

UNAUDITED RESULTS FOR THE PERIOD ENDED 30TH JUNE 2022
IMPROVED PROFITABILITY: PBT UP 19% YOY

This Earnings Press Release should be read in conjunction with the Unaudited Financial Statements for the period ended June 30th 2022. The Earnings Press Release and the Unaudited Financial Statements for the period ended June 30th 2022 are available on our website at <https://africaprudential.com/investors/>. This analysis is dated July 20th 2022. Unless otherwise indicated, all amounts are expressed in Nigerian Naira, and have been primarily derived from the Company's Financial Statements, prepared in accordance with the International Financial Reporting Standards ("IFRS"). The accounting policies used in the preparation of these financial statements are consistent with those used in the Company's Unaudited Financial Statements for the period ended June 30th 2022. Additional information relating to the Company is available on the Company's website. <https://africaprudential.com/investor-relations/>

Lagos, Nigeria – July 21, 2022 – Africa Prudential Plc

(**NSE Ticker:** AFRIPRUD, **Bloomberg Ticker:** AFRIPRUD:NL, **Financial Times Ticker:** AFRIPRUD:LAG) announced its Unaudited Financial Statements for the period ended June 30th 2022, with a Gross Earnings of ₦1.99 Billion and Profit Before Tax of ₦1.16 Billion. The Company delivered an Earnings Per Share of 47Kobo.

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

"Our results remain a testament of the impact of our deliberate efforts at diversifying and strengthening our revenue lines to multiple income lines, innovating new ways to deliver value, and adopting cost efficiency in every facet of our operations. The 355% growth in digital technology income highlights the success of our switch to a technology-oriented business and we remain positive about the potential growth from this revenue stream in the medium to long term. As we venture into the second half of the year, we will continue to deploy value to our customers leveraging on innovation and technology to transform their experience and increase shareholders' wealth. "

Income Statement:

- Revenue from contracts with customers: ₦0.93 Billion, compared to ₦0.52 Billion in H1 2021 (79% YoY Growth);
- Interest Income: ₦1.06 Billion, compared to ₦1.15 Billion in H1 2021 (8% YoY Decline);
- Gross Earnings: ₦1.99 Billion, compared to ₦1.67 Billion in H1 2021 (19% YoY Growth);
- Profit Before Tax: ₦1.16 Billion, compared to ₦0.97 Billion in H1 2021 (19% YoY Growth);
- Profit After Tax: ₦0.94 Billion, compared to ₦0.83 Billion in H1 2021 (13% YoY Growth);
- Earnings Per Share: 47kobo. (41kobo in H1 2021).

Balance Sheet:

- Total Assets: ₦38.18 Billion, compared to ₦15.76 Billion as at FY 2021 (142% YTD Growth);
- Total Liabilities: ₦29.49 Billion, compared to ₦6.99 Billion as at FY 2021 (322% YTD Growth);
- Shareholders' Fund stood at ₦8.69 Billion, a 1% YoY decline from ₦8.77 Billion as at FY 2021.

ITEMS OF NOTE;

Comparing H1 2022 to H1 2021, we observed the following key items worthy of note:

- **Revenue from contracts with customers:** We recorded a 79% year-on-year growth in Revenue from contracts with customers, driven by a 355% year-on-year growth in digital technology services despite the 9% decline in Fees from Corporate Actions.
- **Interest income:** During the period, interest income declined 8% year-on-year on account of a 9% decline in the interest on loans and advances and a 53% decline in interest on short-term deposits during the period. On the other hand, Interest earned on bonds increased 22% year on year cushioning the effect of the significant decline from other interest income sources.
- **Total operating expenses:** Despite the 10% increase in total operating expenses, our cost-to-income ratio reduced by 4 percentage points to 43% relative to 47% in the corresponding period.
- **Profit After Tax:** Profit before Tax showed a 19% growth, while Profit after Tax was up 13% YoY due to a higher tax charge (19% in H1 22 relative to 15% in H1 21).

Comparing H1 2022 to H1 2021, the following were observed in the Balance Sheet:

- **Total Assets:** During the period, the book value of total assets grew 142% year-to-date driven by an 2209% increase in cash and cash equivalents and a 431% in equity instruments.
- **Total Liabilities:** The company's total liabilities also increased by 322% year-on-year due to a 368% growth in customers' deposits and a 44% growth in creditors and accruals.
- **Shareholder's Wealth:** Due to faster growth in liabilities relative to assets, total equity declined by 1% year-to-date.

Financial Metrics	H1 2022	H1 2021
RoAA ¹	5%	6%
RoAE ¹	22%	20%
NAPS	₦4.08k	₦3.85k
Asset Turnover ¹	0.21	0.22
EPS (kobo)	47	41
PAT Margin	47%	50%
EBIT Margin	58%	58%

¹Figures are annualised



Notice of HY 2022 Conference Call:

Sequel to the release of our HY 2022 result, we would be hosting a conference call for Investors and Analysts on Friday, July 29th, 2022. Click [HERE](#) to register in advance.

For further inquiries.

Anu Akindolire

Chief Financial Officer

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2022

<i>In thousands of Nigerian Naira</i>	30-Jun-22	30-Jun-21
Revenue from contracts with customers	928,110	517,741
Interest income	1,062,184	1,150,771
Gross Revenue	1,990,294	1,668,512
Other income	21,835	86,332
Credit loss expense	(1,425)	(2,518)
Personnel expenses	(330,793)	(287,554)
Other operating expenses	(483,081)	(450,391)
Depreciation of property and equipment	(23,359)	(25,276)
Depreciation of right of use assets	(2,845)	(2,846)
Amortisation of intangible assets	(14,819)	(13,320)
Profit before finance costs and tax	1,155,807	972,939
Finance costs	(489)	(610)
Profit before income tax expense	1,155,318	972,329
Income tax expense	(219,541)	(144,686)
Profit after tax	935,777	827,643
Other comprehensive income		
<i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods</i>		
net of tax):		
Net loss on quoted equity instruments at fair value through other comprehensive income	(16,027)	(35,890)
Total other comprehensive loss for the period, net of tax	(16,027)	(35,890)
Total comprehensive income for the period, net of tax	919,750	791,753
Basic and diluted earnings per share (Kobo)	47	41

STATEMENT OF FINANCIAL POSITION AS OF 30 JUNE 2022

<i>In thousands of Nigerian Naira</i>	30-Jun-22	31-Dec-21
ASSETS		
Cash and cash equivalents	19,996,936	866,192
Equity instruments at fair value through OCI	1,458,463	274,490
Debt instruments at amortised cost	13,825,280	10,902,922
Deposit for shares	1,570,000	2,770,000
Trade and other receivables	961,784	625,626
Property and equipment	247,950	256,739
Right-of-use-assets	4,026	6,872
Intangible assets	47,476	61,335
TOTAL ASSETS	38,178,545	15,764,176
LIABILITIES		
Customers' deposits	29,036,630	6,199,925
Creditors and accruals	151,404	104,857
Lease liabilities	7,008	6,519
Current income tax payable	240,307	629,429
Deferred tax liabilities	52,656	52,656
TOTAL LIABILITIES	29,488,005	6,993,386
SHAREHOLDER'S EQUITY		
Share capital	1,000,000	1,000,000
Share premium	624,446	624,446
Revaluation reserves	-10,945	5,082
Fair value reserve	7,006,443	7,070,666
Retained earnings	70,596	70,596
TOTAL EQUITY	8,690,540	8,770,790
TOTAL EQUITY AND LIABILITIES	38,178,545	15,764,176

EDITOR'S COMMENT

Africa Prudential Plc is a leading business solution and share registration service provider. Africa Prudential is leveraging technology to transform service experience across its various business lines.

More information can be found at: <https://africaprudential.com/investor-relations/>

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CAUTION REGARDING FORWARD-LOOKING STATEMENTS

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

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

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



Obong Idiong
Managing Director/Chief Executive Officer