

United Bank for Africa Plc Audited Results for the Period Ended December 31, 2015.

UBA RECORDS UNPRECEDENTED RESULTS; DELIVERING 25% YOY GROWTH IN PROFIT AND 20% RETURN ON AVERAGE EQUITY

This Earnings Press Release should be read in conjunction with the Audited Full Year 2015 Consolidated Financial Statements. The Earnings Press Release is also available on our website at <http://www.ubagroup.com/ir/>. This analysis is dated March 14, 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 Full Year 2014 Financial Statements. Additional information relating to the Bank is available on the Bank's website <http://www.ubagroup.com>.

LAGOS, NIGERIA – March 14, 2016 – United Bank for Africa Plc ("UBA" or "the Bank"), announced its Audited Full Year 2015 Financial Results, showing an appreciable 10% YoY growth in gross earnings to ₦315 billion and a 25% YoY growth in profit after tax to ₦60 billion; translating to a 20% return on average equity (RoAE).

HIGHLIGHTS OF THE RESULT:

Income Statement

1. Gross Earnings: ₦315 billion, up from ₦287 billion in 2014FY (10% YoY growth);
2. Net Operating Income: ₦205 billion, compared to ₦186 billion in 2014FY (10% YoY growth);
3. Operating Expenses of ₦137 billion, compared to ₦130 billion in 2014FY (5% YoY growth);
4. Profit Before Tax: ₦68.5 billion, up from ₦56.2 billion recorded in 2014FY (22% YoY growth);
5. Profit After Tax: ₦60 billion, compared to ₦48 billion recorded in 2014FY (25% YoY growth);
6. Cost-to-Income Ratio: 67%, down from 70% in 2014FY;
7. Return on Average Equity: 20%, compared to 19% in 2014FY.

Balance Sheet

8. Total Assets: ₦2.75 trillion, compared to ₦2.76 trillion as at 2014FY;
9. Loans: ₦1.04 trillion; 3% lower when compared to 2014FY level of ₦1.07 trillion, due to conversion of State Government loans to Sovereign bonds in Nigeria;
10. Deposits: ₦2.08 trillion, 4% lower when compared to 2014FY level (₦2.17 trillion), as public sector deposits in Nigeria were returned to the Central Bank (CBN);
11. Shareholders' Funds: ₦333 billion, up from ₦265 billion as at 2014FY (25% YoY growth).

Some Notable Developments in the Second Half of 2015

- UBA led a consortium of local banks to facilitate a USD1.2 billion syndicated facility for a joint venture between National Oil Company in Nigeria, NNPC, and a major International Oil Company.
- The Board recently appointed the GMD/CEO-designate, Mr. Kennedy Uzoka (effective August 01, 2016, subject to CBN approval). He succeeds Mr. Phillips Oduoza, who retires on July 31, 2016.
- The Board also appointed Mr. Victor Osadolor, as Deputy Managing Director, subject to CBN approval.

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

"Our 2015 profit is a new record and I am pleased that our performance is beginning to reflect the hard work and discipline of our Board, Management and Staff in creating superior value for our stakeholders. We remain committed to growing in a responsible manner that aligns with our vision of building an enduring institution. Notwithstanding the challenging business environment, our resilient business model, geographic diversification, proactive strategies, and strong governance created an edge for us through the year. We will continue to invest in our future whilst managing cost tightly to generate strong returns to shareholders.

We recorded a decent 10% year-on-year growth in gross earnings, driven primarily by balance sheet optimization. With a disciplined approach to cost management, we achieved a tighter cost-to-income ratio of 67% and preserved earnings growth for our shareholders. Overall, we grew profit before tax by 22% to an historic record of ₦69 billion. More importantly, we closed the year with a 25% year-on-year growth in profit after tax to ₦60 billion; impressive performance which translates to 20% return on average equity."

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

"The 2015 results further convince us on the payoff of our tenacity and prudence. Amidst macroeconomic volatilities, we leveraged efficiency gains in our business development and operations to grow earnings. We improved on our balance sheet management and pricing, thus ensuring a strong 19% growth in interest income as well as an enhanced net interest margin of 6.3%. Our improved service delivery and customized offerings helped in growing transaction banking volume, with attendant fee income. Whilst we were exposed to some external cost pressure, we managed to keep our cost growth at 5% (below the average inflation rate of 9% in Nigeria; our core market which represents three-quarter of our operations).

I am particularly excited by the performance of our business in Africa (ex-Nigeria), as we further our synergy extraction and pursuit of scale economics to achieve market share and earnings targets. Precisely, UBA Africa contributed 24% of our Group's profit before tax in the 2015, despite the impact of cross-currency depreciation in some of our markets. Whilst our cautious stance on lending in Nigeria moderated the loan book, we recorded a collective 14% loan growth in UBA Africa, as we deepen market penetration and our share of customers' wallet. Our prudence and discipline in risk asset creation over the past half-decade sustained the quality of our loan portfolio; NPL ratio stabilized at 1.7% with full provisions coverage."

Consolidated and Separate Statements of Comprehensive Income				
For the period ended 31 December				
<i>In millions of Nigerian Naira</i>	Group		Bank	
	2015	2014	2015	2014
Gross earnings	314,830	286,624	247,364	228,220
Interest income	233,969	196,680	190,259	160,158
Interest expense	(96,030)	(90,547)	(83,161)	(78,033)
Net interest income	137,939	106,133	107,098	82,125
Net impairment loss on loans and receivables	(5,053)	(3,183)	(3,491)	(2,536)
Net interest income after impairment on loans and receivables	132,886	102,950	103,607	79,589
Fees and commission income	61,892	54,974	42,103	36,631
Fees and commission expense	(8,557)	(7,008)	(6,740)	(6,047)
Net trading and foreign exchange income	16,026	32,411	8,275	24,250
Other operating income	2,943	2,550	6,727	7,181
Personnel expenses	(57,446)	(55,461)	(42,033)	(42,082)
Depreciation and amortisation	(7,968)	(5,736)	(6,281)	(4,051)
Other operating expenses	(71,212)	(68,489)	(54,923)	(53,093)
Share of loss of equity-accounted investee	(110)	9	-	-
Profit before income tax	68,454	56,200	50,735	42,378
Taxation charge	(8,800)	(8,293)	(3,093)	(2,295)
Profit for the period	59,654	47,907	47,642	40,083
Items that will be reclassified to profit or loss:				
Foreign currency translation differences	(1,937)	(1,352)	-	-
Fair value reserve (available-for-sale financial assets):				
Net change in fair value	7,310	(1,239)	7,324	(1,226)
Net amount transferred to profit or loss	795	29	795	29
Other comprehensive income	6,168	(2,562)	8,119	(1,197)
Total comprehensive income for the period	65,822	45,345	55,761	38,886
Profit attributable to:				
Owners of Parent	58,604	47,021	47,642	40,083
Non-controlling interest	1,050	886	-	-
Profit for the period	59,654	47,907	47,642	40,083
Total comprehensive income attributable to:				
Owners of Parent	65,108	44,911	55,761	38,886
Non-controlling interest	714	434	-	-
Total comprehensive income for the period	65,822	45,345	55,761	38,886
Earnings per share attributable to owners of the parent during the year				
Basic and diluted earnings per share (Naira)	1.79	1.53	1.36	1.22

Consolidated and Separate Statements of Financial Position

As at	Group		Bank	
	Dec-15	Dec-14	Dec-15	Dec-14
<i>In millions of Nigerian Naira</i>				
ASSETS				
Cash and bank balances	655,371	812,359	590,774	749,716
Financial assets held for trading	11,249	1,099	11,249	1,099
Derivative assets	1,809	6,534	1,809	6,534
Loans and advances to banks	14,600	48,093	14,591	48,991
Loans and advances to customers	1,036,637	1,071,859	822,694	884,587
Investment securities	856,870	657,523	568,203	442,909
Other assets	40,488	30,057	22,528	21,136
Investment in equity-accounted investee	2,236	2,986	1,770	1,770
Investments in subsidiaries	-	-	65,767	65,767
Property and equipment	88,825	89,517	80,145	81,050
Intangible assets	11,369	9,430	4,954	3,446
Deferred tax assets	33,168	33,116	31,853	31,853
TOTAL ASSETS	2,752,622	2,762,573	2,216,337	2,338,858
LIABILITIES				
Derivative liabilities	327	943	327	943
Deposits from banks	61,066	59,228	350	1,526
Deposits from customers	2,081,704	2,169,663	1,627,060	1,812,277
Other liabilities	54,885	63,566	34,219	41,209
Current tax liabilities	6,488	4,615	634	1,858
Borrowings	129,896	113,797	129,896	113,797
Subordinated liabilities	85,620	85,315	85,620	85,315
Deferred tax liabilities	15	40	-	-
TOTAL LIABILITIES	2,420,001	2,497,167	1,878,106	2,056,925
EQUITY				
Share capital	18,140	16,491	18,140	16,491
Share premium	117,374	107,932	117,374	107,932
Retained earnings	113,063	87,047	100,900	84,230
Other reserves	77,250	48,460	101,817	73,280
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	325,827	259,930	338,231	281,933
Non-controlling interests	6,794	5,476	-	-
TOTAL EQUITY	332,621	265,406	338,231	281,933
TOTAL LIABILITIES AND EQUITY	2,752,622	2,762,573	2,216,337	2,338,858