

## UNITED CAPITAL PLC

AUDITED RESULTS FOR THE YEAR ENDED DECEMBER 31, 2021

### UNITED CAPITAL CREATES MASSIVE WEALTH FOR SHAREHOLDERS

**Proposes 114% Dividend Growth as Operating PBT Rises 53%**

**Lagos, February 18, 2022:** United Capital Plc, (**NGX:** UCAP, **Bloomberg:** UCAP:NL, **Financial Times:** UCAP: LAG) has released its Audited Financial Statements for the year ended December 31, 2021. Gross Earnings was up 40% year-on-year to ₦18.07 billion, operating PBT grew 53% year-on-year to ₦12.12 billion. Total assets grew 104% year-on-year to ₦453.60 billion while Shareholders' Funds rose 25% year-on-year to N30.55 billion from N24.43 billion. The company has proposed 114% increase in dividend to ₦1.50 for every 50 kobo ordinary share.

Financial Ratios	FY 2021	FY 2020
Return on Assets	2.48%	3.51%
Return on Equity	36.86%	31.98%
Return on Average Equity	40.96%	35.49%
Price*-Earnings Ratio	5.86	3.62
EPS (kobo)	188	130
Operating PBT Margin	67.11%	61.73%
PAT Margin	62.32%	60.67%
Cost-to-Income	32.89%	38.27%
Price* to book	2.16	1.16

\*UCAP share price at 31/12/2021

**Speaking on the audited financial results, Professor Chika Mordi, the Board Chairman stated:**

*"We are proposing ₦1.50 dividend for every 50 kobo ordinary share, up 114% over 70 kobo dividend paid last year. This affirms our commitment to wealth creation for our shareholders".*

**Commenting on the Group's performance, the Group Chief Executive Officer, Mr. Peter Ashade, had this to say:**

*"Our strong performance was driven by exponential growth in business activities across all the market segments that we serve as we successfully navigated a volatile operating environment to create best-in-class solutions for our clients.*

*United Capital is on a progressive path as witnessed in our strong earnings growth and superior value delivery to shareholders over the years, amongst other metrics that are reflective of high performing organisations.*

*All stakeholders can be assured of our commitment to sustain our organisational growth trajectory well into the foreseeable future as we navigate the tough operating terrain.*

*We will continue to pursue developmental activities and actively engage regulatory authorities, investors and relevant stakeholder groups towards deepening the capital market,*

strengthening the broader financial system and driving financial inclusion as a means of accelerating the economic development of our dear country and empowering its citizens”.

#### **HIGHLIGHTS OF THE RESULT:**

This Earnings Press Release should be read in conjunction with the Audited Financial Statements for the year ended December 31, 2021. The Earnings Press Release and the Audited Financial Statements for the year ended December 31, 2021 are available on our website at <https://www.unitedcapitalplcgroup.com/investor-relations/>. **This analysis was issued in Lagos dated February 18<sup>th</sup>, 2022.** Unless otherwise indicated, all amounts are expressed in the Nigerian Naira, and have been primarily derived from the Group'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 Group's Audited Financial Statements for the year ended December 31, 2021. Additional information relating to the Group is available on the Group's website <http://www.unitedcapitalplcgroup.com/>.

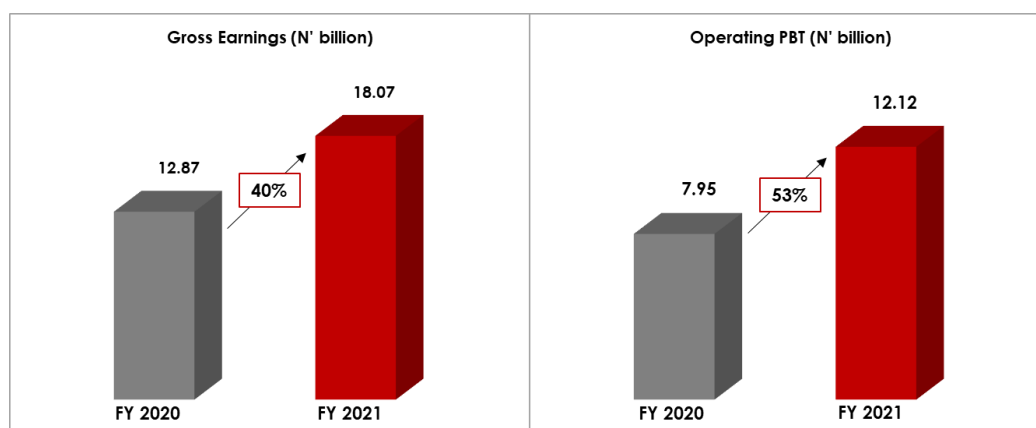
#### **Statement of Profit or Loss:**

##### **Year-on-Year Analysis reveals the following:**

- Gross Earnings: ₦18.07 billion in FY 2021, compared to ₦12.87 billion in FY 2020 (40% growth year-on-year)
- Operating Income: ₦16.24 billion in FY 2021, compared to ₦12.49 billion in FY 2020 (30% growth year-on-year)
- Operating expenses: ₦5.94 billion in FY 2021, compared to ₦4.93 billion in FY 2020 (21% growth year-on-year)
- Operating Profit Before Tax: ₦12.12 billion in FY 2021, compared to ₦7.95 billion in FY 2020 (53% growth year-on-year)
- Profit After Tax: ₦11.26 billion in FY 2021, compared to ₦7.81 billion in FY 2020 (44% growth year-on-year)
- Earnings Per Share: 188 Kobo. (2020: 130kobo). This represents 44% growth year-on-year.

#### **Statement of Financial Position:**

- Total Assets: ₦453.60 billion, compared to ₦222.75 billion as at FY 2020 (104% year-on-year growth)
- Total Liabilities: ₦423.05 billion, compared to ₦198.32 billion as at FY 2020 (113% year-on-year growth)
- Shareholders' Fund: ₦30.55 billion, compared to ₦24.43 billion as at FY 2020 (25% year-on-year growth)



**Comparing FY 2021 with FY 2020, the following are worthy of note:**

- **Gross Earnings:** Total revenue grew by 40% year-on-year driven by growth in fee and commission income (+77% year-on-year) and Investment Income (+8% year-on-year)
- **Cost-to-Income ratio:** Operating efficiency improved as cost-to-income ratio declined by 5.38 percentage points largely attributable to growth in revenue (+40% year-on-year) relative to operating expenses (+21% year-on-year)
- **Operating PBT Margin:** Profitability margin improved during the year under review as PBT margin increased by 5.38 percentage points from 61.73% in FY 2020 to 67.11% in FY 2021
- **PAT Margin:** PAT margin also increased, gaining 1.65 percentage point to 62.32% in FY 2021 compared to 60.67% in FY 2020 as PAT increased by 44% year-on-year during the year under review.
- **Total Assets:** The company's total assets grew by 104% year-on-year on the account of 24% increase in cash and cash equivalents and 151% growth in financial asset investment.
- **Total Liabilities:** United Capital's total liabilities increased by 113% year-on-year largely driven by 182% year-on-year increase in manage funds during the year under review
- **Shareholders' Fund:** United Capital's Shareholders' funds grew by 25% year-on-year driven by 33% growth in retained earnings
- **Proposed Dividend:** The Board of Directors proposed a dividend of **N1.50** per share, amounting to a total of N9 billion dividend to be paid to shareholders upon approval by members at the AGM. The dividend is payable to shareholders whose names appear on the Register of Members at the close of business on March 23, 2022.

**COMPANY UPDATE:**

Following the release of our FY 2021 audited result, we shall be hosting an Investors and Analysts conference call in due course to discuss our performance and overall outlook for the first quarter and the rest of 2022. The date and further details with respect to the conference call would be circulated in due course.

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31  
DECEMBER 2021**

		<b>2021</b>	<b>2020</b>
		<b>=N=' 000</b>	<b>=N=' 000</b>
<b>Gross Earnings</b>		<b>18,065,183</b>	<b>12,873,897</b>
Investment income	4	8,900,513	8,261,668
Fee and commission income	5	6,159,572	3,471,398
Net trading income	6	1,181,877	753,226
<b>Net operating income</b>		<b>16,241,962</b>	<b>12,486,292</b>
Other income	7	1,585,936	397,972
Dividend income from subsidiaries		-	-
Net gain/(loss) on financial assets at fair value through P or L	8	237,285	(10,367)
<b>Total Revenue</b>		<b>18,065,183</b>	<b>12,873,897</b>
Personnel expenses	9	(1,588,410)	(1,351,050)
Other operating expenses	10	(3,603,031)	(2,616,760)
Depreciation of properties and equipment	11	(204,408)	(202,220)
Amortisation of intangible & right of use assets	11	(91,871)	(84,305)
Impairment for credit losses	12	(453,451)	(671,892)
<b>Total Expenses</b>		<b>(5,941,169)</b>	<b>(4,926,227)</b>
<b>Operating profit before income tax</b>		<b>12,124,014</b>	<b>7,947,670</b>
Share of accumulated (loss)/profit of associates	22	(206,413)	-
<b>Profit before income tax</b>		<b>11,917,601</b>	<b>7,947,670</b>
Taxation	13	(658,863)	(136,492)
<b>Profit for the year</b>		<b>11,258,738</b>	<b>7,811,178</b>
<b>Other comprehensive income, net of income tax</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Fair value (loss)/gain on investments in equity instruments measured at FVTOCI (net of tax)	32.1	11,839	424,311
<i>Items that may be reclassified subsequently to profit or loss</i>			
Fair value (loss)/gain on investments in debt instruments measured at FVTOCI (net of tax)	32.2	(950,262)	(394,848)
Share of other comprehensive income of associates	22	-	-
<i>Other comprehensive income/(loss) for the year, net of taxes</i>		<i>(938,423)</i>	<i>29,462</i>
<b>Total comprehensive income for the year</b>		<b>10,320,315</b>	<b>7,840,640</b>
<b>Profit for the year attributable to:</b>			
Equity holders of the Company		11,258,738	7,811,178
<b>Total comprehensive income attributable to:</b>			
Equity holders of the Company		10,320,315	7,840,640
<b>Earnings per share-basic (kobo)</b>	<b>14</b>	<b>188</b>	<b>130</b>
<b>Earnings per share-diluted (kobo)</b>	<b>14</b>	<b>188</b>	<b>130</b>

**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021**

		<b>2021</b>	<b>2020</b>
		<b>=N=' 000</b>	<b>=N=' 000</b>
<b>ASSETS</b>			
Cash and cash equivalents	15	53,661,848	43,420,443
Investment securities	16	363,647,252	145,148,841
Trade and other receivables	17	30,919,246	28,472,742
Right of use assets	19	212,819	283,694
Intangible assets	20	78,595	42,015
Investments in associates	22	4,293,587	4,500,000
Property and equipment	23	471,852	565,824
Deferred tax assets	24	312,755	314,736
<b>TOTAL ASSETS</b>		<b>453,597,954</b>	<b>222,748,295</b>
<b>LIABILITIES</b>			
Managed funds	25	327,249,024	116,019,077
Other borrowed funds	26	79,691,116	72,661,645
Other liabilities	27	14,225,310	7,683,308
Current tax liabilities	28	1,803,211	1,830,812
Deferred tax liabilities	24	82,500	126,974
<b>TOTAL LIABILITIES</b>		<b>423,051,161</b>	<b>198,321,816</b>
<b>SHAREHOLDERS FUND</b>			
Share capital	29	3,000,000	3,000,000
Share premium	30	683,611	683,611
Retained earnings	31	28,660,538	21,601,800
Fair value reserves	32	(1,797,356)	(858,932)
<b>TOTAL SHAREHOLDERS FUND</b>		<b>30,546,793</b>	<b>24,426,479</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS FUND</b>		<b>453,597,954</b>	<b>222,748,295</b>

## **EDITOR'S COMMENT**

United Capital Plc is a leading Pan-African financial and investment services group, with a mission to provide bespoke and innovative value-added services to its client. The group aims to transform the African continent by providing innovative and creative investment banking solutions to governments, companies, and individuals.

The company which was listed on the Nigerian Stock Exchange on the 17<sup>th</sup> of January 2013 is setting the pace to becoming the financial and investment role model across Africa, by deploying innovation, technology, and specialist skills to exceed client expectations, while creating more value for all stakeholders.

As a pacesetter, United Capital is the first Investment Bank to be listed on the Nigerian Stock Exchange, it maintains a holding company structure with subsidiaries in Asset Management, Trusteeship, Securities Trading and Consumer Lending business.

More information can be found at: <http://www.unitedcapitalplcgroup.com/>

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## **CAUTION REGARDING FORWARD LOOKING STATEMENTS**

From time to time, the Group makes written and/or oral forward-looking statements, including in this press release and in other communications. In addition, representatives of the Group 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 Group's objectives and strategies to achieve them, and the Group'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 Group's investors and analysts in understanding the Group'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 Group 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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