2014

ANNUAL REPORT & ACCOUNTS

UNION BANK

Union Bank of Nigeria Plc
Consolidated and Separate Financial Statements
For the year ended 31st December 2014

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GROUP RESULTS AT A GLANCE

GROSS EARNINGS	PROFIT ON ORDINARY ACTIVITIES BEFORE TAX	PROFIT AFTER TAX
N135.897billion	N27.708billion	N26.825billion

	Group Dec 2014 N' Million	Group Dec 2013 N' Million	Increased/ (Decreased) %	Bank Dec 2014 N' Million	Bank Dec 2013 N' Million	Increased/ (Decreased) %
Major Profit or Loss Account Items						
Gross earnings	135,897	121,398	12	109,821	103,225	6
Profit before tax	27,708	3,769	635	20,691	4,201	393
Profit after tax	26,825	3,836	599	20,486	5,121	300
Earnings per share	151k	32k	372	121k	30k	303
Major Balance Sheet Items						
Deposits from customers	527,617	482,706	9	507,431	479,956	6
Loans and advances	312,797	229,542	36	302,372	210,118	44
Total Assets	1,009,157	1,002,756	1	920,936	882,097	4
Total Equity	222,234	199,343	11	205,974	187,784	10

CORPORATE PROFILE

Established in 1917 and listed on the Nigerian Stock Exchange in 1971, Union Bank of Nigeria Plc is one of Nigeria's long-standing and most respected financial institutions. The Bank is a trusted and recognisable brand, with a large base of loyal customers and an extensive network of over 300 branches across Nigeria through which it serves those customers. Union Bank also has a full-fledged subsidiary in London, United Kingdom.

Following banking reforms by the Central Bank of Nigeria, Union Bank, in September 2012, concluded a successful recapitalisation process with the injection of $500 million into the Bank by Union Global Partners Limited *(UGPL)* – a consortium of investors. The investor members of UGPL include African Capital Alliance, ADC African Development Corporation, Corsair Capital, FMO *(the Netherlands Development Finance Company),* Chandler Corporation and Standard Chartered Private Equity. This consortium of investors in the Bank and UGPL, collectively own 65% of the Union Bank's shareholding, the Asset Management Corporation of Nigeria owned 20.04% and a diverse group of shareholders hold 14.96%. In December 2014 and January 2015 Atlas Mara Limited acquired respectively, the Asset Management Corporation of Nigeria shareholding and majority shareholding in ADC (African Development Corporation) a member of the UGPL Consortium.

Having successfully completed its recapitalisation, Union Bank embarked upon a Transformation Programme aimed at re-establishing the Bank as one of Nigeria's leading banks. Union Bank's Transformation agenda revolves around a number of critical areas including operations, information technology, risk management as well as its overall strategy. Reliability is at the core of the Bank's Transformation aspirations. The Bank's goal is to be a reliable institution - one which delivers the best service possible to its customers and consistently creates value for all its stakeholders.

Union Bank operated a group structure with subsidiary and associate companies providing services across a number of sectors including mortgage, insurance, trusteeship, stockbroking, property development and share registration businesses. In line with the Central Bank of Nigeria's Regulation 3 on the Scope of Banking and Ancillary Matters, and the Bank's current plan to focus its resources on core banking functions, Union Bank in 2014 divested its interests in most of its subsidiaries and associated companies, with the exception of Union Bank *(UK)* Plc.

Union Bank currently offers a myriad of banking services to both Individual and Corporate clients including Current, Savings and Deposit Account services, Funds Transfer, Foreign Currency Domiciliation, Loans, Overdrafts, Equipment Leasing and Trade Finance. The Bank also offers its customers convenient electronic banking channels and products including Online Banking, Mobile Banking, Bank Cards, ATMs and POS Systems.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the FORTY-SIXTH ANNUAL GENERAL MEETING of Union Bank of Nigeria Plc will be held in the Ladi Kwali Conference Hall, Sheraton Abuja Hotel, Ladi Kwali Crescent, Wuse Zone 4, Abuja, FCT on Tuesday, 16th June, 2015 at 11.00 a. m. to transact the following business:

ORDINARY BUSINESS

1. To receive and adopt the Audited Group Financial Statements for the financial year ended 31st December, 2014 together with the reports of the Directors, Auditor, Board Appraiser and Audit Committee.

2. To authorize the Directors to fix the remuneration of the Auditor.

3. To elect/re-elect Directors.

4. To elect/re-elect members of the Audit Committee.

SPECIAL BUSINESS

1. To approve the remuneration of Directors.

SPECIAL NOTICE

Messrs. Richard Lee Kramer, John Botts and Dr. *(Mrs.)* Onikepo Akande who attained the age of seventy *(70)* years on 20th June 2004, 19th January 2011 and 29th October, 2014 respectively, are Directors of the Company and pursuant to the provisions of Section 256 of CAMA, the said Directors shall not vacate their position as Directors, having given the Company notice of their ages on 12th September 2012 and 24th November, 2014 respectively.

NOTES

(a) PROXY

A member of the Company entitled to attend and vote at the meeting, is entitled to appoint a proxy to attend and vote in its, his or her stead pursuant to which a proxy form is provided with the Notice of Meeting. Executed proxy forms should be duly stamped at the Stamp Duties Office and deposited at the office of the Company Registrar, GTL Registrars Limited *(former Union Registrars Ltd),* 2 Burma Road, Apapa, Lagos not less than forty-eight *(48)* hours before the meeting.

(b) AUDIT COMMITTEE

Any member may nominate a shareholder for election as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least twenty-one *(21)* days before the Annual General Meeting.

(c) CLOSURE OF REGISTER OF MEMBERS

The Register of Members and Transfer Books of the Company will be closed from 25th May, 2015 to 29th May, 2015 *(both days inclusive)*.

BY ORDER OF THE BOARD

Somuyiwa Adedeji Sonubi
Company Secretary
Union Bank of Nigeria Plc
Stallion Plaza
36 Marina
Lagos.

Dated 21st day of April 2015

CORPORATE INFORMATION

Directors

• Udoma Udo Udoma, CON	*- Chairman*
• Emeka Emuwa	*- Group Managing Director*
• Adekunle Mickey Adeosun	*- Executive Director*
• Oyinkansade Adewale	*- Executive Director/Chief Financial Officer*
• Kandolo Kasongo	*- Executive Director/Chief Risk Officer*
• Ibrahim Abubakar Kwargana	*- Executive Director*
• Godson Chukwuemeka Okonkwo	*- Executive Director*
• Mansur Ahmed	*- Non-Executive Director*
• Onikepo Olufunmike Akande, CON	*- Non-Executive Director*
• John Botts	*- Non-Executive Director*
• Richard Burrett	*- Non-Executive Director*
• Richard Lee Kramer	*- Non-Executive Director*
• Douglas Munatsi	*- Non-Executive Director ****
• Cyril Odu	*- Non-Executive Director*
• Adeyemi Osindero	*- Non-Executive Director*
• Dickie Agumba Ulu	*- Non-Executive Director ****
• Ian Clyne	*- Non-Executive Director **
• Saidu Mohammed-Jallo	*- Non-Executive Director ***

** Appointed with effect from 27th August, 2014*
*** Appointed with effect from 4th November, 2014 and resigned 24th February, 2015*
**** Resigned with effect from 24th February, 2015*

Company Secretary
Somuyiwa Adedeji Sonubi
FRC/2013/NBA/00000002061

Registered office
Union Bank of Nigeria Plc
Stallion Plaza
36 Marina
Lagos

Auditors:
KPMG Professional Services
KPMG Tower
Bishop Aboyade Cole Street
Victoria Island,
Lagos

Registrar & Transfer Office
GTL Registrars Limited *(former Union Registrars Limited)*
2, Burma Road
Apapa
Lagos

BOARD OF DIRECTORS

CHAIRMAN	Udoma Udo Udoma CON
GROUP MANAGING DIRECTOR	Emeka Emuwa
DIRECTORS	Adekunle Mickey Adeosun Adeyemi Osindero Cyril Odu Dickie Agumba Ulu Douglas Tawanda Munatsi Godson Chukwuemeka Okonkwo Ian Clyne Ibrahim Abubakar Kwargana John C. Botts Kandolo Kasongo Mansur Ahmed Onikepo Akande *Dr. (Mrs)* CON Oyinkansade Adewale *(Mrs)* Richard Burrett Richard Lee Kramer Saidu Mohammed-Jallo
COMPANY SECRETARY	Somuyiwa Adedeji Sonubi

EXECUTIVES & ADVISERS

GROUP MANAGING DIRECTOR	Emeka Emuwa	
EXECUTIVE DIRECTORS	Adekunle Mickey Adeosun	*Commercial & Consumer Bkg, South*
	Godson Chukwuemeka Okonkwo	*Corp, Int'l., Investment Bkg & Treasury*
	Ibrahim Abubakar Kwargana	*Commercial & Consumer Bkg, North and Public Sector*
	Kandolo Kasongo	*Chief Risk Officer*
	Oyinkansade Adewale	*Chief Financial Officer*
HEAD, IT & OPERATIONS	Luxhman Jayaratne	
HEAD, RETAIL BANKING	Carlos Wanderley	
GENERAL MANAGERS	David Taiwo Isiavwe	*Chief Internal Auditor*
	Lateef Olufemi Dabiri	*Head Central Operations*
DEPUTY GENERAL MANAGERS	Abigail O. Duopama-Obomanu	*Head Branch Coordination*
	Bamgbola Oriyomi Sokoya	*Chief Compliance Officer*
	Fatai Babatunde Baruwa	*Head E-Business*
	Folorunsho Emmanuel Orimoloye	*Head Information Technology*
	Joyce Olubunmi Adekoya	*Head Credit Risk Management*
	Kaonen Adekola Ali	*MD Union Bank (UK) Plc*
	Maurice Akpofure Phido	*Head CBG - Specialized Markets*
	Michael Ochuko Hunder	*Head Quality Assurance*
	Peter Nkechukwuyem Aliogo	*Regional Executive, South East*
	Segun Isiaka Lamidi	*Head Office Operations Head*
ASSISTANT GENERAL MANAGERS	Adebanji David Jimoh	*Head Sales And Distribution - Area II*
	Agatha Mbuyuana Mbanefo	*Head Customer Care*
	Babatunde Samuel Olagbaju	*Head Credit Portfolio Mgt & Reg Compliance*
	Francis Osemeke Onwuemele	*Group Head Commercial Hub Apapa*
	Gbolahan Muyiwa Ogundipe	*Head Foreign Operations*

	Gloria Francisca Omereonye	*Group Head Commercial Hub Lagos Island II*
	Ifeanyi Columbus Opara	*Head CBG-Energy - International & Regional Oil Traders/NNPC*
	Imoh George Udoh	*Group Head Commercial Hub Port Harcourt*
	Kabir Sarkin-Pawa	*Group Head Commercial Hub Abuja*
	Maria Nyong Etim Udoh	*Public Sector Relationship Manager*
	Morenike Arinola Olabisi	*Head Food/Beverages*
	Olanireti Abimbola	*Head Internal Control*
	Olugbenga Abayomi Babatunde	*Head Infrastructure Management*
	Olusegun Abiodun Edun	*Head Credit Risk Analysis*
	Oluwagbenga John Adeoye	*Head Financial Control*
	Pearl Chidinma Kanu	*Divisional Head Commercial Lagos*
	Rabiu Fagge Tata	*Head Retail Segment- SME*
	Roseline Kainolu Nwayo	*Deputy Chief Internal Auditor*
	Taiwo Olukayode Adeneye	*Head Treasury Operations*
	Uche Messiah Olowu	*Head CBG-Energy Upstream/Oil Services*
	Winfred Abiodun Atawodi	*Zonal Co-ordinator (Abuja I)*
SOUTH AFRICA REP OFFICE	Olufemi Okanlawon	
HEAD, CORPORATE AFFAIRS & CORPORATE COMMUNICATIONS	Ogochukwu Ekezie-Ekaidem	

Udoma Udo Udoma
Chairman

Adekunle Mickey Adeosun
Executive Director

Oyinkansade Adewale
Executive Director

Kandolo Kasongo
Executive Director

Ibrahim Abubakar Kwargana
Executive Director

Richard Burret
Director

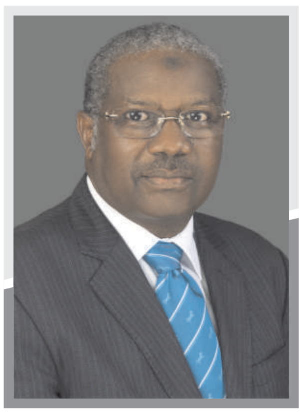
Ian Clyne
Director

Saidu Mohammed-Jallo
Director

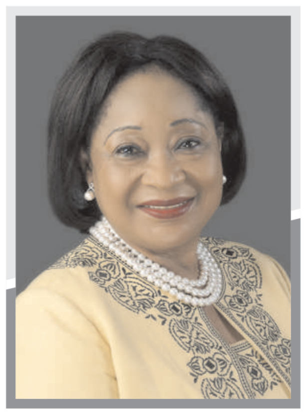
Richard Kramer
Director

Emeka Emuwa
Group Managing Director

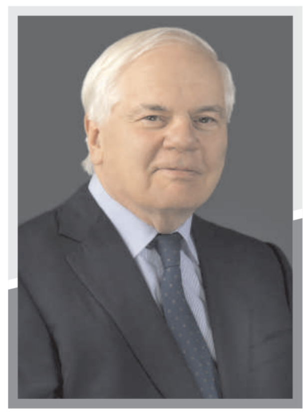
Chukwuemeka Okonkwo
Executive Director



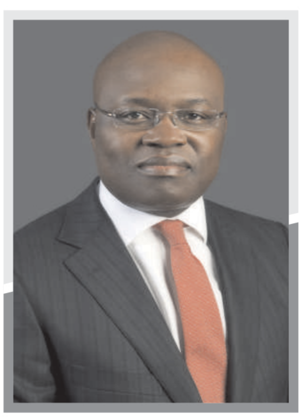
Mansur Ahmed
Director



Onikepo Akande
Director



John Botts
Director



Douglas Tawanda Munatsi
Director

Cyril Odu
Director

Adeyemi Osindero
Director

Dickie Agumba Ulu
Director

CHAIRMAN'S STATEMENT

Introduction

Distinguished shareholders, members of the Board of Directors, Ladies and Gentlemen, I am pleased to welcome you all to the 46th Annual General Meeting *(AGM)* of Union Bank of Nigeria Plc. *("UBN")*. I hereby present the annual report for the financial year ended December 2014.

The Global Economy

The global economy grew by 3.3% in 2014, similar to the previous year. However, divergent trends emerged across markets. While the United States and the United Kingdom recovered, the Euro zone and Japan remained sluggish. Global economic activity slowed due to a sharp decline in oil prices and rapid adjustments in exchange rates in the second half of the year, and increased geopolitical tensions in the Euro zone.

Advanced economies grew to 1.8% in 2014, up from 1.3% in 2013. Most notably, growth in the United States exceeded expectations, rebounding after the contraction in the first quarter of 2014. Key drivers were reduced unemployment and stable inflation on the back of dollar appreciation and low oil prices.

In emerging and developing economies, growth slowed from 4.7% in 2013 to 4.4% in 2014 due to weaker performance in Russia and China. However, Sub-Saharan Africa's economic growth improved from 4.2% in 2013 to 4.5% in 2014 due to increased investments in public infrastructure, improved agricultural activities and a resilient services sector. Generally, growth in developing countries in 2014 reflected weaker global demand, coupled with domestic policy tightening, political uncertainties and supply constraints.

Looking forward to 2015, global growth is expected to be impacted by softer commodity prices and weaker global trade; lower interest rates with divergent monetary policies across major economies. Lower oil prices will continue to weigh in on growth prospects for oil-exporting and oil-importing countries.

The Nigerian Economy

Nigeria's economy grew by 6.2% in 2014, up from 5.5% in 2013. The rebasing exercise conducted in the first quarter of the year led to Nigeria emerging as the largest economy in Africa and 26th in the world, with a gross domestic product *(GDP)* of US$510 billion. The Non-oil sector remained the major driver of economic growth, and the Services sector became the major contributor, increasing from 29% pre-rebasing to 52% post-rebasing. Non-oil sector's growth slowed from 8.4% in 2013 to 7.2% in 2014 due to softer growth in the Services sector in the second half of the year, particularly in Real Estate, Telecommunications, and Wholesale and Retail trade. Contraction slowed in the Oil and Gas sector on the back of stable production levels, leading to improved GDP growth.

Inflation remained within single digits throughout the year, with a 12-month average of 8.1% *(vs. 8.5% in 2013).* This was achieved primarily as a result of increased food supply within the period, coupled with the Central Bank of Nigeria's *(CBN)* defensive monetary policy stance.

Oil prices declined from the third quarter of the year, dropping from 2014's high of US$115 per barrel to close the year at US$57 per barrel. This was due to the combined effect of decreasing global demand and a supply surplus by oil producing economies. As expected, this negatively impacted Federal Government revenues considering crude oil accounts for about 90% of its foreign revenue.

Consequently, Nigeria's external reserves ended the year at US$34.4 billion, a 27% decline from US$43.6 billion in 2013. This was predominantly a fall out of low oil prices experienced globally in the second half of the year, in addition to CBN's commitment to defending the value of the nation's currency via its foreign reserves.

In the foreign exchange rate market, CBN officially devalued the exchange rate at the Retail Dutch Auction System (RDAS) window by 8% from N155/US$1 to N168/US$1 in November – the exchange rate band was also widened from +/- 3% to +/- 5%. The average interbank exchange rate closed the year at N186/US$1. Subsequently, in early 2015, the RDAS window was abolished resulting in a unified exchange rate.

Nigeria's socio-political landscape was dampened by persistent Boko Haram insurgencies in the North East which continued to hamper commercial activities in the region. We also witnessed an outbreak of the Ebola Virus in July, albeit brief as it was successfully contained with no remaining cases in the country by October. These constrained a more rapid economic growth as it negatively impacted consumer confidence and performance in various sectors during the period.

The Banking Industry

In 2014, the regulatory environment governing the Nigerian banking industry was characterized by policy changes aimed at supporting the fiscal tightening stance adopted by the CBN. Key changes made within the year include:

- Reduction in Commission on Turnover *(COT)* from N3 to N2 per mille effective in January
- Increase in Cash Reserve Ratio *(CRR)* for banks on public sector deposits from 50% to 75% in January
- Increase in CRR on private sector deposits from 12% to 15% in March and subsequently to 20% in November
- Increase in Monetary Policy Rate (MPR) from 12% to 13% in November
- Introduction of Basel II/III capital adequacy requirements from October

The combined effect of these regulatory changes had significant impact on the operating environment of banks and consequently their bottom-line. The new capital requirements have forced banks to embark on capital raising initiatives to comply with regulation and further support growth plans.

Our Bank
UBN Transformation

Our transformation programme is on track and the implementation of our 2013-2017 strategy has already begun yielding positive results. In order to sustain and build on achievements recorded since the start of the programme, Union Bank hired a transformation director to institutionalize and lead the Bank's Transformation Management Office *(TMO)*. The TMO coordinates, centralises and tracks transformation workgroups to ensure transformation achievements are delivered within stipulated timelines and embedded in the system.

In an effort to build a new culture, we launched the *"Achieve More"* programme to drive our culture change initiatives, and to engage employees on our redefined values as a Bank and how each person can contribute to the success of the transformation programme.

More specifically, in 2014, we put in place the right foundation for our above-market growth aspirations, particularly in the following areas:

- Embedded our new business model focusing on Retail, Commercial and Corporate Banking
- Strengthened our organizational capabilities and culture with the enhancement of our talent base through key recruitments and upskilling existing employees
- Revamped operations and processes impacting customers *(i.e. account opening, card issuance, instant payments)* and internal operations such as our procurement process
- Established a central processing centre *(CPC),* which provides a streamlined, cost efficient, and consistent method of processing most bank branch transactions
- Improved our technology infrastructure by ensuring network stability and reliability as well as deploying technology to support branch operations via product platforms such as payments, collections, trade and treasury
- Enhanced customer acquisition, product offerings and commenced branch network restructuring
- Increased external communication and brand visibility

This has positioned us on the right trajectory to ensure sustained revenue and profit growth, which will ultimately grow shareholder value, and thus adequately position UBN to regain its position as one of the leading banks in Nigeria.

Changes in Ownership and Group Structure

In 2014, there was a change in our ownership structure, with Asset Management Company of Nigeria *(AMCON)*'s 20% stake in the bank being acquired by Atlas Mara Limited, an Africa focused entity publicly listed on the London Stock Exchange.

In compliance with CBN's Regulation 3 on the Scope of Banking Activities and Ancillary Matters, which restricts Nigerian banks to operate as commercial, merchant or specialized banks, we are pleased to say that we have made significant progress in the disposal of our non-banking subsidiaries. Five of our subsidiaries have been divested profitably, allowing us consolidate our growth aspirations as a core commercial bank. As stated previously, Union Bank (UK) Plc will remain part of the Group.

Financial Performance in 2014

Notwithstanding the challenging macro-economic and regulatory environment combined with significant investments made internally on people, technology and our branch network, we maintained strong underlying performance and sustainable profitability.

Profit Before Tax *(PBT)* for the Bank increased by 393% from N4.2 billion in 2013 to N20.7 billion in 2014. This includes N6.3bn one-off gain on disposal of subsidiaries as we successfully and profitably implemented CBN Regulation 3. For the Group, PBT increased by 635% from N3.8 billion in 2013 to N27.7 billion in 2014 due to a one-time accounting impact from subsidiary disposals. Consequently, Return on Equity *(ROE)* grew from 3% in 2013 to 10% in 2014 for the Bank and from 2% in 2013 to 13% in 2014 for the Group.

We kept operating expenses at a similar level to our 2013 position, increasing slightly by 1% from N56.7 billion in 2013 to N57.2 billion in 2014. Group operating expenses also increased marginally from N58.6 billion in 2013 to N58.7 billion in 2014. This was as a result of our continued proactive effort to manage cost effectively while increasing productivity – leading to an improvement in our cost-to-income ratio *(net of restructuring costs)* from 74% in 2013 to 68% in 2014 for the Bank and from 75% to 63% for the Group.

Total assets of the Bank and Group stood at N920.9 billion and N1,009 billion respectively. The Bank experienced a 44% increase in net loans from N210.1 billion in 2013 to N302.4 billion in 2014, while the Group's net loans grew by 36% from N229.5 billion in 2013 to N312.8 billion in 2014. This was primarily attributed to our continued focus on driving business in key sectors of the economy, including Oil & Gas, Telecoms and Manufacturing. NPL ratio for both Bank and Group also improved to about 5%. The improvement in our asset quality is an indication of successful implementation of strong risk management measures through our reinforced Credit and Risk function. Customer deposits for the Bank grew by 6% from N479.9 billion in 2013 to N507.4 billion in 2014, while the Group figure increased by 9% to close the year at N527.6 billion.

Shareholders' Funds for the Bank increased by 10% to N205.9 billion while the Group position increased by 13% to N216.9 billion. Our capital adequacy ratio stood at 16.4% using Basel II computations, which is above CBN's minimum requirement of 15% for international banks.

Despite substantial profit growth, the bank still has a retained earning deficit, therefore no dividend has been declared for the financial year ended December 31 2014. Sections 379(5), 380(b) and 386 of the Companies and Allied Matters Act require the Bank to make whole any deficit in the revenue reserves before dividends can be made.

Board Changes

During the year under review, Mr. Saidu Mohammed-Jallo, Mr. Douglas Munatsi and Mr. Dickie Agumba Ulu resigned from the bank, primarily as a result of the change in ownership structure. I would like to thank them for their contributions to Union Bank during their tenure. We welcome Mr. Ian B. Clyne to the Board as a Non-Executive Director.

Awards and Recognitions

Our continuous commitment to the development and growth of the Agriculture sector was recognized as we continue to support Agriculture financing across the country. Consequentially, we received an award for the Best Support Bank in the Agricultural Credit Guarantee Scheme for the 8th consecutive year.

In the course of the year, the Bank also received a number of awards and recognitions including:

- Web Jurist Award for Best Aesthetics among financial industry websites
- Financial industry's *"Cashless POS Activation Champion,"* in the MasterCard cashless champion awards for 2014, recognized for recording the highest increase in the activation of its Point of Sale (*POS)* terminals as recorded by the Nigeria Inter-Bank Settlement System's *(NIBSS)* Payments Terminal Service Aggregator *(PTSA)* report
- First Nigerian bank awarded the latest Payment Card Industry Data Security Standard *(PCI DSS)* Version 3.0 certification

Outlook for 2015

In 2015, we anticipate a tougher macro-economic environment in Nigeria and a more constrained operating environment for banks considering volatile oil prices and foreign exchange rate, in addition to other key fiscal policy indicators. We expect the impact of the devalued naira, lower oil prices and slowdown in commercial activities prior to the national elections to take its toll on consumer and government expenditure as well as investment and expansion plans in the public and private sector. To this end, real GDP is expected to significantly slow down to around 4% from 6.2% in 2014.

While we acknowledge that the economic backdrop and the banking climate in Nigeria is tougher, we believe that we are well positioned to navigate the environment and deliver our targets for 2015.

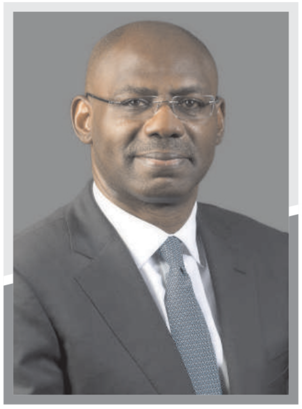
Conclusion

On behalf of the Board of Directors, I would like thank our shareholders who have shown continued commitment and loyalty to the Bank. A special thank you should also go to our staff for all their hard work throughout the year, and to our loyal customers who have remained with us throughout our journey.
Your Board and Management remain committed to achieving the transformation of Union Bank and delivering results to all our stakeholders.

Thank you.

Senator Udoma Udo Udoma
Chairman

GROUP MANAGING DIRECTOR'S STATEMENT



Dear Shareholders,
It is my pleasure to welcome you to the 46th Annual General Meeting *(AGM)* of Union Bank of Nigeria Plc (*"UBN"*).

2014 was a significant year for us on our transformation journey to reposition Union Bank as a highly respected provider of financial services in Nigeria. We made significant strides in the execution of our strategy and put in place a solid foundation for sustained growth hinged on these key pillars - people, organization, processes and technology.

People and organization: To further embed our new business model focused on Retail, Commercial and Corporate Banking, we strengthened our talent base and organizational structure, with key leadership hires across the bank, especially within Retail, Commercial, Treasury, Credit Risk, Transformation and Corporate Communications and Branding. We redefined our culture with new core values launched to shape the right behaviours; and begun implementing a robust change management effort, to improve our service levels to align with A Simpler and Smarter Bank.

Process improvement: We overhauled several operations and processes to ensure we consistently deliver quality service to our customers. The implementation of our Central Processing Centre *(CPC)* is noteworthy – this provides streamlined, cost efficient, and reliable processing of most branch operations. We remain committed to continuous process improvement beyond 2014.

Technology: We invested heavily in our technology infrastructure to enhance operations and customer service delivery. All branch links were upgraded to fibre optic connections and we made significant progress in upgrading our core banking platform. Substantial efforts went into deploying the Oracle Flexcube Universal Banking Solution 12.0 in 2014, and we have now successfully cut over to this new platform aimed at improving operating efficiency and enhancing service delivery.

Customer touch-point optimisation: We commenced branch network optimization initiatives which saw a good number of our branches renovated, relocated and merged to better serve customers. We aggressively grew our alternative channel network including ATMs, POSs and online/mobile banking as well as improved their uptime and overall reliability to enhance customer service delivery.

Increasing external visibility: Our visibility in our community and the market place increased consistent with our plans to reenergize our brand and contribute in a meaningful way to the communities we bank. We launched the UnionFacts series, the first advertising campaign since 2012, leveraging print, billboards, radio and social media. This led to better engagement with our customers. We also played a significant role in the Global Financial Literacy Day as well as engaged in a mentoring programme with St. Mary's Primary School, Lagos. We sponsored high profile events including Euromoney and Women in Management, Business and Public Service, *(WIMBIZ)* Conference as well as the Business Day SME Conference in Lagos, Ibadan and Kano.

In line with our strategic direction, we successfully and profitably divested five of our non-banking subsidiaries. We will now be able to focus on banking as a core priority, leveraging Union Bank *(UK)* Plc. to further consolidate our efforts to regain our position as a leading commercial bank in Nigeria.

All these accomplishments in 2014 impacted directly on our financial performance for the year; notwithstanding the volatile macro-economic and regulatory environment we witnessed in the second half of the year.

The Bank experienced 28% growth in net operating income from N60.9 billion in 2013 to N77.9 billion, while the Group experienced 34% growth from N63.9 billion in 2013 to N85.7 billion in 2014 largely due to one-time events. The Bank grew profit before tax by N16 billion, closing the year with N20.7 billion, up from N4.2 billion in 2013, while the Group closed at N27.7 billion, up from N3.8 billion in 2013. While one-off gains of N6.3 billion from sale of subsidiaries added significant boost to profits, we were able to grow profitability from our core operations, combined with our effective cost management initiatives which stabilised our costs, and kept expenses flat year-on-year. This led to a cost-to-income ratio improvement from 74% in 2013 to 68% in 2014 for Bank, and from 75% to 63% for the Group *(net of restructuring costs)*. With these results, we are largely on track to meet the key targets we set for ourselves.

In line with our focus sectors including Oil and Gas, Manufacturing and Telecommunications, we achieved a loan growth of 44% year-on-year, closing at N302.4 billion for the Bank, while growing 36% to N312.8 billion at the Group level. Our loan growth was not at the expense of quality, as Non-Performing Loans *(NPLs)* improved from 6% in 2013 to about 5% in 2014 for both Bank and Group. Customer deposits for the Bank also grew by 6% from N479.9 billion in 2013 to N507.4 billion in 2014, while the Group figure increased by 9% to close the year at N527.6 billion.

Our balance sheet remains strong with total assets for the Bank and Group closing the year at N920.9 billion and N1,009 billion respectively. We are pleased to say that we improved Shareholder value by increasing Return on Average Equity from 3% in 2013 to 10% in 2014 for the Bank and from 2% in 2013 to 13% in 2014 for the Group. Earnings per Share improved from 30 kobo to 121 kobo in 2014 for the Bank and from 32 kobo to 157 kobo in 2014 for the Group.

2014 was not without challenges. External pressures from regulatory changes leading to tighter monetary policy impacted on our liquidity. In addition, intensified insurgency in the North East impacted our business activities in the North and our bottom line.

In 2015, we will continue to execute our strategic transformation initiatives, building on 2014 achievements and key lessons learned. We expect to see continued improvement in both our financial and operational performance as we begin to yield the benefits of our newly launched core banking platform.

We acknowledge that it will be a tougher macro-economic and regulatory environment. As such, we will remain watchful for opportunities across our landscape while executing our 2015 priorities:

- Proactive risk management as we pursue lending opportunities and ensure asset quality
- Leverage our redesigned coverage model, channels and products to aggressive revenues with low-cost deposits
- Effective cost management and cost-to-income reduction to increase productivity and efficiency
- Proactive capital management to ensure effective capital utilization and regulatory compliance
- Leading change, improving productivity and embedding transformation through our people

We also plan to roll-out a reenergized brand identity that reflects our strategy and proposition as A Simpler and Smarter Bank, and complete the divestment process. Furthermore, we will focus on being a socially responsible bank by transforming the way we interact with employees, customers and communities.

In closing, I would like to thank you, our Shareholders, for your continued support, and all our staff for their continued hard work. We look forward to delivering our targets in 2015.

Thank you.

Emeka Emuwa
Chief Executive Officer

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May, 2015

REPORT OF THE EXTERNAL CONSULTANTS ON THE EVALUATION OF THE BOARD OF DIRECTORS OF UNION BANK NIGERIA PLC FOR THE YEAR ENDED 31 DECEMBER 2014

Section 2.8 of the Central Bank of Nigeria (CBN) Code of Corporate Governance for Banks in Nigeria ("the Code"), makes it mandatory for the Board of all Banks to conduct yearly appraisal of its performance and that of its Committees. To give effect to this provision, the Board of Union Bank of Nigeria Plc. engaged DCSL Corporate Services Limited as external consultants to carry out an evaluation of the Board for the period ended 31st December 2014. The essence of the evaluation was to benchmark the Board's performance against the provisions of the Code and global best practice, and make recommendations to the Board on remedial actions to be taken to improve its performance where necessary.

It is part of the Board's oversight to define the Bank's strategy, monitor the performance of Management, and ensure effective internal control and risk management. Our responsibility as consultants is to draw conclusions on how effectively the Board has performed its oversight function during the year ended 31st December, 2014. Following our review, we have provided details of our findings, highlighted areas of improvement, reviewed status of previous year recommendations and made recommendations aimed at further improving the performance of the Board of its oversight functions.

We confirm that the Board of Union Bank of Nigeria Plc. is composed of Directors with the relevant skills and competencies and of an appropriate mix in terms of relevant experience. The Board operates an efficient Committee system that sees each Director effectively participating in Board Committees, with all Directors free to attend meetings of Committees on which they do not serve. At the conclusion of the evaluation exercise, we urge the Board to consider and implement prior year recommendations including, ensuring gender diversity on the Board and institutionalizing Director Training and Development by ensuring that a budget and Training Plan are approved for the regular training of Directors on issues pertaining to their oversight functions.

Details of our key findings and recommendations are contained in our Report.

Yours faithfully,
For: DCSL Corporate Services Ltd

Bisi Adeyemi
Managing Director

DCSL Corporate Services Limited

CORPORATE SOCIAL RESPONSIBILITY

CSR in Union Bank is an integral part of the wealth creation process with enhanced competitiveness in business while the value of wealth creation to society is fully maximized. The Bank has done this for close to a century, carving a niche for itself and building strong goodwill along the way.

From business growth, healthcare improvement, infrastructure development, security support, educational facilities up-grade, sports enhancement to community projects assistance, Union Bank's CSR initiatives remain legendary and continue to give back to society in varied forms. Our CSR thrust is anchored on five pillars:

- Education
- Healthcare
- Safety and Security
- Sports Development and wellbeing
- Humanitarian support & beautification

Union Bank passionately believes in the business axiom that every corporate citizen should identify with the aspirations of the community in which it operates, and be responsive to the people in the areas of genuine and clear needs. It, therefore, acknowledges its responsibility to the Nigerian society, generally by contributing to its development and enrichment.

Education

Knowing the importance of information technology in educational development, the Bank has been very supportive in equipping tertiary institutions with information and communication technology (ICT) infrastructure. Over 30 tertiary institutions in the country (both State-owned and Federal-owned Polytechnics and Universities) have benefitted from its educational project. As part of efforts to equip schools with necessary tools, the Bank donated a 16-seater Hiace Bus to the Polytechnic, Nekede, 100 KVA Power Generator to Apostolic Grammar School, Ketu and had sunk boreholes in some schools in order to provide portable drinking water for students.

At various times, the Bank made substantial financial contributions to the Federal University Dutse, University of Nigeria Nsukka, Ahmadu Bello University, Federal University of Technology Minna, Lagos Business School in addition to donating complete libraries, computer equipment and books worth several millions of naira to colleges, institutions and even to primary and secondary schools nationwide.

For five years, the Bank funded the endowment of three professorial chairs for Banking and Finance, Agriculture and Computer Technology at the Federal Universities of Technology Akure, Owerri and Minna, in commemoration of its 70th anniversary in 1987. The three universities equally received substantial sums annually to boost their Banking and Finance, Agriculture and Computer Technology programmes during the period.

In furtherance of its commitment to financial inclusion in Nigeria, the Bank launched the Financial Literacy Mentorship Programme in October, 2014. Union Bank staff volunteers on the programme conduct monthly teaching sessions at schools in the Lagos area. To date, over 500 students have been taught the basics of financial literacy at St. Mary's Private School, Ajele Street, Lagos Island, Dodan Barracks Primary School, and Army Children's School, both located at Dodan Barracks, Obalende, and Uyo High School, Oron Road, Uyo.

Healthcare

In the healthcare sector, the Bank has, on its own, built and/or contributed immensely in building several medical centres and clinics nationwide such as the Health Centre at the University of Benin, Edo State, and the Sickle Cell Centre, Idi-Araba, Surulere, Lagos State. It also renovated the Doctors' Lounge at the Lagos University Teaching Hospital (LUTH).

The Bank presented various medical equipment worth several millions of naira to the Child Care Trust, meant to enhance the execution of the then First Lady, late Chief (Mrs) Stella Obasanjo's programme for transmitted diseases infection in Africa (ICASA 2005).

Furthermore, the Bank had supported health institutions in the country in various ways such as the donation of a Toyota Hilux security vehicle to the Lagos University Teaching Hospital (LUTH), Idi-Araba, donation to the Federal Medical Centre, Makurdi, and support for the National Association of Orthodontists.

Apart from providing these clinics with necessary medical and engineering equipment, the Bank regularly supports/sponsors campaigns aimed at improving health and healthy living e.g. cancer care, heart campaigns and the fight against HIV aids. The Bank had also saved the lives of many Nigerians from all manners of life threatening ailments including heart, kidney, liver, and spinal cord diseases.

Safety and Security

In keeping with its policy of being its brother's keeper, the Bank has a robust fire-fighting outfit to assist in combating fire incidents within the Lagos metropolis or business district.

As a practical demonstration of its commitment to this course, the Bank acquired a state of the art fire-fighting and rescue equipment, known as CCS Bronto Skylight F42 HDT *(Heavy Duty Truck)* with aerial ladder platform, the first-of-its kind in sub-Saharan Africa.

The equipment, which is rated as the best in Lagos State and Nigeria has the capacity to ascend heights over 42 metres. The exploits of this equipment in averting several fire disasters testify to the foresight and vision of the Board and Management of the Bank.

The Bronto has been used successfully to put out fire and rescue occupants of strategic buildings on the Lagos Island and its environs with the largest number of skyscrapers in the country. Specifically, NICON House, UBA House, NPA House and the PHCN Building were rescued from fire destruction by the Bank's fire-fighters with the aid of the equipment. Over 35 towers in Lagos with varying degrees of fire out-breaks have been saved by the sheer visionary investment in this strategic equipment by the Bank.

Aside from the Bronto, the Bank donated five Toyota Hilux double cabin security vans to the Lagos State Police Command.

With the donation of the security vehicles, the Bank blazed the trail of being the first of its kind in the history of the command. A very appreciative Mr. Mike Okiro, then Commissioner of Police commented that, *"the initiative to donate security vehicles to the Lagos State Police Command is the first of its kind in the history of the command and indeed, a novel phenomena in the banking system"*.

Aside the foregoing, the Bank has continued to support the different State Police Commands and stations in various ways such as the donation of communication equipment, etc, and made substantial contributions to the Security Trust Funds set up by some States of the Federation like Lagos, Edo, Oyo, Anambra and Abia states. Lagos State Security Trust Fund for instance has received a N60 million donation.

Sports Development

In the area of sports development, Union Bank has a reputation of being one of the most consistent and most dependable contributors to the development of sports in Nigeria.

The involvement of the Bank in organized sports dates back to the 50s when Barclays Bank DCO encouraged healthy sporting competitions among its staff members. Friendly games of football, table tennis and hockey enjoyed first at the branch offices and later, at bigger meets in regional (now zonal) competitions have always been supported and encouraged by the Bank.

It is quite clear that the Bank has been motivated in these sporting activities by its sense of responsibility and a wholesome commitment to the well-being of its staff, customers and even the Nigerian public. In 2005, the Bank set another pace yet to be matched by competition, with the commissioning of its re-modeled ultra-modern, multi-purpose sports club with facilities for football, hockey, basketball, table tennis, billiards, squash, tennis, swimming and a fully equipped gymnasium, among others.

It is the only Bank that has established a sports complex that meets international standard and the first to establish football, basketball *(men)* and hockey teams, of which the first two participate in the respective national leagues. In addition, the Bank financed the construction of a modern basketball pavilion at the University of Nigeria, Nsukka, Enugu State and renovated the Union Bank Tennis Court at Enugu Sports Club. It has made substantial financial contributions towards the sponsorship of golf, table tennis and lawn tennis tournaments as well as supporting schools and States in numerous sporting activities.

It has always and continues to support the Nigeria Special Olympics, an NGO catering for the diverse needs of special persons with various disabilities. This is part of the Bank's policy which encourages challenged persons to demonstrate their limitless potentials despite all odds.

Humanitarian support/beautification

Union Bank has given financial assistance to various charity organisations like the Pacelli School for the Blind, Wesley Schools I & II for the Deaf, several orphanages, Old People's Homes, Nigerian Red Cross Society Disaster Relief Trust, and development centres for children with special needs. It also made substantial donations to crisis ridden areas in a bid to alleviate the suffering of the citizenry. For instance, the flood victims in flood ravaged states, the earthquake victims in Haiti republic, the victims of terrorist activities, religious riots in Jos as well as the petrol tanker disaster victims in Gombe all benefitted from the Bank's generosity. Similarly, the Bank had in the last five years consistently sponsored the May Ball of the Nigerian Society for the Blind, given facelifts to the Paiko Roundabout in Minna, Niger State, and the Arkilla and Airport Road roundabouts in Sokoto State with total renovation, and assisted the Lady Mechanic Initiative in acquiring land for its permanent workshop site for the training and empowerment for young ladies in mechanical skills acquisition.

The Bank has demonstrated its Corporate Social Responsibility through sponsorships and donations to social clubs, chambers of commerce and industry, professional bodies, youth empowerment programmes, government agencies, non-governmental organizations *(NGO)*, humanitarian causes, telecom/technology-based programmes, to mention a few.

SUBSIDIARIES, ASSOCIATE, AFFILIATE

UNION BANK UK Plc

Union Bank Uk plc *(UBUK),* ranked No 1 UK bank for 4-year average Profit Before Tax Growth for two years consecutively, 2012 and 2013, is a wholly owned subsidiary of Union Bank of Nigeria Plc. It commenced trading as a UK Bank on 4th October, 2004, following receipt of authorization from Financial Services Authority (FSA). Before then, it operated as a branch of Union Bank and provided services to the Bank's international business oriented customers for over 25 years.

UBUK offices are located at 14-18, Copthall Avenue, in the heart of the city of London, the world's leading centre for international trade and finance from where it provides unrivalled banking services to customers doing business from and into Nigeria and other West African countries. It has a Representative Office located on the 2nd floor, Plot 1668B Oyin-Jolayemi Street , Victoria Island, Lagos, Nigeria.

Its correspondent banking network provides global reach for customers engaged in international business as it opens the door to worldwide trade with comprehensive services needed to maximize international opportunities and minimize risks.

Its products include:

Letters of Credit
Bid and Performance Bonds
Guarantees
Import and export finance
Foreign exchange and treasury services
Personal and business banking
Pre-paid Mastercard
International payments and money transfers
Correspondent banking
Commercial lending and project finance
Personal lending subject to status
Structured Finance
Buy-to-Let mortgages

UBUK is also a two-time winner of the Deutsch Bank US dollar STP Excellence Award in 2011 and 2012 consecutively.

The management team is headed by Dr. Adekola Ali, Managing Director/Chief Executive Officer.

UBN PROPERTY COMPANY LIMITED

UBN Property Company Limited is a limited liability company which has been in operation since 2003 and is owned by Union Bank Plc., Union Homes Savings & Loans Plc., Union Assurance Company Ltd and other individuals.

The principal activity of the company is real estate management and its services include construction and sales of residential and commercial property for both corporate and private clients. In additional the company offers other real estate services which include property management, valuations and real estate development consulting.

The company currently manages properties belonging to the parent company Union Bank Plc., its subsidiaries and affiliated companies.

Engr. Oluwatosin Osikayo, Managing Director/Chief Executive, leads the company's management team.

UNIQUE VENTURE CAPITAL MANAGEMENT COMPANY LTD

Unique Venture Capital Management Company Limited (UVCML) is an SME-focused private venture capital investment firm established in 2004 by five major Nigerian banks namely:

- Union Bank of Nigeria PLC 20%
- Afribank PLC 20%
- NAL Bank PLC 20%
- Afribank International 20%
- Union Merchant Bank 20%

However, with the consolidation of banks, the shareholding structure became Union Bank *(40 per cent),* Mainstreet Bank *(40 per cent)* and Sterling Bank *(20 per cent).* Primed for leadership from the onset, Unique Venture Capital Limited has an authorized share capital of 150 million and was primarily conceived to manage amongst other funds, the funds set aside by its owner institutions under the SMEEIS programme.

The company pursues this obligation through the *"UVC SMEEIS Fund"* with aggregate take-off capital commitment of N6billion. The strategic intent of the company is to facilitate economic growth by providing the funding and institutional support for unleashing the Nigeria entrepreneurial spirit and creating value for stakeholders. Today the company has obtained investment approvals for 53 projects with investment of N3.812 billion.

UVC was adjudged the Best Venture Capital Company in Nigeria by the Central Bank of Nigeria in January 2009 for the magnitude, spread and quality of UVC's SME investments.

UVC is also the Fund Manager of the West Africa Venture Fund LCC *("WAVF"),* an investment fund with a US$40 million target to provide capital financing to emerging growth in small enterprises *("SMEs")* in Liberia and Sierra Leone. The WAVF now has functional presence and offices in both countries.

The management team is led by Dr. Anthony Osa Oboh as Managing Director/Chief Executive.

SOUTH AFRICA REPRESENTATIVE OFFICE *(SARO)*

South Africa Representative Office was established in 1996 in Johannesburg, South Africa *(SA)* as part of the bank's vision of extending its international representing and to avail South African business with its knowledge of the business terrain and boundless opportunities available in Nigeria.

The Representative Office is more or less an advertisement window for the bank to exhibit our capability and strength to compete and collaborate with foreign banks that dominate South Africa in terms of Service delivery and product availability.

The benefits of the Representative Office are as follows:

- Increased International visibility of South Africa and the SA sub-region.
- Easy access and contract with international banks and manufacturing companies with operations in South Africa.
- Opportunity to advise Head Office of new banking developments and products in South Africa.
- Identification of viable business opportunities and linking of potential trade and investment partners.
- Facilitation of exploratory visits for business and investment in Nigeria and South Africa by arranging appointments with relevant organizations in both countries.
- Managing all existing clients' relationships.
- Marketing of products and services of Union Bank and those of the subsidiaries.

  Mr. Olufemi Okanlawon is in charge of the office.

CORPORATE GOVERNANCE

Introduction

Corporate Governance practices in Union Bank of Nigeria Plc are as codified in the Central Bank of Nigeria Code of Corporate Governance 2006, and the 2014 revision with effect from 1st October 2014, the Securities and Exchange Commission Code of Corporate Governance 2003, the Banks' and Other Financial Institutions Act 1991 (as amended) and other relevant statutes which provide guidance for the governance of the Bank and in compliance with regulatory requirements as well as the core values upon which the Bank was founded. These codes/statutes are geared towards ensuring the accountability of the Board and Management to the stakeholders of the Bank in particular and emphasize the need to meet and address the interests of a range of stakeholders so as to promote the long-term sustainability of the Bank.

Union Bank of Nigeria Plc is committed to the best corporate governance practices and believes that adherence and commitment to high governance principles and standards is the panacea for effective control and management of the Bank. The principle of good corporate governance practices remains one of our core values and an important ingredient in creating, protecting, promoting and sustaining shareholders' interests, rights and values as well as delivering excellent service to our customers. The Bank is committed to the highest ethical standards and transparency in the conduct of its business.

In compliance with the requirements of the CBN, the Bank undertakes internal reviews of its compliance with defined corporate governance practices and submits reports on the Bank's compliance status to the CBN. An annual Board Appraisal review is also conducted by an Independent Consultant appointed by the Bank whose report is submitted to the CBN and presented to Shareholders at the Annual General Meeting of the Bank in compliance with the provisions of the CBN Code of Corporate Governance.

The Company is in the process of developing a Security Trading Policy to guide related parties in trading in the Company's shares, which would be concluded by the fourth quarter of 2015.

Governance Structure

The following governance bodies are in place:

A. The Board of Directors

The Bank is managed by a Board of Directors, which comprises a Non-Executive Chairman, eleven Non-Executive Directors, the Group Managing Director/Chief Executive and five Executive Directors as listed below:

- Udoma Udo Udoma, CON - *Chairman*
- Emeka Emuwa - *Group Managing Director*
- Adekunle Mickey Adeosun - *Executive Director*
- Oyinkansade Adewale - *Executive Director/Chief Financial Officer*
- Kandolo Kasongo - *Executive Director/Chief Risk Officer*
- Ibrahim Abubakar Kwargana - *Executive Director*
- Godson Chukwuemeka Okonkwo - *Executive Director*
- Mansur Ahmed - *Non-Executive Director*
- Onikepo Olufunmike Akande, CON - *Non-Executive Director*
- John Botts - *Non-Executive Director*
- Richard Burrett - *Non-Executive Director*
- Richard Lee Kramer - *Non-Executive Director*
- Douglas Munatsi - *Non-Executive Director ****
- Cyril Odu - *Non-Executive Director*
- Adeyemi Osindero - *Non-Executive Director*
- Dickie Agumba Ulu - *Non-Executive Director ****
- Ian Clyne - *Non-Executive Director **

- Saidu Mohammed-Jallo - *Non-Executive Director* **
- James Macarthur - *Non-Executive Director* ***

** Appointed with effect from 27th August, 2014*
*** Appointed with effect from 4th November, 2014 and resigned 24th February, 2015*
**** Resigned with effect from 26th February, 2014*
***** Resigned with effect from 24th February, 2015*

Responsibilities of the Board of Directors

The Board, the highest decision making body approved by the Shareholders, met five (5) times during the year to provide strategic direction, policies and leadership in attaining the objectives of the Bank.

The Board monitors the activities of the Group Managing Director and Executive Directors and the accomplishment of set objectives through reports at its meetings. In performing its oversight function over the Bank's business, the Board operates through the following Board and Management Committees whose composition and functions are listed below:

B. Standing Board Committees

The Board of Directors has five Standing Committees, which deal with specific operations of the Bank, namely:

1. Board Credit Committee
2. Board Finance & General Purpose Committee
3. Board Establishment & Services Committee
4. Board Risk Management Committee
5. Board Remuneration Committee

In addition, there is an Independent Statutory Audit Committee.

1. Board Credit Committee

The Committee met seven (7) times during the year. It is comprised of the following members:

- Adeyemi Osindero - *Chairman*
- Emeka Emuwa - *Member*
- Adekunle Mickey Adeosun - *Member*
- John Botts - *Member*
- Ian Clyne - *Member**
- Kandolo Kasongo - *Member*
- Ibrahim Abubakar Kwargana - *Member*
- James Macarthur - *Member***
- Douglas Tawanda Munatsi - *Member* ***
- Cyril Odu - *Member*
- Godson Chukwuemeka Okonkwo - *Member*
- Dickie Agumba Ulu - *Member* ***

** Appointed on 27th August, 2014*
*** Resigned with effect from 26th February, 2014*
**** Resigned with effect from 24th February, 2015*

Its responsibilities include the following amongst others:

- consider and approve credits within its set limit;
- recommend credits above its limit to the Board for consideration and approval;
- review of credit portfolio; and
- serve as a catalyst for credit policy changes from the Credit Committee to the Board.

2. Board Finance and General Purpose Committee

The Committee met eleven (11) times during the year. It is comprised of the following members:

• Richard Lee Kramer	-	*Chairman*
• Emeka Emuwa	-	*Member*
• Adekunle M. Adeosun	-	*Member*
• Oyinkansade Adewale	-	*Member*
• Mansur Ahmed	-	*Member*
• Onikepo Olufunmike Akande, CON	-	*Member*
• Richard Burrett	-	*Member*
• Ian Clyne	-	*Member**
• Kandolo Kasongo	-	*Member*
• James Macarthur	-	*Member***
• Cyril Odu	-	*Member*
• Godson Chukwuemeka Okonkwo	-	*Member*

** Appointed on 27th August, 2014*
*** Resigned with effect from 26th February, 2014*

Its responsibilities include the following amongst others:

- consider and approve tenders, purchases and expenditure of up to 30% of approved Budget;
- consider, review and recommend to the Board all tenders, purchases and expenditure above 30% of approved Budget;
- receive and consider monthly expenditures on leases, sales of assets, donations and scholarships and where appropriate, recommend to the Board;
- formulate guidelines from time to time on cost control, reductions consistent with maximum efficiency and make appropriate recommendations to the Board;
- consider proposals on strategic planning and assets/liability management and make appropriate recommendation to the Board; and
- consider and recommend the Bank's accounts and budgets to the Board.

3. Board Establishment and Services Committee

The Committee met seven (7) times during the year. It is comprised of the following members:

• Dickie Agumba Ulu	-	*Chairman **
• Emeka Emuwa	-	*Member*
• Adekunle Mickey Adeosun	-	*Member*
• Oyinkansade Adewale	-	*Member*
• Mansur Ahmed	-	*Member*
• Onikepo Olufunmike Akande, CON	-	*Member*
• John Botts	-	*Member*
• Richard Burrett	-	*Member*
• Saidu Mohammed-Jallo	-	*Member***
• Richard Kramer	-	*Member*
• Ibrahim Abubakar Kwargana	-	*Member*

** Resigned with effect from 24th February, 2015*
*** Appointed with effect from 4th November, 2014 and resigned 24th February, 2015*

Its responsibilities include the following amongst others:

- consider and approve appointments, promotions and discipline of Principal Managers;
- consider and recommend appointments, promotions and discipline of Assistant General Managers and above to the Board;
- consider and recommend increments for Principal Managers and above;
- consider and review staff welfare/industrial relations matters and make appropriate recommendations to the Board from time to time; and
- formulate and recommend strategic and succession plans for the Bank.

4. Board Risk Management and Control Committee

The Committee met four (4) times during the year. It is comprised of the following members:

- Cyril Odu - *Chairman*
- Emeka Emuwa - *Member*
- Oyinkansade Adewale - *Member*
- Mansur Ahmed - *Member*
- Onikepo Olufunmike Akande, CON - *Member*
- Saidu Mohammed-Jallo - *Member**
- Kandolo Kasongo - *Member*
- Ibrahim Abubakar Kwargana - *Member*
- Douglas Tawanda Munatsi - *Member ***
- Adeyemi Osindero - *Member*
- Godson Chukwuemeka Okonkwo - *Member*
- Dickie Agumba Ulu - *Member ***

** Appointed with effect from 4th November, 2014 and resigned 24th February, 2015*
*** Resigned with effect from 24th February, 2015*

Its responsibilities include the following amongst others:

- develop an organization-wide Risk Management framework;
- exercise Board oversight function on all risk related issues;
- ensure compliance with the Bank's organization-wide policies/framework covering all risk types *(credit, market, assets & liabilities, strategic, legal, human resources etc);*
- ensure compliance with all statutory/regulatory requirements; and
- consider departmental reports and advise Management on risks.

5. Board Remuneration Committee

The Committee met five (5) times during the year. It is comprised of the following members:

- John Botts - *Chairman*
- Richard Burrett - *Member*
- Ian Clyne - *Member**
- Richard Lee Kramer - *Member*
- Douglas Tawanda Munatsi - *Member ***
- Adeyemi Osindero - *Member*

** Appointed on 27th August, 2014*
*** Resigned with effect from 24th February, 2015*

The Committee's responsibilities include amongst others:

- consider and recommend the appointment of Executive Management and Non-Executive Directors;
- consider and recommend the performance parameters for Executive Management;
- consider and recommend compensation for Executive Management;
- consider and review the performance of the Group Managing Director.

6. Statutory Audit Committee

This is a Committee constituted at the Bank's Annual General Meeting (AGM). It is comprised of the following members:

- Musa Bichi - *Chairman*
- Mansur Ahmed - *Member*
- Onikepo Olufunmike Akande, CON - *Member*
- Matthew Akinlade - *Member*
- Marcel Ojinka - *Member*
- Dickie Agumba Ulu - *Member **

** Resigned with effect from 24th February, 2015*

The Audit Committee has oversight responsibility for the following within the Bank:

- accounting and financial reporting functions;
- accounting system;
- internal control structures;
- recommending the appointment, remuneration and removal of external auditors to the Board; and
- reviewing and recommending the financial statements to the Board for approval.

C. Management Committees

The Bank has the following Management Committees:

1. Executive Management Committee *(EXCO)*
2. Assets and Liabilities Committee *(ALCO)*
3. Credit Committee *(CRECO)*
4. IT Steering Committee
5. Criticized Assets Committee
6. Customer Operations and Service Committee *(COSCO)*

1. Executive Management Committee – *(EXCO)*

The Executive Management Committee, which comprises of all Executive Directors and the Group Managing Director, holds weekly meetings. It is chaired by the Group Managing Director.

The Committee is charged with the responsibility of:

- deliberating and taking decisions on the effective and efficient management of the Bank;
- ensuring the implementation of strategies approved by the Board;
- providing leadership to the management team; and
- ensuring efficient deployment and management of the Bank's resources

2. Assets and Liabilities Committee *(ALCO)*

The Assets and Liabilities Committee meets fortnightly and is charged with the following responsibilities:

- management of the Bank's assets and liabilities;
- balance sheet management;
- interest rate management;
- cash flow management;
- foreign exchange and trading portfolio management; and
- management of market and liquidity risks of the business.

3. Credit Committee *(CRECO)*

The Credit Committee meets weekly and its specific functions include the following:

- to formulate and review policies regarding loans and advances;
- to approve credits within the set limit;
- to consider and recommend all credit matters above its limit to the Board Credit Committee or the Board for approval; and
- to review the quality and structure of the Bank's credit portfolio.

4. IT Steering Committee

This Committee deals with IT related policy matters as follows:

- developing and reviewing regularly an appropriate IT Strategy for the Bank;
- ensuring the Bank is well positioned for current and emerging information technology issues;
- establishing programs that ensure high computer literacy among the Bank's staff;
- advising Management on IT trends and developments and;
- Monitoring the progress of key IT projects such as Flexcube Universal Banking Solution (FCUBS)

5. **Criticized Assets Committee**

The committee meets quarterly to deliberate on the following:

- credit portfolio review;
- review of recovery and recovery process

6. **Customer Operations and Services Committee *(COSCO)***

The Customer Operations and Services Committee reviews and identify major weaknesses/challenges inhibiting effective service delivery in the Bank with a view to proffering and implementing solutions to issues identified within a given time frame.

The Committee meets weekly with the following terms of reference:

- weekly review of outstanding reconciliation Items;
- identify gaps, issues and challenges in service delivery;
- streamline processes to address the issues identified;
- improve the Bank's capability for efficient service delivery;
- maintain and improve the controls around processes of enabler departments; and
- adequately capacitate enabler departments such as IT, Operations, Quality Assurance, Revenue Assurance, Internal Control, Inspection, Legal, Customer Care, Marketing, Property, Human Resources, E-Business, Risk and Finance/Business Strategy.

BOARD ATTENDANCE SCHEDULE

S/NO	NAME	25-Feb-14	29-Apr-14	17-Jun-14	17-Jun-14	23-Sep-14	25-Nov-14
1	UDOMA, Udo Udoma (CON)	X	X	X	XX	X	X
2	EMEKA, Emeka	X	X	X	XX	X	X
3	ADEOSUN, Mickey Adekunle	X	X	X	XX	X	X
4	ADEWALE, Oyinkansade	X	X	X	XX	X	X
5	KASONGO, Kandolo	X	X	X	XX	X	X
6	KWARGANA Ibrahim Abubakar	X	X	X	XX	X	X
7	OKONKWO, Godson Chukwuemeka	X	X	X	XX	X	X
8	AHMED, Mansur	X	X	X	XX	X	O
9	AKANDE, Onikepo Olufunmike (CON)	X	X	X	XX	O	X
10	BOTTS, John	X	X	X	XX	X	X
11	BURRETT, Richard	X	X	X	XX	X	O
12	CLYNE, Ian					X	X
13	JALLO, Saidu Mohammed						X
14	KRAMER, Richard Lee	X	X	X	XX	X	X
15	MACARTHUR, James	X					
16	MUNATSI, Douglas	X	X	O	O	O	O
17	ODU, Akporuere Cyril	X	X	X	XX	X	O
18	OSINDERO, Adeyemi	X	X	X	XX	X	O
19	ULU, Dickie Agumba	X	X	X	XX	X	X

X PRESENT
O ABSENT
XX AGM

BOARD CREDIT COMMITTEE ATTENDANCE SCHEDULE

S/NO	NAME	19-Feb-14	23-Apr-14	16-Jun-14	21-Jul-14	17-Sep-14	27-Oct-14	28-Nov-14
1	OSINDERO, Adeyemi	X	X	X	X	X	X	X
2	EMEKA, Emuwa	X	X	X	X	X	X	X
3	ADEOSUN, Adekunle Mickey	X	X	X	X	X	X	X
4	BOTTS, John	X	X	X	X	O	X	X
5	CLYNE, Ian					X	X	X
6	KANDOLO, Kasongo	X	X	X	X	X	X	X
7	KWARGANA Ibrahim Abubakar	X	X	X	X	X	X	O
8	ODU, Cyril	X	X	X	X	X	X	X
9	OKONKWO, Godson Chukwuemeka	X	X	X	X	X	X	X
10	MUNATSI, Douglas	O	O	O	X	X	X	X
11	ULU, Dickie Agumba	X	X	X	X	X	X	X

X PRESENT
O ABSENT

BOARD RISK MANAGEMENT COMMITTEE

S/NO	NAME	24-Feb-14	28-Apr-14	22-Sep-14	24-Nov-14
1	ODU, Cyril	X	X	X	X
2	EMEKA, Emuwa	X	X	X	X
3	ADEWALE, Oyinkan	X	X	X	X
4	AHMED, Mansur	O	O	X	O
5	AKANDE Onikepo (Dr) Mrs	X	X	O	X
6	KANDOLO, Kasongo	X	X	X	X
7	KWARGANA Ibrahim Abubakar	X	X	X	X
8	MUNATSI, Douglas	X	X	X	O
9	OKONKWO, Godson Chukwuemeka	X	X	X	X
10	OSINDERO Adeyemi	X	X	X	O
11	ULU, Dickie Agumba	X	X	X	X

X PRESENT
O ABSENT

BOARD ESTABLISHMENT & SERVICES COMMITTEE

S/NO	NAME	24-Feb-14	26-Mar-14	23-Apr-14	28-Apr-14	16-Jun-14	17-Sep-14	19-Nov-14
1	ULU, Dickie Agumba	X	X	X	X	X	X	X
2	EMEKA, Emeka	X	X	X	X	X	X	X
3	ADEOSUN Mickey Adekunle	X	X	X	X	X	X	X
4	ADEWALE, Oyinkansade	X	X	X	X	X	X	X
5	AHMED, Mansur	X	X	X	X	X	X	X
6	AKANDE Onikepo (Dr) Mrs	X	O	X	X	X	X	X
7	BOTTS, John	X	X	X	X	X	O	X
8	BURRETT, Richard	X	X	X	X	X	X	O
9	KRAMER, Richard Lee	O	O	X	X	X	O	X
10	KWARGANA Ibrahim Abubakar	X	X	X	X	X	X	X

X PRESENT
O ABSENT

BOARD FINANCE & GENERAL PURPOSE COMMITTEE

S/NO	NAME	30-Jan-14	19-Feb-14	26-Mar-14	23-Apr-14	22-May-14	16-Jun-14	21-Jul-14	22-Sep-14	27-Oct-14	24-Nov-14	10-Dec-14
1	KRAMER, RICHARD LEE	X	X	O	X	X	X	O	X	X	X	X
2	EMEKA, Emeka	X	X	X	X	X	X	X	X	X	X	X
3	ADEOSUN Mickey Adekunle	X	X	X	X	X	X	X	X	X	X	X
4	ADEWALE, Oyinkansade	X	X	X	X	X	X	X	X	X	X	X
5	AHMED, Mansur	X	X	X	X	O	O	X	X	X	X	O
6	AKANDE Onikepo (Dr) Mrs	X	X	O	X	O	X	X	O	X	X	O
7	BURRETT, Richard	X	O	X	X	X	X	X	X	O	O	X
8	CLYNE, Ian	X	X	X	X	X	X	X	X	X	X	X
9	KASONGO, Kandolo	X	X	X	X	X	X	X	X	X	X	X
10	ODU, Akporuere Cyril	X	X	X	X	X	X	X	X	X	X	X
11	OKONKWO, Godson Chukwuemeka	X	X	X	X	X	X	X	X	X	X	X
12	MACARTHUR, James	X	O									

X PRESENT
O ABSENT

STATUTORY AUDIT COMMITTEE

S/NO	NAME	27/03/2014	14/05/2014	16/10/2014	16/12/2014
1	BICHI, Musa Baba	X	X	X	X
2	ADIO, Alex*	X	X	O	O
3	AKINLADE, Matthew**	O	O	X	X
4	AHMED, Mansur	O	X	X	X
5	AKANDE, Onikepo (Dr) Mrs	O	O	X	X
6	OJINKA, Marcel	X	X	X	X
7	ULU, Dickie Agumba	X	X	X	X

*Resigned on 17th June, 2014
**Elected on 17th June, 2014

X PRESENT
O ABSENT

Directors' Report

For the year ended 31st December 2014

The Directors present their report on the affairs of Union Bank of Nigeria Plc ("the Bank") and its subsidiaries *("the Group")*, together with the consolidated audited financial statements and the auditor's report for the financial year ended 31st December 2014.

Legal form and principal activity

The Bank commenced operations in Nigeria in 1917 as a branch of Barclays Bank Dominion Colonial Overseas *(DCO)* and was incorporated as a private company limited by Shares in Nigeria in 1969. It became a public company limited by shares in 1970 with the Bank's shares quoted on the Nigerian Stock Exchange.

During the year, the Bank continued the divestment from its non-banking subsidiaries in line with the CBN Regulation 3 on the Scope of Banking Activities and Ancillary Matters. The subsidiaries divested from so far are: Union Assurance Company Plc, Union Registrars Limited, Union Capital Markets Limited, Union Insurance Brokers Limited and Union Homes, Savings and Loans Plc.

As at 31st December 2014, the disposal of two other subsidiaries, Union Trustees Limited and Union Pension Custodian Limited were almost concluded.

The principal activity of the Bank is the provision of banking and related financial services to corporate and individual customers including the granting of loans and advances, acceptance of deposits and money market activities.

The Group Financial Statements comprise the result of Union Bank of Nigeria Plc, Union Bank (UK) Plc, while Atlantic Nominees Limited, Union Trustees Limited and UBN Property Company Limited have been included as *"Assets classified as held for sale"*.

Following a review of the Nigerian social and economic environments, including various government legislations in recent years such as the Pension Reform Act *(2004)*, Employee Compensation Act *(2010)*, and the National Health Insurance Scheme, the Directors approved the discontinuation of the Bank's gratuity benefit scheme with effect from 1st May 2014. Consequently, accrued staff gratuity liability as at 1st May 2014 was determined in line with the gratuity and pension table in the Trust Deeds and all qualifying staff were paid a total of N12.59 billion in the form of cash and investments in term deposits on behalf of the staff members.

Operating results

Highlights of the Group's operating results for the year are as follows:

	Group Dec. 2014 N million	Group Dec. 2013 N million	Bank Dec. 2014 N million	Bank Dec. 2013 N million
Gross earnings	135,897	121,398	109,821	103,225
Profit before taxation	27,708	3,769	20,691	4,201
Taxation	(883)	67	(205)	920
Profit after taxation	26,825	3,836	20,486	5,121
Other Comprehensive income:				
Re-measurement of defined benefit liability	(4,108)	6,555	(4,108)	5,521
Foreign currency translation	1,770	305	—	—
Fair value gains/(losses) on available-forsale investments	1,720	5,834	1,812	5,471
	(618)	12,694	(2,296)	10,992
Total comprehensive income	**26,207**	**16,530**	**18,190**	**16,113**
Earnings per share (Basic and diluted)	151k	32k	121k	30k

	Group Dec. 2014 N million	Group Dec. 2013 N million	Bank Dec. 2014 N million	Bank Dec. 2013 N million
Total non-performing loans and advances	16,934	14,607	16,756	13,644
Total non-performing loans to total gross loans and advances – IFRS	5.03%	5.86%	5.14%	5.91%

Directors and their interests

The direct interests of directors in the issued share capital of the Bank as recorded in the register of directors' shareholding and for the purposes of Sections 275 and 276 of the Companies and Allied Matters Act and the listing requirements of the Nigerian Stock Exchange are as follows:

		Direct Holding	
S/NO	NAME	Dec. '14	Dec. '13
1	Udoma Udo Udoma, CON	2,819,040	2,819,040
2	Richard Lee Kramer	—	—
3	Emeka Emuwa	—	—
4	Adekunle M. Adeosun	—	—
5	Kandolo Kasongo	—	—
6	Ibrahim A. Kwargana	—	—
7	Oyinkansade Adewale	—	—
8	Godson C. Okonkwo	29,793	29,793
9	Onikepo Olufunmike Akande, CON	28,225	28,225
10	Adeyemi Osindero	—	—
11	Dickie Agumba Ulu ****	1,348	1,348
12	Mansur Ahmed	9,656	14,906
13	Richard Burret	—	—
14	John Botts	—	—
15	Cyril Odu	2,661	2,661
16	Douglas Munatsi ****	—	—
17	Ian Clyne *	—	—
18	Saidu Mohammed-Jallo **	—	—
19	James Macarthur ***	—	—

** Appointed with effect from 27th August, 2014*
*** Appointed with effect from 4th November, 2014 and resigned 24th February, 2015*
**** Resigned with effect from 26th February, 2014*
***** Resigned with effect from 24th February, 2015*

Directors' Retirement

The Director who retires at this Annual General Meeting, being the first general meeting since his appointment is Mr. Ian Clyne

The Directors who retire by rotation and being eligible, offer themselves for re-election in accordance with Article 90 of the Bank's Articles of Association are:

1. Engr. Mansur Ahmed
2. Dr. *(Mrs.)* Onikepo Olufunmike Akande, CON
3. Mr. John Botts
4. Mr. Richard Burrett
5. Mr. Kandolo Kasongo
6. Mr. Richard Lee Kramer
7. Mr. Godson C. Okonkwo
8. Dr. Adeyemi Osindero

Directors' interest in contracts

In accordance with the provisions of Section 277 of the Companies and Allied Matters Act of Nigeria, there were no contracts in which Directors had any direct interest.

Property and equipment

Information relating to changes in property and equipment is given in Notes 28(a) & 28(b) to the financial statements. In the Directors' opinion, the disclosures regarding the Group's properties are in line with the related statement of accounting policy of the Group.

Shareholding analysis

The shareholding pattern of the Bank as at 31st December 2014 is as stated below:

Range	Number of Shareholders	Shares held	Percentage of shareholding (%)
Domestic shareholders			
1 - 1,000	312,248	108,976,540	0.64
1,001 - 5,000	115,790	250,557,166	1.48
5,001 - 10,000	21,487	145,904,401	0.86
10,001 - 50,000	15,066	293,997,544	1.74
50,001 - 100,000	1,449	100,188,613	0.59
100,001 - 1,000,000	1,221	299,218,721	1.77
1,000,001 - 5,000,000	119	263,677,060	1.56
5,000,001 - 10,000,000	17	117,461,709	0.69
10,000,001 - and above	25	809,925,300	4.78
	467,422	2,389,907,054	14.11
Foreign shareholders			
10,000,001 - and above	3	14,545,899,417	85.89
	3	14,545,899,417	85.89
Total	467,425	16,935,806,471	100.00

The shareholding pattern of the Bank as at 31st December 2013 is as stated below:

Range	Number of Shareholders	Shares held	Percentage of shareholding (%)
Domestic shareholders			
1 - 1,000	316,232	110,537,754	0.65
1,001 - 5,000	118,857	257,606,372	1.52
5,001 - 10,000	22,299	151,557,234	0.89
10,001 - 50,000	16,036	314,810,817	1.86
50,001 - 100,000	1,599	110,660,173	0.65
100,001 - 1,000,000	1,346	336,682,962	1.99
1,000,001 - 5,000,000	127	271,904,453	1.61
5,000,001 - 10,000,000	14	100,630,569	0.59
10,000,001 - and above	21	4,273,141,931	25.23
	467,531	**5,927,532,265**	**35.00**
Foreign shareholders	2	11,008,274,206	65.00
10,000,001 - and above	2	11,008,274,206	65.00
Total	**467,533**	**16,935,806,471**	**100.00**

According to the register of members as at 31st December 2014, no individual shareholder held more than 5% of the issued share capital of the Bank except the following:

	Dec. 2014		Dec. 2013	
Shareholder	Shares held	Percentage of shareholding (%)	Shares held	Percentage of shareholding (%)
Atlas Mara Limited (formerly Atlas Mara Co-Nvest Limited)	3,537,625,211	20.89	143,217,946	0.85
Asset Management Corporation of Nigeria (AMCON)	—	—	3,394,407,265	20.04*
Union Global Partners Limited	10,396,703,405	61.39	10,396,703,405	61.39

* Transferred to Atlas Mara Ltd on 19th December 2014

Compliance plan with Central Bank of Nigeria's regulation on the scope of banking activities

Section 6(1) of the Central Bank of Nigeria Regulation on the Scope of Banking Activities and Ancillary Matters *("Regulation 3")* requires every bank operating under a universal banking license to submit to the Central Bank of Nigeria *(CBN)*, for approval, a compliance plan duly approved by the bank's Board of Directors. Three broad alternative options are available to banks to comply with Regulation 3, include retaining Portfolio Companies by restructuring into a holding company structure, absorption of permissible activities by the Bank or full divestment from Portfolio Companies.

The Bank received CBN's approval to proceed with its plans to comply with the Regulation 3 *(the "CompliancePlan")* in 2013. The CBN's approval allowed the Bank eighteen months within which to implement its Compliance Plan. The Bank's Board and shareholders approved a Compliance Plan which involves the Bank divesting of its interests in all its Portfolio Companies, with the exception of Union Bank (UK) Plc, and applying for an International Commercial Banking license.

As at the end of the year, the Bank had successfully completed its divestment from the following subsidiaries: Union Capital Markets Limited, Union Assurance Company Plc, UBN Insurance Brokers Limited, Union Registrars Limited and Union Homes Savings and Loans Plc. The Bank opted to voluntarily wind up Union Pension Custodians Limited and this process is ongoing. The divestment from Union Trustees Limited was completed subsequent to the reporting date.

Donations and charitable gifts

In order to identify with the aspirations of the community and the environment within which the Group operates, a total sum of N223,235,000 *(Dec. 2013: N54,976,300)* was given out as donations and charitable contributions during the year. Details of the donations are as follows:

S/NO	TRANSACTION DESCRIPTION	AMOUNT (N)
1	Victims of terrorist activities *(an initiative of the Central Bank of Nigeria)*	175,000,000
2	Donation of two Toyota Hilux vans to educational institution in Ibadan	13,000,000
3	Cross River Calabar Carnival	10,000,000
4	Donation of 40 units of Samsung laptops to Federal University of Technology, Minna	3,570,000
5	Donation of generator to Lagos Diocesan Youth Camp Library, Epe	3,300,000
6	Arthur Mbanefo Research Centre (University of Lagos)	1,950,000
7	Children Development Centre, Surulere, Lagos	1,250,000
8	Sinking of Borehole at Ita Osu Market, Ijebu-ode, Ogun State	1,165,000
9	Women in Successful Career (WISCAR) graduation/induction	1,000,000
10	Pacelli School for the Blind	1,000,000
11	SOS Children's Village	1,000,000
12	Arrow of God Orphanage	1,000,000
13	Heart of Gold Child Hospice	1,000,000
14	Winiseph Care Home	1,000,000
15	Special Olympics	1,000,000
16	Modupe Cole Memorial Childcare	1,000,000
17	Down Syndrome Association of Nigeria	1,000,000
18	Children Emergency Relief Fund	1,000,000
19	Child Life Line Charity	1,000,000
20	Christian Care for Widows/Widowers and the Aged (CCWA) International	1,000,000
21	Atunda Olu School Project	1,000,000
22	Samaritan Project –NGO	1,000,000
	TOTAL	223,235,000

Human resources

(1) Employment of disabled persons

The Bank operates a non-discriminatory policy in the consideration of applications for employment, including those received from disabled persons. The Bank's policy is that the most qualified and experienced persons are recruited for appropriate job levels, irrespective of an applicant's state of origin, ethnicity, religion or physical condition.

In the event of any employee becoming disabled in the course of employment, the Bank is in a position to arrange appropriate training to ensure the continuous employment of such a person without subjecting him/her to any disadvantage in his/her career development. Currently, the Bank has 4 persons (2013: 4 persons) on its staff list with physical disability.

(2) Health, safety and welfare of employees

The Bank maintains business premises designed with a view to guaranteeing the safety and healthy living conditions of its employees and customers alike. Employees are adequately insured against occupational and other hazards. In addition, the Bank provides medical facilities to its employees and their immediate families at its expense.

Fire prevention and fire-fighting equipment are installed in strategic locations within the Bank's premises.

The Bank operates a Group Personal Accident Insurance Account in accordance with the provisions of the Employee Compensation Act for the benefits of its employees. It also operates a contributory pension plan in line with the Pension Reform Act 2004.

(3) **Diversity of employment**

The Group is an equal opportunity employer that is committed to maintaining a positive workforce that facilitates high level of professional efficiency at all times. The Bank's policy prohibits discrimination by gender, disability or health status in the recruitment, training and career development of its employees.

(i) Persons with Disability

The Bank continues to maintain a policy of giving fair consideration to applications for employment made by disabled persons with due regard to their abilities and aptitude.

(ii) Gender Diversity within the Group

	Group (2014)		Group (2013)	
	Workforce	% Gender Composition	Workforce	% Gender Composition
Total workforce:				
Women	1,119	37	1,882	41
Men	1,923	63	2,706	59
	3,042	100	4,588	100
Recruitment during the year:				
Women	238	27	222	41
Men	653	73	320	59
	891	100	542	100
Diversity of Senior Management – Assistant General Manager to General Manager:				
Women	19	29	20	27
Men	46	71	55	73
	65	100	75	100
Diversity of Board Executives:				
Women	1	9	1	14
Men	10	91	6	86
	11	100	7	100
Diversity of Board Members:				
Women	2	9	2	12
Men	20	91	15	88
	21	100	17	100

	Bank (2014)		Bank (2013)	
	Workforce	% Gender Composition	Workforce	% Gender Composition
Total workforce:				
Women	1,095	37	1,620	43
Men	1,881	63	2,158	57
	2,976	100	3,778	100
Recruitment during the year:				
Women	235	27	220	42
Men	649	73	307	58
	884	100	527	100
Diversity of Senior Management – Assistant General Manager to General Manager:				
Women	16	30	17	30
Men	37	70	39	70
	53	100	56	100
Diversity of Board Executives:				
Women	1	14	1	14
Men	6	86	6	86
	7	100	7	100
Diversity of Board Members:				
Women	2	11	2	12
Men	16	89	15	88
	18	100	17	100

Employee involvement and training

The Bank encourages the participation of employees in arriving at decisions in respect of matters affecting their well being. To this end, the Bank provides opportunities where employees deliberate on issues affecting the Bank and employee interests.

The Bank places a high premium on the development of its manpower. Consequently, the Bank sponsored its employees for various training courses, both locally and overseas, and engaged staff in e-learning activities during the year under review.

Event after reporting date

The Bank obtained approval and effectively ceded control of its investment in Union Trustees Limited on 5th February, 2015. The results of the subsidiary was included as current assets held for sale in the audited financial statements.

Auditors

KPMG Professional Services has indicated its willingness to continue in office as auditors to the Bank in accordance with Section 357(2) of the Companies and Allied Matters of Nigeria.

BY ORDER OF THE BOARD

Somuyiwa Adedeji Sonubi
FRC/2013/NBA/00000002061
Company Secretary
Lagos Nigeria
18 March, 2015

Statement of directors' responsibilities in relation to the financial statements for the year ended 31st December 2014

The directors accept responsibility for the preparation of the annual financial statements and other financial reports set out on pages 44 to 129 that give a true and fair view in accordance with International Financial Reporting Standard (IFRS) and in the manner required by the Companies and Allied Matters Act of Nigeria, the Financial Reporting Council of Nigeria Act 2011, the Banks and Other Financial Institutions Act Nigeria and relevant Central Bank of Nigeria circulars.

The directors further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act of Nigeria and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

The directors have made an assessment of the Bank's ability to continue as a going concern and have no reason to believe the Bank will not remain a going concern in the year ahead.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

Udoma Udo Udoma, CON
Chairman
FRC/2013/NBA/00000001796
18 March, 2015

Emeka Emuwa
Group Managing Director
FRC/2013/CIBN/00000001774
18 March, 2015

Report of the Audit Committee

For the year ended 31 December 2014

To the members of Union Bank of Nigeria Plc

In accordance with the provisions of Section 359 (6) of the Companies and Allied Matters Act of Nigeria, the members of the Audit Committee of Union Bank of Nigeria Plc hereby report as follows:

(i) We have exercised our statutory functions under Section 359 (6) of the Companies and Allied Matters Act of Nigeria and acknowledge the co-operation of management and staff in the conduct of these responsibilities.

(ii) We are of the opinion that the accounting and reporting policies of the Bank and Group are in accordance with legal requirements and agreed ethical practices and that the scope and planning of both the external and internal audits for the year ended 31December 2014 were satisfactory and reinforce the Group's internal control systems.

(iii) We are satisfied that the Bank has complied with the provisions of Central Bank of Nigeria Circular BSD/1/2004 dated 18 February 2004 on *"Disclosure of insider related credits in the financial statements of banks"*. We hereby confirm that an aggregate amount of N12.85 billion *(December 2013: N13.76billion)* was outstanding as at 31 December 2014 of which N7.67 billion *(December 2013: N1.55 billion)* was non-performing *(see Note 46)*.

(iv) We have deliberated with the External Auditors, who have confirmed that necessary cooperation was received from management in the course of their statutory audit and we are satisfied with management's responses to the External Auditor's recommendations on accounting and internal control matters and with the effectiveness of the Bank's system of accounting and internal control.

Musa Bichi
Chairman, Audit Committee
FRC/2013/CICMA/00000001778
18 March, 2015

Members of the Audit Committee are:

1.	Musa Bichi	-	Chairman
2.	Mansur Ahmed	-	Member
3.	Onikepo Olufunmike Akande, CON	-	Member
4.	Matthew Akinlade	-	Member
5.	Marcel Ojinka	-	Member
6.	Dickie Agumba Ulu	-	Member*

* *Resigned with effect from 24th February, 2015*

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KPMG Tower
Bishop Aboyade Cole Street
Victoria Island
PMB 40014, Falomo
Lagos

Telephone 234 (1) 271 8955
234 (1) 271 8599
Fax 234 (1) 271 0540
Internet www.kpmg.com/ng

INDEPENDENT AUDITOR'S REPORT

To the Members of Union Bank of Nigeria Plc.

Report on the Financial Statements

We have audited the accompanying financial statements of Union Bank of Nigeria Plc ("the Bank") and its subsidiary companies (together "the Group"), which comprise the consolidated and separate statements of financial position as at 31 December 2014, and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity, and the consolidated and separate statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 44 to 129.

Directors' Responsibility for the Financial Statements
The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Companies and Allied Matters Act of Nigeria, the Financial Reporting Council of Nigeria Act, 2011, the Banks and Other Financial Institutions Act of Nigeria, and relevant Central Bank of Nigeria circulars, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

KPMG

Opinion

In our opinion, these financial statements give a true and fair view of the financial position of Union Bank of Nigeria Plc ("the Bank") and its subsidiaries (together "the Group") as at 31 December 2014, and of the Group and Bank's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies and Allied Matters Act of Nigeria, the Financial Reporting Council of Nigeria Act, 2011, the Banks and Other Financial Institutions Act of Nigeria, and relevant Central Bank of Nigeria circulars.

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Schedule 6 of the Companies and Allied Matters Act of Nigeria

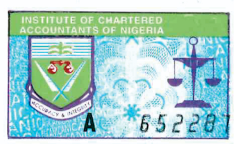
In our opinion, proper books of account have been kept by the Bank, so far as appears from our examination of those books and the Bank's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.

Compliance with Section 27 (2) of the Banks and Other Financial Institutions Act of Nigeria and Central Bank of Nigeria circular BSD/1/2004

i. The Bank paid penalties in respect of contraventions of the Banks and Other Financial Institutions Act during the year ended 31 December 2014. Details of these contraventions and penalties paid are as disclosed in note 47 to the financial statements.

ii. Related party transactions and balances are disclosed in note 46 of the financial statements in compliance with the Central Bank of Nigeria circular BSD/1/2004.

Signed:



Kabir O. Okunlola, FCA
FRC/2012/ICAN/00000000428
For: KPMG Professional Services
Chartered Accountants
25 March 2015
Lagos, Nigeria

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

For the year ended 31 December 2014

	Notes	Group Dec. 2014	Group Dec. 2013	Bank Dec.2014	Bank Dec.2013
		N million	N million	N million	N million
Gross earnings		135,897	121,398	109,821	103,225
Continuing Operations:					
Interest income	9	76,192	80,869	74,863	79,045
Interest expense	9	(24,317)	(23,576)	(24,237)	(23,918)
Net interest income		51,875	57,293	50,626	55,127
Net impairment charge for credit losses	13(a)	(4,828)	(12,066)	(3,307)	(13,255)
Net interest income after impairment charge for credit losses		47,047	45,227	47,319	41,872
Net fee and commission income	10	9,572	9,079	9,168	8,677
Net trading income	11	2,154	(303)	2,069	(377)
Other operating income	12	31,751	13,593	23,721	15,880
		43,477	**22,369**	**34,958**	**24,180**
Operating income		**90,524**	**67,596**	**82,277**	**66,052**
Net impairment loss on other financial assets	13(b)	(4,823)	(3,670)	(4,364)	(5,165)
Net operating income after net impairment loss on other financial assets		**85,701**	**63,926**	**77,913**	**60,887**
Personnel expenses	14	(29,736)	(39,544)	(28,754)	(38,519)
Depreciation and amortisation		(3,311)	(3,113)	(3,244)	(3,060)
Other operating expenses	15	(25,677)	(15,936)	(25,224)	(15,107)
Total expenses		**(58,724)**	**(58,593)**	**(57,222)**	**(56,686)**
Share of profit of equity accounted investee		(6)	(4)	—	—
Profit before income tax from continuing operations		**26,971**	**5,329**	**20,691**	**4,201**
Income tax expense from continuing operations	16	(409)	933	(205)	920
Profit for the year from continuing operations		**26,562**	**6,262**	**20,486**	**5,121**
Discontinued operations					
Gross income from discontinued operations	38	16,234	18,164	—	—
Gross expense from discontinued operations	38	(15,497)	(19,724)	—	—
Profit/(Loss) before tax from discontinued operations	38	**737**	**(1,560)**	—	—
Income tax expense from discontinued operations	38	(474)	(866)	—	—
Profit/(Loss) for the year from discontinued operations	38	**263**	**(2,426)**	—	—
Continuing and discontinued operations:					
Profit before tax		27,708	3,769	20,691	4,201
Income tax		(883)	67	(205)	920
Profit after tax		**26,825**	**3,836**	**20,486**	**5,121**
Other comprehensive income, net of income tax					
Items that will never be reclassified to profit or loss					
Remeasurement of defined benefit liability		(4,108)	6,555	(4,108)	5,521
Items that are or may be reclassified to profit or loss					
Foreign currency translation differences for foreign operations		1,770	305	—	—
Fair value gains on available-for-sale investments		1,720	5,834	1,812	5,471
Tax on fair value gain/losses on available for sale investments		—	—	—	—
Other comprehensive income for the year		(618)	12,694	(2,296)	10,992
Total comprehensive income for the year		**26,207**	**16,530**	**18,190**	**16,113**

	Notes	Group Dec. 2014	Group Dec. 2013	Bank Dec.2014	Bank Dec.2013
		N million	N million	N million	N million
Profit for the year from continuing operations attributable to:					
Equity holders of the Bank		26,562	5,357	20,486	5,121
Non-controlling interest		—	905	—	—
Profit for the year from continuing operations		**26,562**	**6,262**	**20,486**	**5,121**
Profit for the year attributable to:					
Equity holders of the Bank		25,627	5,457	20,486	5,121
Non-controlling interest		1,198	(1,621)	—	—
Profit for the year		**26,825**	**3,836**	**20,486**	**5,121**
Total comprehensive income attributable to:					
Equity holders of the Bank		25,009	18,151	18,190	16,113
Non-controlling interest		1,198	(1,621)	—	—
Total comprehensive income for the year		**26,207**	**16,530**	**18,190**	**16,113**
Earnings per share for profit from total operations					
attributable to equity holders of Bank					
Basic and diluted (Kobo)	17	151	32	121	30
Earnings per share for profit from continuing					
operations attributable to equity holders of bank					
Basic and diluted (Kobo)	17	157	32	121	30

The notes on pages 51 to 129 are an integral part of these consolidated financial statements.

Consolidated and Separate Statements of Financial Position

	Notes	Group Dec. 2014	Group Dec. 2013	Bank Dec.2014	Bank Dec.2013
		N million	N million	N million	N million
ASSET					
Cash and cash equivalents	18	121,960	100,925	58,457	53,141
Non-pledged trading assets	19	745	2,847	745	2,847
Pledged assets	20	83,935	65,167	83,935	65,167
Derivative assets held for risk management	21	7	—	—	—
Loans and advances to customers	22	312,797	229,542	302,372	210,118
Investments in equity accounted investee	23	24	25	—	16
Investment securities	24	197,200	289,353	193,656	290,377
Trading properties	25	1,930	4,747	1,930	1,930
Investment properties	26	—	16,413	—	—
Investment in subsidiaries	27	—	—	8,372	12,892
Property and equipment	28	49,521	45,527	49,428	45,351
Intangible assets	29	2,422	808	2,071	685
Deferred tax assets	30	95,883	95,889	95,875	95,875
Other assets	31	122,307	99,829	121,570	101,324
		988,731	**951,072**	**918,411**	**879,723**
Assets classified as held for sale	38(b)	20,426	51,684	2,525	2,374
TOTAL ASSETS		**1,009,157**	**1,002,756**	**920,936**	**882,097**
LIABILITIES					
Derivative liabilities held for risk management	21	7	—	—	—
Deposits from banks	32	61,890	46,794	18,055	3,200
Deposits from customers	33	527,617	482,706	507,431	479,956
Current tax liabilities	34	822	534	635	472
Other liabilities	35	110,260	156,406	109,861	155,189
Retirement benefit obligations	36	845	10,261	845	10,216
Other borrowed funds	37	78,135	45,280	78,135	45,280
		779,576	**741,981**	**714,962**	**694,313**
Liabilities classified as held for sale	38(c)	7,347	61,432	—	—
TOTAL ASSETS		**786,923**	**803,413**	**714,962**	**694,313**
EQUITY					
Share capital and share premium	39	400,109	400,109	400,109	400,109
Treasury shares		(35)	(240)	—	—
Retained deficit		(242,969)	(274,871)	(251,172)	(272,064)
Other reserves		59,791	67,183	57,037	59,739
EQUITY ATTRIBUTABLE TO EQUITY-HOLDERS OF THE BANK		216,896	192,181	205,974	187,784
Non-controlling interest	40	5,338	7,162	—	—
TOTAL EQUITY		**222,234**	**199,343**	**205,974**	**187,784**
TOTAL LIABILITY EQUITY		**1,009,157**	**1,002,756**	**920,936**	**882,097**

Signed on behalf of the Board of Directors on 18 March, 2015 by:

Udoma Udo Udoma, CON Chairman FRC/2013/NBA/00000001796	Emeka Emuwa Group Managing Director FRC/2013/CIBN/00000001774	Oyinkansade Adewale Director/CFO FRC/2013/ICAN/00000001775

The notes on pages 51 to 129 are an integral part of these consolidated financial statements.

Consolidated and Separate Statements of Changes in Equity

For the year ended 31 December 2014

Group

	Share capital	Share premium	Statutory reserve	Treasury shares	Fair value reserve	Regulatory risk reserve	Other reserves	Retained deficit	Total	Non-controlling interest	Total equity
	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 2014	8,468	391,641	17,544	(240)	31,201	7,390	11,048	(274,871)	192,181	7,162	199,343
Total comprehensive income for the year											
Profit for the year	—	—	—	—	—	—	—	25,627	25,627	1,198	26,825
Other comprehensive income, net of tax											
Foreign currency translation diferrence	—	—	—	—	—	—	1,770	—	1,770	—	1,770
Fair value gains/(loss) on available-for-sale investment	—	—	—	—	1,720	—	—	—	1,720	—	1,720
Remeasurement of defined benefit liability	—	—	—	—	—	—	(4,108)	—	(4,108)	—	(4,108)
	—	—	—	—	**1,720**	—	**(2,338)**	—	**(618)**	—	**(618)**
Total comprehensive income for the year	—	—	—	—	1,720	—	(2,338)	25,627	25,009	1,198	26,207
Appropriation:											
Transfer between reserves	—	—	(1,213)	—	(4,859)	1,277	(5,303)	10,098	—	—	—
Transfer to statutory reserve	—	—	3,073	—	—	—	—	(3,073)	—	—	—
	—	—	1,860	—	(4,859)	1,277	(5,303)	7,025	—	—	—
Transactions with owners, recorded directly in equity											
Contributions by and distributions to owners											
Disposal of subsidiaries	—	—	—	205	251	—	—	(750)	(294)	(3,022)	(3,316)
									—	—	—
Total contribution and distributions to owners	—	—	—	205	251	—	—	(750)	(294)	(3,022)	(3,316)
Balance at 31 December 2014	**8,468**	**391,641**	**19,404**	**(35)**	**28,313**	**8,667**	**3,407**	**(242,969)**	**216,896**	**5,338**	**222,234**

December 2013

	Share capital	Share premium	Statutory reserve	Treasury shares	Fair value reserve	Regulatory risk reserve	Other reserves	Retained deficit	Total	Non-controlling interest	Total equity
	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 2013	8,468	391,641	16,776	(65)	26,492	1,005	4,188	(274,300)	174,205	4,979	179,184
Total comprehensive income for the year											
Profit for the year	—	—	—	—	—	—	—	5,457	5,457	(1,621)	3,836
Other comprehensive income, net of tax											
Remeasurement of defined benefit liability	—	—	—	—	—	—	6,555	—	6,555	—	6,555
Foreign currency translation diferrence	—	—	—	—	—	—	305	—	305	—	305
Fair value gains/(loss) on available-for-sale investment	—	—	—	—	5,834	—	—	—	5,834	—	5,834
	—	—	—	—	5,834	—	6,860	—	12,694	—	12,694
Total comprehensive income for the year	—	—	—	—	5,834	—	6,860	5,457	18,151	(1,621)	16,530
Appropriation:											
Transfer from retained earnings	—	—	—	—	(1,125)	6,385	—	(5,260)	—	—	—
Transfer to statutory reserve	—	—	768	—	—	—	—	(768)	—	—	—
	—	—	768	—	(1,125)	6,385	—	(6,028)	—	—	—
Transactions with owners, recorded directly in equity											
Contributions by and distributions to owners											
Acquisition of own shares	—	—	—	(175)	—	—	—	—	(175)	—	(175)
Increase/dilution in non-controlling interest										4,118	4,118
Dividends to non-controlling interest	—	—	—	—	—	—	—	—	—	(314)	(314)
Total contribution and distributions to owners	—	—	—	(175)	—	—	—	—	(175)	3,804	3,629
Balance at 31 December 2013	**8,468**	**391,641**	**17,544**	**(240)**	**31,201**	**7,390**	**11,048**	**(274,871)**	**192,181**	**7,162**	**199,343**

Consolidated and Separate Statements of Changes in Equity

For the year ended 31 December 2014

Bank

	Share capital	Share premium	Statutory reserve	Fair value reserve	Regulatory risk reserve	Other reserves	Retained deficit	Total
	N million	N million	N million	N million	N million	N million	N million	N million
Balance at 1 January 2014	8,468	391,641	16,331	30,260	3,706	9,442	(272,064)	187,784
Total comprehensive income for the year								
Profit or loss	—	—	—	—	—	—	20,486	20,486
Other comprehensive income								
Fair value gains/(loss) on available-for-sale investment	—	—	—	1,812	—	—	—	1,812
Remeasurement of defined benefit liability	—	—	—	—	—	(4,108)	—	(4,108)
	—	—	—	1,812	—	(4,108)	—	(2,296)
Total comprehensive income for the year	—	—	—	1,812	—	(4,108)	20,486	18,190
Appropriation:								
Transfer between reserves	—	—	—	(4,859)	4,961	(3,581)	3,479	—
Transfer to statutory reserve	—	—	3,073	—	—	—	(3,073)	—
	—	—	3,073	(4,859)	4,961	(3,581)	406	—
Balance at 31 December 2014	**8,468**	**391,641**	**19,404**	**27,213**	**8,667**	**1,753**	**(251,172)**	**205,974**

	Share capital	Share premium	Statutory reserve	Fair value reserve	Regulatory risk reserve	Other reserves	Retained earnings	Total
	N million	N million	N million	N million	N million	N million	N million	N million
Balance at 1 January 2013	8,468	391,641	15,563	24,789	1,005	3,921	(273,716)	171,671
Total comprehensive income for the year								
Profit or loss	—	—	—	—	—	—	5,121	5,121
Other comprehensive income, net of tax								
Fair value reserve (available-for-sale) financial assets	—	—	—	5,471	—	—	—	5,471
Remeasurement of defined benefit liability	—	—	—	—	—	5,521	—	5,521
	—	—	—	5,471	—	5,521	—	10,992
Total comprehensive income for the year	—	—	—	5,471	—	5,521	5,121	16,113
Appropriation:								
Transfer between reserves	—	—	—	—	2,701	—	(2,701)	—
Transfer to reserves	—	—	768	—	—	—	(768)	—
	—	—	768	—	2,701	—	(3,469)	—
Balance at 31 December 2013	**8,468**	**391,641**	**16,331**	**30,260**	**3,706**	**9,442**	**(272,064)**	**187,784**

Consolidated and Separate Statements of Cash Flows

For the year ended 31 December 2014

	Notes	Group Dec. 2014	Group Dec. 2013	Bank Dec.2014	Bank Dec.2013
		N million	N million	N million	N million
Cash flows from operating activities					
Profit for the year		26,825	3,836	20,486	5,121
Income tax expense	16	409	(933)	205	(920)
Profit before tax		**27,234**	**2,903**	**20,691**	**4,201**
Adjustments for:					
Interest expense on borrowings	9	6,836	6,574	6,836	6,574
Gain on sale of property and equipment	12	—	(759)	—	(761)
Dividend income from equity investment	12	(408)	(2,551)	(2,015)	(5,670)
Gain on sale of trading property		—	(546)	—	—
Gain on sale of subsidiaries	12	(15,689)	—	(6,315)	—
Impairment losses on loans and advances	13(a)	8,299	14,008	6,778	15,197
Recoveries on loans and advances	13(a)	(3,471)	(1,942)	(3,471)	(1,942)
(Reversal of impairment)/impairment loss on investment	13(b)	—	(49)	—	410
Contributions to defined contribution plans	14	702	1,622	702	1,613
Payment from defined contribution plan	13(a)	(702)	(1,738)	(702)	(1,729)
Payment from defined benefit plan	13(b)	(12,591)	(33,981)	(12,591)	(34,925)
Increase/ (decrease) in liability for defined benefit plans	14	(120)	1,410	(120)	1,410
Bad debts (recovered)/written off	22	(9,004)	(4,460)	(9,004)	(4,460)
Impairment loss on other investments	23	—	75	16	1,111
Write-off on Trading properties		—	140	—	—
Revaluation gain on investment properties	26	—	(655)	—	—
Depreciation of property and equipment	28	2,879	2,943	2,854	2,899
Amortisation of intangible assets	29	432	179	389	161
Allowances on other assets	31	5,222	4,911	4,763	3,845
Share of profit of equity accounted investee		6	4	—	—
		9,625	**(11,912)**	**8,811**	**(12,066)**
Change in non-pledged trading assets		2,102	(2,001)	2,102	(1,980)
Change in pledged assets		(18,768)	(20,664)	(18,768)	(20,664)
Change in loans and advances to customers		(79,079)	(112,066)	(86,557)	(81,931)
Change in other assets		(28,196)	10,406	(23,736)	15,350
Change in deposits from banks		15,096	1,682	14,855	(300)
Change in deposits from customers		44,911	(4,260)	27,475	(2,049)
Change in other liabilities		(46,146)	10,359	(46,097)	10,689
		(100,455)	**(128,456)**	**(121,915)**	**(92,951)**
Income tax paid		(64)	(102)	(42)	(80)
Cash flows from Discontinued operations		(22,677)	22,021	—	—
Net cash provided/(used in) by operating activities		**(123,196)**	**(106,537)**	**(121,957)**	**(93,031)**

Cash flows from investing activities					
Purchase of investment properties		(39)	(11,651)	—	—
Proceeds from sale of investment properties	26	137	—	—	—
Acquisition of trading properties		—	(28)	—	—
Proceeds from sale of trading properties		635	2,658	—	352
Proceeds from sale of property and equipment		3	2,760	3	2,228
Proceed from disposal of subsidiaries		8,849	—	8,849	—
Acquisition of property and equipment	28	(6,520)	(4,853)	(6,471)	(4,580)
Acquisition of intangible assets	29	(1,901)	(354)	(1,675)	(324)
Investment securities		93,873	(5,603)	98,533	(4,867)
Dividend income received		408	2,551	2,015	5,670
Cash flows from Discontinued operations		25,830	12,166	—	—
Net cash used in investing activities		**121,276**	**(2,354)**	**101,254**	**(1,521)**
Cash flows from financing activities					
Inflow from other borrowings		35,087	11,412	35,087	11,329
Repayment of borrowings		(2,232)	—	(2,232)	—
Interest paid on borrowings	9	(6,836)	(6,574)	(6,836)	(6,574)
Acquisition of own shares		—	(175)	—	—
Dividend paid to non-controlling interest		—	(314)	—	—
Inflows from non-controlling interest		495	4,118	—	—
Cash flows from Discontinued operations		(2,259)	1,563	—	—
Net cash from financing activities		**24,255**	**10,030**	**26,019**	**4,755**
Net increase/(decrease) in cash and cash equivalents		**22,334**	**(98,861)**	**5,316**	**(89,797)**
Cash and cash equivalents at beginning of year		100,925	200,260	53,141	142,938
Net change in cash and cash equivalent from discontinued operation		(3,069)	(779)	—	—
Effect of exchange rate fluctuations on cash held		1,770	305	—	—
Cash and cash equivalents at end of year	18	**121,960**	**100,925**	**58,457**	**53,141**

The notes on pages 51 to 129 are an integral part of these consolidated financial statements.

Notes to the Consolidated financial statements
For the year ended 31 December 2014

1. Reporting entity
Union Bank of Nigeria Plc *("the Bank")* is a company domiciled in Nigeria. The address of the Bank's registered office is Stallion Plaza, 36 Marina, Lagos. The consolidated financial statements of the Bank as at and for the year ended 31 December 2014 comprise the Bank and its subsidiaries *(together referred to as the "Group" and individually as 'Group entities')*. The Group is primarily involved in investment, corporate, commercial and retail banking, as well as the provision of insurance, registrars, pension fund custodial, trusteeship and asset management services.

The Bank was in the process of divesting from all non-banking businesses within the Group in line with the CBN Regulation 3 on the Scope of Banking Activities and Anciliary Matters. Consequently, Union Assurance Company Limited, Union Registrar Limited, Union Capital Limited, Union Insurance Brokers Limited and Union Homes Savings and Loans Plc have been sold during the year while Union Properties Limited and Union Trustees Limited have been treated as discontinued operations in these consolidated financial statements in line with the provision of IFRS 5.

2. Basis of preparation

(a) Statement of compliance
The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards *(IFRS)*. They were authorised for issue by the Board of Directors on 18 March 2015.

(b) Functional and presentation currency
These consolidated financial statements are presented in Nigerian Naira, which is the Bank's functional and presentation currency. Except as indicated, financial information presented in Naira has been rounded to the nearest million.

(c) Basis of measurement
These consolidated financial statements are prepared on the historical cost basis except for the following material items in the statement of financial position:
- financial instruments at fair value through profit or loss are measured at fair value;
- available-for-sale financial assets are measured at fair value;
- investment property is measured at fair value; and
- the liability for defined benefit obligations is recognised as the present value of the defined benefit obligation less the net total of the plan assets, plus unrecognised actuarial gains, less unrecognised past service cost and unrecognised actuarial losses.

(d) Use of estimates and judgements
The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in these financial statements are included in note 6.

(e) Determination of regulatory risk reserves

Provisions under Prudential Guidelines are determined using the time based provisioning regime prescribed by the Revised Central Bank of Nigeria *(CBN)* Prudential Guidelines. This is at variance with the requirements of the International Financial Reporting Standards. As a result of the differences in the methodology/provision regime, there may be variances in the impairments allowances required under the two methodologies.

Paragraph 12.4 of the revised Prudential Guidelines for Deposit Money Banks in Nigeria stipulates that Banks are required to make provisions for loans and other financial assets as prescribed in the relevant IFRS standards when IFRS is adopted. However, Banks would be required to comply with the following:

(i) Provisions for loans and other financial assets recognised in the income statement should be determined based on the requirements of IFRS. However, the IFRS impairments should be compared with provisions determined under Prudential Guidelines and the expected impact/changes in general reserves should be treated as follows:
- If Prudential provision is greater than IFRS impairment: the resultant excess provision should be transferred from the retained earnings account to a *"regulatory risk reserve"*.
- If Prudential provision is less than IFRS impairment: IFRS determined impairments are charged to the income statement. The cumulative balance in the regulatory risk reserve is thereafter reversed to the retained earnings account.

The Bank has complied with the requirements of the Prudential Guidelines.
The Central Bank of Nigeria (CBN) Prudential Guidelines requires that if the IFRS based impairment is lower than CBN Prudential Guidelines provision, the extent of the difference should be recognised as regulatory risk reserve in the statement of changes in equity.

The reconciliation between the impairment based on relevant IFRS standards and CBN's Prudential Guidelines provision is shown in the statement below:

Statement of Prudential Adjustments	Notes	Bank Dec.2014	Bank Dec.2013
		N million	N million
IFRS-based impairments:			
Specific impairment on loans to customers	22	9,753	9,929
Portfolio impairment on loans to customers	22	13,623	10,673
Specific impairment on investment securities	24	4,072	4,542
Specific impairment on assets held for sale	38(b)	—	2,869
Specific impairment on equity accounted investee	23	91	75
Provision for claims and contingencies	35	1,844	1,643
Specific impairment on other assets	31	183,510	178,968
		212,893	208,699
Prudential provisions:			
Specific provision on loans to customers		24,034	19,776
General provision on loans to customers		2,931	1,803
Interest in suspense		5,078	2,729
Specific provision on investment securities		4,072	4,542
Specific provision on assets held for sale		—	2,869
Specific impairment on equity accounted investee		91	75
Provision for claims and contingencies		1,844	1,643
Specific provision on other assets		183,510	178,968
		221,560	212,405
Regulatory risk reserve		8,667	3,706

The movement in the Regulatory risk reserve during the year is shown below:

	Dec.2014	Dec.2013
	N million	N million
Balance, beginning of the year	3,706	1,005
Transfer during the year	4,961	2,701
Balance, end of the year	8,667	3,706

3 Significant accounting policies

The accounting policies set out below have been consistently applied to all periods presented in these consolidated and separate financial statements.

The accounting policies have been applied consistently by Group entities.

(a) Basis of consolidation

Business Combination
Business combinations are accounted for using the acquisition method as at the acquisition date, that is, when control is transferred to the Group. Consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Transaction costs are expensed as incurred, except if they relate to the issue of debt or equity securities.

Non-controlling interest
Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Subsidiaries
Subsidiaries' are investees controlled by the Group. The Group controls an entity if it is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date when control ceases.

Associates
Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. The consolidated financial statements include the Group's share of the total recognised gains and losses of associates on an equity-accounted basis from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an associate, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of an associate.

Fund management
The entities within the group manage and administer assets held in unit trusts and other investment vehicles on behalf of investors. The financial statements of these entities are not included in these consolidated financial statements except when the Group controls the entity.

Loss of control
The Group assesses whether there is loss of control in a variety of ways which includes:
- sales of all or part of its ownership interest in its subsidiary;
- expiry of a contractual agreement that gave control of the subsidiary to the Group;
- issue of shares to third parties by the subsidiary, thereby reducing the Group's ownership interest in the subsidiary so that it no longer has control of the subsidiary;

- distribution of its ownership interest in the subsidiary by the Group; - when the subsidiary becomes subject to the control of a government, court, administrator or regulator.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of a subsidiary, and any related non-controllinginterests and the other components of equity. Any interest retained in the former subsidiary is measured at fair value when control is lost. Any resulting gain or loss is recognised in profit or loss.

The amount recognised in profit or loss on the loss of control of a subsidiary is measured as the difference between:

(a) The sum of:
- the fair value of the consideration received, if any;
- the recognised amount of the distribution of shares, if applicable;
- the fair value of any retained non-controlling investment; and
- the carrying amount of the NCI in the former subsidiary, including the accumulated balance of each class of OCI attributable to the NCI

(b) The carrying amount of the former subsidiary's net assets, together with any profit or loss reclassifications.
From the Group's perspective, the loss of control of a subsidiary results in derecognition of the individual assets and liabilities of the subsidiary. On disposal, components of OCI related to the subsidiary's assets and liabilities are accounted for on the same basis as would be required if the individual assets and liabilities had been disposed of directly. As a result, the following amounts are reclassified to profit or loss:
- exchange differences that were recognised in OCI;
- changes in the fair value of available-for-sale financial assets previously recognised in OCI; and
- the effective portion of gains and losses on hedging instruments in a cash flow hedge previously recognised in OCI.

Transactions eliminated on consolidation
Intra-group balances, and any unrealised gains or losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates are eliminated to the extent of the Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currency transactions

Foreign currency transactions
Transactions in foreign currencies are translated into the respective functional currency of Group entities at the spot exchange rates at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated using the functional currency at the spot exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between the amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in the foreign currency translated at the spot exchange rate at the end of the year.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the spot exchange rate at the date on which the fair value is determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the spot exchange rate at the date of the transaction.

Foreign currency differences arising on translation are generally recognised in profit or loss. However, foreign currency differences arising from the translation of available for sale equity instruments are recognised in OCI

Foreign operations
The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into naira at spot exchange rates at the reporting date. The income and expenses of foreign operations are translated into naira at spot exchange rates at the dates of the transactions.

Foreign differences on translation of foreign operations are recognised in other comprehensive income, and presented in the currency translation reserve *(translation reserve)* in equity. However, if the foreign operation is non-wholly owned subsidiary, then the relevant proportion of the translation differences is allocated to non-controlling interests. When a foreign operation is disposed off such that control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the forseeable future, foreign currency gains and losses arising from such item are considered to form part of a net investment in the foreign operation and are recognised in other comprehensive income and presented in the translation reserve in equity.

(c) Interest

Interest income and expense are recognised in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or financial liability *(or, where appropriate, a shorter period)* to the carry in amount of the financial liability. when calculating the effective interest rate, the group estimates future cash flow considering all contractual terms of the financial instrument, but not future credit losses.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

Interest income and expense presented in the statement of profit or loss and OCI include:
- Interest on financial asset and financial liabilities measured at amortised cost calculated on an effective interest basis;
- Interest on available-for-sale investment securities calculated on an effective interest basis;

Interest income and expense on all trading assets and liabilities are considered to be incidental to the group's trading operation and are presented together with all other changes in the fair value of trading assets and liabilities in net trading income *(see(e)*.

Fair value change on other derivatives held for risk management purpose, and other financial assets and financial liabilities carried at fair value through profit or loss are presented in net income from other financial instruments at fair value through profit or loss in the statement of profit or loss and OCI.

(d) Fees and Commission

Fees and commission income and expenses that are integral to the effective interest rate on a financial asset or liability are included in the measurement of the effective interest rate. Other fees and commission income, including account servicing fees, investment management and other fiduciary activity fees, sales commission, placement fees and syndication fees, are recognised as the related services are performed.

Commissions on insurance contracts are recognized on ceding business to the re-insurer, and are credited to the income statement.

When a loan commitment is not expected to result in the draw-down of a loan, loan commitment fees are recognised on a straight-line basis over the commitment period.

Other fees and commission expense relates mainly to transaction and service fees, which are expensed as the services are received.

(e) Net trading income

Net trading income comprises gains less losses related to trading assets and liabilities and includes all realised and unrealised fair value changes, interest, dividends and foreign exchange differences.

(f) Net income from other financial instruments at fair value

Net income from other financial instruments at fair value relates to financial assets and liabilities designated as at fair value through profit or loss and includes all realised and unrealised fair value changes, interest, dividends and foreign exchange differences.

(g) Dividends

Dividend income is recognised when the right to receive income is established. Dividends are reflected as a component of other operating income and are recognised net of withholding tax.

(h) Lease payments - Lessee

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of return on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(i) Income tax expense

Income tax comprises current and deferred taxes. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax payable also includes any tax liability arising from the declaration of dividends.

Current tax is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future. Deferred taxes are measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

(j) Financial instruments

Recognition
A financial asset or financial liability is measured initially at fair value plus, for an item not at fair value through profit or loss, transaction cost that are directly attributable to its acquisition or issue. Loans and advances, deposits and subordinated liabilities are recognised on the date that they are originated. All other financial assets and liabilities are initially recognised on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

Classification
The Group classifies its financial assets in the following categories:
- loans and receivables;
- held to maturity;
- available for sale; or
- at fair value through profit or loss and within the category as held for trading or designated at fair value through profit or loss.

(i) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, and that the Group does not intend to sell immediately or in the near term.

Loans and receivables are classified as loans and advances to customers and finance lease receivables.

Loans and advances to customers are initially measured at fair value plus incremental direct transaction costs, and subsequently measured at amortised cost using the effective interest method.

When the Group is the lessor in a lease agreement that transfers substantially all of the risks and rewards incidental to ownership of the asset to the lessee, the arrangement is classified as a finance lease and a receivable equal to the net investment in the lease is recognised and presented within loans and advances.

(ii) Held-to-maturity
Held-to-maturity investments are non-derivative assets with fixed determinable payments and fixed maturity that the Group has the positive intent and ability to hold to maturity, and which are not designated as at fair value through profit or loss or as available for sale.

Held-to-maturity investments are carried at amortised cost, using the effective interest method, less any impairment losses. A sale or reclassification of a more than insignificant amount of held-to-maturity investments would result in the reclassification of all held-to-maturity investments as available for sale, and would prevent the Group from classifying investment securities as held to maturity for the current and the following two financial years. However, sales and reclassifications in any of the following circumstances would not trigger a reclassification:

(a) sales or reclassification that are so close to maturity that changes in the market rate of interest would not have a significant effect on the financial asset's fair value;
(b) sales or reclassifications after the Group has collected substantially all of the asset's original principal; and
(c) sales or reclassifications attributable to non-recurring isolated events beyond the Group's control that could not have been reasonably anticipated.

(iii) Available-for-sale

Available-for-sale investments are non-derivative investments that are designated as available-for-sale or are not classified as another category of financial assets. Available-for-sale investments comprise equity securities and debt securities. Unquoted equity securities whose fair value cannot reliably be measured are carried at cost. All other available-for-sale investments are carried at fair value.

Interest income is recognised in income statement using the effective interest method. Dividend income on available for sale financial assets is recognised in profit or loss when the Group becomes entitled to the dividend. Foreign exchange gains or losses on available-for-sale debt security investment are recognised in income statement. Impairment losses are recognised in profit or loss.

Other fair value changes, other than impairment losses, are recognised in other comprehensive income and presented in the fair value reserve in equity. When the investment is sold, the gain or loss accumulated in equity is reclassified to income statement.

A non-derivative financial asset may be reclassified from the available-for-sale category to the loans and receivable category if it otherwise would have met the definition of loans and receivables and if the Group has the intention and ability to hold that financial asset for the foreseeable future or until maturity.

(iv) Fair value through profit or loss

This category comprises two sub-categories:
a) financial assets classified as held for trading;
b) financial assets designated by the Group as fair value through profit or loss upon initial recognition *(the "fair value option")*.

A financial asset is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Derivatives are also categorised as held for trading unless they are designated and effective as hedging instruments. Financial assets held for trading consist of debt instruments, including money-market paper, traded corporate and bank loans, and equity instruments, as well as financial assets with embedded derivatives.

Financial instruments included in this category are recognised initially at fair value; transaction costs are taken directly to profit or loss. Gains and losses arising from changes in fair value are included directly in the income statement and are reported as *'Net trading income'*.

The instruments are derecognised when the rights to receive cash flows have expired or the Group has transferred substantially all the risks and rewards of ownership and the transfer qualifies for derecognising.

The Group designates some investment securities at fair value, with fair value changes recognised immediately in profit or loss.

Financial liabilities are subsequently stated at amortised cost using the effective interest method; any differences between proceeds *(net of transaction costs)* and the redemption value is recognised in the statement of profit or loss over the period of the transaction.

Fair value measurement
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participant at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Group measures the fair value of an instruments using the quoted price in an active market for that instruments. A market is regarded as active if transactions for the asset or liability take place with sufficiency frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation techniques incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of fair value of a financial instrument at initial recognition is normally the transaction price - i.e the fair value of the consideration given or received. If the Group determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced by neither by a quoted price in an active market for an identical asset or liability nor based on a valuation techniques that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price, Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but later than when the valuation is wholly supported by observable market data or the transaction is closed out.

If an asset or a liability measured at fair value has a bid and ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

Portfolios of financial assets and financial liabilities that are exposed to market risk and credit risk that are managed by the Group on the basis of the net exposure to either market or credit risk are measured by the Group on the basis of the net exposure to either market or credit risk are measured on the basis of a price that would be received to sell a net long position *(or paid to transfer a net short position)* for a particular risk exposure. Those protfolio-level adjustments of each of the individual instruments in the portfolio.

The fair value of a demand deposit is not less that the amount payable on demand, discounted from the first date on which that amount could be required to be paid.

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Impairment of financial assets

(i) Assets carried at amortised cost

The Group assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the assets *(a 'loss event')*, and that loss event *(or events)* has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The following factors are considered in assessing objective evidence of impairment:

- whether the customer's obligation is more than 90 days past due;
- the Group consents to a restructuring of the obligation, resulting in a diminished financial obligation, demonstrated by a material forgiveness of debt or postponement of scheduled payments;
- or there is observable data indicating that there is a measurable decrease in the estimated future cash flows of a group of financial assets, although the decrease cannot yet be identified with specific individual financial assets.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant.

If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised, are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on a loan and receivable or a held-to-maturity asset has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows *(excluding future credit losses that have not been incurred)*, discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in income statement. Such allowance is referred to as specific impairment.

The calculation of the present value of the estimated future cash flows of a collateralised financial asset reflects the cash flows that may result from foreclosure, less costs for obtaining and selling the collateral, whether or not foreclosure is probable. For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics *(i.e. on the basis of the Group's grading process which considers asset type, industry, geographic location, collateral type, past-due status and other relevant factors)*. These characteristics are relevant to the estimation of future cash flows for groups of such assets being indicative of the debtor's ability to pay all amounts due according to the contractual terms of the assets being evaluated.

Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of the historical loss experience for assets with credit risk characteristics similar to those in the group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based, and to remove the effects of conditions in the historical period that do not exist currently.

To the extent a loan is irrecoverable, it is written off against the related allowance for loan impairment. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off decrease the amount of the allowance for loan impairment in income statement. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised *(such as an improvement in the debtor's credit rating),* the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in income statement.

(ii) Available-for-sale financial assets

Available-for-sale financial assets are impaired if there is objective evidence of impairment, resulting from one or more loss events that occurred after initial recognition but before the balance sheet date, that have an impact on the future cash flows of the asset. In addition, an available-forsale equity instrument is generally considered impaired if a significant or prolonged decline in the fair value of the instrument below its cost has occurred. Where an available-for-sale asset, which has been remeasured to fair value directly through equity, is impaired, the impairment loss is recognised in income statement. If any loss on the financial asset was previously recognised directly in equity as a reduction in fair value, the cumulative net loss that had been recognised in equity is transferred to income statement and is recognised as part of the impairment loss. The amount of the loss recognised in profit or loss is the difference between the acquisition cost and the current fair value, less any previously recognised impairment loss.

If, in a subsequent period, the amount relating to an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised in the income statement, where the instrument is a debt instrument, the impairment loss is reversed through profit or loss. An impairment loss in respect of an equity instrument classified as available-for-sale is not reversed through profit or loss but accounted for directly in equity.

Offsetting financial instruments

Financial assets and liabilities are set off and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted by accounting standards, or for gains and losses arising from a group of similar transactions such as in the Group's trading activity.

Sale and repurchase agreements

Securities sold subject to linked repurchase agreements are reclassified in the consolidated financial statements as pledged assets when the transferee has the right by contractor custom to sell or repledge the collateral. The liability to the counter party is included in deposit from banks, or other deposits, as appropriate.

Derecognition of financial instruments

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Any interest in such transferred financial assets that qualify for derecognition is created or retained by the Group is recognised as a separate asset or liability. On derecognition of a financial asset, the difference between the carrying amount of the asset *(or the carrying amount allocated to the portion of the asset transferred),* and the sum of:

(i) the consideration received (including and new asset obtained less any new liability assumed); and
(ii) any cumulative gain or loss that had been recognised in other comprehensive income is recognised in income statement.

The Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all risks and rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised from the statement of financial position. In transactions where the Group neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset, it derecognises the asset if control over the asset is lost.

The rights and obligations retained in the transfer are recognised separately as assets and liabilities as appropriate. In transfers where control over the asset is retained, the Group continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

(k) Cash and cash equivalents

Cash and cash equivalents include notes and coins in hand, unrestricted balances held with central banks and highly liquid financial assets with original maturities of three months or less from the acquisition date, which are subject to insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

Cash and cash equivalents are carried at amortised cost in the statement of financial position.

(l) Trading assets and liabilities

Trading assets and liabilities are those assets and liabilities that the Group acquires or incurs principally for the purpose of selling or repurchasing in the near term, or holds as part of a portfolio that is managed together for short term profit or position taking.

Trading assets and liabilities are initially recognised and subsequently measured at fair value in the statement of financial position, with transaction costs recognised in profit or loss. All changes in fair value are recognised as part of net trading income in profit or loss. Trading assets and liabilities are not reclassified subsequent to their initial recognition, except that non-derivative trading assets, other than those designated at fair value through profit or loss on initial recognition, may be reclassified out of the fair value through i.e. trading category - if they are no longer held for the purposes of being sold or repurchased in the near term and the following conditions are met:

(i) if the financial asset would have met the definition of loans and receivables *(if the financial asset had not been required to be classified as held for trading at initial recognition),* then it may be reclassified if the Group has the intention and ability to hold the financial asset for the forseeable future or until maturity.
(ii) if the financial asset would not have met the definition of loans and receivables, then it may be reclassified out of the trading category only in rare circumstances.

(m) Derivatives held for risk management purposes

Derivatives held for risk management purposes include all derivative assets and liabilities that are not classified as trading assets or liabilities. Derivatives are recognised initially at fair value in the statement of financial position; attributable transaction costs are recognised in income statement when incurred. Subsequent to initial recognition, derivatives are measured at fair value with changes in fair value recognised in income statement.

(n) Property and equipments

Recognition and measurement
Property and equipment are carried at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the following:
(a) the cost of materials and direct labour;
(b) any other costs directly attributable to bringing the assets to working condition for their intended use;
(c) when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
(d) capitalised borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. When parts of an item of property or equipment have different useful lives, they are accounted for as separate items *(major components)* of property and equipment.

Any gain or loss on disposal of an item of property and equipment *(calculated as the difference between the net proceeds from disposal and the carrying amount of the item)* is recognised within other income in income statement.

Subsequent costs
The cost of replacing part of an item of property or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property and equipment are recognised in income statement as incurred.

Items of property and equipment are depreciated from the date they are available for use or, in respect of self-constructed assets, from the date that the assets are completed and ready for use. Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual values using the straight-line basis over their estimated lives. Leased assets are depreciated over the shorter of the lease term and their useful lives. Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognised or classified as held for sale in accordance with IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations.

Depreciation is recognised in income statement.

The estimated useful lives for the current and comparative period are as follows:

Leasehold improvements	Over the shorter of the useful life of item or lease period
Buildings	50 years
Computer hardware	4 years
Furniture and office equipments	5 years
Motor vehicles	4 years
Capital work-in-progress	Not depreciated

Depreciation methods, useful lives and residual values are reassessed at each reporting date.

De-recognition
An item of property and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in income statement in the year the asset is derecognised.

(o) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production of goods and services or for administrative purposes. Investment property is initially measured at cost and subsequently at fair value with any change therein recognised in income statement in other income. Cost includes expenditure that is directly attributable to the acquisition of the investment property.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in income statement. When an investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

When the use of a property changes such that it is reclassified as property and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

(p) Trading properties

Trading properties represents inventories held by the group which are designated for resale to customers. Trading properties are measured at the lower of cost and net realisable value. The cost includes expenditure incurred in acquiring the trading properties, production or conversion costs and other costs incurred in bringing them to their existing location.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(q) Intangible assets

Software
Software acquired by the Group is stated at cost less accumulated amortisation and accumulated impairment losses.

Expenditure on internally developed software is recognised as an asset when the Group is able to demonstrate its intention and ability to complete the development and use the software in a manner that will generate future economic benefits, and can reliably measure the costs to complete the development. The capitalised costs of internally developed software include all costs directly attributable to developing the software, and are amortised over its useful life. Internally developed software is stated at capitalised cost less accumulated amortisation and impairment.

Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of the software, from the date that it is available for use. The estimated useful life of software is five years. This is reassessed annually.

(r) Non-current assets classified as held for sale and discontinued operations

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated inventories, financial assets, deferred tax assets, employee benefit analysis or investment property, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for-distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity accounted investee is no longer equity accounted

Classification as a discontinued operation occurs on disposal or when the operation meets the criteria to be classified as held for sale.

When an operation is classified as a discontinued operation, the comparative income statement is re-presented as if the operation had been discontinued from the start of the comparative year.

(s) Leased assets - Leasee

Leases in terms of which the Group assumes substantially all the risks and rewards incidental to ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments discounted at incremental rate of borrowing. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and are not recognised on the Group's statement of financial position.

(t) Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A Cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated pre-tax future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are recognised in income statement.

(u) Deposits, debt securities issued and surbordinated liabilities

Deposits, debt securities issued and subordinated liabilities are Group's sources of debt funding.

When the Group sells a financial asset and simultaneously enters into an agreement to repurchase the asset *(or similar asset) at a fixed price on a future date) repo or stock lending),* the arrangement is accounted for as a deposit, and the underlying asset continues to be recognised in the Group's financial statements.

The Group classifies capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. The Group's redeemable preference shares bear non-discretionary coupons and are redeemable by the holder, and are therefore included with subordinated liabilities.

Deposits, debt securities issued and subordinated liabilities are initially measured at fair value minus incremental direct transaction costs, and subsequently measured at their amortised cost using the effective method, except where the Group designates liabilities at fair value through profit or loss.

(v) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

(w) Financial guarantee contracts

Financial guarantee contracts are contracts that require the Group *(issuer)* to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee liabilities are initially recognised at their fair value, which is the premium received, and then amortised over the life of the financial guarantee. Subsequent to initial recognition, the financial guarantee liability is measured at the higher of the present value of any expected payment, when a payment under the guarantee has become probable, and the unamortised premium. Financial guarantees are included within other liabilities.

(x) Employee benefits

Post-employment benefits

Defined contribution plans
A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay any further amount(s). Obligations for contributions to defined contribution plans are recognised as personnel expenses in income statement in the periods during which related services are rendered.

Defined benefit plans
The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and any unrecognised past service costs and the fair value of any plan assets are deducted.

The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Group's obligations. The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the net total of any unrecognised past service costs and the present value of any future refunds from the plan or reduction in future contributions to the plan.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets *(excluding interest)* and the effect of the asset ceiling *(if any, excluding interest),* are recognised immediately in OCI. The Group determines the net interest expense *(income)* on the net defined benefit liability *(asset)* for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability *(asset),* taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments.

Net interest expense and other expenses related to defined benefit plans are recognised in personnel expenses in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised in income statement on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in income statement.

When the calculation above results in a benefit to the Group, the recognised asset is limited to the net total of any cumulative unrecognised actuarial losses and past service costs and the present value of any economic benefit available in the form of any refunds from the plan or reductions in future contribution to the plan. An economic benefit is available to the Group if it is realisable during the life of the plan or on settlement of the plan liabilities.

Termination benefits
Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefit as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies as an expense

if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptance can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

Short-term benefits
Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Other long-term employee benefits
The Group's net obligation in respect of long-term employee benefits other than pension plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Group's obligations where relevant. The calculation is performed using the projected unit credit method. Any actuarial gains or losses are recognised in profit or loss in the period in which they arise.

(y) Share capital and reserves

Share issue costs
Incremental costs directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments.

Dividend on ordinary shares
Dividends on the Bank's ordinary shares are recognised in equity in the period in which they are paid or, if earlier, approved by the Bank's shareholders.

Treasury shares
Where the Bank or any member of the Group purchases the Bank's share capital, the consideration paid is deducted from the shareholders' equity as treasury shares until they are cancelled. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity. Gains and losses on sales or redemption of own shares are credited or charged to reserves.

(z) Earnings per share

The Group presents basic and diluted earnings per share *(EPS)* data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

(aa) Fiduciary activities

The Group commonly acts as trustees and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions. These assets and income arising thereon are excluded from these financial statements, as they are not assets of the Group.

(ab) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, whose operating results are reviewed regularly by the Board of Directors *(being the chief operating decision maker)* to make decisions about resources allocated to each segment and assess its performance and for which discrete financial information is available. Segment results include items directly attibutable to a segment as well as those that can be allocated on a reasonable basis.

(ac) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective interest method; any differences between proceeds *(net of transaction costs)* and the redemption value is recognised in the income statement over the period of the borrowings.

(ad) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2014, and have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early.

IFRS 9: Financial Instrument:
IFRS 9, published in July 2014, replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

IFRS 9 is effective for annual periods beginning on or after 1 January 2018 with early adoption permitted.

The Group has started the process of evaluation the potential effect of this standard but is awaiting finalization of the limited amendments before the evaluation can be completed. Given the nature of the Group's operations, this standard is expected to have a pervasive impact on the Group's financial statements.

IFRS 15 - Revenue from contracts with customers
IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces the existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes.

IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2017, with early adoption permitted.

The Group is assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 15.

The following new or amended standards are not expected to have a significant impact of the Group's consolidated financial statements.
(i) IFRS 14 Regulatory Deferral Accounts - effective 1 January 2016.
(ii) Accounting for acquisitions of interests in Joint Operations *(Amendments to IFRS 11)* - effective 1 January 2016.

(iii) Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)- effective 1 January 2016.
(iv) Defined Benefits Plans: Employee Contributions (Amendments to IAS 19) - effective 1 July 2014.
(v) Equity Method in Separate Financial Statements (Amendments to IAS 27) - effective 1 January 2016.

4. Changes in accounting policies

Except for the changes below, the Group has consistently applied the accounting as set out in Note 3 to all periods presented in these consolidated financial statements.

The Group has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 January 2014.

(a) Offsetting Financial Assets and Financial Liabilities *(Amendments to IAS 32)*
(b) IFRIC 21 Levies

The nature and the effects of the changes are explained below:

(a) Offsetting Financial Assets and Financial Liabilities *(Amendments to IAS 32)*

As a result of the amendments to IAS 32, the Group has changed its accounting policy for offsetting financial assets and financial liabilities. The amendments clarify when an entity currently has a legally enforceable right to set-off and when gross settlement is equivalent to net settlement.

The change did not have a material impact on the Group's financial statement.

(b) IFRIC 21 Levies

As a result of IFRIC 21 Levies, the Group has changed its accounting policy on accounting for a liability to pay a levy that is a liability in the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

The change did not have a material impact on the Group's financial statement.

5. Financial risk management

(a) Introduction and overview

Union Bank of Nigeria Plc and its subsidiary companies *("the Bank" or "the Group")* have exposure to the following risks from financial instruments:

- credit risk
- liquidity risk
- market risk
- operational risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosure are included throughout these consolidated financial statements.

(b) Credit risk

Credit risk is the current or potential risk to earnings and capital arising from the failure of an obligor of the Group to repay principal or interest at the stipulated time or failure otherwise to perform as agreed. This risk is compounded if the assigned collateral only partly covers the claims made to the borrower, or if its valuation is exposed to frequent changes due to changing market conditions (i.e. market risk). Credit risk arises anytime the Group commits its funds with the result that capital or earnings are dependent on borrower's performance.

The Bank's Risk Management philosophy is that moderate and guarded risk attitude will ensure sustainable growth in shareholder value and reputation. The Plan also sets out the roles and responsibilities of different individuals and committees involved in the credit process. Extension of credit in the Bank is guided by its Credit Risk and Portfolio Management Plan, which sets out specific rules for risk origination and management of the loan portfolio.

We recognise the fact that loan assets constitute a significant portion of assets on the statement of financial position. Therefore, we actively safeguard and strive to continually improve the health of our loan portfolio. We scrutinize all applications and weed out potential problem loans during the loan application phase, as well as constantly monitor existing loan portfolio.

The goal of the Group is to apply sophisticated but realistic credit models and systems to monitor and manage credit risk. Ultimately these credit models and systems are the foundation for the application of internal rating-based approach to calculation of capital requirements. The development, implementation and application of these models are guided by the Group's Basel II strategy.

The pricing of each credit granted reflects the level of risks inherent in the credit. Subject to competitive forces, the Group implements a consistent pricing model for loans to its different target markets. The client's interest is guarded at all times, and collateral quality is never the sole reason for a positive credit decision.

The Group's credit process requires rigourous proactive and periodic review of the quality of the loan portfolio. This helps us to identify and remediate credit issues proactively.

The Stressed Assets Committee (SAC) performs a regional review of loans with emerging signs of weakness and also classified assets. The Management Credit Committee (CRECO) and the Board Risk Committee also perform reviews of the quality of our loan portfolio on a forthnightly/quarterly basis respectively. These are in addition to daily reviews performed by our Credit Risk Management department.

Principal Credit Policies

The following are the principal credit policies of the Group:

(i) *Extension of credit:* Every extension of credit must be approved by at least three officers; one of whom must be from Independent Credit Risk Management. The final approving officer must have a credit limit for the total facilities extending to the obligor *(or group of related obligors)*.
(ii) *Special Approvals:* Extension of credit to certain sectors may require unique approvals or prohibited altogether.
(iii) *Annual Review of facilities:* All extension of credits must be reviewed at least once every 12 months.
(iv) *Industry Limits:* The Group utilizes industry limits to maintain a diversified portfolio of risk assets.
(v) *Tenor Limits:* The Group also utilizes tenor limits to ensure improvement in quality of risk assets
(vi) *Problem Recognition:* There are uniform and consistent standards for recognition of credit migration and remediation across the Group.

Credit process

The Bank's credit process starts with portfolio planning and target market identification. Within identified target markets, credits are initiated by relationship managers. The proposed credits are subjected to review and approvals by applicable credit approval authorities which include the credit analysts. Further to appropriate approvals, loans are disbursed to beneficiaries after documentation review by Credit Risk Management. Ongoing management and monitoring of loans is undertaken by both relationship management teams and our Credit Risk Management Group. The process is applied at the Head Office and in the subsidiaries.

If a preliminary analysis of a loan request by the account manager indicates that it merits further scrutiny, it is then analyzed in greater detail by the credit analyst. If the loan application passes their detailed analysis it is then submitted to the appropriate approval authority for the size of facilities.

The standard credit evaluation process is based both on quantitative figures from the financial statements and on an array of qualitative factors. Factual information on the borrower is collected as well as pertinent macroeconomic data, such as an outlook for the relevant sector, etc. These subjective factors are assessed by the analyst and all individuals involved in the credit approval process, relying not only on quantitative factors but also on extensive knowledge of the company in question and its management.

1 Credit risk measurement

Risk Rating Methodology

The credit rating of the counter party plays a fundamental role in final credit decisions as well as in the terms offered for successful loan applications. The Group employs a robust credit rating system based on international best practices *(including Basel II recommendations)* in the determination of the Obligor and Facility risks and thus allows the Bank to maintain its asset quality at a desired level.

The objective of the Risk Rating Policy is to ensure reliable and consistent Obligor Risk Ratings *('ORRs')* within the Group and to provide guidelines for risk rating for retail and non – retail exposures in the Group. Facility Risk Ratings *(FRRs)* are in process of implementation.

The Risk rating policy incorporates credit risk rating models which estimate risk of obligor default and facility risks *(covering both recovery as well as Exposure risk)*. These models are currently based on expert judgment for Retail and Non-Retail Exposures. Our long-term goal is to adopt the Internal Rating Based *("IRB")* approach. The data required to facilitate the IRB approach are being gathered.

Credit Risk Rating Models

An Obligor Risk Rating (ORR) model has been developed by the Group for corporate and commercial customers:

Risk Rating Process

In the Group, all businesses must have a documented and approved Risk Rating process for deriving risk ratings for all obligors *(including those covered under Credit Programs)*. The Risk Rating process is the end-to-end process for deriving ORRs and includes models, guidelines, process controls, as well as any other defined processes that a business undertakes in order to arrive at ORRs. Risk rating process of each business must be in compliance with the Group's Risk Rating Policy and deviations must be explicitly approved.

Establishing the Risk Rating process is the responsibility of Independent Credit Risk Analyst associated with each business. The process must be documented and must be approved by the Management Credit Committee *(CRECO)*.

The Risk Rating process for each business must be reviewed and approved every three years, unless more frequent review is specified as a condition of the approvals. Interim material changes to the Risk Rating process, as determined by the Independent Credit Risk Analyst or the business, must be re-approved.

Responsibility of Independent Credit Risk Management
In the Group, Independent Credit Risk Management has the responsibility for the overall accuracy of risk ratings assigned to obligors.

Independent Credit Risk Management is responsible for reviewing and ensuring the correctness of the ORR assigned to a borrower. This review includes ensuring the ongoing consistency of the business' Risk Rating process with the Group's Risk Rating Policy; ongoing appropriate application of the Risk Rating process and tools; review of judgmental and qualitative inputs into the Risk Rating process; ensuring the timeliness and thoroughness of risk rating reviews; and ensuring that the documentation of the Risk Rating process is complete and current.

Risk Rating Scale and external rating equivalent
The Group operates a 10-grade numeric risk rating scale. The risk rating scale runs from 1 to 10. Rating 1 represents the best obligors and facilities and rating 9/10 represents the worst obligors and facilities.

The risk rating scale and the external rating equivalent is detailed below

Group Risk Rating	S&P Long term equivalent	Grade
1	AAA	Investment Grade
2	AA	
3	A	
4	BBB	
5	BB	Standard Grade
6	B	Non Investment Grade
7	CCC	
8	C	
9/10	D	

2 Credit Risk Control & Mitigation policy

Authority Limits on Credit
The highest credit approval authority is the Board of Directors, supported by the Board Credit Committee and further by the Management Credit Committee *(CRECO)*. The principle of central management of risk and decision authority is maintained by the Group. This structure gives the Group the possibility to incorporate much needed local expertise, but at the same time manage risk on a global level. The Group has assigned to credit analysts, credit approval limits in line with the Group's criteria for such delegation set out in its Credit Risk and Portfolio Management Plan and the credit policy limits.

The credit approval limits of the principal officers of the Group are shown in the table below:

Authority	Approval Limit	
	Dec. 2014	Dec. 2013
Board of Directors	Above N5bn	Above N5bn
Board Credit Committee	N2,500,000,001 - N5,000,000,000	N2,500,000,01 - N5,000,000,000
Management Credit Committee	N1,000,000,001 - N2,500,000,000	N1,000,000,01 - N2,500,000,000
Group Managing Director & CRO	N500,000,001 - N1,000,000,000	N500,000,01 - N1,000,000,000
Business Executive Director & CRO	N250,000,001 - N500,000,000	Up to N500,000,000
Credit Analyst	Up to N250,000,000	—

Collateral Policies
It is the Group's policy that all credit exposures are adequately collateralised. Credit risk mitigation is an activity of reducing credit risk in an exposure or transferring it to counterparty, at facility level, by a safety net of tangible and realizable securities including approved third-party guarantees/ insurance.

In the Group, strategies for risk reduction at the transaction level differ from that at the portfolio level. At transaction level, the most common technique used by the Group is the collateralization of the exposures, by first priority claims or obtaining a third party guarantee.

However primary consideration when approving credits is always the obligor's financial strength and debt-servicing capacity. The guidelines relating to risk mitigant are to be taken into consideration while using a credit risk mitigant to control credit risk.

The range of collaterals acceptable to the Group include:
(i) Equities - Stocks / Share Certificates of quoted blue chip companies
(ii) Mortgage on landed Property
(iii) Charge on assets (Fixed and/or Floating) - premises/ inventory/ receivables/ merchandise/ plant/ machinery e.t.c
(iv) Negative Pledges
(v) Lien on Asset being financed
(vi) Stock Hypothecation
(vii) Shipping Documents (for imports)
(viii) Life Assurance Policies

Master Netting arrangements
It is the Group's policy that all credit exposures are adequately collateralised. Notwithstanding, our account opening documentation allows the Bank to net off customers' deposits against their exposure to the Bank. Generally transactions are allowed to run on a gross basis. However, in cases of unfavorable credit migration, the Bank may elect to invoke the netting agreement.

Credit related commitments
It is the Group's policy that all credit exposures are adequately collateralised. Credit risk mitigation is an activity of reducing credit risk in an exposure.

Exposure to credit risk

Group

		Loans and advances to customers		Investment securities		Pledged assets		Non Pledged assets		Placements	
		Dec. 2014	Dec. 2013	Dec. 2014	Dec. 2013	Dec. 2014	Dec. 2013	Dec. 2014	Dec. 2013	Dec. 2014	Dec. 2013
	Notes	N million	N million	N million	N million	N million	N million	N million	N million	N million	N million
Carrying amount	22,24,20,19,18	312,797	229,542	197,200	289,353	83,935	65,167	745	2,847	60,395	46,566
Assets at amortised cost											
Individually impaired:											
Grade 6: Impaired		800	800	—	—	—	—	—	—	—	—
Grade 7: Impaired		1,546	1,528	—	—	—	—	—	—	—	—
Grade 8: Impaired		14,588	12,279	—	—	—	—	—	—	—	—
Gross amount		16,934	14,607	—	—	—	—	—	—	—	—
Allowance for impairment		(9,931)	(8,897)	—	—	—	—	—	—	—	—
Carrying amount		7,003	5,710	—	—	—	—	—	—	—	—
Collectively impaired:											
Grade 1-3: Low-fair risk		238,889	126,976	—	—	—	—	—	—	—	—
Grade 4-5: Watch list		70,103	88,549	—	—	—	—	—	—	—	—
Gross amount		308,992	215,525	—	—	—	—	—	—	—	—
Allowance for impairment		(13,663)	(10,709)	—	—	—	—	—	—	—	—
Carrying amount		295,329	204,816	—	—	—	—	—	—	—	—
Past due but not impaired:											
Grade 4-5: Low-fair risk		61	61	—	—	—	—	—	—	—	—
Gross amount		61	61	—	—	—	—	—	—	—	—
Allowance for impairment		—	—	—	—	—	—	—	—	—	—
Carrying amount		61	61	—	—	—	—	—	—	—	—
Past due comprises:											
30 -90days		61	61	—	—	—	—	—	—	—	—
Carrying amount		61	61	—	—	—	—	—	—	—	—
Neither past due nor impaired:											
Grade 1-3: Low-fair risk		10,404	18,955	117,690	272,572	83,935	65,167	—	—	60,395	46,566
Carrying amount		10,404	18,955	117,690	272,572	83,935	65,167	—	—	60,395	46,566
Total carrying amount -amortised cost		**312,797**	**229,542**	**117,690**	**272,572**	**83,935**	**65,167**	**—**	**—**	**60,395**	**46,566**

Group

	Notes	Loans and advances to customers		Investment securities		Pledged assets		Non Pledged assets		Placements	
		Dec. 2014	Dec. 2013	Dec. 2014	Dec. 2013	Dec. 2014	Dec. 2013	Dec. 2014	Dec. 2013	Dec. 2014	Dec. 2013
		N million	N million	N million	N million	N million	N million	N million	N million	N million	N million
Available-for-sale assets (AFS)											
Individually impaired:											
Grade 6: Impaired		—	—	20,067	14,456	—	—	—	—	—	—
Grade 7: Impaired		—	—	—	—	—	—	—	—	—	—
Grade 8: Impaired		—	—	—	—	—	—	—	—	—	—
Gross amount		—	—	20,067	14,456	—	—	—	—	—	—
Allowance for impairment		—	—	(4,072)	(4,083)	—	—	—	—	—	—
Carrying amount		—	—	15,995	10,373	—	—	—	—	—	—
Neither past due nor impaired:											
Grade 1-3: Low-fair risk		—	—	63,515	6,408	—	—	—	—	—	—
		—	—	—	—	—	—	—	—	—	—
Carrying amount		—	—	63,515	6,408	—	—	—	—	—	—
Assets at fair value through profit or loss											
Grade 1-3: Low-fair risk		—	—	—	—	—	—	745	2,847	—	—
Grade 4-5: Low-fair risk		—	—	—	—	—	—	—	—	—	—
Carrying amount		—	—	—	—	—	—	745	2,847	—	—
Total carrying amount-fair value		—	—	79,510	16,781	—	—	745	2,847	—	—
Total carrying amount		312,797	229,542	197,200	289,353	83,935	65,167	745	2,847	60,395	46,566

Bank

		Loans and advances to customers		Investment securities		Pledged assets		Non Pledged assets		Placements	
		Dec. 2014	Dec. 2013	Dec. 2014	Dec. 2013	Dec. 2014	Dec. 2013	Dec. 2014	Dec. 2013	Dec. 2014	Dec. 2013
	Notes	N million	N million	N million	N million	N million	N million	N million	N million	N million	N million
Carrying amount	22,24,20,19,18	302,372	210,118	193,656	290,377	83,935	65,167	745	2,847	7,502	—
Assets at amortised cost											
Individually impaired:											
Grade 6: Impaired		—	—	—	—	—	—	—	—	—	—
Grade 7: Impaired		1,546	1,528	—	—	—	—	—	—	—	—
Grade 8: Impaired		15,210	12,116	—	—	—	—	—	—	—	—
Gross amount		16,756	13,644	—	—	—	—	—	—	—	—
Allowance for impairment		(9,753)	(9,929)	—	—	—	—	—	—	—	—
Carrying amount		7,003	3,715	—	—	—	—	—	—	—	—
Collectively impaired:											
Grade 1-3: Low-fair risk		238,889	128,527	—	—	—	—	—	—	—	—
Grade 4-5: Watch list		70,103	88,549	—	—	—	—	—	—	—	—
Gross amount		308,992	217,076	—	—	—	—	—	—	—	—
Allowance for impairment		(13,623)	(10,673)	—	—	—	—	—	—	—	—
Carrying amount		295,369	206,403	—	—	—	—	—	—	—	—
Past due but not impaired:											
Grade 4-5: Low-fair risk				—	—	—	—	—	—	—	—
Carrying amount		—	—	—	—	—	—	—	—	—	—
Past due comprises:											
30 -90 days		—	—	—	—	—	—	—	—	—	—
Carrying amount		—	—	—	—	—	—	—	—	—	—
Neither past due nor impaired:											
Grade 1-3: Low-fair risk		—	—	117,690	272,572	83,935	65,167	—	—	7,502	—
Grade 4-5: Low-fair risk		—	—	—	—	—	—	—	—	—	—
Carrying amount		—	—	117,690	272,572	83,935	65,167	—	—	7,502	—
Total carrying amount -amortised cost		**302,372**	**210,118**	**117,690**	**272,572**	**83,935**	**65,167**	**—**	**—**	**7,502**	**—**

	Notes	Loans and advances to		Investment securities		Pledged assets		Non Pledged assets		Placements	
		Dec. 2014	Dec. 2013	Dec. 2014	Dec. 2013	Dec. 2014	Dec. 2013	Dec. 2014	Dec. 2013	Dec. 2014	Dec. 2013
		N million	N million	N million	N million	N million	N million	N million	N million	N million	N million
Available-for-sale assets (AFS)											
Individually impaired:											
Grade 6: Impaired		—	—	1,757	1,757	—	—	—	—	—	—
Grade 7: Impaired		—	—	—	—	—	—	—	—	—	—
Grade 8: Impaired		—	—	3,738	3,738	—	—	—	—	—	—
Gross amount		—	—	5,495	5,495	—	—	—	—	—	—
Allowance for impairment		—	—	(4,072)	(4,542)	—	—	—	—	—	—
Carrying amount		—	—	1,423	953	—	—	—	—	—	—
Neither past due nor impaired:											
Grade 1-3: Low-fair risk		—	—	74,543	16,852	—	—	—	—	—	—
Grade 4-5: Low-fair risk		—	—	—	—	—	—	—	—	—	—
Carrying amount		—	—	74,543	16,852	—	—	—	—	—	—
Assets at fair value through profit or loss											
Grade 1-3: Low-fair risk		—	—	—	—	—	—	745	2,847	—	—
Grade 4-5: Low-fair risk		—	—	—	—	—	—	—	—	—	—
Carrying amount		—	—	—	—	—	—	745	2,847	—	—
Total carrying amount-fair value		—	—	75,966	17,805	—	—	745	2,847	—	—
Total carrying amount		302,372	210,118	193,656	290,377	83,935	65,167	745	2,847	7,502	—

Set out below is an analysis of the gross and net (of allowances for impairment) amounts of individually impaired assets by risk grade:

	Loans and advances to		Investment securities		Pledged assets		Non Pledged assets		Placements	
Group	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
	N million	N million	N million	N million	N million	N million	N million	N million	N million	N million
31 December 2014										
Grade 6-8: Individually impaired	16,934	7,003	20,067	15,995	—	—	—	—	—	—
Total	16,934	7,003	20,067	15,995	—	—	—	—	—	—
31 December 2013										
Grade 6-8: Individually impaired	14,607	5,710	14,456	10,373	—	—	—	—	—	—
Total	14,607	5,710	14,456	10,373	—	—	—	—	—	—

	Loans and advances to		Investment securities		Pledged assets		Non Pledged assets		Placements	
Bank	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
	N million	N million	N million	N million	N million	N million	N million	N million	N million	N million
31 December 2014										
Grade 6-8: Individually impaired	16,756	7,003	5,495	1,423	—	—	—	—	—	—
Total	16,756	7,003	5,495	1,423	—	—	—	—	—	—
31 December 2013										
Grade 6-8: Individually impaired	13,644	3,715	5,495	953	—	—	—	—	—	—
Total	13,644	3,715	5,495	953	—	—	—	—	—	—

Concentrations of credit risk

The Group monitors concentrations of credit risk by sector and by geographic location. An analysis of concentrations of credit risk from loans and advances and investment securities at the reporting date is shown below:

Group		Loans and advances to		Investment securities		Pledged assets		Non Pledged assets		Placements	
		Dec. 2014	Dec. 2013	Dec. 2014	Dec. 2013	Dec. 2014	Dec. 2013	Dec. 2014	Dec. 2013	Dec. 2014	Dec. 2013
	Note	N million	N million	N million	N million	N million	N million	N million	N million	N million	N million
Carrying amount	22,24,20,19,18	312,797	229,542	197,200	289,353	83,935	65,167	745	2,847	60,395	46,566
Concentration by sector:											
Agriculture		18,226	15,348	—	—	—	—	—	—	—	—
Oil and gas		93,537	63,380	—	—	—	—	—	—	—	—
Capital market		39	1,765	—	—	—	—	—	—	—	—
Consumer credit		20,906	17,802	—	—	—	—	—	—	—	—
Manufacture		38,494	23,830	—	715	—	—	—	—	—	—
Mortgage		1,803	6,565	—	—	—	—	—	—	—	—
Real estate and construction		29,359	14,786	2,427	—	—	—	—	—	—	—
General commerce		39,262	37,572	—	—	—	—	—	—	—	—
Finance and Insurance		1,761	64	—	—	—	—	—	—	60,395	46,566
Government		17,308	6,959	188,171	277,280	67,246	65,167	745	2,847	—	—
Power		23,025	13,657	—	—	—	—	—	—	—	—
Other public utilities		19	24	—	—	—	—	—	—	—	—
Transportation		1,797	844	—	—	—	—	—	—	—	—
Communication		22,514	23,179	—	—	—	—	—	—	—	—
Education		1,368	372	—	—	—	—	—	—	—	—
Others		3,379	3,395	15,390	11,358	—	—	—	—	—	—
		312,797	229,542	205,988	289,353	67,246	65,167	745	2,847	60,395	46,566
Concentration by location:											
Nigeria		302,372	210,118	202,004	285,369	67,246	65,167	745	2,847	—	6,508
Europe		10,425	19,424	3,984	3,984	—	—	—	—	54,853	40,058
		312,797	229,542	205,988	289,353	67,246	65,167	745	2,847	54,853	46,566

Bank		Loans and advances to		Investment securities		Pledged assets		Non Pledged assets		Placements	
		Dec. 2014	Dec. 2013	Dec. 2014	Dec. 2013	Dec. 2014	Dec. 2013	Dec. 2014	Dec. 2013	Dec. 2014	Dec. 2013
	Note	N million	N million	N million	N million	N million	N million	N million	N million	N million	N million
Carrying amount	22,24,20,19,18	302,372	210,118	193,656	290,377	83,935	65,167	745	2,847	7,502	—
Concentration by sector:											
Agriculture		18,226	15,348	—	—	—	—	—	—	—	—
Oil and gas		93,537	63,380	—	—	—	—	—	—	—	—
Capital market		39	1,765	—	—	—	—	—	—	—	—
Consumer credit		20,906	17,802	—	—	—	—	—	—	—	—
Manufacture		38,494	23,830	—	715	—	—	—	—	—	—
Mortgage		1,803	6,565	—	—	—	—	—	—	—	—
Real estate and construction		29,359	14,786	2,195	—	—	—	—	—	—	—
General commerce		28,837	18,147	—	—	—	—	—	—	—	—
Finance and Insurance		1,761	64	—	—	—	—	—	—	7,502	—
Government		17,308	6,959	175,466	274,281	83,935	65,167	745	2,847	—	—
Power		23,025	13,657	—	—	—	—	—	—	—	—
Other public utilities		19	24	—	—	—	—	—	—	—	—
Transportion		1,797	844	—	—	—	—	—	—	—	—
Communication		22,514	23,179	—	—	—	—	—	—	—	—
Education		1,368	372	—	—	—	—	—	—	—	—
Others		4,955	3,395	15,995	15,381	—	—	—	—	—	—
		303,948	210,118	193,656	290,377	83,935	65,167	745	2,847	7,502	—
Concentration by location:											
Nigeria		303,948	210,118	193,656	290,377	83,935	65,167	745	2,847	7,502	—
Europe		—	—	—	—	—	—	—	—	—	—
		303,948	210,118	193,656	290,377	83,935	65,167	745	2,847	7,502	—

Concentration by location for loans and advances is measured based on the location of the Group entity holding the asset, which has a high correlation with the location of the borrower. Concentration by location for investment securities is measured based on the location of the issuer of the security.

The Group's activities may give rise to risk at the time of settlement of transactions and trades. Settlement risk is the risk of loss due to the failure of an entity to honour its obligations to deliver cash, securities or other assets as contractually agreed.

For certain types of transactions the Group mitigates this risk by conducting settlements through a settlement/clearing agent to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations. Settlement limits form part of the credit approval/limit monitoring process described earlier. Acceptance of settlement risk on free settlement trades requires transaction specific or counterparty specific approvals from Group risk.

(c) Liquidity risk

Union Bank's Asset and Liability Management Policy defines Liquidity Risk as the risk that arises due to inability of the bank to meet its obligations and fund its asset growth without incurring unacceptable cost arising from borrowing at above market cost and asset sale at off-market prices. The bank is principally exposed to liquidity risk due to mismatch in fund inflows and outflows arising from its borrowing and lending activities and market operations. Key elements of the bank's liquidity risk management framework include:

Identification of Liquidity Risk
The bank's liquidity management framework recognises two major sources of liquidity risk: (i) Funding liquidity Risk and (ii) Market Liquidity Risk.

The risk that Union Bank will be unable to meet its obligations as they become due because of the inability to liquidate assets or obtain adequate funding is viewed as the bank's funding risk. This risk is structural in nature and lies in the mismatches in assets and liabilities of bank's balance sheet.

Market liquidity risk however, is the risk that Union bank will be unable to meet its obligations as they become due because it cannot easily unwind or offset specific exposures without significantly lowering market prices due to lack of market depth or market disruptions. This risk could arise due to illiquidity of its assets and weak standing in market to raise fund. Market liquidity risk comes to play in stressed market conditions.

Liquidity Risk Appetite
The bank views its exposure limits for liquidity risk as an essential component for a prudent liquidity risk management. Consequently, Limits for liquidity risk are maintained under the following categories: Maturity mismatches, Liquidity ratios *(regulatory and internal),* prudent portfolio limits on the mix of balance sheet assets *(e.g. loans by credit category, financial instruments, etc.)* and concentration limits from funding sources.

Liquidity Risk Measurement, monitoring and reporting
The Bank's Market and Liquidity Risk Management Department is responsible for active management of Union Bank's liquidity risk, guided by the Board approved liquidity risk framework. The Department uses various tools to assess the bank's liquidity risk, capturing information related to balance sheet structure, cash inflows and outflows, off-balance sheet activities and market operations. Contractual maturity report, Structural liquidity reports, concentration in funding, liquidity ratio reports, liquidity risk stress test reports, etc are prepared in assessing its liquidity risk position and taking risk mitigation measures. All limits are monitored at defined intervals with exceptions escalated at the bank's ALCO and Board Risk Committees meetings which hold monthly and quarterly respectively.

Contingency Funding Plan
The Bank recognizes the importance of liquidity in the day-to-day operations of its business as a stand-alone bank and also as a parent entity, hence It believes that it is crucial to have a plan for addressing liquidity in times of crisis. The Bank has a contingency funding plan in place which clearly defines the Key Risk Indicators *(KRIs)* to monitor the market conditions and measure its impact on the Bank's liquidity position and funding strategies and It also addresses the reporting, communications and confidence management in the unlikely event of a liquidity crisis caused by unstable market.

Exposure to Liquidity Risk
Details of the reported Group ratio of net liquid assets to deposits from customers at the reporting date and during the reporting period were as follows:

	2014	2013
At 31 December		
Average for the period	61.44	90.79
Maximum for the period	71.30	97.13
Minimum for the period	54.60	76.30

The following table shows the undiscounted cash flows on the Group's financial assets and liabilities and on the basis of their earliest possible contractual maturity. The Gross nominal inflow / *(outflow)* disclosed in the table is the contractual, undiscounted cash flow on the financial liability or commitment.

Residual contractual maturities of financial assets and liabilities

Group 31 December 2014	Note	Carrying amount N million	Gross nominal inflow/ (outflow) N million	Less than 3 month N million	3 - 6 months N million	6 - 12 months N million	1 - 5 years N million	More than 5 years N million
Non-derivative assets:								
Cash and cash equivalents	18	121,960	121,960	121,960	—	—	—	—
Non-pledged trading assets	19	745	745	745	—	—	—	—
Pledged assets	20	83,935	116,181	16,340	9,520	3,418	52,554	34,348
Loans and advances to customers	22	312,797	335,853	105,009	24,745	29,661	125,139	51,299
Investment securities	24	197,200	248,829	28,932	47,371	13,504	110,981	48,042
Other receivables	31	114,233	114,233	114,233	—	—	—	—
		830,870	937,801	387,219	81,636	46,583	288,674	133,689
Derivative assets:								
Risk Management		7	7	7	—	—	—	—
		830,877	937,808	387,226	81,636	46,583	288,674	133,689
Non-derivative liabilities								
Deposits from banks	32	(61,890)	(61,890)	(61,512)	(378)	—	—	—
Deposits from customers	33	(527,617)	(527,617)	(515,023)	(11,608)	(917)	(69)	—
Other financial liabilities	35	(62,748)	(62,748)	(62,748)	—	—	—	—
Other borrowed funds	37	(78,135)	(78,135)	(13,915)	(5,054)	(17,429)	(38,757)	(2,980)
		(730,390)	(730,390)	(653,198)	(17,039)	(18,346)	(38,826)	(2,980)
Derivative liabilities:								
Risk Management		(7)	(7)	(7)	—	—	—	—
		(730,397)	(730,397)	(653,205)	(17,039)	(18,346)	(38,826)	(2,980)
Gap (asset - liabilities)		830,870	207,411	(265,979)	64,597	28,238	249,848	130,709
Cumulative liquidity gap			207,411	(265,979)	(201,383)	(173,145)	76,703	207,412

Group 31 December 2013	Note	Carrying amount N million	Gross nominal inflow/ (outflow) N million	Less than 3 month N million	3 - 6 months N million	6 - 12 months N million	1 - 5 years N million	More than 5 years N million
Non-derivative assets:								
Cash and cash equivalents	18	100,925	100,925	100,925	—	—	—	—
Non-pledged trading assets	19	2,847	2,847	2,847	—	—	—	—
Pledged assets	20	65,167	65,167	2,578	3,209	—	33,384	25,996
Loans and advances to customers	22	229,542	229,542	124,826	12,485	21,090	68,151	2,990
Investment securities	24	289,353	289,353	84,809	41,179	72,288	31,497	59,580
Other receivables	31	73,119	73,119	73,119	—	—	—	—
		760,953	760,953	389,104	56,873	93,378	133,032	88,566
Non-derivative liabilities								
Deposits from banks	32	(46,794)	(46,794)	(46,794)	—	—	—	—
Deposits from customers	33	(482,706)	(482,706)	(477,018)	(3,495)	(2,153)	(40)	—
Other financial liabilities	35	(104,394)	(104,394)	(104,394)	—	—	—	—
Other borrowed funds	37	(45,280)	(45,280)	(4,607)	(513)	(3,026)	(34,443)	(2,691)
		(679,174)	(679,174)	(632,813)	(4,008)	(5,179)	(34,483)	(2,691)
Gap (asset - liabilities)		81,779	81,779	(243,709)	52,865	88,199	98,549	85,875
Cumulative liquidity gap			81,779	(243,709)	(190,844)	(102,645)	(4,096)	81,779

Bank 31 December 2014	Note	Carrying amount N million	Gross nominal inflow/ (outflow) N million	Less than 3 month N million	3 - 6 months N million	6 - 12 months N million	1 - 5 years N million	More than 5 years N million
Non-derivative assets:								
Cash and cash equivalents	18	58,457	58,457	58,457	—	—	—	—
Non-pledged trading assets	19	745	745	745	—	—	—	—
Pledged assets	20	83,935	116,181	16,340	9,520	3,418	52,554	34,348
Loans and advances to customers	22	302,372	325,428	98,820	24,004	29,661	121,731	51,211
Investment securities	24	193,656	245,286	28,932	45,512	13,504	109,297	48,042
Other receivables	31	114,233	114,233	114,233	—	—	—	—
		753,398	860,330	317,527	79,036	46,583	283,583	133,601
Non-derivative liabilities								
Deposits from banks	32	(18,055)	(18,055)	(17,677)	(378)	—	—	—
Deposits from customers	33	(507,431)	(507,431)	(498,955)	(7,552)	(917)	(7)	—
Other financial liabilities	35	(62,748)	(62,748)	(62,748)	—	—	—	—
Other borrowed funds	37	(78,135)	(78,135)	(13,915)	(5,054)	(17,429)	(38,757)	(2,980)
		(666,369)	(666,369)	(593,295)	(12,984)	(18,346)	(38,763)	(2,980)
Gap (asset - liabilities)		87,029	193,961	(275,769)	66,052	28,238	244,819	130,621
Cumulative liquidity gap			193,961	(275,769)	(209,717)	(181,479)	63,340	193,961

Bank 31 December 2013	Note	Carrying amount N million	Gross nominal inflow/ (outflow) N million	Less than 3 month N million	3 - 6 months N million	6 - 12 months N million	1 - 5 years N million	More than 5 years N million
Non-derivative assets:								
Cash and cash equivalents	18	53,141	53,141	53,141	—	—	—	—
Non-pledged trading assets	19	2,847	2,847	2,847	—	—	—	—
Pledged assets	20	65,167	65,167	2,578	3,209	—	33,384	25,996
Loans and advances to customers	22	210,118	210,118	96,378	12,055	20,906	68,112	12,667
Investment securities	24	290,377	290,377	90,618	40,381	71,491	30,512	57,375
Other receivables	31	73,119	73,119	73,119	—	—	—	—
		694,769	694,769	318,681	55,645	92,397	132,008	96,038
Non-derivative liabilities								
Deposits from banks	32	(3,200)	(3,200)	(3,200)	—	—	—	—
Deposits from customers	33	(479,956)	(479,956)	(476,495)	(2,686)	(775)	—	—
Other financial liabilities	35	(104,045)	(104,045)	(104,045)	—	—	—	—
Other borrowed funds	37	(45,280)	(45,280)	(4,607)	(513)	(3,026)	(34,443)	(2,691)
		(632,481)	(632,481)	(588,347)	(3,199)	(3,801)	(34,443)	(2,691)
Gap (asset - liabilities)		62,288	62,288	(269,666)	52,446	88,596	97,565	93,347
Cumulative liquidity gap			62,288	(269,666)	(217,220)	(128,624)	(31,059)	62,288

(d) Market risk

Union Bank's ability to effectively identify, assess, monitor and manage market risks involved in its activities is critical to its soundness and profitability. The bank's exposure to market risk is through proprietary investments and asset and liability management activities which have direct exposure to adverse movements in market risk factors such as foreign exchange rates and interest rates.

Interest rate risk management and control
Interest rate risk is the potential loss to the income and/or economic value of equity of the bank as a result of adverse movement in interest rates. Union Bank is exposed to three dominant interest rate risks; re-pricing risk, basis risk and yield curve risk due to its primary function of borrowing and lending and taking proprietary positions, as part of strategy, to improve earnings.

Re-pricing risk is caused by changes in interest rates at different times due to re-pricing maturities of assets, liabilities and off-balance sheet instruments.

Yield curve risk arises due movement of yields (parallel and non-parallel shifts of yield curve) at different times. The re-pricing mismatches of assets and liabilities expose the bank to loss in revenue and economic value due to unanticipated changes in interest rates. Basis risk arises from imperfect correlations between interest rate benchmarks leading to changes in rates earned and paid on different instrument otherwise with similar re-pricing maturities.

One of the integral elements of the bank's interest rate risk management framework is an articulated appetite for interest rate risk sensitive exposures. Interest rate risk limits are set for Price value per basis point (PV01), value at risk (VaR), stop loss, management action triggers and economic value of equity (EVE). The bank's Market Risk Department is responsible for measuring, monitoring, reporting actual positions against set limits and carrying out stress tests at defined intervals.

The table below summarizes the Group's interest rate gap positions. Using the re-pricing gap, the bank is able to measure interest rate risk arising from yield curve, basis and re-pricing risks in its balance sheet using the Economic value of equity model.

Group
The table below summarizes the Group's interest rate gap positions:

Re-pricing period

In millions of Naira		Carrying amount	Total amount sensitive to Rate	Less than 3 month	6 months	12 months	5 years	More than 5 years
31 December 2014	Note	N million	N million	N million	N million	N million	N million	N million
Non-derivative assets								
Cash and cash equivalents	18	121,960	60,395	60,395	—	—	—	—
Non-pledged trading assets	19	745	745	745	—	—	—	—
Pledged assets	20	83,935	117,228	17,387	9,520	3,418	52,554	34,348
Loans and advances to customers	22	312,797	290,027	271,664	1,681	4,318	12,276	88
Investment securities	24	197,200	174,020	17,230	43,129	7,625	85,364	20,672
Other receivables	31	114,233	—	—	—	—	—	—
		830,870	642,415	367,421	54,331	15,362	150,195	55,107
Non-derivative liabilities								
Deposits from banks	32	(61,890)	(61,890)	(61,890)	—	—	—	—
Deposits from customers	33	(527,617)	(305,437)	(292,843)	(11,608)	(917)	(69)	—
Other financial liabilities	35	(62,748)	—	—	—	—	—	—
Other borrowed funds	37	(78,135)	(78,135)	(13,915)	(5,054)	(17,429)	(38,757)	(2,980)
		(730,390)	(445,462)	(368,648)	(16,662)	(18,346)	(38,826)	(2,980)
Total interest re-pricing gap		100,480	196,953	(1,228)	37,669	(2,984)	111,369	52,127

Group

Re-pricing period

In millions of Naira 31 December 2013	Note	Carrying amount	Total amount sensitive to Rate	Less than 3 month	6 months	12 months	5 years	More than 5 years
Non-derivative assets								
Cash and cash equivalents	18	100,925	46,566	46,566	—	—	—	—
Non-pledged trading assets	19	2,847	2,847	2,847	—	—	—	—
Pledged assets	20	65,167	65,167	2,578	3,209	—	33,384	25,996
Loans and advances to customers	22	229,542	229,542	124,826	12,485	21,090	68,151	2,991
Investment securities	24	289,353	289,353	84,809	41,179	72,288	31,497	59,579
Other receivables	31	73,119	—	—	—	—	—	—
		760,953	633,475	261,626	56,873	93,378	133,032	88,566
Non-derivative liabilities								
Deposits from banks	32	(46,794)	(46,794)	—	—	—	—	—
Deposits from customers	33	(482,706)	(281,258)	(275,570)	(3,495)	(2,153)	(40)	—
Other financial liabilities	35	(104,394)	—	—	—	—	—	—
Other borrowed funds	37	(45,280)	(45,280)	(4,607)	(513)	(3,026)	(34,443)	(2,692)
		(679,174)	(373,332)	(280,177)	(4,008)	(5,179)	(34,483)	(2,692)
Total interest re-pricing gap		81,779	260,143	(18,551)	52,865	88,199	98,549	85,874

Bank

Re-pricing period

In millions of Naira 31 December 2014	Note	Carrying amount	Total amount sensitive to Rate	Less than 3 month	6 months	12 months	5 years	More than 5 years
Non-derivative assets								
Cash and cash equivalents	18	58,457	7,502	7,502	—	—	—	—
Non-pledged trading assets	19	745	745	745	—	—	—	—
Pledged assets	20	83,935	113,283	16,512	6,450	3,418	52,554	34,348
Loans and advances to customers	22	302,372	279,601	265,474	940	4,318	8,869	—
Investment securities	24	193,656	170,477	17,230	41,270	7,625	85,364	18,988
Other receivables	31	114,233	—	—	—	—	—	—
		753,398	571,608	307,464	48,660	15,362	146,787	53,335
Non-derivative liabilities								
Deposits from banks	32	(18,055)	(18,055)	(17,677)	(378)	—	—	—
Deposits from customers	33	(507,431)	(298,822)	(290,346)	(7,552)	(917)	(7)	—
Other financial liabilities	35	(62,748)	—	—	—	—	—	—
Other borrowed funds	37	(78,135)	(53,465)	(53,465)	—	—	—	—
		(666,369)	(370,343)	(361,488)	(7,930)	(917)	(7)	—
Total interest re-pricing gap		87,029	201,266	(54,025)	40,730	14,444	146,781	53,335

Bank

In millions of Naira

31 December 2013	Note	Carrying amount	Total amount sensitive to Rate	Re-pricing period: Less than 3 month	6 months	12 months	5 years	More than 5 years
Non-derivative assets								
Cash and cash equivalents	18	53,141	—	—	—	—	—	—
Non-pledged trading assets	19	2,847	2,847	2,847	—	—	—	—
Pledged assets	20	65,167	65,167	2,578	3,209	—	33,384	25,996
Loans and advances to customers	22	210,118	210,119	176,563	2,561	1,450	16,667	12,878
Investment securities	24	290,377	290,377	90,617	40,381	71,491	30,512	57,376
Other receivables	31	73,119	—	—	—	—	—	—
		621,650	568,510	272,605	46,151	72,941	80,563	96,250
Non-derivative liabilities								
Deposits from banks	32	(3,200)	(3,200)	(3,200)	—	—	—	—
Deposits from customers	33	(479,956)	(285,763)	(282,302)	(2,686)	(775)	—	—
Other financial liabilities	35	(104,045)	—	—	—	—	—	—
Other borrowed funds	37	(45,280)	(45,280)	(4,607)	(513)	(3,026)	(34,443)	(2,691)
		(632,481)	(334,243)	(290,109)	(3,199)	(3,801)	(34,443)	(2,691)
Total interest re-pricing gap			234,267	(17,504)	42,952	69,140	46,120	93,559

To complement the re-pricing gap, the group adopted the value at risk model during the year which was prospectively applied, for measuring interest rate risk inherent in any trading position or portfolio. The value at risk (VaR) of a position or portfolio is the loss or change in value that is not expected to be exceeded with a given degree of confidence (99%) over a specified time period. VaR is therefore a statistical measure of variability in the value of a portfolio of positions or earnings from economic activity arising from the changes in the market prices of the commodities or other variables underlying the portfolio or activity. Value at Risk measurement is most appropriate for marked-to-market portfolios.

The value at risk for the bank's interest rate risk trading portfolio as at December 31, 2014 is as follows:

In millions of naira

Security	Position	VaR 1-Day	VaR 10-Day	Diversified VaR 1-Day
Treasury Bills	404	0	1	0
FGN Bonds	300	3	9	3

Foreign currency risk

As a licensed foreign exchange dealer and member of the Interbank foreign exchange market, the bank is exposed to foreign exchange risk, hence the need to effectively identify, assess, monitor and manage foreign exchange rate risk as part of its overall market risk management process.

Foreign exchange rate risk management and control

In line with the bank's overall market risk management framework, an articulated appetite for foreign exchange rate risk is approved by the Board. Limits are set for Foreign exchange net open positions (NOPL) in line with regulation, value at risk (VaR), stop loss and management action triggers. The bank's Market Risk Department is responsible for measuring, monitoring, reporting actual positionsagainst set limits and carrying out stress tests at defined intervals.

The table below summarizes the Group's foreign exchange balance sheet as at December 31, 2014:

Group		Total	US Dollar	Euro	Pound	Naira	Others
31 December 2014	Note	N million	N million	N million	N million	N million	N million
Cash and cash equivalents	18	121,960	79,498	6,482	8,507	27,281	192
Non-pledged assets	19	745	—	—	—	745	—
Pledged assets	20	83,935	4,695	—	—	79,240	—
Loans and advances to customers	22	312,797	143,795	658	1,689	166,605	50
Investment securities	24	197,200	3,543	—	—	193,657	—
Other receivables	31	114,233	—	—	—	114,233	—
Total financial assets		830,870	231,531	7,140	10,196	581,760	242
Deposits from banks	32	(61,890)	(43,835)	—	—	(18,055)	—
Deposit from customers	33	(527,617)	(32,780)	(1,631)	(7,036)	(486,014)	(155)
Other financial liabilities	35	(62,748)	—	—	—	(62,748)	—
Other borrowed funds	37	(78,135)	(53,465)	—	—	(24,670)	—
Total financial liabilities		(730,390)	(130,080)	(1,631)	(7,036)	(591,487)	(155)
Net on-balance sheet position		100,480	101,451	5,509	3,160	(9,727)	87

		Total	US Dollar	Euro	Pound	Naira	Others
31 December 2013	Note	N million	N million	N million	N million	N million	N million
Cash and cash equivalents	18	100,925	55,638	7,717	8,093	29,211	266
Non-pledged assets	19	2,847	—	—	—	2,847	—
Pledged assets	20	65,167	—	—	—	65,167	—
Loans and advances to customers	22	229,542	92,667	658	1,689	134,478	50
Investment securities	24	289,353	3,984	—	—	285,369	—
Other receivables	31	73,119	—	—	—	73,119	—
Total financial assets		760,953	152,289	8,375	9,782	590,191	316
Deposits from banks	32	(46,794)	—	—	(43,594)	(3,200)	—
Deposit from customers	33	(482,705)	(39,733)	(3,048)	(3,996)	(435,773)	(155)
Other financial liabilities	35	(104,394)	—	—	—	(104,394)	—
Other borrowed funds	37	(45,280)	(15,735)	—	—	(29,545)	—
Total financial liabilities		(679,173)	(55,468)	(3,048)	(47,590)	(572,912)	(155)
Net on-balance sheet position		81,780	96,821	5,327	(37,808)	17,279	161

The Group's exposure to foreign currency risk is largely concentrated in the US Dollar. Movement in exchange rate between the US Dollar and the Nigeria Naira affects reported earnings through revaluation gain or loss through increase or decrease in the revalued amounts of assets and liabilities denominated in foreign currency.

Bank		Total	US Dollar	Euro	Pound	Naira	Others
31 December 2014	Note	N million	N million	N million	N million	N million	N million
Cash and cash equivalents	18	58,457	30,580	1,785	2,493	23,515	84
Non-pledged assets	19	745	—	—	—	745	—
Pledged assets	20	83,935	4,695	—	—	79,240	—
Loans and advances to customers	22	302,372	126,768	44	—	175,560	—
Investment securities	24	193,656	—	—	—	193,656	—
Other receivables	31	114,233	—	—	—	114,233	—
Total financial assets		753,398	162,043	1,829	2,493	586,949	84
Deposits from banks	32	(18,055)	(18,055)	—	—	—	—
Deposit from customers	33	(507,431)	(24,866)	(1,714)	(500)	(480,351)	(1)
Other financial liabilities	35	(62,748)	—	—	—	(62,748)	—
Other borrowed funds	37	(78,135)	(53,465)	—	—	(24,670)	—
Total financial liabilities		(666,369)	(96,386)	(1,714)	(500)	(567,769)	(1)
Net on-balance sheet position		87,029	65,657	115	1,994	19,180	83

		Total	US Dollar	Euro	Pound	Naira	Others
31 December 2013	Note	N million	N million	N million	N million	N million	N million
Cash and cash equivalents	18	53,141	6,720	3,020	2,079	41,164	158
Non-pledged assets	19	2,847	—	—	—	2,847	—
Pledged assets	20	65,167	—	—	—	65,167	—
Loans and advances to customers	22	210,118	75,640	—	—	134,478	—
Investment securities	24	290,377	—	—	—	290,377	—
Other receivables	31	73,119	—	—	—	73,119	—
Total financial assets		694,769	82,360	3,020	2,079	607,152	158
Deposits from banks	32	(3,200)	(3,200)	—	—	—	—
Deposit from customers	33	(479,957)	(17,913)	(297)	(3,540)	(458,206)	(1)
Other financial liabilities	35	(104,045)	—	—	—	(104,045)	—
Other borrowed funds	37	(45,280)	(15,735)	—	—	(29,545)	—
Total financial liabilities		(632,481)	(36,848)	(297)	(3,540)	(591,796)	(1)
Net on-balance sheet position		62,288	45,512	2,723	(1,461)	15,356	157

The Bank's exposure to foreign currency risk is largely concentrated in the US Dollar. Movement in exchange rate between the US Dollar and the Nigeria Naira affects reported earnings through revaluation gain or loss through increase or decrease in the revalued amounts of assets and liabilities denominated in foreign currency.

(e) Operational risk management

The Group has adopted the Basel II definition of Operational Risk as the risk of loss resulting from inadequate or failed internal processes, people, or from external events. This definition includes legal risk but excludes strategic and reputational Risk.

Our overall objective for managing Operational Risk in the Bank is to establish and maintain a sound system which adequately identifies, measures, assesses, monitors, reports, controls and reviews Operational Risks across the Bank.

Effective implementation of our Operational Risk Management program guarantees:
- A more risk awareness culture amongst staff;
- Better understanding of the Bank's operational risk profile;
- Significant reduction in operational losses, hence improved profitability;
- Improved processes and systems in the Bank; and
- Improved business resilience, which would guarantee enhanced responses to business disruptions.

(f) Capital management

The Group's objectives when managing capital, which is a broader concept than the 'equity' on the face of the statement of financial position, are:
(i) To comply with the capital requirements set by the regulators of the banking markets where the entities within the Group operate;
(ii) To safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
(iii) To maintain a strong capital base to support the development of its business.

Capital adequacy and the use of regulatory capital are monitored by the Group's management, employing techniques based on the guidelines developed by the Central Bank of Nigeria (CBN), for supervisory purposes. The required information is filed with the CBN on a monthly basis.

The CBN requires each international bank to:
(i) Hold the minimum level of the regulatory capital of N25 billion, and
(ii) Maintain a ratio of total regulatory capital to the risk-weighted asset at a minimum of 15%.

In addition, those individual banking subsidiaries or similar financial institutions not incorporated in Nigeria are 'directly regulated and supervised by their local banking supervisor, which may differ from country to country.

The Group's regulatory capital as managed by its Financial Control and Treasury Units is divided into two tiers:
(a) Tier 1 capital: share capital, retained earnings and reserves created by appropriations of retained earnings. The book value of goodwill and intangible assets is deducted in arriving at Tier 1 capital; and
(b) Tier 2 capital: preference shares, non-controlling interests arising on consolidation, qualifying debt stock, fixed assets revaluation reserves, foreign currency revaluation reserves, general provisions subject to maximum of 1.25% of risk assets and hybrid instruments – convertible bonds.

As directed by the CBN, the Bank crossed over to the Basel II capital measurement standard by October, 2014, replacing the Basel I Capital Adequacy Ratio *(CAR) computation with the Basel II Standardised Approach (Currently, CBN requires all deposit money banks in Nigeria to adopt the Standardised Approach for the computation of Capital Adequacy Ratio under Pillar 1)*

In line with the CBN guideline for the Standardised Approach, the Risk Weighted Assets (RWA) are derived using the CBN specified risk weigths (RW) for the different asset classes:

- 0% for Exposures to Central Governments and Central Banks
- 100% for Exposures to Non - Central Government Public Sector Entities
- Exposures to State Governments and Local Authorities;
  - 20% for State Government bonds that meet the CBN eligibility criteria for classification as liquid assets
  - 100% for other State and Local Government bonds and exposures
- State and Local Governments of other jurisdictions are assigned the Sovereign RW of those jurisdictions.
  - 0% for Exposures to Multilateral Development Banks (MDBs)
- Exposures to Supervised Institutions
  - 20% for Short- term exposures to supervised institutions in Nigeria with an original maturity of three months or less
  - 100% for long - term exposures to supervised institutions in Nigeria with an original maturity of three months or less
  - 100% for Exposures to Corporate and Other Persons
  - 75% for Regulatory Retail Portfolio. However, to qualify, such exposures must meet the following criteria:

i) Orientation criterion – the exposure is to an individual person or persons or to a small business.
ii) Product criterion - the exposure takes the form of any of the following: revolving credits and lines of credit (including credit cards and overdrafts), personal term loans and other term loans (for example installment loans, auto financing loans, student and educational loans, personal finance) and small business facilities. Investment in debt and equity securities, whether listed or not, are excluded from this portfolio. Mortgage loans are also excluded to the extent that they qualify for treatment as exposures secured by residential property.
iii) Granularity criterion - the aggregate exposure to one counterpart cannot exceed 0.2% of the overall regulatory retail portfolio;
iv) Low value of individual exposures - the aggregate retail exposure to one counterparty cannot exceed an absolute threshold of N100 million.
  - 100% for Exposures secured by Mortgages on Residential Property.
  - 100% for Exposures secured by Mortgages on Commercial Real Estate.
  - Qualifying residential mortgage loans that are past due:
  i) 100% when specific provisions are less than 20% of the outstanding amount of the exposure; and
  ii) 50% when specific provisions are 20% or more of the outstanding amount of the exposure.
  - Other unsecured Past Due Exposures (excluding past due residential mortgages):
  i) 150% risk weight when specific provisions are less than 20% of the outstanding amount of the exposure;
  ii) 100% risk weight when specific provisions are no less than 20% of the outstanding amount of the exposure.

Other Assets:
i) Cash in hand and equivalent cash items shall be assigned a 0% risk weight.
ii) Cheques and Cash items in transit shall be assigned a 20% risk weight.
  - 100% risk weight for the following: fixed assets; prepayments; investments in equity or regulatory capital instruments *(unless deducted from capital);* collective investment schemes; real estate; bank lending to subsidiaries in the same group *(but to be deducted from capital where loan is not fully secured).*
  - Off-Balance Sheet Exposures are first converted to credit equivalent amount by multiplying the exposures by the related conversion factors (CCF). The Capital requirement is then derived by multiplying the credit equivalent by the risk weight of the counterparty.

Capital Adequacy Ratio

The Basel II capital adequacy ratio was 16% for the Bank, as at 31 December 2014, which is above the CBN minimum capital adequacy requirements of 15% as computed below. Basel II rule for computation of Capital Adequacy Ratio only came to force in the current year and has been prospectively applied.

Bank	Note	Dec. 2014 N million	Dec. 2013 N million
Tier 1 Capital			
Ordinary share capital		8,468	8,468
Share premium		391,641	391,641
Retained deficit		(251,172)	(272,064)
Statutory reserve		19,404	16,331
Other reserves		1,753	13,148
		170,094	157,524
Less:			
Investment in subsidiaries (50%)	27	(4,186)	(12,892)
Investment in equity accounted investee (50%)	23	—	(16)
Deferred tax assets	30	(95,875)	(95,875)
Intangible assets	29	(2,071)	(685)
Total qualifying Tier 1 Capital		67,962	48,056
Tier 2 Capital			
Fair value reserves		27,213	30,260
Investment in subsidiaries (50%)		(4,186)	—
Investment in equity accounted investee (50%)		—	—
Collective allowances for impairment		—	10,673
Total qualifying Tier 2 Capital		23,027	40,933
Total regulatory capital		90,989	88,989
Risk weighted assets			
On balance sheet and off balance sheet		—	358,796
Risk-weighted Amount for Credit Risk		439,655	—
Risk-weighted Amount for Operational Risk		105,550	—
Risk-weighted Amount for Market Risk		9,992	—
Total weighted risk assets		555,197	358,796
Risk weighted Capital Adequacy Ratio (CAR)		16.39%	24.80%

Regulatory risk reserves are excluded from capital adequacy ratio computation

6 Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Management discusses with the Group Audit Committee the development, selection and disclosure of the Group's critical accounting policies and their application, and assumptions made relating to major estimation uncertainties. Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year and about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is disclosed below.

These disclosures supplement the commentary on financial risk management (see note 5).

Impairment
Assets accounted for at amortised cost are evaluated for impairment on a basis described in the accounting policy in note 3(j).

The specific counterparty component of the total allowances for impairment applies to claims evaluated individually for impairment and is based upon management's best estimate of the present value of the cash flows that are expected to be received. In estimating these cash flows, management makes judgements about a counter party's financial situation and the net realisable value of any underlying collateral. Each impaired asset is assessed on its merits, and the workout strategy and estimate of cash flows considered recoverable are independently reviewed by the Credit Risk function.

Collectively assessed impairment allowances cover credit losses inherent in portfolios of loans and advances and held to maturity investment securities with similar economic characteristics when there is objective evidence to suggest that they contain impaired loans and advances and held to maturity investment securities, but the individual impaired items cannot yet be identified. A component of collectively assessed allowances is for country risks. In assessing the need for collective loan loss allowances, management considers factors such as credit quality, portfolio size, concentrations, and economic factors. In order to estimate the required allowance, assumptions are made to define the way inherent losses are modelled and to determine the required input parameters, based on historical experience and current economic conditions. The accuracy of the allowances depends on how well future cash flows for specific counterparty allowances and the model assumptions and parameters used in determining collective allowances are estimated.

Investments in equity securities were evaluated for impairment on the basis described in note 3(j). For an investment in an equity security, a significant or prolonged decline in its fair value below its cost was objective evidence of impairment. In this respect, the Group regarded a decline in fair value in excess of 20 percent to be significant and a decline in a quoted market price that persisted for nine months or longer to be prolonged.

Determining fair values
The fair value of financial assets and liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Group determines fair values using other valuation techniques.

For financial instruments that traded infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

Financial asset and liability classification
The Group's accounting policies provide scope for assets and liabilities to be designated on inception into different accounting categories in certain circumstances:

(a) In classifying financial assets or liabilities as "trading", the Group has determined that it meets the description of trading assets and liabilities set out in the accounting policy in note 3(j).
(b) In designating financial assets or liabilities as available for sale, the Group has determined that it has met one of the criteria for this designation set out in the accounting policy in 3(j).
(c) In classifying financial assets as held-to-maturity, the Group has determined that it has both the positive intention and ability to hold the assets until their maturity date as required by the accounting policy in note 3(j).

Details of the Group's classification of financial assets and liabilities are given in note 7.

Depreciation and carrying value of property and equipment
The estimation of the useful lives of assets is based on management's judgement. Any material adjustment to the estimated useful lives of items of property and equipment will have an impact on the carrying value of these items.

Determination of impairment of property and equipment, and intangible assets excluding goodwill
Management is required to make judgements concerning the cause, timing and amount of impairment. In the identification of impairment indicators, management considers the impact of changes in current competitive conditions, cost of capital, availability of funding, technological obsolescence, discontinuance of services and other circumstances that could indicate that impairment exists. The Group applies the impairment assessment to its separate cash generating units. This requires management to make significant judgements and estimates concerning the existence of impairment indicators, separate cash generating units, remaining useful lives of assets, projected cash flows and net realisable values. Management's judgement is also required when assessing whether a previously recognised impairment loss should be reversed.

Valuation of financial instruments
The Group's accounting policy on fair value measurements is discussed in note 3(j)

The Group measures fair values using the following fair value hierarchy, which reflects the significance of the imputs used in making the measurements.

(i) Level 1: Inputs that are quoted market prices (unadjusted) in an active market for identical instruments.
(ii) Level 2: Inputs other than quoted prices uncluded within Level 1 that are observable either (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
(iii) Level 3: inputs that are unobservable. This category includes instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the value recognised in the statement of financial position.

		Level 1	Level 2	Level 3	Total
31 December 2014	Note	N million	N million	N million	N million
Non pledged trading assets	19	348	397	—	745
Derivative assets held for risk management	21	—	—	7	7
Investment securities	24	68,267	—	7,699	75,966
		68,615	397	7,706	76,718

		Level 1	Level 2	Level 3	Total
31 December 2013	Note	N million	N million	N million	N million
Non pledged trading assets	19	1,223	1,624	—	2,847
Investment securities	24	8,993	1,709	7,103	17,805
		10,216	3,333	7,103	20,652

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments the Group determines fair values using valuation techniques. Valuation techniques include net present value and discounted cash flow models, comparison to similar instruments for which market observable prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free interest rates, credit spreads and other inputs used in estimating discount rates, bonds and equity prices. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date that would have been determined by market participants acting at arm's length.

The Group uses widely recognised valuation models for determining the fair value of common and more simple financial instruments, like interest rate and currency swaps that use only observable market data and require little management judgement and estimation. Observable prices and model inputs are usually available in the market for listed debt and equity securities, exchange traded derivatives and simple over the counter derivatives like interest rate swaps. Availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with the determination of fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

Level 3 fair value measurements

(a) **Reconciliation**

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy for the group.

31 December 2014 In millions of naira	Investment Securities	Derivative Assets	Total
Balance at 1 January 2014	7,103	—	7,103
Total gains recognised in OCI	596	—	596
Purchases	—	7	7
Balance at 31 December 2014	7,699	7	7,706

Financial instruments not measured at fair value

The following table sets out the fair values of financial instruments not measured at fair value and analyses them by the level in the fair value hierarchy into which each fair value measurement is categorised.

		Level 1	Level 2	Level 3	Total
31 December 2014	Note	N million	N million	N million	N million
Assets					
Cash and Cash equivalent	18	—	58,457	—	58,457
Pledget assets	20	—	55,553	—	55,553
Loans and advances to customers	22	—	284,413	—	284,413
Investment securities	24	—	93,724	—	93,724
Other receivables	31	—	113,376	—	113,376
		—	605,523	—	605,523
Liabilities					
Deposits from banks	32	—	18,055	—	18,055
Deposits from customers	33	—	507,431	—	507,431
Other financial liabilities	35	—	62,748	—	62,748
Other borrowed funds	37	—	78,135	—	78,135
		—	666,369	—	666,369

		Level 1	Level 2	Level 3	Total
31 December 2013	Note	N million	N million	N million	N million
Assets					
Cash and Cash equivalent	18	—	53,141	—	53,141
Pledget assets	20	—	57,169	—	57,169
Loans and advances to customers	22	—	186,118	—	186,118
Investment securities	24	—	269,356	—	269,356
Other receivables	31	—	72,971	—	72,971
		—	638,755	—	638,755
Liabilities					
Deposits from banks	32	—	3,200	—	3,200
Deposits from customers	33	—	479,956	—	479,956
Other financial liabilities	35	—	104,045	—	104,045
Other borrowed funds	37	—	45,280	—	45,280
		—	632,481	—	632,481

7 Operating segments

Segment information is presented in respect of the Bank's business segments which represents the primary segment reporting format and is based on the Bank's management and reporting structure.

(a) By business segment

The Banking Group is divided into four main business segments on a worldwide basis:

Retail banking
Retail banking incorporates private banking services, private customer current accounts, deposits, investment savings products, custody, credit and debit cards, consumer loans and mortgages.

Corporate banking
Corporate banking incorporates direct debit facilities, current accounts, deposits, overdrafts, loan and other credit facilities and foreign currency products.

Treasury and investment banking
Treasury and investment banking incorporates financial instruments trading, structured financing, corporate leasing and advisory service.

Asset management
Asset management which involves the provision of financial intermediation services to its corporate and individual customers comprises of trust services, granting of loans and advnaces, equipment leasing, LPO financing, loan syndication, fixed tenured borrowings and insurance brokerage.

	Retail banking	Commercial banking	Corporate banking	Treasury and investment banking	Total
31 December 2014	N million	N million	N million	N million	N million
Revenue:					
Derived from external customers	5,605	21,479	25,367	67,211	119,663
Derived from other business segments	33,549	2,762	(8,476)	(27,835)	—
Total Revenue	39,154	24,241	16,891	39,377	119,663
Interest expenses	(13,951)	(2,641)	(961)	(6,764)	(24,317)
(Loss)/profit before income tax	1,076	6,287	6,923	12,684	26,971
Income tax expense					(409)
Profit after tax					26,562
Assets and liabilities:					
Reportable segment assets	108,486	219,487	282,946	396,258	1,007,176
Reportable segment liabilities	(321,426)	(155,746)	(66,517)	(243,198)	(786,887)
Net Assets/(Liabilities)	(212,940)	63,741	216,429	153,060	220,289
31 December 2013					
Revenue:					
Derived from external customers		29,683	17,318	58,474	105,475
Derived from other business segments		33,702	6,567	(40,269)	—
Total Revenue		63,385	23,885	18,205	105,475
Interest expenses		(12,921)	(2,704)	(7,951)	(23,576)
(Loss)/profitbefore income tax		2,579	1,783	778	5,329
Income tax expense					933
Profit after tax					6,262
Assets and liabilities:					
Reportable segment assets		241,319	280,404	481,033	1,002,756
Reportable segment liabilities		(465,327)	(193,051)	(145,035)	(803,413)
Net Assets/(Liabilities)		(224,008)	87,353	335,998	199,343

(b) By geographical location

The Group's business is organized along two (2) main geographical areas:
(i) Nigeria
(ii) Europe

Transactions between the business segments are on normal commercial terms and conditions.

Funds are ordinarily allocated between segments, resulting in funding cost transfers disclosed in operating income. Interest charged on these funds is based on the Group's cost of capital. There are no other material items of income or expense between the business segments.

Internal charges and transfer pricing adjustments have been reflected in the performance of each segment. Revenue sharing agreements are used to allocate external customer revenues to a segment on a reasonable basis.

	Nigeria	Europe	Total
31 December 2014	N million	N million	N million
Derived from external customers	117,599	2,070	119,669
Derived from other segments	—	—	—
Total revenues	117,599	2,070	119,669
Interest and similar expenses	(24,135)	(182)	(24,317)
Operating income	93,463	1,889	95,352
Share of profit of equity accounted investee	(6)	—	(6)
	93,457	1,889	95,346
Operating expenses	(57,175)	(1,549)	(58,724)
Net impairment loss on financial assets	(9,682)	31	(9,651)
(Loss)/profit before taxation	26,600	371	26,971
Income tax expense	(355)	(54)	(409)
(Loss)/profit after taxation	26,245	317	26,562
	Nigeria	Europe	Total
	N million	N million	N million
Assets and liabilities:			
Total assets	928,893	80,265	1,009,157
Total liabilities	(796,212)	9,289	(786,923)
Net assets	132,681	89,554	222,234
	Nigeria	Europe	Total
31 December 2013	N million	N million	N million
Derived from external customers	103,436	2,043	105,479
Derived from other segments	—	—	—
Total revenues	103,436	2,043	105,479
Interest and similar expenses	(23,354)	(222)	(23,576)
Operating income	80,082	1,821	81,903
Share of profit of equity accounted investee	(4)	—	(4)
	80,078	1,821	81,899
Operating expenses	(58,420)	(1,536)	(59,956)
Net impairment loss on financial assets	(15,374)	(362)	(15,736)
(Loss)/profit before taxation	6,284	(77)	6,207
Income tax expense	914	19	933
(Loss)/profit after taxation	7,198	(58)	7,140
Assets and liabilities:			
Total assets	921,937	80,819	1,002,756
Total liabilities	(734,236)	(69,177)	(803,413)
Net assets	187,701	11,642	199,343

8 Financial assets and liabilities

Accounting classification, measurement basis and fair values
The table below sets out the Group's and Bank's classification of each class of financial assets and liabilities, and their fair values (excluding accrued interest).

Group		At fair value through P/L	Held - to-maturity	Loans and receivables at amortised cost	Available - for sale	Other financial liabilities	Total carrying amount	Fair value
31 December 2014	Note	N million	N million	N million	N million	N million	N million	N million
Cash and cash equivalents	18	—	—	121,960	—	—	121,960	121,960
Non pledged trading assets	19	745	—	—	—	—	745	745
Pledged assets	20	—	83,935	—	—	—	83,935	55,553
Derivative assets held for risk management	21	7	—	—	—	—	7	7
Loans and advances to customers	22	—	—	312,797	—	—	312,797	294,838
Investment securities	24	—	117,690	—	79,510	—	197,200	173,234
Other receivables	31	—	—	113,376	—	—	113,376	113,376
		752	201,625	548,133	79,510	—	830,020	759,713
Derivative liabilites held for risk management	21	7	—	—	—	—	7	7
Deposits from banks	32	—	—	—	—	61,890	61,890	61,890
Deposits from customers	33	—	—	—	—	527,617	527,617	527,617
Other financial liabilities	35	—	—	—	—	62,748	62,748	62,748
Interest bearing loans and borrowings	37	—	—	—	—	78,135	78,135	78,135
		—	—	—	—	730,390	730,390	730,390
31 December 2013								
Cash and cash equivalents	18	—	—	100,925	—	—	100,925	100,925
Non pledged trading assets	19	2,847	—	—	—	—	2,847	2,847
Pledged assets	20	—	65,167	—	—	—	—	57,169
Derivative assets held for risk management	21	—	—	—	—	—	—	—
Loans and advances to customers	22	—	—	229,542	—	—	229,542	201,248
Investment securities	24	—	272,572	—	16,781	—	289,353	286,137
Other receivables	31	—	—	72,971	—	—	72,971	72,971
		2,847	337,739	403,438	16,781	—	695,638	721,297
Derivative liabilities held for risk management	21	—	—	—	—	—	—	—
Deposits from banks	32	—	—	—	—	46,794	46,794	46,794
Deposits from customers	33	—	—	—	—	482,706	482,706	482,706
Other financial liabilities	35	—	—	—	—	104,394	104,394	104,394
Interest bearing loans and borrowings	37	—	—	—	—	45,280	45,280	45,280
		—	—	—	—	679,174	679,174	679,174

Group		At fair value through P/L	Held - to-maturity	Loans and receivables at amortised cost	Available - for sale	Other financial liabilities	Total carrying amount	Fair value
31 December 2014	Note	N million	N million	N million	N million	N million	N million	N million
Cash and cash equivalents	18	—	—	58,457	—	—	58,457	58,457
Non pledged trading assets	19	745	—	—	—	—	745	745
Pledged assets	20	—	83,935	—	—	—	83,935	55,553
Loans and advances to customers	22	—	—	302,372	—	—	302,372	284,413
Investment securities	24	—	117,690	—	75,966	—	193,656	169,690
Other receivables	31	—	—	113,376	—	—	113,376	113,376
		745	201,625	474,205	75,966	—	752,541	682,234
Deposits from banks	32	—	—	—	—	18,055	18,055	18,055
Deposits from customers	33	—	—	—	—	507,431	507,431	507,431
Other financial liabilities	35	—	—	—	—	62,748	62,748	62,748
Interest bearing loans and borrowings	37	—	—	—	—	78,135	78,135	78,135
		—	—	—	—	666,369	666,369	666,369
31 December 2013								
Cash and cash equivalents	18	—	—	53,141	—	—	53,141	53,141
Non pledged trading assets	19	2,847	—	—	—	—	2,847	2,847
Pledged assets	20	—	65,167	—	—	—	65,167	57,169
Loans and advances to customers	22	—	—	210,118	—	—	210,118	186,118
Investment securities	24	—	272,572	—	17,805	—	290,377	287,161
Other receivables	31	—	—	72,971	—	—	72,971	72,971
		2,847	337,739	336,230	17,805		694,621	659,407
Deposits from banks	32	—	—	—	—	3,200	3,200	3,200
Deposits from customers	33	—	—	—	—	479,956	479,956	479,956
Other financial liabilities	35	—	—	—	—	104,045	104,045	104,045
Interest bearing loans and borrowings	37	—	—	—	—	45,280	45,280	45,280
		—	—	—	—	632,481	632,481	632,481

Investment securities - unquoted equity securities at cost

The above table includes N9, 868million for the Group and also the Bank (December 2013: N11,986 million (Group) and N11,186 million (Bank)) of available for sale investment securities in both the carrying amount and fair value columns that are measured at cost and for which disclosure of fair value is not provided because their fair value cannot be reliably measured.

9 Net interest income

	Group Dec.2014	Group Dec.2013	Bank Dec.2014	Bank Dec.2013
	N million	N million	N million	N million
Interest income				
Cash and cash equivalents	1,069	6,933	1,069	6,366
Loans and advances to customers	39,334	31,230	38,118	30,223
Investment securities	35,789	42,706	35,676	42,456
Total interest income	76,192	80,869	74,863	79,045
Interest expense				
Deposits from customers	17,481	16,874	17,401	17,344
Other borrowed funds	6,836	6,574	6,836	6,574
Total interest expense	24,317	23,576	24,237	23,918
Net interest income	51,875	57,293	50,626	55,127

Interest income for the year ended 31 December 2014 for the Group includes N2.63 billion *(2013: N1.45 billion)* accrued income on impaired financial assets and the assets have been specifically tested for impairment.

Interest expense on financial liabilities not measured at fair value through profit or loss amounted to N24,317 million *(Group)* and N24,237 million *(Bank)* for the year ended 31 December 2014 *(31 December 2013: N23,576 million (Group); N23,918 million (Bank))*

10 Net Fee and commission income

	Group Dec.2014	Group Dec.2013	Bank Dec.2014	Bank Dec.2013
	N million	N million	N million	N million
Retail banking customer fees & commissions	3,813	3,520	3,813	3,520
Corporate banking credit related fees & commissions *(See note (a))*	1,445	732	1,445	442
Commission on turnover (COT)	2,260	3,224	2,260	3,224
Commission on off balance sheet transactions	1,639	1,399	1,639	1,399
Other fees and commissions	415	204	11	92
	9,572	9,079	9,168	8,677

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

11 Net trading income/(loss)

	Group Dec.2014	Group Dec.2013	Bank Dec.2014	Bank Dec.2013
	N million	N million	N million	N million
Fixed income securities	34	(808)	34	(808)
Equities	—	(2)	—	—
Foreign exchange trading gain	2,120	507	2,035	431
	2,154	(303)	2,069	(377)

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 Other operating income

	Group Dec.2014	Group Dec.2013	Bank Dec.2014	Bank Dec.2013
	N million	N million	N million	N million
Dividends on available-for-sale equity securities	408	2,551	2,015	5,670
Gains on disposal of trading property	—	759	—	761
Revaluation gain on 'fair value through profit or loss	27	—	—	—
Gain on disposal of investments	—	828	—	1,374
Gain on disposal of subsidiaries (see (a) below)	15,689	—	6,315	—
Foreign exchange revaluation gain	3,575	1,060	3,575	1,060
Rental income	406	610	406	224
Provisions for liabilities no longer required (see (b) below)	8,166	—	8,166	—
Sundry income	3,480	7,785	3,244	6,791
	31,751	13,593	23,721	15,880

(a) The Gain/(loss) on disposal of subsidiaries is as analysed below:

	Group Dec.2014	Group Dec.2013	Bank Dec.2014	Bank Dec.2013
	N million	N million	N million	N million
Union Registrars Limited	4,149	—	5,807	—
Union Assurance Coy Ltd	877	—	400	—
Union Homes Savings Loans	10,688	—	—	—
Union Capital Markets Ltd	(143)	—	(10)	—
Union Insurance Brokers	118	—	118	—
	15,689	—	6,315	—

The gain or loss on disposal of subsidiaries for the Group at 31 December 2014 is arrived at as shown below:

	Union Registrars Limited	Union Assurance Coy Ltd	Union Homes Savings Loans	Union Capital Markets Ltd	Union Insurance Brokers
	N million	N million	N million	N million	N million
Proceeds on disposal	6,000	1,923	—	806	119
Net Assets	(2,198)	(2,027)	16,425	(939)	—
Non Controlling Interest	391	1,006	(5,210)	—	—
Fair value reserves	34	49	(527)	—	—
Cost incurred on disposal	(79)	(75)	—	(11)	(1)
	4,149	877	10,688	(143)	118

The gain or loss on disposal of subsidiaries for the Bank at 31 December 2014 is arrived at as shown below:

	Union Registrars Limited	Union Assurance Coy Ltd	Union Homes Savings Loans	Union Capital Markets Ltd	Union Insurance Brokers
	N million	N million	N million	N million	N million
Proceeds on disposal	6,000	1,923	—	806	119
Cost of investment	(114)	(1,449)	—	(806)	—
Cost incurred on disposal	(79)	(75)	—	(11)	(1)
	5,807	400	—	(10)	118

(b) The amount relates to liabilities no longer required after a review of balances in other liabilities was carried out during the year; the review revealed that the total sum of N8,166 million was no longer required.

13 Net Impairment loss on financial assets

(a) Net impairment charge for credit losses

	Group Dec.2014	Group Dec.2013	Bank Dec.2014	Bank Dec.2013
	N million	N million	N million	N million
Net impairment charge for credit losses:				
- specific impairment *(see note 22 below)*	6,271	11,172	4,750	12,361
- portfolio impairment *(see note 22 below)*	2,028	2,836	2,028	2,836
Total impairment charge on loans and advances	8,299	14,008	6,778	15,197
Recoveries on loans and advances (see note 22 below)	(3,471)	(1,942)	(3,471)	(1,942)
	4,828	12,066	3,307	13,255

(b) Net impairment loss on other financial assets:

Reversal of impairment on cash and short term funds	—	(201)	—	(201)
(Reversal of impairment)/impairment loss on investment securities (see note 24)	—	(49)	—	410
Impairment loss on other investments	—	75	—	1,111
Impairment loss on other assets (see note 31(ii))	5,222	3,845	4,763	3,845
Allowance no longer required on other assets (see note 31(ii))	(399)	—	(399)	—
	4,823	3,670	4,364	5,165
Total net impairment loss on financial assets	**9,651**	**15,736**	**7,671**	**18,420**

14 Personnel expenses

	Group Dec.2014	Group Dec.2013	Bank Dec.2014	Bank Dec.2013
	N million	N million	N million	N million
Wages and salaries	27,637	28,721	26,655	27,696
Contributions to defined contribution plans (See note 36 (a))	702	1,613	702	1,613
Increase/(decrease) in liability for defined benefit plans	(120)	1,410	(120)	1,410
Terminal benefits	1,517	7,800	1,517	7,800
	29,736	39,544	28,754	38,519

15 Other operating expenses

	Group Dec.2014	Group Dec.2013	Bank Dec.2014	Bank Dec.2013
	N million	N million	N million	N million
Auditors' remuneration	124	118	98	84
NDIC Premium	2,466	2,615	2,466	2,615
Rents and Rates	972	1,023	972	1,001
Business travels	1,483	1,231	1,483	1,199
Repair and Maintenance	474	828	1,516	828
Transformation Consultancy expenses	1,756	1,089	1,756	1,089
Professional fees	1,868	2,097	1,868	1,883
Advertising and Promotion expenses	566	290	566	290
Expenses on links	1,139	846	1,139	846
Donations and Subscriptions	434	120	434	120
General administrative expenses	9,724	960	8,255	433
Insurance	261	287	261	287
AMCON surcharge (see note (a) below)	4,410	4,432	4,410	4,432
	25,677	15,936	25,224	15,107

(a) This represents the Bank's contribution to the Banking Sector Stabilization Fund for the year ended 31 December 2014. The applicable rate is 0.5% of total assets plus another 0.5% of 33% of the bank's off balance sheet items, calculated on a preceeding year basis.

(b) Directors' Remuneration

(i) Directors' remuneration excluding pension contribution and certain benefits was provided as follows:

	Group Dec.2014	Group Dec.2013	Bank Dec.2014	Bank Dec.2013
	N million	N million	N million	N million
Fees as directors	290	260	290	260
Other allowance and benefits	20	11	20	11
	310	271	310	271
Executive compensation	542	501	542	501
	852	772	852	772

(ii) The directors' remuneration shown above includes

	Group Dec.2014	Group Dec.2013	Bank Dec.2014	Bank Dec.2013
	N million	N million	N million	N million
Chairman	30	30	30	30
Highest paid director	153	128	153	128

(iii) The number of directors who received fees and other emoluments *(excluding pension contributions)* in the following ranges was:

	Bank Dec.2014	Bank Dec.2013
N20,000,000 - N30,000,000	12	11
N30,000,001 - N40,000,000	—	—
N40,000,001 - N50,000,000	—	—
N50,000,001 - N100,000,000	5	5
N100,000,001 - N200,000,000	1	1
	18	17

16 Income tax expense from continuing operation

(a) Recognised in the profit or loss

	Group Dec.2014	Group Dec.2013	Bank Dec.2014	Bank Dec.2013
	N million	N million	N million	N million
Current tax expense				
Company Income Tax	204	(22)	—	—
Education tax	—	—	—	—
NITDA Levy	205	57	205	57
Prior year over provision	—	(978)	—	(977)
	409	(943)	205	(920)
Deferred tax expense				
Origination and reversal of temporary differences	—	10	—	—
Total income tax expense	409	(933)	205	(920)

In line with the Company Income Tax Act, 1990, as amended, the Bank is not liable to pay income tax as the Bank recorded a tax loss for the year. The Bank is exempted from paying minimum tax under the Act, as it has imported share capital of over 25%. No education tax was charged because the Bank has no assessable profit for the year.

(b) Reconciliation of effective tax rate

	Group Dec. 2014	Group Dec. 2014	Group Dec. 2013	Group Dec. 2013	Bank Dec. 2014	Bank Dec. 2014	Bank Dec. 2013	Bank Dec. 2013
		N million		N million		N million		N million
Profit/(loss) before income tax		26,971		5,329		20,691		4,201
Income tax using the domestic corporation tax rate	30%	8,091	30%	1,599	30%	6,207	30%	1,260
Income tax based on minimum tax computation	0%	—	0%	—	0%	—	0%	—
Effect of tax rates in foreign jurisdictions	0%	19	0%	19	0%	—	0%	—
Education tax levy	0%	—	0%	—	0%	—	0%	—
Capital gains tax	0%	—	0%	—	0%	—	0%	—
NITDA levy	1%	205	1%	57	1%	205	1%	57
Tax losses (utilised)/unutilised	-29%	(7,906)	-30%	(1,573)	-30%	(6,207)	-30%	(1,260)
Change to estimates for prior years	0%	—	-18%	(978)	0%	—	-23%	(977)
Total income tax expense in comprehensive income	2%	409	-17%	(933)	1%	205	-22%	(920)

The effective income tax rate for 31 December 2014 is 2% (December 2013:19%)

17 Earnings per share

(a) Basic earnings per share

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

Weighted average number of ordinary shares

	Group Dec.2014	Group Dec.2013	Bank Dec.2014	Bank Dec.2013
Issued ordinary shares at beginning of the year	16,936	16,936	16,936	16,936
Weighted effect of shares issued during the year	16,936	16,936	16,936	16,936

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

	Group Dec.2014	Group Dec.2013	Bank Dec.2014	Bank Dec.2013
Profit/(Loss) for the year attributable to equity holders	25,627	5,457	20,486	5,121
Basic earnings/(loss) per share (in kobo)	151	32	121	30
Profit from continuing operations attributable to equity holders of bank	26,562	5,357	20,486	5,121
Basic earnings/(loss) per share (in kobo)	157	32	121	30

(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.

18 Cash and cash equivalents

	Group Dec.2014	Group Dec.2013	Bank Dec.2014	Bank Dec.2013
	N million	N million	N million	N million
Cash and balances with banks	52,661	27,288	42,051	26,070
Unrestricted balances with central bank	8,904	27,071	8,904	27,071
Money market placements	60,395	46,566	7,502	—
	121,960	100,925	58,457	53,141

19 Non-pledged Assets (Held for trading)

	Group Dec.2014	Group Dec.2013	Bank Dec.2014	Bank Dec.2013
	N million	N million	N million	N million
Government bonds	348	1,223	348	1,223
Treasury bills	397	1,624	397	1,624
	745	2,847	745	2,847

20 Pledged assets

Financial assets that may be repledged or resold by counterparties

	Group Dec.2014	Group Dec.2013	Bank Dec.2014	Bank Dec.2013
	N million	N million	N million	N million
Treasury bills	17,034	3,208	17,034	3,208
Bonds	62,206	61,919	62,206	61,919
Placement	4,695	40	4,695	40
	83,935	65,167	83,935	65,167

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

21 Derivative financial instruments

Group

	Dec.2014		Dec.2013	
	Assets	Liabilities	Assets	Liabilities
	N million	N million	N million	N million
Instrument Type:				
Foreign exchange	7	7	—	—
	7	7	—	—

The Group uses derivatives not designated in a qualifying hedge relationship, to manage its exposure to foreign currency risks. The instruments used include forward contracts and cross currency linked forward contracts.

22 Loans and advances to customers at amortised cost

	Group Dec.2014	Group Dec.2013	Bank Dec.2014	Bank Dec.2013
	N million	N million	N million	N million
(a) **Gross amount**	336,392	249,148	325,748	230,720
Specific impairment	(9,931)	(8,897)	(9,753)	(9,929)
Portfolio impairment	(13,664)	(10,709)	(13,623)	(10,673)
Total impairment	(23,595)	(19,606)	(23,376)	(20,602)
Carrying amount	312,797	229,542	302,372	210,118

At 31 December 2014, N153,381 million (2013: N71,142million) of the Group's loan and advances to customers are expected to be recovered more than 12 months after the reporting date.

(b) Impairment allowance on loans and advances to customers

	Group Dec.2014	Group Dec.2013	Bank Dec.2014	Bank Dec.2013
	N million	N million	N million	N million
Specific impairment				
Balance, beginning of the year	8,897	22,779	9,929	3,970
Impairment loss for the year:				
- Charge for the year (See note 13(a))	6,271	11,172	4,750	12,361
- Recoveries (See note 13(a))	(3,471)	(1,942)	(3,471)	(1,942)
Net impairment for the year/year	2,800	9,230	1,279	10,419
Effect of foreign currency movements	(310)	3	—	—
Provision re-instated during the year	7,549	—	7,549	—
Write-offs	(9,004)	(4,460)	(9,004)	(4,460)
Impairment transferred to discontinued operations	—	(18,655)	—	—
Balance, end of year	9,932	8,897	9,753	9,929
Portfolio impairment				
Balance, beginning of the year	10,709	8,346	10,673	7,838
Impairment credit/loss for the year:	2,028	2,836	2,028	2,836
Net impairment for the year/year	2,028	2,836	2,028	2,836
Effect of foreign currency movements	4	—	—	—
Reclassifications	923	—	922	—
Impairment transferred to discontinued operations	—	(473)	—	—
Balance, end of the year	13,664	10,709	13,623	10,673

(c) Included in loans and advances are finance leases as analysed below:
Gross Finance Lease

	Group Dec.2014	Group Dec.2013	Bank Dec.2014	Bank Dec.2013
	N million	N million	N million	N million
Receivable within 1 year	388	425	388	425
Receivable after 1 year but within 5 years	3,909	3,305	3,909	3,305
	4,297	3,730	4,297	3,730
Specific impairment on finance lease	(132)	(394)	(132)	(394)
Collective impairment on finance lease	(217)	(233)	(217)	(233)
Net finance lease	3,948	3,103	3,948	3,103

23 Investment in equity accounted investee

	Group Dec.2014 N million	Group Dec.2013 N million	Bank Dec.2014 N million	Bank Dec.2013 N million
Cost				
Balance, beginning of the year	100	15,242	91	91
Prior year adjustments	—	(9,685)	—	—
Balance, beginning of the year	100	5,557	91	91
Share of current year result	(6)	(4)	—	—
Assets classified as discontinued operations	—	(5,453)	—	—
Disposal of subsidiaries	21	—	—	—
	115	100	91	91
(Impairments) /increase in value	(91)	(75)	(91)	(75)
Balance, end of the year	24	25	—	16

This represents the Group's equity investment in Unique Venture Capital Management Company Limited (40%).

Summary of the financial information for equity-accounted investees is as follows:

31 December 2014	Reporting date	Total assets	Total liabilities	Net liabilities	Profit/(loss)	Group share of profit/ (loss)	Group share of net liabilities
Unique Venture Capital Management Limited	31 December	175	(190)	(15)	(16)	(6)	(5)
		175	(190)	(15)	(16)	(6)	(5)

31 December 2013	Reporting date	Total assets	Total liabilities	Net assets	Profit/(loss)	Group share of profit/ (loss)	Group share of net assets
Unique Venture Capital Management Limited	31 December	174	(139)	35	(11)	(4)	13
		174	(139)	35	(11)	(4)	13

24 Investment securities

	Group Dec.2014 N million	Group Dec.2013 N million	Bank Dec.2014 N million	Bank Dec.2013 N million
Available-for-sale investment securities comprise:				
Treasury bills	50,988	3,304	49,128	1,709
Equity: Quoted	2,195	824	2,195	7,091
Unquoted	20,067	13,632	20,067	12,832
Managed funds	—	715	—	715
Bonds	10,332	1,404	8,648	—
Others	—	985	—	—
	83,582	20,864	80,038	22,347
Less: specific impairment allowance	(4,072)	(4,083)	(4,072)	(4,542)
	79,510	16,781	75,966	17,805
Held to maturity investment securities comprise:				
Treasury bills	9,197	122,148	9,197	122,148
Bonds	108,493	150,424	108,493	150,424
	117,690	272,572	117,690	272,572
Investment securities	197,200	289,353	193,656	290,377

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

	Group Dec.2014 N million	Group Dec.2013 N million	Bank Dec.2014 N million	Bank Dec.2013 N million
Balance, beginning of the year	4,083	9,604	4,542	8,492
Allowance no longer required)	(11)	(49)	(470)	410
Reclassification	—	(4,360)	—	(4,360)
Assets classified as discontinued operations	—	(1,112)	—	—
Balance, end of the year	4,072	4,083	4,072	4,542

25 Trading properties

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

	Group Dec.2014	Group Dec.2013	Bank Dec.2014	Bank Dec.2013
	N million	N million	N million	N million
Balance, beginning of year	4,747	6,971	1,930	2,282
Additions	—	28	—	—
Disposal	(635)	(2,112)	—	(352)
Reclassification	—	(140)	—	—
Transfer to assets held for sale	(2,182)	—	—	—
Balance, end of year	1,930	4,747	1,930	1,930

26 Investment Properties

	Group Dec.2014	Group Dec.2013	Bank Dec.2014	Bank Dec.2013
	N million	N million	N million	N million
Balance, beginning of the year	16,413	14,985	—	—
Additions	39	11,651	—	—
Disposal	(137)	—	—	—
Revaluation gains/(losses)	—	655	—	—
De-recognition of subsidiaries	(11,603)	—	—	—
Assets classified as held for sale	(4,712)	(10,878)	—	—
	—	16,413	—	—
Impairment allowance	—	—	—	—
Balance, end of the year	—	16,413	—	—

(a) Movement on impairment for investment property was as follows:

	Group Dec.2014	Group Dec.2013	Bank Dec.2014	Bank Dec.2013
	N million	N million	N million	N million
Balance, beginning of year	—	1,841	—	—
Assets classified as held for sale	—	(1,841)	—	—
Balance, end of the year	—	—	—	—

27 Investment in subsidiaries
Cost

	Bank Dec.2014 N million	Bank Dec.2013 N million
Continued operations:		
Union Bank UK Plc	8,372	8,372
	8,372	8,372
Discontinued operations classified as held for sale:		
Union Homes Savings and Loans Plc	—	1,834
Union Trustees Limited	5	5
Union Assurance Company Limited	—	1,448
UBN Property Company Limited	2,195	2,195
Union Registrars Limited	—	114
Union Capital Markets Limited	—	1,842
Union Pension Fund Custodian	—	2,000
Atlantic Nominees Limited	325	325
Reclassification to assets classified as held for sale	(2,525)	(5,243)
	—	4,520
Impairment on investment in subsidiary (See (a) below)	—	—
	8,372	12,892

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

	Bank Dec.2014 N million	Bank Dec.2013 N million
Balance, beginning of year	—	1,834
Additional/(Writeback) during the year	—	1,036
Reclassification to assets classified as held for sale	—	(2,870)
Balance, end of the year	—	—

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

Company Name	Country Incorporation	Nature of business	Year end	Direct ownership interest Dec. 2014 %	Direct ownership interest Dec.2013 %
Union Homes Savings and Loans Plc (i)	Nigeria	Property Development and Mortgage Finance	31 December	—	31
Union Trustees Limited (ii)	Nigeria	Trusteeship	31 December	90	90
Union Assurance Company Limited (iii)	Nigeria	Insurance	31 December	—	30
UBN Property Company Limited (iv)	Nigeria	Property Development	31 December	39	39
Union Bank UK Plc (v)	Nigeria	Licensed UK Bank	31 December	100	100
Union Registrars Limited	Nigeria	Registrar	31 December	—	80
Union Capital Markets Limited	Nigeria	Investment Banking	31 December	—	48
Union Pension Custodian Limited (vi)	Nigeria	Pension Custodial	31 December	—	100
Atlantic Nominees Limited (vii)	Nigeria	Real Estate	31 December	100	100

(i) **Union Homes Savings and Loans Plc (Registered office at 153, Ikorodu Road, Lagos)**
In line with the CBN Regulation 3 on the Scope of Banking Activities and Ancillary Matters, the Bank has divested its interest in Union Homes Savings and Loans Ltd in the current year.

(ii) **Union Trustees Limited (Registered Office at 131, Broad Street, Lagos)**
The bank holds 90% direct equity of the ordinary shares of the company. The carrying value of the investment in Union Trustees Limited in 2014 is included in 'assets classified as held for sale'. (See Note 38)

(iii) **Union Assurance Company Limited (Registered office at 131 Broad Street, Lagos)**
In line with the CBN Regulation 3 on the Scope of Banking Activities and Ancillary Matters, the Bank has divested its interest in Union Assurance Company Limited in the current year.

(iv) **UBN Property Company Limited (Registered office at 36, Marina, Lagos)**
The Company has 5,626,416,051 ordinary shares of N1.00 each of which 39.01% (December 2013 - 39.01%) is held by the Bank. In line with IFRS 10- Consolidated Financial

Statement, Union Bank of Nigeria Plc has control over this entity as it has the power, exposure to variability of returns and a strong link between power and variability of returns. The Bank also governs the financial and operating policies of UBN Property Company Limited.

The carrying value of the investment in Union Property Company Limited in 2014 is included in 'assets classified as held for sale' (see Note 38)

(v) Union Bank UK Plc (Registered office at 14-18 Copthal Avenue, London EC2R7BN)
The Bank directly holds 100% holding of Union Bank UK's 60,000,000 ordinary shares and 99% of its 50,000 deferred shares of GBP1 each and 1% indirect holding through Williams Street Trustees Limited, the nominee company for Union Bank of Nigeria Plc . Union Bank UK Plc was incorporated in October, 2004 as an authorised United Kingdom subsidiary to carry out the business formerly conducted by the London Branch of Union Bank of Nigeria Plc.

(vi) Union Pension Limited (Registered Office 9b Oko Awo Street, Victoria Island, Lagos)
The Group has derecognised the assets and liabilities of Union Pension Limited in its books as a result of the voluntary liquidation of the company.

(vii) Atlantic Nominees Limited
The Bank holds 28,840 (approx. 100%) out of 28,846 ordinary shares of N1 each. The balance of 6 is held by Union Trustees Limited. The Company is a Special Purpose Vehicle of former Universal Trust Bank Plc, one of the banks acquired by Union Bank in 2005. The Company was incorporated to hold interests in landed properties.

Thirty-three (33) plots out of the total Seventy-eight (78) plots held by the company were sold in August 2014.

(viii) Union Homes Real Estate Investment Trust (REIT)
The Group ceased to control Union Homes Real Estate Investment Trust (REIT) as a result of the divestment of its interest in Union Homes and hence the Group shareholding has reduced to an ordinary investment and has been accounted for as such.

(c) The following subsidiaries were disposed during the year with effective date of loss of control as follows:

- Union Registrars Limited - June 19, 2014
- Union Homes and Savings Plc - December 31, 2014
- Union Capital Markets Limited - October 27, 2014
- Union Insurance Brokers Limited - October 31, 2014
- Union Assurance Company Limited - November 10, 2014

(c) Condensed results of consolidated entities
(i) The condensed financial data of the continuing operations as at 31 December 2014, are as follows

Condensed statement of comprehensive income

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

Condensed Statement of financial position

	Group balances	Consolidation entries	Total	Bank	Union Pension	Union Bank UK
	N million	N million	N million	N million	N million	N million
Cash and cash equivalents	121,960	(1,960)	123,920	58,457	—	65,463
Non-pledged trading assets	745	—	745	745	—	—
Pledged assets	83,935	—	83,935	83,935	—	—
Derivative financial instrument	7	—	7	—	—	7
Loans and advances to customers	312,797	—	312,797	302,372	—	10,425
Investments in equity-accounted investee	24	24	—	—	—	—
Investment securities	197,199	—	197,199	193,656	—	3,543
Assets held for sale	22,951	20,426	2,525	2,525	—	—
Trading properties	1,930	—	1,930	1,930	—	—
Investment in subsidiaries	(2,525)	(10,897)	8,372	8,372	—	—
Property and equipment	49,522	—	49,522	49,428	—	94
Intangible assets	2,422	—	2,422	2,071	—	351
Deferred tax assets	95,883	—	95,883	95,875	—	8
Other assets	122,307	(77)	122,384	121,570	434	380
Total assets	1,009,157	7,516	1,001,641	920,936	434	80,271
Financed by:						
Derivative financial instruments	7	—	7	—	—	7
Deposits from banks	61,890	—	61,890	18,055	—	43,835
Deposits from customers	527,617	(1,960)	529,577	507,431	—	22,146
Current tax liabilities	822	149	673	635	—	38
Other liabilities	110,261	(70)	110,331	109,861	—	470
Retirement benefit obligations	845	—	845	845	—	—
Other borrowed funds	78,135	—	78,135	78,135	—	—
Liabilities classified as held for sale	7,346	7,346	—	—	—	—
Equity and reserves	222,234	2,051	220,183	205,974	434	13,775
Total liabilities	1,009,157	7,516	1,001,641	920,936	434	80,271

(c) Condensed results of consolidated entities
(ii) The condensed financial data of the continuing operations as at 31 December 2013, are as follows

Condensed statement of comprehensive income

	Group balances	Consolidation entries	Total	Bank	Union Pension	Union Bank UK	Union Homes REIT
Statement of Comprehensive income	N million	N million	N million	N million	N million	N million	N million
Operating income	81,903	(3,414)	85,317	79,307	270	1,806	1,694
Net operating income after net impairment loss	65,102	564	65,469	60,887	270	1,443	1,694
Operating Expenses	(59,957)	—	(59,957)	(56,686)	(111)	(1,536)	(261)
Net impairment loss on financial assets	(16,801)	3,047	(19,848)	(18,420)	—	(362)	—
Share of profit of equity accounted investees	(4)	—	(4)	—	—	—	—
Profit before income tax	5,141	(367)	5,508	4,201	159	(92)	1,433
Taxation	933	—	933	920	(6)	19	—
Profit after income tax	6,074	(367)	6,441	5,121	154	(74)	1,433

Condensed Statement of financial position

	Group balances	Consolidation entries	Total	Bank	Union Properties	Union Pension	Atlantic Nominees	Union Bank UK	Union Homes REIT
	N million	N million	N million	N million	N million	N million	N million	N million	N million
Cash and cash equivalents	100,925	(15,780)	116,705	53,141	1,460	2,538	—	56,880	2,686
Non-pledged trading assets	2,847	—	2,847	2,847	—	—	—	—	—
Pledged assets	65,167	—	65,167	65,167	—	—	—	—	—
Derivative financial instrument	—	—	—	—	—	—	—	—	—
Loans and advances to customers	229,542	—	229,542	210,118	—	—	—	19,424	—
Investments in equity-accounted investee	25	9	16	16	—	—	—	—	—
Investment securities	289,353	(5,808)	295,161	290,377	800	—	—	3,984	—
Assets held for sale	51,684	51,684	—	—	—	—	—	—	—
Trading properties	4,747	—	4,747	1,930	2,817	—	—	—	—
Investment properties	16,413	—	16,413	—	4,485	—	325	—	11,603
Investment in subsidiaries	—	(15,266)	15,266	15,266	—	—	—	—	—
Property and equipment	45,526	—	45,526	45,351	22	88	—	65	—
Intangible assets	808	—	808	685	—	—	—	123	—
Deferred tax assets	95,889	—	95,889	95,875	—	—	—	14	—
Other assets	99,829	(2,303)	102,132	101,324	78	77	—	327	326
Total assets	1,002,755	12,536	990,219	882,097	9,662	2,703	325	80,817	14,615
Financed by:									
Deposits from banks	46,794	—	46,794	3,200	—	—	—	43,594	—
Deposits from customers	482,706	(22,339)	505,045	479,956	—	—	—	25,089	—
Current tax liabilities	534	—	534	472	56	6	—	—	—
Other liabilities	156,405	(1,172)	157,577	155,190	950	264	—	492	681
Retirement benefit obligations	10,261	—	10,261	10,216	45	—	—	—	—
Other borrowed funds	45,280	—	45,280	45,280	—	—	—	—	—
Liabilities classified as held for sale	61,432	61,432	—	—	—	—	—	—	—
Equity and reserves	199,343	(25,385)	224,728	187,783	8,611	2,434	325	11,642	13,934
Total liabilities	1,002,755	12,536	990,219	882,097	9,662	2,703	325	80,817	14,615

28 Property and equipment
(a) Group:

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

	Leasehold land and buildings	Leasehold improvements	Furniture & equipment	Motor vehicles	Capital work in progress	Total
	N million	N million	N million	N million	N million	N million
Cost						
Balance at 1st January, 2014	52,343	—	11,676	1,160	818	65,997
Exchange difference	26	—	26	2	—	54
Additions	1,239	—	4,252	39	990	6,520
Disposals	—	—	(6)	(34)	—	(40)
Reclassification to other assets	(1,551)	—	(935)	2,608	525	647
Transfers	490	—	366	—	(972)	(116)
Assets classified as discontinued operations	—	—	(1,234)	(20)	—	(1,255)
Balance as at 31 December 2014	52,547	—	14,145	3,755	1,361	71,808
Balance at 1st January, 2013	52,794	922	28,147	7,115	2,049	91,027
Exchange difference	5	—	3	1	—	9
Additions	1,402	—	2,061	42	1,348	4,853
Disposals	(247)	—	(46)	(1,320)	—	(1,613)
Reclassification to other assets	3,773	(922)	802	(1,074)	(2,579)	—
Write off	(2,065)	—	(17,768)	(2,802)	—	(22,635)
Balance as at 31 December 2013	52,343	—	11,676	1,160	818	65,997
Depreciation and impairment losses						
Balance at 1st January, 2014	11,530	—	7,909	872	159	20,470
Exchange difference	24	—	16	2	—	42
Charge for the year	1,156	—	1,613	110	—	2,879
Disposals	—	—	(5)	(32)	—	(37)
Reclassifications	(1,687)	—	(849)	2,612	—	76
Assets classified as discontinued operations	(351)	—	(780)	(13)	—	(1,143)
Balance as at 31 December 2014	10,673	—	7,904	3,552	159	22,287
Balance at 1st January, 2013	10,997	87	25,692	5,785	—	42,561
Exchange difference	3	—	2	—	—	5
Charge for the year	1,170	—	1,447	326	—	2,943
Disposals	(36)	—	(46)	(1,310)	—	(1,392)
Write-off/Adj	66	—	(19,360)	(2,753)	—	(22,047)
Reclassification to other assets	450	(87)	1,295	(516)	—	1,142
Assets classified as held for sale and discontinued operations	(1,120)	—	(1,121)	(660)	159	(2,742)
Balance as at 31 December 2013	11,530	—	7,909	872	159	20,470
(iii) Net Book Value						
Balance as at 31 December 2014	41,874	—	6,241	203	1,202	49,521
Balance as at 31 December 2013	40,813	—	3,767	288	659	45,527

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

(vi) There were no capitalised borrowing costs related to the acquisition of property and equipment during the year (December 2013: nil)

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

	Leasehold land and buildings	Leasehold improvements	Furniture & equipment	Motor vehicles	Capital work in progress	Total
	N million	N million	N million	N million	N million	N million
(i) Cost						
Balance at 1st January, 2014	52,182	—	10,315	1,124	818	64,439
Additions	1,230	—	4,212	39	990	6,471
Disposals	—	—	(6)	(34)	—	(40)
Reclassifications	(1,551)	—	(935)	2,608	525	647
Transfers	490	—	366	—	(972)	(116)
Reversals	—	—	—	—	—	—
Balance as at 31 December 2014	**52,351**	—	**13,952**	**3,737**	**1,361**	**71,401**
Balance at 1st January, 2013	53,190	—	26,038	5,195	197	84,620
Additions	1,163	—	2,031	38	1,348	4,580
Disposals	(247)	—	(46)	(1,307)	(201)	(1,801)
Reclassification to other assets	—	—	—	—	—	—
Transfers	141	—	60	—	—	201
Write off	(2,065)	—	(17,768)	(2,802)	(526)	(23,161)
Balance as at 31 December 2013	52,182	—	10,315	1,124	818	64,439

	Leasehold land and buildings	Leasehold improvements	Furniture & equipment	Motor vehicles	Capital work in progress	Total
	N million	N million	N million	N million	N million	N million
(ii) Accumulated depreciation						
Balance at 1st January, 2014	11,397	—	6,845	846	—	19,088
Charge for the year	1,136	—	1,605	113	—	2,854
Disposals	—	—	(5)	(32)	—	(37)
Reclassifications	(1,690)	—	(851)	2,609	—	68
Write-off/Adj	—	—	—	—	—	—
Balance, end of the year	**10,843**	—	**7,594**	**3,536**	—	**21,973**
Balanceas at 1 January 2013	10,219	—	24,681	4,583	—	39,483
Charge for the year	1,148	—	1,432	319	—	2,899
Disposals	(36)	—	(46)	(1,303)	—	(1,385)
Reclassification to other assets	66	—	(19,222)	(2,753)	—	(21,909)
Balance as at 31 December 2013	**11,397**	—	**6,845**	**846**	—	**19,088**
(iii)Net Book Value						
Balance as at 31 December 2014	41,508	—	6,358	201	1,361	49,428
Balance as at 31 December 2013	40,785	—	3,470	278	818	45,351

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

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

(vi) There were no capitalised borrowing costs related to the acquisition of property and equipment during the year (December 2013: nil)

29 Intangible assets

	Group Dec.2014	Group Dec.2013	Bank Dec.2014	Bank Dec.2013
	N million	N million	N million	N million
Cost				
Balance, beginning of the year	2,134	2,725	1,610	1,318
Additions	1,901	381	1,675	292
Transfer from work-in-progress	116	—	116	—
Write-off	—	(63)	—	—
Exchange translation difference	112	10	—	—
Assets of subsidiaries disposed	—	(919)	—	—
Balance, end of year	4,263	2,134	3,401	1,610
Amortization and impairment losses				
Balance, beginning of the year	1,326	1,670	925	796
Amortisation for the year	432	179	389	161
Reclassification	16	(16)	16	(16)
Write-off	—	(16)	—	(16)
Exchange translation difference	67	6	—	—
Assets of subsidiaries disposed	—	(497)	—	—
Balance, end of year	1,841	1,326	1,330	925
Carrying amounts as at year end	2,422	808	2,071	685

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

(ii) There were no capitalised borrowing costs related to the acquisition of software during the year (December 2013 : nil)

30 Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Group	Assets	Liabilities	Net
31 December 2014	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	100,638	—	100,638
Others	1,711	—	1,711
Net tax assets (liabilities)	102,922	7,039	95,883

	Assets	Liabilities	Net
31 December 2013	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	100,644	—	100,644
Others	1,711	—	1,711
Net tax assets (liabilities)	102,928	7,039	95,889

Bank	Assets	Liabilities	Net
31 December 2014	N million	N million	N million
Property, equipment, and software	—	6,847	(6,847)
Allowances for loan losses	—	192	(192)
Foreign exchange gains	573	—	573
Tax loss carry forward	100,630	—	100,630
Others	1,711	—	1,711
Net tax assets (liabilities)	102,914	7,039	95,875

	Assets	Liabilities	Net
31 December 2013	N million	N million	N million
Property, equipment, and software	—	6,847	(6,847)
Allowances for loan losses	—	192	(192)
Foreign exchange gains	573	—	573
Tax loss carry forward	100,630	—	100,630
Others	1,711	—	1,711
Net tax assets (liabilities)	102,914	7,039	95,875

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

	Group Dec.2014	Group Dec.2013	Bank Dec.2014	Bank Dec.2013
	N million	N million	N million	N million
Balance, beginning of the year	95,889	98,354	95,875	95,875
Credit for the year	(16)	(10)	—	—
Credit/(reversal)	—	—	—	—
Charge for the year	—	—	—	—
Net assets/(liabilities) of discontinued operations	10	(2,455)	—	—
Net deferred tax assets/(liabilities)	95,883	95,889	95,875	95,875
Made up of				
Deferred tax assets	102,922	102,928	102,914	102,914
Deferred tax liabilities	(7,039)	(7,039)	(7,039)	(7,039)

Recognised and unrecognised deferred tax assets

Recognition of deferred tax assets of N95,883 *(2013: 95,889)* 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 enitities will have taxable profits against which these assets can be utilized. As at year end, the Bank and Group have unrecognised deferred tax assets of N56billion *(2013: N47billion).*

31 Other assets

	Group Dec.2014	Group Dec.2013	Bank Dec.2014	Bank Dec.2013
	N million	N million	N million	N million
Cash Reserve Requirement (see (i))	113,376	72,971	113,376	72,971
Other assets:				
Accounts receivable and prepayments	4,086	4,462	3,783	4,366
Receivable from AMCON (see note (ii) below)	—	7,447	—	7,447
Sundry assets	187,498	194,834	187,064	195,360
Clearing	857	148	857	148
	192,441	206,891	191,704	207,321
Impairment on other assets	(183,510)	(180,033)	(183,510)	(178,968)
Net other assets	8,931	26,858	8,194	28,353
	122,307	99,829	121,570	101,324

(i) The Bank had restricted balances of N113.376 billion (Dec. 2013: N72.971 billion) with the Central Bank of Nigeria (CBN) as at 31 December 2014. The cash reserve requirement (CRR) is a mandatory cash deposit which is 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 2014, the CRRs in force were Public Sector Deposits 75% (Dec 2013: 75%) and Private Sector Deposits 20% (Dec 2013: 15%).

(ii) This represents a receivable from Asset Management Corporation of Nigeria (AMCON) as at 2013 year end in respect of proceeds on sale of loans and accrued interest thereon. As at 31 December 2014, the Bank had received full payment from AMCON.

Movement in impairment on other assets:

	Group Dec.2014	Group Dec.2013	Bank Dec.2014	Bank Dec.2013
	N million	N million	N million	N million
Balance, beginning of the year	180,033	154,680	178,967	151,093
Charge for the year	5,222	4,911	4,763	3,845
Allowance written off	(1,301)	(10)	(842)	(10)
Reclassification	1,021	24,039	1,021	24,039
Allowance no longer required	(399)	—	(399)	—
Assets classified as held for sale	(1,066)	(3,587)	—	—
Balance, end of year	183,510	180,033	183,510	178,967

32 Deposits from banks

	Group Dec.2014	Group Dec.2013	Bank Dec.2014	Bank Dec.2013
	N million	N million	N million	N million
Money market deposits	18,055	3,200	18,055	3,200
Other deposits from banks	43,835	43,594	—	—
	61,890	46,794	18,055	3,200

33 Deposits from customers

	Group Dec.2014	Group Dec.2013	Bank Dec.2014	Bank Dec.2013
	N million	N million	N million	N million
Term deposits	167,388	147,468	160,773	151,973
Current deposits	222,180	201,448	208,609	194,193
Savings	138,049	133,790	138,049	133,790
	527,617	482,706	507,431	479,956

34 Current tax liabilities

	Group Dec.2014	Group Dec.2013	Bank Dec.2014	Bank Dec.2013
	N million	N million	N million	N million
Balance, beginning of the year	534	2,312	472	495
Prior year over provision	—	(978)	—	(977)
Reclassification	—	977	—	977
Charge for the year	409	35	205	57
Payments during the year	(64)	(102)	(42)	(80)
Transfer to assets held for sale	(57)	(1,710)	—	—
Balance, end of year	822	534	635	472

35 Other liabilities

	Group Dec.2014	Group Dec.2013	Bank Dec.2014	Bank Dec.2013
	N million	N million	N million	N million
Deposits for foreign currency	36,879	40,633	36,879	40,633
PAYE and other statutory deductions	474	1,937	474	1,841
Draft and Bills payable	15,526	23,278	15,526	23,278
Sundry creditors	4,777	21,774	4,777	21,791
Creditors and accruals	27,949	26,641	27,949	25,977
Provision for claims and contigencies	1,844	1,643	1,844	1,643
Accounts payable	5,566	18,709	5,566	18,343
Other credit balances	17,245	21,791	16,846	21,683
	110,260	156,406	109,861	155,189

36 Retirement benefit obligations

	Group Dec.2014	Group Dec.2013	Bank Dec.2014	Bank Dec.2013
	N million	N million	N million	N million
Defined contribution scheme (see (a) below)	131	131	131	131
Other long-term employee benefits	714	10,130	714	10,085
	845	10,261	845	10,216

(a) Defined Contribution Scheme

	Group Dec.2014	Group Dec.2013	Bank Dec.2014	Bank Dec.2013
	N million	N million	N million	N million
Balance, beginning of year	131	304	131	247
Charge during the year	702	1,613	702	1,613
Reclassification to discontinued operations	—	(5)	—	—
Reclassification to defined benefit obligation	—	(43)	—	—
Contribution remitted during the year/year	(702)	(1,738)	(702)	(1,729)
Balance, end of year	131	131	131	131

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

(b) Other long-term employee benefits

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

The basis of determining the benefit due to an employee is as stated below:
(i) Less than 5 years of service: 12 weeks total emolument for each completed year of service.
(ii) 5 years but less than 15 years of service: 14 weeks total emolument for each completed year of service.
(iii) 15 years of service and above: 16 weeks total emolument for each completed year of service.

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

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

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

	Group Dec.2014	Group Dec.2013	Bank Dec.2014	Bank Dec.2013
	N million	N million	N million	N million
Present value of unfunded obligation	714	10,130	714	10,085
Present value of funded obligation	—	—	—	—
Total present value of the obligation	714	10,130	714	10,085
Fair value of plan assets	—	—	—	—
Present value of net obligation	714	10,130	714	10,085
Recognized liability for defined benefit obligations	714	10,130	714	10,085

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

	Group Dec.2014	Group Dec.2013	Bank Dec.2014	Bank Dec.2013
	N million	N million	N million	N million
Defined benefit obligation at 1 January	10,130	51,606	10,085	49,121
Benefits paid by the plan	(12,591)	(17,700)	(12,591)	(17,693)
Current service costs and interest	(120)	3,650	373	3,650
Past service cost	—	—	—	—
Curtailment	—	(2,240)	(492)	(2,240)
Actuarial gain	—	(5,521)	—	(5,521)
Reclassification to other liabilities	—	(17,232)	(769)	(17,232)
Reclassification from defined contribution scheme	—	52	—	—
Reclassification to discontinued operations	(813)	(2,485)	—	—
Remeasurement of defined benefit obligation	4,108	—	4,108	—
Defined benefit obligation at 31 December	714	10,130	714	10,085

(iii) Expense recognised in income statement

Current service costs and interest	(120)	1,410	(120)	1,410

The above expense is recognised as personnel expenses, see note 14.

37 Other borrowed funds

	Group Dec.2014	Group Dec.2013	Bank Dec.2014	Bank Dec.2013
	N million	N million	N million	N million
Due to CAC (see (a))	14,488	16,667	14,488	16,667
BOI on-lending facilities (see note (b) below)	10,182	12,878	10,182	12,878
Other borrowings (see (c))	53,465	15,735	53,465	15,735
	78,135	45,280	78,135	45,280

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

(b) This represents the outstanding balance of an intervention credit granted to the Bank by the Bank of Industry (BOI), a company incorporated in Nigeria for the purpose of refinancing / or restructuring existing loans to Small and Medium Scale Enterprises (SMEs) and manufacturing companies. The total facility is secured by Federal Government of Nigeria securities worth N18.4 billion (Dec. 2013: N18.4 billion) and has a 15-year tenor and repayable quarterly.

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

(c) Other borrowings consist of the following facilities:

			2014	2013
	Lender	$million	Naira equivalent =N=bn	Naira equivalent =N=bn
3-year medium term loan for general corporate and trade finance; secured by FGN bonds with face value of N19.5bn	Standard Chartered Bank	100.00	19.09	15.74
3-year unsecured syndicated medium term loan for general corporate and trade	Syndicate; lead arranger: Standard Chartered Bank	100.00	19.33	-
Short term borrowing, for general corporate and trade finance	Citi Group Global Market Limited	50.00	7.70	-
1-year unsecured term loan for general corporate and trade finance purposes.	Commerzbank	40.00	7.35	-
		290.00	53.47	15.74

38 Discontinued operations

(a) Profit for the year from discontinued operations

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

Included in discontinued operations are the results and balances of Union Trustees Limited, Atlantic Nominees Limited and Union Properties Limited.

The profit for the year from discontinued operations comprises:

	Group Dec.2014	Group Dec.2013
	N million	N million
Gross income	16,234	18,164
Gross expense	(15,497)	(19,724)

	Group Dec.2014	Group Dec.2013
	N million	N million
Interest Income	11,120	9,871
Interest Expense	(2,894)	(3,465)
Net interest income	8,226	6,406
Net fee and commission income	1,444	1,214
Net trading income	238	1,195
Other operating income	2,760	5,884
Total non-interest income	5,114	8,293
Operating Income	13,340	14,699
Net impairment loss on financial assets	(7,383)	(6,771)
Net operating income after net impairment loss on other financial assets	5,957	7,929
Personnel expenses	(1,487)	(3,161)
Depreciation and amortisation	(452)	(704)
Other operating expenses	(3,281)	(5,623)
	(5,220)	(9,489)
Share of profit of equity accounted investee	—	—
Loss before tax from discontinued operations	737	(1,560)
Income tax expense	(474)	(866)
Loss from discontinued operations (net of tax)	263	(2,426)

(b) Assets classified as held for sale

	Group Dec.2014	Group Dec.2013	Bank Dec.2014	Bank Dec.2013
	N million	N million	N million	N million
Cash and cash equivalents	3,848	779	—	—
Investments in subsidiaries	—	—	2,525	5,243
Non-pledged trading assets	137	991	—	—
Loans and advances to customers	—	9,719	—	—
Investment securities	8,342	26,715	—	—
Trading properties	2,182	—	—	—
Investment properties	4,712	5,494	—	—
Property and equipment	25	2,292	—	—
Intangible assets	—	323	—	—
Deferred tax assets	13	1,393	—	—
Other assets	1,167	3,978	—	—
	20,426	51,684	2,525	5,243
Impairment allowance	—	—	—	(2,869)
	20,426	51,684	2,525	2,374

(c) Liabilities for assets classified as held for sale

	Group Dec.2014	Group Dec.2013	Bank Dec.2014	Bank Dec.2013
	N million	N million	N million	N million
Deposits from customers	—	26,615	—	—
Liability on investment contract	—	1,143	—	—
Liability on insurance contract	—	3,689	—	—
Current tax liabilities	293	1,373	—	—
Deferred tax liabilities	1	305	—	—
Other liabilities	6,947	25,434	—	—
Retirement benefit obligations	106	614	—	—
Other borrowed funds	—	2,259	—	—
	7,347	61,432	—	—

In the opinion of the Directors, assets held for sale have been recognised at the lower of their carrying amount and fair value less costs to sell.

(d) Condensed results of discontinued operations

The condensed financial data of the discontinued operations as at 31 December 2014, are as follows

	Union Properties	Union Homes	Atlantic Nominees	Union Trustees	Union Assurance	Union Registrars	Union Capital	Intragroup adjustments	Group Total
Statement of Comprehensive income	N million	N million	N million	N million	N million	N million	N million	N million	N million
Interest income	181	9,169	—	812	—	958	—	—	11,120
Interest expense	—	(2,894)	—	—	—	—	—	—	(2,894)
Net interest income	181	6,275	—	812	—	958	—	—	8,226
Impairment charge for credit losses	—	—	—	—	—	—	—	—	—
Net interest income after impairment charge for credit losses	181	6,275	—	812	—	958	—	—	8,226
Net fee and commission income	581	130	—	683	—	26	24	—	1,444
Net trading (loss)/income	—	37	—	154	—	—	47	—	238
Other operating income	81	457	72	953	825	299	74	—	2,760
Underwriting profit	—	—	—	—	672	—	—	—	672
	662	624	72	1,791	1,497	325	145	—	5,113
Operating income	843	6,899	72	2,603	1,497	1,283	145	—	13,339
Net impairment loss on other financial assets	—	(6,433)	—	—	—	—	—	(950)	(7,383)
Net operating income after net impairment loss									
on other financial assets	843	466	72	2,603	1,497	1,283	145	(950)	5,956
Personnel expenses	(76)	(405)	—	(308)	(437)	(261)	—	—	(1,487)
Depreciation and amortisation	(9)	(322)	—	(7)	(82)	(32)	—	—	(452)
Other operating expenses	(610)	(872)	—	(124)	(370)	(1,186)	(118)	—	(3,281)
Total expenses	(695)	(1,599)	—	(438)	(890)	(1,479)	(118)	—	(5,220)
Share of profit of equity accounted investee	—	—	—	—	—	—	—	—	—
Profit/(loss) before income tax	147	(1,133)	72	2,165	607	(196)	27	(950)	736
Income tax	(25)	—	—	(165)	(33)	(250)	—	—	(474)
Profit/(loss) for the year	122	(1,133)	72	1,999	574	(446)	27	(950)	263

Condensed statement of financial position for discontinued operations

	Union Trustees	Union Properties	Atlantic Nominees	Intragroup adjustments	Total
Statement of financial position	N million	N million	N million	N million	N million
ASSETS					
Cash and cash equivalents	2,101	1,746	—	—	3,848
Non-pledged trading assets	137	—	—	—	137
Investment securities	7,275	1,086	—	(19)	8,342
Trading properties	—	2,182	—	—	2,182
Investment properties	—	4,524	188	—	4,712
Property and equipment	7	18	—	—	25
Deferred tax assets	13	—	—	—	13
Other assets	941	18	209	—	1,167
TOTAL ASSETS	10,474	9,574	397	(19)	20,426
LIABILITIES					
Current tax liabilities	212	82	—	—	293
Deferred tax liabilities	—	1	—	—	1
Other liabilities	6,372	724	—	(149)	6,947
Retirement benefit obligations	69	37	—	—	106
TOTAL LIABILITIES	6,653	843	—	(149)	7,346

39 Capital and reserves

Share capital	Group Dec.2014 N million	Group Dec.2013 N million	Bank Dec.2014 N million	Bank Dec.2013 N million
(a) Authorised:				
19,023,125,000 Ordinary shares of 50 kobo each	9,512	9,512	9,512	9,512

	Group Dec.2014 N million	Group Dec.2013 N million	Bank Dec.2014 N million	Bank Dec.2013 N million
(b) Issued and fully paid -				
16,935,806,472 Ordinary shares of 50kobo each	8,468	8,468	8,468	8,468

(c) Share premium

Share premium is the excess paid by shareholders over the nominal value for their shares.

	Group Dec.2014 N million	Group Dec.2013 N million	Bank Dec.2014 N million	Bank Dec.2013 N million
Balance, beginning of year	391,641	391,641	391,641	391,641
Balance, end of year	391,641	391,641	391,641	391,641
Share capital and share premium	400,109	400,109	400,109	400,109

(d) Other reserves

The other reserves includes Statutory reserves, Fair value reserve, Regulatory risk reserves, Small and Medium Scale Industries Reserve (SMEEIS), Contingency reserve, Capital reserve, Translation reserve and Excess Clawback reserve.

(i) Statutory reserves:
Nigerian banking regulations require the Bank to make an annual appropriation to a statutory reserve. As stipulated by S.16(1) of the Banks and Other Financial Institution Act of Nigeria, an appropriation of 30% of profit after tax is made if the statutory reserve is less than paid-up share capital and 15% of profit after tax if the statutory reserve is greater than the paid up share capital. The Bank made a total transfer of N3,078million (December 2013: N768million) to statutory reserves as at year end.

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

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

(iv) Small and Medium Scale Industries Reserve (SMEEIS):
The SMEEIS reserve is maintained to comply with the Central Bank of Nigeria (CBN) requirement that all licensed banks set aside a portion of the profit after tax in a fund to be used to finance equity investment in qualifying small and medium scale enterprises. Under the terms of the guideline (amended by CBN letter dated 11 July 2006), the contributions will be 10% of profit after tax and shall continue after the first 5 years but banks' contributions shall thereafter reduce to 5% of profit after tax. However, this is no longer mandatory and therefore no reserve was made during the year. The small and medium scale industries equity investment scheme reserves are non-distributable.

(v) **Capital reserve**
Capital reserve warehouses the nominal value of shares cancelled during the capital reconstruction exercise that occurred during the financial year ended December 2012.

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

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

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

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

40 Non-controlling Interest

Movement in the non controlling interest	Group Dec.2014	Group Dec.2013
	N million	N million
Balance, beginning of year	7,162	4,979
Profit/(loss) for the year	1,198	(1,621)
Increase/(dimunition) in non controlling interest	(3,022)	4,118
Dividend to non-controling interest	—	(314)
Balance, end of year	5,338	7,162

42 Events after the reporting date

Subsequent to year end, the Bank has completed the sales process of one of its subsidiaries - Union Trustees Limited.

43 Contingencies

(a) Litigations and claims

The Group in the ordinary course of business is currently involved in 726 litigation cases (December 2013: 639 cases). The Directors are of the opinion that none of the aforementioned cases is likely to have a material adverse effect on the Bank and are not aware of any other pending or threatened claims and litigations besides those included in the above number.

There are contingent liabilities in respect of legal actions against the Bank for amounts totalling N142 billion (December 2013: N138 billion) for which provisions amounting to N1.8 billion (December 2012: N1.6 billion) have been made. The actions are being vigorously contested and the Directors are of the opinion that no significant liability will arise therefrom in excess of the provision made in the financial statements.

(b) Warranties on sale of subsidiaries

Under the Share Purchase Agreement executed between the Bank and the various buyers of the disposed subsidiaries, the Bank has a maximum potential liability of N432 million in the event of breaches of representation or warranty made by the Bank to the various buyers. However, the Directors have reviewed this potential liability and are of the opinion that no significant liability will crystalized in respect of the sales transaction.

(b) **Contingent liabilities and commitments**

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.

The Bank currently have warranties to the tune of N2.2 billion with respect to sale of subsidiaries during the year.

(c) **Provision Clawback**

Under a Clawback Rights Agreement (CRA) executed among the Bank, Union Global Partners Limited (UGPL) and Asset Management Corporation of Nigeria (AMCON) as part of the recapitalisation program of the Bank, if specified provisions that were in the books of the Bank as at 31 December 2011 do not crystalise and/or are not utilised in settlement of intended obligations within 5 years from December 2011, the extent of the provisions which do not crystalise and/or are not utilised shall be refunded to AMCON. The refund is on the ground that the Financial Accomodation provided by AMCON to bring the Bank's Completion Net Assets Value (NAV) to zero funded those provisions.

Total interest of N1.16 billion was accrued during the year in respect of AMCON clawback arrangement.

Interest on the provision clawback is computed on the outstanding balance of the provision amount, using an interest rate equal to the prevailing Monetary Policy Rate (MPR) plus 2%.

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

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 N62.81 billion (December 2013: N69.64 billion).

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

	Group Dec.2014	Group Dec.2013	Bank Dec.2014	Bank Dec.2013
	N million	N million	N million	N million
Performance bonds and guarantees	37,891	41,596	37,891	41,596
Letters of credit	69,332	12,226	69,332	12,226
Fx-Sold Spot	23,312	15,816	23,312	15,816
	130,535	69,638	130,535	69,638

45 Customers' complaints

The Bank in its ordinary course of business received 2,466 complaints (2013: 3,489) as at December 31, 2014. The details of the complaints are illustrated in the table below:

Description	Dec 2014	Dec 2013
Unresolved brought forward	154	120
Complaints received	2,466	3,489
Complaints resolved	2,520	3,455
Complaints unresolved	100	154

The total amount resolved was N3,843,487,514.77 (2013: N12,755,095,104.75) while the total disputed amount in cases which remain unresolved stood at N2,843,764,238.96 (2013: N5,760,698,856.88). No complaints were referred to the Central Bank of Nigeria (CBN) for intervention during the year (2013: nil).

The Directors are of the opinion that these outstanding complaints will be ultimately resolved. The Bank has a total provision of N9.92 billion (2013: N2.58 billion) for these complaints.

46 Related party transactions

A number of banking transactions are entered into with related parties in the normal course of business. These include loans, deposits, placements and off balance sheet transactions. The volumes of related-party transactions, outstanding balances at the year-end was as follows:

(i) Parent
The parent company, which is also the ultimate parent company, is Union Bank Plc of Nigeria.

(ii) Subsidiaries
Transactions between Union Bank of Nigeria Plc and its subsidiaries also meet the definition of related party transactions.

Where these are eliminated on consolidation, they are not disclosed in the consolidated financial statements.

Transactions with key management personnel
The Group's key management personnel, and persons connected with them, are also considered to be related parties for disclosure purposes. The definition of key management personnel includes close members of family of key personnel and any entity over which key management personnel exercises control. The key management personnel have been identified as the executive and nonexecutive directors of the Group and other relevant senior management personnel. Close members of family are those family members who may be expected to influence, or be influenced by that individual in their dealings with the Bank and its subsidiaries.

Key management personnel and their immediate relatives engaged in the following transactions with the Group during the year:

	Dec.2014	Dec.2013
Loans and advances:	N million	N million
Loans and advances (see note (a) below)	12,850	13,764
Total loans and advances	12,850	13,764

The status of performance of each facility is as shown below:

(a) Secured loans and advances

			Dec. 2014		Dec. 2013	
Borrower	Relationship	Facility Type	Amount	Status	Amount	Status
			N million		N million	
Emeka Emuwa	Group Managing Director	Takeover Loan	—	—	8	Performing
Adewale Oyinkansade	Executive Director	Mortgage Loan	54	Performing	65	Performing
Akin Ishola	Former Executive Director	Term Loan	—	—	1	Performing
C. J. Omoijiade	Director, Union Homes	Term Loan/Overdraft	—	—	2	Performing
Union Homes Savings and Loans Plc	Subsidiary	Overdraft	—	—	1,552	Non performing
Notore Chemicals Industries	Former Director	Fcy Term Loan	6,463	Non performing	7,352	Watchlist
Notore Chemicals Industries	Former Director	Overdraft	1,185	Non performing	—	—
Sailand Nig. Ltd	Former Director	Overdraft	25	Non performing	25	Non performing
Swift Networks Ltd	Non-Executive Directors	Term Loan	3,525	Performing	4,000	Performing
Swift Networks Ltd	Non-Executive Directors	Financial Guarantee	1,322	Performing	—	Performing
Swift Networks Ltd	Non-Executive Directors	Overdraft	276	Performing	759	Performing
			12,850		13,764	

Key management personnel compensation for the year comprises:

	Dec.2014	Dec.2013
	N million	N million
Salaries, short term benefits and pensions	617	564
Other allowances and benefits	20	11
Fees as directors	290	260
	927	835

47 Compliance with banking regulations

Details of the banking regulation which the Bank contravened during the year was as follows:

Banking Legislation	Nature of transaction	Penalties
		N million
(a) COD/DIR/GEN/CIT/05/031	Non compliance with cashless policy	1
(b) Code of corporate governance	Non compliance with corporate governance code (Section 5.3.6 and 8.2.4)	4
(c) Assessment Criteria for Approved Persons Regime for Financial Institutions dated June 21, 2011	Appointments to top management position without prior approval from CBN.	2
(d) Section 3.8 of the CBN prudential guideline	Bank's credit print out did not comply with the requirements of the CBN prudential guideline.	2
		9

48 Current/non-current classification

The following table shows the analysis of the Group's financial assets and liabilities and on the basis of their current/ non-current classification.

Group		31 December 2014			31 December 2013		
		Carrying amount	Current	Non-current	Carrying amount	Current	Non-current
ASSETS	Note	N million	N million	N million	N million	N million	N million
Cash and cash equivalents	18	121,960	121,960	—	100,925	100,925	—
Non-pledged trading assets	19	745	745	—	2,847	2,847	—
Pledged assets	20	83,935	29,279	54,656	65,167	5,787	59,380
Derivative assets held for risk management	21	7	7	—	—	—	—
Loans and advances to customers	22	312,797	159,416	153,381	229,542	158,400	71,142
Investments in equity accounted investee	23	24	—	24	25	—	25
Investment securities	24	197,200	89,806	107,394	289,353	198,277	91,076
Trading properties	25	1,930	—	1,930	4,747	—	4,747
Investment properties	26	—	—	—	16,413	—	16,413
Property and equipment	28	49,521	2,879	46,643	45,527	2,943	42,584
Intangible assets	29	2,422	432	1,990	808	179	629
Deferred tax assets	30	95,883	—	95,883	95,889	—	95,889
Other assets	31	122,307	8,931	113,376	99,829	15,814	84,015
		988,731	413,454	575,277	951,072	482,050	469,022
Assets classified as held for sale	38(b)	20,426	20,426	—	51,684	51,684	—
TOTAL ASSETS		1,009,157	433,880	575,277	1,002,756	533,734	469,022

Group		31 December 2014			31 December 2013		
		Carrying amount	Current	Non-current	Carrying amount	Current	Non-current
LIABILITIES	Note	N million	N million	N million	N million	N million	N million
Derivative liabilities held for risk management	21	7	7	—	—	—	—
Deposits from banks	32	61,890	61,890	—	46,794	46,794	—
Deposits from customers	33	527,617	527,548	69	482,706	482,666	40
Current tax liabilities	34	822	822	—	534	534	—
Other liabilities	35	110,260	105,483	4,777	156,406	127,777	28,629
Retirement benefit obligations	36	845	131	714	10,261	10,261	—
Other borrowed funds	37	78,135	36,398	41,737	45,280	8,146	37,134
		779,576	732,279	47,297	741,981	676,178	65,803
Liabilities classified as held for sale	38(c)	7,347	7,347	—	61,432	61,432	—
TOTAL LIABILITIES		786,923	739,626	47,297	803,413	737,610	65,803

Bank		31 December 2014			31 December 2013		
		Carrying amount	Current	Non-current	Carrying amount	Current	Non-current
ASSETS	Note	N million	N million	N million	N million	N million	N million
Cash and cash equivalents	18	58,457	58,457	—	53,141	53,141	—
Non-pledged trading assets	19	745	745	—	2,847	2,847	—
Pledged assets	20	83,935	29,279	54,656	65,167	5,787	59,380
Loans and advances to customers	22	302,372	152,485	149,887	210,118	129,339	80,779
Investments in equity accounted investee	23	—	—	—	16	—	16
Investment securities	24	193,656	87,947	105,709	290,377	202,489	87,888
Trading properties	25	1,930	—	1,930	1,930	—	1,930
Investment in subsidiaries	27	8,372	—	8,372	12,892	—	12,892
Property and equipment	28	49,428	2,854	46,574	45,351	2,899	42,452
Intangible assets	29	2,071	389	1,682	685	161	524
Deferred tax assets	30	95,875	—	95,875	95,875	—	95,875
Other assets	31	121,570	8,194	113,376	101,324	18,489	82,835
		918,411	340,350	578,061	879,723	415,152	464,571
Assets classified as held for sale	38(b)	2,525	2,525	—	2,374	2,374	—
TOTAL ASSETS		920,936	342,875	578,061	882,097	417,526	464,571
LIABILITIES							
Deposits from banks	32	18,055	18,055	—	3,500	3,500	—
Deposits from customers	33	507,431	507,424	7	482,005	482,005	—
Current tax liabilities	34	635	635	—	495	495	—
Other liabilities	35	109,861	105,084	4,777	145,478	111,488	33,990
Retirement benefit obligations	36	845	131	714	49,368	49,368	—
Other borrowed funds	37	78,135	36,398	41,737	33,951	—	33,951
		714,962	667,727	47,235	714,797	646,856	67,941

Value Added Statement

For the year ended 31 Dec 2014

Group:	Dec.2014 N million	%	Dec.2013 N million	%
Gross earnings	135,903		121,402	
Group share of associate's profit	(6)		(4)	
Interest expenses	(27,211)		(27,041)	
	108,686		94,357	
Net impairment loss on financial assets	(17,034)		(22,507)	
	91,652		71,851	
Bought in materials and services	(30,897)		(25,425)	
Value added	60,755	100	46,426	100
Distribution:				
Employee				
- Employees as personnel expenses	29,736	49	39,544	85
Government				
- Taxation	883	1	(67)	(0)
Retained in the Group				
- For replacement of property and equipment and intangible assets	3,311	5	3,113	7
- Profit for the year (including non controlling interests)	26,825	44	3,836	8
	60,755	100	46,426	100

Bank:	Dec.2014 N million	%	Dec.2013 N million	%
Gross earnings	109,821		103,225	
Interest expenses	(24,237)		(23,918)	
	85,584		79,307	
Net impairment loss on financial assets	(7,671)		(18,420)	
	77,913		60,887	
Bought in materials and services	(25,224)		(15,107)	
Value added	52,689	100	45,780	100
Distribution:				
Employee				
- Employees as personnel expenses	28,754	55	38,519	84
Government				
- Taxation	205	0	(920)	(2)
Retained in the Group				
- For replacement of property and equipment and intangible assets	3,244	6	3,060	7
- Profit for the year	20,486	39	5,121	11
	52,689	100	45,780	100

Financial summary
For the year ended 31 Dec 2014

Group			Restated	Restated	
STATEMENT OF FINANCIAL POSITION	Dec. 2014	Dec. 2013	Dec. 2012	Dec. 2011	Dec. 2010
ASSETS	N million	N million	N million	N million	N million
Cash and cash equivalents	121,960	100,925	200,260	239,013	150,811
Non-pledged trading assets	745	2,847	1,895	5,863	9,516
Pledged assets	83,935	65,167	44,503	69,694	51,019
Derivative assets held for risk management	7	—	78	—	—
Loans and advances to customers	312,797	229,542	156,375	166,172	198,296
Investments in equity-accounted investee	24	25	5,557	75	6,588
Investment securities	197,200	289,353	313,754	269,666	343,091
Trading properties	1,930	4,747	6,971	—	—
Investment properties	—	16,413	19,296	29,133	21,960
Property and equipment	49,521	45,527	48,466	50,533	58,229
Intangible assets	2,422	808	921	600	522
Deferred tax assets	95,883	95,889	95,349	95,349	68,403
Other assets	122,307	99,829	121,297	120,364	86,744
Assets classified as held for sale	20,426	51,684	84	807	1,404
	1,009,157	1,002,756	1,014,806	1,047,269	996,583
LIABILITIES					
Share capital	8,468	8,468	8,468	8,468	6,755
Share premium	391,641	391,641	391,641	391,641	53,023
Reserves	(183,213)	(207,928)	(226,762)	(219,790)	(187,161)
Non-controlling interest	5,338	7,162	4,979	5,346	6,996
Derivative financial instrument	7	—	78	—	—
Deposits from banks	61,890	46,794	45,112	62,214	97,045
Deposits from customers	527,617	482,706	522,443	500,973	646,186
Liability on investment contract	—	—	803	569	225
Liability on insurance contract	—	—	2,691	2,644	2,734
Current tax liabilities	822	534	2,317	2,668	4,198
Other liabilities	110,260	156,406	178,587	206,200	161,775
Deferred tax liabilities	—	—	—	—	—
Retirement benefit obligations	845	10,261	49,886	59,386	55,048
Other borrowed funds	78,135	45,280	34,564	26,950	149,759
Liabilities included in discontinued operations	7,347	61,432	—	—	—
	1,009,157	1,002,756	1,014,806	1,047,269	996,583

STATEMENT OF COMPREHENSIVE INCOME	Dec. 2014	Dec. 2013	Dec. 2012	Dec. 2011	*Dec. 2010
	N million	N million	N million	N million	N million
Net operating income	95,352	79,662	79,079	50,789	93,892
Group share of associates' profits	(6)	(4)	34	952	1,117
Exceptional item	—	—	—	—	59,836
Impairment losses on financial assets	(9,651)	(15,736)	(1,767)	(69,528)	(37,164)
	85,695	63,922	77,346	(17,787)	117,681
Operating expenses	(58,724)	(58,593)	(73,004)	(89,897)	(81,227)
Profit before tax	**26,971**	**5,329**	**4,342**	**(107,684)**	**36,454**
Taxation	(409)	933	(391)	25,133	70,018
Profit after tax	**26,562**	**6,262**	**3,951**	**(82,551)**	**106,472**
Profit for the year from discontinued operations	263	(2,426)	(2,764)	—	—
Profit for the period	26,825	3,836	1,187	(82,551)	106,472
Non-controlling interest	1,198	(1,621)	(2,947)	(4,883)	(5,599)
Profit attributable to equity holders	**25,627**	**5,457**	**4,134**	**(77,668)**	**112,071**
Earnings/(Loss) per share (basic)	151k	32k	24k	(1266)k	830k
Earnings/(Loss) per share (adjusted)	151k	32k	24k	(1266)k	1827k

Bank

STATEMENT OF FINANCIAL POSITION	Dec. 2014	Dec. 2013	Dec. 2012	Dec. 2011	Dec. 2010
ASSETS	N million	N million	N million	N million	N million
Cash and cash equivalents	58,457	53,141	142,938	84,658	52,309
Non-pledged trading assets	745	2,847	867	2,851	7,385
Pledged assets	83,935	65,167	44,503	69,694	51,019
Loans and advances to customers	302,372	210,118	136,982	144,358	172,140
Investments in equity-accounted investee		16	91	75	75
Investment securities	193,656	290,377	280,449	246,725	324,845
Assets classified as held for sale	2,525	2,374	84	807	1,404
Trading properties	1,930	1,930	2,282		
Investment in subsidiaries	8,372	12,892	17,445	19,279	16,697
Property and equipment	49,428	45,351	45,137	46,567	53,827
Intangible assets	2,071	685	522	109	33
Deferred tax assets	95,875	95,875	95,875	95,875	68,944
Other assets	121,570	101,324	119,293	116,155	89,927
	920,936	882,097	886,468	827,153	838,604
LIABILITIES					
Share capital	8,468	8,468	8,468	8,468	6,755
Share premium	391,642	391,641	391,641	391,641	53,023
Reserves	(194,136)	(212,326)	(228,438)	(221,207)	(202,813)
Deposits from banks	18,055	3,200	3,500	1,580	32,028
Deposits from customers	507,431	479,956	482,005	399,775	598,922
Current tax liabilities	635	472	495	1,358	2,609
Other liabilities	109,861	155,189	145,478	159,960	143,204
Retirement benefit obligations	845	10,216	49,368	58,628	54,119
Other borrowed funds	78,135	45,280	33,951	26,950	150,757
	920,936	882,097	886,468	827,153	838,604

STATEMENT OF COMPREHENSIVE INCOME	Dec. 2014	Dec. 2013	Dec. 2012	Dec. 2011	*Dec. 2010
	N million	N million	N million	N million	N million
Net operating income	85,584	79,307	73,867	39,942	81,102
Exceptional item	—	—	—	—	59,836
Impairment losses on financial assets	(7,671)	(18,420)	470	(69,367)	(29,291)
	77,913	60,887	74,337	(29,425)	111,647
Operating expenses	(57,222)	(56,686)	(70,899)	(73,208)	(64,209)
Profit before tax	**20,691**	**4,201**	**3,438**	**(102,633)**	**47,438**
Taxation	(205)	920	(268)	25,922	70,578
Profit after tax	**20,486**	**5,121**	**3,170**	**(76,711)**	**118,016**
Earnings/(Loss) per share (basic)	121k	30k	19k	(1251)k	874k
Earnings/(Loss) per share (adjusted)	121k	30k	19k	(1251)k	1924k

** - Information relating to these years have been presented based on a different financial reporting framework, Statement of Accounting Standards (Nigerian GAAP), and is therefore not directly comparable .*

UNION BANK IN NIGERIA

ABIA STATE

1. **Aba-Factory Road**
1, Factory Road
P.M.B. 7106, Aba
Tel: 07019914247-50

2. **2nd Factory Road**
2, Factory Road
Railway Goods' Shed, Aba
Tel: 07019914251-2

3. **Aba-Faulks Road**
Maobison Tower
34, Faulks Road, Aba
Tel: 07019914259-60

4. **Aba-Market Road**
58 Azikiwe Road
P. M. B. 7127, Aba
Tel: 07019914261-4

5. **Aba-Main**
17, Port Harcourt Road, Aba
Tel: 07019914275-6

6. **Abayi**
Merchandise House
21 Aba-Owerri Road
P. M. B. 7359, Aba
Tel: 07019914255-6

7. **Ariaria Market**
228, Faulks Rd. Ariaria Market
Ariara - Aba
P. M. B. 7515, Aba
Tel: 07019914271-2

8. **Arochukwu**
Barracks Road, Arochukwu
P. M. B. 542, Arochukwu
Tel: 07019914273-4

9. **Ngwa-Road**
49a Ngwa Road, Aba
P. M. B. 7552, Aba
Tel: 07019914257-8

10. **Ohafia**
Presbyterian Mission Hilltop
Arochuckwu/Ohafia Road
Elu, Ohafia
Tel: 07019914265-6

11. **Umuahia**
No 10 Library Avenue
P. M. B. 1195, Umuahia
Tel: 07019914267-70

12. **Umudike**
National Root Crop Research
Institute Premises
Umuahia-Ikot Ekpene Road
Umudike-Ikwuano LGA
P. M. B. 7081, Umuahia
Tel: 07019914245-6

13. **Umuocham**
Merchandise House
121 Aba-Owerri Road
P. M. B. 7359, Aba
Tel: 07019914253-4

ADAMAWA STATE

14. **Demsa**
Yola Road, Demsa
P. M. B. 0032, Demsa
Tel: 07019914619-20

15. **Guyuk**
Ghakawo Road
P. M. B. 104, Guyuk, Adamawa
Tel: 07019914625-6

16. **Gyawana**
Off Numan Gombe Road
Gyawana
Tel: 07019914627-8

17. **Mayo-Belwa**
Along Zing Road Mayo-Belwa
P. O. Box 5, Jalingo Road,
Adamawa State
Tel: 07019914623-4

18. **Michika**
Bama Road Opposite Nitel Office
P. M. B. 1022
Michika, Adamawa State
Tel: 07019914621-2

19. **Mubi**
Ahmadu Bello Way
P. M. B. 27, Mubi Adamawa
Tel: 07019914617-8

20. **Yola Main**
2, Galadima Aminu Way
P. M. B. 2005
Jimeta, Yola
Tel: 07019914613-6

AKWA IBOM STATE

21. **Abak**
28 Hospital Road
P. M. B. 1145 Abak
Tel: 07019914116-7

22. **Eket**
1, Grace Bill Road
P. M. B. 31, Eket
Tel: 07019914100-03

23. **Ete**
1 Ikot Abasi Road
Ete Junction,
P. M. B. 049 Ikot Abasi
Tel: 07019914096-7

24. **Ikot-Abasi**
1, Ibekwe Road
P. M. B. 1046
Ikot Abasi
Tel: 07019914098-9

25. **Ikot-Edibon**
Nsit Ubium L.G.A.
C/O P. M. B. 1065, Ikot Edibon, Eket
Tel: 07019914112-3,

26. **Ikot-Ekpene**
Plot B, Bank Layout,
Opp. Old Stadium Road.
Ikot Ekpene
Tel: 07019914114-5

27. **Okopedi**
Uyo/Oron Rd. Okobo Local Govt.
Area
Tel: 07019914108-9

28. **Qua Iboe Terminal *(QIT)***
Exxon Mobil Terminal Ibeno
P.M.B. 1090, Ibeno
Tel: 07019914118-9

29. **Uyo**
15 Abak Road
P.M.B. 1084, Uyo
Tel: 07019914104-7

30. **2ND Uyo**
Plot Banking Estate
Udo Udoma Avenue
Opposite AKS House of Assembly,
Uyo
Tel: 07019914110-11

ANAMBRA STATE

31. **Abagana**
Orofia Village/Olympic
Factory Premises
P. O. Box 2005
Umudum Village, Abagana
Tel: 07019914186-7

32. **Ajalli**
P.M.B. 1010, Ajalli
Orumba North L.G.A.
Tel: 07019914188-9

33. **Awka**
Old Enugu Onitsha Road
P.M.B. 500, Awka
Tel: 070199190-93

34. **Enugu-Ukwu**
Umueze Awobu Village
Old Enugu/Onitsha Road
P.M.B. 3005
Enugu-Ukwu
Tel: 07019914202-3

35. Igbo Ukwu
Ekwulobi/Nnewi Road
P M B 2, Igbo Ukwu
Tel: 07019914204-5

36. New Market Road, Nkpor
34, New Market Road, Nkpor
Anambra State
Tel: 07019914224-5

37. Nkpor Junction
33, New Market Road, Nkpor
P.M.B. 1807 Onitsha
Tel: 07019914230-31

38. Nnewi Main
Edo Ezennewi Rd,
P.M.B. 4, Nnewi
Tel: 07019914196-9

39. Nnewi (Oraifite)
138, Nkwo Market
Nnewi
Tel: 07019914200-01

40. Edo Ezemewi, Nnewi
2, Edo Ezemeri Road
Nnewi
Tel: 07019914206-7

41. Oko
Ekwulobia-Umunze Road
Ezioko Village, P.M.B. 20
Aguata
Tel: 07019914194-5

42. Onitsha-Ajaegbu Eze Street
1, Ajaegbu Eze Street
Off Ozomagala Street
Onitsha
Tel: 07019914216-7

43. Bridge Head Atani Road
3, Atani Road
P.M.B. 007, Fegge - Onitsha
Tel: 07019914228-9

44. Onitsha-Niger Bridgehead
41,Uga Street Fegge
P.M.B. 1565, Onitsha
Anambra State
Tel: 07019914226-7

45. Onitsha-Bright Street
1, Bright Street
P.M.B. 1520, Onitsha
Tel: 07019914222-3

46. Ogidi
Building Materials Market
Ogidi
Tel: 07019914232-3

47. Onitsha-New Market
18, New Market Road
P.M.B. 1500, Onitsha
Tel: 07019914218-9

48. Venn Road, Onitsha
33, New Market/Venn Road,
North Onitsha
P.O.Box 1790, Onitsha
Tel: 07019914220-1

49. Upper Iweka
By Nigerian Police Officers Wives
Market, POWA Plaza,
Onitsha
Tel: 07019914236-7

BAUCHI STATE

50. Yandoka By Pass, Bauchi
Tel: 07019914682-3

51. Commercial Road, Bauchi
18, Commercial Road
P.M.B. 002, Bauchi
Tel: 07019914672-5

52. Misau
Kano Kari road,
Misau, Bauchi
Tel: 07019914684-5

BAYELSA STATE

53. Yenagoa Main
204 Mbia-ma Yenagoa Road
P.M.B. 68, Yenagoa
Tel: 07019914002-05

54. Ovom
70, Mbiama/Yenagoa Road
Yenegoa
Tel: 07019914006-07

BENUE STATE

55. Aliade
Gboko Road, Aliade (Gwer LGA)
P.M.B. 1005, Aliade
Tel: 07019914732-3

56. Gboko
Market Road Gboko
P.M.B. 21, Gboko
Tel: 07019914726-7

57. Ogiri Oko
3A, Ogiri-Oko Road,
Opp. Police Hq. Makurdi
Tel: 07019914740-41

58. Bank Road
Opposite Ministry of Works,
Makurdi
Tel: 07019914728-9

59. Makurdi Main
Oturkpo Road
P.M.B. 102025, Makurdi
Tel: 07019914722-25

60. Oju
Secretariat Road
P.M.B. 2001, Oju
Tel: 07019914730-31

BORNO STATE

61. Baga
Lawanti Road, Baga
Kukawa Local Govt Area, Borno
P.M.B. 1006,
Tel :07019914658-9

62. Gamboru-Ngala
Gamboru- Ngala
Ngala Local Govt Area
Maiduguri, Borno State.
Tel: 07019914656-7

63. Kwaya-Kusar
Gombe Road, Maiduguri
Tel: 07019914660-61

64. Maiduguri
Sir Kashim Ibrahim Road
P.M.B. 1006, Maiduguri
Tel: 07019914646-9

CROSS RIVER STATE

65. Calabar Main
12 Calabar Road
Calabar, Cross River
Tel: 07019914134-7

66. Akamkpa
Calabar – Ikom Highway
Akamkpa, Cross River State
P.M.B. 1012, Calabar
Tel: 07019914138-9

67. Calabar Free Trade Zone
Calabar Free Trade Zone
Calabar
P.M.B. 1255, Calabar
Tel: 07019914132-3

68. Ogoja
25A Mission Road
P.M.B. 111, Igoli Ogoja,
Calabar
Tel: 07019914128-9

69 . Tinapa
Tinapa Business Resort,
Calabar
Tel: 07019914130-31

DELTA STATE

70. Agbor
9 Old Lagos/Asaba Road
Agbor
Tel: 07019914044-5

71. Asaba Main
119 Nnebisi Road
P.M.B. 1003, Asaba
Tel: 07019914036-9

72. Nnebisi Asaba
318/319, Nnebisi Road
Tel: 07019914040-43

73. Effurun Main
35 Effurun/Sapele Road
P.M.B. 5, Effurun
Tel: 07019914020-21

74. Effurun 2
126, Effurun/Sapele Road
P.O. Box 1036
Tel: 07019914030-31

75. Ibusa
137,Umejei Road, Ibusa
P.M.B. 1002, Ibusa
Tel: 07019914046-7

76. Ogwashi-Uku Branch
2, Local Government Road
P M B 1031
Tel: 07019914048-9

77. Oghara
111 Oghara/Ajagbodudu Road
P.O. Box 120, Oghara
Tel: 07019914028-9

78. Oleh
111 Emore Road
Isoko South LGA
P.M.B. 15, Oleh
Tel: 07019914034-5

79. Ovwian/Aladja
34 Udu Road
Ovwian Aladja
Tel: 07019914032-3

80. Sapele Main
5, Yoruba Road
P.M.B. 4003, Sapele
Tel: 07019914024-5

81. Ughelli
Patani Road
P.M.B. 9, Ughelli
Tel: 07019914022-3

82. Warri Main
6, Warri/Sapele Road
P.O. Box 422, Warri
Tel: 07019914016-9

83. Warri-Airport Road
60, Airport Road, Warri
Tel: 07019914026-7

EBONYI STATE

84. Abakaliki
1, Ogoja Road
P.M.B. 12, Abakaliki
Tel: 07019914150-53

85. Uburu-Ohaozara
Okposi Road,
Ohaozara Local Govt. Area
Ebonyi State
Tel: 07019914174-5

EDO STATE

86. Agbor Road
60, Agbor Road
P.M.B. 18
Benin City
Tel: 07019914044-5

87. Airport Road
74, Airport Road
P.M.B. 1215
Benin City
Tel: 07019914086-7

88. Akpakpava
85, Akpakpava Street
Benin City
Tel: 07019914062-3

89. Akpakpava Main
96, Akpakpava Street
P.M.B. 1114, Benin City
Tel: 07019914068-71

90. Auchi
2, Polytechnic Road
P.M.B. 18, Auchi
Tel: 07019914074-5

91. Ekpoma
7, Royal Market Road
P.M.B. 29, Ekpoma
Tel: 07019914082-3

92. Igueben
1, Ralph Oboh Road
P.M.B. 1, Igueben
Tel: 07019914080-81

93. Iguobazuwa
7, Forestry Road
P.M.B. 1019
Benin City
Tel: 07019914084-5

94. Iruekpen
Benin/Auchi Road
P.O. Box 20, Iruekpen
Tel: 07019914078-9

95. Mission Road
5/7 Mission Road
P.M.B. 1019, Benin City
Tel: 07019914058-61

96. Benin-Lagos Road (Ugbowo)
224, Ugbowo/New Benin-Lagos
Road, P.M.B. 005
Benin City
Tel: 07019914072-3

97. Uromi
13, Unity Road, Uromi
P.M.B. 6, Uromi
Tel: 07019914076-7

EKITI STATE

98. Ado-Ekiti
No 8, Ijigbo Street
P.M.B. 5310
Ado-Ekiti
Tel: 07019914874-7

99. Ado-Ekiti-Fajuyi Road
1, Adekunle Fajuyi Road,
Opp. State Police Command
Tel: 07019914902-03

100. Igede-Ekiti
King Street
Ado-Ekiti Road
P.M.B. 03, Igede-Ekiti
Tel: 07019914888-9

101. Ilawe-Ekiti
1, Iro Street
P.M.B. 7, Ilawe Ekiti
Tel: 07019914890-91

ENUGU STATE

102. Agbani
Akpugo Road.
P.O. Box 98, Agbani
Tel: 07019914454-5

103. Emene
No. 19 Abiriba Street,
Emene Industrial Layout, Enugu
P.M.B. 1001, Emene
Tel: 07019914156-7

104. Garden Avenue
3, Garden Avenue
P.M.B. 1711, Enugu
Tel: 07019914146-9

105. 9th Mile Corner Ngwo
Enugu Road 9th Mile Ngwo
P.M.B. 1, Ngwo
Tel: 07019914168-9

106. Nsukka Branch
Afrihub Centre
University of Nigeria Nsukka
Nsukka LGA
Tel: 07019914176-7

107. Ogbede
Igbo Etiti Local Govt Area Secretariat
P.M.B. 5003, Ogbede
Tel: 07019914172-3

108. Ogbete Market Enugu
Ogbete Main Market Enugu
P.M.B. 1492 Enugu
Tel: 07019914158-9

109. Okpara Avenue
8 Okpara Avenue, Enugu
Okpara Avenue
P.M.B. 1119, Enugu
Tel: 07019914162-5

110. 2nd Okpara Avenue
19/55, Okpara Avenue
Enugu
Tel: 07019914166-7

111. Ogui Road
21 Ogui-Road
P.M.B. 1010, Enugu
Tel: 07019914160-61

112. Zik Avenue
58, Zik Avenue
Near Kenyatta Market
Uwani – Enugu
Tel: 07019914170-71

FEDERAL CAPITAL TERRITORY

113. Abuja Federal Secretariat
Block A, Hall A35 Ground Floor
Bullet Building
Federal Secretariat, Abuja
Tel: 07019914772-3

114. Abuja *(NASS)*
National Assembly Annex
3 Arm Zone, Maitama District
Abuja
Tel: 07019914762-3

115. Abuja-Cadastral
Plot 399, UTB Close
Off Mohammadu Buhari Rd.
Central Business District Abuja
Tel: 07019914768-71

116. Head Office Annexe
Plot 787, Bank Road
Off Tafawa Balewa Road
Central Business District
Abuja
Tel: 07019914764-5

117. Abuja Main
No 7 Hadejia Close,
by Fsakari Crescent Area 3, Garki
P.M.B. 35, Abuja FCT
Tel: 07019914745-8

118. Abuja UAC
UAC Building
Plot 272/273 Central Business District
Abuja
Tel: 07019914779-82

119. Area 8, Abuja
6, Ogbomosho Street
Area 8, Garki, Abuja
Tel: 07019914760-1

120. Area 10, Abuja
Gidan Isa
Plot 2104, Moshood Abiola Road
Area 10, Garki, Abuja
Tel: 07019914783-6

121. Dei Dei
Dei-Dei Market, Abuja
Tel: 07019914789-90

122. Maitama District
Plot 434, Zambezi Crescent
Maitama District, Abuja
Tel: 07019914758-9

123. Silverbird Galleria E-Centre
Plot 1161, Memorial Drive,
Central Business District, F.C.T, Abuja

124. Wuse II
Plot 1259 Aminu Kano Crescent
Wuse II, Abuja
Tel:07019914787-8

GOMBE STATE

125. Bajoga
Gombe-Potiskum Road, Bagoja
P.M.B. 03
Tel: 07019914680-81

126. Gombe
Biu Road,
P.M.B. 2 Gombe
Tel: 07019914678-9

127. Talasse
Tula Road,
Tallase Gombe
Tel: 07019914686-7

IMO STATE

128. Abba
77 Douglas Road
P.M.B. 1, Abba Nkwerre
Via Orlu, Imo State
Tel: 07019914296-7

129. Aboh-Mbaise
Ogbor Oboama Ezinihitte,
Mbaise
Tel: 07019914292-3

130. Anara
Anara Town, Orlu Road
Anara, Isiala Mbano LGA
Tel: 07019914300-01

131. Okigwe
103 Owerri Road, Okigwe
Tel: 07019914302-3

132. Orlu
4, Bank Road
P.M.B. 12, Orlu
Tel: 07019914290-91

133. Owerri
77 Douglas Road
P.M.B. 1031, Owerri
Tel: 07019914284-7

134. 2nd Owerri
23 Port Harcourt Road
P.M.B. 1181
Owerri
Tel: 07019914294-5

135. 3rd Owerri
Old Okigwe Road
Owerri
Tel: 07019914288-9

JIGAWA STATE

136. Dutse
Sani Abacha Way, Yadi Dutse,
P.M.B. 7002, Dutse
Tel: 07019914600-03

137. Hadejia
2, Ringim Road
P.M.B. 0018, Hadejia
Tel: 07019914604-5

KADUNA STATE

138. Ahmadu Bello Way
7/8 Ahmadu Bello Way
P.M.B. 2094, Kaduna
Tel: 07019914520-21

139. Jaji
ICS Quarters
Jaji Military Cantonment
Tel: 07019914526-7

140. Kaduna South
Kachia Road, Kakuri
P.M.B. 2112, Kaduna
Tel: 07019914506-9

141. Mogadishu
Plot C8, Mogadishu Layout
Kaduna
Tel: 07019914524-5

142. Moh'd Buhari Way
4 Major General Muhammadu
Buhari Way, NNIL Building
Kaduna
Tel: 07019914518-9

143. PPMC Kaduna
16 Kachia Road PPMC *(NNPC)*
Kaduna
Tel: 07019914528-9

144. Samaru
1 Sokoto Road, Opp. ABU Main Gate
P.M.B. 1001, Samaru
Tel: 07019914516-7

145. Yakubu Gowon Way
Yakubu Gowon Way, Opp. CBN
P.M.B. 2081, Kaduna
Tel: 07019914510-13

147. Zaria *(Main)*
2 Circular Road, PZ GRA
P.M.B. 1001, Zaria
Tel: 07019914514-5

KANO STATE

147. Ado Bayero Road
48E Ado Bayero Road
P.M.B. 3033, Kano
Tel: 07019914572-5

148. Bank Road
4 Bank Road
P.M.B. 3007, Kano
Tel: 07019914568-71

149. Bello Road
145, Bello Road
P.M.B. 3476, Kano
Tel: 07019914606-7

150. Bompai Road
3, Bompai Road, Kano
Tel: 07019914598-9

151. Challawa
Industrial Layout
P.M.B. 3564, Kano
Tel: 07019914596-7

152. Doguwar Giginya
2 Bank Road,
Doguwa L.G.A Kano
Tel: 07019914580-81

153. Hotoro
40, Maiduguri Road
Opposite NNPC Depot
Kano
Tel: 07019914582-3

154. Murtala Mohammed Way
71, Murtala Mohammed Way
Yankura Area
P.M.B. 12755, Kano
Tel: 07019914578-9

155. Post Office Road
18B, Post Office Road
Kano
Tel: 07019914594-5

156. Sharada
Industrial Estate
Phase 1 Sharada
P.M.B. 3296, Kano
Tel: 07019914592-3

157. Zoo Road
7B, Zoo Road
P.M.B. 3075, Kano
Tel: 07019914576-7

KATSINA STATE

158. Funtua
Katsina Road,
Opposite Upper Sharia Court of Appeal,
GRA Funtua Town
P.M.B. 6001, Funtua
Tel: 07019914489-90

159. Jibia
Kaura Namoda/Jibia Road
P.M.B. 2044, Katsina
Tel: 07019914491-2

161. Katsina Main
18 Trading Area, Nagogo Road
P.M.B. 2012, Katsina
Tel: 07019914495-6

161. Katsina-Yahaya Madaki Way
Magudu House Annex, Yaya Madaki
P.M.B. 2167, Katsina
Tel: 07019914493-4

KEBBI STATE

162. Bagudo
Opposite Motor Garage
Bagudo, Kebbi
Tel: 07019914558-9

163. Birnin Kebbi
Haliru Abdul Way
Opposite General Hospital
P.M.B. 1010, Birnin Kebbi
Tel: 07019914546-9

164. Jega
4, Mohammed Dado Street
P.M.B. 9004
Jega, Kebbi
Tel: 07019914552-3

165. Yelwa
Bank Road
P.M.B. 1002, Yelwa-Yauri
Yauri, Kebbi
Tel: 07019914550-51

KOGI STATE

166. Ajaokuta
Road 6, Geregu Campus
Ajaokuta
Tel: 07019914854-5

167. Egume
Egume Town Road,
Opposite Onu Palace
P.M.B. 1003, Egume, Kogi State
Tel: 07019914876-7

168. Idah
Ayegba Oma Idoko Road, Idah
P.M.B. 007, Idah, Kogi
Tel: 07019914848-9

169. Murtala Mohammed Way Lokoja
Opp. Obasanjo Square
P.M.B. 14, Lokoja
Tel: 07019914850-53

170. IBB Way Lokoja *(low density)*
Plot 495 IBB Way,
Lokoja
Tel: 07019914856-7

171. Okene
22, Lafia Street
Okene, Kogi
Tel: 07019914860-61

172. Okengwe
Ihima Road, Okengwe
P.M.B. 1027, Okene, Kogi
Tel: 07019914846-7

KWARA STATE

173. Bode Saadu
Sabo Area
P.M.B 004, Bode Saadu
Tel: 07019914834-5

174. Ilorin Market
173 Abdul Azeez
Attah Road, Surulere
P.M.B. 1533, Ilorin
Tel: 07019914820-21

175. Lafiagi
Emir's Road
P.M.B. 85, Lafiagi
Tel: 07019914830-31

176. Murtala Mohammed Way
67 Murtala Mohammed Way
P.M.B. 1347, Ilorin
Tel: 07019914818-9

177. Offa
60-62 Olofa Way, Offa
P.M.B. 401, Offa-Kwara State
Tel: 07019914824-5

178. Omu Aran
Aperan Way
P.M.B. 1010, Omu Aran
Tel: 07019914826-7

179. Oro
Oyelagbawo Road, Oke Ola,
P.M.B. 308, Oro
Tel: 07019914828-9

180. Unilorin
254 Umar Saro Road
Sawmill Area
P.M.B. 1347, Ilorin
Tel: 07019914822-3

181. Pategi
New Market Road
c/o P.M.B. 106, Bacita
Tel: 07019914832-3

LAGOS STATE

182. Adeniji Adele
183B, Adeniji Adele Road
Lagos
Tel: 07019914363-4

183. Agbara
Agbara Industrial Estate
P.M.B. 1163
Tel: 07019913929-30

184. Agege
118 Ipaja Road, Shofunde
P.M.B. 21084, Agege
Tel: 07019914400-03

185. Ajah
Shops H119-122, H155-158
Ikota Shopping Complex
Lekki – Epe Express Road
Ajah
Tel: 07019914346-7

186. Alaba Market (New)
Shop F453
Alaba International Market
Alaba, Lagos
Tel: 07019913945-6

187. Alaba Int. Market
1, Afeff Road
Alaba, Lagos
Tel: 07019913941-2

188. Allen Avenue
39, Allen Avenue
P.M.B. 21779, Ikeja
Tel: 07019914469-70

189. Amuwo Odofin
1A Old Ojo Road
Maza Maza
Amuwo Odofin
P.M.B. 006, Festac Town
Tel: 07019913912-3

190. Apapa-Creek Road
16, Burma Road, Apapa
Tel: 07019913916-9

191. Tin Can Island Port
8, Apapa-Oshodi expressway,
Ibafon, Apapa
P.M.B. 1147, Apapa, Lagos
Tel: 07019913910-11

192. Eleganza Plaza
1, Commercial Road, Apapa
Tel: 07019913914-5

193. Wharf Road
32, Wharf Road, Apapa,
P.M.B. 1172, Apapa
Tel: 07019913902-5

194. Apapa-Yinka Folawiyo Avenue
27, Yinka Folawiyo Avenue
P.M.B. 1166, Apapa
Tel: 07019913896-9

195. Awolowo Road, Ikoyi
77, Awolowo Road
P.O. Box 2, Ikoyi
Tel: 07019914312-5

196. Badagry
42 African Church Street
P.M.B. 1002, Badagry
Tel: 07019913931-2

197. Balogun Square
34 Balogun Street
P.M.B. 2356, Lagos
Tel: 07019914347-4

198. Broad Street
118/120 Broad Street
Broad Street, Lagos
Tel: 07019914381-2

199. 131 Broad Street
Broad Street, Lagos
P.M.B. 2002 Lagos
Tel: 07019914369-72

200. Dopemu
26, Shasha Road, Akowonjo
Dopemu
Tel: 07019914410-11

201. Ebute Metta
Mainland Hotel Building
P.M.B. 1007, Ebute Metta
Tel: 07019914437-40

202. Ebute Metta
6, Herbert Macaulay Way
Ebute Metta
Tel: 07019914473-4

203. Egbe
64, Isolo/Ikotun Road
Egbe, Lagos
Tel: 07019914430-31

204. Falomo-Marble House
1, Alfred Rewane Road, Marble House,
Falomo Round-about, Lagos
Tel: 07019914316-19

205. Federal Secretariat
Ikoyi Federal Secretariat Complex
Alagbon Close, Ikoyi Lagos
Tel: 07019914328-9

206. Festac Town
Plot 1327B, 32 Road
3rd Avenue, Festac
Tel: 07019913943-4

207. Idi-Araba
Lagos University Teaching Hospital
Compound Idi-Araba
P.M.B. 1127, Mushin
Tel: 07019914406-9

208. Idimu
40, Ikotun/Idimu Road, Ikotun
Tel: 07019914404-5

209. Idumota-Docemo
6, Idoluwo Street, Idumota
Tel: 07019914387-8

210. Iganmu
Eric Moore Road
P.M.B. 3006, Surulere
Tel: 07019913906-9

211. Ijesha-Tedo
62, Adesina Street, Ijesha-Tedo
Surulere, Lagos
Tel: 07019914412-3

212. Ijora
6 Ijora Causeway
P.M.B. 5053, Lagos
Tel: 07019913900-01

213. Iju
169 Iju Road, Fagba
P.M.B. 21081, Agege, Lagos
Tel: 07019914414-5

214. Ikeja
Plot 16, Oba Akran Avenue
P.M.B. 21064, Ikeja
Tel: 07019914481-3

215. Ikeja, Obafemi Awolowo Way
Alfa House
Plot 166, Obafemi Awolowo Way
Agidingbi Junction, Ikeja
Tel: 07019914471-2

216. Ikorodu
62, Lagos Road
Beside Ragolis Water Ltd
Tel: 07019914457-8

217. Foreshore Towers
Foreshore Towers
2A, Osborne Road
Ikoyi
Tel: 07019914334-5

218. Ilupeju
25, Ilupeju Industrial Avenue
Ilupeju Industrial Estate
P.M.B. 21091, Ikeja
Tel: 07019914453-6

219. Isolo
Plot 8, Block K, Isolo Industrial Estate
Apapa Oshodi Express Way
P.M.B. 1123, Mushin
Tel: 07019914461-2, 07019914472-3

220. Kakawa
21/23 Kakawa Street
P.M.B. 12076, Lagos
Tel: 07019914365-8

221. Ketu
549 Ikorodu Road
Ketu, Lagos
Tel: 07019914426-7

222. Ladipo
90, Ladipo Road, Matori
P.M.B. 1170, Mushin
Tel: 07019914418-9

223. LASU E-Centre
Lagos State University Campus,
Lagos-Badagry Road, Lagos State

224. Lawanson
123 Itire Road
Surulere, Lagos
Tel: 0107019914459-60

225. Lewis Street
61 Lewis Street, Lagos
Tel: 07019914320-21

226. Head Office Branch - Marina
1st Floor Stallion Plaza
36 MARINA, P.M.B. 2027
GPO Marina, Lagos
Tel: 07019914393-4, 07019914970-71

227. MMA2 E-Centre
Murtala Muhammed Airport
Lagos

228. Moloney
6, Moloney Street, Obalende
P.O. Box 3425, Lagos
Tel: 07019914377-80

229. Mushin
131, Agege Motor Road
P.M.B 1014 ,Mushin
Tel: 07019914420-21

230. Obalende
13/15, Nojim Maiyegun Road
Obalende, Lagos
Tel: 07019914336-7

231. Obun-Eko
6/8 Obun Eko Street, Idumota
P.O. Box 2008, Lagos
Tel: 07019914375-6

232. Ogba
Acme Road Rales, Glass House, Ogba
P.M.B. 2159, Ikeja
Ogba Industrial Estate
P.M.B. 21559, Ikeja
Tel: 07019914463-4

233. Ogudu
Binukonu Market, Ogudu Road
Ogudu GRA, Ojota
Tel: 07019914422-3

234. Oil Estate, Lekki
2 Chevron Drive, Lekki Pennisula
Km 20, Lagos/Epe Express Way
P.M.B. 80032, Victoria Island
Tel: 07019914348-51

235. Ojomu
By Eti-Osa Local Govt. Council
Lekki/Epe Expressway
P.M.B. 80032, Lekki
Tel: 07019914352-3

236. Oke Arin
Lagos Island Shopping Complex
34, John Street, Lagos
Tel: 07019914385-6

237. Sanusi Olusi, Oke-Arin
109B, Alakoro Street,
Oke-Arin Market, Lagos
Tel: 07019914389-90

238. Okokomaiko
405 Lagos/BadagryExpressway
Opposite PPL B/Stop
Okokomaiko, Lagos
P.M.B. 0201
Festac Post Office, Lagos
Tel: 07019913933-4

239. Oregun
Plot G, Ikosi Road
P.M.B. 21455, Ikeja
Tel: 07019914465-8

240. Orile
36B, Coker Street
Awaye House, Odunade Bus-stop
Badagry Expressway
Orile Iganmu, Lagos
Tel: 07019913920-21

241. Oshodi
18A, Oshodi-Apapa Expressway,
Oshodi, Lagos
Tel: 07019914424-5

242. Otta
152/154, Idi-Iroko Road
Ojuore Otta
Tel: 07019914416-7

243. Palms Plaza Shopping Mall
Shop Number 34/35
Palms Shopping Mall
1, British International School Way
Lekki, Lagos
Tel: 07019914342-3

244. Pen Cinema
4, Iju Road, Pen Cinema
Agege, Lagos
Tel: 07019914428-9

245. Seme Border
Bank Road, Seme
Tel: 07019913935-6

246. Shomolu
Adebowale House,
150 Ikorodu Road, Onipanu
P.M.B. 40, Shomolu
Tel: 07019914449-52

247. Surulere
3, Western Avenue
P.M.B. 3002
Surulere
Tel: 07019914441-4

248. Tinubu Square
19, Tinubu Square
P.M.B. 12040, Lagos
Tel: 07019914359-62

249. Trade Fair Complex
Olusegun Obasanjo Hall
P.M.B. 003, Festac Town
Tel: 07019913937-8

250. Aspamda Main Gate
Association of progressive traders of
Nigeria (APT), Progressive Market
Lagos International Trade Fair
Tel: 07019913939-40

251. Atiku Abubakar
Atiku Abubakar Hall, BBA
Trade Fair Complex (BBA)
Lagos Badagry Expressway
Tel: 07019913949-50

252. Victoria Island
PC33 Adeola Hopewell Street
Victoria Island, Lagos
Tel: 07019914324-7

253. Adeola Odeku
Plot 97, Ahmadu Bello Way,
Victoria Island
Tel: 07019914322-3

254. Adeyemo Alakija
29, Adeyemo Alakija Street
Off Idowu Taylor Street
Victoria Island, Lagos
Tel: 07019914340-41

255. Ajose Adeogun
275, Ajose Adeogun Street
P.M.B 80022; Victoria Island
Tel: 07019914338-9

256. Oyin Jolayemi
1668B, Oyin Jolayemi Street
Victoria Island, Lagos
Tel: 07019914330-33

257. Yaba
349 Herbert Macaulay Street
P.M.B. 1002, Sabo, Yaba
Tel: 07019914445-8

258. Yaba E-Centre
Ozone Centre, Lugard Street,
Sabo, Yaba, Lagos State

NASARAWA STATE

259. Lafia
Jos Road, Lafia
Tel: 07019914734-7

260. Awe
Court Road Sabon Gari, Awe
Tel: 07019914738-9

261. Karu
New Nyanyan Keffi Road
Tel: 07019914791-2

NIGER STATE

262. Agaie
Bida Road
P.M.B. 3, Bida
Tel: 07019914806-7

263. Bida
9 Lemu Road
P.M.B. 3, Bida
Tel: 07019914804-5

264. Minna
Bank Street, Minna
P.M.B. 22, Minna
Tel: 07019914798-801

265. Paiko
Minna/Suleja Road
P.M.B. 22, Minna
Tel: 07019914808-9

266. Suleja
G.R.A. Suleja
P.M.B. 22, Suleja
Tel: 07019914802-3

OGUN STATE

267. Abeokuta
Plot B, Commercial Bank Site
Onikolobo Road, Ibara
P.M.B. 3030, Abeokuta
Tel: 07019914924-7

268. Ijebu-Ode
15 Ibadan Road
P.M.B. 2003, Ijebu-Ode
Tel: 07019914922-3

269. 56 Ibadan (2nd Ijebu Ode)
New market
Ijebu Ode
Tel: 07019914938-9

270. Ilaro
1, Thomas Isola Akinola Crescent
P.M.B. 05, Ilaro
Tel: 07019914930-31

271. Ogere
27 Abeokuta Road, Ogere Remo
P.M.B. 12, Iperu Remo
Tel: 07019914932-3

272. Sagamu
High Court Junction
2, Oba Awolesi Erinwole Road
Dual Carriage Way
P.M.B. 2033, Shagamu
Tel: 07019914928-9

ONDO STATE

273. Akure-Oba Adesida Road
9, Oba Adesida Street
Akure
Tel: 07019914884-5

274. Akure Main
Alagbaka Street
P.M.B. 625, Akure
Tel: 07019914870-3

275. Akure Market
37 Ilemo Street, off Oba Adesida Road
P.M.B. 710, Akure
Tel: 007014880-81

276. Idanre
135 Broad Street
P.M.B. 513, Idanre
Tel: 07019914892-3

277. Ilutitun
50, Bank Road Ilutitun Osoro
P.M.B. 001, Ilutitun
Tel: 07019914882-3

278. Ita-Ogbolu
66 Main Road
P.M.B. 26, Ita-Ogbolu
Tel: 07019914894-5

279. Ode Irele
1, Olofin Street
P.O. Box 26, Ode-Irele
Tel: 07019914886-7

280. Ondo
Ododibo Street
P.M.B. 502, Ondo
Tel: 07019914878-9

OSUN STATE

281. Erin-Ijesa
47 Toso Akinleye Street
P.M.B. 5043, Ilesa
Tel: 07019914908-9

282. Ifewara
11, Enuwa Square, Ifewara
P.O.Box 51, Ifewara
Tel: 07019914910-11

283. Ikirun
4, Inisha Road
P.M.B. 5205, Ikirun
Tel: 07019914906-7

284. Ile-Ife
63, Iremo Road
P.M.B. 5509, Ile-Ife
Tel: 07019914896-7

285. Ilesa
Ereja Square
P.M.B. 5079, Ilesa
Tel: 07019914904-5

286. Osogbo
2/4 Obafemi Awolowo,
Gbongan/Ibadan Road
P.M.B. 4342, Osogbo
Tel: 07019914898-9, 07019914900-01

OYO STATE

287. Ibadan-Agodi Roundabout
Agodi Roundabout Secretariat
P.M.B. 55144, Ibadan
Tel: 07019914943-4

288. Ibadan Bank Road
Dugbe, P.M.B. 5176
Ibadan
Tel: 07019914942-3

289. Ibadan-Challenge
Challenge Round About
P.M.B. 5655, Ibadan
Tel: 07019914946-7

290. Dugbe
3, Lebanon Street
Dugbe, Ibadan
Tel: 07019914950-51

291. Ibadan-Iwo Road
90, Iwo Road
Ibadan
Tel: 07019914960-61

292. Lebanon Street
76, Lebanon Street
P.M.B. 5083, Ibadan
Tel: 07019914936-7, 07019914962-3

293. Ibadan-New Gbagi Market
New Ife Road
P.M.B. 57, Ibadan
Tel: 07019914954-5

294. Ibadan-University College Hospital *(UCH)*
P.M.B. 5412, Ibadan
Tel: 07019914948-9

295. Iseyin
Adjacent Ebedi Market
Oyo Road Barracks
P.M.B. 1003, Iseyin
Tel: 07019914956-7

296. Ogbomosho
Col. Adeniran's House
P.M.B. 3592, Ogbomosho
Tel: 07019914958-9

297. Oyo
Owode Street
P.M.B. 1073, Oyo
Tel: 07019914952-3

PLATEAU STATE

298. Bank Street
7, Bank Road
P.M.B. 2029, Jos
Tel: 07019914696-9

299. Doemak
Quaan Pan Local Govt Area, Doemak
P.O. Box 252, Shendam or
P.M.B. 1003, Gindiri
Tel: 07019914710-11

300. Jos-Murtala Muhammed Way
48, Murtala Muhammed Way, Jos
Tel: 07019914706-7

301. Jos Main Market
28 Rwang Pam Street
P.M.B. 2131, Jos
Tel: 07019914700-01

302. Langtang
Pankshin/Shendam Road
P.M.B. 002, Langtang
Tel: 07019914702-3

303. Panyam
Along Mangu-Pankshin Road, Panyam
P.M.B. 05, Pankshin
Plateau State
Tel: 07019914704-5

RIVERS STATE

304. Bonny
10 Finima Road
P.O. Box 144, Bonny
Tel: 07019913958-9

305. Bori
No.1 Bank Road, Bori
Tel: 07019913982-3

306. Eleme Petro Chemical Complex, Eleme
P.M.B. 13, Nchia Eleme
Eleme LGA
Tel: 07019913964-5

307. Port Harcourt-Aba Road
171D, Aba Road
P.M.B. 5186, Port Harcourt
Tel: 07019913994-5

308. Port Harcourt-Aba Road
180, Aba Road
Port Harcourt
Tel: 07019914000-1

309. Port Harcourt-Ikwerre Road
45, Ikwerre Road
Port Harcourt
Tel: 07019913992-3

310. Port Harcourt-Ikwerre Road
101, Ikwerre Road
Port Harcourt
Tel: 07019913998-9

311. Port Harcourt-Kingsway Road
12 Azikiwe Road
P.O. Box 5886, Port Harcourt
Tel: 07019913970-73

312. Port Harcourt-Orije
28 Aba Road
P.O. Box 5404, Port Harcourt
Tel: 07019913974-7

313. Port Harcourt-Oyigbo
52, Location Road, Oyigbo
P.M.B. 5211, Port Harcourt
Tel: 07019914008-9

314. Port Harcourt-Station Road
P.M.B. 5005 Port Harcourt
Tel: 07019913966-9

315. Port Harcourt-Trans Amadi
Plot 468, Trans Amadi
Industrial Layout
P.M.B. 5496, Port Harcourt
Tel: 07019913978-81

316. NAFCON Onne *(Agency)*
NAFCON Complex
P.O. Box 653
Port Harcourt
Tel: 07019913960-61

317. CTL Emporium, PH *(Agency)*
c/o PH Oyigbo Branch
Woji Street PH
Tel: 070199164-5

SOKOTO STATE

318. Isa
Sokoto Road
Isa LGA
Tel: 07019914556-7

319. Sokoto Main
2, Ahmadu Bello Way
P.M.B. 2117, Sokoto
Tel: 07019914538-9; 07019914540-41

320. Sokoto Market
Sokoto Market Road
By Kofar Doya *(Western Gate)*
P.M.B. 2410, Sokoto
Tel: 07019914554-5

TARABA STATE

321. Bali
Opposite Bali Local Govt. Secretariat
P.M.B. 1026, Jalingo, Taraba State
Tel: 07019914639-40

322. Donga
Danzomga Way
P.M.B. 1020, Donga, Taraba
Tel: 07019914633-6

323. Ibi
Wukari-Shendam Road,
Wukari Taraba
P.M.B. 005, Ibi
Tel: 07019914637-8

324. Jalingo
17, Hamaruwa Way, Taraba
P.M.B. 1026, Jalingo
Tel: 07019914631-2

YOBE STATE

325. Damaturu
Potiskum Road
P.M.B. 1065, Damaturu
Tel: 07019914652-3

326. Gashua
Along Nguru Road, Gashua
Damaturu
Tel: 07019914650-51

ZAMFARA STATE

327. Gusau
Bank Road
P.M.B 1001, Gasau, Zamfara
Tel: 07019914542-5

PROXY FORM
UNION BANK OF NIGERIA PLC
46TH ANNUAL GENERAL MEETING

I/We

Being a member/members of UNION BANK OF NIGERIA PLC hereby appoint ……………… or failing him/her SENATOR UDOMA UDO UDOMA or failing him/her MR. EMEKA EMUWA as my/our proxy to act and vote for me/us and on my/our behalf at the 46th Annual General Meeting of the Company to be held in the Ladi Kwali Conference Hall, Sheraton Abuja Hotel, Ladi Kwali Crescent, Wuse Zone 4, Abuja, Federal Capital Territory on Tuesday, 16th June, 2015 at 11.00 a. m. and at any adjournment thereof.

As witness my/our hands this ……………. day of ……………………..2015.

Signed ……………………………………………

I/We desire this proxy to be used in favour of/or against the resolution as indicated alongside *(Strike out which-ever is not desired)*

ORDINARY BUSINESS	**FOR**	**AGAINST**
1. To receive and adopt the Audited Group Financial Statements for the financial year ended 31st December, 2014 together with the reports of the Directors, Auditor, Board Appraiser and Audit Committee		
2. To authorize Directors to fix the remuneration of the Auditor.		
3. To elect/re-elect Directors. A. Mr. Ian Clyne B. 1. Engr. Mansur Ahmed 2. Dr. (Mrs.) Onikepo Olufunmike Akande, CON 3. Mr. John Botts 4. Mr. Richard Burrett 5. Mr. Kandolo Kasongo 6. Mr. Richard Lee Kramer 7. Mr. Godson C. Okonkwo 8. Dr. Adeyemi Osindero		
4. To elect/re-elect members of the Audit Committee		
SPECIAL BUSINESS		
1. To approve the remuneration of Directors.		

Please indicate with "X" in the appropriate box how you wish your vote to be cast on the resolutions set out above. Unless otherwise instructed, the Proxy will vote or abstain from voting at his/her discretion

NOTE

A Member entitled to attend and vote at the 46th Annual General Meeting is entitled to appoint a proxy in its, his or her stead. All completed proxy forms should be deposited at the office of **The Registrar, GTL Registrars Limited *(former Union Registrars Limited)*, 2, Burma Road, Apapa, Lagos** not less than 48 hours before the time scheduled for holding the meeting. A proxy need not be a member of the Company.

In the case of joint shareholders, any one of such shareholders may complete the form but the names of all joint shareholders must be stated.

It is required by Law under the Stamp Duties Act, Cap F8. LFN Laws of the Federation of Nigeria 2004 that any instrument of proxy to be used for the purpose of voting by any person entitled to vote at any meeting of shareholders must bear stamp duty at the appropriate rate, not adhesive postage stamps.

If the shareholder is a corporation, this form must be under its common seal or under the hand of some officers or attorney duly authorized in that behalf.

Before posting the above card, tear off this part and retain it.

ADMISSION CARD
UNION BANK OF NIGERIA PLC
46TH ANNUAL GENERAL MEETING

PLEASE ADMIT ONLY THE SHAREHOLDER NAMED IN THIS CARD OR HIS/HER DULY APPOINTED PROXY TO THE FORTY-SIXTH ANNUAL GENERAL MEETING BEING HELD IN THE LADI KWALI CONFERENCE HALL, SHERATON ABUJA HOTEL, LADI KWALI CRESCENT, WUSE ZONE 4, ABUJA, FEDERAL CAPITAL TERRITORY ON TUESDAY, 16TH JUNE, 2015 AT 11.00 A. M.

NAME OF SHAREHOLDER/PROXY……………………………………………………………………SIGNATURE………………………………..

ADDRESS………

THIS CARD IS TO BE SIGNED AT THE VENUE IN THE PRESENCE OF THE REGISTRAR

Shareholder enquiries
GTL Registrars Limited
2, Burma Road, Apapa, P.M.B. 12717, Lagos, Nigeria.
Tel: 234-01-2917747
Website: www.gtlregistrars.com
e-mail: info@gtlregistrars.com

Registered Address
Stallion Plaza, 36, Marina
P.M.B. 2027 Lagos, Nigeria
Tel: 234-1-271 6800; 950 4985

Registraton No. RC 6262

www.unionbankng.com