2016 Earnings Guidance
Kennedy Uzoka, GMD/CEO-Designate

Thank you very much GMD. Good evening everyone; we appreciate your time on this conference call.

As the GMD had rightly reiterated, our strategic initiatives in 2016, and indeed over the near to medium term, are anchored on putting our customers at the heart of every decision and action we take. It is a Customer First approach to business. We strongly believe our customers are the essence of our existence as a business and we have prioritised this most important stakeholder in our strategic and tactical initiatives.

With this approach, we are confident in successfully transiting UBA Plc to the next phase of its growth, as we progress our vision of being the undisputed leading and dominant financial services institution in Africa. We will be disciplined in our strategy execution, which will ultimately deliver superior and sustainable return to our shareholders. It is a two-prong strategy that will further enhance our revenue generation and improve cost efficiencies.

We duly note the challenging operating environment and intensifying competition. However, we see opportunities amidst these challenges and we will leverage our unique platform in building "economic moat" for UBA in the African banking industry. We will further extract synergies across our operations to grow our share of existing market and create new opportunities. At this point, let me quickly take you through our earnings guidance for the 2016 financial year.

Headlines	**2015FY**	**2016FY Guidance**
Net Interest Margin	**6.3%**	**>6.3%**
Cost-to-Income Ratio	**66.7%**	**≈65.0%**
Cost of Risk	**0.5%**	**≈1%**
Non-Performing Loan Ratio	**1.7%**	**<2.5%**
Net Customer Loan Growth	**-3.3%**	**10% - 15%**
Customer Deposit Growth	**-4.1%**	**10% - 15%**
Return on Average Asset	**2.2%**	**≈2.2%**
Return on Average Equity (RoAE)	**20.0%**	**≈20.0%**

We are committed to sustaining our **net interest margin at a minimum of 6.3% in 2016**. We will leverage on our balance sheet optimization initiatives, to further improve asset yields. Interestingly, our improving deposit mix and funding cost will enhance our ability to sustain our NIMs

Notwithstanding external cost pressures, we remain committed to our cost efficiency initiatives, as we expect to keep our cost growth below inflation rate and further moderate the **cost-to-income ratio to a level below 65%.**

Whilst we are not completely immune to the impact of macroeconomic pressures on risk assets, we are confident in the quality of our portfolio. We are working closely with our customers and will continue to proactively monitor developments in the global and domestic economic environment to address probable impact of our portfolio. We will defend our asset quality to keep **NPL ratio below 2.5%** and we believe **cost of risk should remain around 1%** in 2016.

Even as household income levels and corporate cashflows may not recover strongly in 2016, we will grow our share of deposits across markets to deliver between 10% and 15% growth in deposits.

We remain cautiously optimistic and will maintain our moderate risk appetite. Hence, we expect the **loan book to grow in the early teens of between 10% and 15%.**

Our earnings growth initiatives and cost efficiency gains will ensure that we sustain return on average assets at a minimum of 2.2% and we will deliver higher than 20% return on average equity. It is our commitment to sustainably deliver superior return to our shareholders in excess of their cost of equity.

We remain true to our pledge of building an enduring institution and implore everyone on this call to support our course.

Thank you once again for being a part of this conference call.