



Union Bank of Nigeria Plc
Full Year Audited Financial Results for the Year Ended December 31, 2014

One-off gains from sale of subsidiaries adds significant boost to profits; Posts strong profitability at bank and group level; Positive financial indicators heading into 2015

2014 Financial Highlights:

- Profit Before Tax up by N24bn for the Group and N16bn for the Bank, including N6.3bn from sale of subsidiaries
- Loan book grows by 44%
- Significant growth in net operating income
- Improved cost to income ratio

LAGOS, NIGERIA – April 14, 2015 – Union Bank of Nigeria Plc, one of the oldest and most respected banking franchises in Nigeria, announces its full year audited results for the twelve month period ended 31st December, 2014.

Commenting on the full year results, Mr Emeka Emuwa, Managing Director/CEO of Union Bank Plc, said:

“2014 was focused on implementing the foundational pillars of our transformation strategy with a vision to rebuild Union Bank into a highly respected provider of financial services in Nigeria. We optimised our talent base, making significant hires into key roles and ensuring we have the right people in the right functions, and aligned our staff compensation and overall costs to be competitive within the industry. We also overhauled operations and processes in order to consistently deliver quality service to our customers, and established a Central Processing Center to provide streamlined, cost efficient, and consistent processing of branch operations. Notwithstanding the significant investments in these initiatives, we stabilised our cost line and kept expenses flat. The Bank also recorded significant growth in net operating income, and the disposal of five of our non-banking subsidiaries, in compliance with CBN’s Regulation 3 requirement, added a substantial boost to our bottom line in 2014.

Going into 2015, key financial indicators for the bank have been normalised and growth trajectory remains positive. As we continue to execute strategic transformation initiatives, we expect to see continued improvement in both our financial and operational performance as we roll out a new core banking platform which will markedly transform our customer service and product delivery capabilities,” Mr. Emuwa concluded.

Further breaking down the 2014 numbers, Chief Financial Officer, Mrs. Oyinkan Adewale said:

“Having substantially cleaned up our loan book in 2013, we were able to reduce net impairment charge by 75% and improve NPL ratio from 6% in 2013 to 5.1% in 2014. We have



better leveraged our capital base, with a 44% growth in the loan book, and growth in loan to deposit ratio from 48% in December 2013 to 64% at the end of 2014.

While undergoing significant spending on our transformation initiatives, we have kept OPEX (net of restructuring costs) flat. We are on course to drive down our cost to income ratio towards our target of 60%, with 68% in 2014, down from 74% in 2013.

In line with our strategy of refocusing the bank on its core activities of commercial and retail banking, we continued the disposal of non-core subsidiaries, recording net disposal profits of N6.3 billion in 2014.”

Group Financial highlights

Balance Sheet & Income Statement

- Total Assets stable at N1.0trillion (N1.0trillion as at December 2013)
- Net Loans & Advances to customers up 36% to N312.8bn (N229.5bn as at December 2013)
- Customer Deposits up 9% to N527.6bn (N482.7bn as at December 2013)
- Net Interest Income after impairment charge up 4% to N47.0bn (N45.2bn as at December 2013)
- Net Operating Income up 34% to N85.7bn (N63.9bn as at December 2013)
- Total expenses flat at N58.7bn (N58.6bn as at December 2013)
- Profit Before Tax up 635% to N27.7bn (N3.77bn as at December 2013)
- Total comprehensive income (post tax and exceptional items) up 59% to N26.20bn (N16.53bn as at December 2013)

Key Ratios

- Loan to Deposit Ratio: 64% (52% as at December 2013)
- NPL Ratio: 5.03% (5.86% as at December 2013)
- Net Interest Margin: 8.24% (8.31% as at December 2013)
- Cost to Income ratio (excluding staff restructuring costs) 63% (75% as at December 2013)
- Return on Equity 12.7% (2.1% as at December 2013)
- EPS : kobo 157 (37 kobo 2013)



Bank Financial highlights

Balance Sheet & Income Statement

- Total Assets stable at N921bn (N882bn as at December 2013)
- Net Loans & Advances to customers up 44% to N302.4bn (N210.1bn as at December 2013)
- Customer Deposits up 6% to N507.4 billion (N480.0bn as at December 2013)
- Net Interest Income after impairment charge up 13% to N47.3bn (N41.9bn as at December 2013)
- Net Operating Income up 22% to N77.9bn (N60.9bn as at December 2013)
- Total expenses flat at N57.2bn (N56.7bn as at December 2013)
- Profit Before Tax up 393% to N20.7bn (N4.2bn in 2013)
- Total comprehensive income (post tax and exceptional items) up 13% to N18.2bn (N16.1bn in 2013)

Key Ratios

- Loan to Deposit Ratio: 64% (48% as at December 2013)
- Basel 2 Capital Adequacy Ratio: 16.39% (Basel 1 Capital Adequacy 24.8% in 2013)
- NPL Ratio: 5.14% (5.91% as at December 2013)
- Net Interest Margin: 9.02% (9.39% as at December 2013)
- Cost to Income ratio 68% (74% as at December 2013)
- Return on Equity 10.4% (2.8% as at December 2013)
- EPS: kobo 121 (30 kobo as at December 2013)

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 recognizable brand, with an extensive network of over 300 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.

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