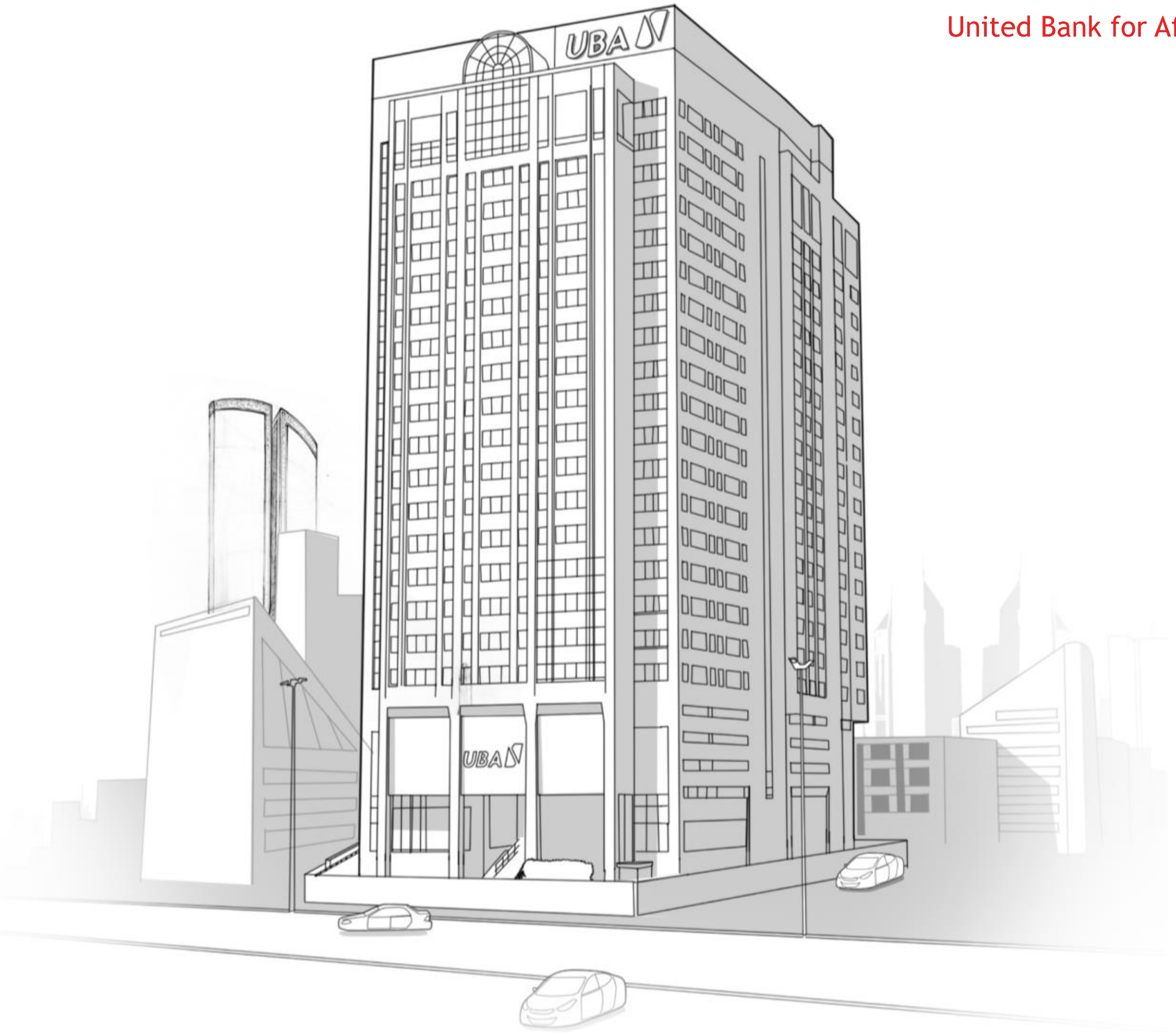
UBA
United Bank for Africa

Investor Presentation

Unaudited Results for the Third Quarter Ended September 30, 2019



Africa's Global Bank

Disclaimer & Caution Regarding Forward-Looking Statements

- **IMPORTANT: From time to time, the Bank makes written and/or oral forward looking statements. These are included in this presentation and in other communications. In addition, representatives of the Bank may make forward looking statements orally to analysts, investors, the media and others. Forward looking statements include, but are not limited to, statements regarding the Bank's objectives and priorities for 2019 and beyond, strategies to achieve them, as well as the Bank's anticipated financial performance. Forward looking statements are typically identified by words such as "will", "should", "believe", "expect", "anticipate", "intend", "estimate", "may" and "could".**

- **By their very nature, these statements require the Bank to make assumptions and are subject to inherent risks and uncertainties, general and specific. Especially in light of the uncertainty related to the financial, economic and regulatory environments, such risks and uncertainties, many of which are beyond the Bank's control and the effects of which are difficult to predict, may cause actual results to differ materially from the expectations expressed in the forward-looking statements. Risk factors that could cause such differences include: credit, market (including equity, commodity, foreign exchange, and interest rate), liquidity, operational, reputational, insurance, strategic, regulatory, legal, environmental, and other risks. All such factors should be considered carefully, as well as other uncertainties and potential events, and the inherent uncertainty of forward looking statements, when making decisions with respect to the Bank, and we caution readers not to place undue reliance on the Bank's forward looking statements.**

- **Any forward looking statements contained in this presentation represent the views of management only as of the date hereof and are presented for the purpose of assisting the Bank's investors and analysts in understanding the Bank's financial position, objectives, priorities and anticipated financial performance as at and for the periods ended on the dates presented, and may not be appropriate for other purposes. The Bank does not undertake to update any forward-looking statements, whether written or oral, that may be made from time to time by or on its behalf, except as required under applicable securities legislation.**

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Outline

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01 Introduction to UBA

UBA Profile at a Glance

UBA United Bank for Africa

18 million+ Customers

20,000+ Staff*

20 African Countries
+ London
New York
Paris

1,000+ Branches

2,539 ATMs

24,168 PoS

19.8m Cards

Gross Earnings ₦428.2bn ↑ 14.2%

Profit Before Tax ₦98.2bn ↑ 24.2%

Shareholders' Funds ₦555.5bn ↑ 10.5%

Total Assets ↑ 1.9% ₦4.9tn

Gross Loans ↑ 13.3% ₦2.1tn

Customer Deposits ↑ 0.5% ₦3.5tn

ROE 20.6%

ROA 2.2%

CAR 27.8%

Funding, Liquidity & Capital (9M2019)

- Strong, stable CASA funding of 76%
- Relatively low cost of funds at 4.4%
- Headroom for lower CoF, on aggressive retail penetration
- Liquid balance sheet to fund emerging opportunities
- Strong BASEL II CAR at 27.8%

Asset Creation and Quality (9M2019)

- ₦4.9 trillion (USD13.7 billion) total assets
- Loan book focused on corporate, commercial and retail customers
- Geographic, sector and customer diversification reinforces the quality of the portfolio, with less vulnerability to macro and market volatilities

Profitability (9M2019)

- Annualised RoAE of 20.6%
- Annualised RoA of 2.2%
- Notable upside to NIM (6.2%), on the back of balance sheet efficiency
- Cost-to-Income ratio of 60.8%
- Profitability built on sustainability and long term value creation

Risk appetite (9M2019)

- Moderate risk appetite, with a good balance between profitability and sustainability
- Well diversified loan book: 5.7% NPL.
- Relatively low exposure to volatile sectors and segments of the market
- Strong governance structure and oversight

*direct and support staff

UBA United Bank for Africa

Evolution of UBA - Building a Pan African Platform

With a 70 year history, UBA is one of the strongest and most recognised banking brands to originate from Sub-Sahara Africa.
Over the last 10 years, UBA has established a pan African platform on the back of a successful Nigerian bank

1949 – 2008

12 presence countries

- Established brand in Nigeria
- Commenced operations in Cameroon, Cote D'Ivoire, Ghana, Liberia, Sierra Leone and Uganda
- Acquired majority interest in two banks, based in Burkina Faso and Benin
- Established New York and Paris operations and an associate in London

2009 – 2011

Grown to 22 presence countries

- Commenced operations in Chad, Congo Brazzaville, Congo DR, Gabon, Guinea, Kenya, Senegal, Tanzania, Uganda and Zambia.

2012 – 2019

Consolidating in 23 presence countries

- London business got the authorization of PRA and FCA to operate as a wholesale bank
- Licensed to operate in Mali
- Won Financial Times 'Banker' Awards for: Best Overall Bank in Africa, Best Bank in Cameroon and Best Bank in Senegal

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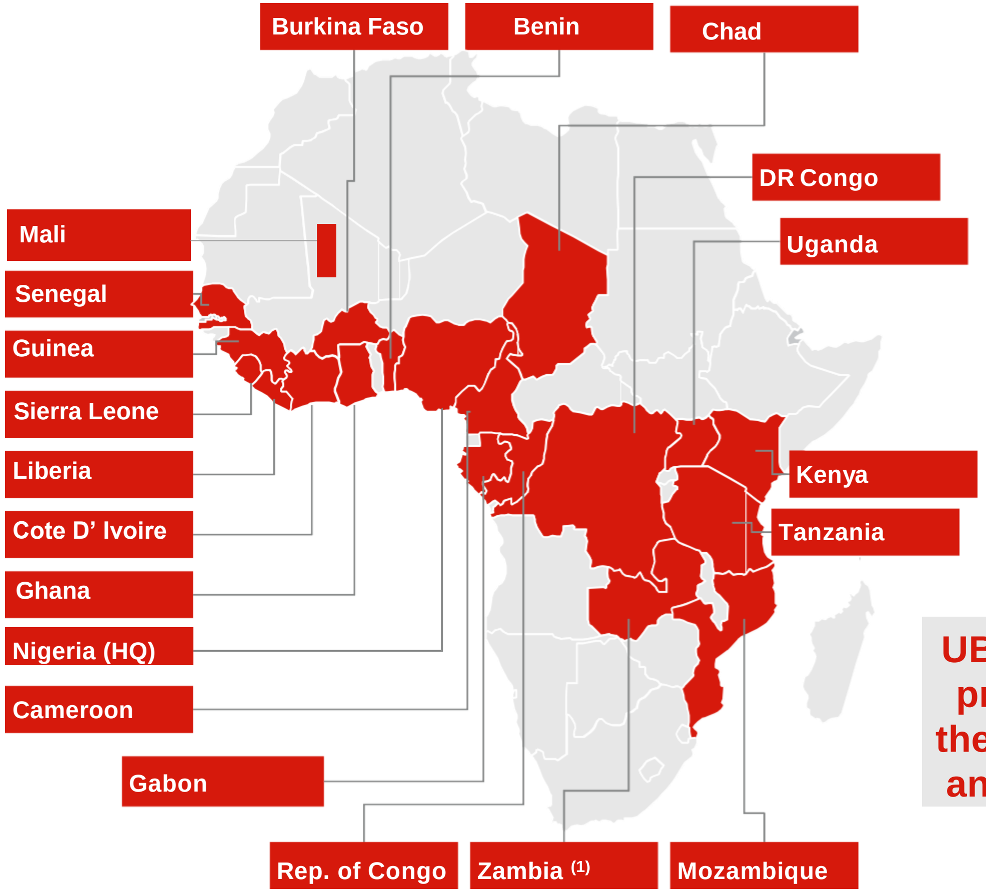
A Leading Full Service Pan-African Business

UBA has successfully established its African franchise and now has growing operations in 20 African countries



UBA is also present in the UK, USA and France

Headline[2]	UBA's % Interest	Market Share	Total Assets	Total Deposits
UBA Nigeria	100%	Top Tier	₦3,620bn	₦2,373.6bn
UBA Ghana Limited	91%	Top Tier	₦226.05bn	₦122.5bn
UBA Cameroun SA	100%	Top Tier	₦210.8bn	₦180.3bn
UBA Cote D'Ivoire	100%	Mid-sized	₦136.1bn	₦108.5bn
UBA Liberia Limited	100%	Top Tier	₦38.4bn	₦30.1bn
UBA Uganda Limited	69%	Niche	₦32.2bn	₦23.5bn
UBA Burkina Faso	64%	Top Tier	₦176.5bn	₦137.4bn
UBA Chad SA	89%	Top Tier	₦ 57.3bn	₦47.2bn
UBA Senegal SA	86%	Top Tier	₦125.7bn	₦74.7bn
UBA Benin	84%	Top Tier	₦101.7bn	₦82.5bn
UBA Kenya Bank Limited	81%	Niche	₦55.6bn	₦20.5bn
UBA Tanzania Limited	82%	Niche	₦31.3bn	₦18.1bn
UBA Gabon	100%	Mid-sized	₦57.1bn	₦40.5bn
UBA Guinea (SA)	100%	Top Tier	₦39.2bn	₦33.2bn
UBA Sierra Leone Limited	100%	Top Tier	₦26.7bn	₦17.9bn
UBA Mozambique (SA)	96%	Niche	₦18.8bn	₦7.8 bn
UBA Congo DRC (SA)	100%	Mid-sized	₦26.6bn	₦16.8bn
UBA Congo Brazzaville (SA)	100%	Top Tier	₦85.1bn	₦57.8bn
UBA Mali	100%	Niche	₦13.0bn	₦6.8bn
UBA Zambia Limited (1)	49%	Niche	₦31.0bn	₦14.1bn

Major Non-banking Subsidiaries/ operation

- **UBA Pension Custodian Limited**, commenced operations in Nigeria on 3 May 2006 and principally operates as a custodian of pension assets
- **UBA UK Limited**, a London-based wholesale bank, authorized by the PRA and FCA
- **UBA Global Investor Service**, custody business that partners with BNY Mellon to serve as custodian to foreign investors/HNIs and local unit trust funds

Notes: (1) The Group provides banking services in Zambia through an associate company UBA Zambia Limited
(2) UBA's Interest, Total Assets and Total Deposits are as at September 30, 2019

UBA's Credit Ratings

All rating agencies have "Stable Outlook" rating on UBA Plc

Fitch Ratings

National
•Short term F1 (nga)
•Long term AA- (nga)

Foreign Currency
•Short term B
•Long Term B+

S&P Global Ratings

International
- Short term B
- Long term B

Agusto&Co.
Research, Credit Ratings, Credit Risk Management

National
- Long term AA-
- Short term AA-

GCR RATINGS

National
- Short-term A1+ (NG)
- Long term AA - NG)

- International B+

Note: S&P and Fitch assigned Credit Rating of "B" and "B+" on the Nigerian Sovereign, thus the ratings of UBA from S&P and Fitch ranks at par with the Nigerian Sovereign rating and these are the highest ratings for any Nigerian corporate, as the Sovereign rating underpins the ratings of corporates operating in the country.

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02 Operating Environment

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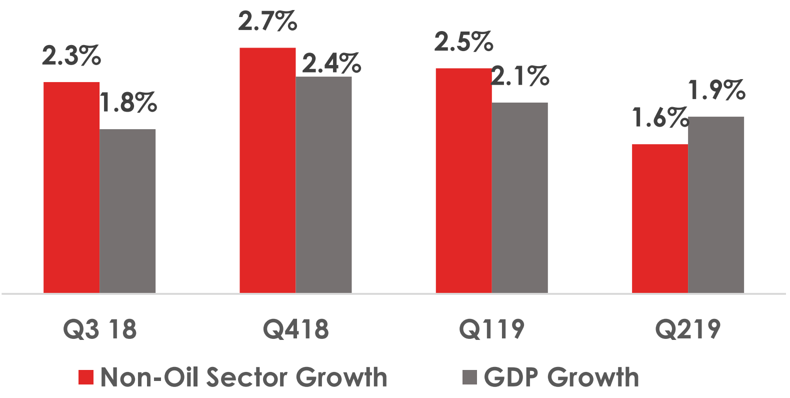
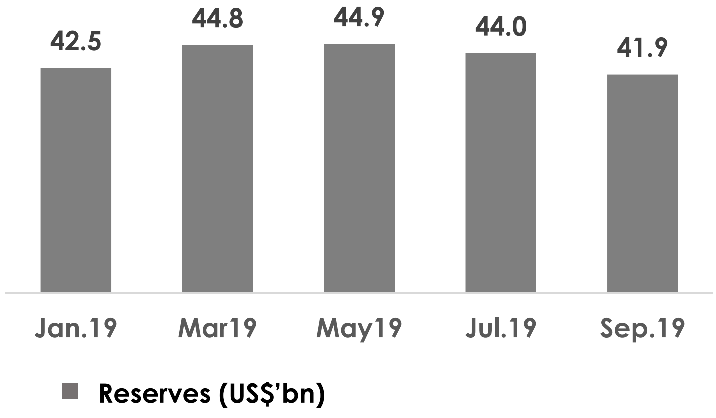
Nigeria: Macro variables relatively stable but weak

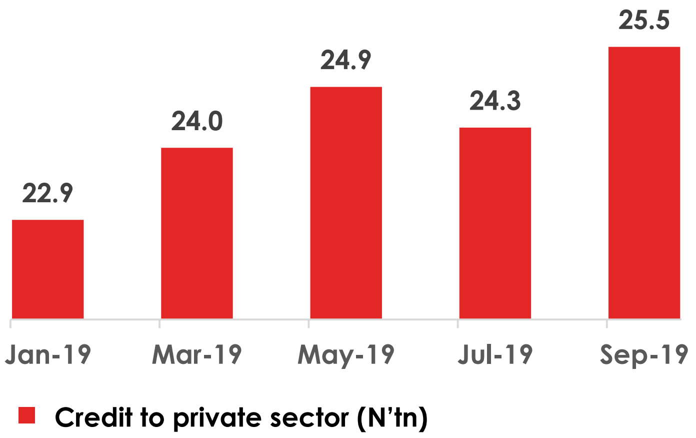
GDP Growth – stable, but slow



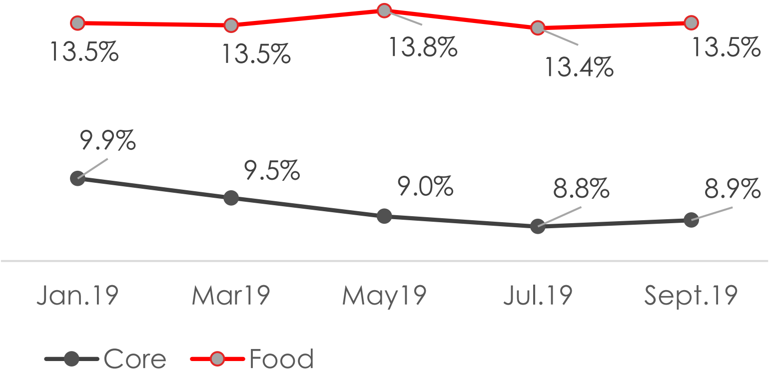
Reserves – still above $40bn



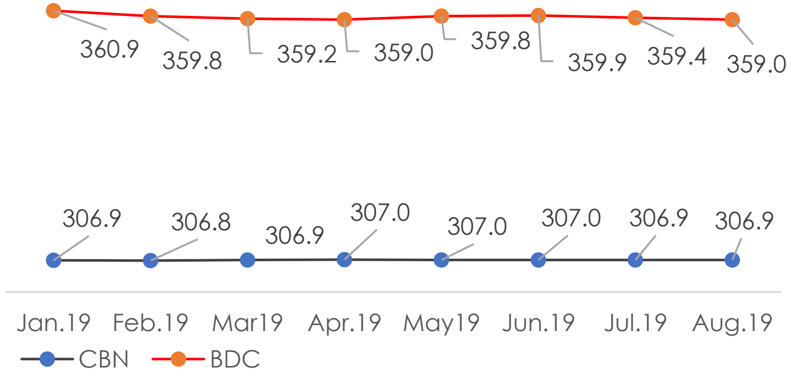
Private sector credit – good traction



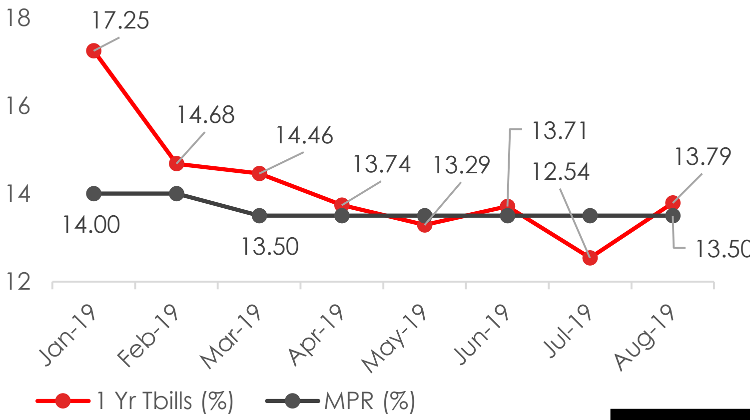
Inflation – still double-digit



Exchange rate – stable



Interest rate – pressured



The 2019 Regulatory Landscape

United Bank for Africa

Jan.

(Jan.) The CBN released the revised National Financial Inclusion Strategy (NFIS), with new objectives, priorities and principles to drive agency banking, mobile banking/mobile payments, linkage models and client empowerment towards improving financial inclusion in Nigeria.

(Feb.) The Nigerian President, Muhammadu Buhari was re-elected to serve a 2nd term in office.

Mar.

(March) The Monetary Policy Committee (MPC) reduced policy rate by 50bps to 13.5% in March, the first rate cut since November 2015, in a bid to drive growth of private sector credit.

May

(May)The Q1 2019 Nigeria's Gross Domestic Product (GDP) was released, showing a 2.01%(year-on-year) real growth, compared to 1.89% recorded in the corresponding quarter of 2018.

(May) President Buhari reappoints Godwin Emefiele as the CBN Governor for a second five-year term.

Jul.

(July) The CBN announced that effective Sept. 30, 2019, all Banks are to maintain a minimum Loan-to-Funding Ratio (LFR) of 60% or risk an additional 50% CRR charge on loan growth shortfall.

(July)The CBN released a circular that reduced the minimum remunerated daily placement for Standard Deposit Facility (SDF) to N2billion (from N7.5billion).

Aug.

(Aug.) To further facilitate lending to the real sector, the CBN increased minimum LFR for DMBs to 65%, effective December 31, 2019. This new ratio is subject to quarterly review.

Sep.

(Sep.) The CBN released guidelines for the cashless policy in 5 states: Lagos, Ogun, Kano, Abia, Anambra, Rivers and the FCT., A handling charge was introduced for cash deposits and withdrawals above set thresholds.

Selected African Markets – Key developments

Ghana

- Ghana grew 6.2% YOY in H1 2019, against 5.4% in the same period of 2018. Ghana remain amongst the largest exporters of gold and cocoa globally.
- The Bank of Ghana has kept monetary policy rate (MPR) at 16% (as at September 2019) since it reduced the MPR from 17% in January 2019.
- Headline inflation fell to 7.6% in September, just below the 8% target, whilst the Cedi has depreciated by about 10% from the beginning of 2019.
- Ghana has been projected to be the world's fastest growing economy this year at 7.6%, to be driven by the oil explorations and more favourable tax system.

Senegal

- Senegal's GDP grew 5.5% y-o-y in Q2:2019. Oil and gas production is expected in 2022 and should boost growth further.
- Inflation rate in Senegal rose to 1.3% in Aug. 2019 from 1.1% in July., mainly due to prices of clothing & footwear, transport, amongst other items.
- Senegal struggles to simultaneously maintain high GDP growth rates and fiscal sustainability needed to create jobs for its 17 million population.
- Growth has been high, over 6% since 2014. This is expected to substantially accelerate when offshore oil and gas production begins.in 2022.

Kenya

- Kenya's economy grew by 5.6% y/y in Q2:2019, driven by growth in ICT (11.6%), accommodation (10.6%), finance (6.7%), amongst other sectors.
- Inflation rate in Kenya declined to 3.83% in September 2019 (from 5% in August), its lowest since April 2018.
- The Central Bank of Kenya left its benchmark interest rate at 9% during its Sept. 2019 meeting as inflation remained well anchored within the target range.
- Growth in Kenya is expected to rise to 5.9% in 2020 and 6.0% in 2021, driven by growth in private consumption, industrial activity and the services sector.

Uganda

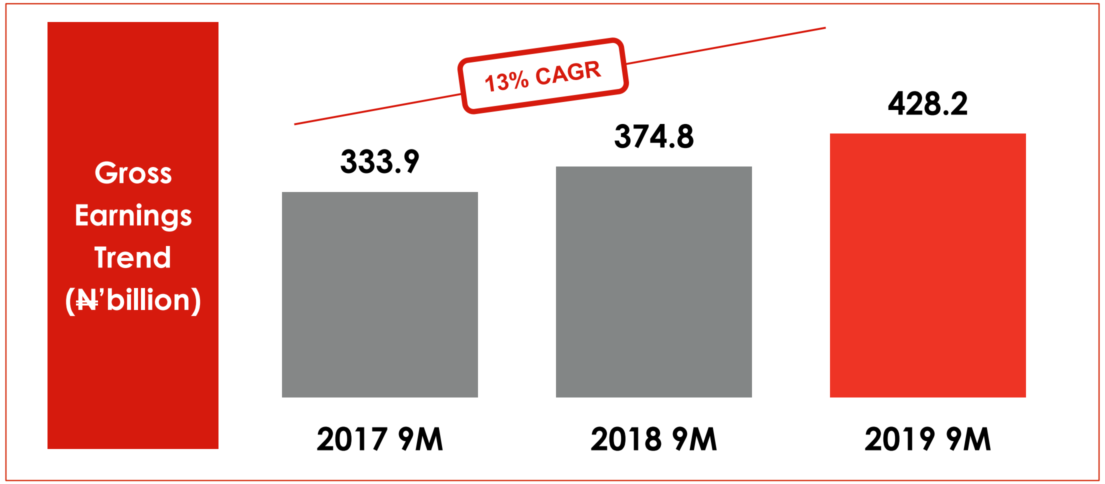
- Uganda's GDP grew 5.4% in Q2 2019, (5.6% Q1:2019); driven by services, ICT and finance sectors.
- Inflation eased to 1.9% in Sept. 2019 from 2.1% in the prior month, to reach its lowest level since May 2018
- The Bank of Uganda slashed its benchmark lending rate by 1% to 9% on Oct. 7th 2019, amidst slower economic growth and lower inflation.
- In line with efforts to start oil and gas production in 2022, Uganda's government plans to boost the economy by spending on new infrastructure in its oil-rich region.

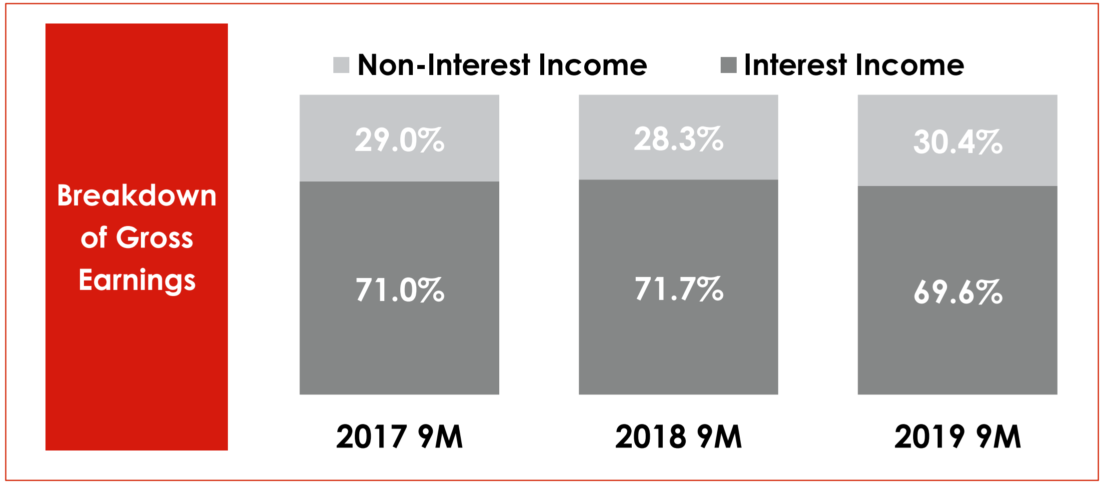
03 2019 9M Performance Review

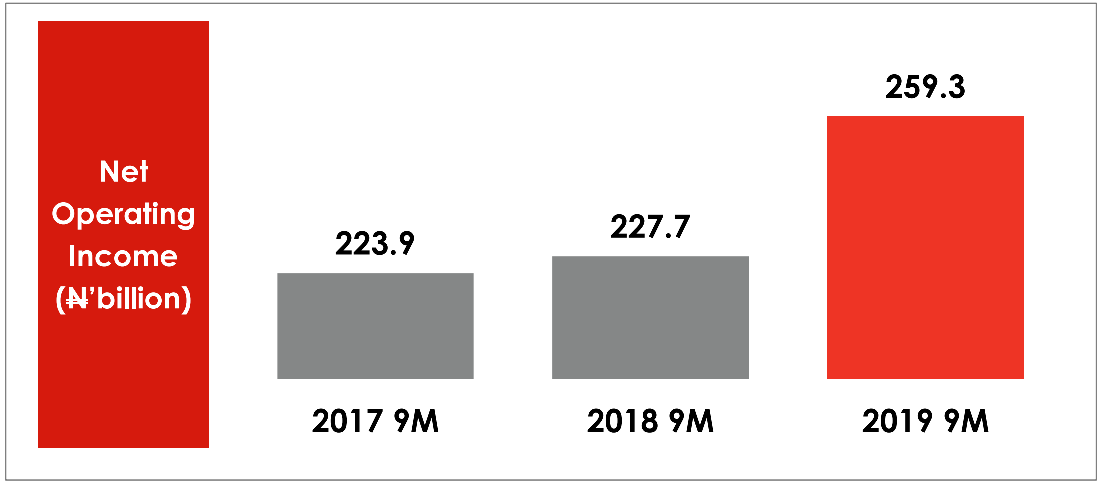
2019 Nine Months Results Snapshot

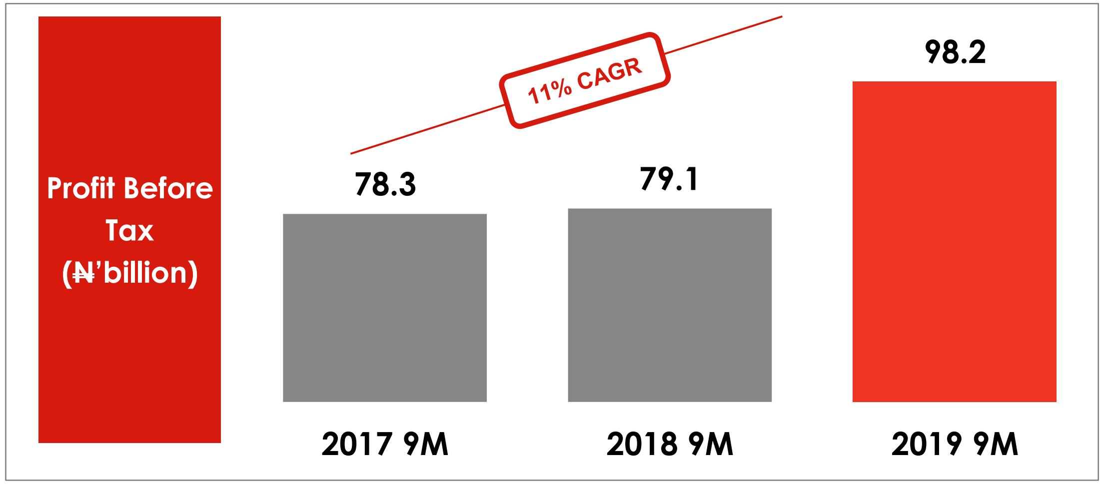
		30-Sept.-19	30-Sept.-18	% Change
COMPREHENSIVE INCOME & PROFIT TREND (N'million)	Gross Earnings	428,219	374,829	14.24%
	Net Interest Income	158,914	150,698	5.45%
	Net Operating Income	259,331	227,690	13.90%
	Operating Expenses	-161,621	-149,085	8.41%
	Profit Before Tax	98,233	79,111	24.17%
	Profit After Tax	81,628	61,698	32.30%
EFFICIENCY AND RETURN	Cost-to-Income Ratio	60.76%	62.60%	-184bps
	Post-Tax Return on Average Equity	20.6%	15.8%	+473bps
	Post-Tax Return on Average Assets	2.21%	1.9%	+30bps
		30-Sep-19	**31-Dec-18**	**% Change**
FINANCIAL POSITION TREND (N'million)	Total Assets	4,960,895	4,869,738	1.87%
	Total Customer Deposits	3,540,393	3,523,956	0.50%
	Gross Loans to Customers	2,065,270	1,823,540	13.26%
	Total Equity	555,528	502,608	10.53%
BUSINESS CAPACITY AND ASSET QUALITY RATIOS	Net Loan-to-Deposit Ratio (Bank)	62.07%	50.08%	+1,199bps
	Capital Adequacy Ratio (BASEL II) Group	27.8%	24.0%	+3,800bps
	Non-Performing Loan Ratio	5.70%	6.5%	- 80bps

Earnings Have Proven Strong and Resilient









- Gross earnings grew by 14.24% year-on-year, helping to deliver a 24.2% YoY PBT growth.
- The contribution of non-interest income (NII) to our gross earnings is trending up (to 30.4% in 9M 2019), as we continue to grow transaction counts and volumes across all channels.
- We will continue to leverage our superior digital banking offerings, credit expansion, remittances and other lifestyle transactional services to boost revenue.

Source: UBA Unaudited 2019 9M Financials

Well Diversified Asset Book Supported By Stable Funding Structure

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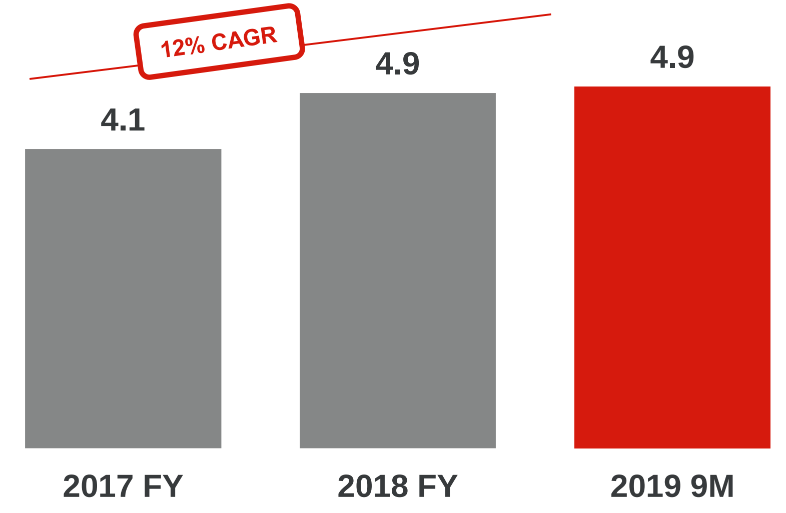
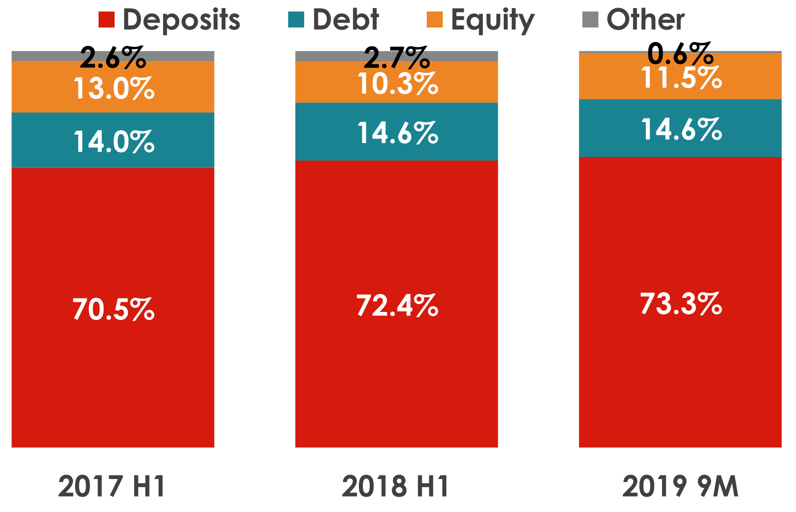
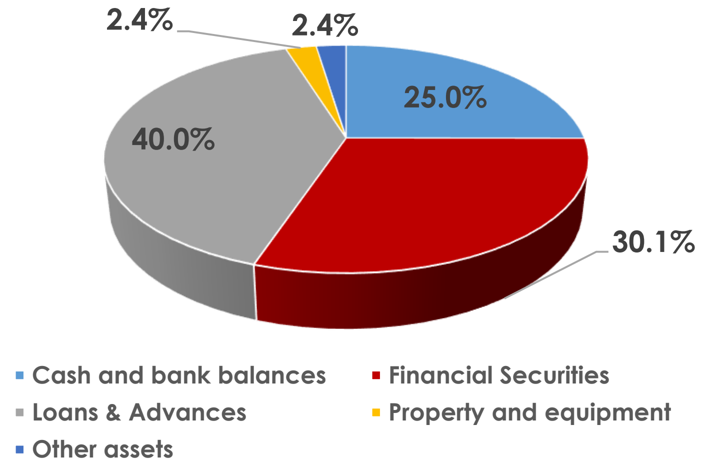
Total Assets (₦'trillion)



Funding Structure



Composition of Total Asset Portfolio (2019 9M)



- The Group's total assets grew 1.9% during the period, driven largely by the growth in loans and advances to customers. Correspondingly, we maintained a 0.5% growth in deposits as we emphasised retail deposits to optimise net interest margin.
- Leveraging on our focused retail strategy, the Group grew retail deposits by 15% to N1.9trillion, thus strengthening the funding base and providing the foundation for lower cost of funds in the days ahead.
- Deposits liabilities and equity collectively accounted for over 84% of total funding, as we strive to maintain a well-diversified funding base.

Source: UBA Unaudited 2019 9M Financials

Efficiency Gains To Drive Margin Improvement

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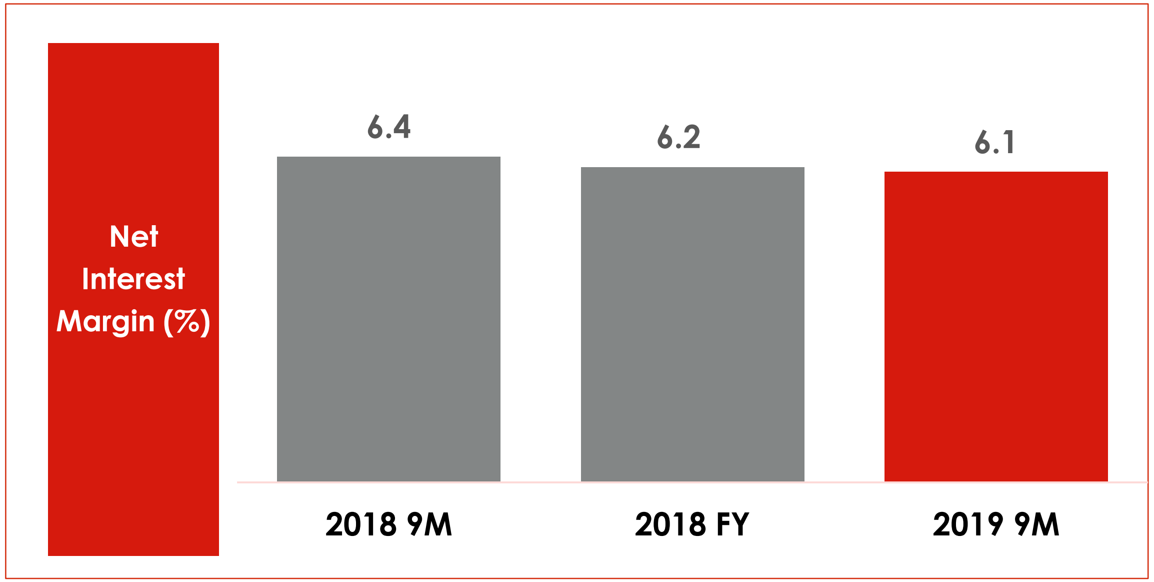
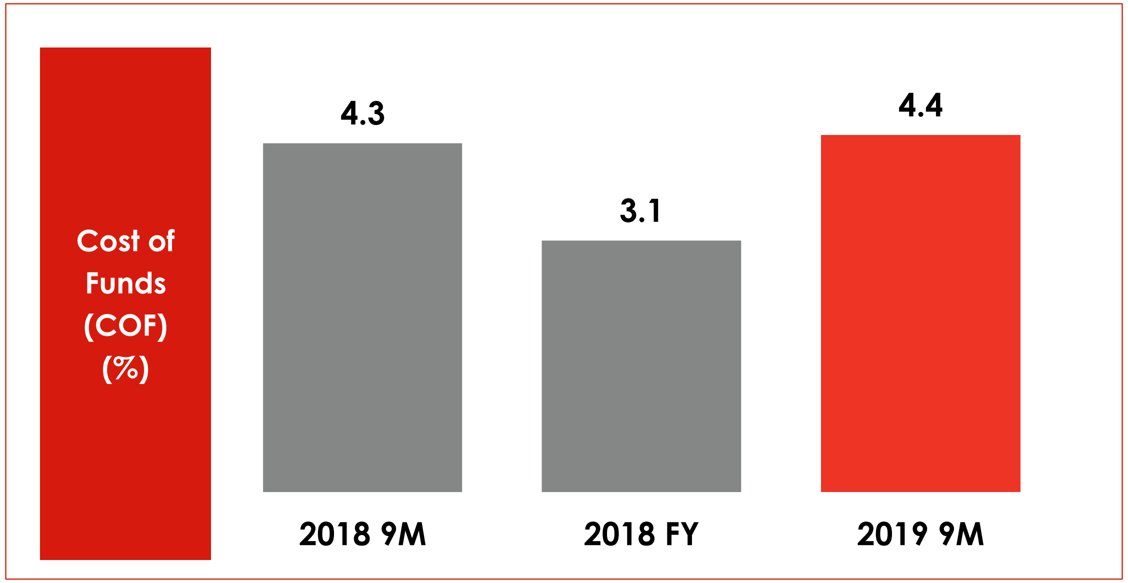
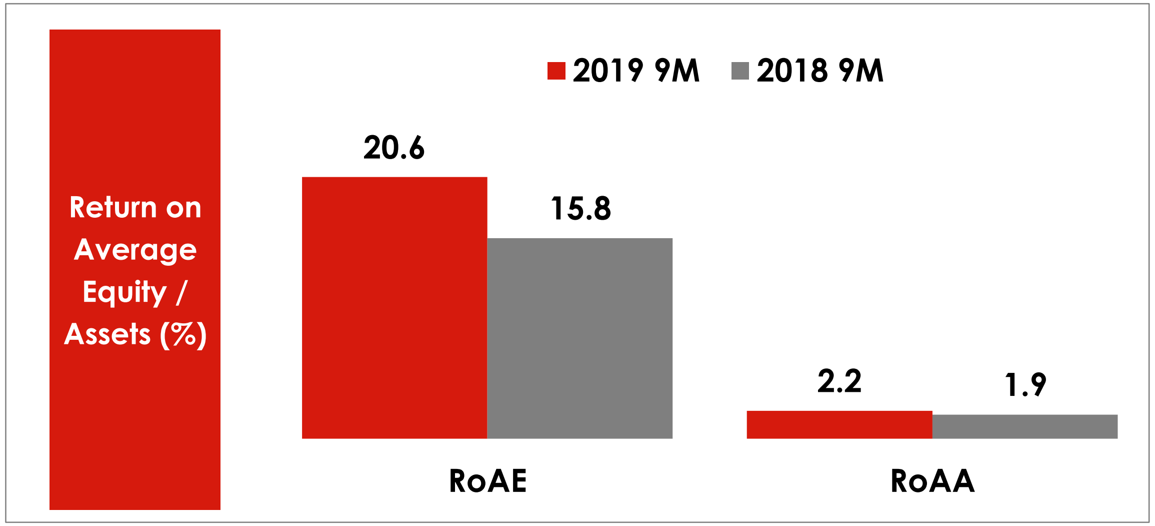




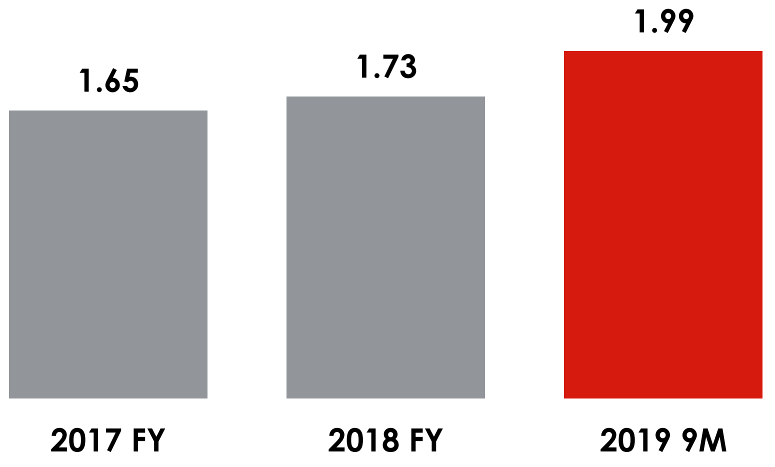


- The Group grew PBT by 24.2% following efficient balance sheet management and increased transactional volumes across our optimised digital banking channels.
- Net interest margin dropped year-to-date due largely to the 28% growth in interest expense, coupled with a moderation in asset yields in our key markets. Nonetheless, our rapidly growing retail deposits should protect the net interest margins.
- We delivered an improved 20.6% and 2.2% annualised return on average equity (RoAE) and assets (RoAA) respectively, above our guidance. The Group is driving improved asset quality, cost efficiency and transaction/fee income to deliver desired and better results.

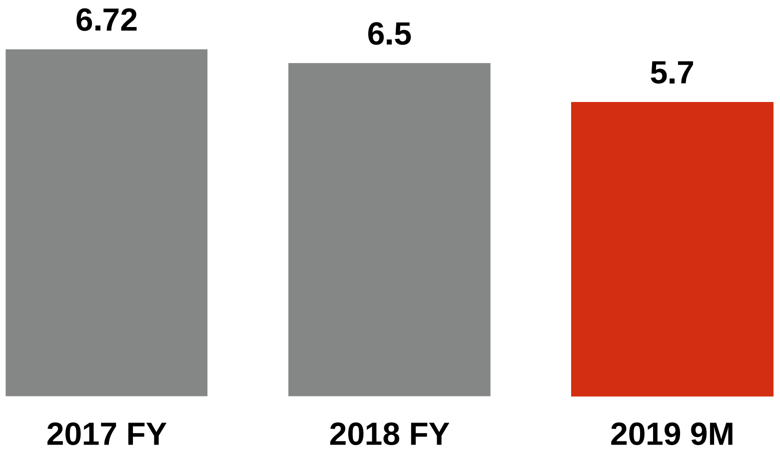
Source: UBA Unaudited 2019 9M Financials

Stable and Well Diversified Loan Portfolio...

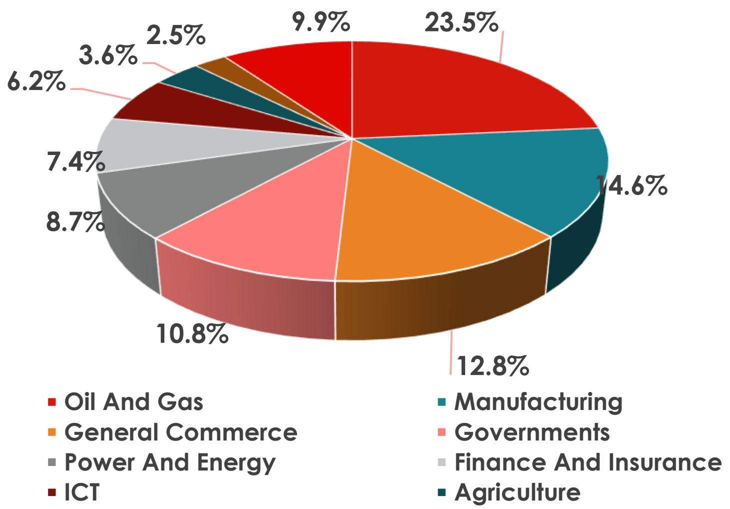
Total Loan Book (₦'trillion)



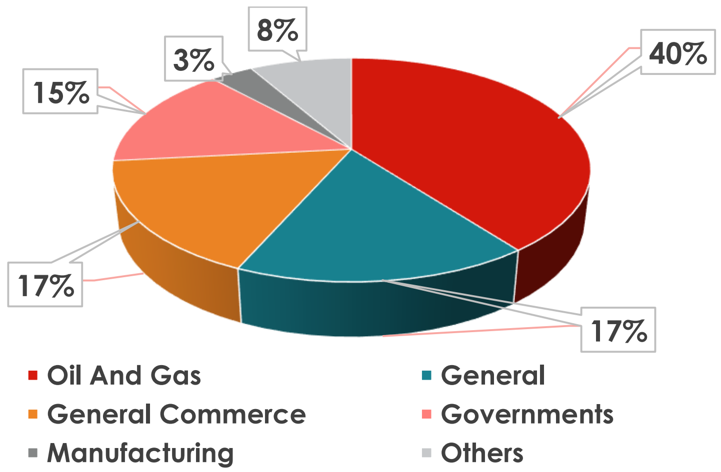
NPL Ratio (%)



Loan Book Distribution by Sector (2019 9M)



Non - Performing Loan Distribution by Sector (2019 9M)



Source: UBA Unaudited 2019 9M Financials

...Supported by Solid Capital and Liquidity...

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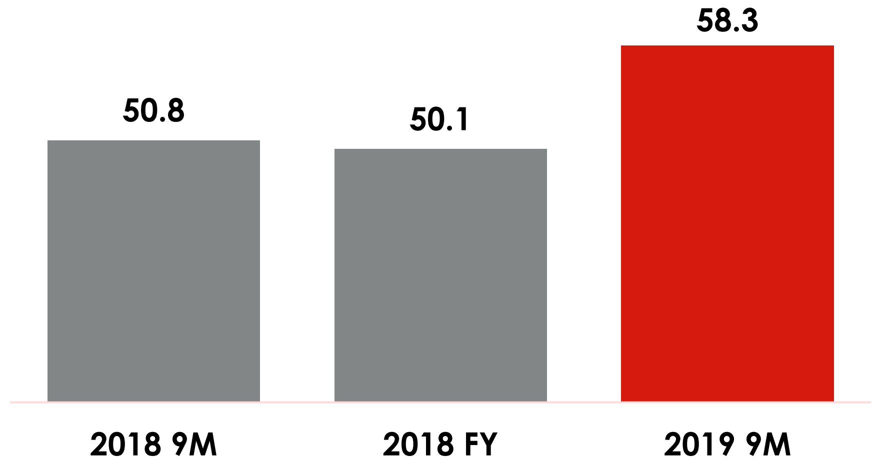
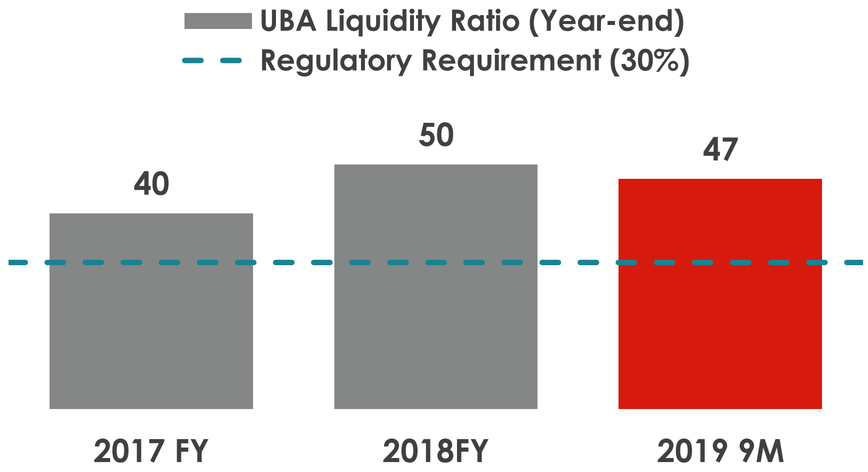
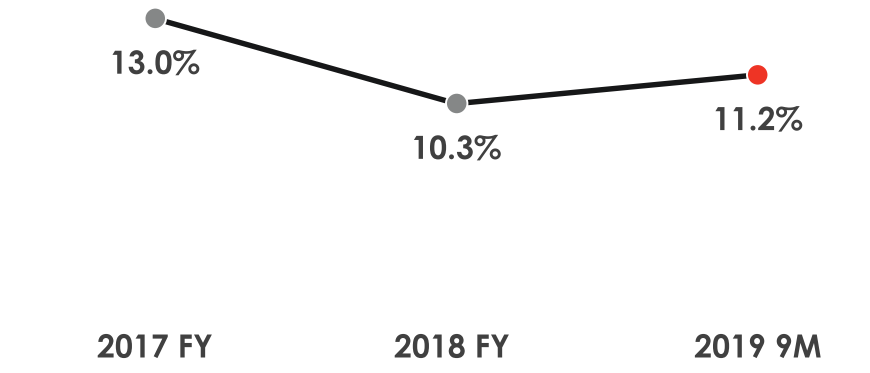
Gross Loan-to-Deposit Ratio (%)



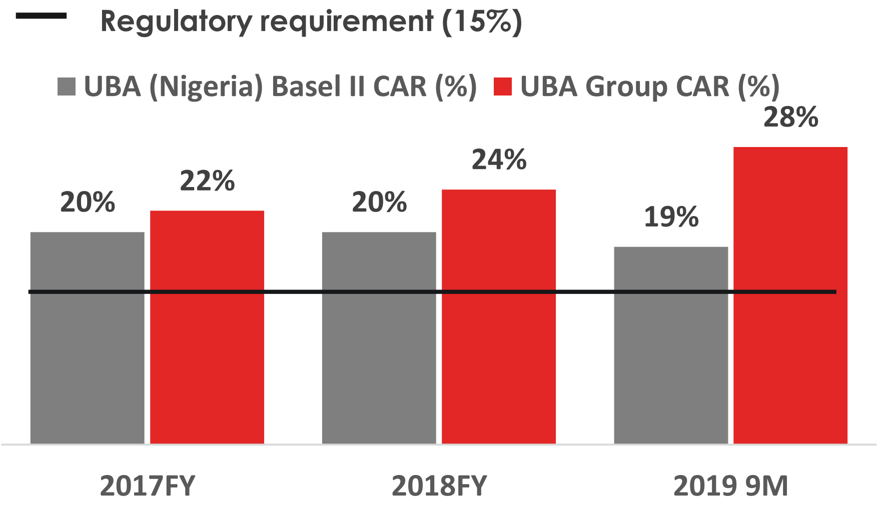
Average Liquidity Ratio (%)



Equity-to-Total Assets Ratio (%)

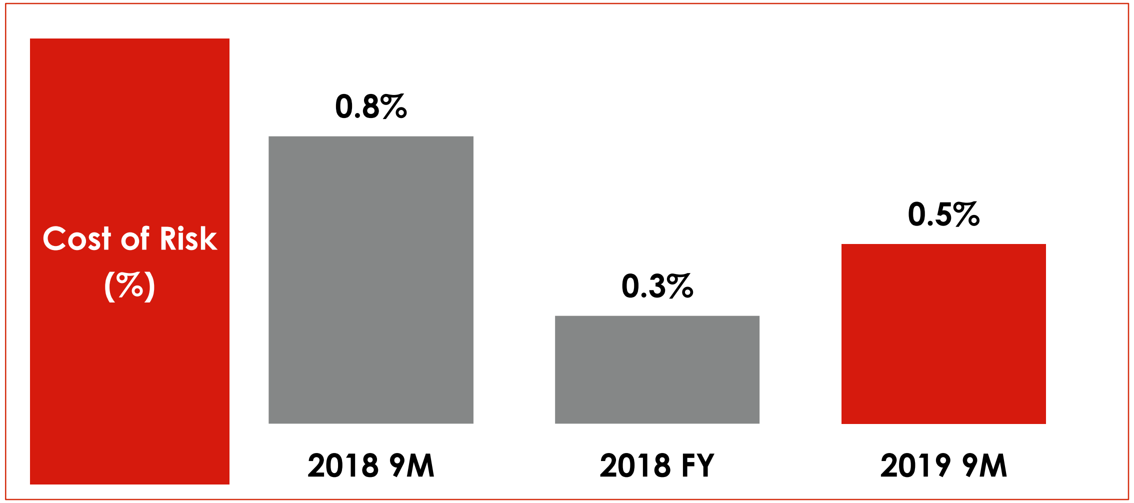


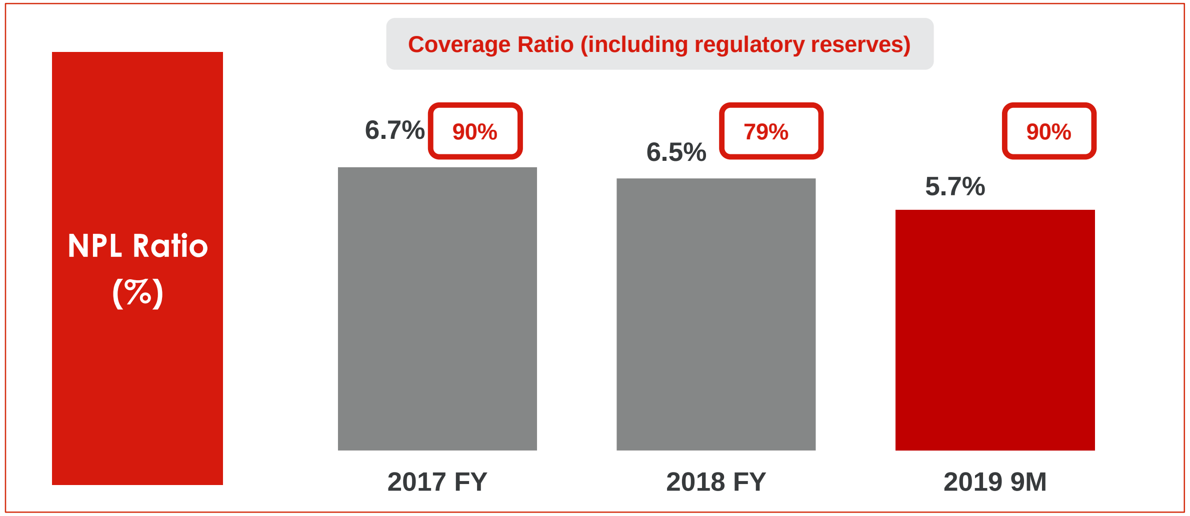
Capital Adequacy Ratio (%)

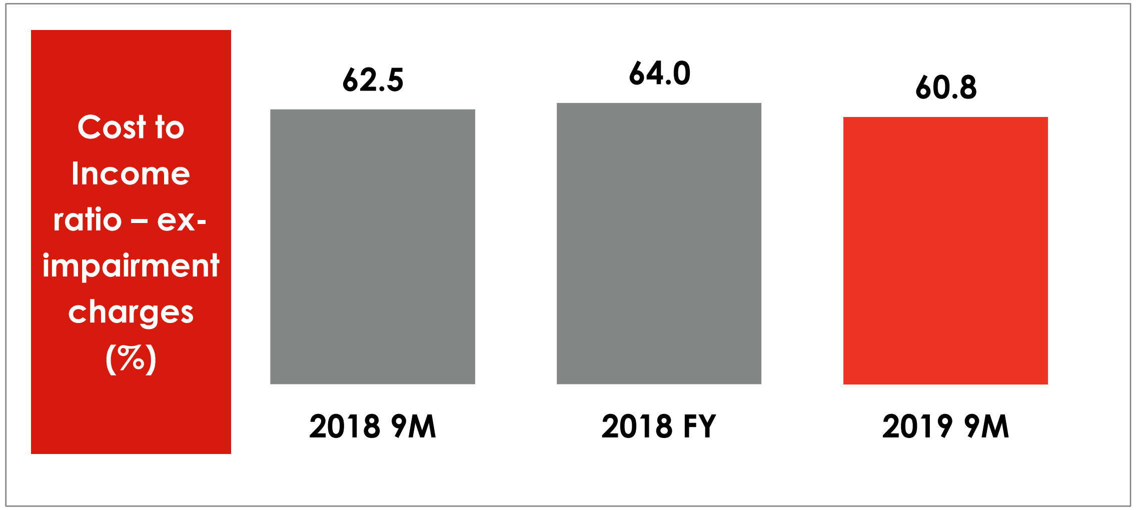


Source: UBA Unaudited 2019 9M Financials

...Plus an Intense Focus on Asset Quality and Cost Efficiency







- Despite a 13.3% growth in risk assets during the period, we achieved an NPL ratio of 5.7%, even as net impairment loss declined by 37.6% YoY. 9mobile exposure was resolved during the period, hence we look forward to circa 5% NPL ratio by year end,
- The 60.8% cost-to-income ratio is a 178 basis points YoY reduction from 62.5% in 9M 2018. The group is driving cost efficiencies that should help achieve our 58% FY 2019 CIR guidance.
- Cost of risk remain within acceptable band at 0.5%, driven by decline in net impairment loss. We will sustain top-notch asset quality management even as we seek to achieve our loan book growth guidance for the year.

Source: UBA Unaudited 2019 9M Financials

04 2019 FY Guidance

2019 FY Guidance

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		FY 2018 Actual	9M 2019 Actual	FY 2019 Guidance
1	Net Interest Margin	6.2%	6.1%	> 6.0%
2	Cost-to-Income Ratio (ex-impairment)	64.0%	60.8%	≈ 60%
3	Cost of Risk	0.3%	0.5%	≈ 1%
4	NPL Ratio	6. 5%	5.7%	≈ 5%
5	Gross Loan Growth	5.4%	13.3%	≈ 18%
6	Total Deposit Growth	22.5%	0.5%	≈ 8%
7	Return on Average Assets	1.8%	2.2%	≈ 2.2%
8	Return on Average Equity	15.3%	20.6%	≈ 18%

Appendix

Summary Financials - Unaudited Results…1/2

UBA
United Bank for Africa

	30-Sep-19	31-Dec-18	Change
ASSETS	*(₦ millions)*	*(₦ millions)*	
Cash and bank balances	1,242,260	1,220,596	1.8%
Financial assets at fair value through profit or loss	58,528	19,439	201.1%
Derivative assets	39,655	34,784	14.0%
Loans and advances to banks	49,201	15,797	211.5%
Loans and advances to customers	1,936,012	1,715,285	12.9%
Investment securities:			
- At fair value through other comprehensive income	852,265	1,036,653	-17.8%
- At amortised cost	543,910	600,479	-9.4%
Other assets	75,038	63,012	19.1%
Investment in equity-accounted investee	4,368	4,610	-5.2%
Property and equipment	120,953	115,973	4.3%
Intangible assets	15,505	18,168	-14.7%
Deferred tax assets	23,200	24,942	-7.0%
Total Assets	**4,960,895**	**4,869,738**	**1.9%**
LIABILITIES			
Derivative liabilities	574	99	479.8%
Deposits from banks	167,490	174,836	-4.2%
Deposits from customers	3,372,903	3,349,120	0.7%
Other liabilities	122,112	120,764	1.1%
Current tax liabilities	4,876	8,892	-45.2%
Borrowings	706,117	683,532	3.3%
Subordinated liabilities	31,250	29,859	4.7%
Deferred tax liabilities	45	28	60.7%
Total Liabilities	**4,405,367**	**4,367,130**	**0.9%**
EQUITY			
Share capital	17,100	17,100	0.0%
Share premium	98,715	98,715	0.0%
Retained earnings	212,249	168,073	26.3%
Other reserves	208,469	199,581	4.5%
Equity attributable to owners of the parent	536,533	483,469	11.0%
Non-Controlling Interests	18,995	19,139	-0.8%
Total Equity	**555,528**	**502,608**	**10.5%**

Source: UBA Unaudited 2019 9M Financials

Summary Financials - Unaudited Results…2/2

United Bank for Africa

	Group (9 months)			Group (3 months)		
	Sep. 2019	Sep. 2018	Change	Sep. 2019	Sep. 2018	Change
All figures in ₦ millions						
Gross earnings	428,219	374,829	14.2%	134,529	116,911	15.1%
Interest income	297,903	268,937	10.8%	93,018	81,643	13.9%
Interest expense	(138,989)	(118,239)	17.5%	(44,227)	(42,021)	5.2%
Net interest income	**158,914**	**150,698**	**5.5%**	**48,791**	**39,622**	**23.1%**
Fees and commission income	86,530	68,756	25.9%	34,186	22,911	49.2%
Fees and commission expense	(23,236)	(18,226)	27.5%	(6,947)	(4,978)	39.6%
Net fee and commission income	**63,294**	**50,530**	**25.3%**	**27,239**	**17,933**	**51.9%**
Net trading and foreign exchange income	35,720	32,401	10.2%	2,974	11,945	-75.1%
Other operating income	8,066	4,735	70.3%	4,351	412	956.1%
Total non-interest income	**107,080**	**87,666**	**22.1%**	**34,564**	**30,290**	**14.1%**
Operating income	**265,994**	**238,364**	**11.6%**	**83,355**	**69,912**	**19.2%**
Net impairment loss on loans and receivables	(6,663)	(10,674)	-37.6%	(3,543)	(3,942)	-10.1%
Net operating income after impairment loss on loans and receivables	**259,331**	**227,690**	**13.9%**	**79,812**	**65,970**	**21.0%**
Employee benefit expenses	(55,204)	(53,254)	3.7%	(18,026)	(18,040)	-0.1%
Depreciation and amortisation	(11,606)	(8,610)	34.8%	(3,653)	(2,951)	23.8%
Other operating expenses	(94,811)	(87,221)	8.7%	(30,355)	(24,390)	24.5%
Total operating expenses	**(161,621)**	**(149,085)**	**8.4%**	**(52,034)**	**(45,381)**	**14.7%**
Share of profit /(loss) of equity-accounted investee	523	506	3.3%	181	382	-52.7%
Profit before income tax	98,233	79,111	24.2%	27,959	20,971	33.3%
Taxation charge	(16,605)	(17,413)	-4.6%	(3,071)	(3,065)	0.2%
Profit for the period	**81,628**	**61,698**	**32.3%**	**24,888**	**17,906**	**39.0%**
Other comprehensive income, net of tax	**362**	**(11,343)**	**-103.2%**	**(6,152)**	**1,968**	**-412.6%**
Total comprehensive income for the period	**81,990**	**50,355**	**62.8%**	**18,736**	**19,874**	**-5.7%**

Source: UBA Unaudited 2019 9M Financials


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