HOW TO RETRIEVE UNCLAIMED DIVIDENDS

A Presentation by:

Futureview

In partnership with

NGX Exchange

March 17, 2023
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Introduction: Overview & Facts
The Securities and Exchange Commission (SEC) data shows that the unclaimed dividends at Nigeria’s capital market so far computed increased from 158.44bn in 2019 to N168bn in 2020 and currently stands at about N177bn.

The issuance of physical dividend warrant ended on 28th February 2018 in order to mitigate the risks associated with physical dividend warrants and to improve investors’ experience.

The Securities and Exchange Commission (SEC) has created an e-dividend portal to curb the growth of unclaimed dividends and improve the overall efficiency of Nigerian equities markets.
DEFINITIONS

What are dividends?
Dividends are shares of profits and/or retained earnings that a company distributes to its shareholders and owners. This is usually done when profits are declared at the end of a financial year.

What are unclaimed dividends?
When dividends are paid by a company to their shareholders, but the shareholder/investor fails to claim it, it becomes an unclaimed dividend.

What is the difference between unclaimed dividends & unpaid dividends?
When a company declares profit and dividends but it’s yet to distribute the dividends to its shareholders, this is described as unpaid dividends. However, when the shareholder abandons or fails to claim the dividends accrued to them it becomes unclaimed dividends.
REASONS FOR UNCLAIMED DIVIDENDS

1. **Lack of awareness/Forgotten investments**
   - You may have unclaimed dividends either from your personal investments, or from a family member (parents, grandparents, spouse etc.).
   - People often invest in the stock market and just forget about it or fail to keep track of such investments especially after selling down. However, it is possible that those investments may have accrued dividends, which remain unclaimed.

2. **Multiple subscriptions**
   - This is a situation whereby an investor has multiple subscriptions to one or more products/offers.

3. **Differently spelled/False names/Identity management**
   - An investor’s name could have been wrongly or differently spelled (e.g., using middle names and initials) or fictitious names may have been used.
   - False names and multiple subscriptions can lead to identity management issues that result in unclaimed dividends.
Steps to take to recover unclaimed dividends
CALCULATING DIVIDENDS

Case Study:

• Assuming Mr X bought 1,000 units of XYZ bank shares in 2012 which declared dividends every year from 2012 to 2021. Note that tax is payable
• He has 10 years of unclaimed dividends

Calculation

• To know how much dividend Mr X should receive from 2012 to 2021, multiply the number of shares held (1,000) by the dividend per share declared by XYZ Bank
• Assuming the company paid dividend of N2.00 per unit in 2012, that is 1,000 X N2.00. Repeat for each year then sum it up
• 10% withholding tax should be deducted from the summed up value to give the amount payable (2000 - 200 = 1,800 for the above example).

N/B: You may consult your Stockbroker to fill an e-dividend mandate form and submit to the Registrar
### Calculating Dividends

<table>
<thead>
<tr>
<th>S/N</th>
<th>Year</th>
<th>Number of Units</th>
<th>Dividend Declared (NGN)</th>
<th>Amount Payable (NGN)</th>
</tr>
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<tbody>
<tr>
<td>1</td>
<td>2012</td>
<td>1,000</td>
<td>2</td>
<td>2,000</td>
</tr>
<tr>
<td>2</td>
<td>2013</td>
<td>1,000</td>
<td>2.50</td>
<td>2,500</td>
</tr>
<tr>
<td>3</td>
<td>2014</td>
<td>1,000</td>
<td>3</td>
<td>3,000</td>
</tr>
<tr>
<td>4</td>
<td>2015</td>
<td>1,000</td>
<td>3.50</td>
<td>3,500</td>
</tr>
<tr>
<td>5</td>
<td>2016</td>
<td>1,000</td>
<td>4</td>
<td>4,000</td>
</tr>
<tr>
<td>6</td>
<td>2017</td>
<td>1,000</td>
<td>4.50</td>
<td>4,500</td>
</tr>
<tr>
<td>7</td>
<td>2018</td>
<td>1,000</td>
<td>5</td>
<td>5,000</td>
</tr>
<tr>
<td>8</td>
<td>2019</td>
<td>1,000</td>
<td>5.50</td>
<td>5,500</td>
</tr>
<tr>
<td>9</td>
<td>2020</td>
<td>1,000</td>
<td>6</td>
<td>6,000</td>
</tr>
<tr>
<td>10</td>
<td>2021</td>
<td>1,000</td>
<td>6.50</td>
<td>6,500</td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td></td>
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<td>42,500</td>
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10% Withholding Tax: 4,250

Amount Payable: 38,250
HOW TO REDEEM UNCLAIMED DIVIDENDS

How To Redeem Unclaimed Dividends

- The Securities and Exchange Commission (SEC) has a designated portal called U-eDIV Search Portal

What is U-eDIV Search Portal?

This is a portal designed and managed by the SEC to enable Investors to register for the collection of their unclaimed dividends and subsequent payment of dividends electronically to their preferred Bank Account.
HOW TO REDEEM UNCLAIMED DIVIDENDS


2. Do a search using the combination of your first name and last name as required on the portal.

3. The portal will display a table showing where you bought the shares and the name of the registrars, with a link to download the e-Mandate form. ***Download and fill out Your Registrars e-Mandate Form***

4. Complete the form and send it to your local Bank or your Registrar’s office with a copy of your passport photo or submit through your Stockbroker.

Note:
You will be guided on how to obtain your CSCS account and Clearing House Number (CHN) by your Stockbroker.

Once verified and processed, you will receive all your unclaimed dividends into your chosen bank account.
Simplifying/
Eliminating the stress of dividend recovery
HOW TO SIMPLIFY/ ELIMINATE THE STRESS OF DIVIDEND RECOVERY

Using a Stockbroker: Your Stockbroker can guide you on what to do to navigate the challenges of dividend recovery by helping you to:

- Get your CSCS account number.
- Send your sample signature to the Registrar if not available.
- Help track the process and provide investment advice (E.g. Futureview Securities Ltd).

Engaging a professional Asset/Fund Manager for your portfolio:

- A professional Fund Manager will manage your funds by building a profitable and diversified portfolio for you while ensuring the tracking of all your dividends for reinvestment into your portfolio for a small fee.
- They will also provide quarterly reports and use their discretion/expertise to trade for you. (E.g. Futureview Asset Management Ltd).

Subscribing to Equity Mutual Funds (E.g. Futureview Equity Fund):

Subscribing to an equity mutual fund will enable investor to enjoy the following benefits:

- Diversification – Equity funds allow investors to invest in a diversified portfolio which is exposed to different sectors of the economy
- Convenience – The Fund Manager and Custodian will do the tracking of the dividends and reinvest on your behalf while you reap the benefits without stress.
- Better inflation adjusted returns
- Expert/ professional management
- Economics of scale
- Starting small but playing in the big league.
- Tax benefits
Futureview’s Role: How we can help through our Product Offerings
The Group has been in operation for over 25 years, registered by the Nigerian Exchange Group (NGX) and licensed by the Securities and Exchange Commission (SEC) to provide a bouquet of investment Banking Services including; Securities Trading, Fund Management, Issuing House/Advisory Services & BDC Licensed by CBN. Through our Mutual Fund products we are able to serve smaller investors thereby creating wealth for them.

Fashioned along the lines of the world’s most prominent investment banking institutions, Futureview is managed by a team of time-tested professionals in the industry. Our esteemed clientele include Blue Chip Corporations, Government agencies and parastatals, High Net-Worth Individuals, Institutional Investors and Small/Medium Enterprises.

For further information please visit our website at: www.futureviewgroup.com

Who we are:

Futureview Group ("Futureview") comprises of:

- Futureview Financial Services Limited (Issuing House).
- Futureview Asset Management Limited (Fund Manager): Managing 2 Mutual Funds (Futureview Equity Fund & Futureview Dollar Fund).
- Futureview Securities Limited (NGX Trading License Holder);
- Futureview Bureau De Change

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THANK YOU