

## AUDITED GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

**BALANCE SHEETS AS AT DECEMBER 31**

	GROUP		BANK	
	2010 N'million	2009 N'million	2010 N'million	2009 N'million
<b>ASSETS</b>				
Cash and balances with central banks	68,056	68,225	39,819	38,972
Treasury bills	123,455	42,035	78,703	15,945
Due from other banks	302,272	470,195	290,735	459,829
Loans and advances to customers	628,811	636,793	569,312	573,465
Investment securities	384,453	188,407	313,659	150,565
Investment in subsidiaries	-	-	50,355	37,753
Investment in associate	9,179	9,261	9,943	9,943
Investment in joint venture	939	245	900	900
Goodwill	3,479	3,479	-	-
Deferred tax assets	3,341	-	3,131	-
Other assets	28,511	56,826	19,859	50,010
Investment properties	-	269	-	-
Property and equipment	65,200	73,042	56,216	63,497
	<b>1,617,696</b>	<b>1,548,777</b>	<b>1,432,632</b>	<b>1,400,879</b>
<b>LIABILITIES</b>				
Customers' deposits	1,267,171	1,245,650	1,119,063	1,151,086
Due to other banks	7,456	15,807	51	10,080
Liability on investment contracts	33,090	22,096	-	-
Other borrowings	82,144	14,760	83,956	14,760
Current income tax	2,794	3,385	1,148	1,416
Other liabilities	43,599	58,382	38,698	33,974
Deferred income tax liabilities	30	24	-	-
Retirement benefit obligations	1,986	1,844	1,986	1,844
	<b>1,438,270</b>	<b>1,361,948</b>	<b>1,244,902</b>	<b>1,213,160</b>
<b>EQUITY</b>				
Share capital	12,934	10,778	12,934	10,778
Share premium	111,489	113,645	111,489	113,645
Revaluation reserve on fixed assets	11,231	11,231	11,231	11,231
Retained earnings	16,504	18,317	25,961	26,275
Other reserves	24,371	29,891	26,115	25,790
Attributable to equity holders of the parent	176,529	183,862	187,730	187,719
Non-controlling interest	2,897	2,967	-	-
	<b>179,426</b>	<b>186,829</b>	<b>187,730</b>	<b>187,719</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,617,696</b>	<b>1,548,777</b>	<b>1,432,632</b>	<b>1,400,879</b>
Off-balance sheet engagements and contingencies	654,360	689,479	628,253	684,047

**PROFIT AND LOSS ACCOUNTS**

	GROUP		BANK	
	12 months to Dec. 2010 N'million	15 months to Dec. 2009 N'million	12 months to Dec. 2010 N'million	15 months to Dec. 2009 N'million
<b>GROSS EARNINGS</b>	<b>185,186</b>	<b>244,110</b>	<b>157,666</b>	<b>219,843</b>
Interest and similar income	117,745	177,848	106,597	163,456
Interest and similar expense	(46,969)	(59,659)	(43,670)	(54,920)
Net interest income	70,776	118,189	62,927	108,536
Other income	67,441	66,262	51,069	56,387
<b>Operating income</b>	<b>138,217</b>	<b>184,451</b>	<b>113,996</b>	<b>164,923</b>
Operating expenses	(103,981)	(128,404)	(82,458)	(107,717)
Loss on sale of securities	-	(1,216)	-	(1,649)
Diminution in asset values	(18,213)	(39,839)	(15,179)	(32,568)
Share of loss in associate	(82)	(675)	-	-
Share of loss in joint venture	(56)	(655)	-	-
<b>Profit before tax and exceptional items</b>	<b>15,885</b>	<b>13,662</b>	<b>16,359</b>	<b>22,989</b>
Exceptional items	(12,666)	(7,025)	(12,666)	(7,025)
Taxation	(2,621)	(4,262)	(1,526)	(3,075)
Profit after tax and exceptional items	598	2,375	2,167	12,889
Non-controlling interest	70	(262)	-	-
Profit attributable to shareholders	668	2,113	2,167	12,889

**REPORT OF THE INDEPENDENT AUDITOR**
**Report on the financial statements**

We have audited the accompanying financial statements of United Bank for Africa Plc ("the bank") and its subsidiaries (together, "the group") which comprise the balance sheets as of 31 December 2010 and the profit and loss accounts and cash flow statements for the year then ended and a summary of significant accounting policies and other explanatory notes.

**Directors' responsibility for the financial statements**

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with Statements of Accounting Standards and with the requirements of the Companies and Allied Matters Act and the Banks and Other Financial Institutions Act. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditor's responsibility**

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion the financial statements give a true and fair view of the financial position of the bank and the group as of 31 December 2010 and of their financial performance and their cash flows for the year then ended in accordance with Nigerian Statements of Accounting Standards and in the manner required by the Companies and Allied Matters Act and the Banks and Other Financial Institutions Act.

**Report on other legal and regulatory requirements**

The Companies and Allied Matters Act and the Banks and Other Financial Institutions Act require that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- The bank has kept proper books of account so far as appears from our examination of those books and we have received proper returns adequate for the purposes of our audit from branches not visited by us;
- The bank's balance sheet and profit and loss account are in agreement with the books of account;
- Our examination of loans and advances was carried out in accordance with the Prudential Guidelines for licensed banks issued by the Central Bank of Nigeria;
- Insider credits are disclosed in Note 34 as required by CBN Circular No. BSD/1/2004.



Chartered Accountants  
Lagos, Nigeria  
01-April-2011



*The information disclosed have been extracted from the full financial statements of the bank and the group and cannot be expected to provide as full an understanding of the financial performance, financial position and cashflows of the bank and the group as the detailed financial statements would provide. Copies of the full financial statements can be obtained from the Bank's registered office or from the Registrars of the Bank.*

The financial statements were approved by the Board of Directors on 29 March 2011 and signed on its behalf by:

**Directors**
  
**CHIEF ISRAEL OGBUE**  
 CHAIRMAN

  
**PHILLIPS ODUOZA**  
 GROUP MANAGING DIRECTOR/CEO

  
**EMMANUEL N. NNOROM**  
 EXECUTIVE DIRECTOR - FINANCE

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