



## **Q1 2020: Starting Strong, UBA Records Double-Digit Earnings Growth**

Pan African financial institution, United Bank for Africa Group (UBA) Plc has released its unaudited results for the first quarter ended March 31st, 2020, showing double-digit improvement across all its major income lines.

The bank leveraged on modest growth in both interest and non-interest income as well as increased efficiency to deliver an impressive 8.5 percent year-on-year growth in profit before tax in the first three months of 2020, to N32.7 billion compared with N30.2 billion recorded in the first quarter of 2019. Again, UBA sustained its strong profitability recording an annualized 20% Return on Average Equity (RoAE).

Driven by a year-on-year growth in interest income, UBA Group recorded a 11.8% percent year-on-year growth in gross earnings to close at N147.2 billion for the three months period ending March 2020, compared to N131.7 billion recorded in the first three months of the year 2019.

The bank's total assets also rose by 13.4% to N6.4 trillion in the period under review, compared to N5.6 trillion recorded at the end of the 2019 financial; while shareholders' funds grew to N612.6bn from N597.9 billion in the same period.

The Group Managing Director/CEO of the United Bank for Africa (UBA) Plc, Mr. Kennedy Uzoka, expressed satisfaction with the Bank's performance in the first quarter of 2020, which according to him remains encouraging despite the challenging business environment.

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He said, "We are pleased with our top and bottom lines in the first quarter of 2020, delivering N147.2billion in gross earnings and profit before tax of N32.7billion. The double-digit growth in the topline testifies to the resilience of our business model as a group, even as the 17% growth in our fees and commission income underscores our diversified business model, enabling us to deliver best value to our stakeholders, even in tough macroeconomic scenarios.

Continuing, the GMD said, "I am very excited about recent successes we have recorded in all our business segments, especially our retail and electronic banking businesses within the period, with retail deposits accounting for 72% of customer deposits even as cost-of-funds moderates to 3.3%. We will continue to grow market share in all our markets, whilst maintaining cost discipline across our businesses, driving efficiency in our processes using best-rated technology.

Speaking on customers' growing concerns on banking services during the lockdown due to the coronavirus pandemic, Uzoka explained that the bank has put in place various strategic channels to ensure that customers transactions are effectively carried out with ease.

He said, "In response to the spread of COVID-19 several national governments have announced a partial or total lock down in a number of our markets, post Q1 2020. Fortunately, we have built robust electronic channel platforms to enable us effectively serve our customers from the convenience of their homes. Despite the lock down, our banking channels have remained open to our customers 24/7, even as we continue to align and adapt our operating model to ensure we service our customers excellently and safely."

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He noted that as economies and businesses adjust to the headwinds occasioned by the novel Covid-19 pandemic, the bank has been identifying emerging strategic opportunities arising from this and positioning to take full advantage of this to delight customers and create value for stakeholders. "We also remain committed to our prudent risk management practices, as profitable growth and good asset quality remain our priority in 2020," he stated.

The Group Chief Finance Officer, Ugo Nwaghodoh, who also commented on the result, said, "Our profitability ratios are upbeat and indicative of our good earnings quality and cost efficiencies. We recorded a return on average equity (ROAE) of 20% for the period, bolstered by a net interest margin of 6% and 11.6% growth in net fee and commission income. Amidst the volatile operating environment, the Bank recorded a net loan growth of 9.5% whilst maintaining our low to moderate risk appetite.

Continuing, he added, "Remarkably, our operating income grew 12.2%, giving credence to improved operational efficiency across the group, and the increasing contribution of subsidiaries to our earnings base. We are exploring and taking advantage of all opportunities to improve our operational and balance sheet efficiencies, given the prevailing market conditions".

United Bank for Africa Plc is a leading Pan-African financial institution, offering banking services to more than eighteen (18) million customers, across 1,000 business offices and customer touch points in 20 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.

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