



Union Bank of Nigeria Plc
UNAUDITED
FINANCIAL STATEMENTS
31 March 2021

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

For the period ended

	Notes	Group		Bank	
		March 2021	March 2020	March 2021	March 2020
		N million	N million	N million	N million
Gross earnings		36,793	43,909	36,396	42,644
Interest income	1	22,249	29,780	22,235	29,712
Interest expense	1	(11,253)	(14,827)	(11,326)	(14,890)
Net interest income (NRFF)		10,996	14,953	10,909	14,822
Net impairment charge for credit losses	6	(802)	(3,558)	(802)	(3,558)
Net interest income after impairment charge for credit losses		10,194	11,395	10,107	11,264
Net fee and commission income	2	3,059	3,110	3,057	3,110
Net trading income	3	2,352	5,001	2,351	5,001
Recoveries		3,382	501	3,382	501
Net income from other financial instruments at fair value through profit or loss	4	3,030	1,451	3,030	1,451
Other operating income	5	2,369	2,895	2,340	2,868
Non interest income (NII)		14,192	12,959	14,160	12,932
Operating income		24,386	24,354	24,268	24,196
Net impairment write-back/(loss) on other financial assets	6	(4)	-	(4)	-
Net operating income after net impairment write-back/(loss) on other financial assets		24,382	24,354	24,264	24,196
Personnel expenses	7	(7,163)	(8,184)	(7,127)	(8,151)
Depreciation and amortisation		(1,918)	(1,619)	(1,916)	(1,615)
Other operating expenses	8	(8,265)	(8,216)	(8,251)	(8,200)
Total expenses		(17,346)	(18,019)	(17,294)	(17,966)
Profit before income tax from continued operations		7,036	6,335	6,970	6,230
Income tax expense	9	(251)	(281)	(251)	(275)
Profit for the year from continued operations		6,785	6,054	6,719	5,955
Discontinued operations					
Gross income from discontinued operations	34	353	1,170	-	-
Gross expense from discontinued operations	34	(929)	(1,208)	-	-
Profit/Loss before tax from discontinued operations	34	(576)	(38)	-	-
Income tax expense from discontinued operations	34	-	-	-	-
Profit/Loss for the year from discontinued operations	34	(576)	(38)	-	-
Continuing and discontinued operations:					
Profit before tax		6,460	6,298	6,970	6,230
Income tax		(251)	(281)	(251)	(275)
Profit after tax		6,209	6,017	6,719	5,955
<i>Other comprehensive income, net of income tax</i>					
Foreign currency translation differences for foreign operations		158	1,321	-	-
Fair value gains/(losses) on financial assets at FVTOCI		(5,524)	(5,292)	(5,538)	(5,293)
Other comprehensive income for the year		(5,366)	(3,971)	(5,538)	(5,293)
Total comprehensive income for the year		843	2,046	1,181	662
Profit attributable to:					
Equity holders of the Bank		6,204	5,988	6,719	5,955
Non-controlling interest		5	29	-	-
Profit for the year		6,209	6,017	6,719	5,955
Total comprehensive income attributable to:					
Equity holders of the Bank		838	2,017	1,181	662
Non-controlling interest		5	29	-	-
Total comprehensive income for the year		843	2,046	1,181	662
Earnings per share for profit from continued operations attributable to equity holders of Bank					
Basic and diluted (Kobo)		23	21	23	20

Consolidated and Separate Statements of Financial Position

As at	Notes	Group	Group	Bank	Bank
		31 March 2021	31 December 2020	31 March 2021	31 December 2020
		₦ million	₦ million	₦ million	₦ million
ASSETS					
Cash and cash equivalents	11	296,951	270,707	296,951	262,730
Financial assets at fair value through profit or loss	12	9,786	52,212	9,786	52,212
Pledged assets	13	96,077	100,007	96,077	100,007
Derivative assets held for risk management	14	616	520	616	520
Loans and advances to customers at amortised cost	15	712,582	692,803	712,582	692,803
Investment securities	17	330,013	351,862	330,013	351,862
Trading properties	18	187	187	187	187
Investment properties	19	4,831	4,817	-	-
Investment in subsidiaries	20	-	-	2,195	2,195
Property and equipment	21	57,284	57,364	57,264	57,342
Intangible assets	22	4,800	5,212	4,800	5,211
Right of Use Assets	23	2,707	2,740	2,707	2,740
Deferred tax assets	24	95,875	95,875	95,875	95,875
Cash reserve requirement	25	402,355	356,452	402,355	356,452
Other assets	25	82,406	83,500	82,742	83,775
Defined benefit assets	29	1,475	1,475	1,475	1,475
		2,097,945	2,075,734	2,095,625	2,065,386
Assets classified as held for sale	34	58,062	115,292	8,372	8,372
TOTAL ASSETS		2,156,007	2,191,026	2,103,997	2,073,758
LIABILITIES					
Derivative liabilities held for risk management	14	87	2	87	2
Deposits from banks	26	-	4,018	-	4,018
Deposits from customers	26	1,121,407	1,126,287	1,126,321	1,131,116
Current tax liabilities	27	1,047	797	1,028	778
Deferred tax liabilities	24	280	280	-	-
Lease Liabilities	28	1,868	1,812	1,868	1,812
Other liabilities	28	476,639	425,718	479,014	425,117
Employee benefit obligations	29	1,079	996	1,077	996
Debt securities issued	30	13,519	14,020	13,519	14,020
Commercial Papers	31	34,886	34,609	34,886	34,609
Long term subordinated bond	32	30,776	29,546	30,776	29,546
Other borrowed funds	33	166,721	184,223	166,721	184,223
		1,848,308	1,822,308	1,855,296	1,826,237
Liabilities classified as held for sale	34(c)	42,539	104,400	-	-
TOTAL LIABILITIES		1,890,847	1,926,708	1,855,296	1,826,237
EQUITY					
Share capital and share premium	35	148,090	148,090	148,090	148,090
Retained Earnings		28,403	23,399	36,922	31,403
Other reserves		81,983	86,149	63,690	68,028
EQUITY ATTRIBUTABLE TO EQUITY - HOLDERS OF THE BANK		258,476	257,638	248,702	247,521
Non-controlling interest	36	6,685	6,680	-	-
TOTAL EQUITY		265,161	264,318	248,702	247,521
TOTAL LIABILITIES AND EQUITY		2,156,007	2,191,026	2,103,997	2,073,758

The financial statements were approved by the Board of Directors on 26 April, 2021 and signed on its behalf by:

Emeka Okonkwo
Group Managing Director
FRC/2021/003/00000023088

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

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

Consolidated and Separate Statements of Changes in Equity
For the period ended 31 March 2021

Group

	Share capital	Share premium	Statutory reserve	Fair value reserve	Regulatory risk reserve	AGSM EIS 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
Balance at 1 January 2020	14,633	133,457	36,151	19,079	7,674	3,577	19,668	23,399	257,638	6,680	264,318
Total comprehensive income for the period											
Profit for the period	-	-	1,008	-	-	-	-	5,196	6,204	5	6,209
Other comprehensive income, net of tax											
Foreign currency translation difference	-	-	-	-	-	-	158	-	158	-	158
Fair value gains/(loss) on investment	-	-	-	(5,524)	-	-	-	-	(5,524)	-	(5,524)
Translation gains	-	-	-	-	-	-	-	-	-	-	-
Equity settled share based payment	-	-	-	-	-	-	-	-	-	-	-
Appropriation:											
Transfer from regulatory reserves	-	-	-	-	192	-	-	(192)	-	-	-
Transfer from other reserves	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	1,008	(5,524)	192	-	158	5,004	838	5	843
Transactions with owners, recorded directly in equity											
Contributions by and distributions to owners											
Shares issued during the year	(0)	-	-	-	-	-	-	-	(0)	-	(0)
Net expenses on shares issued	-	-	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	(0)	-	(0)
Equity-settled share-based payment	-	-	-	-	-	-	-	-	-	-	-
Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	-
Transfer from Share Based Payment R	-	-	-	-	-	-	-	-	-	-	-
Total contribution and (distributions) to owners	(0)	-	-	-	-	-	-	-	(1)	-	(1)
Balance at 31 March 2021	14,633	133,457	37,159	13,555	7,866	3,577	19,826	28,403	258,475	6,685	265,160

Group

	Share capital	Share premium	Statutory reserve	Fair value reserve	Regulatory risk reserve	AGSM EIS 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
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											
Profit for the year	-	-	893	-	-	-	-	5,095	5,988	29	6,017
Other comprehensive income, net of tax											
Foreign currency translation difference	-	-	-	-	-	-	1,321	-	1,321	-	1,321
Fair value gains/(loss) on investment at F	-	-	-	(5,292)	-	-	-	-	(5,292)	-	(5,292)
Transfer from regulatory risk reserves	-	-	-	-	(3,331)	-	-	3,331	-	-	-
Total comprehensive income	-	-	893	(5,292)	(3,331)	-	1,321	8,426	2,017	29	2,046
Balance at 31 March 2020	14,607	133,235	33,346	15,782	-	2,358	18,625	29,863	247,816	6,572	254,388

Consolidated and Separate Statements of Changes in Equity
For the period ended 31 March 2021

Bank

	Share capital	Share premium	Statutory reserve	Fair value reserves	Regulatory risk reserves	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
Balance at 1 January 2021	14,633	133,457	36,151	18,414	7,674	3,577	2,212	31,403	247,521
Total comprehensive income for the year									
Profit or loss	-	-	1,008	-	-	-	-	5,711	6,719
Other comprehensive income									
Foreign currency translation difference	-	-	-	-	-	-	-	-	-
Fair value gains/(loss) on investment at FVTOCI	-	-	-	(5,538)	-	-	-	-	(5,538)
Equity settled share based payment	-	-	-	-	-	-	-	-	-
Remeasurement of defined benefit liability	-	-	-	-	-	-	-	-	-
Transfer between reserves	-	-	-	-	192	-	-	(192)	-
Total comprehensive income for the year	-	-	1,008	(5,538)	192	-	-	5,519	1,181
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners									
Shares issued during the year	(0)	-	-	-	-	-	-	-	(0)
Net expenses on shares issued	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-
Shares redeemed during the year	-	-	-	-	-	-	-	-	(0)
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	-	-	-	-	-	-	-	-	-
Total contribution and (distributions) to owners	(0)	-	-	-	-	-	-	-	(1)
Balance at 31 March 2021	14,633	133,457	37,159	12,876	7,866	3,577	2,212	36,922	248,702

For the period ended 30 March 2020

Bank

	Share capital	Share premium	Statutory reserve	Fair value reserves	Regulatory risk reserves	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
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									
Profit or loss	-	-	893	-	-	-	-	5,062	5,955
Other comprehensive income, net of tax									
Fair value gains/(loss) on investment at FVTOCI	-	-	-	(5,293)	-	-	-	-	(5,293)
Transfer between reserves	-	-	-	-	(3,331)	-	-	3,331	-
Total contribution and distributions to owners	-	602	893	(5,293)	(3,331)	-	-	8,393	662
Balance at 31 March 2020	14,607	133,235	32,453	19,960	3,331	2,358	1,925	31,716	231,854

Consolidated and Separate Statements of Cash Flows

For the period ended

	Group 31 March 2021	Group 31 March 2020	Bank 31 March 2021	Bank 31 March 2020
	N million	N million	N million	N million
Cash flows from operating activities				
Profit for the year	6,209	6,017	6,719	5,955
Income tax expense	251	281	251	275
Profit before tax	6,460	6,298	6,970	6,230
<i>Adjustments for:</i>				
Impairment losses on loans and advances	802	3,558	(4,752)	3,558
Recoveries on loans and advances	(3,382)	(501)	(3,382)	(501)
Reversal of impairment on other assets	4	-	4	-
Gain on sale of property and equipment	(103)	(10)	(103)	(6)
Gain on disposal of unquoted equity at FVTOCI	(20)	-	(20)	-
Depreciation of property and equipment	1,443	1,082	1,443	1,078
Amortisation of intangible assets	477	522	478	522
Dividend income from equity investment	(958)	-	(958)	-
Interest paid on borrowings	6,585	6,779	6,585	6,779
Contributions to defined contribution plans	148	151	147	151
Increase in liability for defined benefit plans	1	30	1	30
Write-off of property and equipment	-	(88,203)	-	(88,203)
	11,457	(66,737)	6,412	(66,804)
Change in financial assets at fair value through profit or loss	42,426	18,735	42,426	18,735
Change in pledged assets	3,930	(26,607)	3,930	(26,607)
Change in loans and advances to customers	(17,199)	(15,587)	(11,645)	(15,587)
Change in right of use asset	(2,707)	-	(2,707)	-
Change in other assets	11,508	(186,825)	15,749	(92,427)
Change in defined benefit assets	0	(9,155)	0	(9,177)
Change in derivative financial instruments-assets	(96)	(191)	(96)	(191)
Change in derivative financial instruments-liabilities	85	-	85	-
Change in deposits from customers	(4,880)	11,093	(4,795)	11,218
Change in lease liability	56	-	56	-
Change in other liabilities	51,230	122,576	54,206	123,480
	95,811	(152,698)	103,622	(57,360)
Income tax paid	(1)	(1)	(1)	(1)
Payment from defined contribution plan	(146)	(150)	(145)	(150)
Payment from defined benefit plan	79	287	78	289
Net cash provided by/(used in) operating activities	95,743	(152,562)	103,554	(57,222)
Cash flows from investing activities				
Additions to investment properties	(14)	(48)	-	-
Proceeds from sale of property and equipment	102	12	103	6
Acquisition of investment securities	19,584	(55,528)	16,331	(58,534)
Acquisition of property and equipment	(1,327)	(3,300)	(1,365)	(3,300)
Acquisition of intangible assets	(67)	(1,383)	(67)	(1,383)
Dividend income received	958	-	958	-
Net cash generated from/(used in) investing activities	19,236	(60,246)	15,960	(63,210)
Cash flows from financing activities				
Inflow from other borrowings	(14,448)	-	(14,448)	-
Repayment of borrowings	(16,851)	122,072	(6,585)	122,976
Interest paid on borrowings	(92,472)	(6,779)	(99,137)	(6,779)
Inflow from commercial papers issued	34,886	320	34,886	320
Net cash generated from/(used in) financing activities	(88,885)	115,613	(85,284)	116,517
Net increase/(decrease) in cash and cash equivalents	26,093	(8,992)	34,229	(3,915)
Cash and cash equivalents at beginning of year	270,707	320,303	262,730	320,707
Effect of exchange rate fluctuations on cash held	159	1,461	-	-
Cash and cash equivalents at end of period	296,959	312,772	296,959	316,792

1 Net interest income

	Group March 2021	Group March 2020	Bank March 2021	Bank March 2020
	N million	N million	N million	N million
Interest income				
Cash and cash equivalents	448	6,490	434	6,489
Loans and advances to customers	19,297	18,120	19,297	18,133
Investment securities	2,504	5,170	2,504	5,090
Total interest income	22,249	29,780	22,235	29,712
Interest expense				
Deposits from customers	4,612	7,987	4,685	8,050
Lease liability	56	61	56	61
Other borrowed funds	6,585	6,779	6,585	6,779
Total interest expense	11,253	14,827	11,326	14,890
Net interest income	10,996	14,953	10,909	14,822

2 Net fees and commission income

	Group March 2021	Group March 2020	Bank March 2021	Bank March 2020
	N million	N million	N million	N million
Credit Related fees and commissions income	1,564	1,068	1,564	1,068
Account Maintenance Fee	483	406	483	406
E-business fee income	1,530	2,092	1,531	2,092
Commission on LCs, Invisible Trades and Guarantees	531	309	531	309
Other fees and commission	15	25	15	25
	4,123	3,900	4,124	3,900
Fees and commission expenses	(1,065)	(789)	(1,065)	(789)
	3,059	3,110	3,057	3,110

(a) **E-business fee income**

	Group March 2021	Group March 2020	Bank March 2021	Bank March 2020
	N million	N million	N million	N million
ATM not-on-us	716	1,163	716	1,163
POS	190	173	190	173
E-card maintenance	600	731	600	731
Online transfer	21	19	21	19
	1,525	2,086	1,525	2,086
Card FX gain/(loss)	5	6	5	6
	1,530	2,092	1,531	2,092
E-business fee charge				
	Group March 2021	Group March 2020	Bank March 2021	Bank March 2020
	N million	N million	N million	N million
ATM remote-on-us	556	408	556	408
POS	78	58	78	58
E-card maintenance	407	290	407	290
Online transfer	25	33	25	33
Priority pass card	-	-	-	-
	1,065	789	1,065	789
Net E-business fee	465	1,303	466	1,303

3 Net trading income/(loss)

	Group March 2021	Group March 2020	Bank March 2021	Bank March 2020
	N million	N million	N million	N million
Gain on disposal of fixed income securities	956	4,968	956	4,968
Mark to market gains/losses on fixed income securities	(1,087)	(434)	(1,087)	(434)
Foreign exchange gain on trading	2,483	467	2,482	467
	2,352	5,001	2,351	5,001

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

	Group March 2021	Group March 2020	Bank March 2021	Bank March 2020
	N million	N million	N million	N million
<i>Equity instruments at FVTPL:</i>				
Equity	3,160	2,365	3,160	2,365
Derivatives held for risk management purposes:				
Foreign exchange swap contracts	(130)	(914)	(130)	(914)
	3,030	1,451	3,030	1,451

5 Other operating income

	Group March 2021	Group March 2020	Bank March 2021	Bank March 2020
	N million	N million	N million	N million
Dividends	958	-	958	-
Gains on disposal of property and equipment	103	10	103	6
Foreign exchange revaluation gain	529	2,663	529	2,663
Rental income	51	71	51	71
Sundry income	708	151	679	128
	2,369	2,895	2,340	2,868

(a) Sundry income

	Group March 2021	Group March 2020	Bank March 2021	Bank March 2020
	N million	N million	N million	N million
Cash handling fees	69	25	15	25
Other income	409	126	664	103
	708	151	679	128

6 Net Impairment charge on financial assets

	Group March 2021	Group March 2020	Bank March 2021	Bank March 2020
	N million	N million	N million	N million
Total impairment write-back/charge on loans and advances	802	3,558	802	3,558
Net impairment charge/(write-back) for credit losses	802	3,558	802	3,558
Net impairment write-back on other financial assets	4	-	4	-
Total net impairment loss on financial assets	806	3,558	806	3,558

7 Personnel expenses

	Group March 2021	Group March 2020	Bank March 2021	Bank March 2020
	N million	N million	N million	N million
Wages and salaries	7,014	8,003	6,979	7,970
Contributions to defined contribution plans	148	151	147	151
Interest and current service cost on defined benefit plans	1	30	1	30
	7,163	8,184	7,127	8,151

8 Other operating expenses

	Group March 2021	Group March 2020	Bank March 2021	Bank March 2020
	N million	N million	N million	N million
NDIC Premium	1,335	1,159	1,335	1,159
AMCON surcharge	2,888	2,259	2,888	2,259
Non-discretionary regulatory costs	4,223	3,418	4,223	3,418
Auditors' remuneration	47	47	45	45
Rents and Rates	254	165	253	165
Accommodation and travels	49	134	49	131
Fleet management and vehicle related expenses	148	148	148	148
Repair and Maintenance	336	362	333	361
Professional fees	351	394	347	394
Advertising and Promotion expenses	249	267	249	267
Security expense	368	384	368	384
Expenses on software	1,336	1,196	1,336	1,196
Donations and Subscriptions	15	125	15	125
Cash movement expense	313	281	313	281
Diesel and power	495	1,208	491	1,199
Insurance	81	87	81	86
	8,265	8,216	8,251	8,200

9 Income tax expense

(a) Recognised in the profit or loss

	Group	Group	Bank	Bank
	March 2021	March 2020	March 2021	March 2020
	N million	N million	N million	N million
Current tax expense				
Company Income Tax	182	219	182	213
Capital Gains tax	-	-	-	-
NITDA Levy	69	62	69	62
NPTF Levy Expense	-	-	-	-
Total tax expense	251	281	251	275
Deferred tax expense				
Origination and reversal of temporary differences	-	-	-	-
Total income tax expense	251	281	251	275

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
	March 2021	March 2020	March 2021	March 2020
Issued ordinary shares at beginning of the year	29,264	29,213	29,264	29,213
Weighted effect of shares issued during the year	29,264	29,213	29,264	29,213

(b) Profit attributable to ordinary shareholders

	Group	Group	Bank	Bank
<i>In millions of Nigerian Naira</i>	March 2021	March 2020	March 2021	March 2020
Profit from continuing operations attributable to	6,780	6,025	6,719	5,955
Basic earnings per share (in kobo)	23	21	23	20

11 Cash and cash equivalents	Group		Bank	
	31 March 2021		31 March 2021	
	31 December 2020	31 December 2020	31 December 2020	31 December 2020
	₦ million	₦ million	₦ million	₦ million
Cash and balances with banks	99,034	118,653	99,034	110,677
Unrestricted balances with central bank	20,506	5,730	20,506	5,730
Money market placements	177,419	146,332	177,419	146,330
	296,959	270,715	296,959	262,738
ECL Impairment on cash and cash equivalents	(8)	(8)	(8)	(8)
	296,951	270,707	296,951	262,730

12 Financial assets at fair value through profit or loss	Group		Bank	
	31 March 2021		31 March 2021	
	31 December 2020	31 December 2020	31 December 2020	31 December 2020
	₦ million	₦ million	₦ million	₦ million
Government bonds	4,799	1,358	4,799	1,358
Treasury bills	4,987	50,854	4,987	50,854
	9,786	52,212	9,786	52,212

13 Pledged assets	Group		Bank	
	31 March 2021		31 March 2021	
	31 December 2020	31 December 2020	31 December 2020	31 December 2020
	₦ million	₦ million	₦ million	₦ million
Treasury bills	83,753	91,099	83,753	91,099
Bonds	12,028	8,618	12,028	8,618
Placement	310	304	310	304
ECL Impairment on Pledged asset	(14)	(14)	(14)	(14)
	96,077	100,007	96,077	100,007

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
Group

	31 March 2021		31 December 2020	
	Assets	Liabilities	Assets	Liabilities
	₦ million	₦ million	N million	N million
Instrument Type:				
FX swaps	616	-	520	-
Non-deliverable futures	-	87	-	2
	616	-	520	2

Bank	31 March 2021		31 December 2020	
	Assets	Liabilities	Assets	Liabilities
	₦ million	₦ million	N million	N million
Instrument Type:				
FX swaps	616	-	520	-
Non-deliverable futures	-	87	-	2
	616	-	520	2

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

(a)	Group		Bank	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
	₦ million	₦ million	₦ million	₦ million
FCY Loans	348,109	355,615	348,109	355,615
LCY Loans	409,334	381,097	409,334	381,096
Gross amount	757,443	736,712	757,443	736,711
IFRS 9				
Stage 1 impairment	(9,196)	(8,348)	(9,196)	(8,601)
Stage 2 impairment	(13,124)	(16,239)	(13,124)	(12,744)
Stage 3 impairment	(22,541)	(19,322)	(22,541)	(22,564)
Total impairment	(44,861)	(43,909)	(44,861)	(43,909)
Carrying amount	712,582	692,803	712,582	692,803

16 Investment in equity accounted investee

	Group 31 March 2021 N million	Group 31 December 2020 N million	Bank 31 March 2021 N million	Bank 31 December 2020 N million
Cost				
Balance, beginning of the year	115	115	91	91
	115	115	91	91
Impairments	(115)	(115)	(91)	(91)
Balance, end of the year	-	-	-	-

17 Investment securities

	Group 31 March 2021 N million	Group 31 December 2020 N million	Bank 31 March 2021 N million	Bank 31 December 2020 N million
Investment securities at fair value through other comprehensive income (FVOCI) (see note (a) below)	248,230	272,436	248,230	272,436
Investment at fair value through profit or loss (FVTPL) (see note (b) below)	51,337	48,177	51,337	48,177
Investment securities at amortised cost (see note (c) below)	30,541	31,344	30,541	31,344
Impairment on securities (see note (c) below)	(95)	(95)	(95)	(95)
	330,013	351,862	330,013	351,862

	Group 31 March 2021 N million	Group 31 December 2020 N million	Bank 31 March 2021 N million	Bank 31 December 2020 N million
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(a) *Investment securities at fair value through other comprehensive income comprise:*

- *Investments in debt securities:*

Treasury bills	226,471	247,758	226,471	247,758
FGN Bonds	4,652	4,587	4,652	4,587
State Bonds	2,002	4,772	2,002	4,772
Corporate Bonds	7,047	114	7,047	114
Commercial Paper	71	7,236	71	7,236
FGN Promissory note	4,664	4,645	4,664	4,645
Total investment in debt securities	244,906	269,112	244,906	269,112

- *Equity instruments at fair value through other comprehensive income comprise:*

Equity: Quoted see (i) below	1,973	1,973	1,973	1,973
Unquoted see (ii) below	1,351	1,351	1,351	1,351
Net Total -Equity instruments	3,324	3,324	3,324	3,324

Total investment securities at FVOCI	248,230	272,436	248,230	272,436
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	Group 31 March 2021 N million	Group 31 December 2020 N million	Bank 31 March 2021 N million	Bank 31 December 2020 N million
(i) Investment in REIT	1,973	1,973	1,973	1,973

(ii) **Investment in unquoted equities**

Nigeria Auto Clearing System	522	522	522	522
Credit Reference Company	104	104	104	104
Central Securities Clearing System	194	194	194	194
Sanef Ltd	50	50	50	50
Unique Venture Funds Ltd	481	481	481	481
	1,351	1,351	1,351	1,351
Total	3,324	3,324	3,324	3,324

(b) *Investment at fair value through profit or loss comprise:*

Investment in equity				
Afrexim Bank	6,464	6,102	6,464	6,102
Africa Finance Corporation (AFC)	44,873	42,075	44,873	42,075
	51,337	48,177	51,337	48,177

(c) *Fixed income securities at amortised cost comprise:*

Federal Government of Nigeria -Bonds	28,281	28,385	28,281	28,385
State Government of Nigeria -Bonds	2,260	2,959	2,260	2,959
Total - Fixed income	30,541	31,344	30,541	31,344

Stage 1 impairment	(95)	(95)	(95)	(95)
Total impairment	(95)	(95)	(95)	(95)

Net Total -Fixed income securities	275,352	300,361	275,352	300,361
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Total investment securities	330,013	351,862	330,013	351,862
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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 31 March 2021 N million	Group 31 December 2020 N million	Bank 31 March 2021 N million	Bank 31 December 2020 N million
Balance, beginning of year	187	187	187	187
Addition	-	-	-	-
Balance, end of year	187	187	187	187

19 Investment Properties

These investment properties were revalued as at the year end 31 December 2020 by Messrs. Bode Adediji Partnership (FRC/2013/NIESV/0000001479), a firm of estate surveyors and valuers, using the open market basis of valuation, and their reports were dated 31 December 2020 for UBN Property Company Plc respectively. As at 31 December 2020 Investment properties have been carried at their fair value with the fair value difference recognised in profit or loss.

	Group 31 March 2021 N million	Group 31 December 2020 N million	Bank 31 March 2021 N million	Bank 31 December 2020 N million
Balance, beginning of the year	4,817	5,701	-	-
Disposal	-	(1,249)	-	-
Additions to investment property	14	-	-	-
	4,831	4,452	-	-
Fair value gain	-	364	-	-
Balance, end of the year	4,831	4,817	-	-

20 Investment in subsidiaries

Cost

	Bank 31 March 2021 N million	Bank 31 December 2020 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	
			31 March 2021 Status/%	31 December 2020 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

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
	N million	N million	N million	N million	N million	N million	N million	N million
Cost								
Balance at 1st January, 2021	10,648	20,115	20,577	5,733	34,562	2,285	1,509	95,429
Exchange difference	-	-	-	-	-	-	-	-
Additions	-	46	189	107	549	-	436	1,327
Disposal	-	-	-	-	-	-	-	-
Balance as at 31 March 2021	<u>10,648</u>	<u>20,161</u>	<u>20,766</u>	<u>5,840</u>	<u>35,111</u>	<u>2,285</u>	<u>1,945</u>	<u>96,756</u>
Balance at 1st January, 2020	12,859	21,633	17,982	4,852	29,075	2,149	2,716	91,266
Exchange difference	-	-	-	-	-	-	-	-
Additions	17	114	150	503	5,910	192	1,510	8,396
Disposals	(2,257)	(1,711)	267	(8)	(429)	(4)	(2)	(4,144)
Reclassification to other assets	29	79	2,178	386	6	(52)	(2,715)	(89)
Balance as at 31 Dec 2020	<u>10,648</u>	<u>20,115</u>	<u>20,577</u>	<u>5,733</u>	<u>34,562</u>	<u>2,285</u>	<u>1,509</u>	<u>95,429</u>

Depreciation and impairment losses

Balance at 1st January 2021	-	6,748	2,871	2,801	23,747	1,898	-	38,065
Charge for the period	-	91	99	121	1,074	58	-	1,443
Disposals	-	-	-	-	-	-	-	-
Balance as at 31 March 2021	<u>-</u>	<u>6,839</u>	<u>2,970</u>	<u>2,958</u>	<u>24,749</u>	<u>1,956</u>	<u>-</u>	<u>1,407</u>
Balance at 1st January, 2020	-	6,728	2,560	2,343	20,025	1,643	-	33,298
Exchange difference	-	-	-	-	-	-	-	-
Charge for the year	-	394	399	462	3,763	286	-	5,304
Disposals	-	(374)	(88)	(3)	(41)	(31)	-	(537)
Balance as at 31 Dec 2020	<u>-</u>	<u>6,748</u>	<u>2,871</u>	<u>2,801</u>	<u>23,747</u>	<u>1,898</u>	<u>-</u>	<u>38,065</u>

(iii) **Net Book Value**

Balance as at 31 March 2021	10,648	13,322	17,797	2,881	10,362	329	1,945	57,284
Balance as at 31 December 2020	10,648	13,367	17,707	2,931	10,815	387	1,509	57,364

(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 2020: 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 2021	10,648	20,116	20,577	5,732	34,542	2,268	1,509	95,392
Additions	-	46	186	107	590	-	436	1,365
Reclassifications								-
Disposals								-
Balance as at 31 March 2021	10,648	20,162	20,763	5,839	35,132	2,268	1,945	96,757
Balance at 1st January 2020	12,833	21,634	18,318	4,901	28,719	2,147	2,714	91,266
Additions	16	114	151	502	5,910	191	1,510	8,394
Disposals	(2,230)	(1,711)	(70)	(57)	(93)	(18)		(4,179)
Reclassifications to other assets	29	79	2,178	386	6	(52)	(2,715)	(89)
Balance as at 31 December 2020	10,648	20,116	20,577	5,732	34,542	2,268	1,509	95,392

	Land	Buildings	Leasehold improvement	Fixtures and fittings	Furniture & equipment	Motor vehicles	Capital work in progress	Total
	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million
(ii) Accumulated depreciation								
Balance at 1st January 2021	-	6,748	2,872	2,802	23,736	1,893	-	38,051
Charge for the period	-	91	99	121	1,074	58		1,443
Disposals	-							-
Reclassifications								-
Balance as at 31 March 2021	-	6,839	2,971	2,923	24,810	1,951	-	39,494
Opening balance at 1st January 2020	-	6,756	2,497	2,343	20,106	1,631	-	33,333
Charge for the year	-	394	400	498	3,721	280	-	5,293
Disposals	-	(402)	(25)	(39)	(91)	(18)		(575)
Reclassifications	-	-	-	-	-	-		-
Balance as at 31 December 2020	-	6,748	2,872	2,802	23,736	1,893	-	38,051
(iii) Net Book Value								
Balance as at 31 March 2021	10,648	13,323	17,793	2,916	10,323	317	1,945	57,264
Balance as at 31 December 2020	10,648	13,368	17,706	2,930	10,807	375	1,509	57,342

- (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 2020: nil)

22 Intangible assets

	Group	Group	Bank	Bank
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
	₦ million	₦ million	₦ million	₦ million
Cost				
Balance, beginning of the year	14,769	13,046	14,768	13,045
Additions	67	1,634	67	1,634
Reclassification	-	89	-	89
Balance, end of period	14,835	14,769	14,835	14,768
Amortization and impairment losses				
Balance, beginning of the year	9,557	7,664	9,557	7,664
Amortisation for the year	477	1,893	478	1,893
Balance, end of period	10,034	9,557	10,035	9,557
Carrying amounts as at period end				
Balance as at December 31 2020	5,212	5,382	5,211	5,381

- (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 2020: nil)

23 Right of Use Assets

	Group	Group	Bank	Bank
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
Gross Amount	3,781	3,450	3,781	3,450
Addition	-	431	-	431
Derecognition	-	(100)	-	(100)
	3,781	3,781	3,781	3,781
Accumulated depreciation	(529)	529	(529)	(529)
Charge in the year	(545)	512	(545)	(512)
Carrying Amount as at period end	2,707	2,740	2,707	2,740

24 Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Group

31 March 2021

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

31 December 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

Bank

31 March 2021

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

31 December 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
Others			
Property, equipment, and software		280	280
Net tax assets (liabilities)		280	280
Net deferred tax			95,595

Recognised and unrecognised deferred tax assets

Recognition of deferred tax assets of N95,875 (December 2020: 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	Group	Bank	Bank
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
	N million	N million	N million	N million
Cash Reserve Requirement	376,832	330,929	376,832	330,929
Excess CRR balance to be refunded (see (i))	25,523	25,523	25,523	25,523
Total Cash Reserve Requirement (see (ii))	402,355	356,452	402,355	356,452
Other assets:				
Clearing	532	333	532	333
Accounts receivable	859	1,220	177	177
Prepayments	9,265	3,499	9,247	3,774
Receivable on FX forward (see (iii))	22,224	21,955	22,224	21,955
Repossed assets	8,424	5,493	8,424	5,493
Sundry assets (see (iv))	48,360	58,219	48,354	58,219
	89,664	90,719	88,958	89,951
Impairment on other assets	(7,258)	(7,219)	(6,216)	(6,176)
Net other assets	82,406	83,500	82,742	83,775
	484,761	439,952	485,097	440,227

(i) The Bank had restricted balances of N402.355billion (December 2020: N356.552billion) with the Central Bank of Nigeria (CBN) as at 31 March 2021, 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 31 March 2021, the CRR in force was 22.5% (Dec 2020: 22.5%).

(ii) **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	Group	Bank	Bank
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
	N million	N million	N million	N million
Frauds and losses	1,536	1,536	1,536	1,536
Advance payments for PPE	2,484	577	2,484	577
Receivable from Union Homes	2,608	2,608	2,608	2,608
Property under dispute	1,352	1,352	1,352	1,352
Garnishee Order	1,291	1,291	1,291	1,291
ATM receivable	3,545	2,080	3,545	2,080
Dividend Receivable	396	396	396	396
Receivable on electronic transfers and collections	584	894	584	894
Master/Visa card electronic settlement	316	449	316	449
Investment in AgriBusiness/SMEEIS	3,577	3,577	3,577	3,577
Discounted Fx Forwards	260	219	260	219
Prepaid inventory items	25	28	25	28
Cash in Transit	121	-	121	-
Other account balances	30,266	43,212	30,260	43,212
Balance, end of year	48,360	58,219	48,354	58,219

26 Deposits from banks

	Group	Group	Bank	Bank
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
	N million	N million	N million	N million
Other deposits from banks	-	4,018	-	4,018
	-	4,018	-	4,018

26 Deposits from customers

	Group 31 March 2021	Group 31 December 2020	Bank 31 March 2021	Bank 31 December 2020
	N million	N million	N million	N million
Term deposits	331,924	359,281	336,838	364,110
Current deposits	412,657	398,618	412,657	398,618
Savings	376,826	368,388	376,826	368,388
	1,121,407	1,126,287	1,126,321	1,131,116
Low-cost deposits	789,483	767,006	789,483	767,006
Low-cost deposits as % of total customer deposits	70.4%	68.1%	70.1%	67.8%
Deposits by currency				
Local currency deposits	921,721	955,355	921,721	955,355
Foreign currency deposits	199,686	175,761	204,600	175,761
	1,121,407	1,131,116	1,126,321	1,131,116

27 Current tax liabilities

	Group 31 March 2021	Group 31 December 2020	Bank 31 March 2021	Bank 31 December 2020
	N million	N million	N million	N million
Balance, beginning of year	797	486	778	380
Charge for the year	251	791	251	772
Payments during the year	(1)	(480)	(1)	(373)
Balance, end of year	1,047	797	1,028	778

28 Other liabilities

	Group 31 March 2021	Group 31 December 2020	Bank 31 March 2021	Bank 31 December 2020
	N million	N million	N million	N million
Deposits for foreign currency	228,227	240,886	228,227	240,886
Deposit for properties	465	-	-	-
Due to foreign correspondent banks	53,529	57,129	53,529	57,129
PAYE and other statutory deductions	1,278	643	1,278	643
Draft and Bills payable	1,885	4,538	1,885	4,538
AMCON contribution payable	1,362	1,362	1,362	1,362
Creditors and accruals (see (a) below)	4,617	7,171	4,617	7,171
Provision for fraud	-	102	-	102
Unearned income	842	576	842	576
Provision for claims and contingencies (see (b) below)	3,984	3,717	3,984	3,717
Accounts payable	8,712	5,095	8,692	4,495
OBB/REPO takings	10,005	3,750	10,005	3,750
Other provisions (see note (c) below)	18	4	18	4
Electronic collections and other e-payment liabilities	22,714	22,479	22,714	22,479
Payable for unsettled financial assets	10,191	-	10,191	-
Liability for pledged assets	49,870	70,131	49,870	70,131
Liability for investment contract	69,477	-	69,477	-
Other credit balances	9,463	8,134	12,323	8,134
	476,639	425,718	479,014	425,117
Lease Liability	1,868	1,812	1,868	1,812
Total other liabilities	478,507	427,530	480,882	426,929

(a) **Creditors and accruals**

	Group	Group	Bank	Bank
	31 March	31 December	31 March	31 December
	2021	2020	2021	2020
	N million	N million	N million	N million
Accrued IT Consumables	613	617	613	617
Accruals for professional and consultancy fees	173	134	173	134
Accrual for Industrial Training Fund Levy	81	263	81	263
Accrual for advertisement	89	204	89	204
Accrual for staff related allowances	2,029	4,129	2,029	4,129
Accrual for rental expenses	28	-	28	-
Other accruals	1,603	1,623	1,603	1,623
	4,617	7,171	4,617	7,171

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

	Group	Group	Bank	Bank
	31 March	31 December	31 March	31 December
	2021	2020	2021	2020
	N million	N million	N million	N million
Balance, beginning of year	3,717	2,595	3,717	2,595
Charge/(reversal during the year)	267	1,122	267	1,122
Balance, end of the year	3,984	3,717	3,984	3,717

29 Employee benefit obligations

	Group 31 March 2021	Group 31 December 2020	Bank 31 March 2021	Bank 31 December 2020
	N million	N million	N million	N million
Post employment benefit obligation (see (a) below)	83	81	83	81
Other long-term employee benefits	996	915	994	915
	1,079	996	1,077	996

(a) Post employment benefit obligation

	Group 31 March 2021	Group 31 December 2020	Bank 31 March 2021	Bank 31 December 2020
	N million	N million	N million	N million
Defined contribution scheme (see (i) below)	83	81	83	81
Defined benefit obligation (See (ii) below)	-	-	-	-
	83	81	83	81
Defined benefit asset	1,475	1,475	1,475	1,475
Net defined benefit obligation	1,475	1,475	1,475	1,475

(i) Defined Contribution Scheme

	Group 31 March 2021	Group 31 December 2020	Bank 31 March 2021	Bank 31 December 2020
	N million	N million	N million	N million
Balance, beginning of year	81	81	81	81
Charge during the year	148	420	147	420
Contribution remitted during the year	(146)	(420)	(145)	(420)
Balance, end of year	83	81	83	81

The Group and its employees make respective contributions of 10% and 8% of basic salary, housing and transport

(ii) Defined benefit obligation

The Management of the Bank, in compliance with the Pension Reform Act 2014 and in line with the Trust Deed guiding the Bank's Pension Fund, bought an annuity programme with Leadway Assurance Company Plc for its Defined Benefit (DB) Scheme Pensioners.

Prior to this, the Bank engaged the Union Bank Pensioners' Association at both the National and Zonal Levels, conducted a roadshow across the country for its Pensioners under the Defined Benefit Scheme to get their buy-in for the Annuity Programme. Over 4,600 DB Pensioners have subscribed to the annuity program.

The benefits of the annuity program include;

- The transfer of risks associated with managing future income
- Longevity Risk: There is no fear of lack of income no matter how long the Annuitant lives
- Investment Risk: The Risk of Investment is borne by Leadway Assurance. This is not the case if the Bank continues to manage the fund.

(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	Executive trainee- Manager	Senior Manager - General Manager
10 years	10% of Annual Basic Salary Cash	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	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	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	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	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	35% of Annual Basic Salary Cash Award of N375,000	35% of Annual Basic Salary

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

	Group 31 March 2021	Group 31 December 2020	Bank 31 March 2021	Bank 31 December 2020
	N million	N million	N million	N million
Present value of unfunded obligation	996	915	994	915
Total present value of the obligation	996	915	994	915
Present value of net obligation	996	915	994	915
Recognized liability for defined benefit obligations	996	915	994	915

30 Debt securities issued

	Group	Group	Bank	Bank
	31 March	31 December	31 March	31 December
	2021	2020	2021	2020
	N million	N million	N million	N million
Short term bonds	7,243	7,502	7,243	7,502
Long term bonds	6,276	6,518	6,276	6,518
	13,519	14,020	13,519	14,020

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	Group	Bank	Bank
	31 March	31 December	31 March	31 December
	2021	2020	2021	2020
Commercial Papers Series 5	15,065	14,927	15,065	14,927
Commercial Papers Series 6	17,406	17,268	17,406	17,268
Commercial Papers Series 7	2,415	2,414	2,415	2,414
	34,886	34,609	34,886	34,609

32 Long Term Subordinated bond

	Group	Group	Bank	Bank
	31 March	31 December	31 March	31 December
	2021	2020	2021	2020
Series 3 bonds	30,776	29,546	30,776	29,546
	30,776	29,546	30,776	29,546

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	Group	Bank	Bank
	31 March	31 December	31 March	31 December
	2021	2020	2021	2020
	N million	N million	N million	N million
Due to CAC (see (a))	1,767	3,862	1,767	3,862
BOI on-lending facilities (see note (b))	1,894	2,093	1,894	2,093
CBN RSS-on lending (see (c))	17,070	17,571	17,070	17,571
Trade finance lending (see (d))	41,918	56,365	41,918	56,365
Other borrowings (see (e))	102,361	103,053	102,361	103,053
MAS SCHEME	-	-	-	-
SME on-lending scheme	1,711	1,279	1,711	1,279
	166,721	184,223	166,721	184,223

- (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 a 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 N1.89billion (Dec. 2020: N2.09 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 N17.07bn (December 2020: N17.5bn) 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	Group	Group
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
	\$ million	\$ million	N million	N million
Mashreq Bank	61	57	25,006	22,868
Access Bank UK	41	49	16,890	19,465
COMMERZBANK AG GERMANY	-	30	-	11,999
Citibank N.A. UK	-	-	22	2,033
	103	136	41,918	56,365

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

	Group	Group	Group	Group
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
	\$ million	\$ million	N million	N million
OPIC	146	146	59,546	58,396
Afreximbank	105	112	42,815	44,657
	251	258	102,361	103,053

	Bank	Bank	Bank	Bank
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
	\$ million	\$ million	N million	N million
Mashreq Bank	61	57	25,006	22,868
Access Bank UK	41	49	16,890	19,465
COMMERZBANK AG GERMANY	-	30	-	11,999
CITIBANK N.A. U.K.	0		22	2,033
	103	136	41,918	56,366

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

	Bank	Bank	Bank	Bank
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
	\$ million	\$ million	N million	N million
OPIC	146	146	59,546	-
Afreximbank	105	112	42,815	103,053
	251	258	102,361	103,053

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

The profit for the period from discontinued operations comprises:

	Group	Group
	March 2021	March 2020
	N million	N million
Gross income	353	1,170
Gross expense	(929)	(1,208)
Interest Income	238	987
Interest Expense	(66)	(327)
Net interest income	172	660
Recoveries on credit losses		
Net interest income after impairment charge for credit losses	172	660
Net fee and commission income	-	-
Net trading income	27	19
Other operating income	87	165
Total operating income	114	184
Total non-interest income	114	184
Operating Income	286	844
Net impairment loss on financial assets	184	67
Net operating income after net impairment loss on other financial assets	470	911
Personnel expenses	(663)	(565)
Depreciation and amortization	(67)	(77)
Other operating expenses	(316)	(306)
Loss before tax from discontinued operations	(576)	(38)
Income tax expense	-	-
Loss from discontinued operations (net of tax)	(576)	(38)

Assets classified as held for sale

	Group	Group	Bank	Bank
	31 March	31 December	31 March	31 December
	2021	2020	2021	2020
	N million	N million	N million	N million
Cash and cash equivalents	31,459	86,195	-	-
Investments in subsidiaries	-	-	8,372	8,372
Loans and advances to customers	16,180	15,584	-	-
Investment securities	8,087	11,334	-	-
Property and equipment	60	68	-	-
Intangible assets	137	150	-	-
Other assets	2,139	1,208	-	-
right of use asset		754		
	58,062	115,293	8,372	8,372
	58,062	115,293	8,372	8,372

(c) Liabilities for assets classified as held for sale

	Group	Bank	Bank	Bank
	31 March	31 December	31 March	31 December
	2021	2020	2021	2020
	N million	N million	N million	N million
Deposit from banks	10,483	68,808	-	-
Deposits from customers	30,397	33,749	-	-
Other liabilities	1,659	2,323	-	-
Retirement benefit obligatio			-	-
Other liabilities	-	1,843	-	-
	42,539	104,400	-	-

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
	31 March	31 December	31 March	31 December
	2021	2020	2021	2020
	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
	31 March	31 December	31 March	31 December
	2021	2020	2021	2020
	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
	31 March	31 December	31 March	31 December
	2021	2020	2021	2020
	N million	N million	N million	N million
Balance, beginning of year	14,607	14,561	14,607	14,561
Additions during the year	-	46	-	46
Balance, end of year	14,607	14,607	14,607	14,607
(c) Share premium				
Share premium is the excess paid by shareholders over the nominal value for their shares.				
	Group	Group	Bank	Bank
	31 March	31 December	31 March	31 December
	2021	2020	2021	2020
	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	-	602	-	602
Balance, end of year	133,235	133,235	133,235	133,235
Share capital and share premium	147,842	147,842	147,842	147,842
(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.				
	Group	Group	Bank	Bank
	31 March	31 December	31 March	31 December
	2021	2020	2021	2020
	N million	N million	N million	N million
Translation reserve	17,431	17,273	1,895	1,895
Excess clawback reserves	(14,918)	(14,918)	(14,918)	(14,918)
SMEEIES/AGSMEIS reserve	6,774	6,774	6,774	6,774
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	2,525	2,633	2,633	2,633
	17,354	17,303	1,925	1,925

(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

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 31 March 2021	Group 31 December 2020	Bank 31 March 2021	Bank 31 December 2020
	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	Group
	31 March	31 December
	2021	2020
	N million	N million
<i>Movement in the non controlling interest</i>		
Balance, beginning of year	6,680	6,543
Profit/(loss) for the year	5	137
Balance, end of year	6,685	6,680

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 N266,561 million (December 2020: N185,327 million).

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

	Group	Group	Bank	Bank
	31 March	31 December	31 March	31 December
	2021	2020	2021	2020
	N million	N million	N million	N million
Performance bonds and guarantees	146,492	109,710	146,492	109,710
Letters of credit	120,099	75,617	120,099	75,617
Gross total off-balance sheet assets	266,591	185,327	266,591	185,327
	(18)	(257)	(18)	(257)
Total off-balance sheet assets after impairment	266,573	185,070	266,573	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.