



## Union Bank of Nigeria Plc

### Unaudited Financial Results for nine months ended 30<sup>th</sup> September 2014

*Union Bank maintains profitability; Strengthens Transformation Office*

#### **Third Quarter Highlights**

- *Posts profitability*
- *Continued loan portfolio growth*
- *Growth in deposit book*
- *Divestment of non-banking subsidiaries on course*
- *Transformation Management Office strengthened*
- *First advertising campaign since 2012 launched*

LAGOS, NIGERIA – October 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 nine months ended 30 September 2014, prepared on the basis of International Financial Reporting Standards (IFRS).

Commenting on the Bank’s third quarter activities, Group Managing Director and Chief Executive of Union Bank, Emeka Emuwa, said: *“Our third quarter activities were focused on continuing and consolidating our transformation efforts to ensure we maintain strategic focus in key areas and deliver operating results according to plan. Building upon the transformation work already in progress over the past 18 months, we have hired a transformation director to institutionalize and lead the Bank’s Transformation Management Office which coordinates, centralises and tracks transformation workgroups to ensure transformation achievements are embedded and delivered. The Bank continues to rebuild its retail business and we have hired senior product specialists to strengthen our retail offering to compete in today’s marketplace. The launch of our “Unionfacts” advertising campaign in September signals confidence in our enhanced retail offering, technology platforms and processes and our ability to deliver and meet customer needs. We will continue to invest in our people and platforms with a view to delivering innovation and superior service in the short to medium term.”*

Oyinkan Adewale, Chief Financial Officer, commenting on Union Bank’s financial performance in the quarter, said, *“Our loan portfolio continues to perform well and we are also seeing good*



*traction on the deposit side. The loan book grew by 21% in the period ended 30 September 2014 compared to 31st December 2013. Our deposit book also posted a modest gain of 2.2%. As we revamp our retail offering, we expect to make an aggressive push for low cost deposits in the fourth quarter. In compliance with Central Bank's Regulation 3, the disposal of our non-banking subsidiaries continues to yield gains, with five subsidiaries profitably divested to date. The Group's PBT for the nine months ended 30 September 2014 represents a 21.6% growth when compared to same nine month period for 2013. Given significant investments in technology, systems and branch network optimization critical to the Bank's transformation, we continue to be watchful of our cost ratios with a proactive cost management strategy. Overall, we expect the Bank will continue its positive trajectory through the remainder of the year. "*

### **Financial Highlights for the 9 months ended 30<sup>th</sup> September 2014 (Q3 2014)**

#### **Group Profit & Loss**

- Gross Earnings : N74.8bn (N79.9bn Q3 2013)
- Interest income: N56.2bn (N60.6bn Q3 2013)
- Net interest income : N38.4 bn (N44.4 bn Q3 2013)
- Net operating income : N52.7 bn (N51.3 bn Q3 2013)
- Operating expenses : N43.8 bn (N48.3 bn Q3 2013)
- Profit before tax : N8.3bn (N6.8bn Q3 2013)
- Profit after tax: N8.1bn (N7.6bn Q3 2013)

#### **Group Balance Sheet**

- Loans and advances to customers (net): N276.98 bn (up 42% from N194.97 bn Sept 2013; N229.54 bn December 2013)
- Customer Deposits: N503.0bn (N482.7 bn December 2013)
- Total Assets : N979.1 bn (N971.7bn Sep 2013 ; N1.003trillion December 2013)
- Shareholders' Equity: N195.7bn (N192.2 bn December 2013)

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

- Net Interest Margin 7.81%
- Loan/deposit ratio: 60.2%
- NPL ratio: 5.8%
- ROE: 5.4%
- Cost of Risk: 2.71%
- EPS (basic):44k



### **Bank Profit & Loss**

- Gross Earnings : N73.1 bn (N70.2 bn Qtr 3 2013)
- Interest income : N55.2 bn (N56.5 bn Q3 2013)
- Net interest income : N37.5 bn (N40.2 bn Qtr 3 2013)
- Net operating income : N54.0 bn (N45.8 bn Qtr 3 2013)
- Operating expenses : N42.1 bn (N41.1 bn Qtr 3 2013)
- Profit before tax : N11.9 bn (N11.7 bn Qtr 3 2013)
- Profit after tax : N11.8bn (N12.4bn in Qtr 3 2013)

### **Bank Balance Sheet**

- Loans and advances to customers (net): N253.3 bn (up 40% from N180.6bn September 2013; N210.1bn December 2013)
- Customer Deposits : N490.7 bn (N472.4 bn June 2014; N480.0 bn December 2013)
- Total Assets : N888.3bn (N869.5 bn September 2013; N882.1 bn December 2013)
- Shareholders' Equity: N195.4 bn(N187.8 bn December 2013)

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

Net Interest Margin 8.37%

Capital adequacy ratio: 20%

Liquidity ratio: 44.49% (CBN Statutory minimum 30%)

Loan/deposit ratio: 56.9%

NPL ratio: 6.3%

ROE: 8.23% (2.8% December 2013)

Cost of Risk: 2.97%

EPS (basic): 70k

For the detailed Profit and Loss Account, Balance Sheet, Cash flow 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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