

## UNAUDITED RESULTS FOR THE PERIOD ENDED 30<sup>TH</sup> JUNE, 2019

### AFRIPRUD RECORDS A TRIPLE DIGIT GROWTH-118% QoQ IN REVENUE AND A 40% QoQ GROWTH IN PBT

*This Earnings Press Release should be read in conjunction with the Unaudited Financial Statements for the period ended June 30<sup>th</sup>, 2019. The Earnings Press Release and the Unaudited Financial Statements for the period ended June 30, 2019 are available on our website at <https://africaprudential.com/investors/>. This analysis is dated July 18, 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 Unaudited Financial Statements for the period ended 30<sup>th</sup> June 2019. Additional information relating to the Company is available on the Company's website. <https://africaprudential.com/investor-relations/>*

#### KEY PERFORMANCE HIGHLIGHT:

##### A Quarter-On-Quarter Analysis showed the following:

###### Income Statement:

- Revenue from contracts with customers: ₦0.60 Billion, compared to ₦0.27 Billion in Q1 2019 (118% QoQ Increase);
- Interest Income: ₦0.54 Billion, compared to ₦0.60 Billion in Q1 2019 (9% QoQ Decline)
- Gross Earnings: ₦1.14 Billion, compared to ₦0.87 Billion in Q1 2019 (31% QoQ Increase);
- Profit Before Tax: ₦0.63 Billion, compared to ₦0.45 Billion in Q1 2019 (40% QoQ Increase);
- Profit After Tax: ₦0.52 Billion, compared to ₦0.38 Billion in Q1 2019 (37% QoQ Increase);

##### While a further Year-On-Year Analysis showed the following:

- Revenue from contracts with customers: ₦0.87 Billion, compared to ₦0.59 Billion in HY 2018 (47% YoY Increase);
- Interest Income: ₦1.14 Billion, compared to ₦1.58 Billion in HY 2018 (28% YoY Decline)
- Gross Earnings: ₦2.01 Billion, compared to ₦2.17 Billion in HY 2018 (7% YoY Decline);
- Profit Before Tax: ₦1.21 Billion, compared to ₦1.14 Billion in HY 2018 (6% YoY Increase);
- Profit After Tax: ₦1.03 Billion, compared to ₦0.99 Billion in HY 2018 (4% YoY Increase);

###### Balance Sheet:

- Total Assets: ₦21.93 Billion, compared to ₦21.27 Billion as at FY 2018 (3% YTD growth);
- Total Liabilities: ₦13.35 Billion, compared to ₦12.68 Billion as at FY 2018 (5% YTD growth);
- Shareholders' Funds: ₦8.58 Billion, declining marginally by 0.2% YTD.

## ITEMS OF NOTE;

Comparing HY 2019 to HY 2018, we observed the following key items of note:

- **Revenue from contracts with customers:** During the period under review, Revenue from contracts with customers ramped up 47% year-on-year on the back of a 95% increase in retainership fees, as well as increases experienced in revenue from register maintenance (17%) and the considerable appreciation of the income from our Digital Technology (16,035%) operations.
- **Profit before Taxation:** PBT as at HY 2019 increased by 6% as against that of HY 2018 due to a 76% year-on-year reduction in Finance Cost as a result our borrowing which was paid down in Q1 2019.
- **Returns on Average Assets:** A year-on-year analysis of this showed that we were able to effectively utilize our assets to generate more returns compared to HY 2018 were we saw the metric print at 8% against the 10% recorded in HY 2019.
- **Interest Income:** Within the review period, interest income was dragged down 28% as a result of the loan pay off and decline in interest on T-bills and bonds, which was due to the fall in interest rate on T-bills and government bonds.

Financial Metrics	HY 2019	HY 2018
RoaA	10%	8%
RoaE	24%	28%
NAPS <sup>1</sup>	4.29x	3.57x
Asset Turnover	0.19x	0.19x
EPS (Annualized)	1.03	0.99
PAT Margin	51%	44%
EBIT Margin	64%	70%

1- NAPS (Net Asset Per Share)

**Lagos, Nigeria – 19, July 2019** – Africa Prudential Plc

(**NSE Ticker:** AFRIPRUD, **Bloomberg Ticker:** AFRIPRUD NL, **Financial Times Ticker:** AFRIPRUD LAG) announced its Unaudited Financial Statements for the period ended June 30, 2019, With a Gross Earnings of N2.01 Billion and Profit Before Tax of N1.21 Billion. The Company delivered an annualized Earnings Per Share of 1.03 Kobo.

**Commenting on the result, The Managing Director/CEO of Africa Prudential, Mr. Obong Idiong, had this to say;**

*“This quarter is one of a promise delivered. Last quarter, we declared our commitment to improving our future performance by implementing various strategic initiatives aimed at enhancing our various Strategic Business Units (SBUs) for optimal value creation to our clients. During the quarter, we commenced our digital transformation process to transform customer experience across our various businesses. In our Digital Technology SBU, we are strategically positioning ourselves to continuously deliver best-in-class experience to our clients through our array of innovative products offerings. This initiative no doubt has started trickling down into our numbers as we achieved a resounding 16,035% growth in income from our digital technology business during the period under review with the bulk of it coming in, in Q2 2019. The coming quarters would see us unveil two new innovative products in the digital technology space to deliver great value to our clients both within and outside the capital market space. These products have been carefully researched and crafted to bring solutions to individuals and businesses. We expect an even better performance going forward. We would continue to explore the numerous opportunities in the digital technology space while further deepening our play in the registrars business”.*

**Mr. Obong Idiong MD/CEO further reiterated that;**

*“While the global economic landscape is faced with the impacts of the escalating trade wars, and domestic business activities slowly picking up pace after the general elections in Q1 2019, we are focused on creating optimal value to our clients and other stakeholders”.*

**Notice of HY 2019 Analyst Parley and Product launch:**

Sequel to the release of our HY 2019 result, we would be hosting an Analyst Parley event for all our stakeholders and Analysts, Further information would be circulated to all in due course. For Further enquiries;

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Chief Financial Officer

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# Africa Prudential

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 June 2019

<i>In thousands of Nigerian Naira</i>	<b>30-Jun-19</b>	<b>30-Jun-18</b>
Revenue from Contracts with customers	<b>870,140</b>	593,464
Interest income	<b>1,140,140</b>	1,577,413
<b>Gross earnings</b>	<b>2,010,280</b>	2,170,877
Other income	<b>22,099</b>	67,785
Credit loss Expenses	-	-
Impairment loss on goodwill	-	(49,375)
Personnel expenses	<b>(316,991)</b>	(288,394)
Other operating expenses	<b>(369,474)</b>	(295,259)
Depreciation and amortization	<b>(35,031)</b>	(37,293)
Profit Before Finance cost and Tax (EBIT)	<b>1,310,883</b>	1,568,341
Finance Cost	<b>(101,030)</b>	(427,392)
Profit before tax	<b>1,209,853</b>	1,140,949
Income tax expense	<b>(181,806)</b>	(155,645)
<b>Profit after tax</b>	<b>(1,028,047)</b>	(985,304)
<b>Other Comprehensive Income, net of income tax</b>		
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Net (Loss)/gain on quoted equity instruments at fair value through other Comprehensive Income	<b>(48,083)</b>	10,258
Net gain on unquoted equity instruments at fair value through other Comprehensive Income	-	-
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Fair value gain on quoted equity	-	-
Fair value gain/(loss) on unquoted equity through OCI	-	-
Other comprehensive income, net of income tax	<b>(48,083)</b>	10,258
<b>Total comprehensive income</b>	<b>979,964</b>	995,562
<b>Basic earnings per share (kobo)</b>	<b>51</b>	49

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

<i>In thousands of Nigerian Naira</i>	30-Jun-19	31-Dec-18
<b>ASSETS</b>		
Cash and cash equivalents	3,168,095	2,559,899
Equity Instruments at Fair value through OCI	5,007,175	5,055,257
Debt Instruments at Amortised Cost	12,357,129	12,436,863
Trade and other receivables	1,038,557	875,056
Inventory	3,432	3,432
Property and equipment	236,186	210,975
Intangible asset	61,500	71,471
Deferred tax assets	58,797	58,797
<b>TOTAL ASSETS</b>	<b>21,930,871</b>	<b>21,271,750</b>
<b>LIABILITIES</b>		
Customers' deposits	12,735,736	10,122,131
Creditors and accruals	338,293	63,104
Current Income Tax Payable	280,289	447,487
Borrowings	-	2,042,439
<b>TOTAL LIABILITIES</b>	<b>13,354,318</b>	<b>12,675,161</b>
<b>SHAREHOLDER'S EQUITY</b>		
Share capital	1,000,000	1,000,000
Share premium	624,446	624,446
Retained earnings	5,956,988	5,928,941
Fair Value Reserves	995,119	1,043,202
<b>TOTAL EQUITY</b>	<b>8,576,553</b>	<b>8,596,589</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>21,930,871</b>	<b>21,271,750</b>



# Africa Prudential

## 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/>  
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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**