

Consolidated and Separate Statements of Financial Position

As at

	Notes	Group	Bank	Group	Bank
		30 September 2012		31 December 2011	
ASSETS					
Cash and cash equivalents	9	538,742	463,289	348,929	278,255
Non-pledged trading assets	10	13,144	9,633	35,349	237
Pledged assets	11	110,081	110,081	69,404	69,404
Loans and advances to banks	12	19,151	19,151	23,413	23,413
Loans and advances to customers	13	692,739	591,322	666,999	573,073
Investments in equity accounted investees		10,594	10,843	10,356	10,843
Investments in subsidiaries	14	-	59,827	-	56,695
Investment securities	15	539,805	370,884	601,708	478,490
Property and equipment		66,151	58,535	56,276	47,649
Intangible assets		5,883	1,931	6,234	2,431
Deferred tax assets		22,613	21,661	25,156	24,679
Other assets	16	143,143	122,595	102,016	93,859
TOTAL ASSETS		2,162,046	1,839,752	1,945,840	1,659,028
LIABILITIES					
Deposits from banks	17	22,944	1,944	18,854	23,408
Deposits from customers	18	1,614,719	1,355,716	1,444,780	1,215,770
Managed funds		36,338	-	41,996	-
Current tax liabilities		963	1,427	2,005	784
Deferred tax liabilities		2,310	2,310	1,087	1,061
Other borrowed funds	19	207,548	209,303	192,123	193,878
Other liabilities	20	65,986	66,188	71,672	50,780
TOTAL LIABILITIES		1,950,808	1,636,888	1,772,517	1,485,681
EQUITY					
Share capital and share premium	21	124,423	124,423	124,423	124,423
Retained earnings		42,003	37,294	3,718	7,017
Other reserves		38,920	41,147	41,610	41,907
		205,346	202,864	169,751	173,347
EQUITY ATTRIBUTABLE TO EQUITY - HOLDERS OF THE BANK					
Non-controlling interest		5,892	-	3,572	-
TOTAL EQUITY		211,238	202,864	173,323	173,347
TOTAL LIABILITIES AND EQUITY		2,162,046	1,839,752	1,945,840	1,659,028

Consolidated and Separate Statements of Comprehensive Income

	Notes	Group		Bank		Group		Bank	
		9 months to Sep. 2012	131,728	9 months to Sep. 2011	109,716	12 months to Dec. 2011	134,306		
<i>In millions of Nigerian Naira</i>									
Gross earnings		168,200	131,728	138,504	109,716	177,496	134,306		
Interest income	2	114,836	94,862	94,600	80,449	113,378	94,778		
Interest expense	2	(45,130)	(38,300)	(33,245)	(28,689)	(46,125)	(40,862)		
Net interest income		69,706	56,562	61,355	51,760	67,253	53,916		
Fee and commission income	3	36,434	26,828	34,201	25,218	42,323	30,767		
Fee and commission expense	4	(1,267)	(1,265)	(1,175)	(1,169)	(2,315)	(2,308)		
Net fee and commission income		35,167	25,563	33,026	24,049	40,008	28,459		
Net trading income	5	12,631	7,858	6,725	2,478	11,857	5,998		
Other operating income	6	4,299	2,180	2,978	1,571	9,938	2,763		
Total non-interest income		52,097	35,601	42,729	28,098	61,803	37,220		
Operating income		121,803	92,163	104,084	79,858	129,056	91,136		
Net impairment gain/(loss) on financial assets	7	(2,167)	(2,848)	(17,159)	(16,393)	(11,287)	(5,697)		
Net operating income after net impairment loss on financial assets		119,636	89,315	86,925	63,465	117,769	85,439		
Personnel expenses		(25,525)	(17,547)	(27,927)	(20,283)	(37,847)	(27,410)		
Depreciation and amortisation		(6,813)	(5,262)	(7,523)	(5,980)	(10,386)	(8,180)		
Other operating expenses		(42,677)	(32,287)	(42,304)	(32,797)	(57,545)	(45,442)		
Exceptional charges on sale of loans to AMCON & other losses		-	-	-	-	(36,851)	(36,851)		
Total operating expenses		(75,015)	(55,096)	(77,754)	(59,060)	(142,629)	(117,883)		
Share of profit/(loss) of equity accounted investees		238	-	252	-	(9)	-		
Profit/(loss) before income tax		44,859	34,219	9,423	4,405	(24,869)	(32,444)		
Income tax expense	8	(5,740)	(4,442)	(2,038)	(393)	15,891	18,179		
Profit/(loss) for the period		39,119	29,777	7,385	4,012	(8,978)	(14,265)		
Other comprehensive income, net of income tax									
Foreign currency translation differences for foreign operations		(953)	(5)	835	-	1,446	-		
Fair value losses on available-for-sale investments		(250)	(255)	-	-	-	-		
Other comprehensive (loss)/income for the period		(1,203)	(260)	835	-	1,446	-		
Total comprehensive income for the period		37,916	29,517	8,220	4,012	(7,532)	(14,265)		
Profit attributable to:									
Equity holders of the Bank		37,785	29,777	8,413	4,012	(9,805)	(14,265)		
Non-controlling interest		1,334	-	(1,028)	-	827	-		
Profit/(loss) for the period		39,119	29,777	7,385	4,012	(8,978)	(14,265)		
Total comprehensive income/(loss) attributable to:									
Equity holders of the Bank		35,596	29,517	7,268	4,012	(8,359)	(14,265)		
Non-controlling interest		2,320	-	952	-	827	-		
Total comprehensive income/(loss) for the period		37,916	29,517	8,220	4,012	(7,532)	(14,265)		

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

<i>In millions of Nigerian Naira</i>	Group	Bank	Group	Bank	Group	Bank
	9 months to		9 months to		12 months to	
	Sep. 2012		Sep. 2011		Dec. 2011	
Interest income						
Cash and cash equivalents	6,263	4,869	7,129	6,354	6,555	7,576
Loans and advances to banks and customers	60,348	51,432	51,963	45,253	56,735	46,875
Investments securities	48,225	38,561	35,508	28,842	50,088	40,327
Total interest income	<u>114,836</u>	<u>94,862</u>	<u>94,600</u>	<u>80,449</u>	<u>113,378</u>	<u>94,778</u>
Interest expense						
Deposits from banks	(1,836)	(1,068)	(556)	(207)	(1,039)	(434)
Deposits from customers	(35,216)	(29,154)	(31,164)	(26,957)	(38,492)	(33,834)
Other borrowed funds	(8,078)	(8,078)	(1,525)	(1,525)	(6,594)	(6,594)
Total interest expense	<u>(45,130)</u>	<u>(38,300)</u>	<u>(33,245)</u>	<u>(28,689)</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	22,677	19,495	21,344	18,802	20,798	19,412
Investment banking fees	1,942	-	2,107	-	746	-
Other fees and charges	11,815	7,333	10,750	6,416	20,779	11,355
Total fee and commission income	<u>36,434</u>	<u>26,828</u>	<u>34,201</u>	<u>25,218</u>	<u>42,323</u>	<u>30,767</u>

Retail and corporate banking fees and commissions 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
	9 months to		9 months to		12 months to	
	Sep. 2012		Sep. 2011		Dec. 2011	
E-card processing fees	(1,123)	(1,123)	(981)	(981)	(2,051)	(2,051)
Others	(144)	(142)	(194)	(188)	(264)	(257)
	<u>(1,267)</u>	<u>(1,265)</u>	<u>(1,175)</u>	<u>(1,169)</u>	<u>(2,315)</u>	<u>(2,308)</u>

5 Net trading income

<i>In millions of Nigerian Naira</i>	Group 9 months to		Bank 9 months to		Group 12 months to		Bank 12 months to	
	Sep. 2012		Sep. 2011		Dec. 2011			
Fixed income securities	475	421	420	399	103	103		
Equities	146	-	234	-	(106)	-		
Foreign exchange gain	12,010	7,437	6,071	2,079	11,860	5,895		
	<u>12,631</u>	<u>7,858</u>	<u>6,725</u>	<u>2,478</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 9 months to		Bank 9 months to		Group 12 months to		Bank 12 months to	
	Sep. 2012		Sep. 2011		Dec. 2011			
Dividends on available-for-sale equity securities	754	474	625	548	576	407		
Rental income	371	353	418	416	444	440		
Others	3,174	1,353	1,935	607	8,918	1,916		
	<u>4,299</u>	<u>2,180</u>	<u>2,978</u>	<u>1,571</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 charge	(4,700)	(3,676)	(11,478)	(9,911)	(21,308)	(6,897)		
-portfolio impairment	(3,884)	(3,644)	(12,251)	(11,593)	4,190	3,633		
Recoveries/specific impairment (no longer required) on loans and advances	9,881	4,951	11,954	10,504	16,195	8,045		
Write-offs on loans and advances	(3,664)	(784)	(5,256)	(5,393)	(10,571)	(10,571)		
Recoveries on other investment	-	-	-	-	1,284	1,011		
Impairment loss on other assets	200	305	(128)	-	(830)	(672)		
Impairment charges on available-for-sale investment securities	-	-	-	-	(247)	(246)		
	<u>(2,167)</u>	<u>(2,848)</u>	<u>(17,159)</u>	<u>(16,393)</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	(2,742)	(1,425)	(2,038)	(393)	(2,876)	(547)		
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Deferred tax expense

(Reversal)/origination of temporary differences	(2,998)	(3,017)	-	-	18,767	18,726		
Total income tax expense	<u>(5,740)</u>	<u>(4,442)</u>	<u>(2,038)</u>	<u>(393)</u>	<u>15,891</u>	<u>18,179</u>		

9 Cash and cash equivalents

In millions of Nigerian Naira

	Group	Bank	Group	Bank
	Sep. 2012		Dec. 2011	
Cash and balances with banks	142,758	113,236	162,559	127,524
Unrestricted balances with central bank	35,504	2,331	52,249	25,352
Money market placements	360,480	347,722	134,121	125,379
	<u>538,742</u>	<u>463,289</u>	<u>348,929</u>	<u>278,255</u>

10 Non-pledged trading assets

In millions of Nigerian Naira

Government bonds	4,669	4,669	21,829	237
Treasury bills	4,965	4,964	8,968	-
Equities	3,510	-	4,552	-
	<u>13,144</u>	<u>9,633</u>	<u>35,349</u>	<u>237</u>

11 Pledged assets

In millions of Nigerian Naira

Pledged non- trading assets comprises:

Government bonds	101,831	101,831	52,254	52,254
Treasury bills	8,250	8,250	17,150	17,150
	<u>110,081</u>	<u>110,081</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. Pledged government bonds and treasury bills are held-to-maturity and available-for-sale investment securities respectively.

12 Loans and advances to banks at amortised cost

In millions of Nigerian Naira

	Group	Bank	Group	Bank
	Sep. 2012		Dec. 2011	
Gross amount	19,401	19,401	23,506	23,506
Portfolio impairment	(250)	(250)	(93)	(93)
	<u>19,151</u>	<u>19,151</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	714,709	603,630	690,889	584,427
Specific impairment	(15,280)	(6,664)	(21,524)	(9,197)
Portfolio impairment	(6,690)	(5,644)	(2,366)	(2,157)
	<u>692,739</u>	<u>591,322</u>	<u>666,999</u>	<u>573,073</u>

14 Investment in subsidiaries

In millions of Nigerian Naira

					Bank Sep. 2012	Bank Dec. 2011
	Year of acquisition /co- mmenceme nt	Holding	Country	Industry		
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 (ii) below)	1964	100%	Nigeria	Asset manageme nt	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 (iv) 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 Brazaville (see i below)	2011	100%	Braz. Mozambiq ue	Banking	3,024	3,024
UBA Mozambique (see i below)	2011	100%		Banking	869	754
					59,827	56,695

- (i) UBA Ghana Limited, UBA Cameroon SA, UBA Cote d'Ivoire, UBA Liberia, UBA Uganda, Banque Internationale 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 Brazaville 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	Bank	Group	Bank
	Sep. 2012		Dec. 2011	
<i>In millions of Nigerian Naira</i>				
<i>Available-for-sale investment securities comprise: (see note (i)):</i>				
Treasury bills	70,241	55,592	39,067	30,459
Bonds	5,464	-	7,972	-
Equity	26,409	24,051	74,784	32,717
Less: specific allowance for impairment	(671)	(671)	(671)	(671)
	<u>101,443</u>	<u>78,972</u>	<u>121,152</u>	<u>62,505</u>
<i>Held-to-maturity investment securities comprise (see note (i)):</i>				
Treasury bills	62,683	-	109,771	50,626
Bonds	375,679	291,912	370,785	365,359
	<u>438,362</u>	<u>291,912</u>	<u>480,556</u>	<u>415,985</u>
	<u>539,805</u>	<u>370,884</u>	<u>601,708</u>	<u>478,490</u>

(i) Investment securities pledged as collateral for various transactions have been separately disclosed in note (11).

16 Other assets

	Group	Bank	Group	Bank
	Sep. 2012		Dec. 2011	
<i>In millions of Nigerian Naira</i>				
Accounts receivable and prepayments	30,679	16,410	21,965	20,935
Restricted deposits with central bank (see (i))	110,351	107,073	81,152	74,246
Others	3,870	572	551	145
Less: specific allowance for impairment	(1,757)	(1,460)	(1,652)	(1,467)
	<u>143,143</u>	<u>122,595</u>	<u>102,016</u>	<u>93,859</u>

(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	Bank	Group	Bank
	Sep. 2012		Dec. 2011	
<i>In millions of Nigerian Naira</i>				
Money market deposits	22,420	1,420	15,498	22,803
Clearing items	524	524	3,356	605
	<u>22,944</u>	<u>1,944</u>	<u>18,854</u>	<u>23,408</u>

18 Deposits from customers

<i>In millions of Nigerian Naira</i>				
<i>Retail customers:</i>				
Term deposits	99,121	82,482	95,111	74,001
Current deposits	98,793	82,209	134,586	111,395
Savings deposits	268,371	223,321	247,205	216,976
Domiciliary deposits	25,643	21,338	15,425	15,005
<i>Corporate customers:</i>				
Term deposits	175,778	157,831	217,045	190,398
Current deposits	568,839	487,273	507,919	396,141
Domiciliary deposits	378,174	301,262	227,489	211,854
	<u>1,614,719</u>	<u>1,355,716</u>	<u>1,444,780</u>	<u>1,215,770</u>

	Group	Bank	Group	Bank
	Sep. 2012		Dec. 2011	
19 Other borrowed funds				
<i>In millions of Nigerian Naira</i>				
Corporate bonds	57,030	58,785	55,143	56,898
On-lending facilities:				
- African Development Bank (AfDB) loans	23,292	23,292	23,537	23,537
- On-lending for agric companies	85,943	85,943	80,704	80,704
- Afrexim Loans	15,528	15,528	15,626	15,626
- SCB Loans	24,845	24,845	16,046	16,046
- HSBC	910	910	1,067	1,067
	<u>207,548</u>	<u>209,303</u>	<u>192,123</u>	<u>193,878</u>
20 Other liabilities				
<i>In millions of Nigerian Naira</i>				
Contributions to defined contribution plans	160	160	649	665
Creditors and accruals	55,008	58,469	48,019	28,177
Foreign currency transfers payable	81	81	125	103
Other current liabilities	10,737	7,478	22,879	21,835
	<u>65,986</u>	<u>66,188</u>	<u>71,672</u>	<u>50,780</u>