

*Annual Report*  
**2024**



**UBA PENSIONS CUSTODIAN LIMITED**

Annual Report and audited Financial Statements



## VISION

### *What we strive to achieve*

Our vision is to be the leading Pension Custodian Services Provider.

## 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



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# 01

## **CORPORATE PROFILE**



# Corporate Profile

DIRECTORS, PROFESSIONAL ADVISERS

## Directors

Mr. Victor Osadolor	-	Chairman
Ms. Blessing Ogwu	-	Managing Director/CEO
Mr. Daniel Wajuihian	-	Executive Director
Dr. Awele Elumelu	-	Non-Executive Director (Retired in Q3 2024, on Aug 30, 2024)
Mr. Ugochukwu Alex Nwaghodoh	-	Non-Executive Director
Mr. Alex Alozie	-	Non-Executive Director
Dr. Kayode Fasola	-	Non-Executive Director (Appointed in Q4 2024, effective Dec 3, 2024)
Mr. Abbas Jega Mohammed	-	Independent Non-Executive Director
Mr. Mohammed Yayangida Umar	-	Independent Non-Executive Director

## Secretary

Rachel Onochie-Abugu

## Registration Number

RC-636081

## Registered Address

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

## Auditor

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

## FRCN Number

FRC/2013/00000000681

## Tax Identification Number

01361793-0001

## Banker

United Bank for Africa Plc.  
Marina, Lagos.

# Our Board of Directors

## PROFILES OF DIRECTORS OF UBA PENSIONS CUSTODIAN LIMITED



**VICTOR OSADOLOR**

*Chairman*

*Non-Executive Director*

**Mr. Victor Osadolor** BSc, FCA, HCIB, is an alumnus of Harvard and Wharton Business Schools, U.S.A. His career has spanned over 30 years, 21 of which have been spent leading organizations in C-Suite capacity and at Board levels. He is currently the Chairman of UBA Pensions Custodian Limited, the Chairman, Board Finance and Investment Committee, Heirs Holdings Group, and a Director in Cenpower Holdings Limited, Ghana.

Up until 2020, he was the Deputy Group CEO/ Deputy Managing Director of United Bank for Africa (UBA) Plc. In this capacity and over a period spanning 13 years, he anchored diverse roles. He superintended over the bank's operations in 19 African Countries (excluding Nigeria), oversaw the bank's operations in London, NY and Paris and superintended over the bank's worldwide Treasury, Wholesale and Correspondent banking businesses. Prior to this, he was at different times the Managing Director, UBA Capital; Executive Director, Risk & Finance, UBA; Group Chief Finance Officer, UBA and Executive Director, Risk & Compliance. Aside from UBA, he was a Group Director, Heirs Holdings (HH) Limited between 2014 and 2015. He was the Chief Operating Officer for Corporate and Investment Banking as well as the Chief Strategy Officer for Ecobank Transnational Incorporated (ETI) between 2012 and 2014. He was an Executive Director with Standard Trust Bank between 2001 and 2005; Chief Finance Officer, Ecobank Nigeria 1998-2000; Financial Controller, Guaranty Trust Bank; and in 1995-1998, Audit Senior, Coopers & Lybrand (now PriceWaterhouseCoopers) 1989-1991. He also served as a Non-Executive Director on the Boards of Africa Finance Corporation 2016-2022 and UBA UK 2016-2022.

He holds a B.Sc. (Hons) degree with Second Class, Upper Division in Accounting from the University of Benin, an M.Sc. Degree (Merit) in Finance with specialization in Economic Policy from SOAS, University of London. He is a Fellow Chartered Accountant (FCA) from the Institute of Chartered Accountants of Nigeria (ICAN), an alumnus of Harvard Business School, Advanced Management Program (AMP172), an alumnus of Insead Business School, International Directors' Program (IDP56), an Alumnus 2 of IMD Executive Management Program (2014), and an honorary life member of the Chartered Institute of Bankers of Nigeria (CIBN).

He is an avid reader, loves playing chess and is 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 Oxford Saïd Business School (OAMLPAutumn 2024) and Lagos Business School (LBS SMP22).

She 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 as the Managing Director of UBA Pensions Custodian Limited, Blessing Victory Ogwu was a top management staff of the parent company, UBA Plc with direct responsibility at different times, for Business Developments in Lagos, Rivers and Bayelsa States in Nigeria.

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



**DR. 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 immunization 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.

She 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.



**ABBAS JEGA MOHAMMED**

*Independent  
Non-Executive Director*

**Mr. Mohammed** is a Chartered Accountant. He 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. He is presently an Independent Non-Executive Director on the Board of Kebbi State Home Savings and Loans Limited.

Mr. Mohammed is an Associate of the Institute of Chartered Accountants of Nigeria and a member of the Institute of Directors Nigeria.

He holds the traditional title of Ajiyan Gwandu (Treasurer, Gwandu Emirate).



**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 Fellow of the Chartered Risk Management Institute (CRMI) of Nigeria.

He has over 31 years 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 Nigeria Deposit Insurance Corporation in 2019, as the Director, Insurance and Surveillance Department.

He is a beneficiary of a wide range of local and international courses.

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



**UGOCHUKWU ALEX  
NWAGHODOH**

*Non-Executive Director*

**Ugo Nwaghodoh** has over 30 years multifunctional experience spanning banking, advisory and assurance services. Prior to his appointment as the ED, Finance & Risk Management of UBA Plc, he was at different times, Group Financial Controller, Group Chief Compliance Officer, and Head – Performance Management at the UBA Group.

Before joining UBA in 2004, he had decades of experience with renowned firms of Deloitte and PricewaterhouseCoopers in Nigeria and Kenya. He holds a M.Sc. degree in Risk Management from New York University and a M.Sc. degree in Finance and Management from Cranfield University, England.

He also holds a B.Sc. degree from the University of Ibadan. Ugo is a Fellow of the Institute of Chartered Accountants of Nigeria, a Fellow of the Chartered Institute of Taxation of Nigeria (CITN), an Associate Member of the Chartered Institute of Stockbrokers of Nigeria, a Member Chartered Institute for Securities and Investments, United Kingdom and an Honorary Senior Member of the Chartered Institute of Bankers of Nigeria (CIBN). He is also a member of the Institute of Directors of Nigeria.



**ALEX ALOZIE**

*Non-Executive Director*

**Alex Alozie** has a BSc in Economics from Abia State University, Uturu. He also holds a Master's Degree in Business Administration from Metropolitan School of Business, London (United Kingdom).

He is a consummate professional with an in-depth understanding of Banking Principles and a deep exposure to all aspects of Banking Operations & Strategy. His experience spans across Branch Operations, International Trade Operations, Head Office Operations, information Technology and Process Transformation and Business Development.

He is a Fellow of the Chartered Institute of Bankers of Nigeria, Nigerian Institute of Management, Institute of Chartered Economists of Nigeria, Chartered Institute of Strategic Managers & Leaders and Association of Human Resources of Nigeria.

He has received numerous awards which include CBN Commendation for Contributions in the introduction of the Cashless Initiative, SEC Commendation for his role in implementing E-Dividends and the CBN/NIBSS Award as a member of the BVN Implementation Committee, amongst others.

He is also a member of the CBN Committee on Introduction of Cashless in Nigeria, CBN/NIBSS committee on Implementation of BVN, CBN/SEC Committee on E-Dividend Mandate and CBN Committee on Shared Services.

His previous positions in the banking Industry include Head of Operations in Diamond Bank and Head of Digital/Head Office Operations in Access Bank. He is currently the Executive Director, North Bank, United Bank for Africa (UBA) Plc.



**DANIEL WAJUIHIAN**

*Executive Director,  
Operations & I.T.*

**Daniel Wajuihian's** career has been in Law, Estate Management, Banking, Risk Management and Operations. In addition to various courses and trainings on Business Management, Business Development, Information Technology, Operational Efficiency, Corporate Governance, Personal Development and Leadership, his educational qualification includes an LL.B (Edo State University, Ekpoma), a B.L (Nigerian Law School, Lagos) and an LL.M (University of Lagos).

He was the Chief Risk Officer of UBA Pensions before his appointment as Executive Director, Operations & IT. Earlier, he held leadership positions in Risk Management and Business Development in various banks, including the then Standard Trust Bank, Fidelity Bank, Access Bank and United Bank for Africa. He is a member of the Institute of Directors.



**DR. KAYODE FASOLA**  
*Non-Executive Director*

**Dr. Kayode Fasola** is a consummate professional with over 30 years' cognate experience obtained from Management and Board positions covering banking operations, risk management, credit/financial analysis, insurance, asset management, business strategy/development, performance management and corporate governance.

He holds two masters' degrees and a Ph.D. in Business Administration specializing in Entrepreneurial Financing. He is a Member of the Association of National Accountants of Nigeria, Chartered Institute of Marketing, Chartered Institute of Banking and Chartered Institute of Management.

Dr. Fasola had previously served as an Executive Director of Wema Bank and as Non-Executive Director on the Board of UBA Plc from 2018 to 2024. In UBA Plc, he served as the Chairman of the Finance & General-Purpose Committee and was a member of the Board Credit Committee, Board Risk Management Committee, the Board Audit and Governance Committee and the Statutory Audit Committee.





# Our Management Team

PROFILES OF MANAGEMENT TEAM OF UBA PENSIONS CUSTODIAN LIMITED



**CHRIS OJIEABU**

*Chief Compliance Officer*

**Chris, LL.M, BL, MBA,** is a Barrister & Solicitor and an Authorised Dealing Clerk. He has been actively involved in legal practice with reputable law firms and previously served as Head of Corporate Trust at UBA Trustees Limited before joining UBA Pensions.

Chris was the pioneer Company Secretary of UBA Pensions and also served as the Acting Head of Operations before being appointed Chief Compliance Officer in 2017.

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



**HELEN DUAKA**

*Chief Financial Officer*

**Helen** is currently the Chief Financial Officer (CFO) of UBA Pensions. She holds a Bsc degree in Accounting from the prestigious University of Benin and is a renowned Fellow of the Institute of Chartered Accountants of Nigeria.

Helen has a wealth of expertise spanning over 2 decades in branch operations and financial control exhibiting exceptional expertise in financial reporting, financial operations, controls, data analysis, and process reviews. She also excelled as the CFO of UBA Insurance Brokers, displaying astute financial leadership.

Known for her meticulous attention to detail and exceptional organizational abilities, Helen consistently delivers results of the highest quality. Her dedication to excellence and commitment to upholding financial best practices have earned her a stellar reputation in the industry.



**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.





**HELEN EWERE IGBINOBA**

*Head, Contribution  
Administration*

**Helen**, before joining UBA Pensions, boasts over 24 years of banking experience spanning Cash Management, Customer Service, Funds Transfer, Electronic Banking, Customer Management & Engagement with United Bank for Africa Plc. The astute banker also managed the Cash Management Centre and served as the Liaison Officer between the Bank, CBN, and other Financial Institutions in the Midwest Region for several years.

A result-oriented professional in process optimization and an excellent driver of customer service experience. Helen served as the Chief Operating Officer for the Midwest 1 Region of the Bank, overseeing 15 offices and several cash offices, before joining UBA Pensions.

Helen joined UBA Pensions in September 2023 and currently the Head of the Contribution Administration Department. She is business-minded, engaging, and collaborates with teams in all units to grow the viability of the organization. An excellent team player, Helen leads to ensure the team achieves and excels in all job deliverables and targets.

Helen holds a Bachelor's degree in Economics and Statistics and a Master's in Business Administration.



**OLADAPO AJIBOLA  
LAWUYI**

*Head, Resources*

**Oladapo Ajibola Lawuyi ACIPM** has more than 20 years of expertise in the financial services industry, having worked in Banking Operations, Retail Marketing, Human Resources, and Corporate Services.

He holds an MBA (Master of Business Administration) in Human Resource Management as well as a combined honours degree in History and Sociology from Obafemi Awolowo University in Ile-Ife, Osun State.

He has received training from a number of prestigious institutions, including the Lagos Business School. He began his career at Standard Trust Bank Plc, the most innovative bank at the time, which later merged to establish the current United Bank for Africa Plc.

He presently serves as the Head of Resources for UBA Pensions Custodian Limited.



**LILIAN NKIRUKA  
ONWUDINJO**

*Head, Business Development  
and Client Services*

**Lilian Onwudinjo** is a seasoned Client Service and Business Development Manager with over 17 years of expertise in the banking and pensions industry. With a strong focus on exceptional relationship management and process improvement, she excels as a professional of utmost integrity. A collaborative team player, Lilian possesses the ability to identify and drive initiatives across diverse teams.

Her extensive experience in managing both retail and corporate clients has provided her with a deep understanding of evolving customer expectations.

Prior to joining UBA Pensions, she held various positions at First Bank of Nigeria, contributing to the transformation of the branch. Lilian holds a bachelor's degree in Agric Economics & Extension from Delta State University, Nigeria, and an MBA in Human Resources and Management from Daystar University, Nairobi, Kenya. She has actively participated in numerous banking and pension industry training programs.



**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.



**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



**SMITH OLIGIE**

*Chief Information Officer*

**Smith Oligie** is a seasoned professional with extensive experience in strategic IT management and digital transformation. As an expert in leveraging technology to drive business growth, he has a proven track record in implementing enterprise solutions and managing IT operations. His leadership skills are demonstrated through successful project management and team collaboration. Smith is dedicated to optimizing processes and enhancing organizational efficiency through innovative technology solutions. Well-versed in cybersecurity, he ensures robust protection for digital assets.

Smith holds a bachelor's degree in Industrial Chemistry, a specialization certificate in software product management, and an MBA with a specialization in AI. Additionally, he is a certified IT Manager and a Certified Manager (CM) with several IT and project management professional certifications.



**CHINWE JEFF OWUNNA**  
*Chief Risk Officer*

**Chinwe**, ERMCP, ARMN, ACILRMN, ACIFCN, is a seasoned professional with over 15 years of cross-functional experience spanning financial management, risk assessment and mitigation, business integration and resilience, project management and data analysis, executive management partnership and decision support, business impact analysis and sustainable practices. She leads Organizational efforts around measuring the positive impact of activities and ensuring alignment with purpose and values.

She has worked with many Organisations at managerial levels across different job roles in driving strategic interventions and growth in various business units. Through her proven business acumen and technical competencies, she has successfully championed and implemented several business process designs and improvement initiatives and a full cycle of risk management frameworks that support enterprise-wide operations, high-impact building projects, culture change programs and business re-engineering while leading high-performance and result-oriented teams.

She is a certified Professional in Risk Management (ERMCP ISO 31000) and Corporate Social Responsibility (ISO 26000 – Lead Implementer). She is an Associate member of Risk Management Society of Nigeria (RIMSON), Chartered Institute of Loan and Risk Management (CILCRM) and Chartered Institute of Finance and Control (CIFCN) respectively. She also holds Certificate in Insurance, MBA in Financial Management and B. Sc (Hons) in Banking & Finance.



# SAFETY OF ASSETS

...safe haven for pension assets



The Electronic Pension Contributions Collection System (EPCCOS) is a web-based e-payment Collections platform, developed by NIBSS in partnership with Pension Operators (PenOp) Association of Nigeria. The portal was designed to facilitate the remittance of employees' Pension Contribution to their various Pension Fund Administrators in a Organized and timely manner.



# 02

## **STRATEGY & BUSINESS REVIEW**



**VICTOR OSADOLOR**  
*Chairman, Board of Directors*

# Chairman's Statement

## Dear Distinguished Shareholders,

On behalf of the Board of Directors, it is my pleasure to present to you the 2024 Annual Reports and Audited Financial Statements of our Company UBA Pensions Custodian Limited.

Permit me to begin with a quick summary of the macroeconomic and operational developments that defined our operating environment in 2024, before presenting our results.

### The Macroeconomic and Operating Environment

The International Monetary Fund (IMF) projected global growth at 3.3% both in 2025 and 2026 while global headline inflation is expected to decline to 4.2% in 2025 and to 3.5% in 2026. The Russia-Ukraine war remains unresolved after two years of war, with no peace agreement, but a ceasefire was reached by December 2024. The year also saw a surge in global anti-government protests, many related to elections, while economic hardship worsened due to rising energy and food prices.

From a view of the domestic front as reported by the National Bureau of Statistics (NBS), Nigeria's Gross Domestic Product (GDP) grew by 3.84% in 2024, up from 3.46% in 2023. The agriculture sector grew by 1.76%, from the growth of 2.10% recorded in 2023. Also, the growth of the industry sector was 2.00% a decline from 3.86% recorded in 2023. Nigerian inflation increased between 2023 and 2024, from 28.92% to 34.8% year-on-year in December 2024.

Additionally, despite growth prospects being constrained by high economic pressures, Nigeria's GDP is predicted to increase moderately in 2025, with

estimates ranging from 3.2% to 4.6% due to expected growth in the services sector, stable crude oil prices, and government policy reforms.

The Pension industry had a growth of 22.60% in Pension Assets from ₦18.36Trillion in 2023 to ₦22.51Trillion in Dec 2024 due to increased compliance in both the private and public sectors, as well as increased efforts by stakeholders to raise awareness of the industry and improved performance recorded in the Nigeria capital market. The Contributory Pension Scheme (CPS) membership increased by 390,899 from 10.19million in December 2023 to 10.58million in December 2024.

To enhance governance in the industry, the National Pension Commission introduced revised regulations for the transfer of Retirement Savings Accounts (RSAs). These regulations detail the procedures that Pension Fund Administrators (PFAs) must follow for the smooth transfer of RSAs between PFAs and specify penalties for violations of the RSA transfer process.

### Financial Highlights: Strong Performances

In 2024, despite the complex array of challenges in the economy, UBA Pensions successfully harnessed available business opportunities, demonstrating our brand resilience. Our performance clearly showed a continued growth in 2024 in terms of Custody fees and Profit before Tax.

However, a decline in Assets under custody was recorded due to the merger of ARM Pensions and Access Pensions. Our balance sheet size grew by 15% from 15.7Billion in 2023 to ₦18.1Billion in 2024. Cost to income ratio increased from 19% in 2023 to 22% in 2024. We closed 2024 financial year with a Profit after tax of ₦5.69Billion. Assets Under Custody declined by 10%, from ₦3.79Trillion in 2023 to ₦3.39Trillion in 2024.

As an organisation we continued to maintain high liquidity during the year with over 90% of our funds held in liquid assets.

### Dividends: Committed to Higher Returns to Shareholders

In line with our dedication to providing our esteemed shareholders with an exceptional return, the board authorized a dividend payment of ₦2.50k per share,





totalling ₦5Billion for 2024. Payout is subject to the approval of the National Pension Commission.

### Excellent Service Delivery

As we reflect on the past year, we take great pride in our unwavering commitment to excellent service delivery, which has been a key driver of our growth and resilience. We continue to leverage on our reinvigorated culture of excellent service improvement to grow earnings and defend market share by prioritizing governance, people and technology, which are essentials in achieving our goal of being the leading pension custodian services provider.

Our strategic investments in technology have continued to yield significant dividends. Notably, in 2024, we successfully executed a major upgrade from Microsoft Dynamics Navision (NAV) (originally implemented in 2019) to Microsoft Dynamics 365 Business Central (BC), with the cutover to production completed on June 19, 2024. This critical transition was executed in two phases: the first focused on the core upgrade itself, while the second concentrated on automating key operational processes.

This upgrade has been instrumental in enhancing our operational efficiency and strengthening service delivery. It enabled us to streamline workflows, improve data visibility, and introduce intelligent process automation, which collectively translated into faster response times and a superior client experience. The timing of this advancement has been particularly significant, building on the resilience we developed during the disruptions of the COVID-19 pandemic and positioning us for sustainable, technology-driven growth.

In 2024, our focus on service excellence enabled us to consistently meet clients' needs. This dedication has strengthened our brand and solidified our reputation as a trusted leader in the pension industry.

### 2025 Outlook

Looking ahead to 2025, we are optimistic about the opportunities and challenges that await us. Our focus will remain on driving growth, innovation, and

operational efficiency, with a commitment to delivering value to both our clients and shareholders. We will continue to address service excellence with tailored solutions for our clients. Strengthening our relationships with regulators and stakeholders and ensuring compliance and governance at the highest standards, will remain a priority.

### Appreciation

I would like to sincerely thank our valued clients for their continued trust and loyalty, which have been key to our sustained growth and success. Your support continually motivates us to pursue excellence, drive innovation, and enhance the value we deliver.

My sincere appreciation goes to my fellow Board members, whose dedication, insightful advice, and leadership have been crucial in achieving the results outlined in this Report.

I want to also express my appreciation to our dedicated management and staff, whose hard work, professionalism, and commitment to excellence, have been vital to the Company's progress.

Thank you all for demonstrating once more, that we can all work together to accomplish our shared objectives.

**Victor Osadolor**  
**Chairman, Board of Directors**  
**FRC/2016/PRO/DIR/003/0000013923**



**BLESSING OGWU**

*Managing Director / CEO*

## Managing Director / CEO's Statement

### Dear Shareholders,

I am pleased to present the Annual Report and Audited Accounts of UBA Pensions Limited for the Financial Year Ended December 31, 2024 and also share with you the progress we made, the challenges we encountered, and the strategies that drove our performance.

Our financial performance reflects our commitment to strong operational execution though the year 2024 was quite challenging, but through resilience, adaptability, and a continued focus on our long-term goals, we have achieved remarkable growth. We are privileged to report a Profit after tax (PAT) of ₦5.68bn in 2024 and a dividend pay-out of ₦5bn was proposed and approved by the Board of Directors.

While we are encouraged by our achievements, we acknowledge that there are still areas for improvement. As we move forward in 2025 financial year, our focus is on winning new mandates to grow our Asset Under Custody (AUC), further strengthening customer relationships and leverage on our newly upgraded Microsoft Business Central software for a continued improvement of operational efficiency.

### 2024FY Operating Environment – Global and Nigeria

In 2024, both the global and Nigerian economies faced a mix of challenges and opportunities that influenced our operational performance.

On the global front, there was a moderate recovery from the lingering effects of the geopolitical tensions including the Russia-Ukraine crisis and Middle East war. However, inflation remained a persistent issue, prompting monetary policy authorities, particularly in developed economies, to maintain restrictive

monetary policies. Despite these hurdles, global markets saw growth, driven by technological innovations, energy transitions, and trade. Still, rising interest rates and financial market volatility affected investors' confidence, leading the financial sector to prioritize risk management and digital transformation to remain competitive.

In Nigeria, data released by the National Bureau of Statistics (NBS) indicated an upward trend growth in economy with the Gross Domestic Product (GDP) expanding by 3.84% year-on-year (YoY) in the Q4 of 2024, up from 3.46% in Q4 2023. This growth was primarily driven by the Service sector, which grew by 5.37% and accounted for 57.38% of the total GDP.

However, inflation remained a concern, with the NBS reporting a YoY increase in the inflation rate to 34.80% in December 2024, up by 5.87% from 28.92% in December 2023. The average retail price of Premium Motor Spirit (Petrol) also surged by 76.99%, reaching ₦1,189.12 in December 2024 compared to ₦671.86 in the same month of 2023.

The Central Bank of Nigeria (CBN) maintained a restrictive monetary policy, raising the Monetary Policy Rate (MPR) from 18.75% in Q4 2023 to 27.50% in Q4 2024 to combat inflation. Meanwhile, the Naira continued to depreciate against the dollar, closing at ₦1,642.50/\$1 as at 31st December, 2024.

On the equities market, Nigeria saw impressive performance in 2024. Major indices recorded substantial year-to-date (YTD) gains as of Q4. The NGX All Share Index (ASI) achieved a strong YTD return of 37.7%, reflecting widespread investors' confidence and market strength. Even more impressive was the NGX Pension Index (Pen), which posted a YTD return of 39.5%, driven by greater interest in stable, pension-compliant stocks (Equities).

### Industry Updates

Pension Assets grew by 23%, rising from ₦18.36 Trn in 2023 to ₦22.51 Trn in December 2024. Additionally, membership increased by 4%, from 10,191,400 in December 2023 to 10,582,299 in December 2024. Other significant industry events and developments during the year included:

- Approval of the merger between Access and ARM Pensions.
- Circular on Commercial Paper.
- Circular on Implementation of Minimum Wage.
- Revised Documentation from RSA Holders for The





Data Recapture Exercise.

- Review of Some Matters Relating to The Administration of Retirement and Terminal Benefits Under the Contributory Pension Scheme.
- Circular on Emerging Matters in The Payment of Voluntary Contribution Under the Contributory Pension Scheme.
- Change of Name from Radix Pension Managers Limited to Cardinal Stone Pensions Limited.
- Revised Regulation for The Transfer of RSAs.

### 2024 FY Financial Highlights

Some of the notable achievements in 2024 was a 22% increase in total revenue, rising to ₦11bn from ₦9bn in 2023. This growth contributed to an 18% rise in Profit Before Tax (PBT), which climbed from ₦7.3bn in 2023 to ₦8.6bn in 2024. Similarly, Profit After Tax (PAT) grew by 18%, reaching ₦5.6bn compared to ₦4.7bn in the previous year.

Additionally, Custody Fees rose by 12%, moving from ₦7.1bn in 2023 to ₦8.0bn in 2024. Income from the Proprietary portfolio also saw a substantial increase of 59%, growing from ₦1.9bn to ₦3bn highlighting robust returns on the company's investments. The Board approved a ₦5bn dividend payout to shareholders, up from ₦3.8bn in 2023.

However, AUC declined by 10%, dropping from ₦3.7trn in 2023 to ₦3.3trn in 2024. This was largely due to the movement of ARM Pensions RSA Assets to Access Pensions because of the merger between the two companies.

### People and Process

The dedication and expertise of UBA Pensions' team, from the Board of Directors to every staff member, are the driving forces behind our progress. Our commitment to fostering a culture of innovation, collaboration, and continuous learning ensures that we remain equipped to navigate the industry's challenges. Equally important, we have made significant improvements to our processes, to enhancing efficiency, transparency, and compliance with PenCom regulations.

### Outlook for 2025

The merger of Access Pension and ARM Pension, which led to a temporary decline in our Asset Under Custody (AUC), is a pivotal moment in our journey. While this shift presents short-term challenges, it lays the foundation for a more unified, diversified, and resilient organization. By combining our strengths, we are better positioned to achieve greater operational efficiencies, create innovative solutions, and drive

growth. Looking ahead, we are committed to rebuilding our AUC by enhancing customer satisfaction and expanding our client base. I am confident that we will emerge stronger, more agile, and ready to meet the evolving demands of our industry. The year 2025 is bright, and the best is yet to come.

### Appreciation and Conclusion

I want to extend my sincere gratitude to everyone who has contributed to our success. To the Board of Directors, thank you for your guidance and strategic direction. To the Management Team, your innovation and dedication have been key to our growth. To our employees, your hard work and commitment are the foundation of our achievements. I also extend my deepest gratitude to our clients for their trust and confidence in UBA Pensions. Your unwavering support and belief in our ability to deliver exceptional service have been crucial to our success. To our regulator, the National Pension Commission, we appreciate your ongoing support in ensuring regulatory compliance and advancing the pension industry. To our shareholders, your belief in our vision is greatly appreciated, and we remain focused on delivering strong returns and long-term value. Together, we have made significant progress, and with your continued dedication, we will reach even greater heights in the coming year 2025.

**Blessing Ogwu**  
**Managing Director / CEO**  
**FRC/2021/PRO/DIR/003/00000022851**



# Enterprise Risk Management Summary

Risk Management is a fundamental management and control activity that underpins the entire business of UBA Pensions. There is an up-to-date Risk Management Policy in place approved by the board, 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 relevant and proportionate to the size and nature of the business.

## Strategic Risk Management Objectives

- Create and sustain a world class risk management function that is process based, cutting edge technology enabled and driven by a highly trained workforce with a focus on growing assets under custody.
- Ensure zero tolerance for policy violation and service delivery failure.
- Ensure zero tolerance for regulatory infraction.
- Limit incidence of financial and non-financial losses to tolerable levels.
- Pursue and attain the highest standard of corporate governance and regulatory compliance under a zero-tolerance policy for regulatory infraction.
- 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 limits Legal Risk exposures of

UBA Pensions to tolerable levels.

- 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 National Pension Commission, other regulatory bodies in Nigeria, international regulatory bodies, and market leaders.
- 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 Risk in UBA Pensions

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

- Counterparty risk
- Market risk
- Liquidity
- Operational risk
- Business Continuity
- Compliance and Regulatory
- Information security
- Business/Strategic Risk
- Legal Risk
- Group Risk
- Reputational 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, along with the full board, has approved and taken ownership of the Risk Management Policy and takes an active interest in its implementation.

Within UBA Pensions, there is a Chief Risk Officer who has primary responsibility for identifying, assessing, measuring, monitoring, and reporting risks, as well as ensuring that risks are adequately mitigated and/or controlled. The CRO reports to the CEO and the Board Audit and Risk Management Committee of UBA Pensions.

### Risk Management Activities for the Period Under Review.

The yearly Risk Management Plan, which outlines 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 this period.

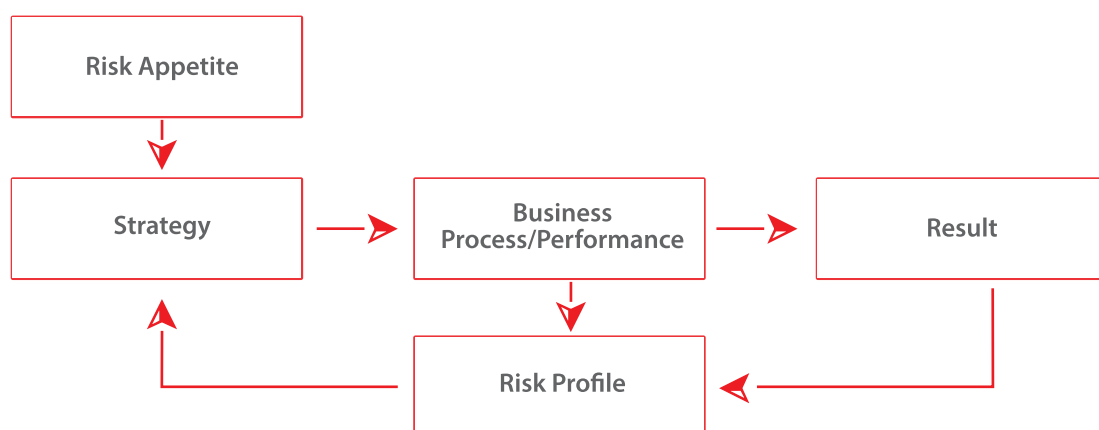
Disaster recovery was tested quarterly throughout the period under review and was confirmed to be functional and ready. We further strengthened the organization's response to COVID-19, ensuring that our spaces are safe for both staff and clients.

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

### Conclusion

In conclusion, with strong risk oversight from the board and best-practice risk management processes in place at UBA Pensions, the overall risk exposure is well within the tolerable level of the company's risk appetite.

There is no significant risk exposure for the period under review, and we are further strengthening the risk management function to handle emerging risks as the business expands and the operating environment changes.



# Whistle Blowing



Supporting the Ethics Programme at UBA Pensions is a comprehensive whistle-blowing framework. The Company maintains multiple secure and confidential channels through which stakeholders can report actual or potential unethical behaviours to clearly identified whistleblowing champions.

A dedicated whistle-blowing link is available on the Company's website for ease of access, and physical compliance boxes are strategically positioned at designated locations within the corporate head office and the business office to encourage anonymous reporting.

In addition to these internal mechanisms, the firm of Deloitte provides an independent whistle-blowing solution to further strengthen transparency and ensure objectivity in the handling of disclosures. This external support enhances stakeholder confidence and reinforces the Company's commitment to upholding the highest ethical standards.

**For Whistle blowing, please call: +234100688267; +234 1 2702627; +234 1 2718007**

**Toll-Free Hotline: 0800TIP-OFFS (0800 847 6337), 02012718008**

**Email: [UbapenWhistleBlowing@ubagroup.com](mailto:UbapenWhistleBlowing@ubagroup.com)**

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# 03

## GOVERNANCE

## 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 2024 are highlighted in this report and will be published in the Company's Annual Report.

### Board Structure & Composition

In the financial year, the Board of the Company was composed of the following members:

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. Ugochukwu Alex Nwaghodoh	Non-Executive Director
6	Mr. Alex Alozie	Non-Executive Director
7	Dr. Kayode Fasola	Non-Executive Director
8	Mr. Abbas Jega Mohammed	Independent Non-Executive Director
9	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, the Company's Internal 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 in support of the Company's corporate governance framework are in place, including the "Board Governance and Board Committees Governance Charter", "Code of Corporate Governance", "Conflict of Interest Policy", "Internal Audit Plan", "Internal Control Plan", "Compliance Policy and Programme", "Whistleblowing Policy", "Succession Planning Policy and Procedure", "Risk Management Policy", "Sustainability Policy", "Diversity Policy and Plan", "Data Privacy Governance Policy",

"Expense Empowerment Policy" and "Stakeholders Management & Communication Policy". The Company's Policies are reviewed regularly by the Board Committees and approved by the Board. They are also updated in line with the amendments of applicable legislations and rules as well as changes in current market practices and operating environment.

The Board closely monitors the implementation of strategic initiatives as key drivers of the Company's business. In its drive to leverage on digital technologies to streamline operations and improve efficiency, a System Upgrade from Microsoft Dynamics Navision 2018 to Microsoft Dynamics 365 Business Central, was carried out.



## Relationships on the Board

- ▶ There is no biological, family or marital relationship between the MD/CEO and the Chairman. The roles of the Chairman and the Managing Director 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 separated 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 services rendered on the Board.
- ▶ Members of the Board have diverse experience and there is a balance of skills and knowledge.
- ▶ At each quarterly Board meeting, presentations are made to the Board on various aspects, including business performance, financial performance, corporate governance and outlook and assurance functions, among others. Written reports reviewing all the key operational aspects of the Company are 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 either at the beginning of the year or 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

### Retirements

S/N	NAME	RETIREMENT DATE
1	Dr. Awele Elumelu	August 30, 2024
2	Mr. Abbas Jega Mohammed	December 22, 2024

### Appointments

S/N	NAME	RETIREMENT DATE
1	Dr. Kayode Fasola	December 3, 2024

## The Roles & Responsibilities of the Board

The Board of UBA Pensions met 4 (four) 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.

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 2024 Financial Year is listed as follows:

## Directors Participation at Meetings

### Board of Directors – Composition & Meetings Attendance

S/N	MEMBERS	APR 3, 2024	JUN 26, 2024	SEPT 26, 2024	DEC 17, 2024
1	Mr. Victor Osadolor Chairman	✓	✓	✓	✓
2	Ms. Blessing Ogwu Member/MD/CEO	✓	✓	✓	✓
3	Mr. Daniel Wajuihian Member/Executive Director	✓	✓	✓	✓
4	Mr. Abbas Jega Mohammed Member/Independent Non-Executive Director	✓	✓	✓	✓
5	Dr. Awele Elumelu Member/Non-Executive Director	✓	✓	✓	✓
6	Mr. Ugochukwu Nwaghodoh Member/Non- Executive Director	✓	✓	✓	✓
7	Mr. Mohammed Yayangida Umar Member/Independent Non-Executive Director	✓	✓	✓	✓
8	Mr. Alex Alozie Member/Non-Executive Director	✓	✓	✓	✓
9	Dr. Kayode Fasola Member/Non-Executive Director	*	*	*	✓

\* Dr. Awele Elumelu retired in Q3 2024, on August 30, 2024.

\* Dr. Kayode Fasola was appointed to the Board in Q4 2024, effective December 3, 2024





## Annual General Meeting/Extraordinary General Meeting

S/N	MEMBERS	JUN 26, 2024
1	Mr. Victor Osadolor Chairman	✓
2	Ms. Blessing Ogwu Member/MD/CEO	✓
3	Mr. Daniel Wajuihian Member/Executive Director	✓
4	Mr. Abbas Jega Mohammed Member/Independent Non-Executive Director	✓
5	Dr. Awele Elumelu Member/Non-Executive Director	✓
6	Mr. Ugochukwu Nwaghodoh Member/Non- Executive Director	✓
7	Mr. Mohammed Yayangida Umar Member/Independent Non-Executive Director	✓
8	Mr. Alex Alozie Member/Non-Executive Director	✓
9	Dr. Kayode Fasola Member/Non-Executive Director	*

\* Dr. Kayode Fasola was appointed to the Board in Q4 2024, effective December 3, 2024

## Meeting of the Non-Executive Directors

S/N	MEMBERS	DEC 17, 2024
1	Mr. Victor Osadolor Chairman	✓
2	Mr. Abbas Jega Mohammed Member/Independent Non-Executive Director	*
3	Dr. Awele Elumelu Member/Non-Executive Director	*
4	Mr. Ugochukwu Nwaghodoh Member/Non- Executive Director	✓
5	Mr. Mohammed Yayangida Umar Member/Independent Non-Executive Director	✓
6	Mr. Alex Alozie Member/Non-Executive Director	✓
7	Dr. Kayode Fasola Member/Non-Executive Director	✓

\* Dr. Awele Elumelu retired in Q3 2024, on August 30, 2024 and Mr. Abbas Jega Mohammed was absent owing to unforeseen circumstances.



## Finance & General Purpose Committee – Composition & Meetings Attendance

S/N	MEMBERS	MAR 21, 2024	JUN 29, 2024	SEPT 19, 2024	DEC 13, 2024
1	Mr. Ugochukwu Nwaghodoh Chairman/Non- Executive Director	✓	✓	✓	✓
2	Ms. Blessing Ogwu Member/MD/CEO	✓	✓	✓	✓
3	Dr. Awele Elumelu Member/Non-Executive Director	✓	✓	*	*
4	Mr. Mohammed Yayangida Umar Member/Independent Non-Executive Director	✓	✓	✓	✓
5	Mr. Daniel Wajuihian Member/Executive Director	✓	✓	✓	✓

\* Dr. Awele Elumelu retired in Q3 2024, on August 30, 2024.

## Audit & Risk Management Committee Composition & Meetings Attendance

S/N	MEMBERS	MAR 14, 2024	JUN 14, 2024	SEPT 12, 2024	SEPT 12, 2024 (Audit Discussion with the External and Internal Auditors)	DEC 11, 2024
1	Mr. Mohammed Yayangida Umar Chairman/Independent Non-Executive Director	✓	✓	✓	✓	✓
2	Mr. Abbas Jega Mohammed Member/Independent Non-Executive Director	✓	✓	✓	✓	✓
3	Mr. Ugochukwu Nwaghodoh Member/Non- Executive Director	✓	✓	✓	✓	✓
4	Mr. Alex Alozie Member/Non-Executive Director	✓	✓	✓	✓	✓

## Nominations Committee – Composition & Meeting Attendance

S/N	MEMBERS	MAR 24, 2024	JUN 19, 2024	SEPT 19, 2024	DEC 12, 2024
1	Mr. Abbas Jega Mohammed Chairman/Independent Non-Executive Director	✓	✓	✓	✓
2	Dr. Awele Elumelu Member/ Non-Executive Director	✓	✓	✓	✓
3	Mr. Ugochukwu Nwaghodoh Member/Non- Executive Director	✓	✓	✓	✓
4	Mr. Alex Alozie Member/Non-Executive Director	✓	✓	✓	✓

\* Dr. Awele Elumelu retired in Q3 2024, on August 30, 2024.



## Board Tenure

S/N	MEMBERS	ROLE/DESIGNATION	DATE OF APPOINTMENT	CUMULATIVE YEARS SERVICE	LAST RE-ELECTION
1	Mr. Victor Osadolor	Chairman/Non-Executive Director	28/10/2015	9 years, 2 months	June 23, 2022
2	Ms. Blessing Ogwu	MD/CEO	08/01/2021	3 years, 11 months	June 26, 2024
3	Mr. Daniel Wajuihian	Executive Director	03/09/2021	3 years, 3 months	
4	Dr. Awele Elumelu	Non-Executive Director	31/08/2009	15 years	Retired effective August 30, 2024
5	Mr. Ugochukwu Alex Nwaghodoh	Non-Executive Director	19/05/2021	3 years, 7 months	June 26, 2024
6	Mr. Abbas Jega Mohammed	Independent Non-Executive Director	23/12/2015	9 years	Retired effective December 22, 2024
7	Mr. Mohammed Yayangida Umar	Independent Non-Executive Director	19/05/2021	3 years, 7 months	June 26, 2024
8	Mr. Alex Alozie	Non-Executive Director	01/11/2022	2 years, 2 months	
9	Dr. Kayode Fasola	Non-Executive Director	03/12/2024		

## Cumulative Years of Service of Consultants

S/N	CONSULTANT	ROLE	DATE OF APPOINTMENT	CUMULATIVE YEARS OF SERVICE
1	Ernst & Young	External Auditor	November 16, 2020	4 years, 1 month
2	Deloitte & Touche	Board Evaluation Consultants	January 17, 2021	3 years, 11 months



## Delegation of Authority by the Board-to-Board Committees

As stipulated in Section 5 of the Company's 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, 2024 were as follows:**

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

Below are summaries of their Terms of Reference:

### **Board Finance & General Purpose Committee - Terms of Reference:**

- |   |   |
|---|---|
| <ul style="list-style-type: none"><li>a. Discharge the Board's responsibilities regarding strategic direction and budgeting, oversight on financial matters and the performance of the Company.</li><li>b. Review Company policies of a financial and general nature and make financial and investment decisions within its approved limits on behalf of the Board.</li></ul> | <ul style="list-style-type: none"><li>c. Formulate the Strategy of the Company and make recommendations to the Board accordingly.</li><li>d. Consider and approve the Information Technology governance framework and extra budgetary expenditure above the limits of Executive Management.</li></ul> |
|---|---|

### **Board Audit & Risk Management Committee - Terms of Reference:**

- |  |   |
|--|---|
| <ul style="list-style-type: none"><li>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.</li><li>b. To monitor and assess the overall integrity of the financial statements and disclosures on the financial condition and results of the Company.</li><li>c. To monitor and evaluate on a regular basis the qualifications, independence and performance of the External Auditors and the Internal Audit &amp; Control Department.</li></ul> | <ul style="list-style-type: none"><li>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.</li><li>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.</li><li>f. Review and assess the integrity and adequacy of the overall risk management function of the Company.</li></ul> |
|--|---|



## Board Nominations Committee - Terms of Reference:

- |  |  |
|--|--|
| <ul style="list-style-type: none"><li>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.</li><li>b. Advise the Board on corporate governance standards and policies and make recommendations to the Board on the remuneration of Directors.</li><li>c. Review all human resources and governance policies for the Company and</li></ul> | <ul style="list-style-type: none"><li>approve recruitments, promotions, redeployments, and disengagements for the Company for staff members on Senior Grade levels.</li><li>d. Recommend the organizational structure of the Company to the Board for approval.</li><li>e. Organize Board and Board Committees inductions and trainings and evaluate and appraise or appoint a consultant to evaluate and appraise the performance of the Board and Board Committees and their members annually.</li></ul> |
|--|--|

## 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 targets
- ▶ 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 the Company's Succession Policy and are formal and transparent processes. 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/01* and other extant guidelines as well as interest, 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 *Nigerian Code of Corporate Governance* and the *National Pension Commission's Guidelines on Corporate Governance for Licensed Pension Operators* and global 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 contributions of each Board Committee and individual director to the success of the Board.



For 2024, the appraisal of the Board by Messrs. Deloitte & Touché stated that the Board 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 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 and collectively possess the right skills and competencies required for their roles. Specific recommendations to further improve the Company's governance practices were articulated and included in detailed reports to the Board, which have been submitted to the National Pension Commission.

The Evaluation was conducted through reviews of documents including the Board and Board Committees Governance Charter, 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 and Peer Assessment Survey were 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 roles 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. The new Director also receives an Induction Briefing by the Chairman of the Board of Directors.

As part of the continuous professional development for Directors to develop and refresh the 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 2024, Directors participated in 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:



## 2024 Directors' Training Participation:

DATES	COURSE TITLE	ATTENDEE(S)
February 28 -29, 2024	Company Direction Course II (Building Effective Boards Masterclass)	Mr. Alex Alozie
May 16, 2024	Effective Stakeholder Engagement	Mr. Victor Osadolor Dr. Awele Elumelu Ms. Blessing Ogwu Mr. Daniel Wajuihian Mr. Ugochukwu Nwaghodoh Mr. Alex Alozie Mr. Abbas Jega Mohammed Mr. Mohammed Yayangida Umar
July 10 -11, 2024	Company Direction Course I	Mr. Alex Alozie
July 26, 2024	Ensuring Regulatory Excellence for the Board – Training in Compliance Standards	Mr. Victor Osadolor Dr. Awele Elumelu Ms. Blessing Ogwu Mr. Daniel Wajuihian Mr. Ugochukwu Nwaghodoh Mr. Alex Alozie Mr. Abbas Jega Mohammed Mr. Mohammed Yayangida Umar
August 27- 29, 2024	Driving Innovation & Growth (the Blue Ocean Strategy)	Mr. Daniel Wajuihian
August 28 - 29, 2024	Company Direction Course II (Building Effective Boards Masterclass)	Mr. Ugochukwu Nwaghodoh
October 16, 2024	Understanding Technology Risks	Mr. Victor Osadolor Ms. Blessing Ogwu Mr. Daniel Wajuihian Mr. Ugochukwu Nwaghodoh Mr. Alex Alozie Mr. Abbas Jega Mohammed Mr. Mohammed Yayangida Umar
November 21, 2024	Risk Management & Governance Workshop for Directors	Mr. Mohammed Yayangida Umar
November 26, 2024	Turning Strategy to Action	Mr. Daniel Wajuihian

## Gender Diversity

The Company has a Diversity Policy and a Diversity Plan to facilitate the attainment of the Diversity Targets, promotes gender diversity and provides equal pay for equal work. As at December 2024, the Company's workforce was made up of 43% male (41) and 57% female (55) and six (6) of the twelve staff in the Company's Management cadre (the Managing Director, the Chief Finance Officer, the Head, Contributions Administration, the Company Secretary/Legal Adviser, the Head, Business Development & Client Services and the Chief Risk Officer) are female. The Company continues to work on improving the suitability of the workplace for every gender and harnessing 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** 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 continually to improve its governance practices and prides itself on its openness and transparency. In 2024, several of the Company's policies were revised to enhance the Company's governance practices. 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 approved new policies such as the Access Control Policy and the revision of several existing policy documents including the Clawback Policy, Code of Professional Conduct & Business Ethics, Compliance Policy, Compliance Communication Program, Conflict of Interest Policy, Data Privacy Governance Policy, Disciplinary Process & Sanctions Policy, Diversity Policy, Dividend Policy, Document Management Policy, Insider Trading Policy, Internal Audit Charter, Internal Control Charter, Operations Manual, Benefits Policy, Corporate Actions Policy, Contributions Administration Policy, ICT Management Succession Plan, Policy on Appointment of External Auditors, Staff Hand Book, Safekeeping Policy, Stakeholders Management & Communication Policy, Sustainability Policy, Trade Settlement Policy and Whistleblowing Policy.

The Board also considered and approved Annual Plans including the Business Continuity/Disaster Recovery Plan, Internal Audit Plan, Risk Based Internal Control Plan and the Risk Management Plan.

Other policies in place in the Company include the Accounting Policy, Benefits Policy, Board Governance and Board Committees Governance Charter, Change Management Policy, Code of Corporate Governance, Contributions Administration Policy, Corporate and Social Responsibility Policy, Expense Empowerment Policy, Fixed Assets Policy, Health & Safety Policy, ICT Strategy, Internal Control Policy, Succession Policy, Investment Policy on Proprietary Fund, IT Policy, Management Committees Governance Charter, Reconciliation Policy, Remuneration Policy, Related Party Transactions Policy, Risk Management Policy, Transfer Pricing Policy and the Training & Onboarding Policy.

In addition, the Board considered the issues arising from its Regulatory Routine Examination Reports as well as reports on 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 implemented and maintained in the Company:

- ▶ The Non-Executive Directors held their fifth meeting, excluding the Executive Directors, on December 17, 2024.
- ▶ The Board Audit & Risk Management Committee had their fourth Audit Discussion with the External and Internal Auditors on September 12, 2024.
- ▶ An External Quality Review of the Effectiveness of the Internal Audit Function was carried out.
- ▶ The Annual Board Evaluation and Corporate Governance Review of the Company was conducted.
- ▶ In accordance with Section 401 (2) of the Companies and Allied Matters Act and Section 20.2 of the Nigerian Code of Corporate Governance, 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 one (1) Director had an interest in companies that provide professional services to the Company and the requisite Disclosure of Interest was provided.
- ▶ 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 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 standing Management Committees to assist in the day-to-day running of the Company namely the Executive Management Committee, I.T. Steering Committee, Change Management, Cost Optimization Committees, Customer Experience Committee, Assets Disposal Committee and Sustainability Committee.
- ▶ 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 either through the Company Secretariat or directly and are at 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 compromising circumstances with the Company, Management, or substantial Shareholders.

▶ New members of the Board are inducted to familiarize them with the Company's Strategic Plan, operations, business environment, fiduciary responsibilities and senior management.

## Strategic Planning

The Company has in place a 3-year Strategic Plan for 2023-2025, 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, Governance and Learning & Growth. A standard report addressing the implementation of the Strategic Plan is included in the Agenda for the Board's 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 Audit. Significant items are highlighted to the Board for notification, approval or resolution.

## 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 among others, to the Board through the Board Audit & Risk Management Committee:



- i. The Company applies Environmental, Social and Governance metrics in providing value for its shareholders and other stakeholders, in compliance with the provisions of the approved Sustainability Policy.
- ii. The Company has a Sustainability Policy which includes a Sustainability Commitment Statement. The Board Audit & Risk Management Committee is the dedicated Committee that is responsible for sustainability, its monitoring, addressing the most relevant risks and promoting lasting improvements in the Company. The Company covers sustainability issues in meetings of the Audit & Risk Management Committee, as part of the official agenda on a quarterly basis.
- iii. Measures have been taken to reduce expenditure on energy and the Board has instructed that alternative energy research should be embarked upon.
- iv. Generators in the premises are in soundproof/acoustic enclosures.
- v. There is no record of fines or penalties imposed by the local authorities for non-compliance with environmental laws and regulations.
- vi. The Company derives its revenue from its business objects and does not engage in anti-money laundering activities.
- vii. The Company has in place a Diversity Policy covering age and generation, gender, race, ethnicity and religion, Board gender diversity, management and staff gender diversity, amongst others.
- viii. The Company has Sustainability Champions who are members of a Management Sustainability Committee, which has the responsibility of the management of sustainability issues. The Committee Chairman reports to the Board through the Board Audit & Risk Management Committee, quarterly.
- ix. The sustainability report forms part of the Corporate Governance Report in the Company's Annual Accounts/Reports.
- x. There are no recorded breaches/violations of human rights provisions as the Company is committed to respecting human rights as set out in the United Nations Universal Declaration of Human Rights and the International Labour Organization Declaration on Fundamental Principles and Rights at Work.
- xi. 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).
- xii. If any employee believes that someone is violating Human Rights Provisions as contained in the Company's Code of Professional Ethics and Conduct, they are asked to report it to the Human Resources Department or the Compliance Helpline, where the issue will be reviewed, an appropriate investigation conducted and appropriate action taken.
- xiii. Our clients and members of the community are treated equally and without discrimination in the conduct of our business.
- xiv. The Company has not been subject to any form of enforcement action by the Regulators for breaches of relevant health & safety legislation.
- xv. The Company does not make financial or in-kind political contributions.
- xvi. The Company has a Board Approved Code of Professional Conduct & Ethics which covers prohibition against unethical practices including Bribery/Anti-Corruption and consequences of breaches.



## 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 Meeting.

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

PACKAGE	TYPE	DESCRIPTION	TIMING
<b>Basic Salary</b>	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.
<b>13th Month Salary</b>	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 the last month in the financial year.
<b>Directors Fees</b>	Fixed	This is paid bi-annually to Non-Executive Directors	Paid Bi-annually
<b>Sitting Allowances</b>	Fixed	Sitting allowances are paid to the Non-Executive Directors only, for attending Board and Board Committee meetings:	Paid after each Board / Board Committee meeting.
<b>Travel</b>		Reimbursable only (for official purposes)	
<b>Training</b>		Per Diem of N50,000 for onsite trainings within station & N100,000 for trainings outside station	

## Fines/Penalties

The Company complied with all laws and regulations during the year under review. However, Additional tax and penalty payment was made to FIRS in respect of 2016-2021 Back Duty Tax Audit exercise, in the sum of N326m, comprising N189m covering Value Added Tax (VAT), Withholding Tax (WHT), Company Income Tax (CIT), Education Tax (EDT), Stamp Duty and National Information Technology Development Fund (NITDEF), and N137m covering interest and penalty.

## Clawback Policy

Under the Company's Policy, clawback shall be triggered if the account or financial performance on which a reward to a Director or employee was based, is later found to be materially false, misstated, misleading, erroneous or in instances of misdemeanor, fraud, material violation of Company policy or regulatory infractions. No case of clawback was triggered or pursued by the Company in the review period.

## Related Party Transactions

In the review period, Dr. Awele Elumelu (a Non-Executive Director) was a Director in the following companies that provide professional services to UBA Pensions Custodian:

S/N	COMPANY	NATURE OF SERVICE
1	Heirs Insurance Limited & Heirs Insurance Brokers	<ul style="list-style-type: none"><li>▶ Group Life (Statutory)</li><li>▶ Motor (Statutory)</li><li>▶ All Risk and Special Peril</li><li>▶ Professional Indemnity</li><li>▶ Shareholders' Funds (Statutory)</li><li>▶ Custody of Property documents</li></ul>
2	Avon Medical Practice & Avon HMO	Medical Services Payments & Medical Insurance (Statutory)

The requisite Disclosure of Interest was made at the commencement of the reporting year. Further details are disclosed on page 93 of the 2024FY Audited Financial Statements.



## 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.

The Board 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/PRO/NBA/002/00000022936  
Lagos, Nigeria  
27th March 2025



## 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, 2024.

### Corporate Structure and Business

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

The Company is licensed to carry on the business of custody of pension funds and assets and to hold and deal with such funds 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

	2024	2023
	N'000	N'000
Gross earnings	11,093,953	9,069,033
Profit before income tax expense	8,646,049	7,331,112
Income tax expense	(2,965,326)	(2,536,016)
Profit after tax	5,680,723	4,795,096
Profit attributable to shareholders	5,680,723	4,795,096
Basic and diluted earnings per share (Kobo)	284	240

### Analysis of Shareholding

The Share Capital is N2,000,000,000 divided into 2,000,000,000 ordinary shares of N1.00 each.

UBA Pensions is a wholly owned subsidiary of United Bank for Africa 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 N2 Billion.

### Dividend

During the period, the Directors approved a dividend in the sum of N5Bn with a payout of N2.50K per ordinary Share of N1:00 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.



## Directors

The following are the Directors who served the Company 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
4	Dr. Awele Elumelu	Non-Executive Director
5	Mr. Ugochukwu Nwaghodoh	Non-Executive Director
6	Mr. Alex Alozie	Non-Executive Director
7	Dr. Kayode Isaac Fasola	Non-Executive Director
8	Mr. Abbas Jega Mohammed	Independent Non-Executive Director
9	Mr. Mohammed Yayangida Umar	Independent Non-Executive Director

## Property and Equipment

There was no change in the nature of the property and equipment of the Company or in the policy regarding their use. On 31 December 2024, the Company's property and equipment amounted to N551.734m (2023: N251.883m). 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 15 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*, 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:

- Adequate internal control procedures are instituted to safeguard the assets, prevent, and detect frauds and other irregularities.
- Proper accounting records are maintained.
- Applicable accounting standards are adhered to.
- Suitable accounting policies are adopted and consistently applied.
- Judgments and estimates made are reasonable and prudent and
- 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 94 staff as of 31 December 2024 comprising of 2 Executive Management, 1 General Management staff, 9 Senior Management staff, 31 Supervisors and 51 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, 2024, 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, particularly in education and raising awareness about pensions. Our policy prohibits participation in political activities, individual and staff projects, religious activities, violent sports, as well as any activities 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:

- |  |  |
|--|--|
| <ul style="list-style-type: none"><li>i. The Company applies Environmental, Social and Governance metrics in providing value for its shareholders and other stakeholders, in compliance with the provisions of the approved Sustainability Policy.</li><li>ii. The Company has a Sustainability Policy which includes a sustainability commitment statement. The Board Audit &amp; Risk Management Committee is the dedicated Committee that is responsible for sustainability, its monitoring, addressing the most relevant risks and promoting lasting improvements in the Company. The Company covers sustainability issues in board meetings as part of the official agenda on a quarterly basis.</li><li>iii. Measures have been taken to reduce expenditure on energy and the Board has instructed that alternative energy research should be embarked upon.</li><li>iv. Waste in the Company's premises is moved by waste agencies and Generators in the premises are in soundproof/acoustic enclosures.</li><li>v. There is no record of fines or penalties imposed by the local authorities for non-compliance with environmental laws and regulations.</li></ul> | <ul style="list-style-type: none"><li>vi. The Company derives its revenue from its business objects and does not engage in anti-money laundering activities.</li><li>vii. The Company has in place a Diversity Policy and Targets covering age and generation, gender, race, ethnicity and religion, Board gender diversity, management and staff gender diversity, amongst others.</li><li>viii. The Company has Sustainability Champions who are members of a Management Sustainability Committee, which has the responsibility of the management of sustainability issues. The Committee Chairman reports to the Board on a quarterly basis, through the Board Audit &amp; Risk Management Committee.</li><li>ix. The Sustainability Report forms part of the Corporate Governance Report in the Company's Annual Accounts/Reports.</li><li>x. There are no recorded breaches/violations of human rights provisions as the Company is committed to respecting human rights as set out in the United Nations Universal Declaration of Human Rights and the International Labour Organization Declaration on Fundamental Principles and Rights at Work.</li></ul> |
|--|--|





- xi. 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).
- xii. If any employee believes that someone is violating the Human Rights Provisions as contained in the Company's Code of Professional Ethics and Conduct, they are asked to report it to the Human Resources Department or the Compliance Helpline where the issue will be reviewed, an appropriate investigation conducted and appropriate action taken.
- xiii. Our clients and members of the community are treated equally and without discrimination in the conduct of our business.
- xiv. The Company has not been subject to any form of enforcement action by the Regulators for breaches of relevant health & safety legislation.
- xv. The Company does not make financial or in-kind political contributions.
- xvi. The Company has a Board approved Code of Professional Conduct & Ethics which covers prohibition against unethical practices including Bribery/Anti-Corruption and consequences of breaches of the Code.

### 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 2024, 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 and Board Committee's 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 Board Audit & Risk Management Committee

S/N	NAME	ROLE
1	Mr. Mohammed Yayangida Umar	Chairman, INED
2	Mr. Abbas Jega Mohammed	Member, INED
3	Mr. Ugochukwu Nwaghodoh	Member, NED
4	Mr. Alex Alozie	Member, NED

\* Mr. Abbas Jega Mohammed retired in Q4 2024, on December 22, 2024.

### Auditors

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**

FRC/2016/PRO/DIR/003/00000013923

Chairman

Lagos, Nigeria

27 March 2025



# 04

## **FINANCIAL STATEMENTS**

## 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 2024.

### 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 2024
- iii. The Company's Internal Controls are effective as of 31 December 2024.

### 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:

**HELEN DUAKA**  
Chief Financial Officer  
FRC/2013/PRO/ICAN/001/00000002893

**BLESSING OGWU**  
Managing Director/CEO  
FRC/2021/PRO/DIR/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 2024, 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 (Amendment) Act, 2023.

### 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 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.

The financial statements of the Company for the year ended 31 December 2024 were approved by the Board on 27th March 2025.

Signed on behalf of the Directors of the Company.

**BLESSING OGWU**  
Managing Director/CEO  
FRC/2021/PRO/DIR/003/00000022851

**VICTOR OSADOLOR**  
Chairman  
FRC/2016/PRO/DIR/003/00000013923

## Report of The Audit and Risk Management Committee

In accordance with the provisions of Section 404(7) of the Companies and Allied Matters Act of the Federation of Nigeria 2020, we have received the Independent Auditors Report for the year ended December 31, 2024 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 Auditors Management Report received satisfactory responses from Management.

**Mr. Mohammed Yayangida Umar**  
FRC/2021/PRO/DIR/003/00000024413  
Chairman, Audit & Risk Management Committee  
27th March, 2025

### Members of the Audit & Risk Management Committee are:

S/N	NAME	FRC NUMBER	ROLE
1	Mr. Mohammed Yayangida Umar	FRC/2021/PRO/DIR/003/00000024413	Chairman/Independent Non-Executive Director
2	Ms. Arafat Olayinka Balogun	FRC/2025/PRO/DIR/003/327106	Member/Independent Non-Executive Director
3	Mr. Ugochukwu Nwaghodoh	FRC/2012/PRO/DIR/003/00000000272	Member/Non-Executive Director
4	Mr. Alex Alozie	FRC/2023/PRO/DIR/003/109024	Member/Non-Executive Director

\* Ms. Arafat Olayinka Balogun was appointed to the Board in Q1 2025



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[www.deloitte.com/ng](http://www.deloitte.com/ng)

14 March 2025

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 2024**

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 2024. 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 Guidelines on Corporate Governance for Pension Fund Operators 2021, 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 from the Directors.

The result of our evaluation has shown that the Board 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  
FRC/2020/PRO/00000020765  
Partner



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Ozumba Mbadiwe Avenue  
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Nigeria.  
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[www.deloitte.com/ng](http://www.deloitte.com/ng)

14 March 2025

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

## **Report of the Independent Consultants on the Review of Corporate Governance Framework of UBA Pensions Custodian Limited for the Year Ended 31 December 2024**

### **BACKGROUND**

Deloitte & Touche has performed the annual corporate governance review on UBA Pensions Custodian Limited (“UBA Pensions”) for the year ended 31 December 2024. 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”), Guidelines 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 Pensions’ 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 frameworks in UBA Pensions. The report of our evaluation was premised on desk reviews 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 comply 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:**

The Board had a total of eight (8) Directors during the review period, with one Director appointed to the Board in December upon approval by PENCOM following the exit of another whose tenure had elapsed. During the review period, the Board had a mix of male and female Directors with six (6) being male and two (2) being female.

During the review period, the Board had a mix of:

- ☐ Two (2) Executive Directors (EDs)
- ☐ Four (4) Non-Executive Directors (NEDs) and
- ☐ Two (2) Independent Non-Executive Directors (INEDs).

The Board has a total of three (3) Committees that held several meetings during the review period i.e., the Board Nominations Committee, the Board Audit and Risk Management Committee and the Board Finance and General-Purpose Committee. All Board Committees met regularly during the period under review and members of each Board





Committee achieved a 100% attendance at Board Committee meetings. The frequency of meetings of the Board Committees is highlighted below:

- ☐ The Board Audit and Risk Management Committee met five (5) times during the review period, including a special meeting with the company's external auditors and its internal audit function without management in attendance;
- ☐ The Board Nominations Committee met four (4) times;
- ☐ The Board Finance and General-Purpose Committee met four (4) times.

The terms of reference for all the Committees are contained in the Board Governance and Board Committees 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 Guidelines on Corporate Governance for Pension Fund Operators 2021 on the frequency of meetings of the Board and Board Committees. We noted that the Board and Board Committees 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 meetings, Board Committee meetings, the Annual General Meeting, and the required annual meeting of NEDs. We confirmed that quorum was achieved and confirmed before commencement of meetings of the Board, Board Committees, and the Annual General Meeting (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 Audit and Risk Management Committee on a regular basis to assist their oversight functions. An Internal Audit function exists in UBA Pensions that reports functionally to the Board through the Board Audit and Risk Management Committee and administratively to Management. We also noted that quarterly internal audit reports were presented to the Board Audit and Risk Management Committee by the function.

There is an effective Business Continuity Plan and a Disaster Recovery Plan in place for UBA Pensions. Risk management reports were also presented to the Board Audit and Risk Management Committee in each quarterly 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. At the meeting of the Board held 26 September 2024 the Board approved the firm Deloitte & Touche to conduct the annual Board Evaluation and Corporate Governance Review exercise for the year ended 31 December 2024. The report of the annual Board Evaluation and Corporate Governance Review exercise for the ended 31 December 2023 was also sighted.

Shareholders approved the remuneration of Directors to be fixed by the Board Chairman at its 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 financial information are available in downloadable format to the public. The company's website has the following information readily available to stakeholders, in line with the recommendation of the NCCG:

- ï 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
- ï Management team of the company including brief professional biographies

Relevant disclosures were included in the annual report including committee composition and membership, Directors' compensation, list of trainings attended by Directors, number of meetings held by the Board and its Committees including dates on which the meetings were held and Directors' attendance at those meetings.

#### **Ethics and Conflict of Interest:**

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 Directors' 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 behavior. There is a dedicated whistle- blowing link for disclosure on the Company's website.

#### **Sustainability**

UBA Pensions has a sustainability policy as recommended by the NCCG which details UBA Pensions Custodian Limited's commitment to sustainability. By way of this commitment UBA Pensions seeks to introduce environmental and social standards to guide the Company's activities in relation to the communities it operates in, address risks arising from its activities or locations it operates, ensure its employees are positively oriented as regards social and environmental issues and formalize environmental and social risk management in the Company.

#### **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  
FRC/2020/PRO/00000020765  
Partner



## **Management's Report on the assessment of internal control over Financial Reporting for the year ended 31 December, 2024**

**The management of UBA Pensions Custodian Limited ('the Company') hereby make the following statements regarding the Internal Controls over Financial Reporting of the Company for the year ended 31 December 2024:**

- (a) Management is responsible for establishing and maintaining a system of internal control over financial reporting ("ICFR") that provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards.
- (b) Management used the Committee of Sponsoring Organization of the Treadway Commission (COSO) Internal Control-Integrated Framework to conduct the required evaluation of the effectiveness of the company's ICFR.

**We have reviewed the audited financial statements of the Company for the year ended 31 December 2024 and based on our knowledge we certify as follows:**

- (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, results of operation and cash flows of the Company as of and for the year ended 31 December 2024.
- (iii) The Company's management has assessed that the entity's Internal Control over Financial Reporting (ICFR) as of the end of 31 December 2024 is effective.
- (iv) The Company's internal controls were evaluated within 90 days of the financial reporting date and are effective as of 31 December 2024.
- (v) The Company's external auditors (Messrs Ernst and Young Nigeria) have issued an attestation report on management's assessment of internal control over financial reporting.

The attestation report of Messrs Ernst and Young Nigeria that audited the financial statements is included as part of this annual report.

**HELEN DUAKA**  
Chief Financial Officer  
FRC/2013/PRO/ICAN/001/00000002893

**BLESSING OGWU**  
Managing Director/CEO  
FRC/2021/PRO/DIR/003/00000022851



## Certification of management's assessment on Internal control over Financial Reporting

We **Blessing Ugwu (MD/CEO)** and **Helen Duaka (Chief Financial Officer)** hereby make the following statements regarding the Internal Controls over Financial Reporting of UBA Pensions for the year ended 31 December 2024:

We certify that:

- a. We have reviewed this management's assessment on internal control over financial reporting of UBA Pensions Custodian Limited.
- b. Based on our knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
- c. Based on our knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the entity as of, and for, the periods presented in this report.
- d. UBA Pensions Custodian Limited certifying officers:
  1. are responsible for establishing and maintaining internal controls;
  2. have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, is made known to us by others, particularly during the period in which this report is being prepared;
  3. have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Generally Accepted Accounting Principles (GAAPs);
  4. have evaluated the effectiveness of the entity's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.
- e. UBA Pensions Custodian Limited certifying officers have disclosed, based on our most recent evaluation of internal control system, to the Company's auditors and the Board Audit and Governance Committee:
  1. All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
  2. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control system.
- f. UBA Pensions Custodian Limited certifying officers have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.

**HELEN DUAKA**  
Chief Financial Officer  
FRC/2013/PRO/ICAN/001/00000002893

**BLESSING OGWU**  
Managing Director/CEO  
FRC/2021/PRO/DIR/003/00000022851



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## Independent Auditor's Attestation Report on Management's Assessment of Internal Control over Financial Reporting

To the Members of UBA Pensions Custodian Limited

### *Scope*

We have been engaged by UBA Pensions Custodian Limited ('the Company') to perform a 'limited assurance engagement', based on International Standards on Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000 (Revised)') and FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting, herein referred to as the engagement, to report on UBA Pensions Custodian Limited Internal Control over Financial Reporting (ICFR) (the "Subject Matter") contained in the company's Management's Assessment on Internal Control over Financial Reporting as of 31 December 2024 (the "Report").

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### *Criteria applied by UBA Pensions Custodian Limited*

In designing, establishing and operating the Internal Control over Financial Reporting (ICFR) and preparing the Management's assessment of the Internal Control over Financial Reporting (ICFR), UBA Pensions Custodian Limited applied the requirements of Internal Control-Integrated Framework (2013) of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Framework and SEC Guidance on Management Report on Internal Control Over Financial Reporting (Criteria). Such Criteria were specifically designed to enable organizations effectively and efficiently develop systems of internal control that adapt to changing business and operating environments, mitigate risks to acceptable levels, and support sound decision making and governance of the organization; As a result, the subject matter information may not be suitable for another purpose.

### *UBA Pensions Custodian Limited's responsibilities*

UBA Pensions Custodian Limited's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying UBA Pensions Custodian Limited's *management's assessment of the Internal Control over Financial reporting as of 31 December 2024* in accordance with the criteria.



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#### *Our responsibilities*

Our responsibility is to express a conclusion on the design and operating effectiveness of the Internal Control over Financial Reporting based on our Assurance engagement.

We conducted our engagement in accordance with the *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ISAE 3000 (Revised)') and FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting, those standards require that we plan and perform our engagement to obtain limited assurance on the entity's internal control over financial reporting based on our assurance engagement.

#### *Our independence and quality management*

We have maintained our independence and confirm that we have met the requirements of the International Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA Code) and have the required competencies and experience to conduct this assurance engagement.

We also apply International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements*, which requires that we design, implement, and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

#### *Description of procedures performed*

The procedures we performed included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

Our engagement also included performing such other procedures as we considered necessary in the circumstances. We believe the procedures performed provides a basis for our report on the internal control put in place by management over financial reporting

#### *Conclusion*

In conclusion, nothing has come to our attention to indicate that the internal control over financial reporting put in place by management is not adequate as of 31 December 2024, based on the requirements of Committee of Sponsoring Organizations of the Treadway Commission (COSO) Framework and SEC Guidance on Management Report on Internal Control Over Financial Reporting.

#### *Other Matter*

We also have audited, in accordance with the International Standards on Auditing, the annual report for the year ended 31 December 2024 of UBA Pensions Custodian Limited and we expressed an unmodified opinion in our Auditor's report dated 16 April 2025. Our conclusion is not modified in respect of this matter.

Abiodun Akinnusi  
FRC/2021/PRO/ICAN/004/00000023386  
For: Ernst & Young  
Lagos, Nigeria.

16 April 2025





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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 2024, 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 material accounting policy information.

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 2024, and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, 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 (Amendment) Act, 2023.

#### *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 Ethics Standards Board for Accountants' 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 Audited Financial Statements 31 December 2024", which includes the Corporate Information, Corporate Governance Report, Report of the Directors, Corporate Responsibility for Financial Statements, 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, Management's Report on the Assessment of Internal Control over Financial Reporting, Certification of Management's Assessment on Internal Control over Financial Reporting and Other National Disclosures. 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.





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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.

#### *Responsibilities of the Directors for the Financial Statements*

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, 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 (Amendment) Act, 2023, 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 Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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.
- ▶ 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.



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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:

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

In accordance with the requirements of the Financial Reporting Council of Nigeria (FRC) Guidance on Assurance Engagement Report on Internal Control over Financial Reporting:

We performed a limited assurance engagement and reported on management's assessment of the Company's internal control over financial reporting as of December 31, 2024. The work performed was done in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000 (Revised)') and FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting, and we have issued an unmodified conclusion in our report dated 16 April 2025 contained on pages 30 to 31 of the financial statements.

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



16 April 2025



## Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2024

	Note	31 December 2024 N'000	31 December 2023 N'000
Custody fee	5	8,014,747	7,137,842
Interest income calculated using effective interest method	6	3,045,951	1,921,708
Other income	7	33,255	9,483
<b>Total revenue</b>		<b>11,093,953</b>	<b>9,069,033</b>
Personnel expenses	8	(982,615)	(624,371)
Credit loss expense	10	(5,079)	(2,246)
Other operating expenses	9	(1,460,210)	(1,111,304)
<b>Total Operating Expenses</b>		<b>(2,447,904)</b>	<b>(1,737,921)</b>
Profit before tax		8,646,049	7,331,112
Income tax expense	11	(2,965,326)	(2,536,016)
<b>Profit for the year</b>		<b>5,680,723</b>	<b>4,795,096</b>
Other Comprehensive Income		-	-
<b>Total comprehensive income for the year, net of tax</b>		<b>5,680,723</b>	<b>4,795,096</b>
<b>Basic and diluted earnings per share (kobo)</b>	<b>22</b>	<b>284</b>	<b>240</b>

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



## Statement of Financial Position

As at 31 December 2024

		31 December 2024 N'000	31 December 2023 N'000
<b>ASSETS</b>	<b>Note</b>		
<b>Current Assets</b>			
Cash and cash equivalents	12	16,834,452	14,612,276
Other assets	14	699,813	778,911
		<u>17,534,265</u>	<u>15,391,187</u>
<b>Non-Current Assets</b>			
Property and equipment	15	551,734	251,883
Intangible assets	16	46,398	15,286
Deferred tax assets	13	434	53,771
		<u>598,566</u>	<u>320,940</u>
<b>Total assets</b>		<u><b>18,132,831</b></u>	<u><b>15,712,127</b></u>
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Trade and other payables	17	767,935	867,863
Dividend payable	18	-	3,500,000
Current tax liabilities	19	3,259,814	2,919,895
		<u>4,027,749</u>	<u>7,287,758</u>
<b>Equity</b>			
Share capital	20	2,000,000	2,000,000
Retained earnings	21	12,105,082	6,424,369
<b>Total equity</b>		<u><b>14,105,082</b></u>	<u><b>8,424,369</b></u>
<b>Total liabilities and equity</b>		<u><b>18,132,831</b></u>	<u><b>15,712,127</b></u>
<b>Pension assets under custody</b>	31	<u><b>3,390,509,094</b></u>	<u><b>3,790,407,402</b></u>

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

The financial statements were approved by the Board of Directors on 27th March 2025 and signed on its behalf by:

**HELEN DUAKA**  
Chief Financial Officer  
FRC/2013/PRO/ICAN/001/00000002893

**BLESSING OGWU**  
Managing Director/CEO  
FRC/2021/PRO/DIR/003/000000022851

**VICTOR OSADOLOR**  
Chairman  
FRC/2016/PRO/DIR/003/000000013923



## Statement of Changes in Equity

For the year ended 31 December 2024

	Share capital N'000	Retained earnings N'000	Total N'000
<b>At 1 January 2024</b>	<b>2,000,000</b>	<b>6,424,359</b>	<b>8,424,359</b>
Profit for the year	-	5,680,723	5,680,723
Other Comprehensive Income	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>5,680,723</b>	<b>5,680,723</b>
Dividend paid	-	-	-
<b>At 31 December 2024</b>	<b>2,000,000</b>	<b>12,105,082</b>	<b>14,105,082</b>

### For the year ended 31 December 2023

<b>At 1 January 2023</b>	<b>2,000,000</b>	<b>8,929,273</b>	<b>10,929,273</b>
Profit for the year	-	4,795,096	4,795,096
Other Comprehensive Income	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>4,795,096</b>	<b>4,795,096</b>
Dividend paid		(3,800,000)	(3,800,000)
Final Dividend	-	(3,500,000)	(3,500,000)
<b>At 31 December 2023</b>	<b>2,000,000</b>	<b>6,424,369</b>	<b>8,424,369</b>

The National Pension Commission (PenCom) approved for payment as Dividend for 2023 financial year, the total sum of N3.5Billion.

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 2024

	Note	31 December 2024 N'000	31 December 2023 N'000
<b>Cash flows from operating activities</b>			
<b>Profit before tax</b>		<b>8,646,049</b>	<b>7,331,112</b>
<b>Adjustment for non-cash items:</b>			
Depreciation of property and equipment	15	81,360	40,424
Amortisation of Intangible assets	16	15,536	24,859
Expected credit loss charge on money market placement	10	5,278	379
Expected credit loss (reversal)/charge on receivables	10	(326)	1,705
Expected credit loss charge on staff loan	10	127	162
Write-off of un-utilised WHT receivables	14	10,053	-
Writeback of accrued expenses to profit or loss	7	(23,467)	-
<b>Operating profit before changes in operating assets</b>		<b>8,734,610</b>	<b>7,398,641</b>
<b>Changes in operating assets and liabilities</b>			
Decrease in receivables and prepayments	14	69,244	3,617
Decrease in trade and other payables	17	(96,470)	(6,279)
Cash generated from operations		8,727,384	7,395,979
Income taxes paid	19	(2,572,070)	(2,413,464)
<b>Net cash flows generated from operating activities</b>		<b>6,155,314</b>	<b>4,982,515</b>
<b>Cash flows from investing activities</b>			
Purchase of property and equipment	15	(381,211)	(176,443)
Purchase of Intangible asset	16	(46,649)	-
<b>Net cash flows used in investing activities</b>		<b>(427,860)</b>	<b>(176,443)</b>
<b>Cash flows from financing activities</b>			
Dividends paid	18	(3,500,000)	(3,800,000)
<b>Net cash flows used in financing activities</b>		<b>(3,500,000)</b>	<b>(3,800,000)</b>
Net increase in cash and cash equivalents		2,227,454	1,006,072
Cash and cash equivalents on 1 January		14,612,655	13,606,583
<b>Cash and cash equivalents as at 31 December</b>	12	<b>16,840,109</b>	<b>14,612,655</b>

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



## 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 27th March 2025

#### 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 IFRS Accounting Standards as issued by the international Accounting Standards Board (IASB), the requirements of Companies and Allied Act of Nigeria, the Financial Reporting Council of Nigeria (Amendment) Act, 2023, 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. Material accounting policies

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

#### (a) 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





## Notes to the Financial Statements (Continued)

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.

### **(b) Interest**

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.

### **(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:

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:

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.



## Notes to the Financial Statements (Continued)

### (d) Financial instruments

#### Recognition and derecognition

Financial assets and liabilities are initially recognised on the trade 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) and 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.
- 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.



## Notes to the Financial Statements (Continued)

- 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 reporting 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.



## Notes to the Financial Statements (Continued)

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 re-measurements 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 reporting 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.



## Notes to the Financial Statements (Continued)

### 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 unlikelihood 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 reporting 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:

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



## Notes to the Financial Statements (Continued)

- 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.



## Notes to the Financial Statements (Continued)

### 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 reporting date in accordance with the three-stage impairment model.

### 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





## Notes to the Financial Statements (Continued)

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.

### **(f) Cash and cash equivalents**

Cash and cash equivalents include 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.

### **(g) 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*.





## Notes to the Financial Statements (Continued)

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

Computer equipments	5 years
Furniture and fittings	5 years
Equipments	5 years
Leasehold improvements	5 years
Motor vehicles	5 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.

### (h) 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. Derecognition is done when the software is no longer in use.

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.

### (l) 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.



## Notes to the Financial Statements (Continued)

### **(j) 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.

### **(k) 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.

### **(l) 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.

### **(m) 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.

### **(n) Employee benefits**

#### **i. 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.



## Notes to the Financial Statements (Continued)

The Company operates a contributory pension plan in accordance with the Pension Reform Act, wherein the Company 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 Company also remits employees' contribution of 8% of the relevant compensation to the same account, as provided by the Pension Reform Act, as amended.

### ii. 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.

### iii. Long service awards

Long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the service that gives rise to the benefit [IAS 19 Paragraph 8]. Long service awards are measured at present value of the obligation and are expensed in profit or loss.

### (o) 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.

### (p) 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.

### (q) Application of New and Amended Standards

Except for the following new standard, the Company has consistently applied the accounting policies set out in Notes 3- 5 to all periods presented in these financial statements.

### ✓ Standards and interpretations issued/amended for annual reporting periods beginning on or after 1 January 2024

#### i) Amendment to IAS 1: Classification of Liabilities as Current or Non-current

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 reporting 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 Company has adopted this amendment with the initial date of application of 1 January 2024

#### ii) Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.



## Notes to the Financial Statements (Continued)

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Earlier application is permitted, and that fact must be disclosed.

This standard did not impact the Company in anyway as the Company did not engage in Sale and Leaseback.

### iii) Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted but will need to be disclosed.

This standard did not impact the Company in anyway as the Company did not engage in Supplier finance arrangement.

### ✓ 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 2025. 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 if applicable.

#### i) Lack of exchangeability – Amendments to IAS 21

The IASB's amendments to IAS 21, The Effects of Changes in Foreign Exchange Rates require disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable. This is applied to annual reporting periods beginning on or after 1 January 2025 and can be applied earlier.

The amendment specifies when a currency is exchangeable into another currency and when it is not, how an entity determines the exchange rate to apply when a currency is not exchangeable and require the disclosure of additional information when a currency is not exchangeable.

The amendments are not expected to have a material impact on the Company's financial statements.

#### ii) Sale of Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28

The amendments address the conflict between the requirements in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures when accounting for the sale or contribution of a subsidiary to a joint venture or associate (resulting in the loss of control of the subsidiary). In December 2015 the IASB deferred the effective date of this amendment indefinitely. This amendment will not have any impact on the company financial statements.

#### iii) IFRS 18 – Presentation and Disclosure in the Financial Statements

On 9 April 2024, the International Accounting Standard Board (the IASB or the Board) issued IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18) which replaces IAS 1 Presentation of Financial Statements (IAS 1). The new IFRS accounting standard is a result of the IASB's Primary Financial Statements project, which is aimed at improving comparability and transparency of communication in financial statements.

The amendment is effective for reporting periods beginning on or after 1 January 2027, with earlier application permitted.

The Company is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.



## Notes to the Financial Statements (Continued)

### iv) Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7

In May 2024, the Board issued Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7), which:

- Clarifies that a financial liability is derecognised on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.
- Clarified how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features.
- Clarifies the treatment of non-recourse assets and contractually linked instruments
- Requires additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income

This is applied to annual reporting periods beginning on or after 1 January 2026 and can be applied earlier. The Company is currently assessing the impact of this amendment to the financial statements.

### v) IFRS 19 - Subsidiaries without Public Accountability: Disclosures

In May 2024, the Board issued IFRS 19 Subsidiaries without Public Accountability: Disclosures (IFRS 19), which allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS accounting standards.

An entity applying IFRS 19 is required to disclose that fact as part of its general IFRS accounting standards compliance statement. IFRS 19 requires an entity whose financial statements comply with IFRS accounting standards including IFRS 19 to make an explicit and unreserved statement of such compliance.

This standard is effective to annual reporting periods beginning on or after 1 January 2027.

The company is not eligible to elect to apply IFRS 19 due to regulatory requirements

### vi) Power Purchase Agreements - Amendments to IFRS 9 and IFRS 7

In December 2024, the Board issued Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7). The amendments include:

- Clarifying the application of the 'own-use' requirements
- Permitting hedge accounting if these contracts are used as hedging instruments
- Adding new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2026. Early adoption is permitted but will need to be disclosed. This amendment will not have any impact on the company financial statements.

### vii) Annual Improvements to IFRS Accounting Standards—Volume 11

In July 2024, the International Accounting Standards Board (IASB) issued Annual Improvements to IFRS Accounting Standards—Volume 11. The IASB's annual improvements project provides a streamlined process for dealing efficiently with a collection of amendments to IFRSs. The primary objective of the process is to enhance the quality of standards, by amending existing IFRSs to clarify guidance and wording, or to correct for relatively minor unintended consequences, conflicts or oversights. Amendments are made through the annual improvements process when the amendment is considered non-urgent but necessary.

The amendments contained in the Annual Improvements relate to:

- IFRS 1 First-time Adoption of International Financial Reporting Standards - Hedge Accounting by a First-time Adopter



## Notes to the Financial Statements (Continued)

- IFRS 7 Financial Instruments: Disclosures:
  - Gain or loss on derecognition
  - Disclosure of differences between the fair value and the transaction price
  - Disclosures on credit risk
- IFRS 9 Financial Instruments:
  - Derecognition of lease liabilities
  - Transaction price
- IFRS 10 Consolidated Financial Statements - Determination of a 'de facto agent'
- IAS 7 Statement of Cash Flows - Cost Method.

These amendments are mandatory for financial years beginning on or after 1 January 2026; earlier application is permitted. The Company is currently assessing the impact of this amendment to the financial statements.

## 4 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 credit risk department 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 utilisation of credit limits is regularly monitored. Custody fees are affected against the net assets of the fund.

The maximum exposure to credit risk as at 31 December 2024 is the carrying amount of the financial assets (cash and bank balances, Investment in debt securities and fee receivables) set out in the statement of financial position.

### Credit quality of receivables

Credit quality of 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.

## Notes to the Financial Statements (Continued)

2024

Receivables from PFAs						
	Current N'000	<30 days N'000	30-60 days N'000	61-90 days N'000	>91 days N'000	Total N'000
Expected credit loss rate	-	0.26%	-	-	0.26%	
Total gross carrying amount	-	545,909	-	-	489	546,398
Expected credit loss	-	1,433	-	-	1	1,434

2023

Receivables from PFAs						
	Current N'000	<30 days N'000	30-60 days N'000	61-90 days N'000	>91 days N'000	Total N'000
Expected credit loss rate	-	0.27%	-	-	-	
Total gross carrying amount	-	656,762	-	-	-	656,762
Expected credit loss	-	1,760	-	-	-	1,760

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.

The following table summarises the company's maximum exposure to credit risk

	Note	31 December 2024 N'000	31 December 2024 N'000
		AMORTIZED COST	IMPACT ON SOPF/SOPLOCI
Other assets	14	612,989	1,743
Cash and cash equivalents	12	16,840,109	5,657
		17,453,098	7,400

	Note	31 December 2023 N'000	31 December 2023 N'000
		AMORTIZED COST	IMPACT ON SOPF/SOPLOCI
Other assets	14	691,324	1,942
Cash and cash equivalents	12	14,612,655	379
		15,303,979	2,321

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



## Notes to the Financial Statements (Continued)

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. 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 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 2024	Carrying amount	0>6months	6months>1year	Gross amount
<b>Financial asset</b>				
Cash and cash equivalents	16,834,452	16,840,109	-	16,840,109
Fees receivables from PFAs	544,964	545,909	489	546,398
Loans and advances to staff	66,281	-	66,590	66,590
<b>Financial liabilities</b>				
Trade and other payables	(438,404)	(438,404)	-	(438,404)
	<b>17,007,293</b>	<b>16,947,614</b>	<b>67,079</b>	<b>17,014,693</b>

Year ended 31 December 2023	Carrying amount	0>6months	6months>1year	Gross amount
<b>Financial asset</b>				
Cash and cash equivalents	14,612,276	14,612,655	-	14,612,655
Fees receivables from PFAs	655,002	655,278	1,484	656,762
Loans and advances to staff	34,380	-	34,562	34,562
<b>Financial liabilities</b>				
Dividend payable	(3,500,000)	(3,500,000)	-	(3,500,000)
Trade and other payable	(592,054)	(592,054)	-	(592,054)
	<b>11,209,604</b>	<b>11,175,879</b>	<b>36,046</b>	<b>11,211,925</b>

### Management of Liquidity Risk

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

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



## Notes to the Financial Statements (Continued)

### 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 statement of financial position). Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

During 2024, the Company's strategy, which was unchanged, was to maintain the gearing ratio of 0%. The Company achieved this gearing ratio in 2024 and 2023 as it had no borrowings.

	2024 N'000	2023 N'000
Total borrowings	-	-
Total equity	14,105,082	8,424,369
Gearing ratio	-	-

### 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..

#### 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 2024	31 December 2023
<b>Interest rate risk</b>		
Cash & cash equivalent	16,840,109	14,612,655
	<b>16,840,109</b>	<b>14,612,655</b>
<b>Impact on profit or loss and equities:</b>		
Favourable change @ 2% increase in interest rate	336,802	292,253
Unfavourable change @ 2% reduction in interest rate	(336,802)	(292,253)

## Notes to the Financial Statements (Continued)

### 5 Custody fee

	31 December 2024 N'000	31 December 2023 N'000
<b>Fund Type</b>		
Retirement Savings Accounts (RSA)	7,279,964	6,466,030
Retiree account	310,811	279,000
Closed Pension Fund Account (CPFA)	187,920	207,773
Approved existing scheme (AES)	236,052	185,039
	<b>8,014,747</b>	<b>7,137,842</b>
<b>Geographical markets</b>		
Nigeria	<b>8,014,747</b>	<b>7,137,842</b>
Timing of revenue recognition		
Services transferred over time	<b>8,014,747</b>	<b>7,137,842</b>

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.

### 6 Interest income

	31 December 2024 N'000	31 December 2023 N'000
Cash and cash equivalents (6i)	2,999,230	1,914,724
Loans and advances to staff (6ii)	14,648	6,984
Investment securities-amortised cost (6iii)	32,073	-
	<b>3,045,951</b>	<b>1,921,708</b>

6i. Cash and cash equivalents represent interest earned on balances with bank and term deposits.

6ii. 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 below market interest rate. Under IFRS 9, 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 28.5% per annum which management believes fairly represents the market lending rate. The resultant difference in interest charged is included in staff cost.

6iii. Investment securities include interest earned on treasury bills for the period 2024.

## Notes to the Financial Statements (Continued)

### 7 Other income

Recoveries of loss on assets under custody  
Accrued expenses written back  
Other operating Income

31 December 2024 N'000	31 December 2023 N'000
5,000	9,483
23,467	-
4,788	-
<b>33,255</b>	<b>9,483</b>

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.

### 8 Personnel expenses

Staff cost  
Contribution to contributory pension scheme  
Employees benefits (8i)  
Others (8ii)

31 December 2024 N'000	31 December 2023 N'000
667,564	375,978
30,301	17,628
12,974	2,431
271,776	228,334
<b>982,615</b>	<b>624,371</b>

Staff cost comprises of staff emoluments for the year ended 31 December 2024.

**8i.** This represents day one difference on loans granted to employees at below market interest rates

**8ii** Other staff costs comprise of the following:

Management support  
Staff incentive bonus (8iii)  
Long service award

31 December 2024 N'000	31 December 2023 N'000
900	1,200
257,609	218,163
13,267	8,971
<b>271,776</b>	<b>228,334</b>

**8iii** Staff incentive bonus represents accruals for discretionary bonus payable to staff.

### 9 Other operating expenses

Other premises and equipment costs (9i)  
Auditors' remuneration  
Professional fees  
General administrative expenses (9ii)

31 December 2024 N'000	31 December 2023 N'000
189,046	96,849
16,125	13,975
46,585	33,592
1,208,454	966,888
<b>1,460,210</b>	<b>1,111,304</b>

## Notes to the Financial Statements (Continued)

	31 December 2024 N'000	31 December 2023 N'000
<b>9i Other premises and equipment costs includes:</b>		
Depreciation of property and equipment	81,360	40,424
Amortisation of intangible assets	15,536	24,859
Repairs and Maintenance	76,046	29,514
Motor running expenses	1,491	184
Diesel and water	14,613	1,868
	<b>189,046</b>	<b>96,849</b>

	31 December 2024 N'000	31 December 2023 N'000
<b>9ii General administrative expenses</b>		
Pre-employment expenses	1,602	1,253
Travel and hotel bills	77,555	3,343
Training	26,847	14,909
Security and cleaning services	5,167	2,995
Directors' expenses	183,876	77,510
Printing and stationaries	7,134	1,570
Postages and telephone	2,388	778
Advertisement and business promotion	25,400	11,896
Entertainment, office and computer consumables	15,350	1,805
Subscription	29,419	11,433
Insurance	22,965	9,230
Support services (9iii)	174,447	296,242
CSCS, stamp duties and bank charges	4,343	275
Industrial training fund	9,894	7,382
Rent and service charge (9iv)	168,058	104,582
Pension protection fund	240,442	207,683
Write-off (note 9v)	10,053	214,002
Statutory fees (note 9vi)	203,516	-
	<b>1,208,454</b>	<b>966,888</b>

9 iii. Support services of N174m represents the cost of technical and other ancillary services rendered to UBA Pensions Custodian Limited by the Parent Company during the year. Of the total amount N153m was paid and N21m accrued for and included in current liabilities. (2023: N279m)

9 iv Included is N55.8m paid to United Bank for Africa 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.

9 v. This represents un-utilised WHT receivable (2023: has inclusive N212m in respect of N1.9billion loss on assets under custody reimbursed by the Company (N197.4m initially recovered in year 2020 but was returned with interest of N14.8m in year 2023)

9 vi. The Statutory fees of N203m represent payment to FIRS in respect of 2016-2021 Backduty Tax audit exercise. (Additional tax for Value Added Tax (VAT) and Withholding Tax (WHT) - N66m and Interest & penalty - N137m)

## Notes to the Financial Statements (Continued)

### 10 Credit loss expense

	31 December 2024 N'000	31 December 2023 N'000
Cash and cash equivalents	5,278	379
Fee receivables from PFAs	(326)	162
Loans and advances to staff	127	1,705
	<b>5,079</b>	<b>2,246</b>

#### a) Movement in ECL Impairment

	At 1 January N'000	Charge/(write back) in the year N'000	At 31 December N'000
<b>2024</b>			
Cash and cash equivalents (note 12)	379	5,278	5,657
Fee receivables from PFAs	1,760	(326)	1,434
Loans and advances to staff	182	127	309
	<b>2,321</b>	<b>5,079</b>	<b>7,400</b>

	At 1 January N'000	Charge/(write back) in the year N'000	At 31 December N'000
<b>2023</b>			
Cash and cash equivalents (note 12)	-	379	379
Fee receivables from PFAs	55	1,705	1,760
Loans and advances to staff	20	162	182
	<b>75</b>	<b>2,246</b>	<b>2,321</b>

#### b) 2024

	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
Cash and cash equivalents	16,840,109	-	-	16,840,109
Loans and advances to staff	66,590	-	-	66,590
	<b>16,906,699</b>	<b>-</b>	<b>-</b>	<b>16,906,699</b>

	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
<b>2023</b>				
Cash and cash equivalents	14,612,655	-	-	14,612,655
Loans and advances to staff	34,562	-	-	34,562
	<b>14,647,217</b>	<b>-</b>	<b>-</b>	<b>14,647,217</b>

## Notes to the Financial Statements (Continued)

### 11 Income tax expense

Recognised in the statement of profit or loss	31 December 2024 N'000	31 December 2023 N'000
<b>a) Current tax expense</b>		
Current year tax	2,561,167	2,221,210
Education tax	263,828	226,208
Information technology tax	86,561	73,311
Police trust fund levy	433	366
Current income tax expenses	2,911,989	2,521,095
Deferred tax expense	53,337	14,921
<b>Total income tax expense</b>	<b>2,965,326</b>	<b>2,536,016</b>

#### b) 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 2024 N'000 30%	31 December 2023 N'000 30%
Domestic corporate tax rate		
Profit before tax	8,646,049	7,331,112
Income tax using the domestic corporate tax rate	2,593,815	2,199,334
<b>tax effect of:</b>		
Information technology tax	86,561	73,311
Education tax	263,828	226,208
Police trust fund levy	433	367
Deferred education tax	58	(1,103)
<b>Effect of permanent differences</b>		
Tax exempt income	(23,493)	(25,083)
Non-deductible expenses	44,126	62,984
<b>Total Income tax expenses in profit or loss</b>	<b>2,965,326</b>	<b>2,536,016</b>
Effective tax rate	34.30%	34.59%

### 12 Cash and cash equivalents

	31 December 2024 N'000	31 December 2023 N'000
Cash and balances with banks	46,553	66,266
Money market placements (12i)	16,793,556	14,546,389
	16,840,109	14,612,655
Allowance for expected credit loss (note 10a)	(5,657)	(379)
	<b>16,834,452</b>	<b>14,612,276</b>



## Notes to the Financial Statements (Continued)

- 12i. 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 focuses in investment banking, asset management, trusteeship, securities and wealth management. The Company has an acceptable credit rating of "A-" from Agosto & Co and "A" from DataPro.

### 13 Deferred tax assets

	31 December 2024 N'000	31 December 2023 N'000
At 1 January	53,771	68,692
Charge for the year	(53,337)	(14,921)
At 31 December	<b>434</b>	<b>53,771</b>

a) Movement in deferred tax 2024	N'000 At 1 January	N'000 Recognised in profit or loss	N'000 At 31 December
Accelerated capital deductions	38,675	52,703	91,378
Provisions	(91,805)	568	(91,236)
Expected credit loss on financial assets	(641)	66	(575)
	<b>(53,771)</b>	<b>53,337</b>	<b>(434)</b>

2023	At 1 January	Recognised in profit or loss	At 31 December
Accelerated capital deductions	10,402	28,273	38,675
Provisions	(79,070)	(12,735)	(91,805)
Expected credit loss on financial assets	(24)	(617)	(641)
	<b>(68,692)</b>	<b>14,921</b>	<b>(53,771)</b>

- b) Deferred tax assets and liabilities are attributable to the following:

	31 December 2024 N'000	31 December 2023 N'000
<b>Deferred tax liabilities</b>		
Property and equipment	<b>91,378</b>	<b>38,675</b>
<b>Deferred tax assets</b>		
Expected credit loss on staff loans and advances	(102)	(60)
Provisions of MPP support	-	(237)
Provision for staff incentive	(85,911)	(87,984)
Provision for other known losses	(3,459)	(3,459)
Expected credit loss on fee receivable from PFA	(473)	(581)
Expected credit loss on cash and cash equivalent	(1,867)	(125)
	<b>(91,812)</b>	<b>(92,446)</b>
<b>Net deferred tax assets</b>	<b>(434)</b>	<b>(53,771)</b>



## Notes to the Financial Statements (Continued)

### 14 Other assets

	31 December 2024 N'000	31 December 2023 N'000
Financial:		
Fee receivables from PFAs	546,398	656,762
Loans and advances to staff (14i)	66,590	34,562
Gross amount	612,988	691,324
Allowances for expected credit loss (note 10a)	(1,743)	(1,942)
	611,245	689,382
Non-financial:		
WHT receivables (14ii)	-	10,053
Prepayments	88,568	79,476
	<b>699,813</b>	<b>778,911</b>

14i. 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.

14ii. Un-utilised WHT receivable of N10m was written off during the year.



## Notes to the Financial Statements (Continued)

### 15 Property and equipment

#### a) Property and Equipment 31 December 2024

	Leasehold Improvement N'000	Motor Vehicle N'000	Furniture & Fittings N'000	Computer Equipment N'000	Equipment N'000	Work in Progress N'000	Total N'000
<b>Cost</b>							
Balance at 1 January 2024	74,585	180,692	113,789	191,662	22,703	-	583,431
Additions	-	286,348	8,781	44,153	-	41,929	381,211
Balance at 31 December 2024	74,585	467,040	122,570	235,815	22,703	41,929	964,642
<b>Accumulated Depreciation and impairment losses</b>							
Balance at 1 January 2024	74,585	38,170	98,507	118,695	1,591	-	331,548
Charge for the year	-	46,721	4,401	25,754	4,483	-	81,360
Balance at 31 December 2024	74,585	84,892	102,909	144,449	6,075	-	412,908
<b>Carrying amounts</b>							
Balance at 31 December 2024	-	382,149	19,661	91,366	16,629	41,929	551,734
Balance at 31 December 2023	-	142,522	15,282	72,967	21,112	-	251,883

None of these assets were encumbered as at 31 December 2024 (2023: Nil)

#### b) Property and Equipment 31 December 2023

	Leasehold Improvement N'000	Motor Vehicle N'000	Furniture & Fittings N'000	Computer Equipment N'000	Equipment N'000	Total N'000
<b>Cost</b>						
Balance at 1 January 2023	74,585	65,718	105,334	155,554	5,797	406,988
Additions	-	114,974	8,455	36,108	16,906	176,443
Balance at 31 December 2023	74,585	180,692	113,789	191,662	22,703	583,431
<b>Accumulated Depreciation and Impairment Losses</b>						
Balance at 1 January 2023	72,605	24,970	95,562	97,528	459	291,124
Charge for the year	1,980	13,200	2,945	21,167	1,132	40,424
Balance at 31 December 2023	74,585	38,170	98,507	118,695	1,591	331,548
<b>Carrying Amounts</b>						
Balance at 31 December 2023	-	142,522	15,282	72,967	21,112	251,883
Balance at 31 December 2022	1,980	40,748	9,772	58,026	5,338	115,864



## Notes to the Financial Statements (Continued)

### 16 Intangible assets

#### a) Intangible Assets

31 December 2024

##### Cost

At 1 January 2024

Additions

At 31 December 2024

##### Accumulated Amortization and impairment losses

At 1 January 2024

Amortisation for the year

At 31 December 2024

##### Carrying Amounts

At 31 December 2024

At 31 December 2023

Software N'000	Software Work in Progress N'000	Total N'000
384,270	-	384,270
10,496	36,152	46,649
394,766	36,152	430,919
368,984	-	368,984
15,536	-	15,536
384,520	-	384,520
10,246	36,152	46,398
15,286	-	15,286

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

- i. Microsoft Dynamics Business Central
- ii. Automatic Converter

#### b) Intangible Assets

31 December 2023

##### Cost

At 1 January 2023

Additions

At 31 December 2023

##### Accumulated Amortization and impairment losses

At 1 January 2023

Amortisation for the year

At 31 December 2023

##### Carrying Amounts

At 31 December 2023

At 31 December 2022

Software N'000
384,270
-
384,270
344,125
24,859
368,984
15,286
40,145



## Notes to the Financial Statements (Continued)

### 17 Trade and other payables

	31 December 2024 N'000	31 December 2023 N'000
<b>Financial</b>		
Payable to employees (17i)	285,301	312,845
Professional fee payable	45,135	43,889
Other accrued expenses (17ii)	107,968	235,320
	<u>438,404</u>	<u>592,054</u>
<b>Non-financial</b>		
Statutory Pension Protection Fund (17iii)	240,442	214,687
Indirect tax and regulatory payables	68,721	48,029
ITF Payable	20,368	13,093
	<u>329,531</u>	<u>275,809</u>
	<u><b>767,935</b></u>	<u><b>867,863</b></u>
Non-current	50,959	48,097
Current	716,976	819,766
	<u><b>767,935</b></u>	<u><b>867,863</b></u>

- I. The figure includes accruals for incentive bonus payable to staff.
- II. The figure includes accruals for transfer pricing charge of N21m which is a payable to United Bank for Africa Plc, the parent company.
- III. 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.

### 18 Dividend Payable

	31 December 2024 N'000	31 December 2023 N'000
At 1 January	3,500,000	-
Final dividend declared (2022)	-	3,800,000
Interim Dividend proposed (2023)	-	3,500,000
Dividend paid during the year	(3,500,000)	(3,800,000)
<b>At 31 December</b>	<u><b>-</b></u>	<u><b>3,500,000</b></u>
Number of shares in issue and ranking for Dividend	2,000,000	2,000,000
Declared final dividend Per Share (Naira) 2022	-	1.90
Proposed Interim dividend Per Share (Naira) 2023	-	1.75

At the Board meeting held on 27 March 2025, the directors recommended approval of dividend of N2.50k per share amounting to N5bn for 2024 FY (2023: N3.5bn). 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.

## Notes to the Financial Statements (Continued)

### 19 Current income tax payable

	31 December 2024 N'000	31 December 2023 N'000
At 1 January	2,919,895	2,812,263
Tax paid	(2,451,068)	(2,413,464)
Back Duty Tax 2016-2021 (19i)	(121,002)	-
Income tax charge (note 11)	2,911,989	2,521,096
<b>At 31 December</b>	<b>3,259,814</b>	<b>2,919,895</b>

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.

19i. This represents payment to FIRS in respect of 2016-2021 Backduty Tax audit exercise for additional Company Income Tax (CIT), Education Tax (EDT) and Stamp Duty and National Information Technology Development Fund (NITDEF) taxes. This has been fully paid in 2024FY.

### 20 Share capital

	31 December 2024 N'000	31 December 2023 N'000
Share capital comprises:		
(i) Minimum issued share capital - 2,000,000,000 Ordinary shares of N1 each	2,000,000	
(ii) Issued and fully paid - 2,000,000,000 ordinary share of N1 each	2,000,000	2,000,000

### 21 Retained earnings

At 1 January	6,424,369	8,929,273
Final dividend declared	-	(3,800,000)
Interim Dividend declared	-	(3,500,000)
Transfer from profit or loss	5,680,723	4,795,096
<b>At 31 December</b>	<b>12,105,082</b>	<b>6,424,369</b>

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

### 22 Earnings per share

	31 December 2024 N'000	31 December 2023 N'000
Profit attributable to shareholders	5,680,723	4,795,096
Number of Ordinary shares of N1 each	2,000,000	2,000,000
<b>Earnings per share (kobo)</b>	<b>284</b>	<b>240</b>

## Notes to the Financial Statements (Continued)

### 23 Related party transactions

UBA Pensions Custodian is a wholly owned subsidiary of United Bank for Africa Plc. 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	31 December
		2024	2023
		N'000	N'000
<b>Interest income</b>			
United Bank for Africa Plc	Parent Company	2,450	4,129
<b>Support Services</b>			
United Bank for Africa Plc	Parent Company	174,447	279,506
<b>Cash and cash equivalent</b>			
United Bank for Africa Plc	Parent Company	46,553	66,266
<b>Payable</b>			
United Bank for Africa Plc	Parent Company	20,691	22,199
<b>Rent</b>			
United Bank for Africa Plc	Parent Company	55,820	39,450
<b>Insurance</b>			
Heirs Insurance Limited	Director Related	22,965	9,230
<b>Health Care</b>			
Avon Medical Practice	Director Related	1,602	1,253

### Compensation to Employees and Directors

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 2023 for services rendered in all capacities to the Company.

#### Employees

The number of persons in the employment as at year end is as follows;

	31 December 2024	31 December 2023
	Number	Number
i MD/CEO & Executive Director	2	2
Management Staff	14	8
Non - Management Staff	78	77
	<b>94</b>	<b>87</b>

#### ii Compensation for the above personnel

	N'000	N'000
Salaries & Wages	667,564	375,978
Contribution Pension Scheme	30,301	17,628
	<b>697,865</b>	<b>393,606</b>





## Notes to the Financial Statements (Continued)

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

	31 December 2024 N'000	31 December 2023 N'000
iii	Number	Number
N300,001 - N2,000,000	-	-
N2,000,001 - N3,500,000	51	52
N3,500,001 - N5,500,000	18	15
N5,500,001 - N6,500,000	8	6
N6,500,001 - N7,800,000	1	-
N7,800,001 - above	16	14
	<b>94</b>	<b>87</b>

### Directors

Remuneration paid to Directors were

	N'000	N'000
i		
Fees and sitting allowance	183,876	77,510
Executive compensation	168,720	70,257
	<b>352,595</b>	<b>147,767</b>

The number of persons in the employment as at year end is as follows

ii	Number	Number
Executive Directors	2	2
Non-executive Directors	6	6
	<b>8</b>	<b>8</b>

### 23. Related party transactions - continued

Fees and other emoluments disclosed above includes amounts paid to

iii	N'000	N'000
The Chairman	28,500	16,867
The highest paid sitting Director	88,343	45,390

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

iv	Number	Number
N5,000,001 and above	6	6
	<b>6</b>	<b>6</b>

## 24 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.

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:

### 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.



## Notes to the Financial Statements (Continued)

### 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.

### Measurement of the expected credit loss allowance

Assets accounted for at amortised cost and FVOCI are evaluated for impairment on a basis described in the measurement of the expected credit loss (ECL) allowance for financial assets measured at amortised cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions. Details of the inputs, assumptions and estimation methodologies used in measuring ECL are described in note 3(e).

## 25 Compliance with laws and regulations

The Company complied with all laws and regulations during the year under review. (31 December 2023: N1m regulatory sanction was imposed on the Company by the National Pension Commission for a breach of the Revised Fund Accounting Guidelines)

## 26 Capital commitments

Capital commitments are irrevocable contractual commitments for the acquisition of items of property and equipment or intangible assets. At the balance sheet date, the Company had capital commitments amounting to N54.228m in respect of software upgrade from Microsoft Dynamics Navision to Microsoft Business Central (31 December 2023: N90.381m)

## 27 Litigations and contingent liabilities

The Company in its ordinary course of business is involved in two ongoing court cases. The cases involve ex-staff seeking redress for alleged unlawful suspension and termination of employment. This is in relation to the fraud that occurred in the Company in 2020FY. In one of the cases which was instituted by Celestine Igwe, judgement was given partly against the Company in 2023 and the judgment sum was paid. The Company is however appealing. In the subsisting case, the liability to be paid to the Claimant if judgment is given against the Company is as detailed below.

S/N	Staff Name	Claim
1	Abiodun Adedokun	Damages - N24m Salary for the period beginning from December 9, 2020, until his employment is properly terminated.

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.



## Notes to the Financial Statements (Continued)

### 28 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 2024 or on the other comprehensive income for the year then ended that have not been adequately provided for or disclosed in these financial statements.

### 29 Non-audit services

During the year, the Company's external auditor, Ernst and Young, rendered the following non-audit service to the Company.

- Review and attestation of Internal Control over Financial Reporting (ICFR). The fees paid for this service was N5m.

### 30 Assets under custody

	31 December 2024 N'000	31 December 2023 N'000
Bonds	2,497,242,771	2,980,040,301
Money market instruments	207,041,566	277,319,210
Equities	454,208,199	365,325,850
Treasury bills	147,558,502	57,686,712
Mutual funds	44,943,041	80,192,568
Bank balances	31,355,253	29,842,297
Receivables	7,630,812	464
Investment properties	528,950	-
	<b>3,390,509,094</b>	<b>3,790,407,402</b>



# 05

## **OTHER NATIONAL DISCLOSURES**



## Value Added Statement

VALUE ADDED STATEMENT	31 December 2024		31 December 2023	
	N'000	%	N'000	%
Gross earnings	11,093,953	115	9,069,033	113
Impairment charge	(5,079)	(0)	(2,246)	(0)
Bought-in materials and services - Local	(1,469,988)	(15)	(1,075,863)	(13)
<b>VALUED ADDED</b>	<b>9,618,886</b>	<b>100</b>	<b>7,990,924</b>	<b>100</b>
<b>Applied as follows:</b>				
<b>In payment of employees:</b>				
Salaries, bonuses and benefits	982,615	10	624,371	8
<b>In payment to government:</b>				
Current year Tax	2,561,168	27	2,221,210	28
Education Tax	263,828	3	226,208	3
Information technology tax	86,561	1	73,311	1
Police trust fund levy	433	0	367	0
<b>Retained for future replacement of assets and expansion of business:</b>				
Deferred tax	(53,337)	(0)	(14,921)	(0)
Depreciation on fixed assets	96,896	1	65,282	1
Profit for the year	5,680,723	59	4,795,096	60
	<b>9,618,886</b>	<b>100</b>	<b>7,990,924</b>	<b>100</b>

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



## Five Year Financial Summary

### Statement of Financial Position

	31 December 2024 N'000	31 December 2023 N'000	31 December 2022 N'000	31 December 2021 N'000	31 December 2020 N'000
<strong>ASSETS</strong>					
Cash and cash equivalents	16,834,452	14,612,276	13,606,583	11,113,741	12,693
Investment securities- amortised cost	-	-	-	-	368,954
Investment securities - FVPL	-	-	-	-	7,432,354
Property and equipment	551,734	251,883	115,864	129,022	99,977
Intangible assets	46,398	15,286	40,145	65,004	90,141
Other assets	699,813	778,912	784,395	1,085,485	1,188,335
Deferred tax assets	434	53,771	68,692	52,245	-
<strong>Total assets</strong>	<strong>18,132,831</strong>	<strong>15,712,128</strong>	<strong>14,615,679</strong>	<strong>12,445,497</strong>	<strong>9,192,454</strong>
<strong>LIABILITIES</strong>					
Trade and other payables	767,935	867,864	874,143	594,749	403,160
Current tax liabilities	3,259,814	2,919,895	2,812,263	2,490,953	1,523,532
Other liabilities	-	3,500,000	-	3,300,000	2,500,000
Deferred tax liabilities	-	-	-	-	7,022
<strong>Total liabilities</strong>	<strong>4,027,749</strong>	<strong>7,287,759</strong>	<strong>3,686,406</strong>	<strong>6,385,702</strong>	<strong>4,433,714</strong>
<strong>EQUITY AND RESERVE</strong>					
Share capital	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Retained earnings	12,105,082	6,425,369	8,929,273	4,059,795	2,758,740
<strong>Total equity</strong>	<strong>14,105,082</strong>	<strong>8,425,369</strong>	<strong>10,929,273</strong>	<strong>6,059,795</strong>	<strong>4,758,740</strong>
<strong>Total Liabilities and Equity</strong>	<strong>18,132,831</strong>	<strong>15,712,128</strong>	<strong>14,615,679</strong>	<strong>12,445,497</strong>	<strong>9,192,454</strong>
<strong>Assets under custody</strong>	<strong>3,390,509,094</strong>	<strong>3,790,407,402</strong>	<strong>3,320,513,808</strong>	<strong>3,237,737,622</strong>	<strong>2,846,571,247</strong>



## Five Year Financial Summary

### Statement of Profit or Loss and Comprehensive Income

	2024 N'000	2023 N'000	2022 N'000	2021 N'000	2020 N'000
<b>GROSS EARNINGS</b>	<b>11,093,953</b>	<b>9,069,033</b>	<b>8,846,877</b>	<b>7,141,947</b>	<b>6,210,787</b>
Personnel expenses	(982,615)	(624,371)	(569,668)	(486,961)	(474,856)
Expected Credit loss reversal/ (charges)	(5,079)	(2,246)	16	427	6,754
Other operating expenses	(1,460,210)	(1,111,304)	(1,015,849)	(882,627)	(2,224,693)
Profit before tax	8,646,049	7,331,112	7,261,376	5,772,786	3,517,992
Income tax expense	(2,965,326)	(2,536,016)	(2,391,899)	(1,871,731)	(1,519,399)
Profit after tax	<b>5,680,723</b>	<b>4,795,096</b>	<b>4,869,477</b>	<b>3,901,055</b>	<b>1,998,593</b>
<b>Total comprehensive income for the year</b>	<b>5,680,723</b>	<b>4,795,096</b>	<b>4,869,477</b>	<b>3,901,055</b>	<b>1,998,593</b>



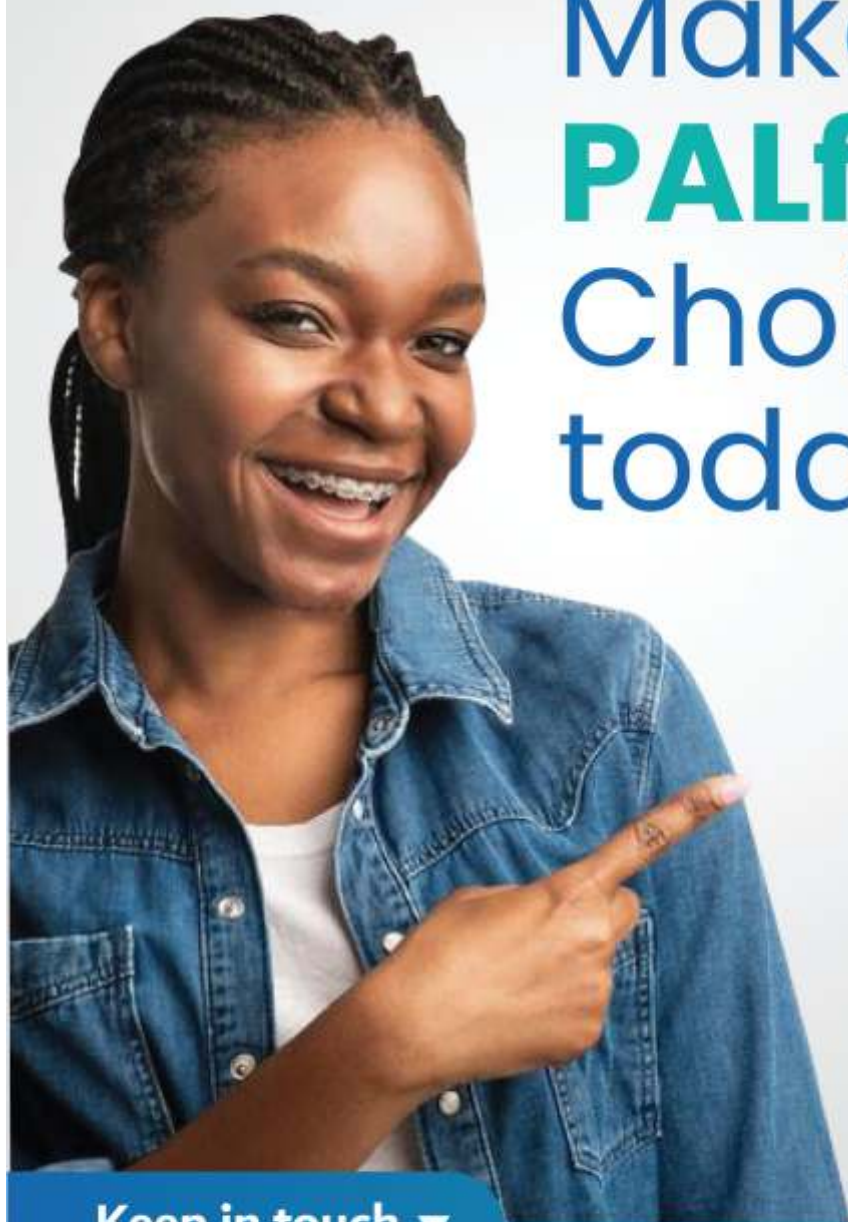
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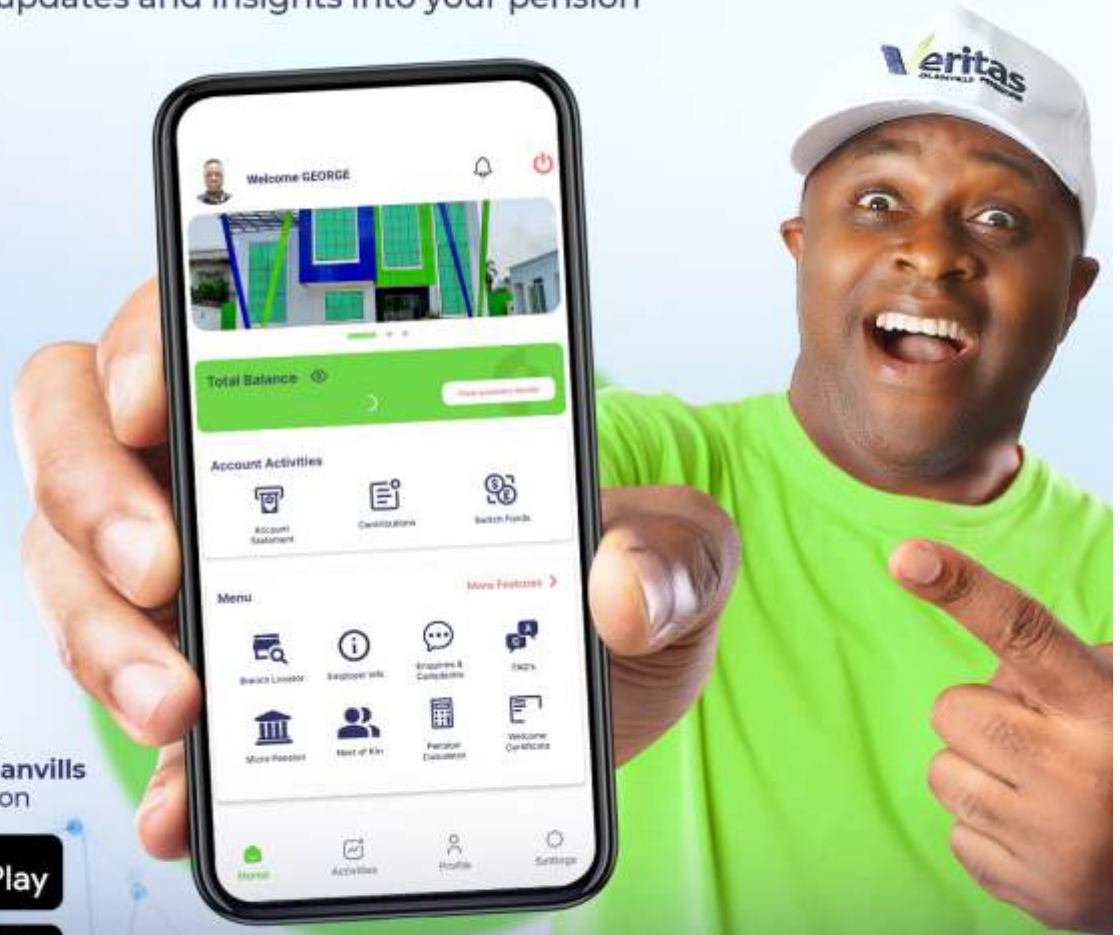
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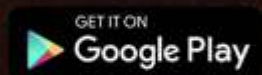
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