

United Bank for Africa Plc Audited 2016 Half Year Results for the Period Ended June 30, 2016.

UBA SUSTAINS STRONG ASSET QUALITY AND PROFITABILITY; DECLARES ₦0.20 INTERIM DIVIDEND

This Earnings Press Release should be read in conjunction with the Audited 2016 Half Year Consolidated Financial Statements. This Earnings Press Release is also available on our website at <http://www.ubagroup.com/ir/>. This analysis is dated August 25, 2016. Unless otherwise indicated, all amounts are expressed in Nigerian 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 2015 Full Year Financial Statements. Additional information relating to the Bank is available on the Bank's website <http://www.ubagroup.com>.

LAGOS, NIGERIA – August 25, 2016 – United Bank for Africa Plc ("UBA" or "the Bank"), announced its Audited 2016 Half Year Financial Results, showing 3% YoY growth in profit before tax to ₦40.3 billion and 20% year-to-date growth in total assets to ₦3.3 trillion, crossing the ₦3 trillion mark. The Board of Directors proposes payment of ₦0.20 interim dividend on every ordinary share of ₦0.50 each.

HIGHLIGHTS OF THE RESULT:

Income Statement

1. Gross Earnings: ₦166 billion, a stable performance compared to 2015H1 Gross Earnings of ₦166 billion;
2. Net Operating Income: ₦109 billion, flat performance compared to 2015H1;
3. Operating Expenses of ₦69 billion, down 1% from ₦70 billion in 2015H1;
4. Profit Before Tax: ₦40.3 billion, up from ₦39.0 billion recorded in 2015H1 (3% YoY growth);
5. Profit After Tax: ₦33 billion, compared to ₦32 billion recorded in 2015H1 (2% YoY growth);
6. Cost-to-Income Ratio: 63%, down from 64% in 2015H1;
7. Return on Average Equity: 17.3%, down from 19% in 2015, due to the 23% growth in total equity.

Balance Sheet

8. Total Assets: ₦3.29 trillion, compared to ₦2.75 trillion as at 2015FY (20% growth, year-to-date);
9. Net Loans: ₦1.29 trillion; a 29% year-to-date growth, which is partly driven by Naira depreciation;
10. Deposits: ₦2.41 trillion, growing 16% year-to-date and outperforming our 15% 2016FY target.
11. Shareholders' Funds: ₦408 billion, up from ₦333 billion as at 2015FY (23% growth year-to-date).

Some Notable Developments in the First Half of 2016

- Mr. Kennedy Uzoka succeeds Mr. Phillips Oduoza, who retired on July 31, 2016, in a seamless transition that reinforces the succession planning of the Bank.
- Agosto & Co. upgraded the credit rating of the Bank, from "A+" to "Aa-", reflecting the improved capitalization, strong liquidity and asset quality as well as enhanced profitability of the Group.

Commenting on the result, Kennedy Uzoka, the GMD/CEO of UBA Plc, said;

"Given our financial performance in the first half of the year, it is resounding that our prudence and diversification will sustainably deliver superior service and return to our esteemed customers and shareholders respectively. It was an eventful period, as expected; albeit our disciplined focus on core financial intermediation enhanced our profitability and growth. Amidst waning economic fundamentals, we delivered profit in excess of ₦40 billion and grew balance sheet by 20%, with our total on-balance sheet total assets crossing the ₦3 trillion mark. Even as Naira depreciation and inflationary pressure increased the cost of doing business in Nigeria, we leveraged our economics of scale, enhanced operational efficiency and Group shared service structure to moderate our cost-to-income ratio by 90bps.

Thanks to our risk management practice, which has helped to sustain the strong quality of our portfolio in this challenging business environment. Our non-performing loan ratio (NPL) at 2.4% remains within tolerance limit and the 1.1% cost of risk is in line with our expectation, even as we prudently increased collective impairments on performing loans to reflect the volatile macro environment. We will sustain our culture of keeping a healthy balance sheet, with strong liquidity and capitalization, as reflected in our liquidity and BASEL II capital adequacy ratios of 45% and 19% respectively. Notwithstanding the current slowdown in economic activities, we see bright spots ahead, especially as we see strong prospect to grow market share across all chosen economies, through our enhanced dedication to customer service."

Also speaking on UBA's financial performance and position, the Group CFO, Ugo Nwaghodoh said;

"Our performance in the period endorses our resilient ability to profitably grow the business from sustainable core banking offerings. Notwithstanding the challenging macro and regulatory environment, we achieved a 17.3% return on average equity in the period. This impressive performance was driven by increased transaction volume, balance sheet growth and efficiency as well as a disciplined management of operating cost. We achieved a 60bps moderation in funding cost, despite the tighter interest rate environment, as we continue to improve our deposit mix, towards low cost savings and current accounts. We continue to achieve new milestones in our Africa business (ex-Nigeria), as two erstwhile loss making subsidiaries are now profitable. Overall, African subsidiaries, contributed a quarter of the Group's profit, with an even stronger outlook, as we deepen our penetration of the respective markets."

Consolidated and Separate Statements of Comprehensive Income
For the period ended 30th June

In millions of Nigerian Naira

	Group		Bank	
	June 2016	June 2015	June 2016	June 2015
Gross earnings	165,580	165,743	121,251	130,691
Interest income	107,418	114,967	78,459	94,154
Interest expense	(43,286)	(50,577)	(29,924)	(43,386)
Net interest income	64,132	64,390	48,535	50,768
Net impairment loss on loans and receivables	(6,821)	(2,216)	(5,569)	(1,892)
Net interest income after impairment on loans and receivables	57,311	62,174	42,966	48,876
Fees and commission income	36,936	30,357	26,696	19,912
Fees and commission expense	(6,098)	(4,174)	(4,914)	(3,612)
Net trading and foreign exchange income	19,637	18,217	14,790	14,661
Other operating income	1,589	2,202	1,306	1,964
Personnel expenses	(29,273)	(29,509)	(20,888)	(22,301)
Depreciation and amortisation	(4,065)	(4,036)	(3,115)	(3,217)
Other operating expenses	(35,688)	(36,133)	(26,371)	(27,871)
Share of loss of equity-accounted investee	(79)	(52)	-	-
Profit before income tax	40,270	39,046	30,470	28,412
Taxation charge	(7,649)	(7,047)	(5,419)	(4,108)
Profit for the period	32,621	31,999	25,051	24,304
Foreign currency translation differences	32,432	(2,492)	-	-
Net change in fair value of available-for-sale financial assets	23,703	3,883	23,674	3,890
Net change in fair value transferred to profit or loss	26	795	26	795
Other comprehensive income	56,161	2,186	23,700	4,685
Total comprehensive income for the period	88,782	34,185	48,751	28,989
Profit attributable to:				
Owners of Parent	32,005	31,377	25,051	24,304
Non-controlling interest	616	622	-	-
Profit for the period	32,621	31,999	25,051	24,304
Total comprehensive income attributable to:				
Owners of Parent	85,406	33,985	48,751	28,989
Non-controlling interest	3,376	200	-	-
Total comprehensive income for the period	88,782	34,185	48,751	28,989
Basic and diluted earnings per share (Naira) - Annualised	1.88	1.88	1.38	1.36

Consolidated and Separate Statements of Financial Position

As at	Group		Bank	
	Jun-16	Dec-15	Jun-16	Dec-15
<i>In millions of Nigerian Naira</i>				
ASSETS				
Cash and bank balances	709,245	655,371	601,938	590,774
Financial assets held for trading	37,050	11,249	37,050	11,249
Derivative assets	17,533	1,809	17,533	1,809
Loans and advances to banks	24,005	14,600	28,332	14,591
Loans and advances to customers	1,290,675	1,036,637	985,212	822,694
Investment securities	964,056	856,870	541,308	568,203
Other assets	107,434	40,488	90,408	22,528
Investment in equity-accounted investee	2,290	2,236	1,770	1,770
Investments in subsidiaries	-	-	70,702	65,767
Property and equipment	90,170	88,825	77,623	80,145
Intangible assets	13,842	11,369	4,712	4,954
Deferred tax assets	33,681	33,168	31,853	31,853
TOTAL ASSETS	3,289,981	2,752,622	2,488,441	2,216,337
LIABILITIES				
Derivative liabilities	120	327	120	327
Deposits from banks	91,870	61,066	282	350
Deposits from customers	2,412,015	2,081,704	1,778,877	1,627,060
Other liabilities	134,379	54,885	94,234	34,219
Current tax liabilities	2,492	6,488	1,277	634
Borrowings	155,360	129,896	155,360	129,896
Subordinated liabilities	85,821	85,620	85,821	85,620
Deferred tax liabilities	23	15	-	-
TOTAL LIABILITIES	2,882,080	2,420,001	2,115,971	1,878,106
EQUITY				
Share capital	18,140	18,140	18,140	18,140
Share premium	117,374	117,374	117,374	117,374
Retained earnings	126,802	113,063	109,652	100,900
Other reserves	135,415	77,250	127,304	101,817
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	397,731	325,827	372,470	338,231
Non-controlling interests	10,170	6,794	-	-
TOTAL EQUITY	407,901	332,621	372,470	338,231
TOTAL LIABILITIES AND EQUITY	3,289,981	2,752,622	2,488,441	2,216,337

About UBA Plc

United Bank for Africa (UBA) Plc is a leading financial services group in sub-Saharan Africa with presence in 19 African countries, as well as the United Kingdom, the United States of America and France.

From a single country operation founded in 1949 in Nigeria, Africa's largest economy, UBA has emerged as a pan-African provider of banking and other financial services, to some 9 million customers globally, through one of the most diverse service channels in sub-Sahara Africa; 615 business offices, 1,738 ATMs, some 13,500 PoS, and a robust online and mobile banking platform.

UBA was the first Nigerian bank to make an Initial Public Offering (IPO), following its listing on the NSE in 1970. It was also the first Nigerian bank to issue Global Depository Receipts (GDRs). The shares of UBA are actively publicly traded on the Nigerian Stock Exchange (NSE) and the Bank has a well-diversified shareholder base, including foreign and local institutional investors as well as individual shareholders.