



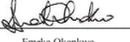
Union Bank of Nigeria Plc
UNAUDITED
FINANCIAL STATEMENTS
30 June 2021

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

For the period ended

	Notes	Group				Bank			
		June 2021	June 2020	Q2 2021	Q2 2020	June 2021	June 2020	Q2 2021	Q2 2020
		N million							
Gross earnings		76,305	81,857	51,876	37,948	75,442	79,912	39,047	37,269
Interest income	1	47,751	57,360	33,486	27,580	47,689	57,243	25,454	27,531
Interest expense	1	(27,260)	(29,102)	(20,332)	(14,276)	(27,334)	(29,223)	(16,008)	(14,334)
Net interest income (NRFF)		20,491	28,258	13,154	13,304	20,355	28,020	9,445	13,197
Net impairment charge for credit losses	6	(153)	(4,237)	649	(680)	(153)	(4,237)	649	(679)
Net interest income after impairment charge for credit losses		20,338	24,021	13,803	12,625	20,202	23,783	10,094	12,518
Net fee and commission income	2	6,590	5,057	4,606	1,946	6,589	5,058	3,532	1,948
Net trading income	3	4,121	8,896	2,438	3,895	4,120	8,895	1,769	3,894
Recoveries		8,645	2,653	6,802	2,152	8,645	2,653	5,263	2,152
Net income from other financial instruments at fair value through profit or loss	4	4,568	1,895	2,231	444	4,568	1,895	1,538	444
Other operating income	5	3,885	4,218	1,786	1,323	3,831	4,168	1,491	1,300
Non interest income (NII)		27,810	22,719	17,863	9,761	27,753	22,669	13,593	9,738
Operating income		48,147	46,740	31,667	22,386	47,955	46,452	23,687	22,256
Net impairment write-back/(loss) on other financial assets	6	340	306	344	306	340	306	344	306
Net operating income after net impairment write-back/(loss) on other financial assets		48,487	47,046	32,011	22,692	48,295	46,758	24,031	22,562
Personnel expenses	7	(14,740)	(15,570)	(10,064)	(7,386)	(14,670)	(15,504)	(7,543)	(7,353)
Depreciation and amortisation		(3,754)	(3,155)	(2,474)	(1,536)	(3,749)	(3,147)	(1,833)	(1,532)
Other operating expenses	8	(18,399)	(16,788)	(13,429)	(8,572)	(18,369)	(16,761)	(10,118)	(8,561)
Total expenses		(36,893)	(35,513)	(25,967)	(17,494)	(36,788)	(35,412)	(19,494)	(17,446)
Profit before income tax from continued operations		11,594	11,533	6,044	5,198	11,507	11,346	4,537	5,116
Income tax expense	9	(492)	(519)	(311)	(238)	(491)	(512)	(240)	(236)
Profit for the year from continued operations		11,101	11,014	5,733	4,960	11,015	10,835	4,297	4,880
Discontinued operations									
Gross income from discontinued operations	34	745	1,778	527	608	-	-	-	-
Gross expense from discontinued operations	34	(2,011)	(1,711)	(1,431)	(826)	-	-	-	-
Profit/Loss before tax from discontinued operations	34	(1,266)	68	(904)	(218)	-	-	-	-
Income tax expense from discontinued operations	34	-	-	-	-	-	-	-	-
Profit/Loss for the year from discontinued operations	34	(1,266)	68	(904)	(218)	-	-	-	-
Continuing and discontinued operations:									
Profit before tax		10,328	11,601	5,141	4,980	11,507	11,346	4,537	5,116
Income tax		(492)	(519)	(311)	(238)	(491)	(512)	(240)	(236)
Profit after tax		9,835	11,082	4,830	4,742	11,015	10,835	4,297	4,880
Other comprehensive income, net of income tax									
Foreign currency translation differences for foreign operations		305	1,321	278	135	-	-	-	-
Fair value gains/(losses) on financial assets at FVTOCI		(8,694)	(5,292)	(4,497)	6,260	(8,712)	(5,293)	(3,174)	6,278
		(8,389)	(3,971)	(4,219)	6,395	(8,712)	(5,293)	(3,174)	6,278
Other comprehensive income for the year		1,446	7,111	611	11,137	2,303	5,542	1,123	11,158

Profit attributable to:								
Equity holders of the Bank	9,841	11,053	4,833	4,729	11,015	10,835	4,297	10,835
Non-controlling interest	(6)	29	(3)	13	-	-	-	-
Profit for the year	9,835	11,082	4,830	4,742	11,015	10,835	4,297	10,835
Total comprehensive income attributable to:								
Equity holders of the Bank	1,452	7,082	614	11,124	2,303	5,542	1,123	11,820
Non-controlling interest	(6)	29	(3)	13	-	-	-	-
Total comprehensive income for the year	1,446	7,111	611	11,137	2,303	5,542	1,123	11,820
Earnings per share for profit from continued operations attributable to equity holders of Bank								
Basic and diluted (Kobo)	38	37			38	37		

Consolidated and Separate Statements of Financial Position					
<i>As at</i>					
		Group	Group	Bank	Bank
	Notes	30 June 2021	31 Dec 2020	30 June 2021	31 Dec 2020
		N million	N million	N million	N million
ASSETS					
Cash and cash equivalents	11	281,356	270,707	281,627	262,730
Financial assets at fair value through profit or loss	12	4,626	52,212	4,626	52,212
Pledged assets	13	81,827	100,007	81,827	100,007
Derivative assets held for risk management	14	473	520	473	520
Loans and advances to customers at amortised cost	15	734,051	692,803	734,051	692,803
Investment securities	17	360,133	351,862	360,133	351,862
Trading properties	18	187	187	187	187
Investment properties	19	5,153	4,817	-	-
Investment in subsidiaries	20	-	-	2,195	2,195
Property and equipment	21	58,732	57,364	58,715	57,342
Intangible assets	22	4,364	5,212	4,364	5,211
Right of Use Assets	23	2,631	2,740	2,631	2,740
Deferred tax assets	24	95,875	95,875	95,875	95,875
Cash reserve requirement	25	424,862	356,452	424,862	356,452
Other assets	25	102,234	83,500	102,562	83,775
Defined benefit assets	29	1,475	1,475	1,475	1,475
		2,157,979	2,075,734	2,155,602	2,065,386
Assets classified as held for sale	34	53,082	115,292	8,372	8,372
TOTAL ASSETS		2,211,061	2,191,026	2,163,974	2,073,758
LIABILITIES					
Derivative liabilities held for risk management	14	273	2	273	2
Deposits from banks	26	-	4,018	-	4,018
Deposits from customers	26	1,167,146	1,126,287	1,172,060	1,131,116
Current tax liabilities	27	499	797	494	778
Deferred tax liabilities	24	175	280	-	-
Lease Liabilities	28	1,720	1,812	1,720	1,812
Other liabilities	28	479,061	425,718	480,943	425,117
Employee benefit obligations	29	1,227	996	1,225	996
Debt securities issued	30	14,062	14,020	14,062	14,020
Commercial Papers	31	35,549	34,609	35,549	34,609
Long term subordinated bond	32	29,594	29,546	29,594	29,546
Other borrowed funds	33	185,546	184,223	185,546	184,223
		1,914,852	1,822,308	1,921,467	1,826,237
Liabilities classified as held for sale	34(c)	38,097	104,400	-	-
TOTAL LIABILITIES		1,952,949	1,926,708	1,921,467	1,826,237
EQUITY					
Share capital and share premium	35	148,090	148,090	148,090	148,090
Retained Earnings		23,435	23,399	32,613	31,403
Other reserves		79,913	86,149	61,805	68,028
EQUITY ATTRIBUTABLE TO EQUITY - HOLDERS OF THE BANK		251,438	257,638	242,508	247,521
Non-controlling interest	36	6,674	6,680	-	-
TOTAL EQUITY		258,112	264,318	242,508	247,521
TOTAL LIABILITIES AND EQUITY		2,211,061	2,191,026	2,163,975	2,073,758
The financial statements were approved by the Board of Directors on 22nd July 2021 and signed on its behalf by:					
					
Emeka Okonkwo Group Managing Director FRC/2021/003/00000023088		Joe Mbulu Chief Financial Officer FRC/2014/ICAN/00000006110		Beatrice Hanza Bassey Board Chair FRC/2020/003/00000020477	

Consolidated and Separate Statements of Changes in Equity
For the period ended 30 June 2021

Group

	Share capital	Share premium	Statutory reserve	Fair value reserve	Regulatory risk reserve	AGSMEIS Reserve	Other reserves	Retained earnings	Total	Non-controlling interest	Total equity
	N million	N million	N million	N million	N million	N million	N million	N million	N million	N million	N million
Balance at 1 January 2021	14,633	133,457	36,151	18,743	7,674	3,577	19,668	23,399	257,302	7,016	264,318
Total comprehensive income for the period											
Profit for the period	-	-	1,652	-	-	-	-	8,189	9,841	(6)	9,835
Other comprehensive income, net of tax											
Foreign currency translation difference	-	-	-	-	-	-	305	-	305	-	305
Fair value gains/(loss) on investment at FVTOCI	-	-	-	(8,694)	-	-	-	-	(8,694)	-	(8,694)
Transfer from regulatory reserves	-	-	-	-	3,462	-	-	(3,462)	-	-	-
Transfer from other reserves	-	-	-	(2,625)	-	-	-	2,625	-	-	-
Total comprehensive income for the year	-	-	1,652	(11,319)	3,462	-	305	7,352	1,452	(6)	1,446
Transactions with owners, recorded directly in equity											
Contributions by and distributions to owners											
Dividend paid	-	-	-	-	-	-	-	(7,316)	(7,652)	-	(7,652)
Total contribution and (distributions) to owners	(0)	-	-	-	-	-	-	(7,316)	(7,652)	-	(7,652)
Balance at 30 June 2021	14,633	133,457	37,803	7,424	11,136	3,577	19,973	23,435	251,102	7,010	258,112

For the period ended 30 June 2020

Group

	Share capital	Share premium	Statutory reserve	Fair value reserve	Regulatory risk reserve	AGSMEIS Reserve	Other reserves	Retained earnings	Total	Non-controlling interest	Total equity
	N million	N million	N million	N million	N million	N million	N million	N million	N million	N million	N million
Balance at 1 January 2020	14,561	187,091	28,797	14,482	-	1,436	17,087	(44,380)	219,356	6,276	225,632
Total comprehensive income											
Profit for the year	-	-	-	-	-	-	-	19,608	19,608	267	19,875
Other comprehensive income, net of tax											
- net change in fair value	-	-	-	(591)	-	-	-	-	(591)	-	(591)
Remeasurement of defined benefit liability	-	-	-	-	-	-	(411)	-	(411)	-	(411)
- net change in fair value	-	-	-	7,494	-	-	-	-	7,494	-	7,494
Expected credit loss reserve on debt securities	-	-	-	-	-	-	15	-	15	-	15
Foreign currency translation difference	-	-	-	-	-	-	613	-	613	-	613
Transfer from regulatory reserves	-	-	-	-	3,331	922	-	(4,253)	-	-	-
Transfer to/(from) other reserves	-	(54,458)	3,656	(311)	-	-	-	51,113	-	-	-
Total comprehensive income	-	(54,458)	3,656	6,592	3,331	922	217	66,468	26,728	267	26,995
Dividend paid to Non controlling interest	46	602	-	-	-	-	-	(475)	(475)	-	(475)
Total contribution and distributions to owners	46	602	-	-	-	-	-	(475)	(109)	-	(109)
Balance at 30 June 2020	14,607	133,235	32,453	21,074	3,331	2,358	17,304	21,437	245,799	6,543	252,342

Consolidated and Separate Statements of Changes in Equity
For the period ended 30 June 2021

Bank

	Share capital	Share premium	Statutory reserve	Fair value reserves	Regulatory risk reserves	AGSMEIS Reserve	Other reserves	Retained earnings	Total
	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million
Balance at 1 January 2021	14,633	133,457	36,151	18,414	7,674	3,577	2,212	31,403	247,521
Total comprehensive income for the year									
Profit or loss	-	-	1,652	-	-	-	-	9,363	11,015
Other comprehensive income									
Foreign currency translation difference	-	-	-	(8,712)	-	-	-	-	(8,712)
Fair value gains/(loss) on investment at FVTOCI	-	-	-	-	-	-	-	-	-
Equity settled share based payment	-	-	-	-	-	-	-	-	-
Remeasurement of defined benefit liability	-	-	-	-	-	-	-	-	-
Transfer between reserves	-	-	-	(2,625)	3,462	-	-	(837)	-
Total comprehensive income for the year	-	-	1,652	(11,337)	3,462	-	-	8,526	2,303
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners									
Shares issued during the year	(0)	-	-	-	-	-	-	-	(0)
Net expenses on shares issued	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	(7,316.12)	(7,316)
Shares redeemed during the year	-	-	-	-	-	-	-	-	-
Total contribution and (distributions) to owners	(0)	-	-	-	-	-	-	(7,316.12)	(7,316)
Balance at 30 June 2021	14,633	133,457	37,803	7,077	11,136	3,577	2,212	32,613	242,508

For the period ended 30 June 2020

Bank

	Share capital	Share premium	Statutory reserve	Fair value reserves	Regulatory risk reserves	AGSMEIS Reserve	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 2020	14,607	133,235	32,453	19,960	3,331	2,358	1,925	23,323	231,192
Total comprehensive income									
Profit or loss	-	-	893	-	-	-	-	5,062	5,955
Other comprehensive income, net of tax									
Fair value gains/(loss) on investment at FVTOCI	-	-	-	(5,293)	-	-	-	-	(5,293)
Transfer between reserves	-	-	-	-	(3,331)	-	-	3,331	-
Total contribution and distributions to owners	-	602	893	(5,293)	(3,331)	-	-	8,393	662
Balance at 30 June 2020	14,607	133,235	32,453	19,960	3,331	2,358	1,925	31,716	231,854

Consolidated and Separate Statements of Cash Flows

For the period ended 30 June 2021

	Group 30 June 2021 N million	Group 30 June 2020 N million	Bank 30 June 2021 N million	Bank 30 June 2020 N million
Cash flows from operating activities				
Profit for the year	9,835	11,853	11,015	10,835
Income tax expense	492	273	491	512
Profit before tax	10,327	12,126	11,507	11,346
<i>Adjustments for:</i>				
Impairment losses on loans and advances	153	(4,485)	153	4,237
Recoveries on loans and advances	(8,645)	(5,281)	(8,645)	(2,653)
Gain on sale of property and equipment	(268)	2,706	(268)	(306)
Depreciation of property and equipment	2,769	327	2,748	240
Amortisation of intangible assets	953	10	953	2,463
Interest paid on borrowings	14,709	(3,570)	14,774	945
Contributions to defined contribution plans	287	164	286	830
	20,285	1,998	21,508	17,103
Change in financial assets at fair value through profit or loss	47,586	(17,688)	47,586	(17,688)
Change in pledged assets	18,180	8,913	18,180	8,913
Change in loans and advances to customers	(8,583)	(42,807)	20,222	(44,197)
Change in other assets	(154,795)	149,426	(91,027)	(3,156)
Change in defined benefit assets	(18,734)	(31,198)	(18,787)	(31,377)
Change in derivative financial instruments-assets	47	(61)	47	(61)
Change in derivative financial instruments-liabilities	-	1,029	-	1,029
Change in deposits from banks	(4,018)	(3,499)	(4,018)	487
Change in deposits from customers	40,859	9,561	40,944	45,013
Change in other liabilities	53,343	7,104	55,826	119,618
	(5,830)	79,973	90,480	95,684
Income tax paid	(790)	(775)	(775)	(338)
Payment from defined contribution plan	(159)	(174)	(158)	119,618
Net cash provided by/(used in) operating activities	(6,779)	79,024	89,547	203,598
Cash flows from investing activities				-
Proceeds from sale of property and equipment	264	16	268	136
Acquisition of investment securities	(18,905)	(76,291)	(109,464)	(257,967)
Acquisition of property and equipment	(4,321)	(4,078)	(4,304)	(7,625)
Acquisition of intangible assets	(106)	(301)	564	(113)
Dividend income received	1,036	870	1,036	870
Net cash generated from/(used in) investing activities	(22,032)	(79,785)	(111,900)	(264,699)
Cash flows from financing activities				
Repayment of borrowings	53,727	5,560	55,868	(12,884)
Interest paid on borrowings	(14,709)	3,570	(14,774)	380
Inflow from commercial papers issued	165	23,130	164	25,940
Net cash generated from/(used in) financing activities	39,183	34,424	41,258	13,436
Net increase/(decrease) in cash and cash equivalents	10,372	33,663	18,905	(47,664)
Cash and cash equivalents at beginning of year	270,707	233,566	262,730	320,707
Effect of exchange rate fluctuations on cash held	284	151	-	-
Cash and cash equivalents at end of the period	281,364	267,380	281,635	273,043

1 Net interest income

	Group	Group	Group	Group	Bank	Bank	Bank	Bank
	June 2021	June 2020	3 Months Q2 2021	3 Months Q2 2020	June 2021	June 2020	3 Months Q2 2021	3 Months Q2 2020
	N million	N million	N million	N million	N million	N million	N million	N million
Cash and cash equivalents at end of year								
Cash and cash equivalents	2,011	6,565	2,028	75	1,955	6,563	1,520	74
Loans and advances to customers	40,666	36,111	28,137	17,991	40,666	36,127	21,369	17,994
Investment securities	5,074	14,684	3,321	9,514	5,068	14,553	2,565	9,463
Total interest income	47,751	57,360	33,486	27,580	47,689	57,243	25,454	27,531
Interest expense								
Deposits from customers	12,458	14,847	9,930	6,860	12,532	14,968	7,847	6,918
Lease liability	93	124	38	64	93	124	38	64
Other borrowed funds	14,709	14,131	10,364	7,352	14,709	14,131	8,124	7,352
Total interest expense	27,260	29,102	20,332	14,276	27,334	29,223	16,008	14,334
Net interest income	20,491	28,258	13,154	13,304	20,355	28,020	9,445	13,197

2 Net fees and commission income

	Group	Group	Group	Group	Bank	Bank	Bank	Bank
	June 2021	June 2020	3 Months Q2 2021	3 Months Q2 2020	June 2021	June 2020	3 Months Q2 2021	3 Months Q2 2020
	N million	N million	N million	N million	N million	N million	N million	N million
Credit Related fees and commissions	2,947	1,721	1,792	653	2,947	1,721	1,384	653
Account Maintenance Fee	1,034	736	716	330	1,034	736	550	330
E-business fee income	3,546	3,655	2,569	1,564	3,547	3,656	2,016	1,565
Commission on LCs, Invisible Trades and Guarantees	1,273	534	993	225	1,273	534	742	225
Other fees and commission	28	40	18	15	28	40	13	15
	8,828	6,686	6,088	2,787	8,829	6,687	5,547	2,788
Fees and commission expenses	(2,239)	(1,630)	(1,482)	(840)	(2,239)	(1,630)	(2,015)	(840)
Net fees and commission income	6,590	5,057	4,606	1,946	6,589	5,058	3,532	1,948

3 Net trading income/(loss)

	Group	Group	Group	Group	Bank	Bank	Bank	Bank
	June 2021	June 2020	3 Months	3 Months	June 2021	June 2020	3 Months	3 Months
	N million	N million	Q2 2021	Q2 2020	N million	N million	Q2 2021	Q2 2020
Gain on disposal of fixed income securities	1,129	6,211	270	1,243	1,129	6,211	173	1,243
Mark to market gains/losses on fixed income securities	(382)	1,668	1,079	2,105	(382)	1,668	705	2,105
Mark to market gains on commercial paper	-	-	-	(3)	-	-	-	(3)
Foreign exchange gain on trading	3,374	1,017	1,089	550	3,373	1,016	891	549
	4,121	8,896	2,438	3,895	4,120	8,895	1,769	3,894

4

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

	Group	Group	Group	Group	Bank	Bank	Bank	Bank
	June 2021	June 2020	3 Months	3 Months	June 2021	June 2020	3 Months	3 Months
	N million	N million	Q2 2021	Q2 2020	N million	N million	Q2 2021	Q2 2020
<i>Equity instruments at FVTPL:</i>								
Equity	4,956	2,638	2,647	273	4,956	2,638	1,796	273
Derivatives held for risk management purposes:								
Foreign exchange swap contracts	(388)	(743)	(416)	171	(388)	(743)	(258)	171
	4,568	1,895	2,231	444	4,568	1,895	1,538	444

5 Other operating income

	Group	Group	Group	Group	Bank	Bank	Bank	Bank
	June 2021	June 2020	3 Months	3 Months	June 2021	June 2020	3 Months	3 Months
	N million	N million	Q2 2021	Q2 2020	N million	N million	Q2 2021	Q2 2020
Dividends	1,036	870	78	870	1,036	870	78	870
Gains on disposal of property and equipment	268	244	165	234	268	240	164	234
Gain on liquidation/disposal of subsidiaries	-	-	-	-	-	-	-	-
Foreign exchange revaluation gain	843	2,748	573	85	843	2,748	314	85
Rental income	98	86	32	15	98	86	47	15
Sundry income	1,620	270	938	119	1,567	224	887	96
	3,885	4,218	1,786	1,323	3,831	4,168	1,491	1,300

(a) Sundry income

	Group	Group	Group	Group	Bank	Bank	Bank	Bank
	June 2021	June 2020	3 Months	3 Months	June 2021	June 2020	3 Months	3 Months
	N million	N million	Q2 2021	Q2 2020	N million	N million	Q2 2021	Q2 2020
Cash handling fees	28	40	13	15	28	40	13	15
Fraud recoveries	(0)	(0)	-	-	(0)	(0)	(0)	(0)
Other income	1,592	230	925	104	1,539	184	874	81
	1,620	270	938	119	1,567	224	887	96

6 Net Impairment charge on financial assets

	Group	Group	Group	Group	Bank	Bank	Bank	Bank
	June 2021	June 2020	3 Months	3 Months	June 2021	June 2020	3 Months	3 Months
	N million	N million	Q2 2021	Q2 2020	N million	N million	Q2 2021	Q2 2020
Stage 1 and 2 impairment	914	518	520	(736)	914	518	520	(736)
Stage 3 impairment	(761)	3,719	(1,204)	493	(761)	3,719	(1,169)	1,416
Net impairment charge/(write-back) for credit impairment	153	4,237	(684)	680	153	4,237	(684)	680
Net impairment write-back on other financial assets	(340)	(306)	(344)	(306)	(340)	(306)	(344)	(306)

7 Personnel expenses

	Group	Group	Group	Group	Bank	Bank	Bank	Bank
	June 2021	June 2020	3 Months	3 Months	June 2021	June 2020	3 Months	3 Months
	N million	N million	Q2 2021	Q2 2020	N million	N million	Q2 2021	Q2 2020
Wages and salaries	14,452	15,242	9,878	7,239	14,383	15,176	7,404	7,206
Contributions to defined contribution plans	287	304	186	153	286	304	139	153
Interest and current service cost on defined benefit plans	1	24	-	(6)	1	24	-	(6)
Total	14,740	15,570	10,064	7,386	14,670	15,504	7,543	7,353

8 Other operating expenses

	Group	Group	Group	Group	Bank	Bank	Bank	Bank
	June 2021	June 2020	3 Months	3 Months	June 2021	June 2020	3 Months	3 Months
	N million	N million	Q2 2021	Q2 2020	N million	N million	Q2 2021	Q2 2020
NDIC Premium	2,670	2,223	1,780	1,064	2,670	2,223	1,335	1,064
AMCON surcharge	5,776	4,518	3,851	2,259	5,776	4,518	2,888	2,259
Non-discretionary regulatory costs	8,446	6,741	5,631	3,323	8,446	6,741	4,223	2,479
Auditors' remuneration	94	93	62	46	90	90	45	45
Rents and Rates	483	396	304	231	481	393	228	228
Accommodation and travels	106	361	95	227	105	361	56	230
Fleet management and vehicle related expenses	289	264	178	116	289	264	141	116
Repair and Maintenance	597	713	371	351	591	708	258	347
Professional fees	836	705	616	311	827	697	480	303
Advertising and Promotion expenses	687	531	562	264	687	531	438	264
Security expense	693	770	447	386	693	770	325	386
Expenses on software	2,992	2,719	2,237	1,523	2,992	2,719	1,656	1,523
Donations and Subscriptions	328	318	350	192	328	318	313	192
Cash movement expense	623	568	418	287	623	568	310	1,131
Diesel and power	1,334	1,091	931	522	1,334	1,091	701	522
General administrative expenses	726	1,345	1,111	706	719	1,339	861	709
Insurance	165	174	115	87	164	172	83	86
Total	18,399	16,788	13,429	8,572	18,369	16,761	10,118	8,561

9 Income tax expense

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

	Group	Group	Bank	Bank
	June 2021	June 2020	June 2021	June 2020
	₦ million	₦ million	₦ million	₦ million
Current tax expense				
Company Income Tax	378	407	377	400
Capital Gains tax	-	-	-	-
NITDA Levy	114	112	114	112
NPTF Levy Expense	-	-	-	-
Total tax expense	492	519	491	512
Deferred tax expense				
Origination and reversal of temporary differences	-	-	-	-
Total income tax expense	492	519	491	512

10 Earnings per share

(a) **Basic earnings per share**

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

Weighted average number of ordinary shares

	Group	Group	Bank	Bank
	June 2021	June 2020	June 2021	June 2020
Issued ordinary shares at beginning of the year	29,264	29,264	29,264	29,264
Weighted effect of shares issued during the year	29,264	29,264	29,264	29,264

(b) *Profit attributable to ordinary shareholders*

	Group	Group	Bank	Bank
<i>In millions of Nigerian Naira</i>	June 2021	June 2020	June 2021	June 2020
Profit from continuing operations attributable to equity holders of bank	11,107	10,972	11,015	10,835
Basic earnings per share (in kobo)	38	37	38	37

16 Investment in equity accounted investee

	Group	Group	Bank	Bank
	30 June 2021	31 Dec 2020	30 June 2021	31 Dec 2020
	N million	N million	N million	N million
Cost				
Balance, beginning of the year	115	115	91	91
Impairments	(115)	(115)	(91)	(91)
Balance, end of the year	-	-	-	-

17 Investment securities

	Group	Group	Bank	Bank
	30 June 2021	31 Dec 2020	30 June 2021	31 Dec 2020
	N million	N million	N million	N million
Investment securities at fair value through other comprehensive income (FVOCI) (see note (a) below)	276,228	272,436	276,228	272,436
Investment at fair value through profit or loss (FVTPL) (see note (b) below)	53,133	48,177	53,133	48,177
Investment securities at amortised cost (see note (c) below)	30,856	31,344	30,856	31,344
Impairment on securities (see note (c) below)	(84)	(95)	(84)	(95)
Total	360,133	351,862	360,133	351,862

	Group	Group	Bank	Bank
	30 June 2021	31 Dec 2020	30 June 2021	31 Dec 2020
	N million	N million	N million	N million
(a) <i>Investment securities at fair value through other comprehensive income comprise:</i>				
- <i>Investments in debt securities:</i>				
Treasury bills	245,132	247,758	245,132	247,758
State Bonds	14,916	4,587	14,916	4,587
Corporate Bonds	1,751	4,772	1,751	4,772
Commercial Paper	5,108	114	5,108	114
FGN Promissory note	162	7,236	162	7,236
	5,835	4,645	5,835	4,645
Total investment in debt securities	272,904	269,112	272,904	269,112
- <i>Equity instruments at fair value through other comprehensive income comprise:</i>				
Equity: Quoted see (i) below	1,973	1,973	1,973	1,973
Unquoted see (ii) below	1,351	1,351	1,351	1,351
Net Total -Equity instruments	3,324	3,324	3,324	3,324
Total investment securities at FVTOCI	276,228	272,436	276,228	272,436

	Group	Group	Bank	Bank
	30 June 2021	31 Dec 2020	30 June 2021	31 Dec 2020
	N million	N million	N million	N million
(i) Investment in REIT	1,973	1,973	1,973	1,973
(ii) Investment in unquoted equities				
Nigeria Auto Clearing System	522	522	522	522
Credit Reference Company	104	104	104	104
Central Securities Clearing System	194	194	194	194
Sanef Ltd	50	50	50	50
Unique Venture Funds Ltd	481	481	481	481
	1,351	1,351	1,351	1,351
Total	3,324	3,324	3,324	3,324

(b) <i>Investment at fair value through profit or loss comprise:</i>				
Investment in equity				
Afrexim Bank	6,629	6,102	6,629	6,102
Africa Finance Corporation (AFC)	46,504	42,075	46,504	42,075
Total	53,133	48,177	53,133	48,177
Cash and cash equivalents at end of year				
(c) <i>Fixed income securities at amortised cost comprise:</i>				
Treasury bills	-	-	-	-
Federal Government of Nigeria -Bonds	28,627	28,385	28,627	28,385
State Government of Nigeria -Bonds	2,229	2,959	2,229	2,959
Total - Fixed income	30,856	31,344	30,856	31,344
Stage 1 impairment	(84)	(95)	(84)	(95)
Total impairment	(84)	(95)	(84)	(95)
Net Total -Fixed income securities	303,676	300,361	303,676	300,361
Total investment securities	360,133	351,862	360,133	351,862

18 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 year was as follows:

	Group	Group	Bank	Bank
	30 June 2021	31 Dec 2020	30 June 2021	31 Dec 2020
	N million	N million	N million	N million
Balance, beginning of year	187	187	187	187
Addition	-	-	-	-
Balance, end of year	187	187	187	187

19 Investment Properties

These investment properties were revalued as at the year end 31 December 2020 by Messrs. Bode Adediji Partnership, a firm of estate surveyors and valuers, using the open market basis of valuation, and their reports were dated 31 December 2020 for UBN Property Company Plc respectively. As at 31 December 2020 Investment properties have been carried at their fair value with the fair value difference recognised in profit or loss.

	Group	Group	Bank	Bank
	30 June 2021	31 Dec 2020	30 June 2021	31 Dec 2020
	N million	N million	N million	N million
Balance, beginning of the year	4,817	5,701	-	-
Disposal	336	(1,249)	-	-
Additions to investment property	-	-	-	-
Fair value gain	-	364	-	-
Balance, end of the year	5,153	4,452	5,153	4,452

20 Investment in subsidiaries

Cost

	Bank	Bank
	30 June 2021	31 Dec 2020
	N million	N million
UBN Property Company Plc	2,195	2,195
	2,195	2,195

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

Direct ownership interest

Company Name	Country Incorporation	Nature of business	30 June 2021	31 Dec 2020
			Status/%	Status/%
UBN Property Company Plc (i)	Nigeria	Property Development	39	39
Union Bank UK Plc (ii) (Classified as held for sale)	United Kingdom	Licensed UK Bank	100	100

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

The Company has 5,626,416,051 ordinary shares of N1.00 each of which 39.01% (December 2020- 39.01%) is held by the Bank. In line with IFRS 10- Consolidated Financial Statement, Union Bank of Nigeria Plc has control over this entity as it has the power, exposure to variability of returns and a strong link between power and variability of returns. The Bank also governs the financial and operating policies of UBN Property Company Limited.

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

The Bank directly holds 100% holding of Union Bank UK's 60,000,000 ordinary shares and 99% of its 50,000 deferred shares of GBP1 each and 1% indirect holding through Williams Street Trustees Limited, the nominee company for Union Bank of Nigeria Plc. Union Bank UK Plc was incorporated in December, 2004 as an authorised United Kingdom subsidiary to carry out the business formerly conducted by the London Branch of Union Bank of Nigeria Plc. Union Bank UK Plc has been classified as assets held for sale in line with the requirements of IFRS 5

21 **Property and equipment**

(a) **Group:**

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

	Land	Buildings	Leasehold improvement	Fixtures and fittings	Furniture & equipment	Motor vehicles	Capital work in progress	Total
	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million
Cost								
Balance at 1st January, 2021	10,648	20,115	20,577	5,733	34,562	2,285	1,509	95,429
Exchange difference	-	-	-	-	-	-	-	-
Additions	-	138	319	140	1,195	-	2,528	4,321
Reclassification to other assets	-	-	3	(19)	20	-	-	3
Disposal	(43)	(36)	(19)	(148)	(22)	(1)	-	(269)
Balance as at 30 June 2021	<u>10,605</u>	<u>20,217</u>	<u>20,880</u>	<u>5,705</u>	<u>35,755</u>	<u>2,284</u>	<u>4,037</u>	<u>99,484</u>
Balance at 1st January, 2020	12,859	21,633	17,982	4,852	29,075	2,149	2,716	91,266
Exchange difference	-	-	-	-	-	-	-	-
Additions	17	114	150	503	5,910	192	1,510	8,396
Disposals	(2,257)	(1,711)	267	(8)	(429)	(4)	(2)	(4,144)
Reclassification to other assets	29	79	2,178	386	6	(52)	(2,715)	(89)
Balance as at 31 Dec 2020	<u>10,648</u>	<u>20,115</u>	<u>20,577</u>	<u>5,733</u>	<u>34,562</u>	<u>2,285</u>	<u>1,509</u>	<u>95,429</u>
Depreciation and impairment losses								
Balance at 1st January 2021	-	6,748	2,871	2,801	23,747	1,898	-	38,065
Exchange difference	-	-	-	-	-	-	-	-
Charge for the period	-	184	202	123	2,150	110	-	2,769
Disposals	-	(36)	(1)	-	(22)	-	-	(59)
Reclassifications	-	(21)	(1)	-	-	(1)	-	(23)
Balance as at 30 June 2021	<u>-</u>	<u>6,875</u>	<u>3,071</u>	<u>2,924</u>	<u>25,875</u>	<u>2,007</u>	<u>-</u>	<u>40,752</u>
Balance at 1st January, 2020	-	6,728	2,560	2,343	20,025	1,643	-	33,298
Exchange difference	-	-	-	-	-	-	-	-
Charge for the year	-	394	399	462	3,763	286	-	5,304
Disposals	-	(374)	(88)	(3)	(41)	(31)	-	(537)
Write-off/Adj	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-
Reclassification from discontinued operations	-	-	-	-	-	-	-	-
Balance as at 31 Dec 2020	<u>-</u>	<u>6,748</u>	<u>2,871</u>	<u>2,801</u>	<u>23,747</u>	<u>1,898</u>	<u>-</u>	<u>38,065</u>
(iii) Net Book Value								
Balance as at 30 June 2021	<u>10,605</u>	<u>13,342</u>	<u>17,809</u>	<u>2,781</u>	<u>9,880</u>	<u>277</u>	<u>4,037</u>	<u>58,732</u>
Balance as at 31 December 2020	<u>10,648</u>	<u>13,367</u>	<u>17,707</u>	<u>2,931</u>	<u>10,815</u>	<u>387</u>	<u>1,509</u>	<u>57,364</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 2020: nil)

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

	Land	Buildings	Leasehold improvement	Fixtures and fittings	Furniture & equipment	Motor vehicles	Capital work in progress	Total
	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million
(i) Cost								
Balance at 1st January 2021	10,648	20,116	20,577	5,732	34,542	2,268	1,509	95,392
Additions	-	137	319	141	1,179	-	2,528	4,304
Reclassifications			3	(19)	20	-		3
Disposals	(43)	(36)	(19)	(148)	(22)	-		(268)
Balance as at 30 June 2021	10,605	20,217	20,880	5,705	35,720	2,268	4,037	99,431
Balance at 1st January 2020	12,833	21,634	18,318	4,901	28,719	2,147	2,714	91,266
Additions	16	114	151	502	5,910	191	1,510	8,394
Disposals	(2,230)	(1,711)	(70)	(57)	(93)	(18)		(4,179)
Reclassifications to other assets	29	79	2,178	386	6	(52)	(2,715)	(89)
Balance as at 31 December 2020	10,648	20,116	20,577	5,732	34,542	2,268	1,509	95,392
(ii) Accumulated depreciation								
Balance at 1st January 2021	-	6,748	2,872	2,802	23,736	1,893	-	38,051
Charge for the period	-	184	201	121	2,132	109		2,748
Disposals	-	(36)	(1)		(22)			(59)
Reclassifications		(21)	(1)			(1)		(23)
Balance as at 30 June 2021	-	6,875	3,071	2,923	25,846	2,002	-	40,717
Opening balance at 1st January 2020	-	6,756	2,497	2,343	20,106	1,631	-	33,333
Charge for the year	-	394	400	498	3,721	280	-	5,293
Disposals	-	(402)	(25)	(39)	(91)	(18)	-	(575)
Reclassifications	-	-	-	-	-	-	-	-
Balance as at 31 December 2020	-	6,748	2,872	2,802	23,736	1,893	-	38,051
(iii) Net Book Value								
Balance as at 30 June 2021	10,605	13,342	17,809	2,782	9,874	266	4,037	58,715
Balance as at 31 December 2020	10,648	13,368	17,706	2,930	10,807	375	1,509	57,342

- (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 2020: nil)

22 Intangible assets

	Group		Bank	
	30 June 2021 N million	31 Dec 2020 N million	30 June 2021 N million	31 Dec 2020 N million
Cost				
Balance, beginning of the year	14,769	13,046	14,768	13,045
Additions	106	1,634	106	1,634
Reclassification	1	89	1	89
Reclassified to discontinued operations	-	-	-	-
Balance, end of period	14,874	14,769	14,875	14,768
Amortization and impairment losses				
Balance, beginning of the year	9,557	7,664	9,557	7,664
Amortisation for the year	953	1,893	953	1,893
Reclassified to discontinued operations	-	-	-	-
Balance, end of period	10,510	9,557	10,510	9,557
Carrying amounts as at period end	4,364	5,212	4,365	5,211
Balance as at December 31 2019	5,212	5,382	5,211	5,381

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

(ii) There were no capitalised borrowing costs related to the acquisition of software during the year (December 2020: nil)

23 Right of Use Assets

	Group		Bank	
	30 June 2021	31 Dec 2020	30 June 2021	31 Dec 2020
Gross Amount	3,781	3,450	3,781	3,450
Additions	-	431	-	431
Derecognition	(902)	(100)	(902)	(100)
Gross Amount	2,879	3,781	2,879	3,781
Accumulated depreciation	(819)	(529)	(819)	(529)
Derecognition	773	-	773	-
Charge in the year	(202)	(512)	(202)	(512)
Carrying Amount as at period end	2,631	2,740	2,631	2,740

24 Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Group 30 June 2021	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 liabilities		Liabilities	Net
Property, equipment, and software		N million	N million
Net tax assets (liabilities)		175	175
Net deferred tax		175	175
			95,700

Deferred tax assets and liabilities
31 December 2020

	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 liabilities

	Liabilities	Net
	N million	N million
Property, equipment, and software	226	226
Net tax assets (liabilities)	226	226
Net deferred tax		95,612

Bank

30 June 2021

	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

Cash and cash equivalents at end of year

31 December 2020

	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 year:

	Group	Group	Bank	Bank
	30 June 2021	31 Dec 2020	30 June 2021	31 Dec 2020
	N million	N million	N million	N million
Balance, beginning of the year	95,649	95,613	95,875	95,875
Credit for the year	51	36	-	-
Net deferred tax assets/(liabilities)	95,700	95,649	95,875	95,875
<i>Made up of</i>				
Deferred tax assets	102,914	7,039	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 N95,875 (December 2020: N95,875) 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.

25 Other assets

	Group		Bank	
	30 June 2021	31 Dec 2020	30 June 2021	31 Dec 2020
	N million	N million	N million	N million
Cash Reserve Requirement	399,339	330,929	399,339	330,929
Excess CRR balance to be refunded (see (i))	25,523	25,523	25,523	25,523
Total Cash Reserve Requirement (see (ii))	424,862	356,452	424,862	356,452
Other assets:				
Clearing	2,871	333	2,871	333
Accounts receivable	845	1,220	162	177
Prepayments	10,846	3,499	10,828	3,774
Receivable on FX forward (see (iii))	25,959	21,955	25,959	21,955
Repossed assets	13,018	5,493	13,018	5,493
Sundry assets (see (iv))	56,569	58,219	56,556	58,219
	110,108	90,719	109,394	89,951
Impairment on other assets	(7,874)	(7,219)	(6,832)	(6,176)
Net other assets	102,234	83,500	102,562	83,775
	527,096	439,952	527,424	440,227

(i) The Bank had restricted balances of N424.862 billion (December 2020: N356.452billion) with the Central Bank of Nigeria (CBN) as at 31 December 2020, representing the cash reserve requirement (CRR). The CRR is a mandatory cash deposit which should be held with the Central Bank of Nigeria as a regulatory requirement. The CRR is non interest bearing and is not available for use in the Group's day-to-day operations. As at 31 December 2020, the CRRs in force was 27.5% (Dec 2020: 27.5%).

(ii) **Receivable on FX forward**

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

(iv) **Other Sundry assets**

	Group		Bank	
	30 June 2021	31 Dec 2020	30 June 2021	31 Dec 2020
	N million	N million	N million	N million
Frauds and losses	1,536	1,536	1,536	1,536
Advance payments for PPE	2,167	577	2,167	577
Receivable from Union Homes	2,608	2,608	2,608	2,608
Property under dispute	1,352	1,352	1,352	1,352
Garnishee Order	1,291	1,291	1,291	1,291
ATM receivable	2,239	2,080	2,239	2,080
Dividend Receivable	505	396	505	396
Receivable on electronic transfers and collections	3,419	894	3,419	894
Master/Visa card electronic settlement	80	449	80	449
Investment in AgriBusiness/SMEEIS	4,810	3,577	4,810	3,577
Discounted Fx Forwards	200	219	200	219
Prepaid inventory items	27	28	27	28
Cash in Transit	151	-	151	-
Deposit for forward	25,958	24,708	25,958	24,708
Settlement balance on remitta	3,235	13,425	3,235	13,425
Other account balances	6,992	5,079	6,979	5,079
Balance, end of year	56,569	58,219	56,556	58,219

26 Deposits from banks

	Group		Bank	
	30 June 2021	31 Dec 2020	30 June 2021	31 Dec 2020
	N million	N million	N million	N million
Money market deposits	-	-	-	-
Other deposits from banks	-	4,018	-	4,018
	-	4,018	-	4,018

26 Deposits from customers

	Group		Bank	
	30 June 2021	31 Dec 2020	30 June 2021	31 Dec 2020
	N million	N million	N million	N million
Term deposits	375,063	359,281	379,977	364,110
Current deposits	414,763	398,618	414,763	398,618
Savings	377,320	368,388	377,320	368,388
	1,167,146	1,126,287	1,172,060	1,131,116
Low-cost deposits	792,083	767,006	792,083	767,006
Low-cost deposits as % of total customer deposits	67.9%	68.1%	67.6%	67.8%
Deposits by currency				
Local currency deposits	944,587	955,355	944,587	955,355
Foreign currency deposits	222,559	170,932	227,473	175,761
	1,167,146	1,126,287	1,172,060	1,131,116

27 Current tax liabilities

	Group		Bank	
	30 June 2021	31 Dec 2020	30 June 2021	31 Dec 2020
	N million	N million	N million	N million
Balance, beginning of year	797	486	778	380
Charge for the year	492	791	491	772
Payments during the year	(790)	(480)	(775)	(373)
Balance, end of year	499	797	494	778

28 Other liabilities

	Group		Bank	
	30 June 2021	31 Dec 2020	30 June 2021	31 Dec 2020
	N million	N million	N million	N million
Deposits for foreign currency	319,267	240,886	319,267	240,886
Deposit for properties	599	-	-	-
Due to foreign correspondent banks	58,197	57,129	58,197	57,129
PAYE and other statutory deductions	1,108	643	1,108	643
Draft and Bills payable	1,840	4,538	1,840	4,538
AMCON contribution payable	1,362	1,362	1,362	1,362
Creditors and accruals (see (a) below)	4,057	7,171	4,131	7,171
Provision for fraud	-	102	-	102
Unearned income	717	576	717	576
Provision for claims and contingencies (see (b) below)	4,426	3,717	4,426	3,717
Accounts payable	4,545	5,095	4,449	4,495
OBB/REPO takings	11,455	3,750	11,455	3,750
Other provisions (see note (c) below)	10	4	10	4
Electronic collections and other e-payment liabilities	17,630	22,479	17,630	22,479
Liability for pledged assets	45,680	70,131	45,680	70,131
Other credit balances	8,168	8,134	10,671	8,134
	479,061	425,718	480,943	425,117
Lease Liability	1,720	1,812	1,720	1,812
Total other liabilities	480,781	427,530	482,663	426,929

(a) Creditors and accruals

	Group		Bank	
	30 June 2021	31 Dec 2020	30 June 2021	31 Dec 2020
	N million	N million	N million	N million
Accrued IT Consumables	504	617	504	617
Accruals for professional and consultancy fees	118	134	118	134
Accrual for Industrial Training Fund Levy	128	263	128	263
Accrual for advertisement	113	204	113	204
Accrual for staff related allowances	1,265	4,129	1,265	4,129
Accrual for rental expenses	28	-	28	-
Other accruals	1,900	1,623	1,974	1,623
	4,057	7,171	4,131	7,171

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

	Group		Bank	
	30 June 2021	31 Dec 2020	30 June 2021	31 Dec 2020
	N million	N million	N million	N million
Balance, beginning of year	3,717	2,595	3,717	2,595
Charge/(reversal during the year)	709	1,122	709	1,122
Balance, end of the year	4,426	3,717	4,426	3,717

29 Employee benefit obligations

	Group 30 June 2021	Group 31 Dec 2020	Bank 30 June 2021	Bank 31 Dec 2020
	N million	N million	N million	N million
Post employment benefit obligation (see (a) below)	209	81	209	81
Other long-term employee benefits	1,018	915	1,016	915
	1,227	996	1,225	996

(a) Post employment benefit obligation

	Group 30 June 2021	Group 31 Dec 2020	Bank 30 June 2021	Bank 31 Dec 2020
	N million	N million	N million	N million
Defined contribution scheme (see (i) below)	209	81	209	81
Defined benefit obligation (See (ii) below)	-	-	-	-
	209	81	209	81
Defined benefit asset	1,475	1,475	1,475	1,475
Net defined benefit obligation	1,475	1,475	1,475	1,475

(i) Defined Contribution Scheme

	Group 30 June 2021	Group 31 Dec 2020	Bank 30 June 2021	Bank 31 Dec 2020
	N million	N million	N million	N million
Balance, beginning of year	81	81	81	81
Charge during the year	287	420	286	420
Contribution remitted during the year	(159)	(420)	(158)	(420)
Balance, end of year	209	81	209	81

The Group and its employees make respective contributions of 10% and 8% of basic salary, housing and transport allowance to each

(ii) Defined benefit obligation

The Management of the Bank, in compliance with the Pension Reform Act 2014 and in line with the Trust Deed guiding the Bank's Pension Fund, bought an annuity programme with Leadway Assurance Company Plc for its Defined Benefit (DB) Scheme Pensioners.

Prior to this, the Bank engaged the Union Bank Pensioners' Association at both the National and Zonal Levels, conducted a roadshow across the country for its Pensioners under the Defined Benefit Scheme to get their buy-in for the Annuity Programme. Over 4,600 DB Pensioners have subscribed to the annuity program.

The benefits of the annuity program include;

- The transfer of risks associated with managing future income
- Longevity Risk: There is no fear of lack of income no matter how long the Annuitant lives

(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:

Length of service	Transaction officer and below	Executive trainee- Manager	Senior Manager - General Manager
10 years	10% of Annual Basic Salary Cash Award of N75,000	10% of Annual Basic Salary Cash Award of N120,000	10% of Annual Basic Salary Cash Award of N150,000.00
15 years	15% of Annual Basic Salary Cash Award of N100,000	15% of Annual Basic Salary Cash Award of N175,000	15% of Annual Basic Salary Cash Award of N180,000.00
20 years	20% of Annual Basic Salary Cash Award of N125,000	20% of Annual Basic Salary Cash Award of N220,000	20% of Annual Basic Salary Cash Award of N250,000.00
25 years	25% of Annual Basic Salary Cash Award of N150,000	25% of Annual Basic Salary Cash Award of N250,000	25% of Annual Basic Salary Cash Award of N375,000.00
30 years	30% of Annual Basic Salary Cash Award of N175,000	30% of Annual Basic Salary Cash Award of N300,000	30% of Annual Basic Salary Cash Award of N625,000.00
35 years	35% of Annual Basic Salary Cash Award of N250,000	35% of Annual Basic Salary Cash Award of N375,000	35% of Annual Basic Salary Annual Basic Salary

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

	Group 30 June 2021	Group 31 Dec 2020	Bank 30 June 2021	Bank 31 Dec 2020
	N million	N million	N million	N million
Present value of unfunded obligation	1,018	915	1,016	915
Total present value of the obligation	1,018	915	1,016	915
Present value of net obligation	1,018	915	1,016	915
Recognized liability for defined benefit obligations	1,018	915	1,016	915

30 Debt securities issued

	Group	Group	Bank	Bank
	30 June 2021	31 Dec 2020	30 June 2021	31 Dec 2020
	₦ million	₦ million	₦ million	₦ million
Short term bonds	7,536	7,502	7,536	7,502
Long term bonds	6,526	6,518	6,526	6,518
	14,062	14,020	14,062	14,020

Amount represents debt Issuance Program. The Short term bonds are senior unsecured fixed rate bonds with a maturity tenor of three (3) years. The Long term bonds are senior unsecured fixed rate bonds with a maturity tenor of seven (7) years.

31 Commercial Papers

	Group	Group	Bank	Bank
	30 June 2021	31 Dec 2020	30 June 2021	31 Dec 2020
Commercial Papers Series 6	2,491	14,927	2,491	14,927
Commercial Papers Series 8	2,481	17,268	2,481	17,268
Commercial Papers Series 9	30,578	2,414	30,578	2,414
	35,549	34,609	35,549	34,609

32 Long Term Subordinated bond

	Group	Group	Bank	Bank
	30 June 2021	31 Dec 2020	30 June 2021	31 Dec 2020
Series 3 bonds	29,594	29,546	29,594	29,546
	29,594	29,546	29,594	29,546

Amount represents a N30 billion subordinated unsecured fixed rate bonds. It forms part of the N100 billion domestic bond programme of the bank.

33 Other borrowed funds

	Group	Group	Bank	Bank
	30 June 2021	31 Dec 2020	30 June 2021	31 Dec 2020
	₦ million	₦ million	₦ million	₦ million
Due to CAC (see (a))	1,735	3,862	1,735	3,862
BOI on-lending facilities (see note (b))	1,695	2,093	1,695	2,093
CBN RSS-on lending (see (c))	16,571	17,571	16,571	17,571
Trade finance lending (see (d))	37,622	56,365	37,622	56,365
Other borrowings (see (e))	126,292	103,053	126,292	103,053
SME on-lending scheme	1,631	1,279	1,631	1,279
	185,546	184,223	185,546	184,223

- (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 new rate of 5.00% 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 has a 15-period tenor and repayable quarterly. Under the on-lending agreement and the Bank is under obligation to on-lend to customers at an all-in interest rate of 5% 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) The amount of N16.57bn (December 2020: N17.5bn) represents the outstanding balance on the Real Sector Support Facility (RSSF). The Facility is given by the Central Bank of Nigeria to support large enterprises for startups and expansion financing needs. The real sector activities targeted by the Facility are manufacturing, agricultural value chain and selected service sub-sectors. The Facility is administered at an all-in Interest rate/charge of 5% per annum payable on quarterly basis. The Central Bank of Nigeria is entitled to earn 1% as interest while the Bank is entitled to 4%.

- (d) Trade finance lending includes balances from the following financial institutions:

Group

	Group	Group	Group	Group
	30 June 2021	31 Dec 2020	30 June 2021	31 Dec 2020
	\$ million	\$ million	N million	N million
Mashreq Bank	48	57	19,851	22,868
Union Bank, UK	43	49	17,760	19,465
Citibank N.A. UK	0.03		10	2,033
	92	136	37,621	56,365

- (e) Other borrowings consists of the balances of foreign currency denominated liabilities obtained from the financial institution below:

	Group	Group	Group	Group
	30 June 2021	31 Dec 2020	30 June 2021	31 Dec 2020
	\$ million	\$ million	N million	N million
OPIC	146	146	59,963	58,396
Development Bank of Nigeria	61	-	25,022	-
Afeximbank	101	112	41,307	44,657
	308	258	126,292	103,053

Bank

	Bank	Bank	Bank	Bank
	30 June 2021	31 Dec 2020	30 June 2021	31 Dec 2020
	\$ million	\$ million	N million	N million
Cash and cash equivalents at end of year	48	57	19,851	22,868
Access Bank UK	43	49	17,760	19,465
COMMERZBANK AG GERMANY	-	30	-	11,999
CITIBANK N.A. U.K.	0.03	5	10	2,033
	92	141	37,622	56,366

- (e) Other borrowings consists of the balances of foreign currency denominated liabilities obtained from the financial institution below:

	Bank	Bank	Bank	Bank
	30 June 2021	31 Dec 2020	30 June 2021	31 Dec 2020
	\$ million	\$ million	N million	N million
OPIC	146	146	59,963	-
Development Bank of Nigeria	61	-	25,022	-
Afeximbank	101	112	41,307	103,053
	308	258	126,292	103,053

34 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

The profit for the period from discontinued operations comprises:

	Group June 2021 ₦ million	Group June 2020 ₦ million
Gross income	745	33
Gross expense	(2,011)	351
Interest Income	551	-
Interest Expense	(120)	1,300
Net interest income	431	1,300
Recoveries on credit losses		
Net interest income after impairment charge for credit losses	431	1,300
Net fee and commission income	-	
Net trading income	45	-
Other operating income	149	33
Underwriting profit		
Total operating income	194	33
Total non-interest income	194	33
Operating Income	625	1,334
Net impairment loss on financial assets	199	-
Net operating income after net impairment loss on other financial assets	824	1,334
Personnel expenses	(1,314)	-
Depreciation and amortization	(133)	(828)
Other operating expenses	(643)	(121)
Share of profit of equity accounted investee	-	-
Loss before tax from discontinued operations	(1,266)	385
Income tax expense	-	-
Loss from discontinued operations (net of tax)	(1,266)	385

Assets classified as held for sale

	Group		Bank	
	30 June 2021 ₦ million	31 Dec 2020 ₦ million	30 June 2021 ₦ million	31 Dec 2020 ₦ million
Cash and cash equivalents	24,941	86,195	-	-
Investments in subsidiaries	-	-	8,372	8,372
Loans and advances to customers	20,259	15,584	-	-
Investment securities	5,691	11,334	-	-
Property and equipment	52	68	-	-
Intangible assets	133	150	-	-
Other assets	2,005	1,208	-	-
right of use asset		754		
	53,082	115,293	8,372	8,372
	53,082	115,293	8,372	8,372

(c) Liabilities for assets classified as held for sale

	Group		Bank	
	30 June 2021 ₦ million	31 Dec 2020 ₦ million	30 June 2021 ₦ million	31 Dec 2020 ₦ million
Deposit from banks	10,918	68,808	-	-
Deposits from customers	25,584	33,749	-	-
Other liabilities	1,596	2,323	-	-
Retirement benefit obligation			-	-
Other liabilities	-	1,843	-	-
	38,097	104,400	-	-
	38,097	104,400	-	-

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

35 Capital and reserves

Share capital	Group		Bank	
	30 June 2021	31 Dec 2020	30 June 2021	31 Dec 2020
	₦ million	₦ million	₦ million	₦ million
(a) Minimum Share Capital				
35,000,000,000 (Dec 2019: 35,000,000,000) Ordinary shares of 50 kobo each	17,500	17,500	17,500	17,500
	Group	Group	Bank	Bank
	30 June 2021	31 Dec 2020	30 June 2021	31 Dec 2020
	₦ million	₦ million	₦ million	₦ million
(b) Issued and fully paid -				
29,264,484,854, (Dec. 2019: 29,120,752,788) Ordinary shares of 50kobo each	14,633	14,607	14,633	14,607
	Group	Group	Bank	Bank
	30 June 2021	31 Dec 2020	30 June 2021	31 Dec 2020
	₦ million	₦ million	₦ million	₦ million
Balance, beginning of year	14,607	14,561	14,607	14,561
Additions during the year	26	46	26	46
Balance, end of year	14,633	14,607	14,633	14,607
(c) Share premium				
Share premium is the excess paid by shareholders over the nominal value for their shares.				
	Group	Group	Bank	Bank
	30 June 2021	31 Dec 2020	30 June 2021	31 Dec 2020
	₦ million	₦ million	₦ million	₦ million
Balance, beginning of year	133,235	187,091	133,235	187,091
Transfer from share premium	-	(54,458)	-	(54,458)
Employee Share Incentive Scheme	-	602	-	602
Balance, end of year	133,235	133,235	133,235	133,235
Share capital and share premium	147,868	147,842	147,868	147,842
(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.				
(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.				
(ii) Fair value reserve				
The fair value reserve includes the net cumulative change in the fair value of financial instruments at fair value through other comprehensive income.				
(iii) Regulatory risk reserve				
The regulatory risk reserve warehouses the difference between the impairment on loans and advances computed under Nigeria GAAP based on the Central Bank of Nigeria prudential guidelines and provisions specified by the central banks of foreign subsidiaries, compared with the incurred loss model used in calculating the impairment under IFRSs.				
(iv) Other reserves				
The other reserves include Small and Medium Scale Industries Reserve (SMEEIS), Contingency reserve, Capital reserve, Translation reserve.				

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

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

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

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

(vi) **Translation reserve**

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

(vii) **Excess Capital Clawback**

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

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

(viii) **Share based payment reserve**

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

The movement is shown below

	Group		Bank	
	30 June 2021	31 Dec 2020	30 June 2021	31 Dec 2020
	N million	N million	N million	N million
Cash and cash equivalents at end of year	-	282	-	282
Share transferred during the year	-	366	-	366
Vested shares during the year	-	(648)	-	(648)
Balance, end of year	-	-	-	-

(e) **Retained earnings**

Retained earnings represent the carried forward income net of expenses plus current year profit attributable to Group's shareholders.

36 Non-controlling Interest

	Group	Group
	30 June 2021	31 Dec 2020
	N million	N million
<i>Movement in the non controlling interest</i>		
Balance, beginning of year	6,680	6,543
Profit/(loss) for the year	(6)	137
Balance, end of year	6,674	6,680

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

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

In the normal course of business, the Group is a party to financial instruments with off-balance sheet risks. These instruments are issued to meet the credit and other financial requirements of customers. The total off-balance sheet assets for the Group was N304,031 million (December 2020: N185,327 million).

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

	Group		Bank	
	30 June 2021	31 Dec 2020	30 June 2021	31 Dec 2020
	N million	N million	N million	N million
Performance bonds and guarantees	149,014	109,710	149,014	109,710
Letters of credit	155,017	75,617	155,017	75,617
Gross total off-balance sheet assets	304,031	185,327	304,031	185,327
	(10)	(257)	(10)	(257)
Total off-balance sheet assets after impairment	304,021	185,070	304,021	185,070

Securities Trading Policy

In compliance with Rule 17.15; Disclosure of Dealings in Issuers' Shares, Rulebook of the Exchange 2015 (Issuers Rule), the Bank maintains a Security Trading Policy which guides Directors, Audit Committee members, employees and all individuals defined as insiders regarding their dealings in the Company's shares. The Policy undergoes periodic reviews by the Board and is updated accordingly. The Bank has made specific inquiries of all its directors and other insiders and is not aware of any infringement of the policy during the period. Union Bank of Nigeria PLC as at 30th June, 2021 has adopted a code of conduct regarding securities transactions by its directors on terms no less exacting than the required standard set out in these Rules. Directors have complied with the required standard set out in the listings rules and in the Issuer's code of conduct regarding securities transactions by directors.