

FY 2017 and Q1 2018 Performance

May 14, 2018



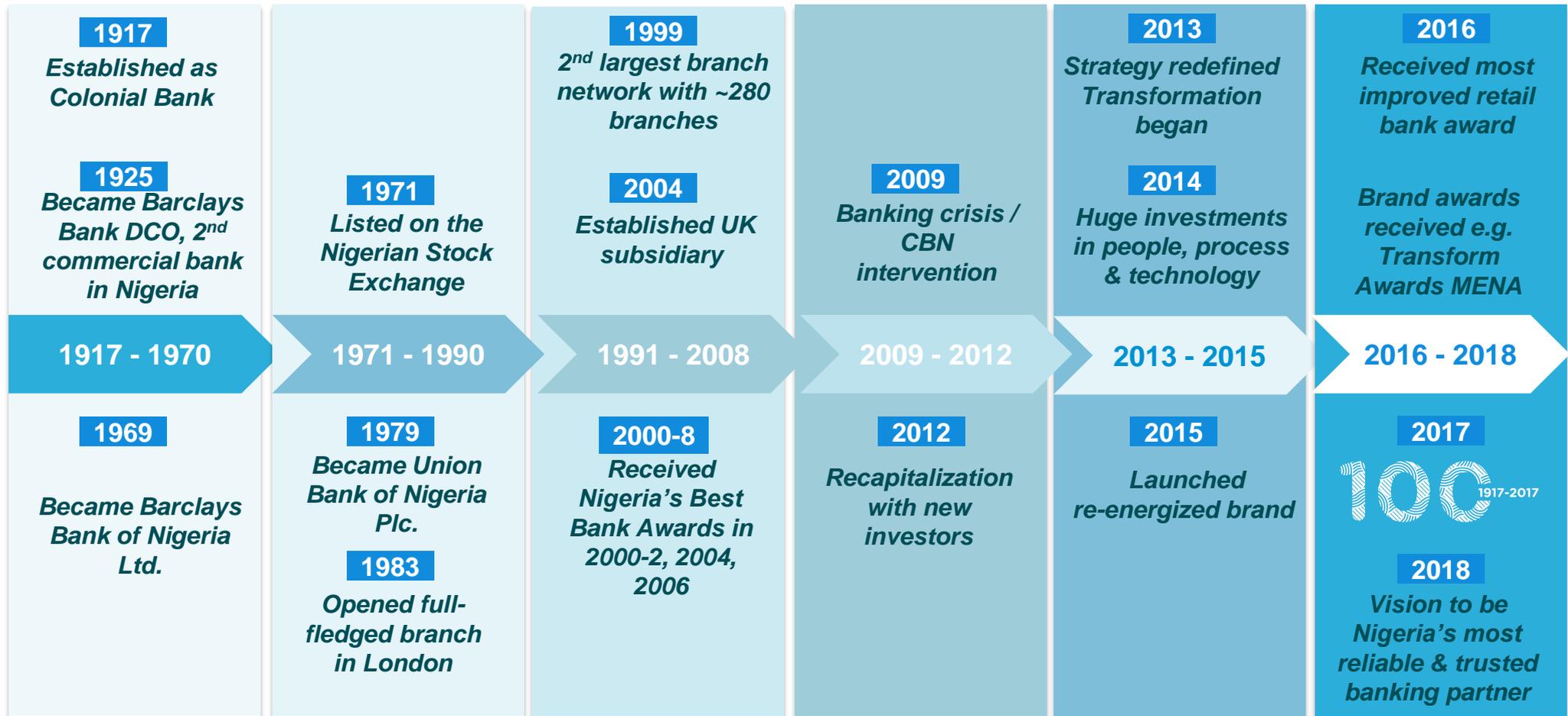
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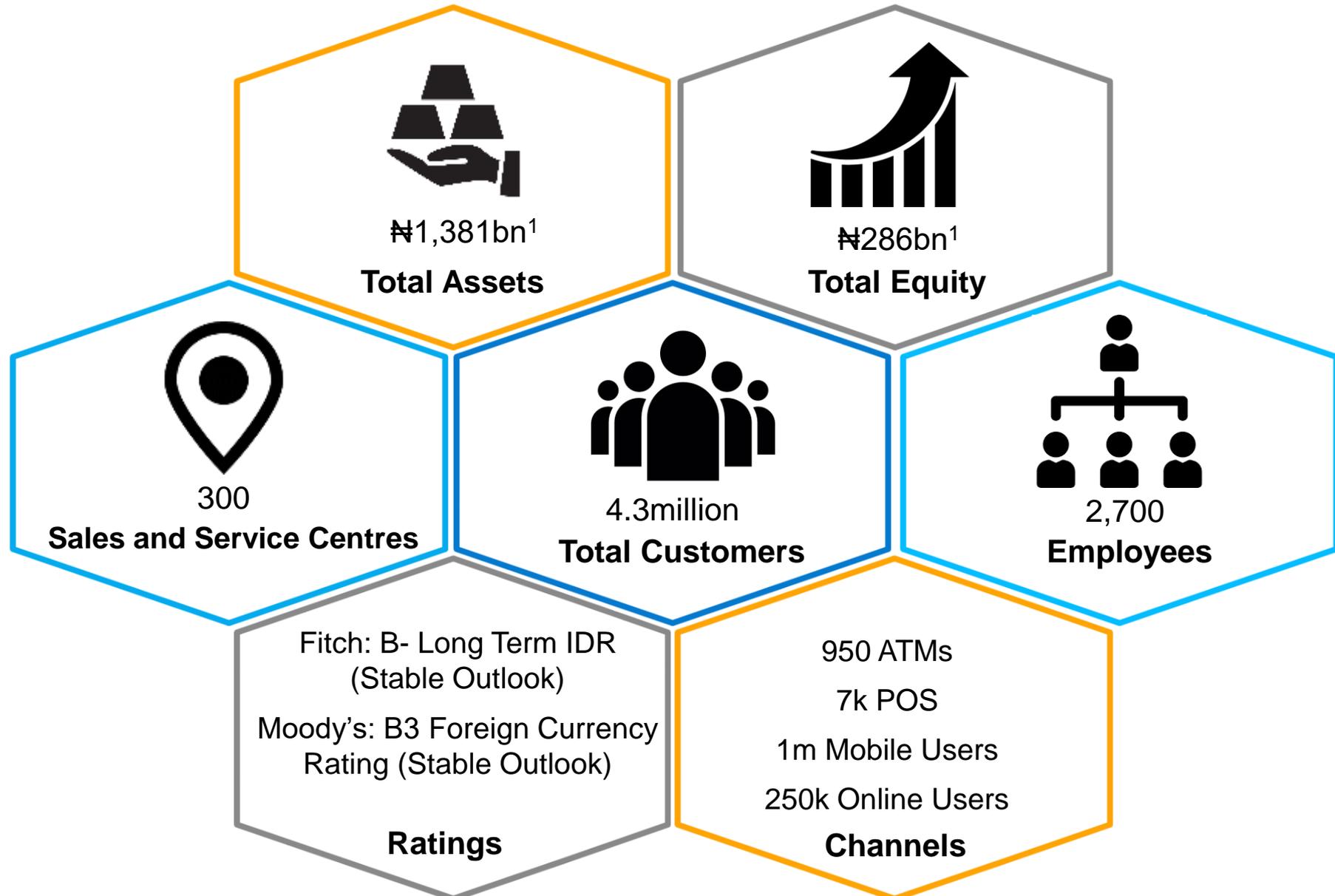
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Union Bank: Over 100 Years of Heritage and Service



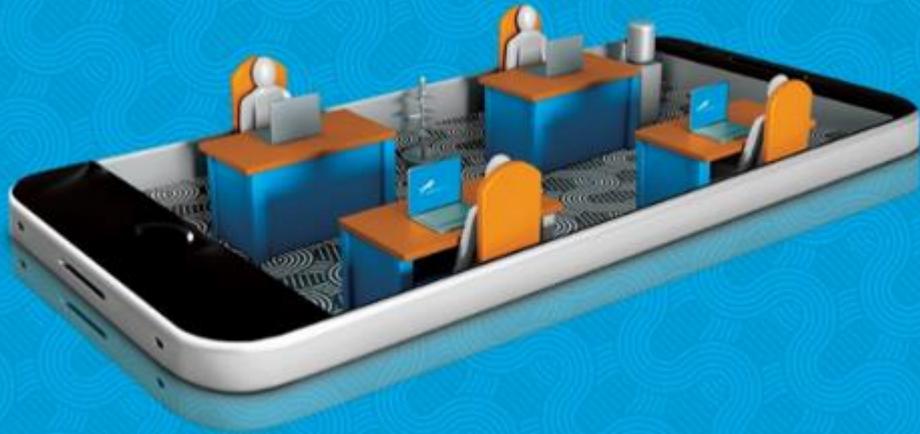
Union Bank at a Glance



¹As of March 31, 2018

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- 1 The Operating Environment
- 2 Union Bank Update
- 3 FY 2017 Financial Performance
- 4 Q1 2018 Financial Performance
- 5 Key Performance Highlights
- 6 Looking Ahead



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1 The Operating Environment

Emeka Emuwa
Chief Executive Officer

Overview of the Nigerian Economy



Macro-Economic Conditions

- **Economy started recovering from recession in 2017**
- **Rising oil prices and external reserves**
- **Steadily declining inflation**
- **Lower interest rate environment in 2018 with increasing liquidity**



Regulatory Actions

- **Additional FX windows in Apr 2017 restored stability and liquidity**
- **Tight monetary policy stance maintained, with MPC retaining rates for CRR, MPR and liquidity ratio**
- **IFRS 9 adoption effective in Jan 2018**



National Priorities

- **ERGP¹ launched and yielding results e.g. Ease of Doing Business ranking up 24 places to 145th**
- **Increasing policies to support economy diversification with focus on agric, SME**
- **Foreign debt raising to fund capital projects e.g. >\$7bn raised in Eurobond since 2017**
- **Elections to hold in 2019**



Consumer Trends

- **Increasing digital penetration (i.e. mobile, internet, smart phones)**
- **Consumer shift towards “Made in Nigeria” – products and services**
- **More tech savvy consumers, driving rise of more efficient & service-oriented start-ups**

¹ERGP – Economic Recovery and Growth Plan

Current macroeconomic trends in Nigeria are positive

GDP

Nigeria exited recession in Q2'17. FY'17 growth rate was 0.8% (vs. -1.6% in 2016). FY '18 projection is 2 - 2.5% (IMF, World Bank)

Reserves

Reserves currently stand at a four-year high of \$47.9bn (as of May 14) vs. \$38.8bn in Dec'17, and \$30.3bn in Mar'17

Oil Price

Crude oil (Bonny Light) price continues to rise, now at \$78.67pb as of May 14, from \$67.1 in Dec'17 and from \$51.9pb in Mar '17. Recent geopolitical risks likely to drive prices up further

FX

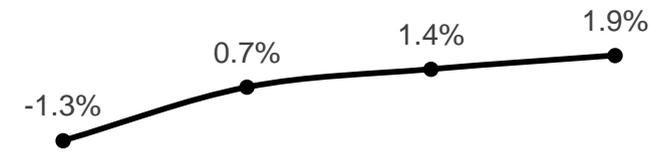
As of May 11, the IEFX window closed at ₦360.3/\$. CBN's reference FX rate has remained flat at ₦305.8/\$ while the NIFEX rate was ₦339.1/\$ as at May 14

Inflation

Headline inflation declined further to 13.3% in Mar'18, (vs. 17.3% a year ago), due to a decline in food prices and the stability of the exchange rate

Mar-17 Jun-17 Sep-17 Dec-17 Mar-18

Real GDP Growth Rate



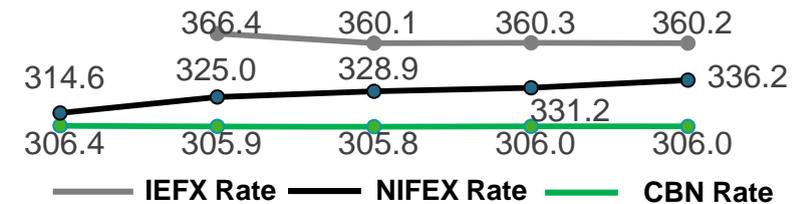
External Reserves (\$'bn)



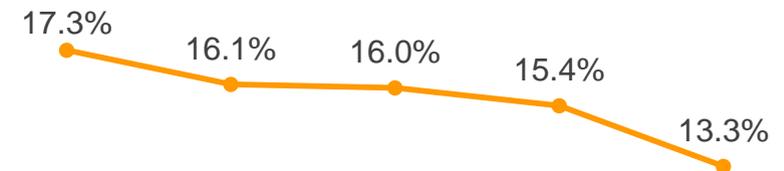
Crude Oil (Bonny Light) \$/barrel



Exchange Rate N/\$



Inflation



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stranded...

Cardless ATM withdrawals.



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2

Union Bank Update

Emeka Emuwa
Chief Executive Officer

Our transformation journey has positioned us well for the future

Our transformation enters a new phase...



- Nigeria's most reliable and trusted banking partner
- Deeper focus on digital and Innovation



- Simpler, smarter bank
- Productivity and profitability focus
- Balance sheet and portfolio optimization
- Digital penetration

Repositioned as a solid mid-tier bank



- UBN @ 100 – Celebrate. Impact. Lead.
- Enhanced customer engagement and service delivery
- Launch of Union Mobile and Union Online 2.0
- Leader in citizenship, sustainability and innovation



- Strategy redefined
- Refocus as a commercial bank
- Right-sized UBN
- Modern distribution network
- Enhance technology platform
- Improved processes
- Alternative channels push
- Brand relaunch

Our Ambitions

1

Nigeria's Most Reliable and Trusted Banking Partner

- Service **predictability & consistency**
- **Efficient and reliable platforms**
- **Energized & productive workforce**
- Strong **governance and controls** with international-standard compliance

BUSINESS ETHICS



2

Leader in Retail and Transaction Banking

- Well recognized brand and benchmark for **high customer satisfaction** and **innovative products and solutions**
- Market leader in **domestic trade; payments and collections** across value chains for corporates



3

Leader in Citizenship, Sustainability and Innovation

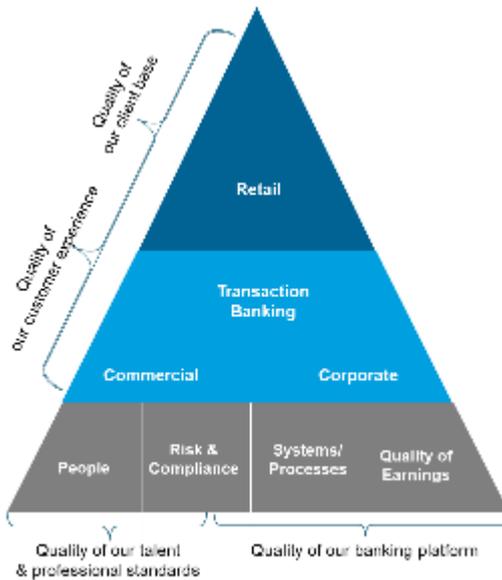
- Leading **driver of change and sustainable development**
- Next 100 fund – fund for good focused on Nigeria



- **Leader in innovation** – customer experience and social innovation



Achievements in 2017 and Q1 2018 reflect our focus on retail and transaction banking



Retail

- 90% increase in new-to-bank accounts
- 35% growth in new customers
- Customer deposits up by 22%
- Over 100% growth in users on our UnionMobile
- Ranked #1 in the industry for not-on-us ATM transactions
- “Fastest Growing Retail Bank” - International Finance Magazine

Transaction Banking

- 50% growth in volume of our transactions on UnionOne
- 80% growth in transaction value
- Introduction of local letter of credit to streamline customer trades and receivables
- Continued integration of businesses on our collection platform

People, Risk, Systems/Processes

- “4th Best Company to Work in Nigeria” – Jobberman
- “Best Commercial Agriculture Bank”- Nigerian Agriculture Awards
- “Most Efficient Bank on E-Reference Operations”- CBN/NIBSS e-payment efficiency awards
- Leveraging artificial intelligence to drive operational efficiency

Our omni-channel network is increasing digital penetration



1m active mobile banking users



250k active online banking users



N130bn in monthly transactions on UnionOne



3m active debit cards



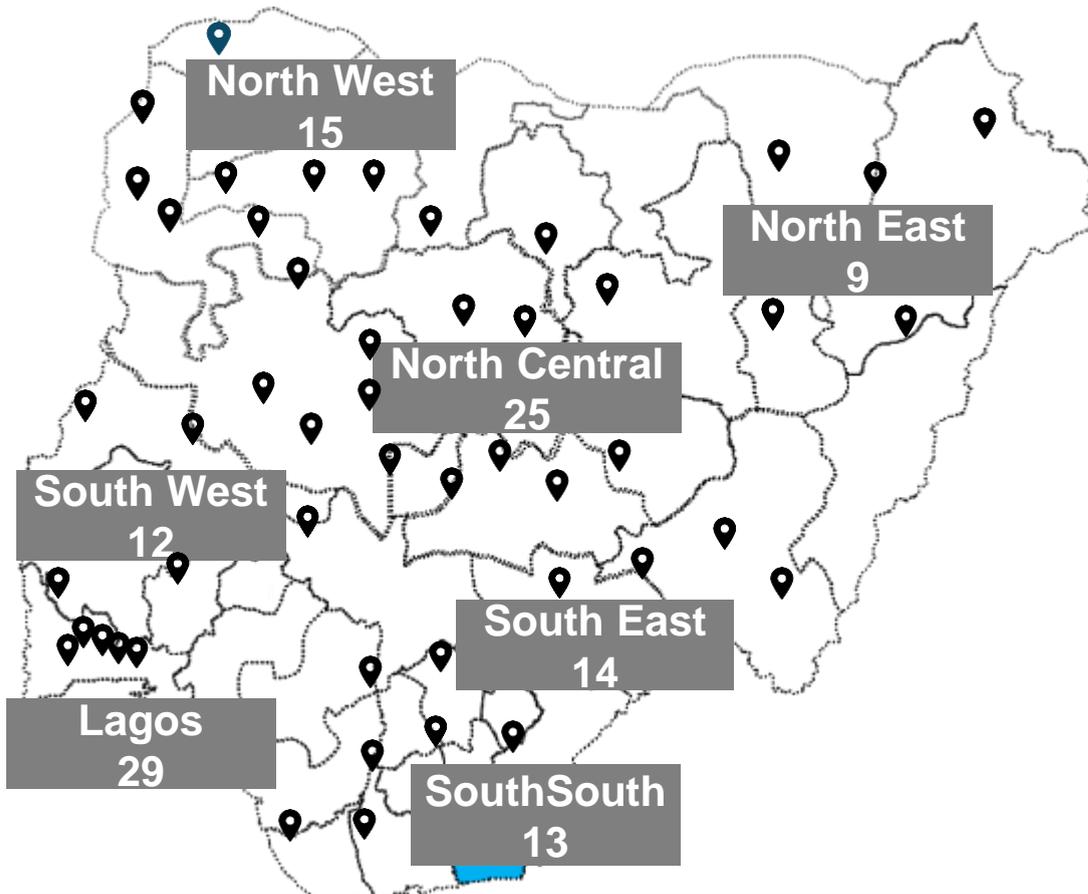
950 active ATMs



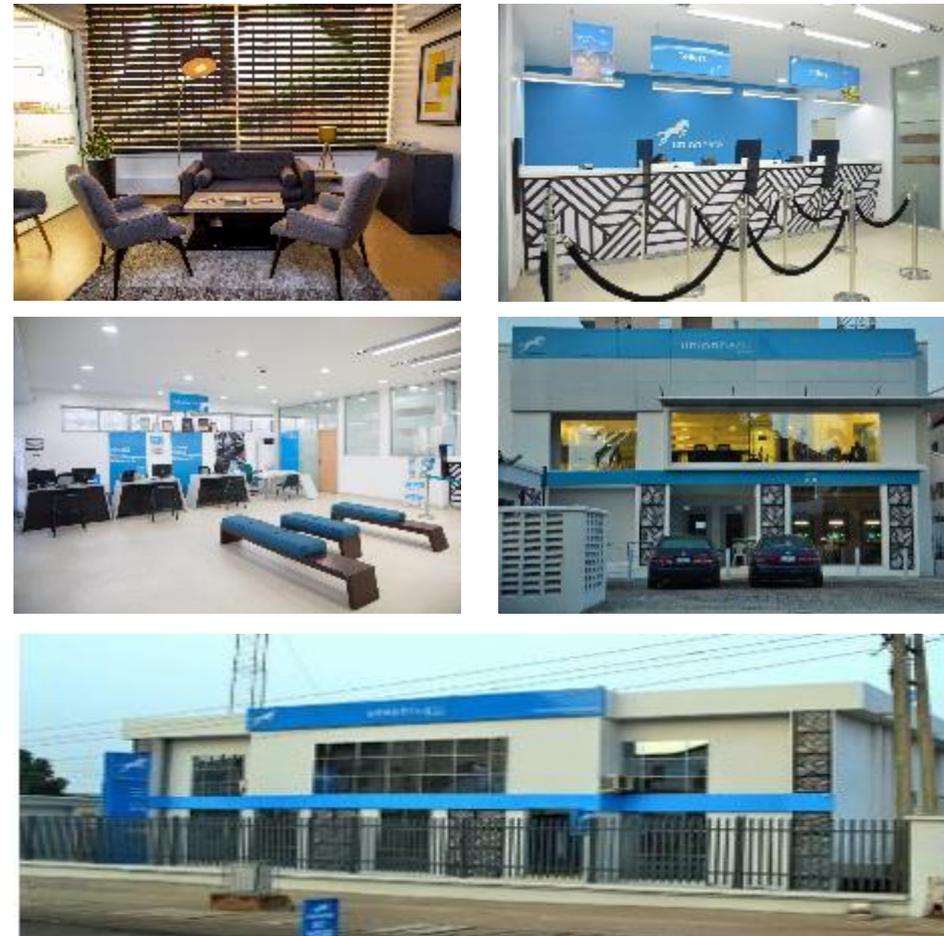
7K active POS terminals

While driving our digital strategy, our physical channel upgrades continue

117 Additional New/Upgraded Branches



Our Optimized Branches



Our focus has now transitioned from “operational and network transformation” (including upgrade of 275 branches) to a more robust “digital transformation”

We continue to impact areas of strategic importance to Nigeria's development

Citizenship



- Built boreholes in IDP camps (8,000 people affected)
- Donated food items to disadvantaged individuals and charities nationwide



- Adopted 35 schools (6,000 students) across Nigeria
- Enhance financial literacy of 9,000 students



- Refurbished Vesicovaginal Fistula (VVF) hostel in Kano state

Sustainability



- LEAD Camp- a leadership & empowerment camp for girls (with JAN¹)
- Tech training camp for girls from underserved Lagos communities (with PearlsAfrica)



- 60 solar powered touchpoints
- Installed energy efficient equipment in most branches



- 74% of our branches are sustainability enabled
- 70% reduction in our waste to landfills due to recycling efforts

Innovation



- Quarterly Start-up Connect with Nigerian SME's
- SIP² with LEAP Africa



- Centenary Innovation Challenge
- Annual Case Challenge for employees



- NESG³ on "Next 100 Fund"; agric initiatives
- CcHUB⁴ on innovation
- WEF⁵
- UNGC⁶
- BCtA⁷



Sustainable Development Goals

¹Junior Achievement Nigeria ²Social Innovators Program ³The Nigeria Economic Summit Group ⁴Co-creation Hub Nigeria ⁵World Economic Forum ⁶United Nations Global Compact ⁷Business Call to Action

Our 2017 rights issue strengthened our capital buffers

N50bn

Use of Proceeds

Enhanced
Regulatory
Capital

Increased
Working
Capital

Investments
in
Technology
and
Digitalization

Optimized
Customer
Touchpoints



Implications

- Strong alignment with UBN's ambition and confidence to deliver on expectations
- Continued investor / shareholder support for UBN and the role it plays in the Nigerian growth context
- Strengthened Nigeria's FDI profile given the mix of investor group

Our financial performance reflects a sound strategy

	<u>FY</u> <u>2013</u>	<u>FY</u> <u>2014</u>	<u>FY</u> <u>2015</u>	<u>FY</u> <u>2016</u>	<u>FY</u> <u>2017</u>	<u>Q1</u> <u>2017</u>	<u>Q1</u> <u>2018</u>
Gross Earnings (₦'bn)	121.4	135.9	117.2	126.6	163.8	34.3	39.5
Profit Before Tax (PBT) (₦'bn)	3.8	27.7 ¹	14.9	15.7	15.5	4.7	5.4
Customer Deposits (₦'bn)	482.7	527.6	570.6	658.4	802.4	695.2	759.1
Gross Loans (₦'bn)	229.5	302.4	388.8	535.8	560.7	518.5	495.5
Cost To Income Ratio	74%	63%	70.7%	66.2%	61.5%	76.6%	69.7%
Return On Equity	2.1%	12.8%	6.1%	5.9%	4.7%	6.7%	6.8%
Return On Assets	0.5%	2.7%	1.4%	1.4%	1.1%	1.5%	1.6%

Note: ¹Includes one-time gain related to subsidiary disposals



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3

FY 2017 Financial Performance

Oyinkan Adewale
Chief Financial Officer

Group Key Financial Highlights – FY 2017

Gross Earnings



Gross earnings up 26% to ~~₺~~163.8bn (~~₺~~129.6bn in 2016)

Interest Income



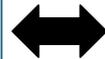
Interest income up 25% to ~~₺~~124.5bn (~~₺~~99.7bn in 2016), driven by re-pricing and increased yield in assets

Non-Interest Income



Non-interest income up 31% to ~~₺~~39.3bn (~~₺~~29.9bn in 2016) driven by improved fee and commission income, trading income and debt recovery

Profit Before Tax (PBT)



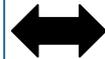
PBT remains largely flat at ~~₺~~15.5bn (~~₺~~15.7bn in 2016)

Customer Deposits



Customer deposits up 22% to ~~₺~~802.4bn (~~₺~~658.4bn as at Dec 2016)

Gross Loans



Gross loans relatively flat at ~~₺~~560.7bn (~~₺~~535.8bn as at Dec 2016) as we rebalance our portfolio

Capital Adequacy¹



Capital Adequacy Ratio is up to 17.8% (13.3% as at Dec 2016)

FY 2017 Performance – Group Financial Summary

		Dec-2017	Dec-2016	Δ
Balance Sheet (₹ 'bn)	Assets	1,455.5	1,252.7	16.2%
	Gross Loans	560.7	535.8	4.6%
	Customer Deposits	802.4	658.4	21.9%
Key Ratios	NPL Ratio	19.8%	6.9%	12.9%
	Liquidity Ratio ¹	37.4%	40.0%	(2.6%)
	Capital Adequacy Ratio ¹	17.8%	13.3%	4.5%
		FY 2017	FY 2016	Δ
Income Statement (₹ 'bn)	Gross Earnings	163.8	129.6	26.4%
	Interest Income	124.5	99.7	24.9%
	Non-Interest Income	39.3	29.9	31.4%
	Credit/Other Impairment Charge	25.3	17.2	47.1%
	Operating Expenses	65.1	62.0	5.0%
	Profit Before Tax	15.5	15.7	(1.3%)
	Profit After Tax	14.6	15.4	(5.2%)
Key Ratios	Net Interest Margin	7.8%	8.6%	(0.8%)
	Cost to Income Ratio	61.5%	65.3%	(3.8%)
	Return on Equity	4.7%	5.9%	(1.2%)
	Return on Assets	1.1%	1.4%	(0.3%)
	Asset Yield	15.7%	14.5%	1.2%
	Net Asset Value per share	₹11.87	₹16.04	(₹4.17)
	Earnings Per Share	81k	92k	(11k)



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4 Q1 2018 Financial Performance

Oyinkan Adewale
Chief Financial Officer

Group Key Financial Highlights – Q1 2018

Gross Earnings



Gross earnings up 15% to ~~N~~39.5bn (~~N~~34.3bn in Q1 2017)

Interest Income



Interest income up 14% to ~~N~~31.7bn (~~N~~27.7bn in Q1 2017) driven by improved yield on loans and government securities

Non-Interest Income



Non-Interest income up 18% to ~~N~~7.8bn (~~N~~6.6bn in Q1 2017); driven by a combination of trading income and alternate channel revenues

Profit Before Tax (PBT)



PBT up 15% to ~~N~~5.4bn (~~N~~4.7bn in Q1 2017)

Customer Deposits



Customer deposits down 5% to N759.1bn (N802.4bn Dec 2017) as we optimise the deposits book to reduce expensive time deposits.

Gross Loans



Gross loans down by 12% to ~~N~~495.5bn (~~N~~560.7bn as at Dec 2017) due to repayments, collections etc. as we rebalance our loan book

Capital Adequacy¹



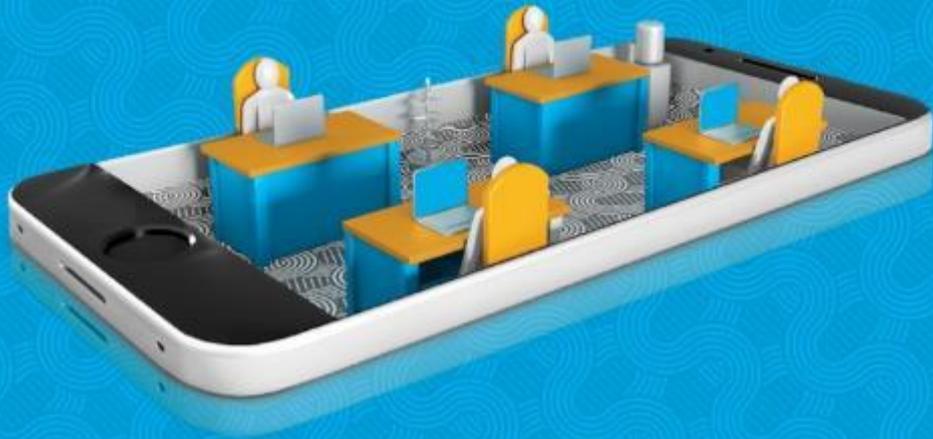
Capital Adequacy Ratio flat at 17.9% (17.8% in Dec 2017)

Q1 2018 Performance – Group Financial Summary

		Mar-2018	Dec-2017	Δ
Balance Sheet (₹ 'bn)	Assets	1381.2	1,455.5	(5.1%)
	Gross Loans	495.5	560.7	(11.6%)
	Customer Deposits	759.1	802.4	(5.4%)
Key Ratios	NPL Ratio	14.9% ²	19.8% ³	(4.9%)
	Liquidity Ratio ¹	39.6%	37.4%	2.2%
	Capital Adequacy ¹	17.9%	17.8%	0.1%
		Q1 2018	Q1 2017	Δ
Income Statement (₹ 'bn)	Gross Earnings	39.5	34.3	15.2%
	Interest Income	31.7	27.7	14.0%
	Non-Interest Income	7.8	6.6	18.2%
	Credit/Other Impairment Charge	2.3	0.3	666.7%
	Operating Expenses	17.9	16.3	9.8%
	Profit Before Tax	5.4	4.7	14.9%
	Profit After Tax	5.3	4.5	17.8%
Key Ratios	Net Interest Margin	8.4%	7.1%	1.3%
	Cost to Income Ratio	69.7%	76.6%	(6.9%)
	Return on Equity	6.8%	6.7%	0.1%
	Return on Assets	1.6%	1.5%	0.1%
	Asset Yield	17.2%	14.6%	2.6%
	Net Asset Value per share	₹9.81	₹11.87	(₹2.06)
	Earnings Per Share	18k	26k	(8k)

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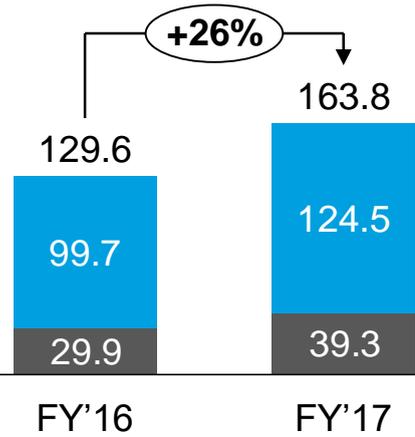
5 Key Performance Highlights

*Oyinkan Adewale
Chief Financial Officer*

Consistent improvement in gross earnings

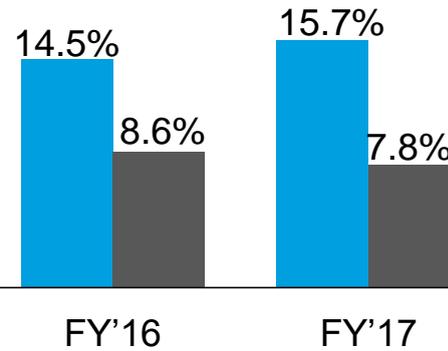
Gross Earnings (N'bn)

- Interest Income
- Non-Interest Income



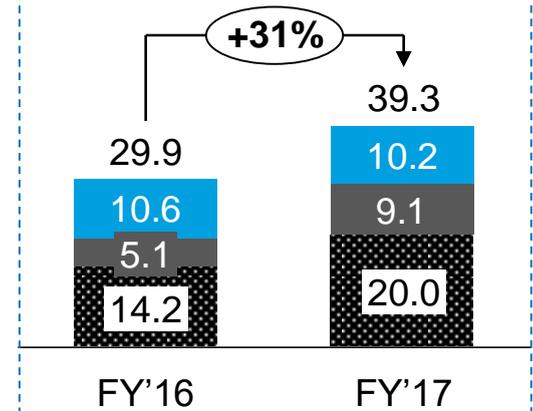
Asset Yield & Net Interest Margin (N'bn)

- Asset Yield
- Net Interest Margin

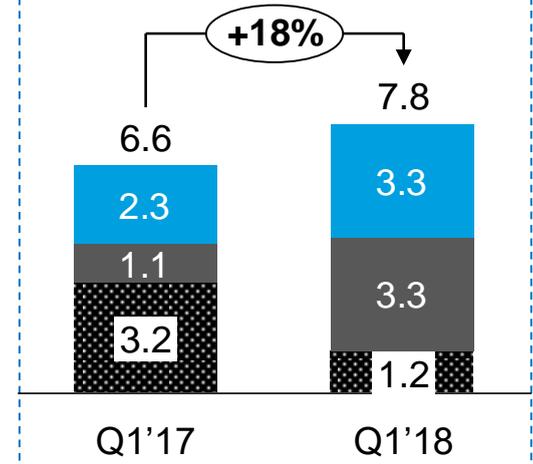
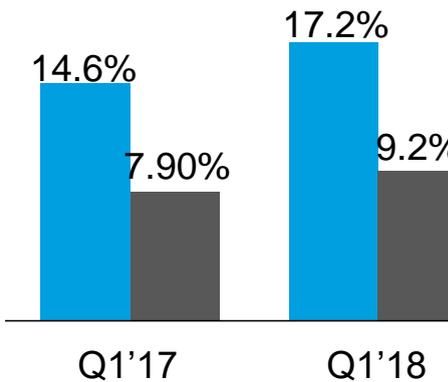
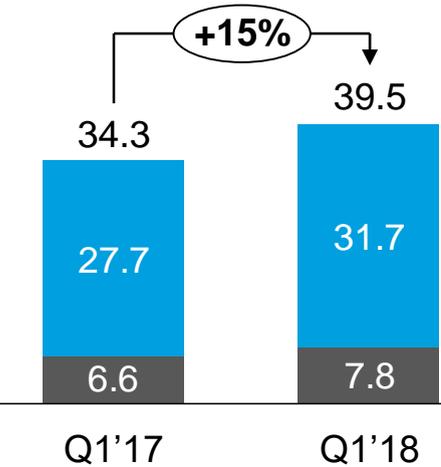


Non-Interest Income (N'bn)

- E-business
- Net trading income
- Other NII

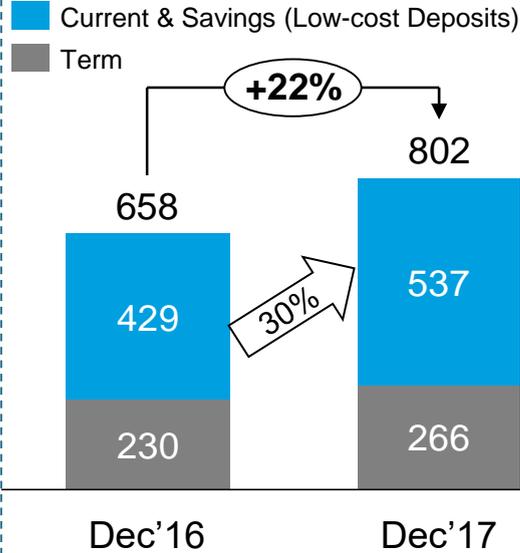


KEY PERFORMANCE HIGHLIGHTS

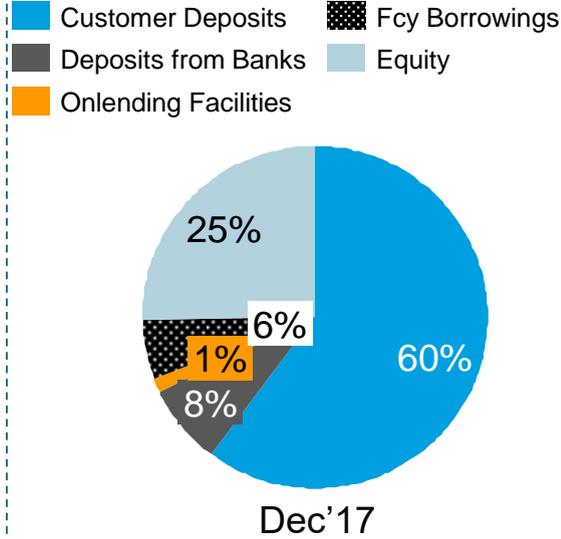


Improved funding structure with low-cost deposits

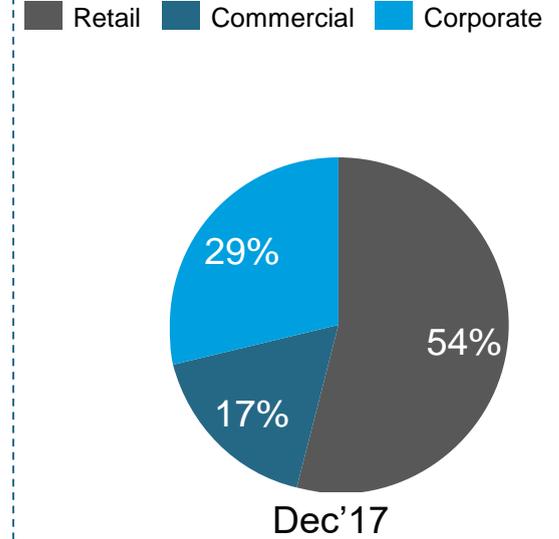
Deposit Type (N'bn)



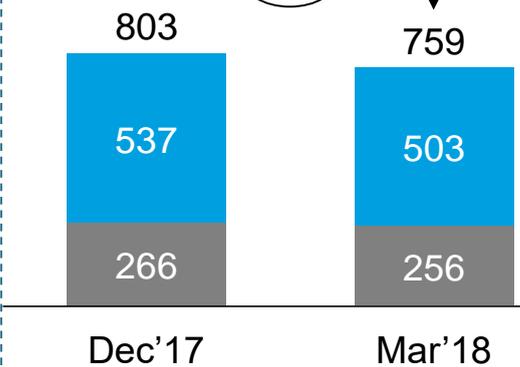
Funding Structure



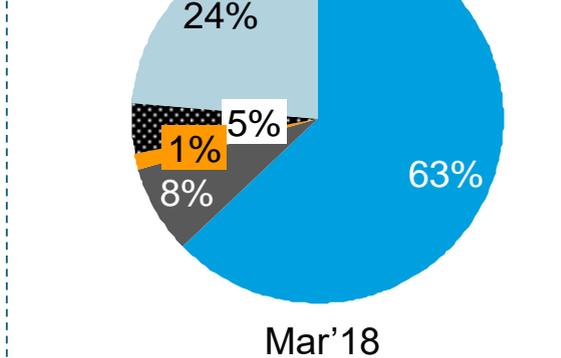
Deposit by Business



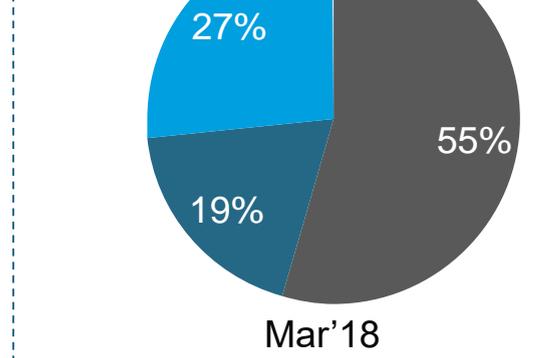
Deposit Type (N'bn)



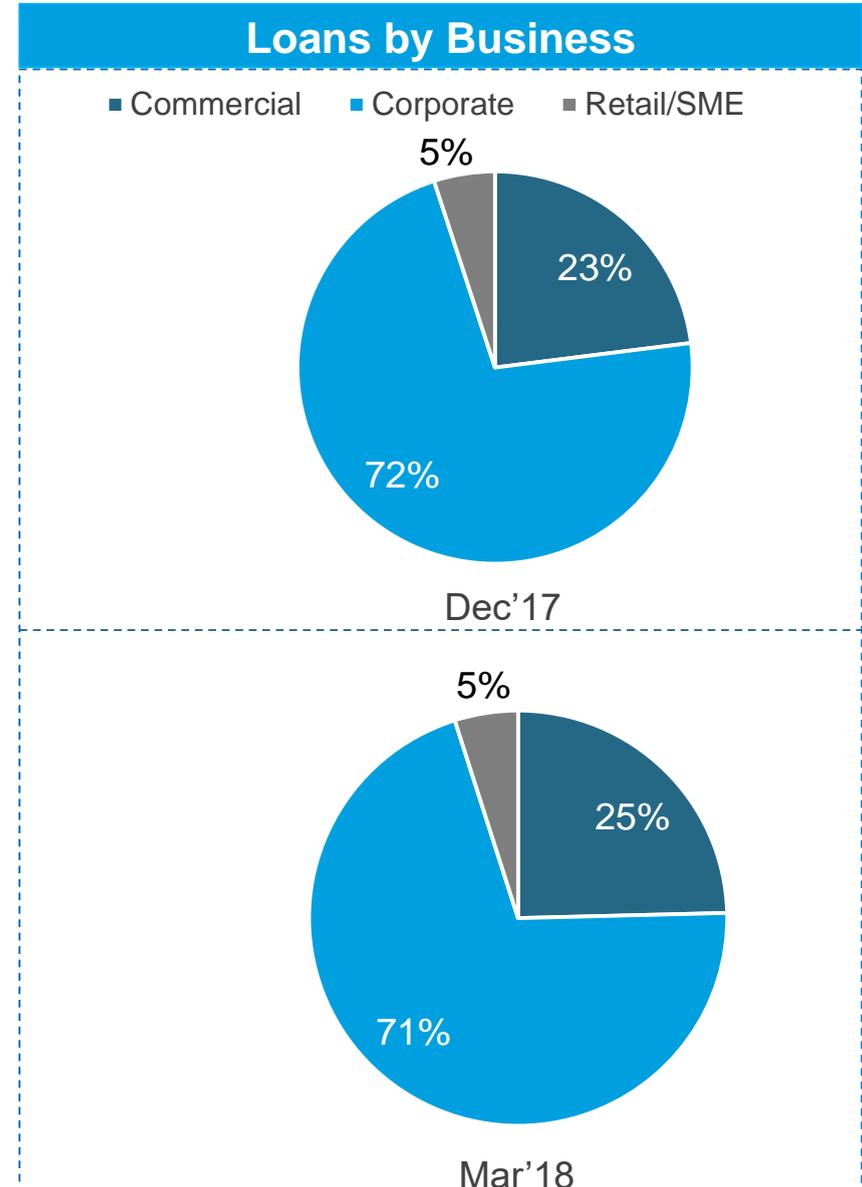
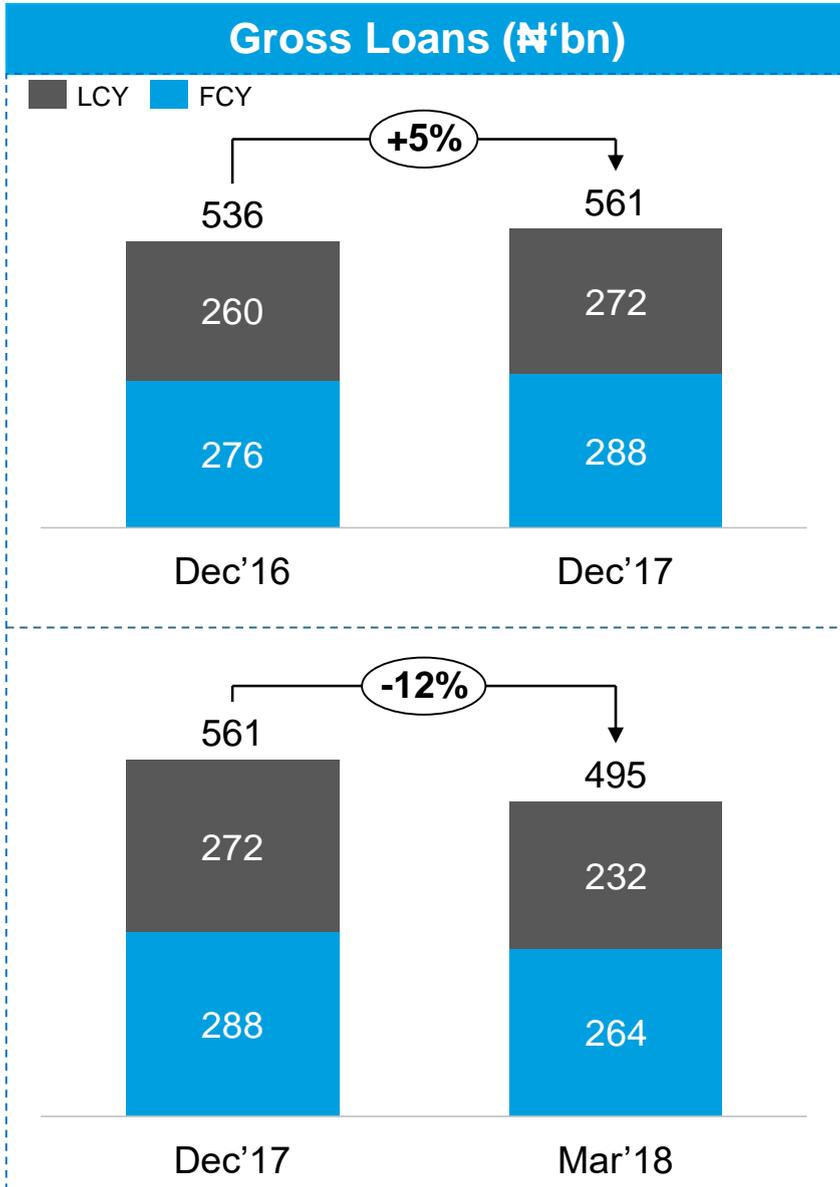
Funding Structure



Deposit by Business



Loan book reflects active collection efforts and write-offs; now focused on optimizing for growth

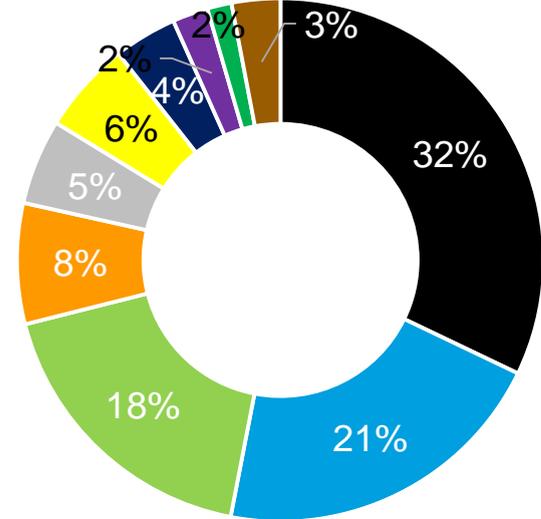
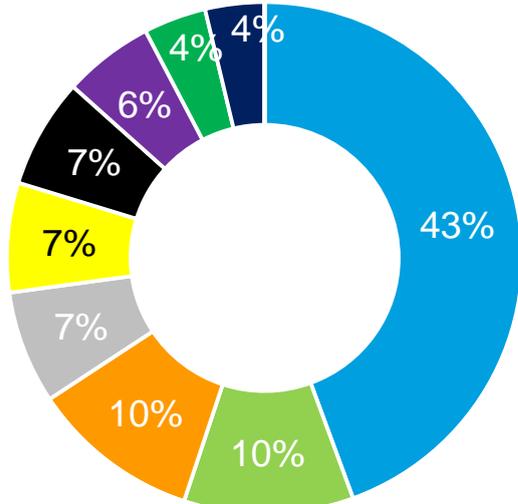


Diversification of loan portfolio aligns with Nigeria's economic growth areas

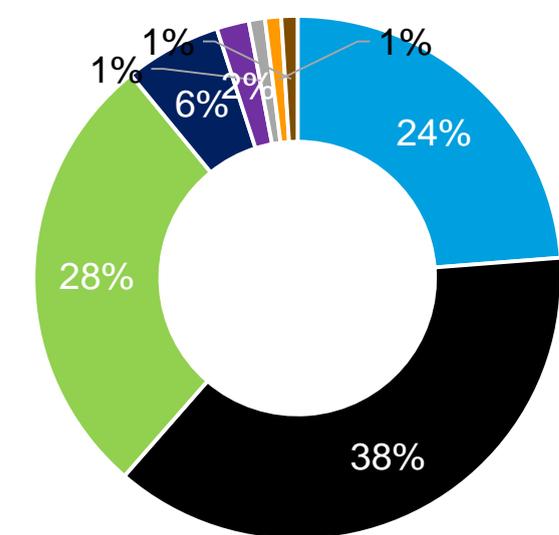
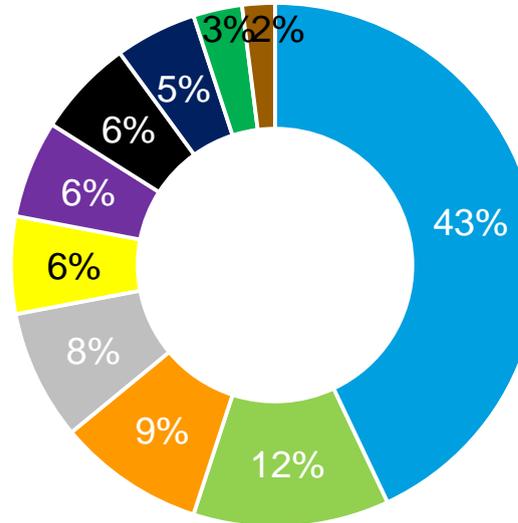
Loans by Sector

NPL by Sector

Dec '17



Mar '18



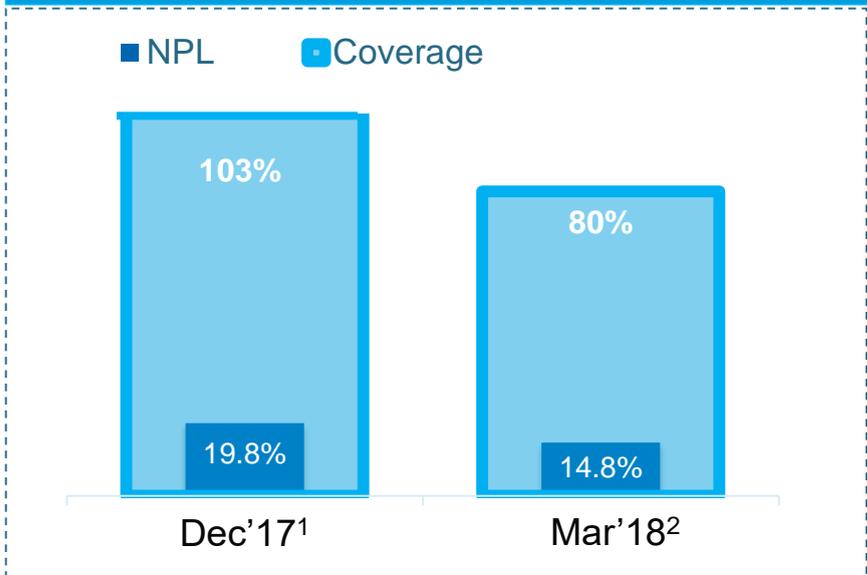
- Oil and Gas
- Power and Energy
- Manufacturing
- General Commerce
- Construction
- Real Estate
- General
- Agriculture
- Information and Communication
- Others

KEY PERFORMANCE HIGHLIGHTS

Others includes Admin, Education, Finance, Government, Health, Public Utilities and Transport

Improving asset quality and growing the loan book is a priority

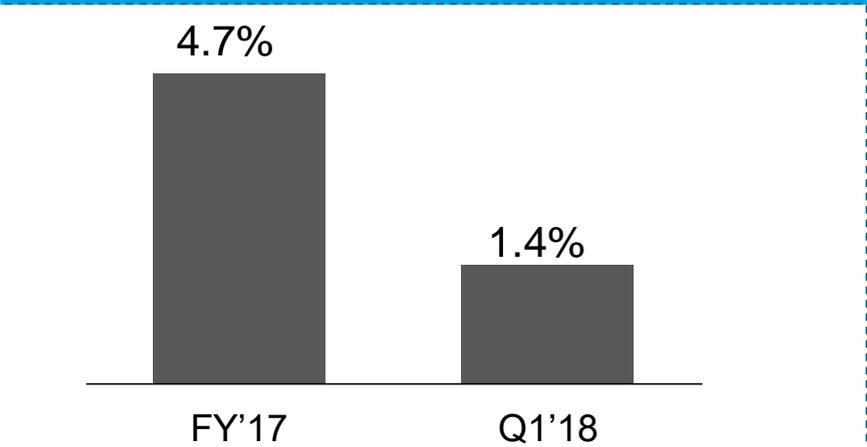
NPL Ratio and Coverage Ratio



Action Plan (Asset Quality & Loan Growth)

- 1 Diversify loan book with more focus on growth sectors
- 2 Portfolio rebalance via strong focus on recovery and collections

Cost of Risk



Priority Areas for Loan Growth

- Consumer Goods
- Agriculture
- Services (e.g. Education, Health)
- Transportation
- Manufacturing
- SMEs

KEY PERFORMANCE HIGHLIGHTS

¹IAS 39 ²IFRS 9

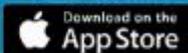
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6

Looking Ahead

Emeka Emuwa

Chief Executive Officer

We are focused on real opportunities linked with the growth of the Nigerian Economy



2018 Critical Growth Enablers

 <p>Customer Acquisition</p> <ul style="list-style-type: none"> • Attract and retain high-quality customers • Relevant products and solutions 	 <p>Risk Management</p> <ul style="list-style-type: none"> • Disciplined risk mgmt practices • Proactive portfolio monitoring 	 <p>Funding & Liquidity</p> <ul style="list-style-type: none"> • Lower funding costs • Support increased customer activity 	 <p>Operational & Cost Efficiency</p> <ul style="list-style-type: none"> • Reduce cost to serve • Leverage innovation for efficiency 	 <p>People</p> <ul style="list-style-type: none"> • Drive productivity • Talent retention & succession • Investment in the right people
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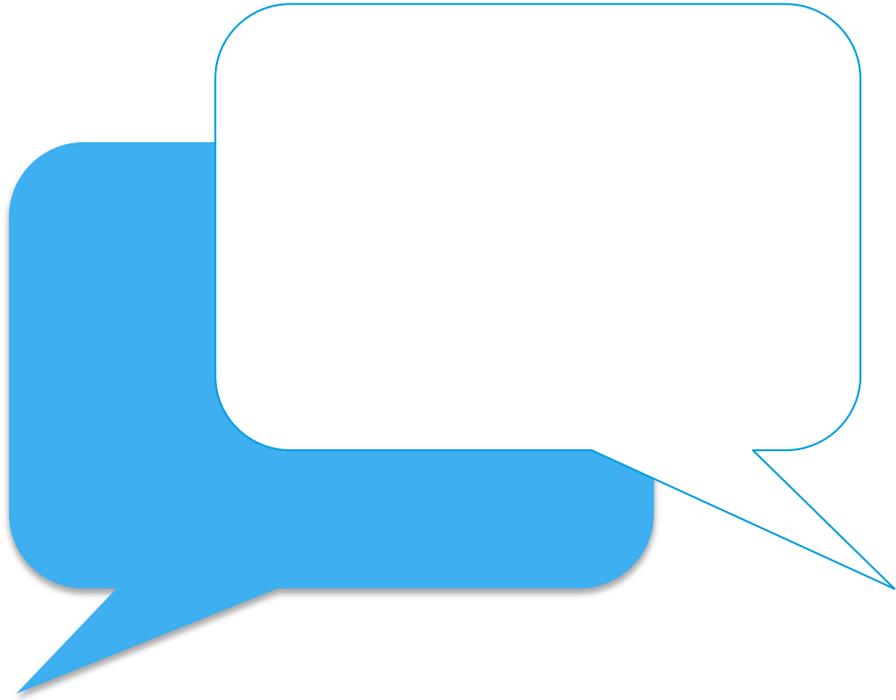
Technology

FY 2018 Guidance

	FY 2016 Actual	FY 2017 Actual	Q1 2018 Actual	FY 2018 Guidance
PBT	¥15.7bn	¥15.5bn	¥5.4bn	¥20 - 24bn
Loan Growth	38.0%	2.2%	-11.6% ²	10 - 12%
Deposit Growth	15.0%	21.9%	-5.4% ²	12 - 15%
NPL Ratio	6.9% ¹	19.8% ¹	14.9% ³	<12.0%
ROE	5.9%	4.7%	6.8%	7- 8%
ROA	1.4%	1.1%	1.6%	1.5 - 2.0%
NIM	9.4%	7.8%	8.7%	8.7 - 9.5%
CIR	65.3%	61.5%	69.7%	<65%

LOOKING AHEAD

¹IAS 39 ²vs. FY 2017 ³FRS 9



Q&A



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Appendix -

A

Group Financial Performance

FY 2017 Performance – Group Profit and Loss Statement

₹'million	FY'17	FY'16	Δ
Gross earnings	163,844	129,606	26.4%
Interest income	124,549	99,721	24.9%
Interest expense	57,880	34,682	66.9%
Net interest income	66,669	65,039	2.5%
Impairment charge for credit loss	25,609	17,879	43.2%
Net interest income after impairment charge	41,060	47,160	(12.9%)
Net trading income	9,129	5,089	79.4%
Fees and commissions	10,207	10,577	(3.5%)
Net income from other financial instruments at fair value through profit or loss	362	2572	(85.9%)
Other operating Income	19,597	11,647	68.3%
Non interest income	39,295	29,885	31.5%
Operating Income	80,355	77,045	4.3%
Net impairment write-back on other financial assets	292	693	(57.9%)
Operating expenses	65,128	62,000	5.0%
Profit before tax	15,519	15,738	(1.4%)
Profit after tax	14,608	15,391	(5.1%)

December 2017 Performance – Group Balance Sheet

₹'million	Dec-2017 ₹'million	Dec-2016 ₹'million	Δ
Assets			
Cash and cash equivalents	222,577	136,194	63.4%
Non-pledged trading assets	20,076	8,323	141.2%
Pledged assets	54,079	53,430	1.2%
Derivative assets held for risk management	1,297	2,747	(52.8%)
Loans and advances to customers	517,103	507,190	2.0%
Investment securities	185,658	181,720	2.2%
Trading properties	1,153	2,309	(50.1%)
Investment properties	4,951	4,347	13.9%
Property and equipment	55,986	52,800	6.0%
Intangible assets (software)	4,344	3,374	28.7%
Deferred tax assets	95,875	95,910	0.0%
Other assets	291,692	202,298	44.2%
Defined benefit assets	352	1,643	(78.6%)
Assets classified as held for sale	397	397	0%
Total Assets	1,455,540	1,252,682	16.2%

December 2017 Performance – Group Balance Sheet (cont'd)

₹'million	Dec-2017 ₹'million	Dec-2016 ₹'million	Δ
Liabilities			
Deposits from banks	100,131	90,266	10.9%
Deposits from customers	802,384	658,444	21.9%
Current tax liabilities	524	465	12.7%
Deferred tax liabilities	259	101	156.4%
Derivative liabilities held for risk management	972	13	7376.9%
Other Liabilities	111,461	141,404	(21.2%)
Retirement benefit obligations	857	805	6.5%
Other borrowed funds	93,211	89,514	4.1%
Total Liabilities	1,109,799	981,012	13.1%
Equity			
Share capital and share premium	201,652	400,109	(49.6%)
Retained earnings / (accumulated loss)	14,384	244,183	(94.1%)
Other reserves	152,642	110,633	38.0%
Equity attributable to equity-holders	339,910	266,559	27.5%
Non-controlling interest	5,831	5,111	14.1%
Total Equity	345,741	271,670	27.3%
Total Liabilities and Equity	1,455,540	1,252,682	16.2%

Q1 2018 Performance – Group Profit and Loss Statement

₹'million	Q1'18	Q1'17	Δ
Gross earnings	39,466	34,309	15.0%
Interest income	31,674	27,698	14.4%
Interest expense	13,843	13,069	5.9%
Net interest income	17,831	14,629	21.9%
Impairment charge for credit loss	2,349	320	634.1%
Net interest income after impairment charge	15,482	14,309	8.2%
Fees, commissions and other operating Income	4,447	5,473	(18.7%)
Net trading income	3,345	1,138	193.9%
Cash Recoveries	304	1,257	(75.8%)
Other Operating Income	867	1,922	(54.9%)
Non interest income	7,792	6,611	17.9%
Operating Income	23,274	20,920	11.3%
Net impairment write-back on other financial assets	-	-	
Operating expenses	17,867	16,259	9.9%
Profit before tax	5,407	4,661	7.6%
Profit after tax	5,288	4,519	17.0%

March 2018 Performance – Group Balance Sheet

₹'million	Mar-2018 ₹'million	Dec-2017 ₹'million	Δ
Assets			
Cash and cash equivalents	206,616	222,577	(7.2%)
Financial assets at fair value through profit or loss	24,034	20,076	19.7%
Pledged assets	61,813	54,079	14.3%
Derivative assets held for risk management at amortised costs	1,225	1,297	(5.6%)
Loans and advances to customers	449,257	517,103	(13.1%)
Investment securities	173,559	185,658	(6.5%)
Trading properties	839	1,153	(27.2%)
Investment properties	4,997	4,951	0.9%
Property and equipment	57,283	55,986	2.3%
Intangible assets (software)	4,095	4,344	(5.7%)
Deferred tax assets	95,875	95,875	0.0%
Cash reserve requirement	245,350	225,770	8.7%
Other assets	55,625	65,922	(15.6%)
Defined benefit assets	244	352	(30.7%)
Assets classified as held for sale	397	397	0%
Total Assets	1,381,209	1455,540	(5.1%)

March 2018 Performance – Group Balance Sheet (cont'd)

₹'million	Mar-2018 ₹'million	Dec-2017 ₹'million	Δ
Liabilities			
Deposits from banks	93,485	100,131	(6.6%)
Deposits from customers	759,097	802,384	(5.4%)
Current tax liabilities	786	524	50.0%
Deferred tax liabilities	216	259	(16.6%)
Derivative liabilities held for risk management	1,085	972	11.6%
Other Liabilities	169,387	111,461	52.0%
Retirement benefit obligations	798	857	(6.9%)
Other borrowed funds	70,703	93,211	(24.1%)
Total Liabilities	1,095,557	1,109,799	(1.3%)
Equity			
Share capital and share premium	201,652	201,652	0.0%
Retained deficit	16,710	14,384	(16.2%)
Other reserves	94,717	152,642	(37.9%)
Equity attributable to equity-holders	279,659	339,910	(17.7%)
Non-controlling interest	5,993	5,831	2.8%
Total Equity	285,652	345,741	(17.4%)
Total Liabilities and Equity	1,381,209	1,455,540	(5.1%)

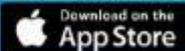
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Appendix -

B

Bank Financial Performance

Bank Key Financial Highlights – FY 2017

Gross Earnings

 Gross earnings up 25% to ₦157.6bn (₦126.5bn in FY 2016)

Interest Income

 Interest income up 24% to ₦120.0bn (₦97.1bn in FY 2016)

Non-Interest Income

 Non-interest income up 28% to ₦37.7bn (₦29.4bn in FY 2016)

Profit Before Tax (PBT)

 PBT decreased by 18% to ₦13.2bn (₦16.1bn in FY 2016)

Customer Deposits

 Customer deposits up 26% to ₦796.7bn (₦633.8bn as at Dec 2016)

Gross Loans

 Gross loans up 2.6% to ₦531.8bn (₦518.3bn as at Dec 2016)

Capital Adequacy

 Capital Adequacy ratio is up to 17.8% (from 13.3% in Dec 2016)

FY 2017 Performance – Bank Financial Summary

		Dec-2017	Dec-2016	Δ
Balance Sheet (₹ 'bn)	Assets	1334.9	1,123.5	18.8%
	Gross Loans	531.8	518.3	2.6%
	Customer Deposits	796.7	633.8	26%
Key Ratios	Non-Performing Loan Ratio	19.8%	6.9%	12.9%
	Liquidity Ratio	37.4%	40.0%	(2.6%)
	Capital Adequacy	17.8%	13.3%	4.5%
		FY'17	FY'16	Δ
Income Statement (₹ 'bn)	Gross Earnings	157.6	126.5	24.6%
	Interest Income	119.9	97.1	23.5%
	Non-Interest Income	37.7	29.4	28.2%
	Credit/Other Impairment Charge	25.5	17.1	49.1%
	Operating Expenses	61.4	58.8	4.4%
	Profit Before Tax	13.2	16.1	(18.0%)
	Profit After Tax	12.8	15.9	(19.5%)
Key Ratios	Net Interest Margin	8.6%	9.4%	(0.8%)
	Cost to Income Ratio	61.4%	64.0%	(2.6%)
	Return on Equity	4.5%	6.6%	(2.1%)
	Return on Assets	1.1%	1.5%	(0.4%)
	Net Asset Value per share	₹11.04	₹14.84	(₹3.80)
	Earnings Per Share	75k	94k	(19k)

FY 2017 Performance – Bank Profit and Loss Statement

₹'million	FY'17	FY'16	Δ
Gross earnings	157,566	126,471	24.6%
Interest income	119,875	97,082	23.5%
Interest expense	57,554	34,588	66.4%
Net interest income	62,321	62,494	(0.3%)
Impairment charge for credit loss	25,510	17,783	43.0%
Net interest income after impairment charge	36,811	44,711	(17.7%)
Net trading income	9,036	5,112	76.8%
Fees and commissions	9,579	10,016	(4.4%)
Net Income from other financial instruments at fair value through profit or loss	362	2572	(85.9%)
Other operating Income	18,714	11,689	60.1%
Non interest income	37,691	29,389	28.2%
Operating Income	74,502	74,100	0.5%
Net impairment write-back on other financial assets	32	717	(95.5%)
Operating expenses	61,358	58,764	4.4%
Profit before tax	13,176	16,053	(17.9%)
Profit after tax	12,839	15,885	(19.2%)

December 2017 Performance – Bank Balance Sheet

₹'million	Dec-17 ₹'million	Dec-16 ₹'million	Δ
Assets			
Cash and cash equivalents	137,497	35,536	286.9%
Non-pledged trading assets	20,076	8,323	141.2%
Pledged assets	54,079	53,430	1.2%
Derivative assets held for risk management	1,297	2,747	(52.8%)
Loans and advances to customers	488,555	489,890	(0.3%)
Investment securities	175,329	166,759	5.1%
Trading properties	513	1,124	(54.4%)
Investment in subsidiaries	10,567	10,567	0.0%
Property and equipment	55,801	52,567	6.2%
Intangible assets (software)	3,949	2,859	38.1%
Deferred tax assets	95,875	95,875	0.0%
Other assets	290,706	201,838	44.0%
Defined benefit assets	352	1,643	(78.6%)
Assets classified as held for sale	325	325	-
Total Assets	1,334,921	1,123,483	18.8%

December 2017 Performance - Bank Balance Sheet (cont'd)

₹'million	Dec-17 ₹'million	Dec-16 ₹'million	Δ
Liabilities			
Deposits from banks	10,686	4,351	145.6%
Deposits from customers	796,708	633,827	25.7%
Current tax liabilities	271	177	53.1%
Derivative Liabilities held for risk management	972	13	7376.9%
Other liabilities	108,359	141,191	(23.3%)
Retirement benefit obligations	801	773	3.6%
Other borrowed funds	95,736	91,812	4.3%
Total liabilities	1,013,533	872,144	16.2%
Equity			
Share capital and share premium	201,652	400,109	(49.6%)
Treasury shares	-	-	
Retained deficit	19,118	247,868	(92.3%)
Other reserves	138,854	99,098	40.1%
Equity attributable to equity-holders of the bank	321,388	251,339	27.9%
Total liabilities and equity	1,334,921	1,123,483	18.8%

Bank Key Financial Highlights – Q1 2018

Gross Earnings



Gross earnings up by 14% to ~~N~~37.7bn (~~N~~33.0bn in Q1 2017)

Interest Income



Interest income up by 14% to ~~N~~30.3bn (~~N~~26.6bn in Q1 2017)

Non-Interest Income



Non-interest income up by 16% to ~~N~~7.4bn (~~N~~6.4bn in Q1 2017)

Profit Before Tax (PBT)



PBT up by 19% to ~~N~~5.0bn (~~N~~4.2bn in Q1 2017)

Customer Deposits



Customer deposits down by 6% to ~~N~~749.4bn (~~N~~796.7bn in Dec 2017)

Gross Loans



Gross Loans down by 10% to ~~N~~476.4bn (~~N~~531.8 in Dec 2017)

Capital Adequacy



Capital Adequacy flat at 17.9% (17.8% in Dec 2017)

Q1 2018 Performance – Bank Financial Summary

		Mar-2018	Dec-2017	Δ
Balance Sheet (₹ 'bn)	Assets	1267.0	1,334.9	(5.1%)
	Gross Loans	476.4	531.8	(10.4%)
	Customer Deposits	749.4	796.7	(5.9%)
Key Ratios	NPL Ratio	14.8% ¹	19.8% ²	(5.0%)
	Liquidity Ratio	39.6%	37.4%	(2.2%)
	Capital Adequacy	17.9%	17.8%	0.1%
		Q1 2018	Q1 2017	Δ
Income Statement (₹ 'bn)	Gross Earnings	37.7	33.0	14.2%
	Interest Income	30.2	26.6	13.5%
	Non-Interest Income	7.4	6.4	15.6%
	Credit Impairment	2.1	0.3	600%
	Operating Expenses	16.9	15.5	9.0%
	Profit Before Tax	5.0	4.2	19.0%
	Profit After Tax	5.0	4.2	19.0%
Key Ratios	Net Interest Margin	9.5%	7.9%	1.6%
	Cost to Income Ratio	70.1%	77.4%	(7.3%)
	Return on Equity	7.0%	6.7%	0.3%
	Return on Assets	1.6%	1.5%	0.1%
	Net Asset Value per share	₹8.96	₹11.03	(₹2.07)
	Earnings Per Share	17k	25k	(8k)

Q1 2018 Performance – Bank Profit and Loss Statement

#'million	Q1'18	Q1'17	%Δ
Gross earnings	37,735	33,022	14.3%
Interest income	30,334	26,621	13.9%
Interest expense	13,683	12,980	5.4%
Net interest income	16,651	13,641	22.1%
Impairment charge for credit loss	2,136	316	575.9%
Net interest income after impairment charge	14,515	13,325	8.9%
Net trading income	3,310	1,068	209.9%
Cash recoveries	304	1,257	(75.8%)
Fees and commissions	3,114	2,168	43.6%
Other operating income	673	1,908	(64.7%)
Non interest income	7,401	6,401	15.6%
Operating Income	21,916	19,726	11.1%
Operating expenses	16,867	15,515	8.7%
Profit before tax	5,049	4,211	19.9%
Profit after tax	4,999	4,169	19.9%

March 2018 Performance – Bank Balance Sheet

₹'million	Mar-18 ₹'million	Dec-17 ₹'million	Δ
Assets			
Cash and cash equivalents	122,837	137,497	(10.7%)
Financial assets at fair value through profit or loss	24,034	20,076	19.7%
Pledged assets	61,813	54,079	14.3%
Derivative assets held for risk management	1,225	1,297	(5.6%)
Loans and advances to customers	430,760	485,555	(11.3%)
Investment securities	158,188	175,329	(9.8%)
Trading properties	513	513	0%
Investment in Subsidiaries	10,567	10,567	0%
Property and equipment	57,128	55,801	2.4%
Intangible assets (software)	3,700	3,949	(6.3%)
Deferred tax assets	95,875	95,875	0%
Cash reserve requirement	245,350	225,770	8.7%
Other assets	54,393	64,936	(16.2%)
Defined benefit assets	244	352	(30.7%)
Assets classified as held for sale	325	325	0%
Total Assets	1,266,952	1,334,921	(5.1%)

March 2018 Performance - Bank Balance Sheet (cont'd)

₹'million	Mar-18 ₹'million	Dec-17 ₹'million	Δ
Liabilities			
Deposits from banks	11,180	10,686	4.6%
Deposits from customers	749,390	796,708	(5.9%)
Current tax liabilities	321	271	18.5%
Derivative Liabilities held for risk management	1,085	972	11.6%
Other liabilities	167,408	108,359	54.5%
Retirement benefit obligations	795	801	(0.7%)
Other borrowed funds	75,965	95,736	(20.7%)
Total liabilities	1,006,144	1,013,533	(0.7%)
Equity			
Share capital and share premium	201,652	201,652	-
Retained deficit	21,571	19,118	(12.8%)
Other reserves	80,727	138,854	(41.9%)
Equity attributable to equity-holders of the bank	260,808	321,388	(18.8%)
Total liabilities and equity	1,266,952	1,334,921	(5.1%)



THANK YOU



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