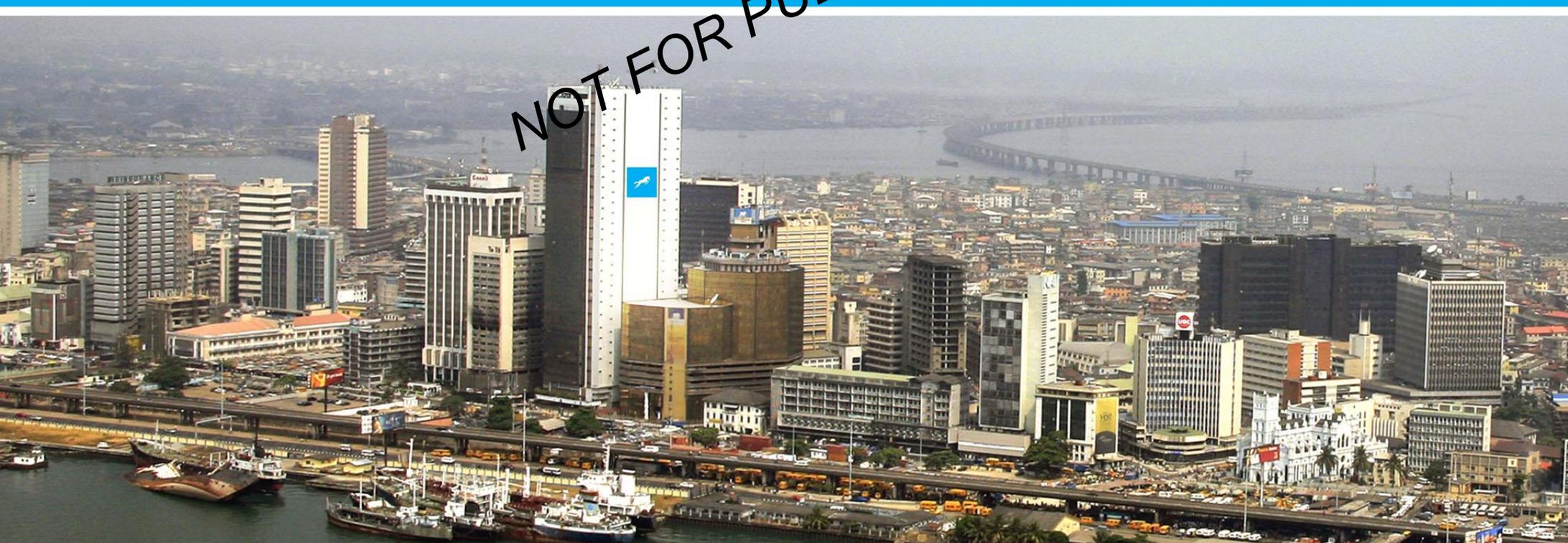


Facts Behind the Figures FY 2015 & Q1 2016

April 21, 2016

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These forward-looking statements are not guarantees of future performance. Rather, they are based on current views and assumptions and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of the Company and/or its Group and are difficult to predict, that may cause actual results to differ materially from any future results or developments expressed or implied from the forward-looking statements. Such risks and uncertainties include, but are not limited to, regulatory developments, competitive conditions, technological developments and general economic conditions. The Bank assumes no responsibility to update any of the forward looking statements contained in this presentation.

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Overview of Union Bank

Financial Performance

2016 Expectations

Q & A

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SMARTER BANKING, SMARTER LIFE.



UNIONMOBILE



UNIONONLINE



DEBIT CARD



ATM



SMARTER BANKING
CENTRE

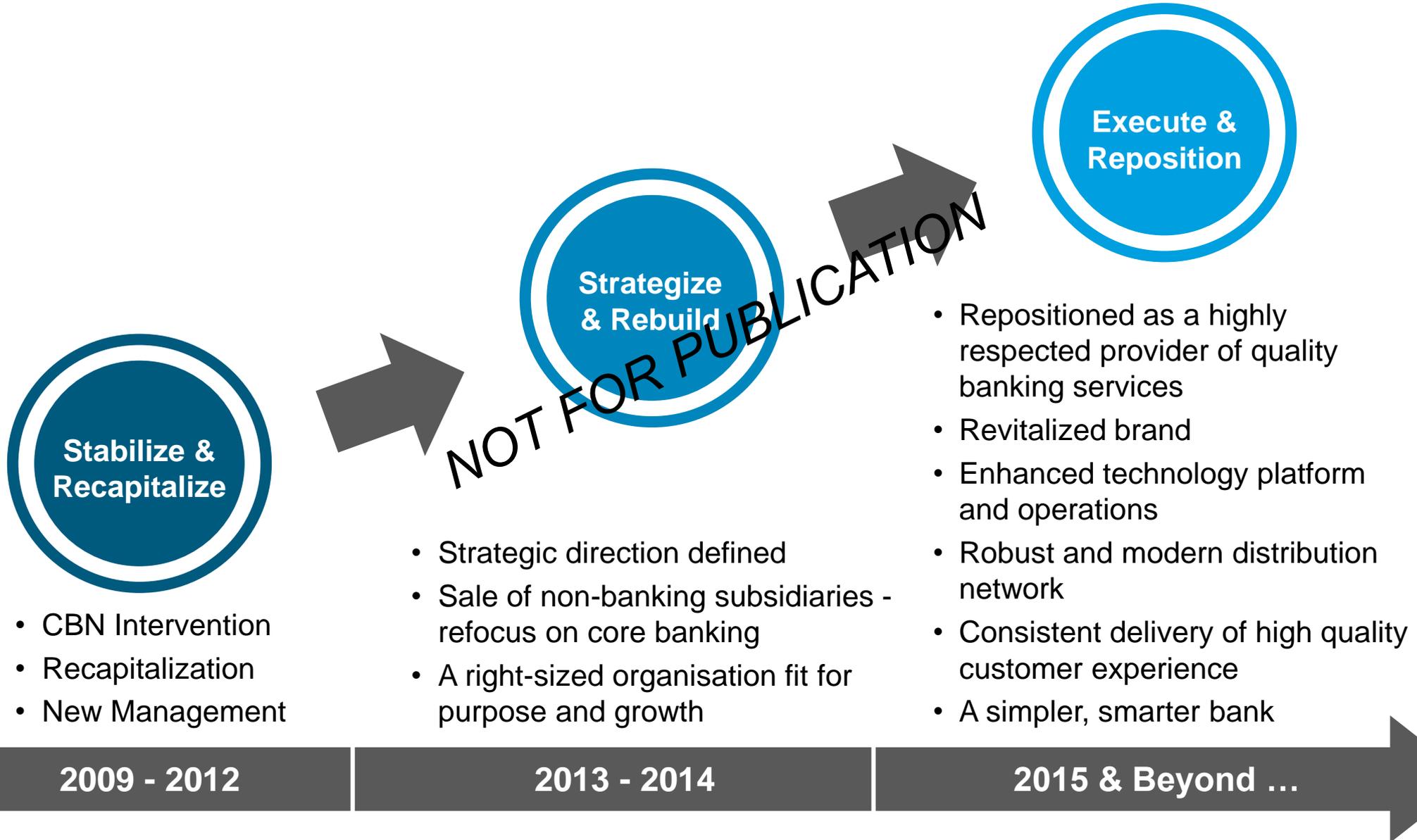
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Overview of Union Bank

Overview of Union Bank

- Union Bank (“UBN”) was established in 1917 and is one of Nigeria’s long-standing and most respected financial institutions. We offer a portfolio of banking services to individual, SME, commercial and corporate clients.
- Following the banking crisis in 2009 and the intervention of the Central Bank of Nigeria (CBN) via AMCON, the bank was recapitalized in 2012.
- With new leadership, UBN redefined its ambition and mapped out a strategy to be a highly respected provider of quality banking services. Execution of this strategy is underway, leveraging a robust transformation team largely focused on people, processes and technology.
- Having divested of almost all non-banking subsidiaries, UBN is now focused on banking as its core business, with a subsidiary in the UK.
- We launched our new identity in 2015; a simpler and more energised brand. The new brand identity positions the Bank competitively in the industry with better opportunity to deepen existing customer relationships and attract a new base of customers.
- With an unrelenting commitment to our transformation, we are repositioning Union Bank as a strong player in the Nigerian banking sector – ***A Simpler, Smarter Bank.***

Union Bank – Our Journey to A Simpler, Smarter Bank



Our Leadership Team



Cyril Odu
Chairman



Emeka Emuwa
Chief Executive Officer
26+ years experience in banking



Kandolo Kasongo
Chief Risk Officer
32+ years experience in banking



Oyinkan Adewale
Chief Financial Officer
32+ years Chartered Accountant, 27+ years experience in banking



Emeka Okonkwo
Head, Corporate Banking
24+ years experience in banking



Anokwile Sonola
Head, Commercial Banking
23+ years experience in banking



Carlos Wanderley
Head, Retail Banking
24+ years experience in retail & banking



Ibrahim Kwargana
Head, Public Sector & Government Relations
26+ years experience in banking



Lucky Jayaratne
Head, IT & Operations
35+ years experience in banking



Joseph Mbulu
Head, Transformation
24+ years experience in business transformation & banking



Lola Cardoso
Head, Corporate Strategy
18+ years experience in strategy & banking



Miyen Swomen
Head, Human Resources
20+ years experience in HR, strategy & banking

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Our Ambition and Strategic Pillars

We aspire to be a highly respected provider of quality banking services



A leading mid-tier Bank by 2018, on a trajectory to be top tier by 2020

Our Robust Transformation Plan

Portfolio Enhancements

- Enhance **Business Model** and Drive **Market Penetration**
- Develop Focused Strategy across **Retail, Commercial, Corporate and Treasury**
- Enhance Targeted Product Offerings (**Retail Products, Trade, Transaction Services & Value Chain, Treasury/FX**)
- Grow **Public Sector** Business

Service Delivery and Positioning

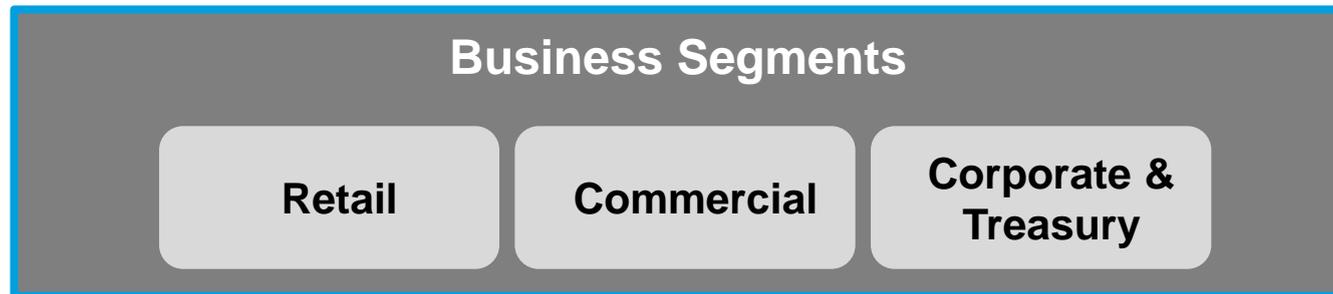
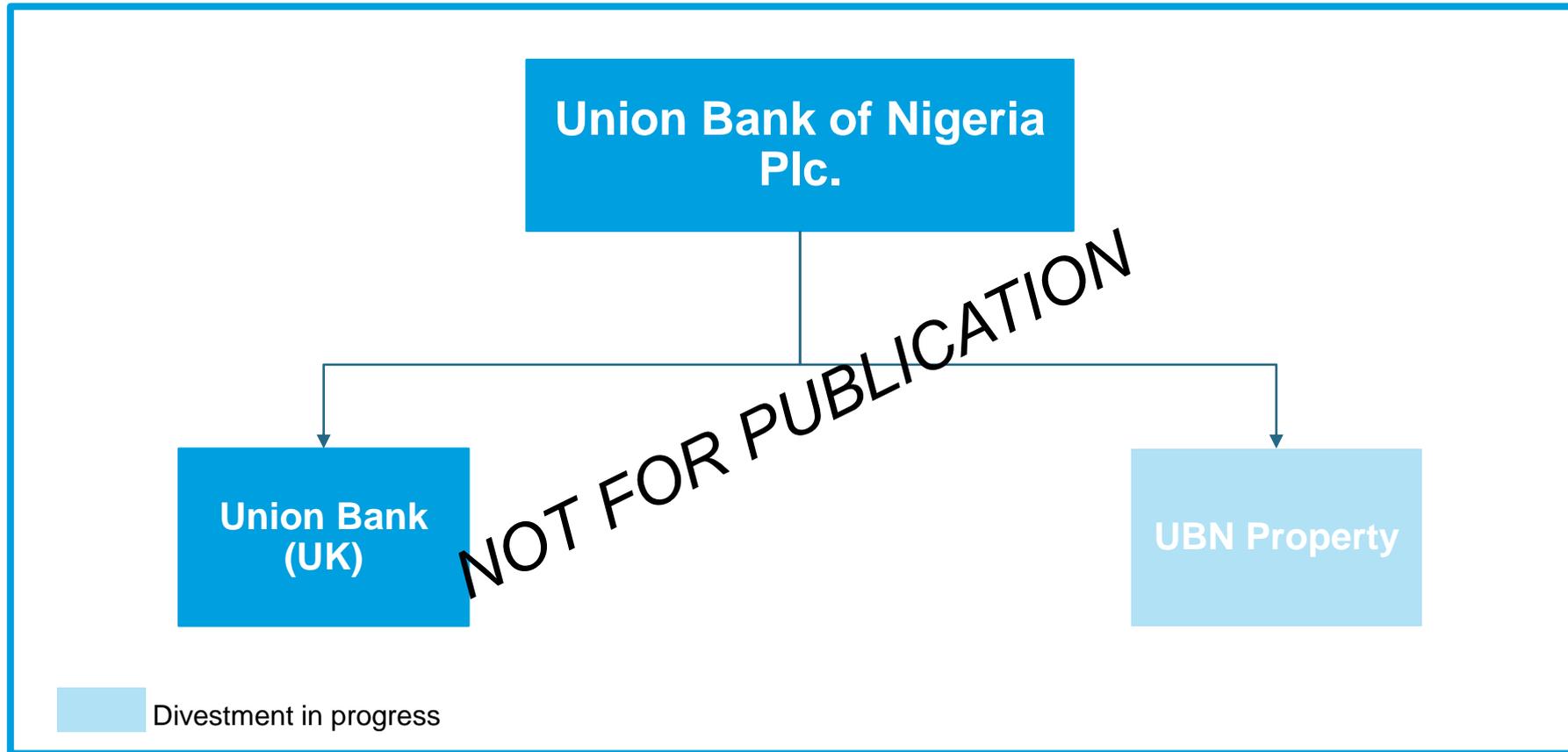
- Optimize **Alternative Channels & Branch Network**
- Enhance **People and Culture**
- Improve **Operations and Drive Service Excellence**
- Invest and Leverage **Technology**
- Enhance **Communication and UBN Brand**

Best-in-Class Operations

- Enhance **Risk and Compliance Standards**
- Drive **Cost Transformation**
- Improve **Procurement and Services**
- Enhance **Finance and MIS**

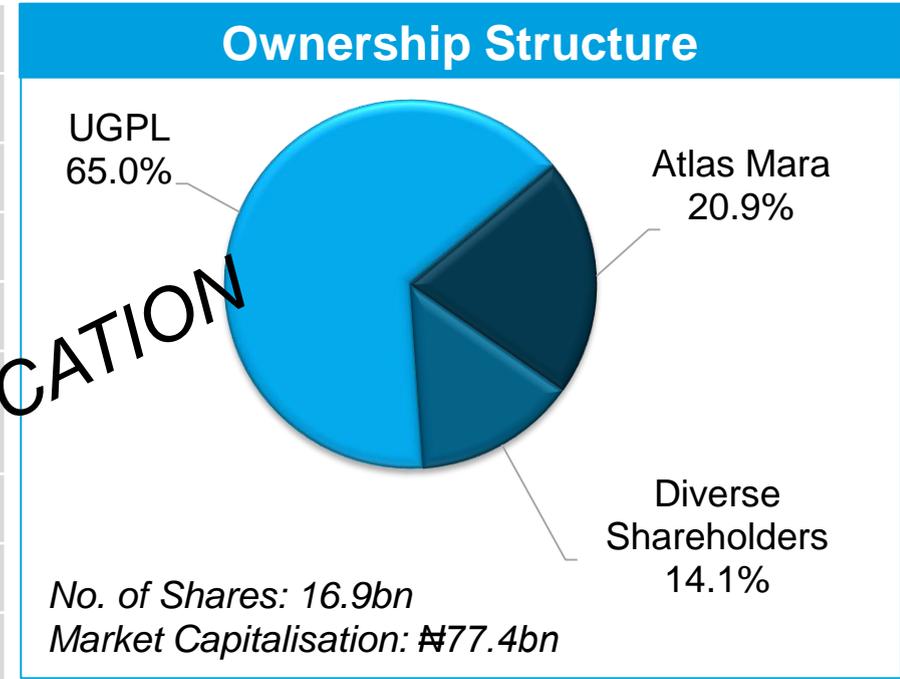
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Corporate Structure and Business Segments



Union Bank as at March 2016

Total Equity	₦230bn	
Total Assets	₦1,013bn	
Active Customers	> 1.8m	
Employees	2,675	
Channels	325 Sales & Service Centres	
	705 ATMs 5,127 POS	UnionMobile UnionOnline
Auditors	KPMG Professional Services	
Credit Rating Agency	Fitch: B- Long term	
	GCR: A2 Short Term, BBB+ Long Term	



Awards

- “Best bank to support Nigeria’s small and medium scale enterprises” - *Business Day*
- “Best participating bank in Nigeria” – *CBN Agricultural Credit Guarantee Scheme Fund*
- “Best Commercial Agriculture Bank” - *Nigeria Agriculture Awards*
- “Cashless POS Activation Champion” – *Mastercard*

- Union Global Partners Limited consists of:
- African Capital Alliance
 - Standard Chartered Private Equity
 - African Development Corporation (ADC)
 - Corsair Capital
 - FMO (Netherlands Development Finance Co.)
 - Chandler Corporation

Solid Performance Trajectory

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014*</u>	<u>2015*</u>
Gross Earnings (₦'bn)	71.2	96.5	103.2	109.8	118.4
Profit Before Tax (₦'bn)	(102.6)	3.4	4.2	20.7	18.1
Deposit Growth	(33%)	21%	0%	6%	12%
Loan Growth	(16%)	(4%)	55%	41%	14%
Cost To Income Ratio	183%	96%	71%	67%	67%
Non Performing Loan Ratio	5.1%	6.7%	5.9%	5.1%	6.99%
Loan to Deposit Ratio	36%	31%	48%	64%	65%
Return On Equity	(428%)	1.8%	2.8%	10.4%	8.1%
Return On Assets	(12.3%)	0.4%	0.5%	2.3%	1.8%

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*Includes one-time gain on sale of subsidiaries: N3.6bn in 2015; N6.3bn in 2014



**SET YOUR TARGET,
HIT YOUR GOAL!**

BECOME A MILLIONAIRE WITH UNIONGOAL.

uniongoal



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**Financial
Performance**

Bank's Key Achievements - FY 2015

Profit Before Tax (PBT)

- ₦18.1bn (₦20.7bn in 2014)
- Excluding gain on sale of subsidiaries*, PBT of ₦14.6bn at par with prior year ₦14.4bn

Gross Earnings

- Gross Earnings up 8%
- Excluding gain on sale of subsidiaries, earnings up 11%

Net Interest Income (NII)

- NII up 6% to ₦53.8bn (₦50.6bn in 2014)
- Reflects 14% y/y loan book growth and improved asset yield at 16.4% in 2015 (14.9% in 2014)

Operating Expenses

- Down 2% to ₦66.0bn (₦57.2bn in FY'14); Downward trend since 2012
- Reflects benefits of transformation initiatives over the past 18 to 24 months

Customer Deposits

- Up 12% to ₦569bn (₦507bn Dec 2014),
- Reflects increased customer confidence, a re-energized brand identity, and success of new e-business and retail products

Gross Loans

- Up 14% to ₦371bn (₦326bn Dec 2014),
- Slowed down risk asset growth from 2014 (growth of 41% when compared to 2013)

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*One-time gain on sale of subsidiaries: ₦3.6bn in FY'15; ₦6.3bn in FY'14;

Bank's Key Achievements - Q1 2016

Profit Before Tax (PBT)

- ~~₹~~4.7bn (~~₹~~4.9bn in Q1'15)
- Excluding gain on sale of subsidiaries*, PBT up 85% (~~₹~~4.7bn Q1'16 vs. ~~₹~~2.5bn Q1'15)

Gross Earnings

- ~~₹~~26.6bn (~~₹~~29.0bn in Q'15)
- Excluding gain on sale of subsidiaries*, earnings of ~~₹~~26.6bn at par with prior year

Net Interest Income (NII)

- Up 37% to ~~₹~~13.3bn (~~₹~~9.7bn in Q1'15)
- Interest income up 5% from improved asset yield at 15.6% in Q1'16 (14.36% in Q1'15)
- Interest expense down 16% from lower cost of funds at 4.73% in Q1'16 (6.07% in Q'15)

Operating Expenses

- ~~₹~~14.2bn (~~₹~~13.7bn in Q1 2015), an expected increase of 3%
- Impact of budgeted investments in technology and network infrastructure

Customer Deposits

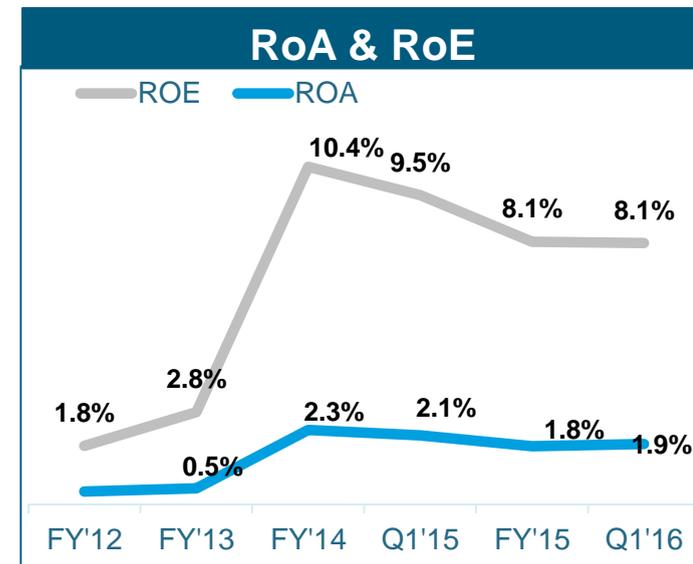
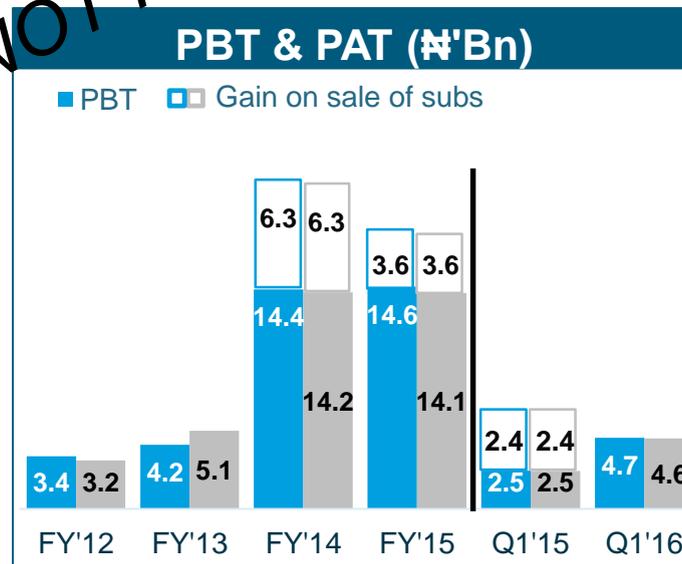
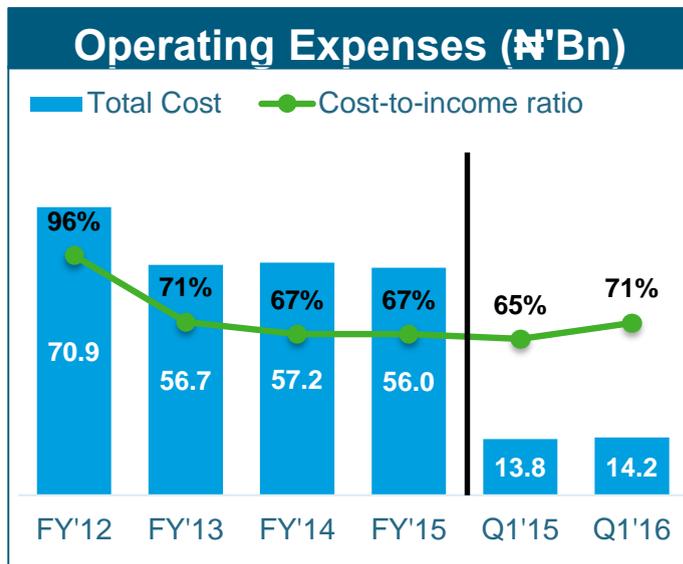
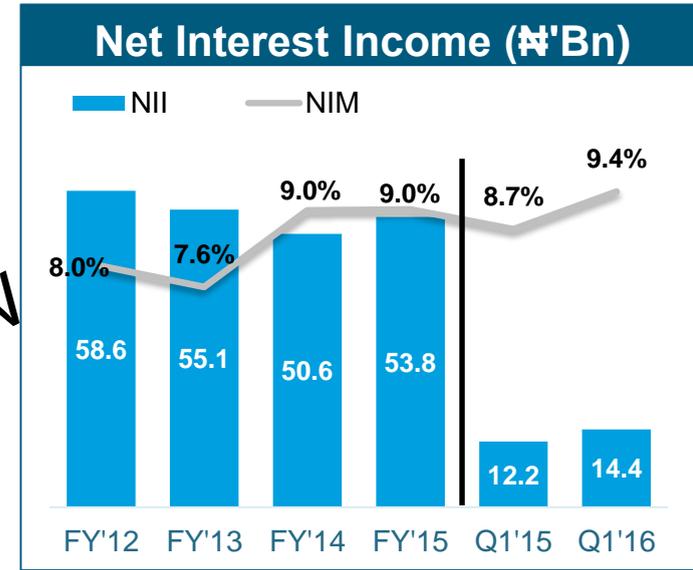
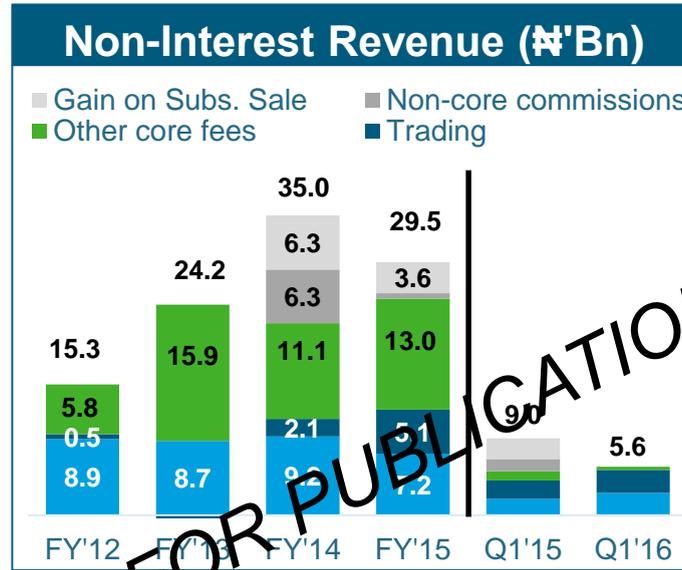
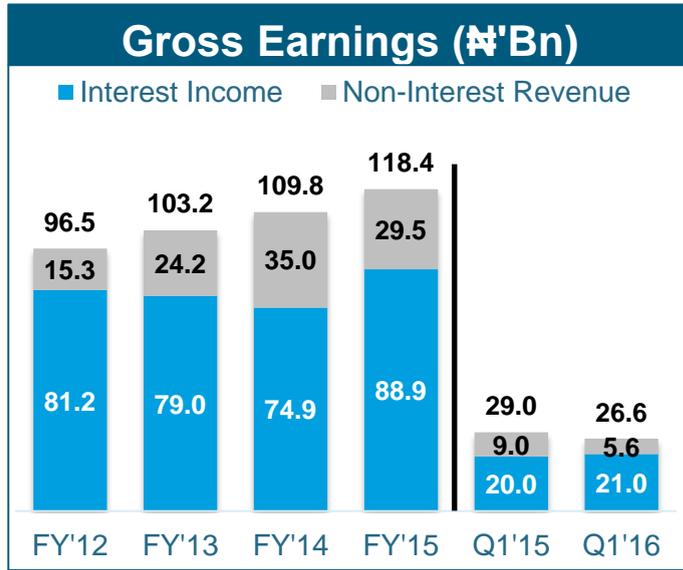
- Up 9% to ~~₹~~587bn (~~₹~~539.4bn Mar'15) reflects growing customer confidence in the re-energised brand

Gross Loans

- Up 2% to ~~₹~~383.6bn (~~₹~~370.9.bn Dec'15)
- Reflects cautious loan growth in targeted sectors of the economy

*One-time gain on sale of subsidiaries: Nil in Q1'16; ~~₹~~2.4bn in Q1'15

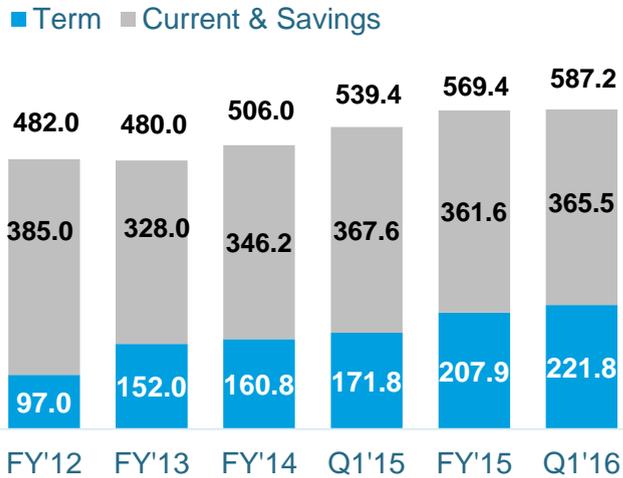
Consistent Earnings Growth and Profitability Drive



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Consistent Balance Sheet Growth

Deposits (₹'Bn)



Gross Loans (₹'Bn)



Asset Quality Mar'16

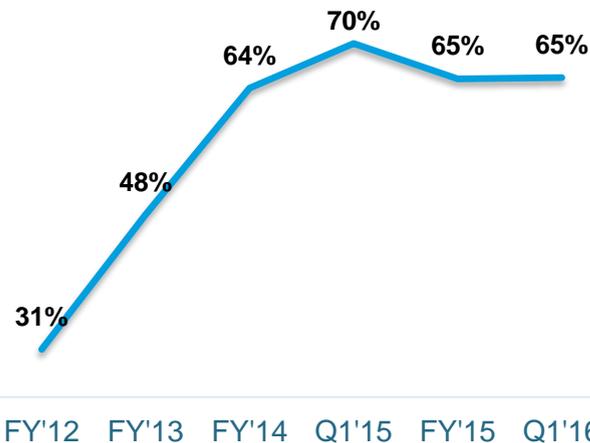
NPL Ratio
6.93%

Dec'15: 6.99% Mar'15: 6.01%

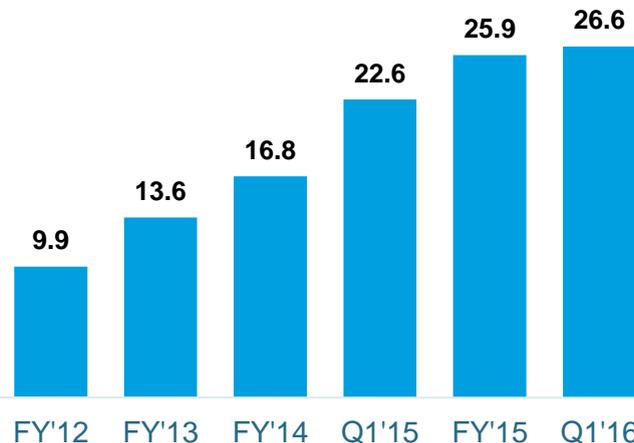
Coverage Ratio*
196%

Dec'15: 177% Mar'15: 158%

Loan to Deposit Ratio



Non Performing Loans (₹'Bn)



Capital Adequacy Ratio
15.4%

Dec'15: 15.3% Mar'15: 15.2%

Liquidity Ratio
45%

Dec'15: 43% Mar'15: 37%

*Includes regulatory risk reserves



**OLD GENERATION STYLE,
MEET NEW GENERATION VIBE**

DISCOVER THE NEW WAYS
WE ARE WORKING TO SERVE
YOU BETTER.



2016 Expectations

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Priorities for Sustained Growth

Execution

- Client retention and acquisition
- Risk management and recoveries
- Capital and liquidity management
- Cost management
- Best-in-class risk and compliance standards

Growth

- Deposits and transactional income
- Domestic and foreign trade book
- Retail business
- Public sector business
- Value chain opportunities

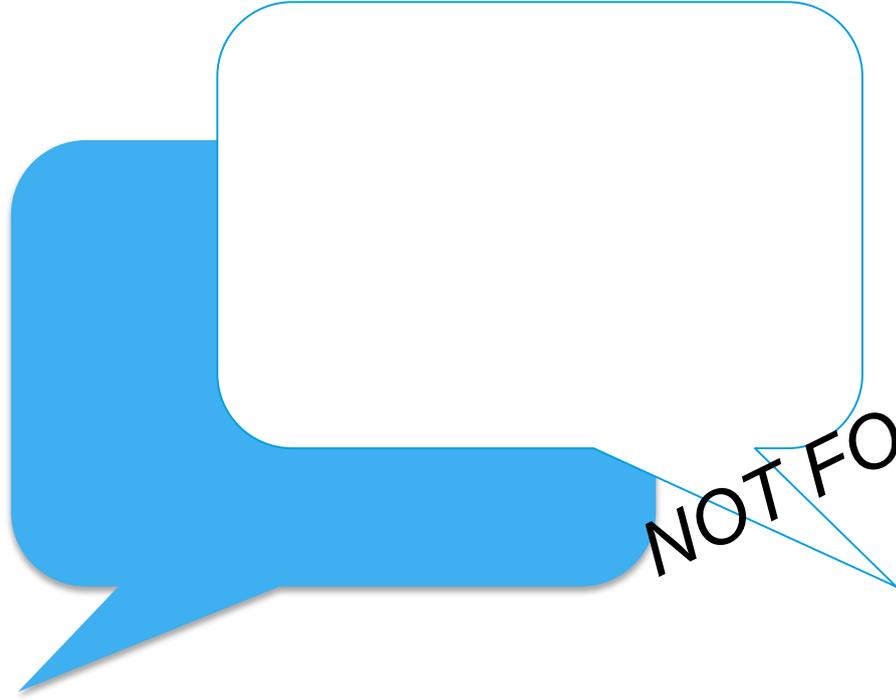
Innovation

- Technology platforms
- Branch network and channel optimization
- Business process improvement
- Strategic partnerships

Positioning

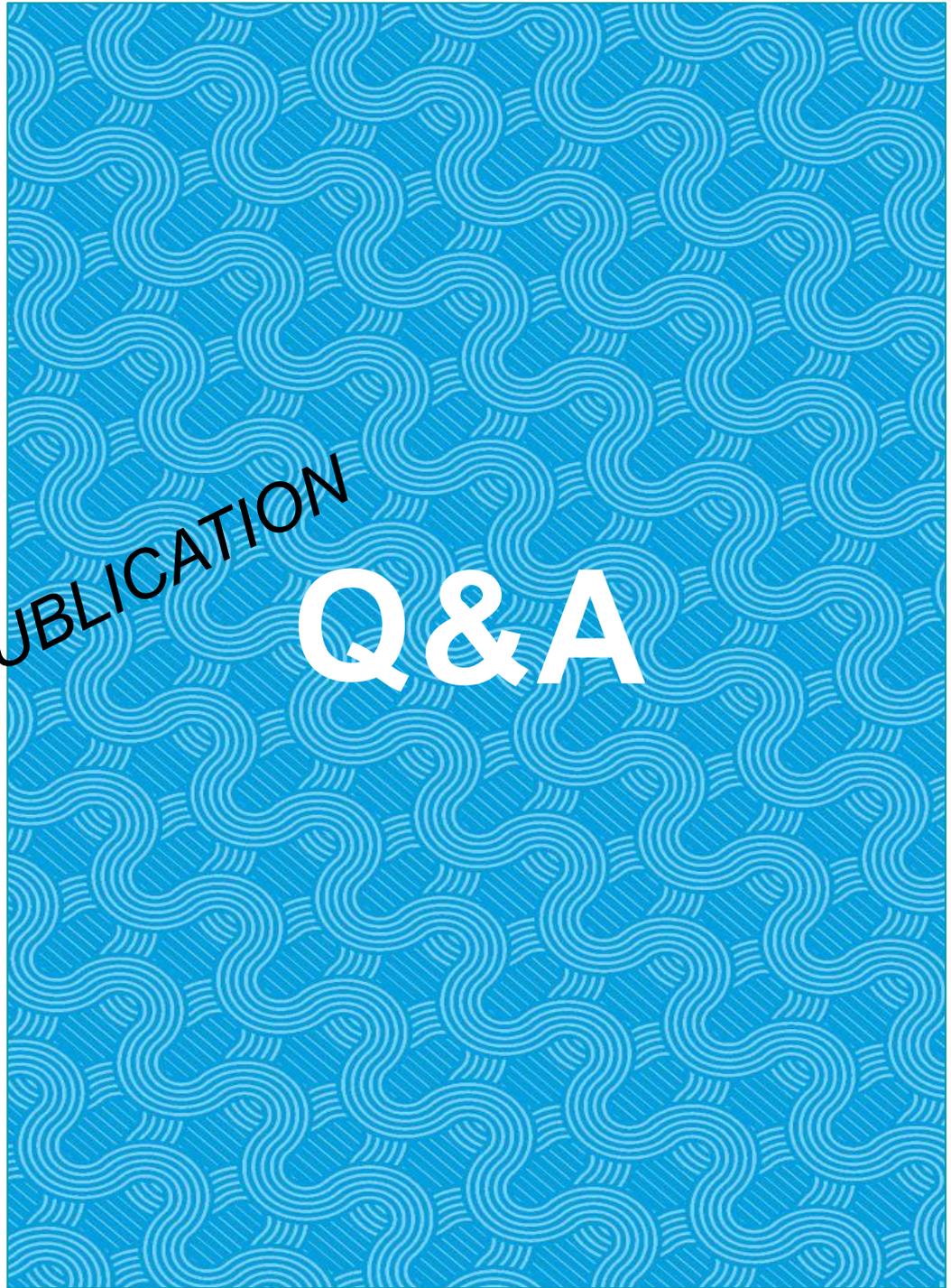
- Revitalized brand
- Sales and service excellence
- Employer of choice
- Simpler and smarter bank

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Q&A





unionbank

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SAVE BIG DO GREAT THINGS

₦12million to be won every quarter

unionkorrekt
exclusive



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CPC
National Lottery Regulatory Commission
Lagos State Lotteries Board

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Appendix - Bank Financial Performance

Bank Financial Highlights

		FY 2015	FY 2014	Δ	Q1 2016 *	Q1 2015 *	Δ
Balance Sheet (₹ 'bn)	Assets	998.1	920.2	8.5%	1,013.4	998.1	2%
	Gross Loans	370.9	325.7	14%	383.6	370.9	3%
	Customer Deposits	569.1	507.4	12%	587.2	569.1	3%
	Equity	230.1	205.3	12%	230.0	230.1	(0%)
Key Ratios	Loan to Deposit	65%	64%	1%	65%	70%	(4%)
	Non Performing Loans	6.99%	5.14%	(1.85%)	6.93%	6.01%	0.92%
	Capital Adequacy	15.3%	16.4%	(1%)	15.4%	15.3%	0.1%
	Liquidity Ratio	43%	43%	(0%)	45%	37%	7%
Income Statement (₹ 'bn)	Gross Earnings	118.4	109.8	8%	26.6	29.0	(8%)
	Gross Earnings*	114.8	103.5	11%	26.6	26.6	0%
	Net Interest Income	43.8	50.6	6%	14.4	12.2	19%
	Operating Expenses	56.0	57.2	2%	(14.2)	(13.8)	3%
	Profit Before Tax	18.1	20.7	(12%)	4.7	4.9	(6%)
	Profit Before Tax*	14.6	14.4	1%	4.7	2.5	85%
	Profit After Tax	17.7	20.5	(13%)	4.6	4.9	(6%)
	Profit After Tax*	14.1	14.2	(1%)	4.6	2.5	85%
Key Ratios	Net Interest Margin	9.0%	9.0%	-	9.4%	8.7%	0.7%
	Cost to Income	67%	67%	-	71%	77%	(6%)
	Return on Equity*	8.1%	10.4%	(2.3%)	8.1%	4.8%	3.3%
	Return on Asset*	1.8%	2.3%	(0.5%)	1.9%	2.1%	(0.2%)
	Earnings Per Share	N13.62	N12.12	12%	27k	29k	(2k)
	Earnings Per Share*	105k	121k	(16k)	27k	15k	12k

*Excludes one-time gain (loss) on sale of subsidiaries: FY'15 - ₹3.6bn; FY'14 - ₹6.3bn;
Q1'16 - Nil, Q1'15 - ₹2.4bn);

FY 2015 Performance - Bank Profit and Loss Statement

	FY 2015 ₹'million	FY 2014 ₹'million	% change
Gross earnings	118,336	109,821	8%
Interest income	88,879	74,863	19%
Interest expense	(35,097)	(24,237)	45%
Net interest income	53,782	50,626	6%
Impairment charge for credit loss	(9,881)	(3,307)	>100%
Net interest income after impairment charge	43,901	47,319	(7%)
Net trading income	5,136	2,069	148%
Gain on sale of subsidiaries	3,591	6,315	(43%)
Fees, commissions and other operating Income	20,760	26,575	(22%)
Non interest income	29,487	34,958	(16%)
Operating Income	73,388	82,277	(11%)
Net impairment loss on financial assets	704	(4,364)	(100%)
Operating expenses	(55,951)	(57,222)	(2%)
Profit before tax	18,141	20,691	(12%)
Income tax expense	(420)	(205)	>100%
Profit after tax	17,721	20,486	(13%)

Q1 2016 Performance - Bank Profit and Loss Statement

	Q1 2016 ₹'million	Q1 2015 ₹'million	% change
Gross earnings	26,600	29,018	(8%)
Interest income	21,021	20,046	5%
Interest expense	(6,588)	(7,878)	(16%)
Net interest income	14,433	12,168	19%
Impairment charge for credit loss	(1,131)	(2,430)	(53%)
Net interest income after impairment charge	13,302	9,738	37%
Net trading income	2,681	2,099	28%
Gain on sale of subsidiaries	-	2,421.00	(100%)
Fees, commissions and other operating Income	2,898	4,452	(35%)
Non interest income	5,579	8,972	(38%)
Operating Income	18,881	18,710	1%
Operating expenses	(14,225)	(13,774)	3%
Profit before tax	4,656	4,936	(6%)
Income tax expense	(46)	(29)	59%
Profit after tax	4,610	4,907	(6%)

FY 2015 & Q1 2016 Performance - Bank Balance Sheet

	Mar-16 ₹'million	Dec-15 ₹'million	% Change
ASSETS			
Cash and cash equivalents	86,133	54,451	58%
Non-pledged trading assets	4,652	-	100%
Pledged assets	67,378	84,728	(20%)
Derivative assets held for risk management	1,722	1,820	(5%)
Loans and advances to customers	358,470	348,984	3%
Investment securities	171,671	209,223	(18%)
Trading properties	1,124	1,124	0%
Investment in subsidiaries	10,567	10,567	0%
Property and equipment	50,269	49,692	1%
Intangible assets (software)	3,102	3,318	(7%)
Deferred tax assets	95,875	95,875	0%
Cash reserve requirement	147,583	127,613	16%
Other assets (excluding CRR)	14,516	10,417	39%
	1,013,062	997,812	2%
Assets classified as held for sale	325	325	0%
TOTAL ASSETS	1,013,387	998,137	2%

FY 2015 & Q1 2016 Performance - Bank Balance Sheet (cont'd)

	Mar-16 ₹'million	Dec-15 ₹'million	% Change
LIABILITIES			
Deposits from banks – FCY	7,642	11,800	(35%)
Deposits from customers	587,236	569,116	3%
Current tax liabilities	276	229	21%
Other liabilities	109,413	106,035	3%
Retirement benefit obligations	3,889	4,230	(8%)
Intervention/On-lending funds	17,763	18,778	(5%)
Other borrowed funds – FCY	57,546	57,281	0%
TOTAL LIABILITIES	783,765	767,469	2%
EQUITY			
Share capital and share premium	400,109	400,109	0%
Retained earnings / (accumulated loss)	(249,028)	(249,490)	(0%)
Other reserves	78,541	80,049	(2%)
Equity attributable to equity-holders of the bank	229,621	230,668	(0%)
TOTAL LIABILITIES AND EQUITY	1,013,386	998,137	2%

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Save Small
DO BIG THINGS

UnionKorrect ✓



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Appendix -

**Group Financial
Performance**

Group Financial Highlights

		FY 2015	FY 2014	Δ	Q1 2016 *	Q1 2015 *	Δ
Balance Sheet (₹ 'bn)	Assets	1,046.9	1008.5	4%	1,087	1,047	4%
	Gross Loans	366.6	336.4	9%	397.6	388.8	2%
	Customer Deposits	570.6	527.6	8%	602.7	570.6	6%
	Equity	243.0	243.9	(0%)	243.0	243.9	0%
Key Ratios	Loan to Deposit	68%	64%	4%	66%	68%	(2%)
	Non Performing Loans	6.67%	5.03%	1.64%	6.69%	6.67%	0.01%
Income Statement (₹ 'bn)	Gross Earnings	117.2	134.9	(14%)	27.3	27.3	0%
	Gross Earnings*	117.5	120.2	(2%)	27.3	27.5	(1%)
	Net Interest Income	55.7	52.1	7%	14.9	12.6	18%
	Operating Expenses	58.2	59.4	(2%)	14.7	14.4	2%
	Profit Before Tax	14.5	27.7	(47%)	4.8	2.5	93%
	Profit Before Tax*	14.9	12.0	24%	4.8	2.7	79%
	Profit After Tax	14.0	26.8	(48%)	4.7	2.4	96%
	Profit After Tax*	14.3	11.1	29%	4.7	2.6	82%
Key Ratios	Net Interest Margin	8.4%	8.2%	0.4%	8.76%	8.04%	0.72%
	Cost to Income	71%	74%	(3%)	71%	74%	(3%)
	Return on Equity	6.0%	12.8%	(6.8%)	7.8%	4.4%	3.4%
	Return on Asset	1.4%	2.7%	(1.3%)	1.8%	1.0%	0.8%
	Earnings Per Share	83k	151k	(68k)	28k	14k	14k
	Earnings Per Share*	85k	66k	19k	28k	15k	13k

*Excludes one-time gain (loss) on sale of subsidiaries: FY'15 - (₹0.3bn); FY'14 - ₹15.7bn;
Q1'16 - Nil, Q1'15 - (₹0.2bn);

FY 2015 Performance - Group Profit and Loss Statement

	FY 2015 ₹'million	FY 2014 ₹'million	% change
Gross earnings	117,211	135,898	(14%)
Interest income	90,902	76,373	19%
Interest expense	(35,219)	(24,317)	45%
Net interest income	55,683	52,056	7%
Impairment charge for credit loss	(9,948)	(4,828)	>100%
Net interest income after impairment charge	45,735	47,228	(3%)
Net trading income	5,231	2,154	>100%
Gain on sale of subsidiaries	(332)	15,689	(<100%)
Fees, commissions and other operating income	21,268	26,296	(19%)
Non interest income	26,167	44,139	(41%)
Operating Income	71,902	91,367	(21%)
Net impairment loss on financial assets	704	(4,823)	(<100%)
Operating expenses	(58,164)	(59,419)	(2%)
Share of profit of equity accounted investee	-	(6)	(100%)
Profit before tax from discontinued operations	106	591	(82%)
Profit before tax	14,548	27,710	(47%)
Income tax expense	(561)	(883)	(36%)
Profit after tax	13,987	26,827	(48%)

Q1 2016 Performance - Group Profit and Loss Statement

	Q1 2016 ₹'million	Q1 2015 ₹'million	% change
Gross earnings	27,275	27,283	(0%)
Interest income	21,488	20,530	5%
Interest expense	(6,599)	(7,912)	(17%)
Net interest income	14,889	12,618	18%
Impairment charge for credit loss	(1,140)	(2,432)	(53%)
Net interest income after impairment charge	13,749	10,186	35%
Net trading income	2,740	2,135	28%
Gain on sale of subsidiaries	0	(185)	(100%)
Fees, commissions and other operating income	3,047	4,661	(35%)
Non interest income	5,787	6,611	(12%)
Operating Income	19,536	16,797	16%
Operating expenses	(14,741)	(14,414)	2%
Profit before tax from discontinued operations	-	106	(100%)
Profit before tax	4,795	2,489	93%
Income tax expense	(76)	(85)	(11%)
Profit after tax	4,719	2,404	96%

FY 2015 & Q1 2016 Performance - Group Balance Sheet

	Mar-2016 ₹'million	Dec-2015 ₹'million	% Change
ASSETS			
Cash and cash equivalents	142,352	82,252	73%
Non-pledged trading assets	4,652	-	>100%
Pledged assets	67,378	84,728	(20%)
Derivative assets held for risk management	1,722	1,820	(5%)
Loans and advances to customers	372,408	366,721	2%
Investment in equity accounted investee	24	24	0%
Investment securities	178,496	215,137	(17%)
Trading properties	2,608	3,177	(18%)
Investment properties	4,511	4,546	(1%)
Property and equipment	50,341	49,772	1%
Intangible assets (software)	3,504	3,749	(7%)
Deferred tax assets	95,882	95,883	(0%)
Cash reserve requirement	147,583	127,613	16%
Other assets (excluding CRR)	15,214	11,073	37%
	1,086,675	1,046,495	4%
Assets classified as held for sale	397	397	0%
TOTAL ASSETS	1,087,072	1,046,892	4%

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FY 2015 & Q1 2016 Performance - Group Balance Sheet (cont'd)

	Mar-2016 ₹'million	Dec-2015 ₹'million	% change
LIABILITIES			
Deposits from banks – FCY	50,634	44,091	15%
Deposits from customers	602,666	570,639	6%
Current tax liabilities	579	382	52%
Other Liabilities	110,954	107,533	3%
Retirement benefit obligations	3,921	4,267	(8%)
Intervention/On-lending funds	17,763	18,778	(5%)
Other borrowed funds – FCY	57,546	57,281	0%
Total Liabilities	844,063	802,971	5%
EQUITY			
Share capital and share premium	400,109	400,109	0%
Retained earnings / (accumulated loss)	(244,352)	(245,020)	(0%)
Other reserves	81,911	83,495	(2%)
Equity attributable to equity-holders of the bank	237,668	238,584	(0%)
Non-controlling interest	5,341	5,337	
Total Equity	243,009	243,921	(0%)
Total Liabilities and Equity	1,087,072	1,046,892	4%

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