

# Earnings Flash

Thursday September 03, 2020



## UBA Plc. Posts 21.69% PAT Decline in HY'2020

The HY'2020 result of UBA Plc showed that Interest income advanced by 0.34% from N204.89 bn in HY'2019 to N205.59 bn in the current period. Net interest income increased by 8.36% to N119.32 bn in HY'2020 from N110.12 bn in HY'2019. The increase in net interest income was driven by the rise in interest income and an 8.97% drop in the interest expense. In a similar tune, operating income increased by 7.70% from N182.64 bn in HY'2019 to N196.71 bn in the current period, on the back of a 6.73% and 7.52% increase in fees and commission income and net trading and foreign exchange income, respectively. However, profit before tax declined by 18.71% from N70.27 bn recorded in HY'2019 to N57.13 bn in the current period. The decline in profit was due to a 150.22% and 20.57% increase in net impairment loss and operating expenses, respectively. Likewise, profit after tax declined by 21.69% from N56.74 bn in HY'2019 to N44.43 bn in HY'2020. Consequently, earnings per share went down by 23.46% from N1.62 in HY'2019 to N1.24 in HY'2020. The company proposed an interim dividend of N0.17. UBA currently trades at N6.45.

### Financial Highlights

	HY-2020	HY-2019	
Financials	(N' million)	(N' million)	% Change
Interest Income	205,586	204,885	0.34%
Interest expense	(86,262)	(94,762)	-8.97%
<b>Net interest Income</b>	<b>119,324</b>	<b>110,123</b>	<b>8.36%</b>
Fees and commission income	55,868	52,344	6.73%
Fee and commission expense	(17,286)	-16,289	6.12%
Net trading and foreign exchange income	35,208	32,746	7.52%
Other operating income	3,595	3,715	-3.23%
<b>Operating Income</b>	<b>196,709</b>	<b>182,639</b>	<b>7.70%</b>
Net impairment loss	(7,807)	(3,120)	150.22%
Operating Expenses	(132,126)	(109,587)	20.57%
Share of profit of equity-accounted investee	353	342	3.22%
<b>Profit Before Tax</b>	<b>57,129</b>	<b>70,274</b>	<b>-18.71%</b>
Tax	(12,698)	(13,535)	-6.18%
<b>Profit After Tax</b>	<b>44,431</b>	<b>56,739</b>	<b>-21.69%</b>
<b>Basic EPS</b>	<b>1.24</b>	<b>1.62</b>	<b>-23.46%</b>

### Key Multiples/Ratios

□ Book Value Per Share-	N18.56
□ Net Profit Margin-	21.61%
□ Return on Equity -	7.00%
□ Return on Asset-	0.66%
□ Price to earnings ratio-	2.60x
□ Price to book value-	0.35x
□ Year-to-Date Change-	-9.79%
□ Total Loan to Total Deposit-	42.19%
□ Current Shares Outstanding-	34.20 billion

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