



Union Bank of Nigeria Plc

Group Unaudited Financial Statements for the Nine Months Ended September 30, 2019

LAGOS, NIGERIA – October 30th, 2019 - Union Bank Nigeria Plc announces its unaudited financial statements for the period ended September 30, 2019.

Group Financial Highlights:

- **Profit before tax:** up 5% to ₦15.6bn (9M 2018 - ₦14.9bn)
- **Gross earnings:** down 4% to ₦117.2bn (9M 2018 - ₦122.2bn) due to a decrease in average earning assets
- **Interest income:** down 2% to ₦90.0bn (9M 2018 - ₦91.5bn)
- **Net interest income after impairment:** up 6% to ₦44.3bn (9M 2018 - ₦42.0bn) driven by the impact of collections on impaired facilities
- **Non-interest income:** down 12% to ₦27.1bn (9M 2018 - ₦30.7bn) driven by reduced market volatility in 2019 which had an impact on trading income. Cash Recoveries was up 114% to ₦8.4bn (9M 2018 - ₦3.9bn)
- **Net operating income:** down 2% to ₦71.4bn (9M 2018 - ₦72.7bn)
- **Operating expenses:** down 3% to ₦56.2bn (9M 2018 - ₦58.0bn) as a result of our sustained cost optimisation programme
- **Gross loans:** up 9% to ₦566.5bn (Dec 2018 - ₦519.7bn) driven by increased risk asset creation across priority sectors in the economy
- **Customer deposits:** up 4% to ₦892.9bn (Dec 2018 - ₦857.6bn) reflecting our continuing acquisition of low-cost deposits driven by strengthened brand affinity

Commenting on the results, Emeka Emuwa, CEO said:

“Profit Before Tax (PBT) for the Group is up to ₦15.6bn, a 5% increase over the same period in 2018.

Our continued focus on consumer centric service and product propositions is yielding solid results, contributing to a 28% growth in our electronic channels fee income which is at ₦5.6bn for the period. Our debt recovery drive continues to record successes with ₦8.4bn of recoveries year to date.

In line with our stated business objectives, we are continuing to grow our asset book by creating quality risk assets in targeted sectors. This has led to a 9% growth in our loan portfolio to ₦566.5bn compared to ₦519.7bn at year-end 2018.

Going into the rest of the year, our ambition remains to deliver superior customer experience across all customer touchpoints.”

Speaking on the 9M 2019 numbers, Chief Financial Officer, Joe Mbulu said:

“While we had a slight decline in Gross Earnings for the Group from ₦122.2bn to ₦117.2bn in 2018, our efficiency initiatives, including the deployment of Robotics Process Automation as well as our cost optimisation programme, ensured we delivered



4% growth in Profit After Tax (PAT), recording ₱15.2bn compared to ₱14.7bn in the prior year period.

Our operating expenses reduced by 3% to ₱56.2bn from ₱58.0bn in 9M 2018 and the Bank's customer-related non-interest revenue drivers remained strong with net fee and commission income growing 10% to ₱9.5bn from ₱8.7bn for the corresponding period in 2018.

We continue to maintain adequate levels of capital with our Capital Adequacy Ratio (CAR) at 17.8% which is above the regulatory threshold. Non-Performing Loans (NPLs) declined to 8.0% from 8.7% as at year-end 2018.

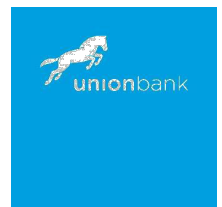
Financial Summary

GROUP				BANK		
Balance Sheet (in billions of Naira)	Sep-19	Dec-18	Change	Sep-19	Dec-18	Change
Total Assets	1,800.6	1,463.9	23%	1,645.8	1,324.3	24%
Gross Loans & Advances	566.5	519.7	9%	521.1	473.4	10%
Customer Deposits	892.9	857.6	4%	877.4	844.4	4%
Shareholders' Funds	242.0	225.6	7%	217.2	200.1	9%
Ratios						
Coverage Ratio (incl. regulatory risk reserves)	86%	102%	(16%)	86.8%	117.8%	(31%)
Liquidity Ratio (regulatory minimum - 30%)				36%	38%	(2%)
Loan to Deposit Ratio	63.4%	60.6%	2.8%	62%	56%	6%
Non-Performing Loan Ratio	8.0%	8.7%	0.7%	8.3%	8.1%	0.2%
Capital Adequacy	N/A	N/A	N/A	17.8%	16.4%	1.4%
Net Asset Value per share	₦8.31	₦7.75	₦0.66	₦7.46	₦6.87	₦0.59

GROUP				BANK		
Income Statement (in billions of Naira)	9M 2019	9M 2018	Change	9M 2019	9M 2018	Change
Gross Earnings	117.2	122.2	(4%)	111.9	118.4	(5%)
Net Interest Income after impairment	44.3	42.0	6%	41.2	39.2	5%
Non-Interest Income	27.1	30.7	(12%)	27.1	31.2	(13%)
Credit and other Impairment charge	(4.3)	7.3	158%	(5.2)	6.9	176%
Operating Expenses	56.2	58.0	(3%)	53.2	55.1	(3%)
Profit Before Tax	15.6	14.9	5%	15.5	15.4	1%
Profit After Tax	15.2	14.7	4%	15.3	15.2	0%
Ratios						
Net Interest Margin	5.6%	7.3%	(1.7%)	5.8%	8.2%	(2.4%)
Cost to Income Ratio	78.7%	79.7%	(1.0%)	78.0%	78.3%	(0.3%)
Return on Equity	8.7%	6.1%	2.6%	9.8%	6.9%	2.9%
Return on Assets	1.3%	1.3%	-	1.4%	1.5%	(0.1%)
Earnings Per Share	51k	49k	2k	53k	52k	1k

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

- ENDS -



Notes to editors:

About Union Bank of Nigeria, PLC.

Established in 1917 and listed on the Nigerian Stock Exchange in 1971, Union Bank is a household name and one of Nigeria's long-standing and most respected financial institutions. The Bank has a network of over 300 Sales and Service Centres across Nigeria.

Following recapitalisation in 2012 from new investors and a new Executive Management team, Union Bank has undergone an award winning transformation programme to re-establish the bank as a leading provider of financial services in Nigeria.

Union Bank is focused on Retail, Commercial and Corporate Banking businesses. In addition to standard current and savings product portfolio, Union Bank has launched pioneering products into the Nigerian retail market including UnionKorrect, UnionGoal and UnionBeta.

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

Media Enquiries: Email investorrelations@unionbankng.com

Forward Looking Statement and Disclaimers

This announcement does not constitute or form part of any offer or invitation to purchase, otherwise acquire, issue, subscribe for, sell or otherwise dispose of any securities, nor any solicitation of any offer to purchase, otherwise acquire, issue, subscribe for, sell, or otherwise dispose of any securities.

The release, publication or distribution of this announcement in certain jurisdictions may be restricted by law and therefore persons in such jurisdictions into which this announcement is released, published or distributed should inform themselves about and observe such restrictions.