

Unaudited Results for the Third Quarter Ended September 30, 2023

UBA's Q3 Gross Earnings grows 115% YoY and PBT grows 263% YoY to N502.1bn

Statement of Comprehensive Income	Q3'2023 ₦' Million	Q3'2022 ₦' Million	Change
Gross earnings	1,308,861	608,289	115.2%
Interest income	666,291	420,234	58.6%
Net-interest income	443,082	282,513	56.8%
Non-interest income	574,539	131,884	335.6%
Operating income	1,017,621	414,397	145.6%
Operating expenses	370,914	262,628	41.2%
Profit before tax	502,091	138,493	262.5%
Profit after tax	449,296	116,042	287.2%
Basic EPS	12.93	3.27	295.0%
Statement of Financial Position	Q3'2023 ₦' Million	YE'2022 ₦' Million	Change
Total assets	16,235,995	10,857,571	49.5%
Net loans	5,065,127	3,440,128	47.2%
Customer deposits	11,629,182	7,824,892	48.6%
Shareholders' funds	1,778,132	922,104	92.8%
NPL Ratio	3.61%	3.10%	16.5%
Profitability Metrics	Q3'2023	Q3'2022	Change
1) Cost-to-income ratio (CIR)	36.44%	63.21%	-42.4%
2) Cost-of-risk (CoR)	4.07%	0.68%	498.7%
3) Cost-of-fund (CoF)	2.52%	2.33%	8.1%
4) Net interest margin (NIM)	6.19%	5.89%	5.2%
5) NPL Coverage Ratio*	131.45%	115.60%	13.7%
6) Return on average equity (RoAE)*	44.37%	19.72%	131.3%
7) Return on average asset (RoA)*	4.42%	1.76%	155.2%

* Metrics based on Q3'2023 Vs FY'2022

Commenting on the result, UBA's Group Managing Director/ Chief Executive Officer, Mr. Oliver Alawuba said:

"I am pleased to present UBA Group's results for the quarter ended 30 September 2023, which show a strong and sustainable improvement in key performance metrics over the period. The Group recorded robust double-digit growth in its top line, with gross earnings rising YoY by 115% to ₦1.3 trillion in September 2023.

Despite the high inflationary and challenging global environment, the Group was able to leverage the rising interest rates environment in our markets and improved digital offerings, in growing funded and non-funded income. I am particularly excited by the 263% YoY growth in profit before tax, which has helped to drive increased returns to shareholders, with a 44.4% RoAE, compared to 19.7% achieved as at December 2022.

We continued to record improved gains in our customer acquisition and retention strategies across our countries of presence, evident in the 48.6% growth in customer deposits to ₦11.6 trillion from ₦7.8 trillion at the end of 2022FY. This enabled the Group drive loan growth and interest income, with net loans and advances at ₦5.07 trillion, representing a year-to-date (YTD) increase of 47.2%.

For 2023, we remain committed to improving the Group's performance, as we strategically position to take advantage of emerging opportunities, in our 24 countries of operation and across the globe. We will continue to deliver excellent rewards to our stakeholders.

Also speaking on the performance, Executive Director Finance and Risk, Ugo Nwaghodoh said:

"The continued impressive performance of the UBA Group in the third quarter of 2023 is founded on our continuous improvement and growth in gross earnings and balance sheet size, as gross earnings grew by 115% year-on-year to ₦1.3 trillion and total assets up by 49% to ₦16.2 trillion from ₦10.9 trillion as at December 2022. The growth in gross earnings is driven by 56.8% growth in net interest income and 3.36x growth in non-interest revenue. The material increases in net interest income was on the back of 47.6% expansion in the bank's interest earning assets.

The performance demonstrates our Group's resilience and commitment towards delivering value and enhancing the confidence of its customers, stakeholders and the wider public, notwithstanding the competitive landscape and current global trend in the industry."

Condensed Consolidated Statements of Comprehensive Income

<i>In millions of Nigerian Naira</i>	Group 9 months to	
	Sep. 2023	Sep. 2022
Interest income	666,291	420,234
Interest income on amortised cost and FVOCI securities	665,478	419,634
Interest income on FVTPL securities	813	600
Interest expense	(223,209)	(137,721)
Net interest income	443,082	282,513
Fees and commission income	182,317	138,079
Fees and commission expense	(68,031)	(55,860)
Net fee and commission income	114,286	82,219
Net trading and foreign exchange income	450,253	38,409
Other operating income	10,000	11,256
Total non-interest income	574,539	131,884
Operating income	1,017,621	414,397
Net impairment charge on loans and receivables	(144,616)	(13,587)
Net operating income after impairment loss on loans and receivables	873,005	400,810
Employee benefit expenses	(111,107)	(80,769)
Depreciation and amortisation	(22,611)	(18,438)
Other operating expenses	(237,196)	(163,421)
Total operating expenses	(370,914)	(262,628)
Share of profit of equity-accounted investee	-	311
Profit before income tax	502,091	138,493
Income tax expense	(52,795)	(22,451)
Profit for the period	449,296	116,042
Other comprehensive income		
Items that will be reclassified to income statement:		
Exchange differences on translation of foreign operations	276,129	(56,311)
Fair value changes on investments at fair value through other comprehensive income(FVOCI):		
Net fair value gains/(loss) during the period	19,610	(16,915)
Net amount transferred to the income statement	(2,771)	(551)
	292,968	(73,777)
Items that will not be reclassified to the income statement:		
Fair value changes on equity investments at FVOCI	144,544	(8,510)
	144,544	(8,510)
Other comprehensive income, net of tax	437,512	(82,287)
Total comprehensive income for the period	886,808	33,755
Profit attributable to:		
Owners of Parent	442,029	111,903
Non-controlling interest	7,267	4,139
Profit for the period	449,296	116,042
Total comprehensive income attributable to:		
Owners of Parent	863,830	33,053
Non-controlling interest	22,978	702
Total comprehensive income for the period	886,808	33,755
Basic and diluted earnings per share expressed in Naira	12.93	3.27

The statement of financial position, statement of comprehensive income, statement of changes in equity, report of the independent auditor and specific disclosures are published in compliance with the requirements of S.27 of the Banks and Other Financial Institutions Act. The information disclosed have been extracted from the full financial statements of the bank and the group and cannot be expected to provide a full understanding of the financial performance, financial position and financing and investing activities of the bank and the group as the full financial statements. Copy of the full financial statements can be obtained from the Bank's website: www.ubaagroup.com/ir.



Consolidated Statements of Financial Position

As at	Group	
	Sep. 2023	Dec. 2022
<i>In millions of Nigerian Naira</i>		
ASSETS		
Cash and bank balances	4,039,002	2,553,629
Financial assets at fair value through profit or loss	6,308	14,963
Assets under management	13,400	12,923
Derivative assets	382,342	39,830
Loans and advances to banks	126,476	303,249
Loans and advances to customers	4,938,651	3,136,879
Investment securities:		
- At fair value through other comprehensive income	2,825,196	2,193,253
- At amortised cost	3,127,600	1,987,438
Other assets	480,222	254,704
Investments in subsidiaries	-	-
Property and equipment	219,142	208,039
Intangible assets	35,488	33,468
Deferred tax assets	28,793	23,603
	16,222,620	10,761,978
Non-Current Assets Held for Sale	13,375	95,593
TOTAL ASSETS	16,235,995	10,857,571
LIABILITIES		
Deposits from banks	1,762,462	1,170,238
Deposits from customers	11,629,182	7,824,891
Derivative liabilities	2,634	79
Other liabilities	378,884	383,284
Current income tax liabilities	41,811	20,281
Borrowings	637,166	535,735
Deferred tax liabilities	5,724	959
TOTAL LIABILITIES	14,457,863	9,935,467
EQUITY		
Share capital	17,100	17,100
Share premium	98,715	98,715
Retained earnings	750,812	429,533
Other reserves	857,666	341,949
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	1,724,293	887,297
Non-controlling interests	53,839	34,807
TOTAL EQUITY	1,778,132	922,104
TOTAL LIABILITIES AND EQUITY	16,235,995	10,857,571

The consolidated and separate financial statements were approved by the Board of Directors on October 27, 2023 and signed on its behalf by:



Ugo A. Nwaghadoh
ED, Finance and Risk
FRC/2012/ICAN/00000000272



Tony O. Elumelu, CFR
Chairman, Board of Directors
FRC/2013/CIBN/00000002590



Oliver Alawuba
Group Managing Director/CEO
FRC/2022/PRO/DIR/003/589226

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About UBA

United Bank for Africa Plc is a leading Pan-African financial institution, offering banking services to more than twenty-five (25) million customers, across 1,000 business offices and customer touch points in 20 African countries. With presence in New York, London, Paris and Dubai, 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.

Editor's comment

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 2023 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.

For further information, please contact:

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