The IN-Telligent Choice

United Capital

2016 Annual Report and Accounts

Investment Banking ▪ Asset Management ▪ Securities Trading ▪ Trustee Services

United Capital
Asset Management

The IN-Telligent Choice

Introducing the new United Capital **Wealth for Women Fund**

Enhance the financial security of women

Encourage women to imbibe a progressive savings culture

Provide an avenue for women to be financially independent

Create a sustainable foundation for women's financial empowerment and development

A maximum of 80% of the Fund's assets will be invested primarily in Naira denominated fixed income and high yielding instruments. 20% will be invested in carefully selected quoted stocks from the Nigerian Stock Exchange. The Fund offers an opportunity to achieve good returns (while minimising risks) from a diversified portfolio of investments, which may not otherwise be available in significant quantities to individual investors.

Features/Benefits

- Enjoy easy entry and easy exit (open ended)
- Enjoy redemption by Fund Manager within 5 business days
- Dividend paid is tax exempt
- Enjoy professional expertise from our Fund Manager

...and so much more

Minimum holding period is 90 days during the initial public offering and 30 days subsequently

Contact us to get started today by completing the online form, email us at **mutualfunds@unitedcapitalplcgroup.com** or speak to a member of our team on **01-2807540; 01-2807394; 01-2807437**

www.unitedcapitalplcgroup.com

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Corporate Information

OUR PURPOSE

United Capital is transforming the African continent by providing innovative investment banking solutions to governments, companies and individuals.

OUR CORPORATE GOALS

To be the financial and investment role model across Africa, deploying innovation, technology, and specialist skills to exceed client expectations, whilst creating superior value for all stakeholders.

WHO WE ARE

United Capital Plc is an Investment Banking Group providing bespoke value-added service to its clients. We exist to empower Africans in the pursuit of their goals as individuals, companies and governments through superior Investment Banking products and services.

As a Group comprising of recognized industry leaders with over 50 years experience, we are well positioned to provide expert solutions to optimize our clients returns on their investments. This is achieved through our robust suite of service offerings within our four businesses: Investment Banking, Asset Management, Trusteeship, and Securities Trading.

United Capital Plc is a publicly quoted company listed on the Nigerian Stock Exchange and has a well-diversified shareholder base of about 268,274 as at 31stDecember 2016.

Investment Banking

Our Investment Banking business provides advisory services in Project Finance, Capital Markets, Mergers & Acquisitions and Structured Trade Finance.

It is revered for its track record in executing complex transactions across the African continent, particularly for its leadership in Capital Markets and Project Finance advisory to both corporates and governments.

In 2016, the team led a number of landmark transactions including acting as Joint Issuing House for the following corporate Debt Issues: WEMA Bank ₦6.95 billion, Forte Oil ₦9 billion, FCMB Financing SPV Plc Series 3 (₦5.1 billion), and Lagos State ₦47 Billion Bond Issue.

Asset Management

United Capital Asset Management provides innovative and customized investment services to a diverse client base that includes; Corporate Institutions, Government and Agencies, High Net Worth Individuals and Retail Investors. The company is registered and licensed by the Securities and Exchange Commission of Nigeria (SEC) to act as Investment Advisers, Portfolio and Fund Managers.

The firm's assets under management are in excess of ₦40 billion and our expertise consists of Portfolio/Fund Management, Mutual Funds, Wealth Management and Investment Advisory Services.

Securities Trading

United Capital Securities is a dealing member of the Nigerian Stock Exchange (NSE) and registered by the Securities & Exchange Commission (SEC) as a Broker/Dealer. Our Securities & Trading business provides access to primary market opportunities for listed equities (IPOs, Right Issues, Offer for Sale and Offer for Subscription) and Fixed Income Securities.

We are one of the few selected Supplemental Market Makers (SMM) and Designated Advisers by the Nigerian Stock Exchange. The firm is also a registered dealing member of NASD OTC Plc, enabling us to deal in over the counter Equity and Fixed Income Securities.

In 2016, United Capital Securities was the lead stock broker to the Forte Oil Bond, Enugu State Bond as well as the restructuring of the Gombe State and Niger State Bonds.

Trustees

United Capital Trustees is the leading Nigerian Trustee with over 50 years experience in Trust services.

Our sole business is trusteeship and we play a key role in major financing transactions, charged with protecting the interests of lenders and investors, keeping custody of assets, documents, rights, shares, funds and other holdings in financial transactions. We possess quality depth and extensive experience in a wide range of money, capital market and real estate transactions, with Trust mandates in excess of ₦6.0 trillion and clear leadership across products: Debenture Trusts, Mutual Funds, Bonds, and REITS.

In 2016, Trustees was Trustee to over 80% of the Nigerian Debt Capital Issues.

2016 Performance Highlights

Gross Earnings	Profit Before Tax	Profit After Tax
₦9.0billion	₦6.4billion	₦6.0 billion
Up 46% year on year	Up 95% year on year	Up 134% year on year

Total Assets	Funds Under Management	Shareholders' Fund
₦160.7billion	₦100.7billion	₦14.2billion
Up 12% year on year	Down 8% year on year	Up 37% year on year

Cost to Income Ratio	Earnings Per Share	Return on Average Equity
29%	115k	56%
2015: 53%	**2015:** 43kobo	**2015:** 26%

Chairman's Statement

CHIKA MORDI
Chairman

Fellow shareholders, it is with great delight that I present to you the financial results of United Capital Plc for the year 2016. Despite the challenging operating environment globally and locally, we have delivered a strong performance, exceeding that of the previous year. We are optimistic that this will be sustained in 2017.

The Global Economy

The global economy continued to be challenged in 2016, with growth stuck in the 3% range for the sixth year in a row. The earlier anticipated recovery in developed markets has been slow in coming through and remained quite uneven across markets. The growth picture in emerging markets and developing economies was equally challenging in many cases. Despite a slow start to the year which saw Q1 GDP grow by a tepid 0.8%, the US economy gradually picked up some pace, as GDP grew by 3.5% in Q3-16; job creation gained momentum as unemployment rate fell to 4.7% by the end of year amid low inflation levels. It was against this backdrop that the US Federal Reserve Bank raised benchmark interest rates by 0.25 percentage points in December 2016. The outlook of the US economy is now believed to be anchored on the fiscal and political dispositions of the incoming Donald Trump administration, whose surprise election victory jolted the global financial markets. Following an initial Brexit shock, months of extended quantitative easing began to pay off for the Eurozone, after a long period of deflation. In Asia, Japan maintained its monetary easing stance throughout the year amid persistent deflationary pressures while China continued on an economic realignment path targeted at reviving its export income base and supporting economic growth. Overall, risks to global growth outlook remain tilted to the downside with political uncertainty, especially in the advanced economies, likely to be the key driver.

Africa

Recent figures suggest that the region's economic downturn is yet to hit the bottom. The Nigerian economy continues to be challenged, as evident in Q3 GDP data which showed third consecutive quarter of contraction. Angola, the region's third-largest economy continues to falter owing to drastic declines in its oil production with the knock-on impact on the Kwanza and official reserves. Although South Africa, the continent's largest economy is expected to improve in 2017, the rise is likely to be cyclical as structural trends remain weak and potential growth low. Ghana appears to be the only flagship, as activity data suggests that growth is approaching an inflexion point with the slowdown in inflation allowing the central bank cut its key policy rate. As the Sub Saharan Africa (SSA) continent continued to contend majorly with a resonating impact of low commodity prices, bearish sentiments maintained center stage in key equity markets across the region. On the currency front, most African currencies depreciated. Nigerian Naira continued its free fall on the back of extended greenback scarcity. Angolan kwanza also depreciated on the back of significant decline in its crude oil production. However, the floatation and devaluation of the Egyptian Pound in November 2016, supported by rate hike brought about capital inflow and stability. Overall, the Nigerian Naira, Angolan Kwanza, Ghanaian Cedi and Kenyan Shilling were the worst performing Sub Saharan Africa currencies in 2016 all with one thing in common – dwindling commodity prices.

Domestic Economy and Financial Markets

The Nigerian economy faced severe headwinds in 2016. The economy slipped into a recession for the first time in over 20 years as GDP contracted in three consecutive quarters, by an average of -1.6%. The slowdown in economic growth cut across key sectors, with manufacturing and energy taking the biggest hit. The major drivers of the weak growth recorded were a combination of lower government spending owing to lower crude receipts, constrained disposable income and the knock-on impact on FX, all of which occurred against the backdrop of rising domestic price levels as inflation stayed in double digits for the most part of the year. Despite the devaluation of the Naira in mid-2016 and the change in the FX regime to a more flexible system, FX liquidity was little improved, placing foreign capital inflows on the sidelines. The impact was specifically severe on both financial and manufacturing sector. The regulator's policy of supporting critical sectors with official FX supply further created a multi-tier market structure, leading to low confidence as well a perceived lack of transparency in the FX market. Banks continued to face challenges with the quality of their loan books as borrowers with Dollar denominated loans and Naira receivables grappled with higher finance charges.

Contrary to the many calls for an accommodative monetary policy in the face of dwindling economic growth, the Monetary Policy Committee (MPC) halted the easing cycle it commenced in 2015 and maintained a hawkish stance through 2016. This was in an attempt to maintain a positive real

yield, necessary to attract foreign investors amid rising inflation. The Monetary Policy Rate (MPR) was raised by a cumulative 300 basis points to 14.0% with an asymmetric corridor of +200/-500 basis points around the MPR, and banks' Cash Reserve Ratio (CRR) of 22.5% at the end of the year. This had implications for money market and Naira fixed income assets, as rates and yields ascended steeply especially in the second half of the year, average T-bills and bond yields closed 2016 at 18.4% and 17.4% respectively.

The equities market depreciated by 6.2% in 2016, recording a third successive year of negative close. The market was shaped by the weak macro environment, reflected in persistent weakening of the domestic currency, poor corporate earnings performances, weak inflows of foreign portfolio investments, as well as lower oil prices.

Financial Performance

United Capital delivered a strong result in its financial performance in spite of the challenging macroeconomic and operating conditions; we were able to deliver a decent result for the year under review. Total Assets grew by 12% from ₦144billion to ₦161billion whilst gross earnings by 46% to ₦9.0billion. On the whole, profit after tax from continuing operation grew by 134% to ₦6.0billion from ₦2.6billion.

In conclusion distinguished ladies and gentlemen, I am confident in our ability to consistently deliver value to you in the current year. We have put in place strategies that would enable us take advantage of emerging opportunities amid the challenges that the year 2017 may bring. I have no doubt in my mind that we will deliver much better results going forward.

I must thank all of you for your constant support in our task of building a leading Investment Banking firm in Africa. I am confident that with the dedication of our resourceful staff and your unalloyed support, we will continue to delight you with superior return in every line of business we are involved.

Chika Mordi
Chairman
United Capital Plc

Board of Directors

Chika Mordi
Chairman

Chika is an accomplished banker who spent over twenty years leading and co-leading successful turnarounds of three banks. Chika has also sat on the boards of more than 30 financial institutions in Africa and the United Kingdom and served as the alternate President of West African Bankers' Association, amongst several other government committees. In 2013, he was appointed the inaugural CEO of the National Competitiveness Council of Nigeria. He is currently the CEO of Accender Africa in Washington, DC.

Chika holds a B.Sc. in Economics from the University of Ilorin and an MBA from IESE Business School Barcelona; MPA from Harvard Kennedy School Cambridge; and M.Sc. from Johns Hopkins University, USA.

Oluwatoyin Sanni
Group Chief Executive Officer

Oluwatoyin Sanni holds a Bachelor of Law degree from the University of Ife, a Masters degree, LLM (Hons) from the University of Lagos as well as professional qualifications of the I.C.S.A. UK and the Chartered institute of Stock Brokers (CIS) Nigeria.

She has over 30 years of experience in Investor Services, Law and Finance, and has served in various committees and boards in the industry including the National Bond Steering Committee, the West African Capital Markets Integration Technical Committee, and as Chairperson of the Custody Sub- Committee of the Capital Markets. Toyin currently chairs the Technical Committee on Financial Literacy for the Capital Market. She was appointed Group Chief Executive Officer in January 2014.

Ambassador John K. Shinkaiye
Non Executive Director

A career diplomat, Ambassador John K. Shinkaiye has over 40 years of experience in the public sector having served in the Federal Civil Service Commission for 35 years and over 6 years with the African Union Commission in Addis Ababa, Ethiopia. He served in several Nigerian Missions abroad, including the Nigerian High Commission in London, before being appointed Nigeria's Ambassador to Equatorial Guinea (1989-1993), Ethiopia and Djibouti, the OAU/AU and UNECA (2000-2003). As Ambassador in Ethiopia, he was Chairman or member of several OAU/AU Committees including the Administrative, Budgetary and Financial Committee. He was the Chief of Staff of two Chairpersons of the AU Commission between 2006 and 2012.

He holds a B.Sc. in Sociology from the University of Lagos and has attended several workshops, seminars and short programmes as both participant and resource person. He is a member of the National Institute of Policy and Strategic Studies (NIPSS), Kuru (Mni).

Emmanuel N. Nnorom
Non Executive Director

Emmanuel N. Nnorom has over 30 years work experience in Accounting and Finance (including at executive levels) in both the real estate and banking sectors in Nigeria. He recently retired from the Board of the United Bank for Africa Plc as an Executive Director.

He is an alumnus of 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 Nigeria (CIBN).

Adim Jibunoh
Non Executive Director

Adim has 30 years experience in the financial services industry. He was the Managing Director/ Chief Executive Officer of Continental Trust Bank until 2004. He was also an Executive Director at Standard Trust Bank (now United Bank for Africa Plc).

Adim holds a first class degree in Economics from the University of Port Harcourt and an MBA in Financial Management from the University of Lagos. He has also received executive management training at IMD Switzerland, Lagos Business School and Harvard Business School.

Yoro Mohamed Diallo
Independent Director

Yoro is a seasoned banker with over 40 years experience. He has previously worked with Citibank and Ecobank in various capacities.

He holds an M.Sc. in Banking and Finance from Saint Mary's University, California and a BA degree in Finance and Economics of development from Claremont Men's College, California.

Subsidiary CEOs

Bunmi Akinremi

Deputy Group CEO/MD
United Capital
Investment Banking

Bunmi brings over 20 years' investment banking and transaction to United Capital Plc. He trained as an accountant with Grant Thornton in London, before joining the Royal Bank of Scotland's Specialised Lending Unit, where he acted as lead Transaction Manager on a series of high profile transactions in the UK market. His Nigeria market experience, including time with the United Bank for Africa, has seen him play prominent roles in a number of landmark corporate restructures and fundraising.

Bunmi holds a First Degree in Economics from the University of Essex and is member of the Institute of Chartered Accountants in England and Wales. He also holds an MBA from Cranfield University, School of Management.

Jude Chiemeka

Chief Executive Officer
United Capital
Asset Management

Jude Chiemeka has over 20 years experience in the financial services industry, working primarily as equities and fixed income sales trader across markets in Africa. Prior to joining United Capital, he was the MD/CEO of Chapel Hill Denham Securities, a wholly owned subsidiary of Chapel Hill Advisory Partners an independent investment bank.

His executive educational experience is wide and varied, including programs at the New York Institute of Finance, Euromoney, London and Federated Press; Strategic Planning Skills, Toronto Canada. He is a Fellow of the Chartered institute of Stockbrokers and an alumnus of University of Lagos, Lagos Business School & University of Oxford, UK.

Tokunbo Ajayi

Chief Executive Officer
United Capital
Trustees

Tokunbo is a seasoned professional with over 28 years in trusteeship services spanning both the private and public sector.

She is both a Trustee and President of the Association of Corporate Trustees. In addition to this, Tokunbo is a member of the NBA, FIDA, Nigerian Institute of Management, the Business Recovery & Insolvency Practitioners Association of Nigeria and the British Council.

She holds a Bachelor of Law Degree from the University of Ife, Ile-Ife. She is an alumnus of both Phillips Consulting, South Africa SMP and Columbia Business School High Impact Leadership on Maximizing Individual Organizational Performance.

Kayode Fadahunsi

Chief Executive Officer
United Capital
Securities

Kayode is an ardent finance professional with 17 years experience spanning Corporate Finance, Corporate Banking, Investor Relations, Strategy and Structuring Capital Markets and Mergers and Acquisition deals.

Prior to joining United Capital Plc, he was Director of Investor Relations at UBA Plc. He has also worked with BGL Plc, Continental Trust Bank Limited, Access Bank Plc, and Intercontinental Bank Plc.

He holds an MBA (Finance) from the University of Lagos and a B.Sc. in Chemical Engineering from Obafemi Awolowo University, Ile-Ife. He is an Associate of the Chartered Institute of Stockbrokers (CIS) and Alumni of Lagos Business School (CEP 25 and SMP 35 programmes).

Executive Management

Oluwatoyin Sanni
Group CEO

Oluwatoyin Sanni is the Group CEO of United Capital Plc. She is a Lawyer, Chartered Secretary and Stockbroker with over 30 years experience in Investor Services, Law and Finance in Nigeria.

Prior to her appointment as the Group CEO of United Capital, Toyin Sanni was CEO, United Capital Trustees Limited (formerly known as UBA Trustees Limited)– a subsidiary of United Capital Plc and a market leader in the Trustees business. Her prior career accomplishments include establishment of UBA Global Investor Services, Council Member of the Institute of Chartered Secretaries and Administrators Nigeria, a Fellow and President (current) Association of Investment Advisers and Portfolio Managers, an Associate of the Institute of Directors Nigeria and President of the Association of Corporate Trustees Nigeria, Member National Bond Steering Committee, the West African Capital Markets Integration Technical Committee and as Chairperson of the Custody Sub-Committee of the Capital Market. She held the position of Chairman of the Nigerian Capital Market Annual Retreat Committee for 2012, 2013 and 2014.

Toyin holds a Masters Degree, LLM (Hons), from the University of Lagos as well as the Professional qualifications of the I.C.S.A. UK, and the Chartered Institute of Stockbrokers (C.I.S.).

Bunmi Akinremi
Deputy Group CEO

Bunmi brings over 20 years' investment banking and transaction to United Capital Plc. He trained as an accountant with Grant Thornton in London, before joining the Royal Bank of Scotland's Specialised Lending Unit, where he acted as lead Transaction Manager on a series of high profile transactions in the UK market. His Nigeria market experience, including time with the United Bank for Africa, has seen him play prominent roles in a number of landmark corporate restructures and fundraising.

Bunmi holds a First Degree in Economics from the University of Essex and is member of the Institute of Chartered Accountants in England and Wales. He also holds an MBA from Cranfield University, School of Management.

Sunny Anene
Group Chief Finance Officer

Sunny is the Group Chief Finance Officer of United Capital Plc. He has over 23 years experience in the financial services. Prior to joining United Capital Plc, he was the Director of Finance and Operations at Chapel Hill Denham. Sunny has attended several management, leadership and strategy courses including Disruptive Strategy courses at the Harvard Business School.

He holds an MBA (Finance) from the University of Lagos. He is a Fellow in three professions - Institute of Chartered Accountants of Nigeria; Chartered Institute of Taxation; and Chartered Institute of Stockbrokers. He is also an associate of The Certified Pensions Institute of Nigeria.

Leo Okafor
Group Company Secretary/
General Counsel

Leo is a lawyer with over 20 years experience covering Litigation, Trusteeship, Investment Banking, and Company Secretarial Practice. Prior to joining United Capital, he was the Managing Director of Zenith Trustees Limited (a subsidiary of Zenith Bank Plc) and PHB Capital & Trust Limited (a subsidiary of Bank PHB Plc and later Keystone Bank Limited) between 2008 and 2012.

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

Ogaga Uwhuseba
Ag. Head, Audit and Business Assurance

Ogaga Sam Uwhuseba is a professional banker, accountant and certified fraud examiner with over 18 years' cognitive work experience in Nigeria and across African financial services industry in Operations, Audit, and Fraud Allegations Examination and Resolution. Prior to joining United Capital Plc, he was a Team Lead for United Bank for Africa Plc [Subsidiary Audit supporting the bank's African expansion and Local non-bank subsidiaries.

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

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 Instituted of Bankers of Nigeria, Institute of Chartered Accountants of Nigeria, and Association of Certified Fraud Examiners and The Institute of Internal Auditors.

Samson Adekunle
Head, Risk Management

Samson is an Authorized Dealing Clerk of the Nigerian Stock Exchange (NSE) and an Associate (ACS) of the Chartered Institute of Stockbrokers. He has 10 years working experience in the financial services industry spanning Banking and Capital Market with core expertise in Enterprise-wide Risk Management.

Samson obtained his MBA and first degree from Obafemi Awolowo University and Executive Certificate in Innovation and Commercialization from Massachusetts Institute of Technology (MIT). He is an Affiliate Member of Professional Risk Mangers' International Association (PRMIA) Samson has attended various core Risk Management trainings during previous role in the Enterprise Risk Management division of Guaranty Trust Bank Plc.

Lucky Okopujie
Group Head, Operations

Lucky has over 15 years working experience in the financial services industry spanning Banking and Capital Market with core expertise in Operations and Corporate Services.

Lucky obtained his MBA and first degree in Business Administration from University of Benin. He is an associate member of the Chartered Institute of Stockbrokers and Nigeria Institute of management.

Bolanle Ibitola
Head, Human Resources

Bolanle is an experienced Human Resources Management, Business and Organizational Change professional. Her core expertise includes Performance Management, Employee Engagement, and Learning & Development.

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

Adeola Oduntan
Head, Information Technology

Adeola is an IT Management professional with vast experience in the Capital Markets and Telecommunications industries.

She has spent the last decade working with leading organisations including 21st Century Technology LTD and Afrinvest West Africa Limited where she was involved in major projects in Infrastructure design and implementation, business continuity process implementation and process management.

She has a Bachelor of Science (BSC) Degree in Computer Science (Information Systems) from Babcock University. Adeola has acquired technology certifications such as ITIL and Lead Disaster Recovery Manager.

Toyin Awesu
Head, Marketing
& Corporate Communications

Toyin is a strategic Integrated Marketing and Communications professional with a keen interest in communications and digital media technology.

She relocated to Nigeria in 2013 to serve as the Head of Development Communications for the Development Agenda for Western Nigeria (DAWN), where she was responsible for the strategic development communications and brand building of the organization. Prior to joining United Capital Plc, Toyin served as the Integrated Marketing & Communications Manager at Heirs Holdings/The Tony Elumelu Foundation.

She has a Master of Science degree in Integrated Marketing & Communications from West Virginia University (US) and a Bachelor of Arts in Journalism from Temple University (US).

Kayode Tinuoye
Head, Research

Kayode heads the research team of United Capital where is he is also responsible for providing coverage for the Financial Services sector. He has over 8 years experience covering investment research (financial services, consumer goods and macro/fixed income), corporate finance, and strategy.

Prior to United Capital, Kayode was Head Research at Afrinvest West Africa. He has also held positions as Senior Strategy Officer with Diamond Bank Plc and Equity Research Analyst for Meristem Securities Ltd.

He is a graduate of Economics (first class) from the Obafemi Awolowo University Ile-Ife. He is currently a level 2 Candidate in the Chartered Financial Analyst (CFA) programme.

Adetola Fasuyi
Head, Wealth Management

Adetola is the Head of Wealth Management at United Capital Plc. She has over 25 years of experience in the financial services industry as a senior business development/investor relations professional with an emphasis on Asset/Wealth Management. Her primary focus is on serving the needs of the 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 want to lead.

Before joining United Capital Plc, 'Detola was the MD of SCM Capital Asset Management Ltd, and prior to that, the GM/CEO of MBL Financial Services Ltd, (the Stock broking arm of Metropolitan Bank Ltd - now UBA Plc, a member of the Nigerian Stock Exchange). She is a Licensed Equity Trader on the Nigerian Bourse.

'Detola 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.

Group CEO's Statement

OLUWATOYIN SANNI
Group Chief Executive Officer

Dear Shareholders
It is my great pleasure to present to you this report on United Capital Plc's performance for the year 2016. I am pleased to report that it has been another excellent year for United Capital Plc as we continued the pursuit of our clear and consistent strategy, which has delivered a strong performance for our valued shareholders, and that we remain positive about future opportunities within the Nigerian and African market, not-withstanding the challenging macro-economic environment.

Against the backdrop of economic uncertainty, your company has achieved a larger portfolio of assets, offered improved services on better platforms and continues to respond appropriately to the undulating financial terrain whilst remaining focused on the execution of our strategic objective of building the leading investment banking group in Nigeria and ultimately Africa.
We remain well placed to support our customers and to deliver positive sustainable returns to our shareholders.

Overview of 2016 Performance
The operating environment in 2016 was characterized by high volatility and uncertainty of key macro-economic indices such as high inflation, high interest rates and increased uncertainty regarding domestic policy direction especially regarding the foreign exchange market. This fuelled a slowdown in economic activity and increased cautiousness from investors. As a result, Nigeria's GDP growth rate retreated to multi-year lows with the economy drifting into recession. From a growth rate of 2.8% in Q3 2015, real GDP dropped to -0.4% in Q1 2016, -2.1% in Q2 2016 and -2.2% in Q3 2016. This slowdown cut across multiple sectors of the economy and was reflected in the Nigerian capital market (All-Share Index), which returned -6.2% for the year, continuing the bearish trend that began in 2014 when the market returned -16.4%.

Despite this highly challenging terrain, the Group's commitment to generating sustainable growth by winning new business and retaining and maximizing existing business has generated a strong performance for FY 2016 when compared to 2015.

Revenue and Profitability
By executing our long-term strategy, and displaying resilience and resourcefulness, we were able to earn significant revenues predominantly from the execution and delivery of Investment Banking, Trusteeship and Asset Management mandates as well as the prudent investment of client and proprietary funds. Total Assets grew 12% over 2015, from ₦144.12 bn to ₦160.70 bn. The Group generated gross earnings of ₦ 9.00bn in 2016, up 46% from 2015. Total Gross Earnings were driven primarily by Investment Income (31%) and growth in Shareholder's Funds (37%).

The Group recorded PBT of ₦6.37bn for 2016, a 95% increase over the N3.26bn recorded in 2015. 2016 Profit-After-Tax grew by 134%, closing at N6.01bn, driven by our pursuit of effective cost management, as well as improvements in our operations and IT capabilities, thereby ensuring that we optimized value and retained a significant proportion of earnings.

Key Transactions & Events
Specifically, in 2016, the company successfully participated in and completed key transactions and activities, some of which include but are not limited to:

- Development of an efficient structure to facilitate the issuance of ₦56.9bn payment security in the form of Bank Guarantees to the GenCos on behalf of NBET.
- Joint Issuing House and Joint Trustee Mandate on the LASG ₦47 Billion Bond Issue.
- Issuing House and Joint Trustee Mandates of the Following Corporate Debt Issues: - Wema Bank ₦6.95bn, Forte Oil Plc (₦9bn) and FCMB Financing SPV Plc Series 3 (₦ 5.1 Billion).
- Sale of 50% holding in United Metropolitan Nigeria Life Insurance Limited leading to Capital Gains of ₦1.5billion.
- Restructuring of the business of United Capital Securities for better cost-effectiveness resulting in improved profitability and 0.11% growth in market share.
- The successful launch of our Mutual Funds awareness campaign introduced by the United Capital 'Intelligent Guy' brand ambassador named 'Ucee'. The campaign focuses on educating stakeholders about Mutual Funds, benefits, and the different Funds we manage.

Financial Position
United Capital Plc's Total Assets stood at ₦160.69bn as at 31st December 2016 with cash and cash equivalents making up 13% of the Group's assets, while Financial Assets made up 83% of Total Assets. Shareholders' Funds as at the end of 2016 was ₦14.24bn and our Return on Average Equity (ROE) was 56%, highlighting continued value creation for our shareholders.

Strategies for future growth
As we commence 2017, we remain committed to achieving our goal of building *Africa's leading Investment Banking Group* and to work hard to accomplish our strategic objective set out in 2015 & 2016. Our priorities include:

- Driving effectiveness and operational efficiency initiatives to improve productivity whilst optimizing costs.
- Continuous enhancement of IT capability to improve service delivery to clients.
- Expanding our footprints and deepening our operations for greater market share and deeper wallet share in our areas of coverage and expertise.
- Improving awareness of our brand, corporate image and brand value to achieve market-wide recognition and appreciation of our corporate identity.
- Renewed focus on service excellence and execution to drive client growth and retention.
- Innovative product development to fill all identified market gaps.
- Increased focus on developing human capital and strengthening our staff.
- Deployment of superior research and intellectual contributions to establish thought-leadership in our sphere of coverage.

These initiatives should see us successfully enhance the Group's productivity, revenue growth and profitability.

I have GREAT confidence in our talented and highly dedicated staff and the Executive Management team at United Capital Plc, whose superior pedigree and expertise, led by a strong and highly supportive Board of Directors, make us supremely equipped to build on our strong performance in 2016 to take on 2017, ensuring delivery of excellent value to our shareholders at the end of the year.

Oluwatoyin Sanni
Group Chief Executive Officer

Corporate Governance Report

United Capital Plc operates in a highly regulated industry and as such obliged to comply with all relevant legislations, regulations, standards and codes. The observance of these has helped us to reduce the risk of regulatory sanctions and penalties.

1. **Board of Directors**

The Board provides overall guidance and policy direction to the Management and acts on behalf of the 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 the various business lines of the company. In accordance with international best practice, the Board comprises six Directors made up of five Non-Executive Directors and one Executive Director who is the Group Chief Executive Officer.

The Board is made up of the following:

- **Chika Mordi - Chairman**
  Holds a Bsc in Economics from the University of Ilorin, an MBA and four Masters degrees from IESE, Spain; Harvard Business School, Harvard Kennedy School, John Hopkins University and American University (D.C). He is multilingual and has travelled to over 70 countries. He is a frequent political/economic commentator.

  He is an accomplished banker who spent over twenty years leading and co-leading successful turnarounds of three banks. He sat on the boards of more than 30 financial institutions in Africa and the United Kingdom. He served as the alternate president of the West African Bankers' Association and several government committees. He currently serves on the boards of two charities in the United States of America. In 2013, he was appointed as the inaugural CEO of the National Competitiveness Council of Nigeria. In January 2014, he was appointed the Chairman of United Capital Plc.

- **Oluwatoyin Sanni - Group CEO**
  She holds a Bachelor of Law degree from the University of Ife, a Masters degree, LLM (Hons) from the University of Lagos as well as a professional qualification of the Institute of Chartered Secretaries and Administrators, UK and the Chartered Institute of Stockbrokers (C.I.S.) Nigeria.

  She has over 30 years experience in Investor Services, Law and Finance and has served in various committees and boards in the industry including the National Bond Steering Committee, the West African Capital Markets Integration Technical Committee and as Chairperson of the Custody Sub-Committee of the Capital Markets.

- **Yoro Mohamed Diallo**
  He holds a BA degree in Finance and Economics of Development from Claremont Men's College, California and an M.sc in Banking and Finance from Saint Mary's University, California.

  Mr. Yoro has over 40 years of experience as a seasoned banker and had worked previously with Citibank and Ecobank.

- **Adim Jibunoh**
  Mr. 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 had over 30 years of experience in the financial services industry with strong leadership skill. He was the Managing Director/Chief Executive Officer of Continental Trust Bank Limited in 2004 and an Executive Director at Standard Trust Bank (now UBA Plc).

- **Ambassador John K. Shinkaiye**
  He holds a B.Sc. in Sociology from the University of Lagos and has attended several workshops, seminars and short programmes as both participant and resource person. He is a member of the National Institute of Policy and Strategic Studies (NIPSS), Kuru (Mni).

  A career diplomat, he has over 40 years of experience in the public sector having served in the Federal Civil Service Commission for 35 years and over 6 years with the African Union Commission in Addis Ababa, Ethiopia. HE served in several Nigerian Missions abroad, including the Nigerian High Commission in London, before being appointed Nigeria's Ambassador to Equatorial Guinea (1989-1993), Ethiopia and Djibouti, the OAU/AU and UNECA (2000-2003). As Ambassador in Ethiopia, he was Chairman or member of several OAU/AU Committees including the Administrative, Budgetary and Financial Committee. He was the Chief of Staff of two Chairpersons of the AU Commission between 2006 and 2012.

- **Emmanuel N. Nnorom – Non Executive Director**
  He 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 the real and banking sectors of the Nigerian economy. He recently retired from the Board of United Bank for Africa Plc as an Executive Director.

2. **Attendance at Board Meetings**

The Board of United Capital Plc met four times in 2016. It met every quarter. Please find the record of attendance below.

Names	Meetings Held			
	17/03/16	17/06/16	23/09/16	15/12/16
Chika Mordi	✓	✓	✓	✓
Adim Jibunoh	✓	✓	X	✓
Ambassador John K. Shinkaiye	✓	✓	✓	✓
Yoro Mohammed Diallo	✓	✓	✓	✓
Emmanuel Nnorom	✓	✓	✓	✓
Oluwatoyin Sanni	✓	✓	✓	✓

3. Constitution of the Board Committees

The Board of United Capital has two Committees; namely:

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

3.1 Finance Investment and Risk Management Committee

The FIRM Committee has responsibility to do the following:

3.1.1 Formulate and shape the strategy of the Group and make recommendations to the Board for approval;
3.1.2 Provide oversight on financial matters and the performance of the Group;
3.1.3 Review and recommend investment opportunities or initiatives to the Board;
3.1.4 Monitor and assess the overall integrity of the financial statements and disclosures of the financial condition and results of operations of the Group;
3.1.5 Review the Group's investment portfolio annually;
3.1.6 Monitor, review and assess the integrity and adequacy of the overall risk management framework of the Group;
3.1.7 Ensure that risk assessments are performed on a continual basis and ensure that frameworks and methodologies are in place to increase the probability of anticipating unpredictable risks.

3.2 Audit and Governance Committee

The responsibility of the AGC, among other things is to:

3.2.1 Advise the Board on corporate governance standards and policies;
3.2.2 Review and recommend to the Board for approval, all human resources and governance policies;
3.2.3 Organize Board and Board Committee inductions and trainings;
3.2.4 Evaluate and appraise the performance of the Board and Board Committees and its members annually in conjunction with consultants;
3.2.5 Ensure that an effective system of financial and internal controls is in place;
3.2.6 Recommend to the Board, directors for election and re-election;
3.2.7 Provide a central source of guidance and advice to the Board and company on matters of ethics, conflict of interest and good corporate governance;
3.2.8 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*

Names	Meetings Held			
	16/03/16	16/06/16	22/09/16	15/12/16
Emmanuel Nnorom	✓	✓	✓	✓
Adim Jibunoh	✓	✓	✓	✓
Ambassador John K. Shinkaiye	✓	✓	✓	✓
Oluwatoyin Sanni	✓	✓	✓	✓

4.2 *Audit Governance Committee*

Names	Meetings Held			
	16/03/16	16/06/16	22/09/16	15/12/16
Adim Jibunoh	✓	✓	✓	✓
Emmanuel Nnorom	✓	✓	✓	✓
Ambassador John K. Shinkaiye	✓	✓	✓	✓

Directors' Report

The Directors present their report together with the audited financial statements of the Group for the year ended December 31, 2016.

1. LEGAL FORM

United Capital Plc was incorporated in Nigeria as 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 areas of business include investment banking, trusteeship, asset management and stock-broking.

2. RESULTS

	Group		Company	
	2016	2015	2016	2015
	N'000	N'000	N'000	N'000
Profit Before Tax	6,366,734	3,263,663	4,638,327	1,488,390
Income Tax	(363,208)	(693,191)	(169,561)	(586,009)
Profit for continuing operation	6,003,526	2,570,472	4,468,766	902,381
Gain on sale of investment in associate	(909,695)	-	1,526,090)	-
Profit for the year	**6,913,221**	**2,570,472**	**5,994,856**	**902,381**
Other Comprehensive Income	(995,840)	(26,331)	13,978	(11,483)
Total Comprehensive Income	**5,917,381**	**2,544,141**	**6,008,834**	**890,898**
Total Comprehensive Income Attributable to Equity Holders of the Company	5,917,381	2,544,141	6,008,834	890,898
Earnings Per Share	115	43	100	15

3. DIVIDEND

In respect of the current year, the Directors propose that a dividend of 50kobo per ordinary share of 50kobo each, amounting to N3billion, 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 March 2, 2017.

4. PRINCIPAL ACTIVITIES

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

5. 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 CEO's statement.

6. DIRECTORS

The names of the Directors during the year ended December 31, 2016 are shown below. 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 and are offering themselves for re-election:

6.1 Mr. Chika Mordi
6.2 Mr. Yoro Diallo

7. DIRECTORS INTERESTS

The interests of the Directors in the issued share capital of the Company are recorded in the register of Directors' Shareholding as at December 31, 2016 as follows:

S/N	NAMES OF DIRECTORS	31-Dec-16 DIRECT	31-Dec-16 INDIRECT	31-Dec-15 DIRECT	31-Dec-15 INDIRECT
1	Chika Mordi	12,363	Nil	48,086	Nil
2	Adim Jibunoh	Nil	Nil	Nil	Nil
3	Emmanuel Nnorom	2,640,486	8,886,645	2,640,486	23,486,645
4	Yoro Diallo	Nil	Nil	Nil	Nil
5	Ambassador John K. Shinkaiye	3,264,308	Nil	3,114,308	Nil
6	Oluwatoyin Sanni	1,235,645	Nil	1,015,350	Nil

8. ANALYSIS OF SHAREHOLDING

As at the end of 2016, United Capital's shares were held by 268, 274 shareholders as analyzed in the table below:

Range	No of shareholders	% of total shareholders	No of shares held	% of total shareholding
1-1,000	175,197	65.31%	63,046,041	1.05%
1,001-5,000	64,742	24.13%	137,676,857	2.29%
5,001-10,000	12,973	4.84%	89,758,524	1.50%
10,001-50,000	11,188	4.17%	232,901,684	3.88%
50,001-100,000	1,759	0.66%	124,447,693	2.07%
100,001-500,000	1,741	0.65%	363,749,368	6.06%
500,001-1,000,000	295	0.11%	214,337,554	3.57%
1,000,001-999,999,999,999	379	0.14%	4,774,082,279	79.57%
	268,274	**100%**	**6,000,000,000**	**100%**

SUBSTANTIAL INTEREST IN SHARES (10% and above)
As of the end of December 31, 2016, the shareholders with 10% and above are shown in the table below:

SHAREHOLDERS	SHAREHOLDING	% HOLDING
West Coast Equity Ltd	668,367,002	11.1395%
West Coast Equity Limited	637,111,568	10.6185%

9. SUMMARY OF DEALING IN UNITED CAPITAL PLC SHARES AS AT DECEMBER 31, 2016

QUARTER	TOTAL	MONTHLY AVERAGE
MARCH QUARTER	500,784,557	116,928,185
JUNE QUARTER	640,930,715	213,643,571
SEPTEMBER QUARTER	340,069,958	113,356,653
DECEMBER QUARTER	294,615,712	98,205,237

10. DIRECTORS' REMUNERATION

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

Package	Type	Description	Period
Basic Salary	Fixed	This is part of the gross salary package for Executive Directors only	Paid monthly during the financial year
13th Month Salary	Fixed	This is part of the gross salary package for Executive Directors only	Paid in the last month of the 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
Medical	Fixed	This is paid only to Non-Executive Directors	One-off payment

11. ACQUISITION OF OWN SHARES

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

12. PROPERTY, PLANT & 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.

13. EMPLOYMENT AND EMPLOYEES

13.1 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 appropriate job levels irrespective of an applicant's state of origin, ethnicity, religion or physical condition.

13.2 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.

13.3 Employee Involvement and Training

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

13.4 Research and Development

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

14. EVALUATION

14.1 Board Evaluation

A Board evaluation was undertaken in 2016 by PriceWaterHouseCoopers. The performance of the Board, Board Committee and individual directors were adjudged satisfactory and necessary feed backs were communicated to individual directors arising from the exercise.

14.2 SAC Evaluation

An evaluation of the Statutory Audit Committee ("SAC") was also undertaken and the performance of the SAC members was adjudged satisfactory. Members resolved to sustain the performance and strive to surpass it in subsequent years.

15. COMPLIANCE

15.1 Trading in Securities Policy

In compliance with the Rules of the Nigerian Stock Exchange, we have put in place a Securities Trading Policy to guide our Directors, Employees, External Advisers and Related Parties on trading in the securities of the company within the closed period. Under this policy the closed period is when no Director, Employee, External Adviser 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:

(a) Declaration of financial results (quarterly, half-yearly and annual);
(b) Declaration of dividends (interim and final);
(c) Issue of securities by way of public offer or rights or bonus etc;
(d) Any major expansion plans or winning of bid or execution of new projects, disposal of the whole or a substantial part of the undertaking;
(e) Any changes in policies, plans, or operations of the company that are likely to materially affect the prices of the securities of the company;
(f) Disruption of operations due to natural calamities;
(g) Litigation/dispute with a material impact;
(h) 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.

15.2 SEC Code of Corporate Governance for Public Companies in Nigeria

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

15.3 Complaint Management Framework

The Company has a Complaint Management Framework in place which has also been uploaded on the Company's website.

15.4 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 31 December, 2016.

17. AUDITORS

Messrs Akintola Williams Deloitte has indicated their willingness to continue in office in accordance with Section 357(2) of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004. A resolution will be proposed at the Annual General Meeting to authorize the directors to determine their remuneration.

BY THE ORDER OF THE BOARD

LEO OKAFOR
Company Secretary

Deloitte.

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

Opinion
We have audited the 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 2016, the consolidated statement of profit or loss and other comprehensive income, consolidated and separate statement of changes in equity, consolidated and separate 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 accompanying 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, 2016 and the consolidated and separate financial performance and consolidated and separate 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 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 matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current year. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. 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 and company have significant investments in unquoted equities valued at over N19billion as reflected in Note 14.2 which are measured in line with the provisions of IFRS 13. IFRS 13 seeks to increase consistency and comparability in fair value measurements and related disclosures through a 'fair value	In evaluating the valuation of unquoted equities, we evaluated valuation technique adopted by the directors. We performed various procedures such as: • Testing of inputs into the cash flow forecast against historical performance and in comparison to the budgets and plans of

List of partners and partner equivalents available on the website

Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited

Key Audit Matter	How the matter was addressed in the audit
hierarchy'. The hierarchy categorizes the inputs used in valuation techniques into three levels. Level 3 adopted by the company have inputs that are unobservable. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. Level 3 fair value hierarchy requires a lot of judgment from management, giving rise to the risk of bias in estimates and assumption such that the reported value of these investments may not reflect a fair value. The directors had opted for the use of the average of the Free Cash flow to Equity (FCFE) and the price to earnings multiple method in valuing the investments in unquoted equities. Management engaged the use of financial instrument expert in the valuation of the instruments.	each entity in which the investments were acquired • Comparing the projected cash flows, including the assumptions relating to revenue growth rates and operating margins, against historical performance to test the accuracy of management's projections • Engaging our internal valuation specialist to assist with the testing of the cost of equity calculation. • Performing sensitivity analyses on the growth rates and discount rates to evaluate the extent of impact on the value in use and the appropriateness of the directors' disclosures. We consider the valuation method adopted by the directors to be appropriate. The cash flow projections were also found to be modest while the measurement of cost of equity for each investment were found to be appropriate. In conclusion, we considered the fair valuation of unquoted equities to be appropriate.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report, Audit Committee's Report and Company Secretary's Report, which we obtained prior to the date of this auditor's report and the integrated report, 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, Financial Reporting Council 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 the Audit Committee and the directors 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 the Audit Committee and directors 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 the Audit Committee and the directors, 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:

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

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

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.

The engagement partner on the audit resulting in this independent auditor's report is Michael Daudu, FCA,

Michael Daudu, FCA, FRC/2013/ICAN/00000000845
For: Akintola Williams Deloitte
Chartered Accountants
Lagos, Nigeria
16 February, 2017

REPORT OF THE AUDIT COMMITTEE TO THE MEMBERS OF UNITED CAPITAL PLC

In the course of the financial year 2016, 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	**16/03/16**	**16/06/16**	**22/09/16**	**15/12/16**
Alhaji Abdulqadir Jeli Bello	✓	✓	✓	✓
Adim Jibunoh	✓	✓	✓	✓
Ambassador John K. Shinkaiye	✓	✓	✓	✓
Emmanuel Nnorom	✓	✓	✓	✓
Pastor Alex Adio	✓	✓	✓	✓
Mrs. Faith George-Usman	✓	✓	✓	✓

Our terms of reference include but are not limited to 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.

Consequently, in accordance with the provisions of Section 359 (6) of the Companies and Allied Matters Act (Cap C20), Laws of the Federation of Nigeria 2004, the members of the Statutory Audit Committee of United Capital Plc hereby report that we have exercised our statutory functions under Section 359 (6) of the Companies and Allied Matters Act (Cap C20) Laws of the Federation of Nigeria 2004 and we acknowledge the cooperation of the Management and Staff in the conduct of these responsibilities.

Specifically, we confirm that:

1. The accounting and reporting policies of the Company are consistent with legal requirements and ethical practices.

2. The internal audit programmes are extensive and provide a satisfactory evaluation of the efficiency of the internal controls systems; and

3. 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".

Thank you.

Alhaji Abdulqadir Jeli Bello
Chairman
Statutory Audit Committee
Dated February 17, 2017

Members of the Statutory Audit Committee

1.	Alhaji Abdulqadir Jeli Bello	-	Chairman
2.	Pastor Alex Adio	-	Member
3.	Mrs. Faith George-Usman	-	Member
4.	Ambassador John K. Shinkaiye	-	Member
5.	Mr. Emmanuel Nnorom	-	Member
6.	Mr. Adim Jibunoh	-	Member

Sustainability Report

United Capital Plc ("the Company"), whilst being a leading African Investment Bank, pays adequate attention to the interest of its stakeholders such as its employees, the consumers and the general public. The company demonstrates significant sensitivity to Nigeria's social and cultural diversity and as much as possible, promotes strategic national interest and national ethos without compromising global values, as applicable.

It recognizes corruption as a major threat to business and national development and consequently, views same as a sustainability issue for the growth and surviving ability of businesses in Nigeria. The Company, the Board and all individual directors continuously commit themselves to transparent dealings and to the establishment of a culture of integrity and zero tolerance for corruption and corrupt practices.

HEALTH AND SAFETY

The Company places a high premium on the health and safety of its employees. The work premises is significantly a low risk environment that leaves room for little or no exposure to significant occupational health and safety hazards. All employees, visitors, vendors are well educated on safety measures to take in relation to their safety within the work environment. This is enshrined in the Company's Premises Security and Safety Policy and also its Code of Conduct Policy.

The optimal health of every employee is of paramount importance to the Group. In this regard, employees and directors are entitled to health insurance (at cost to the Company). The insurance covers employees and directors, their spouses and up to 4 children through selected Health Management Organization.

DIVERSITY AND EQUALITY

The Group is made up of employees from diverse backgrounds, tribes and race. The Group does not segregate or discriminate against anyone based on their status, disability or gender. This is evident in the Company's organisational structure which exhibits gender and tribe balance. In terms of gender balance, the office of the Group's Chief Executive and other key management positions in the Group are currently occupied by females. Particularly, whilst the Group has males occupying key strategic positions, a sizeable number of senior positions i.e. Managing Director – United Capital Trustees Limited; Head, Human Resources; Head, Information Technology; Head, Wealth Management and Head, Marketing and Corporate Communications are held by females thereby reflecting the Group's gender balance perspective.

The Company focuses on engaging the best minds to help achieve its vision and this is done without bias to ethnicity, gender or physical appearance. The diversity in our workforce gives us the edge of leading by example.

ENVIRONMENTAL CHANGE

The Company is committed to upholding environmental regulations and creating a safe environment for its employees and other stakeholders.

The Company has been innovative in its energy consumption, waste generation and water conservation. The Company ensures it has new multi-purpose equipment and expertise required for the businesses it engages in. This helps reduce to a large extent, the paper usage and ultimately, the waste produced.

Internally, the Company operates a paperless policy which ultimately benefits the environment. It has also significantly shifted towards paperless services for its clients/customers by introducing online/digital platforms where they can get most of their transactions done. In addition, information is passed via e-mails, sms and telephone calls.

It continues to ensure a reduction in the level of emission to the climate by encouraging its employees to use teleconferences and video conferences in place of travelling to meet with clients as often as practicable. In addition, the use of our central air conditioning system is controlled. It is restricted to particular times during the week days and weekends to help conserve energy and reduce the emissions emanating from the use of power plants.

COMMUNITY SUPPORT/ECONOMIC EMPOWERMENT

The Company strives to improve the quality of life amongst the less privileged in the community by donating to Non-Governmental-Organizations (NGO). It encourages entrepreneurship, by donating to NGOs which empower young entrepreneurs across Africa with the finances needed to start up their businesses and also offering them sound financial and investment advice. Specifically, the Company makes yearly donations to the Tony Elumelu Foundation, Africa's largest business incubator which launched the TEF Entrepreneurship Programme. The TEF Entrepreneurship Programme is comprised of a 10-year, $100 million commitment to train, mentor and fund 10,000 entrepreneurs across all African countries.

FINANCIAL INCLUSION

The Company provides services that cover a broad range of products that are accessible and affordable to all classes of people within the society. Most of these products (such as the United Capital Balanced Fund, United Capital Money Market Fund, United Capital Equity Fund and United Capital Bond Fund) pool resources from investors and invest same in targeted securities based on the Fund's investment objectives. Ordinarily, these investors may have been unable to directly invest in those securities; however, with the pooling of funds, the Group is able to bring them into the financial system thereby improving the level of financial inclusion in the country. The Company recognizes that these investor class may have minimal documentation and thus, in line with the thinking of the regulators in this regard, the Company conducts simple customer due diligence on financially excluded persons in order to bring them into the financial system, without compromising on the need to ensure that only clean money comes into the financial system. With these products, the Company is able to broaden financial inclusion, increase the investment portfolio of many and also improve their financial well-being.

CAPACITY BUILDING

To ensure that employees understand the ethics and culture of the Company, new employees are on-boarded via an induction programme. At the induction, the vision, mission and culture of the Group is explained to the new employees.

It also encourages its employees to attend trainings paid for by the Company. These trainings help expand the employees' knowledge base and skills. Employees are also encouraged to be part of the professional institutions that pertain to their lines of career. Directors are continuously trained in line with extant regulations with a view to continuously improving the quality of deliberations, decisions, management (and consequently profit), thereby maximizing value to its stakeholders.

22 February 2017

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

Dear Sir,

Report to the Directors of United Capital Plc. on the Outcome of the 2016 Board Performance Assessment

PricewaterhouseCoopers Limited was engaged to carry out an assessment of the performance of the Board of Directors of United Capital Plc. as required by Section 15.1 of the Securities and Exchange Commission ("SEC") Code of Corporate Governance for Public Companies in Nigeria ("the Code"). The review performed covered all aspects of the Board's structure and composition, responsibilities, processes and relationships, as well as individual members' competencies and respective roles in the Board's performance. The review was conducted for the period ended 31 December 2016.

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

The Board of United Capital Plc. achieved significant compliance with the provisions of the Code. This is evidenced by the Board's effective oversight of Executive Management activities, the diverse mix of skills, knowledge and experience on the Board, and the Board members involvement in the formulation of policies within the Group. The Group also held its 2015 Annual General Meeting and it was conducted in a manner which provided room for free discussions by the Board, Management and Shareholders.

In the year 2016, the Group further adhered to the Code by engaging external consultants to perform a thorough assessment of its risk management function and to also assess the effectiveness of the internal audit function.

Some areas requiring improvement include development of a remuneration policy for senior management and for the Directors to be more involved in the strategy formulation of the Group. Details of other findings and value adding recommendations are contained in our full report to the Board.

We also facilitated a Self and Peer-assessment of each Directors performance in the year under review. This assessment covered the perceived time commitment to the business of the Group, commitment to continuous learning and development and a self & peer assessment. Each individual Director's Assessment report was prepared and made available to them respectively while a consolidated report of the performance of all Directors was also submitted to the Chairman of the Board.

Yours faithfully
For: PricewaterhouseCoopers Limited

Ifori Layegue
Associate Director
FRC/2013/ICAN/000002989

PricewaterhouseCoopers Limited
5B Water Corporation Road, Victoria Island
P O Box 2419, Lagos, Nigeria. T: +234 1 271 1700, www.pwc.com/ng *TIN: 00290010-0001 RC39418*

Statement of Directors Reponsibilities

Statement of Directors' Responsibilities
For the Preparation and Approval of the Consolidated and Separate Financial

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 2015, 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 No 6, 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 2015 were approved by directors on 17 March 2016.

On behalf of the Directors of the Group

Chika Mordi
Chairman
FRC/2014/IODN/00000006667

Oluwatoyin Sanni
Group Chief Executive Officer
FRC/2013/NBA/00000002481

Statement of Consolidated Income

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	Group 2016	Group 2015	Company 2016	Company 2015
		=N=' 000	=N=' 000	=N=' 000	=N=' 000
Gross Earnings		**9,000,955**	**6,153,729**	**5,501,346**	**3,087,052**
Investment income	5	4,039,726	3,072,587	353,250	259,336
Fee and commission income	6	1,979,622	1,612,806	1,219,439	831,942
Net trading income		15,310	-	-	-
Net interest margin	7	640,319	810,862	-	-
Net Operating Income		**6,674,977**	**5,496,255**	**1,572,689**	**1,091,278**
Other income	8	2,325,978	657,474	828,657	45,774
Dividend income from Subsidiaries	9	-	-	3,100,000	1,950,000
Total Revenue		**9,000,955**	**6,153,729**	**5,501,346**	**3,087,052**
Personnel expenses	10	(1,1274,449)	(1,197,807)	(425,055)	(491,235)
Other operating expenses	11	(1,239,674)	(1,310,552)	(386,427)	(579,663)
Depreciation and amortisation	18/19	(86,587)	(63,993)	(51,537)	(30,709)
Impairment charge	20.1	(33,511)	(665,664)	-	(497,055)
Total Expenses		**(2,634,221)**	**(3,238,016)**	**(863,019)**	**(1,598,662)**
Share of profit of equity accounted investee	16	-	347,950	-	-
Profit Before Income Tax		**6,366,734**	**3,263,663**	**4,638,327**	**1,488,390**
Income tax expense	12	(363,208)	(693,191)	(169,561)	(586,009)
Profit for the period from continuing operations		**6,003,526**	**2,570,472**	**4,468,766**	**902,381**
Gain from the sale of investment in associate company	16.1	909,695	-	1,526,090	-
PROFIT FOR THE PERIOD		**6,913,221**	**2,570,472**	**5,994,856**	**902,381**
Other comprehensive income, net of income tax					
Items that will not be reclassified subsequently to profit or loss		-	-	-	-
Items that may be reclassified subsequently to profit or loss:					
Net fair value (loss)/gain on available for sale securities	31	(995,840)	(26,331)	13,978	(11,483)
Other comprehensive income for the period, net of taxes		**(995,840)**	**(26,331)**	**13,978**	**(11,483)**
Total comprehensive income for the period		**5,917,381**	**2,544,141**	**6,008,834**	**890,898**
Profit for the year attributable to:					
Equity holders of the Company		**6,913,221**	**2,570,472**	**5,994,856**	**902,381**
Total comprehensive income attributable to:					
Equity holders of the Company		**5,917,381**	**2,544,141**	**6,008,834**	**890,898**
Earnings per share-basic (kobo)	13	115	43	100	15

Statement of Financial Position

Consolidated and Separate Statements of Financial Position
As at 31 December 2016

	Note	Group 2016	Group 2015	Company 2016	Company 2015
ASSETS		**=N=' 000**	**=N=' 000**	**=N=' 000**	**=N=' 000**
Cash and cash equivalents	14	21,454,680	72,736,383	3,453,691	1,289,919
Financial assets:					
- Loan and receivables	15.1	47,977,037	30,856,189	18,689,964	12,717,488
- Available for sale	15.2	44,945,935	10,548,229	16,803,664	42,186
- Held to maturity	15.3	41,127,445	23,163,229	4,084,306	1,714,746
- Investment in property	15.4	-	270,000	-	-
Investment in associates	16	-	2,266,396	-	1,650,000
Investments in subsidiaries	17	-	-	900,000	750,000
Property, plant and equipment	18	170,937	158,703	105,257	99,945
Intangible assets	19	22,661	31,069	22,661	31,069
Trade and other receivables	20	4,337,297	3,418,928	620,023	729,623
Dividend receivable from subsidiaries	29.2	-	-	3,572,652	2,921,616
Deferred tax assets	21	656,967	656,967	334,367	334,367
TOTAL ASSETS		**160,692,959**	**144,106,093**	**48,586,585**	**22,280,959**
LIABILITIES					
Bank overdraft	22	-	2,973,552	-	-
Managed funds	23	100,679,053	109,105,099	-	-
Other borrowed funds	24	34,833,121	16,144,955	35,433,121	13,704,523
Other liabilities	25	9,120,866	3,286,580	1,610,585	734,794
Current tax liabilities	26	1,821,768	2,175,137	1,173,397	1,380,996
Deferred tax liabilities	21	219	219	-	-
TOTAL LIABILITIES		**146,455,027**	**133,685,542**	**38,217,103**	**15,820,313**
SHAREHOLDERS FUND					
Share capital	27	3,000,000	3,000,000	3,000,000	3,000,000
Share premium	27	683,611	683,611	683,611	683,611
Retained earnings	28	13,246,278	8,433,057	6,729,746	2,834,888
Other reserves	31	(2,691,957)	(1,696,117)	(43,875)	(57,853)
TOTAL SHAREHOLDERS FUND		**14,237,932**	**10,420,551**	**10,369,482**	**6,460,646**
TOTAL LIABILITIES AND SHAREHOLDERS' FUND		**160,692,959**	**144,106,093**	**48,586,585**	**22,280,959**

CHIKA MORDI
(Chairman)
FRC No: FRC/2014/IODN/00000006667

OLUWATOYIN SANNI
(Group Chief Executive Officer)
FRC No: FRC/2013/NBA/00000002481

SUNNY ANENE
(Group Chief Finance Officer)
FRC NO: FRC/2013/ICAN/00000004944

Statement of Changes in Equity

Consolidated Statement of Changes in Equity

(a)
Group

	Share Capital =N=' 000	Retained Earnings =N=' 000	Share Premium =N=' 000	Other Reserves =N=' 000	Total =N=' 000
At 1 January 2016	3,000,000	8,433,057	683,611	(1,669,117)	10,420,551
Transfer from profit or loss account	-	6,913,221	-	-	6,913,221
Dividend paid	-	(2,100,000)	-	-	(2,100,000)
Fair value reserves	-	-	-	(995,840)	(995,840)
At 31 December 2016	**3,000,000**	**13,246,278**	**683,611**	**(2,691,957)**	**14,237,932**
Company					
Balance at 1 January 2016	3,000,000	2,834,888	683,611	(57,853)	6,460,646
Transfer from profit or loss account	-	5,994,856	-	-	5,994,856
Dividend paid	-	(2,100,000)	-	-	(2,100,000)
Fair value reserve	-	-	-	13,978	13,978
At 31 December 2016	**3,000,000**	**6,729,744**	**683,611**	**(43,875)**	**10,369,482**

(b)

31 December 2015 **Group**	Share Capital =N=' 000	Retained Earnings =N=' 000	Share Premium =N=' 000	Other Reserves =N=' 000	Total =N=' 000
At 1 January 2015	3,000,000	7,062,585	683,611	(1,669,786)	9,076,410
Transfer from profit or loss account	-	2,570,472	-	-	2,570,472
Dividend paid	-	(1,200,000)	-	-	(1,200,000)
Fair value reserves	-	-	-	(26,331)	(26,331)
At 31 December 2015	**3,000,000**	**8,433,057**	**683,611**	**(1,696,117)**	**10,420,551**
Company					
At 1 January 2015	3,000,000	3,132,508	683,611	(46,371)	6,769,748
Transfer from profit or loss account	-	902,381	-	-	902,381
Dividend paid	-	(1,200,000)	-	-	(1,200,000)
Fair value reserve	-	-	-	(11,483)	(11,483)
At 31 December 2015	**3,000,000**	**2,834,889**	**683,611**	**(57,854)**	**6,460,646**

Statement of Cash Flows

Consolidated Statement of Cash Flows

	Note	Group 2016 N'000	Group 2015 N'000	Company 2016 N'000	Company 2015 N'000
Cash flows from operating activities					
Interest & investment income	5	4,039,726	3,072,587	353,250	259,336
Fees & commission income	6	1,979,622	1,612,806	1,219,439	831,942
Net trading income		15,310	-	-	-
Net interest margin	7	640,319	810,862	-	-
Other income	8	2,325,978	657,474	828,657	45,774
Gain from sale of investment in associate	16.1	1,526,090	-	1,526,090	-
Cash paid to employees	10	(1,274,449)	(991,956)	(425,055)	(463,358)
Other operating cash		521,536	42,447,557	458,953	190,235
Tax paid	26	(716,578)	(165,900)	(377,161)	(14,640)
Net cash used in/(provided by) operating activities		**9,057,554**	**47,443,430**	**3,584,173**	**849,289**
Cash flows from investing activities					
Purchase of property and equipment	18	(98,204)	(28,914)	(56,375)	(4,530)
Purchase of intangible assets	19	(2,053)	(6,901)	(2,053)	(6,901)
Investments in financial assets:					
Available for sale		(35,393,544)	(1,539,122)	(16,747,500)	-
Loans and receivables		(17,120,848)	(9,703,911)	2,296,083	(1,109,267)
Held to Maturity		(17,964,216)	4,364,553	(2,369,560)	(400,048)
Investment in associate company	16.1	1,650,000	-	1,650,000	-
Investment property		270,000	-	-	-
Net cash provided by/(used in) investing activities		**(68,658,865)**	**(6,914,295)**	**(15,229,405)**	**(1,520,746)**
Cash flows from financing activities					
Dividend received		-	-	2,448,964	1,404,791
Dividend paid	28	(2,100,000)	(1,200,000)	(2,100,000)	(1,200,000)
Additional loan during the year	24	17,874,450	4,302,988	17,874,450	1,302,988
Loan repayment	24	(7,454,842)	(2,691,337)	(4,414,410)	-
Net cash provided by financing activities		**8,319,608**	**411,651**	**13,809,004**	**1,507,779**
Net increase/(decrease) in cash and cash equivalents		(51,281,703	40,940,786	2,163,772	836,322
Cash and cash equivalents at beginning of period		72,736,383	31,795,597	1,289,919	453,597
Cash and cash equivalents at end of period	14	21,454,680	72,736,383	3,453,691	1,289,919

Notes to the Financial Statement

Notes to the Consolidated and Separate Financial Statements

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 operating holding company for the UNITED Capital Group. The company was listed 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 is 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 & 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

The Group's consolidated financial statements for the year ended 31 December 2013 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 & 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 & 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).

2.3 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.

(a) 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.

(b) 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 same party controls the combining entities or businesses both before and after the combination. Where such transactions occur, the Group, in accordance with IAS 8, uses its judgment in developing and applying an accounting policy that is relevant and reliable. In making this judgment, 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 3R 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 re-measured.

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 fi nancial value 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 Income Taxation

(a) Current Income Tax

Income tax payable (receivable) is calculated on the basis of the applicable tax law 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 realized 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.

2.7 Financial Assets and Liabilities

In accordance with IAS 39, all financial assets and liabilities – which include derivative financial instruments – are recognised in the statement of financial position and measured in accordance with their assigned category

2.7.1 Financial Assets

The Group allocates financial assets to the following IAS 39 categories: financial assets at fair value through profit or loss; loans and receivables; held-to-maturity investments; and available-for-sale financial assets. The Directors determine the classification of its financial instruments at initial recognition.

(a) Financial Assets at Fair Value through Profit or Loss

This category comprises two sub-categories: financial assets classified as held for trading, and financial assets designated by the Group as at fair value through profit or loss upon initial recognition.

A financial asset is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking.

Derivatives are also categorised as held for trading unless they are designated and effective as hedging instruments. Financial assets held for trading consist of debt instruments, including money-market paper, traded corporate and bank loans, and equity instruments, as well as financial assets with embedded derivatives.

Financial instruments included in this category are recognised initially at fair value; transaction costs are taken directly to the income statement. Gains and losses arising from changes in fair value are included directly in the income statement and are reported as 'Net gains/ (losses) on financial instruments at fair value through profit or loss'. Interest income and expense and dividend income and expenses on financial assets at fair value through profit or loss are included in 'Net interest income' or 'Dividend income', respectively. The instruments are derecognised when the rights to receive cash flows have expired or the Group has transferred substantially all the risks and rewards of ownership and the transfer qualifies for derecognising.

United 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 17 January 2013.

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

(b) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than:

(i) Those that the Group intends to sell immediately or in the short term, which are classified as held for trading, and those that the entity upon initial recognition designates as at fair value through profit or loss;

(ii) Those that the Group upon initial recognition designates as available for sale; or

(iii) Those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration.

Loans and receivables are initially recognised at fair value – which is the cash consideration to originate or purchase the loan including any transaction costs – and measured subsequently at amortised cost using the effective interest rate method. Loans and receivables are reported in the statement of financial position as investment securities that there was no ready market for tradable. In the case of impairment, the impairment loss is reported as a deduction from the carrying value of the loan and receivable

(c) Held-to-Maturity Financial Assets

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's Directors have the positive intention and ability to hold to maturity, other than:

(i) Those that the Group upon initial recognition designates at fair value through profit or loss;

(ii) Those that the Group designates as available for sale; and

(iii) Those that were initially recognised at fair value including direct and incremental transaction costs and measured subsequently at amortised cost, using the effective interest method.

Interest on held-to-maturity investments is included in the income statement and reported as 'Interest income'. In the case of an impairment, the impairment loss is been reported as a deduction from the carrying value of the investment and recognised in the income statement as 'Net gains/(losses) on investment securities'.

(d) Available-for-Sale Financial Assets

Available-for-sale investments are financial assets that are intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices or that are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

Available-for-sale financial assets are initially recognised at fair value, which is the cash consideration including any transaction costs, and measured subsequently at fair value with gains and losses being recognised in the statement of comprehensive income, except for impairment losses and foreign exchange gains and losses, until the financial asset is derecognised. If an available-for-sale financial asset is determined to be impaired, the cumulative gain or loss previously recognised in the statement of comprehensive income is recognised in the income statement. However, interest is calculated using the effective interest method, and foreign currency gains and losses on monetary assets classified as available for sale are recognised in the income statement. Dividends on available-for- sale equity instruments are recognised in the income statement in 'Other operating income' when the Group's right to receive payment is established.

(e) Recognition

The Group uses settlement date accounting for regular way contracts when recording financial asset transactions. Financial assets that are transferred to a third party but do not qualify for derecognition are presented in the statement of financial position as 'Assets pledged as collateral', if the transferee has the right to sell or repledge them.

2.7.2 Financial Liabilities

The Group's holding in financial liabilities is in financial liabilities at fair value through profit or loss (including financial liabilities held for trading and those that designated at fair value), financial liabilities at amortised cost and hedging derivatives. Financial liabilities are derecognised when extinguished.

Financial Liabilities at Fair Value through Profit or Loss

This category comprises of two sub-categories: financial liabilities classified as held for trading, and financial liabilities designated by the Group as at fair value through profit or loss upon initial recognition.

A financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Derivatives are also categorised as held for trading unless they are designated and effective as hedging instruments. Financial liabilities held for trading also include obligations to deliver financial assets borrowed by a short seller.

Those financial instruments are recognised in the statement of financial position as 'Financial liabilities held for trading'.

Gains and losses arising from changes in fair value of financial liabilities classified held for trading are included in the income statement and are reported as 'Net gains/ (losses) on financial instruments at fair value through profit or loss'. Interest expenses on financial liabilities held for trading are included in 'Net interest income'.

Other Liabilities Measured at Amortised Cost
Financial liabilities that are not classified at fair value through profit or loss fall into this category and are measured at amortised cost. Financial liabilities measured at amortised cost are deposits from corporates or customers, debt securities in issue for which the fair value option is not applied, convertible bonds and subordinated debts.

2.7.3 Derivative Financial Instruments
Derivatives are classified as assets when their fair value is positive or as liabilities when their fair value is negative. Derivative assets and liabilities arising from different transactions are only offset where there is a legal right of offset of the recognised amounts and the parties intend to settle the cash flows on a net basis, or realise the asset and settle the liability simultaneously.

2.7.4 Embedded Derivatives
Hybrid contracts contain both a derivative and a non-derivative component. In such cases, the derivative component is termed an embedded derivative. Where the economic characteristics and risks of the embedded derivatives are not closely related to those of the host contract, and the host contract itself is not carried at fair value through profit or loss, the embedded derivative is bifurcated and measured at fair value with gains and losses being recognised in the income statement.

2.7.5 Determination of Fair Value
For financial instruments traded in active markets, the determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations.

This includes listed equity securities and quoted debt instruments on major exchanges (for example, NSE) and broker quotes from Bloomberg and Reuters."

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive. Indications that a market is inactive are when there is a wide bid-offer spread or significant increase in the bid-offer spread or there are few recent transactions.

For all other financial instruments, fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques, using inputs (for example, LIBOR yield curve, FX rates, volatilities and counterparty spreads) existing at the date of the statement of financial position.

The Group uses widely recognised valuation models for determining fair values of non standardised financial instruments of lower complexity, such as options or interest rate and currency swaps. For these financial instruments, inputs into models are generally market-observable.

"For more complex instruments, the Group uses internally developed models, which are usually based on valuation methods and techniques generally recognised as standard within the industry. Valuation models are used primarily to value derivatives transacted in the over-the-counter market, unlisted securities (including those with embedded derivatives) and other instruments for which markets were or have become illiquid. Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

The impact on net profit of financial instrument valuations reflecting non-market observable inputs (level 3 valuations) is disclosed in the Notes.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Group holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including model risks, liquidity risk and counterparty credit risk.

Based on the established fair value model governance policies, and related controls and procedures applied, the Directors believe that these valuation adjustments are necessary and appropriate to fairly state the values of financial instruments carried at fair value in the statement of financial position. Price data and parameters used in the measurement procedures applied are generally reviewed carefully and adjusted, if necessary – particularly in view of the current market developments.

2.7.6 De-recognition of Financial Instruments
The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

2.8 Reclassification of Financial Assets

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

The group may reclassify a financial instrument when its intentions and the characteristics of the financial instrument changes.

2. 9 Offsetting Financial Instruments

Master agreements provide that, if an event of default occurs, all outstanding transactions with the counterparty will fall due and all amounts outstanding will be settled on a net basis.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously."

2.10 Revenue Recognition

(a) Interest Income and Expense

Interest income and expense for all interest-bearing financial instruments are recognised within 'interest income' and 'interest expense' 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 interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts the expected future cash payments or receipts through the expected life of the financial instrument, or when appropriate, a shorter period, to the net carrying amount of the instrument. The application of the method has the effect of recognising income (and expense) receivable (or payable) on the instrument evenly in proportion to the amount outstanding over the period to maturity or repayment. In calculating effective interest, the Group estimates cash flows considering all contractual terms of the fi nancial instrument but excluding future credit losses.

Fees, including those for early redemption, are included in the calculation to the extent that they can be measured and are considered to be an integral part of the effective interest rate. Cash flows arising from the direct and incremental costs of issuing financial instruments are also taken into account in the calculation. Where it is not possible to otherwise estimate reliably the cash flows or the expected life of a financial instrument, effective interest is calculated by reference to the payments or receipts specified in the contract, and the full contractual term.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest 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

2.11 Impairment of Financial Assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

- significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- the lender, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- it becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties;
- observable data indicating that there is a measurable decrease in the estimated future cashflows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:

(i) adverse changes in the payment status of borrowers in the portfolio;

(ii) national or local economic conditions that correlate with defaults on the assets in the portfolio.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant.

If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Financial assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar risk characteristics, taking into account asset type, industry, geographical location, collateral type, past-due status and other relevant factors.

These characteristics are relevant to the estimation of future cash flows for groups of such financial assets by being indicative of the counterparty's 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 based on 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.

The methodology and assumptions used for estimating future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

Following impairment, interest income is recognised using the effective rate of interest which was used to discount the future cash flows for the purpose of measuring the impairment loss.

"The amount of impairment loss is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The amount of the loss is recognised using an allowance account and recognised in the Income Statement.

In the case of available for sale equity securities, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment. Where such evidence exists, the cumulative gain or loss that has been previously recognised directly in equity is removed from equity and recognised in the Income Statement. Reversals of impairment of equity shares are not recognised in the Income Statement, increases in the fair value of equity shares after impairment are recognised directly in equity.

In the case of debt instruments classified as available for sale, impairment is assessed based on the same criteria as all other financial assets above. Reversals of impairment of debt instruments are recognised in the Income Statement.

2. 12 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. 13 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.

2. 13 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
Office equipment	5 years
Furniture & fittings	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. 14 Intangible Assets

(a) Computer Software

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

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

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

(b) **Impairment of Tangible and Intangible Assets 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.

2.15 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.

2.16 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 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.

2.18 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.

2.19 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.

2.20 Issued Debt and Equity Securities

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

2.21 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.

2.22 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. 23 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.

2.24 Related Party Transactions

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

3. Adoption of new and Revised International Financial Reporting Standards (IFRS)

3.1 New and revised IFRSs affecting amounts reported and/or disclosures in the financial statements

In the current year, the company has applied a number of new and revised IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2013.

3.2.1 New standards and amendments that will be effective for reporting period that begin 1 January 2016

A number of standards, interpretations and amendments thereto, had been issued by the IASB which are effective but do not impact on these consolidated financial statements as summarised in the table below:

IFRS	Effective Date	Subject of standard/amendment
IFRS 14 *Regulatory Deferral Accounts*	1 January 2016	IFRS 14 specifies the accounting for regulatory deferral account balances that arise from rate-regulated activities. The Standard is available only to first-time adopters of IFRSs who recognised regulatory deferral account balances under their previous GAAP. IFRS 14 permits eligible first-time adopters of IFRSs to continue their previous GAAP rate-regulated accounting policies, with limited changes, and requires separate presentation of regulatory deferral account balances in the statement of financial position and statement of profit or loss and other comprehensive income. Disclosures are also required to identify the nature of, and risks associated with, the form of rate regulation that has given rise to the recognition of regulatory deferral account balances. This standard does not impact on the consolidated financial statements as the Group does not provide services subject to rate regulation and in addition, the group has applied IFRS 1 in prior year when converting to IFRS.
Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)	Effective for annual periods beginning on or after 1 January 2016	The amendments to IFRS 11 provide guidance on how to account for the acquisition of an interest in a joint operation in which the activities constitute a business as defined in IFRS 3 Business Combinations. Specifically, the amendments state that the relevant principles on accounting for business combinations in IFRS 3 and other standards (e.g. IAS 12 Income Taxes regarding recognition of deferred taxes at the time of acquisition and IAS 36 Impairment of Assets regarding impairment testing of a cash-generating unit to which goodwill on acquisition of a joint operation has been allocated) should be applied. The same requirements should be applied to the formation of a joint operation if and only if an existing business is contributed to the joint operation by one of the parties that participate in the joint operation. A joint operator is also required to disclose the relevant information required by IFRS 3 and other standards for business combinations.
Clarification of Acceptable Methods of Depreciation and Amortization (Amendments to IAS 16 and IAS 38)	Effective for annual periods beginning on or after 1 January 2016	The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two limited circumstances: a) when the intangible asset is expressed as a measure of revenue. For example, an entity could acquire a concession to explore and extract gold from a gold mine. The expiry of the contract might be based on a fixed amount of total revenue to be generated from the extraction and not be based on time or on the amount of gold extracted. Provided that the contract specifies a fixed total amount of revenue to be generated on which amortisation is to be determined, the revenue that is to be generated might be an appropriate basis for amortising the intangible asset; or b) when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated. Based on the assessment, it was noted that none of its intangible assets or property, plant and equipment are being amortised or depreciated based on revenue

IFRS	Effective Date	Subject of standard/amendment
Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)	Effective for annual periods beginning on or after 1 January 2016	The amendments bring bearer plants, which are used solely to grow produce, into the scope of IAS 16 so that they are accounted for in the same way as property, plant and equipment. For the purpose of bringing bearer plants from the scope of IAS 41 into the scope of IAS 16 and therefore enabling entities to measure them at cost subsequent to initial recognition or at revaluation, a definition of a 'bearer plant' is introduced into both standards. A bearer plant is defined as a living plant that: i. is used in the production or supply of agricultural produce; ii. is expected to bear produce for more than one period; and iii. has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales. The scope sections of both standards are then amended to clarify that biological assets except for bearer plants are accounted for under IAS 41 while bearer plants are accounted for under IAS 16.
Equity Method in Separate Financial Statements (Amendments to IAS 27)	Effective for annual periods beginning on or after 1 January 2016	The amendments reinstate the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements. The amendments allow an entity to account for investments in subsidiaries, joint ventures and associates in its separate financial statements at cost, in accordance with IFRS 9 Financial Instruments (or IAS 39 Financial Instruments: Recognition and Measurement for entities that have not yet adopted IFRS 9), or using the equity method as described in IAS 28 Investments in Associates and Joint Ventures. The Group has assessed the impact of this amendment in its financial statements and noted that this amendment does not affect the entity's accounting treatment of its investment in its subsidiary.
Disclosure Initiative (Amendments to IAS 1)	Effective for annual periods beginning on or after 1 January 2016	The amendments aim at clarifying IAS 1 to address perceived impediments to preparers exercising their judgement in presenting their financial reports. Disclosure Initiative (Amendments to IAS 1) makes the following changes: i. Materiality. The amendments clarify that (1) information should not be obscured by aggregating or by providing immaterial information, (2) materiality considerations apply to the all parts of the financial statements, and (3) even when a standard requires a specific disclosure, materiality considerations do apply. ii Statement of financial position and statement of profit or loss and other comprehensive income. The amendments (1) introduce a clarification that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and (2) clarify that an entity's share of OCI of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss. iii. Notes. The amendments add additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order so far listed in paragraph 114 of IAS 1. The IASB also removed guidance and examples with regard to the identification of significant accounting policies that were perceived as being potentially unhelpful

Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)	Effective for annual periods beginning on or after 1 January 2016	The amendments address issues that have arisen in the context of applying the consolidation exception for investment entities. Investment Entities: The amendments confirm that the exemption from preparing consolidated financial statements for an intermediate parent entity is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all of its subsidiaries at fair value. It also states that a subsidiary that provides services related to the parent's investment activities should not be consolidated if the subsidiary itself is an investment entity. In addition, when applying the equity method to an associate or a joint venture, a non-investment entity investor in an investment entity may retain the fair value measurement applied by the associate or joint venture to its interests in subsidiaries. In addition, an investment entity measuring all of its subsidiaries at fair value must provide the disclosures relating to investment entities as required by IFRS 12.

Annual Improvements to IFRSs 2010 - 2012 Cycle
(Effective for annual periods beginning on or after 1 January 2016, except as detailed below)
The Annual Improvements include amendments to a number of IFRSs, which have been summarised below.

IFRS	Subject of amendment	Details
IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*	Changes in methods of disposal.	The amendment introduces specific guidance in IFRS 5 for when an entity reclassifies an asset (or disposal group) from held for sale to held for distribution to owners (or vice versa). The amendment clarifies that such a change is considered as a continuation of the original plan of disposal and accordingly an entity should not apply paragraphs 27-29 of IFRS 5 regarding changes to a plan of sale in those situations.
IFRS 7 *Financial Instruments: Disclosures (with consequential amendments to IFRS 1)*	(i) Servicing contracts (ii) Applicability of the amendments to IFRS 7 on offsetting disclosure to condensed interim financial statements	The amendment provides additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of the disclosures required in relation to transferred assets. Also, the amendment clarifies that the offsetting disclosures are not specifically required for all interim periods. However, the disclosures may need to be included in the condensed interim financial statements to satisfy the requirements in IAS 34 Interim Financial Reporting.
IAS 19 *Employee Benefits*	Discount rate: regional market issue	The amendment clarifies that the rate used to discount post-employment benefit obligations should be determined by reference to market yields at the end of the reporting period on high quality corporate bonds. The basis for conclusions to the amendment also clarifies that the depth of the market for high quality corporate bonds should be assessed at a currency level which is consistent with the currency in which the benefits are to be paid. For currencies for which there is no deep market in such high quality bonds, the market yields (at the end of the reporting period) on government bonds denominated in that currency should be used
IAS 34 *Interim Financial Reporting*	Disclosure of information 'elsewhere in the interim financial report'.	The amendment clarifies the requirements relating to information required by paragraph 16A of IAS 34 that is presented elsewhere within the interim financial report but outside the interim financial statements. The amendment requires that such information to be included either in the interim financial statements or incorporated by way of a cross-reference from the interim financial statements to the other part of the interim financial report that is available to users on the same terms and at the same time as the interim financial statements.

New and revised IFRSs that are not mandatorily effective (but allow early application) for the year ending 31 December 2016

Below is a list of new and revised IFRSs that are not yet mandatorily effective (but allow early application) for the year ending 31 December 2016:

i. IFRS 9 Financial Instruments;
ii. IFRS 15 Revenue from Contracts with Customers;
iii. Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
iv. IFRS 16 Leases
v. Amendments to IAS 12 Recognition of Deferred Tax Assets for Unrealized Losses
vi. Amendments to IAS 7 Additional disclosure on changes in financing activities
vii. Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions
viii. Amendments to IFRS 4 upon applying IFRS 9

IFRS 9 Financial Instruments
(Effective for annual periods beginning on or after 1 January 2018)

In July 2014, the IASB finalised the reform of financial instruments accounting and issued IFRS 9 (as revised in 2014), which contains the requirements for a) the classification and measurement of financial assets and financial liabilities, b) impairment methodology, and c) general hedge accounting. IFRS 9 (as revised in 2014) will supersede IAS 39 Financial Instruments: Recognition and Measurement upon its effective date.

Phase 1: Classification and measurement of financial assets and financial liabilities
With respect to the classification and measurement, the number of categories of financial assets under IFRS 9 has been reduced; all recognised financial assets that are currently within the scope of IAS 39 will be subsequently measured at either amortized cost or fair value under IFRS 9. Specifically:

- a debt instrument that (i) is held within a business model whose objective is to collect the contractual cash flows and (ii) has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding must be measured at amortized cost (net of any write down for impairment), unless the asset is designated at fair value through profit or loss (FVTPL) under the fair value option.

- a debt instrument that (i) is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets and (ii) has contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, must be measured at FVTOCI, unless the asset is designated at FVTPL under the fair value option.

- all other debt instruments must be measured at FVTPL.

- all equity investments are to be measured in the statement of financial position at fair value, with gains and losses recognised in profit or loss except that if an equity investment is not held for trading, an irrevocable election can be made at initial recognition to measure the investment at FVTOCI, with dividend income recognised in profit or loss.

IFRS 9 also contains requirements for the classification and measurement of financial liabilities and derecognition requirements. One major change from IAS 39 relates to the presentation of changes in the fair value of a financial liability designated as at FVTPL attributable to changes in the credit risk of that liability. Under IFRS 9, such changes are presented in other comprehensive income, unless the presentation of the effect of the change in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as FVTPL is presented in profit or loss.

Phase 2: Impairment methodology
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, an entity 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.

Phase 3: Hedge accounting
The general hedge accounting requirements of IFRS 9 retain the three types of hedge accounting mechanisms in IAS 39. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify as hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is no longer required. Far more disclosure requirements about an entity's risk management activities have been introduced.

The work on macro hedging by the IASB is still at a preliminary stage - a discussion paper was issued in April 2014 to gather preliminary views and direction from constituents with a comment period which ended on 17 October 2014. The project is under redeliberation at the time of writing.

Transitional Provisions

IFRS 9 (as revised in 2014) is effective for annual periods beginning on or after 1 January 2018 with earlier application permitted. If an entity elects to apply IFRS 9 early, it must apply all of the requirements in IFRS 9 at the same time, except for those relating to:

1. the presentation of fair value gains and losses attributable to changes in the credit risk of financial liabilities designated as at FVTPL, the requirements for which an entity may early apply without applying the other requirements in IFRS 9; and
2. hedge accounting, for which an entity may choose to continue to apply the hedge accounting requirements of IAS 39 instead of the requirements of IFRS 9.

An entity may early apply the earlier versions of IFRS 9 instead of the 2014 version if the entity's date of initial application of IFRS 9 is before 1 February 2015. The date of initial application is the beginning of the reporting period when an entity first applies the requirements of IFRS 9.

IFRS 9 contains specific transitional provisions for i) classification and measurement of financial assets; ii) impairment of financial assets; and iii) hedge accounting. Please see IFRS 9 for details.

IFRS 15 Revenue from Contracts with Customers
(Effective for annual periods beginning on or after 1 January 2018)

IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. It will supersede the following revenue Standards and Interpretations upon its effective date:

- IAS 18 Revenue;
- IAS 11 Construction Contracts;
- IFRIC 13 Customer Loyalty Programmes;
- IFRIC 15 Agreements for the Construction of Real Estate;
- IFRIC 18 Transfers of Assets from Customers; and
- SIC 31 Revenue-Barter Transactions Involving Advertising Services.

As suggested by the title of the new revenue Standard, IFRS 15 will only cover revenue arising from contracts with customers. Under IFRS 15, a customer of an entity is a party that has contracted with the entity to obtain goods or services that are an output of the entity's ordinary activities in exchange for consideration.

Unlike the scope of IAS 18, the recognition and measurement of interest income and dividend income from debt and equity investments are no longer within the scope of IFRS 15. Instead, they are within the scope of IAS 39 Financial Instruments: Recognition and Measurement (or IFRS 9 Financial Instruments, if IFRS 9 is early adopted).

As mentioned above, the new revenue Standard has a single model to deal with revenue from contracts with customers. Its core principle is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The new revenue Standard introduces a 5-step approach to revenue recognition and measurement:

Step 1: Identify the contract with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Far more prescriptive guidance has been introduced by the new revenue Standard:

- Whether or not a contract (or a combination of contracts) contains more than one promised good or service, and if so, when and how the promised goods or services should be unbundled.

- Whether the transaction price allocated to each performance obligation should be recognised as revenue over time or at a point in time. Under IFRS 15, an entity recognises revenue when a performance obligation is satisfied, which is when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Unlike IAS 18, the new Standard does not include separate guidance for 'sales of goods' and 'provision of services'; rather, the new Standard requires entities to assess whether revenue should be recognised over time or a particular point in time regardless of whether revenue relates to 'sales of goods' or 'provision of services'.

- When the transaction price includes a variable consideration element, how it will affect the amount and timing of revenue to be recognised. The concept of variable consideration is broad; a transaction price is considered variable due to discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, penalties and contingency arrangements. The new Standard introduces a high hurdle for variable consideration to be recognised as revenue – that is, only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

- When costs incurred to obtain a contract and costs to fulfil a contract can be recognised as an asset.

Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify that the exemption from preparing consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all its subsidiaries at fair value in accordance with IFRS 10. Consequential amendments have also been made to IAS 28 to clarify that the exemption from applying the equity method is also applicable to an investor in an associate or joint venture if that investor is a subsidiary of an investment entity that measures all its subsidiaries at fair value.

The amendments further clarify that the requirement for an investment entity to consolidate a subsidiary providing services related to the former's investment activities applies only to subsidiaries that are not investment entities themselves.

Moreover, the amendments clarify that in applying the equity method of accounting to an associate or a joint venture that is an investment entity, an investor may retain the fair value measurements that the associate or joint venture used for its subsidiaries.

Lastly, clarification is also made that an investment entity that measures all its subsidiaries at fair value should provide the disclosures required by IFRS 12 Disclosures of Interests in Other Entities.

The amendments apply retrospectively for annual periods beginning on or after 1 January 2016 with earlier application permitted.

IFRS 16 Leases

IFRS 16 Leases was issued, it specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

Effective date of this standard is 1 January 2018

Amendments to IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses
IAS 12 Income Taxes was amended to clarify the following aspects: Unrealized losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use. The carrying amount of an asset does not limit the estimation of probable future taxable profits. Estimates for future taxable profits exclude tax deductions resulting from the reversal of deductible temporary differences. An entity assesses a deferred tax asset in combination with other deferred tax assets. Where tax law restricts the utilization of tax losses, an entity would assess a deferred tax asset in combination with other deferred tax assets of the same type.

Effective Date of the Amendment is 1 January, 2017
Amendments to IAS 7 Additional disclosure on changes in financing activities

IAS 7 was amended to clarify that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions
IFRS 2 was amended to clarify the standard in relation to the accounting for cash-settled share-based payment transactions that include a performance condition, the classification of share-based payment transactions with net settlement features, and the accounting for modifications of share-based payment transactions from cash-settled to equity-settled.

Effective date is 1 January 2018

Amendments to IFRS 4 upon applying IFRS 9
IFRS 4 Insurance Contracts was amended to provide two options for entities that issue insurance contracts within the scope of IFRS 4:

i. an option that permits entities to reclassify, from profit or loss to other comprehensive income, some of the income or expenses arising from designated financial assets; this is the so-called overlay approach;
ii. an optional temporary exemption from applying IFRS 9 for entities whose predominant activity is issuing contracts within the scope of IFRS 4; this is the so-called deferral approach.

The application of both approaches is optional and an entity is permitted to stop applying them before the new insurance contracts standard is applied. Overlay approach to be applied when IFRS 9 is first applied

4.1 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 on-going 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 audit)	The second line of defence functions are responsible for setting frameworks within the parameters set by the Board; and report to the board governance committees. They implement the group's risk management framework and policies, approve risk within specific mandates and provide an independent overview of the effectiveness of risk management by the first line of 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.

4.2 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

4.2.1 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

4.2.2 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.

4.2.3 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 fulfill 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).

4.2.4 Market Risk

Market risk is the exposure to an adverse change in the market value, earnings (actual or effective) or future cashflows 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.

4.2.5 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.

4.2.6 Reputational Risk

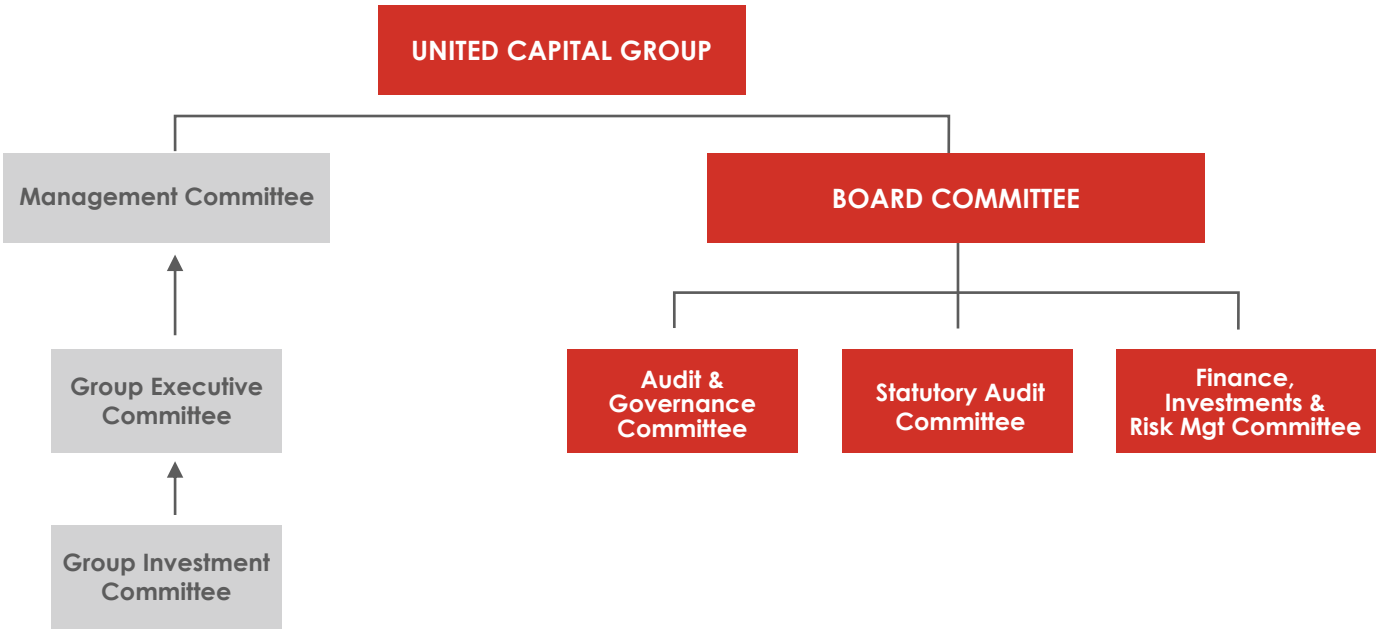
Reputational risk results from damage to the group's image among stakeholders, which may impair its ability to retain and generate business. Such damage may result from a breakdown of trust, confidence or business relationships.

4.3 Risk Management Framework

4.3.1 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).



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 Operating Officer)

4.3.3 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

	AAA N'000	AA N'000	A N'000	BBB N'000	Not rated N'000	Carrying amount N'000
Cash and cash equivalents	-	-	1,953,504	19,501,176	-	21,454,680
Treasury bills	30,373,353	-	-	-	-	30,373,353
Federal government bonds	10,793,864	-	-	-	-	10,793,864
State government bonds	-	-	13,876,268	-	-	13,876,268
Corporate bonds	-	-	33,075,028	-	-	33,075,028
Loans and receivables	-	-	-	-	21,168,313	21,168,313
Other assets	-	-	-	-	4,333,668	4,333,668
Total	**41,167,217**	**-**	**48,904,800**	**19,501,176**	**25,501,981**	**135,075,173**

* Other Assets represent settlement risk exposure (as at the balance sheet date) to trade debtors and other counterparties in the normal course of business.
* All credit exposures are neither past due nor impaired.

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 International Financial Reporting Standards.

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.

Risk Identification and Measurement
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 are considered on the basis of absolute loss exposure impact.

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 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

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	
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

4.3.5 Liquidity Risk Management

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 shall is restricted.

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

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

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

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

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 modeled 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.

4.3.6 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 Available for Sale (AFS).

- 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 groupwide 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 be based un-weighted historical data for the previous 12 months, a holding period of one day and a 99% confidence level. Daily VaR estimates are converted to a ten-day holding period. Expected shortfall is quantified to counteract the limitations of VaR.

Stop-loss triggers are used to protect the profitability of trading desks, and refer to cumulative or daily trading losses 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.

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.

4.3.7 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 behavior 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.

4.3.8 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 operating 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.

4.3.9 Capital Management

The Group's capital management approach is driven by its strategic and organisational 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.

Notes To The Financial Statements

	2016 N'000	2015 N'000
Tier 1 Capital		
- Share Capital	3,000,000	3,000,000
- Share Premium	683,611	683,611
- Retained Earnings	13,246,278	8,433,057
Total qualifying for Tier 1 Capital	**16,929,889**	**12,116,668**
Tier 2 Capital		
- Fair Value Reserve	(2,610,927)	(1,696,117)
- Other borrowings	34,227,121	16,144,955
Total qualifying for Tier 2 Capital	**31,616,194**	**14,448,838**
Total Regulatory Capital	**48,527,588**	**26,565,506**

Notes To The Financial Statements

	Group		Company	
	2016 =N=' 000	2015 =N=' 000	2016 =N=' 000	2015 =N=' 000
5 Investment Income				
Fixed deposits	4,036,807	3,070,791	353,250	259,336
Investments securities	2,919	1,796	-	-
	4,039,726	**3,072,587**	**353,250**	**259,336**
6 Fees and Commission Income				
Financial advisory fees	1,219,439	831,941	1,219,439	831,942
Other fees and charges	760,183	780,865	-	-
	1,979,622	**1,612,806**	**1,219,439**	**831,942**

Net trading income includes gains and losses arising both on the purchase and sale of quoted equities.

	Group		Company	
	2016 =N=' 000	2015 =N=' 000	2016 =N=' 000	2015 =N=' 000
7 Net Interest Margin				
Interest income on managed funds	8,874,947	4,681,648	-	-
Interest expense on managed funds	(8,234,628)	(3,870,786)	-	-
	640,319	**810,862**	**-**	**-**

	Group		Company	
	2016 =N=' 000	2015 =N=' 000	2016 =N=' 000	2015 =N=' 000
8 Other Income				
Dividend on equity investment	464,395	357,308	6,740	2,247
Other interest income	681	49,945	-	37,889
Other income	1,860,902	250,221	821,917	5,638
	2,325,978	**657,474**	**828,657**	**45,774**

9 Dividend Income from Subsidiaries

This represents dividend declared by subsidiaries - United Capital Trustees Limited and United Capital Asset Management within the Group.

Notes To The Financial Statements

	Group		Company	
	2016 =N=' 000	2015 =N=' 000	2016 =N=' 000	2015 =N=' 000
10 Personnel Expenses				
Staff cost	1,259,101	1,176,490	419,187	483,454
Contributions to defined contribution plans	15,348	21,317	5,868	7,781
	1,274,449	**1,197,807**	**425,055**	**491,235**
11 Other Operating Expenses				
Other premises and equipment costs	9,049	15,213	1,719	3,273
Auditors remuneration	36,000	31,500	12,000	10,000
Professional fees	467,233	476,270	93,475	158,465
Interest on long term debt	-	36,207	-	3,582
Travel and accommodation	21,355	24,600	12,071	14,806
Business development	76,022	83,989	25,648	66,334
Insurance	26,749	20,760	7,663	5,947
General admin expenses	288,864	243,896	132,056	148,637
Advertisement and branding	31,031	40,385	4,999	16,955
AGM/Dividend processing expenses	63,885	113,820	21,295	61,675
Share register fee	17,610	18,327	5,870	9,163
Rent and Rates	95,803	79,772	30,708	27,319
Directors fees and other allowances	28,841	28,840	9,547	7,210
Subscription	26,649	9,779	12,125	5,439
Printing and Stationary	6,282	7,583	2,243	3,807
Office running expenses	6,011	24,497	924	3,135
Exchange rate loss	-	14,341	-	14,341
Business entertainment	847	5,515	426	2,280
IT license and maintenance fee	26,550	20,500	8,850	10,250
Training and conference	10,893	14,758	4,808	7,045
	1,239,674	**1,310,552**	**386,427**	**579,663**

12 Recognised in the Profit or Loss

	Group		Company	
	2016 =N=' 000	2015 =N=' 000	2016 =N=' 000	2015 =N=' 000
Profit Before Tax	**6,366,734**	**3,263,663**	**4,638,327**	**1,488,390**
Taxable expenses		-	-	579,671
Tax free Income	-	-	(3,100,000)	(1,970,359)
Taxable profit/(loss)	**6,366,734**	**3,263,663**	**1,538,327**	**(97,702)**
Excess dividend tax	-	630,000	-	630,000
Income tax @ 30%	211,679	78,152	89,295	-
Minimum tax	14,701	52,170	-	37,213
Education tax @ 2%	26,789	7,823	18,487	1,954
Technology tax	110,039	50,060	61,779	14,884
Share of associated company tax	-	10,506	-	-
Current Tax on Income for the Year	**363,208**	**828,711**	**169,561**	**684,051**
Deferred tax charge- temporary difference	-	(135,520)	-	(98,042)
Tax on Profit on Ordinary Activities	**363,208**	**693,191**	**169,561**	**586,009**
Effective Tax Rate %	**6**	**21**	**4**	**39**

Notes To The Financial Statements

13	Basic Earnings Per Share	2016	2015	2016	2015
	Basic earnings attributable to shareholders (N'000)	6,913,221	2,570,472	5,994,856	902,381
	Number of ordinary shares in issue ('000)	6,000,000	6,000,000	6,000,000	6,000,000
	Basic earnings per share (kobo)	**115**	**43**	**100**	**15**

		Group		Company	
		2016 =N=' 000	2015 =N=' 000	2016 =N=' 000	2015 =N=' 000
14	**Cash and Cash Equivalents**				
	Cash and balances with banks	1,953,504	2,503,866	649,927	561,199
	Money market placements	19,501,176	70,232,775	2, 803,764	728,720
		21,454,680	**72,736,641**	**3,453,691**	**1,289,919**
	Allowance for impairment	-	(258)	-	-
		21,454,680	**72,736,383**	**3,453,691**	**1,289,919**

"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".

		Group		Company	
		2016 =N=' 000	2015 =N=' 000	2016 =N=' 000	2015 =N=' 000
15	**Financial Assets**				
15.1	**Loan and Receivables**				
	Bonds	26,808,724	16,446,988	-	-
	Commercial paper	11,979,979	8,392,912	11,979,979	8,392,912
	Loans to customer (note 15.1.1)	9,188,334	6,016,289	6,709,985	4,324,576
		47,977,037	**30,856,189**	**18,689,964**	**12,717,488**

15.1.1 This represents a loan facility indexed to LIBOR for a period of 24months. The Commercial paper represents investment in a discounted note for a period of 60 months. Bonds represents investment in State Government and Corporate bonds.

Notes To The Financial Statements

		Group		Company	
		2016 =N=' 000	2015 =N=' 000	2016 =N=' 000	2015 =N=' 000
15.2	**Financial Assets - Available for Sale**				
	Treasury bills	9,388,480	1,396,723	-	-
	Bonds	13,573,865	4,789,762	-	-
	Equity- Quoted	2,218,626	2,183,671	100,039	100,039
	Equity- Unquoted	19,386,262	2,033,744	16,747,500	-
	Collective Investment Scheme	3,070,659	1,840,446	-	-
		47,637,892	12,244,346	**16,847,539**	**100,039**
	Less: Fair value change (note 31)	(2,691,957)	(1,696,117)	(43,875)	(57,853)
		44,945,935	**10,548,229**	**16,803,664**	**42,186**
15.3	**Financial Assets - Held to Maturity**				
	Fixed deposit	-	112,305	-	-
	Treasury Bills	20,984,873	3,241,065	1,448,144	-
	Federal Government Bonds	-	802,571	-	-
	State Government Bonds	11,607,151	11,650,981	486,799	-
	Corporate Bonds	8,535,421	7,356,307	2,149,363	1,714,746
		41,127,445	**23,163,229**	**4,084,306**	**1,714,746**
15.4	**Financial Assets - Investment in Property**				
	Real Estate	-	270,000	-	-

In 2014, the company purchased a property located at No 4 Marconi Street, Palmgrove Estate. The property was purchased for real estate development; it was disposed in February 2016 for about N284million.

		Group		Company	
		2016 =N=' 000	2015 =N=' 000	2016 =N=' 000	2015 =N=' 000
16	**Investment in Associate**				
	At 1 January	2,266,396	1,928,952	1,650,000	1,650,000
	Share of profit before tax	-	347,950	-	-
	Share of tax	-	(10,506)	-	-
	Disposal of associate (Note 16.1)	(2,266,396)	-	(1,650,000)	-
	At 31 December	**-**	**2,266,396**	**-**	**1,650,000**

During the period, the company disposed her 50% stake in UBA Metropolitan Life Limited.

		Group		Company	
		2016 =N=' 000	2015 =N=' 000	2016 =N=' 000	2015 =N=' 000
16.1	**Gain on Disposal of Associate**				
	Proceeds on disposal	3,176,090	-	3,176,090	-
	Cost of investment	(2,266,396)	-	(1,650,000)	-
		909,694	-	**1,526,090**	-

Notes To The Financial Statements

17 Investment in Subsidiaries

	Date of Investment	Holding	Value N'000	Country
United Capital Securities Limited	2006	100%	100,000	Nigeria
United Capital Assets Management Limited	2013	100%	500,000	Nigeria
United Capital Trustees Limited	2013	100%	300,000	Nigeria
			900,000	

17.1 Other Information on Subsidiaries

(i) United Capital Securities Limited is a dealing member of the Nigerian Stock Exchange (NSE) and registered by the Securities & Exchange Commission (SEC) as a Broker/Dealer. It is also a registered dealing member of NASD OTC Plc and FMDQ OTC Plc. This enables the Company to deal in over-the-counter Equity and Fixed Income Securities. The Company provides services such as securities dealing, receiving agents to new issues, stockbrokers to primary issues, designated adviser to SME's and equity portfolio management services.

(ii) United Capital Assets Management Limited is registered and licensed by the Securities and Exchange Commission of Nigeria (SEC) to act as investment advisers, funds and portfolio managers.

(iii) United Capital Trustees Limited is a leading provider of Trust services such as debenture trust, bond trusteeship to corporate and sub-sovereign issuers of public debt instruments and trustees to collective investment schemes.

17.2 Non-Controlling Interest of Subsidiaries

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

17.3 Significant Restrictions

The group does not have significant restrictions on its ability to access or use the assets and settle the liabilities of any member of the Group other than those resulting from the subsidiaries' supervisory frameworks. Disclosures on liquidity, capital adequacy and credit risk were disclosed in the enterprise risk management.

18 (i) Property, Plant and Equipment Group

	Furniture & Equipment =N=' 000	Motor vehicles =N=' 000	Computer Equipment =N=' 000	Total =N=' 000
Cost				
Balance at 1 January 2016	64,484	234,380	106,037	404,901
Additions	1,827	79,195	17,182	98,204
Disposals	-	(23,970)	-	(23,970)
Balance at 31 December 2016	66,311	289,605	123,219	479,135
Depreciation and Impairment Losses				
Balance at 1 January 2016	37,846	139,968	68,384	246,199
Additions	8,618	57,051	13,387	79,055
Disposals	20	(17,076)	-	(17,056)
Balance at 31 December 2016	46,484	179,943	81,771	308,198
Carrying Amounts				
Balance at 31 December 2016	**19,827**	**109,662**	**41,448**	170,937
Balance at 31 December 2015	**26,638**	**94,415**	**37,651**	**158,703**

Notes To The Financial Statements

18	Property, Plant and Equipment	Furniture & Equipment =N=' 000	Motor Vehicles =N=' 000	Computer Equipment =N=' 000	Total =N=' 000
(ii)	**Company**				
	Balance at 1 January 2016	35,522	77,555	54,032	167,108
	Additions	1,549	49,895	4,931	56,375
	Disposals	-	(22,831)	-	(22,831)
	Balance at 31 December 2016	37,071	104,618	58,963	200,652
	Depreciation and Impairment Losses				
	Balance at 1 January 2016	13,021	35,055	19,087	67,163
	Additions	7,146	25,697	11,161	44,005
	Disposals	22	(15,795)	-	(15,773)
	Balance at 31 December 2016	20,189	44,957	30,248	95,395
	Carrying Amounts				
	Balance at 31 December 2016	**16,881**	59,661	**28,714**	**105,257**
	Balance at 31 December 2015	**22,501**	42,500	**34,944**	**99,945**

19	Intangible Assets Purchased Software	Group =N=' 000	Company =N=' 000
	Cost		
	At 1 January 2016	50,916	50,916
	Addition	2,053	2,053
	Balance at 31 December 2016	52,969	52,969
	Amortization and Impairment Losses		
	At 1 January 2016	19,849	19,849
	Amortisation for the year	10,459	10,459
	Balance at 31 December 2016	30,308	30,308
	Carrying Amounts		
	Balance at 31 December 2016	**22,661**	**22,661**
	Balance at 31 December 2015	**31,069**	**31,069**

Notes To The Financial Statements

		Group		Company	
		2016 =N=' 000	2015 =N=' 000	2016 =N=' 000	2015 =N=' 000
20	**Trade Receivables & Prepayments**				
	Trade debtors	63,631	724,996	48,412	48,524
	Interest receivable	377,375	1,171,117	76,072	50,435
	Prepayments	201,409	454,169	8,538	49,808
	Accrued income	1,340,713	658,445	756,756	658,445
	Other receivables	636,907	816,410	118,202	75,940
	WHT receivable	229,067	535,954	145,974	492,136
	Other assets	2,414,460	81,936	-	-
		5,263,562	**4,443,027**	**1,153,954**	**1,375,288**
	Impairment on trade receivables (note 20.1)	(926,265)	(1,024,099)	(533,931)	(645,665)
		4,337,297	**3,418,928**	**620,023**	**729,623**
20.1	**Impairment on Trade Receivables**				
	At 1 January	1,024,099	750,940	645,665	167,965
	Provision no longer required	(131,345)	(392,505)	(111,734)	(19,356)
	Arising during the year	33,511	665,664	-	497,055
	Write off	-	-	-	-
	At 31 December	**926,265**	**1,024,099**	**533,931**	**645,665**
	Allowance for Impairment				
	Impairment loss on trade receivables	**33,511**	**665,664**	-	**497,055**
21	**Deferred Tax - (Asset)**				
	Deferred tax assets:				
	– Deferred tax asset to be recovered after more than 12 months	656,967	656,967	334,367	334,367
		656,967	**656,967**	**334,367**	**334,367**
	Deferred Tax Liabilities:				
	– Deferred tax liability to be recovered after more than 12 months	219	219	-	-
	Total	**219**	**219**	**-**	**-**

		Group		Company	
		2016 =N=' 000	2015 =N=' 000	2016 =N=' 000	2015 =N=' 000
22	**Bank Overdraft**	**-**	**2,973,552**	**-**	**-**
23	**Managed Funds**				
	Short Term Investments	54,525,885	58,404,666	-	-
	Trust Funds	1,984,229	1,566,202	-	-
	Sinking Funds	43,802,392	48,848,065	-	-
	Payable on trust accounts	366,547	286,166	-	-
		100,679,053	**109,105,099**	**-**	**-**

Sinking Funds are funds managed by Trustees on behalf of State Governments. The funds are invested in fixed income instruments for liquidity purposes in order to meet bondholders obligations as they become due.

Notes To The Financial Statements

24	**Other Borrowed Funds**				
	At 1 January	16,144,955	14,479,289	13,704,523	12,397,952
	Loan from commercial bank (note 24.1)	17,874,450	4,302,988	17,874,450	1,302,989
	Interest charge during the period	-	54,015	-	3,582
	Revaluation	8,268,558	-	8,268,558	-
	Repayment during the period	(7,454,842)	(2,691,337)	(4,414,410)	-
	At 31 December	**34,833,121**	**16,144,955**	**35,433,121**	**13,704,523**

24.1 Loans from commercial bank represent different facilities with floating interest rates indexed to Libor for a period of sixty (60) months with maturity ranging from 1 month to 32 months. The loans are collaterized by negative pledge.

		Group		Company	
		2016 =N=' 000	**2015 =N=' 000**	**2016 =N=' 000**	**2015 =N=' 000**
25	**Other Liabilities**				
	Creditors and accruals	1,494,978	1,271,777	705,411	547,651
	Customers deposit	2,946,878	602,475	-	-
	Other current liabilities	4,679,010	1,412,328	905,174	187,143
		9,120,866	**3,286,580**	**1,610,585**	**734,794**
26	**Current Tax Liabilities**				
	Per Statement of Financial Position:				
	At 1 January	2,175,137	1,522,835	1,380,996	711,585
	Charge for the year	363,208	818,202	169,561	684,051
	Tax paid	(716,578)	(165,900)	(377,161)	(14,640)
	At 31 December	**1,821,768**	**2,175,137**	**1,173,397**	**1,380,996**

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.

27	**Share Capital**				
	The share capital comprises:				
(i)	Authorised - 6,000,000,000 Ordinary shares of 50 kobo each	**3,000,000**	**3,000,000**	**3,000,000**	**3,000,000**
(ii)	Issued and fully paid - 6,000,000 Ordinary shares of 50 kobo each	**3,000,000**	**3,000,000**	**3,000,000**	**3,000,000**
	Share Premium				
	At 1 January	683,611	683,611	683,611	683,611
	Arising during the period	-	-	-	-
	Share issue expenses	-	-	-	-
	At 31 December, 2016	**683,611**	**683,611**	**683,611**	**683,611**

Notes To The Financial Statements

		Group		Company	
		2016 =N=' 000	2015 =N=' 000	2016 =N=' 000	2015 =N=' 000
28	**Retained Earnings**				
	At 1 January	8,433,057	7,062,585	2,834,888	3,132,507
	Transfer from profit or loss account	6,913,221	2,570,472	5,994,856	902,381
	Dividend declared and paid during the period	(2,100,000)	(1,200,000)	(2,100,000)	(1,200,000)
	At 31 December	**13,246,278**	**8,433,057**	**6,729,744**	**2,834,888**
29	**Dividend from Subsidiaries**				
29.1	This represents dividend declared by subsidiaries - United Capital Trustees Limited and United Capital Asset Management within the Group, made up as follows:				
	Gross Dividend	-	-	3,444,444	2,166,667
	Withholding tax	-	-	(344,444)	(216,667)
	Net Dividend	**-**	**-**	**3,100,000**	**1,950,000**
29.2	**Dividend Receivable from Subsidiaries**				
	At 1 January	-	-	2,921,616	2,376,407
	Arising during the year	-	-	3,100,000	1,950,000
	Receipt during the year	-	-	(2,448,964)	(1,404,791)
	At 31 December	**-**	**-**	**3,572,652**	**2,921,616**

		Group		Company	
		2015 =N=' 000	2014 =N=' 000	2015 =N=' 000	2014 =N=' 000
30	**Other Reserves**				
	Fair value reserves	(2,691,957)	(1,696,117)	(43,875)	(57,853)
31	**Fair Value Reserves**				
	At 1 January	(1,696,117)	(1,669,786)	(57,853)	(46,371)
	Arising during the year	(995,840)	(26,331)	13,978	(11,482)
	At 31 December	**(2,691,957)**	**(1,696,117)**	**(43,875)**	**(57,853)**

32 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.

32.1 Identity of Related Parties	**Relationship**	**%**
United Capital Asset Management Limited	Subsidiary	100
United Capital Trustees Limited	Subsidiary	100
United Capital Securities Limited	Subsidiary	100
UBA Nominees Limited	Sub-subsidiary	100

32.2 Key Management Pversonnel

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.

Notes To The Financial Statements

32.3 Remuneration of Key Personnel

Aggregate remuneration paid to key management staff during the year is as follows:

	Group		Company	
	2016 =N=' 000	2015 =N=' 000	2016 =N=' 000	2015 =N=' 000
Salaries & wages	208,658	223,443	127,775	198,232
Defined contribution plans	3,965	4,972	3,412	4,015
	212,623	**228,415**	**131,187**	**202,247**

32.4 Other Information on Key Management Personnel

Emoluments:				
Chairman	7,308	7,308	1,827	1,827
Other Directors	21,532	21,532	5,383	5,383
	28,840	**28,840**	**7,210**	**7,210**
Fees	5,500	5,500	1,375	1,375
Other Emoluments	23,340	23,340	5,835	5,835
	28,840	**28,840**	**7,210**	**7,210**
The total number of Directors were:	6	6	6	6

32.5 The number of persons employed (excluding Directors) in the company during the period was as follows:

	101	112	11	15

33 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%

34 Events After Reporting Period

There are no material issues after the reporting period.

Statement of Value Added

	Group				Company			
	2016		2015		2016		2015	
	=N=' 000	%	=N=' 000	%	=N=' 000	%	=N=' 000	%
Gross earnings	9,000,955		6,153,729		5,501,346		3,087,052	
Operating expenses - Local	(1,239,674)		(962,602)		(386,427)		(579,663)	
VALUE ADDED	**7,761,281**	**100**	**5,191,127**	**100**	**5,114,919**	**100**	**2,507,389**	**100**
Applied as Follows:								
To Pay Employees:								
Salaries and other benefits	1,274,449	16	1,197,807	23	425,055	8	491,235	20
To Pay Government:								
Taxes	363,208	6	693,191	13	169,561	4	586,009	23
Retained for Future Replacement of Assets and Expansion of Business:								
- Depreciation	86,587	1	63,993	1	51,537	1	30,709	1
- Impairment loss	33,511	-	665,664	13	-	-	497,055	20
- Profit for the year	6,003,526	77	2,570,472	50	4,468,766	87	902,381	36
	7,761,281	100	**5,191,127**	100	**5,114,919**	100	**2,507,389**	100

Value added represents the additional wealth which the company has been able to create on its own and employees' efforts. The statement shows the allocation of that wealth between the employees, government and that retained by the company for the future creation of more wealth.

Financial Summary - Group

	2016	2015	2014	2013	2012
	=N=' 000	=N=' 000	=N=' 000	=N=' 000	=N=' 000
ASSETS					
Cash and cash equivalents	21,454,680	72,736,383	31,795,597	29,203,619	2,134,561
Financial assets:					
- Held for trading	-	-	-	173,137	426,561
- Loan and receivables	47,977,037	30,856,189	21,152,276	8,851,121	-
- Available for sale	44,945,935	10,548,229	9,035,439	10,573,206	-
- Held to maturity	41,127,445	23,163,229	27,525,589	26,724,634	317,127
- Investment in property	-	270,000	270,000	-	-
Investments in associates	-	2,266,396	1,928,952	1,809,382	875,285
Property and equipment	170,937	158,703	232,950	160,718	9,401
Intangible assets	22,661	31,069	33,603	28,399	4,517
Deferred tax assets	656,967	656,967	521,449	224,607	224,607
Trade and other receivables	4,337,297	3,418,928	2,791,601	1,728,241	205,690
Assets classified as held for sale	-	-	-	-	7,605,422
TOTAL ASSETS	**160,692,959**	**144,106,093**	**95,287,456**	**79,477,064**	**11,803,171**
LIABILITIES					
Bank overdraft	-	2,973,552	-	-	-
Managed Funds	100,679,053	109,105,099	67,035,403	62,476,554	-
Other borrowed funds	34,833,121	16,144,955	14,479,289	5,325,524	897,020
Other liabilities	9,120,866	3,286,580	3,173,303	2,238,861	779,648
Current tax liabilities	1,821,768	2,175,137	1,522,835	1,054,634	219,586
Deferred tax liabilities	219	219	219	219	-
Liabilities associated to assets classified as held for sale	-	-	-	-	6,057,005
TOTAL LIABILITIES	**146,455,027**	**133,685,542**	**86,211,049**	**71,095,792**	**7,953,259**
EQUITY					
Share capital	3,000,000	3,000,000	3,000,000	2,000,000	2,000,000
Share premium	683,611	683,611	683,611	-	-
Retained earnings	13,246,278	8,433,057	7,062,582	6,716,234	1,849,912
Other reserves	(2,691,957)	(1,696,117)	(1,669,786)	(334,962)	-
SHAREHOLDER'S FUND	**14,237,932**	**10,420,551**	**9,076,407**	**8,381,272**	**3,849,912**
TOTAL LIABILITIES AND EQUITY	**160,692,959**	**144,106,093**	**95,287,456**	**79,477,064**	**11,803,171**
CONTINGENT LIABILITIES	**-**	**-**	**14,000,000**	**15,000,000**	**27,000,000**

Financial Summary - Company

	2016	2015	2014	2013	2012
	=N=' 000	=N=' 000	=N=' 000	=N=' 000	=N=' 000
ASSETS					
Cash and cash equivalents	3,453,691	1,289,919	453,597	1,543,308	33,478
Financial assets					
- Held for trading	-	-	-	-	37,212
- Loan and receivables	18,689,964	12,717,488	11,608,222	3,460,321	-
- Available for sale	16,803,664	42,186	53,668	111,080	-
- Held to maturity	4,084,306	1,714,746	1,314,698	-	317,127
Investments in subsidiaries	900,000	750,000	750,000	750,000	200,000
Investments in associates	-	1,650,000	1,650,000	1,650,000	750,000
Property and equipment	105,257	99,945	142,284	67,696	6,579
Intangible assets	22,661	31,069	33,603	28,399	301
Trade and other receivables	620,023	729,623	1,543,403	785,482	180,067
Dividend receivable from subsidiaries	3,572,652	2,921,616	2,376,407	2,894,974	-
Deferred tax	334,367	334,367	236,325	-	-
TOTAL ASSETS	**48,586,585**	**22,280,959**	**20,162,207**	**11,291,260**	**1,524,764**
LIABILITIES					
Other borrowed funds	35,433,121	13,704,523	12,397,952	5,325,524	897,020
Other liabilities	1,610,585	734,794	282,924	168,060	24,970
Current tax liabilities	1,173,397	1,380,996	711,585	479,830	11,686
TOTAL LIABILITIES	**38,217,103**	**15,820,313**	**13,392,461**	**5,973,414**	**933,676**
EQUITY					
Share capital	3,000,000	3,000,000	3,000,000	2,000,000	2,000,000
Share premium	683,611	683,611	683,611	-	-
Retained earnings	6,729,746	2,834,888	3,132,506	3,306,806	(1,408,912)
Other reserves	(43,875)	(57,853)	(46,371)	11,041	-
SHAREHOLDERS' FUND	**10,369,482**	**6,460,646**	**6,769,746**	**5,317,847**	**591,088**
TOTAL LIABILITIES AND EQUITY	**48,586,585**	**22,280,959**	**20,162,207**	**11,291,260**	**1,524,764**
CONTINGENT LIABILITIES	**-**	**-**	**14,000,000**	**15,000,000**	**27,000,000**

Financial Summary - Group

	2016	2015	2014	2013	2012
	=N=' 000	=N=' 000	=N=' 000	=N=' 000	=N=' 000
Gross earnings	9,000,955	6,153,729	4,676,602	4,573,241	1,342,055
Gross operating expenses	(2,634,221)	(3,238,016)	(2,494,227)	(2,103,418)	(626,747)
Share of profit/(loss) of equity accounted investee	-	347,950	127,504	164,091	128,865
Profit before income tax	**6,366,734**	**3,263,663**	**2,309,879**	**2,633,914**	**844,173**
Income tax expense	(363,208)	(693,191)	(463,531)	(870,903)	12,164
Profit for the year from continuing operations	**6,003,526**	**2,570,472**	**1,846,348**	**1,763,011**	**856,337**
Profit for the year from discontinued operations	-	-	-	-	561,652
Gain from the sale of investment in associate company	909,695	-	-	-	-
Other comprehensive income for the period	(995,840)	(26,331)	(1,334,824)	131,126	(97)
Total comprehensive income for the period	**5,917,381**	**2,544,141**	**511,524**	**1,894,137**	**1,417,892**
Earnings per share-basic (kobo)	115	43	41	44	21

Financial Summary - Company

	2016 =N=' 000	2015 =N=' 000	2014 =N=' 000	2013 =N=' 000	2012 =N=' 000
Gross earnings	5,501,346	3,087,052	2,236,593	4,358,092	400,086
Gross operating expenses	(863,019)	(1,598,662)	(772,576)	(622,695)	(348,817)
Profit before income tax	**4,638,327**	**1,488,390**	**1,464,017**	**3,735,397**	**51,269**
Income tax expense	(169,561)	(586,009)	(138,315)	(469,682)	40,411
Profit for the year from continuing operations	**4,468,766**	**902,381**	**1,325,702**	**3,265,715**	**91,680**
Gain from the sale of investment in associate company	**1,526,090**	-	-	-	-
Other comprehensive income for the period	13,978	(11,483)	(57,412)	11,041	(97)
Total comprehensive income for the period	**6,008,834**	**890,898**	**1,268,290**	**3,276,756**	**91,583**
Earnings per share-basic (kobo)	100	15	29	82	2

Notice of AGM

United Capital

NOTICE OF 2017 ANNUAL GENERAL MEETING OF UNITED CAPITAL PLC

NOTICE IS HEREBY GIVEN that the Annual General Meeting of United Capital Plc will hold at the Eko Hotel & Suites, Adetokunbo Ademola Street, Victoria Island, Lagos on Friday March 17, 2017 at 10am in order to transact the following businesses:

ORDINARY BUSINESS

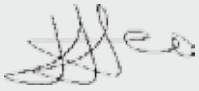
1. To lay before the members the Audited Financial Statements for the year ended December 31, 2016 and the Report of the Directors, Auditors and Audit Committee thereon;
2. To declare a Dividend;
3. To re-elect retiring Directors;
4. To authorise the Directors to determine the remuneration of the Auditors;
5. To elect members of the Statutory Audit Committee.

SPECIAL BUSINESS

6. To fix the remuneration of Directors.

Dated February 15, 2017

BY ORDER OF THE BOARD



LEO OKAFOR
COMPANY SECRETARY
FRC/2013/NBA/00000002520

NOTES

PROXY

Any member of the Company entitled to attend and vote at this meeting is also entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the Company. A proxy form must be completed and deposited at the office of the Company's Registrar, Africa Prudential Registrars Plc, 220B Ikorodu Road, Palmgrove, Lagos, not later than 48 hours before the time fixed for the meeting.

RIGHT OF SECURITIES' HOLDERS TO ASK QUESTIONS

Securities' Holders have a right to ask questions not only at the Meeting, but also in writing prior to the Meeting, and such questions must be submitted to the Company on or before March 15, 2017.

NOMINATION TO THE AUDIT COMMITTEE

Pursuant to Section 359(5) of the Companies & Allied Matters Act, Cap C20 Laws of the Federation of Nigeria, 2004 any member may nominate a shareholder as a member of the Audit Committee by giving notice in writing of such nomination. Such notice shall reach the Company Secretary at least 21 days before the Annual General Meeting. The Securities & Exchange Commission's Code of Corporate Governance for Public Companies has indicated that members of the Audit Committee should have basic financial literacy and should be able to read Financial Statements. We therefore request that nominations be accompanied by a copy of the nominee's curriculum vitae.

DIVIDEND

If the Dividend recommended by the Directors is approved by the members at the Annual General Meeting, Dividend will be paid by March 22, 2017 to the Shareholders whose names appear in the Company's Register of Members at the close of business on March 2, 2017.

CLOSURE OF REGISTER

The Register of Members and Transfer Books will be closed from March 3, 2017 to March 6, 2017 both days inclusive for the purpose of updating the Register of Members.

E-DIVIDEND

Notice is hereby given to all Shareholders to open bank accounts, stockbroking accounts and CSCS accounts for the purpose of dividend. 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.

E- REPORT

In order to improve delivery of our Annual Report, we have inserted a detachable Form to the Annual Report and hereby request Shareholders who wish to receive the Annual Report of United Capital Plc in an electronic format to complete and return the Form to the Registrars for further processing.

In addition, Annual Reports are available online for viewing and download from our website at
www.unitedcapitalplcgroup.com

Investment Banking ▪ Asset Management ▪ Securities Trading ▪ Trustee Services

Corporate Information

Directors:

Chika Mordi –	Chairman
Oluwatoyin Sanni –	Group Chief Executive Officer
Yoro Mohamed Diallo –	Independent Director
Adim Jibunoh –	Non Executive Director
Ambassador John K. Shinkaiye –	Non Executive Director
Emmanuel N. Nnorom –	Non Executive Director

Executive Management:

Oluwatoyin Sanni –	Group Chief Executive Officer
Bunmi Akinremi –	Deputy Group CEO/MD, Investment Banking
Jude Chiemeka –	Managing Director, United Capital Asset Management
Kayode Fadahunsi –	Managing Director, United Capital Securities
Tokunbo Ajayi –	Managing Director, United Capital Trustees

Company Secretary/General Counsel

Leo Okafor

- **RC No** RC 444999
- **FRC No** FRC/2013/00000000001976
- **Registered Office** 57, Marina
Lagos Island
Lagos, Nigeria
- **Bankers** United Bank for Africa
57 Marina
Lagos Island
Lagos, Nigeria
- **Auditors** Akintola Williams Deloitte
235 Ikorodu Road
Ilupeju
Lagos, Nigeria

Africa Prudential Registrars Plc

RC NO: 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. SPOUSE' NAME:
5. *MOTHER'S MAIDEN NAME:
6. *E-MAIL:
7. ALTERNATE E-MAIL:
8. *MOBILE No.: 9. SEX: MALE ☐ FEMALE ☐
10. PHONE No. (HOME):
11. *POSTAL ADDRESS:
12. CSCS CLEARING HOUSE No.:
13. NAME OF STOCKBROKER: 14. OCCUPATION:
15. NATIONALITY:
16. NEXT OF KIN:

DECLARATION

"I 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."

Signature: _____ Signature : _____

for joint/corporate accounts only

DISCLAIMER

"In no event shall Africa Prudential Registrars be liable for any damages , losses or liabilities including without limitation, direct or indirect, special, incidental, consequential damages, losses or liabilities, in connection with your use of this form or your inability to use the information, materials, or in connection with any failure, error, omission, defect, delay in operation or transmission, or system failure, even if you advice us of the possibility of such damages, losses of expenses, whether express or implied in respect of such information."

Please tick against the company(ies) where you have shareholding

CLIENTELE

1. AFRICA PRUDENTIAL REGISTRARS PLC ☐
2. ABBEY BUILDING SOCIETY PLC ☐
3. AFRILAND PROPERTIES PLC ☐
4. A & G INSURANCE PLC ☐
5. ARM PROPERTIES PLC ☐
6. A.R.M LIFE PLC ☐
7. ADAMAWA STATE GOVERNMENT BOND ☐
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. COMPUTER WAREHOUSE GROUP ☐
17. EBONYI STATE GOVERNMENT BOND ☐
18. GOLDEN CAPITAL PLC ☐
19. INFINITY TRUST MORTGAGE BANK PLC ☐
20. INTERNATIONAL BREWERIES PLC ☐
21. INVESTMENT & ALLIED ASSURANCE PLC ☐
22. JAIZ BANK PLC ☐
23. KADUNA STATE GOVERNMENT BOND ☐
24. NEM INSURANCE PLC ☐
25. NEXANS KABLEMETAL NIG. PLC ☐
26. OMOLUABI SAVINGS AND LOANS PLC ☐
27. PERSONAL TRUST & SAVINGS LTD ☐
28. P.S MANDRIDES PLC ☐
29. PORTLAND PAINTS & PRODUCTS NIG. PLC ☐
30. PREMIER BREWERIES PLC ☐
31. RESORT SAVINGS & LOANS PLC ☐
32. ROADS NIGERIA PLC ☐
33. SCOA NIGERIA PLC ☐
34. TRANSCORP HOTELS PLC ☐
35. TRANSCORP PLC ☐
36. TOWER BOND ☐
37. THE LA CASERA CORPORATE BOND ☐
38. UACN Plc ☐
39. UBA BALANCED FUND ☐
40. UBA BOND FUND ☐
41. UBA CAPITAL PLC ☐
42. UBA EQUITY FUND ☐
43. UBA MONEY MARKET FUND ☐
44. UNITED BANK FOR AFRICA PLC ☐
45. UNIC PLC ☐
46. UAC PROPERTY DEVELOPMENT COMPANY PLC ☐
47. UTC NIGERIA PLC ☐
48. WEST AFRICAN GLASS IND PLC ☐

OTHERS: _____

LAGOS: 220B, Ikorodu Road, Palmgrove. Tel: 07080606400 | ABUJA: 11, Lafia Close, Area 8, Garki. Tel: 09-2900873
PORT-HARCOURT: Plot 137, Olu-Obasanjo Road (2nd Floor), Port Harcourt, Rivers State. Tel: 084-303457
E-MAIL: info@africaprudentialregistrars.com | WEBSITE: www.africaprudentialregistrars.com

facebook.com/africaprudentialregistrarsplc twitter.com/APRPLC aprplc

United Capital
RC 444999

PROXY FORM

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS AND IS TO BE USED AT THE ANNUAL GENERAL MEETING TO BE HELD ON MARCH 17, 2017

I/We.....
Being a member/members of UNITED CAPITAL PLC, hereby appoint **.....

.....

.....
(block capitals please)

or failing him, the Chairman of the meeting as my/our* proxy to act and vote for me/us* on my/our* behalf at the Annual General Meeting of the Company to be held on March 17, 2017 at 10am or at any adjournment hereof.

Dated this ..... day of 2017

Shareholder's signature:.....

NOTE
Please sign this form and deliver or post it to reach the Registrar, Africa Prudential Registrars 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.

Provision has been made on this form for the Chairman of the meeting to act as your proxy, but if you wish you may insert in the blank space on the form (marked)** the name of any person whether a member of the Company or not, who will attend the meeting and vote on your behalf instead of the Chairman of the meeting.

If the shareholder is a Corporation, this form must be under its common seal or under the hand of a duly authorised officer or attorney.

ORDINARY BUSINESS		FOR	AGAINST	ABSTAIN
1.	To lay before the members the Audited Financial Statements for the year ended December 31, 2016 and the Report of Directors, Auditors and Audit Committee thereon.			
2.	To declare a Dividend			
3.	To re-elect Directors: I. Mr. Chika Mordi ii. Yoro Diallo			
4	To authorise the Directors to fix the remuneration of the Auditors.			
5	To elect members of the Audit Committee			
SPECIAL BUSINESS		**FOR**	**AGAINST**	**ABSTAIN**
6.	To fix the remuneration of Directors			

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
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 MARCH 17, 2017 AT 10 AM AT EKO HOTEL & SUITES, VICTORIA ISLAND, LAGOS

Name and address of Shareholder

Account Number

LEO OKAFOR
Company Secretary

Proxy
Shareholder

Please tick ( ) appropriate box before admission to the meeting

SIGNATURE.....

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

Notes

Notes

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