

UNITED CAPITAL PLC

UNAUDITED RESULTS FOR THE PERIOD ENDED SEPTEMBER 30, 2022

UNITED CAPITAL BEATS THE ODDS Sustains Growth Path as PBT Rises 29%

LAGOS, NIGERIA – October 14, 2022 - United Capital Plc, (NGX: UCAP, Bloomberg: UCAP:NL, Financial Times: UCAP: LAG) has announced its Unaudited Financial Results for the period ended September 30, 2022. Gross Earnings grew by 28% year-on-year to ₦14.55billion, PBT increased by 29% year-on-year to ₦9.12billion, PAT rose by 29% year-on-year to ₦7.72billion and total assets grew by 31% year-to-date to ₦ 595.97billion.

| Earnings | SEPT 2022 | SEPT 2021 |
|-----------------------|-----------|-----------|
| Gross Earnings (₦'bn) | 14.55 | 11.33 |
| PBT (₦'bn) | 9.12 | 7.09 |
| PAT (₦'bn) | 7.72 | 5.97 |
| Financial Ratios | SEPT 2022 | SEPT 2021 |
| **Return on Equity | 34.73% | 29.58% |
| Price*-Earnings Ratio | 6.56 | 6.75 |
| ' | 171 | 133 |
| **EPS (kobo) | | |
| Operating PBT Margin | 60.54% | 62.60% |
| PAT Margin | 53.04% | 52.65% |
| Cost-to-Income | 39.46% | 37.40% |
| **Price to book | 2.28 | 2.00 |

*UCAP share price at 30/09/2022

**Annualized

Commenting on the unaudited financial results, the Group Chief Executive Officer, Mr. Peter Ashade, had this to say:

"I am pleased to inform our stakeholders that United Capital achieved another outstanding performance in the third quarter of the year. This is a fulfilment of our commitment to our stakeholders to keep delivering enhanced returns and driving sustainable growth across all our business lines.

In the fourth quarter of the year 2022, we expect global financial conditions to remain tight, presenting growth challenges for emerging economies. We remain committed to facilitating capital flows to critical sectors that drive growth and national development in our domestic economy while striving to create and preserve wealth for our clients, investors, and stakeholders amid the tough operating environment."

LAGOS, NIGERIA – October 14, 2022

*This Earnings Press Release should be read in conjunction with the Unaudited Financial Statements for the period ended September 30th, 2022. The Earnings Press Release and the Unaudited Financial Statements for the period ended September 30th, 2022 are available on our website at <https://www.unitedcapitalplcgroup.com/investor-relations/>. This analysis is dated **October 14th, 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 September 30th, 2022. Additional information relating to the Group is available on the Group's website. <http://www.unitedcapitalplcgroup.com/>*

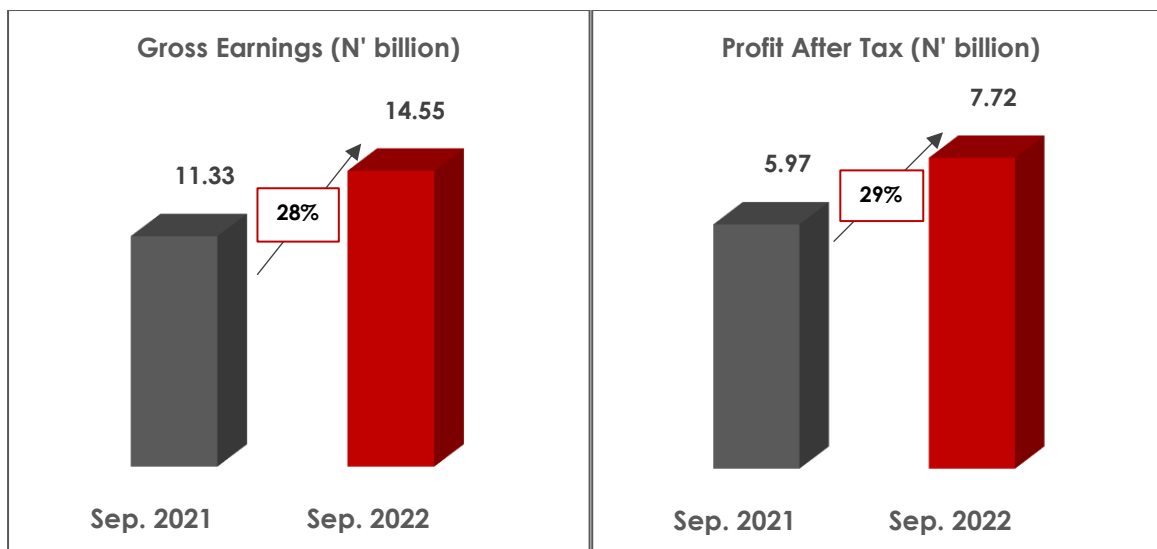
KEY PERFORMANCE HIGHLIGHTS**Income Statement**

- ❖ Gross Earnings: ₦14.55billion in 9M 2022, compared to ₦11.33billion in 9M 2021 (28% growth year-on-year)
- ❖ Net Operating Income: ₦13.49billion in 9M 2022, compared to ₦11.08billion in 9M 2021 (22% growth year-on-year)
- ❖ Operating expenses: ₦5.74billion in 9M 2022, compared to ₦4.24billion in 9M 2021 (35% growth year-on-year)
- ❖ Profit Before Tax: ₦9.12billion in 9M 2022, compared to N ₦7.09billion in 9M 2021 (29% growth year-on-year)
- ❖ Profit After Tax: ₦7.72billion in 9M 2022, compared to ₦5.97billion in 9M 2021 (29% growth year-on-year)
- ❖ Annualized Earnings Per Share: 171 kobo. (9M 2021: 133 kobo)

Statement of Financial Position:

- ❖ Total Assets: ₦595.97billion, compared to ₦453.60billion as at December 2021 (31% year-to-date growth)

- ❖ Total Liabilities: ₦566.35billion, compared to ₦423.05billion as at December 2021 (34% year-to-date growth)
- ❖ Shareholders Fund: ₦29.62billion, an 3% year-to-date decrease relative to December 2021 's value at ₦30.55billion.



Comparing 9M 2022 with 9M 2021, the following are worthy of note:

- **Gross Earnings:** United Capital's gross earnings rose by 28% year-on-year to ₦14.55billion in September 2022 compared to ₦11.33billion in September 2021 majorly driven by growth in Fee and Commission income (+31% year-on-year) and Investment Income (+5% year-on-year)
- **Cost-to-Income ratio:** The Group's cost-to-income ratio grew by 2.06 percentage points to 39.46% in September 2022 from 37.40% in September 2021 attributable to 28% growth in revenue compared to 35% growth in operating expenses. The growth in operating expenses was driven by 30% growth in other operating expenses arising from our digitalization drive, 33% growth in personnel expenses and 77% growth in impairment allowance in compliance with IFRS 9 which requires financial assets be tested for impairment using expected credit loss model.
- **Operating PBT Margin:** During the period under review, Operating PBT margin declined by 2.06 percentage points to 60.54% in September 2022 from 62.60% in September 2021. The decline in operating PBT margin was driven by 28% growth in revenue compared to 35% growth in operating expenses. The Group's PBT was however enhanced by share of profit from associate of about N317.8m.
- **PAT Margin:** The Group's PAT margin grew slightly by 0.39 percentage point to 53.04% in September 2022 from 52.65% in September 2021.

- **Total Assets:** The Group's total assets rose by 31% year-to-date to ₱595.97billion in September 2022 compared to 453.60billion in FY 2021 largely driven by 326% growth in cash and cash equivalents, maintaining a highly liquid position as we approach year end.
- **Total Liabilities:** The Group's total liabilities increased by 31% year-to-date to ₱566.35billion in September 2022 compared to ₱423.05billion in FY 2021 attributable to 30% year-to-date growth in managed fund and 282% year-to-date growth in other liabilities during the period under review.
- **Shareholders' Fund:** Shareholders' funds declined by 3% year-to-date to ₱29.62billion in September 2022 compared to ₱30.55billion in FY 2021 due to ₱9billion dividend payout during the period under review.

COMPANY UPDATE:

Following the release of our 9M 2022 result, we shall be hosting an Investors and Analysts conference call in due course to discuss our performance and overall outlook for the next quarter 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 PERIOD ENDED
30 SEPTEMBER 2022**

| | September 2022 | September 2021 |
|---|-----------------------|-----------------------|
| | =N=' 000 | =N=' 000 |
| Gross Earnings | 14,546,254 | 11,329,284 |
| Investment income | 6,611,493 | 6,291,105 |
| Fee and commission income | 6,268,598 | 4,770,627 |
| Net trading income | 611,916 | 15,553 |
| Net operating income | 13,492,007 | 11,077,285 |
| Other income | 1,128,309 | 247,597 |
| Net gain/(loss) on financial assets at fair value through profit or loss | (74,062) | 4,402 |
| Total Revenue | 14,546,254 | 11,329,284 |
| Personnel expenses | (1,743,631) | (1,306,994) |
| Other operating expenses | (2,772,528) | (2,136,359) |
| Depreciation of properties and equipment | (144,453) | (164,211) |
| Amortisation of intangible & right of use assets | (79,232) | (66,009) |
| Impairment for credit losses | (999,890) | (563,613) |
| Total Expenses | (5,739,733) | (4,237,187) |
| Operating profit before income tax | 8,806,521 | 7,092,097 |
| Share of accumulated (loss)/profit of associates | 317,786 | - |
| Profit before income tax | 9,124,307 | 7,092,097 |
| Taxation | (1,409,044) | (1,126,851) |
| Profit for the period | 7,715,263 | 5,965,246 |
| Other comprehensive income, net of income tax | | |
| Items that will not be reclassified subsequently to profit or loss | | |
| Fair value (loss)/gain on investments in equity instruments measured at FVTOCI (net of tax) | 81,567 | 231,748 |
| Items that may be reclassified subsequently to profit or loss | | |
| Fair value (loss)/gain on investments in debt instruments measured at FVTOCI (net of tax) | 276,837 | 465,557 |
| Other comprehensive income/(loss) for the period, net of taxes | 358,404 | 697,305 |
| Total comprehensive income for the period | 8,073,667 | 6,662,552 |
| Profit for the period attributable to: | | |
| Equity holders of the Company | 7,715,263 | 5,965,246 |
| Total comprehensive income attributable to: | | |
| Equity holders of the Company | 8,073,667 | 6,662,552 |
| Earnings per share-basic (kobo) | 171 | 133 |

STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022

| | September 2022 | December 2021 |
|--|-----------------------|----------------------|
| | =N=' 000 | =N=' 000 |
| ASSETS | | |
| Cash and cash equivalents | 228,728,954 | 53,661,848 |
| Investment securities | 324,080,523 | 363,647,252 |
| Trade and other receivables | 37,498,046 | 30,919,246 |
| Right of use assets | 159,809 | 212,819 |
| Intangible assets | 157,244 | 78,595 |
| Investments in associates | 4,611,372 | 4,293,587 |
| Property and equipment | 418,889 | 471,852 |
| Deferred tax assets | 312,755 | 312,755 |
| TOTAL ASSETS | 595,967,592 | 453,597,954 |
| LIABILITIES | | |
| Managed funds | 423,922,909 | 327,249,024 |
| Borrowed funds | 85,357,174 | 79,691,116 |
| Other liabilities | 54,307,326 | 14,225,310 |
| Current tax liabilities | 2,677,222 | 1,803,211 |
| Deferred tax liabilities | 82,500 | 82,500 |
| TOTAL LIABILITIES | 566,347,131 | 423,051,161 |
| SHAREHOLDERS FUND | | |
| Share capital | 3,000,000 | 3,000,000 |
| Share premium | 683,611 | 683,611 |
| Retained earnings | 27,375,801 | 28,660,538 |
| Fair value reserves | (1,438,951) | (1,797,356) |
| TOTAL SHAREHOLDERS FUND | 29,620,461 | 30,546,793 |
| TOTAL LIABILITIES AND SHAREHOLDERS FUND | 595,967,592 | 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/>

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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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