UBA
United Bank for Africa

Investor Presentation

MAY 2018

Africa's Global Bank

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United Bank for Africa

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Section 1

Introduction to UBA

UBA Profile at a Glance

UBA
United Bank for Africa

A truly Pan-African Bank, with operations across 20 key African markets, London, New York and Paris

Over 20,000 direct and support staff at Group Level

Serving over 15 million customers, through one of the most diverse channels in Africa;

1,000 branches and customer touch points | 2,400 ATMs | 13,500 PoS

Robust online and mobile banking platforms and social media

Meeting customers' global transaction needs through its presence in London, New York and Paris

Third largest bank in Nigeria, by total assets, deposits and profits with an estimated *c*.10% market share

The Nigerian headquartered bank with one of the widest earnings diversification and footprint across the African continent

Full scale exposure to key sectors of the African economy; consumer, commodities and infrastructure

Funding, Liquidity & Capital (2018Q1)

- Strong, stable CASA funding of 74%.
- Relatively low cost of funds at 4.2%.
- Headroom for lower CoF, on growing African retail penetration
- Liquid balance sheet to take advantage of emerging opportunities
- Bank's BASEL II CAR strong at 20%

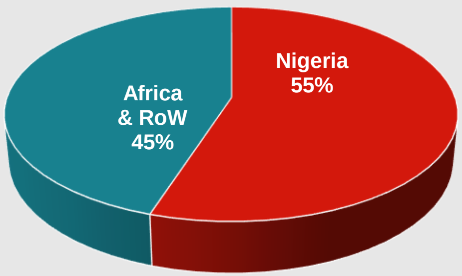
Asset Creation and Quality (2018Q1)

- ₦4.1 trillion (USD13 billion) balance sheet size
- Loan book focused on corporate and commercial segments and value chain
- Geographic, market and customer diversification reinforce the quality of the portfolio, with less vulnerability to macro and market volatilities

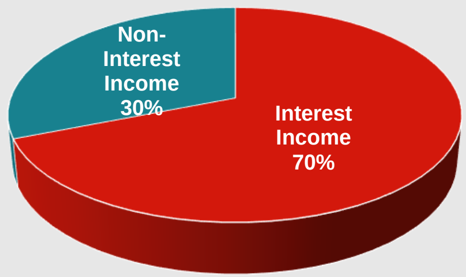
Moderate risk appetite, with a good balance between profitability and sustainability

- Enhanced risk management and control framework, with clear definition of risk appetite
- Well diversified loan book: 6.7% NPL, largely due to a "black swan" asset, being resolved; prudent NPL coverage of 90%
- Relatively low exposure to volatile sectors and segments of the market
- Strong governance structure and oversight

Earnings by Geography (2017FY)



Earnings by Type (2017FY)



Profitability (2018Q1)

- RoAE of 18%
- Notable upside to NIM (7.6%), on the back of balance sheet efficiency
- Cost-to-Income ratio of 64%
- Profitability built on sustainability and long term value creation

Source : UBA 2017FY and 2018Q1 Financial Statements

Evolution of UBA

UBA United Bank for Africa

With a 68 year history, UBA is one of the strongest and most recognised banking brands to originate from Sub-Sahara Africa

- **1949** – British & French Bank Limited ("BFB") commenced business
- **1961** – UBA incorporated to take over the banking business of the BFB
- **1970** – IPO on the NSE
- **1984** – Established New York branch
- **1997** – Standard Trust Bank ("STB") commenced operations
- **1998** – GDR programme established
- **2004** – STB Ghana established
- **2005**
  - UBA merged with Standard Trust Bank
  - Continental Trust Bank acquired
  - New management team constituted
- **2007**
  - Fresh equity capital raised successfully
  - UBA Capital (Europe) London opened
- **2008-10**
  - Acquired majority interest in two banks based in B/Faso and Benin
  - Successfully raised ₦20bn debt capital
  - Commenced operations in some African countries including Kenya, Uganda, Cameroon, Cote d'Ivoire, S/Leone and Mozambique
- **2011**
  - Commenced operations in Congo DR and Brazzaville
  - Successfully raised ₦35bn debt capital
- **2012-13**
  - Won Financial Times' Bankers' Awards for Best Overall Bank in Africa, Best Bank in Cameroon and Best Bank in Senegal
  - Successfully divested from its non-bank subsidiaries and property mgt business
- **2017**
  - Successfully raised USD500 million, 5year Senior Unsecured debut Eurobond
  - Achieved Premium Board Listing on the NSE

Pre-Merger | Post-Merger

Source : https://www.ubagroup.com/group/history

Evolution of UBA - Building a Pan African Platform

United Bank for Africa

Over the last 10 years, UBA has established a pan African platform on the back of a successful Nigerian bank

1949 – 2008

12 presence countries

- Established
- Commenced operations in Cameroon, Cote D'Ivoire, Ghana, Liberia, Sierra Leone and Uganda
- Acquired majority interest in two banks, based in Burkina Faso and Benin
- Established New York and Paris operations and an associate in London

2009 – 2011

Grown to 22 presence countries

- Commenced operations in Chad, Congo Brazzaville, Congo DR, Gabon, Guinea, Kenya, Senegal, Tanzania, Uganda and Zambia.

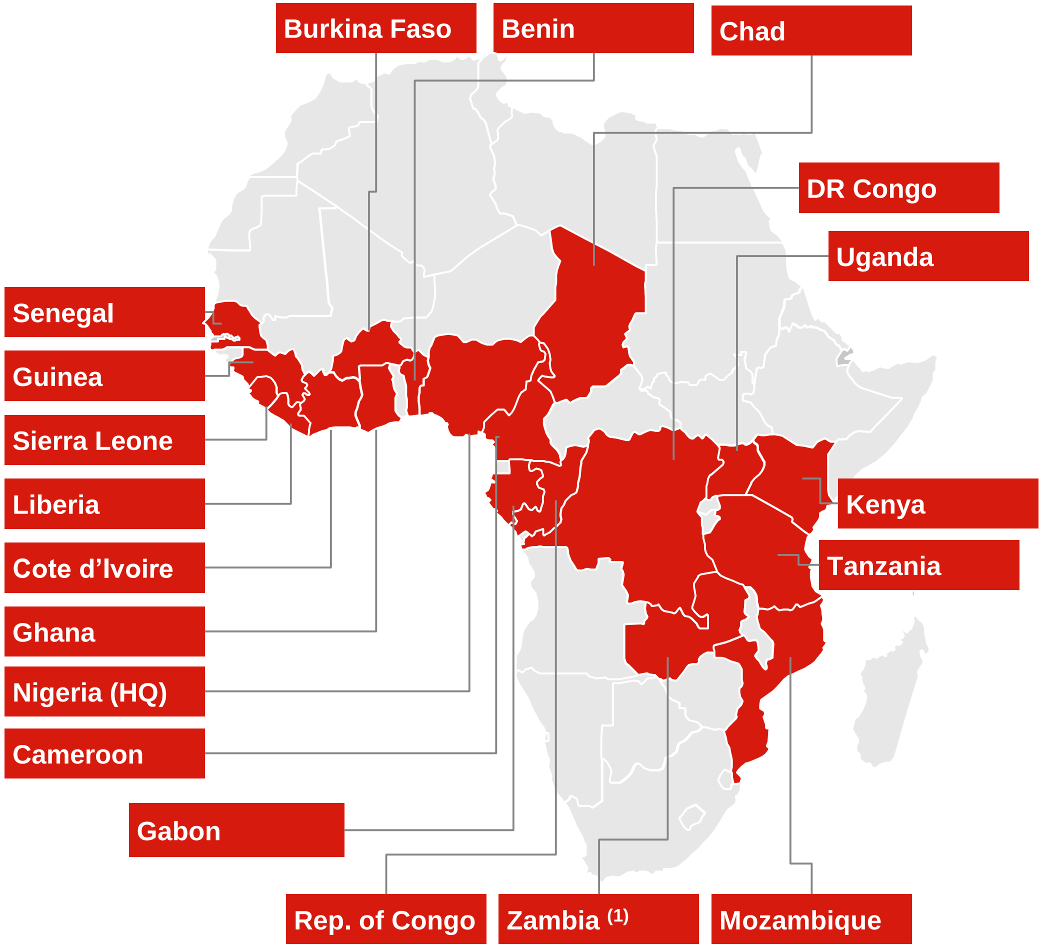
2012 – 2018

Consolidating in 23 presence countries

- London business got the authorization of PRA and FCA to operate as a wholesale bank
- Licensed to operate in Mali
- Won Financial Times 'Banker' Awards for: Best Overall Bank in Africa, Best Bank in Cameroon and Best Bank in Senegal

A Leading Full Service Pan-African Business

UBA has successfully established its African franchise and now has growing operations in 20 African countries



UBA is also present in the UK, USA and France

Headline[2]	UBA's % Interest	Market Share	Total Assets	Total Deposits
UBA Nigeria	100%	Top Tier	₦2,601.8bn	₦1,776.7bn
UBA Ghana Limited	91%	Top Tier	₦217.4bn	₦152.1bn
UBA Cameroun SA	100%	Top Tier	₦185.4bn	₦160.7bn
UBA Cote D'Ivoire	100%	Mid-sized	₦105.3bn	₦66.1bn
UBA Liberia Limited	100%	Top Tier	₦26.2bn	₦19.3bn
UBA Uganda Limited	74%	Niche	₦19.3bn	₦11.6bn
UBA Burkina Faso	64%	Top Tier	₦222.0bn	₦156.6bn
UBA Chad SA	89%	Top Tier	₦46.4bn	₦29.5bn
UBA Senegal SA	86%	Top Tier	₦139.6bn	₦97.0bn
UBA Benin	76%	Top Tier	₦109.3bn	₦72.6bn
UBA Kenya Bank Limited	81%	Niche	₦20.8bn	₦9.5bn
UBA Tanzania Limited	80%	Niche	₦18.1bn	₦5.7bn
UBA Gabon	100%	Mid-sized	₦43.0bn	₦30.3bn
UBA Guinea (SA)	100%	Top Tier	₦37.0bn	₦26.5bn
UBA Sierra Leone Limited	100%	Top Tier	₦21.4bn	₦15.6bn
UBA Mozambique (SA)	85%	Niche	₦17.5bn	₦7.5bn
UBA Congo DRC (SA)	100%	Mid-sized	₦18.8bn	₦8.2bn
UBA Congo Brazzaville (SA)	100%	Top Tier	₦62.2bn	₦40.0bn
UBA Zambia Limited (1)	49%	Niche	₦25.1bn	₦20.0bn

Major Non-banking Subsidiaries/ operation

- **UBA Pension Custodian Limited**, commenced operations in Nigeria on 3 May 2006 and principally operates as a custodian of pension assets
- **UBA Capital Europe Limited**, incorporated on 25 September 1995, a London-based investment banking company
- **UBA Global Investor Service**, custody business that partners with BNY Mellon to serve as custodian to foreign investors/HNIs and local unit trust funds

Notes: (1) The Group provides banking services in Zambia through an associate company UBA Zambia Limited (2) UBA's interest, Total Assets and Total Deposits are as at December 31, 2017

UBA's Credit Ratings

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All rating agencies have "Stable Outlook" on UBA Plc

Fitch	GCR	Agusto & Co	S & P
National •Short term F1 (nga) •Long term A+ (nga) Foreign Currency •Short term B •Long Term B	National • Short-term A1+ (NG) • Long term AA - NG) • International B+	National • Long term Aa- • Short term Aa-	National Scale • ngBBB/ngA-2 International • Short term B • Long term B

Note: S&P and Fitch assigned Credit Rating of "B" and "B+" on the Nigerian Sovereign

Section 2

Operating Environment

Nigeria's Path to Recovery

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Operating Environment

- *Economy recovers from recession with 0.7%, 1.4% and 1.9% GDP growth in 2017Q2, Q3 and Q4 respectively, driven mainly by crude oil price rally and improved production (now 2.2mbpd of oil equivalent), following relative stability in the Niger Delta.*
- *Government continues to focus on agriculture and manufacturing, as import substitution strategy and bedrock for economic diversification.*
- *Aggregate demand is recovering and manufacturing capacity utilization is improving, especially with the improved access to foreign currency for importing raw materials. The PMI, a leading indicator of economic growth, has expanded for 13 consecutive months, reinforcing the gradual recovery of non-oil sectors.*

Oil & External Reserves

- *Stronger foreign currency receipt from oil sales and growing non-oil exports are complementing improved foreign portfolio inflows/FDIs, following the establishment of the Investors and Exporters (I&E) window in April in 2017.*
- *Nigeria's foreign reserves increased to $41.6b in 2017 (now c.USD47.8bn), from $26b in Dec-16, following increased crude oil production as a result of suspension of hostilities in the Niger Delta and global oil price rally.*
- *Global oil price stabilizes above $75/bl as demand improves and OPEC and non-OPEC members extend production cuts; albeit there are concerns on possible pull-back, due to rising shale production, which may lead to global glut in the oil market.*

Inflation, Exchange & Interest Rate

- *Headline Inflation continues to moderate, declining for the fifteen consecutive months to 12.48% in April 2018 (from a peak of 18.7% in January 2017).*
- *The Sovereign yield curve peaked in 2017Q3 and has tightened by an average of 300bps across the different tenors, reflecting expectation of lower interest rate environment in 2018 and outlook of monetary policy accommodation.*
- *Following the establishment of I&E window in April 2017, Naira/USD rate has stabilized around N360 – N363/USD at both the I&E window and parallel markets. However, market continues to seek full convergence of exchange rate, as the CBN and NIFEX rate remain at N307 and N331/USD respectively.*

Regulatory and Reporting Regime

- *Since July 2016, the MPC maintained a tight policy, keeping the policy rate at 14%; CRR at 22.5% and Liquidity Ratio at 30.0%. The Committee maintained its tight policy to stem inflation and exchange rate pressures. Whilst there is consensus on likely cut in the MPR, especially as there is increasing sentiment for reducing MPR to stimulate credit, election risks remain a concern for the Committee.*
- *FMDQ halt publication of NIFEX Fixing in March and banks adopted N331/USD for financial reporting, a gradual step towards convergence of FX rates.*

Interest rate to ease, as Naira stabilizes and inflation moderates in Nigeria

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Monetary policy has been stable - tight posture aimed at stemming exchange rate and inflationary pressures

Current MPC Position

MPR	CRR
14.0%	22.5%
no change	no change

MPR Corridor	LR
[-5%,+2%]	30.0%
	no change

Source: Central Bank of Nigeria

Monetary Policy – Interest Rate

- The MPC maintained the policy rate (MPR) at 14% since July 2016, as it prioritized price stability over growth.
- The CBN resorted to direct liquidity sterilization, through Open Market Operations and FX forward sales, thus tightening Naira liquidity at the interbank market, and resulting to elevation of the sovereign yield curve in 2017; albeit yields have tightened some 350bps since 2017Q3, following foreign portfolio inflows and refinancing of maturing obligations using proceeds of Eurobonds.
- The MPC is now fully constituted and we expect more active engagement that will enhance financial system stability and economic growth.

Exchange rate development

- The introduction of the Investor and Exporters (I&E) Window has stimulated foreign currency inflows, and moderated the pressure on the Naira. Whist the FX market remains fragmented, liquidity has improved and rates at the parallel market and I&E window have converged around N360/USD.
- Some USD17 billion transaction value at the I&E window from inception, complementing >USD12 billion supply of the CBN through the formal windows within the same period. Analysts expect the NAFEX Fixing to remain relatively stable at N360/USD as external reserve, oil output and price improve; albeit political risk remains a downside risk to Naira stability on the run-up to the 2019 elections

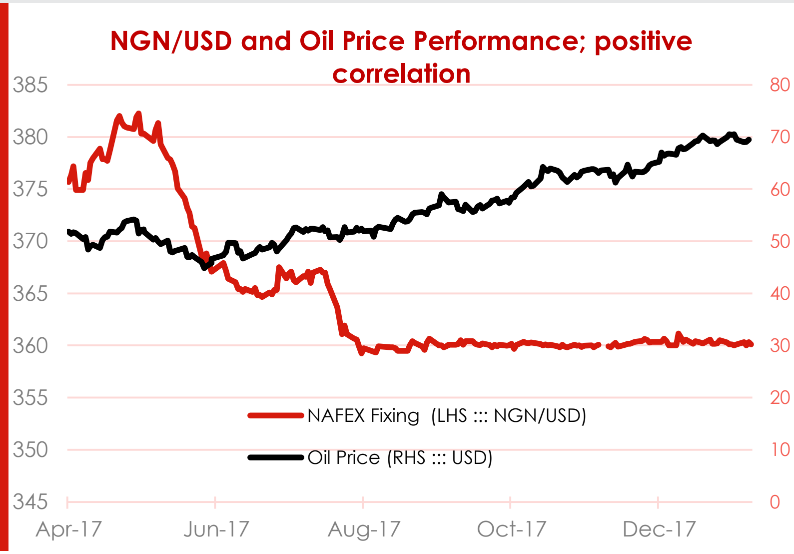
Inflation rate

- Having peaked at 18.7% in January 2017, headline inflation continues to ease, declining for fifteen consecutive months to 12.48% in April 2018.
- Food inflation is now easing, waning to 14.8% in April 2018, as agricultural production improves. Reflecting the stable exchange rate environment and relatively tight liquidity, core inflation has been stable, printing at 10.9% in April 2018, the lowest in 26 months.
- The outlook for inflation remains benign, as headline inflation rate may remain around the 13% corridor till 2018Q3, when election-related spending may begin to spur inflationary pressures.
- The downside risks to inflation is electioneering activities, especially as there may be pressure on the Naira on the run-up to 2019 elections.

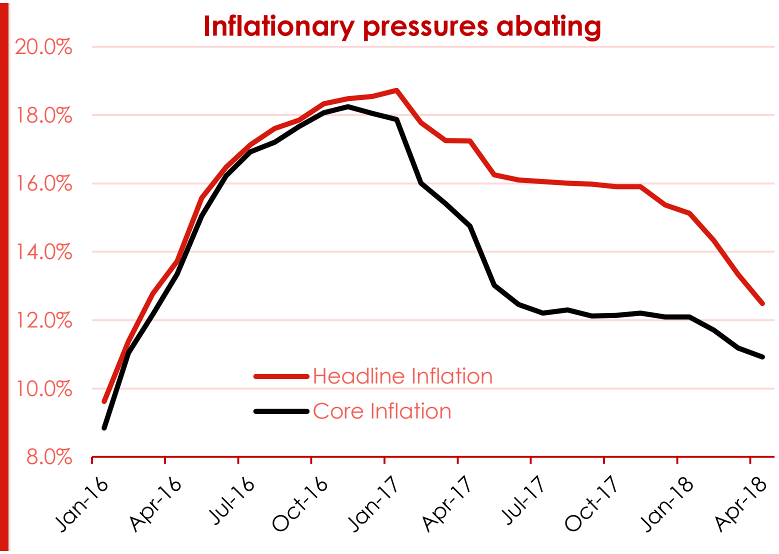
Nigerian Naira gaining strength and inflation easing

- The Federal Government has managed the Niger Delta challenges, leading to relative calm and recovery of oil output, which now hovers around 2.2mbpd of oil equivalent.
- Following modest oil price recovery, stronger output and improving capital importation, the external reserve has grown to USD47.8 billion, the highest level in over four years. Increasing foreign currency inflow from oil receipts and FPIs/FDIs should further strengthen the reserve further in the year, even so political risk may lead to foreign portfolio reversals and lower oil production.
- The Government successfully raised a total of USD4.3 billion in the Eurobond market in 2017 and has raised another USD2.5 billion in 2018. The Issues were significantly oversubscribed, reinforcing renewed investor appetite for Nigerian credit. The proceeds were used to refinance more expensive domestic debt and the 2017 budget deficit.
- The Federal Government launched the Economic Recovery and Growth Plan, with optimistic targets on reflating the economy out of recession and achieving average GDP growth of 4.6% between 2017 and 2020, an audacious target, which requires broad reforms in critical growth poles of the economy.
- The National Assembly passed the Petroleum Industry Governance Bill, which is one of the four bills, expected to replace the prolonged PIB.
- An expansionary 2018 budget of ₦9.1 trillion has been passed by the National Assembly. Implementation should further stimulate economic recovery.
- Even so, concerns on probable revenue shortfall and high debt service burden remain the downside risk to CAPEX implementation, the improving non-oil revenue generation is encouraging, with non-oil tax projected to fund about half of the 2018 budget.

External Reserves (USD'bn)



Inflation Rate (Consumer Price Index) (%)



Source: Central Bank of Nigeria, National Bureau of Statistics, Bloomberg

Selected African Markets – Key developments

Ghana

- Higher oil production and price, rising cocoa output and stronger gold production helped to jump-start Ghana GDP, growing at >9%, with a strong outlook of being one of the fastest growing economies in the world.
- The monetary policy authority initiated an accommodative policy in November 2016, cutting the MPR by a cumulative 550bps in 2017 to 20% (from 25.5%), with a further reduction by 200bps in March 2018 to 18%.
- Headline inflation has been on the downtrend, easing to 9.6% in April 2018, the lowest in over five years. This reinforces expectation for further monetary accommodation,
- The Cedi depreciated 4% in 2017 to GHC4.3/USD, but has remained stable in 2018, as external reserves improve and fiscal consolidation gives confidence in the stability of the local currency.
- Elevated public debt, hovering around 68% of GDP, remains a downside risk.

Southern Africa – Mozambique and Zambia

- Fiscal constraint remains the downside risk to economic growth in **Mozambique**, given the high public debt to GDP ratio.
- Albeit, the Metical has been stable on the back of FX demand management and expectation of IMF programme.
- The monetary policy authority shifted its tight policy stance towards the end of 2017, cutting interest rate by 50bps, to stimulate credit and economic activity in **Mozambique**.
- The **Zambian** Kwacha stabilized on expectation of a USD1.6billion loan from IMF, continued inflow of portfolio investments and improved copper prices.
- As inflation eased to single digit (6.1% in December 2017), the **Zambian** MPC cut interest rate by 300bps to 9.75% , in a bid to stimulate credit and GDP growth. However, renewed inflationary pressure has doused the appetite of the MPC for further rate cut in 2018, as headline inflation rose to 7.4% in April 2018

East Africa – Kenya, Tanzania and Uganda

- Having resolved election squabble in **Kenya**, confidence is gradually returning and the economy is picking up, as the government focuses on stimulating economic recovery. More so, recent collaboration of the opposition is positive for investor and tourists' confidence, thus stimulating economic activities.
- The impact of the 2016/17 drought is subsiding across the East African countries, and **Tanzania** is expected to grow in excess of 6%, on the back of infrastructural spending.
- Benign inflation outlook gave scope for monetary accommodation. The Bank of **Uganda** and Bank of **Tanzania** cut policy rates by 200bps and 400bps respectively in 2017, aimed at stimulating economic activity. Bank of **Kenya** maintained rate at 10%, albeit, reduced CBK Rate by 50bps in Mar. 2018.

Francophone markets

- GDP growth remained strong in Senegal, growing by 6.6%, on the back of rising agricultural production and stable economic output
- Infrastructure spending is driving economic growth in Cote D'Ivoire, even as Cocoa price and output remains relatively weak.
- Economic activity was soft in Cameroon, given lower oil production and avian flu epidemic. However, continued government spending is supportive of GDP growth recovery.
- Generally, across Francophone African countries, inflation remains low between 2-4%.

Section 3

Financial Overview

2017 Full Year Results Snapshot

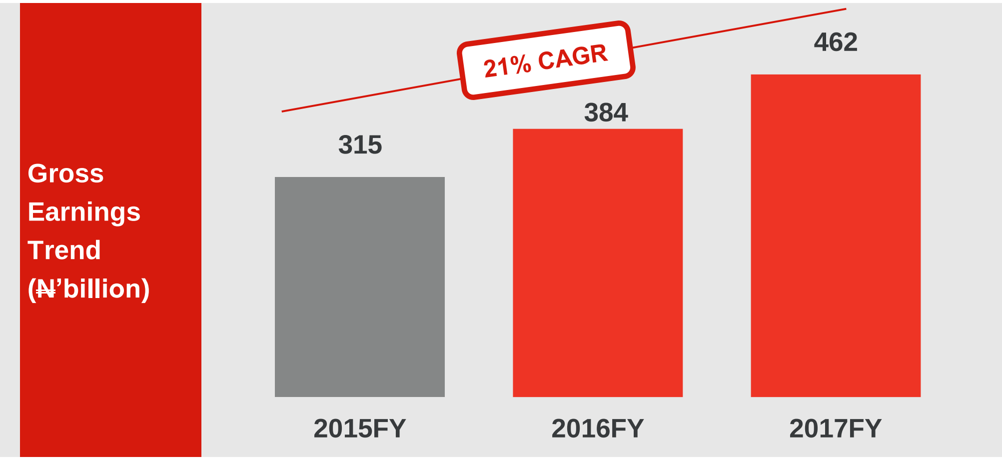
United Bank for Africa

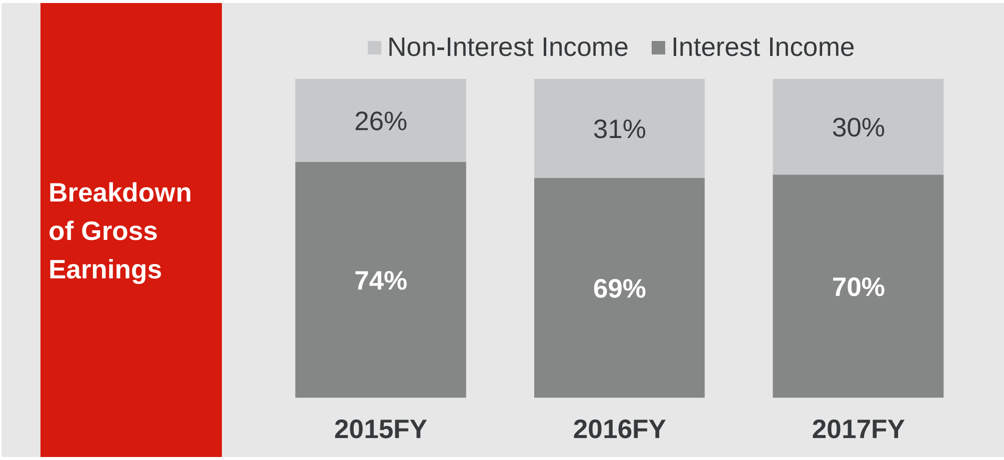
		31-Dec-17	31-Dec-16	% Change
COMPREHENSIVE INCOME & PROFIT TREND (N'million)	Gross Earnings	**461,557**	383,647	+20.3%
	Net Interest Income	**207,632**	165,200	+25.7%
	Net Operating Income	**326,565**	270,889	+20.6%
	Operating Expenses	**(188,610)**	(152,501)	+23.7%
	Profit Before Tax	**105,264**	90,642	+16.1%
	Profit After Tax	**78,590**	72,264	+8.8%
EFFICIENCY AND RETURN	Cost-to-Income Ratio	**57.8%**	56.3%	+150bps
	Post-Tax Return on Average Equity	**16.1%**	18.5%	-240bps
	Post-Tax Return on Average Assets	**2.1%**	2.3%	-20bps
		31-Dec-17	**31-Dec-16**	**% Change**
FINANCIAL POSITION TREND (N'million)	Total Assets	**4,069,474**	3,504,470	+16.1%
	Customer Deposits	**2,733,348**	2,485,610	+10.0%
	Net Loans to Customers	**1,650,891**	1,505,319	+9.7%
	Total Equity	**529,434**	448,069	+18.2%
BUSINESS CAPACITY AND ASSET QUALITY RATIOS	Total Loan-to-Deposit Ratio	**60.3%**	60.8%	-50bps
	Capital Adequacy Ratio (BASEL II) Group	**25.5%**	23.4%	+210bps
	Non-Performing Loan Ratio	**6.7%**	3.9%	+280bps

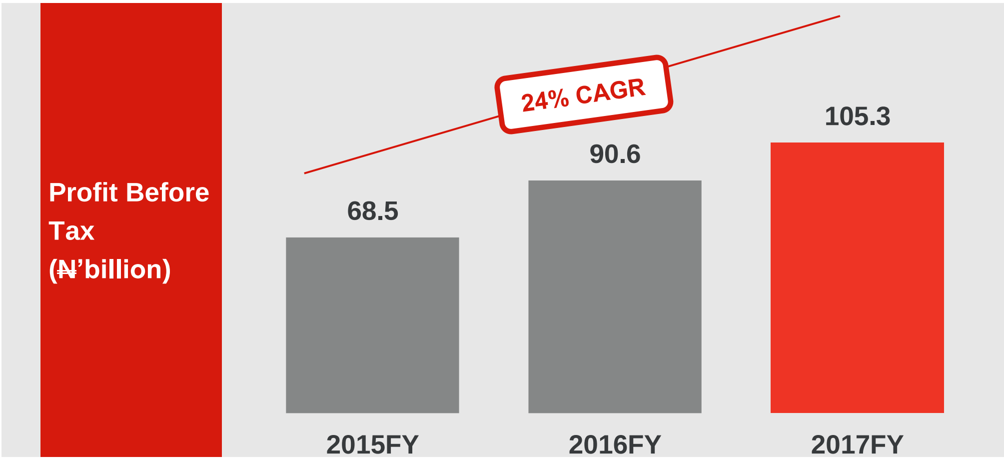
Source: UBA 2017FY Audited Financials

Earnings Have Proven Strong and Resilient

UBA United Bank for Africa



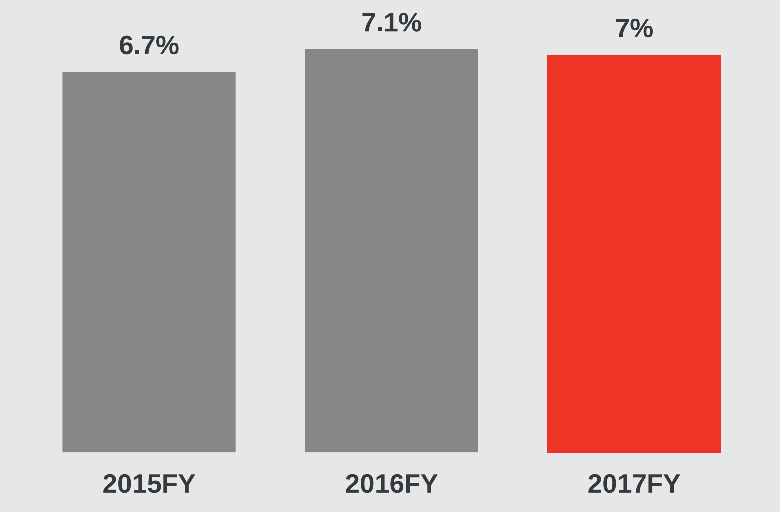




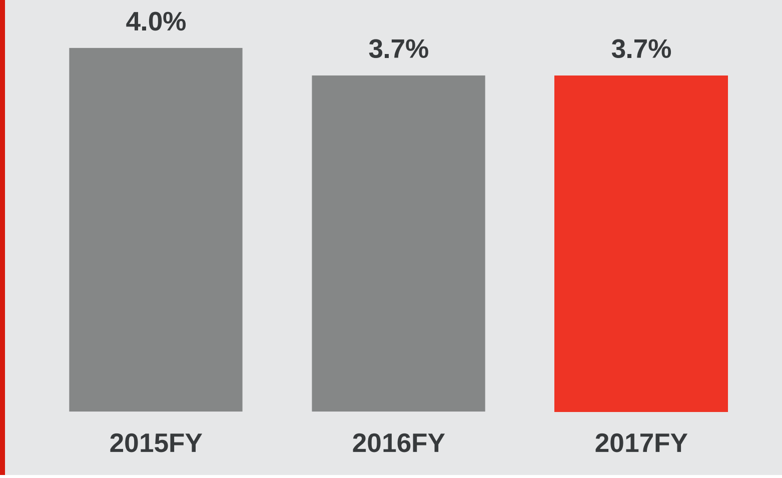
- Gross earnings grew by 20.3% year-on-year, leveraging on enhanced customer engagement, improving service quality, speed to market and innovative offerings.
- Interest income, which contributed 70% of gross earnings, grew 23%, driven by better pricing on the loan book as well as positive rub-off of the higher interest rate environment in a few of our markets.
- The Group recorded double digit growth in Non-interest income, contributing some 30% of gross earnings, buoyed by strong growth in transaction volumes as well as increased FCY related revenues.
- The Group recorded an impressive 21% YoY growth in operating income and 16% growth in profit before tax to ₦105 billion.

Efficiency Gains To Drive Margin Improvements

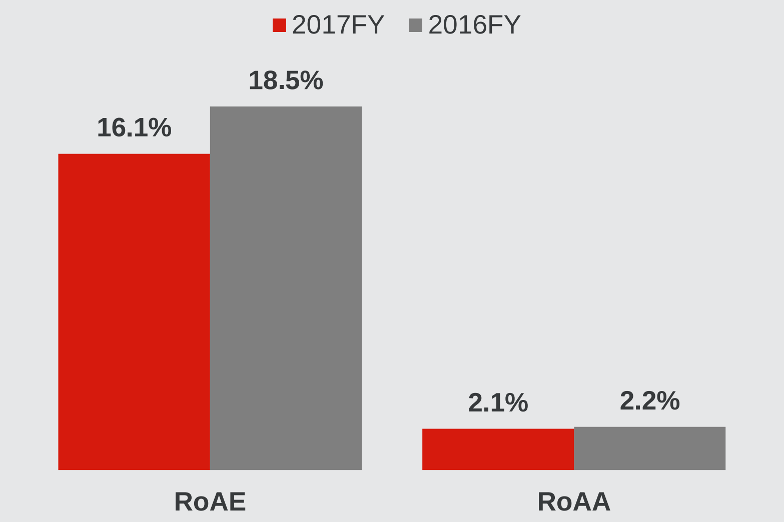
Net Interest Margin (%)



Cost of Funds (COF) (%)



Return on Average Equity / Assets (%)



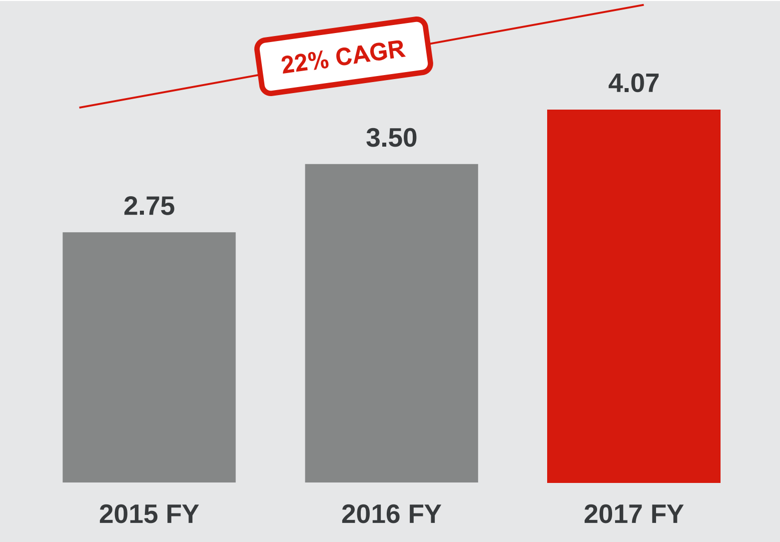
- Notwithstanding tight system liquidity, net interest margin remains stable at 7%, as we sustained cost of funds at 3.7%.
- Reflecting the impact of higher cost of risk, we closed the year with 16% return on average equity (RoAE) and 2.1% return on average assets (RoAA), which are regrettably below our target of 20% and 2.3% respectively.
- Having conservatively provided for the major "black swan" in our risk asset portfolio, we expect both RoAE and RoAA to recover strongly in 2018.
- More importantly, we expect our improved customer service and innovative offerings to accelerate market share gain just as technology enhancement and investment in people should drive productivity and efficiency gains.

Source: UBA 2017FY Audited Financials

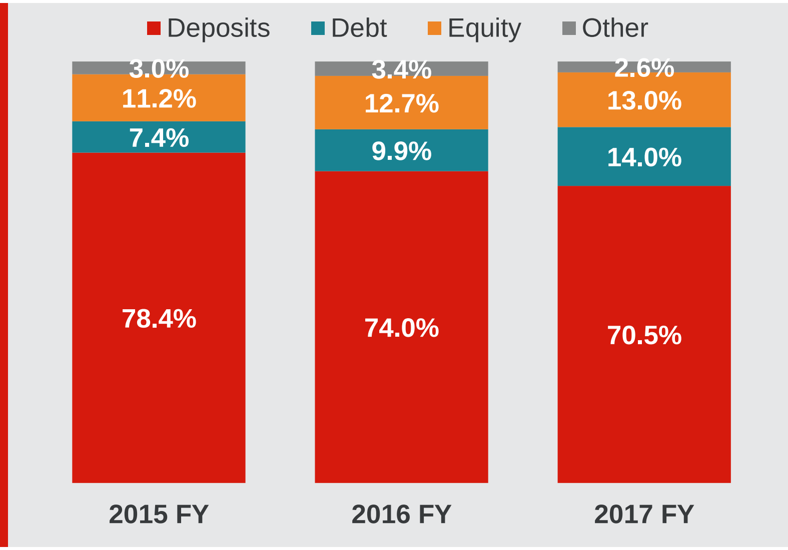
Well Diversified Asset Book Supported By Stable Funding Structure

UBA United Bank for Africa

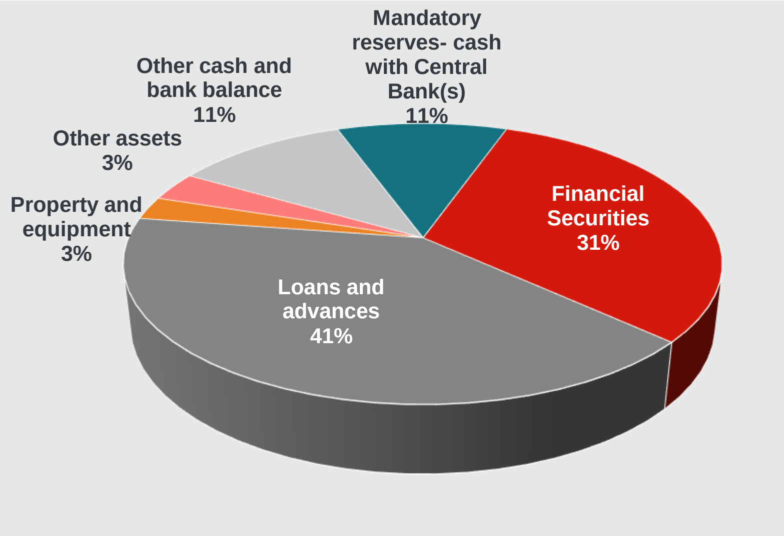
Total Assets (₦'trillion)



Funding Structure



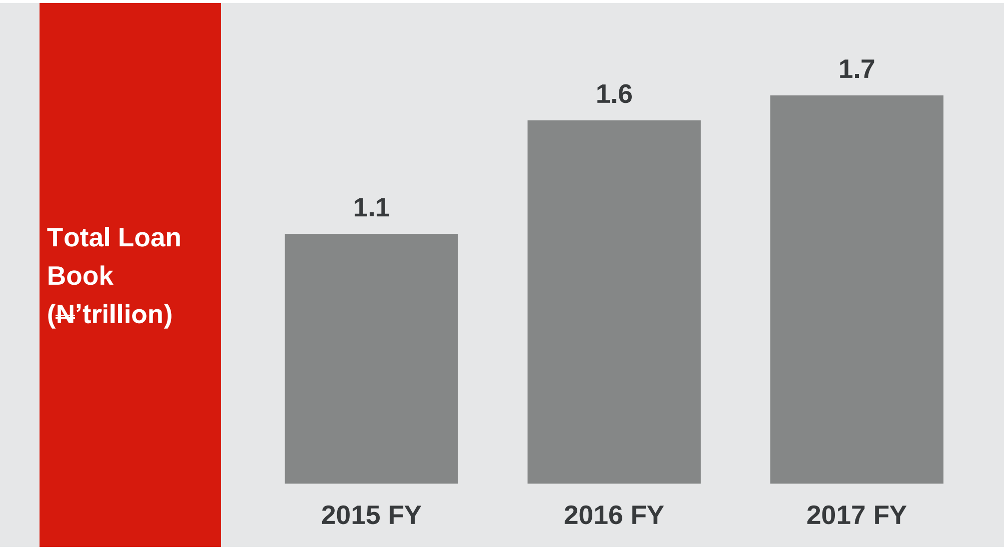
Composition of Total Asset Portfolio (2017FY)

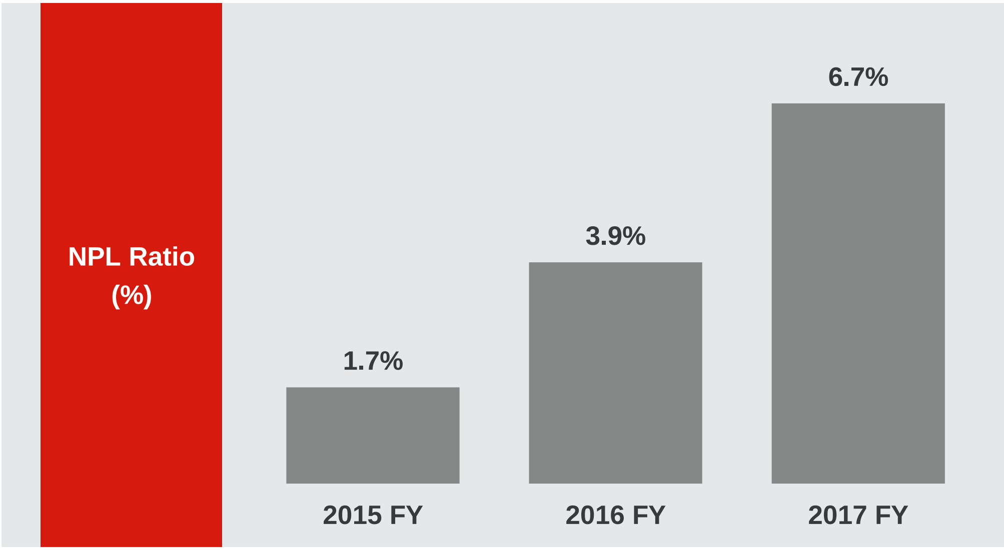


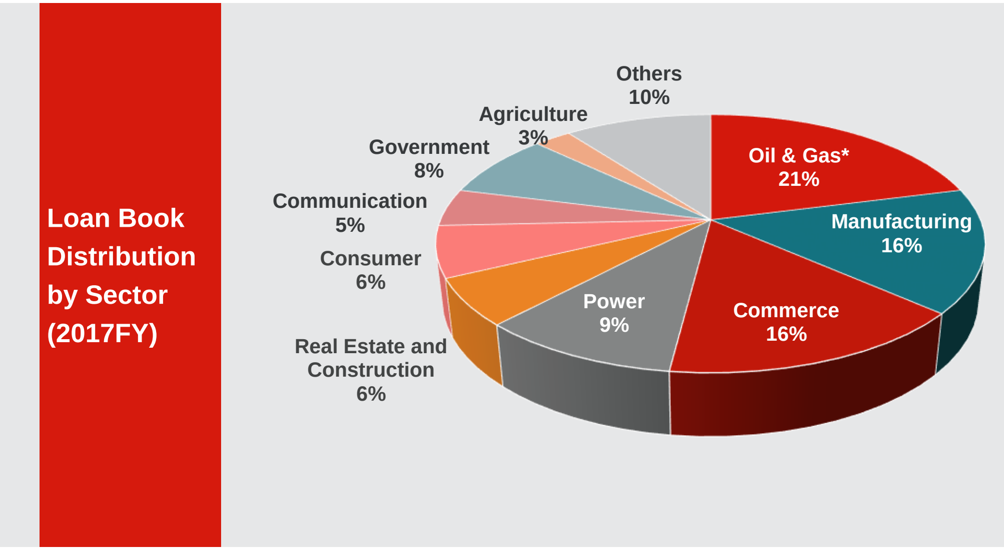
- In spite of slow recovery in economic activities in Nigeria (our single largest market), the Group's total assets grew some 16% YoY, buoyed partly by the successful issuance of USD500 million debut Eurobond and a change in exchange rate for translating the FCY balances.
- Leveraging on enhanced customer service, the Group grew retail deposits by 21%, at a time when households are dissaving. Individual customers' deposit now represents 43% of our deposit funding. These low cost, stable deposits, reinforce our optimism on reducing funding cost and improving margins.
- The Group maintained its appetite for a well-diversified balance sheet, with more than half of the assets in liquid, low risk instruments.

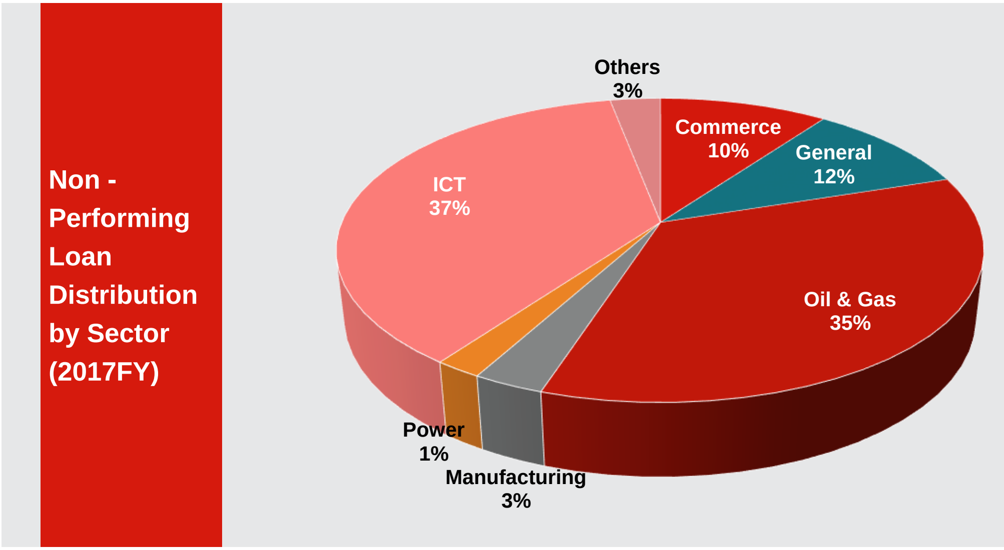
Source: UBA 2017FY Audited Financials

Stable and Well Diversified Loan Portfolio...









Source: UBA 2017FY Audited Financials

...Supported by Solid Capital and Liquidity...

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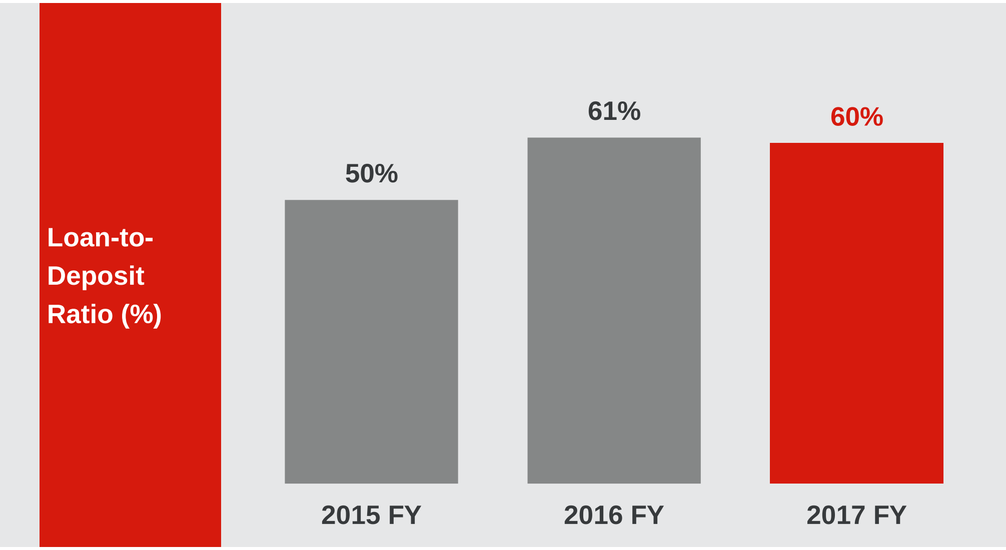
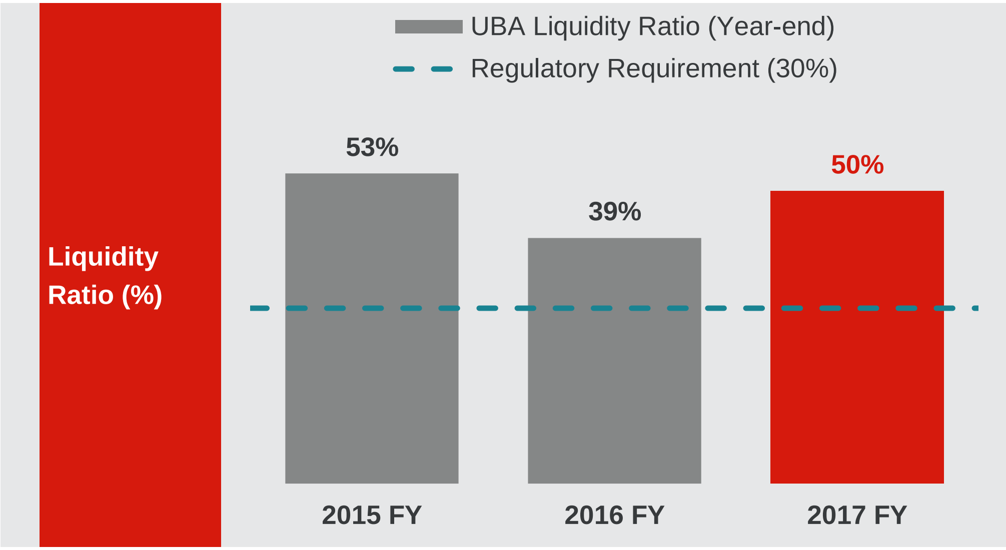
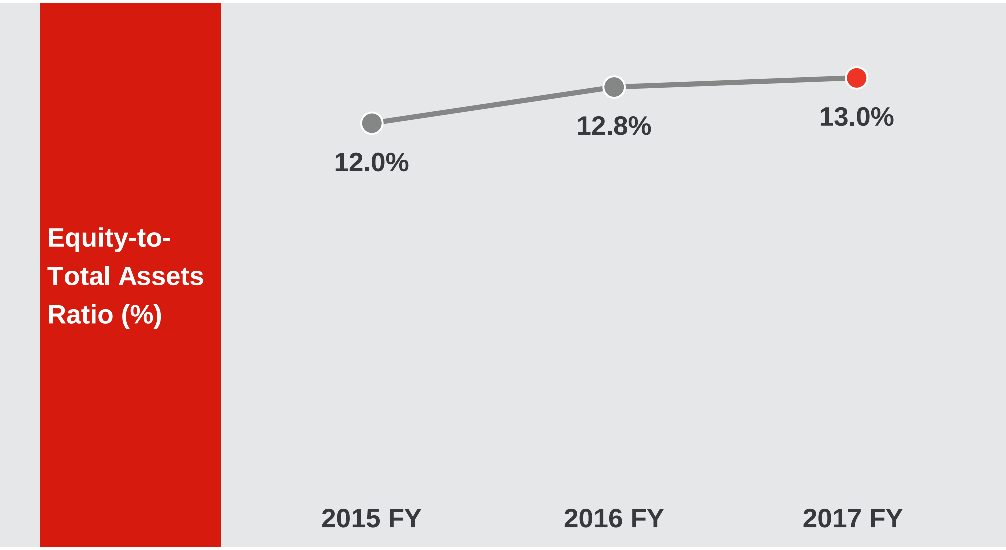
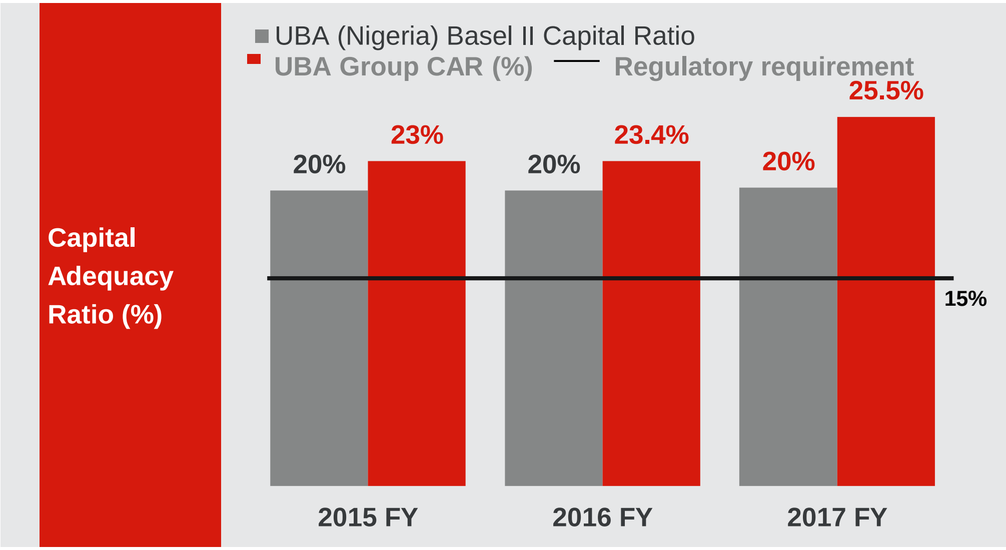


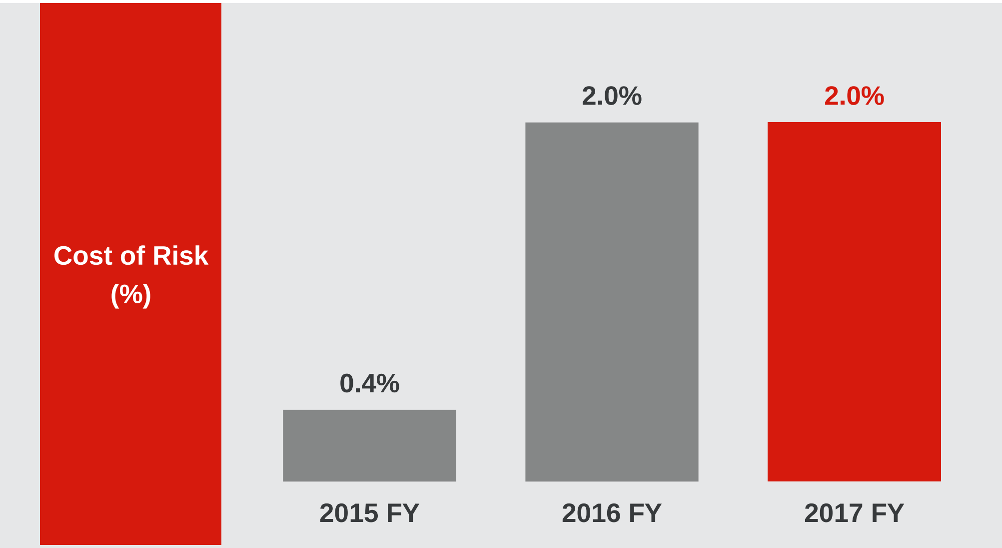


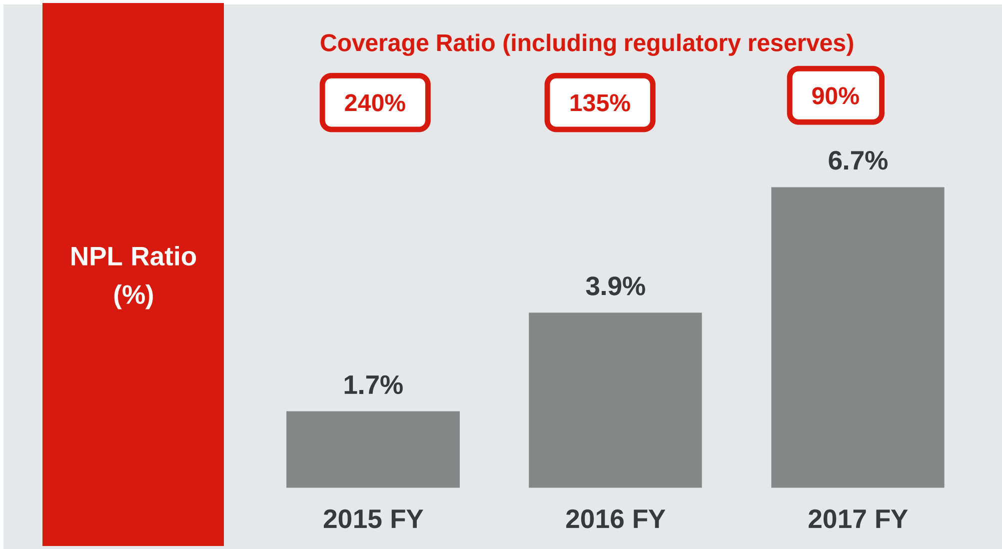


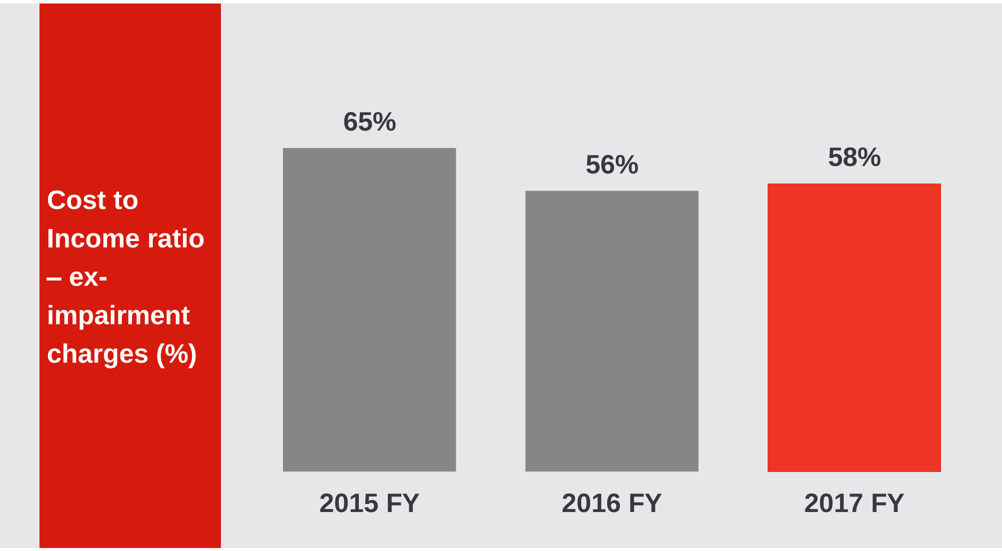


Source: UBA Audited 2017FY Financials

...Plus an Intense Focus on Asset Quality and Cost Efficiency







- UBA's vision and financial goals are based on creating a sustainable business which delivers long term value creation
- This is based on maintaining moderate risk appetite to achieve a good balance between profitability and sustainability
- Well diversified loan book. The spike in NPL is largely due to the classification of a major exposure in the ICT sector, which should be resolved soon. Given pour conservative provision on the exposure, we do not expect any further charge. Thus, both NPL ratio and cost of risk should begin to moderate from 2018.
- Notwithstanding inflationary pressures and lagged impact of Naira devaluation, our cost-to-income ratio remains below the sub-60% guidance and we are on track to deliver our medium term CIR target.

Source: UBA Audited 2017FY Financials

2018 First Quarter Results Snapshot

United Bank for Africa

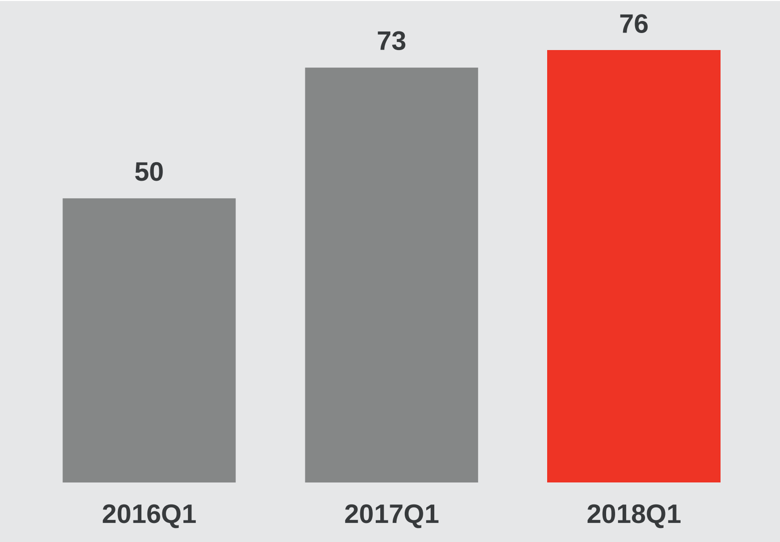
		31-Mar-18	31-Mar-17	% Change
COMPREHENSIVE INCOME & PROFIT TREND (N'million)	Gross Earnings	119,366	101,249	+17.9%
	Net Interest Income	53,553	51,589	+3.8%
	Operating Income	77,554	72,567	+6.9%
	Operating Expenses	(49,679)	(44,023)	+12.8%
	Profit Before Tax	26,555	25,470	+4.3%
	Profit After Tax	23,736	22,350	+6.2%
EFFICIENCY AND RETURN	Cost-to-Income Ratio	64%	61%	+300bps
	Post-Tax Return on Average Equity	18%	19%	-100bps
	Post-Tax Return on Average Assets	2.3%	2.5%	-20bps
		31-Mar-18	**31-Dec-17**	**% Change**
FINANCIAL POSITION TREND (N'million)	Total Assets	4,295,187	4,069,474	+5.5%
	Customer Deposits	2,846,736	2,733,348	+4.1%
	Net Loans to Customers	1,613,878	1,650,891	-2.2%
	Total Equity	537,619	529,434	+1.5%
BUSINESS CAPACITY AND ASSET QUALITY RATIOS	Net Loan-to-Deposit Ratio	55%	58%	-300bps
	Capital Adequacy Ratio (BASEL II) Group	25.2%	25.5%	-30bps
	Non-Performing Loan Ratio	6.7%	6.7%	-

Source: UBA 2018 First Quarter Unaudited Financials

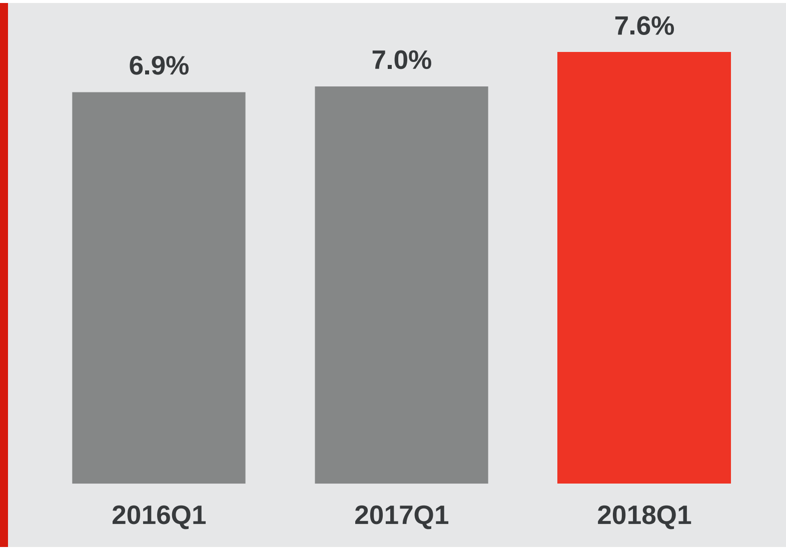
Efficiency Gains To Sustain Margin Upside

United Bank for Africa

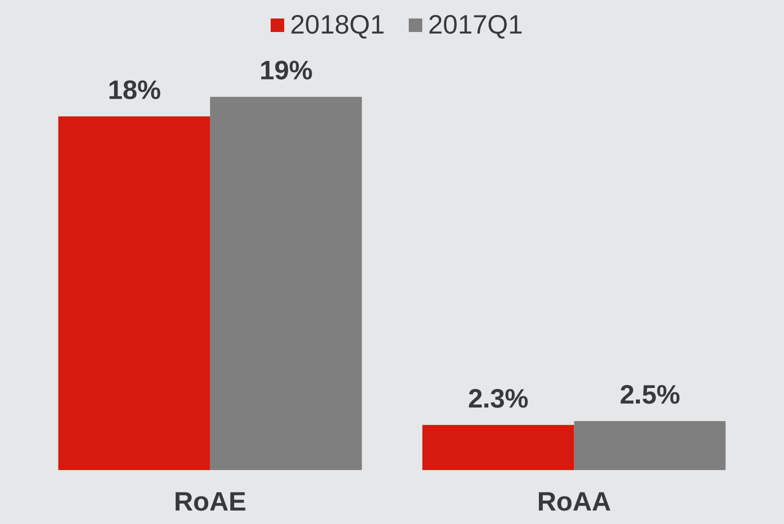
Net Operating Income (N'Billion)



Net Interest Margin (%)



Return on Average Equity / Assets (%)



- Reflecting improving efficiency in operations, operating income grew to N76 billion despite the tight system liquidity in Nigeria and Ghana in the early months of the year.
- The Group started the year with an impressive 30bps QoQ improvement in Net Interest Margin, as we continue to seek efficiency gains in balance sheet management to mitigate the impact of declining sovereign yield curve on our profitability.
- The return on average assets and return on average equity remained stable at 2.3% and 18% respectively, with upside from growing non-funded income, which is expected to grow steadily, going forward on the back of increased digital banking offerings and stronger economic activities across most of our markets.

Source: UBA 2018 First Quarter Unaudited Financials

Section 4

Outlook and Key Takeaways

2018FY Guidance

UBA
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1	Net Interest Margin	≈ 7%
2	Cost-to-Income Ratio (ex-impairment)	≈ 55%
3	Cost of Risk	≈ 1.5%
4	NPL Ratio	<5%
5	Loan Growth	15%
6	Deposit Growth	18%
7	Return on Average Assets	≈2.3%
8	Return on Average Equity	≈18%

Key Takeaways

United Bank for Africa

- A unique pan-African franchise – diversified risk and earnings across fast growing African economies.
- Sound governance, risk management and compliance culture – adherence to international best practice.
- A robust digital banking platform – leveraging technology to serve over 14 million customers in a cost efficient approach that helps to deepen African banking penetration.
- Strong financial capacity – high capitalization (BASEL II capital ratio well above requirement) and strong liquidity.
- Connecting Africa and the world through our presence in key African markets and major global financial centres – New York, London and Paris

Appendix

Summary Financials ::: Audited Results

UBA United Bank for Africa

	As at		
	31 December 2017	31 December 2016	31 December 2015
ASSETS		*(₦ millions)*	
Cash and bank balances	898,083	760,930	655,371
Financial assets held for trading	31,898	52,295	11,249
Derivative assets	8,227	10,642	1,809
Loans and advances to banks	20,640	22,765	14,600
Loans and advances to customers	1,650,891	1,505,319	1,036,637
Investment securities	1,216,053	970,392	856,870
Other assets	86,729	37,849	40,488
Investment in equity-accounted investee	2,860	2,925	2,236
Property and equipment	107,636	93,932	88,825
Intangible assets	16,891	14,361	11,369
Deferred tax assets	29,566	33,060	33,168
Total assets	**4,069,474**	**3,504,470**	**2,752,622**
LIABILITIES			
Derivative liabilities	123	14	327
Deposits from banks	134,289	109,080	61,066
Deposits from customers	2,733,348	2,485,610	2,081,704
Other liabilities	96,622	110,596	54,885
Current tax liabilities	7,668	5,134	6,488
Borrowings	502,209	259,927	129,896
Subordinated liabilities	65,741	85,978	85,620
Deferred tax liabilities	40	62	15
Total liabilities	**3,540,040**	**3,056,401**	**2,420,001**
EQUITY			
Ordinary share capital	17,100	18,140	18,140
Share premium	98,715	117,374	117,374
Retained earnings	154,527	138,623	113,063
Other reserves	240,861	160,714	77,250
Equity attributable to owners of the parent	511,203	434,851	325,827
Non-controlling interests	18,231	13,218	6,794
Total equity	**529,434**	**448,069**	**332,621**
Total liabilities and equity	**4,069,474**	**3,504,470**	**2,752,622**

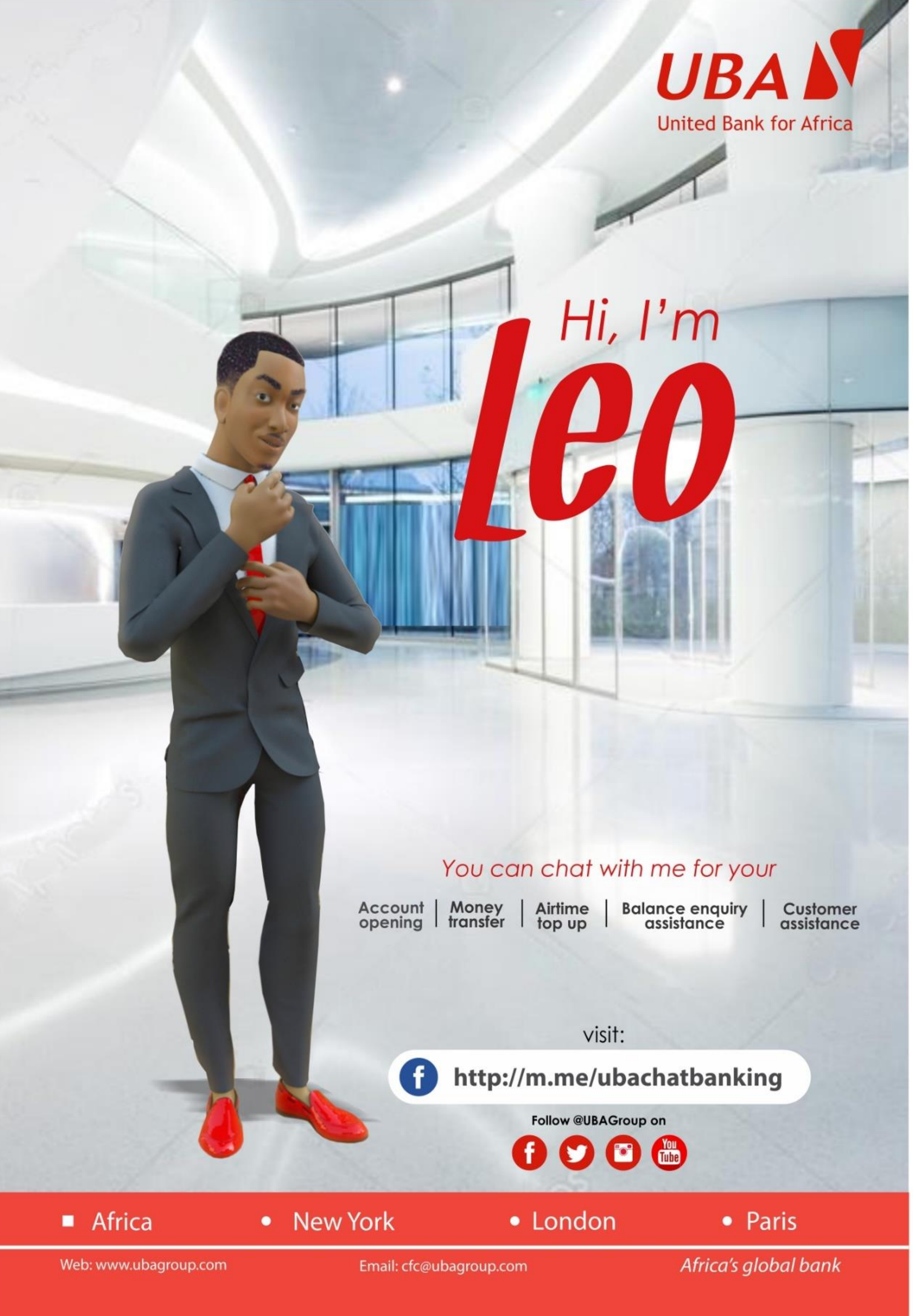
Source: UBA Audited Financials

Summary Financials ::: Audited Results

UBA
United Bank for Africa

	For the year ended 31December			
	2017	2016	2015	2014
		(₦ millions)		
Interest income	325,657	263,970	229,629	196,680
Interest expense	(118,025)	(98,770)	(96,030)	(90,547)
Net interest income	**207,632**	**165,200**	**133,599**	**106,133**
Fee and commission income	82,937	73,199	61,892	54,974
Fee and commission expense	(16,967)	(13,988)	(8,557)	(7,008)
Net fee and commission income	**65,970**	**59,211**	**53,335**	**47,966**
Net trading and foreign exchange income	49,063	43,820	20,366	32,411
Other operating income	3,900	2,658	2,957	2,550
Total non-interest income	**118,933**	**105,689**	**76,658**	**82,297**
Operating income	**326,565**	**270,889**	**210,257**	**189,060**
Net impairment loss on loans and receivables	(32,895)	(27,683)	(5,053)	(3,183)
Net operating income after impairment on loans and receivables	**293,670**	**243,206**	**205,204**	**185,877**
Employee benefit expense	(68,972)	(64,614)	(57,446)	(55,461)
Depreciation and amortization	(10,091)	(8,650)	(7,968)	(5,736)
Other operating expenses	(109,547)	(79,237)	(71,216)	(68,489)
Total operating expenses	**(188,610)**	**(152,501)**	**(136,640)**	**(129,686)**
Share of profit/ (loss) of equity-accounted investee	204	(63)	(110)	9
Profit before income tax	**105,264**	**90,642**	**68,454**	**56,200**
Income tax expense	(26,674)	(18,378)	(8,800)	(8,293)
PROFIT FOR THE PERIOD OR YEAR	78,590	**72,264**	**59,654**	**47,907**
Other comprehensive income:				
Foreign currency translation differences	12,151	38,960	(1,937)	(1,352)
Fair value reserve (available-for-sale financial assets):				
Net change in fair value	15,701	28,114	7,310	(1,239)
Net amount transferred to profit or loss	(83)	(1,188)	**795**	**29**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD OR YEAR	**106,359**	**138,150**	**65,822**	**45,345**
Comprehensive income attributable to equity holders of the Bank	99,972	130,783	65,108	47,021
Comprehensive income attributable to non-controlling interest	6,387	7,367	714	886

Source: UBA Audited Financials



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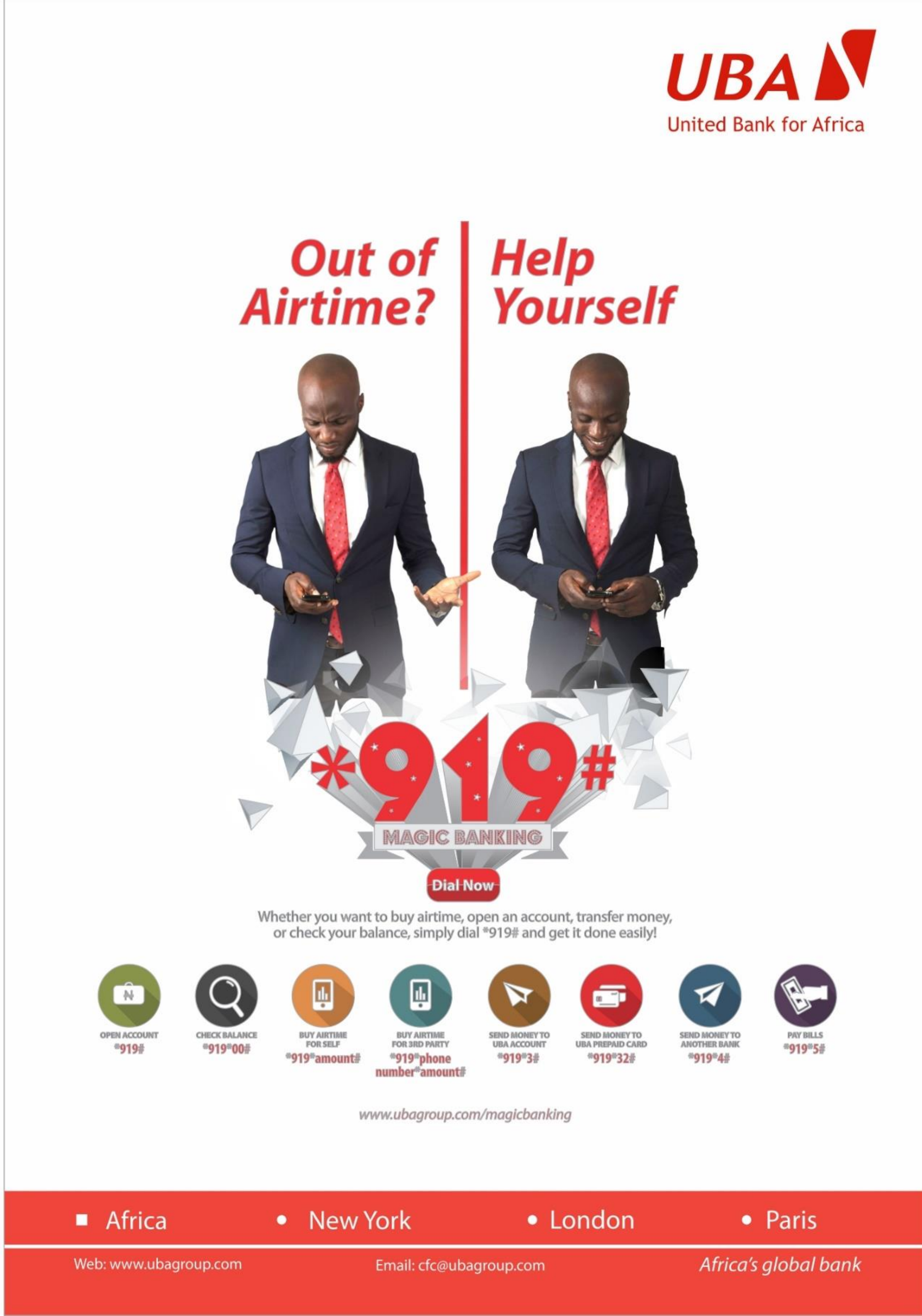

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