

**United Bank for Africa Plc  
Audited Results for the Half Year Ended June 30, 2020**

**UBA DELIVERS ₦300.6 BILLION GROSS EARNINGS, DECLARES ₦0.17K PER  
SHARE INTERIM DIVIDEND**

This Earnings Press Release should be read in conjunction with the Audited 2020 Half Year Consolidated Financial Statements. The Earnings Press Release is also available on our website at <https://www.ubagroup.com/investor-relations/>. This analysis is dated September 1, 2020. Unless otherwise indicated, all amounts are expressed in Naira, and have been primarily derived from the Bank's Consolidated Financial Statements, prepared in accordance with the International Financial Reporting Standards ("IFRS"). The accounting policies used in the preparation of these consolidated financial statements are consistent with those used in the Bank's Audited 2019 Financial Statements. Additional information relating to the Bank is available on the Bank's website <http://www.ubagroup.com>.

**LAGOS, NIGERIA** – September 1, 2020 – United Bank for Africa Plc ("UBA", the "Bank" or the "Group"), (Bloomberg: UBA: NL/Reuters: UBA.LG) announced its Audited 2020 Half Year Financial Results, showing gross earnings of ₦300.6 billion and profit before tax of ₦57.1 billion, for the six months ended June 30, 2020.

The Group recorded ₦2.2 trillion in net loans to customers, representing a 6.1% year-to-date (YTD) growth; even as deposits from customers grew 25.2% YTD to ₦4.8 trillion. Net interest income grew 8.4% Year-on-Year (YOY) to ₦119.3 billion, whilst net fee and commission income settled at ₦38.6 billion (7.0% YOY growth).

**Highlights:**

**Income Statement**

- Gross Earnings: ₦300.6 billion, up from ₦294.0 billion in 2019H1 (2.2% YoY growth).
- Operating Income: ₦197.1 billion, compared to ₦182.9 billion in 2019H1 (7.7% YoY growth).
- Operating Expenses: ₦132.1 billion, as against ₦109.6 billion in 2019H1 (20.6% YoY growth).
- Profit Before Tax: ₦57.1 billion, compared to ₦70.3 billion in 2019H1 (-18.7% YoY growth).
- Cost-to-Income Ratio: 67.0%, compared to 60.0% in 2019H1.
- Annualized ROAE: 14.4%, compared to 16.2% in 2019FY.

**Balance Sheet**

- Total Assets: ₦6.8 trillion, up from ₦5.6 trillion as at 2019FY (20.9% YTD growth).
- Net Loans to Customers: ₦2.2 trillion, compared to ₦2.1 trillion as at 2019FY (6.1% YTD growth).
- Customer Deposits: ₦4.8 trillion, compared to ₦3.8 trillion as at 2019FY (25.2% YTD growth).
- Shareholders' Funds: ₦634.7 billion, a 6.1% growth from ₦597.9 billion as at 2019FY

**Commenting on the result, UBA's Group Managing Director/Chief Executive Officer, Mr. Kennedy Uzoka said:**

"Our 2020H1 results is yet another demonstration of the resilience of our business model in an extremely uncertain and tough operating environment. We recorded commendable growth in our underlying business in terms of customer acquisition, transaction volumes and balance sheet whilst inflation, depressed yield environment and exchange rate volatilities impacted our net earnings as anticipated.

Despite the short-term challenges to various economic sectors occasioned by the Covid-19 pandemic, we focused on the fundamentals of businesses in growth-driving sectors of various economies in which we operate and achieved 6.4% growth in gross loan to customers, reaching the ₦2.3trillion mark. The Group achieved ₦114.3 billion (a 10% YoY growth) in interest income from loans and advances to customers, as well as credit related fees and commissions.

Notwithstanding the lock-down in a number of countries and the general lull in several economic sectors, UBA's banking channels remained open to customers '24/7'. Fortunately, we had proactively built robust electronic channel platforms to enable us serve customers efficiently, and deliver services to them in the comfort of their homes. Notably, we are adjusting our operating model in response to the 'new normal' and will continue to optimise the way we work and serve customers in the days ahead.

Looking ahead, we remain committed to our drive as 'Africa's Global Bank' and confident of claiming and sustaining industry leadership on key metrics across geographies where we operate. We will strive to deliver our services in a sustainable way, ultimately leveraging our best-in-class digital capabilities to delight our 21 million (and growing) customers across 23 countries."

**Also speaking on the performance, UBA's Group CFO, Ugo Nwaghodoh said:**

"Our H1 2020 results reflects the inherent benefits of diversification as we have seen marked growth in contribution from the subsidiaries across Africa. Our Rest-of-Africa operations have continued to break new grounds in market share gains, providing a buffer for Group earnings. As the global and local economies begin to improve, we remain optimistic of a better performance in the second half of the year, with expected improvement in the Group's NIM and ROAE which stood at 5.4% and 14.4% respectively as at end of H12020.

"We defensively positioned our loan portfolio whilst we grew gross loans by 6.4%, maintaining our prudent risk appetite, even as NPL ratio for the Group moderated to 4.1% (from 5.3% in 2019FY). We have prudently set-up reserves for loan impairments in recognition of potential losses on the portfolio, resulting in 150% growth in our provisioning. Albeit, cost of risk moderated to 0.7%, from 0.9% in 2019FY.

The Group's capital adequacy ratio increased to 24.9% providing a very strong buffer for asset growth. We remain committed to maintaining our robust risk management practices, as profitable growth and good asset quality remain our priority in 2020,"

– ENDS –

<b>Interim Consolidated and Separate Statements of Comprehensive Income</b>				
<b>For the period ended 30 June 2020</b>				
	<b>Group</b>		<b>Bank</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
<i>In millions of Nigerian Naira</i>				
Interest income	205,586	204,885	135,983	155,027
Interest income on amortised cost and FVOCI securities	204,737	200,864	135,134	151,006
Interest income on FVTPL securities	849	4,021	849	4,021
Interest expense	(86,262)	(94,762)	(63,068)	(81,702)
<b>Net interest income</b>	<b>119,324</b>	<b>110,123</b>	<b>72,915</b>	<b>73,325</b>
Impairment charge for credit losses on financial assets	(7,807)	(3,120)	(7,069)	(3,071)
<b>Net interest income after impairment on financial and non-financial assets</b>	<b>111,517</b>	<b>107,003</b>	<b>65,846</b>	<b>70,254</b>
Fees and commission income	55,868	52,344	28,366	30,587
Fees and commission expense	(17,286)	(16,289)	(11,844)	(11,547)
<b>Net fee and commission income</b>	<b>38,582</b>	<b>36,055</b>	<b>16,522</b>	<b>19,040</b>
Net trading and foreign exchange income	35,208	32,746	24,647	20,546
Other operating income	3,595	3,715	4,036	8,235
Employee benefit expenses	(44,565)	(37,178)	(24,973)	(20,775)
Depreciation and amortisation	(9,590)	(8,812)	(7,111)	(5,930)
Other operating expenses	(77,971)	(63,597)	(58,337)	(47,740)
Share of gain of equity-accounted investee	353	342	-	-
<b>Profit before income tax</b>	<b>57,129</b>	<b>70,274</b>	<b>20,630</b>	<b>43,630</b>
Income tax expense	(12,698)	(13,535)	(1,079)	(7,164)
<b>Profit for the period</b>	<b>44,431</b>	<b>56,739</b>	<b>19,551</b>	<b>36,466</b>
<b>Other comprehensive income</b>				
<b>Items that may be reclassified to the income statement:</b>				
Exchange differences on translation of foreign operations	8,504	(11,350)	-	-
<b>Fair value changes on investments in debt securities at fair value through other comprehensive income (FVOCI):</b>				
Net change in fair value during the period	12,746	12,634	12,647	12,547
Net amount transferred to the income statement	(11,501)	1,758	(11,346)	1,758
	<b>9,749</b>	<b>3,042</b>	<b>1,301</b>	<b>14,305</b>
<b>Items that will not be reclassified to the income statement:</b>				
Fair value changes on equity investments at FVOCI	9,935	2,299	9,667	2,299
	<b>9,935</b>	<b>2,299</b>	<b>9,667</b>	<b>2,299</b>
tax	<b>19,684</b>	<b>5,341</b>	<b>10,968</b>	<b>16,604</b>
<b>Total comprehensive income for the period</b>	<b>64,115</b>	<b>62,080</b>	<b>30,519</b>	<b>53,070</b>
<b>Profit for the period attributable to:</b>				
Owners of Parent	42,530	55,295	19,551	36,466
Non-controlling interests	1,901	1,444	-	-
<b>Profit for the period</b>	<b>44,431</b>	<b>56,739</b>	<b>19,551</b>	<b>36,466</b>
<b>Total comprehensive income attributable to:</b>				
Owners of Parent	58,631	62,511	30,519	53,070
Non-controlling interests	5,484	(431)	-	-
<b>Total comprehensive income for the period</b>	<b>64,115</b>	<b>62,080</b>	<b>30,519</b>	<b>53,070</b>
<b>Earnings per share attributable to owners of the parent</b>				
<b>Basic and diluted earnings per share (Naira)</b>	<b>1.24</b>	<b>1.62</b>	<b>0.57</b>	<b>1.07</b>

<b>Interim Consolidated and Separate Statements of Financial Position</b>				
<b>As at</b>	<b>Group</b>		<b>Bank</b>	
	<b>Jun. 2020</b>	<b>Dec. 2019</b>	<b>Jun. 2020</b>	<b>Dec. 2019</b>
<i>In millions of Nigerian Naira</i>				
<b>ASSETS</b>				
Cash and bank balances	2,138,910	1,396,228	1,950,899	1,182,554
Financial assets at fair value through profit or loss	66,651	102,388	66,651	102,388
Derivative assets	56,849	48,131	56,849	48,131
Loans and advances to banks	67,193	108,211	64,541	99,849
Loans and advances to customers	2,186,366	2,061,147	1,602,812	1,503,380
Investment securities:				
- At fair value through other comprehensive income	931,228	901,048	854,060	772,658
- At amortised cost	1,046,131	670,502	66,182	73,556
Other assets	80,262	139,887	59,279	111,607
Investment in equity-accounted investee	4,438	4,142	2,715	2,715
Investment in subsidiaries	-	-	103,275	103,275
Property and equipment	144,963	128,499	118,560	107,448
Intangible assets	29,226	17,670	16,339	7,070
Deferred tax assets	23,148	26,199	21,862	21,862
<b>TOTAL ASSETS</b>	<b>6,775,365</b>	<b>5,604,052</b>	<b>4,984,024</b>	<b>4,136,493</b>
<b>LIABILITIES</b>				
Derivative liabilities	138	852	138	852
Deposits from banks	540,608	267,070	379,363	92,717
Deposits from customers	4,800,310	3,832,884	3,462,329	2,764,388
Other liabilities	205,918	107,255	106,813	57,150
Current income tax liabilities	9,032	9,164	1,107	722
Borrowings	584,592	758,682	584,592	744,094
Subordinated liabilities	-	30,048	-	30,048
Deferred tax liabilities	34	119	-	-
<b>TOTAL LIABILITIES</b>	<b>6,140,632</b>	<b>5,006,074</b>	<b>4,534,342</b>	<b>3,689,971</b>
<b>EQUITY</b>				
Share capital	17,100	17,100	17,100	17,100
Share premium	98,715	98,715	98,715	98,715
Retained earnings	209,352	184,685	85,208	90,090
Other reserves	284,677	278,073	248,659	240,617
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>	<b>609,844</b>	<b>578,573</b>	<b>449,682</b>	<b>446,522</b>
Non-controlling interests	24,889	19,405	-	-
<b>TOTAL EQUITY</b>	<b>634,733</b>	<b>597,978</b>	<b>449,682</b>	<b>446,522</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>6,775,365</b>	<b>5,604,052</b>	<b>4,984,024</b>	<b>4,136,493</b>

Click [HERE](#) to download the 2020H1UBA PLC Audited 2020 Half Year Result

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## **Editor's comment**

United Bank for Africa Plc is a leading Pan-African financial institution, offering banking services to more than twenty-one million customers, across over 1,000 business offices and customer touch points, in 20 African countries. With presence in the United States of America, the United Kingdom and France, UBA is connecting people and businesses across Africa through retail; commercial and corporate banking; innovative cross-border payments and remittances; trade finance and ancillary banking services.

## **Caution regarding forward-looking statements**

From time to time, the Bank makes written and/or oral forward-looking statements in press releases and other communications. In addition, representatives of the Bank may make forward-looking statements to analysts, investors, the media and others. All such statements are intended to be forward looking statements. Forward looking statements include, but are not limited to, statements regarding the Bank's objectives and priorities for 2020 and beyond as well as strategies to achieve them, and the Bank's anticipated financial performance. Forward looking statements are typically identified by words such as "will", "should", "believe", "expect", "anticipate", "intend", "estimate", "may" and "could".

By their very nature, these statements require the Bank to make assumptions and are subject to inherent risks and uncertainties, general and specific. Especially in light of the uncertainty related to the financial, economic and regulatory environments, such risks and uncertainties – many of which are beyond the Bank's control and the effects of which are difficult to predict – may cause actual results to differ materially from the expectations expressed in the forward-looking statements. Risk factors that could cause such differences include: credit, market (including equity, commodity, foreign exchange, and interest rate), liquidity, operational, reputational, insurance, strategic, regulatory, legal, environmental, and other risks. All such factors should be considered carefully, as well as other uncertainties and potential events, and the inherent uncertainty of forward looking statements, when making decisions with respect to the Bank and we caution readers not to place undue reliance on the Bank's forward-looking statements.

Any forward-looking statements contained in this press release represent the views of management, only as of the date hereof and are presented for the purpose of assisting the Bank's investors and analysts in understanding the Bank's financial position, objectives and priorities and anticipated financial performance as at and for the periods ended on the dates presented, and may not be appropriate for other purposes. The Bank does not undertake to update any forward-looking statements, whether written or oral, that may be made from time to time by or on its behalf, except as required under applicable securities legislation.