



UNITED CAPITAL PLC

**UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2023**

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CORPORATE INFORMATION**DIRECTORS:**

Chika Mordi	Chairman (Non Executive Director)
Peter Ashade	Group Chief Executive Officer
Sunny Anene	Deputy Group Chief Executive Officer
Emmanuel N. Nnorom	Non Executive Director
Sonny Iroche	Independent Non Executive Director
Sir Stephen Nwadiuko	Independent Non Executive Director
Dipo Fatokun	Independent Non Executive Director
Leke Ogunlewe	Non-Executive Director

EXECUTIVE MANAGEMENT:

Peter Ashade	Group Chief Executive Officer
Sunny Anene	Deputy Group Chief Executive Officer
Gbadebo Adenrele	Managing Director, United Capital Investment Banking
Bawo Oritshajafor	Managing Director, United Capital Securities Limited
Odiri Oginni	Managing Director, United Capital Asset Management Limited
Buky Ikeotuonye	Managing Director, United Capital Trustees Limited
Shedrack Onakpoma	Group Chief Finance Officer
Leo Okafor	Group Company Secretary/General Counsel

RC No.

RC444999

FRC No.

FRC/2013/00000000001976

REGISTERED OFFICE:

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

BANKERS

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

AUDITORS:

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors of **United Capital Plc** are responsible for the preparation of the consolidated and separate financial statements that give a true and fair view of the financial position of the Group and Company as at 31 March 2023, and the results of its operations, cash flows and changes in equity for the period 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 and the Investments and Securities Act.

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

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

The Directors are responsible for:

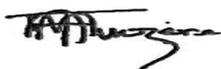
- designing, implementing and maintaining an effective and sound system of internal controls throughout the Group and Company;
- maintaining adequate accounting records that are sufficient to show and explain the Group's and company's transactions and disclose with reasonable accuracy at any time the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

Going Concern:

The Directors have made an assessment of the Group's and Company's ability to continue as a going concern and have no reason to believe the Group and Company will not remain a going concern for at least twelve months from the date of this financial statements.

The consolidated and separate financial statements of the Group and Company for the period ended 30 June 2023 have been authorised for issue and were approved by the Board of Directors on 13 July 2023.

On behalf of the Directors of the Group



Chika Mordi
Chairman

FRC/2014/IODN/00000006667



Peter Ashade

Group Chief Executive Officer
FRC/2013/NBA/00000002719

OPERATIONAL RISK MANAGEMENT

1 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 2021. Critical to the effectiveness, efficiency and stability of this operating environment is the deployment and implementation of suitable technology leveraging an Enterprise Resource Platform. In addition, the Group has invested in the development of business continuity plans, systems and capabilities to ensure resilience and stability of our business operations in the face of unforeseen disruptions.

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

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

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

2 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.

OPERATIONAL RISK MANAGEMENT

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 Reputational Risk

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

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

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

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

4 Capital Management

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

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

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

The Group's capital is divided into two tiers:

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

	June 2023 N'000	December 2022 N'000
Tier 1 capital		
Share capital	3,000,000	3,000,000
Share premium	683,611	683,611
Retained earnings	25,002,814	29,313,563
Total qualifying for Tier 1 capital	28,686,426	32,997,174
Tier 2 capital		
Fair value reserve	19,849,203	(9,884)
Other borrowings	98,236,400	100,454,344
Total qualifying for Tier 2 capital	118,085,603	100,444,460
Total regulatory capital	146,772,028	133,441,635

REGULATORY AND LEGAL RISK MANAGEMENT

(a) Regulatory Provision

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

Regulatory Capital Risk

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

(b) Legal Risk Assessment

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

CONSOLIDATED AND SEPARATE STATEMENT OF PROFIT OR LOSS

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For The Year Ended 30 June 2023

	Notes	Group		Company	
		30 June 2023 =N=' 000	30 June 2022 =N=' 000	30 June 2023 =N=' 000	30 June 2022 =N=' 000
Gross Earnings		11,014,419	9,110,441	1,805,268	1,557,861
Investment income	4	4,962,573	3,990,059	720,761	255,819
Fee and commission income	5	3,672,553	3,862,909	606,443	1,244,276
Net trading income	6	622,599	262,024	-	(63,839)
Net operating income		9,257,725	8,114,991	1,327,204	1,436,256
Other income	7	1,128,910	745,561	202,079	5,938
Dividend income from subsidiaries		-	-	-	-
Net (loss)/gain on financial assets at fair value through profit or loss	8	627,784	249,889	275,985	115,667
Total Revenue		11,014,419	9,110,441	1,805,268	1,557,861
Personnel expenses	9	(1,357,678)	(1,109,578)	(428,508)	(221,525)
Other operating expenses	10	(3,032,809)	(1,794,235)	(491,248)	(394,464)
Depreciation of properties and equipment	11	(96,971)	(98,749)	(77,385)	(82,685)
Amortisation of intangible & right of use assets	11	(63,289)	(51,389)	(61,698)	(49,326)
Impairment for credit losses	12	(1,194,795)	(1,007,209)	(66,035)	(254,118)
Total Expenses		(5,745,542)	(4,061,161)	(1,124,875)	(1,002,118)
Operating profit before income tax		5,268,877	5,049,280	680,393	555,743
Share of accumulated profit/(loss) of associates	22	274,535	194,316	-	-
Profit before income tax		5,543,412	5,243,596	680,393	555,743
Taxation	13	(854,160)	(807,845)	(108,863)	(88,919)
Profit for the period		4,689,251	4,435,751	571,530	466,824
Other comprehensive income, net of income tax					
Items that will not be reclassified subsequently to profit or loss					
Fair value gain on investments in equity instruments measured at FVTOCI (net of tax)	32.1	19,166,711	(174,448)	3,930,257	176,502
Items that may be reclassified subsequently to profit or loss					
Fair value gain/(loss) on investments in debt instruments measured at FVTOCI (net of tax)	32.2	692,375	717,892	(0)	-
Other comprehensive income/(loss) for the period, net of taxes		19,859,087	543,444	3,930,257	176,502
Total comprehensive income for the period		24,548,338	4,979,196	4,501,787	643,326
Profit for the period attributable to:					
Equity holders of the Company		4,689,251	4,435,751	571,530	466,824
Total comprehensive income attributable to:					
Equity holders of the Company		24,548,338	4,979,196	4,501,787	643,326
Earnings per share-basic (kobo)	14	156	148	19	16
Earnings per share-diluted (kobo)	14	156	148	19	16

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

CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION

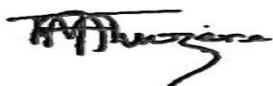
30 June 2023

AS AT 30 June 2023

	Notes	Group		Company	
		30 June 2023 =N=' 000	31 December 2022 =N=' 000	30 June 2023 =N=' 000	31 December 2022 =N=' 000
ASSETS					
Cash and cash equivalents	15	214,731,604	149,867,038	71,554,834	22,907,336
Investment securities	16	527,202,356	386,544,095	65,598,930	85,387,058
Trade and other receivables	17	57,021,786	58,943,090	46,542,836	47,812,682
Dividend receivable from subsidiaries	18	-	-	-	7,218,000
Right of use assets	19	106,992	141,944	106,992	141,944
Intangible assets	20	158,504	179,301	150,410	169,617
Investments in subsidiaries	21	-	-	901,000	901,000
Investments in associates	22	4,889,229	4,614,694	4,500,000	4,500,000
Property and equipment	23	422,414	386,555	325,040	343,876
Deferred tax assets	24.1	1,238,493	1,238,493	-	-
TOTAL ASSETS		805,771,377	601,915,211	189,680,042	169,381,513
LIABILITIES					
Managed funds	25	478,640,498	413,698,697	-	-
Borrowed funds	26	120,526,233	100,454,344	120,132,614	100,849,650
Other liabilities	27	153,363,771	48,649,198	53,076,550	47,671,636
Current tax liabilities	28	3,872,213	5,292,648	2,010,922	1,902,059
Deferred tax liabilities	24.2	833,034	833,034	787,448	787,448
TOTAL LIABILITIES		757,235,749	568,927,921	176,007,534	151,210,793
SHAREHOLDERS FUND					
Share capital	29	3,000,000	3,000,000	3,000,000	3,000,000
Share premium	30	683,611	683,611	683,611	683,611
Retained earnings	31	25,002,814	29,313,563	4,877,472	13,305,941
Fair value reserves	32	19,849,203	(9,884)	5,111,425	1,181,169
TOTAL SHAREHOLDERS FUND		48,535,628	32,987,290	13,672,509	18,170,721
TOTAL LIABILITIES AND SHAREHOLDERS FUND		805,771,377	601,915,211	189,680,042	169,381,513

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

The financial statements were approved by the Board of Directors on 13th July 2023 and signed on its behalf by:



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



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



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

CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY

AS AT 30 June 2023

2023
Group

	Share capital =N=' 000	Retained earnings =N=' 000	Share premium =N=' 000	Fair value reserves =N=' 000	Shareholders' funds =N=' 000
At 1 January 2023	3,000,000	29,313,563	683,611	(9,884)	32,987,290
Transfer from profit or loss account	-	4,689,251	-	-	4,689,251
Net change in fair value on equity instruments at FVTOCI	-	-	-	19,166,711	19,166,711
Net change in fair value on debt instruments at FVTOCI	-	-	-	692,375	692,375
Total comprehensive income	-	4,689,251	-	19,859,087	24,548,338
Transactions with owners in their capacity as owners					
Dividend paid	-	(9,000,000)	-	-	(9,000,000)
AS AT 30 June 2023	3,000,000	25,002,814	683,611	19,849,203	48,535,628

Company

At 1 January 2023	3,000,000	13,305,941	683,611	1,181,169	18,170,721
Transfer from profit or loss account	-	571,530	-	-	571,530
Net change in fair value on debt instruments at FVTOCI	-	-	-	3,930,257	3,930,257
Total comprehensive income	-	571,530	-	3,930,257	4,501,787
Transactions with owners in their capacity as owners					
Dividend paid	-	(9,000,000)	-	-	(9,000,000)
AS AT 30 June 2023	3,000,000	4,877,471	683,611	5,111,425	13,672,508

2022
Group

	Share capital =N=' 000	Retained earnings =N=' 000	Share premium =N=' 000	Fair value reserves =N=' 000	Shareholders' funds =N=' 000
At 1 January 2022	3,000,000	28,660,538	683,611	(553,328)	31,790,822
Transfer from profit or loss account	-	9,653,025	-	-	9,653,025
Net change in fair value on equity instruments at FVTOCI	-	-	-	(174,448)	(174,448)
Net change in fair value on debt instruments at FVTOCI	-	-	-	717,891	717,891
Total comprehensive income	-	9,653,025	-	543,444	10,196,469
Transactions with owners in their capacity as owners					
Dividend paid	-	(9,000,000)	-	-	(9,000,000)
At 31 December 2022	3,000,000	29,313,563	683,611	(9,884)	32,987,290
Company					
At 1 January 2022	3,000,000	12,958,286	683,611	1,004,667	17,646,563
Transfer from profit or loss account	-	9,347,655	-	-	9,347,655
Net change in fair value on equity instruments at FVTOCI	-	-	-	176,502	176,502
Net change in fair value on debt instruments at FVTOCI	-	-	-	-	(0)
Total comprehensive income	-	9,347,655	-	176,502	9,524,157
Transactions with owners in their capacity as owners					
Dividend paid	-	(9,000,000)	-	-	(9,000,000)
At 31 December 2022	3,000,000	13,305,941	683,611	1,181,169	18,170,721

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

CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS

AS AT 30 June 2023

	Group		Company	
	30 June 2023 N' 000	31 December 2022 N' 000	30 June 2023 N' 000	31 December 2022 N' 000
Profit before tax	5,268,877	13,179,281	680,393	11,405,916
Adjustments for;				
Amortisation of Intangibles	11 28,336	37,130	26,746	33,144
Depreciation of property and equipment	11 96,971	197,595	77,385	166,868
Depreciation of right of use	11 34,952	70,875	34,952	70,875
Foreign exchange revaluation	7 (906,568)	(1,883,105)	(7,215)	(487,472)
Loss/(gain) on disposal of property and equipment	7 -	4	-	4
Net interest income	4 (3,748,244)	(12,803,600)	(546,483)	(3,011,103)
Dividend income	4 (1,214,330)	(1,016,070)	(174,278)	(7,337,116)
Fair value changes on financial instruments at fair value through profit or loss	8 (622,560)	4,020	(275,985)	(43,155)
Impairment charge on other financial assets	12 1,194,795	6,172,694	66,035	607,707
	132,230	3,958,824	(118,449)	1,405,668
Changes in working capital				
Trade receivables	(703,874)	(28,539,414)	1,269,846	(17,880,974)
Managed funds	64,941,801	86,449,673	-	-
Other liabilities	104,714,573	34,470,349	5,404,914	42,535,207
	169,084,731	96,339,433	6,556,311	26,059,902
Cash generated from/(used in) operations				
Interest received	24,697,081	52,890,397	3,276,931	8,897,951
Interest paid	(19,734,508)	(39,070,727)	(2,556,170)	(5,767,732)
Income tax paid	(2,274,595)	(533,130)	-	(100,819)
	171,772,709	109,625,973	7,277,072	29,089,301
Cash flows from investing activities				
Purchase of investment securities	(156,626,607)	(78,430,720)	(4,321,339)	(40,384,454)
Proceeds from investment securities	58,474,468	57,574,866	50,128,152	15,765,345
Purchase of property and equipment	23 (132,242)	(110,868)	(57,394)	(95,129)
Purchase of intangible assets	20 (7,539)	(137,835)	(7,539)	(134,610)
Proceeds from property and equipment	-	491	-	491
Dividends received	4 & 18 1,214,330	1,016,070	7,392,278	4,947,616
	(97,077,590)	(20,087,996)	53,134,158	(19,900,742)
Cash flows from financing activities				
Dividend paid to owners of equity capital	(9,000,000)	(9,000,000)	(9,000,000)	(9,000,000)
Proceeds from borrowings	1,025,162	36,026,042	1,025,162	36,026,042
Repayment of borrowings	(3,747,107)	(18,990,389)	(3,747,107)	(18,990,389)
	(11,721,946)	8,035,653	(11,721,946)	8,035,653
Net cash generated/(used) in financing activities				
Net increase/(decrease) in cash and cash equivalents	62,973,173	97,573,629	48,689,284	17,224,211
Effect of foreign exchange changes on cash	1,877,953	(1,513,322)	243,139	(1,360,817)
Cash and cash equivalents at beginning of year	149,675,694	53,615,387	22,811,246	6,947,852
	214,526,820	149,675,694	71,743,669	22,811,246

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

3 Financial Risk Management**3.1 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
1 st Line of Defence	Business Line and Legal Entity Management	As the point of contact, they have primary responsibility for risk management. The process of assessing, measuring and controlling risks is ongoing and integrated in the day-to-day activities of the business through business and risk frameworks set by the second line of defence.
2 nd Line of Defence	Consists of specialist roles: Finance function; Risk Management function; Legal function; the governance and assurance functions (excluding Internal Audit)	The second line of defence functions are responsible for setting frameworks within the parameters set by the Board; and report to the Board Governance Committees. They implement the Group's risk management framework and policies, approve risk within specific mandates and provide an independent overview of the effectiveness of risk management by the first line of defence.
3 rd Line of Defence	Internal Audit	They set the internal audit framework and provide an independent assessment of the adequacy and effectiveness of the overall risk management framework and risk governance structures, and reports to the board through the Audit & Governance committee.

3.2 Risk Categories

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

3.21 Credit Risk

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

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

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

3.22 Country Risk

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

3.23 Liquidity Risk

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

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

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

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

3.24 Market Risk

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

3.25 Operational Risk

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

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

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

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

3.26 Reputational Risk

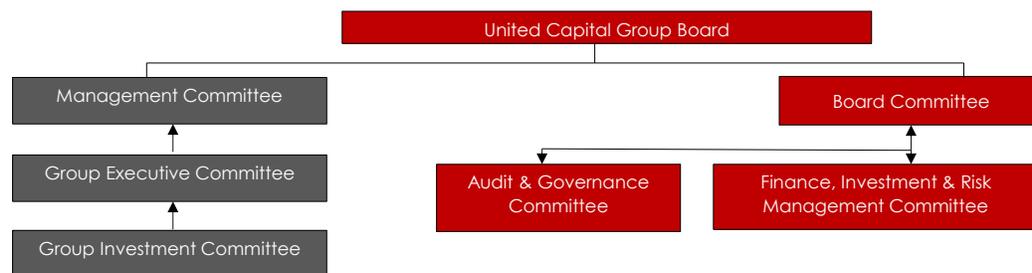
Reputational risk results from damage to the Group's image among stakeholders, which may impair its ability to retain and generate business. Such damage may result from a breakdown of trust, confidence or business relationships.

3.3 Risk Management Framework

3.31 Governance Structure

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

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



3.32 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.

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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)

3.4 Credit Risk Management

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

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

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

Financial Risk Management

3.41 Risk Identification and Measurement

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

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

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

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

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

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

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

3.42 Maximum exposure to credit risk

	Group		Company	
	2023 N'000	2022 N'000	2023 N'000	2022 N'000
Cash and cash equivalents	214,731,604	149,867,038	71,554,834	22,907,336
Financial assets:				
Amortised cost	348,584,265	167,662,848	50,447,432	75,477,029
Fair value through OCI (FVOCI)	27,965,088	12,197,077	9,863,086	-
Trade and other receivables	16,356,305	18,925,448	3,432,729	5,945,053
	607,637,263	348,652,411	135,298,081	104,329,418

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

Financial Risk Management

3.43 Credit risk analysis as at 30 June, 2023

Group

	AAA to A- N'000	BBB+ to B- N'000	CCC+ to CCC- N'000	Not rated N'000	Gross amount N'000
Cash and cash equivalents	78,543,225	136,188,379	-	-	214,731,604
Financial assets:					
Amortised cost	-	186,083,948	113,015,865	49,484,452	348,584,264
Long term placements	-	-	104,083,343	-	104,083,343
Loans to customers	-	-	-	49,484,452	49,484,452
Commercial paper	-	14,596,327	-	-	14,596,327
Treasury bills	-	4,735,568	-	-	4,735,568
Federal government bonds	-	18,820,756	-	-	18,820,756
State government bonds	-	25,500,338	-	-	25,500,338
Corporate bonds	-	122,430,960	8,932,522	-	131,363,482
Fair value through OCI (FVOCI)	-	27,965,087	-	-	27,965,087
Bonds	-	-	-	-	-
Mutual funds	-	27,965,087	-	-	27,965,087
Trade and other receivables	-	-	-	16,356,305	16,356,305
Total	78,543,225	350,237,415	113,015,865	65,840,756	607,637,260

Company

	AAA to A- N'000	BBB+ to B- N'000	CCC+ to CCC- N'000	Not rated N'000	Gross amount N'000
Cash and cash equivalents	-	71,554,834	-	-	71,554,834
Financial assets:					
Amortised cost	-	11,206,219	3,200,735	36,040,478	50,447,432
Long term placements	-	-	3,200,735	-	3,200,735
Loans to customers	-	-	-	36,040,478	36,040,478
Treasury bills	-	-	-	-	-
Federal government bonds	-	477,685	-	-	477,685
State government bonds	-	10,728,535	-	-	10,728,535
Corporate bonds	-	-	-	-	-
Fair value through OCI (FVOCI)	-	9,863,086	-	-	9,863,086
Mutual funds	-	9,863,086	-	-	9,863,086
Trade and other receivables	-	-	-	3,432,729	3,432,729
Total	-	92,624,140	3,200,735	39,473,207	135,298,081

Credit risk analysis as at 31 December, 2022

Group

	AAA to A- N'000	BBB+ to B- N'000	CCC+ to CCC- N'000	Not rated N'000	Gross amount N'000
Cash and cash equivalents	96,205,190	53,661,848	-	-	149,867,038
Financial assets:					
Amortised cost	56,793,223	105,496,962	(2,043,070)	7,415,732	167,662,847
Long term placements	-	81,594,785	-	(25,701,443)	55,893,343
Loans to customers	-	-	-	33,117,175	33,117,175
Treasury bills	11,930,948	-	-	-	11,930,948
Federal government bonds	17,138,128	-	-	-	17,138,128
State government bonds	12,572,777	12,229,800	(2,043,070)	-	22,759,507
Corporate bonds	15,151,370	11,672,377	-	-	26,823,747
Fair value through OCI (FVOCI)	12,197,077	-	-	-	12,197,077
Bonds	5,076,346	-	-	-	5,076,346
Mutual funds	7,120,731	-	-	-	7,120,731
Trade and other receivables	-	-	-	18,925,448	18,925,448
Total	165,195,490	159,158,810	(2,043,070)	26,341,180	348,652,410

Financial Risk Management**Company**

	AAA to A- N'000	BBB+ to B- N'000	CCC+ to CCC- N'000	Not rated N'000	Gross amount N'000
Cash and cash equivalents	15,955,923	-	6,947,852	-	22,903,775
Financial assets:					
Amortised cost	12,313,018	11,461,200	-	51,702,810	75,477,029
Long term placements	-	11,461,200	-	15,596,297	27,057,497
Loans to customers	-	-	-	36,106,513	36,106,513
State government bonds	10,370,100	-	-	-	10,370,100
Corporate bonds	1,465,234	-	-	-	1,465,234
Mutual funds	-	-	-	-	-
Fair value through OCI (FVOCI)	-	-	-	-	-
Trade and other receivables	-	-	-	5,945,053	5,945,053
Total	28,268,941	11,461,200	6,947,852	57,647,863	104,325,856

Geographical sectors**2023**

	Group		Company	
	Nigeria N'000	Other Countries N'000	Nigeria N'000	Other Countries N'000
Cash and cash equivalents (excluding cash in hand)	155,978,360	58,753,244	71,554,834	-
Financial assets:				
Amortised cost	289,831,021	58,753,244	50,447,432	-
Fair value through OCI (FVOCI)	27,965,088	-	9,863,086	-
Trade and other receivables	16,356,305	-	3,432,729	-
	490,130,775	117,506,488	135,298,081	-

2022

	Group		Company	
	Nigeria N'000	Other Countries N'000	Nigeria N'000	Other Countries N'000
Cash and cash equivalents	149,867,038	-	22,907,336	-
Financial assets:				
Amortised cost	167,662,848	-	75,477,029	-
Fair value through OCI (FVOCI)	12,197,077	-	-	-
Trade and other receivables	18,925,448	-	5,945,053	-
	348,652,410	-	104,329,418	-

Credit Quality

Some financial assets are past due and impaired during the period with N8.66b (2022: N7.46b) impairment on amortised cost financial assets and N1.55b for trade receivables (2022: N1.55b).

3.44 Risk Monitoring and Management

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

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

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

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

Financial Risk Management

3.45 Risk reporting

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

3.5 Country Risk Management

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

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

Risk Identification and Measurement

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

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

Risk Monitoring and Control

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

3.5 Liquidity Risk Management

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

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

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

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

Risk Monitoring and Control

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

Foreign currency liquidity risk management

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

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

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

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

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

Group – 31 June, 2023	< 30 days	31 - 90 days	91 - 180 days	181 - 365 days	1-3 years years	> 3 years	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Assets							
Cash and cash equivalents	30,841,969	183,889,635	-	-	-	-	214,731,604
Bond	-	-	12,302,567	142,672,151	-	14,676,310	169,651,028
Treasury bills	-	-	4,735,568	-	-	-	4,735,568
Mutual funds	40,321,720	1,299,234	5,765,234	39,354,125	15,636,730	35,889,439	138,266,482
Quoted equities	-	-	-	-	-	12,649,718	12,649,718
Unquoted equities	-	-	-	-	-	32,201,890	32,201,890
Trade and other receivables	-	-	294,197	4,871,424	-	40,285,112	45,450,733
Loans and receivables	-	-	-	-	104,083,343	84,001,011	188,084,354
Total	71,163,689	185,188,869	23,097,566	186,897,700	119,720,073	219,703,481	805,771,377
Liabilities							
Borrowings	-	-	3,160,905	5,176,693	-	112,188,635	120,526,233
Managed funds	8,893,215	148,555,138	14,345,142	150,092,124	140,332,145	21,127,982	483,345,745
Other Liabilities	52,003,711	35,000,000	5,594,938	25,765,122	-	35,000,000	153,363,771
Total	60,896,926	183,555,138	23,100,985	181,033,939	140,332,145	168,316,617	757,235,749
Assets	71,163,689	185,188,869	23,097,566	186,897,700	119,720,073	219,703,481	805,771,377
Liabilities	60,896,926	183,555,138	23,100,985	181,033,939	140,332,145	168,316,617	757,235,749
Liquidity gap	10,266,763	1,633,732	(3,419)	5,863,760	(20,612,072)	51,386,864	48,535,629

Company – 30 June, 2023	< 30 days	31 - 90 days	91 - 180 days	181 - 365 days	1-3 years years	> 3 years	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Assets							
Cash and cash equivalents	26,327,749	45,227,084	-	-	-	-	71,554,834
Long-term investments	-	-	3,200,735	-	-	-	3,200,735
Bond	-	-	-	-	-	11,206,219	11,206,219
Treasury bills	-	-	-	-	-	-	-
Mutual funds	-	-	-	9,863,086	-	-	9,863,086
Quoted equities	2,410,624	-	-	-	-	-	2,410,624
Trade and other receivables	-	-	1,766,336	2,344,306	-	39,754,128	43,864,770
Dividend receivable	-	-	-	-	-	-	-
Loans and receivables	-	-	-	-	16,254,890	21,219,099	37,473,989
Total	28,738,374	45,227,084	4,967,071	12,207,392	16,254,890	72,179,447	179,574,258
Liabilities							
Borrowings	1,882,177	7,716,114	3,160,905	5,176,693	27,771,310	74,425,415	120,132,614
Other liabilities	-	35,295,742	-	7,905,188	9,875,620	-	53,076,550
Total	1,882,177	43,011,856	3,160,905	13,081,881	37,646,930	74,425,415	173,209,163
Assets	28,738,374	45,227,084	4,967,071	12,207,392	16,254,890	72,179,447	179,574,258
Liabilities	1,882,177	43,011,856	3,160,905	13,081,881	37,646,930	74,425,415	173,209,163
Liquidity gap	26,856,197	2,215,229	1,806,166	(874,489)	(21,392,040)	(2,245,968)	6,365,095

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Financial Risk Management

Group – 31 December, 2022

	< 30 days	31 - 90 days	91 - 180 days	181 - 365 days	1-3 years years	> 3 years	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Assets							
Cash and cash equivalents	10,336,588	139,530,450	-	-	-	-	149,867,038
Bond	-	3,500,000	17,466,781	19,156,600	33,314	6,785,840	46,942,536
Treasury bills	-	-	3,453,813	8,477,135	-	-	11,930,948
Mutual funds	25,321,720	1,299,234	5,765,234	94,354,125	15,636,730	(17,384,601)	124,992,442
Quoted equities	-	-	-	-	-	6,565,673	6,565,673
Unquoted equities	-	-	-	-	-	46,496,769	46,496,769
Trade and other receivables	-	-	889,527	16,700,775	-	40,285,112	57,875,415
Loans and receivables	-	-	-	-	83,394,077	30,592,996	113,987,074
Total	35,658,308	144,329,684	27,575,356	138,688,636	99,064,121	113,341,789	558,657,894
Liabilities							
Borrowings	-	-	1,000,818	18,088,112	-	60,602,186	79,691,116
Managed funds	3,893,215	50,008,721	14,345,142	171,247,066	40,332,145	47,422,735	327,249,024
Other liabilities	35,459,322	7,594,938	5,594,938	-	-	-	48,649,198
Total	39,352,537	57,603,659	20,940,898	189,335,179	40,332,145	108,024,921	455,589,338
Assets	35,658,308	144,329,684	27,575,356	138,688,636	99,064,121	113,341,789	558,657,894
Liabilities	39,352,537	57,603,659	20,940,898	189,335,179	40,332,145	108,024,921	455,589,338
Liquidity gap	(3,694,229)	86,726,025	6,634,458	(50,646,543)	58,731,976	5,316,869	103,068,556

Company – 31 December, 2022

	< 30 days	31 - 90 days	91 - 180 days	181 - 365 days	1-3 years years	> 3 years	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Assets							
Cash and cash equivalents	85,372	6,866,041	-	-	-	-	6,951,413
Bond	-	-	-	14,401,757	33,314	1,315,749	15,750,820
Mutual funds	-	-	-	2,176,409	-	-	2,176,409
Quoted equities	2,091,484	-	-	-	-	-	2,091,484
Unquoted equities	-	-	-	-	-	4,500,000	4,500,000
Trade and other receivables	-	-	985,050	2,238,207	-	25,142,732	28,365,989
Dividend receivable	-	7,218,000	-	-	-	-	7,218,000
Loans and receivables	-	-	-	-	11,461,200	37,473,989	48,935,190
Total	2,176,855	14,084,041	985,050	18,816,373	11,494,515	68,432,470	115,989,305
Liabilities							
Borrowings	-	-	1,000,818	18,088,112	-	64,628,978	83,717,908
Other liabilities	-	47,671,636	-	-	-	-	47,671,636
Total	-	47,671,636	1,000,818	18,088,112	-	64,628,978	131,389,544
Assets	2,176,855	14,084,041	985,050	18,816,373	11,494,515	68,432,470	115,989,305
Liabilities	-	47,671,636	1,000,818	18,088,112	-	64,628,978	131,389,544
Liquidity gap	2,176,855	(33,587,594)	(15,768)	728,261	11,494,515	3,803,492	(15,400,239)

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.

Financial Risk Management**Credit Ratings**

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

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

3.6 Market Risk Management

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

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

- Market risk in trading activities: trading activities which may comprise market making, arbitrage and proprietary trading. These activities are primarily carried out within the Group's securities trading business
- Interest rate risk on the balance sheet: this refers to risks inherent in the different re-pricing characteristics of balance sheet assets and liabilities. These may include re-pricing risk, basis risk, yield curve risk, and optionality risk.
- Equity investments on the balance sheet: this refers to risks resulting from price changes in listed and unlisted equity investments carried on the group's balance sheet. These investments are typically classified as fair value through other comprehensive income (FVTOCI).
- Foreign currency risk: The Group may be exposed to foreign currency risk as a result of foreign-denominated cash exposures and accruals.

In managing market risks, the Group risk management function works in close partnership with the lines of business, including Treasury, to identify and monitor market risks throughout the Group. The Group's market risk management practices seek to control risk, facilitate efficient risk/return decisions, reduce volatility in operating performance, and provide transparency of the Group's market risk profile to executive management and the board of directors. This involves:

- Independent measurement, monitoring and control of business line and Group wide market risk in accordance to approved risk limits
- Qualitative risk assessments and stress tests

Risk Identification and Measurement

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

The Group risk management function uses various metrics, both statistical and non-statistical, to measure and manage market risks including: value-at-risk; stop-loss triggers; stress tests; back-testing; and specific business unit portfolio and product controls.

Value-at-risk, a statistical risk measure, is used to measure the potential loss from adverse market moves under normal market conditions. Historical VaR simulation is used specifically for market risk under normal conditions. Where adopted historical VaR is based un-weighted historical data for the previous 12 months, a holding period of one day and a 99% confidence level. Daily VaR estimates are converted to a ten-day holding period. Expected shortfall is quantified to counteract the limitations of VaR.

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

Financial Risk Management

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 30 June, 2023

Group	Value as at 2023 N'000	1% higher N'000	1% lower N'000
Financial asset FVTOCI	-	-	-
	-	-	-

Interest rate sensitivity analysis as at 31 December, 2022

Group	Value as at 2022 N'000	1% higher N'000	1% lower N'000
Financial asset FVTOCI	5,076,346	5,127,109	5,025,583
	5,076,346	5,127,109	5,025,583

Foreign currency risk exposure may arise as a result of foreign-denominated cash exposures, foreign-denominated accruals, and foreign-denominated debt. The finance/treasury function maintains oversight of aggregate foreign currency risk exposure, taking into account naturally offsetting risk positions and managing the Group's residual risk. In general, the Group's policy is not to ordinarily hold significant open FX exposures on the balance sheet. The risk management function conducts foreign currency sensitivity tests to monitor potential impact from rate movements in the FX markets. The table below shows the impact on the Group's and Company's profit before tax if foreign exchange rates on financial instruments held at amortised cost or at fair value had increased by 5 percent (5%), with all other variables held constant.

Foreign currency sensitivity analysis

	Group		Company	
	30 June 2023 =N=' 000	31 December 2023 =N=' 000	30 June 2023 =N=' 000	31 December 2022 =N=' 000
Assets	852,014	689,890	758,687	614,322
Liabilities	699,484	566,384	699,484	566,384
Impact on profit	152,530	123,506	59,203	47,938

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

3.7 Equity risk

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

Sensitivity analysis assuming a 5% increase/decrease in value of equities.

	Group		Company	
	31 December 2023 =N=' 000	31 December 2022 =N=' 000	31 December 2023 =N=' 000	31 December 2022 =N=' 000
Investment securities at FVTPL	2,247,026	1,927,885	1,154,817	878,831
Investment securities at FVOCI	12,688,332	12,665,456	1,255,808	1,232,932
Impact on Profit for the period				
Favourable change @ 5% increase in prices	112,351	96,394	57,741	43,942
Unfavourable change @ 5% reduction in prices	(112,351)	(96,394)	(57,741)	(43,942)
Impact on Other Comprehensive Income				
Favourable change @ 5% increase in prices	634,417	633,273	62,790	61,647
Unfavourable change @ 5% reduction in prices	(634,417)	(633,273)	(62,790)	(61,647)

Financial Risk Management**Risk Monitoring and Control**

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

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

3.7.1 Fair value estimation**a) Financial instruments measured at fair value**

IFRS 7 requires disclosures for all financial instruments measured at fair value.

The table below analyses financial instruments carried at fair value, by valuation method.

The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liabilities, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

Group 2023	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value	N'000	N'000	N'000	N'000
Bonds	-	-	-	-
Equity- quoted	33,333,579	-	-	33,333,579
Equity- unquoted	-	7,018,029	-	7,018,029
Mutual funds	138,266,482	-	-	138,266,482
	171,600,061	7,018,029	-	178,618,090

Company 2023	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value	N'000	N'000	N'000	N'000
Bonds	-	-	-	-
Equity- quoted	7,522,050	-	-	7,522,050
Equity- unquoted	-	-	-	-
Mutual funds	7,629,448	-	-	7,629,448
	15,151,498	-	-	15,151,498

Group 2022	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value	N'000	N'000	N'000	N'000
Bonds	72,730,768	-	-	72,730,768
Equity- quoted	14,140,008	-	-	14,140,008
Equity- unquoted	-	7,018,029	-	7,018,029
Mutual funds	124,992,442	-	-	124,992,442
	211,863,218	7,018,029	-	218,881,246

Company 2022	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value	N'000	N'000	N'000	N'000
Bonds	-	-	-	-
Equity- quoted	3,315,807	-	-	3,315,807
Mutual funds	0	6,594,222	-	6,594,222
	3,315,807	6,594,222	-	9,910,030

Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry Company, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily NSE equity investments, treasury bills and bonds classified as trading securities or financial asset through OCI.

Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Specific valuation techniques used to value financial instruments include:

a) Quoted market prices or dealer quotes for similar instruments;

b) The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value;

c) Other techniques, such as discounted cash flow analysis, sales prices of comparable properties in close proximity, are used to determine fair value for the remaining financial instrument.

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Financial Risk Management**Financial instruments in level 3**

Inputs for the asset or liability in this fair value hierarchy are not based on observable market data (unobservable inputs). This level includes equity investments with significant unobservable components.

Description of valuation methodology and inputs:

The steps involved in estimating the fair value of the company's unquoted equity investments are as follows:

Step 1: The most appropriate valuation methodology was selected to value each of the unquoted equity investment.

Step 2: Comparative multiples were sourced from S & P Capital IQ based on available comparable companies in Sub-Saharan Africa and Emerging Asia and an average multiple was computed.

Step 3: The enterprise value was derived by multiplying the average multiple to the relevant financial metric.

Step 4: Equity value of the firm was derived by deducting the value of the debt of the company and adding the closing cash balance.

Step 5: A lack of marketability discount of 14.9% was applied to the equity value.

Step 6: The equity value was derived by multiplying the company's equity value by Roger Miller equity stake.

Step 7: The latest transaction price was adopted to estimate the fair value of unquoted equity investment in Brozi Leisures Limited.

There was no transfer of securities between levels in 2023 (2022: nil).

Information about the fair value measurements using significant unobservable Inputs (Level 3) are given below:

30 June 2023

Description	Fair value at 30 June. 2023	Valuation technique	Unobservable input	Reasonable possible shift +/- (absolute value)	Change in valuation +/- N'million
FSDH (Naira - million)	2,351	DDM	-Discounted factor -Cashflow estimate	1%	24
AFC (Naira - million)	4,665	DDM	-Discounted factor -Cashflow estimate	1%	46.65

31 December 2022

Description	Fair value at 31 Dec. 2022	Valuation technique	Unobservable input	Weighted average input	Reasonable possible shift +/- (absolute value)	Change in valuation +/- N'000
FSDH (Naira - million)	2,351	DDM	EV/ EBITDA Methodology	40%	1%	24
AFC (Naira - million)	4,665	DDM	-Discounted factor -Cashflow estimate		1%	85

The change in valuation disclosed in the table shows the direction an increase or decrease in the respective input variables would have on the valuation result. For equity securities, increase in the EBITDA multiple would lead to an increase in estimated value. However, an increase in the discount for lack of marketability would lead to a decrease in value.

The valuation of FSDH unquoted equity was based on the recent sales price of the shares. A 5% increase/(decrease) in the share price of the equities at the reporting date would have increased/(decreased) the profit before tax by N128million

Financial Risk Management

(b) Financial instruments not measured at fair value

Group	At 30 June 2023		At 31 December 2022	
	Carrying value N'000	Fair value N'000	Carrying value N'000	Fair value N'000
Financial assets				
Cash and bank	214,731,604	214,731,604	149,867,038	149,867,038
Investment securities at amortised cost	354,617,813	352,829,660	175,126,779	167,673,987
Trade and other receivables*	53,955,838	53,955,838	56,733,019	56,733,019
	623,305,255	621,517,102	381,726,836	374,274,043
Financial liabilities				
Trade and other payables*	153,363,771	153,363,771	53,076,550	53,076,550
Managed funds*	478,640,498	478,640,498	413,698,697	413,698,697
Borrowings	120,526,233	120,526,233	100,454,344	100,454,344
	752,530,502	752,530,502	567,229,591	567,229,591
Company				
Financial assets				
Cash and cash equivalents	71,554,834	71,554,834	22,907,336	22,907,336
Investment securities at amortised cost	51,880,944	50,092,791	76,844,505	75,056,352
Trade and other receivables	46,542,836	44,799,649	56,149,474	46,090,018
	169,978,614	166,447,274	155,901,314	144,053,706
Financial liabilities				
Trade and other payables	46,542,836	46,542,836	47,812,682	47,812,682
Borrowings	120,132,614	120,132,614	100,849,651	100,511,035
	166,675,450	166,675,450	148,662,333	148,323,717

*The carrying values of these assets and liabilities approximates their fair values.

Cash and bank balances have been designated as level 2 while loans, managed funds, long term placements as well as trade and other payables have been designated as level 3 within the fair value hierarchy. State and corporate bonds are designated as level 1 within the fair value hierarchy.

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	Group		Company	
	30 June 2023 =N=' 000	30 June 2022 =N=' 000	30 June 2023 =N=' 000	30 June 2022 =N=' 000
4 Net investment income				
Interest from placements and bonds	1,234,123	2,782,871	937,754	2,573,784
Income from loans	2,905,814	445,440	1,861,500	-
Dividend income from securities investments	1,214,330	742,851	174,278	52,209
Profit on disposal of investment	(2,001)	110,055	-	-
Income from managed Funds	19,344,816	14,799,804	303,399	270,551
	<u>24,697,081</u>	<u>18,881,021</u>	<u>3,276,931</u>	<u>2,896,544</u>
Interest expense on managed funds and other borrowings	(19,734,508)	(14,890,962)	(2,556,170)	(2,640,724)
	<u>4,962,573</u>	<u>3,990,059</u>	<u>720,761</u>	<u>255,819</u>
Investment income from items measured at amortised cost	4,591,295	3,396,015	687,815	222,873
Investment income from items carried at fair value through OCI	371,278	594,044	32,946	32,946
	<u>4,962,573</u>	<u>3,990,059</u>	<u>720,761</u>	<u>255,819</u>
5 Fees and commssion income				
Financial advisory fees	606,443	1,244,276	606,443	1,244,276
Managent fees and commissions	3,066,110	2,618,632	-	-
	<u>3,672,553</u>	<u>3,862,909</u>	<u>606,443</u>	<u>1,244,276</u>
Fees recognised at point in time	1,550,729	1,842,402	606,443	1,244,276
Fees recognised over time	2,121,823	2,020,507	-	-
	<u>3,672,553</u>	<u>3,862,909</u>	<u>606,443</u>	<u>1,244,276</u>
Managemnt fees and commission income include brokrage fee of N444m, Management fee of N799m and trustees fees of N156m which are recognised at point in time. Management fees and transaction sign-on fees which are recognised at point in time the mandate is consumated. Management fee accrues monthly as a percentage of the net asset value (NAV) at each point in time.				
6 Net Trading Income.				
Net trading income includes gains and losses arising both on the purchase and sale of financial instruments at FVTPL	<u>622,599</u>	<u>262,024</u>	<u>-</u>	<u>(63,839)</u>
7 Other income				
Exchange gains/(loss)	906,568	681,375	7,215	(97)
Interest on staff loans	1,152	832	-	-
Gain on Disposal of PPE	-	34	-	34
Other income	221,191	63,320	194,865	6,002
	<u>1,128,910</u>	<u>745,561</u>	<u>202,079</u>	<u>5,938</u>
Other income includes income from trade (N3.7m) realised by the Wealth Management desk.				
8 Net (loss)/gain from financial assets at fair valued through profit or loss				
Net gain/(loss) on equity instruments at FVTPL	627,784	249,889	275,985	115,667
	<u>627,784</u>	<u>249,889</u>	<u>275,985</u>	<u>115,667</u>
9 Personnel expenses				
Staff cost	1,307,310	1,086,563	413,383	213,017
Contributions to defined contribution plans	50,368	23,015	15,125	8,507
	<u>1,357,678</u>	<u>1,109,578</u>	<u>428,508</u>	<u>221,525</u>

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

	Group		Company	
	30 June 2023 =N=' 000	30 June 2022 =N=' 000	30 June 2023 =N=' 000	30 June 2022 =N=' 000
10 Other operating expenses				
Premises and equipment costs	54,503	30,121	9,860	584
Auditors remuneration	34,190	18,250	9,726	5,913
Professional fees	169,851	147,619	115,355	105,863
Travel and accommodation	3,192	13,465	1,904	9,420
Rent and rates (See note a)	39,155	32,445	1,738	10,426
AGM/Dividend processing expenses	86,862	31,312	28,949	31,312
Donations	77,063	97,678	22,441	1,000
Subscription	4,143	3,593	3,042	2,936
Insurance	10,209	9,077	1,122	2,010
Statutory expenses	19,692	5,083	-	-
General administrative expenses	1,962,477	1,188,496	256,692	129,043
Advertisement and branding	221,160	4,223	10	604
Share register fee	34,950	-	9,960	-
Directors fees and other allowances	68,807	37,255	14,830	35,649
Printing and stationeries	1,458	1,148	1,173	199
Office running expenses	64,283	89,447	-	-
Business entertainment	7,876	7,554	5,493	5,538
Fines and penalties	11,325	-	-	-
Business development	143,671	4,241	-	4,241
IT license and maintenance fee	225	23,040	225	-
Loss on disposal of assets	-	51	-	-
Training and conference	10,303	3,091	1,318	2,680
bad debt	7,412	47,046	7,412	47,046
	3,032,809	1,794,235	491,248	394,464
The Group incurred a non-audit fees paid to the Auditors. The service rendered was for data analytics project and the Group paid N20m.				
a	This represent payment for short tem and low value leases			
11 Depreciation & amortisation				
11.1 Depreciation of property and equipments (note 23)	96,971	98,749	77,385	82,685
11.2 Amortisation				
Amortisation of intangible assets (note 20)	28,336	16,243	26,746	14,180
Amortisation of right of use assets (note 19)	34,952	35,146	34,952	35,146
	63,289	51,389	61,698	49,326
12 Impairment charge/(writeback) for credit losses				
Loss allowance on cash and cash equivalents (note 15a)	-	-	-	-
write back on financial assets at amortised cost (note 16.1a)	(1,497,998)	(1,702)	-	-
Loss allowance on financial assets at amortised cost (note 16.1a)	67,615	1,007,875	66,035	254,118
Loss allowance on trade receivables (note17.1)	2,625,178	1,036	(0)	-
	1,194,795	1,007,209	66,035	254,118
12a Impairment Categorisation				
Stage 1	(1,541,325)	1,007,209	(58,532)	254,118
Stage 2	-	-	-	-
Stage 3	2,736,120	-	124,567	-
	1,194,796	1,007,209	66,035	254,118
The stage 3 impairment have been approved by the Board and the impairments relating to financial assets that are deemed to be bad and doubtful of recovery				
13 Income tax expense				
Recognised in the profit or loss				
Income tax	674,042	656,373	88,451	72,247
Education tax	120,079	100,981	13,608	11,115
Information technology tax	60,039	50,490	6,804	5,557
Police trust fund levy	-	-	-	-
	854,160	807,845	108,863	88,919
Deferred tax	-	-	-	-
	854,160	807,845	108,863	88,919
13.1 Effective tax reconciliation				
The income tax expense for the period can be reconciled to the accounting profit as follows:				
Profit before tax from continuing operations	5,268,877	5,049,280	680,393	555,743
Income tax expense calculated at 30% of PBT	1,580,663	1,514,784	204,118	166,723
Effect of Income that is exempt from taxation	(2,237,937)	(1,101,174)	(574,817)	(268,795)
Effect of expenses that are not deductible in determining taxable profit	1,608,725	256,616	250,772	106,270
Effect of investment allowance	(1,286)	17	(1,183)	(1,357)
Effect of tax adjustment	70,106	328,048	113,692	99,006
Adjustment recognised due to difference in tax rates	(276,951)	48,832	9,529	3,885
Education tax at 2.5% of assessable profits	409,022	82,540	115,313	-
	1,152,343	1,129,662	117,425	105,732
Adjustment recognised in the current period relating to the deferred tax of prior periods	-	-	-	-
	1,152,343	1,129,662	117,425	105,732
Recognised in other comprehensive income				
deferred tax recognised in other comprehensive income	200,597	5,489	39,700	1,783
	200,597	5,489	39,700	1,783

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	Group		Company	
	30 June	31 December	30 June	31 December
	2023	2022	2023	2022
	=N=' 000	=N=' 000	=N=' 000	=N=' 000
16.2 Financial assets measure at fair value through other comprehensive income (FVTOCI)				
Treasury bills	-	-	-	-
Bonds	-	5,076,346	-	-
Equity- quoted	11,127,422	11,834,119	1,255,808	1,255,808
Equity- unquoted	-	-	-	-
Mutual funds	8,115,885	7,130,615	4,751,661	3,771,601
	19,243,307	24,041,081	6,007,469	5,027,409
Fair value adjustments (16.2a)	19,849,203	(9,884)	5,111,425	1,181,169
	39,092,510	24,031,197	11,118,894	6,208,578
16.2a Changes in fair value reserve				
At 1 January	(9,884)	(858,932)	1,181,169	1,181,169
Arising during the period	19,859,087	849,048	3,930,257	-
At 31 December	19,849,203	(9,884)	5,111,425	1,181,169
16.3 Financial asset measured at fair Value Through Profit or Loss (FVTPL)				
Quoted equity investment	1,522,297	2,103,674	742,027	742,027
Mutua Funds	130,150,597	117,861,826	2,877,787	2,822,621
Wealth management investments	-	67,654,422	-	-
Equity- Unquoted	7,018,029	7,018,029	-	-
	138,690,923	194,637,951	3,619,814	3,564,648
Fair value adjustment (note 16.3a)	834,658	212,098	412,789	136,804
	139,525,581	194,850,049	4,032,603	3,701,452
16.3a Changes in fair value reserve				
At 1 January	(212,098)	(157,270)	(136,804)	(136,804)
Arising during the period	(622,560)	(54,828)	(275,985)	-
At 31 December	(834,658)	(212,098)	(412,789)	(136,804)
	Group		Company	
	30 June	31 December	30 June	31 December
	2023	2022	2023	2022
	=N=' 000	=N=' 000	=N=' 000	=N=' 000
17 Trade receivables & other receivables				
Trade debtors	306,646	479,651	208,052	192,503
Prepayments	1,488,860	440,136	677,913	370,316
Accrued income	2,173,130	1,745,022	880,371	887,012
Other receivables	5,371,424	16,700,775	2,344,306	4,865,538
Due from related parties	-	(1,368,415)	827,580	-
Due from Counter-parties	8,505,104	-	-	-
WHT Receivable	3,065,948	2,210,072	1,850,486	1,743,187
Deposit for investment	40,285,112	40,285,112	40,285,112	40,285,112
	61,196,225	60,492,351	47,073,820	48,343,666
Loss allowance on trade receivables (note 17.1)	(4,174,439)	(1,549,261)	(530,984)	(530,984)
	57,021,786	58,943,090	46,542,836	47,812,682
17.1 Loss allowance on trade receivables				
At 1 January	1,549,261	1,548,226	530,984	530,984
Provision no longer required	-	-	-	-
Arising during the period	2,625,178	1,035	(0)	(0)
At 31 December	4,174,439	1,549,261	530,984	530,984
Current	5,165,621	3,233,709	4,110,642	3,223,257
Non-Current	51,856,165	55,709,381	42,432,194	44,589,425
	57,021,786	58,943,090	46,542,836	47,812,682
The Group applies the simplified approach and recognises lifetime ECL for trade receivables using a provision matrix. The provision matrix is based on the historical observed default rates, adjusted for forward looking estimates. At each reporting date, the historical observed default rates are updated. More information on ECL is disclosed in note 2.11b				
18 Dividend receivable from Subsidiaries				
At 1 January	-	-	7,218,000	3,670,000
Arising during the year	-	-	-	-
Receipt during the year	-	-	(7,218,000)	3,548,000
	-	-	-	7,218,000
Current	-	-	-	7,218,000
Non-Current	-	-	-	-
	-	-	-	7,218,000

19	Right of use assets	Group =N=' 000	Company =N=' 000
	Cost		
	At 1 January 2023	354,375	354,375
	Addition	-	-
	AS AT 30 June 2023	354,375	354,375
	Depreciation		
	At 1 January 2023	212,431	212,431
	Charge for the period	34,952	34,952
	Disposal	-	-
	AS AT 30 June 2023	247,383	247,383
	Carrying amounts		
	AS AT 30 June 2023	106,992	106,992
	At 31 December 2022	141,944	141,944
19.1	Right of use assets	Group =N=' 000	Company =N=' 000
	Cost		
	At 1 January 2022	354,375	354,375
	Addition	-	-
	At 31 December 2022	354,375	354,375
	Depreciation		
	At 1 January 2022	141,556	141,556
	Charge for the period	70,875	70,875
	At 31 December 2022	212,431	212,431
	Carrying amounts		
	At 31 December 2022	141,944	141,944
	At 1 January 2022	212,819	212,819

Right of use asset relate to lease rentals on the head office occupied by the Group. The lease agreement covers a period of five (5) years.

20	Intangible assets	Group =N=' 000	Company =N=' 000
	Cost		
	At 1 January 2023	315,103	289,479
	Addition	7,539	7,539
	AS AT 30 June 2023	322,642	297,019
	Amortisation		
	At 1 January 2023	135,802	119,862
	Charge for the period	28,336	26,746
	AS AT 30 June 2023	164,139	146,608
	Carrying amounts		
	AS AT 30 June 2023	158,504	150,410
	At 31 December 2022	179,301	169,617
20.1	Intangible assets	Group =N=' 000	Company =N=' 000
	Cost		
	At 1 January 2022	177,268	154,869
	Addition	137,835	134,610
	At 31 December 2022	315,103	289,479
	Amortisation		
	At 1 January 2022	98,672	86,718
	Charge for the period	37,130	33,144
	At 31 December 2022	135,802	119,862
	Carrying amounts		
	At 31 December 2022	179,301	169,617
	At 31 December 2021	78,596	68,151

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21 Investment in subsidiaries

	Date of Investment	Holding	Value	Country
United Capital Securities Limited	2006	100%	100,000	Nigeria
United Capital Assets Management Limited	2013	100%	500,000	Nigeria
United Capital Trustees Limited	2013	100%	300,000	Nigeria
UC Plus Advance Limited	2019	100%	1,000	Nigeria
United Capital Management Limited	2020	100%	1,000	Ghana
			901,000	

21.1 Other information on subsidiaries

- (i) United Capital Securities Limited is a dealing member of the Nigerian Stock Exchange (NSE) and registered by the Securities & Exchange Commission (SEC) as a Broker/Dealer. It is also a registered dealing member of NASD OTC Plc and FMDQ OTC Plc. This enables the Company to deal in over-the-counter Equity and Fixed Income Securities. The Company provides services such as securities dealing, receiving agents to new issues, stockbrokers to primary issues, designated adviser to SME's and equity portfolio management services.
- (ii) United Capital Assets Management Limited is registered and licensed by the Securities and Exchange Commission of Nigeria (SEC) to act as investment advisers, funds and portfolio managers.
- (iii) United Capital Trustees Limited is a leading provider of Trust services such as debenture trust, bond trusteeship to corporate and sub-sovereign issuers of public debt instruments and trustees to collective investment schemes.
- (iv) UC Plus Advance Limited is a consumer lending company established by United Capital Plc with the sole objective of enhancing financial inclusion and providing pay day loans to working class individuals and SMEs. UC Plus Advance Limited was licensed by the Lagos State Government in 2019 but and commence operations in 2020.

21.2 Non-controlling interest of subsidiaries

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

21.3 Significant restrictions

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

22 Investment in Associates

	Date of Investment	Holding	Country	30 June 2023 =N=' 000	31 December 2022 =N=' 000
Heirs Insurance Limited	2020	25%	Nigeria	2,500,000	2,500,000
Heirs Life Assurance Limited	2020	25%	Nigeria	2,000,000	2,000,000
				4,500,000	4,500,000

22.1 Other information on Associates

- (i) **Heirs Insurance Limited** was formerly registered as a General Insurance Company by the Nigeria Insurance Commission (NAICOM) in September 2020. The Company fully commence operations in 2021. United Capital Plc currently own 25% stake in the Company.
- (ii) **Heirs Life Assurance Limited** was formerly registered as a Life Assurance Company by the Nigeria Insurance Commission (NAICOM) in September 2020. The Company fully commence operations in 2021. United Capital Plc currently own 25% stake in the Company.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

22.2 Investment in associates	Group		Company	
	30 June	31 December	30 June	31 December
	2023	2022	2023	2022
	N' 000	N' 000	N' 000	N' 000
Heirs Insurance Limited	2,644,267	2,572,491	2,500,000	2,500,000
Heirs Life Assurance Limited	2,324,582	2,121,824	2,000,000	2,000,000
	<u>4,968,849</u>	<u>4,694,315</u>	<u>4,500,000</u>	<u>4,500,000</u>

(a) Nature of investment in associates	Place of	% of ownership	Nature of	Measurement
	business/country of incorporation			
Investment in Heirs Insurance Limited	Nigeria	25%	Investee	Equity method
Investment in Heirs Life Assurance Limited	Nigeria	25%	Investee	Equity method

This represents holding in the ordinary share capital of Heirs Insurance Limited and Heirs Life Assurance Limited respectively, companies

incorporated and operating in Nigeria (2020: 25%). The holding became an associate at commencement of the investee businesses in 2020.

(b) Summarised financial information for associates

Below are the summarised financial information for investment in associates accounted for using the equity method.

(i) Summarised balance sheet

Assets	Heirs Insurance	Heirs Life	Heirs Insurance	Heirs Life Assurance
	Limited	Assurance	Limited	Limited
	30 June	30 June	31 December	31 December
	2023	2023	2022	2022
	N' 000	N' 000	N' 000	N' 000
Cash and Cash Equivalents	1,484,423	2,072,051	4,522,006	838,251
Financial Assets	10,338,444	22,816,280	3,212,322	15,921,766
Receivables and prepayments	3,503,511	913,568	1,605,258	356,368
Right-of-use asset	653,471	684,675	662,710	681,423
Property and equipment	398,363	256,449	205,904	245,727
Intangible asset	291,081	312,306	213,890	283,811
Statutory deposit	1,000,000	800,000	1,000,000	800,000
Total assets	<u>17,669,292</u>	<u>27,855,329</u>	<u>11,422,090</u>	<u>19,127,346</u>
Liabilities				
Financial liabilities	7,354,868	17,795,697	1,312,067	10,888,451
Other liabilities	746,206	990,467	700,427	208,409
Total liabilities	<u>8,101,074</u>	<u>18,786,164</u>	<u>2,012,494</u>	<u>11,096,860</u>
Total equity	<u>9,568,218</u>	<u>9,069,165</u>	<u>9,409,596</u>	<u>8,030,486</u>

(i) Summarised statement of profit or loss and other comprehensive income

	Heirs Insurance	Heirs Life	Heirs Insurance	Heirs Life Assurance
	Limited	Assurance	Limited	Limited
	30 June	30 June	30 June	30 June
	2023	2023	2022	2022
	N' 000	N' 000	N' 000	N' 000
Underwriting profit/(loss)	920,151	642,637	594,762	1,050,552
Investment income	439,994	1,165,623	422,487	440,350
	1,360,145	1,808,260	1,017,248	1,490,902
Operating expense	(1,005,695)	(806,989)	(659,269)	(889,300)
Profit/(loss) before tax	<u>354,450</u>	<u>1,001,271</u>	<u>357,979</u>	<u>601,602</u>
Income tax	(67,346)	(190,241)	(68,016)	(114,304)
Profit/(loss) after tax	<u>287,105</u>	<u>811,030</u>	<u>289,963</u>	<u>487,297</u>
Adjustment to associates' prior year loss after tax	-	-	-	-
Total income	<u>287,105</u>	<u>811,030</u>	<u>289,963</u>	<u>487,297</u>

(c) Movement in investment in associate Group

	30 June	30 June
	2023	2022
	N' 000	N' 000
Balance at 1 January	4,614,694	4,293,587
Share of current period profit/(loss)	274,535	194,316
Balance at end of period	<u>4,889,229</u>	<u>4,487,903</u>

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

23 (i) Property and equipment Group	Leasehold Improvements =N=' 000	Furniture, fittings & equipment =N=' 000	Motor vehicles =N=' 000	Computer equipment =N=' 000	Total =N=' 000
Cost					
At 1 January 2023	258,059	181,599	755,319	305,511	1,500,487
Additions	-	14,525	70,800	46,916	132,242
Disposals	-	-	-	962	962
AS AT 30 June 2023	258,059	196,123	826,120	353,389	1,633,692
Depreciation					
At 1 January 2023	149,201	99,893	657,276	207,564	1,113,933
Charge for the year	27,139	11,437	39,321	19,074	96,971
Disposals	-	-	521	(147)	373
AS AT 30 June 2023	176,340	111,331	697,117	226,491	1,211,278
Carrying amounts					
AS AT 30 June 2023	81,719	84,793	129,003	126,898	422,414
At 31 December 2022	108,858	81,705	98,044	97,947	386,553

Property and equipment Company	Leasehold Improvements	Furniture, fittings & equipment	Motor vehicles	Computer equipment	Total
Cost					
At 1 January 2022	258,059	140,006	497,837	221,018	1,116,920
Addition	-	14,525	-	42,869	57,394
Disposals	-	-	-	962	962
AS AT 30 June 2023	258,059	154,531	497,837	264,848	1,175,275
Depreciation					
At 1 January 2022	149,201	67,021	425,201	131,620	773,043
Charged for the year	27,139	9,340	23,397	17,508	77,385
Disposals	-	-	-	(193)	(193)
AS AT 30 June 2023	176,340	76,361	448,598	148,935	850,235
Carrying amounts					
AS AT 30 June 2023	81,719	78,170	49,239	115,913	325,040
At 31 December 2021	108,858	72,985	72,636	89,398	343,877

All PPE items are non-current

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

23.1 (i) Property and equipment Group	Leasehold Improvements =N=' 000	Furniture, fittings & Equipment =N=' 000	Motor vehicles =N=' 000	Computer Equipment =N=' 000	Total =N=' 000
Cost					
At 1 January 2022	258,059	175,040	696,319	262,783	1,392,201
Additions	-	6,558	59,000	41,766	107,324
Disposals	-	-	-	962	962
At 31 December 2022	258,059	181,599	755,319	305,511	1,500,487
Depreciation					
At 1 January 2022	122,062	89,889	611,256	192,446	1,015,653
Charge for the year	27,139	10,004	46,020	15,585	98,749
Disposals	-	-	-	(467)	(467)
At 31 December 2022	149,201	99,893	657,276	207,564	1,113,934
Carrying amounts					
At 31 December 2022	108,858	81,705	98,044	97,947	386,555
At 31 December 2021	135,997	85,151	85,064	70,337	376,548
(ii) Company					
	Leasehold Improvements =N=' 000	Furniture, fittings & Equipment =N=' 000	Motor vehicles =N=' 000	Computer Equipment =N=' 000	Total =N=' 000
Cost					
At 1 January 2022	258,059	133,869	446,837	182,064	1,020,828
Additions	-	6,137	51,000	37,992	95,129
Disposals	-	-	-	962	962
At 31 December 2022	258,059	140,006	497,837	221,018	1,116,919
Depreciation					
At 1 January 2022	122,062	59,106	391,459	118,198	690,826
Charge for the year	27,139	7,915	33,742	13,890	82,685
Disposals	-	-	-	(467)	(467)
At 31 December 2022	149,201	67,021	425,201	131,620	773,043
Carrying amounts					
At 31 December 2022	108,858	72,985	72,636	89,398	343,876
At 31 December 2021	135,997	74,763	55,378	63,866	330,003

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

	Group		Company	
	30 June 2023 =N=' 000	31 December 2022 =N=' 000	30 June 2023 =N=' 000	31 December 2022 =N=' 000
24 Deferred tax				
24.1 Deferred tax assets:				
At 1 January	1,238,493	312,755	-	-
Charge for the period	-	925,738	-	-
	<u>1,238,493</u>	<u>1,238,493</u>	<u>-</u>	<u>-</u>
The break down of deferred tax assets are as follows:				
Property and equipment	38,545	38,545	-	-
Exchange difference	(453,581)	(453,581)	-	-
Losses	915,402	915,402	-	-
Fair value adjustments	(156,589)	(156,589)	-	-
Provisions	894,716	894,716	-	-
	<u>1,238,493</u>	<u>1,238,493</u>	<u>-</u>	<u>-</u>
24.2 Deferred tax liabilities:				
- Deferred tax liability to be recovered after more than 12 months (Writeback)/Charge for the period	833,034	126,974	787,448	113,701
	-	706,060	-	673,747
Total	<u>833,034</u>	<u>833,034</u>	<u>787,448</u>	<u>787,448</u>
The break down of deferred tax liabilities are as follows:				
Property and equipment	67,274	67,274	62,660	62,660
Exchange difference	296,447	296,447	296,447	296,447
Losses	9,499	9,499	-	-
Fair value adjustments	498,097	498,097	428,341	428,341
Provisions	(38,283)	(38,283)	-	-
	<u>833,034</u>	<u>833,034</u>	<u>787,448</u>	<u>787,448</u>
Parent - Deferred tax liabilities		Recognised	Recognised	
	1 January 2023	in P&L	in OCI	31 Mar 2023
	N'000	N'000	N'000	N'000
Property and equipment	62,660	-	-	62,660
Exchange difference	296,447	-	-	296,447
Losses	-	-	-	-
Fair value adjustments	428,341	-	-	428,341
Provisions	-	-	-	-
	<u>787,448</u>	<u>-</u>	<u>-</u>	<u>787,448</u>
Group - Deferred tax liabilities		Recognised	Recognised	
	1 January 2023	in P&L	in OCI	31 Mar 2023
	N'000	N'000	N'000	N'000
Property and equipment	67,274	-	-	67,274
Exchange difference	296,447	-	-	296,447
Losses	9,499	-	-	9,499
Fair value adjustments	498,097	-	-	498,097
Provisions	(38,283)	-	-	(38,283)
	<u>833,034</u>	<u>-</u>	<u>-</u>	<u>833,034</u>
Group - Deferred tax asset		Recognised	Recognised	
	1 January 2023	in P&L	in OCI	31 Mar 2023
	N'000	N'000	N'000	N'000
Property and equipment	38,545	-	-	38,545
Exchange difference	(453,581)	-	-	(453,581)
Losses	915,402	-	-	915,402
Fair value adjustments	(156,589)	-	-	(156,589)
Provisions	894,716	-	-	894,716
	<u>1,238,493</u>	<u>-</u>	<u>-</u>	<u>1,238,493</u>

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the unused tax losses can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The Group has not recognised deferred tax assets of about N3.6b arising from tax losses during the period under review as it considers the probability of recovering these losses to be low. This is because the tax exempt status of income realised on Nigerian government securities is one of the major drivers for the negative taxable profit within the Group, which is the largest contributor to the deferred tax asset, through tax losses, in the Group. The uncertainty surrounding the extension or termination of the tax exempt status at the end of 2021 has made management conclude that not all tax losses carried forward should be recorded as deferred tax assets.

	Group		Company	
	30 June 2023 =N=' 000	31 December 2022 =N=' 000	30 June 2023 =N=' 000	31 December 2022 =N=' 000
25 Managed Funds				
Short term investments	245,727,610	254,630,284	-	-
Ucap Prestige	124,575,476	63,345,010	-	-
Trust funds	90,373,040	77,105,539	-	-
Sinking Funds	16,810,729	16,921,277	-	-
Payable on trust accounts	1,153,645	1,696,587	-	-
	478,640,498	413,698,697	-	-
Current	321,885,618	239,494,144	-	-
Non-Current	156,754,880	174,204,553	-	-
	478,640,498	413,698,697	-	-

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

26 Borrowed funds				
Borrowing from banks and other financial institutions	80,622,698	82,260,716	80,622,698	82,751,277
Bank overdraft	204,784	191,344	(188,835)	96,089
Issued debt - Bonds	17,408,918	18,002,284	17,408,918	18,002,284
Commercial Papers	22,289,833	0	22,289,833	-
	120,526,233	100,454,344	120,132,614	100,849,651
Current	6,007,757	36,220,673	5,614,138	36,220,673
Non-Current	114,518,476	64,233,672	114,518,476	64,628,978
	120,526,233	100,454,344	120,132,614	100,849,651

Borrowing from bank - Loans from commercial bank represent different facilities with interest rates indexed to money market conditions for a period of ten (10) years maturing in 2030. The loans are collateralised by negative pledge.

Issued debt (Bond) - In 2020, the company successfully issued its 1st bond of series 1, N10b out of its N30b bond issuance programme. The debt is an unsecured, amortising subordinated 5 year bond instrument. The Group has not had any defaulted in payment of principal and interest. The Company also issued its series 2 bond of N10b in 2022 which increased the total outstanding issued bonds to N18b as at 31st December 2022.

Commercial papers - In 2021, the Company issued several series of CPs. Series 5, 6 and 7 matured in H1 2022 and was paid down during the period under review. The Company successfully paid down Series 8 and 9 CP with a face value of N13.53b which was issued in 2022 with different maturity profiles.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

	Group		Company	
	30 June	31 December	30 June	31 December
	2023	2022	2023	2022
27 Other liabilities	=N=' 000	=N=' 000	=N=' 000	=N=' 000
Creditors and accruals	19,659,723	2,277,519	2,500,000	1,803,656
Customers deposit	68,431,023	48,395	-	-
Due to counter-parties	50,576,551	-	50,576,551	-
Other current liabilities	14,696,474	46,323,283	-	45,867,979
Dividend payable	-	-	-	-
	153,363,771	48,649,198	53,076,550	47,671,636
Current	153,363,771	48,649,198	53,076,550	47,671,636
Non-Current	-	-	-	-
	153,363,771	48,649,198	53,076,550	47,671,636
28 Current tax liabilities				
At 1 January	5,292,648	1,803,211	1,902,059	649,566
Charge for the period	854,160	4,102,987	108,863	1,353,312
Tax paid	(2,274,595)	(613,550)	-	(100,819)
Closing Balance	3,872,213	5,292,648	2,010,922	1,902,059
The charge for income tax in these financial statements is based on the provisions of the Companies Income Tax Act as amended, while Education Tax is based on Education Tax Act. We also have tax charged on information technology levy and police trust fund based on Police trust fund Act.				
29 Share capital	Group		Company	
	30 June	31 December	30 June	31 December
	2023	2022	2023	2022
	=N=' 000	=N=' 000	=N=' 000	=N=' 000
The share capital comprises:				
(i) Authorised - 6,000,000,000 Ordinary shares of N0.5 each	3,000,000	3,000,000	3,000,000	3,000,000
(ii) Issued and fully paid - 6,000,000 Ordinary shares of N0.5 each	3,000,000	3,000,000	3,000,000	3,000,000
30 Share Premium				
Share premium balance	683,611	683,611	683,611	683,611
31 Retained earnings	Group		Company	
	30 June	31 December	30 June	31 December
	2023	2022	2023	2022
	=N=' 000	=N=' 000	=N=' 000	=N=' 000
At 1 January	29,313,563	28,660,538	13,305,941	12,958,286
Transfer from profit or loss account	4,689,251	9,653,025	571,530	9,347,655
Dividend paid during the period (2023: N1.50k, 2022: N1.50k)	(9,000,000)	(9,000,000)	(9,000,000)	(9,000,000)
	25,002,814	29,313,563	4,877,472	13,305,941
32 Fair Value Reserves				
At 1 January	(9,884)	(553,328)	1,181,169	1,004,667
Arising during the period:				
Fair valuation on items that will not be subsequently reclassified to profit or loss (note 32.1)	19,166,711	(174,448)	3,930,257	176,502
Fair valuation on items that will be subsequently reclassified to profit or loss (note 32.2)	692,375	717,891	(0)	-
	19,849,203	(9,884)	5,111,425	1,181,169
32.1 Fair valuation on items that will not be subsequently reclassified to profit or loss				
Net fair value (loss)/gain on investments in quoted equity instruments measured at FVTOCI	19,166,711	(174,448)	3,930,257	176,502
Net fair value gain/(loss) on investments in unquoted equity instruments measured at FVTOCI	-	-	-	-
	19,166,711	(174,448)	3,930,257	176,502
32.2 Fair valuation on items that may be subsequently reclassified to profit or loss				
Net fair value (loss)/gain on investments in other financial instruments measured at FVTOCI	692,375	717,891	(0)	-
	692,375	717,891	(0)	-

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

33 Reconciliation of profit after tax to net cash from operating activities

Profit before tax	5,268,877	5,049,280	680,393	555,743
Adjustments to reconcile net cash provided:				
Depreciation and amortisation	160,260	150,138	139,083	132,011
Foreign exchange revaluation	(906,568)	(1,883,105)	(7,215)	(487,472)
Net interest income	(3,748,244)	(12,803,600)	(546,483)	(3,011,103)
Dividend income	(1,214,330)	(1,016,070)	(174,278)	(7,337,116)
Fair value changes on financial instruments at fair value through profit or loss	(622,560)	4,020	(275,985)	(43,155)
Gain on disposal of property and equipment	-	4	-	4
Allowance for impairment - financial assets	(1,430,383)	1,006,173	66,035	254,118
Allowance for impairment - other assets	2,625,178	1,036	(0)	-
	132,231	(9,492,125)	(118,449)	(9,936,969)
Net movement in operating assets and liabilities				
Trade receivables and prepayment	(703,874)	(28,024,880)	1,269,846	(17,923,085)
Managed funds	64,941,801	86,449,673	-	-
Other liabilities	104,714,573	34,470,349	5,404,914	42,535,207
Net cash from operations	169,084,731	83,403,017	6,556,311	14,675,154
Interest received	24,697,081	52,890,397	3,276,931	8,897,951
Interest paid	(19,734,508)	(39,070,727)	(2,556,170)	(5,767,732)
Tax Paid	(2,274,595)	(613,550)	-	(100,819)
Net cash (used in)/provided by operating activities	171,772,710	96,609,137	7,277,072	17,704,554

34 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.

34.1 Identity of related parties

	Relationship	%
United Capital Asset Management Limited	Subsidiary	100
United Capital Trustees Limited	Subsidiary	100
United Capital Securities Limited	Subsidiary	100
UC Plus Advance Limited	Subsidiary	100
United Capital Management Limited Ghana	Subsidiary	100
Heirs Insurance Limited	Associate	25
Heirs Life Assurance Limited	Associate	25

34.2 Key management personnel

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

34.3 Other information on key management personnel

Emoluments:

	Group		Company	
	30 June 2023 =N='000	30 June 2022 =N='000	30 June 2023 =N='000	30 June 2022 =N='000
Chairman	7,725	7,725	1,931	1,931
Highest paid director	134,525	134,525	33,631	33,631
Other Directors	751,068	719,516	185,395	206,214
	758,793	727,241	187,326	208,146
Fees	25,500	25,500	6,375	6,375
Other emoluments	733,293	701,741	180,951	201,771
	758,793	727,241	187,326	208,146

The total number of Directors were:

	10	11	10	11
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34.4 Transactions with key management personnel

Loan obtained during the year	109,750	100,200	27,438	25,050
Interest income recognised	16,463	15,030	4,116	3,758

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

	103	94	16	10
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34.6 The table below shows the number of employees of the company that earned over N1,000,000.00 in the period and which fell within the bands stated below;

	30 June 2023	30 June 2022	30 June 2023	30 June 2022
N2,000,000 - N5,999,999	60	57	5	4
N6,000,000 - N7,999,999	15	12	2	2
N8,000,000 - N9,999,999	12	10	1	2
N10,000,000 and above	16	15	8	2
	103	94	16	10

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

34.7 Transactions with related companies

The following are the transactions and balances arising from dealings with subsidiaries of United Capital Group during the period.

	30 June 2023	31 December 2022
Placements		
United Capital Asset Management Limited	663,157	580,826
United Capital Trustees Ltd	4,634,384	1,541,966
UC Plus Advance Ltd	230,437	542,996
	5,527,978	2,665,788
Account receivables		
United Capital Asset Management Limited	-	1,348,735
United Capital Securities Limited	14,009	236,822
UC Plus Advance Limited	-	72,862
	14,009	1,658,419
Account payable		
United Capital Trustees Limited	54,725	113,799
United Capital Asset Management Limited	-	-
	54,725	113,799
Borrowings		
United Capital Asset Management Ltd	9,215,382	4,372,310
United Capital Trustees Limited	3,032,722	-
United Capital Securities Limited	10,000,000	-
	22,248,104	4,372,310
Interest expense		
United Capital Trustees Limited	162,256	41,254
United Capital Asset Management Ltd	385,196	262,966
United Capital Securities Limited	161,215	-
	708,668	304,220
Interest income		
United Capital Asset Management Ltd	29,556	26,000
United Capital Trustees Ltd	352,036	-
UC Plus Advance Ltd	12,480	3,934
	394,072	29,934

35 Operating Segments

Segment information is presented in respect of the Group's geographic segments which represents the primary segment reporting format and is based on the Group's management and reporting structure. The Board of Directors, reviews the Group's performance along these business segments and resources are allocated accordingly.

Geographical segments

The Group operates in the following geographical regions:

- Nigeria:** This comprise the Head office in Lagos and regional offices in all geo-political zones
- Ghana:** The Group operates in Ghana under the name United Capital Management Limited

Business segments

Investment Banking: This business segment engage in the business of investment banking and provides issuing house, corporate investment advisory services, project finance, debt restructuring, mergers & acquisitions and debt capital markets

Asset Management: The principal activities of this business segment is to carry out the business of fund/portfolio manager and investment adviser.

Wealth Management: The principal activities of this business segment is to carry out wealth management activities that caters to institutions and High Net Worth clients.

Trustees: The principal activity of the Company is the provision of a wide range of quality trusteeship services tailored to meet the varying needs of its customers, such as debenture trust, bond trusteeship, trustees to collective investment scheme, private trusts and security trusts.

Securities Trading: The principal activity of the Company is the provision of a wide range of quality stockbroking services tailored to meet the varying needs of its customers.

Consumer Finance: The principal activity of this business segment is to carry out consumer lending and engage in financing of micro, small and medium scale enterprises under the license of the Lagos State Government.

35.1 Summarised statement of consolidating segments

	Investment banking	Asset Management	Ucap Investment Wealth Management	Trustees	Securities trading	Consumer finance	Eliminating items	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Income statement								
Gross earnings	1,805,268	3,728,993	946,900	2,238,541	1,784,522	510,195	-	11,014,419
Personnel expense	(428,508)	(438,987)	(33,138)	(242,566)	(182,678)	(31,800)	-	(1,357,677)
Other operating expense	(630,331)	(949,360)	(253,869)	(734,672)	(360,940)	(263,895)	-	(3,193,070)
Impairment charge/(writeback)	(66,035)	166,624	335,031	(1,628,836)	(1,579)	-	-	(1,194,795)
Total expense	(1,124,875)	(1,221,723)	48,024	(2,606,074)	(545,197)	(295,695)	-	(5,745,543)
Operating profit before tax	680,393	2,507,270	994,924	(367,533)	1,239,325	214,500	-	5,268,875
Share of (loss)/profit of associate	-	-	-	-	-	-	274,535	274,535
Profit before tax	680,393	2,507,270	994,924	(367,533)	1,239,325	214,500	274,535	5,543,410
Taxation	(108,863)	(351,018)	(139,289)	(51,454)	(173,506)	(30,030)	-	(854,159)
Profit after tax	571,531	2,156,252	855,634	(418,987)	1,065,820	184,470	274,535	4,689,251
Financial position								
Total assets	189,680,042	213,965,847	133,157,328	116,849,972	7,166,786	19,448,121	125,503,281	805,771,377
Total liabilities	176,007,534	195,806,292	132,636,725	108,753,389	2,031,932	18,254,155	123,745,721	757,235,749
Shareholders' fund	13,672,509	18,159,555	520,603	8,096,582	5,134,853	1,193,966	1,757,560	48,535,628

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**36 Events after reporting period**

The Directors are of the opinion that no event or transaction has occurred since the reporting date which would have had a material effect on the financial statement as at that date.

37 Contingent liabilities

The Group had no contingent liabilities during the period and no provision was made in financial statements during the period under review

38 Capital/financial commitments

The directors are of the opinion that all known liabilities and commitments which are relevant in assessing the state of affairs of the Group have been taken into account in the preparation of the financial statements. There are no commitments for capital expenditure authorised by the Directors which has not been provided for in the financial statements as at 30 June 2023.

39 Contraventions

The Group incurred no fines during the period under review (2022: NIL).

40 Securities Trading Policy

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of the Exchange 2015 (Issuers Rule) United Capital Plc maintains a Security Trading Policy which guides Directors, Audit Committee members, employees and all individuals categorized as insiders as to their dealing in the Company's shares. The policy undergoes periodic reviews by the Board and is updated accordingly. The Company has made specific inquiries of all its Directors and other insiders and is not aware of any infringement of the policy during the period.

41 Litigation and claims

The Group is involved in cases with claims amounting to N260m (2022: N152m). Directors are of the opinion that the possibility of an outflow of resources embodying economic benefit is remote and as such no provision is required.

42 Impact of COVID 19

Since early 2020, the Coronavirus disease (COVID-19) outbreak across China and beyond caused significant disruption to the society, impacting business operations, employees and customers. It is an evolving situation that the Group monitored closely.

2022 saw significant improvement as there was drastic reduction in incidences of covid-19 reports. businesses continued as normal and there was complete relax in covid-19 restrictions across Nigeria. as a business, we resumed full operations, however, to ensure safety of our people, we continued to maintain covid preventive measures.

The Group drew learnings from the experiences since 2020, and we have taken measures to invest more in technology, business automation and Business Continuity Infrastructure.

The Group continue to monitor developments around the world and we continue to communicate and inform our employees, customers, suppliers and other stakeholders on the need to maintain healthy and safety measures in the work place and at homes.

We can confidently report that the Group has not been adversely impacted by the resurgence of the pandemic in China and this is displayed by the impressive performance recorded in Q1 and H1 2023 performance. The Group shall continue to ensure all necessary precautions and national as well as global guidelines with respect to Covid-19 are adhered to at all times.

43 Free Floating Compliance Report**(A) Free Float Computation - Shareholding Pattern**

Hypothetical Case on Free Float Computation

Company Name:

UNITED CAPITAL PLC

Board Listed:

Year End:

30-Jun

Reporting Period:

H1 Ended 30 June 2023

Share Price at end of reporting period:

N15.75 (2022: N12.75)

Shareholding Structure/Free Float Status

Description	30-Jun-22		30-Jun-23	
	units	Percentage	Unit	Percentage
Issued Share Capital	6,000,000,000	100%	6,000,000,000	100%
Substantial Shareholdings (5% and above)				
WEST COAST EQUITY LIMITED	1,560,000,000	26%	1,560,000,000	26%
WEST COAST EQUITY LIMITED	1,560,000,000	26%	1,560,000,000	26%
Directors' Shareholdings (direct and indirect), excluding directors with substantial interests				
Mr. Chika Mordi (Direct)	12,363	0.00%	12,363	0.00%
Mr. Leke Ogunlewe	-	-	-	-
Emmanuel Nnorom (Indirect- Representing Vine Foods Ltd)	33,252,000	0.55%	35,654,849	0.59%
Sonny Iroche	-	-	-	-
Stephen Nwadiuko (Direct)	427,600	0.01%	427,600	0.01%
Peter Ashade (Direct)	10,000,000	0.17%	10,000,000	0.17%
Sunny Anene (Direct)	6,000,000	0.10%	6,680,000	0.11%
Titus Oladipupo Fatokun	-	-	-	-
Hajiya Sutura Aisha Bello	-	-	-	-
Total Directors' Shareholdings	49,691,963	0.83%	52,774,812	0.88%
Other Influential Shareholdings				
SOUTH SAHARA PROPERTY LIMITED	266,783,636	4.45%	266,783,636	4.45%
POSHVILLE INVESTMENTS LIMITED	164,228,949	2.74%	164,228,949	2.74%
STH LIMITED	161,585,363	2.69%	161,585,363	2.69%
OCEAN DATE LTD	146,453,238	2.44%	146,453,238	2.44%
Total Other Influential Shareholdings	739,051,186	12.32%	739,051,186	12.32%
Free Float in Units and Percentage	3,651,256,851	60.85%	3,648,174,002	60.80%
Free Float in Value	₦ 46,553,524,850		₦ 57,458,740,532	

(B) Declaration:

United Capital Plc with a free float percentage of 60.80% as at 30 June 2023, is compliant with The Exchange's free float requirements for companies listed on the Main Board.

OTHER NATIONAL DISCLOSURES

VALUE ADDED STATEMENT

For The Year Ended 30 June 2023

	Group				Company			
	2023 =N=' 000	%	2022 =N=' 000	%	2023 =N=' 000	%	2022 =N=' 000	%
Gross earnings	11,014,419		9,110,441		1,805,268		1,557,861	
Share of (loss)/profit in associates	274,535		194,316		-		-	
Operating expenses: Local	(3,032,809)		(1,794,235)		(491,248)		(394,464)	
VALUE ADDED	<u>8,256,145</u>	100%	<u>7,510,522</u>	100%	<u>1,314,021</u>	100%	<u>1,163,398</u>	100%
Applied as follows:								
To pay employees:								
Salaries and other benefits	1,357,678	16%	1,109,578	15%	428,508	33%	221,525	19%
To pay Government:								
Taxes	854,160	10%	807,845	11%	108,863	8%	88,919	8%
Retained for future replacement of assets and expansion of business:								
- Deferred tax	-	0%	-	0%	-	0%	-	0%
- Depreciation	96,971	1%	98,749	1%	77,385	6%	82,685	7%
- Amortisation	63,289	1%	51,389	0.7%	61,698	5%	49,326	4.2%
- Impairment loss	1,194,795	14%	1,007,209	13%	66,035	5%	254,118	22%
- Retained profit for the year	4,689,251	57%	4,435,751	59%	571,530	43%	466,824	40%
	<u>8,256,145</u>	100%	<u>7,510,522</u>	100%	<u>1,314,021</u>	100%	<u>1,163,398</u>	100%

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

OTHER NATIONAL DISCLOSURES**5 YEAR FINANCIAL SUMMARY - GROUP**

	June 2023 =N=' 000	December 2022 =N=' 000	December 2021 =N=' 000	December 2020 =N=' 000	December 2019 =N=' 000
ASSETS					
Cash and cash equivalents	214,731,604	149,867,038	53,661,848	43,420,443	30,132,099
Investment in financial assets	527,202,356	386,544,095	363,647,252	145,148,841	94,142,345
Trade and other receivables	57,021,786	58,943,090	30,919,246	28,472,742	25,528,546
Rights of use assets	106,992	141,944	212,819	283,694	312
Intangible assets	158,504	179,301	78,595	42,015	43,771
Investments in associates	4,889,229	4,614,694	4,293,587	4,500,000	-
Property and equipment	422,414	386,555	471,852	565,824	357,118
Deferred tax assets	1,238,493	1,238,493	312,755	314,736	260,184
TOTAL ASSETS	805,771,377	601,915,211	453,597,954	222,748,295	150,464,375
LIABILITIES					
Managed Funds	478,640,498	413,698,697	327,249,024	116,019,077	72,379,297
Borrowed funds	120,526,233	100,454,344	79,737,577	72,661,645	50,876,737
Other liabilities	153,363,771	48,649,198	14,178,849	7,683,308	5,400,633
Current tax liabilities	3,872,213	5,292,648	1,803,211	1,830,812	1,569,828
Deferred tax liabilities	833,034	833,034	82,500	126,974	652,041
TOTAL LIABILITIES	757,235,749	568,927,921	423,051,161	198,321,816	130,878,536
EQUITY					
Share capital	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Share premium	683,611	683,611	683,611	683,611	683,611
Retained earnings	25,002,814	29,313,563	28,660,538	21,601,800	16,790,622
Other reserves	19,849,203	(9,884)	(1,797,356)	(858,932)	(888,394)
SHAREHOLDER'S FUND	48,535,628	32,987,290	30,546,793	24,426,479	19,585,839
TOTAL LIABILITIES AND EQUITY	805,771,377	601,915,211	453,597,954	222,748,295	150,464,375

OTHER NATIONAL DISCLOSURES

5 YEAR FINANCIAL SUMMARY - COMPANY

	March 2023 =N=' 000	December 2022 =N=' 000	December 2021 =N=' 000	December 2020 =N=' 000	December 2019 =N=' 000
ASSETS					
Cash and cash equivalents	71,554,834	22,907,336	6,951,413	12,196,469	2,401,282
Investment in financial assets	65,598,930	85,387,058	58,599,896	40,456,026	35,071,034
Trade and other receivables	46,542,836	47,812,682	29,889,598	27,476,909	24,558,776
Dividend receivable from subsidiaries	-	7,218,000	4,828,500	3,670,000	2,520,000
Rights of use assets	106,992	141,944	212,819	283,694	312
Intangible assets	150,410	169,617	68,151	39,032	38,768
Investments in subsidiaries	901,000	901,000	901,000	901,000	901,000
Investments in associates	4,500,000	4,500,000	4,500,000	4,500,000	-
Property and equipment	325,040	343,876	414,185	487,457	269,384
Deferred tax	-	-	-	-	-
TOTAL ASSETS	189,680,042	169,381,514	106,365,562	90,010,587	65,760,556
LIABILITIES					
Borrowed funds	120,132,614	100,849,650	83,721,469	72,432,512	50,876,737
Other liabilities	53,076,550	47,671,636	5,136,428	2,261,913	2,213,132
Current tax liabilities	2,010,922	1,902,059	649,566	1,012,778	729,230
Deferred tax liabilities	787,448	787,448	82,500	113,701	343,324
TOTAL LIABILITIES	176,007,534	151,210,793	89,589,963	75,820,904	54,162,423
EQUITY					
Share capital	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Share premium	683,611	683,611	683,611	683,611	683,611
Retained earnings	4,877,472	13,305,941	12,958,286	10,434,895	7,847,830
Other reserves	5,111,425	1,181,169	133,702	71,177	66,692
SHAREHOLDER'S FUND	13,672,509	18,170,721	16,775,599	14,189,683	11,598,133
TOTAL LIABILITIES AND EQUITY	189,680,042	169,381,514	106,365,562	90,010,587	65,760,556

OTHER NATIONAL DISCLOSURES

5 YEAR FINANCIAL SUMMARY - GROUP

	H1 2023 =N=' 000	H1 2022 =N=' 000	FY 2021 =N=' 000	FY 2020 =N=' 000	FY 2019 =N=' 000
Gross earnings	11,014,419	9,110,441	18,065,183	12,873,897	8,591,929
Gross operating expenses	(5,745,542)	(4,061,161)	(5,941,170)	(4,926,227)	(3,642,209)
Operating profit before income tax	5,268,877	5,049,280	12,124,013	7,947,670	4,949,720
Share of profit/(loss) in associate companies	274,535	194,316	(206,412)	-	-
Profit before income tax	5,543,412	5,243,596	11,917,601	7,947,670	4,949,720
Taxation	(854,160)	(807,845)	(658,863)	(136,492)	23,699
Profit for the year from continuing operations	4,689,252	4,435,752	11,258,738	7,811,178	4,973,419
Other comprehensive income/(loss) for the year	19,859,087	543,444	(938,423)	29,462	778,413
Total comprehensive income for the year	24,548,338	4,979,196	10,320,315	7,840,640	5,751,832
Earnings per share-basic (kobo) - annualised	156	148	188	130	83

5 YEAR FINANCIAL SUMMARY - COMPANY

	H1 2023 =N=' 000	H1 2022 =N=' 000	FY 2021 =N=' 000	FY 2020 =N=' 000	FY 2019 =N=' 000
Gross earnings	1,805,268	1,557,861	8,238,600	7,560,671	4,930,671
Gross operating expenses	(1,124,875)	(1,002,118)	(1,447,404)	(1,733,601)	(1,494,323)
Operating profit before income tax	680,393	555,744	6,791,196	5,827,070	3,436,349
Taxation	(108,863)	(88,919)	(67,805)	(240,006)	(400,275)
Profit for the year from continuing operations	571,530	466,824	6,723,392	5,587,064	3,036,073
Other comprehensive income/(loss) for the year	3,930,257	176,502	62,525	4,485	12,901
Total comprehensive income for the year	4,501,787	643,326	6,785,917	5,591,549	3,048,974
Earnings per share-basic (kobo) - annualised	19	16	112	93	51