
H1-2012 - Earnings News Release

Our unaudited consolidated financial results for the First Half ended June 30, 2012. The Earnings News Release is also available on our website at <http://www.ubagroup.com/ir/>. This analysis is dated July 10, 2012. 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>.

FIRST HALF 2012 FINANCIAL HIGHLIGHTS:

Profit & Loss Account for First Half 2012, compared with the First Half 2011:

- Profit before Tax: N31.8billion, compared with N12.3billion (an increase of 159.0%).
- Profit after Tax: N26.2billion, compared with N11.0billion (an increase of 138.4%).
- Gross Earnings: N111.0billion, compared with N91.3billion (an increase of 21.6%).

Balance Sheet for First Half 2012, compared with Audited 2011 year end position:

- Net Loan Portfolio: N734.4billion, compared with N690.4billion (an increase of 6.4%).
- Total Assets: N2.044trillion, compared with N1.946trillion (an increase of 5.1%).
- Customer Deposits and Managed Funds: N1.550 trillion, compared with N1.506trillion (an increase of 2.9%).

FIRST HALF 2012 - ITEMS OF NOTE

- Comparing First Half 2012 with First Half 2011, increase in gross earnings of approximately N19.7billion (21.6%); the Bank reduced its operating expense by 12.4%.
- Cost to Income ratio reduced from 82.1% in H1 2011 to 60.7% in H1 2012.

FIRST HALF 2012 FINANCIAL COMPARATIVE ANALYSIS & RATIOS:

Financial Metric (N' Billion)	1H 12	1H 11	Change	Key Ratios	1H 12	1Q12	1H 11
Gross Earnings	111.0	91.3	21.6%	Net Interest Margins	6.1%	5.9%	4.8%
Net Interest Income	46.4	38.9	19.3%	Cost of Funds	3.4%	3.2%	2.9%
Non-interest Income	34.2	29.1	17.6%	Cost-to-Income Ratio	60.7%	65.3%	82.1%
Operating Income	80.6	67.9	18.6%	Return on Assets	2.6%	2.4%	0.7%
Operating Expenses	48.9	55.8	12.4%	Return on Equity	28.1%	28.5%	6.8%
Profit/(Loss) Before Tax	31.8	12.3	159.0%	Loan-to-Deposit Ratio	49.0%	46.1%	47.2%
Profit/(Loss) After Tax	26.2	11.0	138.4%	Liquidity Ratio	59.7%	57.3%	42.3%
EPS (N)	0.80	0.34	133.8%	Capital Adequacy Ratio	23.7%	22.9%	17.0%
Financial Metric (N' Billion)	1H 12	FY 11	Change	BVPS	6.05	5.60	5.79
Total Assets	2,044.4	1,945.8	5.1%	EPS (N)	0.80	0.40	0.34
Total Deposits and Managed Funds	1,549.0	1,505.6	2.9%	Annualized EPS (N)	1.60	1.60	0.68

Lagos, July 10, 2012 – United Bank for Africa Plc (UBA or the Bank) today announced its financial results for the First Half ended June 30, 2012. PBT grew by over 150% from what was recorded in the same period last year, showing the Bank's ability to leverage its platform across Africa and Africa's increasingly attractive operating environment.

“At the beginning of the year, I stated that our expansion into Africa had reached a consolidation stage and the management of UBA had shifted its focus from expansion, to maximizing the investment in our unique footprint. What you have seen in the First Half of the year, is a reflection of what our platform is capable of delivering,” said Phillips Oduoza, Group Managing Director and Chief Executive Officer, UBA.

Consolidated and Separate Statements of Comprehensive Income


<i>In millions of Nigerian Naira</i>	Group 6 months to Jun. 2012	Bank 6 months to Jun. 2012	Group 6 months to Jun. 2011	Bank 6 months to Jun. 2011
Gross earnings	111,004	87,058	91,267	73,203
Interest income	75,795	63,041	61,088	51,838
Interest expense	(29,406)	(24,980)	(22,196)	(19,303)
Net interest income	46,389	38,061	38,892	32,535
Fee and commission income	23,685	17,193	21,845	16,394
Fee and commission expense	(1,031)	(1,029)	(1,127)	(1,124)
Net fee and commission income	22,654	16,164	20,718	15,270
Net trading income	9,294	5,006	7,042	4,190
Other operating income	2,230	1,818	1,292	781
Total non-interest income	34,178	22,988	29,052	20,241
Operating income	80,567	61,049	67,944	52,776
Net impairment gain/(loss) on financial assets	379	(541)	(6,361)	(4,209)
Personnel expenses	(17,605)	(12,328)	(19,254)	(14,189)
Depreciation and amortisation	(4,634)	(3,575)	(5,064)	(4,036)
Other operating expenses	(27,006)	(20,280)	(25,106)	(19,828)
Exceptional charges on sale of loans to AMCON & other losses	-	-	-	-
Total operating expenses	(48,866)	(36,724)	(55,785)	(42,262)
Share of profit/(loss) of equity accounted investees	141	-	136	-
Profit before income tax	31,842	24,325	12,295	10,514
Income tax expense	(4,776)	(3,649)	(1,995)	(1,544)
Profit for the period	27,066	20,676	10,300	8,970
Other comprehensive income, net of income tax				
Foreign currency translation differences for foreign operations	(625)	-	703	-
Fair value losses on available-for-sale investments	(206)	(206)	-	-
Other comprehensive income for the period	(831)	(206)	703	-
Total comprehensive income for the period	26,235	20,470	11,003	8,970
Profit attributable to:				
Equity holders of the Bank	26,351	20,676	10,198	8,970
Non-controlling interest	715	-	102	-
Profit/(loss) for the period	27,066	20,676	10,300	8,970
Total comprehensive income attributable to:				
Equity holders of the Bank	25,201	20,470	10,589	8,970
Non-controlling interest	1,034	-	414	-
Total comprehensive income for the period	26,235	20,470	11,003	8,970

Consolidated and Separate Statements of Financial Position



<i>In millions of Nigerian Naira</i>	Group Bank		Group Bank	
	30 June 2012		31 December 2011	
ASSETS				
Cash and cash equivalents	441,364	318,196	348,929	278,255
Non-pledged trading assets	8,244	2,325	89,504	237
Pledged assets	99,181	99,181	69,404	69,404
Loans and advances to banks	34,249	34,233	23,413	23,413
Loans and advances to customers	700,172	604,639	666,999	573,073
Investments in equity accounted investee	10,497	10,843	10,356	10,843
Investments in subsidiaries	-	59,827	-	56,695
Investment securities	543,651	393,365	547,553	478,490
Property and equipment	64,040	55,590	52,852	44,225
Intangible assets	5,974	2,495	9,658	5,855
Deferred tax assets	24,334	23,335	25,156	24,679
Other assets	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	23,661	1,845	18,854	23,408
Deposits from customers	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	82,484	57,012	71,672	50,780
TOTAL LIABILITIES	1,844,878	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	39,074	40,732	41,610	41,907
	194,950	193,817	169,751	173,347
EQUITY ATTRIBUTABLE TO EQUITY - HOLDERS OF THE BANK				
Non-controlling interest	4,606	-	3,572	-
TOTAL EQUITY	199,556	193,817	173,323	173,347
TOTAL LIABILITIES AND EQUITY	2,044,434	1,701,347	1,945,840	1,659,028

Conclusion

“We are pleased with our result this first half of the year” said the Group Managing Director, Phillips Oduoza. “Whilst the environment is challenging, our ability to significantly grow profit and reduce costs, is an indication of our promise and determination to deliver good returns to all stakeholders, but specifically to our shareholders.

Our focus remains on maximizing returns through our valuable branch network, continually re-engineering our product offerings and most importantly delivering consistent service quality to clients across the continent.”

PRESENTATION OF FINANCIAL RESULTS – TELECONFERENCE CALL INVITATION

Please accept our invitation to attend a teleconference call with our top Management, as they present the Group's financial performance for the First Half ended June 30 2012.

The results presentation can be downloaded from the UBA Group website in the morning of Wednesday July 18, 2012, via the following link: <http://www.ubagroup.com/ir/>

Kindly endeavour to dial-in five minutes before start time. Full detail of the call is shown below.

CONFERENCE CALL DETAILS	
Conference Name	UBA's H1 - 2012 Results Presentation
Chairperson's Name	Phillips Oduoza (Group Managing Director/CEO)
Additional Speaker	Ugochukwu Nwaghodoh (Group Chief Finance Officer)
In Attendance	Kennedy Uzoka (Deputy Managing Director); Gabriel Edgal (CEO, UBA Africa); Emmanuel N. Nnorom (Chief Risk Officer); Rasheed Olaoluwa (ED, Commercial Banking); Ifeatu Onejeme (ED, Corporate Banking); Ayodeji Adigun (Director of Strategy); Kayode Fadahunsi (Director, Investor Relations)
Call Date	Wednesday July 18, 2012
Call Time	15:00 - Dublin, Edinburgh, London, Lisbon
Duration (hh:mm)	01:00
Required participant Information	Name, Company
Host Dial In Number	+44 (0) 20 3023 4484
Participant Dial In Number(s)	0 800 980 512 - South Africa Toll Free +44 (0) 20 3003 2666 - Standard International Access 0808 109 0700 - UK Toll Free 1 866 966 5335 - USA Toll Free
Password	UBA

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 2012 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