

Union Bank of Nigeria Plc.

Group Unaudited Financial Statements for the Period Ended September 30, 2023

LAGOS, NIGERIA – 27th December 2023: Union Bank Plc has released its unaudited financial statements for the period ending 30th September 2023.

Bank Financial Highlights:

- **Gross earnings:** up 120% to ₦309.1bn (₦140.6bn in 9M 2022), driven by strong earning assets from lending to key sectors of the economy and devaluation gains.
- **Non-interest income:** up 409% to ₦144.0bn (₦28.3bn in 9M 2022).
- **Net operating income after impairments:** up 121% to ₦168.7bn (₦76.3bn in 9M 2022)
- **Profit before tax:** up by 461.1% to ₦102.3bn (₦18.2bn in 9M 2022).
- **Operating expenses:** up by 14.2% to ₦66.4bn (₦58.1bn in 9M 2022), an outcome of the inflationary environment, increase in power cost, and non-discretionary regulatory cost.
- **Gross loans:** up 38.1% at ₦1.38trn (₦1.0trn in Dec 2022)
- **Customer deposits:** up 30% at ₦1.93 trillion (₦1.48 trillion in Dec 2022); reflecting strong customers' confidence in the brand.

Commenting on the results, Mudassir Amray, MD/CEO said:

“This year has been good for us, and I am delighted at the strong financial results as of September 2023. This record-breaking revenue increase and impressive profitability figures are on the back of strong liability generation and the creation of responsible risk assets, coupled with naira devaluation gains as a result of the strategic positioning of our balance sheet.

Gross Earnings grew by 120% (9M 2022 vs 9M 2023), and Profit Before Tax (PBT) stood at ₦102.3bn, representing 461% growth compared to ₦18.2bn in 9M 2022. This substantial increase in revenue and profitability surpassed our expectations.

We are also happy that our wholesale banking strategy yields results as we are better positioned to provide robust treasury products to our corporate customers. Consequently, non-interest income grew by 409% to ₦144bn compared to ₦28.2bn in 9M 2022.

On the other hand, the growth in customer deposits by 30% from Dec'22 to Sept'23 is a testament to the trust and confidence that we continue to enjoy from our esteemed customers. This is based on our customer-centric approach, robust product portfolio and innovative channels.

The Bank remains well capitalised, with a capital adequacy ratio (CAR) of 15.4%, whilst our non-performing loan remains below the regulatory limit at 3.7% as we continue to extend credit to productive sectors of the Nigerian economy.

We remain optimistic about the future and are confident in our ability to sustain momentum. Our strong business fundamentals, customer-centric approach, and dedicated team puts us in a solid position to seize the opportunities in this rapidly evolving market.

On the merger of Union Bank of Nigeria and Titan Trust Bank, we are fast approaching the finalisation of the process and are fulfilling all the regulatory requirements. We believe that the merger will strengthen our position and financial performance”.

Speaking on the Q3 2023 numbers, Chief Financial Officer Joe Mbulu said:

“The Bank delivered an exceptional performance in Q3 2023, driven by strong revenue growth, effective cost management and improved margins on the back of naira devaluation gains. The Bank’s performance benefited from the devaluation effects as we recorded 444% and 644.6% growth in Net trading income and Net income from other financial instruments at fair value through profit or loss respectively.

Net operating income after impairments increased by 121% to ₦ 168.7bn from ₦76.3bn in 9M 2022 on the back of increased net revenue across our key business segments – corporate, retail and SME.

Although our operating expenses increased by 14% to ₦66.4bn compared to ₦58.1bn in 9M 2023, we significantly improved our Cost to Income Ratio to 39.3% from 76.1% recorded in 9M 2022. This improvement was due to our effective management of costs, implementation of efficiency measures, optimisation opportunities, and strong revenue growth. The high inflationary environment, non-discretionary regulatory costs, and power costs mainly caused the increase in operating expenses.

The Bank maintained a solid balance sheet position as Gross Loans grew strongly by 38.1% to ₦1.4trillion compared to ₦1.0trillion in December 2022 and Customer deposits by 30% on the back of increased New-to-Bank customers, sales promotion, and product patronage.

Given the unwavering confidence our customers have bestowed on us, we are confident of finishing the year strong. The Bank will continue to invest in technology to improve customer interactions across our channels and drive efficiency.

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Financial Summary

	BANK			GROUP		
Balance Sheet (in billions of Naira)	Sep-23	Dec-22	Change	Sep-23	Dec-22	Change
Total Assets	3,644.5	2,793.7	30.5%	3,646.9	2,795.8	30.4%
Gross Loans & Advances	1,381.8	1,000.9	38.1%	1,381.8	1,000.9	38.1%
Customer Deposits	1,930.6	1,481.3	30.3%	1,923.8	1,474.5	30.4%
Shareholders' Funds	381.5	289.9	31.6%	388.8	297.0	30.9%
Ratios						
Coverage Ratio (incl. regulatory risk reserves)	140.2%	148.3%	-8.1%	140.2%	148.3%	-8.1%
Average Liquidity Ratio (regulatory minimum - 30%)	34%	38%	-4%	N/A	N/A	N/A
Non-Performing Loan Ratio	3.7%	4.0%	-0.3	3.7%	4.0%	-0.3
Net Asset Value per share	N13.04	N9.90	N3.14	N13.28	N10.15	N3.13
Capital Adequacy	16.1%	14.4%	1.7%	N/A	N/A	N/A

	BANK			GROUP		
Income Statement (in billions of Naira)	9M 2023	9M 2022	Change	9M 2023	9M2022	Change
Gross Earnings	309.1	140.6	119.8%	309.3	141.5	118.5%
Net Interest Income	55.5	50.3	10.3%	55.7	50.6	9.9%
Non-Interest Income	144.0	28.3	409.3%	144.0	28.8	399.3%
Credit Impairment	(30.0)	(2.2)	1,235%	(30.0)	(2.2)	1,235%
Operating Expenses	66.4	58.1	14.2%	66.4	58.3	14.0%
Profit Before Tax	102.3	18.2	461%	102.4	19.0	440%
Profit After Tax	99.7	17.3	475%	99.9	18.0	455%
Ratios						
Cost to Income Ratio	39.3%	76.1%	36.8%	39.3%	75.4%	36.1%
Return on Equity	39.7%	9.0%	30.7%	38.9%	9.0%	29.9%
Return on Assets	4.25%	0.9%	3.35%	4.25%	0.9%	3.35%
Earnings per share	341k	59k	282k	341k	60k	281k

For the detailed Profit and Loss Account, Balance Sheet, Cash Flow Statement and notes to the accounts, please visit www.unionbankng.com

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Notes to Editors:

About Union Bank of Nigeria, PLC.

Union Bank was established in 1917 and is one of Nigeria's longest-standing and most respected financial institutions. We offer a portfolio of banking services to individual, SME,



public, commercial, and corporate clients, and our vision is to be Nigeria's most reliable and trusted partner.

Our offerings include savings and deposit account services, funds transfer, foreign currency domiciliation, loans, overdrafts, equipment leasing and trade finance. These services are provided through our digital channels, including online banking, mobile banking, debit cards, point-of-sale terminals, and an extensive network of over 281 sales and service centres and 823 automated teller machines spread across Nigeria.

Following receipt of all regulatory approvals, Titan Trust Bank (TTB) acquired all the issued shares of Union Bank of Nigeria. TTB is majority owned by TGI Group, a Nigerian conglomerate.

Union Bank employs all its resources to achieve its mission to make lives better by delivering the simplest, smartest solutions and guaranteeing the best experience across its various touchpoints, with a strategy focused on the right talent, optimised processes and platforms, robust technology, and a re-energised brand.

More information can be found at: www.unionbankng.com

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