

UNITED CAPITAL PLC

UNAUDITED RESULTS FOR THE PERIOD ENDED MARCH 31, 2022

UNITED CAPITAL SUSTAINS REMARKABLE GROWTH TRAJECTORY

Increases Value Delivery to Stakeholders as PAT Rises 39%

United Capital Plc, (**NGX:** UCAP, **Bloomberg:** UCAP:NL, **Financial Times:** UCAP: LAG) has announced its Unaudited Financial Statements for the period ended March 31, 2022. Gross Earnings was up 35% year-on-year to ₦4.21bn, PBT grew by 36% year-on-year to ₦2.69 billion, and PAT rose 39% year-on-year to ₦2.31 billion.

Earnings	Q1 2022	Q1 2021
Gross Earnings (₦'bn)	4.21	3.12
PBT (₦'bn)	2.69	1.97
PAT (₦'bn)	2.31	1.66
Financial Ratios	Q1 2022	Q1 2021
*Return on Equity	38.72%	30.60%
Price* - Earnings Ratio	8.15	4.79
*EPS (kobo)	154	111
Operating PBT Margin	60.97%	63.29%
PBT Margin	63.81%	63.29%
PAT Margin	54.81%	53.17%
Cost-to-Income	39.03%	36.71%
**Price to book	3.16	1.47

*UCAP share price at 31/03/2022

**Annualized

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

United Capital is on a remarkable growth path as reflected in our strong financial results in Q1-2022. We remain uniquely positioned to increasing value delivery to all our stakeholders.

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

"As a financial market player, capital market operator, investment manager, and consumer lender, we play a unique role in expanding service offerings in the financial services ecosystem while creating and distributing wealth amongst diverse stakeholders.

United Capital is on a sustainable growth trajectory driven by increasing patronage and expanded activities across all our businesses, and market segments that we serve.

We kicked-off the year 2022 on a sure footing and we are poised to deliver new services and expand into new markets to grow our businesses in line with our three-year growth strategy."

HIGHLIGHTS OF THE RESULT

Lagos, Nigeria – April 12, 2022:

This Earnings Press Release should be read in conjunction with the Unaudited Financial Statements for the period ended March 31st, 2022. The Earnings Press Release and the Unaudited Financial Statements for the period ended March 31st, 2022 are available on our website at <https://www.unitedcapitalplcgroup.com/investor-relations/>. This analysis is dated April 12th, 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 Unaudited Financial Statements for the period ended March 31st, 2022. Additional information relating to the Group is available on the Group's website. <http://www.unitedcapitalplcgroup.com/>

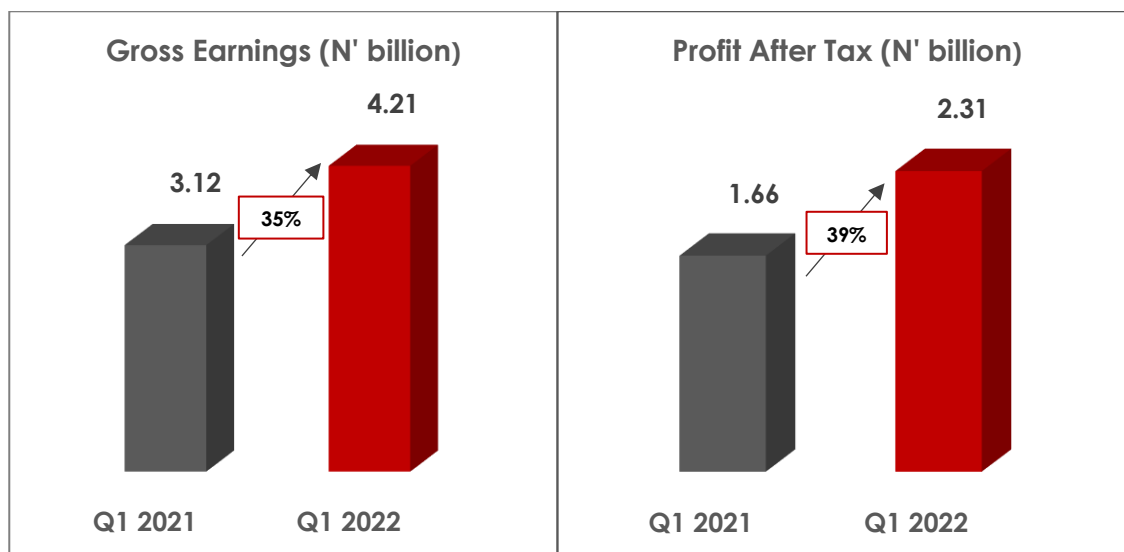
Statement of Profit or Loss:

Year-on-Year Analysis reveals the following:

- ❖ Gross Earnings: ₦4.21 billion in Q1 2022, compared to ₦3.12 billion in Q1 2021 (35% growth year-on-year)
- ❖ Net Operating Income: ₦3.55 billion in Q1 2022, compared to ₦3.10 billion in Q1 2021 (14% growth year-on-year)
- ❖ Operating expenses: ₦1.64 billion in Q1 2022, compared to ₦1.15 billion in Q1 2021 (44% growth year-on-year)
- ❖ Profit Before Tax: ₦2.69 billion in Q1 2022, compared to ₦1.97 billion in Q1 2021 (36% growth year-on-year)
- ❖ Profit After Tax: ₦2.31 billion in Q1 2022, compared to ₦1.66 billion in Q1 2021 (39% growth year-on-year)
- ❖ Annualized Earnings Per Share: 154 kobo. (Q1 2021: 111 kobo)

Statement of Financial Position:

- ❖ Total Assets: ₦463.93 billion, compared to ₦453.60 billion as at FY 2021 (2% year-to-date growth)
- ❖ Total Liabilities: ₦440.08 billion, compared to ₦423.05 billion as at FY 2021 (4% year-to-date growth)
- ❖ Shareholders Fund: ₦23.85 billion, an 22% year-to-date decrease relative to FY 2021's value at ₦30.55 billion.



Comparing Q1 2022 with Q1 2021, the following are worthy of note:

- **Gross Earnings:** During the period under review, United Capital's gross earnings grew by 35% year-on-year driven by growth in Fee and Commission income (+32% year-on-year) and Investment Income (+3% year-on-year).
- **Cost-to-Income ratio:** The company cost-to-income ratio rose by 2.33 percentage points largely attributable to 60% increase in other operating expenses, 30% increase in personal expenses and 31% increase in impairment allowance during the period under review
- **PBT Margin:** During the period under review, the company Profitability margin improved slightly gaining 0.52 percentage points to 63.81% for Q1 2022 relative to 63.29% for Q1 2021 as PBT increased by 36% year-on-year
- **PAT Margin:** PAT margin also improved, gaining 1.64 percentage point to 54.81% in Q1 2022 compared to 53.17% in Q1 2021 as PAT increased by 39% year-on-year during the period
- **Total Assets:** United Capital's total assets appreciated by 2.28% year-to-date largely driven by 111% growth in cash and cash equivalents during the period under review
- **Total Liabilities:** The company's total liabilities grew by 4% year-to-date majorly driven by 69% year-to-date increase in other liabilities during the period under review
- **Shareholders' Fund:** United Capital's Shareholders' funds declined by 22% year-to-date with retained earnings down by 23% YTD due to the impact of ₦ 9billion dividend payout during the period under review.

COMPANY UPDATE:

Following the release of our Q1 2022 result, we shall be hosting an Investors and Analysts conference call on Wednesday 27th April 2022 to discuss our performance and overall outlook for the rest of 2022.

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED
31 MARCH 2022**

	Mar-22	Mar-21
	=N=' 000	=N=' 000
Gross Earnings	4,212,263	3,119,767
Investment income	1,640,576	1,591,357
Fee and commission income	1,747,037	1,321,543
Net trading income	159,788	188,035
Net operating income	3,547,400	3,100,935
Other income	517,458	18,832
Net gain/(loss) on financial assets at fair value through profit or loss	147,405	-
Total Revenue	4,212,263	3,119,767
Personnel expenses	(546,701)	(421,220)
Other operating expenses	(924,857)	(576,326)
Depreciation of properties and equipment	(49,239)	(42,770)
Amortization of intangible & right of use assets	(26,030)	(30,688)
Impairment for credit losses	(97,379)	(74,177)
Total Expenses	(1,644,208)	(1,145,181)
Operating profit before income tax	2,568,055	1,974,586
Share of accumulated (loss)/profit of associates	119,886	-
Profit before income tax	2,687,941	1,974,586
Taxation	(379,204)	(315,950)
Profit for the period	2,308,737	1,658,636
Other comprehensive income, net of income tax		
<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)	(721,981)	(47,648)
<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)	715,652	(158,167)
Share of other comprehensive income of associates	-	-
Other comprehensive income/(loss) for the period, net of taxes	(6,329)	(205,815)
Total comprehensive income for the period	2,302,408	1,452,821
Profit for the period attributable to:		
Equity holders of the Company	2,308,737	1,658,636
Total comprehensive income attributable to:		
Equity holders of the Company	2,302,408	1,452,821
Earnings per share-basic (kobo) annualized	154	111
Earnings per share-diluted (kobo) annualized	154	111

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

	Mar-22	Dec-21
	=N=' 000	=N=' 000
ASSETS		
Cash and cash equivalents	113,295,733	53,661,848
Investment securities	312,487,592	363,647,252
Trade and other receivables	32,709,752	30,919,246
Right of use assets	195,343	212,819
Intangible assets	70,041	78,595
Investments in associates	4,413,473	4,293,587
Property and equipment	446,385	471,852
Deferred tax assets	312,755	312,755
TOTAL ASSETS	463,931,074	453,597,954
LIABILITIES		
Managed funds	320,586,316	327,249,024
Borrowed funds	93,235,930	79,691,116
Other liabilities	24,003,029	14,225,310
Current tax liabilities	2,174,098	1,803,211
Deferred tax liabilities	82,500	82,500
TOTAL LIABILITIES	440,081,873	423,051,161
SHAREHOLDERS FUND		
Share capital	3,000,000	3,000,000
Share premium	683,611	683,611
Retained earnings	21,969,275	28,660,538
Fair value reserves	(1,803,685)	(1,797,356)
TOTAL SHAREHOLDERS FUND	23,849,201	30,546,793
TOTAL LIABILITIES AND SHAREHOLDERS FUND	463,931,074	453,597,954

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 17th 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 the Consumer Lending, Trusteeship, Securities Trading and Asset Management business.

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

For further enquiries:

Shedrack Onakpoma

Group Chief Financial Officer

shedrack.onakpoma@unitedcapitalplcgroup.com

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

The release, publication, or distribution of this announcement in certain jurisdictions may be restricted by law and therefore persons in such jurisdictions into which this announcement is released, published, or distributed should inform themselves about and observe such restrictions.