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ubank

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UNAUDITED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 AUGUST 2011

086000 8322 ubank.co.za

ubank Ltd Reg No. 2000/013541/06. ubank is an authorised financial services (FSP No. 14740) and credit (NCRCP21) provider.

KEY PERFORMANCE INDICATORS

FOR THE SIX MONTHS ENDED 31 AUGUST 2011

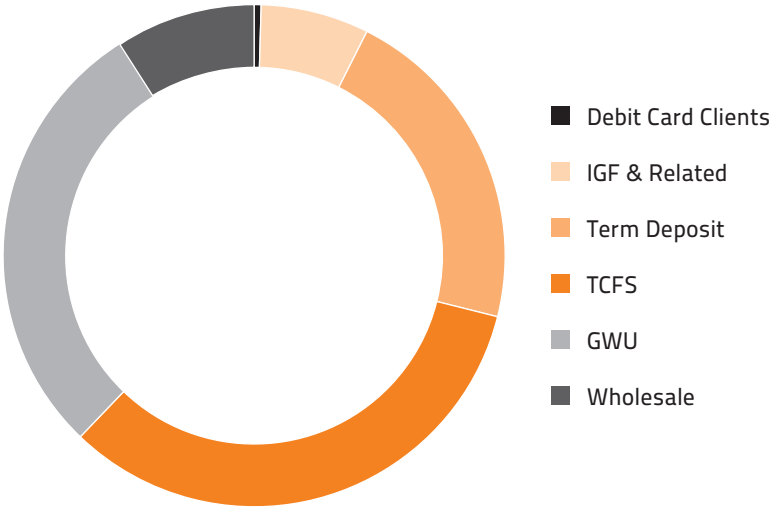
	2011 R'000	2010 R'000
Statement of comprehensive income		
Profitability	9 326	(19 966)
Statement of financial position		
Total assets	3 465 397	3 486 213
Net loans and advances	858 128	546 761
Total liabilities	2 928 807	2 969 610
Deposits	2 838 581	2 936 764
Loan-to-deposit-ratio	30,2%	18,6%
Financial performance		
ROE	1,7%	-3,9%
ROA	0,3%	-0,6%
Capital adequacy ratio	18,39%	18,23%
Headline earnings per share (cents)	380,63	-814,94
Operating performance		
Net interest income	153 739	110 463
Net interest margin	4,8%	3,4%
Impairment ratio	11,6%	9,4%
Non interest income as % of total income	52,3%	65,3%
Cost-to-income ratio	82,1%	96,0%

COMPOSITION OF SAVINGS AND LOANS

AS AT 31 AUGUST 2011

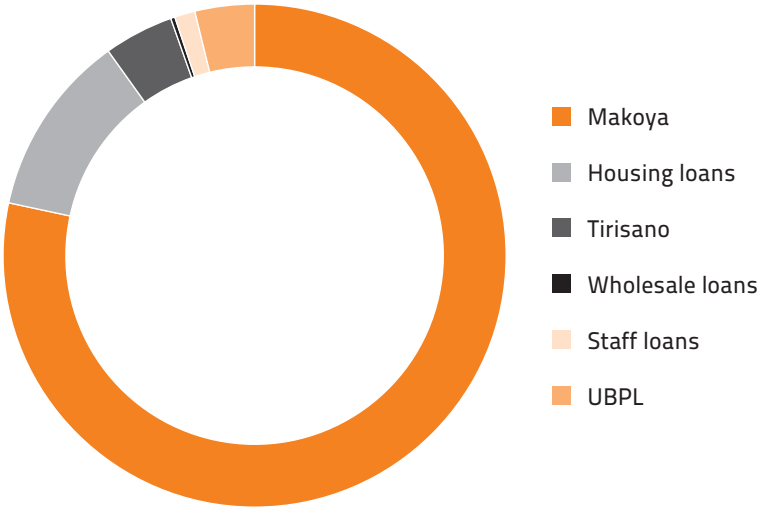
COMPOSITION OF SAVINGS DEPOSITS

	R'000
Debit Card Clients	12 622
IGF & Related	195 394
Term Deposit	602 257
TCFS	932 250
GWU	809 148
Wholesale	2 070
Cheque clearing	561
Personnel	4 702
Dormant Accounts	243 631



COMPOSITION OF GROSS LOANS & ADVANCES

	R'000
Makoya	658 351
Housing loans	98 722
Tirisano	37 599
Wholesale loans	2 276
Staff loans	11 060
UBPL	32 089



STATEMENT OF FINANCIAL POSITION

AS AT 31 AUGUST 2011

	2011 R'000	2010 R'000
ASSETS		
Cash and cash balances	440 222	577 145
Trade receivables and other assets	45 369	31 967
Investments	1 882 320	2 105 522
Loans and advances to customers	858 128	546 761
Current tax asset	12 315	18 126
Property and equipment	58 990	85 188
Intangible assets	73 199	60 704
Deferred taxation	94 854	60 800
TOTAL ASSETS	**3 465 397**	**3 486 213**
LIABILITIES		
Deposits and savings due to customers	2 838 581	2 936 764
Trade payables and other liabilities	63 369	7 009
Lease liability	3 151	6 893
Provisions	23 706	18 944
TOTAL LIABILITIES	**2 928 807**	**2 969 610**
EQUITY		
Share capital and share premium	244 875	244 875
Available-for-sale reserve	(2 131)	1 457
Retained earnings	293 846	270 271
TOTAL EQUITY	**536 590**	**516 603**
TOTAL LIABILITIES AND EQUITY	**3 465 397**	**3 486 213**

STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 31 AUGUST 2011

	2011 R'000	2010 R'000
Interest income	171 092	134 194
Interest expense	(17 353)	(23 731)
Net interest income	**153 739**	**110 463**
Fees and commission income	121 859	137 144
Fees and commission expense	(28 885)	(28 375)
Net fees and commission income	**92 974**	**108 769**
Net gain/(loss) on financial assets designated at fair value through profit or loss	(970)	1 210
Other operating income	13 717	16 163
Total operating income	**259 460**	**236 605**
Impairment charge on loans and advances	(34 109)	(29 063)
Net operating income	**225 351**	**207 542**
Personnel expenses	(115 596)	(114 515)
Depreciation of property and equipment	(17 571)	(19 582)
Amortisation of intangible assets	(1 936)	(2 335)
Other operating expenses	(77 915)	(90 719)
Total operating expenses	**(213 018)**	**(227 151)**
Profit/(loss) before tax	**12 333**	**(19 609)**
Taxation	(3 007)	(357)
Profit/(loss) for the year	**9 326**	**(19 966)**
Other comprehensive income:		
Movement in available for sale reserve:		
Fair value adjustment on available for sale investments	12 604	(274)
Amount recycled from other comprehensive income and recognised in profit and loss	811	-
Taxation	(1 878)	38
Total comprehensive income for the year	**20 863**	**(20 202)**

STATEMENT OF CHANGES IN EQUITY

AS AT 31 AUGUST 2011

	Share capital	Share premium	Available-for-sale reserve *	Retained earnings	Total
	R'000	R'000	R'000	R'000	R'000
Balance at 1 March 2010	24 500	220 375	1 693	290 237	536 805
Loss for the year	-	-	-	(19 966)	(19 966)
Other comprehensive income for the year	-	-	(236)	-	(236)
Total comprehensive income for the year	-	-	(236)	(19 966)	(20 202)
Balance at 31 August 2010	**24 500**	**220 375**	**1 457**	**270 271**	**516 603**
Balance at 1 March 2011	24 500	220 375	(13 668)	284 520	515 727
Profit for the year	-	-	-	9 326	9 326
Other comprehensive income for the year	-	-	11 537	-	11 537
Total comprehensive income for the year	-	-	11 537	9 326	20 863
Balance at 31 August 2011	**24 500**	**220 375**	**(2 131)**	**293 846**	**536 590**

Nature and purpose of reserves

Available-for-sale (AFS) reserve
This reserve records fair value changes on available for sale financial assets.

* Gains and losses arising from changes in fair value of available for sale investments are included in the available for sale reserve until sale or impairment when the cumulative gain or loss is transferred to the profit and loss section of the statement of comprehensive income.

STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 31 AUGUST 2011

	2011 R'000	2010 R'000
OPERATING ACTIVITIES		
Interest and fee income	292 951	271 338
Interest and fee expense	(46 238)	(52 105)
Net trading and other income	17 667	27 323
Dividends received	11 450	13 716
Cash paid to customers and employees	(189 015)	(293 091)
Cash available from operating activities	86 815	(32 819)
Changes in operating funds:		
Increase in income earning assets	(39 167)	(236 429)
Increase in deposits	28 079	280 468
Cash available from operating activities after changes in operating activities	75 727	11 220
Tax paid	(1 685)	(3 441)
Net cash inflow from operating activities	**74 042**	**7 779**
INVESTING ACTIVITIES		
Additions to intangible assets	(410)	(12 410)
Additions to property and equipment (maintaining of operating activities)	(2 824)	(12 764)
Proceeds from disposal of property and equipment	88	-
Net cash used in investing activities	**(3 146)**	**(25 174)**
Net increase/(decrease) in cash and cash equivalents	70 896	(17 395)
Cash and cash equivalents at beginning of period	369 326	594 540
Cash and cash equivalents at end of year	**440 222**	**577 145**
Cash and cash equivalents comprise:		
Coins and bank notes	68 004	72 184
Balances with other banks	372 218	504 961
	440 222	**577 145**