



Union Bank of Nigeria Plc

HALF YEAR INTERIM REPORT

30 June 2016

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

For the period ended 30 June 2016

	Notes	Group		Bank	
		June 2016	June 2015	June 2016	June 2015
		₦ million	₦ million	₦ million	₦ million
Gross earnings		60,069	55,389	58,996	57,071
Continuing Operations:					
Interest income	9	44,344	42,690	43,339	41,908
Interest expense	9	(13,397)	(16,421)	(13,370)	(16,635)
Net interest income		30,947	26,269	29,969	25,273
Net impairment charge for credit losses	13(a)	(8,780)	(2,973)	(8,733)	(2,971)
Net interest income after impairment charge for credit losses		22,167	23,296	21,236	22,302
Net fee and commission income	10	6,262	3,767	5,959	3,517
Net trading income	11	3,289	2,886	3,191	2,824
Cash recoveries		724	787	724	787
Gain on sale of subsidiaries		318	(511)	752	3,412
Other operating income	12	5,132	5,628	5,031	4,623
Non interest income		15,725	12,556	15,657	15,163
Operating income		37,892	35,853	36,893	37,465
Net impairment write-back/(loss) on other financial assets	13(b)	165	-	165	-
Net operating income after net impairment write-back/(loss) on other financial assets		38,057	35,853	37,058	37,465
Personnel expenses	14	(14,920)	(14,705)	(14,197)	(14,040)
Depreciation and amortisation		(2,494)	(2,020)	(2,412)	(1,941)
Other operating expenses	15	(11,718)	(12,620)	(11,397)	(11,331)
Total expenses		(29,132)	(29,345)	(28,006)	(27,312)
Profit before income tax from continuing operations		8,925	6,507	9,052	10,153
Income tax expense from continuing operations	16	(164)	(147)	(90)	(74)
Profit for the period from continuing operations		8,761	6,361	8,962	10,079
Discontinued operations					
Gross income from discontinued operations	38	-	142	-	-
Gross expense from discontinued operations	38	-	(36)	-	-
Profit/Loss before tax from discontinued operations	38	-	106	-	-
Income tax expense from discontinued operations	38	-	(9)	-	-
Profit/Loss for the period from discontinued operations	38	-	97	-	-
Continuing and discontinued operations:					
Profit before tax		8,925	6,613	9,052	10,153
Income tax		(164)	(156)	(90)	(74)
Profit after tax		8,761	6,458	8,962	10,079
Other comprehensive income, net of income tax					
Items that are or may be reclassified to profit or loss					
Foreign currency translation differences for foreign operations		6,241	845	-	-
Fair value gains/(losses) on available-for-sale investments		(6,025)	(294)	(6,128)	(226)
Other comprehensive income for the period		216	551	(6,128)	(226)
Total comprehensive income for the period		8,977	7,009	2,834	9,853

		Group		Bank	
	Notes	June 2016	June 2015	June 2016	June 2015
		₦ million	₦ million	₦ million	₦ million
Profit attributable to:					
Equity holders of the Bank		8,723	6,403	8,962	10,079
Non-controlling interest		38	55	-	-
Profit for the period		8,761	6,458	8,962	10,079
Total comprehensive income attributable to:					
Equity holders of the Bank		8,939	6,954	2,834	9,853
Non-controlling interest		38	55	-	-
Total comprehensive income for the period		8,977	7,009	2,834	9,853
Earnings per share for profit from total operations attributable to equity holders of Bank					
Basic and diluted (Kobo)	17	52	38	53	60
Earnings per share for profit from continuing operations attributable to equity holders of bank					
Basic and diluted (Kobo)	17	52	37	53	60

Union Bank of Nigeria Plc and Subsidiary Companies
Consolidated financial statements for the year ended 30 June 2016

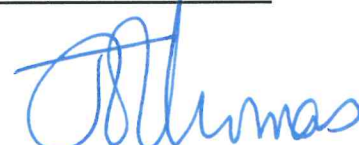
Separate and Consolidated Statements of Financial Position

	Notes	Group Jun.2016 N million	Group Dec.2015 N million	Bank Jun.2016 N million	Bank Dec.2015 N million
ASSETS					
Cash and cash equivalents	18	107,868	82,252	42,852	54,451
Non-pledged trading assets	19	13,256	-	13,256	-
Pledged assets	20	61,452	84,728	61,452	84,728
Derivative assets held for risk management	21	-	1,820	-	1,820
Loans and advances to customers	22	475,942	366,721	453,442	348,984
Investments in equity accounted investee	23	24	24	-	-
Investment securities	24	169,206	215,137	160,305	209,223
Trading properties	25	2,462	3,177	1,124	1,124
Investment properties	26	4,557	4,546	-	-
Investment in subsidiaries	27	-	-	10,567	10,567
Property and equipment	28	49,745	49,772	49,657	49,692
Intangible assets	29	3,673	3,749	3,132	3,318
Deferred tax assets	30	95,883	95,883	95,875	95,875
Other assets	31	167,710	138,686	167,185	138,030
		1,151,778	1,046,495	1,058,847	997,812
Assets classified as held for sale	38(b)	397	397	325	325
TOTAL ASSETS		1,152,175	1,046,892	1,059,172	998,137
LIABILITIES					
Derivative liabilities held for risk management	21	697	-	697	-
Deposits from banks	32	67,753	44,091	3,702	11,800
Deposits from customers	33	611,914	570,639	604,547	569,116
Current tax liabilities	34	333	382	99	229
Other liabilities	35	123,332	107,533	121,407	106,035
Retirement benefit obligations	36	3,662	4,267	3,633	4,230
Other borrowed funds	37	91,586	76,059	91,586	76,059
TOTAL LIABILITIES		899,277	802,971	825,671	767,469
EQUITY					
Share capital and share premium	39	400,109	400,109	400,109	400,109
Retained deficit		(241,727)	(244,902)	(246,059)	(249,372)
Other reserves		89,141	83,377	79,451	79,931
EQUITY ATTRIBUTABLE TO EQUITY - HOLDERS OF THE BANK		247,523	238,584	233,501	230,668
Non-controlling interest	40	5,375	5,337	-	-
TOTAL EQUITY		252,898	243,921	233,501	230,668
TOTAL LIABILITIES AND EQUITY		1,152,175	1,046,892	1,059,172	998,137

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



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



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

Consolidated and Separate Statements of Changes in Equity
For the period ended 30 June 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	-	-	1,344	-	-	-	-	7,379	8,723	38	8,761
Other comprehensive income, net of tax											
Foreign currency translation difference	-	-	-	-	-	-	6,241	-	6,241	-	6,241
investment	-	-	-	-	(6,025)	-	-	-	(6,025)	-	(6,025)
Appropriation:											
Transfer from regulatory reserves	-	-	-	-	-	3,744	-	(3,744)	-	-	-
Transfer from other reserves	-	-	-	-	560	-	(100)	(460)	-	-	-
Total comprehensive income for the period	-	-	1,344	-	(5,465)	3,744	6,141	3,175	8,939	38	8,977
Balance at 30 June 2016	8,468	391,641	23,406	-	27,585	27,620	10,530	(241,727)	247,523	5,375	252,898

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 30 June 2016

Bank	Share capital	Share premium	Statutory reserve	Treasury shares	Fair value reserves	Regulatory risk reserves	Other reserves	Retained deficit	Total
	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ 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	-	-	1,344	-	-	-	-	7,618	8,962
Other comprehensive income									
Fair value gains/(loss) on available-for-sale investment	-	-	-	-	(6,128)	-	-	-	(6,128)
Transfer between reserves	-	-	-	-	560	3,744	-	(4,305)	(1.00)
Total comprehensive income for the period	-	-	1,344	-	(5,568)	3,744	-	3,313	2,833
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners									
Total contribution and distributions to owners	-	-	-	-	-	-	-	-	-
Balance at 30 June 2016	8,468	391,641	23,406	-	26,672.0	27,620.0	1,753	(246,059)	233,501

December 2015

	Share capital	Share premium	Statutory reserve	Treasury shares	Fair value reserves	Regulatory risk reserves	Other reserves	Retained earnings	Total
	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ 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

Consolidated Separate Statements of Cash Flows

For the period ended 30 June 2016

	Notes	Group Jun.2016 ₦ million	Group Dec.2015 ₦ million	Bank Jun.2016 ₦ million	Bank Dec.2015 ₦ million
Cash flows from operating activities					
Profit for the year		8,761	13,987	8,962	17,721
Income tax expense	16	164	561	90	420
Profit before tax		8,925	14,548	9,052	18,141
<i>Adjustments for:</i>					
Impairment losses on loans and advances	13(a)	10,442	15,072	10,395	15,005
Recoveries on loans and advances	13(a)	(1,662)	(5,124)	(1,662)	(5,124)
Impairment on property and equipment			200		200
Allowances on other assets	13(b)	-	2,097	-	2,097
Gain on sale of property and equipment	12	(379)	(1,660)	(379)	(1,660)
Gain on disposal of available for sale - unquoted equity	25	-	(193)	-	(193)
Gain on sale of trading properties	12	-	(728)	-	(728)
Gain on sale of subsidiaries	12	-	332	-	(3,591)
Depreciation of property and equipment		1,966	3,509	1,949	3,480
Amortisation of intangible assets		462	772	397	666
Revaluation gain on investment properties	26	-	-	-	-
Recoveries on investment properties		-	-	-	-
Dividend income from equity investment	12	(382)	(686)	(382)	(686)
Interest paid on borrowings	9	3,606	8,683	3,606	8,683
Contributions to defined contribution plans		311	644	311	644
Increase/ (decrease) in liability for defined benefit plans		53	4,347	53	4,310
		23,342	41,813	23,340	41,244
Change in non-pledged trading assets		(13,256)	745	(13,256)	745
Change in pledged assets		23,276	(793)	23,276	(793)
Change in derivative financial instruments-assets		1,820	(7)	1,820	-
Change in loans and advances to customers		(118,001)	(63,872)	(113,191)	(56,493)
Change in other assets		(29,024)	(18,236)	(29,155)	(18,317)
Change in derivative financial instruments-liabilities		697	(1,813)	697	(1,820)
Change in deposits from banks		23,662	(17,799)	(8,098)	(6,255)
Change in deposits from customers		41,275	43,022	35,431	61,685
Change in other liabilities		15,967	3,953	15,371	2,854
		(30,242)	(12,987)	(63,765)	22,850
Income tax paid		(344)	(1,004)	(220)	(826)
Payment from defined contribution plan		(314)	(623)	(314)	(623)
Payment from defined benefit plan		(694)	(7,626)	(686)	(7,626)
Retirement benefit provisions		39	-	39	-
Net cash provided/(used in) by operating activities		(31,555)	(22,240)	(64,946)	13,776
Cash flows from investing activities					
Acquisition of investment properties		(11)	(4,546)	-	-
Acquisition of trading properties		-	(2,053)	-	-
Proceeds from sale of unquoted equities			212		212
Proceeds from sale of trading properties		715	1,536	-	1,534
Proceeds from sale of property and equipment		969	3,438	1,063	3,438
Proceed from disposal of subsidiaries		-	12,350	-	3,596
Acquisition of property and equipment		(2,529)	(6,677)	(2,528)	(6,669)
Acquisition of intangible assets		(120)	(2,078)	(281)	(1,913)
Investment securities		39,906	(10,532)	42,790	(7,907)
Dividend income received		382	686	382	686
Net cash used in investing activities		39,312	(7,664)	41,426	(7,022)

Cash flows from financing activities

Repayment of borrowings	15,527	(2,076)	15,527	(2,076)
Interest paid on borrowings	(3,606)	(8,683)	(3,606)	(8,683)
Net cash from financing activities	11,921	(10,759)	11,921	(10,759)
Net increase/(decrease) in cash and cash equivalents	19,678	(40,663)	(11,599)	(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	5,938	955	-	-
Cash and cash equivalents at end of period	107,868	82,252	42,852	54,451

9 Net interest income

	Group June 2016 N million	Group June 2015 N million	Bank June 2016 N million	Bank June 2015 N million
Interest income				
Cash and cash equivalents	1,428	330	1,186	330
Loans and advances to customers	30,451	28,458	29,877	27,916
Investment securities	12,465	13,902	12,276	13,662
Total interest income	44,344	42,690	43,339	41,908
Interest expense				
Deposits from customers	9,791	7,896	9,764	8,110
Other borrowed funds	3,606	8,525	3,606	8,525
Total interest expense	13,397	16,421	13,370	16,635
Net interest income	30,947	26,269	29,969	25,273

10 Net Fees and commission income

	Group June 2016 N million	Group June 2015 N million	Bank June 2016 N million	Bank June 2015 N million
Credit Related fees and commissions income	3,287	1,961	3,247	1,961
Commission on turnover	-	655	-	655
Account Maintenance Fee	597	-	597	-
E-business fee income (See note (a))	1,695	180	1,695	180
Commission on LCs, Invisible Trades and Guarantees	420	721	420	721
Other fees and commission	263	250	-	-
	6,262	3,767	5,959	3,517

(a) E-business fee income/charge

	Group June 2016 N million	Group June 2015 N million	Bank June 2016 N million	Bank June 2015 N million
ATM on-us	386	135	386	135
POS	(14)	9	(14)	9
E-card maintenance	1,323	36	1,323	36
	1,695	180	1,695	180

11 Net trading income/(loss)

	Group June 2016 N million	Group June 2015 N million	Bank June 2016 N million	Bank June 2015 N million
Gain on disposal of fixed income securities	3,400	773	3,400	773
Mark to market gains on fixed income securities	105	242	105	242
Foreign exchange gain on trading	(216)	1,871	(314)	1,809
	3,289	2,886	3,191	2,824

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 June 2016 N million	Group June 2015 N million	Bank June 2016 N million	Bank June 2015 N million
Dividends	382	662	382	662
Gains on disposal of property and equipment	379	768	379	768
Foreign exchange revaluation gain	3,911	1,235	3,911	1,235
Rental income	71	174	71	174
Exceptional provision no longer required	-	-	-	-
Sundry income	389	2,789	288	1,784
	5,132	5,628	5,031	4,623

13 Net Impairment loss on financial assets

(a) Net impairment charge for credit losses

	Group June 2016 N million	Group June 2015 N million	Group June 2016 N million	Group June 2015 N million
Net impairment charge for credit losses:				
-specific impairment	3,980	2,290	3,933	2,288
-portfolio impairment	6,462	683	6,462	683
Total impairment charge on loans and advances	10,442	2,973	10,395	2,971
Reversal of impairment	(1,662)	-	(1,662)	-
	8,780	2,973	8,733	2,971

(b) Net impairment loss on other financial assets:

Allowance no longer required on other assets	(165)	-	(165)	-
	(165)	-	(165)	-
Total net impairment loss on financial assets	8,615	2,973	8,568	2,971

14 Personnel expenses

	Group June 2016 N million	Group June 2015 N million	Bank June 2016 N million	Bank June 2015 N million
Wages and salaries	14,556	14,334	13,833	13,669
Contributions to defined contribution plans	311	331	311	331
Increase in liability for defined benefit plans	53	40	53	40
	14,920	14,705	14,197	14,040

15 Other operating expenses

	Group June 2016 N million	Group June 2015 N million	Bank June 2016 N million	Bank June 2015 N million
Auditors' remuneration	100	60	100	60
NDIC Premium	1,325	1,175	1,325	1,175
Rents and Rates	501	459	501	459
Accommodation and travels	408	453	386	436
Fleet management and vehicle related expenses	333	366	333	366
Repair and Maintenance	199	400	116	328
Transformation Expense	-	277	-	277
Professional fees	614	1,098	559	1,063
Advertising and Promotion expenses	512	288	512	288
Security expense	511	615	511	615
Expenses on software	1,394	638	1,394	638
Donations and Subscriptions	91	115	91	115
General administrative expenses (see note (a) below)	3,096	4,219	2,935	3,054
Insurance	148	155	148	155
AMCON surcharge	2,486	2,302	2,486	2,302
	11,718	12,620	11,397	11,331

(a) General administrative expenses

	Group June 2016 N million	Group June 2015 N million	Bank June 2016 N million	Bank June 2015 N million
Office cleaning	140	135	140	135
Cash movement expense	528	556	528	556
Entertainment	13	32	13	32
Directors fees and allowances	171	195	171	195
Diesel and power	741	762	741	762
Stationery, printing, postage and telephone	221	364	221	364
Sports promotion	19	19	19	19
Penalties	27	22	27	22
Restitution and other charges	305	265	305	265
Group restructuring expenses	291	-	291	-
Other expenses	639	1,869	478	704
	3,096	4,219	2,935	3,054

16 Income tax expense

(a) Recognised in the profit or loss

	Group June 2016 N million	Group June 2015 N million	Bank June 2016 N million	Bank June 2015 N million
Current tax expense				
Capital Gains tax	41	-	41	-
NITDA Levy	80	147	49	74
Total income tax expense	164	147	90	74

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 June 2016	Group June 2015	Bank June 2016	Bank June 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 June 2016	Group June 2015	Bank June 2016	Bank June 2015
Profit/(Loss) for the period attributable to equity holders	8,723	6,403	8,962	10,079
Basic earnings/(loss) per share (in kobo)	52	38	53	60
Profit from continuing operations attributable to equity holders of bank	8,761	6,361	8,962	10,079
Basic earnings/(loss) per share (in kobo)	52	38	53	60

(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 Jun.2016 N million	Group Dec.2015 N million	Bank Jun.2016 N million	Bank Dec.2015 N million
Cash and balances with banks	16,585	34,189	9,438	32,762
Unrestricted balances with central bank	16,285	14,185	16,285	14,185
Money market placements	74,998	33,878	17,129	7,504
	107,868	82,252	42,852	54,451

19 Non-pledged Assets (Held for trading)

	Group Jun.2016 N million	Group Dec.2015 N million	Bank Jun.2016 N million	Bank Dec.2015 N million
Government bonds	4,727	-	4,727	-
Treasury bills	8,529	-	8,529	-
	13,256	-	13,256	-

20 Pledged assets

Financial assets that may be repledged or resold by counterparties

	Group Jun.2016 N million	Group Dec.2015 N million	Bank Jun.2016 N million	Bank Dec.2015 N million
Treasury bills	3,208	14,620	3,208	14,620
Bonds	53,717	65,913	53,717	65,913
Placement	4,527	4,195	4,527	4,195
	61,452	84,728	61,452	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

	Jun.2016		Dec.2015	
	Assets N million	Liabilities N million	Assets N million	Liabilities N million
Instrument Type:				
Foreign exchange swaps	-	697	1,820	-
	-	697	1,820	-

Bank

	Jun.2016		Dec.2015	
	Assets N million	Liabilities N million	Assets N million	Liabilities N million
Instrument Type:				
Foreign exchange swaps	-	697	1,820	-
	-	697	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.

22 Loans and advances to customers at amortised cost

	Group Jun.2016 N million	Group Dec.2015 N million	Bank Jun.2016 N million	Bank Dec.2015 N million
Gross amount	514,532	388,794	491,901	370,949
Specific impairment	(21,597)	(11,565)	(21,597)	(11,565)
Portfolio impairment	(16,993)	(10,508)	(16,862)	(10,400)
Total impairment	(38,590)	(22,073)	(38,459)	(21,965)
Carrying amount	475,942	366,721	453,442	348,984

23 Investment in equity accounted investee

	Group Jun.2016 N million	Group Dec.2015 N million	Bank Jun.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	-	-

24 Investment securities

	Group Jun.2016 N million	Group Dec.2015 N million	Bank Jun.2016 N million	Bank Dec.2015 N million
<i>Available-for-sale investment securities comprise:</i>				
Treasury bills	31,328	57,257	24,683	52,843
Equity: Quoted	2,122	2,195	2,122	2,195
Unquoted	21,458	21,371	21,458	21,371
Bonds	14,252	41,480	11,996	39,980
	69,160	122,303	60,259	116,389
Less: specific impairment allowance	(5,256)	(4,058)	(5,256)	(4,058)
	63,904	118,245	55,003	112,331

Quoted	Group Jun.2016 N million	Group Dec.2015 N million	Bank Jun.2016 N million	Bank Dec.2015 N million
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24a Investment in REIT	2,122	2,195	2,122	2,195
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24b Unquoted

AFC	15,812	15,844	15,812	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	423	305	423	305
Nig Superswitch Infrastructure	10	10	10	10
Banque de Benin	1,152	1,152	1,152	1,152
AIB Cotonu	122	122	122	122
Investment in SMEEs	3,718	3,718	3,718	3,718
	21,457	21,371	21,457	21,371

Total	23,579	23,566	23,579	23,566
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Less: specific impairment allowance	(5,256)	(4,058)	(5,256)	(4,058)
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	18,323	19,508	18,323	19,508
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Held to maturity investment securities comprise:

Federal Government of Nigeria -Bonds	59,642	48,273	59,642	48,273
State Government of Nigeria -Bonds	29,043	31,702	29,043	31,702
Corporate Bonds	16,617	16,917	16,617	16,917
	105,302	96,892	105,302	96,892

Investment securities	169,206	215,137	160,305	209,223
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25 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 Jun.2016 N million	Group Dec.2015 N million	Bank Jun.2016 N million	Bank Dec.2015 N million
Balance, beginning of year	3,177	1,930	1,124	1,930
Additions	-	-	-	-
Disposal	(715)	(806)	-	(806)
Reclassification from discontinued operations	-	2,053	-	-
Transfer to assets held for sale	-	-	-	-
Balance, end of period	2,462	3,177	1,124	1,124

26 Investment Properties

These investment properties were last revalued during the year ended 31 December 2013 by Messrs. Bode Adediji Partnership, a firm of estate surveyors and valuers, using the open market basis of valuation, and their reports were dated 16 December 2013 for UBN Property Company Limited respectively. As at 30 June 2016, the Directors are of the opinion that there were no material fluctuations in the value of the Bank's investment properties since the last valuation.

	Group Jun.2016 N million	Group Dec.2015 N million	Bank Jun.2016 N million	Bank Dec.2015 N million
Balance, beginning of the year	4,546	-	-	-
Additions	11	-	-	-
Disposal	-	-	-	-
Reclassification from assets held for sale	-	4,546	-	-
	4,557	4,546	-	-
Impairment allowance	-	-	-	-
Balance, end of the period	4,557	4,546	-	-

27 Investment in subsidiaries

Cost

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

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

Company Name	Country Incorporation	Nature of business	Direct ownership interest Jun.2016 Status/%	Dec.2015 Status/%
UBN Property Company Limited (ii)	Nigeria	Property Develop	39	39
Union Bank UK Plc (iii)	Nigeria	Licensed UK Bar	100	100
Atlantic Nominees Limited (iv)	Nigeria	Real Estate	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 Copthall 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 38(b)).

(c) Condensed results of consolidated entities

(i) The condensed financial data of the continuing operations as at 30 June 2016, are as follows

Condensed statement of comprehensive income

Statement of Comprehensive income	Group balances	Consolidation entries	Total	Bank	Union Properties	Union Pension	Atlantic Nominees	Union Bank UK
	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million
Operating income	46,672	20	46,652	45,627	174	(434)	-	1,285
Net operating income after net impairment loss	38,057	20	38,037	37,059	174	(434)	-	1,238
Operating Expenses	(29,132)	(21)	(29,111)	(28,007)	(75)	-	-	(1,029)
Net impairment loss on financial assets	(8,780)	(165)	(8,615)	(8,569)	-	-	-	(46)
Share of profit of equity accounted investees	-	-	-	-	-	-	-	-
Profit before income tax	8,760	(166)	8,926	9,052	99	(434)	-	210
Taxation	(164)	(1)	(163)	(89)	(32)	-	-	(43)
Profit after income tax	8,596	(167)	8,763	8,963	67	(434)	-	167

(i) In the course of the year, the Group completely divested from Union Pension Ltd which was previously derecognised as a subsidiary due to the liquidation of the entity and loss of control by the Group. The gain from the divestment was included in the gain on sale of subsidiaries.

Condensed Statement of financial position

	Group balances	Consolidation entries	Total	Bank	Union Properties	Union Pension	Atlantic Nominees	Union Bank UK
	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million
Cash and cash equivalents	107,868	(9,826)	117,694	42,852	4,267	-	-	70,575
Non-pledged trading assets	13,256	-	13,256	13,256	-	-	-	-
Pledged assets	61,452	-	61,452	61,452	-	-	-	-
Derivative financial instrument	-	-	-	-	-	-	-	-
Loans and advances to customers	475,942	-	475,942	453,442	-	-	-	22,500
Investments in equity-accounted investee	24	24	-	-	-	-	-	-
Investment securities	169,206	1	169,205	160,305	-	-	-	8,900
Assets held for sale	397	(325)	722	325	-	-	397	-
Trading properties	2,462	-	2,462	1,124	1,338	-	-	-
Investment properties	4,557	-	4,557	-	4,557	-	-	-
Investment in subsidiaries	-	(10,567)	10,567	10,567	-	-	-	-
Property and equipment	49,745	0	49,745	49,657	5	-	-	83
Intangible assets	3,673	-	3,673	3,132	-	-	-	541
Deferred tax assets	95,883	(5)	95,888	95,875	1	-	-	12
Other assets	167,710	(61)	167,771	167,185	76	-	-	510
Total assets	1,152,175	(20,760)	1,172,934	1,059,172	10,244	-	397	103,121
Financed by:								
Derivative financial instruments	697.0	-	697	697	-	-	-	-
Deposits from banks	67,753.0	(0)	67,753	3,702	-	-	-	64,051
Deposits from customers	611,914.0	(9,826)	621,740	604,547	-	-	-	17,193
Current tax liabilities	333.0	(1)	334	99	179	-	-	56
Other liabilities	123,332.0	(52)	123,385	121,407	1,241	-	-	737
Retirement benefit obligations	3,662.0	-	3,662	3,633	29	-	-	-
Other borrowed funds	91,586.0	-	91,586	91,586	-	-	-	-
Equity and reserves	252,898.0	(10,881)	263,778	233,501	8,796	-	397	21,084
Total liabilities	1,152,175	(20,760)	1,172,934	1,059,172	10,244	-	397	103,121

(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	Group balances	Consolidation entries	Total	Bank	UBN Property Company Ltd	Union Pension	Union Bank UK
	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ 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

	Group balances	Consolidation entries	Total	Bank	UBN Property Company Ltd	Union Pension	Union Bank UK
	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ 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	366,721	-	366,721	348,984	-	-	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	49,772	-	49,772	49,692	11	-	69
Intangible assets	3,749	-	3,749	3,318	-	-	431
Deferred tax assets	95,883	-	95,883	95,875	-	-	8
Other assets	138,686	(94)	138,780	138,030	28	434	289
Total assets	1,046,892	(21,483)	1,068,375	998,137	9,902	434	59,902
Financed by:							
Deposits from banks	44,091	-	44,091	11,800	-	-	32,291
Deposits from customers	570,639	(10,919)	581,558	569,116	-	-	12,442
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	1,046,892	(21,483)	1,068,375	998,137	9,902	434	59,902

28 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	87	-	89	-	-	176
Additions	1,325	19	1,320	-	(135)	2,529
Disposals	(901)	(27)	(457)	(24)	-	(1,409)
Reclassification to other assets	181	(18)	(104)	(8)	-	51
Balance as at 30 June 2016	<u>49,339</u>	<u>3,026</u>	<u>16,513</u>	<u>3,198</u>	<u>2,046</u>	<u>74,122</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 operation	-	-	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	87	-	36	-	-	123
Charge for the period	458	139	1,318	51	-	1,966
Disposals	(251)	(14)	(416)	(24)	-	(705)
Write-off/Adj	200	-	-	-	-	200
Reclassifications	151	-	(199)	(3)	(159)	(210)
Balance as at 30 June 2016	<u>10,856</u>	<u>1,292</u>	<u>9,118</u>	<u>3,111</u>	<u>-</u>	<u>24,377</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 30 June 2016	<u>38,483</u>	<u>1,734</u>	<u>7,396</u>	<u>87</u>	<u>2,046</u>	<u>49,745</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:

	Leasehold land and buildings	Fixtures and fittings	Furniture & equipment	Motor vehicles	Capital work in progress	Total
	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million
(i) Cost						
Balance at 1st January 2016	48,437	3,052	15,426	3,186	2,181	72,282
Additions	1,325	19	1,319	-	(135)	2,528
Disposals	(718)	(27)	(338)	(24)	-	(1,107)
Reclassifications	181	(18)	(104)	(8)	-	51
Balance as at 30 June 2016	49,225	3,026	16,303	3,154	2,046	73,754
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						
Balance at 1st January 2016	10,352	1,167	8,022	3,049	-	22,590
Charge for the period	458	139	1,303	49	-	1,949
Disposals	(67)	(14)	(327)	(24)	-	(432)
Reclassifications	(198)	-	(7)	(6)	-	(211)
Write-off/Adj	200	-	-	-	-	200
Balance as at 30 June 2016	10,745	1,292	8,991	3,067	-	24,096
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 30 June 2016	38,480	1,734	7,312	86	2,046	49,657
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)

29 Intangible assets

	Group Jun.2016 N million	Group Dec.2015 N million	Bank Jun.2016 N million	Bank Dec.2015 N million
Cost				
Balance, beginning of the year	6,395	4,263	5,314	3,401
Additions	289	2,078	281	1,913
Reclassification	13	-	(2)	-
Disposal	(680)	-	-	-
Exchange translation difference	453	54	-	-
Balance, end of period	6,470	6,395	5,593	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	462	772	397	666
Reclassification	73	-	68	-
Disposal	(511)	-	-	-
Exchange translation difference	127	33	-	-
Balance, end of period	2,797	2,646	2,461	1,996
Carrying amounts as at period end	3,674	3,749	3,132	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)

30 Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Group

30 June 2016

	Assets N million	Liabilities N million	Net 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

31 December 2015

	Assets N million	Liabilities N million	Net N 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

30 June 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 Jun.2016	Group Dec.2015	Bank Jun.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	-	-	-	-
Net deferred tax assets/(liabilities)	95,883	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.

31 Other assets

	Group Jun.2016	Group Dec.2015	Bank Jun.2016	Bank Dec.2015
	₦ million	₦ million	₦ million	₦ million
Cash Reserve Requirement (see (i))	126,667	102,090	126,667	102,090
Excess CRR balance to be refunded (see (ii))	25,523	25,523	25,523	25,523
Total Cash Reserve Requirement	152,190	127,613	152,190	127,613
Other assets:				
Clearing	820	758	820	758
Accounts receivable and prepayments	2,584	2,430	2,213	2,370
Prepayments	6,698	2,780	6,544	2,618
Sundry assets	11,596	11,302	11,596	10,868
	21,698	17,270	21,173	16,614
Impairment on other assets	(6,178)	(6,197)	(6,178)	(6,197)
Net other assets	15,520	11,073	14,995	10,417
	167,710	138,686	167,185	138,030

- (i) The Bank had restricted balances of N126.667 billion (Dec. 2015: N102.090 billion) with the Central Bank of Nigeria (CBN) as at 30 June 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 June 2016, the CRRs in force were Public Sector Deposits 22.5% (Dec 2015: 20%) and Private Sector Deposits 22.5% (Dec 2015: 20%).

- (ii) The MPC meeting held on May 23 - 24, 2016 maintained the harmonised CRR at 22.5% for both Public and Private Sector Deposits. 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)

32 Deposits from banks

	Group Jun.2016	Group Dec.2015	Bank Jun.2016	Bank Dec.2015
	₦ million	₦ million	₦ million	₦ million
Money market deposits (See note (i) below)	3,702	11,800	3,702	11,800
Other deposits from banks	64,051	32,291	-	-
	67,753	44,091	3,702	11,800
(i) Money market deposits				
LCY inter bank takings	-	-	-	-
FCY inter bank takings	3,702	11,800	3,702	11,800
	3,702	11,800	3,702	11,800

33 Deposits from customers

	Group Jun.2016	Group Dec.2015	Bank Jun.2016	Bank Dec.2015
	₦ million	₦ million	₦ million	₦ million
Term deposits	231,376	210,006	226,236	208,205
Current deposits	221,803	214,200	219,576	214,478
Savings	158,735	146,433	158,735	146,433
	611,914	570,639	604,547	569,116

34 Current tax liabilities

	Group Jun.2016	Group Dec.2015	Bank Jun.2016	Bank Dec.2015
	₦ million	₦ million	₦ million	₦ million
Balance, beginning of year	382	822	229	635
Foreign exchange translation difference	23	3	-	-
Reclassification	108	-	-	-
Charge for the period	164	445	90	420
Payments during the period	(344)	(1,051)	(220)	(826)
Transfer to assets held for sale	-	163	-	-
Balance, end of period	333	382	99	229

35 Other liabilities

	Group Jun.2016	Group Dec.2015	Bank Jun.2016	Bank Dec.2015
	₦ million	₦ million	₦ million	₦ million
Deposits for foreign currency	26,234	20,560	26,234	20,560
Due to foreign correspondent banks	26,361	30,096	26,361	30,096
PAYE and other statutory deductions	1,488	1,121	1,488	1,121
Draft and Bills payable	8,532	8,279	8,532	8,279
Sundry creditors	441	719	441	720
Creditors and accruals	27,456	23,979	27,456	23,979
Unearned income	341	327	341	327
Provision for claims and contingencies	2,235	2,236	2,235	2,236
Accounts payable	4,640	3,488	4,640	3,486
OBB takings	-	-	-	-
Provisions for Ex-staff claims	4,629	4,629	4,629	4,629
Insurance premium payable	530	654	530	654
Electronic collections and other e-payment liabilities	5,054	4,221	5,054	4,221
Other credit balances	15,391	7,224	13,466	5,727
	123,332	107,533	121,407	106,035

36 Employee benefit obligations

	Group Jun.2016	Group Dec.2015	Bank Jun.2016	Bank Dec.2015
	₦ million	₦ million	₦ million	₦ million
Post employment benefit obligation (see (a) below)	2,922	3,566	2,893	3,529
Other long-term employee benefits (see (b) below)	740	701	740	701
	3,662	4,267	3,633	4,230

(a) Post employment benefit obligation

	Group Jun.2016	Group Dec.2015	Bank Jun.2016	Bank Dec.2015
	₦ million	₦ million	₦ million	₦ million
Defined contribution scheme	149	152	149	152
Defined benefit obligation	2,773	3,414	2,744	3,377
	2,922	3,566	2,893	3,529

(i) Defined Contribution Scheme

	Group Jun.2016	Group Dec.2015	Bank Jun.2016	Bank Dec.2015
	₦ million	₦ million	₦ million	₦ million
Balance, beginning of year	152	131	152	131
Charge during the period	311	644	311	644
Contribution remitted during the period	(314)	(623)	(314)	(623)
Balance, end of period	149	152	149	152

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

(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 are as follows:

	Group Jun.2016	Group Dec.2015	Bank Jun.2016	Bank Dec.2015
	₦ million	₦ million	₦ million	₦ million
Present value of unfunded obligation	740	701	740	701
Present value of funded obligation	-	-	-	-
Total present value of the obligation	740	701	740	701
Fair value of plan assets	-	-	-	-
Present value of net obligation	740	701	740	701
Recognized liability for defined benefit obligations	740	701	740	701

37 Other borrowed funds

	Group	Group	Bank	Bank
	Jun.2016	Dec.2015	Jun.2016	Dec.2015
	N million	N million	N million	N million
Due to CAC (see (a))	9,955	10,938	9,955	10,938
BOI on-lending facilities (see note (b) below)	7,277	7,840	7,277	7,840
Other borrowings (see (c))	74,354	57,281	74,354	57,281
	91,586	76,059	91,586	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 N9.5 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	Bank
	Jun.2016	Dec.2015
	N million	N million
Standard Chartered Bank	16,614	25,204
Afreximbank	28,481	20,073
Ecobank EBISA	2,638	1,000
Skye Enterprises	6,068	-
Diamond Bank (UK) Ltd	-	1,403
Mashreq Bank	-	5,608
Union Bank, UK	2,133	-
African Finance Corporation	15,567	-
UBA New York	2,853	3,993
	74,354	57,281

38 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 in 2015 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 Jun.2016 N million	Group Jun.2015 N 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)
	-	(28)
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 Jun.2016 N million	Group Dec.2015 N million	Bank Jun.2016 N million	Bank Dec.2015 N 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>
	₦ million	₦ million	₦ million	₦ million
ASSETS				
Investment properties		188	-	188
Other assets		209	-	209
TOTAL ASSETS	-	397	-	397
LIABILITIES	-	-	-	-
TOTAL LIABILITIES	-	-	-	-

39 Capital and reserves

Share capital		Group Jun.2016 N million	Group Dec.2015 N million	Bank Jun.2016 N million	Bank Dec.2015 N million
(a)	Authorised : 19,023,125,000 Ordinary shares of 50 kobo each	9,512	9,512	9,512	9,512
		Group Jun.2016 N million	Group Dec.2015 N million	Bank Jun.2016 N million	Bank Dec.2015 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 Jun.2016 N million	Group Dec.2015 N million	Bank Jun.2016 N million	Bank Dec.2015 N million
Share premium		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 Jun.2016 N million	Group Dec.2015 N million	Bank Jun.2016 N million	Bank Dec.2015 N million
Statutory reserves		23,406	22,062	23,406	22,062
Fair value reserve		27,585	33,050	26,672	32,240
Regulatory risk reserve		27,620	23,876	27,620	23,876
Translation reserve		10,672	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
		89,141	83,377	79,451	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 N1.344bn to statutory reserves during the period ended 30 June 2016 (2015 N1.512bn).

(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.

40 Non-controlling Interest

Movement in the non controlling interest

	Group Jun.2016
	N million
Balance, beginning of year	5,337
Profit/(loss) for the period	38
Balance, end of period	5,375