

## FY 2013 – Earnings Press Release

This FY 2013 Earnings Press Release should be read in conjunction with our audited FY 2013 Consolidated Financial Statements. The Earnings Press Release is also available on our website at <http://www.ubagroup.com/ir/>. This analysis is dated March 27, 2014. Unless otherwise indicated, all amounts are expressed in Nigerian Naira, and have been primarily derived from the Bank's annual consolidated financial statements, prepared in accordance with the International Financial Reporting Standards ("IFRS"). The accounting policies used in the preparation of these consolidated financial results is consistent with those used in the Bank's FY 2013 audited financial reports. Additional information relating to the Bank is available on the Bank's website <http://www.ubagroup.com>.

### FY 2013 FINANCIAL HIGHLIGHTS:

Audited Income Statement for FY 2013 compared with FY 2012:

- Profit before tax was ₦56.06 billion, compared with ₦52.01 billion (an increase of 7.8 %)
- Profit after tax was ₦46.60 billion, compared with ₦54.77 billion (a decrease of 14.9%)
- Total Comprehensive Income attributable to equity holders was ₦53.70 billion, compared with ₦55.53 billion (a decrease of 3.3 %).

Audited Statement of Financial Position for FY 2013 compared with FY 2012:

- Total Asset was ₦2.642 trillion, compared with ₦2.273 trillion (an increase of 16.2%)
- Total Liabilities was ₦2.407 trillion, compared with ₦ 2.080 trillion (an increase of 15.7%)
- Total Equity was ₦ 235.04 billion, compared with ₦192.47 billion (an increase of 22.1%)

## FY 2013 (ITEMS OF NOTE)

Comparing FY 2013 with FY 2012, there are a few items to note such as:

- 1.) Taxation- There is an increase in taxation year on year as a result of the N3.63 billion tax paid on dividends declared in FY2012. The balance constitutes the current year tax for the bank and its subsidiaries. (Kindly refer to note 18d of our FY2013 accounts for further details).
- 2.) Impairment Charge- There was an increase in the net impairment charge year on year. FY2013 impairment charge comprises of portfolio impairment of N4.34 billion and specific impairment totaling N7.27 billion which was as a result of some loans provided for in the ordinary course of business. The bank's NPL ratio stands at 1.19% and represents one of the lowest NPL ratios in the industry. (Kindly refer to notes 14 and 24d for further details).
- 3.) Personnel Expenses- There was a 16.6% increase in personnel expenses year on year. This was due to a salary increase that took effect in January 2013.

## FY 2013 FINANCIAL COMPARATIVE ANALYSIS & RATIOS:

Financial Metric (N' Billion)	FY'13	FY'12	Change
Gross Earnings	264.7	220.1	20.2%
Net Interest Income	103.2	91.6	12.7%
Non-interest Income	79.2	69.1	14.6%
Operating Income	177.2	158.2	12.0%
Operating Expenses	(107.9)	(102.6)	(5.2%)
Profit/(Loss) Before Tax	56.1	52.0	7.8%
Profit/(Loss) After Tax	46.6	54.8	(14.9%)
Basic Earnings Per Share (Kobo)	152	166	(8.4%)
Total Assets	2,642.3	2,272.9	16.3%
Total Deposits	2,221.8	1,777.8	25.0%

Key Ratios	FY'13	FY'12
Net Interest Margins	5.9%	5.8%
Cost of Funds	3.6%	3.2%
Cost-to-Income Ratio	60.9%	64.8%
Return on Assets	1.9%	2.6%
Return on Equity	21.8%	31.9%
Loan-to-Deposit Ratio	44.3%	38.7%
Liquidity Ratio	55.0%	69.8%
Capital Adequacy Ratio	23.2%	23.5%
BVPS	690k	584k
EPS	152k	166k

**Lagos, March 27, 2014** – United Bank for Africa Plc (“UBA” or “the Bank”) today announced its audited financial results for the full year 2013. A profit of N56.06 billion was achieved for the year, representing an increase of 7.8% over the N52.01 billion profit recorded in the corresponding period.

"The audited full year Earnings contributed to a strong year for UBA," said Phillips Oduoza, Group, Managing Director and Chief Executive Officer. "UBA's Gross Earnings for the year were more than N260 billion, with all our businesses contributing to the Gross Earnings growth. We achieved a good result despite a tough operating environment, demonstrating the strength and resilience of our people and their dedication to implementing our plans in 2013."

"Our Customer-focused, Corporate Banking and Treasury led business model drove our success for the year. In line with our African focus, we shared the responsibility of empowering African businesses through our network, our capital and our commitment to excellent service delivery.

"As always, our employees and their dedication to our customers remains the driving force behind our success and I thank them for their tremendous contributions" said Mr. Oduoza.

**Consolidated and Separate Statements of Comprehensive Income  
For the year ended 31 December**

In millions of Nigerian Naira	Group		Bank	
	2013	2012	2013	2012
<b>Gross earnings</b>	264,687	220,129	214,273	177,429
Interest income	185,700	150,003	147,702	126,147
Interest expense	(82,469)	(58,386)	(71,526)	(51,302)
<b>Net interest income</b>	<b>103,231</b>	<b>91,617</b>	<b>76,176</b>	<b>74,845</b>
Net impairment loss on loans and receivables	(13,078)	(4,560)	(181)	(2,654)
<b>Net interest income after impairment on loans and receivables</b>	<b>90,153</b>	<b>87,057</b>	<b>75,995</b>	<b>72,191</b>
Fees and commission income	50,099	47,635	36,731	36,112
Fees and commission expense	(5,225)	(2,527)	(4,803)	(1,900)
Net trading income	17,650	14,841	12,662	9,254
Gain on non-current assets distributed to owners	950	-	7,098	-
Other operating income	10,513	6,673	10,305	6,045
Net (losses)/gains on investment securities	(225)	977	(225)	(129)
Loss on loans sold to Asset Management Corporation of Nigeria - AMCON	-	-	-	-
Personnel expenses	(50,655)	(43,452)	(37,987)	(32,999)
Depreciation and amortisation	(6,169)	(10,888)	(3,759)	(6,903)
Other operating expenses	(51,027)	(48,252)	(44,176)	(35,491)
Share of loss of equity-accounted investee	(6)	(54)	-	-
<b>Profit before income tax</b>	<b>56,058</b>	<b>52,010</b>	<b>51,841</b>	<b>46,180</b>
Taxation (charge)/credit	(9,457)	(533)	(5,358)	1,195
<b>Profit for the year from continuing operations</b>	<b>46,601</b>	<b>51,477</b>	<b>46,483</b>	<b>47,375</b>
Profit for the year from discontinued operations	-	3,289	-	-
<b>Profit for the year</b>	<b>46,601</b>	<b>54,766</b>	<b>46,483</b>	<b>47,375</b>
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified to profit or loss:</b>				
Gains on revaluation of land and buildings	-	-	-	-
	-	-	-	-
<b>Items that will be reclassified to profit or loss:</b>				
Foreign currency translation differences	(2,066)	(2,999)	-	-
Fair value gains on available-for-sale investments	9,167	3,763	9,167	3,534
	<b>7,101</b>	<b>764</b>	<b>9,167</b>	<b>3,534</b>
Other comprehensive income <sup>1</sup>	<b>7,101</b>	<b>764</b>	<b>9,167</b>	<b>3,534</b>
<b>Total comprehensive income for the year</b>	<b>53,702</b>	<b>55,530</b>	<b>55,650</b>	<b>50,909</b>
<b>Profit attributable to:</b>				
Owners of Parent	45,917	54,664	46,483	47,375
Non-controlling interest	684	102	-	-
<b>Profit for the year</b>	<b>46,601</b>	<b>54,766</b>	<b>46,483</b>	<b>47,375</b>
<b>Total comprehensive income attributable to:</b>				
Owners of Parent	53,445	55,306	55,650	50,909
Non-controlling interest	257	224	-	-
<b>Total comprehensive income for the year</b>	<b>53,702</b>	<b>55,530</b>	<b>55,650</b>	<b>50,909</b>

## Consolidated and Separate Statements of Financial Position

As at	Group		Bank	
	2013	2012	2013	2012
In millions of Nigerian Naira				
<b>ASSETS</b>				
Cash and bank balances	716,803	714,115	620,426	629,481
Financial assets held for trading	784	457	777	456
Derivative assets	3,265	-	3,265	-
Derivative assets	-	-	-	-
Loans and advances to banks	26,251	28,513	26,251	27,878
Loans and advances to customers	937,620	658,922	796,942	570,714
Investment securities	811,206	680,817	585,445	527,994
- Available for sale	253,834	128,665	244,467	126,646
- Held to maturity	557,372	552,152	340,978	401,348
Other assets	30,436	18,598	19,069	11,159
Investment in equity-accounted investee	2,977	-	1,770	-
Investments in subsidiaries	-	-	65,767	66,727
Property and equipment	75,409	70,746	67,661	63,118
Intangible assets	7,356	7,568	1,401	1,578
Deferred tax assets	30,189	29,624	28,643	28,152
	2,642,296	2,209,360	2,217,417	1,927,257
Non-current assets held for distribution	-	63,563	-	5,808
<b>TOTAL ASSETS</b>	<b>2,642,296</b>	<b>2,272,923</b>	<b>2,217,417</b>	<b>1,933,065</b>
<b>LIABILITIES</b>				
Derivative liabilities	31	124	31	124
Deposits from banks	60,582	57,780	-	22,875
Deposits from customers	2,161,182	1,720,008	1,797,376	1,461,131
Other liabilities	78,071	81,438	54,351	57,299
Current tax liabilities	2,861	1,274	1,602	1,325
Borrowings	48,866	114,520	48,866	114,520
Subordinated liabilities	55,653	53,719	55,653	55,474
Deferred tax liabilities	14	59	-	-
	2,407,260	2,028,922	1,957,879	1,712,748
Liabilities directly attributable to non-current assets held for distribution	-	51,534	-	-
<b>TOTAL LIABILITIES</b>	<b>2,407,260</b>	<b>2,080,456</b>	<b>1,957,879</b>	<b>1,712,748</b>
<b>EQUITY</b>				
Share capital	16,491	16,491	16,491	16,491
Share premium	107,932	107,932	107,932	107,932
Retained earnings	70,480	49,572	67,443	47,723
Other reserves	32,746	15,111	67,672	48,171
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>	<b>227,649</b>	<b>189,106</b>	<b>259,538</b>	<b>220,317</b>
Non-controlling interests	7,387	3,361	-	-
<b>TOTAL EQUITY</b>	<b>235,036</b>	<b>192,467</b>	<b>259,538</b>	<b>220,317</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>2,642,296</b>	<b>2,272,923</b>	<b>2,217,417</b>	<b>1,933,065</b>

## **Conclusion**

“UBA had a good performance for full year 2013. This performance puts us in a position to continue to pursue our goal to achieve Industry leadership in the medium term. We were also able to gain considerable strides in our project Alpha initiatives by improving customer service delivery and leveraging our balance sheet to participate in emerging growth sectors of the economy. In the course of the year, we remained resilient and dynamic in spite of the regulatory headwinds facing the banking industry, by continually seeking innovative ways to drive our different businesses across the African landscape to increase our market share and increase the level of trade through our multi country network. We will also continue to build a highly motivated and skillful workforce that will serve as the key drivers of our business through many people oriented initiatives that were introduced in the course of the year, and i am pleased to say these have begun to yield significant benefits for the bank. We also made a few strategic changes to our leadership in order to fully leverage the existing and emerging opportunities within the country and Africa at large.

Our ability to continually evolve and come up with new ways to provide high end and value adding products and services to our customers continues to enable us thrive in a tough economic environment that we find ourselves.

I am pleased to say that we remain committed to achieving our targets for 2014 by maintaining a disciplined approach to the execution of our agreed strategic initiatives” said Mr. Oduoza.

## PRESENTATION OF FINANCIAL RESULTS – TELECONFERENCE CALL INVITATION

Please accept our invitation to attend a teleconference call with our top Management, as they present the Full year 2013 audited financial report.

The results presentation can be downloaded from the UBA Group website in the morning of April 1, 2014, via the following link: <http://www.ubagroup.com/ir/>  
Kindly dial-in five minutes before start time. Full details of the call are shown below.

CONFERENCE CALL DETAILS	
Conference Name	UBA's FY 2013 Results Presentation
Chairperson's Name	Phillips Oduoza (Group Managing Director/CEO)
Additional Speakers	Ugochukwu Nwaghodoh (Group Chief Financial Officer)
In attendance	Kennedy Uzoka (DMD Resources), Apollos Ikpobe (DMD Domestic Bank), Femi Olaloku (Executive Director, Treasury & Int'l Banking); Dan Okeke (Executive Director, East & Abuja); Emeke Iweriebor (Executive Director/CEO UBA East, South & Central Africa); Obi Ibekwe (Executive Director, Human Resources); Rasheed Adegoke (Director, Information Technology); Ayodeji Adigun (Director of Strategy & Business Transformation); Oliver Alawuba (C.E.O, UBA West Africa); Kayode Fadahunsi (Director, Investor Relations)
Call Date	April 1, 2014
Call Time	15:00 Lagos time
Duration (hh:mm)	01:00
Required participant Information	Name, Company
Host Dial In Number	+44 (0) 20 3023 4484
Participant Dial In Number(s)	<b>0 800 980 512</b> - South Africa Toll Free <b>+44 (0) 20 3003 2666</b> - Standard International Access <b>0808 109 0700</b> - UK Toll Free <b>1 866 966 5335</b> - USA Toll Free
Password	UBA

## **EDITOR'S COMMENT**

United Bank for Africa Plc is one of Africa's leading financial institutions offering banking services to more than 7 million customers across 605 branches in 19 African countries. With presence in New York, London and Paris, UBA is connecting people and businesses across Africa through retail, commercial and corporate banking, innovative cross border payments, trade finance and investment banking.

## **CAUTION REGARDING FORWARD LOOKING STATEMENTS**

From time to time, the Bank makes written and/or oral forward-looking statements, including in this press release and in other communications. In addition, representatives of the Bank may make forward-looking statements orally to analysts, investors, the media and others. All such statements are intended to be forward looking statements. Forward looking statements include, but are not limited to, statements regarding the Bank's objectives and priorities for 2014 and beyond and strategies to achieve them, and the Bank's anticipated financial performance. Forward looking statements are typically identified by words such as "will", "should", "believe", "expect", "anticipate", "intend", "estimate", "may" and "could".

By their very nature, these statements require the Bank to make assumptions and are subject to inherent risks and uncertainties, general and specific. Especially in light of the uncertainty related to the financial, economic and regulatory environments, such risks and uncertainties – many of which are beyond the Bank's control and the effects of which are difficult to predict – may cause actual results to differ materially from the expectations expressed in the forward-looking statements. Risk factors that could cause such differences include: credit, market (including equity, commodity, foreign exchange, and interest rate), liquidity, operational, reputational, insurance, strategic, regulatory, legal, environmental, and other risks. All such factors should be considered carefully, as well as other uncertainties and potential events, and the inherent uncertainty of forward looking statements, when making decisions with respect to the Bank and we caution readers not to place undue reliance on the Bank's forward looking statements.

Any forward looking statements contained in this presentation represent the views of management only as of the date hereof and are presented for the purpose of assisting the Bank's investors and analysts in understanding the Bank's financial position, objectives and priorities and anticipated financial performance as at and for the periods ended on the dates presented, and may not be appropriate for other purposes. The Bank does not undertake to update any forward-looking statements, whether written or oral, that may be made from time to time by or on its behalf, except as required under applicable securities legislation