
This document is important and should be read carefully. If you are in any doubt about its contents or the action to take, kindly consult your Stockbroker, Fund/Portfolio Managers, Accountant, Banker, Solicitor or any other professional adviser for guidance immediately.

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, PLEASE SEE "RISKS & MITIGATING FACTORS" ON PAGE 13

UBA Capital Plc

RC 444999

Rights Issue

Of

2,000,000,000

Ordinary shares of 50 kobo each

At

90 Kobo per share

On the basis of One (1) new Ordinary Share for every Two (2) Ordinary Shares held as at August 23, 2013

The Rights being offered in this Circular are tradable on the floor of the Nigerian Stock Exchange.

Payable in full on Acceptance

ACCEPTANCE LIST OPENS: [Day], [Month] [Day], 2013
ACCEPTANCE LIST CLOSES: [Day], [Month] [Day], 2013

Lead Issuing House



Joint Issuing House



This Rights Circular and the securities which it offers have been cleared and registered by the Securities & Exchange Commission. It is a civil wrong and a criminal offence under the Investments and Securities Act No 29 of 2007 to issue a Rights Circular which contains false or misleading information. Clearance and registration of this Rights Circular and the securities which it offers do not relieve the parties from any liability arising under the Act for false and misleading statements contained herein or for any omission of a material fact.

This Rights Circular is dated [Day], [Month] [Day], 2013

TABLE OF CONTENTS

DEFINITION OF TERMS	3
ABRIDGED TIMETABLE	4
SUMMARY OF THE ISSUE	5
RIGHTS ISSUE	7
DIRECTORS AND OTHER PARTIES TO THE ISSUE	8
1. <i>Directors and Company Secretary</i>	8
2. <i>Professional Parties</i>	8
THE CHAIRMAN'S LETTER	9
1. <i>Introduction</i>	9
2. <i>Purpose of the Issue and Use of Issue Proceeds</i>	9
3. <i>Profile of the Company's Board of Directors</i>	9
4. <i>History and Business of the Company</i>	11
5. <i>General Risk Disclosure</i>	12
6. <i>Compliance with Code of Corporate Governance</i>	12
7. <i>Future Plans</i>	13
8. <i>Participation in the Rights Issue</i>	13
9. <i>Risks and Mitigating Factors</i>	13
10. <i>Conclusion</i>	14
FIVE-YEAR FINANCIAL INFORMATION	15
STATUTORY AND GENERAL INFORMATION	60
1. <i>Incorporation and Share Capital History</i>	60
2. <i>Shareholding Structure (5% and above)</i>	60
3. <i>Directors' Beneficial Interests-</i>	60
4. <i>Statement of Compliance with Corporate Governance</i>	61
5. <i>Indebtedness</i>	64
6. <i>Claims and Litigation</i>	64
7. <i>Relationship between the Issuer and the Issuing Houses/Other Advisers</i>	64
8. <i>Cost and Expenses</i>	64
9. <i>Material Contracts</i>	64
10. <i>Declarations</i>	64
11. <i>Mergers and Acquisitions</i>	65
12. <i>Research and Development</i>	65
13. <i>Consents</i>	65
14. <i>Documents Available for Inspection</i>	66
PROVISIONAL ALLOTMENT LETTER	67
RECEIVING AGENTS	69
INSTRUCTIONS FOR COMPLETING THE ACCEPTANCE / RENUNCIATION FORM	71
ACCEPTANCE/RENUNCIATION FORM	72

DEFINITION OF TERMS

“Business Day”	Any day other than a Saturday, Sunday or official Public holiday in Nigeria
“CAC”	Corporate Affairs Commission
“CAMA”	Companies and Allied Matters Act Cap C20 LFN 2004
“Company” or “UBA Capital”	UBA Capital Plc
“CSCS”	Central Securities Clearing System Plc
“Directors”	The members of the Board of Directors of UBA Capital who as at the date of this document are those persons whose names are set out on page 8 of this Rights Circular
“ISA”	Investments & Securities Act No. 29 of 2007
“Issue Price”	The price at which the shares under the Rights Issue will be issued to all existing Shareholders
“Issuing Houses”	BGL Plc and Greenwich Trust Limited
“Joint Issuing House”	Greenwich Trust Limited
“Lead Issuing House”	BGL Plc
“LFN”	Laws of the Federation of Nigeria
“NSE” or “The Exchange”	The Nigerian Stock Exchange
“Parties”	Professional advisers engaged by the Company, whose roles will ensure the success of the Issue.
“Qualification Date”	August 23, 2013
“Receiving Agents”	Any of the institutions listed on page 69 - 70 of this Rights Circular to whom Shareholders listed on the share register of the Company as at the Qualification Date may return their duly completed Acceptance/Renunciation Forms together with a payment instrument
“Register of Members”	The register of members kept by the Company in accordance with Section 83 of CAMA
“Registrars”	Africa Prudential Registrars Plc
“Rights Circular”	This document which is issued in accordance with the Rules and Regulations of the Commission in respect of this Rights Issue exercise.
“Rights Issue”	Rights Issue of 2,000,000,000 Ordinary Shares of 50 kobo each at 90 Kobo per share to the existing Shareholders in the Ratio of One (1) new Ordinary Share for every Two (2) Ordinary Shares held as at qualification date of August 23, 2013
“Rights”	Means the number of 50 kobo Ordinary Shares provisionally allotted to each Shareholder on the basis of One (1) new share for every Two (2) Ordinary Shares held as at the Qualification Date.
“SEC” or “The Commission”	Securities and Exchange Commission
“Shareholders”	Means Shareholders of the Company whose names appear on the Register of Members as at the Qualification Date

ABRIDGED TIMETABLE

The dates given below are indicative only. The timetable has been prepared on the assumption that certain key events for the Rights Issue will be achieved as stated. If not, then the dates surrounding key events in the timetable may be subject to adjustments.

DATE	ACTIVITY	RESPONSIBILITY
XXXX	Acceptance List opens	Issuing Houses
XXXX	Acceptance List closes	Issuing Houses
XXXX	Receiving Agents make returns	Issuing Houses/Receiving Agents
XXXX	Forward allotment proposal and draft newspaper advertisement to SEC	Issuing Houses
XXXX	Receive SEC clearance of Allotment	Issuing Houses
XXXX	Pay net issue proceeds to UBA Capital	Receiving Bank
XXXX	Allotment announcement	Issuing Houses
XXXX	Return excess/rejected application monies	Issuing Houses /Registrars
XXXX	Dispatch Share Certificates/Commence arrangements to credit CSCS accounts	Registrars
XXXX	Forward Declaration of Compliance to The Exchange	Stockbrokers
XXXX	List the new shares of UBA Capital on the floor of The Exchange	Stockbrokers
XXXX	Forward Summary Report to SEC	Issuing Houses

SUMMARY OF THE ISSUE

The following information should be read in conjunction with the full text of this Rights Circular from which it was derived:

ISSUER: UBA Capital Plc

LEAD ISSUING HOUSE: BGL Plc

JOINT ISSUING HOUSE: Greenwich Trust Limited

**SHARE CAPITAL:
(AS AT THE DATE OF THE RIGHTS CIRCULAR)**

Authorised ₦ 3,000,000,000 divided into 6,000,000,000 Ordinary Shares of 50 kobo each

Issued and fully paid ₦ 2,000,000,000 divided into 4,000,000,000 Ordinary Shares of 50 kobo each

Now being issued: 2,000,000,000 Ordinary shares of 50 kobo each by way of Rights Issue on the basis of One (1) new share for every Two (2) existing share at 90 kobo per share

METHOD OF OFFER: By way of Rights Issue to the existing Shareholders

PURPOSE: The net proceeds of ₦1,742,152,800 (after deducting the estimated cost of Offer of ₦57,847,200 representing 3.21% of the gross proceeds) shall be used to fund the following:

Utilisation	Amount (₦)	%	PERIOD
IT Infrastructure & Operational Support	104,529,168	6%	Immediate
Investment Centres	139,372,224	8%	Immediate
Strategic Business Initiatives	1,324,036,128	76%	Q2 2014
Working Capital	174,215,280	10%	Immediate
Total	₦ 1,742,152,800	100	

ISSUE PRICE: 90 Kobo per share

PROVISIONAL ALLOTMENT: One (1) new Ordinary Share for every Two (2) Ordinary Shares held as at the Qualification Date

QUALIFICATION DATE: August 23, 2013

PAYMENT: In full on Acceptance

MARKET CAPITALIZATION

At Issue Price:

Pre Issue: ₦ XXX

Post Issue: ₦ XXX

ACCEPTANCE LIST OPENS: [Day], [Month] [Day], 2013

ACCEPTANCE LIST CLOSES: [Day], [Month] [Day], 2013

QUOTATION: Application has been made to the Council of The Exchange for the admission to its Daily Official List, the entire 2,000,000 Ordinary Shares of 50 kobo each now being offered.

STATUS: The Ordinary Shares being issued will rank pari-passu with the issued Ordinary Shares of the Company.

INDEBTEDNESS: As at the date of this Rights Circular, UBA Capital Plc had a long term loan in the ordinary course of business amounting to ₦586.7 million. UBA Capital Plc has no other outstanding loans, charges or similar indebtedness other than those incurred in the ordinary course of business.

FINANCIAL SUMMARY:

For the year ending	31 December 2012	31 December 2011	31 December 2010	31 December 2009	31 December 2008
	₦'000	₦'000	₦'000	₦'000	₦'000
Gross Earnings	1,214,175	1,825,521	3,063,826	3,993,297	5,780,003
Profit/(Loss) Before Taxation	844,173	882,834	1,587,417	(4,667,750)	1,701,954
Profit/(loss) After Taxation	856,337	822,794	1,326,971	(5,280,872)	1,205,846
Dividend	-	-	-	-	-
Share Capital	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Net Assets	3,849,912	1,354,196	526,090	(800,881)	5,688,480
Earnings Per Share (₦)– Basic	71	26	66	(35)	60
Dividend Per Share (₦)	-	-	-	-	-

E-ALLOTMENT/SHARE CERTIFICATE

The CSCS accounts of Shareholders will be credited not later than 15 working days from the date of allotment. Shareholders are thereby advised to state the name of their respective stockbrokers and their Clearing House Number as well as their CSCS Account Number in the relevant spaces on the Acceptance Form. Certificates will be issued to Shareholders who do not provide their CSCS account details.

CLAIMS AND LITIGATION

As at the date of this Rights Circular, the Company in the ordinary course of business is involved in thirteen (13) cases through its subsidiary UBA Stockbrokers Limited, and was directly involved in 2 other cases (there are 15 cases in all). The total exposure in all 15 cases is the sum of ₦1,791,734,491.52. The Company currently has no case instituted by it.

The Directors of the Company are of the opinion that none of the pending claims against the Company is likely to have any material adverse effect on the Rights Issue.

RIGHTS ISSUE

Copies of this Rights Circular and the documents specified herein have been delivered to the Securities and Exchange Commission for Clearance and Registration.

This Rights Circular is being issued in compliance with the provisions of ISA, the Rules and Regulations of The Commission and the Listing Requirements of the NSE and contains particulars in compliance with the requirements of The Commission and The Exchange, for the purpose of giving information to Shareholders and the public with regard to the Rights Issue of 2,000,000,000 Ordinary Shares of 50 kobo each in UBA Capital by BGL Plc and Greenwich Trust Limited. An application has been made to The Council of The Exchange for the admission to its Daily Official List of the 2,000,000,000 Ordinary Shares of 50 kobo each being issued via the Rights Issue.

The Directors of UBA Capital individually and collectively accept full responsibility for the accuracy of the information contained in this Rights Circular. The Directors have taken reasonable care to ensure that the facts contained herein are true and accurate in all respects and confirm, having made all reasonable enquiries that to the best of their knowledge and belief there are no material facts, the omission of which make any statement herein misleading or untrue.

Lead Issuing House



Joint Issuing House



On behalf of



RC444999

Are authorized to receive acceptances for the

Rights Issue of 2,000,000,000 Ordinary Shares of 50 kobo each at 90 kobo per share

On the basis of One (1) new ordinary share for every Two (2) ordinary shares of 50 kobo each held as at the close of business on August 23, 2013 for those Shareholders whose names appear on the Register of Members.

The Acceptance List for the shares now being issued will open on [Day], [Date] [Month], 2013 and close on [Day], [Date] [Month], 2013

SHARE CAPITAL AND RESERVE OF THE COMPANY AS AT 31 DECEMBER, 2012

(Extract from the 2012 audited accounts)

	₦
Authorized Share Capital 4,000,000,000 ² Ordinary Shares of 50 Kobo each	2,000,000,000
Issued and Fully Paid 4,000,000,000 Ordinary Shares of 50 Kobo each	2,000,000,000
Equity and Reserves	
Share Capital & Share Premium	2,000,000,000
Retained Earnings	1,849,912,000
TOTAL EQUITY	3,849,912,000

² The authorized share capital of the company was increased on August 01 2013 from ₦2,000,000,000 to ₦3,000,000,000 by the creation of 2,000,000,000 ordinary shares of 50 kobo each.

1. Directors and Company Secretary

CHAIRMAN	Angela Aneke UBA House (12 th Floor) 57, Marina Lagos
GROUP CHIEF EXECUTIVE OFFICER	Rasheed Olaoluwa UBA House (12 th Floor) 57, Marina Lagos
NON EXECUTIVE DIRECTOR	Yoro Diallo UBA House (12 th Floor) 57, Marina Lagos
NON EXECUTIVE DIRECTOR	Adim Jibunoh UBA House (12th Floor) 57, Marina Lagos
NON EXECUTIVE DIRECTOR	Stella Kilonzo UBA House (12th Floor) 57, Marina Lagos
NON EXECUTIVE DIRECTOR	Chika Mordi UBA House (12th Floor) 57, Marina Lagos
NON EXECUTIVE DIRECTOR	Ambassador John Kayode Shinkaiye UBA House (12th Floor) 57, Marina Lagos
COMPANY SECRETARY	Leo Okafor UBA House (12th Floor) 57, Marina Lagos

2. Professional Parties

LEAD ISSUING HOUSE	BGL PLC 12A, Catholic Mission Street, Lagos
JOINT ISSUING HOUSE	Greenwich Trust Limited Plot 1698A, Oyin Jolayemi Street Victoria Island Lagos
JOINT STOCKBROKERS	UBA Stockbrokers Limited UBA House (12 th Floor) 57, Marina Lagos African Alliance Stockbrokers Limited 19A Milverton Road, Ikoyi Lagos
SOLICITORS TO THE COMPANY	M.E Esonanjour & Co 27, Oyewole Street, Palmgrove, Ilupeju, Lagos
SOLICITORS TO THE ISSUE	Edward Ekiyor & Co 51, Adeshinyan Street, Ilupeju Lagos
REGISTRARS TO THE ISSUE	Africa Prudential Registrars PLC 220B, Ikorodu Road, Palmgrove Lagos
RECEIVING BANK	United Bank for Africa PLC UBA House 57, Marina Lagos
AUDITOR TO THE COMPANY	Akintola Williams Deloitte Akintola Williams Deloitte House 235, Ikorodu Road Ilupeju, Lagos



RC 444999

xxx, 2013

To: All Shareholders

Dear Shareholders,

RIGHTS ISSUE OF 2,000,000,000 ORDINARY SHARES OF 50 KOBO EACH AT 90 KOBO PER SHARE**1. Introduction**

You will recall that at the last Extra-ordinary General Meeting of the Company held on June 27, 2013, the Shareholders of the Company authorized the Directors amongst other things to issue subject to regulatory approval up to 2,000,000,000 Ordinary Shares of 50 kobo each from the Company's share capital by way of Rights Issue, in such proportion, at such time, for such consideration and upon such terms and conditions as the Directors may deem fit. This resolution was passed in recognition of the need to reposition the Company for future challenges and business opportunities.

I am pleased to inform you that the Board of Directors at its last meeting of June 27, 2013 and in line with the strategic focus of the Company, and in consonance with the above-mentioned Shareholders resolution has now decided to issue by way of Rights, 2,000,000,000 Ordinary Shares of 50 kobo each to the Shareholders whose names appear on the Company's Register of Members as at August 23, 2013 on the basis of One (1) new ordinary share for every Two (2) ordinary shares held as at this date. The new shares, which will be issued at a price of 90 Kobo, will rank pari-passu in all respects, with the existing Ordinary Shares of the Company. Regulatory approvals for the registration of the Issue with the Securities and Exchange Commission have been received.

2. Purpose of the Issue and Use of Issue Proceeds

The estimated net proceeds of ₦1,742,152,800 after deduction of the estimated offer cost of ₦57,847,200 (representing 3.21% of the offer) will be applied as follows:

Utilisation	Amount (₦)	%	Period
IT Infrastructure & Operational support	104,529,168	6%	Immediate
Investment Centres	139,372,224	8%	Immediate
Strategic Business Initiatives	1,324,036,128	76%	Q2 2014
Working Capital	174,215,280	10%	Immediate
Total	₦ 1,742,152,800	100	

3. Profile of the Company's Board of Directors**Angela Aneke - Chairman**

Angela holds a B.Sc. in Business Administration from The American University, Washington DC, USA and is an international associate of the American Institute of Certified Public Accountants.

She has over 28 years banking experience, having worked at Citibank, Eco-bank, and United Bank for Africa Plc (UBA) at executive management positions.

She holds board positions in UBA subsidiaries in Liberia, Tanzania, Zambia, Chad and Guinea Conakry. She is Chairperson of UBA Metropolitan Life Insurance and was until December 2010, the Chairperson of Credit Reference Company, a credit bureau. She retired as an executive director of UBA in March 2010 and was appointed as a Non- Executive Director in July 2010.

Angela also serves on the board of Transnational Corporation of Nigeria Plc (Transcorp) and its subsidiary Teragro (Transcorp's agriculture business subsidiary).

THE CHAIRMAN'S LETTER

Rasheed Olaoluwa - Group CEO

Rasheed has over 25 years of experience in the financial services sector. He holds a First Class B.Sc. (Hons.) degree in Civil Engineering (1986) from Obafemi Awolowo University Ile Ife and Executive MBA from IESE Business School, University of Navarra, Spain. He started his career at Arthur Andersen, where he qualified as a Chartered Accountant. He has an illustrious banking career, playing senior roles in marketing and relationship management, treasury management, currency trading and investment banking.

He was the MD/CEO of the erstwhile Universal Trust Bank Plc prior to joining UBA Group in 2006. Since joining, he has played various roles within UBA such as Director of Strategy and Business Transformation, Director of Corporate and Investment Bank and Regional Bank Head.

Appointed Chief Executive Officer of UBA Africa in March 2008, he succeeded in extending UBA's operations into West, Central, East and Southern African regions during his tenure.

Prior to this new role, he was the Executive Director in charge of the commercial banking business of UBA Plc with responsibility for the bank's retail, commercial and public sector businesses in the eighteen southern states of Nigeria.

Yoro Diallo - Non-Executive Director

He holds a BA degree in Finance and Economics of development from Claremont Men's College, California and an M.Sc. in Banking and Finance from Saint Mary's University, California.

He is a seasoned banker with over 35 years' experience. He has previously worked with Citibank and Ecobank.

Adim Jibunoh - Non-Executive Director

He holds a First Class degree in Economics from the University of Port Harcourt and an MBA in Financial Management from the University of Lagos. He has also received executive management training at IMD Switzerland, Lagos Business School and Harvard Business School.

He has 28 years' experience in the financial services industry, and has strong leadership skills. He was the Managing Director/ Chief Executive Officer of Continental Trust Bank until 2004.

He was also an Executive Director at Standard Trust Bank (now UBA Plc).

Stella Kilonzo - Non-Executive Director

She holds a B.Com from the Catholic University of Eastern Africa and an MBA in Corporate Finance from the Loyola University, Chicago. She also has the CPA (USA) designation.

Stella has diverse experience in the capital market industry and financial services sector having played a key role in the Financial Industry Regulatory Authority, Chicago. She has headed the market supervisory function of CMA Kenya; Chaired, East African Securities Regulatory Authorities; served as Chief Executive of the Capital Markets Authority, Kenya; Member of Vision 2030 Delivery Board Kenya; Member of National Economic and Social Council of Kenya and Fellow of Africa Leadership Initiative East Africa, as well as Aspen Global Leadership Network.

Chika Mordi - Non-Executive Director

He holds a B.Sc. in Economics from the University of Ilorin and an MBA from IESE Business School Barcelona; MPA from Harvard Kennedy School Cambridge; and M.Sc. from Johns Hopkins University, USA. He is currently conducting research in the area of public communications at the American University's School of Communication, USA.

He is a professional banker, having spent over two decades in various roles in the banking industry, including retail and investment banking. Chika is the Chief Executive Officer of Accender Africa in Washington D.C.

Chika is an active participant in capital markets. He first registered with the Securities and Exchange Commission in 1991 and has since managed and executed several landmark transactions in sub-Saharan Africa.

THE CHAIRMAN'S LETTER

Ambassador John Kayode Shinkaiye - Non-Executive Director

He holds a B.Sc. in Sociology from the University of Lagos. He has attended several workshops, seminars and short training programmes as both participant and resource person.

He has over three decades work experience in the public sector, serving in different roles, including Nigeria High Commissioner, London and Ambassador to the United Kingdom.

He has also served in different committees as Chairman, Administrative, Budgetary and Financial Committee and Member of the Group that drafted OAU's response to unconstitutional change of Governments in Africa.

4. History and Business of the Company

UBA Capital, which used to be a subsidiary of UBA Plc., was spun-off and is now a separate firm comprising UBA Asset Management; UBA Trustees; UBA Metropolitan Life Insurance; UBA Stockbrokers and UBA Nominees.

The separate businesses under UBA Capital are regulated by relevant regulators including the Securities & Exchange Commission ("SEC"), The Nigerian Stock Exchange ("NSE") and National Insurance Commission ("NAICOM").

The principal activity of the company includes Investment Banking, Securities Trading, Funds Management, Trusteeship and Life Insurance.

UBA Capital Plc was incorporated in Nigeria as a limited liability company on March 14, 2002 and re-registered as a public company on August 3, 2012 and apart from its core investment banking (Project & Infrastructure, Debt Capital Markets, Equity Capital Markets and Mergers & Acquisitions) business will comprise the following subsidiaries:

- UBA Asset Management Limited; and
- UBA Trustees Limited;
- UBA Stockbrokers Limited.

Profile of Subsidiaries and Associated Companies

UBA Asset Management Limited

UBA Asset Management is a Fund Manager in Nigeria with Assets under Management in excess of US\$235 million (N37billion) providing significant asset management services to the insurance, financial services and oil & gas sectors in Nigeria.

UBA Asset Management is a leader in the areas of fund and portfolio management, as well as investment advisory with particular focus on:

- Portfolio Restructuring
- Portfolio Management
- Mutual Funds
- Gratuity Fund Management

UBA Asset Management continuously leverages on UBA Capital Plc's borderless access to relevant financial markets to enlarge its clientele as well as deliver value-added services to its institutional and individual clients.

UBA Trustees Limited

UBA Trustees Limited has approximately 5 decades of experience in Trust services with track records in Public, Private and Corporate Trust services in Nigeria and a vast client base of leading multinationals, corporates as well as the Federal and State Governments and their agencies. UBA Trustees is a renowned name and a foremost player in the Nigerian Trust Services Industry. UBA Trustees is a market leader in each sub-segment of the Trust services market.

UBA Trustees provides Custodial asset holding and Nominee services through its subsidiary, UBA Nominee Limited. This service is provided on behalf of global custodians and international investors. Its scope of operations cuts across Nigeria and the francophone countries.

UBA Stockbrokers Limited

UBA Stockbrokers Limited operates a business model that encompasses retail & institutional sales, dealing and stock broking.

UBA Stockbrokers creates value by offering execution services underpinned by reliable IT processes and the seasoned personnel overseeing these processes.

UBA Stockbrokers also has dedicated teams focused on the sales of equity and fixed income securities respectively. Each team possesses the deep understanding of the salient investment requirements of her retail and institutional clients regardless of type.

The Company provides access to primary market opportunities for listed equities (IPOs, Right Issues, Offer for Sale and Offer for Subscription) and fixed income securities. UBA Stockbrokers also uses its securities placement capabilities to the advantage of its clients who intend to issue securities to the public.

UBA Metropolitan Life Insurance Limited

UBA Metropolitan Life Insurance Limited was a joint venture between United Bank for Africa Plc (UBA) and Metropolitan Holdings Limited of South Africa, a Johannesburg Stock Exchange listed company that has been doing business in South Africa for more than a century. Following the scheme of arrangement, the holdings of UBA Plc in the company has been transferred to UBA Capital Plc.

UBA Metropolitan has the advantage of building on UBA Capital strong brand, distribution network and expertise. Risk and Investment products are the key areas of focus with strong emphasis on group life insurance, credit protection, including mortgage protection, and other areas of particular need for Nigerians. The company has developed very unique products specifically for the Nigerian market. Affordability and accessibility is of paramount importance, while adherence to international best practice in all spheres of the business especially corporate governance is the benchmark.

The company uses comprehensive risk management skills to ensure that the issues affecting life insurance in Nigeria are managed in a way that protects the interests of policyholders and shareholders alike. The company's primary focus is on prompt delivery of high quality services in order to achieve exceptional customer satisfaction. To deliver on this promise, management has deployed a highly cost effective, secure and robust IT infrastructure.

5. General Risk Disclosure

Shareholders should consult their advisers if in any doubt as to the nature of this investment and its suitability in light of their specific circumstances. The value of any securities traded (whether listed or not) are subject to investment risks, can and do fluctuate, and any individual security may experience upward or downward movements. There is an inherent risk that losses may be incurred rather than a profit made as a result of buying and selling securities. Past performance is not a guide to future performance. Certain types of investments may not be suitable for all investors. UBA Capital has however taken all these risks into consideration and has therefore put in place strategic and operational plans that will aid in adequately responding to the outlook of the market environment in a timely manner in order to mitigate these risks as much as possible.

6. Compliance with Code of Corporate Governance

UBA Capital is fully committed to implementing best practice Corporate Governance standards. The Company recognizes that Corporate Governance Practices must protect the interest of Shareholders and guide the Board and Management to direct and manage the affairs of the Company effectively and efficiently.

Members of the Board of Directors attend regular trainings on Corporate Governance and related issues. In addition, the Company Secretary provides advice to the Board on Corporate Governance best practices from time to time.

The Company always strives to ensure full compliance with this code of corporate governance at all times.

7. Future Plans

The Group's vision is to deliver sustainable value to all stakeholders in our area of influence. In order to realise this long-term objectives, the Group is making every effort to identify and take advantage of every investment opportunity that will complement its long-term strategic objectives. UBA Capital will continue to look out for these investment opportunities that will help in creating value for our stakeholders.

8. Participation in the Rights Issue

The Rights Circular contains a summary of the financial and general information relating to the Company. It also contains a Provisional Allotment Letter detailing full instructions for acceptance, payment and renunciation of your Rights. It is recommended that Shareholders take up their Rights in full to ensure that they continue to enjoy the full benefits of their investment in the Company.

As you are aware, the Shares being issued are tradable by Shareholders on the floor of The Nigerian Stock Exchange during the offer period. Shareholders who wish to trade their Rights should seek proper advice from their stockbrokers who will be able to guide them through the entire process.

9. Risks and Mitigating Factors

Business/Company Risks

These are risks that are unique to UBA Capital which may hamper the Company's achievement of its business objectives. These risks include operational failure, accounting and internal control processes, lack of adequate supervision, poor management, inadequate human resources, inadequate cash flow, poor customer service etc

- **Mitigating factors:** *The Company periodically reviews its strategies, policies and procedures to determine their suitability for the operating environment. Changes are made if management deems it necessary. Furthermore, the Company's management and senior members of staff are trained professionals in relevant areas with the necessary knowledge to implement best recommended practices.*

Industry/Sector Risks

The Company operates in different sectors of the financial services industry of the economy with a diverse level of competition. There is a risk that the Company may not be able to compete favourably with other competitors in some areas of its business.

- **Mitigating factors:** *The Company has a recognized brand which it can continue to leverage on within the industry. The Company has also drawn out plans towards preserving and increasing its market shares in the relevant sectors. These strategies will ensure that the Company continues to remain relevant in the industry as well as to consolidate its position.*

Environmental Risks

These are losses that arise due to natural occurrences in the environment. Such events include earthquakes, volcanic eruptions, floods and other natural disasters within the operating environment of the Company. Non-compliance with the established environmental rules and regulations is also a threat to the Company.

- **Mitigating factors:** *The Company has a disaster recovery and business continuity plan in order to address these risks. It is also the Company's policy to ensure compliance with all relevant environmental rules and regulations.*

Government/Political Risk

The Company is faced with potential changes in government policies or any other government action that could affect its business activities positively or negatively.

- **Mitigating factors:** *UBA Capital is willing to comply at all times with any relevant government regulations. The Company maintains a proactive stance regarding government regulations.*

10. Conclusion

The future of the Company is full of interesting opportunities and the Company will continue to achieve progressive levels of success in all areas of our business. I therefore encourage you to take up your Rights in full to ensure that you continue to enjoy the benefits of your investment in the Company and as a mark of your belief in the prospects that lie ahead.

Thank you.

Yours faithfully,



Angela Aneke
CHAIRMAN

FIVE-YEAR FINANCIAL INFORMATION
1. Consolidated and Separate Statement of Financial Position As at 31 December 2012

	Notes	Group 31-Dec-12 =N=' 000	Company 31-Dec-12 =N=' 000	Group 31-Dec-11 =N=' 000	Company 31-Dec-11 =N=' 000	Group 1 January 2011 =N=' 000	Company 1 January 2011 =N=' 000
ASSETS							
Cash and cash equivalents	13	2,134,561	33,478	9,139,771	4,704,184	11,599,964	4,505,535
Financial assets held for trading	14	426,561	37,212	1,065,863	116,248	1,327,331	299,991
Investment in associates	15	875,285	750,000	739,259	750,000	750,000	750,000
Investments in subsidiaries	16	-	200,000	-	200,000	-	200,000
Investment securities	13.1	317,127	317,127	4,345,574	494,914	589,945	-
Property, plant and equipment	17	9,401	6,579	94,948	6,997	75,378	17,122
Intangible assets	18	4,517	301	4,376	4,376	7,214	7,214
Deferred tax assets	20	224,607	-	224,607	-	-	-
Other assets	19	205,690	180,067	790,068	241,996	1,118,234	113,500
Assets classified as held for sale	25.3	7,605,422	-	-	-	-	-
TOTAL ASSETS		11,803,171	1,524,764	16,404,466	6,518,715	15,468,066	5,893,362
LIABILITIES							
Deposit from customers	21	608,363	-	10,707,303	-	880,771	-
Other borrowed funds	22	897,020	897,020	1,168,012	1,168,012	1,385,684	1,385,684
Other liabilities	23	171,285	24,970	2,852,751	4,781,227	12,060,937	4,281,662
Current tax liabilities	24	219,586	11,686	322,204	69,971	593,086	171,916
Deferred tax liabilities	20	-	-	-	-	21,498	16,389
Liabilities associated to assets cl	26	6,057,005	-	-	-	-	-
TOTAL LIABILITIES		7,953,259	933,676	15,050,270	6,019,210	14,941,976	5,855,651
SHAREHOLDERS' FUND							
Share capital	27	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Retained earnings	27	1,849,912	-1,408,912	-645,804	-1,500,495	-1,473,910	-1,962,289
SHAREHOLDERS' FUND		3,849,912	591,088	1,354,196	499,505	526,090	37,711
TOTAL LIABILITIES AND SHAREHOLDER'S FUND		11,803,171	1,524,764	16,404,466	6,518,715	15,468,066	5,893,362
OFF BALANCE SHEET ITEM	31	27,000,000	27,000,000	-	-	-	-

The notes on pages..... to are an integral part of these consolidated and separate financial statements.

FIVE-YEAR FINANCIAL INFORMATION
2. Consolidated and Separate Statement of Profit or Loss and Other Comprehensive Income For the year ended 31 December 2012

	Notes	2012		2011	
		Group	Company	Group	Company
		=N=' 000	=N=' 000	=N=' 000	=N=' 000
Gross Earnings		1,214,175	420,115	1,825,521	907,196
Fee and commission income	5	317,819	260,178	834,902	700,862
Net trading income	6	303,665	-101	-2,770	-2,770
		621,484	260,077	832,132	698,092
Interest income	4	256,838	75,010	648,338	48,484
Net operating income		878,322	335,087	1,480,470	746,576
Other income	7	335,853	84,927	342,281	157,850
		1,214,175	420,014	1,822,751	904,426
Net gains/(losses) from financial assets held for trading	8	127,880	-19,928	-386,083	-126,217
Personnel expenses	9	-277,471	-192,882	-222,193	-169,882
Depreciation and amortisation	17&18	-19,185	-8,572	-37,503	-8,063
Other operating expenses	10	-299,420	-116,824	-474,935	-236,362
Allowance for impairment	19.1	-30,671	-30,539	190,703	3,639
		715,308	51,269	892,740	367,541
Share of profit/(loss) of equity accounted investee	15	128,865	-	-9,906	-
Profit before income tax		844,173	51,269	882,834	367,541
Income tax expense	11	12,164	40,411	-60,040	94,253
Profit for the year from continuing operations		856,337	91,680	822,794	461,794
Discontinued operations					
Profit for the year from discontinued operations	25.1	561,652	-	-	-
Profit for the period		1,417,989	91,680	822,794	461,794
Other comprehensive income, net of income tax					
Exchange difference		-97	-97	-	-
Fair value (losses)/gains on available for sale investments		-	-	-	-
Other comprehensive income for the period		-97	-97	-	-
Total comprehensive income for the period		1,417,892	91,583	822,794	461,794
Total comprehensive income attributable to:					
Equity holders of the Company		1,417,892	91,583	822,794	461,794
Earnings per share-basic	12	71	5	26	23

The notes on pages to are an integral part of these consolidated and separate financial statements.

3. Consolidated Statement of Changes in Equity For the year ended 31 December 2012

(a) Monday, December 31, 2012

(i) Group

	Share Capital	Retained earnings	Total
	=N=' 000	=N=' 000	=N=' 000
Balance at 1 January 2012	2,000,000	-645,804	1,354,196
Profit and loss	-	1,417,892	1,417,892
Prior year adjustment	-	1,077,824	1,077,824
Balance at 31 December 2012	2,000,000	1,849,912	3,849,912

(ii) Company

Balance at 1 January 2012	2,000,000	-1,500,495	499,505
Profit and loss	-	91,583	91,583
Balance at 31 December 2012	2,000,000	-1,408,912	591,088

(b) 31 December 2011

(i) Group

Balance at 1 January 2011	2,000,000	-1,473,910	526,090
Profit and loss	-	822,794	822,794
Prior year's share of associated profit	-	5,312	5,312
Balance at 31 December 2011	2,000,000	-645,804	1,354,196

(ii) Company

Balance at 1 January 2011	2,000,000	-1,962,289	37,711
Profit and loss	-	461,794	461,794
Balance at 31 December 2011	2,000,000	-1,500,495	499,505

4. Consolidated Statement of Cash Flows For the year ended 31 December 2012

		Group		Company	
		31 December 2012		31 December 2011	
	Notes	=N=' 000	=N=' 000	=N=' 000	=N=' 000
Cash flows from operating activities					
Financial advisory and issuing house fees	5	317,819	260,178	834,902	700,862
Interest & investment income	4	256,838	75,010	648,337	48,484
Payment to employees and suppliers		-576,891	-226,550	-831,444	-455,768
Trading profit /(loss)	6	303,766	-101	-2,770	-2,770
Other income	7	335,853	84,927	342,281	157,850
Tax paid	24	-83,294	-17,874	-570,881	-24,081
Operating profit before changes in operating assets		554,091	175,590	420,425	424,577
Changes in operating assets and liabilities					
Debtors and prepayments		584,378	61,929	518,870	-124,856
Creditors and accruals		-13,051,398	-5,027,249	618,347	499,565
Net cash (used in)/from operating activities		-11,912,929	-4,789,730	1,557,642	799,286
Cash flows from investing activities					
Investments		1,856,531	265,223	-124,615	57,526
Acquisition of property and equipment	17	-4,483	-4,079	-59,135	-
Discontinued operations		-355,254	-	-	-
Proceeds from the sale of property and equipment		150	150	4,900	4,900
Net cash flow from/(used in) investing activities		1,496,944	261,294	-178,850	62,426
Cash flows from financing activities					
Loan repayment	22	-934,799	-320,058	-343,148	-343,148
Net cash from financing activities		-934,799	-320,058	-343,148	-343,148
Net increase in cash and cash equivalents		-11,350,784	-4,848,494	1,035,644	518,564
Cash and cash equivalents at 1 January		13,485,345	5,199,099	12,449,701	4,680,535
Cash and cash equivalents at 31 December	13	2,134,561	350,605	13,485,345	5,199,099

The notes on pages 6 to 19 are an integral part of these financial statements.

1a Legal form

UBA Capital Plc was incorporated on 14 March 2002 as a wholly owned subsidiary of United Bank For Africa Plc. The Company was initially called UBA Global Markets Limited which was later changed to UBA Capital (Africa) Limited. The name was subsequently changed to UBA Capital Limited on 08 September 2009 before its conversion to UBA Capital Plc on 03 August 2012.

1b Basis of preparation

I Statement of compliance

The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). These are the Group's first consolidated financial statements and the Company's first consolidated financial statements prepared in accordance with IFRS, and therefore, IFRS 1 First-time Adoption of International Financial Reporting Standards has been applied.

An explanation of how the transition to IFRSs has affected the reported financial position, financial performance and cash flows of the Group and the Company is provided in note 32. This note includes reconciliations of equity and profit or loss for comparative periods reported under previous GAAP (Nigerian GAAP) to those reported for this period under IFRS.

The financial statements were authorised for issue by the directors on

ii Functional and presentation currency

These consolidated and separate financial statements are presented in Nigerian Naira, which is the Bank's functional currency. Except otherwise indicated, financial information presented in Naira have been rounded to the nearest thousand.

(c) Basis of measurement

These consolidated financial statements are prepared on the historical cost basis except for the following:

- financial instruments at fair value through profit or loss are measured at fair value
- available-for-sale financial assets are measured at fair value

(d) Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, incomes and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Judgments made by management in the application of IFRSs that have significant effect on the financial statements and estimates with a significant risk of material adjustment are disclosed as follows:

Going concern

The company's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

FIVE-YEAR FINANCIAL INFORMATION

Deferred tax assets

Deferred tax assets are recognised in respect of tax losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilised. Judgment is required to determine the amount of deferred tax that can be recognised, based upon the likely timing and level of future taxable profits, together with future tax-planning strategies.

Impairment of available for sale investments

The company reviews its equity securities classified as available for sale investments at each reporting date to assess whether they are impaired. This requires exercise of judgment.

The company also records impairment charges on available for sale equity investments when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is 'significant' or 'prolonged' requires judgment. In making this judgment, the company evaluates, among other factors, historical share price movements and duration and extent to which the fair value of an investment is less than cost.

Fair value of financial instruments

Where the fair values of financial assets and liabilities recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are derived from observable market data where possible, but if this is not available, judgment is required to establish fair values.

2 Significant accounting policies

The accounting policies set out below have been consistently applied to all periods presented in these consolidated and separate financial statements and in preparing an opening IFRS statement of financial position as at 1 January 2011 for purposes of the transition to IFRSs.

The accounting policies have been applied consistently by Group entities.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed where necessary to align with the policies adopted by the Group.

In the separate financial statements, investments in subsidiaries, associates and jointly controlled entities are carried at cost. At the date of transition to IFRS, the Company elected to carry these investments at deemed cost determined as the previous GAAP carrying amounts for the purposes of application of IFRS 1.

(ii) Associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. The consolidated financial statements include the Group's share of the total recognised gains and losses of associates on an equity accounted basis from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an associate, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except, to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of an associate.

(iii) Transactions eliminated on consolidation

Intra-group balances and any unrealised gains or losses or incomes and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from

transactions with associates are eliminated to the extent of the Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currency

(i) Foreign currency transactions

Foreign currency transactions are recorded at the rate of exchange on the date of the transaction. At the reporting date, monetary assets and liabilities denominated in foreign currencies are reported using the closing exchange rate. Exchange differences arising on the settlement of transactions at rates different from those at the date of the transaction, as well as unrealized foreign exchange differences on unsettled foreign currency monetary assets and liabilities, are recognized in profit or loss.

Unrealized exchange differences on non-monetary financial assets (investments in equity instruments) are a component of the change in their entire fair value. For a non-monetary financial asset held for trading and for non-monetary financial assets designated at fair value through profit or loss, unrealized exchange differences are recognized in profit or loss. For non-monetary financial investments available-for-sale, unrealized exchange differences are recorded in other comprehensive income until the asset is sold or becomes impaired.

(c) Interest

Interest income and expense for all interest bearing financial instruments, except for those classified at fair value through profit or loss, are recognised within 'interest income' and 'interest expense' in the income statement using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the net carrying amount of the financial asset or liability.

The calculation of the effective interest rate includes all transaction costs and fees paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or liability.

Interest income and expense on all trading assets and liabilities are considered to be incidental to the Group's trading operations and are presented together with all other changes in the fair value of trading assets and liabilities in net trading income.

(d) Fees and commissions

Fees and commission income includes placement and syndication fees, origination and financial advisory fees. These are recognised as the related services are performed.

(e) Net trading income

Net trading income comprises gains less losses related to trading assets and liabilities, and includes all realised and unrealised fair value changes, interest, dividends and foreign exchange differences.

(f) Dividend

Dividend income is recognised when the right to receive income is established. Dividends are reflected as a component of net trading income.

(g) Income tax expense

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

(h) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that

is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities against current tax assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

(i) Financial instruments**Recognition and initial measurement**

The Group initially recognises loans and advances, deposits, debt securities issued and subordinated liabilities on the date that they are originated. All other financial assets and liabilities are initially recognised on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is measured initially at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

Subsequent measurement

Subsequent to initial measurement, financial instruments are measured either at fair value or amortised cost, depending on their classification:

(a) Held-to-maturity

Held-to-maturity investments are non-derivative financial assets with fixed determinable payments and fixed maturities that management has both the positive intent and ability to hold to maturity, and which are not designated as fair value through profit or loss or as available for sale. Were the Group to sell more than an insignificant amount of held-to-maturity assets, the entire category would be tainted and reclassified as available-for-sale assets and the difference between amortised cost and fair value will be accounted for in other comprehensive income.

Held-to-maturity investments are carried at amortised cost, using the effective interest method, less any provisions for impairment.

(b) Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified as held-for-trading if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held-for-trading unless they are designated as hedges.

Financial assets may be designated at fair value through profit or loss when:

- The designation eliminates or significantly reduces measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities on different basis; or
- A group of financial assets is managed and its performance evaluated on a fair value basis.

Subsequent to initial recognition, the fair values are re-measured at each reporting date. All gains and losses arising from changes therein are recognised in profit or loss in 'net trading income' for trading assets.

Interest earned and dividends received while holding trading assets at fair value through profit or loss are included in net trading income. Trading assets are not reclassified subsequent to their initial recognition.

(c) Available-for-sale

Financial assets classified by the Group as available-for-sale financial assets are generally those that are not designated as another category of financial assets, or strategic capital investments held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

Available-for-sale financial assets are subsequently carried at fair value. Unrealised gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised directly in fair value reserve in other comprehensive income until the financial asset is derecognised or impaired. When available-for-sale financial assets are disposed of, the fair value adjustments accumulated in other comprehensive income are recognised in profit or loss.

(j) Cash and cash equivalents

Cash and cash equivalents include notes and coins in hand, unrestricted balances held with central banks and highly liquid financial assets with original maturities of less than three months, which are subject to insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

Cash and cash equivalents are carried at amortised cost in the statement of financial position.

(k) Trading assets

Trading assets are those assets that the Group acquires or principally for the purpose of selling in the near term, or holds as part of a portfolio that is managed together for short-term profit or position taking.

Trading assets are measured at fair value with changes in fair value recognised as part of net trading income in profit or loss.

(l) Property and equipment**(i) Recognition and measurement**

Items of property and equipment are carried at cost less accumulated depreciation and impairment losses. The cost of land and buildings as at 1 January 2011, the date of transition to IFRS was determined as the previous GAAP revalued amount, subsequently depreciated. The cost of other items of property and equipment as at 1 January 2011 was determined as their depreciated amounts under previous GAAP. Cost includes expenditures that are directly attributable to the acquisition of the asset. When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

(ii) Subsequent costs

The cost of replacing part of an item of property or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives. Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognised or classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

The estimated useful lives for the current and comparative period are as follows:

Leasehold improvements	Over the shorter of the useful life of item or lease period
Buildings	40 years
Computer hardware	5 years
Furniture and fittings	5 years
Equipment	5 years
Motor vehicles	4 years

Depreciation methods, useful lives and residual values are reassessed at each reporting date and adjusted if appropriate.

(m) Intangible assets

Software

Software acquired by the Group is stated at cost less accumulated amortisation and accumulated impairment losses.

Expenditure on internally developed software is recognised as an asset when the Group is able to demonstrate its intention and ability to complete the development and use the software in a manner that will generate future economic benefits, and can reliably measure the costs to complete the development. The capitalised costs of internally developed software include all costs directly attributable to developing the software, and are amortised over its useful life. Internally developed software is stated at capitalised cost less accumulated amortisation and impairment. Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of 5 years, from the date that it is available for use. The amortisation method and useful life of software are reassessed at each financial year end and adjusted if appropriate.

(n) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating costs are not provided for.

- (o) A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

(p) Employee benefits

Post-employment benefits

Defined contribution plans

Obligations for contributions to defined contribution plans are recognised as an expense in profit or loss when they are due. The Group maintains a defined contributory pension plan for all employees to which the group and employees each contribute 7.5% of basic salary, housing and transport allowances in accordance with the Pension Reform Act 2004.

(q) Share capital and reserves

(i) Share issue costs

Incremental costs directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments.

(ii) Dividend on ordinary shares

Dividends on the Company's ordinary shares are recognised in equity in the period in which they are paid or, if earlier, approved by the Bank's shareholders.

(iii) Treasury shares

Where the Company or any member of the Group purchases the Company's share capital, the consideration paid is deducted from the shareholders' equity as treasury shares until they are cancelled. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity.

(r) Earnings per share

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

3 Standards issued but not yet adopted**i IFRS 9 Financial Instruments**

IFRS 9, as issued, reflects the first phase of the IASB's work though the adoption date is subject to the recently issued Exposure Draft on the replacement of IAS 39 and applies to classification and measurement of financial assets and liabilities as defined in IAS 39. The standard is effective for annual periods beginning on or after 1 January 2013. In subsequent phases, the Board will address impairment and hedge accounting and expect to complete the project in 2012. The adoption of the first phase of IFRS 9 will primarily have an effect on the classification and measurement of the company's financial assets. The company is currently assessing the impact of adopting IFRS 9. However, as the impact of adoption depends on the assets held by the company at the date of adoption, it is not practical to quantify the effect.

II IFRS 11 – Joint Arrangements

The amendment becomes effective for annual periods beginning on or after 1 January 2013. It replaces IAS 31 Interests in Joint Ventures and SIC 13 Jointly Controlled Entities – Non-monetary Contributions by Venturers. Because IFRS 11 uses the principle of control in IFRS 10 to define control, the determination of whether joint control exists may change. The company is currently assessing the impact of adopting IFRS 11. However, as the impact of adoption depends on the nature of relationships between the company and other entities at the date of adoption, it is not practical to quantify the effects.

III IFRS 12 – Disclosure of Involvement with Other Entities

The amendment becomes effective for annual periods beginning on or after 1 January 2013. It includes all of the disclosures that were previously in IAS 27 related to financial statements, as well as all of the disclosures that were previously included in IAS 31 Interests in Joint Ventures and IAS 28 Investment in Associates. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required. One of the most significant changes introduced by IFRS 12 is that an entity is now required to disclose the judgments made to determine whether it controls another entity. Many of these changes were introduced by the IASB in response to the financial crisis. Now, even if the company concludes that it does not control an entity, the information used to make that judgment will be transparent to users of the financial statements to make their own assessment of the financial impact were the company to reach a different conclusion regarding consolidation. The company is currently assessing the impact of adopting IFRS 12. However, as the impact of adoption depends on the nature of relationships between the company and other entities at the date of adoption, it is not practical to quantify the effect.

IV IFRS 13 – Fair Value measurement

The amendment becomes effective for annual periods beginning on or after 1 January 2013. IFRS 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to measure the fair value of financial and non-financial assets and liabilities when required or permitted by IFRS. There are also additional disclosure requirements.

In the past the company has used various methodologies to measure fair value based on the guidance within the requisite standard and/or industry practice for the type of financial or non-financial item. This standard will require the company to review its fair value measurement policies across all asset and liability classes. However, it is not practical to quantify the effect of this review on the financial statements.

V IAS 1 Financial Statement Presentation – Presentation of Items of Other Comprehensive Income

The amendments to IAS 1 change the grouping of items presented in OCI. Items that could be reclassified (or 'recycled') to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items that will never be reclassified. The amendment affects presentation only and therefore has no impact on the company's financial position or performance. The amendment becomes effective for annual periods beginning on or after 1 July 2012.

ii IFRS 10 – Consolidated Financial Statements

The amendment becomes effective for annual periods beginning on or after 1 January 2013. It replaces the requirements of IAS 27 Consolidated and Separate Financial Statements that address the accounting for consolidated financial statements and SIC 12 Consolidation – Special Purpose Entities. What remains in IAS 27 is limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements. However, as the impact of adoption depends on the nature of relationships between the company and other entities at the date of adoption, it is not practical to quantify the effects.

FIVE-YEAR FINANCIAL INFORMATION

	Group 2012 =N=' 000	Company 2012 =N=' 000	Group 2011 =N=' 000	Company 2011 =N=' 000
4 Interest income				
Fixed deposits	194,634	12,806	495,397	34,922
Investments securities	62,204	62,204	152,941	13,562
	256,838	75,010	648,338	48,484
5 Fees and commission income				
Financial advisory fees	260,178	260,178	766,115	700,862
Other fees and charges	57,641	-	68,787	-
	317,819	260,178	834,902	700,862
6 Net trading income				
Quoted equities	303,665	(101)	(2,770)	(2,770)
Net trading income includes gains and losses arising both on the purchase and sale of quoted equities.				
	Group 2012 =N=' 000	Company 2012 =N=' 000	Group 2011 =N=' 000	Company 2011 =N=' 000
7 Other operating income				
Dividend on equity investment	61,766	2,076	70,717	3,119
Other interest income	40,030	40,030	64,288	56,941
Writeback of excess provision	233,907	42,671	111,755	17,602
WHT credit receivable	-	-	95,522	80,189
Profit on disposal of assets	150	150	-	-
	335,853	84,927	342,281	157,850
8 Net gains/(losses) from financial assets held for trading				
Net gain/(loss) on equity securities	127,880	(19,928)	386,083	126,217
	127,880	(19,928)	386,083	126,217
9 Personnel expenses				
Staff cost	273,553	189,407	217,475	166,136
Contributions to defined contribution plans	3,918	3,475	4,718	3,746
	277,471	192,882	222,193	169,882
10 Other operating expenses				
Other premises and equipment costs	16,841	559	7,920	576
Auditors remuneration	10,646	5,646	8,000	4,000
Professional fees	6,924	964	13,691	7,728
Interest on long term debt	49,066	49,066	245,476	125,476
General administrative expenses	215,943	60,589	199,848	98,582
	299,420	116,824	474,935	236,362
11 Income tax expense				
Recognised in the profit or loss				
Income tax	15,630	10,785	208,947	58,807
Education tax	901	901	21,245	10,862
(Over)/under provision in prior year	(38,913)	(52,097)	69,806	(147,533)
Information technology tax	6,638	-	-	-
Share of associated company tax	3,580	-	6,147	-
Deferred tax expense	-	-	(246,105)	(16,389)
	(12,164)	(40,411)	60,040	(94,253)

FIVE-YEAR FINANCIAL INFORMATION

	Group 2012	Company 2012	Group 2011	Company 2011		
12 Earnings per share						
<i>Basic earnings per share</i>						
Basic earnings attributable to shareholders (N'000)	1,417,892	91,583	822,794	461,794		
Number of ordinary shares in issue ('000)	2,000,000	2,000,000	2,000,000	2,000,000		
Basic earnings per share (kobo)	71	5	41	23		
	31 December 2012	31 December 2011	31 December 2011	01 January 2011		
	Group	Company	Group	Company	Group	Company
	=N=' 000	=N=' 000	=N=' 000	=N=' 000	=N=' 000	=N=' 000
13 Cash and cash equivalents						
Cash and balances with banks	147,816	33,478	818,886	50,094	1,039,011	515,455
Money market placements	1,986,745	-	8,320,885	4,654,090	10,820,745	4,165,080
Allowance for doubtful balances (note 13.1)	-	-	-	-	(259,792)	(175,000)
	2,134,561	33,478	9,139,771	4,704,184	11,599,964	4,505,535
Cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including cash in hand, deposits held at call with other banks and other short-term highly liquid investments with original maturities less than three months".						
13.1 Investment securities						
Treasury Bills (Held to Maturity)	317,127	317,127	4,345,574	494,914	589,945	-
	317,127	317,127	4,345,574	494,914	589,945	-
Treasury Bills held to maturity is stated at amortised cost.						
13.2 Allowance for doubtful balances						
Balance, beginning of period	-	-	259,792	175,000	259,792	175,000
Release during the year	-	-	(84,792)	-	-	-
Write off during the year	-	-	(175,000)	(175,000)	-	-
	-	-	-	-	259,792	175,000
14 Financial assets held for Trading						
Quoted equities (cost)	2,147,465	1,277,342	4,003,996	1,542,565	1,327,331	299,991
Less: fair value change in assets (14.1)	(1,720,904)	(1,240,130)	(2,938,133)	(1,426,317)	-	-
	426,561	37,212	1,065,863	116,248	1,327,331	299,991

FIVE-YEAR FINANCIAL INFORMATION

	Group 2012	Company 2012	Group 2011	Company 2011		
Fair value change in assets						
14.1						
Balance, beginning of period	2,938,133	1,426,317	-	1,300,100	-	-
Write-off	(1,078,689)	(206,115)	(100,000)	-	-	-
Fair value (gain)/loss for the period	(138,540)	19,928	486,083	126,217	-	-
Balance, end of period	1,720,904	1,240,130	386,083	1,426,317	-	-
15 Investment in associate						
Cost of investment on acquisition	750,000	750,000	750,000	750,000	750,000	750,000
Share of profit before tax @ 25%	128,865	-	(4,594)	-	-	-
Share of tax @ 25%	(3,580)	-	(6,147)	-	-	-
Balance, end of year	875,285	750,000	739,259	750,000	750,000	750,000

This represents the Group's 25% equity investment in UBA Metropolitan Life Insurance Limited

16	Investment in subsidiaries	Year of acquisition	Holding	Country	Industry	Company		
						31 December 2012 =N=' 000	31 December 2011 =N=' 000	01 January 2011 =N=' 000
	UBA Stockbrokers (see (i) below)	2,006	1	Nigeria	Stockbroking	100,000	100,000	100,000
	Africa Prudential Registrars (formally UBA Registrars) (see (ii) below)	2,005	1	Nigeria	Registrars	100,000	100,000	100,000
						200,000	200,000	200,000

(i) UBA Stockbrokers Limited is engaged in the business of securities trading, both for proprietary and third parties. It was incorporated in March 2006.

(ii) Africa Prudential Registrars Plc (formally UBA Registrars Limited) is engaged in the business of registration of shares for companies.

17	Property, plant and equipment (i) Group	Leasehold Improvement =N=' 000	Furniture & Equipment =N=' 000	Motor vehicles =N=' 000	Computer Equipment =N=' 000	Total =N=' 000
	Cost					
	Balance at 1 January 2012	2,021	27,141	28,006	5,880	63,048
	Additions	-	912	3,473	98	4,483
	Disposals	-	-	(3,308)	-	(3,308)
	Transfers	-	-	(3,780)	-	(3,780)
	Balance at 31 December 2012	2,021	28,053	24,391	5,978	60,443

FIVE-YEAR FINANCIAL INFORMATION

Depreciation and impairment losses

Balance at 1 January 2012	139	20,090	22,918	5,201	48,348
Additions	51	4,634	4,323	252	9,260
Disposals	-	-	(3,308)	-	(3,308)
Adjustments	-	(423)	-	-	(423)
Transfers	-	-	(2,835)	-	(2,835)
Balance at 31 December 2012	190	24,301	21,098	5,453	51,042

Carrying amounts

Balance at 31 December 2012	1,831	3,752	3,293	525	9,401
Balance at 31 December 2011	1,882	5,202	10,897	76,967	94,948
Balance at 01 January 2011	1,933	8,675	29,250	35,520	75,378

(ii)

Company

Cost

Balance at 1 January 2012	2,021	1,506	15,423	5,880	24,830
Additions	-	508	3,473	98	4,079
Disposals	-	-	(3,308)	-	(3,308)
Transfers	-	-	-	-	-
Balance at 31 December 2012	2,021	2,014	15,588	5,978	25,601

Depreciation and impairment losses

Balance at 1 January 2012	139	692	11,801	5,201	17,833
Additions	51	392	3,802	252	4,497
Disposals	-	-	(3,308)	-	(3,308)
Transfers	-	-	-	-	-
Balance at 31 December 2012	190	1,084	12,295	5,453	19,022

Carrying amounts

Balance at 31 December 2012	1,831	930	3,293	525	6,579
Balance at 31 December 2011	1,882	814	3,622	679	6,997
Balance at 01 January 2011	1,933	1,115	12,220	1,854	17,122

Intangible assets

Purchased software

Cost

Balance at 1 January 2012		45,239	14,185
Reclassification		(12,385)	(12,385)
Balance at 31 December 2012		32,854	1,800

Amortization and impairment losses

Balance at 1 January 2012		30,797	9,809
Amortisation for the year		9,925	4,075
Impairment losses		(12,385)	(12,385)
Balance at 31 December 2012		28,337	1,499

Carrying amounts

Balance at 31 December 2012		4,517	301
Balance at 31 December 2011		4,376	4,376
Balance at 01 January 2011		7,214	7,214

FIVE-YEAR FINANCIAL INFORMATION

19	Other assets	31 December 2012		31 December 2011		01 January 2011	
		Group	Company	Group	Company	Group	Company
		=N= '000	=N= '000	=N= '000	=N= '000	=N= '000	=N= '000
	Accounts receivable and prepayments (note 19.2)	288,576	240,554	830,987	271,795	1,351,055	146,938
	Inventory	-	-	19,853	-	20,690	-
	Others	21,319	-	2,234	149	198	149
	Allowance for impairment (note 19.1)	(104,205)	(60,487)	(63,006)	(29,948)	(253,709)	(33,587)
		205,690	180,067	790,068	241,996	1,118,234	113,500
19.1	Allowance for impairment						
	At 1 January	63,006	29,948	253,709	33,587	253,709	33,587
	(Release)/arising during the year	41,331	30,671	4,847	(3,639)	-	-
	Write back/(write off)	(132)	(132)	(195,550)	-	-	-
		104,205	60,487	63,006	29,948	253,709	33,587

Allowance for impairment arising during the year includes investment in Air Nigeria of N25m.

19.2	Accounts receivable and prepayments comprise:	31 December 2012		31 December 2011		01 January 2011	
		Group	Company	Group	Company	Group	Company
	Trade debtors	47,125	32,753	490,598	32,209	721,066	36,870
	Prepayments	31,524	31,524	2,108	389	3,226	1,900
	Accrued income	62,591	62,591	102,667	102,667	572,142	72,142
	Current account with UBA	-	-	400	400	-	-
	Trustees	-	-	-	-	-	-
	Other receivables	147,336	113,686	235,214	136,129	54,621	36,026
		288,576	240,554	830,987	271,794	1,351,055	146,938

20	Deferred tax						
	At 1 January	(224,607)	-	21,498	16,389	21,498	16,389
	Charge for the year	-	-	(246,105)	(16,389)	-	-
		(224,607)	-	(224,607)	-	21,498	16,389

Deferred tax income consists of the following losses carried forward and taxable temporary differences:

Property, plant and equipment	(3,985)	-	(3,985)	-	21,155	16,389
General provisions charged to profit or loss	(220,622)	-	(220,622)	-	343	-
	(224,607)	-	(224,607)	-	21,498	16,389

Computation of deferred tax resulted in an asset of N449, 588, 875 as at year end December 2011. 50% of this was recognised in the financial statements as the directors were of the opinion that there was reasonable expectation of the realisation of 50% of the deferred tax assets.

21	Deposits from customers	31 December 2012		31 December 2011		01 January 2011	
		Group	Company	Group	Company	Group	Company
		=N= ' 000	=N= ' 000	=N= ' 000	=N= ' 000	=N= ' 000	=N= ' 000
		608,363	-	10,707,303	-	880,771	-

Deposits from customers represent clients' payments for the purchase of shares.

FIVE-YEAR FINANCIAL INFORMATION

22 Other borrowed funds	31 December 2012		31 December 2011		01 January 2011	
	Group =N=' 000	Company =N=' 000	Group =N=' 000	Company =N=' 000	Group =N=' 000	Company =N=' 000
Balance as at 1 January	1,928,782	1,168,012	1,385,684	1,385,684	-	-
Charge during the year	49,066	49,066	245,476	125,476	1,385,684	1,385,684
Repayment during the year	(934,799)	(320,058)	(343,148)	(343,148)	-	-
Waiver	(146,029)	-	(120,000)	-	-	-
	897,020	897,020	1,168,012	1,168,012	1,385,684	1,385,684

Other borrowed funds represent loan facility with UBA Plc at 5% per annum for a period of 5 years. Repayment is made annually.

23 Other liabilities						
Creditors and accruals	124,636	24,451	1,166,091	4,275,488	10,649,119	4,090,435
Provisions	1,020	-	254,395	-	50,433	-
Other current liabilities	45,629	519	1,432,265	505,739	1,361,385	191,227
	171,285	24,970	2,852,751	4,781,227	12,060,937	4,281,662

24 Current tax liabilities						
Per statement of financial position:						
At 1 January	322,204	69,971	593,086	171,916	593,086	171,916
Charge for the year	(15,744)	(40,411)	306,146	(77,864)	-	-
Share of associated company tax	(3,580)	-	(6,147)	-	-	-
Tax paid	(83,294)	(17,874)	(570,881)	(24,081)	-	-
At 31 December	219,586	11,686	322,204	69,971	593,086	171,916

The charge for income tax in these financial statements is based on the provisions of the Companies Income Tax Act CAP C21 LFN 2004 as amended, while Education Tax is based on Education Tax Act CAP E4 LFN 2004 .

24.1 Effective tax rate reconciliation

	31 December 2012				31 December 2011			
	Group		Company		Group		Company	
	N'000	%	N'000	%	N'000	%	N'000	%
Profit/(loss) before tax	844,173	100	51,269	100	570,745	100	367,541	100
Tax Charge:								
Company income tax	15,630	2	10,785	21	215,094	38	58,807	16
Information technology tax	6,638	0.79	-	-	9,007	2	3,675	1
Education tax	901	0.11	901	2	21,245	4	10,862	3
Deferred tax	-	-	-	-	-	-	-	-
Effective tax rate	23,169	3	11,686	23	245,346	43	73,344	20
Adjustments								
Company income tax	(15,630)	(1.85)	(10,785)	(21.0)	69,806	12.23	(147,533)	(40.14)
Information technology tax	(6,638)	(0.79)	-	0.0	(9,007)	(1.58)	(3,675)	(1.00)
Education tax	(901)	(0.00)	(901)	(1.8)	-	0.00	-	0.00
Effect of permanent differences	-	0.00	-	-	(246,105)	(43.12)	(16,389)	(4.46)
Statutory tax rate	-	0.11	(11,686)	0.0	60,040	10.52	(94,253)	(25.64)

25 Discontinued operations

Disposal of African Prudential Registrars Plc

The company during the year began the process of disposing its interest in the above named subsidiary. The disposal which had been concluded as at the date of this report followed the restructuring of the UBA Group as a result of the directive from the Central Bank of Nigeria on abolition of universal banking.

The proceeds of sale is expected to substantially exceed the carrying amount of the related net assets and accordingly, no impairment losses were recognised on the reclassification of these operations as held for sale. The disposal is consistent with the Group's long term policy to focus on its core operations. Details of the assets and liabilities disposed of, and the calculation of the profit or loss on disposal, are disclosed below.

Analysis of profit for the year from discontinued operations

The result of the discontinued operations included in the profit for the year is set out below. The comparative profit and cash flow from discontinued operations have been represented to include those operations classified as discontinued operations in the current year.

	31 December 2012 =N=' 000	31 December 2011 =N=' 000
25.1 Profit for the year from discontinued operations		
Revenue	1,034,068	606,159
Others	4,468	-
	<u>1,038,536</u>	<u>606,159</u>
Expenses	(377,457)	(295,339)
Profit before tax	661,079	310,820
Attributable income tax expense	(99,427)	(122,707)
Profit for the year from discontinued operations (attributable to owners of the company)	<u>561,652</u>	<u>188,113</u>
25.2 Cash flows from discontinued operations		
	(3,795,663)	596,471
Net cash flows from operating activities	(117,242)	(58,797)
Net cash flows from investing activities	-	-
Net cash flows from financing activities	<u>(3,912,905)</u>	<u>537,674</u>
Net cash inflows/(outflows)		
25.3 Assets classified as held for sale		
Property, plant and equipment	171,479	
Intangible assets	325	
Cash and cash equivalents	4,114,231	
Financial assets (held to maturity)	3,263,030	
Trade and other receivables	38,573	
Other assets	2,528	
Inventory	15,256	
	<u>7,605,422</u>	
26 Liabilities associated with assets classified as held for sale		
Creditors and accruals	394,879	
Customers' deposits	5,480,483	
Taxation	181,643	
	<u>6,057,005</u>	
	<u>1,548,417</u>	

FIVE-YEAR FINANCIAL INFORMATION

27	(a)	Share capital	Group	Company	Group	Company	Group	Company
			31 December 2012		31 December 2011		01 January 2011	
		Share capital comprises:	=N= '000	=N= '000	=N= '000	=N= '000	=N= '000	=N= '000
	(i)	Authorised - 2,000,000,000 Ordinary shares of N1 each	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
	(ii)	Issued and fully paid - 2,000,000 Ordinary shares of N1 each	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000

(b) Retained earnings

Retained earnings are the carried forward recognised income net of expenses plus current period profit attributable to shareholders.

	Group	Company	Group	Company	Group	Company
	31 December 2012		31 December 2011		01 January 2011	
	=N= '000	=N= '000	=N= '000	=N= '000	=N= '000	=N= '000
At 1 January	(645,804)	(1,500,495)	(1,473,910)	(1,962,289)	(2,800,881)	(1,737,797)
Transfer from profit and loss account	1,417,892	91,583	822,794	461,794	1,326,971	(224,492)
Prior year's share of associated profit	-	-	5,312	-	-	-
Prior year adjustment	1,077,824	-	-	-	-	-
At 31 December	1,849,912	(1,408,912)	(645,804)	(1,500,495)	(1,473,910)	(1,962,289)

28 Related parties

UBA Capital is a wholly owned subsidiary of UBA Plc. The following are the transactions and balances arising from dealings with related parties during the year.

	Company	Company
	31 December	31 December
	2012	2011
	=N='000	=N='000
a) Transactions		
Interest income		
United Bank for Africa Plc	-	3,498
Cash and cash equivalent		
United Bank for Africa Plc	28,816	151,095
UBA Asset Management Limited	-	181,106
UBA Trustees Limited	-	4,366,898
Payable		
United Bank for Africa Plc	162,041	-

Term loan		
United Bank for Africa Plc	897,019	1,168,012

b) Key management compensation

Key management personnel constitute those individuals who have the authority and the responsibility for planning, directing and controlling the activities of UBA Capital Limited, directly or indirectly, including any director (whether executive or non-executive). The individuals who comprise the key management personnel are the Board of Directors as well as certain key management and officers.

The following table describes all compensation paid to, awarded to, or earned by each of the key management personnel in 2012 for services rendered in all capacities to the company and its subsidiaries.

	Group 2012 =N='000	Company 2012 =N='000	Group 2011 =N='000	Company 2011 =N='000
Salaries and allowances (Key management staff)	52,787	42,248	47,878	37,339
Sitting allowances (board of directors)	20	20	-	-
	52,807	42,268	47,878	37,339

c) Principal subsidiaries

The financial statements of the company include the operation of the following subsidiaries:

Company	Place of incorporation	Primary Business operation	% Held
UBA Stockbrokers Limited	Nigeria	Security Trading	100
Africa Prudential Registrars Plc	Nigeria	Share registration	100

29 Events after reporting period

In compliance with regulatory requirements made by the Central Bank of Nigeria Plc, UBA Capital Limited spin-off its parent company and was re-registered as a public company on August 3rd, 2012. The Company now UBA Capital Plc is expected to have investments in the following subsidiaries: UBA Trustees Limited (100%), UBA Asset Management Limited (100%), UBA Metropolitan Life Insurance Company (50%), UBA Stockbrokers Limited (100%), UBA Nominees Limited (a subsidiary of UBA Trustees Limited) (100%).

30 Litigation and claims

UBA Stockbrokers Limited in the ordinary course of business was involved in litigations amounting to N82million as at 31 December 2012 (December 2011: N1.18billion) for which no provisions had been made. The Directors are of the opinion that none of the cases is likely to have material adverse effect on the company.

31 Off balance sheet item

This amount represents funds from UBA Plc treasury department for placements with other financial institutions through UBA Capital Limited.

31.1 Reconciliation of equity

Group

	Notes	Previous GAAP =N= '000	Effect of transition to IFRS 1 January 2011 =N= '000	IFRS =N= '000
Assets				
Cash and cash equivalents	iii	1,039,011	10,560,953	11,599,964
Due from other banks and financial institutions	iii	11,150,898	(10,560,953)	589,945
Trading assets		1,327,331		1,327,331
Investment in equity accounted investees		750,000		750,000
Property and equipment		75,378		75,378
Intangible assets		7,214		7,214
Other assets		1,118,234		1,118,234
Total assets		15,468,066	-	15,468,066
Liabilities				
Due to Other banks		880,771		880,771
Other borrowed funds		1,385,684		1,385,684
Other liabilities		12,060,937		12,060,937
Current tax liabilities		593,086		593,086
Deferred tax liabilities		21,498		21,498
Total liabilities		14,941,976		14,941,976
Equity				
Share capital and share premium		2,000,000		2,000,000
Other reserves		(1,473,910)		(1,473,910)
		526,090		526,090
Total liabilities and equity		15,468,066		15,468,066

Key impact analysis of IFRS on the statement of financial position.

i	Cash and cash equivalents	N'000
	Previous GAAP	1,039,011
	IFRS	11,599,964
	Effect on IFRS	10,560,953
ii	Due from other banks and financial institutions	N'000
	Previous GAAP	11,150,898
	IFRS	589,945
	Effect on IFRS -	(10,560,953)

The effect on IFRS is as a result of liquid financial assets with original maturities of less than three months, which are subject to insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

31.1 Reconciliation of equity

Reconciliation of equity
Company

	Notes	Previous GAAP	Effect of transition to IFRS 1 January 2011	IFRS
Assets				
Cash and cash equivalents	i	515,455	3,990,080	4,505,535
Due from other banks and financial institutions	ii	3,990,080	(3,990,080)	-
Trading assets		299,991		299,991
Investment in subsidiaries		200,000		200,000
Investment in equity accounted investees		750,000		750,000
Property and equipment		17,122		17,122
Intangible assets		7,214		7,214
Other assets		113,500		113,500
Total assets		5,893,362	-	5,893,362
Liabilities				
Other borrowed funds		1,385,684		1,385,684
Other liabilities		4,281,662		4,281,662
Current tax liabilities		171,916		171,916
Deferred tax liabilities		16,389		16,389
Total liabilities		5,855,651		5,855,651
Equity				
Share capital and share premium		2,000,000		2,000,000
Other reserves		(1,962,289)		(1,962,289)
Total equity attributable to equity holders of the company		37,711		37,711
Total liabilities and equity		5,893,362		5,893,362

Key impact analysis of IFRS on the statement of financial position.

i	Cash and cash equivalents	N'000
	Previous GAAP	515,455
	IFRS	<u>4,505,535</u>
	Effect on IFRS - Short Term Investment	<u>3,990,080</u>
ii	Due from other banks and financial institutions	N'000
	Previous GAAP	3,990,080
	IFRS	<u>-</u>
	Effect on IFRS - Short Term Investment & Interest received in advance	<u>(3,990,080)</u>

The effect on IFRS is as a result of liquid financial assets with original maturities of less than three months, which are subject to insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

Reconciliation of equity

Group	Notes	Previous GAAP =N= '000	Effect of transition to IFRS 31 December 2011 =N= '000	IFRS =N= '000
Assets				
Cash and cash equivalents	i	818,886	5,649,020	6,467,906
Due from other banks and financial institutions	ii	12,666,459	(9,994,594)	2,671,865
Trading assets		1,065,863	-	1,065,863
Investment in equity accounted investees		739,260	-	739,260
Investment securities	iii	-	4,345,574	4,345,574
Property and equipment		94,948	-	94,948
Intangible assets		4,376	-	4,376
Deferred tax assets		224,607	-	224,607
Other assets		790,067	-	790,067
Total assets		16,404,466	-	16,404,466
Liabilities				
Current tax liabilities		322,204	-	322,204
Deposit from customer	iv	6,475,035	(5,435,035)	1,040,000
Due to UBA Plc	v	760,771	(760,771)	-
Other borrowed funds	vi	1,168,012	760,771	1,928,783
Other liabilities	vii	6,324,249	5,435,035	11,759,284
Total liabilities		15,050,271	-	15,050,271
Equity				
Share capital and share premium		2,000,000		2,000,000
Other reserves		(645,805)		(645,805)
		1,354,195		1,354,195
Total liabilities and equity		16,404,466	-	16,404,466

Key impact analysis of IFRS on the statement of financial position.

i	Cash and cash equivalents	N'000
	Previous GAAP	818,886
	IFRS	6,467,906
	Effect on IFRS	5,649,020
ii	Due from other banks and financial institutions	N'000
	Previous GAAP	12,666,459
	IFRS	2,671,865
	Effect on IFRS -	(9,994,594)

The effect on IFRS is as a result of liquid financial assets with original maturities of less than three months, which are subject to insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

iii Investment securities	N'000
Previous GAAP	-
IFRS	<u>4,345,574</u>
Effect on IFRS	<u><u>4,345,574</u></u>

Under NGAAP, the amount of investment securities was classified as due from other banks and financial institutions. However, under IFRS the amount was reclassified as investment securities which comprise of Held-To-Maturity investments.

iv Deposit from customer	N'000
Previous GAAP	6,475,035
IFRS	<u>1,040,000</u>
Effect on IFRS	<u><u>(5,435,035)</u></u>

This constitutes of amount due to customers which does not qualify as a financial liability. The amount was however reclassified to other liability which comprises non-financial instruments.

v Due to UBA Plc	N'000
Previous GAAP	760,771
IFRS	<u>-</u>
Effect on IFRS	<u><u>(760,771)</u></u>

Under NGAAP, the amount was classified and disclosed separately due to its related party nature. However, under IFRS the amount was reclassified as grouped as borrowed funds and treated as financial liability.

vi Other borrowed funds	N'000
Previous GAAP	1,168,012
IFRS	<u>1,928,783</u>
Effect on IFRS	<u><u>760,771</u></u>

The effect on IFRS is as a result of the classification and disclosure of loan from United Bank for Africa Plc as a related party transaction. However, under IFRS the amount was reclassified as grouped as borrowed funds and treated as financial liability.

vii Other liabilities	N'000
Previous GAAP	6,324,249
IFRS	<u>11,759,284</u>
Effect on IFRS	<u><u>5,435,035</u></u>

This constitutes of amount due to customers which does not qualify as a financial liability. The effect on IFRS is the reclassification of other non-financial liability.

Reconciliation of equity

Company	Notes	Previous GAAP =N=' 000	Effect of transition to IFRS 31 December 2011 =N=' 000	IFRS =N=' 000
Assets				
Cash and cash equivalents	i	50,095	4,654,090	4,704,185
Due from other banks and financial institutions	ii	5,149,004	(5,149,004)	-
Non-pledged trading assets		116,247	-	116,247
Investment in subsidiaries		200,000	-	200,000
Investment in equity accounted investees		750,000	-	750,000
Investment securities	iii	-	494,914	494,914
Property and equipment		6,997	-	6,997
Intangible assets		4,376	-	4,376
Other assets		241,995	-	241,995
Total assets		6,518,715	-	6,518,715
Liabilities				
Current tax liabilities		69,971	-	69,971
Other borrowed funds		1,168,012	-	1,168,012
Other liabilities		4,781,227	-	4,781,227
Retirement benefit obligations				
Total liabilities		6,019,210	-	6,019,210
Equity				
Share capital and share premium		2,000,000		2,000,000
Other reserves		(1,500,495)		(1,500,495)
Total equity attributable to equity holders of the Company		499,505	-	499,505
Total liabilities and equity		6,518,715	-	6,518,715

Key impact analysis of IFRS on the statement of financial position.

i Cash and cash equivalents	N'000
Previous GAAP	50,095
IFRS	4,704,185
Effect on IFRS	4,654,090

ii Due from other banks and financial institutions	N'000
Previous GAAP	5,149,004
IFRS	-
Effect on IFRS -	(5,149,004)

The effect on IFRS is as a result of liquid financial assets with original maturities of less than three months, which are subject to insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

iii Investment securities	N'000
Previous GAAP	-
IFRS	494,914
Effect on IFRS	494,914

Under NGAAP, the amount of investment securities was classified as due from other banks and financial institutions. However, under IFRS the amount was reclassified as investment securities which comprise of Held-To-Maturity investments.

Reconciliation of profit

Group	Notes	Nigerian GAAP	Effect of transition to IFRS	IFRS
		=N= '000	31 December 2011 =N= '000	=N= '000
Net fees and commission income		769,649		769,649
Net trading income		(2,770)		(2,770)
		766,879		766,879
Interest income		133,827	-	133,827
Other operating income		355,898	-	355,898
Income		1,256,604	-	1,256,604
Operating expenses				
Net impairment loss on financial assets		(109,623)	-	(109,623)
Personnel expenses		(222,193)	-	(222,193)
Depreciation and amortization		(22,117)	-	(22,117)
Other expenses		(322,020)	-	(322,020)
Share of profit in associate		(9,906)	-	(9,906)
Profit before income tax		570,745	-	570,745
Information technology development levy		(9,007)	-	(9,007)
Income tax expense		(60,040)	-	(60,040)
Profit for the year		501,698	-	501,698
Attributable to:				
Equity holders of the Company		501,698	-	501,698
		501,698	-	501,698
Company				
		=N=' 000	=N=' 000	=N=' 000
Net fees and commission income		700,862	-	700,862
Net trading income		(2,770)	-	(2,770)
		698,092	-	698,092
Interest income		48,484	-	48,484
Other operating income		157,850	-	157,850
Income		904,426	-	904,426
Operating expenses				
Net impairment loss on financial assets		(122,578)	-	(122,578)
Personnel expenses		(169,882)	-	(169,882)
Depreciation and amortization		(8,063)	-	(8,063)
Other expenses		(236,362)	-	(236,362)
Share of profit in associate				
Profit before income tax		367,541	-	367,541
Income tax expense		94,253		94,253
Profit for the year		461,794		461,794
Attributable to:				
Equity holders of the Company		461,794		461,794
		461,794		461,794

32 Explanation of transition to IFRS

(a) Implementation of IFRS

As stated in note 1 on significant accounting policies, these are the Group's first consolidated financial statements prepared in accordance with IFRSs. As the Group publishes comparative information for one year in its financial statements, the date of transition to IFRSs is effectively, 1 January 2011, which represents the start of the earliest period of comparative information presented. The opening balance sheet as at 1 January 2011 has been restated accordingly. The accounting policies as set out in note 3 have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group entities.

Comparative information at 31 December, 2011 is restated to take account of the requirements of all standards including IAS 32 - *Financial instruments: Presentation*, IAS 39 - *Financial instruments: Recognition and Measurement* and IFRSs 7- *Financial Instruments: Disclosures*.

The most significant IFRSs impact for the Group originated from the implementation of IAS 39 - *Financial instruments: Recognition and Measurement* which requires the valuation of financial assets and liabilities at fair values and impairment of financial assets to only be accounted if there is objective evidence that a loss event has occurred after initial recognition but before the balance sheet date.

An explanation of how the transition from Nigerian GAAP to IFRSs has affected the Group's financial position, financial performance and cash flows is set out in the accompanying notes and tables.

Transitional arrangements

The Group adopted IFRSs effective 1 January 2012. The key principle of IFRS 1 - *First-time Adoption of International Financial Reporting Standards* for reporting entities with adoption date subsequent to 1 January 2006 is a full retrospective application of IFRSs. However, this statement provides exemption from retrospective application in certain instances due to costs and practical considerations.

STATEMENT OF VALUE ADDED
FOR THE YEAR ENDED 31 DECEMBER 2012

	Group		Company		Group		Company	
	2012		2011		2011			
	N'000	%	N'000	%	N'000	%	N'000	%
Gross earnings	1,214,175		420,115		1,865,520		907,196	
Overheads and payment for other services - local	(808,274)		(109,204)		(569,981)		(361,710)	
Value added	<u>2,022,449</u>	<u>100</u>	<u>310,911</u>	<u>100</u>	<u>1,295,540</u>	<u>100</u>	<u>545,486</u>	<u>100</u>
Applied as follows:								
To pay employees:								
Wages, salaries and other benefits	277,471	14	192,882	62	319,153	25	169,882	31
To pay Government:								
Income tax	83,294	4	17,874	6	306,145	24	(77,864)	(14)
Retained for future replacement of assets and expansion of business:								
- Deferred tax	224,607	11	-	-	(246,105)	(20)	(16,389)	(3)
- Depreciation	9,260	0.5	4,497	2	34,665	3	5,225	1
- Amortisation charge	9,925	0.5	4,075	1	2,838	-	2,838	1
- Profit/(loss) for the year	<u>1,417,892</u>	<u>70</u>	<u>91,583</u>	<u>29</u>	<u>878,844</u>	<u>68</u>	<u>461,794</u>	<u>84</u>
	<u>2,022,449</u>	<u>100</u>	<u>310,911</u>	<u>100</u>	<u>1,295,540</u>	<u>100</u>	<u>545,486</u>	<u>100</u>

Value added represents the additional wealth which the group and company has been able to create by its own and its employees' efforts. This statement shows the allocation of that wealth between employees, shareholders, government and that retained for the future creation of more wealth.

FIVE-YEAR FINANCIAL INFORMATION

Financial summary

Group	31 December 2012	31 December 2011	1 January 2011
	=N=' 000	=N=' 000	=N=' 000
ASSETS			
Cash and cash equivalents	2,134,561	9,139,771	11,599,964
Non-pledged trading assets	426,561	1,065,863	1,327,331
Investments in equity accounted investee	875,285	739,260	750,000
Investments in subsidiaries	-	-	-
Investment securities	317,127	4,345,574	589,945
Property and equipment	9,401	94,948	75,378
Intangible assets	4,517	4,376	7,214
Deferred tax assets	224,607	224,607	-
Other assets	205,690	790,067	1,118,234
Assets classified as held for sale	7,605,422	-	-
TOTAL ASSETS	11,803,171	16,404,466	15,468,066
LIABILITIES			
Deposit from customers	608,363	10,707,303	880,771
Other borrowed funds	897,020	1,168,012	1,385,684
Other liabilities	171,285	2,852,751	12,060,937
Current tax liabilities	219,586	322,204	593,086
Deferred tax liabilities	-	-	21,498
Liabilities associated to assets classified as held for sale	6,057,005	-	-
TOTAL LIABILITIES	7,953,259	15,050,270	14,941,976
EQUITY			
Share capital and share premium	2,000,000	2,000,000	2,000,000
Retained earnings	1,849,912	(645,804)	(1,473,910)
SHAREHOLDER'S FUND	3,849,912	1,354,196	526,090
TOTAL LIABILITIES AND EQUITY	11,803,171	16,404,466	15,468,066
OFF BALANCE SHEET ITEM LIABILITIES	27,000,000	-	-

FIVE-YEAR FINANCIAL INFORMATION

Company	31 December 2012 =N=' 000	31 December 2011 =N=' 000	1 January 2011 =N=' 000
ASSETS			
Cash and cash equivalents	33,478	4,704,185	4,505,535
Non-pledged trading assets	37,212	116,248	299,991
Investments in equity accounted investee	750,000	750,000	750,000
Investments in subsidiaries	200,000	200,000	200,000
Investment securities	317,127	494,914	-
Property and equipment	6,579	6,997	17,122
Intangible assets	301	4,376	7,214
Deferred tax assets	-	-	-
Other assets	180,067	241,995	113,500
TOTAL ASSETS	1,524,765	6,518,715	5,893,362
LIABILITIES			
Other borrowed funds	897,020	1,168,012	1,385,684
Other liabilities	24,970	4,781,227	4,281,662
Current tax liabilities	11,686	69,971	171,916
Deferred tax liabilities	-	-	16,389
TOTAL LIABILITIES	933,676	6,019,210	5,855,651
EQUITY			
Share capital and share premium	2,000,000	2,000,000	2,000,000
Retained earnings	(1,408,912)	(1,500,495)	(1,962,289)
SHAREHOLDER'S FUND	591,088	499,505	37,711
TOTAL LIABILITIES AND EQUITY	1,524,764	6,518,715	5,893,362
OFF BALANCE SHEET ITEM LIABILITIES	27,000,000	-	-

FIVE-YEAR FINANCIAL INFORMATION

Financial summary

Group	2012	2011
	=N=' 000	=N=' 000
Gross Earnings	1,214,175	1,822,751
Gross operating expenses	(498,867)	(930,011)
Share of profit/(loss) of equity accounted investee	<u>128,865</u>	<u>(9,906)</u>
Profit before income tax	844,173	882,834
Income tax expense	<u>12,164</u>	<u>(60,040)</u>
Profit for the year from continuing operations	856,337	822,794
Profit for the year from discontinued operations	561,652	-
Other comprehensive income for the period	<u>(97)</u>	<u>-</u>
Total comprehensive income for the period	<u>1,417,892</u>	<u>822,794</u>
Company		
Gross Earnings	420,115	904,426
Gross operating expenses	<u>(368,846)</u>	<u>(536,885)</u>
Profit before income tax	51,269	367,541
Income tax expense	<u>40,411</u>	<u>94,253</u>
Profit for the year from continuing operations	91,680	461,794
Other comprehensive income for the period	<u>(97)</u>	<u>-</u>
Total comprehensive income for the period	<u>91,583</u>	<u>461,794</u>

Statement of Accounting Policies

The following are the significant accounting policies which have been adopted in the preparation of these financial statements.

1. Basis of accounting

The financial statements are prepared on the historical cost as modified by statement of certain items at the current valuation.

2. Basis of consolidation

The group financial statements include the financial statements of the Company and two of its wholly owned subsidiaries, UBA Registrars Limited and UBA Stockbrokers Limited. The subsidiaries are consolidated from the date effective control is transferred to the group. All the financial statements are up to 31 December 2011.

3. Income recognition

Fee income is accounted for when it is earned.

4. Foreign currency transactions

Transactions in foreign currency are recorded at the rate of exchange ruling at the date of the date of the transactions. Foreign currency balances are converted at the rate of exchange ruling at the balance sheet date. The exchange differences arising there from are transferred to profit and loss account.

5. Property and equipment

Property and equipment are stated at cost less accumulated depreciation

Depreciation

Depreciation is provided to write off the cost of the property and equipment on the straight line over their estimated useful lives at the following annual rates:

	%
Leasehold improvement	2.5 or the period of the lease
Furniture, fittings and equipment	20
Computer equipment	20
Motor vehicles	25

6. Intangible asset

Software acquired by the company is listed at cost less accumulated amortization. Amortization is recognized in profit or loss on a straight line basis over the estimated useful life of the software, from the date that it is available for use. The estimated useful life of software is five (5) years. This is reassessed annually.

7. Investments**Short term investment**

Quoted securities comprise of stocks quoted on The Nigerian Stock Exchange. They are held as short term investments and comprise debt and equity securities. They are stated at market value.

Associate

An Associate is an entity in which the Group has significant influence, but not control over the operating and financing management policy decisions. This is generally demonstrated by the Group holding the excess of 20%, but not more than 50% of the voting rights.

Investments in associates are accounted for by the equity method of accounting and are initially recognized at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition. The Group's share of its associates' post-acquisition profit or losses is recognized in the income statement; its share of post-acquisition movement in reserves is recognized in reserves.

The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize losses unless it has incurred obligations or made payments on behalf of the associate.

8. Taxation

Income tax and education tax payable are provided on profits at the current statutory rates of taxation

9. Deferred taxation

Deferred taxation is provided by the liability method at the applicable tax rate on the differences between the net book value of qualifying fixed assets and their corresponding tax written down value.

10. Debtors

Debtors are stated after deducting provision made for specific debts considered doubtful of recovery

11. Pension Scheme

Employers and employees contribute 7.5% each of basic salary and qualifying allowances to the pension scheme to make a total contribution of 15% as required by the Pension Reforms Act 2004. The company's contribution to the pension scheme is charged to the profit and loss account.

12. Provisions

Provisions are recognized when the company has a present obligation whether legal or constructive, as a result of past event for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations.

13. Dividend

Dividend for the year is recognized as liability only when declared and approved by shareholders at the Annual General Meeting.

14. Inventory

Stock of client stationery share certificates, dividend warrants, mandate forms and computer consumables. These are stated at the lower cost and net realizable value.

FIVE-YEAR FINANCIAL INFORMATION

BALANCE SHEET AS AT		Group				Company			
		31-Dec 2011 N'000	30-Sep 2010 N'000	15 months to 31 Dec 2009 N'000	12 months to 30 Sep 2008 N'000	31-Dec 2011 N'000	30-Sep 2010 N'000	15 months to 31 Dec 2009 N'000	12 months to 30 Sep 2008 N'000
	Note								
ASSETS									
Cash and short term fund	2	818,886	1,039,011	551,057	9,039,728	50,095	515,455	113,153	113,662
Due from banks	3	12,666,459	11,150,898	58,423,534	6,484,752	5,149,004	3,990,080	42,299,843	452,227
Investment in subsidiaries	4	-	-	-	-	200,000	200,000	200,000	200,000
Investment in associated company	5	739,260	750,000	-	492,260	750,000	750,000	-	3,820,255
Short term investment	6	1,065,863	1,327,331	3,092,379	9,498,705	116,248	299,991	500,000	-
Debtors and prepayments	7	770,214	1,097,544	3,424,894	1,914,819	241,995	113,500	453,603	693,847
Inventory	8	19,853	20,690	-	-	-	-	-	-
Property and equipment	9	94,948	75,378	129,965	301,310	6,997	17,122	40,502	144,664
Intangible asset	9.3	4,376	7,214	-	-	4,376	7,214	-	-
Deferred taxation	14	224,607	-	-	-	-	-	-	-
Total assets		16,404,466	15,468,066	65,621,830	27,731,574	6,518,715	5,893,362	43,607,101	5,424,655
LIABILITIES									
Bank overdraft		-	-	354,905	3,182,718			-	2,967,953
Due to United Bank for Africa Plc	10	760,771	880,771	52,400,877	8,290,267	-	-	38,500,000	-
Other liabilities	11	12,799,283	12,060,937	12,999,961	9,815,706	4,781,227	4,281,662	4,645,254	49,350
Long term borrowings	12	1,168,012	1,385,684	-	-	1,168,012	1,385,684	-	-
Taxation	13	322,204	593,086	13,763	34,214	69,971	171,916	185,882	172,469
Deferred taxation	14	-	21,498	653,205	720,189	-	16,389	13,763	13,763
Total liabilities		15,050,270	14,941,976	66,422,711	22,043,094	6,019,210	5,855,651	43,344,899	3,203,535
CAPITAL AND RESERVE									
Share capital	15	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
General reserve	16	-645,804	-1,473,910	-2,800,881	3,688,480	-1,500,495	-1,962,289	-1,737,798	221,120
Shareholders' fund		1,354,196	526,090	-800,881	5,688,480	499,505	37,711	262,202	2,221,120
		16,404,466	15,468,066	65,621,830	27,731,574	6,518,715	5,893,362	43,607,101	5,424,655

The financial statements were approved by the Board of Directors on 16 May 2012 and signed on its behalf by:

PROFIT AND LOSS ACCOUNT

	Note	Group				Company			
		31-Dec	31-Dec	15 months	12 months	31-Dec	31-Dec	15 months	12 months
		2011	2010	to 31 Dec	to 30 Sep	2011	2010	to 31 Dec	to 30 Sep
		N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
GROSS EARNINGS		1,865,520	3,063,826	3,993,297	5,780,003	907,196	790,944	2,004,777	2,042,280
Financial advisory and issuing house business fees		834,902	922,331	1,906,923	3,044,712	700,862	666,498	1,734,416	502,166
Direct cost		-	-22,619	-687,293	-583,376	-	-22,619	-687,293	-583,376
Trading loss on shares		-2,770	-2,835	-1,557,916	-	-2,770	-2,835	-1,557,916	672,641
		832,132	896,877	-338,286	2,461,336	698,092	641,044	-510,793	591,431
Interest income		495,396	462,233	1,559,386	848,894	48,484	59,429	180,485	116,418
Net operating income		1,327,528	1,359,110	1,221,100	3,310,230	746,576	700,473	-330,308	707,848
Investment income		152,941	938,252	-	734,650	-	-	-	-
Other income		342,281	741,010	514,597	1,151,747	157,850	65,017	89,876	751,056
	7	1,822,750	3,038,372	1,735,697	5,196,627	904,426	765,490	-240,432	1,458,904
Provision for doubtful accounts	18	-110,588	-382,435	-951,053	-2,156	-122,578	-435,834	-207,209	-
Share of associated company loss	5	-9,906	-	-	-	-	-	-	-
Operating expenses	8	-819,423	-1,068,520	-3,180,336	-2,935,707	-414,307	-544,383	-460,028	-1,093,653
(Loss)/ profit before taxation and exceptional item		882,834	1,587,417	-2,395,691	2,258,764	367,541	-214,727	-907,669	365,252
Exceptional item		-	-	-2,272,059	-556,810	-	-	-865,644	-469,274
Profit/(loss) before taxation	9	882,834	1,587,417	-4,667,750	1,701,954	367,541	-214,727	-1,773,312	-104,022
Taxation	13	-60,040	-260,446	-613,122	-496,108	94,253	-9,765	-185,606	-178,209
Profit/(loss) after taxation	11	822,794	1,326,971	-5,280,872	1,205,846	461,794	-224,492	-1,958,918	-282,231
APPROPRIATION									
Transfer to general reserve	16	822,794	1,326,971	-5,280,872	1,205,846	461,794	-224,492	-1,958,918	-282,231
Basic earnings/(loss) per share (kobo)	17	41	66	-35	60	23	-11	-0.98	-0.14

The accounting policies on page 2 and 3 the notes on pages 7 to 15 form part of these financial statements.

FIVE-YEAR FINANCIAL INFORMATION
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED

	Note	Group				Company			
		31-Dec	30-Sep	15 months to 31 Dec	12 months to 30 Sep	31-Dec	30-Sep	15 months to 31 Dec	12 months to 30 Sep
		2011 N'000	2010 N'000	2009 N'000	2008 N'000	2011 N'000	2010 N'000	2009 N'000	2008 N'000
Cash flows from operating activities									
Financial advisory and issuing house fees		834,902	922,331	1,906,923	3,044,712	700,862	666,498	1,734,416	1,286,858
Interest income		495,396	462,233	1,559,386	848,894	48,484	59,429	180,485	116,418
Payment to employees and suppliers		-831,444	-1,019,928	-3,092,299	-2,857,179	-455,768	-528,995	-432,329	-1,054,844
Trading loss		-2,770	-2,835	-1,557,916	-	-2,770	-2,835	-1,557,916	-
Investment income		152,941	938,252	-	734,650	-	-	-	-
Other income		342,281	741,010	514,597	1,151,747	157,850	65,017	89,876	639,005
Direct cost		-	-22,619	-687,293	-583,376	-	-22,619	-687,293	-583,376
Tax paid	13	-570,881	-312,830	-938,540	-338,210	-24,081	-21,105	-172,193	-338,210
Operating profit before changes in operating assets		420,425	1,705,614	-2,295,142	2,001,238	424,577	215,390	-844,954	65,850
Changes in operating assets and liabilities									
Debtors and prepayments		518,033	2,979,068	-493,306	-146,266	-124,856	1,204,369	1,330	-114,869
Inventory		837	3,713	-	-	-	-	-	-
Creditors and accruals		618,347	-939,024	16,294	4,553,965	499,565	-363,591	4,595,904	-231,064
Net cash provided by operating activities	19	1,557,642	3,749,371	-2,772,154	6,408,937	799,286	1,056,168	3,752,280	-280,083
Cash flows from investing activities									
Investments		-124,615	39,669	4,521,665	-268,656	57,526	-1,850,090	3,320,255	-3,891,446
Purchase of property and equipment	9	-59,135	-15,929	-74,334	-95,343	-	-13,930	-37,974	-17,329
Proceeds from disposal of property and equipment		4,900	14,708	153,890	-	4,900	14,708	114,438	-
Net cash (used in)/from investing activities		-178,850	38,448	4,601,220	-363,999	62,426	-1,849,313	3,396,719	-3,908,775
Cash flows from financing activities									
Loan receipts		-	1,385,684	47,500,000	8,674,141	-	1,385,684	38,500,000	-
Loan repayments		-343,148	-51,520,106	-3,389,390	-22,523,874	-343,148	-38,500,000	-	-
Net cash used in financing activities		-343,148	-50,134,422	44,110,610	-13,849,733	-343,148	-37,114,316	38,500,000	-
		1,035,644	-46,346,603	45,939,677	-7,804,795	518,564	-37,907,461	44,990,060	-4,188,858
Cash and cash equivalents at 1 January		12,449,701	58,796,304	12,342,153	20,146,948	4,680,535	42,587,996	-2,402,064	1,786,794
Cash and cash equivalents at 31 December	20	13,485,345	12,449,701	58,281,830	12,342,153	5,199,099	4,680,535	42,587,996	-2,402,064

FIVE-YEAR FINANCIAL INFORMATION

1. History of the company

1a. Legal form

UBA Capital Plc was incorporated on 14 March 2002 as a wholly owned subsidiary of United Bank For Africa Plc. The Company was initially called UBA Global Markets Limited which was later changed to UBA Capital (Africa) Limited. The name was subsequently changed to UBA Capital Limited on 08 September 2009 before its conversion to UBA Capital Plc on 03 August 2012. The Company's subsidiaries are UBA Trustees Limited; UBA Asset Management; UBA Stockbrokers Limited and UBA Metropolitan Life Insurance Limited.

1b. Principal activities

The Company renders the following financial services: corporate finance, investment banking, issuing house, structured finance and infrastructural financing.

	31 December		30 September	
	2011	2010	2009	2008
	N'000	N'000	N'000	N'000
2. Cash and short-term fund				
Cash in hand	343	390	111	107
Current account balances	818,543	1,038,621	550,946	9,039,621
	818,886	1,039,011	551,057	9,039,728
3. Due from other banks				
Placement with other banks	-	-	38,675,000	175,000
Placement with other subsidiaries	5,748,004	600,538	-	-
United Bank for Africa Plc	6,918,455	10,810,152	19,925,152	6,310,143
	12,666,459	11,410,690	58,600,152	6,485,143
Provision for doubtful balance (note 3.1)	-	(259,792)	(176,618)	(391)
	12,666,459	11,150,898	58,423,534	6,484,752
3.1 Provision for doubtful bank balances				
At 1 January	259,792	176,618	391	-
Release/arising during the year (note 18)	(84,792)	83,174	176,227	391
Write off during the year	(175,000)	-	-	-
	-	259,792	176,618	391
4. Investment in subsidiaries				
	% Holding			
UBA Stock Brokers Limited 100	-	-	-	-
UBA Registrars Limited 100	-	-	-	-
	-	-	-	-
5. Investment in associated company				
UBA Bond Fund	-	-	-	238,920
UBA Balanced fund	-	-	-	253,340
UBA Metropolitan Life Insurance Limited (note 5.1)	739,260	750,000	-	-
	739,260	750,000	-	492,260
5.1 UBA Metropolitan Life Insurance Limited				
Cost of investment on acquisition	750,000	750,000	-	-
Share of profit of previous year	5,312	-	-	-
	755,312	750,000	-	-
Share of current year loss @25%	(9,906)	-	-	-
Share of current year tax @ 25%	(6,147)	-	-	-
	739,260	750,000	-	-

FIVE-YEAR FINANCIAL INFORMATION

	Group			
	31 December 2011 N'000	31 December 2010 N'000	31 December 2009 N'000	30 September 2008 N'000
	6. Short term investments			
Quoted equities at cost	4,003,996	3,879,381	4,669,050	10,138,235
Provision for diminution in value of investments (note 6.1)	(2,938,133)	(2,552,050)	(1,576,671)	(639,530)
	1,065,863	1,327,331	3,092,379	9,498,705
 (Market Value - Group 2011 - N1,065,863,000; 2010 - N1,327,331,000); Company 2011 - N116,248,000; 2010 - N299,991,000)				
6.1 Provision for diminution in value of investments	31 December 2011 N'000	31 December 2010 N'000	31 December 2009 N'000	30 September 2008 N'000
At 1 January	2,552,050	1,576,671	639,530	82,720
Transfer to UBA Plc	-	-	(469,274)	-
Arising during the year (note 18)	386,083	109,735	1,406,415	556,810
Exceptional item (note 20)	-	-	-	-
Reclassification from doubtful debtors balances (note 7.1)	-	865,644	-	-
At 31 December	2,938,133	2,552,050	1,576,671	639,530
7. Debtors and prepayments	31 December 2011 N'000	31 December 2010 N'000	31 December 2009 N'000	30 September 2008 N'000
Trade debtors	348,305	681,760		
Interest receivable	142,293	39,306	109,859	295,232
Prepayments	2,108	3,226	7,426	79,369
Staff loan	2,233	198	7,301	-
Other receivables	235,214	54,621	43,072	91,709
Accrued income	102,667	572,142	13,000	-
Current account with UBA Trustees Limited	400	-		
Intercompany balance with UBA Plc			3,598,926	498,390
Intercompany balance with UBA Europe			-	71,993
Due from customers			1,286,635	892,903
Stock of stationery			24,403	10,481
	833,220	1,351,253	5,090,622	1,940,077
Provision for other assets (note 7.1)	(63,006)	(253,709)	(1,665,728)	(25,258)
	770,214	1,097,544	3,424,894	1,914,819
7.1 Provision for doubtful debtors balances	31 December 2011 N'000	31 December 2010 N'000	31 December 2009 N'000	30 September 2008 N'000
At 1 January	253,709	1,665,728	25,258	31,177
Write off during the year	-	(735,901)	(13,290)	(21,561)
	253,709	929,827	11,968	9,616
Additional provision for the year	4,847	189,526	1,653,760	15,642
Write back during the year	(195,550)	-	-	-
Reclassification to diminution in value of investments (note 6.1)	-	(865,644)	-	-
Per profit and loss (note 18)	(190,703)	(676,118)	1,653,760	15,642
At 31 December	63,006	253,709	1,665,728	25,258
8	19,853	20,690		

Inventory

Inventory comprises client stationery which consists of share certificates, dividend warrants and other mandate forms used in maintaining the register of shareholders. They are carried in the books at the lower of cost and net realisable value.

FIVE-YEAR FINANCIAL INFORMATION

9. Property and equipment Group	Leasehold Improvement	Furniture fittings and equipment	Computer equipment	Motor vehicles	Others	Total
9.1	N'000	N'000	N'000	N'000	N'000	N'000
Cost						
At 1 January	2,021	21,422	101,824	75,159	0	200,426
Additions	-	731	58,404	-	-	59,135
Disposal	-	-	-	(14,859)	-	(14,859)
At 31 December	2,021	22,153	160,228	60,300	0	244,702
Depreciation						
At 1 January	88	12,747	66,304	45,909	0	125,048
Charge for the year	51	4,204	16,957	13,453	0	34,665
Disposal	-	-	-	(9,959)	-	(9,959)
Disposal	-	-	-	-	-	-
At 31 December	139	16,951	83,261	49,403	0	149,754
Net book value						
At 31 December 2011	1,882	5,202	76,967	10,897	0	94,948
At 31 December 2010	1,933	8,675	35,520	29,250	-	75,378
At 31 December 2009	981	9,868	54,104	54,962	10,049	129,965
At 31 December 2008	75,499	28,897	103,852	81,296	11,766	301,310
	Group					
	31 December	31 December	31 December	30 September		
	2011	2010	2009	2008		
	N'000	N'000	N'000	N'000		
10. Due to United Bank for Africa Plc						
At 1 January	880,771	52,400,877	8,290,267	22,140,000		
Arising in the year	-	-	47,500,000	8,674,141		
Payment in the year	-	51,520,106	(3,389,390)	22,523,874		
Waiver received (note 10.1)	-	-	-	-		
At 31 December	880,771	880,771	52,400,877	8,290,267		
10.1 Waiver received						
UBA Stockbrokers obtained a bridging loan (Commercial paper) facility from UBA Plc to finance its stock trading activities. The primary source of repayment is from the proceeds of disposal of the shares purchased with the facility. Part of the related interest on the loan has been waived by the parent company.						
	Group					
	31 December	31 December	31 December	30 September		
	2011	2010	2009	2008		
	N'000	N'000	N'000	N'000		
11. Other liabilities						
Accounts payable	-	1,315,594	4,815,240	2,143,558		
Deffered Interest Income	-	-	-	6,719		
Preference dividend	-	-	-	-		
Deposit received from customers	-	10,421,205	6,454,149	7,619,569		
Current account with UBA Plc	-	31,204	1,583,685	-		
Intercompany account	-	160,023	-	29,561		
Information technology development levy (note 11.1)	-	34,015	15,802	16,299		
Accrued expenses	-	47,390	96,125	-		
Other creditors	-	-	-	-		
Other provisions and credit balances	-	51,506	34,959	-		
	-	12,060,937	12,999,961	9,815,707		

Part of deposit received in the sum of N5,759,587 represents dividends, return monies and other interests received by UBA Registrars from Clients which were yet to be claimed by the beneficiaries at the end of the year.

11.1 Information Technology Development Levy

This represent 1% of profit before tax in line with section 12(2a) of the National Information Technology Development Agency (NITDA) Act.

FIVE-YEAR FINANCIAL INFORMATION

	Group			
	31 December 2011 N'000	31 December 2010 N'000	31 December 2009 N'000	30 September 2008 N'000
11.2 Staff pension contribution				
At 1 January	-	-	-	3,705
Provision for the year	-	4,103	7,302	10,236
Release to PFAs	-	(4,103)	(7,302)	(13,941)
At 31 December	-	-	-	-

12. Long term borrowings

This represents long term borrowings from the United Bank for Africa Plc secured in 2010 over a period of 5 years at an interest rate of 5% per annum. The loan was secured against quoted shares in African Petroleum Plc.

	31 December 2011 N'000	31 December 2010 N'000	31 December 2009 N'000	30 September 2008 N'000
13. Taxation				
.1 Per profit and loss account:				
Income tax	208,947	114,042	343,479	284,149
Education tax	21,245	7,819	22,650	39,850
Under/(over) provision in prior year	69,806	130,850	267,443	175,456
Share of associated company tax	6,147	-	-	-
Deferred tax	306,145 (246,105)	252,711 7,735	633,572 (20,451)	499,455 (3,347)
	60,040	260,446	613,121	496,108
.2 Per balance sheet:				
At 1 January	593,086	653,205	720,189	558,946
Charge for the year	306,145	252,711	633,033	499,453
Share of associated company tax	(6,147)	-	-	-
Tax paid	(570,881)	(312,830)	(938,540)	(338,210)
Prior year under provision	-	-	238,523	-
At 31 December	322,204	593,086	653,206	720,190

The charge for income tax in these financial statements is based on the provisions of the Companies Income Tax Act CAP C21 LFN 2004 as amended, while Education Tax is based on Education Tax Act CAP E4 LFN 2004.

	31 December 2011 N'000	31 December 2010 N'000	31 December 2009 N'000	30 September 2008 N'000
14. Deferred tax				
At 1 January	21,498	13,763	34,214	37,561
Over-provision in prior period	-	-	(540)	-
Charge for the year	(246,105)	7,735	(19,911)	(3,347)
At 31 December	(224,607)	21,498	13,763	34,214

Computation of deferred tax resulted in an asset of N908,799,258 at year end in respect of the group. The sum of N246,105,000 was recognised in these financial statements as the Directors are of the opinion that there is reasonable expectation of the realisation of the amount recognised.

FIVE-YEAR FINANCIAL INFORMATION

	Group 2011 N'000	2010 N'000	31 December 2009 N'000	30 September 2008 N'000
15. Share capital				
Authorised, issued and fully paid:				
2 billion ordinary shares of N1 each	2,000,000	2,000,000	2,000,000	2,000,000
16. General reserve				
At 1 January	(1,473,910)	(2,800,881)	3,688,480	2,482,634
Utilised by subsidiary		-	(1,208,489)	-
Transfer from profit and loss account	822,794	1,326,971	(5,280,872)	1,205,846
Prior year's share of associated profit	5,312	-	-	-
At 31 December	(645,804)	(1,473,910)	(2,800,881)	3,688,480
17. Basic earnings/(loss) per share				
Basic earnings/(loss) attributable to shareholders (N'000)	822,794	1,326,971		
Number of ordinary shares in issue ('000)	2,000,000	2,000,000		
Basic earnings/(loss) per share (kobo)	41	66		
	2011	2010		
	N'000	N'000		
18. Provision for doubtful accounts				
Due from other banks (note 3.1)	(84,792)	83,174	176,227	391
Debtors and prepayments (note 7.1)	(190,703)	189,526	774,826	1,765
Short term investment (note 6.1)	386,083	109,735	-	-
	110,588	382,435		
	Group			
	2011	2010	31 December	30 September
	N'000	N'000	2009	2008
	N'000	N'000	N'000	N'000
19. Reconciliation of profit / (loss) after tax to net cash provided by operating activities				
Profit /(loss) after tax	-	1,326,971	(5,280,872)	1,205,846
Adjustments to reconcile net cash provided:				
Exceptional item	-	-	2,272,059	556,810
Provision for doubtful balances	-	-	951,053	2,156
Information technology development levy	-	-		
Deferred taxation	-	7,735	-20,451	-3,347
Taxation	-	(60,119)		
Information technology development levy	-	-	-	16,301
Fixed asset written-off	-	63		
Share of associated company loss	-	-		
Share of associated company tax	-	-		
Prior year adjustment	-	-		
Provision written off	-	-		
Bad debt written-off	-	-	16,106.00	-
Interest expense	-	-	-	-
Amortisation charge	-	2,838	-	-
Depreciation	-	45,691	71,929	62,227
	(1)	1,323,179	(1,990,176)	1,839,993
Changes in assets and liabilities:				
Debtors and prepayments	-	0	-3,146,791	-146,266
Inventory	-	3,713	3,184,254	4,553,965
Creditors and accruals	-	-	(66,984)	161,245
Prior period adjustments on taxes	-	-	(237,982)	-
Net cash provided by operating activities	(1)	1,326,892	(2,257,679)	6,408,937
20. Reconciliation of cash and cash equivalents				
Cash and short term funds	-	-	551,057	9,039,728
Placement with bank	-	-	58,600,152	6,485,143
Bank Overdraft	-	-	(354,905)	(3,182,718)
	-	-	58,796,304	12,342,153

FIVE-YEAR FINANCIAL INFORMATION

21. Supplementary profit and loss account information	Group		15 months to	12 months to
	2011	2010	31 December	30 September
	Number	Number	2009	2008
.1 The number of Directors during the year	5	5	5	5
	N'000	N'000	N'000	N'000
Directors' emoluments	1,655	580	-	-
.2 Profit/(loss) before taxation for the year is stated after charging:				
Exchange loss	-	539	-	-
Depreciation	34,665	45,691	71,931	62,227
Auditors' remuneration	12,000	12,000	4,000	4,000
.3 Employee cost during the year				
Salaries and allowances	268,821	390,422	537,312	450,686
Staff bonus	44,117	79,418	-	-
Pension costs	6,215	4,103	10,058	10,236
	319,153	473,943	547,370	460,922
	Number	Number	Number	Number
The average number of persons employed during the year	34	38	35	43
Employees earning more than N500,000 per annum, other than directors, whose duties were wholly or mainly discharged in Nigeria, received remuneration (excluding pension contributions and certain other benefits/allowances) in the following ranges:				
	N			
500001 - 1000000	1	1	2	1
1000001-1500000	6	6	12	8
1500001-2000000	4	4	2	11
2000001-2500000	1	-	-	2
2500001-3000000	2	1	2	4
3000001-3500000	2	2	2	2
3500001-4000000	-	-	9	1
4000001-4500000	-	-	3	2
4500001-5000000	1	1	3	12
5000001 and above	17	23	-	-
	34	38	35	43

22. Related party transactions

UBA Capital is a wholly owned subsidiary of UBA Plc. The following are the transactions and balances arising from dealings with related parties during the year.

			2011	2010
			N'000	N'000
	Relationship			
.1	Interest receivable			
	United Bank for Africa Plc	Parent Company	3,498	2,669
.2	Bank balances			
	United Bank for Africa Plc	Parent company	49,840	515,197
.3	Placements			
	United Bank for Africa Plc	Parent company	601,000	4,165,080
	UBA Asset Management Limited	Co-subsiary	181,106	-
	UBA Trustees Limited	Co-subsiary	4,366,898	-
.4	Payable			
	United Bank for Africa Plc	Parent company	-	31,204
.6	Term loan			
	United Bank for Africa Plc	Parent company	<u>1,168,012</u>	<u>1,385,684</u>

FIVE-YEAR FINANCIAL INFORMATION

	Group		2010		2009		2008	
	2011 N'000	%	N'000	%		%		%
Gross earnings	1,865,520		3,063,826		3,993,297		5,780,003	
Overheads and payment for other services - local	-569,981		-953,937		-8,076,071		-3,554,900	
Value added	1,295,540	100	2,109,889	100	-4,082,773	100	2,225,103	100
Applied as follows:								
To pay employees:								
Wages, salaries and other benefits	319,153	25	473,943	22	544,614	-13	460,922	21
To pay Government:								
Income tax	306,145	24	252,711	12	633,033	-16	499,455	22
Retained for future replacement of assets and expansion of business:								
- Deferred tax	-246,105	-20	7,735	-	-19,911	-	-3,347	0
- Depreciation	34,665	3	45,691	2	71,929	-2	62,227	3
- Amortisation charge	2,838	-	2,838	-	-	-	-	-
- Profit/(loss) for the year	878,844	68	1,326,971	64	-5,312,439	130	1,205,846	54
	1,295,540	100	2,109,889	100	-4,082,773	100	2,225,103	100

Value added represents the additional wealth which the company has been able to create by its own and its employees' efforts. This statement shows the allocation of that wealth between employees, shareholders, government and that retained for the future creation of more wealth.

1. Incorporation and Share Capital History

The authorized and paid up share capital of UBA Capital Plc is N3billion divided into 6billion ordinary shares of N0.50kobo each. The Company's share capital history since its incorporation is as follows:

Date	Authorized Share Capital (N)		Issued Share Capital (N)	
	Change	Cumulative	Change	Cumulative
14-Mar-02	10,000,00	10,000,000	10,000,000	10,000,000
8-Apr-03	40,000,000	50,000,000	40,000,000	50,000,000
22-Oct-04	250,000,000	300,000,000	250,000,000	300,000,000
17-Nov-06	1,700,000,000	2,000,000,000	1,700,000,000	2,000,000,000

Source: UBA Capital Board of Directors

2. Shareholding Structure (5% and above)

As at 31 December 2012, the 4,000,000,000 ordinary shares of ₦0.50 each, issued and fully paid up capital of UBA Capital are held as follows:

Shareholder	No of Ordinary Shares	% Holding
▪ UBA Staff Investment Trust	303,410,889	7.59%
▪ Stanbic Nominee	265,438,277	6.64%
Total	756,676,018	14.23%

Source: UBA Capital Board of Directors

Except as stated above, no other Shareholder held up to 5% of the issued share capital of UBA Capital as at the date of this document.

3. Directors' Beneficial Interests-

The beneficial interest of Directors in the issued share capital of the Company as recorded in the Register of Members and/or notified by them for the purpose of Section 275 of CAMA as at 30th June 2013 are as follows:

Director	Direct	Indirect	Total	%
Angela Aneke	-	-	-	0.00%
Rasheed Olaoluwa	5,666,941	-	5,666,941	0.14%
Yoro Diallo	-	-	-	0.00%
Adim Jibunoh	-	-	-	0.00%
Stella Kilonzo	-	-	-	0.00%
Chika Mordi	12,363	-	12,363	0.00%
Ambassador John Kayode Shinkaiye	508,762	-	508,762	0.01%
Total	6,188,066	-	6,188,066	0.15%

Source: African Prudential Registrars

Save as disclosed, none of the directors of UBA Capital has notified the Company of having any other interest in its share capital.

4. Statement of Compliance with Corporate Governance

UBA Capital Plc is committed to protecting and promoting the interests of its shareholders. In line with this, the Company recognizes the importance of adopting sound management principles throughout the organization aimed at promoting transparency, accountability and good corporate governance in order to ensure the long term, sustainable prosperity of its businesses.

The Company adheres to the principles contained in the Securities and Exchange Commission's Code of Corporate Governance for Public Companies in Nigeria 2011 (the "Code"). The Code prescribes guidelines and rules for best practice for, inter alia, publicly quoted companies whose securities are listed on a recognized stock exchange in Nigeria. UBA Capital Plc shares were listed on the Nigerian Stock Exchange in January 2013. Although the Code is not intended as a rigid set of rules, it is expected to guide applicable companies in order to facilitate sound corporate practice and behavior. The responsibility for ensuring compliance with or observance of the principles of the Code rests primarily with the Board of Directors of UBA Capital.

Governance Structure**Board of Directors**

The Board has adopted a framework for the promotion of effective governance throughout the UBA Capital Group (the "Governance Framework"). In line with the Code, the Governance Framework charges the Board with the responsibility of (i) setting the long term vision and strategy for the Company and ensuring that these plans are successfully executed; (ii) policy formulation; (iii) decision making on behalf of shareholders; and (iv) overseeing the effective management and performance of the business and affairs of the Group.

Board Composition and Structure

The Board consists of seven (7) members made up of one executive and six non-executive directors and is therefore of sufficient size in relation to the scale and complexity of the Company's operations. The Board comprises a unique blend of talented and experienced individuals with diverse backgrounds covering different sectors and geographical areas. The directors are all highly successful professionals and entrepreneurs who have all achieved measurable success in their respective fields. Each Board member has the requisite knowledge, qualifications, expertise and integrity required to effectively discharge the duties of the Board.

In accordance with the provisions of the Companies and Allied Matters Act, 2004 (CAMA) and the Governance Framework, the Chairman of the Board ensures the effective operation of the Board and presides over the Board's proceedings. The Chairman is a non-executive director who is not involved in the day-to-day operations of the Company, which are effectively delegated to the Group CEO. UBA Capital's Chairman provides overall leadership and direction for the Board and the Company in addition to other functions in line with the Code, the Company's memorandum and articles of association and CAMA.

Details of the current directors of UBA Capital are set out on page 8 of this Rights Circular.

Board Committees

Pursuant to the powers granted to the Board by CAMA and the Company's memorandum and articles of association, the Board has created the following committees and delegated to these committees such powers as the Board deems necessary. These powers are set out in written terms of reference as prescribed by the Code:

Audit & Governance Committee (AGC)

The terms of reference of the AGC include to:

- Establish procedures for the nomination of directors
- Advise and recommend to the Board the composition of the Board's membership
- Review and evaluate the skills of Board members
- Advise the Board on corporate governance standards and policies
- Review and recommend all human resources and governance policies for the Group to the Board for approval
- Recommend the organization structure of the Group to the Board for approval.
- Organize Board and Board Committees inductions and trainings
- Evaluate and appraise the performance of the Board and Board Committees and its members annually in conjunction with consultants
- Assist the Board of Directors in fulfilling its oversight responsibilities with regard to audit and control
- Assure that an effective system of financial and internal controls is in place

STATUTORY & GENERAL INFORMATION

Membership of the AGC comprises:

Name of Director	Designation
Chika Mordi	Chairman
Stella Kilonzo	Member
Ambassador John Kayode Shinkaiye	Member
Adim Jibunoh	Member

Finance, Investment & Risk Management Committee (FIRMC)

The terms of reference of the FIRMC include to:

- Discharge the Board's responsibilities with regard to strategic direction and budgeting
- Provide oversight on financial matters and the performance of the Group
- Review and recommend investment opportunities or initiatives to the Board for approval
- Recommend financial and investment decisions within its approved limits on behalf of the Board
- Monitor and assess the overall integrity of the financial statements and disclosures of the financial condition and results of operations of the Group
- Assist the Board in discharging its responsibilities on Information Technology (IT) as it relates to financial reporting and the status of the company as a going concern.
- Review and recommend for approval to the Board, Group Policies relating to risk management, finance and investment

The FIRMC is made up of the following directors:

Name of Director	Designation
Adim Jibunoh	Chairman
Rasheed Olaoluwa	Member
Ambassador John Kayode Shinkaiye	Member

Executive Management

The Board can delegate some of its decision making authority to the Group Chief Executive Officer and Executive Management Committee as defined in the Executive Management Charter.

The Management Charter sets out the limits of management's powers and authority as amended by the Board from time to time. The delegations of authority contained in the Management Charter conform with statutory limitations to the extent applicable and any powers and authorities not expressly delegated to management therein are reserved by the Board.

In the execution of the functions of his office, the Group Chief Executive Officer of the Company is supported by an executive management committee (EMC).

The Executive Management Committee comprises the following:

The Group Chief Executive Officer

Group Chief Finance Officer

Group Chief Operations Officer

General Counsel

Subsidiary Chief Executive Officers

And other departmental heads as may be approved by the AGC.

Re-election of Directors

A maximum of one third of the Directors, who are the longest in office since their last appointment are required to retire by rotation and are eligible for re-election.

Board Duties and Responsibilities

The Board of Directors (Board) is appointed to act on behalf of the shareholders in the overall interest of the Group and shall be accountable to shareholders

The Board exercises its business judgment to act in what is reasonably believed to be in the best interest of the shareholders, and to conduct themselves in their duties of care and loyalty.

Members of the Board are required to disclose their known interests that may conflict with their Board interests at the commencement of every financial year and at any time thereafter when such an interest arises.

General Governance

The Board is responsible for the development and implementation of sustainable policies, which reflect the Company's acknowledgement of its responsibility to all stakeholders of the Company including its customers, employees, shareholders, communities and the environment.

UBA Capital pro-actively promotes and safeguards sound corporate governance standards and practices throughout its organization and operations.

5. Indebtedness

As at the date of this Rights Circular, UBA Capital has a long term loan in the ordinary course of business amounting to N586.7 million. Other than as stated above, UBA Capital has no outstanding loans, charges or similar indebtedness other than those incurred in the ordinary course of business.

6. Claims and Litigation

As at the date of this Rights Circular, the Company in the ordinary course of business is involved in thirteen (13) cases through its subsidiary UBA Stockbrokers Limited, and was directly involved in 2 other cases (there are 15 cases in all). The total exposure in all 15 cases is the sum of ₦1,791,734,491.52. The Company currently has no case instituted by it.

The Directors of the Company are of the opinion that none of the pending claims instituted against the Company is likely to have any material adverse effect on the Rights Issue.

7. Relationship between the Issuer and the Issuing Houses/Other Advisers

There is no relationship between UBA Capital and its advisers except in the ordinary course of business.

8. Cost and Expenses

The costs and expenses of this Rights Issue including fees payable to the SEC, the NSE and professional parties, filing fees, legal fees, and other expenses, brokerage commission and the costs of printing and advertising the Rights Issue are estimated at N60,000,000.00 representing approximately 3% of the gross offer size.

9. Material Contracts

The following agreement has been entered into by UBA Capital and is deemed material to this Rights Issue

- A. Vending Agreement dated XX XXX, 2013 and executed between UBA Capital, BGL Plc and Greenwich Trust Limited
- B. Issuing House Agreement dated XX XXX, 2013 and executed between BGL Plc and Greenwich Trust Limited
- C. Technical Services Agreement between UBA Capital and Heirs Holdings Ltd dated 01 January 2013

Other than as stated above, UBA Capital has not entered into any contracts material to this proposed Rights Issue except in the ordinary course of business.

10. Declarations

Except as otherwise disclosed in this Rights Circular:

1. No share of UBA Capital is under option or agreed conditionally or unconditionally to be put under option created or issued by UBA Capital;
2. No commissions, discounts, brokerages or other special terms have been granted by UBA Capital to any person in connection with the Issue or sale of any share of the Company;
3. Save as disclosed herein, the Directors of UBA Capital have not been informed of any holding representing 5% or more of the issued share capital of the Company;
4. There are no founders', management or deferred shares or any options outstanding in UBA Capital;
5. There are no material service agreements between UBA Capital or any of its Directors and employees other than in the ordinary course of business;
6. No Director of the Company has had any interest, direct or indirect, in property purchased or proposed to be purchased by the Company in the five years prior to the date of this Circular;
7. No Director or key management staff of the Company is or has been involved in any of the following:
 - a. A petition under any bankruptcy or insolvency laws filed (and not struck out) against such person or any partnership in which he was a partner or any company of which he was a director or key personnel;

STATUTORY & GENERAL INFORMATION

- b. A conviction in a criminal proceeding or is named subject of pending criminal proceedings relating to fraud or dishonesty; and
 - c. The subject of any order, judgement or ruling of any court of competent jurisdiction or regulatory body relating to fraud or dishonesty, restraining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.
8. There are no amounts or benefits paid or intended to be paid or given to any promoter within the two years preceding the date of the Circular;

11. Mergers and Acquisitions

As part of its growth strategy, UBA Capital will continue to explore merger and acquisition opportunities relevant to its business.

12. Research and Development

Whilst UBA Capital continues to adopt best practices in its operational processes, the Company did not make any research and development capital expenditure over the last three (3) years.

13. Consents

The following have given and have not withdrawn their written consents to the issue of this Rights Circular with the inclusion of their names and reports (where applicable) in the form and context in which they appear:

Directors of the Company:

CHAIRMAN

Angela Aneke
UBA House (12th Floor) 57, Marina Lagos

GROUP CHIEF EXECUTIVE OFFICER

Rasheed Olaoluwa
UBA House (12th Floor) 57, Marina Lagos

NON EXECUTIVE DIRECTOR

Yoro Diallo
UBA House (12th Floor) 57, Marina Lagos

NON EXECUTIVE DIRECTOR

Adim Jibunoh
UBA House (12th Floor) 57, Marina Lagos

NON EXECUTIVE DIRECTOR

Stella Kilonzo
UBA House (12th Floor) 57, Marina Lagos

NON EXECUTIVE DIRECTOR

Chika Mordi
UBA House (12th Floor) 57, Marina Lagos

NON EXECUTIVE DIRECTOR

Ambassador John Kayode Shinkaiye
UBA House (12th Floor) 57, Marina Lagos

COMPANY SECRETARY

Leo Okafor
UBA House (12th Floor) 57, Marina Lagos

Professional Parties:

Lead Issuing House:

BGL Plc

Joint Issuing House:

Greenwich Trust Limited

Joint Stockbrokers:

UBA Stockbrokers Limited

Joint Stockbrokers:

African Alliance Stockbrokers Limited

Solicitors to the Company:

M.E Esonanjor & Co

Solicitors to the Issue:

Edward Ekiyor & Co

Auditors:

Akintola Williams Deloitte

Receiving Bank:

United Bank for Africa Plc

Registrars:

Africa Prudential Registrars Plc

14. Documents Available for Inspection

Copies of the following documents may be inspected at the offices of **UBA Capital Plc**, 12th Floor, UBA House, 57 Marina, Lagos, **BGL Plc**, 12A, Catholic Mission Street, Lagos Island, Lagos and **Greenwich Trust Limited**, Plot 1698A, Oyin Jolayemi Street, Victoria Island, Lagos during normal business hours on any weekday (except public holidays), throughout the duration of the Rights Issue.

- (a) Certificate of Incorporation of the Company;
- (b) Memorandum and Articles of Association of the Company;
- (c) The Company's Form CAC 7 (Particulars of Directors);
- (d) The Company's Form CAC 2 (Statement of Share Capital and Returns of Allotment of Shares);
- (e) The Rights Circular issued in respect of this Right Issue;
- (f) Shareholders' Resolution authorising the Issue;
- (g) Board Resolution recommending the Issue;
- (h) The Certificate of registration of increase in share capital obtained from the Corporate Affairs Commission;
- (i) The audited accounts of the Company for each of the five years ended, 31 December, 2012
- (j) The Letter from The Exchange approving the Rights Issue;
- (k) The letter from SEC approving the Rights Issue;
- (l) The Certificate of Exemption from The Exchange;
- (m) The list of Claims and Litigation referred to above;
- (n) The Material Contracts referred to above; and
- (o) The written Consents referred to above.

UBA CAPITAL PLC
RC 444999



XXX, 2013

Dear Sir/Madam

UBA CAPITAL PLC ("THE COMPANY"): RIGHTS ISSUE OF 2,000,000,000 ORDINARY SHARES OF 50 KOBO EACH AT 90 KOBO PER SHARE ("THE ISSUE")

1. Provisional Allotment

The Securities & Exchange Commission ("SEC") has approved the offer by way of Rights Issue of **2,000,000,000** Ordinary Shares of 50 kobo each to the existing Shareholders of the Company and the Directors of your Company have provisionally allotted to you the number of new Ordinary Shares set out on the first page of the Acceptance/Renunciation Form. The provisional allotment is in the proportion of One (1) new Ordinary Share for every Two (2) Ordinary Shares that appeared against your name in the Register of Members at the close of business on August 23, 2013.

2. Acceptance and Payment

a) Full Acceptance

If you wish to accept this provisional allotment in full, please complete box **B** of the enclosed Acceptance/Renunciation Form. The completed Acceptance/Renunciation Form, together with the cash, cheque or Bank draft for the full amount payable must be submitted to any of the Receiving Agents listed on page 68 of this document not later than **[Day], [Month] [Date], 2013**. The cheque or bank draft must be drawn on a Bank in the same town or city in which the Receiving Agent is located and crossed "**UBA Capital Rights**" with your name, address and daytime telephone number (if any) written on the back of the cheque or bank draft. All cheques and bank drafts will be presented upon receipt and all Acceptance/Renunciation Forms in respect of which cheques are returned unpaid will be rejected and returned through the post. **The Central Bank of Nigeria has placed a maximum limit on cheque payments to N10 million with effect from January 1, 2010. Any payment value exceeding N10 million should be made through an electronic payment. Kindly consult further with your Bankers/Receiving Agents in this regard**

b) Partial Acceptance/Renunciation

To accept your provisional allotment partially, please complete item (i) of box **C** and submit your Acceptance/Renunciation Form to any of the Receiving Agents listed on Page 68 of this document together with a cheque or bank draft made payable to the Receiving Agent for the full amount payable in respect of the number of shares you have decided to accept.

If you wish to renounce your provisional allotment partially or in full, please complete items (ii) and (iii) of box **C** and submit your Acceptance/Renunciation Form to a stockbroker (Not the Company) of your choice together with payment for any provisional allotment you are accepting partially. The stockbroker will guide you on the procedure for trading your Rights.

c) Applying for Additional Shares

This may be done through any of the following processes:

i. By completing item (ii) of box B of the Acceptance/Renunciation Form

Payment should be made in accordance with (a) above. Shareholders who apply for additional shares using the Acceptance/Renunciation Form will be subject to the allotment process and may therefore be allotted less than the number of additional shares applied for (please refer to item on page)

ii. Purchasing Rights on the floor of the Nigerian Stock Exchange

Rights can only be purchased through any of the stockbrokers listed on pages 69 – 70 of this document. The stockbroker of your choice will guide you regarding payment and other steps to take. Shareholders/investors who purchase Rights on the floor of the NSE are guaranteed the number of shares purchased i.e they will not be subject to the allotment process in respect of the number of shares so purchased (please refer to item 3 below).

3. Trading in Rights

The approval of the NSE has been obtained for the trading in the Rights of the Company. The Rights will be tradable between **[Day], [Date]** and **[Day], [Date]** at the price at which the Rights are quoted on the NSE. If you wish to renounce your Rights partially or in full, you may trade such renounced Rights on the Floor of the NSE within the period specified above. Please complete item (iii) of box **C** of the Acceptance/Renunciation Form and contact your stockbroker for assistance. If you wish to purchase renounced Rights, please contact your stockbroker who will guide you regarding payment and procedure for purchasing the Rights. Shareholders who trade their Rights can also apply for additional shares by completing item (ii) of box **B** of the Acceptance/Renunciation Form.

4. Allotment of Additional Shares

Ordinary shares which are not taken up by **[Day], [Month] [Day]**, 2013 will be allotted, on a pro rata basis in line with the SEC Rules and Regulations to existing Shareholders who have applied and paid for additional Ordinary Shares by completing item (ii) of box **B**.

5. E-Allotment and Share Certificates

At the completion of the Right Issue, the Ordinary Shares will be registered and transferable in units of 50 kobo each. The CSCS accounts of Shareholders will be credited not later than 15 working days from the date the basis of allotment is cleared by the SEC. Shareholders are thereby advised to state the name of their respective stockbrokers and their Clearing House Numbers in the relevant spaces on the Acceptance Form. Certificates will be dispatched to Shareholders that do not provide his/her CSCS account details by registered post not later than 15 working days from the date of allotment.

6. Surplus Monies

If any Shareholder who had applied for additional shares in addition to his/her provisional allotment is allotted fewer shares than the number of shares applied and paid for, the excess amount paid will be returned, together with accrued interest, by registered post within 5 (five) working days of allotment.

Yours faithfully,

Leo Okafor
Company Secretary

RECEIVING AGENTS

The Issuing Houses cannot accept responsibility for the conduct of any of the institutions listed below. Investors are therefore advised to conduct their own enquiries before choosing an agent to act on their behalf. Evidence of lodgement of funds at any of the Receiving Agents listed below, in the absence of corresponding evidence of receipt by the Issuing Houses, cannot give rise to a liability on the part of the Issuing Houses under any circumstances.

BANKS

Access Bank Plc Diamond Bank Plc Ecobank Nigeria Plc Enterprise Bank Limited Fidelity Bank Plc First Bank of Nigeria Plc First City Monument Bank Plc Guaranty Trust Bank Plc Keystone Bank Limited Mainstreet Bank Limited	Skye Bank Plc Stanbic IBTC Bank Plc Standard Chartered Bank Plc Sterling Bank Plc Union Bank of Nigeria Plc United Bank for Africa Plc Unity Bank Plc Wema Bank Plc Zenith Bank Plc
--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

STOCKBROKERS AND OTHERS

Adamawa Securities Limited. Adonai Stockbrokers Ltd. Afrinvest West Afrca Ltd AIL Securities Limited AIMS Asset Mgt. Ltd Alangrange Sec. Ltd Allbond Investment Limited Alliance Capital Mgt. Co. Ltd. Altrade Securities Limited AMYN Investment Limited Anchorage Securities & Finance Ltd Anchoria Inv. & Sec. Ltd. Apel Asset & Trust Ltd APT Sec. & Funds Limited Arian Capital Management Ltd ARM Securities Ltd Associated Asset Managers Ltd Atlass Portfolio Ltd Belfry Invest. & Sec. Limited Best Link Investment Limited Bestworth Assets & Trust Limited BFCL Assets & Sec. Ltd. BGL Securities Limited Bic Securities Limited Bytofel Trust & Securities Ltd Cadington Securities Ltd Calyx Securities Limited Camry Securities Ltd Capital Asset Limited Capital Bancorp Limited. Capital Express Sec. Limited Capital Trust Brokers Ltd. Cashcraft Securities Ltd Cashville Inv. & Sec. Ltd Century Securities Limited Chapel Hill Advisory Services Chapel Hill Denham Securities Ltd Chartwell Securities Ltd Citi Investment Capital Ltd City Fin. & Sec. Limited City Investment Management. Ltd City-Code Trust & Inv. Co. Clearview Inv. Co. Limited Colvia Securities Ltd Compass Investment & Securities Ltd Consolidated Inv. Limited Consortium Investments Ltd Covenant Sec. & Asset Mgt. Ltd Cordros Capital Limited Core Trust & Inv. Limited Cowry Asset Management Ltd Cradle Trust Finance & Sec. Ltd Crane Securities Limited Crossworld Securities Ltd. Crown Capital Ltd (Crown Wealth Assets Mgt Ltd.) CSL Stockbrokers Limited	Dakal Services Limited Davandy Finance & Sec. Ltd. DBSL Securities Limited De-Canon Investment Ltd. Deep Trust Investment Ltd De-Lords Securities Limited Dependable Securities Ltd. Diamond Securities Ltd Dolbic Finance Limited Dominion Trust Limited DSU Brokerage Services Ltd Dynamic Portfolio Limited ECL Asset Management Ltd EDC Securities Ltd Emerging Capital Ltd EMI Capital Resources Ltd. Empire Securities Limited Enterprise Stockbroker Plc. EPIC Investment & Trust Limited Equator Stockbrokers Ltd Equity Capital Solutions Ltd ESS Investment & Trust Ltd. Eurocomm Securities Ltd. Excel Securities Limited Express Discount Asset Management Ltd Express Portfolio Services Ltd. F&C Securities Limited Falcon Securities Limited FBC Trust & Securities Ltd FBN Securities Ltd Foresight Sec. Inv. Limited Forte Financial Ltd Forthright Sec. & Inv. Limited Fortress Capital Limited Fountain Securities Limited FSDH Securities Ltd Fund Matrix & Assets MGT. Ltd. Future View Financial Services Ltd Future View Securities Ltd Gem Assets Management Ltd Genesis Securities & Inv. Ltd. Gidauniya Inv. & Sec. Ltd. Global Assets Mgt (Nig) Ltd Global Inv. & Sec. Ltd. Global View Consult & Investment Ltd Golden Securities Ltd. Gombe Securities Ltd Gosord Securities Ltd Greenwich Securities Ltd GTB Securities Ltd GTI Capital Limited Harmony Securities Ltd. Heartbeat Investments Ltd. Hedge Sec. & Inv. Co. Ltd Heritage Capital Markets Ltd HP Securities Limited	I.T.I.S. Securities Limited ICMG Securities Limited Icon Stockbrokers Limited. Ideal Securities & Invt. Ltd Imperial Assets Managers Ltd IMTL Securities Ltd Independent Securities Ltd. Integrated Trust & Inv. Ltd. Intercontinental Securities Limited International Standard Sec. Ltd. Interstate Securities Ltd Investment Centre Ltd (ICL) Investors & Trust Co. Ltd. Jamkol Investment Ltd. Kapital Care Trust & Sec. Ltd Kinley Securities Limited Kofana Securities & Inv. Ltd Kundila Finance Services Ltd. Laksworth Inv. & Sec. Ltd. Lambeth Trust & Inv. Co. Ltd LB Securities Limited Lead Capital Ltd. Lead Securities & Investment Ltd Lighthouse Asset Mgt. Ltd Lion Stockbrokers Limited LMB Stockbrokers Limited Lynac Securities Limited Mact Securities Ltd Magnartis Finance & Inv. Ltd. Mainland Trust Limited Maninvest Asset Mgt. Plc Marimpex Fin. & Inv. Ltd. Marina Securities Limited Marriot Sec. & Inv. Co. Maven Asset Management Ltd Maxifund Invest & Sec. Ltd. Mayfield Investment Limited MBC Securities Limited MBL Financial Services Ltd Mega Equities Limited Mercov Securities Limited Mission Securities Limited Mountain Inv. & Sec. Limited Mutual Alliance Inv. & Sec. Ltd. Network Securities & Finance Ltd. Newdevco Invest. & Sec. Co. Ltd Niche Securities Limited Nigerian International Sec. Ltd. Nigerian Stockbrokers Ltd. Northbridge Investment & Trust Ltd Nova Finance & Securities Ltd. OASIS Capital Omas Inv. & Trust Limited Options Securities Limited PAC Securities Limited Pilot Securities Ltd.
------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

RECEIVING AGENTS

Pinefields Inv. Serv. Limited	Royal Crest Finance Limited	Valueline Sec. & Inv. Limited
PIPC Securities Limited	Royal Trust Securities Ltd	Vetiva Capital Mgt. Limited
Pivot Trust & Inv. Co. Ltd.	Santrust Securities Limited	Vetiva Securities Ltd
Platinum Capital Limited	Securities Solutions Limited	Vision Trust & Inv. Limited
Plural Securities Ltd	Securities Trading & Invest. Ltd	Waila Securities & Funds Ltd
PML Securities Company Ltd	Security Swaps Limited	Wema Securities & Fin. Plc
Portfolio Advisers Ltd	Shalom Inv. & Sec. Limited	Wizetrade Capital Asset & Mgt. Ltd
Prime Wealth Capital Ltd	Shelong Invest. Ltd	Woodland Capital Market Ltd
Professional Stockbrokers Ltd	Sigma Securities Limited	WSTC Financial Services
Profund Securities Limited	Signet Investments Sec. Ltd.	WT Securities Ltd
Prominent Securities Limited	Sikon Securities & Inv. Co.	Zenith Securities Limited
Prudential Securities Ltd.	Resort Securities & Trust Ltd.	
PSI Securities Limited	Trans Africa Financial Services Ltd	
Pyramid Securities Ltd	Transglobe Inv. & Fin. Co. Ltd.	
Quantum Securities Limited	Royal Crest Finance Limited	
Rainbow Sec. & Inv. Co. Ltd.	Royal Trust Securities Ltd	
Reading Investments Ltd	Santrust Securities Limited	
Redasel Investment Ltd	Securities Solutions Limited	
Regency Assets Mgt. Ltd.	Transworld Investment & Securities Ltd	
Regency Financings Limited	Tropics Securities Limited	
Rencap Securities Nigeria Ltd	Trust Yeild Securities Limited	
Resano Securities Limited	Trusthouse Investment Ltd.	
Resort Securities & Trust Ltd.	TRW Stockbrokers Limited	
Reward Inv. & Sec. Ltd.	UBA Stockbrokers Ltd	
Richmond Securities Limited	UIDC Securities Limited	
Riverside Trust Limited	Unex Capital Ltd	
Rivtrust Securities Limited	Transworld Investment & Securities Ltd	
Rolex Securities Limited	Union Capital Markets Ltd	
Rostrum Inv. Securities Ltd	Valmon Securities Limited	

INSTRUCTIONS FOR COMPLETING THE ACCEPTANCE / RENUNCIATION FORM

Acceptance List Opens
[Day], [Month], 2013



Acceptance List Closes
[Day],[Month], 2013

RC 444999

Rights Issue of
2,000,000,000 Ordinary Shares of 50 kobo each
90 kobo per share
on the basis of one (1) new ordinary share of 50 Kobo each
for every two (2) ordinary shares of 50 Kobo each previously held

Payable in full on Acceptance

Lead Issuing House



Joint Issuing House



RC 189502

INSTRUCTIONS FOR COMPLETING THE ACCEPTANCE/RENUNCIATION FORM

- Acceptance and/or renunciation must be made on the prescribed form. Photocopies of the Acceptance/Renunciation form will be rejected.
- Allottees should complete only ONE of the boxes marked B and C on the reverse of this form.
- Shareholders accepting the provisional allotment in full should complete box B and submit their Acceptance/Renunciation Forms to any of the Receiving Agents listed in this Rights Circular together with the cheque or bank draft made payable to the Receiving Agent for the full amount payable on acceptance. **The cheque or bank draft must be drawn in a bank in the same town or city in which the Receiving Agent is located** and crossed "UBA CAPITAL RIGHTS", with the name, address and daytime telephone number (if any) of the Shareholder written on the back. If payment is not received by [Day], [Month] [Date], 2013, the provisional allotment will be deemed to have been declined and will be cancelled.
- Shareholders accepting their provisional allotment partially should complete box C and submit their Acceptance/Renunciation Form to any of the Receiving Agents listed in this Rights Circular together with a cheque or bank draft made payable to the Receiving Agent for the amount payable for the partial acceptance.
- Shareholders renouncing the provisional allotment partially or in full should complete item (iii) of box C and return same to the Receiving Agent together with the cheque or bank draft made payable to the Receiving Agent for any partial acceptance. If payment is not received by [Day], [Month] [Date], 2013, the provisional allotment for the partial acceptance will be deemed to have been declined and will be cancelled.
- Shareholders who wish to acquire additional shares over and above their provisional allotment may purchase renounced rights, and/or apply for additional shares by completing item (ii) of box B.
- All cheques or bank drafts will be presented for payment on receipt and all acceptances in respect of which cheques are returned unpaid for any reason will be rejected and cancelled. Shareholders are advised to obtain an acknowledgement of the amount paid from the Receiving Agent through which this Acceptance/Renunciation Form is lodged.
- Joint allottees must sign on separate lines in the appropriate section of the Acceptance/Renunciation Form.
- Acceptance/Renunciation Forms of corporate allottees must bear their incorporation numbers and corporate seals and must be completed under the hands of duly authorized officials who should also state their designations.

FOR REGISTRAR'S USE ONLY

Control No:

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Account No

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Number of Ordinary shares Accepted	Additional Ordinary shares applied for	Total Amount Payable based on shares applied for	Additional Ordinary shares allotted	Amount payable based on the total shares allotted	Actual amount paid	Amount to be returned/ cheque/bank draft number
		₦		₦	₦	

Stamp of Receiving Agent

Acceptance/Renunciation Form

A. TRADING IN RIGHTS

- i. Shareholders who renounce their rights partially or in full may trade their Rights on the floor of The Exchange. The renounced Rights will be traded actively on the floor of The Exchange.
- ii. Shareholders who wish to acquire additional shares over and above their provisional allotment may purchase renounced rights, and/or apply for additional shares by completing item (ii) of box B below.
- iii. Shareholders who purchase Rights on the floor of The Exchange are guaranteed the number of shares purchased. They will not be subject to the allotment process in respect of shares so purchased. Those that apply for additional shares by completing item (ii) of box B will be subject to the allotment process i.e they may be allotted a smaller number of additional shares than what they applied for.
- iv. If you wish to purchase renounced Rights, please contact your stockbroker who will guide you regarding payment and the procedure for purchasing the Rights.

Details of Shareholder's Provisional Allotment		
------------------------------------------------	--	--

PLEASE COMPLETE SECTION B OR C AS APPLICABLE

B. FULL ACCEPTANCE/REQUEST FOR ADDITIONAL ORDINARY SHARES

- i) I/We accept in full, the provisional allotment as shown above
- ii) I/We also apply for the following additional shares:

<div style="border: 1px solid black; padding: 5px; display: inline-block;"> This section should be completed if you wish to apply for additional shares </div>		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 50%;">Number of Additional Ordinary Shares applied for</th> <th style="width: 50%;">Additional amount payable at 90 kobo per share</th> </tr> <tr> <td style="height: 30px;"></td> <td style="text-align: center;">₦</td> </tr> </table>	Number of Additional Ordinary Shares applied for	Additional amount payable at 90 kobo per share		₦
Number of Additional Ordinary Shares applied for	Additional amount payable at 90 kobo per share					
	₦					

I/We agree to accept the same or smaller number of additional shares in respect of which allotment may be made to me/us, in accordance with the Provisional Allotment Letter contained in the Rights Circular.

- iii) I/We enclose my/our cheque/bank draft for ₦.....or evidence of payment of ₦ (for amounts exceeding ₦10 Million) being the amount payable as shown above, plus any additional amount as shown in item (ii) above.

Cheque details: Name of bank/branch
Cheque number

C. RENUNCIATION OR PARTIAL ACCEPTANCE

1	2	3
Number of Ordinary shares accepted	Amount Payable at 90 kobo Per share	Number of Ordinary shares Renounced
	₦	

- i) I/We accept only the number of Ordinary shares shown in Column 1 above and enclose my/our cheque/bank draft for ₦or evidence of payment of ₦ (for amount exceeding ₦10 million) as shown in Column 2 above.

Cheque details: Name of bank/branch: Cheque number:

- ii) I/We hereby renounce my/our rights to the Ordinary shares shown in Column 3, being the balance of the Ordinary shares allotted to me/us.

- iii) I/We agree that we can trade our rights on the floor of The Exchange

(for either B or C)

Signature: 2nd Signature (for Joint/Corporate Allottees)

Date: 2013 Next of Kin.....

Clearing House Number (CHN)

C									
---	--	--	--	--	--	--	--	--	--

CSCS No (If you want shares allotted credited to your CSCS A/C)

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Name of your Stockbroker

OFFICIAL SEAL (FOR CORPORATE ALLOTTEES ONLY)

RC NO.: _____

Stamp of Receiving Agent