

# Earnings Flash

Friday September 10, 2021



## UBA Plc. Posts 36.35% PAT Increase in HY'2021

The HY'2021 result of UBA Plc showed that Interest income advanced by 8.29% from N205.59bn in HY'2020 to N222.63 bn in the current period. Net interest income increased by 24.09% to N148.07 bn in HY'2021 from N119.32 bn in HY'2020. The increase in net interest income was driven by the rise in interest income and a 13.56% drop in the interest expense. In a similar tune, operating income increased by 10.27% from N188.90 bn in HY'2020 to N208.31 bn in the current period, on the back of a 32.61% increase in fees and commission income. Profit before tax advanced by 33.36% from N57.13bn recorded in HY'2020 to N76.19 bn in the current period. Likewise, profit after tax advanced by 36.35% from N44.43 bn in HY'2020 to N60.58 bn in HY'2021 despite a 22.89% increase in tax expense. Consequently, earnings per share went up by 36.29% from N1.24 in HY'2020 to N1.69 in HY'2021. The company proposed an interim dividend of N0.20. UBA currently trades at N7.85.

### Financial Highlights

	HY-2021	HY-2020	
Financials	(N' million)	(N' million)	% Change
Interest Income	222,631	205,586	8.29%
Interest expense	(74,563)	(86,262)	-13.56%
<b>Net interest Income</b>	<b>148,068</b>	<b>119,324</b>	<b>24.09%</b>
Impairment charge for credit losses	(4,137)	(7,807)	-47.01%
Fees and Commission Income	74,085	55,868	32.61%
Fee and commission expense	(28,317)	(17,286)	63.81%
Net trading and foreign exchange income	9,102	35,208	-74.15%
Other operating income	9,508	3,595	164.48%
<b>Operating Income</b>	<b>208,309</b>	<b>188,902</b>	<b>10.27%</b>
Operating Expenses	(132,833)	(132,126)	0.54%
Share of profit of equity-accounted investee	710	353	101.13%
<b>Profit Before Tax</b>	<b>76,186</b>	<b>57,129</b>	<b>33.36%</b>
Tax	(15,605)	(12,698)	22.89%
<b>Profit After Tax</b>	<b>60,581</b>	<b>44,431</b>	<b>36.35%</b>
<b>Basic EPS</b>	<b>1.69</b>	<b>1.24</b>	<b>36.29%</b>

### Key Multiples/Ratios

□ Book Value Per Share-	N22.00
□ Net Profit Margin-	27.21%
□ Return on Equity -	8.05%
□ Return on Asset-	0.73%
□ Price to earnings ratio-	2.32x
□ Price to book value-	0.36x
□ Total Loan to Total Deposit-	41.86%
□ Current Shares Outstanding-	34.20 billion

### Corporate Action

- Proposed Interim Dividend N0.20

### MBC Securities Limited

11th Floor, St. Nicholas House,  
26, Catholic Mission Street,  
Lagos Island, Lagos  
Nigeria  
+234 1 2708003/4  
[www.mbcgroup.com.ng](http://www.mbcgroup.com.ng)