

Consolidated and Separate Statements of Comprehensive Income



	<i>Notes</i>	Group	Bank	Group	Bank	Group	Bank
<i>In millions of Nigerian Naira</i>		6 months to Jun. 2012		6 months to Jun. 2011		12 months to Dec. 2011	
Gross earnings		111,004	87,058	91,267	73,203	177,496	134,306
Interest income	2	75,795	63,041	61,088	51,838	113,378	94,778
Interest expense	2	(29,406)	(24,980)	(22,196)	(19,303)	(46,125)	(40,862)
Net interest income		46,389	38,061	38,892	32,535	67,253	53,916
Fee and commission income	3	23,685	17,193	21,845	16,394	42,323	30,767
Fee and commission expense	4	(1,031)	(1,029)	(1,127)	(1,124)	(2,315)	(2,308)
Net fee and commission income		22,654	16,164	20,718	15,270	40,008	28,459
Net trading income	5	9,294	5,006	7,042	4,190	11,857	5,998
Other operating income	6	2,230	1,818	1,292	781	9,938	2,763
Total non-interest income		34,178	22,988	29,052	20,241	61,803	37,220
Operating income		80,567	61,049	67,944	52,776	129,056	91,136
Net impairment gain/(loss) on financial assets	7	379	(541)	(6,361)	(4,209)	(11,287)	(5,697)
Personnel expenses		(17,605)	(12,328)	(19,254)	(14,189)	(37,847)	(27,410)
Depreciation and amortisation		(4,634)	(3,575)	(5,064)	(4,036)	(10,386)	(8,180)
Other operating expenses		(27,006)	(20,280)	(25,106)	(19,828)	(57,545)	(45,442)
Exceptional charges on sale of loans to AMCON & other losses		-	-	-	-	(36,851)	(36,851)
Total operating expenses		(48,866)	(36,724)	(55,785)	(42,262)	(153,916)	(123,580)
Share of profit/(loss) of equity accounted investees		141	-	136	-	(9)	-
Profit before income tax		31,842	24,325	12,295	10,514	(24,869)	(32,444)
Income tax expense	8	(4,776)	(3,649)	(1,995)	(1,544)	15,891	18,179
Profit for the period		27,066	20,676	10,300	8,970	(8,978)	(14,265)
Other comprehensive income, net of income tax							
Foreign currency translation differences for foreign operations		(625)	-	703	-	1,446	-
Fair value losses on available-for-sale investments		(206)	(206)	-	-	-	-
Other comprehensive income for the period		(831)	(206)	703	-	1,446	-
Total comprehensive income for the period		26,235	20,470	11,003	8,970	(7,532)	(14,265)
Profit attributable to:							
Equity holders of the Bank		26,351	20,676	10,198	8,970	(9,805)	(14,265)
Non-controlling interest		715	-	102	-	827	-
Profit/(loss) for the period		27,066	20,676	10,300	8,970	(8,978)	(14,265)
Total comprehensive income attributable to:							
Equity holders of the Bank		25,201	20,470	10,589	8,970	(8,359)	(14,265)
Non-controlling interest		1,034	-	414	-	827	-
Total comprehensive income for the period		26,235	20,470	11,003	8,970	(7,532)	(14,265)



Consolidated and Separate Statements of Financial Position

	<i>Notes</i>	Group	Bank	Group	Bank
		30 June 2012		31 December 2011	
<i>In millions of Nigerian Naira</i>					
ASSETS					
Cash and cash equivalents	9	441,364	318,196	348,929	278,255
Non-pledged trading assets	10	8,244	2,325	89,504	237
Pledged assets	11	99,181	99,181	69,404	69,404
Loans and advances to banks	12	34,249	34,233	23,413	23,413
Loans and advances to customers	13	700,172	604,639	666,999	573,073
Investments in equity accounted investee		10,497	10,843	10,356	10,843
Investments in subsidiaries	14	-	59,827	-	56,695
Investment securities	15	543,651	393,365	547,553	478,490
Property and equipment		62,892	54,442	52,852	44,225
Intangible assets		7,122	3,643	9,658	5,855
Deferred tax assets		24,334	23,335	25,156	24,679
Other assets	16	112,728	97,318	102,016	93,859
TOTAL ASSETS		2,044,434	1,701,347	1,945,840	1,659,028
LIABILITIES					
Deposits from banks	17	23,661	1,845	18,854	23,408
Deposits from customers	18	1,475,124	1,235,083	1,444,780	1,215,770
Managed funds		51,092	-	41,996	-
Current tax liabilities		2,984	2,307	2,005	784
Deferred tax liabilities		1,066	1,061	1,087	1,061
Other borrowed funds		208,467	210,222	192,123	193,878
Other liabilities	19	82,482	57,012	71,672	50,780
TOTAL LIABILITIES		1,844,876	1,507,530	1,772,517	1,485,681
EQUITY					
Share capital and share premium		124,423	124,423	124,423	124,423
Retained earnings		31,453	28,662	3,718	7,017
Other reserves		39,076	40,732	41,610	41,907
		194,952	193,817	169,751	173,347
EQUITY ATTRIBUTABLE TO EQUITY - HOLDERS OF THE BANK					
Non-controlling interest		4,606	-	3,572	-
TOTAL EQUITY		199,558	193,817	173,323	173,347
TOTAL LIABILITIES AND EQUITY		2,044,434	1,701,347	1,945,840	1,659,028



1 General Information

The Bank was incorporated in Nigeria as a limited liability company on 23 February 1961 under the Companies Ordinance [Cap 37] 1922. Following the consolidation reforms introduced and driven by the Central Bank of Nigeria in 2004, the Bank merged with Standard Trust Bank Plc on 1 August 2005 and subsequently acquired Continental Trust Bank Limited on 31 December, 2005.

2 Net interest income

In millions of Nigerian Naira

	Group Bank		Group Bank		Group Bank	
	6 months to		6 months to		12 months to	
	Jun. 2012		Jun. 2011		Dec. 2011	
Interest income						
Cash and cash equivalents	3,905	3,172	3,862	3,337	6,555	7,576
Loans and advances to banks and customers	38,987	33,084	33,785	29,292	56,735	46,875
Investments securities	32,903	26,785	23,441	19,209	50,088	40,327
Total interest income	<u>75,795</u>	<u>63,041</u>	<u>61,088</u>	<u>51,838</u>	<u>113,378</u>	<u>94,778</u>
Interest expense						
Deposits from banks	(800)	(262)	(318)	(132)	(1,039)	(434)
Deposits from customers	(22,987)	(19,112)	(19,374)	(16,711)	(38,492)	(33,834)
Other borrowed funds	(5,619)	(5,606)	(2,504)	(2,460)	(6,594)	(6,594)
Total interest expense	<u>(29,406)</u>	<u>(24,980)</u>	<u>(22,196)</u>	<u>(19,303)</u>	<u>(46,125)</u>	<u>(40,862)</u>

3 Fee and commission income

In millions of Nigerian Naira

Retail and corporate banking fees & commissions	14,531	12,471	14,068	12,528	20,798	19,412
Investment banking fees	1,207	-	1,353	-	746	-
Other fees and charges	7,947	4,722	6,424	3,866	20,779	11,355
Total fee and commission income	<u>23,685</u>	<u>17,193</u>	<u>21,845</u>	<u>16,394</u>	<u>42,323</u>	<u>30,767</u>

Corporate banking fees and commissions are charged to corporate customers. They exclude any other fees used in calculating the adjusted effective interest rate on the principal facility to which they were charged.

4 Fee and commission expense

In millions of Nigerian Naira

	Group Bank		Group Bank		Group Bank	
	6 months to		6 months to		12 months to	
	Jun. 2012		Jun. 2011		Dec. 2011	
E-card processing fees	(887)	(887)	(981)	(981)	(2,051)	(2,051)
Others	(144)	(142)	(146)	(143)	(264)	(257)
	<u>(1,031)</u>	<u>(1,029)</u>	<u>(1,127)</u>	<u>(1,124)</u>	<u>(2,315)</u>	<u>(2,308)</u>



5 Net trading income

<i>In millions of Nigerian Naira</i>	Group	Bank	Group	Bank	Group	Bank
	6 months to		6 months to		12 months to	
	Jun. 2012		Jun. 2011		Dec. 2011	
Fixed income securities	6	6	(51)	(51)	103	103
Equities	109	-	256	-	(106)	-
Foreign exchange gain	9,179	5,000	6,837	4,241	11,860	5,895
	<u>9,294</u>	<u>5,006</u>	<u>7,042</u>	<u>4,190</u>	<u>11,857</u>	<u>5,998</u>

Net trading income includes the gains and losses arising both on the purchase and sale of trading instruments and from changes in fair value.

6 Other operating income

<i>In millions of Nigerian Naira</i>	Group	Bank	Group	Bank	Group	Bank
	6 months to		6 months to		12 months to	
	Jun. 2012		Jun. 2011		Dec. 2011	
Dividends on available-for-sale equity securities	614	448	236	180	576	407
Rental income	281	267	261	249	444	440
Others	1,335	1,103	795	352	8,918	1,916
	<u>2,230</u>	<u>1,818</u>	<u>1,292</u>	<u>781</u>	<u>9,938</u>	<u>2,763</u>

7 Impairment loss on financial assets

In millions of Nigerian Naira

Impairment losses on loans and advances						
-specific impairment	3,057	3,129	(13,151)	(9,838)	(21,308)	(6,897)
-portfolio impairment	(3,894)	(3,851)	2,118	1,780	4,190	3,633
Recoveries on loans and advances	4,628	598	8,292	7,362	16,195	8,045
Write-offs on loans and advances	(3,155)	(417)	(3,549)	(3,513)	(10,571)	(10,571)
Recoveries on other investment	-	-	-	-	1,284	1,011
Impairment loss on other assets	(257)	-	(71)	-	(830)	(672)
Impairment charges on available-for-sale investment securities	-	-	-	-	(247)	(246)
	<u>379</u>	<u>(541)</u>	<u>(6,361)</u>	<u>(4,209)</u>	<u>(11,287)</u>	<u>(5,697)</u>

8 Income tax expense

Recognised in the profit or loss

In millions of Nigerian Naira

Current tax expense						
Current year	(3,432)	(2,305)	(1,995)	(1,544)	(2,876)	(547)
Deferred tax expense						
Origination and reversal of temporary differences	(1,344)	(1,344)	-	-	18,767	18,726
Total income tax expense	<u>(4,776)</u>	<u>(3,649)</u>	<u>(1,995)</u>	<u>(1,544)</u>	<u>15,891</u>	<u>18,179</u>



9 Cash and cash equivalents

In millions of Nigerian Naira

	Group Jun. 2012	Bank	Group Dec. 2011	Bank
Cash and balances with banks	175,146	141,046	162,559	127,524
Unrestricted balances with central bank	24,767	951	52,249	25,352
Money market placements	241,451	176,199	134,121	125,379
	<u>441,364</u>	<u>318,196</u>	<u>348,929</u>	<u>278,255</u>

10 Non-pledged trading assets

In millions of Nigerian Naira

Government bonds	179	179	21,829	237
Treasury bills	2,146	2,146	63,123	-
Equities	5,919	-	4,552	-
	<u>8,244</u>	<u>2,325</u>	<u>89,504</u>	<u>237</u>

11 Pledged assets

In millions of Nigerian Naira

Pledged non- trading assets comprises:

Government bonds	82,031	82,031	52,254	52,254
Treasury bills	17,150	17,150	17,150	17,150
	<u>99,181</u>	<u>99,181</u>	<u>69,404</u>	<u>69,404</u>

These transactions have been conducted under terms that are usual and customary to standard lending and securities borrowing activities. All pledged assets are held-to-maturity investment securities.

12 Loans and advances to banks at amortised cost

In millions of Nigerian Naira

	Group Jun. 2012	Bank	Group Dec. 2011	Bank
Gross amount	34,498	34,482	23,506	23,506
Portfolio impairment	(249)	(249)	(93)	(93)
	<u>34,249</u>	<u>34,233</u>	<u>23,413</u>	<u>23,413</u>

13 Loans and advances to customers at amortised cost

In millions of Nigerian Naira



Loans to corporate entities and other organizations	719,470	614,465	690,889	584,427
Specific impairment	(7,995)	(3,974)	(21,524)	(9,197)
Portfolio impairment	(11,303)	(5,852)	(2,366)	(2,157)
	<u>700,172</u>	<u>604,639</u>	<u>666,999</u>	<u>573,073</u>

14 Investment in subsidiaries

<i>In millions of Nigerian Naira</i>	Year of acquisition /co-mmencement	Holding	Country	Industry	Bank	Bank
					Jun. 2012	Dec. 2011
UBA Ghana Limited (see (i) below)	2004	91%	Ghana	Banking	8,048	8,048
UBA Cameroun SA (see (i) below)	2007	100%	Cameroun	Banking	1,845	1,845
UBA Cote d'ivoire (see (i) below)	2008	100%	Cote d'Ivoir	Banking	5,995	4,850
UBA Liberia Limited (see (i) below)	2008	100%	Liberia	Banking	2,330	1,795
UBA (SL) Limited (see (i) below)	2008	100%	Sierra leone	Banking	1,269	1,269
UBA Uganda Limited (see (i) below)	2008	100%	Uganda	Banking	2,718	2,718
Banque International Du Burkina Faso (see (i) below)	2008	57%	Burkina Fas	Banking	5,352	5,352
UBA Retail Financial Services Limited (RFS) (see (i) below)	2008	100%	Nigeria	Banking	667	667
UBA Asset Management Limited (see (ix) below)	1964	100%	Nigeria	Asset management	403	403
UBA Capital (Africa) Limited (see (iii) below)	2005	100%	Nigeria	Investment banking	2,000	2,000
UBA Chad SA (see (i) below)	2009	100%	Chad	Banking	2,440	2,210
UBA Senegal (SA) (see (i) below)	2009	100%	Senegal	Banking	2,400	2,400
Continental Bank Benin (see (i) below)	2008	76%	Benin Rep.	Banking	6,726	6,726
UBA FX Mart Limited (see (v) below)	2008	100%	Nigeria	Banking	502	502
UBA Pensions Custodian Limited (see (v) below)	2004	100%	Nigeria	Pensions	2,000	2,000
UBA Kenya Bank Limited (see (i) below)	2009	100%	Kenya	Banking	1,770	1,770
UBA Insurance Brokers Limited (see (vi) below)	2006	100%	Nigeria	Insurance brokerage	5	5
UBA Zambia Limited (see i below)	2010	100%	Zambia	Banking	1,770	1,770
UBA Tanzania Limited (see i below)	2010	100%	Tanzania	Banking	1,770	1,770
UBA Gabon Limited (see i below)	2010	100%	Gabon	Banking	2,759	1,996
UBA Guinea Limited (see i below)	2010	100%	Guinea	Banking	1,475	1,475
UBA Congo DR (see i below)	2011	100%	Congo DRC	Banking	1,690	1,346



UBA Congo Brazzaville (see i below)	2011	100%	Congo Braz Banking	3,024	3,024
UBA Mozambique (see i below)	2011	100%	Mozambiqu Banking	869	754
				59,827	56,695

- (i) UBA Ghana Limited, UBA Cameroon SA, UBA Cote d'ivoire, UBA Liberia, UBA Uganda, Banque International Du Burkina Fasso, UBA Chad SA, UBA Senegal SA, Continental Bank Benin, UBA Kenya, UBA Zambia, UBA Tanzania, UBA Gabon, UBA Guinea Limited, UBA Mozambique, UBA Congo Brazzaville and UBA Congo DRC are engaged in the business of banking and provide corporate, commercial, consumer and international banking, trade services, cash management and treasury services.
- (ii) UBA Asset Management Limited is engaged in the business of management and administration of funds, trusteeship business; receivership/liquidation; agency business; property management; Mortgage; capital raising; royalty; venture capital fund activities; corporation registration; wholesale portfolio and other financial services to individuals, corporate bodies and the Government (shares, stocks, debentures, bonds & loans). It was incorporated on 1 June 1964 and commenced operations on same day.
- (iii) UBA Capital (Africa) Limited is engaged in securities registrars business, incorporation and IPO underwriting, securities trading, profit sharing and joint venture, securities agency, land and property development business, issuing house functions, capitalists and financiers, hire purchase and credit finance, and spin-offs. It was incorporated on 19 August 2005 and commenced operations same day.
- (iv) UBA FX Mart is engaged to carry on business as BDC proprietors, deal in foreign currency and traveller's cheques, agency business, mortgage property business, and capital raising. It was incorporated on 30 January 2008 and commenced operations on 22 May 2008.
- (v) UBA Pensions Custodian Limited was incorporated on 30 September 2005. It obtained an operating license on 20 February 2006 and commenced operations on 3 May 2006. Its principal activities include the provision of the custody of pension assets, to hold and deal in such assets in accordance with the directives of the Pension Fund Administrators and the National Pension Commission in conformity with the Pensions Reforms Act 2004.
- (vi) UBA Insurance Brokers Limited was incorporated under the Companies and Allied Matters Act, CAP C20, LFN 2004, as a limited liability company on 1 September 2006 and commenced operations on 1 April 2007. It engages in the business of insurance as well as general advisory and consulting service.



15 Investment securities

	Group Jun. 2012	Bank	Group Dec. 2011	Bank
<i>In millions of Nigerian Naira</i>				
Investment securities	543,651	393,365	547,553	478,490
<i>Available-for-sale investment securities comprise:</i>				
Treasury bills	60,458	55,396	39,067	30,459
Bonds	8,509	-	7,972	-
Equity	26,223	22,602	78,676	33,436
Less: specific allowance for impairment	(2,782)	(1,402)	(4,563)	(1,390)
	92,408	76,596	121,152	62,505
<i>Held-to-maturity investment securities comprise (see note (i)):</i>				
Treasury bills	73,775	2,729	55,616	50,626
Bonds	377,468	314,040	370,785	365,359
	451,243	316,769	426,401	415,985

(i) Held-to-maturity investment securities pledged as collateral for various transactions have been separately disclosed in note (11).

16 Other assets

	Group Jun. 2012	Bank	Group Dec. 2011	Bank
<i>In millions of Nigerian Naira</i>				
Accounts receivable and prepayments	36,340	25,585	21,965	20,935
Restricted deposits with central bank (see (i))	74,439	72,879	81,152	74,246
Others	3,723	318	551	145
Less: specific allowance for impairment		(1,464)	(1,652)	(1,467)
	112,728	97,318	102,016	93,859

(i) This represents cash reserve requirement with central banks of the countries in which the Group operates, and are not available for use in the Group's day-to-day operations.

17 Deposits from banks

	Group Jun. 2012	Bank	Group Dec. 2011	Bank
<i>In millions of Nigerian Naira</i>				
Money market deposits	21,816	-	15,498	22,803
Clearing items	1,845	1,845	3,356	605
	23,661	1,845	18,854	23,408

18 Deposits from customers

<i>In millions of Nigerian Naira</i>				
<i>Retail customers:</i>				
Term deposits	73,462	78,824	95,111	74,001
Current deposits	169,687	110,717	150,011	126,400
Savings	259,519	222,000	247,205	216,976
<i>Corporate customers:</i>				
Term deposits	221,603	178,553	217,045	190,398
Current deposits	750,853	644,989	735,408	607,995
	1,475,124	1,235,083	1,444,780	1,215,770

19 Other liabilities

<i>In millions of Nigerian Naira</i>				
Contributions to defined contribution plans	738	738	649	665
Creditors and accruals	65,292	44,169	48,019	28,177
Foreign currency transfers payable	85	85	125	103
Other current liabilities	16,367	12,020	22,879	21,835
	82,482	57,012	71,672	50,780