



## UNION BANK OF NIGERIA PLC

## SUMMARY FINANCIAL INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present the summary financial information of Union Bank of Nigeria PLC ("the bank") and its subsidiary companies (together the "Group") for the year ended 31 December 2019. These summary financial information are derived from the full financial statements for the year ended 31 December 2019 and are not the full financial statements of the Group and the Bank. The full financial statements, from which these summary financial information were derived, will be delivered to the Corporate Affairs Commission within the required deadline. The Bank's Auditors issued an unmodified audit opinion on the full financial statements for the year ended 31 December 2019 from which these summary financial information were derived.

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2019					CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019				
	GROUP		BANK			GROUP		BANK	
	31 DEC 2019	31 DEC 2018	31 DEC 2019	31 DEC 2018		31 DEC 2019	31 DEC 2018	31 DEC 2019	31 DEC 2018
	N'million	N'million	N'million	N'million		N'million	N'million	N'million	N'million
<b>ASSETS</b>									
Cash and cash equivalents	320,303	233,566	320,707	159,028					
Non-pledged trading assets	23,322	14,271	23,322	14,271	<b>Gross earnings</b>	166,545	145,517	159,861	140,066
Pledged assets	20,150	48,839	20,150	48,839	Interest income	117,071	105,281	116,524	104,792
Derivative assets held for risk management	7,081	1,029	7,081	1,029	Interest expense	(64,551)	(53,685)	(64,839)	(53,867)
Loans and advances to customers	550,613	473,462	550,613	428,037	<b>Net interest income</b>	52,520	51,596	51,685	50,925
Investment securities	257,085	199,317	253,633	175,068	Net impairment (charge)/reversal for credit losses	(184)	3,897	(184)	3,897
Trading properties	187	187	187	187	<b>Net interest income after impairment charge for credit losses</b>	52,336	55,493	51,501	54,822
Investment properties	5,701	5,030	-	-	Net fee and commission income	11,313	10,899	11,313	10,855
Investment in subsidiaries	-	-	2,195	10,567	Net trading income	8,198	8,410	8,198	8,410
Right of Use Assets	2,921	-	2,921	-	Cash recoveries	8,760	3,940	8,760	3,940
Property and equipment	57,968	59,954	57,934	59,830	Net income from other financial instruments at FVTPL	7,123	5,556	7,123	5,556
Intangible assets	5,382	6,045	5,381	5,628	Other operating income	7,443	5,518	7,943	6,513
Deferred tax assets	95,875	95,875	95,875	95,875	<b>Operating Income</b>	95,173	89,816	94,838	90,096
Other assets	361,711	324,276	361,973	324,003	Net impairment write-back/(charge) on other financial assets	688	(382)	688	(382)
Defined benefit assets	1,395	1,610	1,395	1,610	Net operating income after net impairment write-back on other financial assets	95,861	89,434	95,526	89,714
Assets classified as held for sale	162,537	397	8,372	325	Personnel expenses	(33,398)	(32,560)	(33,255)	(32,324)
<b>TOTAL ASSETS</b>	<b>1,872,231</b>	<b>1,463,858</b>	<b>1,711,739</b>	<b>1,324,297</b>	Depreciation of property and equipment	(5,801)	(5,166)	(5,791)	(5,156)
					Amortisation of intangible assets	(1,927)	(1,543)	(1,927)	(1,543)
<b>LIABILITIES</b>					Other operating expenses	(29,891)	(32,093)	(29,807)	(32,031)
Derivative liabilities held for risk management	2,111	1,120	2,111	1,117	Total expenses	(71,017)	(71,362)	(70,780)	(71,054)
Deposits from banks	-	99,477	-	-	<b>Profit before tax</b>	24,844	18,072	24,746	18,660
Deposits from customers	886,263	857,593	886,328	844,413	Income tax expense	(478)	(310)	(371)	(222)
Current tax liabilities	486	581	380	232	<b>Profit for the year from continuing operations</b>	24,366	17,762	24,375	18,438
Deferred tax liabilities	226	262	-	-	<b>Profit/Loss for the year from discontinued operations</b>	(4,491)	331	-	-
Lease Liabilities	1,651	-	1,651	-	<b>Profit before tax</b>	20,353	18,453	24,746	18,660
Other Liabilities	433,114	169,654	436,262	168,827	Income tax	(478)	(360)	(371)	(222)
Employee benefit obligations	842	788	840	786	<b>Profit after tax</b>	19,875	18,093	24,375	18,438
Debt securities issued	13,947	13,860	13,947	13,860	<b>Other comprehensive income, net of income tax:</b>				
Long term subordinated bond	29,104	-	29,104	-	Net change in fair value	-	889	-	889
Other borrowed funds	109,924	94,891	109,924	94,975	Remeasurement of defined benefit liability	(411)	226	(411)	226
Liabilities classified as held for sale	142,221	-	-	-	Foreign currency translation differences for foreign operations	613	2,340	-	-
<b>TOTAL LIABILITIES</b>	<b>1,619,889</b>	<b>1,238,226</b>	<b>1,480,547</b>	<b>1,124,210</b>	Fair value gains/(losses) on financial assets at FVTOCI	7,494	(6,186)	7,527	(5,971)
					Other comprehensive income for the year	7,696	(2,731)	7,116	(4,856)
<b>EQUITY</b>					<b>Total comprehensive income for the year</b>	<b>27,571</b>	<b>15,362</b>	<b>31,491</b>	<b>13,582</b>
Share capital	14,607	14,561	14,607	14,561	<b>Profit attributable to:</b>				
Share premium	133,235	187,091	133,235	187,091	Equity holders of the Bank	19,608	17,648	24,375	18,438
Retained earnings/(accumulated losses)	21,437	(44,380)	23,323	(47,736)	Non-controlling interests	267	445	-	-
Other reserves	76,520	62,084	60,027	46,171	<b>Profit for the year</b>	19,875	18,093	24,375	18,438
<b>EQUITY ATTRIBUTABLE TO EQUITY-HOLDERS OF THE BANK</b>	<b>245,799</b>	<b>219,356</b>	<b>231,192</b>	<b>200,087</b>	<b>Total comprehensive income attributable to:</b>				
Non-controlling interest	6,543	6,276	-	-	Equity holders of the Bank	27,304	14,971	31,491	13,582
<b>TOTAL EQUITY</b>	<b>252,342</b>	<b>225,632</b>	<b>231,192</b>	<b>200,087</b>	Non-controlling interests	267	391	-	-
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,872,231</b>	<b>1,463,858</b>	<b>1,711,739</b>	<b>1,324,297</b>	<b>Total comprehensive income for the year</b>	<b>27,571</b>	<b>15,362</b>	<b>31,491</b>	<b>13,582</b>
The full financial statements were approved by the Board of Directors on 12 February 2020 and signed on its behalf by:					<b>KEY FINANCIAL INFORMATION</b>				
Beatrice Hamza Bassey (Director) FRC/2020/003/00000020477					<b>Total non-performing loans &amp; advances</b>	34,760	45,434	34,760	38,496
Emeka Emuwa (Group Managing Director) FRC/2013/CIBN/0000001774					<b>Total non-performing loans to total gross loans and advances</b>	5.84%	8.74%	5.84%	8.13%
Joe Mbulu (Chief Financial Officer) FRC/2014/ICAN/0000006110					<b>Earnings per share for profit / (loss) from continuing operations attributable to equity holders of parent (Basic)</b>	83k	59k	84k	63k
					<b>Earnings per share for profit / (loss) from discontinued operations attributable to equity holders of parent (Basic)</b>	-15k	1k	-	-
					Customer complaints in financial statements for the year ended 31 December 2019				

The above summarised financial statements and report of the independent auditor are published in accordance with the requirements of S.27 of the Banks and Other Financial Institutions Act.



CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS					Description	Number	Amount claimed N'million	Amount refunded N'million
FOR THE PERIOD ENDED 31 DECEMBER 2019								
	GROUP		BANK					
	31 DEC 2019 N'million	31 DEC 2018 N'million	31 DEC 2019 N'million	31 DEC 2018 N'million				
<b>Cash flows from operating activities</b>								
Profit for the year	19,875	18,093	24,375	18,438				
Income tax expense	478	360	371	222				
Profit before tax	20,353	18,453	24,746	18,660				
<b>Adjustments for:</b>								
Impairment (write-back)/losses on loans and advances to customers	(9,342)	(3,209)	(9,342)	(3,732)				
Modification of financial assets	9,480	-	9,480	-				
Impairment charge on cash and cash equivalents	12	68	12	68				
Impairment write-back on debt securities	(16)	(29)	(16)	(29)				
Impairment write-back on contingent assets	50	(204)	50	(204)				
Recoveries on loans and advances to customers	-	(3,940)	-	(3,940)				
Allowances on other assets	-	382	-	382				
Reversal of impairment on other assets	(688)	-	(688)	-				
Write-off of property and equipment	(3)	-	-	-				
Gain on sale of property and equipment	(965)	(634)	(965)	(393)				
Gain on disposal of equity investment	(228)	(1,254)	(300)	(1,254)				
Depreciation of property and equipment	5,262	5,221	5,262	5,156				
Amortisation of intangible assets	1,927	1,762	1,927	1,543				
Dividend income from equity investment	(1,172)	(972)	(1,790)	(2,309)				
Interest paid on borrowings	17,234	15,859	17,234	15,859				
Increase in plan assets	(18)	(1,120)	(18)	(1,069)				
Contributions to defined contribution plans	628	759	628	623				
Increase in liability for defined benefit plans	(17)	561	(17)	560				
<b>Changes in</b>								
Financial assets at fair value through profit or loss	(9,051)	5,805	(9,051)	5,805				
Pledged assets	28,689	5,240	28,689	5,240				
Loans and advances to customers	(85,486)	(82,202)	(122,714)	(64,754)				
Right of use asset	(2,921)	-	(2,921)	-				
Other assets	(36,177)	(32,850)	(38,106)	(33,562)				
Derivative financial instruments-assets	(6,052)	268	(6,052)	268				
Derivative financial instruments-liabilities	991	148	994	145				
Deposits from banks	(99,477)	(654)	-	(10,686)				
Deposits from customers	28,670	55,209	41,915	47,705				
Lease liabilities	1,475	-	1,475	-				
Change in other liabilities	263,791	55,971	267,801	58,771				
<b>Net cash provided by/(used in) operating activities</b>	<b>131,657</b>	<b>36,986</b>	<b>207,318</b>	<b>37,394</b>				
<b>Cash flows from investing activities</b>								
Acquisition of investment properties	(671)	(79)	-	-				
Proceeds from sale of trading properties	-	967	-	326				
Proceeds from sale of unquoted equity investment	-	1,256	-	1,256				
Proceeds from sale of property and equipment	1,827	938	1,828	702				
Proceed/(acquisition) of investment securities	(50,046)	(18,929)	(71,614)	(4,794)				
Acquisition of property and equipment	(3,575)	(9,616)	(3,575)	(9,610)				
Acquisition of intangible assets	(1,516)	(3,500)	(1,517)	(3,222)				
Proceeds from sales of assets held for sale	625	-	625	-				
Dividend income received	1,172	972	1,790	2,309				
<b>Cashflows from discontinued operations</b>	<b>(5,272)</b>	<b>-</b>	<b>-</b>	<b>-</b>				
<b>Net cash generated from/(used in) investing activities</b>	<b>(57,456)</b>	<b>(27,991)</b>	<b>(72,463)</b>	<b>(13,033)</b>				
<b>Cash flows from financing activities</b>								
Inflow from other borrowings	30,133	25,207	30,133	25,207				
Repayment of borrowings	(15,100)	(23,527)	(15,184)	(25,968)				
Interest paid on borrowings	(17,550)	(15,859)	(17,550)	(15,859)				
Inflow from debt securities issued	87	13,860	87	13,860				
Inflow from bond issued	29,420	-	29,420	-				
Dividend paid to non-controlling interest	(475)	-	-	-				
<b>Net cash generated from/(used in) financing activities</b>	<b>26,515</b>	<b>(319)</b>	<b>26,906</b>	<b>(2,760)</b>				
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>100,716</b>	<b>8,676</b>	<b>161,761</b>	<b>21,601</b>				
Cash and cash equivalents at beginning of year	233,566	222,577	159,028	137,497				
Net change in cash and cash equivalent from discontinued operation	(14,518)	-	-	-				
Effect of exchange rate fluctuations on cash held	621	2,383	-	-				
<b>Cash and cash equivalents at end of period</b>	<b>320,385</b>	<b>233,636</b>	<b>320,789</b>	<b>159,098</b>				

The above summarised financial statements and report of the independent auditor are published in accordance with the requirements of S.27 of the Banks and Other Financial Institutions Act.

Description	Number	Amount claimed N'million	Amount refunded N'million
Pending complaints brought forward	6,763	104	-
Complaints received	350,972	53,508	1,525
Complaints resolved	351,992	53,503	1,543
Unresolved complaints escalated to CBN	-	-	-
Unresolved complaints carried forward	5,743	108	-

**INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY FINANCIAL INFORMATION**

To the Shareholders of Union Bank of Nigeria Plc

Report on the Summary Financial Information

The summary financial information, which comprise the consolidated and separate statements of financial position as at 31 December, 2019, and the consolidated and separate statement of profit or loss and other comprehensive income are derived from the audited financial statements of Union Bank of Nigeria Plc for the year ended December 31, 2019.

In our opinion, the accompanying Summary Financial Information are consistent, in all material respects, with the audited financial statements in accordance summary with the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria 2004 and the Banks and Other Financial Institutions Act, Cap B.3, Laws of the Federation of Nigeria 2004.

Summary Financial Information

The summary of the financial information do not contain all the disclosures required by the international Financial Reporting Standards, the Companies and Allied Act, Cap C.20 Laws of the Federation of Nigeria, 2004, the Financial Reporting Council of Nigeria Act, 2011, the Banks and Other Financial Institutions Act Cap B.43, Laws of the Federation of Nigeria, 2004 and other relevant Central Bank of Nigeria guidelines and Circulars.

Reading the summary financial information and the auditors report, thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon.

The Audited Financial Statements and our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 17 February 2020. That report also includes the communication of key audit matters. Key audit matters are those matters that, in our professional judgment were of significance in our audit of the financial statements of the current period.

Directors' Responsibility for the Summary Financial Information

The Directors are responsible for the preparation of the summary financial information in accordance with the Companies and Allied Matters Act of Nigeria, Cap C.20 Laws of the Federation of Nigeria, 2004 and the Banks and Other Financial Institutions Act, Cap B.43, Laws of the Federation of Nigeria, 2004.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary financial information are consistent, in all material respects, with the audited financial statements based on our procedures which were conducted in accordance with the International Standards on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.

Report on Other Legal and Regulatory Requirements

**Compliance with the requirements of Schedule 6 of the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004**

In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books and the Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.

**Compliance with section 27(2) of the Banks and Other Financial Institutions Act of Nigeria and Central Bank Circulars BSD/1/2004**

The Bank paid penalties of N124.25 million in respect of contraventions of the Banks and Other Financial Institutions Act during the year ended 31 December 2019. Details of these contraventions and penalties paid are disclosed in note 50 to the audited financial statements.

Related party transactions and balances are disclosed in note 49 to the audited financial statements in compliance with the Central Bank of Nigeria Circular BSD/1/2004.

Signed:

*A. A. Oyelami*

Adegoke, A Oyelami, FCA  
FRC/2012/ICAN/0000000444  
For: KPMG Professional Services  
Chartered Accountants  
27 February 2020  
Lagos Nigeria

