSURANCE PLC
- 6. ALUMACO PLC
- 7. A.R.M LIFE PLC
- 8. BECO PETROLEUM PRODUCTS PLC
- 9. BUA GROUP
- 10. BENUE STATE GOVERNMENT BOND
- 11. CAP PLC
- 12. CAPP AND D'ALBERTO PLC
- 13. CEMENT COY. OF NORTHERN NIG. PLC
- 14. CSCS PLC
- 15. CHAMPION BREWERIES PLC
- 16. CWG PLC
- 17. CORDROS MONEY MARKET FUND
- 18. EBONYI STATE GOVERNMENT BOND
- 19. GOLDEN CAPITAL PLC
- 20. INFINITY TRUST MORTGAGE BANK PLC
- 21. INVESTMENT & ALLIED ASSURANCE PLC
- 22. JAIZ BANK PLC
- 23. KADUNA STATE GOVERNMENT BOND
- 24. LAGOS BUILDING INVESTMENT CO. PLC
- 25. GLOBAL SPECTRUM ENERGY SERVICES PLC
- 26. MED-VIEW AIRLINE PLC
- 27. MIXTA REAL ESTATE PLC (formerly ARM Properties Plc)
- 28. NEXANS KABLEMETAL NIG. PLC
- 29. LIVINGTRUST MORTGAGE BANK PLC
- 30. PERSONAL TRUST & SAVINGS LTD
- 31. P.S MANDRIDES PLC
- 32. PORTLAND PAINTS & PRODUCTS NIG. PLC
- 33. PREMIER BREWERIES PLC
- 34. RESORT SAVINGS & LOANS PLC
- 35. ROADS NIGERIA PLC
- 36. SCOA NIGERIA PLC
- 37. TRANSCORP HOTELS PLC
- 38. TRANSCORP PLC
- 39. TOWER BOND
- 40. THE LA CASERA CORPORATE BOND
- 41. UACN PLC
- 42. UNITED BANK FOR AFRICA PLC
- 43. UNITED CAPITAL PLC
- 44. UNITED CAPITAL BALANCED FUND
- 45. UNITED CAPITAL BOND FUND
- 46. UNITED CAPITAL EQUITY FUND
- 47. UNITED CAPITAL MONEY MARKET FUND
- 48. UNITED CAPITAL NIGERIAN EURO BOND FUND
- 49. UNITED CAPITAL WEALTH FOR WOMEN FUND
- 50. UNIC DIVERSIFIED HOLDINGS PLC
- 51. UNIC INSURANCE PLC
- 52. UAC PROPERTY DEVELOPMENT COMPANY PLC
- 53. UTC NIGERIA PLC
- 54. VFD GROUP PLC
- 55. WEST AFRICAN GLASS IND PLC

OTHERS:

HEAD OFFICE: 220B, Ikorodu Road, Palmgrove, Lagos.

ABUJA: Infinity House (2nd Floor), 11 Kaura Namoda Street, Off Faskari Crescent, Area 3, Garki, Abuja.

PORT-HARCOURT: Oklen Suite Building (2nd Floor), No. 1A, Evo Road, GRA Phase 2.

TEL: 0700 AFRIPRUD (0700 2374 7783) | E-MAIL: cxc@africaprudential.com | www.africaprudential.com | @afriprud



SCAN



To Download Download Form



RC 444999

PROXY FORM

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS AND IS TO BE USED AT THE ANNUAL GENERAL MEETING TO BE HELD ON APRIL 23, 2024

I/We.....

Being a member/members of UNITED CAPITAL PLC,

hereby appoint **.....

.....

.....

(block capitals please)

or failing him, the Chairman of the meeting as my/our* proxy to act and vote for me/us* on my/our* behalf at the Annual General Meeting of the Company to be held on April 23, 2024, at 10am or at any adjournment hereof.

Dated this day of 2024

Shareholder's signature:

NOTE

Please sign this form and deliver or post it to reach the Registrar, Africa Prudential Plc, 220B Ikorodu Road, Palmgrove, Lagos not later than 48 hours before the meeting and ensure that the proxy form is dated and signed stamped by the Commissioner for Stamp Duties.

It is a requirement of the law under the Stamp Duties Act, Cap S8, Laws of the Federation of Nigeria, 2004, that any instrument of proxy to be used for the purpose of voting by any person entitled to vote at any meeting of shareholders must be stamped by the Commissioner for Stamp Duties.

The Proxy must produce the Admission Card below to gain entrance into the Meeting.

ORDINARY BUSINESS		FOR	AGAINST	ABSTAIN
1.	To lay before the members the Audited Financial Statements for the year ended December 31, 2023, and the Report of Directors, Auditors and Audit Committee thereon.			
2.	To declare a Dividend			
3.	To elect the following new Directors: 3.1 Mr. Ayodeji Adigun 3.2 Mr. Chiugo Ndubisi 3.3 Mr. Samuel Nwanze 3.4 Mr. Uche Ike 3.5 Mrs Rose Nat-Eshiett			
4.	To re-elect the following Directors retiring by rotation: 3.1 Mr. Emmanuel Nnorom 3.2 Mr. Oluleke Ogunlewe			
5.	To authorize directors to fix remuneration of auditors			
6.	To fix the remuneration of Non-Executive Directors			
7.	To disclose the remuneration of Managers			
8.	To elect members of Statutory Audit Committee			
9.	That the Director's fees payable to Non-Executive Directors, until further notice, be and is hereby fixed at the sum of N230,000,000 (Two hundred and thirty million naira only) for the year ending December 31, 2024. Such payments to be effective from January 1, 2024			

Please indicate, by marking 'X' in the appropriate space, how you wish your votes to be cast on the resolutions set out above.

Before posting the above form, please tear off this part and retain it for admission to the meeting

ANNUAL GENERAL MEETING
ADMISSION CARD



RC 444999

PLEASE ADMIT THE SHAREHOLDER NAMED ON THIS CARD OR HIS DULY APPOINTED PROXY TO THE ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD ON APRIL 23, 2024 AT 10 AM AT THE TRANSCORP HILTON HOTEL, 1, AGUIYI IRONSI, MAITAMA, ABUJA

Name and address of Shareholder

Account Number:

Prox

Shareholder

Dr. Leo Okafor (PhD), FCIS
Group Company Secretary

Signature:.....

THIS CARD IS TO BE SIGNED AT THE VENUE IN THE PRESENCE OF THE REGISTRAR.

Become a jack of all assets.

With the **United Capital Balanced Fund**, you can grow your money, and diversify your portfolio with securities that cuts across the different asset classes without taking too much risk.

Minimum entry fee: N10,000

Interested? **Visit InvestNow.ng** to get started.



Scan to learn more



Download the Investnow App



Lagos

United Capital Plc
3rd & 4th Floor, Afriland Towers,
97/105 Broad St, Lagos, Nigeria
+234-1-280-7596, +234-1-280-8919
Info@unitedcapitalplcgroup.com

Abuja

United Capital Plc
43, Monrovia Street,
Wuse 2, Abuja, Nigeria.
+234 -1-280-8412
Info@unitedcapitalplcgroup.com

Port Harcourt

United Capital Plc
1st Floor, UBA House, 14, Azikiwe road,
Port Harcourt, Nigeria
+234-8-455-6577, +234-704-617-5444
Info@unitedcapitalplcgroup.com

Ibadan

UBA Building
Lebanon/ Jubilee Market Street,
Dugbe, Ibadan, Oyo State.
Info@unitedcapitalplcgroup.com

Ghana

Heritage Tower,
Ambassadorial Enclave, off Liberia Road,
Ridge, Accra, Ghana.
Info@unitedcapitalplcgroup.com

Lagos • Abuja • Port Harcourt • Ibadan • Ghana

www.unitedcapitalplcgroup.com