



Union Bank of Nigeria Plc
UNAUDITED
IFRS FINANCIAL STATEMENTS
30 June 2018



INCOME STATEMENT

FOR THE PERIOD ENDED JUNE 30 2018 (IFRS)

BANK/NIGERIA ONLY

	JUNE YTD ACTUAL N million	JUNE YTD BUDGET N million	2018 JUNE MONTH ACTUAL N million	2018 JUNE MONTH BUDGET N million	2018 MAY ACTUAL N million
Gross earnings	80,991	78,747	15,393	13,712	12,636
Continuing Operations:					
Interest income	59,369	63,922	10,512	11,339	9,231
Interest expense	(27,242)	(26,163)	(4,272)	(4,526)	(4,813)
Net interest income (NRFF)	32,127	37,758	6,240	6,813	4,418
Net impairment charge for credit losses	(4,345)	(8,694)	(806)	(1,549)	(349)
Net interest income after impairment charge for credit losses	27,782	29,064	5,434	5,264	4,069
Net fee and commission income	5,746	8,391	829	1,296	898
Net trading income	6,913	4,949	348	830	900
Cash recoveries	1,963	1,484	1,099	247	475
Net income from other financial instruments at fair value through profit or loss	2,738	-	98	-	(114)
Other operating income	4,262	1	2,507	0	1,246
Non interest income (NII)	21,622	14,825	4,881	2,374	3,405
Operating income	49,404	43,889	10,315	7,637	7,474
Net impairment loss on other financial assets	20	-	(49)	-	69
Net operating income after net impairment loss on other financial assets	49,424	43,889	10,266	7,637	7,543
Personnel expenses	(17,236)	(16,883)	(2,598)	(2,909)	(2,600)
Depreciation and amortisation	(3,192)	(3,402)	(542)	(587)	(556)
Other operating expenses	(16,874)	(15,296)	(2,872)	(2,557)	(3,019)
Total expenses	(37,302)	(35,581)	(6,012)	(6,053)	(6,175)
PBT	12,122	8,308	4,254	1,585	1,368
Income tax expense	(132)	(83)	(42)	(16)	(26)
Profit for the period	11,990	8,225	4,212	1,569	1,342

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

For the period ended 30 June 2018

	Notes	Group				Bank			
		6 Months H1.2018	6 Months H1.2017	3 Months Q2 2018	3 Months Q2 2017	6 Months H1.2018	6 Months H1.2017	3 Months Q2 2018	3 Months Q2 2017
		₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million
Gross earnings		83,333	72,062	42,867	37,753	80,991	69,382	42,256	36,360
Interest income	1	62,202	56,631	30,528	28,933	59,369	54,457	29,035	27,836
Interest expense	1	(27,856)	(26,533)	(14,013)	(13,464)	(27,242)	(26,324)	(13,559)	(13,344)
Net interest income (NRFF)		34,346	30,098	16,515	15,469	32,127	28,133	15,476	14,492
Net impairment charge for credit losses	6(a)	(4,625)	(3,757)	(2,276)	(3,437)	(4,345)	(3,687)	(2,209)	(3,371)
Net interest income after impairment charge for credit loss		29,721	26,341	14,239	12,032	27,782	24,446	13,267	11,121
Net fee and commission income	2	6,007	4,910	2,731	2,616	5,746	4,638	2,632	2,470
Net trading income	3	6,989	3,347	3,644	2,209	6,913	3,238	3,603	2,170
Cash recoveries		1,963	1,684	659	427	1,963	1,684	659	427
Net income from other financial instruments at fair value through profit or loss	4	2,738	44	2,738	44	2,738	44	2,738	44
Other operating income	5	3,434	5,446	2,567	3,524	4,262	5,321	3,589	3,413
Non interest income (NII)		21,131	15,431	12,339	8,820	21,622	14,925	13,221	8,524
Operating income		50,852	41,772	26,578	20,852	49,404	39,371	26,488	19,646
Net impairment write-back/(loss) on other financial assets	6(a)	20	102	20	102	20	102	20	102
Net operating income after net impairment write-back/(loss) on other financial assets		50,872	41,874	26,598	20,954	49,424	39,473	26,508	19,748
Personnel expenses	7	(18,249)	(15,862)	(10,323)	(8,009)	(17,236)	(14,964)	(9,832)	(7,571)
Depreciation and amortisation		(3,328)	(2,879)	(1,696)	(1,483)	(3,192)	(2,749)	(1,628)	(1,419)
Other operating expenses	8	(17,631)	(13,673)	(9,322)	(6,663)	(16,874)	(13,088)	(8,975)	(6,296)
Total expenses		(39,208)	(32,414)	(21,341)	(16,155)	(37,302)	(30,801)	(20,435)	(15,286)
Profit before income tax		11,664	9,460	5,257	4,799	12,122	8,672	6,073	4,462
Income tax expense	9	(206)	(260)	(73)	(118)	(132)	(86)	(68)	(44)
Profit for the period		11,458	9,200	5,184	4,681	11,990	8,586	6,005	4,418
Remeasurement of defined benefit liability		204	-	-	-	204	-	-	-
Foreign currency translation differences for foreign operations		255	195	(166)	(35)	-	-	-	-
Fair value gains/(losses) on available-for-sale investments		(3,269)	355	(1,666)	(266)	(3,056)	405	(1,672)	(293)
Other comprehensive income for the period		(2,810)	550	(1,832)	(301)	(2,852)	405	(1,672)	(293)
Total comprehensive income for the period		8,648	9,750	3,352	4,380	9,138	8,991	4,333	4,125
Profit attributable to:									
Equity holders of the Bank		11,198	9,133	5,086	4,654	11,990	8,586	6,005	4,418
Non-controlling interest		260	67	98	27	-	-	-	-
Profit for the period		11,458	9,200	5,184	4,681	11,990	8,586	6,005	4,418
Total comprehensive income attributable to:									
Equity holders of the Bank		8,388	9,683	3,254	4,353	9,138	8,991	4,333	4,125
Non-controlling interest		260	67	98	27	-	-	-	-
Total comprehensive income for the period		8,648	9,750	3,352	4,380	9,138	8,991	4,333	4,125
Earnings per share for profit from total operations attributable to equity holders of Bank									
Basic and diluted (Kobo)	10	38	54	17	27	41	51	21	26

Consolidated and Separate Statements of Financial Position

		Group	Group	Bank	Bank
		30 June 2018	31 December 2017	30 June 2018	31 December 2017
	Notes	N million	N million	N million	N million
ASSETS					
Cash and cash equivalents	11	243,067	222,577	132,493	137,497
Financial assets at fair value through profit or loss	12	19,868	20,076	19,868	20,076
Pledged assets	13	63,020	54,079	63,020	54,079
Derivative assets held for risk management	14	530	1,297	530	1,297
Loans and advances to banks		13,657	-	14,695	-
Loans and advances to customers at amortised cost	15	470,122	517,103	440,920	488,555
Investments in equity accounted investee	16	-	-	-	-
Investment securities	17	179,556	185,658	163,490	175,329
Trading properties	18	839	1,153	513	513
Investment properties	19	5,021	4,951	-	-
Investment in subsidiaries	20	-	-	10,567	10,567
Property and equipment	21	58,089	55,986	57,929	55,801
Intangible assets	22	4,257	4,344	3,911	3,949
Deferred tax assets	23	95,875	95,875	95,875	95,875
Cash reserve requirement	24	261,393	225,770	261,393	251,293
Other assets	24	55,137	65,922	55,101	39,413
Defined benefit assets		324	352	324	352
		1,470,755	1,455,143	1,320,629	1,334,596
Assets classified as held for sale	31(b)	397	397	325	325
TOTAL ASSETS		1,471,152	1,455,540	1,320,954	1,334,921
LIABILITIES					
Derivative liabilities held for risk management	14	413	972	413	972
Deposits from banks	25	91,450	100,131	-	10,686
Deposits from customers	26	826,722	802,384	789,178	796,708
Current tax liabilities	27	497	524	143	271
Deferred tax liabilities	23	368	259	-	-
Other liabilities	28	190,649	111,461	188,921	108,359
Retirement benefit obligations	29	489	857	485	801
Other borrowed funds	30	70,213	93,211	75,326	95,736
		1,180,801	1,109,799	1,054,466	1,013,533
Liabilities classified as held for sale	31(c)	-	-	-	-
TOTAL LIABILITIES		1,180,801	1,109,799	1,054,466	1,013,533
EQUITY					
Share capital and share premium	32	201,652	201,652	201,652	201,652
Retained earnings/(deficit)		6,314	(14,384)	2,372	(19,118)
Other reserves		76,294	152,642	62,464	138,854
EQUITY ATTRIBUTABLE TO EQUITY - HOLDERS OF THE BANK		284,260	339,910	266,488	321,388
Non-controlling interest	33	6,091	5,831	-	-
TOTAL EQUITY		290,351	345,741	266,488	321,388
TOTAL LIABILITIES AND EQUITY		1,471,152	1,455,540	1,320,954	1,334,921

Signed on behalf of the Board of Directors on 20 July 2018 by:

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

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

Consolidated and Separate Statements of Changes in Equity
For the month ended 30 June 2018

Group

	Share capital	Share premium	Statutory reserve	Fair value reserve	Regulatory risk reserve	Share based payment reserve	AGSMEIS Reserve	Other reserves	Retained deficit	Total	Non-controlling interest	Total equity
	N million	N million	N million	N million	N million	N million	N million	N million	N million	N million	N million	N million
Balance at 1 January 2018	14,561	187,091	26,371	40,567	71,027	193	-	14,484	(14,384)	339,910	5,831	345,741
IFRS 9 Transition adjustment	-	-	-	(20,399)	(59,691)	-	-	-	15,857	(64,233)	-	(64,233)
Other prior period restatements	-	-	-	-	-	-	1,436	-	(1,436)	-	-	-
Restated balance at 1 January 2018	14,561	187,091	26,371	20,168	11,336	193	1,436	14,484	37	275,677	5,831	281,508
Total comprehensive income for the period												
Profit for the period	-	-	1,799	-	-	-	-	-	9,399	11,198	260	11,458
Other comprehensive income, net of tax												
Foreign currency translation difference	-	-	-	-	-	-	-	255	-	255	-	255
Fair value gains/(loss) on available-for-sale investment	-	-	-	(3,269)	-	-	-	-	-	(3,269)	-	(3,269)
Equity settled share based payment	-	-	-	-	-	195	-	-	-	195	-	195
Appropriation:												
Transfer from regulatory reserves	-	-	-	-	3,122	-	-	-	(3,122)	-	-	-
Total comprehensive income for the period	-	-	1,799	(3,269)	3,122	195	-	459	6,277	8,583	260	8,843
Transactions with owners, recorded directly in equity												
Contributions by and distributions to owners												
Total contribution and (distributions) to owners	-	-	-	-	-	195	-	-	-	195	-	195
Balance at 30 June 2018	14,561	187,091	28,170	16,899	14,458	388	1,436	14,943	6,314	284,455	6,091	290,546

For the month ended 30 June 2017

	Share capital	Share premium	Statutory reserve	Fair value reserve	Regulatory risk reserve	Share based payment reserve	AGSMEIS Reserve	Other reserves	Retained deficit	Total	Non-controlling interest	Total equity
	N million	N million	N million	N million	N million	N million	N million	N million	N million	N million	N million	N million
Balance at 1 January 2017	8,468	391,641	24,445	34,832	38,869	147	-	12,340	(244,183)	266,559	5,111	271,670
Total comprehensive income for the period												
Profit for the period	-	-	1,288	-	-	-	-	-	7,845	9,133	67	9,200
Other comprehensive income, net of tax												
Foreign currency translation difference	-	-	-	-	-	-	-	195	-	195	-	195
Fair value gains/(loss) on available-for-sale investment	-	-	-	355	-	-	-	-	-	355	-	355
Appropriation:												
Transfer from regulatory reserves	-	-	-	-	3,689	-	-	-	(3,689)	-	-	-
Transfer from other reserves	-	-	-	(1,065)	-	-	-	-	1,065	-	-	-
Total comprehensive income for the period	-	-	1,288	(710)	3,689	-	-	195	5,221	9,683	67	9,750
Transactions with owners, recorded directly in equity												
Shares redeemed during the period	-	-	-	-	-	-	-	-	-	(624)	-	(624)
Equity-settled share-based payment	-	-	-	-	-	1,049	-	-	-	1,049	-	1,049
Transfer from Share Based Payment Reserve	124	1,071	-	-	-	(1,195)	-	-	-	-	-	-
Total contribution and distributions to owners	124	1,071	-	-	-	(147)	-	-	-	425	-	425
Balance at 30 June 2017	8,592	392,712	25,733	34,122	42,558	-	-	12,535	(238,962)	276,667	5,178	281,845

Consolidated and Separate Statements of Changes in Equity
For the month ended 30 June 2018

Bank

	Share capital	Share premium	Statutory reserve	Treasury shares	Fair value reserves	Regulatory risk reserves	Share based payment reserve	AGSMEIS Reserve	Other reserves	Retained deficit	Total
	N million	N million	N million	N million	N million	N million	N million	N million	N million	N million	N million
Balance at 1 January 2018	14,561	187,091	26,371	-	39,205	71,027	193	-	2,058	(19,118)	321,388
IFRS 9 Transition adjustment	-	-	-	-	(20,399)	(59,691)	-	-	-	15,857	(64,233)
Other prior period restatements	-	-	-	-	-	-	-	1,436	-	(1,436)	-
Restated balance at 1 January 2018	14,561	187,091	26,371	-	18,806	11,336	193	1,436	2,058	(4,697)	257,155
Total comprehensive income for the period											
Profit or loss	-	-	1,799	-	-	-	-	-	-	10,191	11,990
Other comprehensive income											
Fair value gains/(loss) on available-for-sale investment	-	-	-	-	(3,056)	-	-	-	-	-	(3,056)
Equity settled share based payment	-	-	-	-	-	-	195	-	-	-	-
Remeasurement of defined benefit liability	-	-	-	-	-	-	-	-	204	-	204
Transfer between reserves	-	-	-	-	-	3,122	-	-	-	(3,122)	-
Total comprehensive income for the period	-	-	1,799	-	(3,056)	3,122	195	-	204	7,069	9,138
Transactions with owners, recorded directly in equity											
Contributions by and distributions to owners											
Total contribution and (distributions) to owners	-	-	-	-	-	-	195	-	-	-	195
Balance at 30 June 2018	14,561	187,091	28,170	-	15,750	14,458	388	1,436	2,262	2,372	266,487

62,463

For the month ended 30 June 2017

	Share capital	Share premium	Statutory reserve	Treasury shares	Fair value reserves	Regulatory risk reserves	Share based payment reserve	AGSMEIS Reserve	Other reserves	Retained deficit	Total
	N million	N million	N million	N million	N million	N million	N million	N million	N million	N million	N million
Balance at 1 January 2017	8,468	391,641	24,445	-	33,579	38,869	147	-	2,058	(247,868)	251,339
Prior period adjustment	-	-	-	-	-	-	-	-	-	-	-
Balance at 1 January 2017	8,468	391,641	24,445	-	33,579	38,869	147	-	2,058	(247,868)	251,339
Total comprehensive income for the period											
Profit or loss	-	-	1,288	-	-	-	-	-	-	7,298	8,586
Other comprehensive income											
Fair value gains/(loss) on available-for-sale investment	-	-	-	-	405	-	-	-	-	-	405
Transfer between reserves	-	-	-	-	(1,065)	3,689	-	-	-	(2,624)	-
Total comprehensive income for the period	-	-	1,288	-	(660)	3,689	-	-	-	4,674	8,991
Transactions with owners, recorded directly in equity											
Contributions by and distributions to owners											
Shares redeemed during the period	-	-	-	(624)	-	-	-	-	-	-	(624)
Equity-settled share-based payment	-	-	-	-	-	-	1,049	-	-	-	1,049
Transfer from Share Based Payment Reserve	124	1,071	-	-	-	-	(1,195)	-	-	-	-
Total contribution and distributions to owners	124	1,071	-	(624)	-	-	(147)	-	-	-	425
Balance at 30 June 2017	8,592	392,712	25,733	(624)	32,919	42,558	-	-	2,058	(243,194)	260,754

Consolidated and Separate Statements of Cash Flows

For the period ended 30 June 2018

	Notes	Group 30 June 2018 N million	Group 30 June 2017 N million	Bank 30 June 2018 N million	Bank 30 June 2017 N million
Cash flows from operating activities					
Profit for the year		11,198	9,133	11,990	8,586
Income tax expense	16	206	260	132	86
Profit before tax		11,404	9,393	12,122	8,672
<i>Adjustments for:</i>					
Impairment losses on loans and advances		4,625	6,633	4,345	6,563
Recoveries on loans and advances		(1,963)	(1,684)	(1,963)	(1,684)
(Reversal of impairment)/impairment loss on loans and advances		-	(2,876)	-	(2,876)
Write off- loans and advances		63,954	-	63,954	-
Impairment loss on equity accounted investee		-	-	-	-
Reversal of impairment on other assets		(20)	(102)	(20)	(102)
Write-off of intangible assets	29	-	-	-	-
Write-off of property and equipment	28	-	-	-	-
Revaluation gains on investment properties	28	-	-	-	-
Allowances on other assets		-	-	-	-
Gain on sale of property and equipment		(298)	(1,277)	(129)	(1,276)
Gain on disposal of available for sale - unquoted equity	25	(1,205)	-	(1,205)	-
Gain on sale of trading properties		(169)	-	-	-
Gain on sale/liquidation of subsidiaries		-	-	-	-
Depreciation of property and equipment	28	2,526	2,085	2,498	2,113
Amortisation of intangible assets	29	829	684	696	591
Dividend income from equity investment		(887)	(833)	(1,922)	(833)
Interest paid on borrowings		4,408	5,479	4,408	5,477
Contributions to defined contribution plans		289	303	289	303
Increase in liability for defined benefit plans		102	47	102	47
		83,596	17,852	83,175	16,995
Change in financial assets at fair value through profit or loss		208	(14,653)	208	-
Change in pledged assets		(8,941)	3,694	(8,941)	3,694
Change in loans and advances to customers		(83,868)	27,471	(82,934)	35,310
Change in loans and advances to banks		(13,657)	-	(14,695)	-
Change in other assets		(24,505)	(38,714)	(25,964)	(38,981)
Change in defined benefit assets		28	-	28	-
Change in derivative financial instruments-assets		767	2,651	767	2,651
Change in derivative financial instruments-liabilities		(559)	432	(559)	432
Change in deposits from banks		(8,681)	11,536	(10,686)	12,189
Change in deposits from customers		24,338	100,822	(7,530)	115,636
Change in other liabilities		78,931	(29,556)	80,757	(30,409)
		47,657	81,534	13,626	117,517
Income tax paid	35	(233)	(256)	(260)	(157)
Payment from defined contribution plan	37(a)(i)	(307)	(304)	(307)	(304)
Payment from defined benefit plan		-	-	-	-
Net cash provided by/(used in) operating activities		47,117	80,974	13,059	117,056

Cash flows from investing activities				
Disposal/(acquisition) of investment properties	27	(70)	-	-
Proceeds from sale of trading properties		483	961	-
Proceeds from sale of property and equipment		403	3,204	234
Proceed/(acquisition) of investment securities		4,298	(8,552)	9,988
Acquisition of trading properties	26	-	-	-
Acquisition of property and equipment	29	(4,731)	(4,323)	(4,730)
Acquisition of intangible assets	30	(685)	-	(658)
Dividend income received	13	887	833	1,922
				833
				-
Net cash generated from/(used in) investing activities		584	(8,306)	6,755
				(9,828)
Cash flows from financing activities				
Inflow from other borrowings		-	9,383	-
Repayment of borrowings		(22,998)	(29,966)	(20,410)
Interest paid on borrowings	9	(4,408)	(5,479)	(4,408)
				5,477
Net cash generated from/(used in) financing activities		(27,406)	(26,062)	(24,818)
				(15,072)
Net increase/(decrease) in cash and cash equivalents		20,295	46,607	(5,004)
Cash and cash equivalents at beginning of year	19	222,577	136,194	137,497
Effect of exchange rate fluctuations on cash held		196	273	-
Cash and cash equivalents at end of period	19	243,067	183,074	132,493
				102,085

1 Net interest income

	Group 6 Months H1.2018	Group 6 Months H1.2017	Group 3 Months Q2 2018	Group 3 Months Q2 2017	Bank 6 Months H1.2018	Bank 6 Months H1.2017	Bank 3 Months Q2 2018	Bank 3 Months Q2 2017
	N million	N million	N million	N million	N million	N million		
Interest income								
Cash and cash equivalents	1,332	1,837	754	854	1,117	1,059	661	506
Loans and advances to customers	46,664	41,332	22,870	21,162	45,398	40,197	22,216	20,557
Investment securities	14,206	13,462	6,904	6,917	12,854	13,201	6,158	6,773
Total interest income	62,202	56,631	30,528	28,933	59,369	54,457	29,035	27,836
Interest expense								
Deposits from customers	23,448	21,054	11,643	10,622	22,834	20,847	11,189	10,503
Other borrowed funds	4,408	5,479	2,370	2,842	4,408	5,477	2,370	2,841
Total interest expense	27,856	26,533	14,013	13,464	27,242	26,324	13,559	13,344
Net interest income	34,346	30,098	16,515	15,469	32,127	28,133	15,476	14,492

2 Net Fees and commission income

	Group 6 Months H1.2018	Group 6 Months H1.2017	Group 3 Months Q2 2018	Group 3 Months Q2 2017	Bank 6 Months H1.2018	Bank 6 Months H1.2017	Bank 3 Months Q2 2018	Bank 3 Months Q2 2017
	N million	N million	N million	N million	N million	N million	N million	N million
Credit Related fees and commissions income	2,953	3,069	1,184	1,465	2,953	3,069	1,184	1,497
Account Maintenance Fee	809	712	406	356	809	712	406	356
E-business fee income (See note (a))	1,193	290	621	329	1,193	290	621	298
Commission on LCs, Invisible Trades and Guarantees	760	567	390	320	760	567	390	320
Other fees and commission	292	272	130	146	31	-	31	-
	6,007	4,910	2,731	2,616	5,746	4,638	2,632	2,470

(a) E-business fee income								
	Group	Group	Group	Group	Bank	Bank	Bank	Bank
	6 Months	6 Months	3 Months	3 Months Q2	6 Months	6 Months	3 Months	3 Months
	H1.2018	H1.2017	Q2 2018	2017	H1.2018	H1.2017	Q2 2018	Q2 2017
	N million	N million	N million	N million	N million	N million	N million	N million
ATM on-us	1,537	1,006	1,537	539	1,537	1,006	1,537	539
POS	102	49	102	27	102	49	102	27
E-card maintenance	573	321	573	172	573	321	573	172
Online transfer	17	53	17	53	17	53	17	23
	2,229	1,430	2,229	791	2,229	1,430	2,229	761
Card FX gain/(loss)	23	17	23	9	23	17	23	9
	2,252	1,446	2,252	800	2,252	1,446	2,252	770
E-business fee charge								
	Group	Group	Group	Group	Bank	Bank	Bank	Bank
	6 Months	6 Months	3 Months	3 Months Q2	6 Months	6 Months	3 Months	3 Months
	H1.2018	H1.2017	Q2 2018	2017	H1.2018	H1.2017	Q2 2018	Q2 2017
	N million	N million	N million	N million	N million	N million	N million	N million
ATM on-us	514	351	514	194	514	351	514	194
POS	107	67	107	35	107	67	107	35
E-card maintenance	438	739	438	243	438	739	438	243
	1,059	1,157	1,059	471	1,059	1,157	1,059	471
Net E-business fee	1,193	290	1,193	329	1,193	290	1,193	299

3 Net trading income/(loss)

	Group 6 Months H1.2018	Group 6 Months H1.2017	Group 3 Months Q2 2018	Group 3 Months Q2 2017	Bank 6 Months H1.2018	Bank 6 Months H1.2017	Bank 3 Months Q2 2018	Bank 3 Months Q2 2017
	N million	N million	N million	N million	N million	N million	N million	N million
Gain on disposal of fixed income securities	6,383	2,128	3,110	1,362	6,383	2,128	3,110	1,362
Mark to market gains on fixed income securities	(103)	304	20	151	(103)	232	20	116
Mark to market gains on commercial paper	85	-	85	-	85	-	85	-
Foreign exchange gain on trading	624	915	429	696	548	878	388	692
	6,989	3,347	3,644	2,209	6,913	3,238	3,603	2,170

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

	Group 6 Months H1.2018	Group 6 Months H1.2017	Group 3 Months Q2 2018	Group 3 Months Q2 2017	Bank 6 Months H1.2018	Bank 6 Months H1.2017	Bank 3 Months Q2 2018	Bank 3 Months Q2 2017
	N million	N million	N million	N million	N million	N million	N million	N million
<i>Equity instruments at FVTPL</i>								
Equity	2672	-	2,672	-	2672	-	2672	
<i>Derivatives held for risk management purposes:</i>								
Foreign exchange swap contracts	66	44	66	44	66	44	66	44
	2,738	44	2,738	44	2,738	44	2,738	44

5 Other operating income

	Group 6 Months H1.2018	Group 6 Months H1.2017	Group 3 Months Q2 2018	Group 3 Months Q2 2017	Bank 6 Months H1.2018	Bank 6 Months H1.2017	Bank 3 Months Q2 2018	Bank 3 Months Q2 2017
	N million	N million	N million	N million	N million	N million	N million	N million
Dividends	887	833	887	25	1,922	833	1,922	25
Gains on disposal of property and equipment	298	1,277	122	448	129	1,276	122	447
Gains on disposal of trading properties	169	-	169	-	-	-	-	-
Gain on disposal of available for sale investments - unquoted equity	1,205	-	1,205	-	1,205	-	1,205	-
Gain on liquidation/disposal of subsidiaries	-	-	-	-	-	-	-	-
Revaluation gain on 'fair value through profit or loss	-	-	-	-	-	-	-	-
Foreign exchange revaluation gain	676	260	164	217	658	260	147	217
Rental income	43	118	4	39	43	85	27	26
Provision no longer required	-	-	-	-	-	-	-	-
Sundry income (see note (a) below)	156	2,958	16	2,795	305	2,867	166	2,698
	3,434	5,446	2,567	3,524	4,262	5,321	3,589	3,413

(a) Sundry income

	Group 6 Months H1.2018	Group 6 Months H1.2017	Group 3 Months Q2 2018	Group 3 Months Q2 2017	Bank 6 Months H1.2018	Bank 6 Months H1.2017	Bank 3 Months Q2 2018	Bank 3 Months Q2 2017
	N million	N million	N million	N million	N million	N million	N million	N million
Cash handling fees	22	32	9	15	22	32	9	15
Fraud recoveries	68	29	65	15	68	29	65	15
Excess provision no longer required	-	2,000	-	2,000	-	2,000	-	2,000
Other income	66	866	(57)	2,765	215	873	93	734
	156	2,958	16	2,795	305	2,867	166	2,698

6 Net Impairment loss on financial assets**(a) Net impairment charge for credit losses**

	Group H1.2018	Group H1.2017	Group Q2 2018	Group Q2 2017	Bank H1.2018	Bank H1.2017	Bank Q2 2018	Bank Q2 2017
	N million	N million	N million	N million	N million	N million	N million	N million
Net impairment charge for credit losses:								
Total impairment charge on loans and advances	4,625	3,757	2,276	3,437	4,345	3,687	2,209	3,371
(b) <i>Net impairment loss on other financial assets:</i>								
Allowance no longer required on other assets	(20)	(102)	(20)	(102)	(20)	(102)	(20)	(102)
	(20)	(102)	(20)	(102)	(20)	(102)	(20)	(102)
Total net impairment loss on financial assets	4,605	3,655	2,256	3,335	4,325	3,585	2,189	3,269

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

7 Personnel expenses

	Group 6 Months N million	Group 6 Months N million	Group 3 Months N million	Group 3 Months N million	Bank 6 Months N million	Bank 6 Months N million	Bank 3 Months N million	Bank 3 Months N million
Wages and salaries	17,858	15,512	10,077	7,832	16,845	14,614	9,586	7,394
Contributions to defined contribution plans	289	303	146	153	289	303	146	153
Interest and current service cost on defined benefit plans	102	47	100	24	102	47	100	24
Equity-settled share based payment	-	-	-	-	-	-	-	-
Terminal benefits	-	-	-	-	-	-	-	-
	18,249	15,862	10,323	8,009	17,236	14,964	9,832	7,571

8 Other operating expenses

	Group	Group	Group	Group	Bank	Bank	Bank	Bank
	H1.2018	H1.2017	Q2 2018	Q2 2017	H1.2018	H1.2017	Q2 2018	Q2 2017
	N million	N million	N million	N million	N million	N million	N million	N million
NDIC Premium	1,939	1,540	985	786	1,939	1,540	985	786
AMCON surcharge	3,486	2,806	1,818	1,404	3,486	2,806	1,818	1,404
Non-discretionary regulatory costs	5,425	4,346	5,425	2,190	5,425	4,346	2,803	2,190
Auditors' remuneration	82	77	43	38	79	75	41	37
Rents and Rates	498	507	258	248	495	504	257	245
Accommodation and travels	534	484	268	286	459	439	224	260
Fleet management and vehicle related expenses	302	327	147	186	302	327	147	186
Repair and Maintenance	1,153	438	573	8	990	323	484	(51)
Professional fees	908	634	432	350	718	402	349	163
Advertising and Promotion expenses	844	582	482	278	844	582	482	278
Security expense	586	515	295	258	586	515	295	258
Expenses on software	2,294	1,827	1,223	915	2,294	1,827	1,223	915
Donations and Subscriptions	57	120	24	101	57	120	24	101
General administrative expenses (see note (a) below)	4,793	3,666	2,695	1,731	4,472	3,479	2,568	1,640
Insurance	155	150	79	74	153	149	78	74
	17,631	13,673	9,322	6,663	16,874	13,088	8,975	6,296

(a) General administrative expenses

	Group	Group	Group	Group	Bank	Bank	Bank	Bank
	6 Months	6 Months	3 Months	3 Months	6 Months	6 Months	3 Months	3 Months
	H1.2018	H1.2017	Q2 2018	Q2 2017	H1.2018	H1.2017	Q2 2018	Q2 2017
	N million	N million	N million	N million	N million	N million	N million	N million
Office cleaning	166	147	92	64	166	147	92	64
Cash movement expense	662	639	318	325	662	639	318	325
Entertainment	167	107	46	47	167	107	46	47
Directors fees and allowances	147	204	75	88	147	204	75	88
Diesel and power	1,133	1,078	634	481	1,133	1,078	634	481
Stationery, printing, postage and telephone	313	150	169	100	313	150	169	100
Penalties	20	2	16	2	20	2	16	2
Restitution and other charges	1,006	430	680	176	1,006	430	680	176
Debt recovery expenses	103	41	61	30	103	41	61	30
Expense on Bulk SMS	36	47	10	24	36	47	10	24
Business meetings and conferences	35	69	19	13	35	69	19	13
Annual General Meeting expenses	45	71	25	40	45	71	25	40
Bank charges	176	168	91	68	176	168	91	68
Other expenses	785	513	459	273	464	326	332	182
	4,793	3,666	2,695	1,731	4,472	3,479	2,568	1,640

9 Income tax expense

(a) Recognised in the profit or loss

	Group 6 Months H1.2018 N million	Group 6 Months H1.2017 N million	Group 3 Months Q2 2018 N million	Group 3 Months Q2 2017 N million	Bank 6 Months H1.2018 N million	Bank 6 Months H1.2017 N million	Bank 3 Months Q2 2018 N million	Bank 3 Months Q2 2017 N million
Current tax expense								
Company Income Tax	74	174	5	174	-	-	-	-
Education tax	-	-	-	-	-	-	-	-
Capital Gains tax	12	126	12	43	12	126	-	43
NITDA Levy	120	(40)	56	1	120	(40)	68	1
Deferred tax expense	-	-	-	-	-	-	-	-
	206	260	73	218	132	86	68	44
Deferred tax expense								
Origination and reversal of temporary differences	-	-	-	(100)	-	-	-	-
Total income tax expense	206	260	73	118	132	86	68	44

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

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 period is as follows.

Weighted average number of ordinary shares

	Group 6 Months H1.2018	Group 6 Months H1.2017	Group 3 Months Q2 2018	Group 3 Months Q2 2017	Bank 6 Months H1.2018	Bank 6 Months H1.2017	Bank 3 Months Q2 2018	Bank 3 Months Q2 2017
Issued ordinary shares at beginning of the period	29,121	16,936	29,121	16,936	29,121	16,936	29,121	16,936
Weighted effect of shares issued during the period	29,121	16,936	29,121	16,936	29,121	16,936	29,121	16,936

(b) Profit attributable to ordinary shareholders

	Group 6 Months H1.2018	Group 6 Months H1.2017	Group 3 Months Q2 2018	Group 3 Months Q2 2017	Bank 6 Months H1.2018	Bank 6 Months H1.2017	Bank 3 Months Q2 2018	Bank 3 Months Q2 2017
<i>In millions of Nigerian Naira</i>								
Profit/(Loss) for the period attributable to equity holders	11,198	9,133	5,086	4,654	11,990	8,586	6,005	4,418
Basic earnings/(loss) per share (in kobo)	38	54	17	27	41	51	21	26

(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.

11 Cash and cash equivalents

	Group	Group	Bank	Bank
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
	N million	N million	N million	N million
Cash and balances with banks	79,019	66,961	76,307	66,458
Unrestricted balances with central bank	50,181	23,499	50,181	23,499
Money market placements	113,867	132,117	6,005	47,540
	243,067	222,577	132,493	137,497

12 Financial assets at fair value through profit or loss

	Group	Group	Bank	Bank
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
	N million	N million	N million	N million
Government bonds	428	9,121	428	9,121
Treasury bills	13,959	10,955	13,959	10,955
Commercial papers	5,481	-	5,481	-
	19,868	20,076	19,868	20,076

13 Pledged assets

Financial assets that may be repledged or resold by counterparties

	Group	Group	Bank	Bank
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
	N million	N million	N million	N million
Treasury bills	31,779	24,523	31,779	24,523
Bonds	31,155	29,473	31,155	29,473
Placement	86	83	86	83
	63,020	54,079	63,020	54,079

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

14 Derivative financial instruments

Group	30 June 2018		31 December 2017	
	Assets	Liabilities	Assets	Liabilities
	N million	N million	N million	N million
Instrument Type:				
FX swaps	530	-	1,297	-
Non-deliverable futures	-	413	-	972
	530	413	1,297	972
Bank				
Instrument Type:				
FX swaps	530	-	1,297	-
Non-deliverable futures	-	413	-	972
	530	413	1,297	972

The Group uses derivatives not designated in a qualifying hedge relationship, to manage its exposure to foreign currency

15 Loans and advances to customers at amortised cost

(a)	Group	Group	Bank	Bank
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
	N million	N million	N million	N million
FCY Loans	265,462	287,675	235,667	258,831
LCY Loans	243,037	272,976	243,037	272,976
Gross amount	508,499	560,651	478,704	531,807
IFRS 9				
Stage 1 impairment (Performing)	(4,311)	-	(4,311)	-
Stage 2 impairment (Underperforming)	(2,395)	-	(2,270)	-
Stage 3 impairment (Non-performing)	(31,671)	-	(31,203)	-
IAS 39				
Specific impairment	-	(36,459)	-	(36,232)
Portfolio impairment	-	(7,089)	-	(7,020)
Total impairment	(38,377)	(43,548)	(37,784)	(43,252)
Carrying amount	470,122	517,103	440,920	488,555
Impaired Loan	54,697	110,912	48,652	110,685
Unpaired Loan	72,892	63,403	72,892	63,403
Gross NPLs (Stage 3 Loans)	127,589	174,088	121,544	174,088
Total NPL Ratio	10.76%	19.78%	10.16%	20.81%
Loan Coverage Ratio	96.60%	103.30%	107.38%	103.25%
Loan-Deposit ratio	61.51%	69.87%	60.66%	66.75%

16 Investment in equity accounted investee

	Group	Group	Bank	Bank
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
	N million	N million	N million	N million
Cost				
Balance, beginning of the period	115	115	91	91
	115	115	91	91
(Impairments) /increase in value	(115)	(115)	(91)	(91)
Balance, end of the period	-	-	-	-

17 Investment securities

	Group	Group	Bank	Bank
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
	N million	N million	N million	N million
Investment securities at fair value through other comprehensive income (FVOCI) (see note (a) below)	102,334	147,153	91,281	136,824
Investment at fair value through profit or loss (FVTPL) (see note (b) below)	31,124	-	31,124	-
Investment securities at amortised cost (see note (c) below)	46,161	38,505	41,148	38,505
Impairment on securities	(63)	-	(63)	-
	179,556	185,658	163,490	175,329

	Group	Group	Bank	Bank
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
	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	75,514	65,102	64,461	54,773
FGN Bonds	19,124	47,635	19,124	47,635
State Bonds	3,325	3,277	3,325	3,277
Corporate Bonds	1,136	1,119	1,136	1,119
Total investment in debt securities	99,099	117,133	88,046	106,804
<i>Equity instruments at fair value through other comprehensive income comprise:</i>				
Equity: Quoted see Note 16a	2,195	2,195	2,195	2,195
Unquoted see Note 16b	1,040	31,879	1,040	31,879
Total - Equity instruments	3,235	34,074	3,235	34,074
Less: provisions for unquoted equities	-	(4,054)	-	(4,054)
Net Total -Equity instruments	3,235	30,020	3,235	30,020
Total investment securities at FVTOCI	102,334	147,153	91,281	136,824

	Group	Group	Bank	Bank
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
	N million	N million	N million	N million
17a Investment in REIT	2,195	2,195	2,195	2,195

17b	Investment in unquoted equities				
	Africa Finance Corporation (AFC)	-	26,289	-	26,289
	Afrexim Bank	-	494	-	494
	Nigeria Auto Clearing System (NAC)	42	42	42	42
	Interswitch	-	2	-	2
	Credit Reference Company (CRC)	50	50	50	50
	Nig Superswitch Infrastructure	-	10	-	10
	Banque Internationale de Benin	-	1152	-	1,152
	Africa Investment Bank Cotonou	-	122	-	122
	Investment in Small and Medium Scale Enterprises	948	3,718	948	3,718
		1,040	31,879	1,040	31,879
	Total	3,235	34,074	3,235	34,074
	Less: Provision for unquoted investment	-	(4,054)	-	(4,054)
		3,235	30,020	3,235	30,020
(b)	<i>Investment at fair value through profit or loss comprise:</i>				
	Investment in equity				
	Afrexim Bank	2,494	-	2,494	-
	Africa Finance Corporation (AFC)	28,630	-	28,630	-
		31,124	-	31,124	-
	<i>Fixed income securities at amortised cost comprise:</i>				
	Treasury bills	5,013	-	-	-
	Federal Government of Nigeria -Bonds	17,108	22,782	17,108	22,782
	Corporate placement	10,894	-	10,894	-
	State Government of Nigeria -Bonds	13,146	15,723	13,146	15,723
	Total - Fixed income	46,161	38,505	41,148	38,505
	Stage 1 impairment	(56)	-	(56)	-
	Stage 2 impairment	(7)	-	(7)	-
	Stage 3 impairment	-	-	-	-
	Total impairment	(63)	-	(63)	-
	Net Total -Fixed income securities	145,197	155,638	129,131	145,309
	Total investment securities	148,432	185,658	132,366	175,329

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 period was as follows:

	Group 30 June 2018	Group 31 December 2017	Bank 30 June 2018	Bank 31 December 2017
	N million	N million	N million	N million
Balance, beginning of period	1,153	2,309	513	513
Reclassified to investment properties	-	(349)		
Reversal of impairment on trading properties	-	273	-	-
Disposal	(314)	(1,080)	-	-
Balance, end of period	839	1,153	513	513

19 Investment Properties

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

	Group 30 June 2018	Group 31 December 2017	Bank 30 June 2018	Bank 31 December 2017
	N million	N million	N million	N million
Balance, beginning of the period	4,951	4,347	-	-
Disposal	70	-	-	-
Revaluation gains	-	604	-	-
Purchase of investment property	-	-	-	-
	5,021	4,951	-	-
Impairment allowance	-	-	-	-
Balance, end of the period	5,021	4,951	-	-

20 Investment in subsidiaries

Cost

	Bank 30 June 2018	Bank 31 December 2017
	N million	N million
UBN Property Company Plc	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	
			30-Jun-18 Status/%	31 Dec. 2017 Status/%
UBN Property Company Plc (ii)	Nigeria	Property Development	39	39
Union Bank UK Plc (iii)	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 2014 - 39.01%) is held by the Bank. In line with IFRS 10- Consolidated Financial Statement, Union Bank of Nigeria Plc has control over this entity as it has the power, exposure to variability of returns and a strong link between power and variability of returns. The Bank also governs the financial and operating policies of UBN Property Company Limited.

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

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

(c) Condensed results of consolidated entities

(i) The condensed financial data of the continuing operations as at 30 June 2018, are as follows

Condensed statement of comprehensive income

Statement of Comprehensive income	Group balances	Consolidation entries	Total	Bank	Union Properties	Atlantic Nominees	Union Bank UK
	N million	N million	N million	N million	N million	N million	N million
Operating income	55,477	1,600	53,877	51,076	618	-	2,183
Net operating income after net impairment loss	50,872	1,600	49,272	46,751	618	-	1,904
Operating Expenses	(39,208)	39	(39,247)	(37,304)	(101)	-	(1,842)
Net impairment loss on financial assets	(4,625)	(20)	(4,605)	(4,326)	-	-	(279)
Share of profit of equity accounted investees	-	-	-	-	-	-	-
Profit before income tax	11,644	1,619	10,025	9,446	517	-	62
Taxation	(206)	(1)	(205)	(132)	(62)	-	(12)
Profit after income tax	11,438	1,618	9,819	9,315	455	-	50

Condensed Statement of financial position

	Group balances	Consolidation entries	Total	Bank	Union Properties	Atlantic Nominees	Union Bank UK
	N million	N million	N million	N million	N million	N million	N million
Cash and cash equivalents	243,067	5,745	237,322	132,493	30	-	104,799
Non-pledged trading assets	19,868	-	19,868	19,868	-	-	-
Pledged assets	63,020	-	63,020	63,020	-	-	-
Derivative financial instrument	530	-	530	530	-	-	-
Loans to Banks	13,657	(1,038)	14,695	14,695	-	-	-
Loans and advances to customers	470,122	-	470,122	440,920	-	-	29,202
Investments in equity-accounted investee	-	-	-	-	-	-	-
Investment securities	179,556	1	179,555	163,490	5,013	-	11,052
Assets held for sale	397	(325)	72	325	-	397	-
Trading properties	839	-	839	513	326	-	-
Investment properties	5,021	-	5,021	-	5,021	-	-
Investment in subsidiaries	-	(10,567)	10,567	10,567	-	-	-
Property and equipment	58,089	-	58,089	57,929	26	-	134
Intangible assets	4,257	0	4,257	3,911	1	-	345
Deferred tax assets	95,875	369	95,506	95,875	(210)	-	(159)
Other assets	316,530	(789)	317,319	316,494	168	-	657
Defined benefit assets	324	-	324.00	324	-	-	-
Total assets	1,471,152	(6,604)	1,477,756	1,320,954	10,375	397	146,030
Financed by:							
Derivative financial instruments	413	-	413	413	-	-	-
Deposits from banks	91,450	-	91,450	-	-	-	91,450
Deposits from customers	826,722	9,820	816,902	789,178	-	-	27,724
Deferred tax liabilities	368	368	-	-	-	-	-
Current tax liabilities	497	-	497	143	291	-	63
Other liabilities	190,649	(159)	190,808	188,921	1,010	-	877
Retirement benefit obligations	489	-	489	485	4	-	-
Other borrowed funds	70,213	(5,113)	75,326	75,326	-	-	-
Equity and reserves	290,351	(11,520)	301,871	266,488	9,070	397	25,916
Total liabilities	1,471,152	(6,604)	1,477,756	1,320,954	10,375	397	146,030

(c) Condensed results of consolidated entities

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

Condensed statement of comprehensive income

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

Condensed Statement of financial position

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

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, 2018	13,092	22,087	15,643	3,862	22,155	3,226	1,502	81,567
Exchange difference	-	-	3	-	4	-	-	7
Additions	206	2	1,409	268	2,038	-	808	4,731
Disposals	(38)	(63)	(6)	(18)	(157)	(1,126)	-	(1,408)
Reclassification to other assets	-	-	-	-	-	-	-	-
Balance as at 30 June 2018	13,260	22,026	17,049	4,112	24,030	2,100	2,310	84,887
Balance at 1st January, 2017	14,079	23,294	11,962	3,201	17,577	3,342	1,589	75,045
Exchange difference	-	-	19	-	(3)	-	-	15
Additions	118	-	3,879	950	4,681	546	1,500	10,291
Disposals	(1,335)	(1,200)	(220)	(248)	(147)	(662)	-	(3,794)
Write off	230	(7)	3	(41)	47	-	(1,587)	32
Reclassification to other assets	-	-	-	-	-	-	-	-
Balance as at 31 December 2017	13,092	22,087	15,643	3,862	22,155	3,226	1,502	81,567

Depreciation and impairment losses

Balance at 1st January 2018	-	6,043	1,899	1,563	13,539	2,537	-	25,581
Prior period revaluation	-	-	-	-	-	-	-	-
	-	6,043	1,899	1,563	13,539	2,537	-	25,581
Exchange difference	-	-	1	-	4	-	-	5
Charge for the period	-	203	164	183	1,871	106	-	2,526
Disposals	-	(14)	(3)	(14)	(150)	(1,122)	-	(1,303)
Write-off/Adj	-	-	-	-	(10)	-	-	(10)
Reclassifications	-	-	-	-	-	-	-	-
Derecognition of subsidiaries operations	-	-	-	-	-	-	-	-
Balance as at 30 June 2018	-	6,232	2,061	1,731	15,253	1,521	-	26,799
Balance at 1st January, 2017	-	5,826	1,688	1,435	10,239	3,057	-	22,245
Charge for the year	-	420	280	329	3,397	146	-	4,572
Disposals	-	(203)	(78)	(189)	(141)	(665)	-	(1,276)
Write-off/Adj	-	-	-	-	-	-	-	-
Exchange difference	-	-	12	-	31	-	-	43
Reclassifications	-	-	(3)	(12)	13	-	-	(2)
Balance as at 31 December 2017	-	6,043	1,899	1,563	13,539	2,537	-	25,581

(iii) **Net Book Value**

Balance as at 30 June 2018	13,260	15,794	14,988	2,381	8,777	579	2,310	58,089
Balance as at 31 December 2017	13,092	16,044	13,744	2,299	8,616	689	1,502	55,986

(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.

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 (v) period.

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

(vi) There were no capitalised borrowing costs related to the acquisition of property and equipment during the period (December 2017: nil)

(b) **Bank:**

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

	Land	Buildings	Leasehold improvement	Fixtures and fittings	Furniture & equipment	Motor vehicles	Capital work in progress	Total
	N million	N million	N million	N million	N million	N million	N million	N million
(i) Cost								
Balance at 1st January 2018	13,065	22,096	15,531	3,890	21,893	3,180	1,523	81,178
Additions	206	2	1,409.00	268	2,037	-	808.00	4,730
Disposals	(38)	(63)	(6)	(18)	(156)	(1,126)	-	(1,407)
Reclassifications	-	-	-	-	-	-	-	-
Balance as at 30 June 2018	13,232	22,035	16,934	4,141	23,774	2,054	2,331	84,502
Balance at 1st January 2017	14,079	23,294	11,877	3,200	17,349	3,268	1,587	74,655
Additions	117	-	3,879	978	4,659	546	110	10,289
Disposals	(1,335)	(1,200)	(219)	(247)	(130)	(634)	-	(3,765)
Reclassifications to other assets	204	2	(6)	(41)	15	(0)	(174)	(0)
Write off	-	-	-	-	-	-	-	-
Balance as at 31 December 2017	13,065	22,096	15,531	3,890	21,893	3,180	1,523	81,178
(ii) Accumulated depreciation								
Balance at 1st January 2018	-	6,071	1,839	1,563	13,397	2,507	-	25,377
Charge for the period	-	203	158	183	1,850	103	-	2,498
Disposals	-	(14)	(3)	(14)	(149)	(1,122)	-	(1,302)
Reclassifications	-	-	-	-	-	-	-	-
Write-off/Adj	-	-	-	-	-	-	-	-
Balance as at 30 June 2018	-	6,260	1,994	1,732	15,098	1,488	-	26,572
Restated balance at 1st January 2017	-	5,854	1,657	1,435	10,141	3,001	-	22,088
Charge for the year	-	420	263	329	3,370	139	-	4,521
Disposals	-	(203)	(78)	(189)	(127)	(634)	-	(1,231)
Reclassifications	-	0	(3)	(12)	13	-	-	(2)
Write-off/Adj	-	-	-	-	-	-	-	-
Balance as at 31 December 2017	-	6,071	1,839	1,563	13,397	2,507	-	25,377
(iii) Net Book Value								
Balance as at 30 June 2018	13,232	15,775	14,940	2,409	8,676	566	2,331	57,929
Balance as at 31 December 2017	13,065	16,025	13,692	2,327	8,496	673	1,523	55,801

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

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

(vi) There were no capitalised borrowing costs related to the acquisition of property and equipment during the period (December 2017: nil)

22 Intangible assets

	Group	Group	Bank	Bank
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
	N million	N million	N million	N million
Cost				
Balance, beginning of the period	9,229	6,693	8,143	5,774
Additions	685	2,191	658	2,191
Reclassification	-	178	-	178
Exchange translation difference	57	167	-	-
Balance, end of period	9,971	9,229	8,801	8,143
Amortization and impairment losses				
Balance, beginning of the period	4,885	3,319	4,194	2,915
Amortisation for the period	829	1,466	696	1,280
Reclassification	-	(2)	-	(1)
Exchange translation difference	-	102	-	-
Balance, end of period	5,714	4,885	4,890	4,194
Carrying amounts as at period end				
Balance as at 1 January	4,344	3,374	3,949	2,859

- (i) In the opinion of the directors, the market value of the Group's software is not less than the value shown in the financial statements.
- (ii) There were no capitalised borrowing costs related to the acquisition of software during the period (December 2017 : nil)

23 Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Group

30 June 2018

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

Deferred tax liabilities

	Net
	N million
Property, equipment, and software	368
Net tax assets (liabilities)	368
Net deferred tax	95,507

31 December 2017

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

Deferred tax liabilities

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

Bank
30 June 2018

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

31 December 2017

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

Deferred tax assets and liabilities

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

	Group	Group	Bank	Bank
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
	N million	N million	N million	N million
Balance, beginning of the period	95,720	95,809	95,875	95,875
Credit for the period	(213)	(132)	-	-
Net assets/(liabilities) of discontinued operations	-	-	-	-
Net deferred tax assets/(liabilities)	95,507	95,720	95,875	95,875
<i>Made up of</i>				
Deferred tax assets	102,914	102,914	102,914	102,914
Deferred tax liabilities	(7,407)	(7,299)	(7,039)	(7,039)

Recognised and unrecognised deferred tax assets

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

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

24 Other assets

	Group 30 June 2018	Group 31 December 2017	Bank 30 June 2018	Bank 31 December 2017
	N million	N million	N million	N million
Cash Reserve Requirement (see (i))	235,870	225,770	235,870	225,770
Excess CRR balance to be refunded (see (ii))	25,523	25,523	25,523	25,523
Total Cash Reserve Requirement	261,393	251,293	261,393	251,293
Other assets:				
Clearing	1,318	1,883	1,318	1,883
Accounts receivable	2,010	1,922	287	220
Prepayments	10,460	4,230	10,211	3,960
Receivable on FX forward (see (iii))	12,178	19,151	12,178	19,151
Sundry assets (see (iv))	36,380	20,658	37,125	20,440
	62,346	47,844	61,119	45,654
Impairment on other assets	(7,209)	(7,445)	(6,018)	(6,241)
Net other assets	55,137	40,399	55,101	39,413
	316,530	291,692	316,494	290,706

(i) The Bank had restricted balances of N235.870 billion (December 2017: N225.770 billion) with the Central Bank of Nigeria (CBN) as at 30 June 2018, 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 30 June 2018, the CRRs in force were Public Sector Deposits 22.5% (Dec 2017: 22.5%) and Private Sector Deposits 22.5% (Dec 2017: 22.5%).

(ii) The MPC meeting held on May 22, 2018 maintained CRR at 22.5%. The excess CRR funds are only released to banks to fund approved eligible real sector projects. The amount refundable to the Bank is N25.523 billion (Dec. 2017: N25.523 billion).

(iii) Receivable on FX forward

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

(iv) Other Sundry assets

	Group 30 June 2018	Group 31 December 2017	Bank 30 June 2018	Bank 31 December 2017
	N million	N million	N million	N million
Frauds and losses	1,501	1,501	1,501	1,501
Advance payments for PPE	3,682	2,706	3,682	2,706
Receivable from Union Homes	1,927	1,927	1,927	1,927
Property under dispute	1,352	1,352	1,352	1,352
Garnishee Order	1,306	1,606	1,306	1,606
Status Car loan	257	249	257	249
ATM receivable	1,675	1,361	1,675	1,361
Dividend Receivable	1,202	353	1,202	353
Receivable on electronic transfers and collections	7,484	3,271	7,484	3,271
Master/Visa card electronic settlement	290	533	290	533
Receivable from Treasury assets	-	-	-	-
Deposits for SMEE investments	1,436	794	1,436	794
Unsettled Position - Financial Instruments	6,105	-	6,105	-
Other account balances	8,164	16,455	8,909	1,196
Balance, end of year	36,380	20,658	37,125	20,440

25 Deposits from banks

	Group 30 June 2018	Group 31 December 2017	Bank 30 June 2018	Bank 31 December 2017
	N million	N million	N million	N million
Money market deposits (See note (i) below)	-	10,686	-	10,686
Other deposits from banks	91,450	89,445	-	-
	91,450	100,131	-	10,686

(i) Money market deposits

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

26 Deposits from customers

	Group 30 June 2018	Group 31 December 2017	Bank 30 June 2018	Bank 31 December 2017
	N million	N million	N million	N million
Term deposits	248,507	265,878	239,331	265,274
Current deposits	376,403	349,100	348,035	344,028
Savings	201,812	187,406	201,812	187,406
	826,722	802,384	789,178	796,708
Low-cost deposits	578,215	536,506	549,847	531,434
Low-cost deposits as % of total customer deposits	69.9%	66.9%	69.7%	66.7%
Deposits by currency				
LCY	627,081	687,016	627,081	687,016
FCY	199,641	115,368	162,097	109,692
	826,722	802,384	789,178	796,708

27 Current tax liabilities

	Group 30 June 2018	Group 31 December 2017	Bank 30 June 2018	Bank 31 December 2017
	N million	N million	N million	N million
Balance, beginning of period	524	465	271	177
Reclassification	-	(193)	-	-
Charge for the period	206	911	132	337
Payments during the period	(233)	(659)	(260)	(243)
Balance, end of period	497	524	143	271

28 Other liabilities

	Group 30 June 2018	Group 31 December 2017	Bank 30 June 2018	Bank 31 December 2017
	N million	N million	N million	N million
Deposits for foreign currency	72,964	63,217	72,964	63,217
Deposit for properties	220	-	-	-
Deposit for dividend	-	-	-	-
Open buy-back takings	-	-	-	-
Due to foreign correspondent banks	28,288	9,258	28,288	9,258
PAYE and other statutory deductions	1,119	926	1,119	879
Draft and Bills payable	7,232	7,620	7,232	7,620
Sundry creditors	-	406	-	406
Creditors and accruals (see (a) below)	5,238	11,333	5,015	11,326
Unearned income	404	420	404	420
Provision for claims and contingencies (see (b) below)	3,216	2,978	3,216	2,978
Accounts payable	7,060	6,188	7,060	4,626
OBB takings	17,013	-	17,013	-
Provisions for Ex-staff claims	-	3,917	-	3,917
Insurance premium payable	109	16	109	16
Electronic collections and other e-payment liabilities	42,079	1,748	42,079	1,748
Other credit balances (see (d) below)	5,707	3,434	4,422	1,948
	190,649	111,461	188,921	108,359
				108,359

(a) **Creditors and accruals**

	Group	Group	Bank	Bank
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
	N million	N million	N million	N million
Accrued IT Consumables	591	380	591	380
Accruals for professional and consultancy fees	110	139	110	139
Accrued Training Expenses	106	261	106	261
Accrued Advert And PR Fees	199	53	199	53
AMCON provision	-	7,717	-	7,717
Accrual for staff related allowances	3,092	1,598	3,092	1,598
Accrued Rent	301	233	301	233
Provisn for Restitution and Charges	288	612	288	612
Accrued others	550	340	327	333
	5,238	11,333	5,015	11,326

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

	Group	Group	Bank	Bank
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
	N million	N million	N million	N million
Balance, beginning of period	2,978	3,104	2,978	3,104
Charge/reversal during the period	238	(126)	238	(126)
Reclassification	-	-	-	-
Balance, end of the period	3,216	2,978	3,216	2,978

(c) **Other credit balances**

	Group	Group	Bank	Bank
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
	N million	N million	N million	N million
Unrealized OTC Futures Recoupable	492	372	492	372
Provision for Audit Fees	63	144	63	144
Vendor retention fee payable	114	91	114	91
Franchise Collections	930	606	930	606
Fx Futures Margin Deposit	-	106	-	106
FX suspense Treasury	432	-	432	-
Disposal of asset	508	118	508	118
Others	3,167	2,115	1,882	511
	5,707	3,434	4,422	1,948

29 Employee benefit obligations

	Group 30 June 2018	Group 31 December 2017	Bank 30 June 2018	Bank 31 December 2017
	N million	N million	N million	N million
Post employment benefit obligation (see (a) below)	106	273	106	217
Other long-term employee benefits (see (b) below)	383	584	379	584
	489	857	485	801

(a) Post employment benefit obligation

	Group 30 June 2018	Group 31 December 2017	Bank 30 June 2018	Bank 31 December 2017
	N million	N million	N million	N million
Defined contribution scheme (see (i) below)	106	124	106	124
Defined benefit obligation (See (ii) below)	-	149	-	93
	106	273	106	217
Defined benefit asset (See (ii) below)	324	352	324	352
Net defined benefit obligation	324	203	324	259

(i) Defined Contribution Scheme

	Group 30 June 2018	Group 31 December 2017	Bank 30 June 2018	Bank 31 December 2017
	N million	N million	N million	N million
Balance, beginning of period	124	152	124	152
Charge during the period	289	611	289	611
Contribution remitted during the period	(307)	(639)	(307)	(639)
Balance, end of period	106	124	106	124

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

(ii) Defined benefit obligation

The Group also has a Legacy defined benefits pension scheme for its staff, which was set up prior to passage of the Pension Reform Act. Under the scheme, terminal benefits were determined with reference to the employees' salaries upon disengagement. As at the period end, the Group has transferred the benefits to the Retirement Savings Accounts (RSA) of the affected employees and the obligations are funded by plan assets.

(b) Other long-term employee benefits

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

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

- (i) Less than 5 periods of service: 12 weeks total emolument for each completed period of service.
- (ii) 5 periods but less than 15 periods of service: 14 weeks total emolument for each completed period of service.
- (iii) 15 periods of service and above: 16 weeks total emolument for each completed period of service.

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

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

	Group 30 June 2018	Group 31 December 2017	Bank 30 June 2018	Bank 31 December 2017
	N million	N million	N million	N million
Present value of unfunded obligation	383	584	379	584
Present value of funded obligation	-	-	-	-
Total present value of the obligation	383	584	379	584
Fair value of plan assets	-	-	-	-
Present value of net obligation	383	584	379	584
Recognized liability for defined benefit obligations	383	584	379	584

30 Other borrowed funds

	Group 30 June 2018	Group 31 December 2017	Bank 30 June 2018	Bank 31 December 2017
	N million	N million	N million	N million
Due to CAC (see (a))	13,784	11,833	13,784	11,833
BOI on-lending facilities (see note (b) below)	4,401	4,962	4,401	4,962
Other borrowings (see (c))	52,028	76,416	57,141	78,941
	70,213	93,211	75,326	95,736

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

(b) This represents the outstanding balance of an intervention credit granted to the Bank by the Bank of Industry (BOI), a company incorporated in Nigeria for the purpose of refinancing / or restructuring existing loans to Small and Medium Scale Enterprises (SMEs) and manufacturing companies. The total facility is secured by Federal Government of Nigeria securities worth N6.0 billion (Dec. 2017: N7.5 billion) and has a 15-period tenor and repayable 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 30 June 2018	Bank 31 December 2017	Bank 30 June 2018	Bank 31 December 2017
	\$ million	\$ million	N million	N million
Afreximbank	115	126	39,520	41,805
African Finance Corporation	-	40	-	13,263
Access Bank Nig Ltd	-	-	-	-
Mashreq Bank	26	31	8,968	10,112
Union Bank, UK	15	8	5,113	2,525
Access Bank UK	-	34	-	11,236
British American Commercial Bank	-	0	-	-
FSDH Merchant Bank	10	0	3,448	0
FBN Quest	0	0	95	0
ABSA Bank	-	0	-	-
Sky Enterprises	-	0	-	-
	166	239	57,144	78,941

As at June 30, 2018, the USD conversion rate is \$/N344.94 (December: \$/N331.16)

31 Discontinued operations

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

	Group 30 June 2018	Group 31 December 2017	Bank 30 June 2018	Bank 31 December 2017
	N million	N million	N million	N million
Investments in subsidiaries	-	-	325	325
Investment properties	188	188	-	-
Other assets	209	209	-	-
	397	397	325	325

32 Capital and reserves

Share capital	Group	Group	Bank	Bank
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
	N million	N million	N million	N million
(a) Authorised : 35,000,000,000 (Dec 2017: 35,000,000,000) Ordinary shares of 50 kobo each	17,500	17,500	17,500	17,500
	Group 30 June 2018	Group 31 December 2017	Bank 30 June 2018	Bank 31 December 2017
	N million	N million	N million	N million
(b) Issued and fully paid - 29,120,752,788 (Dec. 2017: 29,120,752,788) Ordinary shares of 50kobo each	14,561	14,561	14,561	14,561
	Group 30 June 2018	Group 31 December 2017	Bank 30 June 2018	Bank 31 December 2017
	N million	N million	N million	N million
Balance, beginning of period	14,561	8,468	14,561	8,468
Shares issued during the year	-	6,067	-	6,067
Transfer from Share Based Payment Reserve	-	26	-	26
Balance, end of period	14,561	14,561	14,561	14,561
(c) Share premium Share premium is the excess paid by shareholders over the nominal value for their shares.				
	Group 30 June 2018	Group 31 December 2017	Bank 30 June 2018	Bank 31 December 2017
	N million	N million	N million	N million
Balance, beginning of period	187,091	391,641	187,091	391,641
Transfer between reserves	-	(247,868)	-	(247,868)
Shares issued during the year	-	43,097	-	43,097
Transfer from Share Based Payment Reserve	-	221	-	221
Balance, end of period	187,091	187,091	187,091	187,091
Share capital and share premium	201,652	201,652	201,652	201,652
(d) Other reserves The other reserves includes Statutory reserves, Fair value reserve, Regulatory risk reserves, Small and Medium Scale Industries Reserve (SMEEIS) and Capital reserve.				
	Group 30 June 2018	Group 31 December 2017	Bank 30 June 2018	Bank 31 December 2017
	N million	N million	N million	N million
Statutory reserves	28,170	25,853	28,170	25,853
Fair value reserve	16,899	39,620	15,750	38,258
Regulatory risk reserve	14,458	69,554	14,458	69,554
Translation reserve	14,577	14,339	1,895	1,895
Excess clawback reserves	(14,918)	(14,918)	(14,918)	(14,918)
SMEEIES/AGSMEIS reserve	8,493	8,283	7,568	7,568
Capital reserve	5,489	5,489	5,489	5,489
Equity component of employee benefit remeasurement	3,022	2,384	3,022	2,384
	76,577	150,604	61,822	136,083

(i) Statutory reserves

Nigerian banking regulations require the Bank to make an annual appropriation to a statutory reserve. As stipulated by S.16(1) of the Banks and Other Financial Institution Act of Nigeria, an appropriation of 30% of profit after tax is made if the statutory reserve is less than paid-up share capital and 15% of profit after tax if the statutory reserve is greater than the paid up share capital. The Bank made a transfer of N1,588million to statutory reserves during the period ended 30 June 2018 (June 2017: N1,288million).

(ii) Fair value reserve

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

(iii) Regulatory risk reserve

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

(iv) Other reserves

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

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

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

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

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

(vi) Translation reserve

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

(vii) Excess Capital Clawback

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

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

(viii) Share based payment reserve

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

The movement is shown below

	Group	Group	Bank	Bank
	30 June	31 December	30 June	31 December
	2018	2017	2018	2017
	N million	N million	N million	N million
Balance, beginning of period	-	147	-	147
Share transferred during the period	195	100	195	100
Transfer to treasury shares (see note (b) above)	-	(26)	-	(26)
Transfer to share premium (see note (c) above)	-	(221)	-	(221)
Balance, end of period	195	(0)	195	(0)

(e) Retained deficit

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

33 Non-controlling Interest

	Group	Group
	30 June	31 December
	2018	2017
	N million	N million
<i>Movement in the non controlling interest</i>		
Balance, beginning of period	5,831	5,111
Profit/(loss) for the period	260	720
Balance, end of period	6,091	5,831

34 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 N150.401 billion (December 2017: N120.119 billion).

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

	Group	Group	Bank	Bank
	30 June	31 December	30 June	31 December
	2018	2017	2018	2017
	N million	N million	N million	N million
Performance bonds and guarantees	86,585	64,321	86,585	64,321
Letters of credit	63,818	55,798	63,818	55,798
	150,403	120,119	150,403	120,119