



Union Bank of Nigeria Plc

**IFRS FINANCIAL STATEMENTS
31 March 2018**

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

For the period ended 31 March 2018

	Notes	Group		Bank	
		Mar.2018	Mar.2017	Mar.2018	Mar.2017
		₦ million	₦ million	₦ million	₦ million
Gross earnings		39,466	34,309	37,735	33,022
Interest income	1	31,674	27,698	30,334	26,621
Interest expense	1	(13,843)	(13,069)	(13,683)	(12,980)
Net interest income (NRFF)		17,831	14,629	16,651	13,641
Net impairment charge for credit losses	5(a)	(2,349)	(320)	(2,136)	(316)
Net interest income after impairment charge for credit losses		15,482	14,309	14,515	13,325
Net fee and commission income	2	3,276	2,294	3,114	2,168
Net trading income	3	3,345	1,138	3,310	1,068
Cash recoveries		304	1,257	304	1,257
Other operating income	4	867	1,922	673	1,908
Non interest income (NII)		7,792	6,611	7,401	6,401
Operating income		23,274	20,920	21,916	19,726
Net impairment write-back/(loss) on other financial assets	5(a)	-	-	-	-
Net operating income after net impairment write-back/(loss) on other financial assets		23,274	20,920	21,916	19,726
Personnel expenses	6	(7,926)	(7,853)	(7,404)	(7,393)
Depreciation and amortisation		(1,632)	(1,396)	(1,564)	(1,330)
Other operating expenses	7	(8,309)	(7,010)	(7,899)	(6,792)
Total expenses		(17,867)	(16,259)	(16,867)	(15,515)
Profit before income tax		5,407	4,661	5,049	4,211
Income tax expense	8	(119)	(142)	(50)	(42)
Profit for the period		5,288	4,519	4,999	4,169
Foreign currency translation differences for foreign operations		421	230	-	-
Fair value gains on property and equipment		-	-	-	-
Fair value gains/(losses) on available-for-sale investments		(1,603)	621	(1,384)	698
Other comprehensive income for the period		(978)	851	(1,180)	698
Total comprehensive income for the period		4,310	5,370	3,819	4,867

Union Bank of Nigeria Plc and Subsidiary Companies
Consolidated and separate financial statements for the period ended 31 March 2018

	Notes	Group		Bank	
		Mar.2018 ₦ million	Mar.2017 ₦ million	Mar.2018 ₦ million	Mar.2017 ₦ million
Profit attributable to:					
Equity holders of the Bank		5,126	4,420	4,999	4,169
Non-controlling interest		162	99	-	-
Profit for the period		5,288	4,519	4,999	4,169
Total comprehensive income attributable to:					
Equity holders of the Bank		4,148	5,271	3,819	4,867
Non-controlling interest		162	99	-	-
Total comprehensive income for the period		4,310	5,370	3,819	4,867
Earnings per share for profit from total operations attributable to equity holders of Bank					
Basic and diluted (Kobo)	9	18	26	17	25

Consolidated and Separate Statements of Financial Position

	Notes	Group	Group	Bank	Bank
		31 March 2018	31 December 2017	31 March 2018	31 December 2017
		N million	N million	N million	N million
ASSETS					
Cash and cash equivalents	10	206,616	222,577	122,837	137,497
Financial assets at fair value through profit or loss	11	24,034	20,076	24,034	20,076
Pledged assets	12	61,813	54,079	61,813	54,079
Derivative assets held for risk management	13	1,225	1,297	1,225	1,297
Loans and advances to customers at amortised cost	14	449,257	517,103	430,760	488,555
Investments in equity accounted investee	15	-	-	-	-
Investment securities	16	173,559	185,658	158,188	175,329
Trading properties	17	839	1,153	513	513
Investment properties	18	4,997	4,951	-	-
Investment in subsidiaries	19	-	-	10,567	10,567
Property and equipment	20	57,283	55,986	57,128	55,801
Intangible assets	21	4,095	4,344	3,700	3,949
Deferred tax assets	22	95,875	95,875	95,875	95,875
Cash reserve requirement	23	245,350	225,770	245,350	225,770
Other assets	23	55,625	65,922	54,393	64,936
Defined benefit assets		244	352	244	352
		1,380,812	1,455,143	1,266,627	1,334,596
Assets classified as held for sale	30(b)	397	397	325	325
TOTAL ASSETS		1,381,209	1,455,540	1,266,952	1,334,921
LIABILITIES					
Derivative liabilities held for risk management		1,085	972	1,085	972
Deposits from banks	24	93,485	100,131	11,180	10,686
Deposits from customers	25	759,097	802,384	749,390	796,708
Current tax liabilities	26	786	524	321	271
Deferred tax liabilities	22	216	259	-	-
Other liabilities	27	169,387	111,461	167,408	108,359
Employee benefit obligations	28	798	857	795	801
Other borrowed funds	29	70,703	93,211	75,965	95,736
		1,095,557	1,109,799	1,006,144	1,013,533
Liabilities classified as held for sale	30(c)	-	-	-	-
TOTAL LIABILITIES		1,095,557	1,109,799	1,006,144	1,013,533
EQUITY					
Share capital and share premium	31	201,652	201,652	201,652	201,652
Retained deficit		(16,710)	(14,384)	(21,571)	(19,118)
Other reserves		94,717	152,642	80,727	138,854
EQUITY ATTRIBUTABLE TO EQUITY - HOLDERS OF THE BANK		279,659	339,910	260,808	321,388
Non-controlling interest	32	5,993	5,831	-	-
TOTAL EQUITY		285,652	345,741	260,808	321,388
TOTAL LIABILITIES AND EQUITY		1,381,209	1,455,540	1,266,952	1,334,921

Signed on behalf of the Board of Directors on 02 May, 2018 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 year ended 31 March 2018

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 2018	14,561	187,091	26,371	-	40,567	71,027	193	14,484	(14,384)	339,910	5,831	345,741
Prior period adjustment	-	-	-	-	-	(59,691)	-	-	(4,708)	(64,399)	-	(64,399)
Restated balance at 1 January 2018	14,561	187,091	26,371	-	40,567	11,336	193	14,484	(19,092)	275,511	5,831	281,342
Total comprehensive income for the period												
Profit for the period	-	-	750	-	-	-	-	-	4,376	5,126	162	5,288
Other comprehensive income, net of tax												
Foreign currency translation difference	-	-	-	-	-	-	-	421	-	421	-	421
Fair value gains/(loss) on available-for-sale investment	-	-	-	-	(1,603)	-	-	-	-	(1,603)	-	(1,603)
Appropriation:												
Transfer from regulatory reserves	-	-	-	-	-	1,994	-	-	(1,994)	-	-	-
Transfer from other reserves	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	750	-	(1,603)	1,994	-	625	2,382	4,148	162	4,310
Transactions with owners, recorded directly in equity												
Contributions by and distributions to owners												
Total contribution and (distributions) to owners	-	-	-	-	-	-	-	-	-	-	-	-
March 2017												
	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	Total equity
	N million	N million	N million	N million	N million	N million	N million	N million	N million	N million	N million	N million
Balance at 1 January 2017	8,468	391,641	24,445	-	34,832	38,869	147	12,340	(244,183)	266,559	5,111	271,670
Total comprehensive income for the period												
Profit for the period	-	-	625	-	-	-	-	-	3,854	4,479	40	4,519
Other comprehensive income, net of tax												
Foreign currency translation difference	-	-	-	-	-	-	-	230	-	230	-	230
Fair value gains/(loss) on available-for-sale investment	-	-	-	-	621	-	-	-	-	621	-	621
Appropriation:												
Transfer from regulatory reserves	-	-	-	-	-	2,428	-	-	(2,428)	-	-	-
Total comprehensive income for the period	-	-	625	-	621	2,428	-	230	1,426	5,330	40	5,370
Transactions with owners, recorded directly in equity												
Contributions by and distributions to owners												
Shares redeemed during the period	-	-	-	(624)	-	-	-	-	-	(624)	-	(624)
Equity-settled share-based payment	-	-	-	-	-	-	1,048	-	-	1,048	-	1,048
Transfer from Share Based Payment Reserve	124	1,071	-	-	-	-	(1,195)	-	-	-	-	-
Total contribution and distributions to owners	124	1,071	-	(624)	-	-	(147)	-	-	424	-	424
Balance at 31 March 2017	8,592	392,712	25,070	(624)	35,453	41,297	-	12,570	(242,757)	272,313	5,151	277,464

Consolidated and Separate Statements of Changes in Equity
For the period ended 31 March 2018

	Share capital	Share premium	Statutory reserve	Treasury shares	Fair value reserves	Regulatory risk reserves	Share based payment reserve	Other reserves	Retained deficit	Total
	N million	N million	N million	N million	N million	N million	N million	N million	N million	N million
Balance at 1 January 2018	14,561	187,091	26,371	-	39,205	71,027	193	2,058	(19,118)	321,388
Prior period adjustment	-	-	-	-	-	(59,691)	-	-	(4,708)	(64,399)
Restated balance at 1 January 2018	14,561	187,091	26,371	-	39,205	11,336	193	2,058	(23,826)	256,989
Total comprehensive income for the period										
Profit or loss	-	-	750	-	-	-	-	-	4,249	4,999
Other comprehensive income										
Fair value gains/(loss) on available-for-sale investment	-	-	-	-	(1,384)	-	-	-	-	(1,384)
Transfer between reserves	-	-	-	-	-	1,994	-	-	(1,994)	-
Total comprehensive income for the period	-	-	750	-	(1,384)	1,994	-	204	2,255	3,819
Transactions with owners, recorded directly in equity										
Contributions by and distributions to owners										
Total contribution and (distributions) to owners	-	-	-	-	-	-	-	-	-	-
Balance at 31 March 2018	14,561	187,091	27,121	-	37,821	13,330	193	2,262	(21,571)	260,807

March 2017

	Share capital	Share premium	Statutory reserve	Treasury shares	Fair value reserves	Regulatory risk reserves	Share based payment reserve	Other reserves	Retained deficit	Total
	N million	N million	N million	N million	N million	N million	N million	N million	N million	N million
Balance at 1 January 2017	8,468	391,641	24,445	-	33,579	38,869	147	2,058	(247,868)	251,339
Total comprehensive income for the period										
Profit or loss	-	-	625	-	-	-	-	-	3,544	4,169
Other comprehensive income										
Fair value gains/(loss) on available-for-sale investment	-	-	-	-	698	-	-	-	-	698
Transfer between reserves	-	-	-	-	-	2,428	-	-	(2,428)	-
Total comprehensive income for the period	-	-	625	-	698	2,428	-	-	1,116	4,867
Transactions with owners, recorded directly in equity										
Contributions by and distributions to owners										
Shares redeemed during the period	-	-	-	(624)	-	-	-	-	-	(624)
Equity-settled share-based payment	-	-	-	-	-	-	1,048	-	-	1,048
Transfer from Share Based Payment Reserve	124	1,071	-	-	-	-	(1,195)	-	-	-
Total contribution and distributions to owners	124	1,071	-	(624)	-	-	(147)	-	-	424
Balance at 31 March 2017	8,592	392,712	25,070	(624)	34,277	41,297	-	2,058	(246,752)	256,630

Consolidated and Separate Statements of Cash Flows

For the period ended 31 March 2018

		Group	Group	Group	Bank	Bank	Bank
	<i>Notes</i>	31 March	31 March	December	31 March	31 March	December
		2018	2017	2017	2018	2017	2017
		N million	N million	N million	N million	N million	N million
Cash flows from operating activities							
Profit for the year		5,126	4,479	10,497	4,999	4,169	9,386
Income tax expense	16	119	142	738	50	42	403
Profit before tax		5,245	4,621	11,235	5,049	4,211	9,789
<i>Adjustments for:</i>							
Impairment losses on loans and advances		2,349	816	26,820	2,136	812	26,720
Recoveries on loans and advances		(304)	(1,257)	(2,305)	(304)	(1,257)	(2,305)
(Reversal of impairment)/impairment loss on loans and advances		-	(496)	(3,597)	-	(496)	(3,597)
Impairment loss on equity accounted investee		-	-	-	-	-	-
Reversal of impairment on other assets		-	-	(192)	-	-	(192)
Write-off of intangible assets	29	-	-	-	-	-	-
Write-off of property and equipment	28	-	-	-	-	-	-
Revaluation gains on investment properties	28	-	-	(604)	-	-	-
Allowances on other assets		-	-	-	-	-	-
Gain on sale of property and equipment		(176)	(829)	(1,769)	(7)	(829)	(1,768)
Gain on disposal of available for sale - unquoted equity	25	-	-	-	-	-	-
Gain on sale of trading properties		-	-	-	-	-	175
Gain on sale/liquidation of subsidiaries		-	-	-	-	-	-
Depreciation of property and equipment	28	1,230	1,011	4,572	1,226	1,024	4,498
Amortisation of intangible assets	29	401	308	1,466	339	261	1,280
Dividend income from equity investment		-	(808)	(1,033)	-	(808)	(1,033)
Interest paid on borrowings		2,038	8,210	12,528	2,038	8,210	12,528
Contributions to defined contribution plans		143	150	611	143	150	611
Increase in liability for defined benefit plans		2	23	199	2	23	199
		10,928	11,749	47,931	10,622	11,301	46,905
Change in non-pledged trading assets		(3,958)	(9,732)	(11,764)	(3,958)	(9,732)	(11,764)
Change in pledged assets		(7,734)	(1,112)	(649)	(7,734)	(1,112)	(649)
Change in loans and advances to customers		19,389	18,180	(18,320)	9,550	26,422	(7,018)
Change in other assets		(9,293)	(8,685)	(97,900)	(9,018)	(9,133)	(98,869)
Change in derivative financial instruments-assets		72	151	1,450	72	151	1,450
Change in derivative financial instruments-liabilities		113	-	959	113	-	959
Change in deposits from banks		(6,646)	25,828	9,865	494	7,759	6,335
Change in deposits from customers		(43,287)	36,743	143,940	(47,318)	52,595	162,881
Change in other liabilities		39,940	2,058	(26,319)	41,265	872	(29,112)
		(476)	75,180	50,836	(5,912)	79,123	72,762
Income tax paid	35	143	4	(595)	-	-	(243)
Payment from defined contribution plan	37(a)(i)	(152)	(151)	(639)	(152)	(151)	(639)
Payment from defined benefit plan		-	-	-	-	-	-
Net cash provided by/(used in) operating activities		(485)	75,033	49,602	(6,064)	78,972	71,880

Cash flows from investing activities

Purchase/(Disposal) of investment properties	27	-	(45)	-	-	-	-
Proceeds from sale of trading properties		314	279	1,481	-	-	786
Proceeds from sale of property and equipment		184	1,922	4,305	15	1,922	4,303
Proceed on disposal of subsidiaries		-	-	-	-	-	-
Proceed/(acquisition) of investment securities		10,658	(6,084)	3,477	15,757	(5,689)	(1,778)
Acquisition of trading properties	26	-	-	-	-	-	-
Acquisition of property and equipment	29	(2,564)	(2,299)	(11,674)	(2,561)	(2,278)	(11,653)
Acquisition of intangible assets	30	29	-	(2,191)	2	-	(2,191)
Dividend income received	13	-	808	1,033	-	808	1,033

Net cash generated from/(used in) investing activities		8,621	(5,419)	(3,569)	13,213	(5,237)	(9,500)
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Cash flows from financing activities

Net proceeds from shares issued during the year		-	-	49,164	-	-	49,164
Inflow from other borrowings		-	60	14,886	-	60	14,886
Repayment of borrowings		(22,508)	(24,923)	(11,189)	(19,771)	(27,221)	(10,962)
Interest paid on borrowings	9	(2,038)	(8,210)	(12,528)	(2,038)	(8,210)	(12,528)

Net cash generated from/(used in) financing activities		(24,546)	(33,073)	40,333	(21,809)	(35,371)	40,560
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Net increase/(decrease) in cash and cash equivalents

Cash and cash equivalents at beginning of year	19	222,577	136,194	136,194	137,497	35,536	35,536
Effect of exchange rate fluctuations on cash held		449	262	17	-	-	(979)

Cash and cash equivalents at end of period	19	206,616	172,997	222,577	122,837	73,900	137,497
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1 Net interest income

	Group	Group	Bank	Bank
	Mar.2018	Mar.2017	Mar.2018	Mar.2017
	₦ million	₦ million	₦ million	₦ million
Interest income				
Cash and cash equivalents	578	983	456	553
Loans and advances to customers	23,794	20,170	23,182	19,640
Investment securities	7,302	6,545	6,696	6,428
Total interest income	31,674	27,698	30,334	26,621
LCY	25,302	10,432	25,103	22,198
FCY	6,372	2,637	5,231	4,423
Total interest income	31,674	27,698	30,334	26,621
Interest expense				
Deposits from customers	11,805	10,432	11,645	10,344
Other borrowed funds	2,038	2,637	2,038	2,636
Total interest expense	13,843	13,069	13,683	12,980
LCY	11,518	10,414	11,517	10,413
FCY	2,325	2,191	2,166	2,250
Total interest expense	13,843	13,069	13,683	12,980
Net interest income	17,831	14,629	16,651	13,641

2 Net Fees and commission income

	Group	Group	Bank	Bank
	Mar.2018	Mar.2017	Mar.2018	Mar.2017
	₦ million	₦ million	₦ million	₦ million
Credit Related fees and commissions income	1,769	1,575	1,769	1,575
Account Maintenance Fee	403	356	403	356
E-business fee income (See note (a))	572	(10)	572	(10)
Commission on LCs, Invisible Trades and Guarantees	370	247	370	247
Other fees and commission	162	126	-	-
	3,276	2,294	3,114	2,168

(a)

E-business fee income	Group	Group	Bank	Bank
	Mar.2018	Mar.2017	Mar.2018	Mar.2017
	₦ million	₦ million	₦ million	₦ million
ATM on-us	740	468	740	468
POS	46	22	46	22
E-card maintenance	279	149	279	149
Online transfer	13	29	13	29
	1,078	668	1,078	668
Card FX gain/(loss)	10	8	10	8
	1,088	676	1,088	676
E-business fee charge	Group	Group	Bank	Bank
	Mar.2018	Mar.2017	Mar.2018	Mar.2017
	₦ million	₦ million	₦ million	₦ million
ATM on-us	220	157	220	157
POS	66	32	66	32
E-card maintenance	230	496	230	496
	516	686	516	686
Net E-business fee	572	(10)	572	(10)

3 Net trading income/(loss)

	Group	Group	Bank	Bank
	Mar.2018	Mar.2017	Mar.2018	Mar.2017
	N million	N million	N million	N million
Gain on disposal of fixed income securities	3,273	766	3,273	766
Mark to market gains on fixed income securities	(123)	153	(123)	116
Foreign exchange gain on trading	195	219	160	186
	3,345	1,138	3,310	1,068

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

4 Other operating income

	Group	Group	Bank	Bank
	Mar.2018	Mar.2017	Mar.2018	Mar.2017
	N million	N million	N million	N million
Dividends	-	808	-	808
Gains on disposal of property and equipment	176	829	7	829
Gains on disposal of trading properties	-	-	-	-
Foreign exchange revaluation gain	512	43	511	43
Rental income	39	79	16	59
Sundry income (see note (a) below)	140	165	139	169
	867	1,922	673	1,908

(a) Sundry income

	Group	Group	Bank	Bank
	Mar.2018	Mar.2017	Mar.2018	Mar.2017
	N million	N million	N million	N million
Cash handling fees	13	17	13	17
Fraud recoveries	3	14	3	14
Other income	123	171	122	139
	140	163	139	169

5 Net Impairment loss on financial assets

(a) Net impairment charge for credit losses

	Group	Group	Bank	Bank
	Mar.2018	Mar.2017	Mar.2018	Mar.2017
	N million	N million	N million	N million
Net impairment charge for credit losses:				
Total impairment charge on loans and advances	2,349	320	2,136	316

(b) Net impairment loss on other financial assets:

Allowance no longer required on other assets	-	-	-	-
	-	-	-	-
Total net impairment loss on financial assets	2,349	773	2,136	316

For the purpose of IFRS 9 adoption and inline with CBN guidance on IFRS 9, the bank elected to embrace the exception to retrospective application of IFRS 9 not to restate the comparative and thus the impairment amount for the two periods are not comparable.

6 Personnel expenses

	Group	Group	Bank	Bank
	Mar.2018	Mar.2017	Mar.2018	Mar.2017
	N million	N million	N million	N million
Wages and salaries	7,781	7,680	7,259	7,220
Contributions to defined contribution plans	143	150	143	150
Interest and current service cost on defined benefit plans	2	23	2	23
	7,926	7,853	7,404	7,393

7 Other operating expenses

	Group	Group	Bank	Bank
	Mar.2018	Mar.2017	Mar.2018	Mar.2017
	N million	N million	N million	N million
Auditors' remuneration	39	39	38	38
NDIC Premium	954	754	954	754
Rents and Rates	240	259	238	259
Accommodation and travels	266	198	235	179
Fleet management and vehicle related expenses	155	141	155	141
Repair and Maintenance	580	430	506	374
Professional fees	476	284	369	239
Advertising and Promotion expenses	362	304	362	304
Security expense	291	257	291	257
Expenses on software	1,071	912	1,071	912
Donations and Subscriptions	33	19	33	19
General administrative expenses (see note (a) below)	2,098	1,935	1,904	1,839
Insurance	76	76	75	75
AMCON surcharge	1,668	1,402	1,668	1,402
	8,309	7,010	7,899	6,792

(a) General administrative expenses

	Group	Group	Bank	Bank
	Mar.2018	Mar.2017	Mar.2018	Mar.2017
	N million	N million	N million	N million
Office cleaning	73	75	73	75
Cash movement expense	344	314	344	314
Entertainment	121	51	121	51
Directors fees and allowances	72	116	72	116
Diesel and power	499	598	499	598
Stationery, printing, postage and telephone	144	66	144	66
Penalties	4	-	4	-
Restitution and other charges	326	254	326	254
Debt recovery expenses	42	11	42	11
Expense on Bulk SMS	26	23	26	23
Business meetings and conferences	16	56	16	56
Annual General Meeting expenses	20	34	20	34
Bank charges	85	100	85	100
Other expenses	325	237	131	141
	2,098	1,935	1,904	1,839

8 Income tax expense

(a) Recognised in the profit or loss

	Group	Group	Bank	Bank
	Mar.2018	Mar.2017	Mar.2018	Mar.2017
	₦ million	₦ million	₦ million	₦ million
Current tax expense				
Company Income Tax	69	100	-	-
Capital Gains tax	-	83	-	83
NITDA Levy	50	(41)	50	(41)
Deferred tax expense	-	-	-	-
Total income tax expense	119	142	50	42

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.

9 Earnings per share

(a) Basic earnings per share

Earnings/(loss) per share has been computed based on profit after taxation attributable to the Group ordinary shareholders and the weighted average number of shares in issue during the period is as follows.

Weighted average number of ordinary shares

	Group	Group	Bank	Bank
	Mar.2018	Mar.2017	Mar.2018	Mar.2017
Issued ordinary shares at beginning of the period	29,121	16,936	29,121	16,936
Weighted effect of shares issued during the period	29,121	16,936	29,121	16,936

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

	Group	Group	Bank	Bank
	Mar.2018	Mar.2017	Mar.2018	Mar.2017
Profit/(Loss) for the period attributable to equity holders	5,126	4,420	4,999	4,169
Basic earnings/(loss) per share (in kobo)	18	26	17	25

(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.

15 Investment in equity accounted investee

	Group 31 March 2018 N million	Group 31 December 2017 N million	Bank 31 March 2018 N million	Bank 31 December 2017 N million
Cost				
Balance, beginning of the period	115	115	91	91
	115	115	91	91
(Impairments) /increase in value	(115)	(115)	(91)	(91)
Balance, end of the period	-	-	-	-

16 Investment securities

	Group 31 March 2018 N million	Group 31 December 2017 N million	Bank 31 March 2018 N million	Bank 31 December 2017 N million
<i>Fixed income securities at fair value through other comprehensive income comprise:</i>				
Treasury bills	70,850	65,102	60,338	54,773
FGN Bonds	25,075	47,635	25,075	47,635
State Bonds	3,233	3,277	3,233	3,277
Corporate Bonds	1,097	1,119	1,097	1,119
	100,255	117,133	89,743	106,804

Fixed income securities at amortised cost comprise:

Treasury bills	4,859	-	-	-
Federal Government of Nigeria -Bonds	23,249	22,782	23,249	22,782
State Government of Nigeria -Bonds	15,251	15,723	15,251	15,723
Total - Fixed income	43,359	38,505	38,500	38,505

Stage 1 impairment

Total impairment	-	-	-	-
Net Total -Fixed income securities	143,614	155,638	128,243	145,309

Equity instruments at fair value through other comprehensive income comprise:

Equity: Quoted	2,195	2,195	2,195	2,195
see Note 16a				
Unquoted	32,751	31,879	32,751	31,879
see Note 16b				
Total - Equity instruments	34,946	34,074	34,946	34,074
Less: provisions for unquoted equities	(5,001)	(4,054)	(5,001)	(4,054)
Net Total -Equity instruments	29,945	30,020	29,945	30,020

Total investment securities	173,559	185,658	158,188	175,329
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16a Investment in REIT

	Group 31 March 2018 N million	Group 31 December 2017 N million	Bank 31 March 2018 N million	Bank 31 December 2017 N million
Investment in REIT	2,195	2,195	2,195	2,195

16b Unquoted

AFC	27,162	26,289	27,162	26,289
Nigeria Auto Clearing System (NAC)	42	42	42	42
Interswitch	2	2	2	2
Credit Reference Company (CRC)	50	50	50	50
Afrexim Bank	494	494	494	494
Nig Superswitch Infrastructure	10	10	10	10
Banque de Benin	1152	1152	1,152	1,152
AIB Cotonu	122	122	122	122
Investment in SMEEs	3,718	3,718	3,718	3,718
	32,751	31,879	32,751	31,879

Total	34,946	34,074	34,946	34,074
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Less: Provision for unquoted investment	(5,001)	(4,054)	(5,001)	(4,054)
	29,945	30,020	29,945	30,020

17 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:

	Group 31 March 2018 N million	Group 31 December 2017 N million	Bank 31 March 2018 N million	Bank 31 December 2017 N million
Balance, beginning of period	1,153	2,309	513	513
Reclassified to investment properties		(349)		
Reversal of impairment on trading properties	-	273	-	-
Disposal	(314)	(1,080)	-	-
Balance, end of period	839	1,153	513	513

18 Investment Properties

These investment properties were last revalued during the period ended 31 December 2016 by Messrs. Bode Adediji Partnership, a firm of estate surveyors and valuers, using the open market basis of valuation, and their reports were dated 10 February 2017 for UBN Property Company Limited respectively. As at 31 December 2016, the Directors are of the opinion that there were no material fluctuations in the value of the Bank's investment properties since the last valuation.

	Group 31 March 2018 N million	Group 31 December 2017 N million	Bank 31 March 2018 N million	Bank 31 December 2017 N million
Balance, beginning of the period	4,951	4,347	-	-
Disposal	46	-	-	-
Revaluation gains	-	604	-	-
Purchase of investment property	-	-	-	-
	4,997	4,951	-	-
Impairment allowance	-	-	-	-
Balance, end of the period	4,997	4,951	-	-

19 Investment in subsidiaries

Cost

	Bank 31 March 2018 N million	Bank 31 December 2017 N million
UBN Property Company Limited	2,195	2,195
Union Bank UK Plc	8,372	8,372
	10,567	10,567

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

Company Name	Country Incorporation	Nature of business	Direct ownership interest	
			31 March 2011 Status/%	December 2011 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 31 March 2018, are as follows

Condensed statement of comprehensive income

Statement of Comprehensive income	Group balances	Consolidation entries	Total	Bank	Union Properties	Atlantic Nominees	Union Bank UK
	N million	N million	N million	N million	N million	N million	N million
Operating income	25,623	(7)	25,630	24,051	400	-	1,179
Net operating income after net impairment loss	23,274	(7)	23,281	21,915	400	-	966
Operating Expenses	(17,867)	4	(17,871)	(16,867)	(49)	-	(955)
Net impairment loss on financial assets	(2,349)	(1)	(2,348)	(2,136)	-	-	(213)
Share of profit of equity accounted investees	-	-	-	-	-	-	-
Profit before income tax	5,407	(3)	5,410	5,048	351	-	11
Taxation	(119)	(1)	(118)	(49)	(67)	-	(2)
Profit after income tax	5,288	(4)	5,292	4,999	284	-	9

Condensed Statement of financial position

	Group balances	Consolidation entries	Total	Bank	Union Properties	Atlantic Nominees	Union Bank UK
	N million	N million	N million	N million	N million	N million	N million
Cash and cash equivalents	206,616	(17,896)	224,512	122,837	53	-	101,622
Non-pledged trading assets	24,034	-	24,034	24,034	-	-	-
Pledged assets	61,813	-	61,813	61,813	-	-	-
Derivative financial instrument	1,225	-	1,225	1,225	-	-	-
Loans and advances to customers	449,257	(5,260)	454,517	430,760	-	-	23,757
Investments in equity-accounted investee	-	-	-	-	-	-	-
Investment securities	173,559	-	173,559	158,188	4,859	-	10,512
Assets held for sale	397	(325)	722	325	-	397	-
Trading properties	839	-	839	513	326	-	-
Investment properties	4,997	-	4,997	-	4,997	-	-
Investment in subsidiaries	-	(10,567)	10,567	10,567	-	-	-
Property and equipment	57,283	(1)	57,284	57,128	28	-	128
Intangible assets	4,095	0	4,095	3,700	1	-	394
Deferred tax assets	95,875	217	95,658	95,875	(210)	-	(7)
Other assets	300,975	270	300,705	299,743	163	-	799
Defined benefit assets	244	-	244.00	244	-	-	-
Total assets	1,381,209	(33,562)	1,414,771	1,266,952	10,217	397	137,205
Financed by:							
Derivative financial instruments	1,085	-	1,085	1,085	-	-	-
Deposits from banks	93,485	-	93,485	11,180	-	-	82,305
Deposits from customers	759,097	(17,897)	776,994	749,390	-	-	27,604
Deferred tax liabilities	216	216	-	-	-	-	-
Current tax liabilities	786	-	786	321	320	-	145
Other liabilities	169,387	(132)	169,519	167,408	994	-	1,117
Retirement benefit obligations	798	(1)	799	795	4	-	-
Other borrowed funds	70,703	(5,262)	75,965	75,965	-	-	-
Equity and reserves	285,652	(10,487)	296,139	260,808	8,899	397	26,035
Total liabilities	1,381,209	(33,563)	1,414,772	1,266,952	10,217	397	137,206

(c) Condensed results of consolidated entities

(i) The condensed financial data of the continuing operations as at 31 December 2017, are as follows

Condensed statement of comprehensive income

Statement of Comprehensive income	Group balances	Consolidation entries	Total	Bank	Union Properties	Atlantic Nominees	Union Bank UK
	N million	N million	N million	N million	N million	N million	N million
Operating income	96,677	(62)	96,739	91,251	1,078	-	4,410
Net operating income after net impairment loss	83,508	(62)	83,570	78,233	1,078	-	4,259
Operating Expenses	(67,810)	65	(67,875)	(64,268)	(219)	-	(3,388)
Net impairment loss on financial assets	(13,362)	(193)	(13,169)	(13,018)	-	-	(151)
Share of profit of equity accounted investees	-	-	-	-	-	-	-
Profit before income tax	15,505	(191)	15,696	13,965	859	-	871
Taxation	(710)	-	(710)	(326)	(196)	-	(188)
Profit after income tax	14,795	(191)	14,985	13,639	663	-	683

Condensed Statement of financial position

	Group balances	Consolidation entries	Total	Bank	Union Properties	Atlantic Nominees	Union Bank UK
	N million	N million	N million	N million	N million	N million	N million
Cash and cash equivalents	223,528	(21,843)	245,371	138,206	5,425	-	101,740
Non-pledged trading assets	19,850	-	19,850	19,850	-	-	-
Pledged assets	54,583	-	54,583	54,583	-	-	-
Derivative financial instrument	96	-	96	96	-	-	-
Loans and advances to customers	515,153	(5,555)	520,708	489,736	-	-	30,972
Investments in equity-accounted investee	-	-	-	-	-	-	-
Investment securities	185,593	-	185,593	175,265	-	-	10,328
Assets held for sale	397	(325)	722	325	-	397	-
Trading properties	963	-	963	513	450	-	-
Investment properties	4,826	-	4,826	-	4,826	-	-
Investment in subsidiaries	-	(10,567)	10,567	10,567	-	-	-
Property and equipment	55,987	-	55,987	55,801	31	-	155
Intangible assets	4,343	-	4,343	3,949	-	-	394
Deferred tax assets	95,910	185	95,725	95,875	(150)	-	-
Other assets	290,048	62	289,986	289,236	98	-	652
Defined benefit assets	29	29	-	-	-	-	-
Total assets	1,451,306	(38,014)	1,489,320	1,334,002	10,680	397	144,241
Financed by:							
Derivative financial instruments	90	-	90	90	-	-	-
Deposits from banks	100,131	-	100,131	10,686	-	-	89,445
Deposits from customers	803,052	(21,844)	824,896	797,193	-	-	27,703
Deferred tax liabilities	151	151	-	-	-	-	-
Current tax liabilities	910	1	909	346	323	-	240
Other liabilities	109,911	(255)	110,166	107,046	2,287	-	833
Retirement benefit obligations	919	(27)	946	890	56	-	-
Other borrowed funds	90,371	(5,556)	95,927	95,927	-	-	-
Equity and reserves	345,771	(10,484)	356,255	321,824	8,014	397	26,020
Total liabilities	1,451,306	(38,014)	1,489,320	1,334,002	10,680	397	144,241

20 **Property and equipment**

(a) **Group:**

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

	Land	Buildings	Leasehold improvement	Fixtures and fittings	Furniture & equipment	Motor vehicles	Capital work in progress	Total
	N million	N million	N million	N million	N million	N million	N million	N million
Cost								
Balance at 1st January, 2018	13,092	22,087	15,643	3,862	22,155	3,226	1,502	81,567
Exchange difference	-	-	-	-	(18)	-	-	(18)
Additions	112	-	1,041	187	922	-	302	2,564
Disposals	-	-	-	(2)	(45)	(10)	-	(57)
Reclassification to other assets	-	-	-	-	-	-	-	-
Balance as at 31 March 2018	<u>13,204</u>	<u>22,087</u>	<u>16,684</u>	<u>4,046</u>	<u>23,014</u>	<u>3,216</u>	<u>1,804</u>	<u>84,056</u>
Balance at 1st January, 2017	14,079	23,294	11,962	3,201	17,577	3,342	1,589	75,045
Exchange difference	-	-	19	-	(3)	-	-	15
Additions	118	-	3,879	950	4,681	546	1,500	10,291
Disposals	(1,335)	(1,200)	(220)	(248)	(147)	(662)	-	(3,794)
Write off	230	(7)	3	(41)	47	-	(1,587)	32
Reclassification to other assets	-	-	-	-	-	-	-	-
Balance as at 31 December 2017	<u>13,092</u>	<u>22,087</u>	<u>15,643</u>	<u>3,862</u>	<u>22,155</u>	<u>3,226</u>	<u>1,502</u>	<u>81,567</u>

Depreciation and impairment losses

Balance at 1st January 2018	-	6,043	1,899	1,563	13,539	2,537	-	25,581
Prior period revaluation	-	-	-	-	-	-	-	-
	-	6,043	1,899	1,563	13,539	2,537	-	25,581
Exchange difference	-	-	2	-	8	-	-	10
Charge for the period	-	101	78	89	910	52	-	1,230
Disposals	-	-	-	(2)	(41)	(6)	-	(49)
Write-off/Adj	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-
Derecognition of subsidiaries operations	-	-	-	-	-	-	-	-
Balance as at 31 March 2018	<u>-</u>	<u>6,144</u>	<u>1,979</u>	<u>1,650</u>	<u>14,416</u>	<u>2,583</u>	<u>-</u>	<u>26,773</u>
Balance at 1st January, 2017	-	5,826	1,688	1,435	10,239	3,057	-	22,245
Charge for the year	-	420	280	329	3,397	146	-	4,572
Disposals	-	(203)	(78)	(189)	(141)	(665)	-	(1,276)
Write-off/Adj	-	-	-	-	-	-	-	-
Exchange difference	-	-	12	-	31	-	-	43
Reclassifications	-	-	(3)	(12)	13	-	-	(2)
Balance as at 31 December 2017	<u>-</u>	<u>6,043</u>	<u>1,899</u>	<u>1,563</u>	<u>13,539</u>	<u>2,537</u>	<u>-</u>	<u>25,581</u>

(iii) **Net Book Value**

Balance as at 31 March 2018	<u>13,204</u>	<u>15,943</u>	<u>14,705</u>	<u>2,397</u>	<u>8,598</u>	<u>633</u>	<u>1,804</u>	<u>57,283</u>
Balance as at 31 December 2017	<u>13,092</u>	<u>16,044</u>	<u>13,744</u>	<u>2,299</u>	<u>8,616</u>	<u>689</u>	<u>1,502</u>	<u>55,986</u>

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

(v) Exchange difference relates to the conversion of property and equipments acquired in the overseas office at the rate of exchange ruling at the end of the 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 2017: nil)

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

	Land	Buildings	Leasehold improvement	Fixtures and fittings	Furniture & equipment	Motor vehicles	Capital work in progress	Total
(i) Cost	N million	N million	N million	N million	N million	N million	N million	N million
Balance at 1st January 2018	13,065	22,096	15,531	3,890	21,893	3,180	1,523	81,178
Additions	112	-	1,041.00	187	884	-	338.00	2,561
Disposals	-	-	-	(2)	(45)	(10)	-	(57)
Reclassifications	-	-	-	-	-	-	-	-
Balance as at 31 March 2018	13,176	22,096	16,572	4,075	22,732	3,170	1,861	83,682
Balance at 1st January 2017	14,079	23,294	11,877	3,200	17,349	3,268	1,587	74,655
Additions	117	-	3,879	978	4,659	546	110	10,289
Disposals	(1,335)	(1,200)	(219)	(247)	(130)	(634)	-	(3,765)
Reclassifications to other assets	204	2	(6)	(41)	15	(0)	(174)	(0)
Write off	-	-	-	-	-	-	-	-
Balance as at 31 December 2017	13,065	22,096	15,531	3,890	21,893	3,180	1,523	81,178

	Land	Buildings	Leasehold improvement	Fixtures and fittings	Furniture & equipment	Motor vehicles	Capital work in progress	Total
(ii) Accumulated depreciation	N million	N million	N million	N million	N million	N million	N million	N million
Balance at 1st January 2018	-	6,071	1,839	1,563	13,397	2,507	-	25,377
	-	6,071	1,839	1,563	13,397	2,507	-	25,377
Charge for the period	-	101	77	89	907	52	-	1,226
Disposals	-	-	-	(2)	(41)	(6)	-	(49)
Reclassifications	-	-	-	-	-	-	-	-
Write-off/Adj	-	-	-	-	-	-	-	-
Balance as at 31 March 2018	-	6,172	1,916	1,650	14,263	2,552	-	26,554
Restated balance at 1st January 2017	-	5,854	1,657	1,435	10,141	3,001	-	22,088
Charge for the year	-	420	263	329	3,370	139	-	4,521
Disposals	-	(203)	(78)	(189)	(127)	(634)	-	(1,231)
Reclassifications	-	0	(3)	(12)	13	-	-	(2)
Write-off/Adj	-	-	-	-	-	-	-	-
Balance as at 31 December 2017	-	6,071	1,839	1,563	13,397	2,507	-	25,377

(iii) Net Book Value								
Balance as at 31 March 2018	13,176	15,924	14,656	2,425	8,469	618	1,861	57,128
Balance as at 31 December 2017	13,065	16,025	13,692	2,327	8,496	673	1,523	55,801

- (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 2017: nil)

21 Intangible assets

	Group	Group	Bank	Bank
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
	₦ million	₦ million	₦ million	₦ million
Cost				
Balance, beginning of the period	9,229	6,693	8,143	5,774
Additions	29	2,191	2	2,191
Reclassification	122	178	88	178
Exchange translation difference	-	167	-	-
Balance, end of period	9,380	9,229	8,233	8,143
Amortization and impairment losses				
Balance, beginning of the period	4,885	3,319	4,194	2,915
Amortisation for the period	401	1,466	339	1,280
Reclassification	-	(2)	-	(1)
Exchange translation difference	-	102	-	-
Balance, end of period	5,286	4,885	4,533	4,194
Carrying amounts as at period end	4,095	4,344	3,700	3,949
Balance as at 1 January	4,344	3,374	3,949	2,859

- (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 2017 : nil)

22 Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Group

31 March 2018

	Assets	Net
	₦ million	₦ million
Property, equipment, and software	-	(6,847)
Allowances for loan losses	-	(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	95,875

Deferred tax liabilities

	Net
	₦ million
Property, equipment, and software	216
Net tax assets (liabilities)	216
Net deferred tax	95,659

31 December 2017

	Assets	Net
	₦ million	₦ million
Property, equipment, and software	-	(6,847)
Allowances for loan losses	-	(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	95,875

Deferred tax liabilities

	Net
	₦ million
Property, equipment, and software	259
Net tax assets (liabilities)	259
Net deferred tax	95,616

Bank

31 March 2018

	Assets	Net
	N million	N million
Property, equipment, and software	-	(6,847)
Allowances for loan losses	-	(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	95,875

31 December 2017

	Assets	Net
	N million	N million
Property, equipment, and software	-	(6,847)
Allowances for loan losses	-	(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	95,875

Deferred tax assets and liabilities

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

	Group	Group	Bank	Bank
	31 March	31 December	31 March	31 December
	2018	2017	2018	2017
	N million	N million	N million	N million
Balance, beginning of the period	95,720	95,809	95,875	95,875
Credit for the period	(61)	(132)	-	-
Net assets/(liabilities) of discontinued operations	-	-	-	-
Net deferred tax assets/(liabilities)	95,659	95,720	95,875	95,875
<i>Made up of</i>				
Deferred tax assets	102,914	102,914	102,914	102,914
Deferred tax liabilities	(7,255)	(7,255)	(7,039)	(7,039)

Recognised and unrecognised deferred tax assets

Recognition of deferred tax assets of N95,759 (December 2017: 95,759) is based on management's profit forecasts (which are based on the available evidence, including historical levels of profitability), which indicate that it is probable that the Group's entities will have taxable profits against which these assets can be utilized.

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

23 Other assets

	Group 31 March 2018	Group 31 December 2017	Bank 31 March 2018	Bank 31 December 2017
	N million	N million	N million	N million
Cash Reserve Requirement (see (i))	219,827	225,770	219,827	225,770
Excess CRR balance to be refunded (see (ii))	25,523	25,523	25,523	25,523
Total Cash Reserve Requirement	245,350	251,293	245,350	251,293
Other assets:				
Clearing	1,549	1,883	1,549	1,883
Accounts receivable	2,207	1,922	292	220
Prepayments	7,153	4,230	6,937	3,960
Receivable on FX forward (see (iii))	22,986	19,151	22,986	19,151
Sundry assets (see (iii))	29,302	20,658	28,997	20,440
	63,197	47,844	60,761	45,654
Impairment on other assets(see (iv))	(7,572)	(7,445)	(6,368)	(6,241)
Net other assets	55,625	40,399	54,393	39,413
	300,975	291,692	299,743	290,706

(i) The Bank had restricted balances of N218.092 billion (December 2017: N225.770 billion) with the Central Bank of Nigeria (CBN) as at 31 December 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 31 December 2017, the CRRs in force were Public Sector Deposits 22.5% (Dec 2017: 22.5%) and Private Sector Deposits 22.5% (Dec 2017: 22.5%).

(ii) The MPC meeting held on November 20 - 21, 2017 maintained CRR at 22.5% . The excess CRR funds are only released to banks to fund approved eligible real sector projects. The amount refundable to the Bank is N25.523 billion (Dec. 2017: N25.523 billion).

(iii) Receivable on FX forward

The balance represents the value of foreign currency receivable on forward transactions with Central Bank of Nigeria.

(iv) Other Sundry assets

	Group 31 March 2018	Group 31 December 2017	Bank 31 March 2018	Bank 31 December 2017
	N million	N million	N million	N million
Frauds and losses	1,501	1,501	1,501	1,501
Advance payments for PPE	2,708	2,706	2,708	2,706
Receivable from Union Homes	1,927	1,927	1,927	1,927
Property under dispute	1,352	1,352	1,352	1,352
Garnishee Order	1,606	1,606	1,606	1,606
Status Car loan	153	249	153	249
ATM receivable	3,673	1,361	3,673	1,361
Dividend Receivable	353	353	353	353
Receivable on electronic transfers and collections	6,928	3,271	6,928	3,271
Master/Visa card electronic settlement	362	533	362	533
Receivable from Treasury assets	40	-	40	-
Deposits for SMEE investments	794	794	794	794
Other account balances	7,904	16,455	7,599	1,196
Balance, end of year	29,302	20,658	28,997	20,440

24 Deposits from banks

	Group 31 March 2018	Group 31 December 2017	Bank 31 March 2018	Bank 31 December 2017
	N million	N million	N million	N million
Money market deposits (See note (i) below)	11,180	10,686	11,180	10,686
Other deposits from banks	82,305	89,445	-	-
	93,485	100,131	11,180	10,686

(i) **Money market deposits**

LCY inter bank takings	-	-	-	-
FCY inter bank takings	11,180	10,686	11,180	10,686
	11,180	10,686	11,180	10,686

25 Deposits from customers

	Group 31 March 2018	Group 31 December 2017	Bank 31 March 2018	Bank 31 December 2017
	N million	N million	N million	N million
Term deposits	255,971	265,878	249,489	265,274
Current deposits	308,940	349,100	305,715	344,028
Savings	194,186	187,406	194,186	187,406
	759,097	802,384	749,390	796,708
Low-cost deposits	503,126	536,506	499,901	531,434
Low-cost deposits as % of total customer deposits	66.3%	66.9%	66.7%	66.7%

26 Current tax liabilities

	Group 31 March 2018	Group 31 December 2017	Bank 31 March 2018	Bank 31 December 2017
	N million	N million	N million	N million
Balance, beginning of period	524	465	271	177
Reclassification	-	(193)	-	-
Charge for the period	119	911	50	337
Payments during the period	143	(659)	-	(243)
Balance, end of period	786	524	321	271

27 Other liabilities

	Group 31 March 2018	Group 31 December 2017	Bank 31 March 2018	Bank 31 December 2017
	N million	N million	N million	N million
Deposits for foreign currency	68,433	63,217	68,433	63,217
Due to foreign correspondent banks	10,665	9,258	10,665	9,258
PAYE and other statutory deductions	950	926	950	879
Draft and Bills payable	7,483	7,620	7,483	7,620
Sundry creditors	585	406	585	406
Creditors and accruals (see (a) below)	11,480	11,333	11,266	11,326
Unearned income	395	420	395	420
Provision for claims and contingencies (see (b) below)	2,971	2,978	2,971	2,978
Accounts payable	9,453	6,188	9,441	4,626
Provisions for Ex-staff claims (AMCON provision) (see (c) below)	2,635	3,917	2,635	3,917
Insurance premium payable	50	16	50	16
Electronic collections and other e-payment liabilities	41,528	1,748	41,528	1,748
Other credit balances (see (d) below)	5,539	3,434	4,006	1,948
	169,387	111,461	167,408	108,359
				108,359

(a) **Creditors and accruals**

	Group 31 March 2018	Group 31 December 2017	Bank 31 March 2018	Bank 31 December 2017
	N million	N million	N million	N million
Accrued IT Consumables	489	380	489	380
Accruals for professional and consultancy fees	158	139	158	139
Accrued Training Expenses	32	261	32	261
Accrued Advert And PR Fees	155	53	155	53
AMCON provision	6,400	4,158	6,400	4,158
Accrual for staff related allowances	2,841	612	2,841	612
Accrued Rent	267	7,717	267	7,717
Provisin for Restitution and Charges	439	109	439	109
Accrual for repairs maintenance	156	233	156	233
Accrued others	545	628	331	475
	11,480	11,333	11,266	11,326

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

	Group 31 March 2018	Group 31 December 2017	Bank 31 March 2018	Bank 31 December 2017
	N million	N million	N million	N million
Balance, beginning of period	2,978	3,104	2,978	3,104
Charge/reversal during the period	(7)	(126)	(7)	(126)
Reclassification	-	-	-	-
Balance, end of the period	2,971	2,978	2,971	2,978

(c) **AMCON provision**

The amount represents outstanding balance of the provision made by the bank in 2011 in respect of propable liabilities as part of Financial Accommodation as contained in the AMCON's clawback agreement.

(d) **Other credit balances**

	Group Dec.2017	Group Dec.2016	Bank Dec.2017	Bank Dec.2016
	N million	N million	N million	N million
Unrealized OTC Futures Recoupable	450	372	450	372
Provision for Audit Fees	128	144	128	144
Vendor retention fee payable	94	91	94	91
Franchise Collections	781	606	781	606
Fx Futures Margin Deposit	54	106	54	106
Others	4,031	2,115	2,499	629
	5,539	3,434	4,006	1,948

28 Employee benefit obligations

	Group 31 March 2018	Group 31 December 2017	Bank 31 March 2018	Bank 31 December 2017
	N million	N million	N million	N million
Post employment benefit obligation (see (a) below)	115	273	115	217
Other long-term employee benefits (see (b) below)	683	584	680	584
	798	857	795	801

(a) Post employment benefit obligation

	Group 31 March 2018	Group 31 December 2017	Bank 31 March 2018	Bank 31 December 2017
	N million	N million	N million	N million
Defined contribution scheme (see (i) below)	115	124	115	124
Defined benefit obligation (See (ii) below)	-	149	-	93
	115	273	115	217
Defined benefit asset (See (ii) below)	244	352	244	352
Net defined benefit obligation	244	203	244	259

(i) Defined Contribution Scheme

	Group 31 March 2018	Group 31 December 2017	Bank 31 March 2018	Bank 31 December 2017
	N million	N million	N million	N million
Balance, beginning of period	124	152	124	152
Charge during the period	143	611	143	611
Contribution remitted during the period	(152)	(639)	(152)	(639)
Balance, end of period	115	124	115	124

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. As at the period end, the Group has transferred the benefits to the Retirement Savings Accounts (RSA) of the affected employees and the obligations are funded by plan assets.

(b) Other long-term employee benefits

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

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

- (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:

	Group 31 March 2018	Group 31 December 2017	Bank 31 March 2018	Bank 31 December 2017
	N million	N million	N million	N million
Present value of unfunded obligation	683	584	680	584
Present value of funded obligation	-	-	-	-
Total present value of the obligation	683	584	680	584
Fair value of plan assets	-	-	-	-
Present value of net obligation	683	584	680	584
Recognized liability for defined benefit obligations	683	584	680	584

29 Other borrowed funds

	Group 31 March 2018	Group 31 December 2017	Bank 31 March 2018	Bank 31 December 2017
	N million	N million	N million	N million
Due to CAC (see (a))	11,300	11,833	11,300	11,833
BOI on-lending facilities (see note (b) below)	4,747	4,962	4,747	4,962
Other borrowings (see (c))	54,656	76,416	59,918	78,941
	70,703	93,211	75,965	95,736

(a) This represents the outstanding balance on an unsecured facility of N18,167,000,000 disbursed by the Central Bank of Nigeria (CBN), as part of its developmental role, in collaboration with the Federal Government of Nigeria represented by the Federal Ministry of Agriculture and Water Resources which established the Commercial Agriculture Credit Scheme for promoting agricultural enterprises in Nigeria. The funds are made available to participating banks at zero cost, for on lending to commercial agricultural enterprises at a maximum rate of 9.00% p.a.

(b) This represents the outstanding balance of an intervention credit granted to the Bank by the Bank of Industry (BOI), a company incorporated in Nigeria for the purpose of refinancing / or restructuring existing loans to Small and Medium Scale Enterprises (SMEs) and manufacturing companies. The total facility is secured by Federal Government of Nigeria securities worth N6.0 billion (Dec. 2017: N7.5 billion) and has a 15-period tenor and repayable

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:**

	Bank 31 March 2018	Bank 31 December 2017	Bank 31 March 2018	Bank 31 December 2017
	\$ million	\$ million	N million	N million
Afreximbank	121.4	126.2	40,812	41,805
African Finance Corporation	-	40.0	-	13,263
Access Bank Nig Ltd	-	33.9	-	-
Mashreq Bank	25.5	30.5	8,578	10,112
Union Bank, UK	10.2	7.6	3,416	2,525
Access Bank UK	21.2	0	7,112	11,236
British American Commercial Bank	-	0	-	-
ABSA Bank	-	0	-	-
Sky Enterprises	-	0	-	-
	178.2	238.7	59,918	78,941

As at March 31, 2018, the USD conversion rate is \$/N336.16 (December: \$/N331.16)

30 Discontinued operations

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

	Group 31 March 2018	Group 31 December 2017	Bank 31 March 2018	Bank 31 December 2017
	N million	N million	N million	N million
Investments in subsidiaries	-	-	325	325
Investment properties	188	188	-	-
Other assets	209	209	-	-
	397	397	325	325

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
ASSETS				
Investment properties	-	188	-	188
Other assets	-	209	-	209
TOTAL ASSETS	-	397	-	397
LIABILITIES	-	-	-	-
TOTAL LIABILITIES	-	-	-	-

31 Capital and reserves

Share capital	Group	Group	Bank	Bank
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
	N million	N million	N million	N million
(a) Authorised :				
35,000,000,000 (Dec 2017: 35,000,000,000) Ordinary shares of 50 kobo each	17,500	17,500	17,500	17,500
	Group 31 March 2018	Group 31 December 2017	Bank 31 March 2018	Bank 31 December 2017
	N million	N million	N million	N million
(b) Issued and fully paid -				
29,120,752,788 (Dec. 2017: 29,120,752,788) Ordinary shares of 50kobo each	14,561	14,561	14,561	14,561
	Group 31 March 2018	Group 31 December 2017	Bank 31 March 2018	Bank 31 December 2017
	N million	N million	N million	N million
Balance, beginning of period	14,561	8,468	14,561	8,468
Shares issued during the year	-	6,067	-	6,067
Transfer from Share Based Payment Reserve	-	26	-	26
Balance, end of period	14,561	14,561	14,561	14,561
(c) Share premium				
Share premium is the excess paid by shareholders over the nominal value for their shares.				
	Group 31 March 2018	Group 31 December 2017	Bank 31 March 2018	Bank 31 December 2017
	N million	N million	N million	N million
Balance, beginning of period	187,091	391,641	187,091	391,641
Transfer between reserves	-	(247,868)	-	(247,868)
Shares issued during the year	-	43,097	-	43,097
Transfer from Share Based Payment Reserve	-	221	-	221
Balance, end of period	187,091	187,091	187,091	187,091
Share capital and share premium	201,652	201,652	201,652	201,652
(d) Other reserves				
The other reserves includes Statutory reserves, Fair value reserve, Regulatory risk reserves, Small and Medium Scale Industries Reserve (SMEEIS) and Capital reserve.				
	Group 31 March 2018	Group 31 December 2017	Bank 31 March 2018	Bank 31 December 2017
	N million	N million	N million	N million
Statutory reserves	27,121	25,853	27,121	25,853
Fair value reserve	38,964	39,620	37,821	38,258
Regulatory risk reserve	13,330	69,554	13,330	69,554
Translation reserve	14,743	14,339	1,895	1,895
Excess clawback reserves	(14,918)	(14,918)	(14,918)	(14,918)
SMEEIES/AGSMEIS reserve	7,056	8,283	7,568	7,568
Capital reserve	5,489	5,489	5,489	5,489
Equity component of employee benefit remeasurement	3,022	2,384	3,022	2,384
	95,000	150,604	81,521	136,083

(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 N750million to statutory reserves during the period ended 31 March 2018 (March 2017: N625million).

(ii) Fair value reserve

The fair value reserve includes the net cumulative change in the fair value of financial instruments at fair value through other comprehensive income.

(iii) Regulatory risk reserve

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

(iv) Other reserves

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

(v) Agricultural/Small and Medium Enterprises Investment Scheme (AGSMEIS/SMEEIS):

The SMEEIS reserve is maintained to comply with the Central Bank of Nigeria (CBN) requirement that all licensed banks set aside a portion of the profit after tax in a fund to be used to finance equity investment in qualifying small and medium scale enterprises. Under the terms of the guideline (amended by CBN letter dated 11 July 2006), the contribution was 10% of profit after tax for the first 5 periods, and thereafter reduced to 5% of profit after tax.

In April 2017, the Central Bank of Nigeria issued guidelines to govern the operations of the Agricultural/Small and Medium Enterprises Scheme (AGSMIES), which was established to support the Federal Government's efforts at promoting agricultural businesses and Small and Medium Enterprises (SMEs) as vehicles for achieving sustainable economic development and employment generation.

Though there's no longer mandatory transfers to this reserve under the earlier directives, all Nigerian banks are now required to set aside an amount equal to 5% of their annual Profits After Tax (PAT) towards the funding of equity investments, which qualify under the AGSMEIS Scheme.

(vi) Translation reserve

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

(vii) Excess Capital Clawback

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

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

	Group	Group	Bank	Bank
	31 March	31 December	31 March	31 December
	2018	2017	2018	2017
	N million	N million	N million	N million
Balance, beginning of period	-	147	-	147
Share transferred during the period	-	100	-	100
Transfer to treasury shares (see note (b) above)	-	(26)	-	(26)
Transfer to share premium (see note (c) above)	-	(221)	-	(221)
Balance, end of period	-	(0)	-	(0)

(e) **Retained deficit**

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

32 Non-controlling Interest

	Group	Group
	31 March	31 December
<i>Movement in the non controlling interest</i>	2018	2017
	N million	N million
Balance, beginning of period	5,831	5,111
Profit/(loss) for the period	162	720
Balance, end of period	5,993	5,831

33 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 N200.575 billion (December 2017: N320.15 billion).

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

	Group	Group	Bank	Bank
	31 March	31 December	31 March	31 December
	2018	2017	2018	2017
	N million	N million	N million	N million
Performance bonds and guarantees	82,446	64,321	82,446	64,321
Letters of credit	72,360	55,798	72,360	55,798
	154,806	120,119	154,806	120,119