

UNAUDITED RESULTS FOR THE PERIOD ENDED 31ST MARCH, 2021
OPERATIONAL EFFICIENCY: PAT MARGIN SURGE BY 46%

This Earnings Press Release should be read in conjunction with the Unaudited Financial Statements for the period ended March 31st 2021. The Earnings Press Release and the Unaudited Financial Statements for the period ended March 31st 2021 are available on our website at <https://africaprudential.com/investors/>. This analysis is dated April 22nd 2021. Unless otherwise indicated, all amounts are expressed in Nigerian Naira, and have been primarily derived from the Company's Financial Statements, prepared in accordance with the International Financial Reporting Standards ("IFRS"). The accounting policies used in the preparation of these financial statements are consistent with those used in the Company's Unaudited Financial Statements for the period ended March 31st 2021. Additional information relating to the Company is available on the Company's website. <https://africaprudential.com/investor-relations/>

Income Statement:

- Revenue from contracts with customers: ₦0.36 Billion, compared to ₦0.13 Billion in Q1 2020 (172% YoY Increase);
- Interest Income: ₦0.47 Billion, compared to ₦0.61 Billion in Q1 2020 (23% YoY Decline);
- Gross Earnings: ₦0.83 Billion, compared to ₦0.74 Billion in Q1 2020 (11% YoY Increase);
- Profit Before Tax: ₦0.48 Billion, compared to ₦0.41 Billion in Q1 2020 (16% YoY Increase);
- Profit After Tax: ₦0.38 Billion, compared to ₦0.34 Billion in Q1 2020 (12% YoY Increase);
- Earnings Per Share: 19 Kobo (17Kobo in Q1 2020).

Balance Sheet:

- Total Assets: ₦31.12 Billion, compared to ₦17.73 Billion as at FY 2020 (75.6% YTD Increase);
- Total Liabilities: ₦23.42 Billion, compared to ₦9.36 Billion as at FY 2020 (150% YTD Increase);
- Shareholders' Fund: ₦7.7 Billion, compared to ₦8.37 Billion as at FY 2020. (8% YTD Decrease)

ITEMS OF NOTE;

Comparing Q1 2021 to Q1 2020, we observed the following key items worthy of note:

- **Revenue from contracts with customers:** During the period under review, Revenue from contracts with customers increased by 172% year-on-year on the back of a 975% increase in fees from corporate actions, 144% growth in register maintenance and a 27% increase in digital consultancy.
- **Interest income:** On the other hand, the company recorded a 23% Year-on-Year decline in interest income driven by the 19% decline in interest on loans and advances due to the low yield environment as interest income from Treasury bills declined 100%.
- **Profit After Tax:** This increased by 12% year-on-year, due to the 11% increase in gross earnings as well as an 18.6% decline in personnel expenses.

Comparing Q1 2021 to FY 2020, the following were observed in the Balance Sheet:

- **Total Assets:** In the first quarter of 2021, the total assets increased 75.6% on the back of 1,243% surge in cash and cash equivalents as well as a 168% increase in trade receivables.
- **Total Liabilities:** The company total liabilities increased by 150% Year-till-date driven by a 160% increase in customers' deposits which accounted for about 96% of the company's liabilities.
- **Shareholder's Wealth:** The shareholder's wealth declined by 8% due to the 9% decline in retained earnings due to dividend paid by the company during the period.

| Financial Metrics | Q1 2021 | FY 2020 |
|--------------------------|----------------|----------------|
| RoAA | 6% | 8.0% |
| RoAE | 19% | 17.4% |
| NAPS | ₦3.85k | ₦4.18k |
| Asset Turnover | 7.40x | 0.19x |
| EPS | 19 | 72 |
| PAT Margin | 46% | 41% |
| EBIT Margin | 58% | 57% |

Notice of Q1 2021 Conference Call:

Sequel to the release of our Q1 2021 result, we would be hosting a conference call for Investors and Analysts. Further information would be circulated to all in due course.

For Further enquiries;

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**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31
MARCH 2021**

| <i>In thousands of Nigerian Naira</i> | 31-Mar-21 | 31-Mar-20 |
|--|------------------|------------------|
| Revenue from Contracts with customers | 357,342 | 131,567 |
| Interest income | 468,290 | 611,799 |
| Gross earnings | 825,632 | 743,366 |
| Other income | 885 | 2,891 |
| Credit loss expenses | (545) | - |
| Personnel expenses | (128,647) | (158,105) |
| Other operating expenses | (198,061) | (152,195) |
| Depreciation of property and equipment | (12,841) | (13,983) |
| Depreciation of right of use assets | (1,423) | (3,265) |
| Amortisation of intangible assets | (6,488) | (5,256) |
| Profit Before Finance cost and Tax | 478,512 | 413,453 |
| Finance costs | (310) | - |
| Profit Before Tax | 478,202 | 413,453 |
| Income tax expense | (96,848) | (71,645) |
| Profit after tax | 381,354 | 341,808 |
| Other Comprehensive Income | | |
| <i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax):</i> | | |
| Net (loss)/gain on quoted equity instruments at fair value through other comprehensive income | (44,098) | (57,093) |
| Net (loss)/gain on unquoted equity instruments at fair value through other comprehensive income | - | - |
| Revaluation gain on building (net of tax) | - | - |
| Total Other Comprehensive Income, net of income tax | (44,098) | (57,093) |
| Total comprehensive income for the year, net of tax | 337,256 | 284,715 |
| Basic and diluted earnings per share | 19 | 17 |

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

| <i>45In thousands of Nigerian Naira</i> | 31-Mar-21 | 31-Dec-20 |
|--|-------------------|-------------------|
| ASSETS | | |
| Cash and cash equivalents | 13,505,618 | 1,005,752 |
| Equity instruments at fair value through OCI | 243,922 | 288,020 |
| Debt instruments at amortised cost | 13,468,799 | 13,014,137 |
| Deposit of Shares | 2,770,000 | 2,770,000 |
| Trade and other receivables | 799,816 | 298,665 |
| Property and equipment | 275,298 | 282,575 |
| Right-of-use-assets | 6,164 | 7,586 |
| Intangible assets | 55,347 | 61,835 |
| TOTAL ASSETS | 31,124,964 | 17,728,570 |
| LIABILITIES | | |
| Customers' deposits | 22,496,805 | 8,639,683 |
| Creditors and accruals | 191,432 | 86,574 |
| Lease liabilities | 7,508 | 7,198 |
| Current income tax payable | 675,931 | 579,083 |
| Deferred tax liabilities | 46,379 | 46,379 |
| TOTAL LIABILITIES | 23,418,055 | 9,358,917 |
| SHAREHOLDER'S EQUITY | | |
| Share capital | 1,000,000 | 1,000,000 |
| Share premium | 624,446 | 624,446 |
| Revaluation reserves | 70,596 | 70,596 |
| Fair value reserve | (25,486) | 18,612 |
| Retained earnings | 6,037,353 | 6,655,999 |
| TOTAL EQUITY | 7,706,909 | 8,369,653 |
| TOTAL EQUITY AND LIABILITIES | 31,124,964 | 17,728,570 |

EDITOR'S COMMENT

Africa Prudential Plc is a technology firm offering digital technology solutions and services, share registration, and e-commerce services. Africa Prudential is leveraging technology to transform service experience across its various business lines.

More information can be found at: <https://africaprudential.com/investor-relations/>

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CAUTION REGARDING FORWARD LOOKING STATEMENTS

From time to time, the Company makes written and/or oral forward-looking statements, including in this press release and in other communications. In addition, representatives of the Company may make forward-looking statements orally to analysts, investors, the media and others. All such statements are intended to be forward looking statements. Forward looking statements include, but are not limited to, statements regarding the Company's objectives and strategies to achieve them, and the Company's anticipated financial performance. Forward looking statements are typically identified by words such as "will", "should", "believe", "expect", "anticipate", "intend", "estimate", "may" and "could".

Any forward looking statements contained in this presentation represent the views of management only as of the date hereof and are presented for the purpose of assisting the Company's investors and analysts in understanding the Company's financial position, objectives and priorities and anticipated financial performance as at and for the periods ended on the dates presented, and may not be appropriate for other purposes. The Company does not undertake to update any forward-looking statements, whether written or oral, that may be made from time to time by or on its behalf, except as required under applicable securities legislation

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Obong Idiong
Managing Director/Chief Executive Officer