

Union Bank of Nigeria Plc.
Unaudited results for the quarter ended 31 March, 2016

LAGOS, NIGERIA – April 20, 2016 - Union Bank of Nigeria Plc., one of Nigeria's long-standing and most respected financial institutions, announces its unaudited results for the quarter ended 31st March 2016.

Bank Financial Highlights For The Quarter:

- Profit before tax (PBT): ~~₦4.7bn~~ (₦4.9bn in Q1 2015); excluding gain on sale of subsidiaries*, increased by 85% to ~~₦4.7bn~~ (₦2.5bn in Q1 2015).
- Gross earnings: ~~₦26.6bn~~ (₦29bn in Q1 2015); excluding gain on sale of subsidiaries*, at par with prior year at ~~₦26.6bn~~.
- Interest income: up 5% to ~~₦21bn~~ (₦20bn in Q1 2015) as a result of improvement in asset yield from 14.36% in Q1 2015 to 15.65% in Q1 2016.
- Interest expense: down 16% to ~~₦6.6bn~~ (₦7.9bn in Q1 2015) driven by a deliberate effort to manage funding costs, resulting in a reduction in primary cost of funds from 6.07% in Q1 2015 to 4.73% in Q1 2016.
- Non-interest revenue: ~~₦5.6bn~~ (₦9bn in Q1 2015); excluding Q1 2015 one-off gains, revenues are up 9% compared to normalised ~~₦5.1bn~~ in Q1 2015, driven by trading and e-business fees.
- Operating expenses: ~~₦14.2bn~~ (₦13.7bn in Q1 2015), an expected increase of 3% , given budgeted investments in technology and network infrastructure.
- Customer deposits: up 9% to ~~₦587.2bn~~ (₦539.4bn Mar 2015) on the back of growing customer confidence in service and product offers as well as a re-energised brand identity.
- Gross loans: up 2% to ~~₦383.6bn~~ (₦375.6bn Mar 2015) reflects cautious loan growth in targeted sectors of the economy.

Commenting on the Bank's first quarter results, Emeka Emuwa, Chief Executive Officer said:

"Our first quarter results reflect steady progress on the execution of our strategic priorities. The Bank's core PBT in Q1 2016 is up significantly by 85% to ~~₦4.7bn~~ compared to ~~₦2.5bn~~ in the same quarter last year. With the sale of non-banking subsidiaries near completion, the Bank is now focused on growing and delivering results through its core banking business.

Customer deposits grew 9% in the year to March 2016, compared to March 2015, reflecting increased customer confidence in our service channels, new product offerings and a re-energised brand identity.

Our priorities to sustain growth in 2016 remain focused on growing our deposit base and new customer acquisitions, as well as driving gains in transactional income. We will continue leveraging the technology and operational platform we have invested in whilst proactively managing our risks and operational costs."

Breaking down the Bank numbers, Chief Financial Officer, Oyinkan Adewale said:

"The Bank delivered strong results this first quarter. Our focus on customer deposit growth has led to 16% interest expense reduction as we rely more on low cost deposits to fund the bank. This trend is expected to continue and should moderate funding costs and improve net interest margins for 2016.

Non-interest revenue continues to grow, driven by securities trading, e-business and other transactional fees. Excluding 2015 one-off gains, we were able to grow core revenues by 9%.

Given our continuing investment in technology and network infrastructure, we have seen a slight increase of 3% in operating expenses this quarter compared to Q1 2015. This short term increase is expected to normalise over the course of the year."

Bank Q1 2016 Financial Summary

Balance Sheet (in billions of Naira)	Q1 2016	Dec 2015	Δ
Total Assets	1,013.4	998.1	2%
Gross Loans & Advances	383.6	370.9	3%
Customer Deposits	587.2	569.1	3%
Shareholders' Funds	229.6	230.7	0%
Ratios			
Loan to Deposit Ratio	65%	65%	0%
Non-Performing Loan Ratio	6.93%	6.99%	(0.06%)
Liquidity Ratio (regulatory minimum - 30%)	45%	43%	2%
Capital Adequacy Ratio	15.4%	15.3%	0.1%

Income Statement (in billions of Naira)	Q1 2016	Q1 2015	Δ
Gross Earnings	26.6	29.0	(8%)
<i>Gross Earnings**</i>	26.6	26.6	0%
Net Interest Income	14.4	12.1	19%
<i>Non-Interest Income**</i>	5.6	6.6	(15%)
Gain on sale of subsidiaries	-	2.4	(100%)
Impairment	1.1	2.4	(53%)
Operating Expenses	14.2	13.8	3%
Profit Before Tax	4.6	4.9	(6%)
<i>Profit Before Tax**</i>	4.6	2.5	85%
Profit After Tax	4.6	4.9	(6%)
<i>Profit After Tax**</i>	4.6	2.5	85%
Ratios			
Net Interest Margin	9.4%	8.7%	0.7%
<i>Cost to Income Ratio**</i>	71%	77%	(6%)
Return on Equity	8.1%	9.5%	(1.4%)
<i>Return on Equity**</i>	8.1%	4.8%	3.3%
Return on Assets	1.9%	2.1%	(0.2%)
<i>Return on Assets**</i>	1.9%	1.8%	0.1%
Net Asset Value per share	₦13.56	₦12.49	₦1.07
Earnings Per Share	27k	29k	(2k)
<i>Earnings Per Share**</i>	27k	15k	12k

Group Q1 2016 Financial Summary

Balance Sheet (in billions of Naira)	Mar. 2016	Dec. 2015	Δ
Total Assets	1,087	1,047	4%
Gross Loans & Advances	397.6	388.8	2%
Customer Deposits	602.7	570.6	6%
Shareholders' Funds	243.0	243.9	0%
Ratio			
Loan to Deposit Ratio	66%	68%	(2%)
Non-Performing Loan Ratio	6.69%	6.67%	0.01%

Income Statement (in billions of Naira)	Q1 2016	Q1 2015	Δ
Gross Earnings	27.3	27.3	0%
<i>Gross Earnings**</i>	27.3	27.5	(1%)
Net Interest Income	14.9	12.6	18%
<i>Non-Interest Income</i>	5.8	6.6	(12%)
Gain/(loss) on sale of subsidiaries	-	(0.2)	100%
Impairment	1.1	2.4	(53%)
Operating Expenses	14.7	14.4	2%
Profit Before Tax	4.8	2.5	93%
<i>Profit Before Tax**</i>	4.8	2.7	79%
Profit After Tax	4.7	2.4	96%
<i>Profit After Tax**</i>	4.7	2.6	82%
Ratios			
Net Interest Margin	8.76%	8.04%	0.72%
<i>Cost to Income Ratio**</i>	71%	74%	(3%)
Return on Equity	7.8%	4.4%	3.4%
Return on Assets	1.8%	1.0%	0.8%
Net Asset Value per share	₦14.35	₦13.37	₦0.98
Earnings Per Share	28k	14k	14k
<i>Earnings Per Share**</i>	28k	15k	13k

*Gain on sale of subsidiaries represents one-time gains realised on the sale of the bank's subsidiaries in compliance with the Central Bank of Nigeria's Regulation 3

**Excludes gain on sale of subsidiaries

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

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Notes to editors:

About Union Bank Plc.

Established in 1917 and listed on the Nigerian Stock Exchange in 1971, Union Bank of Nigeria Plc. is a household name and one of Nigeria's long-standing and most respected financial institutions. The Bank is a trusted and recognizable brand, with an extensive network of over 300 branches across Nigeria.

In late 2012, a new Board of Directors and Executive Management team were appointed to Union Bank and in 2014 the Bank began executing a transformation programme to re-establish it as a highly respected provider of quality financial services.

The Bank currently offers a variety of banking services to both individual and corporate clients including current, savings and deposit account services, funds transfer, foreign currency domiciliation, loans, overdrafts, equipment leasing and trade finance. The Bank also offers its customers convenient electronic banking channels and products including Online Banking, Mobile Banking, Debit Cards, ATMs and POS Systems.

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

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Union Bank Announces Financial Results Conference Call

Union Bank of Nigeria will be hosting a conference call to review financial results for the quarter ended 31 March 2016, on **Tuesday 26th April 2016 at 2pm Lagos** (2pm London/ 3pm Johannesburg/ 9am New York) time.

The presentation will be made available on the IR portal of the Bank's website prior to the call:

www.unionbankng.com/investor-relations/media-events-and-analyst-presentations

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