



Union Bank of Nigeria Plc

**IFRS Consolidated Financial Statements
For the period ended 30 September 2013**

Separate and Consolidated Statements of Financial Position

<i>In millions of Naira</i>	<i>Notes</i>	Group September 2013	Group December 2012	Bank September 2013	Bank December 2012
ASSETS					
Cash and cash equivalents	13	111,226	200,260	65,441	142,938
Non-pledged trading assets	14	2,116	1,895	1,249	867
Pledged assets	15	45,522	44,503	45,522	44,503
Derivative assets held for risk management		-	78	-	-
Loans and advances to customers	16	194,967	156,375	180,579	136,982
Investments in equity accounted investee	17	5,482	5,557	16	91
Investment securities	17	346,650	313,754	316,542	280,449
Assets held for sale	18	84	84	84	84
Trading properties	19	6,383	6,971	2,282	2,282
Investment properties	20	16,874	19,296	-	-
Investment in subsidiaries	21	-	-	17,445	17,445
Property and equipment	22	47,850	48,466	45,191	45,137
Intangible assets	23	1,128	922	685	522
Deferred tax assets	24	95,740	95,707	95,683	95,875
Other assets	25	97,697	121,296	98,796	119,293
TOTAL ASSETS		971,718	1,015,164	869,515	886,468
LIABILITIES					
Derivative liabilities held for risk management		-	78	-	-
Deposits from banks	26	-	45,112	-	3,500
Deposits from customers	27	536,001	522,443	470,619	482,005
Liability on investment contract	28	1,020	803	-	-
Liability on insurance contract	29	3,302	2,691	-	-
Current tax liabilities	30	1,450	2,317	511	495
Deferred tax liabilities	24	299	358	-	-
Other liabilities	31	167,657	178,586	137,050	145,480
Retirement benefit obligations	32	38,874	49,886	38,416	49,368
Other borrowed funds	33	36,358	34,564	34,717	33,951
TOTAL LIABILITIES		784,961	836,838	681,313	714,799
EQUITY					
Share capital and share premium	34	400,109	400,109	400,109	400,109
Treasury shares	34	(240)	(65)	-	-
Retained earnings	34	(270,396)	(275,433)	(258,657)	(269,036)
Reserves	34	55,577	48,736	46,750	40,596
EQUITY ATTRIBUTABLE TO EQUITY - HOLDERS OF THE BANK		185,050	173,348	188,202	171,669
Non-controlling interest		1,707	4,979	-	-
TOTAL EQUITY		186,757	178,326	188,202	171,669
TOTAL LIABILITIES AND EQUITY		971,718	1,015,164	869,515	886,468

The notes on pages 6 to 21 are an integral part of these consolidated and separate financial statements.

Separate and Consolidated Statements of Comprehensive Income

For the period ended 30 September 2013

<i>In millions of Naira</i>	<i>Notes</i>	Group 9 months to September 2013	Group 9 months to September 2012	Bank 9 months to September 2013	Bank 9 months to September 2012
Interest income	4	62,968	66,946	56,505	58,629
Interest expense	4	(18,801)	(14,717)	(16,294)	-11,938
Net interest income		44,167	52,228	40,211	46,691
Net fee and commission income	5	7,092	8,283	6,408	7,571
Net trading income	6	1,652	2,420	1,335	1,083
Other operating income	7	7,435	4,026	5,923	2,634
		16,179	14,729	13,666	11,288
Underwriting profit	8	702	1,250	-	-
		702	1,250	-	-
Operating income		61,049	68,208	53,877	57,979
Net impairment loss on financial assets	9	(10,731)	(2,803)	(8,095)	(2,692)
Personnel expenses	10	(24,719)	(28,274)	(22,296)	(24,468)
Depreciation and amortisation		(3,042)	(3,713)	(2,604)	-3,119
Other operating expenses	11	(15,748)	(20,767)	(9,216)	(15,183)
		6,809	12,652	11,666	12,517
Profit before income tax		6,809	12,652	11,666	12,517
Income tax expense	12	769	(865)	687	(125)
Profit for the period		7,578	11,787	12,353	12,393
Other comprehensive income, net of income tax					
Regulatory risk reserve			-		-
Foreign currency translation differences for foreign operations		729	-	-	-
Fair value gains on property and equipment			-	-	-
Fair value (losses)/gains on available-for-sale investments		3,220	685	4,180	(1,402)
Net change in fair value			-		-
Other comprehensive income for the period		3,949	685	4,180	(1,402)
Total comprehensive income for the period		11,527	12,472	16,533	10,991
Profit attributable to:					
Equity holders of the Bank		10,018	14,449	12,353	12,393
Non-controlling interest		(2,440)	(3,028)	-	-
Transfer to statutory reserve				-	
Transfer to statutory reserve		-	-		
Transfer to contingency reserve		-	366	-	-
Profit for the period		7,578	11,787	12,353	12,393

Total comprehensive income attributable to:				
Equity holders of the Bank	13,967	11,679	16,533	10,991
Non-controlling interest	(2,440)	427	-	-
Transfer to statutory reserve	-	-	-	-
Transfer to statutory reserve	-	-	-	-
Transfer to contingency reserve	-	366	-	-
Total comprehensive income for the period	11,527	12,472	16,533	10,991
Earnings per share - Basic	59k	87k	73k	73k
Earnings per share - Adjusted	59k	87k	73k	73k

The notes on pages 5 to 82 are an integral part of these consolidated and separate financial statements.

Consolidated Statements of Changes in Equity
For the period ended 30 September 2013

Group

<i>In millions of Nigerian Naira</i>	Share capital	Share premium	Statutory reserve	Treasury shares	Fair value reserves	Regulatory risk reserves	Other reserves	Retained earnings	Total	Non-controlling interest	Total equity
Balance at 1 January 2013	8,468	391,641	17,460	(65)	31,059	1,005	(788)	(275,433)	173,348	4,979	178,327
Prior year adjustment	-	-	-	-	-	-	-	-	-	-	-
Opening restated	8,468	391,641	17,460	(65)	31,059	1,005	(788)	(275,433)	173,348	4,979	178,327
Total comprehensive income for the period											
Profit for the period	-	-	-	-	-	-	-	10,018	10,018	(2,440)	7,578
Other comprehensive income											
Foreign currency translation difference	-	-	-	-	-	-	729	-	729	-	729
Fair value reserve on financial assets	-	-	-	-	3,220	-	-	-	3,220	-	3,220
Transfer from retained earnings	-	-	-	-	-	2,822	69	(2,891)	-	-	-
Total comprehensive income for the period	-	-	-	-	3,220	2,822	798	7,127	13,967	(2,440)	11,527
Transactions with owners, recorded directly in equity											
Contributions by and distributions to owners											
Acquisition/(disposal) of own shares	-	-	-	(175)	-	-	-	-	(175)	-	(175)
Increase/dilution in non-controlling interest	-	-	-	-	-	-	-	-	-	(832)	(832)
Dividends to equity holder	-	-	-	-	-	-	-	(2,090)	(2,090)	-	(2,090)
Total contribution and distributions to owners	-	-	-	(175)	-	-	-	(2,090)	(2,265)	(832)	(3,097)
Balance at 30 September 2013	8,468	391,641	17,460	(240)	34,279	3,827	10	(270,396)	185,050	1,707	186,757

Bank

<i>In millions of Nigerian Naira</i>	Share capital	Share premium	Statutory reserve	Treasury shares	Fair value reserves	Regulatory risk reserves	Other reserves	Retained earnings	Total	Non-controlling interest	Total equity
Balance at 1 January 2013	8,468	391,642	15,563	-	24,788	1,005	(760)	(269,036)	171,670	-	171,670
Opening restated	8,468	391,642	15,563	-	24,788	1,005	(760)	(269,036)	171,670	-	171,670
Total comprehensive income for the period											
Profit or loss	-	-	-	-	-	-	-	12,353	12,353	-	12,353
Other comprehensive income											
Fair value reserve (available-for-sale) financial	-	-	-	-	4,180	-	-	-	4,180	-	4,180
Transfer from retained earnings	-	-	-	-	-	1,974	-	(1,974)	-	-	-
Total comprehensive income for the period	-	-	-	-	4,180	1,974	-	10,379	16,533	-	16,533
Total contribution and distributions to owners	-	-	-	-	-	-	-	-	-	-	-
Balance at 30 September 2013	8,468	391,642	15,563	-	28,968	2,979	(760)	(258,657)	188,203	-	188,203

Consolidated Separate Statements of Cash Flows

For the period ended 30 September 2013

	Notes	Group September 2013	Group December 2012	Bank September 2013	Bank December 2012
<i>In millions of Nigerian Naira</i>					
Cash flows from operating activities					
Profit for the period		7,578	7,375	12,353	7,851
Income tax expense	11	(769)	1,685	(687)	268
Profit before tax		6,809	9,060	11,666	8,119
<i>Adjustments for:</i>					
Impairment (recoveries)/allowances on loans and advances and other investments	8 8	7,401 9	682 747	5,349 9	(550) (362)
Impairment loss on equity accounted investees		75		75	
Allowances on other assets	8	3,898	3,966	3,714	2,959
Gain on sale of property and equipment	7	1	(32)	-	(29)
Loss on sale of investment properties		-	66	-	-
Gain on sale of trading properties		-	(222)	-	-
Depreciation of property and equipment	22	2,859	4,667	2,497	4,096
Amortisation of intangible assets	23	184	285	107	79
Revaluation gain on investment properties		-	(85)	-	-
Dividend income from equity investment	7		(926)		(775)
Interest paid on borrowings		-	7,784	-	8,078
Bad debts (recovered)/written off		(2,722)	481	(109)	191
Retirement benefit provisions	32	654	5,465	584	5,109
Share of profit of equity accounted investee		-	(1,850)	-	-
Change in the value of equity accounted investee		-	(692)	-	-
		19,168	29,396	23,892	26,915
Change in non-pledged trading assets		(221)	3,968	(382)	1,984
Change in pledged assets		(1,019)	25,191	(1,019)	25,191
Change in loans and advances to customers		(43,272)	79	(48,837)	7,735
Change in other assets		19,700	(1,455)	16,783	(5,840)
Change in deposits from banks		(45,112)	(17,102)	(3,500)	1,920
Change in deposits from customers		13,558	21,470	(11,386)	82,230
Change in liabilities on investment contracts		217	234	-	-
Change in liabilities on insurance contracts		611	47	-	-
Change in other liabilities		(10,929)	(35,900)	(8,430)	(29,401)
		(47,298)	25,928	(32,880)	110,734
Income tax paid		(190)	(2,032)	896	(1,131)
Net (used in)/cash provided by operating activities		(47,488)	23,896	(31,984)	109,603
Cash flows from investing activities					
Purchase of investment properties	20	520	(59)	-	-
Proceeds from sale of investment properties	20	1,902	4,057	-	-
Acquisition of trading properties	19		(2,748)		(2,282)
Proceeds from sale of trading properties		588	1,563	-	-
Proceeds from sale of assets classified as held for sale		-	723	-	723
Proceeds from sale of property and equipment	22	811	45	405	30
Acquisition of property and equipment	22	(3,054)	(3,076)	(2,956)	(2,773)
Acquisition of intangible assets	23	(390)	(610)	(270)	(492)

Investment securities		(29,684)	(48,056)	(31,922)	(31,858)
Dividend income received	7		926		775
Dividend income from equity accounted investee		-	242	-	-
Investment in retirement benefit scheme	32	(11,666)	(14,965)	(11,536)	(14,369)
Net cash used in investing activities		(40,972)	(61,958)	(46,279)	(50,246)
Cash flows from financing activities					
Inflow from other borrowings		1,794	7,614	766	7,001
Interest paid on borrowings		-	(7,784)	-	(8,078)
Acquisition of own shares		(175)	-	-	-
Dividend paid		(2,090)	-	-	-
Acquisition of non-controlling interest		(832)	-	-	-
Net cash from financing activities		(1,303)	(170)	766	(1,077)
Net increase in cash and cash equivalents		(89,763)	(38,232)	(77,497)	58,280
Cash and cash equivalents at beginning of period		200,260	239,013	142,938	84,658
Effect of exchange rate fluctuations on cash held		729	(521)		-
Cash and cash equivalents at end of period		111,226	200,260	65,441	142,938

The notes on pages 6 to 36 are an integral part of these consolidated and separate financial statements.

4 Net interest income

	Group 9 months to 30 September 2013	Group 9 months to 30 September 2012	Bank 9 months to 30 September 2013	Bank 9 months to 30 September 2012
<i>In millions of Nigerian Naira</i>				
Interest income				
Cash and cash equivalents	6,219	7,130	5,092	4,228
Loans and advances to customers	23,172	23,015	20,169	18,730
Investments securities	33,578	36,801	31,244	35,670
Total interest income	62,968	66,946	56,505	58,629
Interest expense				
Deposits from banks	3,799	1,665	3,796	1,442
Deposits from customers	15,002	13,053	12,498	10,496
Total interest expense	18,801	14,717	16,294	11,938
Net interest income	44,167	52,228	40,211	46,691

5 Net Fees and commission income

	Group 9 months to 30 September 2013	Group 9 months to 30 September 2012	Bank 9 months to 30 September 2013	Bank 9 months to 30 September 2012
<i>In millions of Nigerian Naira</i>				
Retail banking customer fees & commissior	4,949	4,662	4,949	3,984
Corporate banking credit related fees & con	321	34	301	-
Commission on off balance sheet transactio	1,086	836	1,086	836
Other fees and commission	736	2,751	72	2,751
	7,092	8,283	6,408	7,571

6 Net trading income

	Group 9 months to 30 September 2013	Group 9 months to 30 September 2012	Bank 9 months to 30 September 2013	Bank 9 months to 30 September 2012
<i>In millions of Nigerian Naira</i>				
Fixed income securities	932	1,872	932	642
Equities	292	-	-	-
Foreign exchange transactions	428	548	403	441
	1,652	2,420	1,335	1,083

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

7 Other operating income

	Group 9 months to 30 September 2013	Group 9 months to 30 September 2012	Bank 9 months to 30 September 2013	Bank 9 months to 30 September 2012
<i>In millions of Nigerian Naira</i>				
Dividends Income	4,324	375	4,271	355
Gains on disposal of property and equipmer	1	20	-	19
Gains on disposal of investment propert	338	-	-	-
Foreign exchange income	609	61	609	61
Gain on disposal of investments	737	836	737	836
Rental income	(25)	135	125	92
Sundry income	1,452	2,600	181	1,271
Others				
	7,435	4,026	5,923	2,634

8 Premium from Insurance contracts

	Group 9 months to 30 September 2013	Group 9 months to 30 September 2012	Bank 9 months to 30 September 2013	Bank 9 months to 30 September 2012
<i>In millions of Nigerian Naira</i>				
Gross premium	2,858	2,793	-	-
Outward insurance premium	(608)	(614)	-	-
Unexpired premium reserve	(27)	29	-	-
Claims incurred	(745)	(840)	-	-
Profit from deposit administration	6	12	-	-
Underwriting expenses	(977)	(779)	-	-
Increase in life funds	(48)	(37)	-	-
Commission received	243	686	-	-
	702	1,250	-	-

9 Impairment loss on financial assets

	Group 9 months to 30 September 2013	Group 9 months to 30 September 2012	Bank 9 months to 30 September 2013	Bank 9 months to 30 September 2012
<i>In millions of Nigerian Naira</i>				
Impairment losses/(credits) on loans and advances				
-specific impairment	8,236	(4,045)	6,178	(3,206)
-portfolio impairment	(834)	9,357	(829)	8,407
Reversal of impairment on loans and ad	(3,474)	(2,509)	(2,357)	(2,509)
Recoveries on advances under finance lease		-		
Impairment loss on available for sale financ	459	-	459	-
Impairment loss on Held to Maturity financial assets		-		
Impairment loss on investments in associates				
Impairment loss on on cash and short term f	120	-	-	-
Recoveries on other investments	-	-	-	-
Impairment loss on insurance receivables	33	-	-	-
Impairment loss on other assets	6,224	-	4,644	-
	10,731	2,803	8,095	2,692

10 Personnel expenses

	Group 9 months to 30 September 2013	Group 9 months to 30 September 2012	Bank 9 months to 30 September 2013	Bank 9 months to 30 September 2012
<i>In millions of Nigerian Naira</i>				
Wages and salaries	24,065	27,569	21,712	23,837
Contributions to defined contribution plans	629	704	576	632
Increase/ (decrease) in liability for defined t	25	-	8	-
	24,719	28,274	22,296	24,468

11 Other operating expenses

	Group 9 months to 30 September 2013	Group 9 months to 30 September 2012	Bank 9 months to 30 September 2013	Bank 9 months to 30 September 2012
<i>In millions of Nigerian Naira</i>				
Auditors remuneration	203	85	168	82
NDIC Premium	2,095	2,267	1,961	2,140
Rents and Rates	748	841	741	601
Business travels	911	1,384	866	1,038
Repair and Maintenance	804	700	761	510
Advertising and Promotion expenses	103	952	95	697
General administrative expenses	7,270	12,563	1,110	8,250
Insurance	290	682	190	573
AMCON surcharge	3,324	1,292	3,324	1,292
	15,748	20,767	9,216	15,183

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

	Group 9 months to 30 September 2013	Group 9 months to 30 September 2012	Bank 9 months to 30 September 2013	Bank 9 months to 30 September 2012
<i>In millions of Nigerian Naira</i>				
Current tax expense				
Company Income Tax	(790)	385	(977)	(355)
Education tax	-	212	-	212
NITDA Levy	113	268	98	268
Adjustments for prior year	-	-	-	-
	(677)	865	(879)	125
Deferred tax expense				
Origination and reversal of temporary differ	(91)	-	192	-
Total income tax expense	(769)	865	(687)	125

13 Cash and cash equivalents

<i>In millions of Nigerian Naira</i>	Group 2013	Group 2012	Bank 2013 31 December	Bank 2012
Cash in hand	15,440	19,347	15,302	19,347
Cash and balances with banks	30,926	13,548	31,129	20,812
Unrestricted balances with central bank	2,869	10,131	2,853	10,115
Money market placements	81,048	175,751	34,860	110,951
Provisions (see note (a) below)	(19,058)	(18,517)	(18,703)	(18,287)
	111,226	200,260	65,441	142,938

(a) The movement on impairment on cash and cash equivalents was as follows:

<i>In millions of Nigerian Naira</i>	Group 2013	Group 2012	Bank 2013 31 December	Bank 2012
Balance, beginning of period	18,517	21,034	18,287	20,804
Charge/(reversals) during the period	541	(2,517)	416	(2,517)
Balance, end of period	19,058	18,517	18,703	18,287

14 Non-pledged Trading assets

<i>In millions of Nigerian Naira</i>	Group 2013	Group 2012	Bank 2013 31 December	Bank 2012
Government bonds	530	374	530	374
Treasury bills	719	493	719	493
Equities	867	1,028	-	-
	2,116	1,895	1,249	867

15 Pledged assets

Financial assets that may be repledged or resold by counterparties

<i>In millions of Nigerian Naira</i>	Group 2013	Group 2012	Bank 2013 31 December	Bank 2012
Treasury bills	3,319	3,121	3,319	3,121
Bonds	42,202	41,382	42,202	41,382
	45,522	44,503	45,522	44,503

16 Loans and advances to customers at amortised cost

<i>In millions of Nigerian Naira</i>	Group 2013	Group 2012	Bank 2013 31 December	Bank 2012
Gross amount	238,457	191,794	198,947	148,790
Specific impairment	(35,619)	(27,009)	(11,360)	(3,970)
Portfolio impairment	(7,870)	(8,410)	(7,008)	(7,838)
Total impairment	(43,490)	(35,419)	(18,368)	(11,808)
Carrying amount	194,967	156,375	180,579	136,982

Impairment allowance on loans and advances to customers

	Group 9 months to 30 September 2013	Group 12 months to 30 December 2012	Bank 9 months to 30 September 2013	Bank 12 months to 31 December 2012
<i>In millions of Nigerian Naira</i>				

Specific impairment

Balance, beginning of period	27,009	26,277	3,970	3,522
Impairment loss for the year:				
- Charge for the year	8,236	1,412	6,178	2,413
- Recoveries	(3,474)	(1,938)	(2,357)	(2,934)
Net impairment for the period/year	4,762	(526)	3,821	(521)
Allowances reversed on transfer to AMCON	-	(491)	-	(491)
Effect of foreign currency movements	-	(1)	-	-
Provision re-instated during the period	6,570	1,652	3,678	1,652
Interest suspended	-	-	-	-
Write-offs	(2,722)	481	(109)	191
Reclassification	-	(383)	-	(383)
Balance, end of period	35,619	27,009	11,360	3,970

Portfolio impairment

Balance, beginning of the period	8,410	7,203	7,838	7,867
Impairment loss for the period/year:				
Impairment credit/loss for the period:	(834)	1,208	(829)	(29)
- Recoveries	-	-	-	-
Excess interest refund	-	-	-	-
Net impairment for the period/year	-	(1)	-	-
Effect of foreign currency movements	-	(1)	-	-
Reclassification	-	-	-	-
Balance, end of the period	7,870	8,410	7,008	7,838

17 Investment in equity accounted investee

	Group 2013	Group 2012	Bank 2013	Bank 31 December 2012
<i>In millions of Nigerian Naira</i>				
Cost				
Balance, beginning of the period	5,557	75	91	75
Reclassification from investment securities	-	5,402	-	16
Dividend income	-	(242)	-	-
Share of current period result	-	343	-	-
Previously unconsolidated reserves	-	(21)	-	-
Prior year adjustment	-	-	-	-
(Impairments) /increase in value	(75)	-	(75)	-
Balance, end of the period	5,482	5,557	16	91

This represents the Group's equity investment in Associated Discount House (47%), Blue Intercontinental Microfinance All associates are incorporated in Nigeria except Magnate Technology and Services Limited, which is incorporated in Ghana.

17 Investment securities

<i>In millions of Nigerian Naira</i>	Group	Group	Bank	Bank
	9 months to 30 September 2013	12 months to 30 December 2012	9 months to 30 September 2013	12 months to 31 December 2012
<i>Available-for-sale investment securities comprise:</i>				
Treasury bills	8,112	18,273	5,255	10,462
Equity	34,458	17,788	16,302	12,565
Managed funds	388	756	288	756
Bonds	7,183	10,048	3,971	8,308
Less: specific impairment allowance	(4,964)	(10,266)	(4,141)	(8,492)
	45,177	36,599	21,674	23,599
<i>Held to maturity investment securities comprise:</i>				
Treasury bills	133,460	153,546	132,253	137,006
Bonds	168,013	123,609	162,615	119,844
	301,473	277,155	294,868	256,850
Investment securities	346,650	313,754	316,542	280,449

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

<i>In millions of Nigerian Naira</i>	Group	Group	Bank	Bank
	9 months to 30 September 2013	12 months to 31 December 2012	9 months to 30 September 2013	12 months to 31 December 2012
Balance, beginning of the period	10,266	13,156	8,492	10,592
Allowance no longer required	9	(1,087)	9	(297)
Changes in carrying value of investment				
Reclassification		(1,803)		(1,803)
Balance, end of the period	4,964	10,266	8,501	8,492

18 Assets held for sale

<i>In millions of Nigerian Naira</i>	Group	Group	Bank	Bank
	9 months to 30 September 2013	12 months to 31 December 2012	9 months to 30 September 2013	12 months to 31 December 2012
Balance, beginning of period	1,048	1,771	1,048	1,771
Additions	-	-	-	-
Disposal	-	(723)	-	(723)
Recoveries during the period	-	-	-	-
Revaluation gains/(losses)	-	-	-	-
	1,048	1,048	1,048	1,048
Less: specific impairment allowance	(964)	(964)	(964)	(964)
	84	84	84	84

Movement in specific impairment for assets held for sale was as follows:

Balance, beginning of period	964	964	964	964
(Writeback)/allowance made during the per	-	-	-	-
Balance, end of period	964	964	964	964

19 Trading properties

	Group 9 months to 30 September <i>In millions of Nigerian Naira</i>	Group 12 months to 31 December 2012	Bank 9 months to 30 September 2013	Bank 12 months to 31 December 2012
Balance, beginning of period	6,971	-	2,282	-
Additions	-	2,748	-	-
Disposal	(588)	(1,341)	-	-
Reclassification	-	5,564	-	2,282
Balance, end of period	6,383	6,971	2,282	2,282

20 Investment Properties

These investment properties were last revalued during the year ended 31 December 2011 by Messers Jide Taiwo & Co, a firm of estate surveyors and valuers, using the open market basis of valuation, and their report was dated 29 October 2010. As at 31 December 2011, the Directors are of the opinion that there were no material fluctuations in the value of the Bank's investment properties since its last valuation during the year ended September 2013.

	Group 9 months to 30 September <i>In millions of Nigerian Naira</i>	Group 12 months to 31 December 2012	Bank 9 months to 30 September 2013	Bank 12 months to 31 December 2012
Balance, beginning of period	21,137	29,140	-	-
Additions	26	59	-	-
Disposal	(1,922)	(4,123)	-	-
Revaluation gains/(losses)	-	85	-	-
Recoveries during the period	-	-	-	-
Reclassification	(928)	(4,024)	-	-
	18,313	21,137	-	-
Impairment allowance	(1,439)	(1,841)	-	-
Balance, end of the period	16,874	19,296	-	-

21 Investment in subsidiaries

	Group 9 months to 30 September <i>In millions of Nigerian Naira</i>	Group 12 months to 31 December 2012	Bank 9 months to 30 September 2013	Bank 12 months to 31 December 2012
Union Homes Savings and Loans Plc	-	-	1,834	1,834
Union Trustees Limited	-	-	5	5
Union Assurance Company Limited	-	-	1,448	1,448
UBN Property Company Limited	-	-	2,195	2,195
Union Bank UK Plc	-	-	8,372	8,372
Union Registrars Limited	-	-	480	480
Union Capital Markets Limited	-	-	2,620	2,620
Union Pension Fund Custodian	-	-	2,000	2,000
Atlantic Nominees Limited	-	-	325	325
	-	-	19,279	19,279
Impairment on investment in subsidiary	-	-	(1,834)	(1,834)
	-	-	17,445	17,445

23 Intangible assets

<i>In millions of Nigerian Naira</i>	Group	Group	Bank	Bank
	9 months to 30 September 2013	12 months to 31 December 2012	9 months to 30 September 2013	12 months to 31 December 2012
	Software	Software	Software	Software
Cost				
Balance, beginning of period	2,117	2,117	1,318	826
Additions	297	-	270	492
Reclassification	-	-	-	-
Exchange translation difference	14	-	-	-
Balance, end of period	2,428	2,117	1,588	1,318
Amortization and impairment losses				
Balance, beginning of period	1,195	1,195	796	717
Amortisation for the period	184	-	107	79
Reclassification	(85)	-	-	-
Exchange translation difference	6	-	-	-
Balance, end of period	1,300	1,195	903	796
Carrying amounts	1,128	922	685	522
Balance as at 1 January	922	922	522	109

24 Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Group

31 June 2013

<i>In millions of Nigerian Naira</i>	Assets	Liabilities	Net
Property, equipment, and software	7	-	7
Allowances for loan losses	51	-	51
Foreign exchange gains	-	-	-
Tax loss carry forward	95,608	-	95,608
Others	74	299	(225)
Net tax assets (liabilities)	95,740	299	95,441

31 December 2012

<i>In millions of Nigerian Naira</i>	Assets	Liabilities	Net
Property, equipment, and software	-	6,553	(6,553)
Allowances for loan losses	63	135	(72)
Foreign exchange gains	573	609	(36)
Tax loss carry forward	100,744	2	100,742
Others	1,366	98	1,268
Net tax assets (liabilities)	102,746	7,397	95,349

Bank

31 June 2013

In millions of Nigerian Naira

	Assets	Liabilities	Net
Property, equipment, and software	-	-	-
Allowances for loan losses	-	-	-
Foreign exchange gains	-	-	-
Tax loss carry forward	95,683	-	95,683
Others	-	-	-
Net tax assets (liabilities)	95,683	-	95,683

31 December 2012

In millions of Nigerian Naira

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

Deferred tax assets and liabilities**Movement on the net deferred tax assets/(liabilities) account during the year/period:**

	Group		Bank	
	9 months to 30 September 2013	12 months to 31 December 2012	9 months to 30 September 2013	12 months to 31 December 2012
<i>In millions of Nigerian Naira</i>				
Balance, beginning of the period	95,349	95,349	95,875	95,875
Credit for the period	92	-	(192)	-
Credit/(reversal)	-	-	-	-
Charge for the period	-	-	-	-
Arising from revaluation of fixed asset	-	-	-	-
Net deferred tax assets/(liabilities)	95,441	95,349	95,683	95,875
<i>Out of which</i>				
Deferred tax assets	95,740	102,746	95,683	102,914
Deferred tax liabilities	(299)	(7,397)	-	(7,039)

25 Other assets

	Group		Bank	
	9 months to 30 September 2013	12 months to 31 December 2012	9 months to 30 September 2013	12 months to 31 December 2012
<i>In millions of Nigerian Naira</i>				
Accounts receivable and prepayments	10,718	16,391	6,011	11,283
Restricted deposits with central bank (see	82,025	55,117	82,025	55,117
Insurance receivables	52	1,963	-	-
Receivable from AMCON	-	47,696	-	47,696
Others	113,784	107,498	117,727	110,949
Statutory deposit	500	500	-	-
Clearing	48,333	45,341	48,333	45,341

	255,412	274,506	254,096	270,386
Impairment on other assets	(157,714)	(153,209)	(155,300)	(151,093)
	97,697	121,297	98,796	119,293

- (i) This represents up- front payments for the operating leases of own use property which are amortised on a straight line basis over the period of the lease.
- (i) The Bank had restricted balances of N82.025 million with the Central Bank of Nigeria (CBN) as at 30 September 2013. This balance is made up of CBN cash reserve requirement. The cash reserve ratio represents a mandatory cash deposit which should be held with the Central Bank of Nigeria as a regulatory requirement. Restricted deposits with central banks are not available for use in the Group's day-to-day operations

Movement in impairment on other assets:

	Group		Bank	
	9 months to 30 September 2013	12 months to 31 December 2012	9 months to 30 September 2013	12 months to 31 December 2012
<i>In millions of Nigerian Naira</i>				
Balance, beginning of period	153,209	144,205	151,093	142,888
Charge for the period	3,898	3,966	3,714	2,959
Allowance no longer required	-	-	-	-
Allowance written off	-	-	-	-
Reclassification	607	5,038	493	5,246
Balance, end of period	157,714	153,209	155,300	151,093

26 Deposits from banks

	Group		Bank	
	9 months to 30 September 2013	12 months to 31 December 2012	9 months to 30 September 2013	12 months to 31 December 2012
<i>In millions of Nigerian Naira</i>				
Money market deposits	-	3,500	-	3,500
Other deposits from banks	-	41,612	-	-
	-	45,112	-	3,500

27 Deposits from customers

	Group		Bank	
	9 months to 30 September 2013	12 months to 31 December 2012	9 months to 30 September 2013	12 months to 31 December 2012
<i>In millions of Nigerian Naira</i>				
Retail customers:				
Term deposits	185,072	123,094	142,535	96,968
Current deposits	215,633	272,979	195,519	261,660
Savings	135,295	126,370	132,565	123,377
Corporate customers:				
	536,001	522,443	470,619	482,005

28 Liability on investment contracts

	Group		Bank	
	9 months to 30 September 2013	12 months to 31 December 2012	9 months to 30 September 2013	12 months to 31 December 2012
<i>In millions of Nigerian Naira</i>				
Deposit administered funds (secured fund)	1,020	803	-	-
Other managed funds	-	-	-	-
	1,020	803	-	-

29 Liability on insurance contracts

	Group		Bank	
	30 September		30 September	
<i>In millions of Nigerian Naira</i>	2013	31 December 2012	2013	31 December 2012
Life assurance contracts	2,068	1,794	-	-
Non-life insurance contracts	1,234	897	-	-
	3,302	2,691	-	-

30 Tax Payable

	Group		Bank	
	9 months to	12 months to	9 months to	12 months to
	30 September		30 September	
<i>In millions of Nigerian Naira</i>	2013	31 December 2012	2013	31 December 2012
Balance, beginning of period	2,317	2,668	494	1,358
Foreign exchange translation difference	-	(4)	-	-
Prior period under provision	-	-	-	-
Charge for the period	(677)	1,685	(879)	268
Payments during the period	(190)	(2,032)	896	(1,131)
Balance, end of period	1,450	2,317	511	495

31 Other liabilities

	Group		Bank	
	30 September		30 September	
<i>In millions of Nigerian Naira</i>	2013	31 December 2012	2013	31 December 2012
Deposit for foreign currency	46,722	20,157	46,722	20,157
Deposit for dividend	16,506	13,503	-	-
PAYE and other statutory deductions	2,504	2,491	2,323	2,491
Draft and Bills payable	24,321	22,998	23,974	22,998
Sundry creditors	20,098	29,999	16,262	29,999
Accruals	21,518	32,574	22,812	31,073
Accounts payable	1,397	5,422	856	780
Other credit balances	30,422	51,442	24,101	37,982
	167,657	178,586	137,050	145,480

32 Retirement benefit obligations

	Group		Bank	
	30 September		30 September	
<i>In millions of Nigerian Naira</i>	2013	31 December 2012	2013	31 December 2012
Defined contribution scheme (see (a) below)	257	259	257	247
Defined benefit obligation (see (b) below)	38,617	49,627	38,159	49,121
	38,874	49,886	38,416	49,368

(a) The movement in the defined contribution scheme account during the period:

	Group		Bank	
	9 months to	12 months to	9 months to	12 months to
	30 September		30 September	
<i>In millions of Nigerian Naira</i>	2013	31 December 2012	2013	31 December 2012
Balance, beginning of period	259	219	247	218
Charge during the period	382	1,736	386	1,665
Contribution remitted during the period	(384)	(1,696)	(376)	(1,636)
Balance, end of period	257	259	257	247

(b) The movement in the defined benefit obligation account during the period:

<i>In millions of Nigerian Naira</i>	Group		Bank	
	9 months to 30 September 2013	12 months to 31 December 2012	9 months to 30 September 2013	12 months to 31 December 2012
Balance, beginning of period	49,627	59,167	49,121	58,410
Current service costs and interest	39	3,729	8	3,444
Benefit paid by the plan	(11,049)	(13,269)	(10,970)	(12,733)
Balance, end of period	38,617	49,627	38,159	49,121

33 Other borrowed funds

<i>In millions of Nigerian Naira</i>	Group		Bank	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012
Due to Multilateral lending agencies (see	-	-	-	-
Due to CAC (see (b))	15,267	18,167	15,267	18,167
BOI on-lending facility (see note (c) below)	19,450	15,784	19,450	15,784
Other borrowings	1,641	613	-	-
	36,358	34,564	34,717	33,951

34 Capital and reserves

<i>In millions of Nigerian Naira</i>	Group		Bank	
	9 months to 30 September 2013	12 months to 31 December 2012	9 months to 30 September 2013	12 months to 31 December 2012

(a) Authorised :				
19,023,125,000 Ordinary shares of 50 kobo each	9,512	9,512	9,512	9,512
1,500,000,000 units of 7% convertible preference shares of 50 kobo each		-		-

<i>In millions of Nigerian Naira</i>	Group		Bank	
	9 months to 30 September 2013	12 months to 31 December 2012	9 months to 30 September 2013	12 months to 31 December 2012

(b) Issued and fully paid -				
16,935,806,472 Ordinary shares of 50kobo each	8,468	8,468	8,468	8,468
560,000,000 units of 7% non-cumulative redeemable shares of 50 kobo each	8,468	8,468	8,468	8,468

<i>In millions of Nigerian Naira</i>	Group		Bank	
	9 months to 30 September 2013	12 months to 31 December 2012	9 months to 30 September 2013	12 months to 31 December 2012
Balance, beginning of period	8,468	8,468	8,468	8,468
Shares cancelled on reconstruction of shares during the year				
New issues during the period				
Balance, end of period	8,468	8,468	8,468	8,468

(c) Share premium

<i>In millions of Nigerian Naira</i>	Group		Bank	
	9 months to 30 September 2013	12 months to 31 December 2012	9 months to 30 September 2013	12 months to 31 December 2012
Balance, beginning of period	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 period	391,641	391,641	391,641	391,641

(d) Other regulatory reserves

The other regulatory reserves includes movements in the statutory reserves and the small scale industries reserve.

(d) Statutory Reserves:

Nigerian banking regulations require the Bank to make an annual appropriation to a statutory reserve. As stipulated by

i) 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

(e) Fair value reserve

The fair value reserve includes the net cumulative change in the fair value of available-for-sale investments until the

(f) Regulatory risk reserve

The regulatory risk reserve warehouses the difference between the impairment on loans and advances computed under

(g) Other reserves

The other reserves includes movements in the the small scale industries reserve, translation reserve, contingency reserve

(i) 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

(ii) Translation reserve

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

(iii) Contingency reserve

The contingency reserve is maintained to comply with the National Insurance Commission (NAICOM) requirement that

(iv) Capital reserve

Capital reserve warehouses the nominal value of shares cancelled during the capital reconstruction exercise that occurred

The Financial Accommodation provided by AMCON exceed the Bank's Completion NAV of zero, calculated as at 31

(h) Treasury shares

Treasury shares represent the Bank's shares of 3,376,916 units (December 2012: 7,539,655 units) held by Union

(i) Retained earnings

Retained earnings are the carried forward recognised income net of expenses plus current period profit attributable to

(h) Translation reserve

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

22 **Property and equipment**

(a) **Group:**

The movement in these accounts during the period 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
(a) (i) Cost						
Balance, beginning of the period	52,794	922	28,147	7,115	2,049	91,027
Exchange difference	5	-	3	1	-	9
Additions	316	-	647	55	2,546	3,564
Disposals	(170)	-	(84)	(40)	-	(294)
Reclassification to other assets	3,861	(922)	719	(1,153)	(1,852)	653
Write off	-	-	-	-	(592)	(592)
Reversals	-	-	-	(19)	-	(19)
Balance, end of the period	<u>56,806</u>	<u>-</u>	<u>29,432</u>	<u>5,959</u>	<u>2,151</u>	<u>94,348</u>
(a) (ii) Accumulated depreciation						
Balance, beginning of the period	10,997	87	25,692	5,785	-	42,561
Exchange difference	3	-	3	-	-	6
Charge for the period	928	-	1,763	351	-	3,042
Disposals	-	-	(18)	(31)	-	(49)
Transfers	-	-	31	(31)	-	-
Reclassification to other assets	450	(87)	1,132	(557)	-	938
Balance, end of the period	<u>12,378</u>	<u>-</u>	<u>28,603</u>	<u>5,517</u>	<u>-</u>	<u>46,498</u>
(a) (iii) Net Book Value						
End of period	<u>44,428</u>	<u>-</u>	<u>829</u>	<u>442</u>	<u>2,151</u>	<u>47,850</u>
Beginning of the period	<u>41,797</u>	<u>835</u>	<u>2,455</u>	<u>1,330</u>	<u>2,049</u>	<u>48,466</u>

(a) (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.

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

(a) (vi) 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.

Property and equipment

(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
(b) (i) Cost						
Balance, beginning of the period	53,190	-	26,038	5,195	197	84,620
Additions during the period	223	-	576	46	2,546	3,391
Disposals during the period	(123)	-	(10)	-	-	(133)
Transfers	-	-	-	-	-	-
Reclassification to other assets	-	-	-	-	-	-
Reversals	-	-	-	(19)	-	(19)
Write off	-	-	-	-	(592)	(592)
Balance, end of the period	<u>53,290</u>	<u>-</u>	<u>26,604</u>	<u>5,222</u>	<u>2,151</u>	<u>87,267</u>
(b) (ii) Accumulated depreciation						
Balance, beginning of the period	10,219	-	24,678	4,587	-	39,484
Charge for the period	824	-	1,499	281	-	2,604
Disposals	(2)	-	(10)	-	-	(12)
Reclassification to other assets	-	-	-	-	-	-
Balance, end of the period	<u>11,041</u>	<u>-</u>	<u>26,167</u>	<u>4,868</u>	<u>-</u>	<u>42,076</u>
(b) (iii) Net Book Value						
End of period	<u>42,249</u>	<u>-</u>	<u>437</u>	<u>354</u>	<u>2,151</u>	<u>45,191</u>
Beginning of the period	<u>42,971</u>	<u>-</u>	<u>1,360</u>	<u>608</u>	<u>197</u>	<u>45,137</u>

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

(vi) 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.