UBA Pensions

ANNUAL REPORT 2021

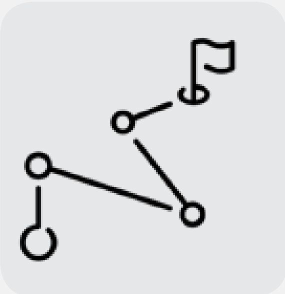
UBA PENSIONS CUSTODIAN LIMITED

...safe haven for pension assets

Our Vision

What we strive to achieve

Our vision is to be the leading Pension Custodian Service Provider



Our Mission

what we exist to do

To create a safe haven for pension assets and deliver world-class custodian services, using skilled and highly-motivated staff, state-of-the-art technology and a stakeholder approach in the conduct of our business.

Our Core Values

Enterprise

- Own the talk
- Go the extra mile, solve the problem
- Show initiative
- Break barriers
- Be innovative

Excellence

- Be responsive and passionate
- Surpass customer's expectations always
- Maintain quality standards
- Be meticulous - make it simple always
- Be professional - integrity, friendly and genuine

Execution

- Get it done
- Get it done now
- Get it done very well
- Always have the end in mind

The quest to be the leading pension funds custodian in Nigeria drives UBA Pensions to develop high quality client services, along with best-in-class technology as key competitive advantages.

Reports

Financials

Chairman's Statement

"We approach the year 2022 with huge optimism. We hope to leverage on the emerging consolidation opportunities in the industry to increase our Assets Under Custody, grow profitability and consequently increase the Shareholders' Fund...."

Victor Osadolor
Chairman, Board of Directors

Dear Shareholders,

On behalf of the Board of Directors of UBA Pensions Custodian Ltd, it is my pleasure to present the Company's Annual Report and Financial Statement for the year ended 31 December 2021.

Ladies and Gentlemen, before I review our 2021audited accounts, permit me to briefly highlight the macroeconomic and industry trends that characterized our business environment in the year 2021.

THE MACROECONOMIC AND INDUSTRY ENVIRONMENT – FROM PANDEMIC DOWNTURN TO GROWTH REVIVAL

The global GDP witnessed a massive turnaround, from the pandemic-induced recession of negative 3.3% in 2020 to a forecasted growth of 6.1% in 2021 (International Monetary Fund (IMF) World Economic Outlook, April 2022).

In its World Economic Situation & Prospect Report of May 2022, the United Nations (UN) projected that the world economy would grow by 3.1% in 2022. The projection is premised on the Russia/Ukraine war, lingering pandemic effects, rising prices of energy, food and commodities, soaring inflation and tightening monetary policy stances by major economies.

In addition, the UN noted that the broad-based slowdown of the global economy in 2022 will undermine a full, inclusive and sustainable recovery from the pandemic in developing countries' economies.

Domestically, Nigeria's GDP in 2021 grew year-on-year by 3.4%, which was the fastest growth rate in seven years and a significant leap from recession-induced contraction of negative 1.92% in 2020. The GDP of the oil sector was negative at -8.30% (2020: - 8.89%), while the non-oil sector grew by 4.44% (2020: -1.25%). Moreover, contribution from the oil sector dipped from 8.16% in 2020 to 7.24% in 2021, while the contribution from the non-oil sector was 92.76% compared with 91.84% in 2020.

For 2022, the IMF in its April 2022 report forecasted that the Nigerian economy would grow by 3.4% in 2022 up from 2.7% earlier projected. The growth is to be predicated on rising oil prices and continuing growth of the non-oil sector.

The CBN retained its Monetary Policy Rate (MPR) at 11.50% at its last Monetary Policy Committee's meeting for 2021. The headline inflation rate was 15.63% in December 2021 compared to 15.75% in 2020, driven by reduced pressure on food inflation rate. However, on an annual basis, average inflation rate remained high at 17.1% as at the end of 2021.

In the Pensions Industry, total Assets under Custody grew by 9% to ₦13.42Trillion in 2021 from ₦12.31Trillion in 2020. Contributory membership increased by 2.8% to 9,529,127 members, from 9,271,669 in 2020.

In April 2021, the National Pension Commission mandated that PFAs should increase their capital to ₦5Billion unimpaired by losses, predicated on the need for PFAs to improve their capacity for operational efficiency and effectiveness, as well as service delivery. The deadline of April 27, 2022 was advised for compliance with this directive.

There are ongoing acquisitions and mergers in the industry. FCMB Pensions Limited is merging with AIICO Pension Managers Limited, AXA Mansard Pensions was acquired by Verod Capital Alliance, renamed Tangerine Pensions Limited and merged with APT Pensions to become Tangerine APT Pensions. PenCom also granted "no objection" approval to Guaranty Trust Holding Company, to acquire 100% shareholding of Investment One Pension Managers Limited.

FINANCIAL HIGHLIGHTS: STRONG PERFORMANCES

Our Company recorded strong performances across key financial metrics. Assets Under Custody grew by13%, (₦391Billion), from ₦2.846Trillion in 2020 to ₦3.238Trillion in 2021. Profitability rose by 94% from ₦2Billion to ₦3.9Billion. The Cost to Income Ratio was 19.2% (2020 CIR: 19.8%).

The Balance sheet size rose by 35% from ₦9.2Billion in 2020 to ₦12.4Billion in 2021. Investment Assets, representing 94% of the Total Assets, also improved by 42% from ₦7.2Billion in 2020 to ₦11.1Billion in 2021. We remained very liquid with no gearing ratio whatsoever.

In addition, we improved the Company's Equities by 27% from ₦4.8Billion in 2020 to ₦6.1Billion in 2021.

DIVIDENDS: COMMITTED TO HIGHER RETURNS TO SHAREHOLDERS

The Board has recommended a dividend payment of ₦1.65k per share amounting to ₦3.3Billion for the year 2021. The pay-out would be an increase of 83% in comparison with ₦0.9k per share paid in 2020. Our Regulator, PenCom, has approved that the proposed dividend be paid to the Shareholders.

EXCELLENT SERVICE DELIVERY

We recognise that Service Excellence is pivotal to sustaining the growth that we have so far achieved. We are therefore empowering our people to serve our clients better, through robust and consistent trainings on clients' services, provision of adequate work tools, celebration of exemplary customer service and quarterly clients' service evaluation, among other initiatives.

Already, our investments in technology, particularly the Microsoft Dynamics NAV (Navision), which we acquired and implemented in 2019, have proved to be enormously beneficial, especially in the face of the significant disruptions occasioned by the Covid-19 pandemic and its aftermath. With the aid of this technological edge, we have experienced a leap in efficiency, leading to overall improvement in the quality of service to our clients.

2022 OUTLOOK

We approach the year 2022 with huge optimism. We hope to leverage on the emerging consolidation opportunities in the industry to increase our Assets Under Custody, grow profitability and consequently increase the Shareholders' Fund. We would be investing some capital to enhance the processing capacity and cyber security around our IT platform to better serve our clients and reduce vulnerabilities to cyber-attacks.

Our commitment to exceptional and excellent service delivery is unflagging and in 2022, we would deepen our engagement in this regard. Our staff continue to be our major driving factor and we are currently exploring various initiatives to motivate our team to make our Company, a choice for excellence.

APPRECIATION

Distinguished ladies and gentlemen, on behalf of my colleagues on the Board and the Executive Management, I would like to express my profound gratitude to our customers for your confidence in our organization. We remain steadfast and committed to serve you exceedingly well.

To my colleagues on the Board, it has been a great pleasure working with you in the year 2021. I appreciate your dedication, the rapport we share and the wise counsel you have all provided, which has undoubtedly driven the Company's performance not only in the year under review, but also over time.

On behalf of the Board, I would also like to take this opportunity to thank the Management and Staff of the Company profusely for your outstanding efforts, passion, and resilience in delivering solid results despite the very challenging operating environment. It is this commitment that has enabled our substantial progress.

In the course of the 2022 Financial Year, it is our desire that our competitive performance would hold strong and give us an edge over our competitors, particularly in the area of customer service delivery.

Thank you.

Whistle Blowing

Supporting the ethics programme in UBA Pensions is a whistle blowing framework. The company maintains channels for stakeholders to report actual or potential unethical behaviors to clearly identified whistleblowing champions.

There is a dedicated whistle-blowing link disclosure on the Company's website, Compliance Boxes were also provided at designated locations at the corporate Head office and other business locations

For Whistle blowing, please call: 01 2718007, 01 2702627

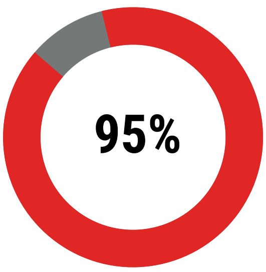
Head Office:
UBA Pensions Custodian Limited
3rd & 4th Floor,
22B Idowu Taylor Street,
Victoria Island, Lagos, Nigeria
ubapensions@ubagroup.com
+234 (01) 2718000-4

Abuja Office:
UBA Pensions Custodian Limited
2nd Floor, 18 Adetokunbo Ademola
Crescent Wuse II, Abuja
ubapensions@ubagroup.com
+234 811 395 4275

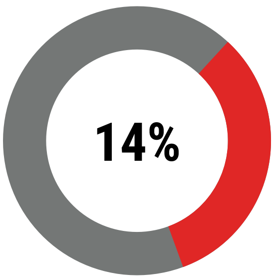
CEO's Statement

BLESSING VICTORY OGWU

Managing Director/CEO



Profit After Tax



Assets Under Custody

Dear distinguished Shareholders,

It is an honour to present to you our Annual Report and Accounts for year ended 31 December 2021.

The year 2021 was a recovering year as the economy of Nigeria and the entire world was beginning to ease off from the effect of the lock down suffered in the previous year due to the outbreak of Corona Virus and the resultant COVID -19 pandemic. Although these challenges are still with us, but as a Company, we have demonstrated resilience and innovation in ensuring optimal service delivery, in line with our 'Customer – First' philosophy.

We recorded impressive performance in terms of Asset Under Custody and the growth in Profit After Tax when compared to the previous year. Asset Under Custody (AUC) grew by 14% from ₦2.847Trillion to ₦3.238Trillion while Profit after tax (PAT) grew by 95% amounting to ₦3.9Billion. Dividend pay-out was also proposed for a sum of ₦3.3Billion. These attest to the strong leadership of our Board, the support of the Regulators, continued patronage of our Clients, resilience and dynamic spirit of our Staff.

2021FY OPERATING ENVIRONMENT – GLOBAL AND NIGERIA

According to the IMF, the global GDP is expected to grow by 5.9% which was lower than the initial projection of 6% as highlighted in its World Economic Outlook, released in October 2021. The revised growth rate was necessitated by supply chains crisis in the advanced economies and a worsening health situation in the emerging economies which resulted to a risen consumer price. The IMF also expected the Global GDP to grow by 4.9% in 2022.

Nigeria's GDP grew year-on- year by 3.98% in Q4 2021 occasioned on growth from Transport, Trade and Information Technology (IT) sectors. Nigeria also received the new IMF allocation of special drawing rights which amounted to about USD3.4bn; this, in addition to the issuance of USD4Billion Eurobond, boosted the Foreign Reserve. The CBN held its Monetary Policy Rate (MPR) at 11.50% at. The decision reflected the continued balancing of risks to the inflation and growth outlooks. However, on an annual basis, average inflation rate remained high at 17.1% as at end of 2021.

The Nigeria Stock Exchange ended on a strong note. The All-Share Index (ASI) closed at 42,716.44 points while the total market capitalization stood at ₦43.12 trillion.

"…our Profit Before Tax grew by 64% to close at ₦5.7Billion compared with ₦3.5Billion in 2020. In the same view, our Profit after tax grew by 95% from ₦2.0Billion in 2020 to ₦3.9Billion in 2021…"

The market grew by 6.07% when compared to the 2020 ASI of 40,270.7. We also saw improvement in the yield of fixed income asset during the period.

PEOPLE AND PROCESS

Our staff are integral to our commitment to provide great services to our Clients and to create enduring value. As an Employer, we will continue to attract, develop, and nurture a diverse range of talent and ensure a conducive workplace culture that supports and engages our employees, enabling them to build their career and unlock their full potentials. Our desire is to maintain a pool of highly motivated and productive workforce. On the processes, we are consolidating on our enhanced IT infrastructure to maintain operational efficiency.

INDUSTRY UPDATES

Pension Assets grew by 9% to ₦13.42Trillion in 2021 from ₦12.31Trillion in Dec 2020. We now have 9,529,127 members, an increase of 2.8% from 9,271,669 in 2020. Other key updates during the year were:

- Circular on cessation of payment of death benefit claims to legal beneficiary without commission's approval.
- Circular on reclassification and valuation of pension fund assets under International Financial Reporting Standards (IFRS 9)
- Circular on revised minimum share capital requirement for licensed PFAs.
- Circular on fee structure for the micro pension fund.
- Operational framework for non-interest funds.
- Framework for enlightenment and public awareness for the pension plan.

2021FY FINANCIAL HIGHLIGHTS

Our Company remained stable on core business despite the challenges of year 2020. Our Assets Under Custody increased by ₦391Billion year-on-year, a 14% growth from ₦2.847 trillion in 2020 to ₦3.238 trillion in 2021. We on-boarded new Clients during the year and the existing portfolio grew in collections and returns.

The Custody fees increased by 12% from ₦5.5Billion in 2020 to ₦6.2Billion in 2021, due to the ₦391Billon incremental growth recorded on Asset Under Custody thereby reduced the downward impact of the third and last phase of the fee reduction initiative of PenCom which kicked off in July 2018. The Income on proprietary portfolio increased by 30% to ₦0.913Billion from ₦0.7Billion in 2020. The growth reflected the fair improvement in yields and the strategic investment mix by the company.

Consequently, our Profit Before Tax grew by 64% to close at ₦5.7Billion compared with ₦3.5Billion in 2020. In the same view, our Profit after tax grew by 95% from ₦2.0Billion in 2020 to ₦3.9Billion in 2021. The Company paid ₦1.8Billion as dividend to the Shareholder for 2020FY, while the Board has also proposed to pay ₦3.3Billion as dividend for year 2021. The Company's Total asset as at December 2021 amounted to ₦12.4Billion (Dec 2020 was ₦9.2Billion) the year-on-year growth was premised on increase in profitability.

OUTLOOK FOR 2022

The year 2022 is promising with a sustained pace of recovery. As an Institution, we will continue to consolidate on our operations with a topnotch service delivery to our clients and explore new opportunities as they unfold in the normal course of business in order to sustain impressive returns to our shareholders. Our strategy is to continuously focus on our customers with our customer 1st Philosophy constantly our guide to ensure that we deliver excellent services.

APPRECIATION AND CONCLUSION

The Management team and I, and indeed the entire staff of UBA Pensions appreciate the support and leadership of the Board. We are deeply grateful to our Clients for their continued patronage and loyalty which have been the bedrock of our existence. We sincerely appreciate the strong regulatory encouragement from PenCom. We remain grateful and we assure you all that we will continue to do more to deliver superior returns, efficient service delivery and fully safeguard the assets entrusted to our care.

We thank you all for the wonderful opportunities given us to serve.

UBA Pensions

Our Board of Directors

Victor Osadolor

(Chairman)

Mr. Victor Osadolor is a seasoned accountant, banker and strategist, with over 30 years of work experience (fifteen of which have been spent in Board positions in top class organizations across Africa).

He commenced his career in 1989 with Coopers and Lybrand (now PricewaterhouseCoopers (PwC) and worked with Afribank Plc (1991) and Guaranty Trust Bank (1992-1998) in which two institutions, the foundations of his banking career were laid, followed by a stint at Ecobank Nigeria where he became the CFO (1998-2000).

Mr. Osadolor moved to Standard Trust Bank (STB) in 2000 and was at different times, the ED, Operations and Technology and ED, Risk Management and Compliance, before STB's merger with UBA Plc in 2005.

Following the merger, Mr. Osadolor served the UBA Group in various capacities as the ED/Group CRO (Oct 2006 – July 2008) and ED/Group CFO (Aug 2008 – July 2010). He was promoted to the position of the Deputy Group CEO and oversaw business and operations in over 400 branches in the entire South, East, Lagos and Western parts of Nigeria in 2010. One year and a half years later he became the MD/CEO, UBA Capital Holdings Limited overseeing the Investment Banking Operations of the Group (Aug 2011 – Jan 2012).

For more exposure and experience, he crossed over to Ecobank Transnational Incorporated Johannesburg SA & Lome, Togo as the Chief Operating Officer for the Corporate and Investment Banking (CIB) Group (April 2012 to May 2014) and as the Chief Strategy Officer for the Group (June to Oct 2014). He returned to Nigeria as the Group Director for Financial Services in Heirs Holdings (HH) Group (Oct 2014 to May 2016) and served as a Non-Executive Director of Transcorp Ughelli Power Limited (Nov 2014 to May 2016). He was reappointed as Deputy Group CEO of UBA Group from June 2016 to Dec 2019 during which period he oversaw the operations of UBA UK, New York and Paris offices at different times. He was CEO, UBA Africa (2019) with oversight over the Bank's subsidiaries in 19 African countries outside Nigeria. He also served as a Non-Executive Director on the Boards of UBA UK and UBA Ghana.

A fellow of the Institute of Chartered Accountants of Nigeria (ICAN), an alumnus of Harvard Business School (Advanced Management Program), the Wharton Business School CEO program, IMD Executive Management Program and an Honorary Life Member of the Chartered Institute of Bankers of Nigeria, Mr. Osadolor became Chairman of the Board of UBA Pensions Custodian in September 2015 and has been a Director of Africa Finance Corporation (AFC) since December 2016.

He is an avid reader, loves playing chess and is happily married with children.

Blessing Victory Ogwu

(Managing Director)

Blessing Victory Ogwu is a Fellow of the Institute of Chartered Accountants of Nigeria, associate member of the Chartered Institute of Taxation, holder of an MBA (Business Administration & Marketing) from Bayero University, Kano and alumnus of the Senior Management Program at Lagos Business School (LBS SMP22).

Blessing commenced her banking career at Devcom Merchant Bank in November, 1990 before joining Zenith Bank Plc in August 1995 where she rose to the position of Senior Manager/Branch Head. She became part of the United Bank for Africa Plc Team as a Principal Manager in September 2007.

Prior to her appointment, Blessing Victory Ogwu was a top management staff of the parent company, UBA Plc and had over time, taken direct responsibility for Business Developments in Lagos, Rivers and Bayelsa.

The recipient of various awards and an author, she is blessed with three lovely daughters and enjoys reading, swimming, and travelling for adventure.

Awele Elumelu

(Non-Executive Director)

Dr. Awele Elumelu is a leading voice in African healthcare.

As the Chairperson of Avon Healthcare Limited, Nigeria's leading health insurance provider and the Founder/CEO of Avon Medical Practice, a growing network of full-service clinics and onsite facilities with corporate institutions, she is focused on expanding and improving access to quality healthcare in Nigeria, Africa's most populous nation.

In 2018, Dr Elumelu was appointed as Private Sector Champion for Immunization in Africa by Gavi, the Vaccine Alliance. In this role, she leverages her knowledge, corporate networks, and expertise from the healthcare and business sectors to champion vaccination and immunisation in Africa, where almost 10 million children are yet to be fully immunized.

Dr Elumelu is particularly passionate about and advocates extensively for the rights of Africans, women and children. In line with her commitment to the economic philosophy of Africapitalism, which calls on the African private sector to lead the charge in developing the continent, she continues to work to bring together public and private players to deliver economic opportunity, social good, and greater health and opportunity to all Africans.

Dr. Elumelu serves as a Director on the Board of Heirs Holdings, a family-owned investment company committed to improving lives and transforming Africa and is a Trustee of the Tony Elumelu Foundation, the leading philanthropy empowering entrepreneurs and championing entrepreneurship in Africa.

Dr. Elumelu holds a Bachelor of Medicine, Bachelor of Surgery degree from the University of Benin. She has worked with the Lagos University Teaching Hospital, in Nigeria, and with Grantham and District Hospital, Grantham, in the UK.

Chukwuma Nweke

(Non-Executive Director)

He holds a BSc degree in Accountancy and an MBA from the University of Nigeria, Nsukka. He is a Fellow of the Institute of Chartered Accountants of Nigeria (FCA) and an Honorary member of the Chartered Institute of Bankers of Nigeria (HCIB). He has more than two decades of experience spanning Banking Operations, Finance, Technology, Audit, and Strategy. Chukwuma Nweke is presently the ED/Group COO of the UBA Group.

Abbas Jega Mohammed

(Independent Non-Executive Director)

Mr Mohammed is a Chartered Accountant and holds a Bachelors' degree in Accounting and a Masters' degree in Business Administration from Ahmadu Bello University, Zaria.

He began his career with the Sokoto State Ministry of Finance, Budget and Economic Planning. Subsequently, he moved into the Banking industry, with stints at Bank of Credit and Commerce International (Nig.) Limited, Intercity Bank Plc, First Interstate Bank Plc and Unity Bank Plc.

He was at different times an Executive Director with Afribank Plc. and Asset Management Corporation of Nigeria.

A member of the Institute of Directors Nigeria, he holds the traditional title of Ajiyan Gwandu (Treasurer, Gwandu Emirate).

Ugochukwu Alex Nwaghodoh

Non-Executive Director

Ugo is a seasoned finance professional and accountant with over 26 years' experience spanning financial management, corporate reporting, strategic planning and execution and executive leadership. He is the current Group Chief Financial Officer of United Bank for Africa Plc and was at different times, Group Financial Controller, Group Chief Compliance Officer and Head, Performance Management in UBA Plc. Before joining UBA Plc in 2004, he had spent 10 years in Deloitte and PricewaterhouseCoopers.

Ugo holds a B.Sc. degree from the University of Ibadan, Nigeria and an M.Sc. degree in Finance and Management from Cranfield University, United Kingdom. He is a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN), an Associate Member of the Chartered Institute of Taxation of Nigeria (CITN) and the Chartered Institute of Stockbrokers (CIS). He is a Member, Chartered Institute for Securities and Investments, UK and Honorary Senior Member, Chartered Institute of Bankers of Nigeria. Ugo is also a Member of Cranfield Management Association.

Daniel Wajuihian

Executive Director, Operations & IT

Daniel Wajuihian holds a Bachelor's Degree in Law (LL.B.) from Edo State University, Ekpoma and a Masters' Degree in Law(LL.M.) from the University of Lagos. His career spans legal practice, recovery and banking (with focus on legal, credit control, business development, branch and risk management). He held the position of the Chief Risk Officer of the Company before his appointment and served before then as the Team Lead, Risk Management of UBA Plc, from 2011-2016.

Mr. Wajuihian is married with children.

Mohammed Yayangida Umar

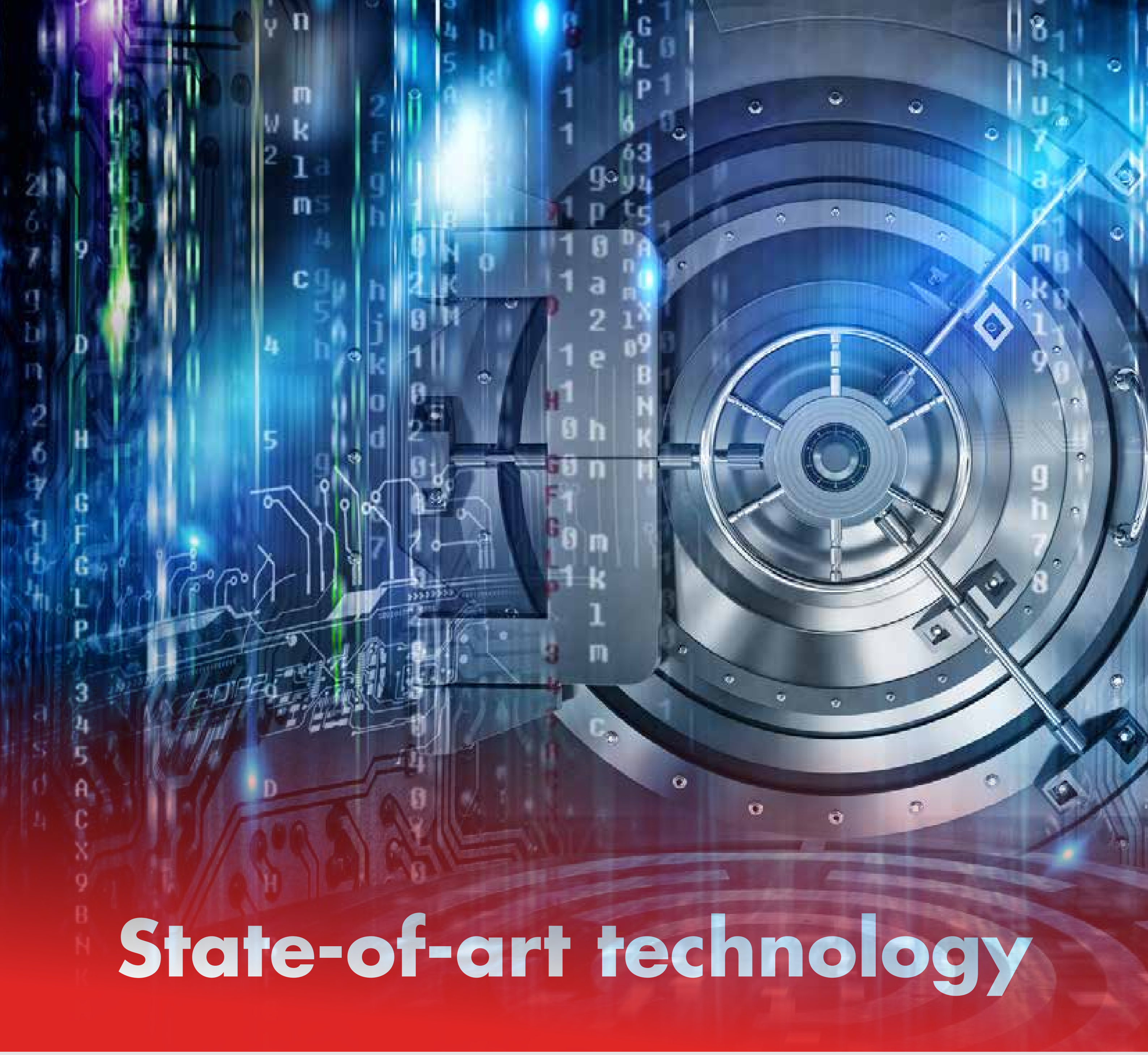
(Independent Non-Executive Director)

Mr. Umar holds a Bachelor's Degree in Accounting from Ahmadu Bello University, Zaria and an M.Sc. in Banking and Finance from Bayero University, Kano. He is a Fellow of the Association of National Accountants of Nigeria (FCNA), a Fellow of the Institute of Loans and Risk Management of Nigeria (ILRM), a Fellow of the Institute of Certified Public Accountants of Nigeria (ICPAN), a Fellow of the Institute of Customer Service & Trade Management (ICSTM) and a Certified Risk Manager (CRM) by the Risk Management Association of Nigeria (RIMAN).

He has three decades of accounting experience. At various times, he served as a Senior Accountant with the Bauchi State Government and was a Part-Time Non-Executive Director with the Bauchi State Television and the Bauchi Fertilizer Company Ltd. He retired from the National Deposit Insurance Corporation in 2019, as the Director, Insurance and Surveillance Department.

He is the beneficiary of a wide range of local and international courses which include Credit Ratings Under Basel II; Risk Management in Banks; Risk Based Supervision; Internal Capital Adequacy Assessment Process (ICAAP); Market Risk Analysis, Federal Reserve System, USA; Leadership for Extraordinary Performance, Darden School of Business, USA; IADI 4th Research Conference, Basel Switzerland, IADI International Conference, Seoul, South Korea (October 2016) and Quebec, Canada (October 2017).

Mr. Umar is married and holds the traditional title of Dan Malikin Giade. He enjoys meeting new people and engaging in physical exercises.



State-of-art technology

At **UBA Pensions**, we deliver best-in-class custodial services.

Our commitment is ensuring that our clients receive quality, efficient and responsive services.

We value relationships as much as we value our clients.

Our Management Team

Chris Ojieabu

Chief Compliance Officer

Chris, LL.M, BL, MBA, is a Barrister & Solicitor of the Supreme Court of Nigeria. He has been involved in active Legal Practice with reputable Law Firms and was Head of Corporate Trust, UBA Trustees Limited before joining UBA Pensions.

He was the pioneer Company Secretary of UBA Pensions and for some time, was the Ag. Head of Operations until he was deployed in 2017 as the Chief Compliance Officer.

He has also attended several professional courses and training programmes at various levels and is an alumnus of the Senior Management Programme of the Lagos Business School.

Chris is a graduate member of the Chartered Institute of Stockbrokers Nigeria.

Rashidah Adekola

Chief Financial Officer

Rashidah Adekola holds BSc and MSc degrees in Geography from Obafemi Awolowo University Ile-Ife and University of Ibadan, Ibadan, respectively. She is also an Associate Member of both the Institute of Chartered Accountants of Nigeria and the Chartered Institute of Taxation of Nigeria

She has over 25 years' experience in Audit, Banking Operations, Internal Control and Finance and has worked as CFO, UBA Liberia; Regional Finance Officer, UBA West Africa1; and CFO, UBA Anglophone Africa.

Tomi Ajayi

Head, Business Development & Client Services

Tomi has over two-decade experience in the financial services industry – Banking and Pension Custody. She joined UBA Pensions in 2006 where she has pioneered and led different functions.

Her core competences include relationship management, crisis management, effective communication & negotiation, process improvement, business development. Tomi is very meticulous and analytical.

Tomi is a member of the Association of Chartered Certified Accountants (ACCA). She is a graduate of Mathematics & Statistics and Master of Risk Management (MRM) both from the University of Lagos. Tomi is also an alumnus of both the Executive MBA (EMBA) and the Senior Management Programme (SMP) of Lagos Business School.

Folasade Igwe

Head, Internal Control

Folasade is a Fellow of the Institute of Chartered Accountants of Nigeria and a graduate of Biology from Lagos State University, Ojo.

She has over two-decade experience in Internal Control, Compliance and Banking Operations. She started her career at Standard Trust Bank and is gifted with the spirit of attention to details and excellent organizing skills.

Before joining UBA Pensions she has held various positions in UBA Plc as Cluster Control Manager, Area Control Manager with oversight responsibility of ensuring effective discharge of control functions in various Business Offices/Regions.

Rachel Onochie-Abugu

Company Secretary / Legal Adviser

Rachel holds a Bachelor's degree in Law (LL.B) from the University of Benin, a Master of Laws (LL.M) degree from the University of

Lagos and is an Associate of the Chartered Institute of Arbitrators UK (Nigeria branch).

She commenced her career in 1995 with the law firm of Babajide Koku and moved to Toye Coker, Ogbekene & Co., before joining the former IMB International Bank Plc in 2000 as a Legal Officer, where she rose to the position of Acting Company Secretary/Legal Adviser.

Rachel also worked in Dangote Industries Ltd, Mainstreet Bank/Skye Bank Plc/Polaris Bank Limited where her various assignments enabled the honing of her skills in every facet of corporate legal practice, leading teams spanning company secretariat, litigation, loan documentation, debt recovery and contract advisory functions.

Rachel is an ordained Christian Minister and advocate of gender parity who enjoys reading and singing.

Mopelola Adeniyi

Head, Contribution Administration

Mopelola is a seasoned banker with 16 years cognate experience in the Financial Services sector. She has held core banking roles in Branch Operations, Customer Relationship Services, Service Quality Assurance and Credit Operations.

She holds a Master of Business Administration specializing in Finance, 2014 and a bachelor's degree in Biochemistry in 2002, both from the prestigious Obafemi Awolowo University, Ile-Ife, Osun State.

She joined United Bank for Africa Plc in 2004 prior to the merger with Standard Trust Bank. She is currently Head, Contribution Administration department of UBA Pensions Custodian Limited.

Kehinde Oguntuyi

Head, Safe Keeping

Kehinde Oguntuyi holds a Bachelor's degree in Finance from University of Ilorin, and an MBA from University of Ado Ekiti, Ekiti. He has attended various professional trainings including the Senior Management Program (SMP) at the Lagos Business School.

Kehinde started his career with Afribank PLC as a Teller Control before he joined Lordsfield Limited where he worked as Administrative/Account Officer. He later moved to Teams Communications Limited as Account/Administrative Officer

He is currently Head, Safekeeping Department of UBA Pensions. He had previously worked for 5 years as Head of Contribution Department.

Lawuyi Oladapo

Head, Resources

Oladapo Ajibola Lawuyi ACIPM has over 20 years' experience in the financial services sector, which has seen him perform in Banking Operations, Retail Marketing, Human Resources and Corporate Services.

He holds an MBA (Master's in Business Administration) in Human Resource Management and a combined honours first degree in History and Sociology both from the Obafemi Awolowo University, Ile-Ife, Osun State.

He has undertaken various trainings with several leading institutions including the Lagos Business School.

He started his career with Standard Trust Bank Plc which was the most innovative Bank at that time and later merged and formed the present United Bank for Africa Plc.

He is currently Head, Resources of UBA Pensions Custodian Limited.

Abayomi Onitiju

Chief Information Officer

Yomi is a seasoned professional with years of progressive experience managing IT infrastructure and services. Yomi's competencies in IT service management and technical operations are aimed at aligning end-user needs with long-term business objectives while leveraging on technology to resolve complex challenges.

He has worked in a number of reputable institutions, including Resourcery Limited, MTN Nigeria Communications Limited, Emerging Market Telecommunications Services Ltd (Etisalat Nigeria – now 9Mobile Nigeria) among others.

Yomi holds combined honours first degree in Computer Science/Economics from Obafemi Awolowo University Ile Ife. He holds professional membership and certifications from Microsoft Inc., International Academy of Project Management (IAPM), Project Management Institute (PMI) and International Information System Security Certification Consortium (ISC2)

Winston Alile

Head, Settlement And Corporate Action

Winston has over 17 years work experience in capital market operations, financial portfolio management, business strategy and banking.

Winston is a SEC registered Sponsored individual in Portfolio Management. He is a member of the Chartered Institute of Stockbrokers and an alumnus of the Senior Management Programme (SMP) of Lagos Business School. Winston possesses a B.Sc. in Economic from the University of Ilorin and an MBA from Obafemi Awolowo University.

He worked as a pioneer staff for Afrinvest West Africa and GTB Asset Management now Investment One Financial Services as the Deputy Head, Operations and the Head, Retail Marketing respectively.

Prior to joining UBA Pensions, Winston worked as a profit center manager, financial institution with UBA Plc.

Olayiwola Ige

Chief Risk Officer

Olayiwola Ige is an award-winning Risk Management expert with over a decade of experience in Banking Operations and Consulting.

His Banking experience spanned across 8 years with FirstBank of Nigeria Plc and Ecobank of Nigeria Plc working as Operational Risk Manager in the Enterprise Risk Management division of both organisations.

More recently, he was part of the teams of consultants to Bank of Industry (BOI) and Nigeria Ports Authority that reviewed and implemented their Enterprise Risk Management frameworks.

Olayiwola was awarded as the best staff in Operational Risk Management of First Bank in 2012.

He holds a Master of Business Administration from Obafemi Awolowo University, Nigeria and also a Bachelor's degree in Biochemistry from Federal University of Technology, Akure. He is Certified as an Enterprise Risk Manager by International Academy of Business and Financial Management (IAFM)

Lai is a thoroughbred all round Risk Management expert with a practical approach to risk management processes.

Risk Management

ENTERPRISE RISK MANAGEMENT SUMMARY

Risk Management is a fundamental management and control activity which underpins the entire business of UBA Pensions.

There is up to date Risk Management Policy in place approved by the Board, which is aimed at UBA Pensions' commitment to managing risk as an integral component of its operations to maximize opportunities and minimize impediments to its mission, vision, strategies, goals, and objectives. It is therefore critically important to all stakeholders that the adequacy and effectiveness of the risk management processes are of a standard which is relevant and proportionate to the size and nature of the business.

STRATEGIC RISK MANAGEMENT OBJECTIVES

Our objectives are to:

- Create and sustain a world class risk management function that is process based, cutting edge technology enabled and driven by a highly trained workforce.
- Ensure zero tolerance for policy violation and service delivery failure.
- Ensure zero tolerance for regulatory infraction.
- Pursue and attain the highest standard of corporate governance in line with regulation
- Ensure the integrity and reliability of our database, accounting/MIS, IT infrastructure and all operating systems with a view to ensuring prompt and accurate rendition of our regulatory returns and timely provision of accurate information for management decision.
- Institute an efficient legal practice and processes that prevent or mitigate exposures to Legal Risk
- Maintain a feedback process that facilitates the continuous review of risk analysis and processes for effectiveness, relevance, and changes in the marketplace.

At UBA pensions, the above strategic risk management objectives are organized in a way such that an optimal balance exists between risk management, service delivery, relationship management and control objectives.

UBA PENSIONS RISK MANAGEMENT PHILOSOPHY

We shall:

- Strive to meet and exceed minimum best practice standards in risk management as defined by regulations
- Promote an enterprise-wide risk management culture and ensure that every member of staff is involved in risk management process.
- Recognize that the long-term survival of UBA Pensions depends on its ability to abide by sound risk management practices and corporate governance principles. Where there is a conflict between risk and revenue considerations, risk management issues take precedence.
- Maintain a best-in-class risk management and control function through effective and efficient processes enabled by cutting edge technology.
- Engage the Board of Directors and senior management in the risk management and control process.
- Drive compliance with regulatory standards and internal policies.
- Ensure that our risk reports are integral to the management process to provide a continuous basis for reviewing corporate strategies, products pricing, performance appraisal and consequence management.

KEY RISKS IN UBA PENSIONS

The major risks UBA Pensions are exposed to include the following:

- Operational risk
- Market risk
- Counter party risk
- Business Continuity
- Compliance and Regulatory
- Information security
- Business/Strategic Risk
- Legal Risk
- Reputational Risk
- Liquidity risk
- Country/Political risk

RISK GOVERNANCE STRUCTURE

The Board of Directors of UBA Pensions has established the Board Audit and Risk Management Committee with oversight on Compliance and Risk. This Committee, and the full Board, have approved and taken ownership of the Risk Management Policy and take an active interest in its implementation.

Within UBA Pensions, there is a Chief Risk Officer, who has prime responsibility for identifying, assessing, measuring, monitoring, and reporting risks, as well as ensuring the risks are adequately mitigated and/or controlled.

This Risk Management function has a reporting line to the CEO, as well as a reporting line to the Board Audit and Risk Management Committee of UBA Pensions.

RISK MANAGEMENT ACTIVITIES FOR THE PERIOD UNDER REVIEW

The yearly risk management Plan that sets out how risk will be managed in the organization in line with the Risk management policy was approved by the Board during the period under review.

The business continuity plan for the organization was also approved by the Board during the period under review.

Disaster recovery was tested quarterly for the period under review, confirmed functional and ready.

We further entrenched the organization's response to COVID 19 and successfully ensured that our work placesare safe for both staff and clients.

Other risk management procedures and tools such as Risk & Control Self-Assessment, Key Risk Indicators, Incidents Management and Risk Dashboard are being deployed and critically monitored.

CONCLUSION

In conclusion, with the strong risk oversight from the Board and best practice risk management processes in place at UBA pensions, the overall risk exposures are being effectively managed, and we are further strengthening the risk management function to handle the emerging risks as the business expands and the operating environment changes.

Corporate Information

DIRECTORS

Mr. Victor Osadolor	-	*Chairman*
Ms. Blessing Ogwu	-	*Managing Director/CEO*
Dr. Awele Elumelu	-	*Non-Executive Director*
Mr. Mohammed Yayangida Umar	-	*Independent Non-Executive Director (wef May 2021)*
Mr. Abbas Jega Mohammed	-	*Independent Non-Executive Director*
Mr. Chukwuma Nweke	-	*Non-Executive Director*
Mr. Ugochukwu Alex Nwaghodoh	-	*Non-Executive Director (wef May 2021)*
Mr. Daniel Wajuihian	-	*Executive Director (wef Sept 2021)*

Secretary
Rachel Onochie-Abugu

Registered Address
22B, Idowu Taylor Street,
Victoria Island, Lagos.

Auditor
Ernst & Young
10th & 13th Floors
UBA House
57 Marina,
Lagos

Banker
United Bank for Africa Plc.
Marina
Lagos

Corporate Governance Report

The Board of Directors of UBA Pensions Custodian Limited ("the Company") is committed to high standards of corporate governance and devotes significant effort to identify and formalize best practices. The Company's strategic corporate governance practices and activities during the year ended 31 December 2021 are highlighted in this report.

BOARD STRUCTURE AND COMPOSITION

The Board of the Company as at the end of the financial year was composed of eight (8) members as follows:

S/N	MEMBERS	ROLE
1	Mr. Victor Osadolor	Chairman
2	Ms. Blessing Ogwu	MD/CEO
3	Mr. Daniel Wajuihian	Executive Director
4	Dr. Awele Elumelu	Non-Executive Director
5	Mr. Chukwuma Nweke	Non-Executive Director
6	Mr. Ugochukwu Alex Nwaghodoh	Non-Executive Director
7	Mr. Abbas Jega Mohammed	Independent Non-Executive Director
8	Mr. Mohammed Yayangida Umar	Independent Non-Executive Director

The Board's structure is governed by the Company's Board Governance and Board Committees' Governance Charter, the Nigerian Code of Corporate Governance, and the National Pension Commission's Guidelines on Corporate Governance. The Board has an appropriate mix of skills, experience and diversity that are relevant to the Company's strategy, governance, and custody business, which strengthens its effectiveness.

Comprehensive guidelines, policies and procedures have been formulated by the Board in support of the Company's corporate governance framework, including the "Board Governance and Board Committees Governance Charter", "Code of Corporate Governance", "Conflict of Interest Policy ", "Internal Control Plan", "Compliance Policy and Programme", "Whistleblowing Policy", "Succession Planning Policy and Procedure", "Risk Management Policy", Sustainability Policy, Diversity Policy, Data Privacy Governance Policy and Stakeholders Management & Communication Policy. The Company's Policies are reviewed regularly by the Board and the relevant Board Committees and are updated in line with the amendments of applicable legislations and rules as well as changes in current market practices and operating environment.

The Board also closely monitors the implementation of strategic initiatives as key drivers of the Company's business and the implementation of the I.T. Transformation Project with added focus on projects such as the Navision-CRP System Integration, 2Factor Authentication for Enterprise Resource Planning/Navision and other Automation Processes that were implemented in 2021.

RELATIONSHIPS ON THE BOARD

- There is no biological, family or marital relationship between the MD/CEO and the Chairman. The Chairman and the Managing Director roles are distinct and held by individuals who do not have any family ties, thereby ensuring that no one individual has unfettered powers of decision making.
- The posts of Chairman and Chief Executive Officer of the Company are separate to ensure a clear distinction between the Chairman's responsibility to manage the Board and the Chief Executive Officer's responsibility to manage the Company's business.
- Both Independent Non-Executive Directors on the Board have not been employed by the Company or its associated companies, are not shareholders of the Company and have not accepted any compensation from the Company or any of its related companies other than compensation for Board services.
- Members of the Board have diverse experience and there is a balance of skills and knowledge.
- At each regular Board meeting, presentations are made to the Board on various aspects, including business

performance, financial performance, corporate governance, and outlook, etc. A written report reviewing all the key operational aspects of the Company was provided to the directors before each regular Board meeting to enable them to make informed decisions for the benefit of the Company.

- In accordance with the provisions of the Company's Conflict of Interest Policy, a director, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest at the meeting of the Board at which the question of entering the contract or arrangement is first considered.

CHANGES IN THE STRUCTURE & COMPOSITION OF BOARD

Following the retirement of Dr. Tukur Ingawa from the Board with effect from April 25, 2021, Mr. Ugochukwu Nwaghodoh and Mr. Mohammed Yayangida were admitted to the Board with effect from May 19, 2021. In addition, Mr. Daniel Wajuihian was appointed Executive Director, Operations & Information Technology with effect from September 3, 2021. The changes were duly communicated to and approved by the National Pension Commission.

Consequently, changes were effected as follows, in the composition of the Board Committees, to facilitate best governance practices:

NOMINATIONS COMMITTEE

S/N	MEMBERS	ROLE	REMARKS
1.	Mr. Abbas Jega Mohammed	Chairman/Independent Non-Executive Director	Mr. Abbas became a member of the Committee in Q2 and Chairman with effect from Q3, 2021.
2.	Dr. Awele Elumelu	Member/Non-Executive Director	Dr. Elumelu ceased to be the Chairman of the Nominations Committee effective Q3, 2021
3.	Mr. Ugochukwu Nwaghodoh	Member/Non-Executive Director	Admitted to the Board with effect from May 19, 2021 and joined the Committee in Q2, 2021
4.	Mr. Chukwuma Nweke	Member/Non-Executive Director	
5	Mr. Tukur Ingawa	Member/Independent Non-Executive Director	Mr. Tukur Ingawa retired in Q2, 2021

AUDIT & RISK MANAGEMENT COMMITTEE

S/N	MEMBERS	ROLE	REMARKS
1.	Mr. Mohammed Yayangida Umar	Chairman/Independent Non-Executive Director	Mr. Mohammed Umar joined the Board with effect from May 19, 2021 and became Chairman of the Committee with effect from Q3, 2021.
2.	Dr. Awele Elumelu	Member/Non-Executive Director	Dr. Elumelu ceased to be a member of the Committee in Q2, 2021 following a reconstitution of the Board Committees.
3.	Mr. Abbas Jega Mohammed	Member/ Independent Non-Executive Director	
4.	Mr. Ugochukwu Nwaghodoh	Member/Non-Executive Director	Mr. Ugochukwu Nwaghodoh was admitted to the Board on May 19, 2021 and joined the Committee in Q2, 2021.
5.	Mr. Chukwuma Nweke	Member/Non-Executive Director	

FINANCE & GENERAL PURPOSE COMMITTEE

S/N	MEMBERS	ROLE	REMARKS
1.	Mr. Chukwuma Nweke	Chairman/Non-Executive Director	
2.	Ms. Blessing Ogwu	Member/ MD	
3	Mr. Abbas Jega Mohammed	Member/Independent Non-Executive Director	Mr. Abbas Mohammed ceased to be a member of the Committee in Q2 2021, following the reconstitution of the Board Committees.
4.	Dr. Awele Elumelu	Member/Non-Executive Director	
5.	Mr. Ugochukwu Nwaghodoh	Member/Non-Executive Director	Mr. Ugo Nwaghodoh was admitted to the Board on May 19, 2021 and joined the Committee in Q2 2021.
6.	Mr. Mohammed Yayangida Umar	Member/Independent Non- Executive Director	Mr. Mohammed was admitted to the Board on May 19, 2021
7.	Mr. Daniel Wajuihian	Member/ Executive Director	Mr. Daniel Wajuihian was inducted at the 66th Board Meeting and admitted to F&GPC on the 10th of December 2021

THE ROLES & RESPONSIBILITIES OF THE BOARD

The Board of UBA Pensions met 5 (five) times during the review period. The Board provided overall guidance and policy direction to Management in the areas of Strategic direction, Policy formulation, Decision making and General Oversight duties. The duties of the Board were as follows:

- Setting out the vision and mission of the Company and ensuring that it has an appropriate strategy and the organizational structure and capacity to achieve them.
- Ensuring that there is an effective Management team in place and monitoring and evaluating its performance on an on-going basis.
- Reviewing the Company's operations against its set objectives.
- Ensuring adequate control and satisfactory financial performance of both the Company and the PFAs' Funds in its custody.
- Monitoring and ensuring compliance with all relevant laws and regulations.
- Ensuring that the Company has an adequate risk management framework and a sound system of internal controls in place.
- Ensuring a formal and rigorous evaluation of its own performance and that of its Committees and individual members, on an annual basis, pursuant to the requirements of the National Pension Commission.
- Establishing the relevant Board Committees, each with written terms of reference.
- Setting out a formal schedule of matters specifically reserved for its decision to ensure adequate oversight of the Company.

DIRECTORS PARTICIPATION AT MEETINGS

The Directors of the Company play an active role in participating in the Company's meetings through the contribution of their professional opinions and active participation in discussion. The attendance record of each of the directors for the Board meetings, the Board Committees' meetings and the Annual General meeting held during the 2021 Financial Year is listed as follows.

BOARD OF DIRECTORS – COMPOSITION & MEETINGS ATTENDANCE

S/N	MEMBERS	MAR 30 2021	JUNE 14 2021	JUN 23 2021	AGM JUNE 23 2021	SEPT 23 2021	DEC 17 2021
1.	Mr. Victor Osadolor Chairman	✓	✓	✓	✓	✓	✓
2.	Ms. Blessing Ogwu MD/CEO	✓	✓	✓	✓	✓	✓
3.	Mr. Daniel Wajuihian Executive Director	*	*	*	*	✓	✓
4.	Mr. Abbas Jega Mohammed Member/ Independent Non-Executive Director	✓	✓	✓	✓	✓	✓
5.	Dr. Awele Elumelu Member/Non-Executive Director	*	✓	✓	✓	*	✓
6.	Dr. Tukur Ingawa Member/Independent Non-Executive Director	✓	*	*	*	*	*
7.	Mr. Chukwuma Nweke Member/Non-Executive Director	✓	✓	✓	✓	✓	✓
8.	Mr. Ugochukwu Nwaghodoh Member/ Non-Executive Director	*	✓	✓	✓	✓	✓
9.	Mr. Mohammed Yayangida Umar Member/ Independent Non-Executive Director	*	✓	✓	✓	✓	✓

** Mr. Tukur Ingawa retired from the Board effective April 25th, 2021*

**Mr. Ugochukwu Nwaghodoh was admitted into the Board on May 19, 2021*

**Mr. Mohammed Yayangida Umar was admitted to the Board on May 19, 2021*

**Mr. Daniel Wajuihian was admitted to the Board on September 3, 2021*

BOARD TENURE

S/N	MEMBERS	ROLE/DESIGNATION	DATE OF APPOINTMENT	CUMULATIVE YEARS OF SERVICE
1	Mr. Victor Osadolor	Chairman/Non-Executive Director	28/10/2015	6 years, 2 months
2	Ms. Blessing Ogwu	MD/CEO	08/01/2021	11 months
3	Mr. Daniel Wajuihian	Executive Director	03/09/2021	4 months
4	Dr. Awele Elumelu	Non-Executive Director	31/08/2009	12 years, 4 months
5	Mr. Chukwuma Nweke	Non-Executive Director	29/05/2020	1 year, 7 months
6	Mr. Ugochukwu Alex Nwaghodoh	Non-Executive Director	19/05/2021	7 months
7	Mr. Abbas Jega Mohammed	Independent Non-Executive Director	23/12/2015	6 years
8	Mr. Mohammed Yayangida Umar	Independent Non-Executive Director	19/05/2021	7 months

DELEGATION OF AUTHORITY BY THE BOARD-TO-BOARD COMMITTEES

As stipulated in Section 5 of the Internal Code of Corporate Governance - **The Committee System -** The Board shall make use of the Committee System, which provides added opportunity for the fuller involvement of members of the Board, especially Non-Executive Directors with relevant expertise, in the affairs of the Company. Nevertheless, while the Board may delegate its functions to Committees, it shall not abdicate its responsibilities.

To ensure efficiency and effectiveness, the Board delegates some of its functions, duties, and responsibilities to its Board Committees without abdicating its oversight role.

The Committees of the Board as at December 31, 2021 were as follows:

- Finance & General Purpose Committee
- Audit & Risk Management Committee
- Nominations Committee

Below are schedules of the Board Committees, their composition, and summaries of their Terms of Reference:

BOARD FINANCE & GENERAL PURPOSES COMMITTEE - TERMS OF REFERENCE:

a. Discharge the Board's responsibilities regarding strategic direction and budgeting, oversight on financial matters and the performance of the Company.

b. Review Company policies of financial and general nature and make financial and investment decisions within its approved limits on behalf of the Board.

c. Formulate the Strategy of the Company and make recommendations to the Board accordingly.

d. Consider and approve the Information Technology governance framework and extra budgetary expenditure above the limits of Executive Management.

FINANCE & GENERAL PURPOSE COMMITTEE – COMPOSITION, ROLE & MEETINGS ATTENDANCE

S/N	MEMBERS	MAR 23 2021	JUN. 18 2021	SEPT 21 2021	DEC. 10 2021
1.	Mr. Chukwuma Nweke Chairman/Non-Executive Director	*	✓	✓	✓
2.	Ms. Blessing Ogwu Member/Managing Director	✓	✓	✓	✓
3.	Mr. Abbas Jega Mohammed Member/Independent NED	✓	*	*	*
4.	Dr. Awele Elumelu Member/Non-Executive Director	✓	✓	*	✓
5.	Mr. Mohammed Yayangida Umar Member/Independent Non- Executive Director	*	✓	✓	✓
6.	Mr. Ugochukwu Nwaghodoh Member/ Non- Executive Director	*	✓	✓	✓
7.	Mr. Daniel Amin Wajuihian	*	*	*	✓

** Mr. Abbas Mohammed ceased to be a member of the Committee in Q2 2021*

**Mr. Ugochukwu Nwaghodoh was admitted to the Board on May 19, 2021(Q2 2021)*

**Mr. Mohammed Yayangida Umar was admitted to the Board on May 19, 2021 (Q2 2021)*

**Mr. Daniel Wajuihian was inducted at the 66th Board Meeting and admitted to the F &GPC on Dec 10, 2021*

BOARD AUDIT & RISK MANAGEMENT COMMITTEE - TERMS OF REFERENCE:

a. To assist the Board of Directors in fulfilling its oversight responsibilities regarding audit and control and ensure that an effective system of financial and internal control is in place.

b. To monitor and assess the overall integrity of the financial statements and disclosures on the financial condition and results of the Company.

c. To monitor and evaluate on a regular basis the qualifications, independence and performance of the External Auditors and the Internal Audit & Control Department.

d. Safeguard the assets and income of the Company and monitor processes designed to ensure compliance by the Company with all legal and regulatory requirements.

e. Governance of risk and determining the risk tolerance, risk appetite, risk monitoring, risk assurance and risk disclosure for the custody business and the Company.

f. Review and assess the integrity and adequacy of the overall risk management function of the Company.

AUDIT & RISK MANAGEMENT COMMITTEE – COMPOSITION, ROLE & MEETINGS ATTENDANCE

S/N	MEMBERS	MAR 22 2021	JUN. 16 2021	SEPT 16 2021	DEC 8 2021
1.	Dr. Tukur Ingawa Chairman/Independent Non-Executive Director	✓	*	*	*
2.	Mr. Mohammed Yayangida Umar Chairman/Independent Non-Executive Director	*	✓	✓	✓
3.	Mr. Abbas Jega Mohammed Member/Independent NED	✓	✓	✓	✓
4.	Dr. Awele Elumelu Member/Non-Executive Director	✓	*	*	*
5.	Mr. Chukwuma Nweke Member/Non-Executive Director	*	✓	✓	✓
6.	Mr. Ugochukwu Nwaghodoh	*	✓	✓	✓

** Mr. Tukur Ingawa retired from the Board effective April 25th, 2021.*

** Mr. Mohammed Umar joined the Board with effect from May 19,2021 and became Chairman of the Committee with effect from Q3 2021.*

** Dr. Elumelu ceased to be a member of the Committee in Q2 2021 following the reconstitution of the Board Committees.*

BOARD NOMINATIONS COMMITTEE - TERMS OF REFERENCE:

a. Propose candidates to the Board for all Board positions (both executive and non-executives), establish procedures for the nomination of Directors, advise and recommend to the Board the composition of the Board and evaluate the skills of members of the Board directly or through Consultants.

b. Advise the Board on corporate governance standards and policies and make recommendations to the Board on the remuneration of Directors.

c. Review all human resources and governance policies for the Company and approve recruitments, promotions, redeployments and disengagements for the Company for staff members on Senior Grade levels.

d. Recommend the organizational structure of the Company to the Board for approval.

e. Organize Board and Board Committees inductions and trainings and evaluate and appraise the performance of the Board and Board Committees and their members annually.

UBA Pensions

NOMINATIONS COMMITTEE – COMPOSITION, ROLE & MEETINGS ATTENDANCE

S/N	MEMBERS	MAR 23 2021	JUN 18 2021	SEPT 21 2021	DEC 10 2021
1.	Mr. Abbas Jega Mohammed Chairman/ Independent Non-Executive Director	*	✓	✓	✓
2.	Dr. Awele Elumelu Member/Non-Executive Director	✓	✓	*	✓
3.	Dr. Tukur Ingawa Member/ Independent Non-Executive Director	✓	*	*	*
4.	Mr. Ugochukwu Nwaghodoh Member/Non-Executive Director	*	✓	✓	✓
5.	Mr. Chukwuma Nweke Member/Non-Executive Director	✓	✓	✓	✓

** Mr. Abbas Mohammed became a member of the Committee in Q2 2021 and Chairman with effect from Q3 2021.*

**Dr Elumelu ceased to be Chairman in Q3 2O21 following the reconstitution of the Board Committee.*

**Dr Tukur Ingawa retired from the Board effective April 25, 2021.*

Mr. Ugo Nwaghodoh was admitted to the Board with effect from May 19, 2021 and joined the Committee in Q2 2021.

MATERIAL TRANSACTIONS REQUIRING BOARD APPROVAL

The following transactions require Board approval under the Company's Internal guidelines:

- Approving and reviewing corporate strategy
- Approving annual budgets and business plans
- Setting performance objectives
- Approving policies
- Approving major capital expenditures, acquisitions, and divestments

THE PROCESS OF SELECTION & APPOINTMENT OF NEW DIRECTORS TO THE BOARD

The criteria for the appointment of members to the Board are laid down in the Board Governance and Board Committees Governance Charter and is a formal, transparent, and rigorous process. New members are selected based on the National Pension Commission's Guidelines for Appointment to Board and Top Management Positions in PFAs and PFCs, GL/APPT/01and other extant guidelines as well as interest and relevant skills and experience, among others.

The process of Board appointments is not concluded until the nominees are duly approved by the National Pension Commission (PenCom) and ratified by Shareholders at the Company's Annual General Meeting.

BOARD EFFECTIVENESS/ANNUAL BOARD APPRAISAL

The Board recognizes that regular evaluations of its performance are essential to good corporate governance and Board effectiveness. Pursuant to the relevant provisions of the National Pension Commission's Guidelines on Corporate Governance for Licensed Pension Operators and best practices, the Board engaged an Independent Consultant (Messrs. Deloitte & Touché) to conduct a formal and rigorous evaluation of its own performance and that of its Committees and individual directors.

The Board appraisal covered the Board's structure and composition, processes, relationships, competencies, roles, and responsibilities and assessed the effectiveness of the Board as a whole, and the contribution of each Board Committee and each individual director to the success of the Board.

In 2021, the appraisal of the Board by Messrs Deloitte & Touché stated that the Board substantially complied with the provisions of the extant Codes of Corporate Governance in terms of its structure, composition, procedures, and responsibilities and that the key Board functionaries (Board and Board Committee Chairpersons) and the Board Committees met their responsibilities under the Codes and governance charters in UBA Pensions.

Messrs Deloitte & Touché also confirmed, from their Corporate Governance Review of the Company, that the Corporate Governance framework and practices substantially comply with the provisions of the extant Codes of Corporate Governance. The assessment of individual directors showed that they devoted adequate time and resources to the business of the Board and UBA Pensions as a whole and possess the right skills and competencies required for their roles. Specific recommendations to further improve the Company's governance practices were also articulated and included in detailed reports to the Board and submitted to the National Pension Commission.

The Evaluation was conducted through reviews of documents, especially the Board and Board Committees Governance Charters, minutes of meetings, governance manuals/ policies, and other documents, which were benchmarked against extant Codes of Corporate Governance and leading corporate governance practices. A Board Assessment Survey was deployed, and interview sessions were held with members of the Board of Directors.

INDUCTION AND DEVELOPMENT

Upon appointment to the Board, Directors are provided with comprehensive induction training to ensure that they have a thorough understanding of the Company's operations and governance policies as well as their role and responsibilities. The Company's Training & Onboarding Policy provides direction in this regard. Each new director receives an Induction Manual which contains the Board's terms of reference, an overview of Directors' responsibilities, relevant Guidelines and Policies and information on key governance issues.

As part of the continuous professional development for its directors to develop and refresh their knowledge and skills, necessary for the performance of their duties, training programmes are organized to help Directors keep abreast of current trends and issues facing the Company and the pensions industry.

In 2021, directors participated in six (6) training sessions designed to enrich their understanding of the requirements of the Board and of the latest industry/market trends and developments as listed below:

2021 DIRECTORS' TRAINING ATTENDANCE:

Period	Course Title	Attendee(s)
Q1	Board Effectiveness	Mr. Victor Osadolor Dr. Tukur Ingawa Mr. Abbas Jega Mohammed Mr. Chukwuma Nweke Ms. Blessing Ogwu
Q2	Leadership & Effective Governance Enterprise Risk Management & Financial Risk Management Sustainability	Mr. Victor Osadolor Dr. Awele Elumelu Mr. Abbas Jega Mohammed Mr. Chukwuma Nweke Ms. Blessing Ogwu
Q2	Independent Directors Masterclass	Mr. Abbas Jega Mohammed
Q3	Driving Strategic Innovation and Business Development	Ms. Blessing Ogwu Mr. Chukwuma Nweke Mr. Mohammed Yayangida Umar
Q4	Company Direction Course 2	Mr. Mohammed Yayangida Umar
Q4	Internal Audit and Control Roles of the Board Digital Transformation Skill Programme Financial Stewardship and Accountability	Mr. Victor Osadolor Ms. Blessing Ogwu Mr. Daniel Wajuihian Mr. Chukwuma Nweke Mr. Ugochukwu Nwaghodoh Mr. Abbas Mohammed Mr. Mohammed Yayangida Umar

GENDER DIVERSITY

The Company has a Diversity Policy, promotes gender diversity and provides equal pay for equal work. Two (2) of the 8 members of the Board are females, constituting 25% of the Board membership. In addition, the Company's workforce was made up of 51% males and 48.8% females. Five (5) of the Eight (8) staff in the Company's Management/Senior Management cadre are females. The Company continues to work on improving the suitability of the workplace for every gender and to harness the intelligence and perspective of the entire workforce to drive growth and innovation.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

During the year under review, UBA Pensions substantially complied with the provisions of the PENCOM Circular on Corporate Governance for Pension Fund Operators and, where applicable, adopted the recommended best practices set out in the Nigerian Code of Corporate Governance.

CORPORATE GOVERNANCE PRACTICES

UBA Pensions strives to improve its governance practices and prides itself on its openness and transparency. Following the issuance by the National Pension Commission of the Circular on Corporate Governance for Pension Fund Operators and the commencement of the application of the Nigerian Code of Corporate Governance 2018, the Company amended its Code of Corporate Governance and Compliance Program, among others, to reflect salient changes in both Codes. In 2021, several new policies have been put in place to enhance the Company's governance practices.

During the review period, the Board continued to give due attention to matters of corporate governance, corporate strategies, and the future growth and viability of the Company in the very dynamic business environment while providing guidance and support to Management in pursuit of its corporate objectives.

The Board met a total of five (5) times during the period – a meeting in each of the four quarters of the year, except for the second quarter in which two meetings were held. The Board deliberated on various matters within its mandate. It approved several revised policy documents including the Accounting Policy, Business Continuity Plan, Code of Professional Conduct and Ethics, Compliance Policy and Compliance Communication Program, Conflict of Interest Policy, Disciplinary Process Sanctions Policy, Dividend Policy, Document Management Policy, Expense Empowerment Policy, ICT Strategy Policy, Internal Control Plan, Management Committees Governance Charter, Policy on Appointment of External Auditors, Risk Management Plan, Staff Hand Book, Succession Policy and Whistle Blowing Policy. The Board also considered the issues arising from its Regulatory Routine Examination Reports as well as Compliance, Internal Control, Risk Management, Human Capital Management, Financial Performance issues and the monitoring and implementation of the Company's Strategy Plan amongst others.

Below are some of the additional governance practices instituted and implemented in the Company:

- New policies such as the Clawback Policy, Diversity Policy, Insider Trading Policy, Remuneration Policy, Sustainability Policy and the Board Succession Plan were put in place.
- The Non-Executive Directors held their second meeting excluding the Executive Directors, on December 17, 2021.
- The Board Audit & Risk Management Committee met with the External Auditors and Internal Auditors on December 24, 2021.
- The Board Evaluation and Corporate Governance Review of the Company were carried out for 2021FY.
- An Independent Non-Executive Director, Abbas Jega Mohammed became the Nominations Committee Chairman in Q3 2021, in compliance with regulatory recommendation.
- The creation of an Independent Internal Audit Department covering two units – Internal Control and Internal Audit, was approved by the Board.
- In accordance with section 401 (2) of the Companies and Allied Matters Act, 2020 and section 20.2 of the Nigerian Code of Corporate Governance 2018, Messrs. Ernst & Young have indicated their willingness to continue in office as External Auditors of UBA Pensions Custodian Limited.
- The Board Chairman is neither the Chairman nor a member of any of the Board Committees.
- The MD/CEO and Executive Director are not members of the Board Committees responsible for remuneration, audit, nominations, or governance.
- Only 1 Director currently has an interest in companies that provide professional services to the Company and she made the requisite Disclosure of Interest. These companies are Avon Medical Practice Limited, Avon Healthcare Limited and Heirs Insurance Brokers Limited

- The Board acts in the best interest of its shareholders and other stakeholders based on transparency, accountability and equity.
- All Directors participate in periodic, relevant, continuing education programs to update their knowledge and skills and keep them informed of new developments in the Company's business and operating environment.
- The meetings of the Board, Board Committees and the Shareholders meetings are scheduled one year in advance. Board papers are sent to Directors one week before the meeting, the agenda is clear, and matters are dealt with expeditiously.
- The Company has various Management Committees to assist Management in the day-to-day running of the Company namely the Executive Management Committee, I.T. Steering Committee, Change Management and Cost Optimization Committees. Ad-hoc Committees are constituted from time to time to deal with specific matters.
- The Company's Whistle-blowing Policy and Compliance Communication Program have the assurance of confidentiality and are further monitored by the National Pension Commission.
- Directors have access to Management through the Company Secretariat and have the liberty to engage independent Consultants at the expense of the Company if required.
- The Independent Directors represent strong independent voices on the Board and are free from relationships and circumstances with the Company, Management, or substantial Shareholders.
- New members to the Board are formally inducted to familiarize them with the Company's Strategic Plan, operations, business environment, fiduciary responsibilities, and senior management.

STRATEGIC PLANNING

The Board pays close attention to the implementation of the 3-year Strategic Plan for 2020-2022 which was developed to identify and assess the opportunities and challenges that the Company might face and to develop a planned course of action for the Company to generate sustainable long-term value for Shareholders. It was formulated with key strategic initiatives covering Customers, Financials, Internal Processes and Learning & Growth. A standard report addressing the implementation of the Plan is presented to the Board at its quarterly meetings.

THE ADEQUACY OF INTERNAL CONTROL

The Audit & Risk Management Committee is vested with the responsibility of overseeing the effectiveness and adequacy of internal control systems. It is also responsible for ensuring the adequacy and effectiveness of risk management. Quarterly Risk Management, Compliance and Internal Control Reports which include financial performance, operational and compliance controls and risk management are presented to the Audit & Risk Management Committee by the Heads of Risk Management, Compliance and Internal Control and significant items are highlighted to the Board for notification, approval or resolution.

REMUNERATION OF DIRECTORS

Each of the Company's Non-Executive directors is entitled to directors' fees, which are determined by the Board with authorization granted by the shareholders at the Company's annual general meetings. Furthermore, the Company ensures that remuneration paid to its directors is authorized in compliance with extant laws.

The Company makes disclosures of remuneration paid to its directors as follows:

PACKAGE	TYPE	DESCRIPTION	TIMING
Basic Salary	Fixed	This is part of the gross salary for the Executive directors only. It reflects the pension industry competitive salary package and the extent to which Company's objectives have been met for the financial year.	Paid monthly during the financial year
13th month salary	Fixed	This is part of the gross salary for the Executive directors only. It reflects the pension industry competitive salary package and the extent to which Company's objectives have been met for the financial year.	Paid in a month in the financial year
Directors Fees	Fixed	This is paid bi-annually to Non-Executive Directors	Paid bi-annually
Sitting Allowances	Fixed	Sitting allowances are paid to the Non-Executive Directors only, for attending Board and Board Committee meetings	Paid after each meeting

FINES/PENALTIES

There were no fines and penalties by regulators at the end of the reporting period

CONCLUSION

We affirm that the Board of Directors continues to act in good faith and with due diligence and care in pursuit of the best interests of the Company and its stakeholders. It remains devoted to monitoring and ensuring the satisfactory resolution of the recommendations contained in PENCOM's Examination Reports, the Board Evaluation and Corporate Governance Reports and is confident of an improved performance by the Company. The Board is also committed to partnering with the National Pension Commission to ensure the achievement of the laudable goals of the Pension Reform Act, 2014 and other relevant enactments.

BY ORDER OF THE BOARD

Rachel Onochie-Abugu
Company Secretary
FRC/2021/002/00000022936

Lagos, Nigeria

24 March 2022

Report of the Directors of UBA Pensions Custodian Limited

In compliance with the Companies & Allied Matters Act, 2020, the Directors of UBA Pensions Custodian Limited are pleased to present to Shareholders the audited Financial Statements of the Company for the financial year ended December 31, 2021.

CORPORATE STRUCTURE AND BUSINESS

UBA Pensions Custodian Limited (UBA Pensions) is a private company and was incorporated in September 2005 in line with the *Pension Reform Act 2004 (as amended in 2014)*, and is a wholly owned subsidiary of UBA Plc.

The Company is licensed to carry on the business of custody of pension fund and assets and to hold and deal with such fund and assets to the exclusive order of the Pension Fund Administrator(s) for the benefit of the account holders in the Pension Fund Administrator(s), in accordance with the directives given by the National Pension Commission and in conformity with the Pension Reform Act 2014.

The Company's registered business office is 22B, Idowu Taylor Street, Victoria Island, Lagos. It has arms-length dealings with Pensions Funds Administrators and other stakeholders in the Pensions industry with formal and transparent procedures and processes.

OPERATING RESULTS

	2021 ₦'000	2020 ₦'000
Gross earnings	7,141,947	6,210,787
Profit before income tax expense	5,772,786	3,517,992
income tax expense	(1,871,731)	(1,519,399)
Profit after tax	3,901,055	1,998,593
Profit attributable to shareholders	3,901,055	1,998,593
Basic and diluted earnings per share (Kobo)	195	100

ANALYSIS OF SHAREHOLDING

The Share Capital is ₦2,000,000,000 divided into 2,000,000,000 ordinary shares of ₦1.00 each.

UBA Pensions is a wholly owned subsidiary of UBA Plc. The Company has two shareholders, namely United Bank for Africa Plc with 99.99% and Bili Odum with 0.01% of the total paid-up Capital. The authorized and paid-up capital of the Company remained at ₦2 Billion.

INTERIM DIVIDEND

During the period, the Directors approved a dividend of ₦1.65K per ordinary Share of ₦1:00 each to be paid to Shareholders. The dividend is yet to be approved by the National Pension Commission and would be ratified by members at the Annual General Meeting. The dividend has been included as a liability in these financial statements and is subject to a withholding tax at the appropriate tax rate.

DIRECTORS

The following were Directors of the Company who served during the period under review:

BOARD MEMBERS

S/N	DIRECTOR	ROLE
1	Mr. Victor Osadolor	Chairman
2.	Ms. Blessing Ogwu	MD/CEO
3.	Mr. Daniel Wajuihian	Executive Director appointed effective September 3, 2021
4.	Mr. Chukwuma Nweke	Non-Executive Director
5.	Mr. Ugochukwu Nwaghodoh	Non-Executive Director appointed effective May 19, 2021
6.	Dr. Awele Elumelu	Non-Executive Director
7	Mr. Abbas Jega Mohammed	Independent Non-Executive Director
8.	Mr. Mohammed Yayangida Umar	Independent Non-Executive Director appointed effective May 19, 2021

PROPERTY AND EQUIPMENT

There was no change in the nature of the property, plant, and equipment of the Company or in the policy regarding their use. On 31 December 2021, the Company's property and equipment amounted to ₦129,022,000 (2020: ₦99,977,00). In the opinion of the Directors, the net realisable value of the Company's property and equipment is not less than the carrying value in the financial statements. Refer to Note 20 of the financial statements for further details on changes in property and equipment.

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR FINANCIAL STATEMENTS

In compliance with the provisions of Sections 377 and 378 of the Companies and Allied Matters Act 2020, 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 other comprehensive income for that year. In so doing they ensure that:

a. Adequate internal control procedures are instituted to safeguard the assets, prevent, and detect frauds and other irregularities.

b. Proper accounting records are maintained.

c. Applicable accounting standards are adhered to.

d. Suitable accounting policies are adopted and consistently applied.

e. Judgments and estimates made are reasonable and prudent and

f. The financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

DIRECTORS' INTERESTS

The Directors are not Shareholders of the Company.

EMPLOYMENT & EMPLOYEES

UBA Pensions Custodian Limited had a total of 73 staff as of 31 December 2021 comprising of 2 Executive Management, 5 Management staff, and 66 Professionals.

Innovation, teamwork, and cordial relations is encouraged amongst employees. Recruitment is fair and transparent, and the terms of employee employment are equitable. The work environment is free from harassment, and the working condition is conducive. Furthermore, the Company maintains a safe workplace by adhering to fundamental health and safety standards and regulations. Staff members are regularly educated on workplace health and safety and the requirement to report all accidents appropriately.

The Company provides a health insurance scheme for staff members and their immediate families and encourages a good work-life balance and paid annual leave and medical checks.

The Company is an equal opportunity employer. It provides equal opportunities for disabled persons, ensuring that there is no discrimination against them. Currently, there are no disabled employees in the Company. During the year ended December 31, 2021, no employee was disabled in the course of employment.

STAFF TRAINING

UBA Pensions Custodian Limited believes in continuing educational development and professional training. Staff members are trained to equip them with important skills to boost their productivity and develop them professionally. This is achieved through structured and comprehensive training programmes adapted to each employee's job function and role. Trainings were provided to staff members during the review period.

CORPORATE SOCIAL RESPONSIBILITY [CSR]

UBA Pensions Custodian Limited is committed to the promotion of socio-economic development of the country, especially in education and development of the awareness of Pensions. Its policy excludes participation in political activities, individual and staff projects, religious activities, violent sports as well as items that are contrary to good conscience and public opinion.

SUSTAINABILITY

The Company is committed to the conduct of business in a manner consistent with global sustainability practices and which takes into consideration the interests of employees, the community, investors, our customers and the environment as a whole.

In the period under review, the following practices were confirmed to the Board through the Board Audit & Risk Management Committee:

a. The Company's business in relation to employees is conducted in accordance with the Company's sound Human Resource Policies and the Code of Professional Ethics and Conduct.

b. A Stakeholder Management Policy has been approved by the Board to govern relations with other stakeholders. This has built continuous loyalty, trust, value, and growth.

c. There were no reported or assumed cases of employment based on race, gender, religion, culture, politics or economic background in the Company.

d. The Company's Workplace Code of Professional Conduct & Ethics defines labour standards that aim to achieve decent and humane working conditions. The Code's standards are based on the International Labour Organization standards and internationally accepted good labour practices.

e. The Company does not encourage the use of forced labour or child labour. The minimum age for employment is the age of majority (18 years).

f. Our clients and members of the community (other tenants) are treated equally and without discrimination in the conduct of our business.

g. Regarding the challenges of COVID 19, the Company is in compliance with Nigerian Centre for Disease Control's Guidelines for Business Owners.

h. The existing culture in UBA Pensions is that men and women are hired at a similar and consistent rate, paid equally, and are given the same working opportunities with the same promotional opportunities.

i. Obsolete items are disposed in accordance with Policy.

j. LED lights (bulbs) are currently in use in the office as they consume less electricity than incandescent or CFL bulbs.

EVENTS AFTER THE REPORTING DATE

There are no events after the reporting date that could have effect on the state of affairs of the Company as at 31 December, 2021, which have not been adequately provided for or disclosed.

AUDIT COMMITTEE

The Company has in place a Board Audit & Risk Management Committee pursuant to its Board Governance Charter. The Committee's main Terms of Reference is to assist the Board of Directors in fulfilling its oversight responsibilities regarding audit and control, and to monitor and assess the overall integrity of the financial statements and disclosures of the financial condition and results of operations of the Company.

Below is the Composition of the Committee:

BOARD AUDIT & RISK MANAGEMENT COMMITTEE

S/N	NAME	ROLE
1	Mr. Mohammed Yayangida Umar	Chairman, INED *appointed effective May 19, 2021
2	Mr. Abbas Jega Mohammed	Member, INED
3	Mr. Ugochukwu Nwaghodoh	Member, NED *appointed effective May 19, 2021
4.	Mr. Chukwuma Nweke	Member, NED
5	Dr. Awele Elumelu	Member, NED *ceased to be a member of the Committee in Q2 2021.
6.	Dr. Tukur Ingawa	Member, INED *Retired effective April 25, 2021

AUDITORS

In accordance with section 401 (2) of the Companies and Allied Matters Act, 2020 and section 20.2 of the Nigerian Code of Corporate Governance 2018, Messrs. Ernst & Young have indicated their willingness to continue in office as External Auditors of UBA Pensions Custodian Limited.

BY ORDER OF THE BOARD

Victor Osadolor

Chairman

FRC/2016/ICAN/00000013923

Lagos, Nigeria

24 March 2022

Corporate Responsibility for Financial Statements

The Chief Executive officer and the Chief Financial officer of UBA Pensions Custodian Limited have reviewed the audited financial statements and accept responsibility for the financial and other information within the annual report. The following certifications and disclosures regarding the true and fair view of the financial statements as well as the effectiveness of the Internal Controls established within the Company are hereby provided below:

FINANCIAL INFORMATION

i. The audited financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading.

ii. The audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Company as of and for the period ended 31 December 2021.

EFFECTIVE INTERNAL CONTROLS

i. Effective internal controls have been designed to ensure that material information relating to the Company are made known by the relevant staff, particularly during the period in which the audited financial statement report is being prepared.

ii. The effectiveness of the Company's Internal controls has been evaluated within 90 days prior to 31 December 2021

iii. The Company's Internal Controls are effective as of 31 December 2021.

DISCLOSURES

i. There were no significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarize and report financial data. Furthermore, there were no identified material weaknesses in the Company's Internal Control systems.

ii. There were no fraud events involving Senior Management or other employees who have a significant role in the company's Internal control.

iii. There were no significant changes in internal controls or in other factors that could significantly affect internal controls.

SIGNED BY:

RASHIDAH ADEKOLA
Chief Finance Officer
FRC/2012/ICAN/00000000269

BLESSING OGWU
Managing Director/CEO
FRC/2021/003/00000022851

Statement of Directors' Responsibilities in Respect of the Preparation of the Financial Statements

The Directors of UBA Pensions Custodian Limited are responsible for the preparation of the financial statements that give a true and fair view of the financial position of the Company as at 31 December 2021, and the results of its operations, statement of cash flows and changes in equity for the year then ended, in compliance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Allied Matters Act of Nigeria 2020, the Pension Reform Act 2014 as amended, National Pension Commission Guidelines, and the Financial Reporting Council of Nigeria Act, 2011.

In preparing the financial statements, the Directors are responsible for:

- Properly selecting and applying accounting policies.
- Presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable, and understandable information.
- Providing additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of transactions, other events and conditions on the Company's financial position and financial performance; and
- Assessing the Company's ability to continue as a going concern.

The Directors are responsible for:

- Designing, implementing, and maintaining an effective and sound system of internal controls throughout the Company.
- maintaining adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company, and which enable them to ensure that the financial statements of the Company comply with IFRS.
- maintaining statutory accounting records in compliance with the legislation of Nigeria and IFRS.
- taking such steps as are reasonably available to them to safeguard the assets of the Company; and
- preventing and detecting fraud and other irregularities.

GOING CONCERN:

The Directors have assessed the Company's ability to continue as a going concern and have no reason to believe the Company will not remain a going concern for at least 12 months from the date of this Statement.

The financial statements of the Company for the year ended 31 December 2021 were approved by the Board on 24 March 2022.

Signed on behalf of the Directors of the Company.

BLESSING OGWU	VICTOR OSADOLOR
Managing Director/CEO	Chairman
FRC/2021/003/00000022851	*FRC/2016/ICAN/0000013923*

Report of the Audit and Risk Management Committee

For the year ended 31 December 2021

In accordance with the provisions of Section 404(7) of the Companies and Allied Matters Act 2020, we have received the Independent Auditor's Report for the year ended December 31, 2021 and hereby report as follows:

a. We confirm that we have seen the audit plan and scope, the Management Letter on the audit and the responses to the said letter.

b. In our opinion the scope and planning of the audit were adequate. We have reviewed the Auditors' findings and the Management Responses thereon.

c. We also confirm that the accounting and reporting policies of the Company conformed to statutory requirements and ethical practices.

d. The Company's system of accounting and internal control was constantly and effectively monitored; and

e. The External Auditor's Management Report received satisfactory responses from Management.

Mr. Mohammed Yayangida Umar

FRC/2021/002/00000024413

Chairman, Audit & Risk Management Committee

Lagos, Nigeria

24 March 2022

Members of the Audit & Risk Management Committee are:

S/N	NAME	ROLE
1	Mr. Mohammed Yayangida Umar	Chairman
2	Mr. Abbas Jega Mohammed	Member
3	Mr. Ugochukwu Nwaghodoh	Member
4.	Mr. Chukwuma Nweke	Member

UBA Pensions

Deloitte.

Deloitte & Touche
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Nigeria.
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Fax: +234 1 2717801
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30 March 2022

The Chairman
UBA Pensions Custodian Limited
3rd Floor, 22B Idowu Taylor Street
Victoria Island
Lagos, Nigeria

Dear Sir,

Report of the Independent Consultants on the Performance of the Board of Directors of UBA Pensions Custodian Limited for the Year Ended 31 December 2021

Deloitte & Touche has performed the annual evaluation of the Board of Directors of UBA Pensions Custodian Limited ("UBA Pensions") for the year ended 31 December 2021. The scope of the review included an assessment of the structure and composition of the Board, responsibilities, processes, procedures and the effectiveness of Board Committees. The review was performed in compliance with Principle 14 of the Nigerian Code of Corporate Governance ("NCCG").

We evaluated the performance of the Board in line with regulatory requirements under the Circular on Corporate Governance for Pension Fund Operators 2019, Nigerian Code of Corporate Governance (NCCG) 2018, PENCOM Guidelines and Regulations and other good practice Corporate Governance standards. Our approach involved a review of the Board framework in UBA Pensions, relevant governance documents, policies and procedures. The report of our evaluation was premised on desk review of governance documents, interview sessions with Directors and survey responses received form the Directors.

The result of our evaluation has shown that the Board substantially complies with the provisions of the extant Codes of Corporate Governance in terms of its structure, composition, procedures and responsibilities. We also ascertained that the key Board functionaries (Board and Board Committee Chairpersons) and the Board Committees met their responsibilities under the Codes and governance charters in UBA Pensions. The report further highlights details of our review activities, observations and some recommendations for the Board's action.

It should be noted that the matters raised in this report are only those which came to our attention during the course of our review. The evaluation is limited in nature and does not necessarily disclose all significant matters about the company or reveal any irregularities. As such, we do not express any opinion on the activities reported.

Yours faithfully,

For: Deloitte and Touche

Ibukun Beecroft

Ibukun Beecroft
FRC/2020/ICAN/00000020765
Partner

Deloitte.

Civic Towers, Plot GA 1
Ozumba Mbadiwe Avenu
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Report of the Independent Consultants on the Review of Corporate Governance Framework of UBA Pensions Custodian Limited for the Year Ended 31 December 2021

BACKGOUND

Deloitte & Touche has performed the annual corporate governance review on UBA Pensions Custodian Limited ("UBA Pensions") for the year ended 31 December 2021. The review was performed in compliance with Section 11.2.9.5 and Principle 15 of the Nigerian Code of Corporate Governance ("NCCG").

We evaluated the performance of the Corporate Governance framework in line with regulatory requirements under the Nigerian Code of Corporate Governance ("NCCG"), Circular on Corporate Governance for Pension Fund Operators, PENCOM Guidelines and Regulations and other good practice Corporate Governance standards. The scope of the review included an assessment of key areas of UBA Pension's corporate governance framework, including the framework of the Board structure and composition, Board operations and effectiveness, assurance functions, corporate disclosures, and relationship with stakeholders.

Our approach involved a review of the governance charters and policies and management framework in UBA Pension's. The report of our evaluation was premised on desk review of governance policies, charters, and minutes, as well as interview sessions with Directors and select Executive Management staff.

The result of our evaluation has shown that the Corporate Governance framework and practices in UBA Pensions substantially complies with the provisions of the extant Codes of Corporate Governance. The report further highlights details of our review activities, observations and some recommendations for the Board and Executive Management's action.

HIGHLIGHTS

Below are highlights of the corporate governance framework in UBA Pensions:

The Board and Board Committees:

There were eight (8) Directors on the Board during this review, which meets the regulatory and best practice requirements. One (1) Director resigned, and three (3) Directors were appointed to new positions during the review period. There were two (2) female Directors on the Board at the end of the reporting period, making up 25% of all Directors.

The Board has a mix of:

- Two (2) EDs
- Four (4) NEDs and
- Two (2) INEDs.

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The Board has a total of three (3) Committees that held several meetings during the review period i.e., the Board Nomination Committee, Audit and Risk Management Committee and Finance and General-Purpose Committee. The terms of reference for all the Committees are contained in the Board Governance and Board Committee Governance Charter.

Board and Board Committee Meetings:
The Board Governance Charter specifies that the Board and Board Committees shall hold meetings at least once every quarter. This aligns with the provision of the NCCG 2018 and the Circular on Corporate Governance for PFOs 2019 on the frequency of meetings of the Board and Board Committees. We noted that Board and Board Committee held quarterly meetings in the review period.

The Board Governance Charter, in line with corporate governance codes requires that all Directors maintain at least 75% meeting attendance at both Board and Board Committee meetings (Sec 2.4.3 of the Board Governance Charter). Per our review, we observed that all Directors met the minimum meeting attendance requirement for Board meeting, Board Committee meetings and the Annual General Meeting.
We confirmed that quorum was achieved and confirmed before commencement of meetings of the Board, Board Committee, and the AGM.

Internal Control, Risk Management and Audit:
UBA Pensions has a compliance function with the primary mandate to monitor compliance with regulatory requirements across the business and disclose findings to the Board and the Regulators to enhance the activities of the business. Reports including internal control and compliance reports, were submitted to the Board on a regular basis to assist their oversight functions. An Internal Audit function exist for UBA Pensions that reports functionally to the Board and administratively to Management. We also noted that quarterly reports were presented to the Board Audit Committee by the function.

There is an effective Business Continuity Plan and a Disaster Recovery Plan in place for UBA Pensions. Risk management report were also presented to the Board Audit and Risk Management Committee in each quarterly Board Committee meeting conducted within the review period.

Performance Management and Compensation:
The Board conducts an annual evaluation of the performance of its members and Committees. The Board evaluation for the year 2020 was conducted by an independent consultant and the evaluation report was sighted.

The Shareholder approved the remuneration of Directors to be fixed by the Board Chairman in the AGM. UBA Pensions also has a Remuneration Policy for Directors.

Transparency and Disclosures:
UBA Pensions has an investors' portal on its company website where annual reports of UBA Pensions and other information are available in downloadable formats to the public. The company's website has the following information readily available to stakeholders, in line with the recommendation of the NCCG:

- The composition of the Board of Directors, stating the names and classification of the Chairman, the MD/CEO, EDs and NEDs as well as INEDs, including brief professional biographies
- Management team of the company including brief professional biographies
- Financial statements dating back to 2015

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- Financial reports for 2017 – 2020
- Disclosure of corporate clients, etc.

Ethics and Conflict of Interests:
UBA Pensions has a Code of Professional Conduct and Ethics which serves as a guideline to the standards that should govern all employee dealings with customers, suppliers, colleagues, and the general public, and which is consistent with the Code of Ethics and Business Practices for Licensed Pension Operators. The Board Governance Charter also provided guidelines for Director's disclosure of conflict of interests.

Supporting the ethics programme in UBA Pensions is a whistle blowing framework. The company maintains channels for stakeholders to report actual or potential unethical behaviors to clearly identified whistleblowing champions. There is a dedicated whistle-blowing link and helplines disclosure on the Company's website, Compliance Boxes were also provided at designated locations at the corporate Head office and other business locations.

CONCLUSION
It should be noted that the matters raised in this report are only those which came to our attention during our review. The evaluation is limited in nature and does not necessarily disclose all significant matters about the company or reveal any irregularities. Recommendations for improvements should be assessed by the Board for their full impact before they are implemented.

Yours faithfully,
For: Deloitte and Touche

Ibukun Beecroft

Ibukun Beecroft
FRC/2020/ICAN/00000020765
Partner

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF UBA PENSIONS CUSTODIAN LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of UBA Pensions Custodian Limited ('the Company'), which comprise the statement of financial position as at 31 December 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of UBA Pensions Custodian Limited as at 31 December 2021, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, the provisions of the Companies and Allied Matters Act, 2020, the Pension Reform Act, 2014 as amended, National Pension Commission Guidelines, and in compliance with the Financial Reporting Council of Nigeria Act No. 6, 2011.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Nigeria, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the document titled "UBA Pensions Custodian Limited Annual Report and Financial Statements for the year ended 31 December 2021", which includes the Corporate Information, Corporate Governance Report, Report of the Directors, Corporate responsibility for financial statement, Statement of directors' responsibilities in respect of the preparation of the financial statements, Report of the Audit and Risk Management Committee, Report of the Independent Consultants on the performance of the Board of Directors, Report of the Independent Consultants on the review of Corporate Governance Framework, Value added statement and Five-year financial summary. The other information does not include the financial statements and our auditor's 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. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF UBA PENSIONS CUSTODIAN LIMITED - Continued

Responsibilities 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, the provisions of the Companies and Allied Matters Act, 2020, the Pension Reform Act, 2014 as amended, National Pension Commission Guidelines, and in compliance with the Financial Reporting Council of Nigeria Act No. 6, 2011, and for such internal control as the Directors determine is 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 going 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.

Auditor's 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 auditor's 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.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism 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 control.

- 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 opinion on the effectiveness of the Company'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 Director's 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 auditor's 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF UBA PENSIONS CUSTODIAN LIMITED - Continued

- 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 the Fifth Schedule of the Companies and Allied Matters Act, 2020, 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 appears from our examination of those books;

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

Abiodun Akinnusi
FRC/2021/004/00000023386
For Ernst & Young
Lagos, Nigeria

20 April 2022

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2021

	Note	31 December 2021 ₦'000	31 December 2020 ₦'000
Custody fee	9	6,183,300	5,505,989
Interest income calculated using effective interest rate	10a	770,168	581,807
Fair value gain on financial asset designated at FVTPL	10b	142,730	118,410
Other income	11	45,749	4,581
Total Income		7,141,947	6,210,787
Personnel expenses	12	(486,961)	(474,856)
Expected credit loss reversal	14	427	6,754
Other operating expenses	13	(882,627)	(2,224,693)
Profit before tax		5,772,786	3,517,992
Income tax expense	15	(1,871,731)	(1,519,399)
Profit after tax		**3,901,055**	**1,998,593**
Total comprehensive income for the year		**3,901,055**	**1,998,593**
Basic and diluted earnings per share (kobo)		**195**	**100**

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

UBA Pensions

Statement of Financial Position

As at 31 December 2021

	Note	31 December 2021 ₦'000	31 December 2020 ₦'000
ASSETS			
Current Assets			
Cash and cash equivalents	16	11,113,741	12,693
Investment securities at amortised cost	17a	-	368,954
Financial asset designated at FVTPL	17b	-	7,432,354
Other assets	19	1,085,485	1,188,335
		12,199,226	9,002,336
Non-Current Assets			
Property and equipment	20	129,022	99,977
Intangible assets	21	65,004	90,141
Deferred tax assets	18	52,245	-
		246,271	190,118
Total assets		**12,445,497**	**9,192,454**
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	22	594,749	403,160
Dividend payable	23	3,300,000	2,500,000
Current tax liabilities	24	2,490,953	1,523,532
		6,385,702	**4,426,692**
Non-Current Liabilities			
Deferred tax liabilities	18	-	7,022
Equity			
Share capital	26	2,000,000	2,000,000
Retained earnings	27	4,059,795	2,758,740
Total equity		**6,059,795**	**4,758,740**
Total liabilities and equity		**12,445,497**	**9,192,454**
Pension assets under custody	34	**3,237,737,622**	**2,846,571,247**

The financial statements were approved by the Board of Directors on 24 March 2022 and signed on its behalf by:

RASHIDAH ADEKOLA	VICTOR OSADOLOR	BLESSING OGWU
Chief Finance Officer	Chairman	Managing Director/CEO
FRC/2012/ICAN/00000000269	*FRC/2016/ICAN/0000013923*	*FRC/2021/003/00000022851*

Statement of Changes in Equity

For the year ended 31 December 2021

2021	Share capital ₦'000	Retained earnings ₦'000	Total ₦'000
At 1 January 2021	2,000,000	2,758,740	4,758,740
2020FY dividend declared but not paid		700,000	700,000
Profit for the year	-	3,901,055	3,901,055
Dividend declared	-	(3,300,000)	(3,300,000)
At 31 December 2021	2,000,000	4,059,795	6,059,795

2020			
At 1 January 2020	2,000,000	3,260,147	5,260,147
Profit for the year	-	1,998,593	1,998,593
Dividend declared	-	(2,500,000)	(2,500,000)
At 31 December 2020	2,000,000	2,758,740	4,758,740

The National Pension Commission, PenCom, only approved for payment as Dividend for 2020FY, the sum of ₦1.8Billion out the ₦2.5Billion dividend that was declared.

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 2021

	Note	31 December 2021 ₦'000	31 December 2020 ₦'000
Profit before tax		5,772,786	3,517,992
Adjustment for non-cash items:			
Write off of property and equipment	13	-	5,990
Depreciation and amortization	20&21	89,917	79,711
Fair value gain on financial instrument designated at FVTPL		(142,730)	(118,410)
Expected credit loss reversal	14	(427)	(6,754)
Operating profit before changes in operating assets		**5,719,546**	**3,478,529**
Changes in operating assets and liabilities			
Debtors and prepayments		102,972	(25,073)
Creditors and accruals		191,589	(366,575)
Cash generated from operations		6,014,107	3,086,881
Income taxes paid	24	(963,577)	(1,546,188)
Net cash generated from operating activities		**5,050,530**	**1,540,693**
Cash flows from investing activities			
Proceeds/Purchase from financial instrument designated at FVTPL		7,575,084	(7,313,944)
Proceeds from investment securities		363,357	5,744,266
Interest received from investment securities		5,902	386,519
Purchase of intangible assets and property and equipment	20&21	(93,824)	(7,164)
Net cash from/(used in) investing activities		**7,850,518**	**(1,190,323)**
Cash flows from financing activities			
Dividends paid	23	(1,800,000)	(3,600,000)
Net cash used in financing activities		**(1,800,000)**	**(3,600,000)**
Net increase /(decrease) in cash and cash equivalents		11,101,048	(3,249,630)
Cash and cash equivalents on 1 January		12,693	3,262,323
Cash and cash equivalents as at 31 December	16	**11,113,741**	**12,693**

Notes to the Financial Statements

1 CORPORATE INFORMATION

i Legal Form

UBA Pensions Custodian Limited ("the Company"), a wholly owned subsidiary of United Bank for Africa Plc, was incorporated on 30 September 2005. It obtained its operating license on 7 December 2005 and commenced operations on 16 February 2006.

ii Principal Activities

The Company's principal activities include the provision of custodial services for pension assets and the holding and dealing in such assets in accordance with the directives of the Pension Fund Administrators and the National Pension Commission. The Company has its registered address at 22B, Idowu Taylor Street, Victoria Island, Lagos.

2 BASIS OF PREPARATION

i The financial statements have been prepared on a historical cost basis except for financial assets and financial liabilities that are measured at fair value and amortised cost.

The financial statements were authorized for issue by the Directors on 24 March 2022

ii Functional and presentation currency

These financial statements are presented in Nigerian Naira, which is the functional currency. Except otherwise indicated, financial information presented in Naira have been rounded to the nearest thousand.

iii Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the international Accounting Standards Board (IASB), the requirements of Companies and Allied Act of Nigeria, the Financial Reporting Council of Nigeria Act 2011, the Pension Reform Act 2014 and the National Pension Commission (PENCOM) guidelines.

iv Use of estimates and judgements

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.

Judgements made by management in the application of IFRSs that have significant effect on the financial statements and estimates with a significant risk of material adjustment are disclosed in note 29.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been consistently applied to all periods presented in these financial statements.

(a) Interest

Interest income and interest expense for all interest-bearing financial instruments, except for those classified at fair value through profit or loss, are recognised and charged to profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the net carrying amount of the financial asset or liability.

The calculation of the effective interest rate includes all transaction costs and fees paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or liability.

(b) Custody fee

Custody fees represent fees earned by the Company for holding pension fund assets on behalf of pension fund beneficiaries and their administrators. These are recognised on accrual basis as services are rendered. The rates of custody fees to be charged are agreed with the Pension Fund Administrators and can vary with each Pension Fund Administrators. Custody fee for Retirement Savings Accounts (RSA) is charged on Net Asset Value of the fund at 0.22% per annum average. Custody fees on other funds (aside RSA) are charged on income generated by the fund at the end of every month at the agreed rate within the range of 0.1 - 0.15%. per annum.

(c) Income tax

The tax expense for the period comprises current and deferred income tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

i. Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

ii. Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.
- Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:
- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Current tax and deferred tax relating to items recognised directly in equity are also recognised in equity and not in the profit or loss.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(d) Financial instruments

Recognition and derecognition

Financial assets and liabilities are initially recognised on the settlement date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on the settlement date. A financial asset or financial liability is measured initially at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset.

The Company initially recognises placements, treasury bills, bonds, mutual funds and staff loans on the date on which they are originated. All other financial instruments are recognised on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Subsequent measurement of financial assets

Financial assets are measured at initial recognition at fair value and are classified and subsequently measured at fair value through profit or loss (FVTPL), fair value through other comprehensive income (FVOCI) or amortised cost. Subsequent classification and measurement for debt securities is based on the business model for managing the financial instruments and the contractual cash flow characteristics of the instruments.

Financial assets are measured at amortised cost if both of the following conditions are met and the asset is not designated as FVTPL:

(a) the asset is held within a business model that is Hold-to-Collect (HTC) as described below, and

(b) the contractual terms of the instrument give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

Financial assets are measured at FVOCI if both of the following conditions are met and the asset is not designated as FVTPL:

(a) the asset is held within a business model that is Hold-to-Collect-and-Sell (HTC&S) as described below, and

(b) the contractual terms of the instrument give rise, on specified dates, to cash flows that are SPPI.

All other debt instruments are measured at FVTPL.

Business model assessment

The Company determines the business models at the level that best reflects how portfolios of financial assets are managed to achieve its business objectives. Judgment is used in determining the business models, which is supported by relevant, objective evidence including:

- How the economic activities of our businesses generate benefits, for example through trading revenue, enhancing yields or other costs and how such economic activities are evaluated and reported to key management personnel;
- The significant risks affecting the performance of our businesses, for example, market risk, credit risk, or other risks and the activities undertaken to manage those risks; and
- Historical and future expectations of sales of the securities portfolios managed as part of a business model.

The Company's business models fall into three categories, which are indicative of the key strategies used to generate returns:

- Hold-to-Collect (HTC): The objective of this business model is to hold financial assets to collect contractual principal and interest cash flows. Sales are incidental to this objective and are expected to be insignificant or infrequent.
- Hold-to-Collect-and-Sell (HTC&S): Both collecting contractual cash flows and sales are integral to achieving the objective of the business model.
- Other fair value business models: These business models are neither HTC nor HTC&S, and primarily represent business models where assets are held-for-trading or managed on a fair value basis.

SPPI assessment

Instruments held within a HTC or HTC&S business model are assessed to determine if their contractual cash flows are comprised of solely payments of principal and interest (SPPI). Principal is defined as the fair value of the instrument at initial recognition. Interest is defined as consideration for the time value of money and the credit risk associated with the principal amount outstanding.

Where the contractual terms introduce exposure to risk or variability of cash flows that are inconsistent with underlying arrangement, the related financial asset is classified and measured at FVTPL.

(e) Impairment of financial assets

The Company assesses the under listed financial instruments for impairment using Expected Credit Loss (ECL) approach:

- Amortised cost financial assets;
- Debt securities classified as at FVOCI;

Financial assets measured at FVPL are not subjected to impairment. Impairment losses on financial assets are recognized at each balance sheet date in accordance with the three-stage impairment model outlined below.

Allowance for credit losses

An allowance for credit losses (ACL) is established for all financial assets, except for financial assets classified or designated as FVTPL, which are not subject to impairment assessment. Assets subject to impairment assessment include debt securities, cash and cash equivalents and loans and advances to staff. These are carried at amortised cost and presented net of ACL on the Statement of Financial Position. The ACL is measured at each reporting date according to a three-stage expected credit loss impairment model which is based on changes in credit risk of financial assets since initial recognition.

In determining the ECL for receivables and other assets, the Company applies the simplified model to estimate ECLs, adopting a provision matrix, where the receivables are grouped based on the nature of the transactions, aging of the balances and different historical loss patterns, to determine the lifetime ECLs. Receivables relate to amounts due for the provision of services to customers.

1) Performing financial assets:

- **Stage 1** – From initial recognition of a financial asset to the reporting date, where the asset has not experienced a significant increase in credit risk relative to its initial recognition, a loss allowance is recognized equal to the credit losses expected to result from defaults occurring over the 12 months following the reporting date. Interest income is calculated on the gross carrying amount of these financial assets.

2) Underperforming financial assets:

- **Stage 2** – Following a significant increase in credit risk relative to the initial recognition of the financial asset, a loss allowance is recognized equal to the credit losses expected over the remaining lifetime of the asset. Interest income is calculated on the gross carrying amount of these financial assets.

3) Impaired financial assets

- **Stage 3** – When a financial asset is considered to be credit-impaired, a loss allowance is recognized equal to credit losses expected over the remaining lifetime of the asset. The Stage 3 expected credit loss impairment model is based on changes in credit quality since initial recognition. Interest revenue is calculated based on the carrying amount of the asset, net of the loss allowance, rather than on its gross carrying amount.

The ACL is a discounted probability-weighted estimate of the cash shortfalls expected to result from defaults over the relevant time horizon. Increases or decreases in the required ACL attributable to purchases and new originations, derecognitions or maturities, and remeasurements due to changes in loss expectations or stage migrations are recorded in Provision for credit losses. Write-offs and recoveries of amounts previously written off are recorded against ACL.

The ACL represents an unbiased estimate of expected credit losses on our financial assets as at the balance sheet date. Judgment is required in making assumptions and estimations when calculating the ACL, including movements between the three stages and the application of forward looking information. The underlying assumptions and estimates may result in changes to the provisions from period to period that significantly affect our results of operations.

Measurement of expected credit losses

Expected credit losses are based on a range of possible outcomes and consider all available reasonable and supportable information including internal and external ratings, historical credit loss experience, and expectations about future cash flows. The measurement of expected credit losses is based primarily on the product of the instrument's probability of default (PD), loss given default (LGD) and exposure at default (EAD) discounted to the reporting date. Stage 1 estimates project PD, LGD and EAD over a maximum period of 12 months while Stage 2 estimates project PD, LGD and EAD over the remaining lifetime of the instrument.

An expected credit loss estimate is produced for each individual exposure. Relevant parameters are modelled on a collective basis using portfolio segmentation (corporates, retail, public sector and commercial) that allows for appropriate incorporation of forward looking information.

Expected credit losses are discounted to the reporting period date using the effective interest rate

Expected life

For instruments in Stage 2 or Stage 3, loss allowances reflect expected credit losses over the expected remaining lifetime of the instrument. For most instruments, the expected life is limited to the remaining contractual life.

Assessment of significant increase in credit risk

The assessment of significant increase in credit risk requires significant judgment. The following are considered as exception:

1. Outstanding obligation is a result of an amount being disputed where the dispute is not more than 90 days.
2. Outstanding obligation is an insignificant amount compared to the total amount due. Any amount not more than 10% of the total amount due is considered insignificant. Only applicable where there is no significant increase in credit risk and analysed on a case by case basis.

The assessment is generally performed at the instrument level. If any of the factors above indicate that a significant increase in credit risk has occurred, the instrument is moved from Stage 1 to Stage 2. The assessments for significant increases in credit risk since initial recognition and credit-impairment are performed independently at each reporting period. Assets can move in both directions through the stages of the impairment model. After a financial asset has migrated to Stage 2, if it is no longer considered that credit risk has significantly increased relative to initial recognition in a subsequent reporting period, it will move back to Stage 1 after 90 days.

Similarly, an asset that is in Stage 3 will move back to Stage 2 if it is no longer considered to be credit-impaired after 90 days. An asset will not move back from stage 3 to stage 1 until after a minimum of 180 days, if it is no longer considered to be credit impaired.

For certain instruments with low credit risk as at the reporting date, it is presumed that credit risk has not increased significantly relative to initial recognition. Credit risk is considered to be low if the instrument has a low risk of default, with ability to fulfil contractual obligations both in the near term and in the longer term, including periods of adverse changes in the economic or business environment

Use of forward-looking information

The measurement of expected credit losses for each stage and the assessment of significant increase in credit risk considers information about past events and current conditions as well as reasonable and supportable projections of future events and economic conditions. The estimation and application of forward-looking information requires significant judgment.

The PD, LGD and EAD inputs used to estimate Stage 1 and Stage 2 credit loss allowances are modelled based on the macroeconomic variables (or changes in macroeconomic variables) that are most closely correlated with credit losses in the relevant portfolio. Each macroeconomic scenario used in the expected credit loss calculation includes a projection of all relevant macroeconomic variables applying scenario weights. Macroeconomic variables used in the expected credit loss models include GDP growth rate, foreign exchange rates, inflation rate, crude oil prices and population growth rate.

The estimation of expected credit losses in Stage 1 and Stage 2 is a discounted probability-weighted estimate that considers a minimum of three future macroeconomic scenarios. The base case scenario is based on macroeconomic forecasts published by relevant government agencies. Upside and downside scenarios vary relative to our base case scenario based on reasonably possible alternative macroeconomic conditions. Additional and more severe downside scenarios are designed to capture material non-linearity of potential credit losses in portfolios. Scenario design, including the identification of additional downside scenarios, occurs at least on an annual basis and more frequently if conditions warrant.

Scenarios are designed to capture a wide range of possible outcomes and weighted according to the best estimate of the relative likelihood of the range of outcomes that each scenario represents. Scenario weights take into account historical frequency, current trends, and forward-looking conditions and are updated on a quarterly basis. All scenarios considered are applied to all portfolios subject to expected credit losses with the same probabilities.

The assessment of significant increases in credit risk is based on changes in probability-weighted forward-looking lifetime PD as at the reporting date, using the same macroeconomic scenarios as the calculation of expected credit losses.

Definition of default

A default is considered to have occurred regarding a particular obligor when either or both of the following events have taken place.

- The Company considers that the obligor is unlikely to pay its credit obligations in full, without recourse by the Company to actions such as realising security (if held).
- The obligor is past due more than 90 days on any material credit obligation to the Company (principal or interest).
- Interest payments equal to 90 days or more have been capitalized, rescheduled, rolled over

The elements to be taken as indications of unlikeliness to pay include:

- The Company sells the credit obligation at a material credit-related economic loss.
- The Company consents to a distressed restructuring of the credit obligation where this is likely to result in a diminished financial obligation caused by the material forgiveness, or postponement, of principal or interest.

Credit-impaired financial assets (Stage 3)

Financial assets are assessed for credit-impairment at each balance sheet date and more frequently when circumstances warrant further assessment. Evidence of credit-impairment may include indications of significant financial difficulty, probability of bankruptcy or other financial reorganization, as well as a measurable decrease in the estimated future cash flows evidenced by the adverse changes in the payments status or economic conditions that correlate with defaults.

A financial asset is considered for transfer from stage 2 to stage 1 where there is significant improvement in credit risk and from stage 3 to stage 2 (declassified) where the asset is no longer in default. Factors that are considered in such backward transitioning include the following:

i) Declassification of the exposure by all the licensed private credit bureaux or the credit risk management system;

ii) Improvement of relevant credit risk drivers for the obligor;

iii) Evidence of full repayment of principal or interest.

Where there is evidence of significant reduction in credit risk, the following probationary periods should apply before a financial asset may be moved to a lower stage (indicating lower risk):

Transfer from Stage 2 to 1:- 90 days

Transfer from Stage 3 to 2:- 90 days

Transfer from Stage 3 to Stage 1:- 180 days

When a financial asset has been identified as credit-impaired, expected credit losses are measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the instrument's original effective interest rate.

When a financial asset is credit-impaired, interest ceases to be recognised on the regular accrual basis, which accrues income based on the gross carrying amount of the asset. Rather, interest income is calculated by applying the original effective interest rate to the amortised cost of the asset, which is the gross carrying amount less the related ACL.

Following impairment, interest income is recognized on the unwinding of the discount from the initial recognition of impairment.

Write-off

Financial assets and the related ACL are written off, either partially or in full, when there is no realistic prospect of recovery. Where financial assets are secured, they are generally written off after receipt of any proceeds from the realization of collateral. In circumstances where the net realizable value of any collateral has been determined and there is no reasonable expectation of further recovery, write off may be earlier. This assessment is carried out at the individual asset level. Recoveries of amounts previously written off are included in 'impairment losses on financial instruments' in the statement of profit or loss and OCI.

However, the Company continues enforcement activities on all written-off financial assets until full recovery is achieved or such time when it is objectively evident that recovery is no longer feasible.

Investment securities

Investment securities are initially recorded at fair value and subsequently measured according to the respective classification. Investment securities carried at amortised cost are measured using the effective interest method and are presented net of any allowance for credit losses. Interest income, including the amortization of premiums and discounts on securities measured at amortised cost are recorded in interest income. Impairment gains or losses recognized on amortised cost securities are recorded in Allowance for credit losses. When a debt instrument measured at amortised cost is sold, the difference between the sale proceeds and the amortised cost of the security at the time of the sale is recorded as a fixed income securities income.

Investment securities carried at FVOCI are measured at fair value with unrealized gains and losses arising from changes in fair value included in fair value reserve in equity. Impairment gains and losses are included in allowance for credit losses and correspondingly reduce the accumulated changes in fair value included in fair value reserve. When a debt instrument measured at FVOCI is sold, the cumulative gain or loss is reclassified from fair value reserve to net trading and foreign exchange income.

Equity securities carried at FVOCI are measured at fair value. Unrealized gains and losses arising from changes in fair value are recorded in fair value reserve and not subsequently reclassified to profit or loss when realized. Dividends from FVOCI equity securities are recognized in other operating income.

The Company accounts for all securities using settlement date accounting and changes in fair value between the trade date and settlement date are reflected in income for securities measured at FVTPL, and changes in the fair value of securities measured at FVOCI between the trade and settlement dates are recorded in OCI except for changes in foreign exchange rates on debt securities, which are recorded in the income statement.

Fair value option

A financial instrument with a reliably measurable fair value is designated as FVTPL (the fair value option) on its initial recognition even if the financial instrument was not acquired or incurred principally for the purpose of selling or repurchasing. The fair value option is used for financial assets if it eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing related gains and losses on a different basis (an "accounting mismatch").

The fair value option can be elected for financial liabilities if: (i) the election eliminates an accounting mismatch; (ii) the financial liability is part of a portfolio that is managed on a fair value basis, in accordance with a documented risk management or investment strategy; or (iii) there is an embedded derivative in the financial or non-financial host contract and the derivative is not closely related to the host contract. These instruments cannot be reclassified out of the FVTPL category while they are held or issued.

Financial assets designated as FVTPL are recorded at fair value and any unrealized gains or losses arising due to changes in fair value are income statement.

Financial liabilities designated as FVTPL are recorded at fair value and fair value changes attributable to changes in the Company's own credit risk are recorded in OCI. Own credit risk amounts recognized in OCI are not reclassified subsequently to net income. The remaining fair value changes not attributable to changes in the Company's own credit risk are recorded in Other operating income.

To determine the fair value adjustments on debt instruments designated at FVTPL, the Company calculates the present value of the instruments based on the contractual cash flows over the term of the arrangement by using our effective funding rate at the beginning and end of the period.

Financial assets are reclassified when and only when the business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent, and none occurred during the period.

Loans

Loans are debt instruments recognized initially at fair value and are subsequently measured in accordance with the classification of financial assets policy provided above. Loans are carried at amortised cost using the effective interest method, which represents the gross carrying amount less allowance for credit losses.

Interest on loans is recognized in interest income using the effective interest method. The estimated future cash flows used in this calculation include those determined by the contractual term of the asset and all fees that are considered to be integral to the effective interest rate. Also included in this amount are transaction costs and all other premiums or discounts.

Impairment losses on loans are recognized at each balance sheet date in accordance with the three-stage impairment model outlined below.

Classification and measurement of financial liabilities

The Company recognizes financial liabilities when it first becomes a party to the contractual rights and obligations in the relevant contracts. Financial liabilities are either classified as financial liabilities at amortised cost or financial liabilities at FVTPL.

The Company classifies its financial liabilities as measured at amortised cost, except for:

i. Financial liabilities at FVTPL

ii. Financial guarantee contracts and commitments.

Financial liabilities that are not classified at fair value through profit or loss are measured at amortised cost using the effective interest rate method.

Gains or losses from financial liabilities designated at fair value through profit or loss are presented partially in other comprehensive income (the amount of change in the fair value of the financial liability that is attributable to changes in the Company's own credit risk, which is determined as the amount that is not attributable to changes in market conditions that give rise to market risk) and partially profit or loss (the remaining amount of change in the fair value of the liability). This is unless such a presentation would create, or enlarge, an accounting mismatch, in which case the gains and losses attributable to changes in the Company's credit risk are also presented in profit or loss.

De-recognition of financial instruments

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when the Company transfers the right to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred or has assumed an obligation to pay those cash flows to one or more recipients, subject to certain criteria. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company may enter into transactions whereby it transfers assets but retains either all risks and rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised. In transactions where the Company neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset, it derecognises the asset if control over the asset is lost.

The rights and obligations retained in the transfer are recognised separately as assets and liabilities as appropriate. In transfers where control over the asset is retained, the Company continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

(g) Cash and cash equivalents

Cash and cash equivalents include notes and coins in hand, current account balances with banks and highly liquid financial assets with original maturities of less than three months, which are subject to insignificant risk of changes in their fair value and are used by the Company in the management of its short-term commitments.

Cash and bank balances are carried at amortised cost in the statement of financial position.

(h) Property and equipment

i Recognition and measurement

Items of property and equipment are carried at cost less accumulated depreciation and impairment losses. 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.

ii 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 Company 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.

iii 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. 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.

The estimated useful lives for the current and comparative year are as follows:

Computer hardware	5 years
Furniture and fittings	5 years
Leasehold improvements	5 years
Motor vehicles	5 years
Safe and Vaults	20 years

Depreciation methods, useful lives and residual values are reassessed at each reporting date and adjusted if appropriate. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

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.

(i) Intangible assets

Software

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

Expenditure on internally developed software is recognised as an asset when the Company 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.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of 5 years, from the date that it is available for use. The amortisation method and useful life of software are reassessed at each financial year end and adjusted if appropriate.

The useful lives of the assets are reviewed annually for any changes in circumstances. The assets are tested annually for impairment or at such time where there is an impairment trigger, or changes in circumstances indicate that their carrying value may not be recoverable.

(j) Leases

At contract inception the Company assesses 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.

Under IFRS 16, a contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. The change in definition of a lease mainly relates to the concept of control. IFRS 16 distinguishes between leases and service contracts on the basis of whether the use of an identified asset is controlled by the customer. Control is considered to exist if the customer has:

- The right to obtain substantially all of the economic benefits from the use of an identified asset; and
- The right to direct the use of that asset.

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense in profit or loss on a straight-line basis over the lease term.

(k) 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 to sell and its value in use. Where 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 to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group 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 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 exceeds 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 income statement. Impairment losses relating to goodwill are not reversed in future periods

(l) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(m) Earnings per share

The Company 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 Company by the weighted average number of ordinary shares outstanding during the year. 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.

(n) Financial guarantee contracts

Financial guarantee contracts are contracts that require the Company (issuer) to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee liabilities are initially recognised at their fair value, which is the premium received, and then amortised over the life of the financial guarantee. Subsequent to initial recognition, the financial guarantee liability is measured at the higher of the expected credit loss provision and the unamortised premium. Financial guarantees are included within other liabilities.

(o) Employee benefits

Post-employment benefits - Defined contribution plans

The Company operates a defined contribution pension scheme. A defined contribution plan is a pension plan under which the Company makes fixed contributions on contractual basis. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Obligations for contributions to defined contribution plans are recognised as an expense in profit or loss when they are due.

The Company operates a contributory pension plan in accordance with the Pension Reform Act, wherein the Bank contributes 10% of employees' basic salary, housing and transport allowance to the designated pension fund administrator chosen by each employee. As a part of the scheme, the Bank also remits employees' contribution of 8% of the relevant compensation to the same account, as provided by the Pension Reform Act, as amended.

Termination benefits

The Company recognises termination benefits as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. The Company settles termination benefits within twelve months and are accounted for as short-term benefits.

Short term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term employee benefits if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

4 FIDUCIARY ASSETS

The Company provides trust and other fiduciary services that result in the holding or investing of assets on behalf of its clients. Assets held in a fiduciary capacity are not reported in the financial statements, as they are not the assets of the company.

5 DIVIDENDS ON ORDINARY SHARES

Dividend on ordinary shares is recognised as a liability and deducted from equity when they are approved by the Company's shareholders. Interim dividends are deducted from equity when they are declared and no longer at the discretion of the Company.

Dividends for the year that are approved after the reporting date are disclosed as an event after the reporting date.

6 CHANGES IN ACCOUNTING POLICIES

Except for the following new standards, the Company has consistently applied the accounting policies as set out in Notes 3.1 - 3.29 to all periods presented in these financial statements. The Company has adopted these new amendments with initial date of application of January 1, 2021.

i) Amendments to IFRS 7, IFRS 9 and IAS 39: Interest Rate Benchmark Reform

The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments had no impact on the financial statements of the Company as it does not have any interest rate hedge relationships.

On 27 August 2020, the IASB published Interest rate benchmark reform- phase 2 amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. This is effective for annual periods beginning 1 January 2021.

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include a practical expedient to require contractual changes or changes to cash flows that are directly required by the reform to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest. Inherent in allowing the use of this practical expedient is the requirement that the transition from an IBOR benchmark rate to an RFR takes place on economically equivalent basis with no value transfer having occurred.

Any other changes made at the same time, such as a change in the credit spread or maturity date are assessed. If they are substantial, the instrument is derecognised. If they are not substantial, the updated effective interest rate (EIR) is used to recalculate the carrying amount of the financial instrument with any modification gain or loss recognised in profit or loss.

UBA Pensions does not have any financial instruments linked to IBOR on 1 January 2021.

ii) Amendments to IFRS 16 – Covid-19-Related rent concession beyond 30 June 2021

The amendment relates to the conditions of the practical expedient in IFRS 16 that provides relief to lessees from applying the IFRS 16 guidance on lease modifications to rent concessions arising as a direct consequence of the covid-19 pandemic. Following the amendment, the practical expedient now applies to rent concessions for which any reduction in lease payments affects only payment originally due on or before June 30, 2022, provided other conditions for applying the practical expedients are met. Effective for annual periods beginning or after 1 April 2021.

This amendment has no impact on the Company.

b) Standards and interpretations issued/amended but not yet effective

The standards listed below have been issued or amended by the IASB but are yet to become effective for annual periods beginning on or after 1 January 2021. The Company has not applied the following new or amended standards in preparing these financial statements as it plans to adopt these standards at their respective effective dates. Commentaries on these new standards/amendments are provided below.

i) IFRS 17: Insurance Contracts

IFRS 17 was issued in May 2017 and applies to annual reporting periods beginning on or after 1

January 2023. The new IFRS 17 standard establishes the principles for the recognition, measurement, presentation, and disclosure of Insurance contracts within the scope of the Standard. It also requires similar principles for reinsurance contracts held and issued investment contracts with discretionary participation features. The standard brings a greater degree of comparability and transparency about an insurer's financial health and the profitability of new and in-force insurance business.

IFRS 17 introduces a general measurement model that measures groups of insurance contracts based on fulfilment cash flows (comprising probability-weighted current estimates of future cash flows and an explicit entity-specific adjustment for risk) and a contractual service margin. The premium allocation approach (PAA) is a simplified measurement model that may be applied when certain conditions are fulfilled. Under the PAA approach, the liability for remaining coverage will be initially recognized as the premiums, if any, received at initial recognition, minus any insurance acquisition cash flows. The general measurement model has specific modifications applicable to accounting for reinsurance contracts, direct participating contracts and investment contracts with discretionary participation features.

This standard does not impact the Company in anyway as the Company do not engage in insurance business.

ii) Amendment to IAS 1

This amendment relates to classification of Liabilities as Current or Non-current which will provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the statement of financial position date.

The amendment only affects the presentation of liabilities in the statement of financial position and not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items. The amendment will

- clarify that classification of liabilities as current or non-current should be based on rights that are in existence at the end of the balance sheet date,
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability and make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets, or services.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024.

iii) Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

The standard prohibits entity to deduct proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management from the cost of an item of property, plant and equipment. Entities are however allowed to recognize the proceeds from selling such items, and the cost of producing those items, in profit or loss.

The amendment is effective for annual periods beginning on or after 1 January 2022.

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iv) Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

The standard specify that the cost of fulfilling a contract comprises the costs that relates to the contract, the standard further states that costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labor, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendment is effective for annual periods beginning on or after 1 January 2022.

v) Amendments to IFRS 3 – Reference to the conceptual framework

This is effective I January 2022. The amendment adds an exception to the recognition principle of IFRS 3 to avoid issue of potential 'day 2' gains or losses arising from liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual framework, to determine whether a present obligation exists at the acquisition date. The amendments also confirm that contingent assets should not be recognised at the acquisition date.

vi) Amendment to IAS 8 – Definition of accounting estimates

Effective I January 2023. The amendment clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. Also clarifications were made as to how entities use measurement techniques and input to develop accounting estimates. Changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

vii) Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2

Effective 1 January 2023. The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. To support this amendment, the IASB also amended accounting policy disclosures.

viii) Amendment to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction.

Effective I January 2023. The amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences

ix) Annual Improvements to IFRS Standards 2018-2020 – These were finalized in 2020, but effective 1 January 2022

- IFRS 9 – Fees in the '10 per cent' test for derecognition of financial liabilities. This clarifies which fees should be included in the 10% test for derecognition of financial liabilities.
- IFRS 16 Leases - To remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives
- IFRS 1 First-time adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter
- IAS 14 Agriculture – Taxation in fair value measurement

x) Sale or contribution of assets between an investor and its associate or joint venture – Amendments to IFRS 10 and IAS 28. Effective date is to be decided by the International Accounting Standards Board (IASB).

7 REVENUE RECOGNITION

Custody fees

Custody fees represent fees earned by the Company for holding pension fund assets on behalf of pension fund beneficiaries and their administrators. These are recognised on accrual basis as services are rendered. The rates of custody fees to be charged are agreed with the Pension Fund Administrators and can vary with each Pension Fund Administrators. Custody fee for Retirement Savings Accounts (RSA) is charged on Net Asset Value of the fund at 0.22% average. Custody fees on other funds (aside RSA) are charged on income generated by the fund at the end of every month at the agreed rate within the range of 0.1 - 0.15%.

Interest income

Interest income is recognised using the effective interest method. It includes interest income from cash and cash equivalents.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

8 FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme seeks to minimise potential adverse effects on the Company's financial performance.

Risk management is carried out by the compliance unit under policies approved by the board of directors. The risk department identifies and evaluates financial risks in close co-operation with all operating units. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk, use non-derivative financial instruments, and investment of excess liquidity.

a. Credit Risk

Credit risk arises from cash and cash equivalents, fees receivable from Pension Fund Administrators under the Company's management as well as debt instruments (Treasury bills). For cash or fixed deposits with banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. If funds are independently rated, these ratings are used. If there is no independent rating, risk control assesses the credit quality of the fund considering its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board.'

The following table summarises the company's maximum exposure to credit risk related to financial instruments.

	31 December 2021 ₦'000 AMORTIZED COST	31 December 2021 ₦'000 IMPACT ON SOFP/SOPLOCI
Trade and other receivables	599,866	91
Cash and cash equivalents	11,113,741	-
	11,713,607	91

	31 December 2020 ₦'000 AMORTIZED COST	31 December 2020 ₦'000 IMPACT ON SOFP/SOPLOCI
Trade and other receivables	533,127	213
Cash and cash equivalents	12,693	-
Investment securities	368,954	305
	914,774	518

Credit risk is also mitigated by investing in free risk investment. Loans granted to staff are deducted directly at source from their monthly salary.

In terms of measuring, managing and mitigating liquidity mismatches, The Company focuses on two

types of risk, namely liquidity risk and market risk.

b. 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 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 the entity's reputation.

Procedures are in place to manage this risk amongst which is that the Company invests in short-term money market instruments and other risk-free assets. Therefore, the liquidity risk is considered minimal.

The table below shows the undiscounted cashflow on the Company's financial liabilities and on the basis of the earliest possible contractual maturity. The cash and bank balances, receivables, treasury bill, dividend payable and trade payables carrying amount approximates fair value due to the short-term nature.

Year ended 31 December 2021	0>6months	6months>1year	TOTAL
Financial asset			
Cash and cash equivalents	11,113,741	-	11,113,741
Fees receivables from PFAs	554,387	14,345	568,732
Loans and advances to staff		31,134	31,134
Financial liabilities			
Dividend payable	(3,300,000)	-	(3,300,000)
Trade and other payables	(594,749)	-	(594,749)
	7,773,379	45,479	7,818,858

Year ended 31 December 2020	0>6months	6months>1year	TOTAL
Financial asset			
Cash and cash equivalents	12,693	-	12,693
Investment securities	368,954	-	368,954
Fees receivables from PFAs	492,093	12,735	504,828
Loans and advances to staff		28,299	28,299
Investment securities designated at FVTPL	-	7,432,354	7,432,354
Financial liabilities			
Dividend payable	-	(2,500,000)	(2,500,000)
trade and other payable		(403,160)	(403,160)
	873,740	4,570,228	5,443,968

c. Market Risk

Market risk is the risk that fair value of future cashflows of financial instrument will fluctuate because of changes in market factors which include three types of risks: currency risk, interest rate risk (including related inflation) and equity risk. The only risk applicable to the company is interest rate risk.

i. Interest rate risk (including related inflation)

Below is the sensitivity analysis of interest rate risk which might have impact on the financial instruments of the Company.

	31 December 2021	31 December 2020
Interest rate risk	₦'000	₦'000
Treasury bill	-	368,954
Fair value financial instrument designated at FVTPL	-	7,432,354
Cash & cash equivalent	11,113,741	-
	11,113,741	7,801,308
Impact on profit or loss and equities:		
Favourable change @ 2% increase in interest rate	222,275	156,026
Unfavourable change @ 2% reduction in interest rate	(222,275)	(156,026)

	31 December 2021	31 December 2020
9 Custody fee	₦'000	₦'000
Fund type		
Retirement Savings Accounts (RSA)	5,567,163	4,920,947
Retiree account	304,678	258,570
Closed pension fund account (CPFA)	199,235	207,262
Approved existing scheme (AES)	112,224	119,210
	6,183,300	5,505,989
Geographical markets		
Nigeria	6,183,300	5,505,989
Timing of revenue recognition		
Services transferred over time	6,183,300	5,505,989

Custody fee for Retirement Savings Accounts (RSA) is charged on Net Asset Value of the fund at 0.25% per annum, average rate. Custody fee on other funds (aside RSA) is charged on income generated by the fund at the agreed rate within the range of 0.1 - 0.15% per annum.

The rates of custody fee to be charged are agreed with the Pension Fund Administrators and can vary with each Pension Fund Administrators.

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10 INTEREST INCOME	31 December 2021 ₦'000	31 December 2020 ₦'000
Cash and cash equivalents (10i)	759,739	192,902
Loans and advances to staff (10ii)	4,527	7,335
Investment securities-amortised cost (10iii)	5,902	381,570
	770,168	581,807
Investment securities - FVPL (10iv)	142,730	118,410

10i. Cash and cash equivalents represent interest earned on balances with bank and term deposits.

10ii. Interest income on loans & advances represents interest income charged on personal, vehicle, insurance and mortgage loans granted to staff. The Company grants loans to staff in accordance with the Company's human resources policy at the rate of 5% per annum. These loans were granted at a below market interest rate. Under IFRS, the difference between the rate granted and a market related rate is an employee benefit, which must be deferred and recognised as an employee expense over the period of the loan. The loans have been fair valued at an annual interest rate of 15% per annum which management believes fairly represents the market lending rate. The resultant difference in interest charged is included in staff cost.

10iii. Investment securities include interest earned on treasury bills which are held at amortised cost for the year.

10iv This represented fair value gain on financial instrument designated at FVTPL. The Company invested in the Fixed Income Fund issued by United Capital PLC. The financial instrument was mark to model using closely approximately simple models and method of observable current market transactions in the valuation due to its non-active market. The current price adopted was the bid and offer price available which was the same at the end of reporting period. The Fund was disposed in 2021FY

11 Other income	31 December 2021 ₦'000	31 December 2020 ₦'000
Recoveries of other write-offs	7,089	359
Accrued expenses written back	-	4,200
Recoveries of loss on asset under custody	38,657	-
Administrative processing fee	3	22
	45,749	4,581

Other operating income mostly comprises of revenue generated from sources other than custody fee and investment income. All income streams are recognised when the right to receive income is established

12 Personnel expenses	31 December 2021 ₦'000	31 December 2020 ₦'000
Staff cost	285,883	444,125
Contribution to contributory pension scheme	13,320	17,559
Employees benefits (12i)	2,419	2,474
Others (Note 12 (a))	185,339	10,698
	486,961	474,856

Staff cost comprises of staff emoluments for the year ended 31 December 2021.

12 i. This represents day one difference on loans granted to employees at below market interest rates

		31 December 2021 ₦'000	31 December 2020 ₦'000
12a	Other Staff costs comprises of the following:		
	Management support	1,350	950
	Staff incentive bonus	175,511	-
	Long Service Award	5,872	9,733
	Medical expenses	2,606	15
		185,339	10,698

12b Staff incentive bonus represents accruals for discretionary bonus payable to staff.

		31 December 2021 ₦'000	31 December 2020 ₦'000
13	**Other operating expenses**		
	Other premises and equipment costs (13i)	112,695	115,452
	Auditors' remuneration	12,900	12,600
	Professional fees	36,787	23,221
	Profit on disposal of property	-	5,990
	General administrative expenses (13ii)	720,245	2,067,430
		882,627	2,224,693

		31 December 2021 ₦'000	31 December 2020 ₦'000
13i	Other premises and equipment costs include:		
	Depreciation and amortization	89,917	79,711
	Repairs and Maintenance	21,120	34,488
	Motor running expenses	739	545
	Diesel and water	919	708
		112,695	115,452

		31 December 2021 ₦'000	31 December 2020 ₦'000
13ii	General administrative expenses include:		
	Travelling and hotel bills	4,377	9,249
	Training	9,372	8,689
	Security and cleaning services	3,395	3,164
	Directors' expenses	60,247	59,290
	Printing and stationaries	2,304	620
	Postages and telephone	1,485	2,391
	Advertisement and business promotion	52,762	19,383
	Entertainment, office and computer consumables	3,647	3,926
	Subscription	8,716	9,905
	Insurance	8,899	11,194
	Support services (note 13iii)	279,403	228,108
	CSCS, stamp duties and bank charges	2,656	6,238
	Industrial training fund	5,542	5,840
	Rent and service charge (note 13iv)	81,379	67,608
	Pension protection fund	185,099	165,221
	Write-off of known losses (note 13v)	10,481	1,462,940
	Donation	-	3,572
	Other reimbursable expenses	481	92
		720,245	2,067,430

13 iii. Included in support services above is an amount of ₦129 million (2020: ₦166m) representing the cost of technical and other ancillary services rendered to UBA Pensions Custodian Limited by the Parent Company during the year. Amount fully paid was ₦110million, while ₦19million being charged for December 2021 was accrued for and included in Current liabilities.

13 iv Included in ₦39m paid to the UBA plc as rent for the year. This is a short-term lease as it has a lease term of 12months, hence the payments are recognised as expense in profit or loss on a straight-line basis over the lease term.

13 v. In 2020 financial year, the write-off of other known losses represented the write-off of the unrecoverable amounts in respect of ₦1.9billion loss on assets under custody reimbursed by the Company. In the current financial year 2021, there were no such losses.

		31 December 2021 ₦'000	31 December 2020 ₦'000
14	**ECL (writeback)/charge on cash and cash equivalents and financial assets at amortized cost**		
	Cash and cash equivalents (14i)	-	(147)
	Loans and advances to staff	(193)	(280)
	Investment securities	(305)	(6,327)
	Fee receivables from PFAs (14ii)	71	-
		(427)	(6,754)

14i The cash and cash equivalents included the sum of ₦11.09billion placed in 30days' fixed term deposits with United Capital PLC. The instrument being short tenured financial assets, has low PD premised on the time-horizon of the financial asset and as such ECL computed was insignificant.

The insignificant ECL is due to the short tenor of the financial asset, low risk of default by the counterparty, an acceptable credit rating on United Capital Plc from Agusto & Co (A-) and DataPro (A); and the Company's definition of a default event which is 90 days.

14ii The Company adopted the simplified approach in estimating the credit loss for trade receivables.

14a Movement in ECL Impairment

2021	At 1 January ₦'000	Additions during the year ₦'000	At 31 December ₦'000
Loans and advances to staff	213	(193)	20
Fee receivables from PFAs	-	71	71
Investment securities (note 17)	305	(305)	-
	518	**(427)**	**91**

2020	At 1 January ₦'000	Additions during the year ₦'000	At 31 December ₦'000
Cash and cash equivalents (note 16)	147	(147)	-
Loans and advances to staff	493	(280)	213
Investment securities (note 17)	6,632	(6,327)	305
	7,272	**(6,754)**	**518**

14ii

2021	Stage 1 ₦'000	Stage 2 ₦'000	Stage 3 ₦'000	Total ₦'000
Loans and advances to staff	31,134	-	-	31,134
	31,134	**-**	**-**	**31,134**

2020	Stage 1 ₦'000	Stage 2 ₦'000	Stage 3 ₦'000	Total ₦'000
Cash and balances with banks	12,693	-	-	12,693
Loans and advances to staff	28,299	-	-	28,299
Investment securities	368,954	-	-	368,954
	409,946	**-**	**-**	**409,946**

The ECL allowance is in stage 1 because there is no significant increase in credit risk associated with the instruments since their initial recognition. ECL is no longer necessary the investment securities for 2020FY had matured and fully realised.

15 Income tax expense

Recognised in Profit or Loss	31 December 2021 ₦'000	31 December 2020 ₦'000
Current tax expense		
Current year tax	1,727,212	1,360,736
Education tax	146,056	91,407
Information technology tax	57,730	35,180
Current income tax expenses	1,930,998	1,487,323
Deferred tax (benefit)/ expense	(59,267)	32,076
Total income tax expense	1,871,731	1,519,399

16 Cash and cash equivalents

	31 December 2021 ₦'000	31 December 2020 ₦'000
Cash and balances with banks	20,345	12,693
Money market placements (note 16a)	11,093,396	-
	11,113,741	12,693

16a. The money market placements were the short-tenured fixed term deposits, with maturities below 90 days, with United Capital PLC. United Capital PLC is a leading financial and investment services company in Nigeria that focusses investment banking, asset management, trusteeship, securities and wealth management. The Company has an acceptable credit rating of "A-" from Agusto & Co and "A" from DataPro

17a Investment securities at amortised cost

	31 December 2021 ₦'000	31 December 2020 ₦'000
Treasury bills at amortised cost	369,259	369,259
Allowance for expected credit loss (note 14a)		(305)
Investment income	(5,902)	
Sales	(363,357)	-
	-	368,954

17b Investment securities - FVTPL

	31 December 2021 ₦'000	31 December 2020 ₦'000
Opening balance	7,432,354	7,313,944
Fair value gains	142,730	118,410
Sales	(7,575,084)	-
Closing balance	-	7,432,354

The Investment securities in 2020 financial year was the Fixed Income Capital Fund, a mutual fund issued by United Capital Asset Management Company. The valuation of fixed income fund was based on fair value through profit or loss. The mutual fund was disposed in 2021FY.

18	Deferred tax (liabilities)/assets	31 December 2021 ₦'000	31 December 2020 ₦'000
	At 1 January	(7,022)	25,054
	Credit /(Charge) for the year	59,267	(32,076)
	At 31 December	52,245	(7,022)

Deferred tax charge for the year was in respect of the provision made for staff incentive bonus. The bonus was accrued but not yet paid.

	Property and equipment (Deferred tax liabilities)	12,271	(25,054)
	Other's provision (Deferred tax assets)	(64,516)	32,076
		(52,245)	7,022

19	Other assets	31 December 2021 ₦'000	31 December 2020 ₦'000
	Financial:		
	Fee receivables from PFAs	568,732	504,828
	Loans and advances to staff	31,134	28,299
	Gross amount	599,866	533,127
	Allowances for expected credit loss (note 14a)	(91)	(213)
	Non-financial:		
	WHT receivables	425,426	582,953
	Prepayments	60,284	72,468
		1,085,485	1,188,335

The company grants loans to staff in accordance with the company's human resources policy at the rate 5% per annum. The loans have been fair valued at an annual interest rate which management believes fairly represents the market lending rate. The resultant difference in interest charged is included in staff cost.

20 Property and equipment

31 December 2021	Furniture & fittings ₦'000	Computer Equipment ₦'000	Motor Vehicles ₦'000	Leasehold Improvement ₦'000	Safe & Vaults ₦'000	Total ₦'000
Cost						
Balance at 1 January 2021	107,396	96,920	41,475	74,585	3,280	323,656
Additions	3,165	27,933	62,726			93,824
Disposal		-	-			-
Balance at 31 December 2021	110,561	124,853	104,201	74,585	3,280	417,480
Accumulated Depreciation and impairment losses						
Balance at 1 January 2021	70,939	77,199	31,222	42,066	2,253	223,679
Charge for the year	19,058	13,986	16,281	15,290	164	64,779
Disposal	-	-	-	-	-	-
Balance at 31 December 2021	89,997	91,185	47,503	57,356	2,417	288,458
Carrying amounts						
Balance at 31 December 2021	20,564	33,668	56,698	17,229	863	129,022
Balance at 31 December 2020	36,457	19,721	10,253	32,519	1,027	99,977

None of these assets were encumbered as at 31 December 2021 (2020: Nil)

Property and equipment

31 December 2020	Furniture & Fittings ₦'000	Computer Equipment ₦'000	Motor Vehicles ₦'000	Leasehold Improvements ₦'000	Safe & Vaults ₦'000	Total ₦'000
Cost						
At 1 January 2020	105,122	105,600	54,075	74,585	3,280	342,662
Additions	2,274	1,890	-	-	-	4,164
Write-off		(10,570)				(10,570)
Disposal	-	-	(12,600)	-	-	(12,600)
At 31 December 2020	107,396	96,920	41,475	74,585	3,280	323,656
Accumulated Depreciation and impairment losses						
At 1 January 2020	52,259	71,531	37,012	31,439	2,089	194,330
Charge for the year	18,680	10,248	6,810	12,927	164	48,829
*Reclassification (note 21)	-	-	-	(2,300)	-	(2,300)
Write-off		(4,580)				(4,580)
Disposal	-		(12,600)	-	-	(12,600)
At 31 December 2020	70,939	77,199	31,222	42,066	2,253	225,979
Carrying amounts						
At 31 December 2020	36,457	19,721	10,253	32,519	1,027	99,977
At 31 December 2019	52,863	34,069	17,062	43,146	1,192	148,332

21 INTANGIBLE ASSETS

	31 December 2021 ₦'000	31 December 2020 ₦'000
Cost		
At 1 January	384,270	381,270
Additions	-	3,000
At 31 December	384,270	384,270
Accumulated Amortization and impairment losses		
At 1 January	294,129	260,947
Reclassification	-	2,300
Amortisation for the period	25,137	30,882
At 31 December	319,266	294,129
At 31 December	65,004	90,141

Intangible assets represent core computer software purchased for business operations. The following applications are currently in use by the company:

i. Microsoft Dynamics (NAV)

ii. Automatic Converter

Amortisation is calculated using the straight–line method to write down the cost of intangible assets to their residual values over their estimated useful lives of 5 years.

In 2020FY, the reclassification of accumulated depreciation of leaseholds improvements and intangible assets to errors due to system migration in 2019

22 TRADE AND OTHER PAYABLES

	31 December 2021 ₦'000	31 December 2020 ₦'000
Financial		
Payable to employees (note b)	194,726	33,049
Professional fee payable	31,568	29,062
Other accrued expenses	129,697	107,104
	355,991	169,215
Non financial		
Statutory Pension Protection Fund (note c)	193,136	179,190
Indirect tax and regulatory payables	39,994	49,436
ITF Payable	5,628	5,319
	238,758	233,945
	594,749	403,160

a. The comparative figure has been further disaggregated in the current year to align with the presentation format adopted in the current year

b. The 2021FY figures included accruals for incentive bonus payable to staff. Similar accrual was not made in 2020FY

c. This relates to provision for a fund established and maintained in respect of guarantee minimum pension as stipulated by the National Pension Commission. The assessment was based on the approved custody fees by the Commission

UBA Pensions

	31 December 2021 ₦'000	31 December 2020 ₦'000
23 DIVIDEND PAYABLE	3,300,000	2,500,000

In respect of the current financial year, at the Board meeting held on 17 December 2021, the directors recommended approval of an interim dividend of ₦1.65k per share amounting to ₦3.30 billion (2020: ₦1.8billion). In line with the National Pension Commission (PenCom) circular PENCOM/INSP/CIR/SURV/19/26, payment of these dividends will be subject to the approval of PenCom.

24 CURRENT INCOME TAX PAYABLE	31 December 2021 ₦'000	31 December 2020 ₦'000
Balance beginning of period	1,523,532	1,582,397
Tax paid	(963,577)	(1,546,188)
Income tax charge (note 15)	1,930,998	1,487,323
Balance end of period	**2,490,953**	**1,523,532**

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, while Education Tax is based on Education Tax Act CAP E4 LFN 2004.

25 RECONCILIATION OF EFFECTIVE TAX RATE

The tax on the profit before tax differ from the theoretical amount that would arise using the tax rate applicable to profit of the company. The reconciliation of amount reported are tax expense in the statement of comprehensive income to the income tax using the domestic corporation tax rate is presented below

	31 December 2021 ₦'000	31 December 2020 ₦'000
Domestic corporate tax rate	30%	30%
Profit before tax	5,772,786	3,517,992
Income tax using the domestic corporate tax rate	1,731,836	1,055,397
tax effect of:		
Information technology tax	57,730	35,180
Education tax	146,056	91,407
Other relief	3,823	2,378
Effective of payment differences		
Tax exempt income	(79,106)	(151,892)
Non-deductible expenses	11,392	486,929
Total Income tax expenses in comprehensive income	**1,871,731**	**1,519,399**
Effective tax rate	32.42%	43.19%

		31 December 2021	31 December 2020
26	**Share capital**	₦'000	₦'000
	Share capital comprises:		
(i)	Authorised -		
	2,000,000,000 in full		
	shares of ₦1 each	2,000,000	2,000,000
(ii)	Issued and fully paid -		
	2,000,000,000 ordinary share of ₦1 each shares	2,000,000	2,000,000

		31 December 2021	31 December 2020
27	**Retained earnings**	₦'000	₦'000
	At 1 January	2,758,740	3,260,147
	2020FY dividend declared but not paid	700,000	-
	Dividend declared	(3,300,000)	(2,500,000)
	Transfer from profit or loss	3,901,055	1,998,593
	At 31 December	4,049,795	2,758,740

Retained earnings are the carried forward recognised income net of expenses plus current period profit attributable to shareholders.

The National Pension Commission, PenCom, only approved for payment as Dividend for 2020FY, the sum of ₦1.8Billion out the ₦2.5Billion dividend that was declared.

In respect of the current financial year, at the Board meeting held on 17 December 2021, the directors recommended approval of an interim dividend of ₦1.65k per share amounting to ₦3.3billion (2020: ₦1.8billion). In line with the National Pension Commission (PenCom) circular PENCOM/INSP/CIR/SURV/19/26, payment of these dividends will be subject to the approval of PenCom.

28 RELATED PARTY TRANSACTIONS

1 During the year, the Company had business transactions with related companies. The transactions were in the normal course of business and the amounts recognised in the financial statements from these transactions are as stated below:

	31 December 2021	31 December 2020
	₦'000	₦'000
Interest income		
United Bank for Africa Plc - Parent Company	442	49,886
Support Services		
United Bank for Africa Plc - Parent Company	128,997	165,991
Cash and cash equivalent		
United Bank for Africa Plc - Parent Company	20,345	12,693
Payable		
United Bank for Africa Plc - Parent Company	3,319,000	2,548,985
Rent		
United Bank for Africa Plc - Parent Company	39,450	42,409

UBA Pensions Custodian is a wholly owned subsidiary of UBA Plc.

2 Information regarding Directors and Employees

Key management personnel constitute those individuals who have the authority and the responsibility for planning, directing, and controlling the activities of UBA Pensions Custodian Limited, directly or indirectly, including any director (whether executive or non-executive). The individual who comprises the key management personnel are the Board of Directors as well as certain key management staff and officers.

The following table describes all compensations paid to, awarded to, or earned by each of the key management personnel in 2021 for services rendered in all capacities to the Company.

	31 December 2021	31 December 2020
Chairman and Directors' emoluments	₦'000	₦'000
Fees and sitting allowances:	60,247	59,290
Executive compensation	68,832	92,429
	129,079	151,719

	Number	Number
Executive	2	1
Non-executive	6	5
	8	6

	31 December 2021	31 December 2020
	₦'000	₦'000
Employees	Number	Number
Average number of persons employed during the year:		
MD/CEO & Executive Director	2	1
Management Staff	5	8
Non - Management Staff	66	70
	73	79

	Compensation of Employees	31 December 2021	31 December 2020
1	The number of persons in the employment as at year end is as follows;		
	MD/CEO & Executive Director	2	1
	Management Staff	5	8
	Non - Management Staff	66	70
		73	79

		31 December 2021	31 December 2020
		₦'000	₦'000
2	Compensation for the above personnel		
	Salaries & Wages	285,883	444,125
	Contribution Pension Scheme	13,320	17,559
		299,203	461,684

3 The number of employees other than Directors who received emoluments in the following ranges (Excluding pension contribution) were

	31 December 2021	31 December 2020
	₦'000	₦'000
₦300,001 - ₦2,000,000	34	29
₦2,000,001 - ₦3,500,000	3	10
₦3,500,001 - ₦5,500,000	21	22
₦5,500,001 - ₦6,500,000	1	-
₦6,500,001 - ₦7,800,000	7	9
₦7,800,001 - above	7	9
	73	79

	31 December 2021	31 December 2020
4 Directors	₦'000	₦'000
Renumeration paid to Directors were		
Fees and sitting allowance	60,247	59,290
Executive compensation	68,832	92,429
	129,079	151,719

	31 December 2021	31 December 2020
	₦'000	₦'000
5 Fees and other emoluments disclosed above includes amounts paid to		
The Chairman	13,650	13,650
The highest paid sitting Director	44,527	63,081

6 The number of Directors who received fees and other emoluments (excluding pension contribution) in the following ranges

	31 December 2021	31 December 2020
	₦'000	₦'000
	Number	Number
₦5,000,001 and above	6	5

29 CRITICAL ACCOUNTING ESTIMATES AND SIGNIFICANT JUDGEMENTS

The Company makes estimates and assumptions in determining the carrying amounts of certain assets and liabilities. The estimates and assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances. The resulting estimate seldom equal the related actual results.

The key assumptions concerning the future, and other key sources of estimation uncertainty, are shown below:

Judgements made by management in the application of IFRSs that have significant effect on the financial statements and estimates with a significant risk of material adjustment are disclosed as follows:

Going concern

The Company's management has assessed its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast doubt on the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

Deferred tax assets

Deferred tax assets are recognised in respect of tax losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilised. Judgement is required to determine the amount of deferred tax that can be recognised, based upon the likely timing and level of future taxable profits, together with future tax-planning strategies.

Fair value of financial instruments

Where the fair values of financial assets and liabilities recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are derived from observable market data where possible, but if this is not available, judgement is required to establish fair values.

30 LITIGATIONS AND CONTINGENT LIABILITIES

The Company in its ordinary course of business was involved in an ongoing litigation (31 December 2020: Nil). The litigation involves a claimant seeking redress in court for unlawful and unjustifiable suspension and eventual termination of employment and compensation amounting to ₦25million for general damages and other entitlements at the point of termination.

Based on legal advice, the Directors do not expect the outcome of the litigation to have a material effect on the Company's financial position and are not aware of any other pending or threatened claims and litigation. Hence, no provision has been recognised in these financial statements related to legal proceedings.

31 COMPLIANCE WITH LAWS AND REGULATIONS

The Company complied with all laws and regulations during the year under review (31 December 2020: Nil)

32 CAPITAL COMMITMENTS

The Company has no capital commitments as at 31 December 2021 (31 December 2020: Nil)

33 EVENTS AFTER THE REPORTING PERIOD

There were no subsequent events which could have a material effect on financial position of the Company as at 31 December 2021 or on the other comprehensive income for the year then ended that have not been adequately provided for or disclosed in these financial statements.

34 NON-AUDIT SERVICES

During the year, the Company's auditor, Ernst and Young, did not offer any non-audit services to the Company.

35 ASSETS UNDER CUSTODY	31 December 2021 ₦'000	31 December 2020 ₦'000
Bonds	2,316,399,158	1,929,385,474
Money market instruments	577,518,310	543,630,588
Equities	222,033,387	221,231,574
Treasury bills	53,454,693	78,163,687
Mutual funds	41,610,793	34,623,686
Bank balances	25,878,248	35,130,663
Receivables	670,405	3,052,163
Investment properties	172,628	1,353,412
	3,237,737,622	2,846,571,247

36 FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme seeks to minimise potential adverse effects on the Company's financial performance.

Risk management is carried out by the compliance unit under policies approved by the Board of Directors. The Risk Department identifies and evaluates financial risks in close co-operation with all operating units. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk, use non-derivative financial instruments, and investment of excess liquidity.

Credit Risk

Credit risk arises from cash and cash equivalents, fees receivable from Pension Fund Administrators under the Company's management as well as debt instruments (Treasury bills). For cash or fixed deposits with banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. If funds are independently rated, these ratings are used. If there is no independent rating, risk control assesses the credit quality of the fund taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Custody fees are affected against the net assets of the fund.

No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by any fund under the Company's management.

The maximum exposure to credit risk as at 31 December 2020 is the carrying amount of the financial assets (cash and bank balances, Investment in debt securities and Account receivables) set out in the statement of financial position.

Concentration of risks of financial assets with credit risk exposure

(a) Geographical sectors

All credit risk exposures are maintained within Nigeria. An analysis of concentrations of credit risk is set out below:

	Cash and cash equivalents ₦'000	Treasury Bills & Mutual Fund ₦'000	Trade and other receivables ₦'000	Total ₦'000
31-Dec-21				
Nigeria	11,113,741	-	599,866	11,713,607
31-Dec-20				
Nigeria	12,693	7,801,308	533,127	8,347,128
31-Dec-21				
Financial liabilities (contractual maturity)	3,300,000	-	-	3,300,000
Financial assets (expected maturity)	-	-	-	-
31-Dec-20				
Financial liabilities (contractual maturity)	2,500,000	-	-	2,500,000
Financial assets (expected maturity)	-	-	-	-

Credit quality of receivables

Receivables held by the Company consists of management fee and admin fee receivables which are all classified as neither past due nor impaired. The risk of default is considered as low.

The credit quality of cash and bank balances are neither past due nor impaired. The banks which are the depositories have a credit rating of "A" as assessed by Augusto & Co rating agency; and this rating is adopted by the Company. The risk of default is considered as low.

Credit Quality of Investment in Debt Securities

All investments in debt instruments are neither past due nor impaired.

These investments which are government treasury bills are rated as A+ to A- as assessed by Augusto& Co rating agency and this rating is adopted by the Company.

Liquidity risk

Liquidity risk is the risk that the Company does not have sufficient financial resources to meet its obligation as they fall due or will have to meet the obligations at excessive costs. This risk could arise from mismatches in the timing of cash flows. In extreme circumstances, lack of liquidity could result in reductions in the statement of financial position and sales of assets, or potentially an inability to fulfil lending commitments.

The Company does not have any borrowings. Surplus cash is invested in interest bearing current accounts and short-term placements, choosing instruments with appropriate maturities.

Management of Liquidity Risk

The Company's liquidity management process ensures that the following are carried out:

a. Active monitoring of the timing of cash flows and maturity profiles of assets and liabilities to ensure mismatches are within stipulated limits.

b. Managing the concentration and profile of debt maturities.

Financial instruments measured at fair value

IFRS 7 paragraph 25 requires the disclosure of the fair value of financial assets and financial liabilities by class in a way that permits it to be compared with its carrying amount for each class of financial asset and financial liability. The Company's financial instruments are carried and the amortised cost of the instruments closely approximates the fair value Instrument.

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the number of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital based on the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the balance sheet). Total capital is calculated as 'equity' as shown in the balance sheet plus net debt.

During 2021, the Company's strategy, which was unchanged, was to maintain the gearing ratio of 0%. The Company achieved this gearing ratio in 2021 and 2020 as it had no borrowings

	31 December 2021 ₦'000	31 December 2020 ₦'000
Total borrowings	-	-
Total equity	6,059,795	4,758,740
Gearing ratio	-	-

Value Added Statement

	31 December 2021 ₦'000	%	31 December 2020 ₦'000	%
Gross earnings	7,141,947	111	6,210,787	153
Impairment (charge)/Write back	427	0	6,754	
Bought-in materials and services - Local	(681,198)	(11)	(2,170,036)	(54)
VALUED ADDED	6,461,176	100	4,047,505	100
Applied as follows:				
In payment of employees:				
Salaries, bonuses and benefits	486,961	8	474,856	12
In payment to government:				
Tax	1,873,268	29	1,452,143	36
Information technology Development Levy	57,730	1	35,180	1
Retained for future replacement of assets and expansion of business:				
Deferred tax	52,245	1	7,022	0
Depreciation on fixed assets	89,917	1	79,711	2
Profit for the year	3,901,055	60	1,998,593	49
	6,461,176	100	4,047,505	100

Value added represents the additional wealth which the Company has been able to create by its own and employees' efforts.

Financial Summary

Statement of Financial Position

	31 December 2021	31 December 2020	31 December 2019	31 December 2018	31 December 2017
	₦'000	₦'000	₦'000	₦'000	₦'000
ASSETS					
Cash and cash equivalents	11,113,741	12,693	3,262,176	469,560	92,672
Investment securities-amortised cost	-	368,954	6,493,412	8,818,064	8,420,758
Investment securities - FVPL	-	7,432,354	-	-	-
Property and equipment	129,022	99,977	148,332	204,260	62,557
Intangible assets	65,004	90,141	120,323	40,822	77,157
Other assets	1,085,485	1,188,335	1,162,982	1,330,319	1,303,314
Deferred tax assets	52,245	-	25,054	75,550	81,112
Total assets	**12,445,497**	**9,192,454**	**11,212,279**	**10,938,575**	**10,037,570**
LIABILITIES					
Trade and other payables	594,749	403,160	769,735	1,130,025	1,124,465
Current tax liabilities	2,490,953	1,523,532	1,582,397	1,359,840	1,195,191
Other liabilities	3,300,000	2,500,000	3,600,000	3,340,000	3,200,000
Deferred tax liabilities	-	7,022	-	21,013	12,348
Total liabilities	6,385,702	4,433,714	5,952,132	5,850,878	5,532,004
EQUITY AND RESERVE					
Share capital	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Retained earnings	4,059,795	2,758,740	3,260,147	3,087,697	2,505,566
Total equity	6,059,795	4,758,740	5,260,147	5,087,697	4,505,566
Total Liabilities and Equity	**12,445,497**	**9,192,454**	**11,212,279**	**10,938,575**	**10,037,570**
Assets under custody	3,237,737,622	2,846,571,247	2,452,913,846	2,058,014,025	1,800,248,204

Statement of Profit or Loss and Comprehensive Income

	31 December 2021	31 December 2020	31 December 2019	31 December 2018	31 December 2017
	₦'000	₦'000	₦'000	₦'000	₦'000
GROSS EARNINGS	7,141,947	6,210,787	6,839,856	6,689,941	6,532,613
Personnel expenses	(486,961)	(474,856)	(513,039)	(614,127)	(710,582)
Expected credit loss reversal / (charges)	427	6,754	24,597	(24,549)	-
Other operating expenses	(882,627)	(2,224,693)	(826,267)	(737,870)	(1,028,624)
Profit before tax	5,772,786	3,517,992	5,525,147	5,313,395	4,793,407
Income tax expense	(1,871,731)	(1,519,399)	(1,752,697)	(1,383,944)	(1,161,711)
Profit after tax	3,901,055	1,998,593	3,772,450	3,929,451	3,631,696
Total comprehensive income for the year	3,901,055	1,998,593	3,772,450	3,929,451	3,631,696

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-Open and manage Retirement Savings Account

- Voluntary Contribution Scheme

- Micro Pension

- Retirement Advisory Service

-Cross-border Pension

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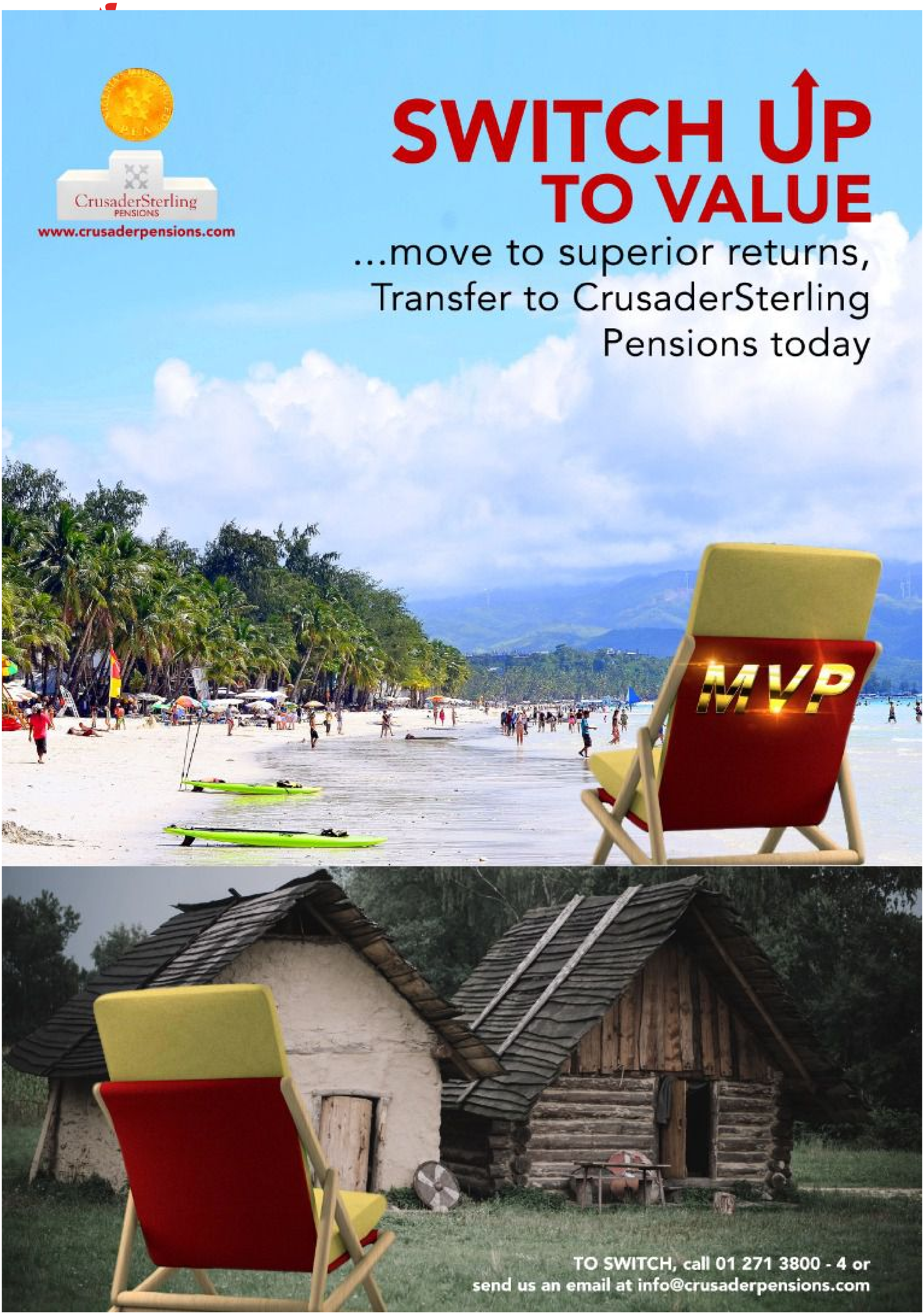
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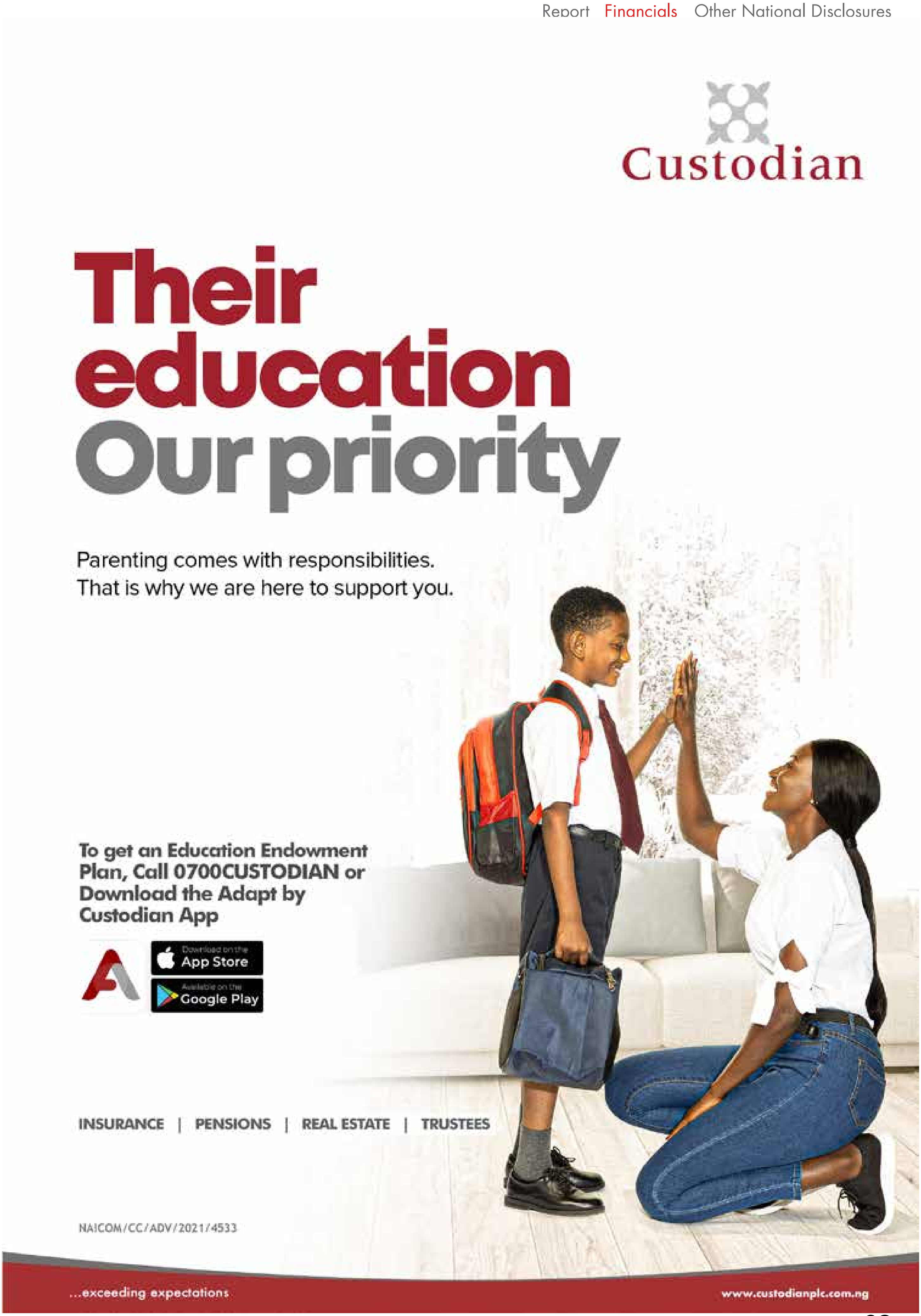
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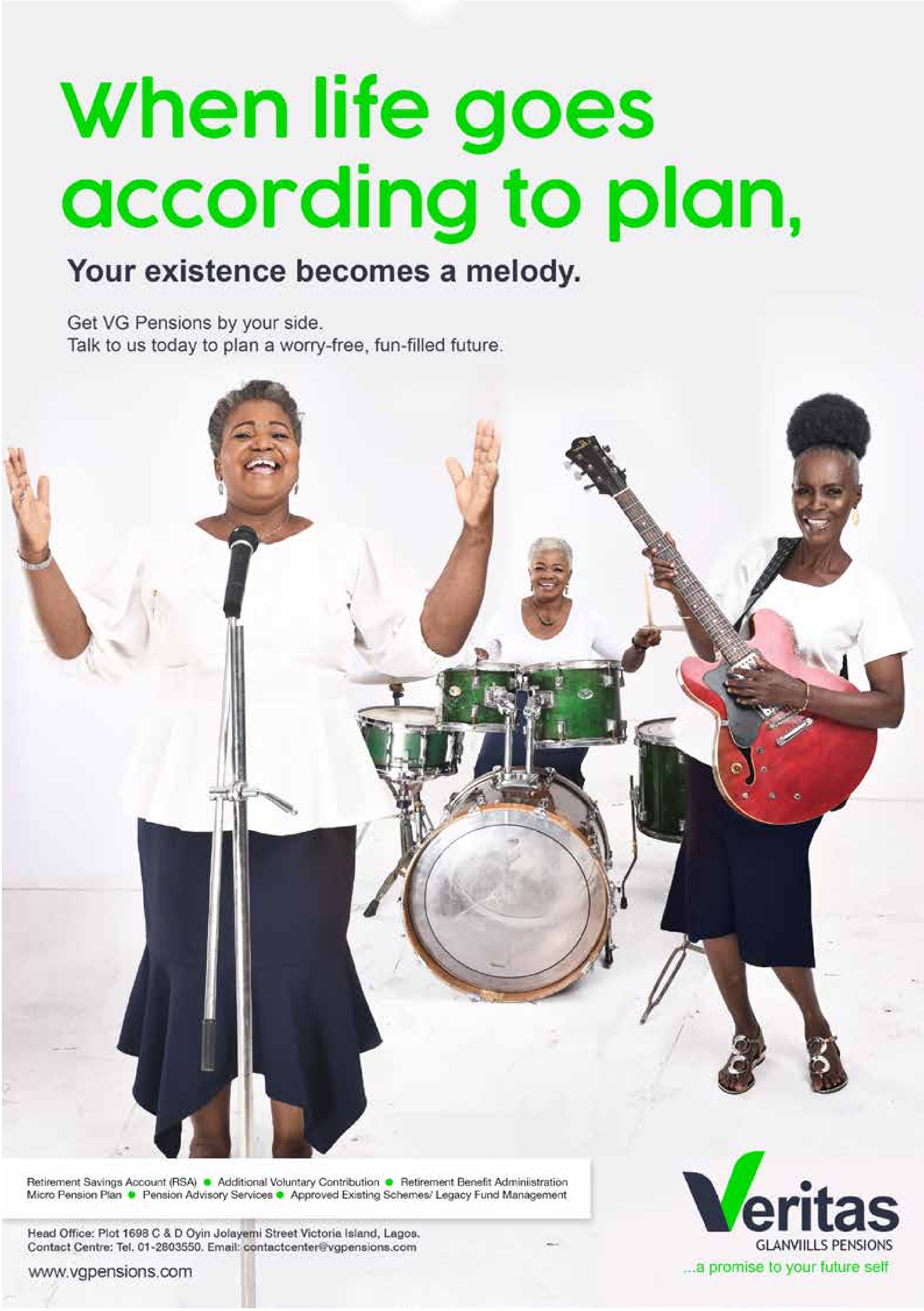
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KEY FEATURES OF TIVA

Retirement Savings Account Transactions

- Retrieve your RSA PIN
- Check your RSA Balance
- Review Recent Remittances
- Download your RSA Statement

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