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# MONEYCENTRAL

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**TONY ELUMELU** CFR

IS MONEYCENTRAL'S 2024 CORPORATE TITAN OF THE YEAR

## ANALYSIS

# Tony Elumelu: The Nigerian billionaire shaking up Africa's investment landscape

...Transcorp, UBA, others magnify shareholders' wealth with N1.8 trillion market cap gains

PATRICK ATUANYA

**B**illionaire investor and philanthropist Tony Elumelu's entities have become top valuable firms in Nigeria delivering higher returns to shareholders in the form of bumper dividends and share appreciation.

Elumelu has amassed huge stakes in United Bank of Africa (UBA) and conglomerate Transnational Corporation of Nigeria (Transcorp), Transcorp Power and Hotels, Africa Prudential and United Capital, through Heirs Holdings Limited where he is chairman, according to data from the company's website., making him one of the greatest institutional investors in Nigeria.

It would be pleasant to note that Tony Elumelu's Heirs Holdings investment portfolio spans the power, energy, financial services, hospitality, real estate, healthcare and technology sectors, operating in twenty-four countries worldwide and the entity has an unswerving conviction with a spice of "Africapitalism" that the private sector is the key enabler economic and social wealth creation in Africa.

Indeed, Tony Elumelu is creating wealth for the shareholders and investors in Nigeria who have been smiling to the bank. It takes a stroke of genius to turn an array of companies that span different sectors into money spinners and investment edifices for the world to admire.

A breakdown of the N1.8 trillion in market capitalisation shows that United Bank of Africa or UBA, opened 2024 trading on January 2nd at N26 per share but traded at N33.75 on December 20th for a market cap gain of N265 billion so far this year.

Transcorp has gained N339.7 billion in market cap this year, Transcorp Power is up N719.25 billion, Transcorp Hotels is up N469.33 billion, while Africa Prudential is up N20.1 billion.

UBA, Transcorp gradually becoming dividend aristocrats

To fill investors' coffers, Tony Elumelu's firms hiked dividend payment, as they are gradually becoming dividend aristocrats.

For instance, Transcorp Plc



paid a dividend of N4.06 billion as at December 2023, which represents a 50 percent increase from 2022's N2.03 billion.

The board of directors of UBA Plc approved a dividend of N2.80k or N95.75 billion, which is 155.01 percent higher than 2022 N1.10k or N37.61 billion.

UBA's remarkable growth in profitability, asset accretion, separates it from peer rivals

Of all the lenders in Nigeria, UBA is the only one who has recorded improvement in all key financial metrics, as it continues to serve its over 35 million customers on 4 continents, in 24 countries through multiple channels.

Unaudited results for UBA in the third quarter (Q3) ended September 30, 2024, where it recorded strong and impressive growth across all its key indicators, showed the bank's gross earnings grew significantly by 83.2 per cent to N2.398 trillion

up from N1.308 trillion recorded in September last year, while its net Interest income which stood at N443.0 billion at the end of the third quarter in 2023, rose impressively by 149 per cent to N1.103 trillion in the period under consideration.

The bank's financial report filed with the Nigerian Exchange Limited also indicated a 20.2 per cent increase in Profit before Tax (PBT) to close at N603.48 billion compared to N502.09 billion recorded at the end of the third quarter of 2023, while profit after tax also rose remarkably by 16.9 per cent from N449.26 billion recorded a year earlier to N525.31 billion in the period under review.

As in the preceding two quarters this year, UBA continues to maintain a very strong balance sheet, with Total Assets rising to N31.801 trillion, representing a 54.0 per cent increase over the N20.653 trillion recorded at the end of December 2023, just as

the bank benefitted largely from its technology-led initiatives targeted at improving customer experience over the past few years, with Total Deposits rising to N26.50 trillion, representing a 52.7 per cent rise, up from N17.355 trillion at the end of the last financial year.

In recognition of its consistent earnings growth and strong balance sheet, Agosto & Co, GCR R Fitch Ratings, and S&P Global Ratings gave the lender a healthy credit profile with current International ratings at par with the Nigerian Sovereign's.

Tony Elumelu's UBA launches \$6 Billion initiative for African SMEs

To promote Small and Medium Enterprises (SMEs) across the African continent, United Bank of Africa (UBA) has launched a \$6 billion financing initiative.

This initiative is designed to provide funding access to SMEs in the Agro-processing,

Pharmaceuticals, Automotive, Transport, and Logistics sectors, facilitating their expansion.

The Bank understands that small businesses are the pivotal to job creation and economic growth in a country where over 50 percent live on less than \$1.98 a day.

According to the 2023 audited financial statements seen by MoneyCentral, UBA extended credit facilities to the Agriculture sector to the tune of N216.06 billion, which is higher than 2022's N86 billion.

Some of the firms controlled by Elumelu which are a combination of public and private firms include: UBA, Heirs Insurance (Life, General, HIB), Africa Prudential, United Capital, Transcorp Power, TransAfam Power, Heirs Energies, Transcorp Energy, Transcorp Hotels, Afriland Properties, Transcorp Plc, AVON HMO, Avon Medical Practice, Heirs Technologies and REDTECH.

## ANALYSIS

# Transcorp Power pivotal to economic growth

BALA AUGIE

**T**o go north, you must journey south. To reach west, you must go east. To go forward, you must go back, and to touch the light, you must pass beneath the shadows.

The gods have given each of us our little gifts and talents, and it is meant for us to use. And billionaire investor Tony Elumelu uses his investment talents to reshape the country's economic landscape, as he continuously invests in the power sector through his company "Transcorp Power Plc.

The metamorphosis of Transcorp Power Plc is fascinatingly interesting as it remains in the four-stage cycle of a butterfly.

During the privatization of Nigeria's national power assets in 2012, Transnational Corporation Plc (Group Company) won the bid for the Federal Government of Nigeria's distressed power generating company, Ughelli Power Plc – operator of Ughelli Power Plant.

On November 1, 2013, Transcorp Power officially took physical ownership of Ughelli Power Plc, the owner and operator of Ughelli Power Plant following a handover ceremony during former President Goodluck Jonathan's administration.

Later on, Transcorp Ughelli Power Limited and Ughelli Power Plc merged, and Transcorp Power Limited (TPL) was born. This business combination marked the beginning of a tremendous transformation in the power sector.

On March 4, 2024, Transcorp Power was listed on the



NGX, crossing N2 trillion market cap in the first few days of listing. Today, it has a market cap of N2.70 trillion with a year to date (YTD) of 49.96 percent.

The Power Company's revenue has grown impressively over the past five years, driven by a surge in energy delivery and capacity charge, coupled with the lucrative expansion into international markets.

In its Q3 2024 unaudited results filed with the Nigerian Exchange (NGX), Transcorp Power reported revenue of N223.6 billion, representing a significant 153 percent growth year-on-year, over N88.4 billion in Q3 2023, Highlighting operational efficiency, profit before tax for the period surged by 198 percent, recording N81.1 billion, compared to N27.3 billion in September 2023.

**Key Financial Highlights:**  
Revenue Growth: Achieved

N223.6 billion in Q3 2024, a 153% increase from N88.4 billion in Q3 2023.

Net Finance Cost: Reduced by 95 percent to N538.3 million, down from N10.4 billion in Q3 2023.

Profit Before Tax: Rose by 198 percent to N81.1 billion, compared to N27.3 billion in the previous year.

Profit After Tax: Achieved a 186 percent increase, rising to N58.5 billion from N20.4 billion in Q3 2023.

Total Assets: Increased by 62 percent to N362.5 billion as of September 30, 2024, from N223.4 billion in FY 2023.

Shareholders' Funds: Grew by 82 percent to N105 billion as of September 30, 2024, up from N57.9 billion FY 2023.

Operating Ratios: 36.3 percent net profit margin, 56 percent return on equity, and 16 percent return on assets.

In response to the results, Peter Ikenga, MD/CEO, Transcorp Power Plc, commented on the company's performance this quarter, attributing it to a strategic vision, hard work, and relentless pursuit of operational excellence.

"Despite the distribution and transmission infrastructural challenges faced in the Power Sector, Transcorp Power has once again demonstrated exceptional financial growth, as reflected in our impressive results. We continue to strive to bridge the energy gap in Nigeria, in line with our purpose to improve lives. I am proud to report that we have sustained our remarkable growth trajectory and maintained our position as a leading contributor to the country's power sector, accounting for approximately 10 percent of total power generated on the national grid.

**Elumelu Consolidates stake in Nigeria's power sector**

Tony Elumelu, through a consortium led by Transnational Corporation (Group Company) acquired a 60 percent stake in the Abuja Distribution Company (AEDC), which deepens his firm's grip on the downstream value chain.

It is worthy to note that with the acquisition, the company has the enormous responsibility of restoring the country's underachieving power sector as Abuja Disco has 1.32 million customers who are clamoring for an improvement in electricity supply.

The Federal Government needs \$10 billion in private investment over the next 5 to 10 years to achieve 24 hours power supply, according to Minister for Power, Adebayo Adedun.

## ANALYSIS

# Tony Elumelu is king of hospitality as hotel business thrives

BALA AUGIE

**T**ony Elumelu's Abuja Transcorp Hotel Plc is one of the largest hotels on the continent, which makes the philanthropist billionaire investor the king of hospitality business.

Transcorp Hotels Plc is the hospitality subsidiary of Transnational Corporation Plc (Transcorp Group), one of Africa's leading listed companies with strategic investments in the power, hospitality, and energy sectors. Transcorp Hotels is redefining hospitality standards in Africa through its businesses, including the iconic Transcorp Hilton Abuja, Nigeria's flagship hospitality destination, and digital platform, Aura by Transcorp Hotels.

It is glaring that the humble man from Delta State is pivotal to the country's economy because he owns the largest conglomerates in Nigeria that provides thousands of jobs.

Nothing tarnishes a hero as much as failure. Tony Elumelu has got magic fingers as any business he touches turns to gold.

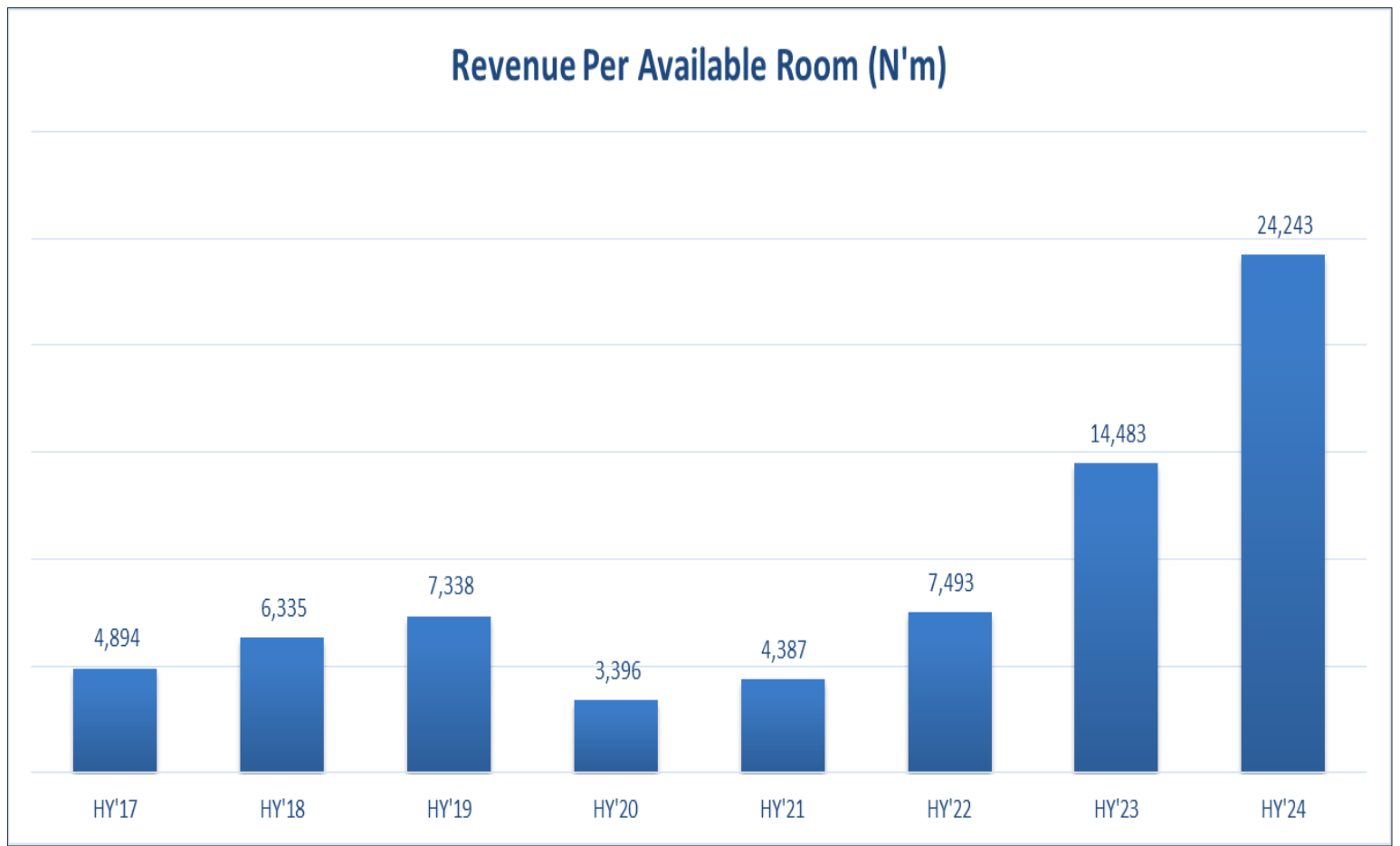
Incorporated on 12th of July, 1994, Transcorp Hotels has undergone a lot of notable changes and achieved impressive milestones.

One of those achievements was that on January 1, 2024, it became the first hospitality company to cross the one trillion market capitalisation mark.

Today, its market capitalisation stands at N1.30 trillion, as investors are sanguine without a bit of doubt about the company's future expansion plans combined with a healthy balance sheet will magnify their earnings.

Of course, the company's earnings fundamentals are auspicious, which significantly underpinned investor's appetite for its stocks that has been firing on all four cylinders.

Without ingratiating unctuousness, Transcorp Hotels is one of the best stocks to buy for keeps in Africa as it has a very low debts



and high earnings, to the delight of shareholders.

Since investors love numbers as it speaks louder than words, the third quarter financial performance of the hospitality giant is impressive.

Transcorp Hotels Group Plc revenue per available room (RevPAR), a key industry metric, increased 64.40 percent for the third quarter, primarily driven by growth in demand that has been surging since the post pandemic era.

The Group, a leading hospitality business and owners of the award winning 5 Star Transcorp Hilton Abuja, saw its RevPAR move to N24.24 billion in the first six months of 2024, from N14.48 billion the previous year, according to MoneyCentral calculations.

Total revenue that includes all its hospitality segment was up 67.40 percent to N48.48 billion as at September 2024.

The company's profit, revenue, and total assets have been growing steadily since 2020, a period that coincided with the coronavirus pandemic which deal a great blow on hospitality business and cyclical stocks as

the malaise forced governments across the globe to impose a lockdown policy that crippled business activity.

Of course, the owners of Transcorp Hotels had been proactive and nimble to solidify the company's working capital and investing in the latest technology that made it easier for it to take advantage of a reopening of the economy.

#### Tony Elumelu is aggressive about expansion plans

Tony Elumelu is not resting on his oars as he continues to inject capital in the business so as to fund expansion plans that are capable of maximising shareholders' wealth, which is why his company is the cream of the crop in the industry.

During the Transcorp Hotels' 10th Annual General Meeting last year, the hospitality giant unveiled an ambitious \$200-million investment plan, a strategic initiative that entails the development of a lavish 315-room hotel in Lagos' upscale Ikoyi neighborhood, marking a significant milestone in Nigeria's hospitality sector.

To curb the outflow of large-scale events to neighboring

countries like Ghana, Egypt, and Morocco, Transcorp Hotels has built a state-of-the-art event center with a 5,000-person capacity, an initiative that aims to bolster the economy and make Abuja the epicenter of international conferences.

Little wonder the Transcorp Hotels had won several awards, and notable among them was the Luxlife Magazine's hospitality wards for the Most Dedicated Hospitality Company 2024 in Nigeria in recognition of the brand's commitment to excellent guest experience and innovation.

The tourism industry has been thriving, thanks to the relaxation of the lock down imposed by the government to curb the spread of the coronavirus four years ago.

The World Travel & Tourism Council estimates that 1 in 10 workers in the world work in the hospitality industry due to the pandemic lockdown.

The Regional Director of the World Travel and Tourism Council, Andrew Brown revealed that "\$4.5tn was lost by the tourism and hospitality sectors as a result of the COVID-19 pandemic world-

wide and over 770,000 jobs were lost in the sector in Nigeria alone.

However, it is important to note that Transcorp Hotel is blooming amid rising inflation and foreign exchange volatility brought on by the bold policies of president Bola Tinubu such as the removal of subsidy on fuel and the unification of the foreign exchange rate to spur direct investment.

Nigeria's headline inflation rose to 34.60 percent in November 2024 reflecting a further surge in the costs of goods and services across the country. This is according to the latest Consumer Price Index (CPI) data released by the Nigeria Bureau of Statistics (NBS).

The Naira has lost about 68 percent of its value, marking a profound downturn since the implementation of the foreign exchange unification policy, according to data from Nairalytics.

Since the World Bank and International Monetary Fund (IMF) and investors are confident that the bold policies or reforms will unlock the potentials in the economy, Transcorp Hotels is surely going to be a beneficiary of this positive prognosis.

## ANALYSIS

# Yield hungry investors flock to UBA stock as dividend payout surges

BALA AUGIE

Investors have been generating passive income from United Bank for Africa Plc (UBA) more than other Tier 1 peers as the pan-African lender is gradually becoming a dividend aristocrat.

UBA has a dividend yield (DY) of 12.65 percent, and that compares with Access Holding, 9.30 percent- Guaranty Trust Holding Company (GTCO)-6.85 percent- and Zenith-10.03 percent, according to data gathered by MoneyCentral.

Additionally, UBA's payout ratio of 22.50 percent outperforms that of its peers GTCO, 3.10 percent, Zenith-5.40 percent-, and Access Holdings, 5.90 percent.

UBA Plc declared an interim dividend of N2.00 per share for every ordinary share of N0.50 each held by its shareholders, representing 300% increase compared to the N0.50 declared in the similar period of 2023.

The market reacted positively to pan-Africa's lender's dividend announcement and impressive earnings results as the share price has gained 31.58 percent

## UBA upcoming earnings >

Next report date	Report period	EPS estimate	Revenue estimate
≈ February 28	Q4 2024	—	—
<b>Key stats &gt;</b>			
<b>Market capitalization</b>	<b>Dividend yield (indicated) &gt;</b>	<b>Price to earnings Ratio (TTM) &gt;</b>	<b>Basic EPS (TTM) &gt;</b>
1.15 T NGN	12.74%	1.75	19.25 NGN
<b>Net income (FY) &gt;</b>	<b>Revenue (FY) &gt;</b>	<b>Shares float &gt;</b>	<b>Beta (1Y)</b>
598.28 B NGN	2.08 T NGN	31.61 B	0.72

year-to-date to close at N33.75 on Friday December 20th.

The largest banks in Africa's most populous nation have paid interim dividends to shareholders as their profit soars on the back of foreign exchange revaluation gains, but the payout has failed to lift stocks.

Zenith Bank Plc, Access Holdings Plc, Guaranty Trust Holdings Plc, and United Bank for Africa (UBA) Plc, paid a combined N145.22 billion interim dividend for the first six months of the

year, according to data gathered by MoneyCentral.

Banks are the only sector of the economy that have been consistently rewarding owners from their distributable profit as some of them who have been hiking such payments are gradually becoming dividend aristocrats.

A breakdown of the payment shows Zenith Bank gave out N31.39 billion or N1 per share in interim dividend; UBA, (N68.69 billion or N2 per share); GTCO,

(N29.43 billion or N1 per share), and Access Holdings, (N16 billion or N0.45 per share).

The robust half-year payout came as big banks reported record profit, supported by higher interest rates and foreign exchange gains that added strength to net interest income and profit.

Zenith, Access, UBA, GTCO, and FBHN, collectively posted a profit of N2.44 trillion as at June 2024, which is 91.95 percent higher than 2023's N1.27 trillion,

according to data gathered by MoneyCentral.

While there has been an improvement in banks' earnings, investors still are not interested in their stocks.

This is because of a possible dilution in earnings per share (EPS) post capital raising. The central bank has jerked up the minimum capital requirement for lenders as it wants to solidify their capital bases so that they become more impervious to macroeconomic shocks.

## UBA: One brand, global influence...

*Continued from page back page*

price, primarily driven by the positive financial results it has consistently delivered. UBA shares closed on Thursday, September 19, 2024, at N24.65 per share, compared with the N16.80 per share it was as of September 20, 2023. Africa's global bank is no doubt a growth and value stock combined making it the best bank to own for investors which would provide the necessary upside (Value) as well as the earnings (Growth) that would continue to underpin its stock price rise.

UBA's growth has been accelerating in recent years as the vision of a pan-Africa lender begins to increasingly crystallise. This is driven largely by its financial performance which has continued to beat analysts' expectations.

For instance, its audited financial results for the full year ended December 31, 2023, showed exceptional and impressive performance across all its major indicators. The bank recorded an impressive leap in gross earnings, as it grew from N853.2 billion recorded at the end of 2022 to close at N2.08 trillion; representing a strong 143 percent growth. The bank's total assets also rose remarkably by 90.22 percent, doubling the N10 trillion mark to close at N20.65 trillion in December 2023; up from N10.86 trillion in 2022. This

leap was a significant achievement and milestone in the history of the financial powerhouse.

Despite the highly challenging global economic and business environment, UBA in 2023, recorded a laudable profit before tax, with an exponential growth of 277 percent, to close the year under review at N758 billion, rising from N201 billion recorded at the end of the 2022 financial year; while profit after tax (PAT) grew by 257 percent from N170 billion in 2022, to N608 billion in the year under consideration.

Consequently, UBA Group Shareholders' Funds rose from N922 billion as of December 2022 to close the 2023 financial year at N2.0tn, achieving an impressive growth of 120.2 percent compared to the prior year. Also, in the year under consideration, UBA Group's cost-to-income ratio dropped from 59.2 percent in 2022, to 37.2 percent pointing to the Group's improving efficiency.

In fulfillment of its promise to shareholders at its last Annual General Meeting, the bank offered a final dividend of N2.30 kobo for every ordinary share of 50 kobo, for the financial year ended December 31, 2023. Also worthy of note, UBA in the review year, recorded a 61.3 percent growth in loans to customers, moving up to N5.5 trillion in 2023, whilst customer deposits improved by 90.31 percent to N14.9 trillion, compared to N7.8 trillion recorded

in the corresponding period of 2022, reflecting increased customer confidence, enhanced customer experience, successes from the ongoing business transformation programme and the deepening of its retail banking franchise.

The positive trend continued in the first quarter (Q1) of 2024. The UBA Group's results as of March 31, 2024, showed outstanding year-on-year increases: Gross Earnings rose by 110 percent, from N271.1 billion to N570.2 billion; Interest Income grew by 130 percent, to N440.7 billion. Operating Income increased by 115 percent, from N175.7 billion in 2023 to N378.59 billion.

Further consolidating the record performance delivered in the Group's 2023 full-year audited financials, UBA again saw profit before tax rising significantly by 155 percent from N61.7 billion in Q1 2023 to N156.34 billion in Q1 2024; while profit after tax jumped from N53.5 billion to N142.5 billion, representing an impressive rise of 165 percent year-on-year.

The bank's impressive performance has attracted increased investor interest, boosting demand for its shares. These positive results showcase UBA's strong financial health, robust growth prospects, and effective management strategies.

Key factors contributing to the stock price appreciation include the bank's consistent increase in revenue and profit-

ability, coupled with its expansion into new markets.

Group Chairman, UBA, Mr. Tony Elumelu, appealed to shareholders to participate fully and reinvest their dividends in the bank's recapitalisation drive which is set to commence in the coming days, saying this would ensure that they continue to enjoy even higher returns from their investments.

He said, "I call on you shareholders to re-invest a substantial part of your dividends in our rights issues which will be announced soon, as we will be giving you the first opportunity to own a share in all the countries where we operate, I am advising shareholders, as you get your dividends, reinvest a significant part of it. As for my board members and I, we would be investing 100% of the dividends we get, because If we don't do so, it means we would be leaving food on the table for others who did not labour for it," Elumelu stated.

As the bank continues to deliver positive results and execute its strategic plans, it is expected to maintain its upward momentum and attract further investor interest. In conclusion, UBA has no doubt emerged as a powerful force in the global banking landscape. With its strong Pan-African footprint, innovative financial solutions, and commitment to corporate social responsibility, UBA is well-positioned to continue its growth and success in the years to come.

## Transcorp notches record profit on...

*Continued from page back page*

combined installed capacity of 1,938MW accounts for 15 percent of the total installed capacity in Nigeria.

Transcorp Power Plc has a thermal power plant with installed capacity of 972M, and average available capacity of 500MW.

Afam Power Plc, a subsidiary of Transcorp Power Plc, has a thermal power plant with an installed capacity of 726MW, and average available capacity 138MW.

Afam Three Fast Power Limited, a subsidiary of Transcorp Power Plc, has an aero-derivative thermal power plant with installed capacity of 240MW.

With all of its subsidiaries churning out cash, Transcorp Group is a stock that investors should have in their portfolio because of its diversified revenue base

The Group Company (Transcorp) saw net profit margin rise to 25.50 percent in September 2024 from 17.75 percent the previous year. Operating profit margin increased to 38.21 percent in the period under review from 33.38 percent the previous year.

## ANALYSIS

## INSURANCE HUB

Reports prepared by MoneyCentral Analyst team led by Bala Augie

# Nigeria's fastest growing insurance group Heirs, has over N40bn gross premiums in 3-Years

**H**eirs Insurance Group (HIG), Nigeria's fastest-growing insurance provider, has done over N40 billion in Gross Written Premiums (GWP) in just 3-years as the firm has become a top-10 Nigerian

insurer in that time period.

The firm which has used a mix of technology, strong corporate governance and data to penetrate the tough Nigerian insurance market has people as one of its key strengths of its growth.

"We have been deliberate about hiring young people as 53%

of our staff are below the age of 35, even as we underwrite over 4,000 policies a month," HIG said in a video seen by MoneyCentral to celebrate its 3-years anniversary.

Heirs Insurance Group is the insurance arm of Heirs Holdings, the leading pan-African investment company, with invest-

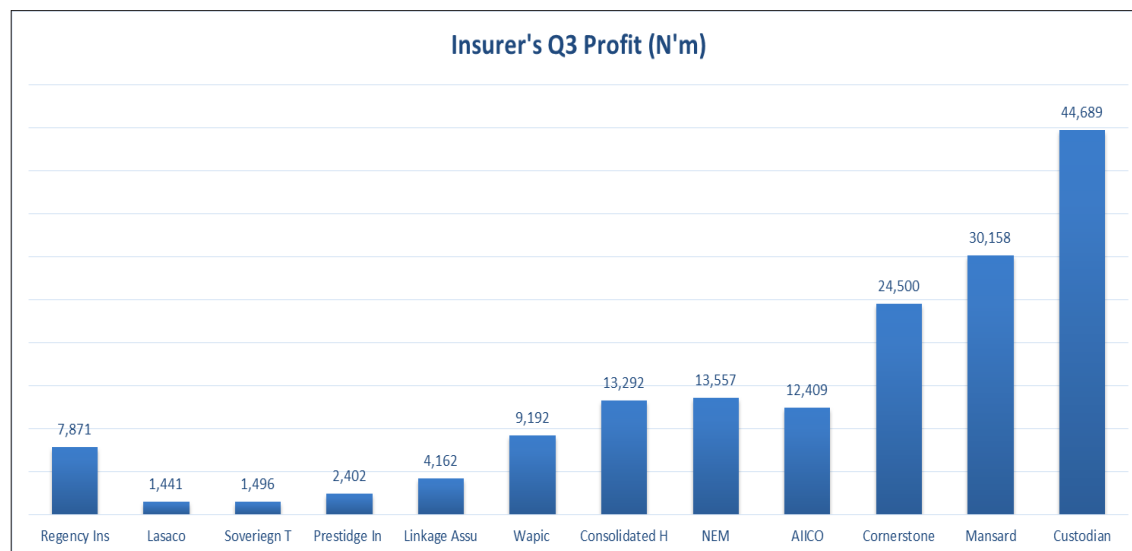
ments across 24 countries and four continents, founded and led by Tony Elumelu.

With a rapidly expanding retail footprint and an omnichannel digital presence, Heirs Insurance Group, comprising Heirs General Insurance Limited, Heirs Life Assurance Limited

and Heirs Insurance Brokers, serves both corporate and individual customers across Nigeria.

Heirs Insurance Group is championing financial inclusion and leading the digital insurance play in Nigeria, demonstrating its mission to democratise access to insurance.

## Nigeria insurers rake in profits on rate hikes



Source: Company financials, MoneyCentral

**N**igeria Insurers' stock prices and profits are hitting record highs, thanks in part to steep rate hikes, which signals that shareholders may be paid bumper dividends as there has been an increase in demand for policy underwriting across risk classes in the domestic economy.

The shares of companies have gained so far this year as investors are impressed with their financial performance. Most of them have outperformed the NGXASI index.

Cornerstone Insurance has a year to date (YTD) return of 123.25 percent; Custodian Investment, 57.78 percent; Guinea Insurance, 110.34 percent; Lasaco Insurance, 34.21 percent; Linkage Assurance, 15.564 percent; AXA Mansard, 36.91 percent Mutual Benefit, 15.09 percent; NEM Insurance 73.02 percent, Sovereign Trust, 102.38 percent; SUNU, 454.55

percent; Universal Insurance Plc, 38.46 percent, and AIICO, 1.58 percent.

The NGXASI index has returned 32.09 percent so far this year.

It is important to note that quoted insurers' combined profit surged by 186.63 percent to N158.06 billion in September 2024 from N55.14 billion as at September 2023, according to data gathered by MoneyCentral.

Big rate increases by the central bank who seek to tame rising inflation are driving up earnings even amid the deteriorating effect of the rising inflation rate which resulted in higher claims particularly in the non-life business.

The central bank had raised the Monetary Policy Rate (MPR) to 27.50 per cent from 27.25 per cent as part of efforts to combat surging inflation.

As a result of currency depreciation, soaring diesel prices, and escalating input costs, Nigeria's inflation rate reached 33.88

per cent in October 2024.

There has been a marked improvement in the awareness of the usefulness of taking up a cover while transformative regulations have added strength to premium income, but the country's low insurance penetration compared to some peer rivals in Africa means the sector is at its embryonic stage.

Analysts at Afrinvest Research said that the Covid-19 pandemic unlocked digital transformation across the underwriting value chain.

"Hence, we expect Nigerian insurers to step up digital transformation drive to capture untapped value at the retail end. Also, we anticipate that insurers would leverage NAICOM's initiatives (such as web aggregators, bancassurance, and microinsurance) to increase collaboration with telecommunication companies, banks, and fintech platforms," said analysts at Afrinvest Research.



## Heirs Insurance Group launches "unwrapping smiles" campaign to bring hope this festive season

**H**eirs Insurance Group, Nigeria's fastest-growing insurance group, has announced the launch of its "Unwrapping Smiles" campaign, a festive initiative designed to bring hope to individuals, families, and communities this holiday season.

Running from December 10 to December 31, 2024, the campaign will feature community-focused outreaches, including Christmas gifts and exciting rewards to put smiles on the faces of Nigerians.

The campaign will see Heirs Insurance Group reward individuals and organisations in the communities they operate in, and launch a holiday-watch web film, "The Underwriters", for all Nigerians to enjoy.

This festive season, the Group will also introduce a low-cost motor insurance, Flexi Comprehensive Motor Insurance Plan, an affordable motor insurance, which provides the benefit of a comprehensive motor insurance plan for a fraction

of the cost, addressing the financial realities many Nigerians face today.

Speaking on the campaign, the Chief Marketing Officer of Heirs Insurance Group, Ifesinachi Okpagu, said, "At Heirs Insurance Group, we are committed to providing much more than insurance. In a season when many Nigerians seek hope and reasons to smile, we are proud to offer initiatives that inspire and uplift."

Details of each initiative under the "Unwrapping Smiles" campaign will be unveiled weekly on the Heirs Insurance Group website and social media platforms.

Heirs Insurance Group is the insurance subsidiary of Heirs Holdings, the leading pan-African investment company, with investments across 24 countries and four continents. With a rapidly expanding retail footprint and an omnichannel digital presence, Heirs Insurance Group serves both corporate and individual customers across Nigeria.

## ANALYSIS

# Growth and value combined: Why UBA is the best bank stock to own now

PATRICK ATUANYA

## Key points

- UBA is good value based on its Price-To-Earnings Ratio (1.2x) compared to the African Banks industry average (4.8x)
- Earnings grew by 286.3% over the past year
- Trading at good value compared to peers and industry
- Analysts in agreement that stock price will rise by 37%
- A Top 3 Bank by Profit after Tax in 2023
- International diversification separates UBA from the rest
- Best performing bank stock with +237% rally in 2023

**M**any banks are in the market right now and are wooing investors to invest in their public offers or rights issues, however there is only one bank that stands out with a combination of growth and value for investors, which is United Bank for Africa (UBA) Plc.

Africa's Global Bank, UBA Plc is a growth and value stock combined making it the best bank to own for investors which will provide the necessary upside (Value) as well as the earnings (Growth) that will continue to underpin the stock price rise.

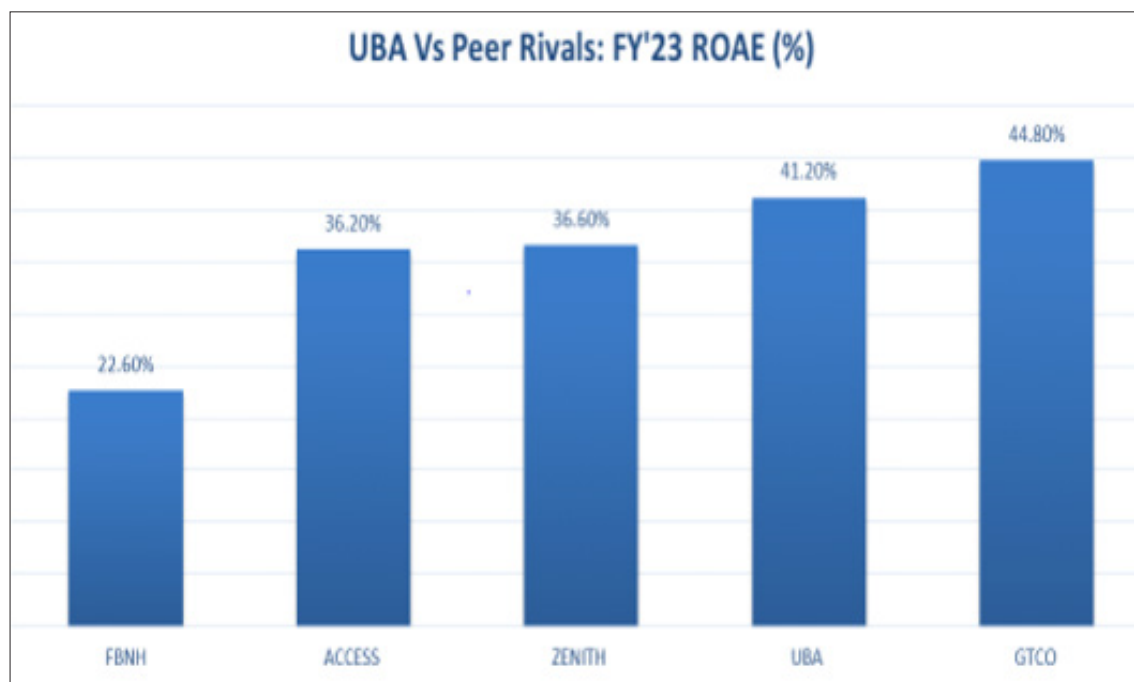
UBA's growth has been accelerating in recent years as the vision of a pan Africa lender begins to increasingly crystalize. In the first quarter of 2024, UBA recorded the fastest profit growth in a decade, an outstanding performance that makes it appealing to value investors.

The Bank's Profit Before Tax rose significantly by 155% to N156.34 billion in Q1 2024; from N61.7 billion in Q1 2023, while Profit After Tax jumped from N53.5 billion to N142.5 billion, representing an impressive rise of 165% year-on-year.

Earnings Per Share or EPS rose to N3.96 in the First Quarter, up from N1.47 in 1Q 2023. Profit margin came in at 36% (up from 30% in 1Q 2023). The increase in margin was driven by higher revenue.

Over the last 3 years on average, UBA Plc earnings per share (EPS) has increased by 70% per year but the company's share price has only increased by 53% per year, which means it is significantly lagging earnings growth, a signal of value in the shares.

At the end of the 2023 financial year, UBA recorded an impressive leap in gross earnings, as it grew



Source: Company financials, MoneyCentral

to N2.07 trillion from N853.2 billion recorded at the end of 2022; representing a strong 143 percent growth; total assets also rose remarkably by 90.22 percent, to close at N20.65 trillion up from N10.86 trillion in 2022.

UBA was the top performing Bank Stock on the NGX in 2023. Source NGX, MoneyCentral

Profit before tax, also grew exponentially by 277 percent, to close at N758 billion, up from N200.88 billion recorded in 2022; while profit after tax (PAT) grew by 257 percent from N170.2 billion in 2022, to N607 billion.

The impressive performance recorded over the past years and especially in 2023, culminated in the payout of N78.7 billion as final dividends for the 2023 financial year.

UBA Plc Group Chairman, Mr. Tony Elumelu, appealed to shareholders to participate fully and re-invest their dividends in the bank's recapitalisation drive as this will ensure that they continue to enjoy even higher returns from their investments.

He said, "I call on you shareholders to re-invest a substantial part of your dividends in our rights issues which will be announced soon, as we will be giving you the first opportunity to own a share in all the countries where we operate, I am advising shareholders, as you get your dividends, reinvest a significant part of it. As for my board members and I, we would be investing 100% of the dividends we get, because If we don't do so, it means we would be leaving food on the table for others who did not labour for it," Elumelu said.

## UBA's main banking ratios better than peers

UBA Plc, is good value based on its Price-To-Earnings Ratio of (1.2x) compared to the African Banks industry average (4.8x), according to data from simply Wall Street.

UBA's African subsidiaries contributed over 55% to the bank's profit last year (the highest among banks with International presence), while Return on Equity (ROE) was one of the highest in the industry and closed 2023 FY at 41.20 per cent from 19.70 per cent reported in 2022.

UBA is set to emerge as the most profitable Nigerian bank by the end of 2024, according to Muiywa Akinyemi, Deputy Managing Director, UBA Plc.

"UBA will become the top bank by profit from this year. There is nothing stopping us from being number-one," Akinyemi said in an interview at a Lagos media event to celebrate the bank's 75th anniversary.

Analysts at Chapel Hill Denham Limited say plans to roll out a special financing initiative through the company's 3-year partnership programme with Africa Continental Free Trade Area (AfCFTA) is business accretive.

UBA Plc grew its earnings by 286.3% over the past year, while a dividend yield of 11.67% is one of the highest among bank peers, a sign of the attractiveness of its shares as well as the banks' ability to reward investors.

In 2023, UBA Plc was a top-3 bank in terms of after-tax profit. The Group's cost-to-income ratio dropped to 37.2 percent, mak-

ing it the second most efficient lender in the industry.

Tier-one lender United Bank for Africa (UBA), also emerged as the best performing bank stock with +237% rally in its share price in 2023. UBA exceeded the NG Banks industry which returned 31.3% over the past year.

## UBA is more efficient in generating profit for their owners than peer rivals

For instance, data gathered by MoneyCentral Intelligence shows UBA recorded a return on average equity (ROAE) of 41.20 per cent at the end of 2023, making it the number 2 bank in the entire industry.

## Innovation key to future growth for UBA after milestones in past 75 years

With innovation and commitment to excellence that defined UBA since inception it has since evolved from its modest beginnings to expand to 20 African countries and global nerve centres such as New York, London, Dubai and Shanghai with 25,000 staff and over 35 million customers.

All its subsidiaries are profitable, responsible for more than 50% of profit.

UBA was the first bank to offer an IPO in Nigeria in 1970. First to be listed on NSE and the only bank in Sub Saharan Africa with a deposit taking license in the USA. The year 2023 was one with big FX moves as the bank balance sheet saw significant accretion which was largely one-off.

It was the first Bank in Nigeria to install an ATM. First to open a campus branch, first to open a subsidiary in Africa, and first

bank to have a female Chairperson in Nigeria.

Mobile Banking was first introduced by UBA in Nigeria, it also deployed the first chatbot in the country. Some 33% of CEOs in UBA's 20 African countries of operation are also women.

In 2023, females in the total workforce increased to 46 percent, with females in senior management positions at 31 percent, according to the Bank's sustainability report on the NGX website.

In line with its usual custom of rewarding loyalty, UBA Plc launched the "UBA Legacy Promo" as part of activities to mark its 75th year anniversary.

The UBA Legacy Promo which will run for a period of six months beginning from July 2024, will see the bank doling out of N200m in cash prizes as well as other consolidation prizes to its teeming customers from various categories.

This promo is open to several categories of Account holders including Bumper Account holders, Savings account, Kiddies & Teens Account holders as well as Nextgen account holders.

United Bank for Africa (UBA) was the designated receiving bank for Nigeria's series one domestic dollar bond that raised \$900 million.

UBA has demonstrated financial strength, a testament to robust fundamentals and is committed to creating value for stakeholders. The bank is positioned as the payment bank for capital flows between Africa and the rest of the world.

It recently signed an agreement with the African Continental Free Trade Area AfCFTA where UBA is putting out \$6bn.

UBA stock traded at N23.95 (on Tuesday September 17, 2024) and a price to book ratio 0.32 times. This means a valuation closer to book value will see the shares trading at N75 per share.

The average 1-year target price by 6 Analysts that follow UBA Stock is N32.84 per share, more than 37% higher than the current share price.

United Bank for Africa (UBA) Plc, is Africa's leading financial institution with presence in 20 African countries, as well as in the USA, United Kingdom, France, and the United Arab Emirates.

UBA serves as a vital link between Africa and the global financial markets, offering a range of banking services tailored to meet the needs of individuals, businesses, and institutions.

## ANALYSIS

## INSURANCE HUB

Reports prepared by MoneyCentral Analyst team led by Bala Augie

# Heirs Insurance: Entrenching trust, setting the pace, disrupting insurance with technology

BALA AUGIE

Nigeria, a burgeoning economy in Africa, has witnessed significant strides in various sectors. However, the insurance industry remains relatively underdeveloped, hindering its potential to provide financial security and support economic growth.

Factors such as limited financial literacy and misconceptions about insurance products; certain cultural and religious beliefs; low-income levels and economic instability limit the ability of individuals and businesses to afford insurance premiums and contribute to low penetration rates in the country.

That is why the Heirs Insurance Group (HIG), a subsidiary of the renowned Heirs Holdings, a pan-African investment company, with investments across 24 countries and four continents, founded and led by Mr. Tony Elumelu, have since its creation three years ago, continued to champion the growth of insurance adoption.

The HIG clearly understands that having viable insurance is good for any economy. Insurance provides a safety net against unforeseen events such as accidents, illnesses, and property damage, safeguarding individuals and businesses from financial losses. A well-developed insurance sector can contribute to economic stability by



mitigating risks and facilitating investment. Insurance enables effective risk management, allowing individuals and businesses to plan for potential losses and protect their assets. Increased insurance penetration can create employment opportunities in the insurance industry and related sectors.

HIG has rapidly emerged as a prominent player in Nigeria's insurance landscape to change the narrative. With a commitment to delivering

exceptional service and innovative solutions, the company has built a strong reputation for trust and reliability.

With a rapidly expanding retail footprint and an omni-channel digital presence, HIG serves corporate and individual customers across Nigeria. It is also championing financial inclusion and leading the digital insurance play in Nigeria, demonstrating its mission to democratise access to insurance.

The Group's mission is to improve

lives and transform Africa. In today's world, where technology is critical for success, HIG has become a game-changer, harnessing AI-driven digital tools, intuitive apps, and seamless connectivity, to provide simple and accessible insurance to everyone.

HIG strongly believes that insurance should not be a luxury, but a fundamental necessity and that every Nigerian deserves access to essential financial services to live a more prosperous life.

A deep understanding of its customers' needs is at the heart of HIG's philosophy. The company offers a wide range of insurance products tailored to meet the diverse requirements of individuals and businesses. From life and health insurance to property and casualty coverage, Heirs Insurance provides comprehensive solutions that protect what matters most.

Backed by the robust financial resources of Heirs Holdings, Heirs Insurance enjoys a solid foundation for growth and stability. This financial strength ensures that the company can meet its obligations to policyholders and maintain a high level of solvency.

## The Journey

To the MD/CEO, Heirs Life Assurance, Niyi Onifade, "the journey started in 2013 when our parent company, Heirs Holdings, carried out a research on the Nigerian insurance industry which revealed that the penetration

rate for insurance in Nigeria has over the years been very low.

"In fact less than one per cent. The reasons for these are quite many. You have the issue of lack of trust where people don't really trust the Nigerian Insurance Industry particularly when it comes to clean spinning. Then you have the issue of products and services that are not really meeting the needs of the people.

"Our parent company decided that look, we can actually enter into the Nigerian Insurance industry to make a difference. And that year, Heirs Holdings approached the National Insurance Commission for an operational licence as an insurance company.

"It took us seven years to get an operational licence from the Commission. On November 27, 2020, the chairman, Mr. Tony Elumelu led our team to NAICOM's headquarters in Abuja where we got two licences. One for Heirs Life Assurance Limited, and the other one for Health General Insurance Limited.

We launched to the public on June 1st, 2021. That was about six months after we actually started operations."

For her part, the Chief Marketing Officer of the Group, Ifesinachi Okpugu, explained that in 2015, "we were about nine or 10 of us. We came together very excited to start what we now know as Heirs Insurance Group. Then it was Heirs Insurance.

## Heirs Insurance Group delivers outstanding financial results with 60% premium increase to N31.7bn in FY2023

Heirs Insurance Group (HIG), comprising Heirs Life Assurance (HLA), Heirs General Insurance (HGI) and Heirs Insurance Brokers (HIB), has announced its financial results for the 2023 fiscal year, showcasing substantial growth and an impressive performance across all business indicators. The financial performance highlights the Group's resilience and operational efficiency.

The Group's General and Life companies, combined, recorded a 59.30% increase in Gross Written Premium (GWP), rising from N19.9 billion in 2022 to N31.7 billion, for the year ending December 31, 2023, as they both enter their fourth year.

In addition, the Group's earned insurance revenue for year 2023 stood at N20.5 billion, a surge of 80% from N11.3 billion in 2022, reaffirming the Group as one of the fastest-growing insurance groups in Nigeria.

Breaking the results down further, Heirs General Insurance (HGI), the non-life arm of Heirs Insurance Group, reported a 77% increase in GWP, rising from N8.5 billion in 2022 to N12 billion in 2023. Total assets for 2023 stood at N18.1 billion, a 27.4% increase from

N14.2 billion recorded in 2022. Profit Before Tax (PBT) surged from N791 million (restated) in FY2022 to N2.4 billion in FY2023, a staggering 203% growth, signaling the company's effective cost management and strategic growth initiatives. Heirs General also reported a net investment income of N1.4 billion for 2023, a 45% increase from the preceding year. This impressive top and bottom-line growth underscores the company's ongoing development and its unwavering focus on delivering value to clients.

Demonstrating its commitment to customer satisfaction and upholding customer trust, Heirs General also dispersed N1.6 billion to policyholders in claims settlement, up from N471 million in the prior year. This sharp rise in claims settlement emphasizes the company's commitment to customers and its dedication to keeping service promises, with a strong focus on timely and transparent claims processing.

Heirs Life Assurance (HLA), the specialist life insurance arm of Heirs Insurance Group, equally delivered phenomenal results with 71% growth in Gross Written Premium (GWP), rising from N11.5 billion in 2022 to

N19.7 billion in 2023. Total assets grew by an extraordinary 98% increase, rising from N19 billion in FY2022 to N37.7 billion in FY2023. The company also demonstrated financial discipline, posting a 143% rise in investment income, from N1.1 billion in FY2022 to N2.8 billion in FY2023. Profit Before Tax (PBT) increased by 395% from N379 million (restated) in 2022 to N1.8 billion in 2023.

Furthermore, Heirs Life disbursed N2.5 billion in claims in 2023, representing a 119% increase over the previous year's N1.1 billion, reflecting its commitment to delivering timely financial relief to its customers during their times of need.

Heirs Insurance Brokers (HIB), the broking arm of Heirs Insurance Group, delivered a strong performance with significant growth in income and profit. Profit Before Tax (PBT) rose by an impressive 128%, increasing from N232 million in 2022 to N529 million in 2023. Total revenue grew by 68%, climbing from N760 million in 2022 to N1.275 billion in 2023. HIB maintained a well-structured and efficient balance sheet, showcasing its strong earnings' capacity and solid financial foundation.

Commenting on the results, Tony O. Elumelu, CFR, Group Chairman of Heirs Holdings, the Group's parent company, stated: "These results underscore our unwavering commitment to democratising access to insurance and delivering enduring value for our stakeholders. Heirs Insurance Group has achieved remarkable year-on-year growth in just three years of operations. We set out to transform the insurance industry, and I am pleased to see the remarkable growth the Group has achieved and the innovations it has rolled out. We are optimistic about the future and emphasize our commitment to meeting the evolving needs of our customers while driving financial inclusion for everyone."

Heirs Insurance Group has proudly contributed over N100 million to various CSR projects focused on education, community development, and financial literacy, demonstrating its purpose of improving lives and transforming Nigeria. The Group recently awarded N8 million to three junior secondary students in Nigeria who emerged winners in its flagship CSR initiative, the Heirs Insurance Essay Championship,

including a donation to the winner's school. Additionally, the Group has trained hundreds of parents in critical financial skills.

As part of its strategic vision, Heirs Insurance Group has deployed enhanced digital capabilities and rolled out innovative engagement channels, positioning the Group as a leader in the digital insurance space in Nigeria. This commitment to technological innovation ensures seamless access to insurance products and services for all Nigerians, driving financial inclusion across all demographics.

The results were confirmed in the Group's 2023 financial statements, audited by PricewaterhouseCoopers (PwC) and approved by the National Insurance Commission (NAICOM).

## About Heirs Insurance Group:

Heirs Insurance Group is the insurance subsidiary of Heirs Holdings, the leading pan-African investment company, with investments across 24 countries and four continents, founded and led by Tony Elumelu. With a rapidly expanding retail footprint and an omnichannel digital presence, Heirs Insurance Group serves both corporate and individual customers across Nigeria.

ANALYSIS

# Transcorp power showing encouraging signs of return on capital

BALA AUGIE

**T**ranscorp Power Plc is a compounding machine able to continually reinvest its earnings back into the business and generate higher returns, little wonder investors find the firm's stocks irresistible.

This means that the company is investing more capital into its business and ideally the returns earned from that capital are also increasing as the return on capital employed (ROCE) stood at 54.67 percent as at June 2024, higher than 35.25 percent as at June 2023, according MoneyCentral calculations.

For those that aren't sure what ROCE is, it measures the amount of pre-tax profits a company can generate from the capital employed in its business.

Transcorp Power's ROCE of 54.67 percent is higher than



Transcorp Power vs. Geregu Power

(N'MILLION)	GEREGU POWER	TRANSCORP POWER
SALES	112,583	223,556
EBIT	37,016	80,582
TOTAL ASSET	221,087	362,508
CURRENT LIABILITIES	120,599	215,109
CAPITAL EMPLOYED	100,488	147,399
ROCE	36.84%	54.67%

the industry average of 45.57 percent, and dwarfing peer rival Geregu Power's 36.84 percent, according to MoneyCentral calculations.

The company has been recording double digit growth in earnings since it listed on the NGX Limited on March 4, 2024.

Of course, the market capitalisation has grown by N460 billion from N1.8trillion the day of listing as it is now N2.69 trillion (December 20, 2024).

In its Q3 2024 unaudited results filed with the Nigerian Exchange (NGX), Transcorp Power reported revenue of N223.6 billion, representing a significant 153 percent growth year-on-year, over N88.4 billion in Q3 2023.

Highlighting operational efficiency, profit before tax for the period surged by 198 percent, recording N81.1 billion, compared to N27.3 billion in September 2023.

ENERGY

## Transcorp Power Plc reports strong Q3 2024 performance, with 153% revenue growth and 198% increase in profit

**T**ranscorp Power Plc, one of the power subsidiaries of Transcorp Group, has announced its financial results for the third quarter of the year ending September 30, 2024, demonstrating remarkable growth across the business.

In its Q3 2024 unaudited results filed with the Nigerian Exchange (NGX), Transcorp Power reported revenue of N223.6 billion, representing a significant 153% growth year-on-year, over N88.4 billion in Q3 2023, Highlighting operational efficiency, profit before tax for the period surged by 198%, recording N81.1 billion, compared to N27.3 billion in September 2023.

Key Financial Highlights:

**Revenue Growth:** Achieved N223.6 billion in Q3 2024, a 153% increase from N88.4 billion in Q3 2023.

**Net Finance Cost:** Reduced by 95% to N538.3 million, down from N10.4 billion in Q3 2023.

**Profit Before Tax:** Rose by 198% to N81.1 billion, compared to N27.3 billion in the previous year.

**Profit After Tax:** Achieved a 186% increase, rising to N58.5 billion from N20.4 billion in Q3 2023.

**Total Assets:** Increased by

62% to N362.5 billion as of September 30, 2024, from N223.4 billion in FY 2023.

**Shareholders' Funds:** Grew by 82% to N105 billion as of September 30, 2024, up from N57.9 billion FY 2023.

**Operating Ratios:** 36.3% net profit margin, 56% return on equity, and 16% return on assets

Commenting on the results, the Chief Financial Officer, Transcorp Power, Evans Okpogoro, expressed strong confidence in the company's financial trajectory, stating:

"We are proud to announce significant growth across all our metrics. Our commitment to disciplined cost management and operational efficiency has not only enabled us to sustain robust margins but has also positioned us to outperform industry averages in key areas. This achievement reflects our strategic focus and dedication to excellence, and positioning as a leader in Nigeria's power sector".

In response to the results, Peter Ikenga, MD/CEO, Transcorp Power Plc, commented on the company's performance this quarter, attributing it to a strategic vision, hard work, and relentless pursuit of operational excellence.

## Transcorp Power forecasts N500bn annual revenues by 2031 ...achieves 40% CAGR in profit over past four years

PATRICK ATUANYA

**T**ranscorp Power, a major Nigerian power producer, expects its annual revenues to surge to over N500 billion by 2031, from N142 billion in 2023. Revenues last year were also up 57% from 2022 levels.

This was revealed by the CEO Peter Ikenga at a conference call following its 2023 Full Year results.

Transcorp power is spending over N44bn (\$44m) in capex in 2024 to help achieve 740 megawatts (mw) of available capacity by 2024 year end, with 240mw set to be added by this summer. The firm is in talks with 3 Discos to help receive excess power it produces that the national grid cannot handle.

The firm is investing to boost cost optimization, improve gas usage and efficiency, and boost capex on turbine maintenance.

Its play in the West African power pool which brings in 18% of revenue will help to reduce FX risk. The company currently accounts for 7.0% of Nigeria's installed grid capacity but generates 10.0% of the country's power needs, with its leadership position in the West African Power Pool (WAPP) and



planned strategic alliances with DISCOs, eligible customers, and state governments leaving legroom for output growth in the near term.

Analysts say the material export component of revenue is likely to continue providing some important hedge against the negative impact of Naira devaluation on costs linked to energy and equipment maintenance.

Transcorp Power employs 100% of Nigerians in its workforce, and plans to add further 200mw as part of its growth plans between 2024 and 2026.

It has grown its profit by over

40% compound annual growth rate (CAGR) in the past 4-years. Transcorp Power shares were listed by introduction at N240 per share on the NGX in March.

The Board of Directors of Transcorp Power recommended an interim dividend of N23.46 billion (2022: N17,166,275,000). This represents a dividend payout ratio of 77.6%. Transcorp Power stock is up +57% year to date and has a market capitalization of N2.827 trillion.

"The time to invest in Transcorp Power is now and we will continue to make our investors smile," Ikenga said.

## ENERGY

# Heirs energies controls 5% of Nigeria's oil and gas production

BALA AUGIE

**A**t a time that international oil companies are exiting onshore operations in Nigeria, Heirs Energies is creating opportunities for capable indigenous firms to fill the void as it controls approximately 5 percent of the country's oil production and a similar share of its domestic gas production.

This was made known by Osayande Igiehon, Chief Executive Officer (CEO) of Heirs Energies Limited at an interview with the Financial Times of London's documentary titled "Nigeria's Struggle to Break the Oil Curse."

Igiehon is sanguine that the company will increase its production in the upstream oil and gas and unlock the potentials in the economy as the country is reeling from high unemployment and a battered currency.

Heirs Energies has demonstrated remarkable operational excellence since acquiring the OML 17 block in July 2021. Within just 100 days of taking over operations, the company doubled its oil production from 27,000 to 52,000 barrels per day. This rapid improvement serves as compelling evidence of the capacity and resilience of indigenous companies in the sector.

"Africapitalism positions the private sector in the lead of making investments to improve lives, making substantial prosperity and, at the same time creating social wealth," said Igiehon.

Igiehon addressed the challenges



Chairman, Heirs Energies, Tony O. Elumelu (r), and MD/CEO, Osa Igiehon

faced during the transition period, particularly the issue of oil theft in the Niger Delta region.

Through strategic initiatives and collaboration with key stakeholders, Heirs Energies has made significant strides in overcoming these obstacles. The company has increased its terminal delivery from 3 percent in December 2021 to an impressive 85 percent today, showcasing its problem-solving

capabilities and commitment to operational integrity.

The chief executive officer of the indigenous upstream oil and gas giant said the country should be able to produce 2-2.5 million barrels a day, and added that there are a lot of factors responsible for the country not being able to exceed its potentials and the key being oil theft and pipeline vandalism.

"Because of the theft, there has been

a stifling of investment in the sector. And the global push for energy transition has made getting financing for oil and gas more challenging," said Igiehon.

Nigeria's oil output hovers between 1.2-1.5 million barrels per day, according to data from State Oil Corporation NNPC as the government has intensified security measures to protect oil assets with a view to improving local production.

Despite being an oil producer since the late sixties, the country still imports refined products because its refineries are moribund, which puts the local currency under pressure.

It is believed that the black gold is a curse which has reduced the millions of Nigerians to penury because the Agric was neglected as soon as oil was produced in large quantities.

"Nigeria has been an oil producer for decades now, but a little of that oil has been refined," said David Pilling, Africa Editor at the Financial Times of London.

"You have a situation where the country pumps oil and sends it abroad and then reimports it in the form of refined products," said Pilling.

Because of the low investments and a myriad of challenges that besets the oil and gas sector, some International Oil Companies (IOCs) are selling off some of their assets and leaving the country.

After sixty eight year on sojourn, Shell has agreed to sell its onshore oil production business in Nigeria following a flood of other international groups seeking to withdraw from the country's restive Niger Delta region.

French energy giant TotalEnergies is seeking to sell its minority share in a major Nigerian onshore oil joint venture, following Shell's divestment.

There is light at the end of the tunnel for Nigeria as the coming on board of the \$20 billion Dangote Refinery which has a production capacity of 665,000 barrels a day is expected to save the country billions of dollars in foreign currency and create jobs.

## Heirs Energies celebrates third anniversary with significant milestones in production growth, community engagement, and safety record

**H**eirs Energies, Africa's foremost indigenous-owned integrated energy company, commemorated its three-year anniversary.

In a short timescale, Heirs Energy has implemented a track record of significant production increases, pioneered a new model of community engagement and built a world class Nigeria management team, all contributing to a new beginning in ensuring Nigeria's sustainable energy future.

Heirs Energies launched in January 2021, following the completion of an 8-year, \$1.2 billion transaction to acquire oil license OML17, from the Shell Petroleum Development Company of Nigeria Limited, Total E&P Nigeria Limited, and ENI, and solidifying the joint venture partnership with the NNPC.

The Chairman of Heirs Energies, Tony O. Elumelu, CFR, expressed his pride, while re-

flecting on his vision for Heirs Energies, stating, "As someone from the Niger Delta, I had seen firsthand how Nigeria's resource wealth can be mishandled. The energy sector was an industry that had frankly not served Nigeria's interest. I knew Nigeria could do better and control her destiny. My vision was to build Africa's largest indigenous-owned integrated energy company, focused on Africa's unique energy needs. As I look back now, we have more than succeeded."

Heirs Energies has become a role model institution within the energy sector. Milestones, and achievements within three-years of operations include:

Significant rise in oil production: At a time when Nigeria needs to optimise output, Heirs Energies' oil production has surged from 27,000 to 40,000 barrels a day. Theft and losses which reached a peak of 97% late 2021, have now been reduced to less than 15%, with definitive

actions taken by the government to address the pipeline security and related concerns.

Steady gas production for domestic use: Heirs Energies commenced gas production and has rapidly become an important contributor to domestic gas supply in Nigeria. 100% of gas produced goes into domestic market to meet local demand, providing energy to thousands of households, supplementing power plants, and supporting various gas-reliant industries in the region.

Top quartile safety records: Heirs Energies boasts three incident free years, maintaining zero Loss Time Injury (LTI) operations in OML 17 with 1.5 million man-hours.

Community engagement that works: Heirs Energies continues to live up to a philosophy of a shared destiny with local communities, by seeking out local talent and creating entrepreneurs. Over 300 young people have been empowered

through skill acquisition programmes, while the electrical infrastructure upgrades across host communities have impacted a population of over 270,000 people.

A world-class Nigerian organisation: Heirs Energies takes particular pride in its fully Nigerian team, who are catalysing and delivering innovative technical solutions every day. A true demonstration of Nigerian excellence in institutionalising and executing key strategies.

Chairman, Heirs Energies, Tony O. Elumelu, commended the team, sharing his deep gratitude for their commitment to his vision of creating value for all stakeholders within the energy sector.

He said, "I want to take this opportunity and mark this anniversary, by saluting and thanking the Heirs Energies team, led by MD/CEO, Osa Igiehon. Your hard work, dedication and expertise has enabled us to become a role model within the

energy sector, as we strive towards our purpose of improving lives and communities across our continent."

Heirs Energies recognises the importance of a sustainable future and plans to play a role in Nigeria's transition to a more sustainable energy source. The journey reflects a commitment to bring abundant and affordable power to schools, hospitals, and industries, shaping a sustainable future for Africa.

Heirs Energies Limited (formerly known as HeirsHoldings Oil & Gas Limited) is Africa's largest indigenous-owned integrated energy company, committed to meeting Africa's unique energy needs while aligning with global sustainability goals.

Having a strong focus on innovation, environmental responsibility, and community development, Heirs Energies leads in the evolving energy landscape and contributes to a more prosperous Africa.

## TECHNOLOGY

# Heirs technologies targets Africa's digital transformation, commits to training, innovation, locally tailored solutions

JESSICA MAURICE

**H**eirs Technologies, a digital transformation solutions company, has reiterated its commitment to driving Africa's digital transformation through innovative and locally tailored solutions.

At a press parley held at the Heirs Towers, in Victoria Island, Lagos, the leadership of the Technology firm unveiled its core business areas to include IT Consulting, Managed Services, and Business Process Outsourcing.

The Chief Executive Officer, Heirs Technologies, Obong Idiong, who highlighted the company's vision and mission, emphasised the abundant opportunities in Africa and the importance of keeping the continent at the forefront of technological advancements.

Speaking to the pressmen, he said, "We want to attract investments from in and outside Africa. We want to deliver world-class expertise with local accessibility," Idiong said.

The Executive Director, Heirs Technologies, Anant Rao, emphasised the company's expertise and infrastructure, position-



Managing Director/CEO, Heirs Technologies, Obong Idiong; Chairperson, Heirs Technologies, Dr Fumbi Chima; and Executive Director, Heirs Technologies, Anant Rao, during Press engagement to introduce Heirs Technologies, the new subsidiary of Heirs Holdings to the media, held at Heirs Towers, Victoria Island, Lagos.

ing it to compete with major players in the sector.

"We see ourselves as part of the big boys and have all the necessary experiences to thrive. We implement state-of-the-art

standards and global best practices," Rao said. "It is important to note that Africa is the next frontier for outsourcing; Nigeria is well-positioned for it, with a large population, tech-savvy,

and capable workforce,"

On her part, the Chairperson, Heirs Technologies, Dr Fumbi Chima, echoed this sentiment, highlighting the company's dedication to creating growth

within and outside Nigeria. She expressed excitement about the flurry of opportunities the company will provide.

"The future is about employment, the future is our youth," Chima said. "We have amazing opportunities within Nigeria and the African continent to help us create disruption. I am really looking forward to these opportunities as an organisation and as a continent to be one of the disruptive, ambitious growth companies that we will be looking at over the next three to five years," she said.

Heirs Technologies is a subsidiary of Heirs Holdings, the leading pan-African investment company with strategic investments in key sectors of the African economy, including energy, power, financial services, real estate, hospitality and health-care, with portfolio operations across twenty-four countries worldwide.

Heirs Holdings' investment approach is driven by founder Tony Elumelu's philosophy of Africapitalism that champions the African private sector's commitment to the economic transformation of Africa, through investments that generate both economic prosperity and social wealth.

## Heirs Technologies plans to be a global outsourcing firm, first among peers

**T**he directors of Heirs Technologies Limited are propitious that the company will be a global outsourcing organisation using state of the art infrastructure to solve business problems.

Heirs Technologies aims to provide end - to - end business solutions that leverage technology for global clients across the entire software life cycle: consulting, design, development, re - engineering, maintenance, system integration, package evaluation and implementation.

The stewards disclosed this at a Media parley, organised by the company in Lagos.

"We are thinking differently. We want to create a global destination hub for Nigeria," said Anant Hao, executive director at Heirs Technologies.

"We are looking to build the best infrastructure. Africa is the next destination," said Hao.

Heirs Technologies Limited is a subsidiary of Heirs Holding Plc, and it aims at empowering Africa's digital transformation through innovative and locally tailored solutions.

The technology firm said it would provide value-added services ranging from IT consulting, which encompasses advisory services, business transformation, system integration, licensing, and partnerships and offer various managed services covering IT operations and business process outsourcing.

"There are a lot of opportunities, and we want to be part of that. We are looking for emerging technologies. We are going to train young Nigerians," said Obong Idiong, chief executive officer (CEO) at Heirs Technologies.

Idiong added that the company will enable small businesses who need technology to grow their business.

## Heirs Holdings to lead Africa's digital evolution, launches Heirs Technologies

**H**eirs Holdings, a leading African investment company dedicated to improving lives and transforming Africa through strategic long-term investments, announced the launch of its new subsidiary, Heirs Technologies Limited, with an ambition to empower Africa's digital transformation through innovative and locally tailored solutions.

Heirs Technologies endeavours to provide value added services that capitalise on top-tier expertise while guaranteeing accessibility locally.

The company's range of offerings include IT consulting, which encompasses advisory services, business transformation, system integration, licensing, and partnerships. Additionally, Heirs Technologies will offer various managed services covering IT operations and business process outsourcing.

To achieve its vision of propelling Africa to the forefront of the global technology landscape, Heirs Technologies will strategi-

cally invest in cutting edge technological solutions and develop platforms that foster collaboration among diverse stakeholders. Central to the company's plans is to develop local capacity through meticulously tailored skills development programmes.

Heirs Holdings' Group Chief Executive Officer, Emmanuel Nnorom, expressed his excitement about the launch while reiterating the company's mission, "We are embarking on a journey fueled by innovation and driven by purpose. Our mission isn't solely about creating products; it's about shaping the future of technology, one groundbreaking solution at a time."

The launch of Heirs Technologies reaffirms Heirs Holdings' steadfast commitment to invest in sectors that provide long-term returns and have the ability to transform Africa's economy. Heirs Holdings has been a pivotal player in various sectors critical for Africa's development including financial services, energy, power, healthcare, real

estate, and hospitality.

"The introduction of Heirs Technologies marks a significant milestone in our journey towards accelerating progress for future generations across Africa," said Tony O. Elumelu, CFR, Founder & Group Chairman, Heirs Holdings. "Technology has the power to catalyse development, and we are committed to harnessing this potential to unlock new innovations that will improve lives and transform our continent."

**For more information about Heirs Technologies, please visit [www.heirstechnologies.com](http://www.heirstechnologies.com)**

Heirs Holdings is a leading African investment company committed to improving lives and transforming Africa through strategic investments and sustainable development initiatives. With a diverse portfolio spanning multiple sectors, including financial services, energy, power, healthcare, real estate, hospitality and technology, Heirs Holdings is dedicated to driving inclusive growth and building a prosperous future for Africa.

# COMPANIES & MARKETS

NSE INDICES (WEEKLY)		BONDS/FORWARD		COMMODITIES		Bitcoin (BTC)	I&E FX Window	
All share	NGX 30	FGN S&P FMDQ Bond Index YTD	FX (\$/N)	BRENT (ICE)	GOLD Spot	\$22,980	\$ - NGN Turnover	461.25
52,594.68	1,898.91	18 -JUL - 34	30- AUG -23	86.82 USD/bbl	1,919.66 USD/t.oz	N16.086 M		\$347.32mn*
0.16%	0.18%	0.16%	485.15	1.84	15.55			*As @JAN 06, 2023



## Interswitch reports N1.67bn loss in 2024 on exchange rate movement, charge back fraud

PATRICK ATUANYA

Interswitch Holdings Limited, a Nigerian payments firm has reported a loss before tax of N1.67 billion for the year ended 31 March 2024, largely due to devaluation of the Nigerian naira and operational losses from chargeback fraud.

During the course of the year, the Central Bank of Nigeria (CBN) Naira exchange rate moved from N460 per \$1, to N1,300 per \$1. This resulted in crystallised losses on Interswitch's foreign exchange liabilities and payments, which impacted the bottom-line as Nigeria represents 94% of Group's revenue.

There was also the issue of chargeback fraud which Interswitch experienced in the 2024 financial year, relating to merchant acquiring activities leading to operational losses of N11.45 billion.

"Recovery of the proceeds of fraud is still ongoing and is expected to complete in 2025, as some court cases and the conversion of acquired assets to cash continues," Interswitch said in its financial statement seen by MoneyCentral.

Consolidated revenue for the year however grew to N91. y65 billion, up 38% from the



prior year. The Digital Payment segment which represented 72% of the consolidated revenue for the year, grew 41%, mainly due to volume growth from new and existing customers, the Digital Ecosystem and Enablement segment representing 23% of revenue grew by 39% year on year, while Digital Commerce and Inclusion representing 5% of revenue decreased by 2%.

Consolidated Gross margin across the 3 segments remained flat at 89%.

The Total Assets of the business grew to N169.7 billion, while Total liabilities stood at N116.3 billion. The consolidated cash balance of the Group moved to N43 billion at the end of the year from N30.4 billion at the beginning of the year.

Interswitch paid N5.4 billion in corporate taxes for the period.

Interswitch Holdings Limited was incorporated on 13 August 2019 as a private company limited by shares. Interswitch

Holdings acquired 100% of the shares of Interswitch Limited on 5 November 2019 via a share exchange agreement as part of the Group reorganization exercise.

Ignite Holdco Limited is the principal shareholder in Interswitch Holdings Limited and held 51.64% of the issued share capital of the Company as at 2023. Visa held 19.37%, Peridot Inclusion Pte Ltd held 14.57%. Other shares of the Company are principally held by Nigerian investors.

### DEALS

## Chappal Energies acquisition spree: what we know about shareholders and what to expect

PATRICK ATUANYA

Nigerian oil and gas firm Chappal Energies recently announced the closing of two major acquisitions, including Equinor Nigeria Energy Company assets, which holds a 53.85% ownership in oil and gas lease OML 128, including the unitised 20.21% stake in the Agbami oil field.

Chappal Energies Mauritius Ltd. Has also agreed to buy TotalEnergies SE's 10% stake in oil and gas assets in Nigeria for \$860 million.

As of December 2024, the shareholders of Chappal Energies Mauritius Limited (Chappal) include Aradel Holdings Plc and other notable oil and gas industry figures:

• **Aradel Holdings Plc:** Owns a 5.14% equity stake in Chappal, other major shareholders include:

• **William Higgs:** Chairman of Chappal

• **Adesola Oyinlola:** Director of Chappal

• **Ufoma Immanuel:** Director of Chappal

• **Victor Imevbore:** Director of Chappal

Chappal Energies shareholders are largely in three groups. There is management who own a portion of the equity, there is family office and then strategic partnerships.

**Chappal Energies Recent deals**

Chappal is an energy company that invests in brownfield and deep value upstream opportunities in Africa.

The TotalEnergies SE's deal involves a 10% stake in oil and gas assets in Nigeria for \$860 million, as oil majors continue exiting problematic onshore operations in the West African nation.

The deal includes a 10% interest in 15 oil mining leases and the Forcados and Bonny export terminals, which are part of the Shell Petroleum Development Co. joint venture, Nigerian-owned Chappal Energies said in a statement.

Production from those licenses represented approximately 14,000 barrels equivalent per day for TotalEnergies last year, the French energy giant said in a separate statement.

TotalEnergies will also transfer to Chappal Energies its 10% interest in the three other licenses of the SPDC JV, which are producing mainly gas.

Meanwhile, the \$1.2 billion purchase of Equinor Nigeria



Energy Company, a unit of the Norway-based Equinor ASA, gives Chappal control of ENEC, which holds 53.85% ownership in the oil and gas lease OML 128, including a 20.2% stake in the Chevron-operated Agbami oil field, as well as the operatorship of OML 129.

The deal required an immediate payment of \$710 million with the balance structured as contingent payments.

Soon after, Chappal sold 5.14% of its equity to Aradel Holdings, a Nigerian listed oil and gas firm, for an undisclosed sum.

The acquisition "brings immediate production and cashflow benefits," said Ufoma Immanuel, managing director of Chappal Energies.

**What to Expect**

Chappal Energies was registered in Mauritius in May 2022, at the Corporate and Business Registration Department of the Ministry of Finance and Economic Development of Mauritius.

The energy firm is planning to bring on new investors once it completes the purchase of TotalEnergies SE assets in Nigeria.

"As a consequence of that transaction, we'll be expanding our equity base" Managing Director Ufoma Immanuel said in an interview. "It's fair to say that in order to grow and develop we need partnership and some of those partnerships will be on the capital side and that is what we're focused on," he said.

Chappal expects to average about 20,000 barrels a day in production on the back of the Equinor acquisition.

Production from the TotalEnergies' assets represented approximately 14,000 barrels of oil equivalent a day last year. Chappal targets about 77,000 barrels of oil equivalent a day in the next two to three years with additional asset buys.

Chappal's balance sheet is expected to see more movement over the coming 24 months, with the size of any future equity sale to be determined by shareholders, taking into consideration the scale of planned expansion and risk preference of target investors.

### INFRASTRUCTURE

## MTN Nigeria prepays N18.52 billion for Enugu-Onitsha expressway reconstruction

PATRICK ATUANYA

MTN Nigeria has prepaid the sum of N18.52 billion, towards the reconstruction of the dilapidated Enugu-Onitsha Expressway as at September 2024.

"These are costs incurred towards the reconstruction of the Enugu-Onitsha expressway under the Road Infrastructure Development and Refurbishment Investment Tax Credit ("Road Tax Credit")

Scheme," MTN Nigeria said in notes accompanying its Third-Quarter (Q3), 2024 financial statement.

The telecoms giant is expected to complete the dualisation of the 110-kilometre road.

MTN Nigeria announced earlier this year that it achieved a significant milestone as the road reconstruction reached 17% completion.

The RITC scheme grants income tax credit to companies and individuals that provide funding for the

refurbishment and rehabilitation of roads.

The scheme is a public-private partnership (PPP) intervention that enables the Nigerian government to leverage private sector capital and efficiency for the construction, repair, and maintenance of critical road infrastructure in key economic areas in Nigeria.

Participants will be entitled to utilise the total cost (project cost), incurred in the construction or refurbishment of an eligible road as a tax credit against their

future Companies Income Tax (CIT) liability, until full cost recovery is achieved.

In August 2021, MTN announced plans to reconstruct the Enugu-Onitsha expressway, under the RITC.

Nigeria's ex-President Muhammadu Buhari signed, on 25 January 2019, the Executive Order No. 007 on Road Infrastructure Development and Refurbishment Investment Tax Credit Scheme (RITC). The Scheme is for a period of 10 years from its commencement date.



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## COMPANIES

# Emzor pharmaceutical report's net loss amid high finance costs, dollar debt

...sees 7.8% revenue growth in 2023

PATRICK ATUANYA

**E**mzor Pharmaceutical reported a 7.8% revenue growth in the 2023 financial year, up slightly from 7.1% in 2022, but way below the 23.6% growth recorded in 2021.

Overall, the group however reported a net loss position after accounting for high finance costs and the foreign exchange loss arising from its foreign currency denominated debt.

Emzor's sustained revenue progression underpins it as one of Nigeria's leading drug manufacturers. This is, however, moderated against escalating debt over the past 24 months due to capital expansion, which has weakened leverage metrics and liquidity.



position is bolstered by its well-recognised brands and a diversified product portfolio of over 200 products under 16 therapeutic categories.

The group's business profile is further enhanced by an extensive distribution network and established partnerships with global suppliers and technical partners that have facilitated stable access to key inputs, as well as continuous product development and innovation.

To reduce the high reliance on imported

active pharmaceutical ingredients (APIs) and mitigate the adverse impact of the Naira devaluation on profitability, Emzor embarked on Nigeria's first APIs manufacturing plant for anti-malarial drugs in 2021, with production anticipated to commence by end-2025.

This project is aimed at enhancing the group's competitiveness in the local industry while supporting its geographical diversification into other West African countries.

This, alongside other ongoing investments in various drug formulations, should drive Emzor Pharmaceutical revenue growth and support a return to profitability over the medium term.

However, the adverse impact of the general inflationary pressures and

currency devaluation on consumer demand and volumes, affected its margins.

More significantly, a steep rise in input prices and other cost pressures resulted in a narrowing of the EBITDA margin to 3.4% in 2022 (2021: 16.8%; 2020: 20.3%), before rising to 7.3% in 2023, albeit still low.

Analysts at GCR say Emzor's ability to return to profitability is dependent on substantially reducing its foreign loan exposure which constitutes 35% of total debt portfolio as of October 2024 (2023: 20%).

Gross debt increased to N36.5Bn in financial 2023 (2022: N23.8Bn) and further to N39.7Bn as of 10M 2024 due to additional loans obtained to fund capacity expansion towards new product development.

## HOSPITALITY

## Transcorp hotels reports 64.40% room revenue growth in Q3

BALA AUGIE

**T**ranscorp Hotels Group Plc revenue per available room (RevPAR), a key industry metric, increased 64.40 percent for the third quarter, primarily driven by growth in demand that has been surging since the post pandemic era.

The Group, a leading hospitality business and owners of the award winning 5 Star Transcorp Hilton Abuja, saw its RevPAR move to N24.24 billion in the first six months of 2024, from N14.48 billion the previous year, according to MoneyCentral calculations.

Total revenue that includes all its hospitality segment was up 67.40 percent to N48.48 billion as at September 2024.

After the successful execution of capital projects across the country underpinned by aggressive expansion plans with a view to delivering returns to shareholders, the Group (Hotel) has 670 rooms and is building more hotels.

The company's profit, revenue, and total assets have been growing steadily since 2020, a period that coincided with the coronavirus pandemic which deal a great blow on hospitality business and cyclical stocks as the malaise forced governments across the globe to impose a lockdown policy that crippled business activity.

Of course, the owners of Transcorp Hotels had been proactive and nimble to solidify the company's working capital and investing in the latest technology that made it



easier for it to take advantage of a reopening of the economy.

For instance, the most capitalised hospitality firm in Africa's most populous nation emphasises continuous enhancements in technology to improve guest experiences, including contactless services and personalized offerings.

It leverages digital to accelerate the growth as it increases the utilization of Aura to increase utilization of Aura in driving bookings, engagement, and revenue, underscoring the platform's scalability.

The company's profit after tax surged by 145.91 percent to N10.23 billion in the period under review while operating profit or EBIT followed the same growth trajectory as it surged by 117.89 percent to N18.63 billion as at September 2024.

Transcorp Hotels has got a healthy balance sheet and it is not exposed to financial risk as there are no threats to its going concerns as its earnings can cover debt obligations even amid rising interest rates or borrowing costs. It has an interest coverage ratio of 6.38, which is higher than the benchmark of 3.

Investors are in love with the company's fundamentals and its growth prospect as its shares have gained 31.87 percent so far this year, outperforming the NGXASI index of 31.16 percent.

## ENERGY

## Seplat Energy prospectus shows transformative impact of \$800m MNPU acquisition

JESSICA MAURICE

**S**eplat Energy Plc, acquisition of the entire issued share capital of Mobil Producing Nigeria Unlimited ('MPNU'), is transformative more than doubling production to around 120,000 barrels of oil equivalent per day and providing the Company



with a significant opportunity to further drive its growth and profitability, whilst contributing sig-

nificantly to the Nigerian economy.

The transaction is expected to complete on 12 December 2024 and following receipt of approval from the UK Financial Conduct Authority (FCA), Seplat Energy listed on both the Nigerian Exchange and the London Stock Exchange published the prospectus in relation

to the acquisition.

**MPNU Summary Financials**

MPNU production is liquids rich, and the crude is of high quality. Financial highlights demonstrate the size of the transaction, with revenue and CFFO more than double Seplat reported numbers for each of the years 2021-2023.

## INDUSTRIES

## Huaxin cement poised to compete against Dangote, BUA with Lafarge purchase

BALA AUGIE

**H**uaxin Cement Ltd again showed the strengthening influence of the Chinese in Africa's cement markets as it acquired the majority stake in Lafarge Africa PLC, Nigeria, from Holcim.

This will bring it into direct competition with the number one and two Nigerian cement players namely Dangote Cement and BUA Cement.

Lafarge Africa PLC (Holcim group) is valued at US\$1bn, on a 100 per cent share value basis.

Huaxin Cement has offered to buy Holcim's 83.81 per cent shareholding in the African subsidiary.

The Lafarge Africa Plc operations include the Ashaka, Ewerko 1&2, Sagamu and



Mfamosing plants.

These plants have a combined cement capacity of 10.35Mta. It is important to remember that Holcim itself owns a 41.5 per cent share in Huaxin Cement.

Holcim appears to want to off-load much of its African portfolio to its associate which has already acquired Lafarge Cement Malawi, and Lafarge Zambia from Holcim.

Huaxin Cement is also poised to commission a 0.3Mta greenfield plant in Zimbabwe. The Chinese group has invested US\$15m in this Zimbabwean plant that will be located at Mount Hampden.

## FUNDS

## FCMB diversification pays off as Assets Under Management hit N1.30trn

BALA AUGIE

**F**irst City Monument Bank (FCMB) Group Plc has brought in more money from investments as assets under management (AUM) climbed to a record N1.30 trillion as at September 2024, a 36 percent boost from a year ago.

One of the largest fund managers benefitted from a rally in the stock market and attracted record cash from investors.

Analysts say FCMB Group's AUM is going to be driven by technology, infrastructure, and retirement.

Investment Income accounted for 28 percent of the nine months 2024 AUM increase, with the balance of 72 percent coming from Net Contribution from cus-

tomers (39 percent) and FX Gains due to the devaluation of the Naira (33 percent).

It is noteworthy that the Pensions business accounted for 69 percent of AUM compared with 79 percent in the same period last year. AUM and Management fee from digital products increased by 85 percent and 81 percent year on year (YoY).

Nigeria's pension industry has been thriving on the back of a mandatory nature of the contributions and positive investment returns.

There were improvements in enrollees which was primarily due to improved compliance levels in both the private and public sectors and increased marketing efforts by Pension Fund Administrators (PFAs).

## MARKETS

## United Capital declares interim dividend, bonus shares as H1 profit soars 65%

BALA AUGIE

**U**nited Capital Plc, has announced a 65% rise in profit after tax year-on-year to N7.74 billion, its first ever interim dividend of N0.90k per share and a Bonus share of 2 for 1 ordinary share, in its unaudited Financial Results for the Half Year (H1) period ended June 30, 2024.

Gross earnings grew by 38% year-on-year to N15.15 billion, profit before tax rose by 63% year-on-year to N9.06 billion, total assets increased by 27% year-to-date to N1.19 trillion while Shareholders' Funds grew by 33% year-to-date to N120.34 billion.

United Capital had close to N1.3 trillion funds under management com-

prising trusts, mutual funds, and other professionally managed investments for clients across diverse segments in the period.

"I am pleased to inform all stakeholders that United Capital Plc closed the first half of the year on a strong note as evident in our impressive earnings growth and performance across key financial parameters," said Group Chief Executive Officer, Mr. Peter Ashade.

"The Group is strongly positioned to deliver on our growth objectives while remaining competitive and sustainably profitable. We will continue to prioritise activities that create and preserve value for all our stakeholders into the foreseeable future."

## MARKET EAR

# Debt-addled Nigerian companies to seek equity as interest costs skyrocket

BALA AUGIE

As the Central Bank of Nigeria (CBN) is unlikely to ease its monetary tightening cycle in the face of red-hot inflation, corporate treasurers whose companies are reeling from rising cost of production and foreign exchange revaluation losses will have to tap the equity market to share up capital so as to strengthen their balance-sheet.

Interest costs at Nigerian non-financial companies rose by 125.54 percent to N1.27 trillion in the first nine months of the year compared to N565.66 billion a year earlier, according to data collated by MoneyCentral.

If interest rates remain high, firms will need to allocate a greater share of their revenue to cover higher interest expenses as they refinance their debt at higher rates.

Of course, there are severe implications of higher finance costs on profitability, as margins remain suppressed which could unnerve investors who expect a higher return on investment.

A higher interest rate lifts



the risk free rate which increases the weighted average cost of capital (WACC) used to appraise projects.

A high WACC typically signals higher risk associated with a firm's operations because the company is paying more for the capital that investors have put into the company.

A higher finance cost is more colossally deleterious to a firm because it leads to bankruptcy when they are unable to generate enough cash flow or revenue to pay up interest on loans borrowed when bond yields were low.

Interestingly, the primary segment of the equity capital market is relatively bullish,

signaling opportunities for equity capital raising to mitigate the impact of the high interest rate on corporates' profitability," said Abiola Rasaq, an equity research analyst.

"Whilst some major shareholders may resist seasoned equity capital raising to avoid dilution, it's important to pay attention to companies' capital structure at this time," said Rasaq.

The Monetary Policy Committee (MPC) of the Central Bank of Nigeria has raised the country's interest rate by 25 basis points to 27.50 per cent in November from 27.25 per cent in September 2024.

The Nigeria 10-year gov-

ernment bond currently offers a yield of 21.187 percent. This yield reflects the return investors can expect if they hold the bond until maturity. Government bond yields are critical indicators of economic confidence and investor sentiment.

As a result of the unification of the exchange rate and removal of subsidy of fuel, some firms posted huge losses that led to negative retained earnings.

Analysts are skeptical that the macroeconomic environment will be propitious in 2025 given rising input costs caused by higher raw material costs and energy costs amid weak consumer spending.

Nestle Nigeria, Nigerian Breweries, Guinness Nigeria, PZ Cussons, Dangote Sugar, FTN Cocoa, Notore Chemicals, and Oando Energies will inevitably raise capital because they all have higher leverage ratios and negative shareholders' funds.

The total debt (long and short term) of non-financial companies stood at N7.80 billion as at September 2024, which is 16.62 percent higher than 2023's N6.69 billion, according to data gathered by MoneyCentral.

## MARKETS

## Transcorp, Transcorp Hotels, Transcorp Power, pays interim dividend after record profit

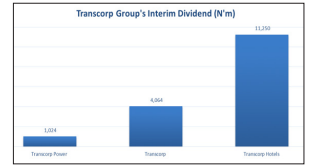
BALA AUGIE

Shareholders of Transnational Corporation (Transcorp Group) Plc, along with its subsidiaries, Transcorp Hotels Plc and Transcorp Power, will be smiling to the bank as these firms have paid the highest interim dividends after booking double digit growth in profit.

This milestone reflects Transcorp Group's commitment to delivering sustainable value to its shareholders and demonstrates the strength and resilience of its diversified portfolio.

Among them, these three companies owned by billionaire investor Tony Elumelu will pay a combined interim dividend of N16.33 billion as they continue to deliver higher returns to shareholders in the form of share appreciation.

A breakdown of the total packages shows Transcorp Group Plc paid an interim dividend of N4.06 billion as it saw revenue increase by 114 percent to N175.4 billion in the first six months (H1)



of the year, compared to N82.1 billion in H1 2023. Profit before tax (PBT) surged by 283 percent to N70.9 billion in H1 2024, compared to N18.5 billion in the same period last year.

The largest conglomerate in Africa's largest economy trades at an attractive valuation as investors have been rewarding it for its stellar performance. The company's shares have gained 24.13 percent since the start of the year.

Transcorp Power paid out N11.25 billion as dividend from distributable profit as the company achieved an impressive total revenue of N135.4 billion in H1 2024, a growth of 142 percent from N55.9 billion in H1 2023. Profit before tax spiked by 214 percent to N50.9 billion, compared to N16.2 billion in the previous year.

## BONDS

## Carry traders pile into short-term Nigerian debt at 24% yield

PATRICK ATUANYA

Investors are piling into short-term Nigerian government debt, lured by high yields and a brightening outlook for the currency following the country's successful launch of a \$2.2 billion eurobond.

The Central Bank of Nigeria on Monday sold a combined 1.56 trillion naira (\$990 million) of 366-day and 351-day bills on yields just shy of 24%, more than double the amount it initially planned, following a blow-out treasury bill auction last week and the eurobond offer.

Ibukunoluwa Omoyeni, economist at Lagos-based Vetiva Capital Management Ltd., said appetite was stoked

by lofty yields and improved confidence in the naira, following the introduction by the CBN of a new electronic foreign-exchange matching system.

"These factors improve the carry trade, thus making investors net buyers of naira assets," Omoyeni said.

A carry trade is any strategy where an investor borrows capital at a lower interest rate to invest in assets with potentially higher returns.

The local currency, which has been battered since its peg against the dollar was deliberately loosened last year, has appreciated around 9% since late November to 1,540 per dollar Monday, according to FMDQ data.

## BANKING

## Fidelity Bank is Nigeria's sixth largest banking group with N9.5trn balance sheet

PATRICK ATUANYA

Fidelity bank Plc is the sixth largest banking group in Nigeria with a balance sheet size of N9.5 trillion (USD4.9bn) as of 30 September 2024, accounting for approximately 8.2% of the Nigerian banking industry's total assets.



Fidelity Bank recently expanded its geographical coverage following the acquisition of a UK subsidiary, FidBank UK, which

is expected to drive trade finance transactions and offshore lending over the medium to long term.

The group's revenue remains stable, supported by the dominance of earnings from its core banking operations. Operating revenue registered at N567.2Bn as at 30 September 2024 (December 2023: N386.6Bn),

with net-interest income accounting for 83.0% of operating revenues (December 2023: 71.7%).

Despite the impact of the Naira devaluation on the group's risk-weighted assets, the core capital ratio inched up to 24.0% as of 30 September 2024 (December 2023: 15.8%) on the back of strong earnings

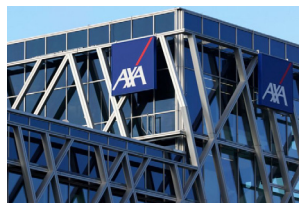
## INSURANCE

## AXA Mansard more than doubles profit to N30.15bn in Q3

BALA AUGIE

AXA Mansard Insurance Plc profit spiked more than 140 percent in the third quarter as the company reinforces its resilience and capacity to produce sustainable results even in a challenging business environment.

The insurer's outstanding performance demonstrates its dedication to ensuring sustainable growth



in the face of a challenging environment as it achieved improved revenue and operating performance.

For the first nine months through September 2024, AXA Mansard's profit after tax (PAT) rose

to N30.15 billion from N12.55 billion as at September 2023.

Insurance revenue followed the same growth trajectory as it increased by 59.31 percent to N98.24 billion in the period under review from N61.29 billion the previous year.

A breakdown of the top line (sales) figures shows revenue spiked by 98.25 percent to N47.72 billion in September 2024 from N24.07 billion as at Sep-

tember 2023. Revenue from Life business rose by 30.29 percent to N17.16 billion in the period under review from N13.17 billion the previous year. The Health segment did well as it grew by 38.66 percent to N33.35 billion in September 2024 from N24.05 billion as at September 2023.

It is important to note that the insurer's earnings have been improving immediately after the relaxation of the lockdown poli-

## MARKETS

## Several NGX50 firms step up capital spending amid economic green shoots

BALA AUGIE

Big Nigerian companies, including Dangote Cement Plc and Gereg Power Plc have increased spending on property, plant, and equipment which is an encouraging signal to investors amid uncertain macroeconomic trends.

Based on results from 50 companies in the NGXASI index, capital expenditures have risen 29.83 percent in the first nine months 2024 from a year earlier to N977.80 billion, according to data gathered by MoneyCentral.

According to MoneyCentral analysis, companies in the Agriculture, Industrial building, and Services sectors have been the



most significant to capital expenditure growth. MTN Nigeria cut back on spending on property plant and equipment (PPE) after reporting a loss after tax.

However, some companies are cautious about spending amid rising inflation, foreign exchange crisis, and a weak consumer spending as the bold reforms of the president Bola Ahmed Tinubu such as the removal of subsidy on fuel and the liberalization of foreign exchange market underpinned rapid economic growth.

MARKET EAR

# Telco's tariff increase to shrink MTN Nigeria's N537.18bn negative shareholders' fund

BALA AUGIE

A hike in telecoms tariff is inevitable given the current challenging environment and the implementation of this strategic plan will shrink negative shareholders fund brought on by currency devaluation which stoked foreign exchange revaluation losses, according to a recent report by leading research firm, Chapel Hill Denham Limited.

The country's currency Naira has lost about 68 percent of its value, marking a profound downturn since the implementation of the foreign exchange unification policy as president embarked on bold reforms that took chief Executive Officers (CEO) of companies who would have hedged against such risk if they had gotten wind

Indicators	FY-25E				
ARPU (N)	4,056	4,500	5,000	5,500	6,000
Customer base (mn)	83,615	83,615	83,615	83,615	83,615
Revenue (N'mn)	4,070,182	4,514,844	5,016,463	5,519,053	6,020,226
EBITDA (N'mn)	1,669,343	1,950,427	2,267,516	2,585,219	2,902,025
PAT (N'mn)	495,966	701,187	932,694	1,164,649	1,395,951
Shareholders' Funds (N'mn)	34,150	467,429	956,208	1,445,934	1,934,278
Target Price (N)	300.00	413.49	496.00	579.10	660.73

Source: Chapel Hill Denham Research

of the policy.

Of course, the cost of everything from diesel, fuel, and food stuffs skyrocketed, while inflation has been rising, compounding the woes of firms who have not yet recovered from geopolitical risk and a severe scarcity of foreign currency.

Consequently, MTN Nigeria incurred N1.06 trillion foreign exchange loss in the first nine months of

2024, which led to a negative shareholders' fund of N537.18 billion.

"We highlight the buy-in of the regulator is crucial to tariff increases. Notably, the 97 percent subscription increase implemented by Starlink in September 2024 in response to rising inflation and currency volatility was rolled back in October 2024 as it lacked National Communication

Commission (NCC) approval," said analysts at Chapel Hill Denham led by Tajudeen Ibrahim.

Analysts at Chapel Hill Denham retained their "BUY" ratings on MTN Nigeria, a company that currently trades at FY-25E EV/EBITDA of 2.4x compared to 10.70x, 7.6x, and 3.10 percent for SafariCom, Vodafoam, and Airtel Africa respectively.

INDUSTRY

## BUA Cement delivers impressive Q3 profitability in a continued challenging market environment

JESSICA MAURICE

BUA Cement Plc delivered resilient profitability in the third quarter of 2024 despite a continued challenging environment.

Despite rising input costs brought on by a weak currency and removal of subsidy on fuel, BUA Cement posted operating profit of N137.82 billion in September 2024, which is 15.20 percent higher than 2023's N119.68 billion.

A favorable volume growth and favorable pricing environment helped propel sales as revenue spiked by 73.70 percent to N583.40 billion as at September 2024.

Since its debut listing on the Nigeria Stock Exchange to become the 3rd largest company by market capitalization, BUA Cement has remained profitable, rewarding its owners from distributable profit.

The cement maker demonstrated an enhanced capability to meet its short-term obligations, as reflected by the increase in both its current ratio and Quick ratio respectively.

Just like its peer rivals who operate in a challenging environment, BUA Cement is beset with rising cost of production.

For instance, cost of sales were up 115.90 percent to N402.59 billion in September 2024 from N186.43 billion. The company spent N0.69 on input costs to produce each unit of product.

The bold reforms of President Bola Tinubu such as the removal of subsidy on fuel and



unification of foreign exchange rate ballooned imported inflation and stoked unprecedented foreign exchange losses that has wiped out the shareholders of firms who are vulnerable.

Inflation in Nigeria slightly moved up to 32.70 percent in September 2024, far beyond the 21.4 percent target pursued by the Central Bank of Nigeria (CBN).

According to the International Monetary Fund (IMF), Nigeria's inflation rate is projected to remain above 32 percent until the end of 2024.

The naira has lost about 70 percent of its value against the dollar and is the third worst performing currency in the world this year after the Lebanese Pound and the Ethiopian Birr.

BUA Cement aggressive expansion plans are propitious as analysts have a positive prognosis about future earnings growth as the government capital expenditure spend and private sector investment are expected to drive cement volume.

The company has successfully commissioned a 3.0MT Sokoto Line 5 plant and the 3.0MT Edo Line 3, which will increase total capacity to 17.0MT. The expansion is expected to drive sales volume in 2024 and beyond. Thus, this is anticipated to increase the firm's market share.

CONSUMER GOODS

# BUA Foods is still the best of class consumer goods firm

BALA AUGIE

BUA Food Plc has come through rising inflation, currency volatility, and deteriorating infrastructure unscathed, making it the best consumer goods stocks.

The company's earnings have been growing with alacrity even amid the bold reforms of president Bola Tinubu which has undermined peer rivals who are grasping for breath.

Investors have rewarded BUA Foods' for its healthy balance-sheet, robust long and

short term liquidity, and strong earnings per share (EPS) as the company's shares have been rising since the start of the year.

For instance, BUA Foods' has a year to date (YTD) return of 104.15 percent that has outperformed the NGXASI index.

That compares with Cadbury Nigeria Plc, (-8.42 percent); Guinness Nigeria, (-1.52 percent); International Brewery Plc, (-16.67 percent); Nascon Allied Industries, (-44.19 percent); Nigerian Brewery (-25 percent); Nestle Nigeria (-22.73 percent), and Dangote Sugar Refineries, (-43.74 percent).

Of course, investors' apathy for shares of consumer goods firms was strengthened by the negative impact of the depreciation of the Naira that ballooned the dollar denominated debt in the books of entities who were reeling from rising inflation as the cost of imported raw materials skyrocketed.

Despite the macroeconomic headwinds, BUA Foods' profit after tax (PAT) surged by 3,474 percent to N73.12 billion as at September 2024, as it continues to generate value for its shareholders, as it consolidates its position as the largest company

profit, a rare feat for an entity that was listed on the NGX in 2022.

However, its competitors fell off the cliff as Cadbury, Nestle, Dangote Sugar Refinery, Guinness Nigeria, International Breweries, and Nigerian Breweries all posted huge net loss on the back of foreign exchange losses incurred in the aftermath of the currency devaluation.

Analysts say they expect BUA Foods' Profitability to remain strong due to improved topline performance (sales volumes, prices increases, etc). shareholders' funds to remain positive.

BANKING

# GTCO takes almost 30% of Nigerian banks Profit

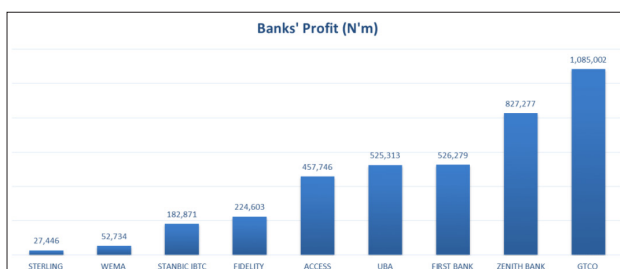
BALA AUGIE

Guaranty Trust Holding Company (GTCO) Plc captured almost 30 percent of all Nigeria banks' profit in the first nine months of 2024, reaping the benefit of cost controls and the central bank's monetary policies.

The lender earned N1.08 billion in profit after tax (PAT)-about 27.87 percent of industry profit, according to data compiled by MoneyCentral.

This analysis is based on the financial statements of the most liquid and capitalised firms on the NGXASI index.

If this trend continues in the next five years, the lender is going to become one of the largest financial institutions among developing and emerg-



ing markets.

Most big banks have benefited from rising interest rates, which allow them to juice margins by imposing higher rates on borrowers more quickly than they pass them on to depositors.

Of course, GTCO is the goliath of goliaths, as it has the highest return on average equity (ROAE) in the industry, which means it would leave a lot of money for shareholders if its assets were liquidated and

used to pay off its debts.

Zenith Bank has ROAE of 37.80 percent; Access Holdings, 22.0 percent; United Bank for Africa, 24.90 percent, and FBN Holdings Plc, 32.80 percent.

These figures show how chief executive Segun Agbaje has been proactive and nimble in taking strategic decisions that helped deliver higher returns to shareholders.

His hot pursuit of a Holding Company structure is pivotal to

the success of the Bank in recent times, as he ensures that all business segments contribute to Group earnings.

To help people send money seamlessly to each other electronically, GTCO established its financial technology firm Habari Pay in August 2021. Backed by innovative technology, the payment platform helps people send and receive funds from different parts of the world at little or no cost.

"We are also leveraging our large network of merchants and presence in multiple markets to offer a more flexible and secure way to move money locally and internationally," said the Bank.

HabariPay's revenue increased by 21 percent to N2.81 billion in June 2024 from N2.31 billion as at June 2023.

CONSUMER GOOD

## Unilever's strong liquid position validates a healthy balance-sheet

Annualised ROAE	18.9%	3.1%
Annualised ROAA	11.7%	1.8%
Debt/Equity	0.0	0.0
Net Cash to EBITDA	(3.1)	(4.3)
Share Price/Valuation Metrics		
Share Price (N)	19.00	
Annualised EPS (N)	2.56	0.39
DPS (N)	NA	NA
P/S (x)	0.8	1.1
P/E (x)	7.4	49.0
EV/EBITDA (x)	3.8	4.6

Source: Company Financials, Chapel Hill Denham Research

Chapel Hill Denham Research

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BALA AUGIE

Consumer goods giant Unilever Nigeria Plc is one of the most liquid manufacturers in Africa's most populous nation as the company has sufficient cash to meet its short term obligations without having to sell or liquidate other assets.

This validates analysts' Buy ratings on a stock that investors have been flocking to due to its ability to churn out profit even as most of its competitors are recording operating losses on the back of foreign exchange revaluation losses.

Unilever's cash ratio stood at 1.17 as at September 2024, according to MoneyCentral calculations.

The cash ratio is a liquidity measure that shows a company's ability to cover its short-term obligations using only cash and cash equivalents.

A calculation that's greater than one means that a company has more cash on hand than current debts. A calculation of less than one means that a company has more short-term debt than cash.

The consumer goods giant is not a higher risk to lenders or banks as it has a debt to equity ratio of 3.39 percent, and a lower debt position gives the firm the leeway to tap the debt market to raise capital to finance its future expansion plans.

The company's profit after tax (PAT) surged by 559.20 percent to N11 billion as at September 2024, loss on discontinued operations from the sale of its Homecare division to focus value accretion products added impetus to the growth at the bottom line for the current year as it reduced the profit for the prior year.

THE BOTTOM LINE

# UBA: One brand, global influence

BALA AUGIE

The United Bank of Africa (UBA) has solidified its position as a leading financial institution, not just in Nigeria, but across the African continent and beyond.

With its tagline “One Brand, Global Influence,” the financial institution has continued to demonstrate a commitment to providing innovative financial solutions to individuals and businesses alike.

For 75 years, the Pan-African bank has transformed from a mustard seed to a thriving global powerhouse, creating a strong footprint in 24 Global locations while igniting success.

With a presence in 20 African countries and four global centres: London, New York, Paris, and Dubai, UBA has established itself as a truly global financial institution. Its expansive network ensures that it can meet the needs of its customers wherever they are, delivering world-class banking services with a local touch.

## Connecting Businesses in Africa

UBA is connecting people and businesses across Africa through retail, commercial, and corporate banking, innovative cross-border payments and remittances, trade finance, and ancillary banking services. The bank recognises the significance of micro, small and medium-scale enterprises (MSMEs) to the development of the African economy. Hence, it entered a \$6 billion agreement with the African Continental Free Trade Agreement (AfCFTA) to show our commitment to the development of the MSMEs’ sector across the continent. Under this

agreement, the bank provides businesses with the technical and financial solutions needed to succeed.

With this agreement, the bank promotes the development of MSMEs operating in four sectors under the first phase of the partnership which are largely import-dependent by providing technical and financing solutions for intra-African/domestic alternatives. These economic sectors are Agro-processing, Automotive, pharmaceuticals, Transport and Logistics.

One of the key initiatives of the AfCFTA is to improve access to finance and markets for MSMEs to encourage their growth and contribution to the socio-economic development of Africa.

UBA’s Group Managing Director, Oliver Alawuba, pointed out that the bank is focused on how to partner to move Africa forward particularly as it concerns MSMEs and women empowerment.

“We believe that African women can be more empowered to do more for African development and UBA is in the forefront of these initiatives. African trade is our key area of strength. Our presence in 20 African countries is mainly to drive inter-African trade.

“Our partnership with AfCFTA is also to drive inter-African trade. Inter-African trade is important. Africa needs to trade more with each other and that will further improve economic development across the continent

“I believe that this is the time for UBA, working with other corporate organisations and partners to develop the resources and opportunities that are available in the continent. We are today present in 20 African countries and four other coun-



tries outside Africa. Yes, Africa has tremendous opportunities. What we are saying is that we need to have partners, and institutions that will be able to harness these opportunities for the people. UBA is well-positioned to facilitate business within Africa and the rest of the world. That is why we are here in this conference,” he added.

Deputy Managing Director of UBA, Muiyiwa Akinyemi, who signed the agreement on behalf of the bank, noted that being Africa’s global bank, UBA remains committed to supporting the growth/development of SMEs across Africa. This is in line with our strategic focus on the SME segment being a catalyst to the economic development of Africa.

Muiyiwa further said, “Under this partnership, UBA will go beyond just financing to provide non-financial services to these SMEs to develop the capacity for growth across the 20 African countries that we are present and build sustainable business practices. We shall also be leveraging technology to deliver our financing activities to the beneficiaries and this platform provides us with a unique opportunity to stimulate the development of the continent as Africa’s Global Bank.”

Also, UBA’s presence across four regions enables it to bring global expertise to local markets, driving economic growth and development. UBA’s business

strategy is built on being the bank of choice for businesses across the African continent.

Using its extensive spread across the continent, it facilitates trade and also acts as the pivot for the inflow of investment capital. UBA provides corporate, commercial, SME, consumer, and personal (retail) banking services to more than 45 million customers, served through diverse channels: over 1,000 business offices and customer touch points with 2,669 ATMs, 87,223 PoS, and robust online banking services. Additionally, UBA offers pension custody and related services.

The bank has proven expertise and capacity in key sectors of economies across Africa, especially in oil and gas, infrastructure finance, agric, and commodity/export, and this positions the bank as a preferred partner for structured solutions to key governments and corporates operating in/into Africa. The Pan-African bank focuses on supporting people and businesses to succeed across Africa, Europe, Asia, and North America. Through its diverse range of financial products and services, it helps people fulfil their goals and enable businesses to prosper.

For UBA, serving customers is not just about profit as it strives to be with its customers every step of the way in their journey. Its overall strategic goal in its approach to business is defined by its strong desire to be the bank of choice for individuals and businesses across Africa and globally.

## Global Brand, Digital Expansion

The UBA brand is built on the foundation of three core values that guide everything we do; Enterprise, Excellence, and Execution. It fosters a culture

of innovation and excellence, driving growth through strategic initiatives and exceptional service. By transforming ideas into actionable solutions, UBA consistently delivers high-quality results on time, setting the highest standards across all our endeavors.

Additionally, UBA’s extensive network of branches and ATMs across Africa has been instrumental in driving financial inclusion. By expanding its reach to underserved communities, the bank has empowered individuals and businesses to participate in the formal economy. This strategic expansion has also facilitated cross-border trade and investment, fostering economic growth and development.

UBA has been at the forefront of technological advancements in the banking industry. The bank’s digital platforms, including mobile banking and online banking, have made it easier for customers to access their accounts and conduct transactions. Additionally, UBA has introduced innovative products and services tailored to meet the specific needs of different customer segments.

## Corporate Social Responsibility

Beyond its core business, UBA has demonstrated a strong commitment to corporate social responsibility. The bank has undertaken various initiatives to support education, healthcare, and community development. By investing in the well-being of the communities it serves, UBA has reinforced its reputation as a responsible and ethical institution.

## Financial Performance

UBA has been experiencing a significant surge in its share

*Continues from page 5*

CONGLEMORATE

# Transcorp notches record profit on surge in subsidiaries' earnings

BALA AUGIE

Transnational Corporation Plc or Transcorp, Africa’s leading diversified conglomerate with a commanding presence in the Power, Energy, and Hospitality sectors has posted record profit as its subsidiaries are all cash cows contributing to Group earnings.

Consistent earnings growth by the largest conglomerate by market capitalisation amid rising inflation, foreign exchange crisis, and deteriorating infrastructure indicates shareholders



will be smiling to the bank as the company will pay a bumper dividend.

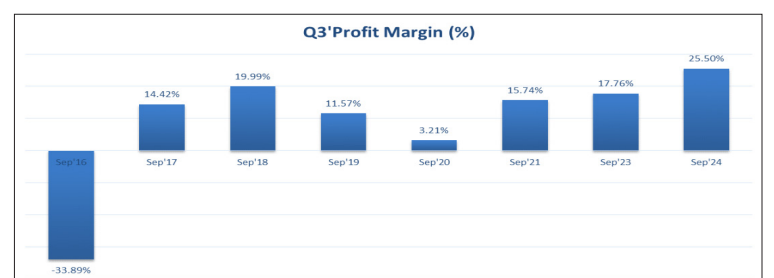
Listed in 2006, Transnational Corporation or “Transcorp” posted profit after tax (PAT) of N75.09 billion in September 2024, which is 233.92 percent

higher than 2023’s N32.29 billion.

Revenues surged by 132.51 percent to N297.66 billion in September 2024 from N128.02 billion the previous year.

A breakdown of the sales figure shows revenue from Energy sent out segment spiked by 171.66 percent to N171.42 billion from N63.10 billion the previous year; income from Rooms, Food, and beverages rose by 66.95 percent to N46.78 billion in the period under review from N28.02 billion.

It is noteworthy that Trans-



corp Group’s subsidiary, Transcorp Hotels, enjoyed increased patronage in the hotel business resulting in improved occupancy rates and revenue per room.

The Power Business-Transcorp Power & TransAfam Power recorded significant improvement due to an increase in power

generation and sales tariff.

There has been significant investment in an electricity distribution Company as a power portfolio of two power subsidiaries (AFAM Power Plc and Afam Three Fast Power Limited) with

*Continues from page 5*