Africa Prudential
RC 649007

ANNUAL REPORT 2019

Digital Transformation

Customer | Data | Innovation | Automation

CONTENTS

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 7th Annual General Meeting ("AGM") of Africa Prudential Plc ("the Company"), earlier postponed due to the Covid-19 pandemic, will now hold on Tuesday, April 28, 2020, at Afriland Towers, 97/105 Broad Street, Lagos, at 11.00 a.m. to transact the following businesses:

ORDINARY BUSINESS:

1. To lay before the members, the Audited Financial Statements for the year ended December 31, 2019, together with the Reports of the Directors, Auditors and Audit Committee thereon;
2. To declare a Dividend;
3. To re-elect the following Directors retiring by rotation:
    - 3.1. Chief (Mrs.) Eniola Fadayomi
    - 3.2. Mr. Peter Ashade
4. To authorize the Directors to fix the remuneration of the Auditors for the 2020 financial year;
5. To elect members of the Statutory Audit Committee.

Dated this 3rd day of April 2020

By Order of the Board

Joseph Jibunoh, Esq

Company Secretary.

FRC/2018/NBA/00000017719

220B, Ikorodu Road, Palmgrove

Lagos, Nigeria

NOTES:

1. **COMPLIANCE WITH COVID-19 RELATED DIRECTIVES AND GUIDELINES**
The Federal Government of Nigeria, State Governments, Health Authorities and Regulatory Agencies have issued a number of guidelines and directives aimed at curbing the spread of COVID-19 in Nigeria. Particularly, the Lagos State Government prohibited the gathering of more than 20 people while the Corporate Affairs Commission (CAC) issued Guidelines on Holding AGM of Public Companies by Proxy. The convening and conduct of the AGM shall be done in compliance with these directives and guidelines.

2. **PROXY**
Any member of the Company entitled to attend and vote at this meeting is also entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the Company. For the appointment of the proxy to be valid, a proxy form must be completed and deposited either at the office of the Company's Registrar, Africa Prudential Plc, 220B Ikorodu Road, Palmgrove, Lagos, or via email at cxc@africaprudential.com not later than 48 hours before the time fixed for the meeting. A blank proxy form is attached to the Annual Report and may also be downloaded from the Company's website at www.africaprudential.com.

3. **ATTENDANCE BY PROXY**
In line with CAC Guidelines, attendance at the AGM shall be by proxy only. Shareholders are required to appoint a proxy of their choice from the list of nominated proxies below:

   1. Chief Mrs. Eniola Fadayomi
   2. Mr. Obong Idiong
   3 Mr. Joseph Jibunoh

4. **STAMPING OF PROXY**
The Company has made arrangement at its cost, for the stamping of the duly completed and signed proxy forms submitted to the Company's Registrars within the stipulated time.

5. **LIVE STREAMING OF AGM**
The AGM will be streamed live. This will enable shareholders and other stakeholders who will not be attending physically to follow the proceedings. The link for the AGM live streaming will be made available on the Company's website at www.africaprudential.com.

6. **DIVIDEND**
If the dividend recommended by the Directors is approved by the shareholders at the AGM, dividend will be paid by Wednesday April 29, 2020. Given the previous notice to shareholders and the investing public by the Company on the closing period for the purpose of dividend payment, dividend approved at the AGM will be paid to shareholders whose names appear in the Company's Register of Members at the close of business on March 6, 2020.

7. **CLOSURE OF REGISTER**
As previously notified to shareholders and the investing public, the Register of Members of the Company was closed from March 9, 2020 to March 13, 2020 (both dates inclusive) for the purpose of dividend payment and updating the register.

8. **NOMINATION TO THE AUDIT COMMITTEE**
In accordance with Section 359(5) of the Companies and Allied Matters Act, Cap C20, LFN, 2004, any member may nominate a shareholder for election as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 days before the AGM. Such notice of nominations should be sent via email to cxc@africaprudential.com for the attention of the Company Secretary. The Securities and Exchange Commission's Code of Corporate Governance for Public Companies provides that members of the Audit Committee should have basic financial literacy and should be able to read financial statements.

9. **E-DIVIDEND REGISTRATION**
Notice is hereby given to all shareholders to open bank accounts, stockbroking accounts and CSCS accounts for the purpose of receiving dividend payments electronically. A detachable application form for e-dividend is attached to the Annual Report to enable all shareholders furnish particulars of their accounts to the Registrar as soon as possible.

10. **UNCLAIMED DIVIDEND WARRANTS AND SHARE CERTIFICATES**
Shareholders are hereby informed that a number of share certificates and dividend warrants which were returned to the Registrars as unclaimed are still in the custody of the Registrars. Any shareholder affected by this notice is advised to contact the Company's Registrars, Africa Prudential Plc, 220B Ikorodu Road, Palmgrove, Lagos, or via email at cxc@africaprudential.com to lay claim.

11. **PROFILES OF DIRECTORS FOR RE-ELECTION**
The profiles of Chief Mrs Eniola Fadayomi and Mr. Peter Ashade who will be retiring by rotation and will be presenting themselves for re-election are amongst the profiles of Directors that are provided in the 2019 Annual Report and on the Company's website at www.africaprudential.com.

12. **E- ANNUAL REPORT PUBLISHED ON THE WEBSITE**
In order to improve delivery of our Annual Report, we have inserted a detachable form in the 2019 Annual Report and hereby request shareholders to complete the form by providing their contact and any other requested details and thereafter return same to the Registrars for further processing. Additionally, an electronic version of the 2019 Annual Report is available on the Company's website at www.africaprudential.com.

13. **RIGHTS OF SHAREHOLDERS TO ASK QUESTIONS**
Shareholders have the right to ask questions not only at the Meeting, but also in writing prior to the Meeting, and such written questions must be submitted to the Company via email to cxc@africaprudential.com on or before Friday, April 24, 2020.

About the Company

Africa Prudential Plc is a leading share registration, investor services and technology solution provider with over four decades of top-class experience in the Nigerian Capital Market. The firm is highly reputed for automation and innovation among all corporate registrars in Nigeria.

Dear to Africa Prudential Plc is a very strong passion for transforming the African continent through innovative solutions, superior investor relations, and business support services. Our business tentacles spans across Registrar Service, Digital Technology, Cooperative Business and more.

A LEADING **REGISTRAR** WITH
5 DECADES
TRACK RECORD OF INNOVATION

WE PROVIDE **TOP-RANGE**
DIGITAL TECHNOLOGY
SERVICES

CERTIFIED ON THE
NSE **CGRS**
CORPORATE GOVERNANCE RATING SYSTEM

MILESTONES

+3million
Aggregate shareholders supported on our platform

+10million
User - Capacity Platform

1st
Online investors services portal in Nigeria.

The only listed Investor services firm in West Africa
Listed on the Nigerian Stock Exchange with over **250,000 shareholders**.

First USSD-based solution in the Nigerian Capital Market
(Personal Registrar *4018#)

Acquired UAC Registrars;
the biggest conglomerate registrar company in Nigeria in 2013.

600,000
Aggregate lives on EasyCoop Automated Cooperative Management Solution

Innovation Lab, acceleration program, development of various software for the capital market, automated, customer-focused services.

AWARDS

1 **CGRS Certification**

2 **2019 Corporate Governance Award** by Pearl Awards Nigeria

3 **Innovative Share Registrar Company of the Year**

4 **The 7th BusinessDay Banks' and Other Financial Institutions Award. BAFI Awards 2019**
The Registrar of the Year awards

5 **5th Nigeria Finance Innovation Awards 2019**
Investor Relations Provider of the Year

About the Company cont'd

Board of Directors:	**Chief (Mrs) Eniola Fadayomi, MFR, FIoD**	–	Chairman
	Mr Obong Idiong	–	Managing Director
	Ammuna Lawan Ali	–	Independent - Non Executive Director
	Mr. Samuel Nwanze	–	Non Executive Director
	Mr. Peter Elumelu	–	Non Executive Director
	Mr. Peter Ashade	–	Non Executive Director
	Mr. Emmanuel Nnorom	–	Non Executive Director

Registered Office	220B, Ikorodu Road, Palmgrove, Lagos.
Company Secretary	Joseph Jibunoh
Auditors	**Ernst & Young,** UBA House, 10th and 13th Floors, 57 Marina, Lagos
Banker	United Bank for Africa
RC No	649007
Capital base	N1,000,000,000.00
Date Listed	January 11, 2013
Email Address **Website**	cxc@africaprudential.com www.africaprudential.com
Branch Offices	**Abuja** Infinity House (2nd Floor), 11 Kaura Namoda Street Off Faskari Crescent, Area 3, Garki Abuja.
	Port Harcourt 1A, Evo Road, Oklen Suite (2nd Floor) GRA Phase II Port Harcourt, Rivers State..
Innovation Lab	Infinity House, 30 Ilupeju Byepass, Ilupeju, Lagos.

Purpose Statement

Transforming the African continent through innovative solutions, superior investor relations and business support services.

CORE VALUES

We understand the importance of ethics in our business and our values form our corporate culture.

EXECUTION

A burning desire to always see things through to completion in a timely, efficient and effective manner. We believe in hard work and seeing through ideas from conception all through to achieving excellent results.

ENTERPRISE

Having the willingness and determination to do whatever it takes to get the job done. In a competitive business environment, what sets us apart is our individual and collective responsibility to take ownership of our deliverables and lead innovative initiatives.

EXCELLENCE

Delivering in an outstanding manner, consistently. Excellence is a mantra embedded in the heart of every employee. We go several steps beyond the norm to deliver measurable value to our stakeholders.

OUR PHILOSOPHY:
We are convinced that Africapitalism has the power to move all of Africa.


Africa Prudential
Dear CEO,
Let's help save a larger percentage of your expenditure, reduce turn around time, and automate your work flow, using our innovative solutions.
Best regards,
Africa Prudential Plc
220B, Ikorodu Road, Palmgrove
Lagos, Nigeria
Reply to All
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Call us on 0700 23747783
www.africaprudential.com

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ABOUT THE COMPANY

Board of Directors

Board of Directors

Chief (Mrs.) Eniola Fadayomi, MFR, FIoD
Chairman

Eniola Fadayomi:
Chief (Mrs.) Eniola Fadayomi is the Chairman of Africa Prudential Plc. She holds a LL.B Hons from the University of Lagos and was called to The Nigerian Bar in 1972.

Her professional experience spans several years in both the Public and Private Sectors. She was the Attorney General and Commissioner for Justice of Lagos State, the first Commissioner for Women Affairs & Poverty Alleviation, and the Commissioner for Establishment, Training & Pensions at different times in the State.

She is the Principal Partner at Eniola Fadayomi and Co, and was the Legal Adviser to First Bank of Nigeria Plc and Chairman Board of Directors, Afribank Nigeria Plc. She currently serves on several boards, in the Public and Private Sectors.

Appointed: April, 2012

Obong Idiong
Obong Idiong is the Managing Director/CEO of Africa Prudential Plc. Prior to joining Africa Prudential, Obong was the Company Secretary/Legal Adviser of Heirs Holdings Limited, an African Proprietary Investment Company committed to improving lives and transforming Africa, where he oversaw the legal responsibilities of the company's investment portfolios in Oil & Gas, Real Estate, Financial Services, Agri-business, Health Care and Hospitality.

Specific responsibilities included transaction advisory, implementation and institutionalisation of governance frameworks, mergers and acquisitions, business incubation, compliance, and regulatory. He also served as the Company Secretary's/Legal Adviser of Afriland Properties Plc.

Obong Idiong worked in various capacities in United Bank for Africa Plc (UBA) including as a Legal Officer in the Legal/Company Secretariat before proceeding to become the Special Assistant to the Chief Executive Officer of UBA. In that position, he was responsible for business development, strategy, research, customer service, and legal advisory. Prior to this, he held various positions at Alpha Juris Chambers, Lagoon Home Savings & Loans Limited, and Standard Trust Bank (now UBA Plc).

With over 17 years of post-call working experience in corporate and commercial legal practice, banking, finance and investment advisory services, he is a member of the Nigerian Bar Association and the Society of Corporate Governance of Nigeria. He holds an LLM degree (International Finance and Banking), an MBA, LL.B (Hons), and BL.

Appointed: July, 2018

Committee Membership
- Board Finance and Investment Committee
- Board Products & Projects Committee

Obong Idiong
Managing Director/Ceo

Board of Directors cont'd

Ammuna Lawan Ali
Independent Non-executive Director

Ammuna Lawan Ali
Ammuna Lawan Ali holds a BA (Hon.) Degree and M.Sc. Degree in Public Admin. She is a retired Federal Permanent Secretary, who commenced her civil service career as a Planning Officer in the Borno State Ministry of Lands and Survey, Maiduguri. She rose to the position of Permanent Secretary, and in that capacity, served in the State Ministries of Education, Women Affairs, Commerce, Industries, and Tourism. She later moved to the Federal Civil Service as Director, and then the Ministries of Women Affairs, Social Development, and Finance. She was later appointed a Federal Permanent Secretary and served in various Ministries, including those of Commerce, Petroleum Resources, Transportation, Works, Environment, Housing and Urban Development, and briefly in the Office of Head of the Civil Service of the Federation, and Ministry of Information and Communications.

She is a recipient of National Honours (OON), and a member of the National Institute for Policy and Strategic Studies (NIPSS) Kuru, among many others.

Appointed: April, 2012

Committee Membership
- Board Audit and Governance Committee
- Statutory Audit Committee

Peter Ashade
Peter is an astute investment banker with close to 3 decades cognate experience in Nigeria's money and capital market. He is the Group CEO of United Capital Plc. Until recently, he was the MD/CEO of Africa Prudential Plc.

During his twelve year term, Peter led the transformation of the business from a subsidiary of UBA Plc to the only listed registrars company on the Nigerian Stock Exchange achieving over 8000% growth in profitability within 8 years. He championed disruptive innovation in the registrars business in Nigeria pioneering many e- products and successfully implemented a major diversification strategy for the business. Peter was the founding CEO of Great Africa Registrars Limited (Now Meristem Registrars & Probate Services Limited), Assistant Registrar at First Registrars & Investors Services Ltd, and Account Manager at Union Bank Plc. Peter has diverse academic and professional background, including MBA, Marketing; MSc, Finance; Fellow, Institute of Chartered Accountants of Nigeria; and Fellow, Chartered Institute of Bankers of Nigeria. Others are Fellow, Institute of Capital Market Registrars; Associate, Chartered Institute of Taxation of Nigeria and Associate, Institute of Directors.

He is an alumnus of the prestigious Lagos Business School (CEP23, LBS). Peter is currently the Treasurer of the Institute of Capital Market Registrars (ICMR); and President of the Chartered Institute of Bankers of Nigeria (CIBN), Lagos.

Appointed: July, 2018

Committee Membership
- Board Finance and Investment Committee
- Board Products & Projects Committee

Peter Ashade
Non-Executive Director

Board of Directors cont'd

Samuel Nwanze
Non-Executive Director

Samuel Nwanze
Mr. Samuel Nwanze holds a M.Sc. Degree in Finance and Management from Cranfield School of Management, United Kingdom. He is the Director, Finance and Investments at Heirs Holdings Limited, where he is responsible for the administration and management of the group's overall financial activities and investment programs. Prior to joining Heirs Holdings, Samuel served as Group Treasurer with Bank PHB Plc, Lagos, Nigeria. He was responsible for the overall management of Treasury for the Bank PHB Group (including five banks and several non- bank subsidiaries). He led the restructuring of the trading desk, dealing in financial markets: Money Markets, Bonds, Treasury Bills, Currencies, Bankers' Acceptance and Commercial Papers, as well as liquidity and capital management. Before taking the role at Bank PHB, he served as the Head of Financial Performance Management and Budgets in UBA Plc.

He has also worked on a number of projects and start-ups including Nigeria's first credit bureau, an insurance company, group shared services model, and the acquisition and set-up of various banks in Africa, as well as other projects in the US, UK and India. His other key distinctions include the prestigious annual award, bestowed by the Association of Corporate Treasurers (ACT) of the United Kingdom.

Appointed: April, 2012

Committee Membership

- Board Finance and Investment Committee
- Board Audit and Governance Committee
- Board Products & Projects Committee
- Statutory Audit Committee

Peter Elumelu
Mr. Peter Elumelu holds a Bachelor of Science (B.Sc.) degree in Business Management from Rivers State University of Science and Technology, Port Harcourt, an LL.B (Hons) Law degree from National Open University of Nigeria, and a Master of Science (M.Sc.) degree in Financial Management Technology from Federal University of Science and Technology Owerri, (FUTO) Imo State.

Mr. Peter Elumelu is an astute businessman with over 29 years experience cut across the private and public sectors of the economy. He currently sits on the Boards of several companies including Transcorp Hotels Plc, and Pet-Jibson & Company Limited, where he is the Chairman / CEO.

He was formerly the Chairman, Board of Directors of Delta State Urban Water Board, Asaba during which he successfully managed and executed various laudable projects. He is a member of the Institute of Directors (IOD). Mr. Peter Elumelu has attended several local and international courses on Corporate Governance, Risk Management, and Project Management.

Appointed: February, 2013

Committee Membership

- Board Finance and Investment Committee
- Board Audit and Governance Committee
- Board Products & Projects Committee
- Statutory Audit Committee

Peter Elumelu
Non-Executive Director

Board of Directors cont'd

Emmanuel Nnorom
Non-Executive Director

Emmanuel Nnorom

Emmanuel N. Nnorom is the Group CEO at Heirs Holdings. Prior to joining the Heirs Holdings Group, he served as CEO of Transnational Corporation of Nigeria Plc, overseeing Transcorp businesses, including Transcorp Power, Transcorp Hilton, Transcorp Hotel, Calabar and Transcorp Energy.

Prior to Transcorp, Emmanuel had held senior positions at Heirs Holdings and had served as an Executive Director at UBA and Managing Director of UBA Africa, overseeing the Group's African subsidiaries and executing corporate strategy in 18 African countries. Other senior roles within UBA included Group COO UBA, followed by his appointment as UBA's Group CFO, with responsibility for Finance and Risk.

Emmanuel is qualified as a chartered accountant, and brings over 3 decades of professional experience in the corporate and financial sectors, working with publicly listed companies.

He is an alumnus of Oxford University's Templeton College, and a prize winner and Fellow of the Institute of Chartered Accountants of Nigeria.

Appointed: July, 2017

Committee Membership

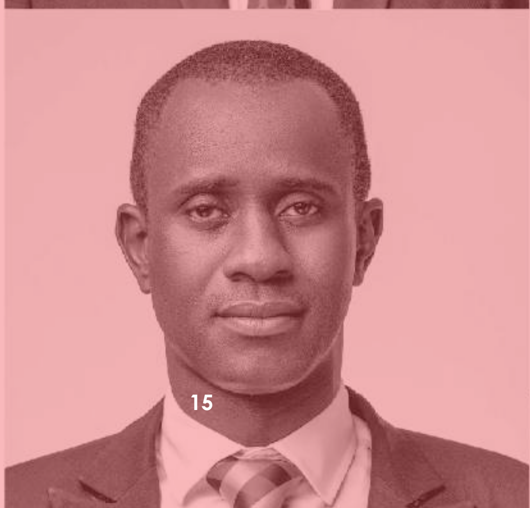
- Board Finance and Investment Committee
- Board Audit and Governance Committee
- Board Products & Projects Committee

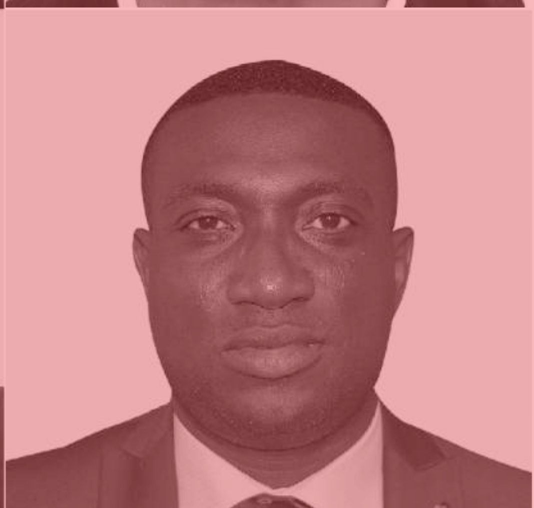










Management Team

Obong Idiong
Managing Director/CEO

Obong Idiong

Managing Director/CEO

Obong Idiong is the Managing Director/CEO of Africa Prudential Plc. Prior to joining Africa Prudential, Obong was the Company Secretary/Legal Adviser of Heirs Holdings Limited, an African Investment Company where he oversaw the legal responsibilities of the company's investment portfolios in Oil & Gas, Real Estate, Financial Services, Agri-business, Health Care and Hospitality.

Specific responsibilities included transaction advisory, implementation and institutionalisation of governance frameworks, mergers and acquisitions, business incubation, compliance, and regulatory. He also served as the Company Secretary's/Legal Adviser of Afriland Properties Plc.

Obong Idiong worked in various capacities in United Bank for Africa Plc (UBA) including as a Legal Officer in the Legal/Company Secretariat before proceeding to become the Special Assistant to the Chief Executive Officer of UBA.

In that position, he was responsible for business development, strategy, research, customer service, and legal advisory. Prior to this, he held various positions at Alpha Juris Chambers, Lagoon Home Savings & Loans Limited, and Standard Trust Bank (now UBA Plc).With over 17 years of post-call working experience in corporate and commercial legal practice, banking, finance and investment advisory services, he is a member of the Nigerian Bar Association and the Society of Corporate Governance of Nigeria. He holds an LLM degree (International Finance and Banking), an MBA, LL.B (Hons), and BL.

Management Team cont'd

Catherine Nwosu
Chief Operating Officer

Catherine Nwosu

Chief Operating Officer

Catherine majors in Banking and Finance and also holds a degree in Management Science from University of Education, Winneba, Ghana. She equally has a Masters' degree in Business Administration (MBA Management).

Catherine is an investment banker of repute with over 21 years' experience in Share Register Administration. She is a tested member of professional bodies, which include among others, Fellow of Institute of Capital Market Registrars (FCMR), a member of the Chartered Institute of Administration of Nigeria (MCIA), Associate, Certified Pension Institute of Nigeria (ACPIN), Institute of Cost Management, Nigeria (ACMI).

Joseph Jibunoh

Company Secretary/Legal Adviser

Joseph is a versatile Corporate Counsel with over two decades' multi-sectoral experience acquired from general law practice, investment banking, insurance, mortgage banking, real estate, oil and gas, and capital market sectors.

He holds a Bachelor of Laws (LL. B Hons) degree from the University of Lagos and a B.L from the Nigerian Law School. He is a member of the Nigerian Bar Association, Chartered Institute of Taxation of Nigeria, World Future Society and Associate membership of the Chartered Institute of Arbitrators Nigeria (ACIArb) and Institute of Capital Market Registrars..

During his career, Joseph attended numerous Executive Education training in investment banking, bond insurance underwriting, corporate strategy, public private partnerships, alternative dispute resolutions, risk management, credit administration and human resources. He is an alumnus of Lagos Business School (EMP) on Corporate Strategy.

Joseph Jibunoh
Company Secretary/Legal Adviser

Management Team cont'd

Olufemi Adenuga
Chief Financial Officer

Olufemi Adenuga

Chief Financial Officer

Olufemi is a renowned Accountant and Finance expert with over fifteen years of post-qualification experience spanning Nigeria's Manufacturing and Capital Market Industry.

Olufemi holds a Higher National Diploma (HND) in Accountancy from Federal Polytechnic Offa, Kwara State and a Post Graduate Diploma (PGD) and MSc in Accountancy from Crawford University. He is also a Fellow of the Institute of Chartered Accountant of Nigeria (FCA) and Fellow of the Institute of Capital Market Registrars (FCMR).

Olufemi has attended various training courses during his career in finance and treasury management, tax management, audit, and internal control. He has attended various professional trainings ranging from strategic leadership, corporate governance, project management amongst others.

Opeyemi Onifade

Head, Cooperative Business

Opeyemi has amassed nearly a decade of investment banking experience. Before joining Africa Prudential Plc he had worked extensively across the print and electronic media industry, with capital market bias. He is an Associate Registered Practitioner of Advertising (ARPA).

He majors in Mass Communication. He had held forth at the Business Development department and latter at the Marketing and Strategic Business Development with impressive results.

Opeyemi Onifade
Head, Cooperative Business

Management Team cont'd

Bridget Bayo-Ajayi
Chief Commercial Officer

Bridget Bayo-Ajayi

Chief Commercial Officer

Bridget is a proven share registration professional with over 14 years cognate experience in customer service, business development, relationship management, and financial operations.

She holds an HND in Business Administration and Management from Federal Polytechnic Offa, Kwara State, and an MBA from National Open University of Nigeria.

She is an Associate Member of the Institute of Capital Market Registrars (ICMR). Bridget has also attended various training courses including personal effectiveness, capital market operations, and social networking for executives.

Before joining Africa Prudential Plc in 2014, she had worked with various top range registrar companies where she held senior positions.

David Ubaka

Head, Internal Audit

David is a Chartered Accountant with a wealth of experience spanning over 20 years. He holds a B.Sc. in Accounting from University of Lagos, Akoka, and a Fellow of the Institute of Chartered Accountants of Nigeria (FCA). David started his accounting career with Arthur Young &Osindero Chartered Accountants.

He then moved on to play key roles at various financial services companies, including Deputy Head, Internal Audit, Control & Compliance at UBA Insurance Ltd. He moved to UBA Plc in 2007 where he was involved in various audit functions, including commercial banking operations, investment banking, Pension Custody, Insurance, Property and Registrars businesses within the group. He joined Africa Prudential Plc as Head, Audit, and Control in 2014.

He has attended various trainings spanning major corporate strata, as it relates to Finance, Accounts, Investment, Banking Operations, Internal Control, Internal Audit, Compliance, and Capital market operations.

David Ubaka
Head, Internal Audit

Management Team cont'd

Gabriel Fapojuwo
Head, Strategy Research & Development

Gabriel Fapojuwo
Head, Strategy, Research & Development
Gabriel Fapojuwo is the Head, Strategy, Research & Development Gabriel has amassed over 13 years' experience which cuts across five different sectors of the economy. Prior to joining Africa Prudential, he was the IGR Product Manager at Chams Plc, where he was responsible for the informal sector tax collection for seven states in Nigeria, using improved and advanced tax solutions and efficient business model that changed the outlook for the respective state's internal revenue services. He also held senior positions at Fumman Agricultural Products Industries Plc and Nosak Group, where he delivered excellent results. His core competencies include Corporate and Business Strategy, Investment Banking, Corporate Finance, Economic Outlook Publication research, financial modelling, Brand development, product development, economic research and analysis, route to market development sketching, digital marketing research, SOP drafting and financial reporting, strategy, research, customer service, and legal advisory.

Gabriel holds a Bachelor's and Master's degree in Statistics from the University of Ibadan, and has attended various professional trainings which, among others include Executive Management Programme at Lagos Business School and the Emeritus Institute of Management.

Ivy Ikpeme-Mbakwem
Chief Experience Officer
Ivy is Customer Service Certified (CSC) professional by the International Customer Service Association (ICSA), Rockhurst University Continuing Education Centre (Kansas, USA), and a Member of the John Maxwell Team as a Leadership Coach, Teacher & Keynote Speaker. She holds a B.Sc in Business Management from the University of Calabar.

Her work experience spans over 18 years across various industries, including Banking, Telecommunications, and Consultancy where she managed high impact projects including implementation of Contact Centres in Nigeria and Africa, Culture Change Programmes, and Business Process Re-engineering while she led

Ivy Ikpeme-Mbakwem
Chief Experience Officer

Management Team cont'd

Customer Service teams. Prior to joining Africa Prudential she was the Customer Experience Manager, Africa at UBA Plc.

Ivy is as a passionate Customer Care/Service professional. Over the years, she has received in-depth customer service trainings and experiences from various organizations which led to her nurturing a passion to build the same skills, knowledge and passion in others.

As a customer service professional, she has led several teams to high performance in service delivery and over the years, has facilitated many training programs on customer services. She served as faculty trainer, Banking Operations and Training Academy at two leading commercial banks in Nigeria, and at Phillips Consulting.

Ivy is Customer Service Evangelist and she makes out time to talk on the subject on her blog. Ivy has been able to evolve her passion for people into coaching them to reposition for high performance and growth in their careers.

Idris Oko-Osi
Head, Enterprise and Risk Management

Idris Oko-osi
Head, Enterprise and Risk Management

Idris is a Finance and Risk Management Professional with over 18 years experience. He holds a Masters of Business Administration degree with specialization in finance from the prestigious University of Leicester, England. He is an Enterprise Risk Management Certified Professional (ERMCP) and a Certified Basel II Professional (CBiiPro).

He worked with top local and international banks in Nigeria including Oceanic Bank (Now Ecobank), Enterprise Bank (Now Heritage Bank), First Bank of Nigeria Limited and Standard Chartered Bank where he was involved in the management of Credit Risk in the banks' portfolio.

Before joining Africa Prudential Plc, Idris was a Senior Consultant and Practice Lead, Strategy & Risk Management at H. Pierson Associates Limited, a leading risk management consulting firm in Nigeria. During his consulting practice, he led and successfully implemented several risk management and capacity building projects in the fields of Credit Risk Management, Operational Risk Management, Enterprise Risk Management, Social and Environmental Risk Management, Executive Liability, Risk Based Audit, Risk Based Supervision, Basel II, Corporate Governance for top Nigerian institutions, banks and regulators.

As Head, Enterprise Risk Management, Idris has oversight over Internal control and Compliance.

Management Team cont'd

Osahon Elaiho
Head, Engineering

Osahon Elaiho
Head, Engineering

Mr Osahon Elaiho holds a Bachelor of Science (BSc) degree in Computer Science. He possesses over 15 years experience deploying information technology solutions on varying platforms, while keeping abreast with various tools, techniques and emerging trends in Information systems innovations.

Before he joined Africa Prudential, he was the Principal consultant for Plexada System Integrators ltd, where he implemented Enterprise solutions for NGOs, cooperate organisations and the Public sector. He has architected and supervised enterprise deployments for several cross-platform solutions on various stack, both on premise and cloud environments, in addition to Enterprise Resource Planning and other business systems.

As the Head, Engineering, his main goal is to use technology to standardize business processes, IT governance leading to clear path for growth in the organization, while ensuring world class business services are delivered to clients and partners of the organisation through its Innovation Lab.

Yemisi Otasanya
Head, Project Management Office

Yemisi Otasanya
Head, Project Management Office

Yemisi Otasanya is the Head of Project Management Office at Africa Prudential Plc, an entrepreneur within the ICT space and a published Author. Prior to joining Africa Prudential, Yemisi served as a Consultant Programme Manager at Interswitch and as a Consultant Senior Project Manager with Wema and Sterling Bank. Yemisi started her career project managing the Integrated Payroll and Payment Information Systems Project, and also managed the successful delivery of the Huduma Kenya Project. She has over 11 years' experience within the ICT space and currently a student of Masters of Project Management at Arden University, London.

02

STRATEGY & BUSINESS REVIEW

Chairman's Statement

The Company continued its drive towards income diversification from its primary business of registrar services, by improving its Digital Technology Business infrastructure and employment of cutting-edge Software Developers for its digital Solutions services.

Distinguished shareholders, members of the Board of Directors, Ladies and Gentlemen, it is my honour to welcome you all to the 7th Annual General Meeting of our Company and to present to you, the Company's Annual Report and Financial Statements for the year ended December 31, 2019.

THE GLOBAL ECONOMY IN 2019

According to International Monetary Fund the global economy recorded its weakest growth pace of 3.2% since the global financial crisis a decade ago, amidst international geo – political tensions, policy uncertainties and financial vulnerabilities. Notable cause of the slow growth was the prolonged trade tensions between the United States and China. In August, 2019, the United States announced tariffs on $300 billion of imports and China retaliating with threat of introducing tariffs on $75 billion of imports from the United States, thereby exacerbating the cyclical slowdown in the global economy. Another cause was the decline in global automobile production (which is both capital and labour intensive) by 2% in the United States and 10% in Europe due to fall in demand from China which led to firms either postponing or cancelling planned investments.

Chairman's Statement cont'd

Significant international headline events that impacted on the global economy were; the United Kingdom ending the year with clarity about Brexit by voting on December 20, 2019 to leave the European Union on January 31, 2020; protesters taking to the streets in some countries to demand greater political reforms, and the wild fires which engulfed the Amazon, the most biodiverse forest resource in the world, thereby heightening the environmental impact of climate change on the global economy.

THE DOMESTIC ECONOMY

Nigeria's Gross Domestic Product (GDP) grew by 2.55% (year-on-year) in real terms in the fourth quarter of 2019. The Central Bank of Nigeria (CBN) played an interventionist role in the overall economy, not just in exchange rate and price stability policy, but also in direct lending and trade policy. The CBN enforced strict adherence to its list of items banned from the official Foreign Exchange window. The CBN also mandated Deposit Money Banks to maintain a minimum Loan-To-Deposit Ratio (LDR) of 65% or maintain higher cash reserves in a calculated move to grow consumer, mortgage and corporate credit to drive aggregate demand and ensure a reduction in unemployment as well as increase in output growth.

National Bureau of Statistics (NBS) data showed that real Gross Domestic Product (GDP) grew marginally by 2.12% in the second quarter of 2019,compared with 2.10% in the preceding quarters while at 57.7 and 58.0 Index Points, the Manufacturing and Non-Manufacturing Purchasing Managers' Indices (PMI) grew moderately for the 30th and 29th consecutive months respectively.

CAPITAL MARKET

The Capital Market maintained a bearish trend in the equities market, whereas there was increased global trends and investor preference for fixed income securities. The All-Share Index (ASI) declined by 11.62% to 27,779.00 Index Points by September 2019.

There was increase in Green Bonds issuance following the introduction of the Green Bond Framework in the Nigerian Capital Market. By the end of Q2 2019, two corporate Green Bonds were issued in the market, namely; the N15billion 5-year Green Bond issued by Access Bank PLC and the N8.5billion15-year Green Bond issued by NSP-SPV Power Corp.

REVIEW OF OPERATIONS

The Company continued its drive towards income diversification from its primary business of registrar services, by improving its Digital Technology Business infrastructure and employment of cutting-edge Software Engineers for its digital solutions services. The Company now has a full-fledged Digital Technology Business unit and has acquired considerable expertise in business solutions development, implementation of information technology solutions, information technology project management, service improvements, infrastructure implementations and maintenance.

The Company's competences in Digital Technology covers advanced Agile and other Software Development Life Circle (SDLC), Cyber Security, Cloud Computing, Design thinking / Product Development Labs, Block chain Technology, Products as a Service and Software as a Service which are scalable for various sizes of organisations. These digital products and service initiatives are designed to midwife positive disruptions in the Capital Market and usher in a new era of automation and exceptional service experience in the industry.

Chairman's Statement cont'd

In the coming years, it is our earnest expectations that the Company's business diversification lines will yield complementary income and cushion it against policy risks associated with mono income businesses and promote efficiency and sustainable growth.

FINANCIAL PERFORMANCE

Despite the challenging operating environment in 2019, our Company recorded a turnover of N3.9billion a decline of 13% over the previous fiscal financial year due to decline in Treasury Bills yield witnessed during the year and a Profit Before Tax of N2.389 billion which represents a decrease of 0.2% over the previous year.

"Profit Before Tax of N2.4billion which represents an increase of 0.2% over the previous year."

DIVIDEND

As a result of the impressive financial performance recorded in 2019 and in line with our dividend policy, the Board is pleased to recommend for your approval, a dividend of 70 Kobo per ordinary share of 50 Kobo.

OUTLOOK FOR 2020

The Central Bank of Nigeria has projected that the domestic economy will witness improved output growth in 2020 and the economy is expected to grow by 2.50 per cent. The underlying assumptions for the projection is that there would be: enhanced flow of credit to the real sector of the economy, sustained stability in the exchange rate; continued CBN interventions in agriculture and non-agricultural Small and Medium Enterprises (SMEs);and the effective implementation of the Economic Recovery and Growth Plan (ERGP). This is without prejudice to the down side risks of rising stock of public debt, persistent security threat in major food-producing areas, poor and inadequate infrastructure and weak public and private sector investment

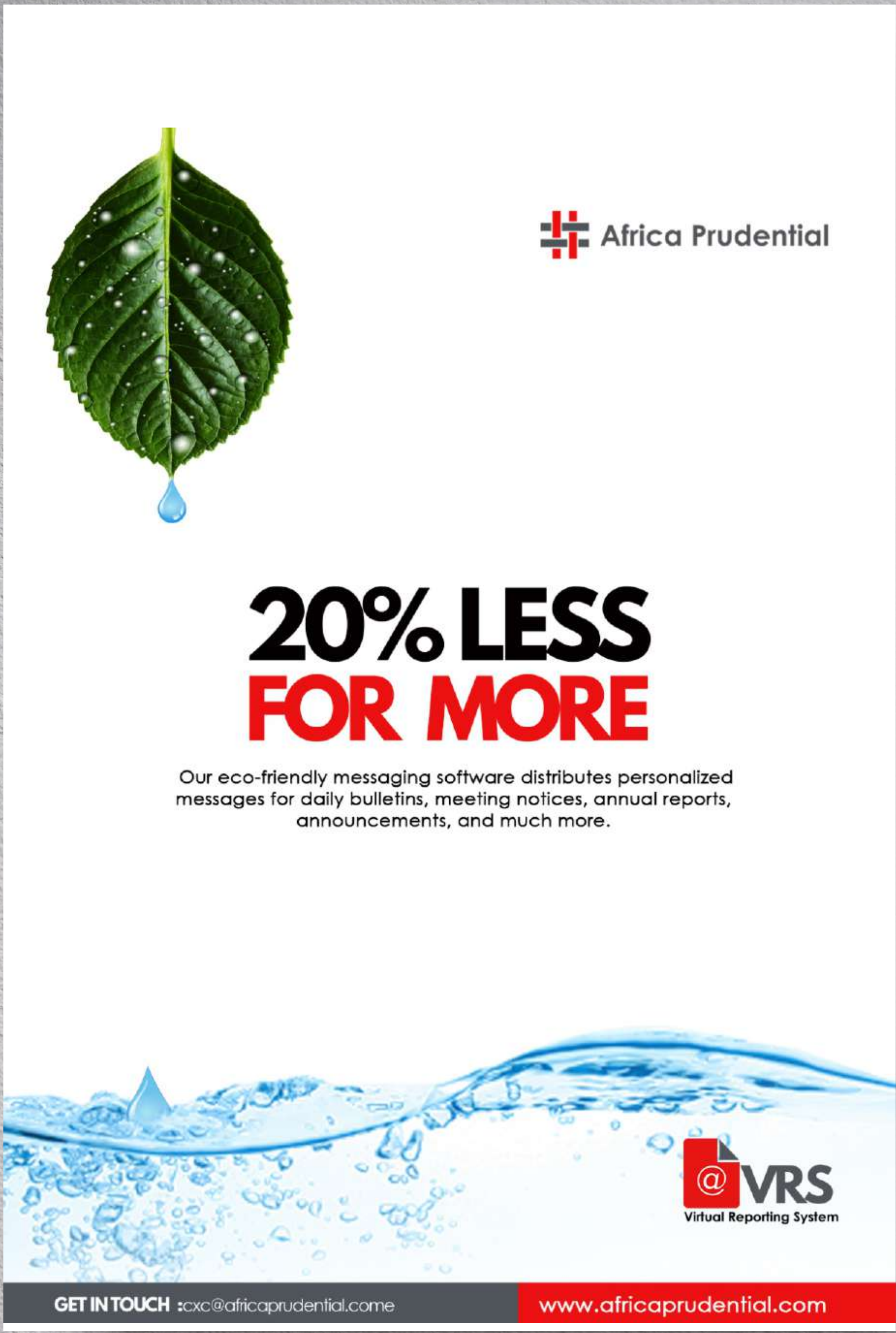
In spite of the tough challenges witnessed by the Capital Market in 2019, there are strong indications that the market will experience positive growth in the current year. A pointer is the successful take-off of the demutualization exercise of The Nigerian Stock Exchange which expectedly, will usher in, enhanced governance, transparency and visibility whilst attracting strategic partners, investors and good quality issuers. Moreover, the recent limits placed by CBN on Open Market Operation (OMO) investments in Treasury Bills is expected to negatively impact fixed income securities and enhance demand for equities and attract more investors into the equities market. The ongoing Insurance Sector recapitalization is also expected to catalyse mergers, business combinations and capital raising activities in 2020.

APPRECIATION

Distinguished ladies and gentlemen let me use this opportunity to express the gratitude of the Board of Directors to the Management and staff of the Company for their dedication in achieving the corporate objectives of the Company in the year under review. I am most grateful to our client – companies and their shareholders for their patronage of our Company's services.

Distinguished ladies and gentlemen, I thank you most sincerely for your attention.

Chief (Mrs) Eniola Fadayomi, *MFR*
CHAIRMAN
FRC/2013/IODN/00000002718



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CEO's Report

"In line with our drive at diversiying our revenue base to improve sustainability and value creation for our stakeholders, I am pleased to inform you of the successful go-live of our Digital Technology Business under the Africa Prudential Innovation Lab."

Dear Esteemed Shareholders,

It is an honour to present a review of the Company's performance report for the financial year, 2019. I will begin with a review of the operating environment during the year under review.

Operating Environment in 2019

The global economy slowed down in 2019 on the back of tepid economic performance across advanced economies as well as the Emerging Markets and Developing Economies. Global trade reduced as the tariff war between the United States and China lingered, the Brexit negotiation spanned till Q4 2019 with uncertainty beclouding investment decisions, mounting debt problem in developing economies and the sustained low crude oil prices.

On the Domestic front, Nigeria's **Gross Domestic Product** (GDP) grew by 2.55% in real terms in the fourth quarter (Q4) of 2019, up from 2.38% growth recorded in the fourth quarter of 2018. The growth recorded in Q4 2019 represents the highest quarterly growth performance since the 2016 recession. The agricultural sector, which was expected to grow due to the continued land border closure and increased agricultural practices in the country, grew only marginally by 2.31% compared to 2.28% recorded in its

CEO's Report cont'd

preceding quarter and a decline compared to 2.46% recorded in its corresponding quarter of 2018.

As a nation with heavy reliance on importation and consequent high demand for foreign exchange, between January and September 2019, capital importation increased by 32.7% from US$14.7bn in the same period of 2018 to US$19.5bn. The highest quarterly capital importation from Q1 2017 to Q3 2019 was recorded in Q1 2019 at US$8.4bn with 84% of the sum going into portfolio investment. The country's foreign exchange reserve declined by US$4.57bn (11%) from US$43.07bn on 2nd January 2019 to close the year at US$38.5bn on 31st Dec. 2019. During the year under review, the Naira exchanged for the US Dollar at an average of ₦360/1US$ in the Investors and Exporters Foreign Exchange Window (I & E Windows) on the back of the Central Bank of Nigeria's (CBN) intervention.

On the policy side, the Monetary Policy Committee of the CBN in an effort to stimulate growth and in line with the accommodative monetary policy direction of key systemic central banks such as the Federal Reserve and the European Central Bank cut the Monetary Policy Rate by 50 basis points from 14% to 13.5% in March 2019. In Q4, 2019, the CBN in its desire to improve the efficiency of the Open Market Operations (OMO) in managing liquidity banned local non-banking corporates and individual investors from investing in the CBN's OMO instrument either through the primary or secondary markets. This led to a decline in money market yields as prices of other money market instruments went up on increased demand.
In the capital market, the bearish trend prevailed on the Nigerian Stock Exchange (NSE) as the All Share Index depreciated by 14% from 31,070.06 basis point on 2nd January 2019 to 26,842.07 basis point on 31st December 2019. However, the NSE equity capitalization rose by 11.84% (₦1.372trn) due to the listing of shares of the Skyway Aviation Handling Company Plc. (April 2019), MTN Nigeria (May, 2019) and Airtel Africa (July 2019). Also, the Securities and Exchange Commission (SEC) gave approval for FMDQ to become a vertically integrated financial market infrastructure with the establishment of the FMDQ Securities Exchange Plc, the FMDQ Depository Limited and the FMDQ Clear Limited. By these strides of FMDQ Plc, it is expected to be a channel to deepen the market along the unexplored innovative solutions and products to the delight of investor.

Digital Transformation

We commenced our transformation agenda with emphasis on improving customer experience, automating our operations, driving innovation and increasing our data capabilities. We also reviewed our business model centered around how we create, deliver and capture value.

Business Diversification

In line with our drive at diversifying our revenue base to improve sustainability and value creation for our stakeholders, I am pleased to inform you of the successful go-live of our Digital Technology Business under the Africa Prudential Innovation Lab which has expanded our revenue lines as will be discussed below.

CEO's Report cont'd

Registrar Business

We continue to play very strongly in the Registrars space focusing on the improvement of our processes for enhanced customer experience, deployment of technology and improved automation of our operations. We have commenced the development of a new version of GreenPole 2, our enterprise solution for the business and the biometric capturing of shareholders to improve existing processes and enhance the experience of shareholders in the capital market.

> "Our Customer Experience Center has been upgraded with adequate technology and personnel"

Digital Technology Business

We have officially gone-live with our Digital Technology Business with the launch of our Innovation Lab. Our Innovation Lab is equipped with capabilities for providing innovative solutions, developing platforms and providing technical support services to create value for clients and users both within and outside the capital market space. We offer third-party solution development and support services under our Product as a Service and Software as a Service offerings. We have developed sufficient capacity and achieved significant milestones to meet the varying need of clients in providing solutions to them..

E-commerce Business

We launched EasyMall.ng, our e-commerce business to offer high quality discounted products to the Business to Business (B2B) and Business to Consumer (B2C) segments of the market. EasyMall also empower's cooperatives with great value by offering high quality products at best prices. There is also a store front feature in the mall giving cooperatives the chance to move their off-line stores online without the need to invest or manage the necessary technical infrastructure. EasyMall is in line with our platform strategy for cooperatives.

Cooperative Business

We are unrelenting in our commitment to changing the cooperative narrative in Nigeria and Africa by participating in both national and international cooperative advocacy to make a case for increased adoption of technology among cooperatives in order to create impact and enhance their productivity. We have also enhanced the EasyCoop Cooperative Manager Solution, an enterprise solution for the automation of cooperatives with innovative value adding features. This is aimed at meeting the varying needs of the different categories of cooperatives spread across the continent.

CEO's Report cont'd

Customer Experience Center:

At Africa Prudential, the voice and delight of the customer is key to our success story. Hence, we have repackaged our omni-channels medium to address the various categories of investors lifestyle needs. In order to maintain quality user experience across our various touch points, our Customer Experience Center has been upgraded with adequate technology and personnel. Furthermore, leveraging on investment in people and technology, we commenced telemarketing activities and business process outsourcing services to enhance customer experience, create value for our various categories of clients and generate superior returns to our various stakeholders

People Development:

We value our people as critical stakeholders in our business and are committed to enhancing their physical and mental wellbeing. Also, in order to enhance the professional development and equip our staff to support the new direction of the business while improving their self-worth and skills set, we also commissioned our Innovation Academy (i-Academy) training center to provide quality, relevant and specialized trainings to staff.

> "We value our people as critical stakeholders in our business and are committed to enhancing their physical and mental wellbeing."

▶ **CEO's Report** cont'd ◀

Financial Performance

	December 31, 2019 N'000	December 31, 2018 N'000
Turnover	3,902,102	4,485,567
Operating Expenses	1,699463	1,471,014
Profit Before Taxation	2,389,454	2,394,739
Taxation	708,425	441,839
Profit After Taxation	1,681,029	1,952,900
Proposed Dividend	1,400,000	1,000,000

CEO's Report cont'd

Gross Earnings

While the Gross earnings for the period declined 13% from N4.48bn in 2018 to N3.90bn in 2019 on the back of decline in investment income, professional fee income for the period appreciated by 6% from N1.41bn in 2018 to N1.50bn in 2019. The decline in investment income was a resultant impact of the 50 basis points cut in the monetary policy rate by the Monetary Policy Committee of the Central Bank of Nigeria (CBN) in February 2019 and the CBN's policy directive banning non-bank domestic corporate and individual players from investing in the CBN open market operation instruments. This has led to a decline in yield in the Nigerian financial markets.

Professional fee income for the period appreciated by 6% from

N1.41bn in 2018

N1.50bn 2019

Operating Expense

Operating expense for the period under review increased by 15.5% from ₦1.47bn in 2018 to ₦1.69bn in 2019 due to the business diversification and expansion activities of the company as we went live with our Digital Technology Strategic Business Unit (SBU). The go-live of the business' products and solutions is in line with the Company's strategic focus of diversifying her business to create sustainable value for our stakeholders in the long term.

Profitability

The Company's PBT for the period reduced slightly by 0.22% from ₦2.39bn in 2018 to ₦2.38bn in 2019. This is as a result of the decline in the yield environment and the ₦2.04bn loan pay off.

However, we are positioned to achieve a more diversified and sustainable income base, consolidate gains in the new SBU as well as solidify its position in the marketplace for enhanced performance in the coming years.

Dividend

In line with our commitment to delighting our shareholders with competitive returns on their investment, the Board of Directors of the Company has recommended the payment of 70 Kobo per share as dividend for the 2019 financial year culminating in a gross dividend value of N1,400,000,000 (One Billion, Four Hundred Million Naira). This implies a 40% growth in dividend per payout compared to the 50 Kobo per share dividend payout for 2018.

Outlook for 2020

Global growth is expected to be stronger in 2020 on the back of improved global trade as the US and China are expected to reach trade agreements, sustained accommodative monetary policies by systemic central banks, actualization of Brexit and improved performance from emerging and developing economies. Probable downside risk to the outlook include probable escalation of the security situation in the Middle East, ricing nationalism, breakdown of trade negotiations between the United States and China, and the outbreak of the Coronavirus in China.

CEO's report cont'd

> " the Board of Directors of the Company has recommended the payment of 70 Kobo per share as dividend for the 2019 financial year culminating in a gross dividend value of N1,400,000,000 (One Billion, Four Hundred Million Naira). This implies a 40% growth in dividend per payout "

On the domestic front, the Nigerian economy is expected to strengthen further in 2020 on the back of improvement in the agricultural sector, increased credit to the private sector, lower interest rate regime and likely gains from the implementation of the African Continent Free Trade Agreement (AfCTA). Downside risk to economic growth in 2020 include likely escalation of security challenges in the country, international crude oil price volatility and the impact of the likelihood of escalation in Lassa fever outbreak in Nigeria and the Coronavirus in China on investment decisions.

Our Business in 2020

The main focus of our business in 2020 is to strengthen our play in the technology space by deploying technological solutions to create values across our various business lines. We aim to be guided by four strategic objectives for the year which include; Enhancing Customer Experience, Empowering Employees, Automating our Operations and Delivering best in class Products.

In the Registrars space, our focus will be to transform the customer journey through the deployment of innovative solutions in the market. We will continuously improve our processes and introduce more value adding services to deliver great value to capital market stakeholders.

In our Digital Technology business, we aim to continue to offer new and innovative value adding technology solutions to businesses while also enhancing our Software as a Service and Product as a Service offerings.

Enhancing the customer journey, delivering exceptional experience and maintaining adequate quality standards in servicing our clients are the focus of our business and will be sustained further in 2020.

Our strategic focus in the cooperative space is to promote the adoption of innovative technologies by cooperatives to enhance their productivity, meet their potentials and expand their membership by attracting the large population of technology savvy youth on the continent.

Appreciation

I will like to appreciate the support of shareholders and the confidence reposed in us. We remain resolute in our commitment to protecting and expanding the wealth of our investors by running a profitable and viable business.

I also appreciate the very supportive Board of Directors and the entire staff of Africa Prudential Plc for the successes achieved so far. I am counting on your continued support to achieve our goal of delivering a more viable and profitable Africa Prudential Plc.

Thank you.

Obong Idiong
Managing Director/CEO


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Results At A Glance

For The Year Ended 31st December 2019

For the year ended 31 December 2019 in thousands of Nigerian Naira	2019	2018	Change	%
Revenue from contracts with customers	1,502,241	1,416,699	85,542	6%
Interest income calculated based on effective interest rate	2,399,861	3,068,868	(669,007)	-22%
Gross earnings	**3,902,102**	**4,485,567**		
Other income	56,035	532,251	(476,216)	-89%
Credit loss reversal/(expenses)	245,991	(153,831)	399,822	-260%
Impairment on goodwill	-	(98,693)	98,693	-100%
Personnel expenses	(624,567)	(565,193)	(59,374)	11%
Other operating expenses	(1,002,055)	(832,866)	(169,189)	20%
Depreciation of property and equipment	(52,746)	(51,299)	(1,447)	3%
Depreciation of right of use assets	(11,044)	-		
Amortisation of intangible assets	(20,095)	(21,656)	1,561	-7%
Profit before finance costs and tax	**2,493,621**	**3,294,280**	(800,659)	-24%
Finance costs calculated based on effective interest rate	(104,167)	(899,541)	795,374	-88%
Profit before income tax expense	**2,389,454**	**2,394,739**	(5,285)	0%
Income tax expense	(708,425)	(441,839)	(266,586)	60%
Profit after tax	**1,681,029**	**1,952,900**		
Other comprehensive income				
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax):				
Net (loss)/gain on unquoted equity instruments at fair value through other comprehensive income	(1,063,930)	614,815		
Revaluation gain on building (net of tax)	70,596	-		
Total other comprehensive (loss)/income for the year, net of tax	**(993,334)**	**614,815**		
Total comprehensive income for the year, net of tax	**687,695**	**2,567,715**		
Basic and diluted earnings per share (Kobo)	84	98		

As at 31 December 2019 in thousands of Nigerian Naira	December 2019	December 2018	Change	%
Assets				
Cash and cash equivalents	1,622,185	2,559,899	(937,714)	-37%
Equity instruments at fair value through OCI	243,328	5,055,257	(4,811,929)	-95%
Debt instruments at amortised cost	15,982,783	12,436,863	3,545,920	29%
Trade and other receivables	412,582	875,056	(462,474)	-53%
Inventory	-	3,432	(3,432)	-100%
Property and equipment	314,854	210,975	103,879	49%
Right-of-use-assets	14,725	-		
Intangible assets	58,876	71,471	(12,595)	-18%
Deferred tax assets	-	58,797	(58,797)	-100%
Total assets	**18,649,333**	**21,271,750**	**(2,622,417)**	**-12%**
Liabilities				
Customers' deposits	9,644,466	10,122,131	(477,665)	-5%
Creditors and accruals	32,139	63,104	(30,965)	-49%
Lease liabilities	12,292	-		
Borrowings	-	2,042,439	(2,042,439)	-100%
Current income tax payable	634,296	447,487	186,809	42%
Deferred tax liabilities	41,856	-	41,856	
Total liabilities	10,365,049	12,675,161	(2,310,112)	-18%
Equity				
Share capital	1,000,000	1,000,000		0%
Share premium	624,446	624,446	-	0%
Revaluation reserve	70,596	-		
Fair value reserve	(20,728)	1,043,202	(1,063,930)	-102%
Retained earnings	6,609,970	5,928,941	681,029	11%
Total equity	8,284,284	8,596,589	(312,305)	-4%
Total liabilities and equity	**18,649,333**	**21,271,750**	(2,622,417)	-12%

	2019	2018
Gross earnings	3,902,102	4,485,567
Profit after tax	1,681,029	1,952,900
Total assets	18,649,333	21,271,750
Total liabilities	10,365,049	12,675,161
Total Equity	8,284,284	8,596,589


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and creating solutions that meet
the Sustainable Development Goals
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7 ENSURE ENVIRONMENTAL SUSTAINABILITY
8 A GLOBAL PARTNERSHIP FOR DEVELOPMENT
15 LIFE ON LAND
3 GOOD HEALTH AND WELL-BEING
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
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03

GOVERNANCE

Directors' Report

The Directors are pleased to present their report on the affairs of the Company, together with the Audited Financial Statements and independent Auditor's Report for the year ended December 31, 2019

LEGAL FORM AND PRINCIPAL ACTIVITIES

Africa Prudential Plc was originally incorporated as UBA Registrars Ltd on March 23, 2006. The Company subsequently changed its name to Africa Prudential Registrars Plc in August 10, 2011 and was listed on the Nigerian Stock Exchange in January 2013. To expand its business portfolio, the Company acquired UAC Registrars Ltd in June 2013.

To enhance its market competitiveness and diversified business interests, the Company changed its name to Africa Prudential Plc following a special resolution passed by the members at a General Meeting on March 28, 2017.

Africa Prudential Plc carries on the business of registrar and investor relation service in accordance with its Memorandum and Articles of Association. As part of its business diversification strategy, it has expanded its business activities to provision of digital solutions for businesses. Its flagship digital solutions product known as EasyCoop is a unique software to aid the administration of Cooperative Societies in Nigeria

The Company's competencies in digital technology covers advanced Agile and other Software Development Life Circle (SDLC) Methodologies, Cyber Security, Cloud Computing, Design thinking / Product Development Labs, Blockchain technology among others. The Company also deploys product as a Service and Software as a Service which are scalable for various sizes of organizations.

RESULTS FOR THE YEAR

The following is the summary of the performance of the Company during the year under review as compared with the previous year.

Directors' Report cont'd

	December 31, 2019 ₦'000	December 31, 2018 ₦'000
Turnover	3,902,102	4,485,567
Operating Expenses	1,699,463	1,471,014
Profit Before Taxation	2,389,454	2,394,739
Taxation	708,425	441,839
Profit After Taxation	1,681,029	1,952,900
Proposed Dividend	1,400,000	1,000,000
Retained Earnings	281,029	952,900

DIVIDEND

The Directors recommend to the Shareholders, the payment of a gross dividend of N1,400,000,000 (One Billion, Four Hundred Million) that is 70 kobo per share payable to Shareholders on the Company's Register of Members as at March 6, 2020. The dividend is subject to the deduction of appropriate withholding tax. If members at the Annual General Meeting approve this recommendation, the appropriation of the profit as at the end of the financial year would be as follows:

	N'000
Proposed Dividend	1,400,000
Retained Profit at the end of the year	281,029

DIRECTORS

RECORD OF DIRECTORS' ATTENDANCE AT MEETINGS

Pursuant to Section 258(2) of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, the records of Director's attendance at Board meetings during the year under review will be available for inspection at the Annual General Meeting.

BOARD COMPOSITION

As at December 31, 2019, the Company had 7 Directors all of whom held office in the year ended 31st December 2019. Their biographies are contained in the report.

THE PROCESS OF APPOINTMENT OF DIRECTORS

The process of appointment, removal or reappointment of Directors is governed by the Company's Articles of Association, the Companies and Allied Matters Act (CAMA), LFN 2004 as well as relevant Board and Governance policies. These documents also set out the rights and obligations of Directors.

The Audit and Governance Committee (AGC) is responsible for advising and recommending to the Board, the composition of the Board and establishing procedures for the nomination of new Directors and recommendation to the Board, directors for election and re-election as well as proposing candidates to the Board for all Board positions. The AGC is also responsible for proposing to the Board, candidates for the position of CEO and Executive Director (s).

Directors' Report cont'd

On the recommendation of the AGC, the Board considers and approves the appointment and re-appointment of its members subject to ratification by the shareholders in a General Meeting. In choosing Directors, the Company seeks individuals who have very high integrity, a good image and reputation, are business savvy, have shareholder orientation, an absence of conflict of interest and a genuine interest in and commitment to the Company. Where possible, the Company seeks to appoint individuals with industry expertise in the Company's core business areas.

Moreover, in choosing Directors, the Company uses a general criteria which includes but is not limited to persons with high ethical standards and integrity, willing to act on and be accountable for board decisions, have a proven track record in their chosen field and be of repute, ability to provide wise, thoughtful counsel on a range of issues, have a history of achievements that reflect high standards for themselves and others, are committed to driving the success of the Company, able to take tough positions and have an entrepreneurial spirit. Furthermore, the Company seeks to promote diversity in its Board membership across a variety of attributes relevant for promoting better decision-making and effective governance. These attributes include field of knowledge, skills and experience as well as age, culture and gender.

DIRECTORS INTERESTS IN CONTRACTS

None of the Directors has notified the Company for the purpose of Section 277 of the Companies and Allied Matters Act of any declarable interest in Contracts in which the Company is involved.

DIRECTORS AND THEIR INTERESTS IN THE SHARES OF THE COMPANY

Directors' interests in the issued share capital of the Company as recorded in the Register of Members and/or as notified by the Directors in compliance with Sections 275 and 276 of the Companies and Allied Matters Act, CAP C20, LFN 2004 and the Listing Requirements of the Nigerian Stock Exchange were as follows:

Directors' Report cont'd

NAME	DECEMBER 31, 2019		DECEMBER 31, 2018	
	DIRECT HOLDING	INDIRECT HOLDING	DIRECT HOLDING	INDIRECT HOLDING
Chief (Mrs.) Eniola Fadayomi	4,006,060	NIL	4,006,060	NIL
Mr. Obong Idiong	1,861,294	NIL	587,058	NIL
Mr. Peter Ashade	2,703,864	NIL	2,703,864	NIL
Mr. Sam Nwanze	83,009	NIL	83,009	NIL
Mr. Peter Elumelu	13,891	NIL	13,891	NIL
Mr. Emmanuel Nnorom	NIL	10,558,865	N/A	10,000,000
Mrs. Ammuna Lawan Ali	NIL	NIL	NIL	NIL

The details of indirect shareholding of Directors in the issued share capital of the Company is as below:

S/N	NAME	COMPANY	INDIRECT HOLDING	TOTAL INDIRECT HOLDING
1	Mr. Emmanuel Nnorom	Vine Food Ltd	10,558,865	10,558,865

ALTERNATE DIRECTORSHIP

There was no alternate directorship during the year under review.

SHAREHOLDING AND SUBSTANTIAL SHAREHOLDERS

The issued and fully paid up share capital of the Company is N1,000,000,000 (One Billion Naira divided into 2,000,000,000) of Ordinary shares of N0.50k each.

"The following is the only shareholder of the Company holding 5% and above".

S/N	PARTICULARS OF SHAREHOLDER	NUMBER OF SHARES	PERCENTAGE % OF SHAREHOLDING
1	International Equity Capital Limited	519,000,000	26%

Except as stated above International Equity Capital, no other shareholder holds more than 5% and above of the issued and fully paid up shares of the Company.

Directors' Report cont'd

CORPORATE GOVERNANCE

The Board of Directors of the Company is cognizant of its responsibilities under the Code of Corporate Governance issued by the Securities and Exchange Commission, the Code of Corporate Governance issued by the Financial Reporting Council of Nigeria and the Nigerian Code of Corporate Governance in the administration of the Company and in ensuring that the Company consistently complies with the Codes.

In furtherance of the Board's commitment to strong Corporate Governance, the Company successfully concluded the process and was awarded a corporate governance rating from the Nigerian Stock Exchange (NSE) in January 2018 under the Corporate Governance Rating System (CGRS) in partnership with the Convention on Business Integrity (CBI). Consequently, the Company has satisfied one of the criteria required to be listed on the Premium Board of the NSE. The Company sealed its recognition as number one in corporate governance excellence in Nigeria by winning the Special Recognition Award of the 2019 Pearl Awards Nigeria, the flagship awards that rewards outstanding performance of quoted companies in the Nigerian Capital Market.

BOARD EVALUATION

To ensure effectiveness of the Board and the Directors, a Board evaluation was undertaken covering the period of the financial year under review by an independent Corporate Governance consulting firm. The performance of the Board, Board Committees and individual directors were adjudged satisfactory and necessary feedback arising from the exercise was communicated to individual directors.

COMPLAINT MANAGEMENT FRAMEWORK

The Company has a Complaint Management Policy and Framework in place in accordance with the SEC directives on resolution of complaints. This policy has also been uploaded on the Company's website for public access.

INSIDER TRADING AND PRICE SENSITIVE INFORMATION

The Company has in place a Securities Trading Policy which prohibits the directors and employees from trading on the Company's shares during periods they are in possession of price sensitive information. The Company was in compliance with the Securities Trading Policy during the year under review.

WHISTLE BLOWING POLICY

The Company has a Whistle Blowing Policy in place. This was extensively reviewed by the Board and it covers among other things, the procedures for the receipt, retention and treatment of information received from whistle blowers and the custodian of the dedicated line

ACQUISITION OF OWN SHARES

The Company did not purchase any of its own shares during the year.

Directors' Report cont'd

SHAREHOLDING ANALYSIS

S/N	Row Labels	Count of Type	Sum of Holdings
1	Corporate	5,406	1,293,015,606
2	Government	20	2,368,927
3	Individual	254,665	695,307,615
4	Institution	167	3,209,070
5	Joint	593	5,383,696
6	Pension	5	715,086
	Grand Total	**260,856**	**2,000,000,000**

ANALYSIS OF SHAREHOLDINGS

The details of shareholding of the Company as at December 31, 2019 is as stated below;

RANGE ANALYSIS 31_DECEMBER_2019									
Range			*No of Holders*	*Holder %*	*Holders Cum*	*Units*	*Units %*	*Units Cum*
1	-	1,000	229,399	87.94%	229,399	44,050,148	2.20%	44,050,148
1,001	-	5,000	22,442	8.60%	251,841	47,777,692	2.39%	91,827,840
5,001	-	10,000	3,617	1.39%	255,458	25,936,625	1.30%	117,764,465
10,001	-	50,000	3,549	1.36%	259,007	77,553,713	3.88%	195,318,178
50,001	-	100,000	722	0.28%	259,729	52,863,415	2.64%	248,181,593
100,001	-	500,000	799	0.30%	260,528	169,266,752	8.46%	417,448,345
500,001	-	1,000,000	145	0.06%	260,673	109,432,016	5.47%	526,880,361
1,000,001	-	2,000,000,000	183	0.07%	260,856	1,473,119,639	73.66%	2,000,000,000
		TOTAL	**260 856**	**100.00%**		**2,000,000,000**	**100.00%**	

Directors' Report cont'd

HUMAN RESOURCES

The Company makes it a paramount objective to hire individuals based on standards of merit and competence. Also, the Company upholds a sound culture of providing continued development and training for its Staff to address knowledge gaps and provide new skill sets along the Company's lines of responsibilities. Annually, trainings are identified for staff and followed through in accordance with an approved training plan meant to ensure that this objective is achieved. The Company encourages easy interaction between Management and other staff of the Company so as to foster an atmosphere of warmth at work and also to kindle the necessary synergy required for the Company's success.

EMPLOYMENT OF DISABLED PERSONS

The Company operates a non-discriminatory policy on recruitment. Applications by disabled persons are always fully considered bearing in mind the respective aptitudes and abilities of the applicants concerned.

During the year under review, there was no disabled person in the Company's employment.

HEALTH, SAFETY AND WELFARE OF EMPLOYEES

The Company approaches Health, Safety and Welfare issues affecting Staff with every sense of seriousness and therefore maintains an insurance health care scheme for its employees. Through this arrangement, each employee, their respective spouses, and dependents below the age of eighteen (18) years are entitled to medical treatments in well-equipped, qualitative network of hospitals under the scheme.

Safety regulations are in place within the Company's premises and employees are regularly informed of the regulations.

There are contributory retirement benefit schemes for both management and employees of the Company in conformity with the Pensions Reform Act 2014.

EMPLOYEES' INVOLVEMENT AND TRAINING

The Company has an effective employer/employee communication system aimed at enhancing industrial harmony. Employees are kept fully informed as much as practicable of the Company's activities which particularly affect them as employees and are also encouraged to communicate any information useful to management through use of suggestion boxes and other channels.

Regular training programs are usually arranged for employees locally and where applicable, overseas for the improvement of skills and enhancement of career prospects.

POST BALANCE SHEET EVENTS

There were no post balance sheet events which could have a material effect on the financial position of the Company as at 31 December 2018 and results attributable to equity holders.

Directors' Report cont'd

FIXED ASSETS

In the opinion of the Directors, the market value of the Company's fixed assets is not less than what was shown in the Balance Sheet.

AUDITORS

The Auditors, Messrs. Ernst & Young having indicated their willingness, will continue in office as the Company's Auditors in accordance with Section 357 (2) of the Companies and Allied Matters Act, CAP

BY ORDER OF THE BOARD

JOSEPH JIBUNOH
FRC/2018/NBA/00000017719
Company Secretary
220B Ikorodu Road, Palmgrove
Lagos.

Dated: February 20, 2020

DCSL Corporate Services Limited
235 Ikorodu Road
Ilupeju, Lagos

P. O. Box 965, Marina
Lagos, Nigeria
Tel: +234 9 1271 7817
www.dcsl.com.ng

Abuja Office:
Statement Hotel, Plot 1002
1st Avenue, Off Shehu Shagari
Way, Abuja

Tel: +234 9 461 4902
RC NO. 352393

February 2020

REPORT OF THE EXTERNAL CONSULTANTS ON THE PERFORMANCE OF THE BOARD OF DIRECTORS OF AFRICA PRUDENTIAL PLC FOR THE YEAR-ENDED DECEMBER 31, 2019

By a Letter of Engagement dated 18th December 2019 , DCSL Corporate Services Limited (DCSL) was engaged by Africa Prudential Plc to carry out an evaluation of the performance of the Board of Directors for the year-ended December 31, 2019 in line with the provisions of **Section 15.1 of the Securities and Exchange's Commission Code of Corporate Governance and Section 14.1 of the Nigerian Code of Corporate Governance ("the National Code").** The appraisal entailed a review of the Company's corporate and statutory documents, the Minutes of its Board and Committee meetings, policies and other ancillary documents made available to us. We also administered electronic surveys and conducted interviews with the Directors to ascertain the level of the Board's compliance with the provisions of the SEC and Nigerian Codes, relevant legislation as well as global Best Practice. Our appraisal covered the following seven key corporate governance themes:

1. Board Structure and Composition
2. Strategy and Planning
3. Board Operations and Effectiveness
4. Measuring and Monitoring of Performance
5. Risk Management and Compliance
6. Corporate Citizenship; and
7. Transparency and Disclosure.

Our review of the corporate governance standards and processes affirm that the Board has sufficiently complied with the provisions of the SEC and Nigerian Codes and other relevant corporate governance best practices. The appraisal indicates that individual Directors remain committed to enhancing the Company's growth. Whilst commending the Board for its efforts thus far towards ensuring compliance with the Codes, we recommend that the Board should undertake the appraisal of the Managing Director against Financial and Non-Financial Performance Indicators.
Our key findings and other recommendations are contained in our detailed Report.

Yours faithfully,
For: DCSL Corporate Services Ltd

Bisi Adeyemi
Managing Director

Directors: Abel Ajayi (Chairman) • Obi Ogbechi • Adeniyi Obe • Adebisi Adeyemi (Managing Director)

DCSL Corporate Services Limited

Statement of Directors' Responsibilities

In accordance with the provisions of sections 334 and 335 of the Companies and Allied Matters Act, Cap C20, Laws of the Federation of Nigeria, 2004 ("**CAMA**"), the Directors are responsible for the preparation of the financial statements, which give a true and fair view of the state of affairs of the Company and of the profit or loss for the period ended 31 December 2019, and in so doing they ensure that:

- Proper accounting records are maintained;
- Applicable accounting standards are followed;
- Suitable accounting policies are adopted and consistently applied;
- Judgments and estimates made are reasonable and prudent;
- The going concern basis is used, unless it is inappropriate to presume that the Company will continue in business; and
- Internal control procedures are instituted which as far as reasonably possible, safeguard the assets of the Company and prevent and detect fraud and other irregularities.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards (IFRS) and the requirements of CAMA.

The Directors are of the opinion that the2019 audited financial statements give a true and fair view of the state of the financial affairs of the Company and of its profit or loss.

The Directors accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of the financial statements as well as adequate systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the Company will not remain a going concern for at least twelve (12) months from the date of this statement.
Signed on behalf of the Directors by:

Obong Idiong
Managing Director/CEO

Chief (Mrs.) Eniola Fadayomi
Chairman

Report Of The Statutory Audit Committee

For the year ended 31st December 2019

To the members of Africa Prudential Plc

In compliance with section 359 (6) of the Companies and Allied Matters Act Cap C20 LFN 2004 ("CAMA"), we the members of the Statutory Audit Committee of Africa Prudential Plc ("the Company") hereby report as follows:

a) The Audit Committee met in exercise of its statutory responsibilities in accordance with section 359(6) of CAMA;

b) We have examined the auditors' report including the financial statements for the year ended 31 December 2019;

c) We have also deliberated with the external auditors, reviewed their findings and recommendations and confirm that the auditors' report for this period is consistent with our review; and

d) We are satisfied that the accounting and reporting policies of the Company are in accordance with legal requirements and meet ethical standards.

Mr. Frank Chikezie

FRC /2003/CIBN/00000005239

20th February 2020

Members of the Statutory Audit Committee

1. Mr. Frank Chikezie	-	Chairman
2. Mr. Tajudeen Adeshina	-	Member
3. Mr. Kabiru A Tambari	-	Member
4. Mr. Samuel Nwanze	-	Member
5. Ammuna Lawan Ali	-	Member
6. Mr. Peter Elumelu	-	Member

Corporate Governance Report

INTRODUCTION

Africa Prudential Plc"Afriprud" has in place an effective governance mechanism that ensures proper oversight of its business by the Directors and other principal organs of the Company and this is demonstrated by the fact that the Company recognises and believes in the importance of committing to the highest standards of corporate governance for Public Companies in Nigeria.

During the 2019 financial year, Afriprud complied with the provisions of the Financial Reporting Council of Nigeria's Code of Corporate Governance, Code of Corporate Governance issued by the Securities and Exchange Commission, its Board Charter, all Company Policies and applicable rules and regulations.

1. The Board

1.1 General

The Board is responsible for developing the Company's strategy and ensuring that its available assets are utilized towards the attainment of its set strategy and plans. The Board performs supervisory oversight over management activities making certain that the affairs of the Company are conducted in a manner that increases the value of shareholders' investments and is also beneficial to all other stakeholders of the Company.

As at 31 December 2019, the Board comprised a Non-Executive Chairman, an Executive Managing Director/CEO and five other Non-Executive Directors one of whom is an Independent Director. The Board members are professionals and business persons with vast experience, credible track records, requisite integrity, skills and experience to bring independent judgment to bear on Board deliberations and discussions.

The Directors attend regular trainings on Corporate Governance and related issues. In addition, the Company Secretary provides advice to the Board on Corporate Governance best practices from time to time.

1.2 Chairman and CEO Positions

Corporate Governance Report cont'd

Responsibilities at the top level are well defined and the Company has separated the roles of the Managing Director/CEO and Chairman. The Chairman is not involved in the day-to day operations of the Company and is not a member of any committee of the Board.

1.3 Non-Executive Directors

The Non-Executive Board members possess strong knowledge of the Company's business and usually contribute actively at Board meetings.

1.4 Board Changes

During the year under review, there was no change in the composition of the Board. All the Directors held office as at 31st December 2019.

1.5 Proceedings and frequency of meetings

The Board meets at least once in every quarter or as frequently as the Board's attention may be required on any situation which may arise. Sufficient notices with clear agenda and reports are usually given prior to convening such meetings. In 2019, the Board continued with its adoption of the use of an electronic portal for the notification of Board and Board Committee meetings as well as circulation of meeting papers.

In addition to the Board meetings, the Board & Management had Strategy Sessions twice in the year under review on June 24, 2019 and on December 3,2019 where the Management presented to the Board, in detail, key business and operational strategies for the 2019 financial year and 2020 Budget respectively.

1.6 Board Meeting Attendance

KEY:
P = Present
AWA = Absent With Apology
NA = Not Applicable
IA = In Attendance

A total of five (5) Board Meetings were held in the 2019 Financial Year. The table below shows Directors' attendance at the meetings.

S/N	Members	19/2/2019	18/4/2019	17/7/2019	21/10/2019	16/12/2019
1.	Chief (Mrs) Eniola Fadayomi	P	P	P	P	P
2.	Mr. Obong Idiong	P	P	P	P	P
3.	Mr. Peter Ashade	P	P	P	P	P
4.	Ammuna Lawan Ali	P	P	P	P	P
5.	Mr. Samuel Nwanze	P	P	P	P	P
6.	Mr. Emmanuel Nnorom	P	P	P	P	P
7.	Mr. Peter Elumelu	P	P	P	P	P

Corporate Governance Report cont'd

1.7 Board Committees

1.7.1 Board Audit &Governance Committee

The Board Audit &Governance Committee is responsible for ensuring that an effective system of internal and financial control is in place and provides oversight on governance related matters.

The Committee is currently constituted as follows:

1. Mr. Peter Elumelu	Chairman/Non-Executive Director
2. Mr. Samuel Nwanze	Member/ Non-Executive Director
3. Ammuna Lawan Ali	Member/ Independent Director
4. Mr. Emmanuel Nnorom	Member/Non-Executive Director

Its Terms of Reference include ensuring an effective system of financial and internal control are in place; evaluating the independence and performance of the External Auditor; reviewing the audited financial statements with the Management and the External Auditor before its presentation to the Board; approving human resources related policies; ensuring proper composition, training and evaluation of board members.

The Committee met four (4) times in the year under review. The table below shows Directors' attendance at the meetings.

S/N	Members	18/2/2019	10/4/2019	11/6/2019	14/17/2019
1.	Mr. Peter Elumelu	P	P	P	P
2.	Mr. Samuel Nwanze	P	AWA	P	P
3.	Ammuna Lawan Ali	P	P	P	P
4.	Mr. Emmanuel Nnorom	P	P	P	P

1.7.1 Board Finance and Investment Committee

The Board Finance and Investment Committee is responsible for strategic planning, periodic budgeting and performance monitoring, supervision of assets, investment matters and providing oversight on risk matters, financial matters and performance of the Company.

The Committee is currently constituted as follows:

1. Mr. Samuel Nwanze	Chairman/Non-Executive Director
2. Mr. Obong Idiong	Member/ Managing Director
3. Mr. Peter Elumelu	Member/ Non-Executive Director
4. Mr. Emmanuel Nnorom	Member/ Non-Executive Director
5. Mr. Peter Ashade	Member/Non-Executive Director

Corporate Governance Report cont'd

The Committee met four (4) times in the year under review. The table below shows Directors' attendance at the meetings.

S/N	Members	18/2/2019	10/4/2019	11/07/2019	14/10/2019
1.	Mr. Samuel Nwanze	P	AWA	P	P
2.	Mr. Obong Idiong	P	P	P	P
3.	Mr. Peter Elumelu	P	P	P	P
4.	Mr. Emmanuel Nnorom	P	P	P	P
5.	Mr. Peter Ashade	P	P	P	P

1.7.1 Board Products & Projects Committee

The Board Products & Projects Committee was formally constituted by the Board in July 2018 and this was done to enable the Board exercise oversight in the sound and robust management of all the Company's Products & projects as it relates to technology product, innovation and development. The aim is to drive the Company's diversification implementation strategy by providing advice and direction where appropriate.

The Committee is currently constituted as follows:

1. Mr. Peter Ashade	Chairman/Non-Executive Director
2. Mr. Samuel Nwanze	Member/ Managing Director
3. Mr. Peter Elumelu	Member/ Non-Executive Director
4. Mr. Emmanuel Nnorom	Member/ Non-Executive Director
5. Mr. Obong Idiong	Member/ Managing Director

The Committee met 4 (four) times in the year under review. The table below shows Directors' attendance at the meetings.

S/N	Members	19/2/2019	10/4/2019	11/07/2019	14/10/2019
1.	Mr. Peter Ashade	P	P	P	P
2.	Mr. Samuel Nwanze	P	AWA	P	P
3.	Mr. Peter Elumelu	P	P	P	P
4.	Mr. Emmanuel Nnorom	P	P	P	P
5.	Mr. Obong Idiong	P	P	P	P

2. The Statutory Audit Committee

The Statutory Audit Committee was set up in accordance with the provisions of the Companies and Allied Matters Act, CAP 20, 2004. It consists of a combination of Non – Executive Directors and Ordinary shareholders elected at the Annual General Meeting. Its terms of reference include the monitoring of processes designed to ensure compliance by the Company in all respects with legal and regulatory requirements, including disclosure, controls and procedures and the impact (or potential impact)of development thereto. It evaluates annually, the independence and performance of the External Auditors. The Committee also reviews with Management and the External Auditors the annual audited financial statement before its submission to the Board.

Corporate Governance Report cont'd

The Committee is currently constituted with 6 (Six) members as follows:

1.	Mr. Frank Chikezie	Chairman/shareholder
2.	Alhaji Kabiru Tambari	Shareholder
3.	Mr. Tajudeen Adeshina	Shareholder
4.	Mr. Samuel Nwanze	Non- Executive Director
5.	Mr. Peter Elumelu	Non- Executive Director
6.	Ammuna Lawan Ali	Non- Executive Director

The Committee met four (4) times in the year under review. The table below shows Members' attendance at the meetings.

S/N	Members	18/2/2019	10/4/2019	11/7/2019	14/10/2019
1.	Mr. Frank Chikezie*	NA	P	P	P
2.	Mr. Tajudeen Adeshina	P	P	P	P
3.	Alhaji Kabiru Tambari	P	P	P	P
4.	Mr. Samuel Nwanze	P	P	P	P
5.	Mr. Peter Elumelu	P	P	P	P
6	Mrs. Ammuna Lawan Ali	P	P	P	P

- Mr Frank Chikezie was elected to membership of the Committee during the last Annual General Meeting on 26th March 2019.

3. Accountability, Audit and Control

3.1 Financial reporting

The Directors make themselves accountable to shareholders through regular publication of the Company's financial performance and annual reports.

The Board is mindful of its responsibilities and is satisfied that in the preparation of its financial report it has presented a balanced assessment of the Company's position and prospects in accordance with its obligation under the Code of Corporate Governance.

Ernst & Young acted as external auditors to the Company during the 2019 financial year.

3.2 Control Environment

The Company has consistently improved its internal control system to ensure effective management of risks. The Directors review the effectiveness of the system of internal control through regular reports and reviews at Board and Audit & Governance Committee Meetings.

The Board has continued to place emphasis on risk management as an essential tool for achieving the Company's objectives. Towards this end, it has ensured that the Company has in place robust risk management policies and mechanisms to ensure the identification of risks and effective controls.

The Board approves the annual budget for the Company and ensures that a robust budgetary process is operated with adequate authorization levels put in place to regulate capital expenditure.

Corporate Governance Report cont'd

4 The Company Secretary

The Company Secretary ensures adequate dissemination of information among Board members and between the Board and the Management of the Company. In furtherance of Board and Committee meetings, the Company Secretary undertakes the preparation of the necessary papers and other documents requisite for the success in deliberations. The Company Secretary is responsible for the induction of new Directors and the provision of ongoing training for the Non-Executive Directors.

The Office of the Company Secretary ensures that the Company complies with the relevant regulatory laws including the Investment and Securities Act, the Securities and Exchange Commission (SEC) Rules and Regulations, the Securities and Exchange Commission (SEC) Code of Corporate Governance, the Financial Reporting Council of Nigeria's Code of Corporate Governance, the Companies and Allied Matters Act and the Nigeria Stock Exchange Rules and Regulations.

The procedure for the appointment and removal of the Company Secretary is a matter for the Board.

5 Shareholders

The Company ensures the existence of adequate interaction among the Shareholders, the Management and the Board of the Company. The Company's General Meetings provide Shareholders the platform to contribute to the administration of the Company. The Annual General Meetings (AGMs) are held in accessible locations and are open to Shareholders or their proxies. The AGMs are conducted in a manner that facilitates Shareholders' participation in accordance with relevant regulatory and statutory requirements.

The Company encourages Shareholders to attend these meetings by ensuring that notices of meetings and other information required by Shareholders to make informed decisions are dispatched in a timely manner. The office of the Company Secretary additionally affords Shareholders channels of communication to the Board and the Management of the Company.
It is the responsibility of the Shareholders to approve the appointment of Directors and to grant other approvals that are required by law or the Articles of Association of the Company.

The Shareholders through its representatives on the Statutory Audit Committee in line with section 359 of the CAMA and the SEC Code also assume responsibility for the integrity of the Company's audited accounts.

6. GUIDELINES FOR TRADING IN THE COMPANY'S SECURITIES

General Rule

Except in exceptional circumstances, all Key personnel (Directors and all Staff) must not deal in securities of the Company during the following "Closed Periods".

(a) The period from 15 days immediately preceding the announcement to the Nigerian Stock Exchange of the Company's annual results; and 24 hours after the release has been made;
(b) The period from 15 days immediately preceding the announcement to the Nigerian Stock Exchange of the Company's half year results; and 24 hours after the release has been made;
(c) The period from 15 days immediately preceding the announcement to the Nigerian Stock Exchange of each of the Company's quarterly results; and 24 hours after the release has been made;
(d) A period of two trading days before and 24 hours after any other Nigerian Stock Exchange announcement by the Company; and

Corporate Governance Report cont'd

(e) Such other periods as the Board may from time to time by notice in writing designate as a closed period- for example, a period commencing when the Company is considering a significant acquisition or disposal under an incomplete proposal and expiring two trading days after details of the final proposal are announced to the Nigerian Stock Exchange or the proposal is abandoned.

7. AFRICA PRUDENTIAL PLC COMPLAINT MANAGEMENT POLICY

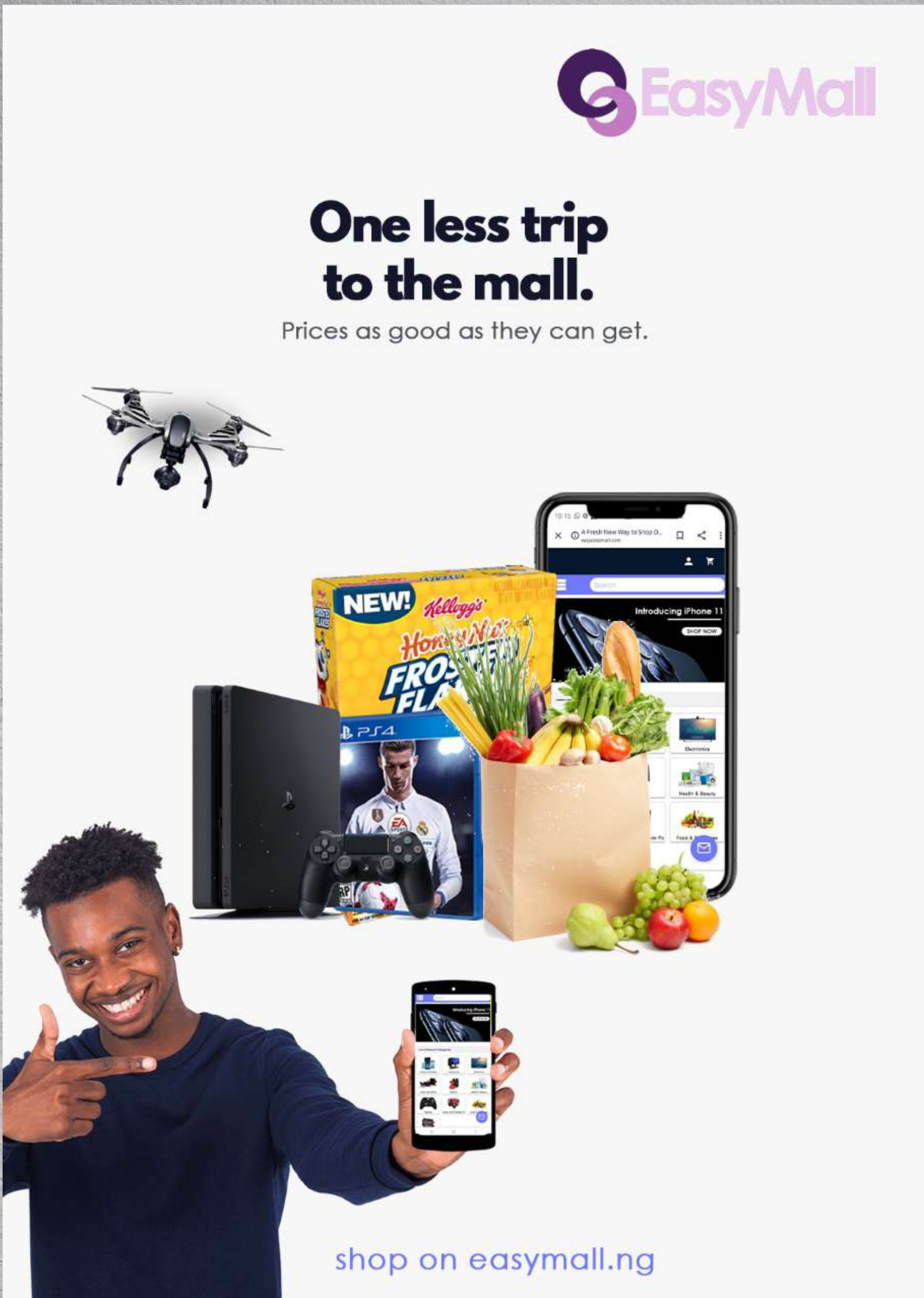
- In accordance with the Securities and Exchange Commission rules (SEC Rules) relating to Complaint Management Framework of the Nigerian Capital Market (The Framework) of February 16, 2015 and the Nigerian Stock Exchange directive, every listed company is required to establish a clearly defined Complaints Management Policy to handle and resolve complaints within the scope of the Framework
- It is pursuant to the above-mentioned SEC rule and NSE Directive that Africa Prudential Plc has formulated a Complaints Management Policy.
- This policy is designed to effectively and efficiently handle and resolve complaints in a fair, impartial, timely and objective manner.
- All complaints should be addressed as follows:

The Company Secretary
Africa Prudential Plc
220b, Ikorodu Road Palmgrove
Lagos
Email: cxc@africaprudential.com

The policy is available on the Company's website (www.africaprudential.com)

04

Sustainability & Corporate Social Responsibility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2019 Corporate Social Responsibility (CSR)

Africa Prudential Corporate Social Responsibility (CSR) programme is focused on the support of entrepreneurs through the Tony Elumelu Foundation (TEF). In view of this, the company supported the Foundation during the course of the year in furtherance of its CSR objectives. This initiative affords Africa Prudential the opportunity to be part of an audacious transformation agenda for Africa.

Among other projects and engagements in 2019, the flagship CSR programme of the Foundation is the Tony Elumelu Foundation Entrepreneurship Programme which identifies, trains, mentors and provides seed capital of up to $5,000 each to 1,000 African entrepreneurs every year, for 10 years. The goal is that these entrepreneurs will create 1 million jobs and contribute $10 billion in revenue to the African economy. The Programme is currently in its sixth year, having 7,520 recipients so far. Partnering with the Tony Elumelu Foundation on the CSR project affords Africa Prudential opportunity to be part of something very impactful across Africa.

In 2019, 3,050 African entrepreneurs were selected for the 2019 TEF Entrepreneurship Programme bringing the total beneficiaries of the Programme to 7,520. A report of the over 216,000 applications received indicated that entrepreneurs applied with ideas spanning various sectors including but not limited to agriculture, manufacturing, technology and ICT, education, fashion, healthcare, media, and so many other sectors.

The number of applications into the TEF Entrepreneurship Programme continues to increase. In 2015, 20,000 African entrepreneurs applied into the Programme; 2016 saw the

2019 Corporate Social Responsibility (CSR) cont'd

number double to 45,000 applications; in 2017, 93,000 African entrepreneurs applied; and in 2018, 150,000 applications were received into the Programme; and in 2019, 216,000 applications were received.

The Tony Elumelu Foundation also drives advocacy across the African continent on the scale of impact that entrepreneurship and African entrepreneurs can achieve in catalyzing sustainable social and economic development.

Tony Elumelu Foundation Entrepreneurship Programme which identifies, trains, mentors and provides seed capital of up to **$5,000** each to **1,000** African entrepreneurs every year, for 10 years.

Sustainability & Corporate Social Responsibilty Report

At Africa Prudential we look at the world through a sustainability lens, it does not only help us to 'future proof' our value chain, but it also fuels our innovation and brand growth. Being a leading Registrar firm with the goal of advancing our diversification into digital technology and in full recognition of the importance of integrating sustainability principles to business strategy, we are committed to sustainable business development that meets the needs of the present without compromising the ability of the future generations to meet their own needs.

We do not fail to consider the impacts of our activities on our environment and ensure transparency about the risks and opportunities they face. We highly believe that the success of our company is linked with the sustenance and conservation of the communities we operate in, therefore we continue to work with our stakeholders to ensure that they understand and comply with relevant environmental protection laws and guidelines.

Environmental Sustainability

We understand our core duty is to ensure our products and business activities do not harm the environment, rather sustain and conserve our nature-given resources. To this end, we invested in the growth of trees and flowers in 2019 to not only beautify the environment but to join the world in reducing the exposure of our environment to climatic changes. As an organization, we have also discouraged the use of paper, plastic items and high energy-consuming electronic bulbs, because we understand the danger of these items on our environment.

In 2019, we continued in our usage of the EDMMS portal for crediting our shareholders' dividend; the shareholders through the USSD code, *4018# enjoyed the service of checking their outstanding dividends, shareholding balance, bank mandates, etc. from the comfort of their homes, workplaces or leisure. The steady and improved offering of these services has helped to reduce fuel use, carbon dioxide emission as well as increase human comfort. At the heart of our successful company is our people, which is why we follow due process in

Sustainability & Corporate Social Responsibilty Report cont'd

Employment and Labour Relations

employing and retaining the best brains for our business. Recruitment is carried out without prejudice and with respect for the human rights of all parties involved. We have in place a very well structured orientation programme for all new hires and we regularly engage and promote the continuous learning and development of our staff. We do not employ children and we ensure not to relate with any business in the use of child labour. We take pride in our uniform employment policy that applies to all staff regardless of sex, religion, ethnic origin and offering equal remuneration for men and women who are at the same level. We also reward our long-serving and dedicated employees who have worked with us for more than 5 years.

Health and Safety

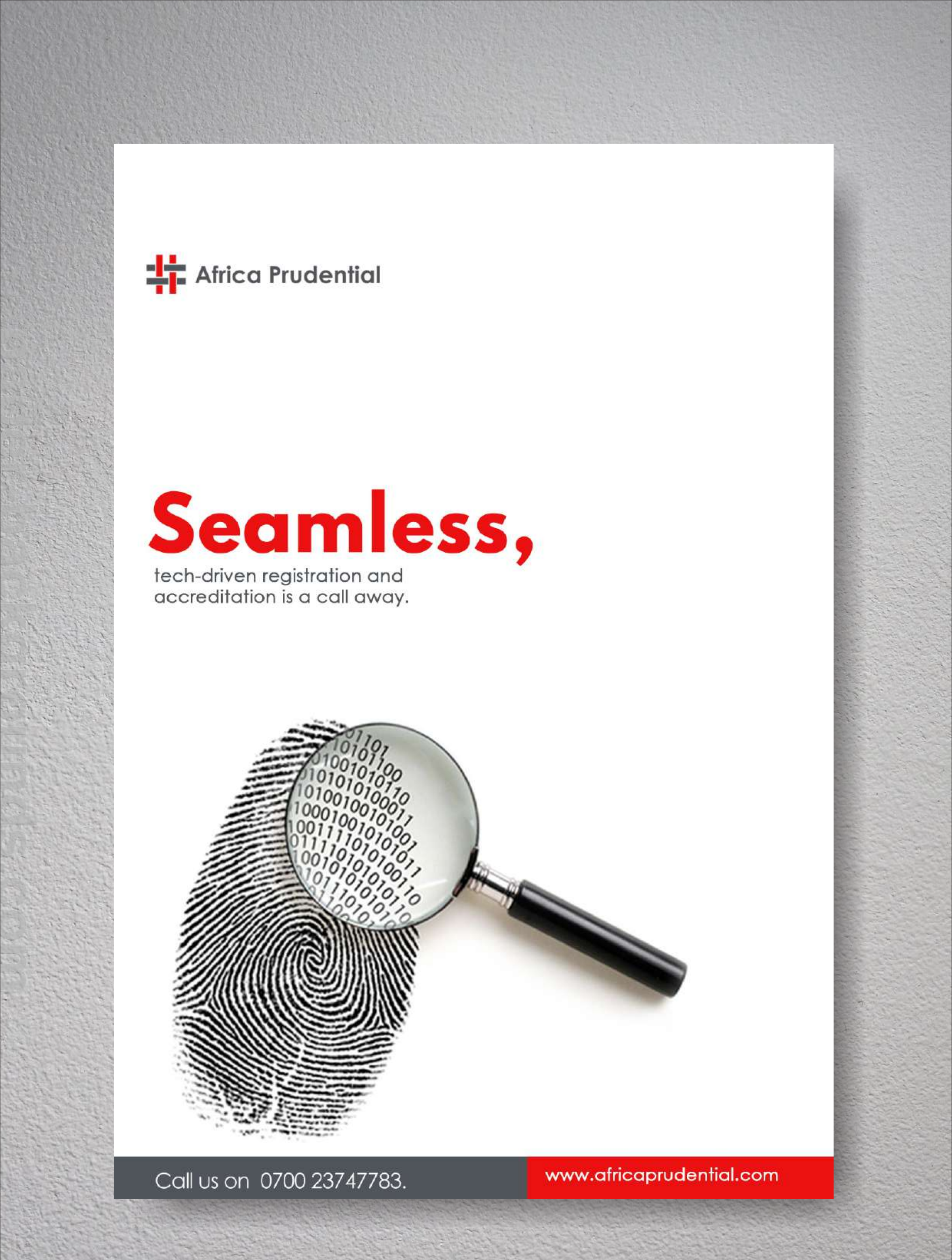
The company maintains its philosophy that occupational safety and health are vital to the dignity of work and this is why safety regulations are regularly updated with recent happenings and visitors of the company are well checked-in to prevent health and security calamities. We also conduct health and fitness checks on all employees to ensure they are in perfect health as human capital is vital to our sustainability. Furthermore, we have installed CCTV all around the office premises and engaged the use of security personnel to guard people and properties within our premises. The Company also undertakes fire drills every quarter to familiarize all staff with steps to take in the event of a fire outbreak.

Community Support/ Economic Empowerment

Through the Tony Elumelu Foundation Entrepreneurship programme, over 9,000 entrepreneurial youths all over the Africa continent have been empowered. The Foundation remains committed to its 10-year, $100 million funds to identify, train, mentor and fund 10,000 African entrepreneurs. This is our contribution to reduce extreme poverty in the world and improve economic activities in Africa.

Corporate Governance on environmental and social life

Corporate governance is concerned with holding the balance between economic and social goals as well as between individual and communal goals. We understand we do not only owe our shareholders' wealth creation, but we also owe our employees, suppliers, customers, government, and the community as a whole their interest. This is why we continue to strive to create a system of checks, balances, and incentives that will minimize and manage the conflicting interests between insiders and external shareholders. In Africa Prudential Plc, the implementation of the Company's Sustainability Principles will continue to remain a work in progress. Thus, we would continually strive to ensure that the sustainability culture is indoctrinated in the Company, as we remain committed to operating our business in an economically viable, socially responsible and environmentally friendly manner.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05

FINANCIAL STATEMENTS

Building a better working world

Ernst & Young
10 th Floor
UBA House
57, Marina
P. 0. Box 2442, Marina
Lagos.

Tel : +234 (01) 631 4500
Fax: 4234 (01) 463 0481
Email: Services@ng.ey.com
www.ey.corn P. O. Box 2442 Marina Lagos

Independent Auditors' Report

To The Members Of Africa Prudential Plc
Report On The Audit Of The Financial

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing ('SAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and other independence requirements applicable to performing the audit of Africa Prudential Plc. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code, and in accordance with other ethical requirements applicable to performing the audit of Africa Prudential Plc. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opin ion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgernenti were of most significance' in our audit of the financial statements of the current period. These matters were add ressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors'' Respon ibilities for the Audit of the Financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Independent Auditors' Report cont'd

Key Audit Matters	How the matter was addressed in the audit
Expected Credit Loss (ECL) assessment on financial assets measured at amortised cost The Company has significant financial assets which are measured at amortised cost. These include cash and cash equivalents, debt instruments at amortised cost and trade receivables. These represent about 94% of total assets. These financial assets are tested for impairment through ECL model. The estimation of Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) requires judgement and for the entity, the impact may be significant due to their current fina ncial assets composition. The general approach to ECL was adopted. This approach involves identification of significant changes in credit risks using a multi factor model, for the purpose of determining whether financial assets will be classified as stage 1, stage 2 or stage 3. While twelve months ECLs are computed for financial assets in stage 1, lifetime ECLs are computed for financial assets in stage 2 and 3. Calculating ECL for these class of financials assets also involves determination of risk parameters such as probability of default (PD), loss given default (LGD) and exposure at default (EAD). The approach also involves considerable level of judgements and estimation in determining inputs for ECL calculation such as: Determination of PD and I-GD Adjusting the PD for forward looking information Selecting macroeconomics variables Incorporating multiple scenarios Considered cash flow estimation including timing, amount, and collateral valuation This is considered a key audit matter in the financial statements given the level of complexity and judgement involve in the process which required considerable audit time and expertise. ECL assessment is disclosed in Notes 9 and 17 to the financial statements.	Our procedures included the following: Reviewed the ECL model prepared by the management for computation of impairment on debt instruments in line with the requirements of IFRS 9. Gained an understanding of how the PD's and LGD's were derived by performing a walkthrough using live data. Tested the historical accuracy of the model by assessing the historical projections versus actual losses. Focused on the most significant model assumptions including Probability of Default (PD) and Loss Given Default (LCD). Performed detailed procedures on the completeness and accuracy of the information used. Other areas of complexities which include incorporating forward looking information such as macro-economic indicators that includes inflation, unemployment, exchange rate, Gross Domestic Product (GDP), etc, were equally challenged for reasonableness taking into consideration available information in the public domain. We reviewed the qualitative and quantitative disclosures for reasonableness to ensure conformity with IFRS 7Financial Instruments: Disclosures.

Independent Auditors' Report cont'd

Other information

The Directors are responsible for the other information. The other information comprises the Report of the Directors, Five-year Financial Summary and Statement of Value Added as required by the Companies and Allied Matters Actr CAP C20 Laws of the Federation of Nigeria 2004, Corporate Governance Report as required by the Code of Corporate Governance issued by the Securities and Exchange Commission (SEC), Sustainability Report, Corporate Social Responsibility Report, Statement of Directors' Responsibilities in Relation to the Preparation of the Financial Statements and Report of the Statutory Audit Committee as required by Section 359(6) of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004. The other information were obtained prior to the date of this report, and the Annual Report, is expected to be made available to us after that date. The other information does not include the financial statements and our auditors i report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If. based on the work we have performed. we conclude that there is a material misstatement of this other information, we are required to report that fact.

Responsibility of the Directors for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, provisions of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004 and the Financial Reporting Council Of Nigeria Act No, 6, 2011 and for such internal control as the Directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable matters related to going concern and using the go ing concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditors' Report cont'd

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an op inion on the effectiveness of the Company r s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In accordance with the requirement of Schedule 6 of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, we confirm that:

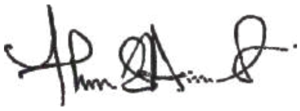
I we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

ii. in our opinion, proper books of account have been kept by the Company, in so far as it appears from our examination of those books;

Independent Auditors' Report cont'd

iii. the Company's statement of financial position, and statement profit or loss and other comprehensive income are in agreement with the books of account;

in our opinion, the financial statements have been prepared in accordance with the provisions of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004 so as to give a true and fair view of the state of affairs and financial performance.



Jamiu Olakisan, FCA

FRC/2013/ICAN/00000003918
For: Ernst & Young
Lagos, Nigeria
Date: 25 February 2020

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2019 *in thousands of Nigerian Naira*	Notes	2019	2018
Revenue from contracts with customers	6	1,502,241	1,416,699
Interest income	7	2,399,861	3,068,868
Gross earnings		**3,902,102**	**4,485,567**
Other income	8	56,035	532,251
Credit loss reversal/(expenses)	9	245,991	(153,831)
Impairment on goodwill	22	-	(98,693)
Personnel expenses	10	(624,567)	(565,193)
Other operating expenses	11	(1,002,055)	(832,866)
Depreciation of property and equipment	20	(52,746)	(51,299)
Depreciation of right of use assets	21.1	(11,044)	-
Amortisation of intangible assets	22	(20,095)	(21,656)
Profit before finance costs and tax		**2,493,621**	**3,294,280**
Finance costs calculated based on effective interest rate	12	(104,167)	(899,541)
Profit before income tax expense		**2,389,454**	**2,394,739**
Income tax expense	13.1	(708,425)	(441,839)
Profit after tax		**1,681,029**	**1,952,900**
Other comprehensive income			
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net			
Net (loss)/gain on unquoted equity instruments at fair value through other comprehensive income		(1,063,930)	614,815
Revaluation gain on building (net of tax)		70,596	-
Total other comprehensive (loss)/income for the year, net of tax		**(993,334)**	**614,815**
Total comprehensive income for the year, net of tax		**687,695**	**2,567,715**
Basic and diluted earnings per share (Kobo)	15	84	98

The accompanying notes to the financial statements form an integral part of these financial statements.

Statement of Financial Position

As at 31 December 2019 in thousands of Nigerian Naira	Notes	31 December 2019	31 December 2018
Assets			
Cash and cash equivalents	16	1,622,185	2,559,899
Equity instruments at fair value through OCI	17.1	243,328	5,055,257
Debt instruments at amortised cost	17.2	15,982,783	12,436,863
Trade and other receivables	18	412,582	875,056
Inventory	19	-	3,432
Property and equipment	20	314,854	210,975
Right-of-use-assets	21.1	14,725	-
Intangible assets	22	58,876	71,471
Deferred tax assets	27	-	58,797
Total assets		**18,649,333**	**21,271,750**
Liabilities			
Customers' deposits	23	9,644,466	10,122,131
Creditors and accruals	24	32,139	63,104
Lease liabilities	21.2	12,292	-
Borrowings	25	-	2,042,439
Current income tax payable	26	634,296	447,487
Deferred tax liabilities	27	41,856	-
Total liabilities		10,365,049	12,675,161
Equity			
Share capital	28	1,000,000	1,000,000
Share premium	28	624,446	624,446
Revaluation reserve	28	70,596	-
Fair value reserve	28	(20,728)	1,043,202
Retained earnings	28	6,609,970	5,928,941
Total equity		8,284,284	8,596,589
Total liabilities and equity		**18,649,333**	**21,271,750**

The financial statements and accompanying notes to the financial statements were approved and authorised for issue by the Board of Directors on 19 February 2020 and were signed on its behalf by:

Chief (Mrs) Eniola Fadayomi FIOD MFR (Chairman)
FRC/2013/IODN/00000002718

Obong Idiong (Managing Director)
FRC/2013/NBA/00000004696

Olufemi Adenuga (Chief Financial Officer)
FRC/2013/ICAN/00000002720

Statement Of Changes In Equity

For the year ended 31 December 2019

in thousands of Nigerian Naira	Note	Share capital	Share premium	Revaluation reserve	Fair value reserve	Retained earnings	Total equity
As at 1 January 2019		1,000,000	624,446	-	1,043,202	5,928,941	**8,596,589**
Profit for the year		-	-	-	-	1,681,029	**1,681,029**
Other comprehensive income for the year (net of tax)		-	-	70,596	(1,063,930)	-	**(993,334)**
Total other comprehensive income for the year, net of tax				70,596	(1,063,930)	1,681,029	**687,695**
Transactions with owners of equity							
Dividends declared	14	-	-	-	-	(1,000,000)	**(1,000,000)**
Total transactions with owners of equity		-	-	-	-	(1,000,000)	**(1,000,000)**
As at 31 December 2019		**1,000,000**	**624,446**	**70,596**	**(20,728)**	**6,609,970**	**8,284,284**
As at 1 January 2018		1,000,000	624,446	-	428,387	4,886,652	**6,939,485**
Impact of adopting IFRS 9	2.7.1	-	-	-	-	(110,611)	**(110,611)**
Restated opening balance under IFRS 9		1,000,000	624,446	-	428,387	4,776,041	**6,828,874**
Profit for the year		-	-	-	-	1,952,900	**1,952,900**
Other comprehensive income for the year (net of tax)		-	-	-	614,815	-	**614,815**
Total other comprehensive income for the year, net of tax		-	-		614,815	1,952,900	**2,567,715**
Transactions with owners of equity							
Dividends declared	14					(800,000)	**(800,000)**
Total transactions with owners of equity						(800,000)	**(800,000)**
As at 31 December 2018		**1,000,000**	**624,446**	-	**1,043,202**	**5,928,941**	**8,596,589**

The accompanying notes to the financial statements form an integral part of these financial statements.

Statement Of Cash Flows

For the year ended 31 December 2019

in thousands of Nigerian Naira	Notes	2019	2018
Cash flows from operating activities			
Profit before income tax expense		2,389,454	2,394,739
Adjustment to reconcile profit before tax to net cash flows			
Depreciation of property and equipment	20	52,746	51,299
Amortization of intangible assets	22	20,095	21,656
Depreciation of right-of-use asset	21.1	11,044	-
Impairment (reversal)/charge on financial assets	9	(245,991)	153,831
Impairment on goodwill	22	-	98,693
Loss/(profit) from disposal of plant and equipment	8 & 11	3,486	(4,388)
Inventory written off	11	3,432	12,632
Interest income	7	(2,399,861)	(3,068,868)
Dividend income	8	(22,572)	23,463
Finance costs	12	101,030	899,541
Changes in working capital			
Changes in inventories		-	514
Changes in trade and other receivables		(290,081)	630,550
Changes in customers' deposits		(477,665)	(670,133)
Changes in creditors and accruals		(30,965)	(317,039)
Changes in debt instruments at amortised cost		(3,284,247)	(114,048)
Interest received		2,819,697	1,696,494
Interest paid	25.1	(101,030)	(981,014)
Income tax paid	26	(134,443)	(84,303)
Net cash (used in)/from operating activities		(1,585,871)	743,620
Cash flows from investing activities			
Purchase of property and equipment	20	(63,774)	(38,591)
Proceeds from sale of plant and equipment		4,515	4,388
Purchase of intangible assets	22	(7,500)	(15,206)
Return of investment in equity instruments		3,748,000	-
Dividend received	8	22,572	(23,463)
Net cash flows from/(used in) investing activities		3,703,813	(72,872)
Financing activities			
Dividends paid	14	(1,000,000)	(800,000)
Proceeds from borrowings	25.1	-	1,989,475
Repayment of borrowings	25.1	(2,042,439)	(3,477,891)
Payment of principal portion of lease liabilities	21.1	(13,217)	-
Net cash flows (used in)/from financing activities		(3,055,656)	(2,288,416)
Net decrease in cash and cash equivalents		(937,714)	(1,617,669)
Cash and cash equivalents as at 1 January	16	2,559,899	4,177,568
Cash and cash equivalents as at 31 December	16	**1,622,185**	**2,559,899**

Notes to the Financial Statements

1 Corporate information

Africa Prudential Plc. ("the Company"), formerly UBA Registrars Ltd was incorporated as a private limited liability company on 23rd March 2006 to take over the registrar services formally operated as a department by its former parent - UBA Global Market Limited. The Company was listed on 17 January, 2013.

The Company renders share registration services and development of digital business solutions.

2 Significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared on a historical cost basis, except for financial assets carried at fair value through other comprehensive income which has been measured at fair value.

2.2 Basis of measurement

The financial statements are prepared according to uniform accounting policies and valuation principles. The financial statements of the Company are based on the principle of the historical cost of acquisition, construction or production, with the exception of the items reflected at fair value.

2.3 Statement of Compliance

The financial report of Africa Prudential Plc has been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) and adopted by Financial Reporting Council of Nigeria for the financial year starting from 1 January 2014. The financial statements comply with the requirements of Companies and Allied Matters Act CAP C20 LFN 2004.

The financial statements comprises of the statement of profit or loss and other comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows, summary of significant accounting policies and the notes to the financial statements.

The financial statements values are presented in Nigerian Naira (N), which is the functional currency of the Company, rounded to the nearest thousand (N'000), unless otherwise indicated.

The Company presents its statement of financial position broadly in order of liquidity. An analysis regarding recovery or settlement within twelve months after the reporting date (no more than 12 months) and more than 12 months after the reporting date (more than 12 months) is presented in the respective notes.

2.4 Financial period

These financial statements cover the financial year from 1 January to 31 December 2019, with comparative figures for the financial year from 1 January to 31 December 2018.

2.5 Going concern

The financial statements have been prepared on a going concern basis, which assumes that the entity will be able to meet its financial obligations as at when they fall due. There are no significant financial obligations that will impact on the entity's resources which will affect the going concern of the entity. Management is satisfied that the entity has adequate resources to continue in operational existence for

2.6 Summary of significant accounting policies

2.6.1 Revenue from contracts with customers

The Company is in the business of rendering share registration services to both public and private companies. Revenue from contracts with customers is recognised when services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services. The Company concluded that it is the principal in its revenue arrangements, because it typically controls the services before transferring them to the customer.

Revenue from contracts with customers are largely registrar fees which comprise fixed periodic administration fees, annual retainership fee and fees for managing corporate actions. Administration fees are recognised evenly over the service period. Revenues from corporate actions are recognised in line with the stage of completion while fees in relation to administration of client funds are recognised as they accrued.

2.6.2 Taxes

Income tax expense
Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current income tax
Current tax is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax
Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date.
A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.
Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities against current tax assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Notes to the Financial Statements cont'd

2.6.3 Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents, as defined above are considered an integral part of the Company's cash management.

2.6.4 Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

I Financial assets

Initial recognition and measurement of financial assets

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through Other Comprehensive Income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Compay's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement of financial assets

For purposes of subsequent measurement, financial assets are classified in three categories:

Financial assets at amortised cost (debt instruments)

Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

Financial assets at fair value through profit or loss (the company however has no financial instrument in this category)

Notes to the Financial Statements cont'd

Financial assets at amortised cost (debt instruments)
This category is the most relevant to the Company. The Company measures financial assets at amortised cost if both of the following conditions are met:

The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost includes trade receivables, and loan to staff, bonds and treasury bills included under other non-current financial assets.

Financial assets designated at fair value through OCI (equity instruments)
Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by- instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss and other comphrensive income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.
The Company elected to classify irrevocably its listed and non-listed equity investments under this category.

Derecognition of financial assets
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

The rights to receive cash flows from the asset have expired Or The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement ; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations

Notes to the Financial Statements cont'd

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company recognises an allowance for Expected Credit Losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ii) Financial liabilities

Initial recognition and measurement of financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, customers' deposit and payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings and customer's deposit.

Subsequent measurement of financial liabilities

The measurement of financial liabilities depends on their classification, as described below:

Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings.

Customers' deposit

This represents dividend, return monies and other interests received from clients but yet to be claimed or remitted.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.6.5 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on a weighted average principle and include expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and selling expenses.

2.6.6 Property and equipment

Recognition and measurement

Items of property and equipment (except building) are carried at cost less accumulated depreciation and impairment losses. The cost of property and equipment includes expenditures that are directly attributable to the acquisition of the asset. When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Notes to the Financial Statements cont'd

Subsequent costs
The cost of replacing part of an item of property or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the entity and its cost can be measured reliably. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

Building is measured at revalued amount less accumulated depreciation and impairment losses recognised after the date of the revaluation. Valuations are performed at least once in every 3 years or when a major improvement is carried out to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

Any revaluation surplus is recorded in other comprehensive income and hence, credited to the asset revaluation reserve in equity, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the profit or loss, in which case, the increase is recognised in the profit or loss. A revaluation deficit is recognized in the profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

Depreciation
Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives. Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognised or classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Land is not depreciated.
The estimated useful lives for the current and comparative period are as follows: Land not depreciated
Leasehold improvements Over the shorter of the useful life of item or lease period

Buildings	40 years
Computer equipment	5 years
Furniture, fittings and equipment	5 years
Motor vehicles	5 years
Capital work - in - progress	Not depreciated

Depreciation methods, useful lives and residual values are reassessed at each reporting date and adjusted if appropriate.

De-recognition
An item of property and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

Notes to the Financial Statements cont'd

2.6.7 Intangible asset

a Software

Software acquired by the entity is stated at cost less accumulated amortisation and accumulated impairment losses.

Expenditure on internally developed software is recognised as an asset when the entity is able to demonstrate its intention and ability to complete the development and use the software in a manner that will generate future economic benefits, and can reliably measure the costs to complete the development. The capitalised costs of internally developed software include all costs directly attributable to developing the software, and are amortised over its useful life. Internally developed software is stated at capitalised cost less accumulated amortisation and impairment.

Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

2.6.8 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.
Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to

Notes to the Financial Statements cont'd

determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.
Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

2.6.9 Employee benefits

Short-term benefits
Wages, salaries, paid annual leave, bonuses and non-monetary benefits are recognised as employee benefit expenses when the associated services are rendered by the employees of the Company.

Post-employment benefits - Defined contribution plans
Obligations for contributions to defined contribution plans are recognized as an expense in the statement of Profit or Loss when they are due. The contribution payable to a defined contribution plan is in proportion to the services rendered to the entity by the employees and is recorded as an expense under "Personnel expenses". Unpaid contributions are recorded as liability.

2.6.10 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee
The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

I Right-of-use assets
The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:
Office building 2 to 5 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Notes to the Financial Statements cont'd

ii Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of office building (i.e., those leases that have a lease term of 12 months or less from the commencement date (including any period covered by an extension option) and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

2.6.11 Share capital and reserves

Ordinary Share Capital: The ordinary share capital of the entity is classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity net of any tax effects.

2.6.12 Earnings per share

The entity presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the entity by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

Notes to the Financial Statements cont'd

Revaluation of building

The Company re-assessed its accounting for property and equipment with respect to measurement of a certain class of building after initial recognition. The Company had previously measured all property and equipment using the cost model whereby, after initial recognition of the asset classified as property and equipment, the asset was carried at cost less accumulated depreciation and accumulated impairment losses.

The Company elected to change the method of accounting for the building on Ikorodu Road classified as property, plant and equipment, as the Company believes that the revaluation model provides more relevant information to the users of its financial statements as it is more aligned to practices adopted by its competitors. In addition, available valuation techniques provide reliable estimates of the office buildings' fair value. The Company applied the revaluation model prospectively due to "impracticable exemption in IAS 16".

After initial recognition, buildings are measured at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

New and amended standards and interpretations

The Company applied IFRS 16 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below

Several other amendments and interpretations apply for the first time in 2019, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

i IFRS 16 Leases

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the statement of financial position. .

Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 does not have an impact for leases where the Company is the lessor.

The Company adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Company elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease at 1 January 2019.

Instead, the Company applied the standard only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application.

Notes to the Financial Statements cont'd

New and amended standards and interpretations

i **The effect of adoption IFRS 16 as at 1 January 2019 (increase/(decrease)) is, as follows:**

in thousands of Nigerian Naira	
Assets	
Right-of-use assets	25,769
Prepayments	(3,397)
	22,372
Liabilities	
Lease liability	22,372
	22,372

The Company has lease contracts for various offices. Before the adoption of IFRS 16, the Company classified each of its leases (as lessee) at the inception date as an operating lease.

Upon adoption of IFRS 16, the Company applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which have been applied by the Company.

Leases previously accounted for as operating leases

The Company recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Company also applied the available practical expedients wherein it:

i. Used a single discount rate to a portfolio of leases with reasonably similar characteristics
ii. Relied on its assessment of whether leases are onerous immediately before the date of initial application
iii. Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
iv. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
v. Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

Based on the above, as at 1 January 2019:

i. Right-of -use assets of 25,769,000 were recognised and presented separately in the statement of financial position.
ii. Lease liabilities of 22,372,000 (included in Interest bearing loans and borrowings) were recognised.
iii. Prepayments of 3,396,850 related to previous operating leases were derecognised.

Notes to the Financial Statements cont'd

iv. The weighted average incremental borrowing rate applied to lease liabilities recognised at the date of initial application is 20%.

The lease liabilities as at 1 January 2019 can be reconciled to the operating lease commitments as of 31 December 2018, as follows:

in thousands of Nigerian Naira	
Operating lease commitments as at 31 December 2018	**26,434**
Incremental borrowing rate as at 1 January 2019	**20%**
Discounted operating lease commitments as at 1 January 2019	**22,372**

New and amended standards and interpretations

2.7.1 Changes in accounting policies and disclosures

ii Amendments to IFRS 9: Prepayment Features with Negative Compensation

Under IFRS 9, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to IFRS 9 clarify that a financial asset passes the SPPI criterion regardless of an event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract. These amendments had no impact on the financial statements of the Company.

iii Amendments to IAS 19: Plan Amendment, Curtailment or Settlement

The amendments to IAS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to determine the current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event. An entity is also required to determine the net interest for the remainder of the period after the plan amendment, curtailment or settlement using the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event, and the discount rate used to remeasure that net defined benefit liability (asset).
The amendments had no impact on the financial statements of the Company as it did not have any plan amendments, curtailments, or settlements during the period.

iv Amendments to IAS 28: Long-term interests in associates and joint ventures

The amendments clarify that an entity applies IFRS 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in IFRS 9 applies to such long-term interests. The amendments also clarified that, in applying IFRS 9, an entity does not take account of any losses of the associate or joint venture, or any

Notes to the Financial Statements cont'd

impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying IAS 28 Investments in Associates and Joint Ventures.
These amendments had no impact on the financial statements as the Company does not have long-term interests in its associate and joint venture.

3 Significant accounting judgements, estimates and assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, incomes and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Changes in accounting policies or measurement principles in light of new or revised standards are applied retrospectively, except as otherwise provided in the respective standard. The statement of profit or loss and other comprehensive income for the previous year and the opening statement of financial position for that year are adjusted as if the new accounting policies and/or measurement principles had always been applied.

Impairment losses on debt instruments other than trade receivables measured at amortised cost
The measurement of impairment losses both under IFRS 9 and IAS 39 across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

The Company's internal/external credit grading model, which assigns Probability of Defaults (PDs) to the individual grades The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a Life Time Expected Credit Loss (LTECL) basis and the qualitative assessment

i Development of ECL models, including the various formulas and the choice of inputs
Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

ii Provision for expected credit losses of trade receivables

Notes to the Financial Statements cont'd

The Company uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e.,customer type).

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward- looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the various sectors, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

iii Valuation of unquoted equity

When the fair values of financial assets recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as discount rate (cost of capital), cashflows forecast and terminal growth rate.

iv Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset ofa similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity- specific estimates (such as the entity's stand-alone credit rating).

v Revaluation of building

The Company measures its office building on Ikorodu Road at revalued amounts, with changes in fair value being recognised in OCI. The office properties were valued by reference to transactions involving properties of a similar nature, location and condition. The Company engaged an independent valuer, Emma Ezeama &Co to assess fair values as at 31 December 2019 for the building on Ikorodu Road. The key assumptions used to determine the fair value of the building is provided in Note 20.

4 Financial instruments risk management objectives and policies

The Company's principal financial liabilities comprise customer deposits, borrowings and creditors and accruals. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include quoted and unquoted equity instruments, debt instruments measured at amortised costs and include treasury bills, bonds and cash and short-term deposits that derive directly from its operations.

Notes to the Financial Statements cont'd

The Company is exposed to market risk, credit risk and liquidity risk. The Company's management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

i Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

Currency risk

The Company's principal transactions are carried out in Naira and has no exposure to foreign exchange risk. The balance in the domiciliary bank account is $50 (2017:$50).

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fixed interest rate instruments expose the Company to fair value interest risk. Company has no exposure to cash flow interest risk, because it does not have floating rate financial instruments.

Equity price risk

Equity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The analysis below is performed for reasonably possible movements in key variables (share price) with all other variables held constant, showing the impact on equity (that reflects adjustments to profit before tax and changes in fair value of Equity instruments at fair value through OCI). The correlation of variables will have a significant effect in determining the ultimate impact on price risk, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis.

in thousands of Nigerian Naira	*Change in variable*	*Impact on equity*	*Impact on equity*
Nigerian Stock Exchange	*-5%*	(12,166)	(13,203)
	5%	12,166	13,203
	-10%	(24,333)	(26,406)
	10%	24,333	26,406

ii Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

The company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

Notes to the Financial Statements cont'd

Management of risk

The Company's policy over credit risk is to minimize its exposure to counterparties with perceived higher risk of default by dealing only with counterparties meeting specific high standards. Credit risk is monitored on a monthly basis by the Finance and Management Service (FMS) unit in accordance with the policies and procedures in place. Principal policies set in place include:

a Establishing an appropriate credit risk management environment

b Maintaining an appropriate credit administration, measurement and monitoring processes, including strict adherence to the investment rules and regulations set by the Securities and Exchange Commission (SEC); and

c Establishing an appropriate approval limits for investment of certain types and tenors.

Set out below is the information about the credit risk exposure on the Company's trade receivables using a provision matrix:

	< 90 days	90-180 days	180-270 days	270-360 days	> 360 days	Total
Expected credit loss rate	2.63%	95.49%	95.67%	100.00%	100.00%	
Estimated total gross arrying amount at default	39,060	13,209	6,388	2,813	16,730	
Expected credit loss as at 31 December 2019	1,027	12,613	6,112	2,813	16,730	39,294
Expected credit loss rate	2.23%	30.85%	53.00%	100.00%	100.00%	
Estimated total gross arrying amount at default	143,741	8,604	8,298	2,019	8,661	
Expected credit loss as at 31 December 2018	3,210	2,654	4,398	2,019	8,661	20,942

iii Liquidity risk

Liquidity risk is the risk that the entity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The entity approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the entity's reputation.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments

Notes to the Financial Statements cont'd

31 December 2019	Carrying amount	1-6 months	6-12 months	1-5 years	Above 5 years	No maturity date	Gross total
Cash and cash equivalents	1,622,185	1,654,629	-	-	-	-	1,654,629
Debt instruments at amortised cost	15,982,783	10,210,458	2,526,476	6,072,721	-	-	18,809,655
Trade debtors	78,333	78,333	-	-	-	-	78,333
Total financial assets	17,683,301	11,943,420	2,526,476				
	6,072,721	-	-	-	20,542,617		
Accounts payable	32,139	32,139	-	-	-	-	32,139
Total financial liabilities	32,139	32,139	-	-	-	-	32,139
Liquidity gap	17,651,162	11,911,281	2,526,476				
	6,072,721	-	-	-	20,510,478		

31 December 2018 *in thousands of Nigerian Naira*	Carrying amount	1-6 months	6-12 months	1-5 years	Above 5 years	No maturity date	Gross total
Cash and cash equivalents	2,559,899	2,621,336	-	-	-	-	2,621,336
Debt instruments at amortised cost	12,436,863	7,690,836	4,155,228	1,590,479	-	-	13,436,543
Trade debtors	171,323	171,323	-	-	-	-	171,323
Total financial assets	15,168,085	10,483,495	4,155,228				
	1,590,479		-	-	16,229,202		
Borrowings	2,042,439	219,095	2,303,630	-	-	-	2,522,725
Accounts payable	63,104	63,104	-	-	-	-	63,104
Total financial liabilities	2,105,543	282,199	2,303,630	-	-	-	2,585,829
Liquidity gap	13,062,542	10,201,296	1,851,598	1,590,479	-	-	13,643,373

iv Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of its capital structure. The capital structure of the Company consists of equity attributable to its equity holders, comprising issued capital, reserves and retained earnings as disclosed in the notes.

The Company's Board and management regularly review its capital structure. As part of this review, they consider the cost of capital and the risks associated with each class of capital. Equity includes all capital and reserves of the company that are managed as capital.

	2019	*2018*
Tier 1 Capital		
Share capital	1,000,000	1,000,000
Share premium	624,446	624,446
Fair value reserve	(20,728)	1,043,202
Retained earnings	6,609,970	5,928,941
	8,213,688	**8,596,589**
Total Regulatory minimum Capital	(150,000)	(150,000)
Capital surplus	**8,063,688**	**8,446,589**

Notes to the Financial Statements cont'd

v. Fair value measurement

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities. The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements: Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2: Valuation techniques based on observable inputs,either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3:Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs could have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Quantitative disclosures fair value measurement hirarchy for assets as at 31 December 2019

					Fair value measurement using		
					Quoted prices in active markets	Significant unobservable inputs	Significant unobservable inputs
in thousands of Nigerian Naira	*Note*	**Carrying amount**	**Date of valuation**	**Fair value amount**	**Level 1**	**Level 2**	**Level 3**
Assets measured at fair value:							
Unquoted equity instruments at fair value through OCI		-	31-Dec-19		-	-	-
Quoted equity instruments at fair value through OCI		243,328	31-Dec-19	243,328	243,328	-	-
Assets for which fair values are disclosed:							
Debt instrument at amortised cost:							
Treasury bills		1,899,721	31-Dec-19	2,034,207		2,034,207	
Loans and advances		4,711,589	31-Dec-19	4,519,865	-		4,519,865

Reconciliation for the equity instrument measured using Level 3

in thousands of Nigerian Naira	31-Dec-19	31-Dec-18
Opening balance	4,791,202	4,109,325
Fair value gain	-	681,877
Disposal	(4,791,202)	-
Closing balance		**4,791,202**

Notes to the Financial Statements cont'd

					Fair value measurement using		
					Quoted prices in active markets	Significant unobservable inputs	Significant unobservable inputs
in thousands of Nigerian Naira	*Note*	Carrying amount	Date of valuation	Fair value amount	Level 1	Level 2	Level 3
Assets measured at fair value:							
Equity instruments at fair value through OCI - Unquoted		4,791,202	31-Dec-18	4,791,202	-	-	4,791,202
Equity instruments at fair value through OCI- Quoted		264,055	31-Dec-18	264,055	264,055	-	-
Assets for which fair values are disclosed:							
Debt instrument at amortised cost:							
Treasury bills		5,964,094	31-Dec-18	5,951,922		5,951,922	-
Loans and advances		6,063,539	31-Dec-18	5,548,578		-	5,548,578
State government bonds		69,425	31-Dec-18	68,689		68,689	-
Liabilities measured at fair value:							
Borrowings		2,042,439	31-Dec-18	3,664,274	-	3,664,274	-

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Financial Assets:		2019		2018	
in thousands of Nigerian Naira	*Note*	Carrying amount	Fair value	Carrying amount	Fair value
Treasury bills		1,899,721	2,034,207	5,964,094	5,951,922
Loans and advances		4,711,589	4,519,865	6,063,539	5,548,578
State government bonds		-		69,425	68,689
Total assets		1,899,721	2,034,207	6,033,519	6,020,611
Financial liabilities					
Borrowings		-	-	2,042,439	3,664,274
Total assets		-	-	2,042,439	3,664,274

Fair value of financial assets and liabilities

Below are the methodologies and assumptions used to determine fair values for those financial instruments in the financial statements:

Assets and liabilities for which fair value approximates carrying value

The management assessed that cash and bank, placement with banks above 90 days, trade and other receivables, accounts payable, sundry creditors and customer deposits approximate their carrying amounts largely due to the short-term maturities of these instruments.

Debt instrument at amortised cost - Nigerian Treasury Bills and State government bonds The fair value of treasury bills and state government bond are determined by reference to quoted yield to maturities of the instrument as published on the Financial Market Dealer Quotation (FMDQ) website. The fair values of the Nigerian Treasury Bills and State government bonds are classified under Level 2 in the fair value hierarchy.

Notes to the Financial Statements cont'd

The FMDQ publishes the market yields on a daily basis, and the unadjusted yields are used to determine the prices.

Debt instrument at amortised cost - Loans and advances
The fair value of loans and advances was estimated using the maximum lending rate quoted on Central Bank of Nigeria website as at year end.

Equity instruments at fair value through OCI - Quoted
The fair values of the quoted equity instruments are derived from quoted market prices in active market, the Nigerian Stock Exchange (NSE).

Equity instruments at fair value through OCI - Unquoted

The fair values of the non-listed equity investments have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, the discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these non-listed equity investments.

Borrowing
The fair value of borrowing was estimated using the maximum lending rate quoted on Central Bank of Nigeria website as at year end.

Standards issued but not yet effective
The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

IFRS 17 Insurance Contracts
In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features.

A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2021, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Company.

Notes to the Financial Statements cont'd

Amendments to IFRS 3: Definition of a Business

In October 2018, the IASB issued amendments to the definition of a business in IFRS 3 Business Combinations to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test. New illustrative examples were provided along with the amendments. Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application- 1 January 2020, the Company will not be affected by these amendments on the date of transition.

Amendments to IAS 1 and IAS 8: Definition of Material

In October 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.' The amendments to the definition of material is not expected to have a significant impact on the Company's financial statements.

Annual Improvements 2015-2017 Cycle (issued in December 2017)

These improvements include:

- **IFRS 3 Business Combinations**

The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.

An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2019, with early application permitted. Since the Company does not have interest in a joint operation, the improvement will not have an impact on its financial statements.

- **IFRS 11 Joint Arrangements**

A party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in IFRS 3. The amendments clarify that the previously held interests in that joint operation are not remeasured.

An entity applies those amendments to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after 1 January 2019, with early application permitted. These amendments are currently not applicable to the Company.

Notes to the Financial Statements cont'd

- **IAS 12 Income Taxes**

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. An entity applies those amendments for annual reporting periods beginning on or after 1 January 2019, with early application is permitted. When an entity first applies those amendments, it applies them to the income tax consequences of dividends recognised on or after the beginning of the earliest comparative period. Since the Company's current practice is in line with these amendments, the Company does not expect any effect on its financial statements.

- **IAS 23 Borrowing Costs**

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 January 2019, with early application permitted. Since the Company does not have borrowing costs, the improvement will not have an impact on its financial statements.

6 Revenue from contracts with customers

6.1 Disaggregated revenue information

in thousands of Nigerian Naira	2019	2018
Types of services		
Retainership fees	922,461	760,657
Fees from corporate actions	333,734	409,691
Register maintenance	188,020	201,158
Digital Technology Fee	58,026	45,193
	1,502,241	**1,416,699**
Geographical markets		
Nigeria	1,502,241	1,416,699
Timing of revenue recognition		
Services transferred over time	1,502,241	1,416,699

6.2 Contract balances

	2019	2018
Trade receivables	39,038	150,381

Notes to the Financial Statements cont'd

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days. ₦39,295,000(2018: ₦20,942,000) was recognised as provision for expected credit losses on trade receivables.

Contract assets are initially recognised for revenue earned from corporate actions as receipt of consideration is conditional on successful completion of corporate actions like declaration of dividends and Annual General Meeting (AGM). Upon completion of the services and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables. There is no ongoing corporate actions services as at year end (2018: Nil).

Contract liabilities include short-term advances as well as transaction price allocated to unexpired service in respect of delivery of Annual Reports to shareholders for the Annual General Meeting (AGM). The amount is recognised in statement of profit or loss and other comprehensive income once the delivery services is completed.

6.3 Performance obligations

Information about the Company's performance obligations are summarised below:

Retainership fees

The performance obligation is satisfied upon provision of the Market Intelligence Reports, Daily NSE Trade Monitoring & Reporting, Monthly stock Health Report and Weekly Data Migration services. The invoices are raised on a quarterly basis. As at the year end, only the last quarter invoice is yet to be paid by the customers.

Fees from corporate actions

The performance obligation is satisfied over-time and payment is generally due upon completion of declaration of dividends and completion of Annual General Meeting. In some contracts, short-term advances are required before the services are provided.

Register maintenance

The performance obligation is satisfied through regular update of the client register and also attending to shareholders on their various requests. The monthly invoice is raised based on the number of shareholders attended to.

Digital Technology

The performance obligation is satisfied through provision of a digital solutions to our clients. Revenue is recognized when, or as, control of a promised product or service transfers to a client, in an amount that reflects the consideration to which the company expects to be entitled in exchange for transferring those products or services. An access fee and a yearly subscription based on the number of lives on the platform

7 Interest income

in thousands of Nigerian Naira	2019	2018
Interest on loans and advances	1,923,104	1,918,370
Interest on treasury bills	437,372	1,078,472
Interest on short -term deposits	34,754	49,877
Interest on bonds	4,631	22,149
	2,399,861	**3,068,868**

Notes to the Financial Statements cont'd

	Notes	2019	2018
8. Other Income			
Withholding tax credit notes recovered	8.1	-	439,958
Dividend income		22,572	23,463
Interest income earned on staff loans		4,550	3,181
Profit from disposal of plant and equipment		-	4,388
Others		28,913	61,261
		56,035	**532,251**

8.1 This is withholding tax credit notes recovered in the prior year, and relate to interest income on short term placements that was previously being recorded net of withholding tax due to its low probability of recoverability.

9 Credit loss reversal/(expenses)

in thousands of Nigerian Naira	Notes	Stage 1	Stage 2	Stage 3	**Total**
2019					
Cash in banks and short term deposits		(2,106)	-	-	(2,106)
Debt instruments at amortised cost:					
Treasury bills		1,887	-	-	1,887
Loans and advances		-	(274,628)		(274,628)
Deposits with banks with maturity above 90 days		10,503	-	-	10,503
		12,390	(274,628)	-	(262,238)
Trade and other receivables	18.1	18,353	-	-	18,353
		28,637	(274,628)	-	(245,991)
2018					
Cash in banks and short -term deposits		351	-	-	351
Debt instruments at amortised cost:					
Treasury bills		(12)	-	-	(12)
State government bonds		(37)	-	-	(37)
Loans and advances		-	139,059	-	139,059
Deposits with banks with maturity above 90 days		(1,475)	-	-	(1,475)
		(1,524)	139,059	-	137,535
Trade and other receivables	18.1	15,945	-	-	15,945
		14,772	139,059	-	153,831

10 Personnel expenses

in thousands of Nigerian Naira	**2019**	**2018**
Wages and salaries	573,346	522,031
Defined contribution plans	16,525	11,879
Medical expenses	25,994	16,848
Other employee benefits	8,702	14,435
	624,567	565,193

Notes to the Financial Statements cont'd

11. Other operating expenses

in thousands of Nigerian Naira	Notes	2019	2018
Professional fees		277,893	249,148
Back-duty assessment of VAT		133,913	-
Internet and communication		100,894	65,713
Business and other entertainment		70,929	87,297
Advert and business promotion		52,896	49,338
Travel expenses		52,179	19,766
Directors fees and other emoluments		50,850	47,750
Corporate social responsibility		47,895	41,338
General administrative expenses		42,206	58,821
Rent & Utilities		32,525	31,049
Training		29,947	11,114
Repairs and maintenance		24,174	24,150
Annual dues and subscription		19,797	17,417
AGM/EGM expenses		16,127	72,593
Legal and professional expenses		14,246	6,295
Bank charges		11,858	20,328
Audit fees		10,000	10,000
Insurance		6,808	8,116
Loss on disposal of fixed assets		3,486	-
Inventory writen off		3,432	12,632
		1,002,055	832,866
12 Finance costs			
Interest on borrowings	25.1	101,030	899,541
Finance charges on lease liability	21.3	3,137	-
		104,167	899,541

13 Income tax expense

The major components of income tax expense for the year ended 31 December 2019:

13.1 *Income tax expense*

in thousands of Nigerian Naira	2019	2018
Current income tax expense		
Income tax	592,104	413,955
Education tax	40,793	32,229
Capital gains tax	95	-
Under-provision in prior years	5,034	41,199
	638,026	487,383
Deferred tax:		
Tax impact of temporary differences	70,399	(45,544)
	708,425	441,839

Notes to the Financial Statements cont'd

13.2 ***Reconciliation of income tax expense***

in thousands of Nigerian Naira	Notes	2019	2018
Profit before income tax expense		2,389,454	2,394,739
Tax at Nigeria's statutory income tax rate of 30%		716,836	718,422
Effect of:			
Tax exempt income		(94,507)	(392,019)
Non-deductible expenses in determining taxable profit		40,174	42,009
Piror year under -provision		5,034	41,199
Capital gains tax		95	-
Education tax @ 2% of assessable profit		40,793	32,229
Total tax charged for the year		**708,425**	**441,839**

14. **Dividends paid and proposed**

	2019	2018
Declared and paid during the year		
Equity dividends on ordinary shares:		
Final dividend paid in 2019: ₦0.50 (2018: ₦0.40)	1,000,000	800,000
Total dividend paid	**1,000,000**	**800,000**
Proposed for approval at AGM (not recognised as a liability as equity dividends on ordinary shares at 31 December)		
Proposed dividend for 2019: ₦0.70(2018: ₦0.50)	1,400,000	1,000,000
	1,400,000	1,000,000

15. **Earnings per share**

Basic/diluted earnings per share amounts is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary share outstanding at the reporting date.

The following reflects the profit and share data used in the basic/diluted earnings per share computations:

in thousands of Nigerian Naira	2019	2018
Net profit	1,681,029	1,952,900
Weighted average number of ordinary shares for basic/diluted earnings per share	2,000,000	2,000,000
Basic/diluted earnings per ordinary share (Kobo)	**84**	**98**

There have been no other transactions involving ordinary share or potential ordinary share between the reporting date and the date of completion of these financial statements

Notes to the Financial Statements cont'd

16 Cash and cash equivalents

As at *in thousands of Nigerian Naira*	Notes	31 December 2019	31 December 2018
Cash on hand		30	9
Current accounts with banks		230,729	409,271
Short-term deposits		1,391,557	2,152,854
		1,622,315	2,562,133
Allowance for credit loss impairment	16.1b	(130)	(2,234)
		1,622,185	**2,559,899**

Cash and cash equivalents in the statement of financial position comprise cash in banks and on hand and short term deposits with original maturity of three months or less. The fair value of cash and cash equivalents approximates their carrying amount.

16.1 Impairment allowance for current account with banks and short-term deposits measure at amortised cost

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

2019

in thousands of Nigerian Naira	Notes	Stage 1	Stage 2	Stage 3	**Total**
Performing					
High grade		-	-	-	-
Standard grade		1,622,285	-	-	1,622,285
Sub-standard grade		-	-	-	-
Past due but not impaired		-	-	-	-
Non-performing					
Individually impaired		-	-	-	-
		1,622,285			**1,622,285**

2018

Performing					
High grade		-	-	-	-
Standard grade		2,562,125	-	-	2,562,125
Sub-standard grade		-	-	-	-
Past due but not impaired		-	-	-	-
Non-performing					
Individually impaired		-	-	-	-
		2,562,125	**-**	**-**	**2,562,125**

Notes to the Financial Statements cont'd

An analysis of changes in the gross carrying amount and the corresponding ECL allowances is, as follows:

2019

in thousands of Nigerian Naira	Notes	Stage 1	Stage 2	Stage 3	**Total**
Gross carrying amount as at 1 January 2019		2,562,125	-	-	2,562,125
New assets originated or purchased		1,622,285	-	-	1,622,285
Assets derecognised or repaid		(2,562,125)	-	-	(2,562,125)
At 31 December 2019		1,622,285			**1,622,285**

in thousands of Nigerian Naira	Notes	Stage 1	Stage 2	Stage 3	**Total**
ECL allowances as at 1 January 2019		2,234	-	-	2,234
New assets originated or purchased		130	-	-	130
Assets derecognised or repaid		(2,234)	-	-	(2,234)
Interest on loans and advances		(2,104)	-	-	(2,104)
At 31 December 2019		130	-	-	130

2018

in thousands of Nigerian Naira	Notes	Stage 1	Stage 2	Stage 3	**Total**
Gross carrying amount as at 1 January 2018		4,177,527	-	-	4,177,527
New assets originated or purchased		2,562,125	-	-	2,562,125
Assets derecognised or repaid		(4,177,527)	-	-	(4,177,527)
At 31 December 2018		2,562,125	-	-	**2,562,125**

in thousands of Nigerian Naira	Notes	Stage 1	Stage 2	Stage 3	**Total**
ECL allowances as at 1 January 2018		1,883	-	-	1,883
New assets originated or purchased		2,234	-	-	2,234
Assets derecognised or repaid		(1,883)	-	-	(1,883)
Credit loss reversal/(expenses)	9	351	-	-	351
At 31 December 2018		2,234	-	-	2,234

Notes to the Financial Statements cont'd

17 Investment securities

As at *in thousands of Nigerian Naira*	Notes	31 December 2019	31 December 2018
17.1 Equity instruments at fair value through OCI			
Unquoted equity shares:		-	4,791,202
The unquoted equity relates to investment in UBA Kenya, UBA Uganda and UBA Mozambique.			
Quoted equity shares		243,328	264,055
		243,328	**5,055,257**
Unquoted equity shares:			
At the beginning of the year:		4,791,202	4,109,325
Return of investment		(3,748,000)	-
Fair value reserve through OCI		(1,043,202)	681,877
At the end of the year:		**-**	**4,791,202**
17.2 Debt instruments at amortised cost			
Treasury bills		1,899,721	5,964,094
State government bonds		-	69,425
Loans and advances		4,711,589	6,063,539
Deposits with banks with maturity above 90days		9,402,861	633,431
		16,014,171	12,730,489
Impairment allowance for debt instruments at amortised cost	17.3	(31,388)	(293,626)
		15,982,783	**12,436,863**

Notes to the Financial Statements cont'd

17.3 Impairment allowance for debt instruments measured at amortised cost

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system a and year-end stage classification. The amounts presented are gross of impairment allowances

2019 *in thousands of Nigerian Naira*	Stage 1	Stage 2	Stage 3	**Total**
Performing				
High grade	1,899,721	-	-	1,899,721
Standard grade	14,114,450	-	-	14,114,450
Non-performing				
Individually impaired	-	-	-	-
	16,014,171	**-**	**-**	**16,014,171**

2018 *in thousands of Nigerian Naira*	Stage 1	Stage 2	Stage	**Total**
Performing				
High grade	5,964,094	-	-	5,964,094
Standard grade	702,856	6,063,539	-	6,766,395
Non-performing				
Individually impaired	-	-	-	-
	6,666,950	**6,063,539**	**-**	**12,730,489**

17.3 ***Impairment allowance for debt instruments measured at amortised cost***

b An analysis of changes in the gross carrying amount and the corresponding ECL allowances is, as follows:

in thousands of Nigerian Naira	Stage 1	Stage 2	Stage	**Tot0la**
Gross carrying amount as at 1 January 2019	9,657,986	3,072,503	-	12,730,489
New assets originated or purchased	13,023,135	-	-	13,023,1053
Assets derecognised or repaid	(6,666,950)	(3,072,503)	-	(9,739,453)
At 31 December 2019	**16,014,171**	**-**	**-**	**16,014,171**

Notes to the Financial Statements cont'd

17.3 ***Impairment allowance for debt instruments measured at amortised cost -*** *continued*

in thousands of Nigerian Naira	Stage 1	Stage 2	Stage 3	**Total**
Gross carrying amount as at 1 January 2018	12,413,354	-	-	12,413,354
New assets originated or purchased	8,685,362	514,172	-	9,199,534
Assets derecognised or repaid	(8,882,399)	-	-	(8,882,399)
Transfer to stage 2	(2,558,331)	2,558,331	-	-
At 31 December 2018	**9,657,986**	**3,072,503**	**-**	**12,730,489**

	in thousands of Nigerian Naira		Stage 1	Stage 2	Stage 3	**Total**
c	***ECL allowances as at 1 January 2019***		126,988	166,638	-	293,626
	New assets originated or purchased		31,388	-	-	31,388
	Assets derecognised or repaid		(126,988)	(166,638)	-	(293,626)
	Credit loss reversal/(expenses)	9	(95,600)	(166,638)	-	(262,238)
	At 31 December 2019		**31,388**	**-**	**-**	**31,388**
	ECL allowances as at 1 January 2018		156,091	-	-	156,091
	New assets originated or purchased		83,205	57,008	-	140,213
	Assets derecognised or repaid		(2,678)	-	-	(2,678)
	Transfer to stage 2		(109,630)	109,630	-	-
	High grade	9	(29,103)	166,638	-	137,535
	At 31 December 2018		**126,988**	**166,638**	**-**	**293,626**

18 **Trade and other receivables**

As at

in thousands of Nigerian Naira	Notes	**31 December 2019**	**31 December 2018**
Financial assets			
Trade debtors		78,333	171,323
Non-financial assets			
Withholding tax receivables		232,189	588,381
Prepaid directors emolument		36,875	45,000
Prepayments		104,480	91,295
		451,877	895,998
Allowances for expected credit losses on trade receivables	18.1	(39,295)	(20,942)
At 31 December		**412,582**	**875,056**

Trade receivables are recognized and carried at original invoiced amount less an allowance for any impairment. An estimate of doubtful debt is made when collection of the full amount is no longer probable. Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

Notes to the Financial Statements cont'd

18.1 *Allowances for expected credit losses on trade receivables*

As at *in thousands of Nigerian Naira*	Notes	31 December 2019	31 December 2018
At 1 January		20,942	4,997
Allowance for expected credit losses	9	18,353	15,945
		39,295	**20,942**
19 Inventory			
Printing and computer stationaries		-	3,432
		-	**3,432**

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is valued using the most recent prices for the most recent purchases and includes expenditure incurred in acquiring the inventories. The inventory is made up of printing and computer stationaries. The inventory balance brought forward was written off in the year..

20 Property, Plant and Equipment

in thousands of Nigerian Naira	Buidling	Computer equipment	Motor vehicle	Furniture fitting & equipment	Total
Cost:					
At 1 January 2018	97,892	96,144	109,378	157,141	**460,555**
Additions during the year	-	26,476	-	12,115	**38,591**
Disposal	-	(5,126)	(34,922)	(3,197)	**(43,245)**
At 31 December 2018	97,892	117,494	74,456	166,059	**455,901**
Additions during the year	2,165	16,263	460	44,886	**63,774**
Revaluation	100,851	-	-	-	**100,851**
Disposal	-	(4,917)	(487)	(22,647)	**(28,051)**
At 31 December 2019	200,908	128,840	74,429	188,298	592,475
Accumulated depreciation:					
At 1 January 2018	12,108	74,407	55,768	94,589	**236,872**
Charge for the year	2,447	13,794	13,996	21,062	**51,299**
Disposal	-	(5,126)	(34,922)	(3,197)	**(43,245)**
At 31 December 2018	14,555	83,075	34,842	112,454	**244,926**
Charge for the year	2,493	11,928	12,783	25,541	**52,746**
Disposal	-	(3,150)	(470)	(16,430)	**(20,050)**
At 31 December 2019	17,048	91,853	47,155	121,565	**277,622**
Carrying amount					
At 31 December 2019	183,860	36,987	27,274	66,733	314,854
At 31 December 2018	83,337	34,419	39,614	53,605	210,975

Notes to the Financial Statements cont'd

I No leased assets are included in the above property and equipment (2018: Nil)

ii There were no capital commitment contracted or authorised as at the reporting date (2018: Nil).

iii There were no capitalised borrowing cost related to the acquisition of property and equipment during the year (2018: Nil).

iv None of the assets are pledged during the year (2018: Nil).

v The Company elected to change the method of accounting for the building on Ikorodu Road classified as property, plant and equipment, as the Company believes that the revaluation model provides more relevant information to the users of its financial statements as it is more aligned to practices adopted by its competitors. In addition, available valuation techniques provide reliable estimates of the office buildings' fair value. The Company applied the revaluation model prospectively due to "impracticable exemption in IAS 16".

vi The Company's building on Ikorodu Road was professionally valued on 12 November 2019 by Emma Ezeama & Co Estate Surveyors and Valuers (FRC/2013/NIESV/00000638). The valuation which was based on open market value between a willing buyer and a willing seller produced a surplus amount of ₦100,385,000 which has been credited to the property, plant and equipment revaluation account. As a result of the valuation, the revised value of the building as at 31 December 2019 was ₦183,860,000. A net gain from the revaluation of the building of ₦70,596,000 in 2019 was recognised in OCI..

The cost to date at the date of the initial revaluation in 2019 was ₦100,056,500. The property was valued in an open market by reference to the cost approach to value and the Income Approach to value was adopted to cross check the market value.

vii If building was measured using the cost model, the carrying amount would be as follows:

in thousands of Nigerian Naira	**Dec-2019**
Cost	100,056
Accumulated depreciation	(2,501)
	97,555

21 Lease

Company as a lessee

The Company has lease contracts for various offices used in its operations. Leases of offices space have lease terms between 3 and 5 years. There are no lease contracts that include extension and termination options and variable lease payments.

The Company also has certain leases of office building with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

Notes to the Financial Statements cont'd

21.1 Right-of-use-assets

in thousands of Nigerian Naira	**Office buidling**
Cost	
As at 1 January 2019	-
Adjustment on transition to IFRS 16	25,769
At 31 December 2019	25,769
Accumulated depeciation	
As at 1 January 2019	-
Charged for the year	11,044
At 31 December 2019	11,044
Carrying amount	
At 31 December 2019	14,725

21.2 Lease liabilities

As at 1 January 2019	-
Adjustment on transition to IFRS 16	22,372
Accretion of interest	3,137
Payments	(13,217)
	12,292
Current	12,292
Maturity analysis of undiscounted cashflows	
Less than one year	13,217

21.3 The following are the amounts recognised in profit or loss:

Depreciation expense of right-of-use assets	11,044
Interest expense on lease liabilities	3,137
Expense relating to short-term leases	14,970
	29,151

Notes to the Financial Statements cont'd

22 Intangible assets

in thousands of Nigerian Naira	Computer software	Goodwill	Total
Cost:			
At 1 January 2018	116,053	397,493	**513,546**
Additions during the year	15,206	-	**15,206**
At 31 December 2018	131,259	397,493	**528,752**
Additions during the year	7,500	-	**7,500**
At 31 December 2019	138,759	397,493	536,252
Accumulated amortisation and impairment			
At 1 January 2018	38,132	298,800	**336,932**
Amortisation charge for the year	21,656	-	**21,656**
Impairment charge for the year	-	98,693	**98,693**
At 31 December 2018	59,788	397,493	**457,281**
Amortisation charge for the year	20,095	-	**20,095**
At 31 December 2019	79,883	397,493	**477,376**
Carrying amount			
At 31 December 2019	58,876	-	58,876
At 31 December 2018	71,471	-	71,471

23 Customers' deposits

As at *in thousands of Nigerian Naira*	31 December 2019	31 December 2018
Dividend: ordinary shares	9,127,764	9,302,704
Return money - public offers	295,291	441,464
Brokerage: ordinary shares	178,659	168,265
Bond Interest	-	165,853
Public offers	4,558	4,539
Interest: debentures	6,392	5,144
Redemption preference shares	-	3,002
Redemption debentures	31,802	31,159
	9,644,466	**10,122,131**

The balance represents dividends, return monies and other interests received on behalf of clients.

Notes to the Financial Statements cont'd

As at *in thousands of Nigerian Naira*	31 December 2019	31December 2018
23.1 ***Movement in customer deposit***		
Opening Balance	10,122,131	10,792,264
Amount received during the year	74,219,667	63,009,564
Amount paid out during the year	(74,697,332)	(63,679,697)
	9,644,466	10,122,131
24 **Creditors and accruals**		
Accounts payable	21,289	55,997
Accrued expenses	10,850	7,106
	32,139	**63,104**

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 60-day terms.
- Accrued expenses are non-interest bearing and have an average term of six months.

25 **Borrowings**

As at *in thousands of Nigerian Naira*	Interest rate per annum	Maturity	December 2019	December 2018
₦3,500,000,000 bank loan series i	22%	31-Oct-19	-	-
₦500,000,000 bank loan series ii	22%	9-Nov-19	-	514,210
₦750,000,000 bank loan series iii	22%	24-Jan-20	-	778,207
₦750,000,000 bank loan series iv	22%	25-Mar- 20	-	750,022
			-	**2,042,439**

	December 2019	December 2018
25.1 ***Movement of borrowing***		
Opening balance	2,042,439	3,612,328
Additions during the year	-	1,989,475
Repayments during the year	(2,042,439)	(3,477,891)
Interest accrued during the year	101,030	899,541
Interest paid during the year	(101,030)	(981,014)
	-	**2,042,439**

Notes to the Financial Statements cont'd

26 Current income tax payable

As at *in thousands of Nigerian Naira*	Interest rate per annum	Maturity	31 December 2019	31 December 2018
At the beginning of the year:			447,487	224,407
Current income tax charge				
Company income tax			592,104	413,955
Education tax			40,793	32,229
Capital gains tax			95	-
Under provision in prior years			5,034	41,199
	13.1		638,026	487,383
Payments during the year				
Withholding tax credit utilised			(316,774)	(180,000)
Payments during the year			(134,443)	(84,303)
			(451,217)	(264,303)
Balance at the end of the year			634,296	447,487

The charge for income tax in these financial statements is based on the provisions of the Companies Income Tax Act CAP C21 LFN 2004 as amended and the Education Tax Act CAP E4 LFN 2004 and the Nigerian Information technology Development Agency (NITDA) Act 2007.

27 Deferred tax liabilities/(assets)

As at *in thousands of Nigerian Naira*		**2019**	**2018**
At the beginning of the year:		(58,797)	34,110
2017 Deferred tax impact of IFRS 9		-	(47,363)
Tax (income)/expense during the year recognised in profit	13.1	74,936	(45,544)
Impact of IFRS 16 Leases	13.1	(4,537)	-
Deferred tax on revaluation of building		30,254	-
Balance at the end of the year		41,856	(58,797)

Movement in deferred tax during the year relates to the following:

in thousands of Nigerian Naira ***31 December 2019***	**Opening balance**	**Recognised in profit/ (loss)**	**Recognised in OCI**	**Closing balance**
Property, equipment and software	36,647	2,152	-	38,799
Provisions	(6,701)	(5,873)	-	(12,574)
Expected credit losses	(88,743)	78,657	-	(10,086)
IFRS 16- Leases	-	(4,537)		(4,537)
Revaluation of building	-	-	30,254	30,254
	(58,797)	70,399	30,254	41,856

Notes to the Financial Statements cont'd

27 **Deferred tax liabilities/(assets) -** continued

in thousands of Nigerian Naira ***December 2018***	Opening balance	Recognised in profit/ (loss)	Recognised in OCI	Closing balance
Property, equipment and software	35,709	938		36,647
2017 Deferred tax impact of IFRS 9	-	-		(47,363)
Provisions	(1,599)	(5,102)		(6,701)
Expected credit losses		(41,380)		(41,380)
	34,110	(45,544)		(58,797)

28 **Share capital and reserves**

As at *in thousands of Nigerian Naira*	December 2019	31 December 2018
i ***Authorised share capital***		
Two billion ordinary shares of 50k each	1,000,000	1,000,000
ii ***Issued and fully paid:***		
Two billion ordinary shares of 50k each	1,000,000	1,000,000
iii ***Share premium***		
At 31 December	624,446	624,446
iv ***Fair value reserve***		
At the beginning of the year	1,043,202	428,387
Fair value loss on quoted equity	(20,728)	(67,062)
Fair value gain on unquoted equity	-	681,877
Return of investment	(1,043,202)	-
	(20,728)	1,043,202
v ***Retained earnings***		
At the beginning of the year	5,928,941	4,886,652
Impact of adopting IFRS 9	-	(110,611)
Dividends declared and paid	(1,000,000)	(800,000)
Profit for the year	1,681,029	1,952,900
	6,609,970	5,928,941
vi ***Revaluation reserve***		
At the beginning of the year:	-	-
Revaluation surplus on building	100,850	-
Tax on revaluation surplus	(30,254)	-
	70,596	-

Notes to the Financial Statements cont'd

29 Related party transactions

29.1 Key management personnel

Key management personnel constitutes those individuals who have the authority and the responsibility for planning, directing and controlling the activities of Africa Prudential Plc, directly or indirectly.

The key management personnel of the Company include all directors (executive and non-executive) and senior

in thousands of Nigerian Naira	2019	2018
Emolument of directors		
Directors fees & other emoluments		
Chairman	8,800	8,800
Other directors	42,050	38,950
	50,850	47,750
Fees	13,000	11,500
Other emoluments	37,850	36,250
	50,850	47,750
The total number of Directors	**6**	**6**

29.2 Staff numbers and costs

The number of persons employed (excluding directors) in the Company during the year was as follows:

	2019	2018
₦600,001 - ₦800,000	-	33
₦800,001 - ₦1,200,000	18	16
₦1,200,001 - ₦2,000,000	17	7
₦2,000,001 - ₦3,000,000	8	-
₦3,000,001 - ₦5,000,000	14	16
₦5,000,001 - ₦7,000,000	5	4
₦7,000,001 - ₦8,000,000	6	2
₦8,000,001 - ₦10,000,000	-	-
₦10,000,001 - Above	8	7
	76	85

30 Contingent liabilities and commitments

The Company is involved in various litigation in the ordinary course of its business. The actions are being contested and the Directors are of the opinion that none of the cases are likely to have a material adverse effect on the Company.

31 Capital commitments

The Company had no capital commitments as at 31 December 2019 (31 December 2018: Nil).

32 Subsequent events

There were no events subsequent to the financial position date which require adjustment to or disclosures in the financial statements.

33 Contraventions

There were no penalties arising from contraventions during the year (2018: Nil penalty was paid).

Statement Of Value Added

in thousands of Nigerian Naira	2019	%	2018	%
Gross earnings	3,902,102		4,485,567	
Bought in material and services	(711,073)		(553,139)	
Value Added	**3,191,029**		**3,932,428**	
Applied as follows:				
To pay employees				
- as salaries, wages and other benefits	624,567	20	565,193	14
To pay providers of capital:				
- Finance charges	104,167	3	899,541	23
To provide for Government				
- as company taxation	638,026	20	487,383	12
For expansion				
- as Depreciation	52,746	2	51,299	1
- as Amortisation	20,095	1	21,656	1
- as Deferred taxation	70,399	2	(45,544)	(1)
- as profit for the year	1,681,029	53	1,952,900	50
	3,191,029	100	**3,932,428**	100

The statement of value added represents the wealth created by the efforts of the Company and its employees' efforts based on ordinary activities and the allocation of that wealth being created between employees, shareholders, government and that retained for the future creation of more wealth.

Share Capital History

Date	Authorised Share Capital		Issued and Fully Paid		Consideration
	Increase (N)	Cummulative (N)	Increase (N)	Cummulative (N)	
2006	-	100,000,000	-	100,000,000	CASH
2007	-	100,000,000	-	100,000,000	CASH
2008	-	100,000,000	-	100,000,000	CASH
2009	-	100,000,000	-	100,000,000	CASH
2010	-	100,000,000	-	100,000,000	CASH
2011	400,000,000	500,000,000	400,000,000	500,000,000	CASH
2012	-	500,000,000	-	500,000,000	CASH
2013	500,000,000	1,000,000,000	500,000,000	1,000,000,000	CASH (Right Issue)

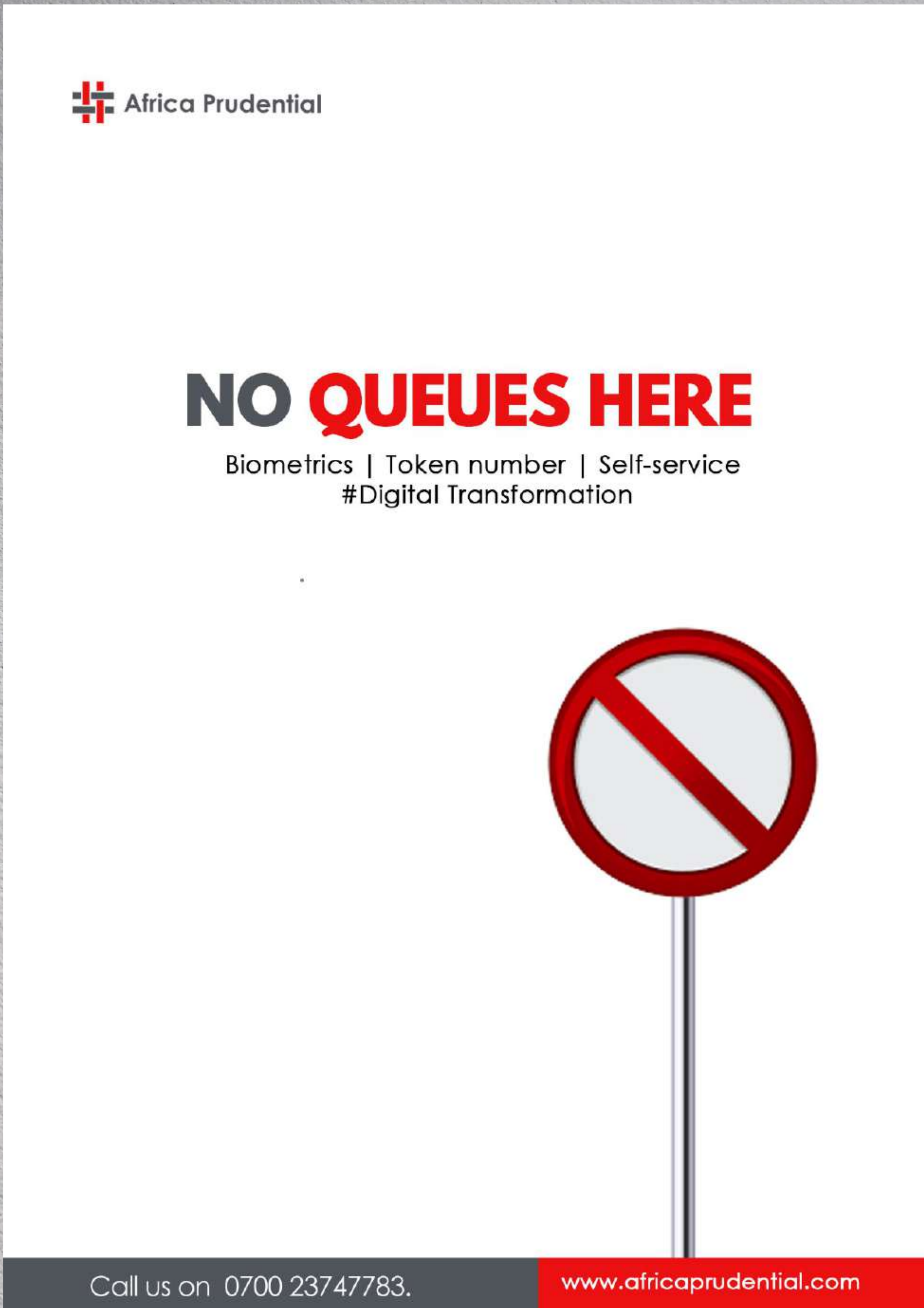
Five-Year Financial Summary

As at in thousands of Nigerian Naira	31 December 2019	31 December 2018	31 December 2017	31 December 2016	31 December 2015
Cash and cash equivalents	1,622,185	2,559,899	4,177,568	4,666,989	8,182,146
Investment securities	16,226,111	17,492,120	17,009,887	11,252,950	8,625,170
Trade and other receivables	412,582	875,056	329,177	410,531	251,458
Inventory	-	3,432	16,578	15,710	16,131
Property and equipment	314,854	210,975	223,683	202,269	157,001
Right-of-use-assets	14,725	-	-	-	-
Intangible asset	58,876	71,471	176,614	273,231	409,027
Deferred tax assets	-	58,797	-	-	51,168
Total assets	18,649,333	21,271,750	21,933,507	16,821,680	17,692,101
Liabilities					
Customers' deposits	9,644,466	10,122,131	10,792,264	11,742,697	12,541,134
Creditors and accruals	32,139	63,104	330,913	382,031	534,470
Lease liabilities	12,292	-	-	-	-
Interest bearing borrowing	-	2,042,439	3,612,328	-	-
Income tax payable	634,296	447,487	224,407	144,856	41,529
Deferred tax liabilities	41,856	-	34,110	1,322	-
Total liabilities	10,365,049	12,675,161	14,994,022	12,270,906	13,117,133
Net assets	8,284,284	8,596,589	6,939,485	4,550,774	4,574,968
Share capital	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Share premium	624,446	624,446	624,446	624,446	624,446
Revaluation reserve	70,596	-	-	-	-
Fair value reserves	(20,728)	1,043,202	428,387	(845,546)	(662,179)
Retained earnings	6,609,970	5,928,941	4,886,652	3,771,874	3,612,701
Shareholders' funds	8,284,284	8,596,589	6,939,485	4,550,774	4,574,968
Revenue	3,902,102	4,485,567	3,315,816	2,447,717	2,575,616
Operating expenses	(1,464,516)	(1,723,538)	(1,165,794)	(1,001,781)	(946,255)
Profit before tax	2,389,454	2,394,739	2,066,894	1,445,936	1,629,361
Profit after tax	1,681,029	1,952,900	1,714,778	1,019,173	1,447,937
Earnings per share	84	98	86	51	72

Earnings per share is computed on the profit after taxation and the shareholders fund on the basis of the number of shares issued as at the statement of financial position date.

06

INVESTOR INFORMATION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PROXY FORM

7TH ANNUAL GENERAL MEETING TO BE HELD ON TUESDAY, APRIL 28, 2020, AT AFRILAND TOWERS, 97/105 BROAD STREET, LAGOS, AT 11:00 A.M.

I/We

____

being a member/members of AFRICA PRUDENTIAL PLC, hereby appoint:

____or
falling him, the Chairman of the meeting as my/our proxy to act and vote for me/us and on my/our behalf at the 7TH Annual General Meeting of the Company to be held on Tuesday, April 28, 2020, at Afriland Towers, 97/105 Broad Street, Lagos, at 11.00 a.m. and at any adjournment thereof.

A member (Shareholder) who is unable to attend an Annual General Meeting is allowed by law to vote by proxy. The above proxy form has been prepared to enable you exercise your right to vote, in case you cannot personally attend the meeting.

Please sign this proxy form and forward it, so as to reach the registered office of the Registrar, Africa Prudential Plc, 220B Ikorodu Road, Palmgrove, Lagos, or via email at cfc@africaprudential.com not later than 48 hours before the time fixed for the meeting. If executed by a Corporation, the proxy form must be under its common seal or under the hand of a duly authorized officer or attorney.

It is a requirement of the law under the Stamp Duties Act, Cap S8, Laws of the Federation of Nigeria, 2004, that any instrument of proxy to be used for the purpose of voting by any person entitled to vote at any meeting of shareholders must be stamped by the Commissioner for Stamp Duties. However, in compliance with the CAC Guidelines for conduct of AGM by Proxy, the Company has made arrangement at its cost, for the stamping of the duly completed and signed proxy forms submitted to the Company's Registrars.

The Proxy must produce the Admission Card below to gain entrance into the Meeting.

This proxy form is solicited on behalf of the Board of Directors and is to be used at the Annual General Meeting to be held on Tuesday, April 28th, 2020.

	RESOLUTIONS	FOR	AGAINST	ABSTAIN
1.	To receive and consider the Audited Financial Statements for the year ended December 31, 2019, together with the Reports of the Directors, Auditors and Audit Committee thereon laid before the members.			
2.	To declare a dividend of 70 kobo per share ordinary shares of 50 Kobo each.			
3.1	To re-elect a retiring Director, Chief Mrs. Eniola Fadayomi.			
3.2	To re-elect a retiring Director, Mr Peter Ashade			
4.	To authorize the Directors to fix the remuneration of the Auditors for the 2020 financial year.			
5.	To elect members of the Audit Committee.			

Please indicate with an "X" in the appropriate square how you wish your votes to be cast on the resolutions set out above. Unless otherwise instructed, the proxy will vote or abstain from voting at his/her discretion.

This proxy form should NOT be completed and/or sent to the registered office of the Registrars if the member would be attending the meeting in person.

ADMISSION CARD

AFRICA PRUDENTIAL PLC (RC 649007)

7TH ANNUAL GENERAL MEETING

Please admit the Shareholder named on this Card or his duly appointed proxy to the Annual General Meeting of the Company to be held on Tuesday, **April 28, 2020, at Afriland Towers, 97/105 Broad Street, Lagos, at 11.00 a.m.**

This admission card must be produced by the Shareholder in order to gain entrance into the Annual General Meeting.

Company Secretary/Legal Adviser
Joseph Jibunoh, Esq.

Please tick appropriate box before Admission at the meeting	O Proxy O Shareholder

Name and address of Shareholder: ____________________

Account number: ____________________

Number of shares held: ____________________

Shareholder's signature: ____________________

This card is to be signed at the venue in the presence of the Registrar.

Affix Postage
Stamp

The Company Secretary
Africa Prudential Plc
220b, Ikorodu Road,
Palmgrove,
Lagos

Africa Prudential

E-SERVICE/DATA UPDATE FORM

KINDLY FILL AND RETURN FORM TO ANY OF OUR OFFICE ADDRESSES STATED BELOW | * = COMPULSORY FIELDS

1. *SURNAME/COMPANY NAME
2. *FIRST NAME
3. OTHER NAME
4. *GENDER M F
5. E-MAIL
6. ALTERNATE E-MAIL
7. *DATE OF BIRTH D D M M Y Y Y Y
8. *MOBILE (1) (2)
9. *ADDRESS
10. OLD ADDRESS *(if any)*
11. *NATIONALITY
12. *OCCUPATION
13. *NEXT OF KIN NAME MOBILE
14. *MOTHER'S MAIDEN NAME
15. BANK NAME
16. A/C NO.
17. A/C NAME
18. A/C OPENING DATE D D M M Y Y Y Y
19. BANK VERIFICATION NO. (BVN)
20. NAME OF STOCKBROKING FIRM
21. CSCS CLEARING HOUSE NO. (CHN) C

DECLARATION

I/We hereby declare that the information I have provided is true and correct and that I shall be held personally liable for any of my personal details.

I/We also agree and consent that Africa Prudential Plc ("Afriprud") may collect, use, disclose, process and deal in any manner whatsoever with my/our personal, biometric and shareholding information set out in this form and/or otherwise provided by me/us or possessed by Afriprud for administration of my/our shareholding and matters related thereto.

Signature:

Signature:

Joint/Company's Signatories

Company Seal *(if applicable)*

Please tick against the company(ies) where you have shareholdings

CLIENTELE

1. ABBEY MORTGAGE BANK PLC
2. ADAMAWA STATE GOVERNMENT BOND
3. AFRILAND PROPERTIES PLC
4. AFRICA PRUDENTIAL PLC
5. A & G INSURANCE PLC
6. ALUMACO PLC
7. A.R.M LIFE PLC
8. BECO PETROLEUM PRODUCTS PLC
9. BUA GROUP
10. BENUE STATE GOVERNMENT BOND
11. CAP PLC
12. CAPPA AND D'ALBERTO PLC
13. CEMENT COY. OF NORTHERN NIG. PLC
14. CSCS PLC
15. CHAMPION BREWERIES PLC
16. CWG PLC
17. CORDROS MONEY MARKET FUND
18. EBONYI STATE GOVERNMENT BOND
19. GOLDEN CAPITAL PLC
20. INFINITY TRUST MORTGAGE BANK PLC
21. INVESTMENT & ALLIED ASSURANCE PLC
22. JAIZ BANK PLC
23. KADUNA STATE GOVERNMENT BOND
24. LAGOS BUILDING INVESTMENT CO. PLC
25. GLOBAL SPECTRUM ENERGY SERVICES PLC
26. MED-VIEW AIRLINE PLC
27. MIXTA REAL ESTATE PLC *(formerly ARM Properties Plc)*
28. NEXANS KABLEMETAL NIG. PLC
29. OMOLUABI MORTGAGE BANK PLC
30. PERSONAL TRUST & SAVINGS LTD
31. P.S MANDRIDES PLC
32. PORTLAND PAINTS & PRODUCTS NIG. PLC
33. PREMIER BREWERIES PLC
34. RESORT SAVINGS & LOANS PLC
35. ROADS NIGERIA PLC
36. SCOA NIGERIA PLC
37. TRANSCORP HOTELS PLC
38. TRANSCORP PLC
39. TOWER BOND
40. THE LA CASERA CORPORATE BOND
41. UACN PLC
42. UNITED BANK FOR AFRICA PLC
43. UNITED CAPITAL PLC
44. UNITED CAPITAL BALANCED FUND
45. UNITED CAPITAL BOND FUND
46. UNITED CAPITAL EQUITY FUND
47. UNITED CAPITAL MONEY MARKET FUND
48. UNITED CAPITAL NIGERIAN EUROBOND FUND
49. UNITED CAPITAL WEALTH FOR WOMEN FUND
50. UNIC DIVERSIFIED HOLDINGS PLC
51. UNIC INSURANCE PLC
52. UAC PROPERTY DEVELOPMENT COMPANY PLC
53. UTC NIGERIA PLC
54. VFD GROUP PLC
55. WEST AFRICAN GLASS IND PLC

OTHERS:

HEAD OFFICE: 220B, Ikorodu Road, Palmgrove, Lagos.
ABUJA: Infinity House (2nd Floor), 11 Kaura Namoda Street, Off Faskari Crescent, Area 3, Garki, Abuja.
PORT-HARCOURT: Oklen Suite Building (2nd Floor), No. 1A, Evo Road, GRA Phase 2.
TEL: 0700 AFRIPRUD (0700 2374 7783) | E-MAIL: cxc@africaprudential.com | www.africaprudential.com | @afriprud

Africa Prudential
RC 649007

Affix
Recent Passport
Photograph

USE GUM ONLY
NO STAPLE PINS

(to be stamped by your banker)
ONLY CLEARING BANKS ARE ACCEPTABLE

E-DIVIDEND MANDATE ACTIVATION FORM

INSTRUCTION
Please complete all section of this form to make it eligible for processing and return to the address below.

The Registrar
Africa Prudential Plc
220B, Ikorodu Road, Palmgrove, Lagos.

I/We hereby request that henceforth, all my/our Dividend Payment(s) due to me\us from my/our holdings in all the companies ticked at the right hand column be credited directly to my /our bank detailed below:

Bank Verification Number (BVN):

Bank Name:

Bank Account Number:

Account Opening Date: DD MM YYYY

SHAREHOLDER ACCOUNT INFORMATION

Gender: Male Female Date Of Birth D D M M Y Y Y Y

Surname/Company's Name First Name Other Name

Address

City State Country

Clearing House Number (CHN) (if any) C

Name of Stockbroking Firm

Mobile Telephone 1

Mobile Telephone 2

E-mail Address

DECLARATION

I/We hereby declare that the information I have provided is true and correct and that I shall be held personally liable for any of my personal details.

I/We also agree and consent that Africa Prudential Plc ("Afriprud") may collect, use, disclose, process and deal in any manner whatsoever with my/our personal, biometric and shareholding information set out in this form and/or otherwise provided by me/us or possessed by Afriprud for administration of my/our shareholding and matters related thereto.

Signature:

Signature:
Joint/Company's Signatories

Company Seal (if applicable)

Please tick against the company(ies) where you have shareholdings

CLIENTELE

1. ABBEY MORTGAGE BANK PLC
2. ADAMAWA STATE GOVERNMENT BOND
3. AFRILAND PROPERTIES PLC
4. AFRICA PRUDENTIAL PLC
5. A & G INSURANCE PLC
6. ALUMACO PLC
7. A.R.M LIFE PLC
8. BECO PETROLEUM PRODUCTS PLC
9. BUA GROUP
10. BENUE STATE GOVERNMENT BOND
11. CAP PLC
12. CAPPA AND D'ALBERTO PLC
13. CEMENT COY. OF NORTHERN NIG. PLC
14. CSCS PLC
15. CHAMPION BREWERIES PLC
16. CWG PLC
17. CORDROS MONEY MARKET FUND
18. EBONYI STATE GOVERNMENT BOND
19. GOLDEN CAPITAL PLC
20. INFINITY TRUST MORTGAGE BANK PLC
21. INVESTMENT & ALLIED ASSURANCE PLC
22. JAIZ BANK PLC
23. KADUNA STATE GOVERNMENT BOND
24. LAGOS BUILDING INVESTMENT CO. PLC
25. GLOBAL SPECTRUM ENERGY SERVICES PLC
26. MED-VIEW AIRLINE PLC
27. MIXTA REAL ESTATE PLC *(formerly ARM Properties Plc)*
28. NEXANS KABLEMETAL NIG. PLC
29. OMOLUABI MORTGAGE BANK PLC
30. PERSONAL TRUST & SAVINGS LTD
31. P.S MANDRIDES PLC
32. PORTLAND PAINTS & PRODUCTS NIG. PLC
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Africa Prudential

FULL DEMATERIALIZATION FORM FOR MIGRATION

INSTRUCTION: Please fill out the form in CAPITAL LETTERS. Section 'B' is applicable only if certificate(s) is/are misplaced, lost or destroyed.

Affix recent passport photograph

USE GUM ONLY NO STAPLE PINS

Please credit my account at Central Securities Clearing System (CSCS) with shares from my holdings in ________ **"the company"**. I recognize this will invalidate any certificate(s) in my possession, or which might come into my possession in respect of my total holding(s) in this/this company.

SECTION A:

SHAREHOLDER'S FULL NAMES: ________ *Surname* *First Name* *Middle Name*

ADDRESS: ________

GSM NUMBER: ________ **E-MAIL:** ________

GENDER: Male ☐ Female ☐ **DATE OF BIRTH:** D D M M Y Y Y Y **CSCS INVESTOR'S A/C NO.:** ________

CLEARING HOUSE NUMBER(CHN): C ________ **REGISTRAR'S ID NO (RIN):** ________

BANK DETAILS FOR DIRECT SETTLEMENT

ACCOUNT NAME: ________ **BANK:** ________

BANK A/C NUMBER: ________ *Must be NUBAN* **BVN:** ________ *Must be confirmed by bank* **AGE OF A/C:** DD MM YYYY *Must be confirmed by bank*

Authorized Signature (1) *(and stamp of Stockbroker)*

Authorized Signature (2) *(and stamp of Stockbroker)*

Shareholder's Signature & Date

Shareholder's Signature & Date (2) *(if applicable)*

Thumb Print

CERTIFICATE DETAILS

S/N	CERTIFICATE NO. (IF ANY)	UNITS	S/N	CERTIFICATE NO. (IF ANY)	UNITS
1.			4.		
2.			5.		
3.			6.		

Company Seal

SECTION B: INDEMNITY FOR MISPLACED, LOST OR DESTROYED CERTIFICATE(S)

I hereby request Africa Prudential Plc to credit my account at Central Securities Clearing System (CSCS) with unit of shares not covered in my share certificate(s) details quoted in Section 'A' above. The holdings are registered in my name, and the original shares/stocks certificate(s) has/have been misplaced, lost or destroyed or was never received. I hereby, with the Guarantor whose name hereunder appears, indemnify the said Company and Africa Prudential Plc against all claims and demands, money, losses, damages, costs and expenses which may be brought against, or be paid, incurred or sustained by the said Company and /or Africa Prudential Plc by reason or in consequence of the said certificate(s) having been misplaced, destroyed, lost or in consequence of a transfer being registered without surrender of the certificate(s) or otherwise whatsoever. I further undertake and agree that if the said Certificate(s) shall hereafter be found, to forthwith deliver up to Africa Prudential Plc or their successors or assigns without cost, fee or reward.

CERTIFICATE DETAILS

S/N	CERTIFICATE NO. (IF ANY)	UNITS	S/N	CERTIFICATE NO. (IF ANY)	UNITS
1.			4.		
2.			5.		
3.			6.		

Dated this ____ day of ____, 20 ____

Name: ________

Signature: ________

Joint (2) (if applicable): ________

Joint (3) (if applicable): ________

Company Seal

In the Presence of:

Name: ________ **GSM NO:** ________

Address: ________ **Signature:** ________

THIS SECTION IS TO BE EXECUTED BY THE SHAREHOLDER'S STOCKBROKER, BANKER OR INSURANCE COMPANY

On behalf of ________ Plc/Ltd, we hereby agree jointly and severally keep the company and/or the Registrar or other persons acting on their behalf fully indemnified aganist all action, proceedings, liabilities, claims, losses, damage, costs and expenses in relation to or arising out of your accepting to re-issue to the rightful owner the shares/stocks, and to pay you on demand, all payments, losses, costs and expenses suffered or incurred by you in consequence thereof or arising therefrom. We/I also agree and consent that Africa Prudential Plc ("Afriprud") may collect, use, disclose, process and deal in any manner whatsoever with my/our personal, biometric and shareholding information set out in this form and/or otherwise provided by me/us or possessed by Afriprud for administration of my/our shareholding and matters related thereto.

Authorised Signatory (1): ________ **Authorised Signatory (2):** ________

Company Seal

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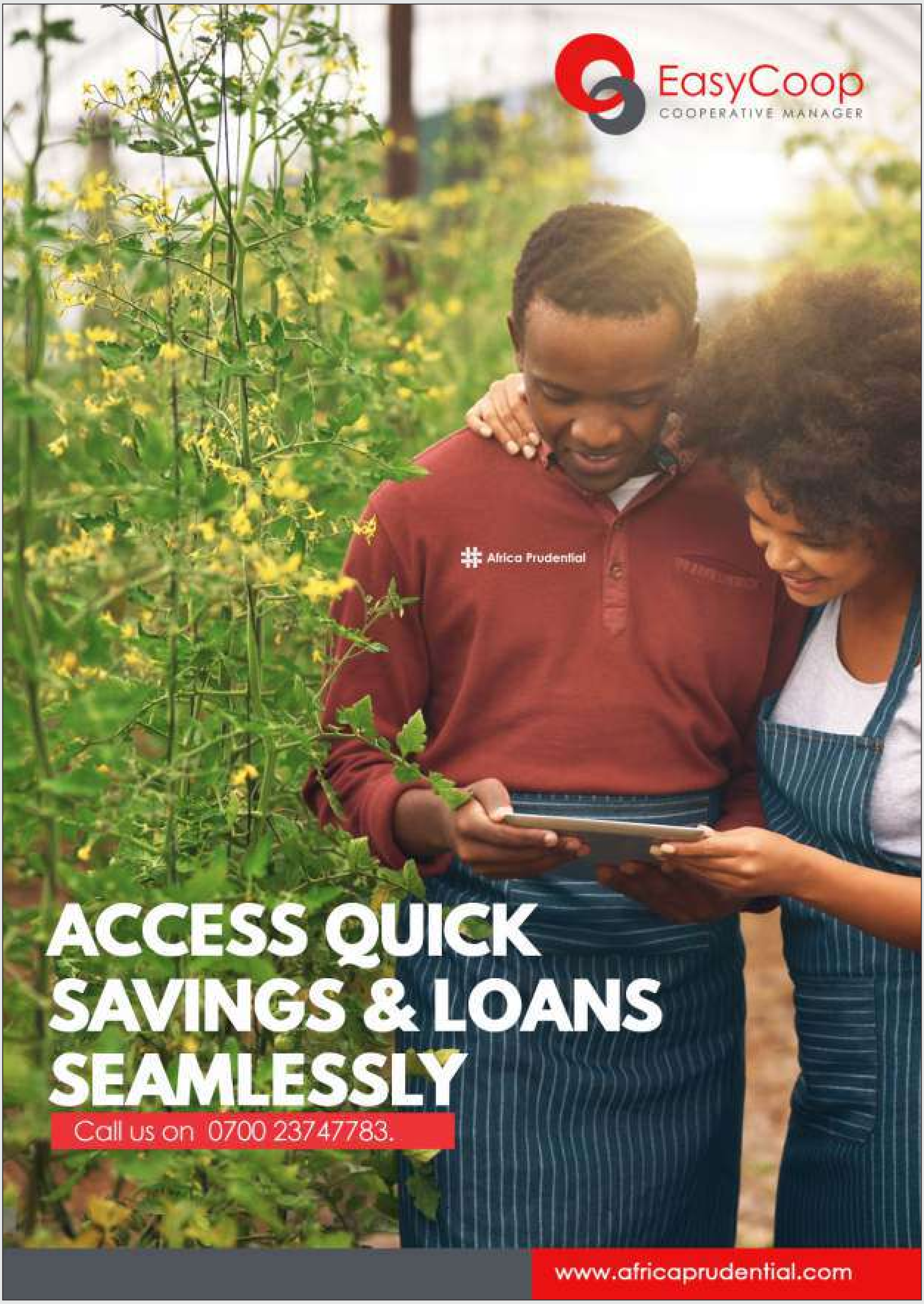
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