United Capital

2021 ANNUAL REPORT

RESILIENCE

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

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About
United Capital

United Capital is a leading African investment banking, asset management, trusteeship and securities trading Group, providing a bouquet of diverse financial services to individuals, corporates, and governments, enabling growth at all levels.

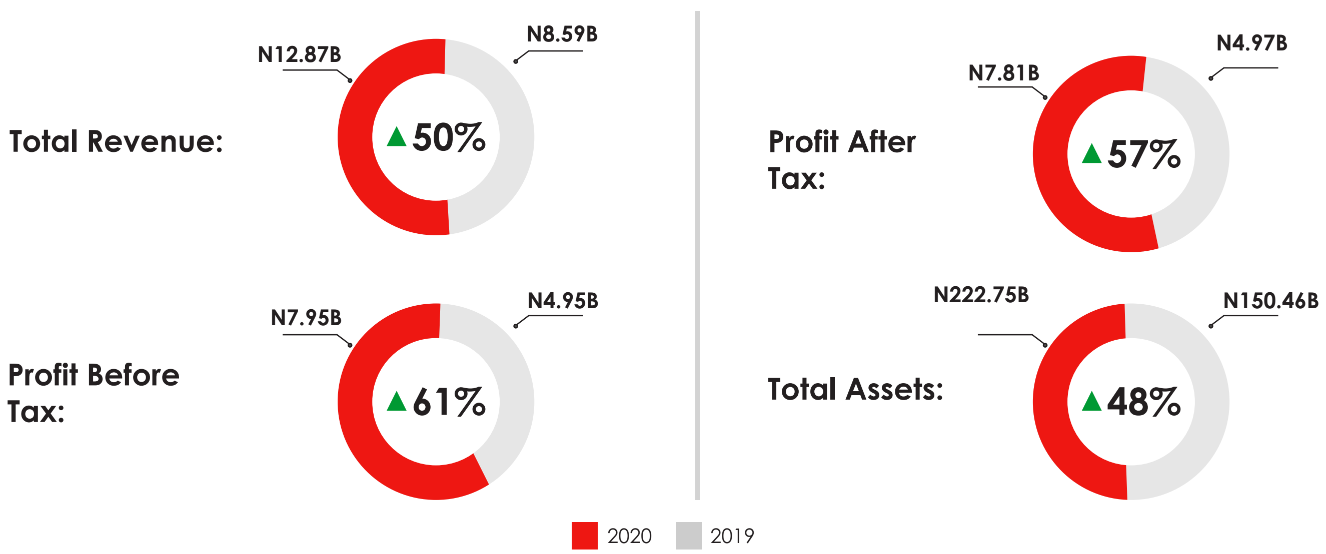
Since it was founded over 50 years ago, United Capital Plc has cultivated and sustained a heritage of excellence in the finance space in Africa. Its track record of transaction execution, industry leadership and client focus are still unmatched. It has achieved this by providing top-of-the-line financial services, consistently demonstrating a commitment to execution, excellent service delivery and client satisfaction.

Through the years, the Group has innovated with each season, and found smart ways to provide even more value to its clients by showing a spectacular ability to adapt to change.

United Capital's Pan African expansion drive is borne out of the need to replicate its numerous successes in the Nigerian market to the broader African space, through transforming the African continent by providing investment banking solutions to governments, companies, and individuals. It is poised to be the financial and investment role model across Africa, deploying innovation, technology, and specialist skills to exceed client expectations, whilst creating superior value for all stakeholders.

Looking ahead, with strategic financial partnerships, and a commitment to economic growth and prosperity on the continent, United Capital Plc will leverage its market leadership and strong relationships with financial market participants, Development Finance Institutions, multilateral agencies, as well as financiers within and outside the continent to drive innovative solutions to funding challenges in Africa.

Financial Highlights




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

BOARD OF DIRECTORS

Board of **Directors**

Mr. M. Chika Mordi
Chairman
(Non-Executive Director)

Mr. Peter Ashade
Group Chief Executive Officer

Mr. Sunny Anene
Group Executive Director

Mr. Emmanuel Nnorom
Non-Executive Director

Mr. Adim Jibunoh
Non-Executive Director

Mr. Sonny Iroche
Independent Non-Executive Director

Sir Stephen Nwadiuko
Independent Non-Executive Director

Mr. Titus Oladipupo Fatokun
Independent Non-Executive Director

Hajiya Sutura Aisha Bello
Independent Non-Executive Director

Sir. Leo Okafor
Group Company Secretary
/General Counsel

Board of **Directors**

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

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

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

Mr. Peter Ashade – Group Chief Executive Officer

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

Board **Profile**

Mr. Sunny Anene – Group Executive Director

Prior to his appointment as an Executive Director, he was the Managing Director of United Capital Asset Management Limited, a wholly owned subsidiary of United Capital Plc. He had served as the Group Chief Finance Officer with additional responsibilities in Risk Management, Information Technology, Treasury, Finance and two other functional areas within the Group. His experience spans over twenty-six (26) years and cuts across investment, capital markets, pensions and finance as well as banking operations. His proven ingenuity in these areas is brought to bear on the Group's Asset Management Business. Prior to joining United Capital Plc, he was Head of Operations at First City Group and later Lead Trader for CSL Stockbrokers, the Securities Trading arm of the Group. He moved to pension management at Zenith Pension Custodian Limited, a subsidiary of Zenith Bank Plc and later returned to the Capital Market in 2008 when he joined Chapel Hill Denham where he spent six (6) years in two different roles, first as the Director of Finance and Operations, and then the MD/CEO for the stockbroking business. He has a master's degree in finance from the University of Lagos. He is a fellow of the Chartered Institute of Stockbrokers (CIS), the Institute of Chartered Accountants of Nigeria (ICAN), the Chartered Institute of Taxation of Nigeria (CITN), an Associate of the Certified Pension Institute of Nigeria and a member of the Institute of Directors. He is an alumnus of Lagos Business School (LBS) and IESE Business School, Barcelona, Spain. He has attended leadership trainings organized by Harvard Business School and General Electric (GE), USA. He was appointed a director on January 2, 2019.

Mr. Emmanuel Nnorom – Non Executive Director

Emmanuel Nnorom is an alumnus of the Oxford University Templeton College and a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN). He is also an honorary member of the Chartered Institute of Bankers of Nigeria (CIBN). He has over 38 years work experience in accounting and finance (including at executive levels) in both real estate and banking sectors of the Nigerian economy. He was an Executive Director of United Bank for Africa Plc and retired in 2012. He was appointed a Director in United Capital on January 10, 2014 and is currently the Chairman of the Finance, Investment and Risk Management Committee.

Board **Profile**

Mr. Adim Jibunoh – Non-Executive Director

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

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

Mr. Sonny Iroche – Independent Non-Executive Director

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

Sir Stephen Nwadiuko – Independent Non-Executive Director

Sir Stephen Nwadiuko holds a Bsc and an MSc in Banking and Finance from the Ogun State University, Ago-Iwoye and University of Ibadan, respectively. He is a fellow of three professional bodies namely: Chartered Institute of Bankers of Nigeria, Institute of Chartered Accountants of Nigeria, Compliance Institute of Nigeria as well as an associate of Certified Pension Institute of Nigeria. He is a retired Deputy Director, Banking Supervision Department of the Central Bank of Nigeria (CBN), a certified Bank Examiner by the CBN and the Federal Deposit Insurance

Board Profile

Cooperation of the United States of America. He was a former council member of the Chartered Institute of Bankers of Nigeria and Chairman Chartered Institute of Bankers of Nigeria, Abuja Branch. He is currently a Member of the Investigating Panel of both the Chartered Institute of Bankers of Nigeria and Institute of Chartered Accountants of Nigeria as well as a member of the Board of Trustees of the Compliance Institute Nigeria. He was appointed a Director on October 2, 2018.

Mr. Titus Oladipupo Fatokun – Independent Non-Executive Director

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

Hajiya Sutura Aisha Bello

– Independent Non-Executive Director

Hajiya Aisha Bello holds a Bachelor of Science Degree in Economics from the University of Maiduguri; an MBA and MSc from the Southern New Hampshire University USA.

She has over thirty (30) years' experience across industries such as Investment Banking, Project Finance, Infrastructure, Commercial Banking with reputable institutions including the World Bank, OPEC Fund for International Development in Vienna, Austria, Infrastructure Concession and Regulatory Commission, Debt Management Office etc.

She was the Public Private Partnership ("PPP") Lead on the £72.8 million DFID-funded UK-Nigeria Infrastructure Advisory Fund to support the development of the $3 billion pipeline of bankable PPP projects, $1billion of which is expected to close by 2023. She is currently the Managing Partner INFRAGAP, Executive Director, Infrastructure at Vista Resources and was appointed a Director in United Capital on December 14, 2020.

Board **Profile**

Sir. Leo Okafor – Group Company Secretary/General Counsel

Sir Leo Okafor holds a Bachelor and Master of Law degree from the University of Lagos. He is a member of the Nigerian Bar Association, a Fellow of the Institute of Chartered Secretaries and Administrators of Nigeria (FCIS) and the Association of Investment Advisers and Portfolio Managers. Prior to Joining United Capital Plc, he was the Managing Director of Zenith Trustees Limited (a subsidiary of Zenith Bank Plc) and PHB Capital & Trust Limited (subsidiary of Bank PHB Plc and later Keystone Bank Limited). He has over 24 years' experience in legal practice, trusteeship, investment banking and company secretarial practice. An avid scholar who has authored several books and publications in the area of trusteeship and company secretarial practice. He was appointed Company Secretary and General Counsel on March 1, 2013.

LEADERSHIP

Subsidiary **MDs**

Tokunbo Ajayi

MD/CEO, United Capital Trustees Limited

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

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

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

Bawo Oritsejafor

MD/CEO, United Capital Securities Limited

Bawo is the Managing Director of United Capital Securities Limited. His experience span over 20 years in Securities Trading and Asset Management. He started his career in financial services with Cashcraft Asset Management Limited where he rose to become the Head, Stockbroking Department. He later joined the UBA Plc Group in 1998, with the then UBA Capital & Trust Limited, which later changed to UBA Asset Management Limited (UAML) where he was the Head, Capital Market Unit, the Investment arm of UAML.

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

Subsidiary **MDs**

Odiri Oginni, CFA

MD/CEO, United Capital Asset Management Limited

Odiri Oginni is the Managing Director and Chief Executive Officer of United Capital Asset Management Limited. She has a career spanning over 15 years across diverse roles in the financial services industry such as investment management, financial analyses, and reporting enhancements, tax and regulatory management, strategy and investor relations, treasury and cash flow management, business process automation, capital raising (equity and debt), budget preparation and analysis, corporate rating management, audit and compliance, and business development.

Her past roles include Group Chief Finance Officer at United Capital Plc. Odiri was also the CFO at UBA Capital Limited (the defunct investment banking arm of United Bank for Africa Plc), Portfolio Analyst at BGL Plc, and Audit Senior at Akintola Williams & Deloitte (now Deloitte).

She is a First-Class Graduate of Accounting from Babcock University, a Fellow of the Institute of Chartered Accountants of Nigeria, and a CFA Charter holder.

Management **Team**

Mr. Peter Ashade
Group CEO

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

Mr. Sunny Anene
Group Executive Director

Prior to his appointment as an Executive Director, Sunny was the MD/CEO of United Capital Asset Management Limited, a wholly-owned subsidiary of United Capital Plc. He had served as the Group Chief Finance Officer with responsibilities for Finance, Treasury, Risk Management, Information Technology, and two other functional areas within the Group. His work experience spans over two decades and cuts across investment management, capital markets, pension asset custody, and banking. His proven ingenuity in these areas is brought to bear on the Group's Asset Management Business where he transformed the firm and put it on the part of current growth tangent across key performance metrics.

For instance, within one year of assuming the MD/CEO position, he rebuilt the Balance Sheet, grew the PBT from N47million to N1.8Billion and the AUM from N54Billion to N103Billion. Prior to joining United Capital Plc, he was in Chapel Hill Denham where he spent six (6) years in two different roles, first as the Director of Finance and Operations, and then as the MD/CEO for the stockbroking business.

Prior to joining Chapel Hill Denham Group, he was in Zenith Pension Custodian Limited, a subsidiary of Zenith Bank Plc, as Assistant General Manager in charge of Risk Management and Compliance. Before joining Zenith, he was the Head of Operations at FCMB Capital Markets Ltd and, at a time, the Lead Equity Trader of CSL Stockbrokers - the securities trading arm of First City. He has an MBA in Finance from the University of

Management **Team**

Lagos.

He is a fellow of three prestigious professional bodies: Chartered Institute of Stockbrokers (CIS), the Institute of Chartered Accountants of Nigeria (ICAN), the Chartered Institute of Taxation of Nigeria (CITN), an Associate of the Certified Pension Institute of Nigeria, and a member of the Institute of Directors (M.IoD). He is an alumnus of Lagos Business School (LBS) and IESE Business School, Barcelona, Spain. He has attended leadership trainings organized by Harvard Business School and General Electric (GE), USA.

Sir. Leo Okafor

Group Company Secretary/General Counsel

Sir Leo Okafor holds a Bachelor and Master of Law degree from the University of Lagos. He is a member of the Nigerian Bar Association, a Fellow of the Institute of Chartered Secretaries and Administrators of Nigeria (FCIS) and the Association of Investment Advisers and Portfolio Managers. Prior to Joining United Capital Plc, he was the Managing Director of Zenith Trustees Limited (a subsidiary of Zenith Bank Plc) and PHB Capital & Trust Limited (subsidiary of Bank PHB Plc and later Keystone Bank Limited). He has over 24 years' experience in legal practice, trusteeship, investment banking and company secretarial practice. An avid scholar who has authored several books and publications in the area of trusteeship and company secretarial practice. He was appointed Company Secretary and General Counsel on March 1, 2013.

Shedrack Onakpoma

Group Chief Finance Officer

Shedrack Onakpoma was appointed Group Chief Finance Officer in 2019 and oversees the Finance and Treasury departments at United Capital Plc. Shedrack is an Economist and Professional Accountant with over 25 years work experience in Financial Management, Business Planning, Capital raising projects, M&A, Business Combination, and Restructuring within Africa.

Prior to joining United Capital, he was the Group Enterprise Manager at Heirs Holdings, CFO at Tenoil Energy and CFO at Heirs Insurance Limited. Shedrack obtained his Executive MBA from Lagos Business School in 2019 and holds a BSc in Economics from Olabisi Onabanjo University. He is a Fellow of the Institute of Chartered Accountants (FCA). He obtained his Balanced Scorecard Professional Certificate from the Balanced Scorecard Institute, USA in 2010 and He is also a Licensed International Financial Analyst

Management **Team**

(LIFA), which he obtained from the International Research Association, Harvard Square, Cambridge, Massachusetts, USA, in August 2008..

Adetola Fasuyi

Head, Wealth Management

Adetola is a seasoned professional with experience in the financial services industry as a senior business development and investor relations professional with an emphasis on Wealth Management. Before joining United Capital Plc, Adetola was the Managing Director of SCM Capital Asset Management Limited. She previously served as the GM/CEO of MBL Financial Services Limited, (the Stockbroking arm of Metropolitan Bank Limited (now UBA Plc) and as head of the foreign operations department at Access Bank. She is a Licensed Equity Trader on the Nigerian Bourse.

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

Richard Akindele

Head, Consumer Finance

Richard currently manages UCPlus Advance Limited, one of the subsidiaries of United Capital Plc. He built UCPlus Advance, the digital retail lending subsidiary to become a key part of the Group's strategic agenda and a contributor to the revenue pool. He has over 20 years outstanding career in banking, accounting, and consulting.

Prior to joining United Capital, he worked at FCMB Limited as the Lead, Retail Risk Assets Products Management Team, where he helped the Bank to attain market leadership in the consumer finance and personal lending space. As a Chartered Accountant, he worked as a Tax Auditor and Relationship Manager at the Lagos State Internal Revenue Service. Richard is a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN) and a member of the Chartered Institute of Bankers of Nigeria(CIBN). He has an MSc. Economics from the University of Aberdeen, UK and a BSc from Obafemi Awolowo University, Nigeria.

Management **Team**

Bolanle Ibitola

Director, Resources

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

Her past roles include Head, Human Resources, at Afriland Properties Plc. She had also worked with Heirs Holdings, Renaissance Capital, London Borough of Brent, and Kimberly Ryan in various Human Resources capacities. She holds a first degree in English Language & Literature from the University of Lagos and a Masters in Human Resources from the Middlesex University Business School, London. She is a member of the Chartered Institute of Personnel and Development (CIPD) and Society for Human Resource Management (SHRM).

Ogaga Uwhuseba

Head, Audit and Business Assurance

Ogaga Sam Uwhuseba is a professional banker, accountant, and certified fraud examiner with over 20 years' cognate work experience in Nigeria and the African financial services industry.
Prior to joining United Capital Plc, he was a Team Lead in the Audit and Control Directorate of UBA Plc. He had worked in the Audit, Assurance, and Operations Directorates of Sterling Bank Plc, Unity Bank Plc, amongst others.

He holds a B.Sc. Banking and Finance from Olabisi Onabanjo University, Ago-Iwoye Ogun State and a Higher National Diploma in Business Administration and Management, Federal Polytechnic Ado Ekiti. He possesses ISACA certifications (CISA and CDPSE), PECB Certified ISO/IEC 27035 – Lead Incident Manager as well as professional membership of the Chartered Institute of Bankers of Nigeria, Institute of Chartered Accountants of Nigeria, Chartered Institute of Stockbrokers of Nigeria, Chartered Institute of Taxation of Nigeria, Association of Certified Fraud Examiners and The Institute of Internal Auditors.

Management **Team**

Joseph Onyema
Group Chief Information Officer

Joseph is the Chief Information Officer of United Capital Plc. In the last 3 years with the group, he has consistently driven digital transformative projects leading to large-scale automation across the businesses.

Over the last 14 years, he has worked with and led teams whose responsibilities cut across a major spectrum of IT transformational projects and consultancy. Before joining United Capital, Joseph headed the Technology Operations at Cordros Capital where he transitioned the business from a High Net-worth Individual (HNI) focused business to retail-focused business. He also led the Enterprise & Cloud Services team at Soft Solutions Limited. Joseph is certified across various solutions including Microsoft's MCITP, Oracle database, McAfee enterprise security, Bloomberg certified technical expert, a certified CommVault expert on datacentre and enterprise-wide disaster recovery to mention but a few.

Emeka Atuma
Head, Risk Management

Emeka Atuma is the Head, Enterprise Risk Management of United Capital Plc Group. He oversees Risk Management, Business Process and Internal Control. Before joining United Capital Plc, Emeka was Head, Depository Assurance Division of the FMDQ Depository Limited, FMDQ's wholly owned Depository Franchise.

Prior to joining FMDQ in 2014, Emeka was the Divisional Head of Operational Risk Management at Fidelity Bank PLC and also worked as an Internal Control Officer at FinBank PLC (now FCMB). He holds an MBA from Manchester Business School, UK, and a BSc. degree in Accounting from Olabisi Onabanjo University, Ogun State, Nigeria. In addition to being certified in Risk and Information System Control, he is a Financial Risk Manager (FRM), a Certified Information System Auditor and a Fellow of the Institute of Chartered Accountants of Nigeria. Emeka has over twenty years' work experience in FMCG and Banking.

Management **Team**

Oluwabunmi Olusesi

Group Head, Operations

Bunmi is the Group Head, Operations. Bunmi has over 11 years working experience in financial services with core expertise in providing and improving a highly focused level of operational support, research and advice, financial, compliance, statutory duties, and people management.

She has worked in various capacities, proving her solid pedigree in operational roles and people management, which eventually propelled her through the ranks to her current position. She started her career at UBA Stockbrokers, (now United Capital Securities Limited) in September 2009 and was also the Team Lead, Trade & Investments at United Capital Plc. She obtained her first degree in Philosophy from Obafemi Awolowo University in 2008 and a Masters' degree in Public and International Affairs from University of Lagos. She is also a student member of the Chartered Institute of Stockbrokers.

Ejikeme Okoli

Head, Strategy & Innovation

Ejikeme is the Head, Strategy & Innovation at United Capital Plc and responsible for steering the growth strategy of the Group across its subsidiaries and regional businesses. His experience integrates a broad spectrum of industries including Finance, Technology, Energy and Manufacturing involving corporate strategy, research, change management, business development and performance analytics.

Prior to joining United Capital Plc in November 2018, he worked in the Enterprise Intelligence & Strategy Division of Diamond Bank (Access Bank). He also worked as a Business Developer for Dragnet Solutions Limited, and multinationals such as Chevron Nigeria Limited and Guinness Nigeria Plc. He is a graduate of Environmental Engineering Technology and holds Advanced Strategic Management Certifications from HEC Paris (Business Model Innovation), Harvard Business School (Sustainable Business Strategy) and Lagos Business School (Blue Ocean Strategy; Competitive Strategy) with specialist programs in Project & Infrastructure Finance (Bocconi University, Italy) and Real-World Macroeconomics (University of California).

Management **Team**

Tolu Latunji

Head, Marketing and Corporate Communication

Tolu is a Communication and Marketing Expert with 12 years' experience in Products Development, Marketing, and Brand & Franchise building. With a 360-degree knowledge of Communications and Marketing, Tolu has served in various capacities on CBN constituted sub-committees on Financial Inclusion. Prior to joining United Capital Plc, Tolu was the Managing Partner of Ten & Square Media Co., a bespoke creative ideation, and Brand/Crisis Management firm, based in Lagos, Dakar and London.

Tolu was recently the Strategic Communications lead at FMDQ Securities Exchange and worked in Guaranty Trust Bank for 9 years, with roles in Brand Management & Monitoring, Events and Experiential Marketing, Products and Content Marketing and User Experience. Outside the Corporate environment, Tolu engages in various humanitarian activities with food banks and empowerment programmes. He holds a B.Sc. Economics from the University of Lagos.

Damilare Mesimo

Head, Digital Business

Damilare is the Head, Digital Business at United Capital Plc, and plays a vital role in steering the digital strategy of the Group. Damilare has over 13 years working experience in the financial services industry spanning Banking and Financial Technology with core expertise in banking Operations and digital product management.

Prior to joining United Capital Plc, he worked as the Team Lead, Strategic Partnerships and Innovation at CoralPay Technology Limited where he coordinated several projects which contributed towards the success of the company. He had also worked with Zenith Bank Plc in branch operations and card services department as well as First Bank of Nigeria in customer service unit and e-business department. He obtained his first degree in Economics from Covenant University in 2007.

Management **Team**

Shuaib Kasandubu

Regional Director, North

Shuaib hhas over 24 years' experience in the Financial Services Sector. He was the Regional Manager at Union Trustees Limited, a subsidiary of Union Bank for 3 years prior to joining United Capital Trustees Limited as Head of the Northern Region. Prior to joining United Capital, Shuaib had worked with the defunct Trade Bank (now UBA Plc). He has attended several professional international trainings on Conventional and Islamic Bond Issuance, Debt Management and Restructuring, Capital Markets and Sub National Bond Programmes.

Shuaib holds bachelor's degree in Agriculture from Ahmadu Bello University Zairia, a Post Graduate Diploma in Business Administration and a Masters Degree in Public Administration from the University of Ilorin. He is also a member of the Institute of personnel management.

Seun Babasola

Regional Director, South

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

Prior to joining United Capital, he served as the pioneer Head of Business Development/Equity Securities at CardinalStone Partners and also served as Relationship Manager at Skye Bank Plc, where he was in charge of strategy, deal origination and execution. He started his banking career with Guaranty Bank Plc as a Relationship Manager.

Management **Team**

Lucky Okokpujie

Regional Director, West

Lucky is the Director, Western Region of the company. He has over 20 years working experience in the financial services industry spanning Banking and Capital Market with core expertise in Operations, Corporate Services, Project Management, Business Development and Relationship Management. Prior to his current role, he was the Pioneer Head, Digital Business, Group Head of Operations and Head of Corporate Services at United Capital Plc, Branch Operations Manager, Ikeja Branch of UBA PlC, and Regional Customers Service Manager (RCSM) at Diamond Bank Plc (now Access Bank Plc).

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

Kayode Tinuoye, CFA

Regional Director, Africa

Kayode is the Regional Director for Africa at United Capital Plc. He is responsible for providing the overall strategic direction to the Pan African expansion plans of United Capital Plc by directing efforts to identify and win new business opportunities in the rest of Africa in line with the Group's strategic goals and objectives. He was previously Head of Portfolio Management at United Capital Asset Management Limited.

Prior to that, he was Head of Research at United Capital Plc where he led a team of research analysts providing equity, fixed income, and macroeconomic research coverage for the Nigerian and other African markets. He was Head of Research at Afrinvest West Africa. He has over 13 years' experience covering investment research, corporate finance, corporate strategy and portfolio/Funds Management. Kayode worked with Meristem Securities Limited Lagos as an equity research analyst and as a Senior Strategy Officer with Diamond Bank Plc (now Access Bank). He is a graduate of Economics (First class) from the Obafemi Awolowo University Ile-Ife. He is a CFA Charter holder and a member of CFA Society of Nigeria.here he finished top at his faculty. He is a CFA Charter holder and a member of CFA Society of Nigeria.

Management **Team**

Wale Olusi

Head, Research

Wale heads investment and economic research unit at United Capital Plc and actively covers the banking sector. His role cuts across coordinating broad strategic economic reports, covering key macro variables, monetary and fiscal policies, currency, sector and company updates. His investment research experience span over 8 years of active coverage of developments in the Nigerian macro and Sub-Saharan African economy. His experiences cuts across developments in the Banking, Insurance, Energy, FMCG and industrial goods sectors over the period. He started his career as a graduate research assistant at the Olabisi Onabanjo University, Ogun State, before joining Meristem Securities Limited, Lagos as a macro and consumer goods sector analyst and then moved to Afrinvest W/Africa.

Professionally, Wale is an Associate member (ACS) of the Chartered Institute of Stock Brokers of Nigeria, and a candidate of the Chartered Institute Securities and Investment UK. Awarded the best student in the September diet of Chartered Institute of Stock Brokers Professional Examination in 2013. Academically, he graduated with a Bsc. First-Class (Hons) in Economics from the University of Lagos, Akoka and also holds a Master's degree in Economics, specializing in monetary economics and econometrics from the same university.

Opeyemi Agunbiade

Head, Group Treasury

Opeyemi is an Investment Management Professional with 13 years of experience in the Financial Industry. Her passion for investments and the global financial markets has been her drive. She has an in-depth resource of the financial market in the last decade and has developed over the years ability to adapt to numerous market scenarios regardless of market conditions with an ultimate aim of meeting corporate goals whilst ensuring customer satisfaction. Opeyemi joined United Capital in 2019 as Head, Group Treasury.

Prior to United Capital Group, she was the Chief Dealer at ProvidusBank where she was responsible for the set-up of the Fixed Income Trading and Sales desk, and also the supervision of all trading units in Treasury. Prior to ProvidusBank she worked at Coronation Merchant Bank where she was the Pioneer Foreign Currency Dealer, developed strategies for dynamic asset allocations and created multiple reports for BUY/HOLD/SELL recommendations to hedge portfolio risk. She also

Management **Team**

worked as a Marketing officer at Ecobank Nigeria. She holds a B.Sc in Computer Science from the University of Lagos, an M.Sc in Business Information System from the Royal Holloway University of London, UK and ACI dealing certificate France, Paris.

Nneka Jibunoh
Head, Customer Experience

With over 20 years work experience in Nigeria and the United Kingdom, Nneka Nerissa Jibunoh's focus and commitment to transform organisations through the delivery of excellent Customer Experience is what makes her a deep expert in the area of people management. Her ability to build and manage productive relationships and win people over is one of her strengths and has contributed to her career success. Before joining United Capital, Nneka worked as Head, External Relations at the Tony Elumelu Foundation where she managed relationships with thousands of African Entrepreneurs and Business Mentors from across the globe. She led the Customer Service Help Desk which was fully responsible for handling all external communications for the Foundation.

She holds an LLB from London Guildhall University and a BL from the Nigerian Law school. In addition to this she has a background in Project Management, Customer Service, Advertising,

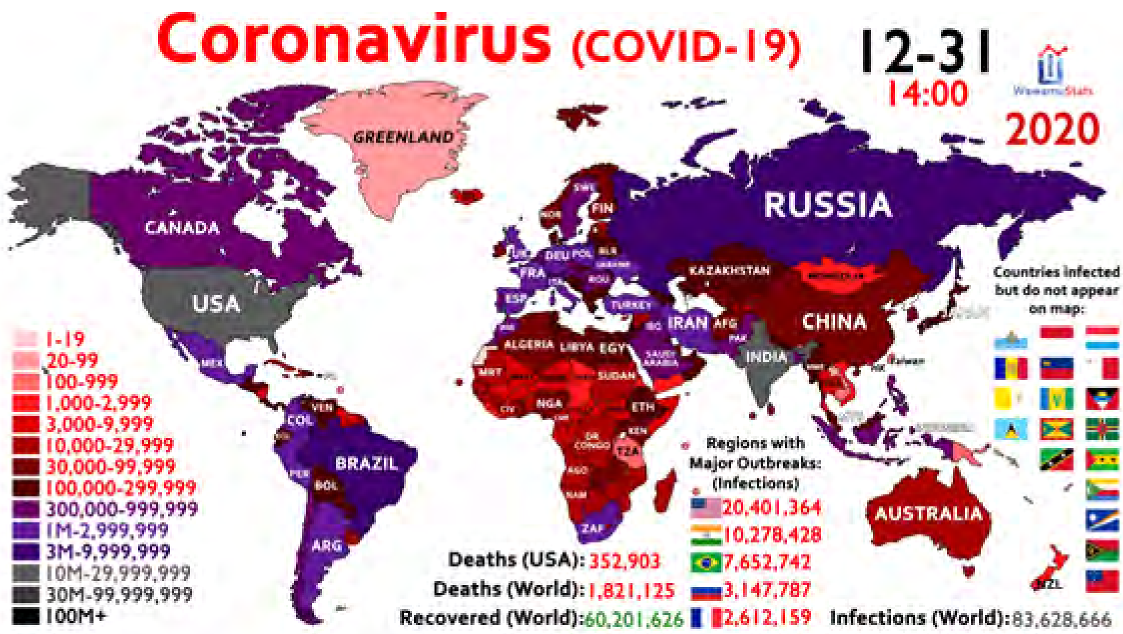

United Capital
Asset Management
We add
VALUE

ECONOMIC OUTLOOK

2020 Economic and Financial Market Overview

Global Economy: A shot at recovery

2020 was an unprecedented year, no thanks to the coronavirus outbreak, as the global economy was suspended in Q2 and most of Q3-2020 to contain the pandemic. Oil prices plummeted to levels never seen before, airlines were grounded, while hotels were shut down, and all forms of congregational economic activities were halted.

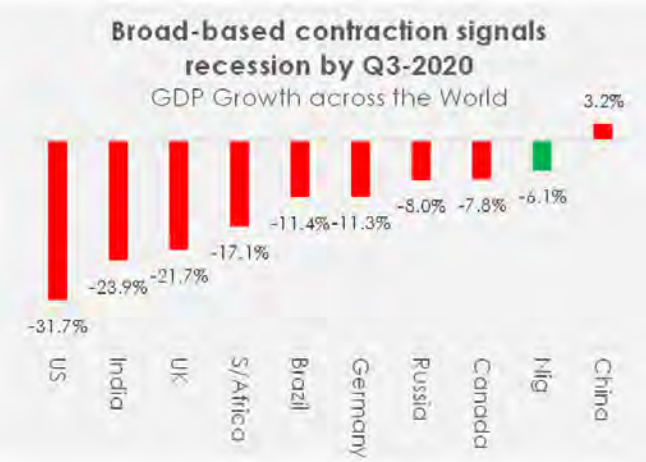


Source: John Hopkins, WHO.

This triggered a global recession across advanced and low-income countries, as GDP growth numbers printed negative amid demand and supply shocks. As such, the IMF estimates global GDP to contract by -4.4% in 2020. Surprisingly, stock markets in many advanced and emerging economies surged amid massive monetary and fiscal stimulus. In Q3-2020, the global economy began to reopen as countries looked to recover from the sharp blow dealt by the pandemic. However, the cost of reopening was evident in Q4-2020, as the second wave of infections began in many advanced markets, particularly in the United States and Europe. This forced some countries to halt economic reopening and, in some cases, reintroduced lockdowns. As of the end of the year, the global Covid-19 caseload count was above 83 million, including 1.83 million deaths and more than 47 million recoveries.

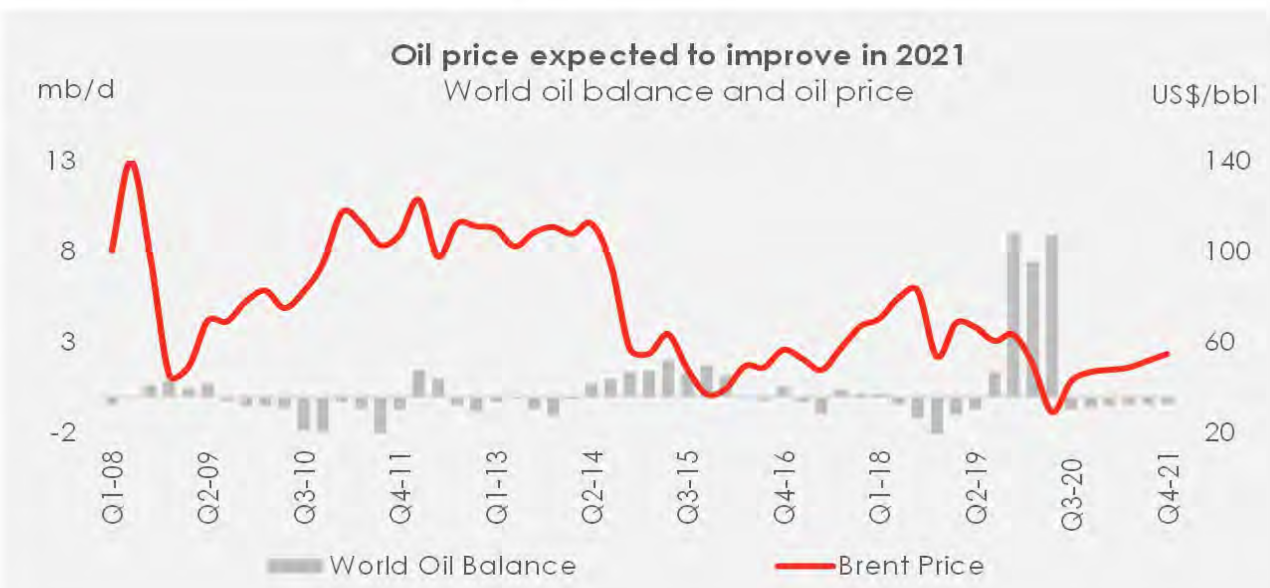
In 2021, the global economy is expected to take 'a shot at recovery', largely due to the announcement and approval of effective Covid-19 vaccines. The risks of re-emerging infections remain high, although much will depend on the speed, scale, and long-term effectiveness of vaccination. Away from the virus, the outcome of the recent US presidential election which saw Joe Biden replace President Trump in January 2021 would reduce political risk and is positive for global trade and efforts against climate change.

Sources: IHS Markit, Bloomberg, United Capital Research



Sources: Bloomberg, United Capital Research

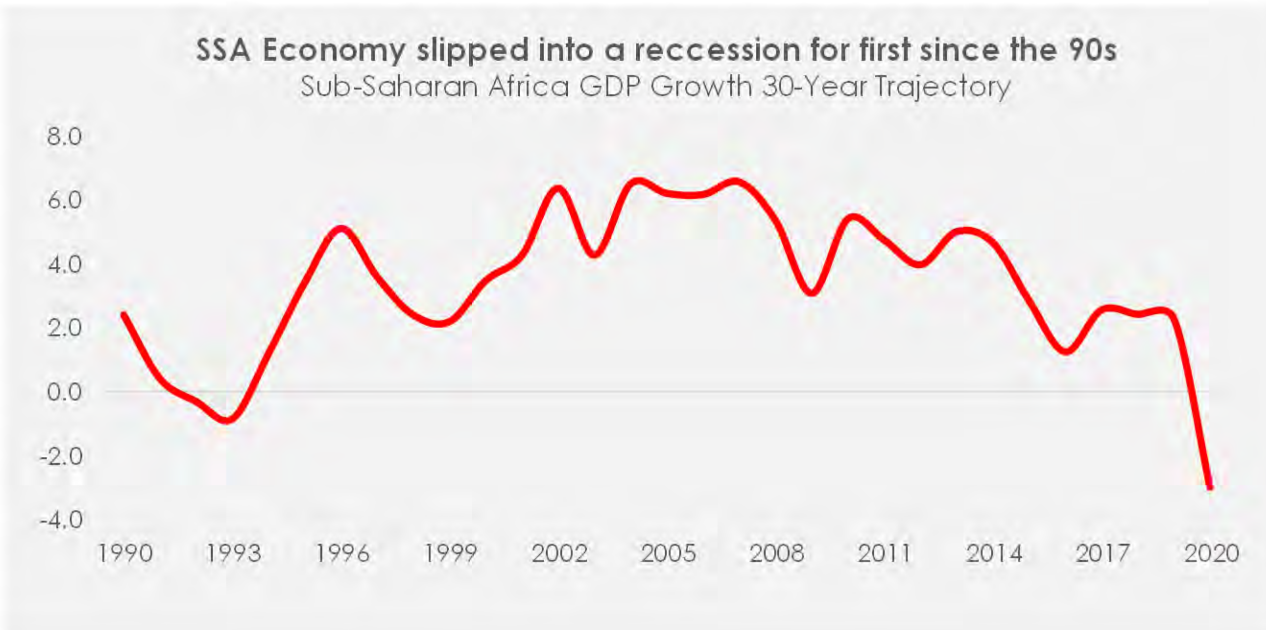
Overall, global growth is projected by the IMF to rebound by 5.2% in 2021, buoyed by recoveries in emerging markets (+6.0%) and advanced economies (+3.9%). Recovery will be aided by bold economic stimulus packages and a massive accommodative policy stance by central banks. Similarly, oil prices are expected to continue northwards but may be stuck within the $45-$55/b range if demand fails to keep up with supply.



Source: IEA, Bloomberg, United Capital Research

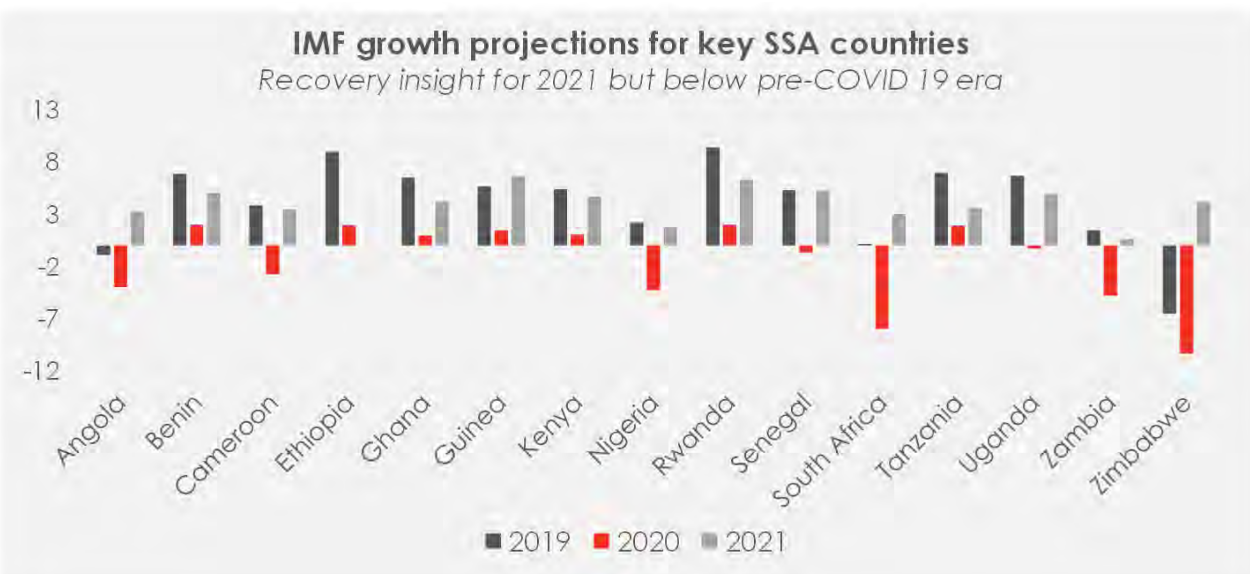
Sub-Saharan Africa (SSA): Much depends on the pandemic

In 2020, the SSA region slumped into its first recession in three decades. Although SSA countries were the least infected by the virus, the global economic shutdown left a huge imprint on economic activities across the region due to slump in key commodities prices. Thus, recovery is projected to be slower than peers. Tourism dependent economies (Mauritius: -32.9%, Seychelles: -17.0%) were the hardest hit, with sharp GDP contractions in Q2-2020, followed by oil-exporting countries such as Nigeria and Angola. Also, South Africa, a more diversified economy, recorded a -17.1% contraction in Q2-2020.



Source: World Bank

In 2021, growth in the region will be driven by a few factors. Firstly, the capacity of SSA economies to keep the spread of the coronavirus pandemic at bay amid potential vaccination bottlenecks and financial distress will be a significant factor, as the region must avoid another round of unaffordable lockdowns. Secondly, the implementation of the AfCFTA trade agreement, now scheduled to begin from Jan- 2021 rather than Jul-2020, and the commitment of major economies such as Nigeria and South Africa to the success of the pact are key. Finally, fiscal policy operations, supported by access to more concessional financing, relief, and private financing amid bold policy reforms, will help bolster recovery.



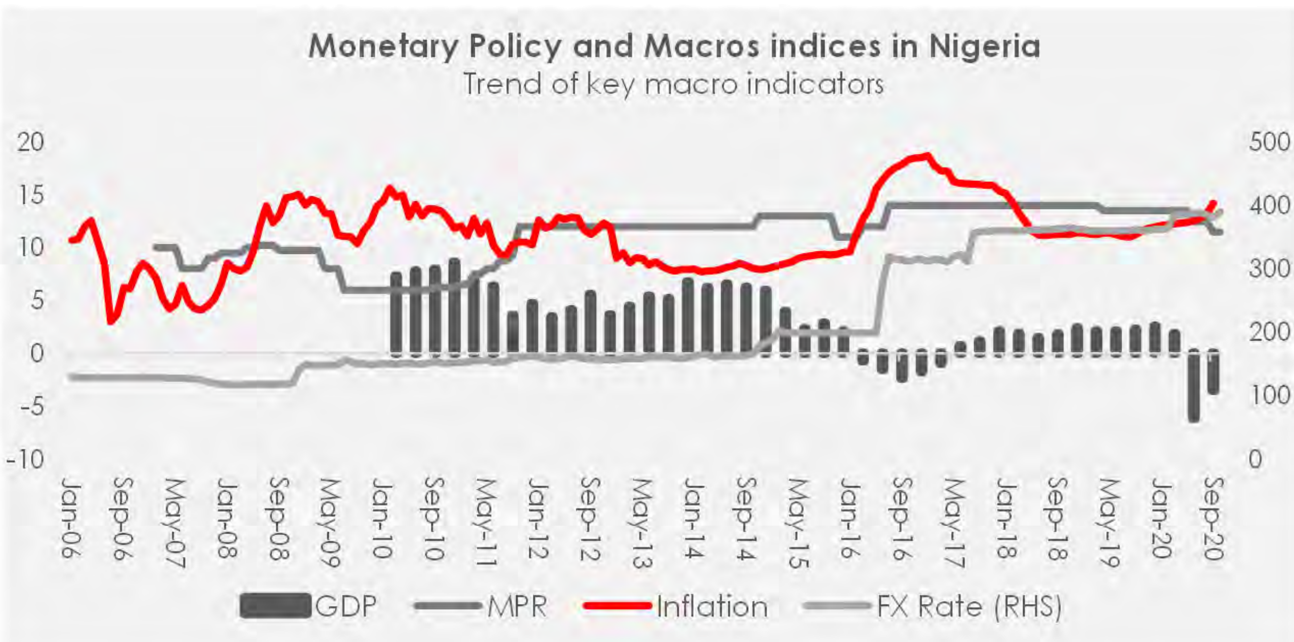
Source: IMF, United Capital Research

Overall, slower than required recovery in key markets, notably South Africa, Nigeria and Angola, will drag SSA growth in 2021. The IMF expects regional growth to rebound to 3.1% in 2021 but insists that many SSA countries will not return to 2019 output levels until 2022–24.

Nigeria: Tough times, tough takes!

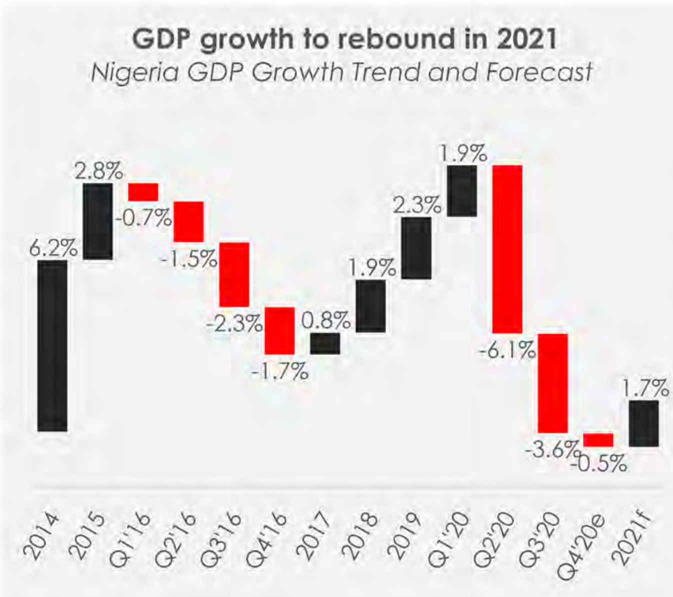
Covid-19 took its toll on the Nigerian economy in 2020, after the FGN imposed nationwide lockdowns in Q2-2020 to contain the virus. The oil market collapse wiped out export earnings and 50.0% of government revenue, even as domestic economic activities were ground to a halt in the country's largest commercial hubs. The CBN devalued the Naira on its official and I&E windows in the face of the pandemic, launched a series of intervention programs, slashed the monetary policy rate and kept the system inundated with liquidity. Similarly, amid pressure on both oil and non-oil revenue, the FGN was forced to take bold actions. The pump price of petrol was somewhat deregulated, electricity tariffs were hiked, and the closure of the land borders was reviewed.

Despite the concerted efforts, the economy slipped into another recession as GDP contracted in Q2 and Q3-2020. Inflation galloped to a 33-month high of 14.89% year-on-year in Nov-2020, amid sharp food price increases and the currency market crisis. Also, the CBN imposed administrative measures to curb the depletion of the external reserves, which slid to $35.4bn (down by $3.2bn YTD) in Dec-2020. As such, the parallel market rate crossed N500/$ in Q4-2020 while foreign capital inflows hit rock bottom.

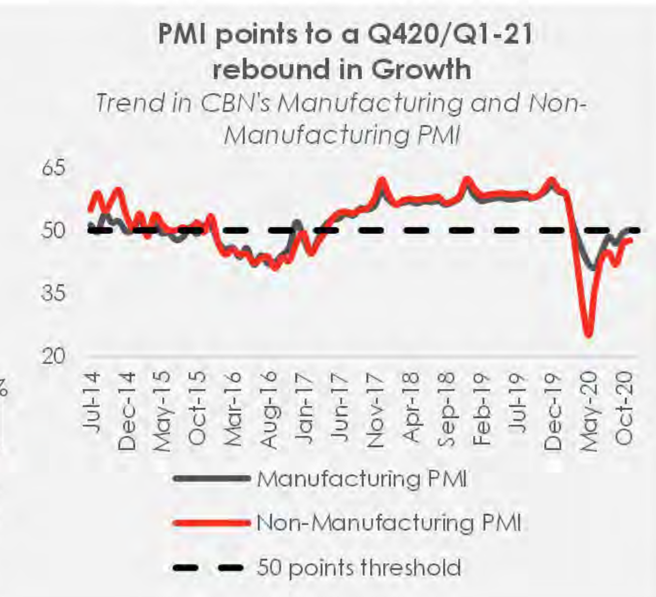


Source: Bloomberg, CBN, NBS

In 2021, GDP growth is expected to rebound by 1.7% to 2.0%, buoyed by increased economic activity and some improvements in the oil market. Although the reopening of the borders in Q4-2020 should ease pressures on food prices, other structural factors such as FX market illiquidity, potential increases in petrol price, etc. may keep general prices elevated. As a result, the headline inflation rate is expected to continue to rise. In response to rising inflation and in a bid to attract FPI inflows to the market, the CBN may tighten its monetary policy stance at some point in Q2-Q3 2021. Finally, on the exchange rate, a potential convergence of rates is expected when the CBN begins full intervention at the I&E window. As such, the parallel market should appreciate from N470/$ towards the NAFEX rate which has now been adjusted to N410/$.



Sources: NBS, United Capital Research



Sources: CBN, United Capital Research

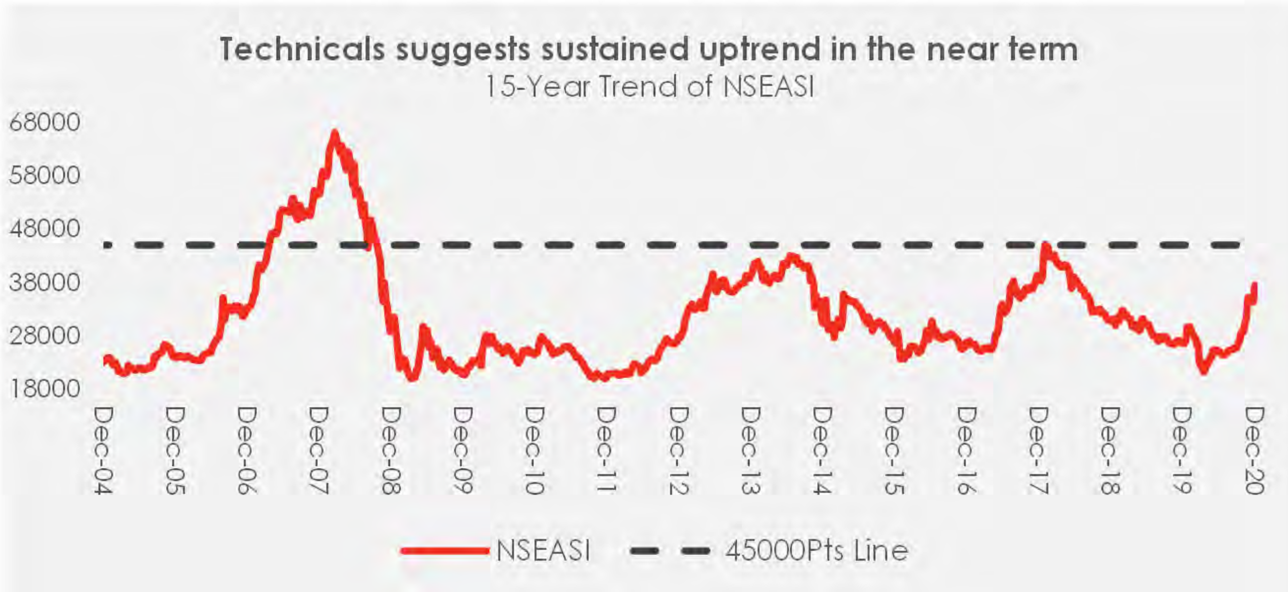
Naira Assets: Will the Yield Environment reverse?

Nigerian financial markets continued dancing to the tune of monetary policy actions in 2020. The CBN through its heterodox policy actions, following restrictions on OMO bills in late 2019, arguably remained the conductor of the orchestra, setting the tempo for capital flows. Matured bills issued in 2019 flooded the financial markets, overloading the system with liquidity in 2020. With sustained net OMO inflows, a dearth of investment outlets, and rate cuts by the CBN, the stop rate across all tenors for Treasury bills at the primary auction crashed from high single digit in Jan-2020 to less than 1.0% (91-Day: 0.01%, 182-Day: 0.09% and 364-Day: 0.15%) in Dec-2020.

Sources: FMDQ, Bloomberg, United Capital Research

Sources: Bloomberg, United Capital Research

Accordingly, the equity market surged by 50.0% in 2020 - its best performance in over a decade and well above its global peers - as local investors shifted from risk-free to riskier assets. Similarly, Nigerian sovereign bonds outperformed Emerging Market(EM) peers with the S&P/FMDQ Sovereign Bond Index returning a record 42.3% as at 23rd Dec-2020 compared to 3.2% on the JPM EM Government Bond Index.



Source: NSE, United Capital Research

Driven by buoyant system liquidity and an extremely low yield environment, corporate and non-sovereign issues increased significantly in 2020. Data from FMDQ indicated that over N1.0trn was issued in the form of Commercial Papers or CPs (N610.0bn), Corporate Bonds or CBs (N152.0bn), Sub-National Bonds (N100.0bn) and Sukuk (N150.0bn) in 2020. Notably, CP issues were led by blue chips like Dangote Cement (N100.0bn), MTNN (N100.0bn), and Nigerian Breweries (N91.2bn).

Sources: Bloomberg, United Capital Research

Sources: Bloomberg, United Capital Research

In 2021, sentiment for stocks depend on the direction of monetary policy, particularly in relation to the yield environment. A sharp reversal of rates is likely to trigger a sell-off in the equities market considering that the current average market price-to-earnings (P/E) valuation multiple (15.2x) is considerably higher than the 5-year historical average (11.9x). While the rate reversal, which appeared to have been triggered in Dec-2020, will become more apparent, the yield environment may not reverse to double digits until Q2- 2021 or later. Accordingly, our prognosis for the Nigerian stock market in 2021 is that domestic interest, fueled by dividend expectations, is likely to sustain the market rally in Q1-2021. However, in the absence of foreign demand, the market is likely to witness some correction.

CHAIRMAN'S STATEMENT

Fellow shareholders, it is with great delight that I present to you the financial results of United Capital Plc for the year 2020. 2020 was an exceptional year and will go down in history for a debilitating pandemic that induced health, economic, social and public service delivery crises across the globe. Despite this difficult operating global and local environment, our team was able to meet set targets. We will continue to relentlessly pursue our set goals and are optimistic that we will further improve in 2021.

Global Economy

2020 was an inflection point in global development, defined by the impact of the Covid-19 pandemic and global response to its spread. Economic and travel restrictions severely impacted human day-to-day activities, business operations, and government functionality across the globe. It necessitated and accelerated demand for digital access to personal and public services like healthcare, education, financial services, shopping and commerce. The pandemic weighed on small businesses and sectors dependent on physical interaction – which account for the vast majority of jobs - leading to massive job losses and economic uncertainty for many individuals and families. Amid shrinking consumer wallets, governments and central banks around the world provided massive fiscal and monetary stimulus to support affected sectors, small businesses, individuals, and their broader economies. Despite these measures, major Advanced Economies (AEs) and Emerging Markets (EMs recorded sizable contractions in 2020.

The change of guard at the White House was also a significant development in 2020 as the new U.S. administration is likely to reverse the new-fangled policy posture of the Trump administration and restore positive leadership and engagement with the world. Key developments in the global economic environment include; trade tensions between the US and its major trading partners, particularly China and the EU, rising civil unrest across countries, regression in democracies across the African continent, asynchronous monetary and fiscal policy actions, and uncertainties around the nature and duration of the post-pandemic economic recovery. Notably, the UK and the EU were able to avert a "hard Brexit", closing a deal before the December 2020 deadline.

The oil market had a tumultuous year, witnessing a sharp downturn in March, following a spat between Saudi Arabia and Russia, before recovering tepidly through Q2 and Q3 hampered by reduced demand due to pandemic-related restrictions. The announcement of effective Covid-19 vaccines in November spurred a stronger rebound in prices as the prospects of demand recovery in 2021 rekindled optimism. U.S. stock markets seemed disconnected to global and domestic events, growing consistently to record levels and sustaining vertiginous heights.

The global economy is likely to stage a broad-based recovery in 2021. We can now see the light at the end of the tunnel as coronavirus vaccinations travel to the ends of the planet. We expect the Biden administration to lower the intensity of the trade war with China, re-engage the World Trade Organization, while putting the weight of the US behind the global fight against climate change. Oil prices are expected to continue on the road of recovery, supported by OPEC supply management as the outlook for demand brightens.

Africa

After witnessing steady growth in 2019, African economies faced unprecedented headwinds in 2020, driven by the pandemic and its crippling effect on lives and livelihoods. Movement and travel restrictions around the globe meant that tourism-dependent economies like Mauritius and Seychelles were hit hard. These restrictions also meant that there was a massive slump in demand for key commodities. Oil-exporting countries, particularly Nigeria and Angola, suffered a double *whammy* in the form of depressed oil prices and revenue shortages. Even South Africa, the continent's most diversified economy, was not spared. In Q3-2020, most African economies entered a recession, and the IMF projects the Sub-Saharan African economy to decline by 3.0% in 2020.

It is not all gloom and doom, however, as African countries were the least impacted by the pandemic, accounting for under 4.0% of cases and fatalities despite making up about 15.6% of the global population, largely due to timely and effective measures in tackling the spread of the virus. We also note that the natural lower level of movement in and out of African countries relative to other countries supported reduced transmission. It could also be said that testing levels were significantly lesser than in wealthier advanced economies.

Also, the Africa Continental Free Trade Agreement (AfCFTA) gained further grounds in 2020, albeit impeded by the pandemic. Nigeria ratified the agreement in November, becoming the 34th country to formally join the pact. The AfCFTA promises the elimination of tariffs on 90% of goods produced on the continent. Non-tariff trade barriers will also be tackled, and free movement of persons will be guaranteed. As the agreement kicks off fully in 2021, we see it placing African economies on a better economic footing and aiding post-pandemic recovery, provided African countries maintain commitment to the success of the pact.

Domestic Economy and Financial Markets

The domestic economy in 2020 started on a positive but sluggish note as the GDP growth slowed to 1.9% in Q1 2020 (from 2.6% in Q4-2019) due to dampened sentiments in Trade (-2.8%) as well as weak Manufacturing sector (+0.4%) output. Economic activities were almost grounded in Q2 2020 following the implementation of total lockdown by the Federal government in key States across the country amid efforts to curb the outbreak of the coronavirus pandemic. Against this backdrop, the economy contracted by 6.1% in Q2,2020 and subsequently slipped into a second recession within five years after real GDP slumped by 3.6% in Q3,2020. Despite the negative overall performance, Information & Communication (+12.5% in 9M 2020) and Financial & Insurance (+14.7% in 9M 2020) remained the bright spots in the economy.

Nigeria also grappled with another episode of Foreign exchange crisis as oil prices tanked following demand destruction caused by restricted movements and lockdowns intended to curtail the spread of Covid-19. Production cuts further compounded the forex crisis. Nigeria had to cut oil production in conjunction with other members of the OPEC alliance as they sought to bring some balance to the oil market. Overall, this placed pressure on FX inflows and subsequently the CBN sought to ration the limited supply of FX. This led to multiple devaluations (official exchange rate devalued by 24.3% while, Import and export window rate was devalued to about N394, while the autonomous market fell 20%) during the year.
As a sign of worsening economic conditions, inflation surged to multi-year record levels as headline inflation climbed to 15.75% at the end of 2020 from 11.98% at the end of 2019. At 15.75%, headline inflation galloped to a record 37-month high. Inflationary pressures were largely fueled by a confluence of factors including multiple FX devaluations, petrol & electricity tariff hikes as well as pressured food supply shortages which

drove food inflation to a high of 19.56% at the end of 2020.

As part of monetary policy responses to the economic downturn, the Monetary Policy Committee of the CBN maintained a staunch dovish stance as it sought to support a swift recovery in economic activities. As a result, the MPC cut its Monetary Policy Rate (MPR) by 200bps in 2020 while implementing other unconventional policies to drive increased liquidity in a bid to reflate the economy. On the fiscal side, the Federal government's focus tilted towards improving fiscal balance amidst dwindling revenue due to weaker tax collections and sub-par oil revenues. As a result, the Federal Government raised its official exchange rate for USD revenue conversion to N379/US$, it officially disbanded the controversial subsidy scheme while it explored multilateral loan options to shore up revenue.

Despite the fragile state of the country's macroeconomic environment, financial markets went on a record run as excess liquidity in the system resulted into a shift from less risky debt securities such as Treasury Bills to riskier assets such as Stocks and Bonds. Consequently, the all Share Index (ASI) benchmark of the Nigerian Stock Exchange gained a record 50.0% in 2020 in nominal terms, as gains in Industrial, Telecoms and Banking stocks buoyed performance. Similarly, the Bond market enjoyed a bullish momentum as Nigerian sovereign bonds outperformed Emerging Market peers with the S&P/FMDQ Sovereign Bond Index returning a record 39.3% in 2020 compared to a loss of 3.1% on the JPM Emerging Market Government Bond Index.

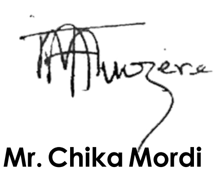
Financial Performance

Despite the above mentioned macroeconomic pressure, United Capital plc reported an outstanding financial performance in 2020. Total Revenue was up 50% year-on-year to N12.87billion in 2020, from N8.59billion earned in 2019. Profit Before Tax grew to N7.95billion in 2020, up 61% from N4.95billion in 2019, signifying solid growth in the overall profitability of the Group.

In terms of our financial position, Total Assets of the Group rose by 48% year-on-year to N222.75-billion in December 2020 from N150.46billion as of December 2019, driven by growth in cash and cash equivalents which accounted for 19% of the Group's assets, while Financial Assets contributed 65% to Total Assets. Shareholders' Funds was up 25% to N24.43billion largely due to growth in retained earnings. The Group's Return on Average Equity (RoAE) for the 2020 financial year stood at 35%, one of the highest among listed financial services institutions highlighting strong value creation for our shareholders.

Conclusion

Distinguished shareholders, I am confident in our ability to deliver consistent superior returns to you as we have put in place appropriate strategies to respond to possible scenarios that the year 2021 could throw at us, hence we believe that we will make progress in our quest to build Africa's leading investment bank. Our staff remain resourceful, motivated and dedicated, and we continue to attract the best talent to execute our short, medium and long-term strategic objectives. We are cognizant of the challenges inherent in the current, volatile, complex and uncertain environment, and would strive to maximize value creation for you, our esteemed shareholders.



Mr. Chika Mordi
Chairman, United Capital Plc

Group CEO's Letter to Shareholders

***Peter Ashade** Group Chief Executive Officer*

Distinguished Shareholders,

It is my pleasure to welcome you to the 2021 Annual General Meeting at a time when the world is confronting one of the greatest threats to public health profoundly impacting the global economy and exposing the fragility of human life. As an organisation, our thoughts remain with frontline caregivers and those most significantly impacted by the devastating COVID-19 pandemic.

Throughout our corporate journey, traceable to almost six decades, United Capital has built its reputation on a commitment to transforming lives and fostering socio-economic development across our indigenous markets - from providing advisory and capital raising solutions to governments and corporate organisations to investment management services aimed at wealth creation and preservation among other solutions along the financial services value chain.

It is noteworthy that our long rich heritage as a strong and growing financial services group is built on a spectacular ability in responding to change even as we strive to deliver superior returns to our shareholders.
The current unprecedented environment is no different but further reinforces our actions towards building resilience in our domestic economy with the hope that we will emerge from this phase in our history, better positioned to create a promising future for our motherland and its citizens.

It is on this firm commitment that I present an account of how your company fared in the preceding year 2020, but first let me highlight key macroeconomic outcomes that shaped our operating environment during the year.

Mr. Peter Ashade
– Group Chief Executive Officer

Our Operating Environment

The year 2020 is quite unforgettable with the COVID-19 pandemic being the dominant theme of the year, triggering challenging macroeconomic conditions in our operating environment amid extended lockdowns, stringent regulatory monitoring, depressed money markets, travel restrictions, disruptions to international trade and increased unemployment culminating in contractions across many advanced and emerging economies - including Nigeria which slipped into a recession in Q3,2020 – the second time in five years.

Furthermore, the official exchange rate of the Central Bank of Nigeria was devalued during the year to NGN379/USD from NGN305/USD while monetary policy was largely expansionary during the year as the benchmark interest rate was cut 200 basis points to 11.5% from 13.5%. Headline inflation rose to 15.75% by the end of 2020 from 11.98% at the end of 2019 largely driven by depreciation of the local currency and spikes in food prices, electricity tariffs and petrol prices – further impacting consumer spending, real income and capital formation.

The impacts of the pandemic on economic activities were mostly negative although Information and Communication Technology (ICT) and Financial Services sectors emerged as bright spots on the back of necessary shifts in consumer lifestyles, business model innovations and emerging operating methods. Technology utilization and digital tools became the operating drivers of business activities across industries that were positively impacted by the pandemic.

Our operating activities during the year was remodeled around COVID-19 protocols and adherence to public safety practices to curb the spread of the virus amid lockdown pronouncements at State and Federal levels across our business locations during year. This prompted an organisational switch to virtual operating model at the end Q1-2020 without significant disruptions to our business activities as we continued to provide best-in-class solutions to all client segments through diverse electronic channels and our team of advisors.

The new operating model necessitated that we strengthened our capabilities in terms of people and systems towards improving service delivery to clients, promoting seamless interactions, and strengthening risk management in what became a new normal.

Organisational Milestones & Landmark Achievements

The Group participated in several major deals, delivered impressive outcomes across business lines and recorded landmark achievements during the year under review despite the tough operating environment. Some are highlighted as follows:

- First non-bank issuing house to complete a Corporate Bond issuance in the Nigerian Capital market. We achieved 124% subscription of our maiden United Capital N10billion Series 1 Bond, reflecting strong investor confidence in the brand and strategic direction of the organisation.

- Emerged top 3 largest Fund Manager from 10th position in 2019. Our Mutual Fund Assets Under Management exceeded N162billion at the end of 2020 from N39billion as at year end 2019.

- Grew investor assets to over N250billion through Private Trusts, Mutual Funds, Portfolio Management and Wealth Management Services.

- Launched United Capital Sukuk Fund targeted at ethical investors with an offer size of N1billion.

- Acted as Issuing House on the following bond issuance transactions:
  - Joint Issuing House to the Lagos State N100bn Series 1 Bond (largest municipal bond issued in the Nigerian markets).
  - Joint-Lead Issuing House to the Dangote Cement Plc N100bn Series 1 Bond (largest corporate bond issued in Nigeria at the time)- May 2020.

- Overall, acted as Lead or Joint Adviser and Trustee on public and private securities issuances with a total value exceeding N400 billion in 2020 among others.

- Our corporate ratings improved from BBB+ to A- with a stable short-term and long-term outlook (Agusto) reflective of an investment grade institution.

- Kicked off consumer finance business line and disbursed 64,536 instant loans valued at N3.14billion leveraging a 100% digital model.

- Over N1billion investors assets processed on our flagship digital platform InvestNow.

Record-Breaking Earnings in a Pandemic Year

The Group delivered record breaking financial performance as key metrics including gross earnings, profitability, balance sheet size and share price grew to new all-time highs at the end of the period as we successfully navigated an undulating business terrain to deliver solid returns to our shareholders.

Total Revenue was up 50% year-on-year to N12.87billion in 2020, from N8.59billion earned in 2019. Profit Before Tax grew to N7.95billion in 2020, up 61% from N4.95billion in 2019, signifying solid growth in the overall profitability of the Group.

In terms of our financial position, Total Assets of the Group rose by 48% year-on-year to N222.75billion by December 2020 from N150.46billion as at December 2019, driven by growth in managed funds. Cash and cash equivalents accounted for 19% of the Group's assets, while Financial Assets contributed 65% to Total Assets. Shareholders' Funds was up by 25% to N24.43billion largely due to growth in retained earning. The Group's Return on Average Equity (RoAE) for the 2020 financial year stood at 35%, one of the highest among listed financial services institutions highlighting strong value creation for our shareholders.

2021 Outlook – Finding Success in the New Normal

Distinguished shareholders, I am proud to inform you that United Capital Plc emerged as one of the few publicly quoted institutions across the globe that prospered amid the pandemic during the 2020 financial year with exponential growth and solid performance across key business parameters. This empowers us to adopt a more positive outlook even as we navigate one of the most critical phases on our corporate journey.

The year 2021 provides an opportunity for repositioning the organisation even as we deal with adverse operating circumstances further compounded by a new strain of the virus amid a second wave of the pandemic.

United Capital Plc as a responsible financial institution, foremost capital market operator and key participant across financial markets, remains committed to working with all tiers of government and regulatory authorities on initiatives that address severe economic challenges, deepen confidence in the capital market and strengthen the broader financial system even as the domestic economy looks to exit recession on the path to recovery in 2021.

All stakeholder groups can be assured of our devotion to activities that provide best-in-class solutions to our ecosystem of diverse client segments, deliver superior returns to shareholders and preserve the institutional integrity of the Group in our bid to change the narrative of financial service offerings in our operating environment.

Distinguished shareholders, I am proud of how far we have come and even more excited about the prospects the future holds and I am encouraged that we are uniquely positioned to unlock growth opportunities and break new grounds given our increasing capabilities across the organisation.

In closing, I must appreciate the relentless contribution of the Board of Directors, Management Team and indeed all Staff towards building a strong financial services group that will be a reference in the global financial services sector.

Together we will rise to the challenge!

Peter Ashade
Group Chief Executive Officer
March 2021

SUSTAINABILITY DESK

From Our Sustainability Desk

ABOUT US

United Capital Plc is a financial services group providing bespoke financial and investment advisory services to clients along the financial services value chain. Our lines of business include Investment Banking, Asset Management, Securities Trading, Trusteeship and Consumer Finance. Our clientele ranges from national and subnational governments to corporates and SMEs, Ultra-High Net Worth Individuals (UHNIs), High Net Worth Individuals (HNIs) and other individuals.

We operate out of our headquarters in Lagos, Nigeria and we also have some presence in the Southern, Northern and Western parts of Nigeria, in Port Harcourt, Abuja and Ibadan respectively. Beyond the shores of Nigeria, on the back of our Pan-Africa aspirations, we have some presence in Ghana, with plans for further expansion across other key African markets. This Sustainability Report covers all the business entities of United Capital across its various locations.

INTRODUCTION

2020 was a tough year due to the COVID-19 pandemic and the effect it had on our lives, economies and indeed the way we work. The pandemic has changed the outlook for the world for at least the foreseeable future. For us at United Capital, we are evaluating how we will position ourselves in this new world order whilst ensuring that we do our business in a sustainable manner. The pandemic has shown us how globalized the world is and how we are all connected in more ways than we think. There is therefore no better time than now to commit to a sustainable world by doing business in a sustainable manner.

Although our sustainability journey is still in its nascent stages, we intend to ramp up sustainability initiatives in every aspect of our business to ensure that we build a strong and impactful institution that would last for generations.

ON SUSTAINABILITY

GOVERNANCE

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

At United Capital, we are committed to high corporate governance standards. We have a governance framework that is fit for a company of our size, sector and our overall strategic aspirations. We also have a highly effective Board comprising individuals with integrity who are highly knowledgeable and experienced in our business areas. The roles and responsibilities of the Board and the committees of the Board are clearly defined and revised as required. The Board undergoes an annual board evaluation exercise to ensure that its activities are run in line with global best practices and local regulations and guidelines on governance. The recommendations of the evaluation exercise are promptly considered and implemented as appropriate.

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

Whistleblowing Policy, Gift Policy and the Code of Conduct. These policies are reviewed periodically in line with business exigencies and to ensure they continue to adequately guide conduct within the organization. We also ensure that all members of the organization are aware of the policies, through regular sensitization exercises. We monitor compliance with these policies through periodic spot checks, internal audits and independent evaluations.

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

ECONOMIC

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

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

Financial Inclusion

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

As part of our evolving corporate strategy, there has been an increasing focus on the mass retail, underserved segment of the economy. This has been at the center of our product development initiatives as well as our marketing activities. We have identified NYSC members and students as a key segment of our retail strategy drive. Products such as our mutual funds which allow us to pool the investments of several investors and invest the pool in high yield, risk free instruments help ensure that retail investors are able to inculcate an investment culture from early on in their career. Without products such as these, these investors would not be able to have direct access to investment products. We are however able to bring them into the financial system to undertake more than just vanilla banking services to more sophisticated investment services.

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

Our Digital Platform - InvestNow

Our InvestNow platform is also a key part of our financial inclusion strategy. The world is a global village and technology has made it easy for organizations to have impact beyond physical local and international geographical borders. Our InvestNow portal, which is an integrated, one-stop shop for financial services products also helps ensure that we provide investment services to people who are not able to walk into the four walls of our various offices to execute a transaction. This was needed more than ever before in 2020 due to the lockdown and social distancing measures occasioned by the COVID-19 pandemic. In 2020, we processed transactions in an aggregate sum of N1.1Billion on our InvestNow portal.

Our Approach to Fraud

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

Financial Literacy

Closely linked to financial inclusion is financial literacy. From our marketing activities across various channels, we realized that there are knowledge gaps in relation to investment products generally amongst our target market. Consequently, we decided to make financial education a key part of our activities. Our financial education initiatives are carried out through different means including investment clinics which we hold periodically for different market segments, on the need for savings and investments, wealth creation and preservation, etc.

Financial literacy is also driven on a daily basis through our digital channels, including our social media channels including Twitter, Facebook, LinkedIn and Instagram. According to Statista Research, the number of social network users in Nigeria is projected to grow to 36.8 million in 2023. This is therefore a key focus for us. In 2020, we had over 16 Million impressions on the campaigns across our social media pages.

Other Key Matters

Our Product Review Process

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

AML/CFT

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

Data Protection

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

SOCIAL

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

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

Diversity and Inclusion

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

Our Sustainable Products

Beyond our employees, we are also passionate about ensuring women empowerment through bespoke products for women investors. Our Wealth for Women Fund is a balanced fund targeted primarily at women investors, although open to all prospective investors irrespective of gender. The Fund's assets are invested, amongst others, in companies which are run by women.

Capacity Building

At United Capital, we are passionate about hiring and retaining qualified candidates across our businesses. On the job, we provide both internal and external trainings to ensure that our people have both the hard and soft skills to enable them navigate the work place in the modern age. We have developed a robust portal, in conjunction with our digital training partner, on relevant courses for employees. In the year 2020, we took a total of 4,996 courses on our internal training portal for a total number of 1,113.2 hours.

Our employees also belong to several communities of practice along professional lines where they rub minds and share insights and learn about trends in their field of expertise. We also hold regular Knowledge Sharing Sessions where we discuss key issues around regulatory compliance, operations, information technology security amongst other key areas.

Economic Empowerment

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

ENVIRONMENTAL

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

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

Environment-Friendly Practices

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

We also ensure a significant reduction in our carbon footprint by encouraging the use of teleconferences in place of travelling to meet with clients, partners and our colleagues in the regions. We had indeed been practicing this before the outbreak of the pandemic which then helped accelerate the use of such digital collaboration tools such as Zoom, Teams and so on. Also, our office building is set up to conserve energy as our light bulbs have motion sensors which ensure that the bulbs go off when not in use.

IN CLOSING

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

As earlier stated, we acknowledge that our sustainability journey is still at a nascent stage. We are however committed to ramping up sustainability initiatives in every aspect of our business to ensure that we build a strong and impactful institution.

***Cautionary Statement Regarding Forward-Looking Statements**
This Sustainability Report may contain projections, estimates, forecasts, targets, opinions, prospects, results, returns and forward-looking statements with respect to the results of operations, strategy and the business of United Capital Plc, which can be identified by the use of forward-looking terminology such as “may”, “will”, “should”, “project”, “estimate”, “intend”, “target” or other variations or comparable terminology (“forward-looking statements”). Any such forward-looking statements are not a reliable indicator of future performance, as they may involve significant stated or implied assumptions and subjective judgements, which may or may not prove to be correct. There can be no assurance that any of the matters set out in forward-looking statements are attainable, will actually occur or will be realized or are complete or accurate. Any such forward-looking statements are based on the beliefs and expectations of United Capital Plc at the date of this Report, and United Capital does not assume, and hereby disclaims, any obligation or duty to update, revise or supplement them if circumstances or beliefs, expectations or opinions should change. For the avoidance of doubt, no representations or warranties, expressed or implied, are given by or on behalf of United Capital Plc as to the achievement or reasonableness of any projections, estimates, forecasts, targets, prospects or returns in this Report.

REPORTS

CORPORATE GOVERNANCE REPORT

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

1. Board of Directors

1.1 Appointment Process

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

1.2 General Board Philosophy

The Board provides overall guidance and policy direction to the Management and acts on behalf of shareholders in the overall interest of the stakeholders and is accountable to the shareholders. It prides itself in people with a blend of experience and knowledge cutting across various lines of the company. In accordance with best practices, the Board comprises nine (9) Directors made up of four Independent Non-Executive Directors, three Non-Executive Directors and two Executive Directors i.e., the Group Chief Executive Officer and the Group Executive Director. In line with gender diversity, the Board also has a female director, Hajiya Sutura Aisha Bello.

1.3 Board Profile

The Board is made up of the following people:

1.3.1 Mr. M. Chika Mordi – Chairman (Non-Executive Director)
Matthias Chika Mordi brings significant experience to the Board in the areas of governance, regional knowledge and industry expertise. An accomplished investment banker, he served (often in a supervisory capacity) on the boards of more than 30 companies of diverse sizes in Nigeria, Ghana, Cameroon, the United Kingdom and the United States of America. He is a member of the Advisory Board of Harvard's Shorenstein Centre and served on several government and multilateral committees, including the World Economic Forum's agenda board and USAID. He is a Professor at Johns Hopkins School of Advanced

International Studies, and the CEO of Washington D.C. - based Vantage Insights & Strategies LLC. from where he advises governments, businesses and individuals on competitiveness and strategy.

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

1.3.2 Mr. Peter Ashade – Group Chief Executive Officer

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

1.3.3 Mr. Sunny Anene – Group Executive Director

Prior to his appointment as an Executive Director, he was the Managing Director of United Capital Asset Management Limited, a wholly owned subsidiary of United Capital Plc. He had served as the Group Chief Finance Officer with additional responsibilities in Risk Management, Information Technology, Treasury, Finance and two other functional areas within the Group. His experience spans over twenty-six (26) years and cuts across investment, capital markets, pensions and finance as well as banking operations. His proven ingenuity in these areas was brought to bear on the Group's Asset Management Business. Prior to joining United Capital Plc, he was the Head of Operations at First City Group and later Lead Trader for CSL Stockbrokers, the Securities Trading arm of the Group. He moved to pension management in Zenith Pension Custodian Limited, a subsidiary of Zenith Bank Plc and later returned to the Capital Market in 2008 when he joined Chapel Hill Denham where he spent six (6) years in two different roles, first as the Director of Finance and Operations, and then the MD/CEO for the stockbroking business. He has a master's degree in finance from the University of Lagos. He is a fellow of the Chartered Institute of Stockbrokers (CIS), the Institute of Chartered Accountants of Nigeria (ICAN), the Chartered Institute of Taxation of Nigeria (CITN), an Associate of the Certified Pension Institute of Nigeria and a member of the Institute of Directors. He is an alumnus of Lagos Business School (LBS) and IESE Business School, Barcelona, Spain. He has attended leadership trainings organized by Harvard Business School and General Electric (GE), USA. He was appointed a director on January 2, 2019.

1.3.4 Mr. Emmanuel Nnorom – Non Executive Director

Emmanuel Nnorom is an alumnus of the Oxford University Templeton College and a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN). He is also an honorary member of the Chartered Institute of Bankers of Nigeria (CIBN). He has over 38 years work experience in accounting and finance (including at executive levels) in both real estate and banking sectors of the Nigerian economy. He was an Executive Director of United Bank for Africa Plc and retired in 2012. He was appointed a Director in United Capital on January 10, 2014 and is currently the Chairman of the Finance, Investment and Risk Management Committee.

1.3.5 Mr. Adim Jibunoh – Non-Executive Director

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

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

1.3.6 Sir Stephen Nwadiuko – Independent Non-Executive Director

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

1.3.7 Mr. Sonny Iroche – Independent Non-Executive Director

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

1.3.8 Mr. Titus Oladipupo Fatokun – Independent Non-Executive Director

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

1.3.9 Hajiya Sutura Aisha Bello – Independent Non-Executive Director

Hajiya Sutura Aisha Bello holds a Bachelor of Science degree in Economics from the University of Maiduguri; an MBA and MSc from the Southern New Hampshire University USA.

She has over thirty (30) years' experience across industries such as Investment Banking, Project Finance, Infrastructure, Commercial Banking with reputable institutions including the World Bank, OPEC Fund for International Development in Vienna, Austria, Infrastructure Concession and Regulatory Commission and the Debt Management Office.

She was the Public Private Partnership **("PPP")** Lead on the £72.8 million DFID-funded UK-Nigeria Infrastructure Advisory Fund to support the development of the $3 billion pipeline of bankable PPP projects, $1billion of which is expected to close by 2023. She is currently the Managing Partner INFRAGAP, Executive Director, Infrastructure at Vista Resources and was appointed a Director in United Capital on December 14, 2020.

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

Sir Leo Okafor holds a Bachelor and Master of Law degree from the University of Lagos. He is a member of the Nigerian Bar Association, a Fellow of the Institute of Chartered Secretaries and Administrators of Nigeria (FCIS) and the Association of Investment Advisers and Portfolio Managers. Prior to Joining United Capital Plc, he was the Managing Director of Zenith Trustees Limited (a subsidiary of Zenith Bank Plc) and PHB Capital & Trust Limited (subsidiary of Bank PHB Plc and later Keystone Bank Limited). He has 25 years' experience in legal practice, trusteeship, investment banking and company secretarial practice. An avid scholar who has authored several books and publications in the area of trusteeship and company secretarial practice. He was appointed Company Secretary and General Counsel on March 1, 2013.

2. Code of Business Conduct and Ethics

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

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

The key components of the United Capital CBCE include:

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

3. Anti-Corruption and Bribery Policy

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

4. Remuneration Policy

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

4.1 As part of the requirement of section 257 of CAMA, included in the personnel cost (Note 9) are renumeration of Managers who for this purpose are part of the Executive Management Team of the company and the Group summarised below:

Group		Company	
2020	**2019**	**2020**	**2019**
519,276	504,405	27,575	36,767

5. Attendance at Board Meetings

The Board of United Capital Plc met five times in 2020. Please find the record of attendance below:

	Meetings Held				
Names	**14/02/20**	**17/04/20**	**14/07/20**	**15/10/20**	**14/12/20**
Chika Mordi	✔	✔	✔	✔	✔
Dipo Fatokun	✔	✔	✔	✔	✔
Adim Jibunoh	✔	✔	✔	✔	✔
Emmanuel Nnorom	✔	✔	✔	✔	✔
Stephen Nwadiuko	✔	✔	✔	✔	✔
Sonny Iroche	✔	✔	✔	✔	✔
Peter Ashade	✔	✔	✔	✔	✔
Sunny Anene	✔	✔	✔	✔	✔
Sutura Aisha Bello[*1]					✔

[*1]: Appointed at the December 2020 Board Meeting

6. Constitution of the Board of Directors

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

The Board of United Capital has two Committees namely:

6.1 Finance Investment and Risk Management Committee **("FIRM")**; and

6.2 Audit and Governance Committee **("AGC").**

6.1 Finance Investment and Risk Management Committee

The responsibilities of FIRM are as follows:

6.1.1 Formulate and shape the strategy of the Group and make recommendations to the Board for approval.

6.1.2 Provide oversight on financial matters and the performance of the Group.

6.1.3 Review and recommend investment opportunities or initiatives to the Board.

6.1.4 Monitor and assess the overall integrity of the financial statements and disclosures of the financial condition and results of operations of the Group.

6.1.5 Review the Group's investment portfolio annually.

6.1.6 Monitor, review and assess the integrity and adequacy of the overall risk management framework of the Group.

6.1.7 Ensure that risk assessments are performed on a continual basis and ensure that frameworks and methodologies are in place to increase the probability of anticipating unpredictable risks.

6.2 Audit and Governance Committee

The responsibilities of the AGC are as follows:

6.2.1 Advise the Board on corporate governance standards and policies.

6.2.2 Review and recommend to the Board for approval, all human resources and governance policies.

6.2.3 Organize Board and Board Committee inductions and trainings.

6.2.4 Evaluate and appraise the performance of the Board and Board Committees and its members annually in conjunction with consultants.

6.2.5 Ensure that an effective system of financial and internal controls is in place.

6.2.6 Make recommendations to the Board on the election and re-election of directors.

6.2.7 Provide a central source of guidance and advice to the Board and company on matters of ethics, conflict of interest and good corporate governance.

6.2.8 Review Audit exception reports relating to the Group's compliance of major policies including Expense and Human Resource policies.

7. Attendance at Board Committee Meetings

7.1 Finance Investment and Risk Management Committee

Names	Meetings Held 13/02/20	07/04/20	07/07/20	08/10/20
Emmanuel Nnorom	✓	✓	✓	✓
Adim Jibunoh	✓	✓	✓	✓
Sonny Iroche	✓	✓	✓	✓
Peter Ashade	✓	✓	✓	✓
Sunny Anene	✓	✓	✓	✓

Audit and Governance Committee

Names	Meetings Held 13/02/20	07/04/20	07/07/20	08/10/20
Adim Jibunoh	✓	✓	✓	✓
Emmanuel Nnorom	✓	✓	✓	✓
Stephen Nwadiuko	✓	✓	✓	✓
Titus Fatokun[*2]				✓

[*2]. Appointed to the Audit and Governance Committee at the October 2020 Meeting

8. Statutory Audit Committee

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

The profiles of the shareholder representatives in SAC are:

8.1. Paul Olele - Chairman

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

8.2. Alex Adio – Member

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

8.3. Faith George-Usman – Member

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

9. Terms of Reference of SAC

The Terms of Reference of the SAC include the following:

9.1. Assist in the oversight of the integrity of United Capital Plc ("UCAP")'s financial statements, compliance with legal and other regulatory requirements, assessment of qualifications and independence of external auditor, and performance of the company's internal audit functions as well as that of external auditors.

9.2. Ensure the development of a comprehensive internal control framework for the company, obtain assurance and report annually in the financial report, on the operating effectiveness of UCAP's internal control framework.

9.3. Oversee management's process for the identification of significant fraud risks across UCAP and ensure that adequate prevention, detection and reporting mechanisms are in place.

9.4. Discuss the annual audited financial statements and half yearly unaudited financial statements with management and external auditors.

9.5. Discuss policies and strategies with respect to risk assessment and management.

9.6. Review and ensure that adequate whistle-blowing procedures are in place and that a summary of issues reported are highlighted to the Chairman.

9.7. Review, with the external auditor, any audit scope limitations or problems encountered and management's responses to same. In addition, to review the independence of external auditors and ensure that where non-audit services are provided by the external auditors, there is no conflict of interest.

9.8. Preserve auditor independence, by setting clear hiring policies for employees or former employees of independent auditors.

9.9. Invoke its authority to investigate any matter within its terms of reference for which purpose the company must make available the resources to the internal auditors with which to carry out this function, including access to external advice where necessary.

10. Attendance at SAC Meetings

In the course of the financial year 2020, the Statutory Audit Committee of United Capital Plc met four times as illustrated in the table below.

Names	Meetings Held			
	13/02/20	7/04/20	7/07/20	8/10/20
Mr. Paul Olele	✓	✓	✓	✓
Mr. Pastor Alex Adio	✓	✓	✓	✓
Mrs. Faith George Usman	✓	✓	✓	✓
Mr. Emmanuel Nnorom*	✓	✓	✓	✓
Mr. Adim Jibunoh*	✓	✓	✓	✓
Sir. Stephen Nwadiuko*	✓	✓	✓	✓

**Directors on SAC*

11. Whistle Blowing Procedures

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

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

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

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

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

1. Formal letter to the Group Chief Executive Officer or Head of Audit and Business Assurance.

2. Call or send a text to the whistleblowing number: 0808 627 4621.

3. Dedicated email address: whistleblowing@unitecapitalplcgroup.com

BY ORDER OF THE BOARD

LEO OKAFOR FCIS, KSJI
Group Company Secretary
FRC/2013/NBA/00000002520

DIRECTORS REPORT

The Directors present their report together with the audited financial statements of the Group for the year ended December 31, 2020.

1. Legal Form

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

2. Principal Activities

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

	Group		Company	
	2020	2019	2020	2019
	N'000	N'000	N'000	N'000
Gross Earnings	**12, 873,897**	**8,591,929**	**7,560,671**	**4,930,671**
Profit before tax	7,947,670	4,949,720	5,827,070	3,436,348
Income tax	(136,492)	23,699	(240,006)	(400,275)
Profit for the year	**7,811,178**	**4,973,419**	**5,587,064**	**3,036,073**
Other Comprehensive income	29,462	778,413	4,485	12,901
Total Comprehensive income	**7,840,640**	**5,751,832**	**5,591,549**	**3,048,973**
Total comprehensive income attributable to equity holders of the Company	7,840,640	5,751,832	5,591,549	3,048,973
Earnings per share (Kobo)	130	83	93	51

3. Dividend

In respect of the current year, the Directors propose that a dividend of 70 kobo per ordinary share of 50 kobo each amounting to ₦4.2 Billion, be paid to shareholders upon approval at the Annual General Meeting. The proposed dividend is subject to withholding tax at the appropriate tax rate and is payable to shareholders whose names appear on the Register of Members on **March 5, 2021.**

4. Business Review and Future Development

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

5. Changes on the Board

Appointments

During the financial year ended December 31, 2020 two new Independent Non-Executive Directors were appointed; Mr. Titus Oladipupo Fatokun and Hajiya Sutura Aisha Bello to strengthen the Board. Their appointments have been approved by the Securities & Exchange Commission and they will be presented at this AGM for approval by the Shareholders.

Profile of Mr. Titus Oladipupo Fatokun

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

Profile of Hajiya Sutura Aisha Bello

Hajiya Sutura Aisha Bello holds a Bachelor of Science Degree in Economics from the University of Maiduguri; an MBA and MSc from the Southern New Hampshire University USA.

She has over thirty (30) years' experience across industries such as Investment Banking, Project Finance, Infrastructure, Commercial Banking with reputable institutions including the World Bank, OPEC Fund for International Development in Vienna, Austria, Infrastructure Concession and Regulatory Commission, Debt Management Office etc.

She was the Public Private Partnership ("PPP") Lead on the £72.8 million DFID-funded UK-Nigeria Infrastructure Advisory Fund to support the development of the $3 billion pipeline of bankable PPP projects, $1billion of which is expected to close by 2023. She is currently the Managing Partner INFRAGAP, Executive Director, Infrastructure at Vista Resources and was appointed a Director in United Capital on December 14, 2020.

6. Directors Retiring By Rotation

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

1. Mr. Sonny Iroche; and
2. Sir Stephen Nwadiuko

The profiles of the retiring Directors are available on page 8 of this Report.

7. Directors Interests

The interests of the Directors in the issued share capital of the company are recorded in the Register of Director' shareholding as of December 31, 2020 as follows:

		31/12/20	31/12/20	31/12/19	31/12/19
S/N	Names	DIRECT	INDIRECT	DIRECT	INDIRECT
1.	Chika Mordi	Nil	Nil	12,363	Nil
2.	Adim Jibunoh	Nil	Nil	Nil	Nil
3.	Emmanuel Nnorom	Nil	26,308,460 (Vine Foods)	Nil	21,081,247 (Vine Foods)
4.	Sunny Iroche	Nil	Nil	Nil	Nil
5.	Stephen Nwadiuko	427,600	Nil	427,600	Nil
6.	Peter Ashade	215,456	3,100,000 (Artol Inv. Company)	215,456	Nil
7.	Sunny Anene	3,000,000	Nil	1,000,000	Nil
8.	Dipo Fatokun	Nil	Nil	Nil	Nil
9.	Sutura Aisha Bello	Nil	Nil	Nil	Nil

8. Analysis of Shareholding

As of the end of 2020, United Capital's shares were held by 261, 696 shareholders as analyzed in the table below:

UNITED CAPITAL PLC								
RANGE ANALYSIS AS AT 31-12-2020								
Range			No. of Holders	Holders %	Holders Cum.	Units	Units %	Units Cum.
1	-	1,000	171,752	65.63%	171,752	61,717,030	1.03%	61,717,030
1,001	-	5,000	62,028	23.70%	233,780	131,811,834	2.20%	193,528,864
5,001	-	10,000	12,332	4.71%	246,112	85,599,249	1.43%	279,128,113
10,001	-	50,000	10,970	4.19%	257,082	231,495,100	3.86%	510,623,213
50,001	-	100,000	1,830	0.70%	258,912	131,538,373	2.19%	642,161,586
100,001	-	500,000	2,007	0.77%	260,919	430,384,083	7.17%	1,072,545,669
500,001	-	1,000,000	356	0.14%	261,275	254,571,806	4.24%	1,327,117,475
1,000,000	-	999,999,999,999	421	0.16%	261,696	4,672,882,525	77.88%	6,000,000,000
Grand Total			261,696	100%		6,000,000,000	100%	

Share Capital History					
Period	Authorised (No of Shares)		Issued and fully paid		
	Increase	Cumulative	Increase	Cumulative	
2002	300,000,000	300,000,000	300,000,000	300,000,000	Initial capital
2006	1,700,000,000	2,000,000,000	1,700,000,000	2,000,000,000	Increase
2013	1,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000	Rights Issue

Substantial Interest in Shares (5% and above)

As of the end of December 31, 2020, the shareholders with 5% and above are shown in the table below:

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

Apart from West Coast Equity, no other individual holds 5% and above.

Summary of Dealings in UCAP Shares as of December 31, 2020

QUARTER	DAILY AVERAGE	TOTAL
MARCH QUARTER	23, 999,359	1,535,958,971
JUNE QUARTER	14,130,195	833,681,526
SEPTEMBER QUARTER	12,510,199	800,652,732
DECEMBER QUARTER	40,755,420	2,526,836,041

9. Director's Remuneration

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

Non-Executive Directors receive annual fees and sitting allowances only, while Executive Directors receive salaries in line with the terms of their contracts of employment.

10. Acquisition of Own Shares

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

11. Property, Plant & Equipment

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

12. Donation

No donation was made during the year.

13. Employment and Employees

Employment of Physically Challenged Persons

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

Health, Safety at Work and Welfare of Employees

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

Employee Involvement and Training

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

Research and Development

The Company on a continuous basis carries out research into new products and services across its businesses.

14. Evaluation

Board Evaluation

A Board evaluation was undertaken in 2020 by Deloitte & Touche. The performance of the Board, Board Committees and individual directors were adjudged satisfactory and necessary feedback were communicated to individual directors arising from the exercise.

Corporate Governance Evaluation

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

15. Compliance

Securities Trading Policy

In compliance with the Rules of the Nigerian Stock Exchange, the Company has a Securities Trading Policy to guide directors, employees, advisers, statutory audit committee members and related parties on trading in the securities of the Company within the Closed Period ("CP"). Under this policy the CP is a period when no director, employee, external advisers and related parties with inside information can trade in the securities of the Company. The CP is 15 days prior to the date of any meeting of the Board of Directors proposed to be held to consider any of the matters or the date of circulation of agenda papers pertaining to any of the said matters (whichever is earlier), up to 24 hours after the price sensitive information is submitted to the Nigerian Stock Exchange, the trading window shall thereafter be opened.

The following matters shall be considered as price sensitive:

1. Declaration of financial results (quarterly, half-yearly and annual)

2. Declaration of dividend (interim and final)

3 Offer of securities by way of public offer or rights issue, or bonus etc.

4 Any major expansion plans or winning of bid or execution of new projects, disposal of the whole or a substantial part of the undertaking

5. Any changes in policies, plans or operations of the Company that are likely materially to affect the prices of the securities of the Company.

6. Disruption of operations due to natural calamities.

7. Litigation/dispute with a material impact.

8. Any information which if disclosed in the opinion of the person discharging the same is likely to materially affect the price of the securities of the Company.

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

Nigerian Code of Corporate Governance for Public Companies in Nigeria

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

Complaint Management Framework

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

Remuneration Policy

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

16. Post Balance Sheet Events

There are no post balance sheet events which could have had a material effect on the financial statement as of December 31, 2020.

17. Auditors

PricewaterhouseCoopers, having indicated their willingness, to act as the company's auditors in accordance with the Companies and Allied Matters Act. A resolution will be proposed authorizing the Directors to determine their remuneration.

BY ORDER OF THE BOARD

LEO OKAFOR FCIS, KSJI
Group Company Secretary
FRC/2013/NBA/00000002520

Deloitte.

Deloitte & Touche
Civic Towers, Plot GA 1
Ozumba Mbadiwe Avenue
Victoria Island, Lagos
Nigeria.
Tel: +234 1 2717800
Fax: +234 1 2717801
www.deloitte.com/ng

29 January, 2021
The Chairman
United Capital Plc
3rd and 4th Floor, Afriland Towers,
97/105 Broad Street,
Lagos, Nigeria.

Dear Sir,

Report of the Independent Consultants on the Performance of the Board of Directors of United Capital Plc

Deloitte & Touche has performed the annual evaluation of the Board of Directors of United Capital Plc ("United Capital") for the year ended 31 December 2020. The scope of the review included an assessment of the structure and composition of the Board, responsibilities, processes, procedures and the effectiveness of Board Committees. The review was performed in compliance with Principle 14 of the Nigerian Code of Corporate Governance ("NCCG").

We evaluated the performance of the Board in line with regulatory requirements under the NCCG and Code of Corporate Governance by the Securities and Exchange Commission ("SEC Code"). Our approach involved a review of the Board framework in United Capital Plc, relevant governance documents, policies and procedures. The report of our evaluation was premised on desk review of governance documents, interview sessions with Directors and survey responses received form the Directors.

In the course of our review, we also facilitated a 360-peer assessment of the Directors and aggregated the result on each Directors performance on the scale of "fair", "good" and "excellent". The 360-peer assessment explored the individual characteristics, skill and experience of each Director. Based on our aggregate analysis of the peer assessment, all the Directors were rated at "excellent" performance.

The result of our evaluation has shown that the Board complies with the provisions of the extant Codes of Corporate Governance in terms of its structure, composition, procedures and responsibilities. We also ascertained that the key Board functionaries (Board and Board Committee Chairpersons) and the Board Committees met their responsibilities under the Codes and governance charters in United Capital Plc. The report further highlights details of our review activities, observations and some recommendations for the Board's action.

Yours faithfully,
For: Deloitte and Touche

Ibukun Beecroft

Ibukun Beecroft
FRC/2020/ICAN/00000020765
Partner

Deloitte.

Deloitte & Touche
Civic Towers, Plot GA 1
Ozumba Mbadiwe Avenue
Victoria Island, Lagos
Nigeria.
Tel: +234 1 2717800
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29 January, 2021

The Chairman
United Capital Plc
3rd and 4th Floor, Afriland Towers,
97/105 Broad Street,
Lagos, Nigeria.

Dear Sir,

Report of the Independent Consultants on the Review of Corporate Governance Framework of United Capital Plc

Deloitte & Touche has performed the annual corporate governance review on United Capital Plc for the year ended 31 December 2020. The review was performed in compliance with Section 11.2.9.5 and Principle 15 of the Nigerian Code of Corporate Governance ("NCCG").

We evaluated the performance of the Corporate Governance framework in line with regulatory requirements under the Nigerian Code of Corporate Governance ("NCCG") and the Securities and Exchange Commission Code of Corporate Governance ("SEC Code"). The scope of the review included an assessment of key areas of United Capital's corporate governance framework, including the framework of the Board structure and composition, Board operations and effectiveness, assurance functions, corporate disclosures and relationship with stakeholders.

Our approach involved a review of the governance charters and policies and management framework in United Capital Plc. The report of our evaluation was premised on desk review of governance policies, charters and minutes, as well as interview sessions with Directors and select Executive Management staff.

The result of our evaluation has shown that the Corporate Governance framework and practices in United Capital Plc complies with the provisions of the extant Codes of Corporate Governance. The report further highlights details of our review activities, observations and some recommendations for the Board and Executive Management's action.

Yours faithfully,

For: Deloitte and Touche

Ibukun Beecroft

Ibukun Beecroft
FRC/2020/ICAN/00000020765
Partner

Report of the Statutory Audit Committee

For the year ended December 31, 2020

To the members of United Capital Plc

In the course of the financial year 2020, the Statutory Audit Committee of United Capital Plc met four times as illustrated in the table below and all members were present.

	Meetings Held			
Names	**13/02/2020**	**07/04/2020**	**07/07/2020**	**08/10/2020**
Mr. Paul Olele	✓	✓	✓	✓
Pastor Alex Adio	✓	✓	✓	✓
Mrs. Faith George Usman	✓	✓	✓	✓
Mr. Emmanuel Nnorom	✓	✓	✓	✓
Mr. Adim Jibunoh	✓	✓	✓	✓
Sir. Stephen Nwadiuko	✓	✓	✓	✓

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

1. The accounting and reporting policies of the Company for the year ended December 31, 2020 are consistent with legal requirements and ethical practices.

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

3. The scope and planning of the statutory independent audit for the year ended December 31, 2020 are satisfactory; and

4. We have considered the independent auditors' post-audit report and Management responses thereon and are satisfied with the responses to our questions as well as the state of affairs at United Capital Plc.

Paul Olele
FRC/2014/CISN/00000009273

Dated February 16, 2021

Members of the Statutory Audit Committee

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

Statement of Directors' Responsibilities

DIRECTORS:

The Directors of United Capital Plc are responsible for the preparation of the consolidated and separate financial statements that give a true and fair view of the financial position of the Group and Company as at 31 December 2020, and the results of its operations, cash flows and changes in equity for the year ended, in compliance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Allied Matters Act of Nigeria, the Financial Reporting Council of Nigeria Act 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 year ended 31 December 2020 were approved by directors on 17 February 2021.

On behalf of the Directors of the Group.

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

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

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

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

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

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.

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 operating officer and head, audit and business assurance; if required, the matter will be escalated to group executive committee.

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

4. 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.

	2020	2019
Tier 1 capital	**N'000**	**N'000**
Share capital	3,000,000	3,000,000
Share premium	683,611	683,611
Retained earnings	21,601,800	16,790,622
Total qualifying for Tier 1 capital	**25,285,411**	**20,474,233**
Tier 2 capital		
Fair value reserve	(858,932)	(888,394)
Other borrowings	72,661,645	50,876,737
Total qualifying for Tier 2 capital	**71,802,713**	**49,988,343**
Total regulatory capital	**97,088,124**	**70,462,576**

LEGAL AND REGULATORY RISK

(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. 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 Assessement

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 theses. 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.

United Capital Plc

AUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
31 DECEMBER 2020

pwc

Independent auditor's report

To the Members of United Capital Plc

Report on the audit of the consolidated and separate financial statements

Our opinion

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of United Capital Plc ("the company") and its subsidiaries (together "the group") as at 31 December 2020, and of their consolidated and separate financial performance and their consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act and the Financial Reporting Council of Nigeria Act.

What we have audited

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

- the consolidated and separate statements of profit or loss and other comprehensive income for the year ended 31 December 2020;
- the consolidated and separate statements of financial position as at 31 December 2020;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

Basis for opinion

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

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

Independence

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

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Key audit matters

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

Key audit matter	How our audit addressed the key audit matter
Loss allowance on financial assets at amortised cost (refer to notes 2.2.4, 2.11 and 16.1) The estimation of expected credit losses (ECL) on financial assets at amortised cost is considered to be a key audit matter because of its significance to the consolidated and separate financial statements and requires a high level of subjective judgement. The gross balance of financial assets at amortised cost as at 31 December 2020 was N 107.5 billion and the associated impairment was N 1.5 billion. The measurement of the loss allowance is highly subjective and involves the exercise of significant judgements and the use of complex models and assumptions. The key areas of significant judgement in the calculation of ECL include: • determination of default and significant increase in credit risk (SICR); • input assumptions and judgments applied in estimating probability of default (PD), Loss Given Default (LGD), and Exposure At Default (EAD) which are key parameters in the ECL model; and • incorporation of macro-economic inputs and forward-looking information into the ECL model and probability weightings applied to them. This is considered a key audit matter in both the consolidated and separate financial statements.	We adopted a substantive approach to the audit of the expected credit loss allowance. Specifically we: • checked the reasonableness of management's definition of default and significant increase in credit risk for compliance with IFRS 9 – Financial instruments; and • inspected contracts, deal slips and evidence of repayment (where applicable) to assess management's conclusions relating to whether or not there has been a default or SICR. With the assistance of our modelling experts, we: • evaluated the appropriateness of the IFRS 9 impairment methodology as well as the ECL calculation tool for reasonableness; • checked the reasonableness and accuracy of PD methodology and computations; • assessed the validity of the assumptions used in estimating LGD based on available information and also checked the validity of the LGD methodology for compliance with the requirements of IFRS 9; • checked the accuracy of EAD computation by performing an independent calculation using facility specific contractual information; and • evaluated the appropriateness of forward-looking economic inputs by checking to sources and performing a review of the probability weights to establish that they have been appropriately estimated. We assessed the adequacy of the disclosures in the financial statements in accordance with IFRS 9.

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Other information

The directors are responsible for the other information. The other information comprises Corporate information, Corporate governance, Director's report, Statement of Director's responsibilities, Operational risk, Legal and regulatory risk, Value added statement and 5-year financial summary (but does not include the consolidated and separate financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the other sections of the United Capital Plc 2020 Annual Report, which are expected to be made available to us after that date.

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

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

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

When we read the other sections of the United Capital Plc 2020 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of

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not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

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

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Report on other legal and regulatory requirements

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

i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

ii) the company has kept proper books of account, so far as appears from our examination of those books and returns adequate for our audit have been received from branches not visited by us;

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

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
36/ICAN
0435949

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

22 February 2021

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

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2020

	Notes	Group		Company	
		31 December 2020 =N=' 000	31 December 2019 =N=' 000	31 December 2020 =N=' 000	31 December 2019 =N=' 000
Gross Earnings		**12,873,897**	**8,591,929**	**7,560,671**	**4,930,671**
Investment income	4	8,261,668	5,801,962	2,536,114	1,189,743
Fee and commission income	5	3,471,398	1,963,076	901,788	782,440
Net trading income	6	753,226	136,170	396,284	-
Net operating income		**12,486,292**	**7,901,208**	**3,834,186**	**1,972,183**
Other income	7	397,972	701,521	66,852	449,288
Dividend income from subsidiaries		-	-	3,670,000	2,520,000
Net loss on financial assets at fair value through profit or loss	8	(10,367)	(10,800)	(10,367)	(10,800)
Total Revenue		**12,873,897**	**8,591,929**	**7,560,671**	**4,930,671**
Personnel expenses	9	(1,351,050)	(1,631,612)	(319,186)	(490,142)
Other operating expenses	10	(2,616,760)	(1,765,927)	(719,903)	(754,128)
Depreciation of properties and equipment	11	(202,220)	(123,894)	(167,659)	(101,598)
Amortisation of intangible & right of use assets	11	(84,305)	(11,221)	(82,285)	(9,201)
Impairment writeback /(charge) for credit losses	12	(671,892)	(109,555)	(444,568)	(139,254)
Total Expenses		**(4,926,227)**	**(3,642,209)**	**(1,733,601)**	**(1,494,323)**
Profit before income tax		**7,947,670**	**4,949,720**	**5,827,070**	**3,436,348**
Income tax expense	13	(136,492)	23,699	(240,006)	(400,275)
Profit for the year		**7,811,178**	**4,973,419**	**5,587,064**	**3,036,073**
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	32.1	428,596	609,274	-	-
Related tax		(4,286)	(6,093)	-	-
Fair value gain on investments in equity instruments measured at FVTOCI (net of tax)		424,310	603,181	-	-
Items that may be reclassified subsequently to profit or loss					
Fair value (loss)/gain on investments in debt instruments measured at FVTOCI	32.2	(398,836)	177,002	4,530	13,031
Related tax		3,988	(1,770)	(45)	(130)
Fair value (loss)/gain on investments in debt instruments measured at FVTOCI (net of tax)		(394,848)	175,232	4,485	12,901
Other comprehensive income for the year, net of taxes		**29,462**	**778,413**	**4,485**	**12,901**
Total comprehensive income for the year		**7,840,640**	**5,751,832**	**5,591,549**	**3,048,974**
Profit for the year attributable to:					
Equity holders of the Company		**7,811,178**	**4,973,419**	**5,587,064**	**3,036,073**
Total comprehensive income attributable to:					
Equity holders of the Company		**7,840,640**	**5,751,832**	**5,591,549**	**3,048,974**
Earnings per share-basic (kobo)	14	130	83	93	51

The accompaning notes form an integral part of this financial statements.

Consolidated & Separate Statement of Financial Position
As at 31 December 2020

	Notes	Group 31 December 2020 =N=' 000	Group 31 December 2019 =N=' 000	Company 31 December 2020 =N=' 000	Company 31 December 2019 =N=' 000
ASSETS					
Cash and cash equivalents	15	43,420,443	30,132,099	12,196,469	2,401,282
Investment in financial assets	16	145,148,841	94,142,345	40,456,026	35,071,034
Trade and other receivables	17	28,472,742	25,528,546	27,476,909	24,558,776
Dividend receivable from subsidiaries	18	-	-	3,670,000	2,520,000
Right of use assets	19	283,694	312	283,694	312
Intangible assets	20	42,015	43,771	39,032	38,768
Investments in subsidiaries	21	-	-	901,000	901,000
Investments in Associates	22	4,500,000	-	4,500,000	-
Property, plant and equipment	23	565,824	357,118	487,457	269,384
Deferred tax assets	24	314,736	260,184	-	-
TOTAL ASSETS		**222,748,295**	**150,464,375**	**90,010,587**	**65,760,556**
LIABILITIES					
Managed funds	25	116,019,077	72,379,297	-	-
Borrowed funds	26	72,661,645	50,876,737	72,432,512	50,876,737
Other liabilities	27	7,683,308	5,400,633	2,261,913	2,213,132
Current tax liabilities	28	1,830,812	1,569,828	1,012,778	729,230
Deferred tax liabilities	24	126,974	652,041	113,701	343,324
TOTAL LIABILITIES		**198,321,816**	**130,878,536**	**75,820,904**	**54,162,423**
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	21,601,800	16,790,622	10,434,895	7,847,830
Fair value reserves	32	(858,932)	(888,394)	71,177	66,692
TOTAL SHAREHOLDERS FUND		**24,426,479**	**19,585,839**	**14,189,683**	**11,598,133**
TOTAL LIABILITIES AND SHAREHOLDERS FUND		**222,748,295**	**150,464,375**	**90,010,587**	**65,760,556**

The accompaning notes form an integral part of this financial statements.

The financial statements were approved by the Board of Directors on 17th February 2021 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 STATEMENT OF CASH FLOWS
As at 31 December 2020

	Note	Group		Company	
		31 December 2020 N' 000	**31 December 2019 N' 000**	**31 December 2020 N' 000**	**31 December 2019 N' 000**
Profit before tax		7,947,670	4,949,720	5,827,070	3,436,348
Adjustments for;					
Amortisation of Intangibles	11	13,936	10,909	11,916	8,889
Depreciation of property and equipment	11	202,220	123,894	120,949	101,598
Depreciation of right of use	11	70,369	312	70,369	312
Foreign exchange revaluation	7	(5,887)	-	(5,887)	-
Gain on disposal of property and equipment		(5,842)	-	(5,842)	-
Net interest income	4	(8,261,668)	(5,801,962)	(2,536,114)	(1,189,743)
Dividend income	4 & 18	(470,623)	(785,554)	(3,640,955)	(54,622)
Fair value changes for FVTPL	16	(10,367)	-	(10,367)	-
Impairment charge (write/back) on other financial assets	16 & 17	722,257	109,556	444,568	139,254
		202,066	**(1,393,125)**	**275,708**	**2,442,036**
Changes in working capital					
Trade receivables		(3,334,023)	(1,101,326)	(3,168,309)	(561,345)
Managed funds		43,639,780	(3,306,422)	-	-
Other liabilities		2,282,674	554,228	48,781	623,625
Cash generated from operations		**42,790,497**	**(5,246,645)**	**(2,843,820)**	**2,504,316**
Interest received		23,735,610	-	10,200,211	-
Interest paid		(13,385,800)	-	(4,000,644)	-
Income tax paid		(455,127)	(716,302)	(186,081)	(449,093)
Net cash generated by/(used in) operating activities		**52,685,180**	**(5,962,947)**	**3,169,665**	**2,055,223**
Cash flows from investing activities					
Purchase of investment securities		(74,354, 308)	(8,786,018)	(17,705,676)	(4,270,610)
Investment in associate		(4,500,000)	-	(4,500,000)	
Investment in subsidiary		-	-	-	(1,000)
Redemption of investment securities		24,672,380	9,112,410	12,756,653	1,196,608
Purchase of property and equipment	23	(411,119)	(179,841)	(385,732)	(143,775)
Purchase of right of use assets	19	(353,751)	(624)	(353,751)	(624)
Purchase of intangible assets	20	(12,180)	(39,687)	(12,180)	(39,687)
Proceeds from the sale of property and equipment		79,516	17,177	52,551	1,645
Dividends received	4 & 18	470,623	785,554	2,490,955	1,765,733
Net cash used in investing activities		**(54,408,840)**	**908,970**	**(7,657,180)**	**(1,491,710)**
Cash flows from financing activities					
Dividend paid to owners of equity capital		(3,000,000)	(2,000,000)	(3,000,000)	(2,000,000)
Proceeds from borrowings		32,214,440	1,713,441	32,214,440	1,713,441
Repayment of borrowings		(14,955,113)	(136,207)	(14,955,113)	(136,207)
Net cash (used in)/generated by financing activities		**14,259,327**	**(422,766)**	**14,259,327**	**(422,766)**
Net increase/(decrease) in cash and cash equivalents		12,535,667	(5,476,743)	9,771,812	140,747
Effect of foreign exchange changes on cash		752,677	422,685	23,375	134,561
Cash and cash equivalents at beginning of year		30,132,099	35,186,157	2,401,282	2,125,974
Cash and cash equivalents at end of period		**43,420,443**	**30,132,099**	**12,196,469**	**2,401,282**

The accompaning notes form an integral part of this financial statements.

Consolidated Statement of Changes in Equity
As at 31 December 2020

2020
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 2020	**3,000,000**	**16,790,622**	**683,611**	**(888,394)**	**19,585,839**
Transfer from profit or loss account	-	7,811,178	-	-	7,811,178
Net Change in fair value on equity instruments FVTOCI	-	-	-	424,310	424,310
Net Change in fair value on debt instruments FVTOCI	-	-	-	(394,848)	(394,848)
Total comprehensive income	**-**	**7,811,178**	**-**	**29,462**	**7,840,640**
Transactions with owners in their capacity as owners					
Dividend paid	-	(3,000,000)	-	-	(3,000,000)
As at 31 December 2020	**3,000,000**	**21,601,800**	**683,611**	**(858,932)**	**24,426,479**
Company					
At 1 January 2020	**3,000,000**	**7,847,830**	**683,611**	**66,692**	**11,598,133**
Transfer from profit or loss account	-	5,587,064	-	-	5,587,064
Net Change in fair value on debt instruments FVTOCI	-	-	-	4,485	4,485
Total comprehensive income	**-**	**5,587,064**	**-**	**4,485**	**5,591,549**
Transactions with owners in their capacity as owners					
Dividend paid	-	(3,000,000)	-	-	(3,000,000)
As at 31 December 2020	**3,000,000**	**10,434,893**	**683,611**	**71,177**	**14,189,682**

2019
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 2019	3,000,000	13,817,203	683,611	(1,666,807)	15,834,007
Transfer from profit or loss account	-	4,973,419	-	-	4,973,419
Net Change in fair value on equity instruments FVTOCI	-	-	-	603,181	603,181
Net Change in fair value on debt instruments FVTOCI	-	-	-	175,232	175,232
Total comprehensive income	**-**	**4,973,419**	**-**	**778,413**	**5,751,832**
Transactions with owners in their capacity as owners					
Dividend paid	-	(2,000,000)	-	-	(2,000,000)
At 31 December 2019	**3,000,000**	**16,790,622**	**683,611**	**(888,394)**	**19,585,839**
Company					
At 1 January 2019	3,000,000	6,811,757	683,611	53,791	10,549,159
Transfer from profit or loss account	-	3,036,073	-	-	3,036,073
Net Change in fair value on debt instruments FVTOCI	-	-	-	12,901	12,901
Total comprehensive income	**-**	**3,036,073**	**-**	**12,901**	**3,048,974**
Transactions with owners in their capacity as owners					
Dividend paid	-	(2,000,000)	-	-	(2,000,000)
At 31 December 2019	**3,000,000**	**7,847,830**	**683,611**	**66,692**	**11,598,133**

The accompaning notes form an integral part of this financial statements.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
For the year ended 31 December 2020

1. Company information

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

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

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

2 Summary of significant accounting policies

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

2.1 Going concern

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

2.2 Basis of preparation and measurement

The Group's consolidated and seperate financial statements for the year ended 31 December 2020 have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations as issued by the IASB. Additional information required by national regulations is included where appropriate.

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

2.2.1 Statement of Compliance

The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board (IASB) and adopted by the Financial Reporting Council of Nigeria.
The consolidated and separate financial statements comply with the requirement of the International Financial Reporting Standard, Companies and Allied Matters Act, Investment and Securities Act, the Financial Reporting Council Act, to the extent that they are not in conflict with the International Financial Reporting Standards (IFRS).

2.2.2 Use of estimates and judgement

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

2.2.3 Judgements

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

Classification of financial assets:
Assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

2.2.4 Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 December 2020 is included in the following notes.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
For the year ended 31 December 2020

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

Determination of the fair value of financial instruments with significant unobservable inputs. (note 3.7)

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

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

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

2.3 Changes in accounting policies

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

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

In the current year, the Group has applied a number of amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2020.

New or amended standards	Summary of the requirements	Impact on financial statements
Definition of Material: Amendments to IAS 1 and IAS 8	The IASB has made amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors which use a consistent definition of materiality throughout International Financial Reporting Standards and the Conceptual Framework for Financial Reporting, clarify when information is material and incorporate some of the guidance in IAS 1 about immaterial information. In particular, the amendments clarify: - that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information, and that an entity assesses materiality in the context of the financial statements as a whole, and - the meaning of 'primary users of general purpose financial statements' to whom those financial statements are directed, by defining them as 'existing and potential investors, lenders and other creditors' that must rely on general purpose financial statements for much of the financial information they need. These amendments are effective for reporting periods beginning on or after 1 January 2020.	The amendments to the definition of 'material' had no significant impact on the Group's financial statements. The amendment had no significant impact on the financial statements of the Group.

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Definition of a Business: Amendments to IFRS 3	The amended definition of a business requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term 'outputs' is amended to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits. The amendments will likely result in more acquisitions being accounted for as asset acquisitions. These amendments are effective for reporting periods beginning on or after 1 January 2020.	Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, the Group will not be affected by these amendments on the date of transition.

Amendments to IAS 39,IFRS 9 and IFRS 7(Interest Rate Benchmark Reform):	This amendment seek to address uncertainties related to the market-wide reform of interbank offered rates (IBOR reform).The amendments provide targeted relief for financial instruments qualifying for hedge accounting under IAS 39 or IFRS 9. They are effective for annual periods beginning on or after 1 January 2020 .	The amendment had no significant impact on the Group's financial statements.

All other amendment had no significant impact on the Group.

2.3.2 Standards issued but not yet effective

The following standards and interpretations had been issued but were not mandatory for the reporting year ended 31 December 2020.

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

IFRS 17 Insurance Contracts	IFRS 17 was issued in May 2017 as replacement to IFRS 4 Insurance Contracts. It requires a current measurement model where estimates are re-measured in each reporting period. Contracts are measured using the building blocks of: - discounted probability-weighted cash flows - an explicit risk adjustment, and - a contractual service margin (CSM) representing the unearned profit of the contract which is recognised as revenue over the coverage period.	This standard does not impact the Group as it is not into an insurance business. However, the Company recently participated in the set up of a startup insurance company where it owns a 25% equity stake. The investment would be treated as investment in associates and will not be consolidated.

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	The standard allows a choice between recognising changes in discount rates either in the statement of profit or loss or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under IFRS 9. An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for short duration contracts, which are often written by non-life insurers. There is a modification of the general measurement model called the 'variable fee approach' for certain contracts written by life insurers where policyholders share in the returns from underlying items. When applying the variable fee approach, the entity's share of the fair value changes of the underlying items is included in the CSM. The results of insurers using this model are therefore likely to be less volatile than under the general model. The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary.	
Classification of Liabilities as Current or Noncurrent (Amendments to IAS 1)	This amendment seeks to clarify the requirements for classifying liabilities as current or non-current. Including the conditions which exist at the end of the reporting period are those which will be used to determine if a right to defer settlement of a liability exists, Management expectations about events after the balance sheet date, and the situations that are considered settlement of a liability. The amendments will be applied retrospectively. This standard becomes effective 1st January 2023 and early adoption is permitted.	This standard is not expected to have significant impact on the financial statements. The Group has opted not to early adopt.
Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16)	The amendment seeks to prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss. The amendments are effective for annual periods beginning on or after 1 January 2022. Early application is permitted.	This standard is not expected to have significant impact on the financial statements.

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Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	This amendment seek to address inconsistency between the requirements in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures. The amendments require the full gain to be recognised when the assets transferred meet the definition of a 'business' under IFRS 3 Business Combinations. The amendments will be applied retrospectively. The amendment is not expected to have a significant impact on the annual financial statements. This is effective date of this standard is deferred indefinitely and early adoption is permitted.	This standard is not expected to have significant impact on the financial statements. The Group has opted not to early adopt.

The changes in Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37))	The amendment specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The amendments are effective for annual periods beginning on or after 1 January 2022. Early application is permitted.	This standard is not expected to have significant impact on the financial statements.

All other amendment had no significant impact on the Group.

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2.4 Consolidation

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

2.4.1 Subsidiaries

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

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

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

a. Separate financial statements

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

b. Consolidated financial statements

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

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

I. Acquisition

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The consideration transferred is measured as the sum of the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the acquisition date. The consideration includes any asset, liability or equity resulting from a contingent consideration arrangement. The obligation to pay contingent consideration is classified as either a liability or equity based on the terms of the arrangement. The right to a return of previously transferred consideration is classified as an asset. Transaction costs are recognised within profit or loss as and when they are incurred. Where the initial accounting is incomplete by the end of the reporting year in which the business combination occurs (but no later than 12 months since the acquisition date), the Group reports provisional amounts.

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

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

ii. Loss of Control

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

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

iv. Initial measurement of Non-Controlling Interest (NCI)
The Group elects on each acquisition to initially measure NCI on the acquisition date at either fair value or at the NCI's proportionate share of the investees' identifiable net assets.

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

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

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

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

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

2.5 Common control transactions

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

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

2.6 Foreign currency translation

(a) Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Naira, which is the Group's presentation and functional currency.

(b) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured.
Monetary items denominated in foreign currencies are retranslated at the rate prevailing on the statement of financial position date. Foreign exchange gains and losses resulting from the retranslation and settlement of these items are recognised in profit or loss within other income.

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

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instruments measured at fair value through other comprehensive income are included in the fair value reserve in other comprehensive income. Non-monetary items that are measured under the historical cost basis are not retranslated.

2.7 Revenue recognition

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

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

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

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

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

2.8 Income taxation

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

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

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

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

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

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

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2.9 Earnings per share

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

2.10 Cash and cash equivalents

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

2.11 Financial assets & liabilities

a) Classification and subsequent measurement

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

i. Financial assets at fair value through profit or loss

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

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

ii. Amortised Cost

Except for debt financial assets that are designated at initial recognition as at fair value through profit or loss, a debt financial asset is measured at amortised cost only if both of the following conditions are met:
a. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows (the business model test) and
b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flows characteristics test).
If a financial asset satisfies both of these conditions, it is required to be measured at amortised cost unless it is designated as at fair value through profit or loss (FVTPL) on initial recognition.

iii. Fair Value through other comprehensive income (FVTOCI)

Except for debt financial assets that are designated at initial recognition as at fair value through profit or loss, a financial asset is measured at fair value through other comprehensive income (FVTOCI) if both of the following conditions are met:
a. The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets (the business model test); and
b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flows characteristics test).

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

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

b) Impairment of financial assets

The impairment model under IFRS 9 reflects expected credit losses, as opposed to incurred credit losses under IAS 39. Under the impairment approach in IFRS 9, it is no longer necessary for a credit event to have occurred before credit losses are recognised. Instead, the Group always accounts for expected credit losses and changes in those expected credit losses. The amount of expected credit losses should be updated at each reporting date to reflect changes in credit risk since initial recognition.

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The Group recognizes loss allowances for Expected Credit Losses (ECL) on the following financial instruments that are not measured at FVTPL:
For financial assets that are debt instruments, trade receivables, Loan and advances to customers, Other receivables, and money market placements; The Group measures expected credit losses and recognizes interest income on risk assets based on the following stages:

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

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

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

Default

The Group's definition of default has been aligned to its internal credit risk management definitions and approaches. A financial asset is considered to be in default when there is objective evidence of impairment. The following criteria are used in determining whether there is objective evidence of impairment for financial assets or groups of financial assets:
- significant financial difficulty of borrower and/or modification (i.e. known cash flow difficulties experienced by the borrower)
- a breach of contract, such as default or delinquency in interest and/or principal payments
- disappearance of active market due to financial difficulties
- it becomes probable that the borrower will enter bankruptcy or other financial reorganisation
- where the Group, for economic or legal reasons relating to the borrower's financial difficulty, grants the borrower a concession that the Group would not otherwise consider.

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

The Group's process to assess changes in credit risk is multi-factor and has three main elements;
I. Quantitative element - A quantitative comparison of PD at the reporting date and PD at initial recognition
II. Qualitative elements
III. Backstop indicators

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

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

Applicable forward looking macroeconomic information used in the impairment model includes;
a. GDP information
b. GDP growth rate
c. Inflation rate
d. Exchange rates
e. Oil price fluctuation

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

Based on advice from the Group research team and economic experts and consideration of a variety of external actual and forecast information, the Group formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios and scenario weightings. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies and monetary authorities where the Group operates, supranational organisations such as the International Monetary Fund, and selected private-sector and academic forecasters.

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The base case represents a most-likely outcome while the other scenarios represent more optimistic and more pessimistic outcomes. Periodically, the Group carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios. The scenario weightings are determined by a combination of statistical analysis and expert credit judgement, taking account of the range of possible outcomes each chosen scenario is representative of.

Significant increase in credit risk

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

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

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

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

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

The Group has not used the low credit risk exemption for any financial instruments in the year ended 31 December 2020.

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

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

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

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

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

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

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

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

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

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

Dividends on investments in equity instruments with gains and losses irrevocably presented in other comprehensive income are recognised in profit or loss if the dividend is not a return on investment (like dividends on any other holdings of equity instrument) when:
a. the Group's right to receive payment of the dividend is established;
b. it is probable that the economic benefits associated with the dividend will flow to the Group; and
c. the amount of the dividend can be measured reliably.

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

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

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

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

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

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

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

e) Modification of financial assets and liabilities
Where an existing financial asset or liability is replaced by another with the same counterparty on substantially different terms, or the terms of an existing financial asset or liability are substantially modified, such an exchange or modification is treated as a derecognition of the original asset or liability and the recognition of a new asset or liability at fair value and recalculates a new effective interest rate, with the difference in the respective carrying amounts being recognised in other gains and losses on financial instruments within non-interest revenue. The date of recognition of a new asset is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the Group also assesses whether the new financial asset recognised is deemed to

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be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognised in profit or loss as a gain or loss on derecognition.

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

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

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

2.12 Financial liabilities

Classification and subsequent measurement

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

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

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

2.13 Property and Equipment

All property and equipment used by the parent or its subsidiaries is stated at historical cost less depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

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

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

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

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

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

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

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

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

2.14 Intangible assets

(a) Computer software

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

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

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

(b) Impairment of tangible and intangible assets

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

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

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

2.15 Leased assets

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

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

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- United Capital has the right to direct the use of the identified asset throughout the period of use. United Capital assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

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

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

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

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

Lease liabilities

At the commencement date of a lease, the Group recognises lease liabilities at the present value of lease payments to be made over the lease term. Lease liabilities include the net present value of the following lease payments:
- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

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

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

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

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

Right of use assets

Right-of-use assets are initially measured at cost, comprising of the following:
- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date, less any lease incentives received
- any initial direct costs, and
- restoration costs.

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

Short term leases and leases of low-value-assets

Short-term leases are those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Low-value assets are assets that have values less than $5,000 when new, and depends on the nature of the asset. Lease payments on short-term leases and leases of low-value assets would be recognised as expenses in profit or loss on a straight-line basis over the lease term.

Extension and termination options - Determining the lease term

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

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

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

Termination of leases:

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

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

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:
- leases of low value assets; and
- leases with a duration of twelve months or less.

All leases that meet the criteria as either a lease of a low value asset or a short term lease are accounted for on a straight-line basis over the lease term.

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

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

2.16 Investment Properties

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

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period in which they arise.

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

2.17 Trade and other receivables

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

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

2.18 Provisions and Contingent Liabilities

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

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

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

2.19 Issued debt and equity securities

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

2.20 Share capital

Ordinary shares are classified as share capital.

(a) Share issue costs

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

(b) Dividend on ordinary shares

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

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

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

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2.21 Employee benefits

Defined contribution plan

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

The Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Short term obligation

Short-term benefits consist of wages and salaries, accumulated leave payments, 13th month, profit share, bonuses and any non-monetary benefits such as medical allowances that are expected to be wholly settled within twelve (12) months after the end of the period in which the employee rendered the related service.
A liability is recognised for the amount to be paid for accumulated leave days, long services awards and under short-term cash bonus plans, if the Group has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee and the obligation can be estimated reliably.

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

2.22 Fiduciary activities

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

2.23 Related party transactions

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

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**
1st 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.
2nd 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.

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3rd 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.

3.2.1 Credit Risk

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

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

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

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

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

3.2.2 Country Risk

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

3.2.3 Liquidity Risk

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

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

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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).

3.2.4 Market Risk

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

3.2.5 Operational Risk

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

Business risk: is the risk of loss, due to operating revenues not covering operating costs and is usually caused by:
- inflexible cost structures;
- market-driven pressures, such as decreased demand, increased competition or cost increases;
- group-specific causes, such as a poor choice of strategy, reputational damage or the decision to absorb costs or losses to preserve reputation.

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

3.2.6 Reputational Risk

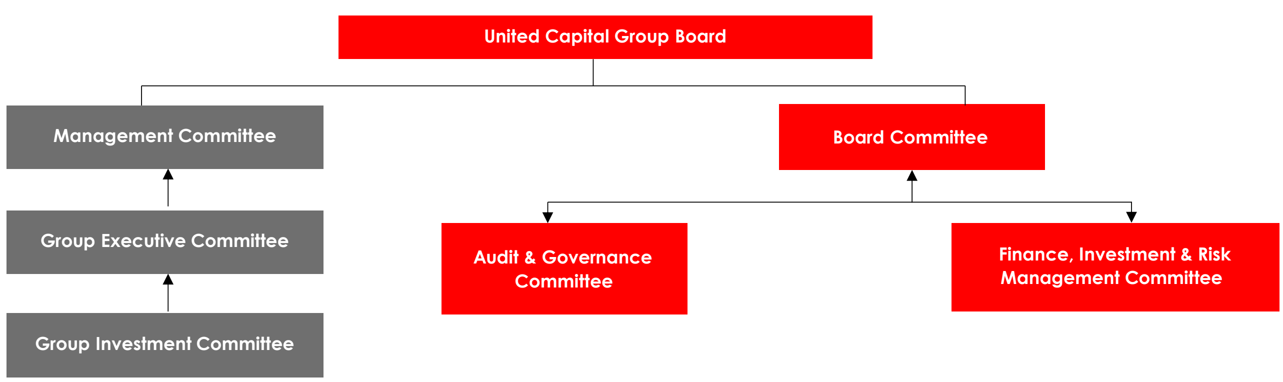
Reputational risk results from damage to the Group's image among stakeholders, which may impair its ability to retain and generate business. Such damage may result from a breakdown of trust, confidence or business relationships.

3.3 Risk Management Framework

3.3.1 Governance Structure

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

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



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3.3.2 Risk Governance Process

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

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

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

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

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

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

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

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

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

3.4 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

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

3.4.1 Risk Identification and Measurement

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

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

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

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

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

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

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

3.4.2 Maximum exposure to credit risk

	Group		Company	
	2020	**2019**	**2020**	**2019**
	N'000	**N'000**	**N'000**	**N'000**
Cash and cash equivalents	43,420,443	30,132,099	12,196,469	2,401,282
Financial assets:				
Amortised cost	107,519,178	65,121,002	37,736,255	33,390,446
Fair value through OCI (FVOCI)	3,354,111	19,679,004	-	1,264,976
Trade and other receivables	4,116,843	3,053,596	3,326,544	2,793,394
	158,410,575	**117,985,700**	**53,259,267**	**39,850,098**

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.

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3.4.3 Credit risk analysis as at 31 December, 2020

Group

	AAA - AA	A	BBB	Not rated	Carrying amount
	N'000	N'000	N'000	N'000	N'000
Cash and cash equivalents	15,973,186	15,122,115	12,325,142	-	43,420,443
Financial assets:					
Amortised cost	**21,312,733**	**8,689,018**	**45,256,700**	**32,260,727**	**107,519,178**
Long term placements	-		30,072,347	8,295,154	38,367,501
Loans to customers	337,943	-	-	23,965,573	24,303,516
Treasury bills	1,020,773	-	-	-	1,020,773
Federal government bonds	7,649,038	-	-	-	7,649,038
State government bonds	12,304,979	-	15,184,353	-	27,489,331
Corporate bonds	-	8,689,018	-	-	8,689,018
Fair value through OCI (FVOCI)	**-**	**3,354,111**	**-**	**-**	**3,354,111**
Bonds	-	3,354,111	-	-	3,354,111
Trade and other receivables	-	-	-	4,116,843	4,116,843
Total	**37,285,919**	**27,165,245**	**57,581,842**	**36,377,570**	**158,410,576**

Company

	AAA - AA	A	BBB	Not rated	Carrying amount
	N'000	N'000	N'000	N'000	N'000
Cash and cash equivalents	4,874,903	7,321,566	-	-	12,196,469
Financial assets:					
Amortised cost	**12,304,979**	**1,465,703**	**-**	**23,965,573**	**37,736,254**
Long term placements	-			-	-
Loans to customers	-			23,965,573	23,965,573
Treasury bills	-	-	-	-	-
Federal government bonds	-	-	-	-	-
State government bonds	12,304,979	-	-	-	12,304,979
Corporate bonds	-	1,465,703	-	-	1,465,703
Fair value through OCI (FVOCI)	**-**	**-**	**-**	**-**	**-**
Trade and other receivables	**-**	**-**	-	3,326,544	3,326,544
Total	**17,179,882**	**8,787,269**	**-**	**27,292,116**	**53,259,267**

2019
Group

	AAA - AA	A	BBB	Not rated	Carrying amount
	N'000	N'000	N'000	N'000	N'000
Cash and cash equivalents	162,290	29,969,809	-	-	30,132,099
Financial assets:					
Amortised cost	**21,207,475**	**5,326,632**	**7,734,026**	**30,852,869**	**65,121,001**
Long term placements	-		-	-	-
Loans to customers	-			30,852,869	30,852,869
Treasury bills	6,164,358	-	-	-	6,164,358
Federal government bonds	12,969,434	-	-	-	12,969,434
State government bonds	2,046,815	463,894	7,734,026	-	10,244,735
Corporate bonds	26,868	4,862,738	-	-	4,889,606
Fair value through OCI (FVOCI)	**1,264,976**	**18,414,027**	**-**	**-**	**19,679,004**
Treasury bills	1,264,976	-	-	-	1,264,976
Bonds	-	18,414,027	-	-	18,414,027
Trade and other receivables	**-**	**-**	**-**	**3,053,596**	**3,053,596**
Total	**22,634,742**	**53,710,468**	**7,734,026**	**33,906,465**	**117,985,700**

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Company

	AAA - AA	A	BBB	Not rated	Carrying amount
	N'000	N'000	N'000	N'000	N'000
Cash and cash equivalents	-	2,401,282	-	-	2,401,282
Financial assets:					
Amortised cost	**2,073,683**	**463,894**	**-**	**30,852,869**	**33,390,446**
Loans to customers	-			30,852,869	30,852,869
State government bonds	2,046,815	463,894	-	-	2,510,709
Corporate bonds	26,868	-	-	-	26,868
Fair value through OCI (FVOCI)	**1,264,976**	**-**	**-**	**-**	**1,264,976**
Treasury bills	1,264,976	-			1,264,976
Trade and other receivables	-		-	2,793,394	2,793,394
Total	**3,338,659**	**2,865,176**	**-**	**33,646,263**	**39,850,098**

Geographical sectors
2020

	Group		Company	
	Nigeria	Other Countries	Nigeria	Other Countries
	N'000	N'000	N'000	N'000
Cash and cash equivalents (excluding cash in hand)	43,420,443	-	12,196,469	-
Financial assets:				
Amortised cost	107,519,178	-	37,736,255	-
Fair value through OCI (FVOCI)	3,354,111	-	-	-
Trade and other receivables	4,116,843	-	3,326,544	-
	158,410,575	**-**	**53,259,267**	**-**

2019

	Group		Company	
	Nigeria	Other Countries	Nigeria	Other Countries
	N'000	N'000	N'000	N'000
Cash and cash equivalents	30,132,099	-	2,401,282	-
Financial assets:				
Amortised cost	65,121,002	-	33,390,446	-
Fair value through OCI (FVOCI)	19,679,004	-	1,264,976	-
Trade and other receivables	3,053,596	-	2,793,394	-
	117,985,700	**-**	**39,850,098**	**-**

3.4.4 Risk Monitoring and Management

The Group employs the use of internal exposure limits to its counterparties. Money market counterparties are selected on using a set of criteria that includes an investment grade credit rating and a systemic risk relevance based on a benchmark hurdle rate. Exposure limits are assigned on the basis of the counterparty assessment based on these selection criteria.
The Group has developed policies and practices that are designed to preserve the independence and integrity of the approval and business decision-making process to ensure credit risks are assessed accurately, approved properly, monitored regularly and managed actively at both the transaction and portfolio levels.

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

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

3.4.5 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

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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.RM committee delegates the functional oversight of country risk management to the Group executive committee. The Group risk management function maintains oversight of country risk exposures and reports to the Group executive committee monthly and the F.I.RM committee on a quarterly basis.

Risk Identification and Measurement

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

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

Risk Monitoring and Control

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

3.6 Liquidity Risk Management

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

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

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

Risk Identification and Measurement

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

- Measuring, managing, monitoring and reporting the Firm's current and projected liquidity sources and uses;
- Managing funding mix and deployment of excess short term cash
- In addition, in conjunction with the Group risk management function, Treasury is also responsible for:
- Understanding the liquidity characteristics of the Firm's assets and liabilities;
- Defining and monitoring Group-wide and legal entity liquidity strategies and contingency funding plans; Liquidity stress testing under a variety of adverse scenarios;
- Defining and addressing the impact of regulatory changes on funding and liquidity.

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

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

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

Risk Monitoring and Control

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

Foreign currency liquidity risk management

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

Funding

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

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

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

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

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

Group – 31 December, 2020	< 30 days	31 - 90 days	91 - 180 days	181 - 365 days	1-3 years	> 3 years	Total
Assets	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Cash and cash equivalents	7,680,604	35,739,839	-	-	-	-	43,420,443
Bond	-	3,500,000	17,466,781	8,021,592	33,314	14,805,701	43,827,388
Treasury bills	-	-	365,493	655,280	-	-	1,020,773
Mutual funds	-		-	-	-	21,322,764	21,322,764
Quoted equities		-	-	-	-	8,976,050	8,976,050
Unquoted equities		-	-	-	-	24,414,823	24,414,823
Trade and other receivables 1.	-	-	1,019,172	1,781,983	-	23,387,336	26,188,492
Loans and receivables	-	-	-	-	38,367,501	22,848,063	61,215,564
Total	**7,680,604**	**39,239,839**	**18,851,446**	**10,458,854**	**38,400,815**	**115,754,738**	**230,386,297**
Liabilities							
Borrowings	-	-	1,374,818	18,752,097	-	52,534,730	72,661,645
Funds under management	5,893,215	50,008,721	12,345,142	7,349,264	40,422,735	-	116,019,077
Other Liabilities	88,370	7,594,938	-	-	-	-	7,683,308
Total	**5,981,585**	**57,603,659**	**13,719,960**	**26,101,361**	**40,422,735**	**52,534,730**	**196,364,030**
Assets	7,680,604	39,239,839	18,851,446	10,458,854	38,400,815	115,754,738	230,386,297
Liabilities	5,981,585	57,603,659	13,719,960	26,101,361	40,422,735	52,534,730	196,364,030
Liquidity gap	**1,699,019**	**(18,363,820)**	**5,131,486**	**(15,642,507)**	**(2,021,920)**	**63,220,008**	**34,022,267**

1. Excludes WHT receivable and prepayment

Company – 31 December, 2020	< 30 days	31 - 90 days	91 - 180 days	181 - 365 days	1-3 years	> 3 years	Total
Assets	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Cash and cash equivalents	360,724	11,835,746	-	-	-	-	12,196,469
Bond	-	-	-	4,401,757	33,314	9,335,610	13,770,682
Mutual funds	-	-	-	-	-	2,126,746	2,126,746
Quoted equities	-	-	-	-	-	1,323,735	1,323,735
Trade and other receivables	-	-	542,200	1,997,089	-	23,387,336	25,926,625
Dividend receivable	-	3,670,000	-	-	-	-	3,670,000
Loans and receivables	-	-	-	-	-	23,965,573	23,965,573
Total	**360,724**	**15,505,746**	**542,200**	**6,398,846**	**33,314**	**60,139,001**	**82,979,830**
Liabilities							
Borrowings	-	-	1,374,818	18,752,097	-	52,305,597	72,432,512
Other liabilities	-	2,261,913	-	-	-	-	2,261,913
Total	**-**	**2,261,913**	**1,374,818**	**18,752,097**	**-**	**52,305,597**	**74,694,425**
Assets	360,724	15,505,746	542,200	6,398,846	33,314	60,139,001	82,979,830
Liabilities	-	2,261,913	1,374,818	18,752,097	-	52,305,597	74,694,425
Liquidity gap	**360,724**	**13,243,832**	**(832,618)**	**(12,353,252)**	**33,314**	**7,833,404**	**8,285,404**

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Group – 31 December, 2019	< 30 days	31 - 90 days	91 - 180 days	181 - 365 days	1-3 years years	> 3 years	Total
Assets	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Cash and cash equivalents	2,778,065	19,321,837	5,254,132	-	-	-	27,354,034
Bond	-	-	-	-	26,984,189	1,119,585	28,103,774
Treasury bills	-	-	4,504,619	2,924,716	-	-	7,429,335
Mutual funds	-	-	-	-	-	3,018,927	3,018,927
Quoted equities						2,190,918	2,190,918
Unquoted equities						5,344,521	5,344,521
Trade and other receivables	-	-	1,213,530	914,205	-	20,580,132	22,707,867
Loans and receivables	-	-	-	2,537,577	-	28,315,292	30,852,869
Total	**2,778,065**	**19,321,837**	**10,972,281**	**6,376,498**	**26,984,189**	**60,569,374**	**127,002,244**
Liabilities							
Borrowings	-	-	-	-	-	50,876,737	50,876,737
Funds under management	2,177,347	23,000,721	9,078,802	11,964,236	15,422,735	10,735,456	72,379,297
Other liabilities	345,095	5,055,538	-	-	-	-	5,400,633
Total	**2,522,442**	**28,056,259**	**9,078,802**	**11,964,236**	**15,422,735**	**61,612,193**	**128,656,667**
Assets	2,778,065	19,321,837	10,972,281	6,376,498	26,984,189	60,569,374	127,002,244
Liabilities	2,522,442	28,056,259	9,078,802	11,964,236	15,422,735	61,612,193	128,656,667
Liquidity gap	**255,623**	**(8,734,422)**	**1,893,479**	**(5,587,738)**	**11,561,454**	**(1,042,819)**	**(1,654,423)**

Company – 31 December, 2019	< 30 days	31 - 90 days	91 - 180 days	181 - 365 days	1-3 years years	> 3 years	Total
Assets	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Cash and cash equivalents	777,637	1,623,645	-	-	-	-	2,401,282
Bond	-	-	-	-	1,417,992	1,119,585	2,537,577
Treasury bills	1,264,976	-	-	-	-	-	1,264,976
Mutual funds	-	-	-	-	-	862,691	862,691
Quoted equities	-	-	-	-	-	89,239	89,239
Trade and other receivables	-	-	809,389	1,446,926	-	20,580,132	22,836,446
Dividend receivable	-	2,520,000	-	-	-	-	2,520,000
Loans and receivables	-	-	-	2,537,577	0	28,315,292	30,852,869
Total	**2,042,613**	**4,143,645**	**809,389**	**3,984,503**	**1,417,992**	**50,966,939**	**63,365,081**
Liabilities							
Borrowings	-	-	-	-	-	50,876,737	50,876,737
Other liabilities	-	2,213,132					2,213,132
Total	**-**	**2,213,132**	**-**	**-**	**-**	**50,876,737**	**53,089,869**
Assets	2,042,613	4,143,645	809,389	3,984,503	1,417,992	50,966,939	63,365,081
Liabilities	-	2,213,132	-	-	-	50,876,737	53,089,869
Liquidity gap	**2,042,613**	**1,930,513**	**809,389**	**3,984,503**	**1,417,992**	**90,202**	**10,275,212**

Stress Testing

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

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

Credit Ratings

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

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

3.6 Market Risk Management

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

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

- Market risk in trading activities: trading activities which may comprise market making, arbitrage and proprietary trading. These activitiesare 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 be based un-weighted historical data for the previous 12 months, a holding period of one day and a 99% confidence level. Daily VaR estimates are converted to a ten-day holding period. Expected shortfall is quantified to counteract the limitations of VaR.

Stop-loss triggers are used to protect the profitability of trading desks, and refer to cumulative or daily trading losses that prompt a review or close-out of positions in trading portfolios.

Specific business unit portfolio and product controls are market risk controls applied to specific business units. These may include permissible instruments, concentration of exposures, gap limits, maximum tenor, stop loss triggers, price validation and balance sheet substantiation. In addition, only approved products that can be independently priced and properly processed are permitted to be traded.

In recognition of the unpredictability of markets, stress testing is adopted to provide an indication of the potential losses that could occur under extreme market conditions and where longer holding periods may be required to exit positions.

Stress tests carried out by the Group include individual market risk factor testing, combination of market risk factor testing, combination of market factors per trading desk and combinations of trading desks. The testing considers both historical market events and hypothetical forward-looking scenarios. A consistent stress-testing methodology is applied to trading and non-trading books. Stress scenarios are regularly updated to reflect changes in risk profile and economic events.

Interest rate risks in trading and non-trading portfolios are quantified using both earnings- and valuation-based measurement techniques. This is monitored at least on a monthly basis by the Group investment committee.

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Interest rate sensitivity analysis as at 31 December, 2020

Group	**Value as at 2020 N'000**	**1% higher N'000**	**1% lower N'000**
Financial asset FVTOCI	3,354,111	3,387,653	3,320,570
	3,354,111	**3,387,653**	**3,320,570**

Company	**Value as at 2020 N'000**	**1% higher N'000**	**1% lower N'000**
Financial asset FVTOCI	-	-	-
	-	-	-

Interest rate sensitivity analysis as at 31 December, 2019

Group	**Value as at 2019 N'000**	**1% higher N'000**	**1% lower N'000**
Financial asset FVTOCI	19,679,004	19,875,794	19,482,214
	19,679,004	**19,875,794**	**19,482,214**

Company	**Value as at 2019 N'000**	**1% higher N'000**	**1% lower N'000**
Financial asset FVTOCI	1,264,976	1,277,626	1,252,327
	1,264,976	**1,277,626**	**1,252,327**

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

Foreign currency sensitivity analysis

	Group		**Company**	
	31 December 2020 =N=' 000	**31 December 2019 =N=' 000**	**31 December 2020 =N=' 000**	**31 December 2019 =N=' 000**
Assets	558,615	432,768	497,426	431,040
Liabilities	458,611	410,558	458,611	410,558
Impact on profit	100,005	22,210	38,816	20,482

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.

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.

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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 2020	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value	**N'000**	**N'000**	**N'000**	**N'000**
Bonds	2,495,179	-	-	2,495,179
Equity- quoted	5,476,050	-	-	5,476,050
Equity- unquoted	-	12,614,564	-	12,614,564
Mutual funds		18,499,322	-	18,499,322
	7,971,230	**31,113,887**	**-**	**39,085,116**

Company 2020	**Level 1**	**Level 2**	**Level 3**	**Total**
	N'000	**N'000**	**N'000**	**N'000**
Financial assets measured at fair value				
Equity- unquoted	1,323,735			1,323,735
Mutual funds		691,305	-	691,305
	1,323,735	**691,305**	**-**	**2,015,040**

Group 2019	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value	**N'000**	**N'000**	**N'000**	**N'000**
Treasury bills	1,264,976	-	-	1,264,976
Bonds	17,525,634	-	-	17,525,634
Equity- quoted	2,190,918	-	-	2,190,918
Equity- unquoted	-	6,232,914	-	6,232,914
Mutual funds	-	3,018,927	-	3,018,927
	20,981,528	**9,251,841**	**-**	**30,233,369**

Company 2019	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value	**N'000**	**N'000**	**N'000**	**N'000**
Treasury bills	1,264,976	-	-	1,264,976
Mutual funds		951,930	-	951,930
	1,264,976	**951,930**	**-**	**2,216,906**

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

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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

Specific valuation techniques used to value financial instruments include:
a) Quoted market prices or dealer quotes for similar instruments;

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

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

Financial instruments in level 3

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

Description of valuation methodology and inputs:

The steps involved in estimating the fair value of the company's unquoted equity investments are as follows:
Step 1: The most appropriate valuation methodology was selected to value each of the unquoted equity investment.
Step 2: Comparative multiples were sourced from S & P Capital IQ based on available comparable companies in Sub- Saharan Africa and Emerging Asia and an average multiple was computed.
Step 3: The enterprise value was derived by multiplying the average multiple to the relevant financial metric.
Step 4: Equity value of the firm was derived by deducting the value of the debt of the company and adding the closing cash balance.
Step 5: A lack of marketability discount of 14.9% was applied to the equity value.
Step 6: The equity value was derived by multiplying the company's equity value by Roger Miller equity stake.
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 2020 (2019: nil).Information about the fair value measurements using significant unobservable Inputs (Level 3) are given below:

31 December 2020

Description	Fair value at 31 Dec. 2020	Valuation technique	Unobservable input	Weighted average input	Reasonable possible shift +/- (absolute value)	Change in valuation +/- N'000
FSDH (Naira - million)	2,912,462	EV/ EBITDA	DDM	40%	1%	29,125
			Justified P/E	20%	1%	29,125
			Justified P/BV	40%	1%	29,125
AFC ('USD - million)	7,868	EV/ EBITDA Methodology	DDM	70%	1%	79
			Justified P/E	25%	1%	79
			Justified P/BV	5%	1%	79
Oakwood (Naira - million)	405,000	EV/ Sales Methodology	Latest transaction price	100%	1%	4,050

31 December 2019

Description	Fair value at 31 Dec. 2019	Valuation technique	Unobservable input	Weighted average input	Reasonable possible shift +/- (absolute value)	Change in valuation +/- N'000
FSDH (Naira - million)	1,732,755	EV/ EBITDA Methodology	DDM	40%	1%	17,328
			Justified P/E	20%	1%	17,328
			Justified P/BV	40%	1%	17,328
AFC ('USD - million)	6,324	EV/ EBITDA Methodology	DDM	70%	1%	63
			Justified P/E	25%	1%	63
			Justified P/BV	5%	1%	63
Oakwood (Naira - million)	300,000	EV/ Sales Methodology	Latest transaction price	100%	1%	3,000

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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 Oakwood represents the share of expected cash flows from sales of Oakwood based on offers received from a willing buyer.

(b) Financial instruments not measured at fair value

Group	**At 31 December 2020**		**At 31 December 2019**	
	Carrying value	**Fair value**	**Carrying value**	**Fair value**
Financial assets	**N'000**	**N'000**	**N'000**	**N'000**
Cash and bank balances	43,420,443	43,420,443	30,132,099	30,132,099
Financial asset at amortised cost	106,063,725	106,063,725	63,908,977	63,908,977
	149,484,167	**149,484,167**	**94,041,076**	**94,041,076**
Financial liabilities				
Trade and other payables	28,472,742	28,472,742	25,528,546	25,528,546
Managed funds	116,019,077	116,019,077	72,379,297	72,379,297
Borrowings	72,661,645	72,661,645	50,876,737	50,876,737
	217,153,464	**217,153,464**	**148,784,580**	**148,784,580**

Company	**At 31 December 2020**		**At 31 December 2019**	
	Carrying value	**Fair value**	**Carrying value**	**Fair value**
Financial assets	**N'000**	**N'000**	**N'000**	**N'000**
Cash and bank balances	12,196,469	12,196,469	2,401,282	2,401,282
Financial asset at amortised cost	37,005,545	37,005,545	32,854,128	32,854,128
	49,202,014	**49,202,014**	**35,255,410**	**35,255,410**
Financial liabilities				
Trade and other payables	27,476,909	27,476,909	24,558,776	24,558,776
Borrowings	72,432,512	72,432,512	50,876,737	50,876,737
	99,909,421	**99,909,421**	**75,435,513**	**75,435,513**

The carrying values of all these assets and liabilities approximates their fair values. Cash and bank balances have been designated as level 2 while loans and receivables as well as trade and other payables have been designated as level 3 within the fair value hierachy.

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		Group		Company	
		31 December 2020 =N=' 000	31 December 2019 =N=' 000	31 December 2020 =N=' 000	31 December 2019 =N=' 000
4	**Investment income**				
	Interest from placements and bonds	2,820,428	2,253,597	1,052,122	607,967
	Income from loans (note 4a)	1,171,693	527,154	1,171,693	527,154
	Dividend income from securities investments	435,180	-	-	-
	Profit on disposal of investment	308,643	8,252	-	-
	Dividend income on instruments at FVTOCI	35,443	785,895	29,046	54,622
	Income from managed Funds (note 4b)	3,490,281	2,227,064	283,253	-
		8,261,668	**5,801,962**	**2,536,114**	**1,189,743**
	Investment income from items measured at amortised cost	7,608,092	5,768,852	2,317,718	1,156,634
	Investment income from items carried at fair value through OCI	653,576	33,109	218,396	33,109
		8,261,668	**5,801,961**	**2,536,114**	**1,189,743**
4a.	**Income from loans**				
	Interest income	7,937,839	527,154	7,937,839	527,154
	Interest expense	(6,766,146)	-	(6,766,146)	-
		1,171,693	**527,154**	**1,171,693**	**527,154**
4b.	**Income from managed funds**				
	Interest income	10,470,462	9,267,320	1,814,200	-
	Interest expense	(6,980,181)	(7,040,256)	(1,530,947)	-
		3,490,281	**2,227,064**	**283,253**	**-**
5	**Fees and commssion income**				
	Financial advisory fees	901,788	782,440	901,788	782,440
	Other fees and commissions	2,569,609	1,180,636	-	-
		3,471,398	**1,963,076**	**901,788**	**782,440**
	Fess recognised at point in time	1,478,150	991,237	901,788	782,440
	Fess recognised over time	1,993,248	971,838	-	-
		3,471,398	**1,963,075**	**901,788**	**782,440**

Other fees and commission income include management fees from mutual fund which are recognised at point in time, 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	**753,226**	**136,170**	**396,284**	**-**
7	**Other income**				
	Exchange gains	5,887	-	5,887	-
	Income from staff loans	2,813	4,870	-	-
	Other income	389,273	696,651	60,965	449,288
		397,972	**701,521**	**66,852**	**449,288**

Other income includes income realised from share of disposal of equity investment arising not from ordinary course of operation. There was no disposal of FVTOCI investments during the year.

8	**Net loss from financial assets at fair valued through profit or loss**				
	Net (loss) on equity instruments at FVTPL	(10,367)	(10,800)	(10,367)	(10,800)
		(10,367)	**(10,800)**	**(10,367)**	**(10,800)**
9	**Personnel expenses**				
	Staff cost	1,320,083	1,614,543	313,884	485,014
	Contributions to defined contribution plans	30,967	17,069	5,302	5,128
		1,351,050	**1,631,612**	**319,186**	**490,142**

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		Group		Company	
		31 December 2020 =N=' 000	31 December 2019 =N=' 000	31 December 2020 =N=' 000	31 December 2019 =N=' 000
10	**Other operating expenses**				
	Other premises and equipment costs	136,496	72,450	2,682	798
	Auditors remuneration	37,625	40,930	11,825	13,500
	Professional fees	695,310	431,252	177,913	143,596
	Travel and accommodation	38,006	68,831	14,754	43,632
	Rent and rates	47,321	101,882	2,000	39,988
	AGM/Dividend processing expenses	74,950	115,011	39,858	38,337
	Donations	910	4,167	910	-
	Subscription	51,078	9,820	28,521	5,872
	Insurance	26,105	22,195	7,786	7,281
	Statutory expenses	19,923	291	9,888	291
	General administrative expenses	600,670	631,309	164,469	334,827
	Advertisement and branding	353,442	83,774	7,163	30,749
	Share register fee	61,558	19,509	61,558	6,503
	Directors fees and other allowances	43,767	28,840	11,658	28,840
	Printing and stationeries	10,516	8,179	3,008	2,027
	Office running expenses	158,808	46,043	-	-
	Business entertainment	45,588	49,254	11,417	44,096
	Business development	141,715	4,415	136,608	4,415
	IT license and maintenance fee	66,657	13,057	22,602	7,591
	Loss on disposal of assets	452	-	-	-
	Training and conference	5,863	14,718	5,283	1,785
		2,616,760	**1,765,927**	**719,903**	**754,128**
11	**Depreciation & amortization**				
11.1	Depreciation of property and equipments	202,220	123,894	167,659	101,598
11.2	**Amortization**				
	Amortization of intangible assets	13,936	10,909	11,916	8,889
	Amortization of right of use assets	70,369	312	70,369	312
		84,305	**11,221**	**82,285**	**9,201**
12	**Impairment writeback /(charge) for credit losses**				
	Loss allowance on cash and cash	38,600	-	-	-
	write back on financial assets at amortised cost	(88,966)	(144,913)	-	-
	Loss allowance on financial assets at amortised cost	332,394	135,841	194,392	20,627
	Loss allowance on trade receivables	389,863	118,627	250,176	118,627
		671,892	**109,555**	**444,568**	**139,254**
13	**Income tax expense**				
	Recognised in the profit or loss				
	Income tax	524,811	313,885	380,709	91,788
	Education tax	75,541	21,152	30,359	8,866
	Information technology tax	115,184	27,382	58,271	9,163
	Police trust fund levy	576	-	291	-
		716,111	362,420	469,629	109,818
	Deferred tax	(579,619)	(386,119)	(229,624)	290,457
		136,492	**(23,699)**	**240,006**	**400,275**
	Recognised in other comprehensive income				
	Income tax recognised in other comprehensive income	-	-	-	-
	defered tax recognised in other comprehensive income	298	7,863	45	130
	Rate reconciliation	**298**	**7,863**	**45**	**130**
	Total tax as a percentage of profit before tax	7%	6%	7%	3%
	Information technology levy	1%	1%	1%	1%
	Education tax	1%	1%	1%	1%
	Police trust fund levy	0.5%	1%	1%	1%
	Income tax charge for the year as a percentage of profit before tax	**9%**	**9%**	**9%**	**5%**
	Tax relating to prior year	0%	0%	0%	0%
	Net tax charge	9%	9%	9%	5%
	Tax reduced/(increased) as a consequence of:				
	Non-taxable interest	18%	16%	16%	15%
	Other non-taxable income	11%	9%	9%	10%
	Temporary difference not accounted for in deferred tax asset	-5%	-3%	-3%	-2%
	Other permanent differences	-2%	-1%	-1%	-1%
		31%	**30%**	**30%**	**27%**

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		Group		Company	
		31 December 2020 =N=' 000	31 December 2019 =N=' 000	31 December 2020 =N=' 000	31 December 2019 =N=' 000
14	**Earnings per share**				
	Basic earnings per share				
	Basic earnings attributable to shareholders (N'000)	7,811,178	4,973,419	5,587,064	3,036,073
	Number of ordinary shares in issue ('000)	6,000,000	6,000,000	6,000,000	6,000,000
	Basic earnings per share (kobo)	**130**	**83**	**93**	**51**
15	**Cash and cash equivalents**				
	Cash and balances with banks	7,719,204	2,778,065	360,724	777,637
	Money market placements	35,739,839	27,354,034	11,835,746	1,623,645
		43,459,043	30,132,099	12,196,469	2,401,282
	Impairment charge	(38,600)	-	-	-
		43,420,443	**30,132,099**	**12,196,469**	**2,401,282**
	Current	43,459,043	30,132,099	12,196,469	2,401,282
	Non-Current	-	-	-	-
		43,459,043	**30,132,099**	**12,196,469**	**2,401,282**
15a	**Impairment adjustments on Cash**				
	At 1 January	-	-	-	-
	Arising during the year	38,600	-	-	-
	At 30 December	**38,600**	**-**	**-**	**-**

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

All bank balances and money market placements are assessed as stage 1 credit risk at each reporting date as they are held with reputable financial institutions and in most cases secured by way of Government securities. The identified ECL on cash and cash equivalent for the Company is considered immaterial and has not been recognised

		Group		Company	
16	**Investment in financial assets**	31 December 2020 =N=' 000	31 December 2019 =N=' 000	31 December 2020 =N=' 000	31 December 2019 =N=' 000
	Financial assets measured at amortised cost - (note 16.1)	106,063,725	63,908,977	37,005,545	32,854,128
	Financial assets at Fair value through other comprehensive income - (note 16.2)	15,749,935	24,271,309	1,435,441	2,127,667
	Financial assets at Fair value through profit or loss - (note 16.3)	23,335,181	5,962,059	2,015,040	89,239
		145,148,841	**94,142,345**	**40,456,026**	**35,071,034**
	Current	30,009,146	7,429,335	4,401,757	1,264,976
	Non-Current	115,139,695	86,713,011	36,054,269	33,806,058
		145,148,841	**94,142,345**	**40,456,026**	**35,071,035**
16.1	**Financial assets measured at amortized cost**				
	Investment in long term placement	38,367,501	-	-	-
	Loans to customer	24,303,516	30,852,869	23,965,573	30,852,869
	Treasury bills	1,020,773	6,164,358	-	-
	Federal government bonds	7,649,038	12,969,434	-	-
	State government bonds	27,489,331	10,244,735	12,304,979	2,510,709
	Corporate bonds	8,689,018	4,889,606	1,465,703	26,868
		107,519,178	**65,121,002**	**37,736,255**	**33,390,446**
	Loss allowance on financial assets at amortized costs (note 16.1a)	(1,455,453)	(1,212,025)	(730,710)	(536,318)
		106,063,725	**63,908,977**	**37,005,545**	**32,854,128**
16.1a	**Loss allowance on financial assets at amortized costs**				
	At 1 January	1,212,025	1,221,097	536,318	515,691
	Charge during the year:				
	(Writeback) allowance on loan to customers	(88,966)	(144,913)	-	-
	Loss allowance on other financial assets	332,394	135,841	194,392	20,627
		1,455,453	**1,212,025**	**730,710**	**536,318**

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		Group		Company	
		31 December 2020 =N=' 000	31 December 2019 =N=' 000	31 December 2020 =N=' 000	31 December 2019 =N=' 000
16.2	**Financial assets measure at fair value through other comprehensive income (FVTOCI)**				
	Treasury bills	-	1,264,976	-	1,264,976
	Bonds	3,354,111	18,414,027	-	-
	Equity- quoted	2,002,636	1,076,361	-	-
	Equity- unquoted	7,133,329	1,385,412	-	-
	Mutual funds	4,118,791	3,018,927	1,364,264	795,999
		16,608,867	25,159,703	1,364,264	2,060,975
	Fair value adjustments (16.2a)	(858,932)	(888,393)	71,177	66,692
		15,749,935	**24,271,309**	**1,435,441**	**2,127,667**

The Group has made an irrevocable election to classify certain unquoted equity investment at FVOCI. This election is used for equity investments that are not traded but are held for strategic or longer term investment purposes. The dividend income recognised on FVOCI equity instruments was N 35.4 million. (2019: N 786 million).

The Group has designated mutual funds, quoted and unquoted equity instruments at FVOCI. The ECL on FVTOCI debt instruments is not deemed material for adjustment.

		Group 31 December 2020	Group 31 December 2019	Company 31 December 2020	Company 31 December 2019
16.2a	**Changes in fair value reserve**				
	At 1 January	(888,393)	(1,666,507)	66,692	53,791
	Arising during the year	29,461	778,114	4,485	12,901
	At 31 December	**(858,932)**	**(888,393)**	**71,177**	**66,692**
16.3	**Financial asset measured at fair Value Through Profit or Loss (FVTPL)**				
	Quoted equity investment	3,473,414	1,125,356	1,435,712	100,039
	Mutua Funds	14,471,342	-	600,495	-
	Equity- Unquoted	5,411,592	4,847,503		-
		23,356,348	**5,972,859**	**2,036,207**	**100,039**
	Fair value adjustment (note 16.3a)	(21,167)	(10,800)	(21,167)	(10,800)
		23,335,181	**5,962,059**	**2,015,040**	**89,239**
16.3a	**Changes in fair value reserve**				
	At 1 January	10,800	-	10,800	-
	Arising during the year	10,367	10,800	10,367	10,800
	At 31 December	**21,167**	**10,800**	**21,167**	**10,800**

		Group		Company	
		31 December 2020 =N=' 000	31 December 2019 =N=' 000	31 December 2020 =N=' 000	31 December 2019 =N=' 000
17	**Trade receivables & other receivables**				
	Trade debtors	1,166,357	712,702	177,573	128,795
	Prepayments	127,124	972,883	47,198	499,287
	Accrued income	1,168,504	1,426,689	1,151,882	1,217,673
	Other receivables	1,781,983	914,205	1,997,089	1,446,926
	WHT Receivable	2,157,127	1,847,796	1,503,086	1,223,043
	Deposit for investment	23,387,336	20,580,132	23,387,336	20,580,132
		29,788,430	**26,454,407**	**28,264,164**	**25,095,855**
	Loss allowance on trade receivables (note 17.1)	(1,315,688)	(925,861)	(787,255)	(537,079)
		28,472,742	**25,528,546**	**27,476,909**	**24,558,776**
17.1	**Loss allowance on trade receivables**				
	At 1 January	925,825	807,198	537,079	418,452
	Arising during the year	389,863	118,627	250,176	118,627
	At 31 December	**1,315,688**	**925,825**	**787,255**	**537,079**
	Current	2,802,082	2,127,735	2,540,215	2,256,315
	Non-Current	25,670,659	23,400,811	24,936,693	22,302,462
		28,472,742	**25,528,546**	**27,476,909**	**24,558,776**

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

		Group 31 December 2020	Group 31 December 2019	Company 31 December 2020	Company 31 December 2019
18	**Dividend receivable from Subsidiaries**				
	At 1 January	-	-	2,520,000	1,711,111
	Arising during the year	-	-	3,670,000	2,520,000
	Receipt during the year	-	-	(2,520,000)	(1,711,111)
		-	-	**3,670,000**	**2,520,000**
	Current	-	-	**3,670,000**	**2,520,000**
	Non-Current	-	-	-	-
		-	-	**3,670,000**	**2,520,000**

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19	Right of use assets	Group	Company
		=N=' 000	=N=' 000
	Cost		
	At 1 January 2020	624	624
	Addition	353,751	353,751
	As at 31 December 2020	**354,375**	**354,375**
	Depreciation		
	At 1 January 2020	312	312
	Addition	70,369	70,369
	Disposal	-	-
	As at 31 December 2020	70,681	70,681
	Carrying amounts		
	As at 31 December 2020	**283,694**	**283,694**
	At 31 December 2019	**312**	**312**

-

19.1	Right of use assets	Group	Company
		=N=' 000	=N=' 000
	Cost		
	At 1 January 2019	-	-
	Addition	624	624
	At 31 December 2019	**624**	**624**
	Depreciation		
	At 1 January 2019	-	-
	Addition	312	312
	At 31 December 2019	**312**	**312**
	Carrying amounts		
	At 31 December 2019	**312**	**312**
	At 1 January 2019	**-**	**-**

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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
For the year ended 31 December 2020

20 Intangible assets

	Group =N=' 000	Company =N=' 000
Cost		
At 1 January 2020	107,511	97,412
Addition	12,181	12,181
As at 31 December 2020	**119,692**	**109,593**
Amortization		
At 1 January 2020	63,741	58,645
Addition	13,936	11,916
As at 31 December 2020	**77,677**	**70,561**
Carrying amounts		
As at 31 December 2020	**42,015**	**39,032**
At 31 December 2019	**43,771**	**38,768**

20.1 Intangible assets

	Group =N=' 000	Company =N=' 000
Cost		
At 1 January 2019	67,824	57,725
Addition	39,687	39,687
At 31 December 2019	**107,511**	**97,412**
Amortization		
At 1 January 2019	52,831	49,755
Addition	10,909	8,889
At 31 December 2019	**63,740**	**58,645**
Carrying amounts		
At 31 December 2019	**43,771**	**38,768**
At 31 December 2018	**14,993**	**7,970**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
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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	2019	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 is a consumer lending company established by United Capital Plc with the sole objective of enhancing financial inclusion and providing pay day loans to working class individuals and SMEs. UC Plus was licensed by the Lagos State Government in 2019 but yet to fully commence operations.

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

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

22 Investment in Associates	Date of Investment	Holding	Country	31 December 2020 =N=' 000	31 December 2019 =N=' 000
Heirs Insurance Limited	2020	25%	Nigeria	2,500,000	-
Heirs Life Assurance Limited	2020	25%	Nigeria	2,000,000	-
				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 is expected to 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 is expected to fully commence operations in 2021. United Capital Plc currently own 25% stake in the Company.

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23 (i) Property, plant 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 2020	-	109,979	622,530	192,897	925,406
Additions	258,059	70,113	61,505	21,442	411,119
Disposals	-	(58,080)	-	-	(58,080)
As at 31 December 2020	**258,059**	**122,012**	**684,035**	**214,339**	**1,278,445**
Depreciation					
At 1 January 2020	-	78,563	355,428	134,297	568,288
Additions	40,645	19,832	122,937	18,806	202,220
Disposals	-	(57,887)	-	-	(57,887)
As at 31 December 2020	**40,645**	**40,509**	**478,365**	**153,103**	**712,621**
Carrying amounts					
As at 31 December 2020	**217,414**	**81,504**	**205,670**	**61,236**	**565,824**
At 31 December 2019	**-**	**31,416**	**267,102**	**58,602**	**357,118**

Property, plant and equipment
Company

	Leasehold Improvements	Furniture, fittings & equipment	Motor vehicles	Computer equipment	Total
Cost					
At 1 January 2020	-	72,422	393,287	118,079	583,788
Additions	258,059	55,129	53,550	18,995	385,732
Disposals	-	(46,710)	-	-	(46,710)
As at 31 December 2020	258,059	80,841	446,837	137,074	922,810
Depreciation					
At 1 January 2020	-	46,897	196,998	70,509	314,404
Additions	40,645	16,127	96,945	13,942	167,659
Disposals	-	(46,710)	-	-	(46,710)
As at 31 December 2020	40,645	16,314	293,943	84,450	435,353
Carrying amounts					
As at 31 December 2020	**217,414**	**64,527**	**152,894**	**52,624**	**487,457**
At 31 December 2019	**-**	**25,525**	**196,289**	**47,571**	**269,384**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
For the year ended 31 December 2020

23.1 (i) Property, plant and equipment
Group

	Furniture, fittings & Equipment =N=' 000	Motor vehicles =N=' 000	Computer Equipment =N=' 000	Total =N=' 000
Cost				
At 1 January 2019	86,970	521,926	153,846	762,742
Additions	24,131	115,807	39,903	179,841
Disposals	(1,122)	(15,203)	(852)	(17,177)
At 31 December 2019	109,979	622,530	192,897	925,406
Depreciation				
At 1 January 2019	69,288	276,853	115,250	461,391
Additions	10,397	93,778	19,719	123,894
Disposals	(1,122)	(15,202)	(673)	(16,997)
At 31 December 2019	78,563	355,428	134,297	568,288
Carrying amounts				
At 31 December 2019	**31,416**	**267,102**	**58,601**	**357,118**
At 31 December 2018	**17,681**	**245,073**	**38,596**	**301,351**

(ii) Company

	Furniture, fittings & Equipment =N=' 000	Motor vehicles =N=' 000	Computer Equipment =N=' 000	Total =N=' 000
Cost				
At 1 January 2019	49,271	309,548	82,839	441,658
Additions	23,151	84,906	35,718	143,775
Disposals	-	(1,167)	(478)	(1,645)
At 31 December 2019	72,422	393,287	118,079	583,788
Depreciation				
At 1 January 2019	38,187	120,397	55,867	214,451
Additions	8,710	77,768	15,120	101,598
Disposals	-	(1,167)	(478)	(1,645)
At 31 December 2019	46,896	196,998	70,509	314,404
Carrying amounts				
At 31 December 2019	**25,526**	**196,289**	**47,570**	**269,384**
At 31 December 2018	**11,084**	**189,151**	**26,972**	**227,207**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
For the year ended 31 December 2020

		Group		Company	
		31 December 2020 =N=' 000	31 December 2019 =N=' 000	31 December 2020 =N=' 000	31 December 2019 =N=' 000
24	**Deferred tax - (Asset)**				
	Deferred tax assets:				
	– Deferred tax asset to be recovered after more than 12 months	260,184	394,223	-	134,039
	Charge for the year	54,552	(134,039)	-	(134,039)
		314,736	260,184	-	-
	The break down of deferred tax assets are as follows:				
	Property and equipment	67,916	33,506	-	-
	Exchange difference	55,048	-	-	-
	Losses	83,094	222,085	-	-
	Provisions	108,678	4,593	-	-
		314,736	260,184	-	-
	Deferred tax liabilities:				
	– Deferred tax liability to be recovered after more than 12 months	652,041	1,250,018	343,324	186,906
	(Writeback)/Charge for the year	(525,067)	(597,977)	(229,623)	156,418
	Total	126,974	652,041	113,701	343,324
	The break down of deferred tax liabilities are as follows:				
	Property and equipment	97,299	230,151	92,650	223,844
	Exchange difference	71,868	421,891	24,161	119,481
	Losses	(39,083)	-	-	-
	FVTOCI	(3,110)	-	(3,110)	-
		126,974	652,042	113,701	343,325

Parent - Deferred tax liabilities	1 January 2020 N'000	Recognised in P&L N'000	Recognised in OCI N'000	31 December 2020 N'000
Property and equipment	223,844	(131,194)	-	92,650
Exchange difference	119,481	(95,320)	-	24,161
Losses		-	-	-
FVTOCI			(3,110)	(3,110)
	343,325	(226,514)	(3,110)	113,701

Group - Deferred tax liabilities	1 January 2020 N'000	Recognised in P&L N'000	Recognised in OCI N'000	31 December 2020 N'000
Property and equipment	230,151	(132,852)	-	97,299
Exchange difference	421,891	(350,023)	-	71,868
Losses		(39,083)	-	(39,083)
FVTOCI			(3,110)	(3,110)
	652,042	(521,958)	(3,110)	126,974

Group - Deferred tax asset	1 January 2020 N'000	Recognised in P&L N'000	Recognised in OCI N'000	31 December 2020 N'000
Property and equipment	33,507	34,410	-	67,916
Exchange difference	-	55,048	-	55,048
Losses	222,085	(138,991)	-	83,094
Provisions	4,593	104,085		108,678
	260,184	54,552	-	314,736

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 year 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.

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For the year ended 31 December 2020

		Group		Company	
		31 December 2020	31 December 2019	31 December 2020	31 December 2019
25	**Managed Funds**	**=N=' 000**	**=N=' 000**	**=N=' 000**	**=N=' 000**
	Short term investments	69,710,519	53,904,575	-	-
	Trust funds	29,727,644	8,105,911	-	-
	Sinking Funds	13,840,778	8,264,423	-	-
	Payable on trust accounts	2,740,136	2,104,388	-	-
		116,019,077	**72,379,297**	**-**	**-**
	Current	75,596,342	46,221,106	-	-
	Non-Current	40,422,735	26,158,191	-	-
		116,019,077	**72,379,297**	**-**	**-**

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	48,766,236	50,876,737	48,537,103	50,876,737
	Issued debt - Bonds	9,018,130	-	9,018,130	-
	Commercial Papers	14,877,279	-	14,877,279	-
		72,661,645	**50,876,737**	**72,432,512**	**50,876,737**
	Current	20,126,915	-	20,126,915	-
	Non-Current	52,534,730	50,876,737	52,305,597	50,876,737
		72,661,645	**50,876,737**	**72,432,512**	**50,876,737**

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 collaterised by negative pledge. During the year under review, the company paid down one of the loan facility to the sum of USD23m (Twenty three million US dollars only).

Issued debt (Bond) - During the year under review, the company successfully issued its 1st bond of series 1, N10b out of its N30b bond issuance programe. The debt is an unsecured, amortizing subordinated 5 year bond instrument. The Group has not had any defaulted in payment of principal and interest.

Commercial papers - During the year under review, the Company issued series 1, 2 and 3 CPs. Series 1 and 2 CP matured and was paid down during the year. The Company currently carries in its books Series 3 CP with a face value of N15b maturing August 2021.

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		Group		Company	
		31 December 2020 =N=' 000	31 December 2019 =N=' 000	31 December 2020 =N=' 000	31 December 2019 =N=' 000
27	**Other liabilities**				
	Bank overdraft	3,804	100,540	-	-
	Creditors and accruals	1,642,791	1,077,495	85,831	61,461
	Customers deposit	2,222,054	2,136,265	-	-
	Other current liabilities	2,994,659	2,086,334	2,176,083	2,151,671
	Dividend payable	820,000	-	-	-
		7,683,308	**5,400,633**	**2,261,913**	**2,213,132**
	Current	7,683,308	5,400,633	2,261,913	2,213,132
	Non-Current	-	-	-	-
		7,683,308	**5,400,633**	**2,261,913**	**2,213,132**
28	**Current tax liabilities**				
	At 1 January	1,569,828	1,923,707	729,230	1,068,504
	Charge for the year	716,111	362,422	469,629	109,818
	Tax paid	(455,127)	(716,302)	(186,081)	(449,093)
	Closing Balance	**1,830,812**	**1,569,828**	**1,012,778**	**729,230**

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.

		Group		Company	
29	**Share capital**	31 December 2020 =N=' 000	31 December 2019 =N=' 000	31 December 2020 =N=' 000	31 December 2019 =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**

		Group		Company	
		31 December 2020 =N=' 000	31 December 2019 =N=' 000	31 December 2020 =N=' 000	31 December 2019 =N=' 000
31	**Retained earnings**				
	At 1 January	16,790,622	13,817,202	7,847,830	6,811,758
	Transfer from profit or loss account	7,811,178	4,973,419	5,587,064	3,036,073
	Dividend paid during the year	(3,000,000)	(2,000,000)	(3,000,000)	(2,000,000)
		21,601,800	**16,790,622**	**10,434,894**	**7,847,830**
32	**Fair Value Reserves**				
	At 1 January	(888,394)	(1,666,807)	66,692	53,791
	Arising during the year:				
	Fair valuation on items that will not be subsequently reclassified to profit or loss (Note 29.1)	424,310	603,181	-	-
	Fair valuation on items that will be subsequently reclassified to profit or loss (Note 29.2)	(394,848)	175,232	4,485	12,901
		(858,932)	**(888,394)**	**71,177**	**66,692**
32.1	**Fair valuation on items that will not be subsequently reclassified to profit or loss**				
	Net fair value gain/(loss) on investments in quoted equity instruments measured at FVTOCI	424,310	603,181	-	-
		424,310	**603,181**	**-**	**-**
32.2	**Fair valuation on items that may be subsequently reclassified to profit or loss**				
	Net fair value gain(loss) on investments in debt instruments measured at FVTOCI	-	142,539	-	-
	Net fair value gain/(loss) on investments in other financial instruments measured at FVTOCI	(394,848)	32,693	4,485	12,901
		(394,848)	**175,232**	**4,485**	**12,901**

33 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.

33.1 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	Subsidiary	100
Heirs Insurance Limited	Associate	25
Heirs Life Assurance Limited	Associate	25

33.2 Key management personnel

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

	Group		Company	
33.3 Other information on key management personnel	**31 December 2010 =N='000**	**31 December 2019 =N='000**	**31 December 2020 =N='000**	**31 December 2019 =N='000**
Emoluments:				
Chairman	7,308	7,308	1,750	1,750
Other Directors	35,409	21,532	9,908	25,790
	42,717	**28,840**	**11,658**	**27,540**
Fees	20,300	5,500	5,500	5,500
Other emoluments	22,417	23,340	6,158	22,040
	42,717	**28,840**	**11,658**	**27,540**
The total number of Directors were:	9	7	9	7
33.4 The number of persons employed (excluding directors) in the company during the year was as follows:	94	99	10	11

33.5 The table below shows the number of employees of the company that earned over N1,000,000.00 in the year and which fell within the bands stated below;

	31 December 2020	**31 December 2019**	**31 December 2020**	**31 December 2019**
N2,000,000 - N5,999,999	57	59	4	4
N6,000,000 - N7,999,999	12	13	2	3
N8,000,000 - N9,999,999	10	10	2	1
N10,000,000 and above	15	17	2	3
	94	99	10	11

33.6 Transactions with related companies

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

	Relationship	31 December 2020	31 December 2019
Account recievables			
United Capital Asset Management Limited		927,229	181,605
United Capital Trustees Limited		-	390,560
United Capital Securities Limited		439,543	334,874
UC Plus Advanced Limited		250,228	-
		1,366,772	**907,039**
Account payable			
United Capital Trustees Limited		68,022	-
United Capital Asset Management Limited		2,676,052	-
		2,744,074	**-**
Interest expense			
United Capital Trustees Limited		151,793	
United Capital Asset Management Limited		538,165	-
		689,958	**-**
Fee Income			
United Capital Asset Management Limited		55,334	-
		55,334	**-**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
For the year ended 31 December 2020

34 Principal subsidiaries

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

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

35 Events after reporting period

There are no material issues after the reporting period.36Contingent liabilities
The Group had no contingent liabilities during the year and no provision was made in financial statements during the year under review.

37 Capital/financial commitments

The directors are of the opinion that all known liabilities and commitements 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 commitements for capital expenditure authorised by the Directors which has not been provided for in the financial statements as at 31 December 2020.

38 Contraventions

The Group recorded no contraventions during the year under review and as such no fine was paid (2019: NIL)

39 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 memebers, 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 year.

40 Impact of COVID 19

Since early 2020, the Coronavirus disease (COVID-19) outbreak across China and beyond has caused significant disruption to the society, impacting the business operations, employees and customers. It is an evolving situation that the Group is monitoring closely, and any impact will depend on future developments. The Group is unable to reliably estimate the future impact of covid-19, however, we are constantly monitoring and adapting to the current realities. During the lockdown of the country due to the virus, the Group was able to minimize the impact on operations by triggering the Business Continuity Plan; part of which is working remotely as well as reaching out to customers through our online platforms (InvestNow) and as a result of this, transactions are being executed successfully.

As a Group, we experienced a rather positive business performance as Q2 Operating revenue grew by 32% and PBT went up by 32% compared to Q1 2020 performance despite the lockdown during Q2. Q3 saw a marginal growth of 4% in revenues. This was driven by the strength of the United Capital brand as we leveraged on investors' sentiment toward "return of investment" rather than "return on investment". However, ECL impairment was impacted significantly as the Group recorded an impairment charge of about N675m during the year as we downgraded some counterparties whose rating did not meet our risk management beanchmark during this period. We also considered forward looking information arising from the trends we observed our the period of the pandemic in adjusting the ECL computation.

Going into Q4 2020 there seemed to be a mixed outlook as the number of Covid cases continue to spike, consumer income continues to dwindle, speculations of another round of lockdown looming; on the other hand, confidence is growing on the back of the number of vaccines that are been subjected to clinical test with the hope that the globe will find a response to the covid virus.

As a Group, we continued to remain nimble and focused as we tapped into the opportunities this pandemic presented whilst we increased our risk management focus to ensure we were not significantly impacted by all the hazards that Covid-19 presents.

VALUE ADDED STATEMENT
For the year ended 31 December 2020

	Group				Company			
	2020		2019		2020		2019	
	=N=' 000	%	=N=' 000	%	=N=' 000	%	=N=' 000	%
Gross earnings	12,873,897		8,591,929		7,560,671		4,930,671	
Operating expenses	(2,616,760)		(1,765,927)		(719,902)		(754,128)	
VALUE ADDED	**10,257,137**	**100%**	**6,826,002**	**100%**	**6,840,768**	**100%**	**4,176,543**	**100%**
Applied as follows:								
To pay employees:								
Salaries and other benefits	1,351,050	13%	1,631,612	24%	319,186	5%	490,142	12%
To pay Government:								
Taxes	716,111	7%	362,422	5%	469,629	7%	109,818	3%
Retained for future replacement of assets and expansion of business:								
- Deferred tax	(579,619)	-6%	(386,119)	-6%	(229,624)	-3%	290,457	7%
- Depreciation	202,220	2%	123,894	2%	167,659	2%	101,598	2%
- Amortization	84,305	1%	11,221	0.2%	82,285	1%	9,201	0.2%
- Impairment loss	671,892	7%	109,555	2%	444,568	6%	139,254	3%
- Profit for the year	7,811,178	76%	4,973,419	73%	5,587,064	82%	3,036,073	73%
	10,257,137	100%	**6,826,002**	100%	**6,840,768**	100%	**4,176,543**	100%

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

Financial Summary - Group
For the year ended 31 December 2020

	2020	2019	2018	2017	2016
	=N=' 000	=N=' 000	=N=' 000	=N=' 000	=N=' 000
ASSETS					
Cash and cash equivalents	43,420,443	30,132,099	35,186,157	35,186,157	25,081,054
Investment in financial assets	145,148,841	94,142,345	88,182,725	88,182,725	87,244,678
Trade and other receivables	28,472,742	25,528,546	24,545,883	24,545,883	23,530,983
Rights of use assets	283,694	312	-	-	-
Intangible assets	42,015	43,771	14,993	14,993	24,736
Investments in associates	4,500,000		-	-	-
Property and equipment	565,824	357,118	301,351	301,351	248,155
Deferred tax assets	314,736	260,184	465,955	465,955	465,955
TOTAL ASSETS	**222,748,295**	**150,464,375**	**148,697,064**	**148,697,064**	**136,595,561**
LIABILITIES					
Managed Funds	116,019,077	72,379,297	75,685,719	75,685,719	70,492,088
Other borrowed funds	72,661,645	50,876,737	49,163,296	49,163,296	41,412,677
Other liabilities	7,683,308	5,400,633	4,846,405	4,846,405	5,661,473
Current tax liabilities	1,830,812	1,569,828	1,923,707	1,923,707	2,262,424
Deferred tax liabilities	126,974	652,041	1,243,930	1,243,930	219
TOTAL LIABILITIES	**198,321,816**	**130,878,536**	**132,863,057**	**132,863,057**	**119,828,881**
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	21,601,800	16,790,622	13,817,203	13,817,203	14,608,581
Other reserves	(858,932)	(888,394)	(1,666,807)	(1,666,807)	(1,525,512)
SHAREHOLDER'S FUND	**24,426,479**	**19,585,839**	**15,834,007**	**15,834,007**	**16,766,680**
TOTAL LIABILITIES AND EQUITY	**222,748,295**	**150,464,375**	**148,697,064**	**148,697,064**	**136,595,561**

Financial Summary - Company
For the year ended 31 December 2020

	2020	2019	2018	2017	2016
	=N=' 000	=N=' 000	=N=' 000	=N=' 000	=N=' 000
ASSETS					
Cash and cash equivalents	12,196,469	2,401,282	2,125,972	3,003,858	3,453,691
Investment in financial assets	40,456,026	35,071,034	33,335,015	29,249,603	39,577,934
Trade and other receivables	27,476,909	24,558,776	24,116,058	19,371,356	620,019
Dividend receivable from subsidiaries	3,670,000	2,520,000	1,711,111	2,400,000	3,572,652
Rights of use assets	283,694		312	-	-
Intangible assets	39,032	38,768	7,970	16,376	22,661
Investments in subsidiaries	901,000	901,000	900,000	900,000	900,000
Investments in associates	4,500,000		-	-	-
Property and equipment	487,457	269,384	227,207	168,192	105,259
Deferred tax	-		134,039	134,039	334,367
TOTAL ASSETS	**90,010,587**	**65,760,556**	**62,557,372**	**55,243,424**	**48,586,583**
LIABILITIES					
Other borrowed funds	72,432,512	50,876,737	49,163,296	41,412,677	35,433,121
Other liabilities	2,261,913	2,213,132	1,589,507	1,808,500	1,610,585
Current tax liabilities	1,012,778	729,230	1,068,504	1,063,309	1,173,397
Deferred tax liabilities	113,701	343,324	186,906	-	-
TOTAL LIABILITIES	**75,820,904**	**54,162,423**	**52,008,213**	**44,284,486**	**38,217,103**
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	10,434,895	7,847,830	6,811,757	7,204,066	6,729,744
Other reserves	71,177	66,692	53,791	71,261	(43,875)
SHAREHOLDER'S FUND	**14,189,683**	**11,598,133**	**10,549,159**	**10,958,938**	**10,369,480**
TOTAL LIABILITIES AND EQUITY	**90,010,587**	**65,760,556**	**62,557,372**	**55,243,424**	**48,586,583**

Financial Summary - Group

	2020 =N=' 000	2019 =N=' 000	2018 =N=' 000	2017 =N=' 000	2016 =N=' 000
Gross earnings	12,873,897	8,591,929	9,259,398	8,915,487	9,000,955
Gross operating expenses	(4,926,227)	(3,642,209)	(3,038,151)	(3,367,657)	(2,634,221)
Share of profit of equity accounted investee	-	-	-	-	-
Profit before income tax	**7,947,670**	**4,949,720**	**6,221,247**	**5,547,830**	**6,366,734**
Income tax write back/(expense)	(136,492)	23,699	(1,883,257)	(1,185,525)	(363,208)
Profit for the year from continuing operations	**7,811,178**	**4,973,419**	**4,337,990**	**4,362,305**	**6,003,526**
Gain from the sale of investment in associate company	-	-	-	-	909,695
Other comprehensive income for the year	29,462	778,413	23,843	1,178,510	(995,840)
Total comprehensive income for the year	**7,840,640**	**5,751,832**	**4,361,833**	**5,540,815**	**5,917,381**
Earnings per share-basic (kobo)	130	83	72	73	115

Financial Summary - Company

	2020 =N=' 000	2019 =N=' 000	2018 =N=' 000	2017 =N=' 000	2016 =N=' 000
Gross earnings	7,560,671	4,930,671	3,988,933	4,881,934	5,501,346
Gross operating expenses	(1,733,601)	(1,494,323)	(696,434)	(1,005,855)	(863,019)
Profit before income tax	**5,827,070**	**3,436,348**	**3,292,499**	**3,876,079**	**4,638,327**
Income tax expense	(240,006)	(400,275)	(588,796)	(401,757)	(169,561)
Profit for the year from continuing operations	**5,587,064**	**3,036,073**	**2,703,703**	**3,474,322**	**4,468,766**
Gain from the sale of investment in associate company	-	-	-	-	1,526,090
Other comprehensive income for the year	4,485	12,901	(17,470)	115,136	13,978
Total comprehensive income for the year	**5,591,549**	**3,048,974**	**2,686,233**	**3,589,458**	**6,008,834**
Earnings per share-basic (kobo)	93	51	45	58	100

United Capital in Pictures

Employees of United Capital Plc at the Disruptive Leadership Masterclass held at Radisson Blu Hotel, Ikeja, Lagos. August, 2020.

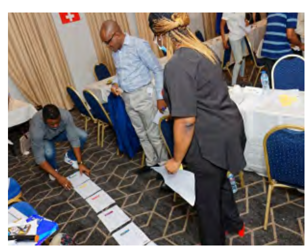
Group CEO, United Capital Plc, Peter Ashade and Group ED, United Capital Plc Sunny Anene conversing at the Disruptive Leadership Masterclass. October 2020.

Group CEO, United Capital Plc, Peter Ashade with MD/CEO Transcorp Hotels, Dupe Olusola, President, Transcorp Group, Owen Omojiafor, and MD/CEO, Transcorp Power Limited, Christopher Ezeafulukwe, at the handover ceremony of Afam Power Plant to Transcorp Power Consortium in Abuja. Nov, 2020.

Group CEO, United Capital Plc, Peter Ashade with Life Coach, Lanre Olusola and facilitators, Philips Consulting Firm, at the Disruptive Leadership Masterclass. October, 2020.

Employees of United Capital Plc at the Annual Group Strategy Session held at Radisson Blu Anchorage Hotel, Victoria Island. December, 2020.

Group CEO, Peter Ashade with the Directors of the Northern, Western and Southern Regions - Mahmoud Shuaib, Lucky Okokpujie, Seun Babasola and other regional employees at the Annual Group Strategy Session. December, 2020.



Team exercise at the Disruptive Leadership Masterclass. October, 2020.

United Capital

NOTICE OF ANNUAL GENERAL MEETING OF UNITED CAPITAL PLC

NOTICE IS HEREBY GIVEN that the 2021 Annual General Meeting of United Capital Plc will hold on Tuesday March 23, 2021, at the Lagoon Restaurant, Ozumba Mbadiwe Street, Victoria Island, Lagos at 10am to transact the following businesses:

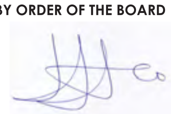
ORDINARY BUSINESS:

1. To lay before the members the Audited Financial Statements for the year ended December 31, 2020 and the Report of the Directors, Auditors and Audit Committee thereon.
2. To declare a Dividend.
3. To re-elect the following Directors retiring by rotation:
   3.1 Mr. Sonny Iroche; and
   3.2 Sir. Stephen Nwadiuko
4. To appoint the following new Directors:
   4.1 Mr. Titus Oladipupo Fatokun; and
   4.2 Hajiya Sutura Aisha Bello
5. To authorise Directors to fix the remuneration of the Auditors for the 2021 Financial Year.
6. To elect/re-elect members of the Statutory Audit Committee.
7. To disclose the remuneration of managers of the company.

SPECIAL BUSINESS:

8. To consider and if thought fit, pass the following as an ordinary resolution:
   "That the Director's fees payable to each Non-Executive Director, until further notice, be and is hereby fixed at the sum of **N6,500,000** (Six million five hundred thousand naira only) for the year ending December 31, 2021. Such payments to be effective from January 1, 2021.
9. To consider and if thought fit, pass the following as ordinary resolutions:
   9.1 The Directors be and are hereby authorized to raise additional capital of up to **N100,000,000,000** (One hundred Billion Naira), through the issuance of tenured bonds, notes, commercial papers, debt instruments, or loans in any currency by way of bond issuance, note issuance, book building or other methods and whether in one or more tranches; the pricing and terms of such issuance to be determined by the Directors as they deem appropriate subject to obtaining the approvals of relevant regulatory authorities.
   9.2 Subject to regulatory approval, the Directors be and are hereby authorized to appoint such advisers and professional parties that they deem necessary, upon such terms and conditions that the Directors may deem appropriate with regard to the aforementioned issuances.
10. To consider and if thought fit, pass the following as ordinary resolutions:
    10.1 On the recommendation of the Board of Directors and subject to obtaining regulatory approvals, including but not limited to the Securities & Exchange Commission and the Corporate Affairs Commission, the Board of Directors be and are hereby empowered and authorized to carry out as it deems appropriate and in accordance with any relevant laws thereto, any actions, including but not limited to reorganization, restructuring, reconstruction and business arrangement exercise and actions for the Company as may be necessary to achieve competitive business advantage across the Group and/or comply with any legislation and/or directives and guidelines from the Securities and Exchange Commission.
    10.2 Subject to regulatory approval, the Directors be and are hereby authorized to appoint such advisers and professional parties that they deem necessary, upon such terms and conditions that the Directors may deem appropriate with regard to the aforementioned business arrangements.
11. The Directors be and are hereby authorized to take all steps and do all acts that they deem necessary for the successful implementation of the above stated resolutions.

Dated February 23, 2021
BY ORDER OF THE BOARD



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

NOTES:

1. COMPLIANCE WITH COVID-19 RELATED DIRECTIVES AND GUIDELINES

The Federal Government of Nigeria, State Governments, Health Authorities and Regulatory Agencies have issued a number of guidelines and directives aimed at curbing the spread of COVID-19 in Nigeria. Particularly, the Lagos State Government has prohibited the gathering of more than 50 people while the Corporate Affairs Commission (CAC) issued Guidelines on Holding AGM of Public Companies by Proxy. The convening and conduct of the AGM shall be done in compliance with these Directives and Guidelines.

2. PROXY

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

3. ATTENDANCE BY PROXY

In line with the CAC Guidelines, attendance of the AGM shall be by proxy only. Shareholders are required to appoint a proxy of their choice from the list of nominated proxies below:

1. Mr. Chika Mordi
2. Mr. Peter Ashade
3. Mr. Emmanuel Nnorom
4. Sir. Leo Okafor
5. Mr. Paul Olele
6. Pastor Alex Adio
7. Mrs. Faith Georg-Usman
8. Barrister Ganiat Adetutu Siyonbola
9. Pastor Samson Olagoke
10. Dr. Anthony Omojola

4. STAMPING OF PROXY

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

5. RIGHT OF SECURITIES' HOLDERS TO ASK QUESTIONS

Securities' Holders have a right to ask questions not only at the Meeting, but also in writing prior to the Meeting, and such questions must be submitted to the Company on or before March 21, 2021.

6. NOMINATION TO THE AUDIT COMMITTEE

Pursuant to Section 404(6) of the Companies & Allied Matters Act, 2020 ("**CAMA 2020**") any member may nominate a shareholder as a member of the Audit Committee by giving notice in writing of such nomination. Such notice shall reach the Company Secretary at least 21 days before the Annual General Meeting. Section 404 (5) of CAMA 2020 has mandated that all members must be financially literate and at least one member shall be a member of a professional accounting body in Nigeria established by an Act of the National Assembly. We therefore request that nominations be accompanied by a copy of the nominee's curriculum vitae.

7. DIVIDEND

If the Dividend recommended by the Directors is approved by the members at the Annual General Meeting, Dividend will be paid by March 24, 2021 to the Shareholders whose names appear in the Company's Register of Members at the close of business on March 5, 2021.

8. CLOSURE OF REGISTER

The Register of Members of the Company will be closed from March 8, 2021 to March 15, 2021 (both dates inclusive) for the purpose of dividend payment and updating the register.

9.E-DIVIDEND REGISTRATION

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

10. UNCLAIMED DIVIDEND WARRANTS AND SHARE CERTIFICATES

Shareholders are hereby informed that a number of share certificates and dividend warrants which were returned to the Registrars as unclaimed are still in the custody of the Registrars. Any shareholder affected by this notice is advised to contact the Company's Registrars, Africa Prudential Plc, 220B Ikorodu Road, Palmgrove, Lagos, or via email at cfc@africaprudential.com to lay claim.

11. PROFILES OF DIRECTORS FOR RE-ELECTION

The profiles of Mr. Sonny Iroche and Sir Stephen Nwadiuko who will be retiring by rotation and will be presenting themselves for re-election are amongst the profiles of Directors that are provided in the 2021 Annual Report and on the Company's website at www.unitedcapitalplcgroup.com.

12. E- ANNUAL REPORT PUBLISHED ON THE WEBSITE

In order to improve delivery of our Annual Report, we have inserted a detachable form in the 2021 Annual Report and hereby request shareholders to complete the form by providing their contact and any other requested details and thereafter return same to the Registrars for further processing. Additionally, an electronic version of the 2021 Annual Report is available on the Company's website at www.unitedcapitalplcgroup.com.

13. ONLINE STREAMING OF AGM

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

Africa Prudential
RC 649007

Affix
Recent Passport
Photograph
USE GUM ONLY
NO STAPLE PINS
(to be stamped by your banker)
ONLY CLEARING BANKS ARE ACCEPTABLE

E-DIVIDEND MANDATE ACTIVATION FORM

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

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

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

Bank Verification Number (BVN):

Bank Name:

Bank Account Number:

Account Opening Date: DD MM YYYY

SHAREHOLDER ACCOUNT INFORMATION

Gender: Male Female Date Of Birth D D M M Y Y Y Y

Surname/Company's Name First Name Other Name

Address

City State Country

Clearing House Number (CHN) (if any) C

Name of Stockbroking Firm

Mobile Telephone 1 Mobile Telephone 2

E-mail Address

DECLARATION

I/We hereby declare that the information I have provided is true and correct and that I shall be held personally liable for any of my personal details.

I/We also agree and consent that Africa Prudential Plc ("Afriprud") may collect, use, disclose, process and deal in any manner whatsoever with my/our personal, biometric and shareholding information set out in this form and/or otherwise provided by me/us or possessed by Afriprud for administration of my/our shareholding and matters related thereto.

Signature: Signature:

Joint/Company's Signatories

Company Seal (if applicable)

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

CLIENTELE

1. ABBEY MORTGAGE BANK PLC
2. ADAMAWA STATE GOVERNMENT BOND
3. AFRILAND PROPERTIES PLC
4. AFRICA PRUDENTIAL PLC
5. A & G INSURANCE PLC
6. ALUMACO PLC
7. A.R.M LIFE PLC
8. BECO PETROLEUM PRODUCTS PLC
9. BUA GROUP
10. BENUE STATE GOVERNMENT BOND
11. CAP PLC
12. CAPPA AND D'ALBERTO PLC
13. CEMENT COY. OF NORTHERN NIG. PLC
14. CSCS PLC
15. CHAMPION BREWERIES PLC
16. CWG PLC
17. CORDROS MONEY MARKET FUND
18. EBONYI STATE GOVERNMENT BOND
19. GOLDEN CAPITAL PLC
20. INFINITY TRUST MORTGAGE BANK PLC
21. INVESTMENT & ALLIED ASSURANCE PLC
22. JAIZ BANK PLC
23. KADUNA STATE GOVERNMENT BOND
24. LAGOS BUILDING INVESTMENT CO. PLC
25. GLOBAL SPECTRUM ENERGY SERVICES PLC
26. MED-VIEW AIRLINE PLC
27. MIXTA REAL ESTATE PLC *(formerly ARM Properties Plc)*
28. NEXANS KABLEMETAL NIG. PLC
29. OMOLUABI MORTGAGE BANK PLC
30. PERSONAL TRUST & SAVINGS LTD
31. P.S MANDRIDES PLC
32. PORTLAND PAINTS & PRODUCTS NIG. PLC
33. PREMIER BREWERIES PLC
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41. UACN PLC
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48. UNITED CAPITAL NIGERIAN EUROBOND FUND
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51. UNIC INSURANCE PLC
52. UAC PROPERTY DEVELOPMENT COMPANY PLC
53. UTC NIGERIA PLC
54. VFD GROUP PLC
55. WEST AFRICAN GLASS IND PLC

OTHERS:

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TEL: 0700 AFRIPRUD (0700 2374 7783) | E-MAIL: cxc@africaprudential.com | www.africaprudential.com | @afriprud

CORPORATE INFORMATION

DIRECTORS:

Chika Mordi	Chairman
Peter Ashade	Group Chief Executive Officer
Sunny Anene	Group Executive Director
Adim Jibunoh	Non Executive Director
Emmanuel N. Nnorom	Non Executive Director
Sunny Iroche	Independent Non Executive Director
Sir Stephen Nwadiuko	Independent Non Executive Director
Dipo Fatokun	Independent Non Executive Director - Appointed 14 February 2020
Hajiya Sutura Aisha Bello	Independent Non-Executive Director - Appointed 14 December 2020

EXECUTIVE MANAGEMENT:

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

RC No.	RC444999
FRC No.	FRC/2013/00000000001976

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

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

AUDITORS:
PwC Nigeria
5B Water Coporation Road,
Landmark Towers, Victoria Island
Lagos, Nigeria

Africa Prudential

FULL DEMATERIALIZATION FORM FOR MIGRATION

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

Affix recent passport photograph

USE GUM ONLY
NO STAPLE PINS

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

SECTION A:

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

ADDRESS: ____

GSM NUMBER: ____ **E-MAIL:** ____

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

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

BANK DETAILS FOR DIRECT SETTLEMENT

ACCOUNT NAME: ____ **BANK:** ____

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

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

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

Shareholder's Signature & Date

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

Thumb Print

CERTIFICATE DETAILS

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

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

Company Seal

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

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

CERTIFICATE DETAILS

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

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

Dated this ____ day of ____, 20 ____

Name: ____

Signature: ____

Joint (2) (if applicable): ____

Joint (3) (if applicable): ____

Company Seal

In the Presence of:

Name: ____ **GSM NO:** ____

Address: ____ **Signature:** ____

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

On behalf of ____ Plc/Ltd, we hereby agree jointly and severally keep the company and/or the Registrar or other persons acting on their behalf fully indemnified aganist all action, proceedings, liabilities, claims, losses, damage, costs and expenses in relation to or arising out of your accepting to re-issue to the rightful owner the shares/stocks, and to pay you on demand, all payments, losses, costs and expenses suffered or incurred by you in consequence thereof or arising therefrom. We/I also agree and consent that Africa Prudential Plc ("Afriprud") may collect, use, disclose, process and deal in any manner whatsoever with my/our personal, biometric and shareholding information set out in this form and/or otherwise provided by me/us or possessed by Afriprud for administration of my/our shareholding and matters related thereto.

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

Company Seal

HEAD OFFICE: 220B, Ikorodu Road, Palmgrove, Lagos.
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Africa Prudential
RC 649007

e-SHARE REGISTRATION APPLICATION FORM

Dear Registrar,

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

*** = Compulsory fields**

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

DECLARATION

I/We hereby declare that the information I have provided is true and correct and that I shall be held personally liable for any of my personal details.

I/We also agree and consent that Africa Prudential Plc ("Afriprud") may collect, use, disclose, process and deal in any manner whatsoever with my/our personal, biometric and shareholding information set out in this form and/or otherwise provided by me/us or possessed by Afriprud for administration of my/our shareholding and matters related thereto.

Signature:

Signature:

Joint/Company's Signatories

Company Seal *(if applicable)*

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

CLIENTELE

1. ABBEY MORTGAGE BANK PLC
2. ADAMAWA STATE GOVERNMENT BOND
3. AFRILAND PROPERTIES PLC
4. AFRICA PRUDENTIAL PLC
5. A & G INSURANCE PLC
6. ALUMACO PLC
7. A.R.M LIFE PLC
8. BECO PETROLEUM PRODUCTS PLC
9. BUA GROUP
10. BENUE STATE GOVERNMENT BOND
11. CAP PLC
12. CAPPA AND D'ALBERTO PLC
13. CEMENT COY. OF NORTHERN NIG. PLC
14. CSCS PLC
15. CHAMPION BREWERIES PLC
16. CWG PLC
17. CORDROS MONEY MARKET FUND
18. EBONYI STATE GOVERNMENT BOND
19. GOLDEN CAPITAL PLC
20. INFINITY TRUST MORTGAGE BANK PLC
21. INVESTMENT & ALLIED ASSURANCE PLC
22. JAIZ BANK PLC
23. KADUNA STATE GOVERNMENT BOND
24. LAGOS BUILDING INVESTMENT CO. PLC
25. GLOBAL SPECTRUM ENERGY SERVICES PLC
26. MED-VIEW AIRLINE PLC
27. MIXTA REAL ESTATE PLC *(formerly ARM Properties Plc)*
28. NEXANS KABLEMETAL NIG. PLC
29. OMOLUABI MORTGAGE BANK PLC
30. PERSONAL TRUST & SAVINGS LTD
31. P.S MANDRIDES PLC
32. PORTLAND PAINTS & PRODUCTS NIG. PLC
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Africa Prudential

E-SERVICE/DATA UPDATE FORM

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

1. *SURNAME/COMPANY NAME
2. *FIRST NAME
3. OTHER NAME
4. *GENDER M F
5. E-MAIL
6. ALTERNATE E-MAIL
7. *DATE OF BIRTH D D M M Y Y Y Y
8. *MOBILE (1) (2)
9. *ADDRESS
10. OLD ADDRESS *(if any)*
11. *NATIONALITY
12. *OCCUPATION
13. *NEXT OF KIN NAME MOBILE
14. *MOTHER'S MAIDEN NAME
15. BANK NAME
16. A/C NO.
17. A/C NAME
18. A/C OPENING DATE D D M M Y Y Y Y
19. BANK VERIFICATION NO. (BVN)
20. NAME OF STOCKBROKING FIRM
21. CSCS CLEARING HOUSE NO. (CHN) C

DECLARATION

I/We hereby declare that the information I have provided is true and correct and that I shall be held personally liable for any of my personal details.

I/We also agree and consent that Africa Prudential Plc ("Afriprud") may collect, use, disclose, process and deal in any manner whatsoever with my/our personal, biometric and shareholding information set out in this form and/or otherwise provided by me/us or possessed by Afriprud for administration of my/our shareholding and matters related thereto.

Signature:

Signature:

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Company Seal *(if applicable)*

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United Capital

RC 444999

PROXY FORM

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS AND IS TO BE USED AT THE ANNUAL GENERAL MEETING TO BE HELD ON MARCH 23, 2021

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

....

....

(BLOCK CAPITALS PLEASE)

or failing him, the Chairman of the meeting as my/our* proxy to act and vote for me/us* on my/our* behalf at the Annual General Meeting of the Company to be held on March 23, 2021 at 10am or at any adjournment hereof.

Dated this .... day of 2021

Shareholder's signature: ....

NOTE

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

It is a requirement of the law under the Stamp Duties Act, Cap S8, Laws of the Federation of Nigeria, 2004, that any instrument of proxy to be used for the purpose of voting by any person entitled to vote at any meeting of shareholders must be stamped by the Commissioner for Stamp Duties. However, in compliance with the CAC Guidelines for conduct of AGM by Proxy, the Company has made arrangement at its cost, for the stamping of the duly completed and signed proxy forms submitted to the Company's Registrars.

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

	ORDINARY BUSINESS	FOR	AGAINST	ABSTAIN
1.	To lay before the members the Audited Financial Statements for the year ended December 31, 2020 and the Report of Directors, Auditors and Audit Committee thereon.			
2.	To declare a Dividend			
3.	To re-elect the following Directors retiring by rotation: 3.1 Mr. Sonny Iroche 3.2 Sir Stephen Nwadiuko			
4.	To appoint the following new Directors of United Capital: 4.1 Mr. Titus Oladipupo Fatokun 4.2 Ms. Sutura Aisha Bello			
5.	To authorize directors to fix remuneration of auditors			
6.	To elect members of the Audit Committee			
7.	To disclose the remuneration of Managers			
8.	To fix the remuneration of Directors			
9.	To raise additional capital of up to N100 billion by way of bonds, commercial paper etc			
10.a	To restructure, reorganize, reconstruct, or embark on business reorganization to achieve competitive business advantage			
10.b	Directors are hereby authorized to appoint professional parties			
11	The Directors are hereby authorized to take all steps to implement the resolutions			

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

Before posting the above form, please tear off this part and retain it for admission to the meeting

ANNUAL GENERAL MEETING
ADMISSION CARD

United Capital

RC 444999

PLEASE ADMIT THE SHAREHOLDER NAMED ON THIS CARD OR HIS DULY APPOINTED PROXY TO THE ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD ON MARCH 23, 2021 AT 10 AM AT THE LAGOON RESTAURANT, VICTORIA ISLAND, LAGOS

Name and address of Shareholder

Account Number:

LEO OKAFOR
Company Secretary

Proxy

Shareholder

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

SIGNATURE...

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

Lagos ● Abuja ● Port Harcout ● Ibadan ● Ghana

www.unitedcapitalplcgroup.com