UBA

2008/09 4th Qtr Results
Investor Briefing

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UBA PLC

October 16, 2009

Africa's global bank

Forward looking statements & restatement of prior years

Presentation and subsequent discussion may contain certain forward-looking statements with respect to the financial condition, results of operations and business of the Group. These forward-looking statements represent the Group's expectations or beliefs concerning future events and involve known and unknown risks and uncertainty that could cause actual results, performance or events to differ materially from those expressed or implied in such statements.

Certain prior year numbers have been restated in order to conform with the classification of the 2008/2009 numbers.

Outline

- Financials at a Glance
- Profitability and Efficiency
- Balance Sheet Analysis
- Liquidity and Capital Adequacy
- Enterprise Value Analysis of UBA
- Operating Environment
- Outlook and Conclusion
- Q & A

4Q-Sep 2009 financials at a glance

UBA

PARAMETERS	Sep-09 ACTUAL (N' bn)	Sep-08 ACTUAL (N' bn)	% Change
GROSS EARNINGS	198.1	169.6	17%
PBT & EI (EXCEPTIONAL ITEMS)	36.0	56.8	-37%
EXCEPTIONAL ITEMS	41.1	8.8	368%
PBT After EI	(5.0)	48.0	-110%
BALANCE SHEET SIZE	2,141	2,290	-6%
TOTAL ASSETS	1,562	1,673	-7%
LOANS & ADVANCES	545	448	22%
DEPOSITS	1,246	1,374	-9%
SHAREHOLDERS' FUNDS	193	195	-1%
NIM	57.0%	65.0%	
YIELD ON EARNING ASSET	11.0%	8.0%	
ROE	-3.6%	22.6%	
Liquidity Ratio	45.5%	42.0%	
Capital Adequacy Ratio	16.4%	22.2%	
NPL Ratio	7.4%	3.5%	
Coverage Ratio	130%	87%	

Strong Risk Ratios despite CBN's Stress Test

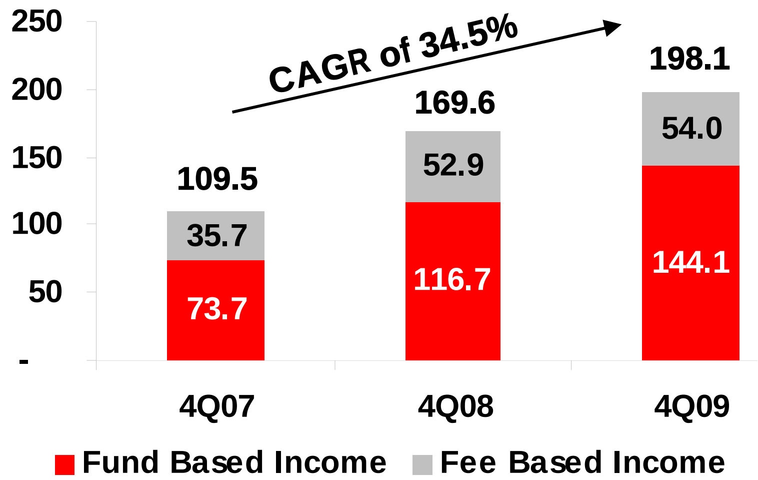
Outline

Profitability and Efficiency

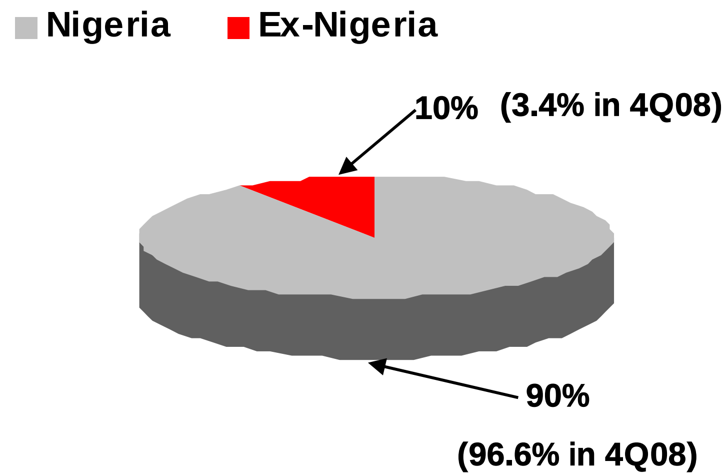
Financial Performance – Revenue Mix

UBA

Gross Earnings (N' bn)

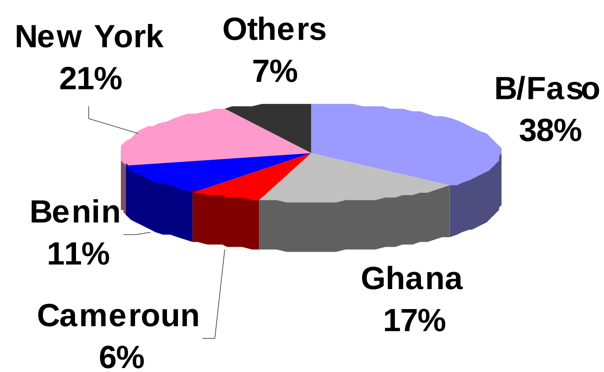


Gross Earnings by Geography (N' bn)



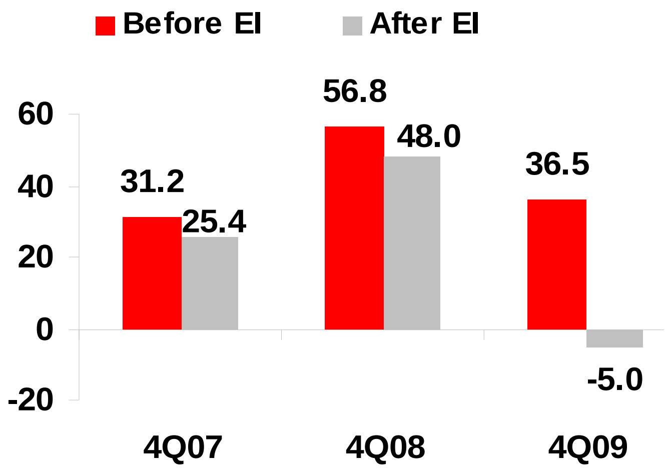
- Steady growth in Gross Earnings, 34.5% CAGR
  - 73% of GE attributable to fund-based income (69% in 4Q08, 67% in 4Q07)
  - Flat fee-based income
- Contribution from Ex-Nigeria operations improves to 10% (3.4% in 4Q08).
  - N/York and B/Faso account for 59%
  - Improved contributions from Ghana, Benin, Cameroun

Analysis of Ex-Nigeria Gross Earnings



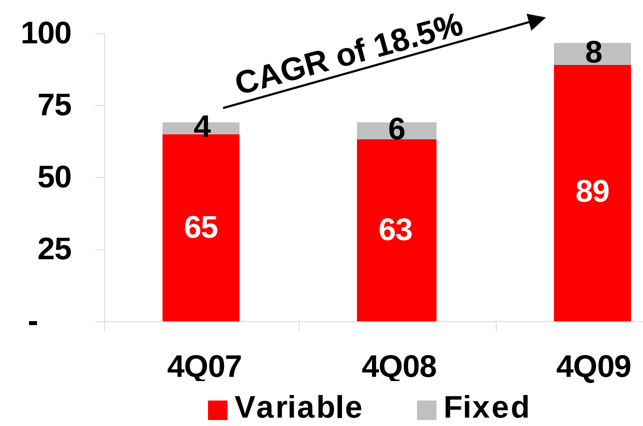
Financial Performance – Profitability

Profits Before Tax (N' bn)



- PBT dips materially due to challenging operating landscape…
- N41bn in exceptional charges and CBN Stress Test
- Stiff operating conditions
  - Challenging regulatory landscape
  - Slow down in economic activities and credit growth
  - Aggressive Loan provisioning/interest concessions
  - Stiff competition for limited biz opportunities
  - High Interest costs
  - Increased variable costs
- P20 and GSS initiatives to keep costs under control

Breakdown of OPEX

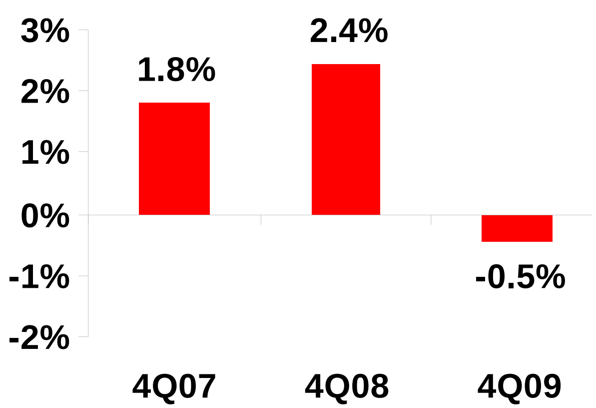


Breakdown of Exceptional Items (Nbn)

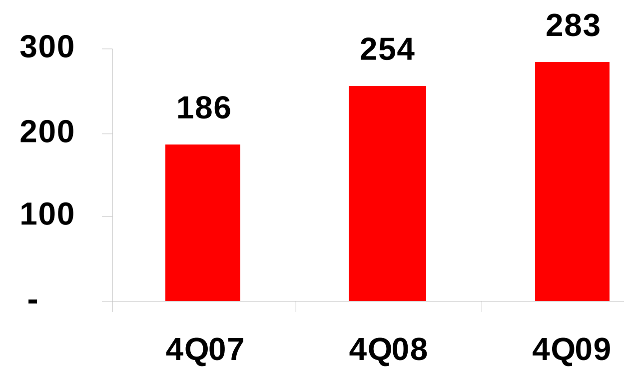
Special Assets	5.61
Exc Prov for Margin & Other Loans	16.65
CBN Prov for Margin & Other Loans	40.00
Less Transcorp's Special Recovery	(21.19)
Total Provisions Made	41.08

Financial Performance – Efficiency..1

Return on Assets

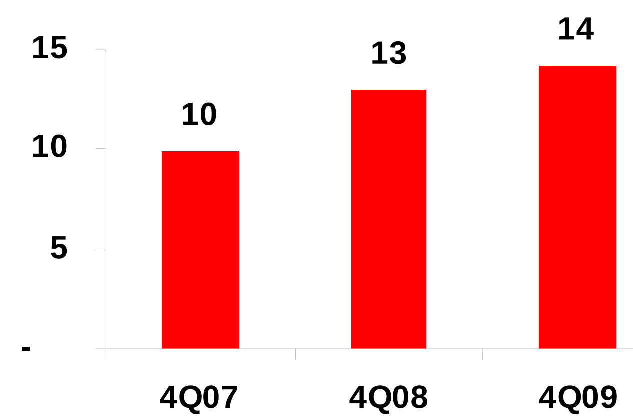


Gross Earnings Per Branch (N' mn)



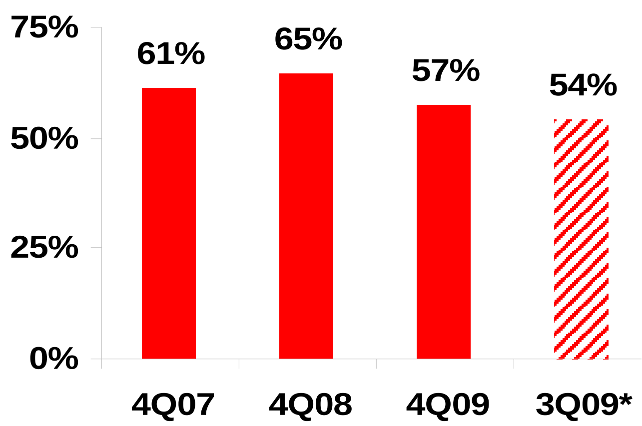
- Negative RoA arising from exceptional provisioning
- Staff/branch productivity improves
  - Robust performance management infrastructure to further extract value
  - GSS to improve branch efficiency

Gross Earnings Per Staff (N' mn)



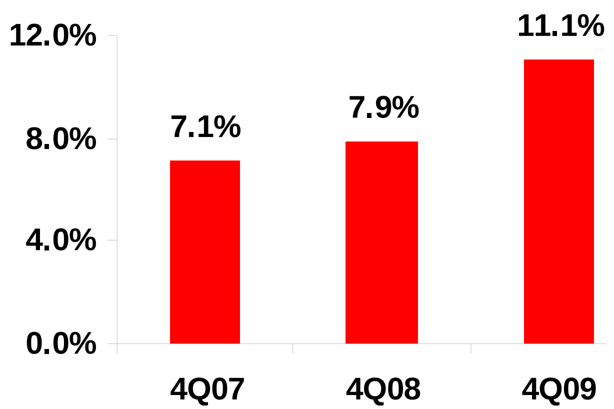
Financial Performance – Efficiency..2

Net Interest Margins

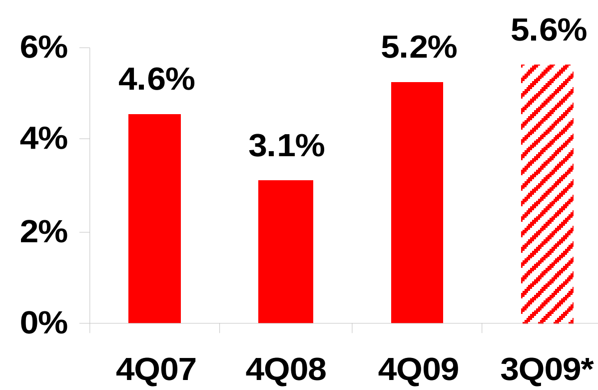


- Good yield on earning asset, offset by a spike in cost of funds with a resultant drop in NIM
- CIR 73% (55% in 2008)
- Improvements expected
  - as liquidity in the system improves and stiff competition/pricing for deposits abates
  - GSS/P20 initiatives

Improving Yield on Earning Assets



Cost of Funds

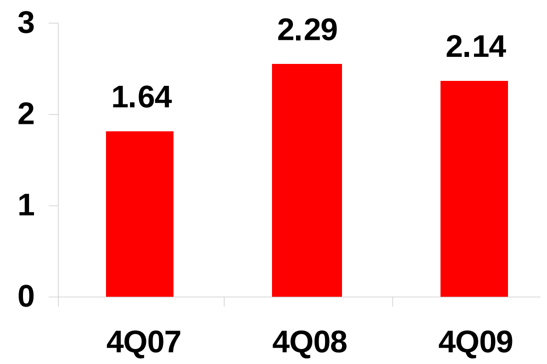


Outline

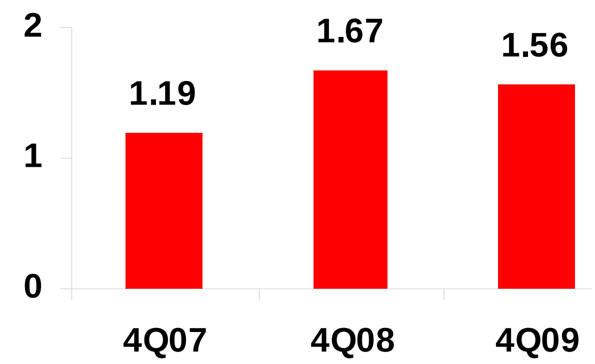
Balance Sheet Analysis

Financial Performance – Balance Sheet

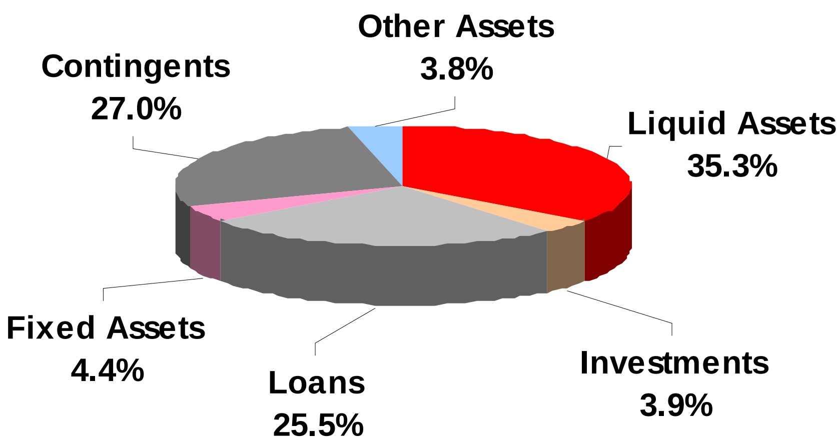
Total Assets + Contingents (N' bn)



Total Assets (N' bn)



Balance Sheet Mix

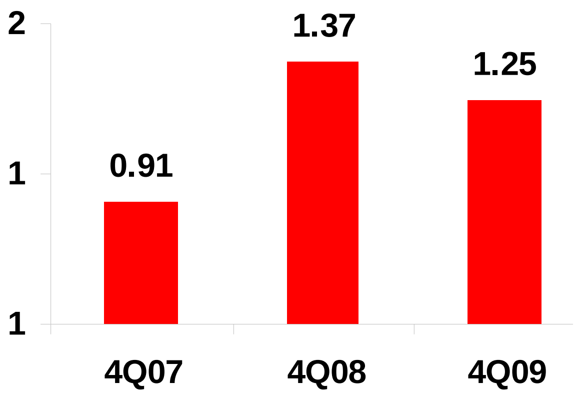


- Cautious approach to Balance Sheet growth
- Solid liquid assets base at 35.3% of balance sheet
- Well diversified Balance Sheet mix

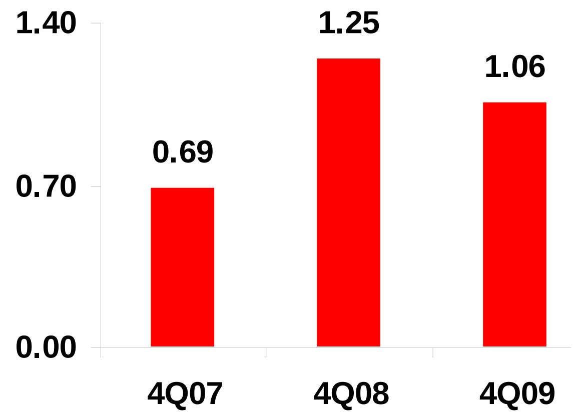
Financial Performance – Deposits..1

UBA

Deposit Base (N' trillion)

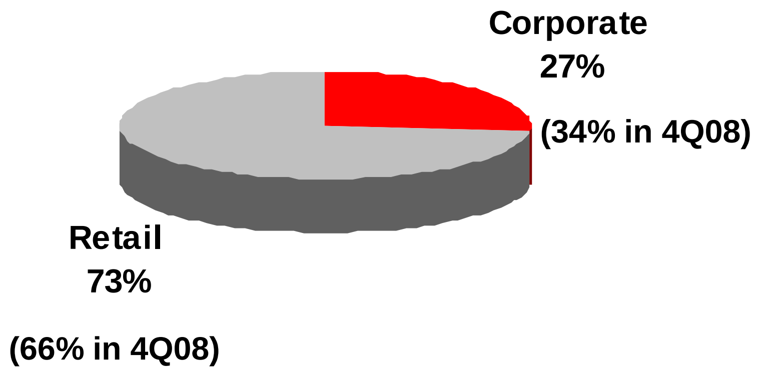


Deposits from Nigeria (N' trillion)



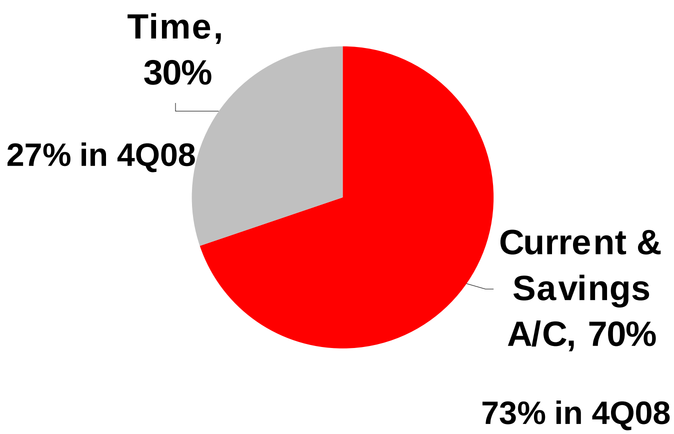
- **Stable deposit base**
- **Good distribution with increasing deposits from retail**
- **Strong distribution channels :709 branches**

Distribution of Deposits



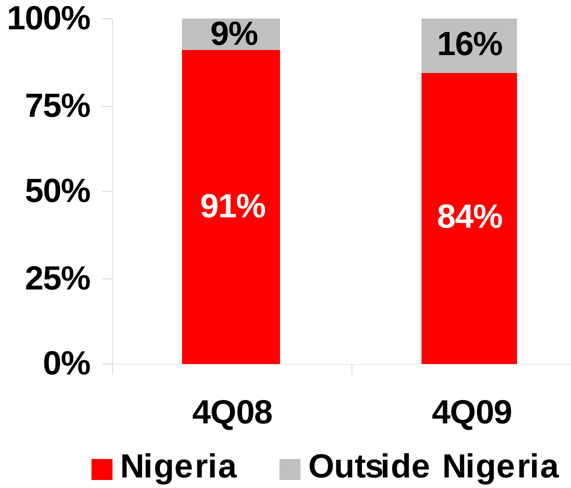
Financial Performance – Deposits..2

Deposits by Class

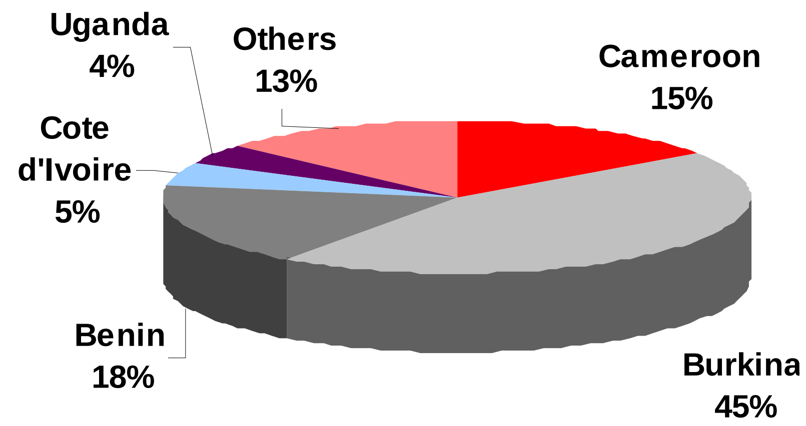


- Slight increase in Time deposit by 3%
- Contribution from outside Nigeria increases to 16% (9% in 4Q08)reflecting improved diversification
- Burkina, Benin and Cameroun in the lead

Deposits by Geography



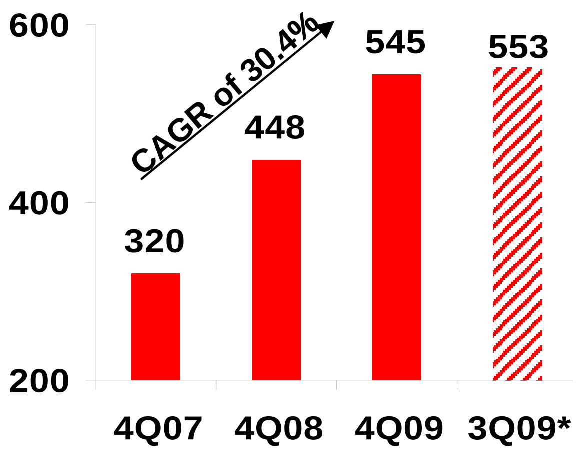
Proportion of Deposits, Ex-Nigeria



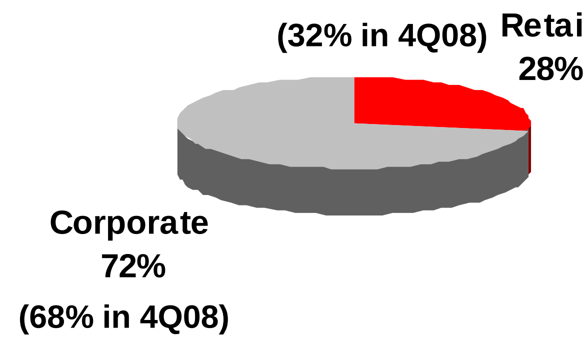
Financial Performance – Loans

UBA

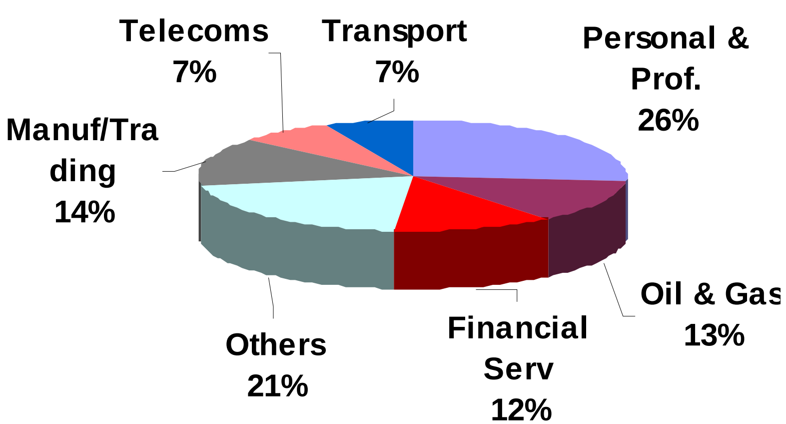
Strong Lending growth (N' bn)



Loan Distribution – By Class



Loan Distribution – By Sector

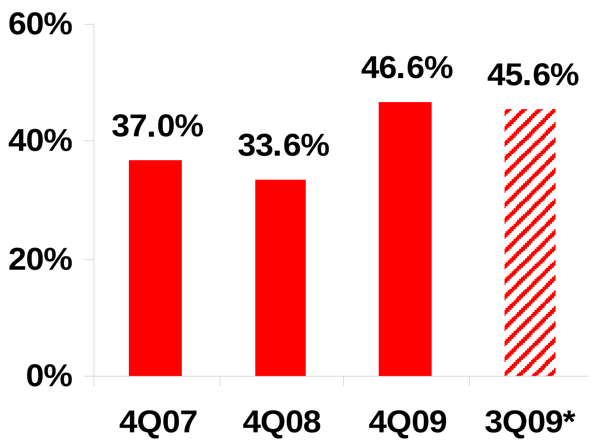


- CAGR of 30.4% in loans
- Decline in credit portfolio Q3 to Q4
- Well diversified sector mix of loan assets
- Lending strategy:
  - 72% of loans to Corporates
  - Retails credits mostly via salary loans to staff of corporate clients

Financial Performance – Loan Quality

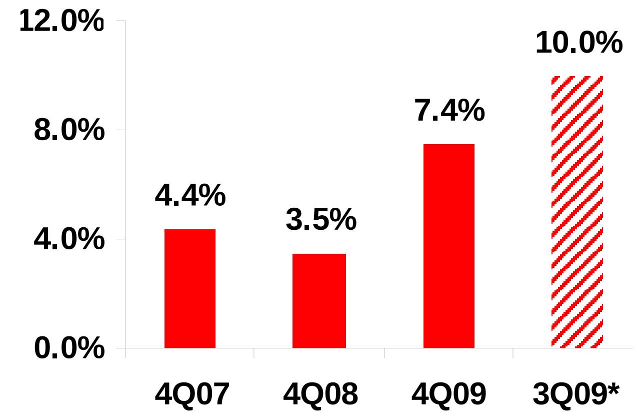
UBA

Loan to Deposit Ratio

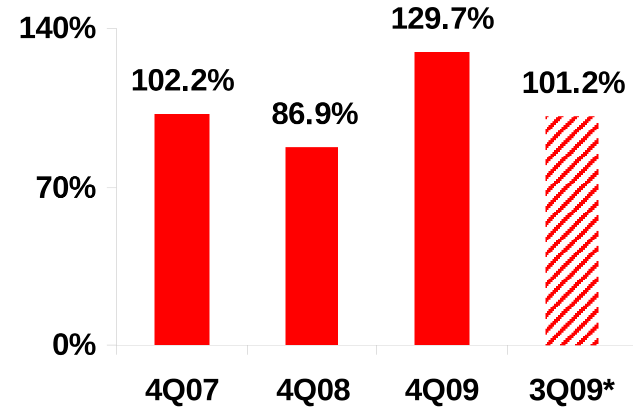


- Loan to deposit ratio of 46.6% is well below regulatory threshold of 80%
  - And within our Risk Thresholds
- Relatively strong asset quality
  - NPL of 7.4%
  - Improved by 26 bpts from post CBN audit levels of 10% (Major recovery on Transcorp N21bn in Sept 2009)
- More than adequate NPL coverage

NPL Ratio improves



Stronger Coverage Ratio



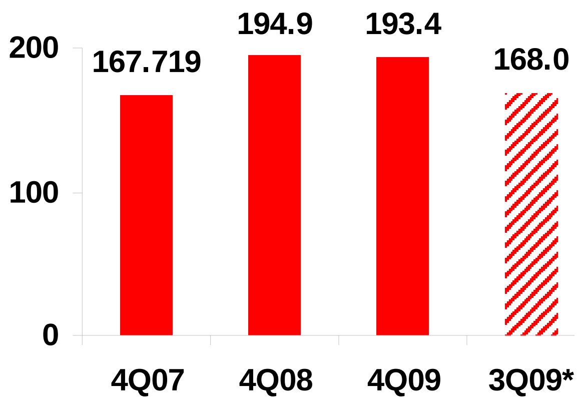
Outline

Liquidity & Capital Adequacy

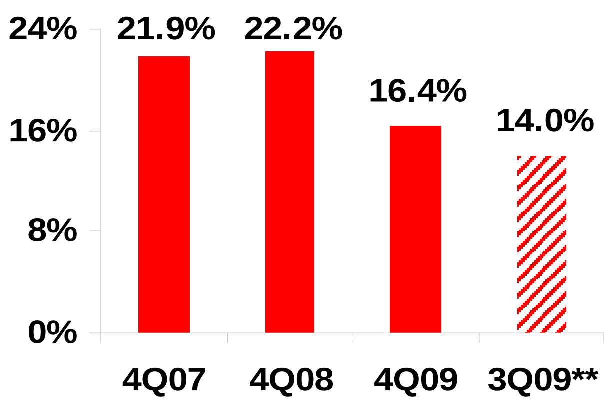
Robust Capital Adequacy

UBA

Shareholders' Funds (N' billion)



Capital Adequacy Ratio

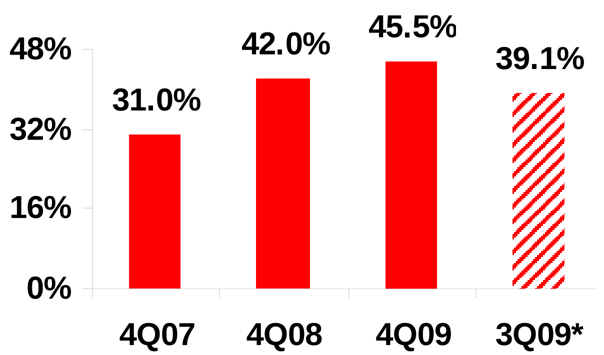


- Solid capital base to cushion adverse/external shocks,
  - Recent CBN Stress Test (ST) confirms this
  - CAR up from 14% after CBN ST on our 3Q09 results
- Shareholders' Funds (SHF) stable YoY…
- …slightly dipped after CBN's advised provisioning to N168bn but now up to N193.4bn
  - Recovery on Transcorp N21bn accounts largely for the spike

Financial Performance – Liquidity

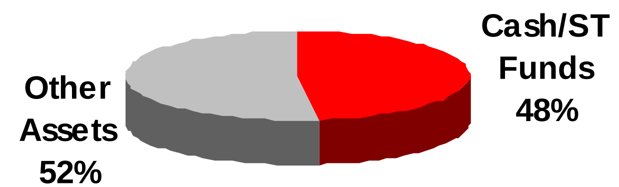
UBA

Liquidity Ratio

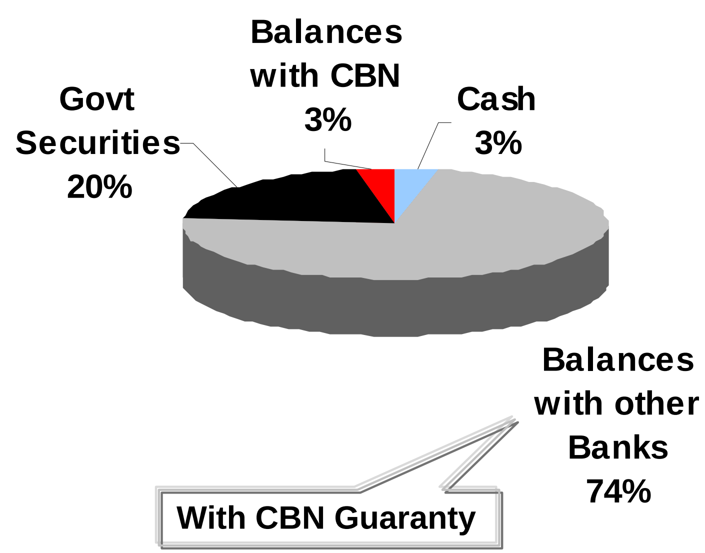


- Strong liquidity ratio of 45.5%
  - well above regulatory minimum of 25%
  - 6.4% in excess of Q309 levels
- Balances with other banks are fully guaranteed by the CBN

Cash/ST Funds to Total Assets Ratio



Composition of Liquid Assets



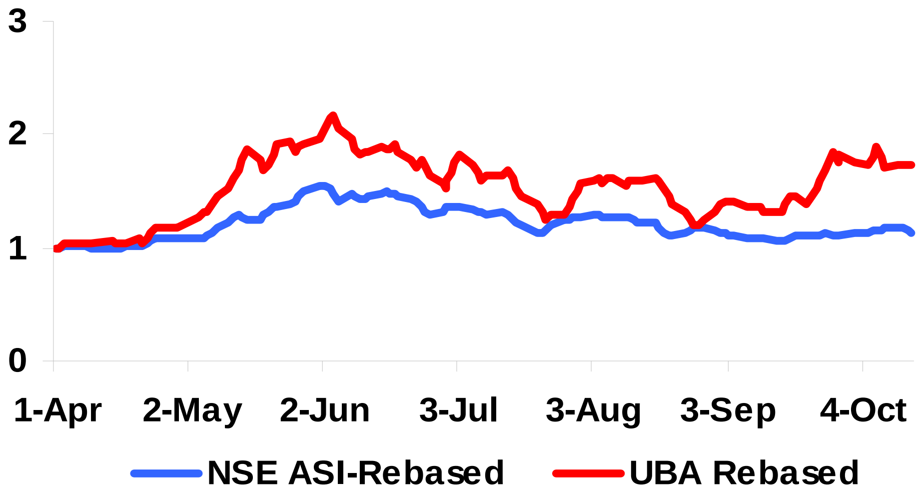
Outline

Enterprise Value analysis

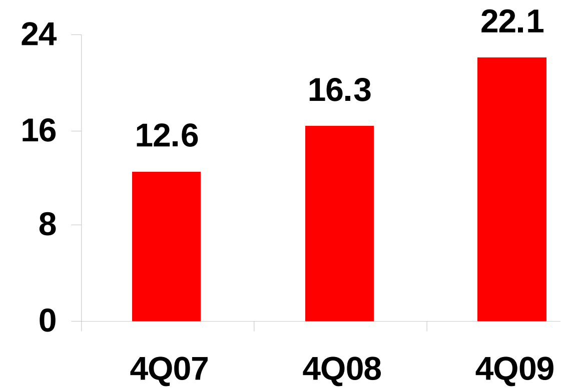
Appealing Enterprise Value – share performance

UBA

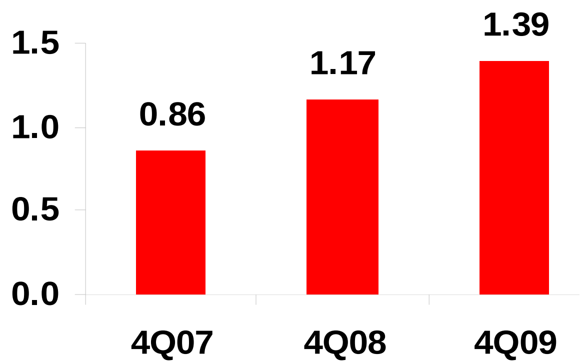
UBA continues to outperform the NSE



3mth avg stock vol to Sept (mn)



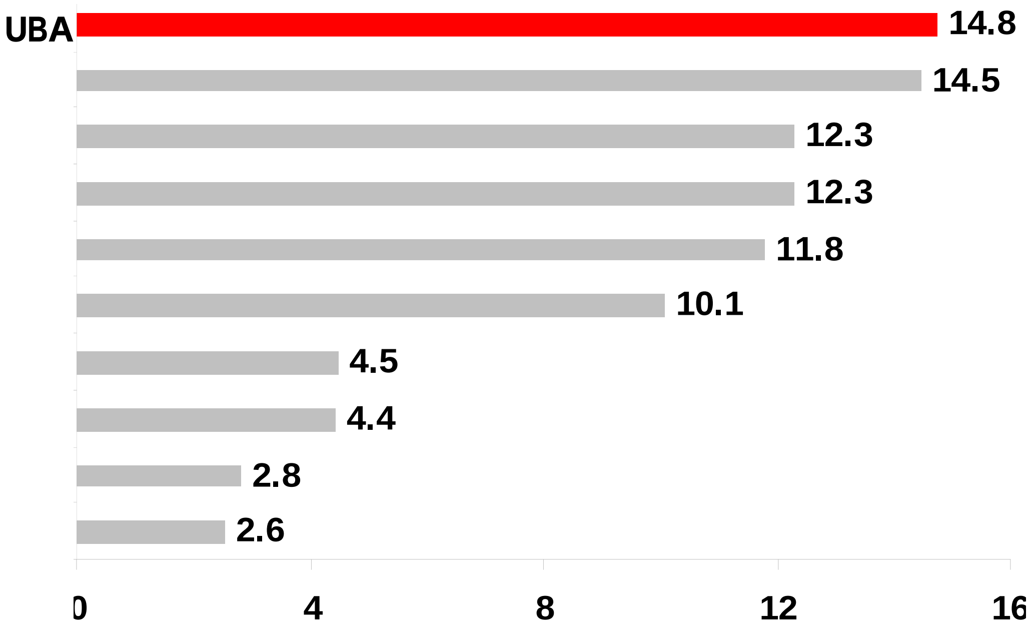
Price to Book Ratio (x)



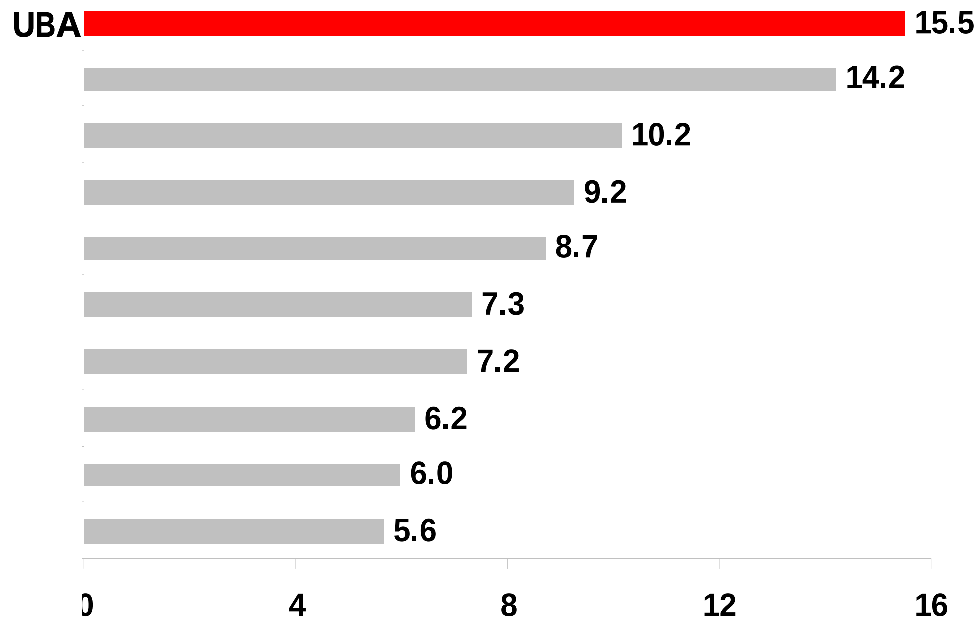
- UBA Shares up 116% from year lows
- Strong liquidity/activity (daily traded volumes up by 36% YoY to 22mn
- Intrinsic value- appealing P/B under despite conditions

Industry Market Share

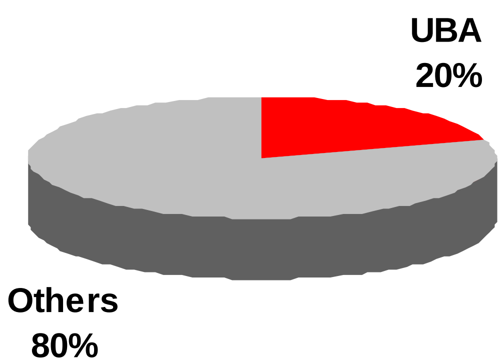
No of ATM Card Transactions Processed (mn)



Value of E-payment Transactions (N'bn)



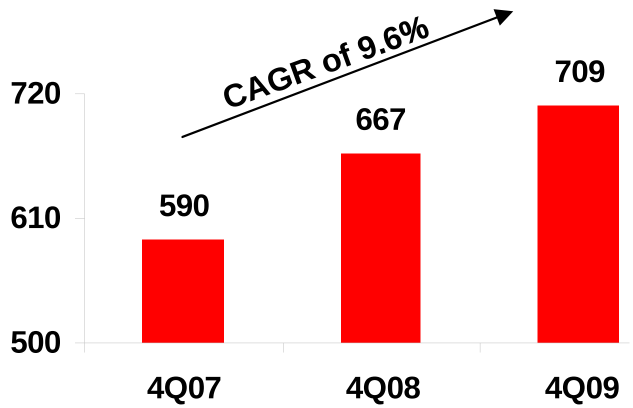
Leader in Branch & ATM Channels



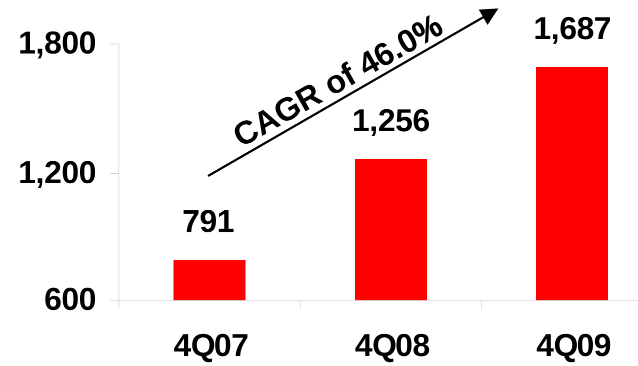
- Strong industry market share
- Control of distribution channels
  - 1,687 ATMs and 709 branches
- 13% of total N120bn e-payment transactions delivered by UBA in Sep-09

Growth in market share – footprints…

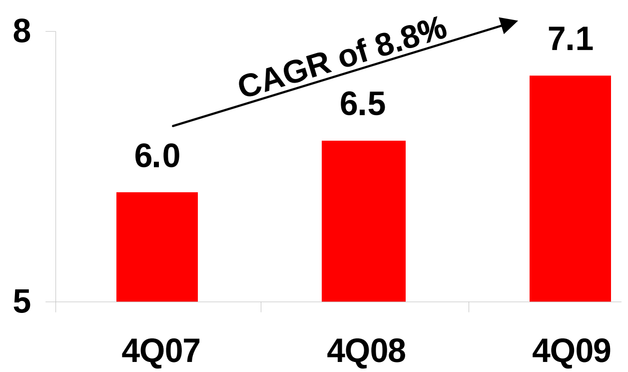
Largest Branch Network



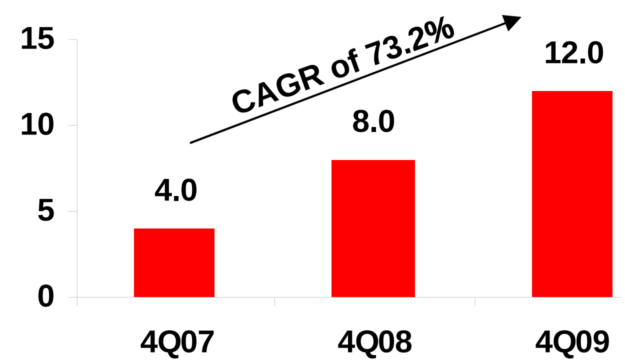
Strong growth in ATM Channels



Solid Customer Base (in million)

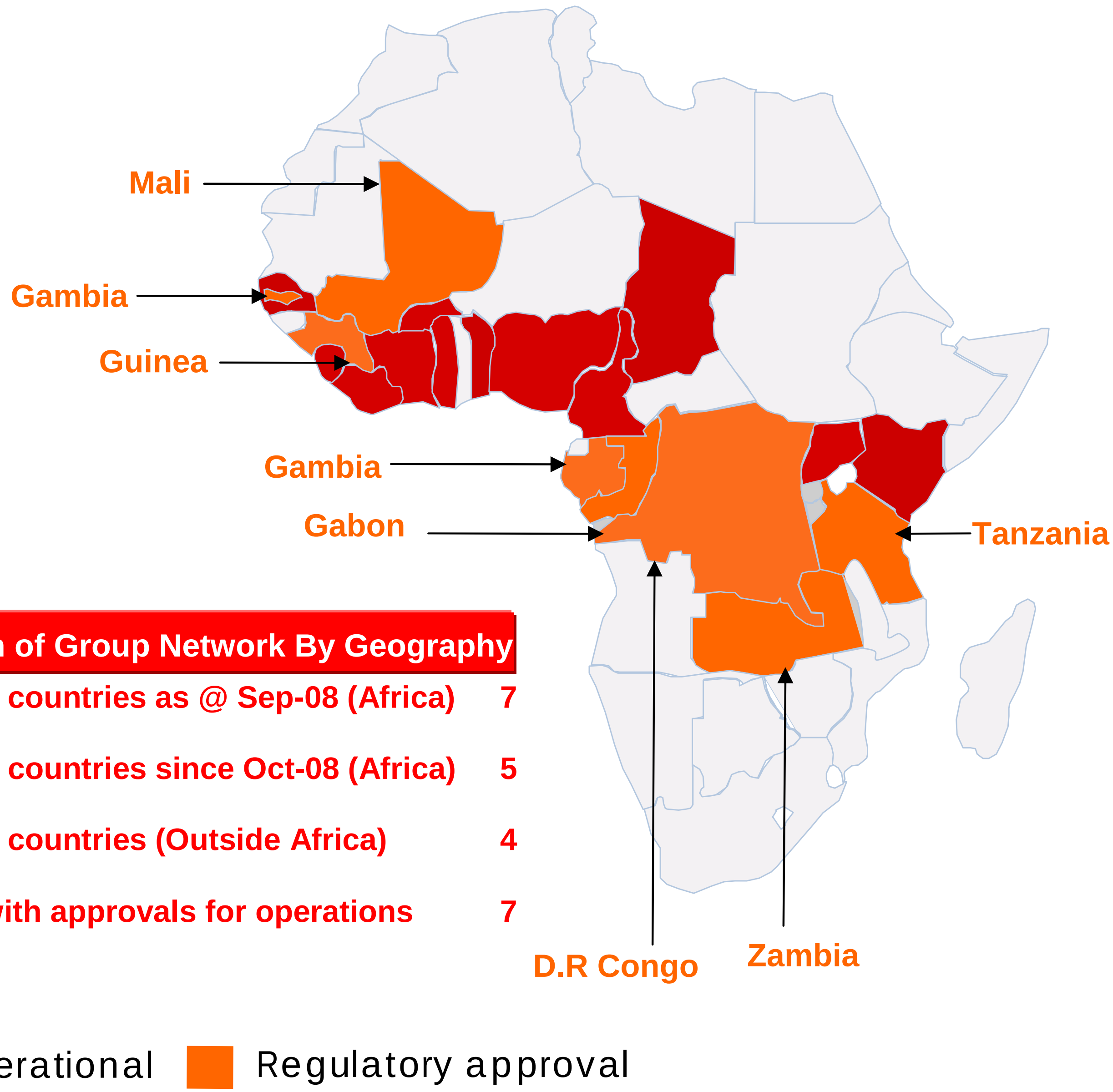


Pan African Expansion



…Still extending footprints but cautiously

UBA



Distribution of Group Network By Geography

Operational countries as @ Sep-08 (Africa)	7
Operational countries since Oct-08 (Africa)	5
Operational countries (Outside Africa)	4
Countries with approvals for operations	7

Latest Additions, Macro Potentials

Kenya
- GDP - $30.24bn
- GDP Growth – 1.7%l
- Population – 39mn

Chad
- GDP - $8.39bn
- GDP Growth – -8%l
- Population – 10.3mn
- Deposit – N91.8mn
- Total Assets – N4.3bn

Senegal
- GDP - $13.35bn
- GDP Growth – 4.8%l
- Population – 13.7mn
- Deposit – N1.99bn
- Total Assets – N3.93bn

Benin
- GDP - $6.94bn
- GDP Growth – 4.8%l
- Population – 8.8mn
- Deposit – N22.2bn
- Total Assets – N28.5bn

B/Faso
- GDP - $8.1bn
- GDP Growth – 4.5%l
- Population – 15.8mn
- Deposit – N55.7bn
- Total Assets – N70.9bn

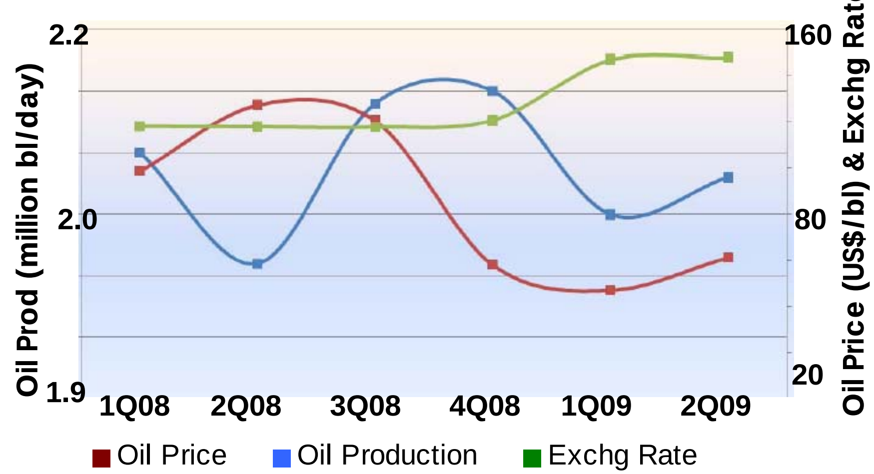
Outline

Operating environment

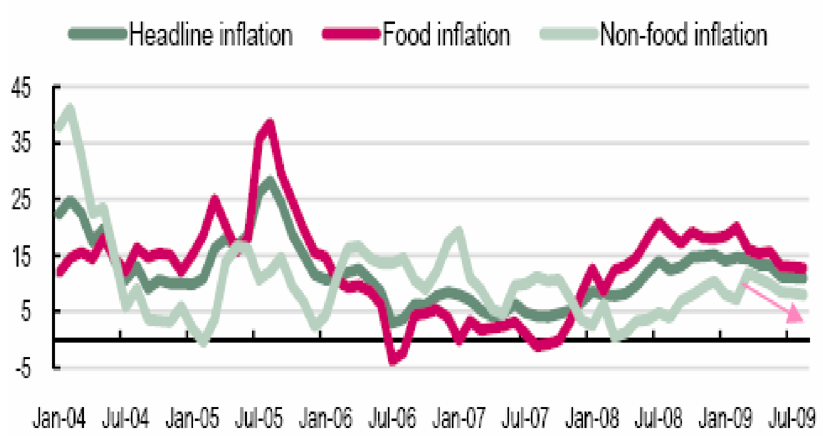
Stable local operating environment

- **CBN completes stress test on all 24 banks in Nigeria**
  - **Clears UBA and 13 other banks**
  - **Removes CEOs of eight and injects N620bn in them**
  - **Pardons 2 others and allows them till June 2010 to recapitalize**
  - **Regulatory capacity strengthens**
- **Exchange rate improves, gains 5% in Sept to N148/$1**
  - **Strong supply of $1.8bn on $74mn demand**
- **Oil prices remain firm at over N70/bl on increasing demand from US and China**
- **Inflation rate declines steadily to 11% as at August 2009 on higher agric output**
- **Foreign reserves stable at $42bn- Sept MPC report**
- **Aggregate Liquidity improves;**
  - **Credit to the private sector up 13.7% in 2009**
  - **N346bn FAAC funds released in Sep-09 (N2.89tr released YTD)**
  - **N87bn Excess Crude Funds disbursed**
- **Equity market moves tepidly; finds support around 21,000 points**

Interplay of Oil Price/Prod & Exchg Rate



Inflation Dynamic in Nigeria (%)

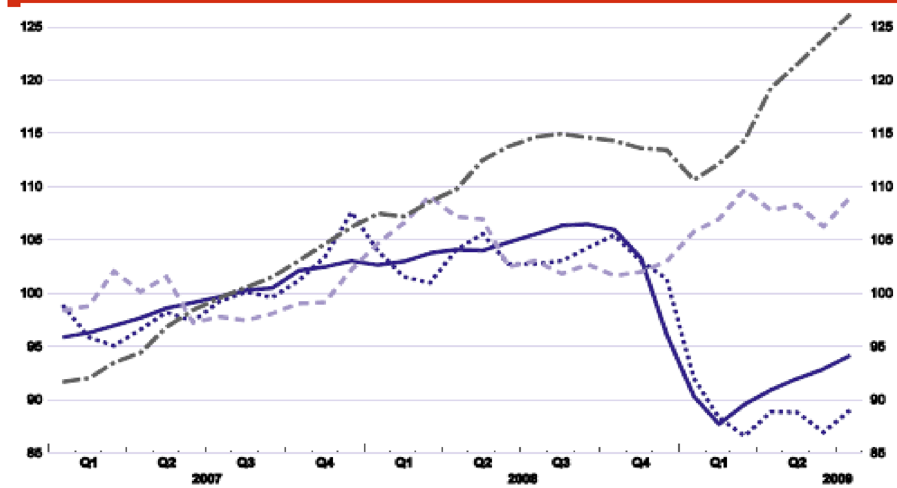


Global Recession Is Ending - IMF

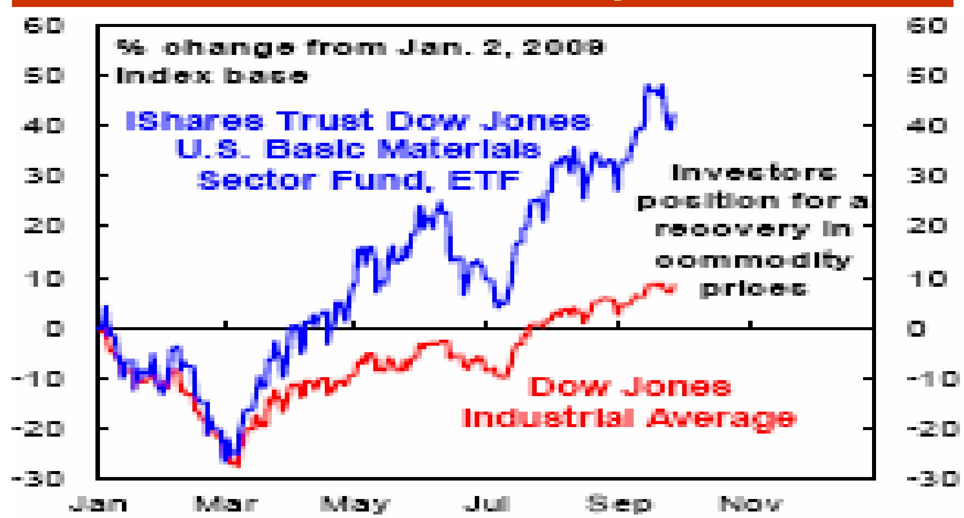
UBA

- Slow down in GDP decline and job losses. 2Q09 GDP decline in G8 was 1% (-8.4% in 1Q09)
- Commodity prices rebound. Oil price up and now stable at $70pbl
- Equity markets recover: Global equity index up by 65% since March 2009
- SSA economies relatively resilient as commodity prices recover
- Enhanced industrial production and world trade volumes; Global inventory/sales ratio drops 5bpts

Global Index of Industrial production



Electronic Traded Funds outperform DJIA



Outline

Outlook

Outlook for the rest of the year

- IMF now expects global output to contract by 1.1% in 2009, 1.4% estimated previously
- Nigeria to grow stronger in 4Q09 as the yuletide and election seasons approach
- Government spending to improve
  - $2billion stimulus package released by government to boost infrastructure spending
  - N200bn liquidity injection to the three additional stressed banks
- Oil price to remain strong (at btw $70-$80pbl), Nigeria's benchmark price is $45
- Liquidity overhang expected
- Banks to access the Bond markets for funds – 5 banks to raise N1.7 trillion capital
  - UBA to raise N500bn, (N400bn in 2 years, N50bn this quarter)
- Exchange rate to hover around N150/$1.
- Tepid Stock market improvement; Boost from the CBN audit
- Stricter regulatory oversight on banks

In summary…

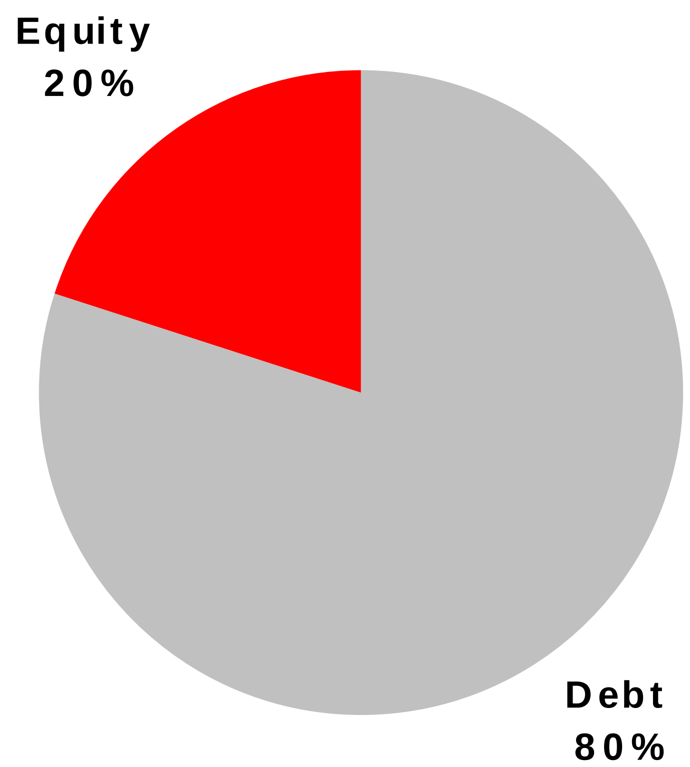
UBA's performance remain solid despite challenging operating environment

- **CBN Stress test and UBA's Pass-Mark re-affirms the bank's solid financial standing and reinforces our ability to consolidate on our leadership position**
- **Fitch affirms rating of B+/Stable outlook, as others suffer downgrade**
- **Stable Capital Adequacy Ratio @ 16.4%**
- **Solid Liquidity position @ 45.5%**
  - **Huge net placer of funds in the Interbank market**
- **Growing market share; strong balance sheet and gross earnings**
  - Wide distribution channels – 709 branches, 1,687 ATMs
  - Large customer base
- **Increasingly diversified income stream – 10% from ex-Nigeria operations**
  - **Pan African Expansion strategy (16 countries)**
- **PBT improvements expected:**
  - **Pay-offs from aggressive cost saving initiatives (GSS, P20)**
  - **Aggressive loan recovery drive**
  - **Capital markets improvements**
- **Integrated risk management posture to be sustained**
  - **Increased disclosure standards (IFRS) and Risk Management architecture (Basel 2)**
- **Appealing Enterprise Value (P/B of 1.4x)**

UBA Medium term funding program

- **Features:**
  - Subordinated Debt (Tier II Capital) program in tranches (initial is N50bn)
  - N100bn equity capital (via private placement and GDR Main Board listing on the LSE by 2Q and 3Q next year)
  - Debt is callable after 5-yrs subject to regulatory approval
  - Issue pricing to be determined by book building
  - Terms of the issues ratified at an EGM held on October 2, 2009
- **Purpose:**
  - Our Pan African drive
  - Infrastructure financing (UBA to work closely with Macquarie)
  - Potential acquisition opportunities
  - IT upgrade across our African offices and enhance distribution channels

Proposed structure of the N500bn Capital



Thank you

Q&A

Appendix

Brief history of UBA

1949	French & British Bank Limited ("FBB") commences business
1961	Incorporation of UBA to take over the banking business of the FBB
1970	IPO on the NSE
1984	Establishment of NY branch
1998	GDR programme established
2004	Establishment of UBA Ghana
2005	Merger with Standard Trust Bank Acquisition of Continental Trust Bank New senior management team in place
2006	Purchase & assumption of Trade Bank out of liquidation
2007	Successful Public Offer and Rights Offer Purchase & assumption of 3 liquidated banks: City Express Bank, Metropolitan Bank & African Express Banks Investment in Afrinvest in UK (re-branded UBA Capital)
2008	Purchase & assumption of 2 liquidated banks: Gulf Bank & Liberty Bank Establishment of UBA Cameroun, UBA Cote d'Ivoire, UBA Uganda, UBA Sierra Leone & UBA Liberia Launch of UBA Microfinance Bank Launch of UBA FX Mart (Bureau de change) Acquisition of 51% of Banque Internationale du Burkina Faso
2009	Representative office in Paris, France Operations commenced in Senegal Subsidiary in Chad commenced operations