



Union Bank of Nigeria Plc

FIRST QUARTER INTERIM REPORT

31 March 2016

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

For the period ended 31 March 2016

	Notes	Group Mar.2016 ₦ million	Group Mar.2015 ₦ million	Bank Mar.2016 ₦ million	Bank Mar.2015 ₦ million
Gross earnings		27,275	27,283	26,600	29,018
Continuing Operations:					
Interest income	9	21,488	20,530	21,021	20,046
Interest expense	9	(6,599)	(7,912)	(6,588)	(7,878)
Net interest income (NRFF)		14,889	12,618	14,433	12,168
Net impairment charge for credit losses	14(a)	(1,140)	(2,432)	(1,131)	(2,430)
Net interest income after impairment charge for credit losses		13,749	10,186	13,302	9,738
Net fee and commission income	10	2,718	2,058	2,591	1,940
Net trading income	11	2,740	2,135	2,681	2,099
Cash recoveries		169	307	169	307
Gain on sale of subsidiaries	12	-	(185)	-	2,421
Other operating income	12	160	2,296	138	2,205
Non interest income (NII)		5,787	6,611	5,579	8,972
Operating income		19,536	16,797	18,881	18,710
Net impairment loss on other financial assets	14(b)	-	-	-	-
Net operating income after net impairment loss on other financial assets		19,536	16,797	18,881	18,710
Personnel expenses	14	(7,490)	(7,595)	(7,151)	(7,261)
Depreciation and amortisation		(1,227)	(987)	(1,190)	(952)
Other operating expenses	15	(6,024)	(5,832)	(5,884)	(5,561)
Total expenses		(14,741)	(14,414)	(14,225)	(13,774)
Share of profit of equity accounted investee		-	-	-	-
Profit before income tax from continuing operations		4,795	2,383	4,656	4,936
Income tax expense from continuing operations	16	(76)	(76)	(46)	(29)
Profit for the period from continuing operations		4,719	2,307	4,610	4,907
Discontinued operations					
Gross income from discontinued operations	37	-	142	-	-
Gross expense from discontinued operations	37	-	(36)	-	-
Profit/Loss before tax from discontinued operations	37	-	106	-	-
Income tax expense from discontinued operations	37	-	(9)	-	-
Profit/Loss for the period from discontinued operations	37	-	97	-	-
Continuing and discontinued operations:					
Profit before tax		4,795	2,489	4,656	4,936
Income tax		(76)	(85)	(46)	(29)
Profit after tax		4,719	2,404	4,610	4,907
Other comprehensive income, net of income tax					
Remeasurement of defined benefit liability		-	-	-	-
Items that are or may be reclassified to profit or loss					
Foreign currency translation differences for foreign operations		(22)	1,090	-	-
Fair value gains/(losses) on available-for-sale investments		(5,609)	666	(5,656)	701
Other comprehensive income for the period		(5,631)	1,756	(5,656)	701
Total comprehensive income for the period		(912)	4,160	(1,046)	5,608

	Notes	Group Mar.2016 ₦ million	Group Mar.2015 ₦ million	Bank Mar.2016 ₦ million	Bank Mar.2015 ₦ million
Profit attributable to:					
Equity holders of the Bank		4,715	2,384	4,610	4,907
Non-controlling interest		4	20	-	-
Profit for the period		4,719	2,404	4,610	4,907

Total comprehensive income attributable to:

Equity holders of the Bank		(916)	4,140	(1,046)	5,608
Non-controlling interest		4	20	-	-
Transfer to statutory reserve		-	-	-	-
Transfer to contingency reserve					
Total comprehensive income for the period		(912)	4,160	(1,046)	5,608

Earnings per share for profit from total operations attributable to equity holders of Bank

Basic and diluted (Kobo)	17	28	14	27	29
--------------------------	----	----	----	----	----

Earnings per share for profit from continuing operations attributable to equity holders of bank

Basic and diluted (Kobo)	17	28	13	27	29
--------------------------	----	----	----	----	----

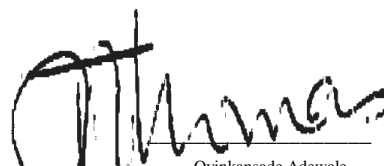
Consolidated and Separate Statements of Financial Position

	<i>Notes</i>	Group Mar.2016 ₦ million	Group Dec.2015 ₦ million	Bank Mar.2016 ₦ million	Bank Dec.2015 ₦ million
ASSETS					
Cash and cash equivalents	18	142,352	82,252	86,133	54,451
Non-pledged trading assets	19	4,652	-	4,652	-
Pledged assets	20	67,378	84,728	67,378	84,728
Derivative assets held for risk management	21	1,722	1,820	1,722	1,820
Loans and advances to customers	21	372,408	366,721	358,470	348,984
Investments in equity accounted investee	22	24	24	-	-
Investment securities	23	178,496	215,137	171,671	209,223
Trading properties	24	2,608	3,177	1,124	1,124
Investment properties	25	4,511	4,546	-	-
Investment in subsidiaries	26	-	-	10,567	10,567
Property and equipment	27	50,341	49,772	50,269	49,692
Intangible assets	28	3,504	3,749	3,102	3,318
Deferred tax assets	29	95,882	95,883	95,875	95,875
Other assets	30	162,797	138,686	162,099	138,030
		1,086,675	1,046,495	1,013,062	997,812
Assets classified as held for sale	37(b)	397	397	325	325
TOTAL ASSETS		1,087,072	1,046,892	1,013,387	998,137
LIABILITIES					
Derivative liabilities held for risk management		-	-	-	-
Deposits from banks	31	50,634	44,091	7,642	11,800
Deposits from customers	32	602,666	570,639	587,236	569,116
Current tax liabilities	33	579	382	276	229
Other liabilities	34	110,954	107,534	109,413	106,035
Retirement benefit obligations	35	3,921	4,267	3,889	4,230
Other borrowed funds	36	75,309	76,059	75,309	76,059
		844,063	802,972	783,765	767,469
Liabilities classified as held for sale	37(c)	-	-	-	-
TOTAL LIABILITIES		844,063	802,972	783,765	767,469
EQUITY					
Share capital and share premium	38	400,109	400,109	400,109	400,109
Treasury shares		-	-	-	-
Retained deficit		(244,353)	(244,902)	(249,028)	(249,372)
Other reserves		81,912	83,377	78,541	79,931
EQUITY ATTRIBUTABLE TO EQUITY - HOLDERS OF THE BANK		237,668	238,584	229,622	230,668
Non-controlling interest	39	5,341	5,337	-	-
TOTAL EQUITY		243,009	243,920	229,622	230,668
TOTAL LIABILITIES AND EQUITY		1,087,072	1,046,892	1,013,387	998,137

Signed on behalf of the Board of Directors on 19 April, 2016 by:



Emeka Emuwa
Group Managing Director
FRC/2013/CIBN/0000001774



Oyinkansade Adewale
Director/CFO
FRC/2013/ICAN/0000001775

Consolidated and Separate Statements of Cash Flows

For the year ended 31 March 2016

<i>Notes</i>	Group Mar.2016	Group Dec.2015	Bank Mar.2016	Bank Dec.2015
	N million	N million	N million	N million
Cash flows from operating activities				
Profit for the year	4,719	13,987	4,610	17,721
Income tax expense	16	76	46	420
Profit before tax	4,795	14,548	4,656	18,141
<i>Adjustments for:</i>				
Impairment losses on loans and advances	13(a)	1,140	15,072	1,131
Recoveries on loans and advances	13(a)	-	(5,124)	-
Impairment allowances/(recoveries) on investment securities an	13	-	-	(5,124)
Impairment on property and equipment		200	-	200
Allowances on other assets	13(b)	-	2,097	-
Gain on sale of property and equipment	12	16	(1,660)	15
Gain on disposal of available for sale - unquoted equity	24	-	(193)	-
Gain on sale of trading properties	12	-	(728)	-
Gain on sale of subsidiaries	12	-	332	-
Depreciation of property and equipment		973	3,509	964
Amortisation of intangible assets		256	772	226
Recoveries on investment properties		-	-	666
Dividend income from equity investment	12	-	(686)	-
Interest paid on borrowings	9	1,728	8,683	1,728
Contributions to defined contribution plans		154	644	154
Increase/ (decrease) in liability for defined benefit plans		20	4,347	20
		9,089	41,813	8,894
		41,244	8,894	41,244
Change in non-pledged trading assets		(4,652)	745	(4,652)
Change in pledged assets		17,350	(793)	17,350
Change in derivative financial instruments-assets		98	(7)	98
Change in loans and advances to customers		(6,827)	(63,872)	(10,617)
Change in other assets		(24,586)	(18,236)	(24,187)
Change in derivative financial instruments-liabilities		-	(1,813)	-
Change in deposits from banks		6,543	(17,799)	(4,158)
Change in deposits from customers		32,027	43,022	18,120
Change in other liabilities		3,421	3,953	3,378
		32,463	(12,987)	4,226
Income tax paid		13	(1,004)	1
Payment from defined contribution plan		(155)	(623)	(155)
Payment from defined benefit plan		(291)	(7,626)	(291)
Net cash provided/(used in) by operating activities		32,030	(22,240)	3,780
		13,776	3,780	13,776

Cash flows from investing activities

Purchase of investment properties		-	(4,546)	-	-
Proceeds from sale of investment properties	20	35	-	-	-
Acquisition of trading properties		569	(2,053)	-	-
Proceeds from sale of unquoted equities			212		212
Proceeds from sale of trading properties		-	1,536	-	1,534
Proceeds from sale of property and equipment		10	3,438	10	3,438
Proceed from disposal of subsidiaries		-	12,350	-	3,596
Acquisition of property and equipment		(1,515)	(6,677)	(1,515)	(6,669)
Acquisition of intangible assets		439	(2,078)	(11)	(1,913)
Investment securities		31,032	(10,532)	31,896	(7,907)
Dividend income received		-	686	-	686
Net cash used in investing activities		30,570	(7,664)	30,380	(7,022)

Cash flows from financing activities

Repayment of borrowings		(750)	(2,076)	(750)	(2,076)
Interest paid on borrowings		(1,728)	(8,683)	(1,728)	(8,683)
Net cash from financing activities		(2,478)	(10,759)	(2,478)	(10,759)

Net increase/(decrease) in cash and cash equivalents		60,122	(40,663)	31,682	(4,006)
Cash and cash equivalents at beginning of year		82,252	121,960	54,451	58,457
Effect of exchange rate fluctuations on cash held		(22)	955	-	-
Cash and cash equivalents at end of period/year		142,352	82,252	86,133	54,451

Consolidated and Separate Statements of Changes in Equity
For the period ended 31 March 2016

Group	Share capital	Share premium	Statutory reserve	Treasury shares	Fair value reserve	Regulatory risk reserve	Other reserves	Retained deficit	Total	Non-controlling interest	Total equity
	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million
Balance at 1 January 2016	8,468	391,641	22,062	-	33,050	23,876	4,389	(244,902)	238,584	5,337	243,921
Total comprehensive income for the period											
Profit for the period	-	-	692	-	-	-	-	4,023	4,715	4	4,719
Other comprehensive income, net of tax											
Increase/(decrease) in revaluation surplus for the											
Foreign currency translation difference	-	-	-	-	-	-	(22)	-	(22)	-	(22)
Fair value gains/(loss) on available-for-sale investment	-	-	-	-	(5,609)	-	-	-	(5,609)	-	(5,609)
Appropriation:											
Transfer from regulatory reserves	-	-	-	-	-	2,983	-	(2,983)	-	-	-
Transfer from other reserves	-	-	-	-	591	-	(100)	(491)	-	-	-
Total comprehensive income for the period	-	-	692	-	(5,018)	2,983	(122)	549	(916)	4	(912)
Balance at 31 March 2016	8,468	391,641	22,754	-	28,032	26,859	4,267	(244,353)	237,668	5,341	243,009

December 2015

	Share capital	Share premium	Statutory reserve	Treasury shares	Fair value reserve	Regulatory risk reserve	Other reserves	Retained deficit	Total	Non-controlling interest	Total equity
	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million
Balance at 1 January 2015	8,468	391,641	19,404	(35)	28,313	8,667	3,407	(242,969)	216,896	5,338	222,234
Prior year adjustment	-	-	-	-	-	-	-	(706)	(706)	-	(706)
Opening restated	8,468	391,641	19,404	(35)	28,313	8,667	3,407	(243,675)	216,190	5,338	221,528
Total comprehensive income for the year											
Profit for the year	-	-	2,658	-	-	-	-	11,330	13,988	(1)	13,987
Other comprehensive income, net of tax											
Foreign currency translation difference	-	-	-	-	-	-	982	-	982	-	982
Fair value gains/(loss) on available-for-sale investment	-	-	-	-	7,400	-	-	-	7,400	-	7,400
Appropriation:											
Transfer from regulatory reserves	-	-	-	-	(2,652)	15,209	-	(12,557)	-	-	-
Total comprehensive income for the period	-	-	2,658	-	4,748	15,209	982	(1,227)	22,370	(1)	22,369
Total contribution and distributions to owners	-	-	-	35	(11)	-	-	-	24	-	24
Balance at 31 December 2015	8,468	391,641	22,062	-	33,050	23,876	4,389	(244,902)	238,584	5,337	243,921

Consolidated and Separate Statements of Changes in Equity
For the period ended 31 March 2016

Bank	Share capital	Share premium	Statutory reserve	Treasury shares	Fair value reserves	Regulatory risk reserves	Other reserves	Retained deficit	Total
	N million	N million	N million	N million	N million	N million	N million	N million	N million
Balance at 1 January 2016	8,468	391,641	22,062	-	32,240	23,876	1,753	(249,372)	230,668
Total comprehensive income for the period									
Profit or loss	-	-	692	-	-	-	-	3,918	4,610
Other comprehensive income									
Fair value gains/(loss) on available-for-sale investment	-	-	-	-	(5,656)	-	-	-	(5,656)
Remeasurement of defined benefit liability	-	-	-	-	-	-	-	-	-
Transfer between reserves	-	-	-	-	591	2,983	-	(3,574)	-
Total comprehensive income for the period	-	-	692	-	(5,065)	2,983	-	344	(1,046)
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners									
Total contribution and distributions to owners	-	-	-	-	-	-	-	-	-
Balance at 31 March 2016	8,468	391,641	22,754	-	27,175.0	26,859.0	1,753.0	(249,028)	229,622

December 2015

	Share capital	Share premium	Statutory reserve	Treasury shares	Fair value reserves	Regulatory risk reserves	Other reserves	Retained earnings	Total
	N million	N million	N million	N million	N million	N million	N million	N million	N million
Balance at 1 January 2015	8,468	391,641	19,404	-	27,213	8,667	1,753	(251,172)	205,974
Prior year adjustment	-	-	-	-	-	-	-	(706)	(463)
Opening restated	8,468	391,641	19,404	-	27,213	8,667	1,753	(251,878)	205,268
Total comprehensive income for the year									
Profit or loss	-	-	2,658	-	-	-	-	15,063	17,721
Other comprehensive income									
Fair value reserve (available-for-sale) financial assets	-	-	-	-	7,679	-	-	-	7,679
Transfer between reserves	-	-	-	-	(2,652)	15,209	-	(12,557)	-
Total other comprehensive income for the year	-	-	-	-	5,027	15,209	-	(12,557)	7,679
Total comprehensive income for the year	-	-	2,658	-	5,027	15,209	-	2,506	25,400
Balance at 31 December 2015	8,468	391,641	22,062	-	32,240	23,876	1,753	(249,372)	230,668

9 Net interest income

	Group Mar.2016	Group Mar.2015	Bank Mar.2016	Bank Mar.2015
	N million	N million	N million	N million
Interest income				
Cash and cash equivalents	483	176	474	176
Loans and advances to customers	14,241	13,530	13,894	13,092
Investment securities	6,764	6,824	6,653	6,778
Total interest income	21,488	20,530	21,021	20,046
Interest expense				
Deposits from customers	4,871	4,121	4,860	4,087
Other borrowed funds	1,728	3,791	1,728	3,791
Total interest expense	6,599	7,912	6,588	7,878
Net interest income	14,889	12,618	14,433	12,168

10 Net Fees and commission income

	Group Mar.2016	Group Mar.2015	Bank Mar.2016	Bank Mar.2015
	N million	N million	N million	N million
Credit Related fees and commissions income	1,763	1,056	1,789	1,056
Commission on turnover	-	355	-	355
Account Maintenance Fee	283	-	283	-
E-business fee income (See note (a))	372	114	372	114
Commission on off balance sheet transactions	147	415	147	415
Other fees and commission	153	118	-	-
	2,718	2,058	2,591	1,940

(a) E-business fee income/charge

	Group Mar.2016	Group Mar.2015	Bank Mar.2016	Bank Mar.2015
	N million	N million	N million	N million
ATM on-us	187	73	187	73
POS	(7)	1	(7)	1
E-card maintenance	192	40	192	40
	372	114	372	114

11 Net trading income/(loss)

	Group Mar.2016	Group Mar.2015	Bank Mar.2016	Bank Mar.2015
	N million	N million	N million	N million
Gain on disposal of fixed income securities	2,632	338	2,632	338
Mark to market gains on fixed income securities	(23)	147	(23)	147
Foreign exchange gain on trading	131	1,650	72	1,614
Nigerian banking regulations require the Bank to make an annual appropriation to a st:	2,740	2,135	2,681	2,099

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 Mar.2016 N million	Group Mar.2015 N million	Bank Mar.2016 N million	Bank Mar.2015 N million
Dividends	-	493	-	493
Gains on disposal of property and equipment	(16)	-	(15)	-
Foreign exchange revaluation gain	(67)	922	(67)	922
Rental income	40	41	40	41
Sundry income	203	840	180	749
	160	2,296	138	2,205

13 Net Impairment loss on financial assets

(a) Net impairment charge for credit losses

	Group Mar.2016 N million	Group Mar.2015 N million	Bank Mar.2016 N million	Bank Mar.2015 N million
Net impairment charge for credit losses:				
-specific impairment	639	1,925	630	1,923
-portfolio impairment	501	507	501	507
Total net impairment loss on financial assets	1,140	2,432	1,131	2,430

14 Personnel expenses

	Group Mar.2016 N million	Group Mar.2015 N million	Bank Mar.2016 N million	Bank Mar.2015 N million
Wages and salaries	7,316	7,408	6,977	7,074
Contributions to defined contribution plans	154	167	154	167
Increase in liability for defined benefit plans	20	20	20	20
	7,490	7,595	7,151	7,261

15 Other operating expenses

	Group Mar.2016	Group Mar.2015	Bank Mar.2016	Bank Mar.2015
	N million	N million	N million	N million
Auditors' remuneration	50	45	50	45
NDIC Premium	690	572	690	572
Rents and Rates	239	254	239	221
Accommodation and travels	174	231	161	222
Fleet management and vehicle related expenses	214	178	214	178
Repair and Maintenance	276	152	239	152
Transformation Expense	-	137	-	137
Professional fees	304	397	282	379
Advertising and Promotion expenses	401	93	401	93
Security expense	251	193	251	193
Expenses on software	712	312	712	312
Donations and Subscriptions	45	46	45	46
General administrative expenses (see note (a) below)	1,361	1,981	1,295	1,770
Insurance	73	79	71	79
AMCON surcharge	1,234	1,162	1,234	1,162
	6,024	5,832	5,884	5,561

(a) General administrative expenses

	Group Mar.2016	Group Mar.2015	Bank Mar.2016	Bank Mar.2015
	N million	N million	N million	N million
Office cleaning	63	64	63	64
Cash movement expense	265	300	265	300
Entertainment	5	26	5	26
Directors fees and allowances	98	98	98	98
Diesel and power	307	384	307	384
Stationery, printing, postage and telephone	91	227	91	227
Sports promotion	10	9	10	9
Penalties	20	10	20	10
Restitution and other charges	72	80	72	80
Group restructuring expenses	146	-	146	-
Other expenses	286	783	220	572
	1,361	1,981	1,295	1,770

16 Income tax expense

(a) Recognised in the profit or loss

	Group Mar.2016 ₦ million	Group Mar.2015 ₦ million	Bank Mar.2016 ₦ million	Bank Mar.2015 ₦ million
Current tax expense				
NITDA Levy	76	76	46	29
Total income tax expense	76	76	46	29

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.

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 period is as follows.

Weighted average number of ordinary shares

	Group Mar.2016	Group Mar.2015	Bank Mar.2016	Bank Mar.2015
Issued ordinary shares at beginning of the period	16,936	16,936	16,936	16,936
Weighted effect of shares issued during the period	16,936	16,936	16,936	16,936

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

	Group Mar.2016	Group Mar.2015	Bank Mar.2016	Bank Mar.2015
Profit/(Loss) for the period attributable to equity holders	4,715	2,384	4,610	4,907
Basic earnings/(loss) per share (in kobo)	28	14	27	29
Profit from continuing operations attributable to equity holders of bank	4,719	2,307	4,610	4,907
Basic earnings/(loss) per share (in kobo)	28	14	27	29

(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	Group	Bank	Bank
	Mar.2016	Dec.2015	Mar.2016	Dec.2015
	₦ million	₦ million	₦ million	₦ million
Cash and balances with banks	24,434	34,189	22,766	32,762
Unrestricted balances with central bank	38,756	14,185	38,756	14,185
Money market placements	79,162	33,878	24,611	7,504
	142,352	82,252	86,133	54,451

19 Non-pledged Assets (Held for trading)

	Group	Group	Bank	Bank
	Mar.2016	Dec.2015	Mar.2016	Dec.2015
	₦ million	₦ million	₦ million	₦ million
Government bonds	767	-	767	-
Treasury bills	3,885	-	3,885	-
	4,652	-	4,652	-

20 Pledged assets

Financial assets that may be repledged or resold by counterparties

	Group	Group	Bank	Bank
	Mar.2016	Dec.2015	Mar.2016	Dec.2015
	₦ million	₦ million	₦ million	₦ million
Treasury bills	6,696	14,620	6,696	14,620
Bonds	57,503	65,913	57,503	65,913
Placement	3,179	4,195	3,179	4,195
	67,378	84,728	67,378	84,728

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

21 Derivative financial instruments

Group

	Mar.2016		Dec.2015	
	Assets	Liabilities	Assets	Liabilities
	₦ million	₦ million	₦ million	₦ million
Instrument Type:				
Foreign exchange	1,722	-	1,820	-
	1,722	-	1,820	-

Bank

	Mar.2016		Dec.2015	
	Assets	Liabilities	Assets	Liabilities
	₦ million	₦ million	₦ million	₦ million
Instrument Type:				
Foreign exchange	1,722	-	1,820	-
	1,722	-	1,820	-

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.

21 Loans and advances to customers at amortised cost

(a)	Group	Group	Bank	Bank
	Mar.2016	Dec.2015	Mar.2016	Dec.2015
	₦ million	₦ million	₦ million	₦ million
Gross amount	397,592	388,794	383,596	370,949
Specific impairment	(14,225)	(11,565)	(14,225)	(11,565)
Portfolio impairment	(10,959)	(10,508)	(10,901)	(10,400)
Total impairment	(25,184)	(22,073)	(25,126)	(21,965)
Carrying amount	372,408	366,721	358,470	348,984

22 Investment in equity accounted investee

	Group Mar.2016 N million	Group Dec.2015 N million	Bank Mar.2016 N million	Bank Dec.2015 N million
Cost				
Balance, beginning of the period	115	115	91	91
	115	115	91	91
(Impairments) /increase in value	(91)	(91)	(91)	(91)
Balance, end of the period	24	24	-	-

23 Investment securities

	Group Mar.2016 N million	Group Dec.2015 N million	Bank Mar.2016 N million	Bank Dec.2015 N million
<i>Available-for-sale investment securities comprise:</i>				
Treasury bills	50,261	57,257	44,959	52,843
Equity: Quoted	2,122	2,195	2,122	2,195
Unquoted	21,285	21,371	21,285	21,371
Bonds	3,136	41,480	1,613	39,980
	76,804	122,303	69,979	116,389
Less: specific impairment allowance	(4,072)	(4,058)	(4,072)	(4,058)
	72,732	118,245	65,907	112,331

Quoted	Group Mar.2016 N million	Group Dec.2015 N million	Bank Mar.2016 N million	Bank Dec.2015 N million
23a Investment in REIT	2,122	2,195	2,122	2,195

23b Unquoted

AFC	15,745	15,844	15,745	15,844
Smartcard	126	126	126	126
Nigeria Auto Clearing System (NAC)	42	42	42	42
Interswitch	2	2	2	2
Credit Reference Company (CRC)	50	50	50	50
Afrexim Bank	305	305	305	305
Nig Superswitch Infrastructure	10	10	10	10
Afprint Nig. Investment	3	-	3	-
Neimeth Inter Pharm.	11	-	11	-
Banque de Benin	1152	1,152	1,152	1,152
AIB Cotonu	122	122	122	122
Investment in SMEEs	3,718	3,718	3,718	3,718
	21,285	21,371	21,285	21,371
Total	23,408	23,566	23,408	23,566
Less: specific impairment allowance	(4,072)	(4,058)	(4,072)	(4,058)
	19,336	19,508	19,336	19,508

Held to maturity investment securities comprise:

Treasury bills	-	-	-	-
Federal Government of Nigeria -Bonds	57,454	48,273	57,454	48,273
State Government of Nigeria -Bonds	31,758	31,702	31,758	31,702
Corporate Bonds	16,552	16,917	16,552	16,917
	105,764	96,892	105,764	96,892

Investment securities	178,496	215,137	171,671	209,223
-----------------------	---------	---------	---------	---------

24 Trading properties

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

	Group Mar.2016 ₦ million	Group Dec.2015 ₦ million	Bank Mar.2016 ₦ million	Bank Dec.2015 ₦ million
Balance, beginning of year	3,177	1,930	1,124	1,930
Additions	(569)	-	-	-
Disposal	-	(806)	-	(806)
Reclassification from discontinued operations	-	2,053	-	-
Transfer to assets held for sale	-	-	-	-
Balance, end of period	2,608	3,177	1,124	1,124

25 Investment Properties

These investment properties were last revalued during the period ended 31 December 2013 by Messrs. Bode Adediji Partnership, a firm of estate surveyors and valuers, using the open market basis of valuation, and their reports were dated 16 March 2013 and 16 December 2013 for Union Homes Savings and Loans Plc and UBN Property Company Limited respectively. As at 31 December 2014, the Directors are of the opinion that there were no material fluctuations in the value of the Bank's investment properties since the last valuation.

	Group Mar.2016 ₦ million	Group Dec.2015 ₦ million	Bank Mar.2016 ₦ million	Bank Dec.2015 ₦ million
Balance, beginning of the year	4,546	-	-	-
Additions	-	-	-	-
Disposal	(35)	-	-	-
Reclassification	-	4,546	-	-
	4,511	4,546	-	-
Impairment allowance	-	-	-	-
Balance, end of the period	4,511	4,546	-	-

26 Investment in subsidiaries

Cost

	Bank Mar.2016 ₦ million	Bank Dec.2015 ₦ million
UBN Property Company Limited	2,195	2,195
Union Bank UK Plc	8,372	8,372
	10,567	10,567

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

Company Name	Country Incorporation	Nature of business	period end	Direct ownership interest	
				Mar.2016 Status/%	Dec.2015 Status/%
UBN Property Company Limited (ii)	Nigeria	Property Development	31 January	39	39
Union Bank UK Plc (iii)	Nigeria	Licensed UK Bank	31 January	100	100
Atlantic Nominees Limited (iv)	Nigeria	Real Estate	31 January	100	100

- (i) **UBN Property Company Limited (Registered office at 36, Marina, Lagos)**
The Company has 5,626,416,051 ordinary shares of N1.00 each of which 39.01% (December 2014 - 39.01%) is held by the Bank. In line with IFRS 10- Consolidated Financial Statement, Union Bank of Nigeria Plc has control over this entity as it has the power, exposure to variability of returns and a strong link between power and variability of returns. The Bank also governs the financial and operating policies of UBN Property Company Limited.
- (ii) **Union Bank UK Plc (Registered office at 14-18 Cophthal 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 December, 2004 as an authorised United Kingdom subsidiary to carry out the business formerly conducted by the London Branch of Union Bank of Nigeria Plc.
- (iii) **Atlantic Nominees Limited**
The Bank holds 49,990 (approx. 100%) out of 50,000 ordinary shares of N1 each. The balance of 10 is held by Union Trustees Limited. The Company is a Special Purpose Vehicle of former Universal Trust Bank Plc, one of the banks acquired by Union Bank in 2005. The Company was incorporated to hold interests in landed properties. The carrying value of the investment in Union Property Company Limited is included in 'assets classified as held for sale' (see Note 37(b)).

(c) Condensed results of consolidated entities

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

Condensed statement of comprehensive income

Statement of Comprehensive income	<i>Group balances</i>	<i>Consolidation entries</i>	<i>Total</i>	<i>Bank</i>	<i>Union Properties</i>	<i>Union Pension</i>	<i>Atlantic Nominees</i>	<i>Union Bank UK</i>
	N million	N million	N million	N million	N million	N million	N million	N million
Operating income	20,676	6	20,670	20,011	40	-	-	619
Net operating income after net impairment loss	19,536	6	19,530	18,879	40	-	-	610
Operating Expenses	(14,741)	(7)	(14,734)	(14,227)	(31)	-	-	(477)
Net impairment loss on financial assets	(1,140)	0	(1,140)	(1,131)	-	-	-	(9)
Share of profit of equity accounted investees	-	-	-	-	-	-	-	-
Profit before income tax	4,795	(0)	4,795	4,653	9	-	-	133
Taxation	(76)	(0)	(76)	(46)	(3)	-	-	(27)
Profit after income tax	4,719	(0)	4,719	4,607	6	-	-	106

Condensed Statement of financial position

	<i>Group balances</i>	<i>Consolidation entries</i>	<i>Total</i>	<i>Bank</i>	<i>Union Properties</i>	<i>Union Pension</i>	<i>Atlantic Nominees</i>	<i>Union Bank UK</i>
	N million	N million	N million	N million	N million	N million	N million	N million
Cash and cash equivalents	142,352	(15,073)	157,425	86,133	4,038	-	-	67,254
Non-pledged trading assets	4,652	-	4,652	4,652	-	-	-	-
Pledged assets	67,378	-	67,378	67,378	-	-	-	-
Derivative financial instrument	1,722	-	1,722	1,722	-	-	-	-
Loans and advances to customers	372,408	-	372,408	358,470	-	-	-	13,938
Investments in equity-accounted investee	24	24	-	-	-	-	-	-
Investment securities	178,496	1	178,495	171,671	-	-	-	6,824
Assets held for sale	397	(325)	722	325	-	-	397	-
Trading properties	2,608	-	2,608	1,124	1,484	-	-	-
Investment properties	4,511	-	4,511	-	4,511	-	-	-
Investment in subsidiaries	-	(10,567)	10,567	10,567	-	-	-	-
Property and equipment	50,341	0	50,341	50,269	7	-	-	65
Intangible assets	3,504	-	3,504	3,102	-	-	-	402
Deferred tax assets	95,882	(1)	95,883	95,875	-	-	-	8
Other assets	162,797	(54)	162,851	162,099	28	434	-	290
Total assets	1,087,072	(25,995)	1,113,067	1,013,387	10,068	434	397	88,781
Financed by:								
Derivative financial instruments	-	-	-	-	-	-	-	-
Deposits from banks	50,634	(0)	50,634	7,642	-	-	-	42,992
Deposits from customers	602,666	(15,073)	617,739	587,236	-	-	-	30,503
Liability on investment contract	-	-	-	-	-	-	-	-
Liability on insurance contract	-	-	-	-	-	-	-	-
Current tax liabilities	579	-	579	276	274	-	-	29
Other liabilities	110,954	(39)	110,993	109,413	1,027	-	-	553
Retirement benefit obligations	3,921	-	3,921	3,889	32	-	-	-
Other borrowed funds	75,309	-	75,309	75,309	-	-	-	-
Liabilities classified as held for sale	-	-	-	-	-	-	-	-
Equity and reserves	243,009	(10,883)	253,891	229,622	8,735	434	397	14,703
Total liabilities	1,087,072	(25,995)	1,113,066	1,013,387	10,068	434	397	88,781

(b) Condensed results of consolidated entities

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

Condensed statement of comprehensive income

Statement of Comprehensive income	<i>Group balances</i>	<i>Consolidation entries</i>	<i>Total</i>	<i>Bank</i>	<i>UBN Property Company Ltd</i>	<i>Union Pension</i>	<i>Union Bank UK</i>
	N million	N million	N million	N million	N million	N million	N million
Operating income	81,850	(3,946)	85,796	83,269	448	-	2,079
Net operating income after net impairment loss	72,606	(4,013)	76,619	74,092	448	-	2,079
Operating Expenses	(58,164)	23	(58,187)	(55,952)	(343)	-	(1,892)
Net impairment loss on financial assets	(9,244)	(67)	(9,177)	(9,177)	-	-	-
Share of profit of equity accounted investees	-	-	-	-	-	-	-
Profit before income tax	14,442	(3,990)	18,432	18,140	105	-	187
Taxation	(552)	(1)	(551)	(420)	(107)	-	(25)
Profit after income tax	13,890	(3,990)	17,880	17,720	(2)	-	162

Condensed Statement of financial position

	<i>Group balances</i>	<i>Consolidation entries</i>	<i>Total</i>	<i>Bank</i>	<i>UBN Property Company Ltd</i>	<i>Union Pension</i>	<i>Union Bank UK</i>
	N million	N million	N million	N million	N million	N million	N million
Cash and cash equivalents	82,252	(10,917)	93,169	54,451	3,264	-	35,454
Pledged assets	84,728	-	84,728	84,728	-	-	-
Derivative financial instrument	1,820	-	1,820	1,820	-	-	-
Loans and advances to customers	366,720	-	366,720	348,983	-	-	17,737
Investments in equity-accounted investee	24	24	-	-	-	-	-
Investment securities	215,137	-	215,137	209,223	-	-	5,914
Assets held for sale	397	72	325	325	-	-	-
Trading properties	3,177	-	3,177	1,124	2,053	-	-
Investment properties	4,546	-	4,546	-	4,546	-	-
Investment in subsidiaries	-	(10,567)	10,567	10,567	-	-	-
Property and equipment	49,771	-	49,771	49,692	10	-	69
Intangible assets	3,749	-	3,749	3,318	-	-	431
Deferred tax assets	95,883	-	95,883	95,874	-	-	9
Other assets	138,686	(95)	138,781	138,031	28	434	289
Total assets	1,046,891	(21,484)	1,068,375	998,136	9,901	434	59,903
Financed by:							
Derivative financial instruments	-	-	-	-	-	-	-
Deposits from banks	44,091	-	44,091	11,800	-	-	32,291
Deposits from customers	570,638	(10,920)	581,558	569,116	-	-	12,442
Liability on investment contract	-	-	-	-	-	-	-
Liability on insurance contract	-	-	-	-	-	-	-
Current tax liabilities	382	-	382	229	163	-	(10)
Other liabilities	107,533	(80)	107,613	106,035	972	-	605
Retirement benefit obligations	4,267	-	4,267	4,230	37	-	-
Other borrowed funds	76,059	-	76,059	76,059	-	-	-
Liabilities classified as held for sale	-	-	-	-	-	-	-
Equity and reserves	243,921	(10,484)	254,405	230,668	8,730	434	14,574
Total liabilities	1,046,891	(21,485)	1,068,376	998,137	9,902	434	59,903

27 Property and equipment

(a) **Group:**

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

	Leasehold land and buildings	Fixtures and fittings	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, 2016	48,647	3,052	15,665	3,230	2,181	72,775
Exchange difference	(1)	-	(4)	-	-	(5)
Additions	368	18	789	-	340	1,515
Disposals	(139)	(19)	(342)	(14)	-	(514)
Reclassification to other assets	368	(18)	(99)	(8)	(200)	43
Transfers	-	-	-	-	-	-
Balance as at 31 March 2016	<u>49,243</u>	<u>3,032</u>	<u>16,009</u>	<u>3,208</u>	<u>2,321</u>	<u>73,813</u>
Balance at 1st January, 2015	48,834	2,613	14,145	3,755	1,361	70,708
Exchange difference	14	-	13	1	-	28
Additions	2,032	508	3,272	45	820	6,677
Disposals	(2,233)	(69)	(1,790)	(596)	-	(4,688)
Reclassification from discontinued operations	-	-	25	25	-	50
Balance as at 31 December 2015	<u>48,647</u>	<u>3,052</u>	<u>15,665</u>	<u>3,230</u>	<u>2,181</u>	<u>72,775</u>
Depreciation and impairment losses						
Balance at 1st January 2016	10,211	1,167	8,379	3,087	159	23,003
Exchange difference	(1)	-	(2)	-	-	(3)
Charge for the period	228	70	649	26	-	973
Disposals	(130)	(7)	(337)	(14)	-	(488)
Write-off/Adj	200	-	-	-	-	200
Reclassifications	149	-	(199)	(3)	(159)	(212)
Balance as at 31 March 2016	<u>10,657</u>	<u>1,229</u>	<u>8,490</u>	<u>3,096</u>	<u>-</u>	<u>23,472</u>
Balance at 1st January, 2015	9,554	965	7,904	3,552	159	22,134
Exchange difference	10	-	8	1	-	19
Charge for the period	955	261	2,200	103	-	3,519
Disposals	(508)	(59)	(1,752)	(591)	-	(2,910)
Write-off/Adj	200	-	-	-	-	200
Reclassification from discontinued operations	-	-	19	21	-	40
Balance as at 31 December 2015	<u>10,211</u>	<u>1,167</u>	<u>8,379</u>	<u>3,087</u>	<u>159</u>	<u>23,003</u>
(iii) Net Book Value						
Balance as at 31 March 2016	<u>38,586</u>	<u>1,803</u>	<u>7,519</u>	<u>112</u>	<u>2,321</u>	<u>50,341</u>
Balance as at 31 December 2015	<u>38,436</u>	<u>1,885</u>	<u>7,286</u>	<u>143</u>	<u>2,022</u>	<u>49,772</u>

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

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

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

(vi) There were no capitalised borrowing costs related to the acquisition of property and equipment during the period (December 2015: nil)

(b) **Bank:**

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

(i) Cost	Leasehold land and buildings	Fixtures and fittings	Furniture & equipment	Motor vehicles	Capital work in progress	Total
	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million
Balance at 1st January 2016	48,437	3,052	15,426	3,186	2,181	72,282
Additions	368	18	789	-	340	1,515
Disposals	(10)	(19)	(259)	(14)	-	(302)
Reclassifications	368	(18)	(101)	(8)	(200)	41
Balance as at 31 March 2016	49,163	3,032	15,855	3,164	2,321	73,535
Balance at 1st January, 2015	48,638	2,613	13,952	3,737	1,361	70,301
Additions	2,032	508	3,264	45	820	6,669
Disposals	(2,233)	(69)	(1,790)	(596)	-	(4,688)
Balance as at 31 December 2015	48,437	3,052	15,426	3,186	2,181	72,282

(ii) Accumulated depreciation	Leasehold land and buildings	Leasehold improvements	Furniture & equipment	Motor vehicles	Capital work in progress	Total
	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million
Balance at 1st January 2016	10,352	1,167	8,022	3,049	-	22,590
Charge for the period	228	70	642	25	-	964
Disposals	(1)	(7)	(252)	(14)	-	(275)
Reclassifications	(200)	-	(7)	(6)	-	(213)
Write-off/Adj	200	-	-	-	-	200
Balance as at 31 March 2016	10,579	1,229	8,405	3,053	-	23,266
Balance as at 1 January 2015	9,724	965	7,594	3,536	-	21,819
Charge for the period	936	261	2,180	103	-	3,480
Disposals	(508)	(59)	-	(591)	-	(1,158)
Impairment loss (See (iv) below)	200	-	(1,752)	-	-	(1,552)
Balance as at 31 December 2015	10,352	1,167	8,022	3,049	-	22,590

(iii) Net Book Value						
Balance as at 31 March 2016	38,584	1,803	7,450	111	2,321	50,269
Balance as at 31 December 2015	38,085	1,885	7,404	137	2,181	49,692

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

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

(vi) There were no capitalised borrowing costs related to the acquisition of property and equipment during the period (December 2015: nil)

28 Intangible assets

	Group Mar.2016 ₦ million	Group Dec.2015 ₦ million	Bank Mar.2016 ₦ million	Bank Dec.2015 ₦ million
Cost				
Balance, beginning of the year	6,395	4,263	5,314	3,401
Additions	(439)	2,078	11	1,913
Transfer from work-in-progress	-	-	-	-
Exchange translation difference	(7)	54	-	-
Balance, end of period	5,956	6,395	5,325	5,314
Amortization and impairment losses				
Balance, beginning of year	2,646	1,841	1,996	1,330
	-	-	-	-
Balance, beginning of the year	2,646	1,841	1,996	1,330
Amortisation for the period	256	772	226	666
Reclassification	1	-	1	-
Exchange translation difference	(2)	33	-	-
Balance, end of period	2,901	2,646	2,223	1,996
Carrying amounts as at period end				
	3,055	3,749	3,102	3,318
Balance as at 1 January	3,749	2,422	3,318	2,071

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

(ii) There were no capitalised borrowing costs related to the acquisition of software during the period (December 2015 : nil)

29 Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Group

31 March 2016

	Assets ₦ million	Liabilities ₦ million	Net ₦ million
Property, equipment, and software	-	6,847	(6,847)
Allowances for loan losses	-	192	(192)
Foreign exchange gains	573	-	573
Tax loss carry forward	100,638	-	100,638
Others	1,711	-	1,711
Net tax assets (liabilities)	102,922	7,039	95,883

31 December 2015

	Assets ₦ million	Liabilities ₦ million	Net ₦ million
Property, equipment, and software	(1)	6,847	(6,848)
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)	102,921	7,039	95,882

Bank

31 March 2016

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

31 December 2015

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

Deferred tax assets and liabilities

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

	Group Mar.2016	Group Dec.2015	Bank Mar.2016	Bank Dec.2015
	N million	N million	N million	N million
Balance, beginning of the year	95,883	95,883	95,875	95,875
Credit for the period	-	-	-	-
Net assets/(liabilities) of discontinued operations	(1)	-	-	-
Net deferred tax assets/(liabilities)	95,882	95,883	95,875	95,875
<i>Made up of</i>				
Deferred tax assets	102,922	102,921	102,914	102,914
Deferred tax liabilities	(7,039)	(7,039)	(7,039)	(7,039)

Recognised and unrecognised deferred tax assets

Recognition of deferred tax assets of N95,883 (December 2015: 95,883) is based on management's profit forecasts (which are based on the available evidence, including historical levels of profitability), which indicate that it is probable that the Group's entities will have taxable profits against which these assets can be utilized.

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

30 Other assets

	Group Mar.2016	Group Dec.2015	Bank Mar.2016	Bank Dec.2015
	N million	N million	N million	N million
Cash Reserve Requirement (see (i))	122,060	102,090	122,060	102,090
Excess CRR balance to be refunded (see (ii))	25,523	25,523	25,523	25,523
Total Cash Reserve Requirement	147,583	127,613	147,583	127,613
Other assets:				
Clearing	619	758	619	758
Accounts receivable and prepayments	2,214	2,430	2,073	2,370
Prepayments	4,121	2,780	3,997	2,618
Sundry assets	14,068	11,302	13,635	10,868
	21,022	17,270	20,324	16,614
Impairment on other assets	(5,808)	(6,197)	(5,808)	(6,197)
Net other assets	15,214	11,073	14,516	10,417
	162,797	138,686	162,099	138,030

- (i) The Bank had restricted balances of N126.314 billion (Dec. 2015: N106.344 billion) with the Central Bank of Nigeria (CBN) as at 29 February 2016, representing the cash reserve requirement (CRR). The CRR is a mandatory cash deposit which should be held with the Central Bank of Nigeria as a regulatory requirement. The CRR is non interest bearing and is not available for use in the Group's day-to-day operations. As at the end of March 2016, the CRRs in force were Public Sector Deposits 22.5% (Dec 2015: 20%) and Private Sector Deposits 22.5% (Dec 2015: 20%). The MPC meeting held on March 21 - 22, 2016 revised CRR to 22.5% for both Public and Private Sector Deposits.

- (ii) Towards the end of 2015, the harmonised CRR rate was reduced from 25% to 20%. The excess CRR funds will only be released to banks to fund approved eligible real sector projects. The amount refundable to the Bank is N25.523 billion (Dec. 2015: N25.523 billion)

31 Deposits from banks

	Group Mar.2016	Group Dec.2015	Bank Mar.2016	Bank Dec.2015
	N million	N million	N million	N million
Money market deposits (See note (i) below)	7,642	11,800	7,642	11,800
Other deposits from banks	42,992	32,291	-	-
	<u>50,634</u>	<u>44,091</u>	<u>7,642</u>	<u>11,800</u>

(i) Money market deposits

LCY inter bank takings	-	-	-	-
FCY inter bank takings	7,642	11,800	7,642	11,800
	<u>7,642</u>	<u>11,800</u>	<u>7,642</u>	<u>11,800</u>

32 Deposits from customers

	Group Mar.2016	Group Dec.2015	Bank Mar.2016	Bank Dec.2015
	N million	N million	N million	N million
Term deposits	220,340	210,006	221,762	208,205
Current deposits	228,221	214,200	211,369	214,478
Savings	154,105	146,433	154,105	146,433
	<u>602,666</u>	<u>570,639</u>	<u>587,236</u>	<u>569,116</u>

33 Current tax liabilities

	Group Mar.2016	Group Dec.2015	Bank Mar.2016	Bank Dec.2015
	N million	N million	N million	N million
Balance, beginning of year	382	822	229	635
Foreign exchange translation difference	-	3	-	-
Reclassification	108	-	-	-
Charge for the period	76	445	46	420
Payments during the period	13	(1,051)	1	(826)
Transfer to assets held for sale	-	163	-	-
Balance, end of period	<u>579</u>	<u>382</u>	<u>276</u>	<u>229</u>

34 Other liabilities

	Group Mar.2016	Group Dec.2015	Bank Mar.2016	Bank Dec.2015
	N million	N million	N million	N million
Deposits for foreign currency	24,681	20,560	24,681	20,560
Due to foreign correspondent banks (See note (a) below)	19,310	30,096	19,310	30,096
PAYE and other statutory deductions	1,187	1,121	1,187	1,121
Draft and Bills payable	8,525	8,279	8,525	8,279
Sundry creditors	922	719	922	720
Creditors and accruals	25,046	23,979	25,046	23,979
Unearned income	332	327	332	327
Provision for claims and contingencies (a)	2,224	2,236	2,224	2,236
Accounts payable	4,549	3,488	4,549	3,486
OBB takings	7,800	-	7,800	-
Provisions for Ex-staff claims	4,629	4,629	4,629	4,629
Insurance premium payable	795	654	795	654
Electronic collections and other e-payment liabilities	2,864	4,221	2,864	4,221
Other credit balances	8,089	7,225	6,548	5,727
	<u>110,954</u>	<u>107,534</u>	<u>109,413</u>	<u>106,035</u>

35 Employee benefit obligations

	Group Mar.2016	Group Dec.2015	Bank Mar.2016	Bank Dec.2015
	N million	N million	N million	N million
Post employment benefit obligation (see (a) below)	3,223	3,566	3,191	3,529
Other long-term employee benefits (see (b) below)	698	701	698	701
	<u>3,921</u>	<u>4,267</u>	<u>3,889</u>	<u>4,230</u>

(a) Post employment benefit obligation

	Group Mar.2016	Group Dec.2015	Bank Mar.2016	Bank Dec.2015
	N million	N million	N million	N million
Defined contribution scheme (see (a) below)	151	152	151	152
Defined benefit obligation (See (ii) below)	3,072	3,414	3,040	3,377
	<u>3,223</u>	<u>3,566</u>	<u>3,191</u>	<u>3,529</u>

(i) Defined Contribution Scheme

	Group Mar.2016	Group Dec.2015	Bank Mar.2016	Bank Dec.2015
	N million	N million	N million	N million
Balance, beginning of year	152	131	152	131
Charge during the period	154	644	154	644
Contribution remitted during the period	(155)	(623)	(155)	(623)
Balance, end of period	<u>151</u>	<u>152</u>	<u>151</u>	<u>152</u>

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

(ii) Defined benefit obligation

The Group also has a Legacy defined benefits pension scheme for its staff, prior to passage of the Pension Reform Act. Under the scheme, terminal benefits were determined with reference to the employees' salaries upon disengagement. The Group has successfully transferred all such benefits to the Retirement Savings Accounts (RSA) of the affected employees and is being funded by a plan asset. Obligations to affected employees is being actuarially determined annually to determine if the plan assets are adequate to cover the obligations. Funds are transferred to the Pension Fund Administrators of employees where the plan asset is determined to be inadequate.

The Bank has reclassified from other liabilities to employee benefit obligations, the balance of N6.680billion (1 January 2014: N12.602billion) relating to the net liabilities on post employment defined benefit obligation in respect of pre-2006 employees of the Bank. This has now been accounted for and disclosed in line with IAS 19 - Employee Benefits. In prior years, the balance was inadvertently misclassified as part of other liabilities. This has now been corrected by restating the affected financial statement line items for prior years.

(b) Other long-term employee benefits

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

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

- (i) Less than 5 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.

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

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

Nig

	Group Mar.2016	Group Dec.2015	Bank Mar.2016	Bank Dec.2015
	N million	N million	N million	N million
Present value of unfunded obligation	698	701	698	701
Present value of funded obligation	-	-	-	-
Total present value of the obligation	698	701	698	701
Fair value of plan assets	-	-	-	-
Present value of net obligation	<u>698</u>	<u>701</u>	<u>698</u>	<u>701</u>
Recognized liability for defined benefit obligations	<u>698</u>	<u>701</u>	<u>698</u>	<u>701</u>

36 Other borrowed funds

	Group Mar.2016 N million	Group Dec.2015 N million	Bank Mar.2016 N million	Bank Dec.2015 N million
Due to CAC (see (a))	10,226	10,938	10,226	10,938
BOI on-lending facilities (see note (b) below)	7,537	7,840	7,537	7,840
Other borrowings (see (c))	57,546	57,281	57,546	57,281
	75,309	76,059	75,309	76,059

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

(b) This represents the outstanding balance of an intervention credit granted to the Bank by the Bank of Industry (BOI), a company incorporated in Nigeria for the purpose of refinancing / or restructuring existing loans to Small and Medium Scale Enterprises (SMEs) and manufacturing companies. The total facility is secured by Federal Government of Nigeria securities worth N18.4 billion (Dec. 2015: N18.4 billion) and has a 15-year tenor and repayable quarterly.

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

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

	Bank Mar.2016 N million	Bank Dec.2015 N million
Standard Chartered Bank	16,331	25,204
Afreximbank	19,957	20,073
Ecobank EBISA	1,708	1,000
Skye Enterprises	4,998	-
Diamond Bank (UK) Ltd	-	1,403
Mashreq Bank	5,638	5,608
Union Bank, UK	990	-
African Finance Corporation	7,924	-
UBA New York	-	3,993
	57,546	57,281

37 Discontinued operations

(a) Profit for the period from discontinued operations

Profit for the period from discontinued operations represents the operating results of subsidiaries held for sale in line with the Bank's Regulation 3 compliance plan to divest from non-banking subsidiaries. Included in discontinued operations are the results and balances of Union Trustees Limited, Atlantic Nominees Limited and Union Properties Limited.

The profit for the period from discontinued operations comprises:

	Group Mar.2016 ₦ million	Group Mar.2015 ₦ million
Gross income	-	142
Gross expense	-	(36)
Interest Income	-	77
Interest Expense	-	-
Net interest income	-	77
Recoveries on credit losses	-	-
Net interest income after impairment charge for credit losses	-	77
Net fee and commission income	-	64
Net trading income	-	-
Other operating income	-	1
Underwriting profit	-	-
Total operating income	-	65
Total non-interest income	-	65
Operating Income	-	142
Net impairment loss on financial assets	-	(8)
Net operating income after net impairment loss on other financial assets	-	134
Personnel expenses	-	(15)
Depreciation and amortization	-	-
Other operating expenses	-	(13)
Share of profit of equity accounted investee	-	-
Loss before tax from discontinued operations	-	106
Income tax expense	-	(9)
Loss from discontinued operations (net of tax)	-	97

(b) Assets classified as held for sale

	Group Mar.2016 ₦ million	Group Dec.2015 ₦ million	Bank Mar.2016 ₦ million	Bank Dec.2015 ₦ million
Cash and cash equivalents	-	-	-	-
Investments in subsidiaries	-	-	325	325
Investment properties	188	188	-	-
Other assets	209	209	-	-
	397	397	325	325

DISCONTINUED OPERATIONS

Statements of Financial Position

Condensed statement of financial position for discontinued operations

<i>Statement of financial position</i>	<i>Union properties</i>	<i>Atlantic Nominee</i>	<i>Intragroup adj</i>	<i>Total</i>
	N million	N million	N million	N million
ASSETS				
Investment properties		188	-	188
Other assets		209	-	209
TOTAL ASSETS	-	397	-	397
LIABILITIES	-	-	-	-
TOTAL LIABILITIES	-	-	-	-

38 Capital and reserves

Share capital	Group Mar.2016	Group Dec.2015	Bank Mar.2016	Bank Dec.2015
	N million	N million	N million	N million
(a) Authorised : 19,023,125,000 Ordinary shares of 50 kobo each	9,512	9,512	9,512	9,512
(b) Issued and fully paid - 16,935,806,472 Ordinary shares of 50kobo each	8,468	8,468	8,468	8,468
	Group Mar.2016	Group Dec.2015	Bank Mar.2016	Bank Dec.2015
	N million	N million	N million	N million
Balance, beginning of year	8,468	8,468	8,468	8,468
Balance, end of period	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 Mar.2016	Group Dec.2015	Bank Mar.2016	Bank Dec.2015
	N million	N million	N million	N million
Balance, beginning of year	391,641	391,641	391,641	391,641
Balance, end of period	391,641	391,641	391,641	391,641
Share capital and share premium	400,109	400,109	400,109	400,109
(d) Other reserves				
The other reserves includes Statutory reserves, Fair value reserve, Regulatory risk reserves, Small and Medium Scale Industries Reserve (SMEEIS) and Capital reserve.				
	Group Mar.2016	Group Dec.2015	Bank Mar.2016	Bank Dec.2015
	N million	N million	N million	N million
Statutory reserves	22,754	22,062	22,754	22,062
Fair value reserve	28,032	33,050	27,175	32,240
Regulatory risk reserve	26,859	23,876	26,859	23,876
Translation reserve	4,409	4,431	1,895	1,895
Excess clawback reserves	(14,918)	(14,918)	(14,918)	(14,918)
SMEEIES reserve	6,774	6,774	6,774	6,774
Capital reserve	5,489	5,589	5,489	5,489
Other reserves	2,513	2,513	2,513	2,513
	81,911	83,377	78,541	79,931

(i) Statutory reserves

Nigerian banking regulations require the Bank to make an annual appropriation to a statutory reserve. As stipulated by S.16(1) of the Banks and Other Financial Institution Act of Nigeria, an appropriation of 30% of profit after tax is made if the statutory reserve is less than paid-up share capital and 15% of profit after tax if the statutory reserve is greater than the paid up share capital. The Bank made a transfer of N636mn to statutory reserves during the period ended 31 March 2016 (2015 N736mn).

(ii) Fair value reserve

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

(iii) Regulatory risk reserve

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

(iv) Other reserves

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

(v) Small and Medium Scale Industries Reserve (SMEEIS):

The SMEEIS reserve is maintained to comply with the Central Bank of Nigeria (CBN) requirement that all licensed banks set aside a portion of the profit after tax in a fund to be used to finance equity investment in qualifying small and medium scale enterprises. Under the terms of the guideline (amended by CBN letter dated 11 July 2006), the contribution was 10% of profit after tax for the first 5 periods, and thereafter reduced to 5% of profit after tax. However, this is no longer mandatory and therefore no reserve was made during the period ended 31 Jan 2016. The reserve is non-distributable.

(vi) Translation reserve

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

(vii) Excess Capital Clawback

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

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

(e) Retained deficit

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

39 Non-controlling Interest

<i>Movement in the non controlling interest</i>	Group Mar.2016	Group Dec.2015
	N million	N million
Balance, beginning of year	5,337	5,338
Profit/(loss) for the period	4	(1)
Increase/(diminution) in non controlling interest	-	-
Balance, end of period	5,341	5,337