



United Bank for Africa Plc

First Half 2013 Results

Investors/Analysts Presentation

August 5, 2013



Africa's global bank

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 2013 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”; 2Q means “Second Quarter”; HY means “Half Year” and 1H means “First Half”. The results were 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
Sierra 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.

Users are hereby advised to exercise caution in attempting to rely on these information and carry out further research before reaching conclusions regarding their investment decisions.

Outline

1

Overview of UBA

2

Macroeconomic Overview

3

First Half 2013 Financial Highlights

4

Review of First Half 2013 Financial Results

5

Appendix

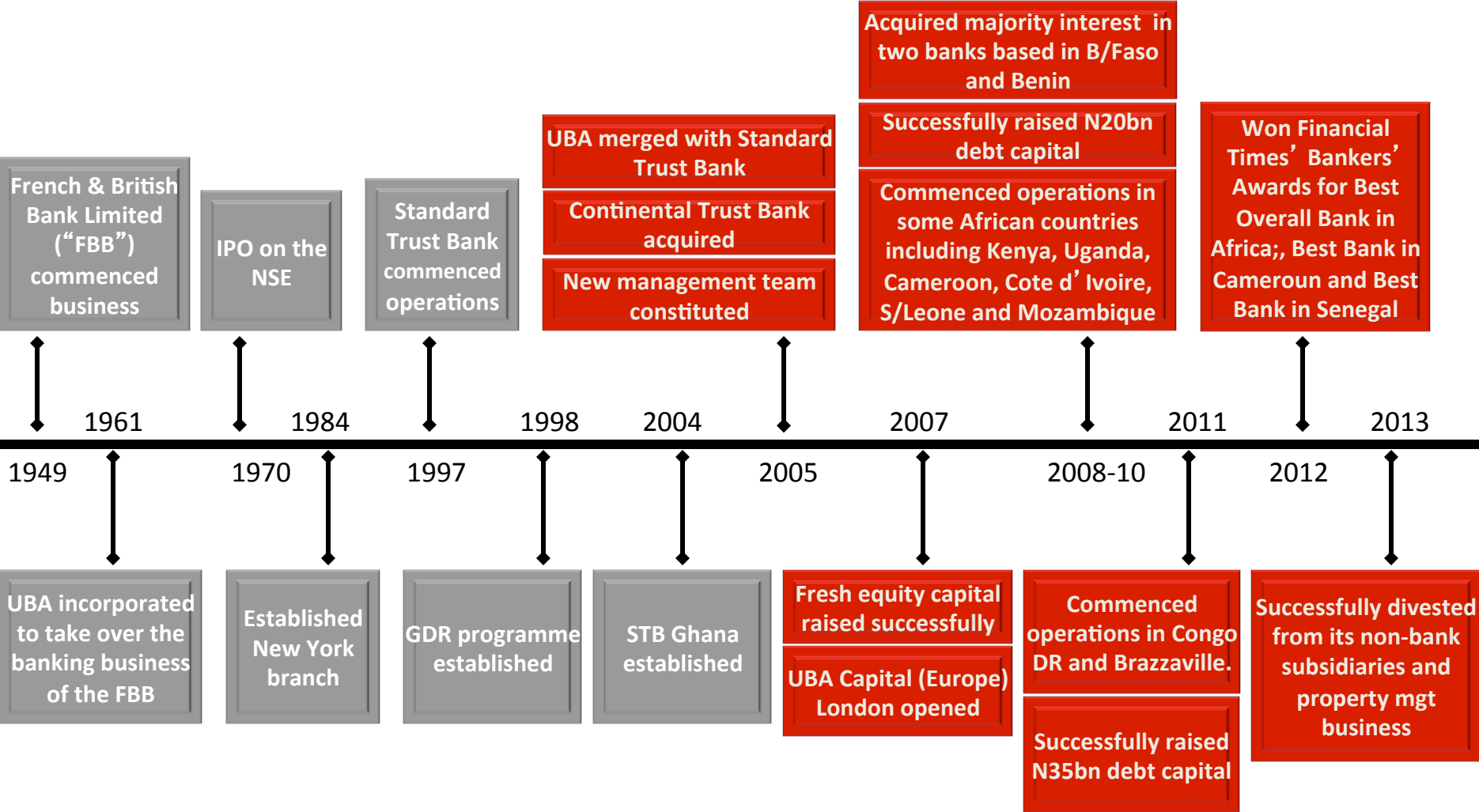


1. Overview of UBA



Africa's global bank

Brief History



Pre-Merger
 Post-Merger

Key business strengths


- Africa's global bank, with a uniquely scaled platform.
- Strong retail franchise reaching over 7 million customers through more than 700 business offices spread across 22 countries globally.
- Improving financial performance, underpinned by solid risk management standards.
- Highly-experienced and committed management team.
- Aggressively pursuing strategy to enhance shareholder value through robust business resources (people and platforms).

2. Overview of Macro Economy





Overview of Macro Economy

 Nigeria	
GDP (\$bn)	262.61
GDP Growth	6.72%
Population (mn)	166.21
Inflation Rate	8.40%
Interest Rate	12.00%
Debt-to-GDP Ratio	18.30%
Exchange Rate	160.78
Foreign Reserve (\$bn)	49.00

 Ghana	
GDP (\$bn)	40.71
GDP Growth	6.70%
Population (mn)	25.37
Inflation Rate	11.20%
Interest Rate	16.00%
Debt-to-GDP Ratio	44.90%
Exchange Rate	2.07
Foreign Reserve (\$bn)	5.35


 Guinea	
GDP (\$bn)	6.70
GDP Growth	3.90%
Population (mn)	11.46
Inflation Rate	12.90%
Interest Rate	22.00%
Debt-to-GDP Ratio	64.12%
Exchange Rate	7,000.00


 Liberia	
GDP (\$bn)	1.77
GDP Growth	8.30%
Population (mn)	4.19
Inflation Rate	8.40%
Interest Rate	13.02%
Debt-to-GDP Ratio	44.90%
Exchange Rate	73.00


 Cote d'Ivoire	
GDP (\$bn)	24.68
GDP Growth	9.80%
Population (mn)	23.20
Inflation Rate	2.90%
Interest Rate	3.75%
Debt-to-GDP Ratio	78.80%
Exchange Rate	495.02


 Sierra Leone	
GDP (\$bn)	3.80
GDP Growth	6.20%
Population (mn)	5.98
Inflation Rate	10.86%
Interest Rate	15.00%
Debt-to-GDP Ratio	37.90%
Exchange Rate	4,324.80


 Burkina Faso	
GDP (\$bn)	10.44
GDP Growth	8.00%
Population (mn)	16.46
Inflation Rate	1.10%
Interest Rate	3.75%
Debt-to-GDP Ratio	16.20%
Exchange Rate	495.02

 Benin Republic	
GDP (\$bn)	7.55
GDP Growth	3.50%
Population (mn)	10.05
Inflation Rate	1.90%
Interest Rate	3.75%
Debt-to-GDP Ratio	18.80%
Exchange Rate	495.02


 Senegal	
GDP (\$bn)	14.16
GDP Growth	3.20%
Population (mn)	13.73
Inflation Rate	0.70%
Interest Rate	3.75%
Debt-to-GDP Ratio	56.40%
Exchange Rate	495.02

 Zambia	
GDP (\$bn)	20.67
GDP Growth	7.30%
Population (mn)	14.08
Inflation Rate	7.30%
Interest Rate	9.75%
Debt-to-GDP Ratio	31.20%
Exchange Rate	5.49


 Cameroun	
GDP (\$bn)	24.98
GDP Growth	3.00%
Population (mn)	21.70
Inflation Rate	2.40%
Interest Rate	5.75%
Debt-to-GDP Ratio	6.50%
Exchange Rate	495.02


 TChad	
GDP (\$bn)	11.02
GDP Growth	7.20%
Population (mn)	12.45
Inflation Rate	7.00%
Interest Rate	5.75%
Debt-to-GDP Ratio	19.50%
Exchange Rate	495.02


 Congo	
GDP (\$bn)	17.87
GDP Growth	7.20%
Population (mn)	65.71
Inflation Rate	1.43%
Interest Rate	3.00%
Debt-to-GDP Ratio	47.00%
Exchange Rate	495.02


 Gabon	
GDP (\$bn)	18.66
GDP Growth	6.10%
Population (mn)	1.63
Inflation Rate	-0.66%
Interest Rate	5.75%
Debt-to-GDP Ratio	13.80%
Exchange Rate	495.02

 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

 Kenya	
GDP (\$bn)	37.23
GDP Growth	5.20%
Population (mn)	43.18
Inflation Rate	6.02%
Interest Rate	8.50%
Debt-to-GDP Ratio	46.50%
Exchange Rate	87.30

 Mozambique	
GDP (\$bn)	14.59
GDP Growth	4.80%
Population (mn)	25.20
Inflation Rate	4.88%
Interest Rate	9.00%
Debt-to-GDP Ratio	39.90%
Exchange Rate	29.75

 Tanzania	
GDP (\$bn)	28.25
GDP Growth	6.80%
Population (mn)	47.78
Inflation Rate	7.60%
Interest Rate	12.00%
Debt-to-GDP Ratio	47.70%
Exchange Rate	1,617.50

 Uganda	
GDP (\$bn)	19.80
GDP Growth	6.18%
Population (mn)	36.35
Inflation Rate	5.10%
Interest Rate	11.00%
Debt-to-GDP Ratio	33.30%
Exchange Rate	2,580.00

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

Locations outside Africa

 USA	
GDP (\$bn)	15,684.80
GDP Growth	1.40%
Population (mn)	315.09
Inflation Rate	1.80%
Interest Rate	0.25%
Debt-to-GDP Ratio	101.60%
Exchange Rate	1.00
Foreign Reserve (\$bn)	145,706

 France	
GDP (\$bn)	2,612.90
GDP Growth	-0.20%
Population (mn)	65.28
Inflation Rate	0.90%
Interest Rate	0.50%
Debt-to-GDP Ratio	90.20%
Exchange Rate	1.08
Foreign Reserve (\$bn)	126.91

 UK	
GDP (\$bn)	2,431.59
GDP Growth	1.40%
Population (mn)	63.26
Inflation Rate	2.90%
Interest Rate	0.50%
Debt-to-GDP Ratio	90.70%
Exchange Rate	1.52
Foreign Reserve (\$bn)	100,782

Source: Tradingeconomics

Recent Developments in the Operating Environment

- Nigeria's economy continues to grow; 6.72% GDP growth was achieved in the second quarter of 2013.
 - Growth also impressive in other African countries we operate: 6.7% in Ghana, 8.3% in Liberia, 9.8% in Cote d' Ivoire, 8% in B/Faso, 7.2% in Congo.
- Single digit inflation of 8.4% was maintained in June 2013 for Nigeria.
- Nigeria's external reserves stood at \$47.1 billion at the end of July 2013.
- Nigerian banking industry grapple with CBN's recent policy actions as earnings come under pressure.
 - C.O.T reduced from N5 to N3/mil effective April 1, 2013; to be phased out gradually by 2016.
 - Interest on savings increased to 30% of MPR; 3.6% paid on savings deposits effective April 2013.
 - AMCON levy increased from 0.3% to 0.5% of assets effective January 1, 2013.
 - CRR on public sector deposits increased from 12% to 50% effective August 2013.

Recent Developments in the Operating Environment cont' d

- Monetary Policy Rate (MPR) in Nigeria remain 12%.
- Nigeria' s Crude Oil production averages to 2.1 mb/day in the first half of 2013, from 2.4 mb/day in December 2012.
- Ghana' s exchange rate dropped to GHc2.06/US\$ recently, from GHc 1.91/US\$ in December 2012. Also, external reserves reduced from \$5.4bn in December 2012 to \$4.9bn in July 2013.
- Interest rates drop in East and Southern Africa: now 8.5% in Kenya (previously 9.5%); 11% in Uganda (previously 12%); 9% in Mozambique (previously 9.5%).
- Exchange rates improve in the West African Economic and Monetary Union (UEMOA) and the Economic Community of Central African States (CEMAC); from 501.3/US\$ in March 2013 to 495.02/US\$ in July 2013.



3. First Half 2013 Financial Highlights



Africa's global bank

First Half 2013 Financial Highlights

	Comprehensive Income & Profit	30-Jun-13	30-Jun-12	% Change
COMPREHENSIVE INCOME & PROFIT TREND (N' million)	Gross Earnings	125,981	107,913	16.7%
	Net Interest Income	53,407	45,610	17.1%
	Other Income	37,357	34,097	9.6%
	Operating Income	88,455	78,676	12.4%
	Operating Expenses	54,808	48,787	12.3%
	Profit/for the Period	28,409	25,847	9.9%
EFFICIENCY AND RETURN	Cost-to-Income Ratio	62.0%	62.0%	
	Return on Average Equity	28.4%	30.6%	
	Return on Average Assets	2.4%	2.5%	
	Financial Position & Risk	30-Jun-13	31-Dec-12	% Change
FINANCIAL POSITION TREND (N' million)	Total Assets	2,429,792	2,272,923	6.9%
	Total Deposits	2,017,481	1,777,788	13.5%
	Net Loans	761,180	687,435	10.7%
	Net Assets	207,603	192,467	7.9%
BUSINESS CAPACITY RATIOS	Loan-to-Deposit Ratio	37.7%	38.7%	
	Capital Adequacy Ratio	22.3%	23.5%	
	Liquidity Ratio	53.5%	69.8%	



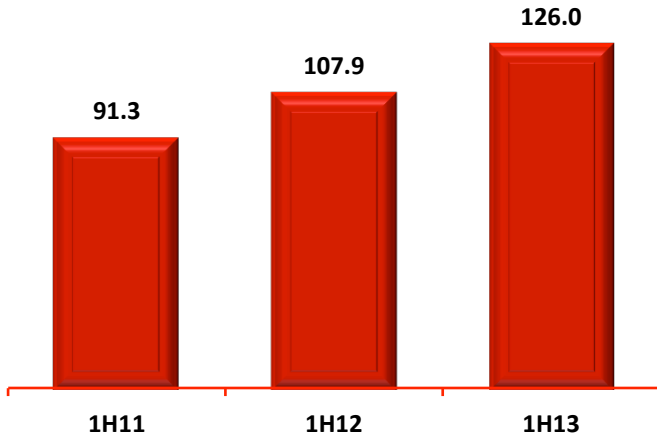
4. Review of First Half 2013 Financial Results



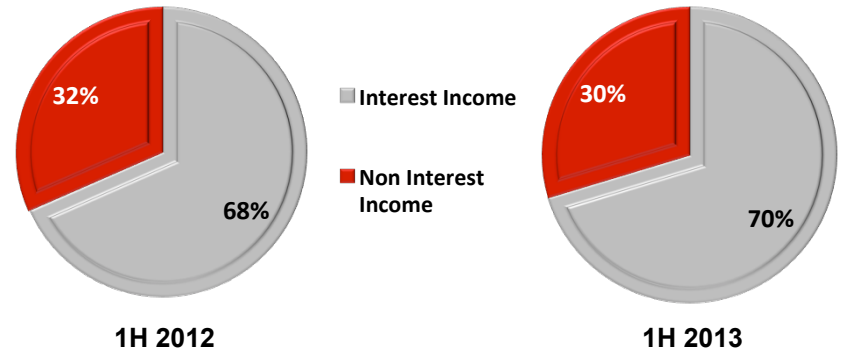
Africa's global bank

Income Analysis

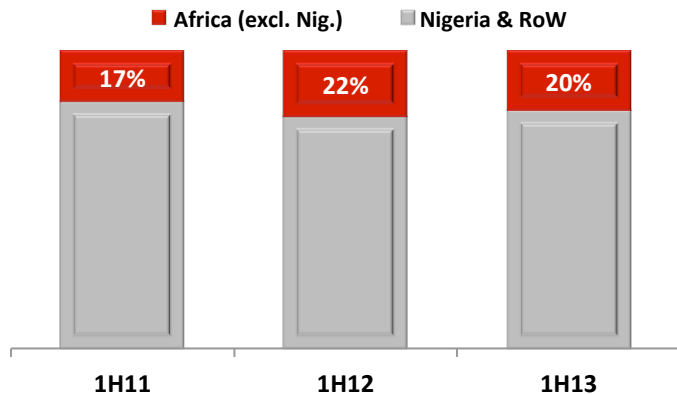
Gross earnings trend (N' bn)



Gross earnings by income type



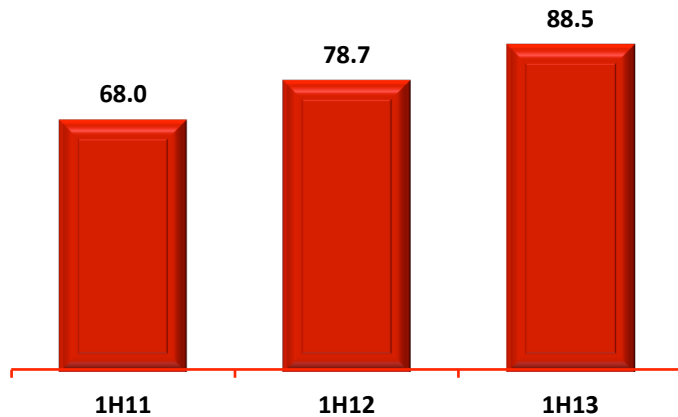
Revenue split by geography



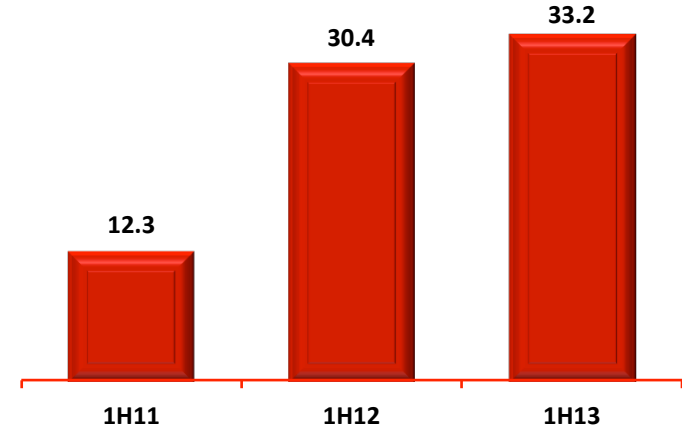
- Gross earnings of N126bn achieved in the first half of 2013
 - Up by 16.7% YoY
- Non interest revenues account for 30% of gross earnings, versus 32% in the corresponding period
 - Impact of revised CBN guidelines on bank charges felt in the second quarter
- Revenue derived from African operations (excluding Nigeria) represent 20% of Group total.

Profitability

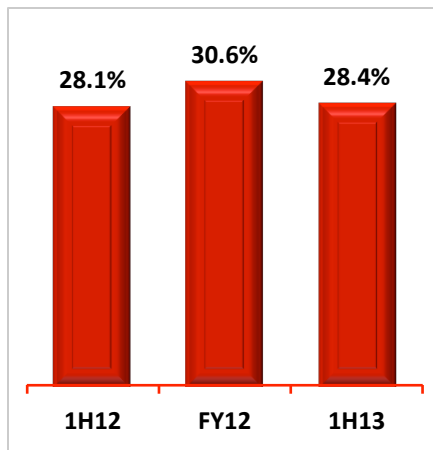
Operating Income (N' bn)



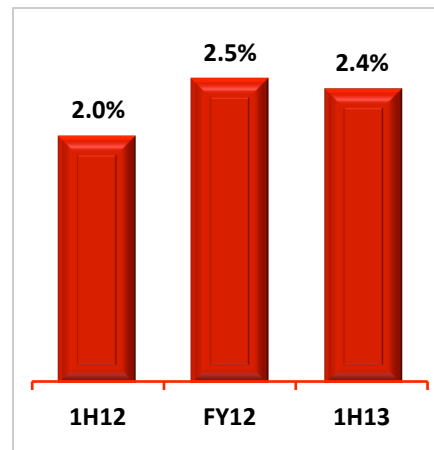
PBT Trend (N' bn)



Return on Avg. Equity



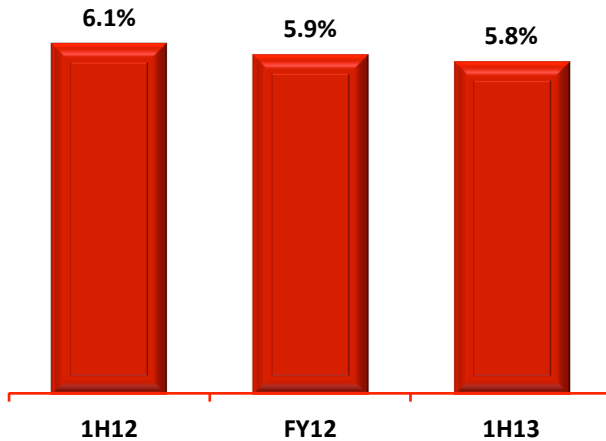
Return on Avg. Assets



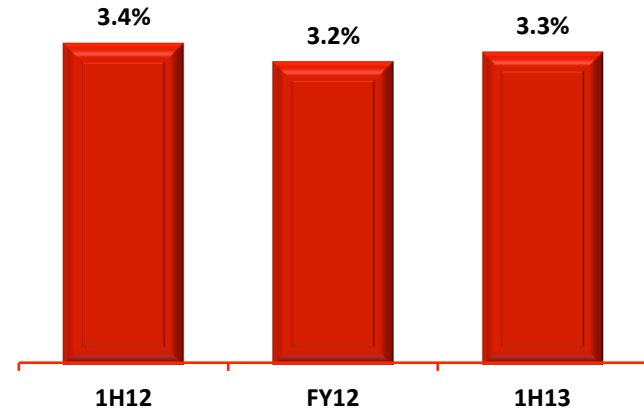
- Operating income was N88.5bn for the period
 - Grew by 12.4% YoY
- N33.2bn was recorded as PBT for the period, in spite of regulatory pressure on earnings
- ...leading to solid return on equity of 28.4% and return on assets of 2.4%.

Profit Drivers

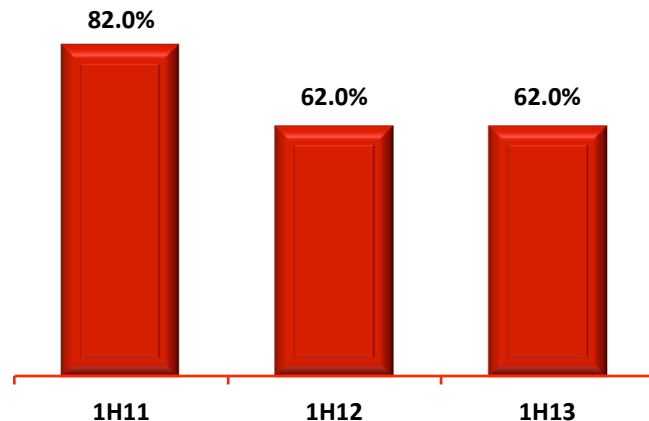
Net Interest Margin



Cost of Funds



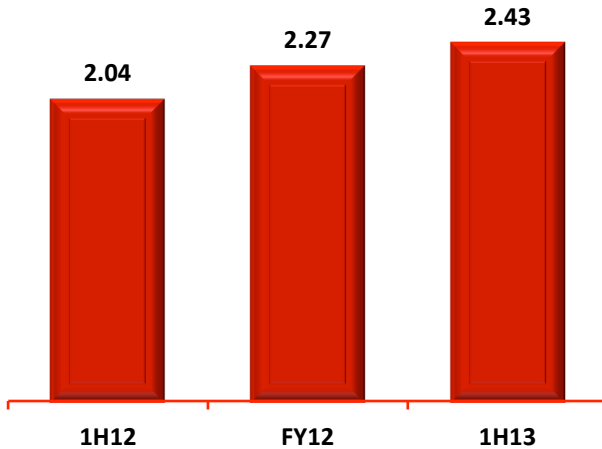
Cost-to-Income Ratio



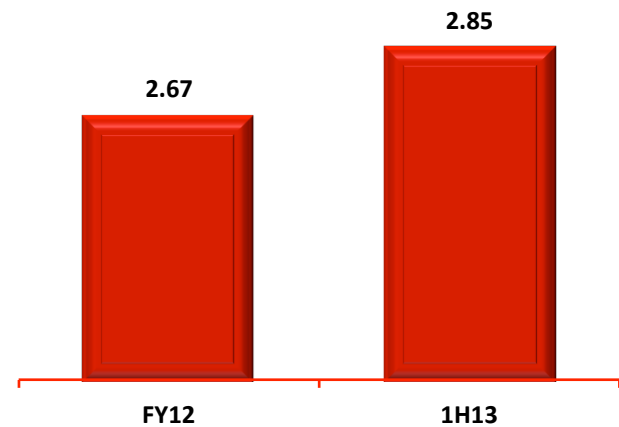
- Stable net interest margins, now 5.8%. Improvement is expected following recent and on-going loan book expansion
- Cost of funds remain stable at 3.3%, in spite of recent CBN policy actions.
- Cost-to-income ratio remains consistent with our expectation for 2013. Further improvement to be driven mainly by revenue growth

Financial Position

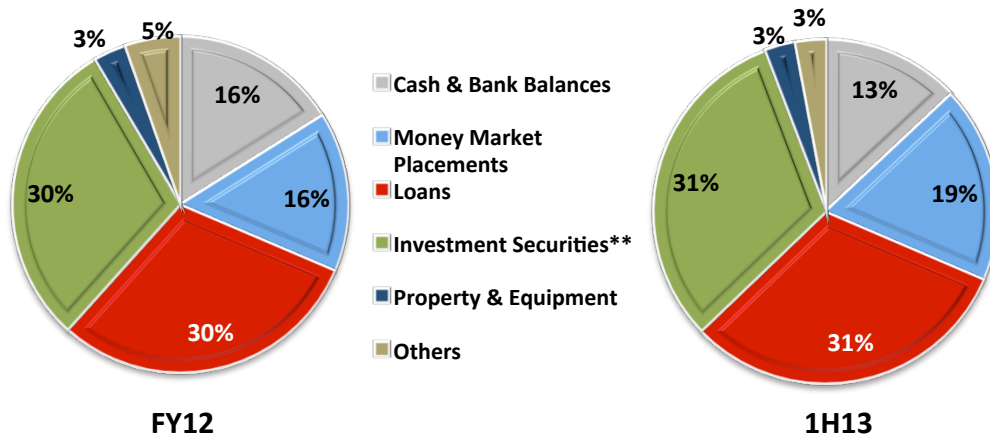
Total Assets (N' trn)



Total Assets plus Contingents



Total Assets Mix

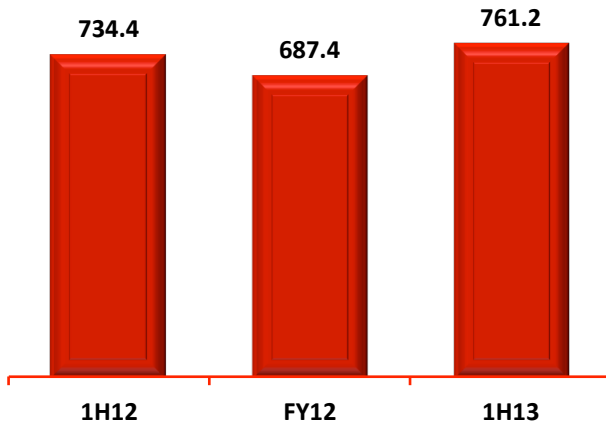


- Total assets grew by 6.9% so far this year; now N2.43 trillion.
- Overall, balance sheet footing is even stronger at N2.85 trillion.
- Loans, investment securities, and money market placements grow in proportion to total assets.
 - Constitute 81% (76% in FY12)

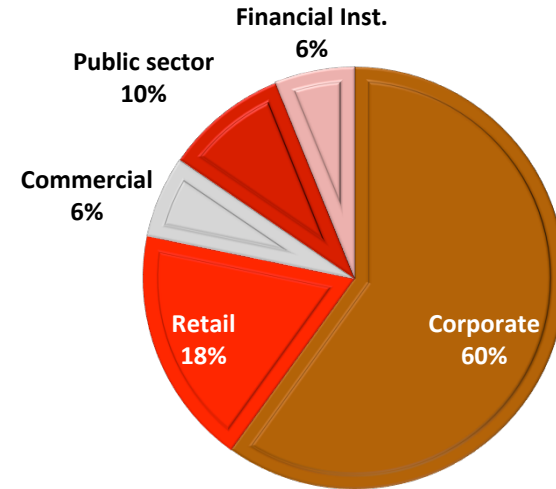
**Includes Bonds (N469bn) and Treasury Bills (N266bn) in 1H13

Loan Portfolio

Loan Book (N' bn)

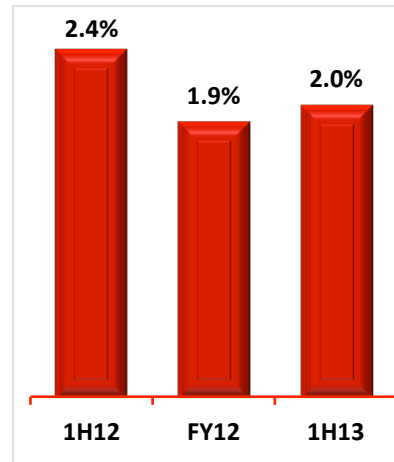


Loan Book, by Customer Type

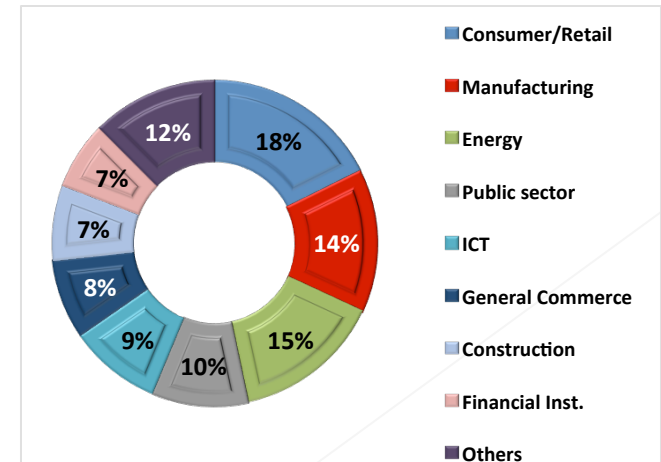


- Net loan book stood at N761.2bn
 - Grew by 10.7% from FY12 position, and by 14.6% in 2Q13
- Corporate market segment represent 60% of loan portfolio, retail (18%)
- Oil and gas, manufacturing sectors also big contributors
- NPL ratio stable at 2.0%; well ahead of CBN's threshold of 5%

NPL Ratio

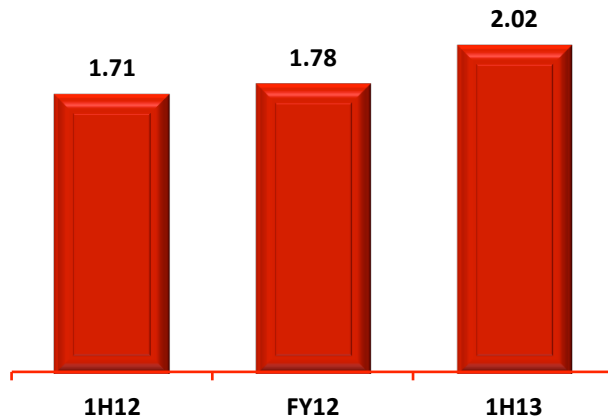


Loan Distribution, by Sector

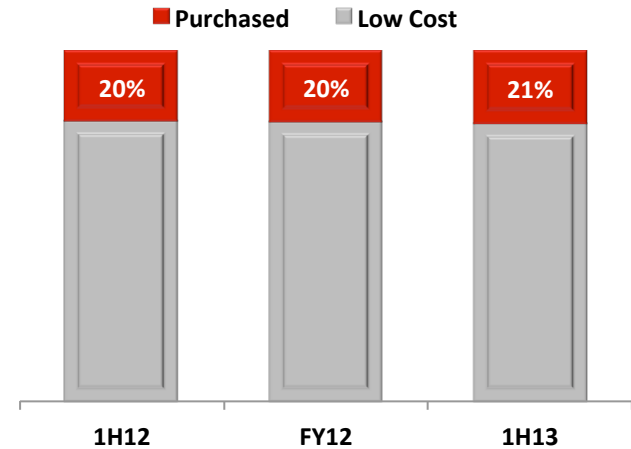


Deposit Portfolio

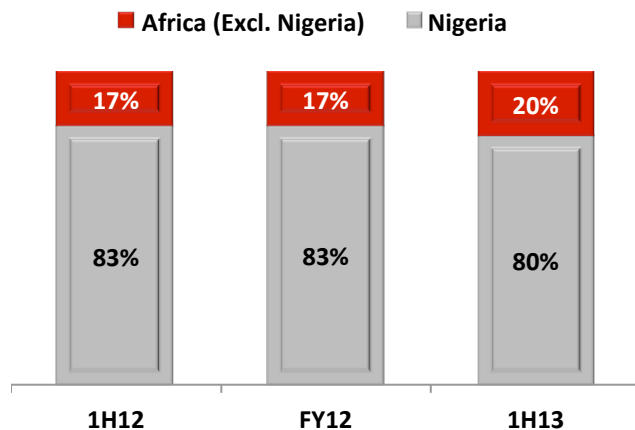
Total Deposits (N' trn)



Deposit Mix, by Cost



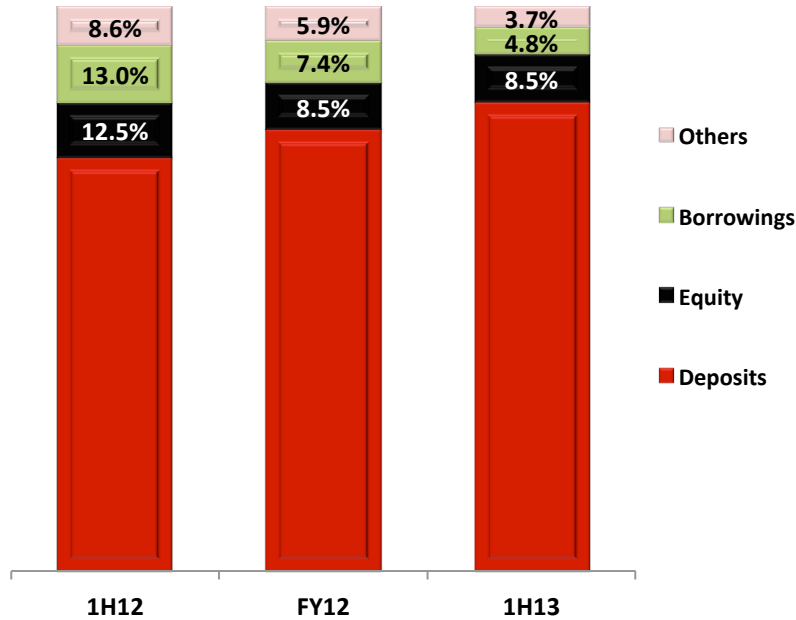
Deposit Mix, by geography



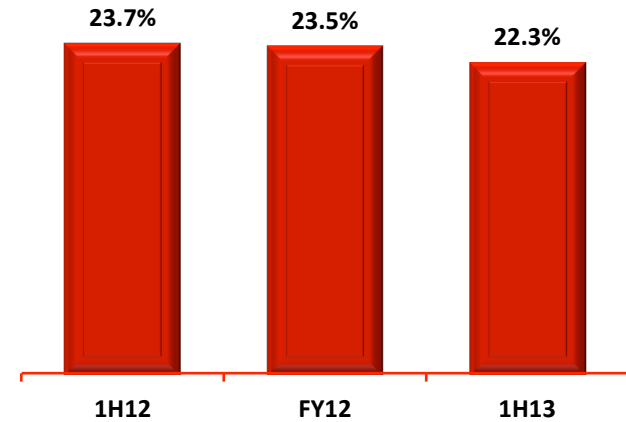
- Total deposits stood at N2.02 trillion, up by 13.5% in the year.
- Nearly 80% of deposits are low cost
- Operations outside Nigeria contribute more to group deposits, now 20%

Funding, Liquidity and Capital Adequacy

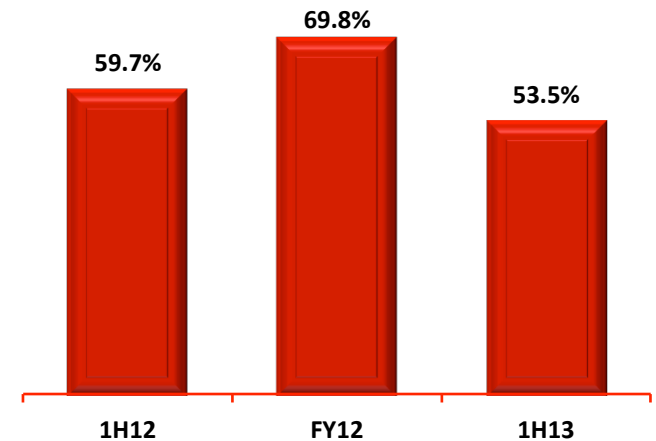
Funding Mix



Capital Adequacy Ratio



Liquidity Ratio



- Deposits continue to drive asset funding. Contributed 83% to asset funding mix
- Healthy balance sheet with robust capital adequacy and liquidity positions.



5. Appendix



Africa's global bank

Summary Historical Financial Results

	FY2009	FY2010	FY2011	FY2012	1Q2013	1H2013
Key P & L line (N' million)						
Gross earnings	194,315	177,571	184,833	220,129	62,765	125,981
Interest income	142,278	117,745	121,422	150,003	44,373	88,624
Interest expense	(47,727)	(46,969)	(46,125)	(58,386)	(17,214)	(35,217)
Net interest income	94,551	70,776	75,297	91,617	27,159	53,407
Non interest income	52,037	67,441	63,411	70,126	18,392	37,357
Operating income	146,588	138,217	138,708	153,093	44,632	88,455
Operating expenses	(102,723)	(103,981)	(107,716)	(102,592)	(27,300)	(54,808)
(Provisions)/write back	(31,871)	(18,213)	(22,628)	(5,495)	(177)	(399)
Profit/(Loss) Before Tax	10,930	3,219	(28,496)	52,010	17,155	33,248
Key Balance Sheet Items (N' million)						
Net loans	636,793	628,811	689,625	687,435	664,236	761,180
Total assets	1,548,777	1,617,696	1,942,793	2,272,923	2,434,381	2,429,792
Total deposits	1,245,650	1,267,171	1,444,988	1,777,788	2,016,957	2,017,481
Shareholders' funds	183,862	176,529	166,461	192,467	205,429	207,603
Key Ratios						
Non Int. Rev/Total Rev	26.8%	37.9%	34.3%	31.9%	29.3%	29.7%
Cost to income	70.1%	75.2%	77.7%	67.0%	61.2%	62.0%
Loan/deposit Ratio	51.1%	49.6%	47.7%	38.7%	32.9%	37.7%
Loan/assets Ratio	41.1%	38.9%	35.5%	30.2%	27.3%	31.3%
Pre Tax ROA	0.9%	0.4%	(6.1%)	2.3%	2.8%	2.7%
Pre Tax ROE	0.1%	0.0%	(0.6%)	27.1%	33.4%	32.0%
Tier 1 capital adequacy ratio	15.2%	15.3%	15.2%	17.4%	18.3%	17.2%
Total capital adequacy ratio	16.3%	18.2%	21.7%	23.5%	26.3%	22.3%



Thank you



Africa's global bank