

**AFRICA PRUDENTIAL PLC****AUDITED RESULTS FOR THE PERIOD ENDED 31<sup>ST</sup> DECEMBER, 2018****REVENUE UP BY 35%, EVEN AS OPERATING INCOME SPIKES 50% Y/Y**

*This Earnings Press Release should be read in conjunction with the Audited Financial Statements for the period ended December 31<sup>st</sup>, 2018. The Earnings Press Release and the Audited Financial Statements for the period ended December 31, 2018 are available on our website at <https://africaprudential.com/investors/>. This analysis is dated February 26, 2019. 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 Audited Financial Statements for the period ended 31<sup>st</sup> December 2018. Additional information relating to the Company is available on the Company's website. <https://africaprudential.com/investor-relations/>*

**HIGHLIGHTS OF THE RESULT:****Income Statement:**

- Fee Income: ₦1.42billion, compared to ₦0.94billion in FY 2017 (51% YoY growth);
- Gross Earnings: ₦4.49billion, compared to ₦3.32billion in FY 2017 (35% YoY growth);
- Other Income: ₦0.53billion, compared to ₦0.05billion in FY 2017 (982% YoY growth);
- Profit Before Tax: ₦2.39billion, compared to ₦2.07billion in FY 2017 (16% YoY growth);
- Profit After Tax: ₦1.95billion, compared to ₦1.71billion in FY 2017 (14% YoY growth);
- Earnings Per Share: 98Kobo
- Dividend Per Share: 50Kobo

**Balance Sheet:**

- Total Assets: ₦21.27billion, compared to ₦21.93billion as at FY 2017 (3% YTD decline);
- Total Liabilities: ₦12.68billion, compared to ₦14.99billion as at FY 2017 (15% YTD decline);
- Shareholders' Funds: ₦8.60billion, higher by 24% YTD.

**Full Year 2018 NOTABLE ITEMS**

A Year-on-Year comparison of FY 2018 and FY 2017 shows:

- Interest Income: This spiked up by 29% y/y to end the year at ₦3.07billion. This was buoyed by the higher Interest rate on loans & advances (**+157% y/y**) and short-term deposits (**+73% y/y**), whilst the declining yield environment negatively impacted interest on T-Bills (**-24% y/y**), Bonds (**-88% y/y**).
- Finance Cost: Within the year under review Finance cost rose sharply by 588% y/y as a result of the additional borrowing during the year thus leading to an increase in the accrued interest on borrowing.



- **Total Assets:** This declined 3% y/y majorly due to the adverse impact of allowance for credit loss impairment on the cash and cash equivalent as well as the disposal of some items of PPE.
- **Total Liabilities:** The reduction in non-interest-bearing account payables by 83% y/y coupled with the servicing of a bank loan led to a 15% decline y/y in Total liabilities.
- **Operating Expenses -** This grew by 46% y/y to ₦1.47billion. This was majorly the result of an increase in wages and salaries year-on-year as well as increase in insurance and bank charges in the year under review.

<b>Financial Metrics (N' Billion)</b>	<b>FY 2018</b>	<b>FY 2017</b>	<b>Change</b>
<b>Gross Earnings</b>	<b>4.49</b>	3.32	<b>35%</b>
<b>Operating Expenses</b>	<b>2.37</b>	1.14	<b>108%</b>
<b>Operating Income</b>	<b>3.29</b>	2.20	<b>50%</b>
<b>Profit After Taxation</b>	<b>1.95</b>	1.71	<b>14%</b>
<b>Total Assets</b>	<b>21.27</b>	21.93	<b>-3%</b>
<b>Total Liabilities</b>	<b>12.68</b>	14.99	<b>-15%</b>
<b>Total Equity</b>	<b>8.60</b>	6.94	<b>24%</b>

<b>Key Ratios</b>	<b>FY 2018</b>	<b>FY 2017</b>
ROaA	<b>9%</b>	9%
ROaE	<b>25%</b>	30%
Profit Margin	<b>44%</b>	52%
OPEX Margin	<b>33%</b>	30%
Dividend Payout Ratio	<b>51%</b>	47%
NAPS	<b>4.30</b>	3.47
EPS	<b>98 Kobo</b>	86 Kobo
PE	<b>4.96</b>	5.65

**Lagos, Nigeria – 26 February 2019** – Africa Prudential Plc, (**NSE:** AFRIPRUD, **Bloomberg:** AFRIPRUD NL, **Financial Times:** AFRIPRUD LAG) announced its Audited Financial Statements for the period ended December 31, 2018, With Gross Earnings of ₦4.49billion and Profit Before Tax of ₦2.39billion. The Company delivered an Earnings Per Share of 98 Kobo, with a retention ratio of 49% while Dividend Pay-out ratio stood at 51% (2017: 47%) resulting in a Dividend Yield of 10%.

The Managing Director/CEO of Africa Prudential, Mr. Obong Idiong, said that, “The Company’s performance during FY 2018 proves the efficiency of the various strategies that we deployed in the year under review. Our key income lines improved quite remarkably, given that 2018 was a challenging year. We were able to scale through with utmost dedication and drive to deliver superior returns to our shareholders. Giving that the declining yield environment slightly impacted some of our line items, we were able to come out ahead of the pack, which further attests to the resilience of our business model.



**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED  
31 DECEMBER 2018**

<i>In thousands of Nigerian Naira</i>	<b>31-Dec-18</b>	<b>31-Dec-17</b>
Registrars fee income (Revenue from Contracts with customers)	<b>1,416,699</b>	935,434
Interest income	<b>3,068,868</b>	2,380,382
<b>Gross earnings</b>	<b>4,485,567</b>	3,315,816
Other income	<b>532,251</b>	49,195
Credit loss Expenses	<b>(153,831)</b>	-
Impairment loss on goodwill	<b>(98,693)</b>	(157,296)
Personnel expenses	<b>(565,193)</b>	(327,144)
Other operating expenses	<b>(832,866)</b>	(630,848)
Finance Cost	<b>(899,541)</b>	(130,703)
Depreciation and amortization	<b>(72,955)</b>	(52,126)
Profit before tax	<b>2,394,739</b>	2,066,894
Income tax expense	<b>(441,839)</b>	(352,116)
<b>Profit after tax</b>	<b>1,952,900</b>	1,714,778
<b>Other Comprehensive Income, net of income tax</b>		
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Fair value gain on quoted equity		1,273,933
Fair value gain/(loss) on unquoted equity through OCI	<b>614,815</b>	
Other comprehensive income, net of income tax	<b>614,815</b>	1,273,933
<b>Total comprehensive income</b>	<b>2,567,715</b>	2,988,711
<b>Basic earnings per share (kobo)</b>	<b>98</b>	86



**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018**

<i>In thousands of Nigerian Naira</i>	<b>31-Dec-18</b>	<b>31-Dec-17</b>
<b>ASSETS</b>		
Cash and cash equivalents	<b>2,559,899</b>	4,177,568
Equity Instruments at Fair value through OCI	<b>5,055,257</b>	-
Debt Instruments at Amortised Cost	<b>12,436,863</b>	-
Financial assets (Available for Sale)	-	4,440,442
Financial assets (held to maturity)	-	8,929,733
Loans and Advances	-	3,639,712
Trade and other receivables	<b>875,056</b>	329,177
Inventory	<b>3,432</b>	16,578
Property, plant and equipment	<b>210,975</b>	223,683
Intangible asset	<b>71,471</b>	176,614
Deferred tax assets	<b>58,797</b>	-
<b>TOTAL ASSETS</b>	<b>21,271,750</b>	21,933,507
<b>LIABILITIES</b>		
Customers' deposits	<b>10,122,131</b>	10,792,264
Creditors and accruals	<b>63,104</b>	330,913
Current Income Tax Payable	<b>447,487</b>	224,407
Borrowings	<b>2,042,439</b>	3,612,328
Deferred tax liabilities	-	34,110
<b>TOTAL LIABILITIES</b>	<b>12,675,161</b>	14,994,022
<b>SHAREHOLDER'S EQUITY</b>		
Share capital	<b>1,000,000</b>	1,000,000
Share premium	<b>624,446</b>	624,446
Retained earnings	<b>5,928,941</b>	4,886,652
Fair Value Reserves	<b>1,043,202</b>	428,387
<b>TOTAL EQUITY</b>	<b>8,596,589</b>	6,939,485
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>21,271,750</b>	21,933,507



**EDITOR'S COMMENT**

Africa Prudential Plc is a leading share registration firm, investor and business support services provider in Nigeria; and the only registrar firm listed on the NSE; specializing in customer-focused, technologically driven service for corporations. Africa Prudential is driving change within the industry and delivering world-class service in the Nigerian Capital Market.

The company sets the pace in its industry, bringing technology into the standard share registration model, revolutionizing primary processes, and driving advocacy for regulatory initiatives within the evolving sector. Africa Prudential Plc manages 83 client-registers, made up of over three million shareholders. The company is the most capitalized registrar in the country with share capital of Two billion units.

More information can be found at: <https://africaprudential.com/investor-relations/>  
Media Enquiries: Email [Investorrelation@africaprudential.com](mailto:Investorrelation@africaprudential.com)

**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*