



2019 Extra-Ordinary General Meeting



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EXPLANATORY STATEMENT

UNION BANK OF NIGERIA PLC

RC. 6262

EXPLANATORY STATEMENT ON THE PROPOSED REDUCTION OF SHARE PREMIUM ACCOUNT BY UNION BANK OF NIGERIA PLC ("THE CAPITAL REDUCTION")

1. BACKGROUND

A review of the Bank's financial position as at 31st December 2018 ("2018 FYE"), established a deficit of N54.458billion as accumulated permanent losses from legacy transactions, in addition to the N247.868billion approved by shareholders, in 2017.

2. RATIONALE

The balance sheet restructuring proposed will not affect the Bank's authorised or issued share capital or regulatory capital but should result in a reduction of the credit balance in the Bank's Share Premium Account, while leaving the aggregate shareholders' funds unchanged. It would have no impact on the Bank's creditors but rather, pave the way for the Bank's investors to receive dividends out of the Bank's future profits.

3. MECHANICS

In terms of mechanics and structure, the Bank's Board of Directors ('the Board') is proposing a reduction of N54.458billion from the Bank's Share Premium Account of N187.091billion, pursuant to sections 106 and 107 of Companies and Allied Matters Act ('CAMA'). The reserve arising from the reduction of capital would be used to eliminate the negative retained earnings as at 2018 FYE.

4. EFFECT OF THE TRANSACTION

The effect of the proposed reorganization of the Bank's capital, as at 2018 FYE, is as follows:

Equity ₦ Millions	FYE2018 Pre -Transaction	Effect of Transaction	FYE2018 Post -Transaction
Share Capital	14,561		14,561
Share Premium	187,091	(54,458)	132,633
Retained Deficit	(47,736)	54,458	6,722
Other Reserves	46,171		46,171
	200,087	-	200,087

* Figures Pre-Transaction are derived from the Audited Separate and Consolidated Statements of Financial Position as at 2018 FYE.

5. PROCESS AND TIMELINE

At the Extra-Ordinary General Meeting ("EGM") scheduled for 11th of June 2019, the shareholders of the Bank will consider and, if thought fit, approve the Capital Reduction and Share Capital Reorganization.

Thereafter, an application will be made to the Federal High Court for an order sanctioning the Capital Reduction and Share Capital Reorganization, subsequent to which the Court Order will be registered with the Corporate Affairs Commission ('CAC') to become effective.

6. CONTACT

Somuyiwa Adedeji Sonubi

Company Secretary
Union Bank of Nigeria Plc
Stallion Plaza
36 Marina
Lagos

NOTICE OF THE EXTRA-ORDINARY GENERAL MEETING

NOTICE is hereby given that the Extra-Ordinary General Meeting of Union Bank of Nigeria Plc will be held in The Grand Ballroom, Civic Centre, Ozumba Mbadiwe Street, Victoria Island, Lagos on Tuesday, 11th June 2019 at 10.00 a.m. to transact the following business:

SPECIAL BUSINESS

Special Resolutions

1. "That subject to the confirmation of the Court, the Company's Issued Share Capital (including for this purpose its Share Premium Account) be reduced by the sum of N54.458 billion which has been lost or is otherwise unrepresented by available assets and that the credit arising from the reduction be used to eliminate the retained loss in the Company's audited financial statements as at 31st December 2018."
2. That the Directors of the Company be authorised generally to do all acts and things, and to approve, sign and/or execute all documents which in their opinion may be necessary, expedient or appropriate to carry into effect and implement the above resolution including, without limitation, to seek confirmation from the Federal High Court.

NOTES

a) PROXY

A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in its, his or her stead. A proxy need not be a member of the Company. A proxy form is supplied with this Notice. For completed proxy forms to be valid for the purpose of the meeting, they must be duly stamped by the Commissioner of Stamp Duties and deposited at the office of the Company Registrar, Greenwich Registrars and Data Solutions Ltd., 274 Murtala Muhammed Way, Yaba, Lagos not less than forty-eight (48) hours before the meeting.

b) CLOSURE OF REGISTER

The Register of Members and Transfer Books of the Company will be closed from Monday, 3rd June 2019 to Friday, 7th June 2019 (both days inclusive) for the purpose of updating the Register of Members.

c) RIGHT OF SHAREHOLDERS TO ASK QUESTIONS

Pursuant to Rule 19.12 (c) of the Nigerian Stock Exchange's Rulebook, kindly note that it is the right of every shareholder to ask questions at the Extra-Ordinary General Meeting and also in writing prior to the meeting. We therefore urge that such questions be submitted to the Company Secretary not later than two (2) weeks before the date of the meeting.

d) EXPLANATORY STATEMENT (WEB LINK)

Shareholders can access the Notice of Extra-Ordinary General Meeting and Explanatory Statement on the Company's website by using the following link:
<https://www.unionbankng.com/reports-statements-presentations>

BY ORDER OF THE BOARD



Somuyiwa Adedeji Sonubi
Company Secretary
FRC/2013/NBA/00000002061
Union Bank of Nigeria Plc
Stallion Plaza
36 Marina
Lagos

Dated this 17th day of May 2019

PROXY FORM UNION BANK OF NIGERIA PLC EXTRA-ORDINARY GENERAL MEETING

<p>I/We</p> <div style="border: 1px solid black; height: 60px; width: 100%;"></div> <p>Being a member/members of UNION BANK OF NIGERIA PLC hereby appointor failing him/her Mr. CYRIL ODU or failing him MR. EMEKA EMUWA to be my/our proxy, to act and vote for me/us and on my/our behalf at the Extra-Ordinary General Meeting of the Company to be held in The Grand Ballroom, Civic Centre, Ozumba Mbadiwe Street, Victoria Island Lagos on Tuesday, 11th June 2019 at 10.00 a.m. and at any adjournment thereof.</p> <p>As witness my/our hands this day of2019</p> <p>Signed:</p> <p>.....</p> <p>NOTE: A member of the Company entitled to attend and vote at the Extra-Ordinary General Meeting is entitled to appoint a proxy in its, his or her stead. All completed proxy forms should be deposited at the office of The Registrar, Greenwich Registrars and Data Solutions Ltd. 274 Murtala Muhammed Way, Yaba, Lagos, not less than 48 hours before the time scheduled for holding the meeting. A proxy need not be a member of the Company.</p> <p>In the case of joint shareholders, any one of such shareholders may complete the form but the names of all joint shareholders must be stated.</p> <p>It is required by law under the Stamp Duties Act, Cap F8. Laws of the Federation of Nigeria, 2004 that any instrument of proxy to be used for the purpose of voting by any person entitled to vote at any meeting of shareholders must bear stamp duty at the appropriate rate, not adhesive postage stamps.</p> <p>If the shareholder is a corporation, this form must be under its common seal or under the hand of officers or an attorney duly authorized in that behalf.</p>	<p>I/We desire this proxy to be used in favour of/against the resolution as indicated alongside (Strike out which-ever is not desired)</p>	SPECIAL BUSINESS	FOR	AGAINST
		SPECIAL RESOLUTIONS		
		<p>1. "That subject to the confirmation of the Court, the Company's Issued Share Capital (including for this purpose its Share Premium Account) be reduced by the sum of N54.458 billion which has been lost or is otherwise unrepresented by available assets and that the credit arising from the reduction be used to eliminate the retained loss in the Company's audited financial statements as at 31st December 2018."</p> <p>2. That the Directors of the Company be authorised generally to do all acts and things, and to approve, sign and/or execute all documents which in their opinion may be necessary, expedient or appropriate to carry into effect and implement the above resolution including, without limitation, to seek confirmation from the Federal High Court.</p>		
<p>Please indicate with "X" in the appropriate box how you wish your vote to be cast on the resolutions set out above. Unless otherwise instructed, the Proxy will vote or abstain from voting at his/her discretion.</p>				

Before posting the above card, kindly tear off this part and retain it.

**ADMISSION CARD
UNION BANK OF NIGERIA PLC
EXTRA-ORDINARY GENERAL MEETING**

PLEASE ADMIT ONLY THE SHAREHOLDER NAMED ON THIS CARD OR ITS/HIS/HER DULY APPOINTED PROXY TO THE EXTRA-ORDINARY GENERAL MEETING BEING HELD IN THE GRAND BALLROOM, CIVIC CENTRE, OZUMBA MBADIWE STREET, VICTORIA ISLAND, LAGOS ON TUESDAY, 11TH JUNE 2019 AT 10.00 A.M.

NAME OF SHAREHOLDER/PROXY.....SIGNATURE.....

ADDRESS.....

THIS CARD IS TO BE SIGNED AT THE VENUE IN THE PRESENCE OF THE REGISTRAR