Outline

- Financial highlights
- Developments in the operating environment
- Analysis of the income statement
- Inherent potential in subsidiaries
- Analysis of financial position
- Summary and conclusions
- Questions
<table>
<thead>
<tr>
<th></th>
<th>30-Jun-11</th>
<th>30-Jun-10</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Interest Income</td>
<td>35,127</td>
<td>37,801</td>
<td>-7.1%</td>
</tr>
<tr>
<td>Other Income</td>
<td>30,340</td>
<td>25,928</td>
<td>+17.0%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>65,467</td>
<td>63,729</td>
<td>+2.7%</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>(50,551)</td>
<td>(51,771)</td>
<td>-2.4%</td>
</tr>
<tr>
<td>Profit Before Tax</td>
<td>10,111</td>
<td>8,636</td>
<td>+17.1%</td>
</tr>
<tr>
<td>Group Profit After Tax</td>
<td>8,218</td>
<td>4,319</td>
<td>+90.3%</td>
</tr>
<tr>
<td>Cost-to-Income Ratio</td>
<td>77%</td>
<td>81%</td>
<td>-4%</td>
</tr>
<tr>
<td></td>
<td>30-Jun-11</td>
<td>31-Dec-10</td>
<td>% Change</td>
</tr>
<tr>
<td>Total Deposits</td>
<td>1,411,952</td>
<td>1,267,171</td>
<td>+11.4%</td>
</tr>
<tr>
<td>Gross Loans</td>
<td>757,086</td>
<td>674,096</td>
<td>+12.3%</td>
</tr>
<tr>
<td>Loan-to-Delay Ratio</td>
<td>50.7%</td>
<td>49.6%</td>
<td>+1.1%</td>
</tr>
<tr>
<td>Capital Adequacy Ratio</td>
<td>17.0%</td>
<td>18.2%</td>
<td>-1.2%</td>
</tr>
<tr>
<td>Liquidity Ratio</td>
<td>42%</td>
<td>39%</td>
<td>+3%</td>
</tr>
</tbody>
</table>
Developments in the operating environment
### Key Macro Indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2011</th>
<th>FY10</th>
<th>Comments</th>
</tr>
</thead>
</table>
| **GDP Growth (%)**               | 7.93     | 7.85  | • Strong Q2-2011 growth over Q1-2010 GDP levels  
• Increased government spending and growth in Agriculture output  
• Strong crude oil prices and stable output. |
| (Provisional for June 2011)      |          |       |                                                                                                                                 |
| **Inflation (%)**                | 10.2     | 11.8  | • Decline in food inflation  
• Improved exchange rate of the Naira                                                                                                    |
| (June 2011)                      |          |       |                                                                                                                                 |
| **MPR (%)**                      | 8.0      | 6.25  | • Raised to 6.5% in Jan-11, 7.5% in Mar-11 and 8% in May-11 to offset the expected rise in aggregate spending and liquidity  
• CRR doubled to 4% and Liquidity Ratio of 30%...  
• …attest to CBN’s tight monetary policy stance for 2011 |
| (May 2011)                       |          |       |                                                                                                                                 |
| **Exchange Rate (N/US$)**        | 149.5    | 148.7 | • Improvement arising from increase in Forex supply, and  
• CBN’s introduction of forward FX transactions                                                                                           |
| (18th Jul 2011)                  |          |       |                                                                                                                                 |
| **External Reserves ($bn)**      | 33.8     | 32.3  | • Growth in oil revenues  
• Impact of CBN’s FX management strategy gradually coming into play                                                                           |
| (20th Jul 2011)                  |          |       |                                                                                                                                 |
| **Credit to Private Sector**     | 9.9      | 9.7   | • Gradual growth in bank lending after the elections                                                                                      |
| (N’ trillion) Jun 2011           |          |       |                                                                                                                                 |
| **Broad Money - M2 (N’ trillion)**| 12.2     | 11.5  | • Enhanced banking penetration  
• Availability of various bank product offerings                                                                                             |
| Jun 2011                          |          |       |                                                                                                                                 |
| **All Share Index (points)**     | 23,926   | 24,770| • Selling pressure continues  
• Foreign portfolio investments still low  
• “Watch and see” strategy, as banking sector reforms heat up.                                                                                |
| (22nd July 2011)                 |          |       |                                                                                                                                 |
Overview of the operating environment

- Sustained growth in Nigeria’s economy with robust oil prices and increased government spending. Provisional 2Q-2011 GDP growth was 7.93%.

- Strong crude oil prices, as disturbances in the Middle East/North Africa persist. Brent Crude is recently trading at $118/barrel.

- Inflation rate has been volatile this year. June figure was 10.2%, down from 11.8% in Dec 2010.

- 525 bids received by the Bureau of Public Enterprises (BPE) for the next round in the process of privatizing Nigeria’s electricity sector.

- Expansionary budget of N4.97 trillion approved for 2011.
  - 18% higher than N4.22tr proposed by the Executive.
  - N2.47tr (49.6%) for recurrent expenditure.
  - N1.56tr (31.4%) for capital expenditure.

- Lull in stock market performance continues, as investor confidence remains weak.
Developments in the banking industry

- CBN further tightened banks’ capacity to lend:
  - Increased MPR to 8% in May; from 7.5% in March and 6.5% in January 2011.
  - Doubled Cash Reserve Ratio (CRR) to 4%, effective June 8 2011.
    - Liquidity squeeze causes hike in interest rates (interbank rates range between 6.25% and 10.25%)
    - Further rise in interest rates imminent as CBN threatens to withdraw guarantee on interbank placements by Sept-2011…
    - …in addition to pronouncements that it will liquidate any rescued bank that fails to consummate its merger/acquisition talks with identified suitors.
- New operating licenses granted to 17 banks:
  - Hold co structures approved for UBA and three others.
  - Banks granted mono-line licenses to divest fully from non-bank subsidiaries by May 2012.
  - Technical agreements signed by (Access/Intercontinental; ACA/UBN; FCMB/Finbank)
- AMCON’s round-two absorption of non-performing loans in progress – N500 billion set aside to acquire NPLs in the “healthy banks”.
  - N1.7 trillion 3-year bond issuance completed on March 31, 2011.
  - Yields on the Bond range between 10.125 and 11.8% (vs. 12.25% yield for 3-year FGN Bond).
  - Listed on the NSE and eligible for trading.
- Periodic filings with SEC (Annual/Quarterly results, forecasts) to be accompanied by certification letters, signed by the CEO and CFO, in line with ISA 60 (2).
Analysis of the income statement
### Condensed Group income statement

<table>
<thead>
<tr>
<th></th>
<th>1H-2011</th>
<th>1H-2010</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross earnings</td>
<td>87,663</td>
<td>93,656</td>
<td>-6.4%</td>
</tr>
<tr>
<td>Net interest income</td>
<td>35,127</td>
<td>37,801</td>
<td>-7.1%</td>
</tr>
<tr>
<td>Other income</td>
<td>30,340</td>
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<td>65,467</td>
<td>63,729</td>
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<tr>
<td>Operating expenses</td>
<td>(50,551)</td>
<td>(51,771)</td>
<td>-2.4%</td>
</tr>
<tr>
<td>Net diminution in assets</td>
<td>(4,941)</td>
<td>321</td>
<td>+1,639%</td>
</tr>
<tr>
<td>Exceptional items</td>
<td>-</td>
<td>(3,520)</td>
<td>-100%</td>
</tr>
<tr>
<td>Profits before tax</td>
<td>10,111</td>
<td>8,636</td>
<td>+17.1%</td>
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<td>Group profit after tax</td>
<td>8,218</td>
<td>4,319</td>
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</tr>
</tbody>
</table>
Revenue distribution

Revenue mix (N’bn), by class

- Fee Based Income
- Fund Based Income

1H10

- 25.9
- 67.7

1H11

- 30.3
- 57.3

Impact of loan growth on interest income not apparent in 1H11, as bulk of loan growth came towards the end of Q2.

- Full reflection expected in 2H11.

More contribution from African subsidiaries, resulting in 17% of Group revenues.

Earnings on government securities and loans accounted for 61% of revenues.

Revenue mix, by geography (%)

- Excl-Nigeria
- Nigeria

1H10

- 12%
- 88%

1H11

- 17%
- 83%

Revenue distribution, by product

- Loans & advances: 35%
- Tbills & bonds: 26%
- Fees: 11%
- Forex: 8%
- Comm/chgs: 16%
- placements: 4%

UBA Plc first half 2011 results presentation
Stronger Revenues in 2Q11, (N’bn)

- 1Q11:
  - 40.5 (Gross revenues)
  - 13.7 (Fee-based revenues)
- 2Q11:
  - 47.2 (Gross revenues)
  - 16.6 (Fee-based revenues)

Fee-based revenues, by type (N’bn)

- Fees:
  - 1H10: 3.8
  - 1H11: 9.7
- Forex:
  - 1H10: 3.9
  - 1H11: 6.8
- Comm/chgs:
  - 1H10: 18.2
  - 1H11: 13.8

Fund-based revenues, by products (N’bn)

- placements:
  - 1H10: 8.1
  - 1H11: 3.8
- T-bills:
  - 1H10: 19.8
  - 1H11: 23.2
- Loans/adv:
  - 1H10: 39.8
  - 1H11: 30.3

UBA Plc first half 2011 results presentation

- Gross earnings stronger in second quarter...
- On the back of growth in non-interest incomes;
- Driven by credit fees, transaction and e-banking incomes.
- Yields came under pressure, as some loans were refinanced via the BOI window at rates lower than average market rates.
Net interest margins slipped to 4.6% due to distortion in yield on earning assets.

Interest incomes driven by loans, while commissions and charges induced growth in non-interest incomes.
Operating income up, costs down

- Banking income (operating income) expands.
  - Helped by growth in fee incomes and lower cost of funds.
- Other African countries contribute 19% (1H10: 13%) to operating income.
- Cost-to-income ratio down to 77.2%, as benefits from cost efficiency initiatives kick in.
Inherent potentials in subsidiaries
Uba Africa is upbeat!

- Positive story for UBA’s African subsidiaries so far;
  - Strong revenue growth of 41%
  - Profit reported in 1H11
- Loans, deposits, equity and assets all grew in the last six months to Jun-11
- Financial ratios are looking up: cost-to-income improves to 78.6% and pre-tax ROE higher at 1.1%.
- Stronger performance expected by FY11, as Ghana, B/Faso, Cameroon, Guinea, Benin, Kenya, Senegal, Zambia, Chad, S/Léone and Tanzania deliver month/month profits.
- The remaining seven are mostly new businesses.

### Income statement analysis, UBA Africa

<table>
<thead>
<tr>
<th>N’million</th>
<th>1H10</th>
<th>1H11</th>
<th>% Chg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross earnings</td>
<td>13,475</td>
<td>14,754</td>
<td>41%</td>
</tr>
<tr>
<td>Net interest income</td>
<td>3,476</td>
<td>6,019</td>
<td>73%</td>
</tr>
<tr>
<td>Fee-based income</td>
<td>4,730</td>
<td>6,408</td>
<td>35%</td>
</tr>
<tr>
<td>Operating income</td>
<td>8,206</td>
<td>13,357</td>
<td>63%</td>
</tr>
<tr>
<td>Operating cost</td>
<td>(8,651)</td>
<td>(10,494)</td>
<td>21%</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>(467)</td>
<td>383</td>
<td>182%</td>
</tr>
</tbody>
</table>

### Key Ratios

<table>
<thead>
<tr>
<th></th>
<th>1H10</th>
<th>1H11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost-to-income ratio</td>
<td>105.4%</td>
<td>78.6%</td>
</tr>
<tr>
<td>Fee-based/revenue</td>
<td>45.2%</td>
<td>43.4%</td>
</tr>
<tr>
<td>Fund-based/revenue</td>
<td>54.8%</td>
<td>56.6%</td>
</tr>
</tbody>
</table>

### Key balance sheet items grow in 6mths (N’bn)

- Equity: FY10 35, 1H11 64
- Loans: FY10 173, 1H11 220
- Deposits: FY10 207, 1H11 268
- Total Assets: FY10 35, 1H11 102

### Pre-tax ROE improves

- FY10: 0.9%
- 1H11: 1.1%
Likewise the Non-bank subsidiaries

- Non-bank subsidiaries continue to add value to the Group
  - Solid topline performance; grew by 77% year-on-year.
  - Strong profit growth of 49%
- Delivering ample returns of equity.
  - Annualized pre-tax ROE of 48.8% in 1H11 (27.7% in 1H10)

<table>
<thead>
<tr>
<th></th>
<th>1H10</th>
<th>1H11</th>
<th>% Chg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross earnings</td>
<td>1,861</td>
<td>3,292</td>
<td>77%</td>
</tr>
<tr>
<td>Operating income</td>
<td>1,703</td>
<td>2,754</td>
<td>62%</td>
</tr>
<tr>
<td>Operating cost</td>
<td>(632)</td>
<td>(880)</td>
<td>39%</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>1,255</td>
<td>1,873</td>
<td>49%</td>
</tr>
</tbody>
</table>

Key Ratios

- Cost-to-income ratio: 37.1% in 1H10, 32.0% in 1H11
- Equity-to-asset ratio: 10.1% in 1H10, 14.0% in 1H11
- Annualized pre-tax return on equity: 27.7% in 1H10, 48.8% in 1H11
Analysis of financial position
## Condensed Group balance sheet statement

<table>
<thead>
<tr>
<th>N’ million</th>
<th>1H-2011</th>
<th>FY-2010</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treasury bills</td>
<td>243,310</td>
<td>191,511</td>
<td>+27.0%</td>
</tr>
<tr>
<td>Due from other banks</td>
<td>355,010</td>
<td>302,272</td>
<td>+17.4%</td>
</tr>
<tr>
<td>Loans and advances</td>
<td>715,844</td>
<td>628,811</td>
<td>+13.8%</td>
</tr>
<tr>
<td>Investment securities</td>
<td>397,010</td>
<td>384,453</td>
<td>+3.3%</td>
</tr>
<tr>
<td>Other assets</td>
<td>45,709</td>
<td>45,449</td>
<td>+0.6%</td>
</tr>
<tr>
<td>Property &amp; equipment</td>
<td>61,948</td>
<td>65,200</td>
<td>-5.0%</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>1,817,831</td>
<td>1,617,696</td>
<td>+12.4%</td>
</tr>
<tr>
<td>Customer deposits</td>
<td>1,411,952</td>
<td>1,267,171</td>
<td>11.4%</td>
</tr>
<tr>
<td>Debt security in issue</td>
<td>18,851</td>
<td>18,851</td>
<td>-</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>199,953</td>
<td>152,248</td>
<td>31.3%</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>1,630,756</td>
<td>1,438,270</td>
<td>13.4%</td>
</tr>
<tr>
<td><strong>Shareholders’ funds</strong></td>
<td>187,075</td>
<td>179,426</td>
<td>+4.3%</td>
</tr>
<tr>
<td><strong>Liabilities plus Equity</strong></td>
<td>1,817,831</td>
<td>1,617,696</td>
<td>+12.4%</td>
</tr>
<tr>
<td>Contingencies</td>
<td>843,604</td>
<td>654,360</td>
<td>+27.5%</td>
</tr>
<tr>
<td><strong>Balance sheet size</strong></td>
<td>2,661,435</td>
<td>2,272,056</td>
<td>+17.1%</td>
</tr>
</tbody>
</table>
Solid balance sheet footing...

- Balance sheet size expands by 17%.
- Driven by deposit and credit expansion.
- Return on assets recover to 0.9%, in spite of 12.4% growth in asset base.

Total assets and cont. (N’tn)

FY10  1H11
2.27  2.66

Growing asset base... (N’tn)

FY10  1H11
1.62  1.82

...But return on assets improve

FY10  1H11
0%  0.9%
...Driven by growing deposit base...

- 11.4% growth in deposits achieved.
- Cheaper and more stable with demand and savings deposits growing during 1H11.
- More deposits came from our African bank subsidiaries.
- 15% in 1H11 as against 14% in FY10.
Impressive loan growth in six months (to Jun-11), leading to increased loan to deposit (LDR) ratio.

- In spite of movements relating to pay downs and AMCON transactions.
- LDR growth marginal, as deposit base also grew.

- Term loans, overdraft represent 89% of loan book.

- Increased lending in other African countries – now 12% of group loans.
Growing oil & gas, telecoms, agric book

<table>
<thead>
<tr>
<th>SECTOR</th>
<th>Exposure (N'mn)</th>
<th>% exposure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil and gas</td>
<td>131,701</td>
<td>17.4%</td>
</tr>
<tr>
<td>Financial institutions</td>
<td>115,046</td>
<td>15.2%</td>
</tr>
<tr>
<td>Consumer/retail</td>
<td>114,509</td>
<td>15.1%</td>
</tr>
<tr>
<td>Telecommunications</td>
<td>74,276</td>
<td>9.8%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>62,129</td>
<td>8.2%</td>
</tr>
<tr>
<td>Government</td>
<td>52,507</td>
<td>6.9%</td>
</tr>
<tr>
<td>General commerce</td>
<td>51,406</td>
<td>6.8%</td>
</tr>
<tr>
<td>Real estate/constrtn</td>
<td>50,891</td>
<td>6.7%</td>
</tr>
<tr>
<td>Agriculture</td>
<td>45,786</td>
<td>6.0%</td>
</tr>
<tr>
<td>Transportation</td>
<td>38,817</td>
<td>5.1%</td>
</tr>
<tr>
<td>Power</td>
<td>8,989</td>
<td>1.2%</td>
</tr>
<tr>
<td>Education</td>
<td>3,531</td>
<td>0.5%</td>
</tr>
<tr>
<td>Services</td>
<td>3,171</td>
<td>0.4%</td>
</tr>
<tr>
<td>Others</td>
<td>2,202</td>
<td>0.3%</td>
</tr>
<tr>
<td>Health</td>
<td>2,126</td>
<td>0.3%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>757,086</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Oil and gas, retail, telecoms and financial institutions account for 55% of our loan book.

Lending focuses on known and reliable names in these sectors.

Gradually increasing exposure to these sectors since Dec-10.
### Loan performance

#### Non-performing loans

<table>
<thead>
<tr>
<th>Year</th>
<th>NPL ratio</th>
<th>NPL coverage in 1H11</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY10</td>
<td>8.8%</td>
<td>76.2%</td>
</tr>
<tr>
<td>1H11</td>
<td>10.8%</td>
<td>51.2%</td>
</tr>
<tr>
<td>1H11adj</td>
<td>6.0%</td>
<td>92.9%</td>
</tr>
</tbody>
</table>

#### Sector distribution of NPLs

- **Government**: 15%
- **Oil & Gas**: 26%
- **Real estate**: 20%
- **Consumer**: 18%
- **Manufacturing**: 8%
- **Health**: 6%
- **Fin. Inst.**: 3%
- **Gen. comm**: 2%
- **Others**: 2%

- **Recent classified loans (being sold to AMCON) led to the decline.**
- **Full provisions made in line with prudential guidelines** – over 51% of NPLs within the substandard category.
- **Discussion is ongoing with AMCON to purchase this loan with potential positive impact on NPLs and coverage ratios.**
- **Had the discussion been completed, NPL and coverage ratios would have been 6% and 93% respectively. See 1H11adj above.**
Liquidity, funding and capital adequacy

**Liquidity Ratio (LR)**

- FY10: 39%
- 1H11: 42%

**Capital Adequacy Ratio (CAR)**

- FY10: 18.2%
- 1H11: 17.0%

**Funding mix**

- FY10: 39% Borrowings, 5% Other liabilities, 78% Equity
- 1H11: 42% Borrowings, 5% Other liabilities, 78% Equity

- Improving liquidity and good capital adequacy.
- Both in excess of regulatory thresholds.
- Stable funding mix…
- …deposits still the biggest driver with 78%.
In summary
# Overview of UBA

## Presence and business model
- Operations in 19 African countries (including Nigeria) and 3 global financial centres. Plan to commence operations in Mali and Angola.
- 8 non-bank subsidiaries; Over 12,000 staff
- Capability in retail, corporate and institutional banking and plans to deepen commercial banking play.
- Array of innovative financial products and services, strong electronic and mobile e banking platforms.
- Largest distribution network in Nigeria: 706 branches across Africa and 1230 ATMs.
- Process of adopting Holdco model in progress.

## Strategic Thrust
- Dominance in Nigeria.
- Leading bank in Africa (to rank 6th in market share).
- Presence in key global financial centres.
  - To extend operations to UAE and China.
- Low cost retail banking model (target cost/income of 65%, NIM of 6%, funding cost of 3%).
- Sound enterprise-wide risk management and strong corporate governance standards.
  - Target the adoption of Basel II accord, IFRS reporting in progress.
  - Regular ICAAP, investment in tools, systems, etc.

## Ratings and brand recognition
- Fitch rating of B+; Agusto rating of A+
- GCR rating of (AA st) and (A1+ lt)
- Adjudged the second fastest global brand by the FT/Banker magazine in 2010.

## Share ownership and listing
- Institutional holding of 20%; over 70% free float.
- Equity listed on the Nigerian Stock Exchange (Market Cap of $1.2bn).
- Unlisted GDR equivalent to 200 local shares.
Clear and focused strategy...

- Access to high growth African markets
- Service quality and employee happiness
- Balance sheet optimization
- Adoption of HOLDCO for improved efficiency
- Integrated Group

**Business focus**

- Entrench corporate lending strategy
- Access the top echelon of the middle markets through product cross-selling
- Sustain retail banking strategy
- Continue to provide new product offerings
- Extract value distribution channels
- Revamp electronic banking platform

Engage the best people and adopt robust risk management standards
...that will enable UBA to:

- Maintain solid capital position that will align with our growth aspirations.
- Build a low-cost banking model.
- Pursue quality and diversified earnings base.
- Put the customer at the center of all business activities.
- Entrench its core values; humility, empathy, integrity and resilience.
- Implement utmost risk management and corporate governance standards.
- Enhance long-term value for shareholders, as well as other stakeholders.
Stock trading at discount to book value

Growing equity base (N’bn)

<table>
<thead>
<tr>
<th></th>
<th>FY10</th>
<th>1H11</th>
</tr>
</thead>
<tbody>
<tr>
<td>179</td>
<td>187</td>
<td></td>
</tr>
</tbody>
</table>

Undervalued on Price-to-book basis

<table>
<thead>
<tr>
<th></th>
<th>UBA’s P/B</th>
<th>Peer avg. P/B</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.91</td>
<td>1.51</td>
<td></td>
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</table>

Return on equity recovers

<table>
<thead>
<tr>
<th></th>
<th>FY10</th>
<th>1H11</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.4%</td>
<td>8.9%</td>
<td></td>
</tr>
</tbody>
</table>

- Total equity grew over the period.
  - Driven by retained earnings.

- Strong recovery in RoEs – annualized RoE of 8.9% in line with management projections for FY11.

- On book value basis, UBA is one of the cheapest banks;
  - Trading at a 66% discount to peers.
  - Market valuation to be bolstered by potential earnings recovery.
Thank you!
Questions.