2008/09 Half Year Results
Investor Briefing

Victor Osadolor
Executive Director/Group CFO
UBA PLC
May 7, 2009
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 numbers.
# 1H-Mar 2009 financials at a glance

## Strong performance despite challenging operating environment

<table>
<thead>
<tr>
<th>PARAMETERS</th>
<th>Mar-09 (N' bn)</th>
<th>Mar-08 (N' bn)</th>
<th>% GROWTH</th>
</tr>
</thead>
<tbody>
<tr>
<td>GROSS EARNINGS</td>
<td>108.9</td>
<td>78.1</td>
<td>39%</td>
</tr>
<tr>
<td>PBT &amp; EXCEPTIONAL ITEMS</td>
<td>25.9</td>
<td>21.9</td>
<td>18%</td>
</tr>
<tr>
<td>EXCEPTIONAL ITEMS</td>
<td>3.9</td>
<td>1.8</td>
<td>117%</td>
</tr>
<tr>
<td>PROFIT BEFORE TAX</td>
<td>22.0</td>
<td>20.1</td>
<td>9%</td>
</tr>
<tr>
<td>BALANCE SHEET SIZE</td>
<td>1,829</td>
<td>1,617</td>
<td>13%</td>
</tr>
<tr>
<td>ASSETS</td>
<td>1,340</td>
<td>1,137</td>
<td>18%</td>
</tr>
<tr>
<td>DEPOSITS</td>
<td>1,023</td>
<td>834</td>
<td>23%</td>
</tr>
<tr>
<td>SHAREHOLDERS' FUNDS</td>
<td>201</td>
<td>173</td>
<td>16%</td>
</tr>
<tr>
<td>ROE</td>
<td>24.8%</td>
<td>19.5%</td>
<td></td>
</tr>
<tr>
<td>ROA</td>
<td>3.2%</td>
<td>2.6%</td>
<td></td>
</tr>
<tr>
<td>COST/INCOME RATIO</td>
<td>60.0%</td>
<td>59.9%</td>
<td></td>
</tr>
</tbody>
</table>
Outline

- Executive Summary
- Detailed Analysis of results
- Overview of UBA
- Operating environment
- Outlook for the remaining quarters
- Q & A
Executive Summary

- Operating environment

  - World economy crisis deepens
    - Recession in many geographies
    - Sub-prime mortgage crisis remains
    - Global credit crunch
    - Decline in equity prices (over 25% shed in 1Q09)
    - Job losses (51 million jobs to be lost in 2009 – ILO)
    - etc

  - Nigeria impacted by global recession
    - Sharp decline in oil prices; presently firm at $50/bl
    - Reduced foreign reserves; presently hovering around $50bn and stabilising
    - Reduction in FAAC allocation to states and MDAs
    - Depreciation of the Foreign exchange now N145/$1 (down from N117)
    - Weakened capital market (37% decline in 1Q09)
    - Reduced Foreign Direct Investments
    - Credit Contraction
    - Margin Loans challenges
    - Reduced liquidity
Executive Summary

- Concerted actions to contain the impact
  - Liquidity infused
  - FX Regime altered
  - Interest rates pegged
  - Govt focuses on Agric and Infrastructural development
    - N1trn earmarked for infrastructure
    - N171bn released for Roads
    - N200bn earmarked for commercial agric
    - N100bn released so far (UBA got N75bn (75%) )
    - Balance of N100bn to be released soon
    - UBA expects to receive 75% of this sum also

- UBA operated under this challenging operating environment but leveraged its key strength to weather the storm
Executive Summary

UBA’S PERFORMANCE HIGHLIGHTS

- Growing market share
  - Consistent growth in gross earnings (49% CAGR)
  - Strong deposit base (12.5% of sector deposits)
  - Increased Branch Network (24 in Ghana, 21 in BIB, 613 in Nigeria, 32 in others)
- Cautious global expansion
  - Operations in 8 countries
  - Licences in an additional 9 and various stages of commencement
  - Another acquisition Benin (BIB acquired last year)
  - Remains focused on being in 23 by 2010/2011
  - Operations in the rest of the world: New York, United Kingdom, and a newly established Rep office in Paris

- Profitability and efficiency
  - Diversified earnings base
  - Established Project 20 and GSS initiatives
  - However we have a declining earning mix
    - Low investment banking income
    - Reduced OPL and Fx trading incomes
Executive Summary

- **Funding and capital adequacy**
  - 72% of deposits are cheap funds
    - Strong retail network
    - 6.6 million customer base
  - Strong deposit growth due to articulated strategy
  - Capital Adequacy Ratio (CAR) of 19%
    - Well above minimum requirement of 10%

- **Strong liquidity, stable asset quality despite Margin Loans**
  - Strong liquidity ratio of 51% (twice the minimum threshold of 25%)
    - Despite a progressive reduction in;
      - regulatory liquidity requirement from 40% to 25%
      - Cash Reserve Ratio down to 1% from 3%
      - MPR down to 8% from 9.75%
  - Stable NPL ratio of 4.9% (4.8% in 1H08)
  - Improving NPL coverage ratio
    - Gross NPL coverage - 98.9% (89.7% in 1H08)
    - Net NPL coverage - 123% (112% in 1H08)
Outline

- Executive Summary
- **Detailed Analysis of results**
  - Strong market share
  - Profitability & Efficiency
  - Risk management & Liquidity
- Overview of UBA
- Operating environment
- Outlook for the remaining quarters
- Q & A
Growing market share

Gross Earnings 2007 – 09 (N' bn)

- Revenue growth driven largely by growth in interest and discount income.

- Stable Balance Sheet growth
  - Wider network in Nigeria
  - Pan African expansion
  - IT/GSS Enablement

Total Assets plus Contingents (N' billion)

Deposit Base (N' billion)
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Stable profitability...

- Stable PBT despite severe challenges
- Interest & discount incomes up by 55% to N83 bn
- Slow growth in fee based income
  - Reduced investment banking income
  - Reduction in Open Position Limits (OPL) from 20% to 1% of SHF resulting in low fx income

Interest and non interest Income (N’bn)

- +39.4% growth

- 1H07: 11.7
- 1H08: 20.1
- 1H09: 22.0

- 1H07: 24.7
- 1H08: 53.4
- 1H09: 82.8

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...Driven by Low cost, growing and diversified funding base...

Structure of Deposits, by type

- **Demand** 55%
- **Time** 28%
- **Savings** 17%

Deposit Liabilities by location

- **Nigeria North** 38%
- **Nigeria South** 53%
- **Others** 9%

- **Deposit Mix**: 72% in cheap Current and Savings Account
- **Wide distribution network as a catalyst**
- **91% of deposits generated in Nigeria**
  - Diversification is imperative; hence our African expansion drive
- **Over 6.6m customers providing a good platform for cross-sell and customer wallet share increases**
... and improved operating efficiency

Net Interest Margins (NIM)

<table>
<thead>
<tr>
<th>Year</th>
<th>NIM</th>
</tr>
</thead>
<tbody>
<tr>
<td>1H08</td>
<td>6.2%</td>
</tr>
<tr>
<td>1H09</td>
<td>8.4%</td>
</tr>
</tbody>
</table>

Cost to Income ratio

<table>
<thead>
<tr>
<th>Year</th>
<th>Cost to Income ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>1H08</td>
<td>59.9%</td>
</tr>
<tr>
<td>1H09</td>
<td>60.0%</td>
</tr>
</tbody>
</table>

Return on Total Assets

<table>
<thead>
<tr>
<th>Year</th>
<th>RoA</th>
</tr>
</thead>
<tbody>
<tr>
<td>1H08</td>
<td>2.6%</td>
</tr>
<tr>
<td>1H09</td>
<td>3.2%</td>
</tr>
</tbody>
</table>

- Cost to Income ratio stable.
- Project 20 and GSS established should extract more value from operations and improve efficiency.
- Enhanced Asset utilization; RoA of 3.2%.
- Better efficiency achieved despite challenging operating environment.

Note: income data was annualized in calculating RoAA.
Enhanced shareholder value

- RoE improved by 53 basis points
- UBA continues to enhance shareholder value
- Dividend policy is expected to remain consistent with trend
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Good liquidity management

Structure of Total Assets

<table>
<thead>
<tr>
<th></th>
<th>1H08</th>
<th>1H09</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and S.T. Funds &amp; Other Fin Inst.</td>
<td>32.1%</td>
<td>37.2%</td>
</tr>
<tr>
<td>Investments</td>
<td>22.1%</td>
<td>14.0%</td>
</tr>
<tr>
<td>Loans and advances</td>
<td>32.0%</td>
<td>33.8%</td>
</tr>
<tr>
<td>Other assets</td>
<td>9.1%</td>
<td>9.7%</td>
</tr>
<tr>
<td>Fixed assets</td>
<td>4.7%</td>
<td>5.3%</td>
</tr>
</tbody>
</table>

LR - Liquid Assets to Total Deposits

<table>
<thead>
<tr>
<th>1H08</th>
<th>1H09</th>
</tr>
</thead>
<tbody>
<tr>
<td>UBA-LR</td>
<td>41%</td>
</tr>
<tr>
<td>Regulatory-LR</td>
<td>40%</td>
</tr>
</tbody>
</table>

26% above required threshold LR of 25%

Loan to Deposit Ratio

<table>
<thead>
<tr>
<th>1H08</th>
<th>1H09</th>
</tr>
</thead>
<tbody>
<tr>
<td>UBA-LR</td>
<td>43.6%</td>
</tr>
</tbody>
</table>

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Risk management

**NPL Ratio**

- **1H08**: 4.8%
- **1H09**: 4.9%

**Coverage Ratio**

- **1H08**: 89.7%
- **1H09**: 98.9%

**Net Coverage Ratio**

- **1H08**: 112.2%
- **1H09**: 123.6%

- Stable risk asset quality
- Margin loan exposure now 5.5% of gross loans and advances
Risk Management: Margin loans (MLs)

MLs are 5.5% of gross loans. They are of three classes

- Retail MLs of about 30%
  - Most restructured for 2 years at reduced loan rates
  - And alternative sources of repayment
  - Various levels of provisioning made

- 40% of MLs to our subsidiaries (capital market operators)
  - Holdings are being marked to market and
  - Losses to-date have been fully recognized

- The balance (30%) are to corporates and emerging corporate customers
  - Restructured and subsumed under such customers total loan portfolio and tied to cash flows from other business lines
  - Tenors lengthened
  - Interest rates reduced
  - Various levels of provisioning made
Outline

- Executive Summary
- Detailed Analysis of results
- **Overview of UBA**
  - **Strategy**
  - Industry Position
  - ERM and compliance Framework
- Operating environment
- Outlook for the remaining quarters
- Q & A

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About us

Who we are
United Bank for Africa Plc ("UBA") is the leading financial services institution in West Africa. Listed on the Nigerian Stock Exchange, UBA is rapidly evolving into a pan African full service financial institution.

Our Vision
To be an undisputed leading and dominant financial services institution in Africa

Our Mission
To be a role model for African businesses by creating superior value for all our stakeholders, abiding by the utmost professional and ethical standards, and by building an enduring institution

Our core Values
- H - Humility
- E - Empathy
- I - Integrity
- R - Resilience

Shareholding Structure
- Foreign Investors: 12%
- Nigerian public: 74%
- Staff & Directors: 14%
UBA’s Organization Structure is one that facilitates speedy decision making, entrepreneurship & effective corporate support.
A true Global Bank...

- 690 branches; up from 621
- 1,557 ATMs; up from 1,256
- 3,769 POS Term.; up from 3,296
- Over 200 banking products; up from 145
- Over 6.6mn accounts; up from 6mn
- 14,000 employees; up from 5,081 (absorption of OND/HND graduates)
- Operations in 14 countries; up from 9
...built on well nurtured strengths

- UBA’s market leadership has been built on the following key strengths

UBA’s Key Strengths

- Financial Size and Profitability (Nominal)
- Driven, dynamic, leadership team
- Strong brand equity
- Large customer base
- Wide network including alternative channels
- Product range and innovation

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Establishing a global brand that will become the leading bank in emerging markets, whilst remaining bank of choice for Africans and African businesses globally

- Increase market share to 25% by 2011
  - Presence in 23 African countries by 2011
  - Regulatory approvals have been obtained to operate in additional 3 countries
  - To be top 3 in each business segment
  - Exploit viable acquisition opportunities
  - Presence in all major financial centres

- Dominate in retail banking
  - Enhance distribution channels, ATMs and POS terminals, branch network
  - Partner with Credit Reference Corporation (CRC)
  - Create value adding products

- Achieve Cost to income ratio of 50% by 2011
  - Group Shared Services framework
  - N20bn cost savings initiative
  - Staff performance optimization

- Deploy risk management standards in key areas of our business
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We lead in distribution channels

### Branch Network, Top Banks

<table>
<thead>
<tr>
<th>Bank</th>
<th>Branches</th>
</tr>
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<tbody>
<tr>
<td>UBA</td>
<td>690</td>
</tr>
<tr>
<td></td>
<td>453</td>
</tr>
<tr>
<td></td>
<td>434</td>
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<tr>
<td></td>
<td>298</td>
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<tr>
<td></td>
<td>286</td>
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<tr>
<td></td>
<td>263</td>
</tr>
<tr>
<td></td>
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<tr>
<td></td>
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</tr>
<tr>
<td></td>
<td>136</td>
</tr>
<tr>
<td></td>
<td>99</td>
</tr>
</tbody>
</table>

### ATMs Deployed, top ten banks

<table>
<thead>
<tr>
<th>Bank</th>
<th>ATMs</th>
</tr>
</thead>
<tbody>
<tr>
<td>UBA</td>
<td>1,557</td>
</tr>
<tr>
<td></td>
<td>1,256</td>
</tr>
<tr>
<td></td>
<td>648</td>
</tr>
<tr>
<td></td>
<td>582</td>
</tr>
<tr>
<td></td>
<td>434</td>
</tr>
<tr>
<td></td>
<td>381</td>
</tr>
<tr>
<td></td>
<td>285</td>
</tr>
<tr>
<td></td>
<td>259</td>
</tr>
<tr>
<td></td>
<td>234</td>
</tr>
</tbody>
</table>

- UBA controls over 20% of sector distribution channels

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Solid balance sheet…

Total assets + contingents, Nigerian Banks (N’billion)

- UBA has 11.4% market share of total assets
...still undervalued at the Equity market

**P/B Ratio, largest banks (31Mar09)**

- UBA: 0.9x

**P/E Ratio, largest banks (31Mar09)**

- UBA: 4.1x

**Div. Yield, largest banks (31Mar09)**

- UBA: 13.5%

Good valuations (Time to Buy)
- P/B less than 1 (0.9x)
- P/E of 4.1x despite positive earnings outlook
- Best Div Yield of 13.5%
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Group Risk Management Structure

CEO

Subsidiary Risk Heads

GCRO

Risk Measurement
- Economic Capital
- Risk Appetite
- Models

Credit Risk Management
- Policies & Frameworks
- Credit Control & Admin
- Credit Risk Monitoring
- Credit Centre South
- Credit Centre North

Chief Credit Officer

Credit Collections/recoveries

Compliance & Fin Crime

Group Credit Office

Group Recoveries

Group AML

Regional Recoveries

Ethics & Corp Governance

Collections

NY Comp OFF

Remedial

UBACE Comp OFF

African Comp OFF's

Loss Recording

Traded Market Risk

NY Comp OFF

Internal Market Risk

UBACE Comp OFF

Comp OFF's

Op Risk

Traded Market Risk

UBACE Comp OFF

IT Risk

UBACE Comp OFF

Internal Market Risk

UBACE Comp OFF

Subsidiaries IT Risk

R&CSA

ubs.com
Enabled by...

...A Strong Corporate Governance Framework

**Responsible for:**
- Setting & approval of:
  - Risk philosophy
  - Risk mgmt principles
  - Risk appetite & tolerance

**Implementation of:**
- Risk Mgt principles

**Approving of:**
- Risk policies
- Risk limits

**Oversight of:**
- Risk profile of the group
- Risk limits per business unit/subsidiary & risk type
- Control & compliance environment

**Management of:**
- All risk exposures in the Business unit/subsidiary

**Accountable to:**
- Stakeholders
- Regulators
- The community

**UBA BOARD**

**BOARD COMMITTEES**
- Risk Mgt; Finance & General Purpose; Nomination & Evaluation; Ethics & Corp. Governance

**GMD/CEO: Group EXCO**

**Management Committees**
- CRESCO; ALCO; EXCO etc

**ENTERPRISE-WIDE RISK MGT**

**Risk Mgt Dimension**

**Risk Control Departments**

**Business units/subsidiaries**

**Board of Directors**
- Group Risk Committee
- The GMD/CEO

**Group Chief Risk Officer (GCRO)**
- Chief Credit Officer
- Chief Inspector

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UBA Principal Risks

- Capital risk
- Compliance risk
- Concentration risk
- Credit recovery risk
- Credit default risk
- Currency risk
- Equity or investment risk in banking book
- Interest-rate risk in banking book
- Liquidity risk
- Market risk (position risk) in the trading book
- Process risk
- Reputational risk
- Information integrity risk
- People risk
- Technological risk
- Project Risk
Economic capital Framework ensures adequate capitalization for all risks

T1 capital maintained above economic capital requirement to ensure UBA is adequately capitalized for principal risk unexpected losses at 99.9% confidence level.
Financial volatility risk appetite is used to limit stress scenario impacts.

**Business as Usual**
- PBT must be at least 3 times expected loss (provisions)
- Positive PBT of at least 50% of current level
- Must be able to fund 1/3 of planned b/sheet growth capital needs from free cash flow

**1 in 20 Stress**
- Establish the strategic constraint for each part of the risk profile
- There can be more than one constraint for any one part of the risk profile

**1 in 7 Stress**
- We must be able to maintain dividend level
- Free cash flow must be able to fund planned balance sheet growth capital needs

**1 in 20 Stress**
- No strategic constraint at present
- Economic Profit considerations will be paramount

**Extreme Stress (Economic Capital)**
- Positive PBT of at least 50% of current level
- Must be able to fund 1/3 of planned b/sheet growth capital needs from free cash flow
Outline

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**Operating environment**
- World Economy
- Sub Sahara Africa Economy
- Nigerian Economy
- The Banking Sector

- Outlook for the remaining quarters
- Q & A
Global recession deepens...

World Bank reduced its 2009 global growth forecast from 2.5% to 0.9%
Sharp decline to come mostly from recession in developed economies

Equity risk premium has been eliminated
Bond yields now exceed stock returns.
YTD decline on equities average 30% globally

Source: Economic Data

World GDP growth, 2000 - 2008

S&P 500 vs. Barclays Govt. Bond Index
with decline in world stock markets...

Performance of selected world stock markets in 2008

-68.3%  -67.7%  -58.9%  -53.8%  -49.2%  -48.3%  -47.5%  -45.8%  -41.4%  -40.7%  -40.4%  -39.7%  -33.8%  -31.3%  -30.0%  -80%  -60%  -40%  -20%  0%

- In 2009, stock markets have recorded choppy movements.

- Nigerian Stock market has recorded a YTD decline of 37% by end of March 2009.

Source: Wall Street Journal
...and drop in Oil prices

Oil price trend, last one year (US$/barrel)
Continued downward interest rate adjustments and financial stimulus; to boost spending

Monetary Policy actions by regulatory authorities in 2008

- Federal Reserve: 1.6% (Rate as at Nov'08), 2.0% (Previous Rate)
- European Central Bank: 3.8% (Rate as at Nov'08), 4.3% (Previous Rate)
- Bank of England: 4.5% (Rate as at Nov'08)
- Bank of Canada: 2.5% (Rate as at Nov'08), 3.0% (Previous Rate)
- Swiss National Bank: 2.3% (Rate as at Nov'08), 2.8% (Previous Rate)
- People's Bank of China (PBoC): 6.9% (Rate as at Nov'08), 7.2% (Previous Rate)
- Sveriges Riksbank: 4.3% (Rate as at Nov'08), 4.8% (Previous Rate)
- Bank of Korea: 5.0% (Rate as at Nov'08), 5.3% (Previous Rate)
- Hong Kong Monetary Authority: 2.0% (Rate as at Nov'08), 2.5% (Previous Rate)
- Taiwan Central Bank: 3.3% (Rate as at Nov'08), 3.5% (Previous Rate)
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PROSPECTS IN SSA BETTER THAN EUROPE AND LATAM, and COMPARES WELL WITH ASIA - IMF

- IMF reviewed growth expectation for SSA by 160 bpts to 4.6% in Jan’09
- Growth expectation for Asia slightly higher at 4.8% (6.3% in Apr’08)
- Inflation rate of 6.5% expected (4.6% in Apr’08)
Exports and Growth in SSA

• SSA exports grew by almost 8% in 2008

• Export growth consistent with output growth

Sources: IMF, *World Economic Outlook*; and IMF, African Department database
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Overview of Nigerian economy

- Reduced capital inflows
  - Most FDIs are going into Oil & Gas
- Decline in global oil prices
  - $147/barrel as at July 2008
  - Now $50/barrel
- Exchange rate depreciation
  - Now relatively stable
  - Margin between official and parallel market rates however remains wide
- Foreign reserves, shrank but now stable at $50bn
- Contraction of credit
  - But increased lending to Oil & Gas
- Weak stock market

Q1 GDP growth rate: 6.3%

Selected macroeconomic data

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP growth (Dec, 2008)</td>
<td>6.77%</td>
</tr>
<tr>
<td>Inflation rate (Feb, 2009)</td>
<td>14.6%</td>
</tr>
<tr>
<td>External Reserves (Jan’ 2009)</td>
<td>$50.9 bn</td>
</tr>
<tr>
<td>Official Exchange Rate (US$)</td>
<td>N145.8</td>
</tr>
<tr>
<td>Monetary Policy Rate (April 2009)</td>
<td>8.0%</td>
</tr>
<tr>
<td>182 day Treasury Bill rate – 31/03/09</td>
<td>9.43%</td>
</tr>
</tbody>
</table>

YoY inflation rate, last 12 months

<table>
<thead>
<tr>
<th>Month</th>
<th>YoY Inflation Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feb-08</td>
<td>8.0%</td>
</tr>
<tr>
<td>Apr-08</td>
<td>7.6%</td>
</tr>
<tr>
<td>Jun-08</td>
<td>8.2%</td>
</tr>
<tr>
<td>Aug-08</td>
<td>9.7%</td>
</tr>
<tr>
<td>Oct-08</td>
<td>12.1%</td>
</tr>
<tr>
<td>Dec-08</td>
<td>14.0%</td>
</tr>
<tr>
<td>Feb-09</td>
<td>14.6%</td>
</tr>
</tbody>
</table>

www.ubagroup.com
CBN initiates expansionary policy measures, stabilises exchange rate

- Benchmark rate reduced by 175 bpts to 8.0%
- Cash Reserve Ratio reduced progressively from 3% to 2% and now 1%
- Liquidity Ratio reduced from 40% to 30% and now 25%
- Set the Maximum Deposit and lending rates at 15% and 24% respectively, prescribing the following sanctions for its breach;
- Reclassified BDCs into “A” and “B”
  - Class A with N500m minimum capital can access Forex from the CBN
  - Maximum transaction limit of $5,000 for Class B
Outline

- Executive Summary
- Detailed Analysis of results
- Overview of UBA
- **Operating environment**
  - World Economy
  - Sub Sahara Africa Economy
  - Nigerian Economy
  - The Banking Sector
- Outlook for the remaining quarters
- Q & A
# Overview of the Banking sector

<table>
<thead>
<tr>
<th>Upside</th>
<th>Downside</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relatively strong capital base at N3 trillion</td>
<td>Equity market exposure estimated at 10% of total loans (N700bn – N1trillion)</td>
</tr>
<tr>
<td>Improving risk management and corporate governance awareness</td>
<td>Exposure to downstream petroleum segment</td>
</tr>
<tr>
<td>Improving disclosure</td>
<td>High operating cost</td>
</tr>
<tr>
<td>Improving distribution channels – over 7,500 ATMs</td>
<td>Decline in credit lines</td>
</tr>
<tr>
<td>Lower government revenue but increased government spending</td>
<td>Decline in FDIs</td>
</tr>
<tr>
<td>Aggressive cost control</td>
<td>Decline in credit to the economy</td>
</tr>
<tr>
<td>Stricter regulatory oversight</td>
<td></td>
</tr>
<tr>
<td>Implementation of IFRS in 2009</td>
<td></td>
</tr>
<tr>
<td>Common year-end for all banks by December 2009</td>
<td></td>
</tr>
</tbody>
</table>
Outline

- Executive Summary
- Detailed Analysis of results
- Overview of UBA
- Operating environment
- **Outlook for the rest of the year**
- Conclusion
- Q & A
- Appendices
Outlook for the rest of the year

- Global growth forecast to remain weak; from 2.5% to 0.9%
- Nigeria’s GDP growth to stabilise at about 4.5%
  - N3.1tr expansionary budget for 2009
  - N200bn Agric fund will drive growth (Agric is 46% of GDP)
  - N1trillion earmarked for infrastructure spending in 2009
  - Aggressive Taxes, levies and duties will drive government revenue
  - Excess Crude reserves to be injected into the economy
- Stability in Fx rates around N145-N150
- Stable margins between official and autonomous FX rates
Outlook for the rest of the year

- Stability in Inflation levels (14-15%)
- Fee based income shrinkage to continue
- Softening of liquidity squeeze
- Increased Provisioning for Margin Loans etc
- Stock Prices will remain soft (Time to buy?)
- Increased consolidated regulation and surveillance
- Improved disclosure, risk mgt and corporate governance
Outline

- Executive Summary
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Conclusion

UBA’s fundamentals remain very solid

- Strong liquidity (50%)
- Solid Capital Adequacy Ratio (19%)
- Adequate NPL coverage (123%)
- Strong earning capacity (ROA 3.2%)
- Appealing Enterprise Value (P/E 4.2x, PB 0.9x)
- Pan African Expansion strategy (15 countries)
- Increased disclosure standards (IFRS) and Risk Management architecture (Basel 2)
- Potentials for significant cost savings (GSS, P20)
Thank you
Appendices
### Brief history of UBA

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>1949</td>
<td>French &amp; British Bank Limited (&quot;FBB&quot;) commences business</td>
</tr>
<tr>
<td>1961</td>
<td>Incorporation of UBA to take over the banking business of the FBB</td>
</tr>
<tr>
<td>1970</td>
<td>IPO on the NSE</td>
</tr>
<tr>
<td>1984</td>
<td>Establishment of NY branch</td>
</tr>
<tr>
<td>1998</td>
<td>GDR programme established</td>
</tr>
<tr>
<td>2004</td>
<td>Establishment of UBA Ghana</td>
</tr>
</tbody>
</table>
| 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 opened in Paris, France |
### Loan portfolio: local distribution

#### Net Loans by industry segment

<table>
<thead>
<tr>
<th>Industry Segment</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil &amp; Gas</td>
<td>28.1%</td>
</tr>
<tr>
<td>Personal &amp; Prof.</td>
<td>27.1%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>12.5%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>11.6%</td>
</tr>
<tr>
<td>General Commerce</td>
<td>9.8%</td>
</tr>
<tr>
<td>Telecommunications</td>
<td>4.5%</td>
</tr>
<tr>
<td>Banking &amp; Fin Services</td>
<td>4.2%</td>
</tr>
<tr>
<td>Others</td>
<td>2.2%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

- Oil and Gas sector accounts for 28.1% of loans
- UBA has a strong retail and corporate lending strategy