Union Bank of Nigeria Plc

IFRS Consolidated Financial Statements
For the period ended 31 March 2014

Separate and Consolidated Statements of Comprehensive Income

For the period ended 31 March 2014

	Notes	Group Mar.2014	Group Mar.2013	Bank Mar.2014	Bank Mar.2013
		₦ million	₦ million	₦ million	₦ million
Gross earnings		**26,033**	**29,386**	**24,748**	**24,966**
Continuing Operations:					
Interest income	8	18,781	20,746	18,478	19,792
Interest expense	8	(5,798)	(6,058)	(5,868)	(6,120)
Net interest income		12,983	14,688	12,610	13,672
Impairment charge for credit losses	12(a)	(582)	176	(683)	177
Net interest income after impairment charge for credit losses		12,401	14,864	11,927	13,849
Net fee and commission income	9	2,114	2,559	1,871	2,166
Net trading income	10	528	746	501	608
Other operating income	11	3,941	2,858	3,898	2,400
		6,583	6,163	6,270	5,174
Operating income		18,984	21,027	18,197	19,023
Net impairment loss on other financial assets	12(b)	-	(207)	-	(407)
Net operating income after net impairment loss on other financial assets		18,984	20,820	18,197	18,616
Personnel expenses	13	(7,069)	(8,239)	(6,826)	(7,637)
Depreciation and amortisation		(708)	(1,000)	(692)	(906)
Other operating expenses	14	(6,914)	(5,926)	(6,231)	(5,466)
Total expenses		(14,691)	(15,165)	(13,749)	(14,009)
Share of profit of equity accounted investee		-	-	-	-
Profit before income tax from continuing operations		4,293	5,655	4,448	4,607
Income tax expense from continuing operations	15	(59)	(89)	(39)	143
Profit for the year from continuing operations		**4,234**	**5,566**	**4,409**	**4,750**
Discontinued operations					
Gross income from discontinued operations	36	669	2,477	-	-
Gross expense from discontinued operations	36	67	(436)	-	-
Profit/Loss before tax from discontinued operations	36	736	2,041	-	-
Income tax expense from discontinued operations	36	(15)	177	-	-
Profit/Loss for the year from discontinued operations	36	721	2,218	-	-
Continuing and discontinued operations:					
Profit before tax		5,029	7,696	4,448	4,607
Income tax		(74)	88	(39)	143
Profit after tax		**4,955**	**7,784**	**4,409**	**4,750**
Items that are or may be reclassified to profit or loss					
Foreign currency translation differences for foreign operations		(255)	178	-	-
Fair value gains on property and equipment		-	-	-	-
Fair value gains/(losses) on available-for-sale investments		430	695	364	425
Other comprehensive income for the period		175	873	364	425
Total comprehensive income for the period		5,130	8,657	4,773	5,175

	Notes	Group Mar.2014	Group Mar.2013	Bank Mar.2014	Bank Mar.2013
		₦ million	₦ million	₦ million	₦ million
Profit attributable to:					
Equity holders of the Bank		4,698	8,840	4,409	4,750
Non-controlling interest		257	(1,056)	-	-
Profit for the period		4,955	7,784	4,409	4,750
Total comprehensive income attributable to:					
Equity holders of the Bank		4,873	9,713	4,773	5,175
Non-controlling interest		257	(1,056)	-	-
Total comprehensive income for the period		5,130	8,657	4,773	5,175
Earnings per share for profit from total operations attributable to equity holders of Bank					
Basic and diluted (Kobo)	16	28	52	26	28
Earnings per share for profit from continuing operations attributable to equity holders of bank					
Basic and diluted (Kobo)	16	25	52	26	28

Separate and Consolidated Statements of Financial Position

	Notes	Group Mar.2014	Group Dec.2013	Bank Mar.2014	Bank Dec.2013
		₦ million	₦ million	₦ million	₦ million
ASSETS					
Cash and cash equivalents	17	101,134	100,925	52,803	53,141
Non-pledged trading assets	18	1,300	2,847	1,300	2,847
Pledged assets	19	66,519	65,167	66,519	65,167
Loans and advances to customers	20	220,537	229,542	203,072	210,118
Investments in equity accounted investee	21	16	25	16	16
Investment securities	22	262,729	289,353	259,001	290,377
Trading properties	23	4,625	4,747	1,930	1,930
Investment properties	24	16,430	16,413	-	-
Investment in subsidiaries	25	-	-	12,892	12,892
Property and equipment	26	46,324	45,527	46,158	45,351
Intangible assets	27	1,241	808	1,055	685
Deferred tax assets	28	95,889	95,889	95,875	95,875
Other assets	29	115,602	99,829	114,526	101,324
		932,346	951,072	855,147	879,723
Assets classified as held for sale	36(b)	26,250	51,684	5	2,374
TOTAL ASSETS		958,596	1,002,756	855,152	882,097
LIABILITIES					
Deposits from banks	30	41,333	46,794	-	3,200
Deposits from customers	31	466,410	482,706	457,691	479,956
Current tax liabilities	32	593	534	511	472
Other liabilities	33	142,087	156,406	140,204	155,189
Retirement benefit obligations	34	10,421	10,261	10,376	10,216
Other borrowed funds	35	53,813	45,280	53,813	45,280
		714,657	741,981	662,595	694,313
Liabilities classified as held for sale	36(c)	41,585	61,432	-	-
TOTAL LIABILITIES		756,242	803,413	662,595	694,313
EQUITY					
Share capital and share premium	37	400,109	400,109	400,109	400,109
Treasury shares		(35)	(240)	-	-
Retained deficit		(269,203)	(274,871)	(267,655)	(272,064)
Other Reserves		66,393	67,183	60,103	59,739
EQUITY ATTRIBUTABLE TO EQUITY - HOLDERS OF THE BANK		197,264	192,181	192,557	187,784
Non-controlling interest	38	5,090	7,162	-	-
TOTAL EQUITY		202,354	199,343	192,557	187,784
TOTAL LIABILITIES AND EQUITY		958,596	1,002,756	855,152	882,097

Consolidated Separate Statements of Cash Flows

For the period ended 31 March 2014

	Notes	Group Mar.2014	Group Dec.2013	Bank Mar.2014	Bank Dec.2013
		₦ million	₦ million	₦ million	₦ million
Cash flows from operating activities					
Profit for the year		4,955	3,836	4,409	5,121
Income tax expense	15	59	(933)	39	(920)
Profit before tax		5,014	2,903	4,448	4,201
Adjustments for:					
Impairment losses on loans and advances	12(a)	1,437	14,008	1,538	15,197
Recoveries on loans and advances	12(a)	(855)	(1,942)	(855)	(1,942)
(Reversal of impairment)/impairment loss on investment	12(b)	-	(49)	-	410
Impairment loss on other investments	12(b)	-	75	-	1,111
Allowances on other assets	12(b)	-	4,911	-	3,845
Gain on sale of property and equipment	11	-	(759)	-	(761)
Write-off on Trading properties	23	-	140	-	-
Gain on sale of trading properties	11	-	(546)	-	-
Depreciation of property and equipment	26	661	2,943	637	2,899
Amortisation of intangible assets		47	179	55	161
Revaluation gain on investment properties	24	-	(655)	-	-
Dividend income from equity investment	11	(5)	(2,551)	(5)	(5,670)
Interest paid on borrowings	8	1,400	6,574	1,400	6,574
Bad debts (recovered)/written off	20	(154)	(4,460)	(154)	(4,460)
Contributions to defined contribution plans		162	1,622	162	1,613
Increase/ (decrease) in liability for defined benefit plans		225	1,410	225	1,410
Share of profit of equity accounted investee		-	4	-	-
		7,932	23,807	7,451	24,588
Change in non-pledged trading assets		1,547	(2,001)	1,547	(1,980)
Change in pledged assets		(1,352)	(20,664)	(1,352)	(20,664)
Change in loans and advances to customers		8,577	(112,066)	6,517	(81,931)
Change in other assets		(18,378)	10,406	(10,833)	15,350
Change in deposits from banks		(5,461)	1,682	(3,200)	(300)
Change in deposits from customers		(16,296)	(4,260)	(22,265)	(2,049)
Change in other liabilities		(14,319)	10,359	(14,985)	10,689
		(37,750)	(92,737)	(37,120)	(56,297)
Income tax paid		-	(102)	-	(80)
Cash flows from Discontinued operations		(7,433)	22,021	-	-
Net cash provided/(used in) by operating activities		(45,183)	(70,818)	(37,120)	(56,377)
Cash flows from investing activities					
Purchase of investment properties		(17)	(11,651)	-	-
Acquisition of trading properties		-	(28)		-
Proceeds from sale of trading properties		122	2,658	-	352
Proceeds from sale of property and equipment		9	2,760	22	2,228
Acquisition of property and equipment		(1,467)	(4,853)	(1,466)	(4,580)
Acquisition of intangible assets		(480)	(354)	(425)	(324)
Investment securities		27,054	(5,603)	31,740	(4,867)
Dividend income received		5	2,551	5	5,670
Investment in retirement benefit scheme		(227)	(35,719)	(227)	(36,654)
Cash flows from Discontinued operations		16,438	12,166		

Net cash used in investing activities	41,437	(38,072)	29,649	(38,175)
Cash flows from financing activities				
Inflow from other borrowings	8,533	11,412	8,533	11,329
Repayment of borrowings	-	-	-	-
Interest paid on borrowings	(1,400)	(6,574)	(1,400)	(6,574)
Acquisition of own shares		(175)	-	-
Dividend paid to non-controlling interest	-	(314)	-	-
Inflows from non-controlling interest	495	4,118	-	-
Cash flows from Discontinued operations	(2,259)	1,563		
Net cash from financing activities	5,369	10,030	7,133	4,755
Net increase/(decrease) in cash and cash equivalents	1,623	(98,861)	(338)	(89,797)
Cash and cash equivalents at beginning of year	100,925	200,260	53,141	142,938
Net change in cash and cash equivalent from discontinued operation	(1,159)	(779)	-	-
Effect of exchange rate fluctuations on cash held	(255)	305		-
Cash and cash equivalents at end of period	101,134	100,925	52,803	53,141

The notes on pages 34 to 114 are an integral part of these consolidated financial statements.

Consolidated and Separate Statements of Changes in Equity
For the period ended 31 March 2014

Group

	Share capital	Share premium	Statutory reserve	Treasury shares	Fair value reserves	Regulatory risk reserves	Other reserves	Retained deficit	Total	Non-controlling interest	Total equity
	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million
Balance at 1 January 2014	8,468	391,641	17,544	(240)	31,201	7,390	11,048	(274,871)	192,181	7,162	199,343
Total comprehensive income for the period											
Profit for the period	-	-		-	-	-	-	4,698	4,698	257	4,955
Other comprehensive income											
Remeasurement of defined benefit liability	-	-	-	-	-	-	-	-	-	-	-
Foreign currency translation diferrence	-	-	-	-	-	-	(255)	-	(255)	-	(255)
Fair value gains/(loss) on available-for-sale investment	-	-	-	-	430	-	-	-	430	-	430
Transfer from retained earnings	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	430	-	(255)	4,698	4,873	257	5,130
Transactions with owners, recorded directly in equity											
Contributions by and distributions to owners											
Acquisition/(disposal) of own shares	-	-	-	-	-	-	-	-	-	-	-
Increase/dilution in non-controlling interest	-	-	-	-	-	-	-	-	-	495	495
Disposal of subsidiries	-	-	-	205	(277)		(688)	970	210	(2,824)	(2,614)
									-	-	-
Total contribution and distributions to owners	-	-	-	205	(277)	-	(688)	970	210	(2,329)	(2,119)
Balance at 31 March 2014	**8,468**	**391,641**	**17,544**	**(35)**	**31,354**	**7,390**	**10,105**	**(269,203)**	**197,264**	**5,090**	**202,354**

December 2013

	Share capital	Share premium	Statutory reserve	Treasury shares	Fair value reserves	Regulatory risk reserves	Other reserves	Retained deficit	Total	Non-controlling interest	Total equity
	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million
Balance at 1 January 2013	8,468	391,641	16,776	(65)	26,492	1,005	4,188	(274,300)	174,205	4,979	179,184
									-		-
Opening restated	8,468	391,641	16,776	(65)	26,492	1,005	4,188	(274,300)	174,205	4,979	179,184
									-		
Total comprehensive income for the period									-		
Profit for the period	-	-	768	-	-	-	-	4,689	5,457	(1,621)	3,836
Other comprehensive income											
Remeasurement of defined benefit liability	-	-	-	-	-	-	6,555	-	6,555	-	6,555
Foreign currency translation diferrence	-	-	-	-	-	-	305	-	305	-	305
Fair value gains/(loss) on available-for-sale investment	-	-	-	-	5,834	-	-	-	5,834	-	5,834
Transfer from retained earnings	-	-	-	-	(1,125)	6,385	-	(5,260)	-	-	-
									-		-
Total comprehensive income for the period	-	-	768	-	4,709	6,385	6,860	(571)	18,151	(1,621)	16,530
Transactions with owners, recorded directly in equity											
Contributions by and distributions to owners											
Acquisition/(disposal) of own shares	-	-	-	(175)	-	-	-	-	(175)	-	(175)
Increase/dilution in non-controlling interest										4,118	4,118
Dividends to non-controlling interest	-	-	-	-	-	-	-	-	-	(314)	(314)
Total contribution and distributions to owners	-	-	-	(175)	-	-	-	-	(175)	3,804	3,629
Balance at 31 December 2013	**8,468**	**391,641**	**17,544**	**(240)**	**31,201**	**7,390**	**11,048**	**(274,871)**	**192,181**	**7,162**	**199,343**

Consolidated and Separate Statements of Changes in Equity
For the period ended 31 March 2014

Bank

	Share capital	Share premium	Statutory reserve	Fair value reserves	Regulatory risk reserves	Other reserves	Retained earnings	Total
	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million
Balance at 1 January 2014	8,468	391,641	16,331	30,260	3,706	9,442	(272,064)	187,784
Total comprehensive income for the year								
Profit or loss	-	-	-	-	-	-	4,409	4,409
Other comprehensive income								
Fair value gains/(loss) on available-for-sale investment	-	-	-	364	-	-	-	364
Remeasurement of defined benefit liability	-	-	-	-	-	-	-	-
Transfer from retained earnings	-	-	-	-	-		-	-
Total comprehensive income for the year	-	-	-	364	-	-	4,409	4,773
Total contribution and distributions to owners	-	-	-	-	-	-	-	-
Balance at 31 March 2014	**8,468**	**391,641**	**16,331**	**30,624**	**3,706**	**9,442**	**(267,655)**	**192,557**

	Share capital	Share premium	Statutory reserve	Fair value reserves	Regulatory risk reserves	Other reserves	Retained earnings	Total
	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million
Balance at 1 January 2013	8,468	391,641	15,563	24,789	1,005	3,921	(273,716)	171,671
Total comprehensive income for the year								
Profit or loss	-	-	768	-	-	-	4,353	5,121
Other comprehensive income								
Fair value reserve (available-for-sale) financial assets	-	-	-	5,471	-	-	-	5,471
Remeasurement of defined benefit liability	-	-	-	-	-	5,521	-	5,521
Transfer from retained earnings	-	-	-	-	2,701		(2,701)	-
Total other comprehensive income for the year	-	-	-	5,471	2,701	5,521	(2,701)	10,992
Total comprehensive income for the year	-	-	768	5,471	2,701	5,521	1,652	16,113
Balance at 31 December 2013	**8,468**	**391,641**	**16,331**	**30,260**	**3,706**	**9,442**	**(272,064)**	**187,784**

Notes to the Consolidated financial statements
For the period ended 31 March 2014

1 Reporting entity

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

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

2 Basis of preparation

(a) Statement of compliance
The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

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

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

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

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

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

3 Significant accounting policies

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

The accounting policies have been applied consistently by Group entities.

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

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

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

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

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

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

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

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

(b) Foreign currency transactions
Foreign currency transactions
Transactions in foreign currencies are translated into the respective functional currency of Group entities at the spot exchange rates at the date of the transactions.
Monetary assets and liabilities denominated in foreign currencies at the reporting date are transalted using the functional currency at the spot exchange rate at that date. The foreign currrency gain or loss on monetary items is the difference between the amortised cost in the functional currrency at the begining of the year, adjusted for effective interest and payments during the year, and the amortised cost in the foreign currency translated at the spot exchange rate at the end of the year.

Non-monatary assets and liabilities that are measured at fair value in a foreign currency are tramslated into the functional currency at the spot exchange rate at the date on which the fair value is determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the spot exchange rate at the date of the transaction.
Foreign currency differences arising on translation are generally recognised in profit or loss. However, foreign currency differences arising from the translation of available for sale equity instruments are recognised in OCI

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

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

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

(c) Interest

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

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

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

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

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

(d) Fees and Commission

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

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

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

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

(e) Net trading income

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

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

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

(g) Dividends

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

(h) Lease payments made

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

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

(i) Income tax expense

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

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

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

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

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

(j) Financial instruments

Recognition

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

Classification

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

(i) Held-to-maturity

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

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

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

(ii) Fair value through profit or loss

The Group designates some investment securities at fair value, with fair value changes recognised immediately in income statement.

(iii) Available-for-sale

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

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

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

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

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

Loans and advances to banks are classified as loans and receivables. Loans and advances to customers include:
• those classified as loans and receivables; and
• finance lease receivables.

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

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

Fair value measurement
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market particpant at the measurment date in the princpal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.
When available, the Group measures the fair value of an instruments using the quoted price in an active market for that instruments. A market is regarded as active if transactions for the asset or liability take place with sufficiency frequency and volume to provide pricing information on an ongoing basis.
If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation techniques incorporates all of the factors that market participants would take into account in pricing a transaction.
The best evidence of fair value of a financial instrument at initial recognition is normally the transaction price - i.e the fair value of the consideration given or received. If the Group determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced by neither by a quoted price in an active market for an identical asset or liability nor based on a valuation techniques that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price, Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but later than when the valuation is wholly supported by observable market data or the transaction is closed out
If an asset or a liability measured at fair value has a bid and ask price, then the Group measures assets and long positions at a bid price and liabilites and short positions at an ask price.
Portfolios of financial assets and financial liabilities that are exposed to market risk and credit risk that are managed by the Group on the basis of the net exposure to either market or credit risk are measured by the Group on the basis of the net exposure to either market or credit risk are measured on the basis of a price that would be recieved to sell a net long position (or paid to transfer a net short position) fr a particular risk exposure. Those protfolio-level adjustments of each of the individual instruments in the portfolio.
The fair value of a demand deposit is not less that the amount payable on demand, discounted from the first date on which that amount could be required to be paid.
The Group recognises transfers between levels of the fair value hierachy as of the end of the reporting period during which the change has occurred.

Policy appicable before 1 January 2013
Fair value" is the amount for which an assets could be exchanged, or a liability settled, between knowledgeable willing parties in an arms length transaction on the measurement date.

When available, the Group measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transaction on an arms lenght basis.

If a market for a financial instrument is not active, then the Group establishes fair value using a valuation technique, the chosen valuation technique makes maximum of market inputs, relies as little as possible on estimate specific to the Group, incorporate all factors that market particpant will consider in settling a price and is consistent with accepted economic methodology for pricing financial instrument.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price, i.e. the fair value of the consideration given or received. However, in some cases the initial estimate of fair value of a financial instrument on initial recognition may be different from its transaction price. If this estimated fair value is evidenced by comparison with other observable current market transaction in the same instrument (without modification or repackaging) or based on a valuation technique whose variable include only data from observable market, then the difference is recognised in profit or loss on initial recognition of the instrument. In order cases, the fair value at initial recognition is considered to be the transaction price and the difference is not recognised in profit or loss immediately but is recognised over the life of the instrument on an appropriate basis or when the instrument is redeemed, transafered or sold, or the fair value bacomes observable.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an aask price. Where the Group has position with offsetting risk, mid market prices are used to measure the offsetting risk position and a bid or ask price adjustment is applied only to the net open position as appropriate.

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

Impairment of financial assets

(i) Assets carried at amortised cost

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

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

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

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

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

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

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

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

(ii) Available-for-sale financial assets

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

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

Offsetting financial instruments

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

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

Sale and repurchase agreements

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

Derecognition of financial instruments

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

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

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

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

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

(k) Cash and cash equivalents

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

(l) Trading assets and liabilities

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

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

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

(ii) if the financial asset would not have met the definition of loans and receivables, then it may be reclassified out of the trading category only in rare circumstances.

(m) Derivatives held for risk management purposes

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

(n) Property and equipments

Recognition and measurement

Property and equipment are carried at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the following:

(a) the cost of materials and direct labour;
(b) any other costs directly attributable to bringing the assets to working condition for their intended use;
(c) when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
(d) capitalised borrowing costs.

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

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

Subsequent costs

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

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

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

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

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

De-recognition

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

(o) Investment property

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

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

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

(p) Intangible assets

Software

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

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

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

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

(q) Leased assets - Leasee

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

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

(r) Impairment of non-financial assets

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

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

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

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

(s) Deposits, debt securities issued and surbordinated liabilities

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

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

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

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

(t) Provisions

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

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

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

(u) Financial guarantee contracts

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

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

(v) Employee benefits

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

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

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

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

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

Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefit as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptance can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

Short-term benefits

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

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

Other long-term employee benefits

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

(w) Share capital and reserves

Share issue costs

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

Dividend on ordinary shares

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

Treasury shares

Where the Bank or any member of the Group purchases the Bank's share capital, the consideration paid is deducted from the shareholders' equity as treasury shares until they are cancelled. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity.

(x) Earnings per share

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

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

(y) Fiduciary activities

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

(az) Segment reporting

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

(aa) Borrowings

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

(ab) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2013, and have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early.

IFRS 9: Financial Instrument: Classification and Measurement (2010 and 2009)

IFRS 9 (2009) introduces new requirements for the classification and measurement of financial assets. IFRS 9 (2010) introduces additions relating to financial liabilities. The IASB currently has an active project to make limited amendments to the classification and measurement requirements of IFRS 9 and add new requirements to address the impairment of financial assets.

The IFRS 9(2009) requirements represent a significant change from the existing requirements in IAS 39 in respect of financial assets. The standard contains two primary measurement categories for financial assets: amortised cost and fair value. A financial asset would be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, and the asset's contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. All other financial assets would be measured at fair value. The standard eliminates the existing IAS 39 categories of held to maturity, available-for-sale and loans and receivables.

For an investment in an equity instrument which is not held for trading, the standard permits an irrevocable election, on initial recognition, on an individual share-by-share basis, to present all fair value changes from the investment in other comprehensive income. No amount recognized in other comprehensive income would ever be reclassified to profit or loss at a later date. However, dividend on such investments is recognized in profit or loss, rather than other comprehensive income unless they clearly represent a partial recovery of the cost of the investment.

Investments in equity instruments in respect of which an entity does not elect to present fair value changes in other comprehensive income would be measured at fair value with changes in fair value recognized in profit or loss.

The standard requires that derivatives embedded in contracts with a host that is a financial asset within the scope of the standard are not separate; instead the hybrid financial instrument is assessed in its entirety as to whether it should be measured at amortised cost or fair value.

IFRS 9(2010) introduces a new requirement in respect of financial liabilities designated under the fair value option to generally present fair value changes that are attributable to the liability's credit risk in other comprehensive income rather than in profit or loss. Apart from this change, IFRS 9 (2010) largely carries forward without substantive amendment the guidance on classification and measurement of financial liabilities from IAS 39.

The mandatory effective date of IFRS 9 is not specified but will be determined when the outstanding faces are finalized. However, application of IFRS 9 is permitted.

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

Amendments to IAS 32 on offsetting financial assets and financial liabilities (2011)

The amendments to IAS 32 clarify the offsetting criteria in IAS 32 by explaining when an entity currently has a legally enforceable right to set-off and when gross settlement is equivalent to net settlement. The amendment are effective for annual periods begining on or after 1 January 2014 and interim periods within those annual periods.

Th Group is still evaluating the potential effect of the adoption of the amendments to IAS 32.

IFRIC 21 Levies

The amendments to IAS 32 clarify the offsetting criteria in IAS 32 by explaining when an entity currently has a legally enforceable right to set-off and when gross settlement is equivalent to net settlement. The amenedments are ffective for annual periods begining on or after 1 January 2014 and interim periods within those annual periods. Early application is permitted

The Group is still evaluating the potential effect of the adoption of the amendments to IAS 32.

4 Changes in accounting policies

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

The Group has adopted the following new standards and amendments to standards, including any consequential amendments to other standards,with a date of initial application of 1 January 2013.

(a) IFRS 10 Consolidated Financial Statements (2011)
(b) IFRS 12 Disclosures of Interests in Other Entities
(c) IFRS13 Fair value Measurement
(d) IAS 19 Employee Benefits (2011)

(a) **Subsidiaries, including structured entities**

As a result of IFRS 10 (2011), the Group has changed its accounting policy for determining whether it has control over and consequently whether it consolidates other entities. IFRS 10 (2011) introduces a new control model that focuses on whether the Group has power over an investee, exposure or rights to variable returns from its involvement with the investee and the ability to use its power to affect those returns.

In accordance with the transitional provisions of IFRS 10 (2011), the Group reassessed its control conclusions as of 1 January 2013. As a consequence, the Group has changed its consolidation conclusions for certain structured entities to which the Group transfers assets as part of its securitisation programme (see Note 4(a)). Previously, these structured entities were not consolidated, but, as a consequence of reassessment, the Group has concluded that its controls those entities because when receivables in the vehicles default, key decisions are made by the Group and the Group is exposed to variability of returns from the vehicles through its holding of debt securities in the vehicles.

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

(b) **Interests in other entities**

As a result of IFRS 12, the Group has expanded disclosures about its interests in subsidiaries (see Note 34) and involvement with unconsolidated structured entities (see Note 27). The disclosure requiremetns related to its involvement in unconsolidated structured entities are not included in the comaparative information.

(c) **Fair value measurement**

In Accordance with the transitional provisions of IFRS 13, the Group has applied the new defination of fair value as aset out in Note 44(i)(iv), prospectively. The cahange had no significant impact on the measurements of the Group;s assets and liabilities, but the group has include a new disclore in the financial statements, which are required under IFRS 13. These new disclosure requirments are not included in the comparative information. However to the extent that disclosures were required by other standards before the effective date of IFRS 13. the Group has provided the relevant comparative disclosures under those standards

(d) **Post employment defined benefit plans**

As a result of IAS 19 (2011), the Group has changed its accounting policy with respect to the basis for determining the income or expenses relating to its defined benefit plans.

Under IAS 19 (2011), the Group determines the net interest espense/income on the net defined benefit liability/asset for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability/asset, taking into the account any changes in the defined benefit liability/asset during the period as a result of contributions and benefit payments.

Consequently the net interest on the net defined benefit liability/asset now comprises:

- Interest cost on the defined benefit obligation
- Interest income on plan assets; and
- Interest on the effect on the asset ceilling

Previously, the Group determined interest income on plan assets based on their long-term rate of expected return. See Note 42 for the impact of this amendment in the financial statements

6 Use of estimates and judgements

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

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

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

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

Impairment

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

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

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

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

Determining fair values

The fair value of financial assets and liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Group determines fair values using other valuation techniques.
For financial instruments that traded infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

Financial asset and liability classification

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

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

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

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

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

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

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

(i) Level 1: Inputs that are quoted market prices (unadjusted) in an active market for identical instruments.

(ii) Level 2: Inputs other than quoted prices uncluded within Level 1 that are observable either (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

(iii) Level 3: inputs that are unobservable.This category includes instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based onquoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

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

	Note	**Level 1**	**Level 2**	**Level 3**	**Total**
31 March 2014		₦ million	₦ million	₦ million	₦ million
Non pledged trading assets	18	89	1,211	-	1,300
Investment securities		9,532	2,214	7,106	18,852
		9,621	3,425	7,106	20,152

	Note	**Level 1**	**Level 2**	**Level 3**	**Total**
31 December 2013		₦ million	₦ million	₦ million	₦ million
Non pledged trading assets	18	675	192	-	867
Derivative assets held for risk management	20	-	-	-	-
Investment securities		17,223	3,370	10,482	31,075
		17,898	3,562	10,482	31,942

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments the Group determines fair values using valuation techniques. Valuation techniques include net present value and discounted cash flow models, comparison to similar instruments for which market observable prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free interest rates, credit spreads and other inputs used in estimating discount rates, bonds and equity prices. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date that would have been determined by market participants acting at arm's length.
The Group uses widely recognised valuation models for determining the fair value of common and more simple financial instruments, like interest rate and currency swaps that use only observable market data and require little management judgement and estimation. Observable prices and model inputs are usually available in the market for listed debt and equity securities, exchange traded derivatives and simple over the counter derivatives like interest rate swaps. Availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with the determination of fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

8 Net interest income

	Group Mar.2014	Group Mar.2013	Bank Mar.2014	Bank Mar.2013
	₦ million	₦ million	₦ million	₦ million
Interest income				
Cash and cash equivalents	334	2,839	334	2,263
Loans and advances to customers	9,116	7,805	8,825	7,573
Investments securities	9,331	10,102	9,319	9,956
Total interest income	18,781	20,746	18,478	19,792
Interest expense				
Deposits from customers	4,398	4,237	4,468	4,182
Other borrowed funds	1,400	1,821	1,400	1,938
Total interest expense	5,798	6,058	5,868	6,120
Net interest income	12,983	14,688	12,610	13,672

9 Net Fees and commission income

	Group Mar.2014	Group Mar.2013	Bank Mar.2014	Bank Mar.2013
	₦ million	₦ million	₦ million	₦ million
Retail banking customer fees & commissions	1,221	1,839	1,221	1,749
Corporate banking credit related fees & commissions (See note (a))	246	91	246	91
Commission on off balance sheet transactions	401	318	401	318
Other fees and commission	246	311	3	8
	2,114	2,559	1,871	2,166

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

10 Net trading (loss)/income

	Group Mar.2014	Group Mar.2013	Bank Mar.2014	Bank Mar.2013
	₦ million	₦ million	₦ million	₦ million
Fixed income securities	(19)	512	(19)	508
Equities	-	107	-	-
Foreign exchange gain on trading	547	127	520	100
	528	746	501	608

Net trading (loss)/income includes the gains and losses arising both on the purchase and sale of trading instruments and from changes in fair value.

11 Other operating income

	Group Mar.2014	Group Mar.2013	Bank Mar.2014	Bank Mar.2013
	₦ million	₦ million	₦ million	₦ million
Dividends on available-for-sale equity securities	5	1,619	5	1,618
Gains on disposal of property and equipment	-	-	-	-
Gains on disposal of trading property	-	296	-	296
Revaluation gain on 'fair value through profit or loss	-	-	-	-
Gain on disposal of investments	3,734	76	3,734	-
Foreign exchange income	(24)	132	(24)	132
Rental income	31	94	31	74
Sundry income	195	641	152	280
	3,941	2,858	3,898	2,400

12 Net Impairment loss on financial assets

(a) Impairment charge for credit losses

	Group Mar.2014 ₦ million	Group Mar.2013 ₦ million	Bank Mar.2014 ₦ million	Bank Mar.2013 ₦ million
Net impairment charge for credit losses:				
-specific impairment (see note 22 below)	1,698	2,027	1,799	1,877
-portfolio impairment (see note 22 below)	(261)	(1,790)	(261)	(1,641)
Total impairment charge on loans and advances	1,437	237	1,538	236
Recoveries on loans and advances	(855)	(413)	(855)	(413)
	582	(176)	683	(177)
(b) *Net impairment loss on other financial assets:*				
Reversal of impairment on cash and short term funds (see note 19(a) below)	-	185	-	185
(Reversal of impairment)/impairment loss on investment securities (see note 24 below)	-	-	-	-
Impairment loss on other investments	-	-	-	-
Impairment loss on other assets (See note 31 (ii))	-	22	-	222
	-	207	-	407
Total net impairment loss on financial assets	**582**	**31**	**683**	**230**

13 Personnel expenses

	Group Mar.2014 ₦ million	Group Mar.2013 ₦ million	Bank Mar.2014 ₦ million	Bank Mar.2013 ₦ million
Wages and salaries	6,682	7,735	6,439	7,158
Contributions to defined contribution plans (See note 39 (a))	162	479	162	471
Increase/ (decrease) in liability for defined benefit plans (See (i) below)	225	25	225	8
	7,069	8,239	6,826	7,637
Repair and Maintenance	514	272	514	272
Professional fees	728	431	713	414
Advertising and Promotion expenses	44	25	44	25
General administrative expenses	3,215	2,862	2,577	2,454
Insurance	62	47	62	47
AMCON surcharge (see note (a) below)	1,082	1,122	1,082	1,122
	6,914	5,926	6,231	5,466

(a) This represents the Bank's contribution to Banking Sector Stabilization Fund for the year ended 31 March 2014. Effective 1 January 2011, banks were required to contribute 0.3% of their total assets as at the year end to the fund in line with existing guidelines. The rate changed to 0.5% during the year ended 31 December 2012.

15 Income tax expense

(a) Recognised in the profit or loss

	Group Mar.2014	Group Dec.2013	Bank Mar.2014	Bank Dec.2013
	₦ million	₦ million	₦ million	₦ million
Current tax expense				
Company Income Tax	20	180	-	-
Education tax	-	-	-	-
NITDA Levy	39	49	39	49
Prior year over provision	-	-	-	-
	59	229	39	49
Deferred tax expense				
Origination and reversal of temporary differences	-	(140)	-	(192)
Total income tax expense	59	89	39	(143)

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

(b) Reconciliation of effective tax rate

	Group Mar.2014	Group Mar.2014	Group Dec.2013	Group Dec.2013	Bank Mar.2014	Bank Mar.2014	Bank Dec.2013	Bank Dec.2013
		₦ million		₦ million		₦ million		₦ million
Profit/(loss) before income tax		4,293		5,655		4,448		4,607
Income tax using the domestic corporation tax rate	30%	1,288	30%	1,697	0%	-	0%	-
Income tax based on minimum tax computation	0%	-	0%	-	0%	-	0%	-
Effect of tax rates in foreign jurisdictions	0%	19	2%	113	0%	-	0%	-
Education tax levy	0%	-	0%	-	0%	-	0%	-
Capital gains tax	0%	-	0%	-	0%	-	0%	-
NITDA levy	1%	39	1%	49	1%	39	1%	49
Tax losses (utilised)/unutilised	-30%	(1,287)	-34%	(1,948)	0%	-	0%	-
Change to estimates for prior years	0%	-	0%	-	0%	-	0%	-
Total income tax expense in compre	1%	59	-1%	89	1%	39	1%	49

The effective income tax rate for 31 March 2014 is 1% (December 2014:19%)

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

(b) *Profit attributable to ordinary shareholders*

In millions of Nigerian Naira	*Group* Mar.2014	*Group* Dec.2013	Bank Mar.2014	Bank Dec.2013
Profit/(Loss) for the period attributable to equity holders	4,698	8,840	4,409	4,750
Basic earnings/(loss) per share (in kobo)	28	52	26	28
Profit from continuing operations attributable to equity holders of bank	4,234	5,566	4,409	4,750
Basic earnings/(loss) per share (in kobo)	25	33	26	28

The Group does not have any dilutive potential ordinary shares, therefore, Basic EPS and Diluted EPS are the same for the Group.

17 Cash and cash equivalents

	Group Mar.2014	Group Dec.2013	Bank Mar.2014	Bank Dec.2013
	₦ million	₦ million	₦ million	₦ million
Cash and balances with banks	30,574	27,288	29,655	26,070
Unrestricted balances with central bank	1,640	27,071	1,640	27,071
Money market placements	68,920	46,566	21,508	-
	101,134	100,925	52,803	53,141
Impairments (see note (a) below)	-	-	-	-
	101,134	100,925	52,803	53,141

(a) The movement on impairment on cash and cash balance was as follows:

	Group Mar.2014	Group Dec.2013	Bank Mar.2014	Bank Dec.2013
	₦ million	₦ million	₦ million	₦ million
Balance, beginning of period	-	18,517	-	18,287
Charge/(reversals) during the period	-	(201)	-	(201)
Reclassification	-	(18,316)	-	(18,086)
Balance, end of period	-	-	-	-

18 Non-pledged Assets (Held for trading)

	Group Mar.2014	Group Dec.2013	Bank Mar.2014	Bank Dec.2013
	₦ million	₦ million	₦ million	₦ million
Government bonds	89	1,223	89	1,223
Treasury bills	1,211	1,624	1,211	1,624
Equities	-	-	-	-
	1,300	2,847	1,300	2,847

19 Pledged assets

Financial assets that may be repledged or resold by counterparties

	Group Mar.2014	Group Dec.2013	Bank Mar.2014	Bank Dec.2013
	₦ million	₦ million	₦ million	₦ million
Treasury bills	3,183	3,208	3,183	3,208
Bonds	63,295	61,919	63,295	61,919
Placement	41	40	41	40
	66,519	65,167	66,519	65,167

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

20 Loans and advances to customers at amortised cost

	Group Mar.2014	Group Dec.2013	Bank Mar.2014	Bank Dec.2013
	₦ million	₦ million	₦ million	₦ million
Gross amount	243,011	249,148	225,966	230,720
Specific impairment	(11,790)	(8,897)	(12,482)	(9,929)
Portfolio impairment	(10,684)	(10,709)	(10,412)	(10,673)
Total impairment	(22,474)	(19,606)	(22,894)	(20,602)
Carrying amount	220,537	229,542	203,072	210,118

Impairment allowance on loans and advances to customers

	Group Mar.2014 ₦ million	Group Dec.2013 ₦ million	Bank Mar.2014 ₦ million	Bank Dec.2013 ₦ million
Specific impairment				
Balance, beginning of the period	8,897	22,779	9,929	3,970
Prior year adjustment (see note 42(b))		-	-	-
Balance, beginning of the period (Restated)	8,897	22,779	9,930	3,970
Impairment loss for the year:				
- Charge for the year (See note 12(a))	1,698	11,172	1,799	12,361
- Recoveries (See note 12(a))	(855)	(1,942)	(855)	(1,942)
Net impairment for the period/year	843	9,230	944	10,419
Allowances reversed on transfer to AMCON	-	-	-	-
Effect of foreign currency movements	441	3	-	-
Provision re-instated during the period	1,763	-	1,763	-
Write-offs	(154)	(4,460)	(154)	(4,460)
Reclassification	-	-	-	-
Impairment transferred to discontinued operations	-	(18,655)	-	-
Balance, end of period	11,790	8,897	12,482	9,929
Portfolio impairment				
Balance, beginning of the period	10,709	8,346	10,673	7,838
Prior year adjustment (see note 42(b))		-		
Balance, beginning of the period (Restated)	10,709	8,346	10,673	7,838
Impairment loss for the period/year:				
Impairment credit/loss for the period:	(261)	2,836	(261)	2,836
- Recoveries	-	-	-	-
Excess interest refund				-
Net impairment for the period/year	(261)	2,836	(261)	2,836
Effect of foreign currency movements	236	-	-	-
Impairment transferred to discontinued operations	-	(473)	-	
Balance, end of the period	10,683	10,709	10,412	10,673

21 Investment in equity accounted investee

	Group	Group	Bank	Bank
	Mar.2014	Dec.2013	Mar.2014	Dec.2013
	₦ million	₦ million	₦ million	₦ million
Cost				
Balance, beginning of the period	100	15,242	91	91
Prior year adjustments (see note 42(a))	-	(9,685)	-	-
Balance, beginning of the period (Restated)	100	5,557	91	91
Share of current year result	-	(4)	-	-
Assets classified as discontinued operations	-	(5,453)	-	-
Disposal of subsidiaries	(9)	-	-	-
	91	100	91	91
(Impairments) /increase in value	(75)	(75)	(75)	(75)
Balance, end of the period	16	25	16	16

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

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

31 March 2014	Reporting date	Total assets	Total liabilities	Net assets	Profit/(loss)	Group share of profit/(loss)	Group share of net assets
Unique Venture Capital Management Limited	31 March	174	(139)	35	0	0	13
		174	(139)	35	0	0	13

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

31 December 2012	Reporting date	Total assets	Total liabilities	Net assets	Profit/(loss)	of profit/(loss)	Group share of net assets
Consolidated Discount House Limited	31 December	90,354	(64,508)	26,026	4,019	1,507	9,760
Unique Venture Capital Management Limited	31 December	182	(109)	73	85	34	29
Union Homes Real Estate Investment Scheme	31 December	14,243	(610)	13,633	773	309	5,453
		104,779	(65,227)	39,732	4,877	1,850	15,242

22 Investment securities

	Group Mar.2014	Group Dec.2013	Bank Mar.2014	Bank Dec.2013
	₦ million	₦ million	₦ million	₦ million
Available-for-sale investment securities comprise:				
Treasury bills	3,863	3,304	2,214	1,709
Equity: Quoted	6,542	824	9,053	7,091
Unquoted	11,989	13,632	11,189	12,832
Managed funds	738	715	738	715
Bonds	2,700	1,404	200	-
Others	-	985	-	-
	25,832	20,864	23,394	22,347
Less: specific impairment allowance	(4,083)	(4,083)	(4,542)	(4,542)
	21,749	16,781	18,852	17,805
Held to maturity investment securities comprise:				
Treasury bills	77,305	122,148	76,474	122,148
Bonds	163,675	150,424	163,675	150,424
	240,980	272,572	240,149	272,572
Investment securities	262,729	289,353	259,001	290,377

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

	Group Mar.2014	Group Dec.2013	Bank Mar.2014	Bank Dec.2013
	₦ million	₦ million	₦ million	₦ million
Balance, beginning of the period	4,083	9,604	4,542	8,492
Prior year adjustment (see note 42(b))		-		
Balance, beginning of the period (Restated)	4,083	9,604	4,542	8,492
Allowance no longer required (See note 12(b)	-	(49)	-	410
Reclassification	-	(4,360)	-	(4,360)
Assets classified as discontinued operations	-	(1,112)	-	-
Balance, end of the period	4,083	4,083	4,542	4,542

23 Trading properties

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

	Group	Group	Bank	Bank
	Mar.2014	Dec.2013	Mar.2014	Dec.2013
	₦ million	₦ million	₦ million	₦ million
Balance, beginning of period	4,747	6,971	1,930	2,282
Additions	-	28	-	-
Disposal	(122)	(2,112)	-	(352)
Reclassifcation	-	(140)	-	-
Balance, end of period	4,625	4,747	1,930	1,930

24 Investment Properties

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

	Group	Group	Bank	Bank
	Mar.2014	Dec.2013	Mar.2014	Dec.2013
	₦ million	₦ million	₦ million	₦ million
Balance, beginning of period	16,413	14,985	-	-
Prior year adjustment (see note 42(b))	-	-		
Balance, beginning of the period (Restated)	16,413	14,985	-	
Additions	17	11,651	-	
Disposal	-	-	-	-
Revaluation gains/(losses)	-	655	-	-
Assets classified as held for sale	-	(10,878)	-	-
Reclassification	-	-	-	-
	16,430	16,413	-	-
Impairment allowance	-	-	-	-
Balance, end of the period	16,430	16,413	-	-

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

	Group	Group	Bank	Bank
	Mar.2014	Dec.2013	Mar.2014	Dec.2013
	₦ million	₦ million	₦ million	₦ million
Balance, beginning of period	-	1,841	-	-
Allowance made during the year	-	-	-	
Assets classified as held for sale	-	(1,841)		
Reclassification	-	-	-	-
Balance, end of the period	-	-	-	-

25 Investment in subsidiaries

Cost

	Bank Mar.2014	Bank Dec.2013
	₦ million	₦ million
Union Homes Savings and Loans Plc	1,834	1,834
Union Trustees Limited	5	5
Union Assurance Company Limited	-	1,448
UBN Property Company Limited	2,195	2,195
Union Bank UK Plc	8,372	8,372
Union Registrars Limited	-	114
Union Capital Markets Limited	-	1,842
Union Pension Fund Custodian	2,000	2,000
Atlantic Nominees Limited	325	325
Reclassification to assets classified as held for sale	(1,839)	(5,243)
	12,892	12,892
Impairment on investment in subsidiary (See (a) below)	-	-
	12,892	12,892

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

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

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

Company Name	Country Incorpora	Nature of business	Year end	Direct ownership interest Mar.2014	Direct ownership interest Dec.2013
				%	%
Union Homes Savings and Loans Plc	Nigeria	Property Development and Mortgage Finance	31 December	31	31
Union Trustees Limited	Nigeria	Trusteeship	31 December	90	90
Union Assurance Company Limited	Nigeria	Insurance	31 December	-	30
UBN Property Company Limited	Nigeria	Property Development	31 December	39	39
Union Bank UK Plc	Nigeria	Licensed UK Bank	31 December	100	100
Union Registrars Limited	Nigeria	Registrar	31 December	-	80
Union Capital Markets Limited	Nigeria	Investment Banking	31 December	-	48
Union Pension Custodian Limited	Nigeria	Pension Custodial	31 December	100	100
Atlantic Nomnees Limited	Nigeria	Real Estate	31 December	100	100

(i.) **Union Homes Savings and Loans Plc (Registered office at 153, Ikorodu Road, Lagos)**

The Company has 7,812,500,000 ordinary shares of N1.00 each of which 30.6% is held directly by Union Bank of Nigeria Plc and 14.2% by Union Trustees Limited and 15.3% by Williams Street Trustees Limited, the nominee company for Union Bank of Nigeria Plc Staff Pension Fund. A trust deed dated 18 July 1972, executed between Union Bank of Nigeria Plc, Union Trustees Limited and Williams Street Trustees Limited, appointed Union Trustees Limited as Managers of the Staff Pension Fund. Effectively Union Bank of Nigeria Plc has power over more than half of the voting rights in Union Homes Savings and Loans Plc. The carrying value of the investment in Union Homes Savings and Loans Plc in 2013 is included in 'assets classified as held for sale'(see Note 36)

(ii.) **Union Trustees Limited (Registered Office at 131, Broad Street, Lagos)**

90% direct equity holding of the ordinary shares of the company, whilst the remaining 10% ordinary shares of the company is held by Union Capital Market Limited. The carrying value of the investment in Union Trustees Limited in 2013 is included in 'assets classified as held for sale'(see Note 36)

(iii.) **Union Assurance Company Limited (Registered office at 131 Broad Street, Lagos)**
30.5% direct holding in 7,515,098,000 ordinary shares of 50K each and 30.6% indirect holding through Union Homes Savings and Loans Plc. Williams Street Trustees Limited, the nominees company for Union Bank of Nigeria Plc Staff Pension Fund held 4.9% and 16.4% is held by Union Properties Limited. The Company has been sold in the current period.

(iv.) **UBN Property Company Limited (Registered office at 36, Marina, Lagos)**
The Company has 5,626,416,051 ordinary shares of N1.00 each of which 39.01% (December 2011 - 39.01%) is held directly by the Bank and 8.8% each by Union Homes Savings and Loans Plc and Union Assurance Company Limited. Williams Street Trustees Limited; the nominee company for Union Bank of Nigeria Plc Staff Pension Fund held 2.04%. Union Bank of Nigeria Plc has power over more than half of the voting rights by virture of indirect holding through Union Homes Savings and Loans Plc, and Union Assurance Company Limited. The Bank also governs the financial and operating policies of UBN Property Company Limited.

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

(viii.) **Union Registrars Limited (Registered office at 2, Burma Road, Apapa, Lagos)**
The Company had 1,320,000,000 ordinary shares of N0.50 each which is 80% held by the Bank. The Company has been sold in the current period.

(ix.) **Union Capital Markets Limited (Registered office at 97,Ahmadu Bello Way,Victoria Island, Lagos)**
The Bank held 798,000,000 (approx. 100%) out of 800,000,000 ordinary shares of N1 each. The balance of 2,000,000 is being held by Union Trustees Limited. The company was formerly Union Stockbrokers Ltd registered to deal in shares and stocks on all trading floors of the Nigerian Stock Exchange. The Company has been sold in the current period.

(x.) **Union Pension Limited (*Registered Office 9b Oko Awo Street, Victoria Island, Lagos*)**
The Bank owns 1,999,999,999 (approx. 100%) of the ordinary shares of Union Pension Limited while Union Trustees Limited holds 1 ourdinary share of N1 each.

(xi) **Atlantic Nominees Limited**
The Bank holds 49,990 (approx. 100%) out of 50,000 ordinary shares of N1 each. The balance of 10 is held by Union Trustees Limited. The Company is a Special Project Vehicle of former Universal Trust Bank Plc, one of the banks acquired by Union Bank in 2005. The Company was incorporated to hold interests in landed properties.

(xii) **Union Homes Real Estate Investment Trust (REIT)**
The Group holds 145,570,979 (approx. 37%) out of 250,019,781 units of N50 each. Union Bank holds 48,543,600 units while Union Homes Savings and Loans Plc holds 97,027,379 units.

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

Condended statement of comprehensive income

Statement of Comprehensive income	***Group balances***	***Consolidation entries***	***Total***	***Bank***	***Union Properties***	***Union Pension***	***Atlantic Nominees***	***Union Bank UK***	***Union Homes REIT***
	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million
Operating income	19,566	24	19,543	18,881	190	-	-	472	-
Net operating income after net impairment loss	18,984	82	18,860	18,198	190	-	-	472	-
Operating Expenses	(14,691)	(257)	(14,434)	(13,749)	(175)	-	-	(510)	-
Net impairment loss on financial assets	(582)	101	(683)	(683)	-	-	-	-	-
Share of proit of equity accounted investees	-		-	-					
Profit before income tax	**4,293**	**(132)**	**4,426**	**4,449**	**15**	**-**	**-**	**(38)**	**-**
Taxation	(59)	-	(59)	(39)	-	-	-	(20)	-
Profit after income tax	**4,234**	**(132)**	**4,367**	**4,410**	**15**	**-**	**-**	**(58)**	**-**

Condended Statement of financial position

	Group balances	***Consolidation entries***	***Total***	***Bank***	***Union Properties***	***Union Pension***	***Atlantic Nominees***	***Union Bank UK***	***Union Homes REIT***
	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million
Cash and cash equivalents	101,134	(12,077)	113,211	52,803	1,489	2,538	-	53,695	2,686
Non-pledged trading assets	1,300	-	1,300	1,300	-	-	-	-	-
Pledged assets	66,519	-	66,519	66,519	-	-	-	-	-
Derivative financial instrument	-	-	-	-	-	-	-	-	-
Loans and advances to customers	220,537	1,652	218,885	203,072	-	-	-	15,813	-
Investments in equity-accounted investee	16	-	16	16	-	-	-	-	-
Investment securities	262,728	(2,053)	264,781	259,001	800	-	-	4,980	-
Assets held for sale	26,250	26,250	-	-	-	-	-	-	-
Trading properties	4,625	-	4,625	1,930	2,695	-	-	-	-
Investment properties	16,430	-	16,430	-	4,502	-	325	-	11,603
Investment in subsidiaries	-	(12,896)	12,896	12,896	-	-	-	-	-
Property and equipment	46,324	-	46,324	46,158	20	88	-	58	-
Intangible assets	1,241	-	1,241	1,055	-	-	-	186	-
Deferred tax assets	95,890	-	95,890	95,875	-	-	-	15	-
Other assets	115,603	374	115,229	114,527	27	77	-	272	326
Total assets	958,598	1,250	957,348	855,153	9,533	2,703	325	75,019	14,615
Financed by:									
Deposits from banks	41,333	-	41,333	-	-	-	-	41,333	-
Deposits from customers	466,410	(12,982)	479,392	457,691	-	-	-	21,701	-
Liability on investment contract	-	-	-	-	-	-	-	-	-
Liability on insurance contract	-	-	-	-	-	-	-	-	-
Current tax liabilities	593	-	593	511	56	6	-	20	-
Other liabilities	142,088	(440)	142,528	140,206	808	264	-	570	680
Retirement benefit obligations	10,421	-	10,421	10,376	45	-	-	-	-
Other borrowed funds	53,813	-	53,813	53,813	-	-	-	-	-
Liabilities classified as held for sale	41,585	41,585	-	-	-	-	-	-	-
Equity and reserves	202,354	(26,915)	229,269	192,557	8,624	2,434	325	11,395	13,935
Total liabilities	958,597	1,248	957,349	855,154	9,533	2,703	325	75,019	14,615

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

Condended statement of comprehensive income

Statement of Comprehensive income	***Group balances***	***Consolidation entries***	***Total***	***Bank***	***Union Properties***	***Union Pension***	***Atlantic Nominees***	***Union Bank UK***	***Union Homes REIT***
	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million
Operating income	81,903	(3,414)	85,317	79,307	2,240	270	-	1,806	1,694
Net operating income after net impairment loss	65,102	564	65,469	60,887	1,175	270	-	1,443	1,694
Operating Expenses	(59,957)	-	(59,957)	(56,686)	(1,363)	(111)	-	(1,536)	(261)
Net impairment loss on financial assets	(16,801)	3,047	(19,848)	(18,420)	(1,066)	-	-	(362)	-
Share of proit of equity accounted investees	(4)		(4)	-					
Profit before income tax	**5,141**	**(367)**	**5,508**	**4,201**	**(188)**	**159**	**-**	**(92)**	**1,433**
Taxation	933	-	933	920	-	(6)	-	19	-
Profit after income tax	**6,074**	**(367)**	**6,441**	**5,121**	**(188)**	**154**	**-**	**(74)**	**1,433**

Condensed Statement of financial position

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

26 Property and equipment

(a) **Group:**

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

	Leasehold land and buildings	Leasehold improvements	Furniture & equipment	Motor vehicles	Capital work in progress	Total
	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million
Cost						
Balance at 1st January, 2014	52,343	-	11,677	1,160	818	65,998
Exchange difference	5	-	4	-	-	9
Additions	323	-	606	54	484	1,467
Disposals	-	-	-	(7)	-	(7)
Reclassification to other assets	-	-	-	-	-	-
Write off	-	-	-	-	-	-
Assets classified as discontinued operations	-	-	-	-		-
Balance as at 3I March 2014	52,671	-	12,287	1,207	1,302	67,467
Balance at 1st January, 2013	52,794	922	28,147	7,115	2,049	91,027
Exchange difference	5	-	3	1	-	9
Additions	1,402	-	2,061	42	1,348	4,853
Disposals	(247)	-	(46)	(1,320)	-	(1,613)
Reclassification to other assets	3,773	(922)	802	(1,074)	(2,579)	-
Write off	(2,065)	-	(17,768)	(2,802)	-	(22,635)
Transfers						-
Balance as at 31 December 2013	52,343	-	11,676	1,160	818	65,997
Depreciation and impairment losses						
Balance at 1st January, 2014	11,530	-	7,909	872	159	20,470
Exchange difference	5	-	4	-	-	9
Charge for the period	278	-	338	32	-	648
Disposals	-	-	-	(7)	-	(7)
Write-off/Adj	-	-	23	-		23
Reclassification to other assets	-	-	-	-	-	-
Assets classified as discontinued operations	-	-	-	-		-
Balance as at 3I March 2014	11,813	-	8,274	897	159	21,143
Balance at 1st January, 2013	10,997	87	25,692	5,785	-	42,561
Exchange difference	3	-	2	-	-	5
Charge for the year	1,170	-	1,447	326	-	2,943
Disposals	(36)	-	(46)	(1,310)	-	(1,392)
Reclassification to other assets	450	(87)	1,295	(516)	-	1,142
Balance as at 31 December 2013	11,530	-	7,909	872	159	20,470
(iii) **Net Book Value**						
Balance as at 3I March 2014	40,858	-	4,013	310	1,143	46,324
Balance as at 3I December 2013	40,813	-	3,767	288	659	45,527
Balance as at I January 2012	42,086	835	3,859	1,597	2,156	50,533

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

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

(vi) There were no capitalised borrowing costs related to the acquisition of property and equipment during the period (December 2012: nil)

(b) **Bank:**

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

	Leasehold land and buildings	Leasehold improvements	Furniture & equipment	Motor vehicles	Capital work in progress	Total
(i) **Cost**	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million
Balance at 1st January, 2014	52,182	-	10,315	1,124	818	64,439
Additions	323	-	639	20	484	1,466
Disposals	-	-	-	(7)	-	(7)
Transfers	-	-	-	-	-	-
Reclassification to other assets	-	-	-	-	-	-
Write off	-	-	-	-	-	-
Balance as at 31 March 2014	**52,505**	**-**	**10,954**	**1,137**	**1,302**	**65,898**
Balance at 1st January, 2013	51,702	-	24,929	5,110	304	82,045
Additions	1,170	-	1,092	306	205	2,773
Disposals	-	-	(3)	(221)	-	(224)
Reclassification to other assets	291	-	-	-	-	291
Transfers	27	-	20	-	(47)	-
Write off	-	-	-	-	(265)	(265)
Balance as at 31 December 2013	53,190	-	26,038	5,195	197	84,620

(ii) **Accumulated depreciation**	**Leasehold land and buildings** ₦ million	**Leasehold improvements** ₦ million	**Furniture & equipment** ₦ million	**Motor vehicles** ₦ million	**Capital work in progress** ₦ million	**Total** ₦ million
Balance at 1st January, 2014	11,397	-	6,848	842		19,087
Charge for the period	273	-	334	29	-	636
Disposals	-	-	-	(7)	-	(7)
Write-off/Adj	-	-	19	5		24
Balance, end of the period	**11,670**	**-**	**7,201**	**869**	**-**	**19,740**
Balanceas at 1 January 2013	10,219	-	24,681	4,583	-	39,483
Charge for the year	1,148	-	1,432	319	-	2,899
Disposals	(36)	-	(46)	(1,303)	-	(1,385)
Reclassification to other assets	66	-	(19,222)	(2,753)	-	(21,909)
Balance as at 31 December 2013	**11,397**	**-**	**6,845**	**846**	**-**	**19,088**
(iii) **Net Book Value**						
Balance as at 3I March 2014	40,835	-	3,753	268	1,302	46,158
Balance as at 3I December 2013	40,785	-	3,467	282	818	45,352

(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 2012: nil)

27 Intangible assets

	Group Mar.2014	Group Dec.2013	Bank Mar.2014	Bank Dec.2013
	₦ million	₦ million	₦ million	₦ million
Cost				
Balance, beginning of period	2,134	2,725	1,610	1,318
Balance, beginning of the period (Restated)	2,134	2,725	1,610	1,318
Additions	475	381	406	292
Reclassification	-	-	19	-
Write-off	-	(63)		
Exchange translation difference	17	10	-	-
Assets of subsidiaries disposed	-	(919)		
Balance, end of period	2,626	2,134	2,035	1,610
Amortization and impairment losses				
Balance, beginning of period	1,326	1,670	925	796
Prior year adjustment (see note 42(b))		-	-	
Balance, beginning of the period (Restated)	1,326	1,670	925	796
Amortisation for the period	47	179	55	161
Reclassification	15	(16)	-	(16)
Write-off	(16)	(16)	-	(16)
Exchange translation difference	13	6	-	-
Assets of subsidiaries disposed	-	(497)	-	-
Balance, end of period	1,385	1,326	980	925
Carrying amounts as at period end	1,241	808	1,055	685
Balance as at 1 January	808	1,055	685	522

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

28 Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Group

31 March 2014

	Assets	**Liabilities**	**Net**
	₦ million	₦ million	₦ million
Property, equipment, and software	-	6,847	(6,847)
Allowances for loan losses	-	192	(192)
Foreign exchange gains	573	-	573
Tax loss carry forward	100,644	-	100,644
Others	1,711	-	1,711
Net tax assets (liabilities)	102,928	7,039	95,889

31 December 2013

	Assets	**Liabilities**	**Net**
	₦ million	₦ million	₦ million
Property, equipment, and software	-	6,847	(6,847)
Allowances for loan losses	-	192	(192)
Foreign exchange gains	573	-	573
Tax loss carry forward	100,644	-	100,644
Others	1,711	-	1,711
Net tax assets (liabilities)	102,928	7,039	95,889

Bank
31 March 2014

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

31 December 2013

	Assets	Liabilities	Net
	₦ million	₦ million	₦ 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/period:

	Group Mar.2014	Group Dec.2013	Bank Mar.2014	Bank Dec.2013
	₦ million	₦ million	₦ million	₦ million
Balance, beginning of the period	95,889	98,354	95,875	95,875
Credit for the period	-	(10)	-	-
Credit/(reversal)	-	-	-	-
Charge for the period	-	-	-	-
Net assets/(liabilities) of discontinued operations	-	(2,455)	-	-
Net deferred tax assets/(liabilities)	95,889	95,889	95,875	95,875
Out of which				
Deferred tax assets	102,928	102,928	102,914	102,914
Deferred tax liabilities	(7,039)	(7,039)	(7,039)	(7,039)

29 Other assets

	Group Mar.2014	Group Dec.2013	Bank Mar.2014	Bank Dec.2013
	₦ million	₦ million	₦ million	₦ million
Accounts receivable and prepayments	9,359	4,462	8,269	4,366
Restricted deposits with central bank (see (i))	82,468	72,971	82,468	72,971
Insurance receivables	-	-	-	-
Receivable from AMCON	-	7,447	-	7,447
Sundry assets	155,063	147,463	154,015	147,989
Statutory deposit	-	-	-	-
Clearing	48,582	47,519	48,582	47,519
	295,472	279,862	293,334	280,292
Impairment on other assets	(179,870)	(180,033)	(178,808)	(178,968)
	115,602	99,829	114,526	101,324

(i) The Bank had restricted balances of N82,468 million (Dec. 2013: N72,971 million) with the Central Bank of Nigeria (CBN) as at 31 December 2013. This balance is made up principally of CBN cash reserve requirement. The cash reserve is a mandatory cash deposit which should be held with the Central Bank of Nigeria as a regulatory requirement. Restricted deposits with central banks are not available for use in the Group's day-to-day operations

(ii) The amount represents receivable from Asset Management Corporation of Nigeria (AMCON) as at period end in respect of proceeds on sale of loans and accrued interest . Subsequent to year end, the Bank has received full payment from AMCON.

Movement in impairment on other assets:

	Group	Group	Bank	Bank
	Mar.2014	Dec.2013	Mar.2014	Dec.2013
	₦ million	₦ million	₦ million	₦ million
Balance, beginning of period	180,033	154,680	178,968	151,093
Charge for the period (See note 12(b)	-	4,911	-	3,845
Allowance written off	-	(10)	-	(10)
Reclassification	-	24,039	-	24,039
Assets classified as held for sale	-	(3,587)		-
Effect of exchange rate	(163)	-	(160)	-
Balance, end of period	179,870	180,033	178,968	178,967

30 Deposits from banks

	Group	Group	Bank	Bank
	Mar.2014	Dec.2013	Mar.2014	Dec.2013
	₦ million	₦ million	₦ million	₦ million
Money market deposits	-	3,200	-	3,200
Other deposits from banks	41,333	43,594	-	-
	41,333	46,794	-	3,200

31 Deposits from customers

	Group	Group	Bank	Bank
	Mar.2014	Dec.2013	Mar.2014	Dec.2013
	₦ million	₦ million	₦ million	₦ million
Term deposits	138,698	147,468	138,696	151,973
Current deposits	193,691	201,448	184,974	194,193
Savings	134,021	133,790	134,021	133,790
	466,410	482,706	457,691	479,956

32 Tax Payable

	Group Mar.2014	Group Dec.2013	Bank Mar.2014	Bank Dec.2013
	₦ million	₦ million	₦ million	₦ million
Balance, beginning of period	534	2,312	472	495
Prior year adjustment (see note 42(b))		-		
Balance, beginning of the period (Restated)	534	2,312	472	495
Foreign exchange translation difference	-	-	-	-
Prior period over provision (See note 15)	-	(978)	-	(977)
Reclassification	-	977	-	977
Charge for the period (See note 15)	59	35	39	57
Payments during the period	-	(102)	-	(80)
Transfer to assets held for sale	-	(1,710)		
Balance, end of period	593	534	511	472

33 Other liabilities

	Group Mar.2014	Group Dec.2013	Bank Mar.2014	Bank Dec.2013
	₦ million	₦ million	₦ million	₦ million
Deposit for foreign currency	39,206	40,633	39,206	40,633
PAYE and other statutory deductions	2,595	1,937	2,595	1,841
Draft and Bills payable	23,874	23,278	23,874	23,278
Sundry creditors	15,266	17,976	15,266	17,993
Creditors and accruals	24,063	26,641	23,383	25,977
Provision for claims and contigencies (see (a) below)	5,765	5,441	5,765	5,441
Accounts payable	1,235	1,219	902	853
Other credit balances	30,083	39,281	29,213	39,173
	142,087	156,406	140,204	155,189

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

	Group Mar.2014	Group Dec.2013	Bank Mar.2014	Bank Dec.2013
	₦ million	₦ million	₦ million	₦ million
Balance, beginning of period	5,441	4,701	5,441	4,701
Charge/reversal during the year	324	(1,879)	324	(1,879)
Reclassification	-	(1,179)	-	(1,179)
Balance, end of the period	5,765	5,441	5,765	5,441

34 Retirement benefit obligations

	Group Mar. 2014	Group Dec. 2013	Bank Mar. 2014	Bank Dec. 2013
	₦ million	₦ million	₦ million	₦ million
Defined contribution scheme (see (a) below)	246	131	246	131
Defined benefit obligation (see (b) below)	10,175	10,130	10,130	10,085
	10,421	10,261	10,376	10,216

(a) Defined Contribution Scheme

	Group Mar. 2014	Group Dec. 2013	Bank Mar. 2014	Bank Dec. 2013
	₦ million	₦ million	₦ million	₦ million
Balance, beginning of year	131	304	131	247
Prior year adjustment (see note 42(b))	-	-	-	-
Balance, beginning of the period (Restated)	131	304	131	247
Charge during the year	162	1,622	162	1,613
Reclassification to discontinued operations	-	(5)	-	-
Reclassification to defined benefit obligation	-	(52)	-	-
Contribution remitted during the year	(47)	(1,738)	(47)	(1,729)
Balance, end of year	246	131	246	131

The Group and its employees make a joint contribution of 15% of basic salary, housing and transport allowance to each employee's retirement savings account maintained with employees' nominated Pension Fund Administrators.

(b) Defined benefit obligation

The Group has a defined benefit scheme where qualifying employees receive a lump sum payment based on the number of years served and gross salary on date of retirement.

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

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

	Group Mar. 2014	Group Dec. 2013	Bank Mar. 2014	Bank Dec. 2013
	₦ million	₦ million	₦ million	₦ million
Present value of unfunded obligation	10,175	10,130	10,130	10,085
Present value of funded obligation	-	-	-	-
Total present value of the obligation	10,175	10,130	10,130	10,085
Fair value of plan assets	-	-	-	-
Present value of net obligation	10,175	10,130	10,130	10,085
Recognized liability for defined benefit obligations	10,175	10,130	10,130	10,085

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

	Group Mar. 2014	Group Dec. 2013	Bank Mar. 2014	Bank Dec. 2013
	₦ million	₦ million	₦ million	₦ million
Defined benefit obligation at 1 January	10,130	51,606	10,085	49,121
Prior year adjustment (see note 42(b))		-		
Balance, beginning of the period (Restated)	10,130	51,606	10,085	49,121
Benefits paid by the plan	(180)	(17,700)	(180)	(17,693)
Current service costs and interest	225	3,650	225	3,650
Curtailment	-	(2,240)	-	(2,240)
Actuarial gain	-	(5,521)	-	(5,521)
Reclassification to other liabilities	-	(17,232)	-	(17,232)
Reclassification from defined contribution scheme		52	-	
Reclassification to discontinued operations	-	(2,485)		
Defined benefit obligation at 31 December	10,175	10,130	10,130	10,085

37 Capital and reserves

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

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

	Group Mar. 2014 ₦ million	Group Dec. 2013 ₦ million	Bank Mar. 2014 ₦ million	Bank Dec. 2013 ₦ million
Balance, beginning of period	8,468	6,755	8,468	8,468
Shares cancelled on reconstruction of		(5,489)		
shares during the year	-	7,202	-	-
Balance, end of period	8,468	8,468	8,468	8,468

(c) Share premium

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

	Group Mar. 2014 ₦ million	Group Dec. 2013 ₦ million	Bank Mar. 2014 ₦ million	Bank Dec. 2013 ₦ million
Balance, beginning of period	391,641	53,023	391,641	391,641
Excess capital clawback	-	-	-	-
Premium on shares issued	-	391,641	-	-
Transfer to general reserve on cancellation of existing shares	-	(53,023)	-	-
Balance, end of period	391,641	391,641	391,641	391,641
Share capital and share premium	**400,109**	**400,109**	**400,109**	**400,109**

(d) Treasury shares

(e) Other reserves

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

(i) Statutory reserves:

Nigerian banking regulations require the Bank to make an annual appropriation to a statutory reserve. As stipulated by S.16(1) of the Banks and Other Financial Institution Act of Nigeria, an appropriation of 30% of profit after tax is made if the statutory reserve is less than paid-up share capital and 15% of profit after tax if the statutory reserve is greater than the paid up share capital. The Bank made a total transfer of N766million (December 2012: N1,178million) to statutory reserves as at period end.

(ii) Fair value reserve

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

(iii) Regulatory risk reserve

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

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

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

(v) Contigency reserve:

The contingency reserve is maintained to comply with the National Insurance Commission (NAICOM) requirement that insurance companies set funds aside to cover fluctuations in securities and variations in statistical estimates. The contingency reserves shall be credited with an amount not less than 3 per centum of the total premium or 20 per centum of the net profits (whichever is greater) and the amount shall accumulate until it reaches the amount of the minimum paid-up capital or 50 per centum of the premiums (whichever is greater) for a non-life insurance company and an amount equal to 1 percent of the gross premiums or 10 percent of the profits (whichever is greater) and accumulated until it reaches the amount of the minimum paid-up capital for a life assurance company.

(vi) Capital reserve

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

(vii) Translation reserve

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

(viii) 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. In line with the Clawback Rights Agreement (CRA) and the recapitalisation plan, this excess amount is refundable to AMCON and was recognised as distribution to AMCON being a shareholder.

(f) Retained deficit

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

38 Non-controlling Interest

Movement in the non controlling interest	Group Mar. 2014 ₦ million	Group Dec. 2013 ₦ million
Balance, beginning of year	7,162	5,346
Profit/(loss) for the year	257	(1,056)
Increase/(dimunition) in non controlling interest	495	2,872
Disposal of subsidiaries	(2,824)	-
Balance, end of year	5,090	7,162

39 Current/non-current classification

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

Group	31 March 2014			31 December 2013		
	Carrying amount	Current	Non-current	Carrying amount	Current	Non- current
	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million
ASSETS						
Cash and cash equivalents	101,134	101,134	-	100,925	100,925	-
Non-pledged trading assets	1,300	1,300	-	2,847	1,713	182
Pledged assets	66,519	5,787	60,732	65,167	17,243	27,260
Derivative assets held for risk management	-	-	-	-	-	-
Loans and advances to customers	220,537	158,400	62,137	229,542	88,049	72,620
Investments in equity accounted investee	16	-	16	25	-	25
Investment securities	262,729	202,032	60,697	289,353	207,239	82,114
Trading properties	4,625	-	4,625	4,747	-	4,747
Investment properties	16,430	-	16,430	16,413	-	16,413
Investment in subsidiaries	-	-		-	-	-
Property and equipment	46,324	-	46,324	45,527	-	45,527
Intangible assets	1,241	-	1,241	808	-	808
Deferred tax assets	95,889	-	95,889	95,889	-	95,889
Other assets	115,602	13,759	101,843	99,829	15,814	84,015
	932,346	482,413	449,933	951,072	430,983	429,600
Assets classified as held for sale	26,250	26,250	-	51,684	51,684	-
TOTAL ASSETS	958,596	508,663	449,933	1,002,756	482,667	429,600

Group	31 March 2014			31 December 2013		
	Carrying amount	Current	Non-current	Carrying amount	Current	Non- current
	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million
LIABILITIES						
Derivative liabilities held for risk managemer	-	-	-	-	-	-
Deposits from banks	41,333	41,333	-	46,794	45,112	1,682
Deposits from customers	466,410	492,023	(25,613)	482,706	522,443	(39,737)
Liability on investment contract	-	-	-	-	269	(269)
Liability on insurance contract	-	-	-	-	364	(364)
Current tax liabilities	593	593	-	534	534	-
Other liabilities	142,087	113,458	28,629	156,406	116,888	39,518
Retirement benefit obligations	10,421	10,421	-	10,261	10,261	-
Other borrowed funds	53,813	8,146	37,134	45,280	-	34,564
	714,657	665,974	40,150	741,981	695,871	35,394
Liabilities classified as held for sale	41,585	41,585	-	61,432	61,432	
TOTAL LIABILITIES	756,242	707,559	40,150	803,413	757,303	35,394

Bank

	31 March 2014			31 December 2013		
	Carrying amount	Current	Non-current	Carrying amount	Current	Non- current
	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million
ASSETS						
Cash and cash equivalents	52,803	52,803	-	53,141	142,938	(89,797)
Non-pledged trading assets	1,300	1,300	-	2,847	685	182
Pledged assets	66,519	5,787	59,380	65,167	17,243	27,260
Loans and advances to customers	203,072	129,339	80,779	210,118	73,493	63,489
Investments in equity accounted investee	16	-	16	16	-	16
Investment securities	259,001	202,489	87,888	290,377	173,934	106,515
Trading properties	1,930	-	1,930	1,930		1,930
Investment in subsidiaries	12,892	-	12,892	12,892	-	12,892
Property and equipment	46,158	-	46,158	45,351	-	45,351
Intangible assets	1,055	-	1,055	685	-	685
Deferred tax assets	95,875	-	95,875	95,875	-	95,875
Other assets	114,526	31,691	82,835	101,324	34,582	66,742
	855,147	423,409	468,808	879,723	442,875	331,140
Assets classified as held for sale	5	5	-	2,374	2,374	-
TOTAL ASSETS	855,152	423,414	468,808	882,097	445,249	331,140
LIABILITIES						
Deposits from banks	-	3,200	- 3,200.00	3,200	3,500	(300)
Deposits from customers	457,691	479,956	-22,265.00	479,956	482,005	(2,049)
Current tax liabilities	511	511	-	472	472	-
Other liabilities	140,204	111,621	28,583	155,189	121,199	33,990
Retirement benefit obligations	10,376	10,376	-	10,216	10,216	-
Other borrowed funds	53,813	8,146	37,134	45,280	(11,329)	33,951
	662,595	613,810	40,252	694,313	606,063	65,592

35 Other borrowed funds

	Group Mar. 2014 ₦ million	Group Dec. 2013 ₦ million	Bank Mar. 2014 ₦ million	Bank Dec. 2013 ₦ million
Due to CAC (see (a))	16,667	16,667	16,667	16,667
BOI on-lending facility (see note (b) below)	12,345	12,878	12,345	12,878
Other borrowings (see (c))	24,801	15,735	24,801	15,735
	53,813	45,280	53,813	45,280

(a) The amount of N18,167,000,000 represents an unsecured facility 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) The amount represents an intervention credit granted to the Bank by the Bank of Industry (BOI), a company incorporated in Nigeria for the purpose of refinancing / or restructuring existing loans to Small and Medium Scale Enterprises (SMEs) and manufacturing companies. The total facility is secured by Federal Government of Nigeria securities worth N18.4 billion (Dec. 2013: N14.4 billion) and has a 15-year tenor and repayable quarterly.

A management fee of 1% deductible at source is paid by the Bank 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

(c) Other borrowings of USD100 million represents a 3 year Medium Term Loan Facility from Standard Chartered Bank for general corporate and trade finance purposes. This loan is secured with FGN Bond with total face value of

36 Discontinued operations

(a) Profit for the year from discontinued operations

Profit for the year from discontinued operations represnts the operating results of subsidiaries held for sale in line with management strategy to divest from non-banking subssidiaries.

The profit for the year from discontinued operations comprises:

	Group Mar.2014 ₦ million	Group Mar.2013 ₦ million
Gross income	**669**	**2,477**
Gross expense	**67**	**(436)**
Interest income	432	1,582
Interest expense	(675)	(954)
Net interest income	(243)	628
Net fee and commission income	151	18
Net trading income	4	168
Other operating income	82	709
Total operating income	237	895
Operating income	(6)	1,523
Net impairment loss on financial assets	890	1,551
Net operating income after net impairment loss on other financial assets	884	3,074
Personnel expenses	(173)	(438)
Depreciation and amortization	(89)	(102)
Other operating expenses	114	(493)
	(148)	(1,033)
Loss before tax from discontinued operations	736	2,041
Income tax expense	(15)	177
Loss from discontinued operations (net of tax)	721	2,218

(b) Assets classified as held for sale

	Group Mar.2014	Group Dec.2013	Bank Mar.2014	Bank Dec.2013
	₦ million	₦ million	₦ million	₦ million
Cash and cash equivalents	1,938	779	-	-
Investments in subsidiaries (See Note 27(b))	-	-	1,839	5,243
Non-pledged trading assets	293	991	-	-
Loans and advances to customers	9,614	9,719	-	-
Investment securities	8,296	26,715	-	-
Investment properties	4,349	5,494	-	-
Property and equipment	728	2,292	-	-
Intangible assets	194	323	-	-
Deferred tax assets	15	1,393	-	-
Other assets	823	3,978	-	-
	26,250	51,684	1,839	5,243
Impairment allowance	-	-	(1,834)	(2,869)
	26,250	51,684	5	2,374

(c) Liabilities for assets classified as held for sale

	Group Mar.2014	Group Dec.2013	Bank Mar.2014	Bank Dec.2013
	₦ million	₦ million	₦ million	₦ million
Deposits from customers	29,023	26,615	-	-
Liability on investment contract	-	1,143	-	-
Liability on insurance contract	-	3,689	-	-
Current tax liabilities	306	1,373	-	-
Deferred tax liabilities	174	305	-	-
Other liabilities	11,614	25,434	-	-
Retirement benefit obligations	468	614	-	-
Other borrowed funds	-	2,259	-	-
	41,585	61,432	-	-

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

(d) Condensed results of discontinued operations

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

Statement of Comprehensive income	*Union Homes*	*Union Trustees*	*Union Assurance*	*Union Registrars*	*Union Capital*	*Intragroup adjustments*	*Group Total*
	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million
Interest income	240	222	-	-	-	(30)	432
Interest expense	(675)	-	-	-	-	-	(675)
Net interest income	(435)	222	-	-	-	(30)	(243)
Impairment charge for credit losses	-	-	-	-	-	-	-
Net interest income after impairment charge for credit losses	(435)	222	-	-	-	(30)	(243)
Net fee and commission income	5	146	-	-	-	-	151
Net trading income	-	4	-	-	-	-	4
Other operating income	5	71	-	-	-	6	82
Underwriting profit	-	-	-	-	-	-	-
	9	221	-	-	-	6	237
Operating income	(426)	443	-	-	-	(24)	(6)
Net impairment loss on other financial assets	-	890	-	-	-		890
Net operating income after net impairment loss on other financial assets	(426)	1,334	-	-	-	(24)	884
Personnel expenses	(109)	(65)	-	-	-	-	(173)
Depreciation and amortisation	(86)	(3)	-	-	-	-	(89)
Other operating expenses	138	(24)	-	-	-		114
Total expenses	(57)	(92)	-	-	-	-	(148)
Share of profit of equity accounted investee			-	-	-		-
Profit/(loss) before income tax	(482)	1,241	-	-	-	(24)	736
Income tax	-	(15)	-	-	-	-	(15)
Profit/(loss) for the period	(482)	1,227	-	-	-	(24)	721

Condensed statement of financial position for discontinued operations

Statement of financial position	***Union Homes***	***Union Trustees***	***Union Assurance***	***Union Registrars***	***Union Capital***	***Intragroup adj***	***Total***
	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million
ASSETS							
Cash and cash equivalents	84	2,753	-	-	-	(899)	1,938
Non-pledged trading assets	-	293	-	-	-	-	293
Pledged assets	-	-	-	-	-	-	-
Derivative assets held for risk management	-	-	-	-	-	-	-
Loans and advances to customers	9,610	4	-	-	-	-	9,614
Investments in equity accounted investee	5,434	-		-	-	(5,434)	-
Investment securities	2,573	6,237	-	-	-	(514)	8,296
Assets held for sale	-	-	-	-	-	-	-
Trading properties	-	-	-	-	-	-	-
Investment properties	4,349	-	-	-	-	-	4,349
Investment in subsidiaries	-	-	-	-	-	-	-
Property and equipment	717	11	-	-	-	-	728
Intangible assets	194	-	-	-	-	-	194
Deferred tax assets	-	15	-	-	-	-	15
Other assets	158	1,299	-	-	-	(634)	823
TOTAL ASSETS	23,119	10,612	-	-	-	(7,481)	26,250
LIABILITIES							
Deposits from banks	-	-	-	-	-	-	-
Deposits from customers	29,973	-	-	-	-	(950)	29,023
Liability on investment contract	-	-	-	-	-	-	-
Liability on insurance contract	-	-	-	-	-	-	-
Current tax liabilities	116	190	-	-	-	-	306
Deferred tax liabilities	174	-	-	-	-	-	174
Other liabilities	6,192	5,821	-	-	-	(399)	11,614
Retirement benefit obligations	419	49	-	-	-	-	468
Other borrowed funds	-	-	-	-	-	-	-
TOTAL LIABILITIES	36,874	6,060	-	-	-	(1,349)	41,585