

# 9M 2017 Financial Results Presentation

November 7, 2017



# Disclaimer

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This presentation contains or incorporates by reference ‘forward-looking statements’ regarding the belief or current expectations of Union Bank Plc, the Directors and other members of its senior management about the Group’s businesses and the transactions described in this presentation. Generally, words such as “could”, “will”, “expect”, “intend”, “anticipate”, “believe”, “plan”, “seek” or similar expressions identify forward-looking statements.

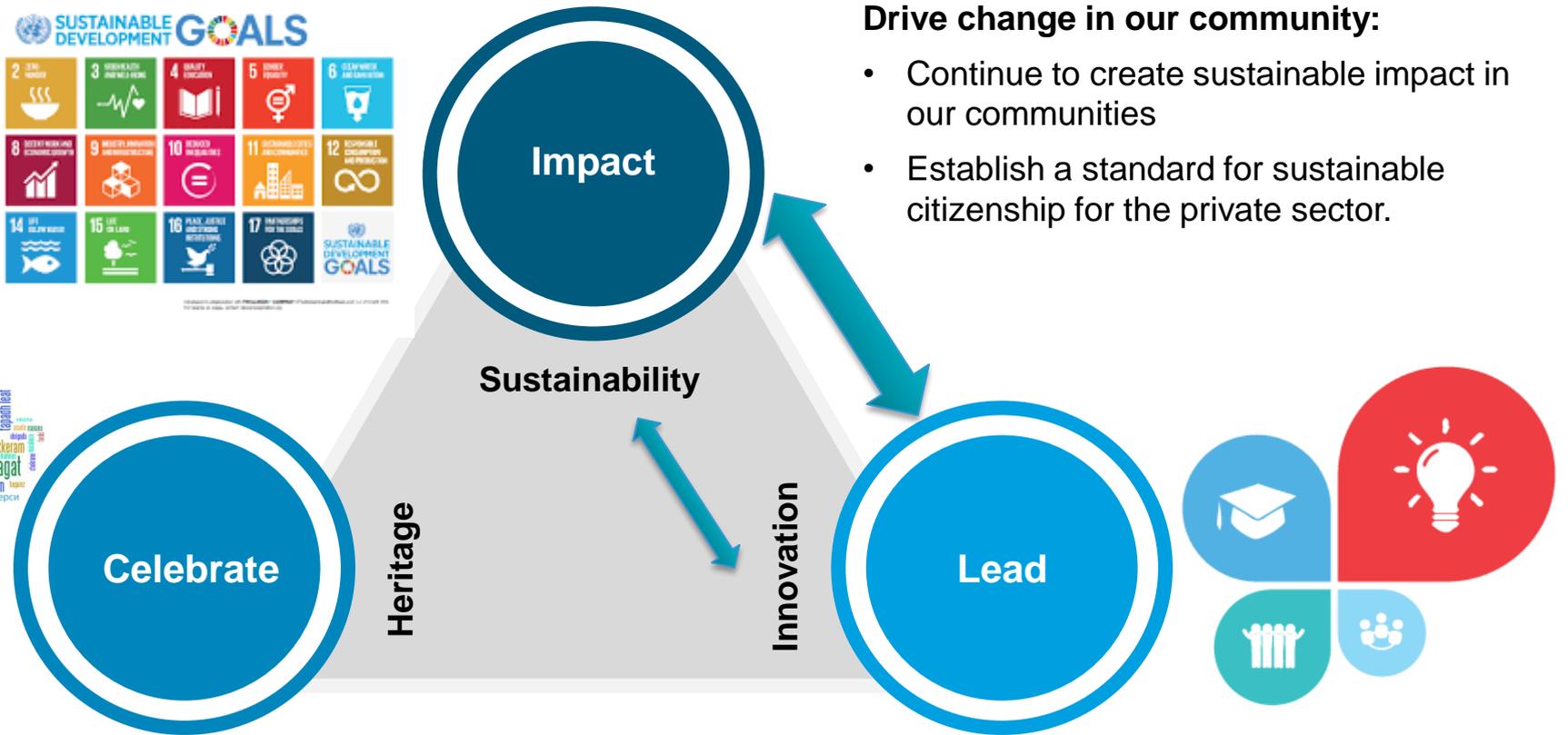
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# UBN – Celebrating 100 Years of Strength, Reliability and Growth

1917 - 1970	1971 - 1990	1991 - 2008	2009 - 2012	2013 - 2015	2016 - 2017
<p><b>1917</b> Established as Colonial Bank</p> <p><b>1925</b> Became Barclays Bank DCO, 2<sup>nd</sup> commercial bank in Nigeria</p> <p><b>1969</b> Became Barclays Bank of Nigeria Ltd.</p> <p><b>1970</b> Grew branch network to 59</p>	<p><b>1971</b> Listed on the Nigerian Stock Exchange</p> <p><b>1979</b> Became Union Bank of Nigeria Plc.</p> <p><b>1983</b> Opened full-fledged branch in London</p>	<p><b>1999</b> 2<sup>nd</sup> largest branch network with ~280 branches</p> <p><b>2004</b> Established UK subsidiary</p> <p><b>2005</b> Acquired Universal Trust Bank &amp; Broad Bank</p> <p>Received Nigeria's Best Bank Awards in 2000-2, 2004, 2006</p>	<p><b>2009</b> Banking crisis / CBN intervention</p> <p><b>2012</b> 3<sup>rd</sup> largest branch network with ~350 branches</p> <p><b>2012</b> Recapitalization with UGPL as core investors</p>	<p><b>2013</b> Strategy redefined with new management</p> <p><b>2014</b> Sale of subsidiaries with focus on core banking</p> <p><b>2015</b> Huge investments in people, process &amp; technology</p> <p><b>2015</b> Launched re-energized brand. Awards received</p>	<p><b>2016</b> Received most improved retail bank award</p> <p><b>2016</b> Simpler, Smarter Bank</p> <p><b>2017</b> 100 1917-2017</p> 

# Union @ 100 – Celebrate. Impact. Lead.



## Drive change in our community:

- Continue to create sustainable impact in our communities
- Establish a standard for sustainable citizenship for the private sector.

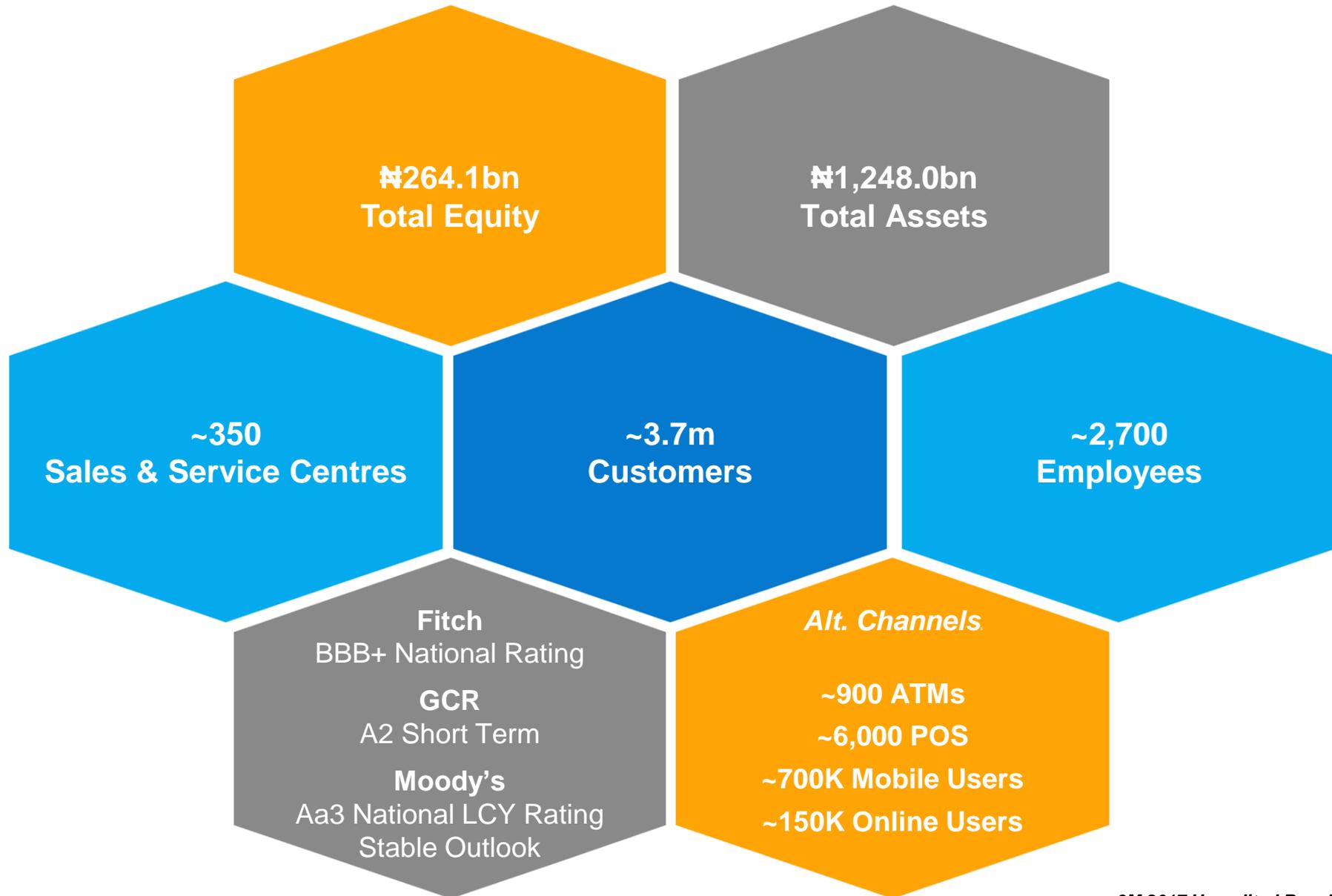
We have a rich, long heritage made possible by key stakeholders in our journey and we must celebrate them:

- **Employees, Customers, Alumni, Other stakeholders**

## How we will lead in the future:

- Be at the leading edge of innovation, placing emphasis on enhancing customer experience and driving social innovation

# Union Bank at a Glance (as of September 2017)





## Do betta with UnionBetta!

Earn 7% interest when you start saving with as little as N5,000. To make things even betta, Union Bank will make a donation on your behalf to a charitable cause.

Building a simpler, smarter bank.

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**1 The Operating Environment**

**2 Union Bank Update**

**3 9M 2017 Financial Performance**

**4 Looking Ahead**



## Less Stress, More Business

UnionOne helps you manage your finances so you can focus on what matters most to you and your business.

Building a simpler, smarter bank  
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unionone



Make Payments



Track Collections



Check Balance



Safe & Secure

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# The Operating Environment

*Emeka Emuwa*  
*Chief Executive Officer*

# In 2017, the Nigerian economy has seen some ups and downs

## Nigeria is exiting the recession

### Macro-Economic Conditions

- **Slow start to the year**, exiting recession in Q2
- **Declining inflation**, though higher than pre-recession levels
- **Volatile oil prices** – improving reserves
- Domestic commodity prices responding positively to increased harvest output



### Changing Regulation

- **Additional FX windows** restored stability
- **Tight monetary policy** – consistently high rates
- **CBN policies** to boost financial inclusion, agric. and SME



### Socio-Political Development

- **Launch of ERGP 2017-2020**
- **Delayed release of funding**, impacting progress on 2017 plans requiring capital expenditure



### Consumer Trends

- **Consumers are under economic pressure** therefore more “Made in Nigeria” -inclined
- **More tech savvy customers**, and are therefore driving rise of more efficient & service-oriented start-ups

# Current macroeconomic trends in Nigeria reveal some positives

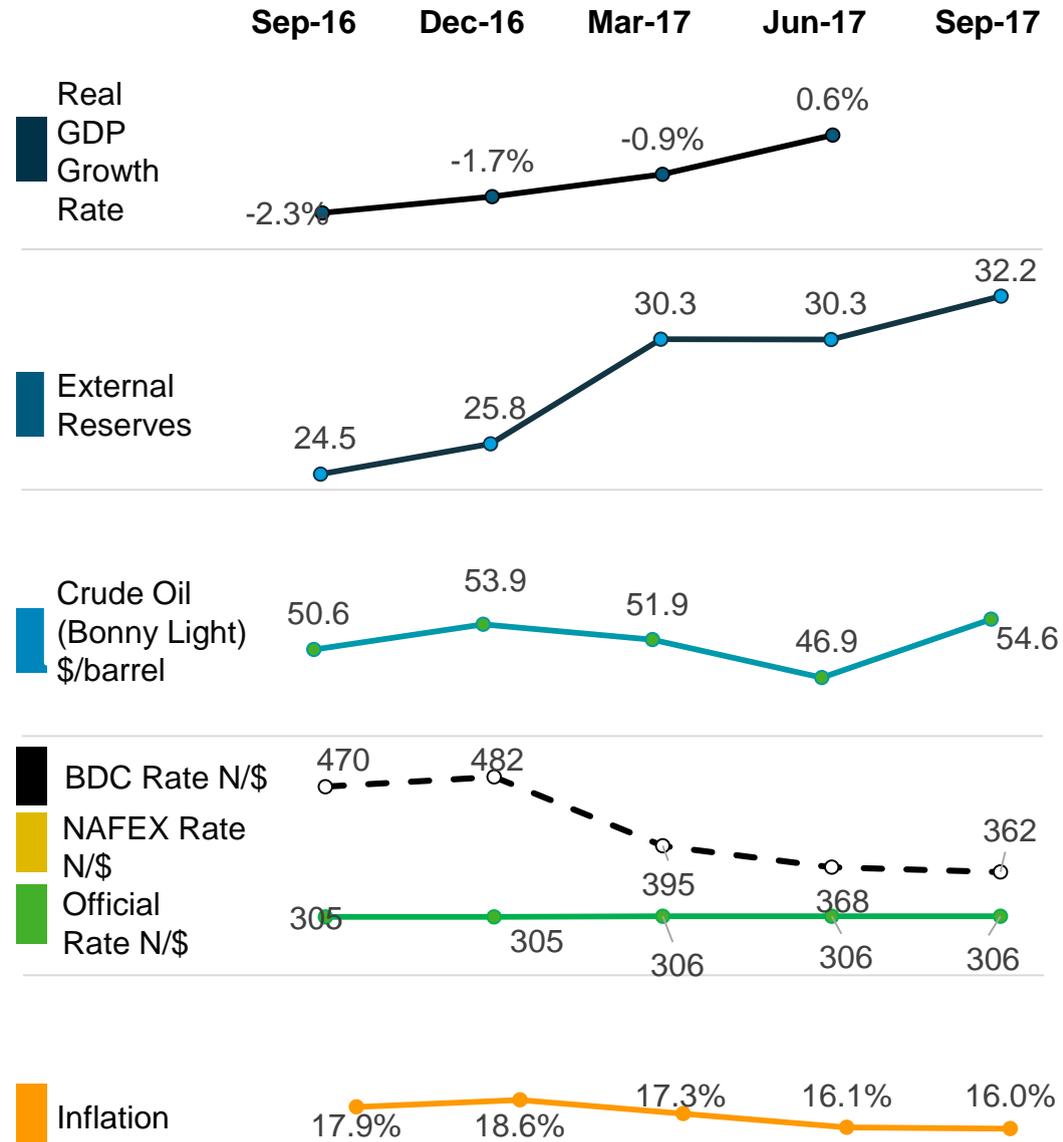
Nigeria's GDP is projected to expand 0.8<sup>1</sup>-1%<sup>2</sup> in 2017. In Q2'17, GDP grew by 0.55% year-on-year following five consecutive quarters of negative growth.

Reserves currently stand at \$33.2bn (as of Nov 3), vs. \$32.2bn in Sept'17, and \$25.8bn in Dec'16.

Crude oil (Bonny Light) was \$64.27 (as of Nov 6), up from \$54.6 in Sept'17 and \$53.90 in Dec'16 (fuelled by higher demand and output cuts limiting supply).

As at Nov 3, the IEFX window closed at ₦360.57/\$. CBN's official FX has rate remained flat at ₦305.85/\$.

In Sept, inflation improved slightly to 15.98%. It reached an all year high of 18.60% in Dec'16 driven by increased price of general consumer goods



# Recent regulatory developments highlight some positives

## Q1 2017

- Flexible FX rules were introduced by the Central Bank of Nigeria (CBN), including the removal of the 60:40 FX allocation to manufacturers

## Q2 2017

- The nationwide implementation of the cashless policy is suspended, with CBN directing banks to revert to old charges and refund debited customers
- A special FX window for SMEs is introduced, to enable operators import eligible items
- A special FX window for investors and exporters is introduced, to improve liquidity in the forex market
- Bank charges were revised, effective May 1

## Q3 2017

- CBN reiterated the IFRS 9 guidance that was released in December 2016, providing guidance for banks to commence the parallel run of IAS 39 and IFRS 9 by October 1, 2017
- CBN announced plans to establish two new financial instruments: “Funding for Liquidity Facility (FfLF)” and “Intra-Day Facility (IDF)”; to provide liquidity support to licensed Non-Interest Financial Institutions (NIFI)
- Rates retained at 30%, 14% and 22.5% for liquidity ratio, MPR and CRR respectively, by MPC



Don't be an Uncle Thomas.  
**Clear Your Doubt**

Locate an agent

Cardless ATM  
withdrawals

Get exclusive  
discounts

Find the nearest  
ATM with cash

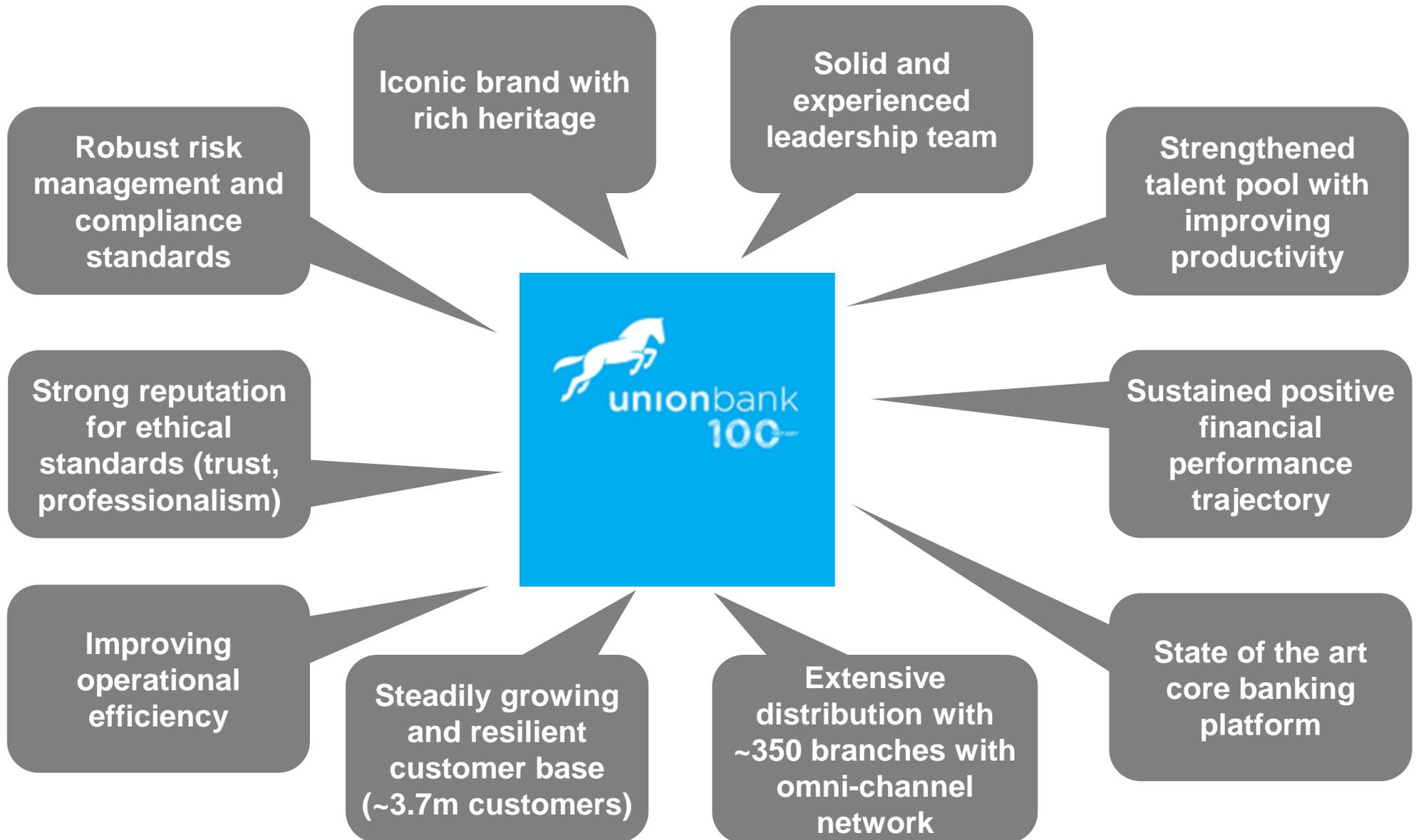


## Do more on the new UnionMobile app

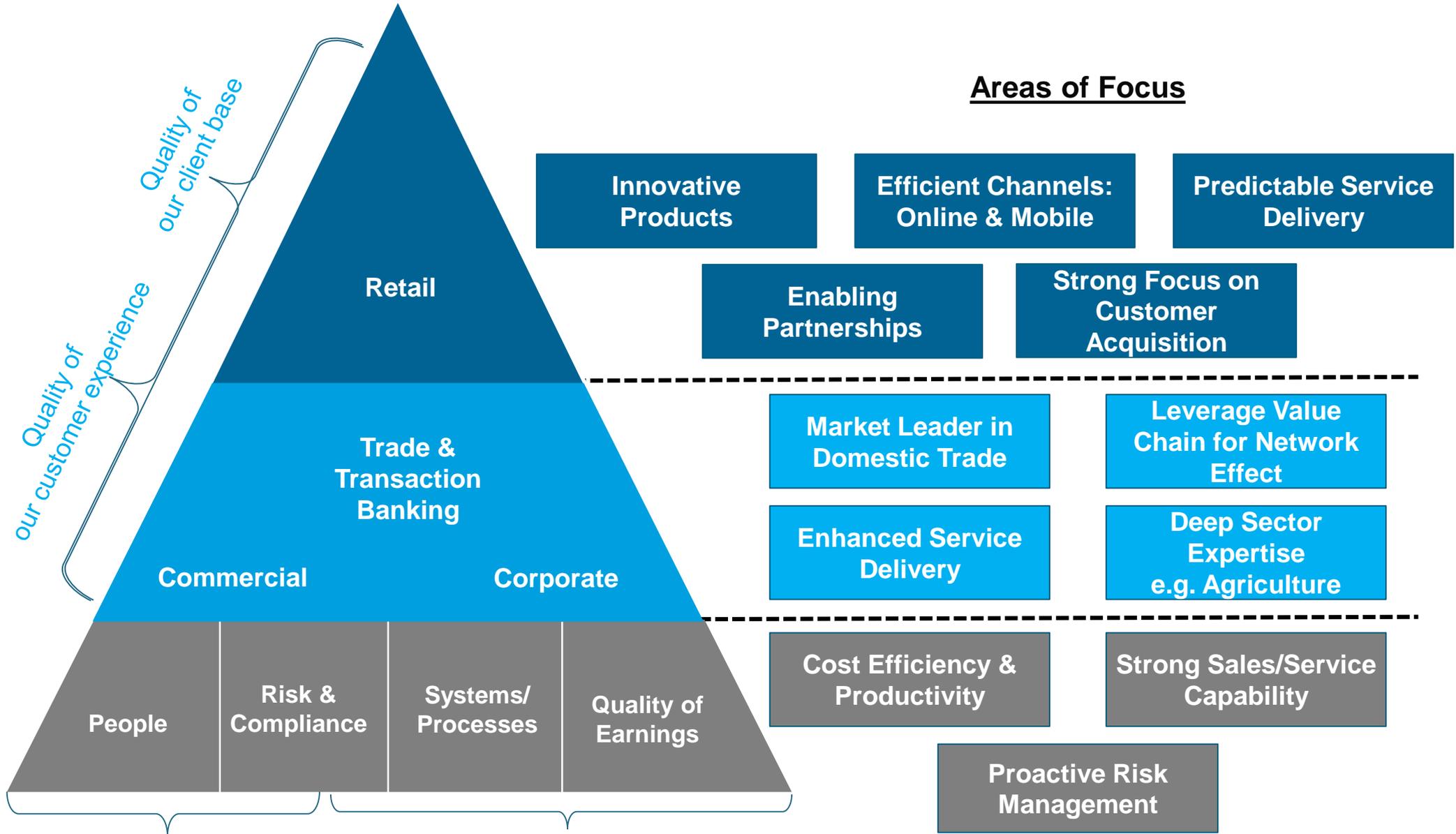
We've raised the bar on simpler, smarter banking with the new UnionMobile app. Of course to enjoy these benefits, you have to first believe. Go ahead, download the new UnionMobile app... Clear your doubt

# 2 Union Bank Update

# Today, Union Bank is a simpler, smarter bank



# Our focus remains retail, trade and transaction banking



Quality of our client base

Quality of our customer experience

UNION BANK UPDATE

# Strategy is consistent across our businesses

## Corporate

- Key transaction banking partner for strategic clients
- Optimally defend asset portfolio while deploying core product capabilities
- Provide structured solutions/services to clients

## Commercial

- Provide solutions to address specific sectors
- Provide consistent service across channels
- Deliver customized advice and support

## Retail

- Fully segmented retail business maximizing resource deployment
- Focus on innovative deposit solutions
- Continue to enhance alternative channel features based on customer needs and innovation

Value Chain Approach

# We have made great strides in our priority areas

## People

- Invested in our people to drive productivity
- Launched revised employee value proposition to drive retention
- 9<sup>th</sup> Best Company to Work For (Jobberman)

## Capital

- N50bn rights issue closed
- Resolved negative retained earnings constraint to allow future dividend payments

## Funding & Liquidity

- Liquidity remains above regulatory requirements of 30%
- Secured new funding and trade lines

## Operational & Cost Efficiency

- Reinvested cost savings in technology and process enhancements
- Increased alternative channel push driving reduced cost to serve

## Positioning

- Launched “Clear Your Doubt” campaign yielding positive results
- Reinforced simpler smarter bank through new UnionMobile and UnionOnline
- Centenary celebrations and engagement across Nigeria

# Our omni-channel network is delivering rapid digital penetration

## Channel Productivity and Digital Penetration



Almost 62x growth in active mobile banking users since 2012 (~689k vs. ~11k)



Almost 18x growth in active online banking users since 2012 (>141k vs. ~8k)



~N80bn in transactions processed monthly for >830 transacting clients on UnionOne (vs. 19 in 2014 post-launch)



Almost 11x growth in active debit card users since 2012 (~2.2m vs. ~200k)



>3x growth in number of active ATMs across Nigeria since 2012 (~860 vs. ~270)



Almost 6x growth in number of active POS devices across Nigeria since 2012 (~5.7k vs. ~1k)

# In 2017, we upgraded 50+ branches and continued our community and sustainability efforts

## 1 Upgraded Branches

- 65+ transformation projects in progress; 50 projects completed in 9M'17
- 70+ projects to be completed by end of 2017



## 2 Community and Sustainability Achievements

- Partnered with JAN (Junior Achievement Nigeria) on second year of LEAD Camp 2017
- Sponsored the 2<sup>nd</sup> edition of Foto.Factory.Lagos, a platform for supporting budding photographers
- Partnered with Girls Coding (Pearls Africa Foundation) to organize a tech training residential camp for 50 girls from underserved communities around Lagos
- Conducted wehub (the bank's internal women's empowerment network) hangouts in over 15 states across the country
- Impacted over 3000 students through our bank-led financial inclusion teaching/mentoring activities
- Trained 36 entrepreneurs with Junior Chamber International, as part of 19<sup>th</sup> Leadership Academy
- Continuously adopted environmentally friendly business practices and operations:
  - Deployment of energy efficient equipment to help reduce our carbon footprint
  - Continued expansion of recycling footprints, with plans to expand to 40 remaining Lagos branches, Abuja and Kano in 2018

# Union @ 100: Our centenary celebrations have been community and customer-focused, inspiring discussions around “the next 100”

## 100<sup>th</sup> Anniversary Initiatives and Celebrations in H2 2017



Launched 30+ branches across 16 states (Abia, Abuja, Benue, Delta, Ebonyi, Enugu, Kaduna, Kano, Katsina, Kogi, Kwara, Lagos, Niger, Ogun, Oyo and Plateau)



“The Next 100: A Call to Action,” organized to position the bank as a leading private sector organization for the achievement of the sustainable development goals (SDGs) in Nigeria



Hosted anniversary galas across the country to honor customers and stakeholders who have supported the bank over the years



Celebrated customers and employees during the 100<sup>th</sup> Anniversary Customer and Employee Giveaway promos



Engaged Nigeria in special ways – through the Centenary Art Challenge, we engaged creatives across Nigeria, further recognizing art as an important expression of our culture. The Centenary Innovation Challenge focused on ideas that can resolve typical issues faced by everyday Nigerians



Supported the growth of technology-enabled startups through Start-Up Connect, an acceleration programme designed in partnership with Co-Creation Hub

# Our rights issue closed on Oct 30 and proceeds expected by year-end



**Union Bank Rights Issue**

**₦49.7 BILLION**

rights issue of  
**12,133,646,995**

ordinary shares of  
**50kobo** each

at **₦4.10** per share

On the basis of 5 (five) new ordinary shares for every 7 (seven) ordinary shares held as at August 21, 2017.

Payable in full on acceptance

Issue opens September 20, 2017  
Issue closes October 30, 2017

Lead Issuing House: CHAPEL HILL ADVISORY PARTNERS LIMITED  
Joint Issuing Houses: Stanbic IBTC, rsdh

Please read the Prospectus/Rights Circular and where in doubt, consult your stockbroker, fund/portfolio manager, accountant, banker, solicitor or any other professional adviser for guidance before subscribing.

Any shareholder who has not received his / her Rights Circular is advised to contact the Registrars, GTL Registrars, 274 Murtala Muhammed Way, Yaba, Lagos (+234-(0)1-2917747, +234-(0)1-2793960-2), any of the Issuing Houses, or any Union Bank branch nationwide.

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## Overview

- ₦49.7 billion rights issue size
- 12.1 billion ordinary shares of 50 kobo each at N4.10 per share
- On the basis of 5 (five) new ordinary shares for every 7 (seven) ordinary shares held as at August 21, 2017
- Acceptance list opened Sept 20 and closed Oct 30, 2017

## Use of Proceeds

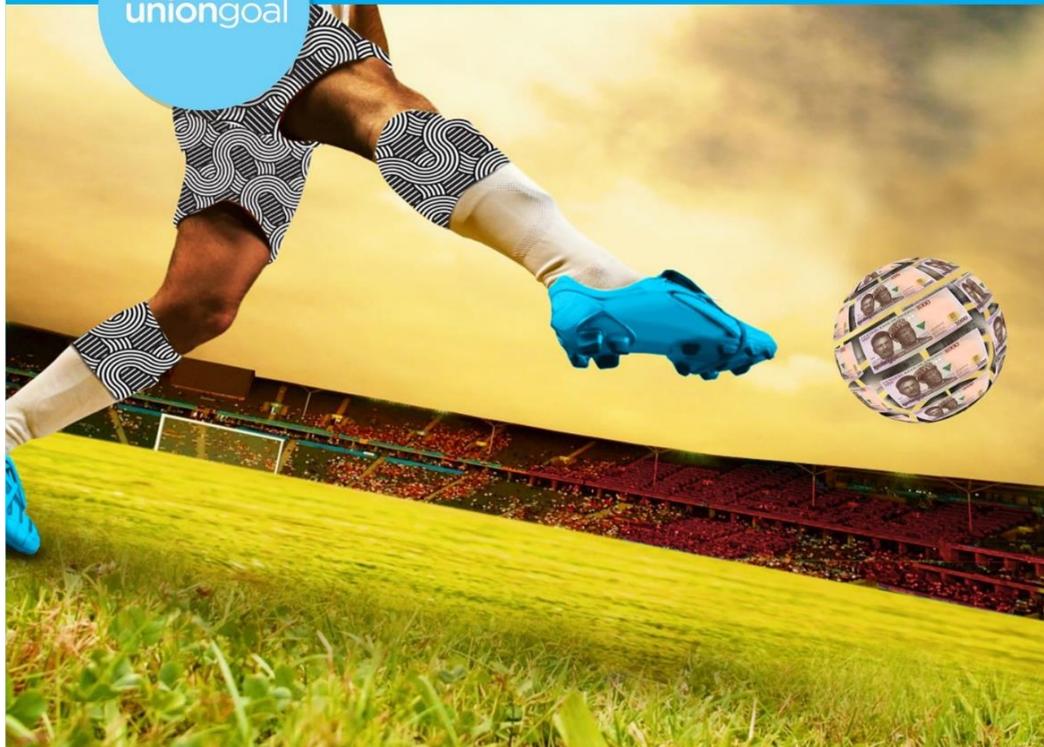
- Enhance the Bank's regulatory capital requirement
- Increase working capital and grow in strategic areas that correspond to emerging opportunities in Nigeria
- Enhance technological platforms through strategic investments in technology and digitalization
- Optimize customer experience with investments in customer touch points.



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

BECOME A MILLIONAIRE WITH UNIONGOAL.

uniongoal



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## 9M 2017 Financial Performance

*Oyinkan Adewale  
Chief Financial Officer*

# Group Key Financial Highlights – 9M 2017

<b>Gross Earnings</b>	 Up 16% to ₦109.5bn (₦94.8bn in 9M 2016)
<b>Profit Before Tax (PBT)</b>	 Down 2% to ₦13.0bn (₦13.3bn in 9M 2016)
<b>Interest Income</b>	 Up 22% to ₦88.5bn (₦72.3bn in 9M 2016)
<b>Net Interest Income after Impairment</b>	 Up 16% to ₦40.9bn (₦35.2bn in 9M 2016)
<b>Non-Interest Income</b>	 Down 6% to ₦21.0bn (₦22.5bn in 9M 2016)
<b>Customer Deposits</b>	 Up 17% to ₦767.9bn (₦658.4bn at Dec 2016)
<b>Gross Loans</b>	 Down 5% to ₦508.6bn (₦535.8bn at Dec 2016)

9M 2017 FINANCIAL PERFORMANCE

# 9M 2017 Performance – Group Financial Summary

		Sept-2017	Dec-2016	Δ
<b>Balance Sheet</b> (₹ 'bn)	Assets	1,358.2	1,252.7	8%
	Gross Loans	508.6	535.8	(5%)
	Customer Deposits	767.9	658.4	17%
	Equity	285.5	271.7	5%
<b>Key Ratios</b>	Loan to Deposit Ratio	66.0%	81.4%	(15.4%)
	Non-Performing Loan Ratio	9.1%	6.9%	2.2%
		9M 2017	9M 2016	Δ
<b>Income Statement</b> (₹ 'bn)	Gross Earnings	109.5	94.8	16%
	Interest Income	88.5	72.3	22%
	Net Interest Income	46.9	48.1	(2%)
	Non-Interest Income	21.0	22.5	(6%)
	Credit Impairment	(6.0)	(12.9)	(53%)
	Operating Expenses	(49.0)	(44.6)	10%
	Profit Before Tax	13.0	13.3	(2%)
	Profit After Tax	12.4	13.0	(5%)
<b>Key Ratios</b>	Net Interest Margin	7.5%	8.8%	(1.3%)
	Cost to Income Ratio	72%	63%	9%
	Return on Equity	6.0%	6.9%	(0.9%)
	Return on Assets	1.3%	1.6%	(0.3%)
	Net Asset Value per share	₹16.86	₹14.95	₹1.91
	Earnings Per Share	72k	76k	(4k)

# Bank Key Financial Highlights – 9M 2017

## Gross Earnings

 Up 14% to ₱105.3bn (₱92.7bn in 9M 2016)

## Profit Before Tax (PBT)

 Down 11% to ₱11.7bn (₱13.2bn in 9M 2016)

## Interest Income

 Up 21% to ₱85.1bn (₱70.5bn in 9M 2016)

## Net Interest Income after Impairment

 Up 13% to ₱37.9bn (₱33.5bn in 9M 2016)

## Non-Interest Income

 Down 9% to ₱20.3bn (₱22.1bn in 9M 2016)

## Customer Deposits

 Up 20% to ₱757.9bn (₱633.8bn at Dec 2016)

## Gross Loans

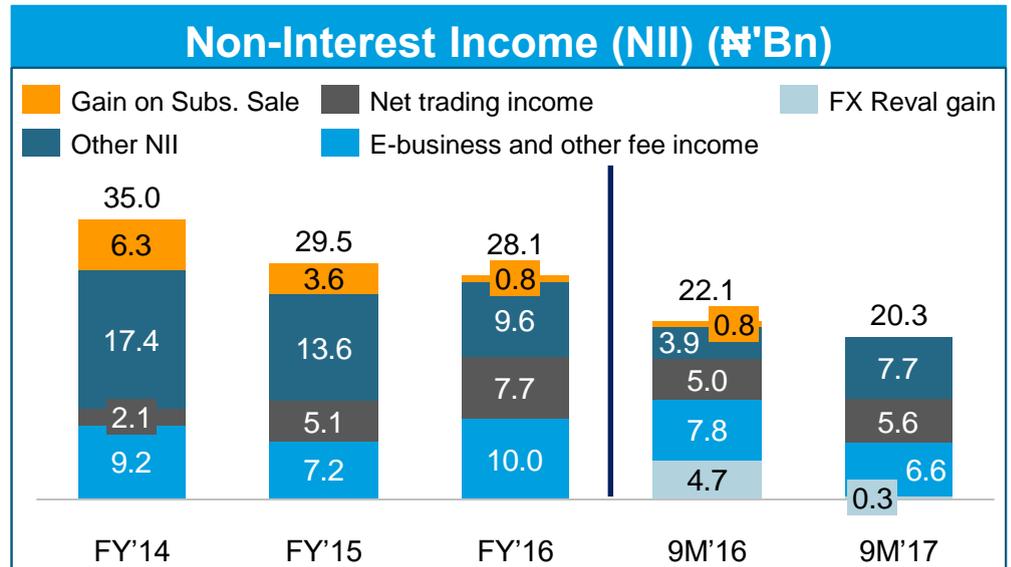
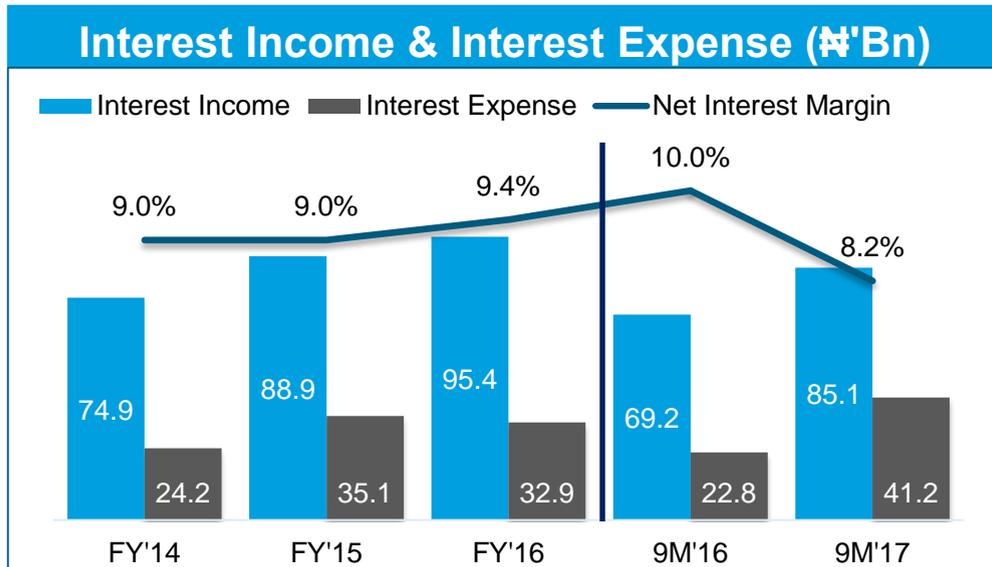
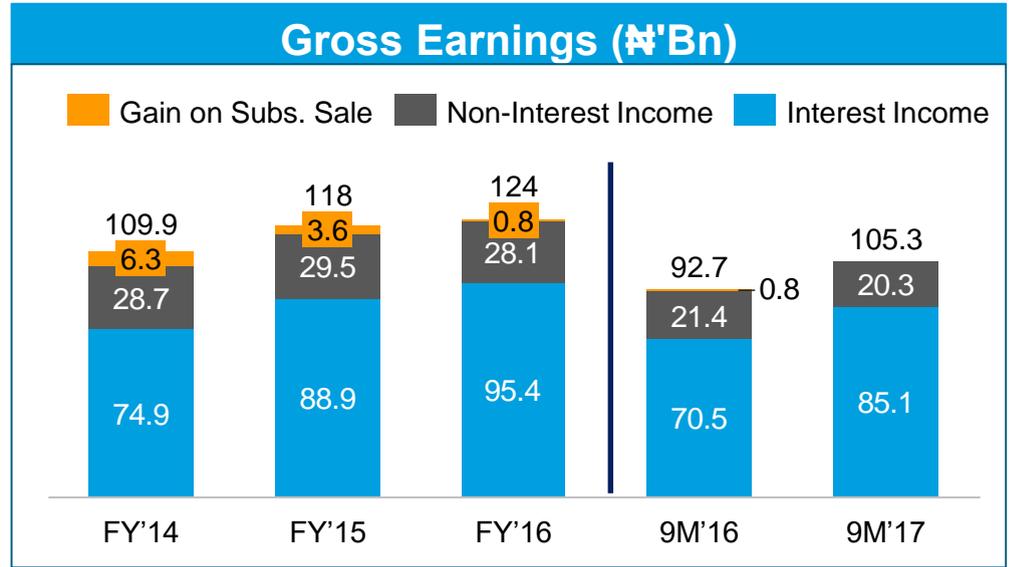
 Down 6% to ₱486.5bn (₱518.3bn at Dec 2016)

# 9M 2017 Performance – Bank Financial Summary

		Sept-2017	Dec-2016	Δ
Balance Sheet (₹ 'bn)	Total Assets	1,248.0	1,123.5	11%
	Gross Loans	486.5	518.3	(6%)
	Customer Deposits	757.9	633.8	20%
	Equity	264.1	251.3	5%
Key Ratios	Liquidity Ratio (regulatory minimum - 30%)	40.6%	33.1%	7.5%
	Loan to Deposit Ratio	64.0%	81.8%	(17.6%)
	Non-Performing Loan Ratio	9.6%	7.1%	2.5%
		9M 2017	9M 2016	Δ
Income Statement (₹ 'bn)	Gross Earnings	105.3	92.7	14%
	Interest Income	85.1	70.5	21%
	Net Interest Income	43.8	46.4	(6%)
	Non-Interest Income	20.3	22.1	(9%)
	Credit Impairment	(5.9)	(12.8)	(54%)
	Operating Expenses	(46.6)	(42.7)	9%
	Profit Before Tax	11.7	13.2	(11%)
	Profit After Tax	11.4	13.1	(12%)
Key Ratios	Net Interest Margin	8.2%	10.0%	(1.8%)
	Cost to Income Ratio	73%	62%	11%
	Return on Equity	5.9%	7.5%	(1.6%)
	Return on Assets	1.3%	1.7%	(0.4%)
	Net Asset Value per share	₹15.59	₹13.98	₹1.61
	Earnings Per Share	67k	77k	(10k)

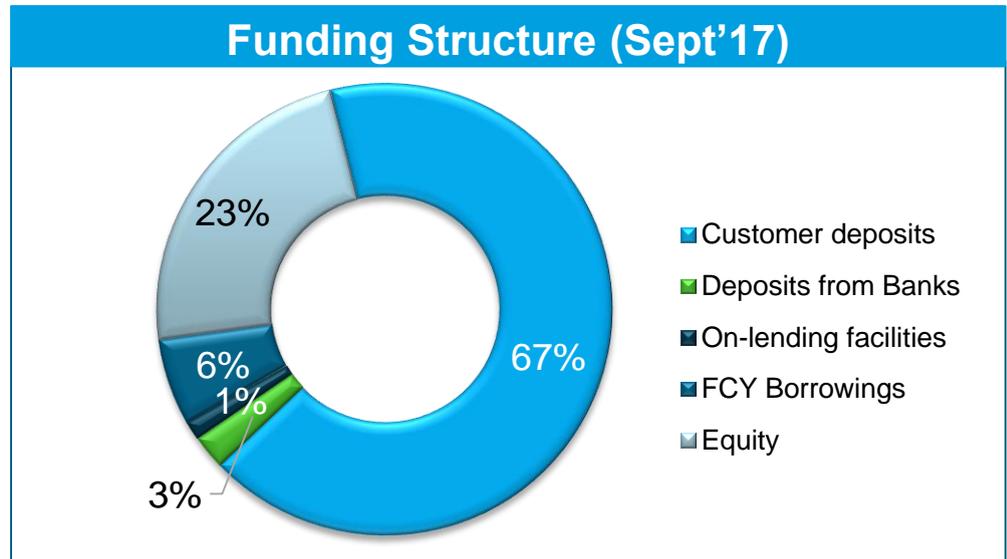
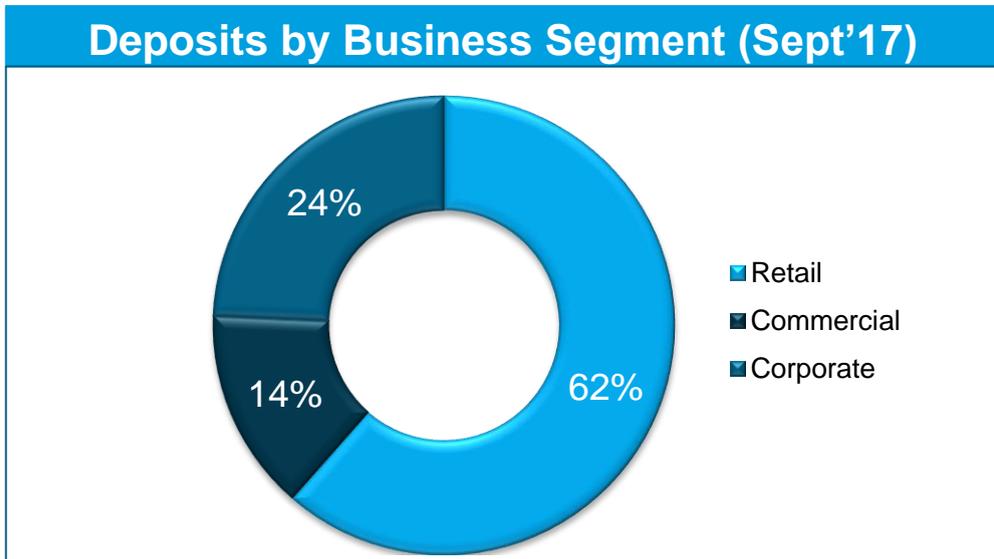
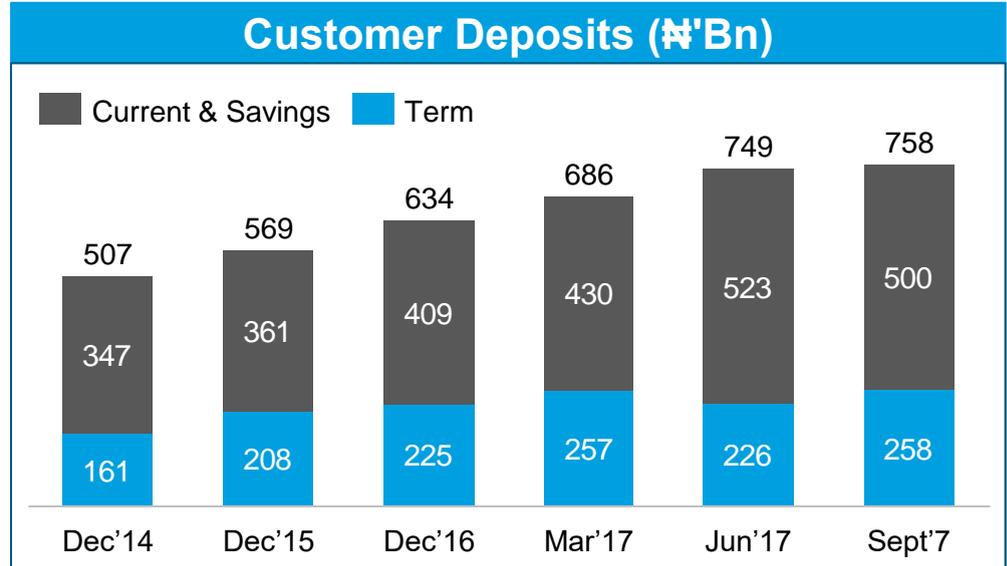
# Interest income is a leading driver of revenue growth

- **Bank Gross Earnings** up 14% to ₹105.3bn (₹92.7bn in 9M'16)
- **Bank Interest Income** up 21% to ₹85.1bn vs. ₹70.5bn in 9M'16
- **Non-Interest Income** down by 9% to ₹20.3bn; excluding one-off gains of ₹4.7bn in FX reval and ₹752m in subsidiary sales in 9M'16, NII grew by 20%
- **Net Interest Income after Impairment** up 13% (₹37.9bn in 9M'17 vs. ₹33.5bn in 9M'16)
- ₹2.0bn in **Recoveries** in 9M'17 vs. ₹0.9bn in 9M'16



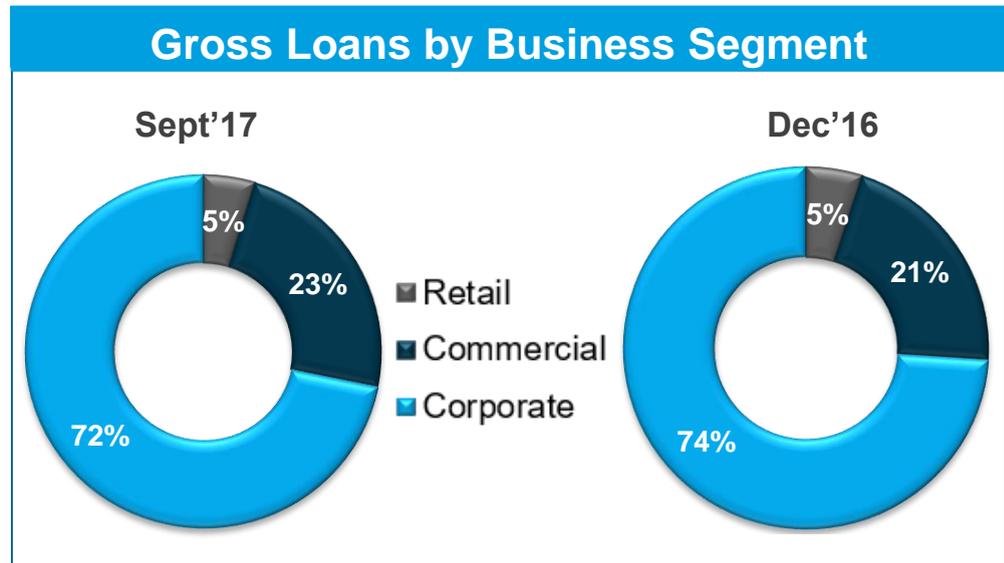
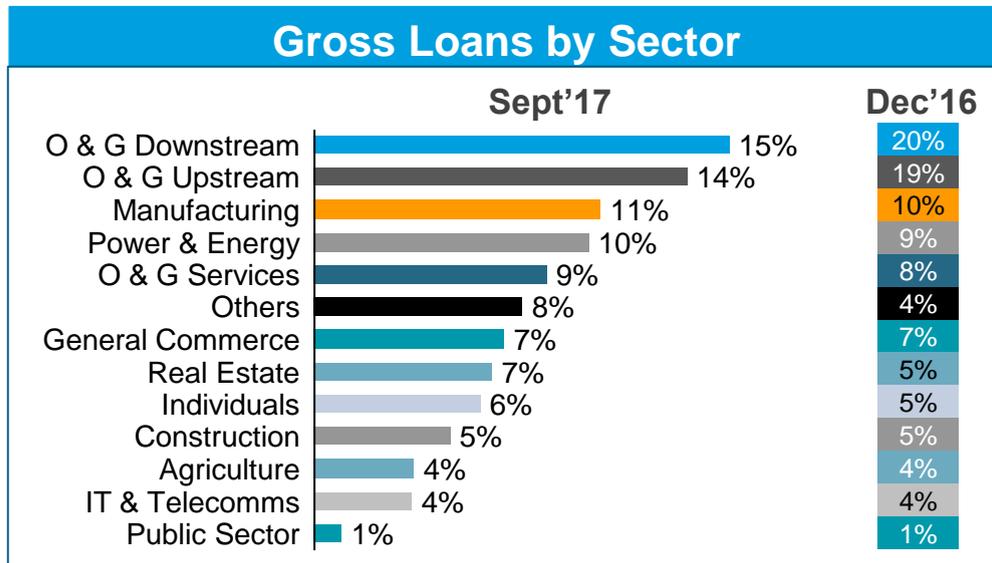
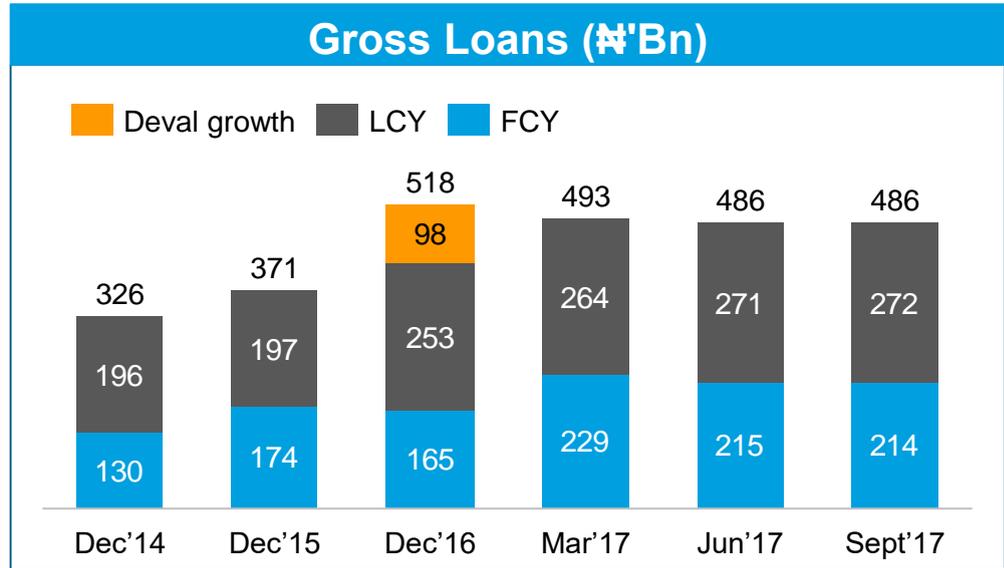
# Increased deposits driven by a revamped digital platform and a customer-centric product suite

- **Customer Deposits** up 20% to ₦757.9bn (₦633.8bn as at Dec 2016); low cost deposits increased to 66% of total deposits vs. 65% in Dec 2016
  - Growth led by rise in number of customers, increased uptake of product offerings, increased market penetration and financial inclusion initiatives
    - ~90% YoY increase in new-to-bank customers
    - ~103% growth YoY in active mobile subscribers
    - ~148% growth YoY in active online subscribers
    - ~38% growth YoY in active cards



# Deliberate efforts to maintain balance of loan book

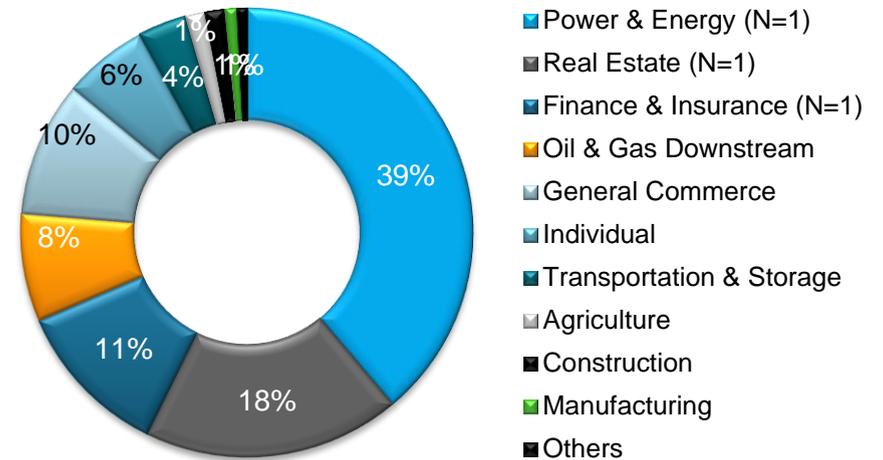
- **Bank Gross Loans** down 6% to ₦486.5bn (₦518.3bn in Dec'16): improving FX availability facilitated liquidation of mature obligations in the Fcy book
- Fcy loan book down 19% from Dec'16; Lcy loan book up 8%
- Fcy loan book now 44% of Gross Loans vs 51% at Dec' 16
- Concentration in the O&G sector has reduced



# Strong focus on sufficient provisioning and recoveries

- **NPL Ratio** of 9.6% at Sept'17 (7.1% Dec'16), reflects the challenging macro environment
- **Coverage Ratio** of 202% at 9M'17 (181.8% Dec'16) reflects adequate provisioning
- We remain focused on NPL recovery and continuous monitoring of loan book
  - ~~₹~~2.0bn in **Recoveries** in 9M 2017 vs. ~~₹~~923m in 9M 2016 (119% increase)

## Non Performing Loans By Sector (Sept'17)



## NPL & Coverage Ratios



# Bank's Financial Performance Trend

	<u>FY</u> <u>2011</u>	<u>FY</u> <u>2012</u>	<u>FY</u> <u>2013</u>	<u>FY</u> <u>2014</u>	<u>FY</u> <u>2015</u>	<u>FY</u> <u>2016</u>	<u>9M</u> <u>2016</u>	<u>9M</u> <u>2017</u>
<b>Gross Earnings (₹'bn)</b>	71.2	96.5	103.2	109.8	118.4	123.5	92.7	105.3
<b>Profit Before Tax (PBT) (₹'bn)</b> (Core PBT / Total PBT)	(102.6)	3.4	4.2	14.4 20.7	14.9 18.5*	15.3 16.1	12.4 13.2	11.7
<b>Customer Deposits (₹'bn)</b>	400	482	480	507	569	634	618	758
<b>Gross Loans (₹'bn)</b>	156	149	231	326	371	518	515	487
<b>Cost To Income Ratio</b>	183%	96%	71%	67%	67%	65%	62%	73%
<b>Return On Equity</b> (With Core PBT / With Total PBT)	(428%)	1.8%	2.8%	7.2% 10.4%	6.6% 8.2%*	6.2% 6.6%*	7.0% 7.5%*	5.9%
<b>Return On Assets</b> (With Core PBT / With Total PBT)	(12.3%)	0.4%	0.5%	1.6% 2.3%	1.6% 1.9%	1.4% 1.5%	1.6% 1.7%*	1.3%

9M 2017 FINANCIAL PERFORMANCE

Note: \*Includes one-time gain on sale of subsidiaries: FY'14 – ₹6.3bn; FY'15 – ₹3.6bn; FY'16 – ₹0.8bn

THE NEXT 100: A CALL TO ACTION

**100** 2017-2117

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## Looking Ahead

*Emeka Emuwa*  
*Chief Executive Officer*

# Looking Ahead: Union Bank Mission and Ambition

1

## Leader in Retail Banking, Trade and Transaction Banking

- Well recognized brand and benchmark for high customer satisfaction
- Market leader in domestic trade; payment and collections across value chain

2

## Nigeria's Most Reliable and Trusted Banking Partner

- Leader in governance and controls with international standard compliance
- Service predictability and consistency

3

## Leader in Citizenship, Sustainability and Innovation

- Leading driver of change and sustainable development goals

# Closing Out 2017 – Consolidating Gains for 2018 Growth



**Sustained Customer Growth**



**Enhanced Capital  
Profile**



**Enhanced Platforms  
(Channels, People, Processes)**



**Strengthened  
Brand**

# Looking ahead, we have identified real opportunities for growth

**Invest in Key Sectors for Nigeria's Growth**  
*(Facilitate Trade & Transactions across sectors & their value chain)*

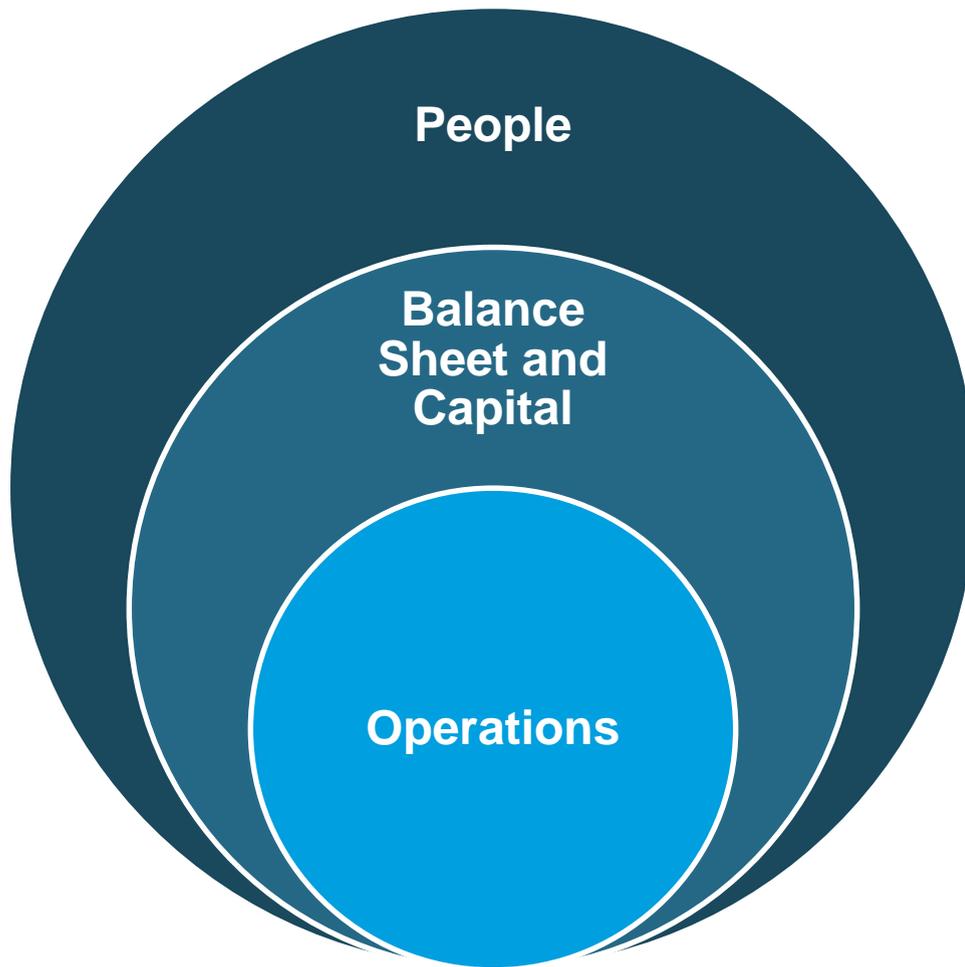
**Harness "The Platform"**  
*(People, Technology, Capital, Infrastructure, Brand)*

**Continue to drive retail proposition**  
*(SME, Lending, Digital)*

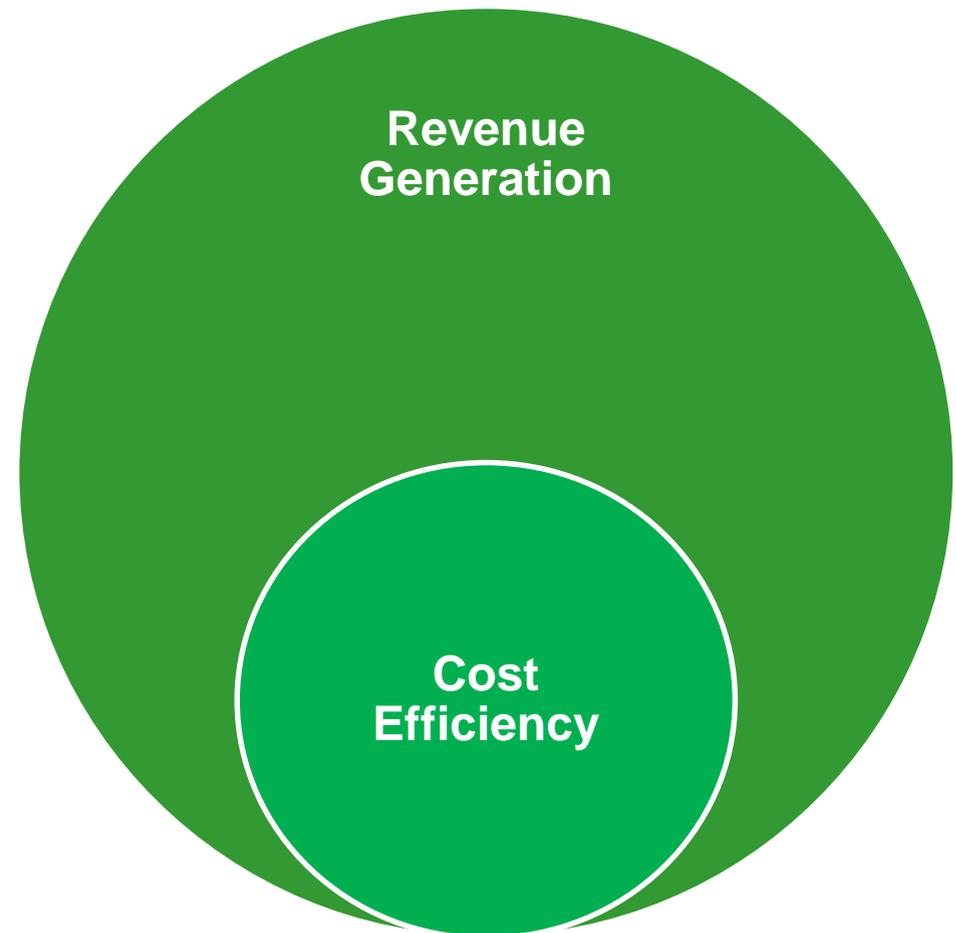
**Leverage partnerships for business growth and operational enhancement**

We have invested in “The Platform” and we will leverage it to drive productivity and profitability

## Productivity



## Profitability



# On the Right Track to Becoming a Simpler and Smarter Bank

**2019  
& Beyond**

- *Simpler & smarter bank*
- *Nigeria's most reliable and trusted banking partner*

**2018**

- The leading mid-tier bank
- Champion in service delivery
- Recognized as a leader in citizenship, sustainability and innovation

**2017**

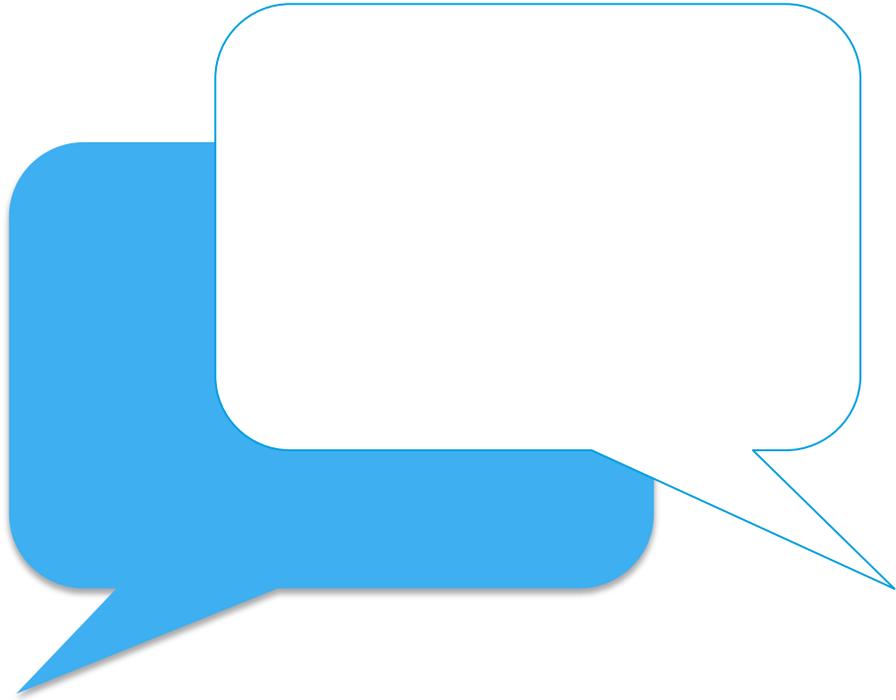
- UBN @ 100 – from awareness of brand vs. affinity to brand
- Enhanced customer engagement and service delivery
- Innovation efforts

- Brand re-launch
- Enhanced technology platform & operations
- Robust and modern distribution network
- Strong push towards alternative channels

**2015 - 2016**

- Strategy defined
- Refocus on core banking
- Right-sized UBN
- Returned to profitability

**2013 - 2014**



**Q&A**



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**Watch your money grow...  
Earn up to 2% on your current account.**

Increase the balance on your current account by  
N100,000 or more and get 2% interest.



# Appendix -

**A**

# Group Financial Performance

# 9M 2017 Performance – Group Profit and Loss Statement

₱'million	9M'17	9M'16	%Δ
<b>Gross earnings</b>	<b>109,513</b>	<b>94,759</b>	<b>16%</b>
Interest income	88,470	72,290	22%
Interest expense	(41,564)	(24,220)	72%
<b>Net interest income</b>	<b>46,906</b>	<b>48,070</b>	<b>(2%)</b>
Impairment charge for credit loss	(6,009)	(12,870)	(53%)
<b>Net interest income after impairment charge</b>	<b>40,897</b>	<b>35,200</b>	<b>16%</b>
Net trading income	5,763	5,148	12%
Gain on disposal of subsidiaries	-	318	(100%)
Fees, commissions and other operating Income	15,280	17,003	(10%)
<b>Non interest income</b>	<b>21,043</b>	<b>22,469</b>	<b>(6%)</b>
<b>Operating Income</b>	<b>61,940</b>	<b>57,669</b>	<b>7%</b>
Net impairment write-back on other financial assets	102	165	(38%)
Operating expenses	(49,044)	(44,559)	10%
<b>Profit before tax</b>	<b>12,998</b>	<b>13,275</b>	<b>(2%)</b>
<b>Profit after tax</b>	<b>12,410</b>	<b>13,012</b>	<b>(5%)</b>

# September 2017 Performance – Group Balance Sheet

₹'million	Sept-2017 ₹'million	Dec-2016 ₹'million	%Δ
<b>Assets</b>			
Cash and cash equivalents	174,128	136,194	27.9%
Non-pledged trading assets	44,197	8,323	431.0%
Pledged assets	64,380	53,430	20.5%
Derivative assets held for risk management	96	2,747	(96.5%)
Loans and advances to customers	475,270	507,190	(6.3%)
Investments in equity accounted investee	-	-	-
Investment securities	190,618	181,720	4.9%
Trading properties	958	2,309	(58.5%)
Investment properties	4,778	4,347	9.9%
Property and equipment	54,651	52,800	3.5%
Intangible assets (software)	4,521	3,374	34.0%
Deferred tax assets	95,910	95,910	-
Cash reserve requirement	211,460	154,954	36.5%
Other assets	36,837	47,344	(22.2%)
Defined benefit assets	29	1,643	(98.2%)
Assets classified as held for sale	397	397	-
<b>Total Assets</b>	<b>1,358,230</b>	<b>1,252,682</b>	<b>8.4%</b>

## September 2017 Performance – Group Balance Sheet (cont'd)

₹'million	Sept-2017 ₹'million	Dec-2016 ₹'million	%Δ
<b>Liabilities</b>			
Deposits from banks	108,391	90,266	20.1%
Deposits from customers	767,861	658,444	16.6%
Current tax liabilities	713	465	53.3%
Deferred tax liabilities	151	101	49.5%
Derivative liabilities held for risk management	90	13	592.3%
Other Liabilities	114,171	141,404	(19.3)%
Retirement benefit obligations	896	805	11.3%
Other borrowed funds	80,414	89,514	(10.2)%
<b>Total Liabilities</b>	<b>1,072,687</b>	<b>981,012</b>	<b>9.3%</b>
<b>Equity</b>			
Share capital and share premium	401,304	400,109	0.3%
Retained earnings / (accumulated loss)	(254,400)	(244,183)	4.2%
Other reserves	133,359	110,633	20.5%
<b>Equity attributable to equity-holders</b>	<b>280,263</b>	<b>266,559</b>	<b>5.1%</b>
Non-controlling interest	5,280	5,111	3.3%
<b>Total Equity</b>	<b>285,543</b>	<b>271,670</b>	<b>5.1%</b>
<b>Total Liabilities and Equity</b>	<b>1,358,230</b>	<b>1,252,682</b>	<b>8.4%</b>



Don't be an Uncle Thomas.  
**Clear Your Doubt**



### Do more on the new UnionMobile app

We've raised the bar on simpler, smarter banking with the new UnionMobile app. Of course to enjoy these benefits, you have to first believe. Go ahead, download the new UnionMobile app... Clear your doubt

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*Your Simpler, Smarter Bank*  
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# Appendix -



# Bank Financial Performance

# 9M 2017 Performance – Bank Profit and Loss Statement

₱'million	9M'17	9M'16	%Δ
<b>Gross earnings</b>	<b>105,310</b>	<b>92,689</b>	<b>14%</b>
Interest income	85,060	70,549	21%
Interest expense	(41,247)	(24,162)	71%
<b>Net interest income</b>	<b>43,813</b>	<b>46,387</b>	<b>(6%)</b>
Impairment charge for credit loss	(5,865)	(12,845)	(54%)
<b>Net interest income after impairment charge</b>	<b>37,948</b>	<b>33,542</b>	<b>13%</b>
Net trading income	5,619	4,998	12%
Gain on disposal of subsidiaries	-	752	-
Fees, commissions and other operating Income	14,631	16,390	(11%)
<b>Non interest income</b>	<b>20,250</b>	<b>22,140</b>	<b>(9%)</b>
<b>Operating Income</b>	<b>58,198</b>	<b>55,682</b>	<b>5%</b>
Net impairment write-back on other financial assets	102	165	(38%)
Operating expenses	(46,567)	(42,663)	9%
<b>Profit before tax</b>	<b>11,733</b>	<b>13,184</b>	<b>(11%)</b>
<b>Profit after tax</b>	<b>11,445</b>	<b>13,053</b>	<b>(12%)</b>

# September 2017 Performance – Bank Balance Sheet

₱'million	Sept-17 ₱'million	Dec-16 ₱'million	%Δ
<b>Assets</b>			
Cash and cash equivalents	94,477	35,536	>100%
Non-pledged trading assets	44,197	8,323	>100%
Pledged assets	64,380	53,430	20.5%
Derivative assets held for risk management	96	2,747	(96.5)%
Loans and advances to customers	453,493	489,890	(7.4)%
Investment securities	179,845	166,759	7.8%
Trading properties	513	1,124	(54.4)%
Investment in subsidiaries	10,567	10,567	-
Property and equipment	54,464	52,567	3.6%
Intangible assets (software)	4,115	2,859	43.9%
Deferred tax assets	95,875	95,875	-
Cash reserve requirement	211,460	154,954	36.5%
Other assets	36,242	46,884	(22.7)%
Defined benefit assets	-	1,643	(100)%
Assets classified as held for sale	325	325	-
<b>Total Assets</b>	<b>1,248,049</b>	<b>1,123,483</b>	<b>11.1%</b>

# September 2017 Performance - Bank Balance Sheet (cont'd)

	Sept-17 ₹'million	Dec-16 ₹'million	%Δ
<b>Liabilities</b>			
Deposits from banks	27,790	4,351	>100%
Deposits from customers	757,863	633,827	19.6%
Current tax liabilities	307	177	73.4%
Derivative Liabilities held for risk management	90	13	>100%
Other liabilities	111,675	141,191	(20.9)%
Retirement benefit obligations	867	773	12.2%
Other borrowed funds	85,378	91,812	(7.0)%
<b>Total liabilities</b>	<b>983,970</b>	<b>872,144</b>	<b>12.8%</b>
<b>Equity</b>			
Share capital and share premium	401,304	400,109	0.3%
Treasury shares	(624)	-	(>100%)
Retained earnings / (accumulated loss)	(258,881)	(247,868)	4.4%
Other reserves	122,280	99,098	23.4%
<b>Equity attributable to equity-holders of the bank</b>	<b>264,079</b>	<b>251,339</b>	<b>5.1%</b>
<b>Total liabilities and equity</b>	<b>1,248,049</b>	<b>1,123,483</b>	<b>11.1%</b>



## THANK YOU

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