



Nine Months to September 2011 Results

Presentation to Investors and Analysts

31st October 2011

- 1** UBA Plc
- 2** Macroeconomic Update
- 3** Review of Group Performance
- 4** What Differentiates UBA?
- 5** Conclusion
- 6** Q & A
- 7** Appendix

1

UBA Plc

United Bank for Africa Plc

- Nigeria's 3rd largest bank by assets; number one in customer base and distribution channels (Branch, POS and ATM network)
- Africa's 2nd largest banking network
- Listed in Nigeria, with operations in 19 African countries, New York, London and Paris.
- Strategically positioned in respect of three key themes within the African banking arena:
 - Nigeria's emergence as the dominant economy in Africa
 - Regional integration on a pan African basis
 - Technology and scale as sources of competitive advantage

Background

- 1949 – Incorporated as the French and British Bank
- 1970 – Completed IPO on the Nigerian Stock Exchange - 1st Nigerian bank
- 1984 – Established the NY branch - only Nigerian bank
- 1998 - GDR programme established - 1st Nigerian bank
- 2005 – Merged with Standard Trust Bank
- Since 2008 - Extended operations to other African countries to create one of the largest and most diversified financial services groups in Africa.
- Present in 19 African countries, New York, London and Paris, with over 7 million customer accounts

Key Business Lines

- Retail / Commercial Banking
Stable client base from the growing middle class, on the back of its large network of alternative channels in Nigeria
- Corporate and institutional banking
Large/ mid-size Nigerian and African companies
- Investment banking , asset management , pension custody Services

Distribution Franchise

- Network of over 700 branches and 1,429 ATMs across Africa
- 600 branches, 1,304 ATMs and 1,230 POS terminals across Nigeria
- Distribution via mobile platform and remittance products across its network in Africa
- Over 7 million customer accounts
- Over 13,000 employees.

Listing

- Market Capitalization of N106.4bn (USD709m) as at 28 Oct. 2011
- Free Float of 78%

Credit Rating

- Fitch: B+ (LT) / B (ST)
- Global Credit Rating: AA- (LT) / A1+ (ST)
- Agosto & Co: A+

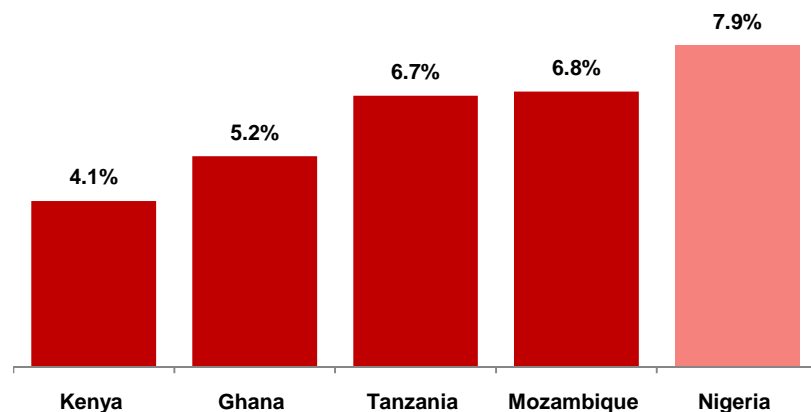
Source: UBA

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Macroeconomic Update

Macroeconomic Update: Selected African countries

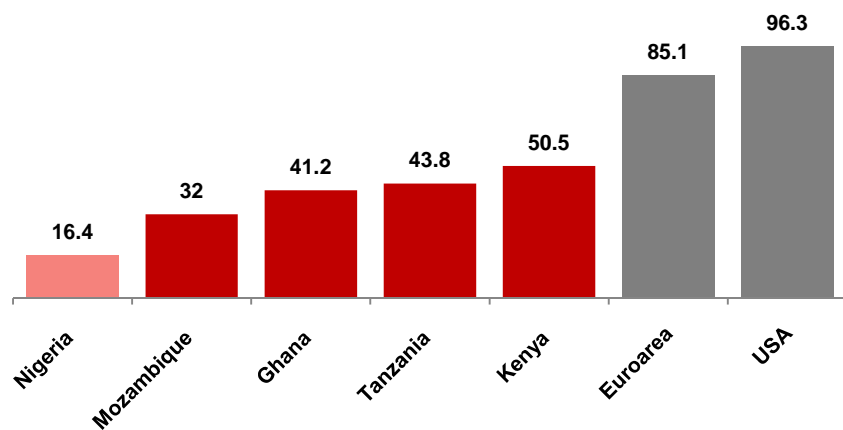
YoY GDP Growth, First Quarter 2011



- Strong economic growth in UBA countries of operation

- Relatively low debt/GDP ratios in Nigeria (16%) and other African countries - Compared to 85% and 96% for Euro area and USA respectively.

Debt to GDP Ratio



| Indicator | 2011 | FY10 | Comments |
|---|--------|--------|---|
| GDP Growth (%) (Provisional for June 2011) | 7.93 | 7.85 | <ul style="list-style-type: none"> • Strong Q2-2011 growth over Q1-2010 GDP levels • Increased government spending and growth in Agriculture output • Strong crude oil prices and stable output. |
| Inflation (%) (August 2011) | 10.3 | 11.8 | <ul style="list-style-type: none"> • Decline in food inflation |
| MPR (%) (Sept 2011) | 12.0 | 6.25 | <ul style="list-style-type: none"> • Previously raised to 6.5% in Jan-11, 7.5% in Mar-11, 8% in May-11 and 9.25% in Sep-11 to offset the expected rise in spending and liquidity • Cash Reserve Ratio requirement now 8% and Liquidity Ratio requirement now 30%... • ...attest to CBN's tight monetary policy stance for 2011 |
| Exchange Rate (N/US\$) (28 th Sept 2011) | 154.1 | 148.7 | <ul style="list-style-type: none"> • volatility in crude oil prices • Increase in the demand for foreign exchange |
| External Reserves (\$bn) (21 st Oct 2011) | 33.7 | 32.3 | <ul style="list-style-type: none"> • Growth in oil revenues • Impact of CBN's FX management strategy gradually coming into play – about nine months import cover |
| Credit to Private Sector (N' trillion) Jun 2011 | 11.1 | 9.7 | <ul style="list-style-type: none"> • Gradual growth in bank lending after the elections |
| Broad Money - M2 (N' trillion) Jun 2011 | 12.6 | 11.5 | <ul style="list-style-type: none"> • Enhanced banking penetration • Availability of various bank product offerings |
| All Share Index (points) (26 th Oct 2011) | 20,377 | 24,770 | <ul style="list-style-type: none"> • Selling pressure continues • Foreign portfolio investments still low • “Watch and see” strategy, as banking sector reforms are implemented |

3

Review of Group Performance

Financial Highlights

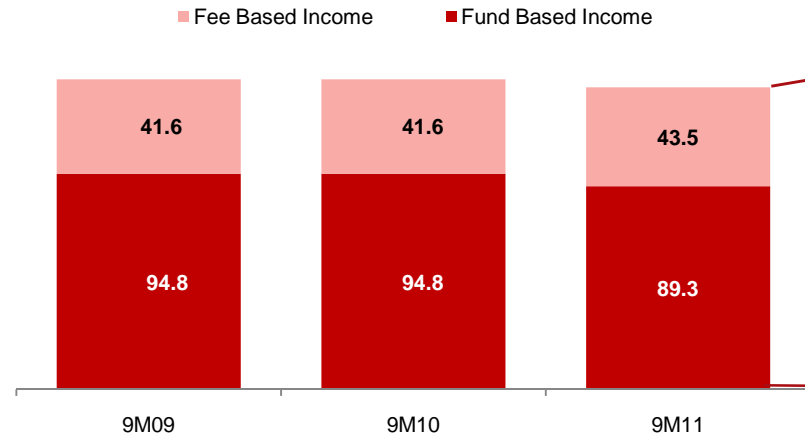


| PARAMETERS | 9MTHS-2011 | 9-MTHS-2010 | % Change |
|------------------------------|---------------|---------------|-----------|
| | ACTUAL (N'BN) | ACTUAL (N'BN) | YEAR/YEAR |
| GROSS EARNINGS | 132.8 | 136.4 | -2.6% |
| NET INTEREST INCOME | 56.1 | 54.6 | 2.7% |
| COMMISSIONS AND FEES | 43.5 | 41.6 | 4.6% |
| DIMINUTION IN ASSET VALUES | (8.7) | (5.7) | 52.6% |
| OPERATING EXPENSES | (78.9) | (73.5) | 7.3% |
| PROFITS BEFORE TAX | 12.1 | 11.6 | 4.7% |
| PROFITS AFTER TAX | 10.1 | 6.6 | 53.0% |
| | 30-Jun-11 | 31-Dec-10 | % Change |
| TOTAL ASSETS & CONTINGENTS | 2,940 | 2,272 | 29.4% |
| LOANS & ADVANCES | 739 | 674 | 9.6% |
| DEPOSITS | 1,498 | 1,267 | 18.2% |
| SHAREHOLDERS' FUNDS (TIER 1) | 194 | 179 | 8.0% |
| DEBT CAPITAL (TIER 2) | 53 | 19 | 181.5% |
| TOTAL CAPITAL (TIER 1 + 2) | 247 | 198 | 24.6% |
| NET INTEREST MARGIN | 4.6% | 6.0% | -23.3% |
| COST OF FUNDS | 2.6% | 3.3% | -21.2% |
| NPL RATIO | 6.0% | 8.8% | -31.8% |
| LIQUIDITY RATIO | 42.0% | 39.0% | 7.8% |
| CAPITAL ADEQUACY RATIO | 20.0% | 18.3% | 9.3% |

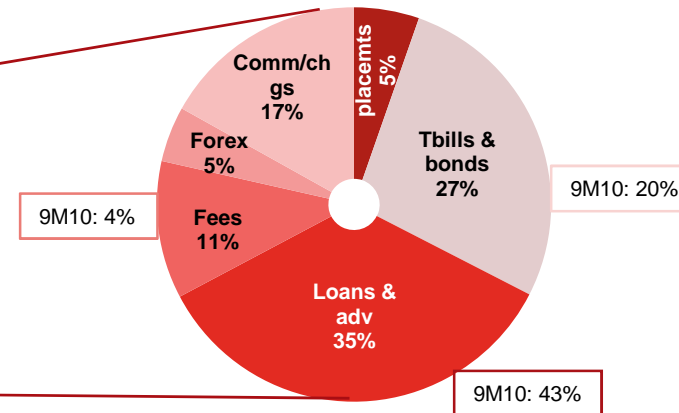
Loan growth is actually 23% on the back of N88bn sales to AMCON, taken out of loan book

Revenue Distribution

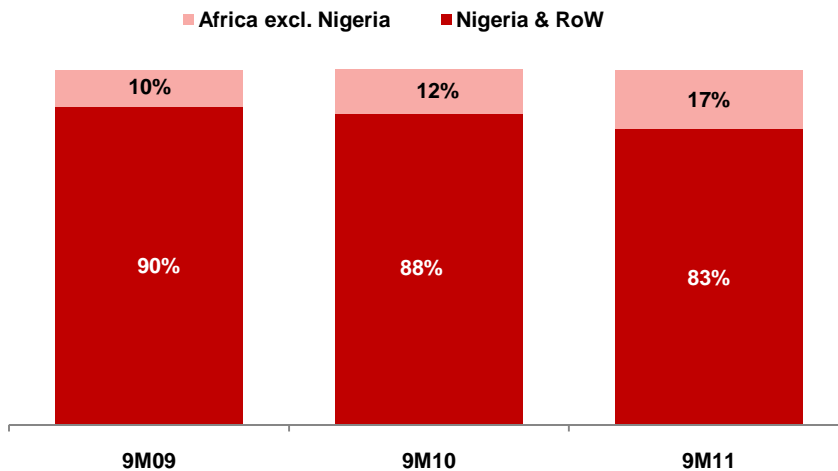
Revenue Mix (N'bn)



Revenue Mix by Product Class (%)



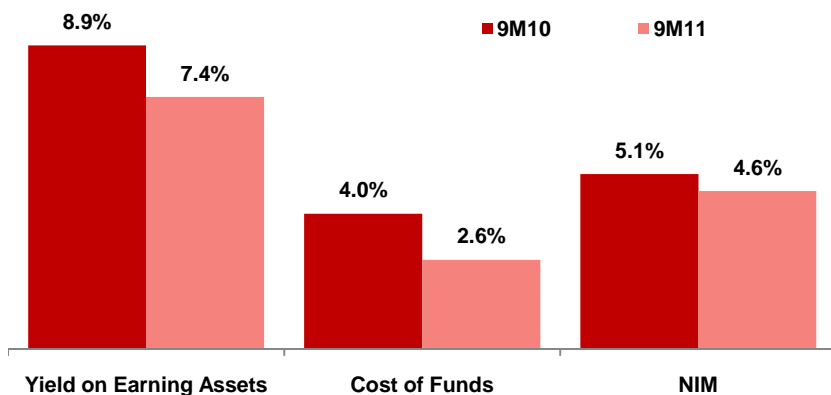
Revenue Mix by Geography (%)



- Fee-based income shows record growth on the back of growing commission, COT and performance of our remittance products (Africash, Africard, Afritrade)
- Increasing contribution from African subsidiaries now 17% of Group revenues – increase of 41% over previous year

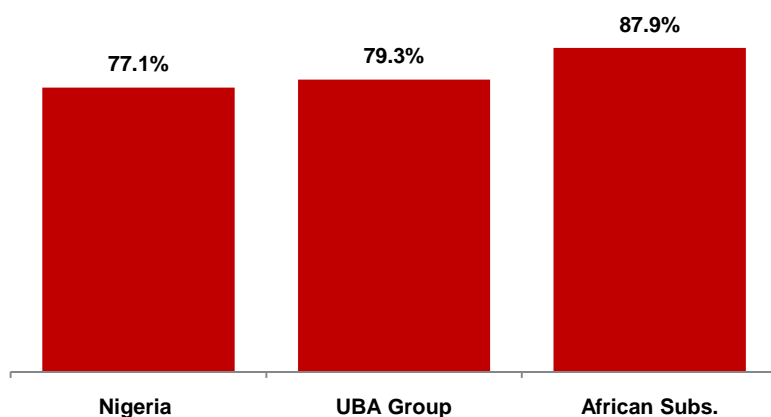
Yield, Margin and Cost Analysis

Yields, Costs and Net Interest Margins



- Net interest margin slipped to 4.7% due to transmission lag effect on earning assets yield.
 - Benchmark rate raised by 5.75%, so far, in 2011
- Nonetheless, cost of funds improved to 2.6%, thereby curtailing the extent of decline in NIM.
- Cost to income ratio now 77% (88% for UBA Africa).
- QoQ OPEX up by 9.5%; vs. 14% decline in 2010, due to provisions for AMCON levy.

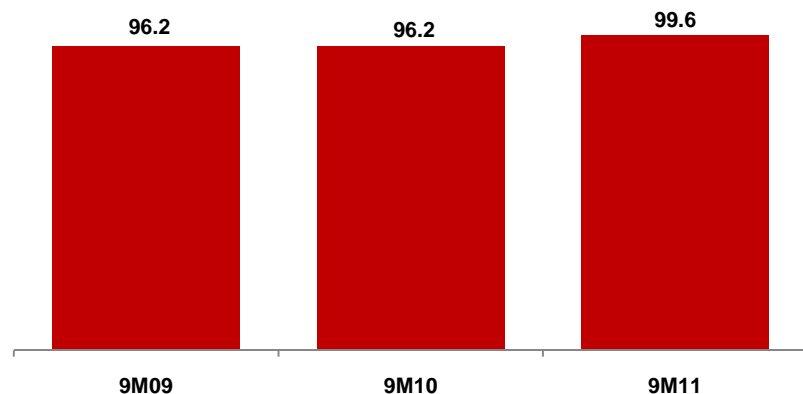
Cost to Income Ratio (Geography)



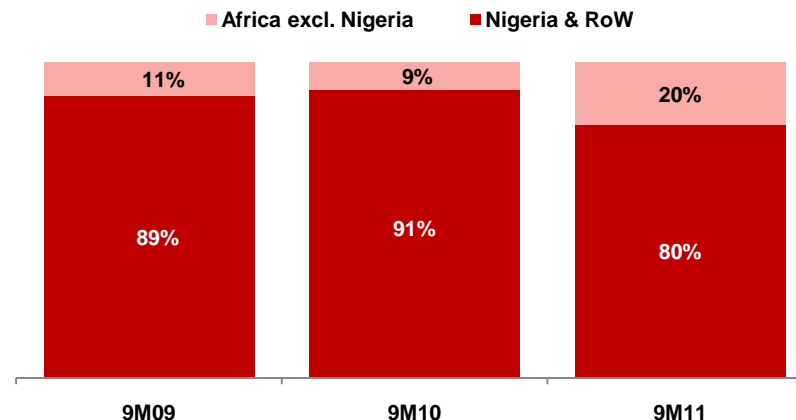
Profitable Underlying Business



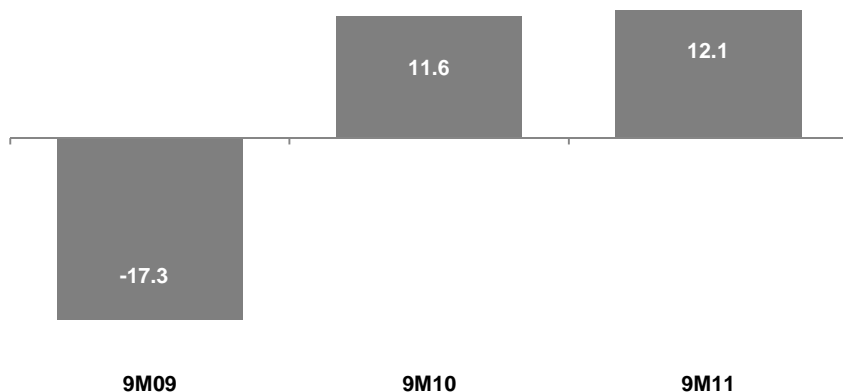
Operating Income (N'bn)



Operating Income by Geography(%)



Profit Before Tax (N'bn)

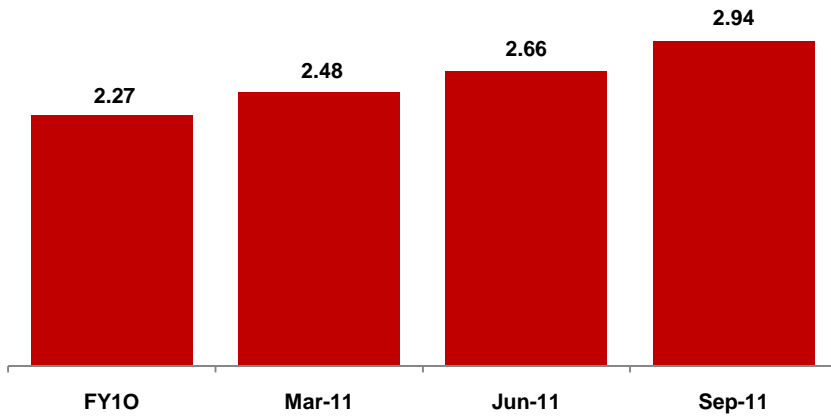


- Operating income rose to N99.6bn, up 4% YoY
 - Attesting to the profitability of UBA's core business
- Operations outside Nigeria contribute 20% to core income line (9% in 9M10)
- Strong PBT recovery; but masked by provisions and write offs arising from AMCON sales.

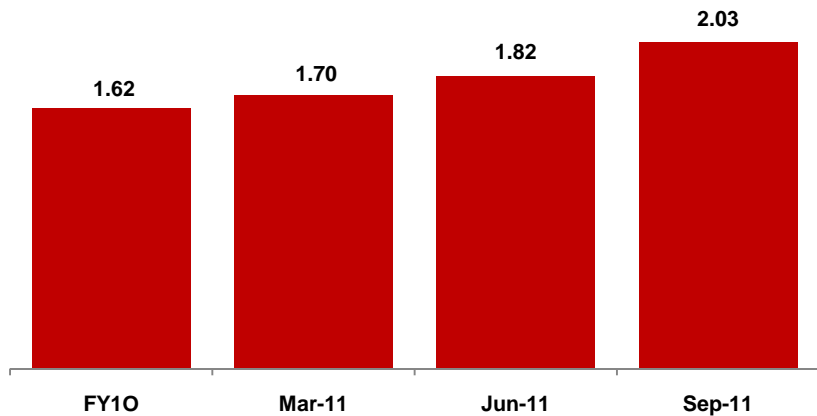
Solid Balance Sheet Position



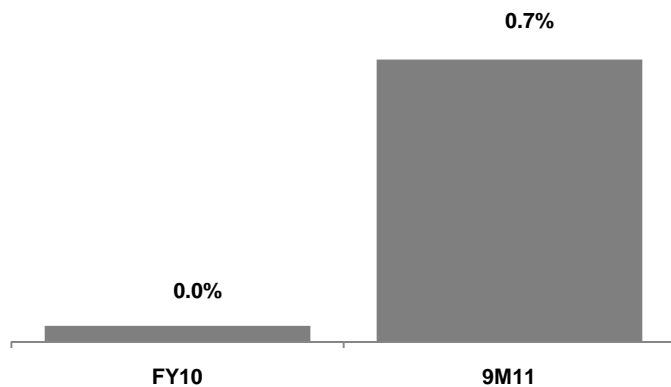
Total Assets and Contingents (N'tn)



Growing Asset Base (N'tn)



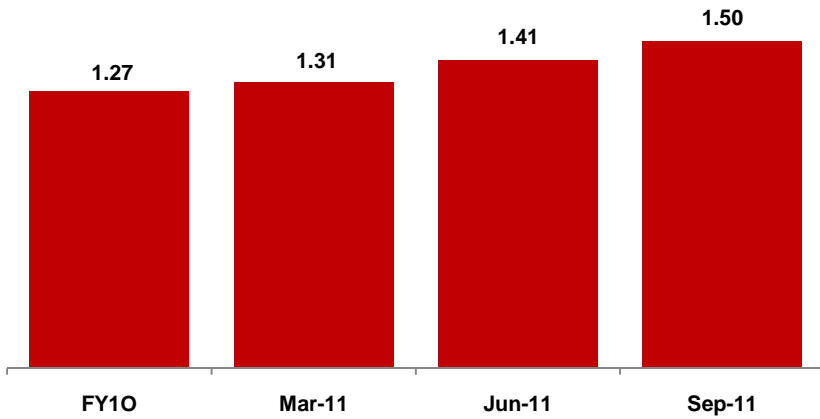
Improving Return on Assets



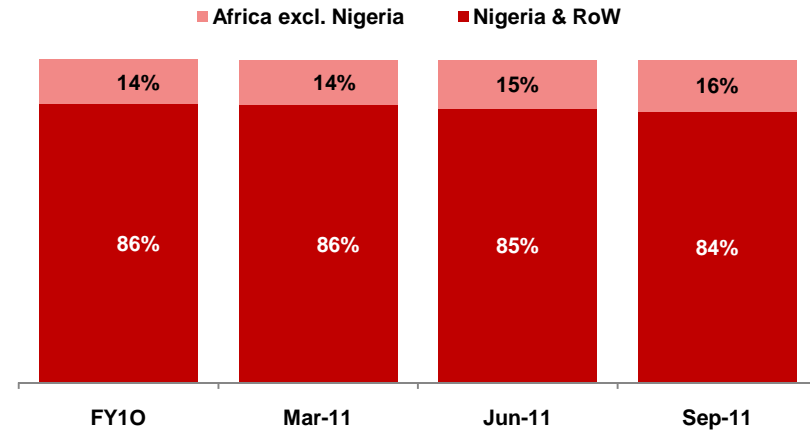
- Steady and consistent growth in Balance sheet size since December 2010
 - up by 29% to N2.94trillion...
- ...On the back of growth in deposits and off balance sheet transactions
- Return on assets recover to 1%, with growth in asset base

Growing Deposit Base...

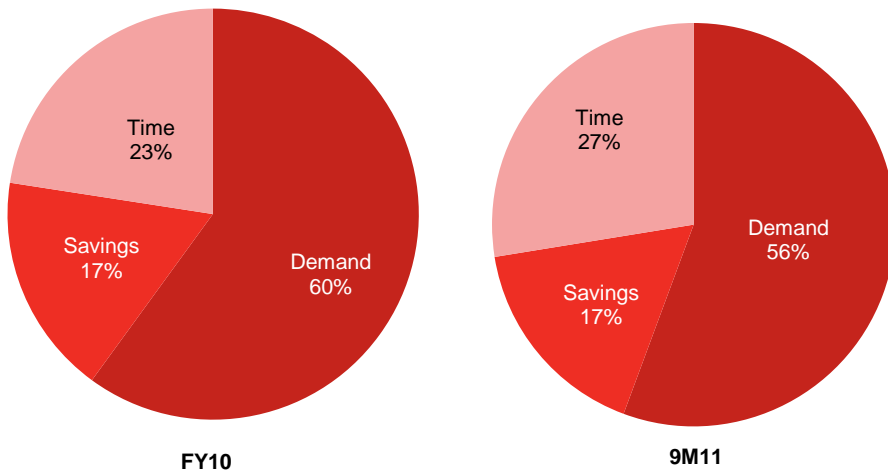
Deposit Base (N'bn)



Excl-Nigeria Deposits Also Growing



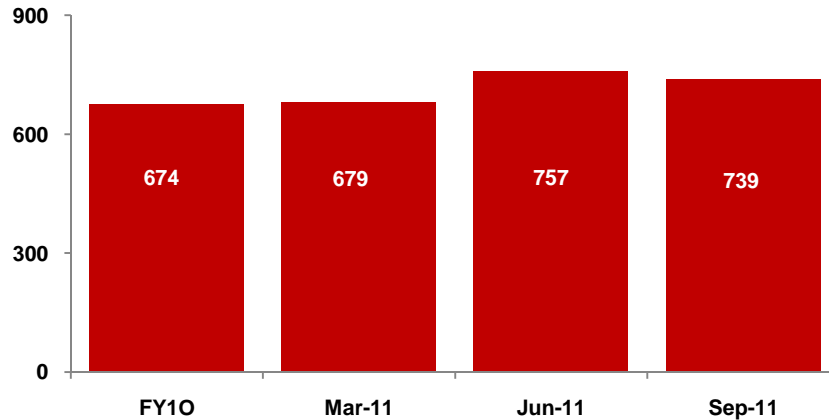
Deposit Mix By Class



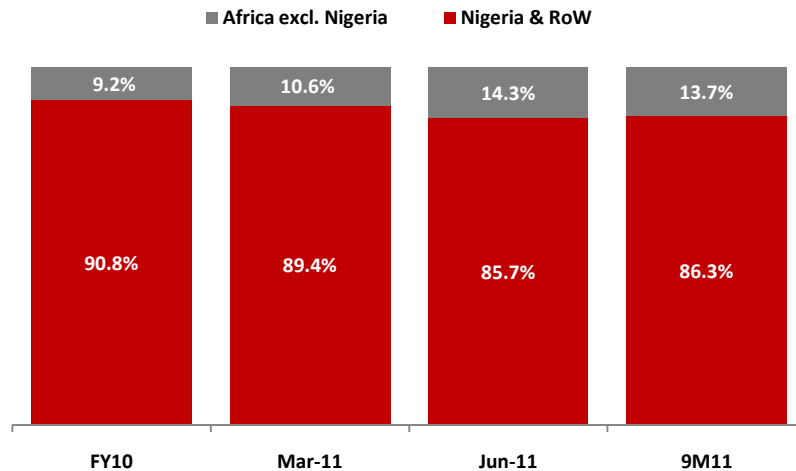
- Strong deposit growth. 20% increase in 2011.
- Other African countries contribute more with 16%
- Target deposit growth of 25% for 2012 and a medium term growth of 50%
- CASA constitute 71% of deposit base.
- Our deposit is within our target mix

Loan Book Expansion

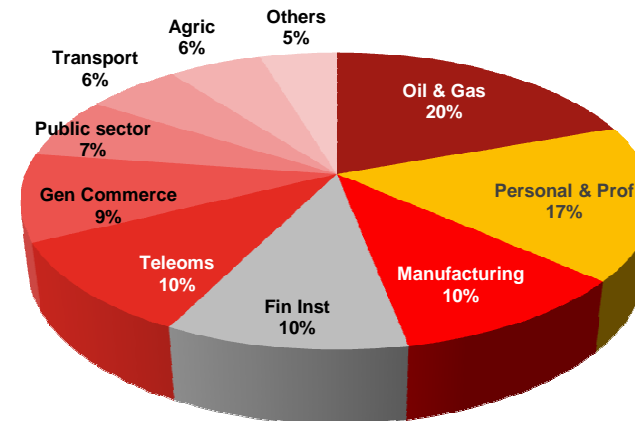
Group Loan Book (N'bn)



Geographical Split of Net Loans

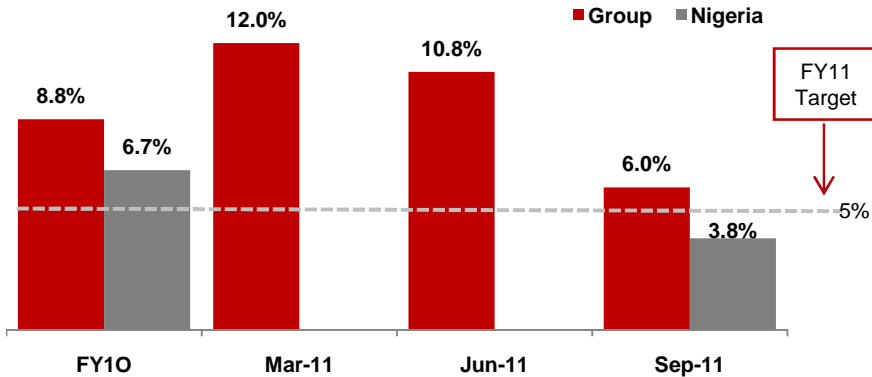


Loans By Sector

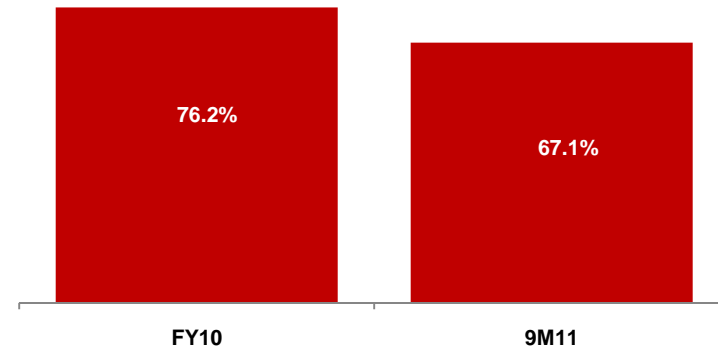


- Impressive loan growth in nine months (to Sep-11)
 - Over 20% growth in loans, but masked by sales to AMCON
 - Medium term loan growth of 40%.
 - Loan is well diversified with sectoral limits set by the Board. We play in real sectors such as manufacturing, energy, telecoms and consumer sectors
- Other African countries contribute more to loan book with 13.7%
- Cross border lending capability of UBA to bolster lending across Africa

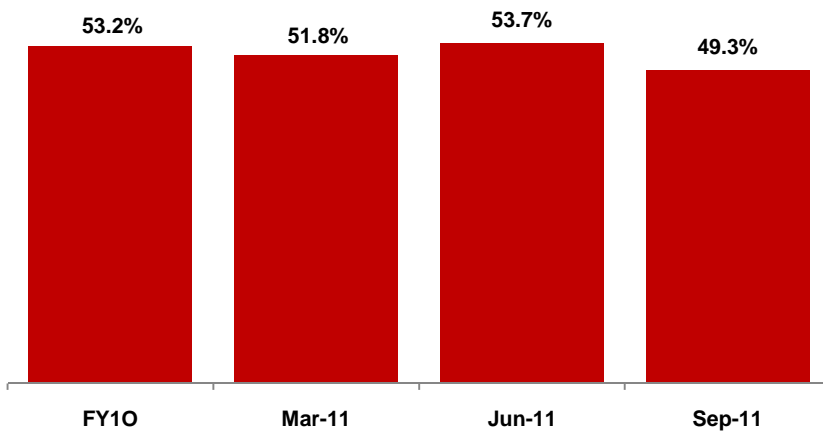
Non-Performing Loans



NPL Coverage

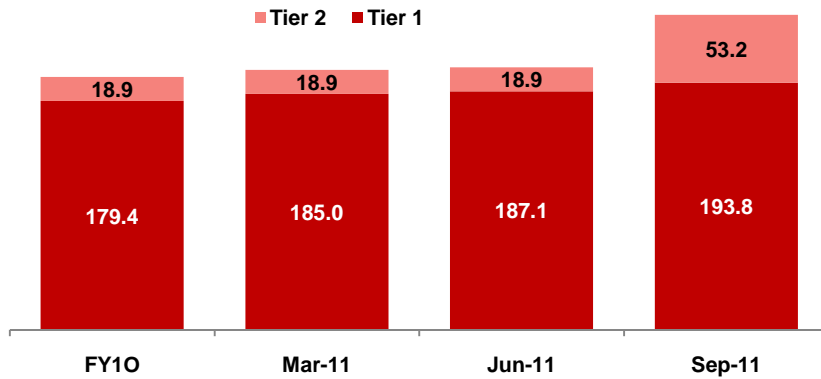


Gross Loans to Deposit Ratio

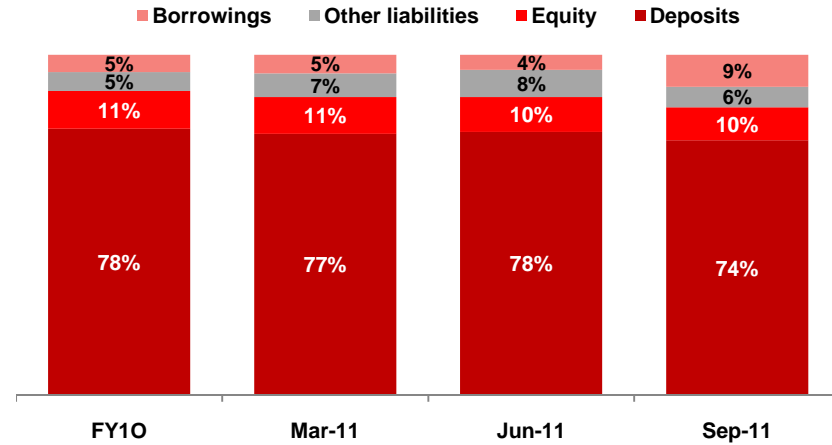


- Group NPL ratio at 6% (vs. 3.8% for Nigeria).
 - 5% Target NPL ratio will be achieved by year-end
 - Sufficient NPL coverage of 67% (based on prudential guidelines). This will be higher by year-end
- Gross loan to deposit ratio of 49% presents significant room for future loan growth.
- Credit expansion to take loan/deposit above 50%. Long term target is 60%.
- Significant recoveries expected from other African countries by year-end

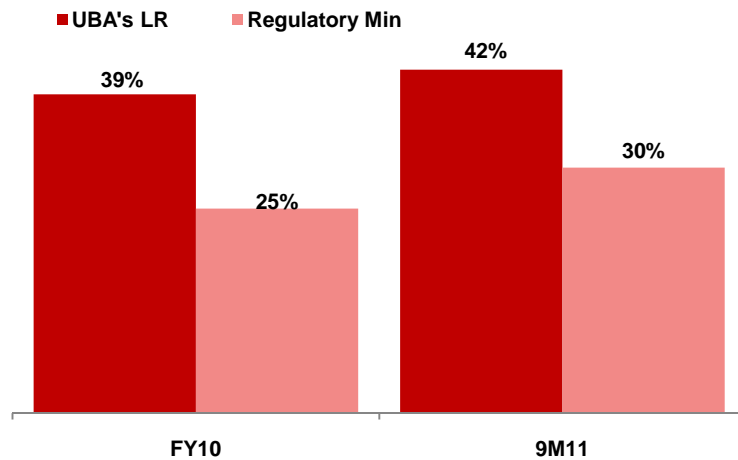
Robust Capital Base (N'bn)



Deposits Account for 74% Of Funding



Liquidity Ratio well above minimum threshold



Strong Capital Adequacy Ratio



5

UBA Africa Performance

Overview of UBA Africa's Presence – September, 2011



| S/N | Country | Commencement Date | Age |
|-----|------------------------------|-------------------|-------|
| 1 | Ghana | Jan 2005 | 6yrs+ |
| 2 | Cameroon | Dec 2007 | 3yrs+ |
| 3 | Uganda | May 2008 | 3yrs+ |
| 4 | Cote d'Ivoire | May 2008 | 3yrs+ |
| 5 | Liberia | Jul 2008 | 3yrs+ |
| 6 | Sierra Leone | Jul 2008 | 3yrs+ |
| 7 | Burkina Faso | Jul 2008 | 3yrs+ |
| 8 | Benin | Dec 2008 | 2yrs+ |
| 9 | Senegal | May 2009 | 2yrs+ |
| 10 | Chad | Sep 2009 | 2yrs |
| 11 | Kenya | Oct 2009 | 1yr+ |
| 12 | Tanzania | Oct 2009 | 1yr+ |
| 13 | Gabon | Nov 2009 | 1yr+ |
| 14 | Guinea Conakry | Feb 2010 | 1yr+ |
| 15 | Zambia | July 2010 | 1yr+ |
| 16 | Mozambique | Nov 2010 | <1yr |
| 17 | Democratic Republic of Congo | Jan 2011 | <1yr |
| 18 | Congo Brazzaville | July 2011 | <1yr |

Operating Foreign Subsidiaries (18)

Financial Performance By Region

Table 1
(PBT)

| PBT (N' mn) | FY10 | 9-MTHS 2011 | % CHANGE |
|-----------------------|----------------|-------------|--------------|
| UBA West Africa | (226) | 1,375 | +608% |
| East & Central Africa | (2,695) | (669) | +75% |
| TOTALS | (2,921) | 706 | +124% |

- African operations excluding Nigeria achieved N706mn in Sept-11 (vs. N2.9bn loss in 2010)

- YTD performance impacted by N1.8bn provisions in B/Faso – and N500mn has been recovered on this.

- Seven countries have broken even, while more are delivering monthly profits.

- Other African countries record strong growth in deposits, loans

- 43% growth in deposits to N239.2bn from N168bn in Dec-10

- Loans expanded by 50% to N97bn from N64bn in Dec-10

- Increasing loan to deposit ratio; now 40% (38% in Dec-10)

Table 2
(Deposits)

| DEPOSITS (N' bn) | 31-Dec-2010 | 30-Sep-2011 | % CHANGE |
|-----------------------|--------------|--------------|-------------|
| UBA West Africa | 134.5 | 183.6 | +37% |
| East & Central Africa | 33.1 | 55.6 | +68% |
| TOTALS | 167.6 | 239.2 | +43% |

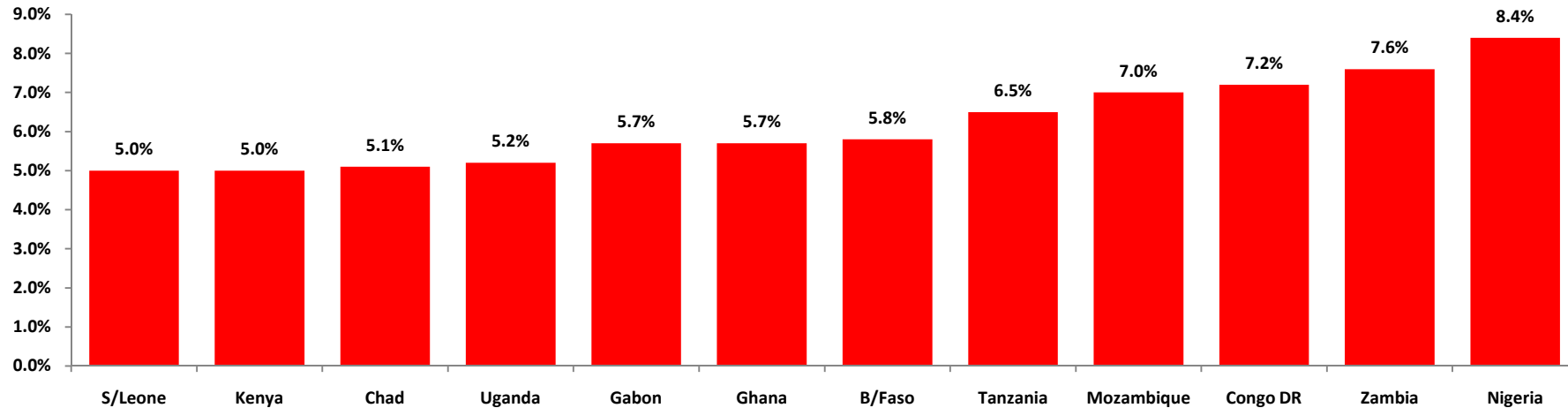
Table 3
(Loans)

| LOAN BOOK (N' bn) | 31-Dec-2010 | 30-Sep-2011 | % CHANGE |
|-----------------------|-------------|-------------|-------------|
| UBA West Africa | 48.3 | 58.9 | +22% |
| East & Central Africa | 16.1 | 37.9 | +135% |
| TOTALS | 64.4 | 96.8 | +50% |

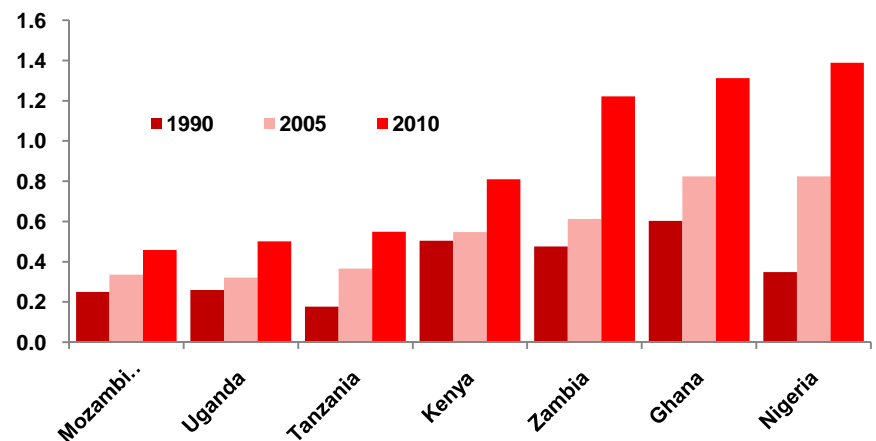
4

What Differentiates UBA?

GDP Growth rates in Countries that UBA Operates



Trend in Per Capita GDP, Selected SSA Countries (\$'000)

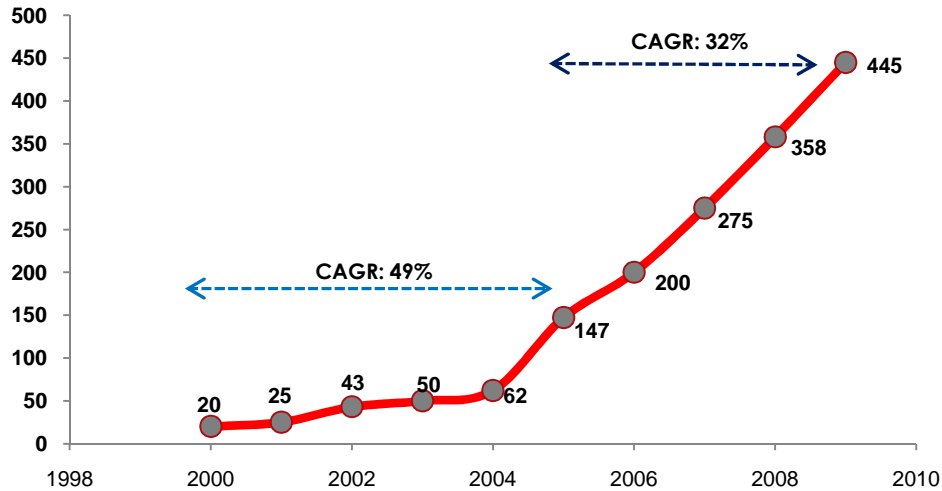


- Strong growth story in SSA; average GDP growth of 5.7% over the last decade.
- Record increases in GDP per capita: 10year CAGR of 15% in Nigeria, 12% in Tanzania.
- UBA's operations in these countries presents it with huge growth opportunities.

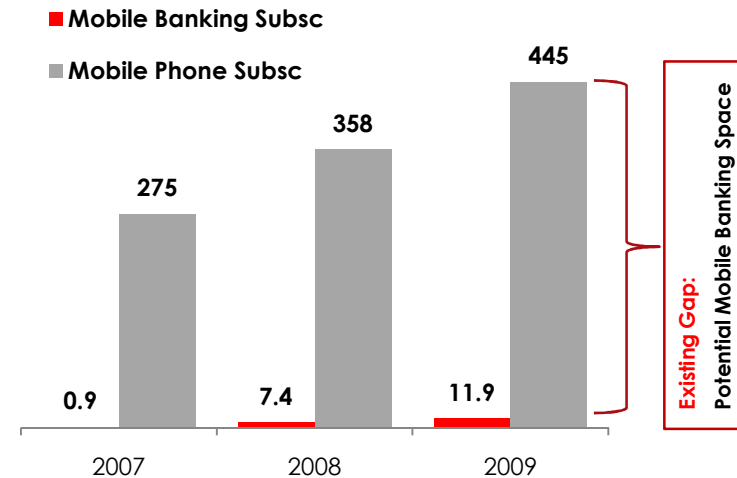
We have the Platforms To Exploit Existing Mobile Banking Opportunities



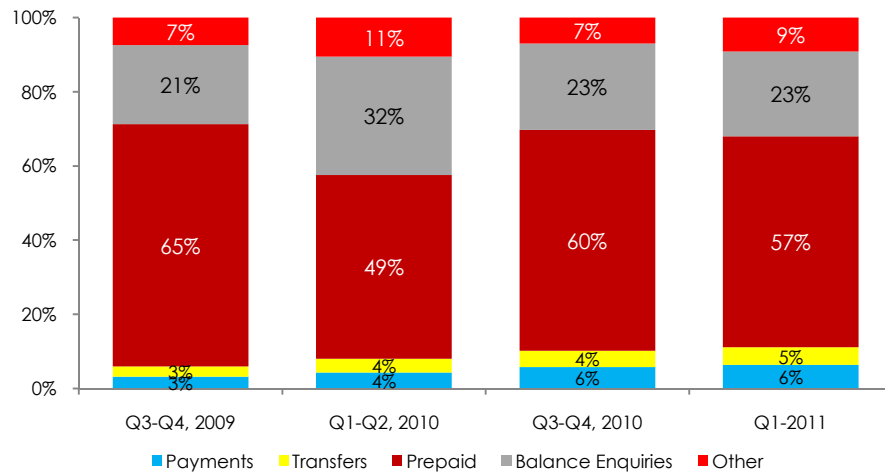
Strong Growth in Mobile Telephone Subscriptions in SSA (million)



However, Mobile Banking Penetration is still very low (millions)



Prepaid Transactions Dominate Mobile Banking Usage



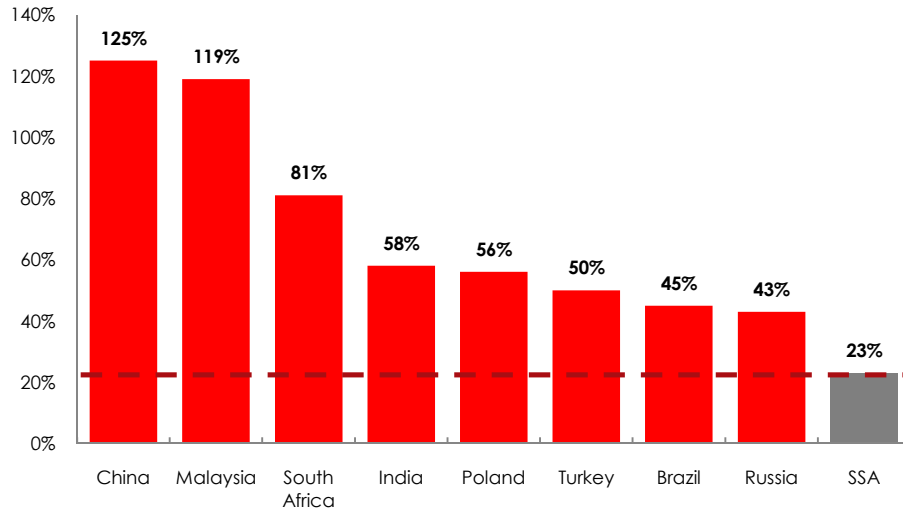
- Nigeria (UBA's key market) has the largest potential for mobile banking penetration
- Pay bills, transfer/withdraw money, top-up air time on your phone .
- No need for a bank account...
- Only your mobile number is needed
- In partnership with Glo mobile (Nigeria)
- In partnership with Airtel (Ghana)
- Penetrate other SSA markets with U-Mo technology



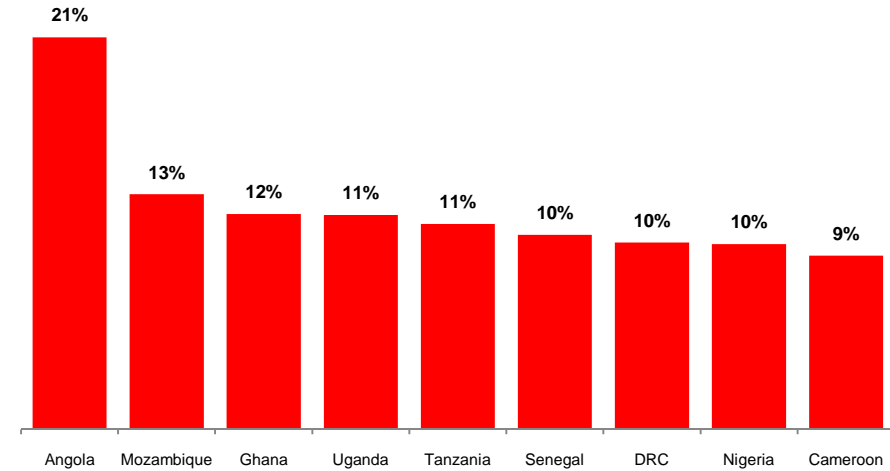
Opportunity and Capacity To Ramp Up Credit Expansion Across Africa



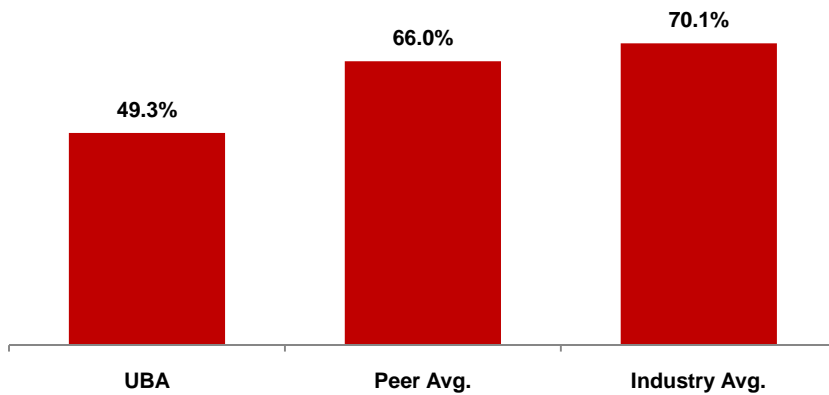
Low Credit Penetration In Sub Saharan Africa (2010)



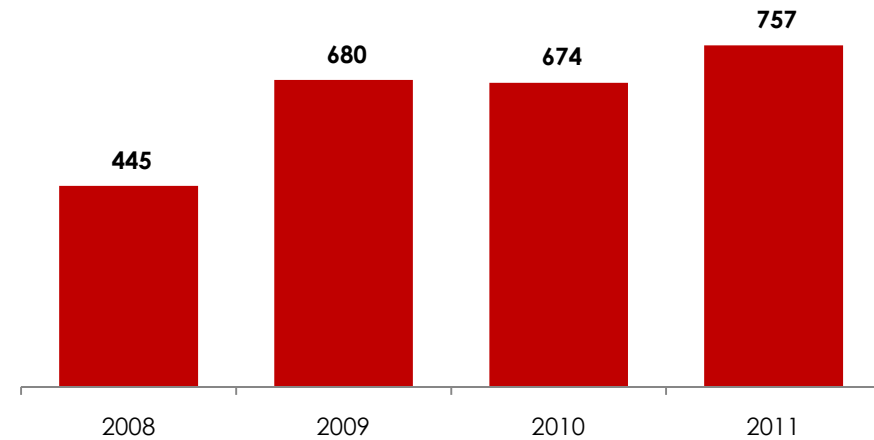
3-Year Average Loan To GDP Ratio (2011 – 2013)



Ample Room for Credit Expansion with Low Loan / Deposit

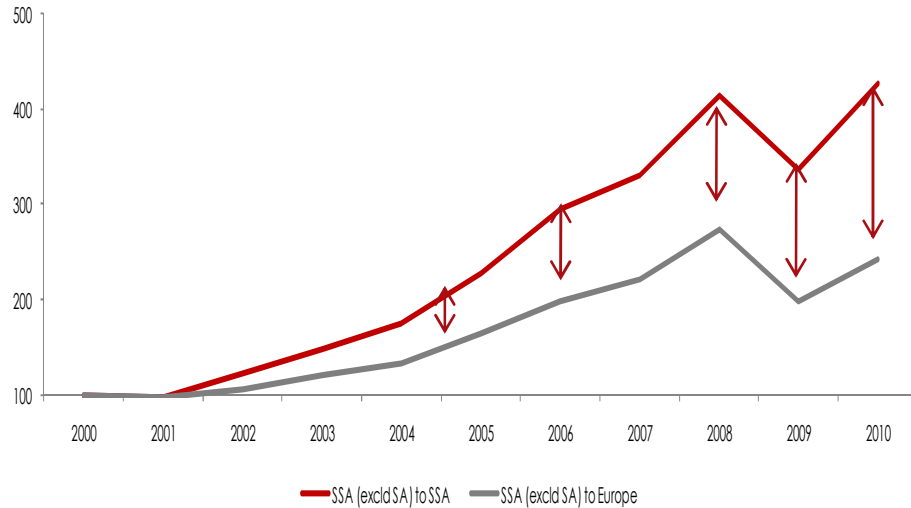


Rapid Expansion in UBA Loan Book (N'bn)

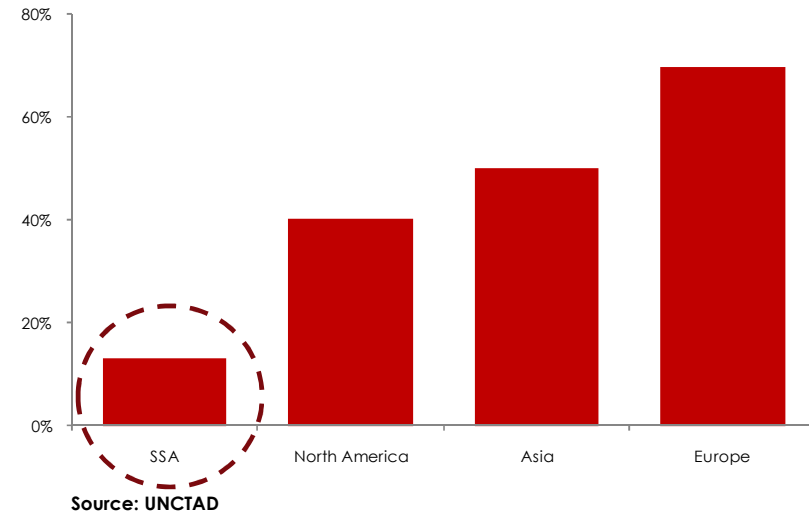


Growth in SSA's Intra-Regional Trade Presents Opportunities for UBA

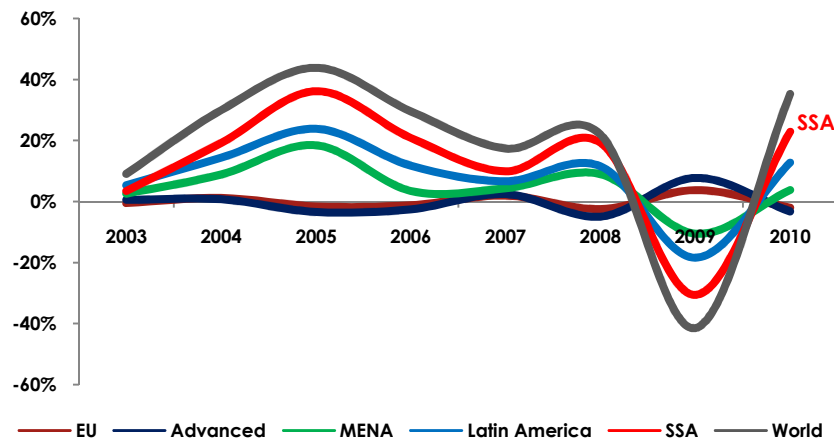
SSA's Intra-Regional Exports Outweighs Its Exports to Europe



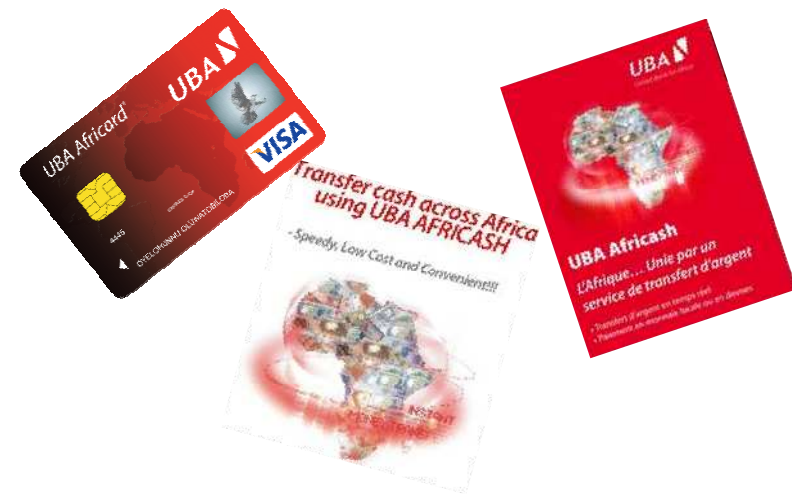
Low Intra-regional Trade Presents Growth Opportunity



Strong Growth in SSA's Trade Volumes (%)



Our Product Suites will enable us tap into these trade flows



Source: United Nations Conference on Trade and Development (UNCTAD)

Robust Risk Management Standards

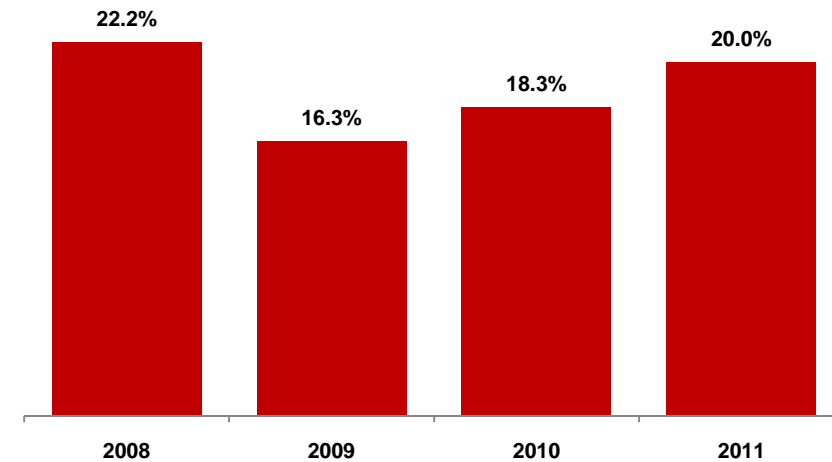
Regulatory provisions for optimum risk management



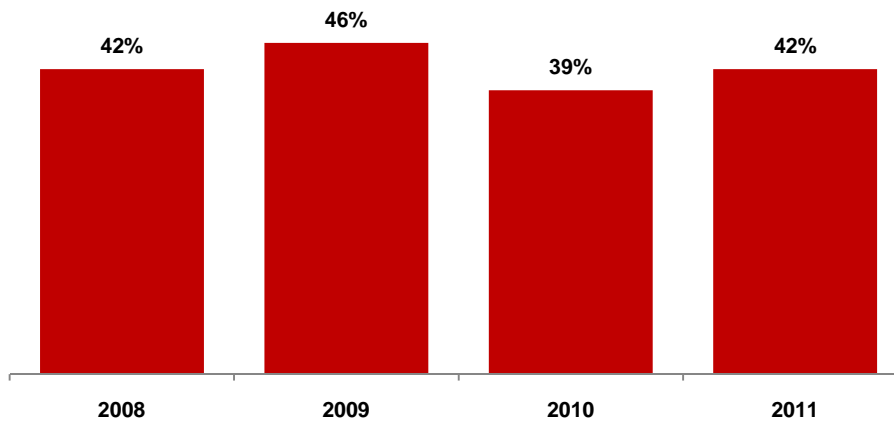
Through the:

- Implementation of risk-based supervision
- Introduction of macro-prudential guidelines
- Change of regulatory framework
- Establishment of AMCON to absorb NPLs
- Strengthening of Financial Stability Committee (FSC)
- Elimination of universal banking

Improving capital adequacy



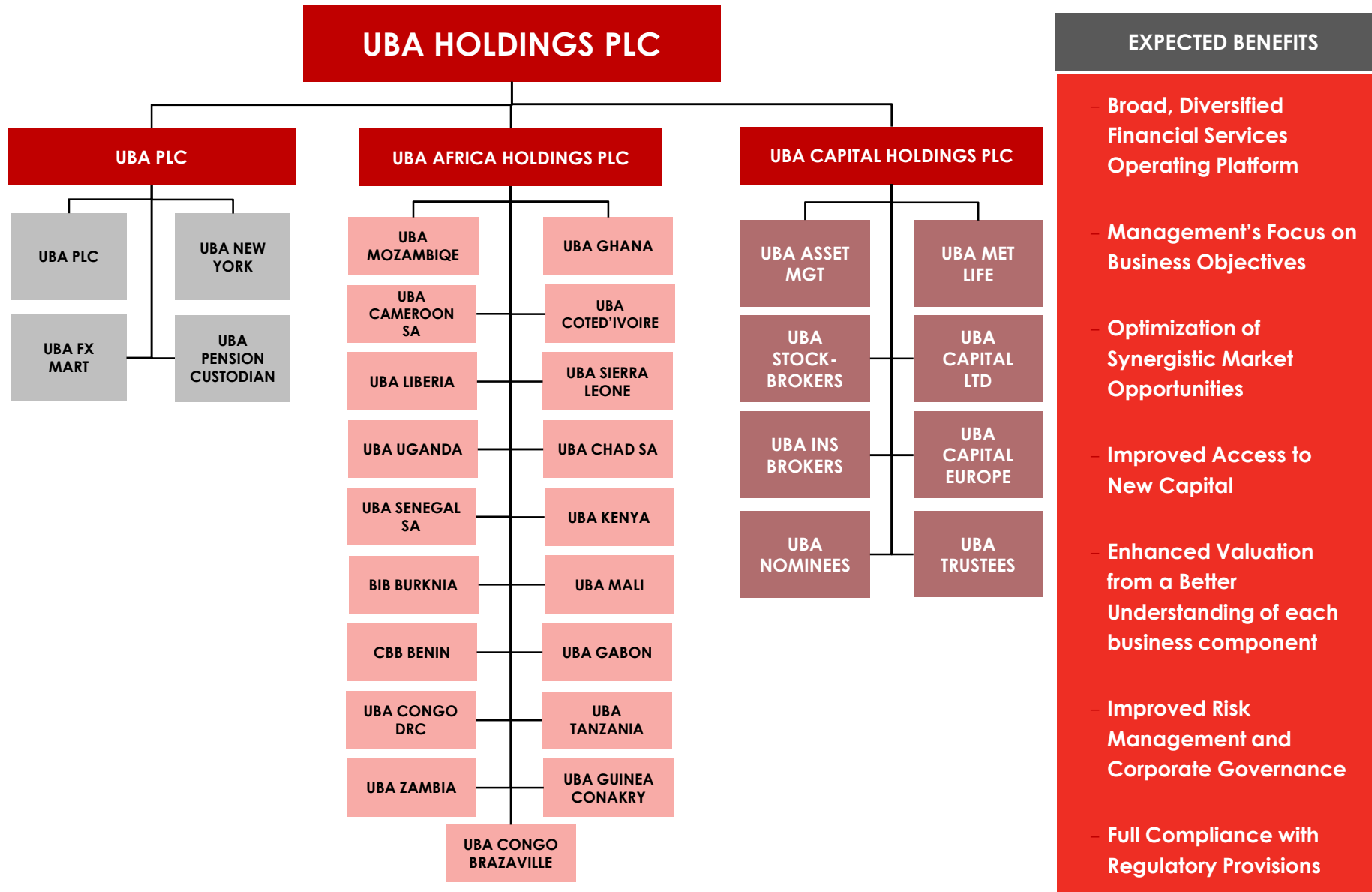
Strong Liquidity Position



Our strategy to uphold Regulatory provisions

- Sufficient Capital Adequacy buffer and strong liquidity position
- Regular Internal Capital Adequacy Assessment Process (ICAAP)
- Robust Business Continuity Plan (BCP) and Disaster Recovery Plan (DRP) in place
- Standardized operations with the implementation of Global Shared Services (GSS) Platform
- Articulated succession plan

We are adopting the Holdco model for value optimization



5

Conclusion

UBA is unique for its...



KEY TAKE AWAYS

- Strong PBT recovery, masked by provisions and write offs
- Implementation of painful short term decisions for benefit of long term growth
- Ever increasing contribution from ex Nigeria operations
- Strong growth in fee based income
- Cost Income high, but a natural consequence of sustained investment in network and operations. Significant reduction to under 70% by 2012 with increased revenue.
- UBA continues to offer increasingly diversified sources of revenue and the most attractive way to capture the pan African growth story in financial services

6

Q & A

7

Appendix

We are raising capital to...



Capital Raising Update

- Raised N53bn in tier 2 capital over the last 13 months
- In the process of raising additional equity capital via special placement

Consolidate Our Position in Nigeria

- **Consolidate UBA's Position in the Nigerian banking sector**
 - Driven by strong macro economic fundamentals (7.6% projected 2011 GDP growth rate) and ongoing structural reforms in various sectors such as the Power and Oil & Gas .
 - UBA is positioned to benefit from the growth due to its strong banking franchise (598 Nigeria branches, strong balance sheet growth (52% 2006 to 2010 CAGR in Loans and Advances) and significant headroom for lending (2010 loan to deposit ratio of 51%)

Consolidate Our Pan-Africa Presence

- **Advancing UBA 's Pan-Africa consolidation plan**
 - Increase capacity of our African Businesses to create more risk assets in light of the robust economic growth prospects (Average 2011-2013 credit growth rate for SSA countries (excluding SA) is 10%)

Strengthen IT Infrastructure

- **Investing in IT infrastructure**
 - Further alignment between Nigerian and African operations
 - Further enhance management information and risk management systems
 - Increase efficiency in operations
 - Consolidate mobile banking platform

Enhance Capital Position

- **Facilitate lending capacity (Capital Adequacy Ratios (CAR))**
 - UBA's total CAR was 20% as at September 2011 vs. regulatory requirement of 10%
 - As at September 2011, Tier 1 Capital was NGN193.8 bn (USD 1.29bn)and Tier 2 capital was NGN53 bn (USD366.7mn)
 - In addition, UBA recently raised NGN35billion (USD 223.06 mn) Tier 2 capital. The proposed equity capital raising Tier 1 capital will enhance UBA's CAR

Thank you