

Quarter One 2014



Investors/Analysts Presentation

APRIL 29, 2014



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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 2014 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".

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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 Q1 means “First Quarter”; Q2 means “Second Quarter”; HY means “Half Year”; H1 means “First Half”; Q3 means “Third Quarter” and 9M means “Nine Months”. 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
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.

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.

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1. Overview of Macro Economy



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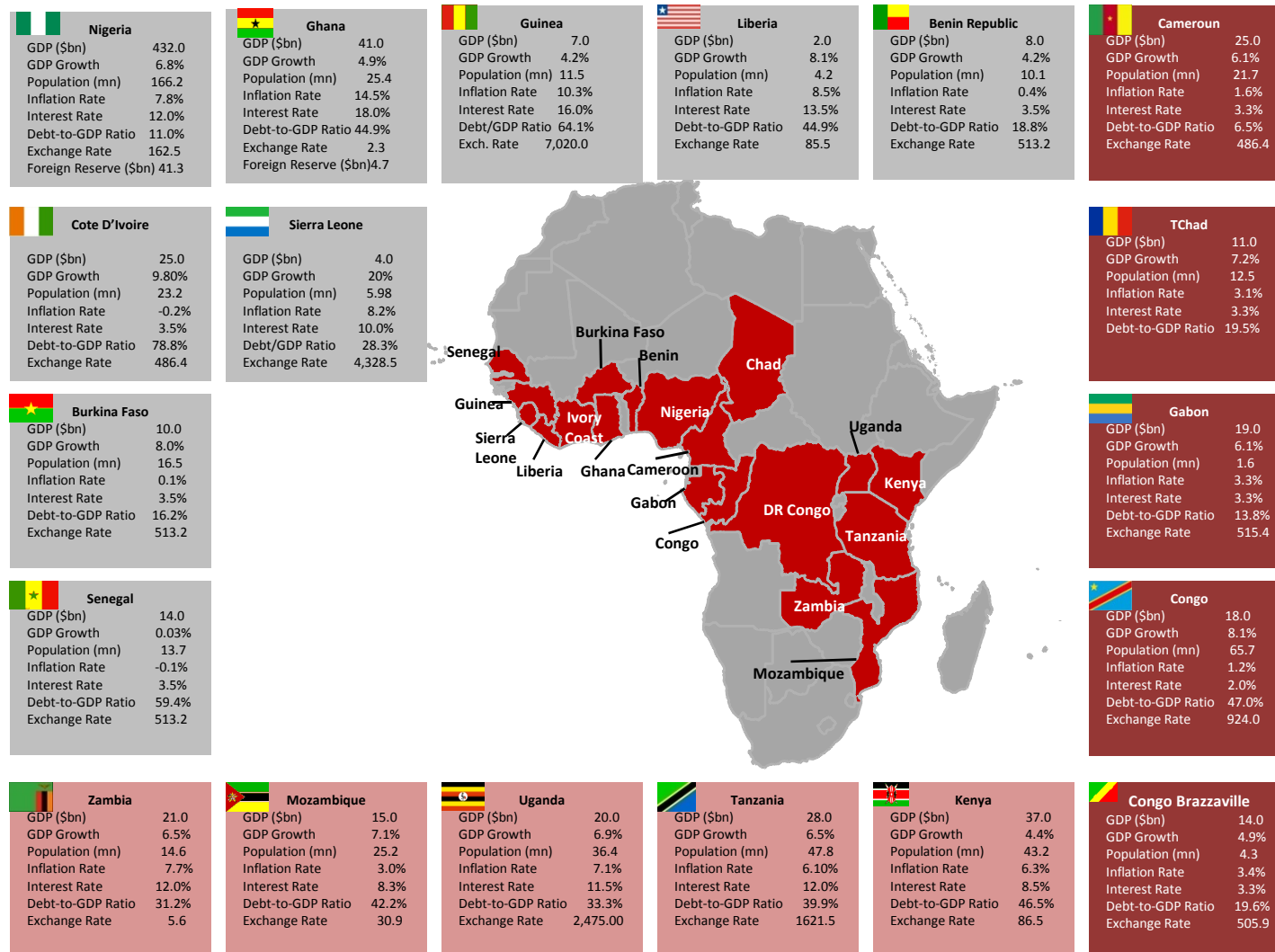
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Overview of Macro Economy



Locations outside Africa



USA

GDP (\$bn)	15,685
GDP Growth	2.7%
Population (mn)	317.3
Inflation Rate	1.6%
Interest Rate	0.3%
Debt/GDP Ratio	101.6%
Exchange Rate	1.00
Foreign Reserve (\$bn)	145,205



France

GDP (\$bn)	2,613
GDP Growth	0.8%
Population (mn)	65.3
Inflation Rate	0.6%
Interest Rate	0.3%
Debt/GDP Ratio	93.5%
Exchange Rate	1.35
Foreign Reserve (#bn)	125.7



UK

GDP (\$bn)	2,440
GDP Growth	2.8%
Population (mn)	63.3
Inflation Rate	1.9%
Interest Rate	0.5%
Debt/GDP Ratio	88.7%
Exchange Rate	1.06
Foreign Reserve (#bn)	110,883

WA EA CA

Source: Trading Economics



2. Quarter One 2014 Financial Highlights



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Q1 2014 Financial Highlights

	Comprehensive Income & Profit	31-Mar-14	31-Mar-13	% Change
COMPREHENSIVE INCOME & PROFIT TREND (N'million)	Gross Earnings	68,079	62,942	+8.16%
	Net Interest Income	29,272	27,159	+7.78%
	Operating Income	45,512	44,633	+1.97%
	Operating Expenses	(31,427)	(29,393)	+6.92%
	Profit Before Tax	13,544	17,155	-21.05%
	Profit After Tax	12,587	15,562	-19.12%
EFFICIENCY AND RETURN	Cost-to-Income Ratio (%)	69.1%	61.2%	
	Return on Average Equity (%)	22.1%	31.0%	
	Return on Average Assets (%)	1.9%	2.6%	
	Financial Position & Risk	31-Mar-14	31-Dec-13	% Change
FINANCIAL POSITION TREND (N'million)	Total Assets	2,613,256	2,642,296	-1.10%
	Total Deposits	2,188,861	2,221,764	-1.50%
	Net Loans	1,009,811	969,591	+4.77%
	Net Assets	246,279	235,036	+4.78%
BUSINESS CAPACITY RATIOS	Loan-to-Deposit Ratio (%)	46.13%	44.30%	
	Capital Adequacy Ratio (%)	21.2%	23.20%	
	Liquidity Ratio (%)	50.5%	55.00%	



3. Review of Quarter One 2014 Financial Highlights



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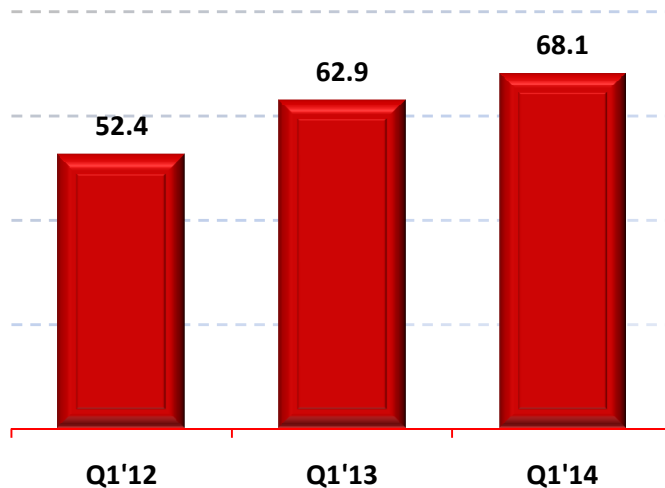
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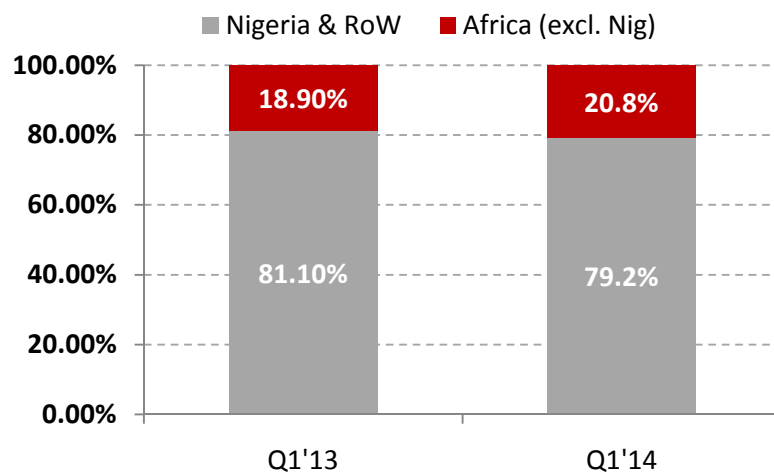
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Income Analysis

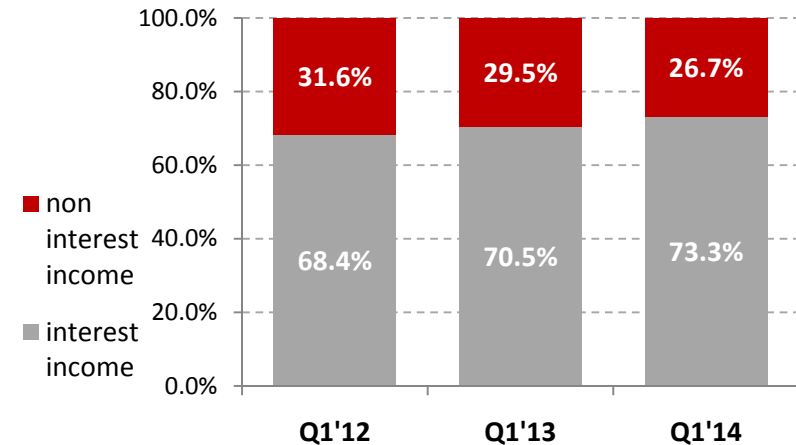
Gross income trend (N'bn)



Revenue split by geography



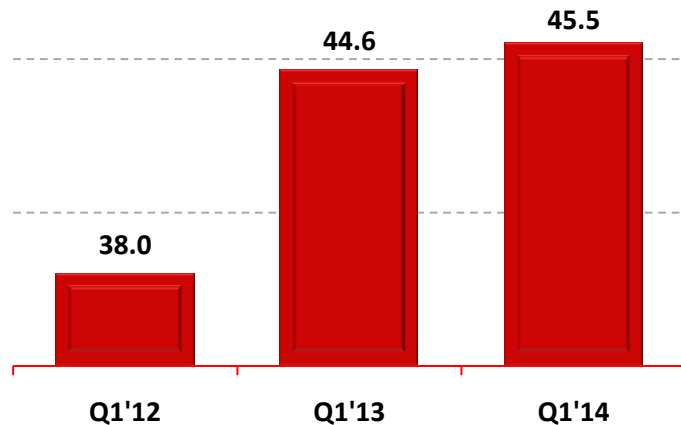
Gross earnings by income type



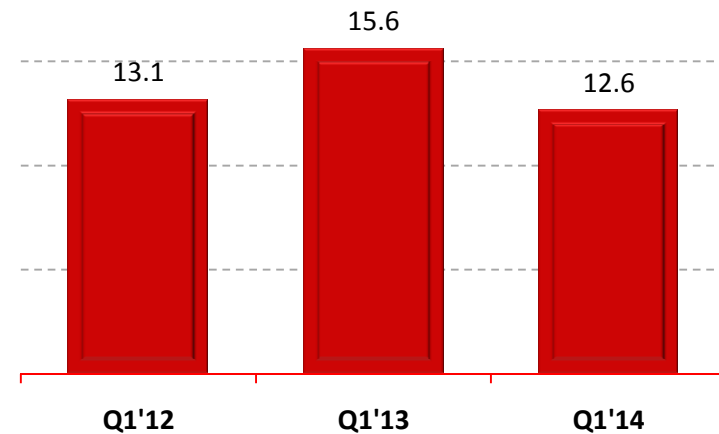
- Growing revenue base, up 8.2% in Q1 2014
- Interest income represents 73.3% of total revenue;
- There's an increasing contribution from operations in other African countries to 21% in first quarter 2014 from 19% in the corresponding period in 2013.

Profitability

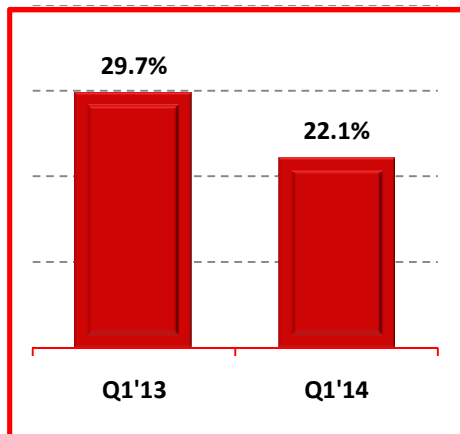
Operating Income (N'bn)



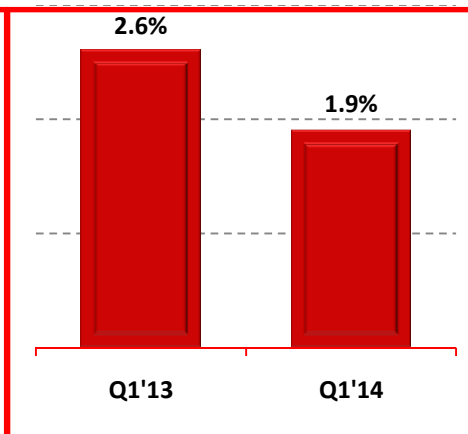
Profit After Tax for the Year (N'bn)



Return on Avg. Equity



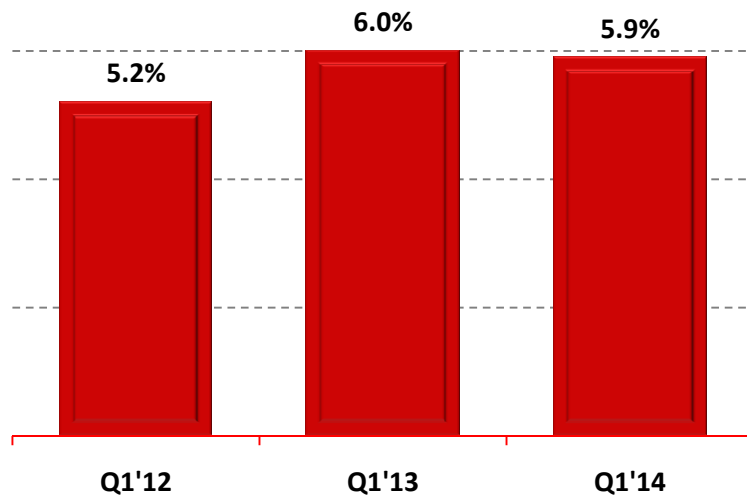
Return on Avg. Assets



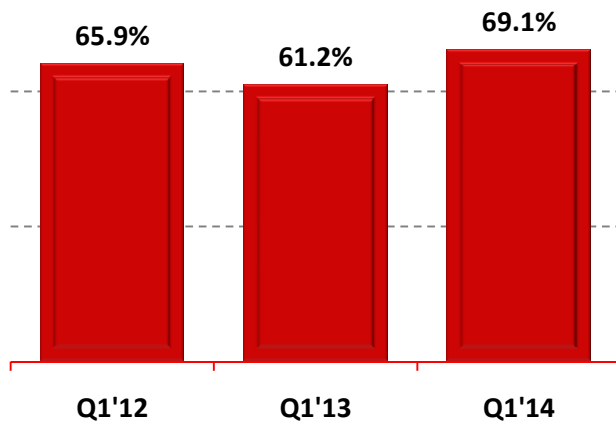
- Growth in operating income inched up by 1.9% in Q1'14.
- Consequently, profit after tax of N12.6 billion for the period, down by 19.1% from N15.6 billion in the corresponding quarter last year. This is due to higher effective tax rate.
- ROE and ROA still remain strong at 22% and 1.9% respectively.

Profit Drivers

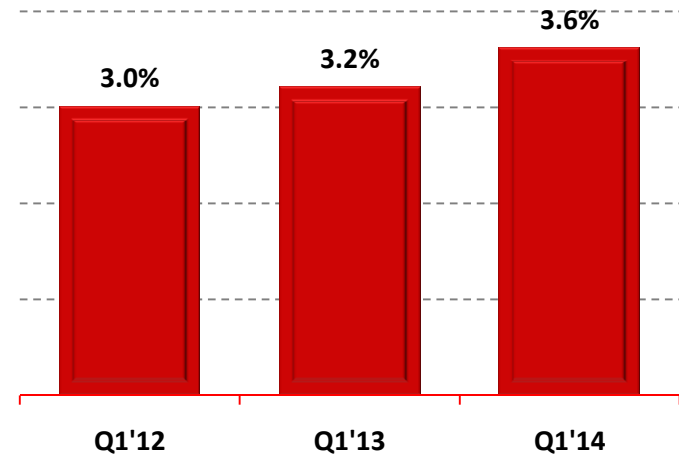
Net Interest Margin



Cost-to-Income Ratio



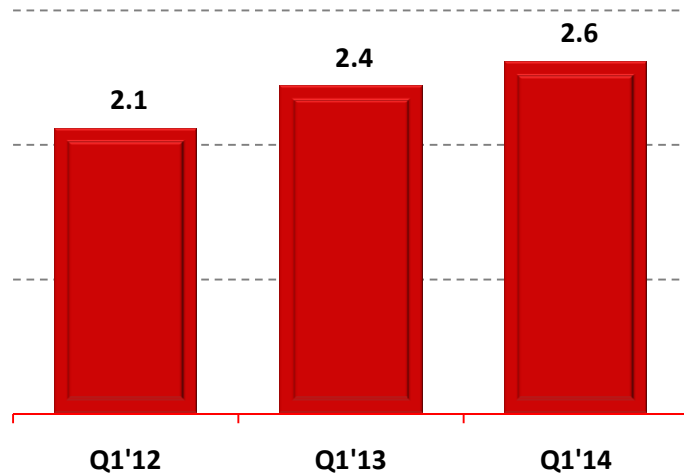
Cost of Funds



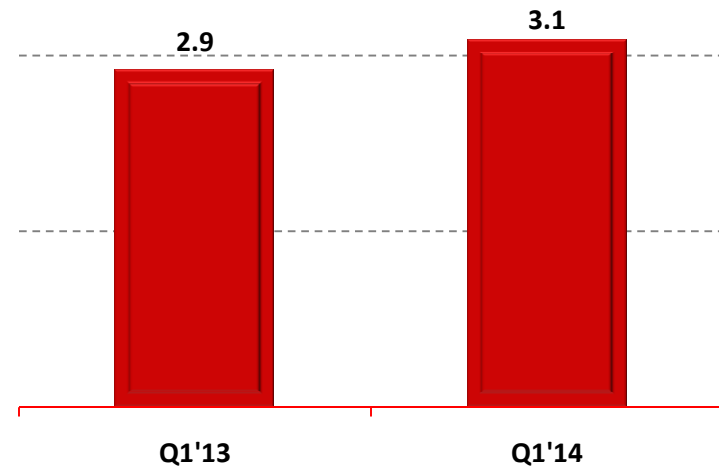
- Net Interest Margins now b5.9%, regulatory induced pressure on earnings.
- Cost-to-income ratio increased to 69.1% in the period under review.

Financial Position

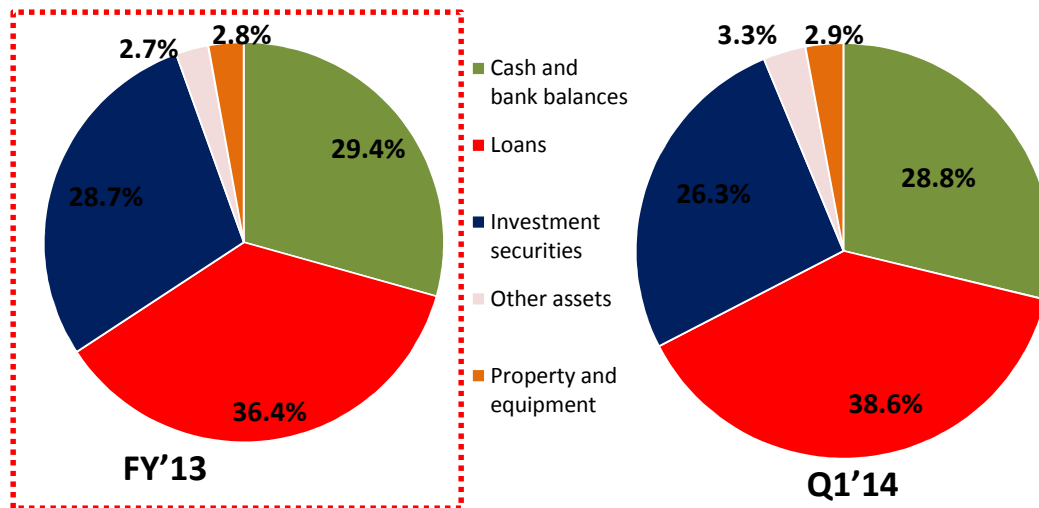
Total Assets (N'trn)



Total Assets plus Contingents (N'trn)



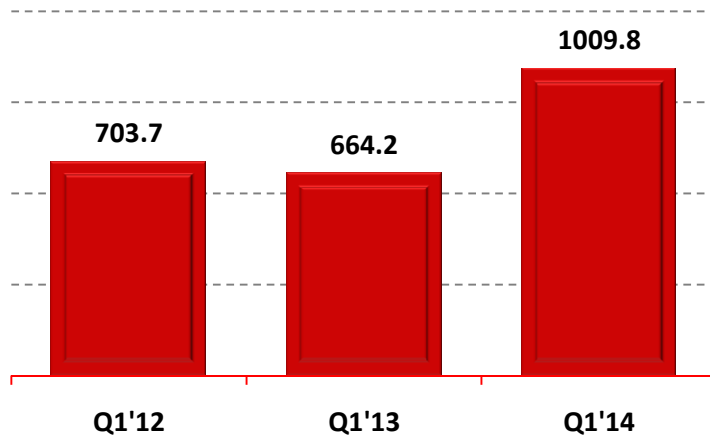
Total Assets Mix



- Solid balance sheet position of N3.1 trillion, of which assets constitute N2.6 trillion (83%).
- Increase in loan from Dec-2013 during the period by 52%
- Share of loans grew to 38.6% in Q1'14(vs. 36.4% in FY'13).

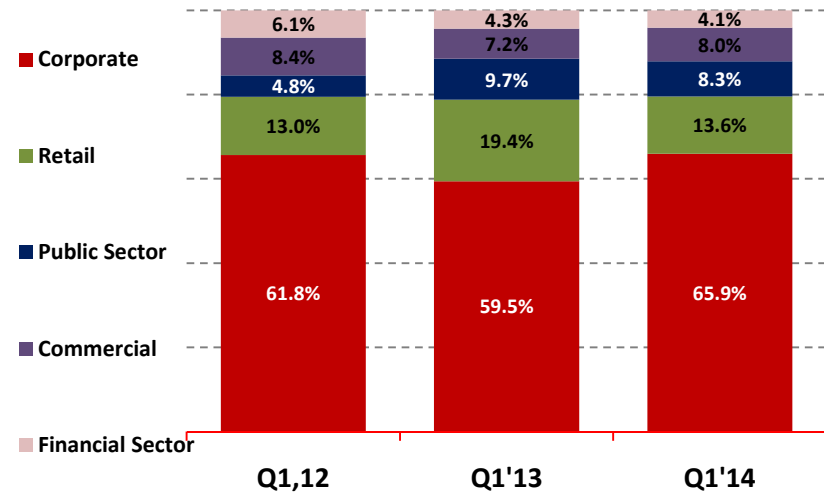
Loan Portfolio

Loan Book (N'bn)

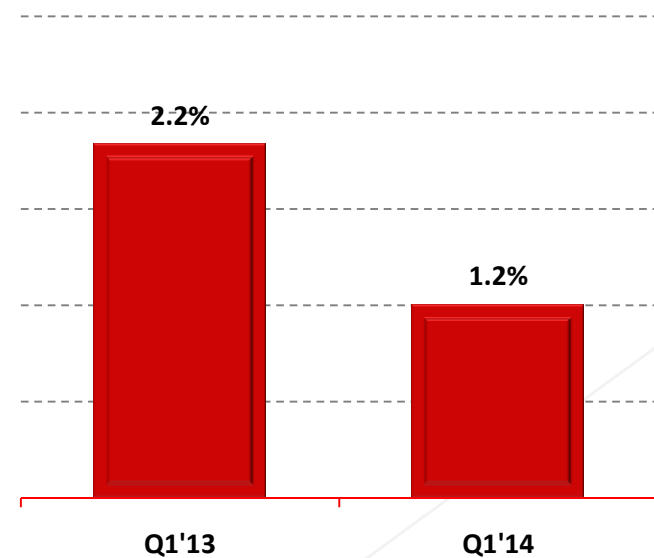


- Loan growth expected to kick in over the remaining quarters for Oil and Gas, Manufacturing and Telecoms
- Consumer, Oil and Gas, Manufacturing and Telecoms still account for nearly 70% of total loans
- 60% of loans booked to corporate customers
- NPL ratio remains at 1.2% still well below regulatory threshold and industry average.

Loan Book, by Customer Type

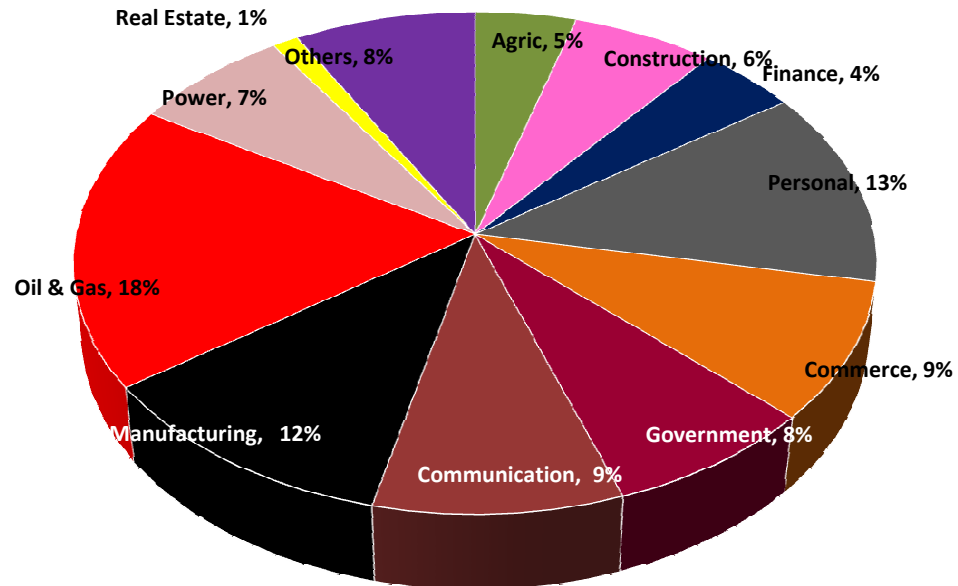


NPL Ratio

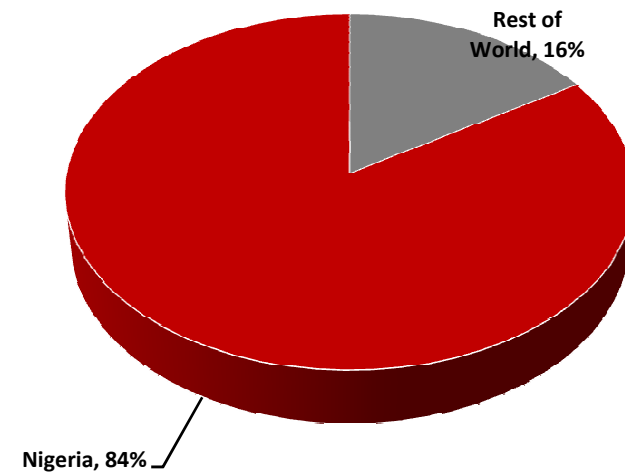


Loan Portfolio (Cont'd)

Loan Distribution, by Sector

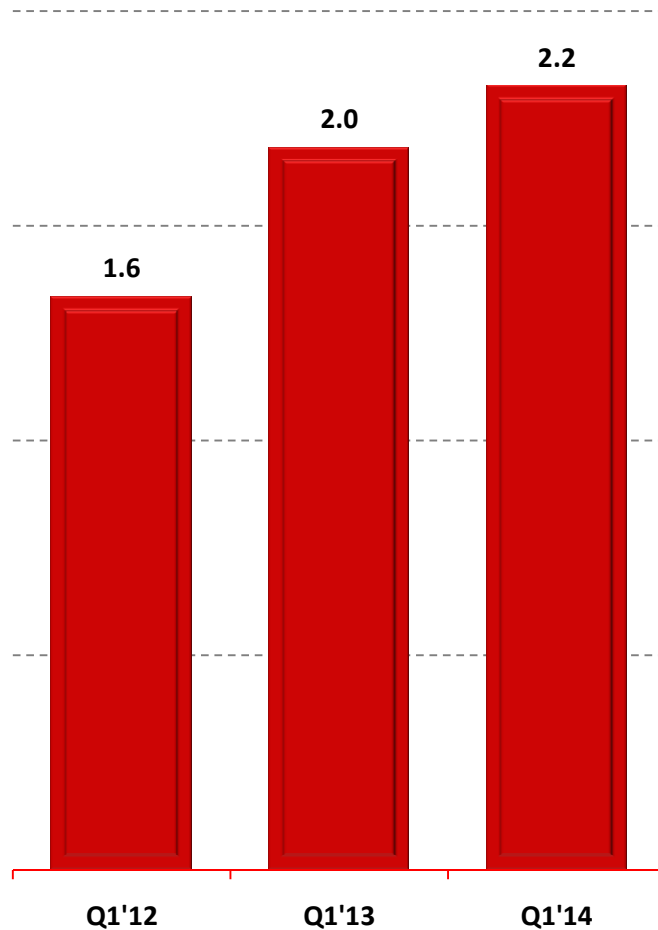


Loan Distribution, by Geography

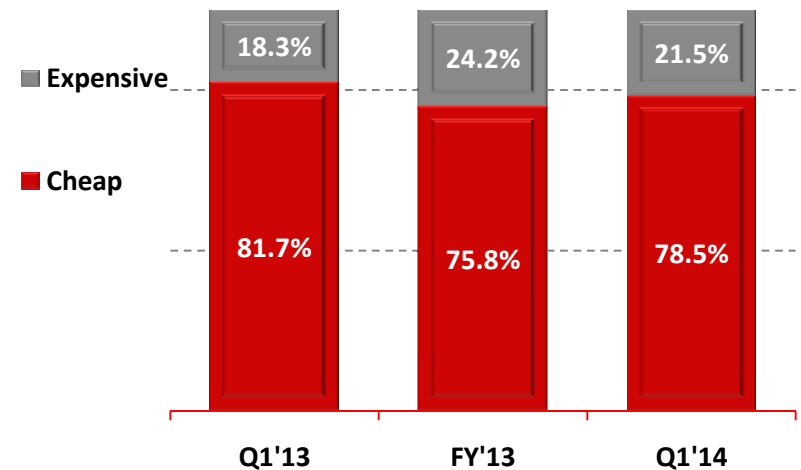


Deposit Portfolio

Deposit Book (N'trn)



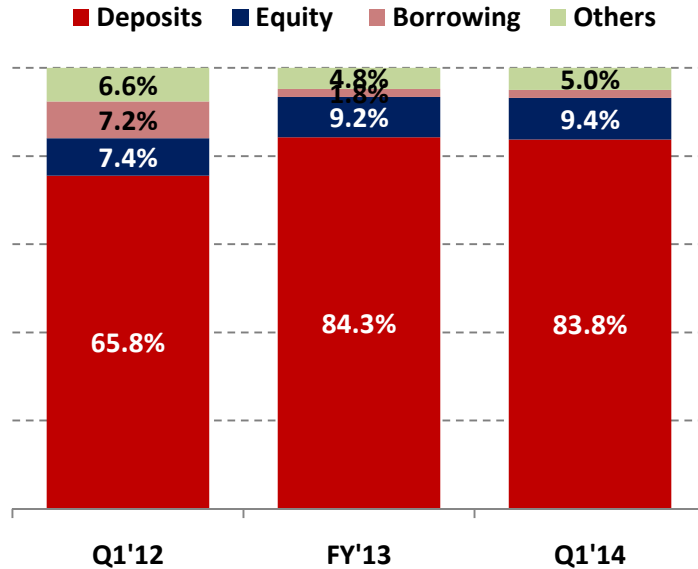
Deposit Mix, by Cost



- Deposit grew by 8.5% in Q1'14 compared with Q1'13, while it declined from Q4'13 position by a marginal 1.5%.
- Generated largely from cheap sources
- Cheap deposits make up about 78.5% of total Deposits.

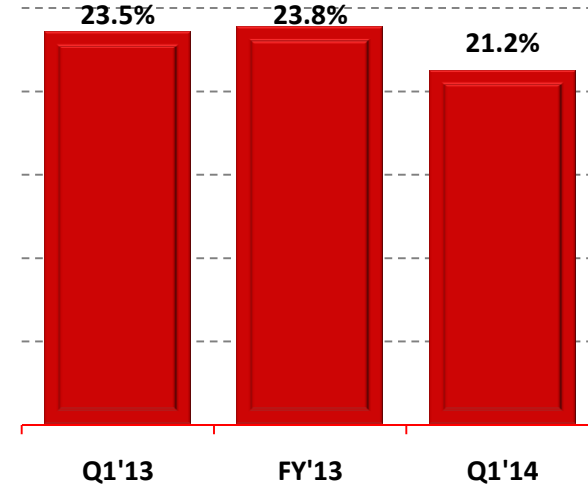
Funding, Liquidity and Capital Adequacy

Funding Mix

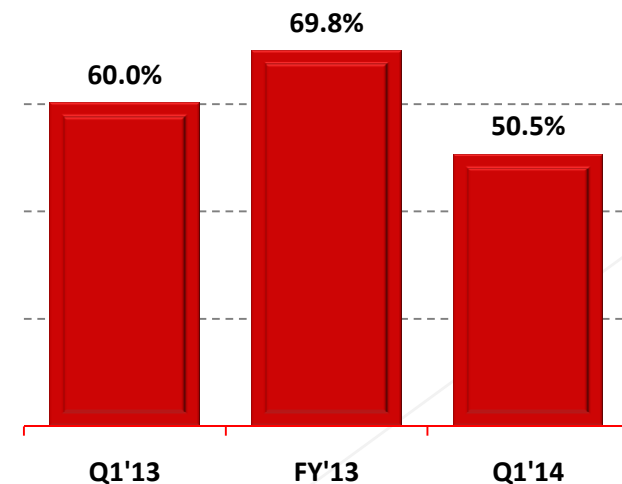


- Deposits represent 83.8% of total funding base, largely the same as FY'13.
- Strong capital adequacy and liquidity positions. Ratios now 21.2% and 50.5% respectively; improvements over FY 2013 positions.

Capital Adequacy Ratio



Liquidity Ratio





4. Focus on Congo Brazzaville



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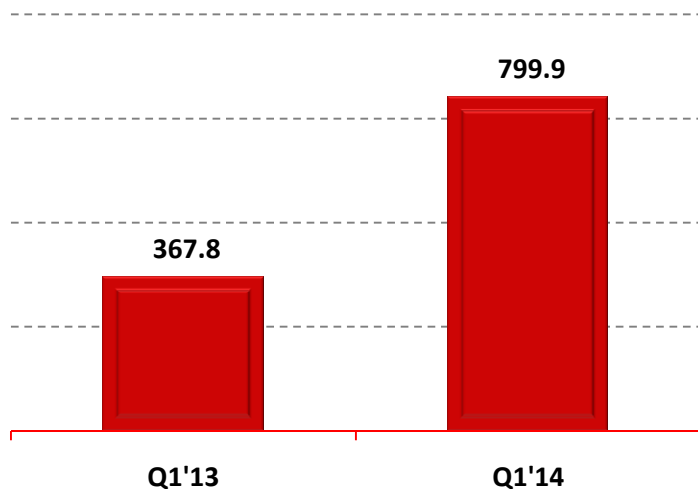
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Congo Brazzaville – Key Financial Highlights

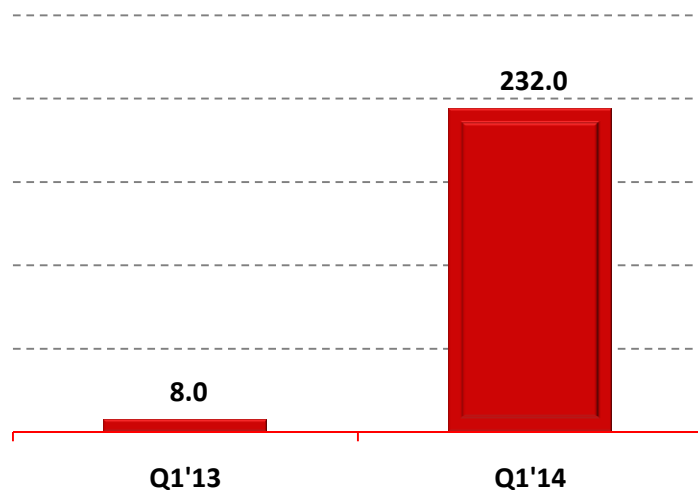
	Comprehensive Income & Profit	31-Mar-14	31-Mar-13	Change %
COMPREHENSIVE INCOME & PROFIT TREND (N'million)	Gross Earnings	799	368	118%
	Net Interest Income	237	69	245%
	Non Interest Income	534	292	83%
	Operating Income	770	361	113%
	Operating Expenses	538	353	53%
	Profit after Tax	232	8	2,811%
EFFICIENCY AND RETURN	Cost to Income (%)	70%	98%	
	Return on Average Equity (%)	6.5%	0.2%	
	Return on Average Assets (%)	1.5%	0.03%	
	Financial Position & Risk	31-Mar-14	31-Dec-13	Change %
FINANCIAL POSITION & TREND (N'million)	Total Assets	21,423	24,873	-14%
	Total Deposits	15,555	18,698	-17%
	Net Loans	11,641	9,059	+28%
	Net Assets	4,244	5,428	-22%
BUSINESS CAPACITY RATIOS	Loan to Deposit Ratio	75%	48%	
	Capital Adequacy Ratio	29%	30%	
	Liquidity Ratio	221%	186%	

Income Analysis

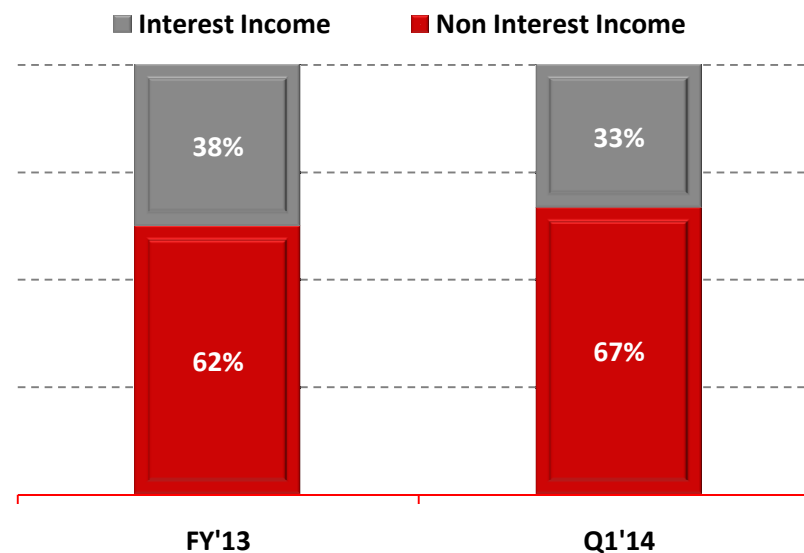
Revenue Trend (N' mn)



Profitability (N' mn)



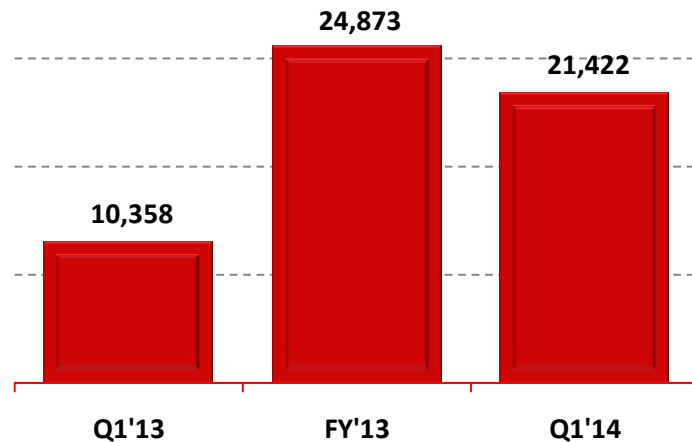
Revenue Mix (%)



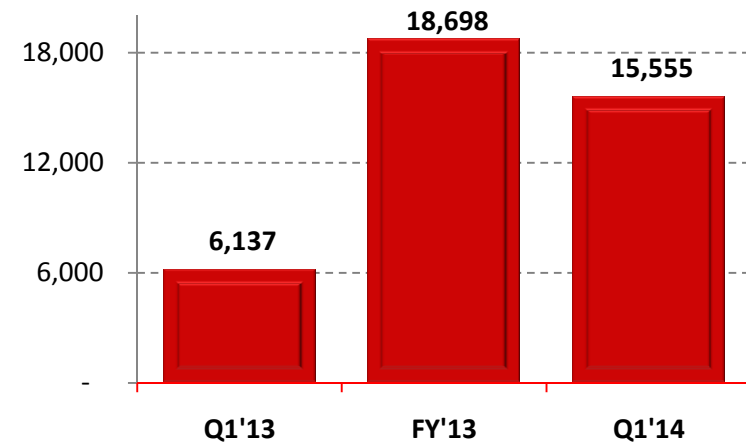
- Gross Earnings grew by an impressive 118% from N367.8 million in Q1'13 to N800.0 million in the period under review on back of higher Operating income .
- Interest income grew faster (253% YoY) than non-interest income, consequently PBT came in N232.0 million almost at par with the N279.3 million achieved in FY'13.

Financial Position

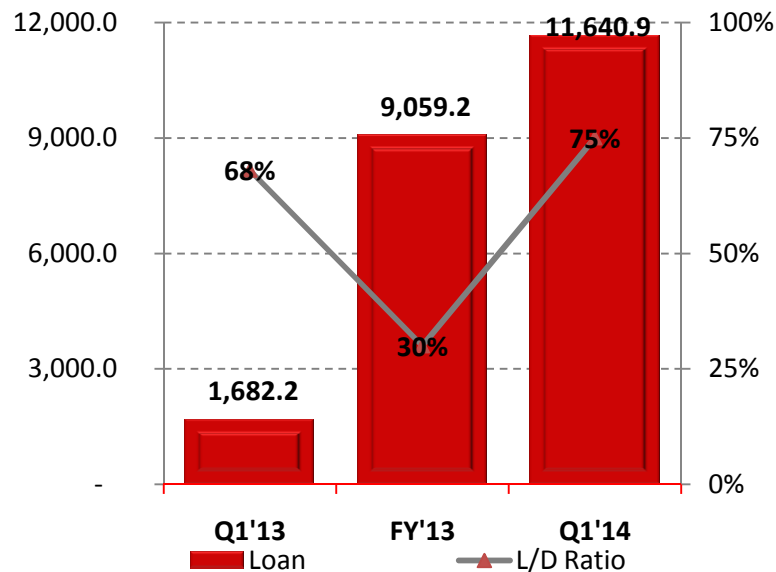
Growing Asset Base (N' mn)



Deposits (N' mn)



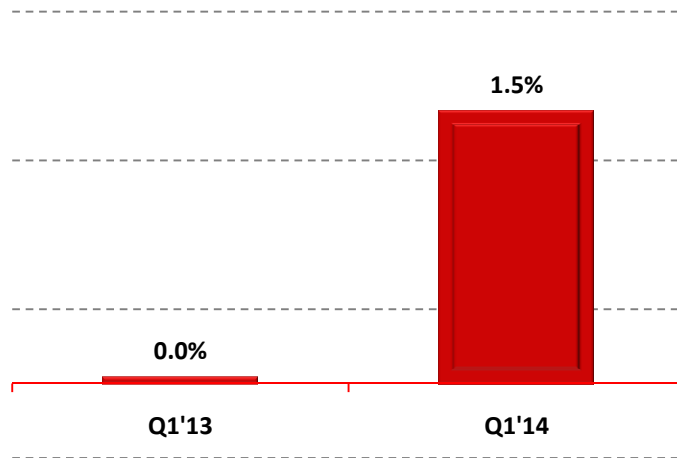
Loan growth (N' mn)



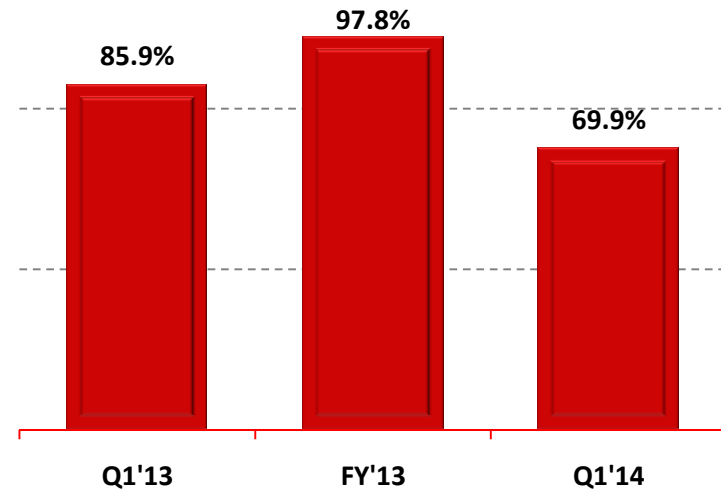
- Good loan growth of 592% in the period under review relative to Q1'13; it also grew 28% from Q4'13 to Q1'14. This translates to a loan to deposit ratio of 75% (30% in 2013).
- Cautious lending strategy, as we increase lending to relatively less risky sectors/segments.
- Total assets grew by 107% in Q1'14 compared to Q1'13 but declined by 14% from Q4'13 to Q1'14.
- Deposit growth of 153% in Q1'14 compared to Q1'13 but declined 17% from Q4'13 to Q1'14.

Improving Profitability and Efficiency

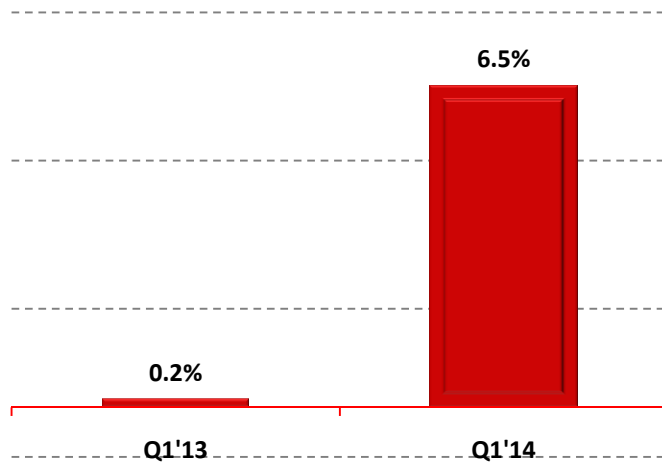
Return on Assets



Trend in Cost/Income



Return on Equity



- Robust profitability: as ROE and ROA were impressive, at 6.5% and 1.5% respectively.
- Cost to income ratio declined significantly from 85.9% to 69.9% YoY.



5. Appendix



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Summary Historical Financials

	FY2010	FY2011	FY2012	Q4 2013	FY2013	Q1 2014
Key P & L line (N' million)						
Gross earnings	177,571	184,833	220,129	76,666	263,947	68,079
Interest income	117,745	121,422	150,003	52,943	184,623	49,917
Interest expense	(46,969)	(46,125)	(58,386)	(27,876)	(82,459)	(20,645)
Net interest income	70,776	75,297	91,617	25,067	102,164	29,272
Non interest income	67,441	63,411	64,003	22,998	76,242	18,162
Operating income	138,217	138,708	153,093	47,352	175,907	45,512
Operating expenses	(103,981)	(107,716)	(102,592)	(24,407)	(110,470)	(31,427)
Profit/(Loss) Before Tax	3,219	(28,496)	52,010	9,230	57,254	13,544
Key Balance Sheet Items (N' million)						
Net loans	628,811	689,625	687,435	963,871	969,591	1,009,811
Total assets	1,617,696	1,942,793	2,272,923	2,642,296	2,642,296	2,578,892
Total deposits	1,267,171	1,444,988	1,777,788	2,221,764	2,221,764	2,171,075
Shareholders' funds	176,529	166,461	192,467	235,036	235,036	246,279
Key Ratios						
Non Int. Rev/Total Rev	37.9%	34.3%	31.9%	30.0%	29.9%	26.7%
Cost to income	75.2%	77.7%	67.0%	60.9%	60.9%	69.1%
Loan/deposit Ratio	49.6%	47.7%	38.7%	44.3%	44.3%	46.1%
Loan/assets Ratio	38.9%	35.5%	30.2%	36.5%	36.5%	38.6%
Equity/assets Ratio	10.9%	8.6%	8.5%	8.9%	8.9%	9.4%
Pre Tax ROA	0.4%	(6.1%)	2.3%	2.3%	2.3%	2.1%
Pre Tax ROE	0.0%	(0.6%)	27.1%	26.2%	26.2%	23.8%
Tier 1 capital adequacy ratio	15.3%	15.2%	17.4%	15.4%	15.4%	15.9%
Total capital adequacy ratio	18.2%	21.7%	23.5%	23.2%	23.2%	21.2%



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