

Union Bank of Nigeria Plc

Group Unaudited Financial Statements for the Quarter Ended March 31, 2020

LAGOS, NIGERIA – April 29, 2020 - Union Bank, one of Nigeria's longest standing and most respected financial institutions, announces its unaudited financial statements for the quarter ended March 31 2020.

Bank Financial Highlights:

- **Profit before tax:** up 19% to ₦6.2bn (₦5.2bn in Q1 2019).
- **Gross earnings:** grew 18% to ₦42.6bn (₦36.1bn in Q1 2019); driven by an increase in earning assets.
- **Interest income:** up 18% to ₦29.7bn (₦25.2bn in Q1 2019).
- **Net interest income before impairment:** up 38% to ₦14.8bn (₦10.8bn in Q1 2019); driven by the growth in treasury assets.
- **Non-interest income:** up 18% to ₦12.9bn (₦10.9bn in Q1 2019); driven by robust trading income, growth in e-business and revaluation gains.
- **Net operating income:** up 7% to ₦24.2bn (₦22.7bn in Q1 2019).
- **Operating expenses:** slightly up 3% to ₦18.0bn (₦17.1bn in Q1 2019).
- **Gross loans:** up 3% to ₦611.1bn (₦595.3bn Dec 2019).
- **Customer deposits:** up 1% to ₦897.6bn (₦886.3bn Dec 2019).

Commenting on the results, Emeka Emuwa, CEO said:

“Coming off a strong 2019, we maintained focus on executing our strategic priorities in Q1 2020, delivering double-digit growth across all our major income lines.

Profit Before Tax (PBT) grew by 19% to ₦6.2bn from ₦5.2bn in Q1 2019. Our Gross Earnings are also up by 18% to ₦42.6bn from ₦36.1bn in Q1 2019. Our platforms and channels continue to drive our performance as Non-Interest Income increased by 18% from ₦10.9bn in Q1 2019 to ₦12.9bn for the period with e-business fees contributing ₦2.1bn, a 71% growth compared to Q1 2019.

The current COVID-19 pandemic presents daunting challenges for the global economy and consequently Nigeria and our business. Our focus in the short term is on ensuring business continuity through our strong operational risk framework; ensuring the health and well-being of our employees by adopting stringent health and safety protocols at our operating branches and offices; and supporting our customers through the crisis.

We have reinforced our digital platforms to continue delivering value and convenience to our customers while aligning our focus areas to where opportunities emerge during and post COVID-19.

We will continue to support the government, private entities and our communities in the fight against COVID-19.”

Speaking on the Q1 2020 numbers, Chief Financial Officer, Joe Mbulu said:

“Headline numbers delivered 19% growth in Profit Before Tax to ₦6.2bn compared to ₦5.2bn in Q1 2019.

The 18% YoY growth in Non-Interest Income was driven by stronger trading income of ₦5bn compared to ₦2.2bn in Q1 2019, e-business income of ₦2.1bn compared to ₦1.2bn in Q1 2019 and revaluation gains of ₦2.7bn compared to ₦0.1bn in the same period last year.

Our operational efficiency also improved with Cost-Income Ratio declining YoY to 74.3% from 76.9% in Q1 2019 as our cost optimisation programme continues to yield results. We have also kept NPL ratios flat currently at 5.9% compared to 5.8% as at December 2019.

While the current COVID-19 pandemic has dimmed the global economy outlook for the year, we will leverage our strong capital position with Capital Adequacy Ratio (CAR) at 19.9% and our solid risk management framework towards delivery of our 2020 objectives.”

Financial Summary

	GROUP			BANK		
Balance Sheet <i>(in billions of Naira)</i>	Mar-20	Dec-19	Change	Mar-20	Dec-19	Change
Total Assets	2,005.6	1,872.2	7%	1,864.0	1,711.7	9%
Gross Loans & Advances	611.1	595.3	3%	611.1	595.3	3%
Customer Deposits	897.4	886.3	1%	897.6	886.3	1%
Shareholders' Funds	254.4	252.3	1%	231.9	231.2	0%
Ratios						
Coverage Ratio (incl. regulatory risk reserves)	131.9%	138.1%	(6.2%)	131.9%	138.1%	(6.2%)
Loan to Deposit Ratio	68.1%	67.2%	0.9%	68.1%	67.2%	0.9%
Non-Performing Loan Ratio	5.9%	5.8%	0.1%	5.9%	5.8%	0.1%

	GROUP			BANK		
Income Statement <i>(in billions of Naira)</i>	Q1 2020	Q1 2019	Change	Q1 2020	Q1 2019	Change
Gross Earnings	43.9	37.7	16%	42.6	36.1	18%
Net Interest Income	15.0	10.9	38%	14.8	10.8	37%
Non-Interest Income	13.0	10.6	23%	12.9	10.9	18%
Credit Impairment	3.6	(0.8)	-	3.6	(0.8)	-
Operating Expenses	18.0	17.6	2%	18.0	17.5	3%
Profit Before Tax	6.3	5.0	26%	6.2	5.2	19%
Profit After Tax	6.1	4.9	25%	6.0	5.2	15%
Ratios						
Net Interest Margin	5.9%	5.7%	0.2%	5.9%	6.1%	(0.2%)
Cost to Income Ratio	74.0%	77.8%	(3.8%)	74.3%	76.9%	(2.6%)
Return on Equity	9.6%	8.7%	0.9%	10.3%	10.3%	-
Return on Assets	1.4%	1.4%	-	1.4%	1.6%	(0.2%)
Capital Adequacy Ratio	19.9%	16.5%	3.4%	19.9%	16.5%	3.4
Net Asset Value Per Share	₦8.74	₦8.01	₦0.73	₦7.96	₦7.13	₦0.83
Earnings Per Share	21k	17k	4k	21k	18k	3k

For the detailed Profit and Loss Account, Balance Sheet, Cash flow statement and notes to the accounts, please visit www.unionbankng.com

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Investor & Analyst Call Details

Union Bank will be hosting a conference call for investors, analysts and financial journalists on Thursday April 30th, 2020 at 15:00hrs Lagos/ 14:00hrs London / 09:00hrs New York / 16:00hrs Johannesburg with its executive management team, to discuss the Q1 2020 results and respond to questions. To participate in the call, please dial:

Nigeria: +234 1 903 0080
United Kingdom: +44 3333 000 804
Unites States Toll: +1 631 913 1422
South Africa Toll: +27 21 672 4118

Please enter your PIN to access the call

PIN xxxxxxxx#

For further information, please contact InvestorRelations@unionbankng.com

Notes to editors:

About Union Bank of Nigeria, PLC.

Established in 1917 and listed on the Nigerian Stock Exchange in 1971, Union Bank is a household name and one of Nigeria's long-standing and most respected financial institutions. The Bank has a network of over 300 Sales and Service Centers across Nigeria.

Following recapitalisation in 2012 from new investors and a new Executive Management team, Union Bank has undergone an award-winning transformation programme to re-establish the bank as a leading provider of financial services in Nigeria.

Union Bank is focused on Retail, Commercial and Corporate Banking businesses. In addition to standard current and savings product portfolio, Union Bank has launched pioneering products into the Nigerian retail market including UnionKorrect, UnionGoal and UnionBeta.

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

Media Enquiries: Email investorrelations@unionbankng.com

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