

CHAIRMAN'S STATEMENT

Distinguished Shareholders, our Regulators, Auditors, my Colleagues on the Board, Management of Veritas Glanvills Pensions Limited (formerly known as Future Unity Glanvills Pensions Limited), Ladies and Gentlemen.

I am delighted to welcome you on behalf of the Board of Directors to the 11th Annual General Meeting of Veritas Glanvills Pensions Limited and to present to you the Annual Report and Financial Statements of your Company for the year ended 31st December, 2017.

Permit me to present briefly a summary of the major developments that took place in our operating environment and subsequently, the summary of the Company's performance for the financial year ended 31st December, 2017.

ECONOMIC AND OPERATING ENVIRONMENT

It has been an eventful year for the Company and across all our lines of service. I am particularly positive about the collaboration we have seen across our lines of service, balanced with the gradual economic growth. Before I present the operating performance of the Company, let me take you through the global and macro-economic environment in which we operate and how global events have impacted our results in 2017. The economy grew overall by 0.83% in 2017, with the main drivers ranging from the Agricultural Sector, Trade and Industry, indicating that the economy is gradually returning to a path of sustainable growth.

The global economic environment, as it affects Nigeria, improved in year 2017. Commodity prices began to recover in 2017 and by year end, crude oil prices were close to US\$70 a barrel. Trade volumes grew by 33.5% in 2017, and in the same year, Nigeria attracted US\$12.2bn in capital inflows (a 179% increase over the prior year) and US\$7.5bn in portfolio inflows – a 582% increase over 2016. Following the CBN interventions in the market to the tune of US\$15.9billion in 2017, which amounted to almost US\$40billion by the end of the year, the Naira was strengthened and improved the level of the nation's foreign reserves. The accretion was driven by increased portfolio inflows, rise in crude revenue as well as the success of the country's Eurobond offerings.

Despite tighter monetary policy in the United States, the Dollar weakened in 2017, compared to other international currencies like Euro and Pound Sterling. On the local market, the Importers and Exporters FX window introduced in April and its transparent price discovery framework encouraged the return of portfolio investors to the Nigerian market. Inflation rate has maintained a downward slide in 2017, due to the gradual recovery of the Nigerian economy. Inflation had opened the year at 18.72% as at January 2017. However the numbers for the 10th consecutive month continued a downward trajectory, recording a marginal decline of 15.90% in November, as against the 15.91% recorded in the month of October. The increase in food prices was as a result of the rise in inflation which tapered and slowed mid-year, hence, affected the pace of

moderation. Notwithstanding the moderation in inflation, the CBN did not reduce the Monetary Policy Rate (“MPR”), which stayed at 14%, as had been the case since July 2016.

Reflecting the broad weakness in the economy, the Nation’s Gross Domestic Product (GDP) for Q4, 2017 expanded by 1.92% year-on-year. This figure was 3.65% higher than the rate recorded in the corresponding quarter of 2016, and 0.53% higher than the rate recorded in the preceding quarter. This represents the third consecutive positive growth period for the Nigerian economy since Q2, 2017. In a nutshell, the economy grew overall by 0.83% in 2017.

Despite the improvement in the overall economic climate and operating environment, our Company strived amidst all the adverse market challenges to realize a fair performance. Though, the performance in 2017 was not good compared to the previous year due to tepid growth and declining margins, the future remains very bright indeed for us all.

VERITAS GLANVILLS PENSIONS FINANCIAL PERFORMANCE HIGHLIGHTS

The Company recorded ₦966.8 million income in the year; an impressive 30% growth, over our performance in 2016. Profit before Tax (PBT) decreased by 25% to ₦175.1 million while Operating expenses rose by 55% to ₦791.7 million from ₦511.4 million recorded in 2016. Total Assets under Management (AUM) increased by 28% to ₦64 billion in 2017 from ₦50 billion in 2016.

CORPORATE GOVERNANCE AND CHANGES IN BOARD COMPOSITION

A strong Board together with a focused and efficient Management and a highly effective corporate governance process continues to be the key drivers of the Company. The various Board Committees played crucial roles in supporting the Board and Management in the discharge of their duties. We all know that a business built on the principles of good governance will succeed over the long term.

The composition of the Board with seasoned professionals who possess diverse and rich experience in the private and public sectors have further enhanced the capacity of the Board to deliver on its corporate goals. I have no doubt in my mind that this Board will continue to serve you with the utmost sense of responsibility, commitment and excellence, steering this great institution to unprecedented heights in the years ahead.

In 2017, we welcomed these esteemed individuals to the Board: Mr. Nahim Abe Ibraheem; Mrs. Priya Heal and Mr. Polycarp Didam. Thank you for your leadership and personal contribution during what was a period of significant improvement for the Company. During the said period, Mr. Shehu Ibrahim and Mr. Gambo Shuaibu resigned from the Board. We also welcomed Mr. Adebayo Adesina as the Managing Director who joined the organization in January 2018 to replace Mr. Usman Suleiman who retired from his position as our Managing Director.

OUTLOOK FOR 2018

The 2018 financial year is an evolutionary year, in which our Board will begin to drive and implement initiatives to navigate future profitable growth. The economy continued to show signs of recovery from the 2016 recession. GDP growth was estimated at 0.83% in 2017, up from –1.5% in 2016. The outlook beyond is positive, with growth projected at 2.1% in 2018 and 2.5% in 2019. Nigeria’s growth shows that the recovery from recession was “oil-induced”. This means Nigeria’s economic activities are still largely driven by the oil and gas sector, the international crude oil price and production capacity which will continue to dictate the pace of the economy.

Therefore, the key indicators to watch for Nigeria’s economy between 2018 and 2019 will be the crude oil price level (currently \$77 per barrel), the oil production level (currently about 2million bpd), the oil and gas deals Nigeria will be venturing into, the legislations and policy drive, such as the Petroleum Industry Governance Bill (PIGB), the 7 Big Wins and the key investments into the sector. The 2019 elections will also be a major driver for the Nigerian 2018-2019 economic outlook. Without doubt, the elections are very critical across the country as they will play a major role in shaping the nation’s socio-economic space.

While the year ahead will present its challenges and uncertainties with regard to the political, regulatory, economic and business environment, I am very optimistic about the future prospects of our Company, due to the untapped potentials in the industry; the micro pensions and the informal sector.

APPRECIATION

On behalf of the Board, I would like to most sincerely thank the teams that have enabled us to achieve these great results over the years. I am grateful to my colleagues on the Board for their utmost support, co-operation and contributions; the Management and staff of this great institution for their relentless focus and commitment in 2017; our esteemed customers for their untiring support and unalloyed loyalty, whom we want to assure of continuous and even more effective service delivery.

Finally, I would like to thank our esteemed shareholders for their faith, resilience and strong support over the years; our regulators and all other stakeholders for their invaluable assistance and continuous guidance.

Alhaji Farouk Lawal Yola
Chairman, Board of Directors