

United Bank for Africa Plc

FY 2012 & Q1 2013 Results

Investors/Analysts Presentation

May 16, 2013



Forward Looking Statements

From time to time, the Bank makes written and/or oral forward-looking statements, including in this presentation 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 2012 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

Important Notes

Definition of terms:

FY means “Full Year”; and 1Q means “First Quarter”. The Full Year 2012 result was prepared in line with the International Financial Reporting Standards (IFRS).

Regional split of African countries we operate in

WAMZ	UEMOA	CEMAC	E&SA
Ghana	Burkina Faso	Cameroon	Kenya
Guinea	Benin Republic	Chad	Mozambique
Liberia	Cote d'Ivoire	Congo Brazzaville	Tanzania
Sierral Leone	Senegal	Congo DRC	Uganda
		Gabon	Zambia

Important disclosure:

This report was prepared by UBA to provide background information on the Group. The report is issued for information purposes only, especially with regards to enabling users understand the inherent potentials of the business. It is therefore not a solicitation to buy or sell the stock.

The information contained herein is subject to change and neither the bank nor its staff is under any obligation to notify you or make public any announcement with respect to such change.

Outline

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Section 2

Full Year 2012 Financial Highlights

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Section 4

Review of Q1 2013 Results


Section 5

Overview of Africa – Focus on UBA Senegal





1. Overview of Macro Economy


Overview of Macro Economy

 Nigeria	
GDP (\$bn)	243.98
GDP Growth	6.99%
Population (mn)	162.47
Inflation Rate	9.50%
Interest Rate	12.00%
Debt-to-GDP Ratio	14.70%
Exchange Rate (US\$)	157.40
Foreign Reserve (\$bn)	49.00

 Ghana	
GDP (\$bn)	39.20
GDP Growth	7.0%
Population (mn)	24.97
Inflation Rate	10.40%
Interest Rate	15.00%
Debt-to-GDP Ratio	44.90%
Exchange Rate (US\$)	1.95
Foreign Reserve (\$bn)	3.84

 Guinea	
GDP (\$bn)	5.13
GDP Growth	4.00%
Population (mn)	10.22
Inflation Rate	14.40%
Interest Rate	22.00%
Debt-to-GDP Ratio	64.12%
Exchange Rate (US\$)	7,063.00

 Liberia	
GDP (\$bn)	1.16
GDP Growth	8.80%
Population (mn)	4.13
Inflation Rate	7.71%
Interest Rate	13.42%
Debt-to-GDP Ratio	44.90%
Exchange Rate (US\$)	73.00


 Cote d'Ivoire	
GDP (\$bn)	24.07
GDP Growth	9.80%
Population (mn)	20.15
Inflation Rate	3.90%
Interest Rate	3.75%
Debt-to-GDP Ratio	78.90%
Exchange Rate (\$)	501.3


Locations outside Africa


 USA	
GDP (\$bn)	15,094
GDP Growth	1.70%
Population (mn)	311.59
Inflation Rate	2.00%
Interest Rate	0.25%
Debt-to-GDP Ratio	101.60%
Exchange Rate (US\$)	1.00
Foreign Reserve (\$bn)	151,895

 Sierra Leone	
GDP (\$bn)	2.24
GDP Growth	6.00%
Population (mn)	6.00
Inflation Rate	11.40%
Interest Rate	20.00%
Debt-to-GDP Ratio	37.90%
Exchange Rate (US\$)	4,314.92

 Burkina Faso	
GDP (\$bn)	10.19
GDP Growth	8.00%
Population (mn)	16.97
Inflation Rate	2.50%
Interest Rate	3.75%
Debt-to-GDP Ratio	16.20%
Exchange Rate (US\$)	501.30


 Benin Republic	
GDP (\$bn)	7.29
GDP Growth	3.50%
Population (mn)	9.10
Inflation Rate	3.30%
Interest Rate	3.75%
Debt-to-GDP Ratio	18.80%
Exchange Rate (US\$)	501.30

 Senegal	
GDP (\$bn)	14.29
GDP Growth	5.20%
Population (mn)	12.77
Inflation Rate	0.30%
Interest Rate	3.75%
Debt-to-GDP Ratio	56.40%
Exchange Rate (US\$)	501.30


 Zambia	
GDP (\$bn)	19.21
GDP Growth	7.30%
Population (mn)	13.47
Inflation Rate	6.60%
Interest Rate	9.25%
Debt-to-GDP Ratio	31.20%
Exchange Rate (\$)	5.37

 France	
GDP (\$bn)	2,773
GDP Growth	-0.30%
Population (mn)	65.44
Inflation Rate	1.00%
Interest Rate	0.75%
Debt-to-GDP Ratio	90.20%
Exchange Rate	7.37
Foreign Reserve (\$bn)	153.31

 Cameroun	
GDP (\$bn)	25.46
GDP Growth	5.60%
Population (mn)	20.03
Inflation Rate	2.90%
Interest Rate	5.75%
Debt-to-GDP Ratio	6.50%
Exchange Rate (US\$)	501.30


 TChad	
GDP (\$bn)	9.49
GDP Growth	2.80%
Population (mn)	11.53
Inflation Rate	-4.90%
Interest Rate	5.75%
Debt-to-GDP Ratio	19.50%
Exchange Rate (US\$)	501.30

 Congo	
GDP (\$bn)	15.64
GDP Growth	7.20%
Population (mn)	67.76
Inflation Rate	5.67%
Interest Rate	3.00%
Debt-to-GDP Ratio	47.00%
Exchange Rate (US\$)	501.30

 Gabon	
GDP (\$bn)	17.05
GDP Growth	5.80%
Population (mn)	1.53
Inflation Rate	3.70%
Interest Rate	5.75%
Debt-to-GDP Ratio	13.80%
Exchange Rate (US\$)	501.30

 Congo Brazzaville	
GDP (\$bn)	14.11
GDP Growth	4.9%
Population (mn)	4.20
Inflation Rate	5.00%
Interest Rate	3.0%
Debt-to-GDP Ratio	%
Exchange Rate (\$)	522.0

 UK	
GDP (\$bn)	2,431.59
GDP Growth	0.20%
Population (mn)	62.64
Inflation Rate	2.80%
Interest Rate	0.50%
Debt-to-GDP Ratio	89.80%
Exchange Rate (US\$)	0.66
Foreign Reserve (\$bn)	104,749

 Kenya	
GDP (\$bn)	33.62
GDP Growth	4.70%
Population (mn)	41.61
Inflation Rate	4.11%
Interest Rate	9.50%
Debt-to-GDP Ratio	47.20%
Exchange Rate (US\$)	84.40

 Mozambique	
GDP (\$bn)	12.80
GDP Growth	8.30%
Population (mn)	23.93
Inflation Rate	4.27%
Interest Rate	9.50%
Debt-to-GDP Ratio	33.20%
Exchange Rate (US\$)	30.05

 Tanzania	
GDP (\$bn)	23.70
GDP Growth	6.50%
Population (mn)	46.22
Inflation Rate	9.80%
Interest Rate	12.00%
Debt-to-GDP Ratio	46.80%
Exchange Rate (US\$)	1,618.50

 Uganda	
GDP (\$bn)	16.81
GDP Growth	2.80%
Population (mn)	34.51
Inflation Rate	4.00%
Interest Rate	12.00%
Debt-to-GDP Ratio	33.30%
Exchange Rate (\$)	2,575.00

All data were actual data, obtained from Trading Economics, while the data for Congo Brazzaville were forecast data for 2013, obtained from IMF

Source: Tradingeconomics



2. FY 2012 Financial Highlights

FY 2012 Financial Highlights

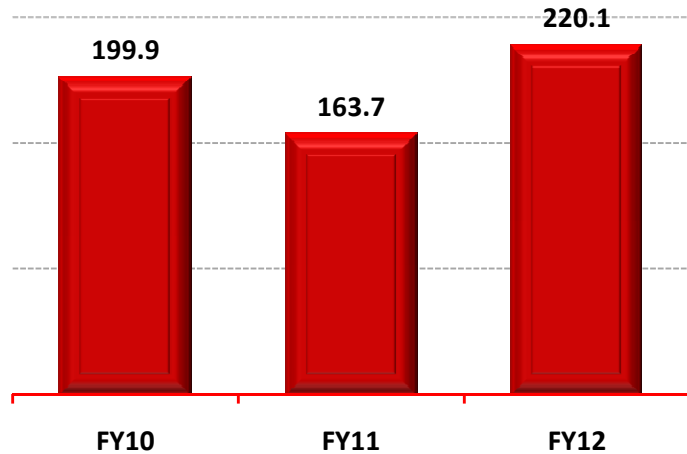
	Comprehensive Income & Profit	31-Dec-12	31-Dec-11	% Change
COMPREHENSIVE INCOME & PROFIT TREND (N'million)	Gross Earnings	220,129	163,732	+34.4%
	Net Interest Income	91,617	68,167	+34.4%
	Other Income	70,126	50,142	+39.9%
	Operating Income	153,093	118,969	+28.7%
	Operating Expenses	(102,592)	(106,104)	-3.3%
	Profit/(Loss) for the Year	54,766	(6,801)	+905.3%
EFFICIENCY AND RETURN	Cost-to-Income Ratio (%)	67.0%	89.2%	
	Return on Average Equity (%)	31.9%	-4.5%	
	Return on Average Assets (%)	2.6%	-0.4%	
	Financial Position & Risk	31-Dec-12	31-Dec-11	% Change
FINANCIAL POSITION TREND (N'million)	Total Assets	2,272,923	1,920,435	+18.4%
	Total Deposits	1,777,788	1,465,332	+21.3%
	Net Loans	687,435	647,191	+6.2%
	Net Assets	192,467	150,940	+27.5%
BUSINESS CAPACITY RATIOS	Loan-to-Deposit Ratio (%)	38.7%	44.2%	
	Capital Adequacy Ratio (%)	23.5%	21.7%	
	Liquidity Ratio (%)	69.8%	69.0%	



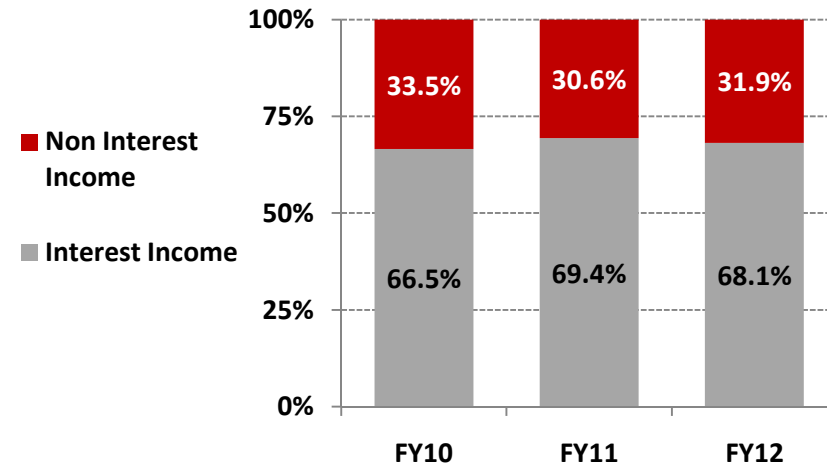
3. Review of FY 2012 Financial Results

Income Analysis

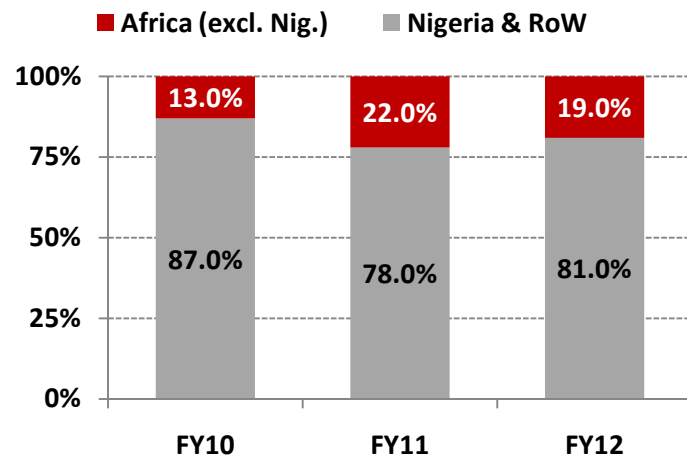
Gross income trend (N'bn)



Gross earnings by income type



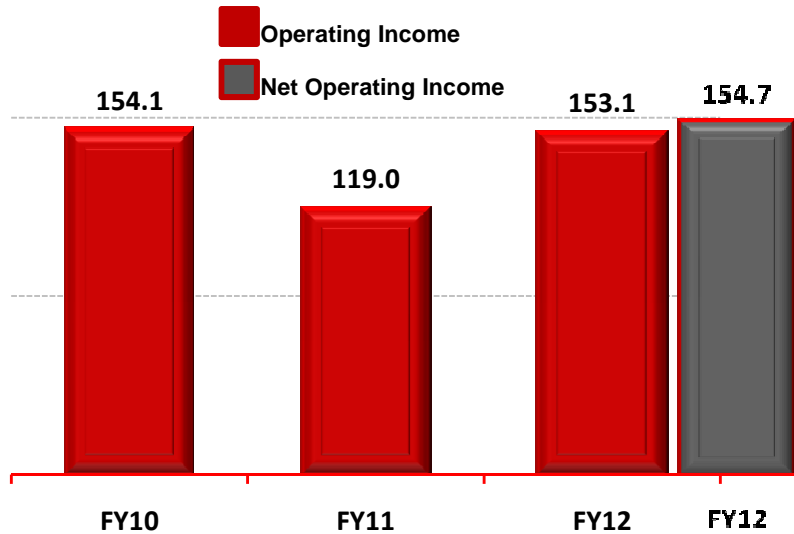
Revenue split by geography



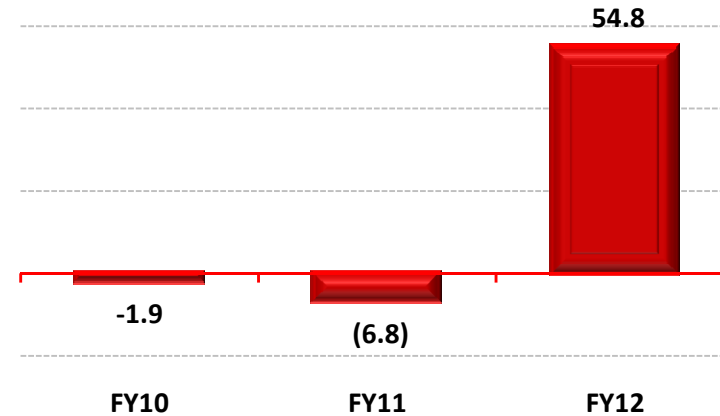
- Strong revenue growth, up by 34.4% YoY
- Stable revenue mix, 32% of gross earnings are from non-interest sources (30.6% in 2011).
- Operations in other African countries account for 19% of total revenues .

Profitability

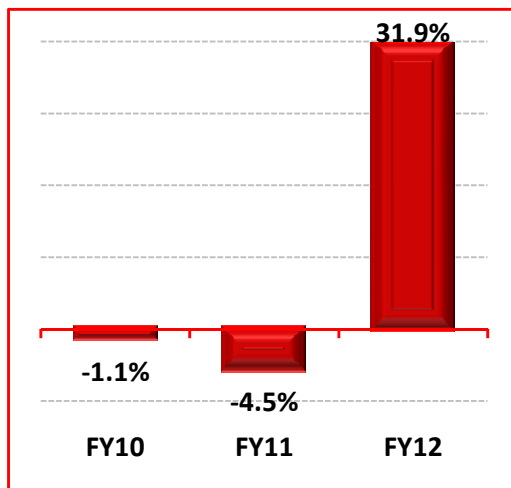
Operating Income (N'bn)



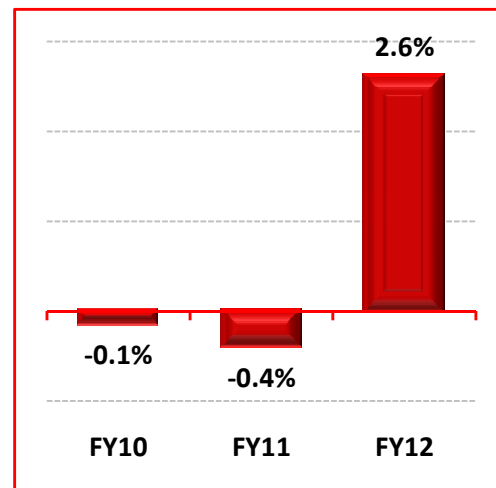
Profit for the Year (N'bn)



Return on Avg. Equity



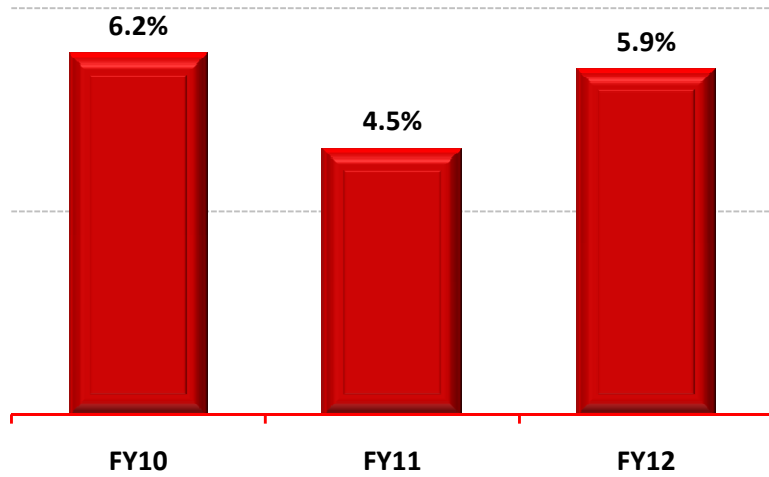
Return on Avg. Assets



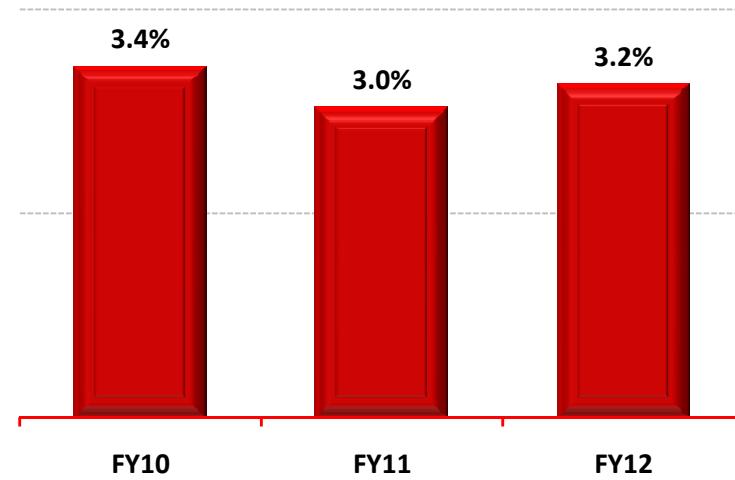
- Operating income grew by 28.7% yoy
 - Driven by strong earnings growth
 - Net operating income even better at N154.7 with a net gain recorded on investment securities
- N54.8bn recorded as profit for the year on the back of improved return on assets.
- Robust return to shareholders with an ROE of 31.9%; ROA also solid at 2.6%

Profit Drivers

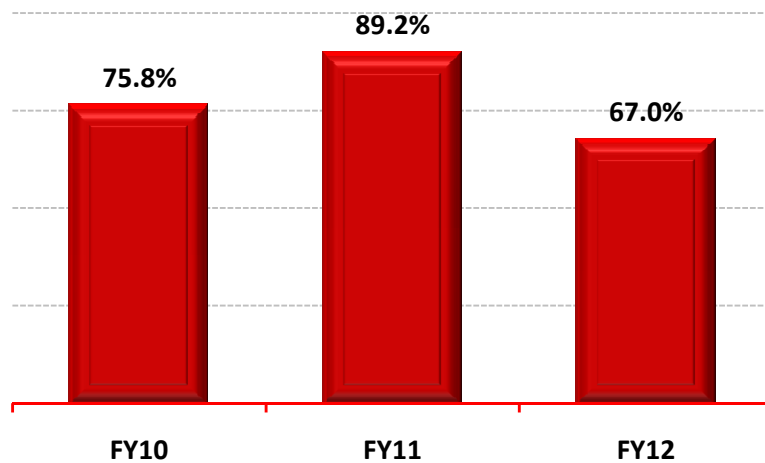
Net Interest Margin



Cost of Funds



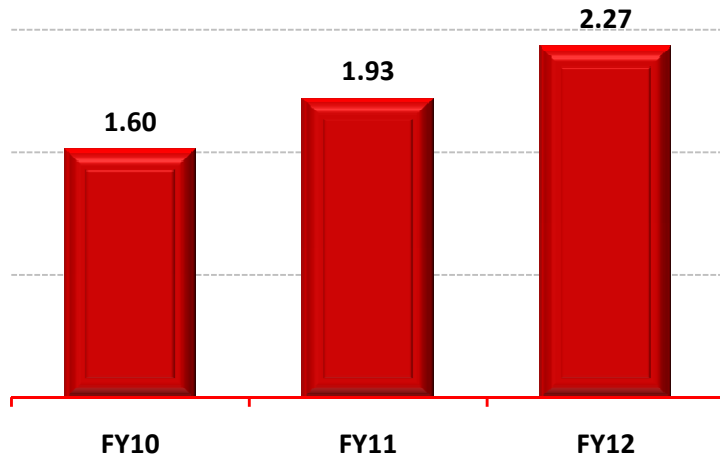
Cost-to-Income Ratio



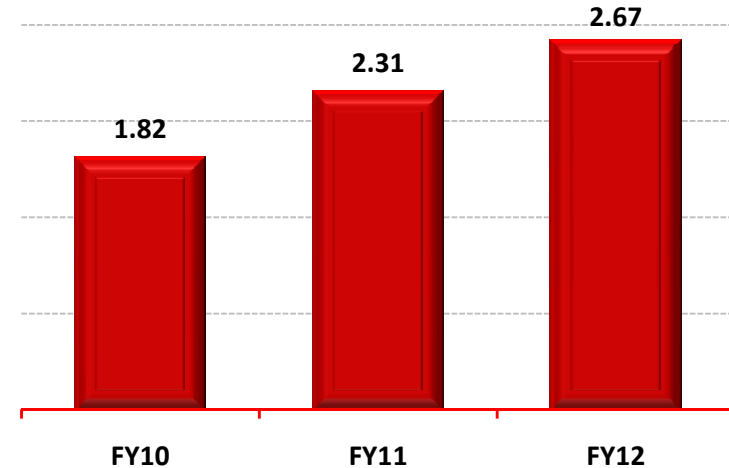
- Improving Net Interest Margin and cost-to-income ratio, as well as stable cost of funds boost profit in 2012.

Financial Position

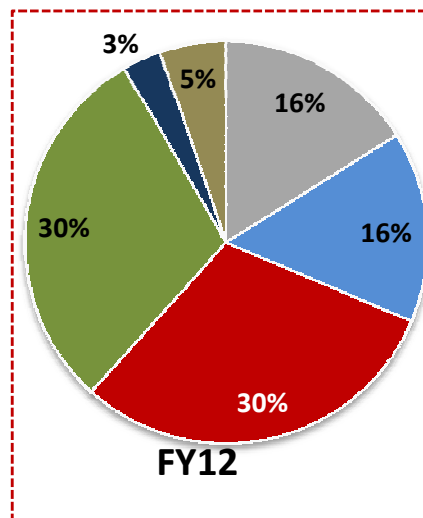
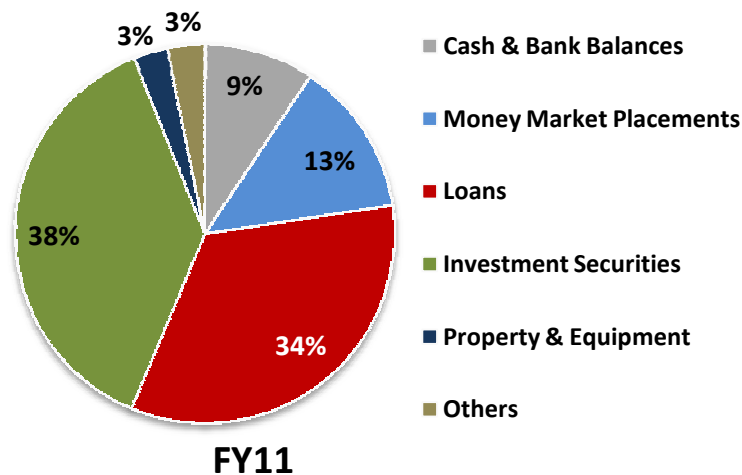
Total Assets (N'trn)



Total Assets plus Contingents (N'trn)



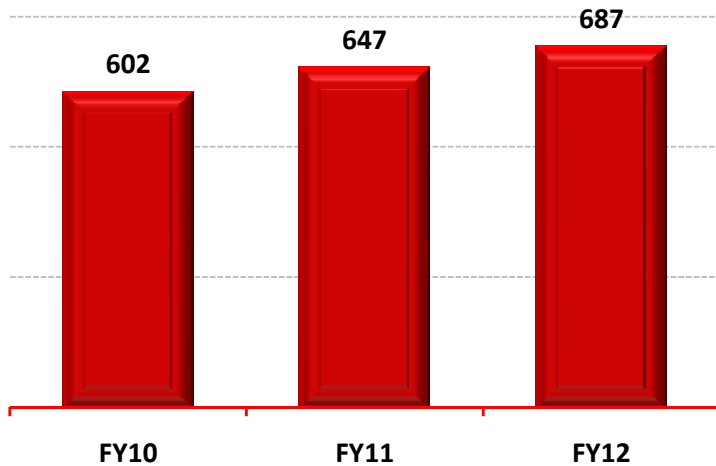
Total Assets Mix



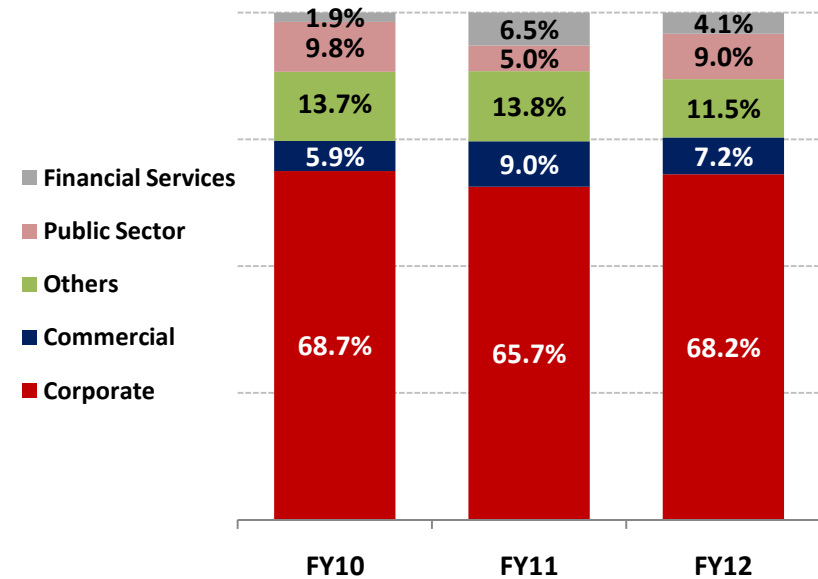
- Strong asset base, aggregating N2.27 trillion
- Overall, balance sheet footing is stronger at N2.67 trillion.
- Share of money market placements now 32% (vs. 13% in 2011).
- Our liquid balance sheet presents opportunity for loan growth

Loan Portfolio

Loan Book (N'bn)

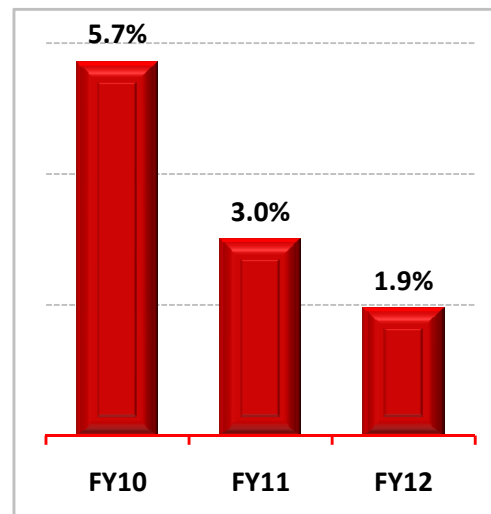


Loan Book, by Customer Type

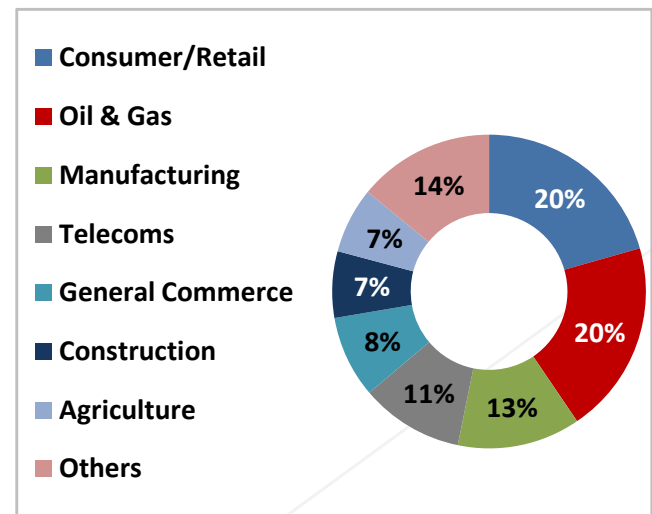


- Steadily growing loan book; 2year CAGR of 6.8%
- Bulk of loans are made to the corporate market segment
- Consumer, Oil and Gas, Manufacturing and Telecoms constitute almost 70% of loan book
- Solid asset quality (NPL ratio drops further to 1.9%); well ahead of CBN's threshold of 5%

NPL Ratio

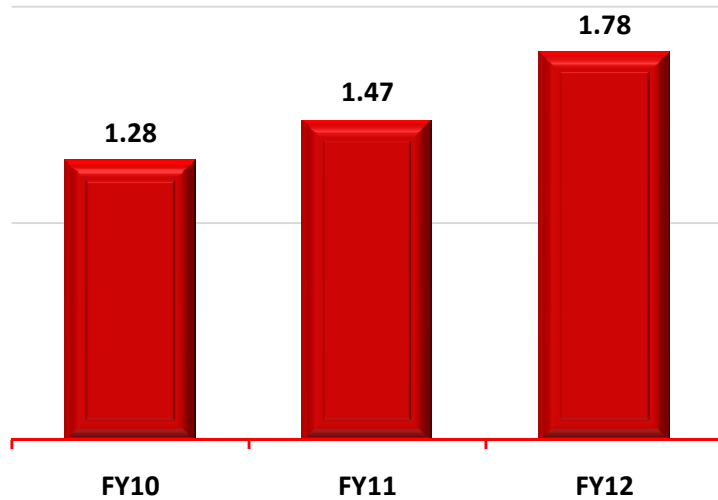


Loan Distribution, by Sector

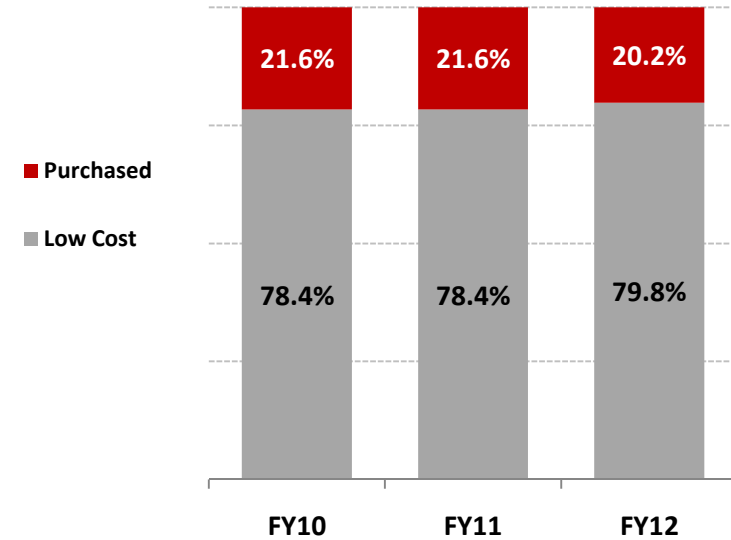


Deposit Portfolio

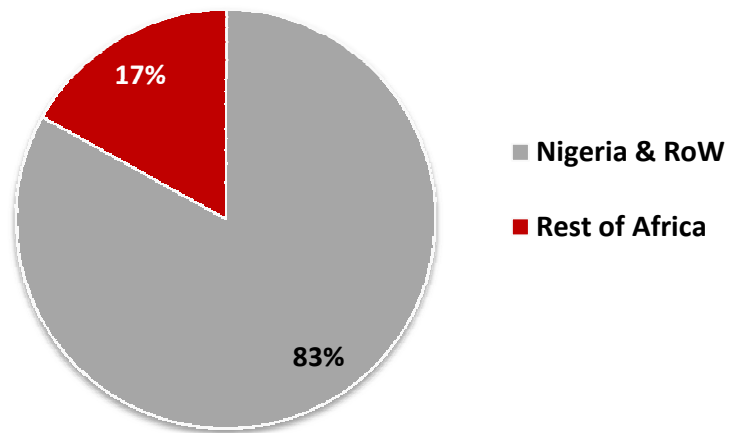
Deposit Book (N'trn)



Deposit Mix, by Cost



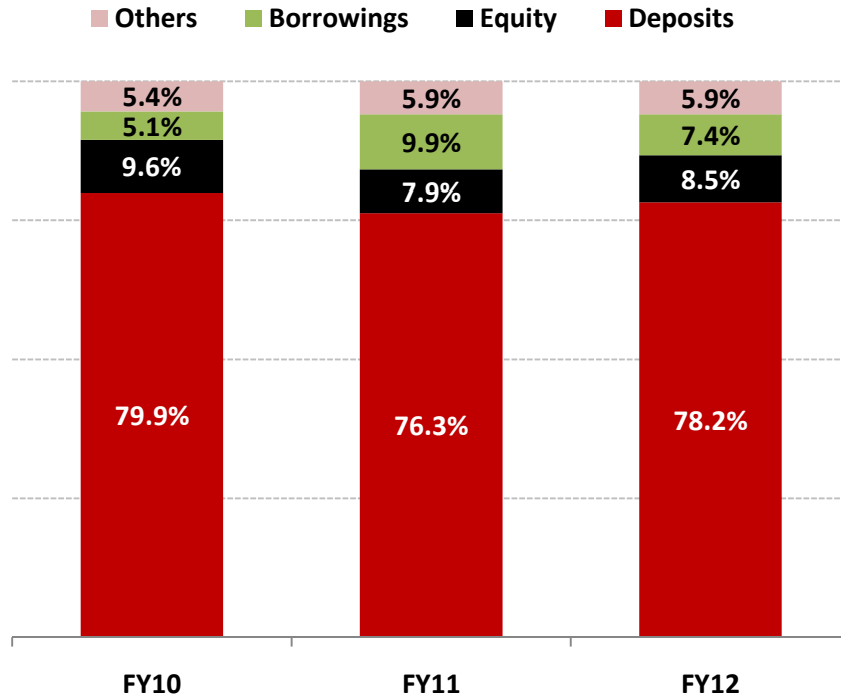
Deposit Mix, by Geography



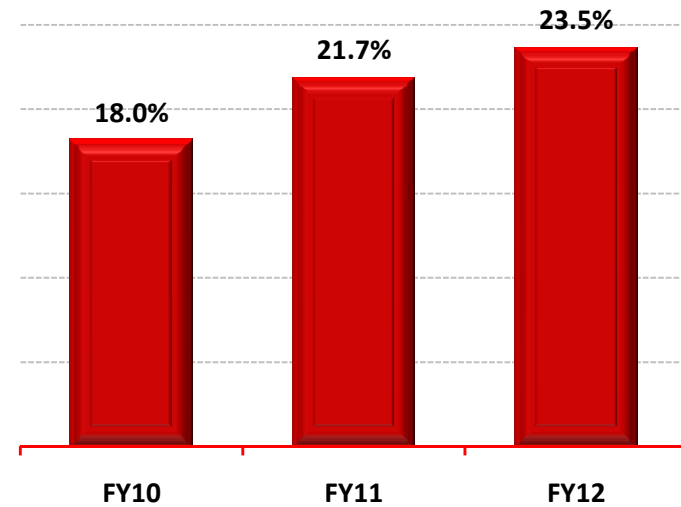
- Achieved deposit growth of 21.4% yoy
- Cheap deposits constitute about 80% to total deposits
- The rest of Africa represent 17% of Group deposits

Funding, Liquidity and Capital Adequacy

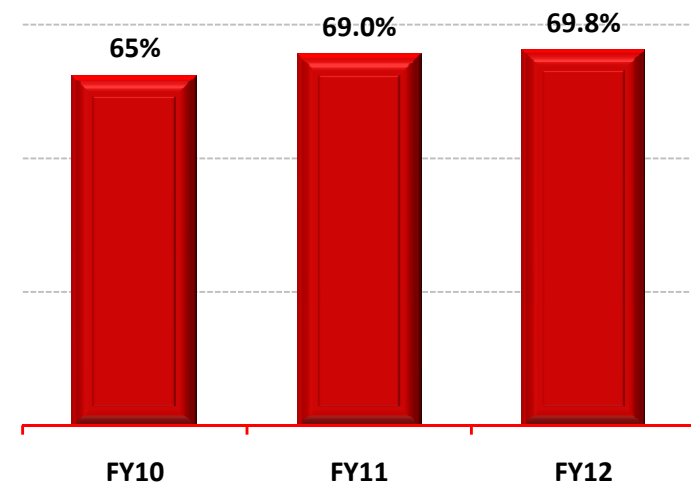
Funding Mix



Capital Adequacy Ratio



Liquidity Ratio



- Deposits are still the biggest source of our funding with 78.2%
 - Improving contribution by long term capital
- Healthy balance sheet with robust capital adequacy and liquidity ratios.



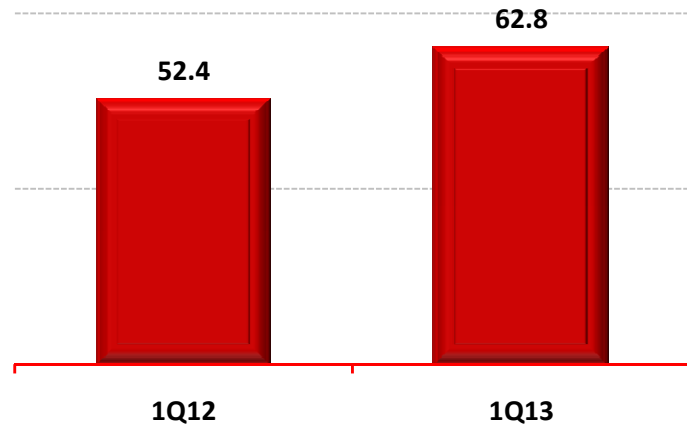
4. Review of Q1 2013 Financial Results

Q1 2013 Financial Highlights

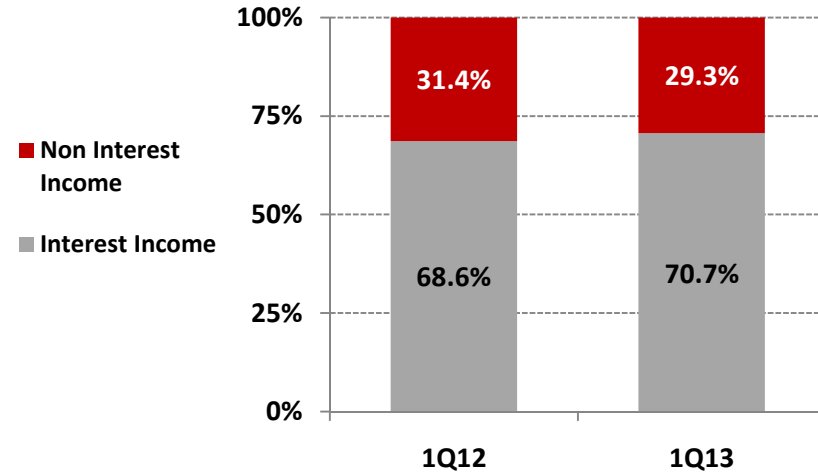
	Comprehensive Income & Profit	31-Mar-13	31-Mar-12	% Change
COMPREHENSIVE INCOME & PROFIT TREND (N'million)	Gross Earnings	62,765	52,413	+19.8%
	Net Interest Income	27,159	22,046	+23.2%
	Other Income	18,393	16,441	+11.9%
	Operating Income	44,632	37,977	+17.5%
	Operating Expenses	(27,300)	(25,023)	+9.1%
	Profit/(Loss) for the Period	15,562	13,146	+18.4%
EFFICIENCY AND RETURN	Cost-to-Income Ratio (%)	61.2%	65.9%	
	Return on Average Equity (%)	31.0%	30.6%	
	Return on Average Assets (%)	2.6%	2.5%	
	Financial Position & Risk	31-Mar-13	31-Dec-12	% Change
FINANCIAL POSITION TREND (N'million)	Total Assets	2,434,381	2,272,923	+7.1%
	Total Deposits	2,016,957	1,777,788	+13.5%
	Net Loans	664,236	687,435	-3.4%
	Net Assets	209,387	192,467	+30.5%
BUSINESS CAPACITY RATIOS	Loan-to-Deposit Ratio (%)	33.7%	38.7%	
	Capital Adequacy Ratio (%)	26.3%	23.5%	
	Liquidity Ratio (%)	73.8%	69.8%	

Income Analysis

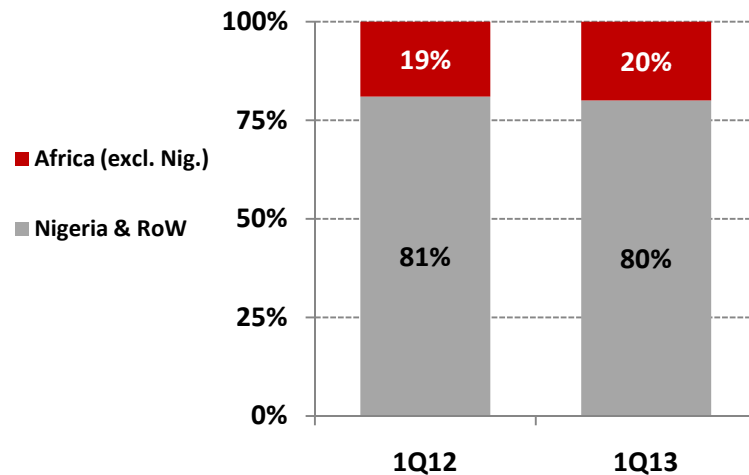
Gross income trend (N'bn)



Gross earnings, by income type



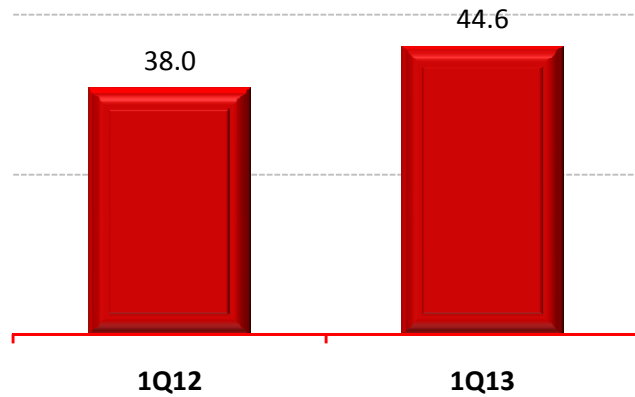
Revenue split by geography



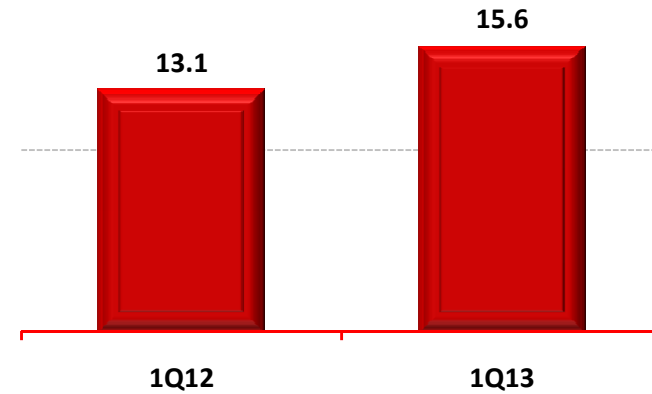
- Growing revenue base, up 19.8% in Q1-2013
- Funding income represents 70.7% of total revenue;
- Operations in other African countries contribute 20% to revenue.

Profitability

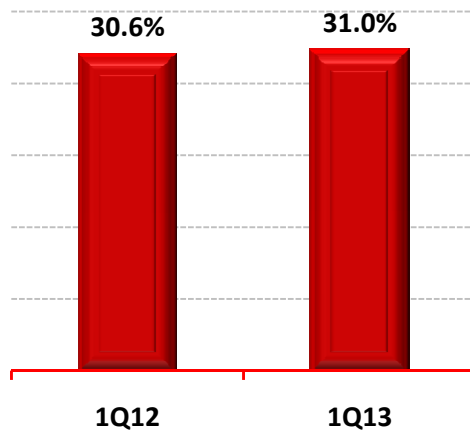
Operating Income (N'bn)



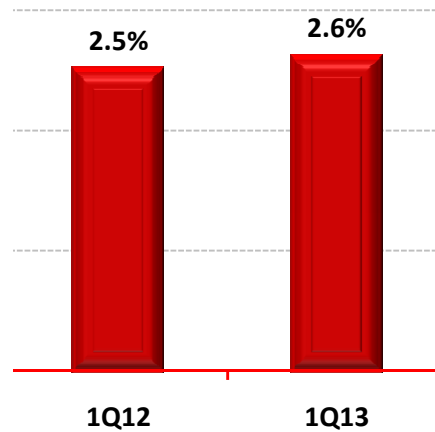
Profit for the Period (N'bn)



Return on Avg. Equity



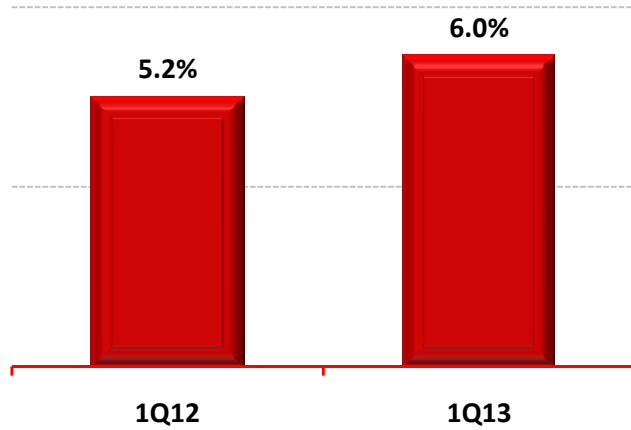
Return on Avg. Assets



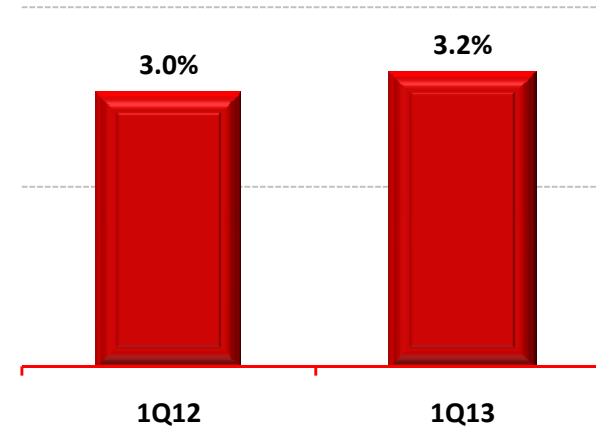
- 18% growth in operating income attests to the strength of the underlying business, as well as operational efficiencies and improving yield.
- This helped us achieve a profit of N15.6 billion for the period, up by 18.4% yoy
- ROE and ROA still remain strong at 31% and 2.6% respectively.

Profit Drivers

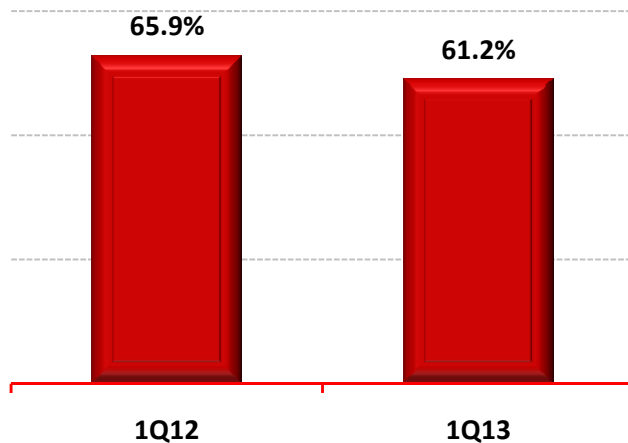
Net Interest Margin



Cost of Funds (Deposits and Borrowings)



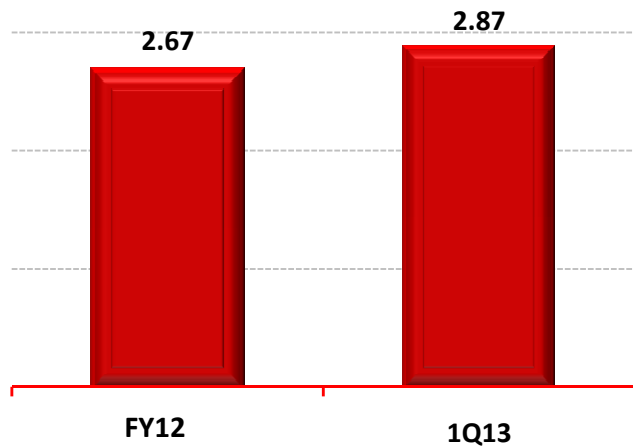
Cost-to-Income Ratio



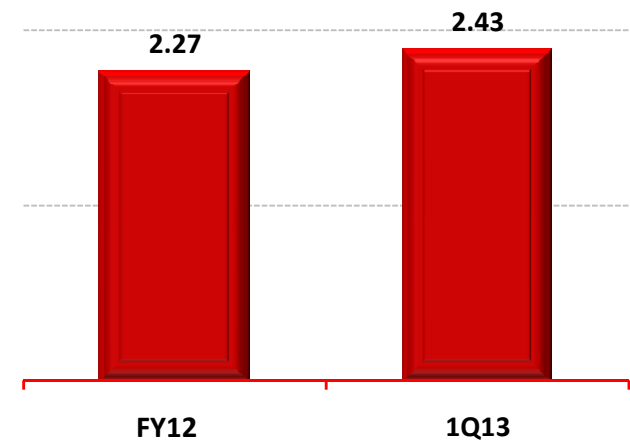
- Net Interest Margins still firm at 6%, in spite of a 20 basis points increase in funding costs to 3.2%
- Cost to income ratio improved during the period, now 61.2%.

Financial Position

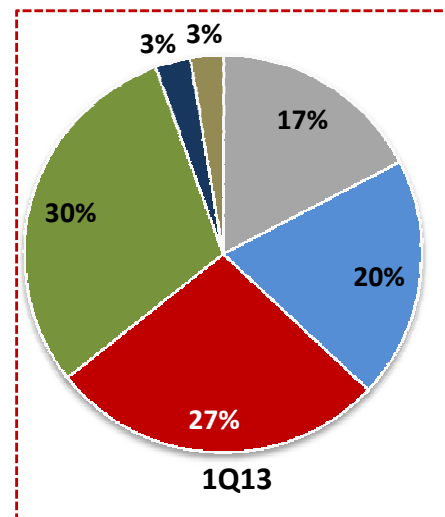
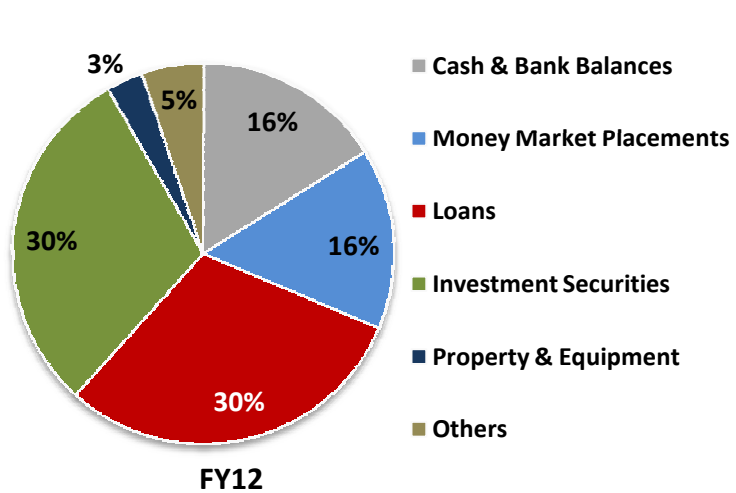
Total Assets plus Contingents (N'trn)



Total Assets (N'trn)



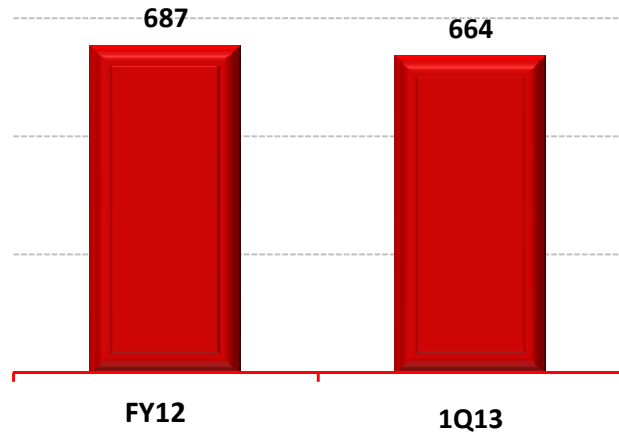
Total Assets Mix



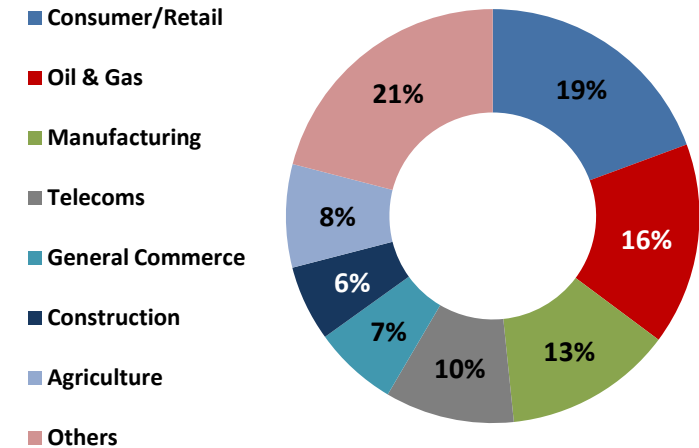
- Solid balance sheet position of N2.9 trillion, of which assets constitute N2.43 trillion (85%).
- Marginal decline in loan since Dec-2012, due to a net pay down during the period

Loan Portfolio

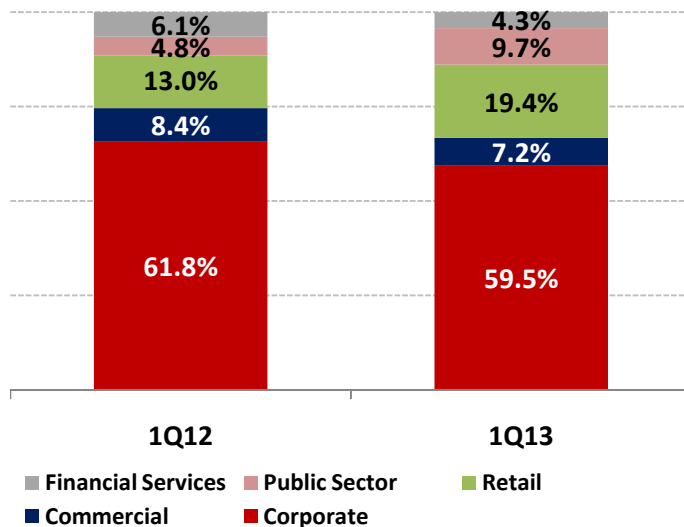
Loan Book (N'bn)



Loan Distribution, by Sector

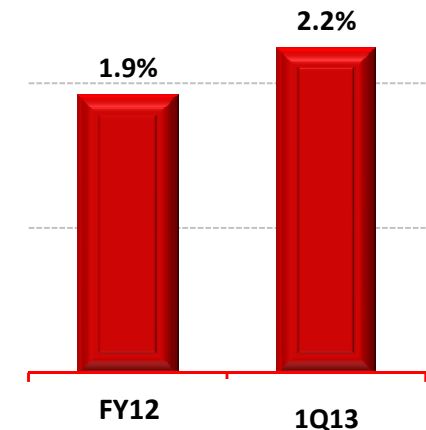


Loan Book, by Customer Type



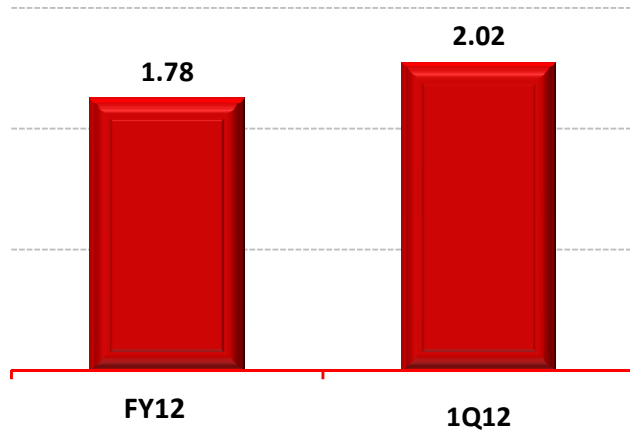
- Loan growth expected to kick in over the remaining quarters for Oil and Gas, Manufacturing and Telecoms
- Consumer, Oil and Gas, Manufacturing and Telecoms still account for nearly 70% of total loans
- 60% of loans booked to corporate customers
- NPL ratio of 2.2% still well below regulatory threshold and industry average

NPL Ratio

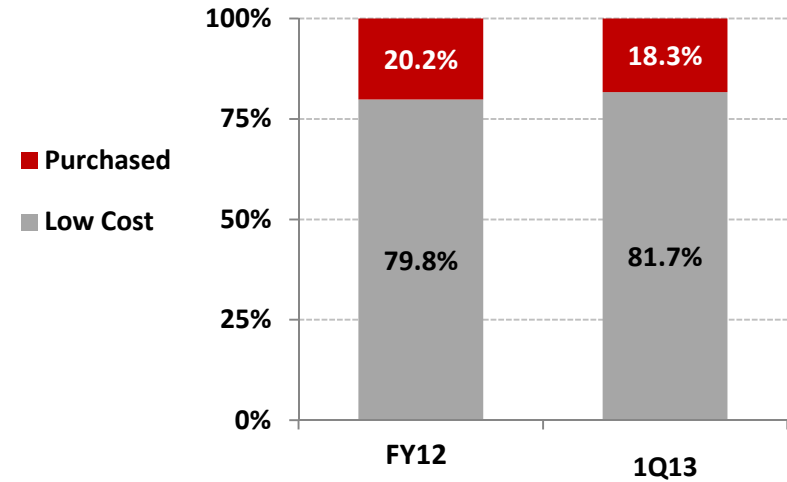


Deposit Portfolio

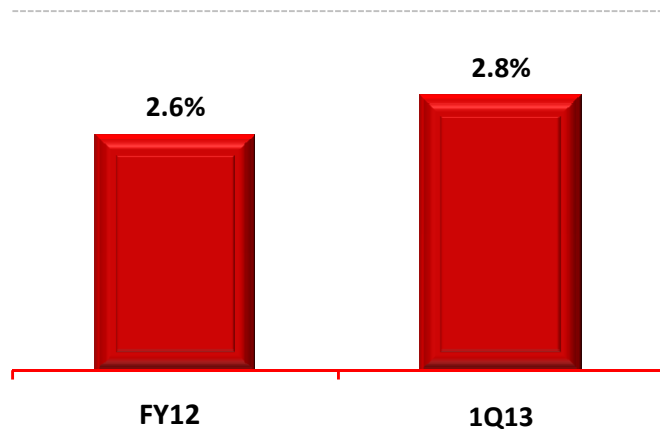
Deposit Book (N'trn)



Deposit Mix, by Cost



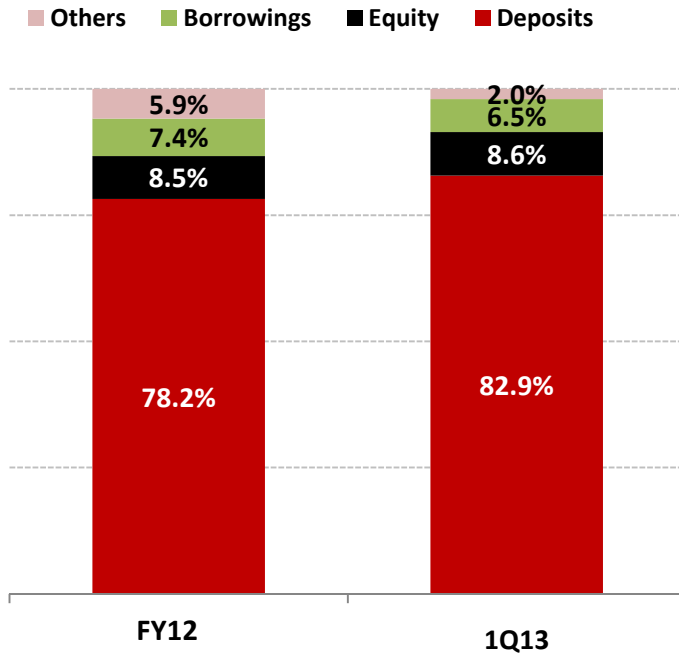
Cost of Deposits



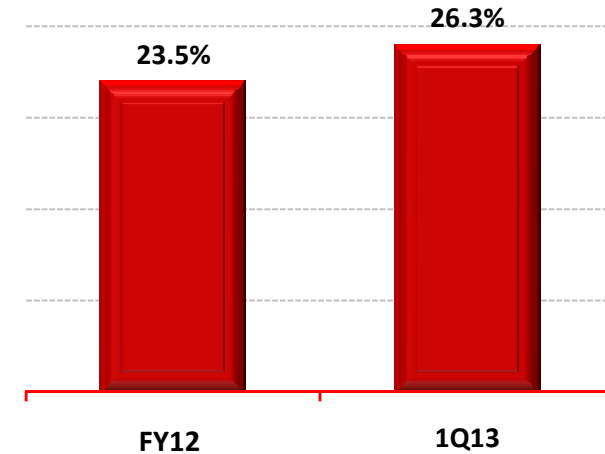
- Deposits hit N2trillion mark, accelerating by 13.5% in the quarter
- Overall cost average 2.8% for our deposit portfolio

Funding, Liquidity and Capital Adequacy

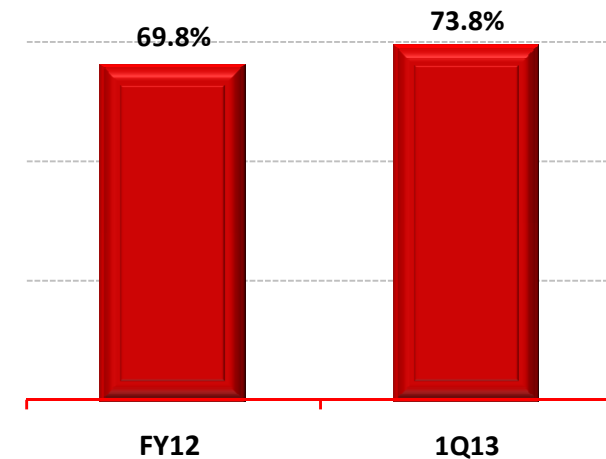
Funding Mix



Capital Adequacy Ratio



Liquidity Ratio



- Deposits represent 82.9% of total funding base
 - Arising from the growth recorded in deposits during the period
 - Contribution of equity stable at 8.6%
- Strong capital adequacy and liquidity positions. Ratios now 26.3% and 73.8% respectively; improvements over FY-2012 positions.



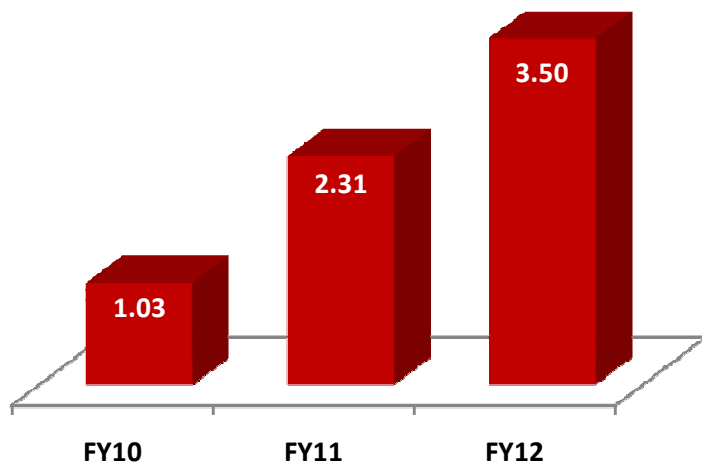
**5. Overview of Africa:
Focus on UBA Senegal**

UBA Senegal – Key Financial Highlights

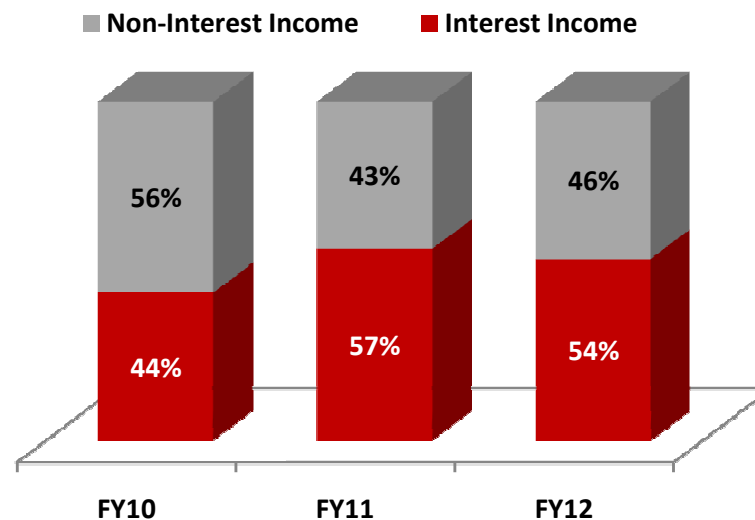
	Comprehensive Income & Profit	31-Dec-12	31-Dec-11	% Change
COMPREHENSIVE INCOME & PROFIT TREND	Gross Earnings	3,496	1,306	+167.7%
	Net Interest Income	1,567	987	+58.8%
	Other Income	1,625	1,004	+61.9%
	Operating Income	3,192	1,990	+60.4%
	Operating Expenses	(1,519)	(1,462)	+3.9%
	Profit Before Tax	1,265	455	+178.0%
EFFICIENCY AND RETURN	Cost-to-Income Ratio (%)	47.6%	73.5%	
	Return on Equity (%)	35.0%	18.9%	
	Return on Assets (%)	3.9%	1.7%	
	Financial Position & Risk	31-Dec-12	31-Dec-11	% Change
FINANCIAL POSITION TREND	Total Assets	32,118	26,914	+19.3%
	Total Deposits	26,773	23,118	+15.8%
	Net Loans	8,888	8,332	+6.7%
	Net Assets	3,607	2,404	+50.0%
BUSINESS CAPACITY RATIOS	Loan-to-Deposit Ratio (%)	33.2%	36.0%	
	Capital Adequacy Ratio (%)	60.0%	55.3%	
	Liquidity Ratio (%)	24.6%	5.2%	

Growing Earnings and Profits

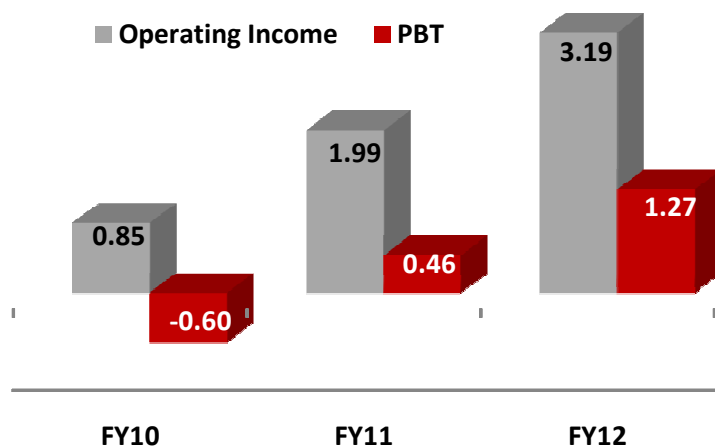
Revenue Trend (N'bn)



Revenue Mix



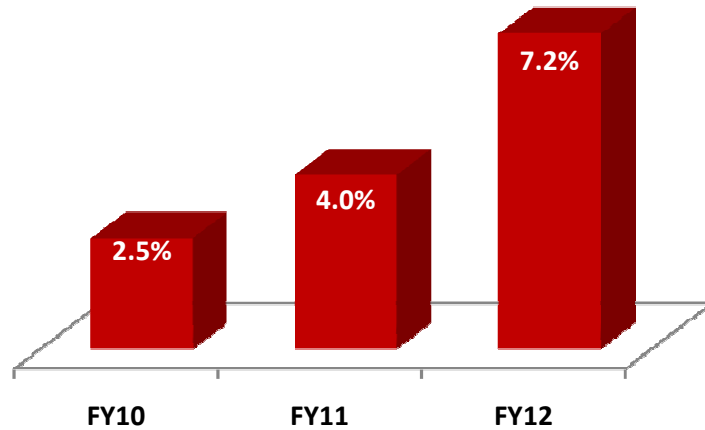
Strong Profit Growth (N'bn)



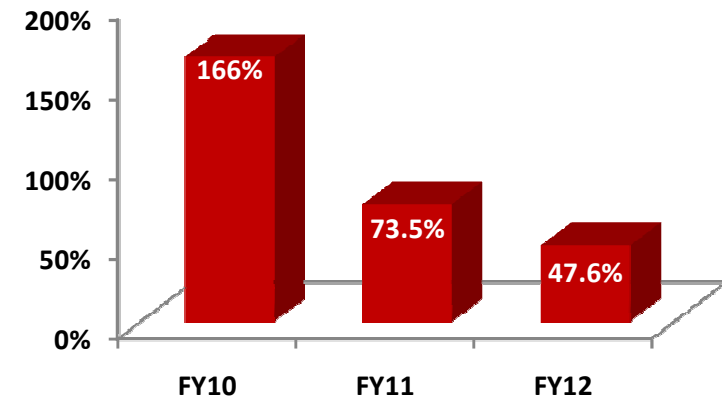
- Revenue leaps by 43.2% yoy, and by a CAGR of 87.1% in 2years.
- Fairly balanced mix of interest and non interest income: 54% of revenue are from interest generating sources.
- Solid underlying profit of N3.2 billion, leading to a PBT of N1.27 billion

Improving Profitability and Efficiency

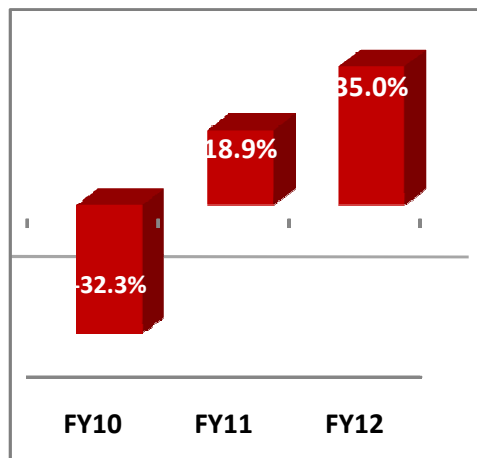
Strong Net Interest Margins



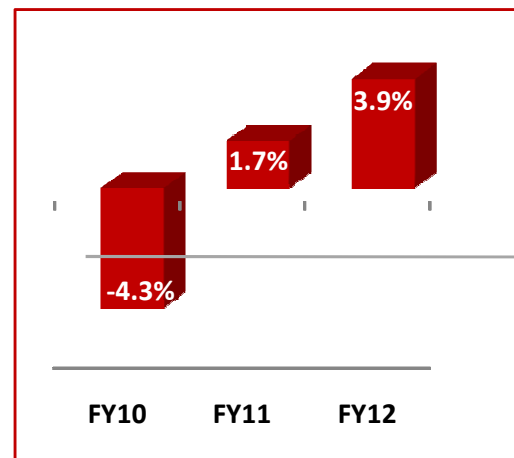
Downward Trend in Cost/Income



Return on Equity



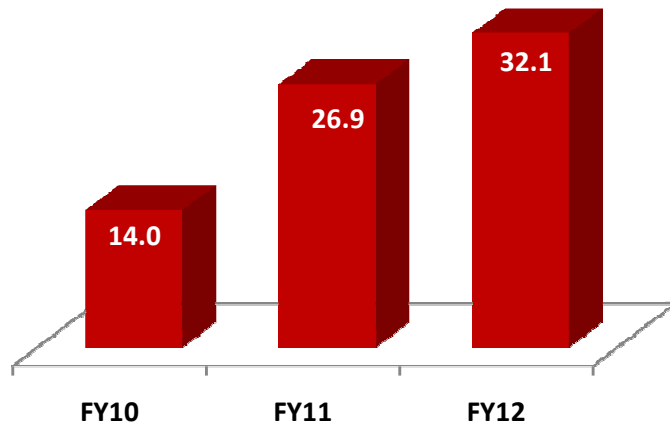
Return on Assets



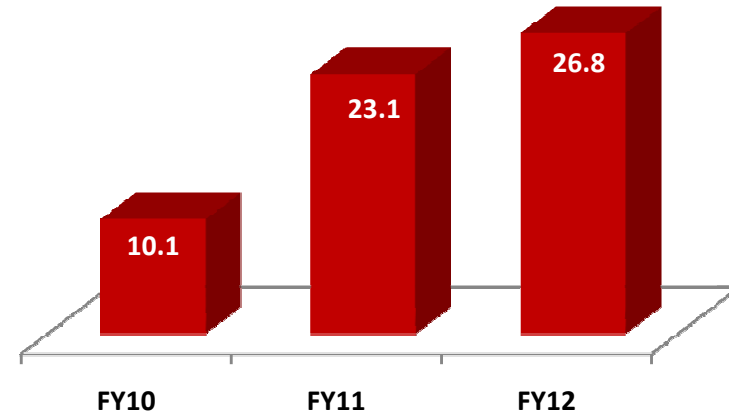
- Improving net interest margins, now 7.2%
 - 4% in 2011 and 2% in 2.10.
- Cost to income ratio of 47.6% reflects the existence of efficiency...
- Leading robust profitability: respective ROE and ROA at 35% and 3.9% clearly represents some of the best returns in SSA.

Financial Position

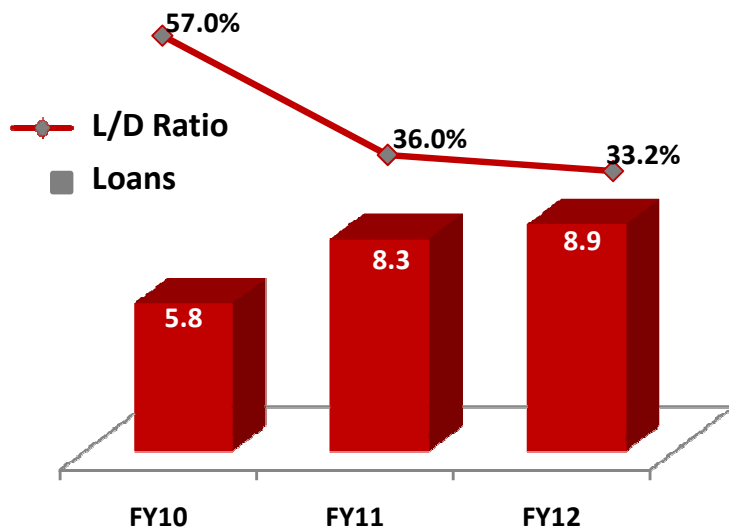
Growing Asset Base (N'bn)



Deposits (N'bn)



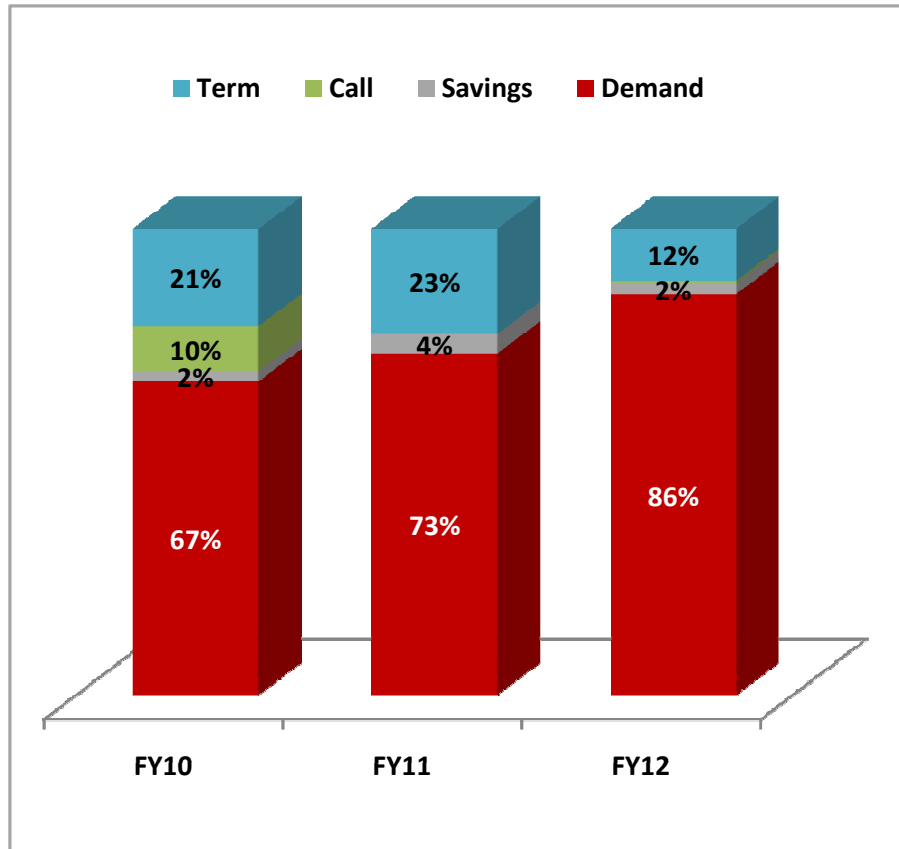
Conservative Lending (N'bn)



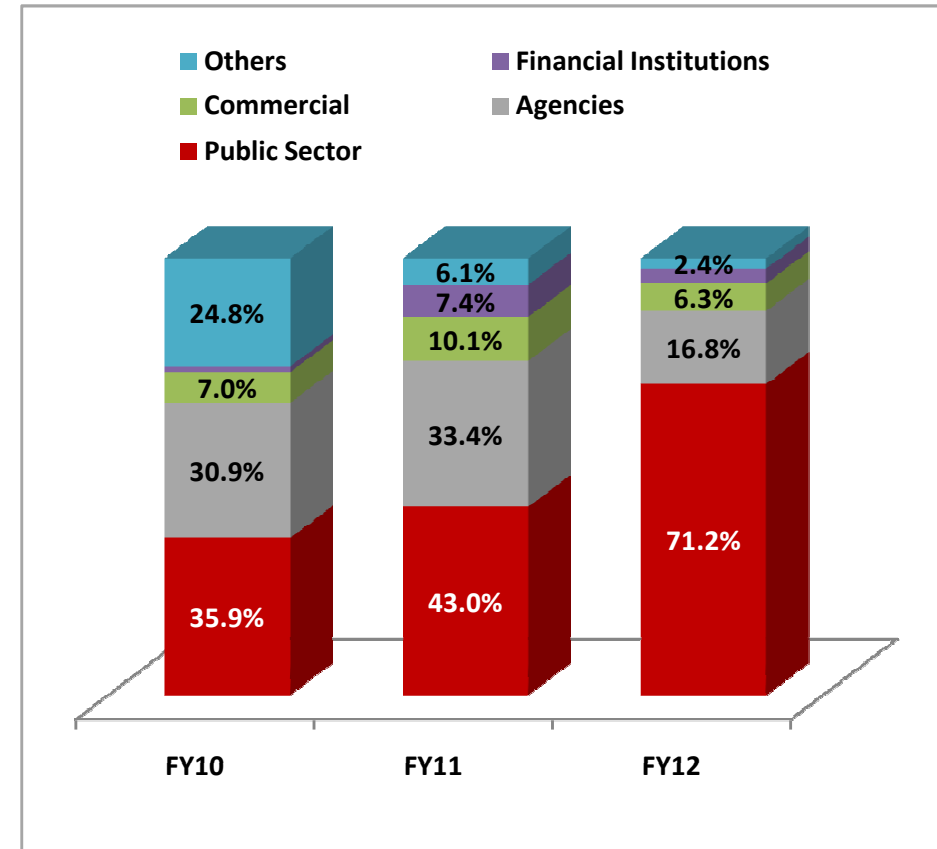
- Solid growth trajectory in assets, now N32.1bn. 2year CAGR of 51.4% achieved
- Strong growth in deposits, recording a CAGR of 62.9% in 2 years.
- Good loan growth at 23.9% 2-year CAGR and translating to a loan to deposit ratio of 33.2% (36% in 2011)
- Cautious lending strategy, as we gradually understand local market dynamics

Deposit Analysis

Types of Deposits



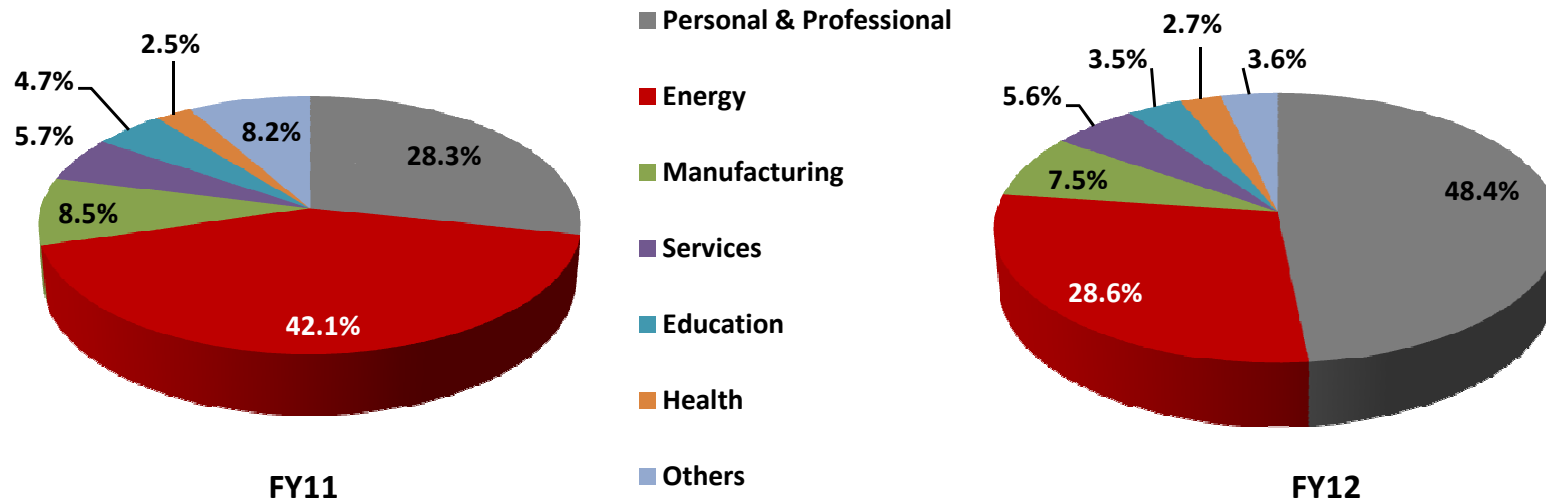
Sources of Deposits



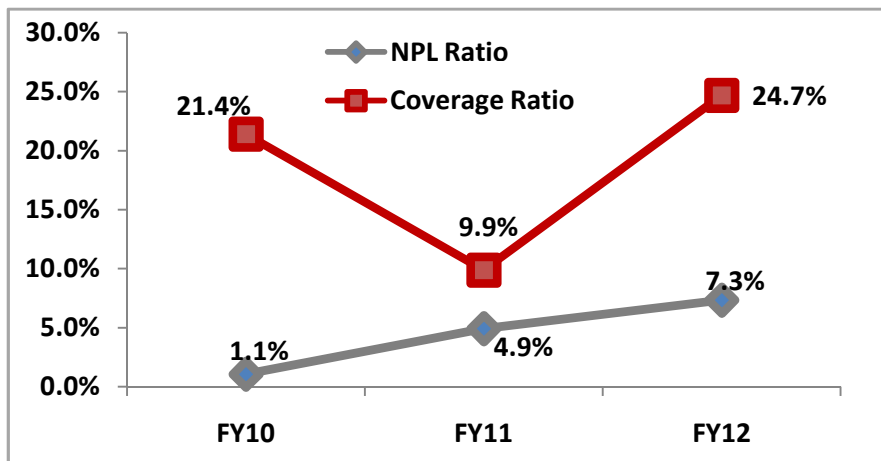
- Consistently improving deposit mix. Current and savings deposits now 88% of total deposits
 - Better than the 77% and 79% achieved in 2011 and 2010 respectively.
- Commercial and public sectors are the key sources of deposits with 88% coming from these sectors

Loan Analysis

Loan Distribution, by Sector



NPL and Coverage Ratios



- Energy and consumer sectors account for bulk of loan book with 77%.
 - Mix to be altered as the business in that country matures further
- Lending still largely to the retail segment
- And NPL ratio of 7.3% expected to improve, going forward.



Thank you