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Union Bank of Nigeria Plc Reports Full Year 2012 Results
Bank Returns to Profitability, Transformation Plan On Course

LAGOS – April 29, 2013 – Union Bank of Nigeria Plc (NSE: UBN) today reported results for the financial year ended December 31, 2012.

“Our 2012 results have fully incorporated all costs relating to the recently concluded recapitalisation and clean up of our loan portfolio,” said Emeka Emuwa, Group Managing Director and Chief Executive of Union Bank. “Our transformation roadmap is well under execution as we upgrade and strengthen our operating platform so that we can serve our customers better. We are pleased to enter the new financial year on an encouraging note.”

“We are happy to report improvement from year-end 2011 to year-end 2012 in most performance measures,” said Oyinkan Adewale, Executive Director and Chief Financial Officer. “We recorded an increase in our earnings, worked to keep costs down and at the same time made efforts to increase productivity. While the full benefits of these efforts may not be immediately obvious, we are happy with the indicators that we are moving in the right direction”.

Gross Earnings for the Bank totalled ₦96.5 billion, up 35 percent from year-end 2011 while Gross Earnings for the Group rose 33 percent to ₦112.8 billion.

Profit Before Tax for the Bank was ₦8.1 billion, up from a loss of ₦102.6 billion the previous year. The Group recorded Profit Before Tax of ₦9.1 billion compared to Loss Before Tax of ₦107.7 billion in 2011. Profit After Tax for the Bank was ₦7.9 billion as against a loss of ₦76.7 billion in 2011, while Profit After Tax for the Group was ₦7.4 billion compared to a loss of ₦82.6 billion in the previous year.

Earnings Per Share also improved, with the Bank recording 46 kobo in 2012 compared to negative ₦12.51 kobo in 2011, and the Group recording 61 kobo as against negative ₦12.26 kobo the year before.

Customers’ deposits with the Bank stood at ₦482 billion at 2012 year-end, a 21 percent increase from 2011 year-end figures. Shareholders’ Funds at year-end stood at ₦171.671 billion. The Bank’s Total Assets grew 7.2 percent to ₦886.468 billion while Group Total Assets stood at ₦1.033 trillion.

Operating expenses improved for both the Bank and the Group, with the Bank recording ₦66.2 billion in expenses as against ₦73.2 billion in the previous year, and the Group recording ₦77.0 billion compared to ₦90 billion in 2011. As at December 31, 2012, the Bank’s capital adequacy, at 20%, was above the 15% regulatory requirement for international banks, while liquidity ratio was 96 percent, also above the 30% regulatory requirement.

In 2012, following the successful recapitalisation the Bank, transformation efforts began in earnest with the strengthening and consolidation of the Board as well as the recruitment of key executives. Senator Udoma Udo Udoma CON, a lawyer and Senior Partner of the law firm of Udo Udoma & Belo-Osagie, was appointed to the Board as Chairman. Also appointed to the Board during the year were Group Managing Director and Chief Executive, Mr. Emeka Emuwa, former Managing Director of Citibank Nigeria, and Mrs. Oyinkan Adewale, Executive Director and Chief Financial Officer. Mr. John Botts, Mr. Cyril Odu, Mr. Douglas Munatsi and Mr. James Macarthur also joined the Board as Non-Executive Directors. Other transformation initiatives kicked-off during the period include modernising of the Bank’s branches, strengthening of the workforce and skills, upgrading of technology and systems, as well as the review of processes to make them more efficient for the Bank’s customers. The Bank plans to continue with its transformation programme in 2013.

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