

## Nine Months 2013 – Earnings Press Release

This nine months (9M) Earnings Press Release should be read in conjunction with our unaudited nine months 2013 consolidated financial results included in this Earnings Press Release and also available on our website at <http://www.ubagroup.com/ir/>. This analysis is dated October 31, 2013. Unless otherwise indicated, all amounts are expressed in Nigerian Naira, and have been primarily derived from the Bank's annual or interim consolidated financial statements prepared in accordance with the International Financial Reporting Standards. Additional information relating to the Bank is available on the Bank's website <http://www.ubagroup.com>.

### 9M 2013 FINANCIAL HIGHLIGHTS:

Income Statement for 9M 2013 compared with 9M 2012;

- Profit before Tax was N43.43billion, compared with N42.24billion (an increase of 2.8%)
- Profit after Tax was N37.37billion, compared with N36.50billion (an increase of 2.5%)
- Total Comprehensive Income for the period was N48.74billion, compared with N37.92billion (an increase of 28.5%).

Financial Position as at 9M 2013 compared with FY 2012;

- Total Asset was N2,578.9billion, compared with N2,272.9billion (an increase of 13.5%)
- Total Liabilities was N2,353.3billion, compared with N2,080.5billion (an increase of 13.1%)
- Total Equity was N225.6billion, compared with N192.5billion (an increase of 17.2%)

## 9M 2013 (ITEMS OF NOTE)

- Comparing 9M 2013 with FY 2012, there was an increase in total deposit of approximately N393.3billion (22.1%); the bank was able to effectively leverage its branch network in Nigeria and across eighteen countries in Africa to generate cheap deposit.
- In line with the Bank's loan growth guidance for 2013, loan portfolio has increased by 26.6% from N687.4billion as at FY 2012 to N870.4billion as at 9M 2013.

## 9M 2013 FINANCIAL COMPARATIVE ANALYSIS & RATIOS:

Financial Metric (N' Billion)	9M'13	9M'12	Change
Gross Earnings	188.0	167.1	12.5%
Net Interest Income	78.2	68.6	14.0%
Non-interest Income	51.7	54.1	-4.4%
Operating Income	129.9	122.7	5.9%
Operating Expenses	83.4	74.5	12.0%
Profit/(Loss) Before Income Tax	43.4	42.2	2.8%
Profit/(Loss) for the Period <small>(from continuing operations)</small>	37.4	36.5	2.4%
Financial Metric (N' Billion)	9M'13	FY'12	Change
Total Loans	870.7	687.4	26.7%
Total Deposits	2,171.1	1,777.8	22.1%

Key Ratios	9M 13	1H 13	9M 12
Net Interest Margins	5.8%	5.8%	5.9%
Cost of Funds	3.5%	3.3%	3.4%
Cost-to-Income Ratio	64.3%	62.0%	61.6%
Return on Assets	2.1%	2.4%	2.5%
Return on Equity	23.8%	28.4%	27.1%
Loan-to-Deposit Ratio	40.2%	37.7%	43.5%
Liquidity Ratio	59.8%	53.5%	58.6%
Capital Adequacy Ratio	21.4%	22.3%	23.9%
BVPS	684k	629k	640k
EPS	161k	172k	156k

**Lagos, October 31, 2013** – United Bank for Africa Plc (UBA or the Bank) today announced its unaudited financial results for nine months 2013. A profit of N43.4billion was achieved for the unaudited nine months 2013 financial result, representing an increase of 2.8% over the N42.2billion recorded in the corresponding period.

“Results for the quarter reflected strong contributions from UBA’s Corporate Banking as shown in the increase in interest income generated from loan growth from Corporate Banking Division and from African Commercial Banking Groups.

In line with our guidance for loan growth we increased our exposure to the power, upstream oil & gas and telecoms sectors of the economy. We firmly believe that the effect of the asset creation decisions we have taken this quarter will have a sustained impact on our revenue growth said Phillips Oduoza, UBA’s Group Managing Director/CEO.

## Consolidated Statement of Financial Position

<i>As at</i>	<b>Group</b>	
	<b>Sep-13</b>	<b>Dec-12</b>
<i>In millions of Nigerian Naira</i>		
<b>ASSETS</b>		
Cash and bank balances	826,663	714,115
Financial assets held for trading	3,151	457
Loans and advances to banks	28,891	28,513
Loans and advances to customers	841,782	658,922
Investment securities	741,928	680,817
Other assets	26,217	18,598
Property and equipment	70,849	70,746
Intangible assets	8,215	7,568
Deferred tax assets	31,196	29,624
Non-current assets held for distribution	-	63,563
<b>TOTAL ASSETS</b>	<b>2,578,892</b>	<b>2,272,923</b>
<b>LIABILITIES</b>		
Derivative liabilities	49	124
Deposits from banks	36,505	57,780
Deposits from customers	2,134,570	1,720,008
Current tax liabilities	1,532	1,274
Deferred tax liabilities	8	59
Subordinated liabilities	53,763	53,719
Borrowings	48,303	114,520
Other liabilities	78,545	81,438
Liabilities held for distribution	-	51,534
<b>TOTAL LIABILITIES</b>	<b>2,353,275</b>	<b>2,080,456</b>
<b>EQUITY</b>		
Share capital and share premium	124,423	124,423
Retained earnings	70,564	49,572
Other reserves	25,840	15,111
<b>EQUITY ATTRIBUTABLE TO EQUITY - HOLDERS OF THE BANK</b>	<b>220,827</b>	<b>189,106</b>
Non-controlling interest	4,790	3,361
<b>TOTAL EQUITY</b>	<b>225,617</b>	<b>192,467</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>2,578,892</b>	<b>2,272,923</b>

<b>Consolidated Statement of Comprehensive Income</b>		
	<b>Group</b>	
	<b>9 months to</b>	
<i>In millions of Nigerian Naira</i>	<b>Sep. 2013</b>	<b>Sep. 2012</b>
<b>Gross earnings</b>	<b>188,021</b>	<b>167,070</b>
Interest income	132,757	111,713
Interest expense	(54,593)	(43,153)
<b>Net interest income</b>	<b>78,164</b>	<b>68,560</b>
Fee and commission income	37,673	35,305
Fee and commission expense	(3,562)	(1,267)
<b>Net fee and commission income</b>	<b>34,111</b>	<b>34,038</b>
Net trading income	11,485	12,455
Other income	6,106	7,597
<b>Total non-interest income</b>	<b>51,702</b>	<b>54,090</b>
<b>Operating income</b>	<b>129,866</b>	<b>122,650</b>
Net impairment loss on financial assets	(2,994)	(5,919)
<b>Net operating income after net impairment loss on financial assets</b>	<b>126,872</b>	<b>116,731</b>
Personnel expenses	(28,836)	(25,135)
Depreciation and amortisation	(5,679)	(6,781)
Other operating expenses	(48,929)	(42,577)
<b>Total operating expenses</b>	<b>(83,444)</b>	<b>(74,493)</b>
<b>Profit before income tax</b>	<b>43,428</b>	<b>42,238</b>
Income tax expense	(6,057)	(5,740)
<b>Profit for the period from continuing</b>	<b>37,371</b>	<b>36,498</b>
Profit for the period from discontinued operations	-	2,621
<b>Profit for the period</b>	<b>37,371</b>	<b>39,119</b>
<b>Other comprehensive income, net of income tax</b>		
Foreign currency translation differences for foreign operations	2,106	(953)
Fair value gain/(losses) on available-for-sale investments	9,261	(250)
Net change in fair value		
Other comprehensive income for the period	11,367	(1,203)
<b>Total comprehensive income for the period</b>	<b>48,738</b>	<b>37,916</b>

<b>Profit attributable to:</b>		
Owners of the Bank	36,665	37,785
Non-controlling interest	706	1,334
<b>Profit for the period</b>	<b>37,371</b>	<b>39,119</b>
<b>Total comprehensive income attributable to:</b>		
Owners of the Bank	47,309	35,596
Non-controlling interest	1,429	2,320
<b>Total comprehensive income for the period</b>	<b>48,738</b>	<b>37,916</b>
<b>Earnings per share from continuing and discontinued operations attributable to owners of the Bank during the period</b>		
<b>Basic earnings per share</b>		
From continuing operations	161k	160k
From discontinued operations	-	12k
From profit for the period	161k	172k
<b>Diluted earnings per share</b>		
From continuing operations	161k	160k
From discontinued operations	-	12k
From profit for the period	161k	172k

## **Conclusion**

Our bank remains resilient and our focus is on delivering a set of full year results that will be able to adequately reward our shareholders.

We continue to reap the benefit of operating an African strategy that is anchored on our in-depth knowledge of every market we operate in. We continue to deliver products and services that are unique to each market and this sets us apart from our peers, as we are able to execute our strategy in a way that harnesses the opportunities that exists in all the markets we operate in.

Project Alpha is beginning to bear the expected results as we are now reaping the benefits of delivering an improved customer experience and improved electronic banking platform to our various customer segments amongst other things.

We remain focused and committed to achieving our targets for 2013 and especially, our long term aspirations of being the leading financial services institution in Africa," said Mr. Phillips Oduoza.

## **PRESENTATION OF FINANCIAL RESULTS – TELECONFERENCE CALL INVITATION**

Invitation to attend a teleconference call with our top Management will be announced later.

## **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 2013 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