

Union Bank of Nigeria Plc.

Group Unaudited Financial Statements for the Quarter Ended 30th June, 2022

LAGOS, NIGERIA – 29th July, 2022: Union Bank announces its unaudited financial statements for the quarter ended 30th June, 2022.

Bank Financial Highlights:

- **Profit before tax:** up 6.7% to ₦12.3bn (₦11.5bn in H1 2021)
- **Gross earnings:** up 12.5% to ₦87.4bn (₦77.7bn in H1 2021) driven by higher earning assets.
- **Net operating income after impairments:** up 2.6% to ₦49.6bn (₦48.3bn in H1 2021) driven by higher trading income.
- **Non-interest income:** down 24.1% to ₦21.1bn (₦27.7bn in H1 2021) due to foreign exchange revaluation loss
- **Operating expenses:** up 1.3% to ₦37.3bn (₦36.8bn in H1 2021) an outcome of higher non-discretionary regulatory costs and power costs.
- **Customer deposits:** up 7% at ₦1.5 trillion (₦1.4 trillion in Dec 2021)
- **Gross loans:** down 0.4% at ₦895.3bn (₦899.1bn in Dec 2021)
- **Non-performing loans ratio:** flat at 4.4% (4.3% as at June 2021)

Commenting on the results, Mudassir Amray, CEO said:

“Following the successful acquisition of majority shares of the Bank by Titan Trust Bank, we are now focused on strengthening the core business and improving operational efficiencies across board. In parallel, we are going full throttle on integrating the two banks to form a ‘stronger Union’ positioned to deliver value to all stakeholders, leveraging technology and digital innovation. The integration is expected to be completed by the end of the third quarter.

In H1 2022, compared to H1 2021, the Bank’s Gross Earnings, Net Interest Income and Profit Before Tax grew by 12.5%, 41%, and 6.7% respectively.

Since taking the reins as Chief Executive Officer as at June 2nd, 2022, I am confident that the Bank has all the necessary ingredients to be a tier 1 bank.

As we drive towards a seamless integration in the second half of the year, we remain committed to achieving our business objectives. We are excited about exploiting the synergies from the newly expanded franchise post integration.”

Speaking on the H1 2022 numbers, Chief Financial Officer, Joe Mbulu said:

“We have continued to deliver improved efficiency, enabling growth in PBT, which grew by 6.7% to ₦12.3bn. Net Interest Income increased by 41% during the period, driven by interest income which grew from ₦47.7bn to ₦64.3bn during H1 2022. The rise in interest income was underpinned by growth in loans/advances which rose by 24%. Despite inflationary pressures, our strong cost management model continues to yield dividends. Operating expenses grew slightly by only 1.3% to ₦37.3bn from ₦36.3bn.

Deposits increased by 7% to N1.5 trillion while our risk assets dropped slightly by 0.4% to ₦889.1bn from N895.3bn as at year-end 2021.

Our capital and liquidity positions remained above regulatory levels, with CAR at 16.4% and liquidity ratio of 39.2% further demonstrating the capacity of our strong balance sheet. Our non-performing loan ratio ended at 4.4%. Furthermore, our coverage ratio remains robust at 140.7%.”

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Financial Summary

	BANK			GROUP		
	Jun-22	Dec-21	Change	Jun-22	Dec-21	Change
Balance Sheet (in billions of Naira)						
Total Assets	2,497.3	2,567.4	-2.7%	2,541.2	2,595.8	-2.1%
Gross Loans & Advances	895.3	899.1	-0.4%	895.3	899.1	-0.4%
Customer Deposits	1,456.8	1,361.3	7.0%	1,450.4	1,355.9	7.0%
Shareholders' Funds	266.0	251.5	5.8%	280.5	266.9	5.1%
Ratios						
Coverage Ratio (incl. regulatory risk reserves)	140.7%	166.2%	-25.5%	140.7%	166.2%	-25.5%
Average Liquidity Ratio (regulatory minimum - 30%)	46.6%	34.3%	12.3%	N/A	N/A	N/A
Loan to Deposit Ratio	61.1%	62.0%	-0.9	N/A	N/A	N/A
Non-Performing Loan Ratio	4.4%	4.3%	0.1%	4.4%	4.0%	0.4%
Net Asset Value per share	N9.09	N8.59	5.8%	N9.58	N9.12	5.1%
Capital Adequacy	16.4%	14.6%	1.8%	N/A	N/A	N/A

	BANK			GROUP		
	H1 2022	H1 2021	Change	H1 2022	H1 2021	Change
Income Statement (in billions of Naira)						
Gross Earnings	87.4	77.7	12.5%	87.7	77.8	12.8%
Net Interest Income	28.7	20.4	41.0%	28.9	20.5	41.0%
Non-Interest Income	21.1	27.7	-24.1%	21.2	27.8	-23.8%
Credit Impairment	(0.2)	(0.1)	30.1%	(0.2)	(0.1)	30.1%
Operating Expenses	37.3	36.8	1.3%	37.4	36.9	1.4%
Profit Before Tax	12.3	11.5	6.7%	12.5	11.6	7.9%
Profit After Tax	11.7	11.0	6.4%	11.9	11.1	7.4%

Ratios

Net Interest Margin	3.8%	3.1%	0.7%	3.8%	3.1%	0.7%
Cost to Income Ratio	75.2%	76.2%	-1.0%	74.9%	76.1%	-1.2%
Return on Equity	9.1%	9.1%	-	9.1%	9.1%	-
Return on Assets	1.0%	1.1%	-0.1%	1.1%	1.1%	-
Earnings per share	40k	38k	2k-	40k	38k	2k

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 255 Sales and Service Centers across Nigeria and over 925 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 UnionBeta.

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

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