Management Presentation
Unaudited 2016 Third Quarter Results

October 2016

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Presentation Outline

Evolution of UBA Plc

- **1949** – French & British Bank Limited ("FBB") commenced business
- **1961** – UBA incorporated to take over the banking business of the FBB
- **1970** – IPO on the NSE
- **1984** – Established New York branch
- **1997** – Standard Trust Bank commenced operations
- **1998** – GDR programme established
- **2004** – STB Ghana established
- **2005** – UBA merged with Standard Trust Bank; Continental Trust Bank acquired; New management team constituted
- **2007** – Fresh equity capital raised successfully; UBA Capital (Europe) London opened
- **2008-10** – Acquired majority interest in two banks based in B/Faso and Benin; Successfully raised N20bn debt capital; Commenced operations in some African countries including Kenya, Uganda, Cameroon, Cote d' Ivoire, S/Leone and Mozambique
- **2011** – Commenced operations in Congo DR and Brazzaville.; Successfully raised N35bn debt capital
- **2012** – Won Financial Times' Bankers' Awards for Best Overall Bank in Africa;, Best Bank in Cameroun and Best Bank in Senegal
- **2013** – Successfully divested from its non-bank subsidiaries and property mgt business

Pre-Merger | Post-Merger

UBA Profile at a Glance

A truly Pan-African Bank, with operations across 19 key un(der)banked African markets

A unique and scalable platform to take full advantage of growth opportunities in all sectors of the African economy

- Third largest bank in Nigeria, with an estimated c.10% market share
- The Nigerian bank with the largest earnings diversification and footprints across the African continent
- Full scale exposure to key growth poles of the African economy; consumer, commodities and infrastructure
- Meeting customers' global transaction need through its presence in London, New York and Paris
- Serving c.10million customers, through one of the most revered diverse channels in Africa;
  632 business offices, 1,750 ATMs, 13,500 PoS, robust online and mobile banking platforms and social media.

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

- Enhanced risk management and control framework, with clear definition of risk appetite
- Well diversified loan book with compelling quality ratios: 2.5% NPL with 106% coverage & 0.9% cost of risk.
- Minimal exposure to volatile sectors and segments of the market
- Strong governance structure and oversight, with zero tolerance for regulatory and internal policy infractions

Funding, Liquidity and Capital

- Strong 79% stable CASA funding
- Relatively low 3.6% cost of funds
- Headroom for lower CoF, on growing African retail penetration
- Liquid balance sheet to take advantage of emerging opportunities
- Adequate BASEL II CAR of 17.6%

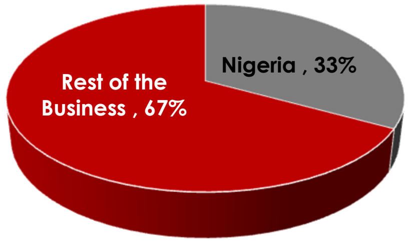
Asset Creation and Quality

- Over N3 trillion balance sheet size
- Focused loan exposure to lower risk corporate and commercial markets
- Bouquet of holistic financial solutions to regional businesses
- Target to formalize the unbanked >USD30bn intra-Africa trade

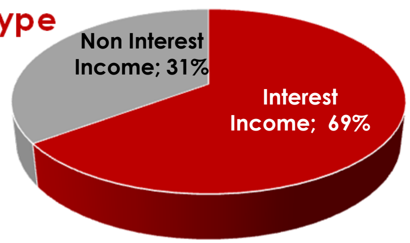
Profitability

- RoAE of 18%; ahead of peer average
- Notable upside to NIM, as asset yield rises and CoF moderates
- Moderating CIR of 65%, with benign outlook
- Profitability target built on sustainability and long term value creation

Profit By Geography (2016Q3)



Earnings By Type (2016Q3)



Operating Environment…All eyes on recovery

- The International Monetary Fund (IMF) revised downward the global growth outlook by 10bps to 3.1%, largely due to the downside risk that "Brexit" presents; uncertainties about trade and capital flows
- Africa's GDP is expected to grow barely 1.6%, the lowest in decades; as Nigeria is expected to weaken 1.7% in 2016 but to recover in 2017. South Africa hoping to avert recession
- Even so commodity prices have stabilized, with crude oil and coffee gaining 35% and 8% YTD, current price of most commodities are still relatively low to stimulate growth in the mono-cultural economies of Africa, where export of primary commodities is the mainstay of the economy
- More so, weak capital flows and public finance, internal economic dislocations, governance and currency weakness continue to slow down economic activities in most African countries.

❖ Exchange Rate: A tale of two halves for African currencies

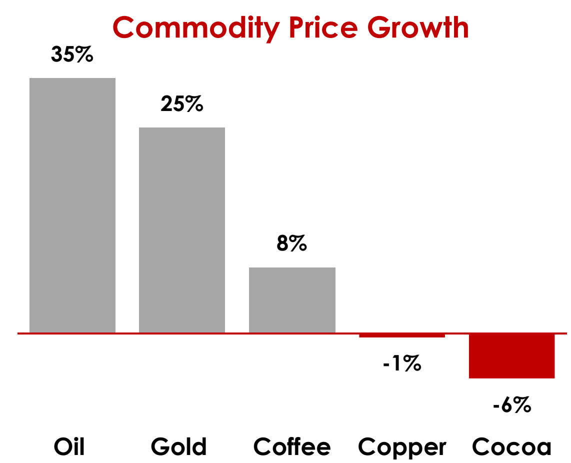
- Whilst most Africa's local currencies have stabilized in 2016 (following notable depreciation in 2015), Nigeria's Naira has seen a 60% depreciation thus far in the year, as the monetary authority adopts a flexible exchange rate system. More so, the 45% spread between the interbank and parallel market rates remains a concern.
- The Mozambique Metical and the Ghanaian Cedi have also respectively depreciated 50% and 4% YTD, whilst the Zambian Kwacha and the CFA (XOF and XAF) have been relatively flat in the year.

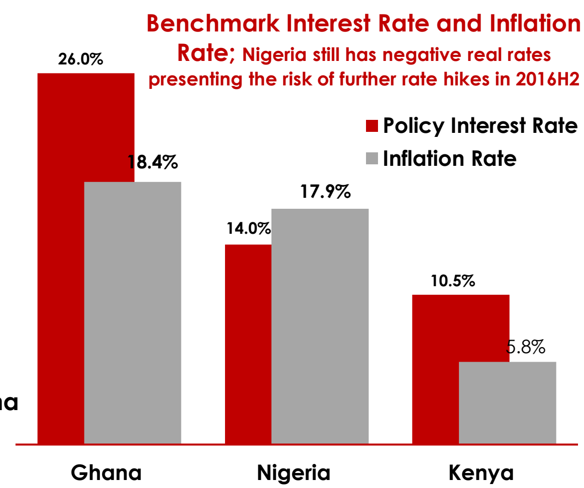
❖ Interest Rate: Tight monetary policies to stem FX and inflation pressures

- Except for Kenya and Uganda which are seeking to stimulate growth through accommodative monetary policy (thanks to benign inflation outlook), SSA monetary policies remain broadly hawkish, as authorities seek stable currencies and lower inflation rate.
- Policy makers have hiked interest rates by 300bps in Nigeria, Mozambique and Zambia, putting their benchmark interest rates at 14%, 17.25% and 15.5% respectively; purposely to stem rising inflation.

❖ Inflation and Politics: Soft East, Hard West and South

- Consumer goods prices are rising in West and Southern African countries, largely reflecting cost-push inflation, as the lag effect of currency weakness takes toll on import dependent African economies. Ghana – 17.2%; Nigeria – 17.9% (from 9.6% in Dec 2015 – out of CBN upper target of 9%), 25.2.8% in Mozambique and 18.9% in Zambia ;
- Consumer prices are however stable in the CFA countries and easing in Kenya and Uganda, where inflation rates moderated to 6.3% and 4.2% respectively.





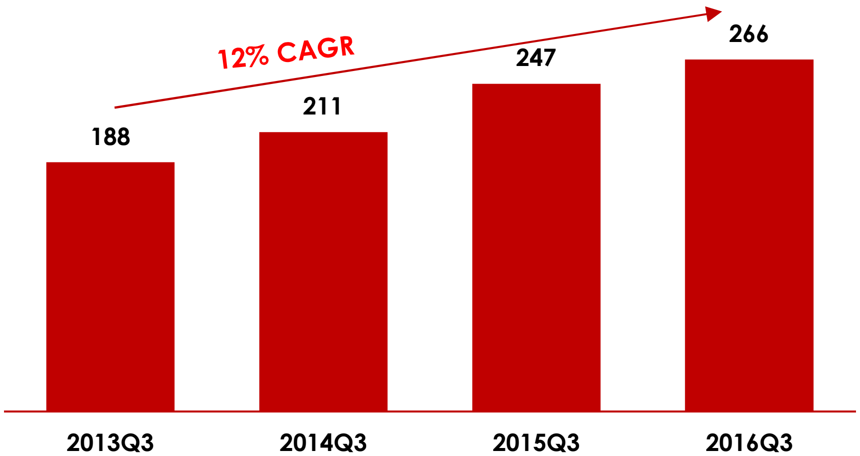
Source: Bloomberg, Country Central Banks

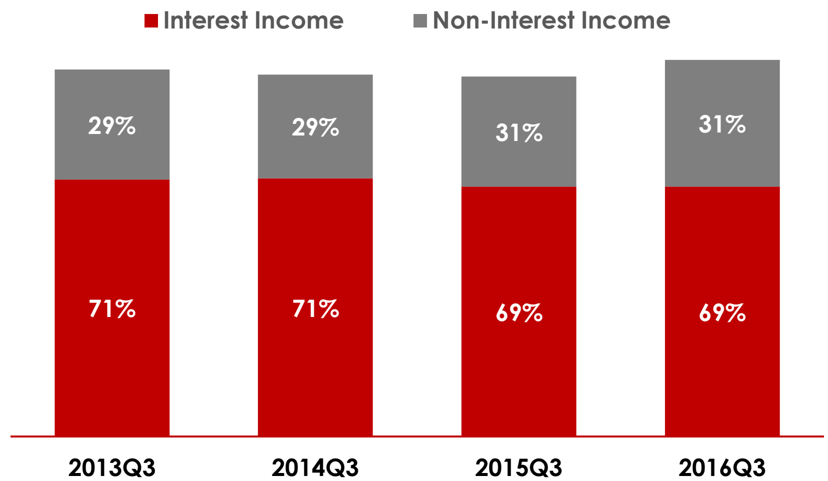
2016 Third Quarter Results Snapshot ::: Proven Resilience

		30-Sept-16	30-Sept-15	% Change
COMPREHENSIVE INCOME & PROFIT TREND (N'million)	Gross Earnings	265,527	245,492	+8.2%
	Net Interest Income	112,073	102,115	+9.8%
	Net Operating Income	174,166	162,028	+7.5%
	Operating Expenses	(112,540)	(104,607)	+7.6%
	Profit Before Tax	61,555	57,366	+7.3%
	Profit After Tax	52,269	48,557	+7.6%
EFFICIENCY AND RETURN	Cost-to-Income Ratio	65%	65%	
	Post-Tax Return on Average Equity	18%	22%	
	Post-Tax Return on Average Assets	2%	2%	
		30-Sept-16	31-Dec-15	% Change
FINANCIAL POSITION TREND (N'million)	Total Assets	3,478,833	2,752,622	+26.4%
	Customer Deposits	2,496,763	2,081,704	+19.9%
	Net Loans to Customers	1,540,236	1,036,637	+48.6%
	Total Equity	433,380	332,621	+30.3%
BUSINESS CAPACITY AND ASSET QUALITY RATIOS	Total Loan-to-Deposit Ratio	60%	49%	
	Capital Adequacy Ratio (BASEL II)	18%	20%	
	Non-Performing Loan Ratio	2.5%	1.7%	

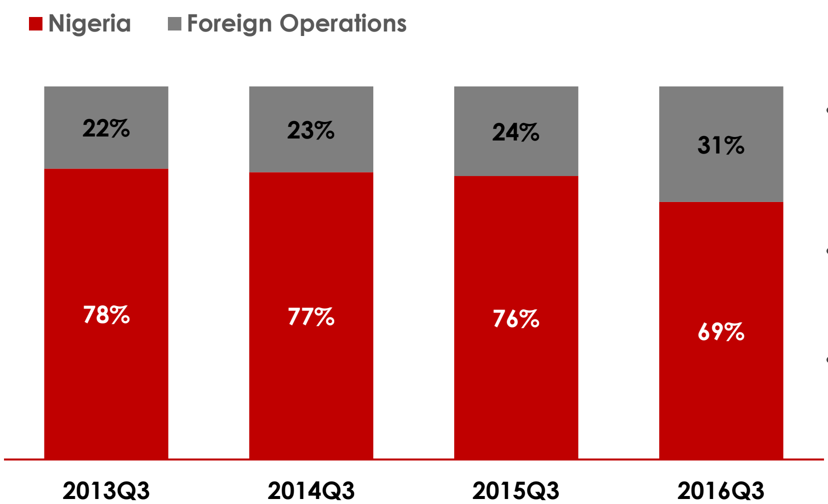
2016 Third Quarter Results Snapshot ::: Proven Resilience

Gross earnings Trend (N'billion)





Gross earnings split by geography

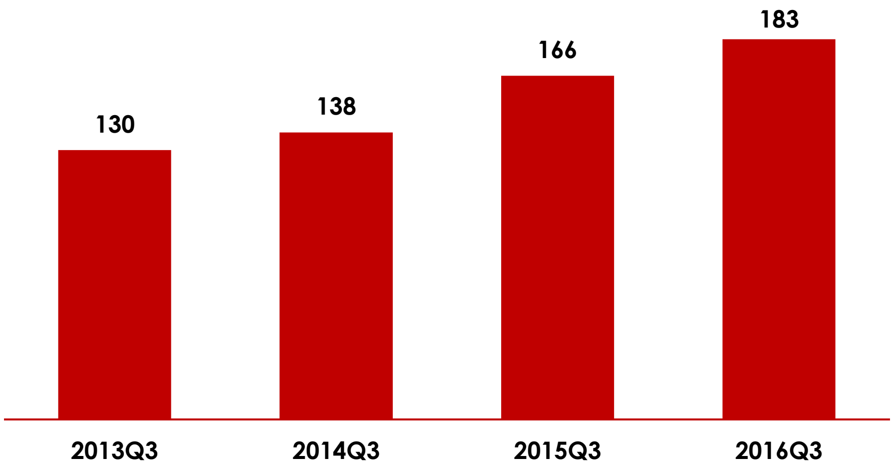


- The Group has grown earnings by 12% CAGR over the past four years, reinforcing the earnings capacity and prospect of the Group, even as macroeconomic environment remains challenging.
- Leveraging on enhanced service offerings and technology-driven solutions, the Group grew non-funded income by 17% YoY, with this income line representing 31% of gross earnings in 2016Q3.
- With a growing share of customers' wallet across our chosen markets, the subsidiaries contributed almost one-third of the Group's earnings.
- As technology revolutionizes payments and broad banking penetration, we are increasingly bullish on the opportunities for transaction-based banking across Africa, thus reinforcing our optimism on earnings growth.

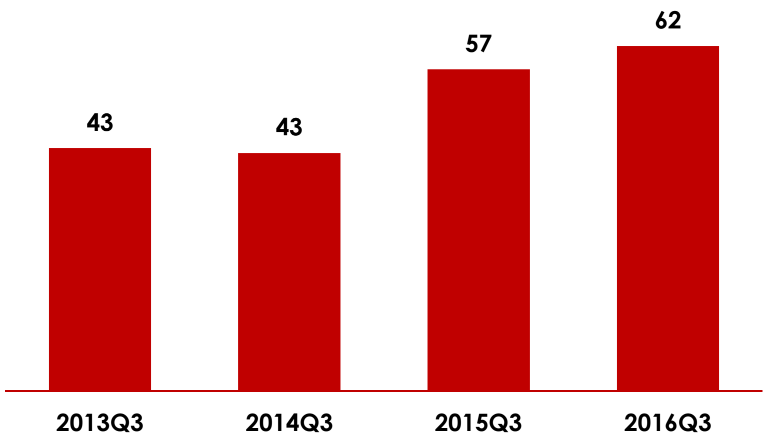
2016 Third Quarter Results Snapshot ::: Proven Resilience

UBA

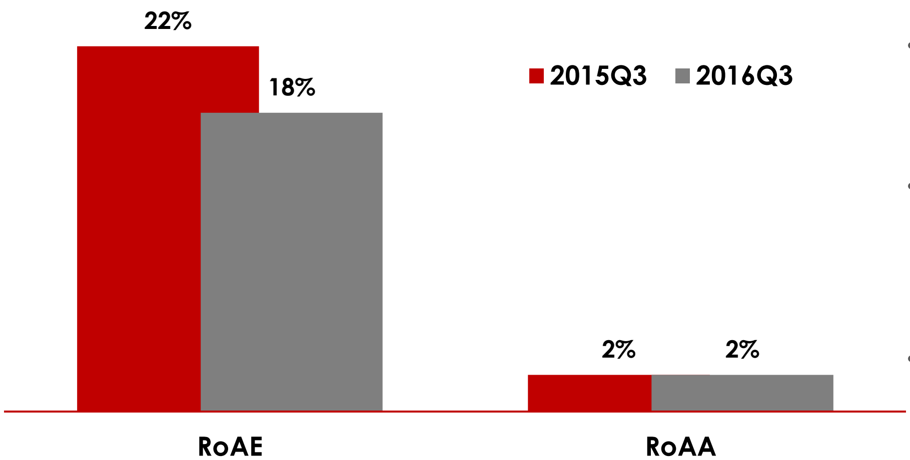
Operating Income (N'billion)



Profit Before Tax (N'billion)



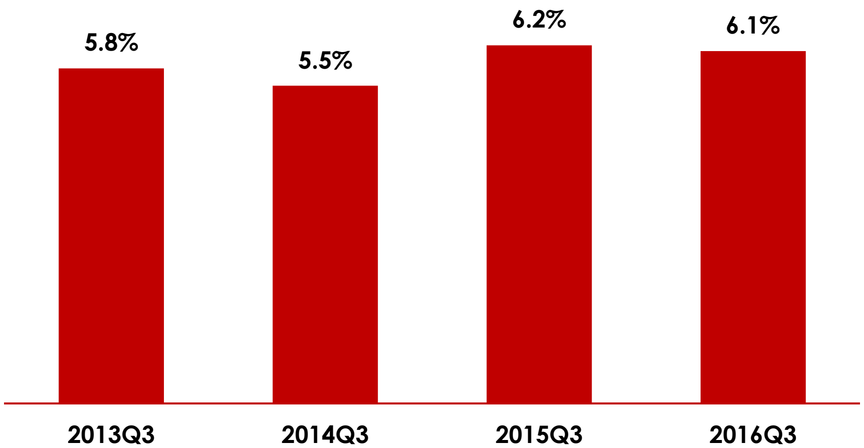
Return on Average Equity/Assets (%)



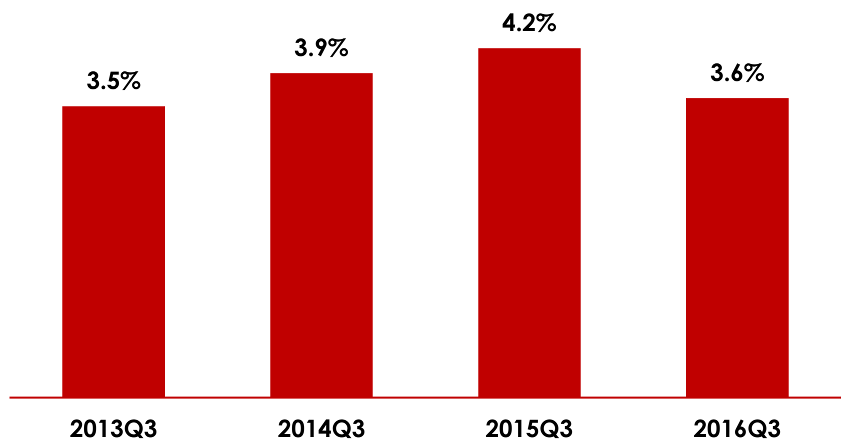
- A modest 11% growth in operating income, reflecting the simultaneous growth in both funded and non-funded income lines.
- With increasing earnings contribution from the subsidiaries, which accounted for a third of profit in the first nine months of year, the Group is increasingly extracting the benefit of diversification.
- The Group recorded an appreciable 7% YoY growth in nine-month profit to N62 billion, translating to a modest 18.2% return on average equity, which is on track with the ≈20% management guidance for 2016FY.
- The return on average assets remained stable at 2.2%, despite the current conservative stance of the Group, with appetite for high quality assets.

2016 Third Quarter Results Snapshot ::: Proven Resilience

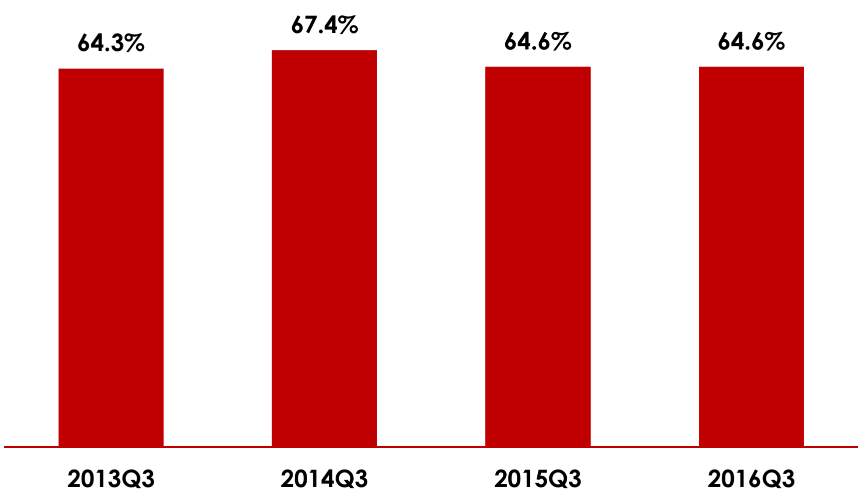
Net Interest Margin (%)



Cost of Funds (%)



Cost-to-Income Ratio (%)



- Net interest margin (NIM) remained stable at 6.1%, reflecting the biased exposure to high quality, low yield assets. More so, the depreciation of the Naira partly suppressed the NIM, given the uneven impact on assets and interest income.

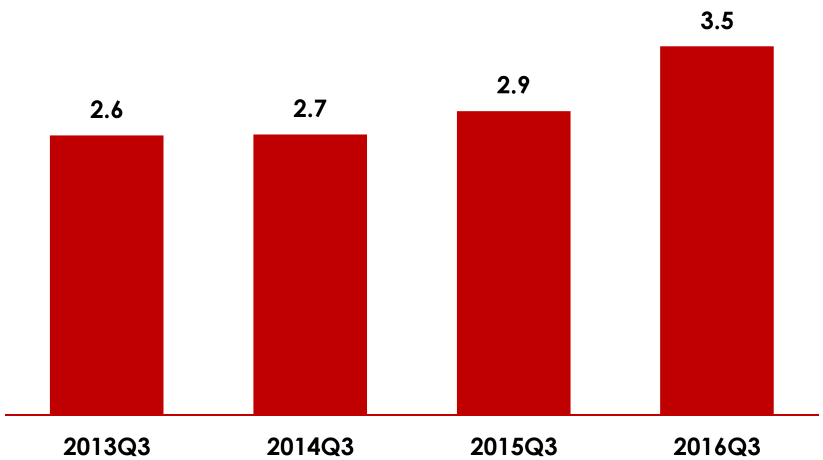
  Given the outlook on the sovereign yield curve, which is likely to remain elevated over the near term, there is notable upside to NIMs in the quarters ahead.

  Notwithstanding the tight monetary policy environment in most of our markets, the cost of funds moderated 60bps YoY, reflecting the improved mix of deposits.

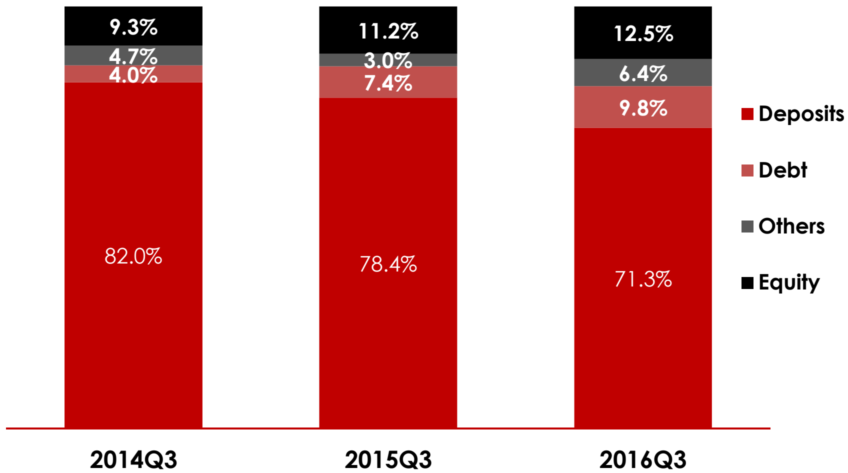
  Inflationary and exchange rate pressure masked the efficiency gains from on-going cost management initiatives, with CIR closing at 65%.

2016 Third Quarter Results Snapshot ::: Proven Resilience

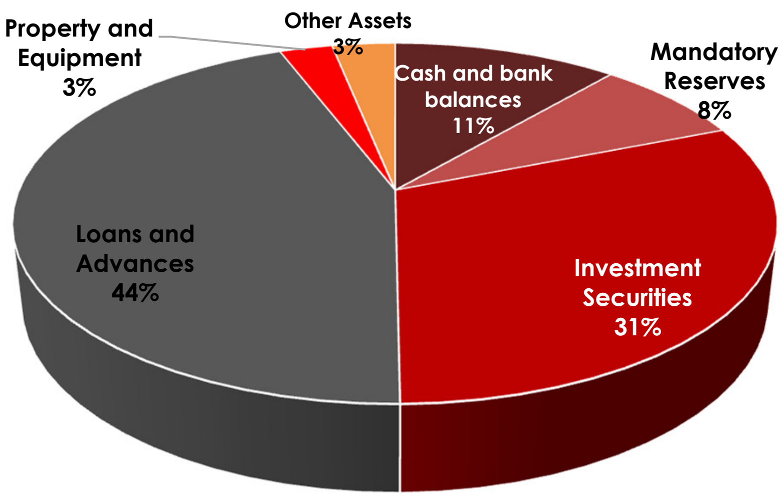
Total Assets (N'trillion)



Funding Structure



Composition of Total Asset Portfolio

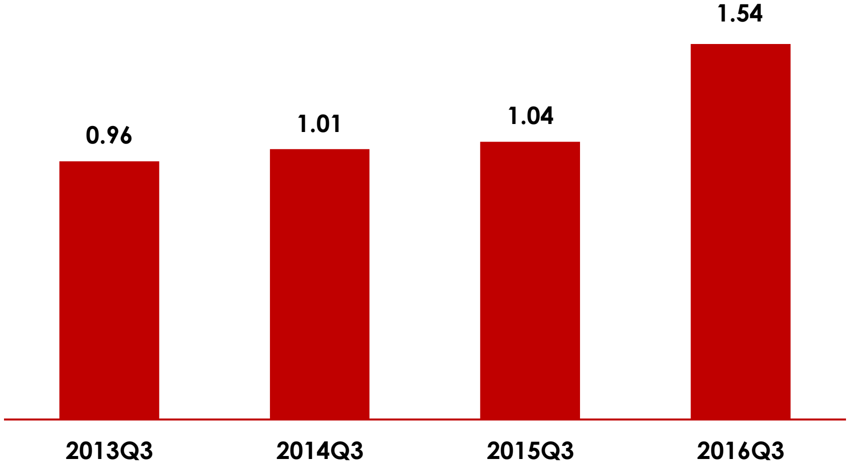


- Largely buoyed by Naira depreciation and growth of our African business (ex-Nigeria), the Group has grown total assets by 26% YTD, even as we remain committed to quality asset creation.
- The balance sheet growth has been largely funded by strong growth in equity and long term borrowings, as the Group continues to seek stable funds to fulfill its appetite of supporting long term real sector businesses and projects in Africa.
- Leveraging on our enhanced electronic service channels, deposits grew by 20% YTD as at Q3, albeit partly driven by Naira depreciation.
- The Group maintained its appetite for a well-diversified balance sheet, with half of the assets in liquid, low risk instruments.

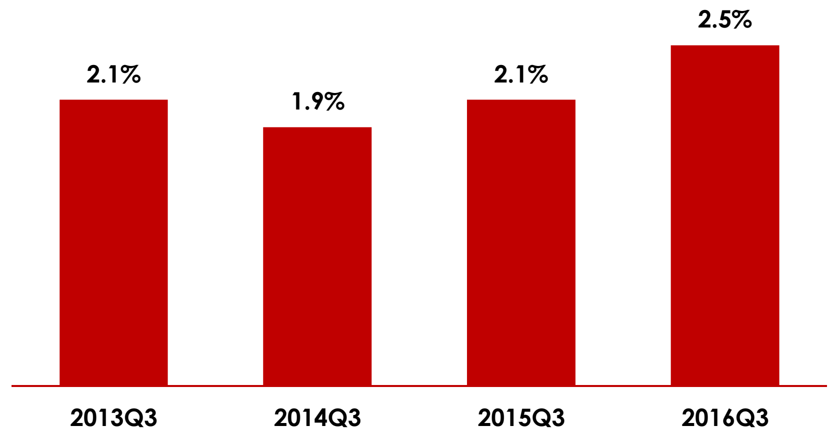
2016 Third Quarter Results Snapshot ::: Proven Resilience

UBA

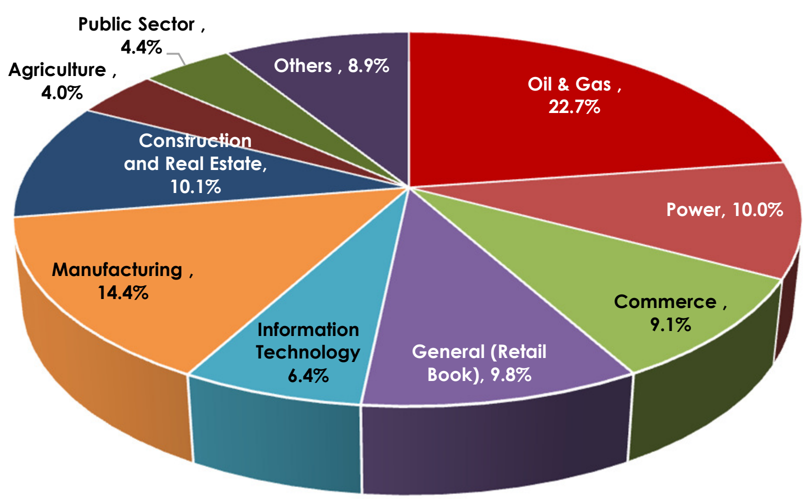
Total Loan Book (N'trillion)



NPL Ratio (%)



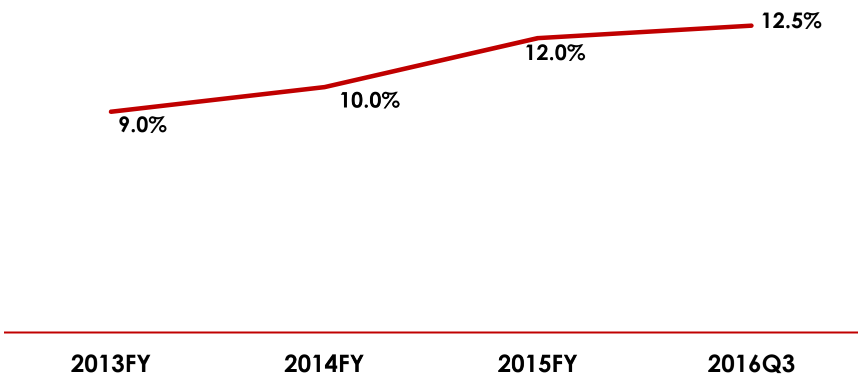
Loan Book Distribution by Sector



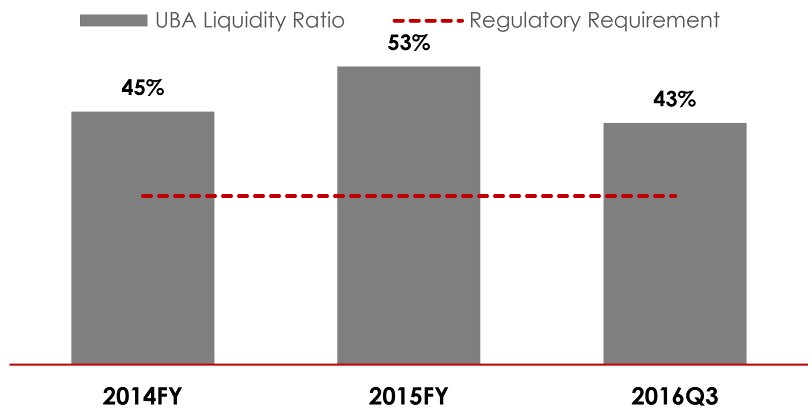
- The Group recorded a strong growth in loan book during the period; whilst the growth in Nigeria's loan book is driven primarily by naira depreciation, the real growth in subsidiaries' loan book was driven by increased market share, particularly in relatively stable and growing economies.
- Painfully, the challenging macroeconomic and business environment reflected on the non-performing loan ratio, which rose to 2.5% in 2016Q3 (from (1.7% in 2015FY), as we prudently classify relatively weak loans in line with relevant standards.
- The loan book remains well diversified, across geographies (some 30% of loan exposure is outside of Nigeria) and sectors, with positive bias for low-risk segment of the market - three-quarter of the portfolio in the low risk corporate segment of the market

2016 Third Quarter Results Snapshot ::: Proven Resilience

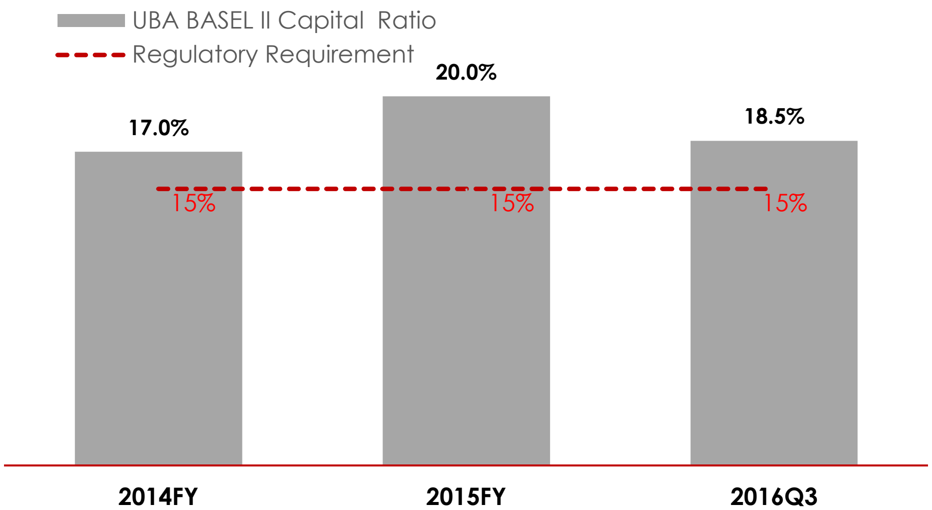
Equity-to-Total Assets Ratio (%)



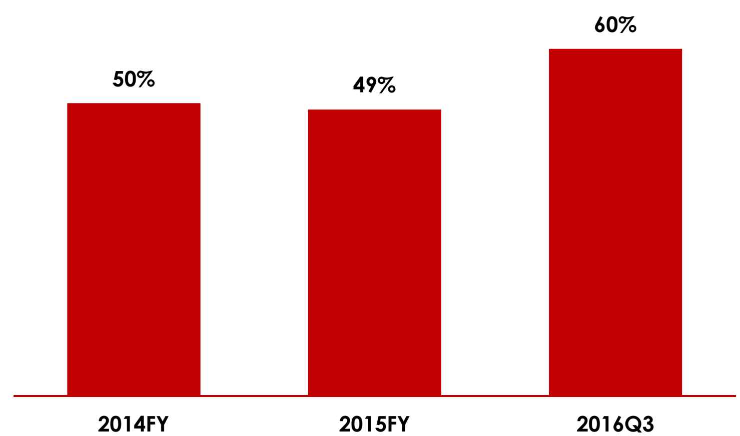
Liquidity Ratio (%)



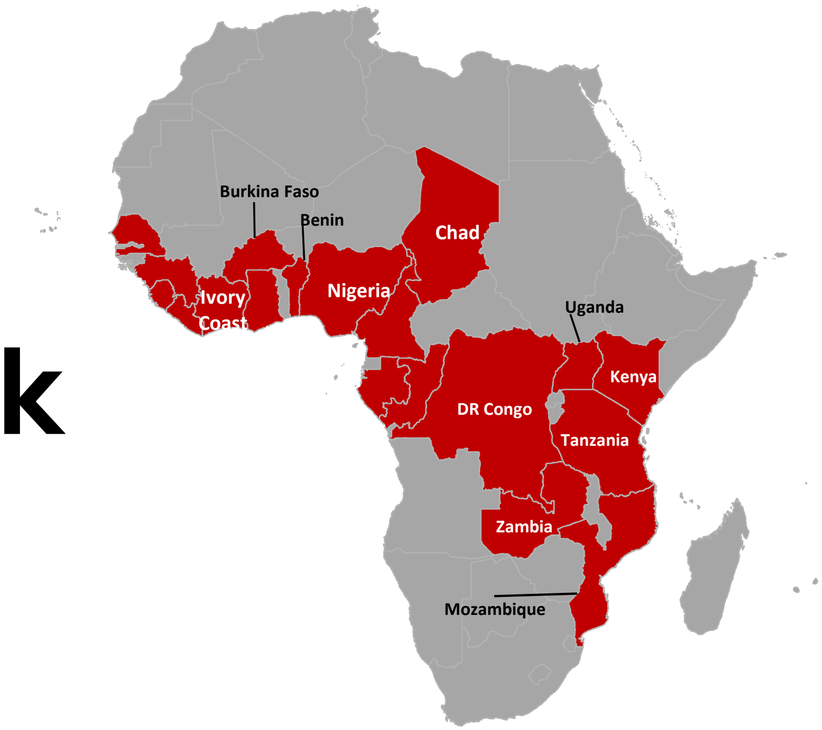
Capital Adequacy Ratio (%)



Loan-to-Deposit Ratio (%)



Year-end Outlook



The Four Tactical Strategic Thrusts

1 Earnings Optimization

- Achieve higher yields on assets, through (right) pricing; new mix of LCY/FCY assets, and asset allocation
- Increase transaction banking income through captive volume, increased share of customer wallet and enhanced service offerings
- Grow market share in e-banking and trade services and reinvigorate the drive for remittance offerings
- Leverage e-banking (U-Direct, U-Mobile, U-Social, ATMs, Cards products etc) and new corporate solutions to grow non-funded income lines.
- Take advantage of improved service quality to increase collection accounts and pricing power

2 Cost Efficiency

- Improve efficiency of centralized operations
- Continuous migration of customers to low cost alternative channels to achieve lower cost/customer
- Improved knowledge sharing and performance management to drive staff productivity
- Leverage technology to service a wider customer base at lower cost and achieve better vendor management
- Re-engineer the drive for low cost deposits using service quality and value adding services to moderate cost of funds

3 Asset Quality and Capital Management

- Sustain focus on quality obligors with strong and sustainable fundamentals in stable growth sectors
- Enhanced portfolio monitoring and consistent sensitivity to macro/industry variables to pick up early warning signals and take proactive measures for safety
- Continuous investment in human capital, risk management framework and tools and governance structure
- Increase internally generated capital to fund growth outlook
- Optimize RWA mix to further sweat capital

4 Leveraging Africa Platform

- Achieve scale and scope in Africa, with a target to replicate the success story we achieved in Ghana, Senegal and Cameroon across all our African subsidiaries
- Deepen share of trade flows in Africa, and achieve 5% additional trade formalization using technology
- Turnaround East Africa businesses, with focus of breaking even by year-end, through increased penetration
- Leverage e-banking success in Nigeria to deepen brand penetration and customer acquisition

Review of 2016 Guidance

Headlines	2015FY	2016Q3 Actual	2016FY Target	Scorecard
Net Interest Margin (NIM)	6.3%	6.1%	≈6.3%	Underperform
Cost-to-Income Ratio (CIR)	66.7%	64.6%	≈65%	Achieved
Cost of Risk	0.5%	0.9%	≈1%	Achieved
NPL Ratio	1.7%	2.5%	≈2.5%	Achieved
Loan Growth	-3.3%	48.6%	>25%	Outperform
Deposit Growth	-4.1%	19.9%	>20%	Outperform
Return on Average Assets	2.2%	2.2%	≈2.2%	Achieved
Return on Average Equity (RoAE)	20%	18.2%	≈20%	On Track

Questions & Answers