



Union Bank of Nigeria Plc

**IFRS Consolidated & Separate Financial Statements
for the period ended 30 September 2015**

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

For the period ended 30 September 2015

	Note	Group Sep.2015 N million	Group Sep.2014 N million	Bank Sep.2015 N million	Bank Sep.2014 N million
Gross earnings		84,719	79,594	86,408	77,876
Continuing Operations:					
Interest income	1	66,636	55,858	65,333	54,884
Interest expense	1	(26,634)	(17,733)	(26,529)	(17,668)
Net interest income (NRFF)		40,002	38,125	38,804	37,216
Net impairment charge for credit losses	5(a)	(4,454)	(5,594)	(4,421)	(5,663)
Net interest income after impairment charge for credit losses		35,548	32,531	34,383	31,553
Net fee and commission income	2	6,918	7,328	6,586	7,031
Net trading income	3	3,598	1,272	3,526	1,202
Cash recoveries		1,224	3,822	1,224	3,822
Gain on sale of subsidiaries		(511)	3,348	3,412	6,287
Other operating income	4	6,307	4,386	6,327	4,650
Non interest income (NII)		17,536	20,157	21,075	22,992
Operating income		53,084	52,688	55,458	54,545
Net impairment loss on other financial assets	5(b)	-	433	-	433
Net operating income after net impairment loss on other financial assets		53,084	53,121	55,458	54,978
Personnel expenses	6	(22,534)	(23,297)	(21,598)	(22,541)
Depreciation and amortisation		(3,101)	(2,366)	(2,990)	(2,315)
Other operating expenses	7	(18,069)	(18,548)	(17,703)	(18,236)
Total expenses		(43,704)	(44,211)	(42,291)	(43,092)
Profit before income tax from continuing operations		9,380	8,910	13,168	11,886
Income tax expense from continuing operations	8	(114)	(145)	(86)	(98)
Profit for the period from continuing operations		9,266	8,765	13,082	11,788
Discontinued operations					
Gross income from discontinued operations	30	547	3,579	-	-
Gross expense from discontinued operations	30	(371)	(4,204)	-	-
Profit/Loss before tax from discontinued operations	30	176	(625)	-	-
Income tax expense from discontinued operations	30	(105)	(56)	-	-
Profit/Loss for the period from discontinued operations	30	71	(681)	-	-
Continuing and discontinued operations:					
Profit before tax		9,556	8,285	13,168	11,886
Income tax		(219)	(201)	(86)	(98)
Profit after tax		9,337	8,084	13,082	11,788
Other comprehensive income, net of income tax					
Foreign currency translation differences for foreign operations		959	252	-	-
Fair value gains/(losses) on available-for-sale investments		589	396	887	312
Other comprehensive income for the period		1,548	648	887	312
Total comprehensive income for the period		10,885	8,732	13,969	12,100

Union Bank of Nigeria Plc and Subsidiary Companies
Consolidated financial statements for the period ended 30 September 2015

	Note	Group Sep.2015 N million	Group Sep.2014 N million	Bank Sep.2015 N million	Bank Sep.2014 N million
Profit attributable to:					
Equity holders of the Bank		9,353	7,381	13,082	11,788
Non-controlling interest		(16)	703	-	-
Profit for the period		9,337	8,084	13,082	11,788

Total comprehensive income attributable to:

Equity holders of the Bank		10,901	8,029	13,969	12,100
Non-controlling interest		(16)	703	-	-
Transfer to statutory reserve		-	-	-	-
Transfer to contingency reserve					
Total comprehensive income for the period		10,885	8,732	13,969	12,100

Earnings per share for profit from total operations
attributable to equity holders of Bank

Basic and diluted (Kobo)	9	55	44	77	70
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Earnings per share for profit from continuing
operations attributable to equity holders of bank

Basic and diluted (Kobo)	9	55	52	77	70
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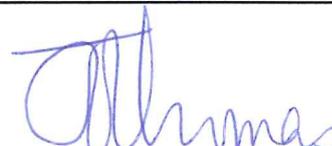
Separate and Consolidated Statements of Financial Position

		Group	Group	Bank	Bank
	Notes	Sep.2015 ₦ million	Dec.2014 ₦ million	Sep.2015 ₦ million	Dec.2014 ₦ million
ASSETS					
Cash and cash equivalents	10	100,201	121,960	58,615	58,457
Non-pledged trading assets	11	28,230	745	28,230	745
Pledged assets	12	89,948	83,935	89,948	83,935
Derivative assets held for risk management	13	-	7	-	-
Loans and advances to customers	14	361,515	312,797	341,702	302,372
Investments in equity accounted investee	15	24	24	-	-
Investment securities	16	177,679	197,200	168,370	193,656
Trading properties	17	1,124	1,930	1,124	1,930
Investment in subsidiaries	19	-	-	8,372	8,372
Property and equipment	20	50,096	49,521	50,020	49,428
Intangible assets	21	3,705	2,422	3,271	2,071
Deferred tax assets	22	95,883	95,883	95,875	95,875
Cash reserve requirement	22	151,911	113,376	151,911	113,376
Other assets	23	16,143	8,931	15,511	8,194
		1,076,459	988,731	1,012,949	918,411
Assets classified as held for sale	30(b)	7,064	20,426	2,520	2,525
TOTAL ASSETS		1,083,523	1,009,157	1,015,469	920,936
LIABILITIES					
Derivative liabilities held for risk management		-	7	-	-
Deposits from banks	24	67,313	61,890	14,970	18,055
Deposits from customers	25	526,898	527,617	526,116	507,431
Current tax liabilities	26	517	822	517	635
Other liabilities	27	154,112	110,260	153,480	109,861
Retirement benefit obligations	28	244	845	245	845
Other borrowed funds	29	100,199	78,135	100,199	78,135
		849,283	779,576	795,527	714,962
Liabilities classified as held for sale	30(c)	1,097	7,347	-	-
TOTAL LIABILITIES		850,380	786,923	795,527	714,962
EQUITY					
Share capital and share premium	31	400,109	400,109	400,109	400,109
Treasury shares		-	(35)	-	-
Retained deficit		(249,671)	(269,794)	(257,991)	(271,658)
YTD Profit		9,337	26,825	13,082	20,486
Other reserves		68,046	59,791	64,742	57,037
EQUITY ATTRIBUTABLE TO EQUITY - HOLDERS OF THE BANK		227,821	216,896	219,942	205,974
Non-controlling interest	32	5,322	5,338	-	-
TOTAL EQUITY		233,143	222,234	219,942	205,974
TOTAL LIABILITIES AND EQUITY		1,083,523	1,009,157	1,015,469	920,936

By order of the Board:



Emeka Emuwa
Group Managing Director
FRC/2013/CIBN/00000001774



Oyinkansade Adewale
Director/CFO
FRC/2013/ICAN/00000001775

Consolidated and Separate Statements of Changes in Equity
For the period ended 30 September 2015

Group

	Share capital	Share premium	Statutory reserve	Treasury shares	Fair value reserve	Regulatory risk reserve	Other reserves	Retained deficit	Total	Non-controlling interest	Total equity
	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million
Balance at 1 January 2015	8,468	391,641	19,404	(35)	28,313	8,667	3,407	(242,969)	216,896	5,338	222,234
Total comprehensive income for the period											
Profit for the period	-	-	1,962	-	-	-	-	7,391	9,353	(16)	9,337
Other comprehensive income, net of tax											
Foreign currency translation difference	-	-	-	-	-	-	959	-	959	-	959
Fair value gains/(loss) on available-for-sale investment	-	-	-	-	589	-	-	-	589	-	589
Transfer	-	-	-	-	-	4,856	-	(4,856)	-	-	-
Total comprehensive income for the period	-	-	1,962	-	589	4,856	959	2,535	10,901	(16)	10,885
Total contribution and distributions to owners	-	-	-	35	(11)	-	(100)	100	24	-	24
Balance at 30 September 2015	8,468	391,641	21,366	-	28,891	13,523	4,266	(240,334)	227,821	5,322	233,143

December 2014

	Share capital	Share premium	Statutory reserve	Treasury shares	Fair value reserve	Regulatory risk reserve	Other reserves	Retained deficit	Total	Non-controlling interest	Total equity
	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million
Balance at 1 January 2014	8,468	391,641	17,544	(240)	31,201	7,390	11,048	(274,871)	192,181	7,162	199,343
Total comprehensive income for the period											
Profit for the period	-	-	-	-	-	-	-	25,627	25,627	1,198	26,825
Other comprehensive income, net of tax											
Foreign currency translation difference	-	-	-	-	-	-	1,770	-	1,770	-	1,770
Fair value gains/(loss) on available-for-sale investment	-	-	-	-	1,720	-	-	-	1,720	-	1,720
Remeasurement of defined benefit liability	-	-	-	-	-	-	(4,108)	-	(4,108)	-	(4,108)
Total comprehensive income for the year	-	-	-	-	1,720	-	(2,338)	25,627	25,009	1,198	26,207
Appropriation:											
Transfer between reserves	-	-	(1,213)	-	(4,859)	1,277	(5,303)	10,098	-	-	-
Transfer to statutory reserve	-	-	3,073	-	-	-	-	(3,073)	-	-	-
	-	-	1,860	-	(4,859)	1,277	(5,303)	7,025	-	-	-
Transactions with owners, recorded directly in equity											
Contributions by and distributions to owners											
Increase/dilution in non-controlling interest	-	-	-	-	-	-	-	-	-	-	-
Disposal of subsidiaries	-	-	-	205	251	-	-	(750)	(294)	(3,022)	(3,316)
Total contribution and distributions to owners	-	-	-	205	251	-	-	(750)	(294)	(3,022)	(3,316)
Balance at 31 December 2014	8,468	391,641	19,404	(35)	28,313	8,667	3,407	(242,969)	216,896	5,338	222,234

Consolidated Separate Statements of Cash Flows

For the period ended 30 September 2015

	<i>Notes</i>	Group Sep.2015 N million	Group Dec.2014 N million	Bank Sep.2015 N million	Bank Dec.2014 N million
Cash flows from operating activities					
Profit for the year		9,337	26,825	13,082	20,486
Income tax expense	8	114	409	86	205
Profit before tax		9,451	27,234	13,168	20,691
<i>Adjustments for:</i>					
Impairment losses on loans and advances	5(a)	4,454	8,299	4,421	6,778
Recoveries on loans and advances	5(a)	-	(3,471)	-	(3,471)
Impairment loss on other investments	5(b)	-	-	-	16
Allowances on other assets	5(b)	-	5,222	-	4,763
Gain on sale of property and equipment	4	(1,753)	-	(1,753)	-
Payment from defined contribution plan		(466)	(702)	(466)	(702)
Payment from defined benefit plan		(682)	(12,591)	(682)	(12,591)
Gain on sale of subsidiaries	4	511	(15,689)	(3,412)	(6,315)
Depreciation of property and equipment		2,538	2,879	2,509	2,854
Amortisation of intangible assets		559	432	480	389
Exchange difference on PPE		(8)	-	-	-
Exchange difference on intangibles		(21)	-	-	-
Dividend income from equity investment	4	(665)	(408)	(665)	(2,015)
Interest paid on borrowings	1	6,944	6,836	6,944	6,836
Bad debts (recovered)/written off	14	-	(9,004)	-	(9,004)
Contributions to defined contribution plans		487	702	487	702
Increase/ (decrease) in liability for defined benefit plans		60	(120)	60	(120)
Share of profit of equity accounted investee		-	6	-	-
		21,409	9,625	21,091	8,811
Change in non-pledged trading assets		(27,485)	2,102	(27,485)	2,102
Change in pledged assets		(6,013)	(18,768)	(6,013)	(18,768)
Change in derivative financial instruments-assets		7	-	-	-
Change in loans and advances to customers		(53,172)	(79,079)	(43,751)	(86,557)
Change in other assets		(45,712)	(28,196)	(45,852)	(23,736)
Change in derivative financial instruments-liabilities		(7)	-	-	-
Change in deposits from banks		5,423	15,096	(3,085)	14,855
Change in deposits from customers		(719)	44,911	18,685	27,475
Change in other liabilities		43,856	(46,146)	43,392	(46,097)
		(62,413)	(100,455)	(43,018)	(121,915)
Income tax paid		(422)	(64)	(204)	(42)
Cash flows from Discontinued operations		(9,598)	(22,677)	-	-
Net cash provided/(used in) by operating activities		(72,433)	(123,196)	(43,222)	(121,957)

Cash flows from investing activities

Purchase of investment properties		-	(39)	-	-
Proceeds from sale of investment properties	20	-	137	-	-
Proceeds from sale of trading properties		806	635	806	-
Proceeds from sale of property and equipment		4,146	3	4,146	3
Proceed from disposal of subsidiaries		3,645	8,849	3,645	8,849
Acquisition of property and equipment		(6,129)	(6,520)	(6,124)	(6,471)
Acquisition of intangible assets		(1,191)	(1,901)	(1,051)	(1,675)
Investment securities		20,099	93,873	26,173	98,533
Dividend income received		665	408	665	2,015
Cash flows from Discontinued operations		8,735	25,830	-	-
Net cash used in investing activities		30,776	121,276	28,260	101,254

Cash flows from financing activities

Inflow from other borrowings		-	35,087	-	35,087
Repayment of borrowings		22,064	(2,232)	22,064	(2,232)
Interest paid on borrowings		(6,944)	(6,836)	(6,944)	(6,836)
Inflows from non-controlling interest		-	495	-	-
Cash flows from Discontinued operations		-	(2,259)	-	-
Net cash from financing activities		15,120	24,255	15,120	26,019
Net increase/(decrease) in cash and cash equivalents		(26,537)	22,334	158	5,316
Cash and cash equivalents at beginning of year		121,960	100,925	58,457	53,141
Net change in cash and cash equivalent from discontinued operation		3,819	(3,069)	-	-
Effect of exchange rate fluctuations on cash held		959	1,770	-	-
Cash and cash equivalents at end of period/year		100,201	121,960	58,615	58,457

1 Net interest income

	Group Sep.2015	Group Sep.2014	Bank Sep.2015	Bank Sep.2014
	N million	N million	N million	N million
Interest income				
Cash and cash equivalents	921	740	921	740
Loans and advances to customers	45,049	29,510	43,848	28,588
Investment securities	20,666	25,608	20,564	25,556
Total interest income	66,636	55,858	65,333	54,884
Interest expense				
Deposits from customers	19,690	15,677	19,585	15,612
Other borrowed funds	6,944	2,056	6,944	2,056
Total interest expense	26,634	17,733	26,529	17,668
Net interest income	40,002	38,125	38,804	37,216
Net interest margin	60.0%	68.3%	59.4%	67.8%

2 Net Fees and commission income

	Group Sep.2015	Group Sep.2014	Bank Sep.2015	Bank Sep.2014
	N million	N million	N million	N million
Customer fees & commissions	2,825	2,711	2,825	2,711
Other credit related fees & commissions (See note (a))	385	529	385	529
Commission on turnover	906	1,672	906	1,672
E-business fee income	1,611	856	1,611	856
Commission on off balance sheet transactions	859	1,241	859	1,240
Other fees and commission	332	319	-	23
	6,918	7,328	6,586	7,031

- (a) Other credit related fees and commissions relate to fees charged to corporate customers other than fees included in determining the effective interest rates relating to loans and advances carried at amortised cost.

3 Net trading income/(loss)

	Group Sep.2015	Group Sep.2014	Bank Sep.2015	Bank Sep.2014
	N million	N million	N million	N million
Gain on disposal of fixed income securities	1,042	292	1,042	292
Mark to market gains on fixed income securities	445	8	445	8
Foreign exchange gain on trading	2,111	972	2,039	902
Nigerian banking regulations require the Bank to make an annual	3,598	1,272	3,526	1,202

Net trading (loss)/income includes the gains and losses arising both on the purchase and sale of trading instruments and from changes in fair value.

4 Other operating income

	Group Sep.2015	Group Sep.2014	Bank Sep.2015	Bank Sep.2014
	N million	N million	N million	N million
Dividends on available-for-sale equity securities	665	416	665	654
Gains on disposal of property and equipment	1,753	-	1,753	-
Foreign exchange revaluation gain	1,397	(126)	1,397	(126)
Rental income	304	369	304	368
Sundry income	2,188	3,727	2,208	3,754
	6,307	4,386	6,327	4,650

5 Net Impairment loss on financial assets

	Group Sep.2015 N million	Group Sep.2014 N million	Bank Sep.2015 N million	Bank Sep.2014 N million
Net impairment charge for credit losses:				
-specific impairment	3,546	3,787	3,513	3,856
-portfolio impairment	908	1,807	908	1,807
Total impairment charge on loans and advances	4,454	5,594	4,421	5,663
(b) Net impairment loss on other financial assets:				
Impairment loss on other assets	-	(433)	-	(433)
	-	(433)	-	(433)
Total net impairment loss on financial assets	4,454	5,161	4,421	5,230

6 Personnel expenses

	Group Sep.2015 N million	Group Sep.2014 N million	Bank Sep.2015 N million	Bank Sep.2014 N million
Wages and salaries	21,987	22,473	21,051	21,717
Contributions to defined contribution plans	487	524	487	524
Increase in liability for defined benefit plans	60	300	60	300
	22,534	23,297	21,598	22,541

7 Other operating expenses

	Group Sep.2015 N million	Group Sep.2014 N million	Bank Sep.2015 N million	Bank Sep.2014 N million
Auditors' remuneration	90	75	90	75
NDIC Premium	1,783	1,850	1,783	1,850
Rents and Rates	716	811	716	731
Accommodation and travels	566	581	542	554
Fleet management and vehicle related expenses	531	491	531	491
Repair and Maintenance	604	507	493	483
Transformation Expense	547	1,125	547	1,125
Professional fees	695	927	646	883
UGPL fees	249	203	249	203
Advertising and Promotion expenses	638	202	638	202
Security expense	835	936	835	1,091
Expenses on links	962	823	962	823
E-business charges	1,004	631	1,004	631
General administrative expenses (see note (b) below)	5,148	5,902	4,966	5,610
Insurance	247	186	247	186
AMCON surcharge (see note (c) below)	3,454	3,298	3,454	3,298
	18,069	18,548	17,703	18,236

(b) **General administrative expenses**

	Group Sep.2015 N million	Group Sep.2014 N million	Bank Sep.2015 N million	Bank Sep.2014 N million
Office cleaning	203	204	203	204
Cash movement expense	837	841	837	841
Entertainment	37	83	37	83
Directors fees and allowances	330	234	330	234
Electricity and electrical materials	449	340	449	340
Diesel	643	881	643	881
Printing	100	38	100	38
Stationery and IT consumables	86	127	86	127
Postages and telephone	281	438	281	438
Expense on software	583	838	583	838
Sports promotion	41	31	41	31
Subscriptions and donations	231	297	231	297
Restitution and other charges	212	859	212	859
Other expenses	1,115	691	933	399
	5,148	5,902	4,966	5,610

(c) This represents the Bank's contribution to the Banking Sector Stabilization Fund for the period ended 30 September 2015. Effective 1 January 2011, banks were required to contribute 0.3% of their total assets as at the year end to the fund in line with existing guidelines. The rate changed to 0.5% during the year ended 31 December 2012.

8 Income tax expense

(a) Recognised in the profit or loss

	Group Sep.2015 ₦ million	Group Sep.2014 ₦ million	Bank Sep.2015 ₦ million	Bank Sep.2014 ₦ million
Current tax expense				
Company Income Tax	-	47	-	-
Education tax	-	-	-	-
Capital Gains tax	-	-	-	-
NITDA Levy	114	98	86	98
Total income tax expense	114	145	86	98

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 period.

9 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 Sep.2015	Group Sep.2014	Bank Sep.2015	Bank Sep.2014
Issued ordinary shares at beginning of the period	16,936	16,936	16,936	16,936
Weighted effect of treasury shares during the period	-	-	-	-
Weighted effect of shares cancelled during the period	-	-	-	-
Weighted effect of shares issued during the period	16,936	16,936	16,936	16,936

(b) Profit attributable to ordinary shareholders *In millions of Nigerian Naira*

	Group Sep.2015	Group Sep.2014	Bank Sep.2015	Bank Sep.2014
Profit/(Loss) for the period attributable to equity holders	9,353	7,381	13,082	11,788
Basic earnings/(loss) per share (in kobo)	55	44	77	70
Profit from continuing operations attributable to equity holders of bank	9,266	8,765	13,082	11,788
Basic earnings/(loss) per share (in kobo)	55	52	77	70

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

10 Cash and cash equivalents

	Group Sep.2015	Group Dec.2014	Bank Sep.2015	Bank Dec.2014
	N million	N million	N million	N million
Cash and balances with banks	46,968	52,661	44,989	42,051
Unrestricted balances with central bank	9,283	8,904	9,283	8,904
Money market placements	43,950	60,395	4,343	7,502
	100,201	121,960	58,615	58,457

11 Non-pledged Assets (Held for trading)

	Group Sep.2015	Group Dec.2014	Bank Sep.2015	Bank Dec.2014
	N million	N million	N million	N million
Government bonds	2,540	348	2,540	348
Treasury bills	25,690	397	25,690	397
	28,230	745	28,230	745

12 Pledged assets

Financial assets that may be repledged or resold by counterparties

	Group Sep.2015	Group Dec.2014	Bank Sep.2015	Bank Dec.2014
	N million	N million	N million	N million
Treasury bills	19,881	17,034	19,881	17,034
Bonds	65,913	62,206	65,913	62,206
Placement	4,154	4,695	4,154	4,695
	89,948	83,935	89,948	83,935

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

14 Loans and advances to customers at amortised cost

	Group Sep.2015	Group Dec.2014	Bank Sep.2015	Bank Dec.2014
	N million	N million	N million	N million
Gross amount	387,148	336,392	367,254	325,748
Specific impairment	(11,021)	(9,931)	(11,021)	(9,753)
Portfolio impairment	(14,612)	(13,664)	(14,531)	(13,623)
Total impairment	(25,633)	(23,595)	(25,552)	(23,376)
Carrying amount	361,515	312,797	341,702	302,372

15 Investment in equity accounted investee

	Group Sep.2015 N million	Group Dec.2014 N million	Bank Sep.2015 N million	Bank Dec.2014 N million
Cost				
Balance, beginning of the period	115	100	91	91
Disposal of subsidiaries	-	21	-	-
	115	115	91	91
(Impairments) /increase in value	(91)	(91)	(91)	(91)
Balance, end of the period	24	24	-	-

16 Investment securities

	Group Sep.2015 N million	Group Dec.2014 N million	Bank Sep.2015 N million	Bank Dec.2014 N million
<i>Available-for-sale investment securities comprise:</i>				
Treasury bills	48,197	50,988	40,337	49,128
Equity: Quoted	2,427	2,195	2,427	2,195
Unquoted	20,198	20,067	20,198	20,067
Bonds	9,608	10,332	8,159	8,648
	80,430	83,582	71,121	80,038
Less: specific impairment allowance	(4,072)	(4,072)	(4,072)	(4,072)
	76,358	79,510	67,049	75,966

Held to maturity investment securities comprise:

Treasury bills	-	9,197	-	9,197
Bonds	101,321	108,493	101,321	108,493
	101,321	117,690	101,321	117,690
Investment securities	177,679	197,200	168,370	193,656

Specific allowance for impairment on available-for-sale investment securities:

	Group Sep.2015 N million	Group Dec.2014 N million	Bank Sep.2015 N million	Bank Dec.2014 N million
Balance, beginning of the period	4,072	4,083	4,072	4,542
Prior year adjustment				
Balance, beginning of the year	4,072	4,083	4,072	4,542
Allowance no longer required	-	(11)	-	(470)
Balance, end of the period	4,072	4,072	4,072	4,072

17 Trading properties

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

	Group Sep.2015	Group Dec.2014	Bank Sep.2015	Bank Dec.2014
	N million	N million	N million	N million
Balance, beginning of period	1,930	4,747	1,930	1,930
Disposal	(806)	(635)	(806)	-
Transfer to assets held for sale	-	(2,182)		
Balance, end of period	1,124	1,930	1,124	1,930

18 Investment Properties

	Group Sep.2015	Group Dec.2014	Bank Sep.2015	Bank Dec.2014
	N million	N million	N million	N million
Balance, beginning of the period	-	16,413	-	
Additions	-	39	-	
Disposal	-	(137)	-	-
De-recognition of subsidiaries	-	(11,603)		
Assets classified as held for sale	-	(4,712)	-	-
Balance, end of the period	-	-	-	-

19 Investment in subsidiaries

Cost

	Bank Sep.2015	Bank Dec.2014
	N million	N million
Union Trustees Limited	-	5
UBN Property Company Limited	2,195	2,195
Union Bank UK Plc	8,372	8,372
Atlantic Nominees Limited	325	325
Reclassification to assets classified as held for sale	(2,520)	(2,525)
	8,372	8,372

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

Company Name	Country		Year end	Direct ownership interest	
	Incorporation	Nature of business		Sep.2015	Dec.2014
				Status/%	Status/%
Union Trustees Limited (i)	Nigeria	Trusteeship	31 December	Disposed	100
UBN Property Company Limited (ii)	Nigeria	Property Development	31 December	39	39
Union Bank UK Plc (iii)	Nigeria	Licensed UK Bank	31 December	100	100
Atlantic Nominees Limited (iv)	Nigeria	Real Estate	31 December	100	100

(i) **Union Trustees Limited (Registered Office at 131, Broad Street, Lagos)**

In line with the CBN Regulation 3 on the Scope of Banking Activities and Ancillary Matters, the Bank divested its interest in Union Trustees Limited in 2015.

(ii) **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 2013 - 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. The carrying value of the investment in Union Property Company Limited is included in 'assets classified as held for sale' .

(iii) **Union Bank UK Plc (Registered office at 14-18 Copthall Avenue, London EC2R7BN)**

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 October, 2004 as an authorised United Kingdom subsidiary to carry out the business formerly conducted by the London Branch of Union Bank of Nigeria Plc.

(iv) **Atlantic Nominees Limited**

The Bank holds 49,990 (approx. 100%) out of 50,000 ordinary shares of N1 each. The balance of 10 is held by Union Trustees Limited. The Company is a Special Purpose Vehicle of former Universal Trust Bank Plc, one of the banks acquired by Union Bank in 2005. The Company was incorporated to hold interests in landed properties. The carrying value of the investment in Union Property Company Limited is included in 'assets classified as held for sale' (see Note 30(b)).

(c) Condensed results of consolidated entities

(i) The condensed financial data of the continuing operations as at 30 September 2015, are as follows

Statement of Comprehensive income	Group	Consolidation	Total	Bank	Union	Union	Atlantic	Union
	balances	entries					Nominee	
	N million	N million	N million	N million	N million	N million	N million	N million
Operating income	57,538	(3,941)	61,479	59,878	-	-	-	1,601
Net operating income after net impairment loss	53,084	(3,941)	57,025	55,457	-	-	-	1,568
Operating Expenses	(43,704)	22	(43,726)	(42,293)	-	-	-	(1,433)
Net impairment loss on financial assets	(4,454)	0	(4,454)	(4,421)	-	-	-	(33)
Share of profit of equity accounted investees	-	-	-	-	-	-	-	-
Profit before income tax	9,380	(3,919)	13,299	13,164	-	-	-	135
Taxation	(114)	(0)	(114)	(86)	-	-	-	(28)
Profit after income tax	9,266	(3,920)	13,186	13,078	-	-	-	108

Condensed Statement of financial position

	Group	Consolidation	Total	Bank	Union	Union	Atlantic	Union
	balances	entries					Nominee	
	N million	N million	N million	N million	N million	N million	N million	N million
Cash and cash equivalents	100,201	(9,311)	109,512	58,615	-	-	-	50,897
Non-pledged trading assets	28,230	-	28,230	28,230	-	-	-	-
Pledged assets	89,948	-	89,948	89,948	-	-	-	-
Derivative financial instrument	-	-	-	-	-	-	-	-
Loans and advances to customers	361,515	-	361,515	341,702	-	-	-	19,813
Investments in equity-accounted investee	24	24	-	-	-	-	-	-
Investment securities	177,679	-	177,679	168,371	-	-	-	9,308
Assets held for sale	7,064	4,544	2,520	2,520	-	-	-	-
Trading properties	1,124	-	1,124	1,124	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-
Investment in subsidiaries	0	(8,372)	8,372	8,372	-	-	-	-
Property and equipment	50,096	-	50,096	50,020	-	-	-	76
Intangible assets	3,705	-	3,705	3,271.00	-	-	-	434
Deferred tax assets	95,883	-	95,883	95,875	-	-	-	8
Other assets	168,054	(86)	168,140	167,422	-	434	-	285
Total assets	1,083,523	(13,201)	1,096,724	1,015,469	-	434	-	80,821
Financed by:								
Derivative financial instruments	-	-	-	-	-	-	-	-
Deposits from banks	67,313	-	67,313	14,970	-	-	-	52,343
Deposits from customers	526,898	(12,484)	539,382	526,116	-	-	-	13,266
Liability on investment contract	-	-	-	-	-	-	-	-
Liability on insurance contract	-	-	-	-	-	-	-	-
Current tax liabilities	517	-	517	517	-	-	-	-
Other liabilities	154,110	(39)	154,149	153,480	-	-	-	669
Retirement benefit obligations	245	-	245	245	-	-	-	-
Other borrowed funds	100,199	-	100,199	100,199	-	-	-	-
Liabilities classified as held for sale	1,097	1,097	-	-	-	-	-	-
Equity and reserves	233,143	(1,775)	234,918	219,942	-	434	-	14,542
Total liabilities	1,083,522	(13,202)	1,096,724	1,015,469	-	434	-	80,821

(c) Condensed results of consolidated entities

(i) The condensed financial data of the continuing operations as at 31 December 2014, are as follows

Statement of Comprehensive income	<i>Group balances</i>	<i>Consolidation entries</i>	<i>Total</i>	<i>Bank</i>	<i>Union Pension</i>	<i>Union Bank UK</i>
	N million	N million	N million	N million	N million	N million
Operating income	95,352	7,879	87,472	85,583	-	1,889
Net operating income after net impairment loss	85,701	102	79,832	77,913	-	1,919
Operating Expenses	(58,724)	46	(58,770)	(57,222)	-	(1,549)
Net impairment loss on financial assets	(9,650)	(2,011)	(7,640)	(7,671)	-	31
Share of profit of equity accounted investees	(6)		(6)	-		
Profit before income tax	26,971	5,915	21,056	20,691	-	371
Taxation	(409)	(150)	(259)	(205)	-	(54)
Profit after income tax	26,562	5,765	20,797	20,486	-	317

Condensed Statement of financial position

	<i>Group balances</i>	<i>Consolidation entries</i>	<i>Total</i>	<i>Bank</i>	<i>Union Pension</i>	<i>Union Bank UK</i>
	N million	N million	N million	N million	N million	N million
Cash and cash equivalents	121,960	(1,960)	123,920	58,457	-	65,463
Non-pledged trading assets	745	-	745	745	-	-
Pledged assets	83,935	-	83,935	83,935	-	-
Derivative financial instrument	7	-	7	-	-	7
Loans and advances to customers	312,797	-	312,797	302,372	-	10,425
Investments in equity-accounted investee	24	24	-	-	-	-
Investment securities	197,199	-	197,199	193,656	-	3,543
Assets held for sale	20,426	17,901	2,525	2,525	-	-
Trading properties	1,930	-	1,930	1,930	-	-
Investment in subsidiaries	-	(8,372)	8,372	8,372	-	-
Property and equipment	49,522	-	49,522	49,428	-	94
Intangible assets	2,422	-	2,422	2,071	-	351
Deferred tax assets	95,883	-	95,883	95,875	-	8
Other assets	122,307	(77)	122,384	121,570	434	380
Total assets	1,009,157	7,516	1,001,641	920,936	434	80,271
Financed by:						
Derivative financial instruments	7	-	7	-	-	7
Deposits from banks	61,890	-	61,890	18,055	-	43,835
Deposits from customers	527,617	(1,960)	529,577	507,431	-	22,146
Current tax liabilities	822	149	673	635	-	38
Other liabilities	110,261	(70)	110,331	109,861	-	470
Retirement benefit obligations	845	-	845	845	-	-
Other borrowed funds	78,135	-	78,135	78,135	-	-
Liabilities classified as held for sale	7,346	7,346	-	-	-	-
Equity and reserves	222,234	2,051	220,183	205,974	434	13,775
Total liabilities	1,009,157	7,516	1,001,641	920,936	434	80,271

20 Property and equipment

(a) **Group:**

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

	Leasehold land and buildings	Leasehold improvements	Furniture & equipment	Motor vehicles	Capital work in progress	Total
	N million	N million	N million	N million	N million	N million
Cost						
Balance at 1st January, 2015	52,547	-	14,145	3,755	1,361	71,808
Exchange difference	13	-	13	1	-	27
Additions	1,293	-	2,513	23	2,300	6,129
Disposals	(2,791)	-	(1,552)	(211)	-	(4,554)
Reclassification to other assets	-	-	-	-	-	-
Write off	-	-	-	-	-	-
Reclassifications						
Transfers	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Assets classified as discontinued operations	-	-	-	-	-	-
Balance as at 30 September 2015	<u>51,062</u>	<u>-</u>	<u>15,119</u>	<u>3,568</u>	<u>3,661</u>	<u>73,410</u>
Balance at 1st January, 2014	52,343	-	11,676	1,160	818	65,997
Exchange difference	26	-	26	2	-	54
Additions	1,239	-	4,252	39	990	6,520
Disposals	-	-	(6)	(34)	-	(40)
Reclassification to other assets	(1,551)	-	(935)	2,608	525	647
Write off	-	-	-	-	-	-
Transfers	490	-	366	-	(972)	(116)
Assets classified as discontinued operations	-	-	(1,234)	(20)	-	(1,255)
Balance as at 31 December 2014	<u>52,547</u>	<u>-</u>	<u>14,145</u>	<u>3,755</u>	<u>1,361</u>	<u>71,808</u>
Depreciation and impairment losses						
Balance at 1st January, 2015	10,673	-	7,903	3,552	159	22,287
Exchange difference	11	-	7	1	-	19
Charge for the year	911	-	1,551	77	-	2,538
Disposals	(377)	-	(1,573)	(211)	-	(2,161)
Write-off/Adj	-	-	-	-	-	-
Reclassifications	(50)	-	680	-	-	630
Derecognition of subsidiaries operations	-	-	-	-	-	-
Balance as at 30 September 2015	<u>11,168</u>	<u>-</u>	<u>8,568</u>	<u>3,419</u>	<u>159</u>	<u>23,314</u>
Balance at 1st January, 2014	11,530	-	7,909	872	159	20,470
Exchange difference	24	-	15	-	-	39
Charge for the year	1,156	-	1,613	110	-	2,879
Disposals	-	-	(5)	(32)	-	(37)
Write-off/Adj	-	-	-	-	-	-
Reclassification to other assets	(1,687)	-	(849)	2,615	-	79
Assets classified as held for sale and discontinued operations	(351)	-	(780)	(13)	-	(1,143)
Balance as at 31 December 2014	<u>10,673</u>	<u>-</u>	<u>7,903</u>	<u>3,552</u>	<u>159</u>	<u>22,287</u>
(iii) Net Book Value						
Balance as at 30 September 2015	<u>39,894</u>	<u>-</u>	<u>6,552</u>	<u>148</u>	<u>3,502</u>	<u>50,096</u>
Balance as at 31 December 2014	<u>41,874</u>	<u>-</u>	<u>6,242</u>	<u>202</u>	<u>1,202</u>	<u>49,521</u>

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

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

(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 year (December 2014: nil)

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

	Leasehold land and buildings	Leasehold improvements	Furniture & equipment	Motor vehicles	Capital work in progress	Total
	N million	N million	N million	N million	N million	N million
(i) Cost						
Balance at 1st January, 2015	52,351	-	13,952	3,737	1,361	71,401
Additions	1,293	-	2,509	22	2,300	6,124
Disposals	(2,791)	-	(1,552)	(211)	-	(4,554)
Reclassifications	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Reversals	-	-	-	-	-	-
Write off	-	-	-	-	-	-
Balance as at 30 September 2015	50,853	-	14,909	3,548	3,661	72,971
Balance at 1st January, 2014	52,182	-	10,315	1,124	818	64,439
Additions	1,230	-	4,212	39	990	6,471
Disposals	-	-	(6)	(34)	-	(40)
Reclassification to other assets	(1,551)	-	(935)	2,608	525	647
Transfers	490	-	366	-	(972)	(116)
Write off	-	-	-	-	-	-
Balance as at 31 December 2014	52,351	-	13,952	3,737	1,361	71,401
(ii) Accumulated depreciation						
Balance at 1st January, 2015	10,843	-	7,594	3,536	-	21,973
Charge for the year	894	-	1,538	77	-	2,509
Disposals	(377)	-	(1,573)	(211)	-	(2,161)
Reclassifications	(50)	-	680	-	-	630
Write-off/Adj	-	-	-	-	-	-
Balance as at 30 September 2015	11,310	-	8,239	3,402	-	22,951
Balance as at 1 January 2014	11,397	-	6,845	846	-	19,088
Charge for the year	1,136	-	1,605	113	-	2,854
Disposals	-	-	(5)	(32)	-	(37)
Write-off/Adj	-	-	-	-	-	-
Reclassification to other assets	(1,690)	-	(851)	2,609	-	68
Balance as at 31 December 2014	10,843	-	7,594	3,536	-	21,973
(iii) Net Book Value						
Balance as at 30 September 2015	39,543	-	6,670	146	3,661	50,020
Balance as at 31 December 2014	41,508	-	6,358	201	1,361	49,428

(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 year (December 2014: nil)

21 Intangible assets

	Group Sep.2015 N million	Group Dec.2014 N million	Bank Sep.2015 N million	Bank Dec.2014 N million
Cost				
Balance, beginning of the period	4,263	2,134	3,401	1,610
Additions	1,191	1,901	1,051	1,675
Transfer from work-in-progress	-	116	-	116
Exchange translation difference	53	112	-	-
Balance, end of period	5,507	4,263	4,452	3,401
Amortization and impairment losses				
Balance, beginning of the period	1,841	1,326	1,331	796
	-	-	-	-
Balance, beginning of the period	1,841	1,326	1,331	925
Amortisation for the period	559	432	480	389
Reclassification	(630)	16	(630)	16
Exchange translation difference	32	67	-	-
Balance, end of period	1,802	1,841	1,181	1,330
Carrying amounts as at period end				
	3,705	2,422	3,271	2,071
Balance as at 1 January	2,422	808	2,071	685

- (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 2014 : nil)

22 Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Group

30 September 2015

	Assets N million	Liabilities N million	Net N million
Property, equipment, and software	-	6,847	(6,847)
Nigerian banking regulations require the Bank to make an annual ap	-	192	(192)
Foreign exchange gains	573	-	573
Tax loss carry forward	100,638	-	100,638
Others	1,711	-	1,711
Net tax assets (liabilities)	102,922	7,039	95,883

31 December 2014

	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	100,638	-	100,638
Others	1,711	-	1,711
Net tax assets (liabilities)	102,922	7,039	95,883

Bank

30 September 2015

	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 2014

	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 period:

	Group Sep.2015	Group Dec.2014	Bank Sep.2015	Bank Dec.2014
	N million	N million	N million	N million
Balance, beginning of the period	95,883	95,889	95,875	95,875
Credit for the period	-	(16)	-	-
Net assets/(liabilities) of discontinued operations	-	10	-	-
Net deferred tax assets/(liabilities)	95,883	95,883	95,875	95,875
<i>Made up of</i>				
Deferred tax assets	102,922	102,922	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 N95,883 (December 2014: 95,883) 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.

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Group can use the benefits.

23 Other assets

	Group Sep.2015	Group Dec.2014	Bank Sep.2015	Bank Dec.2014
	N million	N million	N million	N million
Cash Reserve Requirement (see (i))	151,911	113,376	151,911	113,376
Other assets:				
Accounts receivable and prepayments	7,793	4,086	7,594	3,783
Sundry assets	191,465	187,498	191,032	187,064
Clearing	908	857	908	857
	200,166	192,441	199,534	191,704
Impairment on other assets	(184,023)	(183,510)	(184,023)	(183,510)
	16,143	8,931	15,511	8,194

- (i) The Bank had restricted balances of N151.911 billion (Dec. 2014: N113.976 billion) with the Central Bank of Nigeria (CBN) as at 30 September 2015. This balance is made up of CBN 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. Restricted deposits with central banks are non interest bearing and are not available for use in the Group's day-to-day operations.

24 Deposits from banks

	Group Sep.2015	Group Dec.2014	Bank Sep.2015	Bank Dec.2014
	N million	N million	N million	N million
Money market deposits (See note below)	14,970	18,055	14,970	18,055
Other deposits from banks	52,343	43,835	-	-
	67,313	61,890	14,970	18,055
LCY inter bank takings	9,000	-	9,000	-
FCY inter bank takings	5,970	18,055	5,970	18,055
	14,970	18,055	14,970	18,055

25 Deposits from customers

	Group Sep.2015	Group Dec.2014	Bank Sep.2015	Bank Dec.2014
	N million	N million	N million	N million
Term deposits	194,164	167,388	194,318	160,773
Current deposits	191,209	222,180	190,273	208,609
Savings	141,525	138,049	141,525	138,049
	526,898	527,617	526,116	507,431

26 Tax Payable

	Group Sep.2015	Group Dec.2014	Bank Sep.2015	Bank Dec.2014
	N million	N million	N million	N million
Balance, beginning of period	822	534	635	472
Foreign exchange translation difference	3	-	-	-
Charge for the period	114	409	86	205
Payments during the period	(422)	(64)	(204)	(42)
Transfer to assets held for sale	-	(57)	-	-
Balance, end of period	517	822	517	635

27 Other liabilities

	Group Sep.2015	Group Dec.2014	Bank Sep.2015	Bank Dec.2014
	N million	N million	N million	N million
Deposits for foreign currency	22,773	36,879	22,773	36,879
PAYE and other statutory deductions	1,296	474	1,296	474
Draft and Bills payable	8,822	15,526	8,822	15,526
Sundry creditors	3,768	4,777	3,768	4,777
Creditors and accruals	36,596	27,949	36,596	27,949
Provision for claims and contingencies (a)	1,935	1,844	1,935	1,844
Accounts payable	5,724	5,566	5,724	5,566
OBB takings	54,000	-	54,000	-
Other credit balances	19,198	17,245	18,566	16,846
	154,112	110,260	153,480	109,861

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

	Group Sep.2015	Group Dec.2013	Bank Sep.2015	Bank Dec.2014
	N million	N million	N million	N million
Balance, beginning of period	1,844	5,441	1,844	5,441
Charge/reversal during the period	91	(3,597)	91	(3,597)
Reclassification	-	-	-	-
Balance, end of the period	1,935	1,844	1,935	1,844

28 Retirement benefit obligations

	Group Sep.2015 ₦ million	Group Dec.2014 ₦ million	Bank Sep.2015 ₦ million	Bank Dec.2014 ₦ million
Defined contribution scheme (see (a) below)	152	131	153	131
Other long-term employee benefits (see (b) below)	92	714	92	714
	244	845	245	845

(a) Defined Contribution Scheme

	Group Sep.2015 ₦ million	Group Dec.2014 ₦ million	Bank Sep.2015 ₦ million	Bank Dec.2014 ₦ million
Balance, beginning of period/year	131	131	131	131
Charge during the period	487	702	487	702
Contribution remitted during the period	(466)	(702)	(466)	(702)
Balance, end of period/year	152	131	152	131

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

(b) Other long-term employee benefits

The Group has discontinued its defined benefit scheme in the current year and has derecognised such in its books as at 31st December 2014. Outstanding balance represents liability in respect of long service award.

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

- (i) Less than 5 years of service: 12 weeks total emolument for each completed year of service.
- (ii) 5 years but less than 15 years of service: 14 weeks total emolument for each completed year of service.
- (iii) 15 years of service and above: 16 weeks total emolument for each completed year of service.

The total emolument is defined as basic salary, housing and transport allowance and lunch subsidy.

The Group also has a Legacy defined benefits pension scheme for its staff, prior to passage of the Pension Reform Act. Under the scheme, terminal benefits were determined with reference to the employees' salaries upon disengagement. The Bank has continued to carry accrued benefits under the scheme but has now commenced the transfer of such benefits to the Retirement Savings Accounts (RSA) of the affected employees.

(i) The movement in present value of defined benefit obligation includes:

	Group Sep.2015 ₦ million	Group Dec.2014 ₦ million	Bank Sep.2015 ₦ million	Bank Dec.2014 ₦ million
Balance, beginning of period/year	714	10,130	714	10,085
Benefits paid by the plan	(682)	(12,591)	(682)	(12,591)
Current service costs and interest	60	(120)	60	373
Curtailement	-	-	-	(492)
Reclassification to other liabilities	-	-	-	(769)
Reclassification to discontinued operations	-	(813)	-	-
Transfer from reserves	-	4,108	-	4,108
Balance, end of period/year	92	714	92	714

29 Other borrowed funds

	Group Sep.2015	Group Dec.2014	Bank Sep.2015	Bank Dec.2014
	N million	N million	N million	N million
Due to CAC (see (a))	12,064	14,488	12,064	14,488
BOI on-lending facilities (see note (b) below)	8,524	10,182	8,524	10,182
Other borrowings (see (c))	79,611	53,465	79,611	53,465
	100,199	78,135	100,199	78,135

(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 N18.4 billion (Dec. 2014: N18.4 billion) and has a 15-year 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) Other borrowings consist of the following foreign currency denominated facilities:

	Lender	\$million	Sep.2015	Dec.2014
			Naira	Naira equivalent
STANDARD CHARTERED BANK	Feb 2014 - Feb 2017	62.7	12.48	19.1
STANDARD CHARTERED BANK	Nov 2013 - Nov 2016	67.2	13.38	19.3
CITI GROUP GLOBAL MARKET LIMITED	Short term borrowing, for general corporate and trade finance	-	-	7.70
COMMERZBANK	1-year unsecured term loan for general corporate and trade finance purposes.	-	-	7.4
AFREXIMBANK	Sep 2015 - Mar 2016	50.0	10.0	-
AFRICAN FINANCE CORP.	Sep 2015 - Nov 2015	50.0	10.0	-
CITI BANK LTD	Jun 2015 - Dec 2015	50.0	10.0	-
MASHREQ BANK	Jun 2015 - Dec 2015	9.8	1.9	-
MASHREQ BANK	Jun 2015 - Dec 2015	14.7	2.9	-
MASHREQ BANK	Jun 2015 - Dec 2015	14.7	2.9	-
MASHREQ BANK	Jun 2015 - Dec 2015	9.8	1.9	-
STANDARD CHARTERED BANK	Jul 2015 - Jan 2016	20.0	4.0	-
STANDARD CHARTERED BANK	Sep 2015 - Oct 2015	10.0	2.0	-
STANDARD CHARTERED BANK	Sep 2015 - Oct 2015	8.0	1.6	-
UBA NEW YORK	Sep 2015 - Dec 2015	20.0	4.0	-
UNION BANK UK	Sep 2015 - Oct 2015	10.0	2.0	-
UNITED BANK DUBAI	Jul 2015 - Oct 2015	3.2	0.6	-
		400.05	79.61	53.47

30 Discontinued operations

(a) Profit for the period from discontinued operations

Profit for the period from discontinued operations represents the operating results of subsidiaries held for sale in line with the Bank's Regulation 3 compliance plan to divest from non-banking subsidiaries.

The profit for the year from discontinued operations comprises:

	Group Sep.2015 N million	Group Sep.2014 N million
Gross income (a + d)	547	3,579
Gross expense	(371)	(2,125)
Interest Income (a)	348	1,157
Interest Expense (b)	-	(2,240)
Net interest income (c)	348	(1,083)
Recoveries on credit losses		1,139
Net interest income after impairment charge for credit losses	348	56
Net fee and commission income	192	689
Net trading income	-	(43)
Other operating income	7	638
Total operating income	-	1,283
Total non-interest income (d)	199	1,283
Operating Income (c + d)	547	1,339
Net impairment loss on financial assets	(8)	-
Net operating income after net impairment loss on other financial assets (e)	539	1,339
Personnel expenses	(65)	(492)
Depreciation and amortization	(7)	(279)
Other operating expenses	(291)	(1,193)
	(363)	(1,964)
Share of profit of equity accounted investee	-	-
Loss before tax from discontinued operations	176	(625)
Income tax expense	(105)	(56)
Loss from discontinued operations (net of tax)	71	(681)

(b) Assets classified as held for sale

	Group Sep.2015 N million	Group Dec.2014 N million	Bank Sep.2015 N million	Bank Dec.2014 N million
Cash and cash equivalents	29	3,848	-	-
Investments in subsidiaries	-	-	2,520	2,525
Non-pledged trading assets	-	137	-	-
Investment securities	-	8,342	-	-
Trading properties	2,053	2,182	-	-
Investment properties	4,734	4,712	-	-
Property and equipment	11	25	-	-
Deferred tax assets	-	13	-	-
Other assets	237	1,167	-	-
	7,064	20,426	2,520	2,525
Impairment allowance	-	-	-	-
	7,064	20,426	2,520	2,525

(c) Liabilities for assets classified as held for sale

	Group Sep.2015 N million	Group Dec.2014 N million	Bank Sep.2015 N million	Bank Dec.2014 N million
Current tax liabilities	237	293	-	-
Deferred tax liabilities	1	1	-	-
Other liabilities	822	6,947	-	-
Retirement benefit obligations	37	106	-	-
	1,097	7,347	-	-

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.

DISCONTINUED OPERATIONS

Statements of Comprehensive Income

For the period ended 30 September 2015

(d) **Condensed results of discontinued operations**

The condensed financial data of the discontinued operations as at 30 September 2015, are as follows

Statement of Comprehensive income	<i>Union Properties</i>	<i>Union Trustees</i>	<i>Group Total</i>
	₦ million	₦ million	₦ million
Interest income	271	77	348
Interest expense	-	-	-
Net interest income	271	77	348
Impairment charge for credit losses		-	-
Net interest income after impairment charge for credit losses	271	77	348
Net fee and commission income	128	64	192
Net trading (loss)/income	-	-	-
Other operating income	6	1	7
Underwriting profit	-	-	-
	134	65	199
Operating income	404	142	546
Net impairment loss on other financial assets	-	(8)	(8)
Net operating income after net impairment loss on other financial assets	404	134	538
Personnel expenses	(50)	(15)	(65)
Depreciation and amortisation	(7)	-	(7)
Other operating expenses	(278)	(13)	(291)
Total expenses	(336)	(28)	(364)
Share of profit of equity accounted investee			-
Profit/(loss) before income tax	68	106	174
Income tax	(96)	(9)	(105)
Profit/(loss) for the year	(27)	97	70

DISCONTINUED OPERATIONS

Statements of Financial Position

Condensed statement of financial position for discontinued operations

<i>Statement of financial position</i>	<i>Union trustees</i>	<i>Union properties</i>	<i>Atlantic Nominee</i>	<i>Intragroup adj</i>	<i>Total</i>
	₦ million	₦ million	₦ million	₦ million	₦ million
ASSETS					
Cash and cash equivalents	12	3,204	-	(3,175)	29
Investment securities	10,316	-	-	-	-
Trading properties	-	2,053	-	-	2,053
Investment properties	-	4,546	188	-	4,734
Property and equipment	6	11	-	-	11
Other assets	587	28	209	-	237
TOTAL ASSETS	10,921	9,842	397	(3,175)	7,065
LIABILITIES					
Current tax liabilities	221	237	-	-	237
Deferred tax liabilities	-	1	-	-	1
Other liabilities	6,782	863	-	(41)	822
Retirement benefit obligations	-	37	-	-	37
Liabilities included in assets classified as held for sale and discontinued operations					
TOTAL LIABILITIES	7,003	1,138	-	(41)	1,097

31 Capital and reserves

Share capital	Group Sep.2015 N million	Group Dec. 2014 N million	Bank Sep.2015 N million	Bank Dec. 2014 N million
(a) Authorised : 19,023,125,000 Ordinary shares of 50 kobo each	9,512	9,512	9,512	9,512
(b) Issued and fully paid - 16,935,806,472 Ordinary shares of 50kobo each	8,468	8,468	8,468	8,468
Balance, beginning of year	8,468	8,468	8,468	8,468
Shares cancelled on reconstruction of shares during the year	-	-	-	-
Balance, end of year	8,468	8,468	8,468	8,468
(c) Share premium				
Share premium is the excess paid by shareholders over the nominal value for their shares.				
Balance, beginning of year	391,641	391,641	391,641	391,641
Transfer to general reserve on cancellation of existing shares	-	-	-	-
Balance, end of year	391,641	391,641	391,641	391,641
Share capital and share premium	400,109	400,109	400,109	400,109

(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.

(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 total transfer of N2.06billion (December 2014: N3.07billion) to statutory reserves as at 30 September 2015.

(ii) Fair value reserve

The fair value reserve includes the net cumulative change in the fair value of available-for-sale investments securities recognised in other comprehensive income.

(iii) Regulatory risk reserve

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

(iv) Other reserves

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

(v) **Small and Medium Scale Industries Reserve (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 contributions will be 10% of profit after tax and shall continue after the first 5 years but banks' contributions shall thereafter reduce to 5% of profit after tax. However, this is no longer mandatory and therefore no reserve was made during the year. The small and medium scale industries equity investment scheme reserves are non-distributable.

(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 has been refunded to AMCON.

(e) **Retained deficit**

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

32 Non-controlling Interest

Movement in the non controlling interest

	Group Sep.2015	Group Dec. 2014
	N million	N million
Balance, beginning of period/year	5,338	7,162
Profit/(loss) for the year	(16)	1,198
Increase/(diminution) in non controlling interest	-	(3,022)
Balance, end of period/year	<u>5,322</u>	<u>5,338</u>