

UNAUDITED RESULTS FOR THE PERIOD ENDED 31ST MARCH, 2020
OPERATIONAL EFFICIENCY: PAT MARGIN SURGE BY 46%

This Earnings Press Release should be read in conjunction with the Unaudited Financial Statements for the period ended March 31st 2020. The Earnings Press Release and the Unaudited Financial Statements for the period ended March 31st 2020 are available on our website at <https://africaprudential.com/investors/>. This analysis is dated April 16th 2020. Unless otherwise indicated, all amounts are expressed in Nigerian Naira, and have been primarily derived from the Company's Financial Statements, prepared in accordance with the International Financial Reporting Standards ("IFRS"). The accounting policies used in the preparation of these financial statements are consistent with those used in the Company's Unaudited Financial Statements for the period ended March 31st 2020. Additional information relating to the Company is available on the Company's website. <https://africaprudential.com/investor-relations/>

Income Statement:

- Revenue from contracts with customers: ₦0.13 Billion, compared to ₦0.27Billion in Q1 2019 (52% YoY Decline);
- Interest Income: ₦0.61 Billion, compared to ₦0.60 Billion in Q1 2019 (3% YoY Increase);
- Gross Earnings: ₦0.74 Billion, compared to ₦0.87 Billion in Q1 2019 (14% YoY Decline);
- Profit Before Tax: ₦0.41 Billion, compared to ₦0.45 Billion in Q1 2019 (9% YoY Decline);
- Profit After Tax: ₦0.34 Billion, compared to ₦0.38 Billion in Q1 2019 (10% YoY Decline);
- Earnings Per Share: 17 Kobo.

Balance Sheet:

- Total Assets: ₦18.09 Billion, compared to ₦18.65Billion as at FY 2019 (3% YTD Decline);
- Total Liabilities: ₦9.52 Billion, compared to ₦10.37 Billion as at FY 2019 (8% YTD Decline);
- Shareholders' Fund stood at ₦8.57 Billion, surging by 3% YoY from ₦8.28 Billion as at FY 2019.

ITEMS OF NOTE;

Comparing Q1 2020 to Q1 2019, we observed the following key items worthy of note:

- **Revenue from contracts with customers:** During the period under review, Revenue from contracts with customers reduced by 52% year-on-year on the back of the drop in retainership fee during the first quarter coupled with a significant reduction in fee from corporate actions as a result of the postponement of clients' AGMs and dividend payment in response to the spread of the novel coronavirus in Nigeria. The company was however able to increase its revenue from digital consultancy by more than 900%, thereby emphasizing the positive result from the company's diversification strategy into digital technology.
- **Interest income:** On the other hand, the company recorded a 3% Year-on-Year increase in interest income driven by a 23% surge in the interest realized from loans and advances, thereby overriding the drop from other interest income sources.

- **Profit After Tax:** This reduced by 9% Year-on-Year, due to the 25% decline in profit before finance costs and tax as well as an increase in the company's operating expenses amidst the mounting pressure on gross earnings brought about by the coronavirus-induced disruption to the company's operations.

Comparing Q1 2020 to FY 2019, the following were observed in the Balance Sheet:

- **Total Assets:** In the first quarter of 2020, the total assets shed 3% in spite of the 40% surge in cash and cash equivalents as well as an 11% increase in trade receivables.
- **Total Liabilities:** The company recorded gains on creditors claim over its assets as the total liabilities declined by 8% Year-till-date driven by a 9% decline in customers' deposits which accounted for about 90% of the company's liabilities.
- **Shareholder's Wealth:** Similarly, the company grew its total equity by 3% Year-till-date on the back of 5% Year-till-date increase in retained earnings.

Financial Metrics	Q1 2020	FY 2019
RoaA*	7%	8%
RoaE*	16%	18%
NAPS	₦4.28k	₦4.14k
Asset Turnover*	6.2x	5.7x
EPS	17k	19k
PAT Margin	46%	44%
EBIT Margin	56%	64%

* Annualized data

Lagos, Nigeria – April 16th 2020 – Africa Prudential Plc

(**NSE Ticker:** AFRIPRUD, **Bloomberg Ticker:** AFRIPRUD:NL, **Financial Times Ticker:** AFRIPRUD:LAG) announced its Unaudited Financial Statements for the period ended March 31st 2020, with a Gross Earnings of ₦0.74 Billion and Profit Before Tax of ₦0.41 Billion. The Company delivered an Earnings Per Share of 17Kobo.

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

"Globally, this year had kicked off on an unprecedented note, with the unanticipated spread of the coronavirus disrupting economic activities all across the globe, Nigeria inclusive. The COVID-19 pandemic had threatened the smooth operations of our business and that of our clients' mounting enormous pressure on our revenue sources particularly the Revenue from contract with customers, the resultant effect was the reduction recorded in our gross earnings for Q1 2020. However, the over 900% surge in our digital consultancy revenue attest to the fact that we have

a lot of opportunities to harness the potential inherent in our digital technology business to boost our revenue whilst upscaling our diversification strategy.

The period under review tested our commitment to delivering value to our stakeholders while ensuring that we communicate truthfully, calmly and with resolve. As an organization, we prioritize the welfare and safety of our employees and have responded proactively by implementing our Business Continuity Plan (BCP) which involves the work-from-home protocol for all our departments and business segments whilst attending to all shareholders' request through our electronic channels. Further, we have commenced the full end-to-end automation of AGMs while providing technology-driven solutions for the corporate action activities of our clients. We will continue to offer services through our various cloud based digital platforms, sustain ongoing technological projects and adequately position for post-crisis continuity of our business operations."

Mr. Obong Idiong MD/CEO further remarked that:

"Our focus at Africa Prudential is still driven by our digital transformation strategies, achieving world-class superior value for all our stakeholders as we continue to pursue our diversification strategies."

Notice of Q1 2020 Conference Call:

Sequel to the release of our Q1 2020 result, we would be hosting a conference call for Investors and Analysts. Further information would be circulated to all in due course.

For Further enquiries;

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Chief Financial Officer

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**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31
MARCH 2020**

<i>In thousands of Nigerian Naira</i>	31-Mar-20	31-Mar-19
Revenue from Contracts with customers	131,567	273,861
Interest income	611,799	595,508
Gross earnings	743,366	869,369
Other income	2,891	2,839
Credit loss reversals/(expenses)	-	-
Personnel expenses	(158,105)	(155,146)
Other operating expenses	(152,195)	(145,188)
Depreciation of property and equipment	(13,983)	(12,038)
Depreciation of right of use assets	(3,265)	-
Amortisation of intangible assets	(5,256)	(5,083)
Profit Before Finance cost and Tax	413,453	554,753
Finance costs	-	(101,030)
Profit Before Tax	413,453	453,723
Income tax expense	(71,645)	(72,189)
Profit after tax	341,808	381,534
Other Comprehensive Income		
<i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax):</i>		
Net (loss)/gain on quoted equity instruments at fair value through other comprehensive income	(57,093)	(8,250)
Net (loss)/gain on unquoted equity instruments at fair value through other comprehensive income	-	-
Revaluation gain on building (net of tax)	-	-
Total Other Comprehensive Income, net of income tax	(57,093)	(8,250)
Total comprehensive income for the year, net of tax	284,715	373,284
Basic and diluted earnings per share	17	19

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

<i>In thousands of Nigerian Naira</i>	31-Mar-20	31-Dec-19
ASSETS		
Cash and cash equivalents	2,263,911	1,622,185
Equity Instruments at Fair value through OCI	186,235	243,328
Debt Instruments at Amortised Cost	14,801,389	15,982,783
Trade and other receivables	458,779	412,582
Inventory	-	-
Property and equipment	315,811	314,854
Right-of-use-assets	11,460	14,725
Intangible assets	55,555	58,876
Deferred tax assets	-	-
TOTAL ASSETS	18,093,140	18,649,333
LIABILITIES		
Customers' deposits	8,735,018	9,644,466
Creditors and accruals	29,034	32,139
Lease liabilities	12,292	12,292
Borrowings	-	-
Current Income Tax Payable	705,941	634,296
Deferred tax assets	41,856	41,856
TOTAL LIABILITIES	9,524,141	10,365,049
SHAREHOLDER'S EQUITY		
Share capital	1,000,000	1,000,000
Share premium	624,446	624,446
Revaluation reserves	70,596	70,596
Fair value reserve	(77,821)	(20,728)
Retained earnings	6,951,778	6,609,970
TOTAL EQUITY	8,568,999	8,284,284
TOTAL EQUITY AND LIABILITIES	18,093,140	18,649,333

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