



Union Bank of Nigeria Plc

IFRS Consolidated & Separate Financial Statements For the period ended 31 March 2015

Separate and Consolidated Statements of Profit or Loss and Other Comprehensive Income
For the period ended 31 March 2015

	Notes	Group Mar.2015 N million	Group Mar.2014 N million	Bank Mar.2015 N million	Bank Mar.2014 N million
Gross earnings		27,283	26,888	29,018	25,603
Continuing Operations:					
Interest income	1	20,868	18,781	20,384	18,478
Interest expense	1	(7,912)	(5,798)	(7,878)	(5,868)
Net interest income (NRFF)		12,956	12,983	12,506	12,610
Net impairment charge for credit losses	5(a)	(2,432)	(1,437)	(2,430)	(1,538)
Net interest income after impairment charge for credit losses		10,524	11,546	10,076	11,072
Net fee and commission income	2	1,984	1,973	1,874	1,871
Net trading income	3	1,797	528	1,761	501
Gain on sale of subsidiaries		(185)	3,734	2,421	3,734
Other operating income	4	2,571	1,019	2,578	1,019
Non interest income (NII)		6,167	7,254	8,634	7,125
Operating income		16,691	18,800	18,710	18,197
Net operating income after net impairment loss on other financial assets		16,691	18,800	18,710	18,197
Personnel expenses	6	(7,566)	(7,047)	(7,250)	(6,826)
Depreciation and amortisation		(985)	(708)	(952)	(692)
Other operating expenses	7	(5,815)	(6,761)	(5,572)	(6,231)
Total expenses		(14,366)	(14,516)	(13,774)	(13,749)
Share of profit of equity accounted investee		-	-	-	-
Profit before income tax from continuing operations		2,325	4,284	4,936	4,448
Income tax expense from continuing operations	8	(54)	(59)	(29)	(39)
Profit for the year from continuing operations		2,271	4,225	4,907	4,409
Discontinued operations					
Gross income from discontinued operations	29	248	853	-	-
Gross expense from discontinued operations	29	(84)	(108)	-	-
Profit/Loss before tax from discontinued operations	29	164	745	-	-
Income tax expense from discontinued operations	29	(31)	(15)	-	-
Profit/Loss for the year from discontinued operations	29	133	730	-	-
Continuing and discontinued operations:					
Profit before tax		2,489	5,029	4,936	4,448
Income tax		(85)	(74)	(29)	(39)
Profit after tax		2,404	4,955	4,907	4,409
Other comprehensive income, net of income tax					
Items that will never be reclassified to profit or loss					
Remeasurement of defined benefit liability		-	-	-	-
Items that are or may be reclassified to profit or loss					
Foreign currency translation differences for foreign operations		1,090	(255)	-	-
Fair value gains on property and equipment		-	-	-	-
Fair value gains/(losses) on available-for-sale investments		666	430	701	364
Other comprehensive income for the period		1,756	175	701	364
Total comprehensive income for the period		4,160	5,130	5,608	4,773

	Notes	Group Mar.2015 N million	Group Mar.2014 N million	Bank Mar.2015 N million	Bank Mar.2014 N million
Profit attributable to:					
Equity holders of the Bank		2,384	4,698	4,907	4,409
Non-controlling interest		20	257	-	-
Transfer to statutory reserve		-	-	-	-
Transfer to contingency reserve		-	-	-	-
Profit for the period		2,404	4,955	4,907	4,409
Total comprehensive income attributable to:					
Equity holders of the Bank		4,140	4,873	5,608	4,773
Non-controlling interest		20	257	-	-
Transfer to statutory reserve		-	-	-	-
Transfer to contingency reserve		-	-	-	-
Total comprehensive income for the period		4,160	5,130	5,608	4,773
Earnings per share for profit from total operations attributable to equity holders of Bank					
Basic and diluted (Kobo)	9	14	28	29	26
Earnings per share for profit from continuing operations attributable to equity holders of bank					
Basic and diluted (Kobo)	9	13	28	29	26

Separate and Consolidated Statements of Financial Position

	<i>Notes</i>	Group Mar.2015 N million	Group Dec.2014 N million	Bank Mar.2015 N million	Bank Dec.2014 N million
ASSETS					
Cash and cash equivalents	10	107,808	121,960	60,011	58,457
Non-pledged trading assets	11	7,263	745	7,263	745
Pledged assets	12	69,690	83,935	69,690	83,935
Derivative assets held for risk management	13	-	7	-	-
Loans and advances to customers	14	367,711	312,797	350,147	302,372
Investments in equity accounted investee	15	34	24	-	-
Investment securities	16	173,797	197,200	169,093	193,656
Trading properties	17	1,930	1,930	1,930	1,930
Investment in subsidiaries	18	-	-	8,372	8,372
Property and equipment	19	49,948	49,521	49,858	49,428
Intangible assets	20	2,988	2,422	2,550	2,071
Deferred tax assets	21	95,883	95,883	95,875	95,875
Cash reserve requirement	22	124,233	113,376	124,233	113,376
Other assets	22	15,805	8,931	15,212	8,194
		1,017,090	988,731	954,234	918,411
Assets classified as held for sale	29(b)	7,173	20,426	2,520	2,525
TOTAL ASSETS		1,024,263	1,009,157	956,754	920,936
LIABILITIES					
Derivative liabilities held for risk management		-	7	-	-
Deposits from banks	23	81,858	61,890	35,821	18,055
Deposits from customers	24	545,800	527,617	539,433	507,431
Current tax liabilities	25	694	822	664	635
Other liabilities	26	103,358	110,260	104,035	109,861
Retirement benefit obligations	27	528	845	528	845
Other borrowed funds	28	64,691	78,135	64,691	78,135
		796,929	779,576	745,172	714,962
Liabilities classified as held for sale	29(c)	916	7,347	-	-
TOTAL LIABILITIES		797,845	786,923	745,172	714,962
EQUITY					
Share capital and share premium	30	400,109	400,109	400,109	400,109
Treasury shares		-	(35)	-	-
Retained deficit		(242,743)	(242,969)	(248,523)	(251,172)
Other reserves		63,694	59,791	59,996	57,037
EQUITY ATTRIBUTABLE TO EQUITY - HOLDERS OF THE BANK		221,060	216,896	211,582	205,974
Non-controlling interest	31	5,358	5,338	-	-
TOTAL EQUITY		226,418	222,234	211,582	205,974
TOTAL LIABILITIES AND EQUITY		1,024,263	1,009,157	956,754	920,936

Consolidated and Separate Statements of Changes in Equity
For the period ended 31 March 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	-	-	736	-	-	-	-	1,648	2,384	20	2,404
Other comprehensive income, net of tax											
Foreign currency translation difference	-	-	-	-	-	-	1,090	-	1,090	-	1,090
Fair value gains/(loss) on available-for-sale investment	-	-	-	-	666	-	-	-	666	-	666
Transfer	-	-	-	-	-	1,522	-	(1,422)	100	-	100
	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	736	-	666	1,522	1,090	226	4,240	20	4,260
Total contribution and distributions to owners	-	-	-	35	(11)	-	(100)	-	(76)	-	(76)
Balance at 31 March 2015	8,468	391,641	20,140	-	28,968	10,189	4,397	(242,743)	221,060	5,358	226,418

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 year											
Profit for the year	-	-	-	-	-	-	-	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 and Separate Statements of Changes in Equity
For the period ended 31 March 2015

Bank

	Share capital	Share premium	Statutory reserve	Fair value reserves	Regulatory risk reserves	Other reserves	Retained deficit	Total
	N million	N million	N million	N million	N million	N million	N million	N million
Balance at 1 January 2015	8,468	391,641	19,404	27,213	8,667	1,753	(251,172)	205,974
Total comprehensive income for the period								
Profit or loss	-	-	736	-	-	-	4,171	4,907
Other comprehensive income								
Foreign currency translation difference								
Fair value gains/(loss) on available-for-sale investment	-	-	-	701	-	-	-	701
Remeasurement of defined benefit liability	-	-	-	-	-	-	-	-
Transfer	-	-	-	-	1,522	-	(1,522)	-
Total comprehensive income for the period	-	-	736	701	1,522	-	2,649	5,608
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Total contribution and distributions to owners	-	-	-	-	-	-	-	-
Balance at 31 March 2015	8,468	391,641	20,140	27,914	10,189	1,753	(248,523)	211,582

	Share capital	Share premium	Statutory reserve	Fair value reserves	Regulatory risk reserves	Other reserves	Retained earnings	Total
	N million	N million	N million	N million	N million	N million	N million	N million
Balance at 1 January 2014	8,468	391,641	16,331	30,260	3,706	9,442	(272,064)	187,784
Total comprehensive income for the year								
Profit or loss	-	-	-	-	-	-	20,486	20,486
Other comprehensive income								
Fair value reserve (available-for-sale) financial assets	-	-	-	1,812	-	-	-	1,812
Remeasurement of defined benefit liability	-	-	-	-	-	(4,108)	-	(4,108)
Transfer from retained earnings	-	-	3,073	(4,859)	4,961	(3,581)	406	(0)
Total other comprehensive income for the year	-	-	3,073	(3,047)	4,961	(7,689)	406	(2,296)
Total comprehensive income for the year	-	-	3,073	(3,047)	4,961	(7,689)	20,892	18,190
Balance at 31 December 2014	8,468	391,641	19,404	27,213	8,667	1,753	(251,172)	205,974

1 Net interest income

	Group period ended Mar.2015	Group period ended Mar.2014	Bank period ended Mar.2015	Bank period ended Mar.2014
	N million	N million	N million	N million
Interest income				
Cash and cash equivalents	176	334	176	334
Loans and advances to customers	13,530	9,116	13,092	8,825
Investment securities	7,162	9,331	7,116	9,319
Total interest income	20,868	18,781	20,384	18,478
Interest expense				
Deposits from customers	4,121	4,398	4,087	4,468
Other borrowed funds	3,791	1,400	3,791	1,400
Total interest expense	7,912	5,798	7,878	5,868
Net interest income	12,956	12,983	12,506	12,610
Net interest margin	62.1%	69.1%	61.4%	68.2%

2 Net Fees and commission income

	Group period ended Mar.2015	Group period ended Mar.2014	Bank period ended Mar.2015	Bank period ended Mar.2014
	N million	N million	N million	N million
Retail banking customer fees & commissions	743	702	743	702
Corporate banking credit related fees & commissions (See note (a))	361	246	361	246
Commission on turnover	355	519	355	519
Commission on off balance sheet transactions	415	401	415	401
Other fees and commission	110	105	-	3
	1,984	1,973	1,874	1,871

(a) 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 period ended Mar.2015	Group period ended Mar.2014	Bank period ended Mar.2015	Bank period ended Mar.2014
	N million	N million	N million	N million
Fixed income securities	147	(19)	147	(19)
Equities	-	-	-	-
Foreign exchange gain on trading	1,650	547	1,614	520
	1,797	528	1,761	501

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 period ended Mar.2015	Group period ended Mar.2014	Bank period ended Mar.2015	Bank period ended Mar.2014
	N million	N million	N million	N million
Dividends on available-for-sale equity securities	493	5	493	5
Foreign exchange revaluation gain	922	(24)	922	(24)
Rental income	41	31	41	31
Cash recoveries	307	855	307	855
Sundry income	808	152	815	152
	2,571	1,019	2,578	1,019

5 Net Impairment loss on financial assets

(a) Net impairment charge for credit losses

	Group period ended Mar.2015 N million	Group period ended Mar.2014 N million	Bank period ended Mar.2015 N million	Bank period ended Mar.2014 N million
Net impairment charge for credit losses:				
-specific impairment	1,925	1,698	1,923	1,799
-portfolio impairment	507	(261)	507	(261)
Total impairment charge on loans and advances	2,432	1,437	2,430	1,538
Reversal of impairment	-	-	-	-
	2,432	1,437	2,430	1,538
Total net impairment loss on financial assets	2,432	1,437	2,430	1,538

6 Personnel expenses

	Group period ended Mar.2015 N million	Group period ended Mar.2014 N million	Bank period ended Mar.2015 N million	Bank period ended Mar.2014 N million
Wages and salaries	7,379	6,660	7,063	6,439
Contributions to defined contribution plans	167	162	167	162
Increase in liability for defined benefit plans	20	225	20	225
	7,566	7,047	7,250	6,826

7 Other operating expenses

	Group period ended Mar.2015 N million	Group period ended Mar.2014 N million	Bank period ended Mar.2015 N million	Bank period ended Mar.2014 N million
Auditors' remuneration	45	25	45	25
NDIC Premium	572	650	572	650
Rents and Rates	254	269	221	244
Business travels	444	325	435	320
Repair and Maintenance	152	514	152	514
Transformation Expense	137	375	137	375
Professional fees	397	352	379	338
Advertising and Promotion expenses	93	44	93	44
Security expense	193	383	193	383
Expenses on links	312	15	312	15
General administrative expenses	1,975	2,665	1,792	2,179
Insurance	79	62	79	62
AMCON surcharge (see note (a) below)	1,162	1,082	1,162	1,082
	5,815	6,761	5,572	6,231

- (a) This represents the Bank's contribution to the Banking Sector Stabilization Fund for the period ended 31 March 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 period ended Mar.2015 ₦ million	Group period ended Mar.2014 ₦ million	Bank period ended Mar.2015 ₦ million	Bank period ended Mar.2014 ₦ million
Current tax expense				
Company Income Tax	-	20	-	-
Education tax	-	-	-	-
Capital Gains tax	-	-	-	-
NITDA Levy	54	39	29	39
	54	59	29	39
Deferred tax expense				
Origination and reversal of temporary differences	-	-	-	-
Total income tax expense	54	59	29	39

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.

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

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

	Group Mar.2015	Group Mar.2014	Bank Mar.2015	Bank Mar.2014
Profit/(Loss) for the year attributable to equity holders	2,384	4,698	4,907	4,409
Basic earnings/(loss) per share (in kobo)	14	28	29	26
Profit from continuing operations attributable to equity holders of bank	2,271	4,225	4,907	4,409
Basic earnings/(loss) per share (in kobo)	13	25	29	26

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	Group	Bank	Bank
	Mar.2015	Dec.2014	Mar.2015	Dec.2014
	₦ million	₦ million	₦ million	₦ million
Cash and balances with banks	35,635	52,661	32,730	42,051
Unrestricted balances with central bank	1,872	8,904	1,872	8,904
Money market placements	70,301	60,395	25,409	7,502
	107,808	121,960	60,011	58,457

11 Non-pledged Assets (Held for trading)	Group	Group	Bank	Bank
	Mar.2015	Dec.2014	Mar.2015	Dec.2014
	₦ million	₦ million	₦ million	₦ million
Government bonds	203	348	203	348
Treasury bills	7,060	397	7,060	397
	7,263	745	7,263	745

12 Pledged assets	Financial assets that may be repledged or resold by counterparties			
	Group	Group	Bank	Bank
	Mar.2015	Dec.2014	Mar.2015	Dec.2014
	₦ million	₦ million	₦ million	₦ million
Treasury bills	6,178	17,034	6,178	17,034
Bonds	63,462	62,206	63,462	62,206
Placement	50	4,695	50	4,695
	69,690	83,935	69,690	83,935

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

13 Derivative financial instruments	Mar.2015		Dec.2014	
	Assets	Liabilities	Assets	Liabilities
Group	₦ million	₦ million	₦ million	₦ million
Instrument Type:				
Foreign exchange	-	-	7	7
	-	-	7	7

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.

14 Loans and advances to customers at amortised cost	Group	Group	Bank	Bank
	Mar.2015	Dec.2014	Mar.2015	Dec.2014
	₦ million	₦ million	₦ million	₦ million
Gross amount	393,250	336,392	375,588	325,748
Specific impairment	(11,312)	(9,931)	(11,312)	(9,753)
Portfolio impairment	(14,227)	(13,664)	(14,129)	(13,623)
Total impairment	(25,539)	(23,595)	(25,441)	(23,376)
Carrying amount	367,711	312,797	350,147	302,372

15 Investment in equity accounted investee

	Group Mar.2015	Group Dec.2014	Bank Mar.2015	Bank Dec.2014
	₦ million	₦ million	₦ million	₦ million
Cost				
Balance, beginning of the year	125	100	91	91
Share of current year result	-	(6)	-	-
Disposal of subsidiaries	-	21	-	-
	125	115	91	91
(Impairments) /increase in value	(91)	(91)	(91)	(91)
Balance, end of the year	34	24	-	-

16 Investment securities

	Group Mar.2015	Group Dec.2014	Bank Mar.2015	Bank Dec.2014
	₦ million	₦ million	₦ million	₦ million
<i>Available-for-sale investment securities comprise:</i>				
Treasury bills	29,539	50,988	27,549	49,128
Equity: Quoted	2,195	2,195	2,195	2,195
Unquoted	20,454	20,067	20,454	20,067
Bonds	13,019	10,332	11,287	8,648
	65,207	83,582	61,485	80,038
Less: specific impairment allowance	(4,072)	(4,072)	(4,072)	(4,072)
	61,135	79,510	57,413	75,966
<i>Held to maturity investment securities comprise:</i>				
Treasury bills	3,590	9,197	2,608	9,197
Bonds	109,072	108,493	109,072	108,493
	112,662	117,690	111,680	117,690
Investment securities	173,797	197,200	169,093	193,656

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

	Group Mar.2015	Group Dec.2014	Bank Mar.2015	Bank Dec.2014
	₦ million	₦ million	₦ million	₦ million
Balance, beginning of the year	4,072	4,083	4,072	4,542
Allowance no longer required)	-	(11)	-	(470)
Reclassification	-	-	-	-
Assets classified as discontinued operations	-	-	-	-
Balance, end of the year	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 year was as follows:

	Group Mar.2015	Group Dec.2014	Bank Mar.2015	Bank Dec.2014
	N million	N million	N million	N million
Balance, beginning of year	1,930	4,747	1,930	1,930
Additions	-	-	-	-
Disposal	-	(635)	-	-
Reclassification	-	-	-	-
Transfer to assets held for sale	-	(2,182)	-	-
Balance, end of year	1,930	1,930	1,930	1,930

18 Investment in subsidiaries
Cost

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

(a) The movement of impairment on investment in subsidiaries during the year is as follows:

	Group Mar.2015	Group Dec.2014	Bank Mar.2015	Bank Dec.2014
	N million	N million	N million	N million
Balance, beginning of year	-	-	-	-
Additional/(Writeback) during the year	-	-	-	-
Reclassification from investment securities	-	-	-	-
Reclassification to assets classified as held for sale	-	-	-	-
Balance, end of the year	-	-	-	-

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

Company Name	Country Incorporation	Nature of business	Year end	Direct ownership interest	
				Mar.2015 Status/%	Dec.2014 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 29).

(v) **Union Pension Limited (Registered Office 9b Oko Awo Street, Victoria Island, Lagos)**

The Group has derecognised the assets and liabilities of Union Pension in its books as a result of the liquidation of the company.

(c) Condensed results of consolidated entities

(i) The condensed financial data of the continuing operations as at 31 March 2015, are as follows

Condensed statement of comprehensive income

Statement of Comprehensive income	<i>Group balances</i>	<i>Consolidation entries</i>	<i>Total</i>	<i>Bank</i>	<i>Union Properties</i>	<i>Union Pension</i>	<i>Atlantic Nominees</i>	<i>Union Bank UK</i>
	N million	N million	N million	N million	N million	N million	N million	N million
Operating income	19,121	(2,613)	21,734	21,139	-	-	-	595
Net operating income after net impairment loss	16,690	16	19,303	18,710	-	-	-	593
Operating Expenses	(14,368)	7	(14,375)	(13,775)	-	-	-	(600)
Net impairment loss on financial assets	(2,431)	-	(2,431)	(2,429)	-	-	-	(2)
Share of profit of equity accounted investees	-	-	-	-	-	-	-	-
Profit before income tax	2,322	(2,606)	4,929	4,936	-	-	-	(7)
Taxation	(54)	-	(54)	(29)	-	-	-	(25)
Profit after income tax	2,268	(2,606)	4,874	4,907	-	-	-	(32)

Condensed Statement of financial position

	<i>Group balances</i>	<i>Consolidation entries</i>	<i>Total</i>	<i>Bank</i>	<i>Union Properties</i>	<i>Union Pension</i>	<i>Atlantic Nominees</i>	<i>Union Bank UK</i>
	N million	N million	N million	N million	N million	N million	N million	N million
Cash and cash equivalents	107,808	(10,833)	118,641	60,011	-	-	-	58,630
Non-pledged trading assets	7,263	-	7,263	7,263	-	-	-	-
Pledged assets	69,690	-	69,690	69,690	-	-	-	-
Derivative financial instrument	-	-	-	-	-	-	-	-
Loans and advances to customers	367,711	-	367,711	350,147	-	-	-	17,564
Investments in equity-accounted investee	34	34	-	-	-	-	-	-
Investment securities	173,797	-	173,797	169,093	-	-	-	4,704
Assets held for sale	7,173	4,653	2,520	2,520	-	-	-	-
Trading properties	1,930	-	1,930	1,930	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-
Investment in subsidiaries	-	(8,372)	8,372	8,372	-	-	-	-
Property and equipment	49,948	-	49,948	49,858	-	-	-	90
Intangible assets	2,988	-	2,988	2,550	-	-	-	438
Deferred tax assets	95,883	-	95,883	95,875	-	-	-	8
Other assets	140,037	(130)	140,167	139,445	-	434	-	289
Total assets	1,024,263	(14,648)	1,038,911	956,755	-	434	-	81,723
Financed by:								
Derivative financial instruments	-	-	-	-	-	-	-	-
Deposits from banks	81,858	-	81,858	35,821	-	-	-	46,037
Deposits from customers	545,800	(13,863)	559,663	539,433	-	-	-	20,230
Liability on investment contract	-	-	-	-	-	-	-	-
Liability on insurance contract	-	-	-	-	-	-	-	-
Current tax liabilities	694	-	694	664	-	-	-	30
Other liabilities	103,358	(1,306)	104,664	104,035	-	-	-	629
Retirement benefit obligations	528	-	528	528	-	-	-	-
Other borrowed funds	64,691	-	64,691	64,691	-	-	-	-
Liabilities classified as held for sale	916	916	-	-	-	-	-	-
Equity and reserves	226,418	(395)	226,813	211,582	-	434	-	14,798
Total liabilities	1,024,263	(14,648)	1,038,911	956,754	-	434	-	81,723

(c) Condensed results of consolidated entities

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

Condensed statement of comprehensive income

Statement of Comprehensive income	Group balances	Consolidation entries	Total	Bank	Union Pension	Union Bank UK
	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

	Group balances	Consolidation entries	Total	Bank	Union Pension	Union Bank UK
	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	22,951	20,426	2,525	2,525	-	-
Trading properties	1,930	-	1,930	1,930	-	-
Investment in subsidiaries	(2,525)	(10,897)	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

19 Property and equipment

(a) **Group:**

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

	<u>Leasehold land and buildings</u>	<u>Furniture & equipment</u>	<u>Motor vehicles</u>	<u>Capital work in progress</u>	<u>Total</u>
	N million	N million	N million	N million	N million
Cost					
Balance at 1st January, 2015	52,547	14,151	3,748	1,361	71,807
Exchange difference	12	13	1	-	26
Additions	725	633	-	162	1,520
Balance as at 31 March 2015	<u>53,284</u>	<u>14,797</u>	<u>3,749</u>	<u>1,523</u>	<u>73,353</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>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	7,904	3,551	159	22,287
Exchange difference	11	7	1	-	19
Charge for the year	587	313	27	-	927
Disposals	-	(1)	-	-	(1)
Write-off/Adj	-	-	-	-	-
Reclassifications	(367)	543	(3)	-	173
Balance as at 31 March 2015	<u>10,904</u>	<u>8,766</u>	<u>3,576</u>	<u>159</u>	<u>23,405</u>
Balance at 1st January, 2014	11,530	7,909	872	159	20,470
Exchange difference	24	16	2	-	42
Charge for the year	1,156	1,613	110	-	2,879
Disposals	-	(5)	(32)	-	(37)
Reclassification to other assets	(1,687)	(849)	2,612	-	76
Assets classified as held for sale and discontinued o	(351)	(780)	(13)	-	(1,143)
Balance as at 31 December 2014	<u>10,673</u>	<u>7,904</u>	<u>3,551</u>	<u>159</u>	<u>22,287</u>
(iii) Net Book Value					
Balance as at 31 March 2015	<u>42,380</u>	<u>6,031</u>	<u>172</u>	<u>1,364</u>	<u>49,948</u>
Balance as at 31 December 2014	<u>41,874</u>	<u>6,241</u>	<u>203</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	Furniture & equipment	Motor vehicles	Capital work in progress	Total
(i) Cost	N million	N million	N million	N million	N million
Balance at 1st January, 2015	52,351	13,952	3,729	1,361	71,393
Additions	725	632	-	162	1,519
Disposals	-	-	-	-	-
Reclassifications	-	-	-	-	-
Transfers	-	-	-	-	-
Reversals	-	-	-	-	-
Write off	-	-	-	-	-
Balance as at 31 March 2015	53,076	14,584	3,729	1,523	72,912
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
	Leasehold land and buildings	Furniture & equipment	Motor vehicles	Capital work in progress	Total
(ii) Accumulated depreciation	N million	N million	N million	N million	N million
Balance at 1st January, 2015	10,844	7,592	3,530	-	21,967
Charge for the year	579	308	27	-	915
Disposals	-	(1)	-	-	(1)
Reclassifications	(367)	543	(3)	-	173
Write-off/Adj	-	-	-	-	-
Balance as at 31 March 2015	11,057	8,443	3,554	-	23,054
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 31 March 2015	42,019	6,141	175	1,523	49,858
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)

20 Intangible assets

	Group Mar.2015 ₦ million	Group Dec.2014 ₦ million	Bank Mar.2015 ₦ million	Bank Dec.2014 ₦ million
Cost				
Balance, beginning of the year	4,263	2,134	3,401	1,610
Additions	359	1,901	281	1,675
Transfer from work-in-progress	-	116	-	116
Write-off	-	-	-	-
Exchange translation difference	54	112	-	-
Assets of subsidiaries disposed	-	-	-	-
Balance, end of period	4,676	4,263	3,682	3,401
Amortization and impairment losses				
Balance, beginning of year	1,841	1,326	1,331	796
	-	-	-	-
Balance, beginning of the year	1,841	1,326	1,331	925
Amortisation for the year	58	432	36	389
Reclassification	(243)	16	(235)	16
Write-off	-	-	-	-
Exchange translation difference	32	67	-	-
Assets of subsidiaries disposed	-	-	-	-
Balance, end of period	1,688	1,841	1,132	1,330
Carrying amounts as at period end	2,988	2,422	2,550	2,071
Balance as at 1 January	2,422	808	2,070	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)

21 Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Group

31 March 2015

	Assets ₦ million	Liabilities ₦ million	Net ₦ 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

31 December 2014

	Assets ₦ million	Liabilities ₦ million	Net ₦ 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

31 March 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 Mar.2015	Group Dec.2014	Bank Mar.2015	Bank Dec.2014
	N million	N million	N million	N million
Balance, beginning of the year	95,883	95,889	95,875	95,875
Credit for the period	-	(16)	-	-
Credit/(reversal)	-	-	-	-
Charge for the period	-	-	-	-
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.

22 Other assets

	Group Mar.2015	Group Dec.2014	Bank Mar.2015	Bank Dec.2014
	N million	N million	N million	N million
Cash Reserve Requirement (see (i))	124,233	113,376	124,233	113,376
Other assets:				
Accounts receivable and prepayments	5,225	4,086	5,066	3,783
Sundry assets	194,168	187,498	193,734	187,064
Clearing	773	857	773	857
	200,166	192,441	199,573	191,704
Impairment on other assets	(184,361)	(183,510)	(184,361)	(183,510)
	15,805	8,931	15,212	8,194

- (i) The Bank had restricted balances of N124,233 billion (Dec. 2014: N113,976 billion) with the Central Bank of Nigeria (CBN) as at 31 March 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.

23 Deposits from banks

	Group Mar.2015	Group Dec.2014	Bank Mar.2015	Bank Dec.2014
	N million	N million	N million	N million
Money market deposits	35,821	18,055	35,821	18,055
Other deposits from banks	46,037	43,835	-	-
	<u>81,858</u>	<u>61,890</u>	<u>35,821</u>	<u>18,055</u>

24 Deposits from customers

	Group Mar.2015	Group Dec.2014	Bank Mar.2015	Bank Dec.2014
	N million	N million	N million	N million
Term deposits	172,682	167,388	171,799	160,773
Current deposits	228,339	222,180	222,855	208,609
Savings	144,779	138,049	144,779	138,049
	<u>545,800</u>	<u>527,617</u>	<u>539,433</u>	<u>507,431</u>

25 Tax Payable

	Group Mar.2015	Group Dec.2014	Bank Mar.2015	Bank Dec.2014
	N million	N million	N million	N million
Balance, beginning of year	822	534	635	472
Charge for the period	54	409	29	205
Payments during the period	(182)	(64)	-	(42)
Transfer to assets held for sale	-	(57)	-	-
Balance, end of period	<u>694</u>	<u>822</u>	<u>664</u>	<u>635</u>

26 Other liabilities

	Group Mar.2015	Group Dec.2014	Bank Mar.2015	Bank Dec.2014
	N million	N million	N million	N million
Deposits for foreign currency	36,844	36,879	36,844	36,879
PAYE and other statutory deductions	984	474	984	474
Draft and Bills payable	15,557	15,526	15,557	15,526
Sundry creditors	3,752	4,777	3,752	4,777
Creditors and accruals	28,044	27,949	28,044	27,949
Provision for claims and contingencies	1,795	1,844	1,795	1,844
Accounts payable	5,701	5,566	5,701	5,566
Other credit balances	10,681	17,245	11,358	16,846
	<u>103,358</u>	<u>110,260</u>	<u>104,035</u>	<u>109,861</u>

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

	Group Mar.2015	Group Dec.2014	Bank Mar.2015	Bank Dec.2014
	N million	N million	N million	N million
Balance, beginning of year	1,844	5,441	1,844	5,441
Charge/reversal during the period	(49)	(3,597)	(49)	(3,597)
Reclassification	-	-	-	-
Balance, end of the period	<u>1,795</u>	<u>1,844</u>	<u>1,795</u>	<u>1,844</u>

27 Retirement benefit obligations

	Group Mar.2015	Group Dec.2014	Bank Mar.2015	Bank Dec.2014
	N million	N million	N million	N million
Defined contribution scheme (see (a) below)	154	131	154	131
Other long-term employee benefits (see (b) below)	374	714	374	714
	<u>528</u>	<u>845</u>	<u>528</u>	<u>845</u>

(a) Defined Contribution Scheme

	Group Mar.2015	Group Dec.2014	Bank Mar.2015	Bank Dec.2014
	N million	N million	N million	N million
Balance, beginning of period/year	131	131	131	131
Charge during the period	167	702	167	702
Reclassification to discontinued operations	-	-	-	-
Reclassification to defined benefit obligation	-	-	-	-
Contribution remitted during the period	(144)	(702)	(144)	(702)
Balance, end of period/year	<u>154</u>	<u>131</u>	<u>154</u>	<u>131</u>

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

(b) Other long-term employee benefits

The Group discontinued its defined benefit scheme and 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 Mar.2015	Group Dec.2014	Bank Mar.2015	Bank Dec.2014
	N million	N million	N million	N million
Balance, beginning of period/year	714	10,130	714	10,085
Benefits paid by the plan	(360)	(12,591)	(360)	(12,591)
Current service costs and interest	20	(120)	20	373
Past service cost	-	-	-	-
Curtailment	-	-	-	(492)
Actuarial gain	-	-	-	-
Reclassification to other liabilities	-	-	-	(769)
Reclassification from defined contribution scheme	-	-	-	-
Reclassification to discontinued operations	-	(813)	-	-
Transfer from reserves	-	4,108	-	4,108
Balance, end of period/year	<u>374</u>	<u>714</u>	<u>374</u>	<u>714</u>

28 Other borrowed funds

	Group Mar.2015 ₦ million	Group Dec.2014 ₦ million	Bank Mar.2015 ₦ million	Bank Dec.2014 ₦ million
Due to CAC (see (a))	11,937	14,488	11,937	14,488
BOI on-lending facilities (see note (b) below)	9,607	10,182	9,607	10,182
Other borrowings (see (c))	43,147	53,465	43,147	53,465
	64,691	78,135	64,691	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:

			Mar-15	Dec-14
	Lender	\$million	Naira equivalent =N=bn	Naira equivalent =N=bn
3-year medium term loan for general corporate and trade finance; secured by FGN bonds with face value of N19.5bn	Standard Chartered Bank	88.9	17.75	19.1
3-year unsecured syndicated medium term loan for general corporate and trade finance.	Syndicate; lead arranger: Standard Chartered Bank	87.5	17.43	19.3
Short term borrowing, for general corporate and trade finance	Citi Group Global Market Limited	50.0	-	7.70
1-year unsecured term loan for general corporate and trade finance purposes.	Commerzbank	40.0	7.97	7.4
		266.4	43.15	53.5

29 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 Mar.2015 ₦ million	Group Mar.2014 ₦ million
Gross income (a + d)	248	853
Gross expense	(84)	(108)
Interest Income (a)	77	432
Interest Expense (b)	-	(675)
Net interest income (c)	77	-243
Recoveries on credit losses	-	-
Net interest income after impairment charge for credit losses	77	-243
Net fee and commission income	72	292
Net trading income	0	4
Other operating income	99	125
Total operating income	-	-
Total non-interest income (d)	171	421
Operating Income (c + d)	248	178
Net impairment loss on financial assets	(8)	890
Net operating income after net impairment loss on other financial assets (e)	240	1,068
Personnel expenses	(33)	(195)
Depreciation and amortization	(2)	(89)
Other operating expenses	(41)	(39)
	(76)	(323)
Share of profit of equity accounted investee	-	-
Loss before tax from discontinued operations	164	745
Income tax expense	(31)	(15)
Loss from discontinued operations (net of tax)	133	730

(b) Assets classified as held for sale

	Group Mar.2015 ₦ million	Group Dec.2014 ₦ million	Bank Mar.2015 ₦ million	Bank Dec.2014 ₦ million
Cash and cash equivalents	26	3,848	-	-
Investments in subsidiaries	-	-	2,520	2,525
Non-pledged trading assets	-	137	-	-
Loans and advances to customers	-	-	-	-
Investments in equity accounted investee	-	-	-	-
Investment securities	-	8,342	-	-
Trading properties	2,185	2,182	-	-
Investment properties	4,725	4,712	-	-
Property and equipment	16	25	-	-
Intangible assets	-	-	-	-
Deferred tax assets	-	13	-	-
Other assets	221	1,167	-	-
	7,173	20,426	2,520	2,525
Impairment allowance	-	-	-	-
	7,173	20,426	2,520	2,525

(c) Liabilities for assets classified as held for sale

	Group Mar.2015 ₦ million	Group Dec.2014 ₦ million	Bank Mar.2015 ₦ million	Bank Dec.2014 ₦ million
Current tax liabilities	164	293	-	-
Deferred tax liabilities	1	1	-	-
Other liabilities	714	6,947	-	-
Retirement benefit obligations	37	106	-	-
Other borrowed funds	-	-	-	-
	916	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 31 March 2015

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

The condensed financial data of the discontinued operations as at 31 March 2015, are as follows

Statement of Comprehensive income	<i>Union Properties</i>	<i>Union Trustees</i>	<i>Unwinding</i>	<i>Group Total</i>
	₦ million	₦ million		₦ million
Interest income	-	77	-	77
Interest expense	-	-		-
Net interest income	-	77	-	77
Impairment charge for credit losses		-	-	-
Net interest income after impairment charge for credit losses	-	77		77
Net fee and commission income	8	64		72
Net trading (loss)/income	-	-		-
Other operating income	98	1	-	99
Underwriting profit		-		-
	106	65		171
Operating income	106	142		248
Net impairment loss on other financial assets	-	(8)		(8)
Net operating income after net impairment loss on other financial assets	106	134		240
Personnel expenses	(18)	(15)		(33)
Depreciation and amortisation	(2)	-		(2)
Other operating expenses	(28)	(13)	-	(41)
Total expenses	(48)	(28)		(76)
Share of profit of equity accounted investee				-
Profit/(loss) before income tax	58	106		164
Income tax	(22)	(9)		(31)
Profit/(loss) for the year	36	97		133

DISCONTINUED OPERATIONS

Statements of Financial Position

Condensed statement of financial position for discontinued operations

<i>Statement of financial position</i>	<i>Union properties</i>	<i>Atlantic Nominee</i>	<i>Intragroup adj</i>	<i>Total</i>
	₦ million	₦ million	₦ million	₦ million
ASSETS				
Cash and cash equivalents	3,057	-	(3,031)	26
Non-pledged trading assets	-	-	-	-
Pledged assets	-	-	-	-
Derivative assets held for risk management	-	-	-	-
Loans and advances to customers	-	-	-	-
Investments in equity accounted investee	-	-	-	-
Investment securities	-	-	-	-
Assets held for sale	-	-	-	-
Trading properties	2,185	-	-	2,185
Investment properties	4,537	188	-	4,725
Investment in subsidiaries	-	-	-	-
Property and equipment	16	-	-	16
Intangible assets	-	-	-	-
Deferred tax assets	-	-	-	-
Other assets	12	209	-	221
<hr/>				
TOTAL ASSETS	9,806	397	(3,031)	7,173
<hr/>				
LIABILITIES				
Current tax liabilities	164	-	-	164
Deferred tax liabilities	1	-	-	1
Other liabilities	837	-	(124)	714
Retirement benefit obligations	37	-	-	37
	-	-	-	-
<hr/>				
Liabilities included in assets classified as held for sale and discontinued operations				
TOTAL LIABILITIES	1,039	-	(124)	915

30 Capital and reserves

Share capital	Group	Group	Bank	Bank
	Mar.2015	Dec. 2014	Mar.2015	Dec. 2014
	₦ million	₦ million	₦ million	₦ 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.				
	Group	Group	Bank	Bank
	Mar.2015	Dec. 2014	Mar.2015	Dec. 2014
	₦ million	₦ million	₦ million	₦ million
Balance, beginning of year	391,641	391,641	391,641	391,641
Excess capital clawback	-	-	-	-
Premium on shares issued	-	-	-	-
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 N647million (December 2014: N2,97million) to statutory reserves as at 31 March 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) **Capital reserve**

Capital reserve warehouses the nominal value of shares cancelled during the capital reconstruction exercise that occurred during the financial period ended January 2015.

(vii) **Translation reserve**

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

(viii) **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.

31 Non-controlling Interest

Movement in the non controlling interest

	Group Mar.2015	Group Dec. 2014
	N million	N million
Balance, beginning of year	5,338	7,162
Profit/(loss) for the period	20	1,198
Increase/(diminution) in non controlling interest	-	(3,022)
	5,358	5,338