



Union Bank of Nigeria Plc
UNAUDITED
FINANCIAL STATEMENTS
30 June 2019

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

For the period ended 30 June 2019

	Notes	Group				Bank			
		Months	6 Months	3 Months	3 Months	6 Months	6 Months	3 Months	3 Months
		H1.2019	H1.2018	Q2 2019	Q2 2018	H1.2019	H1.2018	Q2 2019	Q2 2018
		₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million
Gross earnings		76,017	83,333	38,341	42,867	72,356	80,991	36,244	42,256
Interest income	1	57,349	62,202	30,490	30,528	53,795	59,369	28,604	29,035
Interest expense	1	(31,356)	(27,856)	(16,546)	(14,013)	(30,601)	(27,242)	(16,174)	(13,559)
Net interest income (NRFF)		25,993	34,346	13,944	16,515	23,194	32,127	12,430	15,476
Net impairment charge for credit losses	6	4,485	(4,625)	3,679	(2,276)	4,509	(4,345)	3,734	(2,209)
Net interest income after impairment charge for credit losses		30,478	29,721	17,623	14,239	27,703	27,782	16,164	13,267
Net fee and commission income	2	6,763	6,007	2,998	2,731	6,439	5,746	2,861	2,632
Net trading income	3	3,722	6,989	1,455	3,644	3,635	6,913	1,407	3,603
Cash recoveries		5,281	1,963	2,487	659	5,281	1,963	2,487	659
Net income from other financial instruments at fair value through profit or loss	4	1,315	2,738	512	2,738	1,315	2,738	512	2,738
Other operating income	5	1,587	3,434	399	2,567	1,891	4,262	373	3,589
Non interest income (NII)		18,668	21,131	7,851	12,339	18,561	21,622	7,640	13,221
Operating income		49,146	50,852	25,474	26,578	46,264	49,404	23,804	26,488
Net impairment write-back/(loss) on other financial assets	6	462	20	200	20	462	20	200	20
Net operating income after net impairment write-back/(loss) on other financial assets		49,608	50,872	25,674	26,598	46,726	49,424	24,004	26,508
Personnel expenses	7	(17,306)	(18,249)	(8,521)	(10,323)	(16,095)	(17,236)	(7,912)	(9,832)
Depreciation and amortisation		(3,707)	(3,328)	(1,828)	(1,696)	(3,579)	(3,192)	(1,766)	(1,628)
Other operating expenses	8	(16,469)	(17,631)	(8,637)	(9,322)	(15,813)	(16,874)	(8,326)	(8,975)
Total expenses		(37,482)	(39,208)	(18,986)	(21,341)	(35,487)	(37,302)	(18,004)	(20,435)
Profit before income tax		12,126	11,664	6,688	5,257	11,239	12,122	6,000	6,073
Income tax expense	9	(273)	(206)	(109)	(73)	(111)	(132)	(59)	(68)
Profit for the year		11,853	11,458	6,579	5,184	11,128	11,990	5,941	6,005

Other comprehensive income, net of income tax								
Remeasurement of defined benefit liability	-	204	-	-	-	204	-	-
Foreign currency translation differences for foreign operations	(39)	255	(192)	(166)	-	-	-	-
Fair value gains/(losses) on financial assets at FVTOCI	2,412	(3,269)	117	(1,666)	2,433	(3,056)	115	(1,672)
Other comprehensive income for the year	2,373	(2,810)	(75)	(1,832)	2,433	(2,852)	115	(1,672)
Total comprehensive income for the year	14,226	8,648	6,504	3,352	13,561	9,138	6,056	4,333
Profit attributable to:								
Equity holders of the Bank	11,674	11,198	6,461	5,086	11,128	11,990	5,941	6,005
Non-controlling interest	179	260	118	98	-	-	-	-
Profit for the year	11,853	11,458	6,579	5,184	11,128	11,990	5,941	6,005
Total comprehensive income attributable to:								
Equity holders of the Bank	14,047	8,388	6,386	3,254	13,561	9,138	6,056	4,333
Non-controlling interest	179	260	118	98	-	-	-	-
Total comprehensive income for the year	14,226	8,648	6,504	3,352	13,561	9,138	6,056	4,333
Earnings per share for profit from total operations attributable to equity holders of Bank								
Basic and diluted (Kobo)	10	40	18		38	17		

Consolidated and Separate Statements of Financial Position

For the year ended 30 June 2019

	Notes	Group	Group	Bank	Bank
		30 June 2019	31 December 2018	30 June 2019	31 December 2018
		N million	N million	N million	N million
ASSETS					
Cash and cash equivalents	11	316,401	233,566	250,070	159,028
Financial assets at fair value through profit or loss	12	31,959	14,271	31,959	14,271
Pledged assets	13	39,926	48,839	39,926	48,839
Derivative assets held for risk management	14	-	1,029	-	1,029
Loans and advances to customers at amortised cost	15	526,035	473,462	482,024	428,037
Investment securities	17	271,249	199,317	237,064	175,068
Trading properties	18	186	186	187	187
Investment properties	19	5,248	5,030	-	-
Investment in subsidiaries	20	-	-	10,567	10,567
Property and equipment	21	59,510	59,954	59,398	59,830
Intangible assets	22	6,025	6,045	5,709	5,628
Right of Use Assets	23	1,457	-	1,457	-
Deferred tax assets	24	95,875	95,875	95,875	95,875
Cash reserve requirement	25	295,218	281,868	295,218	281,868
Other assets	25	62,303	42,409	62,323	42,135
Defined benefit assets	30	1,671	1,610	1,671	1,610
		1,713,062	1,463,461	1,573,448	1,323,972
Assets classified as held for sale	35	397	397	325	325
TOTAL ASSETS		1,713,459	1,463,858	1,573,773	1,324,297
LIABILITIES					
Derivative liabilities held for risk management	14	1,621	1,120	1,604	1,117
Deposits from banks	26	112,583	99,477	14,109	-
Deposits from customers	27	889,471	857,593	875,317	844,413
Current tax liabilities	28	267	581	120	232
Deferred tax liabilities	24	240	263	-	-
Lease Liabilities		1,663	-	1,663	-
Other liabilities	29	290,144	169,653	288,883	168,827
Retirement benefit obligations	30	897	788	895	786
Debt securities issued	31	13,912	13,860	13,912	13,860
Commercial Papers	32	23,532	-	23,532	-
Long term subordinated bond	33	29,969	-	29,969	-
Other borrowed funds	34	110,191	94,891	110,278	94,975
		1,474,490	1,238,226	1,360,282	1,124,210
EQUITY					
Share capital and share premium	36	201,652	201,652	201,652	201,652
Accumulated losses		(35,263)	(44,380)	(38,434)	(47,736)
Other reserves		66,126	62,084	50,273	46,171
EQUITY ATTRIBUTABLE TO EQUITY - HOLDERS OF THE BANK		232,515	219,356	213,491	200,087
Non-controlling interest	37	6,455	6,276	-	-
TOTAL EQUITY		238,970	225,632	213,491	200,087
TOTAL LIABILITIES AND EQUITY		1,713,460	1,463,858	1,573,773	1,324,297

Cyril Odu
Chairman

FRC/2018/IODN/00000018468

Emeka Emuwa

Group Managing Director

FRC/2013/CIBN/00000001774

Joe Mbulu

Chief Financial Officer

FRC/2014/ICAN/00000006110

Consolidated and Separate Statements of Changes in Equity
For the period ended 30 June 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
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
Profit for the year	-	-	1,669	-	-	-	-	-	10,005	11,674	179	11,853
Other comprehensive income, net of tax												
Foreign currency translation difference	-	-	-	-	-	-	-	(39)	-	(39)	-	(39)
Fair value gains/(loss) on investment at FVTOCI	-	-	-	2,412	-	-	-	-	-	2,412	-	2,412
Total comprehensive income for the year	-	-	1,669	2,412	-	-	-	(39)	10,005	14,047	179	14,226
Balance at 30 June 2019	14,561	187,091	30,466	16,894	-	282	1,436	17,048	(35,263)	232,515	6,455	238,970

For the period ended 30 June 2018

Group

	Share capital	Share premium	Statutory reserve	Fair value reserve	Regulatory risk reserve	Share based payment reserve	AGSMEIS Reserve	Other reserves	Retained deficit	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 2018	14,561	187,091	26,371	40,567	71,027	193	-	14,484	(14,384)	339,910	5,831	345,741
IFRS 9 Transition adjustment	-	-	-	(20,399)	(59,691)	-	-	-	15,857	(64,233)	-	(64,233)
Other prior period restatements	-	-	-	-	-	-	1,436	-	(1,436)	-	-	-
Restated balance at 1 January 2018	14,561	187,091	26,371	20,168	11,336	193	1,436	14,484	37	275,677	5,831	281,508
Total comprehensive income for the period												
Profit for the period	-	-	1,799	-	-	-	-	-	9,399	11,198	260	11,458
Remeasurement of defined benefit liability	-	-	-	-	-	-	-	204	-	204	-	204
Foreign currency translation difference	-	-	-	-	-	-	-	255	-	255	-	255
Appropriation:												
Transfer from regulatory reserves	-	-	-	-	3,122	-	-	-	(3,122)	-	-	-
Total comprehensive income for the period	-	-	1,799	(3,269)	3,122	195	-	459	6,277	8,583	260	8,843
Total contribution and (distributions) to owners	-	-	-	-	-	195	-	-	-	195	-	195
Balance at 30 June 2018	14,561	187,091	28,170	16,899	14,458	388	1,436	14,943	6,314	284,455	6,091	290,546

Consolidated and Separate Statements of Changes in Equity
For the period ended 30 June 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
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
Profit or loss	-	-	1,669	-	-	-	-	-	9,459	11,128
Other comprehensive income										
Fair value gains/(loss) on investment at FVTOCI	-	-	-	2,433	-	-	-	-	-	2,433
Total comprehensive income for the year	-	-	1,669	2,433	-	-	-	-	9,459	13,561
Balance at 30 June 2019	14,561	187,091	30,466	15,768	-	282	1,436	2,322	(38,434)	213,491

For the period ended 30 June 2018

Bank	Share capital	Share premium	Statutory reserve	Fair value reserves	Regulatory risk reserves	Share based payment reserve	AGSMEIS Reserve	Other reserves	Retained deficit	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 2018	14,561	187,091	26,371	39,205	71,027	193	-	2,058	(19,118)	321,388
IFRS 9 Transition adjustment	-	-	-	(20,399)	(59,691)	-	-	-	15,857	(64,233)
Other prior period restatements	-	-	-	-	-	-	1,436	-	(1,436)	-
Restated balance at 1 January 2018	14,561	187,091	26,371	18,806	11,336	193	1,436	2,058	(4,697)	257,155
Total comprehensive income for the period										
Profit or loss	-	-	1,799	-	-	-	-	-	10,191	11,990
Other comprehensive income										
Fair value gains/(loss) on available-for-sale investment	-	-	-	(3,056)	-	-	-	-	-	(3,056)
Equity settled share based payment	-	-	-	-	-	195	-	-	-	195
Remeasurement of defined benefit liability	-	-	-	-	-	-	-	204	-	204
Transfer between reserves	-	-	-	-	3,122	-	-	-	(3,122)	-
Total comprehensive income for the period	-	-	1,799	(3,056)	3,122	195	-	204	7,069	9,138
Equity-settled share-based payment	-	-	-	-	-	195	-	-	-	195
Total contribution and (distributions) to owners	-	-	-	-	-	195	-	-	-	195
Balance at 30 June 2018	14,561	187,091	28,170	15,750	14,458	388	1,436	2,262	2,372	266,487

Consolidated and Separate Statements of Cash Flows

For the year ended 30 June 2019

	Group 30 June 2019	Group 30 June 2018	Bank 30 June 2019	Bank 30 June 2018
	N million	N million	N million	N million
Cash flows from operating activities				
Profit for the year	11,853	11,198	11,128	11,990
Income tax expense	273	206	111	132
Profit before tax	12,126	11,404	11,239	12,122
<i>Adjustments for:</i>				
Impairment losses on loans and advances	(4,485)	4,625	(4,509)	4,345
Recoveries on loans and advances	(5,281)	(1,963)	(5,281)	(1,963)
Write off- loans and advances		63,954		63,954
Reversal of impairment on other assets	(462)	(20)	(462)	(20)
Gain on sale of property and equipment	(82)	(298)	(82)	(129)
Gain on disposal of unquoted equity at FVTOCI	-	(1,205)	-	(1,205)
Gain on sale of trading properties	-	(169)	-	-
Depreciation of property and equipment	2,706	2,526	2,688	2,498
Amortisation of intangible assets	1,069	829	957	696
Dividend income from equity investment	(1,023)	(887)	(1,384)	(1,922)
Interest paid on borrowings	(8,472)	4,408	(8,472)	4,408
Contributions to defined contribution plans	327	289	327	289
Increase in liability for defined benefit plans	10	102	10	102
	(3,566)	83,596	(4,969)	83,175
Change in financial assets at fair value through profit or loss	(17,688)	208	(17,688)	208
Change in pledged assets	8,913	(8,941)	8,913	(8,941)
Change in loans and advances to customers	(42,807)	(83,868)	(44,197)	(82,934)
Change in loans and advances to banks	-	(13,657)	-	(14,695)
Change in right of use asset	(1,457)	-	(1,457)	
Change in other assets	(32,897)	(24,505)	(33,076)	(25,964)
Change in defined benefit assets	(61)	28	(61)	28
Change in derivative financial instruments-assets	1,029	767	1,029	767
Change in derivative financial instruments-liabilities	501	(559)	487	(559)
Change in deposits from banks	13,106	(8,681)	14,109	(10,686)
Change in deposits from customers	31,878	24,338	30,904	(7,530)
Change in lease liability	1,663	-	1,663	
Change in other liabilities	119,637	78,931	119,618	80,757
	78,252	47,657	75,276	13,626
Income tax paid	(587)	(233)		(260)
Payment from defined contribution plan	(338)	(307)	(338)	(307)
Payment from defined benefit plan	109	-	110	-
Net cash provided by/(used in) operating activities	77,436	47,117	75,048	13,059

Union Bank of Nigeria Plc
Consolidated and separate financial statements for the period ended 30 June 2019

Cash flows from investing activities

Additions to investment properties	(218)	-	-	-
Disposal/(acquisition) of investment properties	-	(70)	-	-
Proceeds from sale of trading properties	-	483	-	-
Proceeds from sale of property and equipment	98	403	99	234
Proceed/(acquisition) of investment securities	-	4,298	-	9,988
Acquisition of investment securities	(69,520)	-	(59,561)	-
Acquisition of property and equipment	(2,219)	(4,731)	(2,218)	(4,730)
Acquisition of intangible assets	(1,049)	(685)	(1,038)	(658)
Dividend income received	1,023	887	1,384	1,922
Net cash generated from/(used in) investing activities	(71,885)	584	(61,334)	6,755

Cash flows from financing activities

Inflow from other borrowings	14,823	-	14,823	-
Repayment of borrowings	529	(22,998)	532	(20,410)
Interest paid on borrowings	8,472	(4,408)	8,472	(4,408)
Inflow from bond issued	29,969	-	29,969	-
Inflow from commercial papers issued	23,532	-	23,532	-
Net cash generated from/(used in) financing activities	77,325	(27,406)	77,328	(24,818)

Net increase/(decrease) in cash and cash equivalents	82,876	20,295	91,042	(5,004)
Cash and cash equivalents at beginning of year	233,566	222,577	159,028	137,497
Effect of exchange rate fluctuations on cash held	(41)	196	-	-
Cash and cash equivalents at end of period	316,401	243,067	250,070	132,493

1 Net interest income

	Group	Group	Group	Group	Bank	Bank	Bank	Bank
	6 Months	6 Months	3 Months	3 Months	6 Months	6 Months	3 Months	3 Months
	H1.2019	H1.2018	Q2 2019	Q2 2018	H1.2019	H1.2018	Q2 2019	Q2 2018
	N million	N million	N million	N million	N million	N million	N million	N million
Interest income								
Cash and cash equivalents	7,548	1,332	4,265	754	7,275	1,117	4,570	661
Loans and advances to customers	39,302	46,664	21,560	22,870	37,394	45,398	19,783	22,216
Investment securities	10,499	14,206	4,665	6,904	9,126	12,854	4,251	6,158
Total interest income	57,349	62,202	30,490	30,528	53,795	59,369	28,604	29,035
Interest expense								
Deposits from customers	22,768	23,448	11,585	11,643	22,013	22,834	11,213	11,189
Lease liability	116	-	59	-	116	-	59	-
Other borrowed funds	8,472	4,408	4,902	2,370	8,472	4,408	4,902	2,370
Total interest expense	31,356	27,856	16,546	14,013	30,601	27,242	16,174	13,559
Net interest income	25,993	34,346	13,944	16,515	23,194	32,127	12,430	15,476

2 Net Fees and commission income

	Group	Group	Group	Group	Bank	Bank	Bank	Bank
	6 Months	6 Months	3 Months	3 Months	6 Months	6 Months	3 Months	3 Months
	H1.2019	H1.2018	Q2 2019	Q2 2018	H1.2019	H1.2018	Q2 2019	Q2 2018
	N million	N million	N million	N million	N million	N million	N million	N million
Credit Related fees and commissions income	3,739	2,953	1,503	1,184	3,739	2,953	1,503	1,184
Account Maintenance Fee	959	809	472	406	959	809	472	406
E-business fee income	924	1,193	455	621	924	1,193	455	621
Commission on LCs, Invisible Trades and	690	760	371	390	690	760	371	390
Other fees and commission	451	292	197	130	127	31	60	31
Total	6,763	6,007	2,998	2,731	6,439	5,746	2,861	2,632

(a) E-business fee income	Group		Bank		Bank	
	6 Months	6 Months	3 Months	6 Months	6 Months	3 Months
	H1.2019	H1.2018	Q2 2018	H1.2019	H1.2018	Q2 2018
	N million	N million	N million	N million	N million	N million
ATM not-on-us	1,629	1,537	797	1,629	1,537	797
POS	166	102	56	166	102	56
E-card maintenance	754	573	294	754	573	294
Online transfer	8	17	4	8	17	4
	2,559	2,229	1,151	2,559	2,229	1,151
Card FX gain/(loss)	22	16	13	22	23	13
	2,580	2,245	1,164	2,580	2,252	1,164
E-business fee charge						
	Group		Bank		Bank	
	6 Months	6 Months	3 Months	6 Months	6 Months	3 Months
	H1.2019	H1.2018	Q2 2018	H1.2019	H1.2018	Q2 2018
	N million	N million	N million	N million	N million	N million
ATM remote-on-us	806	514	294	806	514	294
POS	92	107	41	92	107	41
E-card maintenance	757	438	208	757	438	208
	1,656	1,059	543	1,656	1,059	543
Net E-business fee	924	1,186	621	924	1,193	621

3 Net trading income/(loss)

	Group	Group	Group	Group	Bank	Bank	Bank	Bank
	6 Months	6 Months	3 Months	3 Months	6 Months	6 Months	3 Months	3 Months
	H1.2019	H1.2018	Q2 2019	Q2 2018	H1.2019	H1.2018	Q2 2019	Q2 2018
	N million	N million	N million	N million	N million	N million	N million	N million
Gain on disposal of fixed income securities	3,109	6,383	1,372	3,110	3,109	6,383	1,372	3,110
Mark to market gains/losses on fixed income securities	9	(103)	(177)	20	9	(103)	(177)	20
Mark to market gains on commercial paper	-	85	-	85	-	85	-	85
Foreign exchange gain on trading	604	624	260	429	517	548	212	388
	3,722	6,989	1,455	3,644	3,635	6,913	1,407	3,603

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

	Group	Group	Group	Group	Bank	Bank	Bank	Bank
	6 Months	6 Months	3 Months	3 Months	6 Months	6 Months	3 Months	3 Months
	H1.2019	H1.2018	Q2 2019	Q2 2018	H1.2019	H1.2018	Q2 2019	Q2 2018
	N million	N million	N million	N million	N million	N million	N million	N million
<i>Equity instruments at FVTPL</i>								
Equity	183	2,672	9	2,672	183	2,672	9	2,672
<i>Derivatives held for risk management purposes:</i>								
Foreign exchange swap contracts	1,132	66	503	66	1,132	66	503	66
	1,315	2,738	512	2,738	1,315	2,738	512	2,738

5 Other operating income

	Group	Group	Group	Group	Bank	Bank	Bank	Bank
	6 Months	6 Months	3 Months	3 Months	6 Months	6 Months	3 Months	3 Months
	H1.2019	H1.2018	Q2 2019	Q2 2018	H1.2019	H1.2018	Q2 2019	Q2 2018
	N million	N million	N million	N million	N million	N million	N million	N million
Dividends	1,023	887	52	887	1,384	1,922	53	1,922
Gains on disposal of property and equipment	82	298	73	122	82	129	73	122
Gains on disposal of trading properties	-	169	-	169	-	-	-	-
Gain on disposal of unquoted equity at	-	1,205	-	1,205	-	1,205	-	1,205
Foreign exchange revaluation gain	188	676	132	164	188	658	132	147
Rental income	65	43	44	4	65	43	44	27
Sundry income (see note (a) below)	229	156	98	16	172	305	71	166
	1,587	3,434	399	2,567	1,891	4,262	373	3,589

(a) Sundry income

	Group	Group	Group	Group	Bank	Bank	Bank	Bank
	6 Months	6 Months	3 Months	3 Months	6 Months	6 Months	3 Months	3 Months
	H1.2019	H1.2018	Q2 2019	Q2 2018	H1.2019	H1.2018	Q2 2019	Q2 2018
	N million	N million	N million	N million	N million	N million	N million	N million
Cash handling fees	33	22	9	9	33	22	9	9
Fraud recoveries	2	68	-	65	2	68	-	65
Other income	194	66	89	(57)	137	215	62	93
	229	156	98	16	172	305	71	166

6 Net Impairment charge on financial assets

	Group 6 Months H1.2019	Group 6 Months H1.2018	Group 3 Months Q2 2019	Group 3 Months Q2 2018	Bank 6 Months H1.2019	Bank 6 Months H1.2018	Bank 3 Months Q2 2019	Bank 3 Months Q2 2018
	N million	N million	N million	N million	N million	N million	N million	N million
Net impairment charge for credit losses	(4,485)	4,625	(3,679)	2,276	(4,509)	4,345	(3,734)	2,209
Net impairment charge on other financial assets	(462)	(20)	(200)	(20)	(462)	(20)	(200)	(20)
Total net impairment loss on financial assets	(4,947)	4,605	(3,879)	2,256	(4,971)	4,325	(3,934)	2,189

7 Personnel expenses

	Group 6 Months H1.2019	Group 6 Months H1.2018	Group 3 Months Q2 2019	Group 3 Months Q2 2018	Bank 6 Months H1.2019	Bank 6 Months H1.2018	Bank 3 Months Q2 2019	Bank 3 Months Q2 2018
	N million	N million	N million	N million	N million	N million	N million	N million
Wages and salaries	16,969	17,858	8,358	10,077	15,758	16,845	7,749	9,586
Contributions to defined contribution plans	327	289	163	146	327	289	163	146
Interest and current service cost on defined benefit plans	10	102	-	100	10	102	-	100
	17,306	18,249	8,521	10,323	16,095	17,236	7,912	9,832

8 Other operating expenses

	Group 6 Months H1.2019	Group 6 Months H1.2018	Group 3 Months Q2 2019	Group 3 Months Q2 2018	Bank 6 Months H1.2019	Bank 6 Months H1.2018	Bank 3 Months Q2 2019	Bank 3 Months Q2 2018
	N million	N million	N million	N million	N million	N million	N million	N million
NDIC Premium	2,174	1,939	1,100	985	2,174	1,939	1,100	985
AMCON surcharge	3,723	3,486	1,857	1,818	3,723	3,486	1,857	1,818
Non-discretionary regulatory costs	5,897	5,425	2,957	2,803	5,897	5,425	2,957	2,803
Auditors' remuneration	93	82	46	43	90	79	45	41
Rents and Rates	492	498	282	258	489	495	281	257
Accommodation and travels	309	534	178	268	259	459	157	224
Fleet management and vehicle related expenses	251	302	110	147	251	302	110	147
Repair and Maintenance	931	1,153	502	573	760	990	409	484
Professional fees	600	908	417	432	468	718	355	349
Advertising and Promotion expenses	872	844	412	482	872	844	412	482
Security expense	600	586	297	295	600	586	297	295
Expenses on software	2,590	2,294	1,264	1,223	2,590	2,294	1,264	1,223
Donations and Subscriptions	34	57	8	24	34	57	8	24
Cash movement expense	727	662	359	318	727	662	359	318
Diesel and power	1,258	1,133	641	634	1,258	1,133	641	634
General administrative expenses	1,632	2,998	1,074	1,744	1,337	2,677	942	1,617
Insurance	183	155	90	79	181	153	89	78
	16,469	17,631	8,637	9,322	15,813	16,874	8,326	8,975

9 Income tax expense**(a) Recognised in the profit or loss**

	Group	Group	Bank	Bank
	6 Months	6 Months	6 Months	6 Months
	H1.2019	H1.2018	H1.2019	H1.2018
	₦ million	₦ million	₦ million	₦ million
Current tax expense				
Company Income Tax	162	74	-	-
Capital Gains tax	-	12	-	12
NITDA Levy	111	120	111	120
Deferred tax expense	-	-	-	-
	273	206	111	132

In line with the Company Income Tax Act, 1990, as amended, the Bank is not liable to pay income tax as the Bank recorded a tax loss for the year. The Bank is exempted from paying minimum tax under the Act, as it has imported share capital of over 25%. No education tax was charged because the Bank has no assessable profit for the year.

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
	6 Months	6 Months	6 Months	6 Months
	H1.2019	H1.2018	H1.2019	H1.2018
Issued ordinary shares at beginning of the year	29,121	29,121	29,121	29,121
Weighted effect of shares issued during the year	29,121	29,121	29,121	29,121

(b) Profit attributable to ordinary shareholders

	Group	Group	Bank	Bank
	6 Months	6 Months	6 Months	6 Months
	H1.2019	H1.2018	H1.2019	H1.2018
<i>In millions of Nigerian Naira</i>				
Profit/(Loss) for the year attributable to equity holders	11,674	11,198	11,128	11,990
Basic earnings/(loss) per share (in kobo)	40	38	38	41

(c) Diluted earnings per share

The Group does not have any dilutive potential ordinary shares, therefore, Basic EPS and Diluted EPS are the same for the Group.

11 Cash and cash equivalents	Group	Group	Bank	Bank
		31 December		31 December
	30 June 2019	2018	30 June 2019	2018
	N million	N million	N million	N million
Cash and balances with banks	53,221	97,741	51,961	88,321
Unrestricted balances with central bank	23,233	20,662	23,233	20,662
Money market placements	240,017	115,233	174,946	50,115
	316,471	233,636	250,140	159,098
ECL Impairment on cash and cash equivalents	(70)	(70)	(70)	(70)
	316,401	233,566	250,070	159,028

12 Financial assets at fair value through profit or loss	Group	Group	Bank	Bank
		31 December		31 December
	30 June 2019	2018	30 June 2019	2018
	N million	N million	N million	N million
Government bonds	4,166	-	4,166	-
Treasury bills	27,793	14,271	27,793	14,271
	31,959	14,271	31,959	14,271

13 Pledged assets	Financial assets that may be repledged or resold by counterparties			
	Group	Group	Bank	Bank
		31 December		31 December
	30 June 2019	2018	30 June 2019	2018
	N million	N million	N million	N million
Treasury bills	20,082	4,060	20,082	4,060
Bonds	19,570	44,685	19,570	44,685
Placement	274	94	274	94
	39,926	48,839	39,926	48,839

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			
	30 June 2019		31 December 2018	
	Assets	Liabilities	Assets	Liabilities
	N million	N million	N million	N million
Instrument Type:				
FX swaps	-	1,604	1,029	-
Non-deliverable futures	-	17	-	1,120
	-	1,621	1,029	1,120
	30 June 2019		31 December 2018	
	Assets	Liabilities	Assets	Liabilities
	N million	N million	N million	N million
Instrument Type:				
FX swaps	-	1,604	1,029	-
Non-deliverable futures	-	-	-	1,117
	-	1,604	1,029	1,117

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	Group	Bank	Bank
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
	₦ million	₦ million	₦ million	₦ million
FCY Loans	266,826	261,229	222,169	214,957
LCY Loans	296,170	258,439	296,170	258,439
Gross amount	562,996	519,668	518,339	473,396
IFRS 9				
Stage 1 impairment	(7,328)	(8,994)	(7,312)	(8,822)
Stage 2 impairment	(4,434)	(6,402)	(4,431)	(6,388)
Stage 3 impairment	(25,199)	(30,810)	(24,573)	(30,149)
Total impairment	(36,961)	(46,206)	(36,315)	(45,359)
Carrying amount	526,035	473,462	482,024	428,037

16 Investment in equity accounted investee

	Group 30 June 2019	Group 31 December 2018	Bank 30 June 2019	Bank 31 December 2018
	N million	N million	N million	N million
Cost				
Balance, beginning of the year	115	115	91	91
(Impairments) /increase in value	(115)	(115)	(91)	(91)
Balance, end of the year	-	-	-	-

17 Investment securities

	Group 30 June 2019	Group 31 December 2018	Bank 30 June 2019	Bank 31 December 2018
	N million	N million	N million	N million
Investment securities at fair value through other comprehensive income (FVOCI) (see note (a) below)	179,047	144,199	148,486	124,417
Investment at fair value through profit or loss (FVTPL) (see note (ii) below)	37,232	37,048	37,232	37,048
Investment securities at amortised cost (see note (17b ii) below)	55,033	18,133	51,409	13,666
Impairment on securities	(63)	(63)	(63)	(63)
	271,249	199,317	237,064	175,068

	Group 30 June 2019	Group 31 December 2018	Bank 30 June 2019	Bank 31 December 2018
	N million	N million	N million	N million

(i) *Investment securities at fair value through other comprehensive income comprise:*

<i>Investments in debt securities:</i>				
Treasury bills	132,013	111,096	101,452	91,315
FGN Bonds	28,878	25,116	28,878	25,116
State Bonds	3,311	3,146	3,311	3,146
Corporate Bonds	1,473	1,445	1,473	1,445
FGN Promissory note	9,664	-	9,664	-
Total investment in debt securities	175,339	140,803	144,778	121,022

Equity instruments at fair value through other comprehensive income comprise:

Equity: Quoted	see Note 17a	2,195	2,195	2,195	2,195
Unquoted	see Note 17b	1,513	1,200	1,513	1,200
Net Total -Equity instruments		3,708	3,395	3,708	3,395

Total investment securities at FVTOCI		179,047	144,198	148,486	124,417
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	Group 30 June 2019	Group 31 December 2018	Bank 30 June 2019	Bank 31 December 2018
	N million	N million	N million	N million
17a Investment in REIT	2,195	2,195	2,195	2,195

17b Investment in unquoted equities

Nigeria Auto Clearing System	356	356	356	356
Credit Reference Company	59	59	59	59
Central Securities Clearing System	100	100	100	100
Sanef Ltd	50	-	50	-
Unique Venture Funds Ltd	948	685	948	685
	1,513	1,200	1,513	1,200
Total	3,708	3,395	3,708	3,395

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

Investment in equity				
Afrexim Bank	3,309	3,292	3,309	3,292
Africa Finance Corporation (AFC)	33,923	33,756	33,923	33,756
	37,232	37,048	37,232	37,048
<i>Fixed income securities at amortised cost comprise:</i>				
Treasury bills	3,624	4,467	-	-
Federal Government of Nigeria -Bonds	42,887	3,151	42,887	3,151
State Government of Nigeria -Bonds	8,522	10,515	8,522	10,515
Total - Fixed income	55,033	18,133	51,409	13,666
Stage 1 impairment	(63)	(63)	(63)	(63)
Total impairment	(63)	(63)	(63)	(63)
Net Total -Fixed income securities	230,309	158,873	196,124	134,625
Total investment securities	271,249	199,316	237,064	175,068

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 June 2019 ₦ million	Group 31 December 2018 ₦ million	Bank 30 June 2019 ₦ million	Bank 31 December 2018 ₦ million
Balance, beginning of year	186	1,153	187	187
Disposal	-	(967)	-	-
Balance, end of year	186	186	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 Limited respectively. As at 30 June 2019, 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 June 2019 ₦ million	Group 31 December 2018 ₦ million	Bank 30 June 2019 ₦ million	Bank 31 December 2018 ₦ million
Balance, beginning of the year	5,030	4,951	-	-
Additions to investment property	218	79	-	-
Balance, end of the year	5,248	5,030	-	-

20 Investment in subsidiaries Cost

	Bank 30 June 2019 ₦ million	Bank 31 December 2018 ₦ million
UBN Property Company Plc	2,195	2,195
Union Bank UK Plc	8,372	8,372
	10,567	10,567

- (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 June 2019 Status/%	31 December 2018 Status/%
UBN Property Company Plc (i)	Nigeria	Property Development	39	39
Union Bank UK Plc (ii)	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 2017 - 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.

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
	N million	N million	N million	N million	N million	N million	N million	N million
Cost								
Balance at 1st January, 2019	13,275	21,865	17,473	4,549	26,693	2,096	2,716	88,668
Exchange difference	-	-	-	-	29	-	-	29
Additions	1	207	1,333	236	1,689	62	(1,309)	2,219
Disposals	-	(8)	-	(23)	(67)	(7)	-	(105)
Reclassification to other assets	-	-	61	(3)	(4)	-	-	54
Right of Use adjustment	-	-	-	-	-	-	-	-
Balance as at 30 June 2019	<u>13,276</u>	<u>22,064</u>	<u>18,867</u>	<u>4,759</u>	<u>28,340</u>	<u>2,151</u>	<u>1,407</u>	<u>90,865</u>
Balance at 1st January, 2018	13,092	22,087	15,643	3,862	22,155	3,226	1,502	81,568
Exchange difference	-	-	8	-	19	-	-	27
Additions	211	7	1,352	660	4,453	219	2,714	9,616
Disposals	(84)	(229)	(33)	(51)	(679)	(1,349)	-	(2,425)
Reclassification to other assets	56	-	503	79	745	-	(1,500)	(117)
Balance as at 31 December 2018	<u>13,275</u>	<u>21,865</u>	<u>17,473</u>	<u>4,549</u>	<u>26,693</u>	<u>2,096</u>	<u>2,716</u>	<u>88,668</u>
Depreciation and impairment losses								
Balance at 1st January 2019	-	6,412	2,215	1,913	16,754	1,420	-	28,714
Exchange difference	-	-	-	-	27	-	-	27
Charge for the period	-	202	185	210	1,974	135	-	2,706
Disposals	-	(1)	-	(18)	(63)	(7)	-	(89)
Write-off/Adj	-	-	-	-	(1)	(2)	-	(3)
Right of Use	-	-	-	-	-	-	-	-
Balance as at 30 June 2019	<u>-</u>	<u>6,614</u>	<u>2,400</u>	<u>2,105</u>	<u>18,691</u>	<u>1,546</u>	<u>-</u>	<u>31,356</u>
Balance at 1st January, 2018	-	6,043	1,899	1,563	13,539	2,537	-	25,582
Charge for the year	-	410	341	388	3,855	227	-	5,221
Disposals	-	(40)	(31)	(38)	(667)	(1,345)	-	(2,121)
Exchange difference	-	-	6	-	1	-	-	7
Reclassifications	-	-	-	-	26	-	-	26
Balance as at 31 December 2018	<u>-</u>	<u>6,412</u>	<u>2,215</u>	<u>1,913</u>	<u>16,754</u>	<u>1,420</u>	<u>-</u>	<u>28,714</u>
(iii) Net Book Value								
Balance as at 30 June 2019	<u>13,276</u>	<u>15,450</u>	<u>16,467</u>	<u>2,654</u>	<u>9,649</u>	<u>606</u>	<u>1,407</u>	<u>59,509</u>
Balance as at 31 December 2018	<u>13,275</u>	<u>15,453</u>	<u>15,258</u>	<u>2,637</u>	<u>9,939</u>	<u>677</u>	<u>2,716</u>	<u>59,954</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.

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

(v) 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 2018: 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 2019	13,249	21,865	17,361	4,550	26,422	2,042	2,714	88,203
Additions	1	207	1,332.50	236	1,689	62	(1,309)	2,218
Disposals	-	(8)	-	(23)	(67)	(7)	-	(105)
Reclassifications	-	-	61	(3)	(4)	-	-	54
Right of Use								-
Balance as at 30 June 2019	13,249	22,064	18,755	4,759	28,040	2,097	1,405	90,370
Balance at 1st January 2018	13,066	22,087	15,539	3,862	21,912	3,172	1,500	81,139
Additions	211	7	1,352	660	4,448	219	2,714	9,610
Disposals	(84)	(229)	(33)	(51)	(682)	(1,349)	-	(2,428)
Reclassifications to other assets	56	-	503	79	745	-	(1,500)	(117)
Balance as at 31 December 2018	13,249	21,865	17,361	4,550	26,422	2,042	2,714	88,204
(ii) Accumulated depreciation								
Balance at 1st January 2019	-	6,440	2,138	1,913	16,508	1,374	-	28,374
Charge for the period	-	202	177	210	1,966	133	-	2,688
Disposals	-	(1)	-	(18)	(63)	(7)	-	(89)
Right of Use								-
Balance as at 30 June 2019	-	6,641	2,316	2,105	18,410	1,501	-	30,973
Restated balance at 1st January 2018	-	6,071	1,843	1,563	13,365	2,495	-	25,337
Charge for the year	-	410	326	388	3,809	224	-	5,156
Disposals	-	(40)	(31)	(38)	(666)	(1,345)	-	(2,119)
Balance as at 31 December 2018	-	6,440	2,138	1,913	16,508	1,374	-	28,374
(iii) Net Book Value								
Balance as at 30 June 2019	13,249	15,423	16,439	2,654	9,630	597	1,405	59,397
Balance as at 31 December 2018	13,249	15,425	15,223	2,636	9,915	668	2,714	59,830

(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 2018: nil)

22 Intangible assets

	Group 30 June 2019 N million	Group 31 December 2018 N million	Bank 30 June 2019 N million	Bank 31 December 2018 N million
Cost				
Balance, beginning of the year	12,743	9,229	11,365	8,143
Additions	1,049	3,500	1,038	3,222
Exchange translation difference	-	14	-	-
Balance, end of period	13,792	12,743	12,403	11,365
Amortization and impairment losses				
Balance, beginning of the year	6,698	4,885	5,737	4,194
Amortisation for the year	1,069	1,762	957	1,543
Reclassification	-	(26)	-	-
Exchange translation difference	-	77	-	-
Balance, end of period	7,767	6,698	6,694	5,737
Carrying amounts as at period end				
Balance as at 1 January	6,045	3,374	5,628	3,949

- (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 2018: nil)

23 Right of Use Assets

	Group 30 June 2019 N million	Group 31 December 2018 N million	Bank 30 June 2019 N million	Bank 31 December 2018 N million
Gross Amount	1,523		1,523	-
Depreciation Expense	(66)		(66)	-
Carrying Amount as at period end	1,457	-	1,457	-

24 Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Group

30 June 2019

	Assets N million	Liabilities N million	Net 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 N million	Net N million
Property, equipment, and software	240	240
Net tax assets (liabilities)	240	240
Net deferred tax		95,635

31 December 2018

	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	263	263
Net tax assets (liabilities)	263	263
Net deferred tax		95,612

Bank

30 June 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

31 December 2018

	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 June	31 December	30 June	31 December
	2019	2018	2019	2018
	N million	N million	N million	N million
Balance, beginning of the year	95,720	95,809	95,875	95,875
Credit for the year	(85)	(132)	-	-
Net deferred tax assets/(liabilities)	95,635	95,720	95,875	95,875

Made up of

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 2018: 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. As at 30th June 2019, the Bank and Group have unrecognised deferred tax assets of N86.7billion (2018: N86.7billion).

25 Other assets

	Group 30 June 2019	Group 31 December 2018	Bank 30 June 2019	Bank 31 December 2018
	N million	N million	N million	N million
Cash Reserve Requirement	269,695	256,345	269,695	256,345
Excess CRR balance to be refunded (see (i))	25,523	25,523	25,523	25,523
Total Cash Reserve Requirement (see (ii))	295,218	281,868	295,218	281,868
Other assets:				
Clearing	942	1,793	942	1,793
Accounts receivable	1,320	1,089	282	287
Prepayments	12,904	4,596	12,721	4,420
Receivable on FX forward (see (iii))	18,772	14,773	18,772	14,773
Sundry assets (see (iv))	36,180	28,007	36,227	27,520
	70,118	50,258	68,944	48,793
Impairment on other assets	(7,815)	(7,849)	(6,621)	(6,658)
Net other assets	62,303	42,409	62,323	42,135
	357,521	324,277	357,541	324,003

- (i) The MPC meeting held on May 20-21, 2019 maintained CRR at 22.5% . The excess CRR funds are only released to banks to fund approved eligible real sector projects. The amount refundable to the Bank is N25.523 billion (Dec. 2018: N25.523 billion).
- (ii) The Bank had restricted balances of N295,218 billion (December 2018: N281.868billion) with the Central Bank of Nigeria (CBN) as at 30 June 2019, 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 June 2019, the CRRs in force was 22.5% (Dec 2018: 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 30 June 2019	Group December 2018	Bank 30 June 2019	Bank December 2018
	N million	N million	N million	N million
Frauds and losses	1,544	1,501	1,544	1,501
Advance payments for PPE	941	1,665	941	1,665
Receivable from Union Homes	1,927	1,927	1,927	1,927
Property under dispute	1,352	1,352	1,352	1,352
Garnishee Order	1,301	1,306	1,301	1,306
Status Car loan	79	480	79	480
ATM receivable	2,269	3,187	2,269	3,187
Dividend Receivable	432	432	432	432
Receivable on electronic transfers and collections	4,948	2,941	4,948	2,941
Master/Visa card electronic settlement	331	1,501	331	1,501
Deposits for SMEE investments	1,436	1,436	1,436	1,436
Discounted Fx Forwards	1,540	1,163	1,540	1,163
Prepaid inventory items	411	279	411	279
Cash in Transit	1,086	1,005	1,086	1,005
Receivable for FX purchase	2,858	3,303	2,858	3,303
Unsettled Position - Financial Instruments	6,767	-	6,767	-
Other account balances	6,955	4,530	7,002	4,043
Balance, end of year	36,180	28,007	36,227	27,520

26 Deposits from banks

	Group 30 June 2019	Group 31 December 2018	Bank 30 June 2019	Bank 31 December 2018
	₦ million	₦ million	₦ million	₦ million
Other deposits from banks	112,583	99,477	14,109	-
	112,583	99,477	14,109	-

27 Deposits from customers

	Group 30 June 2019	Group 31 December 2018	Bank 30 June 2019	Bank 31 December 2018
	₦ million	₦ million	₦ million	₦ million
Term deposits	247,989	245,600	242,851	234,384
Current deposits	398,387	384,869	389,371	382,905
Savings	243,095	227,124	243,095	227,124
	889,471	857,593	875,317	844,413
Low-cost deposits	641,482	611,993	632,466	610,029
Low-cost deposits as % of total customer deposits	72.1%	71.4%	72.3%	72.2%
Deposits by currency				
Local currency deposits	677,009	658,523	677,009	658,523
Foreign currency deposits	212,462	199,070	198,308	185,890
	889,471	857,593	875,317	844,413

28 Current tax liabilities

	Group 30 June 2019	Group 31 December 2018	Bank 30 June 2019	Bank 31 December 2018
	₦ million	₦ million	₦ million	₦ million
Balance, beginning of year	581	524	232	271
Foreign exchange translation difference	-	14	-	-
Charge for the year	273	361	111	222
Payments during the year	(587)	(318)	(223)	(261)
Balance, end of year	267	581	120	232

29 Other liabilities

	Group 30 June 2019	Group 31 December 2018	Bank 30 June 2019	Bank 31 December 2018
	₦ million	₦ million	₦ million	₦ million
Deposits for foreign currency	85,545	63,974	85,545	63,974
Due to foreign correspondent banks	40,131	31,594	40,131	31,594
PAYE and other statutory deductions	1,189	932	1,189	873
Draft and Bills payable	4,785	5,325	4,785	5,325
AMCON contribution payable	2,270	2,270	2,270	2,270
Creditors and accruals (see (a) below)	3,383	5,454	2,995	5,431
Unearned income	542	486	542	486
Provision for claims and contingencies (see (b) below)	2,527	3,070	2,527	3,070
Accounts payable	5,468	5,981	5,468	5,744
OBB/REPO takings	7,740	-	7,740	-
Insurance premium payable	217	90	217	90
Electronic collections and other e-payment liabilities	27,629	45,747	27,629	45,747
Payable for unsettled financial assets	19,298	-	19,298	-
Lease Liability	1,663	-	1,663	-
Liability for Pledged Assets	82,038	-	82,038	-
Other credit balances	7,382	4,523	6,509	4,016
	291,807	169,653	290,546	168,827

(a) **Creditors and accruals**

	Group 30 June 2019	Group 31 December 2018	Bank 30 June 2019	Bank 31 December 2018
	N million	N million	N million	N million
Accrued IT Consumables	-	393	-	393
Accruals for professional and consultancy fees	172	404	172	404
Accrued Training Expenses	132	281	132	281
Accrued Advert And Public Relations Fees	448	224	448	224
Accrual for staff related allowances	850	3,578	850	3,578
Accrued Rent	293	296	293	296
Provision for Customers claim	-	76	-	76
Accrued others	1,490	203	1,102	180
	3,383	5,454	2,995	5,431

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

	Group 30 June 2019	Group 31 December 2018	Bank 30 June 2019	Bank 31 December 2018
	N million	N million	N million	N million
Balance, beginning of year	3,070	2,978	3,070	2,978
Charge/reversal during the year	(543)	92	(543)	92
Balance, end of the year	2,527	3,070	2,527	3,070

30 Employee benefit obligations

	Group 30 June 2019	Group 31 December 2018	Bank 30 June 2019	Bank 31 December 2018
	N million	N million	N million	N million
Post employment benefit obligation (see (a) below)	78	89	78	89
Other long-term employee benefits	819	699	817	697
	897	788	895	786

(a) Post employment benefit obligation

	Group 30 June 2019	Group 31 December 2018	Bank 30 June 2019	Bank 31 December 2018
	N million	N million	N million	N million
Defined contribution scheme (see (i) below)	78	89	78	89
	78	89	78	89
Defined benefit asset	1,671	1,610	1,671	1,610
Net defined benefit obligation	1,671	1,610	1,671	1,610

(i) Defined Contribution Scheme

	Group 30 June 2019	Group 31 December 2018	Bank 30 June 2019	Bank 31 December 2018
	N million	N million	N million	N million
Balance, beginning of year	89	124	89	124
Charge during the year	327	623	327	623
Contribution remitted during the year	(338)	(658)	(338)	(658)
Balance, end of year	78	89	78	89

The Group and its employees make respective contributions of 10% and 8% of basic salary, housing and transport 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 year 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 June 2019	Group 31 December 2018	Bank 30 June 2019	Bank 31 December 2018
	N million	N million	N million	N million
Present value of unfunded obligation	819	699	817	697
Total present value of the obligation	819	699	817	697
Present value of net obligation	819	699	817	697
Recognized liability for defined benefit obligations	819	699	817	697

31 Debt securities issued

	Group 30 June 2019	Group 31 December 2018	Bank 30 June 2019	Bank 31 December 2018
	N million	N million	N million	N million
Short term bonds	7,284	7,369	7,284	7,369
Long term bonds	6,628	6,491	6,628	6,491
	13,912	13,860	13,912	13,860

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.

32 Commercial Papers

	Group 30 June 2019	Group 31 December 2018	Bank 30 June 2019	Bank 31 December 2018
Commercial Papers Series 1	23,532	-	23,532	-
	23,532	-	23,532	-

33 Long Term Subordinated bond

	Group	Group	Bank	Bank
Series 3 bonds	29,969	-	29,969	-
	29,969	-	29,969	-

Amount represents a N30 billion Subordinated Unsecured fixed rate bonds, issued on June 27, 2019 at a coupon rate of 16.2 percent. It forms part of the N100 billion domestic bond programme.

34 Other borrowed funds

	Group 30 June 2019	Group 31 December 2018	Bank 30 June 2019	Bank 31 December 2018
	N million	N million	N million	N million
Due to CAC (see (a))	10,552	11,954	10,552	11,954
BOI on-lending facilities (see note (b))	3,472	3,923	3,472	3,923
CBN RSS-on lending (see (c))	20,001	20,069	20,001	20,069
Trade finance lending	46,125	23,572	46,125	23,572
Other borrowings (see (d))	29,961	35,373	30,048	35,457
SME on-lending scheme	80	-	80	-
	110,191	94,891	110,278	94,975

(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 maximum rate of 9.00% 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 N6.0 billion (Dec. 2018: N6 billion) and has a 15-period tenor and repayable quarterly.

A management fee of 1% , deductible at source, is paid by the Bank to BOI under the on-lending agreement and the Bank is under obligation to on-lend to customers at an all-in interest rate of 7% 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 N20.0bn (December 2018: N20.1bn) 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 9% per annum payable on quarterly basis. The Central Bank of Nigeria is entitled to earn 3% as interest while the Bank makes a 6% Spread.

(d) Other borrowings consist of the following foreign currency denominated facilities:

	Bank	Bank	Bank	Bank
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
	\$ million	\$ million	N million	N million
Afreximbank	83	99	30,048	35,457

35 Discontinued operations

Assets classified as held for sale

	Group	Group	Bank	Bank
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
	N million	N million	N million	N million
Investments in subsidiaries	-	-	325	325
Investment properties	188	188	-	-
Other assets	209	209	-	-
	397	397	325	325

36 Capital and reserves

Share capital	Group 30 June 2019 N million	Group 31 December 2018 N million	Bank 30 June 2019 N million	Bank 31 December 2018 N million
(a) Authorised :				
35,000,000,000 (Dec 2018: 35,000,000,000) Ordinary shares of 50 kobo each	17,500	17,500	17,500	17,500
	Group 30 June 2019 N million	Group 31 December 2018 N million	Bank 30 June 2019 N million	Bank 31 December 2018 N million
(b) Issued and fully paid -				
29,120,752,788 (Dec. 2018: 29,120,752,788) Ordinary shares of 50kobo each	14,561	14,561	14,561	14,561
	Group 30 June 2019 N million	Group 31 December 2018 N million	Bank 30 June 2019 N million	Bank 31 December 2018 N million
Balance, beginning of year	14,561	14,561	14,561	14,561
Balance, end of year	14,561	14,561	14,561	14,561
(c) Share premium				
Share premium is the excess paid by shareholders over the nominal value for their shares.				
	Group 30 June 2019 N million	Group 31 December 2018 N million	Bank 30 June 2019 N million	Bank 31 December 2018 N million
Balance, beginning of year	187,091	187,091	187,091	187,091
Balance, end of year	187,091	187,091	187,091	187,091
Share capital and share premium	201,652	201,652	201,652	201,652
(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 30 June 2019 N million	Group 31 December 2018 N million	Bank 30 June 2019 N million	Bank 31 December 2018 N million
Statutory reserves	30,466	28,797	30,466	28,797
Fair value reserve	16,894	14,482	15,768	13,335
Share based Payment reserve	282	282	282	282
Translation reserve	16,621	16,660	1,895	1,895
Excess clawback reserves	(14,918)	(14,918)	(14,918)	(14,918)
SMEEIES/AGSMEIS reserve	8,210	8,210	8,210	8,210
Capital reserve	5,489	5,489	5,489	5,489
Impairment on instruments at FVTOCI	38	38	38	38
Equity component of employee benefit remeasurement	3,044	3,044	3,044	3,044
	66,126	62,084	50,273	46,171

(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. The Bank made a transfer of N1,669million to statutory reserves during the year ended 30 June 2019 (30 June 2018: N1,167million).

(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 June 2019 N million	Group 31 December 2018 N million	Bank 30 June 2019 N million	Bank 31 December 2018 N million
Balance, beginning of year	282	193	282	193
Share transferred during the year	-	89	-	89
Balance, end of year	282	282	282	282

(e) **Retained earnings**

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

37 Non-controlling Interest

	Group	Group
	30 June	31 December
<i>Movement in the non controlling interest</i>	2019	2018
	N million	N million
Balance, beginning of year	6,276	5,831
Profit/(loss) for the year	179	445
Balance, end of year	6,455	6,276

38 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 N198,145 million (December 2018: N161,936 million).

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

	Group	Group	Bank	Bank
	30 June	31 December	30 June	31 December
	2019	2018	2019	2018
	N million	N million	N million	N million
Performance bonds and guarantees	107,519	89,515	107,519	89,515
Letters of credit	90,626	72,421	90,626	72,421
Gross total off-balance sheet assets	198,145	161,936	198,145	161,936
IFRS 9 impairment on off balance sheet exposures	(145)	(207)	(145)	(207)
Total off-balance sheet assets after impairment	198,000	161,729	198,000	161,729