

United Bank for Africa Plc
Audited Accounts for the Period Ended 31st December, 2014.

UBA PLC FOCUSES ON EARNINGS AND ASSET QUALITY; DELIVERING 19% RETURN ON AVERAGE EQUITY

This 2014FY Earnings Press Release should be read in conjunction with our Audited 2014FY Consolidated Financial Statements. The Earnings Press Release is also available on our website at <http://www.ubagroup.com/ir/>. This analysis is dated March 26, 2015. Unless otherwise indicated, all amounts are expressed in Nigerian Naira, and have been primarily derived from the Bank's Annual Consolidated Financial Statements, prepared in accordance with the International Financial Reporting Standards ("IFRS"). The accounting policies used in the preparation of these consolidated financial results are consistent with those used in the Bank's 2013FY Audited Financial Statements. Additional information relating to the Bank is available on the Bank's website <http://www.ubagroup.com>.

LAGOS, NIGERIA – March 26, 2015 – United Bank for Africa Plc ("UBA" or "the Bank"), announced its Audited Full Year 2014 financial results, showing an appreciable 10% YoY growth in gross earnings to ₦290 billion and ₦48 billion Profit After Tax, which translates to 19% Return on Average Equity (RoAE).

2014FY Financial Highlights

- Gross Earnings was ₦290 billion, compared to ₦264 billion in 2013FY (an implied 10% YoY growth);
- Net Interest Income was ₦106 billion, compared to ₦103 billion in 2013FY (a modest 3% YoY growth);
- Operating Income was ₦186 billion, compared to ₦164 billion in 2013FY (translating to 13% YoY growth);
- Profit Before Tax was ₦56.2 billion; a relatively stable performance compared to ₦56.1 billion in 2013FY;
- Profit After Tax was ₦47.9 billion, compared to ₦46.6 billion in 2013FY (translating to 3% YoY growth);
- Total Assets grew by 5% YoY from ₦2.64 trillion in 2013FY to ₦2.76 trillion as at 2014FY;
- Loans and Advances to Customers rose 14% YoY from ₦0.94 trillion in 2013FY to ₦1.1 trillion as at 2014FY
- Customer deposits remained relatively stable at ₦2.2 trillion as at 2014FY;
- Shareholders' Fund increased 13% YoY from ₦235 billion in 2013FY to ₦265 billion as at 2014FY.
- Cash dividend of ₦0.10 for every ordinary share of ₦0.50

Headline (N' Billion)	2014FY	2013FY	Change
Gross Earnings	290.0	264.7	9.57%
Net Interest Income	106.1	103.2	2.81%
Non-interest Income	93.3	79.2	17.83%
Operating Income	185.9	163.9	13.40%
Operating Expenses	129.7	107.9	20.24%
Profit/(Loss) Before Tax	56.2	56.1	0.25%
Profit/(Loss) After Tax	47.9	46.6	2.80%
	2014FY	2013FY	Change
Total Assets	2,763	2,642	4.55%
Total Loans and Advances	1,072	938	14.32%
Total Deposits	2,170	2,161	0.39%

Key Ratios	2014FY	2013FY
Net Interest Margins	5.96%	5.90%
Cost of Funds	3.81%	3.60%
Cost-to-Income Ratio	69.77%	65.80%
Return on Average Assets	1.77%	1.92%
Return on Average Equity	19.15%	21.80%
Loan-to-Deposit Ratio	49.40%	43.38%
Liquidity Ratio	55.78%	55.00%
Capital Adequacy Ratio*	17%	19%
NPL Ratio	1.55%	1.20%
BVPS (N)	8.05	7.13
EPS (N)	1.56	1.52

*The 2014FY BASEL II Capital Adequacy Ratio (CAR) excludes the N30.5 billion Tier-II Capital raised in December 2014. Post-regulatory approval for the Tier-II Capital, the Group's CAR will be 18%.

Commenting on the result, Phillips Oduoza, the GMD/CEO of UBA Plc, said;

“We are pleased with our performance in the year, especially as we focus on the quality and sustainability of our earnings. More so, we made notable qualitative strides in 2014, and we are confident that our improved service quality and attendant customer loyalty will enhance our leadership position in the years ahead. Without compromising our focus on quality assets creation, our loan book grew by 14% YoY to cross the ₦1 trillion mark. Notably, our non-performing loan ratio remains one of the best-in-class at c.1.6%, as we responsibly grew risk assets in line with our moderate appetite in the year. We sustained our share of the deposit market in Nigeria and other African markets, with focus on low-cost stable funds that will reduce our exposure to economic and regulatory volatilities over the medium to long term. Following successful tier-II capital raising in the year, we have proactively fortified our capital base ahead of BASEL II implementation. Thus, we will leverage on our adequate capitalization and liquidity to grow market share across target business lines”.

“We are impressed with the performance of our African business, as renewed cross selling and strategic initiatives increased transaction volume across our markets. Reflecting our brand penetration and customer loyalty, UBA was rated the Best Bank in Cameroun and Senegal for the fourth and third consecutive year respectively. As we gain critical mass in these markets, we look forward to increased earnings and profit contribution from the African subsidiaries; a diversification benefit which we offer our shareholders”.

“We are inclined towards building a sustainable business that will enhance the medium to long term wealth of our investors. Thus, we are pleased with the quality of our earnings - an appreciable ₦48 billion Profit After Tax, which translates to 19% Return on Average Equity (RoAE). We are optimistic on our ability to sustainably grow shareholders' wealth over the long term, through consistent growth in earnings. We will leverage on increased capital base, liquidity and enhanced service channels to grow our market share and profitability in the years ahead, as we are committed to delivering the best value to our shareholders”.

Speaking on UBA's financial performance and position, the GCFO, Ugo Nwaghodoh said;

“We are optimistic on the years ahead, given notable headroom for growth across all our markets. We will steadily improve on our net interest margin, as the simultaneous benefit of rising yields on assets and growing base of low cost stable funds rubs-off on our net interest income. Given our liquidity, modest loan-to-deposit ratio and adequate capitalization, we are positioned to take advantage of rising opportunities across all our target markets. Thus, we are confident of delivering sustainable value to our esteemed shareholders, as we leverage our unique and scalable Pan-African platform to grow our market share in Africa”.

Consolidated and Separate Statements of Comprehensive Income For the Year Ended 31 December 2014

<i>In millions of Nigerian Naira</i>	Group		Bank	
	2014	2013	2014	2013
Gross earnings	290,019	264,687	228,757	214,273
Interest income	196,680	185,700	160,158	147,702
Interest expense	(90,547)	(82,469)	(78,033)	(71,526)
Net interest income	106,133	103,231	82,125	76,176
Net impairment loss on loans and receivables	(6,578)	(13,078)	(3,073)	(181)
Net interest income after impairment on loans and receivables	99,555	90,153	79,052	75,995
Fees and commission income	54,974	50,099	36,631	36,731
Fees and commission expense	(7,008)	(5,225)	(6,047)	(4,803)
Net trading and foreign exchange income	32,411	17,650	24,250	12,662
Net gains/(losses) on investment securities	154	(225)	154	(225)
Other operating income	5,791	10,513	7,564	10,305
Personnel expenses	(55,461)	(50,655)	(42,082)	(37,987)
Depreciation and amortisation	(5,736)	(6,169)	(4,051)	(3,759)
Other operating expenses	(68,489)	(51,027)	(53,093)	(44,176)
Gain on non-current assets distributed to owners	-	950	-	7,098
Share of profit/(loss) of equity-accounted investee	9	(6)	-	-
Profit before income tax	56,200	56,058	42,378	51,841
Taxation charge	(8,293)	(9,457)	(2,295)	(5,358)
Profit for the year	47,907	46,601	40,083	46,483
Items that will be reclassified to profit or loss:				
Foreign currency translation differences	(1,352)	(2,066)	-	-
Fair value reserve (available-for-sale financial assets):				
Net change in fair value	(1,239)	9,167	(1,226)	9,167
Net amount transferred to profit or loss	29	-	29	-
	(2,562)	7,101	(1,197)	9,167
Other comprehensive income	(2,562)	7,101	(1,197)	9,167
Total comprehensive income for the year	45,345	53,702	38,886	55,650
Profit attributable to:				
Owners of Parent	47,021	45,917	40,083	46,483
Non-controlling interest	886	684	-	-
Profit for the year	47,907	46,601	40,083	46,483
Total comprehensive income attributable to:				
Owners of Parent	44,911	53,445	38,886	55,650
Non-controlling interest	434	257	-	-
Total comprehensive income for the year	45,345	53,702	38,886	55,650

Consolidated and Separate Statements of Financial Position

As at	Group		Bank	
	Dec 2014	Dec 2013	Dec 2014	Dec 2013
<i>In millions of Nigerian Naira</i>				
ASSETS				
Cash and bank balances	812,359	716,803	749,716	620,426
Financial assets held for trading	1,099	784	1,099	777
Derivative assets	6,534	3,265	6,534	3,265
Loans and advances to banks	48,093	26,251	48,991	26,251
Loans and advances to customers	1,071,859	937,620	884,587	796,942
Investment securities	657,523	811,206	442,909	585,445
Other assets	30,057	30,436	21,136	19,069
Investment in equity-accounted investee	2,986	2,977	1,770	1,770
Investments in subsidiaries	-	-	65,767	65,767
Property and equipment	89,517	75,409	81,050	67,661
Intangible assets	9,430	7,356	3,446	1,401
Deferred tax assets	33,116	30,189	31,853	28,643
TOTAL ASSETS	2,762,573	2,642,296	2,338,858	2,217,417
LIABILITIES				
Derivative liabilities	943	31	943	31
Deposits from banks	59,228	60,582	1,526	-
Deposits from customers	2,169,663	2,161,182	1,812,277	1,797,376
Other liabilities	63,566	78,071	41,209	54,351
Current tax liabilities	4,615	2,861	1,858	1,602
Borrowings	113,797	48,866	113,797	48,866
Subordinated liabilities	85,315	55,653	85,315	55,653
Deferred tax liabilities	40	14	-	-
TOTAL LIABILITIES	2,497,167	2,407,260	2,056,925	1,957,879
EQUITY				
Share capital	16,491	16,491	16,491	16,491
Share premium	107,932	107,932	107,932	107,932
Retained earnings	87,047	70,480	84,230	67,443
Other reserves	48,460	32,746	73,280	67,672
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	259,930	227,649	281,933	259,538
Non-controlling interests	5,476	7,387	-	-
TOTAL EQUITY	265,406	235,036	281,933	259,538
TOTAL LIABILITIES AND EQUITY	2,762,573	2,642,296	2,338,858	2,217,417

EDITOR'S COMMENT

United Bank for Africa Plc is one of Africa's leading financial institutions offering banking services to more than 8 million customers across 605 business offices in 19 African countries. With presence in New York, London and Paris, 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, including in this press release and in other communications. In addition, representatives of the Bank may make forward-looking statements orally 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 2015 and beyond and 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 presentation 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.