

Union Bank of Nigeria Plc.

Group Unaudited Financial Statements for the Nine Months Ended 30th September, 2021

LAGOS, NIGERIA – 28th October, 2021: Union Bank, one of Nigeria’s longest-standing and most respected financial institutions, announces its unaudited financial statements for the period ended 30th September, 2021.

Bank Financial Highlights:

- **Profit before tax:** relatively flat at ₦16bn (₦15.9bn in 9M 2020).
- **Gross earnings:** up 3% to ₦121.8bn (₦118.8bn in 9M 2020).
- **Net operating income after impairments:** up 3% to ₦71.2bn (₦69.3bn in 9M 2020) driven by stronger non-interest income.
- **Non-interest income:** up 26% to ₦42bn (₦33.4bn in 9M 2020) supported by growth in fees and commission from e-business, credit and trade transactions as well as debt recoveries.
- **Operating expenses:** up 3% to ₦55.2bn (₦53.4bn in 9M 2020), reflecting higher non-discretionary regulatory costs as well as depreciation and amortisation costs from technology spend.
- **Gross loans:** up 16% at ₦855.7bn (₦736.7bn in Dec 2020) reflecting increased lending to growth sectors of the economy.
- **Customer deposits:** up 14% at ₦1.3tr (₦1.1tr in Dec 2020) reflecting gains from our marketing drive for low-cost deposits and deepened customer loyalty.

Commenting on the results, Emeka Okonkwo, CEO said:

“We continue to demonstrate the resilience of our business despite the volatility in the macro-economic environment, growing our gross earnings by 3% and delivering stable Profit Before Tax of ₦16 billion. This stability is underpinned by our strategic focus on deepening our customer engagements and meeting their needs as we grow our core business.

Consequently, our deposit base is up 14% to ₦1.3 trillion and our loan book has expanded by 16% to ₦855.7 billion driven by our compelling campaigns, new product offerings and effective sales channels. We have also achieved stronger transaction volumes across our businesses and channels, driving growth in fees and commissions, while we ensure robust cost controls.

As we approach the end of the year, we are focused on building on our efficiency and optimising our core business while deepening our relationships with customers.”

Speaking on the 9M 2021 numbers, Chief Financial Officer, Joe Mbulu said:

“We are focused on executing our plans for revenue diversification, driving strong growth in transaction volumes while we continue our strong debt recovery initiatives. These are mitigating the on-going impact of relatively low risk asset margins.

“During the period, non-interest income increased by 26% to ₦42 billion, driven by stronger net fee and commissions which gained 44% to ₦10.3 billion from ₦7.2 billion and recoveries which grew by 163% to ₦13 billion from ₦4.9 billion. We also maintained very strong control over our expenses, which grew by 3.3%, well below the rate of inflation as we continue to realise the benefits of our cost efficiency culture and mindset.

With our capital adequacy ratio at 15.8%, above regulatory requirements and good asset quality with NPLs at 4.7% despite continued growth in our loan book, we are focused on further optimising our capital structure to support our growth plans as we look towards 2022 and beyond.”

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Financial Summary

BANK				GROUP		
Balance Sheet (in billions of Naira)	Sep-21	Dec-20	Change	Sep-21	Dec-20	Change
Total Assets	2,495.7	2,073.7	20.3%	2,561.0	2,191.0	16.9%
Gross Loans & Advances	855.7	736.7	16.2%	855.7	736.7	16.2%
Customer Deposits	1,284.4	1,131.1	13.6%	1,279.8	1,126.3	13.6%
Shareholders' Funds	249.1	247.5	0.7%	264.6	264.3	0.1%
Ratios						
Coverage Ratio (incl. regulatory risk reserves)	151.2%	149.0%	2.1%	151.2%	149.0%	2.1%
Average Liquidity Ratio (regulatory minimum - 30%)	35.1%	40.9%	-5.8%	N/A	N/A	N/A
Loan to Deposit Ratio	62.6%	62.0%	0.6%	62.6%	62.0%	0.6%
Non-Performing Loan Ratio	4.7%	4.0%	0.7%	4.7%	4.0%	0.7%
Net Asset Value per share	N8.51	N8.46	0.6%	N9.04	N9.03	0.1%
Capital Adequacy	15.8%	17.5%	-1.7%	N/A	N/A	N/A

BANK				GROUP		
Income Statement (in billions of Naira)	9M 2021	9M 2020	Change	9M 2021	9M 2020	Change
Gross Earnings	121.8	118.8	2.5%	123.1	121.4	1.4%
Net Interest Income	31.5	41.7	-24.5%	31.8	42.1	-24.5%
Non-Interest Income	42.0	33.4	26.0%	42.1	33.5	25.8%
Credit Impairment	2.7	6.1	-55.7%	2.7	6.1	-55.7%
Operating Expenses	55.2	53.4	3.3%	55.3	53.6	3.3%
Profit Before Tax	16.0	15.9	0.6%	16.2	16.2	0%
Profit After Tax	15.2	15.5	-2.1%	15.4	15.8	-2.7%
Ratios						
Net Interest Margin	3.0%	5.1%	-2.1%	3.0%	5.1%	-2.1%
Cost to Income Ratio	77.6%	77.1%	0.5%	77.4%	76.8%	0.6%
Return on Equity	8.2%	8.8%	-0.6%	7.8%	7.8%	0.0%
Return on Assets	0.9%	1.1%	-0.2%	0.9%	1.0%	-0.1%
Earnings per share	52k	53k	-1k	53k	54k	-1k

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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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 260 Sales and Service Centers across Nigeria and over 930 automated teller machines spread 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, SME, 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 UnionBetta.

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

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