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**Union Bank of Nigeria Plc**

**HALF YEAR INTERIM REPORT**  
**30 June 2017**

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

For the period ended 30 June 2017

	Notes	Group				Bank			
		6 Months H1.2017	6 Months H1.2016	3 Months Q2 2017	3 Months Q2 2016	6 Months H1.2017	6 Months H1.2016	3 Months Q2 2017	3 Months Q2 2016
		N million							
<b>Gross earnings</b>		<b>73,682</b>	<b>60,069</b>	<b>39,837</b>	<b>32,794</b>	<b>71,002</b>	<b>58,996</b>	<b>37,980</b>	<b>32,396</b>
Interest income	9	58,251	44,344	31,017	22,856	56,077	43,339	29,456	22,318
Interest expense	9	(26,533)	(13,397)	(13,928)	(6,798)	(26,324)	(13,370)	(13,344)	(6,782)
Net interest income (NRFF)		31,718	30,947	17,089	16,058	29,753	29,969	16,112	15,536
Net impairment charge for credit losses	14(a)	(5,377)	(8,780)	(5,057)	(7,640)	(5,307)	(8,733)	(4,991)	(7,602)
Net interest income after impairment charge for credit losses		26,341	22,167	12,032	8,418	24,446	21,236	11,121	7,934
Net fee and commission income	10	4,910	6,262	2,616	3,544	4,638	5,959	2,470	3,368
Net trading income	11	3,347	3,289	2,209	549	3,238	3,191	2,170	715
Cash recoveries		1,684	724	427	555	1,684	724	427	555
Net income from other financial instruments at fair value through profit or loss	12	44	-	44	-	44	-	44	-
Other operating income	13	5,446	5,450	3,524	5,290	5,321	5,783	3,413	5,440
Non interest income (NII)		15,431	15,725	8,820	9,938	14,925	15,657	8,524	10,078
Operating income		41,772	37,892	20,852	18,356	39,371	36,893	19,645	18,012
Net impairment write-back/(loss) on other financial assets	14(a)	102	165	102	165	102	165	102	165
<b>Net operating income after net impairment write-back/(loss) on other financial assets</b>		<b>41,874</b>	<b>38,057</b>	<b>20,954</b>	<b>18,521</b>	<b>39,473</b>	<b>37,058</b>	<b>19,747</b>	<b>18,177</b>
Personnel expenses	15	(15,862)	(14,920)	(8,009)	(7,430)	(14,964)	(14,197)	(7,571)	(7,046)
Depreciation and amortisation		(2,879)	(2,494)	(1,483)	(1,267)	(2,749)	(2,412)	(1,419)	(1,222)
Other operating expenses	16	(13,673)	(11,718)	(6,663)	(5,694)	(13,088)	(11,397)	(6,296)	(5,513)
<b>Total expenses</b>		<b>(32,414)</b>	<b>(29,132)</b>	<b>(16,155)</b>	<b>(14,391)</b>	<b>(30,801)</b>	<b>(28,006)</b>	<b>(15,286)</b>	<b>(13,781)</b>
<b>Profit before income tax</b>		<b>9,460</b>	<b>8,925</b>	<b>4,799</b>	<b>4,130</b>	<b>8,672</b>	<b>9,052</b>	<b>4,461</b>	<b>4,396</b>
Income tax expense	17	(260)	(164)	(118)	(88)	(86)	(90)	(44)	(44)
<b>Profit for the period</b>		<b>9,200</b>	<b>8,761</b>	<b>4,681</b>	<b>4,042</b>	<b>8,586</b>	<b>8,962</b>	<b>4,417</b>	<b>4,352</b>
Foreign currency translation differences for foreign operations		195	6,241	(35)	6,263	-	-	-	-
Fair value gains/(losses) on available-for-sale investments		355	(6,025)	(266)	(416)	405	(6,128)	(293)	(472)
Other comprehensive income for the period		550	216	(301)	5,847	405	(6,128)	(293)	(472)
<b>Total comprehensive income for the period</b>		<b>9,750</b>	<b>8,977</b>	<b>4,380</b>	<b>9,889</b>	<b>8,991</b>	<b>2,834</b>	<b>4,124</b>	<b>3,880</b>

	Notes	Group				Bank			
		6 Months	6 Months	3 Months	3 Months	6 Months	6 Months	3 Months	3 Months
		H1.2017	H1.2016	Q2 2017	Q2 2016	H1.2017	H1.2016	Q2 2017	Q2 2016
		N million							
Profit attributable to:									
Equity holders of the Bank		9,133	8,723	4,654	4,087	8,586	8,962	4,417	4,352
Non-controlling interest		67	38	27	(45)	-	-	-	-
<b>Profit for the period</b>		<b>9,200</b>	<b>8,761</b>	<b>4,681</b>	<b>4,042</b>	<b>8,586</b>	<b>8,962</b>	<b>4,417</b>	<b>4,352</b>
Total comprehensive income attributable to:									
Equity holders of the Bank		9,683	8,939	4,353	9,934	8,991	2,834	4,124	3,880
Non-controlling interest		67	38	27	(45)	-	-	-	-
<b>Total comprehensive income for the period</b>		<b>9,750</b>	<b>8,977</b>	<b>4,380</b>	<b>9,889</b>	<b>8,991</b>	<b>2,834</b>	<b>4,124</b>	<b>3,880</b>
Earnings per share for profit from total operations attributable to equity holders of Bank									
Basic and diluted (Kobo)	18	54	52	27	24	51	53	26	26

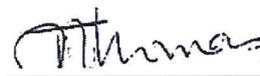
## Consolidated and Separate Statements of Financial Position

	<i>Notes</i>	Group Jun.2017 N million	Group Dec.2016 N million	Bank Jun.2017 N million	Bank Dec.2016 N million
<b>ASSETS</b>					
Cash and cash equivalents	19	183,075	136,194	102,085	35,536
Non-pledged trading assets	20	22,976	8,323	22,976	8,323
Pledged assets	21	49,736	53,430	49,736	53,430
Derivative assets held for risk management	22	96	2,747	96	2,747
Loans and advances to customers	23	477,646	507,190	452,577	489,890
Investments in equity accounted investee	24	-	-	-	-
Investment securities	25	190,694	181,720	176,726	166,759
Trading properties	26	1,348	2,309	513	1,124
Investment properties	27	4,775	4,347	-	-
Investment in subsidiaries	28	-	-	10,567	10,567
Property and equipment	29	53,054	52,800	52,847	52,567
Intangible assets	30	4,600	3,374	4,150	2,859
Deferred tax assets	31	95,910	95,910	95,875	95,875
Cash reserve requirement	32	190,474	154,954	190,474	154,954
Other assets	32	48,104	47,344	47,937	46,884
Defined benefit assets		2,252	1,643	2,252	1,643
		<b>1,324,741</b>	<b>1,252,285</b>	<b>1,208,811</b>	<b>1,123,158</b>
Assets classified as held for sale	39(b)	397	397	325	325
<b>TOTAL ASSETS</b>		<b>1,325,138</b>	<b>1,252,682</b>	<b>1,209,136</b>	<b>1,123,483</b>
<b>LIABILITIES</b>					
Derivative liabilities held for risk management		445	13	445	13
Deposits from banks	33	101,802	90,266	16,540	4,351
Deposits from customers	34	759,266	658,444	749,463	633,827
Current tax liabilities	35	469	465	106	177
Deferred tax liabilities	31	105	101	-	-
Other liabilities	36	111,403	141,404	109,721	141,191
Retirement benefit obligations	37	873	805	844	773
Other borrowed funds	38	68,931	89,514	71,263	91,812
		<b>1,043,294</b>	<b>981,012</b>	<b>948,382</b>	<b>872,144</b>
Liabilities classified as held for sale	39(c)	-	-	-	-
<b>TOTAL LIABILITIES</b>		<b>1,043,294</b>	<b>981,012</b>	<b>948,382</b>	<b>872,144</b>
<b>EQUITY</b>					
Share capital and share premium	40	401,304	400,109	401,304	400,109
Treasury shares		(624)	-	(624)	-
Retained deficit		(238,962)	(244,183)	(243,194)	(247,868)
Other reserves		114,948	110,633	103,268	99,098
<b>EQUITY ATTRIBUTABLE TO EQUITY - HOLDERS OF THE BANK</b>		<b>276,666</b>	<b>266,559</b>	<b>260,754</b>	<b>251,339</b>
Non-controlling interest	41	5,177	5,111	-	-
<b>TOTAL EQUITY</b>		<b>281,843</b>	<b>271,670</b>	<b>260,754</b>	<b>251,339</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>1,325,138</b>	<b>1,252,682</b>	<b>1,209,136</b>	<b>1,123,483</b>

Signed on behalf of the Board of Directors on 25 July, 2017 by:



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



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

**Consolidated and Separate Statements of Changes in Equity**  
*For the period ended 30 June 2017*

**Group**

	Share capital	Share premium	Statutory reserve	Treasury shares	Fair value reserve	Regulatory risk reserve	Share based payment reserve	Other reserves	Retained deficit	Total	Non-controlling interest	Total equity
	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million
Balance at 1 January 2017	8,468	391,641	24,445	-	34,832	38,869	147	12,340	(244,183)	266,559	5,111	271,670
<b>Total comprehensive income for the period</b>												
Profit for the period	-	-	1,288	-	-	-	-	-	7,845	9,133	67	9,200
<b>Other comprehensive income, net of tax</b>												
Foreign currency translation difference	-	-	-	-	-	-	-	195	-	195	-	195
Fair value gains/(loss) on available-for-sale investment	-	-	-	-	355	-	-	-	-	355	-	355
Appropriation:												
Transfer from regulatory reserves	-	-	-	-	-	3,689	-	-	(3,689)	-	-	-
Total comprehensive income for the period	-	-	1,288	-	(710)	3,689	-	195	5,221	9,683	67	9,750
<b>Transactions with owners, recorded directly in equity</b>												
<b>Contributions by and distributions to owners</b>												
Shares redeemed during the period	-	-	-	(624)	-	-	-	-	-	(624)	-	(624)
Equity-settled share-based payment	-	-	-	-	-	-	1,049	-	-	1,049	-	1,049
Transfer from Share Based Payment Reserve	124	1,071	-	-	-	-	(1,195)	-	-	-	-	-
Total contribution and distributions to owners	124	1,071	-	(624)	-	-	(147)	-	-	425	-	425
<b>Balance at 30 June 2017</b>	<b>8,592</b>	<b>392,712</b>	<b>25,733</b>	<b>(624)</b>	<b>34,122</b>	<b>42,558</b>	<b>-</b>	<b>12,535</b>	<b>(238,962)</b>	<b>276,667</b>	<b>5,178</b>	<b>281,845</b>

*December 2016*

	Share capital	Share premium	Statutory reserve	Treasury shares	Fair value reserve	Regulatory risk reserve	Share based payment reserve	Other reserves	Retained deficit	Total	Non-controlling interest	Total equity
	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million
Balance at 1 January 2016	8,468	391,641	22,062	-	33,050	23,876	-	4,389	(244,902)	238,584	5,337	243,921
Prior period adjustment	-	-	-	-	-	-	-	-	2,839	2,839	-	2,839
Balance at 1 January 2016	8,468	391,641	22,062	-	33,050	23,876	-	4,389	(242,063)	241,423	5,337	246,760
<b>Total comprehensive income for the period</b>												
Profit for the period	-	-	-	-	-	-	-	-	15,617	15,617	(226)	15,391
<b>Other comprehensive income, net of tax</b>												
Remeasurement of defined benefit liability	-	-	-	-	-	-	-	305	-	305	-	305
Foreign currency translation difference	-	-	-	-	-	-	-	7,746	-	7,746	-	7,746
Fair value gains/(loss) on available-for-sale investment	-	-	-	-	1,939	-	-	-	-	1,939	-	1,939
Total comprehensive income for the year	-	-	-	-	1,939	-	-	8,051	15,617	25,607	(226)	25,381
<b>Appropriation:</b>												
Transfer from regulatory reserves	-	-	-	-	(157)	14,993	-	(100)	(14,736)	-	-	-
Transfer from other reserves	-	-	2,383	-	-	-	-	-	(2,383)	-	-	-
Total comprehensive income for the period	-	-	2,383	-	(157)	14,993	-	(100)	(17,119)	-	-	-
<b>Transactions with owners, recorded directly in equity</b>												
<b>Contributions by and distributions to owners</b>												
Dividend to non- controlling interest	-	-	-	-	-	-	-	-	(618)	(618)	-	(618)
Equity settled -share-based payment	-	-	-	-	-	-	147	-	-	147	-	147
Total contribution and distributions to owners	-	-	-	-	-	-	147	-	(618)	(471)	-	(471)
<b>Balance at 31 December 2016</b>	<b>8,468</b>	<b>391,641</b>	<b>24,445</b>	<b>-</b>	<b>34,832</b>	<b>38,869</b>	<b>147</b>	<b>12,340</b>	<b>(244,183)</b>	<b>266,559</b>	<b>5,111</b>	<b>271,670</b>

**Consolidated and Separate Statements of Changes in Equity**  
*For the period ended 30 June 2017*

Bank	Share capital	Share premium	Statutory reserve	Treasury shares	Fair value reserves	Regulatory risk reserves	Share based payment reserve	Other reserves	Retained deficit	Total
	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	N million	₦ million	₦ million	₦ million
Balance at 1 January 2017	8,468	391,641	24,445	-	33,579	38,869	147	2,058	(247,868)	251,339
<b>Total comprehensive income for the period</b>										
Profit or loss	-	-	1,288	-	-	-	-	-	7,298	8,586
<b>Other comprehensive income</b>										
Fair value gains/(loss) on available-for-sale investment	-	-	-	-	405	-	-	-	-	405
Transfer between reserves	-	-	-	-	(1,065)	3,689	-	-	(2,624)	-
Total comprehensive income for the period	-	-	1,288	-	(660)	3,689	-	-	4,674	8,991
<b>Transactions with owners, recorded directly in equity</b>										
<b>Contributions by and distributions to owners</b>										
Shares redeemed during the period	-	-	-	(624)	-	-	-	-	-	(624)
Equity-settled share-based payment	-	-	-	-	-	-	1,049	-	-	1,049
Transfer from Share Based Payment Reserve	124	1,071	-	-	-	-	(1,195)	-	-	-
Total contribution and distributions to owners	124	1,071	-	(624)	-	-	(147)	-	-	425
<b>Balance at 30 June 2017</b>	<b>8,592</b>	<b>392,712</b>	<b>25,733</b>	<b>(624)</b>	<b>32,919</b>	<b>42,558</b>	<b>-</b>	<b>2,058</b>	<b>(243,194)</b>	<b>260,754</b>

*December 2016*

	Share capital	Share premium	Statutory reserve	Treasury shares	Fair value reserve	Regulatory risk reserve	Share based payment reserve	Other reserves	Retained earning /accumulated deficit	Total
	N million	N million	N million	N million	N million	N million	N million	N million	N million	N million
Balance at 1 January 2016	8,468	391,641	22,062	-	32,240	23,876	-	1,753	(249,372)	233,507
Prior year adjustment	-	-	-	-	-	-	-	-	2,839	2,839
Balance at 1 January 2016	8,468	391,641	22,062	-	32,240	23,876	-	1,753	(246,533)	233,507
<b>Total comprehensive income for the year</b>										
Profit or loss	-	-	-	-	-	-	-	-	15,885	15,885
<b>Other comprehensive income</b>										
Fair value gains/(loss) on available-for-sale investment	-	-	-	-	1,495	-	-	-	-	1,495
Remeasurement of defined benefit liability	-	-	-	-	-	-	-	305	-	305
Total comprehensive income for the year	-	-	-	-	1,495	-	-	305	15,885	17,685
<b>Appropriation</b>										
Transfer between reserves	-	-	-	-	(156)	14,993	-	-	(14,837)	-
Transfer to statutory reserve	-	-	2,383	-	-	-	-	-	(2,383)	-
	-	-	2,383	-	(156)	14,993	-	-	(17,220)	-
<b>Transactions with owners, recorded directly in equity</b>										
<b>Contributions by and distributions to owners</b>										
Equity-settled share-based payment	-	-	-	-	-	-	147	-	-	147
Total contribution and distributions to owners	-	-	-	-	-	-	147	-	-	147
<b>Balance at 31 December 2016</b>	<b>8,468</b>	<b>391,641</b>	<b>24,445</b>	<b>-</b>	<b>33,579</b>	<b>38,869</b>	<b>147</b>	<b>2,058</b>	<b>(247,868)</b>	<b>251,339</b>

## Consolidated and Separate Statements of Cash Flows

For the period ended 30 June 2017

	Notes	Group Jun.2017 N million	Group Dec.2016 N million	Bank Jun.2017 N million	Bank Dec.2016 N million
<b>Cash flows from operating activities</b>					
Profit for the year		9,133	15,391	8,586	15,885
Income tax expense	16	260	347	86	168
Profit before tax		9,393	15,738	8,672	16,053
<i>Adjustments for:</i>					
Impairment losses on loans and advances		8,253	21,159	8,183	21,063
Recoveries on loans and advances		(1,684)	(1,297)	(1,684)	(1,297)
(Reversal of impairment)/impairment loss on loans and advances		(2,876)	(3,280)	(2,876)	(3,280)
Impairment loss on equity accounted investee		-	24	-	-
Reversal of impairment on other assets		(102)	(717)	(102)	(717)
Write-off of intangible assets	29	-	193	-	-
Write-off of property and equipment	28	-	24	-	26
Gain on sale of property and equipment		(1,277)	(2,562)	(1,276)	(2,562)
Gain on disposal of available for sale - unquoted equity	25	-	(297)	-	(297)
Gain on sale of trading properties		-	(90)	-	-
Gain on sale/liquidation of subsidiaries		-	(368)	-	(802)
Depreciation of property and equipment	28	2,085	3,806	2,113	3,775
Amortisation of intangible assets	29	684	1,100	591	925
Dividend income from equity investment		(833)	(765)	(833)	(765)
Interest paid on borrowings		5,479	8,210	5,477	8,210
Contributions to defined contribution plans		303	722	303	619
Increase in liability for defined benefit plans		47	464	47	461
		19,472	42,064	18,615	41,412
Change in non-pledged trading assets		(14,653)	(8,323)	(14,653)	(8,323)
Change in pledged assets		3,694	31,298	3,694	31,298
Change in loans and advances to customers		25,851	(157,051)	33,690	(157,392)
Change in other assets		(38,714)	(63,343)	(38,981)	(62,686)
Change in derivative financial instruments-assets		2,651	13	2,651	13
Change in derivative financial instruments-liabilities		432	(927)	432	(927)
Change in deposits from banks		11,536	46,175	12,189	(7,449)
Change in deposits from customers		100,822	87,805	115,636	64,711
Change in other liabilities		(29,555)	29,588	(30,409)	31,384
		81,535	7,298	102,864	(67,959)
Income tax paid	35	(256)	(269)	(157)	(220)
Payment from defined contribution plan	37(a)(i)	(304)	(722)	(304)	(619)
Payment from defined benefit plan		-	(1,343)	-	(1,335)
<b>Net cash provided by/(used in) operating activities</b>		<b>80,975</b>	<b>4,965</b>	<b>102,403</b>	<b>(70,133)</b>
<b>Cash flows from investing activities</b>					
Disposal of investment properties	27	-	199	-	-
Acquisition of investment properties		(428)	-	-	-
Proceeds from sale of trading properties		961	958	-	-
Proceeds from sale of property and equipment		3,204	5,271	3,203	5,245
Proceed on disposal of subsidiaries		-	3,006	-	3,006
Proceed/(acquisition) of investment securities		(8,552)	35,653	(9,562)	44,256

**Union Bank of Nigeria Plc and Subsidiary Companies**  
*Consolidated financial statements for the period ended 30 June 2017*

Acquisition of property and equipment	29	<b>(4,323)</b>	(9,126)	<b>(4,302)</b>	(8,962)
Acquisition of intangible assets	30	-	(664)	-	(634)
Dividend income received	13	<b>833</b>	765	<b>833</b>	765
<b>Net cash generated from/(used in) investing activities</b>		<b>(8,306)</b>	36,061	<b>(9,828)</b>	43,676
<b>Cash flows from financing activities</b>					
Inflow from other borrowings		<b>9,383</b>	47,784	<b>9,383</b>	47,784
Repayment of borrowings		<b>(29,966)</b>	(34,329)	<b>(29,932)</b>	(32,031)
Interest paid on borrowings	9	<b>(5,479)</b>	(8,210)	<b>(5,477)</b>	(8,210)
<b>Net cash generated from/(used in) financing activities</b>		<b>(26,062)</b>	5,245	<b>(26,026)</b>	7,543
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>46,608</b>	46,270	<b>66,548</b>	(18,915)
Cash and cash equivalents at beginning of year	19	<b>136,194</b>	82,252	<b>35,536</b>	54,451
Effect of exchange rate fluctuations on cash held		<b>273</b>	7,672	-	-
<b>Cash and cash equivalents at end of year</b>	19	<b>183,075</b>	136,194	<b>102,085</b>	35,536

**9 Net interest income**

	<b>Group 6 Months H1.2017</b>	Group 6 Months H1.2016	Group 3 Months Q2 2017	Group 3 Months Q2 2016	<b>Bank 6 Months H1.2017</b>	Bank 6 Months H1.2016	Bank 3 Months Q2 2017	Bank 3 Months Q2 2016
	N million	N million	N million	N million	N million	N million	N million	N million
<b>Interest income</b>								
Cash and cash equivalents	1,837	1,428	854	945	1,059	1,186	506	712
Loans and advances to customers	42,952	30,451	23,246	16,210	41,817	29,877	22,177	15,983
Investment securities	13,462	12,465	6,917	5,701	13,201	12,276	6,773	5,623
<b>Total interest income</b>	<b>58,251</b>	44,344	31,017	22,856	<b>56,077</b>	43,339	29,456	22,318
<b>Interest expense</b>								
Deposits from customers	21,054	9,791	10,622	4,920	20,847	9,764	10,503	4,904
Other borrowed funds	5,479	3,606	3,306	1,878	5,477	3,606	2,841	1,878
<b>Total interest expense</b>	<b>26,533</b>	13,397	13,928	6,798	<b>26,324</b>	13,370	13,344	6,782
<b>Net interest income</b>	<b>31,718</b>	30,947	16,969	16,058	<b>29,753</b>	29,969	16,112	15,536

**10 Net Fees and commission income**

	<b>Group 6 Months H1.2017</b>	Group 6 Months H1.2016	Group 3 Months Q2 2017	Group 3 Months Q2 2016	<b>Bank 6 Months H1.2017</b>	Bank 6 Months H1.2016	Bank 3 Months Q2 2017	Bank 3 Months Q2 2016
	N million	N million	N million	N million	N million	N million	N million	N million
Credit Related fees and commissions income	3,069	3,260	1,465	1,497	3,069	3,220	1,497	1,435
Account Maintenance Fee	712	597	356	314	712	597	356	314
E-business fee income (See note (a) )	290	1,722	329	1,350	290	1,722	298	1,346
Commission on LCs, Invisible Trades and Guarar	567	420	320	273	567	420	320	273
Other fees and commission	272	263	146	110	-	-	-	-
	<b>4,910</b>	6,262	2,616	3,544	<b>4,638</b>	5,959	2,470	3,368

(a) E-business fee income

	<b>Group 6 Months H1.2017</b>	Group 6 Months H1.2016	Group 3 Months Q2 2017	Group 3 Months Q2 2016	<b>Bank 6 Months H1.2017</b>	Bank 6 Months H1.2016	Bank 3 Months Q2 2017	Bank 3 Months Q2 2016
	N million	N million	N million	N million	N million	N million	N million	N million
ATM on-us	1,006	647	539	459	1,006	647	539	343
POS	49	23	27	30	49	23	27	11
E-card maintenance	321	396	172	205	321	396	172	144
Online transfer	53	27	53	27	53	27	23	23
Card FX gain/(loss)	17	1,392	9	1,392	17	1,392	9	1,227
	<b>1,446</b>	2,485	800	2,113	<b>1,446</b>	2,485	770	1,747

E-business fee charge

	<b>Group 6 Months H1.2017</b>	Group 6 Months H1.2016	Group 3 Months Q2 2017	Group 3 Months Q2 2016	<b>Bank 6 Months H1.2017</b>	Bank 6 Months H1.2016	Bank 3 Months Q2 2017	Bank 3 Months Q2 2016
	N million	N million	N million	N million	N million	N million	N million	N million
ATM on-us	351	261	194	261	351	261	194	144
POS	67	37	35	37	67	37	35	18
E-card maintenance	648	465	243	465	648	465	243	239
Priority pass card	91	-	-	-	91	-	-	-
	<b>1,157</b>	763	471	763	<b>1,157</b>	763	471	401
<b>Net E-business fee</b>	<b>290</b>	1,722	329	1,350	<b>290</b>	1,722	299	1,346

**11 Net trading income/(loss)**

	<b>Group 6 Months H1.2017</b>	Group 6 Months H1.2016	Group 3 Months Q2 2017	Group 3 Months Q2 2016	<b>Bank 6 Months H1.2017</b>	Bank 6 Months H1.2016	Bank 3 Months Q2 2017	Bank 3 Months Q2 2016
	<b>N million</b>	N million	N million	N million	<b>N million</b>	N million	N million	N million
Gain on disposal of fixed income securities	<b>2,128</b>	3,400	1,362	768	<b>2,128</b>	3,400	1,362	768
Mark to market gains on fixed income securities	<b>304</b>	105	151	128	<b>232</b>	105	116	128
Foreign exchange gain on trading	<b>915</b>	(216)	696	(347)	<b>878</b>	(314)	692	(181)
	<b>3,347</b>	3,289	2,209	549	<b>3,238</b>	3,191	2,170	715

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.

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

	<b>Group 6 Months H1.2017</b>	Group 6 Months H1.2016	Group 3 Months Q2 2017	Group 3 Months Q2 2016	<b>Bank 6 Months H1.2017</b>	Bank 6 Months H1.2016	Bank 3 Months Q2 2017	Bank 3 Months Q2 2016
	<b>N million</b>	N million	N million	N million	<b>N million</b>	N million	N million	N million
<i>Derivatives held for risk management purposes:</i>								
Foreign exchange swap contracts	<b>44</b>	-	44	-	<b>44</b>	-	44	-
	<b>44</b>	-	44	-	<b>44</b>	-	44	-

**13 Other operating income**

	<b>Group 6 Months H1.2017</b>	Group 6 Months H1.2016	Group 3 Months Q2 2017	Group 3 Months Q2 2016	<b>Bank 6 Months H1.2017</b>	Bank 6 Months H1.2016	Bank 3 Months Q2 2017	Bank 3 Months Q2 2016
	<b>N million</b>	N million	N million	N million	<b>N million</b>	N million	N million	N million
Dividends	<b>833</b>	382	25	382	<b>833</b>	382	25	382
Gains on disposal of property and equipment	<b>1,277</b>	379	448	395	<b>1,276</b>	379	447	394
(Loss)/gain on disposal of subsidiaries	-	318	-	318	-	752	-	752
Foreign exchange revaluation gain	<b>260</b>	3,911	217	3,978	<b>260</b>	3,911	217	3,773
Rental income	<b>118</b>	71	39	31	<b>85</b>	71	26	31
Sundry income	<b>2,958</b>	389	2,795	186	<b>2,867</b>	288	2,698	108
	<b>5,446</b>	5,450	3,524	5,290	<b>5,321</b>	5,783	3,413	5,440

(a) Sundry income

	<b>Group 6 Months H1.2017</b>	Group 6 Months H1.2016	Group 3 Months Q2 2017	Group 3 Months Q2 2016	<b>Bank 6 Months H1.2017</b>	Bank 6 Months H1.2016	Bank 3 Months Q2 2017	Bank 3 Months Q2 2016
	<b>N million</b>	N million	N million	N million	<b>N million</b>	N million	N million	N million
Cash handling fees	<b>32</b>	30	15	17	<b>32</b>	30	15	17
Fraud recoveries	<b>29</b>	19	15	-	<b>29</b>	19	15	-
Exceptional provision no longer required	<b>2,000</b>	-	2,000	-	<b>2,000</b>	-	2,000	-
Other income	<b>797</b>	341	2,765	169	<b>806</b>	240	667	91
	<b>2,958</b>	389	2,795	186	<b>2,867</b>	288	2,698	108

**14 Net Impairment loss on financial assets**

**(a) Net impairment charge for credit losses**

	<b>Group 6 Months H1.2017 N million</b>	Group 6 Months H1.2016 N million	Group 3 Months Q2 2017 N million	Group 3 Months Q2 2016 N million	<b>Bank 6 Months H1.2017 N million</b>	Bank 6 Months H1.2016 N million	Group 3 Months Q2 2017 N million	Group 3 Months Q2 2016 N million
Net impairment charge for credit losses:								
-specific impairment	<b>6,368</b>	3,980	5,376	3,341	<b>6,298</b>	3,933	5,310	3,303
-portfolio impairment	<b>1,885</b>	6,462	2,061	5,961	<b>1,885</b>	6,462	2,061	5,961
<b>Total impairment charge on loans and advances</b>	<b>8,253</b>	10,442	7,437	9,302	<b>8,183</b>	10,395	7,371	9,264
<b>Reversal of impairment</b>	<b>(2,876)</b>	(1,662)	(2,380)	(1,662)	<b>(2,876)</b>	(1,662)	(2,380)	(1,662)
	<b>5,377</b>	8,780	5,057	7,640	<b>5,307</b>	8,733	4,991	7,602

**(b) Net impairment loss on other financial assets:**

Allowance no longer required on other assets	<b>(102)</b>	(165)	(102)	(165)	<b>(102)</b>	(165)	(102)	(165)
	<b>(102)</b>	(165)	(102)	(165)	<b>(102)</b>	(165)	(102)	(165)
<b>Total net impairment loss on financial assets</b>	<b>5,275</b>	8,615	4,955	7,475	<b>5,205</b>	8,568	4,889	7,437

**15 Personnel expenses**

	<b>Group 6 Months H1.2017 N million</b>	Group 6 Months H1.2016 N million	Group 3 Months Q2 2017 N million	Group 3 Months Q2 2016 N million	<b>Bank 6 Months H1.2017 N million</b>	Bank 6 Months H1.2016 N million	Bank 3 Months Q2 2017 N million	Bank 3 Months Q2 2016 N million
Wages and salaries	<b>15,512</b>	14,556	7,832	7,240	<b>14,614</b>	13,833	7,394	6,856
Contributions to defined contribution plans	<b>303</b>	311	153	157	<b>303</b>	311	153	157
Increase in liability for defined benefit plans	<b>47</b>	53	24	33	<b>47</b>	53	24	33
	<b>15,862</b>	14,920	8,009	7,430	<b>14,964</b>	14,197	7,571	7,046

**16 Other operating expenses**

	<b>Group 6 Months H1.2017 N million</b>	Group 6 Months H1.2016 N million	Group 3 Months Q2 2017 N million	Group 3 Months Q2 2016 N million	<b>Bank 6 Months H1.2017 N million</b>	Bank 6 Months H1.2016 N million	Bank 3 Months Q2 2017 N million	Bank 3 Months Q2 2016 N million
Auditors' remuneration	<b>77</b>	100	38	50	<b>75</b>	100	37	50
NDIC Premium	<b>1,540</b>	1,325	786	635	<b>1,540</b>	1,325	786	635
Rents and Rates	<b>507</b>	501	248	262	<b>504</b>	501	245	262
Accommodation and travels	<b>484</b>	408	286	234	<b>439</b>	386	260	225
Fleet management and vehicle related expenses	<b>327</b>	333	186	119	<b>327</b>	333	186	119
Repair and Maintenance	<b>438</b>	199	8	(77)	<b>323</b>	116	(51)	(123)
Professional fees	<b>634</b>	614	350	310	<b>402</b>	559	163	277
Advertising and Promotion expenses	<b>582</b>	512	278	111	<b>582</b>	512	278	111
Security expense	<b>515</b>	511	258	260	<b>515</b>	511	258	260
Expenses on software	<b>1,827</b>	1,394	915	682	<b>1,827</b>	1,394	915	682
Donations and Subscriptions	<b>120</b>	91	101	46	<b>120</b>	91	101	46
General administrative expenses (see note (a) belc	<b>3,666</b>	3,096	1,731	1,735	<b>3,479</b>	2,935	1,640	1,640
Insurance	<b>150</b>	148	74	75	<b>149</b>	148	74	77
AMCON surcharge	<b>2,806</b>	2,486	1,404	1,252	<b>2,806</b>	2,486	1,404	1,252
	<b>13,673</b>	11,718	6,663	5,694	<b>13,088</b>	11,397	6,296	5,513

(a) **General administrative expenses**

	<b>Group 6 Months H1.2017</b>	Group 6 Months H1.2016	Group 3 Months Q2 2017	Group 3 Months Q2 2016	<b>Bank 6 Months H1.2017</b>	Bank 6 Months H1.2016	Bank 3 Months Q2 2017	Bank 3 Months Q2 2016
	<b>N million</b>	N million	N million	N million	<b>N million</b>	N million	N million	N million
Office cleaning	<b>146</b>	140	71	78	<b>146</b>	140	71	78
Cash movement expense	<b>639</b>	528	325	264	<b>639</b>	528	325	264
Entertainment	<b>107</b>	13	56	8	<b>107</b>	13	56	8
Directors fees and allowances	<b>204</b>	171	88	73	<b>204</b>	171	88	73
Diesel and power	<b>1,078</b>	741	480	435	<b>1,078</b>	741	480	435
Stationery, printing, postage and telephone	<b>257</b>	221	157	130	<b>257</b>	221	157	130
Sports promotion	<b>2</b>	19	6	9	<b>2</b>	19	6	9
Penalties	<b>2</b>	27	2	7	<b>2</b>	27	2	7
Restitution and other charges	<b>430</b>	305	176	233	<b>430</b>	305	176	233
Group restructuring expenses	<b>-</b>	291	-	146	<b>-</b>	291	-	146
Other expenses	<b>800</b>	639	370	353	<b>613</b>	478	279	258
	<b>3,666</b>	3,096	1,731	1,735	<b>3,479</b>	2,935	1,640	1,640

**17 Income tax expense**

**(a) Recognised in the profit or loss**

	<b>Group</b> <b>6 Months</b> <b>H1.2017</b> <b>N million</b>	Group 6 Months H1.2016 N million	Group 3 Months Q2 2017 N million	Group 3 Months Q2 2016 N million	<b>Bank</b> <b>6 Months</b> <b>H1.2017</b> <b>N million</b>	Bank 6 Months H1.2016 N million	Bank 3 Months Q2 2017 N million	Bank 3 Months Q2 2016 N million
<b>Current tax expense</b>								
Company Income Tax	174	43	74	43	-	-	-	-
Capital Gains tax	126	41	43	41	126	41	43	41
NITDA Levy	(40)	80	1	4	(40)	49	1	3
<b>Total income tax expense</b>	<b>260</b>	<b>164</b>	118	88	<b>86</b>	<b>90</b>	44	44

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 period. The Bank is exempted from paying minimum tax under the Act, as it has imported share capital of over 25%. No education tax was charged because the Bank has no assessable profit for the period.

**18 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 period is as follows.

*Weighted average number of ordinary shares*

	Group 6 Months H1.2017	Group 6 Months H1.2016	Group 3 Months Q2 2017	Group 3 Months Q2 2016	<b>Bank</b> <b>6 Months</b> <b>H1.2017</b>	Bank 6 Months H1.2016	Bank 3 Months Q2 2017	Bank 3 Months Q2 2016
Issued ordinary shares at beginning of the period	16,936	16,936	16,936	16,936	16,936	16,936	16,936	16,936
Weighted effect of shares issued during the period	16,998	16,936	16,998	16,936	16,998	16,936	16,998	16,936

**(b) Profit attributable to ordinary shareholders**

*In millions of Nigerian Naira*

	Group 6 Months H1.2017	Group 6 Months H1.2016	Group 3 Months Q2 2017	Group 3 Months Q2 2016	<b>Bank</b> <b>6 Months</b> <b>H1.2017</b>	Bank 6 Months H1.2016	Bank 3 Months Q2 2017	Bank 3 Months Q2 2016
Profit/(Loss) for the period attributable to equity holders	9,133	8,723	4,654	4,087	8,586	8,962	4,417	4,352
Basic earnings/(loss) per share (in kobo)	54	52	27	24	51	53	26	26

**(c) Diluted earnings per share**

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

19 Cash and cash equivalents	Group	Group	Bank	Bank
	Jun.2017	Dec.2016	Jun.2017	Dec.2016
	N million	N million	N million	N million
Cash and balances with banks	49,818	24,139	48,933	21,447
Unrestricted balances with central bank	23,658	6,887	23,658	6,887
Money market placements	109,599	105,168	29,494	7,202
	<b>183,075</b>	136,194	<b>102,085</b>	35,536

20 Non-pledged Assets (Held for trading)	Group	Group	Bank	Bank
	Jun.2017	Dec.2016	Jun.2017	Dec.2016
	N million	N million	N million	N million
Government bonds	17,328	-	17,328	-
Treasury bills	5,648	8,323	5,648	8,323
	<b>22,976</b>	8,323	<b>22,976</b>	8,323

21 Pledged assets	Group	Group	Bank	Bank
	Jun.2017	Dec.2016	Jun.2017	Dec.2016
	N million	N million	N million	N million
Treasury bills	16,062	16,645	16,062	16,645
Bonds	33,598	36,544	33,598	36,544
Placement	76	241	76	241
	<b>49,736</b>	53,430	<b>49,736</b>	53,430

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

22 Derivative financial instruments	Jun.2017		Dec.2016	
	Assets	Liabilities	Assets	Liabilities
Group	N million	N million	N million	N million
Instrument Type:				
FX swaps	96	-	2,747	13
Non-deliverable futures	-	445	-	-
	<b>96</b>	<b>445</b>	2,747	13
<b>Bank</b>				
Instrument Type:				
FX swaps	96	-	2,747	13
Non-deliverable futures	-	445	-	-
	<b>96</b>	<b>445</b>	2,747	13

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.

23 Loans and advances to customers at amortised cost	Group	Group	Bank	Bank
	Jun.2017	Dec.2016	Jun.2017	Dec.2016
(a)	N million	N million	N million	N million
Gross amount	511,027	535,836	485,598	518,349
Specific impairment	(17,681)	(14,904)	(17,564)	(14,887)
Portfolio impairment	(15,700)	(13,742)	(15,457)	(13,572)
Total impairment	<b>(33,381)</b>	(28,646)	<b>(33,021)</b>	(28,459)
Carrying amount	<b>477,646</b>	507,190	<b>452,577</b>	489,890

**24 Investment in equity accounted investee**

	<b>Group</b>	Group	<b>Bank</b>	Bank
	<b>Jun.2017</b>	Dec.2016	<b>Jun.2017</b>	Dec.2016
	<b>₦ million</b>	₦ million	<b>₦ million</b>	₦ million
Cost				
Balance, beginning of the period	-	115	-	91
	-	115	-	91
(Impairments) /increase in value	-	(115)	-	(91)
Balance, end of the period	-	-	-	-

**25 Investment securities**

	<b>Group</b>	Group	<b>Bank</b>	Bank
	<b>Jun.2017</b>	Dec.2016	<b>Jun.2017</b>	Dec.2016
	<b>₦ million</b>	₦ million	<b>₦ million</b>	₦ million
<i>Available-for-sale investment securities comprise:</i>				
Treasury bills	<b>63,986</b>	38,626	<b>57,099</b>	26,407
Equity: Quoted	<b>2,195</b>	2,195	<b>2,195</b>	2,195
Unquoted	<b>30,201</b>	30,143	<b>30,215</b>	30,143
FGN Bonds	<b>39,809</b>	22,763	<b>37,624</b>	20,658
State Bonds	<b>985</b>	995	<b>985</b>	995
Corporate Bonds	<b>1,049</b>	1,058	<b>1,049</b>	1,058
	<b>138,225</b>	95,780	<b>129,167</b>	81,455
Less: specific impairment allowance	<b>(4,988)</b>	(5,002)	<b>(5,002)</b>	(5,002)
	<b>133,237</b>	90,778	<b>124,165</b>	76,453

	<b>Group</b>	Group	<b>Bank</b>	Bank
	<b>Jun.2017</b>	Dec.2016	<b>Jun.2017</b>	Dec.2016
	<b>₦ million</b>	₦ million	<b>₦ million</b>	₦ million

24a **Quoted** Investment in REIT

	<b>2,195</b>	2,195	<b>2,195</b>	2,195
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24b **Unquoted**

AFC	<b>24,625</b>	24,553	<b>24,625</b>	24,553
Nigeria Auto Clearing System (NAC)	<b>42</b>	42	<b>42</b>	42
Interswitch	<b>2</b>	2	<b>2</b>	2
Credit Reference Company (CRC)	<b>50</b>	50	<b>50</b>	50
Afrexim Bank	<b>494</b>	494	<b>494</b>	494
Nig Superswitch Infrastructure	<b>10</b>	10	<b>10</b>	10
Banque de Benin	<b>1152</b>	1,152	<b>1,152</b>	1,152
AIB Cotonu	<b>122</b>	122	<b>122</b>	122
Investment in SMEEs	<b>3,718</b>	3,718	<b>3,718</b>	3,718
	<b>30,215</b>	30,143	<b>30,215</b>	30,143

<b>Total</b>	<b>32,410</b>	32,338	<b>32,410</b>	32,338
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Less: specific impairment allowance	<b>(4,988)</b>	(5,002)	<b>(5,002)</b>	(5,002)
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	<b>27,422</b>	27,336	<b>27,408</b>	27,336
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*Held to maturity investment securities comprise:*

Federal Government of Nigeria -Bonds	<b>27,150</b>	52,270	<b>22,254</b>	51,634
State Government of Nigeria -Bonds	<b>20,549</b>	27,179	<b>20,549</b>	27,179
Corporate Bonds	<b>9,758</b>	11,493	<b>9,758</b>	11,493
	<b>57,457</b>	90,942	<b>52,561</b>	90,306

Investment securities	<b>190,694</b>	181,720	<b>176,726</b>	166,759
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**26 Trading properties**

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

	<b>Group</b> <b>Jun.2017</b> <b>N million</b>	Group Dec.2016 N million	<b>Bank</b> <b>Jun.2017</b> <b>N million</b>	Bank Dec.2016 N million
Balance, beginning of period	2,309	2,309	513	1,124
Disposal	(961)	-	-	-
Balance, end of period	<b>1,348</b>	2,309	<b>513</b>	1,124

**27 Investment Properties**

These investment properties were last revalued during the period ended 31 December 2013 by Messrs. Bode Adediji Partnership, a firm of estate surveyors and valuers, using the open market basis of valuation, and their reports were dated 16 December 2013 for UBN Property Company Limited respectively. As at 30 June 2017, the Directors are of the opinion that there were no material fluctuations in the value of the Bank's investment properties since the last valuation.

	<b>Group</b> <b>Jun.2017</b> <b>N million</b>	Group Dec.2016 N million	Bank Jun.2017 N million	Bank Dec.2016 N million
Balance, beginning of the period	4,347	4,546	-	-
Disposal	-	(199)	-	-
Purchase of investment property	428	-	-	-
Balance, end of the period	<b>4,775</b>	4,347	-	-

**28 Investment in subsidiaries**

**Cost**

	<b>Bank</b> <b>Jun.2017</b> <b>N million</b>	Bank Dec.2016 N million
UBN Property Company Limited	2,195	2,195
Union Bank UK Plc	8,372	8,372
	<b>10,567</b>	<b>10,567</b>

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

Company Name	Country Incorporation	Nature of business	Direct ownership interest	
			Jun.2017 Status/%	Dec.2016 Status/%
UBN Property Company Limited (ii)	Nigeria	Property Development	39	39
Union Bank UK Plc (iii)	Nigeria	Licensed UK Bank	100	100

(i) **UBN Property Company Limited (Registered office at 36, Marina, Lagos)**

The Company has 5,626,416,051 ordinary shares of N1.00 each of which 39.01% (December 2014 - 39.01%) is held by the Bank. In line with IFRS 10- Consolidated Financial Statement, Union Bank of Nigeria Plc has control over this entity as it has the power, exposure to variability of returns and a strong link between power and variability of returns. The Bank also governs the financial and operating policies of UBN Property Company Limited.

(ii) **Union Bank UK Plc (Registered office at 1 King's Arms Yard, London, EC2R 7AF)**

The Bank directly holds 100% holding of Union Bank UK's 60,000,000 ordinary shares and 99% of its 50,000 deferred shares of GBP1 each and 1% indirect holding through Williams Street Trustees Limited, the nominee company for Union Bank of Nigeria Plc. Union Bank UK Plc was incorporated in December, 2004 as an authorised United Kingdom subsidiary to carry out the business formerly conducted by the London Branch of Union Bank of Nigeria Plc.

(c) Condensed results of consolidated entities

(i) The condensed financial data of the continuing operations as at 30 June 2017, 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>Atlantic Nominees</i>	<i>Union Bank UK</i>
	N million	N million	N million	N million	N million	N million	N million
<b>Operating income</b>	47,149	(29)	47,178	44,676	253	-	2,249
<b>Net operating income after net impairment loss</b>	41,874	(29)	41,903	39,472	253	-	2,177
Operating Expenses	(32,414)	29	(32,443)	(30,802)	(81)	-	(1,560)
Net impairment loss on financial assets	(5,377)	(102)	(5,275)	(5,204)	-	-	(71)
Share of profit of equity accounted investees	-	-	-	-	-	-	-
<b>Profit before income tax</b>	<b>9,358</b>	<b>(101)</b>	<b>9,459</b>	<b>8,670</b>	<b>172</b>	<b>-</b>	<b>617</b>
Taxation	(260)	-	(260)	(85)	(55)	-	(120)
<b>Profit after income tax</b>	<b>9,098</b>	<b>(101)</b>	<b>9,199</b>	<b>8,585</b>	<b>117</b>	<b>-</b>	<b>497</b>

*Condensed Statement of financial position*

	<i>Group balances</i>	<i>Consolidation entries</i>	<i>Total</i>	<i>Bank</i>	<i>Union Properties</i>	<i>Atlantic Nominees</i>	<i>Union Bank UK</i>
	N million	N million	N million	N million	N million	N million	N million
Cash and cash equivalents	183,075	(16,142)	199,217	102,085	1,039	-	96,093
Non-pledged trading assets	22,976	-	22,976	22,976	-	-	-
Pledged assets	49,736	-	49,736	49,736	-	-	-
Derivative financial instrument	96	-	96	96	-	-	-
Loans and advances to customers	477,646	(2,331)	479,977	452,577	-	-	27,400
Investments in equity-accounted investee	-	-	-	-	-	-	-
Investment securities	190,694	-	190,694	176,726	2,982	-	10,984
Assets held for sale	397	(325)	722	325	-	397	-
Trading properties	1,348	-	1,348	513	835	-	-
Investment properties	4,775	-	4,775	-	4,775	-	-
Investment in subsidiaries	-	(10,567)	10,567	10,567	-	-	-
Property and equipment	53,054	-	53,054	52,847	36	-	172
Intangible assets	4,600	-	4,600	4,150	-	-	450
Deferred tax assets	95,910	139	95,771	95,875	(104)	-	-
Other assets	238,578	(625)	239,203	238,411	135	-	657
Defined benefit assets	2,252	-	2,252	2,252	-	-	-
<b>Total assets</b>	<b>1,325,138</b>	<b>(29,850)</b>	<b>1,354,988</b>	<b>1,209,136</b>	<b>9,698</b>	<b>397</b>	<b>135,756</b>
Financed by:							
Derivative financial instruments	445	-	445	445	-	-	-
Deposits from banks	101,802	-	101,802	16,540	-	-	85,262
Deposits from customers	759,266	(16,142)	775,408	749,463	-	-	25,945
Deferred tax liabilities	105	105	-	-	-	-	-
Current tax liabilities	469	-	469	106	216	-	147
Other liabilities	111,403	(992)	112,395	109,721	1,990	-	684
Retirement benefit obligations	873	-	873	844	29	-	-
Other borrowed funds	68,931	(2,332)	71,263	71,263	-	-	-
Equity and reserves	281,843	(10,489)	292,333	260,754	7,463	397	23,718
<b>Total liabilities</b>	<b>1,325,138</b>	<b>(29,850)</b>	<b>1,354,988</b>	<b>1,209,136</b>	<b>9,698</b>	<b>397</b>	<b>135,756</b>

(c) Condensed results of consolidated entities

(i) The condensed financial data of the continuing operations as at 31 December 2016, are as follows

<b>Statement of Comprehensive income</b>	<i>Group balances</i>	<i>Consolidation entries</i>	<i>Total</i>	<i>Bank</i>	<i>Union Properties</i>	<i>Atlantic Nominees</i>	<i>Union Bank UK</i>
	N million	N million	N million	N million	N million	N million	N million
<b>Operating income</b>	93,627	(1,759)	95,386	91,882	508	-	2,995
<b>Net operating income after net impairment loss</b>	77,738	(487)	78,225	74,819	508	-	2,897
Operating Expenses	(62,000)	51	(62,051)	(58,765)	(761)	-	(2,525)
Net impairment loss on financial assets	(15,889)	1,272	(17,161)	(17,064)	-	-	(98)
<b>Profit before income tax</b>	<b>15,738</b>	<b>(436)</b>	<b>16,174</b>	<b>16,054</b>	<b>(253)</b>	<b>-</b>	<b>372</b>
Taxation	(347)	-	(347)	(168)	(116)	-	(62)
<b>Profit after income tax</b>	<b>15,391</b>	<b>(436)</b>	<b>15,827</b>	<b>15,886</b>	<b>(369)</b>	<b>-</b>	<b>310</b>

(i) During the year 31 December 2016, the Group realised its receivable in respect of Union Pension Ltd which was previously derecognised as a subsidiary due to the liquidation of the entity and loss of control by the Group.

**Condensed Statement of financial position**

	<i>Group balances</i>	<i>Consolidation entries</i>	<i>Total</i>	<i>Bank</i>	<i>Union Properties</i>	<i>Atlantic Nominees</i>	<i>Union Bank UK</i>
	N million	N million	N million	N million	N million	N million	N million
Cash and cash equivalents	136,194	(1,476)	137,670	35,536	1,476	-	100,658
Non-pledged trading assets	8,323	-	8,323	8,323	-	-	-
Pledged assets	53,430	-	53,430	53,430	-	-	-
Derivative financial instrument	2,747	-	2,747	2,747	-	-	-
Loans and advances to customers	507,190	(5,245)	512,435	489,890	-	-	22,545
Investments in equity-accounted investee	-	-	-	-	-	-	-
Investment securities	181,720	3	181,717	166,759	2,876	-	12,082
Assets held for sale	397	(325)	722	325	-	397	-
Trading properties	2,309	-	2,309	1,124	1,185	-	-
Investment properties	4,347	-	4,347	-	4,347	-	-
Investment in subsidiaries	-	(10,567)	10,567	10,567	-	-	-
Property and equipment	52,800	-	52,800	52,567	20	-	212
Intangible assets	3,374	-	3,374	2,859	-	-	515
Deferred tax assets	95,910	-	95,910	95,875	-	-	35
Other assets	202,298	(184)	202,481	201,838	86	-	557
Defined benefit asset	1,643	-	1,643	1,643	-	-	-
<b>Total assets</b>	<b>1,252,682</b>	<b>(17,794)</b>	<b>1,270,475</b>	<b>1,123,483</b>	<b>9,990</b>	<b>397</b>	<b>136,605</b>
Financed by:							
Derivative financial instruments	13	0	13	13	-	-	-
Deposits from banks	90,266	-	90,266	4,351	-	-	85,915
Deposits from customers	658,444	(1,477)	659,921	633,827	-	-	26,094
Deferred tax liabilities	101	-	101	-	101	-	-
Current tax liabilities	465	-	465	177	288	-	-
Other liabilities	141,404	(3,533)	144,937	141,191	2,225	-	1,521
Retirement benefit obligations	805	-	805	773	32	-	-
Other borrowed funds	89,514	(2,298)	91,812	91,812	-	-	-
Equity and reserves	271,670	(10,486)	282,156	251,339	7,346	397	23,074
<b>Total liabilities</b>	<b>1,252,682</b>	<b>(17,794)</b>	<b>1,270,475</b>	<b>1,123,483</b>	<b>9,990</b>	<b>397</b>	<b>136,604</b>

29 **Property and equipment**

(a) **Group:**

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

	Land	Buildings	Leasehold improvement	Fixtures and fittings	Furniture & equipment	Motor vehicles	Capital work in progress	Total
	N million	N million	N million	N million	N million	N million	N million	N million
<b>Cost</b>								
Balance at 1st January, 2016	14,079	23,294	11,962	3,201	17,577	3,342	1,589	75,045
Exchange difference	-	-	19	-	1	-	-	20
Additions	46	-	1,433	260	2,487	205	(108)	4,323
Disposals	(1,066)	(975)	(71)	(15)	(36)	(3)	-	(2,166)
Reclassification to other assets	31	2	(13)	14	(1)	-	-	33
Balance as at 30 June 2017	13,090	22,321	13,330	3,459	20,028	3,544	1,481	77,254
Balance at 1st January, 2016	14,267	26,193	8,187	3,052	15,665	3,230	2,181	72,776
Exchange difference	-	-	111	-	113	10	-	235
Additions	12	24	3,966	193	2,614	244	2,074	9,126
Disposals	-	(2,923)	(524)	(27)	(826)	(141)	-	(4,441)
Write off	-	-	-	-	-	-	(24)	(24)
Reclassification to other assets	(200)	-	223	(18)	11	0	(2,642)	(2,627)
Balance as at 31 December 2016	14,079	23,294	11,962	3,201	17,577	3,342	1,589	75,044

**Depreciation and impairment losses**

Balance at 1st January 2017	-	5,826	1,688	1,435	10,239	3,057	-	22,245
Prior period revaluation	-	-	-	-	-	-	-	-
Exchange difference	-	5,826	1,688	1,435	10,239	3,057	-	22,245
Charge for the period	-	212	114	151	1,545	62	-	2,085
Disposals	-	(174)	(15)	(13)	(35)	(3)	-	(240)
Write-off/Adj	-	-	-	-	-	-	-	-
Reclassifications	-	-	(3)	12	(24)	-	-	(15)
Derecognition of subsidiaries operations	-	-	-	-	-	-	-	-
Balance as at 30 June 2017	-	5,864	1,783	1,586	11,852	3,116	-	24,200
Balance at 1st January, 2016	200	5,798	1,374	1,167	8,379	3,087	159	20,164
Charge for the year	-	478	181	282	2,765	100	-	3,806
Disposals	-	(422)	(367)	(14)	(788)	(141)	-	(1,732)
Write-off/Adj	-	-	-	-	-	-	-	-
Exchange difference	-	-	111	-	69	11	-	191
Reclassifications	(200)	(28)	389	0	(186)	1	(159)	(183)
Balance as at 31 December 2016	-	5,826	1,688	1,435	10,239	3,057	-	22,245

(iii) **Net Book Value**

<b>Balance as at 30 June 2017</b>	<b>13,090</b>	<b>16,457</b>	<b>11,548</b>	<b>1,873</b>	<b>8,176</b>	<b>429</b>	<b>1,481</b>	<b>53,054</b>
Balance as at 31 December 2016	14,079	17,468	10,274	1,766	7,338	286	1,589	52,800

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

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

(v) Capital work in progress represents construction costs in respect of new offices. On completion of construction, the related amounts are transferred to appropriate categories of property and equipment.

(vi) There were no capitalised borrowing costs related to the acquisition of property and equipment during the period (December 2016: nil)

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

	<b>Land</b>	<b>Buildings</b>	<b>Leasehold improvement</b>	<b>Fixtures and fittings</b>	<b>Furniture &amp; equipment</b>	<b>Motor vehicles</b>	<b>Capital work in progress</b>	<b>Total</b>
	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million
<b>(i) Cost</b>								
Balance at 1st January 2017	14,079	23,294	11,877	3,200	17,349	3,268	1,587	74,655
Additions	46	-	1,433	260	2,466	205	(108)	4,302
Disposals	(1,066)	(975)	(71)	(15)	(30)	(3)	-	(2,160)
Reclassifications	4	2	(13)	14	(3)	-	-	4
Balance as at 30 June 2017	<b>13,063</b>	<b>22,321</b>	<b>13,226</b>	<b>3,459</b>	<b>19,782</b>	<b>3,470</b>	<b>1,479</b>	<b>76,800</b>
Balance at 1st January 2016	14,267	26,193	7,977	3,052	15,426	3,186	2,181	72,282
Additions	12	24	3,881	193	2,553	224	2,074	8,962
Disposals	-	(2,923)	(204)	(27)	(641)	(141)	-	(3,936)
Reclassifications to other assets	(200)	-	223	(18)	11	-	(2,642)	(2,627)
Write off	-	-	-	-	-	-	(26)	(26)
Balance as at 31 December 2016	14,079	23,294	11,877	3,200	17,349	3,268	1,587	74,655

	<b>Land</b>	<b>Buildings</b>	<b>Leasehold improvement</b>	<b>Fixtures and fittings</b>	<b>Furniture &amp; equipment</b>	<b>Motor vehicles</b>	<b>Capital work in progress</b>	<b>Total</b>
	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million
<b>(ii) Accumulated depreciation</b>								
Balance at 1st January 2017	-	5,854	1,657	1,435	10,141	3,001	-	22,087
Prior period revaluation	-	-	-	-	-	-	-	-
Charge for the period	-	212	121	151	1,569	59	-	2,113
Disposals	-	(174)	(15)	(13)	(29)	(3)	-	(233)
Reclassifications	-	-	(3)	12	(24)	-	-	(14)
Write-off/Adj	-	-	-	-	-	-	-	-
Balance as at 30 June 2017	-	<b>5,892</b>	<b>1,760</b>	<b>1,586</b>	<b>11,657</b>	<b>3,058</b>	-	<b>23,953</b>
Restated balance at 1st January 2016	200	5,798	1,515	1,167	8,022	3,049	-	19,751
Charge for the year	-	478	178	282	2,745	92	-	3,775
Disposals	-	(422)	(47)	(14)	(629)	(141)	-	(1,253)
Reclassifications	(200)	-	11	-	3	1	-	(186)
Write-off/Adj	-	-	-	-	-	-	-	-
Balance as at 31 December 2016	-	<b>5,854</b>	<b>1,657</b>	<b>1,435</b>	<b>10,141</b>	<b>3,001</b>	-	<b>22,087</b>

<b>(iii) Net Book Value</b>								
<b>Balance as at 30 June 2017</b>	<b>13,063</b>	<b>16,429</b>	<b>11,466</b>	<b>1,873</b>	<b>8,125</b>	<b>413</b>	<b>1,479</b>	<b>52,847</b>
Balance as at 31 December 2016	14,079	17,440	10,220	1,765	7,208	268	1,587	52,567

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

(v) Capital work in progress represents construction costs in respect of new offices. On completion of construction, the related amounts are transferred to appropriate categories of property and equipment.

(vi) There were no capitalised borrowing costs related to the acquisition of property and equipment during the period (December 2016: nil)

**30 Intangible assets**

	<b>Group Jun.2017 N million</b>	Group Dec.2016 N million	<b>Bank Jun.2017 N million</b>	Bank Dec.2016 N million
<b>Cost</b>				
Balance, beginning of the period	6,693	6,395	5,774	5,314
Additions		664		634
Reclassification	1,882	(150)	1,882	(174)
Disposal	-	(754)	-	-
Exchange translation difference	107	537	-	-
Balance, end of period	8,682	6,693	7,656	5,774
<b>Amortization and impairment losses</b>				
Balance, beginning of period	3,319	2,646	2,915	1,996
	-	-	-	-
Balance, beginning of the period	3,319	2,646	2,915	1,996
Amortisation for the period	684	1,100	591	925
Reclassification	(1)	(427)	-	(6)
Exchange translation difference	80	-	-	-
Balance, end of period	4,082	3,319	3,506	2,915
<b>Carrying amounts as at period end</b>				
Balance as at 1 January	3,374	3,749	2,859	3,318

(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 period (December 2016 : nil)

**31 Deferred tax assets and liabilities**

**Recognised deferred tax assets and liabilities**

Deferred tax assets and liabilities are attributable to the following:

**Group**

30 June 2017

	<b>Assets</b>	<b>Liabilities</b>	<b>Net</b>
	N million	N million	N million
Property, equipment, and software	-	6,746	(6,746)
Allowances for loan losses	-	192	(192)
Foreign exchange gains	573	-	573
Tax loss carry forward	100,630	-	100,630
Others	1,645	-	1,645
Net tax assets (liabilities)	102,848	6,938	95,910

**Deferred tax liabilities**

	<b>Liabilities</b>	<b>Net</b>
	N million	N million
Property, equipment, and software	105	105
Net tax assets (liabilities)	105	105
Net deferred tax		95,805

**31 December 2016**

	<b>Assets</b>	<b>Liabilities</b>	<b>Net</b>
	N million	N million	N million
Property, equipment, and software	-	6,746	(6,746)
Allowances for loan losses	-	192	(192)
Foreign exchange gains	573	-	573
Tax loss carry forward	100,630	-	100,630
Others	1,645	-	1,645
Net tax assets (liabilities)	102,848	6,938	95,910

**Deferred tax liabilities**

	<b>Liabilities</b>	<b>Net</b>
	N million	N million
Property, equipment, and software	101	(101)
Net tax assets (liabilities)	101	(101)
Net deferred tax		95,809

**Bank**  
30 June 2017

	<b>Assets</b>	<b>Liabilities</b>	<b>Net</b>
	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
<b>Net tax assets (liabilities)</b>	<b>102,914</b>	<b>7,039</b>	<b>95,875</b>

31 December 2016

	<b>Assets</b>	<b>Liabilities</b>	<b>Net</b>
	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
<b>Net tax assets (liabilities)</b>	<b>102,914</b>	<b>7,039</b>	<b>95,875</b>

**Deferred tax assets and liabilities**

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

	<b>Group</b>	Group	<b>Bank</b>	Bank
	<b>Jun.2017</b>	Dec.2016	<b>Jun.2017</b>	Dec.2016
	N million	N million	N million	N million
Balance, beginning of the period	<b>95,809</b>	95,883	<b>95,875</b>	95,875
Credit for the period	<b>(4)</b>	(101)	-	-
Net assets/(liabilities) of discontinued operations	-	27	-	-
<b>Net deferred tax assets/(liabilities)</b>	<b>95,805</b>	95,809	<b>95,875</b>	95,875
<i>Made up of</i>				
Deferred tax assets	<b>102,848</b>	102,848	<b>102,914</b>	102,914
Deferred tax liabilities	<b>(7,043)</b>	(6,938)	<b>(7,039)</b>	(7,039)

**Recognised and unrecognised deferred tax assets**

Recognition of deferred tax assets of N95,805 (December 2016: 95,809) is based on management's profit forecasts (which are based on the available evidence, including historical levels of profitability), which indicate that it is probable that the Group's entities will have taxable profits against which these assets can be utilized.

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

**32 Other assets**

	<b>Group Jun.2017</b>	Group Dec.2016	<b>Bank Jun.2017</b>	Bank Dec.2016
	<b>N million</b>	N million	<b>N million</b>	N million
Cash Reserve Requirement (see (i))	164,951	129,431	164,951	129,431
Excess CRR balance to be refunded (see (ii))	25,523	25,523	25,523	25,523
<b>Total Cash Reserve Requirement</b>	<b>190,474</b>	154,954	<b>190,474</b>	154,954
<b>Other assets:</b>				
Clearing	2,373	744	2,373	744
Accounts receivable	356	1,558	391	1,108
Prepayments	9,670	4,863	9,478	4,863
Receivable on FX forward (see (iv))	26,253	34,061	26,253	34,061
Sundry assets	15,316	12,050	15,306	12,040
	<b>53,968</b>	53,276	<b>53,801</b>	52,816
Impairment on other assets(see (iii))	<b>(5,864)</b>	(5,932)	<b>(5,864)</b>	(5,932)
<b>Net other assets</b>	<b>48,104</b>	47,344	<b>47,937</b>	46,884
	<b>238,578</b>	202,298	<b>238,411</b>	201,838

- (i) The Bank had restricted balances of N164.951 billion (Dec. 2016: N129.431 billion) with the Central Bank of Nigeria (CBN) as at 30 June 2017, representing the cash reserve requirement (CRR). The CRR is a mandatory cash deposit which should be held with the Central Bank of Nigeria as a regulatory requirement. The CRR is non interest bearing and is not available for use in the Group's day-to-day operations. As at the end of June 2017, the CRRs in force were Public Sector Deposits 22.5% (Dec 2016: 22.5%) and Private Sector Deposits 22.5% (Dec 2016: 22.5%).
- (ii) The MPC meeting held on May 22 - 23, 2017 maintained the harmonised CRR at 22.5% for both Public and Private Sector Deposits. The excess CRR funds are only released to banks to fund approved eligible real sector projects. The amount refundable to the Bank is N25.523 billion (Dec. 2016: N25.523 billion) as at 30 June 2017.

**33 Deposits from banks**

	<b>Group Jun.2017</b>	Group Dec.2016	<b>Bank Jun.2017</b>	Bank Dec.2016
	<b>N million</b>	N million	<b>N million</b>	N million
Money market deposits (See note (i) below)	16,540	4,351	16,540	4,351
Other deposits from banks	85,262	85,915	-	-
	<b>101,802</b>	90,266	<b>16,540</b>	4,351
<b>(i) Money market deposits</b>				
LCY inter bank takings	-	-	-	-
FCY inter bank takings	16,540	4,351	16,540	4,351
	<b>16,540</b>	4,351	<b>16,540</b>	4,351

**34 Deposits from customers**

	<b>Group Jun.2017</b>	Group Dec.2016	<b>Bank Jun.2017</b>	Bank Dec.2016
	<b>N million</b>	N million	<b>N million</b>	N million
Term deposits	230,622	229,596	226,040	224,581
Current deposits	352,000	259,251	346,779	239,649
Savings	176,644	169,597	176,644	169,597
	<b>759,266</b>	658,444	<b>749,463</b>	633,827

**35 Current tax liabilities**

	<b>Group Jun.2017</b>	Group Dec.2016	<b>Bank Jun.2017</b>	Bank Dec.2016
	<b>N million</b>	N million	<b>N million</b>	N million
Balance, beginning of period	465	382	177	229
Foreign exchange translation difference	-	(3)	-	-
Reclassification	-	108	-	-
Charge for the period	260	247	86	168
Payments during the period	(256)	(269)	(157)	(220)
<b>Balance, end of period</b>	<b>469</b>	465	<b>106</b>	177

**36 Other liabilities**

	<b>Group Jun.2017</b>	Group Dec.2016	<b>Bank Jun.2017</b>	Bank Dec.2016
	<b>N million</b>	N million	<b>N million</b>	N million
Deposits for foreign currency	57,871	48,206	57,871	48,206
Due to foreign correspondent banks	3,977	25,152	3,977	28,100
PAYE and other statutory deductions	2,072	1,569	2,072	1,569
Draft and Bills payable	8,768	8,511	8,768	8,511
Sundry creditors	408	429	408	429
Creditors and accruals	18,419	22,773	18,250	22,773
Unearned income	487	399	487	399
Provision for claims and contingencies	3,111	3,104	3,111	3,104
Accounts payable	2,380	8,800	2,109	5,635
Provisions for Ex-staff claims (AMCON provision)	4,272	4,272	4,272	4,272
Insurance premium payable	1,051	130	1,051	130
Electronic collections and other e-payment liabilities	4,701	5,031	4,701	5,031
Other credit balances	3,886	13,028	2,644	13,032
	<b>111,403</b>	141,404	<b>109,721</b>	141,191

**37 Employee benefit obligations**

	<b>Group Jun.2017</b>	Group Dec.2016	<b>Bank Jun.2017</b>	Bank Dec.2016
	<b>₦ million</b>	₦ million	<b>₦ million</b>	₦ million
Post employment benefit obligation (see (a) below)	<b>180</b>	181	<b>151</b>	152
Other long-term employee benefits (see (b) below)	<b>693</b>	624	<b>693</b>	621
	<b>873</b>	805	<b>844</b>	773

**(a) Post employment benefit obligation**

	<b>Group Jun.2017</b>	Group Dec.2016	<b>Bank Jun.2017</b>	Bank Dec.2016
	<b>₦ million</b>	₦ million	<b>₦ million</b>	₦ million
Defined contribution scheme (see (i) below)	<b>151</b>	152	<b>151</b>	152
Defined benefit obligation (See (ii) below)	<b>29</b>	29	-	-
	<b>180</b>	181	<b>151</b>	152

Defined benefit asset (See (ii) below)	2,252	1,643	2,252	1,643
Net defined benefit obligation	2,223	1,614	2,252	1,643

**(i) Defined Contribution Scheme**

	<b>Group Jun.2017</b>	Group Dec.2016	<b>Bank Jun.2017</b>	Bank Dec.2016
	<b>₦ million</b>	₦ million	<b>₦ million</b>	₦ million
Balance, beginning of period	<b>152</b>	152	<b>152</b>	152
Charge during the period	<b>303</b>	722	<b>303</b>	619
Contribution remitted during the period	<b>(304)</b>	(722)	<b>(304)</b>	(619)
Balance, end of period	<b>151</b>	152	<b>151</b>	152

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

**(ii) Defined benefit obligation**

The Group also has a Legacy defined benefits pension scheme for its staff, which was set up prior to passage of the Pension Reform Act. Under the scheme, terminal benefits were determined with reference to the employees' salaries upon disengagement. The Group has transferred part of the benefits to the Retirement Savings Accounts (RSA) of the affected employees and the obligations are funded by plan assets. The outstanding balance represents the total obligations that are yet to be transferred to the Retirement Savings Accounts (RSA) of the affected employees.

**(b) Other long-term employee benefits**

Other long-term employee benefit represents liability in respect of long service

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

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

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

**(i) The amounts recognised in the statement of financial position are as follows:**

	<b>Group Jun.2017</b>	Group Dec.2016	Bank Jun.2017	Bank Dec.2016
	<b>₦ million</b>	₦ million	₦ million	₦ million
Present value of unfunded obligation	<b>693</b>	624	693	621
Present value of funded obligation	-	-	-	-
Total present value of the obligation	<b>693</b>	624	693	621
Fair value of plan assets	-	-	-	-
Present value of net obligation	<b>693</b>	624	693	621
Recognized liability for defined benefit obligations	<b>693</b>	624	693	621

**38 Other borrowed funds**

	<b>Group</b> <b>Jun.2017</b> <b>₦ million</b>	Group Dec.2016 ₦ million	<b>Bank</b> <b>Jun.2017</b> <b>₦ million</b>	Bank Dec.2016 ₦ million
Due to CAC ( see (a))	<b>8,637</b>	9,240	<b>8,637</b>	9,240
BOI on-lending facilities (see note (b) below)	<b>5,727</b>	6,286	<b>5,727</b>	6,286
Other borrowings ( see (c))	<b>54,567</b>	73,988	<b>56,899</b>	76,286
	<b>68,931</b>	89,514	<b>71,263</b>	91,812

- (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
- (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 N9.5 billion (Dec. 2015: N18.4 billion) and has a 15-period tenor and repayable quarterly.

A management fee of 1% , deductible at source, is paid by the Bank to BOI under the on-lending agreement and the Bank is under obligation to on-lend to customers at an all-in interest rate of 7% per annum. Though the facility is meant for on-lending to borrowers in specified sectors, the Bank remains the primary obligor to the BOI and therefore assumes the risk of default of customers.

- (c) **Other borrowings consist of the following foreign currency denominated facilities:**

	<b>Bank</b> <b>Jun.2017</b> <b>\$ million</b>	Bank Dec.2016 \$ million	<b>Bank</b> <b>Jun.2017</b> <b>N million</b>	Bank Dec.2016 N million
Standard Chartered Bank	-	11.2	-	3,422
Afreximbank	<b>112.5</b>	163.4	<b>34,409</b>	49,847
Ecobank EBISA	-	8.9	-	2,711
ABSA Bank	<b>0.0</b>	1.9	<b>1</b>	579
British Arab Bank	<b>13.3</b>	-	<b>4,057</b>	-
Mashreq Bank	<b>15.2</b>	8.6	<b>4,637</b>	2,624
Union Bank, UK	<b>7.6</b>	7.5	<b>2,332</b>	2,298
African Finance Corporation	-	37.1	-	11,309
UBA New York	-	4.5	-	1,383
Sky Enterprises	<b>0.0</b>	-	<b>1</b>	-
Access Bank Nig Ltd	<b>37.5</b>	6.9	<b>11,462</b>	2,113
	<b>186.0</b>	250.1	<b>56,899</b>	76,286

**39 Discontinued operations**

**(a) Assets classified as held for sale**

	<b>Group</b> <b>Jun.2017</b>	Group Dec.2016	<b>Bank</b> <b>Jun.2017</b>	Bank Dec.2016
	<b>₦ million</b>	₦ million	<b>₦ million</b>	₦ million
Investments in subsidiaries	-	-	<b>325</b>	325
Investment properties	<b>188</b>	188	-	-
Other assets	<b>209</b>	209	-	-
	<b>397</b>	397	<b>325</b>	325

## 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>
	N million	N million	N million	N million
<b>ASSETS</b>				
Investment properties	-	188	-	188
Other assets	-	209	-	209
<b>TOTAL ASSETS</b>	-	397	-	397
<b>LIABILITIES</b>	-	-	-	-
<b>TOTAL LIABILITIES</b>	-	-	-	-

**40 Capital and reserves**

<b>Share capital</b>	<b>Group</b>	Group	<b>Bank</b>	Bank
	<b>Jun.2017</b>	Dec.2016	<b>Jun.2017</b>	Dec.2016
	N million	N million	N million	N million
<b>(a) Authorised :</b>				
35,000,000,000 (Dec 2016: 19,023,125,000)				
Ordinary shares of 50 kobo each	<b>17,500</b>	9,512	<b>17,500</b>	9,512
	<b>Group</b>	Group	<b>Bank</b>	Bank
	<b>Jun.2017</b>	Dec.2016	<b>Jun.2017</b>	Dec.2016
	N million	N million	N million	N million
<b>(b) Issued and fully paid -</b>				
17,184,331,191 (Dec. 2016: 16,935,806,471)				
Ordinary shares of 50kobo each	<b>8,592</b>	8,468	<b>8,592</b>	8,468
	Group	Group	Bank	Bank
	Jun.2017	Dec.2016	Jun.2017	Dec.2016
	N million	N million	N million	N million
Balance, beginning of period	8,468	8,468	8,468	8,468
Transfer from Share Based Payment Reserve	124	-	124	-
Balance, end of period	<b>8,592</b>	8,468	<b>8,592</b>	8,468
<b>(c) Share premium</b>				
Share premium is the excess paid by shareholders over the nominal value for their shares.				
	<b>Group</b>	Group	<b>Bank</b>	Bank
	<b>Jun.2017</b>	Dec.2016	<b>Jun.2017</b>	Dec.2016
	N million	N million	N million	N million
Balance, beginning of period	<b>391,641</b>	391,641	<b>391,641</b>	391,641
Transfer from Share Based Payment Reserve	<b>1,071</b>	-	<b>1,071</b>	-
Balance, end of period	<b>392,712</b>	391,641	<b>392,712</b>	391,641
<b>Share capital and share premium</b>	<b>401,304</b>	<b>400,109</b>	<b>401,304</b>	<b>400,109</b>
<b>(d) Treasury Shares</b>				
	<b>Group</b>	Group	<b>Bank</b>	Bank
	<b>Jun.2017</b>	Dec.2016	<b>Jun.2017</b>	Dec.2016
	N million	N million	N million	N million
Balance, beginning of period	-	-	-	-
Acquisition of own shares during the year	<b>(624)</b>	-	<b>(624)</b>	-
Balance, end of period	<b>(624)</b>	-	<b>(624)</b>	-
<b>(e) Other reserves</b>				
The other reserves includes Statutory reserves, Fair value reserve, Regulatory risk reserves, Small and Medium Scale Industries Reserve (SMEEIS) and Capital reserve.				
	<b>Group</b>	Group	<b>Bank</b>	Bank
	<b>Jun.2017</b>	Dec.2016	<b>Jun.2017</b>	Dec.2016
	N million	N million	N million	N million
Statutory reserves	<b>25,733</b>	24,445	<b>25,733</b>	24,445
Fair value reserve	<b>34,122</b>	34,832	<b>32,919</b>	33,579
Regulatory risk reserve	<b>42,558</b>	38,869	<b>42,558</b>	38,869
Share based Payment reserve	-	147	-	147
Translation reserve	<b>12,372</b>	12,177	<b>1,895</b>	1,895
Excess clawback reserves	<b>(14,918)</b>	(14,918)	<b>(14,918)</b>	(14,918)
SMEEIES reserve	<b>6,774</b>	6,774	<b>6,774</b>	6,774
Capital reserve	<b>5,489</b>	5,489	<b>5,489</b>	5,489
Equity component of employee benefit remeasurement	<b>2,818</b>	2,818	<b>2,818</b>	2,818
	<b>114,948</b>	110,633	<b>103,268</b>	99,098

**(i) Statutory reserves**

Nigerian banking regulations require the Bank to make an annual appropriation to a statutory reserve. As stipulated by S.16(1) of the Banks and Other Financial Institution Act of Nigeria, an appropriation of 30% of profit after tax is made if the statutory reserve is less than paid-up share capital and 15% of profit after tax if the statutory reserve is greater than the paid up share capital. The Bank made a transfer of N1.288million to statutory reserves during the period ended 30 June 2017 (June 2016 N1.344million).

**(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 Nigeria GAAP based on the Central Bank of Nigeria prudential guidelines and provisions specified by the central banks of foreign subsidiaries, compared with the incurred loss model used in calculating the impairment under IFRSs.

**(iv) Other reserves**

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

**(v) 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 contribution was 10% of profit after tax for the first 5 periods, and thereafter reduced to 5% of profit after tax. However, this is no longer mandatory and therefore no reserve was made during the period ended 31 Jan 2016. The reserve is non-distributable.

**(vi) Translation reserve**

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

**(vii) Excess Capital Clawback**

Under the recapitalisation plan of the Bank executed in 2011, the Asset Management Corporation of Nigeria (AMCON) provided Financial Accommodation to bring the Bank's Completion Net Assets Value (NAV) to zero.

The Financial Accommodation provided by AMCON exceeded the Bank's Completion NAV of zero, calculated as at 31 December 2011, by N14.918 billion. This excess amount was refunded to AMCON during the period ended 31st December, 2012.

**(viii) Share based payment reserve**

This represents the provision for liabilities under the equity settled portion of the Group's shares incentive scheme which enables key management personnel to benefit from the performance of the Group

The movement is shown below

	<b>Group</b>	Group	<b>Bank</b>	Bank
	<b>May.2017</b>	Dec.2016	<b>May.2017</b>	Dec.2016
	<b>N million</b>	N million	<b>N million</b>	N million
Balance, beginning of period	147	-	147	-
Share transferred during the period	1,049	147	1,049	147
Transfer to treasury shares (see note (b) above)	(124)	-	(124)	-
Transfer to share premium (see note (c) above)	(1,071)	-	(1,071)	-
Balance, end of period	-	147	-	147

During the period, the Bank awarded a total of 248,524,720 unit of shares at N4.81, the market value of shares at grant date, for the purpose of the share based payment incentive scheme out of which 118,820,848 had vested. The awarded but not vested shares (129,703,872 units) have been transferred to the trustees and recognised as treasury shares (see note (d) above).

**(e) Retained deficit**

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

<b>41 Non-controlling Interest</b>	<b>Group</b>	Group
<i>Movement in the non controlling interest</i>	<b>Jun.2017</b>	Dec.2016
	<b>₦ million</b>	₦ million
Balance, beginning of period	<b>5,110</b>	5,337
Profit/(loss) for the period	<b>67</b>	(226)
<b>Balance, end of period</b>	<b>5,177</b>	5,111

**42 Acceptances, bonds, guarantees and other obligations for the account of customers**

In common with other banks, the Group conducts business involving acceptances, performance bonds and indemnities. The majority of these facilities are offset by corresponding obligations of third parties. Contingent liabilities and commitments comprise performance bonds, acceptances, guarantees and letters of credit.

In the normal course of business, the Group is a party to financial instruments with off-balance sheet risks. These instruments are issued to meet the credit and other financial requirements of customers. The total off-balance sheet assets for the Group was N253.237 billion (December 2016: N320.15 billion).

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

	Group	Group	Bank	Bank
	Jun.2017	Dec.2016	Jun.2017	Dec.2016
	₦ million	₦ million	₦ million	₦ million
Performance bonds and guarantees	72,706	62,309	72,706	62,309
Letters of credit	66,643	155,888	66,643	155,888
Fx-Sold Spot	113,888	101,953	113,888	101,953
<b>Total</b>	<b>253,237</b>	<b>320,150</b>	<b>253,237</b>	<b>320,150</b>