

2024

ANNUAL REPORT

United Capital



# PARAGON

ASSET MANAGEMENT | INVESTMENT BANKING | SECURITIES TRADING  
TRUSTEES SERVICES | MICROFINANCE BANKING | CONSUMER FINANCE

A lighthouse with a red dot in the letter O of PARAGON. The lighthouse is a tall, cylindrical tower with a white band around its middle. It has two arched windows and a lantern room at the top with a light beam shining out. The word "PARAGON" is written in large, white, sans-serif capital letters across the middle of the image. The letter "O" has a red dot in its center. The background is dark with some light rays and bubbles.

# PARAGON

*/ˈpærəɡɒn/*

Noun: A person or thing viewed as a model of excellence, perfection of a kind, a benchmark of greatness

Paragon embodies the very essence of who we are: an unmatched symbol of excellence, resilience, and perseverance. For 60 years, United Capital has defied the odds, rising above economic challenges, changing governments, and a global pandemic. In a world where many falter, we have broken new ground, expanded across Africa, and set ambitious goals that others deemed impossible.

## **SYMBOLISM**

A lighthouse serves as a beacon, offering guidance and clarity to sailors navigating treacherous waters. In this case, however, the lighthouse represents United Capital setting a benchmark for excellence. This narrative cements UCAP's identity as a leader, inspiring trust and admiration.

Paragon is not just a title; it's a reflection of our relentless drive to be the gold standard in everything we do, continually breaking barriers and setting the pace for others to follow.

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# About United Capital

# WE HIT A HAT-TRICK!

WE ARE HONOURED TO BE RECOGNIZED BY THE **FINANCIAL TIMES** AND **STATISTA** AS ONE OF **AFRICA'S FASTEST GROWING COMPANIES** FOR THE **THIRD YEAR IN A ROW.**



|  |   |                        |
|--|---|------------------------|
| <br> | <b>AFRICA'S<br/>FASTEST GROWING<br/>COMPANIES</b> | <b>2022<br/>- 2024</b> |
|--|---|------------------------|

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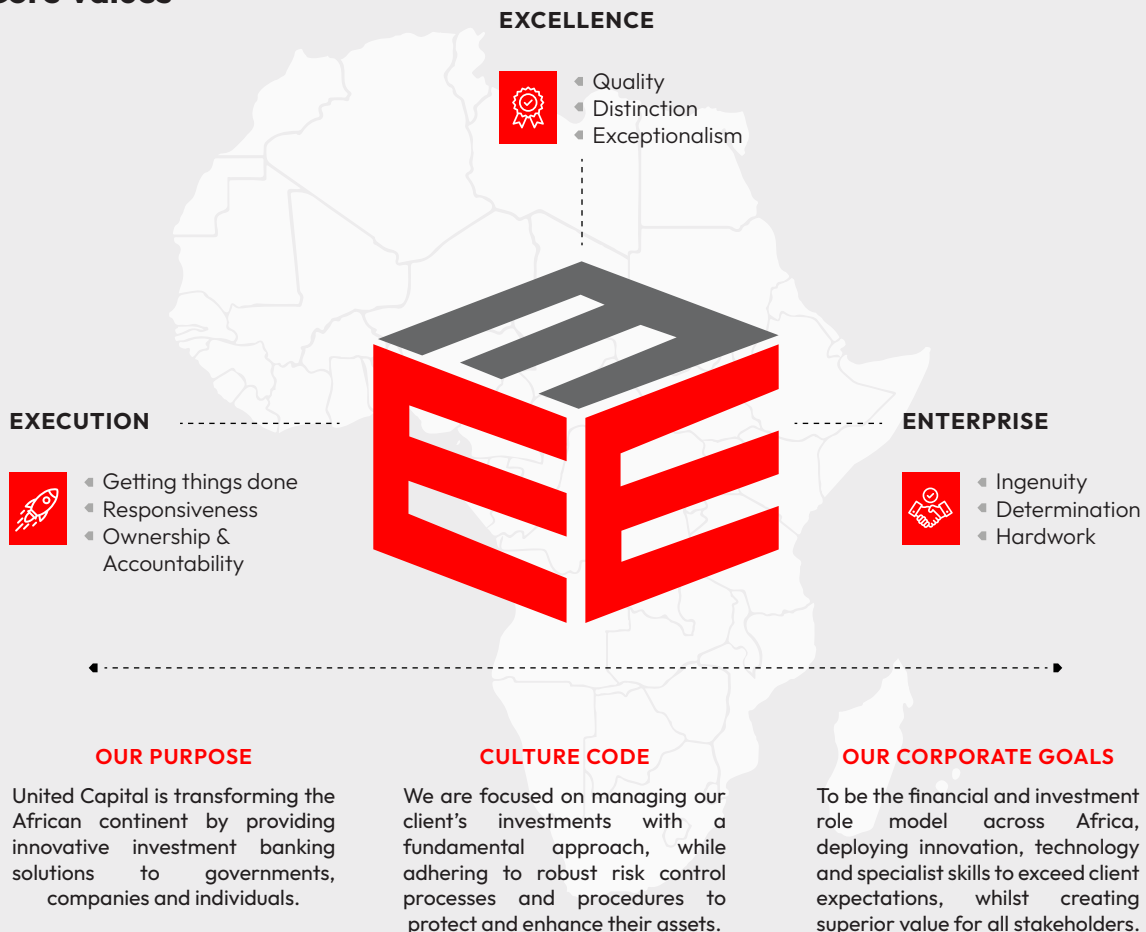
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## ■ About United Capital Plc

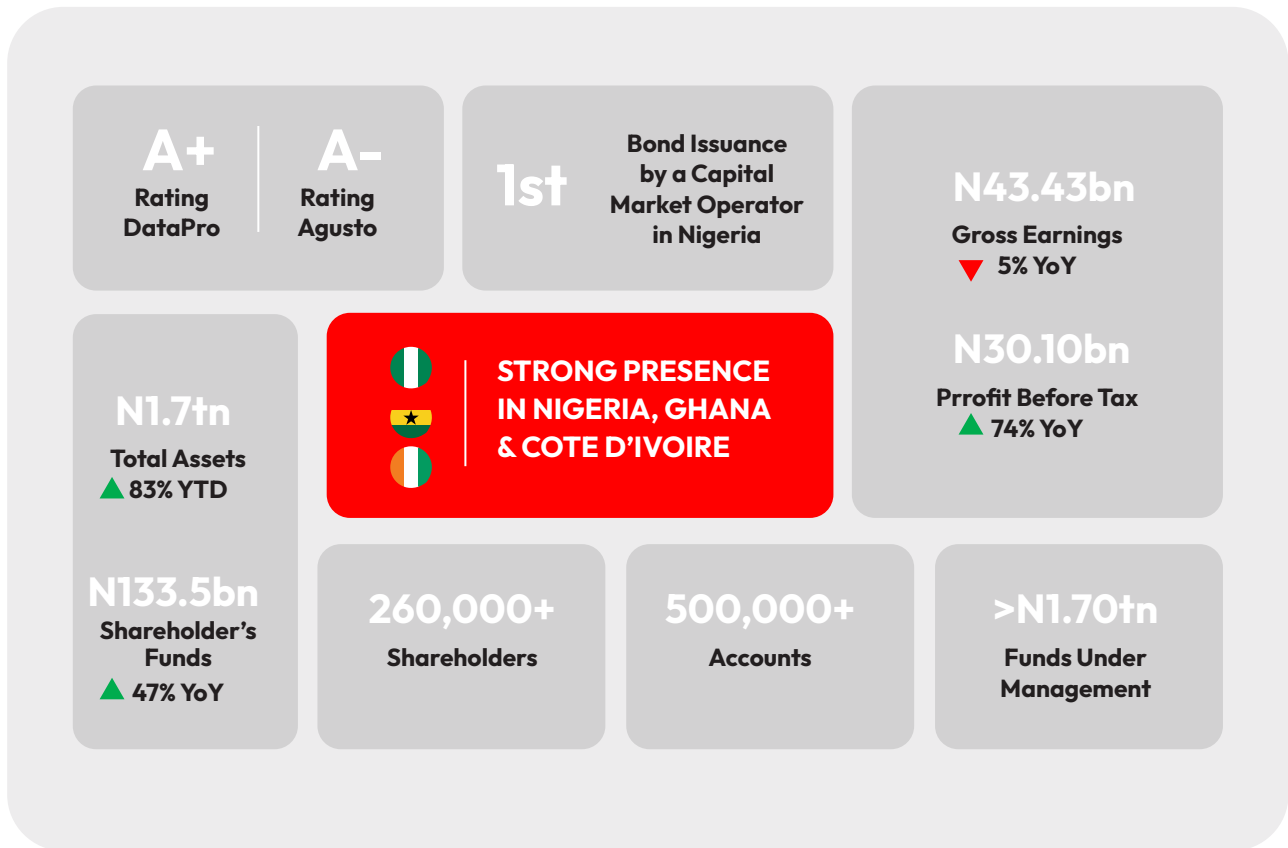
United Capital Plc is a leading Pan-African financial and investment services Group, providing bespoke value-added services to its clientele. We play a strategic role in facilitating the strategic objectives of African governments, corporations, and individuals, through a robust suite of financial service offerings under our subsidiary businesses - Investment Banking, Asset Management, Trusteeship, Securities Trading, Wealth Management, Consumer Finance and Microfinance Banking. The Group is regulated by the Securities and Exchange Commission (SEC) in Nigeria and The Central Bank of Nigeria (CBN).

## ■ Core Values



For six decades, United Capital Plc has sustained a legacy of excellence in the African financial services sector, demonstrating a remarkable capacity to adapt to dynamic market conditions, innovating with each passing season and discovering ingenious methods to provide even more value to its clients. At the forefront of our digital offering is InvestNow, our cutting-edge investment platform, providing retail clients with seamless access to a diverse array of investment and financial services solutions - mutual funds, stock trading, private trusts, loans, and so on – all accessible from the convenience of their smartphones or computers.

## ■ About United Capital Plc



Broadening our reach into new markets, we obtained a license from the Central Bank of Nigeria (CBN) to launch UCEE Microfinance Bank, a digital-first microfinance bank designed to provide innovative financial solutions. Through a hybrid banking model, UCEE leverages technology to simplify savings, loans, and bill payments, ensuring seamless and efficient banking for all.

United Capital Plc is leading the charge to become the model investment management and financial services company in Africa expanding our geographical footprints in various regions across Nigeria, Ghana, and Cote d'Ivoire, with ongoing plans to expand into additional African nations. Our pan-African expansion drive is fueled by our commitment to transforming the financial service landscape through provision of cutting-edge financial solutions leveraging innovation, technology, and specialist skills.

We are on a trajectory to become the epitome of financial and investment excellence throughout Africa and a beacon in the global business world - a long-standing mission that has begun to materialize, as evidenced by our recognition by the Financial Times as one of Africa's fastest growing companies for three consecutive years.

Looking ahead, we remain steadfast in our dedication to Africa's economic progress and prosperity. Through strategic alliances with key players in the financial landscape, both within and beyond the continent's borders, and an unwavering commitment to innovation, we are poised to drive transformative solutions to Africa's funding challenges.

# Africa's Foremost Financial Service Group

Providing investment services at your fingertips.

## Our Businesses

ASSET MANAGEMENT | TRUSTEES SERVICES | INVESTMENT BANKING  
CONSUMER FINANCE | SECURITIES TRADING | WEALTH MANAGEMENT  
MICROFINANCE BANKING

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# Board Of Directors

## ■ Board of Directors



**PROFESSOR CHIKA MORDI**

Chairman,  
Board of Directors



**PETER ASHADE**

Group Chief Executive  
Officer



**SUNNY ANENE**

Deputy Group Chief  
Executive Officer



**AYODEJI ADIGUN**

Group Executive Director &  
Chief Operating Officer



**EMMANUEL NNOROM**

Non-Executive  
Director



**OLADIPUPO FATOKUN**

Independent Non-Executive  
Director



**OLULEKE OGUNLEWE**

Non-Executive  
Director



**CHIUGO NDUBISI**

Non-Executive  
Director



**SAMUEL NWANZE**

Non-Executive  
Director



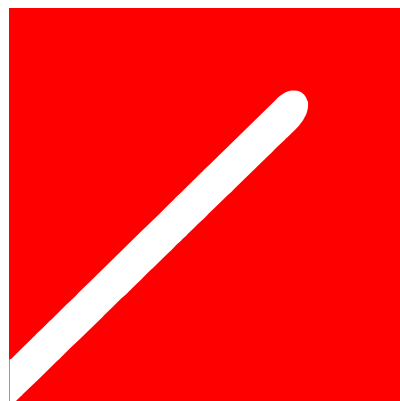
**UCHE IKE**

Non-Executive  
Director



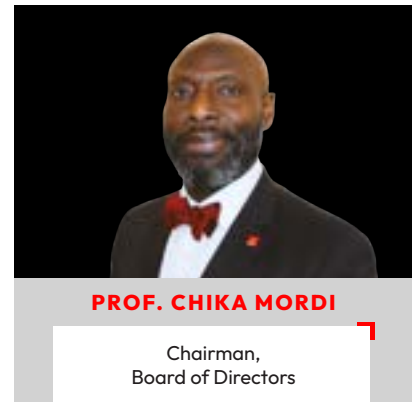
**ROSE NAT TESIETT**

Independent Non-Executive  
Director



## ■ Board of Directors' Profile

**Prof. 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.



Group Chief Executive  
Officer

**Peter Ashade** is an astute corporate executive renowned for his expertise in Execution, Business Transformation, Organizational Strategy, and Leadership with an illustrious career spanning over 34 years in Nigeria's financial sector, including over two decades as Chief Executive of leading financial institutions in Nigeria. He has cognate experience in finance with specialist experience in Retail Business Development, Banking and Capital Market operations having participated in numerous notable market transactions across all segments of the financial markets.

He 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 in Banking and Finance from Ogun State University (now Olabisi Onabanjo University). He is a Fellow of several prestigious institutes including the Institute of Chartered Accountants of Nigeria, the Chartered Institute of Bankers of Nigeria and the 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. Prior to joining United Capital Plc, Peter served as Managing Director/CEO, Africa Prudential Plc (formerly UBA Registrars Limited). He sits on the board of notable organizations such as Africa Prudential Plc, Heirs General Insurance Limited e.t.c. He is the Group Chief Executive Officer of United Capital Plc, a position he has held since his appointment in July 2018.

## ■ Board of Directors' Profile **CONT'D**

**Sunny Anene** supervises four businesses in the Group: Asset Management, Securities Trading, Trustees, and Wealth Management. Prior to his current appointment as the Deputy Group Chief Executive Officer, he was the Group Executive Director at United Capital Plc. Before then he was the Managing Director/CEO of United Capital Asset Management Limited, which he turned around and put on the path of growth. He served as the Group Chief Finance Officer of United Capital Plc where he had responsibility for almost all the functional areas including Finance, Operations, Treasury, Risk Management, Information Technology, Internal Control, and Corporate Services. He has decades of experience which cuts across Investments, Capital Markets, Pensions, Finance and Banking. His proven ingenuity in these areas is brought to bear on the Group's businesses. Prior to joining United Capital Plc, he was Head of Operations at First City Group and at a time the Lead Trader for CSL Stockbrokers, the Securities trading arm of the Group. He moved to pension management in Zenith Pension Custodian Limited, a subsidiary of Zenith Bank Plc. He later returned to the Capital Markets in 2008 and 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 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 attended leadership training organized by Harvard Business School and General Electric (GE), USA. He was appointed a director on January 2, 2019.



**SUNNY ANENE**

Deputy Group Chief  
Executive Officer



**AYODEJI ADIGUN**

Group Executive Director &  
Chief Operating Officer

**Ayodeji Adigun** is the Group Executive Director/Chief Operating Officer of United Capital Plc. He has over three decades of banking and finance experience with a strong background and core competences in financial control, performance management, operations, audit, strategic planning, and business transformation.

He is a graduate of the University of Lagos, where he obtained a Bachelor of Science degree in Accounting with First Class Honors. He is a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN), an associate member of the Chartered Institute of Management Accountants (CIMA), UK and the Chartered Institute of Taxation of Nigeria (CITN).

Prior to joining United Capital Plc, he was an Executive Director/Chief Operating Officer at Nova Merchant Bank Limited as well as the General Manager/Chief of Staff to the Group Managing Director of United Bank for Africa Plc. While at UBA, he held other positions such as General Manager and Head of Strategy and Business Transformation with responsibilities over project management, strategic planning, and the Group Executive Office.

## ■ Board of Directors' Profile **CONT'D**

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



**EMMANUEL NNOROM**

Non-Executive  
Director



**OLADIPUPO FATOKUN**

Independent Non-Executive  
Director

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

**Oluleke Ogunlewe** ("Leke") holds a Bachelor of Science degree in Economics from the University of Ibadan and an MBA University of Lagos, respectively. Leke 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.

Leke with 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. Leke 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 in United Capital Plc on October 29, 2021.



**OLULEKE OGUNLEWE**

Non-Executive  
Director

## ■ Board of Directors' Profile **CONT'D**

**Chiugo Ndubisi** hold a first-class honours degree in Engineering from the University of Nigeria Nsukka, and a Master of Business Administration degree from the University of Lagos. He is a Fellow of three professional bodies: the Institute of Chartered Accountants of Nigeria (ICAN), Chartered Institute of Bankers of Nigeria (CIBN) and the Chartered Institute of Taxation of Nigeria (CITN).

His career spans over 25 years in the Banking industry. Prior to United Capital, he was the Executive Director, Treasury & International Banking at United Bank of Africa, UBA, where he was responsible for the Treasury Business across UBA Group. He was also responsible for UBA's international subsidiaries i.e., UBA America, UBA UK, UBA France, and UBA Dubai. At UBA, he had previously functioned as Executive Director, Group Chief Operating Officer and Group Executive, Transformation & Resources.

Prior to joining UBA, he had worked with Diamond Bank Plc (now Access Bank) and played various roles such as Executive Director/Chief Finance Officer, Divisional Head, Financial Management, Group Financial Controller and Head, Investor Relations. During his career, he had served as a member of the Board of Trustees, Central Bank of Nigeria (CBN) Banking Industry Resolution Trust Fund, as well as member of the Audit Committee of the Nigeria Interbank Settlement Systems (NIBSS).



**CHIUGO NDUBISI**

Non-Executive  
Director



**SAMUEL NWANZE**

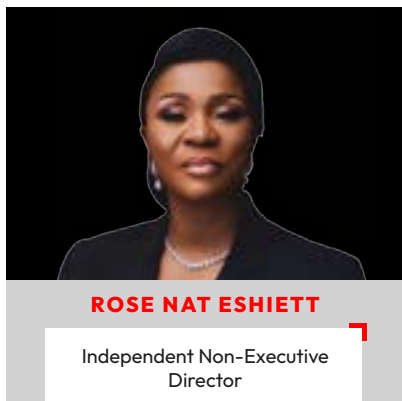
Non-Executive  
Director

**Samuel Nwanze** is an astute, well-rounded finance professional, business executive, investment banker and management consultant with experience in managing a broad spectrum of financial and banking responsibilities, including mergers and acquisitions, finance, performance management, treasury management, project management, integration and strategic planning. He is the Executive Director/Chief Finance Officer of Heirs Energies Limited and has held various key positions including Chief Investment Officer and Chief Executive Officer in different sectors. He obtained his Bachelor of Science degree from the University of Ibadan. He also attended Cranfield University, United Kingdom, where he obtained a

Master of Science degree in Finance & Management. Samuel is a Fellow of the Chartered Institute of Management Accountants (CIMA), and an Associate of the Institute of Directors, the Nigerian Institute of Management, and the Certified Pension Institute of Nigeria. He is also a Chartered Global Management Accountant and a Chartered Alternative Investment Analyst.

## ■ Board of Directors' Profile **CONT'D**

**Uche Ike** is an experienced professional who holds a B.Sc. degree in Accountancy, and a Master of Business Administration. He is an Associate Member of the Institute of Chartered Accountants of Nigeria (ICAN). He has over three decades of banking experience spanning Operations, Internal Audit, Enterprise Risk Management, Fraud Management and Regulatory Compliance. He was the General Manager of UBA New York Branch and had also previously supervised operations in the East and South Banks of UBA Nigeria.



**Rose Nat Eshiett** has over 35 years working experience with the Nigerian National Petroleum Company Limited (NNPCL) in the Oil and Gas sector where she retired as the Group General Manager, Crude Oil Marketing Division. At NNPCL, she worked and held top management positions in various Commercial, Project financing and investments, Financial Accounting and Auditing. Currently, she is an Honorary Adviser on Oil and Gas to Akwa Ibom State Government.

She holds a Bsc in Finance from the University of Calabar, Cross River State, a Fellow of the Chartered Institute of Bankers, and Chartered Institute of Taxation of Nigeria, as well as membership of the Institute of Directors of Nigeria and the Nigerian Institute of Management respectively. She was appointed as an Independent Non-Executive Director on February 8, 2024.

# Subsidiary Leadership

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## ■ Subsidiary Leaders

**Bawo Oritsejafor** is the MD/CEO of United Capital Securities Limited. His experience spans 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.



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



**Dr. Odiri Oginni, CFA** is the Managing Director and Chief Executive Officer of United Capital Asset Management Limited, a position she was appointed to in 2019. She has over 19 years of experience in the financial services industry spanning investment management, financial analysis, strategy and investor relations, cash flow management and business development.

Prior to her current role, Dr. Oginni served as the Group Chief Finance Officer at United Capital Plc and the Chief Financial Officer at UBA Capital Limited (the defunct investment banking arm of United Bank for Africa Plc). She also worked at BGL Plc and Akintola Williams & Deloitte (now Deloitte).

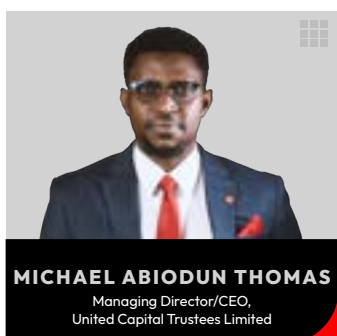
Dr. Oginni holds a B.Sc. degree in Accounting from Babcock University with a First Class, an MBA from Strayer University, USA. She also has a Doctorate in Business Administration (DBA) from Lagos Business School (LBS) and is an alumnus of the LBS Advanced Management Programme. Dr. Oginni is a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN) and a CFA Charter holder.

## ■ 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.



**Michael Abiodun Thomas** is the Managing Director/CEO of United Capital Trustees Limited. He is responsible for driving and coordinating the implementation of the business' strategy, providing operational oversight, and creating business development initiatives. He provides leadership to the team in corporate trust, public trust, and Private Trust offerings, among others. His experience spans through Legal practice, Compliance, Trust advisory, business development and Trust administration. He has secured and managed over 120 major trust transactions with a transaction value in excess of N4.5Trillion in sub-national Bonds, Islamic debt financing, Corporate Bond Issuance, Loan syndication, Debenture Trust, Real Estate Investment Trust, Hybrid debt instrument. These transactions cover Oil & Gas, Marine, FMCGs, Banking industry, Telecoms, GenCos, DisCos, Fintech sectors amongst others.

Prior to joining United Capital Trustees, he was an Executive Director at ARM Trustees Limited. He had a brief stint as the Acting Managing Director of Radix Trustees Limited before proceeding to ARM Trustees Limited. He was a Trust/Legal Officer at STL Trustees Limited and a legal counsel at Messrs. Rickey Tarfa (SAN) & Co. He is an Alumnus of IESE Business School, Spain, and Lagos Business School (LBS). He holds a Bachelor of Law degree from the Lagos State University, a Master's degree in International Business Law from the University of Cumbria, U.K, a Post-graduate Diploma in Trust from Queen Mary University (London) U.K. He is a Certified Wealth Management Professional, a member of the International Academy of Business and Financial Management (IABFM). He was the past Assistant General Secretary of the Association of Corporate Trustees (ACT) and the General Secretary of the Association of Corporate and Individual Investment Advisers of Nigeria (CIIA).

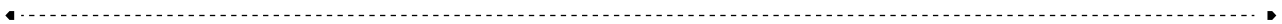
## ■ Subsidiary Leaders **CONT'D**

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



Before joining United Capital Plc, Adetola was the Managing Director of SCM Capital Asset Management Limited. Prior to SCM, she was the GM/CEO of MBL Financial Services Limited, (the Stockbroking arm of Metropolitan Bank Limited (now UBA Plc) a member of the Nigerian Stock Exchange) 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 Honor's (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.



**Esther Adeola-Balogun** is a distinguished leader in the financial services sector, currently serving as the Chief Executive Officer of UCEE Microfinance Bank Limited. With over 17 years of extensive experience, Esther has carved a niche for herself as an authority in Microfinance Banking, Financial Inclusion, Digital Financial Services, Credit Risk Management, and Micro & SME Portfolio Management. Her visionary leadership continues to drive innovation and growth within the microfinance landscape.

Before assuming her current role, Esther was the Regional Bank Head at Accion Microfinance Bank, where she successfully managed 24 branches, consistently achieving year-on-year revenue growth. She holds a degree from Ladoke Akintola University of Technology and is a certified Microfinance professional. A respected member of the Chartered Institute of Bankers (CIBN) and the Nigerian Institute of Management (NIM), Esther's dedication to advancing financial inclusion has earned her widespread recognition in the industry.

# Management Team

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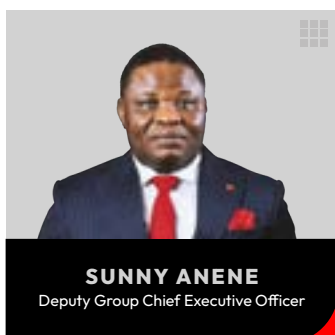


## ■ Management Team

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He 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 in Banking and Finance from Ogun State University (now Olabisi Onabanjo University). He is a Fellow of several prestigious institutes including the Institute of Chartered Accountants of Nigeria, the Chartered Institute of Bankers of Nigeria and the Institute of Capital Market Registrars. He is an associate of the Chartered Institute of Taxation of Nigeria, the Institute of Directors and an alumnus of the prestigious Lagos Business School (CEP23) and Global CEO program. Prior to joining United Capital Plc, Peter served as Managing Director/CEO, Africa Prudential Plc (formerly UBA Registrars Limited). He is the Group Chief Executive Officer of United Capital Plc, a position he has held since his appointment in July 2018.



**Sunny Anene** supervises four businesses in the Group: Asset Management, Securities Trading, Trustees, and Wealth Management. Prior to his current appointment as the Deputy Group Chief Executive Officer, he was the Group Executive Director at United Capital Plc. Before then he was the Managing Director/CEO of United Capital Asset Management Limited, which he turned around and put on the path of growth. He served as the Group Chief Finance Officer of United Capital Plc where he had responsibility for almost all the functional areas including Finance, Operations, Treasury, Risk Management, Information Technology, Internal Control, and Corporate Services. He has decades of experience which cuts across Investments,

Capital Markets, Pensions, Finance and Banking. His proven ingenuity in these areas is brought to bear on the Group's businesses.

Prior to joining United Capital Plc, he was Head of Operations at First City Group and at a time the Lead Trader for CSL Stockbrokers, the Securities trading arm of the Group. He moved to pension management in Zenith Pension Custodian Limited, a subsidiary of Zenith Bank Plc. He later returned to the Capital Markets in 2008 and 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 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 attended leadership training organized by Harvard Business School and General Electric (GE), USA. He was appointed a director on January 2, 2019.

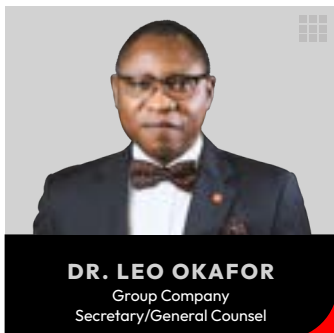
## ■ Management Team CONT'D

**Ayodeji Adigun** is the Group Executive Director/Chief Operating Officer of United Capital Plc. He has over three decades of banking and finance experience with a strong background and core competences in financial control, performance management, operations, audit, strategic planning, and business transformation.

He is a graduate of the University of Lagos, where he obtained a Bachelor of Science degree in Accounting with First Class Honors. He is a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN), an associate member of the Chartered Institute of Management Accountants (CIMA), UK and the Chartered Institute of Taxation of Nigeria (CITN).



Prior to joining United Capital Plc, he was an Executive Director/Chief Operating Officer at Nova Merchant Bank Limited as well as the General Manager/Chief of Staff to the Group Managing Director of United Bank for Africa Plc. While at UBA, he held other positions such as General Manager and Head of Strategy and Business Transformation with responsibilities over project management, strategic planning, and the Group Executive Office.



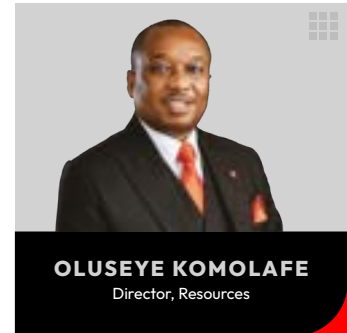
**Dr Leo Okafor** is the Group Company Secretary/General Counsel of United Capital Plc, a Lawyer, Author, Chartered Secretary, Chartered Stockbroker, Trust and Estate Planner. He holds a Doctor of Philosophy (PhD) degree in Law with specialization in intestacy and inter vivos trust.

He has over 28 years post call and over 24 years' experience in the business of trusteeship and company secretarial practice spanning over five trusteeship companies and financial institutions. Prior to joining United Capital Plc, he was the Managing Director of PHB Capital & Trust Limited (subsidiary of defunct Bank PHB and Keystone Bank Limited) and the pioneer Managing Director of Quantum Zenith Trustees Limited (former subsidiary of Zenith Bank Plc). He began his career in the law firm of G. Elias & Co, a foremost commercial law firm in Lagos and left in 2000 to join First Trustees Nigeria Limited (now FBN Quest Trustees Limited). He had also worked at Sterling Asset Management & Trustees Limited (formerly NAL Asset Management & Trustees Limited).

An avid writer and has authored several books and publications in the areas of estate planning and company secretarial practice. He is a Fellow of the Institute of Chartered Secretaries and Administrators of Nigeria (FCIS), an Associate of the Chartered Institute of Stockbrokers (CIS), and a Member of the Institute of Directors (M.IoD).

## ■ Management Team CONT'D

**Oluseye Komolafe** is a human resource professional with specialties in Organization Development and Culture Management, Employee Experience and Engagement, Change Management and Digital Transformation, Diversity and Inclusion, Competency Mapping and Modelling, Learning Management and Recruitment processes. He has over 15 years of 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, Oluseye worked in various capacities and roles at MTN Nigeria as the Manager, Culture, and Change; HR Business Partner, IT and Enterprise Business divisions, Organization Change Manager, Transformation Programme Manager, and Advisor Competency and Change Management. In his 8 years at MTN, he successfully facilitated the implementation of various organization's change in the Business Operating Model. Prior to joining MTN, he 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.



**Shedrack Onakpoma** is an Economist and a Chartered Accountant with over 23 years of experience in financial management, business planning, capital raising projects, mergers, and acquisitions etc. Prior to joining United Capital Plc, he had held various positions within and outside of Nigeria in different industries ranging from manufacturing to financial services. He was the Group Enterprise Manager at Heirs Holdings Limited and the CFO at Tenoil Energy, Heirs Insurance and Union Assurance Plc (now Allianz Insurance). He was also the CFO, Industrial and General Insurance (Ghana) Limited.

He holds a Bsc in Economics from the Olabisi Onabanjo University, Ago-Iwoye, Ogun State and an MBA from the Lagos Business School. He is a Fellow of the Institute of Chartered Accountants of Nigeria and obtained his Balanced Scorecard Professional Certificate from the Balanced Scorecard Institute, USA. He also obtained his license as an International Financial Analyst from the International Research Association, Harvard Square, Cambridge, Massachusetts, USA.

## ■ Management Team CONT'D

**Tesilimi Yusuf** holds a Bsc in Computer Science with Economics from the Obafemi Awolowo University, Ile-Ife and an Msc in Economics and Finance from the Nottingham Business School, United Kingdom. He has over 15 years' work experience. Prior to joining United Capital Plc, Tesilimi spent four years at Venture Garden Group, where he worked in different managerial roles such as Group Head, Vibranium Valley and New Businesses; Deputy Chief Operating Officer, Technical and Sales Operations; Head of Engineering Operation and Vice President of Business Development. Prior to Venture Garden, he was the Operations Manager at Splashers Technologies Limited.



**Olufemi Olayiwola** is the Chief Risk Officer at United Capital Plc. He is a seasoned financial service expert with over 25 years of demonstrated expertise in executing risk management, internal control/audit, compliance and process improvement strategies.

Prior to joining United Capital, he had worked in other Financial Institutions. He functioned in various key capacities such as the Head, Operational Risk Management, Group Head, Compliance and Quality Assurance, Head Office Group, Regional Control Manager, Area Control Manager, Internal Audit Supervisor, Resident Control Officer, Clearing Service Officer, and Branch Operations Officer, among others.

Olufemi holds a BSc in Accounting from University of Ilorin and an MBA from Obafemi Awolowo University. He holds several prestigious professional certifications, including Chartered Risk Manager (CRM), Chartered Risk Management Institute of Nigeria (CRMI), Fellow (FCA), Institute of Chartered Accountants of Nigeria (ICAN), Certified Anti-Money Laundering Specialist (CAMS), Association of Anti-Money Laundering Specialists (ACAMS), Associate (ACIB), Chartered Institute of Bankers of Nigeria (CIBN).

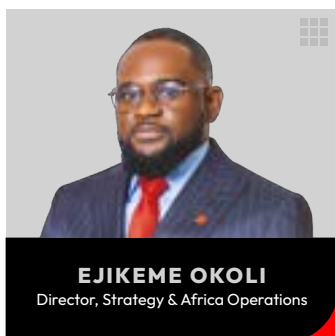
He is a Certified Data Protection Officer and PECB Certified ISO 37301 Lead Implementer.

## ■ Management Team CONT'D

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



Prior to joining United Capital Plc, he was the pioneer Head of Business Development and Equities at CardinalStone Partners where he was responsible for driving the company's equity's trading and sales business. Prior to CardinalStone, he was a Relationship Manager at Skye Bank Plc, where he was in charge of strategy, deal origination and execution. He began his working career in Guaranty Trust Bank Plc as a Relationship Manager.



**Ejikeme Okoli** is a Senior Executive and serves as Director, Strategy & Africa Operations overseeing United Capital's burgeoning Africa Business, driving implementation of its international expansion plans, and extending the Group's value proposition across the continent by facilitating cross-border capital flows, stimulating intra-African trade, and curating innovative solutions to meet the financial, investing and capital raising needs of people, businesses, public institutions, and governments.

Prior to his appointment, he was the Group Head, Strategy & Innovation steering growth and transformation across its subsidiaries and regional businesses. Ejikeme's career journey integrates a broad spectrum of industries including Finance, Technology, Energy and Manufacturing sectors involving corporate strategy & business development, research & market intelligence, transformation & change management, project coordination and performance analytics including multinational experience with Chevron Corporation and Diageo.

He is a Certified Investment Manager (University of Geneva) and Fellow, Institute of Management Consultants. He is an Engineering graduate (with honours) and holds Advanced Management certifications in Corporate Strategy, Leadership and Project Finance from top business schools including HEC Paris, Bocconi University, and Harvard Business School.

## ■ Management Team CONT'D

**Chukwuma Mojekwu** is the Director, Southern Region of United Capital. He oversees the Group's investment activities across the 11 Southern States in Nigeria. Prior to his appointment, he was the Regional Branch Head South-East sub-region of the same company. Chukwuma has gained over 16 years of working experience in the financial services industry, spanning banking and capital markets all in the southern region.



Before joining United Capital Plc, he worked at UBA Plc. He started his banking career with Access Bank Plc, where he demonstrated exceptional talent and commitment. He is a passionate relationship manager with strong capabilities in executing business growth and initiatives that positively impact organisational aspirations. He is a versatile business development expert and has continuously honed his skills through training at esteemed institutions like the Lagos Business School and Harvard Business School.

He holds a Bachelor of Science (B.Sc) in Economics from the University of Calabar and a Master of Science (M.Sc) in Monetary Economics from the University of Port Harcourt.



**Bagudu Mohammed** is the Director, North Region at United Capital. He oversees the investment activities of the Group across 19 Northern States. He has over 15 years' experience in the field and has demonstrated impressive capacity in the areas of pension remittance management and banking.

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 is a graduate of the prestigious Ahmadu Bello University, where he studied Political Science.

## ■ Management Team CONT'D

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



Opeyemi joined United Capital in 2019 as Head, Group Treasury. Prior to United Capital Group, she was the Chief Dealer at ProvidusBank where she was responsible for the set-up of the Fixed Income Trading and Sales desk, and also the supervision of all trading units in Treasury. Prior to ProvidusBank she worked at Coronation Merchant Bank where she was the Pioneer Foreign Currency Dealer 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 at Ecobank Nigeria Limited 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.

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



**Dr. Isiaka Arowolo** has over 25 years Banking experience, spanning across Internal Audit, Internal Control, Financial Control, Treasury Operations and Finance Operations. Over the course of his career, he had led audit teams to several Africa Countries, New York, and the United Kingdom while working in UBA Plc. In addition, he held positions such as Head of Audit at the Head Office Audit & Assurance; Head, Branch Internal Controls and Team Lead for Africa Subsidiaries Audit in UBA Plc and other commercial banks that he had worked for in Nigeria. He also served as the Chief Audit Executive [CAE] at Nova Merchant Bank before joining United Capital Plc as the Head of Internal audit for the Group.

Isiaka holds a bachelor's degree in Accounting from the Obafemi Awolowo University Ile-Ife in 1992 and a master's degree in business administration [MBA] from the same Institution in 2000. In addition, he holds a PhD from Lead City University. He is a Fellow of the Institute of Chartered Accountants of Nigeria [FCA], a Certified Fraud Examiner [CFE], a Certified Systems Auditor [CISA] and a Designated Compliance Professionals [DCP]-Compliance Institute of Nigeria.

## ■ Management Team CONT'D

**Babatunde Adenuga** is a Brand Management and Marketing Communications Specialist with over 15 years of experience in Brand Strategy, Marketing Communications, Product Marketing, and Creative Leadership. The core of his work in the past decade focused on telling the stories of Africa's ambitious brands, and helping them achieve sustainable growth. He excels at using various media and platforms to inspire and influence positive commercial and social action.



Before his role at United Capital Group, he has held brand leadership and marketing management roles in leading companies like FSDH Group, Purple Group, Neukleos Marketing Services, CWG Plc, and Crenov8 DMCC, and has managed brand campaigns for leading brands like Coca-Cola, Nestlé, Union Bank, British Council, Wema ALAT, Pernod Ricard, World Expo 2020 - Dubai, Transsion Mobile amongst others. He has specialist skills in designing winning brand strategies, immersive brand-consumer experiences, branded platforms, digital media campaigns, direct-to-consumer engagements and product marketing campaigns that drives sustainable business growth.

Babatunde is a registered advertising professional and a member of several professional bodies, including CIM, CIPR, PRCAN, NIMN and NIPR. He is passionate about mentoring the next generation of brand and marketing talents, helping them tell better brand stories and connect strategically with their audiences.



**Joseph Onyema**, is an alumnus of the Lagos Business School Executive MBA programme where he graduated with distinction. He is also a member of the prestigious internationally acclaimed BetaGammaSigma honours society for top 5% graduates of business schools globally. Over the last 18 years, Joseph had worked with and led teams whose responsibilities cut across a major spectrum of technology transformational and retail growth projects and consultancy. Joseph was the Group Chief Information Officer, a role in which his focus on execution to reposition the business was exemplary, hence leading to increased digital presence, exponential retail growth and improved revenues, with keen focus on our growth during the

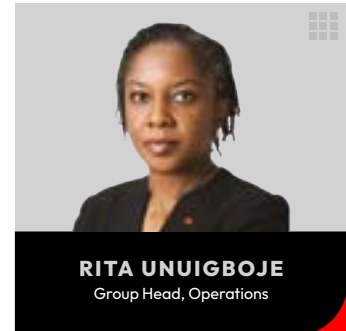
COVID-19 pandemic where the business was run totally virtual and saw outstanding growth in retail customer base, revenue, and profitability.

Prior to joining United Capital, Joseph was the Group Head Technology Operations at Cordros Capital Limited where he transitioned the business from a High Net-worth Individual (HNI) focused business to retail-focused business with total leverage on technology to drive B2C sales across verticals while exploring new markets and partnerships. Prior to Cordros Capital, he led the Enterprise & Cloud Services team at Soft Solutions Limited, an IT Consultancy firm with a footprint across 15 Nigerian banks on enterprise security, cloud projects, and consultancy where he developed, deployed, and led support teams to manage several banks, financial and FMCG solutions suites.

## ■ Management Team CONT'D

**Rita Unuigboje** is the Group Head, Operations at United Capital Plc. Prior to United Capital, she had worked with FSL Management Services Limited, a subsidiary of the FSL Securities Group ("FSL"), specialized in HR Services, where she worked as Chief Executive Officer.

Prior to joining FSL, she worked with the United Bank for Africa Plc for over 13 years, and rose to the Assistant General Manager grade. During this time, she worked in various roles, across Strategy, Customer Service, Business Development and Operations. In her last role, she was the Head of Operations and had responsibility for foreign and domestic operations functions.



Rita joined UBA Plc in 2006, from Standard Chartered Bank, Nigeria where she had worked for over 4 years, in different capacities within the Consumer Banking Group. She was at a time, the Service Quality Manager, with responsibility for driving service excellence across the Bank. Rita has had a banking career spanning over 20 years, including Standard Trust Bank and FSB International Bank (now Fidelity Bank).

Rita holds a B.Sc. in Management, from the University of Port Harcourt, an M.Sc. in International Banking and Finance from the University of Greenwich, London and a Postgraduate Diploma in Advanced Management from the European School of Management and Technology, Berlin. In 2020, she completed the Women in Leadership Certificate Programme from the University of Stellenbosch, South Africa.



**Alex Akindumila** is the Group Chief Information Security officer at United Capital.

With over 21 years of work experience in IT Service Management and Operations, IT Leadership and Governance, Infrastructure Support, IT Risk Management and Information Security, with various banks such as Metropolitan Bank (now UBA), Diamond Bank, First City Monument Bank and FirstBank with leadership positions across sub-Saharan Africa, he came to United Capital with a wealth of experience.

He has a Bachelor of Technology degree in Computer Science from the Federal University of Technology Akure and an Executive MBA degree in Management from the Obafemi Awolowo University, Ile Ife. He has various trainings and certifications in IT Service Management, IT Governance, IT Risk Management, and Information Security and has led the transformation and alignment of IT and Information Security practices with best practice in Nigeria and countries across Sub-Saharan Africa.

Prior to joining United Capital, Alex served as the Group Chief Information Security Officer at Heirs Holdings Limited.

## ■ Management Team **CONT'D**

**Akinkunmi Akinlawon** is the Chief Information Officer (CIO) at United Capital.

He is a consummate IT professional, economist, and tech innovation strategist with over 20 years of experience in leading cross-functional teams in the development and provision of innovative digital tech solutions addressing large-scale problems across diverse sectors.

He has a proven track record of success in tackling ecosystem problems across Africa within the public and private sectors. He has held strategic positions in giant technology-driven corporations such as Airtel, Huawei, IBM, and Venture Garden Group, overseeing the delivery of programs and projects worth hundreds of millions of dollars, targeted at impacting millions of end-users and generating high-value revenue.

Akinkunmi is a graduate of Olabisi Onabanjo University, where he earned a Bachelor of Science degree in Economics. He possesses deep expertise in IT Governance, IT Service Management, Waterfall, and Agile Project Methodologies, ISO/IEC 27001 Standard (Information Security Management Systems) and holds a sound command of a variety of modern technology tools and applications in solving problems.

He is passionate about driving digital innovation and committed to developing human capital in the technology sector. Prior to his current role, Akinkunmi was the Head of IT Operations at United Capital.



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# Strategic Reports

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# Chairman's Statement

## Dear Shareholders,

I am honored to present the 2024 Annual Financial Report of our esteemed institution, United Capital Plc.

Reviewing our group operations over the past financial year provides an opportunity to evaluate our strategies and strengthen our position for sustained domestic and regional growth. The year 2024 was characterized by bank recapitalization, Naira depreciation, foreign exchange reforms, heightened inflationary pressure, interest rate hikes, incessant national grid collapses, increases in petroleum motor spirit pump prices, the commissioning of the Dangote Refinery, the resuscitation of the Port Harcourt Refinery, the adoption of a new national anthem, and persistent security challenges. Similarly, the sharp increase in government debts which raised sustainability concerns created a challenging and volatile operating environment for businesses. Nonetheless, we successfully achieved our 2024 targets. In 2024, we remain committed to relentlessly pursuing our goals and are confident in delivering even stronger performance.



## ■ Chairman's Statement

### Global Economy Review and Outlook

Two years into the Russia-Ukraine war, the conflict remains unresolved, with heavy fighting and no comprehensive peace agreement in place. Similarly, the conflict between Israel and Hamas, which began on 07 October 2023, continued into 2024. However, By December, a ceasefire agreement facilitated by Qatar and the United States was reached, involving the release of hostages and Palestinian prisoners, though skepticism remained about its longevity. The year also saw a surge in anti-government protests worldwide, with over 160 significant demonstrations, many driven by election-related grievances. All these further aggravated global economic hardship as energy and food prices skyrocketed.

In response to the easing of inflationary pressures in some jurisdictions, major central banks such as the US Federal Reserve, the European Central Bank, and the Bank of England, among others, cut interest rates. Overall, the global economy in 2024 showed a mixed performance, with uneven growth across various regions. The U.S. GDP growth reached 2.3% in Q4-2024. China's Q4 GDP ticked upwards amid a downturn in the property sector. The UK economy grew sluggishly by 0.90% in 2024 up from 0.30% in 2023. Year-on-year, Eurozone GDP expanded by 0.90%, its best performance since Q1-2023, compared to a 0.60% increase in the previous quarter. This was its strongest growth in two years, driven by France and Spain, while Germany plunged into recession.

Due to trade tensions and protectionisms, ongoing geopolitical tensions, including conflicts in Europe and the Middle East, energy supply constraints especially in Europe, persistent inflation in certain jurisdictions, ongoing supply chain disruptions, and partly due to the COVID-19 pandemic's lingering effects, the IMF estimated 2024 global growth rate at 3.2% compared to 2023 actual growth of 3.3%.

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**“ THE 2025 GLOBAL GROWTH RATE IS EXPECTED TO INCH UP TO 3.3% ”**

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Meanwhile, the 2025 global growth rate is expected to inch up to 3.3% in 2025. Advanced Economies (AEs) are anticipated to remain stable at 1.7% in 2024 and 1.9% in 2025 as Trump's tariff war starts to bite. However, Emerging Market and Developing Economies (EMDEs) are projected to have a modest growth from 4.4% in 2023 to 4.2% in 2024 and 4.1% in 2025, reflecting the property sector crisis in China, debt burden, weak currency, and geopolitical tension. In the backdrop of uneven economic growth, the World Trade Organization (WTO) underscored that, notwithstanding regional conflicts, geopolitical tensions and policy uncertainty, the WTO anticipates global merchandise trade to increase by 2.7% in 2024 and 3.0% in 2025.

### Sub-Saharan Africa (“SSA”)

Sub-Saharan Africa faced a myriad of challenges in 2024, including supply shortages, elevated interest rates, high interest rates, debt burdens, insecurity, and geopolitical tensions. Despite these challenges, the International Monetary Fund (IMF) projects the region to grow by 4.2% in 2025, up from an estimated 3.6% in 2024. This growth will be driven by increasing private consumption, investment, and the potential exploitation of natural resources amid the global shift toward a low-carbon economy. However, growth remains uneven, as major economies like Nigeria and South Africa continue to grapple with structural issues in energy, transportation, and governance. Similarly, from 2008 to 2024, several African countries experienced significant sovereign credit rating

downgrades. Uganda's rating declined from B+ to B-/B3 (S&P/Moody's), while Nigeria's fell more sharply from BB- to B-/Caa1. Mozambique and Kenya also faced downgrades, with their ratings dropping from B+ to CCC+/Caa2. Notably, Ghana and Zambia encountered debt distress, leading to missed payments in 2022 and 2020, respectively. These defaults resulted in severe rating downgrades for both countries, with Ghana's rating falling to Selective Default/Caa2. Furthermore, global credit rating agencies attributed the downgrades to a weakening external liquidity position. This deterioration stemmed from several factors, including an unfavorable foreign exchange (FX) trajectory, rising debt service costs, elevated inflation and other legacy issues.

## ■ Chairman's Statement **CONT'D**

### Domestic Economy

The Nigerian economy demonstrated resilience in 2024, with growth outpacing that of 2023 despite macroeconomic challenges. Real GDP expanded by 3.84% year-over-year (YoY) in the fourth quarter of 2024 and 3.46% YoY in the third quarter, surpassing the 3.19% growth observed in the second quarter of 2024 and the 2.98% growth recorded in the first quarter of 2024. The non-oil sector, contributing 95.40% to the overall GDP, registered 3.96% YoY growth in the fourth quarter of 2024, bringing FY-2024 growth to 3.27%. The growth in FY-2024 represents modest growth from the 3.04% recorded in FY-2023. The non-oil sector remains the primary driver of economic growth in 2024.

Since 2016, Nigeria has grappled with persistent high inflation, consistently in double digits. This inflationary pressure has been primarily driven by a confluence of factors, including elevated energy costs, rising import prices, and the depreciation of the Naira. Headline inflation reached a 28-year high of 34.19% YoY in June 2024, a significant increase from the 28.92% recorded in December 2023. While a high base effect led to a slight moderation in inflation during July and August 2024, it resurged to 32.70% YoY in September, followed by further increases to 33.88% in October, 34.60% in November and 34.80% in December. This resurgence was primarily attributed to soaring prices of Premium Motor Spirit (PMS) and the severe impact of the weak floods on food supply chains.

In response to escalating inflationary pressures, the Monetary Policy Committee (MPC) adopted a hawkish stance. Over five consecutive meetings, the MPC cumulatively increased the Monetary Policy Rate (MPR) by 875 basis points, raising it from 18.75% in December 2023 to 27.50% in November 2024. To further tighten liquidity conditions, the Cash Reserve Ratio (CRR) was significantly increased by 17.50 percentage points to 50.00%. Concurrently, the Asymmetric Corridor around the MPR was adjusted to +500/-100 basis points. The Liquidity Ratio, however, was maintained at 30.00%.

Nigeria's revenue generation continues to fall short of expectations and remains below budget estimates. In Q2-2024, total revenue stood at N6.29 trillion, reflecting a 43.20% shortfall against the pro-rated budget estimate of N9.00 trillion. This underperformance was primarily driven by weak oil revenue, as crude oil production remained subdued for most of the year before improving towards the end, raising the annual

average output to 1.55 million barrels per day from 1.47 million in 2023. Notably, oil revenue totaled N1.73 trillion, significantly below the budgeted N5.30 trillion. Meanwhile, non-oil revenue remained stable, supported by strong tax collections.

On expenditure, the Federal Government incurred a total expenditure of N12.19 trillion between January to June 2024. In the first quarter, total expenditure reached N5.35 trillion. This figure subsequently increased by 27.79% quarter-on-quarter to N6.84 trillion in the second quarter. Debt servicing costs constituted the largest portion of this expenditure, consuming N4.45 trillion and representing 65.03% of the total expenditure in the second quarter. This figure significantly exceeded the budgeted estimate of N2.07 trillion for the same period, marking a substantial 215.07% increase.

Foreign exchange (FX) volatility continued to plague the Nigerian economy throughout 2024. The Naira experienced a significant depreciation, declining by 70.86% year-to-date (YTD) on the official window to N1,535.82 per US dollar. In the parallel market, the depreciation was less pronounced, reaching 35.95% YTD at N1,645.00 per US dollar as of December 31, 2024. The Naira's poor performance can be attributed to a confluence of factors. Firstly, low foreign exchange (FX) revenue, primarily from oil exports, significantly constrained FX supply. Secondly, a surge in FX demand, exceeding available supply, put immense pressure on the Naira. Thirdly, market malpractices, such as speculation and hoarding, exacerbated the situation. Finally, legacy issues, including past economic policies and structural imbalances, contributed to the currency's weakness.



**NIGERIA'S EXTERNAL RESERVES EXPERIENCED A SIGNIFICANT BOOST IN 2024, INCREASING BY 24.27%**

Conversely, Nigeria's external reserves experienced a significant boost in 2024, increasing by 24.27% year-to-date (YTD) to reach \$40.90 billion as of December 31st. This surge was primarily driven by inflows from international financial institutions, including dollar-denominated loans from the International Monetary Fund (IMF) and the World Bank. Additionally, the successful issuance of the domestic dollar denominated bond, which was oversubscribed by a

## ■ Chairman's Statement **CONT'D**

substantial 180%, contributed to the reserves' growth. Consequently, the IMF projects Nigeria's GDP growth to reach 3.10% in 2025, while the Central Bank of Nigeria projects 4.17%. However, a more modest estimate of 4.00% is projected by United Capital Research. This projection is underpinned by anticipated improvements in oil production and the ramp-up of domestic refining capacity as well as the GDP rebased exercise. These developments are expected to foster greater economic stability and contribute to a strengthening of the Naira.

While the IMF projects a more optimistic inflation rate of 28.23% for 2025, United Capital Research anticipates a slightly higher rate of 26.40%. Expectedly, inflationary pressure will gradually moderate as the exchange rate stabilizes and the effects of recent policy changes diminish.

Subsequently, the Monetary Policy Committee (MPC) may gradually shift towards a more accommodative monetary policy stance to stimulate economic growth. This could manifest in a decision to hold the current interest rates. However, the MPC's actions will heavily depend on the trajectory of inflation. If inflationary pressures persist, the MPC may opt to maintain a hawkish stance, potentially even considering further tightening measures.

The Naira is expected to potentially stabilize, with the official market rate ranging between N1,407.76/\$ and N1,742.55/\$. In the parallel market, it could fluctuate between N1,584.20/\$ and N1,822.45/\$. The Naira's performance will be closely linked to broader macroeconomic dynamics. Factors such as oil revenues, foreign exchange market liquidity, and government policies will significantly influence its trajectory.

### Financial Markets

The Nigerian Exchange (NGX) navigated a challenging year in 2024, contending with high inflation and the MPC's restrictive monetary policy.

These headwinds significantly impacted corporate performance, particularly within sectors such as telecommunications, brewing, and consumer goods. The sharp depreciation of the Naira, reaching peak levels of N1,900 - N2,100 per US dollar, severely impacted businesses with foreign exchange liabilities.

Furthermore, the elevated interest rate environment increased the cost of borrowing, prompting some

blue-chip companies to explore alternative funding avenues, such as Initial Public Offerings (IPOs) and Rights Issues. Nevertheless, the NGX witnessed several positive developments that supported market performance. The ongoing banking sector recapitalization help to increase equities market activities, while impressive corporate actions, such as United Capital Plc's declaration of an interim dividend of 90 Kobo per share and a two-for-one bonus issue, boosted investor sentiment. The equities market also saw new listings, including notable companies like Transcorp Power Plc and Aradel, which injected fresh liquidity and broadened investment opportunities. Generally, the NGX All-Share Index (ASI) demonstrated resilience, closing the year with a substantial 37.75% gain with a market capitalization of N62.77 trillion at year-end.

On the fixed income space, the Nigerian fixed income market in 2024 was characterized by a strong preference for short-term instruments, leading to subdued activity in the long-dated bond segment, particularly in the secondary market. The irregular issuance schedule of the Debt Management Office (DMO), which raised only 85% of its annual bond issuance target (N4.67 trillion out of N5.48 trillion), contributed to uncertainty surrounding bond supply.

Bond yields throughout the year were significantly influenced by a confluence of factors, including supply and demand dynamics, overall system liquidity, and fluctuations in the Monetary Policy Rate (MPR). The Central Bank of Nigeria (CBN) prioritized Open Market Operations (OMOs) as its primary liquidity management tool, leveraging increased Federation Account Allocations (FAAC), bond coupon inflows, maturities, and Cash Reserve Ratio (CRR) refunds. This OMO-centric approach played a crucial role in maintaining elevated interest rates and attracting foreign portfolio investors (FPIs).

The CBN's aggressive OMO sales, amounting to N8.7 trillion (a staggering 1,092% year-on-year increase), exerted significant upward pressure on interbank funding rates, reflecting a persistent liquidity deficit within the financial system.

### Financial Performance

Despite the macroeconomic turbulence in 2024, United Capital plc reported an outstanding financial performance. Profit Before Tax (PBT) accelerated by

## ■ Chairman's Statement **CONT'D**

74.0% year-on-year to N30.10 billion in 2024 from N17.30 billion in 2023, indicating impressive growth in the overall profitability of the Group. However, gross revenue slipped by 5.4% from N45.9 billion in 2023 to N43.4 billion in 2024.



**UNITED CAPITAL GROUP'S RETURN ON AVERAGE EQUITY FOR THE 2024 FINANCIAL YEAR STOOD AT 21.5%.**

In terms of our financial position, Total Assets of the Group appreciated by 82.6% year-on-year to N1.7 trillion as of December 2024 from N931.9 billion as of December 2023. This was driven majorly by growth in investment securities which accounted for 66.6% of the Group's total assets. Also, Shareholders' Funds upsurge by 47.2% to N133.5 billion from N90.7 billion. The Group's Return on Average Equity (RoAE) for the 2024 financial year stood at 21.5%, signifying strong value creation for our shareholders.

### Conclusion

Esteemed shareholders, we are well-positioned to deliver sustained superior returns. Our comprehensive strategic planning anticipates potential 2025 scenarios, reinforcing our commitment to building Africa's leading investment bank. We maintain a highly resourceful and motivated workforce, attracting top talent to support our strategic goals. Recognizing the challenges of the current complex environment, we are focused on maximizing value creation for our shareholders.

**Professor Chika Mardi**

Chairman,  
United Capital Group

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At United Capital, we provide expert financial solutions to help businesses scale, expand, and succeed.

## Our services:

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- Project Finance
- Structured Trade Finance



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# Group CEO'S Statement

## Distinguished Shareholders,

I am pleased to welcome you to the 12th Annual General Meeting of United Capital Plc and to present to you our full-year report which highlights our performance in the 2024 operating year.

Globally, major economies experienced significant decline in inflationary pressures, however, significant risks persist with the prevalence of geopolitical conflict coupled with unsustainable global debt levels with resultant negative effects on international trade. In Nigeria, the economy navigated a combination of bold reforms and substantial shocks which led to a rapid rise in business costs, thereby putting pressure on consumer and business spending. Despite the challenging environment, we stayed true to our strategy, we put our clients first and remained focused on achieving our corporate objectives.

The year 2024 marked the conclusion of our three-year (2022-2024) Corporate Strategy Cycle, which elevated the organisation to new heights and laid a solid foundation for a new phase of sustainable growth and transformation.

Distinguished shareholders, you will recall at the last annual report, we presented our business outlook for the year 2024, captioned "Winning Amid the Volatile Operating Environment". I am proud to say that we kept true to our promise of winning amid the volatile operating environment and delivering superior shareholder value during the year as you would have seen in the financial sections of this report.

It is on this assuring note that I present an appraisal of how your company fared during the 2024 financial year. I will proceed to highlight progressive developments which continue to shape the direction of activities for your beloved organization. In the meantime, please let me touch on noteworthy events that defined our operating environment during the year.



## ■ Group CEO's Statement

### 2024 Operating Environment

The global economy recorded a positive growth of 3.2% in 2024. Key growth centres, especially the United States and large developing Asian economies, provided the stimulus for growth and helped the world amid global disinflation. Notwithstanding the challenges growth centres in Europe and Asia faced, the global economy maintained positive growth.

In addition to the economic growth story, major economies recorded a significant drop in inflationary pressures, with global inflation declining from 6.8% in 2023 to 5.9% in 2024. Overall, the global economy appears to have gradually weathered and increasingly priced the impact of key factors such as the ongoing conflicts in Russia and the Middle East, the shipping crisis in the Mediterranean, and other threats to the trade and supplies of critical materials.

The year witnessed major election in several countries with the outcome either a change in government or the erosion of the ruling party support most notably the United States of America where President Donald Trump returned for a second term defeating the ruling Democratic Party candidate Kamala Harris. Similarly in the United Kingdom, where the Conservative Party led Rishi Sunak was swept from office by the opposition Labour Party led by Keir Starmer. In South Africa, support for the ruling African National Congress (ANC) significantly declined, the ANC remained the largest party but lost the majority in parliament that it held since the inaugural post-apartheid election in 1994.

On the domestic front, the Nigerian economy witnessed a combination of bold reforms and considerable shocks. The passage of critical reforms in monetary policy and the energy sector was a welcome development. However, these reforms and other factors caused considerable shocks that fed into a rapid rise in business costs, thereby putting pressure on consumer and business spending. Inflation has risen considerably from 29.9% in January 2024 to 34.80% in December 2024.

The CBN maintained a hawkish stance due to the persistent inflation and implemented several key adjustments to its monetary policy instruments in 2024, focusing on the monetary policy rate (MPR). Over the year, the MPR was raised by a total of 875 basis points across five meetings. The most recent adjustment occurred in November 2024, when the MPR was

increased by 25 basis points, moving from 27.25% to 27.50% but maintaining the asymmetric corridor of +500/-100 basis points around the MPR.

The current administration made marked changes in Nigeria's fiscal policy by instituting several key reforms. Among these were the electricity subsidy removal, the review of the nation's tax policies, followed by a series of bills aimed at consolidating tax revenues, and the approval of other pro-business policies aimed at attracting investments as well as the deployment of palliative measures aimed at cushioning the effects of the recent spikes in the cost of living across the country.

Nigeria experienced an average GDP growth rate of 3.09% in 2024. In Q3 2024, GDP grew by 3.46% y/y primarily driven by growth in the service sector, which recorded a growth of 5.19% and accounted for 53.58% of the GDP. The service sector continues to be the largest contributor to GDP, with an average growth rate of 4.43%. The agriculture and industry grew at average rates of 0.91% and 2.63%, respectively.

The past two years have been remarkable for investors, with the Nigerian Exchange (NGX) All-Share Index delivering strong returns in back-to-back years. In 2024, the equities market recorded an outstanding performance, returning a growth rate of 37.65%. In terms of market capitalization, it closed at N62.76 trillion as of December 31, 2024, about N21.8 trillion increase over the N40.92 trillion it closed in 2023.

Despite the high level of economic uncertainty in 2024, the Group remained focused on value accretion and leveraged its human and financial resources to deliver remarkable returns to you, our shareholders.

### Organisational Milestones & Progressive Developments

The Group achieved several milestones and delivered impressive growth outcomes across its business lines during the year under review which placed the organisation on the path of stability as embedded in highlights below:

- On July 19, 2024, the Board of the Financial Markets Authority of West Africa Economic & Monetary Union (AMF-UMOA) headquartered in Cote D'Ivoire

## ■ Group CEO's Statement **CONT'D**

- approved our subsidiary, United Capital Asset Management West Africa Limited (UCAMWAL) to conduct Investment Management business across eight (8) countries in WAEMU Zone under the Financial Market Regulatory laws.
- ▶ United Capital Group launched a new subsidiary, UCEE Microfinance Bank, a digital-first microfinance institution fully licensed by the Central Bank of Nigeria (CBN) and insured by the Nigeria Deposit Insurance Corporation (NDIC).
  - ▶ The Group dominated the BusinessDay Banks and Other Financial Institutions (BAFI) Awards securing five major awards including Financial Services Group of the Year (Non-Banking), Investment Management Firm of the Year, Innovative Fund Manager of the Year, Stockbroking Company of the Year and Trustees company of the Year. Solidifying our position as a top-tier financial services powerhouse.
  - ▶ United Capital Group was recognized by the Financial Times of London and Statista as one of the Fastest Growing African Companies for the 3rd year in a row (2022 – 2024).
  - ▶ For the first time, United Capital Plc paid an interim dividend payment of N0.90 per share and issued 2 Bonus Shares for every share held, reaffirming our commitment to wealth creation and superior value delivery to our shareholders.
  - ▶ United Capital Plc market capitalization grew by 200% from N132billion in 2023 to N396Billion in 2024, indicating significant wealth creation for the shareholders and fostering business stability.
  - ▶ The Group successfully received the MSEC Management System Certification, ISO/IEC 27001:2022, signifying a major milestone in group's compliance with the comprehensive information security management systems to protect sensitive data and mitigate cybersecurity risks.
  - ▶ The Group acted as the Lead Issuing House and Coordinator for the successful issuance of the FGN Domestic Dollar Bond, Nigeria's first ever domestic US dollar-denominated bond, raising over US\$917 million - surpassing the initial target of US\$500 million at 180% oversubscription.
  - ▶ The group led the successful issuance of Sierra Leone's first local currency corporate bond, valued at SLE 32 million (approximately \$US1.4 million). United Capital Plc acted as the lead financial adviser for the N1.8 trillion Transcorp Power Plc's listing by introduction on the Nigerian Exchange (NGX).
  - ▶ United Capital Asset Management was awarded the prestigious Financial Inclusive Fund Manager of the Year Award at the International Financial Inclusion Conference 2024.
  - ▶ United Capital Securities retained its spot as one of the top 10 equities market players by volume (10th Position) and value (3rd Position).
  - ▶ United Capital Trustees was awarded the Best Trustee Company in Nigeria in terms of Deal Value at the Nigerian Exchange (NGX) Made of Africa Awards, for executing the largest number and highest value of bond transactions on the Nigerian Exchange in 2024.

### 2024: Financial Performance


- ▶ **Income:** Despite the challenging business environment, major income lines grew significantly, building on the successes recorded in the prior year. Investment Income grew by 84% year-on-year from N8.5 billion to N15.6 billion. In similar manner, Fee and Commission Income grew year-on-year by 80% from N8.1 billion to N14.6 billion while Net Trading Income grew year-on-year by 64% from N3.9 billion to N6.4 billion.
- ▶ **Expenses:** Operating expenses declined by 46% year-on-year from N29.3 billion in 2023 to N15.9 billion. During the year, the Group successfully exited its position in the previously downgraded emerging market sovereign bond instruments, resulting in an impairment writeback of N892 million. This strategic move strengthened the Group's financial position and underscores our commitment to proactive risk management principles and value creation.
- ▶ **Earnings:** Our Pre-tax Earnings rose 74% year-on-year to N30.1 billion, from N17.3 billion in 2023. Despite the economic uncertainties, all our businesses ended the year on a profitable note delivering improved and robust business

## ■ Group CEO's Statement CONT'D

- performance. In 2025, we will be leveraging our increased client base, investment in technology and improved knowledge of our operating environment to drive sustainable business growth.
- Financial Position:** The Group's total assets rose by 83% year-on-year to N1.7 trillion in 2024, from N931.2 billion as at December 31, 2023, primarily driven by 132% growth in cash and cash equivalents and 69% growth in investment securities. Similarly, Shareholders' funds rose by 47% year-on-year to N133.5 billion in 2024 compared to N90.7 billion in 2023, driven by an increase in fair value reserve during the year under review.
- Shareholder Returns:** Furthermore, the Group delivered impressive real returns to shareholders. The Price-Earnings (P/E) ratio grew by 26% from 12.08 as at December 31, 2023 to 15.23 as at December 31, 2024. Similarly, the Price-to-Book Ratio surged by 81% reaching 2.75 as at December 2024, compared to 1.52 in the previous year. This significant appreciation highlights the Group's ability to create shareholder value, supported by strategic execution, resilient earnings and our strong financial position.

### Looking Ahead – 2025

Distinguished shareholders, as we proceed into 2025, some countries have new leaders with a mandate for political and economic change that could see policymakers pursuing measures that add to volatility rather than stability. The change in leadership in the United States of America will increase global uncertainty in 2025. The incoming administration's protectionist proposals have the power to reshape trade relationships and alter economic dynamics worldwide.



**Peter Ashade**  
Group Chief Executive Officer

In Nigeria, 2025 holds out the prospect of much more stable economic conditions than previous years. Since the inauguration of the current administration, both the monetary authorities and the Federal Government have introduced policies aimed at addressing inflation and stabilizing the currency. Although the macroeconomic conditions and corresponding implications for our industry remain uncertain, the government plans to rebase the Gross Domestic Product (GDP) and inflation data to capture changes in certain sectors of the economy and to reflect current consumption patterns and economic reality.

The previous year concluded the end of the three-year strategy cycle initiated in 2022. With the commencement of the next three-year strategy roadmap themed "Unlocking our Potentials: 2025 - 2027," we shall be embarking on a journey focused on positioning United Capital Group as the symbol of excellence in the global financial landscape. To secure our strategic aspirations of becoming a sustainable high-performing financial services group, we aim to maintain a disciplined capital position with strong risk management standards. Through the diligent execution of our strategy, we will sustain our improved performance, deliver exceptional value to all our stakeholders and foster growth across all our business lines.

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 strong financial services group that will be a reference in the global financial services sector.

**Thank you.**

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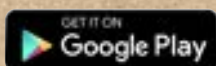
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# Sustainability Report

As a leading financial services institution, United Capital plays a strategic role in helping individuals, corporations and governments achieve their strategic objectives through our robust suite of financial and investment service offerings. In line with the increased call for corporate organisations to look beyond financial performance and ensure that they do business more sustainably, we are committed to ensuring the 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 the following three key pillars:



## ■ Sustainability Report

### Responsible Business

As a leading financial services institution, we are committed to upholding high standards of governance to promote ethical behaviour and supporting the transition to sustainable and resilient financial outcomes. This entails the 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.

### People and Communities

We are committed to enhancing the social and economic wellbeing of our people and communities. We create opportunities for individuals and businesses by promoting equitable access to resources and supporting underserved communities. We aim to build stronger and more resilient communities while contributing to long-term societal progress.

### Environmental Stewardship

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 commit to promoting eco-friendly practices to protect nature and be a part of the climate solution.

Please see below, details of our activities in 2024 across each of our three key pillars.

### ON PEOPLE AND COMMUNITIES

#### Stakeholder Engagement

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

Accordingly, we strive to ensure that our actions uphold this trust by proactively engaging our stakeholders openly, responsibly and constructively. We strive to maintain relationships of mutual respect, trust and collaboration with both internal and external stakeholder groups. Also, we recognise the importance of understanding and responding to the needs of our stakeholders and strive to build strong relationships with them by providing accurate and timely information, responding to their inquiries promptly, 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 to 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 contributing positively to our stakeholders' lives including the communities in which we operate. We also strive to create economic opportunities and have a positive impact on the environment, society and economy.



■ **Sustainability Report** CONT'D

| Stakeholder Group                 | Stakeholder Engagement Approach  | Engagement Frequency  | Key Discussion Topics   |
|-----------------------------------|--|---|---|
| <b>INVESTOR</b>                   | <ul style="list-style-type: none"> <li>Reports, investors bulletin/ presentations</li> <li>Analyst Calls</li> <li>Meetings</li> <li>Annual General Meetings</li> <li>Extraordinary General Meetings</li> </ul>   | Daily<br>Ad hoc   | <ul style="list-style-type: none"> <li>Financial performance and dividends</li> <li>Investor relations</li> <li>Legal consultancy</li> <li>Corporate governance</li> <li>Transparency disclosure</li> <li>ESG performance</li> </ul>  |
| <b>EMPLOYEES</b>                  | <ul style="list-style-type: none"> <li>Face-to-face meetings</li> <li>Calls and conference calls</li> <li>Company intranet</li> <li>Email Surveys</li> <li>Training and seminars</li> <li>Performance appraisal interviews</li> <li>Townhalls</li> </ul> | Daily<br>Weekly<br>Monthly<br>Quarterly<br>Annually<br>Ad hoc | <ul style="list-style-type: none"> <li>Capacity building and upskill training</li> <li>Compensation and benefits</li> <li>Workplace health and wellbeing</li> <li>Awareness and surveys</li> <li>Business performance and updates</li> <li>Cyber security and data privacy</li> <li>Compliance and business ethics</li> </ul> |
| <b>CUSTOMERS</b>                  | <ul style="list-style-type: none"> <li>Letters</li> <li>Calls and conference calls</li> <li>E-mails</li> <li>Handbook</li> <li>Surveys</li> <li>Face-to-face meetings</li> <li>On-site visits</li> </ul>   | Daily<br>Annually<br>Ad hoc                                   | <ul style="list-style-type: none"> <li>Supplier assessment and contract adherence</li> <li>Worker welfare</li> <li>Policy reviews and business updates</li> <li>Complaints resolution</li> <li>Information security and privacy awareness</li> <li>Monitoring and progress evaluation</li> </ul>                              |
| <b>GOVERNMENT/<br/>REGULATORS</b> | <ul style="list-style-type: none"> <li>Calls and conference calls</li> <li>E-mails, SMS and social media</li> <li>Surveys</li> <li>Relationship Managers</li> <li>Visits and personal meetings</li> <li>Public portal</li> </ul>                         | Daily<br>Weekly<br>Monthly<br>Quarterly<br>Yearly<br>Ad hoc   | <ul style="list-style-type: none"> <li>Regulatory compliance</li> <li>Approval of new and updated products</li> <li>Lending practices</li> <li>Compliance</li> <li>New and updated guidelines and regulations</li> <li>Interest rate</li> </ul>   |



■ **Sustainability Report** CONT'D

| Stakeholder Group             | Stakeholder Engagement Approach   | Engagement Frequency                               | Key Discussion Topics   |
|-------------------------------|---|--|---|
| <b>COMMUNITIES &amp; NGOS</b> | <ul style="list-style-type: none"> <li>Strategic collaborations</li> <li>Town hall meetings</li> <li>Formal communications</li> <li>On-ground activations</li> </ul>              | Monthly<br>Quarterly<br>Annual<br>Ad hoc           | <ul style="list-style-type: none"> <li>CSR communications &amp; initiatives</li> <li>Sustainability publications</li> <li>SME support</li> <li>Financial inclusion</li> </ul> |
| <b>MEDIA</b>                  | <ul style="list-style-type: none"> <li>Press releases</li> <li>Senior management interviews</li> <li>Website</li> <li>Media rounds</li> <li>Media Parleys /conferences</li> </ul> | Weekly<br>Monthly<br>Quarterly<br>Yearly<br>Ad hoc | <ul style="list-style-type: none"> <li>Products and services</li> <li>Effective feedback</li> <li>Social media presence</li> <li>Business performance and updates</li> </ul>  |

**Our People**

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 ways to ensure that our people are engaged and uphold our three core values of Enterprise, Excellence and Execution (the “3Es”).

In 2024, we held a culture immersion session which afforded new employees an introduction to the United Capital work culture. We are deliberate about talent attraction and selection, talent management and development, performance management, and employee engagement.

We support the holistic health and happiness of our people. In 2024, we introduced the Employee Assistance Programme (“EAP”) – a workplace benefit provided to support the well-being and mental health of our employees, affording them services including confidential counselling, assessment and referral services to assist with personal or work-related challenges that may impact their performance, health or overall well-being. These services are provided by highly qualified and experienced EAP providers who work with us to promote employee health and well-being.

## ■ Sustainability Report CONT'D

### Diversity and Inclusion

2024 gender (male to female) diversity for all staff, management, and board level:

| Workforce  | Total | Percentage |
|--|-------|------------|
| <b>Total number of employees (Male and Female) as of 31 December</b> | 270   | 100%       |
| <b>Total workforce (total and %)</b>                                 |       |            |
| Female   | 111   | 41.1       |
| Male   | 159   | 58.9       |
| <b>Non-management staff (total and %)</b>                            |       |            |
| Female   | 102   | 37.78      |
| Male   | 126   | 46.67      |
| <b>Senior management (total and %)</b>                               |       |            |
| Female   | 8     | 24         |
| Male   | 25    | 76         |
| <b>Executive management (total and %)</b>                            |       |            |
| Female   | 3     | 33         |
| Male   | 6     | 67         |
| <b>Board (total and % of Board)</b>                                  |       |            |
| Female   | 1     | 9.1        |
| Male   | 10    | 90.9       |

### UCAP Group Townhall

We ensure that employees at all levels are duly informed of the strategic priorities of the Group for each year. Given this, the Group Chief Executive Officer (the "Group CEO") holds an interactive session with all employees at least twice a year. Each session is interactive and allows employees to hear directly from top management on how the Group has fared 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 awareness of their key role in achieving our corporate goals.



## ■ Sustainability Report CONT'D

### Employee Training

In line with our commitment to ensuring that our people are equipped with the right skills to enable us to compete favourably in the markets in which we operate, we take learning and development very seriously. Throughout the year, our people, across all businesses, departments, locations and brands, participated in a series of technical and soft skills training relevant to their job roles.

In addition, we hold Knowledge-Sharing Sessions regularly 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 the board and actively work with employees to ensure that these targets are met.

| Percentage of staff who attended training in 2024 | Total number of training hours in 2024 | Total amount spent on training in 2024 |
|---|--|--|
| 90%   | 817 Hrs                                | N129,114, 999.04                       |

### Employee Engagement

We celebrated our people throughout the year, marking special moments from Valentine's Day to Christmas and everything in between. From TGIFs, Workers' Day, Africa Day, Employee Appreciation Day, and Customer Service Week, we created opportunities to connect, appreciate, and uplift our team. We also proudly represented United Capital at the Fund Managers Association of Nigeria



(FMAN) Games, showcasing our skills and sportsmanship in volleyball and football. To close the year on a high note, we hosted a vibrant three-in-one end of year celebration tagged "Festival of Colors" featuring Carol,

Prize-Giving, and Christmas Party, bringing everyone together in the spirit of celebration and gratitude.

### Our Clients

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

### Customer Experience

We recognize that exceptional customer experience is not just a goal but a journey. Accordingly, we are committed to continually improving the customer experience journey of our customers and ensuring we have a 360-degree view of all our customer interactions.

At United Capital Plc, we strive to provide a seamless, personalized experience that meets the needs of our customers and reflects our core values of Excellence, Execution, and Excellence. To achieve this goal, we adopt a holistic approach to customer experience improvement and take a proactive approach to understand 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 to provide the best possible service. In addition, complaints are handled expeditiously, and our processes are continuously improved to reduce complaints.

To improve on our customer experience journey going forward, we intend to focus on accessibility and convenience, transparency and clarity, continuous improvement, empowerment, and the education of our customers to ensure they get the best support towards a more secure financial future.

### Digital Transformation

At United Capital Plc, we recognize that the landscape of the financial services industry is evolving very quickly driven by technological advancements and changing customer expectations. Following the establishment of our Digital Transformation directorate, we have had a fundamental shift in how we operate and deliver value to our stakeholders, and we remain ever committed to embracing digital transformation as a key part of our sustainability journey.

## ■ Sustainability Report **CONT'D**



In 2024, our digital transformation journey centered largely on innovation, operational excellence and cybersecurity. We leveraged data and analytics to help achieve data aggregation, business performance measurement and monitoring, proactive decision-making and support, data as a single source of truth, as well as data democratization and security.

To improve the security of our infrastructure, we also configured and set up network devices for the establishment of inter-site connectivity links. We also upgraded old end-of-life infrastructure at our data centres to ensure stability, scalability, availability, and reliability to meet current business needs – which led to the stabilization of our systems and the elimination of downtimes.

We also successfully deployed an automated transaction reporting solution to facilitate the generation of timely and accurate transaction reports, to ensure that we effectively meet our regulatory filing obligations.

We also worked to improve processes and operations across the Group by deploying technological solutions for manual processes including access control systems, asset tagging systems, exit systems for employees exiting the Group, and strengthening the internet infrastructure of our regional offices. In addition, we deployed transaction and data monitoring solutions across various touchpoints to ensure adequate monitoring and evaluation of key data sets. To facilitate internal communication, we also deployed an intranet to manage internal communications and campaigns.

Through our commitment to digital transformation, we aim to future-proof our business, unlock new growth opportunities and deliver sustainable value for all our stakeholders.

### **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.

### **Corporate Social Responsibility**

As responsible corporate citizens, we also demonstrate a commitment to social responsibility and sustainability. Our CSR Initiatives are focused on the following themes:

- ▶ Financial Literacy
- ▶ Education
- ▶ Women Empowerment
- ▶ Economic and Youth Empowerment

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.

### **Economic Empowerment**

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:

#### ▶ **Webinars and Investment Clinics**

In 2024, we hosted free webinars and investment clinics on impact investing, retirement and estate planning, and alternative financing for SMEs. These sessions provided practical insights to help individuals and businesses make informed financial decisions, reinforcing our commitment to financial literacy and inclusion.

#### ▶ **The United Capital Asset Management Investment Forum.**

The inaugural United Capital Asset Management Investment Forum convened industry leaders, regulators, and financial experts to explore innovative strategies for enhancing financial inclusion in Nigeria. With the theme "Deepening Financial Inclusion Through Participation in Collective Investment Schemes," discussions

## ■ Sustainability Report CONT'D

focused on breaking barriers to investment access, empowering more Nigerians to build wealth through collective investment schemes, and driving sustainable economic growth. As a group, we continue to serve as a catalyst for cross-sector collaboration and policy dialogue in reinforcing the role of inclusive finance in shaping a stronger, more equitable economy.



### ON RESPONSIBLE BUSINESS

At United Capital, we are committed to high standards of governance that promotes ethical behaviour and support the transition to sustainable and resilient financial outcomes. We have a governance framework that is fit for a Group of our size, sector and 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 have the required knowledge and experience to set the tone from the top. In recognition of global trends and the need to position the Group to continue to be competitive across its lines of business, in 2024, the Board had comprehensive training sessions on topical areas including Artificial Intelligence, and ESG and IFRS 9, with key action plans identified for implementation in 2025 and beyond.

| Number of Directors trained in 2024 | Total number of trainings for the board |
|-------------------------------------|---|
| 11                                  | 1                                       |

#### 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. We are committed to robust risk management practices that ensure safety, stability and sustainability of our operations. In 2024, we undertook a comprehensive end-to-end review of our risk management architecture, which enabled us to test the strength of our processes and identify areas of improvement. We will continue to actively undertake comprehensive risk assessment and monitoring, set prudent risk appetites and limits, ensure risk-based decision making, and cultivate a culture of risk awareness and accountability.

#### Cybersecurity and Data Protection/Privacy

We recognize the critical importance of cybersecurity in safeguarding the integrity, confidentiality, and availability of data. As custodians of sensitive personal information of our clients, we are committed to cultivating and maintaining the highest standards of cybersecurity as well as data protection and privacy across all aspects of our operations. Our cybersecurity initiatives are centered around proactive risk management, investment in technology and infrastructure for preventive operations, stakeholder collaboration and employee education on cybersecurity as well as data protection and privacy. In line with global trends in cybersecurity, in 2024, we significantly ramped up our cybersecurity framework and governance. Our email security tool for the prevention of phishing email, spam and other social engineering threats was upscaled for greater performance. We upgraded File Integrity Monitoring and the Database Activity Monitoring solutions and implemented Endpoint Detection and Response tool for automated mitigation of risks and improved visibility and proactive response to cyber threats across endpoints on the network. We have also implemented a Privileged Access Management solution as well as an Automated Patch Management system. Other activities undertaken in 2024 include the NDPR annual audit and comprehensive end-to-end

## ■ Sustainability Report CONT'D

vulnerability assessment and penetration testing of the United Capital infrastructure estate in addition to internal assessments carried out routinely with state-of-the-art vulnerability management tools.

We marked the International Cybersecurity Awareness Month in October 2024 and held various activities and knowledge-sharing sessions on cyber hygiene and general information security and data protection facilitated by both internal and external subject matter experts. Cybersecurity training has also been institutionalized as we work with globally recognised cybersecurity training partners to deploy relevant cybersecurity training for our people. Our information security program is guided by global standards like ISO 27001, NIST and in conformity with the Nigeria Data Protection Act 2023, and in demonstration of this, we have certified our organization to ISO27001:2022 which is the latest global standard for Information Security. All these measures have helped strengthen our resilience against cyber-attacks. Through our commitment to cyber security, and data protection and privacy, we aim to protect the confidentiality, integrity and availability of data and uphold the trust and confidence our stakeholders have placed in us over the years.



We are certified to the following best-practice standards and frameworks:

ISO 27001:2022 (Information Security Management System) Standard

NDPR (Nigeria Data Protection Regulation).

### **Sustainable Finance and Investments**

As a foremost financial services institution 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.

Through our United Capital Infrastructure Fund (UCIF) which is focused on providing long-term financing for the delivery of critical infrastructure that would bridge the infrastructure deficit in Nigeria and sub-Saharan Africa, as well as other parts of our businesses, we aim to ramp up on providing financial and investment services for the following products and initiatives that;

- ▶ Create measurable social, environmental, and economic outcomes.
- ▶ Promote the use of renewable energy sources, reduce greenhouse gas emissions, and improve the environmental health of their operations.
- ▶ Create social benefits, such as improved access to education, healthcare, and workforce development initiatives.
- ▶ 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.

### **Our Wealth for Women Fund**

We remain committed to financial inclusion by driving the Wealth for Women Fund, an investment vehicle designed to help women build wealth, invest towards retirement, and participate in the capital market. Through active portfolio management, we ensure the Fund delivers strong value while remaining accessible to women seeking long-term financial security. Registered with the Securities and Exchange Commission (SEC) as a balanced fund, it continues to bridge the gender investment gap, empowering more women to take control of their financial future.

### **Women Empowerment**

#### **#ThisGirlInvests Initiative**

In 2024, we launched the second phase of our flagship financial literacy initiative for women, #ThisGirlInvests. This movement was borne out of the need to encourage more women to adopt healthy investment habits and

## ■ Sustainability Report **CONT'D**

confidently participate in the capital market. At its core, #ThisGirlInvests recognizes the immense economic value women contribute and champions the cause of financial independence and security in line with SDGs 1, 5, 8, and 10.

While the first phase focused on building awareness and defining the ethos of the initiative, this second phase is about fostering communities and creating safe spaces where women can openly discuss their financial challenges and goals under the theme “Women, Money & Power.” To bring this vision to life, we rolled out several impactful initiatives:

### ▸ Virtual Conversations

i. ‘Girl Chat’ on X (formerly Twitter) Spaces: We hosted an interactive session tailored to young women including students, NYSC corps members, junior to mid-level employees, entrepreneurs, and creatives. The discussion provided practical wealth-building strategies, attracting over 1,000 listeners.

ii. ‘Corporate Women and Wealth’ Webinar: This session focused on helping women in corporate Nigeria maximize their earnings, navigate workplace dynamics, and grow their wealth. We partnered with C-level female executives from Heirs Technologies and Africa Prudential Plc to serve as guest speakers, drawing over 950 participants.



### ▸ Strategic Partnerships

We collaborated with leading women-focused organizations such as Gaia Africa, Smart Stewards, and 9to5 Chick to amplify financial literacy and independence across diverse female audiences including young professionals, mid-senior level executives, and entrepreneurs. These partnerships collectively impacted over 5,000 women.

### ▸ #ThisGirlInvests Soirée

We hosted our first in-person gathering, an exclusive soirée for 50 mid-to-senior-level female employees across the Heirs Holdings Group. This event provided an intimate setting to discuss critical investment topics such as understanding investor profiles, risk appetite, and long-term financial planning.



#ThisGirlInvests continues to grow as a movement that educates, empowers, and connects women on their journey to financial freedom. As we move forward, we remain committed to creating more opportunities for women to take control of their financial futures.

### International Women's Day Campaign: Empowering Women in the Informal Economy



For International Women's Day, we turned our focus to the informal market, exploring the financial behaviours of the resilient women who drive it. Through our mini documentary, "Boss Women of Isale Eko," we spotlighted the strength and determination of these market women. The documentary provided a deep dive into their financial habits, challenges, and aspirations, showcasing how they manage their businesses and households with remarkable discipline. As part of our commitment to

## ■ Sustainability Report CONT'D

financial empowerment, we also provided direct financial support to help them on their journeys toward greater economic stability.

The campaign was met with overwhelmingly positive reception, reinforcing the need for continued advocacy and financial inclusion initiatives for women in the informal sector.

### 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 a 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 mass retail, underserved segment of the economy. This has been at the centre of our product development initiatives as well as our marketing activities.

Total number of accounts opened by previously underbanked/ unbanked persons in 2024

26,232

### National Youth Service Corps

We work with the National Youth Service Corps across different states and ensure the onboarding of Corps Members to enable them to 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 can inculcate an investment culture from early on in their careers. Without products such as these, investors may not have direct access to investment products. We are, however, able to bring them into the financial system to undertake more than just vanilla banking services to more sophisticated investment services.

Also, as players in financial services, we have a strict Know Your Customer (KYC) policy which is observed in line with regulatory requirements. We however understand that the underserved segment of the market may not have the documents required in the KYC onboarding process thus, in line with applicable

regulation, we conduct a simple customer due diligence on them, without prejudice to our responsibility to ensure adequate protections against money laundering and other financial crimes. With this approach, we can bring more people into the financial system.

### ON ENVIRONMENTAL STEWARDSHIP

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. Over the coming years, we will explore partnerships with Development Finance Institutions and other institutions on projects which positively impact the environment.

In addition, further to our digital transformation drive, we have significantly shifted towards paperless services for our clients using our digital solutions and platforms. 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 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.

■ **Sustainability Report** CONT'D

**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 occur or will be realised or are complete or accurate. Any such forward-looking statements are based on the beliefs and expectations of United Capital Plc at the date of this Report, and United Capital does not assume, and hereby disclaims, any obligation or duty to update, revise or supplement them if circumstances or beliefs, expectations or opinions should change. For the avoidance of doubt, no representations or warranties, expressed or implied, are given by or on behalf of United Capital Plc as to the achievement or reasonableness of any projections, estimates, forecasts, targets, prospects or returns in this Report.



# Invest in the development of the society.

The United Capital Infrastructure Fund, allows investors to invest in projects with positive economic and social impact while earning competitive returns.



-  ICT
-  Transportation
-  Renewable energy
-  Power
-  Education

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# Corporate Governance

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## ■ 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 in accordance with relevant regulatory laws and guidelines. In compliance with the Nigerian Code of Corporate Governance and the Board Charter, Directors are selected based on their skills, competence, and experience. The Board Audit and Governance Committee is saddled with the responsibility of identifying, considering, and recommending to the Board suitable candidates for appointments. 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 eleven (11) Directors made up of two (2) Independent Non-Executive Directors, six (6) Non-Executive Directors and three (3) Executive Directors i.e., the Group Chief Executive Officer, Deputy Group Chief Executive Officer and the Group Executive Director/Chief Operating Officer.

#### Board Profile

The Board is made up of the following people:

#### PROFESSOR M. CHIKA MORDI

Chairman (Non-Executive Director)

Prof. 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.



## ■ Corporate Governance CONT'D

### PETER ASHADE

Group Chief Executive Officer

Peter Ashade holds a Bachelor of Science degree from the Olabisi Onabanjo University, Ago-Iwoye (formerly Ogun State University), an MBA and MSc from Obafemi Awolowo University and University of Lagos, respectively. He is a Fellow of three professional bodies namely, the Institute of Chartered Accountants of Nigeria, Institute of Capital Market Registrars of Nigeria, and Chartered Institute of Bankers of Nigeria as well as Associates of the Chartered Institute of Taxation and Institute of Directors. He has 34 years of experience in the Nigerian capital market and had served in various committees of the Securities and Exchange Commission. He was appointed the Group Chief Executive Officer of United Capital Plc on July 2, 2018.

### MR SUNNY ANENE

Deputy Group Chief Executive Officer

Sunny Anene supervises four businesses in the Group: Asset Management, Securities Trading, Trustees, and Wealth Management. Prior to his current appointment as the Deputy Group Chief Executive Officer, he was the Group Executive Director at United Capital Plc. Before then he was the Managing Director of United Capital Asset Management Limited, which he turned around and put on the path of growth. He served as the Group Chief Finance Officer of UCAP where he had responsibility for almost all the functional areas including Finance, Operations, Treasury, Risk Management, Information Technology, Internal Control, and Corporate Services. He has decades of experience which cuts across Investments, Capital Markets, Pensions, Finance and Banking. His proven ingenuity in these areas is brought to bear on the Group's businesses. Prior to joining United Capital Plc, he was Head of Operations at First City Group and at a time the Lead Trader for CSL Stockbrokers, the Securities Trading arm of the Group. He moved to pension management in Zenith Pension Custodian Limited, a subsidiary of Zenith Bank Plc. He later returned to the Capital Markets in 2008 when he joined Chapel Hill Denham and 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 fellow of the Chartered Institute of Stockbrokers (CIS), the Institute of Chartered Accountants of Nigeria (ICAN), the Chartered Institute of Taxation of Nigeria (CITN), an Associate of the Certified Pension Institute of Nigeria, and a member of the Institute of Directors. He is an alumnus of Lagos Business School (LBS) and IESE Business School, Barcelona, Spain. He attended leadership training organized by Harvard Business School and General Electric (GE), USA. He was appointed a director on January 2, 2019.

### AYODEJI ADIGUN

Group Executive Director/Chief Operating Officer

Ayodeji Adigun is the Group Executive Director/Chief Operating Officer of United Capital Plc. He has over three decades of banking and finance experience with a strong background and core competences in financial control, performance management, operations, audit, strategic planning, and business transformation.

He is a graduate of the University of Lagos, where he obtained a Bachelor of Science degree in Accounting with First Class Honors. He is a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN), an associate member of the Chartered Institute of Management Accountants (CIMA), UK and the Chartered Institute of Taxation of Nigeria (CITN).

Prior to joining United Capital Plc, he was an Executive Director/Chief Operating Officer at Nova Merchant Bank Limited as well as the General Manager/Chief of Staff to the Group Managing Director of United Bank for Africa

## ■ Corporate Governance CONT'D

Plc. While at UBA, he held other positions such as General Manager and Head of Strategy and Business Transformation with responsibilities over project management, strategic planning, and the Group Executive Office.

### EMMANUEL NNOROM

Non-Executive Director

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

### OLADIPUPO FATOKUN

Independent Non-Executive Director

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

### OLULEKE OGUNLEWE

Non-Executive Director

Oluleke Ogunlewe ("Leke") holds a Bachelor of Science degree in Economics from the University of Ibadan and an MBA University of Lagos, respectively. Leke 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.

Leke With 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.

Leke 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 in United Capital Plc on October 29, 2021.



## ■ Corporate Governance CONT'D

### CHIUGO NDUBISI

Non-Executive Director

Chiugo Ndubisi hold a first-class honours degree in Engineering from the University of Nigeria Nsukka, and a Master of Business Administration degree from the University of Lagos. He is a Fellow of three professional bodies: the Institute of Chartered Accountants of Nigeria (ICAN), Chartered Institute of Bankers of Nigeria (CIBN) and the Chartered Institute of Taxation of Nigeria (CITN).

His career spans over 25 years in the Banking industry. Prior to United Capital, he was the Executive Director, Treasury & International Banking at United Bank of Africa, where he was responsible for the Treasury Business across UBA Group. He was also responsible for UBA's international subsidiaries i.e., UBA America, UBA UK, UBA France, and UBA Dubai. At UBA, he had previously functioned as Executive Director, Group Chief Operating Officer and Group Executive, Transformation & Resources.

Prior to joining UBA, he had worked with Diamond Bank Plc (now Access Bank) and played various roles such as Executive Director/Chief Finance Officer, Divisional Head, Financial Management, Group Financial Controller and Head, Investor Relations. During his career, he had served as a member of the Board of Trustees, Central Bank of Nigeria (CBN) Banking Industry Resolution Trust Fund, as well as member of the Audit Committee of the Nigeria Interbank Settlement Systems (NIBSS).

### SAMUEL NWANZE

Non-Executive Director

Samuel Nwanze is an astute, well-rounded finance professional, business executive, investment banker and management consultant with experience in managing a broad spectrum of financial and banking responsibilities, including mergers and acquisitions, finance, performance management, treasury management, project management, integration and strategic planning.

He is the Executive Director/Chief Finance Officer of Heirs Energies Limited and has held various key positions including Chief Investment Officer and Chief Executive Officer in different sectors. He obtained his Bachelor of Science degree from the University of Ibadan. He also attended Cranfield University, United Kingdom, where he obtained a Master of Science degree in Finance & Management. Samuel is a Fellow of the Chartered Institute of Management Accountants (CIMA), and an Associate of the Institute of Directors, the Nigerian Institute of Management, and the Certified Pension Institute of Nigeria. He is also a Chartered Global Management Accountant and a Chartered Alternative Investment Analyst.

### UCHE IKE

Non-Executive Director

Uche Ike is an experienced professional who holds a B.Sc. degree in Accountancy, and a Master of Business Administration. He is an Associate Member of the Institute of Chartered Accountants of Nigeria (ICAN). He has over three decades of banking experience spanning Operations, Internal Audit, Enterprise Risk Management, Fraud Management and Regulatory Compliance. He was the General Manager of UBA New York Branch and had also previously supervised operations in the East and South Banks of UBA Nigeria.

## ■ Corporate Governance CONT'D

### ROSE NAT ESHIETT

Independent Non-Executive Director

Rose Nat Eshiett has over 35 years working experience with the Nigerian National Petroleum Company Limited (NNPCL) in the Oil and Gas sector where she retired as the Group General Manager, Crude Oil Marketing Division. At NNPCL, she worked and held top management positions in various Commercial, Project financing and investments, Financial Accounting and Auditing. Currently, she is an Honorary Adviser on Oil and Gas to Akwa Ibom State Government.

She holds a Bsc in Finance from the University of Calabar, Cross River State, a Fellow of the Chartered Institute of Bankers, and Chartered Institute of Taxation of Nigeria, as well as membership of the Institute of Directors of Nigeria and the Nigerian Institute of Management respectively.

She was appointed as an Independent Non-Executive Director on February 8, 2024.

### Code of Business Conduct and Ethics

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

Importantly, the CBCE governs 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 ensure 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



## ■ Corporate Governance CONT'D

### 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 have adopted zero tolerance to corruption and corrupt practices. United Capital therefore confirms 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.

### Attendance at Board Meetings

The Board of United Capital Plc met five times in 2024. Please find the record of attendance below:

| NAMES             | Meetings Held |          |          |          |          |
|-------------------|---------------|----------|----------|----------|----------|
|                   | 26-03-24      | 23-04-24 | 16-07-24 | 15-10-24 | 20-12-24 |
| Chika Mordi       | ✓             | ✓        | ✓        | ✓        | ✓        |
| Peter Ashade      | ✓             | ✓        | ✓        | ✓        | ✓        |
| Sunny Anene       | ✓             | ✓        | ✓        | ✓        | ✓        |
| Ayodeji Adigun    | ✓             | ✓        | ✓        | ✓        | ✓        |
| Emmanuel Nnorom   | ✓             | ✓        | ✓        | ✓        | ✓        |
| Oladipupo Fatokun | ✓             | ✓        | ✓        | ✓        | ✓        |
| Oluleke Ogunlewe  | ✓             | ✓        | ✓        |          | ✓        |
| Chiugo Ndubisi    | ✓             | ✓        | ✓        | ✓        | ✓        |
| Samuel Nwanze     | ✓             | ✓        | ✓        | ✓        | ✓        |
| Uche Ike          | ✓             | ✓        | ✓        | ✓        | ✓        |
| Rose Nat Eshiett  | ✓             | ✓        | ✓        | ✓        | ✓        |

## ■ Corporate Governance CONT'D

### Constitution of the Board of Directors

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

The Board of United Capital has three (3) Committees namely:

1. Finance and General-Purpose Committee ("FGPC")
2. Audit and Governance Committee ("AGC")
3. Risk and Investment Committee ("RIC")

#### 1. Finance and General-Purpose Committee

The responsibilities of FGPC are as follows:

- Formulate and shape the strategy of the Group and make recommendations to the Board for approval.
- Provide oversight of financial matters and the performance of the Group.
- Review and recommend investment opportunities or initiatives to the Board.
- Monitor and assess the overall integrity of the financial statements and disclosures of the financial condition and results of operations of the Group.
- Review of the Group's investment portfolio annually.
- Monitor, review and assess the integrity and adequacy of the overall risk management framework of the Group.
- 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:

- Advise the Board on corporate governance standards and policies.
- Review and recommend to the Board for approval all human resources and governance policies.
- Organize Board and Board Committee inductions and training.
- Evaluate and appraise the performance of the Board and Board Committees and its members annually in conjunction with consultants.

## ■ Corporate Governance CONT'D

- ▶ Ensure that an effective system of financial and internal controls is in place.
- ▶ Make recommendations to the Board on the election and re-election of directors.
- ▶ Provide a central source of guidance and advice to the Board and company on matters of ethics, conflict of interest and good corporate governance.
- ▶ Review Audit exception reports relating to the Group's compliance with major policies including Expense and Human Resource policies.

### 3. Risk and Investment Committee

The Risk and Investment Committee ("RIC") is responsible for discharging the Board's specific functions as it relates to Risk monitoring and, management, Investment of the assets of the Group and approval of counterparties and Information Technology (IT) governance.

The responsibilities of RIC include the following:

- ▶ Business Strategy & investments
- ▶ Review and recommend investment opportunities or initiatives to the Board.
- ▶ Recommend financial and investment decisions within its approved limits on behalf of the Board.
- ▶ Review the Company's investment portfolio annually or as occasion demands.
- ▶ Review investment/divestment proposals on behalf of the Company and recommend them to the Board for approval.
- ▶ Review all the Company's investment proposals irrespective of the amount before presenting them to the Board.
- ▶ Review any new business activity by the Company irrespective of the amount of capital commitment and recommend it to the Board for approval.
- Review from time to time the capital (debt/equity) requirements of the Company and recommend to the Board for approval.
- ▶ In carrying out its functions, the RIC may engage an adviser on behalf of the Board to facilitate an annual review of the Company's risk and investments that the Company may face in the future.
- ▶ Exercise oversight over the process for the identification and assessment of risks across the Company and the adequacy of prevention, detection, and reporting mechanisms.
- ▶ Monitor, review and assess the integrity and adequacy of the overall risk management framework of the Company.
- ▶ Set the Company's appetite and tolerance for risk and recommend risk limits within acceptable tolerance for risk levels to the Board for approval.
- ▶ Ensure that risk assessments are performed on a continual basis and ensure that risk management frameworks and

## ■ Corporate Governance CONT'D

methodologies are in place and integrated into the day-to-day operations of the Company to increase the probability of anticipating unpredictable risks.

### Attendance at Board Committee Meetings

#### Finance and General-Purpose Committee

| NAMES                               | Meetings Held |          |          |          |
|-------------------------------------|---------------|----------|----------|----------|
|                                     | 26-02-24      | 09-04-24 | 09-07-24 | 09-10-24 |
| <b>Emmanuel Nnorom</b>              | ✓             | ✓        | ✓        | ✓        |
| <b>Peter Ashade</b>                 | ✓             | ✓        | ✓        | ✓        |
| <b>Sunny Anene</b>                  | ✓             | ✓        | ✓        | ✓        |
| <b>Ayodeji Adigun</b>               | ✓             | ✓        | ✓        | ✓        |
| <b>Samuel Nwanze</b>                | ✓             | ✓        | ✓        | ✓        |
| <b>Chiugo Ndubisi</b>               | ✓             | ✓        | ✓        | ✓        |
| <b>Rose Nat Eshiett<sup>1</sup></b> |               |          | ✓        | ✓        |

<sup>1</sup>Joined the FGPC at the July 2024 Meeting

#### Audit and Governance Committee

| NAMES                    | Meetings Held |          |          |          |
|--------------------------|---------------|----------|----------|----------|
|                          | 26-02-24      | 09-04-24 | 09-07-24 | 08-10-24 |
| <b>Oladipupo Fatokun</b> | ✓             | ✓        | ✓        | ✓        |
| <b>Emmanuel Nnorom</b>   | ✓             | ✓        | ✓        | ✓        |
| <b>Chiugo Ndubisi</b>    | ✓             | ✓        | ✓        | ✓        |
| <b>Uche Ike</b>          | ✓             | ✓        | ✓        | ✓        |

## ■ Corporate Governance CONT'D

### Risk and Investment Committee

| NAMES                               | Meetings Held |          |          |          |
|-------------------------------------|---------------|----------|----------|----------|
|                                     | 26-02-24      | 09-04-24 | 10-07-24 | 09-10-24 |
| <b>Uche Ike</b>                     | ✓             | ✓        | ✓        | ✓        |
| <b>Emmanuel Nnorom</b>              | ✓             | ✓        | ✓        | ✓        |
| <b>Oluleke Ogunlewe</b>             | ✓             | ✓        | ✓        |          |
| <b>Peter Ashade</b>                 | ✓             | ✓        | ✓        | ✓        |
| <b>Ayodeji Adigun</b>               | ✓             | ✓        | ✓        | ✓        |
| <b>Chiugo Ndubisi</b>               | ✓             | ✓        | ✓        | ✓        |
| <b>Rose Nat Eshiett<sup>2</sup></b> |               |          | ✓        | ✓        |

<sup>2</sup> Joined the RIC at the July 2024 Meeting

### 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:

#### Paul Olele - Chairman

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).

#### Adeshina Alayaki – Member

Adeshina Alayaki is a Fellow of the Institute of Chartered Accountants of Nigeria, a Fellow of the Chartered Institute of Stockbrokers, a Fellow of the Chartered Institute of Bankers of Nigeria and a Fellow of Chartered Institute of Taxation of Nigeria. Adeshina Alayaki is also a Chartered Financial Analyst (2012) and a Certified Financial Risk Manager (2014). He holds a B.Sc. in Banking and Finance from Ogun State University (2007) and an MBA from Ahmadu Bello University, Zaria, (2000). He has undergone several management developments programs in Nigeria, South Africa, and the United Kingdom. He is an alumnus of Graduate School of Management, South Africa.

Adeshina has a total of 36 years post-graduation work experience in audit (Deloitte & Co between 1995 to 1997), Accounts/Admin Manager, manufacturing (Crittall Hope 1997 to 2000) Capital market registrars (First Registrars between 2000 to 2003), Assistant Bank Examiner (CBN Sept 2003 to Dec- 2003), banking (First Bank of Nigeria in 2004), as well as investment management. He joined BOC Gases Nigeria Plc (now known as Industrial & Medical Gases



## ■ Corporate Governance CONT'D

Nigeria Plc) in 2004 as the General Manager Finance. He was appointed as Finance Director in September 2010, a position he is still occupying till date.

### Lawrence Oguntoye – Member

Lawrence Oguntoye holds a Bachelor of Science degree in Archeology and Business Administration from the University of Ibadan and Ajayi Crowther University respectively. In addition, he holds a Master of Business Administration degree from Ajayi Crowther University. He is a member of the Nigerian Institute of Management.

### Oladipupo Fatokun – Member

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

### Uche Ike – Member

Uche Ike is a Board representative on the SAC. He is an experienced professional who holds a B.Sc. degree in Accountancy, and a Master of Business Administration. He is an Associate Member of the Institute of Chartered Accountants of Nigeria (ICAN). He has over three decades of banking experience spanning Operations, Internal Audit, Enterprise Risk Management, Fraud Management and Regulatory Compliance. He was the General Manager of UBA New York Branch and had also previously supervised operations in the East and South Banks of UBA Nigeria.

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

## ■ Corporate Governance CONT'D

### Report of the Statutory Audit Committee (For the year ended December 31, 2024)

To the members of United Capital Plc

In the course of the financial year 2024, the Statutory Audit Committee of United Capital Plc met three times as illustrated in the table below.

| NAMES                                | Meetings Held |          |          |
|--------------------------------------|---------------|----------|----------|
|                                      | 26-03-24      | 10-07-24 | 09-10-24 |
| Mr. Paul Olele                       | ✓             | ✓        | ✓        |
| Pastor Alex Adio <sup>1</sup>        | ✓             |          |          |
| Mrs. Faith George Usman <sup>2</sup> | ✓             |          |          |
| Mr. Adeshina Alayaki <sup>3</sup>    |               | ✓        | ✓        |
| Mr. Lawrence Oguntoye <sup>4</sup>   |               | ✓        | ✓        |
| Mr. Oladipupo Fatokun                | ✓             | ✓        | ✓        |
| Mr. Uche Ike <sup>5</sup>            |               | ✓        | ✓        |

<sup>1</sup> Retired at the AGM 2024

<sup>2</sup> Retired at the AGM 2024

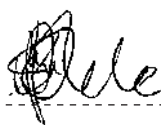
<sup>3</sup> Elected by Shareholders at the AGM 2024

<sup>4</sup> Elected by Shareholders at the AGM 2024

<sup>5</sup> Nominated by the Board at the AGM 2024

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

1. The accounting and reporting policies of the Company for the year ended December 31, 2024, are consistent with legal requirements and ethical practices.
2. The internal audit programs are extensive and provide a satisfactory evaluation of the efficiency of the internal control systems.
3. The scope and planning of the statutory independent audit for the year ended December 31, 2024, are satisfactory; and
4. We have considered the independent auditors' post-audit report and Management responses thereon and are satisfied with the responses to our questions as well as the state of affairs at United Capital Plc.



Paul Olele

FRC/2014/CISN/00000009273

Dated March 1, 2025

## ■ Corporate Governance CONT'D

### Members of the Statutory Audit Committee

|    |                       |          |
|----|-----------------------|----------|
| 1. | Mr. Paul Olele        | Chairman |
| 2. | Mr. Adeshina Alayaki  | Member   |
| 3. | Mr. Lawrence Oguntoye | Member   |
| 4. | Mr. Oladipupo Fatokun | Member   |
| 5. | Mr. Uche Ike          | Member   |

### Statement of Compliance

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

The full version of the United Capital WBP can be viewed on our website: [www.unitedcapitalplcgroup.com](http://www.unitedcapitalplcgroup.com).

To encourage the culture of whistleblowing among internal whistleblowers, the Board ensures through the Management that there is 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:

- Formal letter to the Group Chief Executive Officer or Head of Audit and Business Assurance.
- Call or send a text to the whistleblowing number: 0808 627 4621.
- Dedicated email address: [whistleblowing@unitedcapitalplcgroup.com](mailto:whistleblowing@unitedcapitalplcgroup.com)

#### BY ORDER OF THE BOARD



Dr. (Sir) Leo Okafor PhD, FCIS, ACS, M.IOD, KSJI  
Group Company Secretary/General Counsel  
FRC/2013/NBA/00000002520

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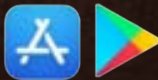
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Ridge, Accra, Ghana  
info@unitedcapitalplcgroup.com

# Directors' Report

## ■ Directors' Report

The Directors present their report together with the audited financial statements of the Group for the year ended December 31, 2024.

### 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, 2020. It became a public company and was listed on the Nigerian Exchange Limited in January 2013 after a successful spin-off from United Bank for Africa Plc, a commercial bank in Nigeria. UCAP is the first investment bank to listed on the Nigerian Exchange Limited. UCAP is a holding company with five subsidiaries namely United Capital Trustees Limited, United Capital Asset Management, UC Plus Advance Limited, United Capital Securities Limited and UCEE Microfinance Bank Limited. Its areas of business include investment banking, asset management, trusteeship, securities trading, micro-finance bank and consumer finance.

### 2. Principal Activities

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

| RESULTS  | Group             |                   | Company           |                   |
|--|-------------------|-------------------|-------------------|-------------------|
|  | 2024<br>'=N=' 000 | 2023<br>'=N=' 000 | 2024<br>'=N=' 000 | 2023<br>'=N=' 000 |
| <b>Gross Earnings</b>  | <b>43,431,097</b> | <b>45,895,098</b> | <b>22,858,538</b> | <b>21,624,979</b> |
| Profit before tax  | 30,102,843        | 17,304,286        | 19,283,361        | 17,401,885        |
| Taxation   | (6,000,000)       | (5,884,534)       | (2,050,489)       | (3,454,473)       |
| <b>Profit for the period</b>   | <b>24,102,843</b> | <b>11,419,752</b> | <b>17,232,872</b> | <b>3,947,412</b>  |
| Other comprehensive income   | 35,372,062        | 55,306,383        | 9,818,391         | 15,600,129        |
| <b>Total comprehensive income</b>  | <b>59,474,905</b> | <b>66,726,135</b> | <b>27,051,263</b> | <b>29,547,541</b> |
| Total comprehensive income attributable to Equity holders of the company | 59,474,905        | 66,726,135        | 27,051,263        | 29,547,541        |
| Earnings per share   | 134               | 190               | 96                | 232               |

### 3. Dividend

In respect of the current year, the Directors propose a final dividend of N0.50 kobo per ordinary share of 50 kobo each amounting to N9.0Billion, to 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 between March 17 - 21, 2025.

### 4. Business Review and Future Development

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

## ■ Directors' Report CONT'D

### 5. Changes on the Board

#### Appointment

During the financial period ended December 31, 2024, one new Director was appointed to further strengthen the Board.

On February 8, 2024, Mrs. Rose Nat Eshiett was appointed an Independent Non-Executive Director of United Capital Plc. Her appointment was approved by the Securities & Exchange Commission and she was presented at the 2024 AGM for the approval of the Shareholders.

#### Profile of Mrs. Rose Nat Eshiett

Mrs. Rose Nat Eshiett has over 35 years working experience with the Nigerian National Petroleum Company Limited (NNPCL) in the Oil and Gas sector where she retired as the Group General Manager, Crude Oil Marketing Division. At NNPCL, she worked and held top management positions in various Commercial, Project financing and investments, Financial Accounting and Auditing. Currently, she is an Honorary Adviser on Oil and Gas to Akwa Ibom State Government.

She holds a B.Sc. in Finance from the University of Calabar, Cross River State, a Fellow of the Chartered Institute of Bankers, and Chartered Institute of Taxation of Nigeria, as well as membership of the Institute of Directors of Nigeria and the Nigerian Institute of Management respectively.

### 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:

- ▶ Professor Chika Mordi
- ▶ Mr. Oladipupo Fatokun; and
- ▶ Mr. Samuel Nwanze

The profiles of the retiring Directors are available on page 58, 60 & 61 of the annual Report.

### 7. Director's Interest

The interest of the Directors in the issued share capital of the company are recorded in the Register of Director' shareholding as of December 31, 2024, as follows:

## ■ Directors' Report CONT'D

|                   | 31-Dec-24  | 31-Dec-24                | 31-Dec-23 | 31-Dec-23               |
|-------------------|------------|--------------------------|-----------|-------------------------|
| NAME              | DIRECT     | INDIRECT                 | DIRECT    | INDIRECT                |
| Chika Mordi       | 73,089     | Nil                      | 12,363    | Nil                     |
| Emmanuel Nnorom   | Nil        | 107,929,623 (Vine Foods) | Nil       | 35,976,541 (Vine Foods) |
| Peter Ashade      | 6,555,000  | 44,353,632               | 2,400,456 | 9,784,544 (Artol Inv.)  |
| Sunny Anene       | 30,000,000 | Nil                      | 8,000,000 | Nil                     |
| Ayodeji Adigun    | 597,433    | Nil                      | 340,297   | Nil                     |
| Oladipupo Fatokun | 1,000,000  | Nil                      | 1,000,000 | Nil                     |
| Oluleke Ogunlewe  | 1,000,000  | Nil                      | 1,000,000 | Nil                     |
| Samuel Nwanze     | Nil        | Nil                      | Nil       | Nil                     |
| Chiugo Ndubisi    | Nil        | Nil                      | Nil       | Nil                     |
| Uche Ike          | 3,665,793  | Nil                      | 1,221,931 | Nil                     |
| Rose Nat Eshiett  | Nil        | Nil                      | Nil       | Nil                     |

### 8. Analysis of Shareholding

As of the end of 2024, United Capital's shares were held by 264,495 shareholders as analyzed in the table below:

| RANGE ANALYSIS AS OF 31-12-2024 |                |             |              |                       |             |                       |  |
|---------------------------------|----------------|-------------|--------------|-----------------------|-------------|-----------------------|--|
| Range                           | No. of Holders | Holders %   | Holders Cum. | Units                 | Units %     | Units Cum.            |  |
| 1 - 1,000                       | 89,813         | 33.96       | 89,813       | 47,282,918            | 0.26        | 47,282,918            |  |
| 1,001 - 5,000                   | 109,794        | 41.51       | 199,607      | 239,255,431           | 1.33        | 286,538,349           |  |
| 5,001 - 10,000                  | 25,112         | 9.49        | 224,719      | 176,508,426           | 0.98        | 463,046,775           |  |
| 10,001 - 50,000                 | 28,107         | 10.63       | 252,826      | 587,745,237           | 3.27        | 1,050,792,012         |  |
| 50,001 - 100,000                | 4,785          | 1.81        | 257,611      | 334,585,342           | 1.86        | 1,385,377,354         |  |
| 100,001 - 500,000               | 4,923          | 1.86        | 262,534      | 1,060,372,484         | 5.89        | 2,445,749,838         |  |
| 500,001 - 1,000,000             | 865            | 0.33        | 263,399      | 607,838,759           | 3.38        | 3,053,588,597         |  |
| 1,000,001 - 5,000,000           | 864            | 0.33        | 264,263      | 1,834,454,114         | 10.19       | 4,888,042,711         |  |
| 5,000,001 - 10,000,000          | 123            | 0.05        | 264,386      | 873,077,642           | 4.85        | 5,761,120,353         |  |
| 10,000,001 - 50,000,000         | 76             | 0.03        | 264,462      | 1,528,323,997         | 8.49        | 7,289,444,350         |  |
| 50,000,001 - 100,000,000        | 11             | 0.00        | 264,473      | 820,309,271           | 4.56        | 8,109,753,621         |  |
| 100,000,001 - 500,000,000       | 20             | 0.01        | 264,493      | 4,409,895,471         | 24.50       | 12,519,649,092        |  |
| 500,000,001 - 1,000,000,000     | 1              | 0.00        | 264,494      | 800,350,908           | 4.44        | 13,320,000,000        |  |
| 1,000,000,001 - & Above         | 1              | 0.00        | 264,495      | 4,680,000,000         | 26.00       | 18,000,000,000        |  |
| <b>GRAND TOTAL</b>              | <b>264,495</b> | <b>100%</b> |              | <b>18,000,000,000</b> | <b>100%</b> | <b>18,000,000,000</b> |  |



## ■ Directors' Report CONT'D

### 8.1. Share Capital History

| PERIOD | AUTHORISED UNIT OF SHARES |                | ISSUED AND PAID FULLY |               | TYPE            |
|--------|---------------------------|----------------|-----------------------|---------------|-----------------|
|        | Increase                  | Cumulative     | Increase              | Cumulative    |                 |
| 2000   | 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 | Rights Issue    |
| 2024   | 12,000,000,000            | 18,000,000,000 | 6,000,000,000         | 9,000,000,000 | Bonus Issue     |

### 8.2. Substantial Interest in Shares (5% and above)

As of the end of December 31, 2024, the shareholders with 5% and above are shown in the table below:

| SHAREHOLDERS              | SHAREHOLDING  | % HOLDING |
|---------------------------|---------------|-----------|
| West Coast Equity Limited | 4,680,000,000 | 26%       |

### 8.3. Summary of Dealings in UCAP Shares as of December 31, 2024

| QUARTER           | UNITS         | QUARTERLY DAILY AVERAGE |
|-------------------|---------------|-------------------------|
| March Quarter     | 1,350,000,000 | 21,503,594              |
| June Quarter      | 781,080,000   | 13,703,072              |
| September Quarter | 1,470,000,000 | 22,675,160              |
| December Quarter  | 564,080,000   | 8,953,651               |
| TOTAL             | 4,165,160,000 | 66,835,477              |

## ■ Directors' 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 |
| Directors' Fee    | 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                |

### 10. Acquisition of Own Shares

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

### 11. Property, Plant & Equipment

In the opinion of the Directors, the market value of the company's properties is not less than the value shown in the financial statement (refer to note 24.1 of Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2024).

### 12. Employment and Employees

#### Employment of Physically Challenged Persons

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

#### Health, Safety at Work and Welfare of Employees

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

#### Employee Involvement and Training

The Company encourages participation of its employees in arriving at decisions in respect of matters affecting their well-being. Towards this end, the Company provides opportunities where employees deliberate on issues affecting the

## ■ Directors' Report CONT'D

Company and employees' interest, with a view to making inputs to decisions thereon. The Company places a high premium on the development of its manpower.

### Research and Development

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

## 13. Evaluation

### Board Evaluation

A Board evaluation was undertaken in 2024 by Angela Aneke & Co. Limited. The performance of the Board, Board Committees and individual directors were adjudged to be satisfactory and necessary feedback was communicated to individual directors arising from the exercise.

### Corporate Governance Evaluation

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

The following matters shall be considered as price sensitive:

- Declaration of financial results (quarterly, half-yearly and annual).
- Declaration of dividend (interim and final).
- Offer of securities by way of public offer or rights issue, or bonus etc.
- Any major expansion plans or winning of bid or execution of new projects, disposal of the whole or a substantial part of the undertaking.
- Any changes in the policies, plans or operations of the Company that are likely materially to affect the prices of the securities of the Company.
- Disruption of operations due to natural calamities.
- Litigation/dispute with a material impact.
- 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 confirm that no Director traded in the securities of the Company within the closed period.

## ■ Directors' Report CONT'D

### Nigerian Code of Corporate Governance

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

### Complaint Management Framework

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

### Remuneration Policy

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

### 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, 2024.

## 16. Auditors

The external Auditors, Messrs. PricewaterhouseCoopers has confirmed their willingness to continue in the 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 ORDER OF THE BOARD



-----  
Dr. (Sir) Leo Okafor PhD, FCIS, ACS, M.IOD, KSJI  
Group Company Secretary/General Counsel  
FRC/2013/NBA/00000002520



Angela Aneke & Co. Plot 5A, Block 5, Theophilus Oji street off Fola Osibo, Lekki Phase 1, Lagos, Nigeria, [boardevaluations@angelaanekeco.com](mailto:boardevaluations@angelaanekeco.com)

March 18<sup>th</sup>, 2025

**Statement by the External Consultants on the Corporate Governance Evaluation of United Capital Plc (“the Company”) for the year ended December 31, 2024.**

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, 2024, in line with the requirements of Principle 15 of the FRC’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 Corporate Governance Guidelines (SCGG), the Company’s corporate governance framework and charters, 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 a well-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 governance. Policies that address risk management, internal control, code of conduct, business ethics, shareholder engagement and disclosures are well established at United Capital Plc.

A framework for managing risk and internal control system is effective at United Capital Plc. The risks the company faces and risk mitigating strategies are effectively monitored and reported to the Board at its quarterly meetings. The internal control function also provides assurance to the Board and its Committees at its quarterly meetings. A whistleblowing framework for reporting illegal and unethical conduct is also in place. In 2024, 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



Angela Aneke & Co. Plot 5A, Block 5, Theophilus Oji street off Fola Osibo, Lekki Phase 1, Lagos, Nigeria, [boardevaluations@angelaanekeco.com](mailto:boardevaluations@angelaanekeco.com)

March 18<sup>th</sup>, 2025

**Statement by the External Consultants on the Board Evaluation of United Capital Plc (“the Company”) for the year ended December 31, 2024.**

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, 2024, 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, the Securities and Exchange Commission 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 of the Board 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 effective discharge of his duties.

United Capital Plc has an effective Board underpinned 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 all the Board and Board Committee meetings held in 2024.

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 and age. The Board executed its functions of Strategic Direction, Policy Formulation, Decision Making and Oversight within the year objectively and effectively. The Board was enhanced in 2024 with the appointment of an independent non-executive director.

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

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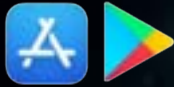


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# Financial Statements

## ■ Statement of Directors' Responsibilities

The Companies and Allied Matters Act requires the Directors to prepare financial statements for each financial period that give a true and fair view of the state of financial affairs of the Group at the end of the period and of its profit or loss. The responsibilities include ensuring that the Group:

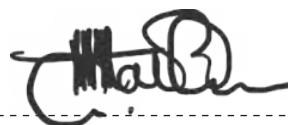
- Keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Group and comply with the requirements of the Companies and Allied Matters Act 2020;
  - Establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
  - Prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates, and are consistently applied.
- a. The Directors are responsible for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board, and the requirements of the Financial Reporting Council of Nigeria Act and the Companies and Allied Matters Act.
  - b. The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Group and of its profit.
  - c. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.
  - d. Nothing has come to the attention of the Directors to indicate that the Group will not remain a going concern for at least twelve months from the date of this statement.



**Prof. Chika Mordi**

Chairman

FRC/2014/PRO/DIR/003/00000006667



**Peter Ashade**

Group Chief Executive Officer

FRC/2013/PRO/DIR/003/00000002719

## ■ Statement of Corporate Responsibility over Financial Reporting

Pursuant to Section 405 of the Companies and Allied Matters Act, 2020, we confirm that we have reviewed the Audited Financial Statements of **UNITED CAPITAL PLC ("The Group")** for the year ended December 31, 2024.

We acknowledge our responsibility for establishing and maintaining internal controls within **UNITED CAPITAL PLC** and have designed such internal controls to ensure that material information relating to the Group is made known to us by other officers of the Group, particularly during the period in which the Audited Financial Statements were prepared.

We have evaluated the effectiveness of the Group's internal controls within 90 days prior to the date on our audited financial statements, and certify that the Group's internal controls are effective as of that date.

We also confirm that the Group's Auditors and Audit Committee have been informed about the following:

- That there are no significant deficiencies in the design or operation of internal controls which could adversely affect the Group's ability to record, process, summarise and report financial data, and has identified for the Group's Auditors any deficiency in internal controls, and
- That there are no fraud that involves management or other employees who have a significant role in the Group's internal control;

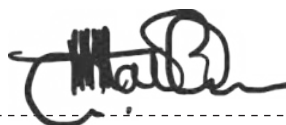
During the period, there were no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.



**Prof. Chika Mordi**

Chairman

FRC/2014/PRO/DIR/003/00000006667



**Peter Ashade**

Group Chief Executive Officer

FRC/2013/PRO/DIR/003/00000002719

## ■ Legal and Regulatory Risk Management

### 1. 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 Securities Exchange Commission 2007 Rules and other Guidelines issued by the regulator. Violation of applicable laws or regulations could result in fines, temporary

permanent prohibition of the engagement in certain activities, reputational harm and related client termination, suspension of personal or revocation of their licenses, or other sanctions, which could have material adverse effect of the Company's reputation, business, result of operations or financial condition and cause a decline in earnings. In order to actively manage these risks, the Company via its internal control and compliance unit engages in periodic assessments and review ensuring adherence to regulatory provisions at all times.

#### Regulatory Capital Risk

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

#### b. Legal Risk Assessment

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

### 2. Operational Risk Management

Operational risk is the risk of loss resulting from inadequate or failed processes, systems, people 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, and/or reputational damage to the Group.

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 for a sound and well controlled operational environment. The framework includes:

## ■ Legal and Regulatory Risk Management **CONT'D**

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

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

In order to strengthen focus on the Group's control environment and drive consistent practices across businesses and functional areas, the Group established a group shared service operational platform in 2021. Critical to the effectiveness, efficiency and stability of this operating environment is the deployment and implementation of suitable technology leveraging an Enterprise Resource Platform. In addition, the Group has invested in the development of business continuity management 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 root causes of risks 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.

### 3. Financial crime control

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

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

### 4. 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 and brand 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.

## ■ Legal and Regulatory Risk Management **CONT'D**

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.

### 5. Capital Management

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

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

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

The Group's capital is divided into two tiers:

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

|  | December 2024             | December 2023             |
|--|---------------------------|---------------------------|
| <b>Tier 1 capital</b>                      | <b>'=N='000</b>           | <b>'=N='000</b>           |
| Share capital                              | 9,000,000                 | 3,000,000                 |
| Share premium                              | 515,241                   | 683,611                   |
| Retained earnings                          | 39,731,566                | 31,733,315                |
| <b>Total qualifying for Tier 1 capital</b> | <b><u>49,246,807</u></b>  | <b><u>35,416,926</u></b>  |
| <b>Tier 2 capital</b>                      |                           |                           |
| Fair value reserves                        | 84,146,820                | 55,296,499                |
| Other borrowings                           | 406,060,830               | 179,844,249               |
| <b>Total qualifying for Tier 2 capital</b> | <b><u>490,207,650</u></b> | <b><u>235,140,748</u></b> |
| <b>Total regulatory Capital</b>            | <b><u>539,454,457</u></b> | <b><u>270,557,674</u></b> |

## ■ Certification of Management's Assessment of Internal Control Over Financial Reporting

To comply with the provisions of Section 1.1 of SEC Guidance on Implementation of Sections 60-63 of Investments and Securities Act 2007, I hereby make the following statements regarding the Internal Controls of UNITED CAPITAL PLC for the year ended 31 December 2024.

I, Shedrack Onakpoma, certify that:

1. I have reviewed this management assessment on internal control over financial reporting of UNITED CAPITAL PLC;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Group as of, and for, the periods presented in this report;
4. The Group's other certifying officer and I:
  - a. are responsible for establishing and maintaining internal controls;
  - b. have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the Group, and its consolidated subsidiaries, is made known to us by others within those Companies, particularly during the period in which this report is being prepared;
  - c. have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - d. have evaluated the effectiveness of the Group's internal controls and procedures as of a date within 60 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.
5. The Group's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the Group's Auditors, the Audit Committee and the Group's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the Group's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Group's internal control system.
6. The Group's other certifying officer(s) and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.



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**Shedrack Onakpoma**

Group Chief Finance Officer

FRC/2013/PRO/ICAN/004/00000001643

## ■ Certification of Management's Assessment of Internal Control Over Financial Reporting **CONT'D**

To comply with the provisions of Section 1.1 of SEC Guidance on Implementation of Sections 60-63 of Investments and Securities Act 2007, I hereby make the following statements regarding the Internal Controls of UNITED CAPITAL PLC for the year ended 31 December 2024.

I, Peter Ashade, certify that:

1. I have reviewed this management assessment on internal control over financial reporting of UNITED CAPITAL PLC;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Group as of, and for, the periods presented in this report;
4. The Group's other certifying officer and I:
  - a. are responsible for establishing and maintaining internal controls;
  - b. have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the Group, and its consolidated subsidiaries, is made known to us by others within those Companies, particularly during the period in which this report is being prepared;
  - c. have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - d. have evaluated the effectiveness of the Group's internal controls and procedures as of a date within 60 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.
5. The Group's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the Group's Auditors, the Audit Committee and the Group's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the Group's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Group's internal control system.
6. The Group's other certifying officer(s) and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.



**Peter Ashade**

Group Chief Executive Officer  
FRC/2013/PRO/DIR/003/00000002719

## ■ Management's Annual Assessment of/and Report on Internal Control Over Financial Reporting

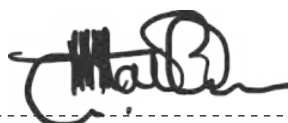
To comply with the provisions of Section 1.3 of SEC Guidance on Implementation of Sections 60-63 of Investments and Securities Act 2007, we hereby make the following statements regarding the Internal Controls of United Capital Plc for the year ended 31 December 2024:

- i. United Capital Plc's management is responsible for establishing and maintaining a system of internal control over financial reporting ("ICFR") that provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards.
- ii. United Capital Plc's management used the Committee of Sponsoring Organization of the Treadway Commission (COSO) Internal Control-Integrated Framework to conduct the required evaluation of the effectiveness of the Group's ICFR;
- iii. United Capital Plc's management has assessed that the Group's ICFR as of the end of 31 December 2024 is effective.
- iv. United Capital Plc's external auditor Messrs PricewaterhouseCoopers that audited the financial statements, included in the annual report, has issued an attestation report on management's assessment of the Group's internal control over financial reporting.

The attestation report of Messrs PricewaterhouseCoopers that audited the Group's financial statements will be filed as part of



**Prof. Chika Mordi**  
Chairman  
FRC/2014/PRO/DIR/003/00000006667



**Peter Ashade**  
Group Chief Executive Officer  
FRC/2013/PRO/DIR/003/00000002719



### *Independent practitioner's report*

To the Members of United Capital Plc

#### *Report on an assurance engagement performed by an independent practitioner to report on management's assessment of controls over financial reporting*

##### *Our opinion*

In our opinion, nothing has come to our attention that the internal control procedures over financial reporting put in place by management of United Capital Plc ("the company's") and its subsidiaries (together "the group") are not adequate as of 31 December 2024, based on the SEC Guidance on Implementation of Section 60 – 63 of The Investments and Securities Act 2007 issued by The Securities and Exchange Commission.

##### **What we have performed**

We have performed an assurance engagement on United Capital Plc's internal control over financial reporting as of December 31, 2024, based on FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting ("the Guidance") issued by the Financial Reporting Council of Nigeria. The company's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Assessment and Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our assurance engagement.

##### *Basis for opinion*

We conducted our assurance engagement in accordance with the Guidance, which requires that we plan and perform the assurance engagement and provide a limited assurance report on the entity's internal control over financial reporting based on our assurance engagement. As prescribed in the Guidance, the procedures we performed included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our engagement also included performing such other procedures as we considered necessary in the circumstances. We believe the procedures performed provide a basis for our report on the internal control put in place by management over financial reporting.

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



### *Definition and Limitations of Internal Control over Financial Reporting*

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### *Other matter*

We also have audited, in accordance with the International Standards on Auditing, the consolidated and separate financial statements of United Capital Plc and our report dated 3 March 2025 expressed an unqualified opinion.

*Chidi Ojechi*  
For: PricewaterhouseCoopers  
Chartered Accountants  
Lagos, Nigeria  
FRC/2023/COY/176894



3 March 2025

Engagement Partner: Chidi Ojechi  
FRC/2017/PRO/ICAN/004/00000015955



## *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 2024, 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 as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies and Allied Matters Act and the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

#### **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 2024;
- the consolidated and separate statements of financial position as at 31 December 2024;
- 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 material 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, Landmark Towers, 5B Water Corporation Road, Victoria Island, Lagos, Nigeria*



**Key audit matters**

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

| Key audit matter   | How our audit addressed the key audit matter  |
|--|---|
| <p><i>Impairment allowance on financial assets measured at amortised cost (refer to notes 2.1.6, 2.2.4 and 16.1)</i></p> <p>The estimation of expected credit losses (ECL) on financial asset at amortised cost is considered to be a key audit matter because it is significant to the consolidated financial statement and requires a high level of judgement.</p> <p>The gross balance of financial assets at amortised cost as at 31 December 2024 for the Group was N740.9 billion (Company: N149.8 billion) and the associated impairment allowance was N14.3 billion (Company: 751.7 million).</p> <p>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:</p> <ul style="list-style-type: none"> <li>determination of default and significant increase in credit risk (SICR);</li> <li>methodology and assumptions used by management in estimating Probability of Default (PD), Loss Given Default (LGD) and Exposure At Default (EAD), which are the key variables in the ECL Model; and</li> <li>incorporation of macro-economic inputs into the ECL model and the probability weightings applied to them</li> </ul> <p>This is considered a key audit matter in both the consolidated and separate financial statements.</p> | <p>We adopted a substantive approach to the audit of expected credit loss allowance.</p> <p>Specifically, we:</p> <ul style="list-style-type: none"> <li>Checked the reasonableness of management's definition of default and significant increase in credit risk by inspecting 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;</li> <li>Reviewed the probability of default methodology and computations for reasonableness and accuracy by examining against the most recent data on probability of default;</li> <li>Reviewed IFRS 9 impairment model and calculation tool for reasonableness and compliance with the requirement of the reporting standards;</li> <li>Assessed the validity of the assumptions used in estimation of the LGD based on available information for compliance with the requirements of IFRS 9;</li> <li>Reviewed the EAD computations for accuracy and consistency with the provisions of the standard; and</li> <li>Checked the reasonableness of forward-looking information and multiple economic scenarios considered by checking publicly available information.</li> </ul> <p>We assessed the adequacy of the disclosure in the financial statement in accordance with IFRS 9.</p> |



### *Other information*

The directors are responsible for the other information. The other information comprises the Corporate Information, Corporate Governance Report, Directors' Report, Statement of Directors' Responsibilities, Statement of Corporate Responsibilities Over Financial Reporting, Legal and Regulatory Risk Management, Certification of Management's Assessment of Internal Control Over Financial Reporting, Management's Annual Assessment of and Report on Internal Control Over Financial Reporting, Value Added Statements, Five-Year Financial Summary- Group and Five-Year Financial Summary- Company, 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 2024 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 2024 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 "IFRS Accounting Standards" and the requirements of the Companies and Allied Matters Act, the Financial Reporting Council of Nigeria (Amendment) Act, 2023, 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 judgement and maintain professional scepticism throughout the audit. We also:

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



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

### *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.



In accordance with the requirements of the Financial Reporting Council, we performed a limited assurance engagement and reported on management's assessment of United Capital Plc's internal control over financial reporting as of 31 December 2024. The work performed was done in accordance with FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting issued by the Financial Reporting Council of Nigeria, and we have issued an unqualified conclusion in our report dated 3 March 2025.

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



Engagement Partner: Chidi Ojechi  
FRC/2017/PRO/ICAN/004/00000015955

## Consolidated and Separate Statements of Profit or Loss and Other Comprehensive Income

| For the year ended 31 December 2024  | Notes | Group               |                     | Company            |                    |
|--|-------|---------------------|---------------------|--------------------|--------------------|
|  |       | 31 December 2024    | 31 December 2023    | 31 December 2024   | 31 December 2023   |
|  |       | '=N=' 000           | '=N=' 000           | '=N=' 000          | '=N=' 000          |
| <b>Gross Earnings</b>  |       | <b>43,431,097</b>   | <b>45,895,098</b>   | <b>22,858,538</b>  | <b>21,624,979</b>  |
| Investment income  | 4     | 15,557,934          | 8,524,788           | 3,542,668          | 4,221,826          |
| Fee and commission income  | 5     | 14,587,929          | 8,096,450           | 2,708,450          | 1,347,026          |
| Net trading income   | 6     | 6,410,486           | 3,977,495           | -                  | 722,791            |
| <b>Net operating income</b>  |       | <b>36,556,349</b>   | <b>20,598,733</b>   | <b>6,251,118</b>   | <b>6,291,643</b>   |
| Other income   | 7     | 5,864,481           | 24,445,753          | 3,613,468          | 8,515,408          |
| Dividend income from subsidiaries  | 19    | -                   | -                   | 12,960,000         | 6,309,000          |
| Net loss on financial assets at fair value through profit or loss            | 8     | 1,010,267           | 850,612             | 33,952             | 508,928            |
| <b>Total Revenue</b>   |       | <b>43,431,097</b>   | <b>45,895,098</b>   | <b>22,858,538</b>  | <b>21,624,979</b>  |
| Personnel expenses   | 9     | (5,349,938)         | (3,537,746)         | (1,059,264)        | (874,868)          |
| Other operating expenses   | 10    | (10,833,403)        | (6,601,607)         | (2,307,129)        | (1,882,864)        |
| Depreciation of properties and equipment                                     | 11    | (363,743)           | (311,251)           | (307,382)          | (271,136)          |
| Amortisation of intangible & right of use assets                             | 11    | (301,166)           | (133,518)           | (290,768)          | (125,311)          |
| Impairment allowance   | 12    | 892,990             | (18,697,784)        | 389,366            | (1,068,915)        |
| <b>Total Expenses</b>  |       | <b>(15,955,260)</b> | <b>(29,281,906)</b> | <b>(3,575,177)</b> | <b>(4,223,094)</b> |
| <b>Operating profit before income tax</b>                                    |       | <b>27,475,837</b>   | <b>16,613,192</b>   | <b>19,283,361</b>  | <b>17,401,885</b>  |
| Share of accumulated (loss)/profit of associates                             | 23    | 2,627,006           | 691,094             | -                  | -                  |
| <b>Profit before income tax</b>  |       | <b>30,102,843</b>   | <b>17,304,286</b>   | <b>19,283,361</b>  | <b>17,401,885</b>  |
| Taxation   | 13    | (6,000,000)         | (5,884,534)         | (2,050,489)        | (3,454,473)        |
| <b>PROFIT FOR THE YEAR</b>   |       | <b>24,102,843</b>   | <b>11,419,752</b>   | <b>17,232,872</b>  | <b>13,947,412</b>  |
| <b>Other comprehensive income, net of income tax</b>                         |       |                     |                     |                    |                    |
| <b>Items that will not be reclassified subsequently to profit or loss</b>    |       |                     |                     |                    |                    |
| Fair value gain on investments in equity instruments measured at FVTOCI      | 35.1  | 34,808,351          | 54,792,264          | 9,753,032          | 15,600,129         |
| Actuarial gains on defined benefits net of taxes                             | 35.1  | 103,976             | -                   | 65,359             | -                  |
| <b>Items that may be reclassified subsequently to profit or loss</b>         |       |                     |                     |                    |                    |
| Fair value (loss)/gain on investments in debt instruments measured at FVTOCI | 31.2  | 459,735             | 514,119             | -                  | -                  |
| <b>Other comprehensive income for the year, net of taxes</b>                 |       | <b>35,372,062</b>   | <b>55,306,383</b>   | <b>9,818,391</b>   | <b>15,600,129</b>  |
| <b>Total comprehensive income for the year</b>                               |       | <b>59,474,905</b>   | <b>66,726,135</b>   | <b>27,051,263</b>  | <b>29,547,541</b>  |
| <b>Profit for the year attributable to:</b>                                  |       |                     |                     |                    |                    |
| Equity holders of the Company  |       | <b>24,102,843</b>   | <b>11,419,752</b>   | <b>17,232,872</b>  | <b>13,947,412</b>  |
| <b>Total comprehensive income attributable to:</b>                           |       |                     |                     |                    |                    |
| Equity holders of the Company  |       | <b>59,474,905</b>   | <b>66,726,135</b>   | <b>27,051,263</b>  | <b>29,547,541</b>  |
| <b>Earnings per share-basic (kobo)</b>                                       | 14    | <b>134</b>          | <b>190</b>          | <b>96</b>          | <b>232</b>         |
| <b>Earnings per share-divided (kobo)</b>                                     | 14    | <b>134</b>          | <b>190</b>          | <b>96</b>          | <b>232</b>         |

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

## Consolidated and Separate Statements of Financial Position

| As at 31 December 2024                         | Notes | Group                |                    | Company            |                    |
|--|-------|----------------------|--------------------|--------------------|--------------------|
|  |       | 31 December 2024     | 31 December 2023   | 31 December 2024   | 31 December 2023   |
|  |       | '=N=' 000            | '=N=' 000          | '=N=' 000          | '=N=' 000          |
| <b>ASSETS</b>                                  |       |                      |                    |                    |                    |
| Cash and cash equivalents                      | 15    | 337,013,523          | 145,255,523        | 56,396,411         | 12,683,441         |
| Investment securities                          | 16    | 1,133,596,685        | 668,836,807        | 187,543,037        | 150,008,249        |
| Loans and advances                             | 17    | 59,021,818           | 25,147,676         | -                  | -                  |
| Trade and other receivables                    | 18    | 161,248,657          | 85,463,551         | 148,608,005        | 83,793,521         |
| Dividend receivable from subsidiaries          | 19    | -                    | -                  | 8,940,000          | 6,309,000          |
| Right of use assets                            | 20    | 405,416              | 94,692             | 405,416            | 94,692             |
| Intangible assets                              | 21    | 955,490              | 188,615            | 811,819            | 151,997            |
| Investments in subsidiaries                    | 22    | -                    | -                  | 9,755,133          | 1,101,000          |
| Investments in Associates                      | 23    | 7,932,794            | 5,305,788          | 4,500,000          | 4,500,000          |
| Property and equipment                         | 24    | 1,529,253            | 1,253,484          | 1,060,484          | 1,168,588          |
| Deferred tax assets                            | 25    | -                    | 402,044            | -                  | -                  |
| <b>TOTAL ASSETS</b>                            |       | <b>1,701,703,636</b> | <b>931,948,180</b> | <b>418,020,305</b> | <b>259,810,488</b> |
| <b>LIABILITIES</b>                             |       |                      |                    |                    |                    |
| Managed funds                                  | 26    | 846,600,428          | 600,106,217        | -                  | -                  |
| Borrowed funds                                 | 27    | 406,060,830          | 200,822,968        | 328,699,338        | 199,132,509        |
| Other liabilities                              | 28    | 296,069,385          | 27,782,946         | 31,965,857         | 15,148,590         |
| Defined benefit obligations                    | 29    | 393,999              | 365,768            | 282,035            | 253,246            |
| Current tax liabilities                        | 30    | 7,011,324            | 2,950,805          | 2,509,024          | 1,435,398          |
| Deferred tax liabilities                       | 25    | 12,064,404           | 9,206,051          | 5,162,896          | 5,122,483          |
| <b>TOTAL LIABILITIES</b>                       |       | <b>1,568,200,370</b> | <b>841,234,755</b> | <b>368,619,150</b> | <b>221,092,226</b> |
| <b>SHAREHOLDERS FUND</b>                       |       |                      |                    |                    |                    |
| Share capital                                  | 31    | 9,000,000            | 3,000,000          | 9,000,000          | 3,000,000          |
| Share premium                                  | 32    | 515,241              | 683,611            | 515,241            | 683,611            |
| Retained earnings                              | 33    | 39,731,566           | 31,733,315         | 19,703,990         | 18,253,353         |
| Regulatory risk reserve                        | 34    | 5,663                | -                  | -                  | -                  |
| Fair value reserves                            | 35    | 84,146,820           | 55,296,499         | 20,116,565         | 16,781,298         |
| Defined benefit plan reserve                   | 36    | 103,976              | -                  | 65,359             | -                  |
| <b>TOTAL SHAREHOLDERS FUND</b>                 |       | <b>133,503,266</b>   | <b>90,713,425</b>  | <b>49,401,155</b>  | <b>38,718,262</b>  |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS FUND</b> |       | <b>1,701,703,636</b> | <b>931,948,180</b> | <b>418,020,305</b> | <b>259,810,488</b> |

The financial statements were approved by the Board of Directors on 28th February 2025 and signed on its behalf by:



**Prof. Chika Mordi**  
Chairman

FRC/2014/PRO/DIR/003/00000006667



**Peter Ashade**

Group Chief Executive Officer  
FRC/2013/PRO/DIR/003/00000002719



**Shedrack Onakpoma**  
Group Chief Finance Officer  
FRC/2013/PRO/ICAN/004/00000001643

## ■ Consolidated and Separate Statements of Changes in Equity

### For The Year Ended 31 December 2024

|   | Share<br>Capital | Retained<br>Earnings | Share<br>Premium | Regulatory<br>Risk<br>Reserve | Defined<br>Benefit Plan<br>Reserve | Fair Value<br>Reserve | Shareholder's<br>Fund |
|---|------------------|----------------------|------------------|-------------------------------|------------------------------------|-----------------------|-----------------------|
|   | '=N=' 000        | '=N=' 000            | '=N=' 000        | '=N=' 000                     | '=N=' 000                          | '=N=' 000             | '=N=' 000             |
| <b>2024<br/>GROUP</b>   |                  |                      |                  |                               |                                    |                       |                       |
| <b>At 1 January 2024</b>  | <b>3,000,000</b> | <b>31,733,315</b>    | <b>683,611</b>   | -                             | -                                  | <b>55,296,499</b>     | <b>90,713,425</b>     |
| Transfer from profit or loss account                                    | -                | 24,102,843           | -                | 5,663                         | -                                  | -                     | 24,108,506            |
| Transfer from subsidiary bonus issue                                    | -                | -                    | -                | -                             | -                                  | -                     | -                     |
| Net change in fair value on equity instruments at FVTOCI                | -                | -                    | -                | -                             | -                                  | 34,808,351            | 34,808,351            |
| Reclassification of fair value gain on disposed items measured at FVOCI | -                | 6,417,765            | -                | -                             | -                                  | (6,417,765)           | -                     |
| Net change in fair value on debt instruments at FVTOCI                  | -                | -                    | -                | -                             | -                                  | 459,735               | 459,735               |
| Actuarial gains on defined benefits net of taxes                        | -                | -                    | -                | -                             | 103,976                            | -                     | 103,976               |
| <b>Total other comprehensive income</b>                                 | <b>-</b>         | <b>30,520,608</b>    | <b>-</b>         | <b>5,663</b>                  | <b>103,976</b>                     | <b>28,850,321</b>     | <b>59,480,568</b>     |
| <b>Total comprehensive income</b>                                       | <b>3,000,000</b> | <b>62,253,923</b>    | <b>683,611</b>   | <b>5,663</b>                  | <b>103,976</b>                     | <b>84,146,820</b>     | <b>150,193,993</b>    |
| <b>Transactions with owners in their capacity as owners</b>             |                  |                      |                  |                               |                                    |                       |                       |
| Dividend paid   | -                | (16,200,000)         | -                | -                             | -                                  | -                     | (16,200,000)          |
| Transfer for Bonus shares   | 6,000,000        | (6,000,000)          | -                | -                             | -                                  | -                     | -                     |
| Bonus issue expense   | -                | (322,357)            | (168,370)        | -                             | -                                  | -                     | (490,727)             |
| <b>As at 31 December 2024</b>   | <b>9,000,000</b> | <b>39,731,566</b>    | <b>515,241</b>   | <b>5,663</b>                  | <b>103,976</b>                     | <b>84,146,820</b>     | <b>133,503,266</b>    |

### COMPANY

|   |                  |                   |                |          |               |                   |                   |
|---|------------------|-------------------|----------------|----------|---------------|-------------------|-------------------|
| <b>At 1 January 2024</b>  | <b>3,000,000</b> | <b>18,253,353</b> | <b>683,611</b> | -        | -             | <b>16,781,298</b> | <b>38,718,262</b> |
| Transfer from profit or loss account                                    | -                | 17,232,872        | -              | -        | -             | -                 | 17,232,872        |
| Transfer from subsidiary bonus issue                                    | -                | -                 | -              | -        | -             | -                 | -                 |
| Net change in fair value on equity instruments at FVTOCI                | -                | -                 | -              | -        | -             | 9,753,032         | 9,753,032         |
| Reclassification of fair value gain on disposed items measured at FVOCI | -                | 6,417,765         | -              | -        | -             | (6,417,765)       | -                 |
| Actuarial gains on defined benefits net of taxes                        | -                | -                 | -              | -        | 65,359        | -                 | 65,359            |
| <b>Total other comprehensive income</b>                                 | <b>-</b>         | <b>23,650,637</b> | <b>-</b>       | <b>-</b> | <b>65,359</b> | <b>3,335,267</b>  | <b>27,051,263</b> |
| <b>Total comprehensive income</b>                                       | <b>3,000,000</b> | <b>41,903,990</b> | <b>683,611</b> | <b>-</b> | <b>65,359</b> | <b>20,116,565</b> | <b>65,769,525</b> |
| <b>Transactions with owners in their capacity as owners</b>             |                  |                   |                |          |               |                   |                   |
| Dividend paid   | -                | (16,200,000)      | -              | -        | -             | -                 | (16,200,000)      |
| Transfer for Bonus shares   | 6,000,000        | (6,000,000)       | -              | -        | -             | -                 | -                 |
| Bonus issue expense   | -                | -                 | (168,370)      | -        | -             | -                 | (168,370)         |
| <b>As at 31 December 2024</b>   | <b>9,000,000</b> | <b>19,703,990</b> | <b>515,241</b> | <b>-</b> | <b>65,359</b> | <b>20,116,565</b> | <b>49,401,155</b> |

## ■ Consolidated and Separate Statements of Changes in Equity CONT'D

| For The Year Ended 31 December 2024                         | Share Capital    | Retained Earnings | Share Premium  | Regulatory Risk Reserve | Defined Benefit Plan Reserve | Fair Value Reserve | Shareholder's Fund |
|---|------------------|-------------------|----------------|-------------------------|------------------------------|--------------------|--------------------|
|   | '=N=' 000        | '=N=' 000         | '=N=' 000      | '=N=' 000               | '=N=' 000                    | '=N=' 000          | '=N=' 000          |
| <b>2023 GROUP</b>   |                  |                   |                |                         |                              |                    |                    |
| <b>At 1 January 2023</b>                                    | <b>3,000,000</b> | <b>29,313,563</b> | <b>683,611</b> | -                       | -                            | (9,884)            | <b>32,987,290</b>  |
| Transfer from profit or loss account                        | -                | 11,419,752        | -              | -                       | -                            | -                  | 11,419,752         |
| Net change in fair value on equity instruments at FVTOCI    | -                | -                 | -              | -                       | -                            | 54,792,264         | 54,792,264         |
| Net change in fair value on debt instruments at FVTOCI      | -                | -                 | -              | -                       | -                            | 514,119            | 514,119            |
| Share of other comprehensive income of associates           | -                | -                 | -              | -                       | -                            | -                  | -                  |
| <b>Total other comprehensive income</b>                     | -                | <b>11,419,752</b> | -              | -                       | -                            | <b>55,306,383</b>  | <b>66,726,135</b>  |
| <b>Total comprehensive income</b>                           | <b>3,000,000</b> | <b>40,733,315</b> | <b>683,611</b> | -                       | -                            | <b>55,296,499</b>  | <b>90,713,425</b>  |
| <b>Transactions with owners in their capacity as owners</b> |                  |                   |                |                         |                              |                    |                    |
| Dividend paid   | -                | (9,000,000)       | -              | -                       | -                            | -                  | (9,000,000)        |
| <b>As at 31 December 2023</b>                               | <b>3,000,000</b> | <b>31,733,315</b> | <b>683,611</b> | -                       | -                            | <b>55,296,499</b>  | <b>90,713,425</b>  |

### COMPANY

|   |                  |                   |                |   |   |                   |                   |
|---|------------------|-------------------|----------------|---|---|-------------------|-------------------|
| <b>At 1 January 2023</b>                                    | <b>3,000,000</b> | <b>13,305,941</b> | <b>683,611</b> | - | - | <b>1,181,169</b>  | <b>18,170,721</b> |
| Transfer from profit or loss account                        | -                | 13,947,412        | -              | - | - | -                 | 13,947,412        |
| Net change in fair value on equity instruments at FVTOCI    | -                | -                 | -              | - | - | -                 | 15,600,129        |
| Net change in fair value on debt instruments at FVTOCI      | -                | -                 | -              | - | - | 15,600,129        | -                 |
| Share of other comprehensive income of associates           | -                | -                 | -              | - | - | -                 | -                 |
| <b>Total other comprehensive income</b>                     | -                | <b>13,947,412</b> | -              | - | - | <b>15,600,129</b> | <b>29,547,541</b> |
| <b>Total comprehensive income</b>                           | <b>3,000,000</b> | <b>27,253,353</b> | <b>683,611</b> | - | - | <b>16,781,298</b> | <b>47,718,262</b> |
| <b>Transactions with owners in their capacity as owners</b> |                  |                   |                |   |   |                   |                   |
| Dividend paid   | -                | (9,000,000)       | -              | - | - | -                 | (9,000,000)       |
| <b>As at 31 December 2023</b>                               | <b>3,000,000</b> | <b>18,253,353</b> | <b>683,611</b> | - | - | <b>16,781,298</b> | <b>38,718,262</b> |

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

## ■ Consolidated and Separate Statements of Cash Flows

| As at 31 December 2024   | Notes | Group                |                      | Company             |                     |
|--|-------|----------------------|----------------------|---------------------|---------------------|
|  |       | 31 December 2024     | 31 December 2023     | 31 December 2024    | 31 December 2023    |
|  |       | '=N=' 000            | '=N=' 000            | '=N=' 000           | '=N=' 000           |
| Profit before tax  |       | 30,102,843           | 17,304,286           | 19,283,361          | 17,401,885          |
| <b>Adjustments for;</b>  |       |                      |                      |                     |                     |
| Amortisation of Intangibles  | 11    | 144,719              | 59,237               | 134,321             | 51,030              |
| Depreciation of property and equipment   | 11    | 363,743              | 311,251              | 307,382             | 271,136             |
| Depreciation of right of use   | 11    | 156,447              | 74,281               | 156,447             | 74,281              |
| Foreign exchange revaluation   | 7     | (4,562,203)          | (24,211,808)         | (2,931,138)         | (8,352,373)         |
| Gain on disposal of property and equipment                                       | 7     | -                    | (610)                | -                   | (610)               |
| Net interest income  | 4     | (13,926,183)         | (7,542,778)          | (3,161,755)         | (3,423,285)         |
| Dividend income  | 4     | (1,631,751)          | (982,011)            | (380,913)           | (798,062)           |
| Dividend income from subsidiary  | 19    | -                    | -                    | (12,960,000)        | (6,309,000)         |
| Fair value changes on financial instruments at fair value through profit or loss | 8     | (1,010,266)          | (905,412)            | (33,952)            | (508,928)           |
| Impairment charge on other financial assets                                      | 12    | (892,990)            | 18,697,784           | (389,366)           | 1,068,915           |
|  |       | <b>8,744,359</b>     | <b>2,804,222</b>     | <b>24,387</b>       | <b>(525,011)</b>    |
| <b>Changes in working capital</b>  |       |                      |                      |                     |                     |
| Trade receivables  | 18    | (76,117,184)         | (34,488,824)         | (65,315,458)        | (36,204,503)        |
| Managed funds  | 26    | 246,494,211          | 186,407,520          | -                   | -                   |
| Other liabilities  | 28    | 268,286,439          | (20,866,252)         | 16,817,267          | (32,523,045)        |
| Current service cost   |       | 28,232               | 365,768              | 28,789              | 253,246             |
| <b>Cash generated from/(used in) operations</b>                                  |       | <b>447,436,057</b>   | <b>134,222,434</b>   | <b>(48,445,015)</b> | <b>(68,999,313)</b> |
| Interest received  | 4     | 159,644,679          | 76,436,548           | 39,893,921          | 21,912,765          |
| Interest paid  | 4     | (144,086,745)        | (67,911,760)         | (36,351,253)        | (17,690,939)        |
| Income tax paid  | 30    | (773,972)            | (2,802,255)          | (279,232)           | (264,840)           |
| <b>Net cash generated by/(used in) operating activities</b>                      |       | <b>462,220,019</b>   | <b>139,944,967</b>   | <b>(45,181,579)</b> | <b>(65,042,328)</b> |
| <b>Cash flows from investing activities</b>                                      |       |                      |                      |                     |                     |
| Purchase of investment securities  |       | (467,871,353)        | (291,277,043)        | (38,042,002)        | (65,339,232)        |
| Disposal of investment securities  |       | 75,722,938           | 50,983,278           | 25,980,125          | 17,111,905          |
| Purchase of property and equipment   | 24    | (772,320)            | (1,178,179)          | (244,610)           | (1,095,849)         |
| Purchase of right of use assets  | 20    | (467,171)            | (27,029)             | (467,171)           | (27,029)            |
| Purchase of intangible assets  | 21    | (911,594)            | (68,551)             | (794,143)           | (33,409)            |
| Investment in subsidiary   |       | -                    | -                    | (8,654,133)         | (200,000)           |
| Proceeds from the sale of property and equipment                                 |       | 220,271              | 1,012                | 52,945              | 610                 |
| Dividends received   | 4&18  | 1,631,751            | 982,011              | 10,709,913          | 8,016,062           |
| <b>Net cash used in investing activities</b>                                     |       | <b>(392,447,478)</b> | <b>(240,584,501)</b> | <b>(11,459,076)</b> | <b>(41,566,943)</b> |
| <b>Cash flows from financing activities</b>                                      |       |                      |                      |                     |                     |
| Dividend paid to owners of equity capital  | 33    | (16,200,000)         | (9,000,000)          | (16,200,000)        | (9,000,000)         |
| Proceeds from borrowings   | 27    | 198,466,854          | 109,680,275          | 198,466,854         | 109,680,275         |
| Repayment of borrowings  |       | 68,534,257           | (11,031,648)         | (68,900,025)        | (11,397,416)        |
| <b>Net cash generated from financing activities</b>                              |       | <b>113,732,597</b>   | <b>89,648,627</b>    | <b>113,366,829</b>  | <b>89,282,859</b>   |
| Net increase/(decrease) in cash and cash equivalents                             |       | 183,505,138          | (10,990,910)         | 56,726,174          | (17,326,411)        |
| Effect of foreign exchange changes on cash                                       |       | (19,223,536)         | 5,715,369            | (15,254,561)        | 7,196,004           |
| Cash and cash equivalents at beginning of year                                   | 15b   | 144,400,153          | 149,675,694          | 12,680,840          | 22,811,247          |
| <b>Cash and cash equivalents at end of year</b>                                  |       | <b>308,681,755</b>   | <b>144,400,153</b>   | <b>54,152,453</b>   | <b>12,680,840</b>   |

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

## ■ Notes to the Consolidated and Separate Financial Statements FOR THE YEAR ENDED 31 DECEMBER 2024

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

#### 2.2 Basis of preparation and measurement

The Group's consolidated and separate financial statements for the year ended 31 December 2024 have been prepared in accordance with International Financial Reporting Standards as issued by the IFRS Accounting Standards. 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 year ended 31 December 2024 have been prepared on the historical cost basis except for the following item in the statement of financial position.

- 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 accrual accounting for recognition of its income and expenses.

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

## ■ Notes to the Consolidated and Separate Financial Statements **CONT'D** FOR THE YEAR ENDED 31 DECEMBER 2024

### 2.2.2 Statement of Compliance

The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards issued by IFRS accounting standard 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 IFRS Accounting Standards.

### 2.2.3 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.

### 2.2.4 Judgements

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

### 2.2.5 Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 December 2024 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 Expected Credit Loss (ECL).

Determination of the fair value of financial instruments with significant unobservable inputs. (note 3.7.1)

Recognition of deferred tax assets: - availability of future taxable profit against which carry-forward tax losses can be used (see note 25) as well as the likelihood and uncertainties of the extension of the tax exempt status of income on Government securities which we have assumed to be highly likely.

Recognition of defined benefit obligation in note 29 also spells out estimates and assumptions relied upon to determine the present values of defined benefit obligations recognised in the financial statements. A sensitivity analysis of these assumptions are also provided in the note to the consolidated and separate financial statements.

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

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

## 2.3 Changes in accounting policies

Except as described below, the Group has consistently applied the accounting policies as set out in note 2.3.1 to all periods presented in these annual consolidated and separate financial statements.

## ■ Notes to the Consolidated and Separate Financial Statements **CONT'D**

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 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 2024.

| NEW OR AMENDED STANDARDS   | SUMMARY OF THE REQUIREMENTS   | IMPACT ON FINANCIAL STATEMENTS   |
|--|---|--|
| <b>Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)</b> | <p>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.</p> <p>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:</p> <ul style="list-style-type: none"> <li>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,</li> <li>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.</li> </ul> <p>This amendment becomes effective 1 January 2024.</p> | This standard does not have significant impact on the financial statements.  |
| <b>Lease Liability in a Sale &amp; Leaseback (Amendments to IFRS 16)</b>             | <p>The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.</p> <p>This amendment becomes effective 1 January 2024.</p>  | This amendment is not expected to have significant impact on the financial statements. The Group has opted not to early adopt. |
| <b>Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)</b>                | <p>The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.</p> <p>This amendment becomes effective 1 January 2024</p>   | This amendment is not expected to have significant impact on the financial statements. The Group has opted not to early adopt. |
| <b>Non-current Liabilities with Covenants (Amendments to IAS 1)</b>                  | <p>The amendment clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.</p> <p>This amendment becomes effective 1 January 2024</p>   | This amendment is not expected to have significant impact on the financial statements. The Group has opted not to early adopt. |

#### IFRS Sustainability Disclosure Standards newly applicable for 31 December 2024 year end

| NEW OR AMENDED STANDARDS   | SUMMARY OF THE REQUIREMENTS   | IMPACT ON FINANCIAL STATEMENTS   |
|--|---|--|
| <b>IFRS S1 General Requirements for Disclosure of Sustainability related Financial Information</b> | <p>IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.</p> <p>This standard becomes effective 1 January 2024.</p> | The impact of this standard on the financial statements is currently under assessment. The Group has opted not to early adopt. |
| <b>IFRS S2 Climate-related Disclosures</b>   | <p>IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.</p> <p>This standard becomes effective 1 January 2024.</p>   | The impact of this standard on the financial statements is currently under assessment. The Group has opted not to early adopt. |

All other amendment had no significant impact on the Group.

## ■ Notes to the Consolidated and Separate Financial Statements **CONT'D**

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 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 2024. 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   |
|---|---|--|
| <b>Amendment to IAS 21- Lack of exchangeability</b>   | <p>An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.</p> <p>The amendment is not expected to have a material impact on the financial statements of the Group as the Group has foreign currency transactions in US Dollars and Euro that are readily exchangeable.</p> <p>This amendment becomes effective 1 January 2025.</p> | This amendment is not expected to have significant impact on the financial statements. The Group has opted not to early adopt. |
| <b>Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments</b> | <p>The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 Financial Instruments.</p> <p>This amendment becomes effective 1 January 2026</p>   | This amendment is not expected to have significant impact on the financial statements. The Group has opted not to early adopt. |
| <b>IFRS 18 - Presentation and Disclosures in Financial Statements</b>                           | <p>IFRS 18 includes requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements.</p> <p>This amendment becomes effective 1 January 2027</p>  | This amendment is not expected to have significant impact on the financial statements. The Group has opted not to early adopt. |
| <b>IFRS 19 - Subsidiaries without Public Accountability: Disclosures</b>                        | <p>IFRS 19 specifies the disclosure requirements an eligible subsidiary is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards.</p> <p>This amendment becomes effective 1 January 2027</p>   | This amendment is not expected to have significant impact on the financial statements. The Group has opted not to early adopt. |

All other amendment had no significant impact on the Group.

## ■ Notes to the Consolidated and Separate Financial Statements **CONT'D**

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 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 involvement 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;
- to govern the financial and operating policies of the other entity;
- to appoint or remove the majority of the members of the board of directors or equivalent governing body; or
- to cast the majority of votes at meetings of the board of directors or equivalent governing body of the entity.

##### a. Separate financial statements

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

##### b. Consolidated financial statements

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

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

##### i. Acquisition

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

Where applicable, the Group adjusts retrospectively the provisional amounts to reflect new information obtained about facts and circumstances that existed at the acquisition date and affected the measurement of the provisional amounts. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially

## ■ Notes to the Consolidated and Separate Financial Statements **CONT'D**

### FOR THE YEAR ENDED 31 DECEMBER 2024

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 not control over these policies. Significant influence is generally demonstrated by the Group holding in excess of 20%, but less than 50%, of the voting rights.

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

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

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

## ■ Notes to the Consolidated and Separate Financial Statements **CONT'D**

### FOR THE YEAR ENDED 31 DECEMBER 2024

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

##### b. Transactions and balances

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

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

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

## ■ Notes to the Consolidated and Separate Financial Statements **CONT'D**

### FOR THE YEAR ENDED 31 DECEMBER 2024

asset is classified as Stage 3 impaired, interest income is calculated on the impaired value (gross carrying value less specific impairment) based on the original effective interest rate.

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

#### **b. Fees and commission income**

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

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

#### **c. Dividend income**

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

## **2.8 Income taxation**

#### **a. Current income tax**

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

#### **b. Deferred income tax**

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

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

## ■ Notes to the Consolidated and Separate Financial Statements **CONT'D**

### FOR THE YEAR ENDED 31 DECEMBER 2024

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 convertible 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 separately as current liabilities in the statement of financial position.

#### 2.11 Financial assets & liabilities

##### a. Classification and subsequent measurement

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

## ■ Notes to the Consolidated and Separate Financial Statements **CONT'D**

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### ii. Amortised Cost

Except for debt financial assets that are designated at initial recognition at fair value through profit or loss, a debt financial asset is measured at amortised cost only if both of the following conditions are met:

- a. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows (the business model test) and
- b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flows characteristics test).

If a financial asset satisfies both of these conditions, it is required to be measured at amortised cost unless it is designated as at fair value through profit or loss (FVTPL) on initial recognition.

#### iii. Fair Value through other comprehensive income (FVTOCI)

Except for debt financial assets that are designated at initial recognition as at fair value through profit or loss, a financial asset is measured at fair value through other comprehensive income (FVTOCI) if both of the following conditions are met:

- a. The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets (the business model test); and
- b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flows characteristics test).

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

All equity financial assets are measured at fair value through profit 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.

## ■ Notes to the Consolidated and Separate Financial Statements **CONT'D**

### FOR THE YEAR ENDED 31 DECEMBER 2024

**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 30 days are considered to have significantly increased in credit risk.

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

#### Default

The Group's definition of default has been aligned to its internal credit risk management definitions and approaches. A financial asset is considered to be in default when there is objective evidence of impairment. The following criteria are used in determining whether there is objective evidence of impairment for financial assets or groups of financial assets:

significant financial difficulty of borrower and/or modification (i.e. known cash flow difficulties experienced by the borrower)

a breach of contract, such as default or delinquency in interest and/or principal payments

disappearance of active market due to financial difficulties

it becomes probable that the borrower will enter bankruptcy or other financial reorganisation

where the Group, for economic or legal reasons relating to the borrower's financial difficulty, grants the borrower a concession that the Group would not otherwise consider.

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

The Group's process to assess changes in credit risk is multi-factor and has three main elements;

- I. Quantitative element - A quantitative comparison of PD at the reporting date and PD at initial recognition
- II. Qualitative elements
- III. Backstop indicators

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

For other exposures, significant increases in credit risk is made on a collective basis that incorporates all relevant credit information, including forward-looking macroeconomic information and factors which are expected to have significant impact on the portfolio or individual counterparty exposures. For this purpose, the Group categorises 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 PD, EAD and LGD has been determined by performing statistical regression analysis to understand the impact changes in these variables have had historically on default rates and on the components of LGD and EAD.

## ■ Notes to the Consolidated and Separate Financial Statements **CONT'D**

### FOR THE YEAR ENDED 31 DECEMBER 2024

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.

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.

## ■ Notes to the Consolidated and Separate Financial Statements **CONT'D**

### FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

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

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

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

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

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

#### ii. Assets classified as fair value through other comprehensive income

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

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

Dividends on investments in equity instruments with gains and losses irrevocably presented in other comprehensive income are recognised in profit or loss if the dividend is not a return on investment (like dividends on any other holdings of equity instrument) when:

- a. the Group's right to receive payment of the dividend is established;
- b. it is probable that the economic benefits associated with the dividend will flow to the Group; and
- c. the amount of the dividend can be measured reliably.

## ■ Notes to the Consolidated and Separate Financial Statements **CONT'D**

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

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

#### **c. Reclassification of financial assets**

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

Reclassification of debt instruments occurs when the Group changes its business model for managing financial assets. Investments in equity instruments that are designated as at FVTOCI at initial recognition cannot be reclassified because the election to designate as at FVTOCI is irrevocable.

#### **d. Derecognition of financial assets**

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

In transfers where control over the asset is retained, the Group continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset. Any cumulative 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

## ■ Notes to the Consolidated and Separate Financial Statements **CONT'D**

### FOR THE YEAR ENDED 31 DECEMBER 2024

effective interest rate. The difference between the new carrying gross carrying amount and the original gross carrying amount is recognised as a modification gain or loss within credit impairments (for distressed financial asset modifications) or gains and losses on financial instruments within non-interest revenue (for all other modifications).

#### f. Write off

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

## 2.12 Financial liabilities

### Classification and subsequent measurement

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

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

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

## 2.13 Property and Equipment

All property and equipment used by the 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 CLASSES                   | USEFUL LIVES  |
|---------------------------------|---|
| Motor vehicles                  | 4 Years   |
| Furniture, fittings & equipment | 5 Years   |
| Computer Equipment              | 5 Years   |
| Building                        | 40 Years  |
| Leasehold improvements          | Over shorter of the useful life of item or lease period |

## ■ Notes to the Consolidated and Separate Financial Statements **CONT'D**

### FOR THE YEAR ENDED 31 DECEMBER 2024

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.

There are no restrictions to the use of property and equipment.

#### 2.14 Intangible assets

##### a. Computer software

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

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

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

## ■ Notes to the Consolidated and Separate Financial Statements **CONT'D**

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### b. Impairment of tangible and intangible assets

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

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

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

#### 2.15 Leased assets

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

#### 2.15b 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

## ■ Notes to the Consolidated and Separate Financial Statements **CONT'D**

### FOR THE YEAR ENDED 31 DECEMBER 2024

similar economic environment with similar terms, security and conditions.

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

The Group has elected not to separate lease and non-lease components.

#### Right of use assets

Right-of-use assets are initially measured at cost, comprising of the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date, less any lease incentives received - any initial direct costs, and
- restoration costs.

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

#### Short term leases and leases of low-value-assets

Short-term leases are those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Low-value assets are assets that have values less than 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.

#### Extension and termination options - Determining the lease term

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

For leases of properties, the following factors are normally the most relevant:

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

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

## ■ Notes to the Consolidated and Separate Financial Statements **CONT'D**

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### Termination of leases

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

#### 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.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- leases of low value assets; and
- leases with a duration of twelve months or less.

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

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

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

### 2.16 Investment Properties

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

## ■ Notes to the Consolidated and Separate Financial Statements **CONT'D**

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 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.

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

## ■ Notes to the Consolidated and Separate Financial Statements **CONT'D**

### FOR THE YEAR ENDED 31 DECEMBER 2024

Dividend proposed by the Directors but not yet approved by members are disclosed in the financial statements in accordance with the requirements of the Companies and Allied Matters Act 2020.

#### 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.

##### Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting year are discounted to their present value.

##### Defined benefit obligation - long service awards

The Group runs an unfunded lumpsum defined benefit plan on long service awards to all staff. The long service award is designed to reward employees who have served for periods covering 5 years and subsequent 5 years following the initial 5 years of service rendered. For the first 5 years the amount payable is 2 monthly salary for pioneer staff and 1.5 monthly salary for non-pioneer staff. Subsequent 5 year is 2.5 monthly salary for all categories of staff.

The calculation of the defined benefit is performed annually by a qualified actuary using the projected unit credit method. When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is immediately recognized in the income statement. The Group recognizes all actuarial gains or losses and all expenses arising from defined benefit plan immediately in the balance sheet, with a charge or credit to other comprehensive income (OCI) in the years in which they occur. They are not recycled subsequently in the income statement.

##### Short-term employee benefits

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

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

#### 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.

## ■ Notes to the Consolidated and Separate Financial Statements **CONT'D**

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 2.23 Related party transactions

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

### 3. Financial Risk Management

#### 3.1 Introduction and Overview

Three Lines of Defence model

Audited Consolidated and Separate Financial Statements 31 December 2024

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

|                            | FUNCTIONS   | RESPONSIBILITIES  |
|----------------------------|---|---|
| <b>1st Line of Defence</b> | 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.   |
| <b>2nd Line of Defence</b> | Consists of specialist roles: Finance function; Risk Management function; Legal function; the governance and assurance functions (excluding Internal Audit) | The second line of defence functions are responsible for setting frameworks within the parameters set by the Board; and report to the Board Governance Committees. They implement the Group's risk management framework and policies, approve risk within specific mandates and provide an independent overview of the effectiveness of risk management by the first line of defence. |
| <b>3rd Line of Defence</b> | Internal Audit  | They set the internal audit framework and provide an independent assessment of the adequacy and effectiveness of the overall risk management framework and risk governance structures, and reports to the board through the Audit & Governance committee.   |

#### 3.2 Risk Categories

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

##### 3.2.1 Credit Risk

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

- a. **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:

## ■ Notes to the Consolidated and Separate Financial Statements **CONT'D**

### FOR THE YEAR ENDED 31 DECEMBER 2024

- ▶ **Primary credit risk:** The exposure at default arising from lending and related investment product activities (including their underwriting).
- ▶ **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.
- ▶ **Issuer risk:** The exposure at default arising from traded credit and equity products (including the primary market issue underwriting of these products).

b. **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.

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

#### 3.2.2 Country Risk

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

#### 3.2.3 Liquidity Risk

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

#### Financial Risk Management

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).

#### 3.2.4 Market Risk

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

## ■ Notes to the Consolidated and Separate Financial Statements **CONT'D**

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 3.2.5 Operational Risk

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

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

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

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

#### 3.2.6 Reputational Risk

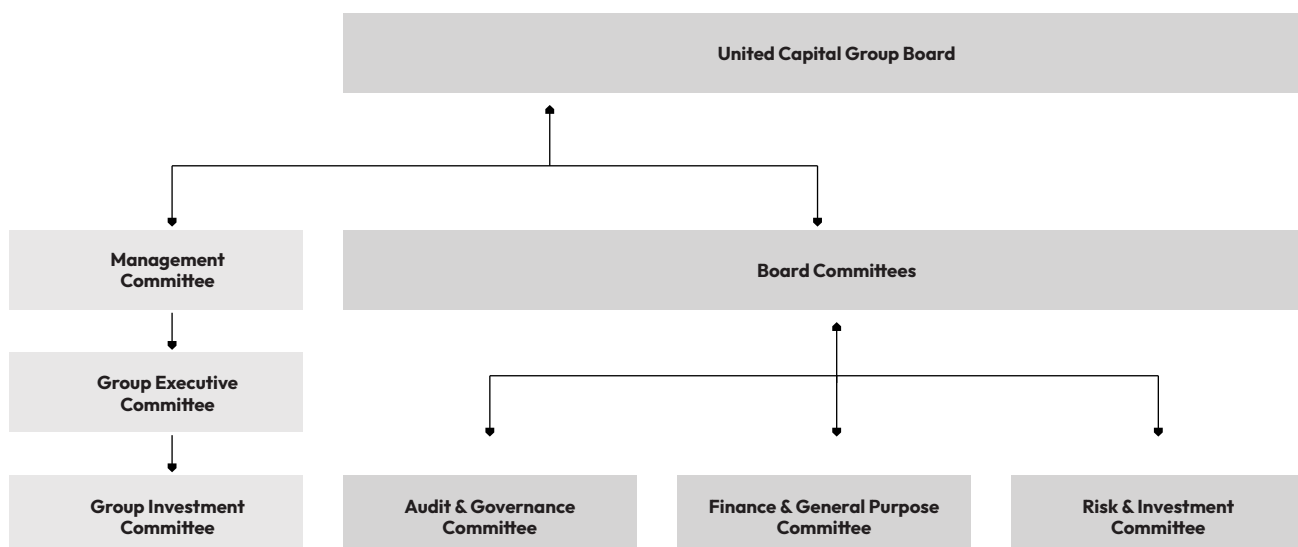
Reputational risk results from damage to the Group's image among stakeholders, which may impair its ability to retain and generate business. Such damage may result from a breakdown of trust, confidence or business relationships.

### 3.3 Risk Management Framework

#### 3.3.1 Governance Structure

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

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



## ■ Notes to the Consolidated and Separate Financial Statements **CONT'D**

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 3.3.2 Risk Governance Process

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

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

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

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

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

- a. Providing strategic leadership and guidance;
- b. Reviewing and approving annual budgets and forecasts, under both normal and stressed conditions, for the Group and each business unit; and
- c. 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:

- a. Residual risk: the leftover risk exposure after implementation of mitigation efforts and controls
- b. 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.
- c. 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).
- d. Risk capacity: the maximum amount of risk the Group is able to support within its available financial resources
- e. Risk profile: the amount or type of risk the Group holds at a specific point in time
- f. Risk tendency: is defined as a forward-looking view of the anticipated change in the Group's risk profile as a result of

## ■ Notes to the Consolidated and Separate Financial Statements **CONT'D**

### FOR THE YEAR ENDED 31 DECEMBER 2024

... 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:

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

#### 3.4.1 Risk Identification and Measurement

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

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

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

## ■ Notes to the Consolidated and Separate Financial Statements **CONT'D**

### FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

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

#### 3.4.2 Maximum exposure to credit risk

| MAXIMUM EXPOSURE TO CREDIT RISK       | Group                |                    | Company            |                    |
|---------------------------------------|----------------------|--------------------|--------------------|--------------------|
|                                       | 2024<br>'=N=' 000    | 2023<br>'=N=' 000  | 2024<br>'=N=' 000  | 2023<br>'=N=' 000  |
| Cash and cash equivalents             | 337,013,523          | 145,255,523        | 56,396,411         | 12,683,441         |
| <b>Investment Securities:</b>         |                      |                    |                    |                    |
| Amortised cost                        | 726,612,491          | 281,960,128        | 149,045,921        | 123,377,070        |
| Fair value through OCI (FVOCI)        | 22,187,950           | 17,676,481         | 10,500,724         | 8,645,812          |
| Loans and advances                    | 59,021,818           | 25,147,676         | -                  | -                  |
| Trade and other receivables           | 29,893,718           | 8,300,395          | 18,681,584         | 2,077,634          |
| Dividend receivable from subsidiaries | -                    | -                  | 8,940,000          | 6,309,000          |
|                                       | <b>1,174,729,500</b> | <b>478,340,203</b> | <b>234,624,640</b> | <b>146,783,957</b> |

#### 3.4.3 Credit risk analysis as at 31 December 2024

| GROUP                                 | AAA -A-<br>'=N=' 000 | BBB+ - B-<br>'=N=' 000 | CCC+ - C -<br>'=N=' 000 | Not Rated<br>'=N=' 000 | Carrying<br>Amount<br>'=N=' 000 |
|---------------------------------------|----------------------|------------------------|-------------------------|------------------------|---------------------------------|
| Cash and cash equivalents             | 302,104,481          | 21,103,310             | -                       | 13,805,732             | 337,013,523                     |
| <b>Investment Securities:</b>         |                      |                        |                         |                        |                                 |
| <b>Amortised cost</b>                 | <b>222,633,470</b>   | <b>488,358,187</b>     | <b>1,728,510</b>        | <b>13,892,324</b>      | <b>726,612,491</b>              |
| Long term placements                  | 203,263,213          | 15,247,025             | -                       | 13,892,324             | 232,402,562                     |
| Commercial papers                     | 2,796,973            | 1,791,574              | -                       | -                      | 4,588,547                       |
| Treasury Bills                        | -                    | 73,749,793             | -                       | -                      | 73,749,793                      |
| Federal government bonds              | -                    | 48,836,630             | -                       | -                      | 48,836,630                      |
| State government bonds                | -                    | 18,493,323             | -                       | -                      | 18,493,323                      |
| Eurobond                              | -                    | 588,855                | -                       | -                      | 588,855                         |
| Corporate bonds                       | 16,573,284           | 329,650,987            | 1,728,510               | -                      | 347,952,781                     |
| <b>Fair value through OCI (FVOCI)</b> | <b>12,384,632</b>    | <b>4,838,006</b>       | <b>-</b>                | <b>4,965,312</b>       | <b>22,187,950</b>               |
| Bonds                                 | -                    | 4,838,006              | -                       | -                      | 4,838,006                       |
| Mutual Funds                          | 12,384,632           | -                      | -                       | 4,965,312              | 17,349,944                      |
| <b>Loan to customers</b>              | <b>-</b>             | <b>-</b>               | <b>-</b>                | <b>59,021,818</b>      | <b>59,021,818</b>               |
| <b>Trade and other receivables</b>    | <b>-</b>             | <b>-</b>               | <b>-</b>                | <b>29,893,718</b>      | <b>29,893,718</b>               |
| <b>Total</b>                          | <b>537,122,583</b>   | <b>514,299,503</b>     | <b>1,728,510</b>        | <b>121,578,904</b>     | <b>1,174,729,500</b>            |

## ■ Notes to the Consolidated and Separate Financial Statements **CONT'D**

FOR THE YEAR ENDED 31 DECEMBER 2024

| COMPANY                                      | AAA - A -<br>'=N=' 000 | BBB+ - B -<br>'=N=' 000 | CCC+ - C -<br>'=N=' 000 | Not Rated<br>'=N=' 000 | Carrying<br>Amount<br>'=N=' 000 |
|--|------------------------|-------------------------|-------------------------|------------------------|---------------------------------|
| Cash and cash equivalents                    | 51,296,957             | -                       | -                       | 5,099,454              | 56,396,411                      |
| <b>Investment Securities:</b>                |                        |                         |                         |                        |                                 |
| <b>Amortised cost</b>                        | 131,630,961            | 8,514,591               | -                       | 8,900,369              | 149,045,921                     |
| Long term placements                         | 131,630,961            | -                       | -                       | 8,900,369              | 140,531,330                     |
| Loans to customers                           | -                      | -                       | -                       | -                      | -                               |
| Eurobond                                     | -                      | 588,855                 | -                       | -                      | 588,855                         |
| State government bonds                       | -                      | 6,460,191               | -                       | -                      | 6,460,191                       |
| Corporate bonds                              | -                      | 1,465,545               | -                       | -                      | 1,465,545                       |
| <b>Fair value through OCI (FVOCI)</b>        | 5,535,412              | -                       | -                       | 4,965,312              | 10,500,724                      |
| Mutual Funds                                 | 5,535,412              | -                       | -                       | 4,965,312              | 10,500,724                      |
| <b>Dividend receivable from subsidiaries</b> | 8,940,000              | -                       | -                       | -                      | 8,940,000                       |
| <b>Trade and other receivables</b>           | -                      | -                       | -                       | 18,681,584             | 18,681,584                      |
| <b>Total</b>                                 | <b>188,463,330</b>     | <b>8,514,591</b>        | <b>-</b>                | <b>37,646,719</b>      | <b>234,624,640</b>              |

### Credit risk analysis as at 31 December 2023

| GROUP                                 | AAA - A -<br>'=N=' 000 | BBB+ - B -<br>'=N=' 000 | CCC+ - C -<br>'=N=' 000 | Not Rated<br>'=N=' 000 | Carrying<br>Amount<br>'=N=' 000 |
|---------------------------------------|------------------------|-------------------------|-------------------------|------------------------|---------------------------------|
| Cash and cash equivalents             | 84,943,226             | 59,456,927              | -                       | -                      | 144,400,153                     |
| <b>Investment Securities:</b>         |                        |                         |                         |                        |                                 |
| <b>Amortised cost</b>                 | 51,305,956             | 62,323,843              | 100,127,538             | 93,350,468             | 307,107,805                     |
| Long term placements                  | 41,522,498             | -                       | 4,811,598               | 27,035,627             | 73,369,723                      |
| Commercial papers                     | 62,041                 | -                       | 7,553,965               | -                      | 7,616,006                       |
| Loans to customers                    | -                      | -                       | -                       | 66,314,841             | 66,314,841                      |
| Treasury Bills                        | -                      | -                       | 2,752,731               | -                      | 2,752,731                       |
| Federal government bonds              | 9,721,417              | -                       | 30,810,329              | -                      | 40,531,746                      |
| State government bonds                | -                      | -                       | 20,648,069              | -                      | 20,648,069                      |
| Eurobond                              | -                      | -                       | 1,067,558               | -                      | 1,067,558                       |
| Corporate bonds                       | -                      | 62,323,843              | 32,483,288              | -                      | 94,807,131                      |
| <b>Fair value through OCI (FVOCI)</b> | 8,221,445              | -                       | 9,455,036               | -                      | 17,676,481                      |
| Bonds                                 | 8,221,445              | -                       | -                       | -                      | 8,221,445                       |
| Mutual Funds                          | -                      | -                       | 9,455,036               | -                      | 9,455,036                       |
| <b>Trade and other receivables</b>    | -                      | -                       | -                       | 8,300,395              | 8,300,395                       |
| <b>Total</b>                          | <b>144,470,627</b>     | <b>121,780,770</b>      | <b>109,582,574</b>      | <b>101,650,863</b>     | <b>477,484,834</b>              |

## ■ Notes to the Consolidated and Separate Financial Statements CONT'D

FOR THE YEAR ENDED 31 DECEMBER 2024

| COMPANY                               | AAA - A -<br>'=N=' 000 | BBB+ - B -<br>'=N=' 000 | CCC+ - C -<br>'=N=' 000 | Not Rated<br>'=N=' 000 | Carrying<br>Amount<br>'=N=' 000 |
|---------------------------------------|------------------------|-------------------------|-------------------------|------------------------|---------------------------------|
| Cash and cash equivalents             | 9,687,803              | 2,995,638               | -                       | -                      | 12,683,441                      |
| <b>Investment Securities:</b>         |                        |                         |                         |                        |                                 |
| <b>Amortised cost</b>                 | -                      | 52,621,447              | 1,067,558               | 71,382,827             | 125,071,832                     |
| Long term placements                  | -                      | 39,938,611              | -                       | 5,067,986              | 45,006,597                      |
| Loans to customers                    | -                      | -                       | -                       | 66,314,841             | 66,314,841                      |
| Treasury Bills                        | -                      | -                       | -                       | -                      | -                               |
| Eurobonds                             | -                      | -                       | 1,067,558               | -                      | 1,067,558                       |
| Federal government bonds              | -                      | 2,063,695               | -                       | -                      | 2,063,695                       |
| State government bonds                | -                      | 9,153,994               | -                       | -                      | 9,153,994                       |
| Corporate bonds                       | -                      | 1,465,147               | -                       | -                      | 1,465,147                       |
| Mutual Funds                          | -                      | -                       | -                       | -                      | -                               |
| <b>Fair value through OCI (FVOCI)</b> | 3,680,501              | -                       | -                       | 4,965,312              | 8,645,813                       |
| Mutual Funds                          | 3,680,501              | -                       | -                       | 4,965,312              | 8,645,813                       |
| <b>Trade and other receivables</b>    | -                      | -                       | -                       | 2,077,634              | 2,077,634                       |
| <b>Total</b>                          | <b>13,368,304</b>      | <b>55,617,085</b>       | <b>1,067,558</b>        | <b>78,425,773</b>      | <b>148,478,720</b>              |

| GEOGRAPHICAL SECTORS<br>2024                       | Group                |                                 | Company              |                                 |
|--|----------------------|---------------------------------|----------------------|---------------------------------|
|  | Nigeria<br>'=N=' 000 | Other<br>Countries<br>'=N=' 000 | Nigeria<br>'=N=' 000 | Other<br>Countries<br>'=N=' 000 |
| Cash and cash equivalents (excluding cash in hand) | 337,013,523          | -                               | 56,396,411           | -                               |
| <b>Investment Securities:</b>                      |                      |                                 |                      |                                 |
| Amortised cost                                     | 726,612,491          | -                               | 149,045,921          | -                               |
| Loans and advances                                 | 59,021,818           | -                               | -                    | -                               |
| Fair value through OCI (FVOCI)                     | 22,187,950           | -                               | 10,500,724           | -                               |
| Trade and other receivables                        | 29,893,718           | -                               | 18,681,584           | -                               |
| Dividend receivable from subsidiaries              | -                    | -                               | 8,940,000            | -                               |
|  | <b>1,174,729,500</b> | <b>-</b>                        | <b>243,564,640</b>   | <b>-</b>                        |

| GEOGRAPHICAL SECTORS<br>2023                       | Group                |                                 | Company              |                                 |
|--|----------------------|---------------------------------|----------------------|---------------------------------|
|  | Nigeria<br>'=N=' 000 | Other<br>Countries<br>'=N=' 000 | Nigeria<br>'=N=' 000 | Other<br>Countries<br>'=N=' 000 |
| Cash and cash equivalents (excluding cash in hand) | 145,255,523          | -                               | 12,683,441           | -                               |
| <b>Investment Securities:</b>                      |                      |                                 |                      |                                 |
| Amortised cost                                     | 281,960,128          | -                               | 125,071,832          | -                               |
| Loans and advances                                 | 25,147,676           | -                               | -                    | -                               |
| Fair value through OCI (FVOCI)                     | 17,676,481           | -                               | 8,645,813            | -                               |
| Trade and other receivables                        | 8,300,395            | -                               | 2,077,634            | -                               |
| Dividend receivable from subsidiaries              | -                    | -                               | 6,309,000            | -                               |
|  | <b>478,340,203</b>   | <b>-</b>                        | <b>154,787,720</b>   | <b>-</b>                        |

## ■ Notes to the Consolidated and Separate Financial Statements **CONT'D** FOR THE YEAR ENDED 31 DECEMBER 2024

### 3.4.4 Risk Monitoring and Management

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

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

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

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

### 3.4.5 Risk Reporting

To enable monitoring of credit risk and effective decision making, aggregate credit exposure, credit quality forecasts, concentration levels and risk profile changes are reported regularly to the management committees; and board committee at least quarterly. Stress testing is important in measuring and managing credit risk in the Group's business portfolios. The process 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 Risk and Investment Committee (RIC) is responsible for the management of country risk across the Group. The RIC 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 RIC committee on a quarterly basis.

### Risk Identification and Measurement

The Group's 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).

## ■ Notes to the Consolidated and Separate Financial Statements **CONT'D**

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### Risk Monitoring and Control

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

#### 3.6 Liquidity Risk Management

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

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

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

#### Risk Identification and Measurement

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

- a. Measuring, managing, monitoring and reporting the Firm's current and projected liquidity sources and uses;
- b. 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:

- a. Understanding the liquidity characteristics of the Firm's assets and liabilities;
- b. Defining and monitoring Group-wide and legal entity liquidity strategies and contingency funding plans;
- c. Liquidity stress testing under a variety of adverse scenarios;
- d. 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:

## ■ Notes to the Consolidated and Separate Financial Statements **CONT'D**

FOR THE YEAR ENDED 31 DECEMBER 2024

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

### Risk Monitoring and Control

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

### Foreign currency liquidity risk management

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

### Funding

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

The Group employs a diversified funding strategy to fund its balance sheet which incorporates a coordinated approach to accessing capital and loan markets (where necessary). Funding markets are evaluated on an ongoing basis to ensure

## ■ Notes to the Consolidated and Separate Financial Statements CONT'D

### FOR THE YEAR ENDED 31 DECEMBER 2024

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                       | < 30 days            | 31-90 days           | 91-180 days          | 181-365 days         | 1-3 years            | >3 years             | Gross Nominal        | Carrying Amount      |
|-----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                             | '=N=' 000            | '=N=' 000            | '=N=' 000            | '=N=' 000            | '=N=' 000            | '=N=' 000            | '=N=' 000            | '=N=' 000            |
| 31 December, 2024           |                      |                      |                      |                      |                      |                      |                      |                      |
| <b>Assets</b>               |                      |                      |                      |                      |                      |                      |                      |                      |
| Cash and cash equivalents   | 112,201,610          | 61,287,617           | 64,491,558           | 87,202,694           | 15,459,988           | -                    | 340,643,467          | 337,013,523          |
| Eurobonds                   | -                    | -                    | -                    | -                    | -                    | 614,201              | 614,201              | 588,855              |
| Federal government bonds    | -                    | -                    | -                    | -                    | 52,075,132           | -                    | 52,075,132           | 48,836,630           |
| State government bonds      | -                    | -                    | -                    | 20,593,776           | -                    | -                    | 20,593,776           | 18,493,323           |
| Corporate bonds             | -                    | -                    | -                    | 320,097,293          | -                    | 33,085,533           | 353,182,826          | 347,952,781          |
| Commercial papers           | -                    | -                    | -                    | 5,154,868            | -                    | -                    | 5,154,868            | 4,588,547            |
| Mutual funds                | -                    | -                    | -                    | -                    | 9,675,234            | 235,338,210          | 245,013,444          | 222,095,508          |
| Quoted equities             | 22,813,000           | -                    | -                    | -                    | -                    | 31,282,219           | 54,095,219           | 54,095,219           |
| Unquoted equities           | -                    | -                    | -                    | -                    | -                    | 128,301,932          | 128,301,932          | 125,955,461          |
| Trade and other receivables | -                    | -                    | -                    | 37,158,329           | -                    | -                    | 37,158,329           | 29,893,718           |
| Loans to customers          | -                    | -                    | -                    | 68,047,197           | -                    | -                    | 68,047,197           | 59,021,818           |
| <b>Total</b>                | <b>135,014,610</b>   | <b>61,287,617</b>    | <b>64,491,558</b>    | <b>538,254,157</b>   | <b>77,210,354</b>    | <b>428,622,095</b>   | <b>1,304,880,391</b> | <b>1,248,535,383</b> |
| <b>Liabilities</b>          |                      |                      |                      |                      |                      |                      |                      |                      |
| Borrowed funds              | -                    | -                    | 7,427,355            | 22,297,547           | -                    | 470,419,911          | 500,144,813          | 406,060,830          |
| Managed Funds               | 11,969,749           | 129,540,480          | 4,345,142            | 782,786,180          | 14,043,145           | 55,422,735           | 998,107,431          | 846,600,428          |
| Other Liabilities           | 286,480,734          | 29,058,378           | -                    | -                    | -                    | -                    | 315,539,112          | 315,539,112          |
| <b>Total</b>                | <b>298,450,483</b>   | <b>158,598,858</b>   | <b>11,772,497</b>    | <b>805,083,727</b>   | <b>14,043,145</b>    | <b>525,842,646</b>   | <b>1,813,791,356</b> | <b>1,568,200,370</b> |
| <b>Assets</b>               | 135,014,610          | 61,287,617           | 64,491,558           | 538,254,157          | 77,210,354           | 428,622,095          | 1,304,880,391        | 1,248,535,383        |
| <b>Liabilities</b>          | 298,450,483          | 158,598,858          | 11,772,497           | 805,083,727          | 14,043,145           | 525,842,646          | 1,813,791,356        | 1,568,200,370        |
| <b>Liquidity gap</b>        | <b>(163,435,873)</b> | <b>(97,311,241)</b>  | <b>52,719,061</b>    | <b>(266,829,570)</b> | <b>63,167,209</b>    | <b>(97,220,551)</b>  | <b>(508,910,965)</b> | <b>(319,664,987)</b> |
| <b>Cummulative gap</b>      | <b>(163,435,873)</b> | <b>(260,747,114)</b> | <b>(208,028,053)</b> | <b>(474,857,623)</b> | <b>(411,690,414)</b> | <b>(508,910,965)</b> | -                    | -                    |

## Notes to the Consolidated and Separate Financial Statements CONT'D

### FOR THE YEAR ENDED 31 DECEMBER 2024

| COMPANY                     | < 30             | 31-90             | 91-180             | 181-365            | 1-3 years          | >3 years             | Gross                | Carrying            |
|-----------------------------|------------------|-------------------|--------------------|--------------------|--------------------|----------------------|----------------------|---------------------|
|                             | days             | days              | days               | days               |                    |                      | Nominal              | Amount              |
| 31 December, 2024           | '=N=' 000        | '=N=' 000         | '=N=' 000          | '=N=' 000          | '=N=' 000          | '=N=' 000            | '=N=' 000            | '=N=' 000           |
| <b>Assets</b>               |                  |                   |                    |                    |                    |                      |                      |                     |
| Cash and cash equivalents   | 6,162,091        | 50,802,035        | -                  | -                  | -                  | -                    | 56,964,126           | 56,396,411          |
| Long-term investments       | -                | -                 | -                  | 132,385,633        | -                  | 8,900,369            | 141,286,002          | 140,531,330         |
| Mutual funds                | -                | -                 | -                  | 1,854,911          | 8,645,813          | -                    | 10,500,724           | 10,500,724          |
| Quoted equities             | 1,255,808        | -                 | -                  | -                  | -                  | -                    | 1,255,808            | 1,255,808           |
| Unquoted equities           | -                | -                 | -                  | -                  | -                  | 30,288,397           | 30,288,397           | 24,624,713          |
| Trade and other receivables | -                | -                 | -                  | 19,937,205         | -                  | -                    | 19,937,205           | 18,681,584          |
| Dividend receivables        | -                | 8,940,000         | -                  | -                  | -                  | -                    | 8,940,000            | 8,940,000           |
| <b>Total</b>                | <b>7,417,899</b> | <b>59,742,035</b> | <b>-</b>           | <b>154,177,749</b> | <b>8,645,813</b>   | <b>39,188,766</b>    | <b>269,172,262</b>   | <b>260,930,570</b>  |
| <b>Liabilities</b>          |                  |                   |                    |                    |                    |                      |                      |                     |
| Borrowings                  | -                | 16,237,079        | 7,427,355          | 22,297,547         | -                  | 367,558,566          | 413,520,547          | 328,699,338         |
| Other Liabilities           | -                | 31,965,857        | -                  | -                  | -                  | -                    | 31,965,857           | 31,965,857          |
| <b>Total</b>                | <b>-</b>         | <b>48,202,936</b> | <b>7,427,355</b>   | <b>22,297,547</b>  | <b>-</b>           | <b>367,558,566</b>   | <b>445,486,404</b>   | <b>360,665,195</b>  |
| <b>Assets</b>               | 7,417,899        | 59,742,035        | -                  | 154,177,749        | 8,645,813          | 39,188,766           | 269,172,262          | 260,930,570         |
| <b>Liabilities</b>          | -                | 48,202,936        | 7,427,355          | 22,297,547         | -                  | 367,558,566          | 445,486,404          | 360,665,195         |
| <b>Liquidity gap</b>        | <b>7,417,899</b> | <b>11,539,099</b> | <b>(7,427,355)</b> | <b>131,880,202</b> | <b>8,645,813</b>   | <b>(328,369,800)</b> | <b>(176,314,142)</b> | <b>(99,734,625)</b> |
| <b>Cummulative gap</b>      | <b>7,417,899</b> | <b>18,956,998</b> | <b>11,529,643</b>  | <b>143,409,845</b> | <b>152,055,658</b> | <b>(176,314,142)</b> | <b>-</b>             | <b>-</b>            |

| GROUP                       | < 30              | 31-90               | 91-180            | 181-365             | 1-3 years          | >3 years             | Gross                | Carrying             |
|-----------------------------|-------------------|---------------------|-------------------|---------------------|--------------------|----------------------|----------------------|----------------------|
|                             | days              | days                | days              | days                |                    |                      | Nominal              | Amount               |
| 31 December, 2023           | '=N=' 000         | '=N=' 000           | '=N=' 000         | '=N=' 000           | '=N=' 000          | '=N=' 000            | '=N=' 000            | '=N=' 000            |
| <b>Assets</b>               |                   |                     |                   |                     |                    |                      |                      |                      |
| Cash and cash equivalents   | 21,805,951        | 127,810,762         | -                 | -                   | -                  | -                    | 149,616,713          | 337,013,523          |
| Eurobonds                   | -                 | -                   | 22,378,254        | 135,715,922         | -                  | 15,058,398           | 173,152,574          | 1,067,558            |
| Federal government bonds    | -                 | -                   | -                 | 50,664,683          | -                  | -                    | 50,664,683           | 40,531,746           |
| State government bonds      | -                 | -                   | -                 | 20,648,069          | -                  | -                    | 20,648,069           | 20,648,069           |
| Corporate bonds             | -                 | -                   | -                 | 94,807,131          | -                  | -                    | 94,807,131           | 94,807,131           |
| Commercial papers           | -                 | -                   | -                 | 7,616,006           | -                  | -                    | 7,616,006            | 7,616,006            |
| Mutual funds                | -                 | -                   | -                 | 127,594,759         | 9,675,234          | 29,731,482           | 167,001,475          | 9,455,036            |
| Quoted equities             | 25,630,038        | -                   | -                 | -                   | -                  | -                    | 25,630,038           | 20,760,915           |
| Unquoted equities           | -                 | -                   | -                 | -                   | -                  | 110,295,885          | 110,295,885          | 86,847,154           |
| Trade and other receivables | -                 | -                   | 11,134,988        | 5,670,511           | -                  | -                    | 16,805,499           | 7,287,875            |
| Loans and receivables       | -                 | -                   | -                 | -                   | 114,536,888        | 25,198,607           | 139,735,495          | 139,684,564          |
| <b>Total</b>                | <b>47,435,989</b> | <b>127,810,762</b>  | <b>33,513,242</b> | <b>442,717,081</b>  | <b>124,212,122</b> | <b>180,284,372</b>   | <b>955,973,568</b>   | <b>573,961,577</b>   |
| <b>Liabilities</b>          |                   |                     |                   |                     |                    |                      |                      |                      |
| Borrowed funds              | -                 | -                   | 7,427,355         | 22,297,547          | -                  | 230,982,390          | 260,707,292          | 200,822,968          |
| Managed Funds               | 11,969,749        | 129,540,480         | 4,345,142         | 515,611,855         | 14,043,145         | 55,422,735           | 730,933,106          | 600,106,217          |
| Other Liabilities           | 2,041,140         | 29,058,378          | -                 | -                   | -                  | -                    | 31,099,518           | 31,099,518           |
| <b>Total</b>                | <b>14,010,889</b> | <b>158,598,858</b>  | <b>11,772,497</b> | <b>537,909,402</b>  | <b>14,043,145</b>  | <b>286,405,125</b>   | <b>1,022,739,916</b> | <b>832,028,703</b>   |
| <b>Assets</b>               | 47,435,989        | 127,810,762         | 33,513,242        | 442,717,081         | 124,212,122        | 180,284,372          | 955,973,568          | 573,961,577          |
| <b>Liabilities</b>          | 14,010,889        | 158,598,858         | 11,772,497        | 537,909,402         | 14,043,145         | 286,405,125          | 1,022,739,916        | 832,028,703          |
| <b>Liquidity gap</b>        | <b>33,425,100</b> | <b>(30,788,096)</b> | <b>21,740,745</b> | <b>(95,192,321)</b> | <b>110,168,977</b> | <b>(106,120,753)</b> | <b>(66,766,348)</b>  | <b>(258,067,126)</b> |
| <b>Cummulative gap</b>      | <b>33,425,100</b> | <b>2,637,004</b>    | <b>24,377,749</b> | <b>(70,814,572)</b> | <b>39,354,405</b>  | <b>(66,766,348)</b>  | <b>-</b>             | <b>-</b>             |

## ■ Notes to the Consolidated and Separate Financial Statements CONT'D

### FOR THE YEAR ENDED 31 DECEMBER 2024

| COMPANY<br>31 December, 2023 | < 30<br>days      | 31-90<br>days       | 91-180<br>days     | 181-365<br>days    | 1-3 years          | >3 years             | Gross<br>Nominal    | Carrying<br>Amount  |
|------------------------------|-------------------|---------------------|--------------------|--------------------|--------------------|----------------------|---------------------|---------------------|
|                              | '=N=' 000         | '=N=' 000           | '=N=' 000          | '=N=' 000          | '=N=' 000          | '=N=' 000            | '=N=' 000           | '=N=' 000           |
| <b>Assets</b>                |                   |                     |                    |                    |                    |                      |                     |                     |
| Cash and cash equivalents    | 899,832           | 14,146,809          | -                  | -                  | -                  | -                    | 15,046,641          | 13,201,405          |
| Long-term investments        | -                 | -                   | 115,312,130        | 20,199,623         | -                  | 5,067,986            | 140,579,739         | 111,321,438         |
| Bond                         | -                 | -                   | -                  | 1,094,529          | -                  | 15,528,332           | 16,622,861          | 12,682,836          |
| Mutual funds                 | -                 | -                   | -                  | -                  | 11,671,847         | -                    | 11,671,847          | 8,645,813           |
| Quoted equities              | 17,388,501        | -                   | -                  | -                  | -                  | -                    | 17,388,501          | 17,388,501          |
| Trade and other receivables  | -                 | -                   | 1,480,857          | 6,388,534          | -                  | -                    | 7,869,391           | 6,467,124           |
| Dividend receivables         | -                 | 6,309,000           | -                  | -                  | -                  | -                    | 6,309,000           | 6,309,000           |
| <b>Total</b>                 | <b>18,288,333</b> | <b>20,455,809</b>   | <b>116,792,987</b> | <b>27,682,686</b>  | <b>11,671,847</b>  | <b>20,596,318</b>    | <b>215,487,980</b>  | <b>176,016,117</b>  |
| <b>Liabilities</b>           |                   |                     |                    |                    |                    |                      |                     |                     |
| Borrowings                   | -                 | 16,237,079          | 7,427,355          | 22,297,547         | -                  | 205,248,509          | 251,210,490         | 199,132,509         |
| Other Liabilities            | -                 | 15,148,590          | -                  | -                  | -                  | -                    | 15,148,590          | 15,148,590          |
| <b>Total</b>                 | <b>-</b>          | <b>31,385,669</b>   | <b>7,427,355</b>   | <b>22,297,547</b>  | <b>-</b>           | <b>205,248,509</b>   | <b>266,359,080</b>  | <b>214,281,099</b>  |
| <b>Assets</b>                | <b>18,288,333</b> | <b>20,455,809</b>   | <b>116,792,987</b> | <b>27,682,686</b>  | <b>11,671,847</b>  | <b>20,596,318</b>    | <b>215,487,980</b>  | <b>176,016,117</b>  |
| <b>Liabilities</b>           | <b>-</b>          | <b>31,385,669</b>   | <b>7,427,355</b>   | <b>22,297,547</b>  | <b>-</b>           | <b>205,248,509</b>   | <b>266,359,080</b>  | <b>214,281,099</b>  |
| <b>Liquidity gap</b>         | <b>18,288,333</b> | <b>(10,929,860)</b> | <b>109,365,632</b> | <b>5,385,139</b>   | <b>11,671,847</b>  | <b>(184,652,191)</b> | <b>(50,871,100)</b> | <b>(38,264,982)</b> |
| <b>Cummulative gap</b>       | <b>18,288,333</b> | <b>7,358,473</b>    | <b>116,724,105</b> | <b>122,109,244</b> | <b>133,781,091</b> | <b>(50,871,100)</b>  | <b>-</b>            | <b>-</b>            |

### 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&GP committee ensures proper monitoring of these parameters and their possible impact on our credit rating as part of the Group's liquidity risk management and contingency planning considerations.

### 3.7 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

## ■ Notes to the Consolidated and Separate Financial Statements **CONT'D**

### FOR THE YEAR ENDED 31 DECEMBER 2024

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

- a. 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
- b. 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.
- c. 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).
- d. 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:

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

#### Risk Identification and Measurement

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

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

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

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

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

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

## ■ Notes to the Consolidated and Separate Financial Statements **CONT'D**

### FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

#### Interest rate sensitivity analysis as at 31 December, 2024

| GROUP   | Value as at 2024<br>'=N=' 000 | 5% Higher<br>'=N=' 000 | 5% Lower<br>'=N=' 000 |
|---|-------------------------------|------------------------|-----------------------|
| Cash and cash equivalents                               | 291,471,904                   | 14,573,595             | (14,573,595)          |
| Financial asset measured at amortised cost              | 726,612,491                   | 36,330,625             | (36,330,625)          |
| Trade and other receivables -<br>deposit for investment | 124,965,347                   | 6,248,267              | (6,248,267)           |
|   | <b>1,143,049,742</b>          | <b>57,152,487</b>      | <b>(57,152,487)</b>   |

| COMPANY   | Value as at 2024<br>'=N=' 000 | 5% Higher<br>'=N=' 000 | 5% Lower<br>'=N=' 000 |
|---|-------------------------------|------------------------|-----------------------|
| Cash and cash equivalents                               | 50,802,035                    | 2,540,102              | (2,540,102)           |
| Financial asset measured at amortised cost              | 149,045,921                   | 7,452,296              | (7,452,296)           |
| Trade and other receivables -<br>deposit for investment | 124,965,347                   | 6,248,267              | (6,248,267)           |
|   | <b>324,813,303</b>            | <b>16,240,665</b>      | <b>(16,240,665)</b>   |

#### Interest rate sensitivity analysis as at 31 December, 2023

| COMPANY   | Value as at 2024<br>'=N=' 000 | 5% Higher<br>'=N=' 000 | 5% Lower<br>'=N=' 000 |
|---|-------------------------------|------------------------|-----------------------|
| Cash and cash equivalents                               | 127,810,762                   | 6,390,538              | (6,390,538)           |
| Financial asset measured at amortised cost              | 281,960,129                   | 14,098,006             | (14,098,006)          |
| Trade and other receivables -<br>deposit for investment | 72,904,620                    | 3,645,231              | (3,645,231)           |
|   | <b>482,675,511</b>            | <b>24,133,775</b>      | <b>((24,133,775))</b> |

## ■ Notes to the Consolidated and Separate Financial Statements **CONT'D**

FOR THE YEAR ENDED 31 DECEMBER 2024

| COMPANY   | Value as at 2024<br>'=N=' 000 | 5% Higher<br>'=N=' 000 | 5% Lower<br>'=N=' 000 |
|---|-------------------------------|------------------------|-----------------------|
| Cash and cash equivalents                               | 12,301,573                    | 615,079                | (615,079)             |
| Financial asset measured at amortised cost              | 123,377,070                   | 6,168,853              | (6,168,853)           |
| Trade and other receivables -<br>deposit for investment | 72,904,620                    | 3,645,231              | (3,645,231)           |
|   | <b>208,583,263</b>            | <b>10,429,163</b>      | <b>(10,429,163)</b>   |

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 15 percent (15%), with all other variables held constant.

### Foreign currency sensitivity analysis

| MAXIMUM EXPOSURE TO CREDIT RISK | Group             |                   | Company           |                   |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                 | 2024<br>'=N=' 000 | 2023<br>'=N=' 000 | 2024<br>'=N=' 000 | 2023<br>'=N=' 000 |
| Assets                          | 91,802,997        | 11,431,020        | 91,238,339        | 9,122,053         |
| Liabilities                     | 86,961,627        | 7,799,249         | 88,528,471        | 7,869,197         |
| Impact on profit                | <b>4,841,370</b>  | <b>3,631,771</b>  | <b>2,709,868</b>  | <b>1,252,856</b>  |

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.

### 3.8 Equity risk

The Group holds investments in listed and unlisted securities. Listed equity securities (quoted on the Nigerian Exchange Limited) 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.

## ■ Notes to the Consolidated and Separate Financial Statements **CONT'D**

FOR THE YEAR ENDED 31 DECEMBER 2024

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

|  | Group                    |                          | Company                  |                          |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
|  | 31 Dec 2024<br>'=N=' 000 | 31 Dec 2023<br>'=N=' 000 | 31 Dec 2024<br>'=N=' 000 | 31 Dec 2023<br>'=N=' 000 |
| Investment securities at FVTPL               | 58,108,875               | 2,397,595                | 2,005,342                | 1,305,386                |
| Investment securities at FVOCI               | 121,941,805              | 27,515,639               | 25,200,837               | 16,083,115               |
| <b>Impact on Profit for the period</b>       |                          |                          |                          |                          |
| Favourable change @ 5% increase in prices    | 2,905,444                | 119,880                  | 100,267                  | 65,269                   |
| Unfavourable change @ 5% reduction in prices | (2,905,444)              | (119,880)                | (100,267)                | (65,269)                 |
| <b>Impact on Other Comprehensive Income</b>  |                          |                          |                          |                          |
| Favourable change @ 5% increase in prices    | 6,097,090                | 1,375,782                | 1,260,042                | 804,156                  |
| Unfavourable change @ 5% reduction in prices | (6,097,090)              | (1,375,782)              | (1,260,042)              | (804,156)                |

### Risk Monitoring and Control

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

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

#### 3.8.1 Fair value estimation

##### a. Financial instruments measured at fair value

IFRS 13 requires disclosures for all financial instruments measured at fair value.

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

The different levels have been defined as follows:

- i. Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- ii. 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).
- iii. Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs (level 3)).

## ■ Notes to the Consolidated and Separate Financial Statements CONT'D

FOR THE YEAR ENDED 31 DECEMBER 2024

| GROUP 2024                                     | Level 1<br>'=N=' 000 | Level 2<br>'=N=' 000 | Level 3<br>'=N=' 000 | Total<br>'=N=' 000 |
|--|----------------------|----------------------|----------------------|--------------------|
| <b>Financial assets measured at fair value</b> |                      |                      |                      |                    |
| Bonds  | 4,838,006            | -                    | -                    | 4,838,006          |
| Equity-quoted                                  | 54,095,219           | -                    | -                    | 54,095,219         |
| Equity-unquoted                                | -                    | 36,833,157           | -                    | 36,833,157         |
| Mutual funds                                   | -                    | 222,095,508          | -                    | 222,095,508        |
|  | <b>58,933,225</b>    | <b>258,928,665</b>   | <b>-</b>             | <b>317,861,890</b> |

| COMPANY 2024                                   | Level 1<br>'=N=' 000 | Level 2<br>'=N=' 000 | Level 3<br>'=N=' 000 | Total<br>'=N=' 000 |
|--|----------------------|----------------------|----------------------|--------------------|
| <b>Financial assets measured at fair value</b> |                      |                      |                      |                    |
| Equity-quoted                                  | 1,255,808            | -                    | -                    | 1,255,808          |
| Equity-unquoted                                | 3,665,058            | -                    | -                    | 3,665,058          |
| Mutual funds                                   | -                    | 10,500,724           | -                    | 10,500,724         |
|  | <b>4,920,866</b>     | <b>10,500,724</b>    | <b>-</b>             | <b>15,421,590</b>  |

| GROUP 2023                                     | Level 1<br>'=N=' 000 | Level 2<br>'=N=' 000 | Level 3<br>'=N=' 000 | Total<br>'=N=' 000 |
|--|----------------------|----------------------|----------------------|--------------------|
| <b>Financial assets measured at fair value</b> |                      |                      |                      |                    |
| Bonds  | 8,221,445            | -                    | -                    | 8,221,445          |
| Equity-quoted                                  | 25,630,038           | -                    | -                    | 25,630,038         |
| Equity-unquoted                                | -                    | 20,384,459           | -                    | 20,384,459         |
| Mutual funds                                   | -                    | -                    | 167,001,475          | 167,001,475        |
|  | <b>33,851,483</b>    | <b>20,384,459</b>    | <b>167,001,475</b>   | <b>221,237,417</b> |

| COMPANY 2023                                   | Level 1<br>'=N=' 000 | Level 2<br>'=N=' 000 | Level 3<br>'=N=' 000 | Total<br>'=N=' 000 |
|--|----------------------|----------------------|----------------------|--------------------|
| <b>Financial assets measured at fair value</b> |                      |                      |                      |                    |
| Equity-quoted                                  | 17,388,501           | -                    | -                    | 17,388,501         |
| Mutual funds                                   | -                    | -                    | 8,645,813            | 8,645,813          |
|  | <b>17,388,501</b>    | <b>-</b>             | <b>8,645,813</b>     | <b>26,034,314</b>  |

## ■ Notes to the Consolidated and Separate Financial Statements **CONT'D**

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 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 NGX 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:

- Quoted market prices or dealer quotes for similar instruments;
- 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;
- 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 input

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

- Step 1: The most appropriate valuation methodology was selected to value each of the unquoted equity investment.
- Step 2: Comparative multiples were sourced from S & P Capital IQ based on available comparable companies in Sub-Saharan Africa and Emerging Asia and an average multiple was computed.
- Step 3: The enterprise value was derived by multiplying the average multiple to the relevant financial metric.
- Step 4: Equity value of the firm was derived by deducting the value of the debt of the company and adding the closing cash balance.
- Step 5: A lack of marketability discount of 14.9% was applied to the equity value.
- Step 6: The equity value was derived by multiplying the company's equity value by Roger Miller equity stake.
- Step 7: The latest transaction price was adopted to estimate the fair value of unquoted equity investment in Brozi Leisures Limited.

There was no transfer of securities between levels in 2024 (2023: nil).

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

## ■ Notes to the Consolidated and Separate Financial Statements **CONT'D**

FOR THE YEAR ENDED 31 DECEMBER 2024

| 31 December 2024<br>DESCRIPTION | Fair value<br>31 Dec. 2024 | Valuation<br>Technique | Unobservable<br>input                  | Reasonable<br>possible shift +/-<br>(absolute value) | Change in<br>valuation<br>'=N=' 000 |
|---------------------------------|----------------------------|------------------------|--|--|-------------------------------------|
| FSDH (Naira - million)          | 5,627                      | DDM                    | Discounted factor<br>Cashflow estimate | 1%   | 56                                  |
| AFC ('USD - million)            | 27,514                     | DDM                    | Discounted factor<br>Cashflow estimate | 1%   | 275.14                              |

| 31 December 2024<br>DESCRIPTION | Fair value<br>31 Dec. 2024 | Valuation<br>Technique | Unobservable<br>input                  | Reasonable<br>possible shift +/-<br>(absolute value) | Change in<br>valuation<br>'=N=' 000 |
|---------------------------------|----------------------------|------------------------|--|--|-------------------------------------|
| FSDH (Naira - million)          | 5,402                      | Justified P/BV         | Discounted factor<br>Cashflow estimate | 1%   | 54                                  |
| AFC ('USD - million)            | 12,592                     | DDM                    | Discounted factor<br>Cashflow estimate | 1%   | 125.92                              |

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 and AFC unquoted equity was based on discounted cashflows in the absence of a recent sales price of the shares. A 1% increase/(decrease) in the share price of the equities at the reporting date would have increased/(decreased) the profit before tax by N331 million (2023: N180 million).

## ■ Notes to the Consolidated and Separate Financial Statements **CONT'D**

FOR THE YEAR ENDED 31 DECEMBER 2024

### b. Financial instruments not measured at fair value

| GROUP                                   | As at December 2024         |                         | As at December 2023         |                         |
|---|-----------------------------|-------------------------|-----------------------------|-------------------------|
|   | Carrying Value<br>'=N=' 000 | Fair value<br>'=N=' 000 | Carrying Value<br>'=N=' 000 | Fair value<br>'=N=' 000 |
| <b>Financial assets</b>                 |                             |                         |                             |                         |
| Cash and cash equivalents               | 337,013,523                 | 337,013,523             | 145,255,523                 | 145,255,523             |
| Investment securities at amortised cost | 740,909,883                 | 739,121,730             | 323,581,907                 | 321,793,755             |
| Trade and other receivables*            | 156,536,102                 | 156,536,102             | 80,996,356                  | 80,996,356              |
|   | <b>1,234,459,508</b>        | <b>1,232,671,355</b>    | <b>549,838,786</b>          | <b>548,045,634</b>      |
| <b>Financial liabilities</b>            |                             |                         |                             |                         |
| Other liabilities                       | 296,069,385                 | 296,069,385             | 27,782,946                  | 27,782,946              |
| Managed funds*                          | 846,600,428                 | 846,600,428             | 600,106,217                 | 600,106,217             |
| Borrowed funds                          | 406,060,830                 | 406,060,830             | 200,822,968                 | 200,822,968             |
|   | <b>1,548,730,643</b>        | <b>1,548,730,643</b>    | <b>828,712,131</b>          | <b>828,712,131</b>      |

| COMPANY                                 | As at December 2024         |                         | As at December 2023         |                         |
|---|-----------------------------|-------------------------|-----------------------------|-------------------------|
|   | Carrying Value<br>'=N=' 000 | Fair value<br>'=N=' 000 | Carrying Value<br>'=N=' 000 | Fair value<br>'=N=' 000 |
| <b>Financial assets</b>                 |                             |                         |                             |                         |
| Cash and cash equivalents               | 56,396,411                  | 56,396,411              | 12,683,441                  | 12,683,441              |
| Investment securities at amortised cost | 149,800,593                 | 148,012,440             | 125,071,832                 | 123,283,679             |
| Trade and other receivables             | 148,608,005                 | 144,833,848             | 83,793,521                  | 82,050,334              |
|   | <b>354,805,009</b>          | <b>349,242,699</b>      | <b>221,548,794</b>          | <b>218,017,454</b>      |
| <b>Financial liabilities</b>            |                             |                         |                             |                         |
| Other liabilities                       | 31,965,857                  | 31,965,857              | 15,148,590                  | 15,148,590              |
| Borrowed funds                          | 328,699,338                 | 328,699,338             | 199,132,509                 | 199,132,509             |
|   | <b>360,665,195</b>          | <b>360,665,195</b>      | <b>214,281,099</b>          | <b>214,281,099</b>      |

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

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

## ■ Notes to the Consolidated and Separate Financial Statements CONT'D

FOR THE YEAR ENDED 31 DECEMBER 2024

### 4. Net investment income

|  | Group                       |                             | Company                     |                             |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|  | 31 Dec<br>2024<br>'=N=' 000 | 31 Dec<br>2023<br>'=N=' 000 | 31 Dec<br>2024<br>'=N=' 000 | 31 Dec<br>2023<br>'=N=' 000 |
| Interest from placements and bonds                             | 25,225,356                  | 20,409,276                  | 6,232,072                   | 12,414,011                  |
| Income from loans  | 11,702,095                  | 4,507,419                   | 1,908,869                   | 1,653,088                   |
| Dividend income from securities investments                    | 1,631,751                   | 982,011                     | 380,913                     | 798,062                     |
| Income from loans  | -                           | 6,244                       | -                           | -                           |
| Dividend income from securities investments                    | 121,085,477                 | 50,531,598                  | 31,372,067                  | 7,047,604                   |
|  | <b>159,644,679</b>          | <b>76,436,548</b>           | <b>39,893,921</b>           | <b>21,912,765</b>           |
| Interest expense on managed funds and other borrowings         | (144,086,745)               | (67,911,760)                | (36,351,253)                | (17,690,939)                |
|  | <b>15,557,934</b>           | <b>8,524,788</b>            | <b>3,542,668</b>            | <b>4,221,826</b>            |
| Investment income from items measured at amortised cost        | 13,653,109                  | 7,273,654                   | 3,542,668                   | 4,221,826                   |
| Investment income from items carried at fair value through OCI | 1,904,825                   | 1,251,134                   | -                           | -                           |
|  | <b>15,557,934</b>           | <b>8,524,788</b>            | <b>3,542,668</b>            | <b>4,221,826</b>            |

### 5. Fees and commission income

|                                  | Group                       |                             | Company                     |                             |
|----------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|                                  | 31 Dec<br>2024<br>'=N=' 000 | 31 Dec<br>2023<br>'=N=' 000 | 31 Dec<br>2024<br>'=N=' 000 | 31 Dec<br>2023<br>'=N=' 000 |
| Financial advisory fees          | 2,708,450                   | 1,347,026                   | 2,708,450                   | 1,347,026                   |
| Other fees and commissions       | 11,879,479                  | 6,749,424                   | -                           | -                           |
|                                  | <b>14,587,929</b>           | <b>8,096,450</b>            | <b>2,708,450</b>            | <b>1,347,026</b>            |
| Fees recognised at point-in-time | 6,344,515                   | 3,392,072                   | 2,708,450                   | 1,347,026                   |
| Fees recognised over time        | 8,243,414                   | 4,704,378                   | -                           | -                           |
|                                  | <b>14,587,929</b>           | <b>8,096,450</b>            | <b>2,708,450</b>            | <b>1,347,026</b>            |

Other fees and commission income include brokerage fee of N3.59b (2023: N2.03b), Management fee of N6.08b (2023: N3.68b) and trustees fees of N1.44b (2023: N676m), which are recognised at point-in-time. Management fees and transaction sign-on fees are recognised at point-in-time the mandate is consummated. Management fee accrues monthly as a percentage of the net asset value (NAV) at each point in time.

## ■ Notes to the Consolidated and Separate Financial Statements **CONT'D**

FOR THE YEAR ENDED 31 DECEMBER 2024

### 6. Net trading income

|  | Group                       |                             | Company                     |                             |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|  | 31 Dec<br>2024<br>='N=' 000 | 31 Dec<br>2023<br>='N=' 000 | 31 Dec<br>2024<br>='N=' 000 | 31 Dec<br>2023<br>='N=' 000 |
| Net trading income includes gains and losses arising both on the purchase and sale of financial instruments at FVTPL | 6,410,486                   | 3,977,495                   | -                           | 722,791                     |

### 7. Other income

|                         |                  |                   |                  |                  |
|-------------------------|------------------|-------------------|------------------|------------------|
| Exchange gains          | 4,562,203        | 24,211,808        | 2,931,138        | 8,352,373        |
| Interest on staff loans | 23,582           | 2,130             | 18,657           | -                |
| Rental income           | 12,000           | -                 | 12,000           | -                |
| Gain on disposal of PPE | -                | 610               | -                | 610              |
| Other income            | 1,266,696        | 231,205           | 651,673          | 162,425          |
|                         | <b>5,864,481</b> | <b>24,445,753</b> | <b>3,613,468</b> | <b>8,515,408</b> |

The group's other income includes trading gain of N370m (2023: N173m) as well as interest on current account bank balances of N1.25m (2023: N2.53m).

### 8. Net gain from financial assets at fair value through profit or loss (FVTPL)

|   |                  |                |               |                |
|---|------------------|----------------|---------------|----------------|
| Net gain on equity instruments at FVTPL | 1,010,267        | 850,612        | 33,952        | 508,928        |
|   | <b>1,010,267</b> | <b>850,612</b> | <b>33,952</b> | <b>508,928</b> |

### 9. Personnel expenses

|   |                  |                  |                  |                |
|---|------------------|------------------|------------------|----------------|
| Staff cost                                  | 5,079,164        | 3,062,291        | 921,267          | 595,667        |
| Contributions to defined contribution plans | 74,366           | 109,687          | 12,306           | 25,955         |
| Defined benefit cost (Note 29)              | 196,408          | 365,768          | 125,691          | 253,246        |
|   | <b>5,349,938</b> | <b>3,537,746</b> | <b>1,059,264</b> | <b>874,868</b> |

## ■ Notes to the Consolidated and Separate Financial Statements CONT'D

FOR THE YEAR ENDED 31 DECEMBER 2024

### 10. Other operating expenses

|                                     | Group                       |                             | Company                     |                             |
|-------------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|                                     | 31 Dec<br>2024<br>'=N=' 000 | 31 Dec<br>2023<br>'=N=' 000 | 31 Dec<br>2024<br>'=N=' 000 | 31 Dec<br>2023<br>'=N=' 000 |
| Premises and equipment costs        | 359,640                     | 511,784                     | 64,061                      | 33,909                      |
| Auditors remuneration               | 120,000                     | 80,625                      | 23,550                      | 12,975                      |
| Professional fees                   | 2,515,770                   | 1,493,308                   | 567,501                     | 536,325                     |
| Travel and accommodation            | 456,280                     | 160,350                     | 109,939                     | 39,484                      |
| Rent and rates (See note a)         | 211,843                     | 154,813                     | 47,721                      | 46,098                      |
| AGM expenses                        | 123,510                     | 99,404                      | 23,680                      | 16,788                      |
| Dividend processing expenses        | 80,278                      | 47,487                      | -                           | 16,392                      |
| Donations                           | 237,051                     | 347,250                     | 5,284                       | 133,028                     |
| Subscription                        | 313,515                     | 65,967                      | 97,981                      | 14,827                      |
| Insurance                           | 159,188                     | 98,438                      | 33,277                      | 25,479                      |
| Statutory expenses                  | 134,155                     | 113,235                     | -                           | -                           |
| General administrative expenses     | 2,644,902                   | 1,604,751                   | 979,886                     | 482,256                     |
| Advertisement and branding          | 502,011                     | 177,247                     | 25,145                      | 10,736                      |
| Share register fee                  | 40,182                      | 15,184                      | 24,193                      | 9,302                       |
| Directors fees and other allowances | 185,194                     | 175,179                     | 33,072                      | 25,510                      |
| Printing and stationeries           | 22,585                      | 10,130                      | 4,501                       | 2,641                       |
| Office running expenses             | 1,629,734                   | 756,587                     | -                           | 125,375                     |
| Business entertainment              | 456,813                     | 184,179                     | 82,824                      | 36,564                      |
| Fines and penalties                 | -                           | 11,750                      | -                           | 425                         |
| Business development                | 232,311                     | 293,822                     | 95,224                      | 251,435                     |
| IT license and maintenance fee      | 243,799                     | 138,610                     | 67,302                      | 28,132                      |
| Training and conference             | 164,642                     | 46,683                      | 21,988                      | 20,359                      |
| Bad debt                            | -                           | 14,824                      | -                           | 14,824                      |
|                                     | <b>10,833,403</b>           | <b>6,601,607</b>            | <b>2,307,129</b>            | <b>1,882,864</b>            |

The Group did not incur non-audit fees paid to the Auditors during the period under review (2023: Nil)

Professional fees of N2.52b includes payment made on Technical Service Agreement of N909m (2023: N657m). In 2024 the Group continued with its overhaul of IT infrastructure, a total of N880m was incurred and included in the General admin expenses for associated expenses other than the cost of infrastructure procured. We also recorded significant increase in office running expenses.

a. This represents payment for short term rents and low value leases paid for during the year.

### 11. Depreciation & amortisation

|  | Group                       |                             | Company                     |                             |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|  | 31 Dec<br>2024<br>'=N=' 000 | 31 Dec<br>2023<br>'=N=' 000 | 31 Dec<br>2024<br>'=N=' 000 | 31 Dec<br>2023<br>'=N=' 000 |
| 11.1 Depreciation of property and equipments (note 23) | 363,743                     | 311,251                     | 307,382                     | 271,136                     |
| <b>11.2 Amortisation</b>                               |                             |                             |                             |                             |
| Amortisation of intangible assets (note 20)            | 144,719                     | 59,237                      | 134,321                     | 51,030                      |
| <b>Amortisation of right of use assets (note 19)</b>   | 156,447                     | 74,281                      | 156,447                     | 74,281                      |
|  | <b>301,166</b>              | <b>133,518</b>              | <b>290,768</b>              | <b>125,311</b>              |

## ■ Notes to the Consolidated and Separate Financial Statements CONT'D

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 12. Impairment (write-back)/charge for credit losses

|   | Group                       |                             | Company                     |                             |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|   | 31 Dec<br>2024<br>'=N=' 000 | 31 Dec<br>2023<br>'=N=' 000 | 31 Dec<br>2024<br>'=N=' 000 | 31 Dec<br>2023<br>'=N=' 000 |
| Loss allowance on cash and cash equivalents (note 15a)            | 812,403                     | 1,719,249                   | 49,751                      | 517,964                     |
| Write back on financial assets at amortised cost (note 16.1a)     | (2,136,199)                 | -                           | (940,090)                   | -                           |
| Loss allowance on financial assets at amortised cost (note 16.1a) | -                           | 9,018,398                   | -                           | 327,286                     |
| Loss allowance on loans and advances (note 17.1)                  | 98,727                      | (8,227)                     | -                           | -                           |
| Loss allowance on trade receivables (note 18.1)                   | 332,078                     | 7,968,364                   | 500,973                     | 223,665                     |
|   | <b>(892,990)</b>            | <b>18,697,784</b>           | <b>(389,366)</b>            | <b>1,068,915</b>            |
| <b>12a. Impairment categorisation</b>                             |                             |                             |                             |                             |
| Stage 1   | (892,990)                   | 2,061,931                   | (389,366)                   | 801,920                     |
| Stage 2   | -                           | -                           | -                           | -                           |
| Stage 3   | -                           | 16,635,853                  | -                           | 266,995                     |
|   | <b>(892,990)</b>            | <b>18,697,784</b>           | <b>(389,366)</b>            | <b>1,068,915</b>            |

#### 13. Income tax expense

|  |                   |      |                   |      |                   |      |                   |      |
|--|-------------------|------|-------------------|------|-------------------|------|-------------------|------|
| <b>Recognised in the profit or loss</b>  |                   |      |                   |      |                   |      |                   |      |
| Income tax   | 5,065,576         |      | 1,687,791         |      | 1,777,321         |      | 703,422           |      |
| Education tax  | 584,197           |      | 203,013           |      | 202,075           |      | 90,249            |      |
| Information technology tax   | 394,895           |      | 331,294           |      | 193,120           |      | 189,409           |      |
| Police trust fund levy   | 2,378             |      | 1,656             |      | 966               |      | 947               |      |
|  | <b>6,047,046</b>  |      | <b>2,223,754</b>  |      | <b>2,173,482</b>  |      | <b>984,027</b>    |      |
| Deferred tax (credit)/expense (note 25)  | (47,046)          |      | 3,660,780         |      | (122,993)         |      | 2,470,446         |      |
|  | <b>6,000,000</b>  |      | <b>5,884,534</b>  |      | <b>2,050,489</b>  |      | <b>3,454,473</b>  |      |
| <b>13.1 Proof of Tax</b>   |                   |      |                   |      |                   |      |                   |      |
| The income tax expense for the period can be reconciled to the accounting profit as follows: |                   |      |                   |      |                   |      |                   |      |
| <b>Profit before tax from continuing operations</b>  | <b>30,102,843</b> |      | <b>17,304,286</b> |      | <b>19,283,361</b> |      | <b>17,401,885</b> |      |
| Income tax expense calculated at 30% of PBT  | 11,518,310        | 38%  | 6,876,659         | 40%  | 5,785,008         | 30%  | 5,220,566         | 30%  |
| Effect of Income that is exempt from taxation  | (8,206,915)       | -27% | (4,571,898)       | -26% | (4,129,696)       | -21% | (2,227,851)       | -13% |
| Effect of expenses that are not deductible in determining taxable profit                     | 1,835,059         | 6%   | 2,730,724         | 16%  | 8,504             | 0%   | 325,468           | 2%   |
| Effect of capital allowance  | 17,475            | 0%   | -                 | 0%   | -                 | 0%   | -                 | 0%   |
| Effect of tax adjustment   | 589,706           | 2%   | 940,787           | 5%   | 232,407           | 1%   | 190,229           | 1%   |
| Adjustment recognised due to difference in tax rates   | (18,289)          | 0%   | 489,947           | 3%   | (17,983)          | 0%   | 251,215           | 1%   |
| Education tax at 3% of assessable profits  | 612,532           | 2%   | 224,866           | 1%   | 202,075           | 1%   | 90,249            | 1%   |
|  | <b>6,347,878</b>  | 21%  | <b>6,691,086</b>  | 39%  | <b>2,080,315</b>  | 11%  | <b>3,849,877</b>  | 22%  |
| Adjustment recognised in the current period relating to the deferred tax of prior periods    | (347,878)         | -1%  | (806,552)         | -5%  | (29,826)          | 0%   | (395,404)         | -2%  |
|  | <b>6,000,000</b>  | 20%  | <b>5,884,534</b>  | 34%  | <b>2,050,489</b>  | 11%  | <b>3,454,473</b>  | 20%  |
| <b>Recognised in other comprehensive income</b>  |                   |      |                   |      |                   |      |                   |      |
| Deferred tax recognised in other comprehensive income  | 3,307,443         |      | 5,548,686         |      | 163,406           |      | 1,864,589         |      |
|  | <b>3,307,443</b>  |      | <b>5,548,686</b>  |      | <b>163,406</b>    |      | <b>1,864,589</b>  |      |

## ■ Notes to the Consolidated and Separate Financial Statements CONT'D

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 14. Earnings per share

|  | Group<br>31 Dec<br>2024<br>'=N=' 000 | 31 Dec<br>2023<br>'=N=' 000 | Company<br>31 Dec<br>2024<br>'=N=' 000 | 31 Dec<br>2023<br>'=N=' 000 |
|--|--------------------------------------|-----------------------------|--|-----------------------------|
| <b>Basic earnings per share</b>  |                                      |                             |  |                             |
| Basic earnings attributable to shareholders (N'000)  | 24,102,843                           | 11,419,752                  | 17,232,872                             | 13,947,412                  |
| Weighted number of ordinary shares in issue for basic ('000)   | 18,000,000                           | 6,000,000                   | 18,000,000                             | 6,000,000                   |
| Weighted number of ordinary shares in issue on conversion of dilutive shares ('000)                                | 18,000,000                           | 6,000,000                   | 18,000,000                             | 6,000,000                   |
| Basic earnings per share (kobo)  | 134                                  | 190                         | 96                                     | 232                         |
| Diluted earnings per share (kobo)  | 134                                  | 190                         | 96                                     | 232                         |
| There are no dilutive instruments in issue as at the reporting date. Consequently, basic and diluted EPS are same. |                                      |                             |  |                             |

#### 15. Cash and cash equivalents

|   |                    |                    |                   |                   |
|---|--------------------|--------------------|-------------------|-------------------|
| Cash and balances with banks                                    | 48,136,663         | 19,227,401         | 6,162,091         | 899,832           |
| Money market placements   | 291,471,904        | 127,810,762        | 50,802,035        | 12,301,573        |
|   | 339,608,567        | 147,038,163        | 56,964,126        | 13,201,405        |
| Impairment charge   | (2,595,044)        | (1,782,640)        | (567,715)         | (517,964)         |
|   | <b>337,013,523</b> | <b>145,255,523</b> | <b>56,396,411</b> | <b>12,683,441</b> |
| Current   | 337,013,523        | 145,255,523        | 56,396,411        | 12,683,441        |
| Non-current   | -                  | -                  | -                 | -                 |
|   | <b>337,013,523</b> | <b>145,255,523</b> | <b>56,396,411</b> | <b>12,683,441</b> |
| <b>15a. Impairment adjustments on Cash and cash equivalents</b> |                    |                    |                   |                   |
| At 1 January  | 1,782,641          | 63,391             | 517,964           | -                 |
| Arising during the year   | 812,403            | 1,719,249          | 49,751            | 517,964           |
| Closing balance   | <b>2,595,044</b>   | <b>1,782,640</b>   | <b>567,715</b>    | <b>517,964</b>    |

"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. However, impairment charge of N812m has been recognised in 2024.

## ■ Notes to the Consolidated and Separate Financial Statements **CONT'D**

FOR THE YEAR ENDED 31 DECEMBER 2024

|   | Group              |                    | Company           |                   |
|---|--------------------|--------------------|-------------------|-------------------|
|   | 31 Dec<br>2024     | 31 Dec<br>2023     | 31 Dec<br>2024    | 31 Dec<br>2023    |
|   | '=N=' 000          | '=N=' 000          | '=N=' 000         | '=N=' 000         |
| <b>15b. Cash and cash equivalents for cashflow purposes</b> |                    |                    |                   |                   |
| Cash and cash equivalent                                    | 337,013,523        | 145,255,523        | 56,396,411        | 12,683,441        |
| Bank overdraft  | (28,331,768)       | (855,370)          | (2,243,958)       | (2,601)           |
| Closing balance   | <b>308,681,755</b> | <b>144,400,153</b> | <b>54,152,453</b> | <b>12,680,840</b> |

## 16. Investment securities

|   | Group                |                    | Company            |                    |
|---|----------------------|--------------------|--------------------|--------------------|
|   | 31 Dec 2024          | 31 Dec 2023        | 31 Dec 2024        | 31 Dec 2023        |
|   | '=N=' 000            | '=N=' 000          | '=N=' 000          | '=N=' 000          |
| Financial assets measured at amortised cost - (note 16.1)                       | 726,612,491          | 281,960,129        | 149,045,921        | 123,377,070        |
| Financial assets at Fair value through other comprehensive income - (note 16.2) | 144,129,755          | 99,282,580         | 35,701,561         | 24,728,928         |
| Financial assets at Fair value through profit or loss - (note 16.3)             | 262,854,439          | 287,594,098        | 2,795,555          | 1,902,251          |
|   | <b>1,133,596,685</b> | <b>668,836,807</b> | <b>187,543,037</b> | <b>150,008,249</b> |
| Current   | 5,154,868            | 60,481,636         | 3,110,719          | 18,483,031         |
| Non-current   | 1,128,441,817        | 608,355,171        | 184,432,318        | 131,525,218        |
|   | <b>1,133,596,685</b> | <b>668,836,807</b> | <b>187,543,037</b> | <b>150,008,249</b> |

### 16.1 Financial assets measured at amortised cost

|  |                    |                    |                    |                    |
|--|--------------------|--------------------|--------------------|--------------------|
| Investment in long term placement                                  | 246,699,954        | 130,970,479        | 141,286,002        | 111,321,438        |
| Commercial papers  | 4,588,547          | 7,616,006          | -                  | -                  |
| Treasury bills   | 73,749,793         | 2,752,731          | -                  | -                  |
| Eurobonds  | 588,855            | 1,067,558          | 588,855            | 1,067,558          |
| Federal government bonds   | 48,836,630         | 40,531,746         | -                  | 2,063,695          |
| State government bonds   | 18,493,323         | 20,648,069         | 6,460,191          | 9,153,994          |
| Corporate bonds  | 347,952,781        | 94,807,131         | 1,465,545          | 1,465,147          |
|  | <b>740,909,883</b> | <b>298,393,720</b> | <b>149,800,593</b> | <b>125,071,832</b> |
| Loss allowance on financial assets at amortised costs (note 16.1a) | (14,297,392)       | (16,433,591)       | (754,672)          | (1,694,762)        |
|  | <b>726,612,491</b> | <b>281,960,129</b> | <b>149,045,921</b> | <b>123,377,070</b> |

## ■ Notes to the Consolidated and Separate Financial Statements CONT'D

FOR THE YEAR ENDED 31 DECEMBER 2024

|  | Group                    |                          | Company                  |                          |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
|  | 31 Dec 2024<br>'=N=' 000 | 31 Dec 2023<br>'=N=' 000 | 31 Dec 2024<br>'=N=' 000 | 31 Dec 2023<br>'=N=' 000 |
| <b>16.1a Loss allowance on financial assets at amortised costs</b>                             |                          |                          |                          |                          |
| At 1 January   | 16,433,591               | 7,404,773                | 1,694,762                | 1,367,476                |
| <b>Charge during the period:</b>   |                          |                          |                          |                          |
| (Writeback)/allowance on loan to customers   | (2,136,199)              | -                        | (940,090)                | -                        |
| Loss allowance on other financial assets   | -                        | 9,028,818                | -                        | 327,286                  |
| Loss allowance on debt instruments measured at FVTOCI  | -                        | -                        | -                        | -                        |
|  | <b>14,297,392</b>        | <b>16,433,591</b>        | <b>754,672</b>           | <b>1,694,762</b>         |
| <b>16.2 Financial assets measure at fair value through other comprehensive income (FVTOCI)</b> |                          |                          |                          |                          |
| Bonds  | 4,838,006                | 8,221,445                | -                        | -                        |
| Equity- quoted   | 31,282,219               | 20,760,915               | 1,255,808                | 1,255,807                |
| Equity- unquoted   | 3,665,058                | -                        | 3,665,058                | -                        |
| Mutual funds   | 17,349,944               | 9,455,036                | 10,500,724               | 4,827,234                |
|  | 57,135,227               | 38,437,396               | 15,421,590               | 6,083,041                |
| Fair value adjustments (16.2a)   | 86,994,528               | 60,845,184               | 20,279,971               | 18,645,887               |
|  | <b>144,129,755</b>       | <b>99,282,580</b>        | <b>35,701,561</b>        | <b>24,728,928</b>        |
| <b>16.2a Changes in fair value reserve</b>   |                          |                          |                          |                          |
| At 1 January   | 60,845,184               | (9,884)                  | 18,645,887               | 1,181,169                |
| Arising during the year  | 26,149,344               | 60,855,068               | 1,634,084                | 17,464,718               |
| At 31 December   | <b>86,994,528</b>        | <b>60,845,184</b>        | <b>20,279,971</b>        | <b>18,645,887</b>        |
| <b>16.3 Financial asset measured at fair Value Through Profit or Loss (FVTPL)</b>              |                          |                          |                          |                          |
| Quoted equity investment   | 22,813,000               | 4,869,123                | 1,325,659                | 742,028                  |
| Bonds  | -                        | 103,676,567              | -                        | -                        |
| Mutual funds   | 204,745,564              | 157,546,439              | 790,212                  | 514,491                  |
| Equity- unquoted   | 33,168,099               | 20,384,459               | -                        | -                        |
|  | <b>260,726,663</b>       | <b>286,476,588</b>       | <b>2,115,871</b>         | <b>1,256,519</b>         |
| Fair value adjustment (note 16.3a)   | 2,127,776                | 1,117,510                | 679,684                  | 645,732                  |
|  | <b>262,854,439</b>       | <b>287,594,098</b>       | <b>2,795,555</b>         | <b>1,902,251</b>         |
| <b>16.3a Changes in fair value reserve</b>   |                          |                          |                          |                          |
| At 1 January   | (1,117,510)              | (212,098)                | (645,732)                | (136,804)                |
| Arising during the year  | (1,010,266)              | (905,412)                | (33,952)                 | (508,928)                |
| At 31 December   | <b>(2,127,776)</b>       | <b>(1,117,510)</b>       | <b>(679,684)</b>         | <b>(645,732)</b>         |

## ■ Notes to the Consolidated and Separate Financial Statements CONT'D

FOR THE YEAR ENDED 31 DECEMBER 2024

### 17. Loans and Advances

|   | Group                    |                          | Company                  |                          |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
|   | 31 Dec 2024<br>'=N=' 000 | 31 Dec 2023<br>'=N=' 000 | 31 Dec 2024<br>'=N=' 000 | 31 Dec 2023<br>'=N=' 000 |
| Loans to customers                                    | 59,171,476               | 25,198,607               | -                        | -                        |
| Impairment charge                                     | (149,658)                | (50,931)                 | -                        | -                        |
|   | <b>59,021,818</b>        | <b>25,147,676</b>        | -                        | -                        |
| Current   | -                        | 4,131,940                | -                        | -                        |
| Non-Current   | 59,021,818               | 21,015,736               | -                        | -                        |
|   | <b>59,021,818</b>        | <b>25,147,676</b>        | -                        | -                        |
| <b>17.1 Loss allowance on loans and advances</b>      |                          |                          |                          |                          |
| At 1 January  | 50,931                   | 59,158                   | -                        | -                        |
| Loss allowance/(writeback) on loans and advances      | 98,727                   | (8,227)                  | -                        | -                        |
| Loss allowance on debt instruments measured at FVTOCI | -                        | -                        | -                        | -                        |
|   | <b>149,658</b>           | <b>50,931</b>            | -                        | -                        |

### 18. Trade and other receivables

|   |                    |                   |                    |                   |
|---|--------------------|-------------------|--------------------|-------------------|
| Trade debtors                                   | 4,204,873          | 288,248           | 111,779            | 19,554            |
| Prepayments                                     | 1,677,038          | 803,862           | 1,255,067          | 647,619           |
| Accrued income                                  | 2,585,092          | 2,341,636         | 801,866            | 813,685           |
| Other receivables                               | 24,448,351         | 5,670,511         | 9,414,196          | 1,999,044         |
| Due from related parties                        | -                  | -                 | 9,609,363          | 4,389,490         |
| Due from counter-parties                        | 8,505,104          | 8,505,104         | -                  | -                 |
| Withholding tax receivable                      | 4,712,555          | 4,467,195         | 3,706,009          | 3,774,158         |
| Deposit for investment                          | 124,965,347        | 72,904,620        | 124,965,347        | 72,904,620        |
|   | <b>171,098,360</b> | <b>94,981,176</b> | <b>149,863,627</b> | <b>84,548,170</b> |
| Loss allowance on trade receivables (note 17.1) | (9,849,703)        | (9,517,625)       | (1,255,622)        | (754,649)         |
|   | <b>161,248,657</b> | <b>85,463,551</b> | <b>148,608,005</b> | <b>83,793,521</b> |
| Current   | 37,158,329         | 12,558,932        | 19,937,205         | 4,946,952         |
| Non-Current                                     | 124,090,328        | 72,904,619        | 128,670,800        | 78,846,569        |
|   | <b>161,248,657</b> | <b>85,463,551</b> | <b>148,608,005</b> | <b>83,793,521</b> |

## ■ Notes to the Consolidated and Separate Financial Statements CONT'D

FOR THE YEAR ENDED 31 DECEMBER 2024

|   | Group                    |                          | Company                  |                          |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
|   | 31 Dec 2024<br>'=N=' 000 | 31 Dec 2023<br>'=N=' 000 | 31 Dec 2024<br>'=N=' 000 | 31 Dec 2023<br>'=N=' 000 |
| <b>18.1 Loss allowance on trade receivables</b> |                          |                          |                          |                          |
| At 1 January                                    | 9,517,625                | 1,549,261                | 754,649                  | 530,984                  |
| Arising during the period                       | 332,078                  | 7,968,364                | 500,973                  | 223,665                  |
| At 31 December                                  | <b>9,849,703</b>         | <b>9,517,625</b>         | <b>1,255,622</b>         | <b>754,649</b>           |

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

## 19. Dividend receivable from subsidiaries

|                         | Group                    |                          | Company                  |                          |
|-------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
|                         | 31 Dec 2024<br>'=N=' 000 | 31 Dec 2023<br>'=N=' 000 | 31 Dec 2024<br>'=N=' 000 | 31 Dec 2023<br>'=N=' 000 |
| At 1 January            | -                        | -                        | 6,309,000                | 7,218,000                |
| Arising during the year | -                        | -                        | 12,960,000               | 6,309,000                |
| Receipt during the year | -                        | -                        | (10,329,000)             | (7,218,000)              |
|                         | -                        | -                        | <b>8,940,000</b>         | <b>6,309,000</b>         |

## ■ Notes to the Consolidated and Separate Financial Statements CONT'D

FOR THE YEAR ENDED 31 DECEMBER 2024

### 20. Right of use assets

|                                 | Group<br>='N=' 000 | Company<br>='N=' 000 |
|---------------------------------|--------------------|----------------------|
| <b>Cost</b>                     |                    |                      |
| At 1 January 2024               | 381,404            | 381,404              |
| Addition                        | 467,171            | 467,171              |
| <b>As at 31 December 2024</b>   | <b>848,575</b>     | <b>848,575</b>       |
| <b>Accumulated depreciation</b> |                    |                      |
| At 1 January 2024               | 286,712            | 286,712              |
| Charge for the period           | 156,447            | 156,447              |
| <b>As at 31 December 2024</b>   | <b>443,159</b>     | <b>443,159</b>       |
| <b>Carrying amounts</b>         |                    |                      |
| As at 31 December 2024          | <b>405,416</b>     | <b>405,416</b>       |
| <b>At 31 December 2023</b>      | <b>94,692</b>      | <b>94,692</b>        |
| <b>20.1 Right of use assets</b> |                    |                      |
| <b>Cost</b>                     |                    |                      |
| At 1 January 2023               | 354,375            | 354,375              |
| Addition                        | 27,029             | 27,029               |
| <b>As at 31 December 2023</b>   | <b>381,404</b>     | <b>381,404</b>       |
| <b>Accumulated depreciation</b> |                    |                      |
| At 1 January 2023               | 212,431            | 212,431              |
| Charge for the period           | 74,281             | 74,281               |
| <b>As at 31 December 2023</b>   | <b>286,712</b>     | <b>286,712</b>       |
| <b>Carrying amounts</b>         |                    |                      |
| As at 31 December 2023          | <b>94,692</b>      | <b>94,692</b>        |
| <b>At 1 January 2023</b>        | <b>141,944</b>     | <b>141,944</b>       |

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. Depreciation is charged over the period of the lease.

## ■ Notes to the Consolidated and Separate Financial Statements CONT'D

FOR THE YEAR ENDED 31 DECEMBER 2024

### 21. Intangible assets

|                                 | Group<br>'=N=' 000 | Company<br>'=N=' 000 |
|---------------------------------|--------------------|----------------------|
| <b>Cost</b>                     |                    |                      |
| At 1 January 2024               | 383,654            | 322,889              |
| Addition                        | 911,594            | 794,143              |
| <b>As at 31 December 2024</b>   | <b>1,295,248</b>   | <b>1,117,032</b>     |
| <b>Accumulated depreciation</b> |                    |                      |
| At 1 January 2024               | 195,039            | 170,892              |
| Charge for the period           | 144,719            | 134,321              |
| <b>As at 31 December 2024</b>   | <b>339,758</b>     | <b>305,213</b>       |
| <b>Carrying amounts</b>         |                    |                      |
| As at 31 December 2024          | <b>955,490</b>     | <b>811,819</b>       |
| <b>At 31 December 2023</b>      | <b>188,615</b>     | <b>151,997</b>       |
| <b>21.1 Intangible assets</b>   |                    |                      |
| <b>Cost</b>                     |                    |                      |
| At 1 January 2023               | 315,103            | 289,479              |
| Addition                        | 68,551             | 33,410               |
| <b>As at 31 December 2023</b>   | <b>383,654</b>     | <b>322,889</b>       |
| <b>Accumulated depreciation</b> |                    |                      |
| At 1 January 2023               | 135,802            | 119,862              |
| Charge for the period           | 59,237             | 51,030               |
| <b>As at 31 December 2023</b>   | <b>195,039</b>     | <b>170,892</b>       |
| <b>Carrying amounts</b>         |                    |                      |
| As at 31 December 2023          | <b>188,615</b>     | <b>151,997</b>       |
| <b>At 1 January 2023</b>        | <b>179,301</b>     | <b>169,617</b>       |

## ■ Notes to the Consolidated and Separate Financial Statements CONT'D

FOR THE YEAR ENDED 31 DECEMBER 2024

### 22 Investment in subsidiaries

|  | Date of<br>Investment | Holding | Value -2024      | Country          | Value - 2023     |
|--|-----------------------|---------|------------------|------------------|------------------|
| United Capital Securities Limited (UCSL)             | 2006                  | 100%    | 100,000          | Nigeria          | 100,000          |
| United Capital Assets Management Limited (UCAML)     | 2013                  | 100%    | 500,000          | Nigeria          | 500,000          |
| United Capital Trustees Limited (UCTL)               | 2013                  | 100%    | 7,500,000        | Nigeria          | 300,000          |
| UC Plus Advance Limited                              | 2019                  | 100%    | 1,000            | Nigeria          | 1,000            |
| UCEE Microfinance Bank Limited (UCEE MFB)            | 2023                  | 100%    | 1,200,000        | Nigeria          | 200,000          |
| United Capital Assets Management West Africa Limited | 2024                  | 100%    | 454,133          | Cote<br>d'Ivoire | -                |
|  |                       |         | <b>9,755,133</b> |                  | <b>1,101,000</b> |

The Group resolved, by way of ordinary resolution, to increase the share capital of the subsidiaries by way of bonus shares for UCSL, UCAML, and UC Plus. United Capital Trustees Limited and UCEE MFB were recapitalised by way of injection of fresh capital.

#### 22.1 Other information on subsidiaries

- i. United Capital Securities Limited is a dealing member of the Nigerian Exchange Limited (NGX) 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 commenced operations in 2020.
- v. UCEE Microfinance Bank Limited was established in 2022 and obtained her operating licence from the Central Bank of Nigeria (CBN) in 2023 to commence business as a digital Bank under the Microfinance banking licence. The Bank is fully owned by United Capital Plc.
- vi. United Capital Assets Management West Africa Limited, Cote d'Ivoire was established in 2024 to act as investment adviser, funds and portfolio manager. The entity is yet to commence full operations in 2024.

## ■ Notes to the Consolidated and Separate Financial Statements **CONT'D**

FOR THE YEAR ENDED 31 DECEMBER 2024

### 22.2 Non-controlling interest of subsidiaries

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

### 22.3 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.

### 23. Investment in Associates

|                                 | Date of<br>Investment | Holding | Country | 31 Dec 2024<br>=N=' 000 | 31 Dec 2023<br>=N=' 000 |
|---------------------------------|-----------------------|---------|---------|-------------------------|-------------------------|
| Heirs General Insurance Limited | 2020                  | 25%     | Nigeria | 2,500,000               | 2,500,000               |
| Heirs Life Assurance Limited    | 2020                  | 25%     | Nigeria | 2,000,000               | 2,000,000               |
|                                 |                       |         |         | <b>4,500,000</b>        | <b>4,500,000</b>        |

#### 23.1 Other information on Associates

- Heirs General 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.
- 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.

### 23. Investment in Associates

|                                 | Group                    |                          | Company                  |                          |
|---------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
|                                 | 31 Dec 2024<br>'=N=' 000 | 31 Dec 2023<br>'=N=' 000 | 31 Dec 2024<br>'=N=' 000 | 31 Dec 2023<br>'=N=' 000 |
| Heirs General Insurance Limited | 4,998,911                | 3,048,678                | 2,500,000                | 2,500,000                |
| Heirs Life Assurance Limited    | 2,933,883                | 2,257,110                | 2,000,000                | 2,000,000                |
|                                 | <b>7,932,794</b>         | <b>5,305,788</b>         | <b>4,500,000</b>         | <b>4,500,000</b>         |

## ■ Notes to the Consolidated and Separate Financial Statements **CONT'D**

FOR THE YEAR ENDED 31 DECEMBER 2024

### a. Nature of investment in associates

|   | Place of business<br>or country of<br>incorporation | % of ownership<br>interest | Nature of<br>relationship | Measurement<br>method |
|---|---|----------------------------|---------------------------|-----------------------|
| Investment in Heirs General 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 General Insurance Limited and Heirs Life Assurance Limited respectively, companies incorporated and operating in Nigeria (2023: 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.

|  | HEIRS INSURANCE<br>LIMITED<br>31 Dec 2024<br>'=N=' 000 | HEIRS LIFE<br>ASSURANCE LIMITED<br>31 Dec 2024<br>'=N=' 000 | HEIRS INSURANCE<br>LIMITED<br>31 Dec 2023<br>'=N=' 000 | HEIRS LIFE<br>ASSURANCE LIMITED<br>31 Dec 2023<br>'=N=' 000 |
|--|--|---|--|---|
|--|--|---|--|---|

#### i. Summarised balance sheet

##### Assets

|                             |                   |                   |                   |                   |
|-----------------------------|-------------------|-------------------|-------------------|-------------------|
| Cash and cash Equivalents   | 1,705,407         | 838,017           | 1,469,395         | 1,707,586         |
| Financial assets            | 16,574,796        | 61,972,641        | 11,285,638        | 33,273,641        |
| Insurance contract assets   | -                 | 61,037            | 770,911           | -                 |
| Reinsurance contract assets | 2,728,752         | 522,458           | 2,556,773         | -                 |
| Receivables and prepayments | 3,119,399         | 397,043           | 1,335,474         | 667,783           |
| Right-of-use asset          | 699,729           | 526,980           | 599,392           | 633,650           |
| Property and equipment      | 319,838           | 614,241           | 473,745           | 333,420           |
| Intangible asset            | 190,221           | 178,913           | 291,939           | 267,815           |
| Statutory deposit           | 1,000,000         | 800,000           | 1,000,000         | 800,000           |
| <b>Total assets</b>         | <b>26,338,142</b> | <b>65,911,330</b> | <b>19,783,267</b> | <b>37,683,895</b> |

##### Liabilities

|                                  |                   |                   |                   |                   |
|----------------------------------|-------------------|-------------------|-------------------|-------------------|
| Insurance contract liabilities   | 4,505,888         | 42,426,391        | 5,825,250         | 26,633,849        |
| Reinsurance contract liabilities | -                 | 82,047            | 867,644           | -                 |
| Other liabilities                | 1,836,611         | 11,667,358        | 895,662           | 2,021,607         |
| <b>Total liabilities</b>         | <b>6,342,499</b>  | <b>54,175,796</b> | <b>7,588,556</b>  | <b>28,655,456</b> |
| <b>Total equity</b>              | <b>19,995,643</b> | <b>11,735,534</b> | <b>12,194,711</b> | <b>9,028,439</b>  |

## ■ Notes to the Consolidated and Separate Financial Statements CONT'D

FOR THE YEAR ENDED 31 DECEMBER 2024

|  | HEIRS INSURANCE<br>LIMITED<br>31 Dec 2024<br>'=N=' 000 | HEIRS LIFE<br>ASSURANCE LIMITED<br>31 Dec 2024<br>'=N=' 000 | HEIRS INSURANCE<br>LIMITED<br>31 Dec 2023<br>'=N=' 000 | HEIRS LIFE<br>ASSURANCE LIMITED<br>31 Dec 2023<br>'=N=' 000 |
|--|--|---|--|---|
| <b>ii. Summarised statement of profit or loss and other comprehensive income</b> |  |   |  |   |
| Net insurance service result   | 429,925  | 3,588,739   | (427,556)  | (1,175,871)   |
| Investment return  | 1,852,981  | 7,952,703   | 1,213,101  | 2,907,211   |
| <b>Net Insurance and Investment Result</b>                                       | <b>2,282,906</b>                                       | <b>11,541,442</b>   | <b>785,545</b>   | <b>1,731,340</b>  |
| Other income   | 4,397,938  | 531,237   | 2,974,874  | 364,587   |
| Operating expense  | (947,675)  | (9,429,890)   | (1,323,384)  | (611,696)   |
| <b>Profit before tax</b>   | <b>5,733,169</b>                                       | <b>2,642,789</b>  | <b>2,437,035</b>                                       | <b>1,484,231</b>  |
| Income tax expense   | (57,618)   | (343,563)   | (316,815)  | (192,950)   |
| <b>Profit after tax</b>  | <b>5,675,551</b>                                       | <b>2,299,226</b>  | <b>2,120,220</b>                                       | <b>1,291,281</b>  |
| Other comprehensive income   | -  | -   | -  | -   |
| Total comprehensive income   | 5,675,551  | 2,299,226   | 2,120,220  | 1,291,281   |
| Adjustment to associates' prior year profit/loss after tax                       | 2,125,380  | 407,864   | 98,398   | (745,529)   |
| Total comprehensive income   | 7,800,931  | 2,707,090   | 2,218,618  | 545,752   |

### c. Movement in investment in associates

|                                | 31 Dec 2024<br>'=N=' 000 | 31 Dec 2023<br>'=N=' 000 |
|--------------------------------|--------------------------|--------------------------|
| <b>Group</b>                   |                          |                          |
| Balance at 1 January           | 5,305,788                | 4,614,694                |
| Share of current period profit | 2,627,006                | 691,094                  |
| Balance as at 31 December      | <u>7,932,794</u>         | <u>5,305,788</u>         |

## ■ Notes to the Consolidated and Separate Financial Statements CONT'D

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 24.1 (i) Group

| PROPERTY AND EQUIPMENT          | Leasehold Improvements<br>'=N=' 000 | Land on Building<br>'=N=' 000 | Furniture, fittings & equipment<br>'=N=' 000 | Motor vehicles<br>'=N=' 000 | Computer Equipment<br>'=N=' 000 | Total<br>'=N=' 000 |
|---------------------------------|-------------------------------------|-------------------------------|--|-----------------------------|---------------------------------|--------------------|
| <b>Cost</b>                     |                                     |                               |  |                             |                                 |                    |
| At 1 January 2024               | 258,059                             | 284,383                       | 304,854                                      | 826,120                     | 1,004,850                       | 2,678,266          |
| Additions                       | -                                   | 21,963                        | 169,733                                      | 366,460                     | 214,163                         | 772,320            |
| Disposals                       | -                                   | -                             | (41,070)                                     | (166,925)                   | (12,276)                        | (220,271)          |
| <b>As at 31 December 2024</b>   | <b>258,059</b>                      | <b>306,346</b>                | <b>433,517</b>                               | <b>1,025,655</b>            | <b>1,206,738</b>                | <b>3,230,315</b>   |
| <b>Accumulated depreciation</b> |                                     |                               |  |                             |                                 |                    |
| At 1 January 2024               | 203,479                             | 6,517                         | 151,492                                      | 727,594                     | 335,700                         | 1,424,782          |
| Charge for the year             | 54,580                              | 7,473                         | 51,833                                       | 69,292                      | 180,565                         | 363,743            |
| Disposals                       | -                                   | -                             | (7,646)                                      | (79,641)                    | (176)                           | (87,463)           |
| <b>As at 31 December 2024</b>   | <b>258,059</b>                      | <b>13,990</b>                 | <b>195,679</b>                               | <b>717,245</b>              | <b>516,089</b>                  | <b>1,701,062</b>   |
| <b>Carrying amounts</b>         |                                     |                               |  |                             |                                 |                    |
| As at 31 December 2024          | -                                   | <b>292,356</b>                | <b>237,838</b>                               | <b>308,410</b>              | <b>690,649</b>                  | <b>1,529,253</b>   |
| At 31 December 2023             | <b>54,580</b>                       | <b>277,865</b>                | <b>153,363</b>                               | <b>98,526</b>               | <b>669,150</b>                  | <b>1,253,484</b>   |

#### 24.1 (ii) Company

|                                 |                |                |                |                |                  |                  |
|---------------------------------|----------------|----------------|----------------|----------------|------------------|------------------|
| <b>Cost</b>                     |                |                |                |                |                  |                  |
| At 1 January 2024               | 258,059        | 284,383        | 262,632        | 497,837        | 909,456          | 2,212,367        |
| Additions                       | -              | 21,963         | 13,914         | 85,000         | 123,733          | 244,610          |
| Disposals                       | -              | -              | (41,071)       | -              | (12,276)         | (53,347)         |
| <b>As at 31 December 2024</b>   | <b>258,059</b> | <b>306,346</b> | <b>235,475</b> | <b>582,837</b> | <b>1,020,913</b> | <b>2,403,630</b> |
| <b>Accumulated depreciation</b> |                |                |                |                |                  |                  |
| At 1 January 2024               | 203,479        | 6,517          | 114,239        | 463,465        | 256,079          | 1,043,779        |
| Charged for the year            | 54,580         | 7,473          | 43,702         | 29,584         | 172,043          | 307,382          |
| Disposals                       | -              | -              | (7,646)        | -              | (369)            | (8,015)          |
| <b>As at 31 December 2024</b>   | <b>258,059</b> | <b>13,990</b>  | <b>150,295</b> | <b>493,049</b> | <b>427,753</b>   | <b>1,343,146</b> |
| <b>Carrying amounts</b>         |                |                |                |                |                  |                  |
| As at 31 December 2024          | -              | <b>292,356</b> | <b>85,180</b>  | <b>89,788</b>  | <b>593,160</b>   | <b>1,060,484</b> |
| At 1 January 2023               | <b>54,580</b>  | <b>277,865</b> | <b>148,393</b> | <b>34,372</b>  | <b>653,378</b>   | <b>1,168,588</b> |

All property and equipment items are non-current

## ■ Notes to the Consolidated and Separate Financial Statements CONT'D

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 24.2 (i) Group

| PROPERTY AND EQUIPMENT          | Leasehold Improvements<br>'=N=' 000 | Land on Building<br>'=N=' 000 | Furniture, fittings & equipment<br>'=N=' 000 | Motor vehicles<br>'=N=' 000 | Computer Equipment<br>'=N=' 000 | Total<br>'=N=' 000 |
|---------------------------------|-------------------------------------|-------------------------------|--|-----------------------------|---------------------------------|--------------------|
| <b>Cost</b>                     |                                     |                               |  |                             |                                 |                    |
| At 1 January 2023               | 258,059                             | -                             | 181,599                                      | 755,320                     | 305,511                         | 1,500,489          |
| Additions                       | -                                   | 284,383                       | 123,255                                      | 70,800                      | 699,741                         | 1,178,179          |
| Disposals                       | -                                   | -                             | -  | -                           | (402)                           | ((402)             |
| <b>As at 31 December 2023</b>   | <b>258,059</b>                      | <b>284,383</b>                | <b>304,854</b>                               | <b>826,120</b>              | <b>1,004,850</b>                | <b>2,678,266</b>   |
| <b>Accumulated depreciation</b> |                                     |                               |  |                             |                                 |                    |
| At 1 January 2023               | 149,201                             | -                             | 99,893                                       | 657,275                     | 207,564                         | 1,113,933          |
| Charge for the year             | 54,278                              | 6,517                         | 51,599                                       | 70,319                      | 128,538                         | 311,251            |
| Disposals                       | -                                   | -                             | -  | -                           | (402)                           | (402)              |
| <b>As at 31 December 2023</b>   | <b>203,479</b>                      | <b>6,517</b>                  | <b>151,492</b>                               | <b>727,594</b>              | <b>335,700</b>                  | <b>1,424,782</b>   |
| <b>Carrying amounts</b>         |                                     |                               |  |                             |                                 |                    |
| As at 31 December 2023          | <b>54,580</b>                       | <b>277,866</b>                | <b>153,362</b>                               | <b>98,526</b>               | <b>669,150</b>                  | <b>1,253,484</b>   |
| At 1 January 2023               | <b>108,858</b>                      | <b>-</b>                      | <b>81,706</b>                                | <b>98,045</b>               | <b>97,947</b>                   | <b>386,556</b>     |

#### 24.2 (ii) Company

|                                 |                |                |                |                |                |                  |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|------------------|
| <b>Cost</b>                     |                |                |                |                |                |                  |
| At 1 January 2023               | 258,059        | -              | 140,006        | 497,837        | 221,018        | 1,116,920        |
| Additions                       | -              | 284,383        | 122,626        | -              | 688,840        | 1,095,849        |
| Disposals                       | -              | -              | -              | -              | (402)          | (402)            |
| <b>As at 31 December 2023</b>   | <b>258,059</b> | <b>284,383</b> | <b>262,632</b> | <b>497,837</b> | <b>909,456</b> | <b>2,212,367</b> |
| <b>Accumulated depreciation</b> |                |                |                |                |                |                  |
| At 1 January 2023               | 149,201        | -              | 67,022         | 425,201        | 131,621        | 773,045          |
| Charged for the year            | 54,278         | 6,517          | 47,217         | 38,264         | 124,860        | 271,136          |
| Disposals                       | -              | -              | -              | -              | (402)          | (402)            |
| <b>As at 31 December 2023</b>   | <b>203,479</b> | <b>6,517</b>   | <b>114,239</b> | <b>463,465</b> | <b>256,079</b> | <b>1,043,779</b> |
| <b>Carrying amounts</b>         |                |                |                |                |                |                  |
| As at 31 December 2023          | <b>54,580</b>  | <b>277,865</b> | <b>148,393</b> | <b>34,372</b>  | <b>653,378</b> | <b>1,168,588</b> |
| At 1 January 2023               | <b>108,858</b> | <b>-</b>       | <b>72,984</b>  | <b>72,636</b>  | <b>89,397</b>  | <b>343,875</b>   |

## ■ Notes to the Consolidated and Separate Financial Statements CONT'D

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 25. Deferred tax - (Asset)

|  | Group             |                  | Company          |                  |
|--|-------------------|------------------|------------------|------------------|
|  | 31 Dec<br>2024    | 31 Dec<br>2023   | 31 Dec<br>2024   | 31 Dec<br>2023   |
|  | '=N=' 000         | '=N=' 000        | '=N=' 000        | '=N=' 000        |
| <b>Deferred tax assets:</b>                                  |                   |                  |                  |                  |
| 1 January  | 402,044           | 1,238,493        | -                | -                |
| (Reversal)/charge for the period                             | (402,044)         | (836,449)        | -                | -                |
|  | -                 | <b>402,044</b>   | -                | -                |
| <hr/>  |                   |                  |                  |                  |
| Deferred tax asset recoverable within 12 months              | -                 | -                | -                | -                |
| Deferred tax asset recoverable after 12 months               | -                 | 402,044          | -                | -                |
|  | -                 | <b>402,044</b>   | -                | -                |
| <hr/>  |                   |                  |                  |                  |
| <b>The break down of deferred tax assets are as follows:</b> |                   |                  |                  |                  |
| Property and equipment                                       | -                 | (3,313)          | -                | -                |
| Exchange difference  | -                 | (87,046)         | -                | -                |
| Unutilised tax credit  | -                 | -                | -                | -                |
| Losses   | -                 | 1,153,448        | -                | -                |
| Fair value adjustments OCI                                   | -                 | (1,030,955)      | -                | -                |
| Fair value adjustments - p or l                              | -                 | -                | -                | -                |
| Provisions   | -                 | 369,910          | -                | -                |
|  | -                 | <b>402,044</b>   | -                | -                |
| <hr/>  |                   |                  |                  |                  |
| <b>Deferred tax liabilities:</b>                             |                   |                  |                  |                  |
| 1 January  | 9,206,051         | 833,034          | 5,122,483        | 787,448          |
| Charge for the period  | 2,858,353         | 8,373,017        | 40,413           | 4,335,035        |
| <b>Total</b>   | <b>12,064,404</b> | <b>9,206,051</b> | <b>5,162,896</b> | <b>5,122,483</b> |
| <hr/>  |                   |                  |                  |                  |
| Deferred tax liabilities recoverable within 12 months        | 2,233,506         | 1,798,732        | 272,314          | 165,305          |
| Deferred tax liabilities recoverable after 12 months         | 9,830,898         | 7,407,319        | 4,890,582        | 4,957,178        |
|  | <b>12,064,404</b> | <b>9,206,051</b> | <b>5,162,896</b> | <b>5,122,483</b> |
| <hr/>  |                   |                  |                  |                  |
| <b>The break down of deferred tax assets are as follows:</b> |                   |                  |                  |                  |
| Property and equipment                                       | 371,809           | 180,383          | 272,314          | 165,305          |
| Exchange difference  | 7,341,670         | 7,401,914        | 2,597,573        | 2,879,497        |
| Unutilised tax credit  | (1,939)           | -                | -                | -                |
| Losses   | (1,885,880)       | (213,419)        | -                | -                |
| Fair value adjustments - OCI                                 | 9,080,429         | 4,194,989        | 2,252,294        | 2,077,681        |
| Fair value adjustments - Profit or Loss                      | 952,609           | -                | -                | -                |
| IFRS 16 Leases   | 133,787           | -                | 133,787          | -                |
| Provisions   | (3,928,081)       | (2,357,816)      | (93,072)         | -                |
|  | <b>12,064,404</b> | <b>9,206,051</b> | <b>5,162,896</b> | <b>5,122,483</b> |
| <hr/>  |                   |                  |                  |                  |

## ■ Notes to the Consolidated and Separate Financial Statements CONT'D

FOR THE YEAR ENDED 31 DECEMBER 2024

|  | 1 Jan<br>2024<br>='N=' 000 | Recognised<br>in P&L<br>='N=' 000 | Recognised<br>in OCI<br>='N=' 000 | Company<br>31 Dec<br>2024<br>='N=' 000 |
|--|----------------------------|-----------------------------------|-----------------------------------|--|
| <b>Parent - Deferred tax liabilities</b> |                            |                                   |                                   |  |
| Property and equipment                   | 165,305                    | 107,009                           | -                                 | 272,314                                |
| Exchange difference                      | 2,879,497                  | (281,924)                         | -                                 | 2,597,573                              |
| Unutilised tax credit                    | -                          | -                                 | -                                 | -                                      |
| Fair value adjustments - OCI             | 2,077,681                  | 11,207                            | 163,407                           | 2,252,294                              |
| Fair value adjustments - Profit or Loss  | -                          | -                                 | -                                 | -                                      |
| IFRS 16 Leases                           | -                          | 133,787                           | -                                 | 133,787                                |
| Provisions                               | -                          | (93,072)                          | -                                 | (93,072)                               |
|  | <b>5,122,483</b>           | <b>(122,993)</b>                  | <b>163,407</b>                    | <b>5,162,896</b>                       |
| <b>Group - Deferred tax asset</b>        |                            |                                   |                                   |  |
| Property and equipment                   | 180,383                    | 191,426                           | -                                 | 371,809                                |
| Exchange difference                      | 7,401,914                  | (60,244)                          | -                                 | 7,341,670                              |
| Unutilised tax credit                    | -                          | (1,939)                           | -                                 | (1,939)                                |
| Losses                                   | (213,419)                  | (1,672,461)                       | -                                 | (1,885,880)                            |
| Fair value adjustments - OCI             | 4,194,989                  | 547,041                           | 4,338,398                         | 9,080,429                              |
| Fair value adjustments - Profit or Loss  | -                          | 952,609                           | -                                 | 952,609                                |
| IFRS 16 Leases                           | -                          | 133,787                           | -                                 | 133,787                                |
| Provisions                               | (2,357,816)                | (1,570,265)                       | -                                 | (3,928,081)                            |
|  | <b>9,206,051</b>           | <b>(1,480,046)</b>                | <b>4,338,398</b>                  | <b>12,064,404</b>                      |
| <b>Group - Deferred tax asset</b>        |                            |                                   |                                   |  |
| Property and equipment                   | (3,313)                    | 3,313                             | -                                 | -                                      |
| Exchange difference                      | (87,046)                   | 87,046                            | -                                 | -                                      |
| Unutilised tax credit                    | -                          | -                                 | -                                 | -                                      |
| Losses                                   | 1,153,448                  | (1,153,448)                       | -                                 | -                                      |
| Fair value adjustments - OCI             | (1,030,955)                | -                                 | 1,030,955                         | -                                      |
| Fair value adjustments - Profit or Loss  | -                          | -                                 | -                                 | -                                      |
| Provisions                               | 369,910                    | (369,910)                         | -                                 | -                                      |
|  | <b>402,044</b>             | <b>(1,432,999)</b>                | <b>1,030,955</b>                  | <b>-</b>                               |

## ■ Notes to the Consolidated and Separate Financial Statements **CONT'D**

FOR THE YEAR ENDED 31 DECEMBER 2024

### 26. Managed Funds

|                           | Group              |                    | Company        |                |
|---------------------------|--------------------|--------------------|----------------|----------------|
|                           | 31 Dec<br>2024     | 31 Dec<br>2023     | 31 Dec<br>2024 | 31 Dec<br>2023 |
|                           | '=N=' 000          | '=N=' 000          | '=N=' 000      | '=N=' 000      |
| Short term investments    | 411,578,279        | 304,924,698        | -              | -              |
| Customers deposits        | 107,092            | -                  | -              | -              |
| Wealth management funds   | 244,652,220        | 171,001,966        | -              | -              |
| Trust funds               | 170,650,585        | 106,291,933        | -              | -              |
| Sinking Funds             | 18,497,647         | 16,864,039         | -              | -              |
| Payable on trust accounts | 1,114,605          | 1,023,581          | -              | -              |
|                           | <b>846,600,428</b> | <b>600,106,217</b> | -              | -              |
| Current                   | 785,844,914        | 530,640,338        | -              | -              |
| Non-current               | 60,755,514         | 69,465,879         | -              | -              |
|                           | <b>846,600,428</b> | <b>600,106,217</b> | -              | -              |

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.

### 27. Borrowed funds

|   |                    |                    |                    |                    |
|---|--------------------|--------------------|--------------------|--------------------|
| Borrowing from banks and other financial institutions | 364,178,861        | 161,754,081        | 312,905,179        | 160,916,391        |
| Bank overdraft  | 28,331,768         | 855,370            | 2,243,958          | 2,601              |
| Issued debt - Bonds                                   | 13,550,201         | 17,234,798         | 13,550,201         | 17,234,798         |
| Commercial papers                                     | -                  | 20,978,719         | -                  | 20,978,719         |
|   | <b>406,060,830</b> | <b>200,822,968</b> | <b>328,699,338</b> | <b>199,132,509</b> |
| Current   | 29,724,902         | 6,600,303          | 6,760,691          | 5,747,533          |
| Non-current   | 376,335,928        | 194,222,665        | 321,938,647        | 193,384,976        |
|   | <b>406,060,830</b> | <b>200,822,968</b> | <b>328,699,338</b> | <b>199,132,509</b> |

**Borrowing from bank** - Loans from commercial bank represent different facilities with interest rates indexed to money market conditions for a period of ten (10) years maturing in 2030. The loans are collateralised by negative pledge. The Group also obtained revolving loans from other banks for working capital requirements.

**Issued debt (Bond)** - In 2020, the Company successfully issued its first bond of N10b out of its N30b bond issuance programme. the debt is an unsecured, amortising subordinate 5 year bond instrument. In September 2022 the series 2

## ■ Notes to the Consolidated and Separate Financial Statements **CONT'D**

### FOR THE YEAR ENDED 31 DECEMBER 2024

bond of N11.73b was issued. The series 2 bond is a bullet payment bond of 7 years instrument. The Company has not had any default in payment of principal and interests.

**Commercial papers (CPs)** - In 2023, the Company issued several series of CPs. Some of which matured in the same period except for series 2, 3, 5 and 6 which matured in 2024. The Company has fully paid down on the CPs.

#### 28. Other liabilities

|                           | Group              |                   | Company           |                   |
|---------------------------|--------------------|-------------------|-------------------|-------------------|
|                           | 31 Dec<br>2024     | 31 Dec<br>2023    | 31 Dec<br>2024    | 31 Dec<br>2023    |
|                           | '=N=' 000          | '=N=' 000         | '=N=' 000         | '=N=' 000         |
| Creditors and accruals    | 244,994,528        | 5,863,298         | 2,679,624         | 1,818,137         |
| Due to related parties    | 1,640,305          | -                 | 10,764,732        | 1,275,432         |
| Customers deposit         | 23,377,231         | 8,340,838         | -                 | -                 |
| Due to counter-parties    | 18,587,146         | 12,055,021        | 18,521,501        | 12,055,021        |
| Other current liabilities | 7,470,175          | 1,523,789         | -                 | -                 |
|                           | <b>296,069,385</b> | <b>27,782,946</b> | <b>31,965,857</b> | <b>15,148,590</b> |
| Current                   | 296,069,385        | 27,782,946        | 31,965,857        | 15,148,590        |
| Non-current               | -                  | -                 | -                 | -                 |
|                           | <b>296,069,385</b> | <b>27,782,946</b> | <b>31,965,857</b> | <b>15,148,590</b> |

#### 29. Defined benefit obligation

|                            |                |                |                |                |
|----------------------------|----------------|----------------|----------------|----------------|
| Opening                    | 365,768        | -              | 253,246        | -              |
| Recognised during the year | 196,408        | 365,768        | 125,691        | 253,246        |
| Benefits paid              | (64,201)       | -              | (31,543)       | -              |
| Remeasurement              | (103,976)      | -              | (65,359)       | -              |
|                            | <b>393,999</b> | <b>365,768</b> | <b>282,035</b> | <b>253,246</b> |
| Current                    | -              | 196,408        | -              | 139,110        |
| Non-current                | 393,999        | 169,360        | 282,035        | 114,136        |
|                            | <b>393,999</b> | <b>365,768</b> | <b>282,035</b> | <b>253,246</b> |

#### 29.1 Expense recognised in statement of profit or loss

|  |                |                |                |                |
|--|----------------|----------------|----------------|----------------|
| Current service cost                                     | 145,308        | 365,768        | 89,779         | 253,246        |
| Interest cost on obligation                              | 51,100         | -              | 35,912         | -              |
| Total expense recognised in profit and loss (see note 9) | <b>196,408</b> | <b>365,768</b> | <b>125,691</b> | <b>253,246</b> |

## ■ Notes to the Consolidated and Separate Financial Statements **CONT'D**

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 29.2 Defined Benefit obligation measurement

The Group operates a long service award scheme, and the actuarial valuation was carried out by EY consulting (The consulting Actuary was Miller Kingsley (FNAS, FSA) - FRC/2013/PRO/NAS/004/00000002392) and the outcome of the actuarial valuation has been recognised in the books of the Group as highlighted in note 28 above.

The Group conducted a valuation for the year under review. the valuation was carried out by EY.

The long service award is designed to reward employees who have served for periods covering 5 years and subsequent 5 years following the initial 5 years of service rendered. For the first 5 years the amount payable is 2 monthly salary for pioneer staff and 1.5 monthly salary for non-pioneer staff. Subsequent 5 year is 2.5 monthly salary for all categories of staff.

The following assumptions have been made in arriving at the defined benefit obligations recognised in the consolidated and separate financial statements.

- ▶ \* Inflation rate of 16% per annum,
- ▶ \* Discount rate of 20% per annum,
- ▶ \* Salary increase rate of 16.5% per annum.

In line with IAS 19, the Projected Unit Credit (PUC) method has been adopted to establish the value of accrued liabilities. In calculating the liabilities, the method;

- a. Recognised the Group's service rendered by each member of staff at the review date.
- b. Anticipates that benefits will increase between the review date and each future milestone.
- c. Discounts the expected benefit payments to the review date.

The emerging total value (for each individual) is described by IAS 19 as the defined benefit obligation.

#### 29.3 Sensitivity analysis on defined benefit obligation

|                             |                          | 31 Dec<br>2024<br>'=N=' 000 | 31 Dec<br>2023<br>'=N=' 000 | 31 Dec<br>2024<br>'=N=' 000 | 31 Dec<br>2023<br>'=N=' 000 |
|-----------------------------|--------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>Base</b>                 |                          | 393,999                     | 365,768                     | 282,035                     | 253,246                     |
| <b>Discount Rate</b>        | +1%                      | 397,939                     | 454,730                     | 284,856                     | 255,779                     |
|                             | -1%                      | 390,059                     | 388,044                     | 279,215                     | 250,714                     |
| <b>Salary increase rate</b> | +1%                      | 401,879                     | 389,626                     | 287,676                     | 258,311                     |
|                             | -1%                      | 389,981                     | 343,974                     | 279,159                     | 250,663                     |
| <b>Mortality experience</b> | Age rated up by 1 Year   | 403,849                     | 364,591                     | 289,086                     | 259,577                     |
|                             | Age rated down by 1 Year | 387,991                     | 366,827                     | 277,734                     | 249,384                     |

## ■ Notes to the Consolidated and Separate Financial Statements **CONT'D**

FOR THE YEAR ENDED 31 DECEMBER 2024

### 30. Current tax liabilities

|                            | Group            |                  | Company          |                  |
|----------------------------|------------------|------------------|------------------|------------------|
|                            | 31 Dec<br>2024   | 31 Dec<br>2023   | 31 Dec<br>2024   | 31 Dec<br>2023   |
|                            | '=N=' 000        | '=N=' 000        | '=N=' 000        | '=N=' 000        |
| At 1 January               | 2,950,805        | 5,292,648        | 1,435,398        | 1,902,059        |
| Charge for the period      | 6,047,046        | 2,223,754        | 2,173,482        | 984,027          |
| WHT credit note settlement | (1,212,555)      | (1,763,342)      | (820,624)        | (1,185,848)      |
| Cash settlement            | (773,972)        | (2,802,255)      | (279,232)        | (264,840)        |
| <b>Closing Balance</b>     | <b>7,011,324</b> | <b>2,950,805</b> | <b>2,509,024</b> | <b>1,435,398</b> |

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.

### 31. Share Capital

|   | Group            |                  | Company          |                  |
|---|------------------|------------------|------------------|------------------|
|   | 31 Dec<br>2024   | 31 Dec<br>2023   | 31 Dec<br>2024   | 31 Dec<br>2023   |
|   | '=N=' 000        | '=N=' 000        | '=N=' 000        | '=N=' 000        |
| The share capital comprises:  |                  |                  |                  |                  |
| <b>i. Authorised -</b>  |                  |                  |                  |                  |
| 18,000,000,000 ordinary share capital   |                  |                  |                  |                  |
| At 1 January  | 3,000,000        | 3,000,000        | 3,000,000        | 3,000,000        |
| Addition during the year  | 6,000,000        | -                | 6,000,000        | -                |
| Ordinary shares of 18,000,000,000 units<br>(2023: 6,000,000,000 units) of NO.5 each | <b>9,000,000</b> | <b>3,000,000</b> | <b>9,000,000</b> | <b>6,000,000</b> |
| <b>ii. Issued and fully paid -</b>  |                  |                  |                  |                  |
| 18,000,000,000 ordinary share capital   |                  |                  |                  |                  |
| At 1 January  | 3,000,000        | 3,000,000        | 3,000,000        | 3,000,000        |
| Addition during the year  | 6,000,000        | -                | 6,000,000        | -                |
| Ordinary shares of 18,000,000,000 units<br>(2023: 6,000,000,000 units) of NO.5 each | <b>9,000,000</b> | <b>3,000,000</b> | <b>9,000,000</b> | <b>6,000,000</b> |

### 32. Share Premium

|                           |                |                |                |                |
|---------------------------|----------------|----------------|----------------|----------------|
| At 1 January              | 683,611        | 683,611        | 683,611        | 683,611        |
| Addition during the year  | (168,370)      | -              | (168,370)      | -              |
| Recapitalisation expenses | <b>515,241</b> | <b>683,611</b> | <b>515,241</b> | <b>683,611</b> |

## ■ Notes to the Consolidated and Separate Financial Statements CONT'D

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 33. Retained Earnings

|   | Group             |                   | Company           |                   |
|---|-------------------|-------------------|-------------------|-------------------|
|   | 31 Dec<br>2024    | 31 Dec<br>2023    | 31 Dec<br>2024    | 31 Dec<br>2023    |
|   | '=N=' 000         | '=N=' 000         | '=N=' 000         | '=N=' 000         |
| At 1 January  | 31,733,315        | 29,313,563        | 18,253,353        | 13,305,941        |
| Transfer from statement of profit or loss                               | 24,102,843        | 11,419,752        | 17,232,872        | 13,947,412        |
| Bonus shares issued   | (6,000,000)       | -                 | (6,000,000)       | -                 |
| Recapitalisation expenses   | (322,357)         | -                 | -                 | -                 |
| Reclassification of fair value gain on disposed items measured at FVOCI | 6,417,765         | -                 | 6,417,765         | -                 |
| Dividend paid during the period (2023: N1.80k)                          | (16,200,000)      | (9,000,000)       | (16,200,000)      | (9,000,000)       |
|   | <b>39,731,566</b> | <b>31,733,315</b> | <b>19,703,990</b> | <b>18,253,353</b> |

#### 34. Regulatory Risk Reserve

|   |              |          |          |          |
|---|--------------|----------|----------|----------|
| At 1 January                              | 7,006        | -        | -        | -        |
| Transfer from statement of profit or loss | (1,343)      | -        | -        | -        |
|   | <b>5,663</b> | <b>-</b> | <b>-</b> | <b>-</b> |

In line with the provision of CBN guideline, UCEE Microfinance Bank has recognised a regulatory risk reserve of N5.66m during the year.

#### 35. Fair Value Reserves

|  | Group             |                   | Company           |                   |
|--|-------------------|-------------------|-------------------|-------------------|
|  | 31 Dec<br>2024    | 31 Dec<br>2023    | 31 Dec<br>2024    | 31 Dec<br>2023    |
|  | '=N=' 000         | '=N=' 000         | '=N=' 000         | '=N=' 000         |
| At 1 January   | 60,845,184        | (9,884)           | 18,645,887        | 1,181,169         |
| <b>Arising during the period:</b>  |                   |                   |                   |                   |
| Fair valuation on items that will not be subsequently reclassified to profit or loss (note 33.1) | 32,567,109        | 60,340,949        | 8,051,849         | 17,464,718        |
| Reclassification of fair value gain on disposed items measured at FVOCI                          | (6,417,765)       | -                 | (6,417,765)       | -                 |
| Fair valuation on items that will be subsequently reclassified to profit or loss (note 33.2)     | 459,735           | 514,119           | -                 | -                 |
|  | <b>87,454,263</b> | <b>60,845,184</b> | <b>20,279,971</b> | <b>18,645,887</b> |

## ■ Notes to the Consolidated and Separate Financial Statements **CONT'D**

FOR THE YEAR ENDED 31 DECEMBER 2024

### 35.1 Fair valuation on items that will not be subsequently reclassified to profit or loss

|  | Group             |                   | Company          |                   |
|--|-------------------|-------------------|------------------|-------------------|
|  | 31 Dec<br>2024    | 31 Dec<br>2023    | 31 Dec<br>2024   | 31 Dec<br>2023    |
|  | '=N=' 000         | '=N=' 000         | '=N=' 000        | '=N=' 000         |
| Fair valuation on items that will not be subsequently reclassified to profit or loss | 32,567,109        | 60,340,949        | 8,051,849        | 17,464,718        |
| Net fair value gain on investments in unquoted equity instruments measured at FVTOCI | -                 | -                 | -                | -                 |
|  | <b>32,567,109</b> | <b>60,340,949</b> | <b>8,051,849</b> | <b>17,464,718</b> |

### 35.2 Fair valuation on items that may be subsequently reclassified to profit or loss

|  |                |                |          |          |
|--|----------------|----------------|----------|----------|
| Net fair value gain(loss) on investments in debt instruments measured at FVTOCI      | -              | -              | -        | -        |
| Net fair value gain on investments in other financial instruments measured at FVTOCI | 459,735        | 514,119        | -        | -        |
| Deferred tax   | -              | -              | -        | -        |
|  | <b>459,735</b> | <b>514,119</b> | <b>-</b> | <b>-</b> |

### 35.3 Fair Value Reserves - Net of taxes

|                    |                   |                   |                   |                   |
|--------------------|-------------------|-------------------|-------------------|-------------------|
| Fair value reserve | 87,454,263        | 60,845,184        | 20,279,971        | 18,645,887        |
| Deferred tax       | (3,307,443)       | (5,548,685)       | (163,406)         | (1,864,589)       |
| <b>Balance</b>     | <b>84,146,820</b> | <b>55,296,499</b> | <b>20,116,565</b> | <b>16,781,298</b> |

### 36. Defined Benefit Plan Reserve

|  |                |          |               |          |
|--|----------------|----------|---------------|----------|
| Opening                                | -              | -        | -             | -        |
| Actuarial gain on defined benefit plan | 103,976        | -        | 65,359        | -        |
| <b>Balance</b>                         | <b>103,976</b> | <b>-</b> | <b>65,359</b> | <b>-</b> |

## ■ Notes to the Consolidated and Separate Financial Statements **CONT'D**

FOR THE YEAR ENDED 31 DECEMBER 2024

### 37. Reconciliation of profit after tax to net cash from operating activities

|   | Group              |                    | Company             |                     |
|---|--------------------|--------------------|---------------------|---------------------|
|   | 31 Dec<br>2024     | 31 Dec<br>2023     | 31 Dec<br>2024      | 31 Dec<br>2023      |
|   | '=N=' 000          | '=N=' 000          | '=N=' 000           | '=N=' 000           |
| <b>Profit before tax</b>  | <b>30,102,843</b>  | <b>17,304,286</b>  | <b>19,283,361</b>   | <b>17,401,885</b>   |
| <b>Adjustments to reconcile net cash provided:</b>                                  |                    |                    |                     |                     |
| Depreciation and amortisation   | 664,909            | 444,770            | 598,150             | 396,448             |
| Foreign exchange revaluation  | (4,562,203)        | (24,211,808)       | (2,931,138)         | (8,352,373)         |
| Net interest income   | (13,926,183)       | (7,542,777)        | (3,161,755)         | (3,423,285)         |
| Dividend income   | (1,631,751)        | (982,011)          | (380,913)           | (798,062)           |
| Fair value changes on financial instruments<br>at fair value through profit or loss | (1,010,266)        | (905,412)          | (33,952)            | (508,928)           |
| Dividend from subsidiaries  | -                  | -                  | (12,960,000)        | (6,309,000)         |
| Gain on disposal of property and equipment  | -                  | (610)              | -                   | (610)               |
| Allowance for impairment - financial assets   | (1,225,069)        | 10,729,420         | (890,339)           | 845,250             |
| Allowance for impairment - other assets   | 332,078            | 7,968,364          | 500,974             | 223,665             |
|   | <b>8,744,359</b>   | <b>2,804,222</b>   | <b>24,387</b>       | <b>(525,011)</b>    |
| <b>Net movement in operating assets and liabilities</b>                             |                    |                    |                     |                     |
| Trade receivables and prepayment  | (76,117,184)       | (34,488,824)       | (65,315,458)        | (36,204,504)        |
| Managed funds   | 246,494,211        | 186,407,520        | -                   | -                   |
| Defined benefit obligation  | 28,232             | 365,768            | 28,789              | 253,246             |
| Other liabilities   | 268,286,439        | (20,866,252)       | 16,817,267          | (32,523,046)        |
| <b>Net cash from operations</b>   | <b>447,436,057</b> | <b>134,222,434</b> | <b>(48,445,015)</b> | <b>(68,999,314)</b> |
| Interest received   | 159,644,679        | 76,436,548         | 39,893,921          | 21,912,765          |
| Interest paid   | (144,086,745)      | (67,911,760)       | (36,351,253)        | (17,690,939)        |
| Tax Paid  | (773,972)          | (2,802,255)        | (279,232)           | (264,840)           |
| <b>Net cash (used in)/provided by<br/>operating activities</b>                      | <b>462,220,019</b> | <b>139,944,967</b> | <b>(45,181,579)</b> | <b>(65,042,328)</b> |

### 38. 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.

## ■ Notes to the Consolidated and Separate Financial Statements CONT'D

FOR THE YEAR ENDED 31 DECEMBER 2024

### 38.1 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 |
| UCEE Microfinance Bank Limited                      | Subsidiary   | 100 |
| United Capital Asset Management West Africa Limited | Subsidiary   | 100 |
| Heirs General Insurance Limited                     | Associate    | 25  |
| Heirs Life Assurance Limited                        | Associate    | 25  |

### 38.2 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 Managing Directors/CEOs of the subsidiaries and heads of departments.

### 38.3 Other information on Directors

|                                     | Group          |                | Company        |                |
|-------------------------------------|----------------|----------------|----------------|----------------|
|                                     | 31 Dec<br>2024 | 31 Dec<br>2023 | 31 Dec<br>2024 | 31 Dec<br>2023 |
|                                     | '=N=' 000      | '=N=' 000      | '=N=' 000      | '=N=' 000      |
| <b>Emoluments:</b>                  |                |                |                |                |
| Chairman                            | 25,000         | 23,315         | 6,250          | 5,829          |
| Highest paid director               | 145,525        | 145,525        | 145,525        | 145,525        |
| Other Directors                     | 704,655        | 696,325        | 571,283        | 564,142        |
|                                     | <b>875,180</b> | <b>865,165</b> | <b>723,058</b> | <b>715,496</b> |
| Fees                                | 17,000         | 72,488         | 6,375          | 6,375          |
| Other emoluments                    | 858,180        | 792,677        | 716,683        | 709,121        |
|                                     | <b>875,180</b> | <b>865,165</b> | <b>723,058</b> | <b>715,496</b> |
| The total number of Directors were: | 11             | 10             | 11             | 10             |

## ■ Notes to the Consolidated and Separate Financial Statements **CONT'D**

FOR THE YEAR ENDED 31 DECEMBER 2024

### 38.4 Transactions with key management personnel

|                               | Group                       |                             | Company                     |                             |
|-------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|                               | 31 Dec<br>2024<br>'=N=' 000 | 31 Dec<br>2023<br>'=N=' 000 | 31 Dec<br>2024<br>'=N=' 000 | 31 Dec<br>2023<br>'=N=' 000 |
| Loan obtained during the year | 19,807                      | 100,200                     | 9,210                       | 25,050                      |
| Interest income recognised    | 1,253                       | 15,030                      | 308                         | 3,758                       |

**38.5** The number of persons employed (excluding directors) in the Group and company during the period was as follows:

|  |     |     |    |    |
|--|-----|-----|----|----|
|  | 220 | 166 | 17 | 14 |
|--|-----|-----|----|----|

**38.6** 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

|                           | 31 Dec<br>2024<br>'=N=' 000 | 31 Dec<br>2023<br>'=N=' 000 | 31 Dec<br>2024<br>'=N=' 000 | 31 Dec<br>2023<br>'=N=' 000 |
|---------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| N4,000,000 - N9,999,999   | 43                          | 66                          | 1                           | 4                           |
| N10,000,000 - N20,999,999 | 100                         | 55                          | 9                           | 5                           |
| N22,000,000 - N48,999,999 | 49                          | 27                          | 3                           | 5                           |
| N49,000,000 and above     | 28                          | 18                          | 4                           | -                           |
|                           | <b>220</b>                  | <b>166</b>                  | <b>17</b>                   | <b>14</b>                   |

## ■ Notes to the Consolidated and Separate Financial Statements CONT'D

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 38.7 Transactions with related companies

The following are the transactions and balances arising from dealings with subsidiaries of United Capital Group during the period. All transactions with related parties are conducted at arms length and in the ordinary course of business.

|   | 31 Dec 2024<br>='N=' 000 | 31 Dec 2023<br>='N=' 000 |
|---|--------------------------|--------------------------|
| <b>Placements</b>                       |                          |                          |
| United Capital Asset Management Limited | 11,718,060               | 7,985,389                |
| United Capital Trustees Ltd             | 3,132,787                | 3,134,384                |
| UC Plus Advance Ltd                     | 273,088                  | 5,126,786                |
| UCEE Microfinance Bank Ltd              | -                        | 914,219                  |
|   | <b>15,123,935</b>        | <b>5,305,788</b>         |
| <b>Account receivables</b>              |                          |                          |
| United Capital Asset Management Limited | 2,627,821                | 470,668                  |
| United Capital Securities Limited       | 150,597                  | 93,043                   |
| UC Plus Advance Ltd                     | 1,582,881                | 281,217                  |
| UCEE Microfinance Bank Ltd              | -                        | 3,924                    |
|   | <b>4,361,299</b>         | <b>848,852</b>           |
| <b>Account payable</b>                  |                          |                          |
| United Capital Trustees Limited         | 9,376,878                | 1,275,432                |
| UCEE Microfinance Bank Limited          | 57,941                   | -                        |
|   | <b>9,434,819</b>         | <b>1,275,432</b>         |
| <b>Borrowed funds</b>                   |                          |                          |
| United Capital Asset Management Ltd     | 21,802,244               | 12,187,902               |
| United Capital Trustees Limited         | 9,211,854                | -                        |
| United Capital Securities Limited       | 1,386,658                | 7,546,575                |
|   | <b>32,400,756</b>        | <b>19,734,477</b>        |
| <b>Interest expense</b>                 |                          |                          |
| United Capital Trustees Limited         | 847,188                  | 34,373                   |
| United Capital Asset Management Ltd     | 3,164,451                | 199,034                  |
| United Capital Securities Limited       | 199,658                  | 90,279                   |
|   | <b>4,211,297</b>         | <b>323,686</b>           |
| <b>Account receivables</b>              |                          |                          |
| United Capital Asset Management Limited | 1,157,750                | 91,266                   |
| United Capital Trustees Ltd             | 580,328                  | 112,500                  |
| UC Plus Advance Ltd                     | 74,244                   | 30,991                   |
| UCEE Microfinance Bank Ltd              | -                        | 32,039                   |
|   | <b>1,812,322</b>         | <b>266,796</b>           |
| <b>Account receivables</b>              |                          |                          |
| United Capital Asset Management Limited | 8,300,000                | -                        |
| United Capital Securities Limited       | 640,000                  | -                        |
|   | <b>8,940,000</b>         | <b>-</b>                 |

## ■ Notes to the Consolidated and Separate Financial Statements **CONT'D**

### FOR THE YEAR ENDED 31 DECEMBER 2024

### 39. 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 region:

**Nigeria:** This comprise the Head office in Lagos and regional offices in all geo-political zones.

#### 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 advisory.
- **Wealth Management:** The principal activities of this business segment is to carry out wealth management activities that caters to institutions and High Net Worth clients.
- **Trustees:** The principal activity of the Company is the provision of a wide range of quality trusteeship services tailored to meet the varying needs of its customers, such as debenture trust, bond trusteeship, trustees to collective investment scheme, private trusts and security trusts.
- **Securities Trading:** The principal activity of the Company is the provision of a wide range of quality stockbroking services tailored to meet the varying needs of its customers.
- **Consumer Finance:** The principal activity of this business segment is to carry out consumer lending and engage in financing of micro, small and medium scale enterprises under the license of the Lagos State Government.
- **UCEE Microfinance Bank:** 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 Central Bank of Nigeria.

### 39.1 Summarised statement of consolidating segments

| For The Year Ended<br>31 December 2024               | Investment<br>Banking<br>'=N=' 000 | Asset<br>Management<br>'=N=' 000 | Ucap<br>Investment<br>Wealth<br>Management<br>'=N=' 000 | Trustees<br>'=N=' 000 | Securities<br>Trading<br>'=N=' 000 | Consumer<br>Finance<br>'=N=' 000 | Microfinance<br>Bank<br>'=N=' 000 | Eliminating<br>Items<br>'=N=' 000 | Total<br>'=N=' 000 |
|--|------------------------------------|----------------------------------|---|-----------------------|------------------------------------|----------------------------------|-----------------------------------|-----------------------------------|--------------------|
| <b>Income statement</b>                              |                                    |                                  |   |                       |                                    |                                  |                                   |                                   |                    |
| Gross earnings                                       | 22,858,538                         | 15,379,698                       | 6,619,317   | 4,046,136             | 5,003,065                          | 2,030,422                        | 453,923                           | (12,960,000)                      | 43,431,097         |
| Personnel expense                                    | (1,059,264)                        | (1,580,076)                      | (530,956)   | (863,635)             | (690,656)                          | (521,871)                        | (103,480)                         | -                                 | (5,349,939)        |
| Other operating expense                              | (2,905,278)                        | (3,304,669)                      | (1,048,151)   | (2,490,881)           | (1,155,462)                        | (430,198)                        | (163,671)                         | -                                 | (11,498,311)       |
| Impairment write-back/(charge)                       | 389,365                            | (334,829)                        | (2,878,742)   | 3,797,597             | 18,767                             | (73,895)                         | (25,274)                          | -                                 | 892,990            |
| Total expense  | (3,575,177)                        | (5,219,574)                      | (4,457,849)   | 443,081               | (1,827,351)                        | (1,025,964)                      | (292,425)                         | -                                 | (15,955,260)       |
| <b>Operating profit before tax</b>                   | <b>19,283,361</b>                  | <b>10,160,124</b>                | <b>2,161,468</b>  | <b>4,489,217</b>      | <b>3,175,714</b>                   | <b>1,004,458</b>                 | <b>161,498</b>                    | <b>(12,960,000)</b>               | <b>27,475,837</b>  |
| Share of profit of associates                        | -                                  | -                                | -   | -                     | -                                  | -                                | -                                 | 2,627,006                         | 2,627,006          |
| <b>Profit before tax</b>                             | <b>19,283,361</b>                  | <b>10,160,124</b>                | <b>2,161,468</b>  | <b>4,489,217</b>      | <b>3,175,714</b>                   | <b>1,004,458</b>                 | <b>161,498</b>                    | <b>(10,332,994)</b>               | <b>30,102,843</b>  |
| Income tax expense                                   | (2,050,489)                        | (2,223,947)                      | -   | 191,517               | (1,580,140)                        | (310,445)                        | (26,496)                          | -                                 | (6,000,000)        |
| <b>Profit after tax</b>                              | <b>17,232,872</b>                  | <b>7,936,177</b>                 | <b>2,161,468</b>  | <b>4,680,734</b>      | <b>1,595,574</b>                   | <b>694,013</b>                   | <b>135,002</b>                    | <b>(10,332,994)</b>               | <b>24,102,843</b>  |
| <b>Financial position<br/>As at 31 December 2024</b> |                                    |                                  |   |                       |                                    |                                  |                                   |                                   |                    |
| Total assets   | 418,020,305                        | 564,194,093                      | 368,674,930   | 224,091,723           | 153,411,264                        | 61,326,824                       | 1,987,807                         | (90,003,310)                      | 1,701,703,636      |
| Total liabilities                                    | 368,619,150                        | 522,261,965                      | 368,948,481   | 193,142,916           | 142,149,871                        | 59,106,777                       | 55,422,737                        | (86,839,336)                      | 1,568,200,370      |
| Shareholders' fund                                   | 49,401,155                         | 41,932,128                       | (273,551)   | 30,948,807            | 11,261,393                         | 2,220,047                        | 1,177,260                         | (3,163,974)                       | 133,503,266        |

## ■ Notes to the Consolidated and Separate Financial Statements CONT'D

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 39.2 Summarised statement of consolidating segments

| For The Year Ended<br>31 December 2023               | Investment<br>Banking | Asset<br>Management | Ucap<br>Investment<br>Wealth<br>Management | Trustees           | Securities<br>Trading | Consumer<br>Finance | Microfinance<br>Bank | Eliminating<br>Items | Total             |
|--|-----------------------|---------------------|--|--------------------|-----------------------|---------------------|----------------------|----------------------|-------------------|
|  | '=N=' 000             | '=N=' 000           | '=N=' 000                                  | '=N=' 000          | '=N=' 000             | '=N=' 000           | '=N=' 000            | '=N=' 000            | '=N=' 000         |
| <b>Income statement</b>                              |                       |                     |  |                    |                       |                     |                      |                      |                   |
| Gross earnings                                       | <b>21,624,979</b>     | <b>18,611,563</b>   | <b>1,659,581</b>                           | <b>5,323,236</b>   | <b>3,593,687</b>      | <b>1,372,288</b>    | <b>18,766</b>        | <b>(6,309,000)</b>   | <b>45,895,098</b> |
| Personnel expense                                    | (874,868)             | (1,124,288)         | (245,606)                                  | (554,051)          | (434,323)             | (200,484)           | (104,125)            | -                    | (3,537,746)       |
| Other operating expense                              | (2,279,312)           | (1,975,566)         | (372,082)                                  | (1,249,363)        | (850,047)             | (294,322)           | (25,683)             | -                    | (7,046,377)       |
| Impairment charge                                    | (1,068,915)           | (1,939,090)         | (2,687,841)                                | (12,950,244)       | (47,497)              | (9)                 | (4,188)              | -                    | (18,697,784)      |
| Total expense  | (4,223,095)           | (5,038,944)         | (3,305,529)                                | (14,753,658)       | (1,331,867)           | (494,815)           | (133,996)            | -                    | (29,281,906)      |
| <b>Operating profit before tax</b>                   | <b>17,401,885</b>     | <b>13,572,619</b>   | <b>(1,645,948)</b>                         | <b>(9,430,422)</b> | <b>2,261,820</b>      | <b>877,473</b>      | <b>(115,230)</b>     | <b>(6,309,000)</b>   | <b>16,613,192</b> |
| Share of profit of associates                        | -                     | -                   | -  | -                  | -                     | -                   | -                    | 691,094              | 691,094           |
| <b>Profit before tax</b>                             | <b>17,401,885</b>     | <b>13,572,619</b>   | <b>(1,645,948)</b>                         | <b>(9,430,422)</b> | <b>2,261,820</b>      | <b>877,473</b>      | <b>(115,230)</b>     | <b>(5,617,906)</b>   | <b>17,304,286</b> |
| Income tax expense                                   | (3,454,473)           | (3,817,895)         | -  | 1,597,877          | (210,044)             | -                   | -                    | -                    | (5,884,534)       |
| <b>Profit after tax</b>                              | <b>13,947,412</b>     | <b>9,754,724</b>    | <b>(1,645,948)</b>                         | <b>(7,832,545)</b> | <b>2,051,776</b>      | <b>877,473</b>      | <b>(115,230)</b>     | <b>(5,617,906)</b>   | <b>11,419,752</b> |
| <b>Financial position<br/>As at 31 December 2023</b> |                       |                     |  |                    |                       |                     |                      |                      |                   |
| Total assets   | 259,810,488           | 385,324,370         | 170,567,948                                | 134,779,391        | 11,545,337            | 24,853,302          | 507,554              | (55,440,211)         | 931,948,180       |
| Total liabilities                                    | 221,092,226           | 355,178,466         | 171,002,966                                | 124,845,948        | 2,985,729             | 23,345,923          | 422,784              | (57,639,288)         | 841,234,755       |
| Shareholders' fund                                   | 38,718,262            | 30,145,904          | (435,018)                                  | 9,933,443          | 8,559,608             | 8,559,608           | 84,770               | (2,199,077)          | 90,713,425        |

#### 40. Events after reporting period

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

#### 41. Contingent liabilities

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

#### 42. Capital/financial commitments

The Directors are of the opinion that all known liabilities and commitments which are relevant in assessing the state of affairs of the Group have been taken into account are no commitments for capital expenditure authorised by the Directors which has not been provided for in the consolidated and separate financial statements as at 31 December 2024.

#### 43. Contraventions

The Group incurred no fines during the period under review (2023: N11.75m).

#### 44. 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.

#### 45. Litigation and claims

The Group is involved in cases with claims amounting to N25m (2023: 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.

## ■ Other National Disclosures

### Value Added Statements (For the Year Ended 31 December, 2024)

|   | Group                       |             |                             |             | Company                     |             |                             |             |
|---|-----------------------------|-------------|-----------------------------|-------------|-----------------------------|-------------|-----------------------------|-------------|
|   | 31 Dec<br>2024<br>'=N=' 000 | %           | 31 Dec<br>2023<br>'=N=' 000 | %           | 31 Dec<br>2024<br>'=N=' 000 | %           | 31 Dec<br>2023<br>'=N=' 000 | %           |
| Gross earnings  | 43,431,097                  | -           | 45,895,098                  | -           | 22,858,538                  | -           | 21,624,979                  | -           |
| Share of profit in associates   | 2,627,006                   | -           | 691,094                     | -           | -                           | -           | -                           | -           |
| Bought in goods and services: Local   | (10,833,403)                | -           | (6,601,607)                 | -           | (2,307,129)                 | -           | (1,882,864)                 | -           |
| <b>Value Added</b>  | <b>35,224,700</b>           | <b>100%</b> | <b>39,984,585</b>           | <b>100%</b> | <b>20,551,409</b>           | <b>100%</b> | <b>19,742,115</b>           | <b>100%</b> |
| <b>Applied as follows:</b>  |                             |             |                             |             |                             |             |                             |             |
| <b>To pay employees:</b>  |                             |             |                             |             |                             |             |                             |             |
| Salaries and other benefits   | 5,349,938                   | 15%         | 3,537,746                   | 9%          | 1,059,264                   | 5%          | 874,868                     | 4%          |
| <b>To pay Government:</b>   |                             |             |                             |             |                             |             |                             |             |
| Taxes   | 6,047,046                   | 17%         | 2,223,754                   | 6%          | 2,173,482                   | 11%         | 984,027                     | 5%          |
| <b>Retained for future replacement of assets and expansion of business:</b> |                             |             |                             |             |                             |             |                             |             |
| Deferred tax  | (47,046)                    | 0%          | 3,660,780                   | 9%          | (122,993)                   | -1%         | 2,470,446                   | 13%         |
| Depreciation  | 363,743                     | 1%          | 311,251                     | 1%          | 307,382                     | 1%          | 271,136                     | 1%          |
| Amortisation  | 301,166                     | 1%          | 133,518                     | 0.3%        | 290,768                     | 1%          | 125,311                     | 0.6%        |
| Impairment write-back   | (892,990)                   | -3%         | 18,697,784                  | 47%         | (389,366)                   | 2%          | 1,068,915                   | 5%          |
| Retained Profit for the year  | 24,102,843                  | 68%         | 11,419,752                  | 29%         | 17,232,872                  | 84%         | 13,947,412                  | 71%         |
|   | <b>35,224,700</b>           | <b>100%</b> | <b>39,984,585</b>           | <b>100%</b> | <b>20,551,409</b>           | <b>100%</b> | <b>19,742,115</b>           | <b>100%</b> |

Value added represents the additional wealth which the Group and 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

|   | December<br>2024<br>=N=' 000 | December<br>2023<br>=N=' 000 | December<br>2022<br>=N=' 000 | December<br>2021<br>=N=' 000 | December<br>2020<br>=N=' 000 |
|---|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| <b>Five -Year Financial Summary - Group<br/>For The Year Ended 31 December 2024</b> |                              |                              |                              |                              |                              |
| <b>Assets</b>   |                              |                              |                              |                              |                              |
| Cash and cash equivalents   | 337,013,523                  | 145,255,523                  | 149,867,038                  | 53,661,848                   | 43,420,443                   |
| Investment securities   | 1,133,596,685                | 668,836,807                  | 386,544,095                  | 363,647,252                  | 145,148,841                  |
| Loans and Advances  | 59,021,818                   | 25,147,676                   | -                            | -                            | -                            |
| Trade and other receivables   | 161,248,657                  | 85,463,551                   | 58,943,091                   | 30,919,246                   | 28,472,742                   |
| Rights of use assets  | 405,416                      | 94,692                       | 141,944                      | 212,819                      | 283,694                      |
| Intangible assets   | 955,490                      | 188,615                      | 179,301                      | 78,595                       | 42,015                       |
| Investments in associates   | 7,932,794                    | 5,305,788                    | 4,614,694                    | 4,293,587                    | 4,500,000                    |
| Property and equipment  | 1,529,253                    | 1,253,484                    | 386,555                      | 471,852                      | 565,824                      |
| Deferred tax assets   | -                            | 402,044                      | 1,238,493                    | 312,755                      | 314,736                      |
| <b>Total Assets</b>   | <b>1,701,703,636</b>         | <b>931,948,180</b>           | <b>601,915,211</b>           | <b>453,597,954</b>           | <b>222,748,295</b>           |
| <b>Liabilities</b>  |                              |                              |                              |                              |                              |
| Managed Funds   | 846,600,428                  | 600,106,217                  | 413,698,697                  | 327,249,024                  | 116,019,077                  |
| Borrowed funds  | 406,060,830                  | 200,822,968                  | 100,454,344                  | 79,691,116                   | 72,661,645                   |
| Other liabilities   | 296,069,385                  | 27,782,946                   | 48,649,198                   | 14,225,310                   | 7,683,308                    |
| Defined benefit obligations   | 393,999                      | 365,768                      | -                            | -                            | -                            |
| Current tax liabilities   | 7,011,324                    | 2,950,805                    | 5,292,648                    | 1,803,211                    | 1,830,812                    |
| Deferred tax liabilities  | 12,064,404                   | 9,206,051                    | 833,034                      | 82,500                       | 126,974                      |
| <b>Total Liabilities</b>  | <b>1,568,200,370</b>         | <b>841,234,755</b>           | <b>568,927,921</b>           | <b>423,051,161</b>           | <b>198,321,816</b>           |
| <b>Equity</b>   |                              |                              |                              |                              |                              |
| Share capital   | 9,000,000                    | 3,000,000                    | 3,000,000                    | 3,000,000                    | 3,000,000                    |
| Share premium   | 515,241                      | 683,611                      | 683,611                      | 683,611                      | 683,611                      |
| Retained earnings   | 39,731,566                   | 31,733,315                   | 29,313,563                   | 28,660,538                   | 2,500,000                    |
| Regulatory risk reserve   | 5,663                        | -                            | -                            | -                            | -                            |
| Deferred tax assets   | 84,146,820                   | 55,296,499                   | (9,884)                      | (1,797,356)                  | (858,932)                    |
| Defined benefit plan reserve  | 103,976                      | -                            | -                            | -                            | -                            |
| <b>Shareholder's Fund</b>   | <b>133,503,266</b>           | <b>90,713,425</b>            | <b>32,987,290</b>            | <b>30,546,793</b>            | <b>24,426,479</b>            |
| <b>Total Liabilities and Assets</b>   | <b>1,701,703,636</b>         | <b>931,948,180</b>           | <b>601,915,211</b>           | <b>453,597,954</b>           | <b>222,748,295</b>           |

## ■ Other National Disclosures **CONT'D**

|   | December<br>2024<br>=N=' 000 | December<br>2023<br>=N=' 000 | December<br>2022<br>=N=' 000 | December<br>2021<br>=N=' 000 | December<br>2020<br>=N=' 000 |
|---|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| <b>Five -Year Financial Summary - Company<br/>For The Year Ended 31 December 2024</b> |                              |                              |                              |                              |                              |
| <b>Assets</b>   |                              |                              |                              |                              |                              |
| Cash and cash equivalents   | 56,396,411                   | 12,683,441                   | 22,907,336                   | 6,951,413                    | 12,196,469                   |
| Investment securities   | 187,543,037                  | 150,008,249                  | 85,387,058                   | 58,599,896                   | 40,456,026                   |
| Trade and other receivables   | 148,608,005                  | 83,793,521                   | 47,812,682                   | 29,889,598                   | 27,476,909                   |
| Dividend receivable from subsidiaries   | 8,940,000                    | 6,309,000                    | 7,218,000                    | 4,828,500                    | 3,670,000                    |
| Rights of use assets  | 405,416                      | 94,692                       | 141,944                      | 212,819                      | 283,694                      |
| Intangible assets   | 811,819                      | 151,997                      | 169,617                      | 68,151                       | 39,032                       |
| Investments in subsidiaries   | 9,755,133                    | 1,101,000                    | 901,000                      | 901,000                      | 901,000                      |
| Investments in associates   | 4,500,000                    | 4,500,000                    | 4,500,000                    | 4,500,000                    | 4,500,000                    |
| Property and equipment  | 1,060,484                    | 1,168,588                    | 343,876                      | 414,185                      | 487,457                      |
| <b>Total Assets</b>   | <b>418,020,305</b>           | <b>259,810,488</b>           | <b>169,381,513</b>           | <b>106,365,562</b>           | <b>90,010,587</b>            |
| <b>Liabilities</b>  |                              |                              |                              |                              |                              |
| Borrowed funds  | 328,699,338                  | 199,132,509                  | 100,849,650                  | 83,717,908                   | 72,432,512                   |
| Other liabilities   | 31,965,857                   | 15,148,590                   | 47,671,635                   | 5,139,989                    | 2,261,913                    |
| Defined benefit obligations   | 282,035                      | 253,246                      | -                            | -                            | -                            |
| Current tax liabilities   | 2,509,024                    | 1,435,398                    | 1,902,059                    | 649,566                      | 1,012,778                    |
| Deferred tax liabilities  | 5,162,896                    | 5,122,483                    | 787,448                      | 82,500                       | 113,701                      |
| <b>Total Liabilities</b>  | <b>368,619,150</b>           | <b>221,092,226</b>           | <b>151,210,792</b>           | <b>89,589,963</b>            | <b>75,820,904</b>            |
| <b>Equity</b>   |                              |                              |                              |                              |                              |
| Share capital   | 9,000,000                    | 3,000,000                    | 3,000,000                    | 3,000,000                    | 3,000,000                    |
| Share premium   | 515,241                      | 683,611                      | 683,611                      | 683,611                      | 683,611                      |
| Retained earnings   | 19,703,990                   | 18,253,353                   | 13,305,941                   | 12,958,286                   | 10,434,895                   |
| Fair value reserves   | 20,116,565                   | 16,781,298                   | 1,181,169                    | 133,702                      | 71,177                       |
| Defined benefit plan reserve  | 65,359                       | -                            | -                            | -                            | -                            |
| <b>Shareholder's Fund</b>   | <b>49,401,155</b>            | <b>38,718,262</b>            | <b>18,170,721</b>            | <b>16,775,599</b>            | <b>14,189,683</b>            |
| <b>Total Liabilities and Assets</b>   | <b>418,020,305</b>           | <b>259,810,488</b>           | <b>169,381,513</b>           | <b>106,365,562</b>           | <b>90,010,587</b>            |

## ■ Other National Disclosures **CONT'D**

|   | FY<br>2024<br>=N=' 000 | FY<br>2023<br>=N=' 000 | FY<br>2022<br>=N=' 000 | FY<br>2021<br>=N=' 000 | FY<br>2020<br>=N=' 000 |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|
| <b>Five - Year Financial Summary - Group</b>          |                        |                        |                        |                        |                        |
| Gross earnings  | 43,431,097             | 45,895,098             | 26,896,411             | 18,065,183             | 12,873,897             |
| Gross operating expenses                              | (15,955,260)           | (29,281,906)           | (13,717,130)           | (5,941,170)            | (4,926,227)            |
| <b>Operating profit before income tax</b>             | <b>27,475,837</b>      | <b>16,613,192</b>      | <b>13,179,281</b>      | <b>12,124,013</b>      | <b>7,947,670</b>       |
| Share of profit in associate companies                | 2,627,006              | 691,094                | 321,107                | (206,412)              | -                      |
| <b>Profit before income tax</b>                       | <b>30,102,843</b>      | <b>17,304,286</b>      | <b>13,500,388</b>      | <b>11,917,601</b>      | <b>7,947,670</b>       |
| Income tax expense                                    | (6,000,000)            | (5,884,534)            | (3,847,363)            | (658,863)              | (136,492)              |
| <b>Profit for the year from continuing operations</b> | <b>24,102,843</b>      | <b>11,419,752</b>      | <b>9,653,025</b>       | <b>11,258,738</b>      | <b>7,811,178</b>       |
| <b>Other comprehensive income for the year</b>        | <b>35,372,062</b>      | <b>55,306,383</b>      | <b>1,787,472</b>       | <b>(938,423)</b>       | <b>29,462</b>          |
| <b>Total comprehensive income for the year</b>        | <b>59,474,905</b>      | <b>66,726,135</b>      | <b>11,440,497</b>      | <b>10,320,315</b>      | <b>7,840,640</b>       |
| <b>Earnings per share-basic (kobo) - annualised</b>   | <b>134</b>             | <b>254</b>             | <b>214</b>             | <b>188</b>             | <b>130</b>             |
| <b>Five - Year Financial Summary - Company</b>        |                        |                        |                        |                        |                        |
| Gross earnings  | 22,858,538             | 21,624,979             | 13,981,324             | 8,238,600              | 7,560,671              |
| Gross operating expenses                              | (3,575,177)            | (4,223,094)            | (2,575,408)            | (1,447,404)            | (1,733,601)            |
| <b>Operating profit before income tax</b>             | <b>19,283,361</b>      | <b>17,401,885</b>      | <b>11,405,916</b>      | <b>6,791,196</b>       | <b>5,827,070</b>       |
| Share of of (loss)/profit in associate companies      | -                      | -                      | -                      | -                      | -                      |
| <b>Profit before income tax</b>                       | <b>19,283,361</b>      | <b>17,401,885</b>      | <b>11,405,916</b>      | <b>6,791,196</b>       | <b>5,827,070</b>       |
| Income tax expense                                    | (2,050,489)            | (3,454,473)            | (2,058,261)            | (67,805)               | (240,006)              |
| <b>Profit for the year from continuing operations</b> | <b>17,232,872</b>      | <b>13,947,412</b>      | <b>9,347,655</b>       | <b>6,723,391</b>       | <b>5,587,064</b>       |
| <b>Other comprehensive income for the year</b>        | <b>9,818,391</b>       | <b>15,600,129</b>      | <b>1,047,467</b>       | <b>62,525</b>          | <b>4,485</b>           |
| <b>Total comprehensive income for the year</b>        | <b>27,051,263</b>      | <b>29,547,541</b>      | <b>10,395,122</b>      | <b>6,785,916</b>       | <b>5,591,549</b>       |
| <b>Earnings per share-basic (kobo) - annualised</b>   | <b>96</b>              | <b>232</b>             | <b>156</b>             | <b>112</b>             | <b>93</b>              |



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# Investor Information

## ■ Corporate Information

### DIRECTORS

|                       |  |
|-----------------------|--|
| Chika Mordi           | Chairman (Non Executive Director)                                |
| Peter Ashade          | Group Chief Executive Officer                                    |
| Sunny Anene           | Deputy Group Chief Executive Officer                             |
| Ayodeji Adigun        | Group Executive Director/ Chief Operating Officer                |
| Emmanuel Nnorom       | Non Executive Director   |
| Oladipupo Fatokun     | Independent Non Executive Director                               |
| Oluleke Ogunlewe      | Non-Executive Director   |
| Samuel Nwanze         | Non-Executive Director   |
| Chiugo Ndubisi        | Non-Executive Director   |
| Uche Ike              | Non-Executive Director   |
| Mrs. Rose Nat Eshiett | Independent Non Executive Director (Appointed 8th February 2024) |

### EXECUTIVE MANAGEMENT

|                        |   |
|------------------------|---|
| Peter Ashade           | Group Chief Executive Officer   |
| Sunny Anene            | Deputy Group Chief Executive Officer  |
| Ayodeji Adigun         | Group Executive Director/Chief Operating Officer                                |
| Gbadebo Adenrele       | Managing Director, United Capital Investment Banking                            |
| Bawo Oritshejafor      | Managing Director, United Capital Securities Limited                            |
| Odiri Oginni           | Managing Director, United Capital Asset Management Limited                      |
| Micheal Abiodun-Thomas | Managing Director, United Capital Trustees Limited (Appointed 2nd January 2024) |
| Esther Adeola-Balogun  | Managing Director, UCEE Microfinance Bank Limited (Appointed 1st April 2024)    |
| Leo Okafor             | Group Company Secretary/General Counsel   |
| Shedrack Onakpoma      | Group Chief Finance Officer   |

### RC NUMBER

RC444999

### FRC NUMBER

FRC/2013/0000000001976

### REGISTERED ADDRESS

3rd, 4th & 5th Floor,  
Afriland Towers,  
97/105 Broad Street,  
Lagos Island, Lagos.

### BANKERS

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

### AUDITORS

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

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With our **Asset-backed Loan**, you can access loans of up to 95% of your United Capital investment value at an affordable rate.



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**Lagos**

- United Capital Plc  
4th Floor, Allland Towers,  
17/185 Broad St, Lagos, Nigeria  
☎ +234-1-463-1136 / +234-1-463-1131  
📧 [consumer@unitedcapitalplc.com](mailto:consumer@unitedcapitalplc.com)  
☎ +234-814-828-2394  
🌐 [www.unitedcapitalplcgroup.com](http://www.unitedcapitalplcgroup.com)

**Abuja**

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🌐 [www.unitedcapitalplcgroup.com](http://www.unitedcapitalplcgroup.com)

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🌐 [www.unitedcapitalplcgroup.com](http://www.unitedcapitalplcgroup.com)

**Ibadan**

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Dugbe, Ibadan, Oyo State  
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☎ +234-814-828-2394  
🌐 [www.unitedcapitalplcgroup.com](http://www.unitedcapitalplcgroup.com)

**Ghana**

- Heritage Tower,  
Amboasodaka Enclave, off Liberia Road,  
Koforidua, Ahafo, Ghana  
📧 [info@unitedcapitalplcgroup.com](mailto:info@unitedcapitalplcgroup.com)



# UCAP In Pictures - 2024

UCAP TOWNHALL - FEB 2024



Cross section of UCAP People at the UCAP Townhall

# UCAP In Pictures - 2024

ASSET MANAGEMENT INVESTMENT FORUM - FEB 2024



Deepening Financial Inclusion through Participative Investment Schemes: A Collaborative Approach



Cross section of the Management team of United Capital Group at the maiden edition of our Asset Management Investment Forum.

# UCAP In Pictures

INTERNATIONAL WOMEN'S DAY - MARCH 2024



Cross section of the ladies of United Capital at the 2024 International Women's Day

# UCAP In Pictures - 2024

2024 UNITED CAPITAL ANNUAL GENERAL MEETING - APRIL 2024



# UCAP In Pictures - 2024

AFRICA DAY - MAY 2024



UCAP People celebrating Africa Day in Style. Countries represented in this picture are DR Congo, Morocco, Egypt, Ethiopia, Nigeria, South Africa, Ghana, Cote D'Ivoire, Botswana, Tanzania

# UCAP In Pictures - 2024

AFRICA DAY - MAY 2024



UCAP People celebrating Africa Day in Style. Countries represented in this picture are DR Congo, Morocco, Egypt, Ethiopia, Nigeria, South Africa, Ghana, Cote D'Ivoire, Botswana, Tanzania

# UCAP In Pictures - 2024

DOMESTIC FGN US DOLLAR BOND ROADSHOW - AUGUST 2024



United Capital served as the lead arranger/coordinator of this bond with an over-subscription rate of 180%

# UCAP In Pictures - 2024

UCEE MICROFINANCE BANK LAUNCH - AUGUST 2024



Cross section of the Board of Directors, Management and employees of UCEE Microfinance Bank with the special guest of honour – Tony O. Elumelu, CFR, at the official launch of the bank.

# UCAP In Pictures - 2024

FUND MANAGERS ASSOCIATION OF NIGERIA (FMAN) GAMES - SEPT 2024



Cross section of United Capital Group employees at the 2024 FMAN (Fund Managers Association of Nigeria) Games. United Capital emerged 2nd (football and chess), and 3rd (women's volleyball) in the competition.

# UCAP In Pictures - 2024

GAZELLE BREAKFAST MEETING - SEPT 2024



Cross section of young Gazelles, at the Q3, 2024 Gazelle Breakfast meeting powered by United Capital Asset Management.

# UCAP In Pictures - 2024

BUSINESSDAY TOP 25 CEOS AWARDS - SEPT 2024



Peter Ashade, Group CEO of United Capital Plc, receiving the Top CEOs award.

# UCAP In Pictures - 2024

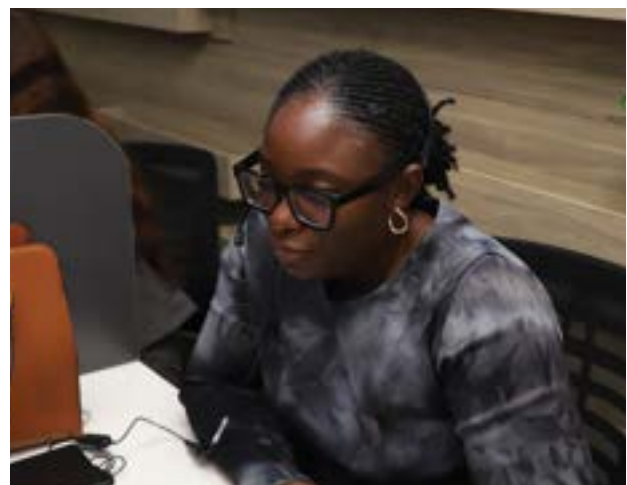
BAFI AWARDS - OCT 2024



Cross section of United Capital Group Management team at the Business Day Banks and other Financial Institution (BAFI) Awards, where United Capital won 5 strategic awards.

# UCAP In Pictures

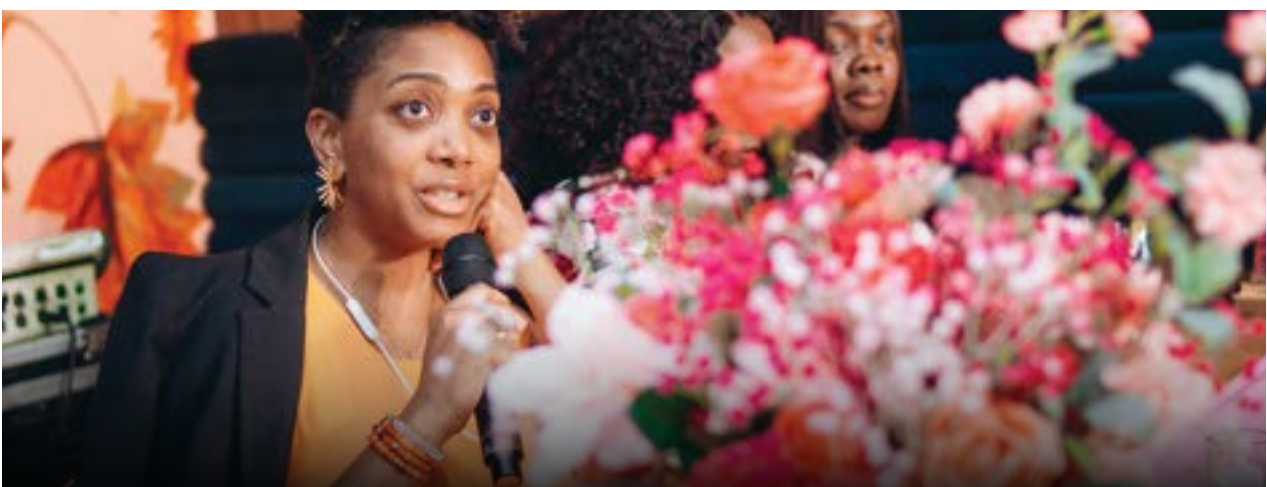
CUSTOMER SERVICE WEEK 2024 - OCT 2024



Celebrating the 2024 Customer Service Week

# UCAP In Pictures - 2024

MAIDEN EDITION OF #THISGIRLINVESTS SOIREE - OCT 2024



Ladies within the Heirs Holdings Group at #ThisGirlInvests Soiree (maiden edition), an evening of honest finance conversations and tips to create trans-generational wealth.

# UCAP In Pictures - 2024

NGX MADE OF AFRICA AWARDS - DEC 2024



L-R: Solomon Igberaese, Chiamaka Nweke, and Jude Chiemeka received the award and recognition on behalf of United Capital Trustees for executing the largest number and highest value of bond transactions on the NGX in 2024.

# UCAP In Pictures - 2024

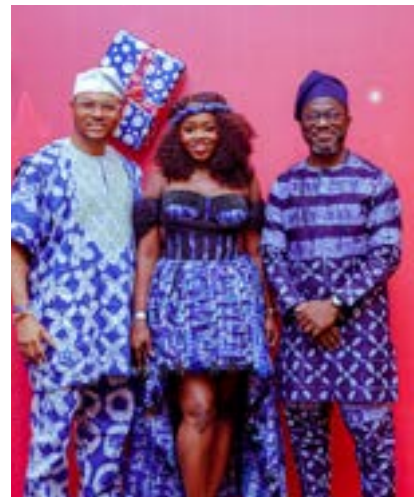
FESTIVAL OF COLOURS - DEC 2024



UCAP Group Christmas Carol, Annual Merit Awards & End of the Year Party

# UCAP In Pictures - 2024

FESTIVAL OF COLOURS - DEC 2024



UCAP Group Christmas Carol, Annual Merit Awards & End of the Year Party



## NOTICE OF ANNUAL GENERAL MEETING OF UNITED CAPITAL PLC

**NOTICE IS HEREBY GIVEN** that the 12th Annual General Meeting of United Capital Plc will hold on Friday April 4, 2025, at the Transcorp Hilton Hotel, 1, Aguiyi Ironsi Street, Maitama, Abuja, 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, 2024, 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 Professor Chika Mordi
  - 3.2 Mr. Oladipupo Fatokun; and
  - 3.3 Mr. Samuel Nwanze
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 N425,000,000 (Four hundred and twenty-five million naira only) for the year ending December 31, 2025. Such payments to be effective from January 1, 2025.

Dated March 5, 2025.

### BY ORDER OF THE BOARD

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, 2208 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 April 2, 2025.

### 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, the Dividend will be paid by April 4, 2025, to the Shareholders whose names appear in the Company's Register of Members at the close of business on March 14, 2025.

### CLOSURE OF REGISTER

The Register of Members and Transfer Books will be closed from March 17, 2025, to March 21, 2025, 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 to 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, 2208 Ikorodu Road, Palmgrove, Lagos, or via [cs@afpr.prudential.com](mailto:cs@afpr.prudential.com) to lay claim.

### PROFILES OF DIRECTORS FOR RE-ELECTION

The profiles of Professor Chika Mordi, Mr. Oladipupo Fatokun and Mr. Samuel Nwanze 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/agen](http://www.unitedcapitalplcgroup.com/agen)

### 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/agen](http://www.unitedcapitalplcgroup.com/agen)

### E- REPORT

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



Affix  
Recent Passport  
Photograph  
**USE GUM ONLY  
NO STAPLE PINS**

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

## E-DIVIDEND MANDATE ACTIVATION FORM

### INSTRUCTION

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

### The Registrar

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

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

Bank Verification Number (BVN):

Bank Name:

Bank Account Number:

Account Opening Date:  DD  MM  YYYY

### SHAREHOLDER ACCOUNT INFORMATION

Gender: Male  Female  Date Of Birth  DD  MM  YYYY

Surname/Company's Name  First Name  Other Name

Address

Previous Address

City  State  Country

Clearing House Number (CHN) (if any)  Name of Stockbroking Firm

Tax Identification Number (TIN)

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:  Company Seal (if applicable)

Joint/Company's Signatories

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

### CLIENTELE

1. ABBEY MORTGAGE BANK PLC
2. ADAMAWA STATE GOVERNMENT BOND
3. AFRILAND PROPERTIES
4. AFRICA PRUDENTIAL PLC
5. BECO PETROLEUM PRODUCTS PLC
6. BUA CEMENT
7. BUA FOODS
8. BENUE STATE GOVERNMENT BOND
9. CAP PLC
10. CAPP AND D'ALBERTO PLC
11. CHAMPION BREWERIES
12. CSCS
13. CORDROS MONEY MARKET FUND
14. EBONYI STATE GOVERNMENT BOND
15. GOLDEN CAPITAL PLC
16. INFINITY TRUST MORTGAGE
17. INVESTMENT & ALLIED ASSURANCE PLC
18. JAIZ BANK
19. KADUNA STATE GOVERNMENT BOND
20. LIVING TRUST MORTGAGE BANK
21. GLOBAL SPECTRUM ENERGY SERVICES PLC
22. MIXTA REAL ESTATE PLC
23. NEXANS KABLE METAL NIG. PLC
24. OMOLUABI MORTGAGE BANK PLC
25. PERSONAL TRUST & SAVINGS LTD
26. P.S. MANDRIDES PLC
27. PORTLAND PAINTS & PRODUCTS NIG. PLC
28. PREMIER BREWERIES PLC
29. TRANSCORP HOTELS PLC
30. TRANSCORP POWER PLC
31. TRANSCORP PLC
32. TOWER BOND
33. UACN PLC
34. UNITED BANK FOR AFRICA PLC
35. UNITED CAPITAL PLC
36. UNITED CAPITAL BALANCED FUND
37. UNITED CAPITAL BOND FUND
38. UNITED CAPITAL EQUITY FUND
39. UNITED CAPITAL MONEY MARKET FUND
40. UNITED CAPITAL NIGERIAN EUROBOOND FUND
41. UNITED CAPITAL WEALTH FOR WOMEN FUND
42. UAC PROPERTIES DEVELOPMENT COMPANY PLC
43. VFD GROUP PLC
44. 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 | @afripud



To Download Shareholders' Forms





## 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

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

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

21. TAX IDENTIFICATION NUMBER (TIN)

22. CSCS CLEARING HOUSE NO. (CHN)

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

### CLIENTELE

1. ABBEY MORTGAGE BANK PLC
2. ADAMAWA STATE GOVERNMENT BOND
3. AFRILAND PROPERTIES
4. AFRICA PRUDENTIAL PLC
5. BECO PETROLEUM PRODUCTS PLC
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21. GLOBAL SPECTRUM ENERGY SERVICES PLC
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24. OMOLUABI MORTGAGE BANK PLC
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30. TRANSCORP POWER PLC
31. TRANSCORP PLC
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34. UNITED BANK FOR AFRICA PLC
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39. UNITED CAPITAL MONEY MARKET FUND
40. UNITED CAPITAL NIGERIAN EUROBOND FUND
41. UNITED CAPITAL WEALTH FOR WOMEN FUND
42. UAC PROPERTIES DEVELOPMENT COMPANY PLC
43. VFD GROUP PLC
44. WEST AFRICAN GLASS IND PLC

### 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)

OTHERS:


HEAD OFFICE: 220B, Ikoro 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@aficaprudential.com | www.aficaprudential.com | @afriprud



SCAN



To Download Shareholder Forms

**United Capital**  
**RC 444999**

I/We \_\_\_\_\_ Being a  
member/member 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 April  
4, 2025, at 10am or at any adjournment hereof.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2025

Shareholder's signature: \_\_\_\_\_

**NOTE**

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

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

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

**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  
APRIL 4, 2025

| ORDINARY BUSINESS   | FOR | AGAINST | ABSTAIN |
|---|-----|---------|---------|
| 1. To lay before the members the Audited Financial Statements for the year ended December 31, 2024, 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:<br>3.1 Professor Chika Mordi<br>3.2 Mr. Oladipupo Fatokun<br>3.3 Mr. Samuel Nwanze   |     |         |         |
| 4. To authorize directors to fix the remuneration of Auditors   |     |         |         |
| 5. To disclose the remuneration of Managers   |     |         |         |
| 6. To elect members of Statutory Audit Committee  |     |         |         |
| 7. That the Director's fees payable to Non-Executive Directors, until further notice, be and is hereby fixed at the sum of N425,000,000 (Four hundred and twenty-five million naira only) for the year ending December 31, 2025. Such payments to be effective from January 1, 2025 |     |         |         |

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

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

**ANNUAL GENERAL MEETING  
ADMISSION CARD**

**United Capital**  
**RC 444999**

PLEASE ADMIT THE SHAREHOLDER NAMED ON THIS CARD OR HIS DULY APPOINTED PROXY TO THE ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD ON APRIL 4, 2025, AT 10 AM AT THE TRANSCORP HILTON HOTEL, 1, AGUIYI IRONSI, MAITAMA, ABUJA

**Name and address of Shareholder**

\_\_\_\_\_

Proxy

**Account Number**

\_\_\_\_\_

Shareholder

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

**Dr. (Sir) Leo Okafor PhD, FCIS, ACS, M.IOD, KSJI**  
Group Company Secretary

Signature \_\_\_\_\_

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

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- +234-814-828-2394
- ✉ [info@unitedcapitalplcgroup.com](mailto:info@unitedcapitalplcgroup.com)

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- ✉ [info@unitedcapitalplcgroup.com](mailto:info@unitedcapitalplcgroup.com)

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- ✉ [info@unitedcapitalplcgroup.com](mailto:info@unitedcapitalplcgroup.com)

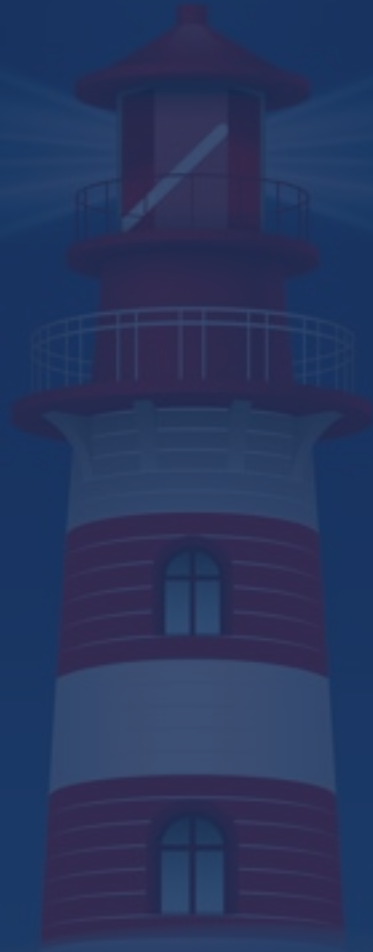
#### Ibadan

- USA Building  
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Dugbe, Ibadan, Oyo State.
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- 📠 07000491131 (07000491131)
- +234-814-828-2394
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#### Ghana

- Heritage Tower,  
Ambassadors Enclave, off Liberia Road,  
Ridge, Accra, Ghana.
- ✉ [info@unitedcapitalplcgroup.com](mailto:info@unitedcapitalplcgroup.com)





■ Lagos ■ Abuja ■ Port Harcourt ■ Ibadan ■ Ghana ■ Cote D'Ivoire

[www.unitedcapitalplcgroup.com](http://www.unitedcapitalplcgroup.com)