

**Union Bank of Nigeria Plc.**  
**Audited results for the financial year ended 31 December, 2015**

**LAGOS, NIGERIA – March 31, 2016** - Union Bank of Nigeria Plc., one of Nigeria's long-standing and most respected financial institutions, announces its audited results for the financial year ended 31<sup>st</sup> December 2015.

***Financial highlights for the twelve month period:***

- Gross Earnings for the Bank up 8%; excluding gain on sale of subsidiaries\*, gross earnings up 11%.
- Profit Before Tax for the Bank, ₦18.1bn (₦20.7bn in 2014 including gain on sale of subsidiaries); excluding gain on sale of subsidiaries\*, ₦14.6bn (₦14.4bn in 2014).
- Profit Before Tax for the Group, ₦14.5bn (₦27.1bn in 2014 including gain on sale of subsidiaries); excluding gain on sale of subsidiaries\*, up 24% to ₦14.9bn (₦12.0bn in 2014).
- 19% Interest Income growth; asset yield improved from 14.9% in 2014 to 16.4%, buoyed by securities trading income.
- Net Interest Income up 6% to ₦53.8bn (₦50.6bn in 2014).
- More diversified income streams:
  - Securities trading contributed 4.3% of gross earnings vs 2% in 2014;
  - 84% growth in E-business income, with almost 400% increase in Point of Sale terminal fees and 134% increase in card fees.
- Expenses down 2% to ₦56.0bn (₦57.2bn in 2014). Notwithstanding continued investments in people, technology and infrastructure, downward trend in expenses achieved since 2012 from various cost transformation initiatives.
- Net Loan book up 15% to ₦349bn (₦302.4bn Dec 2014); cautious growth in target sectors of the economy.
- Customer Deposits up 12% to ₦569.1bn (₦507.4bn Dec 2014), compared to 6% growth achieved in 2014; reflecting increased customer confidence, a re-energised brand and success of new products.

***Operational highlights in 2015:***

- Launch of new identity re-energised the Union Bank brand and renewed customer interest.
- Expanded retail product portfolio with the successful introduction of UnionKorrect, a tiered savings product; and UnionGoal, a goal-oriented savings product.
- Focus on low-cost retail model has translated to significant revenue gains and customer acquisitions across electronic banking channels.
- 20% reduction in transaction processing times, following the upgrade of the core banking platform and state of the art data centre.

- Enhanced customer service affirmed through customer responses and improved ranking on independent industry surveys.
- Significant progress made in branch network transformation with 110 projects, including refurbishments, new builds, relocations and closures, completed in 2015.
- Appointment of Mr. Cyril Odu as Chairman of the Board of Directors, replacing Senator Udoma Udo Udoma. Mr. Odu's appointment maintains continuity and ensures that the Bank will continue to execute its defined strategic initiatives over the next few years.
- Awarded:
  - "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

Commenting on the Union Bank's 2015 results, Mr. Emeka Emuwa, Chief Executive Officer said:

*"2015 was a challenging year across board, with significant operational and economic headwinds. Notwithstanding the difficult operating environment, Union Bank maintained its focus on business and transformation initiatives, which yielded desired results. Our gross earnings, excluding one-time gain on sale of subsidiaries, are up by 11% compared to 2014. With the launch of a re-energised brand identity and a retail model focused on customer needs, we increased our customer deposits by 12% year-on-year.*

*Our simpler and smarter banking solutions have enabled us make strides in customer service delivery, which has reflected in independent industry surveys. We continue to strengthen our e-banking platforms as we acquire new customers and migrate existing ones to these platforms, realising increased gains in revenues and reducing service costs.*

*Looking ahead, with the operating environment expected to remain challenging, Union Bank remains focused on delivering quality financial services to our customers and value to all stakeholders. We believe we are well positioned to take advantage of opportunities in emerging sectors of the economy as well as deepen our stronghold in key geographies around the country."*

In the words of Chief Financial Officer, Oyinkan Adewale:

*"The 2015 numbers reinforce the success of the Bank's transformation. We are particularly pleased with the improvement in asset yield from 14.9% to 16.4%, and our success in holding operating costs down for the fourth successive year, while making investments in technology, people and processes. We continued to deliver more value from our assets; interest income grew by 19% compared to an 8% growth in total assets.*

*Core performance of our Group is up by 24%. With the sale of our non-banking subsidiaries largely concluded in 2014, gross earnings at the group level is expectedly lower in 2015 without the one-off gains from the profitable sales of subsidiaries in the previous year. We are now a leaner and more efficient group, focused on core commercial banking.*

*"We have taken a prudent approach to our loan impairment provisions, due to a worsening operating environment and believe that there is an opportunity for recoveries as the economy improves."*

## 2016 Outlook

UBN expects market conditions in Nigeria to remain challenging in 2016. The Bank is well-positioned to navigate the economic headwinds given its adequately provisioned asset book, energised workforce and current focus on innovation and cost management.

The positive trajectory recorded by the bank in recent years is expected to continue in 2016.

## Bank Financial Summary

<b>Balance Sheet</b> (in billions of Naira)	<b>Dec. 2015</b>	<b>Dec. 2014</b>	<b>Δ</b>
Total Assets	998.1	920.2	8.5%
Net Loans & Advances	349.0	302.4	15%
Customer Deposits	569.1	507.4	12%
Shareholders' Funds	230.7	205.3	12%

<b>Income Statement</b> (in billions of Naira)	<b>FY 2015</b>	<b>FY 2014</b>	<b>Δ</b>
Gross Earnings	118.4	109.8	8%
<i>Gross Earnings**</i>	<i>114.8</i>	<i>103.5</i>	<i>11%</i>
Net Interest Income	53.8	50.6	6%
<i>Non-Interest Income**</i>	<i>25.9</i>	<i>28.6</i>	<i>(10%)</i>
Gain on sale of subsidiaries	3.6	6.3	(43%)
Impairment	9.2	7.7	20%
Operating Expenses	56.0	57.2	(2%)
Profit Before Tax	18.1	20.7	(12%)
<i>Profit Before Tax**</i>	<i>14.6</i>	<i>14.4</i>	<i>1%</i>
Profit After Tax	17.7	20.5	(13%)
<i>Profit After Tax**</i>	<i>14.1</i>	<i>14.2</i>	<i>(1%)</i>

<b>Key Ratios</b>	<b>2015</b>	<b>2014</b>	<b>Δ</b>
Loan to Deposit Ratio	65%	64%	1%
Non-Performing Loan Ratio	6.99%	5.14%	1.85%
Liquidity Ratio (regulatory minimum - 30%)	43%	43%	0%
Net Interest Margin	9.0%	9.0%	0%
Cost to Income Ratio	67%	67%	0%
Return on Equity	8.1%	10.4%	(2.3%)
Return on Assets	1.9%	2.3%	(0.4%)
Net Asset Value per share	₦13.62	₦12.12	12%
Earnings Per Share	105k	121k	(16k)
<i>Earnings Per Share**</i>	<i>83k</i>	<i>84k</i>	<i>(1k)</i>

## Group Financial Summary

<b>Balance Sheet</b> (in billions of Naira)	<b>Dec. 2015</b>	<b>Dec. 2014</b>	<b>Δ</b>
Total Assets	1,046.9	1,008.5	4%
Net Loans & Advances	366.7	312.8	17%
Customer Deposits	570.6	527.6	8%
Shareholders' Funds	243.9	221.5	10%

<b>Income Statement</b> (in billions of Naira)	<b>FY 2015</b>	<b>FY 2014</b>	<b>Δ</b>
Gross Earnings	117.2	135.9	(14%)
<i>Gross Earnings**</i>	<i>117.5</i>	<i>120.0</i>	<i>(2%)</i>
Net Interest Income	55.7	52.1	7%
<i>Non-Interest Income**</i>	<i>26.5</i>	<i>28.5</i>	<i>(7%)</i>
Gain/(loss) on sale of subsidiaries	(0.3)	15.7	(<100%)
Impairment	9.2	9.7	(4%)
Operating Expenses	58.2	59.4	(2%)
Profit Before Tax	14.5	27.7	(47%)
<i>Profit Before Tax**</i>	<i>14.9</i>	<i>12.0</i>	<i>24%</i>
Profit After Tax	14.0	26.8	(48%)
<i>Profit After Tax**</i>	<i>14.3</i>	<i>11.1</i>	<i>29%</i>

<b>Key Ratios</b>	<b>2015</b>	<b>2014</b>	<b>Δ</b>
Loan to Deposit Ratio	68%	64%	4%
Non-Performing Loan Ratio	6.67%	5.03%	1.64%
Net Interest Margin	8.4%	8.2%	0.4%
<i>Cost to Income Ratio**</i>	<i>71%</i>	<i>74%</i>	<i>(3%)</i>
Return on Equity	6.0%	12.8%	(6.8%)
Return on Assets	1.4%	2.8%	(1.4%)
Net Asset Value per share	₦14.40	₦13.08	10%
Earnings Per Share	83k	151k	(68k)
<i>Earnings Per Share**</i>	<i>85k</i>	<i>59k</i>	<i>26k</i>

\*Gain on sale of subsidiaries represents one-time gains realised on the sale of the bank's subsidiaries in compliance with the Central Bank of Nigeria's Regulation 3

\*\*Excludes gain on sale of subsidiaries

For the detailed Profit and Loss Account, Balance Sheet, Cash flow statement and notes to the accounts [www.unionbankng.com](http://www.unionbankng.com)

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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 2014 the Bank began executing a transformation programme to re-establish it as a highly respected provider of quality financial services.

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, Debit Cards, ATMs and POS Systems.

More information can be found at: [www.unionbankng.com](http://www.unionbankng.com)

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