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## Nine Months 2012 – Earnings Press Release

UBA unaudited nine months 2012 consolidated financial results ended September 30, 2012. The Earnings Press Release is also available on our website at <http://www.ubagroup.com/ir/>. This analysis is dated October 15, 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. The accounting policies used in the preparation of these consolidated financial results are consistent with those used in the Bank's September 30, 2012 unaudited accounts. Certain comparative amounts have been reclassified to conform to the presentation adopted in the current period. Additional information relating to the Bank is available on the Bank's website <http://www.ubagroup.com>.

### **NINE MONTHS 2012 FINANCIAL HIGHLIGHTS:**

Profit & Loss Account for 9M, 2012 compared with the 9M, 2011:

- Profit before Tax was N44.86billion, compared with N9.42billion (an increase of 376.22%)
- Profit after Tax was N39.12billion, compared with N7.39billion (an increase of 429.71%)
- Reported Net Operating Income was N121.80billion, compared with N104.08billion (an increase of 17.02%)

Balance Sheet for 9M, 2012 compared with Audited 2011 year end account:

- Net Loan Portfolio was N711.89billion, compared with N690.41billion (an increase of 3.11 %)
- Total Assets were N2.162trillion compared with N1.946trillion (an increase of 11.11%)
- Customer Deposits and Managed Funds N1.651trillion compared with N1.487trillion (an increase of 11.23 %)

## NINE MONTHS 2012 RESULT (ITEMS OF NOTE)

- Comparing 9M 2012 with 9M 2011, there was an increase in gross earnings of approximately N29.70billion (21.44 %); the Bank continued to reduce total operating expenses, which were lower by 3.5% as compared to 9M 2011.
- Cost to Income ratio significantly reduced to 61.59% at 9M 2012, from 79.30% in 9M 2011. This reduction is as a result of the strong increase in operating income and the successful deployment of our cost containment strategy.
- Comparing 9M 2012 with 9M 2011, there was an increase in non- interest income of approximately N19.4 billion (21.9%). This resulted from the Bank's ongoing strategy of diversifying income sources across the Group network.

## NINE MONTHS 2012 FINANCIAL COMPARATIVE ANALYSIS & RATIOS:

Financial Metric (N' Billion)	9M 12	9M 11	Change
Gross Earnings	168.20	138.50	21.44%
Net Interest Income	69.71	61.36	13.61%
Non-interest Income	52.10	42.73	21.92%
Operating Income	121.80	104.08	17.02%
Operating Expenses	75.02	77.75	3.52%
Profit/(Loss) Before Tax	44.86	9.42	376.22%
Profit/(Loss) After Tax	39.12	7.39	429.71%
Basic Earnings Per Share (Kobo)	1.20	0.34	252.94%
Financial Metric (N' Billion)	9M 12	9M 11	Change
Total Assets	2,162.05	1,945.84	11.11%
Total Deposits	1,651.00	1,487.00	11.23%

Key Ratios	9M 12	H1 12	9M11
Net Interest Margin	5.87%	6.10%	4.80%
Cost of Funds	3.43%	3.40%	2.60%
Cost-to-Income Ratio	61.59%	61.10%	79.30%
Return on Assets	2.53%	2.60%	0.70%
Return on Equity	27.06%	28.10%	6.00%
Loan-to-Deposit Ratio	43.47%	49.00%	49.30%
Liquidity Ratio	58.60%	59.70%	42.00%
Capital Adequacy Ratio	23.90%	23.70%	20.00%
BVPS	640k	610k	599k
EPS for 9M	117k	80k	34k

**Lagos, October 15, 2012** – United Bank for Africa Plc (UBA or the Bank) today announced its unaudited financial results for the nine months ended September 30, 2012. A profit of N44.86billion was achieved for the period, representing an increase of 376.22% over the N9.42billion recorded in the corresponding period.

“We continue to pursue our unique strategy of creating a diversified business in terms of geography and earnings mix.

In Nigeria, we recorded an impressive growth in deposits, whilst keeping funding costs relatively low, despite the interest rate rises during the third quarter. We also saw increased contributions across key financial parameter in our pan Africa business.

This combination of scale and depth is keeping us on target to deliver on all key performance guidance we set for this year” said Phillips Oduoza, UBA's Group Managing Director and Chief Executive Officer.

<b>Consolidated and Separate Statements of Comprehensive Income</b>				
	<b>Group</b>	<b>Bank</b>	<b>Group</b>	<b>Bank</b>
	<b>9 months to</b>		<b>9 months to</b>	
	<b>Sep. 2012</b>		<b>Sep. 2011</b>	
<i>In millions of Nigerian Naira</i>				
<b>Gross earnings</b>	<b>168,200</b>	<b>131,728</b>	<b>138,504</b>	<b>109,716</b>
Interest income	114,836	94,862	94,600	80,449
Interest expense	(45,130)	(38,300)	(33,245)	(28,689)
<b>Net interest income</b>	<b>69,706</b>	<b>56,562</b>	<b>61,355</b>	<b>51,760</b>
Fee and commission income	36,434	26,828	34,201	25,218
Fee and commission expense	(1,267)	(1,265)	(1,175)	(1,169)
<b>Net fee and commission income</b>	<b>35,167</b>	<b>25,563</b>	<b>33,026</b>	<b>24,049</b>
Net trading income	12,631	7,858	6,725	2,478
Other operating income	4,299	2,180	2,978	1,571
<b>Total non-interest income</b>	<b>52,097</b>	<b>35,601</b>	<b>42,729</b>	<b>28,098</b>
<b>Operating income</b>	<b>121,803</b>	<b>92,163</b>	<b>104,084</b>	<b>79,858</b>
Net impairment gain/(loss) on financial assets	(2,167)	(2,848)	(17,159)	(16,393)
<b>Net operating income after net impairment loss on financial assets</b>	<b>119,636</b>	<b>89,315</b>	<b>86,925</b>	<b>63,465</b>
Personnel expenses	(25,525)	(17,547)	(27,927)	(20,283)
Depreciation and amortisation	(6,813)	(5,262)	(7,523)	(5,980)
Other operating expenses	(42,677)	(32,287)	(42,304)	(32,797)
<b>Total operating expenses</b>	<b>(75,015)</b>	<b>(55,096)</b>	<b>(77,754)</b>	<b>(59,060)</b>
Share of profit/(loss) of equity accounted investees	238	-	252	-
<b>Profit before income tax</b>	<b>44,859</b>	<b>34,219</b>	<b>9,423</b>	<b>4,405</b>
Income tax expense	(5,740)	(4,442)	(2,038)	(393)
<b>Profit for the period</b>	<b>39,119</b>	<b>29,777</b>	<b>7,385</b>	<b>4,012</b>
<b>Other comprehensive income, net of income tax</b>				
Foreign currency translation differences for foreign operations	(953)	(5)	835	-
Fair value losses on available-for-sale investments	(250)	(255)	-	-
Other comprehensive income for the period	(1,203)	(260)	835	-
<b>Total comprehensive income for the period</b>	<b>37,916</b>	<b>29,517</b>	<b>8,220</b>	<b>4,012</b>
<b>Profit attributable to:</b>				
Equity holders of the Bank	37,785	29,777	8,413	4,012
Non-controlling interest	1,334	-	(1,028)	-
<b>Profit/(loss) for the period</b>	<b>39,119</b>	<b>29,777</b>	<b>7,385</b>	<b>4,012</b>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Bank	35,596	29,517	7,268	4,012
Non-controlling interest	2,320	-	952	-
<b>Total comprehensive income for the period</b>	<b>37,916</b>	<b>29,517</b>	<b>8,220</b>	<b>4,012</b>

## Consolidated and Separate Statements of Financial Position

*As at*

<i>In millions of Nigerian Naira</i>	<b>Group</b>	<b>Bank</b>	<b>Group</b>	<b>Bank</b>
	<b>30 September 2012</b>		<b>31 December 2011</b>	
<b>ASSETS</b>				
Cash and cash equivalents	538,742	463,289	348,929	278,255
Non-pledged trading assets	13,144	9,633	35,349	237
Pledged assets	110,081	110,081	69,404	69,404
Loans and advances to banks	19,151	19,151	23,413	23,413
Loans and advances to customers	692,739	591,322	666,999	573,073
Investments in equity accounted investees	10,594	10,843	10,356	10,843
Investments in subsidiaries	-	59,827	-	56,695
Investment securities	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	143,143	122,595	102,016	93,859
<b>TOTAL ASSETS</b>	<b>2,162,046</b>	<b>1,839,752</b>	<b>1,945,840</b>	<b>1,659,028</b>
<b>LIABILITIES</b>				
Deposits from banks	22,944	1,944	18,854	23,408
Deposits from customers	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	207,548	209,303	192,123	193,878
Other liabilities	65,986	66,188	71,672	50,780
<b>TOTAL LIABILITIES</b>	<b>1,950,808</b>	<b>1,636,888</b>	<b>1,772,517</b>	<b>1,485,681</b>
<b>EQUITY</b>				
Share capital and share premium	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
<b>EQUITY ATTRIBUTABLE TO EQUITY - HOLDERS OF THE BANK</b>	<b>205,346</b>	<b>202,864</b>	<b>169,751</b>	<b>173,347</b>
Non-controlling interest	5,892	-	3,572	-
<b>TOTAL EQUITY</b>	<b>211,238</b>	<b>202,864</b>	<b>173,323</b>	<b>173,347</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>2,162,046</b>	<b>1,839,752</b>	<b>1,945,840</b>	<b>1,659,028</b>

## **Conclusion**

### **Comments of Mr. Phillips Oduoza (GMD/CEO)**

“UBA has continued to build on the strong results recorded in the first two quarters of the year. The nine months results are a continuing vindication of our strategy of scale and diversification.

Our bank remains resilient and our focus is on delivering a set of full year results that fully justify our shareholders' trust.

We are increasingly reaping the benefits of a well-diversified pan African commercial banking platform in term of business segmentation and geographic coverage. This platform provides us with steadily increasing multiple income streams from our Treasury, Corporate Banking, Institutional Banking, Investment Banking, Electronic/Retail Banking, Pension Custodian and International Banking Operations.

UBA remains committed to achieving its targets for 2012 and especially, its long term aspiration of being the leading financial services institution in Africa”.

## 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 nine months ended September 30, 2012

The results presentation can be downloaded from the UBA Group website in the morning of Friday 19 October 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 9M 2012 Results Presentation
Chairperson's Name	Phillips Oduoza (Group Managing Director/CEO)
Additional Speaker	Ugochukwu Nwaghodoh (Group Chief Financial Officer)
In attendance	Kennedy Uzoka (Deputy Managing Director), Emmanuel Nnorom (Chief Risk Officer); Rasheed Olaoluwa (ED, Commercial Banking); Ifeatu Onejeme (ED, Corporate Banking); Gabriel Edgal (CEO, UBA Africa); Ayodeji Adigun (Director of Strategy); Kayode Fadahunsi (Director, Investor Relations);
Call Date	Friday 19 October 2012
Call Time	15:00 Dublin, Edinburgh, London, Lisbon
Duration (hh:mm)	01:15
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

## **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