



Union Bank of Nigeria Plc
Unaudited Financial Results for the period ended 31st March 2014

Union Bank maintains profitability as transformation agenda progresses

First Quarter Highlights

- *Branch optimization programme underway – 13 branches currently being refit; another 53 slated to be completed before the end of the year;*
- *Previously upgraded branches already yielding financial upsides and positive Net Promoter Scores (NPS)*
- *Divestment of four portfolio companies almost completed and awaiting regulatory approvals.*

LAGOS, NIGERIA – April 30, 2014 - Union Bank of Nigeria Plc, (NSE:UBN, Bloomberg: UBN NL) (“Union Bank” or the “Bank”), releases its unaudited Group and Bank financial results for the period ended 31 March 2014, prepared on the basis of International Financial Reporting Standards (IFRS).

Commenting on the first quarter results, Group Managing Director and Chief Executive of Union Bank, Emeka Emuwa, said *“Union Bank has maintained its profitability and is delivering against key operational metrics supporting our strategy. The first quarter of 2014 was impacted by regulatory and monetary policy changes in the financial industry which curtailed earnings growth. Nonetheless, having clearly defined our growth strategy for the next three to five years, we remain focused on repositioning the business, increasing banking product penetration in the country and optimising our cost structure. Our loans to deposits ratio is improving and now stands at 52%, and our operating expenditure remains under tight control whilst we make new investments for growth. Building on our loan portfolio growth of 55% in 2013, we expect to continue to grow our loan book and expect a growth of about 30% by the end of 2014. Going forward, we remain confident that we will deliver on our growth aspirations for the year,”*

“As an institution, Union Bank is focused on implementing its transformation priorities which will transform the Bank into a leading financial institution with simplified banking processes and significantly improved customer experience, while consistently creating value for stakeholders,” Mr. Emuwa concluded.



Financial Highlights

Group Profit & Loss

- Gross Earnings of N26.0 bn (N29.4 bn Qtr 1 2013)
- Interest income of N18.8 bn (N20.7 bn Qtr1 2013)
- Net interest income of N13.0 bn (N14.7 bn Qtr 1 2013)
- Net operating income of N19.0 bn (N20.8 bn Qtr 1 2013)
- Operating expenses of N14.7 bn (N15.2 bn Qtr 1 2013)
- Profit before tax of N5.0 bn (N7.7 bn Qtr 1 2013)
- Profit after tax N5.0 bn (N7.8 bn in Qtr 1 2013)

Group Balance Sheet

- Cash and cash equivalents N101.1 bn (N143.9 bn March 2013 ; N100.9 bn December 2013)
- Loans and advances to customers (net) N220.5 bn (up 29% from N170.7 bn March 2013 ; N229.5 bn December 2013)
- Customer Deposits N466.4 bn (N482.7 bn December 2013)
- Total Assets N958.6 bn (N997.3 bn March 2013 ; N1 trillion December 2013)
- Shareholders' Equity N197.3 bn (N192.2 bn December 2013)

Key Ratios and per share data

- Net Interest Margin 8.64%
- Cost/Income ratio: 77%
- Loan/deposit ratio: 52%
- NPL ratio: 7.2%
- ROE: 10.3%
- Cost of Risk: 1.2%
- EPS (*basic*): 28k

Bank Profit & Loss

- Gross Earnings of N24.7 bn (N25.0 bn Qtr 1 2013)
- Interest income of N18.5 bn (N19.8 bn Qtr1 2013)



- Net interest income of N12.6 bn (N13.7 bn Qtr 1 2013)
- Net operating income of N18.2 bn (N18.6 bn Qtr 1 2013)
- Operating expenses of N13.7 bn (N14.0 bn Qtr 1 2013)
- Profit before tax of N4.4 bn (N4.6 bn Qtr 1 2013)
- Profit after tax N4.4 bn (N4.75 bn in Qtr 1 2013)

Bank Balance Sheet

- Cash and cash equivalents N52.8 bn (N87bn March 2013 ; N53.1bn December 2013)
- Loans and advances to customers (net) N203.1 bn (up 47% from N138.1 bn March 2013 ; N210.1 bn December 2013)
- Customer Deposits N457.7 bn (N480.0 bn December 2013)
- Total Assets N855.2 bn (N851.3 bn March 2013 ; N882.1 bn December 2013)
- Shareholders' Equity N192.6 bn(N187.8 bn December 2013)

Key Ratios and per share data

- Net Interest Margin 9.49%
- Cost/Income ratio: 76%
- Capital adequacy ratio: 24%
- Liquidity ratio: 63% (CBN Statutory minimum of 30%)
- Loan/deposit ratio: 49% (31% March 2013)
- NPL ratio: 7.2%
- ROE: 9.4% (2.8% December 2013)
- Cost of Risk: 1%
- EPS (*basic*): 26k

For the detailed Profit and Loss Account, Balance Sheet, Cashflow statement and notes to the accounts, please visit [Union Bank Investor Relations](#)

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Notes to Editors:

About Union Bank of Nigeria 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 recognisable brand, with an extensive network of over 350 branches across Nigeria.

In late 2012, a new Board of Directors and Executive Management team were appointed to Union Bank and in 2013 the Bank embarked upon a Transformation Programme, designed to re-establish it firmly as one of Nigeria's leading financial institutions.

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, Bank Cards, ATMs and POS Systems.

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

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