



Union Bank of Nigeria Plc
UNAUDITED
FINANCIAL STATEMENTS
30 September 2020

Consolidated and Separate Statements of Profit or Loss and Other Comprehensive Income

For the period ended

	Notes	Group				Bank			
		September 2020	September 2019	Q3 2020	Q3 2019	September 2020	September 2019	Q3 2020	Q3 2019
		N million	N million	N million	N million	N million	N million	N million	N million
Gross earnings		121,384	117,153	39,527	41,135	118,794	111,908	38,881	39,553
Interest income	1	85,611	85,173	28,251	31,156	85,432	84,850	28,189	31,055
Interest expense	1	(43,507)	(48,244)	(14,405)	(17,763)	(43,709)	(48,412)	(14,486)	(17,811)
Net interest income (NRFF)		42,104	36,929	13,846	13,393	41,723	36,438	13,703	13,244
Net impairment charge for credit losses	6	(6,096)	4,752	(1,860)	243	(6,096)	4,752	(1,859)	243
Net interest income after impairment charge for credit losses		36,008	41,681	11,987	13,636	35,627	41,190	11,844	13,487
Net fee and commission income	2	7,185	9,038	2,128	2,599	7,186	9,038	2,128	2,599
Net trading income	3	11,886	4,598	2,990	963	11,885	4,598	2,990	963
Recoveries		4,944	8,390	2,291	3,109	4,944	8,390	2,291	3,109
Net income from other financial instruments at fair value through profit or loss	4	4,870	2,225	2,974	910	4,870	2,225	2,974	910
Other operating income	5	4,594	2,287	376	688	4,477	2,808	309	917
Non interest income (NII)		33,479	26,538	10,759	8,269	33,362	27,058	10,692	8,497
Operating income		69,486	68,219	22,746	21,905	68,988	68,249	22,536	21,985
Net impairment write-back/(loss) on other financial assets	6	306	462	-	-	306	462	-	-
Net operating income after net impairment write-back/(loss) on other financial assets		69,792	68,681	22,746	21,905	69,294	68,711	22,536	21,985
Personnel expenses	7	(22,882)	(24,532)	(7,312)	(8,364)	(22,783)	(24,423)	(7,279)	(8,328)
Depreciation and amortisation		(4,801)	(5,327)	(1,646)	(1,744)	(4,790)	(5,320)	(1,643)	(1,741)
Other operating expenses	8	(25,900)	(23,540)	(9,112)	(7,681)	(25,859)	(23,471)	(9,098)	(7,658)
Total expenses		(53,583)	(53,399)	(18,070)	(17,789)	(53,432)	(53,214)	(18,020)	(17,727)
Profit before income tax from continued operations		16,209	15,282	4,676	4,116	15,862	15,497	4,516	4,258
Income tax expense	9	(366)	(192)	153	(106)	(351)	(195)	161	(84)
Profit for the year from continued operations		15,843	15,090	4,829	4,010	15,512	15,302	4,677	4,174
Discontinued operations									
Gross income from discontinued operations	34	2,295	5,442	517	1,711	-	-	-	-
Gross expense from discontinued operations	34	(3,069)	(5,079)	(1,036)	(2,307)	-	-	-	-
Profit/Loss before tax from discontinued operations	34	(775)	363	(519)	(596)	-	-	-	-
Income tax expense from discontinued operations	34	-	(260)	-	(73)	-	-	-	-
Profit/Loss for the year from discontinued operations	34	(775)	102	(519)	(669)	-	-	-	-
Continuing and discontinued operations:									
Profit before tax		15,435	15,644	4,158	3,517	15,862	15,497	4,516	4,258
Income tax		(366)	(452)	153	(178)	(351)	(195)	161	(84)
Profit after tax		15,069	15,192	4,311	3,339	15,511	15,302	4,677	4,174
Other comprehensive income, net of income tax									
Foreign currency translation differences for foreign operations		1,386	78	(70)	117	-	-	-	-
Fair value gains/(losses) on financial assets at FVTOCI		660	1,979	(308)	1,979	666	2,011	(319)	(422)
Other comprehensive income for the year		2,046	2,057	(378)	2,096	666	2,011	(319)	(422)
Total comprehensive income for the year		17,115	17,249	3,933	5,435	16,177	17,313	4,358	3,752

Profit attributable to:								
Equity holders of the Bank	14,986	14,960	4,257	3,286	15,511	15,302	15,511	4,174
Non-controlling interest	83	232	54	53	-	-	-	-
Profit for the year	15,069	15,192	4,311	3,339	15,511	15,302	15,511	4,174
Total comprehensive income attributable to:								
Equity holders of the Bank	17,032	17,017	3,879	5,382	16,177	17,313	16,177	3,752
Non-controlling interest	83	232	54	53	-	-	-	-
Total comprehensive income for the year	17,115	17,249	3,933	5,435	16,177	17,313	16,177	3,752
Earnings per share for profit from continued operations attributable to equity holders of Bank								
Basic and diluted (Kobo)	54	51	16	11	53	53	-	14

Consolidated and Separate Statements of Financial Position

As at

	Notes	Group 30 September 2020 N million	Group 31 December 2019 N million	Bank 30 September 2020 N million	Bank 31 December 2019 N million
ASSETS					
Cash and cash equivalents	11	232,688	320,303	228,418	320,707
Financial assets at fair value through profit or loss	12	79,976	23,322	79,976	23,322
Pledged assets	13	78,502	20,150	78,502	20,150
Derivative assets held for risk management	14	887	7,081	887	7,081
Loans and advances to customers at amortised cost	15	627,374	550,613	627,374	550,613
Investment securities	17	309,042	257,085	308,636	253,633
Trading properties	18	1,876	187	187	187
Investment properties	19	2,972	5,701	-	-
Investment in subsidiaries	20	-	-	2,195	2,195
Property and equipment	21	62,144	57,968	62,119	57,934
Intangible assets	22	4,163	5,381	4,162	5,381
Right of Use Assets	23	3,190	2,922	3,189	2,921
Deferred tax assets	24	95,875	95,875	95,875	95,875
Cash reserve requirement	25	537,650	296,043	537,650	296,043
Other assets	25	66,880	65,668	67,191	65,930
Defined benefit assets	29	1,671	1,395	1,671	1,395
		2,104,890	1,709,695	2,098,033	1,703,368
Assets classified as held for sale	34	130,308	162,537	8,372	8,372
TOTAL ASSETS		2,235,198	1,872,232	2,106,405	1,711,740
LIABILITIES					
Derivative liabilities held for risk management	14	20	2,111	20	2,111
Deposits from banks	26	7,741	-	7,741	-
Deposits from customers	26	1,131,743	886,263	1,131,948	886,328
Current tax liabilities	27	372	486	358	380
Deferred tax liabilities	24	280	226	-	-
Lease Liabilities	28	1,841	1,651	1,841	1,651
Other liabilities	28	508,671	433,115	512,759	436,263
Retirement benefit obligations	29	1,185	842	1,184	840
Debt securities issued	30	13,473	13,947	13,473	13,947
Commercial Papers	31	17,347	-	17,347	-
Long term subordinated bond	32	30,735	29,104	30,735	29,104
Other borrowed funds	33	148,635	109,924	148,635	109,924
		1,862,043	1,477,669	1,866,041	1,480,548
Liabilities classified as held for sale	34(c)	110,704	142,221	-	-
TOTAL LIABILITIES		1,972,747	1,619,890	1,866,041	1,480,548
EQUITY					
Share capital and share premium	35	148,152	147,842	148,152	147,842
Retained Earnings		27,159	21,437	29,570	23,323
Other reserves		80,514	76,520	62,641	60,027
EQUITY ATTRIBUTABLE TO EQUITY - HOLDERS OF THE BANK		255,825	245,799	240,363	231,192
Non-controlling interest	36	6,626	6,543	-	-
TOTAL EQUITY		262,451	252,342	240,363	231,192
TOTAL LIABILITIES AND EQUITY		2,235,198	1,872,232	2,106,404	1,711,740

Signed on behalf of the Board of Directors on 26 October 2020 by:



Emeka Emuwa
Group Managing Director
FRC/2013/CIBN/0000001774



Joe Mbulu
Chief Financial Officer
FRC/2014/ICAN/00000006110



Beatrice Hamza Bassey
Ag. Board Chair
FRC/2020/003/00000020477

Consolidated and Separate Statements of Changes in Equity
For the period ended 30 September 2020

Group

	Share capital	Share premium	Statutory reserve	Fair value reserve	Regulatory risk reserve	Share based payment reserve	AGSMEIS Reserve	Other reserves	Retained earnings	Total	Non-controlling interest	Total equity
	N million	N million	N million	N million	N million	N million	N million	N million	N million	N million	N million	N million
Balance at 1 January 2020	14,607	133,235	32,453	21,074	3,331	-	2,358	17,304	21,437	245,799	6,543	252,342
Total comprehensive income for the period												
Profit for the period	-	-	2,327	-	-	-	-	-	12,659	14,986	83	15,069
Other comprehensive income, net of tax												
Foreign currency translation difference	-	-	-	-	-	-	-	1,386	-	1,386	-	1,386
Fair value gains/(loss) on investment at FVTOCI	-	-	-	660	-	-	-	-	-	660	-	660
Translation gains	-	-	-	-	-	-	-	-	-	-	-	-
Equity settled share based payment	-	-	-	-	-	-	-	-	-	-	-	-
Appropriation:												
Transfer from regulatory reserves	-	-	-	-	(1,598)	-	1,219	-	379	(0)	-	(0)
Transfer from other reserves	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	2,327	660	(1,598)	-	1,219	1,386	13,038	17,032	83	17,115
Transactions with owners, recorded directly in equity												
Contributions by and distributions to owners												
Shares issued during the year	26	284	-	-	-	-	-	-	-	310	-	310
Net expenses on shares issued	-	-	-	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	(7,316)	(7,316)	-	(7,316)
Equity-settled share-based payment	-	-	-	-	-	-	-	-	-	-	-	-
Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from Share Based Payment Reserve	-	-	-	-	-	-	-	-	-	-	-	-
Total contribution and (distributions) to owners	26	284	-	-	-	-	-	-	(7,316)	(7,006)	-	(7,006)
Balance at 30 September 2020	14,633	133,519	34,780	21,734	1,733	-	3,577	18,690	27,159	255,824	6,626	262,450

For the period ended 30 September 2019

Group

	Share capital	Share premium	Statutory reserve	Fair value reserve	Regulatory risk reserve	Share based payment reserve	AGSMEIS Reserve	Other reserves	Retained earnings	Total	Non-controlling interest	Total equity
	N million	N million	N million	N million	N million	N million	N million	N million	N million	N million	N million	N million
Balance at 1 January 2019	14,561	187,091	28,797	14,482	-	282	1,436	17,087	(44,380)	219,356	6,276	225,632
IFRS 9 Transition adjustment	-	-	-	-	-	-	-	-	-	-	-	-
Adjustment on initial application of IFRS 16, net of tax	-	-	-	-	-	-	-	-	(157)	(157)	-	(157)
Restated balance at 1 January 2019	14,561	187,091	28,797	14,482	-	282	1,436	17,087	(44,537)	219,199	6,276	225,475
Total comprehensive income for the year												
Profit for the year	-	-	2,295	-	-	-	-	-	12,665	14,960	232	15,192
Fair value gains/(loss) on investment at FVTOCI	-	-	-	1,979	-	-	-	-	-	1,979	-	1,979
Equity settled share based payment	-	-	-	-	-	(0)	-	-	-	(0)	-	(0)
Balance at 30 September 2019	14,561	187,091	31,092	16,461	1,392	282	1,436	17,165	(33,995)	235,485	6,508	241,993

Consolidated and Separate Statements of Changes in Equity
For the period ended 30 September 2020

Bank

	Share capital	Share premium	Statutory reserve	Fair value reserves	Regulatory risk reserves	Share based payment reserve	AGSMEIS Reserve	Other reserves	Retained earnings	Total
	N million	N million	N million	N million	N million	N million	N million	N million	N million	N million
Balance at 1 January 2020	14,607	133,235	32,453	19,960	3,331	-	2,358	1,925	23,323	231,192
Reclassification among Fixed asset Class	-	-	-	-	-	-	-	-	-	-
Adjustment on initial application of IFRS 16, net of tax	-	-	-	-	-	-	-	-	-	-
Restated balance at 1 January 2019	14,607	133,235	32,453	19,960	3,331	-	2,358	1,925	23,323	231,192
Total comprehensive income for the year										
Profit or loss	-	-	2,327	-	-	-	-	-	13,184	15,511
Other comprehensive income										
Foreign currency translation difference	-	-	-	-	-	-	-	-	-	-
Fair value gains/(loss) on investment at FVTOCI	-	-	-	666	-	-	-	-	-	666
Equity settled share based payment	-	-	-	-	-	-	-	-	-	-
Remeasurement of defined benefit liability	-	-	-	-	-	-	-	-	-	-
Transfer between reserves	-	-	-	-	(1,598)	-	1,219	-	379	-
Total comprehensive income for the year	-	-	2,327	666	(1,598)	-	1,219	-	13,563	16,177
Transactions with owners, recorded directly in equity										
Contributions by and distributions to owners										
Shares issued during the year	26	284	-	-	-	-	-	-	-	310
Net expenses on shares issued	-	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	(7,316.00)	(7,316)
Shares redeemed during the year	-	-	-	-	-	-	-	-	-	-
Equity-settled share-based payment	-	-	-	-	-	-	-	-	-	-
Transfer to retained earning	-	-	-	-	-	-	-	-	-	-
Transfer to/(from) other reserves	-	-	-	-	-	-	-	-	-	-
Increase/dilution in non-controlling interest	-	-	-	-	-	-	-	-	-	-
Proceeds of financial accommodation from AMCON	-	-	-	-	-	-	-	-	-	-
Transfer from Share Based Payment Reserve	-	-	-	-	-	-	-	-	-	-
Premium on cancelled treasury shares transferred to retained earnings	-	-	-	-	-	-	-	-	-	-
Total contribution and (distributions) to owners	26	284	-	-	-	-	-	-	(7,316.00)	(7,006)
Balance at 30 September 2020	14,633	133,519	34,780	20,626	1,733	-	3,577	1,925	29,570	240,363

For the period ended 30 September 2019

Bank

	Share capital	Share premium	Statutory reserve	Fair value reserves	Regulatory risk reserves	Share based payment reserve	AGSMEIS Reserve	Other reserves	Retained earnings	Total
	N million	N million	N million	N million	N million	N million	N million	N million	N million	N million
Balance at 1 January 2019	14,561	187,091	28,797	13,335	-	282	1,436	2,322	(47,736)	200,087
IFRS 9 Transition adjustment	-	-	-	-	-	-	-	-	-	-
Adjustment on initial application of IFRS 16, net of tax	-	-	-	-	-	-	-	-	(157)	(157)
Restated balance at 1 January 2019	14,561	187,091	28,797	13,335	-	282	1,436	2,322	(47,893)	199,930
Fair value gains/(loss) on investment at FVTOCI	-	-	-	2,011	-	-	-	-	-	2,011
Total comprehensive income for the year	-	-	2,295	2,011	1,392	-	-	-	11,615	17,313
Balance at 30 September 2019	14,561	187,091	31,092	15,346	1,392	282	1,436	2,322	(36,278)	217,243

Consolidated and Separate Statements of Cash Flows

For the period ended

	Group 30 September 2020 N million	Group September 2019 N million	Bank 30 September 2020 N million	Bank September 2019 N million
Cash flows from operating activities				
Profit for the year	15,069	15,451	15,511	15,302
Income tax expense	366	192	351	195
Profit before tax	15,435	15,643	15,861	15,497
Adjustments for:				
Impairment losses/(write-back) on loans and advances	6,096	(3,790)	(4,752)	(4,752)
Recoveries on loans and advances	(4,944)	(8,390)	(4,944)	(8,390)
Reversal of impairment on other assets	(306)	(462)	(306)	(462)
Write-off of property and equipment	-	(8)	-	-
Gain on sale of property and equipment	(571)	(293)	(537)	(293)
Gain on disposal of unquoted equity at FVTOCI	-	-	-	-
Depreciation of property and equipment	3,783	4,057	3,776	4,036
Amortisation of intangible assets	1,401	1,509	1,401	1,437
Dividend income from equity investment	(934)	(1,172)	(934)	(1,790)
Interest paid on borrowings	21,015	15,390	21,015	15,390
Contributions to defined contribution plans	458	477	458	477
Increase in liability for defined benefit plans	39	10	39	10
	41,472	22,972	31,078	21,160
Change in financial assets at fair value through profit or loss	(56,654)	(39,454)	(56,654)	(39,454)
Change in pledged assets	(58,352)	(19,863)	(58,352)	(19,863)
Change in loans and advances to customers	(77,913)	(43,228)	(67,065)	(43,919)
Change in right of use asset	(3,189)	(3,081)	(3,189)	(3,081)
Change in other assets	(186,448)	(41,366)	(181,939)	(41,648)
Change in defined benefit assets	(276)	(61)	(276)	(61)
Change in derivative financial instruments-assets	6,194	1,029	6,194	1,029
Change in derivative financial instruments-liabilities	(2,091)	(829)	(2,091)	(826)
Change in deposits from customers	245,480	35,315	245,620	32,973
Change in deposits from banks	-	17,457	-	3,626
Change in lease liability	190	1,565	190	1,565
Change in other liabilities	75,865	218,815	76,805	218,656
	(15,722)	149,271	(9,679)	130,157
Income tax paid	(480)	(701)	(373)	(223)
Payment from defined contribution plan	(459)	(486)	(459)	(486)
Payment from defined benefit plan	304	31	306	32
Net cash provided by/(used in) operating activities	(16,357)	148,115	(10,205)	129,480
Cash flows from investing activities				
Additions to investment properties	2,729	(243)	-	-
Additions to trading properties	(1,689)	-	-	-
Proceeds from sale of property and equipment	443	317	429	318
Acquisition of investment securities	(48,058)	(49,233)	(54,337)	(46,594)
Acquisition of property and equipment	(8,816)	(3,487)	(8,814)	(3,485)
Acquisition of intangible assets	(147)	(1,221)	(147)	(1,304)
Dividend income received	934	1,172	934	1,790
	-	-	-	-
Net cash generated from/(used in) investing activities	(54,604)	(52,695)	(61,935)	(49,274)
Cash flows from financing activities				
Inflow from other borrowings	(5,698)	30,356	(5,698)	30,356
Interest paid on borrowings	(31,239)	(12,864)	(33,346)	(12,860)
Inflow from bond issued	1,631	(14,143)	1,631	(14,143)
Inflow from commercial papers issued	17,347	29,420	17,347	29,420
Net cash generated from/(used in) financing activities	(17,959)	32,038	(20,066)	32,773
Net increase/(decrease) in cash and cash equivalents	(88,920)	127,457	(92,207)	112,978
Cash and cash equivalents at beginning of year	320,303	233,566	320,707	159,028
Effect of exchange rate fluctuations on cash held	1,387	86	-	-
Cash and cash equivalents at end of period	232,770	361,109	228,500	272,006

1 Net interest income

	Group September 2020	Group September 2019	Group 3 Months Q3 2020	Group 3 Months Q3 2019	Bank September 2020	Bank September 2019	Bank 3 Months Q3 2020	Bank 3 Months Q3 2019
	N million	N million	N million	N million	N million	N million	N million	N million
Interest income								
Cash and cash equivalents	11,092	13,399	4,527	6,121	11,088	13,394	4,525	6,119
Loans and advances to customers	56,444	57,043	20,333	19,769	56,461	57,211	20,334	19,817
Investment securities	18,075	14,731	3,391	5,266	17,883	14,245	3,330	5,119
Total interest income	85,611	85,173	28,251	31,156	85,432	84,850	28,189	31,055
Interest expense								
Deposits from customers	22,302	32,679	7,455	10,786	22,504	32,847	7,536	10,834
Lease liability	190	175	66	59	190	175	66	59
Other borrowed funds	21,015	15,390	6,884	6,918	21,015	15,390	6,884	6,918
Total interest expense	43,507	48,244	14,405	17,763	43,709	48,412	14,486	17,811
Net interest income	42,104	36,929	13,846	13,393	41,723	36,438	13,703	13,244

2 Net fees and commission income

	Group September 2020	Group September 2019	Group 3 Months Q3 2020	Group 3 Months Q3 2019	Bank September 2020	Bank September 2019	Bank 3 Months Q3 2020	Bank 3 Months Q3 2019
	N million	N million	N million	N million	N million	N million	N million	N million
Credit Related fees and commissions income	2,446	3,593	725	572	2,446	3,593	725	572
Account Maintenance Fee	1,174	1,434	438	475	1,174	1,434	438	475
E-business fee income	5,336	5,601	1,680	2,145	5,337	5,601	1,680	2,145
Commission on LCs, Invisible Trades and Guarantees	877	968	343	315	877	968	343	315
Other fees and commission	56	43	16	10	56	43	16	10
	9,889	11,639	3,202	3,517	9,890	11,639	3,202	3,517
Fees and commission expenses	(2,705)	(2,601)	(1,075)	(918)	(2,705)	(2,601)	(1,075)	(918)
	7,185	9,038	2,126	2,599	7,186	9,038	2,127	2,599

3 Net trading income/(loss)

	Group September 2020	Group September 2019	Group 3 Months Q3 2020	Group 3 Months Q3 2019	Bank September 2020	Bank September 2019	Bank 3 Months Q3 2020	Bank 3 Months Q3 2019
	N million	N million	N million	N million	N million	N million	N million	N million
Gain on disposal of fixed income securities	7,264	3,794	1,053	685	7,264	3,794	1,053	685
Mark to market gains/losses on fixed income securities	2,346	(85)	678	(94)	2,346	(85)	678	(94)
Mark to market gains on commercial paper	-	-	-	-	-	-	-	-
Foreign exchange gain on trading	2,276	889	1,259	372	2,275	889	1,259	372
	11,886	4,598	2,990	963	11,885	4,598	2,990	963

4 Net income from other financial instruments at fair value through profit or loss

	Group September 2020	Group September 2019	Group 3 Months Q3 2020	Group 3 Months Q3 2019	Bank September 2020	Bank September 2019	Bank 3 Months Q3 2020	Bank 3 Months Q3 2019
	N million	N million	N million	N million	N million	N million	N million	N million
<i>Equity instruments at FVTPL:</i>								
Equity	4,759	523	2,120	340	4,759	523	2,120	340
Derivatives held for risk management purposes:								
Foreign exchange swap contracts	111	1,702	854	570	111	1,702	854	570
	4,870	2,225	2,974	910	4,870	2,225	2,974	910

5 Other operating income

	Group September 2020	Group September 2019	Group 3 Months Q3 2020	Group 3 Months Q3 2019	Bank September 2020	Bank September 2019	Bank 3 Months Q3 2020	Bank 3 Months Q3 2019
	N million	N million	N million	N million	N million	N million	N million	N million
Dividends	934	1,172	64	149	934	1,790	64	406
Gains on disposal of property and equipment	571	293	327	211	537	293	297	211
Foreign exchange revaluation gain	2,541	363	(207)	175	2,541	363	(207)	175
Rental income	99	110	13	45	99	110	13	45
Sundry income	449	349	179	108	366	252	142	80
	4,594	2,287	376	688	4,477	2,808	309	917

(a) Sundry income

	Group September 2020	Group September 2019	Group 3 Months Q3 2020	Group 3 Months Q3 2019	Bank September 2020	Bank September 2019	Bank 3 Months Q3 2020	Bank 3 Months Q3 2019
	N million	N million	N million	N million	N million	N million	N million	N million
Cash handling fees	56	43	16	11	56	43	16	11
Fraud recoveries	-	2	0	-	-	2	0	-
Other income	393	304	163	97	310	207	126	69
	449	349	179	108	366	252	142	71

6 Net Impairment charge on financial assets

	Group September 2020	Group September 2019	Group 3 Months Q3 2020	Group 3 Months Q3 2019	Bank September 2020	Bank September 2019	Bank 3 Months Q3 2020	Bank 3 Months Q3 2019
	N million	N million	N million	N million	N million	N million	N million	N million
Stage 1 impairment				-				-
Stage 2 impairment	1,471	(880)	895	(736)	1,471	(880)	895	(736)
Stage 3 impairment	4,625	(3,872)	2,663	493	4,625	(3,872)	2,663	493
Total impairment write-back/charge on loans and advances	6,096	(4,752)	3,558	(243)	6,096	(4,752)	3,558	(243)
Net impairment charge/(write-back) for credit losses	6,096	(4,752)	1,858	(243)	6,096	(4,752)	1,858	(243)
Net impairment write-back on other financial assets	(306)	(462)	-	-	(306)	(462)	(306)	-
Total net impairment loss on financial assets	5,790	(5,214)	1,858	(243)	5,790	(5,214)	2,232	(243)

7 Personnel expenses

	Group September 2020	Group September 2019	Group 3 Months Q3 2020	Group 3 Months Q3 2019	Bank September 2020	Bank September 2019	Bank 3 Months Q3 2020	Bank 3 Months Q3 2019
	N million	N million	N million	N million	N million	N million	N million	N million
Wages and salaries	22,385	24,045	7,143	8,214	22,286	23,936	7,110	8,178
Contributions to defined contribution plans	458	477	154	150	458	477	154	150
Interest and current service cost on defined benefit plans	39	10	15	-	39	10	9	-
	22,882	24,532	7,312	8,364	22,783	24,423	7,279	8,328

8 Other operating expenses

	Group September 2020	Group September 2019	Group 3 Months Q3 2020	Group 3 Months Q3 2019	Bank September 2020	Bank September 2019	Bank 3 Months Q3 2020	Bank 3 Months Q3 2019
	N million	N million	N million	N million	N million	N million	N million	N million
NDIC Premium	3,239	3,291	1,016	1,117	3,239	3,291	1,016	1,117
AMCON surcharge	7,001	5,577	2,483	1,854	7,001	5,577	4,742	1,854
Non-discretionary regulatory costs	10,240	8,868	3,499	2,971	10,240	8,868	5,450	2,971
Auditors' remuneration	140	140	47	47	135	135	45	45
Rents and Rates	756	732	360	240	752	727	359	238
Accommodation and travels	412	307	51	48	411	307	50	48
Fleet management and vehicle related expenses	442	397	178	146	442	397	178	146
Repair and Maintenance	1,119	1,100	406	333	1,111	1,090	403	330
Professional fees	1,004	907	299	422	993	881	296	413
Advertising and Promotion expenses	866	1,018	335	146	866	1,018	335	146
Security expense	1,138	891	368	291	1,138	891	368	291
Expenses on software	4,138	4,103	1,419	1,513	4,138	4,103	1,419	1,513
Donations and Subscriptions	483	141	166	107	483	141	166	107
Cash movement expense	912	1,043	344	316	912	1,043	1,188	316
Diesel and power	1,684	1,789	593	531	1,684	1,789	593	531
General administrative expenses	2,307	1,835	962	484	2,298	1,815	959	478
Insurance	259	269	85	86	256	266	84	85
	25,900	23,540	9,112	7,681	25,859	23,471	11,893	7,658

9 Income tax expense

(a) Recognised in the profit or loss

	Group	Group	Bank	Bank
	September 2020	September 2019	September 2020	September 2019
	₦ million	₦ million	₦ million	₦ million
Current tax expense				
Company Income Tax	209	(3)	194	-
Capital Gains tax	-	42	-	42
NITDA Levy	157	153	157	153
Total tax expense	366	192	351	195
Deferred tax expense				
Origination and reversal of temporary differences	-	-	-	-
Total income tax expense	366	192	351	195

10 Earnings per share

(a) Basic earnings per share

Earnings/(loss) per share has been computed based on profit after taxation attributable to the Group ordinary shareholders and the weighted average number of shares in issue during the year is as follows.

Weighted average number of ordinary shares

	Group	Group	Bank	Bank
	September 2020	September 2019	September 2020	September 2019
Issued ordinary shares at beginning of the year	29,264	29,121	29,264	29,121
Weighted effect of shares issued during the year	29,264	29,121	29,264	29,121

(b) Profit attributable to ordinary shareholders

	Group	Group	Bank	Bank
<i>In millions of Nigerian Naira</i>	September 2020	September 2019	September 2020	September 2019
Profit from continuing operations attributable to equity holders of bank	15,760	14,858	15,511	11,128
Basic earnings per share (in kobo)	54	51	53	38

11 Cash and cash equivalents	Group	Group	Bank	Bank
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
	N million	N million	N million	N million
Cash and balances with banks	56,543	73,346	56,536	73,403
Unrestricted balances with central bank	10,690	63,485	10,690	63,485
Money market placements	165,537	183,554	161,274	183,901
	232,770	320,385	228,500	320,789
ECL Impairment on cash and cash equivalents	(82)	(82)	(82)	(82)
	232,688	320,303	228,418	320,707

12 Financial assets at fair value through profit or loss	Group	Group	Bank	Bank
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
	N million	N million	N million	N million
Government bonds	7,583	6,303	7,583	6,303
Treasury bills	72,393	17,019	72,393	17,019
	79,976	23,322	79,976	23,322

13 Pledged assets	Group	Group	Bank	Bank
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
	N million	N million	N million	N million
Treasury bills	65,237	8,157	65,237	8,157
Bonds	12,972	11,716	12,972	11,716
Placement	293	277	293	277
	78,502	20,150	78,502	20,150

Financial assets are pledged as collateral as part of securitized borrowing under terms that are usual and customary for such activities.

14 Derivative financial instruments	30 September 2020		31 December 2019	
	Assets	Liabilities	Assets	Liabilities
Group	N million	N million	N million	N million
Instrument Type:				
FX swaps	887	-	7,081	-
Non-deliverable futures	-	20	-	2,111
	887	20	7,081	2,111
Bank				
Instrument Type:				
FX swaps	887	-	7,081	-
Non-deliverable futures	-	20	-	2,111
	887	20	7,081	2,111

The Group uses derivatives not designated in a qualifying hedge relationship, to manage its exposure to foreign currency risks. The instruments used include forward contracts and cross currency linked forward contracts.

15 Loans and advances to customers at amortised cost	Group	Group	Bank	Bank
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
(a)	N million	N million	N million	N million
FCY Loans	333,474	304,898	333,474	290,400
LCY Loans	344,563	290,400	344,563	304,898
Gross amount	678,037	595,298	678,037	595,298
IFRS 9				
Stage 1 impairment	(9,218)	(8,529)	(9,218)	(8,529)
Stage 2 impairment	(20,488)	(19,958)	(20,488)	(19,958)
Stage 3 impairment	(20,957)	(16,198)	(20,957)	(16,198)
Total impairment	(50,663)	(44,685)	(50,663)	(44,685)
Carrying amount	627,374	550,613	627,374	550,613
Impaired Loan	24,206	34,760	24,206	34,760
Unimpaired Loan	37,520	23,959	37,520	24,009
Stage 3 Loans	61,726	58,719	61,726	58,769
NPL Ratio	3.57%	5.84%	3.57%	5.84%
Impaired Loan Ratio (ILR)	3.57%	5.84%	3.57%	5.84%
Loan Coverage Ratio	216.46%	138.14%	216.46%	138.14%
Loan-Deposit ratio	59.91%	67.17%	59.90%	67.16%

16 Investment in equity accounted investee

	Group 30 September 2020 N million	Group 31 December 2019 N million	Bank 30 September 2020 N million	Bank 31 December 2019 N million
Cost				
Balance, beginning of the year	115	115	91	91
Impairments	(115)	(115)	(91)	(91)
Balance, end of the year	-	-	-	-

17 Investment securities

	Group 30 September 2020 N million	Group 31 December 2019 N million	Bank 30 September 2020 N million	Bank 31 December 2019 N million
Investment securities at fair value through other comprehensive income (FVOCI) (see note (a) below)	236,444	180,329	236,444	180,329
Investment at fair value through profit or loss (FVTPL) (see note (b) below)	42,896	38,138	42,896	38,138
Investment securities at amortised cost (see note (c) below)	29,735	38,651	29,329	35,199
Impairment on securities (see note (c) below)	(33)	(33)	(33)	(33)
	309,042	257,085	308,636	253,633

	Group 30 September 2020 N million	Group 31 December 2019 N million	Bank 30 September 2020 N million	Bank 31 December 2019 N million
(a) Investment securities at fair value through other comprehensive income comprise:				
- Investments in debt securities:				
Treasury bills	216,151	134,631	216,151	134,631
FGN Bonds	1,111	33,286	1,111	33,286
State Bonds	4,733	3,488	4,733	3,488
Corporate Bonds	6,175	44	6,175	44
Commercial Paper	19	3,922	19	3,922
FGN Promissory note	4,813	1,842	4,813	1,842
Total investment in debt securities	233,002	177,213	233,002	177,213
- Equity instruments at fair value through other comprehensive income comprise:				
Equity: Quoted see (i) below	1,973	1,976	1,973	1,976
Unquoted see (ii) below	1,469	1,140	1,469	1,140
Net Total -Equity instruments	3,442	3,116	3,442	3,116
Total investment securities at FVTOCI	236,444	180,329	236,444	180,329

	Group 30 September 2020 N million	Group 31 December 2019 N million	Bank 30 September 2020 N million	Bank 31 December 2019 N million
(i) Investment in REIT	1,973	1,976	1,973	1,976
(ii) Investment in unquoted equities				
Nigeria Auto Clearing System	602	427	602	427
Credit Reference Company	82	82	82	82
Central Securities Clearing System	100	100	100	100
Sanef Ltd	50	50	50	50
Unique Venture Funds Ltd	481	481	481	481
	1,315	1,140	1,315	1,140
Total	3,288	3,116	3,288	3,116

(b) Investment at fair value through profit or loss comprise:				
Investment in equity				
Afrexim Bank	4,327	3,929	4,327	3,929
Africa Finance Corporation (AFC)	38,569	34,209	38,569	34,209
	42,896	38,138	42,896	38,138

(c) Fixed income securities at amortised cost comprise:				
Treasury bills	406	3,452	-	-
Federal Government of Nigeria -Bonds	25,442	29,264	25,442	29,264
State Government of Nigeria -Bonds	3,887	5,935	3,887	5,935
Total - Fixed income	29,735	38,651	29,329	35,199

Stage 1 impairment	(33)	(33)	(33)	(33)
Total impairment	(33)	(33)	(33)	(33)
Net Total -Fixed income securities	262,704	215,831	262,298	212,379
Total investment securities	309,042	257,085	308,636	253,633

18 Trading properties

This represents the cost of real estate properties held by the Group which are designated for resale. The movement on the trading properties account during the year was as follows:

	Group 30 September 2020	Group 31 December 2019	Bank 30 September 2020	Bank 31 December 2019
	N million	N million	N million	N million
Balance, beginning of year	187	187	187	187
Addition	1,689	-	-	-
Balance, end of year	1,876	187	187	187

19 Investment Properties

These investment properties were last revalued during the year ended 31 December 2017 by Messrs. Bode Adediji Partnership, a firm of estate surveyors and valuers, using the open market basis of valuation, and their reports were dated 31 December 2017 for UBN Property Company Plc respectively. As at 30 June 2020, the Directors are of the opinion that there were no material fluctuations in the value of the Bank's investment properties since the last valuation.

	Group 30 September 2020	Group 31 December 2019	Bank 30 September 2020	Bank 31 December 2019
	N million	N million	N million	N million
Balance, beginning of the year	5,701	5,030	-	-
Disposal	(2,729)	-	-	-
Additions to investment property	-	671	-	-
	2,972	5,701	-	-
Impairment allowance	-	-	-	-
Balance, end of the year	2,972	5,701	-	-

20 Investment in subsidiaries

Cost

	Bank 30 September 2020	Bank 31 December 2019
	N million	N million
UBN Property Company Plc	2,195	2,195
	2,195	2,195

- (a) The subsidiary companies, country of incorporation, nature of business and percentage equity holding are detailed below:

Company Name	Country Incorporation	Nature of business	Direct ownership interest	
			30 September 2020	31 December 2019
			Status/%	Status/%
UBN Property Company Plc (i)	Nigeria	Property Development	39	39
Union Bank UK Plc (ii) (Classified as held for sale)	United Kingdom	Licensed UK Bank	100	100

- (i) **UBN Property Company Limited (Registered office at 36, Marina, Lagos)**

The Company has 5,626,416,051 ordinary shares of N1.00 each of which 39.01% (December 2019 - 39.01%) is held by the Bank. In line with IFRS 10- Consolidated Financial Statement, Union Bank of Nigeria Plc has control over this entity as it has the power, exposure to variability of returns and a strong link between power and variability of returns. The Bank also governs the financial and operating policies of UBN Property Company Limited.

- (ii) **Union Bank UK Plc (Registered office at 1 King's Arms Yard, London, EC2R 7AF)**

The Bank directly holds 100% holding of Union Bank UK's 60,000,000 ordinary shares and 99% of its 50,000 deferred shares of GBP1 each and 1% indirect holding through Williams Street Trustees Limited, the nominee company for Union Bank of Nigeria Plc. Union Bank UK Plc was incorporated in December, 2004 as an authorised United Kingdom subsidiary to carry out the business formerly conducted by the London Branch of Union Bank of Nigeria Plc. Union Bank UK Plc has been classified as assets held for sale in line with the requirements of IFRS 5

21 **Property and equipment**

(a) **Group:**

The movement in these accounts during the period was as follows:

	Land	Buildings	Leasehold improvement	Fixtures and fittings	Furniture & equipment	Motor vehicles	Capital work in progress	Total
	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million
Cost								
Balance at 1st January, 2020	12,859	21,633	17,982	4,852	29,075	2,149	2,716	91,266
Exchange difference	-	-	-	-	-	-	-	-
Additions	40	89	277	171	2,590	174	5,475	8,816
Reclassification to other assets	-	(1)	2,327	2	(419)	(53)	(1,857)	0
Disposal	(496)	(409)	(51)	-	(10)	(19)	-	(986)
Balance as at 30 Sep 2020	<u>12,402</u>	<u>21,312</u>	<u>20,535</u>	<u>5,025</u>	<u>31,237</u>	<u>2,251</u>	<u>6,335</u>	<u>99,097</u>
Balance at 1st January, 2019	13,275	21,865	17,473	4,549	26,693	2,096	2,716	88,668
Exchange difference	-	-	1	-	31	-	-	32
Additions	25	207	1,140	323	1,847	33	-	3,575
Disposals	(441)	(439)	(57)	(46)	(136)	(10)	-	(1,129)
Reclassification to other assets	-	-	(575)	25	640	29	-	120
Balance as at 31 Dec 2019	<u>12,859</u>	<u>21,633</u>	<u>17,982</u>	<u>4,852</u>	<u>29,075</u>	<u>2,149</u>	<u>2,716</u>	<u>91,266</u>
	-	-	-	-	-	-	-	-
Depreciation and impairment losses								
Balance at 1st January 2020	-	6,756	2,498	4,329	18,120	1,633	-	33,336
Charge for the period	-	298	298	341	2,633	213	-	3,783
Disposals	-	(81)	(18)	-	(9)	(19)	-	(127)
Reclassifications	-	-	1	33	(37)	-	-	(3)
Balance as at 30 Sep 2020	<u>-</u>	<u>6,973</u>	<u>2,779</u>	<u>4,739</u>	<u>20,635</u>	<u>1,827</u>	<u>-</u>	<u>3,617</u>
Balance at 1st January, 2019	-	6,412	2,215	1,913	16,754	1,420	-	28,714
Exchange difference	-	-	-	-	40	-	-	40
Charge for the year	-	408	358	460	3,766	270	-	5,262
Disposals	-	(93)	(13)	(30)	(121)	(10)	-	(267)
Write-off/Adj	-	-	-	-	(1)	(2)	-	(3)
Reclassifications	-	-	-	-	(413)	(35)	-	(448)
Reclassification from discontinued operations	-	-	-	-	-	-	-	-
Balance as at 31 Dec 2019	<u>-</u>	<u>6,728</u>	<u>2,560</u>	<u>2,343</u>	<u>20,025</u>	<u>1,643</u>	<u>-</u>	<u>33,298</u>
	-	-	-	-	-	-	-	-
(iii) Net Book Value								
Balance as at 30 Sep 2020	<u>12,402</u>	<u>14,338</u>	<u>17,756</u>	<u>286</u>	<u>10,602</u>	<u>424</u>	<u>6,335</u>	<u>62,144</u>
Balance as at 31 December 2019	<u>12,859</u>	<u>14,905</u>	<u>15,423</u>	<u>2,509</u>	<u>9,050</u>	<u>506</u>	<u>2,716</u>	<u>57,968</u>

(iv) In the opinion of the directors, the market value of the Group's properties is not less than the value shown in the financial statements.

(v) Exchange difference relates to the conversion of property and equipments acquired in the overseas office at the rate of exchange ruling at the end of the period.

(v) Capital work in progress represents construction costs in respect of new offices. On completion of construction, the related amounts are transferred to appropriate categories of property and equipment.

(vi) There were no capitalised borrowing costs related to the acquisition of property and equipment during the period (December 2019: nil)

- (b) **Bank:**
The movement in these accounts during the period was as follows:

	Land	Buildings	Leasehold improvement	Fixtures and fittings	Furniture & equipment	Motor vehicles	Capital work in progress	Total
	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million
(i) Cost								
Balance at 1st January 2020	12,833	21,634	18,318	4,901	28,719	2,147	2,714	91,266
Additions	40	89	277	171	2,588	174	5,475	8,814
Reclassifications	-	(1)	2,327	2	(419)	(53)	(1,857)	0
Disposals	(496)	(409)	(51)		(10)			(967)
Balance as at 30 Sep 2020	12,376	21,313	20,871	5,074	30,879	2,268	6,333	99,114
Balance at 1st January 2019	13,249	21,865	17,361	4,550	26,422	2,042	2,714	88,203
Additions	25	207	1,141	323	1,793	86	-	3,576
Disposals	(441)	(439)	(57)	(46)	(136)	(10)	-	(1,129)
Reclassifications to other assets	-	-	(127)	74	640	29	-	617
Balance as at 31 December 2019	12,833	21,634	18,318	4,901	28,719	2,147	2,714	91,266
(ii) Accumulated depreciation								
Balance at 1st January 2020	-	6,755	2,496	2,343	20,106	1,631	-	33,331
Charge for the period	-	298	298	341	2,632	207	-	3,776
Disposals	-	(81)	(18)		(9)		-	(108)
Reclassifications	-	-	1	33	(37)		-	(3)
Balance as at 30 Sep 2020	-	6,972	2,777	2,717	22,692	1,838	-	36,996
Restated balance at 1st January 2019	-	6,440	2,138	1,913	16,508	1,374	-	28,374
Charge for the year	-	408	371	460	3,756	267	-	5,262
Disposals	-	(93)	(13)	(30)	(121)	(10)	-	(267)
Reclassifications	-	-	-	-	(37)	-	-	(37)
Balance as at 31 December 2019	-	6,756	2,497	2,343	20,106	1,631	-	33,333
(iii) Net Book Value								
Balance as at 30 Sep 2020	12,376	14,340	18,094	2,357	8,188	430	6,333	62,119
Balance as at 31 December 2019	12,833	14,878	15,822	2,558	8,614	516	2,714	57,934

- (iv) In the opinion of the directors, the market value of the Bank's properties is not less than the value shown in the financial statements.
- (v) Capital work in progress represents construction costs in respect of new offices. On completion of construction, the related amounts are transferred to appropriate categories of property and equipment.
- (vi) There were no capitalised borrowing costs related to the acquisition of property and equipment during the period (December 2019: nil)

22 Intangible assets

	Group 30 September 2020	Group 31 December 2019	Bank 30 September 2020	Bank 31 December 2019
	N million	N million	N million	N million
Cost				
Balance, beginning of the year	13,045	12,743	13,045	11,365
Additions	147	1,515	147	1,515
Reclassification	35	165	35	165
Reclassified to discontinued operations	-	(1,378)	-	-
Balance, end of period	13,227	13,045	13,227	13,045
Amortization and impairment losses				
Balance, beginning of the year	7,664	6,698	7,664	5,737
Amortisation for the year	1,401	1,927	1,401	1,927
Reclassified to discontinued operations	-	(961)	-	-
Balance, end of period	9,064	7,664	9,065	7,664
Carrying amounts as at period end	4,163	5,381	4,162	5,381
Balance as at December 31 2019	5,381	6,045	5,381	5,628

- (i) In the opinion of the directors, the market value of the Group's software is not less than the value shown in the financial statements.
- (ii) There were no capitalised borrowing costs related to the acquisition of software during the year (December 2019: nil)

23 Right of Use Assets

	Group 30 September 2020	Group 31 December 2019	Bank 30 September 2020	Bank 31 December 2019
Gross Amount	3,571	3,452	3,571	3,451
Depreciation Expense	(382)	(529)	(382)	(529)
Carrying Amount as at period end	3,189	2,922	3,189	2,921

24 Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Group

30 September 2020

	Assets	Liabilities	Net
	N million	N million	N million
Property, equipment, and software	-	6,847	(6,847)
Allowances for loan losses	-	192	(192)
Foreign exchange gains	573	-	573
Tax loss carry forward	100,630	-	100,630
Others	1,711	-	1,711
Net tax assets (liabilities)	102,914	7,039	95,875

Deferred tax liabilities

	Liabilities	Net
	N million	N million
Property, equipment, and software	280	280
Net tax assets (liabilities)	280	280
Net deferred tax		95,595

31 December 2019

	Assets	Liabilities	Net
	N million	N million	N million
Property, equipment, and software	-	6,847	(6,847)
Allowances for loan losses	-	192	(192)
Foreign exchange gains	573	-	573
Tax loss carry forward	100,630	-	100,630
Others	1,711	-	1,711
Net tax assets (liabilities)	102,914	7,039	95,875

Deferred tax liabilities

	Liabilities	Net
	N million	N million
Property, equipment, and software	226	226
Net tax assets (liabilities)	226	226
Net deferred tax		95,612

Bank

30 September 2020

	Assets	Liabilities	Net
	N million	N million	N million
Property, equipment, and software	-	6,847	(6,847)
Allowances for loan losses	-	192	(192)
Foreign exchange gains	573	-	573
Tax loss carry forward	100,630	-	100,630
Others	1,711	-	1,711
Net tax assets (liabilities)	102,914	7,039	95,875

31 December 2019

	Assets	Liabilities	Net
	N million	N million	N million
Property, equipment, and software	-	6,847	(6,847)
Allowances for loan losses	-	192	(192)
Foreign exchange gains	573	-	573
Tax loss carry forward	100,630	-	100,630
Others	1,711	-	1,711
Net tax assets (liabilities)	102,914	7,039	95,875

Deferred tax assets and liabilities

Movement on the net deferred tax assets/(liabilities) account during the year:

	Group	Group	Bank	Bank
	30 September	31 December	30 September	31 December
	2020	2019	2020	2019
	N million	N million	N million	N million
Balance, beginning of the year	95,649	95,613	95,875	95,875
Credit for the year	(54)	36	-	-
Net deferred tax assets/(liabilities)	95,595	95,649	95,875	95,875
<i>Made up of</i>				
Deferred tax assets	102,914	7,039	102,914	102,914
Deferred tax liabilities	(7,039)	(7,039)	(7,039)	(7,039)

Recognised and unrecognised deferred tax assets

Recognition of deferred tax assets of N95,875 (December 2019: N95,875) is based on management's profit forecasts (which are based on the available evidence, including historical levels of profitability), which indicate that it is probable that the Group's entities will have taxable profits against which these assets can be utilized.

25 Other assets

	Group 30 September 2020	Group 31 December 2019	Bank 30 September 2020	Bank 31 December 2019
	N million	N million	N million	N million
Cash Reserve Requirement	512,127	270,520	512,127	270,520
Excess CRR balance to be refunded (see (i))	25,523	25,523	25,523	25,523
Total Cash Reserve Requirement (see (ii))	537,650	296,043	537,650	296,043
Other assets:				
Clearing	-	1,376	-	1,376
Accounts receivable	876	777	177	160
Prepayments	9,123	3,255	9,110	3,243
Receivable on FX forward (see (iii))	21,915	26,888	21,915	26,888
Repossed assets	4,552	3,493	5,297	3,493
Sundry assets (see (iv))	37,393	37,304	36,628	37,001
	73,859	73,093	73,127	72,161
Impairment on other assets	(6,979)	(7,425)	(5,936)	(6,231)
Net other assets	66,880	65,668	67,191	65,930
	604,530	361,711	604,841	361,973

- (i) The MPC meeting held on Jan 23-24, 2020 increased CRR to 27.5% . The excess CRR funds are only released to banks to fund approved eligible real sector projects.
- (ii) The Bank had restricted balances of N537.650 billion (December 2019: N296.043billion) with the Central Bank of Nigeria (CBN) as at 30 September 2020, representing the cash reserve requirement (CRR). The CRR is a mandatory cash deposit which should be held with the Central Bank of Nigeria as a regulatory requirement. The CRR is non interest bearing and is not available for use in the Group's day-to-day operations. As at 30 September 2020, the CRR in force was 27.5% (Dec 2019: 22.5%).

(iii) **Receivable on FX forward**

The balance represents the value of foreign currency receivable on forward transactions with Central Bank of Nigeria.

(iv) **Other Sundry assets**

	Group September 2020	Group 31 December 2019	Bank September 2020	Bank 31 December 2019
	N million	N million	N million	N million
Frauds and losses	1,536	1,540	1,536	1,540
Advance payments for PPE	644	630	644	630
Receivable from Union Homes	961	961	961	961
Property under dispute	1,352	1,352	1,352	1,352
Garnishee Order	1,173	1,334	1,173	1,334
Status Car loan	-	9	-	9
ATM receivable	1,423	3,443	1,423	3,443
Dividend Receivable	396	396	396	396
Receivable on electronic transfers and collections	4,985	3,836	4,985	3,836
Master/Visa card electronic settlement	694	801	694	801
Investment in AgriBusiness/SMEEIS	3,577	2,358	3,577	2,358
Discounted Fx Forwards	1,434	5,120	1,434	5,120
Prepaid inventory items	29	324	29	324
Cash in Transit	1,868	3,465	1,868	3,465
Receivable for FX purchase	-	3,697	-	3,697
Other account balances	17,315	8,038	16,550	7,735
Balance, end of year	37,393	37,304	36,628	37,001

26 Deposits from customers

	Group 30 September 2020	Group 31 December 2019	Bank 30 September 2020	Bank 31 December 2019
	N million	N million	N million	N million
Term deposits	410,498	229,096	410,703	229,161
Current deposits	367,884	392,529	367,884	392,529
Savings	353,361	264,638	353,361	264,638
	1,131,743	886,263	1,131,948	886,328
Low-cost deposits	721,245	657,167	721,245	657,167
Low-cost deposits as % of total customer deposits	63.7%	74.2%	63.7%	74.1%
Deposits by currency				
Local currency deposits	950,630	707,068	950,630	707,068
Foreign currency deposits	181,113	179,195	181,318	179,260
	1,131,743	886,263	1,131,948	886,328

27 Current tax liabilities

	Group 30 September 2020	Group 31 December 2019	Bank 30 September 2020	Bank 31 December 2019
	N million	N million	N million	N million
Balance, beginning of year	486	581	380	232
Classification as Discontinued operations	-	(198)	-	-
Charge for the year	366	478	351	371
Payments during the year	(480)	(375)	(373)	(223)
Balance, end of year	372	486	358	380

28 Other liabilities

	Group 30 September 2020	Group 31 December 2019	Bank 30 September 2020	Bank 31 December 2019
	N million	N million	N million	N million
Deposits for foreign currency	181,519	222,919	181,519	222,919
Due to foreign correspondent banks	43,723	35,658	43,723	35,658
PAYE and other statutory deductions	831	772	831	772
Draft and Bills payable	2,472	2,434	2,472	2,434
AMCON contribution payable	1,362	1,816	1,362	1,816
Creditors and accruals (see (a) below)	4,190	5,464	4,144	5,436
Unearned income	534	443	534	443
Provision for claims and contingencies (see (b) below)	3,325	2,595	3,325	2,595
Accounts payable	4,127	5,540	3,998	5,540
OBB/REPO takings	9,017	9,164	9,017	9,164
Other provisions (see note (c) below)	37	257	37	257
Clearing	817	-	817	-
Electronic collections and other e-payment liabilities	20,593	52,120	20,593	52,120
Payable for unsettled financial assets	5,787	-	5,787	-
Liability for pledged assets	130,778	89,637	130,778	89,637
Liability for investment contract	9,885	-	9,885	-
Other credit balances	89,483	4,296	93,936	7,472
	508,671	433,115	512,759	436,263
Lease Liability	1,841	-	1,841	-
Total other liabilities	510,512	433,115	514,600	436,263

(a) Creditors and accruals

	Group 30 September 2020	Group 31 December 2019	Bank 30 September 2020	Bank 31 December 2019
	N million	N million	N million	N million
Accrued IT Consumables	601	294	601	294
Accruals for professional and consultancy fees	288	162	288	162
Accrued Training Expenses	199	250	199	250
Accrued Advert And Public Relations Fees	188	258	188	258
Accrual for staff related allowances	1,855	3,660	1,855	3,660
Accrued Rent	216	146	216	146
Accrued others	843	694	797	666
	4,190	5,464	4,144	5,436

(b) The movement on provision for claims and contingencies during the year was as follows

	Group 30 September 2020	Group 31 December 2019	Bank 30 September 2020	Bank 31 December 2019
	N million	N million	N million	N million
Balance, beginning of year	2,595	3,070	2,595	3,070
Charge/(reversal during the year)	730	(475)	730	(475)
Balance, end of the year	3,325	2,595	3,325	2,595

29 Employee benefit obligations

	Group 30 September 2020	Group 31 December 2019	Bank 30 September 2020	Bank 31 December 2019
	N million	N million	N million	N million
Post employment benefit obligation (see (a) below)	80	81	80	81
Other long-term employee benefits	1,105	761	1,104	759
	1,185	842	1,184	840

(a) Post employment benefit obligation

	Group 30 September 2020	Group 31 December 2019	Bank 30 September 2020	Bank 31 December 2019
	N million	N million	N million	N million
Defined contribution scheme (see (i) below)	80	81	80	81
	80	81	80	81
Defined benefit asset	1,671	1,395	1,671	1,395
Net defined benefit obligation	1,671	1,395	1,671	1,395

(i) Defined Contribution Scheme

	Group 30 September 2020	Group 31 December 2019	Bank 30 September 2020	Bank 31 December 2019
	N million	N million	N million	N million
Balance, beginning of year	81	89	81	89
Charge during the year	458	628	458	628
Contribution remitted during the year	(459)	(636)	(459)	(636)
Balance, end of year	80	81	80	81

The Group and its employees make respective contributions of 10% and 8% of basic salary, housing and transport allowance to each retirement savings account maintained with employees' nominated Pension Fund Administrators.

(ii) Defined benefit obligation

The Group also has a Legacy defined benefits pension scheme for its staff, which was set up prior to passage of the Pension Reform Act. Under the scheme, terminal benefits were determined with reference to the employees' salaries upon disengagement. As at the period end, the Group has transferred the benefits to the Retirement Savings Accounts (RSA) of the affected employees and the obligations are funded by plan assets.

(b) Other long-term employee benefits

Other long-term employee benefit represents liability in respect of long service award.

The basis of determining the benefit due to an employee is as stated below:

Length of service	Transaction officer and below	Executive trainee-Manager	SM - GM
10 years	10% of Annual Basic Salary Cash Award of N75,000	10% of Annual Basic Salary Cash Award of N120,000	10% of Annual Basic Salary Cash Award of N150,000.00
15 years	15% of Annual Basic Salary Cash Award of N100,000	15% of Annual Basic Salary Cash Award of N175,000	15% of Annual Basic Salary Cash Award of N180,000.00
20 years	20% of Annual Basic Salary Cash Award of N125,000	20% of Annual Basic Salary Cash Award of N220,000	20% of Annual Basic Salary Cash Award of N250,000.00
25 years	25% of Annual Basic Salary Cash Award of N150,000	25% of Annual Basic Salary Cash Award of N250,000	25% of Annual Basic Salary Cash Award of N375,000.00
30 years	30% of Annual Basic Salary Cash Award of N175,000	30% of Annual Basic Salary Cash Award of N300,000	30% of Annual Basic Salary Cash Award of N625,000.00
35 years	35% of Annual Basic Salary Cash Award of N250,000	35% of Annual Basic Salary Cash Award of N375,000	35% of Annual Basic Salary Annual Basic Salary

The amounts recognised in the statement of financial position are as follows:

	Group 30 September 2020	Group 31 December 2019	Bank 30 September 2020	Bank 31 December 2019
	N million	N million	N million	N million
Present value of unfunded obligation	1,105	761	1,104	759
Total present value of the obligation	1,105	761	1,104	759
Present value of net obligation	1,105	761	1,104	759
Recognized liability for defined benefit obligations	1,105	761	1,104	759

30 Debt securities issued

	Group		Bank	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
	N million	N million	N million	N million
Short term bonds	7,208	7,446	7,208	7,446
Long term bonds	6,265	6,501	6,265	6,501
	13,473	13,947	13,473	13,947

Amount represents debt Issuance Program. The Short term bonds are senior unsecured fixed rate bonds with a maturity tenor of three (3) years. The Long

term bonds are senior unsecured fixed rate bonds with a maturity tenor of seven (7) years.

31 Commercial Papers

	Group		Bank	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
Commercial Papers Series 4	17,347	-	17,347	-
	17,347	-	17,347	-

32 Long Term Subordinated bond

	Group		Bank	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
Series 3 bonds	30,735	29,104	30,735	29,104
	30,735	29,104	30,735	29,104

Amount represents a N30 billion subordinated unsecured fixed rate bonds. It forms part of the N100 billion domestic bond programme of the bank.

33 Other borrowed funds

	Group		Bank	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
	N million	N million	N million	N million
Due to CAC (see (a))	5,477	7,977	5,477	7,977
BOI on-lending facilities (see note (b))	2,293	3,028	2,293	3,028
CBN RSS-on lending (see (c))	18,017	19,502	18,017	19,502
Trade finance lending (see (d))	48,006	53,705	48,006	53,705
Other borrowings (see (e))	73,764	25,106	73,764	25,106
MAS SCHEME	500	-	500	-
SME on-lending scheme	578	606	578	606
	148,635	109,924	148,635	109,924

(a) This represents the outstanding balance on an unsecured facility of N18,167,000,000 disbursed by the Central Bank of Nigeria (CBN), as part of its developmental role, in collaboration with the Federal Government of Nigeria represented by the Federal Ministry of Agriculture and Water Resources which established the Commercial Agriculture Credit Scheme for promoting agricultural enterprises in Nigeria. The funds are made available to participating banks at zero cost, for on lending to commercial agricultural enterprises at new rate of 5.00% p.a.

(b) This represents the outstanding balance of an intervention credit granted to the Bank by the Bank of Industry (BOI), a company incorporated in Nigeria for the purpose of refinancing / or restructuring existing loans to Small and Medium Scale Enterprises (SMEs) and manufacturing companies. The total facility is secured by Federal Government of Nigeria securities worth N2.29billion (Dec. 2019: N3 billion) and has a 15-period tenor and repayable quarterly. Under the on-lending agreement and the Bank is under obligation to on-lend to customers at an all-in interest rate of 5% per annum. Though the facility is meant for on-lending to borrowers in specified sectors, the Bank remains the primary obligor to the BOI and therefore assumes the risk of default of customers.

(c) The amount of N18.01bn (December 2019: N19.5bn) represents the outstanding balance on the Real Sector Support Facility (RSSF). The Facility is given by the Central Bank of Nigeria to support large enterprises for startups and expansion financing needs. The real sector activities targeted by the Facility are manufacturing, agricultural value chain and selected service sub-sectors. The Facility is administered at an all-in Interest rate/charge of 5% per annum payable on quarterly basis. The Central Bank of Nigeria is entitled to earn 1% as interest while the Bank is entitled to 4%.

(d) Trade finance lending includes balances from the following financial institutions:

Group

	Group		Group	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
	\$ million	\$ million	N million	N million
Mashreq Bank	30	52	11,707	18,844
Union Bank, UK	5	-	1,967	-
Access Bank UK	54	60	20,845	22,036
COMMERZBANK AG GERMANY	30	-	11,530	-
Zenith Bank UK	5	10	1,957	3,694
UBA New York	-	25	-	9,129
	124	147	48,006	53,704

Other borrowings consists of the balances of foreign currency denominated liabilities obtained from the financial institution below:

	Group		Group	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
	\$ million	\$ million	N million	N million
OPIC	146	-	56,179	-
Afreximbank	46	69	17,585	25,106
	191	69	73,764	25,106

Bank

	Bank		Bank	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
	\$ million	\$ million	N million	N million
Mashreq Bank	30	52	11,707	18,844
Union Bank, UK	5	-	1,967	-
Access Bank UK	54	60	20,845	22,036
COMMERZBANK AG GERMANY	30	-	11,530	-
CITIBANK N.A. U.K.	-	-	-	-
Zenith Bank UK	5	10	1,957	3,694
UBA New York	-	25	-	9,129
	124	147	48,006	53,704

(e) Other borrowings consists of the balances of foreign currency denominated liabilities obtained from the financial institution below:

	Bank	Bank	Bank	Bank
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
	\$ million	\$ million	N million	N million
OPIC	146	-	56,179	-
Afreximbank	46	69	17,585	25,106
	191	69	73,764	25,106

34 Discontinued operations

(a) Profit for the period from discontinued operations

Profit for the period from discontinued operations represents the operating results of subsidiaries held for sale in line with the Bank's Regulation 3 compliance

The profit for the period from discontinued operations comprises:

	Group September 2020 N million	Group September 2019 N million
Gross income	2,295	5,442
Gross expense	(3,069)	(5,079)
Interest Income	1,876	4,853
Interest Expense	(529)	(1,286)
Net interest income	1,347	3,567
Recoveries on credit losses		
Net interest income after impairment charge for credit losses	1,347	3,567
Net fee and commission income	-	-
Net trading income	105	125
Other operating income	314	464
Underwriting profit		
Total operating income	419	588
Total non-interest income	419	588
Operating Income	1,766	4,156
Net impairment loss on financial assets	68	(962)
Net operating income after net impairment loss on other financial assets	1,834	3,194
Personnel expenses	(1,570)	(1,691)
Depreciation and amortization	(211)	(186)
Other operating expenses	(828)	(955)
Share of profit of equity accounted investee	-	-
Loss before tax from discontinued operations	(775)	362
Income tax expense	-	(260)
Loss from discontinued operations (net of tax)	(775)	102

Assets classified as held for sale

	Group 30 September 2020 N million	Group 31 December 2019 N million	Bank 30 September 2020 N million	Bank 31 December 2019 N million
Cash and cash equivalents	91,788	101,425	-	-
Investments in subsidiaries	-	-	8,372	8,372
Loans and advances to customers	20,289	37,311	-	-
Investments in equity accounted investee	-	-	-	-
Investment securities	16,151	21,704	-	-
Property and equipment	74	86	-	-
	130,309	162,537	8,372	8,372

(c) Liabilities for assets classified as held for sale

	Group 30 September 2020 N million	Bank 31 December 2019 N million	Bank 30 September 2020 N million	Bank 31 December 2019 N million
Deposit from banks	82,866	116,340	-	-
Deposits from customers	26,232	23,744	-	-
Retirement benefit obligation	-	-	-	-
Other liabilities	-	2,137	-	-
	110,704	142,221	-	-

In the opinion of the Directors, assets held for sale have been recognised at the lower of their carrying amount and fair value less costs to sell.

35 Capital and reserves

Share capital	Group	Group	Bank	Bank
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
	N million	N million	N million	N million
(a) Minimum Share Capital				
35,000,000,000 (Dec 2019: 35,000,000,000) Ordinary shares of 50 kobo each	17,500	17,500	17,500	17,500
	Group	Group	Bank	Bank
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
	N million	N million	N million	N million
(b) Issued and fully paid -				
29,264,484,854, (Dec. 2019: 29,120,752,788) Ordinary shares of 50kobo each	14,633	14,607	14,633	14,607
	Group	Group	Bank	Bank
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
	N million	N million	N million	N million
Balance, beginning of year	14,607	14,561	14,607	14,561
Additions during the year	26	46	26	46
Balance, end of year	14,633	14,607	14,633	14,607
(c) Share premium				
Share premium is the excess paid by shareholders over the nominal value for their shares.				
	Group	Group	Bank	Bank
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
	N million	N million	N million	N million
Balance, beginning of year	133,235	187,091	133,235	187,091
Transfer from share premium	-	(54,458)	-	(54,458)
Employee Share Incentive Scheme	284	602	284	602
Balance, end of year	133,519	133,235	133,519	133,235
Share capital and share premium	148,152	147,842	148,152	147,842

Other reserves	Group	Group	Bank	Bank
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
	N million	N million	N million	N million
(d) Other reserves				
The other reserves includes Statutory reserves, Fair value reserve, Regulatory risk reserves, Small and Medium Scale Industries Reserve (SMEEIS) and Capital reserve.				
Statutory reserves	34,780	32,453	34,780	32,453
Fair value reserve	21,734	21,074	20,626	19,960
Regulatory risk reserve	1,733	3,331	1,733	3,331
Translation reserve	18,659	17,273	1,895	1,895
Excess clawback reserves	(14,918)	(14,918)	(14,918)	(14,918)
SMEEIES/AGSMEIS reserve	9,132	9,132	9,132	9,132
Capital reserve	5,489	5,489	5,489	5,489
Impairment on instruments at FVTOCI	52	52	52	52
Equity component of employee benefit remeasurement	2,633	2,633	2,633	2,633
	79,295	76,520	61,422	60,027

(i) Statutory reserves
Nigerian banking regulations require the Bank to make an annual appropriation to a statutory reserve. As stipulated by S.16(1) of the Banks and Other Financial Institution Act of Nigeria, an appropriation of 30% of profit after tax is made if the statutory reserve is less than paid-up share capital and 15% of profit after tax if the statutory reserve is greater than the paid up share capital.

(ii) Fair value reserve

The fair value reserve includes the net cumulative change in the fair value of financial instruments at fair value through other comprehensive income.

(iii) Regulatory risk reserve

The regulatory risk reserve warehouses the difference between the impairment on loans and advances computed under Nigeria GAAP based on the Central Bank of Nigeria prudential guidelines and provisions specified by the central banks of foreign subsidiaries, compared with the incurred loss model used in calculating the impairment under IFRSs.

(iv) Other reserves

The other reserves include Small and Medium Scale Industries Reserve (SMEEIS), Contingency reserve, Capital reserve, Translation reserve.

(v) **Agricultural/Small and Medium Enterprises Investment Scheme (AGSMEIS/SMEEIS):**

The SMEEIS reserve is maintained to comply with the Central Bank of Nigeria (CBN) requirement that all licensed banks set aside a portion of the profit after tax in a fund to be used to finance equity investment in qualifying small and medium scale enterprises. Under the terms of the guideline (amended by CBN letter dated 11 July 2006), the contribution was 10% of profit after tax for the first 5 periods, and thereafter reduced to 5% of profit after tax.

In April 2017, the Central Bank of Nigeria issued guidelines to govern the operations of the Agricultural/Small and Medium Enterprises Scheme (AGSMIES), which was established to support the Federal Government's efforts at promoting agricultural businesses and Small and Medium Enterprises (SMEs) as vehicles for achieving sustainable economic development and employment generation.

Though there's no longer mandatory transfers to this reserve under the earlier directives, all Nigerian banks are now required to set aside an amount equal to 5% of their annual Profits After Tax (PAT) towards the funding of equity investments, which qualify under the AGSMEIS Scheme.

(vi) **Translation reserve**

Translation reserve comprises all foreign exchange differences arising from translation of the financial statements of foreign operations.

(vii) **Excess Capital Clawback**

Under the recapitalisation plan of the Bank executed in 2011, the Asset Management Corporation of Nigeria (AMCON) provided Financial Accommodation to bring the Bank's Completion Net Assets Value (NAV) to zero.

The Financial Accommodation provided by AMCON exceeded the Bank's Completion NAV of zero, calculated as at 31 December 2011, by N14.918 billion. This excess amount was refunded to AMCON during the year ended 31st December, 2012.

(viii) **Share based payment reserve**

This represents the provision for liabilities under the equity settled portion of the Group's shares incentive scheme which enables key management personnel to benefit from the performance of the Group.

The movement is shown below

	Group 30 September 2020	Group 31 December 2019	Bank 30 September 2020	Bank 31 December 2019
	N million	N million	N million	N million
Balance, beginning of year	-	282	-	282
Share transferred during the year	-	366	-	366
Vested shares during the year	-	(648)	-	(648)
Balance, end of year	-	-	-	-

(e) **Retained earnings**

Retained earnings represent the carried forward income net of expenses plus current year profit attributable to Group's shareholders.

36 Non-controlling Interest

	Group 30 September 2020	Group 31 December 2019
	N million	N million
<i>Movement in the non controlling interest</i>		
Balance, beginning of year	6,543	6,276
Profit/(loss) for the year	83	267
Balance, end of year	6,626	6,543

37 Acceptances, bonds, guarantees and other obligations for the account of customers

In common with other banks, the Group conducts business involving acceptances, performance bonds and indemnities. The majority of these facilities are offset by corresponding obligations of third parties. Contingent liabilities and commitments comprise performance bonds, acceptances, guarantees and letters of credit.

In the normal course of business, the Group is a party to financial instruments with off-balance sheet risks. These instruments are issued to meet the credit and other financial requirements of customers. The total off-balance sheet assets for the Group was N206,671 million (December 2019: N185,327 million).

The following tables summarise the nominal principal amount of contingent liabilities and commitments with off-financial position risk:

	Group 30 September 2020	Group 31 December 2019	Bank 30 September 2020	Bank 31 December 2019
	N million	N million	N million	N million
Performance bonds and guarantees	123,183	109,710	123,183	109,710
Letters of credit	83,488	75,617	83,488	75,617
Gross total off-balance sheet assets	206,671	185,327	206,671	185,327
	(37)	(257)	(37)	(257)
Total off-balance sheet assets after impairment	206,634	185,070	206,634	185,070

Securities Trading Policy

In compliance with Rule 17.15; Disclosure of Dealings in Issuers' Shares, Rulebook of the Exchange 2015 (Issuers Rule), the Bank maintains a Security Trading Policy which guides Directors, Audit Committee members, employees and all individuals defined as insiders regarding their dealings in the Company's shares. The Policy undergoes periodic reviews by the Board and is updated accordingly. The Bank has made specific inquiries of all its directors and other insiders and is not aware of any infringement of the policy during the period. Union Bank of Nigeria PLC as at 30th September, 2020 has adopted a code of conduct regarding securities transactions by its directors on terms no less exacting than the required standard set out in these Rules. Directors have complied with the required standard set out in the listings rules and in the Issuer's code of conduct regarding securities transactions by directors.

39 Matters relating to shares and shareholding

The authorised share capital of the Company is N17.5bn made up of 35bn ordinary shares of 50 kobo each. The issued and paid up share capital of the Company is currently N14.6 billion made up of 29.2 billion ordinary shares of 50k each.

a Directors Shareholding as at 30th September, 2020

S/NO.	NAMES	HOLDINGS	% HOLDINGS
1	MRS. BEATRICE HAMZA BASSEY	-	-
2	MR. EMUWA CHUKWUEMEKA	196,086,583	0.67
3	MRS. OMOLOLA CARDOSO	-	-
4	MR. MBULU JOSEPH CHIEDU	1,904,857	0.01
5	MR. OKONKWO GODSON CHUKWUEMEKA	5,662,831	0.02
6	MR. SONOLA ADEKUNLE BANKOLE	5,396,673	0.02
7	MRS. OBAFUNKE ALADE-ADEYEFA	-	-
8	MR. RICHARD BURRETT	-	-
9	MR. IAN CLYNE	-	-
10	MR. KENROY DOWERS	-	-
11	MR. FURERA ISMA JUMARE	-	-
12	MR. TAIMOOR LABIB	-	-
13	MR. MARK PATTERSON	-	-
14	MR. OGBECHI CHUKWUEMEKA ANTHONY	-	-

b Compliance with Free Float

In compliance with Rule 2.2; Rules Governing Free Float Requirements, the Bank's waiver of the Exchange's free float requirements expired in May 2020 and the Bank's management is currently engaging the Exchange on a possible extension of the waiver.