United Capital
The Intelligent Choice

ANNUAL REPORT AND ACCOUNTS 2018

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

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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 financial services.

As a Group comprising of recognized industry leaders with over 50 years' experience, we are well positioned to provide expert investment and financing solutions to optimize our clients returns on their investments. This is achieved through our robust suite of financial and investment 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 263, 191 investors as of December 31, 2018.

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 Debt Capital Markets and Project Finance advisory to both corporates and governments.

In 2018, United Capital registered ₦300 Billion Bond on behalf of United Bank for Africa Plc. In the same year, United Capital was a Joint Issuing House to the Stanbic IBTC Bank ₦30 Billion Series 1 Bond Issue; Sterling Bank ₦32.89 Billion Series 2 Bond Issue and Flour Mills ₦20.11 Series 1 & 2 Bond Issues. In addition, United Capital was the Financial Adviser and Joint Issuing House to the restructuring exercise of the ₦15Billion, ₦3Billion and ₦5Billion Bond of the Bauchi State and Kogi State Governments respectively.

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 Asset Managers.

With Asset Under Management (AUM) in excess of ₦100bn, United Capital Asset Management is a leading player in the asset management industry in Nigeria. In 2017, the company successfully launched two new Mutual Funds; the United Capital Nigerian Eurobond (USD) Fund and United Capital Wealth for Women Fund bringing its number of mutual funds to six. We will continue to expand our product offerings to meet the market's demand for innovative products and remain competitive in this constantly changing market.

In 2018, Asset Management won the Money Market Fund of the Year Award by BusinessDay Banking and Financial Institutions Awards and the Best Performing Eurobond Fund of the Year by Nairametrics, a digital business news platform.

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.

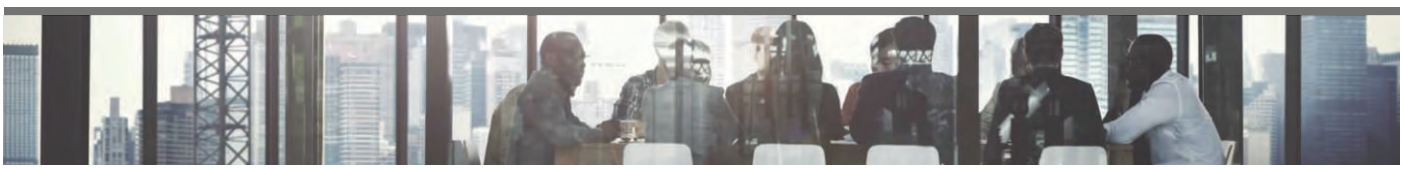
We are one of the few selected Supplemental Market Makers (SMM) and Designated Advisers by the Nigerian Stock Exchange. The firm is also a registered dealing member of NASD OTC Plc, enabling us to deal in over-the-counter Equity and Fixed Income Securities.

In 2018, United Capital Securities won the Pearl Award for the best stockbroking firm and the top ten (10) stockbroking firms list in terms of volume and value trade on the Nigerian Stock Exchange for three consecutive years.

Trustees

United Capital Trustees is the leading Nigerian Trustee with over 50 years of 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 ₦5.9 trillion and clear leadership across products: Debenture Trusts, Mutual Funds, Bonds, and REITS.

In 2018, United Capital Trustees were Joint Trustees to the UBA ₦300Billion Bond Issuance Programme; Stanbic IBTC ₦30 Billion Series 1 Structured Notes; Rand Merchant Bank SPV ₦40 Billion Bond and Structured Notes Programme; Flour Mills Series 1 and 2 Fixed Rate Bonds; FBN Quest Merchant Bank ₦50 Billion Bond Issuance Programme and Wema Funding SPV ₦20 Billion Series 2 Bond. In addition, United Capital Trustees was the sole Trustee to the ₦1 Billion Legacy Money Market Fund.



2018 Performance Highlights

Gross Earnings	Profit Before Tax	Profit After Tax
₦9.26billion	₦6.22 billion	₦4.34 billion
Up 4% year on year	Up 12% year on year	Down 0.5% year on year

Total Assets	Funds Under Management	Shareholders' Fund
₦148.7billion	₦75.68 billion	₦15.83billion
Up 9% year on year	Up 7% year on year	Down 6% year on year

Cost to Income Ratio	Earnings Per Share	Return on Average Equity
46%	72k	27%
2017: 45%	**2017:** 73kobo	**2017:** 28%

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 2018. Despite the challenging operating global and local environment, we continue to strive hard to deliver on our set goals and are optimistic that we will further improve in 2019.

The Global Economy

After witnessing broad-based growth in 2017, the performance of the global economy was softer, bumpier and desynchronized in 2018. The growth rate of global GDP declined and was uneven across regions. Notably, growth in the Euro-zone, United Kingdom, Japan, and China weakened. The US witnessed a faster than expected GDP growth as a result of fiscal stimulus and expanded consumer purchasing power, and boosted corporate spending. Notably, trade tensions between the US and China worsened throughout 2018 as the US government raised tariffs on Chinese imports, triggering a retaliatory levy on US imports by China.

Amid the heightened global uncertainties and amplified market volatilities, the US Federal Reserve (the Fed) also embraced monetary policy normalization, increasing interest rates four times during the year. This resulted in a massive outflow of funds across emerging and frontier markets to the US. Accordingly, emerging market economies witnessed a widespread currency depreciation as higher Treasury yields in the US amplified capital outflow. According to the IMF, net flows to equities and bonds across EMs tumbled from $10.9bn and $21.0bn in January 2018 to -$1.2bn and $0.9bn respectively in Sep 2018.

Crude oil prices traded between a low of $62.6/b and a high of $79.8/b in H1-2018, settling at an average of $71.3/b in H1-2018. However, pronounced volatility cloaked outcomes in H2-2018 as oil prices oscillated dramatically, rising very quickly to touch a peak of $86.3/b in Oct-2018 before tumbling to a low of $50.5/b in Dec-2018. While the initial uptrend reflected possibility of a potential supply shortfall that could stem from production losses in Venezuela, and the renewed sanctions on Iran by the US, the latter sharp downturn was driven by an increase in supply due to softer-than-expected sanctions on Iran and a production surge by the US, Russia and Saudi Arabia.

In the digital and technology space, the application of machine learning, big data and Artificial Intelligence (AI) continue to impact the businesses. This development does not only impact software and the Internet of Things (IoT) but also other activities in the manufacturing, automobile, agriculture and most importantly the financial sector. Apart from Banking, disruption from Fintech companies is also challenging conventional investment banks as several Start-ups now offer similar services via digital devices in an efficient and more convenient way.

Looking into 2019, the outcome of trade negotiations, geopolitical uncertainties, as well as changes in the global monetary policy environment, are expected to guide the performance of the global economy. Oil prices are projected to settle between $60/b-70/b, supported largely by OPEC+'s recent agreement to cut supply. Again, continued disruption from digital technology, automation and biotech will alter the business landscape.

Africa

For Sub-Saharan Africa (SSA) economies, recovery remained weak in 2018, hampered by sluggish growth in the region's three largest economies: Nigeria, South Africa, and Angola. Lower oil production offset the positive tailwinds from higher oil prices in Angola and Nigeria, while South Africa slipped into a recession in Q2-18 before rebounding in Q3-18 amid output contractions in the Agricultural, Mining, and Construction sectors of the economy. Growth in the rest of the region was, however, broadly stable with Ethiopia, Ivory Coast, Kenya, and Rwanda emerging as the fastest growing economies.

Notably, increased external financing supported public spending boosted by massive Eurobond issuances. Elsewhere, the Africa Continental Free Trade Area (AfCFTA), aimed at expanding intra-African trades, gained significant grounds in 2018 as 49 of 55 AU (Africa Union) member countries signed the agreement. Nigeria, however, remained on the sidelines. In 2019, growth is expected to remain weak amid challenges in the region's big-three economies. 2019 Elections in three of Africa's pivotal states: Democratic Republic of Congo, Nigeria and South Africa, provide opportunities and risks for our industry.

Domestic Economy and Financial Markets

In the domestic economy, recovery in the Nigerian economy remained fragile. Although average oil prices trended above budget benchmark and FX liquidity as well as external reserves remained at comfortable levels, GDP growth continued to falter amid the escalation of farmers'/herders' crisis, worrying state of infrastructure and increased political tension. GDP growth was less than 2.0% in Q2-2018 (+1.5%) and Q3-2018

(+1.8%) of 2018 due to weaker growth in the Agricultural sector. Notably, the farmer/herder crisis in the middle-belt region escalated beyond expectation and dragged Agricultural sector output growth to a record low in Q2-18. However, the headline inflation rate moderated significantly to settle at 11.4% in Dec-2018 relative to 15.2% in Jan-2018.

In the policy space, the Monetary Policy Committee of the CBN held policy rates unchanged throughout the year. This was due to sustained global uncertainties, policy normalization in the US, fears of a stronger US dollar, faltering recovery and currency market fragility in the local economy, as well as concerns around political/election spending. Similarly, the CBN sustained its aggressive liquidity mop-up in the money market, driving average yield on short-term instruments from 12.95% in H1-2018 to 14.9% in H2-2018, to check excess liquidity in the system. On the other hand, fiscal policy remained broadly expansionary, amid efforts to improve physical and social infrastructure despite obvious revenue challenges.

Consequent on the foregoing, the performance of the financial markets was broadly bearish in 2018. Increased local political tension, interest rate hikes by the US Fed and a spike in the US treasury yields, resulted in an offshore sell-off from the Nigerian market. As such, average yields on fixed income instruments rose from 14.1% in Dec-17 to 15.7% in Dec-18. In the equity market space, what started out to be perhaps the most bullish January in the history of the Nigerian market, saw investor enthusiasm fade off dramatically as the year progressed. The All Share Index ended the year with a 17.8% negative return. Nevertheless, capital importation into Nigeria in 2018 improved by 37.5% to $16.8bn, majorly driven by portfolio investments in money market instruments. In 2019, uncertainties surrounding the general election remains the major concern.

Financial Performance

United Capital made good progress in its financial performance for 2018. The Group generated gross earnings of ₦9.3 billion and PBT of ₦6.2 billion, despite the challenging macroeconomic and operating conditions. This year, we switched to the IFRS 9 standards, which led to a 6% decline in shareholders' funds. Total assets improved from ₦136.5 billion to ₦148.7 billion due to growth in funds management, which is a reflection of our commitment to deliver value at all times.

Conclusion

Distinguished ladies and gentlemen, I am confident in our ability to deliver superior returns to you going forward. We have put in place appropriate strategies to respond to possible scenarios that the year 2019 could throw at us, hence we believe that we will continue to make progress in our quest to build Africa's leading investment bank. Our staff remain resourceful, motivated and dedicated, and we continue to attract the best talent to execute our short-, medium- and long-term strategic objectives. We are cognizant of the challenges inherent in the current, volatile, uncertain, complex and ambiguous environment, and we will strive to maximize value creation for you, our stakeholders.

Chika Mordi
Chairman
United Capital Plc

Group CEO's Statement

Peter Ashade

Group Chief Executive Officer

The year 2018 was particularly significant for us as a Group on two fronts. First, was the change of guard which ushered me in as Group Chief Executive Officer of United Capital Plc in July 2018, following the retirement of Oluwatoyin Sanni, the erstwhile GCEO after years of meritorious service. Second, was the remodeling of our operating structure to be more responsive to the needs of our expanding client base signifying the commencement of the next phase of our medium-term strategy. It is against this backdrop that I am honoured to present to you an account of how your company fared during the financial year ended December 2018.

Distinguished shareholders, through your continued support, we made progress in upholding our mantra of being the IN-Telligent Choice for diverse financial and investment decisions made by our clients while also remaining competitive and profitable across all our business lines.

Notwithstanding, the year 2018 was a challenging year for businesses. Let me briefly highlight some significant events that shaped our operating landscape during the year under review.

Macro & Domestic Economy Review

In 2018, global growth became de-synchronized as rising trade restrictions, tightening financial conditions, as well as geopolitical risks, predicated a softer landing for the global economy over the period.

In Sub-Saharan Africa, economic recovery remained weak in 2018 amid sluggish growth in Nigeria, South Africa, and Angola - the three largest economies in the region. Nonetheless, growth in the rest of the region was broadly stable with Ethiopia, Ivory Coast, Kenya, and Rwanda moving ahead as the region's high performers.

In the domestic economy, the Nigerian economy continued to recover – though slower than anticipated amid the escalation of farmer/herder crisis, worrying state of key infrastructure and increased political uncertainties which weighed on economic activities. However, GDP growth for the year settled at 1.9%y/y which was better than 0.8% in 2017.

In addition, Nigeria moved down by one point on the World Bank's Ease of Doing Business Index, settling at the 158th position of 190 countries surveyed. On a more positive note, however, average oil prices trended above the budget benchmark, while foreign exchange liquidity and external reserves remained at comfortable levels despite the pressure on capital flows.

Despite the rough economic terrain, the Group was able to deliver healthy returns for shareholders and other stakeholder groups.

Revenue and Profitability

The Group generated gross earnings of N9.3bn in 2018, up 4.5% year-on-year from N 8.9billion in earned in 2017. Profit Before Tax hit N6.2billion in 2018, up 12.7% from N5.5billion in 2017, signifying an improvement in the overall profitability of the Group.

Financial Position

Total Assets of the Group rose 9% year-on-year to N148.7billion as at December 2018 from N136.6billion in December 2017, due to growth in managed funds. Cash and cash equivalents accounted for 24% of the Group's assets, while Financial Assets made up 59% of Total Assets. Shareholder's funds declined 6% to N15.83billion largely due to the initial application of IFRS 9 Financial Instruments Standard. The Group's Return on Average Equity (RoAE) stood at 27%, highlighting strong value creation for our shareholders.

Key Transactions and Events

The Group participated in several major deals and key transactions in 2018. Some are highlighted as follows:

- Joint Issuing House and Joint Trustee to Stanbic IBTC Bank Limited's N150Billion Structured Notes and Series 1 N30 Billion Notes;
- Joint Trustee to Lagos State Government's N97.387Billion Bond;
- Joint Issuing House and Joint Trustee to Flour Mills of Nigeria's Plc's N70Billion Bond programme and Series 1 N10Billion; and Series 2 N10.110 Billion Fixed Rate Bonds;
- Joint Trustee to FBNQuest Merchant Bank Limited's N50Billion Bond Issuance Programme;
- Joint Trustee to Rand Merchant Bank SPV Plc's N40Billion Structured Notes programme;
- Joint Issuing House on Sterling Bank Plc's N32.89Billion Series 2 Bond Issue;
- Joint Issuing House on Stanbic IBTC Bank Limited's N30Billion Series 1 Bond Issue;
- Joint Issuing House on Flour Mills of Nigeria Plc's N20.11Billion Series 1&2 Bond Issues;
- Joint Arranger on FSDH Merchant Bank Limited's N18.57Billion Series 5&6 commercial paper issues;
- Joint Trustee to Wema Funding SPV Limited's N17.6Billion Series 2 Bond issue;
- Joint Issuing House and Financial Adviser on the restructuring of the N15Billion Bond of Bauchi State of Nigeria;
- Joint Arranger on FSDH Merchant Bank Limited's 15.34Billion Series 7&8 commercial paper Issue;
- Joint Issuing House and Financial Adviser on the restructuring exercise of the N3Billion and N5Billion Bond Issues of Kogi State of Nigeria;
- Sole Trustee to FCMB Asset Management Limited's N1 Billion Legacy Money Market Fund;
- 3rd consecutive year on the Nigerian Stock Exchange top 10 stockbroking firm list for Volume and Value traded on the floor of the Exchange;
- Achieved significant growth in our mutual funds: our Eurobond Fund grew 168% year-on-year while our Money Market Fund grew 325% year-on-year
- Achieved an investment grade A rating for our Money Market Fund; and
- Launched a new version of our online investment portal, InvestNow; and InvestNow mobile app as a step towards executing our retail business strategy

Other Key Highlights

Our Asset Management Business bagged the **"Money Market Fund of the Year"** award at the BusinessDay Banking and Financial Institutions (BAFI) awards;

Our Securities Business also won the **"2018 Pearl Stockbroking Firm of the Year"** at the Pearl Awards Nigeria;

The Group also won the **"Sectoral Performance Award"** at the Nigerian Capital Market Performance Awards of the Capital Markets Correspondents Association of Nigeria (CAMCAN); and

Our Eurobond Fund won the **Best Performing Eurobond Fund of the Year** by Nairametrics, a digital business news platform.

Outlook for 2019

We started the year 2019 with high energy levels across the Group and intend to sustain the momentum throughout the year. We will change the narrative of financial services in Nigeria and Africa by contributing our quota in ensuring that financial and investment solutions are available to all and sundry in an accessible and simplified manner.

Furthermore, the Group will also support initiatives to improve the depth of the capital market in Nigeria and Africa by engaging in extensive product development as a means of broadening investment opportunities in our markets. We will continue to draw on the innovative spirit of our people towards creating value adding solutions and memorable experiences for all our clients. We will not operate business as usual as there are several strategic initiatives in the pipeline to help us progress towards becoming the financial and investment role model across Africa.

Distinguished shareholders, we acknowledge that the path ahead calls for greater dedication as we remain committed to increasing wealth created for shareholders, strengthening our corporate governance framework and partnering with relevant stakeholders towards contributing to Nigeria's economic growth as a socially responsible corporate citizen.

Beyond our primary mandate of providing financial and investment solutions, we are also an agent for economic development. We are committed to collaborating with agencies such as Bank of Industry and other DFIs towards promoting developmental initiatives of the Federal Government as we seek to accelerate Nigeria's economic growth and recovery. May I seize this opportunity to thank our regulator, Securities & Exchange Commission (SEC), for upholding strong governance standards in the best interest of capital market operators and investors.

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

Thank you.

Peter Ashade
Group Chief Executive Officer

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.

Peter Ashade
Group Chief Executive Officer

Peter Ashade is the Group CEO of United Capital Plc, a leading African investment banking group providing capital and financing solutions to African governments, companies, and individuals. The Group comprises of the following business divisions: Investment Banking, Asset Management, Trustee Services and Securities Trading.

Peter is an astute investment banker and business leader with 29 years' cognate experience in Nigeria's capital market; 14 years as Chief Executive. He is a well-rounded capital market player having participated in various landmark capital market transactions across all segments of the market and a member of various policy-formulating capital market committees. He is reputed for transformational leadership and outstanding executional capabilities.

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
Non Executive 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.

Sunny Anene

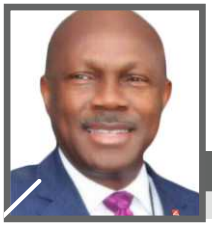
Group Executive Director

Sunny Anene is currently the Group Executive Director of United Capital Plc.

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

Prior to joining United Capital Plc, he was Head of Operations at First City Group, and at a time Lead Equity Trader for CSL Stockbrokers Ltd, the Securities Trading arm of FCMB Group. He moved to pension management in Zenith Pensions Custodian Limited, a subsidiary of Zenith Bank Plc where he worked as Assistant General Manager in charge of Compliance and Risk Management. He later returned to the Capital Market in 2008 when he joined Chapel Hill Denham where he spent six (6) years in two different roles, first as the Director of Finance and Operations, and then the MD/CEO for the stockbroking business.

He has a master's degree in Finance from the University of Lagos. He is a triple fellow of the Chartered Institute of Stockbrokers (CIS), the Institute of Chartered Accountants of Nigeria (ICAN), and the Chartered Institute of Taxation of Nigeria (CITN). He is also an Associate of the Certified Pension Institute of Nigeria and a member of the Institute of Directors (MIOD).



Sonny Iroche

Non Exeutive Director

Mr. Sonny Iroche holds a Bachelor of Science degree from the University of Nigeria, Nsukka and an MBA from the Roosevelt University, Chicago, Illinois. He is a seasoned Financial Executive with over thirty years' experience in Banking, Power and Public Service. He has served on various boards such as the International Glass Industries Limited and the First Merchant Bank of Sierra Leone.

Prior to his appointment as a Non-Executive Director, he was an Executive Director at Transmission Company of Nigeria.

Sir Stephen Nwadiuko

Non Exeutive Director

Sir Stephen Nwadiuko holds a Bachelor of Science degree and an MSc in Banking and Finance from Ogun State University, Ago-Iwoye and University of Ibadan respectively. He is a fellow of three Professional bodies namely: Chartered Institute of Bankers of Nigeria, Institute of Chartered Accountants of Nigeria, Compliance Institute of Nigeria as well as an associate of Certified Pension Institute of Nigeria.

He is a retired Deputy Director, Banking Supervision Department of the Central Bank of Nigeria (CBN), a certified Bank Examiner by the CBN and the Federal Deposit Insurance Cooperation of the United States of America. He was a former council member of the Chartered Institute of Bankers of Nigeria and Chairman Chartered Institute of Bankers of Nigeria, Abuja Branch.

He is currently a Member of the Investigating Panel of both the Chartered Institute of Bankers of Nigeria and Institute of Chartered Accountants of Nigeria as well as a member of the Board of Trustees of the Compliance Institute Nigeria. He is the Managing Director/Chief Executive Officer of First Guarantee Pension Limited.

Subsidiary CEOs

United Capital Trustees

Tokunbo Ajayi
Managing Director

Tokunbo is the Managing Director, United Capital Trustees. She has over 20 years' experience in trusteeship services and brings her experience to bear in the leadership of the business.

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

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

United Capital Investment Banking

Babatunde Obaniyi
Managing Director

Babatunde is the Managing Director, Investment Banking Division at United Capital Plc. Babatunde has oversight responsibility for transaction origination, structuring, arranging and execution covering the spectrum of Project Finance, Mergers & Acquisition and debt/equity capital needs of corporate and government entities. He possesses extensive cognate experience in fixed income and equity capital markets; as such has played a pivotal role in originating and executing several notable landmark transactions in the Capital Market space in Nigeria raising in excess of $2bn in fresh capital for various corporate institutions and Government entities both sovereign and sub-sovereign.

He has over 15 years multi-faceted finance experience cutting across deal structuring, capital raising, M&A, project finance, corporate finance and risk management having worked with top-notch and internationally renowned Investment Banking and consulting firms like Deloitte, Afrinvest and Zenith Capital Limited prior joining United Capital in January 2012. He served as Director of Capital Markets Division before his appointment as Managing Director Investment Banking in January 2018.

Babatunde has Master's degree in International Securities, Investment and Banking from ICMA Centre, Henley Business School, University of Reading, UK and B.Sc. Economics (Hons.) degree from Obafemi Awolowo University, Nigeria. He is an Associate member of the Chartered Institute of Securities and Investment (CISI), UK; Association of Certified Chartered Accountants ("ACCA") and the Chartered Institute of Stockbrokers ("ACS"). He also holds the International Fixed Income and Derivatives ("IFID") Certificate."

United Capital Securities

Bawo Oritsejafor
Ag. Managing Director

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

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

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

United Capital Asset Management

Odiri Oginni
Ag. Managing Director

Odiri is the Ag. Managing Director of United Capital Asset Management Limited. She has over 13 years' post qualification experience spanning the financial services sector in the areas of audit and compliance, portfolio management, financial analyses and reporting enhancements, tax and regulatory management, strategy and investor relations, treasury and cash flow management, business process automation, capital raising (equity and debt), budget preparation and analysis, corporate rating management.

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

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

Executive Management

Peter Ashade
Group CEO

Peter Ashade is the Group CEO of United Capital Plc, a leading African investment banking group providing capital and financing solutions to African governments, companies, and individuals. The Group comprises of the following business divisions: Investment Banking, Asset Management, Trustee Services and Securities Trading.

Peter is an astute investment banker and business leader with 29 years' cognate experience in Nigeria's capital market; 14 years as Chief Executive. He is a well-rounded capital market player having participated in various landmark capital market transactions across all segments of the market and a member of various policy-formulating capital market committees. He is reputed for transformational leadership and outstanding executional capabilities.

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

Peter has diverse academic and professional background. This includes a BSc, Banking and Finance from Ogun State University (Olabisi Onabanjo University) , MBA, Marketing from University of Ife (now Obafemi Awolowo University) , MSc, Finance from University of Lagos , Fellow, Institute of Chartered Accountants of Nigeria, Fellow, Chartered Institute of Bankers, Fellow, Institute of Capital Market Registrars, Associate, Chartered Institute of Taxation of Nigeria, Associate, Institute of Directors. He is an alumnus of the prestigious Lagos Business School (CEP23, LBS). He is currently the Treasurer, Institute of Capital Market Registrars (ICMR) and the 1st Vice Chairman, Chartered Institute of Bankers of Nigeria (CIBN), Lagos State Branch.

Sunny Anene
Group Executive Director

Sunny Anene is the Group Executive Director of United Capital Plc.

Prior to his appointment as the Group Executive Director, he was the Managing Director/CEO of United Capital Asset Management Limited, a wholly owned subsidiary of United Capital Plc. He had served as the Group Chief Finance Officer with additional responsibilities in Risk Management, Information Technology, Treasury Management, Operations, Corporate Services and 2 other functional areas within the Group. His experience spans over twenty-six (26) years and cuts across banking, capital markets, pensions and Asset Management.

Prior to joining United Capital Plc, he was Head of Operations at First City Group, and at a time Lead Equity Trader for CSL Stockbrokers Ltd, the Securities Trading arm of FCMB Group. He moved to pension management in Zenith Pensions Custodian Limited, a subsidiary of Zenith Bank Plc where he worked as Assistant General Manager in charge of Compliance and Risk Management. He later returned to the Capital Market in 2008 when he joined Chapel Hill Denham where he spent six (6) years in two different roles, first as the Director of Finance and Operations, and then the MD/CEO for the stockbroking business.

He has a master's degree in Finance from the University of Lagos. He is a triple fellow of the Chartered Institute of Stockbrokers (CIS), the Institute of Chartered Accountants of Nigeria (ICAN), and the Chartered Institute of Taxation of Nigeria (CITN). He is also an Associate of the Certified Pension Institute of Nigeria and a member of the Institute of Directors (MIOD).

Leo Okafor
Group Company Secretary/General Counsel

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

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

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

Adetola Fasuyi

Head, Wealth Management

Adetola has over 25 years' experience in the financial services industry as a senior business development/investor relations professional with emphasis on Asset/Wealth Management. Her primary focus is serving the needs of mass affluent and high net worth individuals. She works with clients to help manage their wealth responsibly, grow it tax-efficiently, and maintain it for years to come so that it fulfills the lifestyle they desire.

Before joining United Capital Plc, 'Detola was the MD of SCM Capital Asset Management Ltd. Prior to SCM she was, 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) where she packaged the company in an attractive position for eventual divestment. Her experience cover Money Markets, Equities, Fixed Income Securities, Real Estate and Foreign Currency Trading. She is a Licensed Equity Trader on the Nigerian Bourse. She previously served as the Group Head of Operations at Metropolitan Bank responsible for planning, developing, organizing and supervising all operations activities at the Head Office and Branches nationwide. At Access Bank, she served as head of the foreign operations department.

'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.

Shedrack Onakpoma

Group Chief Finance Officer

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

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

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

Bolanle Ibitola

Director, Resources

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

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

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

Lucky Okopujie

Head, Digital Business

Lucky is the Head, Digital Business at United Capital Plc. Lucky has over 20 years working experience in the financial services industry spanning Banking and Capital Market with core expertise in Operations, Corporate Services and Project Management.

Prior to his current role, he was the Group Head-Operations and Head of Corporate Services at United Capital Plc, Chief Operating Officer at UBA Capital Holding Company Limited, Branch Operations Manager, Ikeja Branch/Ag. Area Operations Manager for Ikeja Area at UBA PLC, and Regional Customers Service Manager (RCSM) at Diamond Bank Plc.

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

Ogaga Uwhuseba

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

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

Joseph Onyema

Group Chief Information Officer

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

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

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

Kehinde Koshoedo

Head, Risk Management

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

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

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

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

Ejikeme Okoli

Head, Strategy & Innovation

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

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

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

Efeturi Doghudje

Head, Marketing and Corporate Communications

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

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

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

Oluwabunmi Olusesi

Ag. Group Head, Operations

Bunmi is the acting Group Head, Operations. Bunmi has over 9 years working experience in financial services with core expertise in providing and improving a highly focused level operational support, research and advice, financial, compliance, statutory duties and people management.

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

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

Shuaibu Kasandubu

Head, Northern Region

Shuaib holds a Bachelor of Agriculture Degree from Ahmadu Bello University of Zaria, a master's degree in public administration (MPA) from University of Ilorin.

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

He is a member of Institute of Personnel Management.

Seun Babasola

Head, Southern Region

Seun Babasola has over 13 years' experience in the Financial Industry. He joined the services of the United Capital Plc from CardinalStone Partners Limited where he led the Sales and Portfolio Management teams in the Asset Management Division. Prior to joining CardinalStone Partners, Seun worked as an Investment Banking Officer at Guaranty Trust Bank Plc and Skye Bank Plc.

He has attended several Courses in Marketing, Asset Management, Financial Planning, Portfolio Management & Credit Analysis amongst others. He is an Associate Member of the Nigerian Institute of Management. He possesses a deep knowledge of both Money and Capital markets.

Seun holds a Bachelor of Science Degree in Computer Science from the University of Uyo, Akwa Ibom and Sales & Investment training at Lagos Business School.

Corporate Governance Report

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

1. **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 eight Directors made up of six Non-Executive Directors and two Executive Directors (including the Group Chief Executive Officer).

   The Board is made up of the following people:

- **Chika Mordi – Chairman (Non-Executive Director)**
  Chika Mordi brings significant experience to the board in the areas of governance, regional knowledge and industry expertise. He has served (often in a supervisory capacity) on the boards of more than thirty companies of diverse sizes in Nigeria, Ghana, Cameroun, the United Kingdom and the United States of America. Mordi is a member of the advisory board of Harvard's Shorenstein Center. He also served on several government and multilateral committees, including the World Economic Forum's agenda board. He was the CEO of Accender Africa He continues to advise governments, businesses and individuals on competitiveness and strategy. He is the CEO of the National Competitiveness Council of Nigeria. An avid scholar, Mordi holds an MPA from Harvard Kennedy School, an MBA from IESE Business School, a Master's degree from SAIS Johns Hopkins, a Master's degree in Public Communication from American University in the USA, an advance management diploma from Harvard Business School and a Bsc in Economics from the University of Ilorin. He contributes regularly to international print and broadcast media outlets and has travelled to over fifty countries. He was appointed the Chairman of United Capital Plc on January 10, 2014.

- **Peter Ashade – Group Chief Executive Officer**
  Peter Ashade holds a Bachelor of Science degree from the Olabisi Onabanjo, Ago-Iwoye (formerly Ogun State University), an MBA and MSc from Obafemi Awolowo University and University of Lagos respectively. He is a Fellow of three professional bodies namely; the Institute of Chartered Accountants of Nigeria, Institute of Capital Market Registrars of Nigeria and Chartered Institute of Bankers of Nigeria as well as Associates of the Chartered Institute of Taxation and Institute of Directors.

  He has 30 years of experience in the Nigerian capital market and had served in various committees of the Securities and Exchange Commission. He was appointed the Group Chief Executive Officer of United Capital Plc on July 2, 2018.

- **Yoro Mohamed Diallo – Independent Non-Executive Director**
  Yoro Mohamed Diallo 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. He was appointed a director on January 23, 2013.

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

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

- **Emmanuel N. Nnorom – Non-Executive Director**
  Emmanuel Nnorom is an alumnus of the Oxford University Templeton College and a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN). He is also an honorary member of the Chartered Institute of Bankers of Nigeria (CIBN).

  He has over 30 years work experience in accounting and finance (including at executive levels) in both the real estate and banking sectors of the Nigerian economy. He recently retired from the Board of United Bank for Africa Plc

as an Executive Director. He was appointed a director on January 10, 2014. He is the Chairman of the Board Finance Investment and Risk Management Committee.

- **Sir Stephen Nwadiuko – Non-Executive Director**

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

- **Mr. Sonny Iroche – Non-Executive Director**

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

- **Sunny Anene – Executive Director**

  Prior to his appointment as an Executive Director, he was the Managing Director of United Capital Asset Management Limited, a wholly owned subsidiary of United Capital Plc. He had served as the Group Chief Finance Officer with additional responsibilities in Risk Management, Information Technology, Treasury, Finance and 2 other functional areas within the Group. His experience spans over twenty-six (26) years and cuts across investment, capital markets, pensions and finance as well as banking operations. His proven ingenuity in these areas is brought to bear on the Group's Asset Management Business. Prior to joining United Capital Plc, he was Head of Operations at First City Group and later Lead Trader for CSL Stockbrokers, the Securities Trading arm of the Group. He moved to pension management in Zenith Pension Custodian Limited, a subsidiary of Zenith Bank Plc and later returned to the Capital Market in 2008 when he joined Chapel Hill Denham where he spent six (6) years in two different roles, first as the Director of Finance and Operations, and then the MD/CEO for the stockbroking business. He has a master's degree in finance from the University of Lagos. He is a fellow of the Chartered Institute of Stockbrokers (CIS), the Institute of Chartered Accountants of Nigeria (ICAN), the Chartered Institute of Taxation of Nigeria (CITN), an Associate of the Certified Pension Institute of Nigeria and a member of the Institute of Directors.

2. **Attendance at Board Meetings**

The Board of United Capital Plc met five times in 2018. Please find the record of attendance below.

	Meetings Held				
Names	**23/02/18**	**11/04/18**	**18/07/18**	**26/10/18**	**13/12/18**
Chika Mordi	✓	✓	✓	✓	✓
Adim Jibunoh	✓	✓	✓	✓	✓
Ambassador John K. Shinkaiye[1]	✓	✓	✓	✓	*
Yoro Mohammed Diallo	✓	✓	✓	✓	✓
Emmanuel Nnorom	✓	✓	✓	✓	✓
Oluwatoyin Sanni[2]	✓	✓	**	**	**
Stephen Nwadiuko[3]				✓	✓
Sonny Iroche[4]				✓	✓

3. **Constitution of the Board of Directors**

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 responsibilities of FIRM are as follows:

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 responsibilities of the AGC are as follows:

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 Make recommendations to the Board on the election and re-election of directors;
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*

	Meetings Held			
Names	**22/02/18**	**10/04/18**	**17/07/18**	**25/10/18**
Emmanuel Nnorom	✓	✓	✓	✓
Adim Jibunoh	✓	✓	✓	✓
John Kayode Shinkaiye	✓	✓	✓	✓
Oluwatoyin Sanni[5]	✓	✓	*	*

4.2 *Audit Governance Committee*

	Meetings Held			
Names	**22/02/18**	**11/04/18**	**17/07/18**	**25/10/18**
Adim Jibunoh	✓	✓	✓	✓
Emmanuel Nnorom	✓	✓	✓	✓
John Kayode Shinkaiye	✓	✓	✓	✓

Directors' Report

The Directors present their report together with the audited financial statements of the Group for the year ended December 31, 2018.

1. LEGAL FORM

United Capital Plc was incorporated in Nigeria as a Limited Liability Company on March 14, 2002 under the Companies and Allied Matters Act, Cap C20, Laws of the Federation of Nigeria 2004. It became a public company and was listed on the Nigerian Stock Exchange in January 2013 after a successful spin-off from United Bank for Africa Plc, a commercial bank in Nigeria. United Capital Plc ("UCAP") is the first Investment Bank in Nigeria to be listed on the Nigerian Stock Exchange. UCAP is a holding company with three subsidiaries namely United Capital Trustees Limited, United Capital Asset Management Limited and United Capital Securities Limited. Its areas of business include investment banking, trusteeship, asset management and stock-broking.

2. PRINCIPAL ACTIVITIES

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

3. RESULTS

	Group		Company	
	2018	2017	2018	2017
	N'000	N'000	N'000	N'000
Profit Before Tax	6,221,246	5,547,830	3,292,499	3,876,080
Income Tax	(1,883,257)	(1,185,525)	(588,796)	(401,757)
Profit for the year	**4,337,989**	**4,362,305**	**2,703,703**	**3,474,323**
Other Comprehensive Income	23,843	1,166,445	(17,470)	115,136
Total Comprehensive Income	**4,361,832**	**5,528,750**	**2,686,233**	**3,589,459**
Total Comprehensive Income Attributable to Equity Holders of the Company	4,361,832	5,528,750	2,686,233	3,589,459
Earnings Per Share (Kobo)	72	73	45	58

4. DIVIDEND

In respect of the current year, the Directors propose that a dividend of 30 kobo per ordinary share of 50kobo each, amounting to ₦1.8billion, 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 13, 2019.

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 Managing Director's report.

6. CHANGES ON THE BOARD

Resignations

During the financial year ended December 31, 2018, Ambassador John Kayode Shinkaiye retired from the Board, having served as a Non-Executive Director for six (6) years. Also, during the financial year, Mrs. Oluwatoyin Sanni, retired from the Board with effect from June 30, 2018 having served as the Group Chief Executive Officer of United Capital Plc. Under her leadership as Group CEO, United Capital Plc cemented a reputation for innovation and consistency recording impressive growth rates in revenue and profitability across all its key business segments. This resulted in the delivery of significant value to shareholders and other key stakeholders. This stellar performance led to numerous national and international awards. The Board is deeply appreciative of Ambassador John Kayode Shinkaiye and Mrs. Oluwatoyin Sanni for their hard work and contribution to the growth of the company, while wishing them success in their future endeavours.

Appointments

Following the retirement of Mrs. Oluwatoyin Sanni, the Board appointed Mr. Peter Ashade as the Group Chief Executive Officer effective July 1, 2018. The appointment of Mr. Peter Ashade has been approved by the Securities and Exchange Commission and will be presented at this Meeting for the approval of the Shareholders.

Profile of Mr. Peter Ashade

Mr. Peter Ashade up until this appointment, was the Chief Executive Officer of Africa Prudential Plc, West Africa's leading pure play Registrar Company. Peter's leadership style is allied to the delivery of superior shareholder value, service excellence and consistent market leadership. He is an astute investment banker with over three decades of cognate experience in Nigeria's capital markets. Under his leadership, the company acquired UAC Registrar Limited and seamlessly integrated it with Africa Prudential Registrars (AP Plc), leading the transformation of AP Plc into a leading company on the Nigerian Stock Exchange. He championed disruptive innovation in the registrars' business in Nigeria and across Africa, pioneering many e-products and successfully implemented a major diversification strategy for the business. He brings a diverse, innovative perspective, and leadership capabilities that further strengthen United Capital Plc's capital market leadership in Africa.

Other Appointments

During the financial year, the Board also appointed Mr. Sonny Iroche and Sir Stephen Nwadiuko as Non-Executive Directors of United Capital Plc. The appointments of Mr. Sonny Iroche and Sir Stephen Nwadiuko will be presented for Shareholders' approval at this Meeting.

Profile of Mr. Sonny Iroche

Prior to his appointment as a Non-Executive Director, Mr. Sonny Iroche was the Executive Director, Finance and Accounts of the Transmission Company of Nigeria (TCN). Prior to joining TCN, Mr. Iroche was the Managing Director of Mutual Concept Limited, a real estate financing and construction company where he served from 1998 to 2013. He had also served as the economic adviser to the Abia State Government between 1994 and 1998.

Profile of Sir Stephen Nwadiuko

Sir Stephen Nwadiuko, is a fellow of three Professional bodies namely: Chartered Institute of Bankers of Nigeria, Institute of Chartered Accountants of Nigeria, Compliance Institute of Nigeria as well as an associate of Certified Pension Institute of Nigeria. He is a retired Deputy Director, Banking Supervision Department of the Central Bank of Nigeria (CBN), a certified Bank Examiner by the CBN and the Federal Deposit Insurance Cooperation of the United States of America. He was a former council member of the Chartered Institute of Bankers of Nigeria and Chairman Chartered Institute of Bankers of Nigeria, Abuja Branch. He is currently a Member of the Investigating Panel of both the Chartered Institute of Bankers of Nigeria and Institute of Chartered Accountants of Nigeria as well as a member of the Board of Trustees of the Compliance Institute Nigeria. He is the Managing Director/Chief Executive Officer of First Guarantee Pension Limited.

In January 2019, the Board appointed Mr. Sunny Anene as an Executive Director of United Capital Plc in compliance with the requirement of the Code of Corporate Governance for Public Companies. Prior to his appointment as an Executive Director, Mr. Sunny Anene was the Managing Director of United Capital Asset Management Limited, a wholly owned subsidiary of United Capital Plc.

Profile of Sunny Anene

Prior to his appointment as an Executive Director, he was the Managing Director of United Capital Asset Management Limited, a wholly owned subsidiary of United Capital Plc. He had served as the Group Chief Finance Officer with additional responsibilities in Risk Management, Information Technology, Treasury, Finance and 2 other functional areas within the Group. His experience spans over twenty-six (26) years and cuts across investment, capital markets, pensions and finance as well as banking operations. Prior to joining United Capital Plc, he was Head of Operations at First City Group and later Lead Trader for CSL Stockbrokers, the Securities Trading arm of the Group. He moved to pension management in Zenith Pension Custodian Limited, a subsidiary of Zenith Bank Plc and later returned to the Capital Market in 2008 when he joined Chapel Hill Denham where he spent six (6) years in two different roles, first as the Director of Finance and Operations, and then the MD/CEO for the stockbroking business. He has a master's degree in finance from the University of Lagos. He is a fellow of the Chartered Institute of Stockbrokers (CIS), the Institute of Chartered Accountants of Nigeria (ICAN), the Chartered Institute of Taxation of Nigeria (CITN), an Associate of the Certified Pension Institute of Nigeria and a member of the Institute of Directors.

7. DIRECTORS RETIRING BY ROTATION

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

7.1 Mr. Emmanuel Nnorom – Offering himself for re-election; and

7.2 Mr. Yoro Diallo – Not standing for re-election.

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

8. DIRECTORS INTERESTS

The Interests of the Directors in the issued share capital of the Company are recorded in the register of Director's Shareholding as at December 31, 2018 as follows:

		31-Dec-18	31-Dec-18	31-Dec-17	31-Dec-17
S/N	NAMES OF DIRECTORS	DIRECT	INDIRECT	DIRECT	INDIRECT
1	Chika Mordi	12,363	Nil	12,363	Nil
2	Adim Jibunoh	500,000	Nil	500,000	Nil
3	Emmanuel Nnorom	Nil	19,491,247	Nil	14,027,131
4	Yoro Diallo	Nil	Nil	Nil	Nil
5	Ambassador Shinkaiye	3,764,308	Nil	3,764,308	Nil
6	Oluwatoyin Sanni	550,502	Nil	2,400,732	Nil
7	Sir Stephen Nwadiuko	Nil	Nil	Nil	Nil
8	Sonny Iroche	Nil	Nil	Nil	Nil

9. ANALYSIS OF SHAREHOLDING

As of the end of 2018, United Capital's shares were held by 263,191 shareholders as analyzed in the table below:

RANGE ANALYSIS AS AT 31-12-2018						
Range	No. of Holders	Holders %	Holders Cum.	Units	Units %	Units Cum.
1-1,000	172,599	65%	172,599	62,101,212	1%	62,101,212
1,001-5,000	62,851	24%	235,450	133,637,898	2%	195,739,110
5,001-10,000	12,571	5%	248,021	87,091,678	1%	282,830,788
10,001-50,000	10,959	4%	258,980	228,735,694	4%	511,566,482
50,001-100,000	1,746	1%	260,726	124,750,489	2%	636,316,971
100,001-500,000	1,791	1%	262,517	374,447,317	6%	1,010,764,288
500,001-1,000,000	305	0%	262,822	219,254,317	4%	1,230,018,605
1,000,001-999,999,999,999	369	0%	263,191	4,769,981,395	80%	6,000,000,000
Grand Total	**263,191**	**100%**		**6,000,000,000**	**100%**	

SUBSTANTIAL INTEREST IN SHARES (10% and above)

As of the end of December 31, 2018, the shareholders with 10% and above are shown in the table below:

SHAREHOLDERS	SHAREHOLDING	% HOLDING
West Coast Equity Limited	1,305,478,570	26%

10. SUMMARY OF DEALING IN UNITED CAPITAL PLC SHARES AS AT DECEMBER 31, 2018

QUARTER	TOTAL	MONTHLY AVERAGE
MARCH QUARTER	537,534,678	179,178,266
JUNE QUARTER	550,614,121	183,538,040
SEPTEMBER QUARTER	175,061,301	58,353,767
DECEMBER QUARTER	108,071,911	36,023,970

11. 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

12. ACQUISITION OF OWN SHARES

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

13. 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.

14. EMPLOYMENT AND EMPLOYEES

14.1 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.

14.2 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.

14.3 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.

14.4 Research and Development

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

15. EVALUATION

15.1 Board Evaluation

A Board evaluation was undertaken in 2019 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.

15.2 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.

16. COMPLIANCE

16.1 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.

16.2 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.

16.3 Complaint Management Framework

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

16.4 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.

17. POST-BALANCE SHEET EVENTS

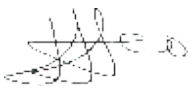
There are no post balance sheet events which could have had a material effect on the financial statement as of December 31, 2018.

18. AUDITORS

Deloitte and Touché 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 FCIS, KSJI
Group Company Secretary

REPORT OF THE STATUTORY AUDIT COMMITTEE

For the year ended December 31, 2018

To the Members of United Capital Plc

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.

Paul Olele

Chairman

Statutory Audit Committee
FRC/2014/CISN/00000009273
Dated February 15, 2019

Members of the Statutory Audit Committee

1.	Mr. Paul Olele	-	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

28 February 2019

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

Report to the Directors of United Capital Plc. on the Outcome of the 2018 Board Performance Assessment

PricewaterhouseCoopers ("PwC") was engaged to carry out an evaluation of the Board of Directors of United Capital Plc. ("United Capital" or "the Company") as required by Section 15.1 of the Securities and Exchange Commission (SEC) Code of Corporate Governance for Public Companies in Nigeria ("the SEC Code" or "the Code"). The evaluation covered the Board's structure and composition, responsibilities, processes and procedures, relationships and performance of the Board Committees for year ended 31 December 2018.

The Board is responsible for the preparation and presentation of the information relevant to its performance. Our responsibility was to reach a conclusion on the Board's performance based on work carried out within the scope of our engagement as contained in our Letter of Engagement dated 2 January 2019. In carrying out the evaluation, we relied on representations made by members of the Board and Management and on the documents provided for our review.

The Board has complied significantly with the provisions of the SEC Code. Areas of compliance include: the Board's oversight of the implementation of the Company's strategy, its oversight of risk management and the internal control environment, the existence of a succession plan for key management positions, and 100% attendance rating achieved by all Directors at Board and Committee meetings.

We have also identified some areas of improvement. The Board should ensure that the Company's Communication Policy is published on its website in line with the requirements of the SEC Code. Details of our other findings are contained in our full report to the Board.

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

Yours faithfully,
for: PricewaterhouseCoopers

Femi Osinubi
Partner
FRC/2017/ICAN/00000016659

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

Statement of Directors' Reponsibilities

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 2018, and the results of its operations, statement of cash flows and statement of changes in equity for the year ended, in compliance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Allied Matters Act of Nigeria, the Financial Reporting Council of Nigeria Act 2011 and the Investments and Securities Act CAP S124 LFN 2007.

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

- Properly selecting and applying suitable 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.

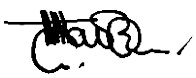
Going Concern:

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 2018 were approved by directors on 15 February 2019.

On behalf of the Directors of the Group

Chika Mordi
Chairman
FRC/2014/IODN/00000006667



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

Deloitte.

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

Opinion

We have audited the accompanying consolidated and separate financial statements of United Capital Plc ("the company') and its subsidiaries (together "the group") which comprise the consolidated statement of financial position as at 31 December 2018, the consolidated statement of profit or loss and other comprehensive income, the statement of changes in equity, the consolidated statement of cash flows for the year then ended, and the notes to the consolidated and separate financial statements including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of United Capital Plc as at 31 December, 2018 and the financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards, the Companies and Allied Matters Act Cap C20 LFN 2004 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 has significant investments in unquoted equities valued at over N2.9billion as reflected in Note 13.3 which are measured in line with the provisions of IFRS 13 – Fair value measurement. IFRS 13 seeks to increase consistency and comparability in fair value measurements and related disclosures through a 'fair value hierarchy'. The hierarchy categorizes the inputs used in valuation techniques into three levels. The Group has adopted level 3 which rely on 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.	We evaluated the valuation techniques adopted by the directors for the valuation of unquoted equities. 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 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 the Director's projections 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.

Key Audit Matter	How the matter was addressed in the audit
Level 3 fair value hierarchy requires a lot of judgment from Directors, 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 methods in valuing the investments in unquoted equities.	We considered 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 and the Statement of Director's Responsibility. 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.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to continue as a going concern. Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the Group and company's financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements
In accordance with the Sixth Schedule of Companies and Allied Matters Act CAP C20 LFN 2004 we expressly state that:

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

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

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

The engagement partner on the audit resulting in the independent auditor's report is Yetunde Odetayo, FCA.

For: Deloitte & Touche
Chartered Accountants
Lagos, Nigeria
20 February, 2019

Engagement Partner: Joshua Ojo, FCA,
FRC/2013/ICAN/00000000849

Statement of Consolidated Income

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	Group 2018 N'000	Group 2017 N'000	Company 2018 N'000	Company 2017 N'000
Gross earnings		**9,259,398**	**8,915,487**	**3,988,933**	**4,881,934**
Investment income	3	4,422,778	4,965,227	1,098,444	590,807
Fee and commission income	4	1,904,034	1,813,466	819,992	808,732
Net trading income	5	126,499	88,397	-	-
Net interest margin		757,475	143,516	-	-
Net operating income		**7,210,786**	**7,010,606**	**1,918,436**	**1,399,539**
Other income	6	2,042,439	1,874,497	963,321	1,082,395
Dividend income from subsidiaries		-	-	1,111,111	2,400,000
Net gains/(loss) on financial assets at fair value through profit or loss	7	6,173	30,384	(3,935)	-
Total revenue		**9,259,398**	**8,915,487**	**3,988,933**	**4,881,934**
Personnel expenses	8	(1,638,970)	(1,568,967)	(387,858)	(455,701)
Other operating expenses	9	(1,550,223)	(1,473,471)	(485,476)	(456,043))
Depreciation and amortisation	16/17	(115,854)	(106,180)	(86,586)	(74,185)
Write back/(Impairment) allowance as a result of application of IFRS 9		266,895	(219,040)	(263,486)	(19,925)
Total expenses		**(3,038,151)**	**(3,367,658)**	**(696,434)**	**(1,005,854)**
Profit before income tax		**6,221,246**	**5,547,829**	**3,292,499**	**3,876,080**
Income tax expense	10	(1,883,257)	(1,185,525)	(588,796)	(401,757)
Profit for the year		**4,337,989**	**4,362,304**	**2,703,703**	**3,474,323**
Other comprehensive income, net of income tax					
Items that will not be reclassified subsequently to profit or loss					
Net fair value loss on investments in equity instruments designated as at FVTOCI	28.1	(1,154,667)	835,068	-	-
Items that may be reclassified subsequently to profit or loss					
Net fair value gain/(loss) on investments in debt and other financial instruments designated as FVTOCI	28.2	1,178,510	331,377	(17,470)	-
Other comprehensive income for the period, net of taxes		**23,843**	**1,166,445**	**(17,470)**	**-**
Total comprehensive income for the year		**4,361,832**	**5,528,749**	**2,686,233**	**3,474,323**
Profit for the year attributable to:					
Equity holders of the Company		**4,337,989**	**4,362,304**	**2,703,703**	**3,474,323**
Total comprehensive income attributable to:					
Equity holders of the Company		**4,361,832**	**5,528,749**	**2,686,233**	**3,474,323**
Earnings per share-basic (kobo)	11	72	73	45	58

Statement of Financial Position

Consolidated and Separate Statement of Financial Position at 31 December 2018

		Group		Company	
	Notes	2018 N'000	2017 N'000	2018 N'000	2017 N'000
ASSETS					
Cash and cash equivalents	12	35,186,157	25,081,054	2,125,972	3,003,858
Investment in financial assets	13	88,182,725	88,055,326	33,335,015	29,999,830
Investments in subsidiaries		-	-	900,000	900,000
Property, plant and equipment	16	301,351	248,155	227,207	168,192
Intangible assets	17	14,993	24,736	7,970	16,376
Trade and other receivables	18	24,545,883	22,720,335	24,116,058	18,621,129
Dividend receivable from subsidiaries	27	-	-	1,711,111	2,400,000
Deferred tax assets	19	465,955	465,955	134,039	134,039
TOTAL ASSETS		**148,697,064**	**136,595,561**	**62,557,372**	**55,243,424**
LIABILITIES					
Managed funds	20	75,685,719	70,492,088	-	-
Other borrowed funds	21	49,163,296	41,412,677	49,163,296	41,412,677
Other liabilities	22	4,846,405	5,661,473	1,589,507	1,808,500
Current tax liabilities	23	1,923,707	2,262,424	1,068,504	1,063,309
Deferred tax liabilities	19	1,243,930	219	186,906	-
TOTAL LIABILITIES		**132,863,057**	**119,828,881**	**52,008,213**	**44,284,486**
SHAREHOLDERS FUND					
Share capital	24	3,000,000	3,000,000	3,000,000	3,000,000
Share Premium	25	683,611	683,611	683,611	683,611
Retained earnings	26	13,817,203	14,608,581	6,811,757	7,204,066
Other reserves	29	(1,666,807)	(1,525,512)	53,791	71,261
TOTAL SHAREHOLDERS FUND		**15,834,007**	**16,766,680**	**10,549,159**	**10,958,938**
TOTAL LIABILITIES AND SHAREHOLDER'S FUND		**148,697,064**	**136,595,561**	**62,557,372**	**55,243,424**

The financial statements were approved by the Board of Directors on 15 February, 2019 and signed on its behalf by:

CHIKA MORDI
Chairman
FRC/2014/IODN/00000006667

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

ODIRI OGINNI
Group Chief Finance Officer (Ag)
FRC/2013/ICAN/00000002479

Statement of Changes in Equity

Consolidated Statement of Changes in Equity at 31 December 2018

Group	Share capital N' 000	Retained earnings N' 000	Share premium N' 000	Other reserves N' 000	Total N' 000
At 1 January 2018	**3,000,000**	**14,608,581**	**683,611**	**(1,525,512)**	**16,766,680**
Effect of application of IFRS 9	-	(3,029,367)	-	(165,138)	(3,194,505)
Restated opening balance at 1 January	**3,000,000**	**11,579,214**	**683,611**	**(1,690,650)**	**13,572,175**
Transfer from profit or loss account	-	4,337,989	-	-	4,337,989
Dividend paid	-	(2,100,000)	-	-	(2,100,000)
Fair value reserves	-	-	-	23,843	23,843
At 31 December 2018	**3,000,000**	**13,817,203**	**683,611**	**(1,666,807)**	**15,834,007**

Company					
At 1 January 2018	3,000,000	7,204,066	683,611	71,261	10,958,938
Effect of application of IFRS 9	-	(996,012)	-	-	(996,012)
Restated opening balance at 1 January	**3,000,000**	**6,208,054**	**-**	**71,261**	**9,962,925**
Transfer from profit or loss account	-	2,703,703	-	-	2,703,703
Dividend paid	-	(2,100,000)	-	-	(2,100,000)
Fair value reserve				(17,470)	(17,470)
At 31 December 2018	**3,000,000**	**6,811,757**	**683,611**	**53,791**	**10,549,159**

31 December 2017 Group	Share capital N' 000	Retained earnings N' 000	Share premium N' 000	Other reserves N' 000	Total N' 000
At 1 January 2017	3,000,000	13,246,277	683,611	(2,691,957)	14,237,931
Transfer from profit or loss account	-	4,362,304	-	-	4,362,304
Dividend paid	-	(3,000,000)	-	-	(3,000,000)
Fair value reserves	-	-	-	1,166,445	1,166,445
31 December 2017	**3,000,000**	**14,608,581**	**683,611**	**(1,525,512)**	**16,766,680**

Company					
At 1 January 2017	3,000,000	6,729,744	683,611	(43,875)	10,369,480
Transfer from profit or loss account	-	3,474,322	-	-	3,474,322
Dividend paid	-	(3,000,000)	-	-	(3,000,000)
Fair value reserve	-	-	-	115,136	115,136
31 December 2017	**3,000,000**	**7,204,066**	**683,611**	**71,261**	**10,958,938**

Statement of Cash Flows

Consolidated Statement of Cash flows at 31 December 2018

	Group		Company	
	2018 N' 000	2017 N' 000	2018 N'000	2017 N'000
Profit for the year	4,337,989	4,362,304	2,703,703	3,474,322
Adjustments for:				
Income tax recognised in profit or loss	1,883,257	1,185,525	588,796	401,757
Depreciation and Amortization	111,135	106,179	86,566	74,185
Gain on disposal of property and equipment	-	-	-	(2,800)
Dividend income on equity investments designated as at FVTOCI	(742,359)	264,094	(10,078)	(9,548)
Write Back/Impairment losses recognised on amortised cost	(266,895)	-	(263,486)	19,925
	5,323,127	**5,918,102**	**3,105,501**	**3,957,841**
Movement in working capital				
Decrease/(increase) in trade receivables	(2,042,384)	(2,605,164)	(5,711,765)	(851,106)
Increase/(decrease) in managed funds	5,193,631	(30,186,965)	-	-
Increase/(decrease) in other liabilities	(815,068)	(3,273,420)	(218,993)	197,916
Cash generated from operations	7,659,306	(30,147,447)	(2,825,257)	3,304,651
Income taxes paid	(978,263)	(548,939)	(396,695)	(311,518)
Net cash generated by/(used in) operating activities	**6,681,043**	**(30,696,386)**	**(3,221,952)**	**2,993,133**
Cash flows from investing activities				
Purchase of property and equipment	(176,632)	(207,597)	(146,986)	(144,592)
Proceeds on disposal of property and equipment	22,590	39,029	9,811	21,311
Purchase of intangible assets	(630)	(14,225)	-	(4,756)
(Purchase)/Disposal of financial instrument designated at amortized cost	(24,777,789)	42,384,818	(2,848,166)	(5,691,343)
Disposal/(Purchase) of financial instrument designated at FVTOCI	26,342,216	(11,173,831)	(924,075)	(612,690)
(Purchase)/Disposal of financial instrument designated at FVTPL	(3,340,758)	(20,896)	(96,104)	-
Dividend income on equity investments designated as at FVTOCI	742,359	(264,094)	10,078	9,548
Net cash generated by/ (used in) investing activities	**(1,188,644)**	**30,743,204**	**(3,995,442)**	**(6,422,522)**
Cash flows from financing activities				
Dividend received	-	-	688,889	-
Dividend paid to owners of equity capital	(2,100,000)	(3,000,000)	(2,100,000)	(3,000,000)
Proceeds from borrowings	12,933,934	19,787,621	12,933,934	19,090,553
Repayment of borrowings	(5,183,315)	(13,208,065)	(5,183,315)	(13,110,997)
Net cash (used in)/generated by financing activities	**5,650,619**	**3,579,556**	**6,339,508**	**2,979,556**
Net increase/(decrease) in cash and cash equivalents	11,143,018	3,626,374	(877,887)	(449,833)
The effect of foreign exchanges	(1,037,915)			
Cash and cash equivalents at 1 January	25,081,054	21,454,680	3,003,858	3,453,691
Cash and cash equivalents at end of the year	**35,186,157**	**25,081,054**	**2,125,972**	**3,003,858**

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 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 2018 have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the IASB. Additional information required by national regulations is included where appropriate.

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

2.2.1 Statement of Compliance

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

The Consolidated and Separate financial statements comply with the requirement of the International Financial Reporting Standard, Companies and Allied Matters Act CAP C20 LFN 2004, Investment and Securities Act Cap S127 LFN 2004, the Financial Reporting Council Act 2011 to the extent that they are not in conflict with the International Financial Reporting Standards (IFRS).

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

In the current year, the Company has applied a number of amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2018.

i) IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS9 Financial Instruments that replaces IAS39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS9. IFRS9 brings together all three aspects of the accounting for the financial instruments project: classification and measurement; impairment; and hedge accounting. IFRS9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Except for hedge accounting, retrospective application is required, but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

Classification and measurement

IFRS 9 replaces the multiple classification and measurement models in IAS 39 with a single model that has only three classification categories: amortised cost, fair value through OCI and fair value through profit or loss. It includes the guidance on accounting for and presentation of financial liabilities and derecognition of financial instruments which was previously in IAS 39. Furthermore, for non-derivative financial liabilities designated at fair value through profit or loss, it requires that the credit risk component of fair value gains and losses be separated and included in OCI rather than in the income statement.

Impairment

IFRS 9 also requires that credit losses expected at the balance sheet date (rather than only losses incurred in the year) on loans, debt securities and loan commitments not held at fair value through profit or loss be reflected in impairment allowances.

Hedge accounting

The Company believes that all existing hedge relationships that are currently designated in effective hedging relationships will still qualify for hedge accounting under IFRS 9. As IFRS 9 does not change the general principles of how an entity accounts for effective hedges, the Company does not expect a significant impact as a result of applying IFRS 9.

ii) IFRS 15 Revenue from Contracts with Customers:

In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers, effective for periods beginning on 1 January 2018 with early adoption permitted. IFRS 15 defines principles for recognising revenue and will be applicable to all contracts with customers. However, interest and fee income integral to financial instruments and leases will continue to fall outside the scope of IFRS 15 and will be regulated by the other applicable standards (e.g., IFRS 9, and IFRS 16 Leases). Revenue under IFRS 15 will need to be recognised as goods and services are transferred, to the extent that the transferor anticipates entitlement to goods and services. The standard also specifies a comprehensive set of disclosure requirements regarding the nature, extent and timing as well as any uncertainty of revenue and the corresponding cash flows with customers.

Amendments to IAS 12 - Income Taxes: The IASB issued the amendments to IAS 12 Income Taxes to clarify the accounting for deferred tax assets for unrealised losses on debt instruments measured at fair value. The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. The amendments are intended to remove existing divergence in practice in recognising deferred tax assets for unrealised losses. The amendment does not impact the Company.

iii) Amendments to IAS 7 - Statement of Cash Flows: The amendments to IAS 7

Statement of Cash Flows are part of the IASB's Disclosure Initiative and help users of financial statements better understand changes in an entity's debt. The amendments require entities to provide disclosures about changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange

gains or losses). The amendments are intended to provide information to help investors better understand changes in an entity's debt. The amendment results in additional disclosures being made by the Company in its financial statements. 18

(b) New standards and interpretations yet to be adopted

The standards and interpretations that are issued, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

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

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS3, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture.

The IASB has deferred the effective date of the amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively. The Company will apply these amendments when they become effective.

ii) IFRS 2 Classification and Measurement of Share-based Payment Transactions — Amendments to IFRS 2

The IASB issued amendments to IFRS 2 Share-based Payment that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled. On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and other criteria are met. The amendments are effective for annual periods beginning on or after 1 January 2018, with early application permitted.

iii) IFRS 16 Leases

IFRS 16 was issued in January 2016 and it replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers1 Company information

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(b) **New standards and interpretations yet to be adopted**
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The IASB has deferred the effective date of the amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively. The Company will apply these amendments when they become effective.

ii) **IFRS 2 Classification and Measurement of Share-based Payment Transactions — Amendments to IFRS 2**
The IASB issued amendments to IFRS 2 Share-based Payment that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled. On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and other criteria are met. The amendments are effective for annual periods beginning on or after 1 January 2018, with early application permitted.

iii) **IFRS 16 Leases**
IFRS 16 was issued in January 2016 and it replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal

computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

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

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

iv) IAS 7 – Statement of Cash Flows

Effective 1 January 2017. Amends IAS 7 to include disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendment specifies that the following changes arising from financing activities are disclosed (to the extent necessary): (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes.

v) IAS 40 – Investment Property

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

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

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

vi) IFRIC Interpretation 22 - Foreign Currency Transactions and Advance Consideration

The interpretation clarifies that in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the de recognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration. The amendments are intended to eliminate diversity in practice, when recognising the related asset, expense or income (or part of it) on the de recognition of a non-monetary asset or non-monetary liability relating to advance consideration received or paid in foreign currency. The impact of this standard is currently being assessed.

vii) Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28)

The amendments clarify that an entity applies IFRS9 Financial Instruments to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The amendments are effective for periods beginning on or after 1 January 2019. Earlier application is permitted. This will enable entities to apply the amendments together with IFRS 9 if they wish so but leaves other entities the additional implementation time they had asked for. The amendments are to be applied retrospectively but they provide transition

requirements similar to those in IFRS 9 for entities that apply the amendments after they first apply IFRS 9. They also include relief from restating prior periods for entities electing, in accordance with IFRS 4 Insurance Contracts, to apply the temporary exemption from IFRS 9. Full retrospective application is permitted if that is possible without the use of hindsight.

vii) IFRIC 23 Uncertainty over Income Tax Treatment

The interpretation sets out how to determine taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates when there is uncertainty over income tax treatments under IAS 12 Income Taxes. The Interpretation requires an entity to: determine whether uncertain tax positions are assessed separately or as a group; and assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings: If yes, the entity should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings. If no, the entity should reflect the effect of uncertainty in determining its accounting tax position. Effective date: annual periods beginning on or after 1 January 2019. Entities can apply the Interpretation either on a fully retrospective or modified retrospective approach (where comparatives are not permitted or required to be restated).

viii) IFRS 17 Insurance Contracts

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of IFRS17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows. IFRS 17 requires insurance liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 Insurance Contracts as of 1 January 2021. The standard does not have any impact on this financial statement.

2.2.2 Basis of measurement

The financial statements are prepared on the historical cost basis except for the following:

- Financial instruments at fair value through profit or loss are measured at fair value
- Available-for-sale financial assets are measured at fair value and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will
recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

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

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

iv) IAS 7 – Statement of Cash Flows

Effective 1 January 2017. Amends IAS 7 to include disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendment specifies that the following changes arising from financing activities are disclosed (to the extent necessary): (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes.

v) IAS 40 – Investment Property

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

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

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

vi) IFRIC Interpretation 22 - Foreign Currency Transactions and Advance Consideration

The interpretation clarifies that in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the de recognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration. The amendments are intended to eliminate diversity in practice, when recognising the related asset, expense or income (or part of it) on the de recognition of a non-monetary asset or non-monetary liability relating to advance consideration received or paid in foreign currency. The impact of this standard is currently being assessed.

vii) Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28)

The amendments clarify that an entity applies IFRS9 Financial Instruments to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The amendments are effective for periods beginning on or after 1 January 2019. Earlier application is permitted. This will enable entities to apply the amendments together with IFRS 9 if they wish so but leaves other entities the additional implementation time they had asked for. The amendments are to be applied retrospectively but they provide transition requirements similar to those in IFRS 9 for entities that apply the amendments after they first apply IFRS 9. They also include relief from restating prior periods for entities electing, in accordance with IFRS 4 Insurance Contracts, to apply the temporary exemption from IFRS 9. Full retrospective application is permitted if that is possible without the use of hindsight.

vii) IFRIC 23 Uncertainty over Income Tax Treatment

The interpretation sets out how to determine taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates when there is uncertainty over income tax treatments under IAS 12 Income Taxes. The Interpretation requires an entity to: determine whether uncertain tax positions are assessed separately or as a group; and assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings: If yes, the entity should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings. If no, the entity should reflect the effect of uncertainty in determining its accounting tax position. Effective date: annual periods beginning on or after 1 January 2019. Entities can apply the Interpretation either on a fully retrospective or modified retrospective approach (where comparatives are not permitted or required to be restated).

viii) IFRS 17 Insurance Contracts

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of IFRS17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows. IFRS 17 requires insurance liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 Insurance Contracts as of 1 January 2021. The standard does not have any impact on this financial statement.

2.2.2 Basis of measurement

The financial statements are prepared on the historical cost basis except for the following:

- Financial instruments at fair value through profit or loss are measured at fair value
- Available-for-sale financial assets are measured at fair value

2.2.3 Impact on Financial Statements

Group

United Capital Plc performed a detailed analysis of its business models for managing financial assets and analysis of their cash flow characteristics. The following table reconciles the carrying amounts of financial assets, from their previous measurement category in accordance with IAS 39 to their new measurement Categories upon transition to IFRS 9 on 1 January 2018:

Notes To The Financial Statements

	IAS 39 classification & measurement	N'000	31-Dec 2017 Reclassi-fication N'000	Remea-surement N'000	Write Back/ (Expected credit losses) N'000	IFRS 9	1-Jan 2018 classification & measurement N'000
Assets							
Cash and cash equivalents		25,081,054			(142,962)	FVTPL	24,938,092
Financial assets under IAS 39;						AC	
- Loans and receivables	FVTPL	26,777,314	(26,777,314)			FVOCI	-
- Held-to-maturity	HTM	20,692,937	(20,692,937)				-
- Available-for-sale	AFS	40,533,795	(40,533,795)				-
- Held for trading	FVTPL	51,280	(51,280)			FVOCI	-
Financial assets under IFRS 9;						FVTPL	-
- Amortised cost	AC	-	62,208,267	165,138)	(1,560,447)	FVTPL	60,482,682
- Fair value through P&L	FVTP&L	-	3,029,965				3,029,965
- Fair value through OCI	FVTOCI	-	22,817,094	(1,324,539)	(1,419)		22,491,136
Deferred tax assets		465,955					465,955
Other receivables and prepayments	HTM	22,720,335					22,720,335
Property, plant and equipment		248,155					248,155
Intangible assets		24,736					
Total assets		**136,595,561**	-	**(1,489,677)**	**(1,704,828)**		**133,401,056**
Liabilities and equity							
Managed funds		70,492,088					70,492,088
Other borrowed funds		41,412,677					41,412,677
Other liabilities		5,661,473					5,661,473
Current income tax liabilities		2,262,424					2,262,424
Deferred tax liabilities		219					219
Total liabilities		**119,828,881**					**119,828,881**
Equity							
Issued and paid-up share capital		3,000,000					3,000,000
Share Premium		683,611					683,611
Retained earnings		14,608,581		(1,324,539)	(1,704,828)		11,579,214
Other reserves		(1,525,512)		(165,138)			(1,690,650)
Total equity attributable to Owners		**16,766,680**		**(1,489,677)**	**(1,704,828)**		**13,572,175**
Total liabilities and equity		**136,595,561**		**(1,489,677)**	**(1,704,828)**		**133,401,056**

- Available for sale assets in the prior year with the exception of unquoted equities and a portion of quoted equities have all been reclassified and carried as FVOCI instruments in the current year
- Equity instrument classified as held for trading in the prior year has now been classified and carried as FVTPL in the current year.
- All assets previously classified as loans and receivables and held to maturity have now been reclassified and carried as amortized cost instruments

Notes To The Financial Statements

Company

	IAS 39 classification & measurement		31-Dec 2017	Reclassi-fication	Remea-surement	Write Back/ (Expected credit losses)	IFRS 9	1-Jan 2018 classification & measurement
		N'000		N'000	N'000	N'000		N'000
Assets								
Cash and cash equivalents		3,003,858						2,997,388
Financial assets under IAS 39;								
- Loans and receivables	LR	24,004,360		(24,004,360)			FVTPL	-
- Held-to-maturity	HTM	4,461,253		(4,461,253)			AC	-
- Available-for-sale	AFS	783,990		(783,990)			FVOCI	-
- Held for trading	HFT	-						
Financial assets under IFRS 9;								
- Amortised cost	AC	-		28,465,613		(989,542)	FVOCI	27,476,071
- Fair value through P&L	FVTP&L	-		128,554			FVTPL	128,554
- Fair value through OCI	FVTOCI	-		655,436			FVTPL	655,436
Investments in subsidiaries		900,000						900,000
Dividend receivable from subsidiaries		2,400,000						2,400,000
Deferred tax assets		134,039						134,039
Other receivables and prepayments	HTM	19,371,356					AC	19,371,356
Property, plant and equipment		168,192						168,192
Intangible assets		16,376						16,376
Total assets		**55,243,424**		**-**		**(996,012)**		**54,464,247**
Liabilities and equity								
Managed funds								
Other borrowed funds		41,412,677						41,412,677
Other liabilities		1,808,500						1,808,500
Current income tax liabilities		1,063,309						1,063,309
Deferred tax liabilities		-						-
Total liabilities		**44,284,486**						**44,284,486**
Equity								
Issued and paid -up share capital		3,000,000						3,000,000
Share Premium		683,611						683,611
Retained earnings		7,204,066				(996,012)		208,054
Other reserves		71,261						71,261
Total equity attributable to Owners		**10,958,938**				**(996,012)**		**9,962,926**
Total liabilities and equity		**55,243,424**				**(996,012)**		**54,464,247**

- Assets being carried as Loans and receivables as well as HTM assets in 2017 has been reclassified as amortized cost instrument in 2018
- Available for sale(AFS) equity instrument in 2017 has been reclassified and carried as FVTPL in 2018 while AFS mutual funds' assets has been carried as amortized cost in 2018

2.3 Consolidation

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

Subsidiaries

The consolidated and separate financial statements incorporates 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.

2.4 Common control transactions

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

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

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

2.5 Foreign currency translation

(a) Functional and presentation currency

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

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

(b) Transactions and balances

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

Monetary items denominated in foreign currencies are retranslated at the rate prevailing on the statement of financial position date. Foreign exchange gains and losses resulting from the retranslation and settlement of these items are recognised in the income statement.

Non-monetary items measured at historical cost denominated in a foreign currency are translated with the exchange rate as at the date of initial recognition; non-monetary assets that are measured at fair value are translated using the exchange rate at the date that the fair value was determined. Translation differences on non-monetary financial instruments held at fair value through profit or loss are reported as part of the fair value gain or loss. Translation differences on non-monetary financial 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 realised or the deferred income tax liability is settled.

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

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

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

2.7 Financial assets and liabilities

In accordance with IFRS 9, all financial assets and liabilities – which include derivative financial instruments – are recognized in the statement of financial position and measured in accordance with their assigned designation.

2.7.1 Financial assets and liabilities

Summary of the financial impact of the application of IFRS 9 to United Capital Plc

Impact of application of IFRS 9 Financial Instruments

In the current year, the Group has applied IFRS 9 Financial Instruments (as revised in July 2014) and the related consequential amendments to other IFRSs in advance of their effective dates. IFRS 9 introduces new requirements for:

1) the classification and measurement of financial assets and financial liabilities,
2) impairment for financial assets and

Details of these new requirements as well as their impact on the Group's consolidated financial statements are described below:

The Group has applied IFRS 9 in accordance with the transition provisions set out in IFRS 9.

Classification and measurement: Reclassification of financial assets into the IFRS 9 categories has had no overall impact on their respective measurement bases. The only impact relates to the presentation of fair value changes on equity investments classified as FVTOCI as 'amounts that will not be subsequently reclassified to profit or loss' whereas under IAS 39 they would be subsequently reclassified to profit or loss.

In the current year, the Group has also presented the changes in fair value of financial liabilities at FVTPL attributable to changes in its own credit risk in OCI. As this financial liability was only issued in the current year it has no impact on prior year figures.

Impairment: Additional loss allowance is recognized for financial assets and other items within the impairment scope of IFRS 9.

These changes all apply prospectively from the date of initial application of IFRS 9 (i.e. 1 January 2018) and thus have no impact on the prior year figures or presentation.

- Comparative information for prior periods will not be restated. The classification and measurement requirements previously applied in accordance with IAS 39 and disclosures made in accordance with IFRS 7 will be retained.

- Any difference between the previous carrying amounts and the carrying amounts at the beginning of the annual reporting period that include the date of initial application will be recognized in the opening retained earnings (or other component of equity, as appropriate).

Classification and measurement of financial assets:

The date of initial application (i.e. the date on which the Group has assessed its existing financial assets and financial liabilities in terms of the requirements of IFRS 9) is 1 January 2018. Accordingly, the Group has applied the requirements of IFRS 9 to instruments that have not been derecognized as at 1 January 2018 and has not applied the requirements to instruments that have already been derecognized as at 1 January 2018.

All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Specifically:

- Debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are subsequently measured at amortised cost;
- Debt investments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are subsequently measured at fair value through other comprehensive income (FVTOCI);
- All other debt investments and equity investments are subsequently measured at fair value through profit or loss (FVTPL).

- Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- The Group may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies in other comprehensive income; and
- The Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

In the current year, the Group has not designated any debt investments that meet the amortised cost or FVTOCI criteria as measured at FVTPL.
In contrast, for an equity investment designated as measured at FVTOCI, the cumulative gain or loss previously recognised in other comprehensive income is not subsequently reclassified to profit or loss.

Debt instruments that are subsequently measured at amortised cost or at FVTOCI are subject to impairment.

The directors of the Company reviewed and assessed the Group's existing financial assets as at 1 January 2018 based on the facts and circumstances that existed at that date and concluded that the initial application of IFRS 9 has had the following impact on the Group's financial assets as regards their classification and measurement:

The Group's investments in equity instruments (neither held for trading nor a contingent consideration arising from a business combination) that were previously classified as available-for-sale financial assets and were measured at fair value at each reporting date under IAS 39 have been designated as at FVTOCI. The change in fair value on these equity instruments continues to be accumulated in the investment revaluation reserve;

financial assets classified as held-to-maturity and loans and receivables under IAS 39 that were measured at amortised cost continue to be measured at amortised cost under IFRS 9 as they are held within a business model to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding;

financial assets that were measured at FVTPL under IAS 39 continue to be measured as such under IFRS 9.

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.

(a) Financial liabilities 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.

(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 hat 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 tradeable. In the case of an impairment, the impairment loss is reported as a deduction from the carrying value of the loan and receivables.

(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 de recognition are presented in the statement of financial

position as 'Assets pledged as collateral', if the transferee has the right to sell or pledge 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.

(a) Financial liabilities at fair value through profit or loss

This category comprises 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 liabilites 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.

2.8 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.

2.9 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. 10 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. 11 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 financial 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. 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.

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 capitalized 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 percentage contribution by staff and employer is 8% and 10% in accordance with the Pension reform act 2014.

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.

Termination benefits

Termination benefits are recognised as an expense when the group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date. Termination benefits for voluntary redundancies are recognised if the group has made an offer encouraging voluntary redundancy, it is possible that the offer will be accepted and the number of acceptances can be estimated reliably.

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 year in which they are approved by the company's shareholders.

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

Dividend proposed by the Directors but not yet approved by members are disclosed in the financial statements in accordance with the requirements of the Company and Allied Matters Act Cap C20 LFN 2014.

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 de recognition 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".

Notes To The Financial Statements

		Group		Company	
		Dec-2018 =N=' 000	Dec-2017 =N=' 000	Dec-2018 =N=' 000	Dec-2017 =N=' 000
3	**Investment Income**				
	Fixed deposits	2,483,992	4,732,675	1,098,444	590,807
	Investments securities	1,938,786	232,552	-	-
		4,422,778	**4,965,227**	**1,098,444**	**590,807**
4	**Fees and Commission Income**				
	Financial advisory fees	819,992	778,482	819,992	808,732
	Other fees and charges	1,084,042	1,034,984	-	-
		1,904,034	**1,813,466**	**819,992**	**808,732**

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

		Group		Company	
		Dec-2018 =N=' 000	Dec-2017 =N=' 000	Dec-2018 =N=' 000	Dec-2017 =N=' 000
6	**Other Income**				
	Dividend on instruments designated as FVTOCIO	742,359	264,094	10,078	9,548
	ther interest income	1,300,080	1,610,403	953,243	1,072,847
		2,042,439	**1,874,497**	**963,321**	**1,082,395**
7	**Net gains/(loss) from financial assets at fair valued through profit or loss**				
	Net gain/(loss) on equity instruments designated as FVTPL	**6,173**	**30,384**	**(3,935)**	**–**
8	**Personnel Expenses**				
	Staff cost	1,621,824	1,554,017	384,076	450,168
	Contributions to defined contribution plans	17,146	14,950	3,782	5,533
		1,638,970	**1,568,967**	**387,858**	**455,701**

Notes To The Financial Statements

		Group		Company	
		Dec-2018 =N=' 000	Dec-2017 =N=' 000	Dec-2018 =N=' 000	Dec-2017 =N=' 000
9	**Other Operating Expenses**				
	Other premises and equipment costs	14,980	18,420	2,929	1,191
	Auditors remuneration	41,705	37,950	13,600	12,500
	Professional fees	428,163	403,953	137,210	135,627
	Travel and accommodation	44,921	72,034	35,352	33,355
	Business development	–	94,702	–	17,348
	Insurance	8,123	23,185	2,708	6,573
	General admin expenses	631,119	342,017	135,967	98,977
	Advertisement and branding	25,974	18,919	13,816	9,606
	Donations	4,167	100,000	–	10,668
	AGM/Dividend processing expenses	115,011	115,012	38,337	38,337
	Share register fee	19,509	19,508	6,503	6,503
	Rent and Rates	101,320	125,860	40,300	40,300
	Directors fees and other allowances	20,359	29,141	9,614	9,614
	Subscription	23,957	13,356	18,891	6,340
	Printing and Stationary	8,092	10,025	3,808	5,735
	Office running expenses	41,284	10,181	7,530	5,906
	Business entertainment	11,709	1,747	11,523	629
	Fines and penalties (note 36)	560	3,855	–	2,895
	IT license and maintenance fee	5,670	8,402	5,670	2,801
	Training and conference	3,600	25,204	1,718	11,141
		1,550,223	**1,473,471**	**485,476**	**456,043**
10	**Income tax expense**				
	Recognised in the profit or loss				
	Income tax	411,619	1,084,869	342,541	353,890
	Education tax	90,025	25,112	25,424	12,547
	Information technology tax	73,349	75,544	32,925	35,320
	Under provision in prior year	64,553	–	–	–
		639,546	1,185,525	401,890	401,757
	Deferred tax	1,243,711	-	186,906	-
		1,883,257	**1,185,525**	**588,796**	**401,757**
11	**Earnings Per Share**				
	Basic Earnings Per Share				
	Basic earnings attributable to shareholders (N'000)	4,337,989	4,362,304	2,703,703	3,474,323
	Number of ordinary shares in issue ('000)	6,000,000	6,000,000	6,000,000	6,000,000
	Basic earnings per share (kobo)	**72**	**73**	**45**	**58**
12	**Cash and Cash Equivalents**				
	Cash and balances with banks	844,615	229,271	520,089	54,533
	Money market placements	34,341,542	24,851,783	1,605,883	2,949,325
		35,186,157	**25,081,054**	**2,125,972**	**3,003,858**

Cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisitions, including cash in hand, deposits held at call with other banks and other short-term highly liquid investments with original maturities less than three months.

All bank balances and money market placements are assessed to have low credit risk at each reporting date as they are held with reputable financial institutions.

Notes To The Financial Statements

		Group		Company	
		Dec-2018 =N=' 000	Dec-2017 =N=' 000	Dec-2018 =N=' 000	Dec-2017 =N=' 000
13	**Investment in Financial Assets (Note 13.1-13.3)**				
13.1	**Summary - Investment in Financial Assets**				
	Financial assets measured at amortized cost on application of IFRS 9 - (Note 13.1a)	70,599,108	47,470,251	31,548,315	29,215,840
	Fair Value Through Other Comprehensive Income (FVTOCI) - (Note 13.2)	14,191,579	40,533,795	1,690,596	783,990
	Fair Value Through Profit or Loss - (Note 13.3)	3,392,038	51,280	96,104	61,779
		88,182,725	**88,055,326**	**33,335,015**	**29,999,830**
13.1a	**Financial assets measured at amortized cost on application of IFRS 9:**				
	Investment in commercial paper	–	–	–	–
	Loans to customer	29,169,978	–	29,169,978	–
	Treasury bills	7,559,620	–	–	–
	Federal Government Bonds	11,848,293	–	–	–
	State Government Bonds	6,906,048	–	463,894	–
	Corporate Bonds	16,336,266	–	2,430,134	–
		71,820,205	–	**32,064,006**	–
	Loss allowance on loan to customers (note 13.1b)	(1,221,097)	–	(515,691)	–
		70,599,108	–	**31,548,315**	–
	Financial assets - Loans and Receivables under IAS 39				
	Investment in Commercial paper	–	17,111,587	–	17,111,587
	Loans to customer	–	9,725,788	–	7,643,000
		–	**26,837,375**	–	**24,754,587**
	Loss allowance on loan to customers (note 13.1b)	–	(60,061)	–	–
		–	**26,777,314**	–	**24,754,587**
	Financial assets - Held to Maturity under IAS 39				
	Treasury Bills	–	3,064,160	–	1,819,168
	Federal Government Bonds	–	150,710	–	–
	State Government Bonds		10,932,630		492,722
	Corporate Bonds	–	6,545,437	–	2,149,363
		–	**20,692,937**	–	**4,461,253**
		70,519,108	**47,470,251**	**–**	**29,215,840**

Notes To The Financial Statements

		Group		Company	
		Dec-2018 =N=' 000	Dec-2017 =N=' 000	Dec-2018 =N=' 000	Dec-2017 =N=' 000
13.1b	**Loss allowance on financial assets at amortized costs**				
	Opening balance	60,061	-	-	-
	Write back of loss allowance	(60,061)			
	Loss allowance on initial application of IFRS 9	1,487,992	-	779,177	-
	Adjusted opening balance	**1,487,992**	-	**779,177**	-
	Charge during the year:				
	(Write back)/loss allowance on loan to customers	(266,895)	60,061	(263,486)	-
	Loss allowance on other financial assets measured at amortized cost	-	-	-	-
		1,221,097	**60,061**	**515,691**	-
13.2	**Fair Value Through Other Comprehensive Income (FVTOCI)**				
	Treasury bills	906,791	-	906,614	-
	Bonds	8,347,953	-	-	-
	Equity- Quoted	3,339,320	-	-	-
	Mutual Funds	3,264,321	-	730,191	-
		15,858,386	-	1,636,805	-
	Less: Fair value change (Note 28)	(1,666,807)	-	53,791	-
		14,191,579	-	**1,690,596**	-
	Financial assets - Available for Sale				
	Treasury bills	-	3,077,111	-	-
	Bonds	-	30,791,479	-	-
	Equity- Quoted	-	1,938,066	-	100,039
	Equity- Unquoted	-	2,636,581	-	-
	Mutual Funds		3,616,070		612,690
		-	42,059,307	-	712,729
	Less: Fair value change (Note 28)	-	(1,525,512)	-	71,261
		-	**40,533,795**	-	**783,990**

Effective 1 January, 2018, the Group's investments in financial asset instruments that were previously classified as Available for sale financial assets and were measured at fair value at each reporting date under IAS 39 have been designated as fair value through other comprehensive income (FVTOCI). The change in fair value on these equity continues to be accumulated in the investment revaluation reserve.

Notes To The Financial Statements

	Group		Company	
	Dec-2018 =N=' 000	Dec-2017 =N=' 000	Dec-2018 =N=' 000	Dec-2017 =N=' 000
13.3 Fair Value Through Profit or Loss				
Equity instrument reclassified to FVTPL on initial application of IFRS 9	150,679	-	100,039	-
Equity- Unquoted	2,899,716	-	-	-
	3,050,395	-	**100,039**	-
Fair value changes (Note 7)	341,643	-	(3,935)	-
	3,392,038	-	**96,104**	-
Financial assets - Held for trading				
Equity investment	-	51,280	-	-
	-	**51,280**	-	-

The Group's investments in quoted equity instruments amounting to N1.4billion as at 31st December, 2017 that were previously classified as available for sale financial assets and were measured at fair value through other comprehensive income at each reporting date under IAS 39 have been reclassified to FVTPL on initial application of IFRS 9. This designation applies only to quoted equity investments held for short term increase in value.

14 Investment in subsidiaries

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

14.1 Investment in subsidiaries

	Holding	Value	Country
United Capital Securities Limited (formerly UBA Securities)	100%	100,000	Nigeria
United Capital Assets Management Limited (formerly UBA Asset Management)	100%	500,000	Nigeria
United Capital Trustees Limited (formerly UBA Trustees)	100%	300,000	Nigeria
		900,000	

15 Other information on subsidiaries

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

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

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

15.1 Non-controlling interest of subsidiaries

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

15.2 Significant restrictions

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

Notes To The Financial Statements

16 Property, plant and equipment

(i) Group	Furniture & Equipment =N=' 000	Motor vehicles =N=' 000	Computer Equipment =N=' 000	Total =N=' 000
Cost				
At 1 January 2018	84,140	391,769	132,791	608,700
Additions	3,114	151,680	21,838	176,632
Disposals	(284)	(21,523)	(783)	(22,590)
At 31 December 2018	86,970	521,926	153,846	762,742
Depreciation and impairment losses				
At 1 January 2018	57,543	204,969	98,118	360,630
Additions	11,745	76,499	17,237	105,481
Disposals	-	(4,615)	(105)	(4,720)
At 31 December 2018	69,288	276,853	115,250	461,391
Carrying amounts				
At 31 December 2018	**17,682**	**245,073**	**38,596**	**301,351**
At 31 December 2017	**26,759**	**186,585**	**34,811**	**248,155**

(ii) Company	Furniture & Equipment =N=' 000	Motor vehicles =N=' 000	Computer Equipment =N=' 000	Total =N=' 000
Cost				
At 1 January 2018	46,687	192,443	65,353	304,483
Additions	2,584	126,680	17,722	146,986
Disposals	-	(9,575)	(236)	(9,811)
At 31 December 2018	49,271	309,548	82,839	441,658
Depreciation and impairment losses				
At 1 January 2018	29,044	64,542	42,705	136,291
Additions	9,143	55,855	13,182	78,180
Disposals	-	-	(20)	(20)
At 31 December 2018	38,187	120,397	55,867	214,451
Carrying amounts				
At 31 December 2018	**11,084**	**189,151**	**26,972**	**227,207**
At 31 December 2017	**17,643**	**127,901**	**22,648**	**168,192**

Notes To The Financial Statements

Company	Furniture & Equipment =N=' 000	Motor vehicles =N=' 000	Computer Equipment =N=' 000	Total =N=' 000
Cost				
At 1 January 2018	46,687	192,443	65,353	304,483
Additions	2,584	126,680	17,722	146,986
Disposals	-	(9,575)	(236)	(9,811)
At 31 December 2018	49,271	309,548	82,839	441,658
Depreciation and impairment losses				
At 1 January 2018	29,044	64,542	42,705	136,291
Additions	9,143	55,855	13,182	78,180
Disposals	-	-	(20)	(20)
At 31 December 2018	38,187	120,397	55,867	214,451
Carrying amounts				
At 31 December 2018	**11,084**	**189,151**	**26,972**	**227,207**
At 31 December 2017	**17,643**	**127,901**	**22,648**	**168,192**

		Group =N=' 000	Company =N=' 000
17	**Intangible Assets**		
	Purchased Software		
	Cost		
	At 1 January 2018	67,194	57,725
	Additions	630	-
	At 31 December 2018	67,824	57,725
	Amortization and impairment losses		
	At 1 January 2018	42,458	41,349
	Additions	10,373	8,406
	At 31 December 2018	52,831	49,755
	Carrying amounts		
	At 31 December 2018	**14,993**	**7,970**
	At 31 December 2017	**24,736**	**16,376**

Notes To The Financial Statements

		Group		Company	
		Dec-2017 =N=' 000	Dec-2016 =N=' 000	Dec-2017 =N=' 000	Dec-2016 =N=' 000
18	**Trade Receivables & Prepayments**				
	Trade debtors	344,854	325,659	112,256	90,586
	Prepayments	549,679	285,891	358,484	38,007
	Accrued income	839,946	701,636	834,914	700,240
	Other receivables	1,621,971	365,925	2,036,095	554,729
	WHT receivable	1,334,798	575,184	1,053,876	496,250
	Deposit for investment	20,138,884	17,442,934	20,138,884	16,942,934
	Other assets	522,949	3,613,469	-	-
		25,353,081	**23,310,698**	**24,534,510**	**18,822,746**
	Loss allowance on trade receivables (note 18.1)	(807,198)	(590,363)	(418,452)	(201,617)
		24,545,883	**22,720,335**	**24,116,058**	**18,621,129**
18.1	**Loss allowance on trade receivables**				
	At 1 January	590,363	926,266	201,617	533,935
	Changes on initial application of IFRS 9	216,835	-	216,835	-
	Adjusted opening balance	**807,198**	926,266	418,452	533,935
	Provision no longer required	-	(494,881)	-	(352,242)
	Arising during the year	-	158,978	-	19,924
	At 31 December	**807,198**	**590,363**	**418,452**	**201,617**

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

		Group		Company	
		Dec-2018 =N=' 000	Dec-2017 =N=' 000	Dec-2018 =N=' 000	Dec-2017 =N=' 000
19	**Deferred tax**				
	Deferred tax assets:				
	At 1 January	465,955	465,955	134,039	134,039
	At 31 December	465,955	465,955	134,039	134,039
	Deferred tax asset to be recovered after				
	Deferred tax liabilities:				
	At 1 January	219	219	-	-
	Charge for the year	1,243,711	-	186,906	-
	At 31 December	1,243,930	219	186,906	-
	Deferred tax liability to be recovered after more than 12 months				

Notes To The Financial Statements

	Group		Company	
	Dec-2018 =N=' 000	Dec-2017 =N=' 000	Dec-2018 =N=' 000	Dec-2017 =N=' 000
20 Managed Funds				
Short term investments	61,556,191	50,599,707	-	-
Trust funds	2,416,437	2,737,110	-	-
Sinking Funds	9,654,351	15,225,529	-	-
Payable on trust accounts	2,058,740	1,929,742	-	-
	75,685,719	**70,492,088**	**-**	**-**

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

	Group		Company	
	Dec-2018 =N=' 000	Dec-2017 =N=' 000	Dec-2018 =N=' 000	Dec-2017 =N=' 000
21 Other borrowed funds				
At 1 January	41,412,677	34,833,121	41,412,677	35,433,121
Loan from commercial bank	12,933,934	19,090,553	12,933,934	19,090,553
Repayment during the year	(5,183,315)	(12,510,997)	(5,183,315)	(13,110,997)
At 31 December	**75,685,719**	**41,412,677**	**49,163,296**	**41,412,677**
22 Other liabilities				
Bank overdraft	-	58,439	-	58,439
Creditors and accruals	1,124,164	1,694,207	44,380	1,120,820
Customers deposit	1,072,817	2,598,555	-	-
Other current liabilities	2,649,424	1,310,272	1,545,127	629,241
	4,846,405	**5,661,473**	**1,589,507**	**1,808,500**

	Group		Company	
	Dec-2018 =N=' 000	Dec-2017 =N=' 000	Dec-2018 =N=' 000	Dec-2017 =N=' 000
23 Current tax liabilities				
Per statement of financial position:				
At 1 January	2,262,424	1,826,166	1,063,309	1,173,397
Charge for the year	639,546	985,197	401,890	201,429
Tax paid	(978,263)	(548,939)	(396,695)	(311,517)
At 31 December	**1,923,707**	**2,262,424**	**1,068,504**	**1,063,309**

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.

Notes To The Financial Statements

		Group		Company	
		Dec-2018 =N=' 000	Dec-2017 =N=' 000	Dec-2018 =N=' 000	Dec-2017 =N=' 000
24	**(i) Share capital**				
	The share capital comprises:				
	(I) Authorised - 6,000,000,000 Ordinary shares of N0.5 each	**3,000,000**	**3,000,000**	**3,000,000**	**3,000,000**
	(ii) Issued and fully paid - 6,000,000 Ordinary shares of N0.5 each	**3,000,000**	**3,000,000**	**3,000,000**	**3,000,000**
25	**Share Premium**				
	At 1 January	683,611	683,611	683,611	683,611
	At 31 December	**683,611**	**683,611**	**683,611**	**683,611**
26	**Retained Earnings**				
	At 1 January	14,608,581	13,246,277	7,204,066	6,729,744
	Changes on initial application of IFRS 9 (Note 26.1)	(1,324,539)	-	-	-
	Loss allowance on initial application of IFRS 9 (Note 26.2)	(1,704,828)	-	(996,012)	-
	Adjusted opening retained earnings	**11,579,214**	**13,246,277**	**6,208,054**	**6,729,744**
	Transfer from profit or loss account	4,337,989	4,362,304	2,703,703	3,474,322
	Dividend paid during the year	(2,100,000)	(3,000,000)	(2,100,000)	(3,000,000)
	At 31 December	**13,817,203**	**14,608.581**	**6,811,757**	**7,204,066**

In respect of the current year, The Directors proposed a dividend of 30k per share (total dividend N1.8 billion). This dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

		Group		Company	
		Dec-2018 =N=' 000	Dec-2017 =N=' 000	Dec-2018 =N=' 000	Dec-2017 =N=' 000
26.1	**Changes on initial application of IFRS 9**				
	Reclassification of fair value on FVOCI debt instruments to amortised cost	-	-	-	-
	Reclassification of fair value on FVOCI equity instruments to FVTPL	(1,324,539)	-	-	-
	Transfer of gain/(loss) from OCI to retained earnings on disposal of FVOCI Instruments	-	-	-	-
		(1,324,539)	**-**	**-**	**-**

Notes To The Financial Statements

		Group		Company	
		Dec-2018 =N=' 000	Dec-2017 =N=' 000	Dec-2018 =N=' 000	Dec-2017 =N=' 000
26.2	**Loss allowance on initial application of IFRS 9**				
	Loss allowance on other financial assets measured at amortized cost	(1,487,993)	-	(779,177)	-
	Loss allowance on trade receivables	(216,835)	-	(216,835)	-
		(1,704,828)	**-**	**(996,012)**	**-**
27	**Dividend receivable from Subsidiaries**				
	At 1 January	-	-	(2,400,000	(1,487,993)
	Arising during the year (note 27.1)	-	-	1,111,111	-
	Receipt during the year	-	-	(1,800,000)	-
	At 31 December	**-**	**-**	**1,711,111**	**2,400,000**

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

		Group		Company	
		Dec-2018 =N=' 000	Dec-2017 =N=' 000	Dec-2018 =N=' 000	Dec-2017 =N=' 000
28	**Fair Value Reserves**				
	At 1 January	(1,525,512)	(2,691,957)	71,261	(43,875)
	Changes on initial application of IFRS 9	(165,138)	-	-	-
	Adjusted opening balance	**(1,690,650)**	**(2,691,957)**	**71,261**	**(43,875)**
	Arising during the year:				
	Transfer of gain/(loss) from OCI to retained earnings on disposal of FVOCI Instruments	(1,154,667)	835,068	-	72,390
	Fair valuation on items that will be subsequently reclassified to profit or loss	1,178,510	331,377	(17,470)	42,746
	At 31 December	**(1,666,807)**	**(1,525,512)**	**53,791**	**71,261**

		Group		Company	
		Dec-2018 =N=' 000	Dec-2017 =N=' 000	Dec-2018 =N=' 000	Dec-2017 =N=' 000
28.1	**Fair valuation on items that will not be subsequently reclassified to profit or loss**				
	Net fair value gain/(loss) on investments in quoted equity instruments measured at FVTOCI	(1,154,131)	5,312	-	-
	Net fair value gain/(loss) on investments in unquoted equity instruments measured at FVTOCI	(536)	829,756	-	-
		(1,154,667)	**835,068**	**-**	**-**

Notes To The Financial Statements

	Group		Company	
	Dec-2018 =N=' 000	Dec-2017 =N=' 000	Dec-2018 =N=' 000	Dec-2017 =N=' 000
28.2 Fair valuation on items that may be subsequently reclassified to profit or loss				
Net fair value gain/(loss) on investments in debt instruments measured at FVTOCI	1,589,231	(6,960)	-	72,390
Net fair value gain/(loss) on investments in other financial instruments measured at FVTOCI	(410,721)	338,337	(17,470)	-
	1,178,510	**331,377**	**(17,470)**	**72,390**

29 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.

29.1 Identity of related parties	Relationship	%
United Capital Asset Management Limited	Subsidiary	100
United Capital Trustees Limited	Subsidiary	100
United Capital Securities Limited	Subsidiary	100

29.2 Key management personnel

Key management personnel constitute those individuals who have the authority and the responsibility for planning, directing and controlling the activities of United Capital Plc, directly or indirectly, including any director (whether executive or non-executive). The individuals who comprise the key management personnel are the Board of Directors as well as certain key management and officers.

	Group		Company	
	Dec-2018 =N=' 000	Dec-2017 =N=' 000	Dec-2018 =N=' 000	Dec-2017 =N=' 000
29.3 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	1,827	1,827
Other Emoluments	23,340	23,340	5,383	5,383
	28,840	**28,840**	**7,210**	**7,210**
The total number of Directors were:	6	6	6	6
29.4 The number of persons employed (excluding directors) in the company during the year was as follows:	89	85	11	11

Notes To The Financial Statements

30 Principal subsidiaries

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

Company	Place of Incorporation	Primary Business Operation	%
United Capital Asset Management Limited	Nigeria	Portfolio Management	100
United Capital Securities Limited	Nigeria	Trusteeship	100
United Capital Securities Limited	Nigeria	Securities Trading	100

31 Events after reporting period

There are no material issues after the reporting period.

Financial Risk Management

Financial Risk Management

1. Introduction and Overview

Three Lines of Defence model

The group adopts the 3 lines of defence 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 defence.
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 defense functions are responsible for setting frameworks within the parameters set by the Board; and report to the board governance committees. They implement the group's risk management framework and policies, approve risk within specific mandates and provide an independent overview of the effectiveness of risk management by the first line of defense.
3rd Line of Defense	Internal Audit	They set the internal audit framework and provide an independent assessment of the adequacy and effectiveness of the overall risk management framework and risk governance structures, and reports to the board through the Audit & Governance committee.

2. Risk Categories

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

2.1 Credit Risk

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

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

i. Primary credit risk: The exposure at default arising from lending and related investment product activities (including their underwriting).
ii. Pre-settlement credit risk: The exposure at default arising from unsettled forward and derivative transactions. This risk arises from the default of the counterparty to the transaction and is measured as the cost of replacing the transaction at current market rates.
iii. Issuer risk: The exposure at default arising from traded credit and equity products (including the primary market issue underwriting of these products).

Settlement risk: Settlement is the exchange of two payments or the exchange of an asset for a payment. Settlement risk represents the risk of loss to the group from settling a transaction where value is exchanged, but where the group may not receive all or part of the counter value.

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

2.2 Country Risk

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

2.3 Liquidity Risk

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

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

i. Funding liquidity risk (also referred to as cash-flow risk) is defined as the risk that a financial institution will be unable to raise the cash necessary to roll over its debt; to fulfil the cash, margin, or collateral requirements of counterparties; or to meet capital withdrawals.

ii. Asset liquidity risk (also referred to as market or trading liquidity risk) results from a large position size forcing transactions to influence the price of securities. This is managed by establishing position limits on assets (especially assets that are not heavily traded).

2.4 Market Risk

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

2.5 Operational Risk

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

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

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

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

2.6 Reputational Risk

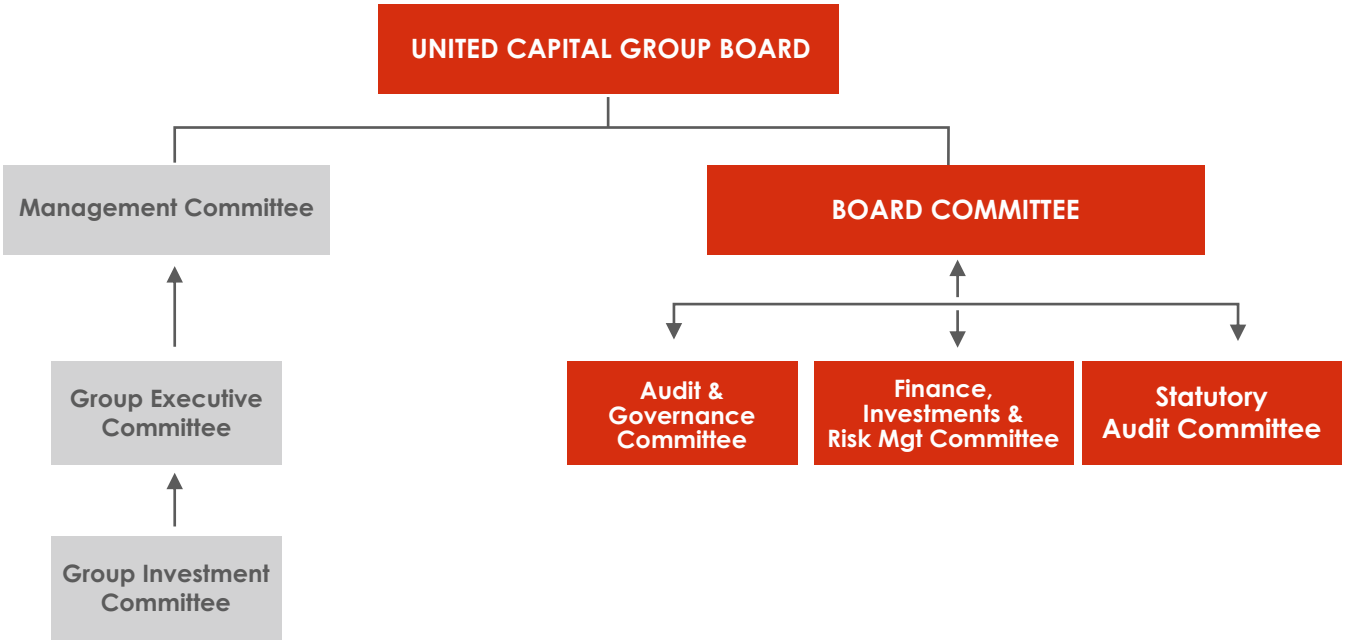
Reputational risk results from damage to the group's image among stakeholders, which may impair its ability to retain and generate business. Such damage may result from a breakdown of trust, confidence or business relationships.

3. Risk Management Framework

3.1 Governance Structure

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

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



3.2 Risk Governance Process

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

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

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

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

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

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

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

i. Residual risk: the leftover risk exposure after implementation of mitigation efforts and controls
ii. Risk appetite: the amount or type of residual risk that the group is prepared to accept to deliver on its financial/business objectives. It reflects the capacity to sustain losses and continue to meet obligations as they fall due, under both normal and a range of stress conditions.
iii. Risk tolerance: the maximum amount or type of risk the group is prepared to tolerate above stipulated risk appetite levels for short periods of time (based on the understanding that management action is taken to get back within risk appetite).
iv. Risk capacity: the maximum amount of risk the group is able to support within its available financial resources
v. Risk profile: the amount or type of risk the group holds at a specific point in time
vi. Risk tendency: is defined as a forward-looking view of the anticipated change in the group's risk profile as a result of portfolio effects and/or changes in economic conditions. Changes in economic conditions may either be in the form of formally approved macroeconomic stress scenarios or ad-hoc stress scenarios models

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

3.3 Credit Risk Management

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

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

- Establish a robust risk policy and control framework
- Maintain a strong culture of responsible investing
- Identify, assess and measure credit risk across the group, from the level of individual securities and counterparties; up to aggregate portfolio holdings
- Define, implement and continually re-evaluate business risk appetite under actual and scenario conditions
- Monitoring and managing credit risk across individual exposures and all portfolio segments

- Assigning and ensuring adherence to agreed controls
- Ensure there is independent, expert analysis of credit risks; and their mitigation

Risk Identification and Measurement

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

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

To measure credit risk, the group employs several methodologies for estimating the likelihood of obligor or counterparty default. In the year under review, credit risk exposure was quantified on the basis of both adjusted exposure and absolute exposure. External credit ratings are considered in evaluating probability of default. The enterprise risk management framework recognizes credit ratings from Basel recognized External Credit Assessment Institutions (ECAI) and Agusto & Co. Ltd. External ratings are often internally adjusted for prudence. The Group regularly validates the performance of ratings and their predictive power with regard to default events.

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

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

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

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

Risk Monitoring and Management

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

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

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

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

Risk reporting

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

3.4 Country Risk Management

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

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

Risk Identification and Measurement

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

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

Risk Monitoring and Control

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

3.5 Liquidity Risk Management

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

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

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

Risk Identification and Measurement

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

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

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

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

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

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

Category	Activities
Short term liquidity risk management	■ Monitor daily cash-flow requirements ■ Manage intra-day liquidity positions ■ Monitor repo and bank funding shortage levels ■ Manage short term cash-flows ■ Manage daily foreign currency liquidity ■ Provide guidance on fund taking rates in conformity with longer term and contingent liquidity requirements (as informed by the management committees)
Structural liquidity risk management	■ Identify and manage medium to long term liquidity mismatches ■ Ensure a structurally sound balance sheet ■ Manage long term cash-flows ■ Determine and apply behavioural profiling to investor portfolios (in conjunction with asset portfolio managers) ■ Preserve a diversified funding base ■ Assess foreign currency liquidity exposures ■ Establish liquidity risk appetite
Contingency liquidity risk management	■ Establish and maintain contingency funding plans ■ Monitor and manage early warning liquidity indicators ■ Ensure regular liquidity stress tests and scenario analysis ■ Establish liquidity buffer levels in conformity with anticipated stress events ■ Convene liquidity crisis management committees (as required) ■ Ensure diversification of liquidity buffer portfolios

Risk Monitoring and Control

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

Foreign currency liquidity risk management

The group maintains active monitoring and management of foreign currency assets and liabilities using suitable indicators to consistently track changes in market liquidity and/or exchange rates. In general, uncovered or unmatched or un-hedged FX positions is restricted.

Funding

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

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 modelled across a range of time horizons and market and idiosyncratic stress.

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

Credit Ratings

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

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

3.6 Market Risk Management

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

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

- Market risk in trading activities: trading activities which may comprise market making, arbitrage and proprietary trading. These activities are primarily carried out within the group's securities trading business

- Interest rate risk on the balance sheet: this refers to risks inherent in the different re-pricing characteristics of balance sheet assets and liabilities. These may include re-pricing risk, basis risk, yield curve risk, and optionality risk.

- Equity investments on the balance sheet: this refers to risks resulting from price changes in listed and unlisted equity investments carried on the group's balance sheet. These investments are typically classified as 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 group wide market risk in accordance to approved risk limits
- Qualitative risk assessments and stress tests

Risk Identification and Measurement

The risk management function articulates market risk management framework and specific business (line) risk frameworks that guide each line of business in the management of the market risks within its unit. The risk management function also responsible for independent oversight of each line of business to ensure that all material market risks are appropriately identified, measured, monitored and managed in accordance with framework guidelines approved.

The group risk management function uses various metrics, both statistical and non-statistical, to measure and manage market risks including: value-at-risk; stop-loss triggers; stress tests; back-testing; and specific business unit portfolio and product controls. Value-at-risk, a statistical risk measure, is used to measure the potential loss from adverse market moves under normal market conditions. Historical VaR simulation is used specifically for market risk under normal conditions. Where adopted historical VaR is 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.

Interest rate sensitivity analysis as at 31 December, 2018

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

Company	Value as at 2018 N'000	1% higher N'000	1% lower N'000
Treasury Bills	-	-	1,800,976
Federal Government bonds	-	-	-
State Government bonds	463,894	468,533	459,255
Corporate bonds	2,430,134	2,454,435	2,405,833
	2,894,028	**2,922,968**	**2,865,088**

Foreign currency risk exposure may arise as a result of foreign-denominated cash exposures, foreign-denominated accruals, the translation effect on the Group's net assets in foreign operations, and foreign-denominated debt. The finance/treasury function maintains oversight of aggregate foreign currency risk exposure, taking into account naturally offsetting risk positions and managing the Group's residual risk. In general, the Group's policy is not to ordinarily hold significant open FX exposures on the balance sheet. The risk management function conducts foreign currency sensitivity tests to monitor potential impact from rate movements in the FX markets.

The Group's market risk management process ensures disciplined risk-taking within a framework of well-defined risk appetite that enables the group to boost shareholders value while maintaining competitive advantage through effective utilization of risk capital.

Equity risk

The Group holds investments in listed and unlisted securities. Listed equity securities (quoted on the Nigerian Stock Exchange) is exposed to movement based on the general movement of the all share index and movement in prices of specific securities held by the Group.

Risk Monitoring and Control

Market risk is controlled primarily through a series of limits set in the context of the market environment and business strategy. In setting limits, the group takes into consideration factors such as market volatility, asset liquidity and accommodation of client business and management experience.

Limits may also be allocated within the lines of business, as well at portfolio level. Limits are established by risk management. Limits are reviewed regularly and updated as appropriate, with any changes approved by appropriate governance committees and risk management.

3.7 Operational Risk Management

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

Operational risk is inherent in each of the group's businesses and support activities. Operational risk can manifest itself in various ways, including errors, fraudulent acts, business interruptions, inappropriate behaviour of employees, or vendors that do not perform in accordance with their arrangements. These events could result in financial losses, including litigation and regulatory fines, as well as other damage to the group, including reputational harm. To monitor and control operational risk, the group maintains an overall framework that includes strong oversight and governance, comprehensive policies and processes, consistent practices across the lines of business, and enterprise risk management tools intended to provide a sound and well controlled operational environment. The framework includes:

- Ownership of the risk by the businesses and functional areas
- Monitoring and validation by internal control officers
- Oversight by independent risk management
- Independent review by Internal Audit

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

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

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

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

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

Financial crime control

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

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

3.8 Reputational Risk

Reputational risk results from damage to the group's image which may impair its ability to retain and generate business. Such damage may result in a breakdown of trust, confidence or business relationships. Safeguarding the group's reputation is of utmost importance. Each business line, legal entity or support function executive is responsible for identifying, assessing and determining all reputational risks that may arise within their respective areas of business. The impact of such risks is considered alongside financial or other impacts.

Matters identified as a reputational risk to the group are reported to the group chief 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.

3.9 Capital Management

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

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

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

The Group's capital is divided into two tiers:

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

	2018 N'000	2017 N'000
Tier 1 capital		
Share capital	3,000,000	3,000,000
Share premium	683,611	683,611
Retained earnings	14,608,581	14,608,581
Total qualifying for Tier 1 capital	**17,500,814**	**18,292,192**
Tier 2 capital		
Fair value reserve	(1,666,807)	(1,525,512)
Other borrowings	49,163,296	41,412,677
Total qualifying for Tier 2 capital	**47,496,489**	**39,887,165**
Total regulatory capital	**64,997,303**	**58,179,357**

Statement of Value Added

	Group				Company			
	Dec-2018		Dec-2017		Dec-2018		Dec-2017	
	=N=' 000	%	=N=' 000	%	=N=' 000	%	=N=' 000	%
Gross earnings	9,259,398		8,915,487		3,988,933		4,881,934	
Operating expenses - Local	(1,550,223)		(1,473,472)		(485,476)		(456,044)	
VALUE ADDED	**7,709,175**	**100**	**7,442,015**	**100**	**3,503,457**	**100**	**4,425,890**	**100**
Applied as Follows:								
To Pay Employees:								
Salaries and other benefits	1,638,970	21	1,568,967	21	387,858	11	455,701	10
To Pay Government:								
Taxes	639,546	8	985,197	13	401,890	11	201,429	5
Retained for Future Replacement of Assets and Expansion of Business:								
- Deferred tax	1,243,711	16	200,328		186,906	5	200,328	
- Depreciation	115,854	2	106,180	1	86,586	2	74,185	2
- Impairment loss	(266,895)	(3)	219,040	3	(263,486)	(8)	19,925	-
- Profit for the year	4,337,989	56	4,362,304	59	2,703,703	77	3,474,322	78
	7,709,175	100	**7,442,015**	100	**3,503,457**	100	**4,425,890**	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

	2018	2017	2016	2015	2014
	=N=' 000	=N=' 000	=N=' 000	=N=' 000	=N=' 000
ASSETS					
Cash and cash equivalents	35,186,157	25,081,054	21,454,680	72,736,383	31,795,597
Investment in financial assets	88,182,725	87,244,678	134,050,416	64,567,649	57,713,304
Investment in property	-	-	-	270,000	270,000
Investments in associates	-	-	-	2,266,396	1,928,952
Property and equipment	301,351	248,155	170,937	158,703	232,950
Intangible assets	14,993	24,736	22,661	31,069	33,603
Trade and other receivables	24,545,883	23,530,983	4,337,298	3,418,928	2,791,601
Deferred tax assets	465,955	465,955	656,967	656,967	521,449
TOTAL ASSETS	**148,697,064**	**136,595,561**	**160,692,959**	**144,106,095**	**95,287,456**
LIABILITIES					
Bank overdraft	-	-	-	2,973,552	-
Managed Funds	75,685,719	70,492,088	100,679,053	109,105,099	67,035,403
Other borrowed funds	49,163,296	41,412,677	34,833,122	16,144,955	14,479,289
Other liabilities	4,846,405	5,661,473	9,120,866	3,286,581	3,173,303
Current tax liabilities	1,923,707	2,262,424	1,821,768	2,175,137	1,522,835
Deferred tax liabilities	1,243,930	219	219	219	219
TOTAL LIABILITIES	**132,863,057**	**119,828,881**	**146,455,028**	**133,685,544**	**86,211,049**
EQUITY					
Share capital	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Share premium	683,611	683,611	683,611	683,611	683,611
Retained earnings	13,817,203	14,608,581	13,246,277	8,433,057	7,062,582
Other reserves	(1,666,807)	(1,525,512)	(2,691,957)	(1,696,117)	(1,669,786)
SHAREHOLDER'S FUND	15,834,007	16,766,680	14,237,931	10,420,551	9,076,407
TOTAL LIABILITIES AND EQUITY	148,697,064	136,595,561	160,692,959	144,106,095	95,287,456
CONTINGENT LIABILITIES	-	-	-	-	14,000,000

Financial Summary - Company

	2018	2017	2016	2015	2014
	=N=' 000	=N=' 000	=N=' 000	=N=' 000	=N=' 000
ASSETS					
Cash and cash equivalents	2,125,972	3,003,858	3,453,691	1,289,919	453,597
Investment in financial assets	33,335,015	29,249,603	39,577,934	14,474,421	12,976,588
Investments in subsidiaries	900,000	900,000	900,000	750,000	750,000
Investments in associates	227,207	-	-	1,650,000	1,650,000
Property and equipment	7,970	168,192	105,259	99,945	142,284
Intangible assets	24,116,058	16,376	22,661	31,069	33,603
Trade and other receivables	1,711,111	19,371,356	620,019	729,623	1,543,403
Dividend receivable from subsidiaries	134,039	2,400,000	3,572,652	2,921,616	2,376,407
Deferred tax assets	-	134,039	334,367	334,367	236,325
TOTAL ASSETS	**62,557,372**	**55,243,424**	**48,586,583**	**22,280,960**	**20,162,207**
LIABILITIES					
Other borrowed funds	49,163,296	41,412,677	35,433,121	13,704,523	12,397,952
Other liabilities	1,589,507	1,808,500	1,610,585	734,795	282,924
Current tax liabilities	1,068,504	1,063,309	1,173,397	1,380,996	711,585
Deferred tax liabilities	186,906	-	-	-	-
TOTAL LIABILITIES	**52,008,213**	**44,284,486**	**38,217,103**	**15,820,314**	**13,392,461**
EQUITY					
Share capital	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Share premium	683,611	683,611	683,611	683,611	683,611
Retained earnings	6,811,757	7,204,066	6,729,744	2,834,888	3,132,506
Other reserves	53,791	71,261	(43,875)	(57,853)	(46,371)
SHAREHOLDER'S FUND	10,549,159	10,958,938	10,369,480	6,460,646	6,769,746
TOTAL LIABILITIES AND EQUITY	**62,557,372**	**55,243,424**	**48,586,583**	**22,280,960**	**20,162,207**
CONTINGENT LIABILITIES	-	-	-	-	**14,000,000**

Financial Summary - Group

Statement of Profit and Loss and Other Comprehensive Income

	2018	2017	2016	2015	2014
	=N=' 000	=N=' 000	=N=' 000	=N=' 000	=N=' 000
Gross earnings	9,259,398	8,915,487	9,000,955	6,153,729	4,676,602
Gross operating expenses	(3,038,151)	(3,367,658)	(2,634,221)	(3,238,016)	(2,494,227)
Share of profit/(loss) of equity accounted investee	-	-	-	347,950	127,504
Profit before income tax	**6,221,246**	**5,547,829**	**6,366,734**	**3,263,663**	**2,309,879**
Income tax expense	(1,883,257)	(1,185,525)	(363,208)	(693,191)	(463,531)
Profit for the year from continuing operations	**4,337,989**	**4,362,304**	**6,003,526**	**2,570,472**	**1,846,348**
Gain from the sale of investment in associate company	-	-	909,695	-	-
Other comprehensive income for the year	23,843	1,166,445	(995,840)	(26,331)	(1,334,824)
Total comprehensive income for the year	**4,361,832**	**5,528,749**	**5,917,381**	**2,544,141**	**511,524**
Earnings per share-basic (kobo)	72	73	115	43	41

Financial Summary - Company

Statement of Profit and Loss and Other Comprehensive Income

	2018 =N=' 000	2017 =N=' 000	2016 =N=' 000	2015 =N=' 000	2014 =N=' 000
Gross earnings	3,988,933	4,881,934	5,501,346	3,087,052	2,236,593
Gross operating expenses	(696,433.84)	(1,005,855)	(863,019)	(1,598,662)	(772,577)
Profit before income tax	**3,292,499**	**3,876,079**	**4,638,327**	**1,488,390**	**1,464,016**
Income tax expense	(588,796)	(401,757)	(169,561)	(586,009)	(138,315)
Profit for the year from continuing operations	**2,703,703**	**3,474,322**	**4,468,766**	**902,381**	**1,325,701**
Gain from the sale of investment in associate company	-	-	1,526,090	-	-
Other comprehensive income for the year	(17,470)	115,136	13,978	(11,483)	(57,412)
Total comprehensive income for the year	**2,686,233**	**3,589,458**	**6,008,834**	**890,898**	**1,268,289**
Earnings per share-basic (kobo)	**45**	**58**	**100**	**15**	**29**

United Capital
The Intelligent Choice

NOTICE OF 2019 ANNUAL GENERAL MEETING OF UNITED CAPITAL PLC

NOTICE IS HEREBY GIVEN that the Annual General Meeting of United Capital Plc will hold at the Lagos Oriental Hotel, 3, Lekki Expressway, Victoria Island, Lagos on Thursday March 28, 2019 at 10am to transact the following businesses:

ORDINARY BUSINESS

1. To lay before the members the Audited Financial Statements for the year ended December 31, 2018 and the Report of the Directors, Auditors and Audit Committee thereon.
2. To declare a Dividend.
3. To approve the appointments of Sir Stephen Esochala Nwadiuko, Mr. Sonny Ifeanyi Iroche and Mr. Sunny Chukwuma Anene.
4. To re-elect Mr. Emmanuel Nnorom who is retiring by rotation.
5. To authorise the Directors to determine the remuneration of the Auditors.
6. To elect/re-elect members of the Statutory Audit Committee.

SPECIAL BUSINESS

7. To fix the remuneration of the Directors for the year 2019.

Dated February 25, 2019
BY ORDER OF THE BOARD

LEO OKAFOR FCIS, KSJI
GROUP 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 26, 2019.

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 Commissions 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 April 2, 2019 to the Shareholders whose names appear in the Company's Register of Members at the close of business on March 13, 2019.

CLOSURE OF REGISTER

The Register of Members and Transfer Books will be closed from March 14, 2019 to March 20, 2019 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 this 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

Corporate Information

Directors:

Chika Mordi	–	Chairman
Peter Ashade	–	Group Chief Executive Officer - Appointed effective July 1 2018
Oluwatoyin Sanni	–	Group Chief Executive Officer -Resigned effective June 30 2018
Yoro Mohamed Diallo	–	Independent Non Executive Director
Adim Jibunoh	–	Non Executive Director
Ambassador John K. Shinkaiye	–	Non Executive Director - Retired effective December 31 2018
Emmanuel N. Nnorom	–	Non Executive Director
Sunny Iroche	–	Non Executive Director - Appointed effective October 2 2018
Sir Stephen Nwadiuko	–	Non Executive Director - Appointed effective October 2 2018

Executive Management:

Sunny Anene	–	Managing Director, United Capital Asset Management Limited
Babatunde Obaniyi	–	Managing Director, Investment Banking
Tokunbo Ajayi	–	Managing Director, United Capital Trustees Limited
Jude Chiemeka	–	Managing Director, United Capital Securities Limited
Odiri Oginni	–	Group Chief Finance Officer
Leo Okafor	–	Group Company Secretary/General Counsel

- **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** Deloitte & Touche
Plot GA 1 Ozumba Mbadiwe Avenue,
Victoria Island
Lagos, Nigeria

Africa Prudential
RC 649007

Affix Current Passport

USE GUM ONLY NO STAPLE PINS

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

E-DIVIDEND MANDATE ACTIVATION FORM

INSTRUCTION
Please complete all section of this form to make it eligible for processing and return to the address below.

The Registrar
Africa Prudential Plc
220B, Ikorodu Road, Palmgrove, Lagos.

I/We hereby request that henceforth, all my/our Dividend Payment(s) due to me\us from my/our holdings in all the companies ticked at the right hand column be credited directly to my /our bank detailed below:

Bank Verification Number (BVN):

Bank Name:

Bank Account Number:

Account Opening Date: DD MM YYYY

SHAREHOLDER ACCOUNT INFORMATION

Gender: Male ☐ Female ☐

Surname/Company's Name First Name Other Name

Address

City State Country

Previous Address (if any)

Clearing House Number (CHN) (if any) C

Name of Stockbroking Firm

Mobile Telephone 1 Mobile Telephone 2

E-mail Address

Signature: Signature:

Joint/Company's Signatories

Company Seal(if applicable)

DISCLAIMER
"In no event shall Africa Prudential Plc be liable for any damages , losses or liabilities including without limitation, direct or indirect, special, inciden tal, 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 shareholdings

CLIENTELE	☑
1. AFRICA PRUDENTIAL PLC	☐
2. ABBEY MORTGAGE BANK PLC	☐
3. AFRILAND PROPERTIES PLC	☐
4. ALUMACO PLC	☐
5. A & G INSURANCE 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. CWG PLC	☐
17. CORDROS MONEY MARKET FUND	☐
18. EBONYI STATE GOVERNMENT BOND	☐
19. GOLDEN CAPITAL PLC	☐
20. INFINITY TRUST MORTGAGE BANK PLC	☐
21. INVESTMENT & ALLIED ASSURANCE PLC	☐
22. JAIZ BANK PLC	☐
23. KADUNA STATE GOVERNMENT BOND	☐
24. LAGOS BUILDING INVESTMENT CO. PLC	☐
25. MED-VIEW AIRLINE PLC	☐
26. MIXTA REAL ESTATE PLC *(formerly ARM Properties Plc)*	☐
27. NEXANS KABLEMETAL NIG. PLC	☐
28. OMOLUABI MORTGAGE BANK PLC	☐
29. PERSONAL TRUST & SAVINGS LTD	☐
30. P.S MANDRIDES PLC	☐
31. PORTLAND PAINTS & PRODUCTS NIG. PLC	☐
32. PREMIER BREWERIES PLC	☐
33. RESORT SAVINGS & LOANS PLC	☐
34. ROADS NIGERIA PLC	☐
35. SCOA NIGERIA PLC	☐
36. TRANSCORP HOTELS PLC	☐
37. TRANSCORP PLC	☐
38. TOWER BOND	☐
39. THE LA CASERA CORPORATE BOND	☐
40. UACN PLC	☐
41. UNITED BANK FOR AFRICA PLC	☐
42. UNITED CAPITAL PLC	☐
43. UNITED CAPITAL BALANCED FUND	☐
44. UNITED CAPITAL BOND FUND	☐
45. UNITED CAPITAL EQUITY FUND	☐
46. UNITED CAPITAL MONEY MARKET FUND	☐
47. UNITED CAPITAL NIGERIAN EUROBOND FUND	☐
48. UNITED CAPITAL WEALTH FOR WOMEN FUND	☐
49. UNIC DIVERSIFIED HOLDINGS PLC	☐
50. UNIC INSURANCE PLC	☐
51. UAC PROPERTY DEVELOPMENT COMPANY PLC	☐
52. UTC NIGERIA PLC	☐
53. WEST AFRICAN GLASS IND PLC	☐

OTHERS:

HEAD OFFICE: 220B, Ikorodu Road, Palmgrove, Lagos. Tel: 07080606400
ABUJA: Infinity House (2nd Floor), 11 Kaura Namoda Street, Off Faskari Crescent, Area 3, Garki, Abuja. Tel: 09-2900873
PORT-HARCOURT: Oklen Suite Building (2nd Floor), No. 1A, Evo Road, GRA Phase 2. Tel: 084-303457
E-MAIL: cfc@africaprudential.com | www.africaprudential.com | @afriprud

Africa Prudential
RC 649007

e-SHARE REGISTRATION APPLICATION FORM

Dear Registrar,

Please take this as authority to activate my account(s) on your SharePortal where I will be able to view and manage my investment portfolio online with ease.

***= Compulsory fields**

1. *SURNAME/COMPANY NAME:
2. *FIRST NAME:
3. OTHER NAME:
4. *E-MAIL:
5. ALTERNATE E-MAIL:
6. *MOBILE NO.: 7. SEX: MALE FEMALE
8. ALTERNATE MOBILE NO.:
9. *POSTAL ADDRESS:
10. CSCS CLEARING HOUSE NO.: C
11. NAME OF STOCKBROKER:

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:

Joint/Company's Signatories

Company Seal*(if applicable)*

DISCLAIMER

"In no event shall Africa Prudential Plc 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 shareholdings

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6. A.R.M LIFE PLC
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8. BECO PETROLEUM PRODUCTS PLC
9. BUA GROUP
10. BENUE STATE GOVERNMENT BOND
11. CAP PLC
12. CAPPA AND D'ALBERTO PLC
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E-MAIL: cfc@africaprudential.com | www.africaprudential.com | @afriprud

Africa Prudential

E-SERVICE/DATA UPDATE FORM

KINDLY FILL AND RETURN FORM TO ANY OF OUR OFFICE ADDRESSES STATED BELOW | * = COMPULSORY FIELDS

1. *SURNAME/COMPANY NAME

2. *FIRST NAME 3. OTHER NAME

4. *GENDER M F 5. E-MAIL

6. ALTERNATE E-MAIL

7. *DATE OF BIRTH D D M M Y Y Y Y

8. *MOBILE (1) (2)

9. *ADDRESS

10. OLD ADDRESS *(if any)*

11. *NATIONALITY 12. *OCCUPATION

13. *NEXT OF KIN NAME MOBILE

14. *MOTHER'S MAIDEN NAME

15. BANK NAME 16. A/C NO.

17. A/C NAME 18. A/C OPENING DATE D D M M Y Y Y Y

19. BANK VERIFICATION NO. (BVN) 20. NAME OF STOCKBROKING FIRM

21. CSCS CLEARING HOUSE NO. (CHN) C

DECLARATION

"I 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: Company Seal*(if applicable)*

Joint/Company's Signatories

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

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E-MAIL: cfc@africaprudential.com | www.africaprudential.com | @afriprud

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 28, 2019

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 28, 2019 at 10am or at any adjournment hereof.

Dated this ..... day of 2019

Shareholder's signature:.....

ORDINARY BUSINESS		FOR	AGAINST	ABSTAIN
1.	To lay before the members the Audited Financial Statements for the year ended December 31, 2018 and the Report of Directors, Auditors and Audit Committee thereon.			
2.	To declare a Dividend			
3.	To approve the appointment of the following Directors: 3.1 Sir Stephen Esochala Nwadiuko 3.2 Mr. Sonny Ifeanyi Iroche 3.3 Mr. Sunny Anene			
4	To re-elect Mr. Emmanuel Nnorom			
5	To authorise the Directors to fix the remuneration of the Auditor.			
6	To elect members of the Audit Committee			
SPECIAL BUSINESS		**FOR**	**AGAINST**	**ABSTAIN**
7.	To fix the remuneration of the Directors for the year 2019.			

Please indicate, by marking 'X' in the appropriate space, how you wish your votes to be cast on the resolutions set out above.

NOTE

Please sign this form and deliver or post it to reach the Registrar, Africa Prudential Plc, 220B Ikorodu Road, Palmgrove, Lagos not later than 48 hours before the meeting and ensure that the proxy form is dated, signed and stamped by the Commissioner for Stamp Duties.

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.

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 28, 2019 AT 10 AM AT ORIENTAL HOTEL, 3 LEKKI EXPRESSWAY, 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.

www.unitedcapitalplcgroup.com

Head Office:
United Capital Plc.
12th Floor, UBA House. 57,
Marina, Lagos, Nigeria.
+234-1-280-7596, +234-1-280-8919.
info@unitedcapitalplcgroup.com

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Garki 2 , FCT Abuja, Nigeria.
+234-9-6233039/41.
info@unitedcapitalplcgroup.com

Port-Harcourt Regional Office:
United Capital Plc.
1st Floor, UBA House, 14, Azikiwe Road,
Port-Harcourt, Nigeria.
+234-8-455-6577,+234-704-617-5444.
info@unitedcapitalplcgroup.com