

Unity Bank Digest

March 15th, 2018



THE HIGHLIGHTS

Inflation declines sharply to 14.33%

Headline inflation dipped sharply to 14.33% (y-o-y) in February, from 15.13% in January, as all major indexes recorded a decline. This is the 13th consecutive decline in monthly inflation, and the lowest rate since April 2016. The downward trend was supported by lower food inflation which declined to 17.59% from 18.88% in January. Increased supply of domestic food commodities and cheaper costs of imported food (processed and raw materials) were key drivers of this movement. Inflation rate is now lower than 2017's average of 16.55% and 2016 average on 15.63%. We expect a further decline in the headline index in March, bringing Q1's average rate to 14.5-14.6%.

Monetary Policy Committee (MPC) to meet after 5 months

The CBN governor, Godwin Emefiele, has announced that plans are in motion for the MPC to meet in April. This will be the first meeting since November 2017. The Senate has agreed to begin its assessment of nominees next week. All things being equal, the MPC is likely to have a complete board of 12 members by month-end. With inflation at a 22-month low, and the economy in recovery mode, it is possible that the committee will shift to an accommodative stance in this meeting.

External reserves hit a five year high of \$46bn

External reserves crossed the \$46bn mark on March 9th, surpassing the CBN's target of \$40bn. This is a YTD increase of 18.65%, and 52% higher than the corresponding period in 2017. The steady accretion was supported by the successful \$2.5bn Eurobond issue and stronger oil proceeds. The trend is positive for the naira, as it means the CBN has more resources to intervene in the market with, meet demands and maintain the existing crawling peg of N305-307/\$.

Nigeria's cost per barrel of oil now at \$20pb- NNPC

The Nigerian National Petroleum Corporation (NNPC) has reported that the national cost of producing crude oil has declined by 13.4% to \$20pb from \$23pb. Average costs have declined by over 70% since 2015, and the NNPC is targeting a further decline to \$15pb in the short term. The steady decline in production costs is positive for oil revenue, as it implies higher yields per barrel of oil. We expect this cost efficiency to translate into a boost in external

reserves, monthly Federation Account Allocation Committee (FAAC) disbursements and government spending.

Nigerian Airports record a decline of 8.03% in air traffic in 2017

The National Bureau of Statistics reported that approximately 13.39 million passengers travelled through Nigerian airports in 2017. This represents a decline of 8.03% from the figure recorded in 2016. Total number of air passengers in Q4'17 also declined by 0.56% quarter-on-quarter but advanced 4.89% compared to the corresponding period in 2016.

International Monetary Fund gives mixed verdict on Nigerian economy

A recent report by the International Monetary Fund (IMF)¹ on the economic outlook in Nigeria suggested a vulnerable and fragile state. The IMF noted the steady growth of external reserves, recovering oil production, drop in headline inflation and ample foreign exchange (forex) availability to be the main drivers of growth in the economy. However, security tensions, lower oil prices and implementation constraints of structural reforms remain key downside risks. The anaemic view of Nigeria's economy has the likelihood of deterring potential foreign investors and reducing capital inflows.

Nigeria's capital inflow up 138.7% to \$12.2bn in 2017

According to the capital importation report released by the National Bureau of Statistics (NBS)², total capital inflow into Nigeria in 2017 was \$12.2bn. This represents an increase of 138.7% compared to 2016. Inflow in Q4'17 increased by 28.5% from Q3'17 and 245.45% from the corresponding period in 2016. Foreign Portfolio Investment (FPI) was reported to have the highest contribution (60%) to capital inflow. While increased capital inflow is encouraging, the heavy weighting of FPI (unstable 'hot money') is not sustainable for growth in the long term.

Central Bank of Nigeria to improve women's access to credit

At an International Women's Day workshop, the Central Bank of Nigeria (CBN) announced its plan to increase women's access to credit via targeted intervention program. The apex bank reported that women already have access to 60% of funds under the N220bn Micro, Small and Medium Enterprises (MSMEs) Development Fund – which bridges the financing gap of MSMEs in the economy. The apex bank announced a renewed effort to support women-owned businesses, this will boost activity and output in the private sector.

¹ <http://www.imf.org/en/News/Articles/2018/03/07/pr1876-imf-executive-board-concludes-2018-article-iv-consultation-with-nigeria>

² NBS-Nigerian Capital Importation (Q4 2017) <http://www.nigerianstat.gov.ng/>

MTN Nigeria records over 7% increase in voice revenue in 2017

MTN Nigeria records over 7% increase in voice revenue to \$2.27bn in 2017, from \$2.12bn in 2016. This helped push up the group's full year revenue to \$370m from a loss of \$220m in 2016. The company earned \$1.93bn from outgoing voice calls, while international roaming generated \$340m. MTN remains the country's largest telecommunication operator in Nigeria with 52.3 million subscribers as of December 31, 2017 and a market share of 42.1%.

Power output update (Review Period: Feb 26th - Mar 12th)

As at March 12th, power output averaged 4,274MWh/h, 12.36% higher than the output of 3,804MWh/h recorded on February 26th. The improvement was despite a shutdown of the Shiroro power plant. The sector lost N1.1bn, annualized at N401.5bn during the review period. Average power output was 4,060Wh/h in the period February 26th to March 12th, 4.02% higher than the average of the corresponding period in January.



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Note that all transactions are subject to Central Bank of Nigeria (CBN) guidelines.



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SOCIAL CORNER

Facebook sued by Blackberry over patent infringement

- Blackberry, the ex-phone giant, has filed a lawsuit against Facebook based on allegations of copyright infringements. Blackberry claims the social network illegally copied technology and features from its messaging app – Blackberry Messenger (BBM). The lawsuit also targets Facebook-owned Instagram and WhatsApp.
- Critics have implied that litigation over patent infringement seems to be BlackBerry's money-making strategy. Since it lost its market share in the smartphone market which it once dominated, they have sued Facebook, Qualcomm Inc. (April 2017), Nokia Corp. (February 2017) and Blu Products Inc. (August 2016).



The Oscars 2018

- The 90th Annual Academy Awards ceremony was held in the Dolby Theatre, Hollywood on March 4.
- Nothing topped the mix-up in last year's headline award (between *Moonlight* and *LaLa Land*), but this year's awards show had its own highlights. The red carpet was a fashion rainbow as celebrities came all out in different hues and patterns.
- Frances McDormand (from *Three Billboards Outside Ebbing, Missouri*) and Gary Oldman (from *Darkest Hour*) took home the awards for Best Actress and Actor.
- Movie writer and director Jordan Peele made history by taking home Best Original Screenplay for *Get Out*, becoming the first African American to win in the category. Mary J. Blige also took everyone to church with her song *Mighty River*, from the movie *Mudbound*. She is the first person to be nominated in a song and acting category for the same film.
- According to Nielsons, this year's Academy Awards pulled in the smallest TV audience ever recorded at 26.5 million U.S viewers, compared to 32.9 million viewers at the 2017



Oscars. Even US President Donald Trump mocked the ratings for the *Academy Awards* saying, “We don’t have stars anymore”³. Regardless of the weaker audience reported, the Oscars is still the most watched non-sporting event on U.S television.

List of winners:

Best Picture: *The Shape of Water*

Director: Guillermo del Toro - *The Shape of Water*

Actress: Frances McDormand - *Three Billboards Outside Ebbing, Missouri*

Actor: Gary Oldman - *Darkest Hour*

Supporting Actor: Sam Rockwell *Three Billboards Outside Ebbing, Missouri*

Supporting Actress: Allison Janney *I, Tonya*

Animated Feature: *Coco*

Cinematography: *Blade Runner 2049*

Costume Design: *Phantom Thread*

Original Song: *Remember me – Coco*

Documentary Feature: *Icarus*



Documentary Short: *Heaven is a Traffic Jam on the 405*

Film Editing: *Dunkirk*

Foreign Language Film: *A Fantastic Woman*

Makeup and Hairstyling: *Darkest Hour*

Original Score: *The Shape of Water*

Production Design: *The Shape of Water*

Animated Short: *Dear Basketball*

Live Action Short: *The Silent Child*

Sound Editing: *Dunkirk*

³ <https://www.forbes.com/sites/markjoyella/2018/03/06/trump-jokes-about-low-oscar-ratings-we-dont-have-stars-anymore-except-your-president/>

Sound Mixing: *Dunkirk*

Visual Effects: *Blade Runner 2049*

Adapted Screenplay: *Call Me by Your Name*

Original Screenplay: *Get Out*

Forbes excludes Saudi Arabia from billionaire list

- Forbes magazine excluded Saudi Arabian tycoons from its annual list of the world's richest people following the crackdown on corruption.
- A corruption probe left over 50 top businessmen detained due to allegations of illegally obtaining state funds.
- In return for their release, most HNIs released cash and assets worth over \$100b billion. Thus, since information regarding how much each person forfeited has not been made public, it was impossible for Forbes to assess the true net worth of each billionaire.
- Saudi's richest man, Prince Alwaleed bin Talal, worth an estimated \$18.7bn in 2017, was amongst the detainees.
- Forbes listed 2,208 billionaires worldwide in 2018, 8.08% up from 2,043 in 2017. Ten Saudi billionaires were included in 2017's list



MTN Nigeria records over 7% increase in voice revenue in 2017.

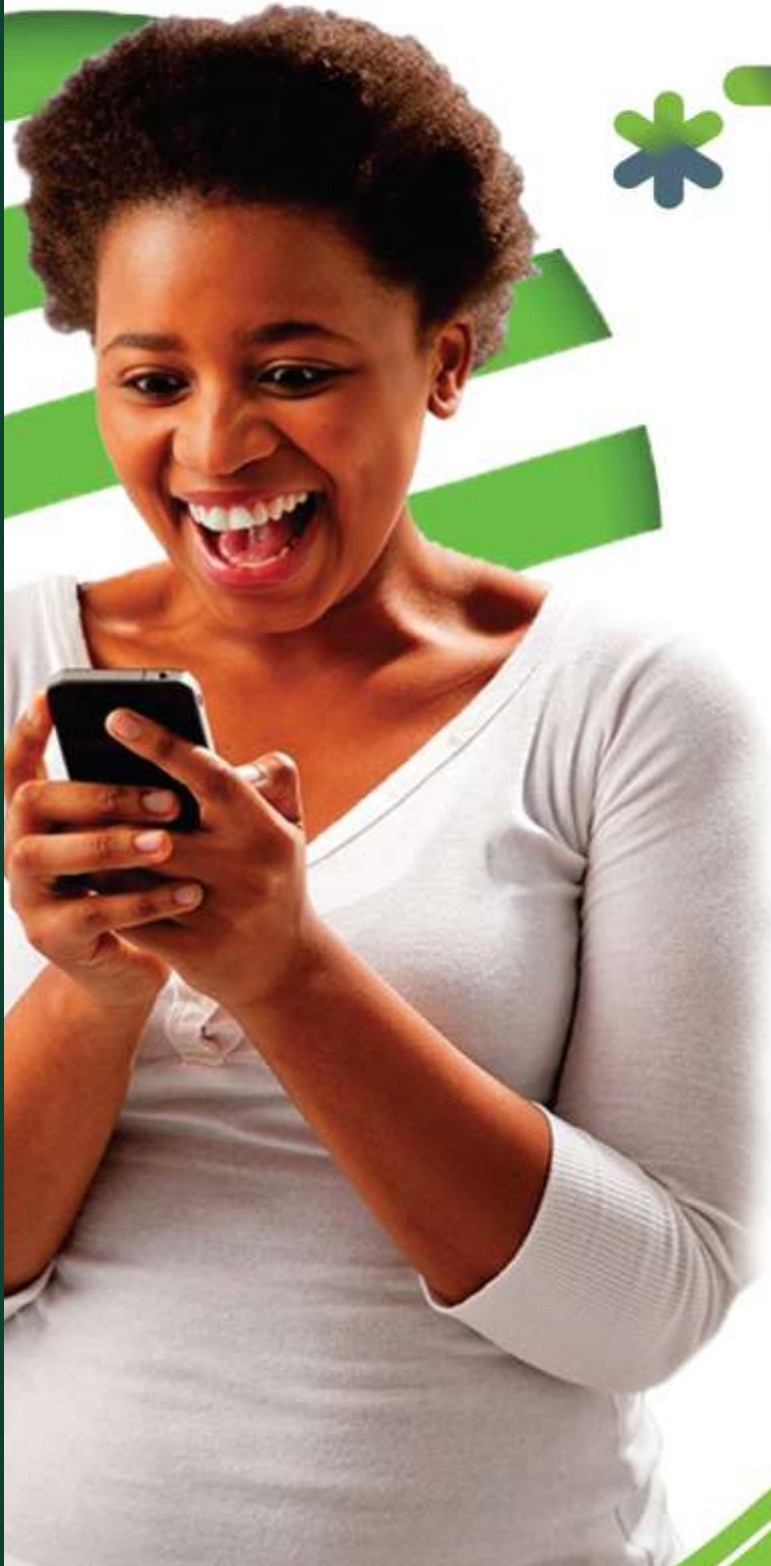
- MTN Nigeria records over 7% increase in voice revenue to \$2.27bn in 2017, from \$2.12bn in 2016. This helped push up the group's full year revenue to \$370m from a loss of \$220m in 2016.
- The company earned \$1.93bn from outgoing voice calls, while international roaming generated \$340m.
- Revenue from data services also jumped 86.6%, amounting to R4.37bn (\$370m), while digital services generated R3.87 (\$330m) in 2017.
- MTN remains the country's largest telecommunication operator in Nigeria with 52.3 million subscribers as of December 31, 2017 and a market share of 42.1%.



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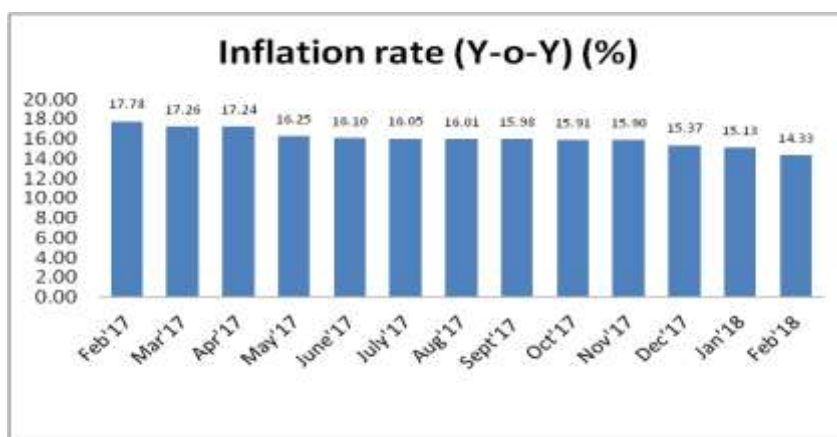
TOP STORIES

Inflation declines sharply to 14.33%

- Headline inflation dipped sharply to 14.3% (y-o-y) in February, from 15.13% in January, as all major indexes recorded a decline. This is the 13th consecutive decline in monthly inflation, and the lowest rate since April 2016.
- The downward trend was supported by lower food inflation which declined to 17.59% from 18.88% in January. The bountiful harvest of late last year continues to account for an increased supply of domestic food commodities, leading to lower prices. Additionally, the availability of forex has kept the prices of imported food (processed and raw materials) relatively low, when compared to the corresponding period in February.
- Month-on-month inflation dipped marginally to 0.79% from 0.8% in January. Both the urban and rural index fell 0.8% to 14.76% and 13.96% respectively. The states with the highest inflation were Kebbi (18.6%), Bauchi (17.68%) and Yobe (17.65%). The lowest inflation rates were recorded in Delta (11.74%), Edo (12.33%) and Kogi (12.74%).

Analysis & Outlook

The inflation rate is now lower than 2017's average of 16.55% and 2016 average on 15.63%. We expect a further decline in the headline index in March, bringing Q1's average rate to 14.5%. This persistent decline in the consumer price index, combined with the slow but steady recovery is likely to encourage the CBN to adopt an accommodative monetary stance. The senate is set to confirm the MPC board members shortly, and the committee is likely to hold its first meeting of 2018 in April.



Nigerian Airports record a decline of 8.03% in air traffic in 2017

- The National Bureau of Statistics reported that approximately 13.39 million passengers travelled through Nigerian airports in 2017. This represents a decline of 8.03% from the figure recorded in 2016. Total number of air passengers in Q4'17 also declined by 0.56% quarter-on-quarter but advanced 4.89% compared to the corresponding period in 2016.
- A further breakdown shows that about 71% of total passengers were domestic air passengers (9.5mn) while 29% were international passengers (3.9mn), with both recording a year-on-year growth of 8.4% and 7.15% respectively.
- Interestingly, domestic and international passengers peaked at 2,545,859 and 1,134,768 respectively in Q3'17, likely due to increased summer demand for air travel.

Analysis & Outlook

With a slowdown in economic activities up until Q2'17 and the closure of one of the busiest airports in the country, demand was adversely affected and continued on a downward trend even afterwards. On the supply side, incessant jet fuel scarcity and multiple airline taxation crippled the aviation sector's ability to run smoothly in 2017.

Central Bank of Nigeria's 2017 Financial Stability Report⁴

- The CBN has reported significant improvement in economic indicators in 2017. According to the apex bank, the main drivers of growth during the year include stronger financial markets, manufacturing, and trade sector recovery.
- Inflation was reported to ease during the first half of the year from 18.55% in December 2016. External reserves also started improving in the first half to \$30.34bn while the exchange rate stabilized on the introduction of the Investors & Exporters window in April 2017.
- Conversely, the banking system's credit to the private sector in 2017 fell by 1.47% from the end of 2016. The Monetary Policy Rate (MPR) was hiked by 200bps in July 2016 to 14% while the Cash Reserve Ratio (CRR) stood at 25% at the end of 2017.

Analysis & Outlook

The CBN's report reflects the gradual but fragile improvement of the Nigerian economy which commenced in 2017. Inflation has declined for 12 consecutive months; the exchange rate has been relatively stable within the N362/\$-N364/\$ band for months; and, the external reserves has exceeded \$46bn. However, the fundamentals remain the same, the country is largely exposed to the oil market; this raises questions of sustainability and high risks.

⁴ <https://www.cbn.gov.ng/documents/bsdpublications.asp>

Tobacco and Alcoholic Drinks to cost more as FG reviews its Excise Duties on products

- The Federal Government has increased the Excise duties on Tobacco and Alcoholic Drinks, effective from June 4th 2018. According to the Minister of Finance, the upward review will be done over a 3-year period in order to moderate the effect of the increase.
- In addition to the 20% ad-valorem existing rate, Beer & Stout would attract N0.30k/Cl in 2018 and N0.35k/Cl more in 2019 and 2020. Wines would attract N1.25k/Cl in 2018 and N1.50k/Cl each in 2019 and 2020. N1.50k/Cl was approved for Spirits in 2018, N1.75k/Cl in 2019 and N2.00k/Cl in 2020. While for cigarette one stick will attract N1 (N20 per pack of 20 sticks) in 2018, N2 specific rate per stick (N40 per pack of 20 sticks) in 2019 and N2.90k specific rate per stick (N58 per pack of 20 sticks) in 2020.

Analysis & Outlook

A large portion of the excise burden is likely to be transferred to the consumers in the form of higher prices. This will lead to softer demand for alcohol in the medium term. However, demand for tobacco products is likely to remain unchanged given that its active ingredient- nicotine – makes it an inelastic product. The FG will benefit from higher fiscal revenues.

UNITY BANK NEWS

Unity Bank takes ‘Agency Banking’ to the North West

As part of its Retail Banking strategy, Unity Bank recently rolled out its Agent banking services in the North Western states of Kano and Jigawa as a vehicle to reach out to the unbanked and deepen financial inclusion.

In line with Central Bank of Nigeria’s financial inclusion mandate, Unity Bank targeted its Agent Banking services at Gumel in Jigawa state and Rijiyah-Lemu in Fagge Local Government area of Kano state, last week.

According to the General Manager Products & Channels Directorate of Unity Bank, Mr. Bonaventure Okhaimo, prioritizing the North West was borne out of the need to tap into the huge unbanked population in the region. Agent banking model is conceptualized to evolve as a model of community and rural banking where basic banking services are brought to the level of rural financial activities, said Bonaventure.

The roll-out, which witnessed the opening of many Agency outlets in the areas, was attended by numerous locals, customers and prospects, who were all excited to be able to avail themselves of financial services without travelling long distances to a bank branch.

The customers were able to open accounts with Unity Bank, perform cash-in (deposit), cash-out (withdrawal) as well as bills payment transactions at the new Agent Banking outlets. With the bank’s digital account opening portal – Unity1 Online - new tier-1 accounts can be opened for customers without any need for identification. The whole process takes less than 4 minutes. Customers are advised of their NUBAN account numbers immediately, and are able to start transacting straightaway; in fact, once they provide their Bank Verification Numbers (BVN), they have full access to their accounts.

The Bank’s Group Head, Retail & SME Banking, Olufunwa Akinmade, explained that an important part of the roll-out in any location is a two-day customer education session organized to bring customers up to speed with the basic tenets of the scheme.

On the security of the customers’ funds, Mr. Akinmade said that the mitigant on the withdrawal side is that the service is running on MCash-a secure phone-based withdrawal system backed by the Nigeria Inter-Bank Settlement Systems (NIBSS) while at the deposit end, the

customer must receive an alert to be sure that the transaction has been consummated. This is in line with CBN regulation, which states that all transactions are processed online real-time. He advised customers to always look out for Unity bank's branding on the agents outlets, to be sure that they are actually dealing with a registered Agent outlet. The branding also provides information on the services and products as well as the bank's Contact Centre numbers.

The Bank is working with Bizi Mobile Cashless Consultants, a leading Agent Network Manager in Northern Nigeria.

With the rollout of Agency Banking in the Northwest, Unity bank and Bizi Mobile are targeting all the Local Governments in the Northwest before the end of the year, starting with Babura, Taura, Kiyawa, Malamadori, Gwaram, Birniwa, Miga, and Maigatari. Alhaji Aminu Bizi, the CEO of Bizi Mobile cashless consultants, talked extensively about how the partnership is a winning one, leveraging on Bizi Mobile's extensive reach with over 120 outlets in the North. In addition to deepening financial inclusion, the agency banking partnership would also contribute to the CBN's target to reduce financial exclusion by the year 2020.



Unity Bank partners Kaztech Ltd: R-L: Chairman KAZTEC Engineering Ltd, Sir Emeka Offor, Honorable Minister of State for Petroleum Resources Dr. Emmanuel Ibe Kachikwu, Group Head, Credit Risk Management, Unity Bank Plc, Mrs. Patricia Chinwe Ahunanya, Regional Manager, Abuja Central, Mrs. Grace Amushaitan at the grand Opening of KAZTECH Shipping yard at Snake Island, Lagos.

UNITY BANK PLC AT 2018 ACCA SUMMIT



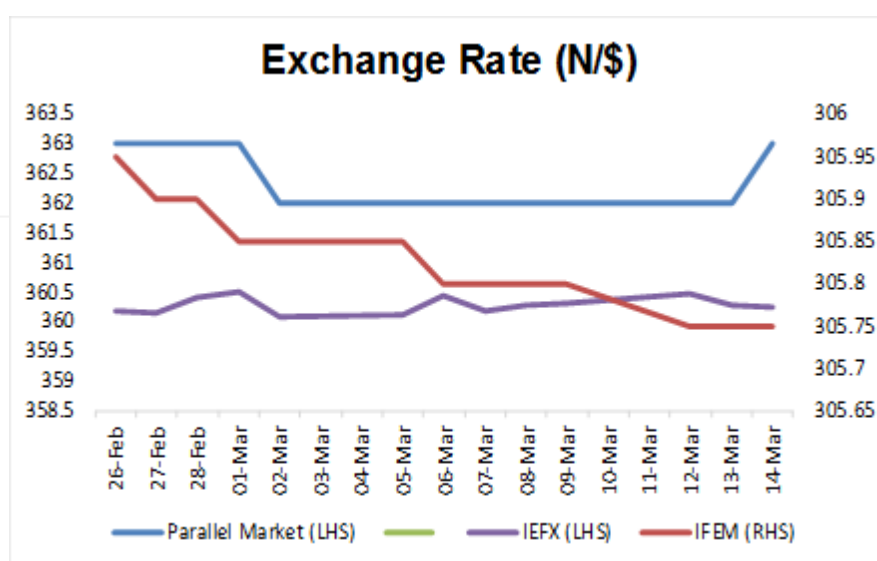
Unity Bank featured prominently at the 2018 Association of Certified Chartered Accountants (ACCA) summit held in Abuja last week.



BUSINESS UPDATE (Review Period: February 26th – March 14th 2018)

The Forex Market

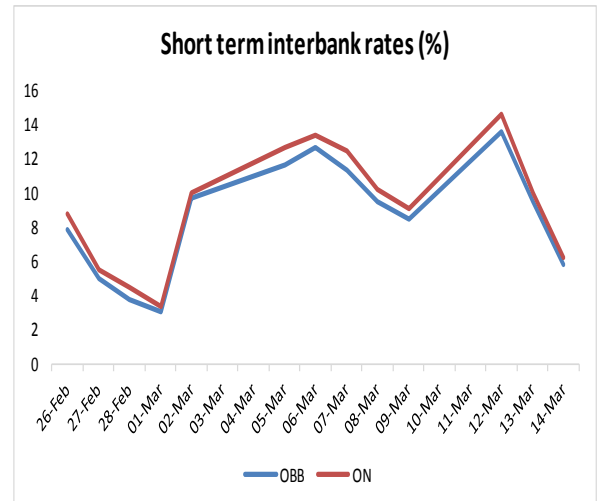
- At the parallel market, the naira traded at N363/\$ against the U.S dollar on February 26th, appreciated to N362/\$ on March 2nd, before trading flat to close at N363/\$.
- Pound sterling traded between N500/£- N505/£ and euro traded closely between N442/€ - N444/€ in the review period.
- At the interbank foreign exchange market, the naira appreciated marginally by 0.07% against the dollar to close at N305.75/\$ from N305.95/\$ on February 26th. The exchange rate continues to trade within a tight band of N305/\$- N306/\$.
- The naira closed at N360.25/\$ at the IEFX window on March 14th, trading closely between N360.09/\$ and N360.51/\$ in the review period. Total forex traded at the IEFX window was \$3.4bn, compared to \$1.80bn in the prior period.
- The external reserves gained 4.7% (\$1.99bn) to \$44.2bn on March 13th, compared to \$42.21bn on February 26th.
 - This is according to the CBN website, and is lower than figure indicated in the CBN governor's statement earlier in the week.



SOURCE: FDC Think Tank, CBN, FMDQ

The Money Market

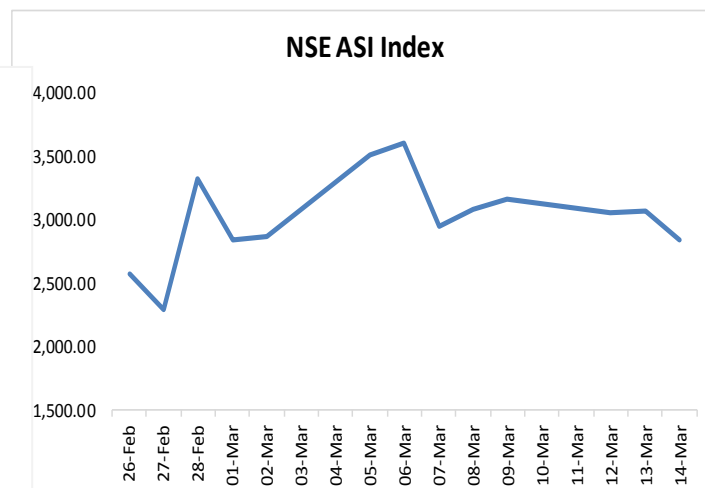
- Short term interbank interest rates (OBB and ON) declined by 209bps and 258bps respectively:
 - OBB: 5.83% pa
 - O/N: 6.25% pa
- Interbank rates (OBB and ON) increased to 13.67% and 14.37% respectively on March 12th.
 - The aftermath of the wholesale forex auction and OMO sales of N88bn.
- In the secondary market, rates for T/bills declined across all tenors during the review period:
 - 91-day lost 0.37% to close at 13.61% from 13.98% on February 26th.
 - 182-day declined by 0.92% to close at 13.35% from 14.27% on February 26th.
 - 364-day slid 0.18% to close at 13.25% from 13.43% on February 26th.
- Primary market rates for T/bills fell by an average of 0.20% in comparison to the last auction.
 - 91-day declined to close at 11.75% from 11.85% on February 28th.
 - 182-day slid to close at 13.0% from 13.50% on February 28th.
 - 364-day decreased to close at 13.19% from 13.50% on February 28th.
- We expect this downward trend in T-bills rates to persist



SOURCE: FMDQ, CBN

The Stock Market

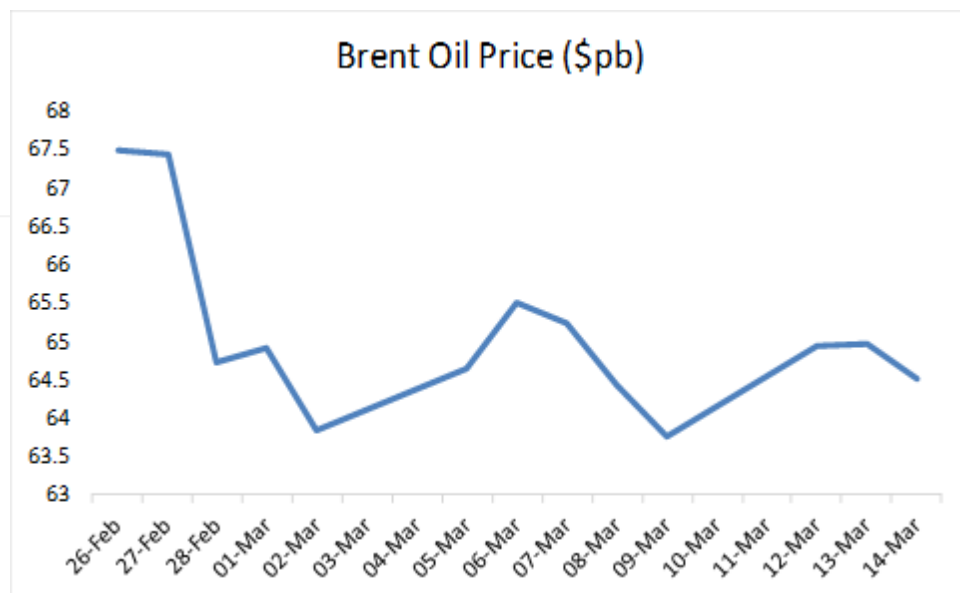
- The Nigerian Stock Exchange All Share Index (NSE ASI) gained 0.61% to close at 42,839.52pts on March 14th, compared to 42,579.48pts on February 26th.
- Total market capitalization closed 0.33% higher at N15.33trn on March 14th.



SOURCE: NSE

The Commodities Market

- Brent crude prices declined 3.87% to \$64.89pb on March 14th, from \$67.50pb on February 26th.
 - Due to an uptick in US production
- Natural gas increased by 3.49% to close at \$2.731/mmbtu from \$2.639/mmbtu in the review period.
 - Driven by a decline in EU output.
- Corn prices rose 3.18% to close at \$3.89/bushel from \$3.77/bushel.
 - Resulting from the USDA's forecast of lower corn ending stock
- Wheat prices increased by 3.38% to \$4.89/bushel from \$4.73/bushel.
 - Driven by USDA's confirmation that the weather conditions have damaged crops.
- Sugar prices slid 4.99% to \$0.1276/pound from \$0.1343/pound.
 - Due to ample global supply.
- Cocoa prices advanced by 15.40% to \$2,556/mt from \$2,215/mt in the review period.
 - Amidst expectations of lower output from Ghana



SOURCE: Bloomberg, EIA, Newsnow

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SCAN TO OPEN



The Top 5 Personal Finance Rules for Millennial Entrepreneurs- Forbes⁵

Millennials have redefined the meaning of work as we break away from the corporate trends of generations past. In fact, a 2015 Deloitte report found that 54% of Millennials had started or had planned to start their own businesses by year-end. Countless personal finance articles offer retirement planning advice for our generation, but the guidance does not always apply to the more than half of us that will seek self-employment rather than a traditional career track. A recent Motley Fool article explored how young people manage their finances for the future and found that we are “at a real risk of outliving retirement savings.” While this is true for our generation across the board, young entrepreneurs require more tailored financial advice to build personal wealth and reach financial security.

In my experience working in a family-owned business and advising Millennials, I've seen first-hand the challenges young entrepreneurs face in trying to balance their personal life and wealth while reaching goals independent from the companies they run. To help our growing group of fellow entrepreneurs, I've compiled my top 5 personal finance rules for millennial moguls looking to avoid the Motley Fool prediction.sssss

Hire Professional Advisors

As a financial advisor, I know Millennials procrastinate when it comes to hiring financial professionals. While the American Psychological Association ranks finances as the top stressor among Americans, we tend to avoid the things that most affect our wellbeing. Just like avoiding the doctor when you have a nagging cough, seemingly benign financial problems left untreated can cause heartache down the line. On top of basic planning needs like creating a personal budget and savings schedule, entrepreneurs must contend with the more complex financial needs of their businesses. Accountants, lawyers and financial advisors can help you define your needs and goals while creating a plan for you and your company.

Rather than hiring a human, some Millennials have started to use new do-it-yourself investing and planning apps that disrupt traditional planning. While these tools offer a streamlined and intuitive experience for the masses, they lack the most critical component of advice: personal accountability. Using a faceless app, you won't feel as guilty about going against the long-term plan. You won't worry as much about overspending, forgetting to sign your will, or disregarding life insurance. The best advisors harness new technologies while still providing personal, individualized advice.

⁵ <https://www.forbes.com/sites/zachconway/2017/05/08/the-top-5-personal-finance-rules-for-millennial-entrepreneurs/2/#537b63aa7627>

Pay Yourself

Inherently fixated on building successful companies, some entrepreneurs forget to take care of themselves. Unfortunately, failing to ensure your own financial security can lead to broader problems for your business. As the business generates revenue, think about paying yourself a portion of proceeds. Of course, you shouldn't take capital out of the company before paying employees, paying the bills and putting a plan in place to pay down debt. As soon as you can account for these costs, a fixed-dollar salary will allow you to create a more systemized personal budget and long-term savings plan. Just like corporate employees should methodically save in retirement plans like 401ks, the self-employed can use the tax benefits of 401k alternatives like solo 401ks, simplified employee pension plans and savings incentive match plans.

Paying yourself will also give you a clearer picture of your company's profitability. Without considering all of your expenses, you'll never know when you need to make important changes to the cost structure to ensure the company succeeds. Beyond the math, the emotional toll of a personal financial burden will hinder any entrepreneur from effectively running a business.

Separate Personal from Business

There's a big difference between investing in your business and how you should invest personal assets. Too often, young entrepreneurs attach their future livelihood to the success of the companies they run. While entrepreneurs should, of course, use their money to finance their day-to-day passions, a lack of diversification creates unintended risks to long-term financial security. Beyond a budgeting and savings plan, self-employed Millennials should build diversified, long-term investment portfolios that will grow separate from a business. With any luck, you will have created both a successful company and a steady source of income to use if and when you choose to retire.

Most important, taking money off the table and letting it grow in unrelated investments will allow you to spend more time on the things you love. At its core, financial planning should not be just about the math, but about ensuring you can align your ideal life and your wealth.

Maintain Your Books

Nothing hurts worse than failing in business because of growth. As you build your company, hire more people and handle more projects, you'll inevitably need to manage more moving parts. Unfortunately, entrepreneurs often focus on big picture expansion and forget to address the details. Come tax season, they're left scrambling to piece together something that may or not pass IRS scrutiny. From the start, your deliberate surveillance of company money should reflect how you've created a structured budget for yourself.

Just like the best financial advisors, top accountants use modern technology to provide simpler, less stressful ways to keep track of assets while providing personalized advice. In working with a professional and sitting down to review the flow of money through your business, you'll begin to notice trends that can guide your next move, like cutting costs in areas or deploying more capital in others.

Conquer Your Debt

Emerging from college debt-laden can deter entrepreneurs from beginning and succeeding in their own businesses. If not managed correctly, an entrepreneur's personal debt can cripple his or her company. As with all other areas of planning, paying down debt comes down to creating and sticking to a system. While it's important to eliminate high interest rate debt from your personal balance sheet, don't overextend by paying down a huge lump sum if you and the business can't truly afford to do so. In years the business does particularly well, have a plan for what additional payments you should make on top of the scheduled amount.

While debt certainly affects your financial reality, managing the emotional aspect of debt can be just as important to success.

As a Millennial, I'm proud that so many of my peers have found success in building and growing companies. By adhering to these basic rules, young entrepreneurs can stress less over money, focus on the more rewarding parts of the business and, most importantly, live a more fulfilled and financially secure life.

CONTACT INFORMATION

Would you like to open an account with us?

Kindly direct all account opening enquiries to:

Nosakhare Omoigui

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