

AUDITED RESULTS FOR THE YEAR ENDED 31ST DECEMBER, 2019

SUSTAINED PERFORMANCE: PBT MARGIN IMPROVES TO 61% YEAR-ON-YEAR

This Earnings Press Release should be read in conjunction with the Audited Financial Statements for the year ended December 31st, 2019. The Earnings Press Release and the Audited Financial Statements for the year ended 31st December, 2019 are available on our website at <https://africaprudential.com/investors/>. This analysis is dated February 21st, 2019. Unless otherwise indicated, all amounts are expressed in Nigerian Naira, and have been primarily derived from the Company's Financial Statements, prepared in accordance with the International Financial Reporting Standards ("IFRS"). The accounting policies used in the preparation of these financial statements are consistent with those used in the Company's Audited Financial Statements for the year ended 31st December 2019. Additional information relating to the Company is available on the Company's website. <https://africaprudential.com/investor-relations/>

KEY PERFORMANCE HIGHLIGHT:

A Year-On-Year Analysis showed the following;

Income Statement:

- Revenue from contracts with customers: ₦1.50 Billion, compared to ₦1.42 Billion in FY 2018 (6.0% YoY Increase);
- Gross Earnings: ₦3.90 Billion, compared to ₦4.49 Billion in FY 2018 (13.0% YoY Decline);
- Profit Before Tax: ₦2.40 Billion, compared to ₦2.39 Billion in FY 2018 (0.2% YoY Decline);
- Profit After Tax: ₦1.68 Billion, compared to ₦1.95 Billion in FY 2018 (13.9% YoY Decline);

Balance Sheet:

- Total Assets: ₦18.65 Billion, compared to ₦21.27 Billion as at FY 2018 (12.3% YoY Decline);
- Total Liabilities: ₦10.37 Billion, compared to ₦12.68 Billion as at FY 2018 (18.2% YoY Decline);
- Shareholders' Fund stood at ₦8.28 Billion, decreasing by 3.6% YoY from ₦8.60 Billion as at FY 2018.

ITEMS OF NOTE;

Comparing FY 2019 to FY 2018, the following are key items worthy of note:

- **Revenue from contracts with customers:** During the period under review, Revenue from contracts with customers soared 6% year-on-year on the back of the 21% increase in retainership fees and 28% gain in other fees.
- **Profit Before Taxation:** For the period under review, PBT reduced by 0.2% despite the decline in gross earnings. This reduction is on the back of an 89% drop in the interest paid on borrowings which effectively reduced the company's finance cost by 88%.

- **Gross Earnings:** The decline in treasury bills yield witnessed in 2019 brought about a 22% reduction in revenue made from interest income thereby causing the company's gross earnings to reduce by 13%.
- **Total Asset:** For the period under review, the company saw its total assets value reduced as a result of reduction in Cash and Cash equivalent, equity instruments holdings, and trade and other receivables.

Financial Metrics	FY 2019	FY 2018
Returns on Average Asset	8%	9%
Returns on Average Equity	20%	25%
Price-Earnings Ratio	4.7x	4.1x
Asset Turnover Ratio	5.1x	4.8x
PBT Margin	61%	53%
EBIT Margin	64%	73%

Lagos, Nigeria – February 21st, 2020 – Africa Prudential Plc

(NSE Ticker: AFRIPRUD, Bloomberg Ticker: AFRIPRUD NL, Financial Times Ticker: AFRIPRUD LAG) announced its Audited Financial Statements for the year ended December 31st, 2019, With a Gross Earnings of ₦3.90 Billion and Profit Before Tax of ₦2.40 Billion.

Commenting on the result, The Managing Director/CEO of Africa Prudential, Mr. Obong Idiong said;

“2019 was a challenging year in the money and capital market as businesses struggled to deliver positive results due to the drastic reduction in interest rates on treasury bills and other money market instruments. We were also affected by this decline which cause our gross earnings to fall by 13% year-on-year, we were however able to increase our revenue from contracts through a strategic increase in our retainership fee by 21%. We remain dedicated to delivering quality registrar business to our clients while we slowly transition into digital technology.

“During the period under review, our Innovation Lab introduced a number of innovative products to the market, some of which include a new version of EasyCoop an enterprise resource solution for cooperative societies and EasyMall a cooperative market place. We have also continuously strived to improve how we currently serve our clients as evident in the recent upgrade of our Customer Experience Center and introduction of new customer channels. Our Digital Transformation journey on course as we change the way we create, deliver and capture value.

Mr. Obong Idiong MD/CEO further reiterated that.

“For us at Africa Prudential, the future is digital technology driven which is why we are integrating all our processes into a seamless system that offers world-class solutions to our customers and creating new revenue lines. In the long-run, this would reduce our huge exposure to capital market activities which has been on a decline of late. Our company would continue to innovate not only to improve capital market interactions but also to improve our top line in order to deliver superior value to all stakeholders.”

For Further enquiries;

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Africa Prudential

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER 2019

<i>In thousands of Nigerian Naira</i>	30-Dec-19	30-Dec-18
Revenue from Contracts with customers	1,502,241	1,416,699
Interest income	2,399,861	3,068,868
Gross earnings	3,902,102	4,485,567
Other income	56,035	532,251
Credit loss reversal/(expenses)	245,991	(153,831)
Impairment loss on goodwill	-	(98,693)
Personnel expenses	(624,567)	(565,193)
Other operating expenses	(1,002,055)	(832,866)
Depreciation of property and equipment	(52,746)	(51,299)
Depreciation of right of use assets	(11,044)	-
Amortization of intangible assets	(20,095)	(21,656)
Profit Before Finance cost and Tax (EBIT)	2,493,621	3,294,280
Finance Costs	(104,167)	(899,541)
Profit before tax	2,389,454	2,394,739
Income tax expense	(708,425)	(441,839)
Profit after tax	1,681,029	1,952,900
Other Comprehensive Income, net of income tax		
Items that may be reclassified subsequently to profit or loss:		
Fair value gain on quoted equity	70,596	-
Fair value gain/(loss) on unquoted equity through OCI	(1,063,930)	614,815
Other comprehensive income, net of income tax	(993,334)	614,815
Total comprehensive income	687,695	2,567,715
Basic earnings per share (kobo)	84	98



Africa Prudential

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2019

<i>In thousands of Nigerian Naira</i>	30-Dec-19	31-Dec-18
ASSETS		
Cash and cash equivalents	1,622,185	2,559,899
Equity instruments at fair value through OCI	243,328	5,055,527
Debt instruments at amortised cost	15,982,783	12,436,863
Trade and other receivables	412,582	875,056
Inventory	-	3,432
Property and equipment	314,854	210,975
Right-of-use-assets	14,725	-
Intangible assets	58,876	71,471
Deferred tax assets	-	58,797
TOTAL ASSETS	18,649,333	21,271,750
LIABILITIES		
Customer's deposits	9,644,466	10,122,131
Creditors and accruals	32,139	63,104
Lease liabilities	12,292	-
Borrowings	-	2,042,439
Current income tax payable	634,296	447,487
Deferred tax liabilities	41,856	-
TOTAL LIABILITIES	10,365,049	12,675,161
EQUITY		
Share capital	1,000,000	1,000,000
Share premium	624,446	624,446
Revaluation reserve	70,596	-
Fair value reserve	(20,728)	1,043,202
Retained earnings	6,609,970	5,928,941
TOTAL EQUITY	8,284,284	8,596,589
TOTAL EQUITY AND LIABILITIES	18,649,333	21,271,750

EDITOR'S COMMENT

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

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

More information can be found at: <https://africaprudential.com/investor-relations/>
Media Enquiries: Email Investorrelations@africaprudential.com; ir@arrhenn.com

CAUTION REGARDING FORWARD LOOKING STATEMENTS

From time to time, the Company makes written and/or oral forward-looking statements, including in this press release and in other communications. In addition, representatives of the Company may make forward-looking statements orally to analysts, investors, the media and others. All such statements are intended to be forward looking statements. Forward looking statements include, but are not limited to, statements regarding the Company's objectives and strategies to achieve them, and the Company's anticipated financial performance. Forward looking statements are typically identified by words such as "will", "should", "believe", "expect", "anticipate", "intend", "estimate", "may" and "could".

Any forward looking statements contained in this presentation represent the views of management only as of the date hereof and are presented for the purpose of assisting the Company's investors and analysts in understanding the Company's financial position, objectives and priorities and anticipated financial performance as at and for the periods ended on the dates presented, and may not be appropriate for other purposes. The Company does not undertake to update any forward-looking statements, whether written or oral, that may be made from time to time by or on its behalf, except as required under applicable securities legislation

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



Obong Idiong
Managing Director/Chief Executive Officer