United Capital

2022

ANNUAL REPORT

AHEAD

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

A H E A D

United Capital as a diversified group is better positioned than ever before to stay ahead of elements in the operating environment that could truncate our organisational growth potential by exploiting vistas of unique business opportunities across key sectors that drive job creation, real sector development and economic prosperity.

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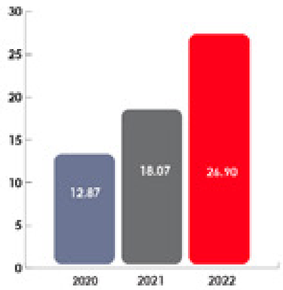
United Capital

UNITED CAPITAL FINANCIAL HIGHLIGHTS

(FY 2020 - FY 2022)

Gross Earnings

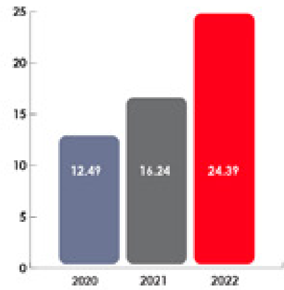


FY 2022
26.90 Billion

FY 2021
18.07 Billion

FY 2020
12.87 Billion

Operating income

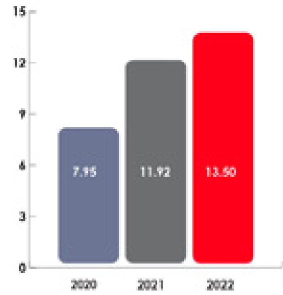


FY 2022
24.39 Billion

FY 2021
16.24 Billion

FY 2020
12.49 Billion

Profit Before Tax

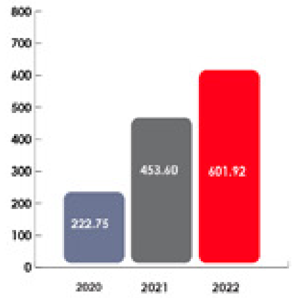


FY 2022
13.50 Billion

FY 2021
11.92 Billion

FY 2020
7.95 Billion

Total Assets

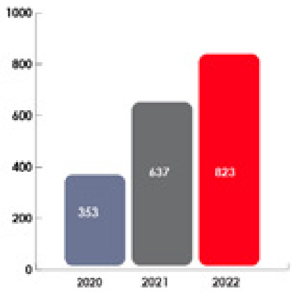


FY 2022
601.92 Billion

FY 2021
453.60 Billion

FY 2020
222.75 Billion

AUM

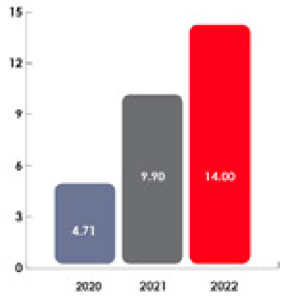


FY 2022
823 Billion

FY 2021
637 Billion

FY 2020
353 Billion

Share Price(Naira)



FY 2022
14.00

FY 2021
9.90

FY 2020
4.71

About United Capital Plc

United Capital Plc is a leading Pan-African financial and investment services group, providing bespoke value-added services to its clients. United Capital Plc is positioned to play a strategic role in helping African governments, corporates, and individuals achieve their strategic objectives, through a robust suite of financial service offerings under its subsidiary businesses - Investment Banking, Asset Management, Trusteeship, Securities Trading and Consumer Finance. The Group is regulated by the Securities and Exchange Commission (SEC) in Nigeria.

Core Values

EXCELLENCE

- ✓ Ingenuity
- ✓ Determination
- ✓ Hardwork

EXECUTION

- ✓ Getting things done
- ✓ Ownership & Accountability
- ✓ Responsiveness

ENTERPRISE

- ✓ Quality
- ✓ Distinction
- ✓ Exceptionalism

OUR PURPOSE

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

CULTURE CODE

We are focused on managing our client's investments with a fundamental approach, while adhering to robust risk control processes and procedures to protect and enhance their assets.

OUR CORPORATE GOALS

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

For over 5 decades, United Capital Plc has sustained a legacy of excellence in the African financial sector. Its track record of seamless transaction execution, industry leadership and client focus remain unparalleled. It has achieved this through provision of top-of-the-line financial services, consistency in service delivery and commitment to client satisfaction. The Group has demonstrated a remarkable capacity to adapt to change, innovating with each passing season and discovering ingenious methods to provide even more value to its clients, which accounts for its continued relevance till date. Its digital investing platform, InvestNow, provides a one-stop shop for retail clients to engage with various investment and financial services solutions - mutual funds, stock trading, loan creation, and so on - from the convenience of their smartphones or Personal Computers.

About United Capital Plc *cont'd*

Milestones

A+ Rating DataPro

A- Rating Agusto

1st Bond Issuance by a Capital Market Operator in Nigeria

₦26.90bn Gross Earnings 49% YoY

₦13.50bn Profit before tax 13% YoY

₦601.92bn Total Assets 33% YoY

₦32.99bn Shareholder Funds 8% YoY

Strong Presence in Nigeria and Ghana

260,000+ Shareholders

200,000+ Accounts

> ₦820bn Funds Under Management

United Capital is also broadening its reach into new markets. It recently obtained a license from the Central Bank of Nigeria to operate a microfinance bank subsidiary. United Capital Microfiance Bank is set to adopt a hybrid banking model - maintaining the operational framework of a traditional bank while leveraging technology to deliver seamless, customer-centric digital banking solutions.

In recent years, the group has expanded its geographical footprints across Africa. The company now has offices in Lagos, Ibadan, Abuja, Port-Harcourt, Warri, Onitsha, Kano, Kaduna, and Accra, Ghana, with future plans to expand into additional African nations. Its Pan-African expansion drive is borne out of the need to replicate its numerous successes in the Nigerian market to the broader African space and gradually change the narrative of financial service offerings through provision of cutting-edge financial solutions leveraging innovation, technology, and specialist skills. The company is well-positioned to be the financial and investment role model across Africa and a reference in the global business world - a long-standing mission that has begun to materialize, as evidenced by its recognition by the Financial Times as one of Africa's fastest growing companies.

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

About United Capital Plc *cont'd*

AWARDS

Fastest Growing Investment Management Company in Nigeria

United Capital Asset Management Limited won the award for the Fastest Growing Investment Management Company in Nigeria at the 2022 International Finance Awards.

Sectorial Leadership Award

United Capital Plc also won the Sectorial Leadership Award (Financial Services – Other Institutions) at the 2022 Pearl Awards.

Fastest Growing African Companies

United Capital Plc was globally recognised among the Fastest Growing African Companies by the prestigious Financial Times, London.

CEO of the Year Award

At the 2022 African Business Leadership Awards which held in London, United Kingdom, our Group CEO, Mr. Peter Ashade won the African CEO of the Year Award.

Excellence in Leadership Award

At the Women in Management Awards – Africa, which held in Tanzania, the MD/CEO of United Capital Asset Management Limited, Mrs. Odiri Oginni, won the Excellence in Leadership Award.

Board of Directors

Board Of Directors

Professor Chika Mordi
Chairman (Non-Executive Director), United Capital Plc

Mr. Peter Ashade
Group Chief Executive Officer, United Capital Plc

Mr. Sunny Anene
Deputy Group Chief Executive Officer, United Capital Plc

Mr. Emmanuel Nnorom
Non-Executive Director, United Capital Plc

Sir Stephen Nwadiuko
Independent Non-Executive Director, United Capital Plc

Mr. Sonny Iroche
Independent Non-Executive Director, United Capital Plc

Mr. Oladipupo Fatokun
Independent Non-Executive Director, United Capital Plc

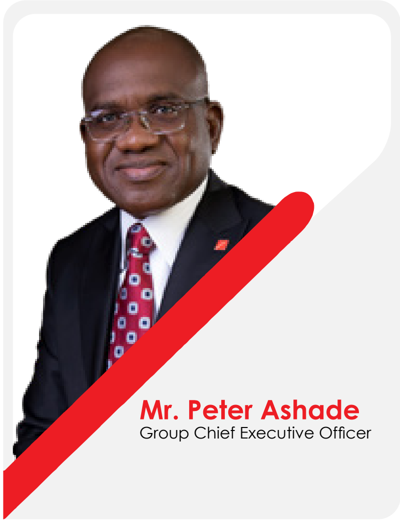
Mr. Oluleke Ogunlewe
Non-Executive Director, United Capital Plc

Board Of Director's Profile

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.

Professor Chika Mordi
Chairman (Non-Executive Director)



Mr. Peter Ashade
Group Chief Executive Officer

Peter Ashade is an astute corporate executive with strong capabilities in execution, business transformation and leadership. He has over three decades cognate experience in finance with specialist experience in Retail Business Development, Banking and Capital Market Operations. Prior to joining United Capital Plc, he served as Managing Director/CEO, Africa Prudential Plc (formerly UBA Registrars Limited).

Peter holds an MBA in Marketing from the University of Ife (now Obafemi Awolowo University), an MSc in Finance from the University of Lagos and a BSc Banking and Finance from Ogun State University (now Olabisi Onabanjo University). He is a Fellow of a number of prestigious organisations including Institute of Chartered Accountants of Nigeria and Institute of Capital Market Registrars. He is an associate of the Chartered Institute of Taxation of Nigeria and an alumnus of the prestigious Lagos Business School (CEP23) and Global CEO program.

Peter seats on the board of several organisations. He is a member of the Institute of Directors (IoD) Nigeria and the Chairman of the Chartered Institute of Bankers of Nigeria (CIBN), Lagos State branch.

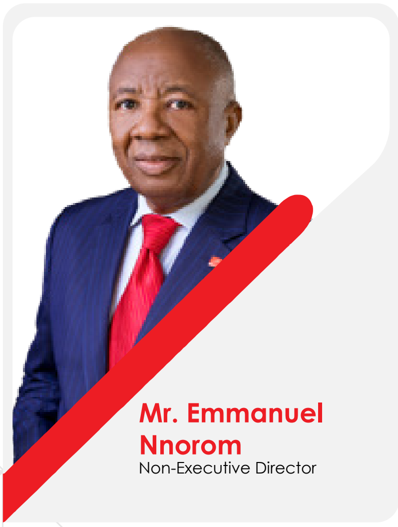
He was appointed the Group Chief Executive Officer of United Capital Plc on July 2, 2018.

Board Of Director's Profile *cont'd*

Sunny is the Deputy Group Chief Executive Officer ("DGCEO") with the responsibility for the supervision of two businesses - United Capital Asset Management Limited and United Capital Securities Limited and three functional areas - Group Finance, Operations and Treasury.

Prior to his appointment as the DGCEO in 2022, he was the Group Executive Director (GED) and MD/CEO United Capital Asset Management Limited, a wholly owned subsidiary of United Capital Plc. He also served as the Group Chief Finance Officer with responsibilities in Risk Management, Information Technology, Treasury, Finance and two other functional areas within the Group. His experience spans over two decades 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 at a time the Lead Trader for CSL Stockbrokers, the Securities Trading arm of the First City Group. He moved to pension management at Zenith Pension Custodian Limited, a subsidiary of Zenith Bank Plc, where he was the Assistant General Manager in charge of Compliance, Risk Management, and Internal control. He later returned to the Capital Market in 2008 when he joined Chapel Hill Denham where he spent six (6) years in two different roles, first as the Director of Finance and Operations, and then the MD/CEO for the securities trading business. He has a Master's degree in Finance from the University of Lagos. He is a triple fellow of the Chartered Institute of Stockbrokers (CIS), the Institute of Chartered Accountants of Nigeria (ICAN), 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 the Lagos Business School (LBS) and IESE Business School, Barcelona, Spain. He was appointed a Director on January 2, 2019.

Mr. Sunny Anene
Deputy Group Chief Executive Officer



Mr. Emmanuel Nnorom
Non-Executive Director

Mr. Emmanuel Nnorom is the Chief Executive Officer of Heirs Holdings Group and sits on several boards including Transcorp Hotels Plc, where he is the Chairman.

Prior to his appointment, Emmanuel was President/CEO of Transnational Corporation of Nigeria Plc. He has served in other management roles such as President/Chief Operating Officer (COO) of Heirs Holdings Group, and COO of United Bank for Africa where he oversaw the bank's operations outside Nigeria and executed corporate strategy in 18 African countries.

Emmanuel is a Chartered Accountant with over four decades of professional experience in the corporate and financial sectors, working with publicly listed companies. He is an alumnus of Oxford University's Templeton College, a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN) and the Chartered Institute of Bankers of Nigeria (CIBN).

Board Of Directors Profile *cont'd*

Sir Stephen Nwadiuko holds a BSc 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, and Compliance Institute of Nigeria, as well as an A ssociate of the Certified Pension Institute of Nigeria. He is a retired Deputy Director, Banking Supervision Department of the Central Bank of Nigeria (CBN), a Bank Examiner certified by the CBN and the Federal Deposit Insurance Corporation 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 was appointed a Director on October 2, 2018.

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

Board Of Directors Profile *cont'd*

Mr. Oladipupo Fatokun holds a Bachelor's degree in Accounting and an MBA in Banking and Finance from the University of Ilorin and the 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 at the Central Bank of Nigeria. He was appointed a Director on February 14, 2020.

Mr. Oladipupo Fatokun
Independent Non-Executive Director

Mr. Oluleke Ogunlewe
Non-Executive Director

Mr. Oluleke Ogunlewe holds a Bachelor of Science degree in Economics from the University of Ibadan and an MBA from the University of Lagos. Oluleke is one of Nigeria's most experienced and leading bankers with exposure and leadership in Banking Operations, Corporate and Investment Banking, Energy Banking, Retail/Commercial Banking, Capital Markets, Project Finance as well as Financial Advisory Services. He has over 37 years in banking which cut across several financial institutions such as NAL Merchant Bank Plc (Sterling Bank Plc), City Trust Merchant Bank Limited (Union Bank), Manufacturers Merchant Bank Limited (Fidelity Bank Plc), Royal Merchant Bank Limited, United Bank for Africa Plc and Standard Chartered Bank Limited. He retired as Head of Global Banking (MD) and Executive Director, Corporate and Institutional Banking for Standard Chartered Bank with responsibility for Financial Markets/Treasury, Financial Institutions, International Corporates, Corporate Finance and Transaction Banking. He was appointed a Director on October 29, 2021.

Subsidiary Leaders

Subsidiary Leaders

Mr. Bawo Oritsejafor is the Managing Director of United Capital Securities Limited. His experience span over 25 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.

Mrs. Odiri Oginni, CFA, is the Managing Director of United Capital Asset Management Limited. She has a career spanning over 17 years across diverse roles in the financial services industry, including investment management, financial analysis, strategy and investor relations, treasury and cash flow management, capital raising (equity and debt), audit, compliance, and business development. Before her current role, Mrs. Oginni worked as the Group Chief Finance Officer at United Capital Plc, Chief Financial Officer of 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 holds a First-Class Bachelor of Science degree in Accounting from Babcock University. She is a Fellow of the Institute of Chartered Accountants of Nigeria and a CFA Charter holder. She is also an alumnus of the Lagos Business School (LBS) Advanced Management Program and has an MBA from Strayer University, USA.

Mrs. Bukola Ikeotuonye is the Managing Director of United Capital Trustees Limited. Prior to joining the Trusteeship business, she was the pioneer Head of the Group Treasury within the United Capital Group where she set up the treasury framework. She was directly responsible for the Group's liquidity management, investment strategy and corporate portfolio management. This was in addition to trading financial instruments for the Group. Preceding the Group Treasury function, she had garnered experience for 8 years at United Capital Asset Management Limited.

She has over 18 years of broad professional experience spanning various functions such as Asset Management & Wealth Advisory, Treasury, Fund & Portfolio Management, Retirement Benefit Administration and Personal Finance Advisory. Buky is an associate of the Association of Investment Advisers & Portfolio Managers, holds a Masters' degree in Business Administration (MBA), from the Metropolitan School of Business and Management (MSBM), UK and a Bachelor of Science (B.Sc.) degree, majoring in Actuarial Science from the University of Lagos. She is also an alumnus of Harvard University.

Subsidiary Leaders *cont'd*

Dr. Gbadebo Adenrele holds an MBBS and MBA (Finance) degrees from the University of Lagos, as well as MS Global Finance degree from New York University and HKUST. Post-graduation, Gbadebo worked as a medical practitioner at leading healthcare facilities, including Lagos University Teaching Hospital and Premier Specialists Medical Centre. Gbadebo has been an investment banker for 17 of his over 20 years' working experience. His investment banking experience started with the Investment Banking Division at Zenith Bank Plc, where he worked on capital market transactions. He was subsequently a pioneer staff of Zenith Capital Limited, where he was involved in corporate finance and project finance transactions for leading Nigerian corporates.

Prior to joining United Capital Plc, Gbadebo spent over 11 years at Vetiva Capital Management Limited, where he led the Investment Banking team for 8 years and advised governments, governmental institutions, leading corporates, domestic and global financial institutions on a broad range of transactions across key sectors and jurisdictions.

Mr. Richard is the Head of Consumer Finance at United Capital Plc and manages UCPlus Advance Limited, the digital retail lending subsidiary.

Prior to joining United Capital, he worked at FCMB Limited as the Lead, Retail Risk Assets Products Management Team, where he assisted the bank to attain market leadership in the consumer finance and personal lending space. He led the digital lab and championed the first commercial digital micro lending initiative at FCMB and the banking industry.

As a Chartered Accountant, he also worked as a Tax Auditor and Relationship Manager at the Lagos State Internal Revenue Service. He served as the Chief Financial Controller in Agora Capital Limited Lagos. He has over 20 years experience in banking, accounting, and consulting.

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. in Economics from the University of Aberdeen, UK and a BSc from Obafemi Awolowo University, Nigeria.

Management Team

Management Team

Peter Ashade
Group Chief Executive Officer,
United Capital Plc

Peter Ashade is an astute corporate executive with strong capabilities in execution, business transformation and leadership. He has over three decades cognate experience in finance with specialist experience in Retail Business Development, Banking and Capital Market Operations. Prior to joining United Capital Plc, he served as Managing Director/CEO, Africa Prudential Plc (formerly UBA Registrars Limited).

Peter holds an MBA in Marketing from the University of Ife (now Obafemi Awolowo University), an MSc in Finance from the University of Lagos and a BSc Banking and Finance from Ogun State University (now Olabisi Onabanjo University). He is a Fellow of a number of prestigious organisations including Institute of Chartered Accountants of Nigeria and Institute of Capital Market Registrars. He is an associate of the Chartered Institute of Taxation of Nigeria and an alumnus of the prestigious Lagos Business School (CEP23) and Global CEO program.

Peter seats on the board of several organisations. He is a member of the Institute of Directors (IoD) Nigeria and the Chairman of the Chartered Institute of Bankers of Nigeria (CIBN), Lagos State branch.

Sunny Anene is the Deputy Group Chief Executive Officer ("DGCEO") with the responsibility for the supervision of two businesses - United Capital Asset Management Limited and United Capital Securities Limited and three functional areas - Group Finance, Operations and Treasury.

Prior to his appointment as the DGCEO in 2022, he was the Group Executive Director (GED) and MD/CEO United Capital Asset Management Limited, a wholly owned subsidiary of United Capital Plc. He also served as the Group Chief Finance Officer with responsibilities in Risk Management, Information Technology, Treasury, Finance and two other functional areas within the Group. His experience spans over two decades 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 at a time the Lead Trader for CSL Stockbrokers, the Securities Trading arm of the the First City Group. He moved to pension management at Zenith Pension Custodian Limited, a subsidiary of Zenith Bank Plc, where he was the Assistant General Manager in charge of Compliance, Risk Management, and Internal control. He later returned to the Capital Market in 2008 when he joined Chapel Hill Denham where he spent six (6) years in two different roles, first as the Director of Finance and Operations, and then the MD/CEO for the securities trading business. He has a Master's degree in Finance from the University of Lagos. He is a triple fellow of the Chartered Institute of Stockbrokers (CIS), the Institute of Chartered Accountants of Nigeria (ICAN), 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 the Lagos Business School (LBS) and IESE Business School, Barcelona, Spain.

Sunny Anene
Group Deputy Chief Executive Officer,
United Capital Plc

Management Team *cont'd*

Leo Okafor
Group Company Secretary/General Counsel

Sir Leo Okafor holds a Bachelor's 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), a Chartered Stockbroker (ACS) and a Fellow of the Association of Investment Advisers and Portfolio Managers (FAIPM).

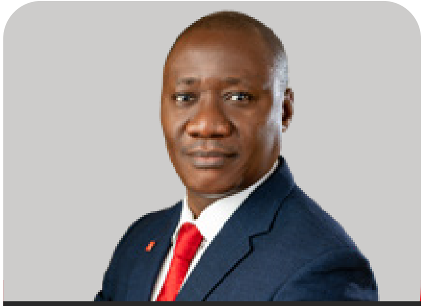
Prior to joining United Capital Plc, he was the Managing Director of Zenith Trustees Limited (a subsidiary of Zenith Bank Plc) and PHB Capital & Trust Limited (a subsidiary of Bank PHB Plc and later Keystone Bank Limited). He has over 25 years' experience in legal practice, trusteeship, investment banking, and company secretarial practice.

Tesilimi Yusuf holds a BSc. in Computer Science with Economics from Obafemi Awolowo University, Ife and an MSc. in Economics & Finance, Nottingham Business School, United Kingdom. He has over 15 years' professional experience.

Prior to joining United Capital, Tesilimi spent four years at Venture Garden Group, where he worked in different managerial roles such as Group Head (Vibranium Valley & New Businesses), Deputy Chief Operating Officer (Tech & Sales Operations), Head of Engineering Operation & Vice President of Business Development. Prior to that, he worked as Operations Manager at Splashers Technologies Limited.

Tesilimi Yusuf
Director, Digital Transformation

Management Team *cont'd*



Shedrack Onakpoma was appointed Group Chief Finance Officer in 2019 and oversees the Finance and Treasury departments at United Capital Plc. He is an Economist and a professional Accountant with over 23 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 had held various finance roles within and outside Nigeria in different industries ranging from Manufacturing to Financial Services. He was the Group Enterprise Manager at Heirs Holdings and the CFO at Tenoil Energy, CFO at Heirs Insurance Limited, CFO and Head of Strategic Management Office (SMO) at Union Assurance (Now Allianz Nigeria) and CFO at IGI Ghana Limited. Shedrack holds an Executive MBA from the prestigious Lagos Business School and has a BSc in Economics from Olabisi Onabanjo University in 2009. He is a Fellow of Chartered Institute of Accountant. He is Balanced Scorecard Professional and Certified Member of the Balanced Scorecard Institute, USA. He obtained his License as an International Financial Analyst from International Research Association, Harvard Square, Cambridge, Massachusetts, USA in August 2008. He his Member of the Chartered Institute for Securities and Investment (CISI UK).

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

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

Adetola is a Certified Fellow of the American Academy of Financial Management (FAAFM), and a Chartered Wealth Manager (CWM). She received a Combined Honours (BSc) degree in Computer Science with Economics and an MBA 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.

Management Team *cont'd*

Oluseye Komolafe
Director, Resources

Oluseye Komolafe is a Human Resource professional with specialties in Organization Development & Culture Management, Employee Experience & Engagement, Change Management & Digital Transformation, Diversity & Inclusion, Competency Mapping & Modelling, Learning Management and Recruitment processes.

He has over 15 years of practical experience and knowledge in designing efficient and effective HR interventions targeted at positioning human assets for sustainable competitive advantage within organizations.

Prior to joining United Capital Plc, Oluseye was with MTN Nigeria and worked in various capacities and roles: Manager, Culture & Change, HR Business Partner – IT and Enterprise Business divisions, Organisation Change Manager, Transformation Programme Manager, and Advisor Competency & Change Management. In his 8 years at MTN Nigeria, he successfully facilitated the implementation of various organizational change initiatives and people impacting HR programmes in line with the organization's change in its business operating model.

Before joining MTN Nigeria, he had worked with Leading Edge Consulting and Michael Stevens Consulting as Senior Consultant and Supervisory Consultant respectively.

He holds a Bachelor's degree in Biochemistry and an Executive Masters Certificate in Human Resource Management. In addition, he has professional certifications in Organization Development, Change Management, Life Coaching, and Competency Mapping & Modelling.

He is a Professional Scrum Master and an ICAgile Certified Professional – Agile Coach. He is a Fellow of the Nigerian Institute of Management Consultants, an Associate a Member of the Chartered Institute of Personnel Management (ACIPM) of Nigeria, Member of the Association of Change Management Professional (ACMP), and an Associate Member of the Nigerian Institute of Training and Development (NITAD).

Kayode Tinuoye
Regional Director, Africa

Kayode Tinuoye 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 Africa in line with the Group's strategic goals and objectives. He was previously the Head of Portfolio Management at United Capital Asset Management Limited where he managed multi-asset portfolios in excess of $600million.

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 also the Head of Research at Afrinvest West Africa. He has over 13 years' experience covering investment research, corporate finance, corporate strategy and portfolio/funds management. He started his career with Meristem Securities Limited as an Equity Research Analyst. He was also 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 where he finished top at his faculty. He is a CFA Charter holder and a member of CFA Society of Nigeria.

Management Team *cont'd*

Lucky Okokpujie
Regional Director, West

Lucky Okokpujie is the Regional Director, West. He has over 20 years working experience in the financial services industry spanning Banking and Capital Market with core expertise in Operations, Corporate Services, 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. His earlier experience was at Access Bank (then Intercontinental Bank) where he worked in different divisions of the Bank including international business operations, treasury operations, corporate marketing, and branch operations.

Emeka Atuma is the Head, Enterprise Risk Management of United Capital Plc Group. He oversees Risk Management, Business Process and Internal Control. Prior to joining United Capital Plc Group, Emeka was Head, Depository Assurance Division of the FMDQ Depository Limited, FMDQ's wholly-owned Depository Franchise. He worked in different capacities at FMDQ Group Plc as the pioneer Group Head of Compliance, Risk Management and Control, later Divisional Head Compliance, Risk Management and Finance. He was also the Divisional Head of Strategy and Business Innovation. 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 20 years work experience in the FMCG and Banking sectors. Prior to joining FMDQ in 2014, Emeka was the Divisional Head of Operational Risk Management at Fidelity Bank Plc. He also worked as an Internal Control Officer at FinBank Plc (now FCMB) and a Financial/Treasury Accountant at Great Brands Nigeria Limited.

Emeka Atuma
Head, Enterprise Risk Management

Management Team *cont'd*

Seun Babasola
Regional Director, South

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

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

Tolu Latunji
Group Head, Marketing & Corporate Communications

Tolu Latunji is a Communication and Marketing expert with over 15 years' experience in products development, marketing, brand & franchise building, effective management, and communication of strategic objectives whilst ensuring adequate visibility for both organization and product/service offerings through product, content and brand initiatives. He has a 360-degree knowledge of Communications and Marketing, including but not limited to Brand Management and Initiatives, Corporate Affairs, Internal and External Affairs, Product and Brand Marketing, Event Management and Experiential Marketing, Cluster/Segment Marketing, etc. He has served in various capacities on CBN constituted sub-committees on Financial Inclusion. Prior to joining United Capital, 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.

In 2018, Tolu was the Strategic Communications Lead at FMDQ Securities Exchange, Nigeria's first integrated financial market infrastructure (FMI), where he had the responsibility of effectively positioning the FMDQ Group, together with its subsidiaries, as the most sophisticated and technologically driven securities exchange in Africa. Prior to that, Tolu 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. He led the Marketing team to the successful development and launch of various Retail, SME, and Corporate products. He was also instrumental in curating and developing the Bank's social media footprints. He holds a B.Sc. in Economics from the University of Lagos.

He has an honorary Doctorate Degree in Marketing and Brand Management.

Management Team *cont'd*

Nduka Mba-Uzoukwu
Head, Customer Experience

Nduka Mba-Uzoukwu holds a BA in Mass Communication from the University of Nigeria, Nsukka. He has 22 years experience in Customer Service and Customer Experience Management, capacities in Banking, Telecommunications, Pension Fund Management and Management Consulting. Some of the companies he worked for include Airtel Nigeria, Keystone Bank, Heritage Bank, Access Bank, Leadway Pensure PFA and Sterling Bank, where he led the Customer Experience Management Group as an Assistant General Manager.

Prior to joining United Capital, Nduka served as the Group Customer Experience Director at Heirs Holdings.

Ogaga Uwhuseba is a professional banker, accountant, and certified fraud examiner with over 30 years' cognate work experience in Nigeria and the African financial services industry covering areas such as Operations, Audit, Fraud Allegations, Examination, and Resolution. Prior to joining United Capital Plc, he was a Team Lead in the Audit and Control Directorate of United Bank for Africa Plc supporting the bank's African expansion and local non-bank subsidiaries.

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

He holds a BSc. in Banking and Finance from the Olabisi Onabanjo University Ago-Iwoye, Ogun State, Higher National Diploma in Business Administration and Management, Federal Polytechnic Ado Ekiti, 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.

Ogaga Uwhuseba
Head, Audit and Business Assurance

Management Team *cont'd*

Ejikeme Okoli
Head Strategy & Innovation

Ejikeme Okoli is the Head, Strategy & Innovation at United Capital Plc and is responsible for steering the growth strategy of the Group across its subsidiaries (Investment Banking, Asset Management, Securities, Trustees, and Consumer Finance) and regional businesses in Nigeria and Africa. He is a Strategic Management professional with strong capabilities in designing, leading and implementing business growth and realignment initiatives while dealing with organisational transformation problems towards achieving defined corporate aspirations. 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) where he led initiatives that contributed towards the successful transformation of the corporate lender to an agile, digitally-driven institution with a retail market focus in alignment with the Bank's technology-led financial inclusion strategy.

He is an astute facilitator and featured regularly on CNBC TV providing in-depth analysis to a global audience on strategic issues as they impact financial institutions and capital markets.

Opeyemi Agunbiade is an Investment Management professional with over 14 years experience in the financial services industry. Opeyemi has a BSc in Computer Science from the University of Lagos and an MSc Business Information System (Royal Holloway University of London) in the United Kingdom and ACI dealing certificate, Paris France.

Opeyemi joined United Capital in 2019 as the Group Head Treasury. Prior to joining 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 that she worked at Coronation Merchant Bank where she was the pioneer Foreign Currency Dealer and also traded all Treasury products, developed strategies for dynamic asset allocations, created multiple reports for buy/hold/sell recommendations to hedge portfolio risk and was very active in various Executive Management meetings where she served as Secretary. She also worked as a Marketing Officer in Ecobank Nigeria Plc where she managed treasury products in her branch.

Over the years she has gained expertise in Fixed Income Trading, Risk Management, Local and Foreign currency trading, Investment Analysis, Business Strategy, Financial Analysis, Market Research and Analysis.

Opeyemi Agunbiade
Head, Group Treasury

Management Team *cont'd*

Mohammed Bagudu
Regional Director, North

Mohammed Bagudu is the Regional Director, North where he oversees the investment activities of the Group across 19 Northern States. Prior to joining United Capital Plc, Bagudu served in a similar capacity as the Regional Manager North Central and Northwest regions at Investment One Pension Managers where he was responsible for overseeing the sales and operational activities of over 10 states. At this role, he was part of the team that grew the Asset Under Management (AUM) of the organization by over 1,000% in 7 years, a similar feat he attained as Assistant Manager, Sterling Bank, Abuja.

A prolific and seasoned business development expert, Bagudu is passionate about relationship management and strategic marketing skills he had harnessed over the years making him a powerhouse in the Northern Nigeria market. He has demonstrated impressive capacity in the areas of pension remittance management and banking with over 15 years' experience in the field. He is a graduate of the prestigious Ahmadu Bello University, where he studied Political Science.

Bunmi is the Group Head, Operations. she has over 12 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 was the Team Lead, Trade & Investments at United Capital Plc. She started her career at UBA Stockbrokers, (now United Capital Securities Limited) in September 2009.

She obtained her first degree in Philosophy from Obafemi Awolowo University in 2008 and a Masters' degree in Public and International Affairs from University of Lagos.

Oluwabunmi Olusesi
Group Head, Operations

Strategic Reports

Chairman's Statement

Dear Shareholders,

It is my honour to present the 2022 Annual Financial Report of our great institution, United Capital Plc.

The review of our Group's operations in the past financial year afforded us the opportunity to assess our strategies and position our business for stronger domestic and regional growth. The year 2022 was adjudged a year of consolidation as the world fully emerged from the pandemic but geo-political tension, elevated inflationary pressure, large-scale oil theft and abysmally low government revenues threatened to derail the consolidation.

Likewise, the sharp increase in government borrowings which raised debt sustainability concerns and interest rate hikes created a tumultuous operating environment for businesses. Notwithstanding, we were able to deliver on our set targets. For 2023, we will relentlessly continue to pursue our set goals and are optimistic that we would deliver higher performance.

Chairman's Statement *cont'd*

Global Economy Review and Outlook

On February 24, 2022, the world woke up to the Russian invasion of Ukraine which has so far claimed over 41,000 lives and displaced over 14 million people. The hope of the global economy consolidating on the recovery of 2021 was taken aback as the Russia-Ukraine tension, elevated inflationary pressure which drove global policymakers to tighten monetary policies, the slowdown in China due to the resurgence of COVID-19 outbreak and its property sector crisis aggravated global distress. These factors combined, worsened global consumer misery due to the erosion of household purchasing power, increase in the cost of living, higher debt vulnerabilities and raised concerns of a global recession in 2022.

> The hope of the global economy consolidating on the recovery of 2021 was taken aback as the Russia-Ukraine tension, elevated inflationary pressure which drove global policymakers to tighten monetary policies, the slowdown in China due to the resurgence of the COVID-19 outbreak and its property sector crisis aggravated global distress.

Consequently, the IMF downgraded its global growth projections for the third consecutive time in October 2022, with output growth at 3.2%. This is far lower than the 6.0% recorded in 2021. The IMF noted that the weaker growth for 2022 is on the back of slower growth across both the Advanced Economies (AEs) and the Emerging and Developing Economies (EMDEs). For the AEs, real GDP growth is expected to slow to 2.4% in 2022 (vs. 5.2% in 2021) due to weaker private consumption, declining household purchasing power, further tightening of financial conditions, and sustained negative spillovers from the Russia-Ukraine war, particularly in Europe. Similarly, EMDEs are expected to grow at a slower pace of 3.7% in 2022 (vs. 6.6% in 2021) driven by the slowdown in China on the back of the extended COVID-19 lockdowns, growth moderation in India & developing Asia, and contraction in Russia (due to the war and sanctions).

According to data from the WTO, the recovery in world merchandise trade volume in 2021 (9.8%) weakened to 3.0% in 2022 with resultant pressure on the financial system. This was shaped by the combination of a gloomy global growth outlook, the extension of COVID-19 lockdowns in China and the Russia-Ukraine war which pressured commodity prices (particularly for commodities that Russia and Ukraine are key exporters).

> Global GDP is projected to grow at a slower pace of 2.7% relative to 3.2% in 2022

For 2023, the IMF expects one-third of the world economy to fall into recession given the synchronized slowdown in the US, Europe, and China. Consequently, global GDP is projected to grow at a slower pace of 2.7% relative to 3.2% in 2022.

Sub-Saharan Africa ("SSA")

Many African economies were unable to fully benefit from the global commodities windfall in 2022 occasioned by the Russia-Ukraine war. Country-specific structural imbalances such as fiscal recklessness and debt sustainability concerns worsened by the aggressive hawkish tilt of central banks in advanced economies (AEs) pushed most SSA economies to a tipping point.

The IMF in its October edition of the World Economic Outlook (WEO) cut its 2022 growth outlook for the region to 3.6% from (3.8% in July) due to the spillover effects of the aggressive monetary tightening and investment flow reversals. This growth expectation is weaker relative to the 4.7% recovery of 2021.

The spillover effects of the pandemic combined with global risk aversion, the risk from a global slowdown, amid high inflation and tightened financial conditions, and sovereign vulnerabilities resulted in the region's outlook downgrade in 2022. More specifically, Ghana (CC)

Chairman's Statement *cont'd*

alongside Congo (CCC+), Ethiopia (CCC), Mozambique (CCC+) and Zambia (RD) were downgraded to junk grade while Nigeria was downgraded to B- from B with a stable outlook due to the continued deterioration in government debt servicing costs and external liquidity despite high oil prices in 2022.

Despite the increasing concern of a synchronized contraction in 2023, the IMF estimates a 3.8% growth for SSA (vs. 3.6% in 2022). Notwithstanding, the region has many downside risks to contend with.

Domestic Economy:

Recall that the Nigerian economy recovered markedly in 2021 (up 3.4%) from the pandemic-induced strain of 2020 (-1.9%). This growth trend continued in 2022 albeit at a slower pace and wider divergence in terms of the oil and non-oil economy performance. Q4, 2022 GDP data published by the National Bureau of Statistics showed the Nigerian economy grew by 3.5% y/y, faster than 2.3% in Q3, 2022, 3.5% in Q2, 2022 and 3.1% in Q1, 2022. However, due to the poor performance of the oil sector despite the oil price rally resulted in a weak full-year GDP growth for 2022.

The oil economy remains in recession with 12 consecutive quarters of negative growth. Oil GDP growth was negative 13.4% in Q4, 2022, worse than the -8.1% recorded in Q4, 2021 as the sector continues to suffer from years of neglect amidst weak crude oil production, large-scale oil theft, and poor implementation of needed reforms following the passage of the Petroleum Industry Act. Meanwhile, the non-oil economy was the brightest spot, growing 4.4% y/y in Q4, 2022 compared with 4.3% y/y in Q3, 2022, due to the performance of the Services and Agriculture sub-sectors. Overall, the aggressive monetary policy tightening to curb inflation, Foreign Exchange ("FX") illiquidity, and the sustained spillover effect of the Eastern Europe crisis on input prices contributed to the slower performance of the Nigerian economy in 2022.

In 2022, inflationary pressure worsened to a 17-year high, averaging 21.34% (in December) from 15.63% y/y in 2021 (2020: 15.75% y/y). The low average crude oil production including condensates (2022: 1.38 mbpd vs. 2021: 1.62 mbpd) coupled with high inflationary pressures and weak FX inflows undermined the CBN's ability to sustain exchange rate stability given the wide divergence between the official (₦461.50/US$1.00, December 30, 2022) and the parallel market rates (₦745.00/US$1.00) as FX illiquidity persisted. On the socio-economic front, the Council on Foreign Relations reported a 9.3% y/y increase in the cumulative death toll from insecurity to 93,938 in 2022, just as kidnapping cases resulted in ransom payments worth millions of Naira.

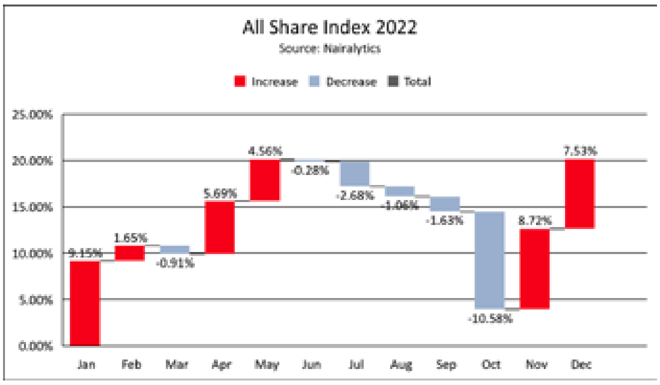
In reaction to the mounting external (interest rate hike in AEs) and domestic (elevated inflation) pressure points on macro fundamentals, the Monetary Policy Committee (MPC) of the CBN raised the benchmark rate in quick succession by 500bps to 16.5%, the highest since Q1, 2019.

On fiscal performance in 2022, dismal revenue performance lingered due to public sector inefficiencies, structural bottlenecks, obsolete tax system, poor informal sector integration, industrial-scale oil theft and the tough business operating environment. As of November, 2022, actual prorated FG revenue stood at ₦6.49 Trillion from the ₦9.14 Trillion prorated budget for the period, while prorated expenditure grossed ₦12.87 Trillion from ₦16.63 Trillion prorated budget, leaving the budget deficit at ₦6.4 Trillion vs. ₦7.48 Trillion prorated budget.

The sustained revenue underperformance and ballooning expenditure profile of the FG resulted in an aggressive debt build-up with critical implications for liquidity management (revenue-to-GDP 3.3%) and debt sustainability (total debt-to-GDP 35.2%). This necessitated the downgrade of the nation's credit rating deeper into the junk category (B-) by Fitch Ratings.

Chairman's Statement *cont'd*

Looking ahead, we estimate growth to average 3.0% in 2023 in line with the IMF's projection. The lingering impact from the negative spill-over effect of the Russia-Ukraine war on commodities prices, offshore capital flight owing to rising interest rates in AEs, weak revenue accretion to the FG, extended insecurity, and political risk would continue to undermine Nigeria's growth potential in the short-term. With the elections in 2023, we expect the implementation of market-friendly reforms to support economic growth given the pro-market ideology of the leading presidential candidates.



Source: Nairalytics

Financial Markets:

The fixed-income market saw unprecedentedly poor performance in 2022 due to the global hawkish policy stance, recession fears (which dented credit spreads), and liquidity shocks which drove volatility upward. The performance of SSA Sovereign Eurobond markets was weak as average yield rose sharply to 35.4% in 2022 (2021: 9.7%). Similarly, weak investor confidence hit the corporate Eurobond market as average yield inched higher to 7.9% from 5.0% in 2021.

For the domestic fixed-income market, contractionary monetary policy drove a liquidity squeeze, prompting asset repricing mostly on short-dated instruments. Also, real returns remained in the negative zone although with significant improvement relative to 2021. Majorly, the continued funding of the government fiscal deficit by the CBN squeezed out the bond market as yields rose less steeply relative to the T-bills market. The FGN Bond market returned 7.8% in 2022 based on data from the S&P/FMDQ Bond Index which tracks domestic sovereign bond prices. The average FGN bond yield rose to 13.04%

> The Nigerian equities market closed 2022 on a positive note…the NGX All Share Index closed higher by 20.0% at 51,251.06 points.

The Nigerian equities market closed 2022 on a positive note despite a tough rollercoaster year. Strong GDP growth, Impressive corporate earnings, and corporate actions (such as BUAFOODS listing on the NGX & DANGCEM's share buy-back) drove the market in H1-2022 to deliver a 21.3% gain. This positioned the local bourse as the second-best performing market in the world. By H2-2022, a combination of higher fixed income yields, runaway inflation, aggressive series of MPR hikes, and liquidity squeeze depressed the equities market. Notwithstanding, the NGX All Share Index closed higher by 20.0% at 51,251.06 points.

In 2023, we expect financial market performance to be shaped by the political terrain, softer inflation outlook, interest rate and exchange dynamics, corporate performances, and fiscal pressure build-up. The fixed-income market should benefit from softer inflation and hold to interest rate hikes while election uncertainties and the build-up in fiscal pressure are downside risks. Strong corporate earnings performance, moderation in fixed income yield and a softer inflation outlook are positive catalysts for the equities market. However, election uncertainties, lack of liquidity and stability at the exchange rate market is expected to sway equities market sentiment.

Chairman's Statement *cont'd*

Financial Performance

Despite the macroeconomic pressures of 2022, United Capital plc reported an outstanding financial performance. Total revenue was up by 49% year-on-year to N26.9 billion in 2022, from N18.1 billion earned in 2021. Profit before tax grew to N13.5 billion in 2022, up by 13% from N11.9 billion in 2021, signifying solid growth in the overall profitability of the Group.

> United Capital Plc reported an outstanding financial performance in 2022… The Group's Return on Average Equity (RoAE) for the 2022 financial year was one of the highest among listed financial services institutions.

In terms of our financial position, total assets of the Group rose 33% year-on-year to N601.9 billion by December 2022 from N453.6 billion as of December 2021, driven by growth in cash and cash equivalents, which accounted for 25% of the Group's total assets, while Financial Assets contributed 64% to total assets. Shareholders' funds was up 8% to N32.9 billion largely due to growth in retained earnings and other comprehensive income (OCI) reserves. The Group's Return on Average Equity (RoAE) for the 2022 financial year stood at 30%, 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 2023 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.

Professor Chika Mordi
Chairman, United Capital Plc

Group CEO's Statement

Distinguished Shareholders,

It is my pleasure to welcome you to the 2023 Annual General Meeting of United Capital Plc and to review how we fared as an organisation during the 2022 financial year.

The year 2023 marks our 10th Anniversary of becoming a publicly quoted Company since we got listed on the Nigerian Stock Exchange on 13th January 2013 with a closing share price of N1.16 on January 14, 2013, and I am delighted to affirm that it has it has been a decade of excellence and progress for both the organisation and its shareholders. I am deeply humbled by the value you have placed on the company as witnessed in the remarkable growth of our share price over the years.

Distinguished shareholders, you will recall in the last annual report that presented our business outlook for the year 2022, captioned "Organisational Stability and Sustainable Growth" amid the tough business terrain, and the severely devastated operating environment in the wake of the high inflationary pressures, I am honoured to say that we kept true to our promise of delivering stable shareholder value during the year as you would have seen in the financial statements.

It is on this assuring note that I present an appraisal of how your Company fared during the financial year 2022. For us at United Capital, the year under review also marked the beginning of a new Corporate Strategy cycle poised to consolidate and build on the solid foundation for a new phase of sustainable growth and corporate transformation.

I will certainly highlight progressive developments which continue to shape our business approach but first, let me touch on noteworthy events that defined our operating environment during the year 2022.

GCEO's Statement *cont'd*

Our Operating Environment

The year 2022 was quite eventful from a global macroeconomic perspective. On a positive note, COVID-19 infections declined significantly across the world indicating a full-scale recovery from the pandemic as global economic activities was bolstered. However, several other events were not so positive. The Russia-Ukraine war which started February 24 intensified and lingered throughout the year 2022 resulting in thousands of casualties and millions of displaced refugees.

> Commodity prices like Brent Crude Oil spiked over 75% in Q1-2022 stoking already hot inflation toward 10% globally.

Consequently, the US Federal Reserve and global central bank counterparts reversed course from accommodative monetary policies by using stimulus funds to promote post-pandemic recovery and adopted more contractionary policies by increasing interest rates to mop-up cash from the markets to cool inflation.

The hawkish stance adopted by central banks globally and persistent interest rate hikes triggered bearish sentiments in equities markets among other higher-risk investment asset classes. Consequently, global equities markets performance indices
were subdued in 2022. The Financial Times Stock Exchange, United Kingdom (UK FTSE) was up 0.9%; Shanghai Stock Exchange, China (China SSE) declined 15.6% and Standard & Poor's 500 (S&P 500), United States declined 19.4% in 2022. In stark contrast to its global equities market peers, the Nigerian All Share Index (NSE: ASI) grew 20% in 2022 driven by a year-end recovery in previously beaten down stock prices.

The domestic front was not isolated from macroeconomic headwinds in the global space. Between a seventeen-year high inflation, energy crisis, tightening monetary policy, slow GDP growth, and the lingering effects of the COVID-19 pandemic, the domestic operating terrain was far from smooth during the year 2022.

The Nigerian economy continued its recovery path in the aftermath of the pandemic induced recession, indicating the economy's resilience in the post-covid era. As real Gross Domestic Product (GDP) expanded for eight consecutive quarters, Nigeria's Gross Domestic Product (GDP) grew, in real terms, by 2.96% year-on-year over the first nine-month period in 2022 (Q1-2022 2.25%, Q2-2022 3.54% and Q3-2022 3.11%).

Expectedly, the non-oil sector was the growth catalyst during the year 2022 driven by Construction, Trade, Information & Communication (ICT) and Real Estate sub-sectors which helped offset sub-par growth in Agriculture sector and drags from the Manufacturing, Mining & Quarrying as well as oil production shortfalls which negatively impacted oil sector growth despite elevated crude oil prices.

Furthermore, headline Inflation rate rose to 21.34% by December 2022 on the back of heightened food supply disruptions, spikes in importation costs due to local currency depreciation and a rise in production costs. In a bid to address these issues, the Monetary Policy Committee (MPC) of the Central Bank of Nigeria (CBN) maintained a hawkish stance throughout the year, as the country's Monetary Policy Rate (MPR) witnessed four consecutive hikes in 2022, bringing total rate hikes for the year to +500bps and the Monetary Policy Rate at 16.5% by December 2022, from 11.5% in March 2022. Similarly, the MPC raised its Cash Reserve Ratio (CRR) by +500 basis points during the year to 32.5% maintaining its Asymmetric corridor at 100/-700 basis points around the MPR while retaining the Liquidity Ratio at 30%.

Despite the harsh operating environment in 2022, the Group successfully navigated the tough terrain and sustained its growth trajectory as witnessed in our financial performance among other progressive developments and organisational milestones.

GCEO's Statement *cont'd*

Organisational Milestones & Progressive Developments

The Group achieved several milestones and delivered iThe Group achieved several milestones and delivered impressive growth outcomes across business lines during the year under review among other progressive developments which placed the organisation on the path of stable growth highlighted below:

- United Capital Plc was globally recognised as one of the Fastest Growing African Companies in 2022 by the prestigious Financial Times London on May 3, 2022.

- The Group secured final approval and obtained microfinance banking license from the Central Bank of Nigeria. This organisational milestone provides leeway for expansion in business activities, earnings diversification and social impact towards achieving our aspiration to transform lives and deepen financial inclusion by improving access to credit, investments and capital raising solutions in our operating environment.
- United Capital Plc bagged the 2022 Sectorial Leadership Award (Financial Services – Other Financial institutions) at the 2022 Pearl Awards. This is in recognition of our contribution as a listed company to the development of the Nigerian Financial sector.
- All our operating subsidiaries were profitable and entrenched practices to ensure business sustainability into the foreseeable future, in line with our philosophy of operating resilient and profitable businesses.
- Our Investment Banking business acted as Joint Issuing House to Dangote Industries Limited (DIL) $1 billion bond issuance which turned out to be the largest bond issuance in the Nigerian Debt Capital Market by a corporate entity.
- Our Trustees business cemented its industry leadership as the number one Trustee business in Nigeria in terms of Funds under Management (FUM). The business grew its Private Trust FUM by over 115% year on year from N41 billion in 2021 to over N88 billion in 2022.
- We made significant impact in the underserved markets and expanded partnerships with agencies in the public sector. Our Consumer Finance disbursed over 130,000 loans totalling N21 billion, up 73% year-on-year from N11.7 billion disbursed in the previous year.
- As a responsible player in the Nigerian Capital market, we launched a financial literacy program titled "Money Savvy Kids" aimed at promoting financial literacy among children and teenagers.

2022 Financial Performance

Income: For the year ended 31st December 2022, the Group delivered a total revenue of ₦26.90 billion, a 49% increase from ₦18.07bn earned in 2021. Likewise, the Group's Net Operating Income spiked 50% year-on-year to ₦24.89 billion during the year under review from ₦16.24 earned in 2021, driven by robust growth in fee and commission income (+32% year-on-year), Investment Income (+55% year-on-year) and Net trading income (+107% year-on-year).

GCEO's Statement *cont'd*

Expenses: Operating expenses was up 131% year-on-year to ₦13.72 billion (from ₦5.94 billion in 2021), driven by impairments (credit loss expense) on some investments in emerging market sovereign bond instruments which were downgraded during the year under review. Considering the increased country risk of default resulting from the sovereign bond instrument downgrade, and our record-high revenue generation during the year 2022, the Board proactively decided to incur specific and general impairment expenses up to ₦6.17 billion (from ₦0.45 billion in 2021).

Earnings: Consequently, pre-tax earnings rose 13% year-on-year to ₦13.50 billion, from ₦11.92 billion, as all our subsidiaries and regional businesses were profitable. We remained steadfast in operating resilient and profitable businesses amid the tough operating environment during the year 2022.

Financial Position: The Group's Total Assets rose 33% year-on-year to ₦601.92 billion from ₦454 billion at the end of 2021driven by 179% growth in cash and cash equivalents during the year under review. Our Shareholders' Funds rose 8% year-on-year to ₦32.99 billion from ₦30.55 billion at the end of the year 2021 driven by 2% growth in retained earnings.

Shareholder Returns: Furthermore, the Group delivered solid real returns to shareholders as return on average equity (RoAE) for the year under review stood at 30.38%, far surpassing average headline inflation (18.77%) and Nigerian All Share Index (20.00%) in 2022. Consequently, our share price closed the year 2022 at ₦14.00, up 41% year-on-year from ₦9.90 at the end of 2021.

United Capital 2023: Staying Ahead Amid Progressive Developments

Business sustainability, innovation, digitalization, and increasing global competition for talent are megatrends that will define how we operate in the new year given our long-term business objectives and goals. We will continue to position the organisation as a globally reputable financial institution with the best team of professionals creating solutions and unique experiences for our clients and delivering superior value to all stakeholders while fostering social development and promoting financial inclusion across the geo-political zones that we operate.

The year 2023 is bound to be quite eventful in the global space and our domestic economy. As consumer prices and inflation across advanced and emerging economies remain elevated, Central Banks globally are likely to continue with contractionary policies with diverse implications on financial markets and subdued global growth outlook for 2023. On the domestic scene, we anticipate a successful general elections and smooth transition to a new national political dispensation come May 2023, and these outcomes had been factored into our year 2023 business outlook projections.

Distinguished shareholders, a major organisational milestone objective for us in 2023 is to grow our total funds under management beyond one trillion-naira (NGN1trillion) mark comprising mutual funds, trusts and other managed portfolios through increased product uptake and expanded distribution channels. We will not relent in our quest towards building a formidable financial services group to optimise value creation and delivery to all our stakeholders while navigating the tough terrain.

As we monitor how the global economy and domestic operating landscape develops this year 2023, we are assured that United Capital as a diversified group is better positioned than ever before to stay ahead of elements in the operating environment that could truncate our organisational growth potential by exploiting vistas of unique business opportunities across key sectors that drive job creation, real sector development and economic prosperity.

Notwithstanding, we will strengthen our Risk Management practices, Internal Controls and Information Management systems to protect investor assets, eliminate avoidable losses and strengthen the institutional integrity of the organisation.

In conclusion, I remain thankful to the Board of Directors for upholding strong governance standards in the pursuit of our goals and aspirations. I am grateful to the

Management Team and indeed all employees for their relentless contribution to the growth of the organisation while building a robust financial institution that is fast becoming a reference point in the global financial services sector.

Thank you for reading.

A Prosperous 2023 to us all.

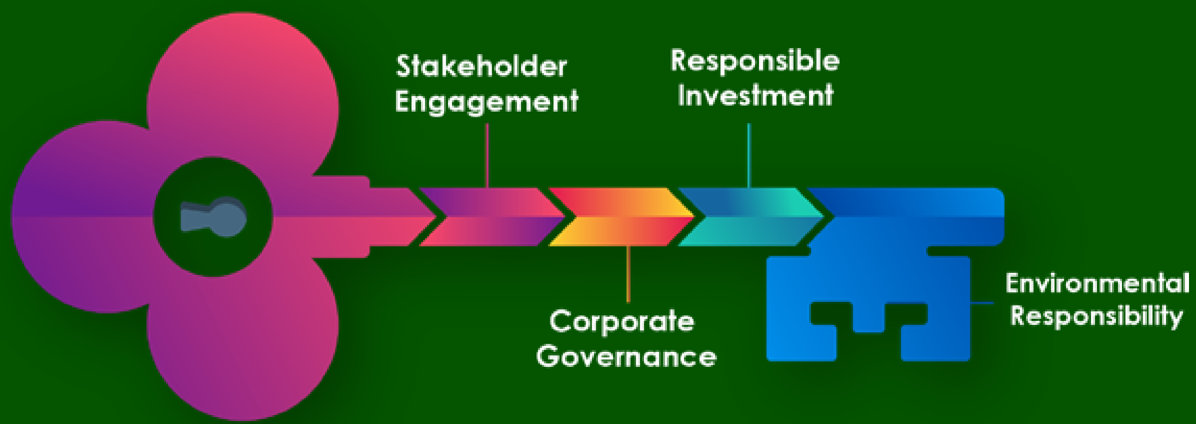
Peter Ashade
Group Chief Executive Officer

Sustainability Report

As a leading financial services institution, United Capital plays a strategic role in helping individuals, corporates and governments achieve their strategic objectives through our robust suite of financial and investment service offerings. In line with the increased call for corporate organizations to look beyond financial performance and ensure that they do business in a more sustainable manner, we are committed to ensuring continuous improvement of our sustainability journey in line with our sustainability strategy.

Our sustainability strategy is aspirational, and our goal is to continuously improve our practices to achieve long-term economic and social value for all our stakeholders.

Our sustainability strategy is centered around four key pillars:



Sustainability Report *cont'd*

Stakeholder Engagement

We proactively and responsibly engage our stakeholders as we are committed to ensuring that our business decisions and practices are beneficial to all stakeholders.

Corporate Governance

We are committed to upholding the highest corporate governance standards and ensuring that our corporate governance policies and practices align with our overall sustainability goals.

Responsible Investment

As a leading financial services institution, we are deliberate about responsible investment practices across our businesses. This entails development of sustainable products and service offerings; and investment in sustainable businesses and asset classes, which will add economic and social value to the environment.

Environmental Responsibility

We understand the importance of the environment and the need for us to play our role in the protection and preservation of the environment. Accordingly, we strive to adopt responsible environmental practices across all our office locations.
Please see details of our activities in 2022 across each of the four key pillars.

ON STAKEHOLDER ENGAGEMENT

At United Capital, we understand the importance of our stakeholders and we value the trust that our stakeholders have consistently placed in us over the years.

Accordingly, we strive to ensure that our actions uphold this trust by proactively engaging our stakeholders in an open, responsible and constructive manner. We strive to maintain relationships of mutual respect, trust and collaboration with both internal and external stakeholder groups. Also, we recognize the importance of understanding and responding to the needs of our stakeholders, and we strive to build strong relationships with them by providing accurate and timely information, responding to their inquiries in a timely manner, and actively engaging in dialogue. We believe that this open dialogue will help us better understand the needs of our stakeholders and develop sustainable solutions to enable us serve them better.

In addition, we are committed to providing our stakeholders with a means to provide feedback, share ideas and concerns, and help shape the future of our organization. We are committed to transparency and accountability, and we strive to be responsible custodians of our clients' investments.

Above all, we are committed to making a positive contribution to our stakeholders' lives and to the communities in which we operate. We also strive to create economic opportunities and to make a positive impact on the environment, society and the economy.

Please see below highlights of our engagement activities for each stakeholder group:

Employees

> "On what high-performing companies should be striving to create: a great place for great people to do great work.

At United Capital, we are committed to creating an enabling environment which allows our employees to thrive. We are an equal opportunity employer and as part of our overall people strategy, we increasingly seek out ways to ensure that our people are engaged through among others, upholding our three core values of Enterprise, Excellence and Execution (the "3Es"), carving out a clear career path for our employees, providing

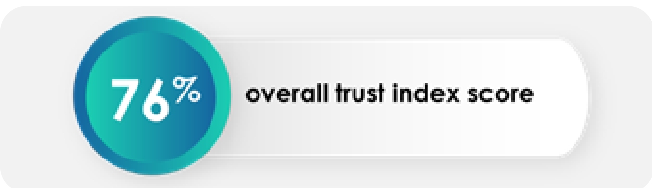
Sustainability Report *cont'd*

opportunities for growth, recognizing top performers, promoting transparency, active use of 360 feedback mechanisms, deployment of employee engagement surveys and continuous improvement on identified areas of improvement.

Chat with the Group CEO

We ensure that employees at all levels are duly informed of the strategic priorities of the Group for each year. In view of this, the Group Chief Executive Officer (the "Group CEO") holds an interactive session with all employees at least twice a year. The session, dubbed "Chat with Peter" is an interactive session which affords employees the opportunity to hear directly from the Group CEO on how the Group has fared so far and the strategic priorities going forward. In addition to the strategic priorities, employees also get to engage the Group CEO directly on pain points and required areas of improvement. These chats have proven quite useful as they give our people a sense of belonging and the awareness of the key part they play in achieving our corporate goals.

"Great Place to Work" Survey



In 2022, we deployed a "Great Place to Work" Survey to measure employee engagement levels. The company recorded a 76% overall trust index score in the survey which was completed by employees across the United Capital Group. As a show of our commitment to continuous improvement across all touch points, identified areas of improvement are already being addressed.

UCAP Graduate Trainee Program

As part of our overall talent management strategy, we launched the United Capital Graduate Trainee program in 2022. The program is an intensive 9-month program which attracted several applications from qualified candidates. Following an extensive screening process and comprehensive evaluations, outstanding candidates were selected and were made to undergo intensive technical trainings on the core areas of our businesses and operations; as well as culture immersion sessions on our corporate culture. The program was highly successful as the shortlisted candidates assigned to different parts of the Group are excelling in their assigned roles. The program will also help create a solid talent pool for United Capital, ensuring that we have the right people in all positions across the Group.

Employee Trainings & Executive Coaching

> Learning is not attained by chance. It must be sought for with ardor and attended to with diligence.

Sustainability Report *cont'd*

In line with our commitment to ensuring that our people are equipped with the right skills to enable us compete favourably in the markets in which we operate, we take learning and development very seriously. Through the year, our people participated in several trainings and conferences relevant to their job roles. We also received refunds from the Industrial Training Fund on trainings held and our participation in the Students' Industrial Work Experience Scheme (SIWES).

In addition, we held Knowledge Sharing Sessions on a regular basis to address identified knowledge gaps and keep employees informed of trends and new developments in their areas of focus. We also have an internal learning portal which has courses on varying subjects. We set learning targets for all employees across board, and we actively work with employees to ensure that these targets are met.

During the year, as part of our commitment to having effective leadership across board, we held an executive coaching program for senior management officers covering key leadership and management lessons to enable senior management officers lead more effectively. More leadership trainings will be held in the coming years as we solidify our commitment to having effective leadership across all levels.

My UCAP Experience

At United Capital, we pride ourselves in being a people-centric organization; a value deeply rooted in our daily culture. We launched #MyUCAPExperience in 2021 – an internal video series where employees share their unique experiences working in United Capital. The second season of #MyUCAPExperience was rolled out in 2022, with short interviews from employees across the organization.

Other Employee Engagement Exercises

"…A great place for great people to do great work"!

We also celebrated with our people all through the year. From Valentine's Day celebrations to Christmas celebrations – and everything in between – Workers' Day and Africa Day. We kept our employees delighted all thorough the year.

Sustainability Report *cont'd*

Our Awards

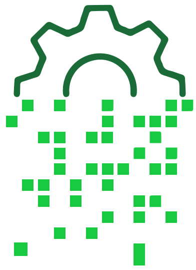
Our people also received some awards during the year:

> “Excellent customer service is the number one job in any company! It is the personality of the company and the reason customers come back. Without customers, there is no company!”

Our Clients

At United Capital, our clients are at the core of our stakeholder management strategy because of the key role they play in our continued existence. In line with our core value of excellence, we are committed to excellent service delivery and continuous improvement of the service that we provide to our clients.

Digital Transformation



In a bid to ensuring excellent service delivery, we set up a Digital Transformation Directorate in 2021 to overhaul the customer experience journey leveraging technology. As part of the digital transformation drive, we have commenced a number of projects aimed at providing world class service delivery to our customers.

One of the biggest initiatives was a complete infrastructure overhaul. We are replacing obsolete end-of-life infrastructure with new ones. This will not only help provide sufficient resources needed to deliver cutting edge applications that enhance the customer experience, but will also ensure that we proactively monitor both software and hardware assets with best-in-class tools. The benefit of this is high availability, reliability and security of the numerous solutions serving our customers.

In our digital transformation drive, we also embarked on several other critical activities beyond infrastructure. We are leveraging Data Analytics and Artificial Intelligence to know and serve our customers better. This opens up the opportunity to make optimized business decisions and customer-centric service delivery - one customer at a time.

We are also rebuilding our transaction and communication channels. We revamped our mobile and web applications to cater to modern needs of our customers. We are also automating many of our internal processes for efficient service delivery. We deployed new Customer Relationship Management (CRM) solutions to get a 360 degree view of our customers and their needs. These, amongst many other initiatives, are aimed at positioning United Capital as a modern and efficient financial institution, deploying technology solutions to meet clients' needs.

Sustainability Report *cont'd*

Data Protection and Privacy

As we leverage on data analytics, we are aware of our responsibilities as custodians of sensitive personal information of our clients. To this end, we are committed to the highest standards of data protection and privacy and overall data governance. We work with data protection officers as required to ensure full compliance with applicable data protection regulations.

All our entities are whitelisted by the Nigerian Data Protection Bureau, as we have sufficient organizational and technical measures in place to ensure the security of our clients' information. We also undertake an annual independent audit of our data privacy and protection policies as required by regulation and we ensure that recommended areas of improvement are promptly addressed.

Also, to ensure that all our employees are aware of their data privacy and protection obligations, we hold regular sensitization exercises to ensure that data protection and privacy stay top-of-mind with our employees at all times.

The Customer Experience Journey

We are committed to continually improving the customer experience journey of our customers and ensure we have a 360-degree view of all our customer interactions. We strive to provide a seamless, personalized experience that meets the needs of our customers and reflects our core values - Excellence, Execution And Excellence (the "3Es"). To achieve this goal, we adopt a holistic approach to customer experience improvement and take a proactive approach to understanding our customers, their needs, and how our services can best meet those needs. We also regularly review customer feedback and use it to inform and refine our strategies for providing the best possible service. We also ensure that complaints are handled expeditiously and that our processes are continuously improved to reduce complaints.

Other Stakeholders

> " The greatness of a community is most accurately measured by the compassionate actions of its members.

We also actively manage our other stakeholders through proactive and meaningful engagements. All through the year, we had a few engagement initiatives. Please see some highlights below.

Drops of Kindness

On February 14, 2022, in the spirit of Valentine, we embarked on "Drops of Kindness" campaign with the aim of recognizing, celebrating and rewarding individuals who have impacted their communities. We called for nominations on our social media channels and we received numerous entries. Following an extensive review, we selected outstanding nominees who are actively making a difference in their communities across the following key Sustainable Development Goals ("SDGs") and we rewarded them with a token in appreciation of their contributions to the community:

Sustainability Report *cont'd*

Money-Savvy Kids

We held a Back-to-School campaign which was deployed in two phases: Money Savvy Kid - a financial literacy workshop/competition with the goal of equipping kids between ages 7 and 12 with essential money management skills that will groom them to be financially responsible adults.

The second phase of the Back-to-School campaign - "A Day as CEO" – a reward scheme for the best performing participant of Money Savvy Kid workshop/competition. As the competition's first-place winner, 11-year-old Pharez Obioha was given the unique opportunity of serving as the CEO of United Capital Plc for one day.

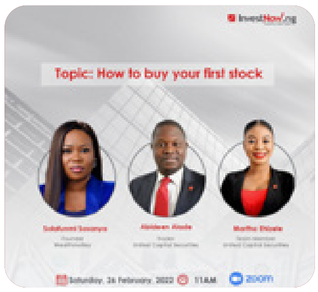
Money Minute Radio Show

We also ran a financial literacy programme on the radio – "Money Minute powered by United Capital Plc" - a 15-minute programme aimed at providing on-the-go financial education to individuals and businesses. The interview-style show takes on an interactive and simplistic approach to discussing personal finance as it relates to money management, investment culture, and wealth generation & sustenance.

With a 13-episode arc, the first season debuted in May and was structured to spotlight product offerings across all our businesses, with our financial advisors serving as expert guests. The show positioned United Capital as a proponent for financial literacy and financial inclusion in Nigeria.

Investment Clinics

Still on financial literacy, we also held investment clinics and chats across digital platforms on personal finance themes.



Some topics covered include:

- How to grow your wealth in today's economy
- How to buy your first stock
- How to build wealth as a salary earner

Sustainability Report *cont'd*

Sponsorships

We hosted a number of events during the year and sponsored other events held by our stakeholders.

West Africa Capital Markets Conference

The West Africa Capital Markets Conference (WACMAC) is a biennial conference organized by the West Africa Securities Regulators Association (WASRA). The conference with the theme: "Deepening and Strengthening the Capital Markets Across West Africa through Effective Regulation", held in Ghana in May 2022 and was attended by representatives of the Securities and Exchange Commissions and other capital markets operators, across West Africa, including the Director-General of the Nigerian Securities and Exchange Commission, Dr. Lamido Yuguda, who also serves as Chairman of WASRA.

The Managing Director of our Investment Banking Business, Dr. Gbadebo Adenrele was one of the speakers at the session along with other capital markets stakeholders. This event was an opportunity for us to engage with capital markets stakeholders across West Africa and showcase and highlight our work and commitment to providing our services across Africa.

CEO Breakfast Session with the Insurance Industry

In July 2022, we held an engagement session with industry leaders, policymakers and other key stakeholders in the insurance sector. This session afforded us the opportunity of interacting and initiating conversations which would spur growth in the budding insurance sector in Nigeria. As a Group, we continue to collaborate closely with the Insurance sector as we believe in building strategic synergies and partnerships to enable us add more value to our stakeholders.

Association of Issuing Houses of Nigeria Annual Dinner

United Capital Plc has always been a key part of the Association of Issuing Houses of Nigeria (AIHN). In July 2022, to further solidify our role as one of the foremost Issuing Houses in the market, we were one of the sponsors of the annual AIHN dinner and award ceremony, which brings together stakeholders in the Nigerian Issuing Houses space and afford the opportunity of not only networking with peer companies but also to discuss topical issues relevant to our operations and proffering actionable solutions for the good of the entire market.

Sustainability Report *cont'd*

Investiture Ceremony of the Chartered Institute of Stockbrokers

We also sponsored the investiture ceremony of the Chartered Institute of Stockbrokers which held in July 2022, which was also an opportunity for us to solidify our relationship with stakeholders in the Nigerian stockbroking space.

Capital Markets Correspondents Association of Nigeria Workshop

The Capital Market Correspondents Association of Nigeria (CAMCAN) is the umbrella association for journalists in the print and electronic media reporting on activities in Nigeria's Capital Markets space. As a show of support to the CAMCAN community to continue to report the activities of the capital markets in a professional and forthright manner, we sponsored the CAMCAN Workshop which held in December 2022 and was attended by regulatory officials, policy makers, executives of capital market operators and other thought leaders across the country.

FMAN Cup

We participated in the first edition of the Fund Managers Association of Nigeria's football tournament which held in May 2022, and we emerged as the winner of the tournament. Our participation in the tournament helped enhance our relationship and interactions with members of the Fund Managers Association of Nigeria (FMAN) and created further awareness for United Capital in the Nigerian funds management space. In addition to the FMAN Cup, we also played some friendly matches with other peer companies which further solidified our relationship with these companies.

Other Events

Beyond market specific events, we also collaborated with a few organizations focused on adding economic and social value to the community.

Women in Management Africa Awards

This award ceremony was held in Tanzania in March 2022. The MD/CEO of United Capital Asset Management Limited, Mrs. Odiri Oginni, won the Excellence in Leadership Award. Our participation in the event and the recognition of the MD/CEO of our Asset Management business is a testament of our commitment to supporting gender equality initiatives across Nigeria and Africa.

Sustainability Report *cont'd*

Ikoyi Club Open Golf Championship

In November 2022, as part of our community engagement efforts and encouragement of women participation in sports, we sponsored the Ikoyi Club Open Golf Championship which was a 3-day annual international event which attracted female golfers from around Africa, who had achieved the status of the World Amateur Golf Ranking (WAGR). This also solidified our support for women-led initiatives across all spheres.

ON CORPORATE GOVERNANCE

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. In line with emerging trends, and in addition to the other corporate governance focus areas, we are consistently ramping up our capacities in the following key corporate governance areas:

- **Ethical Leadership:** We are committed to adherence to ethical standards and integrity in all our operations. This entails institutionalizing and implementing our Code of Conduct, Insider Trading Policy, Whistleblowing Protection measures and other corporate governance policies.

- **Board of Directors:** We have a highly effective Board, with Directors who are independent and have the necessary depth of knowledge to oversee the Group's operations. We also have an effective system of checks and balances to ensure that decisions are made in the best interests of the Group at all times.

- **Risk Management:** We proactively monitor the risks across our lines of business and areas of operation. Accordingly, we have a comprehensive risk management framework in place to identify, measure, monitor, manage and mitigate potential risks.

- **Transparency and Accountability:** We are committed to transparency and accountability in our operations. This includes providing timely and accurate financial information to shareholders and other stakeholders. We ensure that our periodic financials are available to the investors promptly. We also hold regular investor calls where we update investors and market analysts on our performance and the plans for the future.

- **Corporate Social Responsibility:** As responsible corporate citizens, we also demonstrate a commitment to social responsibility and sustainability. Over the coming years, we intend to significantly ramp up on our Corporate Social Responsibility (CSR) activities and positively impact our communities on a larger scale.

ON RESPONSIBLE INVESTMENT

As a foremost financial services institutions with businesses across the financial and investment services value chain, we are placing an increased focus on responsible investment policies and practices aimed at creating positive social, environmental and economic outcomes. We will ramp up on providing financial and investment services for the following:

- Projects and initiatives that create measurable social, environmental, and economic outcomes;

Sustainability Report *cont'd*

- Projects and initiatives that promote the use of renewable energy sources, reduce greenhouse gas emissions, and improve the environmental health of their operations;
- Projects and companies that create social benefits, such as improved access to education, healthcare, and workforce development initiatives;
- Projects and companies that promote diversity, equity, and inclusion; and
- Projects and initiatives that promote transparent, accountable, and ethical business practices

We expect that the totality of these initiatives will create meaningful, long-term value for all our stakeholders and society at large.

United Capital Infrastructure Fund

We successfully launched the United Capital Infrastructure Fund in 2021. The Fund is a Naira-denominated fund established to provide long-term financing for the delivery of critical infrastructure that would bridge the infrastructure deficit in Nigeria and sub-Sahara Africa. The focus areas of the Fund include transport, power and utilities, telecommunications, social infrastructure and agri-business. The Fund is duly registered with the Securities and Exchange Commission and has a robust corporate governance framework with a highly effective and experienced Advisory Board and Investment Committee.

Following the successful launch of the Fund, the Fund closed its maiden investment in 2022, which was a N2 Billion senior secured 6-year medium-term refinancing facility in a brownfield lead production and exporting plant, with an initial capacity of 7,000 metric tonnes, rising to 28,000 metric tonnes. The lead producer is involved in the trading of lead via the London Metal Exchange (LME) and supplies across international borders.

Over the coming years, we intend to ramp up on investments in other sectors of impact in line with applicable laws and the governance framework of the Fund.

Our Wealth for Women Fund

We continue to make our Wealth for Women Fund available to the investing public. To ensure that the Fund provides value for all investors, we closely monitor the performance of the Fund and ensure active portfolio management in line with the Trust Deed of the Fund to ensure that the Fund creates value for the investors. The Wealth for Women Fund is a collective investment scheme registered with the Securities and Exchange Commission as a balanced fund targeted primarily at women investors, although open to all prospective investors irrespective of gender.

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 extends to having access to other bouquet of products and services in the financial services value chain including investments, credit and insurance.

As part of our evolving corporate strategy, there has been an increasing focus on the mass retail, under-served segment of the economy. This has been at the center of our product development initiatives as well as our marketing activities.

National Youth Service Corps

We work with the National Youth Service Corps across different states and ensure onboarding of Corps Members to enable them gain access to our retail investment products. 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 younger investors are able to inculcate an investment culture from early on in their career. Without products such as these, investors may not have direct

Sustainability Report *cont'd*

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.

Also, as players in financial services, we have a strict KYC policy which is observed in line with regulatory policies. We however understand that the under-served 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 and other financial crimes. With this approach, we are able to bring more people into the financial system.

ON ENVIRONMENTAL RESPONSIBILITY

As part of our sustainability strategy, we increasingly seek out companies looking to undertake clean energy projects which do little or no harm to the environment. During the year, we invested in a lead recycling plant through the United Capital Infrastructure Fund. Over the coming years, we will explore partnerships with Development Finance Institutions and other institutions on projects which positively impact the environment.

On our part, we operate a paperless policy as we have significantly shifted towards paperless services for our clients through the adoption of our digital platforms. As part of our digital transformation drive, we are are also on a journey of automating our internal processes which will also significantly reduce our paper usage.

We continue to ensure a significant reduction in our carbon footprint by encouraging the use of teleconferences in place of travelling to meet with clients and partners. 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.

Over the coming years, we hope to increasingly ramp up on our environmentally sustainable practices as we are aware of the need to play our part in the protection of our environment.

CONCLUSION

Sustainability is entrenched in the very essence of our purpose of transforming lives through innovative financial and investment solutions. Our approach has always been that of responsibility and integrity in dealing with our different stakeholders. We will continue to work towards our purpose with a view to providing value for all stakeholder groups.

> Our sustainability strategy is aspirational, and our goal is to continuously improve our practices to achieve long-term economic and social value for all our stakeholders.

***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,

Sustainability Report *cont'd*

any obligation or duty to update, revise or supplement them if circumstances or beliefs, expectations or opinions should change. For the avoidance of doubt, no representations or warranties, expressed or implied, are given by or on behalf of United Capital Plc as to the achievement or reasonableness of any projections, estimates, forecasts, targets, prospects or returns in this Report.

Corporate **Governance**

Corporate Governance

United Capital Plc is a Financial Services Group listed on the Nigerian Exchange Limited ("NGX"). 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.

Board of Directors

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 is in accordance with relevant regulatory laws and guidelines. In compliance with the Nigerian Code of Corporate Governance 2018 and the Board Charter, Directors are selected based on their skills, competence and experience. The Board Audit and Governance Committee is vested 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.

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 eight (8) Directors made up of three (3) Independent Non- Executive Directors, three (3) Non-Executive Directors and two (2) Executive Directors i.e., the Group Chief Executive Officer and the Deputy Group Chief Executive Officer.

Board Profile

The Board is made up of the following people:

1.	Professor Chika Mordi	Chairman (Non-Executive Director)
2.	Mr. Peter Ashade	Group Chief Executive Officer
3.	Mr. Sunny Anene	Deputy Group Chief Executive Officer
4.	Mr. Emmanuel Nnorom	Non-Executive Director
5.	Sir Stephen Nwadiuko	Independent Non-Executive Director
6.	Mr. Sonny Iroche	Independent Non-Executive Director
7.	Mr. Oladipupo Fatokun	Independent Non-Executive Director
8.	Mr. Oluleke Ogunlewe	Non-Executive Director

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.

Corporate Governance *cont'd*

Importantly, the CBCE govern the conduct of United Capital in all its relationships 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

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.

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 policy supports the company's remuneration policy which 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.

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

Group		Company	
2022 (₦ 000)	**2021 (₦ 000)**	**2022 (₦ 000)**	**2021 (₦ 000)**
747,016	759,681	184,082	183,558

Corporate Governance *cont'd*

Attendance at Board Meetings

The Board of United Capital Plc met five times in 2022. Please find the record of attendance below:

	Meetings Held				
Names	17/02/22	12/04/22	15/07/22	14/10/22	16/12/22
Chika Mordi	✓	✓	✓	✓	✓
Peter Ashade	✓	✓	✓	✓	✓
Sunny Anene	✓	✓	✓	✓	✓
Emmanuel Nnorom	✓	✓	✓	✓	✓
Sonny Iroche	✓	✓	✓	✓	✓
Oladipupo Fatokun	✓	✓	✓	✓	✓
Sutura Aisha Bello 1*	✓	✓	✓	✓	
Oluleke Ogunlewe	✓	✓	✓	✓	✓
Tokunbo Ajayi 2**	✓				

* Resigned in December 2022
** Resigned in April 2022

Composition 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 regulation and best practice, the Chairman of the Board does not sit on any of the Committees.

The Board of United Capital has two Committees namely:

1. Finance Investment and Risk Management Committee ("FIRM"); and

2. Audit and Governance Committee ("AGC").

Corporate Governance *cont'd*

1. Finance Investment and Risk Management Committee

The responsibilities of FIRM are as follows:

1.1 Formulate and shape the strategy of the Group and make recommendations to the Board for approval.
1.2 Provide oversight on financial matters and the performance of the Group.
1.3 Review and recommend investment opportunities or initiatives to the Board
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.
1.5 Review the Group's investment portfolio annually.
1.6 Monitor, review and assess the integrity and adequacy of the overall risk management framework of the Group.
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.

2. Audit and Governance Committee

The responsibilities of the AGC are as follows:

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

Attendance at Board Committee Meetings

1. Finance Investment and Risk Management Committee

	MeetingS Held			
Names	**16/02/22**	**05/04/22**	**08/07/22**	**07/10/22**
Emmanuel Nnorom	✓	✓	✓	✓
Peter Ashade	✓	✓	✓	✓
Sunny Anene	✓	✓	✓	✓
Sonny Iroche	✓	✓	✓	✓
Sutura Aisha Bello	✓	✓	✓	✓
Oluleke Ogunlewe	✓	✓	✓	✓

Corporate Governance *cont'd*

2. Audit and Governance Committee

Meetings Held				
Names	**16/02/22**	**05/04/22**	**08/07/22**	**07/10/22**
Oladipupo Fatokun	✓	✓	✓	✓
Emmanuel Nnorom	✓	✓	✓	✓
Stephen Nwadiuko	✓	✓	✓	✓
Oluleke Ogunlewe	✓	✓	✓	✓

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:

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).

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.

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.

Corporate Governance *cont'd*

Terms of Reference of SAC

The Terms of Reference of the SAC include the following:

- 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.
- 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.
- 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.
- Review the annual audited financial statements and half yearly unaudited financial statements with management and external auditors.
- Review policies and strategies with respect to risk assessment and management.
- Review and ensure that adequate whistle-blowing procedures are in place and that a summary of issues reported are highlighted to the Chairman.
- 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.
- Preserve auditor independence, by setting clear hiring policies for employees or former employees of independent auditors. 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.

Attendance at SAC Meetings

In the course of the financial year 2022, the Statutory Audit Committee of United Capital Plc met four times as illustrated in the table below:

	Meetings Held			
Names	**16/02/22**	**05/04/22**	**08/07/22**	**07/10/22**
Mr. Paul Olele	✓	✓	✓	✓
Mr. Pastor Alex Adio	✓	✓	✓	✓
Mrs. Faith George Usman	✓	✓	✓	✓
Mr. Oladipupo Fatokun*	✓	✓	✓	✓
Sir. Stephen Nwadiuko*	✓	✓	✓	✓

***Board Representatives**

Corporate Governance *cont'd*

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 abridged version of the United Capital WBP can be viewed on our website: **www.unitedcapitalplcgroup.com**

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

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

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

3. Dedicated email address: whistleblowing@unitedcapitalplcgroup.com

Director's Report

Director's Report

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, Cap C20, Laws of the Federation of Nigeria 2004. It became a public company and was listed on the Nigerian Stock Exchange in January 2013 after a successful spin-off from United Bank for Africa Plc, a commercial bank in Nigeria. United Capital Plc is the first Investment Bank in Nigeria to be listed on the Nigerian Exchange Limited (NGX). UCAP is a holding company with four subsidiaries namely United Capital Trustees Limited, United Capital Asset Management Limited, United Capital Securities Limited and UC Plus 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 & acquisitions and debt capital markets. Through its subsidiaries, it provides additional services such as trusteeship, asset management, securities trading, consumer finance and insurance.

RESULTS

	Group		Company	
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
Gross Earnings	**26,896,411**	**18,065,183**	**13,981,324**	**8,238,600**
Operating profit	13,179,281	12,124,013	11,405,916	6,791,196
Share of profit/(loss) of associates	321,107	(206,412)	-	-
Profit before tax	**13,500,388**	**11,917,601**	**11,405,916**	**6,791,196**
Taxation	(3,847,363)	(658,863)	(2,058,261)	(67,805)
Profit for the period	**9,653,025**	**11,258,738**	**9,347,656**	**6,723,392**
Other comprehensive (loss)/income	1,787,472	(938,423)	1,047,467	62,525
Total comprehensive income	**11,440,497**	**10,320,315**	**10,395,122**	**6,785,916**
Total comprehensive income attributable to Equity holders of the Company	11,440,497	10,320,315	10,395,122	6,785,916
Earnings per share	161	188	156	112

3. DIVIDEND

In respect of the FY 2022 financial performance, the Directors propose that a dividend of 150 kobo per ordinary share of 50kobo each (2021 - 150kobo), amounting to N9billion (2021 - N9billion), be paid to shareholders upon approval at the Annual General Meeting. The proposed dividend is subject to withholding tax at the appropriate tax rate and is payable to shareholders whose names appear on the Register of Members at the close of business on March 14, 2023.

4. BUSINESS REVIEW AND FUTURE DEVELOPMENT

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

Director's Report *cont'd*

5. CHANGES ON THE BOARD

Resignation

During the financial year ended December 31, 2022, Ms. Tokunbo Ajayi, a Non-Executive Director retired after one (1) year on the Board. Her retirement has since been communicated to the Securities & Exchange Commission and the Nigerian Exchange Limited. Similarly, Hajiya Sutura Aisha Bello, an Independent Non-Executive Director resigned from the Board. Her resignation has also been communicated to the Securities & Exchange Commission and the Nigeria Exchange Limited.

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:

6.1 Sir Stephen Nwadiuko

6.2 Mr. Oladipupo Fatokun

The profile of the retiring Directors are available on pages 14 and 15 of the Annual Reports.

7. DIRECTORS' INTERESTS

The interest of the Directors in the issued share capital of the company are recorded in the Register of Directors' shareholding as of December 31, 2022 as follows:

S/N	NAMES OF DIRECTORS	31-Dec-22 DIRECT	31-Dec-22 INDIRECT	31-Dec-21 DIRECT	31-Dec-21 INDIRECT
1	Chika Mordi	12,363	Nil	12,363	Nil
2	Emmanuel Nnorom	Nil	33,421,963 (Vine Foods)	Nil	30,502,000 (Vine Foods)
3	Sunny Anene	6,000,000	Nil	6,000,000	Nil
4	Dipo Fatokun	Nil	Nil	Nil	Nil
5	Peter Ashade	1,215,456	8,784,544 (Artol Investment Company Limited)	1,215,456	8,784,544 (Artol Investment Company Limited)
6	Stephen Nwadiuko	427,600	Nil	427,600	Nil
7	Sunny Iroche	Nil	Nil	Nil	Nil
8	Sutura Aisha Bello	Nil	Nil	Nil	Nil
9	Tokunbo Ajayi	6,702	Nil	6,702	Nil
10	Leke Ogunlewe	Nil	Nil	Nil	Nil

Director's Report *cont'd*

8. ANALYSIS OF SHAREHOLDING

As of the end of 2022, United Capital's shares were held by 260,525 shareholders as analyzed in the table below:

RANGE ANALYSIS AS AT 31-12-2022

Range		No. of Holders	Holders %	Holders Cum.	Units	Units %	Units Cum.
1	1,000	171,494	65.83	171,494	61,497,635	1.04	61,497,635
1,001	5,000	61,391	23.56	232,885	130,476,839	2.18	191,974,474
5,001	10,000	12,220	4.69	245,105	84,909,470	1.42	276,883,944
10,001	50,000	10,884	4.18	255,989	230,213,532	3.82	507,097,476
50,001	100,000	1,825	0.7	257,814	131,947,022	2.2	639,044,498
100,001	500,000	1,943	0.75	259,757	410,708,249	6.92	1,049,752,747
500,001	1,000,000	351	0.13	260,108	258,374,046	4.26	1,308,126,793
1,000,001	5,999,999,999	417	0.16	260,525	4,691,873,207	78.16	6,000,000,000
Grand Total		**260,525**	**100%**		**6,000,000,000**	**100%**	

8.1 SHARE CAPITAL HISTORY

Period	Authorised unit of shares		Issued and paid		Type
	Increase	Cumulative	Increase	Cumulative	
2002	600,000,000	600,000,000	300,000,000	300,000,000	Initial capital
2006	3,400,000,000	4,000,000,000	1,700,000,000	2,000,000,000	Increase
2013	2,000,000,000	6,000,000,000	1,000,000,000	3,000,000,000	Right issue

8.2 SUBSTANTIAL INTEREST IN SHARES (10% and above)

As of the end of December 31, 2022, the shareholders with 5% and above are shown in the table below:

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

8.3 SUMMARY OF DEALING IN UCAP SHARES FOR THE YEAR ENDED DECEMBER 31, 2022

QUARTER	DAILYAVERAGE	TOTAL
MARCH QUARTER	163,330,000	489,990,000.00
JUNE QUARTER	73,507,000	220,520,000.00
SEPTEMBER QUARTER	34,980,000	104,940,000.00
DECEMBER QUARTER	35,683,000	107,050,000.00

Director's Report *cont'd*

9. DIRECTOR'S REMUNERATION

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

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

10. ACQUISITION OF OWN SHARES

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

11. PROPERTY, PLANT AND EQUIPMENT

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

12. EMPLOYMENT AND EMPLOYEES

Employment of Physically Challenged Persons

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

Health, Safety at Work and Welfare of Employees

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

Employee Involvement and Training

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

Director's Report *cont'd*

Research and Development

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

13. EVALUATION

13.1 Board Evaluation

A Board evaluation was undertaken in 2022 by Angela Aneke & Company Limited. 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.

13.2 Corporate Governance Evaluation

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

14. COMPLIANCE

Securities Trading Policy

In compliance with the Rules of the Nigerian Exchange Limited, we have put in place a Securities Trading Policy to guide Directors, Employees, External Advisers and related parties on trading in the securities of the company during the closed period. Under this policy the closed period is when no Director, Employee and Related Party with inside information can trade in the securities of the company. The closed period is 15 days prior to the date of any meeting of the Board of Directors proposed to be held to consider any of the matters or the date of circulation of agenda papers pertaining to any of the said matters (whichever is earlier), up to 24 hours after the price sensitive information is submitted to the Exchange, the trading window shall thereafter be opened:

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

Director's Report *cont'd*

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 Compliant Management Framework in place which has been uploaded on its website.

Company's Remuneration Policy

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

Whistle Blowing Policy

The Company has a Whistle Blowing Policy in place. This was extensively reviewed by the Board and it covers among other things the procedures for the receipt, retention and treatment of information received from whistle blowers and the custodian of the dedicated line.

15. 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, 2022.

16. AUDITORS

The external Auditors, Messrs. Pricewaterhousecoopers has confirmed their willingness to continue in office in accordance with the Companies and Allied Matters Act, 2020. A resolution will be proposed at the Annual General Meeting to authorize the Directors to determine their remuneration.

BY THE ORDER OF THE BOARD

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

AA&Co

Angela Aneke & Co. Suite 81 Dolphin Plaza, Corporation Drive, Dolphin Estate, Lagos, Nigeria, boardevaluations@angelaanekeco.com

March 1, 2023

Statement by the External Consultants on the Board Evaluation of United Capital Plc. for the year ended December 31, 2022

The Board of Directors of United Capital Plc. (the "Company") engaged Angela Aneke & Co. Limited to perform an evaluation of the Board for the year ended December 31, 2022, in line with the requirements of Principle 14 of the Financial Reporting Council's Nigerian Code of Corporate Governance (FRC Code). The agreed scope of services for the evaluation exercise was specified in our letter of engagement.

The criteria for our review and report are benchmarked against principles in the FRC Code, Securities and Exchange Commission's Corporate Governance guidelines (SCGG), the Company's corporate governance framework, as well as global best practice.

Our methodology included a review of documents provided by the Company, research on global best practice, interviews, and questionnaires, including an online self and peer assessment by members of the Board. Our detailed report has been submitted to the Board of Directors for their adoption and further action.

The Chairman provides effective leadership to the Board to ensure that the Company's strategic objectives are met and plays a lead role in the assessment, improvement, and development of the Board. He also provides guidance to the Group CEO in the discharge of his duties.

United Capital Plc has an effective Board guided by an established Board Governance Charter. The mandates and terms of reference of the Board Committees are clearly defined in the Board Governance Charter and they address the effective monitoring of financial performance, strategy, governance, remuneration, risk management, internal audit and controls, regulatory compliance, and information technology governance. Furthermore, Directors largely achieved 100% attendance at the Board and Board Committee meetings held in 2022.

The Board and its Committees are composed of seasoned professionals with a wealth of experience committed to the long-term success of the Company. It is a forward-thinking and cohesive Board, with an appropriate balance of skills and diversity including experience, age, and gender. The Board executed its functions of Strategic Direction, Policy Formulation, Decision Making and Oversight within the year objectively and effectively.

On the basis of our work, we conclude that the Board of United Capital Plc is effective and continues to demonstrate a commitment to maintaining strong corporate governance in line with global best practice. Its corporate governance framework is established, and the Company has substantially applied the 28 principles of the FRC Code.

Yours faithfully,
FOR: **Angela Aneke & Co. Limited**

Angela Aneke
Managing Director

AA&Co

Angela Aneke & Co. Suite 81 Dolphin Plaza, Corporation Drive, Dolphin Estate, Lagos, Nigeria, boardevaluations@angelaanekeco.com

March 1, 2023

Statement by the External Consultants on the Corporate Governance Evaluation of United Capital Plc. for the year ended December 31, 2022

The Board of Directors of United Capital Plc (the "Company") engaged Angela Aneke & Co. Limited to perform a Corporate Governance Evaluation for the year ended December 31, 2022, in line with the requirements of Principle 15 of the Financial Reporting Council's Nigerian Code of Corporate Governance (FRC Code). The agreed scope of services for the evaluation exercise was specified in our letter of engagement.

The criteria for our review and report are benchmarked against the 28 principles of the FRC Code, Securities and Exchange Commission's Corporate Governance guidelines (SCGG), the Company's corporate governance framework, as well as global best practice.

Our methodology included a review of documents provided by the Company, research on global best practice, interviews, and questionnaires, including an online self and peer assessment by members of the Board. Our detailed report has been submitted to the Board of Directors for their adoption and further action.

United Capital Plc. has an established system of corporate governance underpinned by a Board Governance Charter as well as various policies and charters that guide the governance culture of the Company. The mandates and terms of reference of the Board Committees are clearly defined in the Board Governance Charter and they address the effective monitoring of financial performance, strategy, governance, remuneration, risk management, internal audit and controls, regulatory compliance, and information technology. Policies that address risk management, internal control, code of conduct, business ethics, shareholder engagement, and disclosures are well established at United Capital Plc.

An effective framework for managing risk and an effective internal control is in place at United Capital Plc. The risks the company faces and risk mitigating strategies are monitored and reported to the Board at its quarterly meetings. The internal control function also provides assurance to the Board and its Committees on its effectiveness at its quarterly meetings . A whistle blowing framework for reporting illegal and unethical conduct is also in place. In 2022, the Company remained committed to sustainability and acted as a responsible citizen by embarking on several corporate social responsibility activities.

On the basis of our work, we conclude that corporate governance practices at United Capital Plc are effective and are in line with global best practice. The corporate governance framework of the Company has substantially applied the 28 principles of the FRC Code.

Yours faithfully,
FOR: **Angela Aneke & Co Limited**

Angela Aneke
Managing Director


United Capital
Securities
You don't need to go on an adventure to find your lost shares
Recover your unclaimed dividends with UTRACE
Download the InvestNow App
Available On App Store
Available On Google Play

Financial **Statements**

STATEMENT OF DIRECTORS'RESPONSIBILITIES

The Directors of **United Capital Plc** are responsible for the preparation of the consolidated and separate financial statements that give a true and fair view of the financial position of the Group and Company as at 31 December 2022, and the results of its operations, cash flows and changes in equity for the period ended, in compliance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Allied Matters Act of Nigeria, the Financial Reporting Council of Nigeria Act and the Investments and Securities Act.

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

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

The Directors are responsible for:

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

Going Concern:

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

The consolidated and separate financial statements of the Group and Company for the period ended 31 December 2022 have been authorised for issue and were approved by the Board of Directors on 24th February 2023.

On behalf of the Directors of the Group

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

REPORT OF THE STATUTORY AUDIT COMMITTEE

For the year ended December 31, 2022

To the members of United Capital Plc

In the course of the financial year 2022, the Statutory Audit Committee of United Capital Plc met four times as illustrated in the table below and all members were present.

Meeting Held				
Names	**16/02/22**	**05/04/22**	**08/07/22**	**07/10/22**
Mr. Paul Olele	✓	✓	✓	✓
Pastor Alex Adio	✓	✓	✓	✓
Mrs. Faith George Usman	✓	✓	✓	✓
Mr. Oladipupo Fatokun	✓	✓	✓	✓
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:

- The accounting and reporting policies of the Company for the year ended December 31, 2022 are consistent with legal requirements and ethical practices.
- The internal audit programs are extensive and provide a satisfactory evaluation of the efficiency of the internal control systems.
- The scope and planning of the statutory independent audit for the year ended December 31, 2022 are satisfactory; and
- 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 28, 2023

Members of the Statutory Audit Committee

1. Mr. Paul Olele — Chairman
2. Pastor Alex Adio — Member
3. Mrs. Faith George-Usman — Member
4. Mr. Oladipupo Fatokun — Member
5. Sir. Stephen Nwadiuko — Member

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. 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.

OPERATIONAL RISK MANAGEMENT *cont'd*

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.

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

3. Reputational Risk

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

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

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

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

4. Capital Management

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

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

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

The Group's capital is divided into two tiers:

- **Tier 1 capital:** core equity tier one capital including ordinary shares, statutory reserve, share premium and general reserve.

OPERATIONAL RISK MANAGEMENT *cont'd*

- **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.

	December 2022	December 2021
Tier 1 capital	**N'000**	**N'000**
Share capital	3,000,000	3,000,000
Share premium	683,611	683,611
Retained earnings	29,313,563	28,660,538
Total qualifying for Tier 1 capital	**32,997,174**	**32,344,149**
Tier 2 capital		
Fair value reserve	(9,884)	(1,797,356)
Other borrowings	100,454,344	60,747,188
Total qualifying for Tier 2 capital	**100,444,460**	**58,949,832**
Total regulatory capital	**133,441,634**	**91,293,981**

LEGAL AND REGULATORY RISK MANAGEMENT

a. Regulatory Provision

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

Regulatory Capital Risk

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

b. Legal Risk 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.

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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 2022, 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 2022
- the consolidated and separate statements of financial position as at 31 December 2022;
- 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.

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

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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.

<table>
<tr><th>Key Audit Matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>
Impairment allowance on financial assets measured at amortised cost (see notes 2.2.4, 2.11(b) and 16.1)
The estimation of expected credit losses on financial assets at amortised cost is considered to be a key audit matter because it is significant to the consolidated and separate financial statements and requires a high level of judgement.
The gross balance of financial assets at amortised cost as at 31 December 2022 for the Group was N172.16 billion (Company: N76.84 billion) and the associated impairment was N7.46 billion (Company: N1.37 billion).
The measurement of the impairment allowance is highly subjective and entails exercise of significant judgement and the use of complex models and assumptions. The areas of significant judgement in the calculation include:

determination of default and significant increase in credit risk (SICR).
methodology and assumptions used by management in estimating Probability of Default (PD), Loss Given Default (LGD) and Exposure At Default (EAD), which are key variables in the ECL model; and
incorporation of macro-economic inputs into the ECL model and the probability weightings applied to them.

This is considered a key audit matter in both the consolidated and separate financial statements.
</td><td>
We adopted a substantive approach to the audit of expected credit loss allowance. Specifically we:

checked the reasonableness of management's definition of default and significant increase in credit risk;
inspected contracts, deal slips and evidence of repayment (where applicable) to assess management's conclusion relating to whether or not there has been a default or SICR;
Reviewed IFRS 9 impairment model and calculation tool for reasonableness and compliance with the requirement of the reporting standards;
Reviewed the probability of default methodology and computations for reasonableness and accuracy;
assessed the validity of the assumptions used in estimation of the LGD based on available information for compliance with the requirements of IFRS 9;
reviewed the EAD computations for accuracy and consistency with the provision of the standard; and
checked the reasonableness of forward-looking information and multiple economic scenarios considered.

We assessed the adequacy of the disclosure in the consolidated and separate financial statements in accordance with IFRS 9.
</td></tr>
</table>

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Other information

The directors are responsible for the other information. The other information comprises Corporate Information, Directors' Report, Statement of Directors' responsibilities, Report of the Statutory Audit Committee, Operational Risk Management, Legal and Regulatory Risk Management, 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 2022 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 2022 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 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.

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- 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
3G/ICAN
0921347

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

1 March 2023

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

CONSOLIDATED AND SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Group		Company	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
		=N=' 000	=N=' 000	=N=' 000	=N=' 000
Gross Earnings		**26,896,411**	**18,065,183**	**13,981,324**	**8,238,600**
Investment income	4	13,819,670	8,900,513	3,130,219	1,555,507
Fee and commission income	5	8,123,215	6,159,572	2,500,953	1,362,743
Net trading income/(loss)	6	2,443,423	1,181,877	250,193	189,863
Net operating income		**24,386,308**	**16,241,962**	**5,881,365**	**3,108,113**
Other income	7	2,531,952	1,585,936	838,804	187,170
Dividend income from subsidiaries		-	-	7,218,000	4,828,500
Net (loss)/gain on financial assets at fair value through profit or loss	8	(21,849)	237,285	43,155	114,817
Total Revenue		**26,896,411**	**18,065,183**	**13,981,324**	**8,238,600**
Personnel expenses	9	(2,339,058)	(1,588,410)	(591,000)	(262,727)
Other operating expenses	10	(4,899,778)	(3,603,030)	(1,105,814)	(778,977)
Depreciation of properties and equipment	11	(197,595)	(204,408)	(166,868)	(171,513)
Amortisation of intangible & right of use assets	11	(108,005)	(91,871)	(104,019)	(87,032)
Impairment for credit losses	12	(6,172,694)	(453,451)	(607,707)	(147,155)
Total Expenses		**(13,717,130)**	**(5,941,170)**	**(2,575,408)**	**(1,447,404)**
Operating profit before income tax		**13,179,281**	**12,124,013**	**11,405,916**	**6,791,196**
Share of accumulated profit/(loss) of associates	22	321,107	(206,412)	-	-
Profit before income tax		**13,500,388**	**11,917,601**	**11,405,916**	**6,791,196**
Taxation	13	(3,847,363)	(658,863)	(2,058,261)	(67,805)
Profit for the period		**9,653,025**	**11,258,738**	**9,347,655**	**6,723,392**
Other comprehensive income, net of income tax					
Items that will not be reclassified subsequently to profit or loss					
Fair value gain/(loss) on investments in equity instruments measured at FVTOCI (net of tax)	32.1	985,402	11,839	176,502	-
Items that may be reclassified subsequently to profit or loss					
Fair value gain/(loss) on investments in debt instruments measured at FVTOCI (net of tax)	**32.2**	**802,070**	**(950,262)**	**870,965**	**62,525**
Other comprehensive income/(loss) for the period, net of taxes		**1,787,472**	**(938,423)**	**1,047,467**	**62,525**
Total comprehensive income for the period		**11,440,497**	**10,320,315**	**10,395,122**	**6,785,916**
Profit for the period attributable to:					
Equity holders of the Company		**9,653,025**	**11,258,738**	**9,347,655**	**6,723,392**
Total comprehensive income attributable to:					
Equity holders of the Company		**11,440,497**	**10,320,315**	**10,395,122**	**6,785,916**
Earnings per share-basic (kobo)	14	161	188	156	112
Earnings per share-diluted (kobo)	14	161	188	156	112

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

CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Notes	Group		Company	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
		=N=' 000	=N=' 000	=N=' 000	=N=' 000
ASSETS					
Cash and cash equivalents	15	149,867,038	53,661,848	22,907,336	6,951,413
Investment securities	16	386,544,095	363,647,252	85,387,058	58,599,896
Trade and other receivables	17	58,943,091	30,919,246	47,812,682	29,889,598
Dividend receivable from subsidiaries	18	-	-	7,218,000	4,828,500
Right of use assets	19	141,944	212,819	141,944	212,819
Intangible assets	20	179,301	78,595	169,617	68,151
Investments in subsidiaries	21	-	-	901,000	901,000
Investments in associates	22	4,614,694	4,293,587	4,500,000	4,500,000
Property and equipment	23	386,555	471,852	343,876	414,185
Deferred tax assets	24.1	1,238,493	312,755	-	-
TOTAL ASSETS		**601,915,211**	**453,597,954**	**169,381,513**	**106,365,562**
LIABILITIES					
Managed funds	25	413,698,697	327,249,024	-	-
Borrowed funds	26	100,454,344	79,737,577	100,849,650	83,721,469
Other liabilities	27	48,649,198	14,178,849	47,671,635	5,136,428
Current tax liabilities	28	5,292,648	1,803,211	1,902,059	649,566
Deferred tax liabilities	24.2	833,034	82,500	787,448	82,500
TOTAL LIABILITIES		**568,927,921**	**423,051,161**	**151,210,792**	**89,589,963**
EQUITIES					
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	29,313,563	28,660,538	13,305,941	12,958,286
Fair value reserves	32	(9,884)	(1,797,356)	1,181,169	133,702
TOTAL EQUITIES		**32,987,290**	**30,546,793**	**18,170,721**	**16,775,599**
TOTAL LIABILITIES AND EQUITES		**601,915,211**	**453,597,954**	**169,381,513**	**106,365,562**

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

The financial statements were approved by the Board of Directors on 24th February 2023 and signed on its behalf by:

Chika Mordi
Chairman
FRC/2014/IODN/00000006667

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

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

CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY

AS AT 31 DECEMBER 2022

2022 Group	Share capital	Retained earnings	Share premium	Fair value reserves	Shareholders' funds
	=N=' 000	=N=' 000	=N=' 000	=N=' 000	=N=' 000
As at 1 January 2022	**3,000,000**	**28,660,538**	**683,611**	**(1,797,356)**	**30,546,793**
Transfer from profit or loss account	-	9,653,025	-	-	9,653,025
Net change in fair value on equity instruments at FVTOCI	-	-	-	985,402	985,402
Net change in fair value on debt instruments at FVTOCI	-	-	-	802,070	802,070
Total comprehensive income/(loss)	**-**	**9,653,025**	**-**	**1,787,472**	**11,440,497**
Transactions with owners in their capacity as owners					
Dividend paid	-	(9,000,000)	-	-	(9,000,000)
As at 31 December 2022	**3,000,000**	**29,313,563**	**683,611**	**(9,884)**	**32,987,290**
Company					
As at 1 January 2022	3,000,000	12,958,286	683,611	133,702	16,775,599
Transfer from profit or loss account	-	9,347,655	-	-	9,347,655
Net change in fair value on debt instruments at FVTOCI	-	-	-	176,502	176,502
Total comprehensive income	**-**	**9,347,655**	**-**	**1,047,467**	**10,395,122**
Transactions with owners in their capacity as owners					
Dividend paid	-	(9,000,000)	-	-	(9,000,000)
					-
As at 31 December 2022	**3,000,000**	**13,305,941**	**683,611**	**1,181,169**	**18,170,721**

CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY *cont'd*

2021
Group

	Share capital	Retained earnings	Share premium	Fair value reserves	Shareholders' funds
	=N=' 000	=N=' 000	=N=' 000	=N=' 000	=N=' 000
As at 1 January 2021	**3,000,000**	**21,601,800**	**683,611**	**(858,932)**	**24,426,479**
Transfer from profit or loss account	-	11,258,738	-	-	11,258,738
Net change in fair value on equity instruments at FVTOCI	-	-	-	11,839	11,839
Net change in fair value on debt instruments at FVTOCI	-	-	-	(950,263)	(950,263)
Total comprehensive income	**-**	**11,258,738**	**-**	**(938,424)**	**10,320,314**
Transactions with owners in their capacity as owners					
Dividend paid	-	(4,200,000)	-	-	(4,200,000)
As at 31 December 2021	**3,000,000**	**28,660,538**	**683,611**	**(1,797,356)**	**30,546,793**
Company					
As at 1 January 2021	3,000,000	10,434,895	683,611	71,177	14,189,683
Transfer from profit or loss account	-	6,723,391	-	-	6,723,391
Net change in fair value on debt instruments at FVTOCI	-	-	-	62,525	62,525
Total comprehensive income	**-**	**6,723,391**	**-**	**62,525**	**6,785,915**
Transactions with owners in their capacity as owners					
Dividend paid	-	(4,200,000)	-	-	(4,200,000)
As at 31 December 2021	**3,000,000**	**12,958,286**	**683,611**	**133,702**	**16,775,599**

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

CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS

AS AT 31 DECEMBER 2022

		Group		Company	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
		N' 000	N' 000	N' 000	N' 000
Operating profit before tax		13,179,281	12,124,013	11,405,916	6,791,196
Adjustments for;					
Amortisation of Intangibles	11	37,130	20,996	33,144	16,157
Depreciation of property and equipment	11	197,595	204,408	166,868	171,513
Depreciation of right of use	11	70,875	70,875	70,875	70,875
Foreign exchange revaluation	7	(1,883,105)	(1,366,640)	(487,472)	(157,622)
Gain on disposal of property and equipment	7	4	(34)	4	(34)
Net interest income	4	(12,803,600)	(7,193,943)	(3,011,103)	(1,461,848)
Dividend income	4	(1,016,070)	(1,706,570)	(7,337,116)	(4,922,159)
Fair value changes on financial instruments at fair value through profit or loss	8	4,020	(237,285)	(43,155)	(114,816)
Impairment charge on other financial assets	12	6,172,694	492,051	607,707	147,155
		3,958,824	**2,407,871**	**1,405,668**	**540,418**
Changes in working capital					
Trade receivables		(28,539,414)	(2,594,717)	(17,880,974)	(2,572,895)
Managed funds		86,449,673	211,229,947	-	-
Other liabilities		34,470,349	6,542,002	42,535,207	2,878,076
Cash generated from/(used in) operations		96,339,432	217,585,103	26,059,901	845,598
Interest received		52,890,397	13,376,206	8,897,951	5,950,754
Interest paid		(39,070,727)	(14,733,433)	(5,767,732)	(2,199,205)
Income tax paid		(533,130)	(728,957)	(100,819)	(462,218)
Net cash generated by/(used in) operating activities		**109,625,972**	**215,498,919**	**29,089,301**	**4,134,928**
Cash flows from investing activities					
Purchase of investment securities		(78,430,720)	(355,171,645)	(40,384,454)	(77,959,265)
Proceeds from investment securities		57,574,866	153,195,483	15,765,345	65,431,343
Purchase of property and equipment	23	(110,868)	(110,449)	(95,129)	(98,254)
Purchase of intangible assets	20	(137,835)	(57,576)	(134,610)	(45,276)
Purchase of /Proceeds from property and equipment		491	47	491	47
Dividends received	4& 18	1,016,070	1,706,570	4,947,616	3,763,659
Net cash (used in) investing activities		**(20,087,996)**	**(200,437,570)**	**(19,900,742)**	**(8,907,747)**
Cash flows from financing activities					
Dividend paid to owners of equity capital		(9,000,000)	(4,200,000)	(9,000,000)	(4,200,000)
Proceeds from borrowings		36,026,042	17,564,403	36,026,042	21,912,107
Repayment of borrowings		(18,990,389)	(18,184,345)	(18,990,389)	(18,184,345)
Net cash generated by/(used in) financing activities		**8,035,653**	**(4,819,942)**	**8,035,653**	**(472,238)**
Net increase/(decrease) in cash and cash equivalents		97,573,629	10,241,406	17,224,212	(5,245,057)
Effect of foreign exchange changes on cash		(1,513,322)	(42,658)	(1,360,817)	(3,560)
Cash and cash equivalents at beginning of year		53,615,387	43,416,639	6,947,852	12,196,469
Cash and cash equivalents at end of period		**149,675,694**	**53,615,387**	**22,811,247**	**6,947,852**

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

1. Company information

These financial statements are the consolidated and separate 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 and domiciled 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 periods 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 separate financial statements for the period ended 31 December 2022 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 Basis of measurement

The Group's consolidated and separate financial statements for the period ended 31 December 2022 have been prepared on the historical cost basis except for the following item in the statement of financial position.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

- Financial instruments at fair value through profit or loss are measured at fair value
- Financial instrument at amortised cost are measured at amortised cost
- Financial instruments at fair value through other comprehensive income are measure at fair value through equity

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

The financial statements are presented and rounded to the nearest thousands of Naira.

2.2.2 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.

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;

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 period ended 31 December 2022 is included in the following notes.

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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

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 decribed below, the Group has consistently applied the accounting policies as set out in note 2.3.1 to all periods 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 period, 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 2022.

New or amended standards	Summary of the requirements	Impact on financial statements
Reference to the Conceptual Frame-work: Amendments to IFRS 3	The amendments add an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.	This amendment does not have an impact on the Group's Financial statement.
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.	This amendment had no significant impact on the Group's financial statements
The changes in Onerous Contracts — Cost of Fulfilling a Contract (Amend-ments 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.	This amendment had no significant impact on the Group's financial statements

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

2.3.2 Standards issued but not yet effective

The following standards and interpretations had been issued but were not mandatory for the reporting period ended 31 December 2022. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

New or amended standards	Summary of the requirements	Impact on financial statements
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.
Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12	This standard is Effective for annual periods beginning on or after 1 January 2023. In determining the tax base of assets and liabilities, the amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability. Also, in respect of changes to the initial recognition exception under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal. January 2022.	The impact of this standard on the Group's financial statements is currently under assessment.
The changes in Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37)	The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error. The effective date of this amendment is from periods beginning on or after 1 January 2023	This standard is not expected to have significant impact on the financial statements. The Group has opted not to early adopt.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

Amendment to IAS 1	This amendment relates to classification of Liabilities as Current or Non-current which will provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the balance sheet date. The amendment only affect the presentation of liabilities in the statement of financial position and not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items. The amendment will • clarify that classification of liabilities as current or non-current should be based on rights that are in existence at the end of the balance sheet date, • clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability and make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.	This standard is not expected to have significant impact on the financial statements. The Group has opted not to early adopt.
IFRS 17 - Insurance Contracts	IFRS 17 was issued in May 2017 and applies to annual reporting periods beginning on or after 1 January 2023. The new IFRS 17 standard establishes the principles for the recognition, measurement, presentation and disclosure of Insurance contracts within the scope of the Standard. It also requires similar principles for reinsurance contracts held and issued investment contracts with discretionary participation features. The standard brings a greater degree of comparability and transparency about an insurer's financial health and the profitablity of new and in-force insurance business. IFRS 17 introduces a general measurement model that measures groups of insurance contracts based on fulfilment cash flows (comprising probability-weighted current estimates of future cash flows and an explicit entity-specific adjustment for risk) and a contractual service margin. The premium allocation approach (PAA) is a simplified measurement model that may be applied when certain conditions are fulfilled. Under the PAA approach, the liability for remaining coverage will be initially recognised as the premiums, if any, received at initial recognition, minus any insurance acquisition cash flows. The general measurement model has specific modifications applicable to accounting for reinsurance contracts, direct participating contracts and investment contracts with discretionary participation features.	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.

All other amendment had no significant impact on the Group.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

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.

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

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 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 commision 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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

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.

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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

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 or 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 or loss'. Interest income and expense and dividend income on financial assets fair valued through profit or 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).

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

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 or 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. 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.

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 effective interest rate (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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

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. Inflation rate
c. exchange rates
d. Oil price fluctuation

The impact of these economic variables on the Probability of default (PD), Exposure at defult (EAD) and Loss given default (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. 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 (SICR)

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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

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

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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

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 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).

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

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 Group is measured 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 within the income statement 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 Building	5 years
Building	40 years
Leasehold improvements	over shorter of the useful life of item or lease period

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

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.

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

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.
- 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.

(a) 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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

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.

(b) 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.

(c) 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 N5,000,000.00 (Five million naira only) 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.

(d) 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 reasonablycertain 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.

(e) 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 cancelation 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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

the lessor by way of a penalty is recognised as operating expenses in the period in which termination takes place.

(f) Lease Modification:

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.

(g) 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 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, accrued income, other 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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

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 Company operates a contributory pension plan in line with the Pension Reform Act 2014. Employees and the Company contribute 8% and 10% respectively of each of the qualifying staff salary in line with the provisions of the Pension Reforms Act 2014.

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".

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - FINANCIAL RISK MANAGEMENT

3 Financial Risk Management

3.1 Introduction and Overview

Three Lines of Defence 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 fram eworks 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.
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.

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

3.2 Risk Categories

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

3.21 Credit Risk

Credit risk is the risk of loss from obligor or counterparty default on financial or contractual obligations. Credit risk comprises counterparty risk, settlement risk and concentration risk. These risk types are defined as follows:
Counterparty risk: The risk of credit loss to the Group as a result of the failure by a counterparty to meet its financial and/ or contractual obligations to the Group as they fall due. This risk type has three components:

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - FINANCIAL RISK MANAGEMENT *cont'd*

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

3.22 Country Risk

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

3.23 Liquidity Risk

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

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

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

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

3.24 Market Risk

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

3.25 Operational Risk

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

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - FINANCIAL RISK MANAGEMENT *cont'd*

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

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

3.26 Reputational Risk

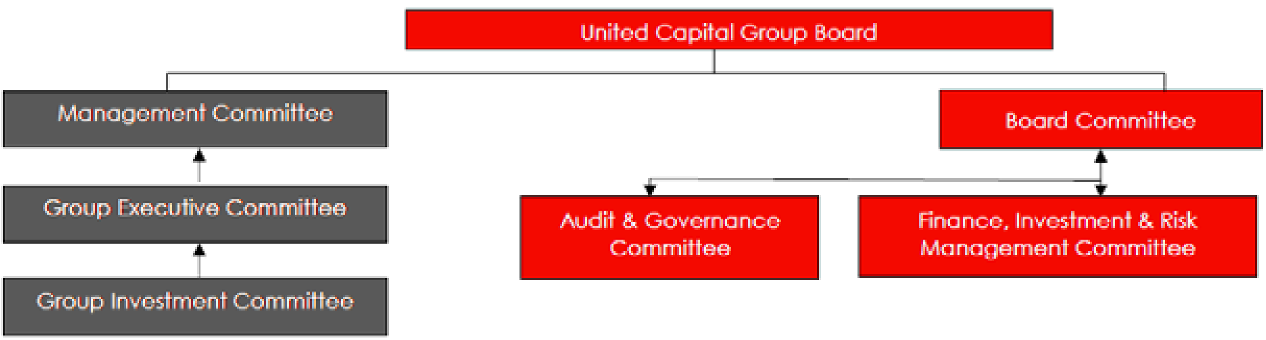
Reputational risk results from damage to the Group's image among stakeholders, which may impair its ability to retain and generate business. Such damage may result from a breakdown of trust, confidence or business relationships.

3.3 Risk Management Framework

3.31 Governance Structure

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

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



3.3 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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - FINANCIAL RISK MANAGEMENT *cont'd*

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - FINANCIAL RISK MANAGEMENT *cont'd*

vi. Risk tendency: is defined as a forward-looking view of the anticipated change in the Group's risk profile as a result of portfolio effects and/or changes in economic conditions. Changes in economic conditions may either be in the form of formally approved macroeconomic stress scenarios or ad-hoc stress scenarios models

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

3.4 Credit Risk Management

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

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

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

3.41 Risk Identification and Measurement

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

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

To measure credit risk, the Group employs several methodologies for estimating the likelihood of obligor or counterparty default. In the year under review, credit risk exposure was quantified on the basis of both adjusted exposure and absolute exposure. External credit ratings are considered in evaluating probability of default. The enterprise risk management framework recognizes credit ratings from Basel recognized External Credit Assessment Institutions (ECAI)

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - FINANCIAL RISK MANAGEMENT *cont'd*

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.

3.42 Maximum exposure to credit risk

	Group		Company	
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
Cash and cash equivalents	149,867,038	53,661,848	22,907,336	6,951,413
Financial assets:				
Amortised cost	167,662,848	169,041,801	75,477,029	54,332,003
Fair value through OCI (FVOCI)	12,197,078	4,325,629	4,952,770	-
Trade and other receivables	17,557,032	4,109,128	4,576,637	3,079,649
	347,283,996	**231,138,406**	**107,913,771**	**64,363,065**

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - FINANCIAL RISK MANAGEMENT *cont'd*

3.43 Credit risk analysis as at 31 December, 2022

Group

	AAA to A N'000	BBB to B- N'000	ccc+ to ccc- N'000	Not rated N'000	Gross amount N'000
Cash and cash equivalents	-	149,867,038	-	-	149,867,038
Financial assets:					
Amortised cost	**-**	**13,812,301**	**128,197,303**	**25,653,244**	**167,662,848**
Long term placements	-	-	41,604,619	-	41,604,619
Loans to customers	-	-	-	25,653,244	25,653,244
Commercial paper	-	-	21,752,655	-	21,752,655
Treasury bills	-	11,930,948	-	-	11,930,948
Federal government bonds	-	1,881,353	15,256,775	-	17,138,128
State government bonds	-	-	22,759,507	-	22,759,507
Corporate bonds	-	-	26,823,747	-	26,823,747
Fair value through OCI (FVOCI)	**-**	**12,197,077**	**-**	**-**	**12,197,077**
Bonds	-	5,076,346	-	-	5,076,346
Mutual funds	-	7,120,731			7,120,731
Trade and other receivables	**-**	**-**	**-**	**17,557,032**	**17,557,032**
Total	**-**	**175,876,416**	**128,197,303**	**43,210,276**	**347,283,995**

Company

	AAA to A N'000	BBB to B- N'000	ccc+ to ccc- N'000	Not rated N'000	Gross amount N'000
Cash and cash equivalents	-	22,907,336	-	-	22,907,336
Financial assets:					
Amortised cost	**-**	**477,685**	**38,892,831**	**36,106,513**	**75,477,029**
Long term placements	-		27,057,497	-	27,057,497
Loans to customers	-			36,106,513	36,106,513
Treasury bills	-	-	-	-	-
Federal government bonds	-	477,685	-	-	477,685
State government bonds	-	-	10,370,100	-	10,370,100
Corporate bonds	-	-	1,465,234	-	1,465,234
Fair value through OCI (FVOCI)	-	4,952,770	-	-	4,952,770
Mutual funds	-	4,952,770	-	-	4,952,770
Trade and other receivables	-	-	-	4,576,637	4,576,637
Total	**-**	**28,337,790**	**38,892,831**	**40,683,151**	**107,913,772**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - FINANCIAL RISK MANAGEMENT *cont'd*

Credit risk analysis as at 31 December, 2021

Group	AAA to A N'000	BBB to B- N'000	ccc+ to ccc- N'000	Not rated N'000	Gross amount N'000
Cash and cash equivalents	-	53,661,848	-	-	53,661,848
Financial assets:					
Amortised cost	44,624,220	93,824,585	-	30,592,996	169,041,801
Long term placements	-	81,594,785	-	-	81,594,785
Loans to customers	-	-	-	30,592,996	30,592,996
Treasury bills	8,842,628	-	-	-	8,842,628
Federal government bonds	8,057,445	-	-	-	8,057,445
State government bonds	12,572,777	12,229,800	-	-	24,802,577
Corporate bonds	15,151,370	-	-	-	15,151,370
Fair value through OCI (FVOCI)	**4,325,629**	**-**	**-**	**-**	**4,325,629**
Bonds	730,435	-	-	-	730,435
Mutual funds	3,595,194	-	-	-	3,595,194
Trade and other receivables	-	-	-	4,109,128	4,109,128
Total	**48,949,849**	**147,486,434**	**-**	**34,702,124**	**231,138,406**

Company

	AAA to A N'000	BBB to B- N'000	ccc+ to ccc- N'000	Not rated N'000	Gross amount N'000
Cash and cash equivalents	-	-	6,947,852	-	6,947,852
Financial assets:					
Amortised cost	15,750,821	11,461,200	-	27,119,982	54,332,003
Long term placements	-	11,461,200	-	-	11,461,200
Loans to customers	-	-	-	27,119,982	27,119,982
State government bonds	12,572,777	-	-	-	12,572,777
Corporate bonds	3,178,044	-	-	-	3,178,044
Mutual funds	-	-	-	-	-
Fair value through OCI (FVOCI)	-	-	-	-	-
Trade and other receivables	**-**		**-**	**3,079,649**	**3,079,649**
Total	**15,750,821**	**11,461,200**	**6,947,852**	**30,199,631**	**64,359,504**

Geographical sectors

2022	Group		Company	
	Nigeria	Other Countries	Nigeria	Other Countries
	N'000	N'000	N'000	N'000
Cash and cash equivalents (excluding cash in hand)	149,867,038	-	22,907,336	-
Financial assets:				
Amortised cost	167,662,848	-	75,477,029	-
Fair value through OCI (FVOCI)	12,197,078	-	4,952,770	-
Trade and other receivables	17,557,032	-	4,576,637	-
	347,283,996	**-**	**107,913,771**	**-**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - FINANCIAL RISK MANAGEMENT *cont'd*

2021	Group		Company	
	Nigeria	Other Countries	Nigeria	Other Countries
	N'000	N'000	N'000	N'000
Cash and cash equivalents	53,661,848	-	6,951,413	-
Financial assets:				
Amortised cost	169,041,801	-	54,332,003	-
Fair value through OCI (FVOCI)	4,325,629	-	-	-
Trade and other receivables	4,109,128	-	3,079,649	-
	231,138,406	**-**	**64,363,065**	**-**

Credit Quality

Some financial assets are past due and impaired during the year with N7.46b (2021: N1.80b) impairment on amortised cost financial assets and N1.55b for trade receivables (2021: N1.09b).

3.44 Risk Monitoring and Management

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

The Group has developed policies and practices that are designed to preserve the independence and integrity of the approval and business decision-making process to ensure credit risks are assessed accurately, approved properly, monitored regularly and managed actively at both the transaction and portfolio levels.
The framework establishes credit approval authorities, concentration limits, risk-rating methodologies, and portfolio review parameters. The Group manages, limits and controls concentrations of credit risk wherever they are identified – in particular, to individual counterparties and groups, and to industries, geographies and countries.

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

3.45 Risk reporting

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

3.5 Country Risk Management

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - FINANCIAL RISK MANAGEMENT *cont'd*

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

Risk Identification and Measurement

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

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

Risk Monitoring and Control

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

3.5 Liquidity Risk Management

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

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

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

Risk Identification and Measurement

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

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

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - FINANCIAL RISK MANAGEMENT *cont'd*

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

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

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

Category	Activities
Short term liquidity risk management	• Monitor daily cash flow requirements • Manage intra-day liquidity positions • Monitor repo and bank funding shortage levels • Manage short term cash flows • Manage daily foreign currency liquidity • Provide guidance on fund taking rates in conformity with longer term and contingent liquidity requirements (as informed by the management commit-tees)
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 conjunc-tion with asset portfolio managers) • Preserve a diversified funding base • Assess foreign currency liquidity exposures • Establish liquidity risk appetite
Contingency liquidity risk management	• Establish and maintain contingency funding plans • Monitor and manage early warning liquidity indicators • Ensure regular liquidity stress tests and scenario analysis • Establish liquidity buffer levels in conformity with anticipated stress events • Convene liquidity crisis management committees (as required) • Ensure diversification of liquidity buffer portfolios

Risk Monitoring and Control

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

Foreign currency liquidity risk management

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - FINANCIAL RISK MANAGEMENT *cont'd*

indicators to consistently track changes in market liquidity and/or exchange rates. In general, uncovered or unmatched or un-hedged FX positions is restricted.

Funding

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

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

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

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

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

Group – 31 December, 2022	< 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	10,336,587	139,530,451	-	-	-	-	149,867,038
Bond	-	-	15,342,567	33,208,121	2,031,874	13,751,235	64,333,797
Treasury bills	-	-	4,356,235	7,574,713	-	-	11,930,948
Mutual funds	40,321,720	1,299,234	5,765,234	39,354,125	15,636,730	22,615,398	124,992,441
Quoted equities		-	-	-	-	13,937,794	13,937,794
Unquoted equities		-	-	-	-	11,720,243	11,720,243
Trade and other receivables	-	-	1,115,547	5,104,912	-	40,285,112	46,505,571
Loans and receivables	-	-	-	-	41,604,619	33,117,175	74,721,794
Total	**50,658,307**	**140,829,685**	**26,579,583**	**85,241,871**	**59,273,223**	**135,426,957**	**498,009,626**
Liabilities							
Borrowings	-	-	3,160,905	5,176,693	-	92,116,746	100,454,344
Managed funds	13,893,215	148,555,138	14,345,142	80,150,323	140,332,145	16,422,735	413,698,697
Other Liabilities	43,054,260	-	5,594,938	-	-	-	48,649,198
Total	**56,947,475**	**148,555,138**	**23,100,985**	**85,327,016**	**140,332,145**	**108,539,481**	**562,802,239**
Assets	50,658,307	140,829,685	26,579,583	85,241,871	59,273,223	135,426,957	498,009,626
Liabilities	56,947,475	148,555,138	23,100,985	85,327,016	140,332,145	108,539,481	562,802,239
Liquidity gap	**(6,289,168)**	**(7,725,453)**	**3,478,598**	**(85,145)**	**(81,058,922)**	**26,887,476**	**(64,792,613)**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - FINANCIAL RISK MANAGEMENT *cont'd*

Company – 31 December, 2022	< 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	2,501,903	20,405,433	-	-	-	-	22,907,336
Long-term investments	-	5,558,458	21,499,039	-			27,057,497
Bond	-	-	-	-	2,031,874	10,281,144	12,313,018
Treasury bills	-	-	-	-	-	-	-
Mutual funds	-	-	-	4,952,770	-	-	4,952,770
Quoted equities	2,134,639	-	-	-	-	-	2,134,639
Trade and other receivables	-	-	1,449,830	3,497,122	-	39,754,128	44,701,080
Dividend receivable	-	7,218,000	-	-	-	-	7,218,000
Loans and receivables	-	-	-	3,187,772	9,563,317	24,722,900	37,473,989
Total	4,636,541	33,181,891	22,948,869	11,637,664	11,595,191	74,758,172	158,758,329
Liabilities							
Borrowings	1,882,177	7,716,114	3,160,905	5,176,693	27,771,310	55,142,451	100,849,650
Other liabilities	-	47,671,635	-	-	-	-	47,671,635
Total	**1,882,177**	**55,387,749**	**3,160,905**	**5,176,693**	**27,771,310**	**55,142,451**	**148,521,285**
Assets	4,636,541	33,181,891	22,948,869	11,637,664	11,595,191	74,758,172	158,758,329
Liabilities	1,882,177	55,387,749	3,160,905	5,176,693	27,771,310	55,142,451	148,521,285
Liquidity gap	**2,754,364**	**(22,205,858)**	**19,787,964**	**6,460,971**	**(16,176,119)**	**19,615,721**	**10,237,044**

Group – 31 December, 2021	< 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	1,940,710	51,721,138	-	-	-	-	53,661,848
Bond	-	3,500,000	17,466,781	19,156,600	33,314	6,785,840	46,942,536
Treasury bills	-	-	365,493	8,477,135	-	-	8,842,628
Mutual funds	25,321,720	1,299,234	5,765,234	94,354,125	15,636,730	2,874,162	145,251,205
Quoted equities						6,565,673	6,565,673
Unquoted equities						46,496,769	46,496,769
Trade and other receivables	-	-	1,888,653	1,345,057	-	25,715,827	28,949,537
Loans and receivables	-	-	-	-	83,394,077	30,592,996	113,987,074
Total	**27,262,430**	**56,520,372**	**25,486,160**	**123,332,918**	**99,064,121**	**119,031,267**	**450,697,269**
Liabilities							
Borrowings	-	-	1,000,818	18,088,112	-	60,602,186	79,691,116
Managed funds	3,893,215	50,008,721	14,345,142	171,247,066	40,332,145	47,422,735	327,249,024
Other liabilities	988,973	7,594,938	5,594,938	-	-	-	14,178,849
Total	4,882,188	57,603,659	20,940,898	189,335,179	40,332,145	108,024,921	421,118,989
Assets	27,262,430	56,520,372	25,486,160	123,332,918	99,064,121	119,031,267	450,697,269
Liabilities	4,882,188	57,603,659	20,940,898	189,335,179	40,332,145	108,024,921	421,118,989
Liquidity gap	**22,380,242**	**(1,083,287)**	**4,545,263**	**(66,002,261)**	**58,731,976**	**11,006,347**	**29,578,280**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - FINANCIAL RISK MANAGEMENT *cont'd*

Company – 31 December, 2021	< 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	85,372	6,866,041	-	-	-	-	6,951,413
Bond	-	-	-	14,401,757	33,314	1,315,749	15,750,820
Mutual funds	-	-	-	2,176,409	-	-	2,176,409
Quoted equities	2,091,484	-	-	-	-	-	2,091,484
Unquoted equities	-	-	-	-	-	4,500,000	4,500,000
Trade and other receivables	-	-	985,050	2,238,207	-	25,142,732	28,365,989
Dividend receivable	-	4,828,500	-	-	-	-	4,828,500
Loans and receivables	-	-	-	-	11,461,200	27,837,640	39,298,841
Total	**2,176,855**	**11,694,541**	**985,050**	**18,816,373**	**11,494,515**	**58,796,121**	**103,963,456**
Liabilities							
Borrowings	-	-	1,000,818	18,088,112	-	64,628,978	83,717,908
Other liabilities	-	5,136,428	-	-	-	-	5,136,428
Total	-	5,136,428	1,000,818	18,088,112	-	64,628,978	88,854,336
Assets	2,176,855	11,694,541	985,050	18,816,373	11,494,515	58,796,121	103,963,456
Liabilities	-	5,136,428	1,000,818	18,088,112	-	64,628,978	88,854,336
Liquidity gap	**2,176,855**	**6,558,113**	**(15,768)**	**728,261**	**11,494,515**	**(5,832,857)**	**15,109,119**

Stress Testing

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

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

Credit Ratings

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

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - FINANCIAL RISK MANAGEMENT *cont'd*

3.6 Market Risk Management

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

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

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

- Interest rate risk on the balance sheet: this refers to risks inherent in the different re-pricing characteristics of balance sheet assets and liabilities. These may include re-pricing risk, basis risk, yield curve risk, and optionality risk.
- Equity investments on the balance sheet: this refers to risks resulting from price changes in listed and unlisted equity investments carried on the group's
- balance sheet. These investments are typically classified as fair value through other comprehensive income (FVTOCI).

- Foreign currency risk: The Group may be exposed to foreign currency risk as a result of foreign-denominated cash exposures and accruals.

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

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

- Qualitative risk assessments and stress tests

Risk Identification and Measurement

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

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

Value-at-risk, a statistical risk measure, is used to measure the potential loss from adverse market moves under normal market conditions. Historical VaR simulation is used specifically for market risk under normal conditions. Where adopted historical VaR is 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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - FINANCIAL RISK MANAGEMENT *cont'd*

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.

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

Interest rate sensitivity analysis as at 31 December, 2021

Group	Value as at 2021	1% higher	1% lower
	N'000	N'000	N'000
Financial asset FVTOCI	730,435	737,739	723,130
	730,435	**737,739**	**723,130**

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 2022	31 December 2021	31 December 2022	31 December 2021
	=N=' 000	=N=' 000	=N=' 000	=N=' 000
Assets	852,014	689,890	758,687	614,322
Liabilities	699,484	566,384	699,484	566,384
Impact on profit	152,530	123,506	59,203	47,938

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - FINANCIAL RISK MANAGEMENT *cont'd*

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.

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.

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

3.7 Equity risk

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

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

	Group		Company	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	=N=' 000	=N=' 000	=N=' 000	=N=' 000
Investment securities at FVTPL	1,971,040	1,927,885	878,831	835,676
Investment securities at FVOCI	12,688,332	12,665,456	1,255,808	1,232,932
Impact on Profit for the period				
Favourable change @ 5% increase in prices	98,552	96,394	43,942	41,784
Unfavourable change @ 5% reduction in prices	(98,552)	(96,394)	(43,942)	(41,784)
Impact on Other Comprehensive Income				
Favourable change @ 5% increase in prices	634,417	633,273	62,790	61,647
Unfavourable change @ 5% reduction in prices	(634,417)	(633,273)	(62,790)	(61,647)

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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - FINANCIAL RISK MANAGEMENT *cont'd*

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 2022	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value	**N'000**	**N'000**	**N'000**	**N'000**
Bonds	72,730,768	-	-	72,730,768
Equity- quoted	14,140,008	-	-	14,140,008
Equity- unquoted	-	7,018,029	-	7,018,029
Mutual funds	124,992,441	-	-	124,992,441
	211,863,217	**7,018,029**	**-**	**218,881,246**

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

Group 2021	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value	N'000	N'000	N'000	N'000
Bonds	29,148,641	-	-	29,148,641
Equity- quoted	14,017,973	-	-	14,017,973
Equity- unquoted	-	6,187,633	-	6,187,633
Mutual funds	145,251,205	-	-	145,251,205
	188,417,818	**6,187,633**	**-**	**194,605,452**

Company 2021	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value	N'000	N'000	N'000	N'000
Bonds	-	-	-	-
Equity- quoted	2,225,186	-	-	2,225,186
Mutual funds	-	2,042,707	-	2,042,707
	2,225,186	**2,042,707**	**-**	**4,267,893**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - FINANCIAL RISK MANAGEMENT *cont'd*

Financial instruments in level 1

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

Financial instruments in level 2

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

Specific valuation techniques used to value financial instruments include:

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

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

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

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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - FINANCIAL RISK MANAGEMENT *cont'd*

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 2021 (2020: nil).

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

31 December 2022

Description	Fair value at 31 Dec. 2022	Valuation technique	Unobservable input		Reasonable possible shift +/- (absolute value)	Change in valuation +/- N'000
FSDH (Naira - million)	2,351	DDM	- Discounted factor - Cashflow estimate		1%	24
AFC ('Naira - million)	4,665	DDM	- Discounted factor - Cashflow estimate		1%	46.65

31 December 2021

Description	Fair value at 31 Dec. 2021	Valuation technique	Unobservable input	Weighted average input	Reasonable possible shift +/- (absolute value)	Change in valuation +/- N'000
AFC ('Naira - million)	3,556	DDM	- Discounted factor - Cashflow estimate		1%	85

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

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

(b) Financial instruments not measured at fair value

Group	At 31 December 2022		At 31 December 2021	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets	**N'000**	**N'000**	**N'000**	**N'000**
Cash and bank	149,867,038	149,867,038	53,661,848	53,661,848
Investment securities at amortised cost	175,126,779	173,338,626	170,841,093	169,052,940
Trade and other receivables*	56,733,019	56,733,019	28,949,536	28,949,536
	381,726,837	**379,938,684**	**253,452,478**	**251,664,325**
Financial liabilities				
Trade and other payables*	48,649,198	48,649,198	47,671,635	47,671,635
Managed funds*	413,698,697	413,698,697	327,249,024	327,249,024
Borrowings	100,454,344	100,454,344	79,737,577	79,737,577
	562,802,239	**562,802,239**	**454,658,237**	**454,658,237**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - FINANCIAL RISK MANAGEMENT *cont'd*

Company	At 31 December 2022		At 31 December 2021	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets	**N'000**	**N'000**	**N'000**	**N'000**
Cash and cash equivalents	22,907,336	22,907,336	6,951,413	6,951,413
Investment securities at amortised cost	76,844,505	75,056,352	55,049,661	53,261,508
Trade and other receivables	47,812,682	46,289,075	28,365,991	28,386,513
	147,564,522	**144,252,762**	**90,367,065**	**88,599,434**
Financial liabilities				
Trade and other payables	47,812,682	47,812,682	29,889,598	29,889,598
Borrowings	100,849,650	100,849,650	83,721,469	83,382,853
	148,662,333	**148,662,333**	**113,611,067**	**113,272,451**

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

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

		Group		Company	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
		=N=' 000	=N=' 000	=N=' 000	=N=' 000
4	**Net investment income**				
	Interest from placements and bonds	1,331,351	5,112,064	4,045,913	4,598,656
	Income from loans	5,547,480	7,034,000	4,323,870	6,573,810
	Dividend income from securities investments	1,016,070	1,706,570	119,116	93,659
	Profit on disposal of investment	1,477,751	80,013	-	-
	Income from managed Funds	43,517,745	18,791,743	409,052	-
		52,890,397	**32,724,390**	**8,897,951**	**11,266,125**
	Interest expense on managed funds and other borrowings	(39,070,727)	(23,823,877)	(5,767,732)	(9,710,618)
		13,819,670	**8,900,513**	**3,130,219**	**1,555,507**
	Investment income from items measured at amortised cost	10,330,147	7,054,656	3,097,273	1,322,561
	Investment income from items carried at fair value through OCI	3,489,523	1,845,857	32,946	232,946
		13,819,670	**8,900,513**	**3,130,219**	**1,555,507**
5	**Fees and commssion income**				
	Financial advisory fees	2,500,953	1,362,743	2,500,953	1,362,743
	Other fees and commissions	5,622,262	4,796,829	-	-
		8,123,215	**6,159,572**	**2,500,953**	**1,362,743**
	Fees recognised at point in time	4,316,641	2,637,340	2,500,953	1,362,743
	Fees recognised over time	3,806,574	3,522,232	-	-
		8,123,215	**6,159,572**	**2,500,953**	**1,362,743**

Managemnt fees and commission income include brokrage fee of N1.79b, Management fee of N3.15b and trustees feess of N563m which are recognised at point in time. Management fees and transaction sign-on fees which are recognised at point in time the mandate is consumated. Management fee accrues monthly as a percentage of the net asset value (NAV) at each point in time.

6	**Net Trading Income.**				
	Net trading income includes gains and losses arising both on the purchase and sale of financial instruments at FVTPL	**2,443,423**	**1,181,877**	**250,193**	**189,863**
7	**Other income**				
	Exchange gains/(loss)	1,883,105	1,366,639	487,472	157,622
	Interest on staff loans	2,105	4,025	-	2,435
	Gain on Disposal of PPE	(4)	34	(4)	34
	Other income	646,746	215,237	351,336	27,079
		2,531,952	**1,585,936**	**838,804**	**187,170**

Other income includes income from trade from our treasury desk(351m) and (N24.2m) realised by the Wealth Management desk.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

		Group		Company	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
		=N=' 000	=N=' 000	=N=' 000	=N=' 000
8	**Net (loss)/gain from financial assets at fair valued through profit or loss**				
	Net (loss)/gain on equity instruments at FVTPL	(21,849)	237,285	43,155	114,816
		(21,849)	**237,285**	**43,155**	**114,816**
9	**Personnel expenses**				
	Staff cost	2,289,049	1,549,930	569,751	255,020
	Contributions to defined contribution plans	50,009	38,480	21,249	7,707
		2,339,058	**1,588,410**	**591,000**	**262,727**

		Group		Company	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
		=N=' 000	=N=' 000	=N=' 000	=N=' 000
10	**Other operating expenses**				
	Premises and equipment costs	427,761	105,451	19,052	4,980
	Auditors remuneration	62,370	37,625	18,240	11,825
	Professional fees	711,815	738,952	284,725	186,323
	Travel and accommodation	131,416	55,156	44,610	11,458
	Rent and rates (See note a)	115,634	80,104	55,181	23,233
	AGM/Dividend processing expenses	60,737	35,558	12,495	5,643
	Donations	424,897	158,953	166,001	43,714
	Subscription	47,849	56,637	25,360	24,109
	Insurance	60,757	76,707	21,010	8,253
	Statutory expenses	81,710	26,110	-	7,271
	General administrative expenses	558,432	454,998	190,406	147,277
	Advertisement and branding	551,545	517,078	24,265	18,928
	Share register fee	31,921	25,818	13,294	4,691
	Directors fees and other allowances	57,030	69,695	11,585	11,061
	Printing and stationeries	7,579	8,719	2,061	2,485
	Office running expenses	429,480	317,779	-	-
	Business entertainment	109,640	112,909	42,446	20,139
	Fines and penalties	12,180	3,000	5,805	-
	Business development	791,821	633,303	12,270	218,651
	IT license and maintenance fee	72,366	37,963	24,741	19,710
	Training and conference	36,636	50,515	16,067	9,226
	bad debt	116,201	-	116,201	-
		4,899,778	**3,603,030**	**1,105,814**	**778,977**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

The Group incurred a non-audit fees paid to the Auditors. The service rendered was for data analytics project and the Group paid N20m.

a This represent payment for short tem and low value leases

		Group		Company	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
		=N=' 000	=N=' 000	=N=' 000	=N=' 000
11	**Depreciation & amortisation**				
11.1	Depreciation of property and equipments (note 23)	**197,595**	**204,408**	**166,868**	**171,513**
11.2	**Amortisation**				
	Amortisation of intangible assets (note 20)	37,130	20,996	33,144	16,157
	Amortisation of right of use assets (note 19)	70,875	70,875	70,875	70,875
		108,005	**91,871**	**104,019**	**87,032**
12	**Impairment charge/(writeback) for credit losses**				
	Loss allowance on cash and cash equivalents (note 15a)	-	(38,600)	-	-
	write back on financial assets at amortised cost (note 16.1a)	-	(18,521)	-	(13,052)
	Loss allowance on financial assets at amortised cost (note 16.1a)	5,657,125	362,360	649,818	-
	Loss allowance on trade receivables (note17.1)	515,569	148,212	(42,111)	160,206
		6,172,694	**453,451**	**607,707**	**147,155**
12a	**Impairment Categorisation**				
	Stage 1	2,310,217	453,451	403,849	147,155
	Stage 2	-	-	-	-
	Stage 3	3,862,477	-	203,857	-
		6,172,694	**453,451**	**607,707**	**147,155**

The stage 3 impairment have been approved by the Board and the impaiments relating to financial assets that are deemed to be bad and doubtful of recovery

13	**Income tax expense**				
	Recognised in the profit or loss				
	Income tax	3,415,506	456,773	1,123,370	32,568
	Education tax	409,022	77,145	115,313	-
	Information technology tax	197,054	166,605	114,059	66,107
	Police trust fund levy	985	833	570	331
		4,022,567	**701,356**	**1,353,312**	**99,006**
	Deferred tax	(175,204)	(42,493)	704,949	(31,201)
		3,847,363	**658,863**	**2,058,261**	**67,805**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

		Group				Company			
		31 December 2022		31 December 2021		31 December 2022		31 December 2021	
		=N=' 000		=N=' 000		=N=' 000		=N=' 000	
13.1	**Effective tax reconciliation**								
	The income tax expense for the period can be reconciled to the accounting profit as follows:		%		%		%		
	Profit before tax from continuing operations	**13,179,281**		**12,124,013**		**11,405,916**		**6,791,196**	
	Income tax expense calculated at 30% of PBT	3,953,784	30%	3,637,204	30%	3,421,775	30%	2,037,359	30%
	Effect of Income that is exempt from taxation	(1,263,099)	-10%	(3,641,848)	-30%	(2,234,455)	-18%	(2,146,157)	-32%
	Effect of expenses that are not deductible in determining taxable profit	1,608,725	12%	256,616	2%	250,772	2%	106,270	2%
	Effect of investment allowance	(1,286)	0%	17	0%	(1,183)	0%	(1,357)	0%
	Effect of tax adjustment	70,106	1%	328,048	3%	113,692	1%	99,006	1%
	Adjustment recognised due to difference in tax rates	(276,951)	-2%	48,832	0%	9,529	0%	3,885	0%
	Education tax at 2.5% of assessable profits	409,022	3%	72,487	1%	115,313	1%	-	0%
		4,500,302	34%	**701,356**	6%	**1,675,443**	14%	**99,006**	**1%**
	Addjustment recognised in the current period relating to the deferred tax of prior periods	(652,939)	-5%	(42,493)	0%	382,818	3%	(31,201)	0%
		3,847,363	**29%**	**658,863**	**5%**	**2,058,261**	**17%**	**67,805**	**1%**
	Recognised in other comprehensive income								
	defered tax recognised in other comprehensive income	18,055		(9,479)		10,580		632	
		18,055		**(9,479)**		**10,580**		**632**	

		Group		Company	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
		=N=' 000	=N=' 000	=N=' 000	=N=' 000
14	Earnings per share				
	Basic earnings per share				
	Basic earnings attributable to shareholders (N'000)	9,653,025	11,258,738	9,347,655	6,723,392
	Weighted number of ordinary shares in issue for basic ('000)	6,000,000	6,000,000	6,000,000	6,000,000
	Weighted number of ordinary shares in issue on conversion of dilutive shares ('000)	6,000,000	6,000,000	6,000,000	6,000,000
	Basic earnings per share (kobo)	**161**	**188**	**156**	**112**
	Diluted earnings per share (kobo)	**161**	**188**	**156**	**112**

There are no dilutive instruments in issue as at the reporting date. Consequently, basic and diluted EPS are same.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

		Group		Company	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
		=N=' 000	=N=' 000	=N=' 000	=N=' 000
15	**Cash and cash equivalents**				
	Cash and balances with banks	10,336,587	1,940,710	2,501,903	85,372
	Money market placements	139,530,451	51,721,138	20,405,433	6,866,041
		149,867,038	53,661,848	22,907,336	6,951,413
	Impairment charge	-	-	-	-
		149,867,038	**53,661,848**	**22,907,336**	**6,951,413**
	Current	149,867,038	53,661,848	22,907,336	6,951,413
	Non-Current	-	-	-	-
		149,867,038	**53,661,848**	**22,907,336**	**6,951,413**
15a	Impairment adjustments on Cash				
	At 1 January	-	38,600	-	-
	Arising during the year	-	(38,600)	-	-
	Closing Balance	-	-	-	-

"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	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
15b	**Cash and cash equivalent for cashflow purposes**				
		=N=' 000	=N=' 000	=N=' 000	=N=' 000
	Cash and cash equivalent	149,867,038	53,661,848	22,907,336	6,951,413
	Bank overdraft	(191,344)	(46,461)	(96,089)	(3,561)
	Closing Balance	**149,675,694**	**53,615,387**	**22,811,247**	**6,947,852**
16	**Investment securities**				
	Financial assets measured at amortised cost - (note 16.1)	167,662,848	169,041,801	75,477,029	54,332,003
	Financial assets at Fair value through other comprehensive income - (note 16.2)	24,031,197	18,129,425	6,208,578	3,432,217
	Financial assets at Fair value through profit or loss - (note 16.3)	194,850,049	176,476,026	3,701,452	835,676
		386,544,095	**363,647,252**	**85,387,058**	**58,599,896**
	Current	60,481,636	48,996,009	7,087,409	18,669,650
	Non-Current	326,062,459	314,651,243	78,299,649	39,930,246
		386,544,095	**363,647,252**	**85,387,058**	**58,599,896**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

		Group		Company	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
16.1	**Financial assets measured at amortised cost**				
	Investment in long term placement	41,604,619	81,551,376	27,057,497	11,461,200
	Commercial papers	21,752,655	1,842,701	-	-
	Loans to customer	33,117,175	30,592,996	37,473,989	27,837,640
	Treasury bills	11,930,948	8,842,628	-	-
	Federal government bonds	17,138,128	8,057,445	477,685	-
	State government bonds	22,759,507	24,802,577	10,370,100	12,572,777
	Corporate bonds	26,823,747	15,151,370	1,465,234	3,178,044
		175,126,779	**170,841,093**	**76,844,505**	**55,049,661**
	Loss allowance on financial assets at amortised costs (note 16.1a)	(7,463,931)	(1,799,292)	(1,367,476)	(717,658)
		167,662,848	**169,041,801**	**75,477,029**	**54,332,003**
16.1a	**Loss allowance on financial assets at amortised costs**				
	At 1 January	1,806,806	1,455,453	717,658	730,710
	Charge during the period:				
	(Writeback)/allowance on loan to customers	-	(18,521)	-	(13,052)
	Loss allowance on other financial assets	5,657,125	362,360	649,818	-
		7,463,931	**1,799,292**	**1,367,476**	**717,658**
16.1b	**Impairment Categorisation**				
	Stage 1	3,367,488	1,799,292	763,619	717,658
	Stage 2	-	-	-	-
	Stage 3	4,096,443	-	603,857	-
		7,463,931	**1,799,292**	**1,367,476**	**717,658**

The specific impairment have been approved by the Board and the are impaiments relating to financial assets that are deemed to be bad and doubtful of recovery. A total of N4.58b was approved as specific provision for impaiment on these doubtful financial assets.

		Group		Company	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
		=N=' 000	=N=' 000	=N=' 000	=N=' 000
16.2	**Financial assets measure at fair value through other comprehensive income (FVTOCI)**				
	Bonds	5,076,346	730,435	-	-
	Equity- quoted	11,834,120	13,803,797	1,255,808	1,255,808
	Mutual funds	7,130,615	5,392,549	3,771,601	2,042,707
		24,041,081	**19,926,781**	**5,027,409**	**3,298,515**
	Fair value adjustments (16.2a)	(9,884)	(1,797,356)	1,181,169	133,702
		24,031,197	**18,129,425**	**6,208,578**	**3,432,217**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

		Group		Company	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
		=N=' 000	=N=' 000	=N=' 000	=N=' 000
16.2a	**Changes in fair value reserve**				
	At 1 January	(1,797,356)	(858,932)	133,702	71,177
	Arising during the period	1,787,472	(938,424)	1,047,467	62,525
	At 31 December	**(9,884)**	**(1,797,356)**	**1,181,169**	**133,702**
16.3	**Financial asset measured at fair Value Through Profit or Loss (FVTPL)**				
	Quoted equity investment	2,103,674	1,795,414	742,027	742,027
	Mutua Funds	117,861,826	139,858,655	2,822,621	-
	Wealth management investments	67,654,422	28,418,206	-	-
	Equity- Unquoted	7,018,029	6,187,633	-	
		194,637,951	**176,259,908**	**3,564,648**	**742,027**
	Fair value adjustment (note 16.3a)	212,098	216,118	136,804	93,649
		194,850,049	**176,476,026**	**3,701,452**	**835,676**
16.3a	**Changes in fair value reserve**				
	At 1 January	(216,118)	21,167	(93,649)	21,167
	Arising during the period	4,020	(237,285)	(43,155)	(114,816)
	At 31 December	**(212,098)**	**(216,118)**	**(136,804)**	**(93,649)**
17	**Trade receivables & other receivables**				
	Trade debtors	479,651	934,451	192,503	161,471
	Prepayments	440,136	214,115	370,315	143,609
	Accrued income	1,745,022	1,829,620	887,012	679,971
	Other receivables	5,104,912	1,345,057	3,497,122	2,238,207
	Due from related parties	-	-	1,368,415	-
	Due from Counter-parties	10,227,448	-	-	-
	WHT Receivable	2,210,072	1,969,710	1,743,187	1,523,608
	Deposit for investment	40,285,112	25,715,827	40,285,112	25,715,827
		60,492,352	**32,008,780**	**48,343,666**	**30,462,693**
	Loss allowance on trade receivables (note 17.1)	(1,549,261)	(1,089,534)	(530,984)	(573,095)
		58,943,091	**30,919,246**	**47,812,682**	**29,889,598**
17.1	**Loss allowance on trade receivables**				
	At 1 January	1,089,534	1,315,688	573,095	787,255
	Provision no longer required	(55,842)	(374,366)	-	(374,366)
	Arising during the period	515,569	148,212	(42,111)	160,206
	At 31 December	**1,549,261**	**1,089,534**	**530,984**	**573,095**
	Current	6,220,459	3,233,709	4,946,952	3,223,257
	Non-Current	52,722,632	27,685,537	42,865,730	26,666,341
		58,943,091	**30,919,246**	**47,812,682**	**29,889,598**

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

		Group		Company	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
		=N=' 000	=N=' 000	=N=' 000	=N=' 000
18	**Dividend receivable from Subsidiaries**				
	At 1 January	-	-	4,828,500	3,670,000
	Arising during the year	-	-	7,218,000	4,828,500
	Receipt during the year	-	-	(4,828,500)	(3,670,000)
		-	-	**7,218,000**	**4,828,500**
	Current	-	-	**7,218,000**	**4,828,500**
	Non-Current	-	-	**-**	**-**
		-	-	**7,218,000**	**4,828,500**

		Group	Company
		=N=' 000	=N=' 000
19	**Right of use assets**		
	Cost		
	As at 1 January 2022	354,375	354,375
	Addition	-	-
	As at 31 December 2022	**354,375**	**354,375**
	Depreciation		
	As at 1 January 2022	141,556	141,556
	Charge for the period	70,875	70,875
	Disposal	-	-
	As at 31 December 2022	212,431	212,431
	Carrying amounts		
	As at 31 December 2022	**141,944**	**141,944**
	As at 31 December 2021	**212,819**	**212,819**

		Group	Company
19.1	**Right of use assets**		
		=N=' 000	=N=' 000
	Cost		
	As at 1 January 2021	354,375	354,375
	Addition	-	-
	As at 31 December 2021	**354,375**	**354,375**
	Depreciation		
	As at 1 January 2021	70,681	70,681
	Charge for the period	70,875	70,875
	At 31 December 2021	**141,556**	**141,556**
	Carrying amounts		
	As at 31 December 2021	**212,819**	**212,819**
	As at 31 December 2020	**283,694**	**283,694**

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 *cont'd*

		Group	Company
		=N=' 000	=N=' 000
20	**Intangible assets**		
	Cost		
	As at 1 January 2022	177,268	154,869
	Addition	137,835	134,610
	As at 31 December 2022	**315,103**	**289,479**
	Amortisation		
	As at 1 January 2022	98,672	86,718
	Charge for the period	37,130	33,144
	As at 31 December 2022	**135,802**	**119,862**
	Carrying amounts		
	As at 31 December 2022	**179,301**	**169,617**
	As at 31 December 2021	**78,596**	**68,151**

		Group	Company
		=N=' 000	**=N=' 000**
20.1	**Intangible assets**		
	Cost		
	As at 1 January 2021	119,692	109,593
	Addition	57,576	45,276
	As at 31 December 2021	**177,268**	**154,869**
	Amortisation		
	As at 1 January 2021	77,677	70,561
	Charge for the period	20,996	16,157
	As at 31 December 2021	**98,673**	**86,718**
	Carrying amounts		
	As at 31 December 2021	**78,595**	**68,151**
	As at 31 December 2020	**42,015**	**39,032**

21 Investment in subsidiaries

	Date of Investment	Holding	Value	Country
United Capital Securities Limited	2016	100%	100,000	Nigeria
United Capital Assets Management Limited	2013	100%	500,000	Nigeria
United Capital Trustees Limited	2013	100%	300,000	Nigeria
UC Plus Advance Limited	2019	100%	1,000	Nigeria
			901,000	

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

21.1 Other information on subsidiaries

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

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

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

(iv) UC Plus Advance Limited is a consumer lending company established by United Capital Plc with the sole objective of enhancing financial inclusion and providing pay day loans to working class individuals and SMEs. UC Plus Advance Limited was licensed by the Lagos State Government in 2019 but and commence operations in 2020.

21.2 Non-controlling interest of subsidiaries

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

21.3 Significant restrictions

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

22 Investment in Associates

	Date of Investment	Holding	Country	31 December 2022	31 December 2021
				=N=' 000	=N=' 000
Heirs Insurance Limited	2020	25%	Nigeria	2,500,000	2,500,000
Heirs Life Assurance Limited	2020	25%	Nigeria	2,000,000	2,000,000
				4,500,000	**4,500,000**

22.1 Other information on Associates

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

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

22.2 Investment in associates

	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	N' 000	N' 000	N' 000	N' 000
Heirs Insurance Limited	2,421,894	2,358,404	2,500,000	2,500,000
Heirs Life Assurance Limited	2,192,799	1,935,183	2,000,000	2,000,000
	4,614,693	**4,293,587**	**4,500,000**	**4,500,000**

(a) Nature of investment in associates

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

This represents holding in the ordinary share capital of Heirs Insurance Limited and Heirs Life Assurance Limited respectively, companies incorporated and operating in Nigeria (2020: 25%). The holding became an associate at commencement of the investee businesses in 2020.

(b) Summarised financial information for associates

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

(i) Summarised balance sheet

	Heirs Insurance Limited	Heirs Life Assurance Limited	Heirs Insurance Limited	Heirs Life Assurance Limited
	31 December 2022	31 December 2022	31 December 2021	31 December 2021
	N' 000	**N' 000**	**N' 000**	**N' 000**
Assets				
Cash and Cash Equivalents	603,923	472,784	4,522,006	833,368
Financial Assets	8,896,241	15,695,353	3,212,322	6,937,773
Receivables and prepayments	1,423,086	404,718	1,605,258	388,368
Right-of-use asset	642,653	681,423	662,710	385,471
Property and equipment	286,434	247,820	205,904	154,631
Intangible asset	220,212	283,263	213,890	201,130
Statutory deposit	1,000,000	800,000	1,000,000	800,000
Total assets	**13,072,549**	**18,585,361**	**11,422,090**	**9,700,741**
Liabilities				
Financial liabilities	422,210	815,976	1,312,067	224,973
Other liabilities	2,833,827	8,752,009	700,427	1,735,039
Total liabilities	**3,256,038**	**9,567,985**	**2,012,494**	**1,960,012**
Total equity	9,816,511	9,017,376	9,409,596	7,740,729

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

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

	Heirs Insurance Limited	Heirs Life Assurance Limited	Heirs Insurance Limited	Heirs Life Assurance Limited
	31 December 2022	31 December 2022	31 December 2021	31 December 2021
	N' 000	N' 000	N' 000	N' 000
Underwritng profit/(loss)	1,570,968	2,680,508	(94,425)	647,899
Investment income	941,306	745,609	1,222,084	662,866
	2,512,274	3,426,117	1,127,659	1,310,765
Operating expense	(1,833,661)	(2,130,503)	(1,692,673)	(1,569,408)
Profit before tax	678,613	1,295,613	(565,014)	(258,643)
Income tax	(128,936)	(246,167)	(1,370)	(627)
Profit after tax	549,677	1,049,447	(566,384)	(259,270)
Adjustment to associates' prior year profit after tax	(295,718)	(18,982)	-	-
Total income	253,959	1,030,465	(566,384)	(259,270)

(c) Movement in investment in associate

Group	31 December 2022	31 December 2021
	N' 000	N' 000
Balance at 1 January 2022	4,293,587	4,500,000
Share of current period profit	321,107	(206,412)
Balance at end of period	**4,614,694**	**4,293,587**

23 (i) Property and equipment Group

	Leasehold Improvements	Furniture, fittings & equipment	Motor vehicles	Computer equipment	Total
	=N=' 000	=N=' 000	=N=' 000	=N=' 000	=N=' 000
Cost					
As at 1 January 2022	258,059	175,461	692,035	263,104	1,388,659
Additions	-	6,137	63,285	41,446	110,868
Disposals	-	-	-	962	962
As at 31 December 2022	**258,059**	**181,598**	**755,320**	**305,511**	**1,500,489**
Depreciation					
As at 1 January 2022	94,923	69,700	575,438	176,744	916,805
Charge for the year	54,278	30,193	81,837	31,287	197,595
Disposals	-	-	-	(467)	(467)
As at 31 December 2022	**149,201**	**99,893**	**657,275**	**207,565**	**1,113,934**
Carrying amounts					
As at 31 December 2022	**108,858**	**81,705**	**98,045**	**97,947**	**386,555**
As at 31 December 2021	**163,135**	**105,761**	**116,596**	**86,360**	**471,852**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

(ii) **Property and equipment Company**

	Leasehold Improvements	Furniture, fittings & equipment	Motor vehicles	Computer equipment	Total
Cost					
At 1 January 2022	258,059	133,869	446,837	182,064	1,020,829
Addition	-	6,137	51,000	37,992	95,129
Disposals	-	-	-	962	962
As At 31 December 2022	**258,059**	**140,006**	**497,837**	**221,018**	**1,116,920**
Depreciation					
At 1 January 2022	94,923	41,187	366,498	104,034	606,643
Charged for the year	54,278	25,834	58,703	28,053	166,868
Disposals	-	-	-	(467)	(467)
As At 31 December 2022	**149,201**	**67,021**	**425,201**	**131,621**	**773,044**
Carrying amounts					
As At 31 December 2022	**108,858**	**72,985**	**72,636**	**89,397**	**343,876**
At 31 December 2021	**163,135**	**92,681**	**80,339**	**78,030**	**414,186**

All PPE items are non-current

23.1 (i) **Property and equipment Group**

	Leasehold Improvements	Furniture, fittings & Equipment	Motor vehicles	Computer Equipment	Total
	=N=' 000	**=N=' 000**	**=N=' 000**	**=N=' 000**	**=N=' 000**
Cost					
At 1 January 2021	258,059	122,012	684,035	214,340	1,278,445
Additions	-	53,449	8,000	49,000	110,449
Disposals	-	-	-	(236)	(236)
At 31 December 2021	258,059	175,461	692,035	263,104	1,388,658
Depreciation					
At 1 January 2021	40,645	40,508	478,365	153,103	712,621
Charge for the year	54,278	29,192	97,074	23,864	204,408
Disposals	-	-	-	(223)	(223)
At 31 December 2021	**94,923**	**69,700**	**575,438**	**176,744**	**916,806**
Carrying amounts					
At 31 December 2021	**163,135**	**105,761**	**116,596**	**86,360**	**471,852**
At 31 December 2020	**217,413**	**81,504**	**205,670**	**61,237**	**565,824**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

(ii) Company

	Leasehold Improvements	Furniture, fittings & Equipment	Motor vehicles	Computer Equipment	Total
	=N=' 000	=N=' 000	=N=' 000	=N=' 000	=N=' 000
Cost					
As at 1 January 2021	258,059	80,841	446,837	137,074	922,810
Additions	-	53,028	-	45,226	98,254
Disposals	-	-	-	(236)	(236)
As at 31 December 2021	**258,059**	**133,869**	**446,837**	**182,064**	**1,020,828**
Depreciation					
As at 1 January 2021	40,645	16,314	293,943	84,450	435,353
Charge for the year	54,278	24,873	72,555	19,807	171,513
Disposals	-		-	(223)	(223)
As at 31 December 2021	**94,923**	**41,187**	**366,498**	**104,034**	**606,643**
Carrying amounts					
As at 31 December 2021	**163,136**	**92,682**	**80,339**	**78,030**	**414,185**
As at 31 December 2020	**217,413**	**64,527**	**152,894**	**52,624**	**487,458**

		Group		Company	
24	**Deferred tax - (Asset)**	**31 December 2022**	**31 December 2021**	**31 December 2022**	**31 December 2021**
		=N=' 000	=N=' 000	=N=' 000	=N=' 000
24.1	**Deferred tax assets:**				
	At 1 January	312,755	314,736	-	-
	Charge for the period	925,738	(1,981)	-	-
		1,238,493	312,755	-	-
	The break down of deferred tax assets are as follows:				
	Property and equipment	38,545	26,943	-	-
	Exchange difference	(453,581)	-	-	-
	Losses	915,402	187,557	-	-
	Fair value adjustments	(156,589)	-		
	Provisions	894,716	98,255	-	-
		1,238,493	312,755	-	-
24.2	**Deferred tax liabilities:**				
	– Deferred tax liability to be recovered after more than 12 months	82,500	126,974	82,500	113,701
	(Writeback)/Charge for the period	750,534	(44,474)	704,948	(31,201)
	Total	**833,034**	**82,500**	**787,448**	**82,500**
	The break down of deferred tax liabilities are as follows:				
	Property and equipment	67,274	753	62,660	753
	Exchange difference	296,447	174,489	296,447	174,489
	Losses	9,499	(92,742)	-	(92,742)
	Fair value adjustments	498,097	-	428,341	-
	Provisions	(38,283)	-	-	-
		833,034	**82,500**	**787,448**	**82,500**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

Parent - Deferred tax liabilities	1 January 2022	Recognised in P&L	Recognised in OCI	31 December 2022
	N'000	N'000	N'000	N'000
Property and equipment	753	61,907	-	62,660
Exchange difference	174,489	121,959	-	296,447
Losses	(92,742)	92,742	-	-
Fair value adjustments	-	-	428,341	428,341
Provisions	-	-	-	-
	82,500	276,607	428,341	787,448

Group - Deferred tax liabilities	1 January 2022	Recognised in P&L	Recognised in OCI	31 December 2022
	N'000	N'000	N'000	N'000
Property and equipment	753	66,521	-	67,274
Exchange difference	174,489	121,959	-	296,447
Losses	(92,742)	102,241	-	9,499
Fair value adjustments	-	-	498,097	498,097
Provisions	-	(38,283)	-	(38,283)
	82,500	**252,437**	**498,097**	**833,034**

Group - Deferred tax asset	1 January 2022	Recognised in P&L	Recognised in OCI	31 December 2022
	N'000	N'000	N'000	N'000
Property and equipment	26,943	11,602	-	38,545
Exchange difference	-	(453,581)	-	(453,581)
Losses	187,557	727,846	-	915,402
Fair value adjustments	-	(156,589)	-	(156,589)
Provisions	98,255	796,461	-	894,716
	312,755	**925,738**	**-**	**1,238,493**

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

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

25 Managed Funds

	Group		Company	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	=N=' 000	=N=' 000	=N=' 000	=N=' 000
Short term investments	252,972,481	204,940,905	-	-
Ucap Prestige	65,002,813	65,092,136		
Trust funds	77,105,539	34,772,369	-	-
Sinking Funds	16,921,277	19,943,655	-	-
Payable on trust accounts	1,696,587	2,499,959	-	-
	413,698,697	**327,249,024**	**-**	**-**
Current	256,943,817	239,494,144	-	-
Non-Current	156,754,880	87,754,880	-	-
	413,698,697	**327,249,024**	**-**	**-**

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

	Group 31 December 2022	Group 31 December 2021	Company 31 December 2022	Company 31 December 2021
Borrowing from banks and other financial institutions	82,260,716	53,083,376	82,751,277	57,110,168
Bank overdraft	191,344	46,461	96,089	3,561
Issued debt - Bonds	18,002,284	7,617,351	18,002,284	7,617,351
Commercial Papers	-	18,990,389	-	18,990,389
	100,454,344	**79,737,577**	**100,849,650**	**83,721,469**
Current	6,192,105	19,092,491	6,096,851	19,092,491
Non-Current	94,262,239	60,645,086	94,752,799	64,628,978
	100,454,344	**79,737,577**	**100,849,650**	**83,721,469**

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.

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

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

27 Other liabilities

	Group		Company	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	=N=' 000	=N=' 000	=N=' 000	=N=' 000
Creditors and accruals	2,277,520	1,472,846	1,803,656	768,089
Customers deposit	48,396	7,403,221	-	-
Due to counter-parties	45,867,979	-	45,867,979	-
Other current liabilities	455,303	5,302,782	-	4,368,339
Dividend payable	-	-	-	-
	48,649,198	14,178,849	47,671,635	5,136,428
Current	48,649,198	14,178,849	47,671,635	5,136,428
Non-Current	-	-	-	-
	48,649,198	14,178,849	47,671,635	5,136,428

28 Current Liabilities

At 1 January	**1,803,211**	**1,830,812**	**649,566**	**1,012,778**
Charge for the period	4,022,567	701,356	1,353,312	99,006
Tax paid	(533,130)	(728,957)	(100,819)	(462,218)
Closing Balance	**5,292,648**	**1,803,211**	**1,902,059**	**649,566**

The charge for income tax in these financial statements is based on the provisions of the Companies Income Tax Act as amended, while Education Tax is based on Education Tax Act. We also have tax charged on information technology levy and police trust fund based on Police trust fund Act.

29 Share capital

		Group		Company	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
		=N=' 000	=N=' 000	=N=' 000	=N=' 000
	The share capital comprises:				
(i)	Authorised -				
	6,000,000,000 Ordinary				
	shares of N0.5 each	3,000,000	3,000,000	3,000,000	3,000,000
(ii)	Issued and fully paid -				
	6,000,000 Ordinary				
	shares of N0.5 each	**3,000,000**	**3,000,000**	**3,000,000**	**3,000,000**

30 Share Premium

Share premium balance	683,611	683,611	683,611	683,611

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

		Group		Company	
31	**Retained earnings**	**31 December 2022**	**31 December 2021**	**31 December 2022**	**31 December 2021**
		=N=' 000	**=N=' 000**	**=N=' 000**	**=N=' 000**
	At 1 January	28,660,538	21,601,800	12,958,286	10,434,895
	Transfer from profit or loss account	9,653,025	11,258,738	9,347,655	6,723,391
	Dividend paid during the period (2022: N1.50k, 2021: N0.70k)	(9,000,000)	(4,200,000)	(9,000,000)	(4,200,000)
		29,313,563	**28,660,538**	**13,305,941**	**12,958,286**
32	**Fair Value Reserves**				
	At 1 January	(1,797,356)	(858,932)	133,702	71,177
	Arising during the period:				
	Fair valuation on items that will not be subsequently reclassified to profit or loss (note 32.1)	985,402	11,839	176,502	-
	Fair valuation on items that will be subsequently reclassified to profit or loss (note 32.2)	802,070	(950,263)	870,965	62,525
		(9,884)	**(1,797,356)**	**1,181,169**	**133,702**
32.1	**Fair valuation on items that will not be subsequently reclassified to profit or loss**				
	Net fair value (loss)/gain on investments in quoted equity instruments measured at FVTOCI	985,402	11,839	176,502	-
	Net fair value gain/(loss) on investments in unquoted equity instruments measured at FVTOCI	-	-	-	-
		985,402	**11,839**	**176,502**	**-**
32.2	**Fair valuation on items that may be subsequently reclassified to profit or loss**				
	Net fair value (loss)/gain on investments in other financial instruments measured at FVTOCI	802,070	(950,263)	870,965	62,525
		802,070	**(950,263)**	**870,965**	**62,525**

33	**Reconcilaition of profit after tax to net cash from operating activities**				
	Operating profit before tax	13,179,281	12,124,013	11,405,916	6,791,196
	Adjustments to reconcile net cash provided:				
	Depreciation and amortisation	305,600	296,278	270,886	258,545
	Foreign exchange revaluation	(1,883,105)	(1,366,640)	(487,472)	(157,622)
	Net interest income	(12,803,600)	(7,193,943)	(3,011,103)	(1,461,848)
	Dividend income	(1,016,070)	(1,706,570)	(7,337,116)	(4,922,159)
	Fair value changes on financial instruments at fair value through profit or loss	4,020	(237,285)	(43,155)	(114,816)
	Gain on disposal of property and equipment	4	(34)	4	(34)
	Allowance for impairment - financial assets	5,657,125	305,238	649,818	(13,052)
	Allowance for impairment - other assets	515,569	148,212	(42,111)	160,206
		3,958,824	**2,369,270**	**1,405,668**	**540,417**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

	Group		Company	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	=N=' 000	=N=' 000	=N=' 000	=N=' 000
Net movement in operating assets and liabilities				
Trade receivables and prepayment	(28,539,414)	(2,594,717)	(17,880,973)	(2,572,895)
Managed funds	86,449,673	211,229,947	-	-
Other liabilities	34,470,349	6,495,541	42,535,207	2,874,515
Net cash from operations	96,339,432	217,500,041	26,059,901	842,037
Interest received	52,890,397	13,376,206	8,897,951	5,950,754
Interest paid	(39,070,727)	(14,733,433)	(5,767,732)	(2,199,205)
Tax Paid	(533,130)	(728,957)	(100,819)	(462,218)
Net cash (used in)/provided by operating activities	109,625,972	215,413,857	29,089,301	4,131,367

34 Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise influence over the other party in making financial and operational decisions, or one other party controls both. The definition includes subsidiaries, associates, joint ventures as well as key management personnel.

34.1 Identity of related parties

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

34.2 Key management personnel

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

		Group		Company	
34.3	**Other information on key management personnel**	**31 December 2022**	**31December 2021**	**31December 2022**	**31 December 2021**
		=N='000	**=N='000**	**=N='000**	**=N='000**
	Emoluments:				
	Chairman	7,725	7,725	1,931	1,931
	Highest paid director	134,525	134,525	33,631	33,631
	Other Directors	739,291	751,956	182,150	181,627
		747,016	**759,681**	**184,082**	**183,558**
	Fees	25,500	25,500	6,375	6,375
	Other emoluments	721,516	734,181	177,707	177,183
		747,016	**759,681**	**184,082**	**183,558**
	The total number of Directors were:	10	11	10	11
34.4	**Transactions with key management personnel**				
	Loan obtained during the year	109,750	100,200	27,438	25,050
	Interest income recognised	16,463	15,030	4,116	3,758
34.5	The number of persons employed (excluding directors) in the company during the period was as follows:	103	94	16	10

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

	31 December 2022	**31 December 2021**	**31 December 2022**	**31 December 2021**
N2,000,000 - N5,999,999	60	57	5	4
N6,000,000 - N7,999,999	15	12	2	2
N8,000,000 - N9,999,999	12	10	1	2
N10,000,000 and above	16	15	8	2
	103	94	16	10

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

34.7 Transactions with related companies

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

	31 December 2022	31 December 2021
Placements		
United Capital Asset Management Limited	663,157	580,826
United Capital Trustees Ltd	4,634,384	1,541,966
UC Plus Advance Ltd	230,437	542,996
	5,527,978	**2,665,788**
Account recievables		
United Capital Asset Management Limited	-	1,348,735
United Capital Securities Limited	14,009	236,822
UC Plus Advance Limited	-	72,862
	14,009	**1,658,419**
Account payable		
United Capital Trustees Limited	54,725	113,799
United Capital Asset Management Limited	-	-
	54,725	**113,799**
Borrowings		
United Capital Asset Management Ltd	9,215,382	4,372,310
United Capital Trustees Limited	3,032,722	-
United Capital Securities Limited	10,000,000	-
	22,248,104	**4,372,310**

Interest expense		
United Capital Trustees Limited	162,256	41,254
United Capital Asset Management Ltd	385,196	262,966
United Capital Securities Limited	161,215	-
	708,668	**304,220**
Interest income	**29,556**	**26,000**
United Capital Asset Management Ltd	352,036	-
UC Plus Advance Ltd	394,072	29,934
	394,072	**29,934**
Interest income		
United Capital Asset Management Ltd	29,556	26,000
United Capital Trustees Ltd	352,036	-
UC Plus Advance Ltd	12,480	3,934
	394,072	**29,934**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

35 Operating Segments

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

Geographical segments

The Group operates in the following geographical regions:

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

Business segments

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

35.1

Summarised statement of consolidating segments	Investment banking	Asset Management	Ucap Investment Wealth Management	Trustees	Securities trading	Consumer finance	Eliminating items	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Income statement								
Gross earnings	**13,981,324**	**10,473,928**	**1,245,665**	**5,278,829**	**2,148,582**	**986,084**	**(7,218,000)**	**26,896,411**
Personnel expense	(591,000)	(769,916)	(113,009)	(523,277)	(295,053)	(46,804)	-	(2,339,057)
Other operating expense	(1,376,701)	(1,393,017)	(539,325)	(1,107,014)	(491,573)	(297,748)	-	(5,205,379)
Impairment charge/ (writeback)	(607,707)	(1,796,199)	(1,037,368)	(2,733,817)	2,397	-	-	(6,172,694)
Total expense	(2,575,408)	(3,959,132)	(1,689,701)	(4,364,108)	(784,229)	(344,551)	-	(13,717,131)
Operating profit before tax	**11,405,916**	**6,514,795**	**(444,036)**	**914,721**	**1,364,353**	**641,533**	**(7,218,000)**	**13,179,281**
Share of (loss)/profit of associate	-	-	-	-	-	-	321,107	321,107
Profit before tax	**11,405,916**	**6,514,795**	**(444,036)**	**914,721**	**1,364,353**	**641,533**	**(6,896,893)**	**13,500,388**
Taxation	(2,058,261)	(80,907)	(66,605)	(1,148,329)	(493,260)	-	-	(3,847,363)
Profit after tax	**9,347,656**	**6,433,888**	**(510,642)**	**(233,607)**	**871,093**	**641,533**	**(6,896,893)**	**9,653,025**
Financial position								
Total assets	169,381,513	235,990,342	98,218,000	107,224,826	3,992,172	10,123,816	(23,015,458)	601,915,211
Total liabilities	151,210,792	229,359,902	98,218,000	103,090,103	1,577,656	9,126,714	(23,655,248)	568,927,921
Shareholders' fund	18,170,721	6,630,439	-	4,134,723	2,414,516	997,102	639,789	32,987,290

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *cont'd*

36 Events after reporting period

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

37 Contingent liabilities

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

38 Capital/financial commitements

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 2022.

39 Contraventions

The Group incured fines of N12.18m during the year under review (2021: N3). The penalty in 2022 was incurred by the Company in relation to delay in submission of post listing bond issue on bahalf of its client with Securities and Exchange Commission.

40 Securities Trading Policy

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

41 Litigation and claims

The Group is involved in cases with claims amounting to N260m (2021: N152m). Directors are of the opinion that the possibility of an outflow of resources embodying economic benefit is remote and as such no provision is required.

42 Impact of COVID 19

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

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

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

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

OTHER NATIONAL DISCLOSURES

VALUE ADDED STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

	Group				Company			
	2022		2021		2022		2021	
	=N=' 000	%	=N=' 000	%	=N=' 000	%	=N=' 000	%
Gross earnings	26,896,411		18,065,183		13,981,324		8,238,600	
Share of (loss)/profit in associates	321,107		(206,412)		-		-	
Operating expenses: Local	(4,899,778)		(3,603,030)		(1,105,814)		(778,977)	
VALUE ADDED	**22,317,740**	**100%**	**14,255,741**	**100%**	**12,875,510**	**100%**	**7,459,623**	**100%**

Applied as follows:

To pay employees:								
Salaries and other benefits	2,339,058	10%	1,588,410	11%	591,000	5%	262,727	4%
To pay Government:								
Taxes	4,022,567	18%	701,356	5%	1,353,312	11%	99,006	1%

Retained for future replacement of assets and expansion of business:

- Deferred tax	(175,204)	-1%	(42,493)	0%	704,949	5%	(31,201)	0%
- Depreciation	197,595	1%	204,408	1%	166,868	1%	171,513	2%
- Amortisation	108,005	0%	91,871	0.6%	104,019	1%	87,032	1.2%
- Impairment loss	6,172,694	28%	453,451	3%	607,707	5%	147,155	2%
- Retained profit for the year	9,653,025	43%	11,258,738	79%	9,347,655	73%	6,723,392	90%
	22,317,740	**100%**	**14,255,741**	**100%**	**12,875,510**	**100%**	**7,459,623**	**100%**

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

OTHER NATIONAL DISCLOSURES *cont'd*

5 YEAR FINANCIAL SUMMARY - GROUP

	December 2022	December 2021	December 2020	December 2019	December 2018
	=N=' 000	=N=' 000	=N=' 000	=N=' 000	=N=' 000
ASSETS					
Cash and cash equivalents	149,867,038	53,661,848	43,420,443	30,132,099	35,186,157
Investment in financial assets	386,544,095	363,647,252	145,148,841	94,142,345	88,182,725
Trade and other receivables	58,943,091	30,919,246	28,472,742	25,528,546	24,545,883
Rights of use assets	141,944	212,819	283,694	312	-
Intangible assets	179,301	78,595	42,015	43,771	14,993
Investments in associates	4,614,694	4,293,587	4,500,000	-	-
Property and equipment	386,555	471,852	565,824	357,118	301,351
Deferred tax assets	1,238,493	312,755	314,736	260,184	465,955
TOTAL ASSETS	**601,915,211**	**453,597,954**	**222,748,295**	**150,464,375**	**148,697,064**
LIABILITIES					
Managed Funds	413,698,697	327,249,024	116,019,077	72,379,297	75,685,719
Borrowed funds	100,454,344	79,737,577	72,661,645	50,876,737	49,163,296
Other liabilities	48,649,198	14,178,849	7,683,308	5,400,633	4,846,405
Current tax liabilities	5,292,648	1,803,211	1,830,812	1,569,828	1,923,707
Deferred tax liabilities	833,034	82,500	126,974	652,041	1,243,930
TOTAL LIABILITIES	**568,927,921**	**423,051,161**	**198,321,816**	**130,878,536**	**132,863,057**
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	29,313,563	28,660,538	21,601,800	16,790,622	13,817,203
Other reserves	(9,884)	(1,797,356)	(858,932)	(888,394)	(1,666,807)
SHAREHOLDER'S FUND	**32,987,290**	**30,546,793**	**24,426,479**	**19,585,839**	**15,834,007**
TOTAL LIABILITIES AND EQUITY	**601,915,211**	**453,597,954**	**222,748,295**	**150,464,375**	**148,697,064**

OTHER NATIONAL DISCLOSURES *cont'd*

5 YEAR FINANCIAL SUMMARY - COMPANY

	December 2022	December 2021	December 2020	December 2019	December 2018
	=N=' 000	=N=' 000	=N=' 000	=N=' 000	=N=' 000
ASSETS					
Cash and cash equivalents	22,907,336	6,951,413	12,196,469	2,401,282	2,125,972
Investment in financial assets	85,387,058	58,599,896	40,456,026	35,071,034	33,335,015
Trade and other receivables	47,812,682	29,889,598	27,476,909	24,558,776	24,116,058
Dividend receivable from subsidiaries	7,218,000	4,828,500	3,670,000	2,520,000	1,711,111
Rights of use assets	141,944	212,819	283,694	312	-
Intangible assets	169,617	68,151	39,032	38,768	7,970
Investments in subsidiaries	901,000	901,000	901,000	901,000	900,000
Investments in associates	4,500,000	4,500,000	4,500,000	-	-
Property and equipment	343,876	414,185	487,457	269,384	227,207
Deferred tax	-	-	-	-	134,039
TOTAL ASSETS	**169,381,514**	**106,365,562**	**90,010,587**	**65,760,556**	**62,557,372**
LIABILITIES					
Borrowed funds	100,849,650	83,717,908	72,432,512	50,876,737	49,163,296
Other liabilities	47,671,635	5,139,989	2,261,913	2,213,132	1,589,507
Current tax liabilities	1,902,059	649,566	1,012,778	729,230	1,068,504
Deferred tax liabilities	787,448	82,500	113,701	343,324	186,906
TOTAL LIABILITIES	**151,210,793**	**89,589,963**	**75,820,904**	**54,162,423**	**52,008,213**
EQUITY					
Share capital	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Share premium	683,611	683,611	683,611	683,611	683,611
Retained earnings	13,305,941	12,958,286	10,434,895	7,847,830	6,811,757
Other reserves	1,181,169	133,702	71,177	66,692	53,791
SHAREHOLDER'S FUND	**18,170,721**	**16,775,599**	**14,189,683**	**11,598,133**	**10,549,159**
TOTAL LIABILITIES AND EQUITY	**169,381,514**	**106,365,562**	**90,010,587**	**65,760,556**	**62,557,372**

OTHER NATIONAL DISCLOSURES *cont'd*

5 YEAR FIANCIAL SUMMARY - GROUP

	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018
	=N=' 000	=N=' 000	=N=' 000	=N=' 000	=N=' 000
Gross earnings	26,896,411	18,065,183	12,873,897	8,591,929	9,259,398
Gross operating expenses	(13,717,130)	(5,941,170)	(4,926,227)	(3,642,209)	(3,038,151)
Operating profit before income tax	**13,179,282**	**12,124,013**	**7,947,670**	**4,949,720**	**6,221,247**
Share of profit/(loss) in associate companies	321,107	(206,412)	-	-	-
Profit before income tax	**13,500,388**	**11,917,601**	**7,947,670**	**4,949,720**	**6,221,247**
Taxation	(3,847,363)	(658,863)	(136,492)	23,699	(1,883,257)
Profit for the year from continuing operations	**9,653,025**	**11,258,738**	**7,811,178**	**4,973,419**	**4,337,990**
Other comprehensive income/(loss) for the year	1,787,472	(938,423)	29,462	778,413	23,843
Total comprehensive income for the year	**11,440,497**	**10,320,315**	**7,840,640**	**5,751,832**	**4,361,833**
Earnings per share-basic (kobo)	161	188	130	83	72

5 YEAR FINANCIAL SUMMARY - COMPANY

	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018
	=N=' 000	=N=' 000	=N=' 000	=N=' 000	=N=' 000
Gross earnings	13,981,324	8,238,600	7,560,671	4,930,671	3,988,933
Gross operating expenses	(2,575,408)	(1,447,404)	(1,733,601)	(1,494,323)	(696,434)
Operating profit before income tax	**11,405,916**	**6,791,196**	**5,827,070**	**3,436,348**	**3,292,499**
Taxation	(2,058,261)	(67,805)	(240,006)	(400,275)	(588,796)
Profit for the year from continuing operations	**9,347,655**	**6,723,392**	**5,587,064**	**3,036,073**	**2,703,703**
Other comprehensive income/(loss) for the year	**1,047,467**	**62,525**	**4,485**	**12,901**	**(17,470)**
Total comprehensive income for the year	**10,395,122**	**6,785,916**	**5,591,549**	**3,048,974**	**2,686,233**
Earnings per share-basic (kobo)	156	112	93	51	45

Investor **Information**

Corporate Information

Directors

Professor Chika Mordi	Chairman (Non-Executive Director)
Peter Ashade	Group Chief Executive Officer
Sunny Anene	Deputy Group Chief Executive Officer
Emmanuel Nnorom	Non-Executive Director
Stephen Nwadiuko	Independent Non-Executive Director
Sonny Iroche	Independent Non-Executive Director
Oladipupo Fatokun	Independent Non-Executive Director
Oluleke Ogunlewe	Non-Executive Director

Executive Management

Peter Ashade	Group Chief Executive Officer
Sunny Anene	Deputy Group Chief Executive Officer
Gbadebo Adenrele	Managing Director, Investment Banking
Bawo Oritsejafor	Managing Director, United Capital Securities Limited
Odiri Oginni	Managing Director, United Capital Asset Management Limited
Bukola Ikeotuonye	Managing Director, United Capital Trustees 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:

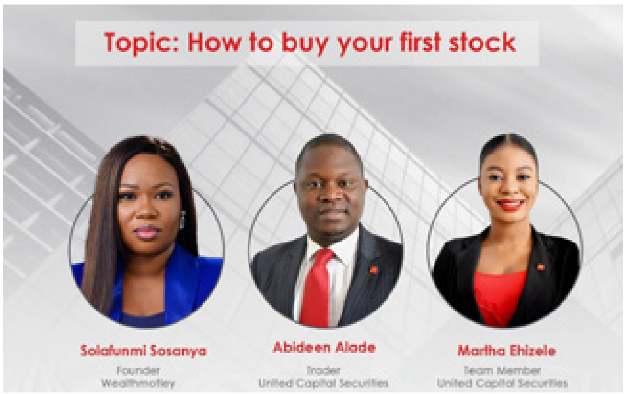
PricewaterhouseCoopers Nigeria
5B Water Corporation Road, Landmark Towers, Victoria Island
Lagos, Nigeria

UCAP in Pictures

Group CEO addressing staff at the Internal Townhall meeting.

Cross-section of staff at the meeting

UCAP in Pictures



We held the first virtual Investment Webinar, where we provided information on buying ones first stock March

Directors of United Capital Plc at the 2022 Annual General Meeting. L-R: Leke Ogunlewe, Hajiya Sutura Bello, Peter Ashade, Emmanuel Nnorom, Leo Okafor, Sunny Anene, Tokunbo Ajayi, Stephen Nwadiuko

Richard Akindele (Head Consumer Finance), Akinsola Akinyemi (Group Financial Controller), Gbadebo Aderenle (MD, Investment Banking), Tesilimi Yusuf (Director of Digital Transformation), Adetola Fasuyi (Head, Wealth Management), Emmanuel Nnorom (Non-Executive Director), Odiri Oginni (MD/CEO Asset Management), Sunny Anene (Deputy Group CEO), Buky Ikeotuonye (MD/CEO Trustees), Seye Komolafe (Director of Resources), Bawo Oritsejafor (MD/CEO Securities Trading), Shedrack Onakpoma (Group Chief Financial Officer) at the United Capital Plc 2022 Annual General Meeting

UCAP in Pictures

Shareholders asking questions at the United Capital Plc 2022 Annual General Meeting

Fund Managers Association of Nigeria (FMAN) Cup - The UCAP football team won the FMAN Cup. Cross-section of the players, coach, and Group CEO

UCAP in Pictures

We celebrated our culture and heritage on Africa Day. Cross-section of staff celebrating Africa Day

Money Minute with United Capital, our flagship radio show on Smooth FM was relaunched. Cross-section of staff speaking at the radio station

UCAP in Pictures

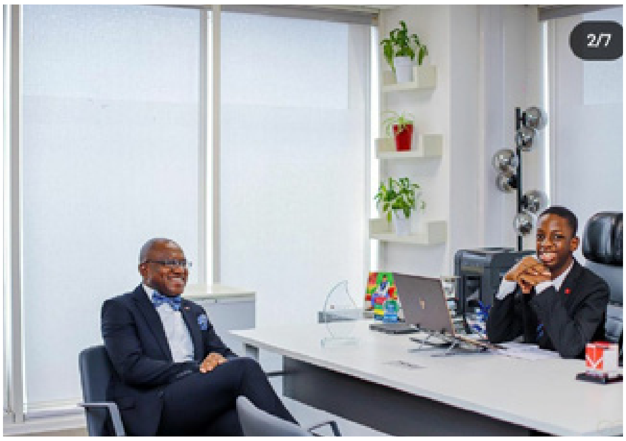
African CEO of the Year Award recipient, Peter Ashade, Group CEO, receiving his award at the 2022 African Business Leadership Awards.

We hosted the Commissioner of National Insurance Commission (NAICOM), DG, Nigerian Insurance Association, and CEOs of Insurance Companies at our inaugural CEO Breakfast Roundtable

We organised a financial literacy workshop for children – Money Savvy Kid, cross-section of online and offline attendees

UCAP in Pictures


We recognized and rewarded most customer-centric staff at the 2022 Customer Service Week.




11-year old Pharez Obioha emerged as United Capital CEO for a day.

We won the Sectorial Leadership – Financial Services (other Financial Institutions) award at the 2022 PEARL awards. L-R: Bawo Oristejafor, Buky Ikeotuonye, Gbadebo Aderenle, Sunny Anene, Odiri Oginni, Adetola Fasuyi at the 2022 PEARL Awards

UCAP in Pictures

We celebrated the festive season with a Christmas Carol. Cross-section of staff at the carol.

United Capital

NOTICE OF ANNUAL GENERAL MEETING OF UNITED CAPITAL PLC

NOTICE IS HEREBY GIVEN that the **10th** Annual General Meeting of United Capital Plc will hold at the Transcorp Hilton Hotel, 1, Aguiyi Ironsi Street, Maitama, Abuja on Monday March 27, 2023 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, 2022 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 Sir. Stephen Nwadiuko; and

3.2 Mr. Oladipupo Fatokun.

4. To authorise the Directors to determine the remuneration of the Auditors.
5. To disclose the remuneration of Managers.
6. To elect/re-elect members of the Statutory Audit Committee.

SPECIAL BUSINESS:

7. To consider and if thought fit, pass the following as an ordinary resolution:

"That the Director's fees payable to Non-Executive Directors, until further notice, be and is hereby fixed at the sum of N130,000,000 (One hundred and thirty million naira only) for the year ending December 31, 2023. Such payments to be effective from January 1, 2023.

8. To consider and if thought fit, pass the following as ordinary resolutions:

8.1 The Directors be and are hereby authorized to raise additional capital of up to N200,000,000,000 (Two 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.

8.2 Subject to regulatory approval, the Directors be and are hereby authorized to appoint such advisers, professionals and parties that they deem necessary, upon such terms and conditions that the Directors may deem appropriate with regard to the aforementioned issuances.

Dated March 2, 2023

BY ORDER OF THE BOARD

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

NOTES:

PROXY

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

RIGHT OF SECURITIES' HOLDERS TO ASK QUESTIONS

Securities' Holders have a right to ask questions not only at the Meeting, but also in writing prior to the Meeting, and such questions must be submitted to the Company on or before March 24, 2023.

NOMINATION TO THE AUDIT COMMITTEE

Pursuant to Section 404(6) of the Companies & Allied Matters Act, 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. The Nigerian Code of Corporate Governance 2018 has advised that members of the Audit Committee should have basic financial literacy and should be able to read Financial Statements. We therefore request that nominations be accompanied by a copy of the nominee's genuine curriculum vitae.

DIVIDEND

If the Dividend recommended by the Directors is approved by the members at the Annual General Meeting, Dividend will be paid by March 28, 2023 to the Shareholders whose names appear in the Company's Register of Members at the close of business on March 14, 2023.

CLOSURE OF REGISTER

The Register of Members and Transfer Books will be closed from March 15, 2023 to March 22, 2023 both days inclusive for the purpose of updating the Register of Members.

E-DIVIDEND

Notice is hereby given to all Shareholders (who are yet to do so) to open bank accounts, stockbroking accounts and CSCS accounts for the purpose of dividend. A detachable application form for e-dividend is attached to this Annual Report to enable all shareholders furnish particulars of their accounts to the Registrar as soon as possible.

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 cfc@africaprudential.com to lay claim.

PROFILES OF DIRECTORS FOR RE-ELECTION

The profiles of Sir Stephen Nwadiuko and Mr. Oladipupo Fatokun 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 Annual Report and on the Company's website at www.unitedcapitalplcgroup.com

E- ANNUAL REPORT PUBLISHED ON THE WEBSITE

In order to improve delivery of our Annual Report, we have inserted a detachable form in the 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 Annual Report is available on the Company's website at www.unitedcapitalplcgroup.com

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

Africa Prudential
RC 649007

E-DIVIDEND MANDATE ACTIVATION FORM

Affix Recent Passport Photograph

USE GUM ONLY
NO STAPLE PINS

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

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

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

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

Bank Verification Number (BVN):

Bank Name:

Bank Account Number:

Account Opening Date: DD MM YYYY

SHAREHOLDER ACCOUNT INFORMATION

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

Surname/Company's Name First Name Other Name

Address

City State Country

Clearing House Number (CHN) (if any) C

Name of Stockbroking Firm

Mobile Telephone 1

Mobile Telephone 2

E-mail Address

DECLARATION

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

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

Signature:

Signature: Joint/Company's Signatories

Company Seal *(if applicable)*

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

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

OTHERS:

HEAD OFFICE: 220B, Ikorodu Road, Palmgrove, Lagos.
ABUJA: Infinity House (2nd Floor), 11 Kaura Namoda Street, Off Faskari Crescent, Area 3, Garki, Abuja.
PORT-HARCOURT: Oklen Suite Building (2nd Floor), No. 1A, Evo Road, GRA Phase 2.
TEL: 0700 AFRIPRUD (0700 2374 7783) | E-MAIL: cxc@africaprudential.com | www.africaprudential.com | @afriprud

Africa Prudential
RC 649007

SHARE PORTAL 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. LIVINGTRUST MORTGAGE BANK PLC
30. PERSONAL TRUST & SAVINGS LTD
31. P.S MANDRIDES PLC
32. PORTLAND PAINTS & PRODUCTS NIG. PLC
33. PREMIER BREWERIES PLC
34. RESORT SAVINGS & LOANS PLC
35. ROADS NIGERIA PLC
36. SCOA NIGERIA PLC
37. TRANSCORP HOTELS PLC
38. TRANSCORP PLC
39. TOWER BOND
40. THE LA CASERA CORPORATE BOND
41. UACN PLC
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SCAN
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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 said 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

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Africa Prudential
RC 649007

E-SERVICE/DATA UPDATE FORM

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

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

DECLARATION

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

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

Signature:

Signature:

Joint/Company's Signatories

Company Seal *(if applicable)*

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

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To Download Shareholders' Forms

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 27, 2023

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 27, 2023, at 10am or at any adjournment hereof.

Dated this ……….. day of ………………………….. 2023

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, 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, 2022, 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 Sir Stephen Nwadiuko			
	3.2 Mr. Oladipupo Fatokun			
4.	To authorize directors to fix remuneration of auditors			
5.	To fix the remuneration of Non-Executive Directors			
6.	To disclose the remuneration of Managers			
7.	To elect members of Statutory Audit Committee			
8.	To raise additional capital of N200,000,000 by way of bonds, commercial papers etc			

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

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 27, 2023 AT 10 AM AT THE TRANSCORP HILTON HOTEL, 1, AGUIYI IRONSI, MAITAMA, ABUJA

Name and address of Shareholder

Account Number:

Prox

Shareholder

LEO OKAFOR
Company Secretary

Signature:……………………………………………………………………………………………………

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

Lagos • Abuja • Port Harcourt • Ibadan • Ghana

www.unitedcapitalplcgroup.com