



UBA TO HOLD EGM ON 2ND OCTOBER....SEEKS SHAREHOLDERS ENDORSEMENT TO RAISE N500BN ADDITIONAL CAPITAL

As part of a strategic funding initiative for a number of key projects and transactions across Africa, United Bank for Africa Plc, the Pan-African bank headquartered in Lagos Nigeria, is seeking an endorsement from its shareholders to proceed with an additional capital raising exercise for a total of N500billion. The Nigerian Stock Exchange was notified about this intention a few weeks ago,

Consequently, an Extra-ordinary General Meeting (EGM) of shareholders is scheduled to hold at the nation's capital city of Abuja on the 2nd of October 2009

According to the bank's Group Chief Finance Officer, Mr. Victor Osadolor, proceeds from the capital raising will go into infrastructure funding, opportunistic acquisitions and the consolidation of the bank's channel and IT infrastructure across Africa.

The funds will be raised in tranches by way of ordinary shares and bonds of 7 year tenor.

The shareholders endorsement is a regulatory requirement which is expected to be enthusiastically welcomed by shareholders given the track record of the bank and the transformational initiatives undertaken by the Board and management of the bank in the last few years which has seen the bank emerge as a leading financial services powerhouse in Africa.

To sustain the trajectory of its growth and development, part of the proceeds from the additional capital raised will be used for opportunistic acquisitions across Africa as UBA continues to expand and consolidate its retail distribution network currently estimated at over 750 branches across the continent.

The bank's ongoing service delivery capability enhancements will receive further impetus as IT and Channel upgrade will receive even more attention using part of the proceeds from the fund raising exercise. According to Osadolor, "part of the funds we are hoping to raise will enable us finance the consolidation of our channels and IT platforms across the Group to ensure a more effective customer service delivery".

Capital raising through bonds is becoming increasingly attractive internationally in the face of the current global stock market realities where equity prices have fallen to their lowest. In addition, bonds instruments are generally regarded as safer and less risky because of the priority that debt holders have over shareholders.

The bond market in Nigeria is however relatively underdeveloped. Much of the activities in the sub-sector have largely been driven by government bonds. With current economic realities, it has become imperative that an active and effective domestic bond markets will guarantee greater diversification of long term financing and improve resource allocation in the domestic markets. It is against this background that the bond issues from UBA other major banks will help to galvanise the non-existent corporate bonds market in Nigeria.

About UBA....

United Bank for Africa Plc is one of Africa's leading financial institutions offering banking services to more than 7 million customers across 750 branches in 19 African countries. With presence in New York, London and Paris, UBA is connecting people and businesses across Africa through retail and corporate banking, innovative cross border payments, trade finance and investment banking.

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