

Strong Operating Performance in Challenging Environment

UBA Posts Strong Q3 Results; Grows PBT by 225.4%.

United Bank for Africa Plc (UBA), the pan African banking group with operations in 19 African countries, as well as presence in New York, London and Paris, released its Q3 2010 financial results, underlining its strong operating performance and inherent resilience in a challenging environment.

Pre-tax profits grew over 225%, compared with the same period in 2009. Profit before tax and exceptional items was N16.9 billion, compared to a loss of N13.5 billion in the same period last year. Despite the challenging environment we operated in, the Group reported gross earnings of N136.4 billion.

"This is a strong set of results that demonstrates both the Group's prudent management and continued commitment to its strategic objectives" said Group Executive Director, Finance and Risk, Mr. Emmanuel N. Nnorom, noting that the Group's focus on initiatives to reduce costs resulted in improved efficiencies, with operating expenses declining by 6.4% to N73.5 billion during the period under review.

Mr. Nnorom said that the Group continued its policy of ensuring adequate provisioning on risk assets. "However, the level of provisioning dropped by 84.6%, from N37.1 billion charged for the same period in 2009 due to extensive recoveries."

On the balance sheet side, UBA recorded considerable growth in key parameters, when compared to December 2009. The Group's asset base as at September 30, 2010 increased by 7.5% to ₦1.66 trillion (₦1.55 trillion in December 2009).

The Group's liquid assets and liquidity ratio remain strong at 42% in comparison with the regulatory minimum of 25% and capital adequacy ratio at 17%, also above the regulatory minimum of 10%.

Deposits rose by 7.4% from N1.25 trillion in December 2009 to N1.34 trillion as at September 2010 and shareholders' funds reached N189.7 billion. Total capital was further enhanced by the recently raised N20 billion in Tier 2 capital, through the issue of a 7 year unsecured subordinated bond.

While expressing optimism about stronger results for the last quarter of 2010, Nnorom said that the financial performance recorded so far in this financial year attests to the quality of decisions and initiatives implemented by the UBA management. He further stressed that the Group is on course to achieve its projected plan for the year and that the bank will sustain its corporate strategies in spite of these challenges. The recently announced proposals for a holding company structure, demonstrated UBA's commitment to innovation and focus on key business lines towards enhancing shareholder value.

Mr. Nnorom stated that UBA's African expansion is well on track, noting that "our African subsidiaries are beginning to show significant momentum, with contributions of up to 11.3% to Group deposits (10.9% in 2009) and 12.4% to Gross Revenues (7.2% in 2009) for the period under review. We are very confident about our future and remain committed to continued investment in our core areas of strategic focus, our people, our products and our over 7.5 million customers in 19 countries across Africa."

UNITED BANK FOR AFRICA Plc		
KEY P & L ITEMS		
For the Period Ended 30 September 2010		
	9 months to 30-Sep-10 N'million	9 months to 30-Sep-09 N'million
Gross earnings	136,366	146,411
Other income	41,587	42,635
Operating income	96,199	102,248
Operating expenses	(73,545)	(78,575)
PBT before exceptional items	16,868	(13,451)
PBT after exceptional items	11,588	(17,307)
PAT and exceptional items	6,648	(18,094)
KEY BALANCE SHEET ITEMS		
As at 30 September 2010		
	30-Sep-10 N'million	30-Sep-09 N'million
Loans and advances to customers	636,174	606,616
Total Assets	1,664,819	1,548,281
Customers' deposits	1,338,169	1,245,650
Ordinary share capital	12,934	10,778
Total Equity	189,763	186,829
Off-balance sheet engagements and contingencies	816,177	689,479