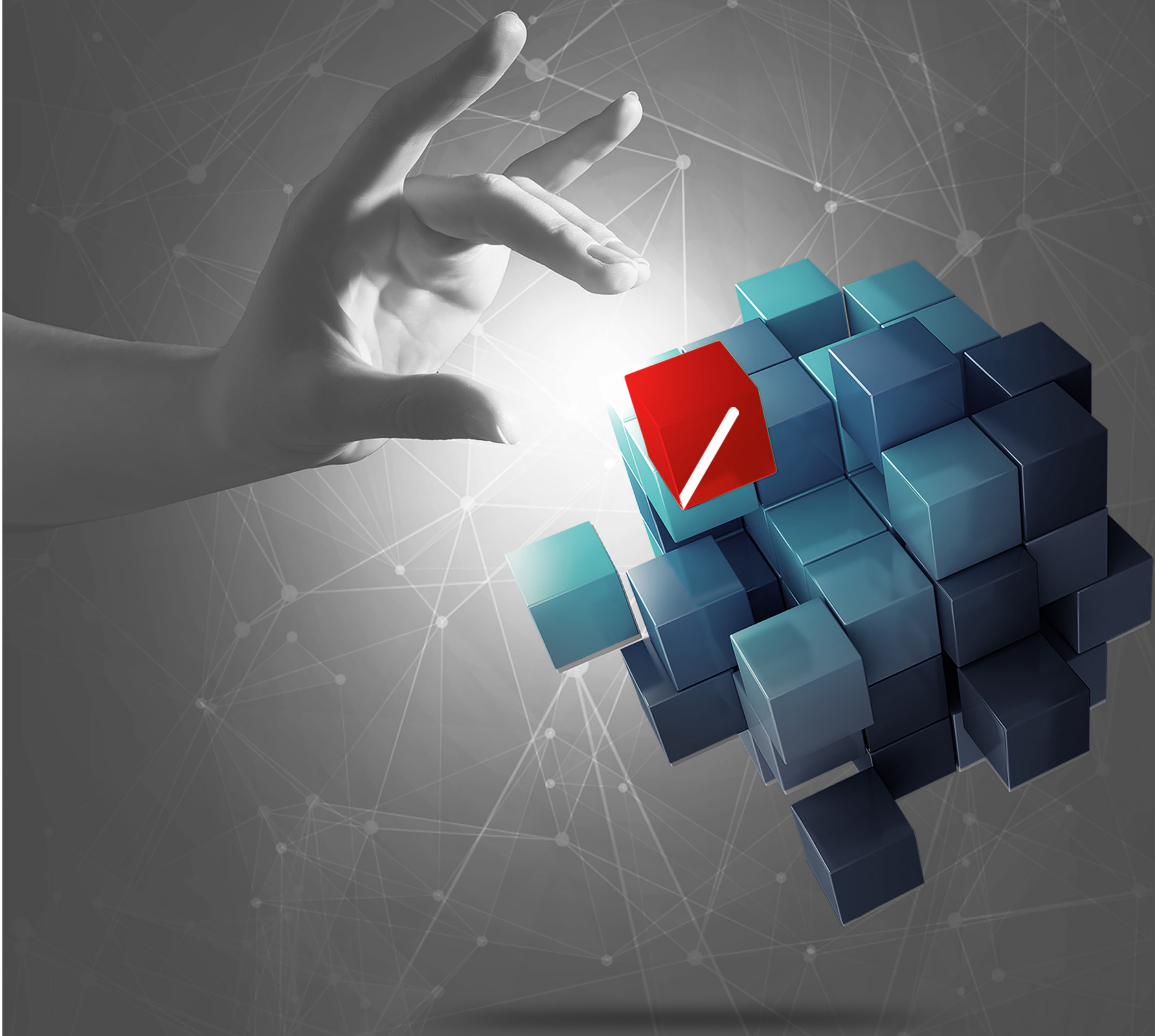
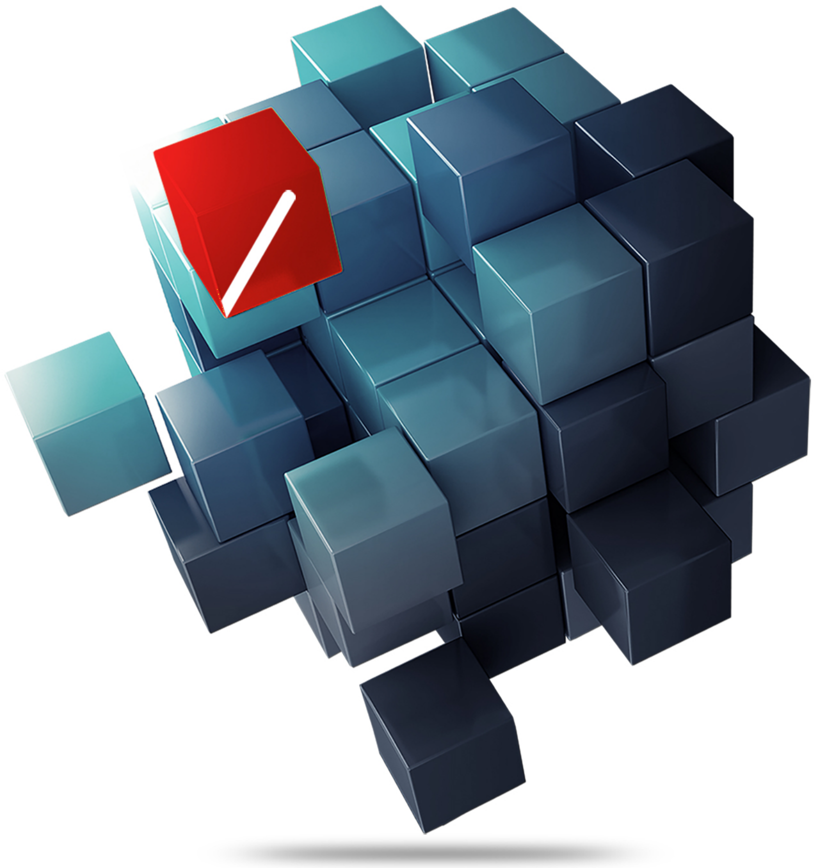
United Capital

2020 ANNUAL REPORT



DISTINCT

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



DISTINCT

Separate, different and stands out. The United Capital Group, through changing market environments and challenging times, stands high above other service providers in the industry through our commitment to value creation and impeccable service delivery.

Distinct means different. Finding new solutions to old problems, innovating through obstacles and boldly advancing to new frontiers. Our distinction is powered by a 'can-do' attitude, a mindset that makes everything possible in our eyes. We are convinced that by driving financial inclusion across Africa, we are fanning the flame of Africapitalism and actively building the Africa of the future.

Our obsession for understanding our clients' unique needs deeply propels us to deploy our expertise and experience to offer solutions and deliver results that are defined by one word: **DISTINCT.**

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ABOUT UNITED CAPITAL

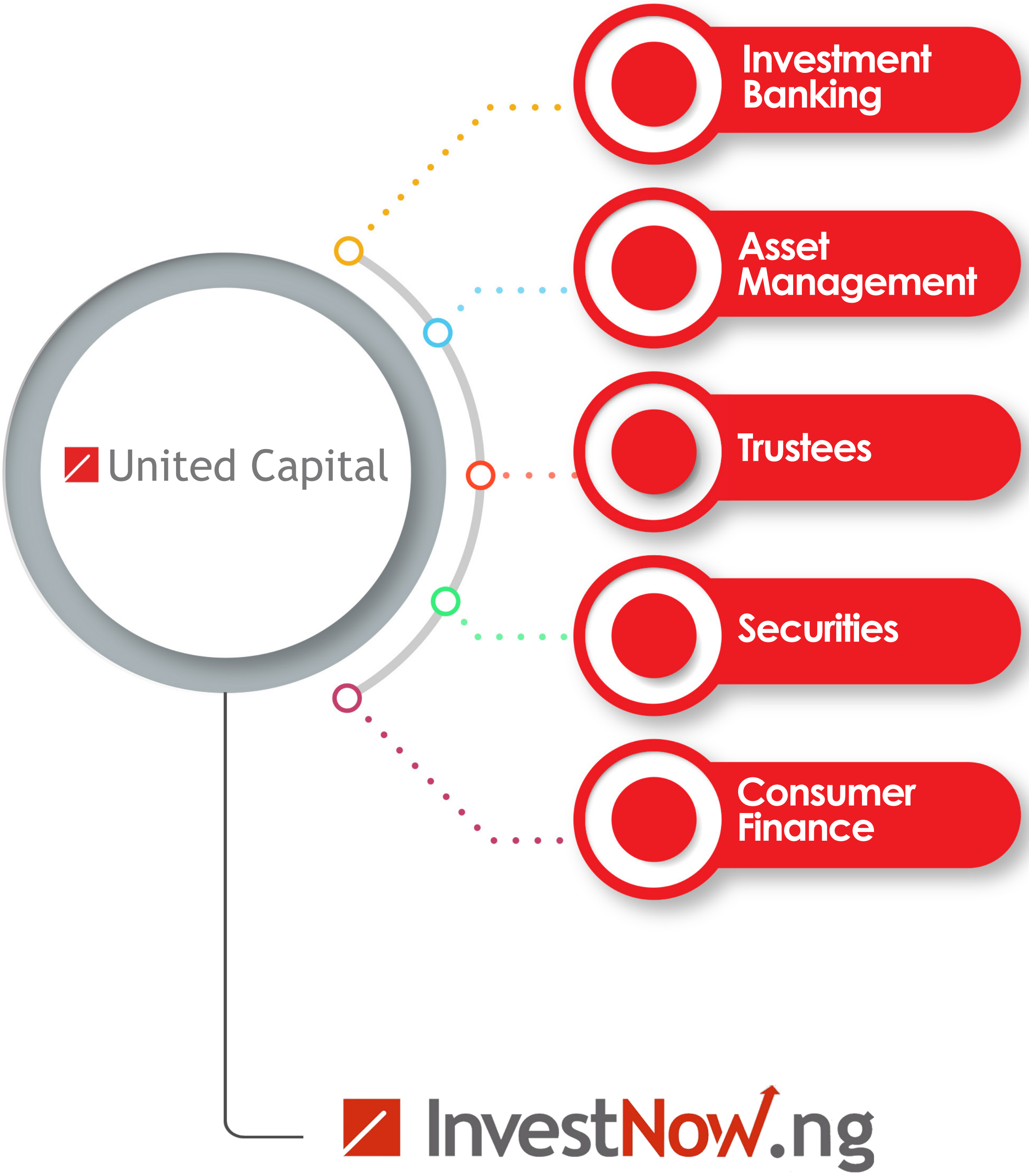
United Capital Plc is an investment banking and financial services group at the nexus of technology, professional financial services and financial inclusion in Africa. For more than 55 years, we have consistently blazed the trail in leadership, innovation and service delivery in the finance industry, serving governments and top corporates as well as SMEs and individuals.

Since it was founded over 50 years ago, United Capital has cultivated and sustained a heritage of excellence in the financial industry in Africa. Our track record of transaction execution, industry leadership and customer obsession are unmatched. We have achieved this by providing top-of-the-line financial services across the continent, consistently demonstrating a commitment to execution, excellent service delivery and client satisfaction.

Looking ahead, we are focused on leveraging technology as part of our retail strategy to provide award winning retail investment opportunities to our rapidly swelling retail businesses. We are committed to supporting financial inclusion by continuing to lead with groundbreaking private and public sector financing deals and other initiatives that foster economic growth and prosperity for our continent.

United Capital Plc is a financial and investment services group which has a diverse portfolio and encompasses investment banking as well as wealth management. The leading retail product, InvestNow is tailored to cater for the needs of retail customers. Its operating companies fall under the name of the master brand United Capital. All subsidiaries work as individual entitites with each performing bespoke services to clients.

OUR BUSINESSES



2019 PERFORMANCE HIGHLIGHTS

N8.59 billion
Gross Earnings
Down 7% Year on Year

N4.95 billion
Profit Before Tax
Down 20% Year on Year

N4.97 billion
Profit After Tax
Up 15% Year on Year

N150.46 billion
Total Assets
Up 1.2% Year on Year

N72.38 billion
Funds Under Management
Down 4% Year on Year

N19.59 billion
Shareholder's Fund
Up 15% Year on Year

42%
Cost to Income Ratio
2018 33%

83 Kobo
Earnings Per Share
2018 72Kobo

25%
Return on Average Equity
2018 27%


United Capital
The Intelligent Choice
FUELLED TO DRIVE
GROWTH
F
With over 5 decades of financial leadership, we are well positioned to provide bespoke and financial advisory and capital raising solutions to corporates, sovereigns and sub-sovereigns. Our track record of executing complex transactions sets us apart across Africa.
Lagos ● Abuja ● Port Harcourt ● Ibadan
Linking you to a world of opportunities

BOARD OF DIRECTORS

1. **CHIKA MORDI,** Chairman
2. **PETER ASHADE,** Group Chief Executive Officer
3. **SUNNY ANENE,** Group Executive Director
4. **EMMANUEL NNOROM,** Non-Executive Director
5. **ADIM JIBUNOH,** Non-Executive Director
6. **STEPHEN NWADIUKO,** Independent Non-Executive Director
7. **SONNY IROCHE,** Independent Non-Executive Director
8. **LEO OKAFOR,** Group Company Secretary/General Counsel

BOARD PROFILE

The Board is made up of the following people:

Chika Mordi
Chairman

Chika Mordi brings significant experience to the Board in the areas of governance, regional knowledge and industry expertise. He has 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 had served on several government and multilateral committees, including the World Economic Forum's agenda board. He is the CEO of Accenda Africa and the National Competitiveness Council of Nigeria. He continues to advise 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 and has travelled to over fifty countries. He was appointed the Chairman of United Capital Plc on January 10, 2014.

Peter Ashade
Group Chief Executive Officer

Peter Ashade holds a Bachelor of Science degree from the Olabisi Onabanjo University, Ago-Iwoye (formerly Ogun State University), an MBA and MSc from Obafemi Awolowo University and University of Lagos respectively. He is a Fellow of three professional bodies namely; the Institute of Chartered Accountants of Nigeria, Institute of Capital Market Registrars of Nigeria and Chartered Institute of Bankers of Nigeria as well as an Associate of the Chartered Institute of Taxation and Institute of Directors. He has 30 years of experience in the Nigerian capital market and had served in various committees of the Securities and Exchange Commission. He was appointed the Group Chief Executive Officer of United Capital Plc on July 2, 2018.

Mr. Sunny Anene
Group Executive Director

Prior to his appointment as an Executive Director, he was the Managing Director of United Capital Asset Management Limited, a wholly owned subsidiary of United Capital Plc. He had served as the Group Chief Finance Officer with additional responsibilities in Risk Management, Information Technology, Treasury, Finance and two other functional areas within the Group. His experience span over twenty-six (26) years and cuts across investment, capital markets, pensions and finance as well as banking operations. His proven ingenuity in these areas was brought to bear on the Group's Asset Management Business. Prior to joining United Capital Plc, he was Head of Operations at First City Group 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 and later returned to the Capital Market 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 stockbroking business. He has 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 was appointed a director on January 2, 2019.

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 30 years work experience in accounting and finance (including at executive levels) in both real estate and banking sectors of the Nigerian economy. He was an Executive Director of United Bank for Africa Plc and retired in 2013. He was appointed a Director in United Capital on January 10, 2014 and is the Chairman of the Finance, Investment and Risk Management Committee.

Mr. Adim Jibunoh
Non Executive Director

Adim Jibunoh holds a first class degree in Economics from the University of Port Harcourt and an MBA in Financial Management from the University of Lagos with extensive management training from IMD Switzerland, Lagos Business School and Harvard Business School.

He has over 30 years of experience in the financial services industry with strong leadership skills. He was the Managing Director/Chief Executive Officer of Continental Trust Bank Limited until 2004 and an Executive Director at Standard Trust Bank Limited (now United Bank for Africa Plc). He was appointed a Director in United Capital Plc on January 23, 2013 and is the Chairman of the Board Audit and Governance Committee.

Sir Stephen Nwadiuko

Independent Non-Executive Director

Sir Stephen Nwadiuko holds a Bachelor of Science degree and an MSc in Banking and Finance from Ogun State University, Ago-Iwoye and University of Ibadan respectively. He is a fellow of three professional bodies namely: Chartered Institute of Bankers of Nigeria, Institute of Chartered Accountants of Nigeria, Compliance Institute of Nigeria as well as an Associate of Certified Pension Institute of Nigeria. He is a retired Deputy Director, Banking Supervision Department of the Central Bank of Nigeria (CBN), a certified Bank Examiner by the CBN and the Federal Deposit Insurance Cooperation of the United States of America. He was a former council member of the Chartered Institute of Bankers of Nigeria and Chairman Chartered Institute of Bankers of Nigeria, Abuja Branch. He is a Member of the Investigating Panel of both the Chartered Institute of Bankers of Nigeria and Institute of Chartered Accountants of Nigeria as well as a member of the Board of Trustees of the Compliance Institute Nigeria. He is the Managing Director/Chief Executive Officer of First Guarantee Pension Limited. He was appointed a Director on October 2, 2018.

Mr. Sonny Iroche

Independent Non-Executive Director

Mr. Sonny Iroche holds a Bachelor of Science degree from the University of Nigeria, Nsukka and an MBA from the Roosevelt University, Chicago, Illinois. He is a seasoned Financial Executive with over thirty years' experience in Banking, Power and Public Service. He has served on various boards such as the International Glass Industries Limited and the First Merchant Bank of Sierra Leone. Prior to his appointment as an Independent Non-Executive Director, he was an Executive Director at Transmission Company of Nigeria. He was appointed a Director on October 2, 2018.

Sir. Leo Okafor

Group Company Secretary/General Counsel

Sir Leo Okafor holds a Bachelor and Master of Law degrees from the University of Lagos. He is a member of the Nigerian Bar Association, a Fellow of the Institute of Chartered Secretaries and Administrators of Nigeria (FCIS) and the Association of Investment Advisers and Portfolio Managers.

Prior to joining United Capital Plc, he was the Managing Director of Zenith Trustees Limited (a subsidiary of Zenith Bank Plc) and PHB Capital & Trust Limited (subsidiary of Bank PHB Plc and later Keystone Bank Limited). He has over 20 years' experience in legal practice, trusteeship, investment banking and company secretarial practice.

An avid scholar and has authored several books and publications in the area of trusteeship and company secretarial practice. He was appointed Company Secretary and General Counsel on March 1, 2013.

SUBSIDIARY MDs

Tokunbo Ajayi

MD/CEO, United Capital Trustees Limited

Tokunbo is the Managing Director, United Capital Trustees Limited. She has over 30 years' experience in trusteeship services and brings her experience to bear in the leadership of the business.

Tokunbo qualified as a Barrister & Solicitor of the Supreme Court of Nigeria in 1986 after a Bachelor of Law Degree from University of Ife, Ile-Ife in 1985. Prior to joining the UBA group in 1989, she was in private Legal Practice. She is a very experienced trustee and a member of the Nigerian Bar Association, International Federation of Women Lawyers (FIDA) Nigeria, the Business Recovery & Insolvency Practitioners Association of Nigeria (BRIPAN), Institute of Directors (IoD) Nigeria, Nigerian Institute of Management and the British Council.

In 2014, she was awarded the Business Excellence Award by the African International Business Forum in United Kingdom as well as the African Entrepreneurship Award in 2018 by the Voice Achievers Awards in the Netherlands. She is an Alumnus of Phillips Consulting, South Africa Senior Management Programme and the Columbia Business School High Impact Leadership Programme. She is both a Trustee and the current President of the Association of Corporate Trustees.

Babatunde Obaniyi

Managing Director, Investment Banking

Babatunde is the Managing Director, Investment Banking and has oversight responsibility for transaction origination, structuring, arranging and execution covering the spectrum of Project Finance, Mergers & Acquisition and debt/equity capital needs of corporate and government entities. He possesses extensive cognate experience in capital markets; and as such has played a pivotal role in originating and executing several notable landmark transactions in the Capital Markets space in Nigeria and notable Project Finance transactions across the African continent raising in excess of $6bn in fresh capital for various corporate institutions and Government entities both sovereign and sub-sovereigns.

He has over 16 years multi-faceted finance experience cutting across deal structuring, capital raising, M&A, project finance, corporate finance, and risk management having worked with renowned Investment Banking and consulting firms like Deloitte, Afrinvest West Africa and Zenith Capital Limited prior joining United Capital in January 2012. He served as Director of Capital Markets Division before his appointment as Managing Director in January 2018 to lead the Investment Banking Business.

Babatunde has a Master's degree in International Securities, Investment, and Banking from ICMA Centre, Henley Business School, University of Reading, UK and B.Sc. Economics (Hons.) degree from Obafemi Awolowo University, Nigeria. He is an Associate member of the Chartered Institute of Securities and Investment (CISI), UK; Association of Certified Chartered Accountants ("ACCA") and the Chartered Institute of Stockbrokers ("CIS"). He also holds the International Fixed Income and Derivatives ("IFID") Certificate. He has also attended executive/leadership programmes at leading Business Schools and he is an alumnus of Senior Management Programme of the Lagos Business School and Global CEO Programme of Wharton, IESE and CEIBS Business Schools.

Bawo Oritsejafor
MD/CEO, United Capital Securities Limited

Bawo is the Managing Director of United Capital Securities Limited. His experience span over 20 years in Securities Trading and Asset Management.

He started his career in financial services with Cashcraft Asset Management Limited where he rose to become the Head, Stock broking Department. He later joined the UBA Plc Group in 1998, with the then UBA Capital & Trust Limited, which later changed to UBA Asset Management Limited (UAML) where he was the Head, Capital Market Unit, the Investment arm of UAML.

He holds a B.Sc Accounting degree from the then University of Ife (now known as Obafemi Awolowo University). He is a member of the Chartered Institute of Stockbrokers, having qualified in 1996 as a Certified Broker – ACS. He has also participated in executive educational courses including the Capital Markets and Derivatives & Options Trading in Nigeria, South Africa and United Kingdom.

Odiri Oginni, CFA
MD/CEO, United Capital Asset Management Limited

Odiri is the Managing Director of United Capital Asset Management Limited. She has over 13 years' post qualification experience spanning the financial services sector in the areas of audit and compliance, portfolio 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.

She has served in various capacities within the United Capital Plc Group including Group Chief Finance Officer (2017-2018), Head, FINCON (2015-2017), Head, Financial Planning, Strategy and Investor Relations (2013-2015), Chief Finance Officer at UBA Capital Limited (the defunct investment banking arm of United Bank for Africa Plc) (2008-2013). She started her career as an Audit Senior with Deloitte between 2006 and 2007 before moving to BGL Plc as a Portfolio Manager.

She is a First-Class graduate of Accounting from Babcock University, an Associate member of the Institute of Chartered Accountants of Nigeria and a CFA Charter holder.

MANAGEMENT TEAM

Peter Ashade

Group CEO

Peter Ashade is the Group CEO of United Capital Plc, a leading African investment banking group providing capital and financing solutions to African governments, companies, and individuals.

Peter is an astute investment banker and business leader with 30 years' cognate experience in Nigeria's capital market; with 15 years as Chief Executive. He is a well-rounded capital market player having participated in various landmark capital market transactions across all segments of the market and a member of various policy-formulating capital market committees. He is reputed for transformational leadership and outstanding executional capabilities.

Prior to his appointment as the Group CEO of United Capital, he was Managing Director/CEO, Africa Prudential Plc (then UBA Registrars Limited). Peter led the transformation of the business from a subsidiary of UBA Plc to the only listed investor services firm on the Nigerian Stock Exchange. More than 15000% growth in profitability was achieved within eight years. He championed disruptive innovation in the registrars' business in Nigeria, pioneering many e-products and successfully achieved the business diversification of Africa Prudential Plc.

Peter has diverse academic and professional background. This includes a BSc in Banking and Finance from Ogun State University (Olabisi Onabanjo University) an MBA, Marketing from University of Ife (now Obafemi Awolowo University) , MSc, Finance from University of Lagos; Fellow, Institute of Chartered Accountants of Nigeria; Fellow, Chartered Institute of Bankers; Fellow, Institute of Capital Market Registrars; Associate, Chartered Institute of Taxation of Nigeria; Associate, Institute of Directors. He is an alumnus of the prestigious Lagos Business School (CEP23, LBS). He is currently the Treasurer, Institute of Capital Market Registrars (ICMR) and the Chairman, Chartered Institute of Bankers of Nigeria (CIBN), Lagos State Branch.

Sunny Anene

Group Executive Director

Sunny Anene is the Group Executive Director of United Capital Plc. Prior to his appointment as the Group Executive Director, he was the Managing Director of United Capital Asset Management Limited, a wholly owned subsidiary of United Capital Plc. He had served as the Group Chief Finance Officer with additional responsibilities in Risk Management, Information Technology, Treasury Management, Operations, Corporate Services and 2 other functional areas within the Group. His experience span over twenty-six (26) years and cuts across banking, capital markets, pensions and Asset Management. His proven ingenuity in these areas was brought to bear on the Group's Asset Management business which he transformed and put on growth pedestal.

Prior to joining United Capital Plc, he was Head of Operations at First City Group, and a Lead Equity Trader for CSL Stockbrokers Ltd, the Securities Trading arm of First City. He moved to pension management in Zenith Pensions Custodian Limited, a subsidiary of Zenith Bank Plc where he worked as an Assistant General Manager in charge of Compliance and Risk Management. He returned to the Capital Market in 2008 and 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 stockbroking business. He has a master's degree in Finance from the University of Lagos. He is a triple fellow of the Chartered Institute of Stockbrokers (CIS), the Institute of Chartered Accountants of Nigeria (ICAN), and 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 and that of IESE Business School, Barcelona, Spain.

Sir. Leo Okafor

Group Company Secretary/General Counsel

Leo Okafor is a Lawyer, Chartered Secretary and Author with over 20 years post call and financial services experience. He began his working career with the Law firm of Afam Joseph & Co., Jos, Plateau State from where he joined the reputable law firm of G.Elias & Co., Lagos.

Thereafter, he left Legal practice for the Trusteeship Industry where he joined First Trustees Nigeria Limited ("FTNL"). From FTNL, he proceeded to NAL Asset Management & Trustees Limited where established the Trust Services Department and ran it for six years. He left NAL Asset Management Limited (now Sterling Asset Management) for Zenith Bank Plc where he was made the pioneer Managing Director of Zenith Trustees Limited. After his stint at Zenith, he worked at Bank PHB Plc (now Keystone Bank Limited) as the Managing Director of PHB Capital & Trust Limited ("PC&T"). Following the divestment of Keystone Bank from PC&T, Leo took up the role as General Counsel/Group Company Secretary at United Capital.

He holds a Bachelor of Law degree, LL.B (Hons) from the University of Lagos and Master of Law degree, LL.M. He is a member of the Nigerian Bar Association, a Fellow of the Institute of Chartered Secretaries & Administrators, London, and holds several academic awards. He is an author of several books in Trusteeship.

Shedrack Onakpoma

Group Chief Finance Officer

Shedrack Onakpoma was appointed Group Chief Finance Officer in 2019 and oversees the Finance and Treasury departments at United Capital Plc. Shedrack is an Economist and Professional Accountant with over 23 years working experience in Financial Management, Business Planning, Capital raising projects, M&A, Business Combination and Restructuring within Africa.

Prior to joining United Capital, he had held various finance roles within and outside Nigeria in different industries ranging from Manufacturing to Financial Services. He was the Group Enterprise Manager at Heirs Holdings and the CFO at Tenoil Energy, CFO at Heirs Insurance Limited, CFO and Head of Strategic Management Office (SMO), at Union Assurance (Now Allianz Nigeria) and CFO at IGI Ghana Limited.

He obtained his BSc in Economics from Olabisi Onabanjo University in 2009. He qualified as a Chartered Accountant in 2002 and became a Fellow of the Institute of Chartered Accountants (ICAN) in 2013. He obtained his Balanced Scorecard Professional Certificate from the Balanced Scorecard Institute, USA in 2010. He is also a Licenced International Financial Analyst. He is an alumnus of the prestigious Lagos Business School (LBS).

Adetola Fasuyi

Head, Wealth Management

Adetola has over 25 years' experience in the financial services industry as a senior business development/investor relations professional with emphasis on Asset/Wealth Management. Her primary focus is serving the needs of mass affluent and high net worth individuals. She 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.

Before joining United Capital Plc, Adetola was the Managing Director of SCM Capital Asset Management Limited. Prior to SCM she was the GM/CEO of MBL Financial Services Limited, (the Stock broking arm of Metropolitan Bank Limited (now UBA Plc) a member of the Nigerian Stock Exchange) where she packaged the company in an attractive position for eventual divestment. Her experience cover Money Markets, Equities, Fixed Income Securities, Real Estate and Foreign Currency Trading. She is a Licensed Equity Trader on the Nigerian Bourse. She previously served as the Group Head of Operations at Metropolitan Bank responsible for planning, developing, organizing and supervising all operations activities at the Head Office and Branches nationwide. At Access Bank, she served as head of the foreign operations department.

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

Bolanle Ibitola

Director, Resources

Bolanle Ibitola is the Director of Resources at United Capital Plc with oversight of Human Resources and Corporate Services functions. She has over 12 years hands-on experience in Strategic Human Resources Management especially in managing C-Suite executives. Her core expertise includes Performance Management, Managing Diversity, Employee Relations, Learning & Development, Organizational Development.

Her past roles include Head, Human Resources, at Afriland Properties Plc. She had also worked with Heirs Holdings, Renaissance Capital, London Borough of Brent and Kimberly Ryan in various Human Resources capacities.

She holds a first degree in English Language & Literature from the University of Lagos and a Masters' in Human Resources from the Middlesex University Business School, London. She is a member of the Chartered Institute of Personnel and Development (CIPD) and Society for Human Resource Management (SHRM).

Ogaga Uwhuseba

Head, Audit and Business Assurance

Ogaga Sam Uwhuseba is a professional banker, accountant and certified fraud examiner with over 20 years' cognate work experience in Nigeria and the African financial services industry covering areas such as Operations, Audit, Fraud Allegations, Examination and Resolution. Prior to joining United Capital Plc, he was a Team Lead in the Audit and Control Directorate of United Bank for Africa Plc supporting the bank's African expansion and Local non-bank subsidiaries.

He had worked in the Audit, Assurance and Operations Directorates of Sterling Bank Plc, Unity Bank Plc, New Nigeria Bank Plc, Liberty Bank Plc and Crystal Bank of Africa Limited.

He holds a B.Sc. Banking and Finance from Olabisi Onabanjo University Ago-Iwoye Ogun State, Higher National Diploma in Business Administration and Management, Federal Polytechnic Ado Ekiti as well as professional membership of The Chartered Institute of Bankers of Nigeria, Institute of Chartered Accountants of Nigeria, Chartered Institute of Stockbrokers of Nigeria, Association of Certified Fraud Examiners and The Institute of Internal Auditors.

Joseph Onyema

Group Chief Information Officer

Joseph is the Chief Information Officer of United Capital Plc. Over the last 11 years, he had worked with and led teams whose responsibilities cut across a major spectrum of IT transformational projects and consultancy. Prior to joining United Capital, Joseph headed the IT Operations of Cordros Capital where he transitioned the business from a High Net-worth Individual (HNI) focused business to a retail focused business with total leverage on IT to drive B2C sales across verticals while exploring new markets.

Prior to Cordros Capital, he led the Enterprise & Cloud Services team at Soft Solutions Limited, an IT Consultancy firm with footprint across 15+ Nigerian banks on enterprise security, cloud projects and consultancy where he developed, deployed and led support teams to manage a number of financial application suites.

Joseph is certified across various solutions including Microsoft's MCITP, Oracle database, McAfee enterprise security, Bloomberg certified technical expert, a certified CommVault expert on data-centre and enterprise-wide disaster recovery to mention a few.

Kehinde Koshoedo

Head, Risk Management

Kehinde is the Head of Risk Management at United Capital Plc. He is responsible for Enterprise Risk Management, including investment, counterparty, technology and operational risk. His work experience span over 12 years in the financial sector in areas of Risk Management, Research, Portfolio Management, Treasury Management and Securities Trading.

Prior to joining United Capital Plc, Kehinde was the Head of Risk Management at Asset & Resource Management Holding Limited (ARM HoldCo); supervising risk management functions for subsidiaries in the businesses of Life Underwriting, Security Brokerage, Fund/Portfolio Management, Trust Services, Financial Advisory, Private Equity and Infrastructure Fund.

Before his employment with the ARM Group, Kehinde was an Asset & Liability Management/Market Risk Analyst in the Market and Liquidity Risk Management department of the First Bank of Nigeria between 2010 and 2014. Kehinde also gained experience in portfolio management, research, advisory and deal structuring when he served as Senior Analyst in the Treasury unit of Aquila Capital Limited between November 2007 and April 2010; participating in raising over N20 billion from local financial institutions and foreign DFIs (FMO, BIO) for the Aquila Capital franchise.

Kehinde holds a B.Sc. (Ed) Mathematics from the University of Lagos. He is an individual member of Global Association of Risk Professionals (GARP) and an Associate member of Risk Management Association of Nigeria (RIMAN).

Ejikeme Okoli

Head, Strategy & Innovation

Ejikeme is the Head, Strategy & Innovation at United Capital Plc, and plays a vital role in steering the growth strategy of the Group while promoting synergy across business lines and enterprise functions. He is experienced in dealing with organisational transformation problems towards achieving corporate objectives. His experience cut across a spectrum of industries including Finance, IT, Oil & Gas and Manufacturing industries involving corporate strategy, research, change management, project coordination and performance analytics.

Prior to joining United Capital Plc, he worked in the Strategy Division of Diamond Bank Plc where he coordinated several projects which contributed towards the successful transformation of the Bank from a medium-sized lender with middle-market focus to an agile, digitally-driven institution with retail market focus in alignment with the Bank's technology-led strategy. He is an astute facilitator and a regular guest on CNBC TV providing in-depth analysis to a global audience on strategic issues as they impact financial institutions and capital markets.

He also worked as Business Developer with Dragnet Solutions Limited, Chevron Corporation and Guinness Nigeria Plc as HES Officer and HR Officer respectively. He is a graduate (with honours) of Environmental Engineering Technology, and MBA candidate in Edinburgh Business School. He holds Advance Strategy Certification programs from Havard Business School and Lagos Business School.

Efeturi Doghudje

Head, Marketing and Corporate Communication

Efeturi is the Head, Marketing and Corporate Communication in United Capital Plc. Until her appointment, she was the Head, Stakeholder Management and Communications at the Lagos State Employment Trust Fund (LSETF).

With over 12 years' experience across diverse brands spanning corporate, financial services and the public sector, Efeturi brings her experience in Strategic Marketing Communications, social responsibility, branding and digital media management to bear in the United Capital Group. She is an Associate Member Advertising Practitioners Council of Nigeria (APCON), a Global Affiliate Chartered Institute of Public Relations (CIPR), a Member International Association of Business Communicators (IABC) and has attended several executive programmes at the Lagos Business School and Digital Marketing Institute Ireland.

Efeturi holds an M.Sc in Media & Communication Studies from the School of Media and Communication (SMC) and is passionate about building brands, nurturing and helping organizations grow into market leaders.

Oluwabunmi Olusesi

Group Head, Operations

Bunmi is the Group Head, Operations. Bunmi has over 10 years working experience in financial services with core expertise in providing and improving a highly focused level operational support, research and advice, financial, compliance, statutory duties and people management.

She has worked in various capacities, proving her solid pedigree in operational roles and people management, which eventually propelled her through the ranks to her current position. She was the Team Lead, Trade & Investments at United Capital Plc. She started her career at UBA Stockbrokers, (now United Capital Securities Limited) in September 2009.

She obtained her first degree in Philosophy from Obafemi Awolowo University in 2008 and a Masters' degree in Public and International Affairs from University of Lagos. She is also a student member of the Chartered Institute of Stockbrokers.

Damilare Mesimo

Head, Digital Business

Damilare is the Head, Digital Business at United Capital Plc, and plays a vital role in steering the digital strategy of the Group. Damilare has over 11 years working experience in the financial services industry spanning Banking and Financial Technology with core expertise in Operations and product management.

Prior to joining United Capital Plc, he worked as the Lead, Strategic Partnerships and Innovation at CoralPay Technology Limited where he coordinated several projects which contributed towards the success of the company. He had also worked with Zenith Bank Plc in operations and card services as well as First Bank of Nigeria in customer service and e-business capacities.

He obtained his first degree in Economics from Covenant University in 2007. He is passionate about building payment platforms that facilitate financial inclusion in Nigeria.

Shuaib Kasandubu
Regional Director, North

Shuaib is the Regional Director North. He holds a Bachelor of Agriculture Degree from Ahmadu Bello University of Zaria and a master's degree in public administration (MPA) from University of Ilorin.

Prior to joining United Capital Plc, he had worked with Union Trustees Limited where he served as the Head, Northern Region office in Abuja.

He is a member of Institute of Personnel Management.

Seun Babasola
Regional Director, South

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

Prior to joining United Capital, he served as the pioneer Head of Business Development/Equity Securities at CardinalStone Partners where he was responsible for driving the firm's equities trading and sales business in Nigeria. Before joining CardinalStone Partners, Seun served as Relationship Manager at Skye Bank Plc, where he was in charge of strategy, deal origination and execution. He started his banking career with Guaranty Bank Plc as a Relationship Manager.

Seun holds a BSc. Computer Science from the University of Uyo and is also a Fellow of the Chartered Institute of Stockbrokers and an Associate of the Institute of Chartered Accountants of Nigeria. He has also attended executive/leadership programmes at leading Business Schools like Harvard Business School and Lagos Business School.

Lucky Okokpujie
Regional Director, West

Lucky is the Regional Director, West. He has over 20 years working experience in the financial services industry spanning Banking and Capital Market with core expertise in Operations, Corporate Services and Project 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, Branch Operations Manager, Ikeja Branch/UBA PLC, and Regional Customers Service Manager (RCSM) at Diamond Bank Plc.

He obtained his MBA and first degree in Business Administration from University of Benin in 1996 and 1992 respectively where he won the best graduating MBA Student award. He is an associate member of the Chartered Institute of Stockbrokers of Nigeria and Nigeria Institute of Management. He is also an associate member of the Chartered Institute for Securities and Investment (CISI), United Kingdom.

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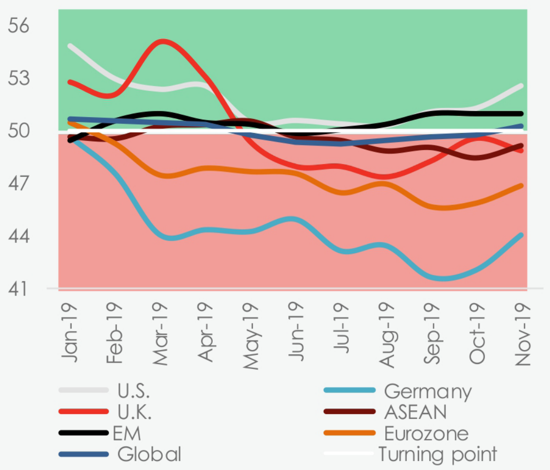
MACROECONOMIC REVIEW AND OUTLOOK

Global Economic Overview

Away from a synchronized growth story in 2018, global growth reverted to a synchronized slowdown in 2019, as growth in major Advanced Economies (AE) and Emerging Markets (EM) decelerated. In 2020, the IMF forecasts global growth to be stronger, driven largely by recoveries in the EM countries. Notably, better trade terms between the US and China, as well as an accommodative monetary policy stance by global central banks, supports improvement in the global growth outlook.

Global growth remains weak
Trend of Manufacturing PMI

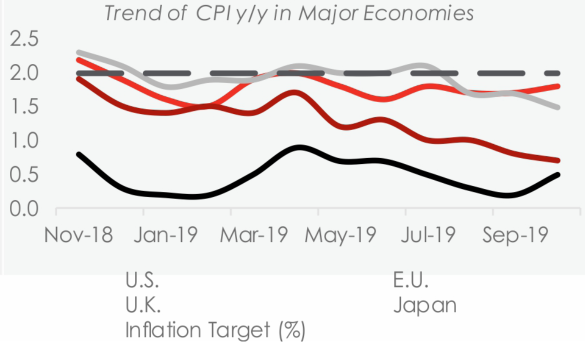


2019 Growth Trends across economies
Position based on Q2-19 and Q3-19 (y/y) figures

In contrast to intense trade tension between the US and China in 2019, global trade is expected to improve mildly in 2020, on the assumption that President Trump may be willing to fast-track negotiations with China as well as other bilateral trade agreements to score political point ahead of his 2nd term bid. Additionally, a clearer outlook on BREXIT, following the signing of the withdrawal agreement, suggests that global uncertainties should reduce. According to PM Boris Johnson, who won a resounding victory at the Dec-19 polls, UK's exit deal with the EU "paves the way for an ambitious free trade deal with the EU". In all, the outlook for the trade remains mildly positive. However, the potential for further escalation, which could slow the pace of recovery remains significant.

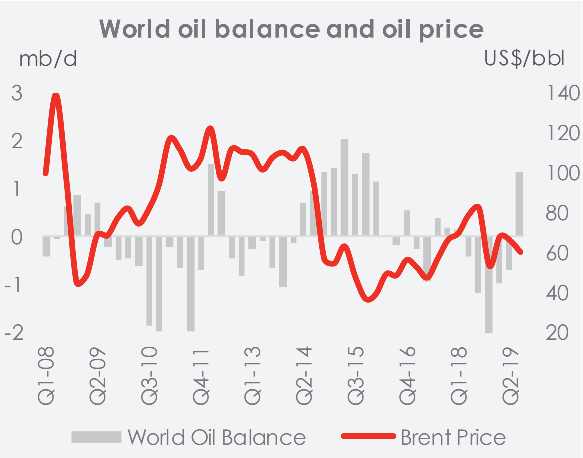
Global Monetary Policy was dovish
Total % Cuts in Rates across Economies (in 2019)

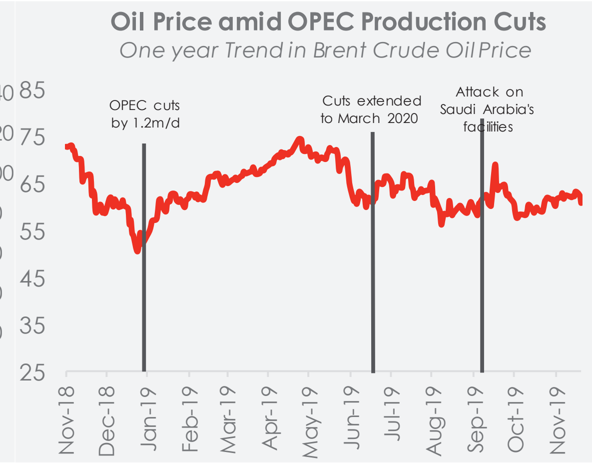
Growth dilemma: Inflation below targets
Trend of CPI y/y in Major Economies



Elsewhere, global monetary policy is expected to remain accommodative in 2020 amid concerns around the fragility of global growth. However, the pace of easing will moderate as monetary authorities around the world wait to see the impact of their recent policy actions.

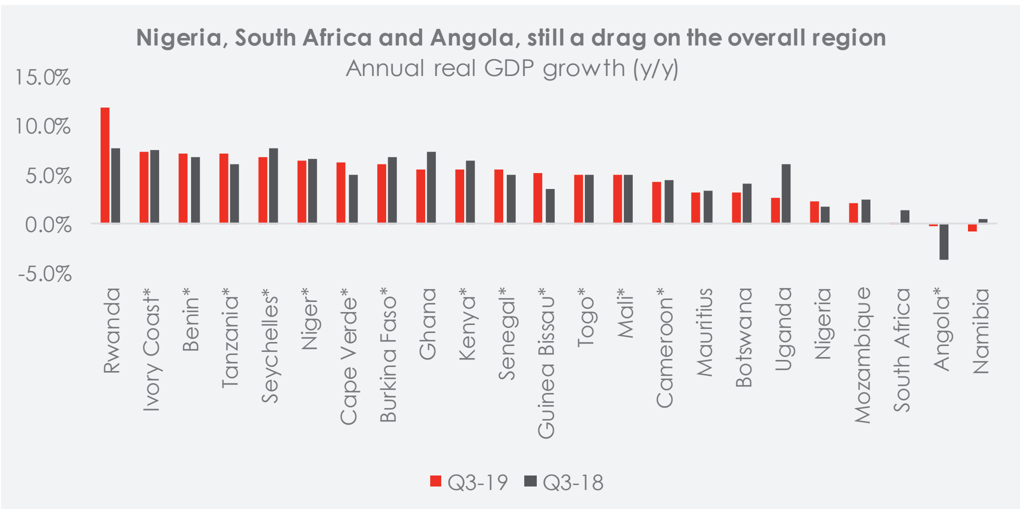
On global crude oil prices, fundamental factors suggest that prices will hover around $60.0/b-$65.0/b, supported by recent output cut by Saudi Arabia and OPEC. However, slower growth in key demand markets (China & India) is a cause for concern.



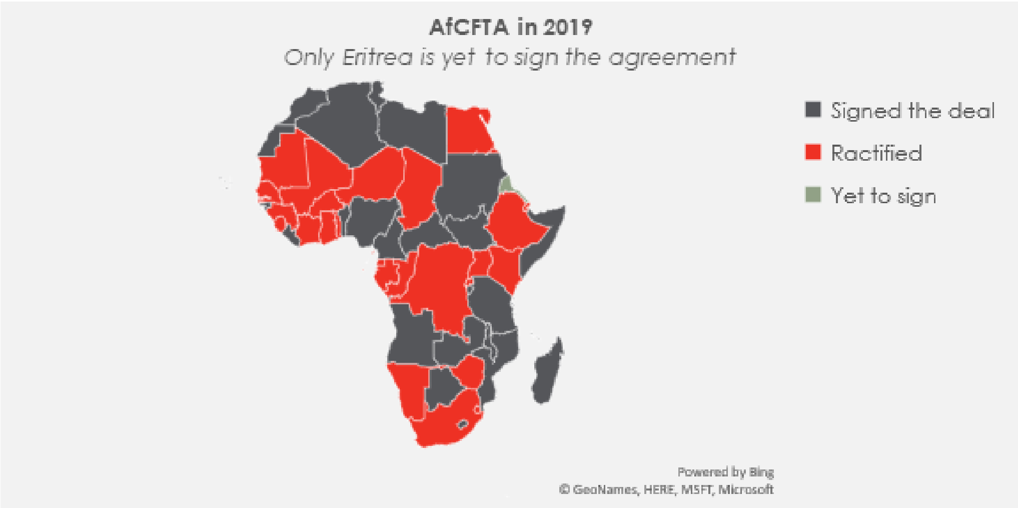


Sub-Saharan Africa Economy Review

The economic performance in the Sub-Saharan Africa (SSA) region was soft in 2019, no thanks to faltering momentum in key markets such as Nigeria, South Africa, and Angola. However, the countries with the fastest GDP growth were Rwanda, Ivory Coast, Benin, Ghana, Tanzania and Kenya.



Elsewhere, the Africa Continental Free Trade Agreement (AfCFTA) aimed at expanding intra-African trades, gained further ground in 2019. Notably, 54 of the 55 African Union (AU) member states (Eritrea being the only exception) signed the deal while 28, including Egypt, Ghana, Kenya, and South Africa, ratified the deal in 2019. Trading under the AfCFTA framework is slated to start in July 2020, even though regional developments in H2-19 suggests that many African countries are unprepared to implement the commitments of the deal. The re-emergence of xenophobic attacks in South Africa (Services), and the closure of all land borders by the Nigerian government (Goods), just three months after celebrating its signing of the AfCFTA, buttress this position.



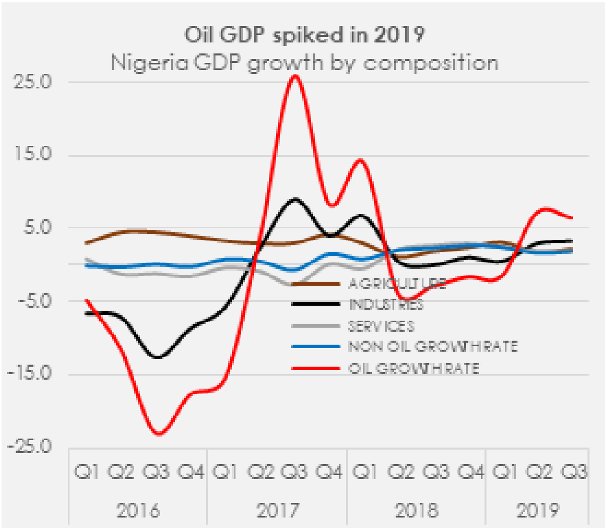
Relatedly, the 8 - member francophone West African countries dropped the CFA franc late in Dec-19 and voted to adopt the ECO in 2020. While a common currency has the benefit of sidelining exchange rate bottlenecks and boosting trade. The adoption of the eco by the French-speaking West-African bloc is seen as a mere name change with most of the features of the CFA franc (the current currency) being retained.

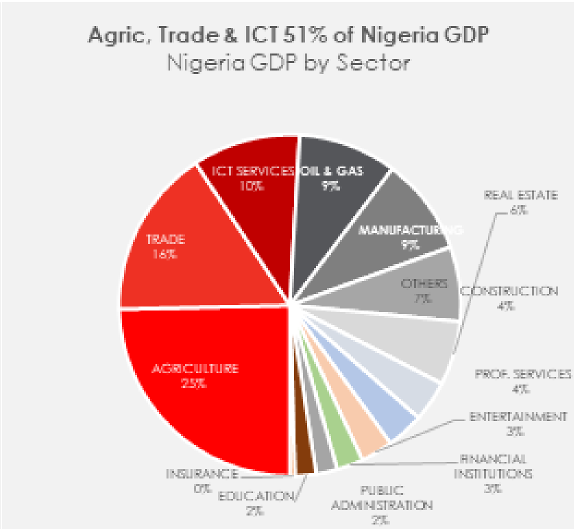
CFA Franc Characteristics	Eco (Proposed changes)
Pegged to the Euro	Same
50% of members Reserves is kept in the Bank of France.	Reserves to be kept in the regional central bank (BCEAO)
Minted and printed at the Bank of France	Printing and Minting in W/Africa
Guaranteed exchangeability – Exchange to other currencies happens through the exchange market in France	Same
French Rep in the Central Bank of West Africa	No Rep. but France reserve the right to nominate a member of the MPC

Looking ahead, the World Bank forecasts growth in the region to improve from 2.6% in 2019 to 3.1% in 2020, driven by stronger growth among non-resource intensive countries and modest expansion in resource-intensive countries. Notably, slow recoveries in the larger economies will continue to constrain the pace of growth in the region amid long-delayed reforms.

Domestic Economic Overview

Momentum in the Nigerian economy remained soft in 2019 despite increased clarity in the political space after the 2019 general elections. GDP growth remained subdued hovering around 2.0% throughout 2019 while the inflation rate stayed elevated, at 11.98% as of December 2019. Monetary policy was largely contractionary in the first half of the year but became expansionary by year-end amid increase money supply by the CBN. In the fiscal policy space, the federal government became aggressive about its revenue drive amid sharp rising debt profile, minimum wage increase and the need to boost non-oil revenue. Notably, all land borders were closed in the last quarter of the year amid an effort to combat smuggling, check drug trafficking and contain terrorism. This pressured food prices amid supply shortages in the domestic economy.

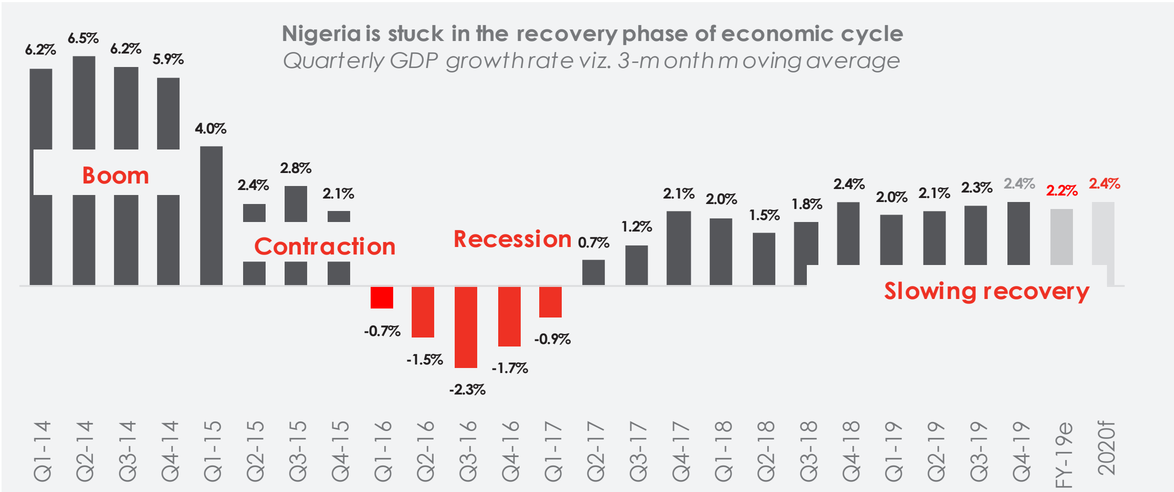




In 2020, the outlook for the Nigerian economy hangs on a framework of a well-intended policy outline. Notably, the recent amendment of the Deep Offshore and Inland Basin Production Sharing Contract (DOIBPSC) 1993 Act and the Finance Act will support the implementation of the 2020 Budget and beyond in the face of sharp rising debt profile. Again, the unprecedented early passage of the 2020 budget by the senate in Dec-19, to return the economy to a January to December budget cycle, effective 1st of Jan-20, is a positive development. Also, a lower yield environment, triggered by the CBN's recent mix of heterodox policy actions, will not only ease the cost of rolling over government borrowings but also stimulate domestic private sector investment.

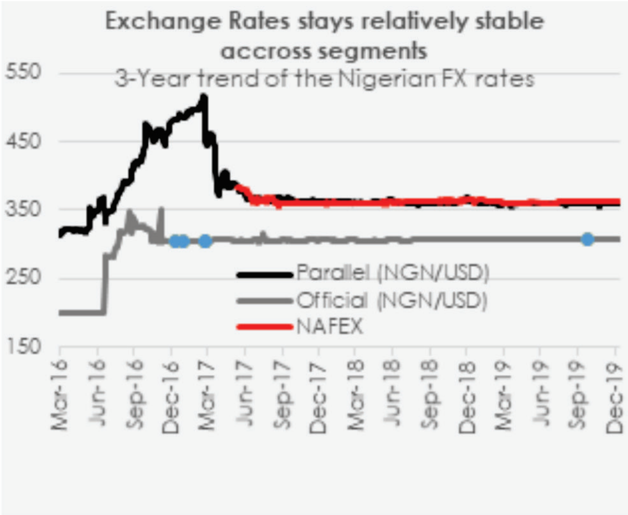
Domestic Economic Outlook

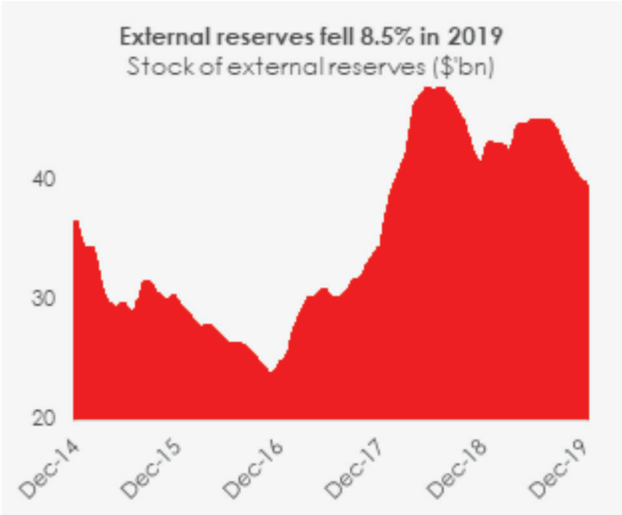
On the back of the above, GDP growth is expected to sustain a gradual uptick in 2020, anticipated to expand above 2.3%, faster than 2019 but below 3.0%. Also, inflationary pressure will persist due to supply shortages and the shutdown of the border, given the direct impact on food prices.



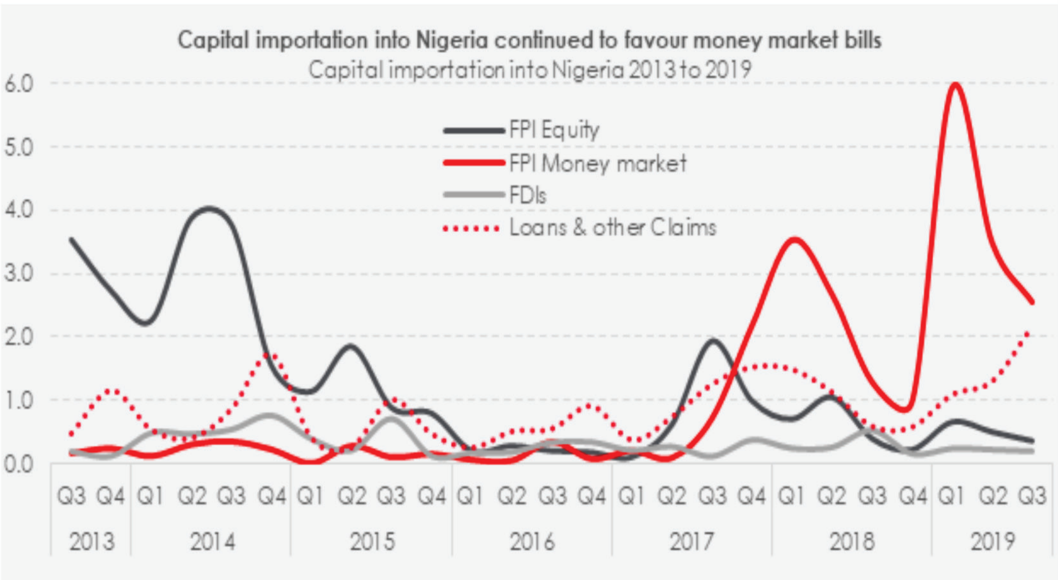
Again, increased money supply by the CBN may keep the core inflation sub-index elevated due to pressure on FX. In all, the headline inflation rate is expected to average 11.9% in 2020, higher than 11.4% in 2019, in the absence of further structural changes that may trigger a fresh uptick in m/m inflation. While the benchmark interest rate (MPR) may be kept unchanged or reduced marginally, it is anticipated that the CBN will sustain its recent framework of heterodox policy mix until conditions necessitate policy normalization. Hence, interest rates in the fixed income market may remain low, especially in H1-2020.

On the exchange rate and capital flows, the CBN is expected to continue to support the naira at N360-N365/$1 level, by selling OMO bills to Foreign Portfolio Investors (FPIs) as a strategy to preserve the reserves at decent levels. At the current run rate, this can be sustained for another 7 to 9 months, all things being equal. Nevertheless, there is a growing concern about an impending devaluation of the naira. Accordingly, while a currency devaluation is unlikely in the immediate-term, there is a possibility for the harmonization of the official rate from N305.5/$1 to something very close to the I&E window rate of N360.0/$1, in the medium term. Hence, the adjustment may not really affect the market rate by more than a spread of 2% to 5% to the official rate. Overall, the outlook for the naira is stable in the near term with a potential harmonization in the medium - to - long term.





On capital flows, no significant change is expected in the current dynamics. More specifically, the CBN is likely to sustain its OMO sale to FPIs in support of the reserves. This may keep FPIs interest dominant in money market funds at the expense of equity flows. Notably, an upsurge in Loans & Other Claims is expected to continue, given the low-interest rate environment in the international debt market. However, Foreign Direct Investment (FDI) flow may remain broadly muted.

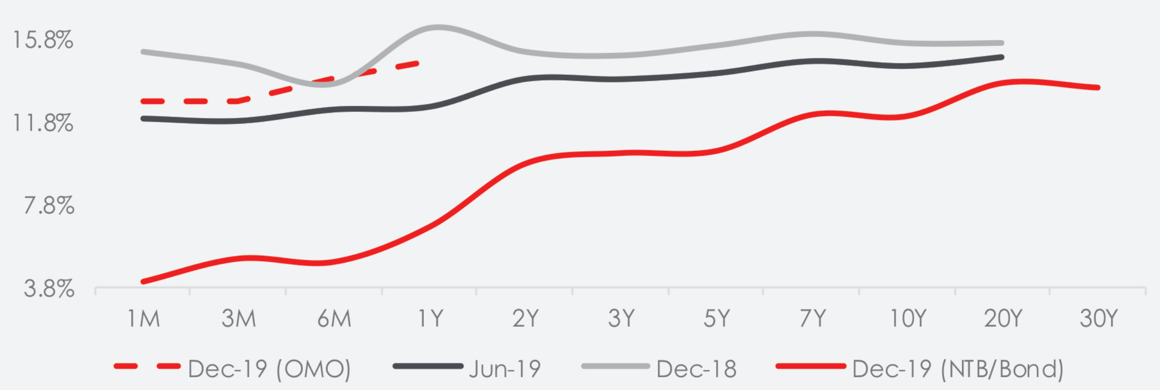


Financial market update and Outlook

Notably, a quick sequence of monetary policy actions, particularly those relating to sales of CBN's OMO bills announced since Jul-19, changed the dynamics in the Nigerian financial market in H2-19. While the currency market remained broadly stable, supported largely by the CBN's sustained FX intervention, the equities market tumbled 14.6%y/y. Also, the average yield in the fixed income market moderated from 14.5% in Dec-18 to 9.7% in Dec-19

2020 is a different playing field for capital market players. The fixed income market will be a corporate/ private issuer market due to the buoyant level liquidity and the low yield environment. Yields on FGN T-bills are projected to stay in the mid-to-high single-digit levels and Bonds yields at low double-digit levels, especially in H1-20. Hence, interest in riskier assets (mostly corporate papers) will increase. The rate on OMO bills (solely for FPIs and Banks) are unlikely to witness significant changes, as the CBN continues to deploy its set of unconventional policy tools to attract FPIs and limit an impending dollar outflow in Q1-20 while preserving the stock of reserves above the $30.0bn threshold. Overall, the sovereign yield curve is expected to remain normal in H1-20. However, this may reverse to a hump-shaped curve from Q3-20.

Naira yield curve elongates as two Interest rates emerged in 2019
Nigeria Sovereign Yield Curve



For equities, the continued auction of high yield OMO bills to FPIs may keep foreign interest in local equity market tepid amid fears of a naira devaluation and confidence deficit in the economy. Again, FPIs are likely to continue their flight to safety by swapping/selling equities for low-risk OMO bills. Yet, the outlook for stocks in 2020 is anchored on developments in the domestic and global economy with monetary policy as the biggest factor to watch. From all indications, the only justification for an uptick in the equities market is the lower yield environment, supported by increased local currency liquidity. However, this will not be enough to trigger a major rally in the absence of the demand from FPIs. Overall, the equities market is expected to close in the positive region in 2020, driven by local demand for high-quality dividend-paying stocks and increased system liquidity.


Where is the bottom?
10 Year trajectory of the NSEASI
45000
40000
35000
30000
25000
20000
15000
2016 Market Support Level
Mar-10
Dec-10
Sep-11
Jun-12
Mar-13
Dec-13
Sep-14
Jun-15
Mar-16
Dec-16
Sep-17
Jun-18
Mar-19
Dec-19

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Create a Will
Subscription and Redemtion of Mutual Funds
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CHAIRMAN'S STATEMENT

Mr. Chika Mordi
– Chairman

Distinguished shareholders, it is with great delight that I present to you the results of United Capital Plc for the financial year 2019. Despite the challenging operating domestic environment, and headwinds in the global economy, we strived hard to deliver on our set goals. While industry-wide results contracted, we expanded our market share. We are cautiously optimistic that our strategies and effort will further consolidate our gains in 2020 and grow topline revenue and income figures.

The Global Economy

Away from a synchronized modest growth story in 2018, global growth reverted to a synchronized slowdown in 2019. Key concern in the global economic environment included, trade tensions between the US and major trading partners/blocs (China, NAFTA, The EU), changes in Monetary Policy, and increased fear of a global economic recession. As a result, growth in major Advanced Economies (AEs) and Emerging Markets (EMs) Economies decelerated.

Particularly, the rate of expansion in key economies such as the Eurozone, U.S., U.K., China, India and Canada slowed. This was as manufacturing and trade sectors, which are the core economic engines of these economies, were impaired by policy uncertainties and trade spat between the U.S. and China. Following the trend of faltering growth, the actions of global monetary policy authorities tilted towards an expansionary stance, in contrast to the widespread tightening of monetary policy observed in 2018.

For emerging markets, 2019's performance danced to the tune of external headwinds and country specific shocks. Notably, expansionary fiscal policies as well as improved business investment spurred growth in Brazil and Russia. On the flip side, the negative feedbacks of the trade spat with the U.S, constrained economic growth in China, while India struggled with weaker consumer demand.

Elsewhere, amid OPEC+ production cuts and swings in U.S. crude inventories, oil prices responded market factors affecting demand, and fears of supply disruptions from conflicts in the Gulf. In the first half of the year, Brent crude oil prices averaged \$66.2/b, broadly supported by the extension of OPEC+ output cuts in January 2019. However, its performance deteriorated in the second half of the year, as the global economy was caught in the web of escalating tariffs and slowing growth. As such, average prices in the second half of 2019 slowed to $62.2/b.

As 2020 begins to unravel, we see reasons to believe that global growth will be stronger, driven by recoveries in emerging markets. Also, with improvement in global trade & trade relations, continued monetary policy easing, as well as a more supportive fiscal policy environment, a path to an acceleration seems clearer. On a balance of factors, oil prices are expected to hover around $60.0/b-65.0/b in 2020. However, the impact of the corona virus (COVID 19) on Chinese production and international travel, uncertainty over the impact of BREXIT, conflict in the gulf and mega natural disasters, are the key risk factors to watch.

Africa

Economic performance in the Sub-Saharan Africa (SSA) region remained broadly divergent in 2019, as most economies within the region moved in tandem with performance of their key export commodities. Specifically, the economic fortune of crude oil dependent nations and OPEC members like Nigeria, Angola, Gabon and Republic of the Congo, were not too far apart as economic growth among these countries remained soft. In South Africa, deterioration in power supply across the country hampered economic activities and affected mining output negatively. Thanks to growth in agricultural exports, Rwanda, Ivory Coast, Benin, Ghana, Tanzania and Kenya were the fastest growing economies in the region.

Elsewhere, the Africa Continental Free Trade Agreement (AfCFTA) aimed at expanding intra-African trades, gained further ground in 2019. Notably, 54 of the 55 African Union (AU) member states (Eritrea being the only exception) signed the deal while 28, including Egypt, Ghana, Kenya, and South Africa, ratified the deal in 2019. Though trading under the AfCFTA framework is slated to start in July 2020, the recent xenophobic attacks in South Africa, and the border crisis in Nigeria are key concern for the success of the agreement. Relatedly, the 8 – member francophone West African countries surprisingly dropped the CFA franc late in Dec-19 and voted to adopt the ECO in 2020. Finally, Nigeria's border closure had an adverse impact on the economies of some neighboring countries.

Looking ahead, growth in the region is expected to improve, driven by stronger growth recoveries in the larger economies.

Domestic Economy and Financial Markets

Growth in the Nigerian economy remained tepid in 2019, despite increased clarity in the political space from the elections. While issues surrounding the 2019 general election subdued economic activities in Q1-19, investment and business decisions were hushed by policy uncertainty in the later part of the year. As such, output growth remained sluggish, projected at 2.24% for FY-19. The headline inflation rate which had moderated significantly in the earlier part of year also witnessed fresh pressure amid border closure in the fourth quarter of the year. Also, actual government revenue continued to underperform budget estimates (at N2.0tn vs N2.9tn), thus constraining spending.

As such, fiscal deficit remained elevated, keeping cost of capital high and necessitating direct central bank financing of the government. Monetary policy stance was largely unconventional as the Central Bank of Nigeria (CBN) opted to focus on domestic liquidity management via increased OMO sales, exclusion of non-banking institutions to force down rates while compelling Deposit Money Banks (DMBs) to lend to the real sector. In the external sector, trade relations with bordering economies became tense in Aug-19, as the Nigerian authorities ordered the closure of all land borders to check smuggling, boost revenue from trade and protect local production.

Additionally, investment flows remained broadly in favour of Foreign Portfolio Investments (FPIs) with heavy concentration in the CBN's short term bills (OMO), while Foreign Direct Investors (FDIs) remained on the sidelines. Overall, the local currency was relatively stable, supported by the apex bank's consistent intervention. As such, Nigeria's dollar reserves suffered a $6.5bn diminution in H2-2019, settling at $38.5bn in December 2019.

In the financial market, a cocktail unorthodox monetary policy by the CBN kept system liquidity buoyant and guided fixed income rates to record lows at the tail end of the year. Accordingly, average yield on NTB and OMO bills which closed at 15.4% in 2018 and closed at 4.9% and 13.2% in 2019 respectively, as the CBN excluded non-banking institutions from the OMO market. Similarly, average bond yields fell from 15.5% at the beginning of the year to 10.8% at end of the year.

In the equity market, the Nigerian Bourse underperformed its peers globally, tumbling 14.5% in 2019 as investors snubbed Nigerian equities. However, over performance was shaped by several corporate activities such as mergers, acquisitions, divestments, heavyweight listings, IPOs and several de-listings. Some of these included the ACCESS Bank -Diamond Bank Plc merger, the MTN listing, Airtel IPO, the Acquisition of Dangote Flourmill Plc by Olam International, the divestment of Lafarge Africa (WAPCO) Plc's South African operation as well as the UAC of Nigeria's announcement of the unbundling of its real estate business, UPDC. In summary, the public sector faces a revenue problem and its massive borrowing is crowding out business borrowing, and exponential growth in government debt is worsening the funding challenge for capital and recurrent expenditure. We expect a knock-on effect in capital markets and the external sector.

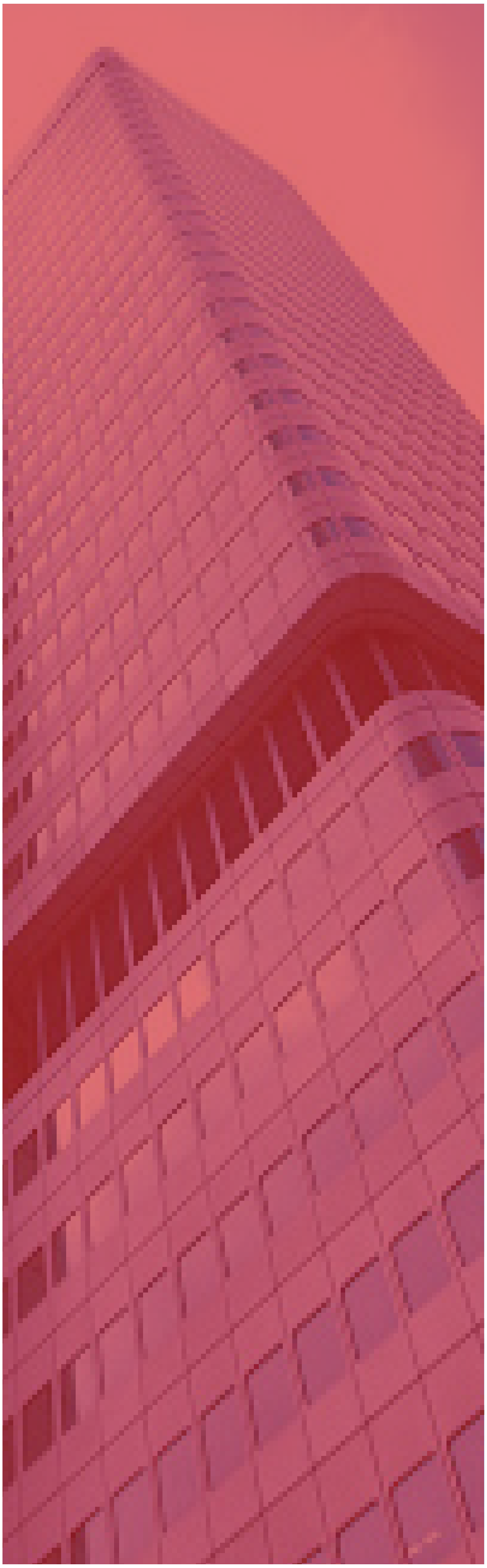
Financial Performance

United Capital made good progress in its overall financial performance for 2019. The Group generated gross earnings of N8.6 billion and PBT of N4.9 billion, despite the challenging macroeconomic and operating environments. Also, on the back of income tax write-backs, PAT grew to N4.3 billion (up 13.9% y/y). Total assets improved from N148.7 billion to N150.5 billion amid growth in financial assets. Also, funds under management grew from N7.8 billion in 2018 to N40.2 billion in 2019, indicating an improvement in the fundamentals of your company. We remain steadfastly committed to our irrevocable principle of delivering class-leading shareholders value despite the challenging environment.

Thank you.

Chika Mordi

Chairman



GROUP CEO'S REPORT

Mr. Peter Ashade
– Group Chief Executive Officer

Distinguished Shareholders, it is my pleasure to welcome you to the Annual General Meeting of United Capital Plc and to present an overview of the performance of our businesses in 2019.

The year 2019 was a significant year for us as it marked the beginning of the implementation of our 3-year corporate strategy. The year ushered in a series of new business directions and corporate focus - all pivotal to the achievement of our medium-term goal of building a resilient and highly diversified financial services group.

We made good progress on two key imperatives: We secured a non-capital market operating license for our consumer finance business. We also established a presence in Ghana as part of our strategy to reach a Pan-Africa market as a gateway to other global financial centers. It is against this backdrop that I am honoured to present to you an account of how your company fared during the financial year ended December 2019.

Distinguished shareholders, through your continued support, we made progress in upholding our mantra of being the IN-Telligent Choice for diverse financial and investment decisions made by our clients while also remaining competitive and profitable across all our business lines. Let me briefly highlight some significant events that shaped our operating landscape during the year.

Macro & Domestic Economy Review

Global growth slowed down markedly in 2019 as trade wars and weakening growth in China negatively impacted growth. This weakness was widespread, affecting both advanced economies—particularly the Euro Area—as well as Emerging Markets and Developing Economies (EMDEs).

In Sub-Saharan Africa, growth moderated to a slower-than-expected 2.4% in 2019. Activity was dampened by softening external demand, heightened global policy, uncertainty and falling commodity prices. In Angola, Nigeria, and South Africa—the three largest economies in the region—growth remained well below historical averages.

In the domestic economy, pace in the Nigerian economy remained soft in 2019 after the general elections. Growth in 2019 was estimated at 2.3% as the agricultural sector continued to underperform due to lingering insurgency in the Northeast, farmers/herdsmen clashes and constrained manufacturing activity. However, some of the weaknesses were offset by increased oil production.

In addition, actual government revenue continued to underperform budget. Overall revenue performance as at June 2019 was 58% of prorated target due to the underperformance of both oil and non-oil revenue sources. As such, fiscal deficit remained elevated, keeping cost of capital high and necessitating direct financing of the government by the Central Bank. Despite the rough economic terrain, your company was able to deliver value for shareholders and other stakeholders.

Revenue and Profitability

The Group generated gross earnings of N8.6billion in 2019, down by 7.2% year-on-year from N9.2billion earned in 2018 due largely to election activities which decelerated activities in some of our businesses. Profit After Tax improved year-on-year by 15.3% from N4. 3billion in 2018 to N4.9billion in 2019. This was bolstered, amongst others, by the Group's strategic tax management which resulted in an overall improvement in the Group's profitability.

Financial Position

Total Assets of the Group rose 2.6% year-on-year to N152.5billion as at December 2019 from N148.7billion in December 2018, due to a growth in our managed funds. Cash and cash equivalents accounted for 19.8% of the Group's assets while Financial Assets made up 61.7% of Total Assets. Shareholder's funds improved by 23.7% to N19.6billion due to significant write back of provisions for assets carried at fair value through other comprehensive income. The Group's Earning Per Share (EPS) went up from 72k in 2018 to 83k in 2019 representing a 15% increase.

Key Achievements

Your Company achieved several major milestones in 2019 some of which are highlighted below:

- Achieved over 500% increase in fixed income trans actions from less than N1billion in 2018 to N5Billion in 2019;
- Grew the net asset value of our mutual funds by over 463% from N6.5 billion at the beginning of the year to N41.1 billion at the end of 2019.
- Launched "UC Prestige", a customized product for High Net worth individuals seeking global investment diversification, exposure to international markets and optimization of financial flows;
- Established a strategic partnership with an offshore financial services provider for the purpose of gaining access to offshore international banking plat forms, products and services;
- Closed out on key collaborations with firms in the Fin Tech sector and grew our market share in the Mutual Funds space from 1.0% at the beginning of the year to 4% at the end of 2019;
- Automated our U-Trace product on the InvestNow platform – UTRACE is a product designed to assist investors track and unlock the value of all unclaimed dividends/outstanding bonuses from quoted companies in Nigeria.

Other Key Highlights

- We were named as one of the top 5 Asset Management companies in Nigeria. We moved up 5 places from 10th position at the beginning of the year to 5th at the end of the year.
- We won mandates from four State Governments for our U-Trace product.
- We redefined and strengthened the structure of our Wealth Management business. We broke-even in less than eight (8) months and ended on a strong profit note by the end of the year. Our long-term goal is to establish the Wealth Management business as a standalone business.

Outlook for 2020

We started the year 2020 with high energy levels across the Group with a renewed commitment to our three-year strategy plan and a renewed drive to create an organization with a strong business presence in the African continent. We will continue to shape the future of financial services in Nigeria and Africa by launching innovative and client-focused products and services to all and sundry, in an accessible and efficient manner.

In 2020, we will strengthen our B2C model whilst focusing on scaling up our activities to drive growth across all subsidiaries through new capabilities – people, systems and products. We will transform our distribution models by leveraging digital platforms, co-location and strategic partnerships. Our medium-term strategy is woven around a more diversified business model, not only designed to be well balanced but also to produce consistent and attractive returns across all our businesses. The B2C model is also a robust model for any modern financial services company in this decade and we are confident that it will help us achieve our vision of being the brand of choice in Africa, with the most profitable result.

Consequently, we shall embark on a phased automation of our business processes. This will help us achieve efficiency and optimum resource management including delivering an enhanced experience for all our teeming clients across our various touchpoints. While we remain committed to our primary focus of creating wealth and adding value to the lives of our clients, we will not forget the strategic importance of our role in the economy as a vehicle for ensuring a sustainable business environment. We will continue to contribute our quota to the development of the capital market in Nigeria and Africa by engaging in extensive product development as a means of broadening investment opportunities in our markets.

People

We understand that the value our employees brings cannot be overestimated. Our successes and failures are ultimately determined by the diligence and dedication of our Management Team and the people who work with them. We have created a culture of continuous improvement in terms of skills and expertise for all members of staff. We remain committed to ensuring our employees enjoy the benefits of working in the most conducive environment and as a result.

Sustainability

Managing the company responsibly is core to our goal of driving superior long-term shareholder returns. We cannot be successful over the long term for our investors unless we think broadly about the impact our activities have on the society — and then orient ourselves toward ways we can allocate capital purposefully.

Distinguished shareholders, I have a deep and abiding faith in our dear nation – Nigeria and Africa in general, including its extraordinary resilience and capabilities. As a Group, we will continue to work with relevant stakeholders towards contributing to Nigeria's economic growth as a socially responsible corporate citizen.

We are committed to collaborating with agencies such as Bank of Industry and other DFIs towards promoting the developmental initiatives of the Federal Government as we seek to accelerate Nigeria's economic growth and recovery. May I seize this opportunity to thank the Securities and Exchange Commission for upholding strong governance standards in the market as a whole for the benefit of capital market operators and investors alike.

In conclusion, I appreciate the relentless contribution of the Board of Directors, Management Team and indeed all members of staff in building a strong and enduring brand in line with our purpose

.
Thank you.

Peter Ashade

Group Chief Executive Officer

FROM OUR SUSTAINABILITY DESK

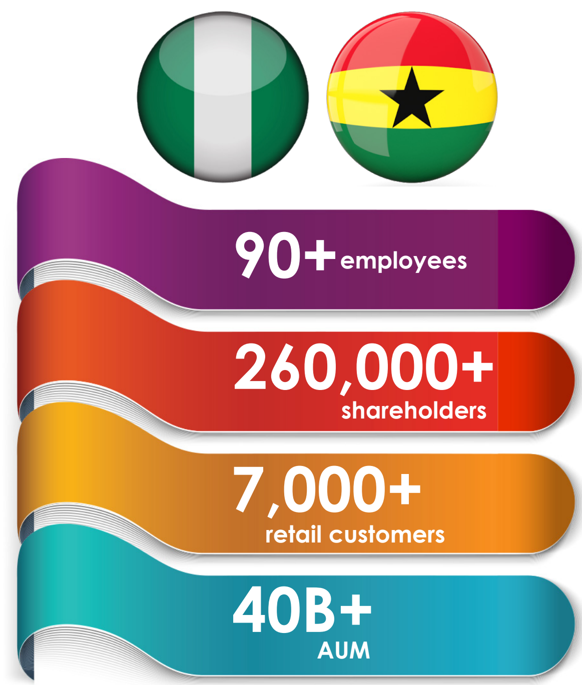
"As sustainability gain increasing prominence on the world stage, we are taking deliberate steps to ensure that sustainability is at the epicenter of our activities. There is doing well and there is doing good. We are committed to doing well by doing good." -Peter Ashade, Group Chief Executive Officer, United Capital Plc.

ABOUT US

We are a financial services group which provides bespoke financial advisory services to clients along the financial services value chain. Our lines of business include Investment Banking, Asset Management, Securities Trading, Trusteeship and Wealth Management. Our clientele ranges from national and subnational governments to large and small/medium-sized enterprises, Ultra High Net Worth Individuals, High Net Worth Individuals and other individuals.

We operate out of our headquarters in Lagos, Nigeria and we also have some presence in the Southern, Northern and Western parts of Nigeria, in Port Harcourt, Abuja and Ibadan respectively. Beyond the shores of Nigeria, we have some presence in Africa most of which is done through a briefcase, partnership model. We recently incorporated a Ghanaian entity on the back of our core Pan-African strategy. This Sustainability Report will cover all the business entities of the Group across its various locations.

NIGERIA AND GHANA



90+, number of shareholders: 260,000+, number of retail customers: 7,000+, AUM: 40B+

"Sustainable development is a fundamental break that's going to reshuffle the entire deck. There are companies today that are going to dominate in the future simply because they understand that." Francois-Henri Pinault.

MATERIAL SUSTAINABILITY MATTERS

GOVERNANCE

"The real threat to business is from within, from poor ethical standards and lack of integrity that can do incalculable harm. History has proven repeatedly that business ethics, shared value, and corporate governance determine the longevity of an enterprise." Azim Premji

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. We have a highly effective Board constituted by individuals with integrity and who are highly knowledgeable and experienced in our business areas. The roles and responsibilities of the Board and the committees of the Board are clearly defined and revised as required. The Board goes through an annual board evaluation exercise to ensure that its activities are run in line with global best practices and local regulations and guidelines on governance including the SEC Code of Corporate Governance for Public Companies and the Nigerian Code of Corporate Governance issued by the Financial Reporting Council of Nigeria. The recommendations of the evaluation exercise are promptly taken into action to ensure they are addressed.

There is also a proper delegation of authority framework for the executive management team who all have clearly set out roles and responsibilities which are regularly reviewed to ensure that those responsibilities reflect the business aspirations at every point in time and the current economic terrain.

We have policies which regulate corporate conduct. Some of our policies include the Whistleblowing Policy, Gift Policy, Code of Conduct, amongst others. These policies are reviewed periodically in line with business exigencies and to ensure they remain relevant to guide conduct within the organization. We also ensure that all members of the Group are aware of the policies through regular virtual and physical sensitization exercises. We monitor compliance with these policies through periodic spot checks, internal audits and independent evaluations.

We also have an effective risk management and internal control framework in place. This is important for us as a key player in the financial services industry as it helps us develop an approved risk management policy based on organizational risk appetite. There are also controls in place to ensure that the policies are complied with at all times.

ECONOMIC

"Economic growth does not mean anything unless it is inclusive growth" – John Green.

Economic growth and development are at the core of our operations. This is pursued on both the organizational and stakeholder level. Whilst we intend to ensure that we return maximum value to our shareholders by constantly increasing profit and ultimately the returns to our shareholders, we are also aware of our responsibility to our clients for economic growth. This is evident in our dedication to financial inclusion and literacy, AML/CFT risk management, data privacy, etc.

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 entails having access to the other bouquet of products in the financial services value chain including investment, credit, insurance and so on.

As part of our evolving corporate strategy, there has been an increasing focus on the mass retail, underserved segment of the economy. This has been at the centre of our product development initiatives as well as our marketing activities. We have identified NYSC members as a key segment of our retail strategy drive. Products such as our mutual funds which allow us to pool investments by several investors and investing the pool in high yield, risk free instruments help ensure that retail investors are able to inculcate an investment culture from early on in their career. Without products such as these, these investors would not be able to 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.

In 2019, we were able to reach circa 10,000 Corp Members across NYSC Camps in Northern, Southern and Western Nigeria.

Also, as players in financial services, we have a strict KYC policy which is followed in line with regulatory policies. We however understand that the underserved 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. With this approach, we are able to deepen the financial inclusion bucket, increase the investment portfolio of many and also improve their financial well-being.

Our Digital Platform - InvestNow

Our InvestNow platform is also a key part of our financial inclusion strategy. The world is a global village and technology has made it easy for organizations to have impact beyond physical local and international geographical borders. Our InvestNow portal, which is an integrated, one-stop shop for financial services products also helps ensure that we provide investment services to people who are not able to walk into the four walls of our various offices to execute a transaction.

We also recently launched an SME finance portal on InvestNow to cater for smaller businesses which may not be able to readily access finance from traditional financial institutions.

Our Approach to Fraud

We are aware that operating digital platforms in the financial services space is fraught with cyber risks with incidents of phishing and impersonation becoming increasingly prevalent. In view of this, we have improved our internal control practices to ensure that incidents of fraud are reduced to the barest minimum. We also engage our clients and the investing public on a continuous basis through our various contact channels on the risks and red flags to look out for to ensure that they do not fall victim to cyber fraud and other fraudulent pyramid schemes. Our employees are also regularly sensitized to ensure that they stay abreast of emerging trends in cyber fraud in the financial services sector.

Financial Literacy

Closely linked to financial inclusion is financial literacy. From our marketing activities across various channels, we realized that there are gaping knowledge gaps in relation to investment products generally amongst our target market. Consequently, we decided to make financial education a key part of our activities. Our financial education initiatives are carried out through different means including investment clinics which we hold across the regions for people working in corporate organizations, associations and so on. We also hold one-one-chats with financial advisers wherein we give interested persons an opportunity to speak with financial advisors on investments, wealth creation and preservation and so on.

Financial literacy is also driven on a daily basis through our digital channels, including our social media sites such as Twitter, Facebook, LinkedIn, Instagram and so on. According to Statista Research, in 2018, there were approximately 29.3 million social network users in Nigeria and this figure is projected to grow to 36.8 million in 2023. Our financial literacy campaigns across our social media channels has been very impactful.

SOCIAL MEDIA REACH

In 2019, we had a combined reach of 3Million+ across our social media channels (LinkedIn, Facebook, Twitter, Instagram)

Beyond the digital space, we also hold investment clinics in local markets across the regions. The informal sector constitutes a major part of the Nigerian economy even though their operations are largely not monitored. As part of our financial literacy drive, we educate the market operators on the gains of saving and investment generally whilst highlighting the appropriate products to suit their needs and risk appetite.

Other Key Matters

Our Product Review Process

As part of our commitment to economic growth, all our products go through a rigorous internal review process to ensure suitability for our clients' needs. Existing products are also periodically reviewed to ensure that they continue to serve the clients. We also strive to offer fair value to all our customers. Our mutual funds have historically returned competitive rates to clients and we have a team of qualified fund managers who actively manage the funds to ensure we return fair value.

AML/CFT

Combating of money laundering and financing of terrorism is a priority area for players in the financial services space. United Capital Plc is no exception. We have a rigorous client onboarding process for all classes of customers including individuals, HNIs, SMEs, large corporates and other forms of institutions. We work closely with the regulators including the Securities and Exchange Commission to ensure that our systems are not used as a conduit for money laundering and the financing of terrorism. Key activities around this include verification of client identity, periodic KYC updates, reporting of suspicious transactions as required and so on.

Data Protection

Data protection has gained prominence on the global stage with the advent of the EU Global Data Protection Regulation and the Nigerian Data Protection Regulation("NDPR"). We are aware of our responsibilities as custodians of the sensitive personal information of our clients. To this end, we are committed to the highest data governance standards. We are working with Data Protection Officers as required by regulation to ensure full compliance with the NDPR. Our stakeholders can rest assured that their data is in safe hands.

SOCIAL

"Corporate Social Responsibility is a hard-edged business decision. Not because it is nice thing to do or because people are forcing us to do it,... but because it is good for our business." – Niall Fitzgerald

We are also well aware of our social responsibility to our people and the community at large. Our recruitment, training and general people strategy were carefully curated and implemented with this in mind.

Diversity and Inclusion

Diversity is at the core of our business and we are constantly working on increasing the level of diversity in the Group at all levels. We are an equal opportunity employer and do not discriminate against people based on status, disability, gender, tribe or religion. Our gender diversity is evident in the constitution of our management team. 50% of our four core businesses are run by women just as other key management positions in the Group are currently occupied by women. Our female employees also form key parts of our succession framework as they are encouraged to take leadership positions and are given the same opportunities as their male counterparts.

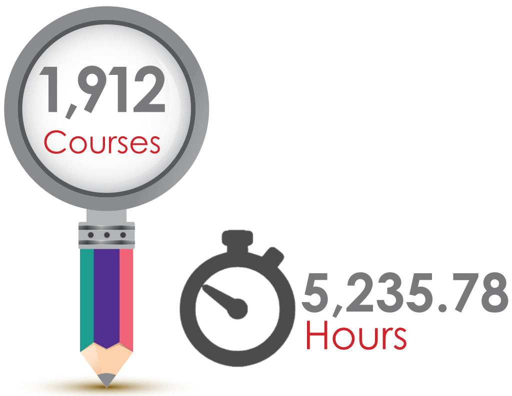
2 out of our 4 businesses are run by women - (United Capital Trustees Limited and United Capital Asset Management Limited)].

Our Sustainable Products

Beyond our employees, we are also passionate about ensuring women empowerment through bespoke products for women investors. Our Wealth for Women Fund is a balanced fund targeted primarily at women investors, although open to all prospective investors irrespective of gender. The Fund's assets are invested, amongst others in companies which are run by women. According to McKinsey, companies which have women leaders have been known to outperform their counterparts run by men. We are proud to throw our weight behind this by supporting these businesses through investments.

Capacity Building

At United Capital, we are passionate about hiring and retaining qualified candidates across our businesses. On the job, we provide both internal and external trainings to ensure that our people have both the hard and soft skills to enable them navigate the work place in the modern age. We have developed a robust portal, in conjunction with our digital training partner, on relevant courses for employees in our areas of business. Our employees also belong to several communities of practice along professional lines where they rub minds and share insights and learn about trends in their field of expertise. We also hold regular Knowledge Sharing Sessions where we discuss key issues around regulatory compliance, operations, information technology security amongst other key business areas.



1,912 courses taken for a total number of 5,235.78 hours spent on training on our internal digital training portal in the year 2019

Economic Empowerment

Through our strategic partnership with the Tony Elumelu Foundation, we also have impact beyond the shores of Nigeria to about 54 countries in Africa. The Tony Elumelu Foundation is Africa's largest business incubator which provides funding, training and mentorship to entrepreneurs around Africa. The Foundation, which is sector-agnostic operates on the principle of Africapitalism which is a concept that Africa's private sector has a key role to play in the development of the continent.

Mentorship and trainings to 9,631 entrepreneurs across Africa

Environmental

"The greatest threat to our planet is the belief that someone else will save it". Robert Swan

As environmental sustainability becomes prevalent on the global scene, the need for corporate players to do their part in inculcating environmentally sustainable products and practices cannot be over-emphasized. As part of our evolving sustainability strategy, we increasingly seek out companies looking to finance clean energy projects which do little or no harm to the environment. We are also in talks with various Development Finance Institutions on projects which specifically positively impact the environment.

Our Landmark Green Deal

In 2019, we completed a landmark deal as Lead Issuing House/Bookrunner on North South Power Company Limited's Green Infrastructure Bond, issued through its SPV, NSP-SPV PowerCorp Plc. The Green Bond is an N8.5billion 15-year 15.6% Series 1 Guaranteed Fixed Rate Senior Green Infrastructure Bonds (Series 1 Green Bonds), due 2034. It is the first certified green corporate bond and the longest tenured (15 year) corporate bond issued in the Nigerian debt capital markets. The Series 1 Green Bonds was oversubscribed by 60% with firm commitments from twelve (12) institutional investors including nine (9) pension funds, and priced at 70 basis points (bps) spread to the comparable 15-year sovereign benchmark bond (FGN 2034) using the closing yield on the reference date (04 February 2019) adopted for the book building.

The Bonds were certified by TUV NORD CERT, an approved verifier under the Climate Bonds Standard, in conformance with the International Capital Market Association's (ICMA's) Green Bond Principles, Nigerian Federal Ministry of Environment's Nigerian Green Bond Guidelines, and the Green Bonds Issuance Rules of the Nigeria Securities & Exchange Commission. The proceeds of the Series 1 Green Bonds were applied to fund the overhaul of a 150MW hydropower turbine.

Environment-Friendly Practices

We operate a paperless policy as we have significantly shifted towards paperless services for our clients through the adoption of our digital platforms. We are also on a journey of automating our internal processes which has also significantly helped reduce our paper usage.

We also ensure a significant reduction in our carbon footprint by encouraging the use of teleconferences in place of travelling to meet with clients, partners and our colleagues in the regions. Our office building is also set up to conserve energy as our light bulbs have motion sensors which ensure that the bulbs go off when not in use.

IN CLOSING

Our approach has always been that of responsibility and integrity in dealing with our different stakeholder groups right from shareholders to employees, regulators, clients, vendors and even competitors. We believe in creating value for the long term as the benefits of long-term thinking far outweigh any short-term inconvenience. This is our approach to key areas of our operations including product development, employee engagement and general engagement with stakeholders, as outlined above.

Our sustainability journey is still very much in its early stages, we intend to ramp up sustainability initiatives in every aspect of our business to ensure that we build an enduring institution that lasts for generations.

******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, capital position, strategy and 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.

CORPORATE GOVERNANCE REPORT

United Capital Plc as an investment banking group listed on the Nigerian Stock Exchange operates in a highly regulated industry and as such is obliged to comply with all applicable legislations, regulations, standards and codes. The observance of these regulations has helped us reduce the risk of regulatory sanctions and penalties.

1.1 Board 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 SEC 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.

1.2 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 seven (7) Directors made up of five Non-Executive Directors and two Executive Directors i.e. the Group Chief Executive Officer and the Group Executive Director.

1.3 Board Profile

The Board is made up of the following people:

1.3.1 Chika Mordi – Chairman (Non-Executive Director)

Chika Mordi brings significant experience to the Board in the areas of governance, regional knowledge and industry expertise. He has 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 had served on several government and multilateral committees, including the World Economic Forum's agenda board. He is the CEO of Accenda Africa and the National Competitiveness Council of Nigeria. He continues to advise 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 and has travelled to over fifty countries. He was appointed the Chairman of United Capital Plc on January 10, 2014.

1.3.2 Mr. Peter Ashade – Group Chief Executive Officer

Peter Ashade holds a Bachelor of Science degree from the Olabisi Onabanjo University, Ago-Iwoye (formerly Ogun State University), an MBA and MSc from Obafemi Awolowo University and University of Lagos respectively. He is a Fellow of three professional bodies namely; the Institute of Chartered Accountants of Nigeria, Institute of Capital Market Registrars of Nigeria and Chartered Institute of Bankers of Nigeria as well as Associates of the Chartered Institute of Taxation and Institute of Directors. He has 30 years of experience in the Nigerian capital market and had served in various committees of the Securities and Exchange Commission. He was appointed the Group Chief Executive Officer of United Capital Plc on July 2, 2018.

1.3.3 Mr. Sunny Anene – Executive Director

Prior to his appointment as an Executive Director, he was the Managing Director of United Capital Asset Management Limited, a wholly owned subsidiary of United Capital Plc. He had served as the Group Chief Finance Officer with additional responsibilities in Risk Management, Information Technology, Treasury, Finance and two other functional areas within the Group. His experience span over twenty-six (26) years and cut across investment, capital markets, pensions and finance as well as banking operations. His proven ingenuity in these areas is brought to bear on the Group's Asset Management Business. Prior to joining United Capital Plc, he was Head of Operations at First City Group 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 and later returned to the Capital Market 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 later the MD/CEO for the stockbroking business. He has 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 was appointed a director on January 2, 2019.

1.3.4 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 30 years work experience in accounting and finance (including at executive levels) in both real estate and banking sectors of the Nigerian economy. He was a Executive Director of United Bank for Africa Plc and retired in 2013. He was appointed a Director in United Capital on January 10, 2014 and is the Chairman of the Finance, Investment and Risk Management Committee.

1.3.5 Mr. Adim Jibunoh – Non-Executive Director

Adim Jibunoh holds a first class degree in Economics from the University of Port Harcourt and an MBA in Financial Management from the University of Lagos with extensive management training from IMD Switzerland, Lagos Business School and Harvard Business School.

He has over 30 years of experience in the financial services industry with strong leadership skills. He was the Managing Director/Chief Executive Officer of Continental Trust Bank Limited until 2004 and an Executive Director at Standard Trust Bank Limited (now United Bank for Africa Plc). He was appointed Director in United Capital Plc on January 23, 2013 and is the Chairman of the Board Audit and Governance Committee.

1.3.6 Sir Stephen Nwadiuko – Independent Non-Executive Director

Sir Stephen Nwadiuko holds a Bachelor of Science degree and an MSc in Banking and Finance from Ogun State University, Ago-Iwoye and University of Ibadan respectively. He is a fellow of three professional bodies namely: Chartered Institute of Bankers of Nigeria, Institute of Chartered Accountants of Nigeria, Compliance Institute of Nigeria as well as an Associate of Certified Pension Institute of Nigeria. He is a retired Deputy Director, Banking Supervision Department of the Central Bank of Nigeria (CBN), a certified Bank Examiner by the CBN and the Federal Deposit Insurance Cooperation of the United States of America. He was a former council member of the Chartered Institute of Bankers of Nigeria and Chairman Chartered Institute of Bankers of Nigeria, Abuja Branch. He is currently a Member of the Investigating Panel of both the Chartered Institute of Bankers of Nigeria and Institute of Chartered Accountants of Nigeria as well as a member of the Board of Trustees of the Compliance Institute Nigeria. He is the Managing Director/Chief Executive Officer of First Guarantee Pension Limited. He was appointed Director on October 2, 2018.

1.3.7 Mr. Sonny Iroche – Independent Non-Executive Director

Mr. Sonny Iroche holds a Bachelor of Science degree from the University of Nigeria, Nsukka and an MBA from the Roosevelt University, Chicago, Illinois. He is a seasoned Financial Executive with over thirty years' experience in Banking, Power and Public Service. He has served on various boards such as the International Glass Industries Limited and the First Merchant Bank of Sierra Leone. Prior to his appointment as Non-Executive Director in United Capital, he was an Executive Director at Transmission Company of Nigeria. He was appointed an Independent Non-Executive Director on October 2, 2018.

1.3.8 Sir. Leo Okafor – Group Company Secretary/General Counsel

Sir Leo Okafor holds a Bachelor and Master of Law degrees from the University of Lagos. He is a member of the Nigerian Bar Association, a Fellow of the Institute of Chartered Secretaries and Administrators of Nigeria (FCIS) and the Association of Investment Advisers and Portfolio Managers.

Prior to joining United Capital Plc, he was the Managing Director of Zenith Trustees Limited (a subsidiary of Zenith Bank Plc) and PHB Capital & Trust Limited (subsidiary of Bank PHB Plc and later Keystone Bank Limited). He has over 20 years' experience in legal practice, trusteeship, investment banking and company secretarial practice. An avid scholar and has authored several books and publications in the area of trusteeship and company secretarial practice. He was appointed Company Secretary and General Counsel on March 1, 2013.

Attendance at Board Meetings

The Board of United Capital Plc met five times in 2019. Please find the record of attendance below:

Meetings Held

Names	15/02/19	15/04/2019	17/07/19	18/10/19	17/12/19
Chika Mordi	✓	✓	✓	✓	✓
Adim Jibunoh	✓	✓	✓	✓	✓
Emmanuel Nnorom	✓	✓	✓	✓	✓
Stephen Nwadiuko	✓	✓	✓	✓	✓
Sonny Iroche	✓	X	✓	✓	✓
Peter Ashade	✓	✓	✓	✓	✓
Sunny Anene	✓	✓	✓	✓	✓

3 Constitution 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.

3.1 The Board of United Capital has two Committees; namely:

3.1.1 Finance Investment and Risk Management Committee ("FIRM"); and
3.1.2 Audit and Governance Committee ("AGC").

3.1.1 Finance Investment and Risk Management Committee

The responsibilities of FIRM are as follows:

1. Formulate and shape the strategy of the Group and make recommendations to the Board for approval.
2. Provide oversight on financial matters and the performance of the Group.
3. Review and recommend investment opportunities or initiatives to the Board.
4. Monitor and assess the overall integrity of the financial statements and disclosures of the financial condition and results of operations of the Group.
5. Review the Group's investment portfolio annually.
6. Monitor, review and assess the integrity and adequacy of the overall risk management framework of the Group.
7. Ensure that risk assessments are performed on a continual basis and ensure that frameworks and methodo logies are in place to increase the probability of anticipating unpredictable risks.

3.2 Audit and Governance Committee

The responsibilities of the AGC are as follows:

1 Advise the Board on corporate governance standards and policies.
2 Review and recommend to the Board for approval, all human resources and governance policies.
3 Organize Board and Board Committee inductions and trainings.
4 Evaluate and appraise the performance of the Board and Board Committees and its members annually in conjunction with consultants.
5 Ensure that an effective system of financial and internal controls is in place.
6 Make recommendations to the Board on the election and re-election of directors.
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.
8 Review Audit exception reports relating to the Group's compliance of major policies including Expense and Human Resource policies.

4 Attendance at Board Committee Meetings

4.1 Finance Investment and Risk Management Committee

Meetings Held

Names	14/02/19	5/04/2019	10/07/19	10/10/19
Emmanuel Nnorom	✓	✓	✓	✓
Adim Jibunoh	✓	✓	✓	✓
Sonny Iroche	✓	X	✓	✓
Peter Ashade	✓	✓	✓	✓
Sunny Anene	✓	✓	✓	✓

4.2 Audit and Governance Committee

Meetings Held

Names	14/02/19	5/04/2019	10/07/19	10/10/19
Adim Jibunoh	✓	✓	✓	✓
Emmanuel Nnorom	✓	✓	✓	✓
Stephen Nwadiuko	✓	✓	✓	✓

5 Statutory Audit Committee

By virtue of section 359 (3) of the Companies and Allied Matters Act, Cap C20, Laws of the Federation of Nigeria 2004, every public company is required to establish a Statutory Audit Committee ("SAC") composed of an equal number of Directors and representatives of its shareholders, subject to a maximum of six members.

6 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;

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.

7 Attendance at SAC Meetings

In the course of the financial year 2019, the Statutory Audit Committee of United Capital Plc met four times as illustrated in the table below.

Meetings Held

Names	14/02/19	5/04/2019	10/07/19	10/10/19
Mr. Paul Olele	✓	✓	✓	✓
Mr. Pastor Alex Adio	✓	✓	✓	✓
Mrs. Faith George Usman	✓	✓	✓	✓
Mr. Emmanuel Nnorom	✓	✓	✓	✓
Mr. Adim Jibunoh	✓	✓	✓	✓
Sir. Stephen Nwadiuko	*	✓	✓	✓

*** Elected at the AGM 2019 on March 28, 2019**

8. 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 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 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

The profiles of the shareholder representatives in SAC are:

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).

Alex Adio

Member

Alex Adio holds an MBA (Finance) from the Ladoke Akintola University, Ogbomosho and is a fellow of the Institute of Management Consultant. A Justice of the Peace of 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.

Faith George-Usman

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.

DIRECTOR'S REPORT

The Directors present their report together with the audited financial statements of the Group for the year ended December 31, 2019.

1 LEGAL FORM

United Capital Plc was incorporated in Nigeria as a Limited Liability Company on March 14, 2002 under the Companies and Allied Matters Act, Cap C20, Laws of the Federation of Nigeria 2004. 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. United Capital Plc ("UCAP") is the first Investment Bank in Nigeria to be listed on the Nigerian Stock Exchange. UCAP is a holding company with three subsidiaries namely United Capital Trustees Limited, United Capital Asset Management Limited and United Capital Securities Limited. Its main areas of business include investment banking, trusteeship, asset management and stock-broking.

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 & acquisitions and debt capital markets. Through its subsidiaries, it provides additional services such as trusteeship, asset management and securities trading.

RESULTS

	Group		Company	
	2019	**2018**	**2019**	**2018**
	N'000	**N'000**	**N'000**	**N'000**
Profit before tax	4,949,720	6,221,246	3,436,348	3,292,499
Income tax	23,699	(1,883,257)	(400,275)	(588,796)
Profit for the year	4,973,419	4,337,989	3,036,073	2,703,703
Other comprehensive income	778,413	23,843	12,901	(17,470)
Total comprehensive income	**5,751,832**	**4,361,832**	**3,048,974**	**2,686,233**
Total comprehensive income attributable to Equity holders of the Company	5,751,832	4,361,832	3,048,974	2,686,233
Earnings per share	83	72	51	45

3 DIVIDEND

In respect of the current year, the Directors propose that a dividend of 50 kobo per ordinary share of 50 kobo each, amounting to N3 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 at the close of business on 6 March, 2020.

4 BUSINESS REVIEW AND FUTURE DEVELOPMENT

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

5 DIRECTORS RETIRING BY ROTATION

In accordance with section 259 of the Companies and Allied Matters Act, Cap C20, Laws of the Federation of Nigeria, 2004, the following directors are retiring by rotation and are up for re-election:

5.1 Mr. Chika Mordi (Chairman); and
5.2 Mr. Adim Jibunoh.

6 DIRECTORS INTERESTS

The interests of the Directors in the issued share capital of the Company are recorded in the register of Director's Shareholding as of 31 December, 2019 as follows:

		31-Dec-19	31-Dec-19	31-Dec-18	31-Dec-18
S/N	NAMES OF DIRECTORS	DIRECT	INDIRECT	DIRECT	INDIRECT
1	Chika Mordi	12,363	Nil	12,363	Nil
2	Adim Jibunoh	Nil	Nil	500,000	Nil
3	Emmanuel Nnorom	Nil	21,081,247 (Vine Foods Limited)	Nil	19,491,247
4	Sonny Iroche	Nil	Nil	Nil	Nil
5	Stephen Nwadiuko	427,600	Nil	Nil	Nil
6	Peter Ashade	215,456	Nil	215,456	Nil
7	Sunny Anene	1,000,000	Nil	500,000	Nil

7 ANALYSIS OF SHAREHOLDING

As of the end of 2019, United Capital's shares were held by **262,043** shareholders as analyzed in the table below:

UNITED CAPITAL PLC								
RANGE ANALYSIS AS AT 31-12-2019								
Range			*No. of Holders*	*Holders %*	*Holders Cum.*	*Units*	*Units %*	*Units Cum.*
1	-	1,000	171,923	66	171,923	61,812,016	1	61,812,016
1,001	-	5,000	62,319	24	234,242	132,428,211	2	194,240,227
5,001	-	10,000	12,436	5	246,678	86,235,019	1	280,475,246
10,001	-	50,000	10,941	4	257,619	229,649,231	4	510,124,477
50,001	-	100,000	1,774	0	259,393	127,265,177	2	637,389,654
100,001	-	500,000	1,914	1	261,307	406,453,193	7	1,043,842,847
500,001	-	1,000,000	344	0	261,651	248,919,813	4	1,292,762,660
1,000,000	-	999,999,999,999	392	0	262,043	4,707,237,340	79	6,000,000,000
Grand Total				**100%**		**6,000,000,000**	**100%**	

7.1 SUBSTANTIAL INTEREST IN SHARES (5% and above)

As of the end of 31 December, 2019, the shareholders with 5% and above are shown in the table below:

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

7.1.1 Apart from West Coast Equity Limited, no other shareholder holds 5% and above of the Company's issued and fully paid shares.

7.2 SUMMARY OF DEALING IN UCAP SHARES AS AT 31 DECEMBER, 2019

QUARTER	TOTAL	MONTHLY AVERAGE
MARCH QUARTER	198,719,689	3,154,280
JUNE QUARTER	194,841,055	3,092,715
SEPTEMBER QUARTER	151,562,872	2,405,760
DECEMBER QUARTER	221,985,628	3,523,581

8 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
Salary	Fixed	This is 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 only to Non-Executive Directors	Paid after each meeting

9 SHARE CAPITAL HISTORY

Period	Authorised (No of Shares ('000,000)		Issued and fully paid (N'000,000)		
	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	1,000,000,000	3,000,000,000	Rights Issue

10 ACQUISITION OF OWN SHARES

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

11 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.

12 DONATION- No donation was made by the Company during the year

13 EMPLOYMENT AND EMPLOYEES

Employment of Physically Challenged Persons
The Company operates a non-discriminatory policy in the 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 the 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 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 their 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 wellbeing. Towards this end, the Company provides opportunities where employees deliberate on issues affecting the company and the employee' 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.

14 EVALUATION

A Board evaluation was undertaken in 2019 by PricewaterhouseCoopers. 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.

15 COMPLIANCE

Securities Trading Policy
In compliance with the Rules of the Nigerian Stock Exchange, 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:

1. Declaration of financial results (quarterly, half-yearly and annual).
2. Declaration of dividends (interim and final).
3. Issue of securities by way of public offer or bonus etc.
4. Any major expansion plans or winning of bid or execution of new projects, disposal of the whole or a substantial part of the undertaking.
5. Any changes in policies, plans or other operations of the Company that are likely to materially affect the prices of the securities of the Company.
6. Disruption of operations due to natural calamities.
7. Litigation or dispute with a material impact.
8. 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.

SEC Code of Corporate Governance for Public Companies in Nigeria
The Company has complied with the SEC Code of Corporate Governance for Public Companies in Nigeria.

Code of Conduct for Directors and Employees
The Company has a Code of Conduct for Directors and Employees which was duly adhered to.

Complaint Management Framework
The Company has a Complaint 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.

16 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, 2019.

17 AUDITORS

In accordance with Section 33.2 of the SEC Code, Deloitte and Touché will be retiring at the Annual General Meeting ("AGM") and will be replaced by PricewaterhouseCoopers("PWC"). A resolution will be proposed at the AGM appointing PWC as the new Auditor and to authorize the Directors to determine their remuneration.

BY THE ORDER OF THE BOARD

LEO OKAFOR FCIS, KSJI
Group Company Secretary

Report of the Statutory Audit Committee
For the year ended December 31, 2019

To the members of United Capital Plc

In the course of the financial year 2019, the Statutory Audit Committee of United Capital Plc met four times as illustrated in the table below and all members were present.

	Meetings Held			
Names	**14/02/2019**	**05/04/2019**	**10/07/2019**	**10/10/2019**
Mr. Paul Olele	✓	✓	✓	✓
Mr. Pastor Alex Adio	✓	✓	✓	✓
Mrs. Faith George Usman	✓	✓	✓	✓
Mr. Emmanuel Nnorom	✓	✓	✓	✓
Mr. Adim Jibunoh	✓	✓	✓	✓
Sir. Stephen Nwadiuko*		✓	✓	✓

Therefore, in accordance with the provisions of Sec 359(6) of the Companies and Allied Matters Act Cap C20, Laws of the Federation of Nigeria, 2004 ("**the Act**"), we, the members of the Audit Committee of United Capital Plc, having performed our statutory obligations under the Act, hereby report that:

1. The accounting and reporting policies of the Company for the year ended December 31, 2019 are consistent with legal requirements and ethical practices.

2. The internal audit programs are extensive and provide a satisfactory evaluation of the efficiency of the internal control systems.

3. The scope and planning of the statutory independent audit for the year ended December 31, 2019 are satisfactory; and

4. 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 February 14, 2020

Members of the Statutory Audit Committee

1.	Mr. Paul Olele	Chairman
2.	Pastor Alex Adio	Member
3.	Mrs. Faith George-Usman	Member
4.	Mr. Emmanuel Nnorom	Member
5.	Mr. Adim Jibunoh	Member
6.	Sir. Stephen Nwadiuko	Member

* Elected at the Annual General Meeting held on March 28, 2019.

BOARD EVALUATION REPORT

pwc

06 February 2020

The Chairman,
United Capital Plc.
12th Floor, UBA House
57 Marina
Lagos
Nigeria

Dear Sir,

Report on the Outcome of the Board Evaluation of United Capital Plc. for the Year Ended 31 December 2019

PricewaterhouseCoopers ("PwC") was engaged to carry out an evaluation of the Board of Directors of United Capital Plc. ("United Capital" or "the Company") as required by Section 15.1 of the SEC Code of Corporate Governance for Public Companies in Nigeria (the SEC Code" or "the Code"). The evaluation covers the Board's structure, composition, responsibilities, processes, relationships and performance of the Committees for the period ended 31 December 2019.

The Board is responsible for the preparation and presentation of the information relevant to its performance. Our responsibility is to reach a conclusion on the Board's performance based on work carried out within the scope of our engagement as contained in our Letter of Engagement dated 25 November 2019. In carrying out the evaluation we have relied on representations made by members of the Board and Management and on the documents provided for our review.

The Board has complied significantly with the provisions of the SEC Code. Areas of strength include: the Board's involvement in the strategy development process, the diversity of skill and experience on the Board, strong attendance record for members of the Board, and effective oversight of the Company's risk management and internal control systems. Areas for improvement and other findings were also identified in the course of our review. Details of our other findings and recommendations are contained in our report.

We also facilitated a Self and Peer assessment of each Director's performance in the year under review. This assessment covered the perceived competence, level of attendance at Board and Board Committee meetings, contribution and participation at these meetings and relationships with each other. Individual Director's Assessment Reports were prepared and made available to each director, while a consolidated report on the performance of all directors was submitted to the Board Chairman.

Yours faithfully,
for: PricewaterhouseCoopers Chartered Accountants

Femi Osinubi
Director
FRC/2017/ICAN/00000016659

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*

Partners: S Abu, O Adekoya, O Adeola, T Adeleke, W Adetokunbo-Ajayi, UN Akpata, O Alakhume, C Azobu, E Erhie, K Erikume, U Muogilim, P Obianwa, T Ogundipe, C Ojechi, O Oladipo, P Omontuemhen, O Osinubi, T Oyedele, AB Rahji, O Ubah

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The Directors of **United Capital Plc** are responsible for the preparation of the consolidated and separate financial statements that give a true and fair view of the financial position of the Group and Company as at 31 December 2019, and the results of its operations, cash flows and changes in equity for the year ended, in compliance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Allied Matters Act of Nigeria, the Financial Reporting Council of Nigeria Act 2011 and the Investments and Securities Act CAP S124 LFN 2007.

In preparing the consolidated and separate financial statements, the Directors are responsible for:

- properly selecting and applying accounting policies;
- presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- providing additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group and Company's financial position and financial performance; and
- making an assessment of the Group's ability to continue as a going concern.

The Directors are responsible for:

- designing, implementing and maintaining an effective and sound system of internal controls throughout the Group and Company;
- maintaining adequate accounting records that are sufficient to show and explain the Group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company, and which enable them to ensure that the financial statements of the Group and Company comply with IFRS;
- maintaining statutory accounting records in compliance with the legislation of Nigeria and IFRS;
- taking such steps as are reasonably available to them to safeguard the assets of the Group and Company; and
- preventing and detecting fraud and other irregularities.

Going Concern:

The Directors have made an assessment of the Group's and Company's ability to continue as a going concern and have no reason to believe the Group and Company will not remain a going concern in the year ahead.

The consolidated and separate financial statements of the Group and Company for the year ended 31 December 2019 were approved by directors on 14 February 2020.

On behalf of the Directors of the Group

Chika Mordi	**Peter Ashade**
Chairman	*Group Chief Executive Officer*
FRC/2014/IODN/00000006667	FRC/2013/NBA/00000002719

Deloitte.

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INDEPENDENT AUDITOR'S REPORT
To the Members of United Capital Plc

Opinion
We have audited the accompanying consolidated and separate financial statements of **United Capital Plc** ("the company') and its subsidiaries (together "the group") which comprise the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss and other comprehensive income, the statement of changes in equity, the consolidated statement of cash flow for the year then ended, and the notes to the Consolidated and separate financial statements including a summary of significant accounting policies.

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** as at 31 December, 2019 and the financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards, the Companies and Allied Matters Act Cap C20 LFN 2004, Investment and Securities Act CAP S124 LFN 2007, Investment and Securities Act CAP S124 LFN 2007 and the Financial Reporting Council of Nigeria Act, 2011.

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 Financial Statements section of our report. We are independent of **United Capital Plc** in accordance with the Institute of Chartered Accountants of Nigeria (ICAN) Professional Code of Conduct and Guide for Accountants and other independence requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the ICAN Code and in accordance with other ethical requirements applicable to performing audits in Nigeria. The ICAN Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters
Key audit matter is the matters that, in our professional judgment, was of most significance in our audit of the consolidated and separate financial statements of the current year. The matter was 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 the matters. The key audit matter below relates to the audit of the consolidated and separate financial statements.

Key Audit Matter	How the matter was addressed in the audit
Valuation of Unquoted Equity	
The Group has significant investments in unquoted equities valued at over N4.9billion as reflected in Note 13.3 which are measured in line with the provisions of IFRS 13 – Fair value measurement IFRS 13 defines fair value, it provides guidance on how fair value should be measured, and establishes consistent requirements for disclosures regarding fair	In evaluating the appropriateness of the valuation methodology for the unquoted equities, we evaluated the valuation technique adopted by the directors by performing the following procedures; • Considered the appropriateness of the valuation methodology adopted for the purposes of valuing the unquoted equity

value measurements. IFRS 13 explains that when the price for an asset or a liability cannot be observed directly, it must be estimated using a valuation technique.

Entities should use valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Highest priority should be given to unadjusted quoted prices in active markets for identical assets or liabilities.

The Group has estimated the equities values by selecting the performance measure that is most relevant to assessing the value of the investees. The valuation multiple are applied to the performance measure to obtain an indicative fair value of the investee as at the reporting date. The Group's proportion of investments is then applied on the investees fair value to arrive at the unquoted equities value at year end.

investments.

- Re-performed the valuation of the unquoted equity investments:

1. Identified guideline public companies.
2. Selected the performance measure that is most relevant to assessing the value of the investee.
3. Applied the appropriate valuation multiple to the relevant performance measure of the investee to obtain an indicative fair value of the investee's equity value as at the valuation date.
4. Made appropriate adjustments to the valuation.
5. Estimated the equity value of the group investment's in the unquoted equity investments by applying group's stake to the full fair value of the unquoted entities.

We considered that the valuation of the unquoted equities was appropriate based on our review.

Expected credit loss on financial assets

IFRS 9- "financial instruments" which became effective 1 January 2018, introduces a new forward-looking impairment model, requiring companies to provide for expected credit losses (ECLs) on Financial Instruments. It also includes new requirements and guidance on the classification and measurement of financial assets.

In estimating the expected credit losses (ECLs) on financial assets, management makes use of significant assumptions and judgement in determining the impairment loss. Some of the key assumptions used are :

• Assessment of significant increase in credit risk.
• calculation of lifetime probabilities of default (PD) as well as lifetime expected credit loss (ECL).
• Loss given default (LGD);
• Forward looking information macro-economic factors (e.g. unemployment rates, inflation rate.

In evaluating the expected credit loss on financial assets, we evaluated the management assumptions for the expected credit loss model and performed the following procedures :

1. Obtained a detailed understanding of the default definition(s) used in the ECL calculation;
2. Tested the underlying calibration data behind the determination of the probability of default by agreeing same to underlying supporting documentation;
3. Tested the disclosures to ensure that the required disclosures under IFRS 9;
4. Challenged the criteria used to allocate asset to stage 1, 2 or 3 in accordance with IFRS 9;
5. Tested assets in stage 1, 2 and 3 to verify that they were allocated to the appropriate stage;
6. Tested the data used in the ECL calculation by reconciling to source systems;

Because of the significance of these estimates and judgements, the audit of the impairment is considered a key audit matter.

Our audit procedures to assess the adequacy of the expected credit loss impairment in line with IFRS 9 included a review of the Group's business model to test the design and operating effectiveness of the key controls over the completeness and accuracy of the key inputs and assumptions into the IFRS 9 impairment models.

Based on our review, we found that the Group's impairment methodology, including the model, assumptions and key inputs used by management to estimate the amount of loan impairment losses were comparable with historical performance, and prevailing economic situations and that the estimated loan loss impairment determined was appropriate in the circumstances.

Other Information

The Directors are responsible for the other information. The other information comprises the Corporate Governance Report, Directors' Report, the Statement of Director's Responsibility and the Auditor's Report, which we obtained prior to the date of which is expected to be made available to us after that date. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express 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 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.

Responsibilities of the directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act CAP C20 LFN 2004, Investment and Securities Act CAP S124 LFN 2007 and the Financial Reporting Council of Nigeria Act, 2011 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 and the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of 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 and the Company'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 the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the Group and Company'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 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 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 Group and company's 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's 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 financial statements of the current year 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

In accordance with the Sixth Schedule of Companies and Allied Matters Act CAP C20 LFN 2004 we expressly state that:

i) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.

ii) The Group has kept proper books of account, so far as appears from our examination of those books.

iii) The Group and Company's financial position and its statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.

- No instance of contravention of the Securities and Exchange Commission guidelines was brought to our notice in the course of the audit.
- Details of related parties are disclosed in note 30 of the consolidated and separate financial statements.

For: Deloitte & Touche
Chartered Accountants
Lagos, Nigeria
17 February, 2020

Engagement Partner: Yetunde Odetayo, FCA,
FRC/2013/ICAN/00000000823

STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2019

		Group		Company	
		31 December		31 December	
		2019	2018	2019	2018
		=N=' 000	=N=' 000	=N=' 000	=N=' 000
Gross Earnings		**8,591,929**	**9,259,398**	**4,930,671**	**3,988,933**
Investment income	3	5,007,816	5,180,253	1,135,121	1,098,444
Fee and commission income	4	1,963,076	1,904,034	782,440	819,992
Net trading income	5	78,700	126,499	-	-
Net operating income		**7,049,592**	**7,210,786**	**1,917,561**	**1,918,436**
Other income	6	1,553,137	2,042,439	503,910	963,321
Dividend income from subsidiaries		-	-	2,520,000	1,111,111
Net gains/(loss) on financial assets at fair valued through profit or loss	7	(10,800)	6,173	(10,800)	(3,935)
Total Revenue		**8,591,929**	**9,259,398**	**4,930,671**	**3,988,933**
Personnel expenses	8	(1,631,612)	(1,638,970)	(490,142)	(387,858)
Other operating expenses	9	(1,765,927)	(1,550,223)	(754,128)	(485,476)
Depreciation and amortisation	16/17	(135,115)	(115,854)	(110,799)	(86,586)
Writeback/(impairment) allowance	13.1b	(109,555)	266,895	(139,254)	263,486
Total Expenses		**(3,642,209)**	**(3,038,151)**	**(1,494,323)**	**(696,434)**
Profit before income tax		**4,949,720**	**6,221,246**	**3,436,348**	**3,292,499**
Income tax expense	10	23,699	(1,883,257)	(400,275)	(588,796)
Profit for the year		**4,973,419**	**4,337,989**	**3,036,073**	**2,703,703**
Other comprehensive income, net of income tax					
Items that will not be reclassified subsequently to profit or loss					
Net fair value loss on investments in equity instruments designated as at FVTOCI	29.1	-	(1,154,667)	-	-
Items that may be reclassified subsequently to profit or loss					
Net fair value gain/(loss) on investments in financial instruments designated as FVTOCI	29.2	778,413	1,178,510	12,901	(17,470)
Other comprehensive income for the year, net of taxes		**778,413**	**23,843**	**12,901**	**(17,470)**
Total comprehensive income for the year		**5,751,832**	**4,361,832**	**3,048,974**	**2,686,233**
Profit for the year attributable to:					
Equity holders of the Company		**4,973,419**	**4,337,989**	**3,036,073**	**2,703,703**
Total comprehensive income attributable to:					
Equity holders of the Company		**5,751,832**	**4,361,832**	**3,048,974**	**2,686,233**
Earnings per share-basic (kobo)	11	83	72	51	45

STATEMENT OF FINANCIAL POSITION

Consolidated & Separate Statement of Financial Position
As at 31 December 2019

	Notes	Group 31 December 2019 =N=' 000	Group 31 December 2018 =N=' 000	Company 31 December 2019 =N=' 000	Company 31 December 2018 =N=' 000
ASSETS					
Cash and cash equivalents	12	30,132,099	35,186,157	2,401,282	2,125,972
Investment in financial assets	13	94,142,345	88,182,725	35,071,034	33,335,015
Investments in subsidiaries	14	-	-	901,000	900,000
Property, plant and equipment	16	357,118	301,351	269,384	227,207
Intangible assets	17	43,771	14,993	38,768	7,970
Right of use assets	18	312	-	312	-
Trade and other receivables	19	25,528,546	24,545,883	24,558,776	24,116,058
Dividend receivable from subsidiaries	28	-	-	2,520,000	1,711,111
Deferred tax assets	20	260,184	465,955	-	134,039
TOTAL ASSETS		**150,464,375**	**148,697,064**	**65,760,556**	**62,557,372**
LIABILITIES					
Managed funds	21	72,379,297	75,685,719	-	-
Other borrowed funds	22	50,876,737	49,163,296	50,876,737	49,163,296
Other liabilities	23	5,400,633	4,846,405	2,213,132	1,589,507
Current tax liabilities	24	1,569,828	1,923,707	729,230	1,068,504
Deferred tax liabilities	20	652,041	1,243,930	343,324	186,906
TOTAL LIABILITIES		**130,878,536**	**132,863,057**	**54,162,423**	**52,008,213**
SHAREHOLDERS FUND					
Share capital	25	3,000,000	3,000,000	3,000,000	3,000,000
Share Premium	26	683,611	683,611	683,611	683,611
Retained earnings	27	16,790,622	13,817,203	7,847,830	6,811,757
Other reserves	29	(888,394)	(1,666,807)	66,692	53,791
TOTAL SHAREHOLDERS FUND		**19,585,839**	**15,834,007**	**11,598,133**	**10,549,159**
TOTAL LIABILITIES AND SHAREHOLDERS FUND		**150,464,375**	**148,697,064**	**65,760,556**	**62,557,372**

The consolidated and separate financial statements were approved by the Board of Directors on 14 February, 2020 and signed on its behalf by:

CHIKA MORDI
(Chairman)
FRC/2014/IODN/00000006667

PETER ASHADE
(Group Chief Executive Officer)
FRC/2013/ICAN/00000002719

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

STATEMENT OF CHANGES IN EQUITY

Consolidated Statement of Changes in Equity
As at 31 December 2019

(a) Group

	Share Capital =N=' 000	Retained Earnings =N=' 000	Share Premium =N=' 000	Other Reserves =N=' 000	Total =N=' 000
At 1 January 2019	3,000,000	13,817,203	683,611	(1,666,807)	15,834,007
Transfer from profit or loss account	-	4,973,419	-	-	4,973,419
Dividend paid	-	(2,000,000)	-	-	(2,000,000)
Fair value reserves	-	-	-	778,413	778,413
At 31 December 2019	**3,000,000**	**16,790,622**	**683,611**	**(888,394)**	**19,585,839**
Company					
At 1 January 2019	3,000,000	6,811,757	683,611	53,791	10,549,159
Transfer from profit or loss account	-	3,036,073	-	-	3,036,073
Dividend paid	-	(2,000,000)	-	-	(2,000,000)
Fair value reserve	-	-	-	12,901	12,901
At 31 December 2019	**3,000,000**	**7,847,830**	**683,611**	**66,692**	**11,598,133**

Group	Share Capital =N=' 000	Retained Earnings =N=' 000	Share Premium =N=' 000	Other Reserves =N=' 000	Total =N=' 000
At 1 January 2018	3,000,000	14,608,581	683,611	(1,525,512)	16,766,680
Effect of application of IFRS 9	-	(3,029,367)	-	(165,138)	(3,194,505)
Restated opening balance as at 1 January 2018	**3,000,000**	**11,579,214**	**683,611**	**(1,690,650)**	**13,572,175**
Transfer from profit or loss account	-	4,337,989	-	-	4,337,989
Dividend paid	-	(2,100,000)	-	-	(2,100,000)
Fair value reserves	-	-	-	23,843	23,843
At 31 December 2018	**3,000,000**	**13,817,203**	**683,611**	**(1,666,807)**	**15,834,007**
Company					
At 1 January 2018	3,000,000	7,204,066	683,611	71,261	10,958,938
Effect of application of IFRS 9	-	(996,012)	-	-	(996,012)
Restated opening balance as at 1 January 2018	**3,000,000**	**6,208,054**	**683,611**	**71,261**	**9,962,926**
Transfer from profit or loss account	-	2,703,703	-	-	2,703,703
Dividend paid	-	(2,100,000)	-	-	(2,100,000)
Fair value reserve	-	-	-	(17,470)	(17,470)
At 31 December 2018	**3,000,000**	**6,811,757**	**683,611**	**53,791**	**10,549,159**

STATEMENT OF CASH FLOWS

CONSOLIDATED STATEMENT OF CASH FLOWS
As at 31 December 2019

		Group		Company	
		31 December 2019	31 December 2018	31 December 2019	31 December 2018
		N' 000	N' 000	N' 000	N' 000
Profit for the year		4,973,419	4,337,989	3,036,073	2,703,703
Adjustments for;					
Income tax recognised in profit or loss	10	(23,699)	1,883,257	400,275	588,796
Depreciation & amortization	16/17	118,118	111,135	109,154	86,566
Dividend income on equity investments designated at FVTOCI		(785,554)	(742,359)	(54,622)	(10,078)
Writeback/(impairment losses) recognised on amortised cost	13.1b	109,555	(266,895)	139,254	(263,486)
		4,391,839	**5,323,127**	**3,630,134**	**3,105,501**
Movement in working capital					
(Increase) in trade receivables		(1,101,326)	(2,042,384)	(561,345)	(5,711,765)
(Decrease)/increase in managed funds		(3,306,422)	5,193,631	-	-
Increase/ (decrease) in other liabilities		554,228	(815,068)	623,625	(218,993)
Cash generated from operations		538,319	7,659,306	3,692,414	(2,825,257)
Income taxes paid	24	(716,299)	(978,263)	(449,092)	(396,695)
Net cash generated by/(used in) operating activities		**(177,980)**	**6,681,043**	**3,243,321**	**(3,221,952)**
Cash flows from investing activities					
Purchase of right of use	18	(624)	-	(624)	-
Purchase of property and equipment	16	(179,841)	(176,632)	(143,775)	(146,986)
Proceeds on disposal of property and equipment	16	17,177	22,590	1,645	9,811
Purchase of intangible assets	17	(39,687)	(630)	(39,687)	-
(Purchase)/disposal of financial instrument designated at amortized cost		(11,859,737)	(24,777,789)	(1,326,439)	(2,848,166)
Investment in subsidiary		-	-	(1,000)	-
Disposal/(purchase) of financial instrument designated at FVTOCI		9,112,410	26,342,216	(424,171)	(924,075)
(Purchase)/disposal of financial instrument designated at FVTPL		(2,580,820)	(3,340,758)	6,865	(96,104)
Dividend income on equity investments designated at FVTOCI		785,554	742,359	54,622	10,078
Net cash generated by/(used in) investing activities		**(4,745,568)**	**(1,188,644)**	**(1,872,564)**	**(3,995,442)**
Cash flows from financing activities					
Dividend received		-	-	(808,889)	688,889
Dividend paid to owners of equity capital		(2,000,000)	(2,100,000)	(2,000,000)	(2,100,000)
Proceeds from borrowings	22	1,713,441	12,933,934	1,713,441	12,933,934
Repayment of borrowings	22	-	(5,183,315)	-	(5,183,315)
Net cash (used in)/generated by financing activities		**(286,559)**	**5,650,619**	**(1,095,448)**	**6,339,508**
Net increase/(decrease) in cash and cash equivalents		(5,210,107)	11,143,018	275,310	(877,886)
Effect of foreign exchange changes on cash		156,049	(1,037,915)	-	-
Cash and cash equivalents at beginning of year		35,186,157	25,081,054	2,125,972	3,003,858
Cash and cash equivalents at end of year	12	**30,132,099**	**35,186,157**	**2,401,282**	**2,125,972**

United Capital
Trustees

...because you cannot have all the answers to all of life's questions, that's why we are here, a trusted and dependable partner that takes care of your financial and property matters, so you can live with peace of mind.

TRUSTS . ESTATES . WILLS

Make the Intelligent Choice. Act today

● Lagos ● Abuja ● Port Harcourt ● Ibadan

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NOTES TO FINANCIAL STATEMENT

1 Company information

These financial statements are the consolidated 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 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 years 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 year ended 31 December 2019 have been prepared in accordance with International Financial Reporting Standards (IFRS) 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 period 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.

2.2.1 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 CAP C20 LFN 2004, Investment and Securities Act Cap S127 LFN 2004, the Financial Reporting Council Act 2011 to the extent that they are not in conflict with the International Financial Reporting Standards (IFRS).

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

In the current year, the Group 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 2019.

(a) IFRS 16 Leases

IFRS 16 was issued in January 2016 and it replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to re -measure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re -measurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under IFRS 16 is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases. IFRS 16 also requires lessees and lessors to make more extensive disclosures than under IAS 17. IFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early application is permitted, but not before an entity applies IFRS 15. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard's transition provisions permit certain reliefs.

Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date.

Retrospective application in accordance with IAS 8 is only permitted if that is possible without the use of hindsight. Early application of the amendments is permitted and must be disclosed. The amendments will eliminate diversity in practice.

Basis of Measurement

(b) **As a lessee**

The Group leases buildings for its office branches in various locations within the country. The leases typically run for 3 years certain and include option to renew annually at the end of the initial contract term.

(b(i)) Right-of-use assets

Group

	31 December 2019 ₦'000
Right-of-use assets	312
Current	312
Non-current	-

Movement during the year	
At 1 January	-
Adjustment on transition to IFRS 16	624
Opening balance as at 1 January 2019	624
Depreciation expense on right-of-use assets (see note 18)	(312)
At 31 December 2019	**312**

Company

	31 December 2019 ₦'000
Right-of-use assets	312
Current	312
Non-current	-

Movement during the year	
At 1 January	-
Adjustment on transition to IFRS 16	624
Opening balance as at 1 January 2019	624
Depreciation expense on right-of-use assets (see note 18)	(312)
At 31 December 2019	**312**

(b(ii)) Lease liabilities

There was no lease liabilities that arose as a result of the transition to IFRS 16 on adoption and there was none at the reporting date. The existing lease asset was prepaid before the year of adoption.

2.2.3 Standards issued but not yet effective

The following standards and interpretations had been issued but were not mandatory for the reporting year ended 31 December 2019.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

New or amended standards	Summary of the requirements	Possible impact on financial statements
IFRS 17 Insurance Contracts	IFRS 17 was issued in May 2017 as replacement to IFRS 4 Insurance Contracts. It requires a current measurement model where estimates are re-measured in each reporting period. Contracts are measured using the building blocks of: - discounted probability-weighted cash flows - an explicit risk adjustment, and - a contractual service margin (CSM) representing the unearned profit of the contract which is recognised as revenue over the coverage period. The standard allows a choice between recognising changes in discount rates either in the statement of profit or loss or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under IFRS 9. An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for short duration contracts, which are often written by non-life insurers. There is a modification of the general measurement model called the 'variable fee approach' for certain contracts written by life insurers where policyholders share in the returns from underlying items. When applying the variable fee approach, the entity's share of the fair value changes of the underlying items is included in the CSM. The results of insurers using this model are therefore likely to be less volatile than under the general model. The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features. IFRS 17 is effective for reporting periods beginning on or after 1 January 2022, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17.	This standard des not impact the group as it is not into an insurance entity

Definition of Material: Amendments to IAS 1 and IAS 8	The IASB has made amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors which use a consistent definition of materiality throughout International Financial Reporting Standards and the Conceptual Framework for Financial Reporting, clarify when information is material and incorporate some of the guidance in IAS 1 about immaterial information. In particular, the amendments clarify: - that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information, and that an entity assesses materiality in the context of the financial statements as a whole, and - the meaning of 'primary users of general purpose financial statements' to whom those financial statements are directed, by defining them as 'existing and potential investors, lenders and other creditors' that must rely on general purpose financial statements for much of the financial information they need. These amendments are effective for reporting periods beginning on or after 1 January 2020.	The amendments to the definition of 'material' is not expected to have a significant impact on the Group's financial statements.
Definition of a Business: Amendments to IFRS 3	The amended definition of a business requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term 'outputs' is amended to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits. The amendments will likely result in more acquisitions being accounted for as asset acquisitions. These amendments are effective for reporting periods beginning on or after 1 January 2020.	Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, the Company will not be affected by these amendments on the date of transition.
Amendments to References to the Conceptual Framework in IFRS Standards	The Conceptual Framework for Financial Reporting (Conceptual Framework) describes the objective of and concepts for general purpose financial reporting. It is a practical tool that helps the IASB to develop requirements in IFRS® Standards based on consistent concepts. Consideration of these concepts, in turn, should result in the IASB developing IFRS Standards that require entities to provide financial information that is useful to investors, lenders and other creditors. The IASB decided to revise the Conceptual Framework because some important issues were not covered and	The amendments are not expected to have material impact on the Group's financial statements.

	some guidance was unclear or out of date. The revised Conceptual Framework, issued by the IASB in March 2018, includes:	
	• A new chapter on measurement; • Guidance on reporting financial performance; • Improved definitions of an asset and a liability, and guidance supporting these definitions; and • Clarifications in important areas, such as the roles of stewardship, prudence and measurement uncertainty in financial reporting. The IASB also updated references to the Conceptual Framework in IFRS Standards by issuing Amendments to References to the Conceptual Framework in IFRS Standards. This was done to support transition to the revised Conceptual Framework for companies that develop accounting policies using the Conceptual Framework when no IFRS Standard applies to a particular transaction. These amendments are effective for periods beginning on or after 1 January 2020.	
Sale or contribution of assets between an investor and its associate or joint venture – Amendments to IFRS 10 and IAS 28	The IASB has made limited scope amendments to IFRS 10 Consolidated financial statements and IAS 28 Investments in associates and joint ventures. The amendments clarify the accounting treatment for sales or contribution of assets between an investor and its associates or joint ventures. They confirm that the accounting treatment depends on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a 'business' (as defined in IFRS 3 Business Combinations).	
	Where the non-monetary assets constitute a business, the investor will recognise the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor only to the extent of the other investor's interests in the associate or joint venture. The amendments apply prospectively. In December 2015, the IASB decided to defer the application date of this amendment until such time as the IASB has finalised its research project on the equity method.	

2.3 **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.

Subsidiaries

The consolidated and separate financial statements incorporate the financial statements of the company and all its subsidiaries where it is determined that there is a capacity to control. Control means the power to govern, directly or indirectly, the financial and operating policies of an entity so as to obtain benefits from its activities.

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.

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.

In its separate financial statements, the company accounts for its investment in subsidiaries at cost.

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.

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 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 stated at cost less accumulated impairment losses, if any.

2.4 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.

Accordingly the Group applies the guidance as set out in IFRS 3 on common control transactions. The assets and liabilities of the business transferred are measured at their existing book value in the consolidated financial statements of the parent, as measured under IFRS.

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

2.5 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 position date. Foreign exchange gains and losses resulting from the retranslation and settlement of these items are recognised in the income statement.

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.

2.6 Revenue recognition

(a) Investment income

Investment income for all interest-bearing financial instruments are recognised within 'investment income' in the income statement using the effective interest method.

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 investment income 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.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, investment income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

(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 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.

(c) Dividend income

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

2.7 Income taxation

(a) *Current income tax*

Income tax payable (receivable) is calculated on the basis of the applicable tax laws in Nigeria and is recognised as an expense (income) 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.

2.8 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 Company by the weighted average number of shares outstanding during the period.

2.9 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.

2.10 Financial assets & liabilities

2.10.1 Financial assets

a) Classification and subsequent measurement

For the purpose of measuring a financial asset after initial recognition, IFRS 9 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. The classification is based on the results of the Group's business model test and the contractual cashflow characteristics of the financial assets. The category relevant to the Group as at 31 December 2019 are fair value through profit or loss; at fair value through other comprehensive income and at amortised cost. At initial recognition all assets are measured at Fair Value.

i. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading and those designated by the Group as fair valueD through profit or loss upon initial recognition. Financial assets classified as held 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 held for trading'. Interest income and expense and dividend income on financial assets held for trading are included in 'Discount and similar income' or 'Other operating income', respectively. Fair value changes relating to financial assets designated at fair value through profit or loss are recognised in 'Net gains from financial assets held for trading'.

ii. Amortised Cost

Except for financial assets that are designated at initial recognition as at fair value through

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 financial assets that are designated at initial recognition as at fair value through profit or loss, a financial asset is measured as 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).

b) Impairment of financial assets

The impairment model under IFRS 9 reflects expected credit losses, as opposed to incurred credit losses under IAS 39. 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, a 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:

Financial assets that are debt instruments, Lease receivables, Loan and advances to customers, Other Loans and receivables, Financial guarantee contracts issued; and Loan commitments issued. 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 EIR multiplied by the gross carrying amount.

Stage 3: Credit impaired. For debt instruments that have both a significant increase in credit risk plus observable evidence of impairment

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

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. For this purpose, the Group categorieses its exposures on the basis of shared credit risk characteristics.

Significant increase in credit risk

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.

The Group applies qualitative and quantitative criteria for stage classification and for its forward and backward migration

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 recognized 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 collateralized 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.

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 and loans and advances to customers are classified in 'impairment charge for credit losses' whilst impairment charges relating to investment securities (loans and receivables categories) are classified in 'Net gains/ (losses) on investment securities'.

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.

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.

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 financial assets 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.

2.10.2 Financial liabilities

Classification and subsequent measurement

The Group's holding in financial liabilities represents mainly 'due to banks', 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.

2.11 Property, Plant and Equipment

All property, plant and equipment used by the parent or its subsidiaries is stated at historical cost less depreciation. 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 during the financial period in which they are incurred.

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

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

Depreciation rates, methods and the residual values underlying the calculation of depreciation of items of property, plant 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 "Other Assets" and upon delivery are reclassified as additions in the appropriate category of property and equipment.

2. 12 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 excluding goodwill

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

2.13 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.

United Capital has adopted the new accounting pronouncements which have become effective this year, and are as follows: IFRS 16 'Leases' IFRS 16 'Leases' replaces IAS 17 'Leases' along with three Interpretations (IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC 15 'Operating Leases-Incentives' and SIC 27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease').

The adoption of this new Standard has resulted in United Capital recognizing a right-of-use asset and related lease liability in connection with all former operating leases except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application. The new Standard has been applied using the modified retrospective approach, with the cumulative effect of adopting IFRS 16 being recognized in equity as an adjustment to the opening balance of retained earnings for the current period. Prior periods have not been restated.

For contracts in place at the date of initial application, United Capital has elected to apply the definition of a lease from IAS 17 and IFRIC 4 and has not applied IFRS 16 to arrangements that were previously not identified as lease under IAS 17 and IFRIC 4.United Capital has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of IFRS 16, being 1 January 2019. At this date, United Capital has also elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition.

Instead of performing an impairment review on the right-of-use assets at the date of initial application, United Capital has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of IFRS 16.On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets United Capital has applied the optional exemptions to not recognize right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term.

2.14 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.

2.14 Investment Properties

Investment properties are properties held to earn rentals and/or capital appreciation (including

2.15 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 measured at amortised cost using the effective interest method, less 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. All of the Group's loans are included in the trade and receivables category. The Group's trade and other receivables include loans and advances to subsidiaries and customers, trade receivables and cash, as well as deposits for investments.

2.15.1 Impairment of non-financial assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Additionally, assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Impairment test are performed on assets when the fair value less cost to sell or the value in use can be determined reliably. Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. An impairment loss in respect of goodwill is not reversed.

2.16 Provisions

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.

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.

2.17 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 Cap C20 LFN 2014.

(b) ***Dividend on ordinary shares***

2.18 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 Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

2.19 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.

2.20 Discontinued operations

Classification as a discontinued operation occurs on disposal or when the operation meets the criteria to be classified as held for sale. When an operation is classified as a discontinued operation, the comparative income statement is re-presented as if the operation had been discontinued from the start of the comparative year.

2.21 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 FINANCIAL STATEMENT

		Group		Company	
		31 December		31 December	
		2019	2018	2019	2018
		=N=' 000	=N=' 000	=N=' 000	=N=' 000
3	**Investment income**				
	Fixed deposits	2,780,752	2,483,992	1,135,121	1,098,444
	Investments securities	2,227,064	2,696,261	-	-
		5,007,816	**5,180,253**	**1,135,121**	**1,098,444**
4	**Fees and commission income**				
	Financial advisory fees	782,440	819,992	782,440	819,992
	Other fees and charges	1,180,636	1,084,042	-	-
		1,963,076	**1,904,034**	**782,440**	**819,992**

5 Net trading income includes gains and losses arising both on the purchase and sale of financial instruments designated at FVTPL

		Group		Company	
		31 December		31 December	
		2019	2018	2019	2018
		=N=' 000	=N=' 000	=N=' 000	=N=' 000
6	**Other income**				
	Dividend on instruments designated as FVTOCI	785,554	742,359	54,622	10,078
	Other income	767,583	1,300,080	449,288	953,243
		1,553,137	**2,042,439**	**503,910**	**963,321**
7	**Net (loss)/gain from financial assets at fair valued through profit or loss**				
	Net (loss) on equity instruments designated as FVTPL	(10,800)	(3,935)	(10,800)	(3,935)
	Net gain on reclassification of equity instruments from FVTOCI to FVTPL	-	10,108		
		(10,800)	**6,173**	**(10,800)**	**(3,935)**
8	**Personnel expenses**				
	Staff cost	1,614,543	1,621,824	485,014	384,076
	Contributions to defined contribution plans	17,069	17,146	5,128	3,782
		1,631,612	**1,638,970**	**490,142**	**387,858**

NOTES TO FINANCIAL STATEMENT

		Group		Company	
		31 December		31 December	
		2019	2018	2019	2018
		=N=' 000	=N=' 000	=N=' 000	=N=' 000
9	**Other operating expenses**				
	Other premises and equipment costs	72,450	14,980	798	2,929
	Auditors remuneration	40,930	41,705	13,500	13,600
	Professional fees	431,252	428,163	143,596	137,210
	Travel and accommodation	68,831	44,921	43,631	35,352
	Business development	4,415	-	4,415	-
	Insurance	22,195	8,123	7,281	2,708
	General administrative expenses	631,600	631,119	335,120	135,967
	Advertisement and branding	83,774	25,974	30,749	13,816
	Donations	4,167	4,167	-	-
	AGM/Dividend processing expenses	115,011	115,011	38,337	38,337
	Share register fee	19,509	19,509	6,503	6,503
	Rent and rates	101,882	101,320	39,988	40,300
	Directors fees and other allowances	28,840	20,359	28,840	9,614
	Subscription	9,820	23,957	5,872	18,891
	Printing and stationeries	8,179	8,092	2,027	3,808
	Office running expenses	46,043	41,284	-	7,530
	Business entertainment	49,254	11,709	44,095	11,523
	Fines and penalties	-	560	-	-
	IT license and maintenance fee	13,057	5,670	7,591	5,670
	Training and conference	14,718	3,600	1,785	1,718
		1,765,927	**1,550,223**	**754,128**	**485,476**
10	**Income tax expense**				
	Recognised in the profit or loss				
	Income tax	344,391	476,172	91,789	343,541
	Education tax	8,866	90,025	8,866	25,424
	Information technology tax	9,163	73,349	9,163	32,925
		362,420	639,546	109,818	401,890
	Deferred tax	(386,119)	1,243,711	290,457	186,906
		(23,699)	**1,883,257**	**400,275**	**588,796**
11	**Earnings per share**				
	Basic earnings per share				
	Basic earnings attributable to shareholders (N'000)	4,973,419	4,337,989	3,036,073	2,703,703
	Number of ordinary shares in issue ('000)	6,000,000	6,000,000	6,000,000	6,000,000
	Basic earnings per share (kobo)	**83**	**72**	**51**	**45**
12	**Cash and cash equivalents**				
	Cash and balances with banks	2,778,065	844,615	777,637	520,089
	Money market placements	27,354,034	34,341,542	1,623,645	1,605,883
		30,132,099	**35,186,157**	**2,401,282**	**2,125,972**

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 to have low credit risk at each reporting date as they are held with reputable financial institutions.

NOTES TO FINANCIAL STATEMENT

		Group 31 December 2019 =N=' 000	Group 31 December 2018 =N=' 000	Company 31 December 2019 =N=' 000	Company 31 December 2018 =N=' 000
13	**Investment in Financial Assets**				
	Financial assets measured at amortised cost - (Note 13.1)	82,323,004	70,599,107	32,854,128	31,548,315
	Financial assets measured at fair value through other comprehensive income - (Note 13.2)	5,857,282	14,191,579	2,127,667	1,690,596
	Financial assets measure at fair value through profit or loss - (Note 13.3)	5,962,059	3,392,038	89,239	96,104
		94,142,345	**88,182,725**	**35,071,034**	**33,335,015**
13.1	**Financial assets measured at amortized cost**				
	Loans to customer	30,852,869	29,169,978	30,852,869	29,169,978
	Treasury bills	6,164,358	7,559,620	-	-
	Federal Government Bonds	12,969,434	11,848,293	-	-
	State Government Bonds	10,244,735	6,906,048	2,510,709	463,894
	Corporate Bonds	23,303,633	16,336,266	26,868	2,430,134
		83,535,029	**71,820,205**	**33,390,446**	**32,064,006**
	Loss allowance on financial assets at amortized costs (Note 13.1a)	(1,212,025)	(1,221,098)	(536,318)	(515,691)
		82,323,004	**70,599,107**	**32,854,128**	**31,548,315**
13.1a	**Loss allowance on financial assets at amortized costs**				
	At 1 January	1,221,097	60,061	515,691	60,061
	Writeback of loss allowance	-	(60,061)	-	(60,061)
	Loss allowance on initial application of IFRS 9	-	1,487,992	-	779,177
	Adjusted opening balance	**1,221,097**	**1,487,992**	**515,691**	**779,177**
	Charge during the period:				
	(Write Back) allowance on loan to customers	(144,913)	(266,895)	-	(263,486)
	Loss allowance on other financial assets	135,841	-	20,627	-
		1,212,025	**1,221,098**	**536,318**	**515,691**

Financial assets measured at amortized 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 N135.8m on financial assets and a writeback of N144.9m on loan to customers during the year ended 31st December 2019.

		Group 31 December 2019 =N=' 000	Group 31 December 2018 =N=' 000	Company 31 December 2019 =N=' 000	Company 31 December 2018 =N=' 000
13.1b	**Impairment charge/writeback**				
	writeback on financial assets at amortised cost	(144,913)	(266,895)	-	(263,486)
	Loss on financial assets at amortised cost	135,841	-	20,627	-
	Loss allowance on trade receivables	118,627	-	118,627	-
		109,555	**(266,895)**	**139,254**	**(263,486)**

NOTES TO FINANCIAL STATEMENT

		Group		Company	
		31 December		31 December	
		2019	2018	2019	2018
		=N=' 000	=N=' 000	=N=' 000	=N=' 000
13.2	**Fair value through other comprehensive income (FVTOCI)**				
	Treasury bills	1,264,976	906,792	1,264,976	906,614
	Bonds	-	8,347,953	-	-
	Equity- quoted	2,461,773	3,339,320	-	-
	Mutual funds	3,018,927	3,264,321	795,999	730,191
		6,745,676	15,858,386	2,060,975	1,636,805
	Less: Fair value adjustments (13.2a)	(888,394)	(1,666,807)	66,692	53,791
		5,857,282	**14,191,579**	**2,127,667**	**1,690,596**
13.2a	**Changes in fair value reserve**				
	At 1 January	(1,666,507)	(1,525,212)	53,791	71,261
	Arising during the year	778,113	(141,295)	12,901	(17,470)
	At 31 December	**(888,394)**	**(1,666,507)**	**66,692**	**53,791**
13.3	**Fair value through profit or loss (FVTPL)**				
	Equity investment	1,050,069	-	100,039	-
	Equity instrument reclassified to FVTPL on initial application of IFRS 9	-	150,679	-	100,039
	Equity- Unquoted	4,922,790	3,245,294	-	-
		5,972,859	**3,395,973**	**100,039**	**100,039**
	Fair value changes (Note 13.3a)	(10,800)	(3,935)	(10,800)	(3,935)
		5,962,059	**3,392,038**	**89,239**	**96,104**
13.3a	**Changes in fair value reserve**				
	At 1 January	3,935	-	3,935	-
	Arising during the year	6,865	3,935	6,865	3,935
	At 31 December	**10,800**	**3,935**	**10,800**	**3,935**

14	**Investment in subsidiaries**	**Date of Investment**	**Holding**	**Value**	**Country**
	United Capital Securities Limited (formerly UBA Securities)	2006	100%	100,000	Nigeria
	United Capital Assets Management Limited (formerly UBA Asset Management)	2013	100%	500,000	Nigeria
	United Capital Trustees Limited (formerly UBA Trustees)	2013	100%	300,000	Nigeria
	UC Plus Advance Limited.	2019	100%	1,000	Nigeria
				901,000	

NOTES TO FINANCIAL STATEMENT

15 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 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 was licensed by the Lagos State Government in 2019 but yet to fully commence operations.

15.1 Non-controlling interest of subsidiaries

The Group does not have any non-wholly owned subsidiaries that have material non-controlling interest.

15.2 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.

16 Property, plant and equipment

(i) Group

	Furniture & Equipment =N=' 000	Motor vehicles =N=' 000	Computer Equipment =N=' 000	Total =N=' 000
Cost				
At 1 January 2019	86,970	521,926	153,846	762,742
Additions	24,131	115,807	39,903	179,841
Disposals	(1,122)	(15,203)	(852)	(17,177)
At 31 December 2019	109,979	622,530	192,897	925,406
Depreciation				
At 1 January 2019	69,288	276,853	115,250	461,391
Additions	10,397	93,778	19,719	123,894
Disposals	(1,122)	(15,202)	(673)	(16,997)
At 31 December 2019	78,563	355,429	134,296	568,288
Carrying amounts				
At 31 December 2019	**31,416**	**267,101**	**58,601**	**357,118**
At 31 December 2018	**17,682**	**245,073**	**38,597**	**301,351**

NOTES TO FINANCIAL STATEMENT

(ii) Company

Cost	**Furniture & Equipment**	**Motor vehicles**	**Computer Equipment**	**Total**
At 1 January 2019	49,271	309,548	82,839	441,658
Additions	23,151	84,906	35,718	143,775
Disposals	-	(1,167)	(478)	(1,645)
At 31 December 2019	72,422	393,287	118,079	583,788
Depreciation				
At 1 January 2019	38,187	120,397	55,867	214,451
Additions	8,710	77,768	15,120	101,598
Disposals	-	(1,167)	(478)	(1,645)
At 31 December 2019	46,897	196,998	70,509	314,404
Carrying amounts				
At 31 December 2019	**25,525**	**196,289**	**47,570**	**269,384**
At 31 December 2018	**11,084**	**189,151**	**26,972**	**227,207**

16b Property, plant and equipment

(i) Group

	Furniture & Equipment =N=' 000	**Motor vehicles =N=' 000**	**Computer Equipment =N=' 000**	**Total =N=' 000**
Cost				
At 1 January 2018	84,140	391,769	132,791	608,700
Additions	3,114	151,680	21,838	176,632
Disposals	(284)	(21,523)	(783)	(22,590)
At 31 December 2018	86,970	521,926	153,846	762,742
Depreciation				
At 1 January 2018	57,543	204,969	98,118	360,630
Additions	11,745	76,499	17,237	105,481
Disposals	-	(4,615)	(105)	(4,720)
At 31 December 2018	69,288	276,853	115,250	461,391
Carrying amounts				
At 31 December 2018	**17,682**	**245,073**	**38,596**	**301,351**
At 31 December 2017	**26,597**	**186,800**	**34,673**	**248,070**

(ii) Company

Cost	**Furniture & Equipment =N=' 000**	**Motor vehicles =N=' 000**	**Computer Equipment =N=' 000**	**Total =N=' 000**
At 1 January 2018	46,687	192,443	65,353	304,483
Additions	2,584	126,680	17,722	146,986
Disposals	-	(9,575)	(236)	(9,811)
At 31 December 2018	49,271	309,548	82,839	441,658

NOTES TO FINANCIAL STATEMENT

Depreciation				
At 1 January 2018	29,044	64,542	42,705	136,291
Additions	9,143	55,855	13,182	78,180
Disposals	-	-	(20)	(20)
At 31 December 2018	38,187	120,397	55,867	214,451
Carrying amounts				
At 31 December 2018	**11,084**	**189,151**	**26,972**	**227,207**
At 31 December 2017	**17,643**	**127,901**	**22,648**	**168,192**

	Group =N=' 000	Company =N=' 000
17 Intangible assets		
Purchased software		
Cost		
At 1 January 2019	67,824	57,725
Addition	39,687	39,687
At 31 December 2019	107,511	97,412
Amortization		
At 1 January 2019	52,831	49,755
Addition	10,909	8,889
At 31 December 2019	63,740	58,644
Carrying amounts		
At 31 December 2019	**43,771**	**38,768**
At 31 December 2018	**14,993**	**7,970**

17b Intangible assets		
Purchased software		
Cost		
At 1 January 2018	67,194	57,725
Addition	630	-
At 31 December 2018	67,824	57,725
Amortization		
At 1 January 2018	42,458	41,349
Addition	10,373	8,406
At 31 December 2018	52,831	49,755
Carrying amounts		
At 31 December 2018	**14,993**	**7,970**
At 31 December 2017	**24,736**	**16,376**

NOTES TO FINANCIAL STATEMENT

18 Rights of use assets

	Group =N=' 000	Company =N=' 000
Purchased software		
Cost		
At 1 January 2019	-	-
Addition	624	624
Disposal	-	-
At 31 December 2019	624	624
Depreciation		
At 1 January 2019	-	-
Addition	(312)	(312)
Disposal	-	-
At 31 December 2019	(312)	(312)
Carrying amounts		
At 31 December 2019	**312**	**312**
At 31 December 2018	**-**	**-**

NOTES TO FINANCIAL STATEMENT

		Group		Company	
		31 December		31 December	
		2019	2018	2019	2018
		=N=' 000	=N=' 000	=N=' 000	=N=' 000
19	**Trade and other receivables**				
	Trade debtors	712,702	491,410	128,795	112,256
	Prepayments	972,883	549,678	499,287	358,484
	Accrued income	1,426,689	934,595	1,217,673	834,914
	Other receivables	914,205	1,550,187	1,446,926	1,765,200
	WHT Receivable	1,847,796	1,417,432	1,223,043	1,053,876
	Deposit for investment	20,580,132	20,409,779	20,580,132	20,409,779
		26,454,407	**25,353,081**	**25,095,856**	**24,534,510**
	Loss allowance on trade receivables (note 19.1)	(925,861)	(807,198)	(537,079)	(418,452)
		25,528,546	**24,545,883**	**24,558,776**	**24,116,058**
19.1	**Loss allowance on trade receivables**				
	At 1 January	807,198	590,362	418,452	201,617
	Changes on initial application of IFRS 9	-	216,835	-	216,835
	Adjusted opening balance	**807,198**	**807,198**	**418,452**	**418,452**
	Arising during the year	118,627	-	118,627	-
	At 31 December	**925,825**	**807,198**	**537,079**	**418,452**

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.

		Group		Company	
		31 December		31 December	
		2019	2018	2019	2018
		=N=' 000	=N=' 000	=N=' 000	=N=' 000
20	**Deferred tax - (Asset)**				
	Deferred tax assets:				
	-Deferred tax asset to be recovered after more than 12 months	394,223	465,955	134,039	134,039
	(Charge)/Writeback during the year	(134,039)	-	(134,039)	-
		260,184	465,955	-	134,039
	Deferred tax liabilities:				
	-Deferred tax liability to be recovered after more than 12 months	1,250,018	219	186,906	-
	(Writeback)/Charge during the year	(597,977)	1,243,711	156,418	186,906
	Total	652,041	1,243,930	343,324	186,906
21	**Managed Funds**				
	Short term investments	53,904,575	61,556,191	-	-
	Trust funds	8,105,911	2,416,437	-	-
	Sinking Funds	8,264,423	9,654,351	-	-
	Payable on trust accounts	2,1`04,388	2,058,740	-	-
		72,379,297	**75,685,719**	**-**	**-**

NOTES TO FINANCIAL STATEMENT

		Group 31 December 2019 =N=' 000	Group 31 December 2018 =N=' 000	Company 31 December 2019 =N=' 000	Company 31 December 2018 =N=' 000
22	**Other borrowed funds**				
	At 1 January	49,163,296	41,412,677	49,163,296	41,412,677
	Loan from commercial bank	1,713,441	12,933,934	1,713,441	12,933,934
	Repayment during the year	-	(5,183,315)	-	(5,183,315)
	At 31 December	**50,876,737**	**49,163,296**	**50,876,737**	**49,163,296**
23	**Other liabilities**				
	Bank overdraft	100,540	-	-	-
	Creditors and accruals	1,086,498	1,124,164	61,461	44,381
	Customers deposit	2,226,873	1,072,817	-	-
	Other current liabilities	1,986,722	2,649,424	2,151,671	1,545,127
	Dividend payable	-	-	-	-
		5,400,633	**4,846,405**	**2,213,132**	**1,589,507**
24	**Current tax liabilities**				
	Per statement of financial position:				
	At 1 January	1,923,707	2,262,424	1,068,504	1,063,309
	Charge for the year	362,420	639,546	109,818	401,890
	Tax paid	(716,299)	(978,263)	(449,092)	(396,695)
	At 31 December	**1,569,828**	**1,923,707**	**729,230**	**1,068,504**

The charge for income tax in these financial statements is based on the provisions of the Companies Income Tax Act CAP C21 LFN 2004 as amended, while Education Tax is based on Education Tax Act CAP E4 LFN 2004 .

			Group 31 December 2019 =N=' 000	Group 31 December 2018 =N=' 000	Company 31 December 2019 =N=' 000	Company 31 December 2018 =N=' 000
25	(i)	**Share capital**				
		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**
26		**Share Premium**				
		At 31 December	**683,611**	**683,611**	**683,611**	**683,611**

		Group 31 December 2019 =N=' 000	Group 31 December 2018 =N=' 000	Company 31 December 2019 =N=' 000	Company 31 December 2018 =N=' 000
27	**Retained earnings**				
	At 1 January	13,817,203	14,608,581	6,811,757	7,204,066
	Changes on initial application of IFRS 9 (Note 27.1)	-	(1,324,539)	-	-
	Loss allowance on initial application of IFRS 9 (Note 27.2)	-	(1,704,828)	-	(996,012)
	Adjusted opening retained earnings	**13,817,203**	**11,579,214**	**6,811,757**	**6,208,053**
	Transfer from profit or loss account	4,973,419	4,337,989	3,036,073	2,703,703
	Dividend paid during the year	(2,000,000)	(2,100,000)	(2,000,000)	(2,100,000)
	At 31 December	**16,790,622**	**13,817,203**	**7,847,830**	**6,811,757**
27.1	**Changes on initial application of IFRS 9**				
	Reclassification of fair value on FVOCI equity instruments to FVTPL	-	1,324,539	-	-
	Transfer of gain/(loss) from OCI to retained earnings on disposal of FVOCI Instruments	-	-	-	-
		-	**1,324,539**	**-**	**-**

NOTES TO FINANCIAL STATEMENT

27.2	**Loss allowance on initial application of IFRS 9**				
	Loss allowance on other financial assets measured at amortized cost	-	(1,487,992)	-	(779,177)
	Loss allowance on trade receivables	-	(216,835)	-	(216,835)
	Writeback of loss allowance	-	-	-	-
		-	**(1,704,828)**	**-**	**(996,012)**
28	**Dividend receivable from Subsidiaries**				
	At 1 January	-	-	1,711,111	2,400,000
	Arising during the year	-	-	2,520,000	1,111,111
	Receipt during the year	-	-	(1,711,111)	(1,800,000)
	At 31 December	**-**	**-**	**2,520,000**	**1,711,111**
29	**Fair Value Reserves**				
	At 1 January	(1,666,807)	(1,525,512)	53,791	71,261
	Writeback of loss allowance	-	-	-	-
	Changes on initial application of IFRS 9	-	(165,138)	-	-
	Adjusted opening balance	**(1,666,807)**	**(1,690,650)**	**53,791**	**71,261**
	Arising during the period:				
	Transfer of gain/(loss) from OCI to retained earnings on disposal of FVOCI Instruments (Note 29.1)	-	(1,154,667)	-	-
	Fair valuation on items that will be subsequently reclassified to profit or loss (Note 29.2)	778,413	1,178,510	12,901	(17,470)
	At 31 December	**(888,394)**	**(1,666,807)**	**66,692**	**53,791**

		Group		Company	
		31 December		31 December	
		2019	2018	2019	2018
		=N=' 000	=N=' 000	=N=' 000	=N=' 000
29.1	**Fair valuation on items that will not be subsequently reclassified to profit or loss**				
	Net fair value gain/(loss) on investments in quoted equity instruments measured at FVTOCI	-	(1,154,131)	-	-
	Net fair value gain/(loss) on investments in unquoted equity instruments measured at FVTOCI	-	(536)	-	-
	Transfer of gain/(loss) from OCI to retained earnings on disposal of FVOCI Instruments	-	-	-	-
		-	**(1,154,667)**	**-**	**-**
29.2	**Fair valuation on items that may be subsequently reclassified to profit or loss**				
	Net fair value gain(loss) on investments in debt instruments measured at FVTOCI	-	1,292,801	-	-
	Net fair value gain/(loss) on investments in other financial instruments measured at FVTOCI	778,413	(114,291)	12,901	(17,470)
		778,413	**1,178,510**	**12,901**	**(17,470)**

NOTES TO FINANCIAL STATEMENT

30 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.

30.1 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

30.2 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.

	Group 31 December		Company 31 December	
	2019 =N='000	2018 =N='000	2019 =N='000	2018 =N='000
30.3 Other information on key management personnel				
Emoluments:				
Chairman	7,308	7,308	7,308	1,827
Other Directors	21,532	21,532	21,532	5,383
	28,840	**28,840**	**28,840**	**7,210**
Fees	5,500	5,500	5,500	1,827
Other emoluments	23,340	23,340	23,340	5,383
	28,840	**28,840**	**28,840**	**7,210**
The total number of Directors were:	7	6	7	6
30.4 The number of persons employed (excluding directors)in the company during the year was as follows:	99	89	11	11

31 Principal subsidiaries

The financial statements of the Group include the operation of the following subsidiaries:

Company	Place of Incorporation	Primary Business Operation	% Held
United Capital Asset Management Limited	Nigeria	Portfolio Management	100%
United Capital Trustees Limited	Nigeria	Trusteeship	100%
United Capital Securities Limited	Nigeria	Securities Trading	100%
UC Plus Advance Limited	Nigeria	Consumer Finance	100%

32 Events after reporting period

There are no material issues after the reporting period.

33 Contraventions

There are no contraventions of the Securities and Exchange Commission guidelines during the year.

NOTES TO FINANCIAL STATEMENT

34 Fund under management

DESCRIPTION	2019 NAV N'000	2018 NAV N'000
Balanced Fund	770,635	876,900
Bond Fund	5,037,107	471,201
Equity Fund	1,079,293	1,186,352
Money Market Fund	17,746,121	1,751,592
Wealth For Women Fund	519,159	552,142
Eurobond Fund	15,070,253	2,919,507
	40,222,570	**7,757,694**

The Net Asset Value (NAV) has grown by 518% from =N=7.7B in 2018 to =N=40.2b in 2019


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RISK MANAGEMENT FRAMEWORK

1. Introduction and Overview

Three Lines of Defense model

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

	Functions	**Responsibilities**
1st Line of Defense	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 defense.
2nd Line of Defense	Consists of specialist roles: Finance function; Risk Management function; Legal function; the governance and assurance functions (excluding Internal Aud2it)	The second line of defense 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 defense.
3rd Line of Defense	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.

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

2.1 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).

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.

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

2.2 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.

2.3 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).

2.4 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.

2.5 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:

- 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.

2.6 Reputational Risk

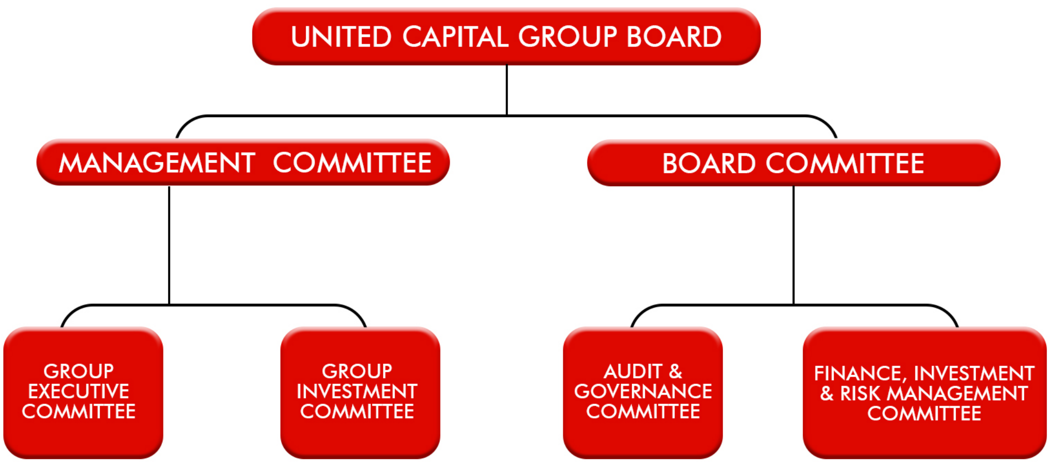
Reputational risk results from damage to the Group's image among stakeholders, which may impair its ability to retain and generate business. Such damage may result from a breakdown of trust, confidence or business relationships.

3 Risk Management Framework

3.1 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).



3.2 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 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
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 Executive Office)

3.3 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, available for sale assets 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

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 management framework recognizes credit ratings from Basel recognized External Credit Assessment Institutions (ECAI) and Agusto & 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.

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.

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 were considered on the basis of absolute loss exposure impact.

3.4 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 (F.I.R.M) committee is responsible for the management of country risk across the Group. The F.I.RM 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.RM 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:

- 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	▪ 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	▪ 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	▪ 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

The Group employs a diversified funding strategy to fund its balance sheet which incorporates a **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 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.

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.

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.RM 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.

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 profit or loss.

- 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:

- Establishing a market risk management framework
- 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 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 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, 2019

Group	**Value as at 2019**	**1% higher**	**1% lower**
	N'000	**N'000**	**N'000**
Treasury bills	6,164,358	6,226,002	6,102,714
Federal government bonds	12,969,434	13,099,128	12,839,740
State government bonds	10,244,735	10,347,182	10,142,278
Corporate bonds	23,303,633	23,536,670	23,070,597
	52,682,160	**53,208,982**	**52,155,339**

Group	Value as at 2018 N'000	1% higher N'000	1% lower N'000
Treasury bills	7,559,620	7,635,216	7,484,023
Federal government bonds	11,848,293	11,966,776	11,729,810
State government bonds	7,932,094	8,011,415	7,852,773
Corporate bonds	23,658,174	23,894,756	23,421,593
	50,998,181	**51,508,163**	**50,488,199**

Foreign currency risk exposure may arise as a result of foreign-denominated cash exposures, foreign-denominated accruals, the translation effect on the group's net assets in foreign operations, 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 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.

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.

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 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
- 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 the financial year. 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.

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.

3.8 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.

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.

3.9 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 held as available for sale.

	2019	2018
Tier 1 capital	**N'000**	**N'000**
Share capital	3,000,000	3,000,000
Share premium	683,611	683,611
Retained earnings	16,790,622	13,817,203
Total qualifying for Tier 1 capital	**20,474,233**	**17,500,814**
Tier 2 capital		
Fair value reserve	(888,394)	(1,666,807)
Other borrowings	50,876,737	49,163,296
Total qualifying for Tier 2 capital	**49,988,343**	**47,496,489**
Total regulatory capital	**70,462,575**	**64,997,303**

VALUE ADDED STATEMENT

	Group				Company			
	2019		2018		2019		2018	
	=N=' 000	%	=N=' 000	%	=N=' 000	%	=N=' 000	%
Gross earnings	8,591,929		9,259,398		4,930,671		3,988,933	
Operating expenses - Local	(1,765,927)		(1,550,223)		(754,128)		(485,476)	
VALUE ADDED	**6,826,002**	**100**	**7,709,175**	**100**	**4,176,543**	**100**	**3,503,457**	**100**
Applied as follows:								
To pay employees:								
Salaries and other benefits	1,631,612	24	1,638,970	21	490,142	12	387,858	11
To pay Government:								
Taxes	362,420	5	639,546	8	109,818	3	401,890	12
Retained for future replacement of assets and expansion of business:								
- Deferred tax	(386,119)	(6)	1,243,711	16	290,457	7	186,906	5
- Depreciation	135,115	2	115,854	2	110,799	3	86,586	2
- Impairment loss	109,555	2	(266,895)	(3)	139,254	3	(263,486)	(7)
- Profit for the year	4,973,419	73	4,337,989	56	3,036,073	73	2,703,703	77
	6,826,002	100	**7,709,175**	100	**4,176,543**	100	**3,503,457**	100

Value added represents the additional wealth which the Group 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 Group for the future creation of more wealth.

FINANCIAL SUMMARY - GROUP

	2019	2018	2017	2016	2015
	=N=' 000	=N=' 000	=N=' 000	=N=' 000	=N=' 000
ASSETS					
Cash and cash equivalents	30,132,099	35,186,157	25,081,054	21,454,680	72,736,383
Investment in financial assets	94,142,345	88,182,725	87,244,678	134,050,416	64,567,647
Investment in property	-	-	-	-	270,000
Investments in associates	-	-	-	-	2,266,396
Property and equipment	357,118	301,351	248,155	170,937	158,703
Intangible assets	43,771	14,993	24,736	22,661	31,069
Rights of use assets	312	-	-	-	-
Trade and other receivables	25,528,546	24,545,883	23,530,983	4,337,298	3,418,928
Deferred tax assets	260,184	465,955	465,955	656,967	656,967
TOTAL ASSETS	**150,464,375**	**148,697,064**	**136,595,561**	**160,692,959**	**144,106,095**
LIABILITIES					
Bank Overdraft	-	-	-	-	2,973,552
Managed Funds	72,379,297	75,685,719	70,492,088	100,679,053	109,105,099
Other borrowed funds	50,876,737	49,163,296	41,412,677	34,833,121	16,144,955
Other liabilities	5,400,633	4,846,405	5,661,473	9,120,866	3,286,581
Current tax liabilities	1,569,828	1,923,707	2,262,424	1,821,768	2,175,137
Deferred tax liabilities	652,041	1,243,930	219	219	219
TOTAL LIABILITIES	**130,878,536**	**132,863,057**	**119,828,881**	**146,455,028**	**133,685,544**
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	16,790,622	13,817,203	14,608,581	13,246,277	8,433,057
Other reserves	(888,394)	(1,666,807)	(1,525,512)	(2,691,957)	(1,696,117)
SHAREHOLDER'S FUND	**19,585,839**	**15,834,007**	**16,766,680**	**14,237,931**	**10,420,551**
TOTAL LIABILITIES AND EQUITY	**150,464,375**	**148,697,064**	**136,595,561**	**160,692,959**	**144,106,095**

FINANCIAL SUMMARY - COMPANY

	2019	2018	2017	2016	2015
	=N=' 000	=N=' 000	=N=' 000	=N=' 000	=N=' 000
ASSETS					
Cash and cash equivalents	2,401,282	2,125,972	3,003,858	3,453,691	1,289,919
Investment in financial assets	35,071,034	33,335,015	29,249,603	39,577,934	14,474,421
Investments in subsidiaries	901,000	900,000	900,000	900,000	750,000
Investments in associates	269,384	227,207	-	-	1,650,000
Property and equipment	38,768	7,970	168,192	105,259	99,945
Intangible assets	24,558,776	24,116,058	16,376	22,661	31,069
Rights of use assets	312	-	-	-	-
Trade and other receivables	2,520,000	1,711,111	19,371,356	620,019	729,623
Dividend receivable from subsidiaries	-	134,039	2,400,000	3,572,652	2,921,616
Deferred tax	-	-	134,039	334,367	334,367
TOTAL ASSETS	**65,760,556**	**62,557,372**	**55,243,424**	**48,586,583**	**22,280,960**
LIABILITIES					
Other borrowed funds	50,876,737	49,163,296	41,412,677	35,433,121	13,704,523
Other liabilities	2,213,132	1,589,507	1,808,500	1,610,585	734,795
Current tax liabilities	729,230	1,068,504	1,063,309	1,173,397	1,380,996
Deferred tax liabilities	343,324	186,906	-	-	-
TOTAL LIABILITIES	**54,162,423**	**52,008,213**	**44,284,486**	**38,217,103**	**15,820,314**
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	7,847,830	6,811,757	7,204,066	6,729,744	2,834,888
Other reserves	66,692	53,791	71,261	(43,875)	(57,853)
SHAREHOLDER'S FUND	**11,598,133**	**10,549,159**	**10,958,938**	**10,369,480**	**6,460,646**
TOTAL LIABILITIES AND EQUITY	**65,760,556**	**62,557,372**	**55,243,424**	**48,586,583**	**22,280,960**

FINANCIAL SUMMARY - GROUP

	2019 =N=' 000	2018 =N=' 000	2017 =N=' 000	2016 =N=' 000	2015 =N=' 000
Gross earnings	8,591,929	9,259,398	8,915,487	9,000,955	6,153,729
Gross operating expenses	(3,642,209)	(3,038,151)	(3,367,657)	(2,634,221)	(3,238,016)
Share of profit of equity accounted investee	-	-	-	-	347,950
Profit before income tax	**4,949,720**	**6,221,246**	**5,547,829**	**6,366,734**	**3,263,663**
Income tax write back/(expense)	23,699	(1,883,257)	(1,185,525)	(363,208)	(693,191)
Profit for the year from continuing operations	**4,973,419**	**4,337,989**	**4,362,304**	**6,003,526**	**2,570,472**
Gain from the sale of investment in associate company	-	-	-	909,695	-
Other comprehensive income for the year	778,413	23,843	1,178,510	(995,840)	(26,331)
Total comprehensive income for the year	**5,751,832**	**4,361,832**	**5,540,814**	**5,917,381**	**2,544,141**
Earnings per share-basic (kobo)	83	72	73	115	43

FINANCIAL SUMMARY - COMPANY

Financial Summary - Company

	2019 =N=' 000	2018 =N=' 000	2017 =N=' 000	2016 =N=' 000	2015 =N=' 000
Gross earnings	4,930,671	3,988,933	4,881,934	5,501,346	3,087,052
Gross operating expenses	(1,494,323)	(696,434)	(1,005,855)	(863,019)	(1,598,662)
Profit before income tax	**3,436,348**	**3,292,499**	**3,876,079**	**4,638,327**	**1,488,390**
Income tax expense	(400,275)	(588,796)	(401,757)	(169,561)	(586,009)
Profit for the year from continuing operations	**3,036,073**	**2,703,703**	**3,474,322**	**4,468,766**	**902,381**
Gain from the sale of investment in associate company	-	-	-	1,526,090	-
Other comprehensive income for the year	12,901	(17,470)	115,136	13,978	(11,483)
Total comprehensive income for the year	**3,048,974**	**2,686,233**	**3,589,458**	**6,008,834**	**890,898**
Earnings per share-basic (kobo)	51	45	58	100	15

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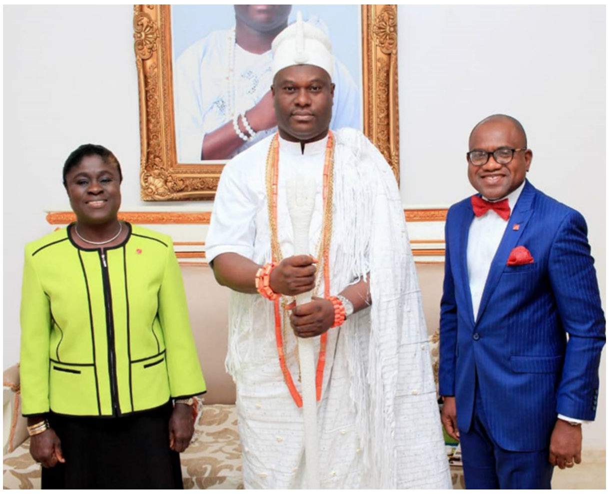
UNITED CAPITAL IN PICTURES



The Ooni of Ife, Oba Adeyeye Enitan Ogunwusi, Ojaja II flanked by Tokunbo Ajayi, MD/CEO United Capital Trustees Limited and Group CEO, United Capital Plc, Peter Ashade during a courtesy visit.

Vice President Yemi Osinbajo stops by the United Capital booth at the Nigeria Diaspora Investment Summit for a chat with Ereifemi Akeredolu, our Head of Private Trust. He is flanked by Honorable Abike Dabiri-Erewa, Chairman, Nigerians in Diaspora Commission. Abuja, 2019.

L-R Sola Seweje, Business Development Executive, United Capital Trustees Limited, Sola Seweje; MD/CEO United Capital Trustees Limited; the Lagos State governor, Mr. Babajide Sanwo-Olu and the Group CEO, United Capital Plc,

The Group CEO, United Capital Plc, Peter Ashade and his team during a courtesy call on the governor of Ogun state, Dapo Abiodun shortly after his swearing in. This is part of our strategic objectives, leveraging on old and new relationships to establish the United Capital brand across the country.

The United Capital team meeting with the Deputy Governor of Benue State. We are intentionally building relationships that drive growth.

Executives pose for a photograph after an insightful Strategy Session to chart the course for the organization in the new year. December 2019

United Capital hosted the investing and finance community for a discourse on the future of investments and outlook for the economy at the 2020 Outlook Breakfast Session held at the Radisson Blu Anchorage Hotel, VI, Lagos. January 2020.

Staff of United Capital Plc unwinding at the Away Day event organized to promote team bonding and cohesion.

United Capital

NOTICE OF ANNUAL GENERAL MEETING OF UNITED CAPITAL PLC

NOTICE IS HEREBY GIVEN that the 2020 Annual General Meeting of United Capital Plc, earlier postponed due to the COVID-19 Pandemic, will now hold on Tuesday, April 28, 2020, at the Afriland Towers, 97/105 Broad Street, Lagos, at 11.00 a.m. to transact the following businesses:

ORDINARY BUSINESS:

1. To lay before the members the Audited Financial Statements for the year ended December 31, 2019 and the Report of the Directors, Auditors and Audit Committee thereon.
2. To declare a Dividend.
3. To re-elect the following Directors retiring by rotation:
   3.1 Mr. Chika Mordi; and
   3.2 Mr. Adim Jibunoh
4. To appoint PricewaterhouseCoopers as Auditors of the company.
5. To authorise the Directors to determine the remuneration of the Auditors.
6. To elect members of the Statutory Audit Committee.

Dated this 3rd day of April 2020

BY ORDER OF THE BOARD

LEO OKAFOR FCIS, KSJI
GROUP COMPANY SECRETARY
FRC/2013/NBA/00000002520

NOTES

1. COMPLIANCE WITH COVID-19 RELATED DIRECTIVES AND GUIDELINES
The Federal Government of Nigeria, State Governments, Health Authorities and Regulatory Agencies have issued a number of guidelines and directives aimed at curbing the spread of COVID-19 in Nigeria. Particularly, the Lagos State Government prohibited the gathering of more than 20 people while the Corporate Affairs Commission (CAC) issued Guidelines on Holding AGM of Public Companies by Proxy. The convening and conduct of the AGM shall be done in compliance with these directives and guidelines.

2. 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. For the appointment of the proxy to be valid, a proxy form must be completed and deposited either at the office of the Company's Registrar, Africa Prudential Plc, 220B Ikorodu Road, Palmgrove, Lagos, or via email at cfc@africaprudential. com not later than 48 hours before the time fixed for the meeting. A blank proxy form is attached to the Annual Report and may also be downloaded from the Company's website at www.unitedcapitalplcgroup.com.

3. ATTENDANCE BY PROXY
In line with CAC Guidelines, attendance at the AGM shall be by proxy only. Shareholders are required to appoint a proxy of their choice from the list of nominated proxies below:
1 Mr. Emmanuel Nnorom
2 Mr. Peter Ashade
3 Sir. Leo Okafor

4. STAMPING OF PROXY
The Company has made arrangement at its cost, for the stamping of the duly completed and signed proxy forms submitted to the Company's Registrars within the stipulated time.

5. LIVE STREAMING OF AGM
The AGM will be streamed live. This will enable shareholders and other stakeholders who will not be attending physically to follow the proceedings. The link for the AGM live streaming will be made available on the Company's website at www.unitedcapitalplcgroup.com

6. DIVIDEND
If the dividend recommended by the Directors is approved by the shareholders at the AGM, dividend will be paid by Wednesday April 29 2020. Given the previous notice to the shareholders and the investing public by the Company on the closing period for the purpose of dividend payment, dividend approved at the AGM will be paid to the shareholders whose names appear in the Company's Register of Members at the close of business on March 6, 2020.

7. CLOSURE OF REGISTER
As previously notified to the shareholders and the investing public, the Register of Members of the Company was closed from March 9, 2020 to March 13, 2020 (both dates inclusive) for the purpose of dividend payment and updating the register.

8. NOMINATION TO THE AUDIT COMMITTEE
In accordance with Section 359(5) of the Companies and Allied Matters Act, Cap C20, LFN, 2004, any member may nominate a shareholder for election as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 days before the AGM. Such notice of nominations should be sent via email to info@unitedcapitalplcgroup.com for the attention of the Company Secretary. The Securities and Exchange Commission's Code of Corporate Governance for Public Companies provides that members of the Audit Committee should have basic financial literacy and should be able to read financial statements.

9. E-DIVIDEND REGISTRATION
Notice is hereby given to all shareholders to open bank accounts, stockbroking accounts and CSCS accounts for the purpose of receiving dividend payments electronically. A detachable application form for e-dividend is attached to the Annual Report to enable all shareholders furnish particulars of their accounts to the Registrar as soon as possible.

10. 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 email at cfc@africaprudential.com to lay claim.

11. PROFILES OF DIRECTORS FOR RE-ELECTION
The profiles of Mr. Chika Mordi and Mr. Adim Jibunoh 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 2020 Annual Report on the Company's website at www.unitedcapitalplcgroup.com.

12. E- ANNUAL REPORT PUBLISHED ON THE WEBSITE
In order to improve delivery of our Annual Report, we have inserted a detachable form in the 2020 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 2020 Annual Report is available on the Company's website at www.unitedcapitalplcgroup.com.

13. RIGHTS OF SHAREHOLDERS TO ASK QUESTIONS
Shareholders have the right to ask questions not only at the Meeting, but also in writing prior to the Meeting, and such written questions must be submitted to the Company via email to info@unitedcapitalplcgroup.com on or before Friday, April 24, 2020.

3rd & 4th Floor, Afriland Towers, 97/105 Broad Street, Lagos. www.unitedcapitalplcgroup.com

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Head Office:
United Capital Plc
12th Floor, UBA House, Nigeria.
Marina, Lagos, Nigeria.
+234-1-280-7596, 07000INVEST.
securities@unitedcapitalplcgroup.com

Abuja Regional Office:
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Plot 134, Ahmadu Bello way,
Garki 2, FCT Abuja, Nigeria.
+234-9-6233039/41
securities@unitedcapitalplcgroup.com

Port-Harcourt Regional Office:
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1st Floor, UBA House, 14, Azikiwe Road.
Port-Harcourt, Nigeria.
+234-8-455-6577, +234-704-5444
securities@unitedcapitalplcgroup.com

www.unitedcapitalplcgroup.com

CORPORATE INFORMATION

DIRECTORS:

Chika Mordi	Chairman
Peter Ashade	Group Chief Executive Officer
Sunny Anene	Group Executive Director
Adim Jibunoh	Non-Executive Director
Emmanuel N. Nnorom	Non-Executive Director
Sunny Iroche	Independent Director
Sir Stephen Nwadiuko	Independent Director

EXECUTIVE MANAGEMENT:

Tokunbo Ajayi	Managing Director, United Capital Trustees Limited
Babatunde Obaniyi	Managing Director, Investment Banking
Bawo Oritsejafor	Managing Director, United Capital Securities Limited
Odiri Oginni, CFA	Managing Director, United Capital Asset Management Limited
Shedrack Onakpoma	Group Chief Finance Officer
Leo Okafor	Group Company Secretary/General Counsel

RC No. :

RC444999

FRC No. :

FRC/2013/00000000001976

REGISTERED OFFICE:

97/105, Broad Street,
Lagos

BANKERS :

United Bank for Africa Plc
57, Marina,
Lagos Island,
Lagos.

AUDITORS:

Deloitte & Touche
Plot GA 1 Civic Towers,
Ozumba Mbadiwe Avenue,
Victoria Island,
Lagos, Nigeria.

Africa Prudential
RC 649007

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Recent Passport
Photograph

USE GUM ONLY
NO STAPLE PINS

(to be stamped by your banker)
ONLY CLEARING BANKS ARE ACCEPTABLE

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 D D M M Y Y Y Y

Surname/Company's Name First Name Other Name

Address

City State Country

Clearing House Number (CHN) (if any) C

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:
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. CAPPA 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@africaprudential.com | www.africaprudential.com | @afriprud

Africa Prudential
RC 649007

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 D D M M Y Y Y Y
9. *POSTAL ADDRESS:
10. CSCS CLEARING HOUSE NO.: C
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
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ABUJA: Infinity House (2nd Floor), 11 Kaura Namoda Street, Off Faskari Crescent, Area 3, Garki, Abuja.
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TEL: 0700 AFRIPRUD (0700 2374 7783) | E-MAIL: cxc@africaprudential.com | www.africaprudential.com | @afriprud

Africa Prudential

FULL DEMATERIALIZATION FORM FOR MIGRATION

INSTRUCTION: Please fill out the form in CAPITAL LETTERS. Section 'B' is applicable only if certificate(s) is/are misplaced, lost or destroyed.

Affix recent passport photograph

USE GUM ONLY
NO STAPLE PINS

Please credit my account at Central Securities Clearing System (CSCS) with shares from my holdings in ________ **"the company"**. I recognize this will invalidate any certificate(s) in my possession, or which might come into my possession in respect of my total holding(s) in this/this company.

SECTION A:

SHAREHOLDER'S FULL NAMES: ________
Surname *First Name* *Middle Name*

ADDRESS: ________

GSM NUMBER: ________ **E-MAIL:** ________

GENDER: Male ☐ Female ☐ **DATE OF BIRTH:** D D M M Y Y Y Y **CSCS INVESTOR'S A/C NO.:** ________

CLEARING HOUSE NUMBER(CHN): C ________ **REGISTRAR'S ID NO (RIN):** ________

BANK DETAILS FOR DIRECT SETTLEMENT

ACCOUNT NAME: ________ **BANK:** ________

BANK A/C NUMBER: ________ *Must be NUBAN* **BVN:** ________ *Must be confirmed by bank* **AGE OF A/C:** DD MM YYYY *Must be confirmed by bank*

Authorized Signature (1) *(and stamp of Stockbroker)*

Authorized Signature (2) *(and stamp of Stockbroker)*

Shareholder's Signature & Date

Shareholder's Signature & Date (2) *(if applicable)*

Thumb Print

CERTIFICATE DETAILS

S/N	CERTIFICATE NO. (IF ANY)	UNITS	S/N	CERTIFICATE NO. (IF ANY)	UNITS
1.			4.		
2.			5.		
3.			6.		

Company Seal

SECTION B: INDEMNITY FOR MISPLACED, LOST OR DESTROYED CERTIFICATE(S)

I hereby request Africa Prudential Plc to credit my account at Central Securities Clearing System (CSCS) with unit of shares not covered in my share certificate(s) details quoted in Section 'A' above. The holdings are registered in my name, and the original shares/stocks certificate(s) has/have been misplaced, lost or destroyed or was never received. I hereby, with the Guarantor whose name hereunder appears, indemnify the said Company and Africa Prudential Plc against all claims and demands, money, losses, damages, costs and expenses which may be brought against, or be paid, incurred or sustained by the said Company and /or Africa Prudential Plc by reason or in consequence of the said certificate(s) having been misplaced, destroyed, lost or in consequence of a transfer being registered without surrender of the certificate(s) or otherwise whatsoever. I further undertake and agree that if the said Certificate(s) shall hereafter be found, to forthwith deliver up to Africa Prudential Plc or their successors or assigns without cost, fee or reward.

CERTIFICATE DETAILS

S/N	CERTIFICATE NO. (IF ANY)	UNITS	S/N	CERTIFICATE NO. (IF ANY)	UNITS
1.			4.		
2.			5.		
3.			6.		

Dated this ____ day of ________, 20 ____

Name: ________

Signature: ________

Joint (2) (if applicable): ________

Joint (3) (if applicable): ________

Company Seal

In the Presence of:

Name: ________ **GSM NO:** ________

Address: ________ **Signature:** ________

THIS SECTION IS TO BE EXECUTED BY THE SHAREHOLDER'S STOCKBROKER, BANKER OR INSURANCE COMPANY

On behalf of ________ Plc/Ltd, we hereby agree jointly and severally keep the company and/or the Registrar or other persons acting on their behalf fully indemnified aganist all action, proceedings, liabilities, claims, losses, damage, costs and expenses in relation to or arising out of your accepting to re-issue to the rightful owner the shares/stocks, and to pay you on demand, all payments, losses, costs and expenses suffered or incurred by you in consequence thereof or arising therefrom. We/I 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.

Authorised Signatory (1): ________ **Authorised Signatory (2):** ________

Company Seal

HEAD OFFICE: 220B, Ikorodu Road, Palmgrove, Lagos.
ABUJA: Infinity House (2nd Floor), 11 Kaura Namoda Street, Off Faskari Crescent, Area 3, Garki, Abuja.
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Africa Prudential

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 D D M M Y Y Y Y
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 D D M M Y Y Y Y
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. CAPPA 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:

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United Capital

PROXY FORM

ANNUAL GENERAL MEETING OF UNITED CAPITAL PLC TO BE HELD ON TUESDAY, APRIL 28, 2020, AT AFRILAND TOWERS, 97/105 BROAD STREET, LAGOS AT 11.00 A.M.

I/We ____

Being a member/members of UNITED CAPITAL PLC, hereby appoint:

____

____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 28, 2020 at 11am or at any adjournment hereof.

Dated this____________________ Day of____________________ 2020

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, signed and 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. However, in compliance with the CAC Guidelines for conduct of AGM by Proxy, the Company has made arrangement at its cost, for the stamping of the duly completed and signed proxy forms submitted to the Company's Registrars.

The Proxy must produce the Admission Card below to gain entrance into the Meeting.

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 28, 2020 AT 11AM

RESOLUTIONS	FOR	AGAINST	ABSTAIN
1. To lay before the members the Audited Financial Statements for the year ended December 31, 2019 and the Report of Directors, Auditors and Audit Committee thereon.			
2. To declare a Dividend			
3. To re-elect the following Directors retiring by rotation: 1. Mr. Chika Mordi 2. Mr. Adim Jibunoh			
4. To appoint PricewaterhouseCoopers as Auditors of the Company			
5. To authorise Directors to fix the remuneration of Auditors for the 2020 Financial Year			
6. To elect members of the Audit Committee			

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)

United Capital Plc

RC 444999

ANNUAL GENERAL MEETING

ADMISSION CARD

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 28, 2020 AT 11 AM AT AFRILAND TOWERS, 97/105 BROAD STREET, LAGOS

Name and address of Shareholder

Account Number

☐ Proxy

☐ Shareholder

Please tick (X) appropriate box before admission to the meeting

LEO OKAFOR

Company Secretary

SIGNATURE..

THIS CARD IS TO BE SIGNED AT THE VENUE IN THE PRESENCE OF THE REGISTRAR.

• Lagos • Abuja • Port Harcourt • Ibadan

www.unitedcapitalplcgroup.com

Lagos ● Abuja ● Port Harcourt ● Ibadan

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