

# NINE MONTHS 2013 RESULTS

Investors/Analysts Presentation

November 11, 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 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”; 1H means “First Half”; 3Q 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

<b>WAMZ</b>	<b>UEMOA</b>	<b>CEMAC</b>	<b>E&amp;SA</b>
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.

# Outline

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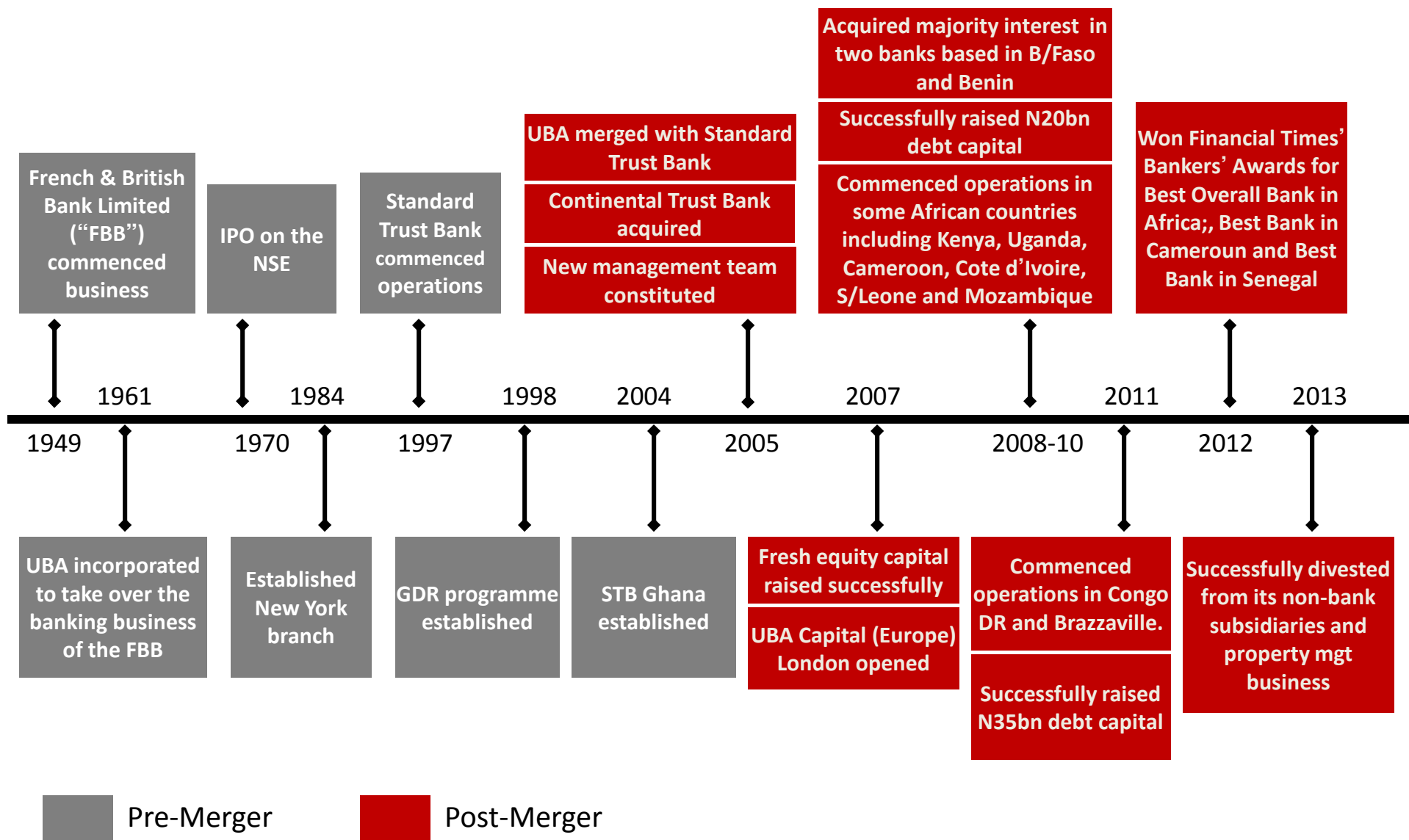
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Appendix

# 1. Overview of UBA



# Brief History



## 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
- Aggressively pursuing strategy to enhance shareholder value through robust business resources (people and platforms)
- Highly-experienced and committed management team
- Leading change and innovation in product development, channel rollout and electronic banking solutions

## 2. Overview of Macro Economy







# Overview of Macro Economy

 <b>Nigeria</b>	
GDP (\$bn)	263.61
GDP Growth	6.20%
Population (mn)	166.21
Inflation Rate	8.00%
Interest Rate	12.00%
Debt-to-GDP Ratio	18.30%
Exchange Rate	158.41
Foreign Reserve (\$bn)	45.23

 <b>Ghana</b>	
GDP (\$bn)	41.71
GDP Growth	6.10%
Population (mn)	25.37
Inflation Rate	11.90%
Interest Rate	16.00%
Debt-to-GDP Ratio	44.90%
Exchange Rate	2.22
Foreign Reserve (\$bn)	5.35


 <b>Guinea</b>	
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


 <b>Liberia</b>	
GDP (\$bn)	2.37
GDP Growth	8.30%
Population (mn)	4.19
Inflation Rate	7.10%
Interest Rate	13.63%
Debt-to-GDP Ratio	44.90%
Exchange Rate	73.00


 <b>Cote d'Ivoire</b>	
GDP (\$bn)	25.08
GDP Growth	9.80%
Population (mn)	23.20
Inflation Rate	2.20%
Interest Rate	3.50%
Debt-to-GDP Ratio	78.80%
Exchange Rate	491.37


 <b>Sierra Leone</b>	
GDP (\$bn)	4.00
GDP Growth	6.20%
Population (mn)	5.98
Inflation Rate	9.85%
Interest Rate	12.00%
Debt-to-GDP Ratio	37.90%
Exchange Rate	4,327.50


 <b>Burkina Faso</b>	
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

 <b>Benin Republic</b>	
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


 <b>Senegal</b>	
GDP (\$bn)	14.16
GDP Growth	4.80%
Population (mn)	13.73
Inflation Rate	1.00%
Interest Rate	3.50%
Debt-to-GDP Ratio	56.40%
Exchange Rate	513.15

 <b>Zambia</b>	
GDP (\$bn)	21.20
GDP Growth	7.30%
Population (mn)	14.08
Inflation Rate	6.90%
Interest Rate	9.75%
Debt-to-GDP Ratio	31.20%
Exchange Rate	5.55


 <b>Cameroun</b>	
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

 <b>TChad</b>	
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


 <b>Congo</b>	
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


 <b>Gabon</b>	
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

 <b>Congo Brazzaville</b>	
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

 <b>Kenya</b>	
GDP (\$bn)	37.23
GDP Growth	4.30%
Population (mn)	43.18
Inflation Rate	7.76%
Interest Rate	8.50%
Debt-to-GDP Ratio	46.50%
Exchange Rate	87.30

 <b>Mozambique</b>	
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

 <b>Tanzania</b>	
GDP (\$bn)	28.25
GDP Growth	6.80%
Population (mn)	47.78
Inflation Rate	6.30%
Interest Rate	12.00%
Debt-to-GDP Ratio	47.70%
Exchange Rate	1,617.50

 <b>Uganda</b>	
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

 <b>USA</b>	
GDP (\$bn)	15,685.00
GDP Growth	1.60%
Population (mn)	315.09
Inflation Rate	1.20%
Interest Rate	0.25%
Debt-to-GDP Ratio	101.60%
Exchange Rate	1.00
Foreign Reserve (\$bn)	145,706

 <b>France</b>	
GDP (\$bn)	2,613.90
GDP Growth	0.30%
Population (mn)	65.28
Inflation Rate	0.90%
Interest Rate	0.90%
Debt-to-GDP Ratio	90.20%
Exchange Rate	1.33
Foreign Reserve (\$bn)	126.91

 <b>UK</b>	
GDP (\$bn)	2,440.59
GDP Growth	1.50%
Population (mn)	63.26
Inflation Rate	2.70%
Interest Rate	0.50%
Debt-to-GDP Ratio	90.70%
Exchange Rate	1.60
Foreign Reserve (\$bn)	100,782

Source: Tradingeconomics

# 3. Nine Months 2013 Financial Highlights



## Nine Months 2013 Financial Highlights

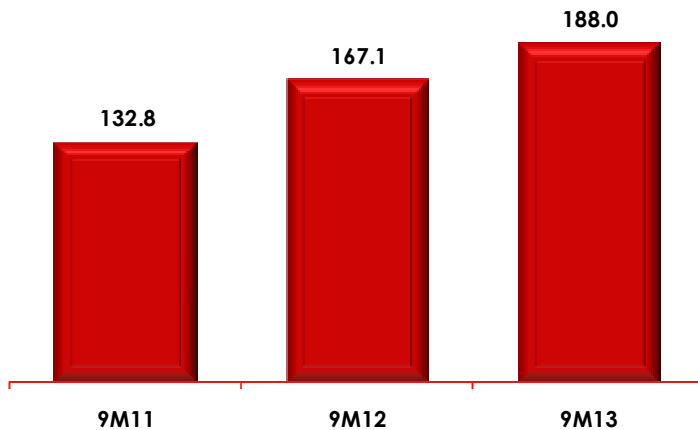
		30-Sep-13	30-Sep-12	% Change
<b>COMPREHENSIVE INCOME &amp; PROFIT TREND (N'million)</b>	Gross Earnings	188,021	167,070	12.5%
	Net Interest Income	78,164	68,560	14.0%
	Non Interest Income	51,702	54,090	-4.4%
	Operating Income	129,866	122,650	5.9%
	Operating Expenses	83,444	74,493	12.0%
	Profit after Tax	37,371	36,498	2.4%
<b>EFFICIENCY AND RETURN</b>	Cost-to-Income Ratio	64.3%	60.7%	
	Return on Average Equity	23.8%	27.1%	
	Return on Average Assets	2.1%	2.5%	
		30-Sep-13	31-Dec-12	% Change
<b>FINANCIAL POSITION TREND (N'million)</b>	Total Assets	2,578,892	2,272,923	13.5%
	Total Deposits	2,171,075	1,777,788	22.1%
	Net Loans	870,673	687,435	26.7%
	Net Assets	225,617	192,467	17.2%
<b>BUSINESS CAPACITY RATIOS</b>	Loan-to-Deposit Ratio	40.2%	38.7%	
	Capital Adequacy Ratio	21.4%	23.5%	
	Liquidity Ratio	59.8%	69.8%	

## 4. Review of Nine Months 2013 Financial Highlights

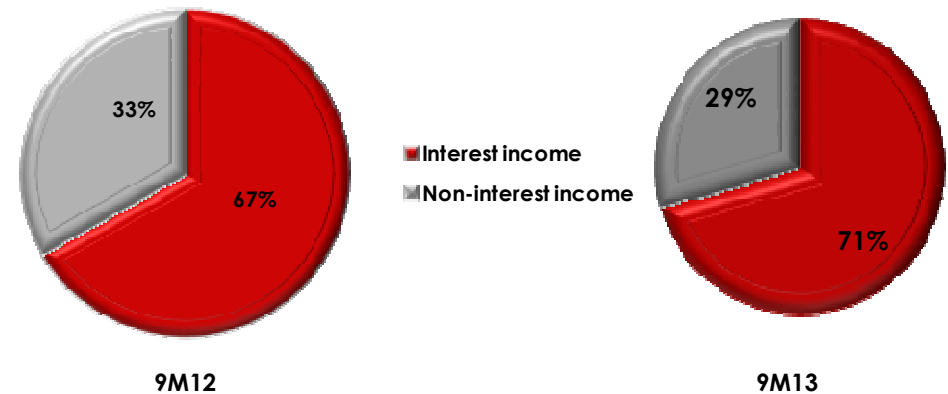


# Income Analysis

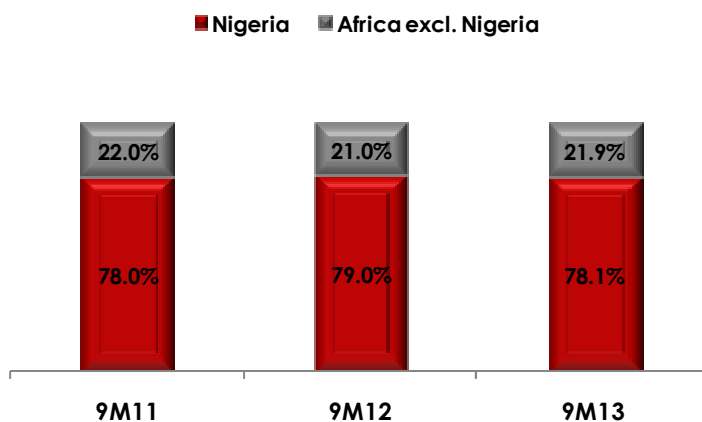
Gross earnings trend (N'bn)



Gross earnings by income type



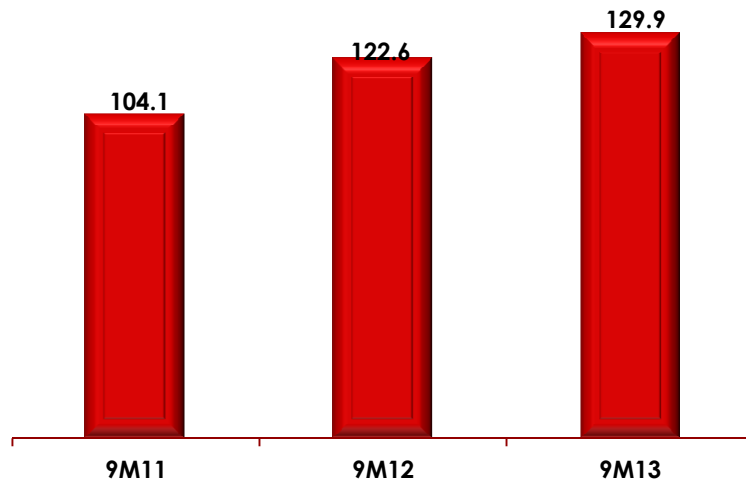
Revenue split by geography



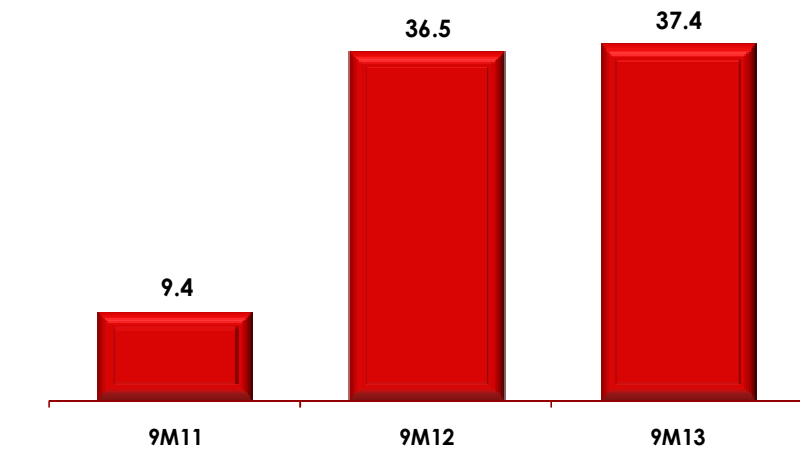
- Gross earnings of N188bn achieved in the first nine months of 2013
  - Up by 12.5% YoY
- Non interest revenues account for 29% of gross earnings, versus 33% in the corresponding period
- Revenue derived from African operations (excluding Nigeria) represent 21.9% of Group total.

# Profitability

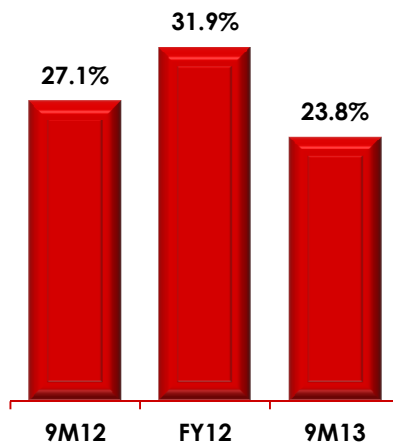
## Operating Income (N'bn)



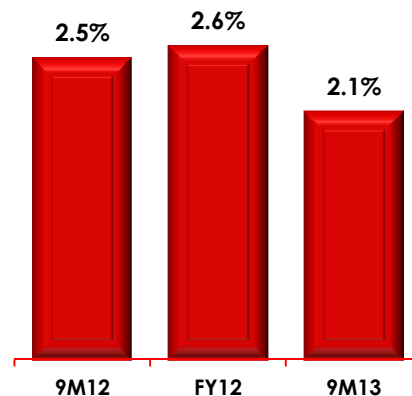
## Profit for the Period (N'bn)



## Return on Avg. Equity



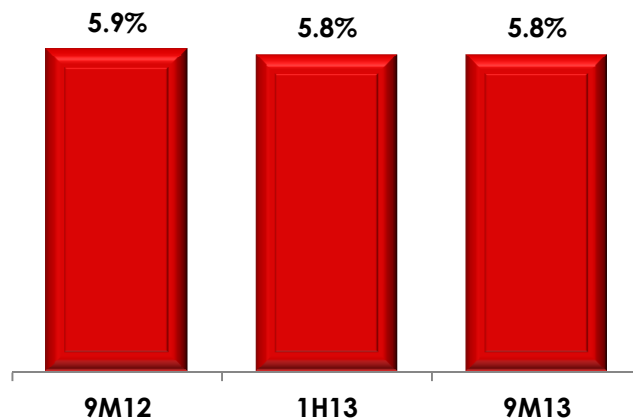
## Return on Avg. Assets



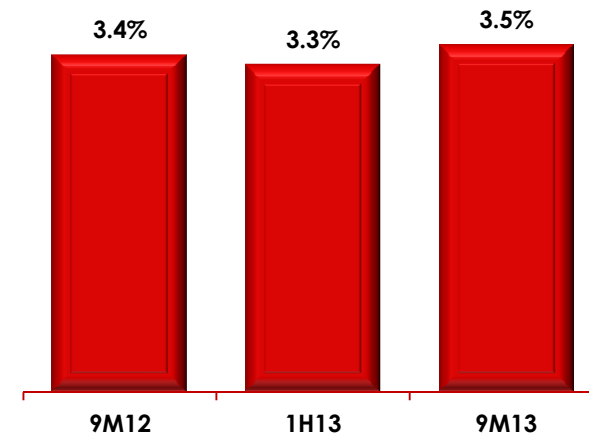
- Operating income was N129.9bn for the period
  - Grew by 5.9% YoY
- PBT at N37.4bn in spite of pressure on earnings.
- ...leading to a return on average equity of 23.8% and return on assets of 2.1%.
- ROE and ROA slipped from FY12 levels due mainly to the changes in the operating environment

# Profit Drivers

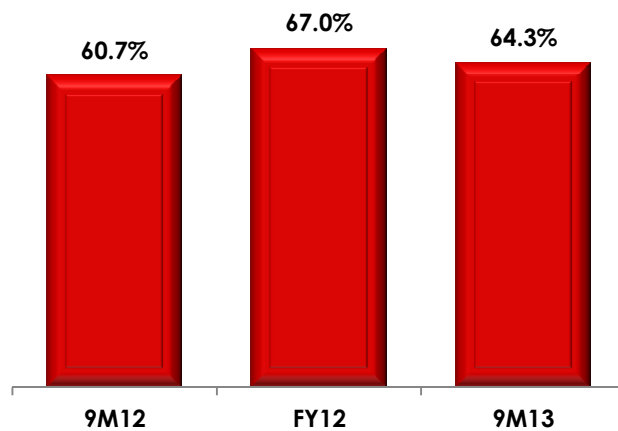
## Net Interest Margin



## Cost of Funds



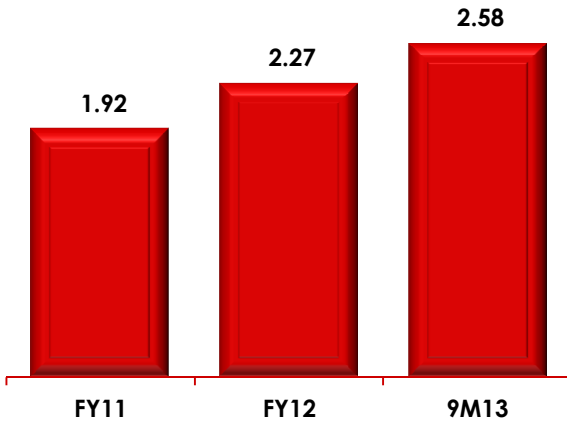
## Cost-to-Income Ratio



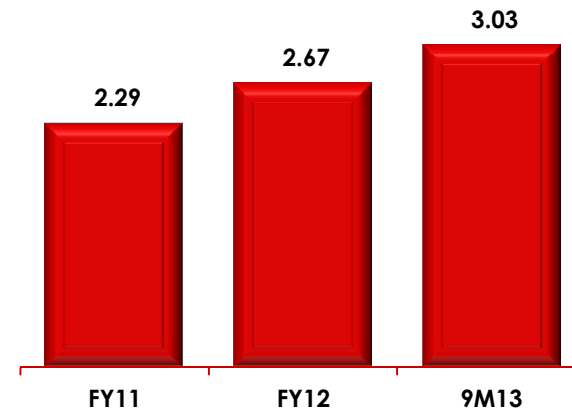
- Stable net interest margins, now 5.8% same as Q2. Improvement is expected by year end.
- Cost of funds slightly up from 3.3% in Q2.
- Cost-to-income ratio is down from year end and consistent with our expectation. Further reduction is expected by year end as we continue to drive revenue growth

# Financial Position

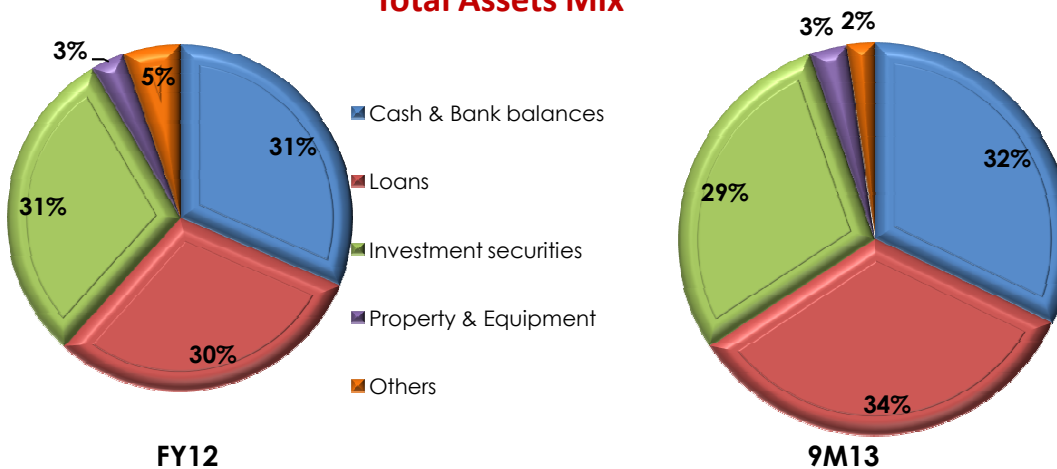
**Total Assets (N'trn)**



**Total Assets plus Contingents (N'trn)**



**Total Assets Mix**



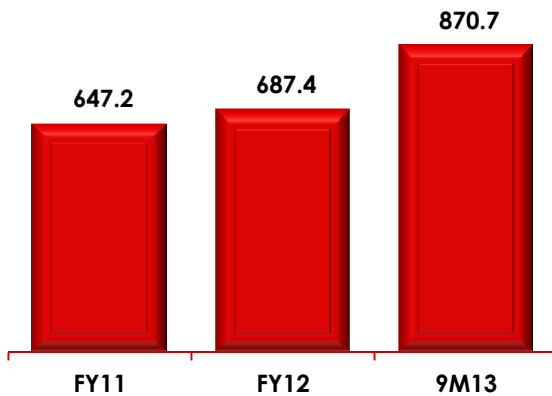
- Total assets grew by 13.5% so far this year; now N2.58 trillion.
- Overall, balance sheet footing is even stronger at N3.03 trillion.
- Loans, investment securities, and money market placements grew in share of total assets.
  - Constitute 95% (92% in FY12)

*\*\*Includes Bonds (N473bn) and Treasury Bills (N227bn) in 9M13*

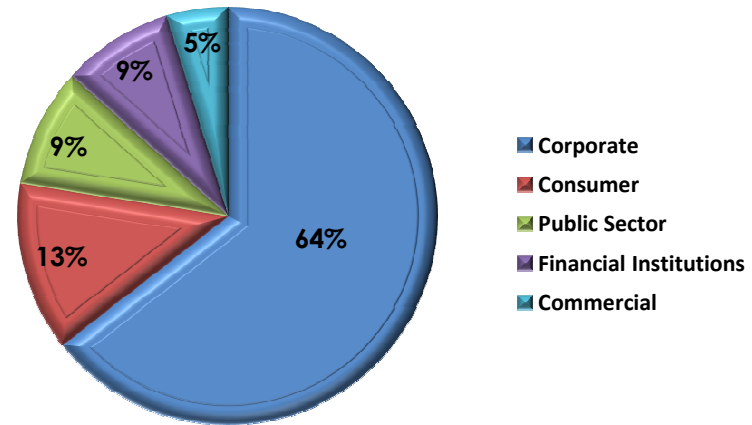


# Loan Portfolio

Loan Book (N'bn)

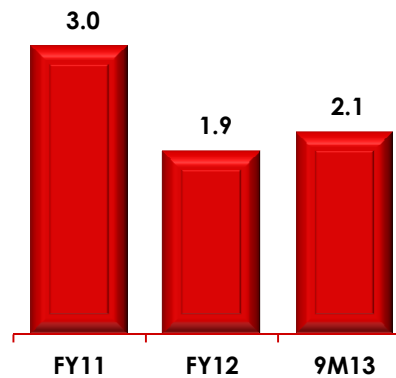


Loan Book, by Customer Type

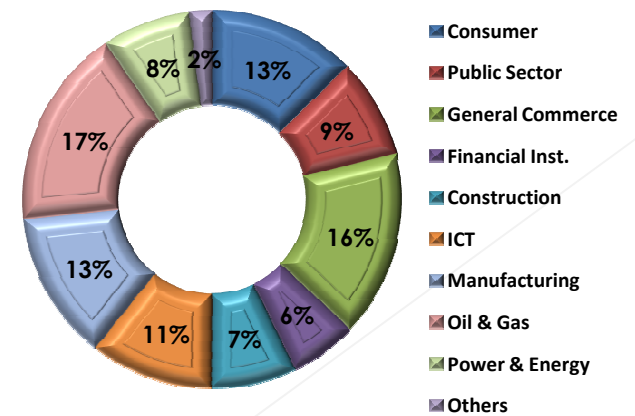


- Net loan book stood at N870.7bn
  - Grew by 26.7% from FY12 position in line with our guidance
- Corporate market segment represent 64% of loan portfolio, Consumer (13%)
- Oil and gas, manufacturing sectors are big sectorial contributors
- NPL ratio stable at 2.1%; well ahead of regulatory threshold of 5%

NPL Ratio

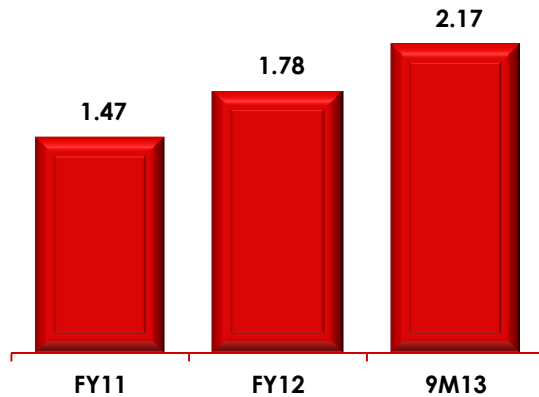


Loan Distribution, by Sector

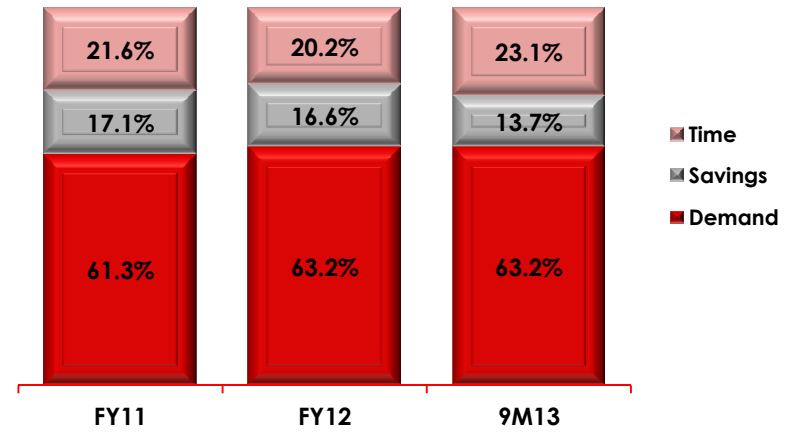


# Deposit Portfolio

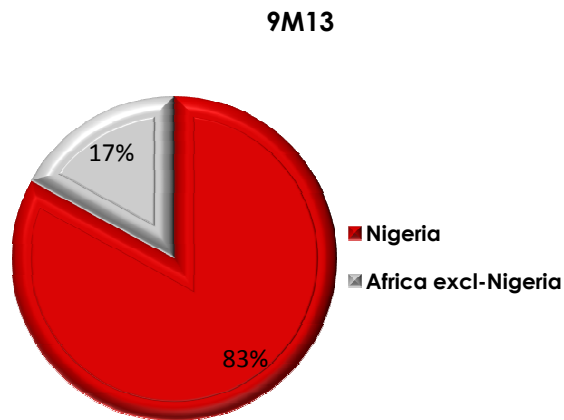
Total Deposits (N'trn)



Deposit Mix



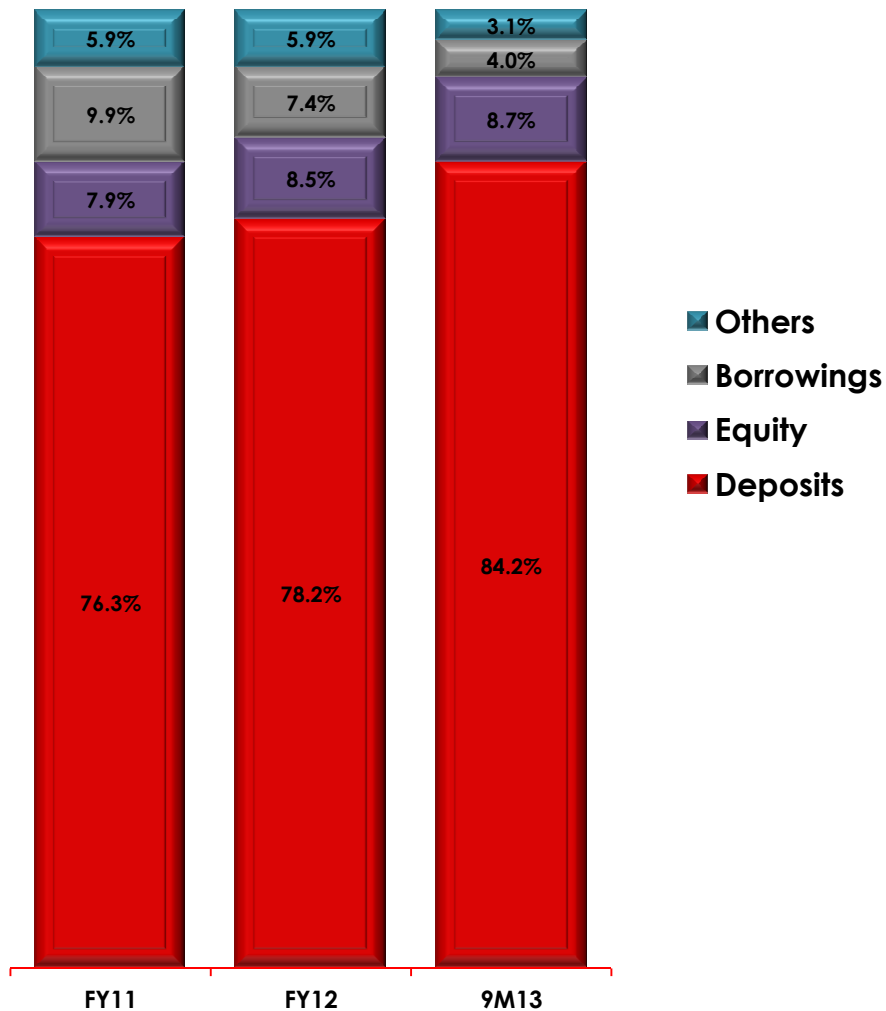
Deposit Mix, by geography



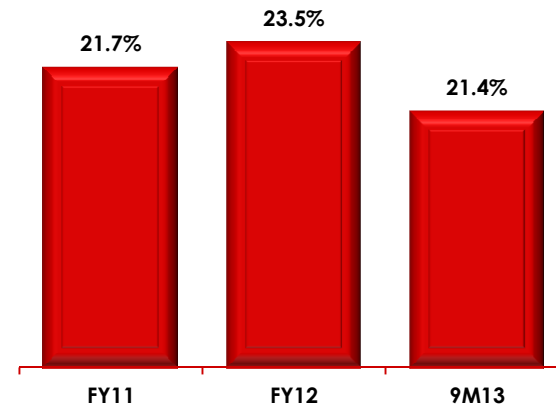
- Total deposits stood at N2.17 trillion, up by 22.1% year till date.
- Nearly 77% of deposits are low cost
- And operations outside Nigeria contribute 17% to Group deposits

# Funding, Liquidity and Capital Adequacy

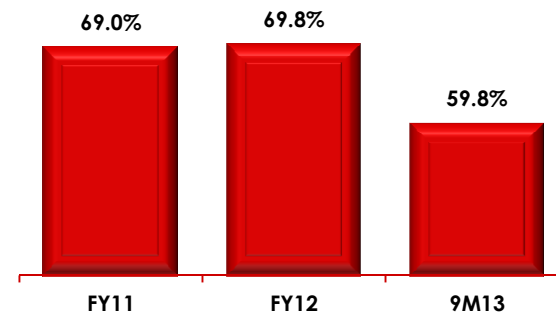
### Funding Mix



### Capital Adequacy Ratio



### Liquidity Ratio



- Deposits continue to be a core source of asset funding. Contributed 84.2% to asset funding mix
- Healthy balance sheet with robust capital adequacy and liquidity positions.

## 5. Focus on UBA Cameroun

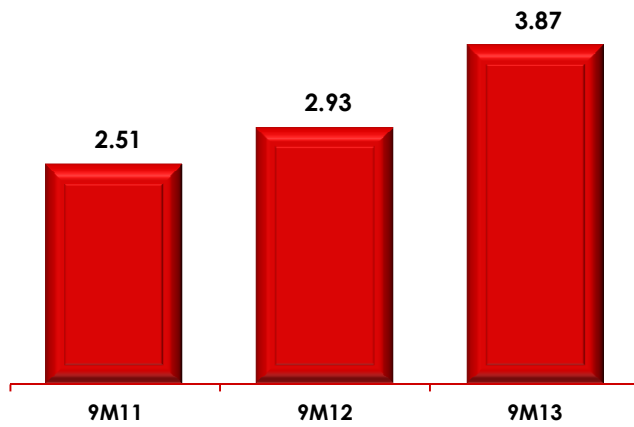


## UBA Cameroon – Key Financial Highlights

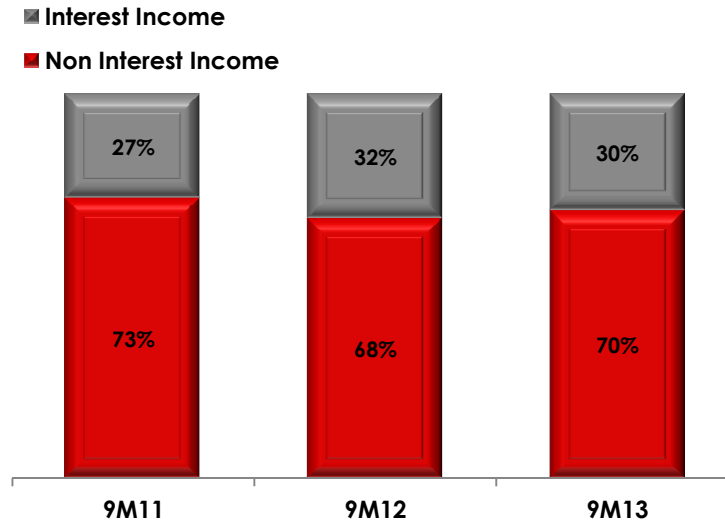
		30-Sep-13	30-Sep-12	% Change
<b>COMPREHENSIVE INCOME &amp; PROFIT TREND (N'million)</b>	Gross Earnings	3,873	2,933	32.0%
	Net Interest Income	728	665	9.5%
	Other Income	2,704	1,989	35.9%
	Operating Income	3,431	2,654	29.3%
	Operating Expenses	2,288	1,717	33.3%
	Profit after Tax	686	562	22.0%
<b>EFFICIENCY AND RETURN</b>	Cost-to-Income Ratio	66.7%	64.7%	
	Return on Average Equity	19.6%	19.5%	
	Return on Average Assets	1.8%	2.1%	
		30-Sep-13	31-Dec-12	% Change
<b>FINANCIAL POSITION TREND (N'million)</b>	Total Assets	59,718	42,146	41.7%
	Total Deposits	46,884	36,351	29.0%
	Net Loans	21,145	15,017	40.8%
	Net Assets	4,992	4,362	14.4%
<b>BUSINESS CAPACITY RATIOS</b>	Loan-to-Deposit Ratio	45.1%	41.3%	
	Capital Adequacy Ratio	12.0%	12.7%	
	Liquidity Ratio	146.1%	180.0%	

# Income Analysis

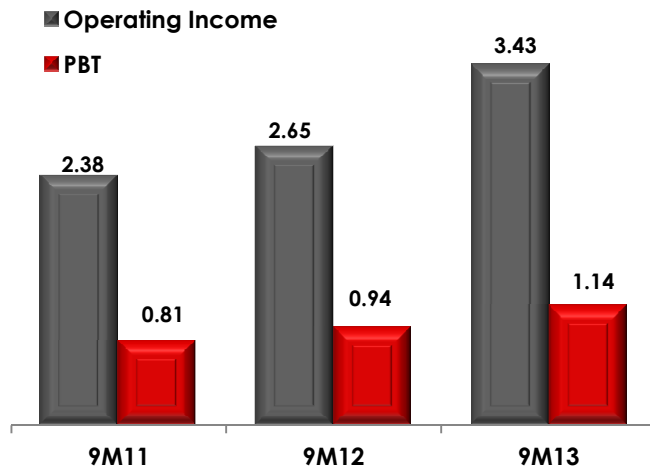
## Revenue Trend (N'bn)



## Revenue Trend (N'bn)



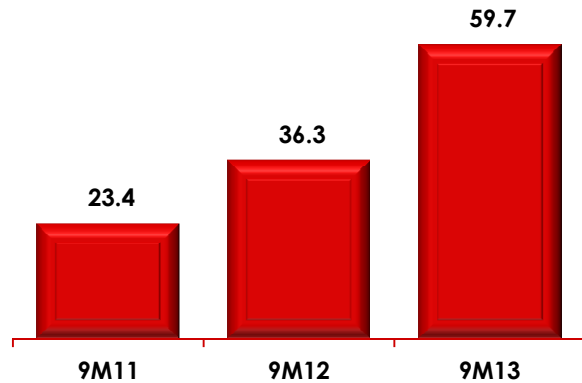
## Profitability (N'bn)



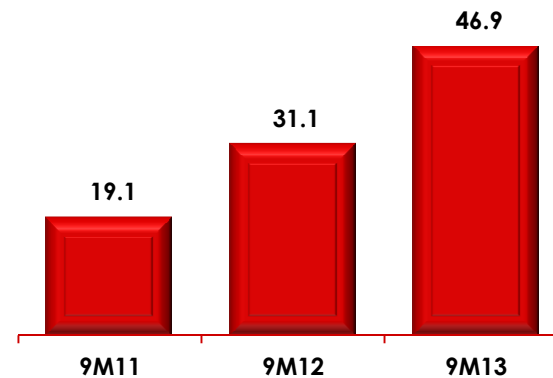
- Consistent growth in revenue and a 32% increase over comparative period
- Impressive period on period growth in Operating income and PBT

# Financial Position

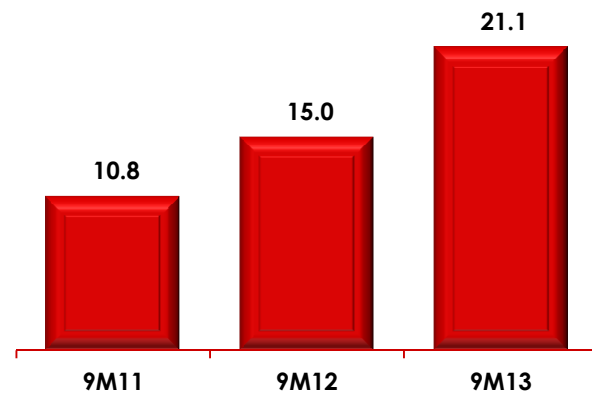
## Growing Asset Base (N'bn)



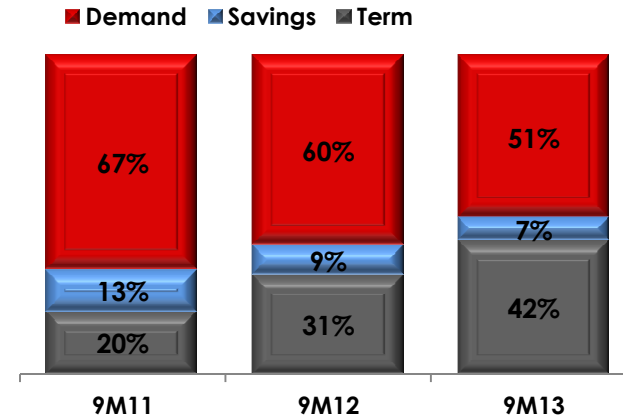
## Deposits (N'bn)



## Loan growth (N'bn)



## Deposit mix



- Total assets grew by 41.7% so far this year; now N59.7 billion.
- Deposit growth of 29% in current year

- Increase in quality loan volume of 40.8%
- Cautious lending strategy, as we gradually understand local market dynamics

## 6. Appendix





## Summary Historical Financial Results

	FY2009	FY2010	FY2011	FY2012	Q1 2013	Q2 2013	9M2013
<b>Key P &amp; L line (N' million)</b>							
Gross earnings	194,315	177,571	184,833	220,129	62,765	125,981	188,021
Interest income	142,278	117,745	121,422	150,003	44,373	88,624	132,757
Interest expense	(47,727)	(46,969)	(46,125)	(58,386)	(17,214)	(35,217)	(54,593)
Net interest income	94,551	70,776	75,297	91,617	27,159	53,407	78,164
Non interest income	52,037	67,441	63,411	70,126	18,392	37,357	51,702
<b>Operating income</b>	<b>146,588</b>	<b>138,217</b>	<b>138,708</b>	<b>153,093</b>	<b>44,632</b>	<b>88,455</b>	<b>129,866</b>
Operating expenses	(102,723)	(103,981)	(107,716)	(102,592)	(27,300)	(54,808)	(83,444)
(Provisions)/write back	(31,871)	(18,213)	(22,628)	(5,495)	(177)	(399)	(2,994)
<b>Profit/(Loss) Before Tax</b>	<b>10,930</b>	<b>3,219</b>	<b>(28,496)</b>	<b>52,010</b>	<b>17,155</b>	<b>33,248</b>	<b>43,438</b>
<b>Key Balance Sheet Items (N' million)</b>							
Net loans	636,793	628,811	689,625	687,435	664,236	761,180	870,673
Total assets	1,548,777	1,617,696	1,942,793	2,272,923	2,434,381	2,429,792	2,578,892
Total deposits	1,245,650	1,267,171	1,444,988	1,777,788	2,016,957	2,017,481	2,171,075
Shareholders' funds	183,862	176,529	166,461	192,467	205,429	207,603	225,617
<b>Key Ratios</b>							
Non Int. Rev/Total Rev.	26.8%	37.9%	34.3%	31.9%	29.3%	29.7%	27.5%
Cost to income	70.1%	75.2%	77.7%	67.0%	61.2%	62.0%	64.2%
Loan/deposit Ratio	51.1%	49.6%	47.7%	38.7%	32.9%	37.7%	40.2%
Loan/Assets Ratio	41.1%	38.9%	35.5%	30.2%	27.3%	31.3%	33.8%
Pre Tax ROA	0.9%	0.4%	(6.1%)	2.3%	2.8%	2.7%	2.3%
Pre Tax ROE	0.1%	0.0%	(0.6%)	27.1%	33.4%	32.0%	25.7%
Tier 1 Capital adequacy ratio	15.2%	15.3%	15.2%	17.4%	18.3%	17.2%	15.8%
Total Capital adequacy ratio	16.3%	18.2%	21.7%	23.5%	26.3%	22.3%	21.4%

Thank you

