

# Earnings Flash

Thursday July 16, 2020

## UCAP Plc. HY'2020- Profit after tax went up by 16% to N1.91 bn

United Capital's result for HY'2020 showed that gross earnings increased by 37.26% from N3.24 bn in HY'2019 to N4.45 bn in HY'2020. Net operating income rose by 45.40% from N2.82 bn in HY'2019 to N4.10 bn in HY'2020, due to a 347.65%, 85.03% and 77.15% increase in net interest margin, net trading income and fees and commission income, respectively. Profit before tax rose by 14.10% from N1.99 bn in HY'2019 to N2.27 bn in the current period, despite the surge in key expenditure line items, such as the personnel expenses which rose by 7.86%, and the other operating expense which increased by 87.73%. Profit after tax increased by 15.98% to N1.91 bn in the current period from N1.65 bn in HY'2019. Consequently, Earnings per share went up by 14.29% from N0.28 in HY'2019 to N0.32 in the current period.

### Financial Highlights

	HY-2020	HY-2019	
Financials	(N' Million)	(N' Million)	%Change
<b>Gross earnings</b>	4,446,675.00	3,239,596.00	37.26%
Investment Income	1,258,334.00	1,688,774.00	-25.49%
Fees and Commission Income	1,368,167.00	772,318.00	77.15%
Net trading income	96,170.00	51,974.00	85.03%
Net interest margin	1,379,510.00	308,165.00	347.65%
<b>Net operating income</b>	4,102,181.00	2,821,231.00	45.40%
Other income	353,231.00	419,885.00	-15.87%
Net gain/(loss) on FVTPL	(8,737.00)	(1,520.00)	474.80%
Personnel expenses	(671,215.00)	(622,303.00)	7.86%
Other operating expenses	(921,196.00)	(750,259.00)	22.78%
Depreciation and amortization	(112,012.00)	(59,668.00)	87.73%
Write back/(impairment) allowance (IFRS 9)	(474,738.00)	179,970.00	-363.79%
<b>Profit Before Tax</b>	2,267,514.00	1,987,336.00	14.10%
Tax	(354,217.00)	(337,719.00)	4.89%
<b>Profit After Tax</b>	1,913,297.00	1,649,617.00	15.98%
<b>EPS</b>	0.32	0.28	14.29%

### Key Multiples/Ratios

□ Book Value Per Share-	3.02
□ Net Profit Margin-	43.03%
□ Return on Equity -	10.56%
□ Return on Asset-	0.87%
□ Price to book value-	0.86x
□ Price Earnings ratio-	4.08x
□ Current Shares Outstanding-	6 billion

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