



## Union Bank of Nigeria Plc

### Unaudited Financial Results for six months ended 30<sup>th</sup> June 2014

*Union Bank continues to deliver profit; transformation initiatives yielding results*

#### **Second Quarter Highlights**

- *Improved profitability*
- *Strong improvement in core performance in Q2 2014*
- *Significant transformation investment spending*
- *Successful sale of subsidiaries*
- *Web Jurist Award for **Best Aesthetics** among financial industry websites*

LAGOS, NIGERIA – July 29, 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 six months ended 30 June 2014, prepared on the basis of International Financial Reporting Standards (IFRS).

Commenting on the results, Group Managing Director and Chief Executive of Union Bank, Emeka Emuwa, said: *“The second quarter of the year saw the continued implementation of our transformation initiatives, which are delivering results. The Bank continues to invest heavily in its technology infrastructure to enhance operations and customer service delivery; to date, all branch links have been upgraded to fibre optic connections. The Bank also continues to invest in people, hiring into key strategic senior roles. Notwithstanding the significant investments made in these areas, Union Bank maintained strong underlying performance and sustainable profitability. We remain focused on our long term strategic priority of ensuring banking becomes simpler for all our clients, whether retail, corporate or commercial.”*

Oyinkan Adewale, Chief Financial Officer, said, *“The Bank’s loan book continues to grow, as we focus on driving business in key sectors of the economy, including Oil & Gas and Manufacturing. Loans are up 55% compared to same period for June 2013. The Bank has so far successfully completed the sale of four subsidiaries, with two other divestments almost completed, in compliance with CBN’s Regulation 3 and in line with the strategy to focus on core banking activities. The Bank is aggressively focused on recoveries, with N3.5 billion recovered in the first half of 2014 versus N1.5 billion for the same period in 2013.”*



## **Financial Highlights for the 6 months ended 30<sup>th</sup> June 2014 (Q2 2014)**

### **Group Profit & Loss**

- Gross Earnings : N49.6bn (N56.2bn Qtr2 2013)
- Interest income : N36.6bn (N41.2bn Qtr2 2013)
- Net interest income : N25.1 bn (N29.7 bn Qtr2 2013)
- Net operating income : N36.0 bn (N39.5 bn Qtr2 2013)
- Operating expenses : N29.4 bn (N31.3 bn Qtr2 2013)
- Profit before tax : N6.5bn (N9.8bn Qtr2 2013)
- Profit after tax: N6.3bn (N9.4bn Qtr2 2013)

### **Group Balance Sheet**

- Loans and advances to customers (net): N261.1 bn (up 47% from N177.7 bn June 2013; N229.5 bn December 2013)
- Customer Deposits : N480.8 bn (N482.7 bn December 2013)
- Total Assets : N979.7 bn (N970.7bn June 2013 ; N1.003trillion December 2013)
- Shareholders' Equity : N198.3 bn (N192.2 bn December 2013)

### **Key Ratios and per share data**

- Net Interest Margin 8.21%
- Loan/deposit ratio: 59%
- NPL ratio: 7.1%
- ROE: 6.1%
- Cost of Risk: 1.1%
- EPS (basic):35k

### **Bank Profit & Loss**

- Gross Earnings : N45.9 bn (N48.1 bn Qtr 2 2013)
- Interest income : N36.0 bn (N40.2 bn Qtr2 2013)
- Net interest income : N24.5 bn (N28.8 bn Qtr 2 2013)
- Net operating income : N34.7 bn (N35.5 bn Qtr 2 2013)
- Operating expenses : N28.1 bn (N27.6 bn Qtr 2 2013)
- Profit before tax : N6.6 bn (N11.6 bn Qtr 2 2013)
- Profit after tax : N6.6bn (N11.3bn in Qtr 2 2013)



### **Bank Balance Sheet**

- Loans and advances to customers (net): N239.3 bn (up 55% from N153.9bn June 2013; N210.1bn December 2013)
- Customer Deposits : N472.4 bn (N457.7 bn March 2014; N480.0 bn December 2013)
- Total Assets : N882.4bn (N826.7 bn June 2013; N882.1 bn December 2013)
- Shareholders' Equity: N194.6 bn(N187.8 bn December 2013)

### **Key Ratios and per share data**

Net Interest Margin 8.82%

Capital adequacy ratio: 20%

Liquidity ratio: 48.17% (CBN Statutory minimum 30%)

Loan/deposit ratio: 56% (37% June 2013)

NPL ratio: 7.3%

ROE: 6.9% (2.8% December 2013)

Cost of Risk: 1.3%

EPS (basic): 39k

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 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](http://www.unionbankng.com).

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