

UBA Records 33% YoY Profit Growth, Declares **20k** Per Share Interim Dividend



Africa's leading financial institution, United Bank for Africa (UBA) Plc, has announced its audited half year financial results for the half year ended June 30, 2021, showing impressive growth across all major income lines and performance indicators.

The pan African financial institution delivered a 33.4% appreciation in its profit before tax which rose to N76.2bn (\$185.5mn) as at June 2021, up from N57.1bn(\$139.1mn) recorded in the same period of 2020, translating to an annualised Return on Average Equity of 17.5% as against **14.4%** a year earlier.

This feat was recorded despite the challenging business and economic environment that emerged from the slow pace of activities

following the global lockdown occasioned by the Covid-19 pandemic.

The results filed with the Nigerian Exchange, showed that the Group's profit after tax stood at \$147.5mn representing a significant rise by 36.3% compared to \$108.2mn recorded in the half year of 2020, while gross earnings grew to \$769.6mn from \$732.0mn as at June 2020; a 5% growth.

As at June 30, 2021, the Group's Total Assets crossed the \$19.5 billion mark as it soared to \$20.2 billion up from \$18.7 billion at the end of the 2020 financial year. Customer Deposits also crossed the \$14.6 billion mark growing by 7.4 per cent to \$14.8 billion in the period under consideration, compared to \$13.8 billion as at December 2020.

The Group's Shareholders' Funds remained robust at \$1.83bn up from \$1.76bn in December 2020, reflecting its strong capacity for internal capital generation. In line with the bank's culture of paying both interim and final cash dividend, the Board of Directors of UBA Plc has declared an interim dividend of 20kobo per share for every ordinary share of 50kobo each, held by its shareholders.

UBA's Group Managing Director/Chief Executive Officer, Mr. Kennedy Uzoka, expressed delight over the bank's performance in the first half of the year, adding, "This has been a strong first half for us, as global economic recovery exceeded expectations, creating a positive rub-off on consumer and corporate confidence, savings and investment activities. We saw this positively impact our business, as we continued to leverage our key strategic levers – People, Process and Technology,

and our Customer 1st Philosophy, to revolutionise customer experience at UBA.”

He added that the bank’s investment in the Rest of Africa (Excl. Nigeria) continues to yield good results for the group. In his words; “The benefits of pan-African business diversification accruing to the Group is once again evident, with gross earnings and interest income growth of 5.1% and 8.3% respectively, despite the low yield environment in our largest market, Nigeria. We are making remarkable progress on our strategy that is progressively positioning UBA as the bank of choice on the continent, driven by our emphasis on tech-led innovation and best customer experience.”

Continuing, the GMD pointed out that the bank recognises the far-reaching effects of the pandemic on businesses globally, and remains focused on its promise to always provide our customers with the best banking experiences possible. “Our H12021 performance reflects our progressive efforts in building on the strong momentum that we started the year with. As a purpose-driven organisation, we remain resolute in our drive for sustained growth in customer acquisition, transaction volumes and balance sheet, as we consolidate our ‘Africa’s Global Bank’ market position in the years ahead, uplifting livelihoods across the continent,” Uzoka explained.

UBA’s Group Chief Financial Officer, Ugo Nwaghodoh, on his part, noted that the bank’s goal is to achieve marked improvement in earnings quality whilst maintaining positive operating leverage as well as top-notch asset quality. “The Group recorded an RoAE of 17.5%

(from 14.4% in 2020H1) and a NIM of 5.8% (from 5.4% in H1 2020) as we played the volatile yield environment diligently for best return on our interest earning assets. Capital position remained strong, with the capital adequacy and liquidity ratios of 24.9% (22.4% in 2020H1) and 58.3% (58.2% in 2020H1) respectively. This is robust enough to support our growth ambitions," he said.

The GCFO pointed out that even while the operating environment remains largely uncertain and volatile, despite marked improvement from Covid-19 induced macroeconomic stress, UBA will continue to build resilience through its geographically diversified business model to support headline earnings growth for the Group.

"We remain committed to our 18% and 15% respective RoAE and deposit growth guidance for FY 2021, as we continue to invest in growth opportunities across our geographies of operation, whilst managing capital and balance sheet prudently," Nwaghodoh stated.

United Bank for Africa Plc is a leading Pan-African financial institution, offering banking services to more than twenty five million customers, across over 1,000 business offices and customer touch points, in 20 African countries. With presence in the United States of America, the United Kingdom and France, 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.

