

Table of contents	Page
Results at a Glance	2
Corporate Profile	3
Notice of Annual General Meeting	4
Corporate information	5
Chairman's Statement	11
Group Managing Director's Review	13
Report of the External Consultant	16
Corporate Social Responsibility	17
Enterprise Risk Management Framework	19
Subsidiaries and Associates	21
Directors' Report	25
Corporate Governance	35
Independent Auditor's Report	46
Report of the Audit Committee	47
Statement of Significant Accounting Policies	48
Profit and Loss Accounts	62
Balance Sheets	63
Statement of Cash Flows	64
Notes to the Consolidated Financial Statements	65
Value Added Statements	135
Five Year Financial Summary	137



Results At A Glance as At 31st December 2011

	The Group		The Bank	
	2011	2010	2011	2010
	N'm	N'm	N'm	N'm
Major Profit and Loss account items:				
Gross earnings	80,754	130,414	66,492	113,961
Interest Income	61,357	83,710	53,235	76,067
Interest Paid	(34,322)	(35,405)	(31,264)	(32,859)
Loan loss expenses/Diminution in other assets	(79,837)	(37,164)	(78,241)	(29,291)
Overhead Expenses including depreciation	(89,004)	(81,227)	(71,976)	(64,209)
(Loss)/Profit before tax and exceptional/extra ordinary items	(118,981)	(23,382)	(111,561)	(12,398)
(Loss)/Profit before Tax	(118,981)	(23,382)	(111,561)	(12,398)
(Loss)/Profit after Tax but before Non Controlling Interest	(91,450)	106,472	(83,239)	118,016
Non Controlling Interest	3,078	5,599	-	-
(Loss)/Profit after tax and Non Controlling Interest	(88,372)	112,071	(83,239)	118,016
Major Balance sheet items:				
Loans and advances	158,565	202,381	140,520	178,654
Deposits,current and other accounts	500,199	645,987	399,234	598,922
Called up share capital	8,468	6,755	8,468	6,755
Total Equity	196,553	115,788	179,560	(135,894)
Total Assets	1,068,118	1,000,691	843,763	845,231
Total assets and contingencies	1,168,746	1,124,322	929,665	956,511
Per 50 kobo share data (basic)				
Earnings per share	-1441k	830k	-1357k	874k
Net assets	32.04	8.57	29.27	(10.06)
Total assets	174.13	74.07	137.56	62.56
Number of employees	6716	6366	5501	5756
Number of branches	414	414	344	344
Number of shares in issue	6134	13510	6134	13510

Union Bank of Nigeria PLC is a key player in the Nigerian financial sector, with over 400 branches nationwide, a full fledged subsidiary in London, United Kingdom, and the first Nigerian bank to establish a Representative Office in South Africa.

The Bank has a huge assets base with strong brand loyalty. At the wake of the banking reforms, Union Bank has continued to overcome the challenges in order to recover its leadership role in the banking industry.

The Bank's recapitalization stride has recorded huge success with Union Global Limited, The Assets Management Corporation of Nigeria (AMCON) intervention as well as raising its capital adequacy ratio above industry standard.

Union Bank is a financial supermarket, with viable subsidiaries and associate companies specialising in mortgages, insurance, trusteeship, stockbroking, property development, share registration, courier service, SME financing and discount business. Each of them has stamped its foot in the relevant subsector and contributing to the Group's gross earnings.

Established in 1917, the Bank was listed on the Nigerian Stock Exchange in 1970. Union Bank of Nigeria PLC is the second oldest independent, non-governmental banking institution in the country. As part of the Bank's effort to maintain its leadership position in the financial sector of the economy and the consolidation programme of the Central Bank of Nigeria (CBN), it acquired Universal Trust Bank PLC, Broad Bank PLC and absorbed Union Merchant Bank Limited, its erstwhile subsidiary.

The Bank is fully integrated in the areas of human resources, processes, ICT and infrastructure. All its branches are on-line, real time. The Bank had upgraded its software **Flexcube** and embarked on an Enterprise-wide Transformation Programme. It is currently embarking on rebranding projects starting with branches under its flagship category.

It has been in the vanguard of economic development and growth of Nigeria which has won it many laurels. For example, it has won the Nigerian Stock Exchange President's Merit Award twelve times, which is more than any other bank in the country. For four years, i.e. 2000, 2001, 2002 and 2004, it was named the **Bank of the Year for Nigeria** by **The Banker** magazine, a sister publication of the influential **Financial Times** of London. Also, the magazine ranked the Bank among the renowned World's 1000 Best Banks in 2007 and 2008.

It won the **Euromoney** 2006 Award for Excellence as the **Best Bank in Nigeria**. In addition, Fitch Global Ratings, a foremost international rating agency, had in 2008 assigned Union Bank National Long and Short-term Ratings of "A+(nga)" and "F1(nga)" respectively as well as Issuer Default Rating ("IDR") "B+" with stable outlook. It has also won the CBN **Best Agric Support Bank** Award since its inception in 1993; CBN **Best State Farmer of the Year** Award, more times than any other bank in Nigeria, CBN **National Best Farmer of the Year** Award many times since inception in 1995 and CBN **Best SMEIS-Financing Bank** Award.

NOTICE is hereby given that the **FORTY-THIRD ANNUAL GENERAL MEETING** of Union Bank of Nigeria PLC will be held at Le Meridian Hotel and Golf Resort, Nwaniba Road, Uyo, Akwa Ibom State on Tuesday the 23rd day of October 2012, at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive and adopt the Audited Group Financial Statements for the year ended 31st December, 2011 together with the reports of the Directors, Auditor, Board Appraiser and the Audit Committee thereon.
2. To appoint the Auditor.
3. To authorize Directors to fix the remuneration of the Auditor.
4. To elect/re-elect Directors.
5. To approve the remuneration of Directors.
6. To elect/re-elect members of the Audit Committee.

SPECIAL BUSINESS

1. To approve that Mr. Richard Kramer who attained the age of seventy (70) years on 20th June 2004 be appointed a Director of the Bank and that pursuant to the provisions of Section 256 of the Companies and Allied Matters 2004 the said Director shall not vacate his office as Director, having given notice of his age to the Bank on Friday 12th September 2012.
2. To note the disclosure by the Board of Directors that, having concluded the recapitalization of Union Bank (UK) Plc prior to the receipt of the proceeds of the Bank's 2005 public offer of shares, the N8billion stated in the Prospectus issued in pursuance of that share offer as being for the recapitalization of Union Bank (UK) Plc, was utilized for the purpose of working capital requirements, having earlier expended the funds on meeting the Regulatory Capital Requirements for converting the Bank's former London Branch into a Public Limited Liability Company.

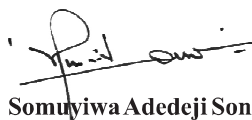
NOTES:**(A) PROXY**

A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the Company and a blank Proxy Form is attached to the Notice of Meeting.

Executed and duly stamped proxy forms must be deposited at the office of The Registrar, Union Registrars Limited, 2 Burma Road, Apapa, Lagos not less than forty-eight (48) hours before the time fixed for the meeting.

(B) AUDIT COMMITTEE

In accordance with Section 359(5) of the Companies and Allied Matters Act 2004, any member may nominate a shareholder for election as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 days before the Annual General Meeting.

BY ORDER OF THE BOARD

Somuyiwa Adedeji Sonubi
Company Secretary
Union Bank of Nigeria Plc
Stallion Plaza
36 Marina
Lagos

Dated this 17th day of September 2012

CORPORATE INFORMATION

Directors

Prof. Musa Gella Yakubu (SAN) (OFR)	-	Chairman*
Mr. Richard Kramer	-	Chairman**
Olufunke Iyabo Osibodu	-	Group Managing Director/Chief Executive
Dr. Ahmadu Abubakar	-	Director*
Mr. Adekunle Mickey Adeosun	-	Executive Director
Engr. Mansur Ahmed	-	Director***
Dr. (Mrs) Onikepo Akande (OON)	-	Director***
Dr. Ibrahim Abdullahi Gobir	-	Director*
Mr. Philip Ikeazor	-	Executive Director
Mr. Ibrahim Abubakar Kwargana	-	Executive Director
Dr. Festus Boniface Oha Odimegwu (CON)	-	Director*
Mr. Onajite Okoloko	-	Director*
Mr. Olusegun Olusanya	-	Director*
Mr. Folashodun Adebisi Shonubi	-	Executive Director
Dr. Cosmas Paul Udofot	-	Director*
Dr. Yemi Osindero	-	Director**
Mr. Dickie Agumba Ulu	-	Director**

* - Retired on 31 December 2011

** - Appointed on 16 February 2012

*** - Retired on 31 December 2011 and re-appointed on 16 February 2012

Company Secretary

Somuyiwa Adedeji Sonubi

Registered office

Union Bank of Nigeria Plc
Stallion Plaza
36 Marina
Lagos

Auditors:

KPMG Professional Services
KPMG Towers
Bishop Aboyade Cole
Victoria Island,
Lagos.

Registrar & Transfer Office

Union Registrars Limited
2, Burma Road
Apapa
Lagos



EXECUTIVES & ADVISERS

GROUP MANAGING DIRECTOR & CHIEF EXECUTIVE

- Olufunke Iyabo Osibodu (Mrs)

EXECUTIVE DIRECTORS

- Adekunle Mickey Adeosun - Commercial & Retail Bkg (South) and Consumer Bkg
- Philip Ikeazor - Corporate, Int'l & Investment Bkg & Treasury
- Ibrahim Abubakar Kwargana - Commercial & Retail Bkg (North) and Public Sector

BOARD OF DIRECTORS

CHAIRMAN

- Dick Kramer

GROUP MANAGING DIRECTOR/ CHIEF EXECUTIVE

- Olufunke Iyabo Osibodu (Mrs)

DIRECTORS

- Adekunle Mickey Adeosun
- Mansur Ahmed
- Dr. Onikepo Akande (Mrs), OON
- Philip Ikeazor
- Ibrahim Abubakar Kwargana
- Dr. Yemi Osindero
- Dickie Agumba Ulu

COMPANY SECRETARY

- Somuyiwa Adedeji Sonubi

GROUP MANAGING DIRECTOR & CHIEF EXECUTIVE

- Olufunke Iyabo Osibodu (Mrs)

EXECUTIVE DIRECTORS

- Adekunle Mickey Adeosun - Commercial & Retail Bkg (South) and Consumer Bkg
- Philip Ikeazor - Corporate, Int'l & Investment Bkg & Treasury
- Ibrahim Abubakar Kwargana - Commercial & Retail Bkg (North) and Public Sector

GENERAL MANAGER

- Lateef O. Dabiri - Central Operations

DEPUTY GENERAL MANAGERS

- Victor Akogwu - Finance & Business Strategy
- Peter N. Aliogo - Zonal Coord (Aba & Owerri)-
- Theodore U. Amagwu - Zonal Coordinator (Port-Harcourt II)
- Kunle Ball - Zonal Coordinator (Abuja II)
- Paulinus A. Chima - Zonal Coordinator (Enugu)
- Isaac Y.Z. Dimka - Zonal Coordinator (Jos)
- Wisdom O. Edhere - Internal Control
- Chukwuemeka A. Ezekwem - CBG (Conglomerates)
- Mike O. Hunder - Quality Assurance
- Turaki Ibrahim - Zonal Coordinator (Kano I)
- Mike B. Iyela - Human Resources
- Anthony O. Olufidipe - Special Products
- Abayomi Oluyomi - Treasury
- Vivian U. Osian (Mrs) - Branch Coordination



AG. CHIEF INSPECTOR**ASSISTANT GENERAL MANAGERS**

- Dr. Gabriel O. Owoso
- Maurice Phido
- Fatai B. Baruwa
- Rabe Musa
- Joyce O. Adekoya
- Isaac S. Ajilima
- Sheikh M. Aliyu-Auchan
- Christie E. Atabansi (Mrs)
- Winnie A. Atawodi (Mrs)
- Alh. Garba A. Bello
- Christie C. Chigbo (Mrs)
- Faruku N. Hussein
- Abdulkadir A Jaafaru
- Adebanji D. Jimoh
- Aladepe A. Olajide (Mrs)
- Ezinwa N. Mbogu
- Roseline K. Nwayo (Mrs)
- Frederick O. Obasuyi
- Babatunde S. Olagbaju
- Olabisi A. Morenike
- Gbolahan M. Ogundipe
- Christie O.O. Ogunmekan (Chief) Mrs
- Uche M. Olowu
- Bola Badmus
- Clement O.T. Omidiora
- Onazi Onazi-Ogebe
- Francis O. Onwuemele
- Ifeanyi C. Opara
- Felix E. Oriarewo
- Ayo S. Osunbunmi
- Abdulrazak S. Salau
- Asema A. Salihu
- Abdu Salmanu
- Bamgbola O. Sokoya
- Rabiu F. Tata
- Pekun M. Tonade
- George I. Udoh
- Joseph O. Umeh, Esq
- Christopher C. Uzuh
- Jacob A. Orimoloye
- Ibrahim A. Badmus
- Zonal Coord. (Lagos Island II)
- CBG (Specialized Markets)
- E-Business
- Inspection
- Risk Mgt & Control
- Zonal Coordinator (Akure)
- Special Products
- E-Business
- Zonal Coordinator (Abuja I)
- Zonal Coordinator (Yola)
- Domestic Operations
- Recovery
- Zonal Coordinator (Makurdi)
- Zonal Coordinator (Lagos Island I)
- CBG-Energy (downstream)
- Union Registrars Limited
- Inspection
- Zonal Coordinator (Calabar)
- Credit Portfolio Mgt & Regulatory Compliance
- CBG (Food/Beverages)
- Foreign Operations
- Zonal Coordinator (Apapa II)
- CBG-Energy (Upstream)
- Zonal Coordinator (Ikeja II)
- Faulks Road, Aba
- Zonal Coordinator (Delta)
- Zonal Coordinator (Apapa I)
- CBG-Energy (Int'l/Regional Oil)
- Okigwe Road, Owerri
- Grp Corp. Strategy/Business
- Zonal Coord. (Maiduguri)
- Zonal Coordinator (Kaduna)
- Zonal Coordinator (Katsina)
- GMD/CE's Office/Head, Compliance
- Public Sector
- Information Technology
- Ikwerre Road, Port-Harcourt
- Zonal Coordinator (Onitsha I)
- Abuja Main
- Union Homes Savings & Loans PLC
- Bank Int. du Benin (BIBE)

GENERAL MANAGER, SOUTH AFRICA

- Femi Okanlawon

HEAD, CORPORATE AFFAIRS

- Francis D. Barde



BOARD OF DIRECTORS



Dick Kramer is the Chairman of ACA, which has pioneered the management of private equity investments in high potential sectors of the Nigerian economy.

He came to Nigeria 34 years ago to launch Arthur Andersen & Company as Managing Partner, following similar roles in Brussels and Buenos Aires. He trained in Accountancy and earned an MBA from Harvard Business School before joining Arthur Andersen in 1958, where he worked in all areas of the firm's practice and in the US, Latin America, Middle East, Europe, India and Africa.

Following his retirement in 1994, Mr. Kramer continued in Nigeria to consult, invest and continue community service activities. He helped to found the Nigeria Economic Summit Group (NESG), where he served as pioneer Vice-Chairman; the Harvard Business School Association of Nigeria (HBSAN), where he served as President; the Lagos Business School, where he is a member of the Advisory Board and Faculty; and more recently, the American Business Council.

He has served as Head of the Technical Team and Member of Vision 2010. He remains active in several other chambers, associations, professional bodies and non-profit organizations.

He has been honoured with many prestigious awards, including the national merit award of Officer of the Order of the Federal Republic (OFR); the Zik Prize in Leadership; and Institute of Directors award for Entrepreneurship

BOARD OF DIRECTORS



Mrs. Funke Osibodu studied Economics at the University of Ife and is also an Alumna of the prestigious Harvard Business School. With over 30 years of banking experience, she has been the Managing Director of two banks, MBC, and more recently Ecobank Nigeria Plc, before becoming a Director in the parent holding company of Ecobank, Ecobank Transnational Incorporated, a position she left in August 2006. She was the CEO of Vigeo Capital Limited as well as head of the Financial and Investment services arm of the Vigeo Group, a conglomerate involved in various sectors (Oil & Gas, Shipping, Power, Financial Services).

In addition to an excellent banking career, Mrs. Osibodu has held various positions of prominence in the business community and has served in various government appointed committees. As well as being a member Vision 2010, she has been a director of ValuCard, Nigeria Interbank Settlement System (NIBSS), Consolidated Discount House Limited, First Securities Discount House Limited, MBC Securities Limited and ESL Securities Limited.

A recipient of various awards, in the non-financial realm, she was also Vice Chairman of Nigeria Economic Summit Group. She is also a Director, Enterprises for Development International, a Non-Governmental Organisation, and the Centre for Law and Business—a private law university.

BOARD OF DIRECTORS

*Union Bank of Nigeria Plc and Subsidiary Companies
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Adekunle Adeosun holds bachelor of Business Administration in Public Accounting from Baruch College, New York and Master of Business Administration from Pace University, New York. He also attended the prestigious Ivy League school, Columbia University in New York where he studied software development.

He is an international professional banker with over 24 years cognate experience and was a Director, Group Treasury Sales with United Bank for Africa PLC (UBA). He was at various times, Divisional Head, Corporate Banking, UBA (2007-2009) and Regional Director, Lagos (2006-2007), responsible for business development in manufacturing, telecommunications and retail banking. Between 2003 and 2005, garnered considerable experience working for Ecobank Nigeria Ltd as Divisional Head, Commercial Banking Group, Branch Coordination and Wholesale Banking Group. Mr. Adeosun played a top management restructuring role in the then National Bank of Nigeria as General Manager, Performance Management, Information Technology and Operations; Group Head, Commercial Consumer and Private Banking (2000-2003). Prior to joining National Bank, he had banking exposure in the United States of America (USA) working at various times for Bankers Trust Company, New York as Vice President, Global Assets (1994-1999); Assistant Treasurer (1990-1994) and Supervisor, Asset Based Lending (1988-1990).

He is in charge of Commercial and Retail Banking-South and Consumer Banking.



BOARD OF DIRECTORS



Philip Ikeazor is a Chartered Accountant and graduate of Economics from University of Buckingham UK, with over twenty five years of experience in the financial sector largely in Corporate and Investment Banking. After a stint in auditing and later manufacturing industry, he started his banking career in 1990 working for Nigerian American Merchant Bank then affiliated to Bank of Boston MA, USA where he trained as a loan officer. He then worked at Merchant Banking Corporation rising to the post of General Manager Corporate Banking Division, and also in United Bank for Africa Plc. Nigeria as General Manager Corporate & Investment Banking, General Manager Offshore Banking and Director Wholesale Bank at various times.

Philip's experience also includes commercial banking and offshore banking assignments as Managing Director/CEO of Ecobank Kenya Ltd, a commercial bank in Kenya affiliated to the Ecobank Group, and had also previously served as General Manager Institutional Banking in Ecobank Nigeria.

BOARD OF DIRECTORS



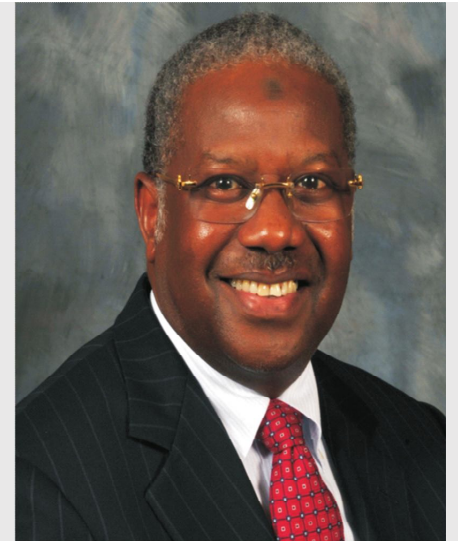
Mr. Ibrahim Abubakar Kwargana holds Master Degree in Corporate Governance, Leeds Metropolitan University, Leeds and Second Class Upper Division, Political Sciences, Bayero University, Kano. He has attended various local and international banking courses in Oxford, Hong Kong, Cambridge, Warsaw, Kenya, South Africa and Tanzania.

He is a consummate banker with over 31 years working experience out of which 26 years are in banking. His areas of expertise include personnel administration and industrial relations, internal audit, banking operations, marketing and consumer relationship management. He started his working career in 1981 with Shell Petroleum Development Company, before joining Nigerian International Bank Limited, a subsidiary of Citigroup, where he worked between 1986 and 2004, holding strategic positions including Deputy General Manager and Head, Branch Operations.

He has been Deputy General Manager and the Chief Auditor (2006-2007), Head of Foreign Operations (2007 – 2009), and Head of Public Sector – Abuja (March 2009 – September 2009), all at First Bank of Nigeria PLC. Prior to joining First Bank, he was General Manager, Operations and Resources, FBN (Merchant Bankers) Limited, (2004-2005). He has responsibility for the Bank's Commercial and Retail Banking – North and Public Sector Business.

BOARD OF DIRECTORS

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Engr. Mansur Ahmed is currently the Director-General/Chief Executive Officer, Infrastructure Concession Regulatory Commission (ICRC). Prior to this appointment, he was the D-G/CEO of Nigerian Economic Summit Group (NESG), a position he assumed in 2004 following his retirement from the Nigerian National Petroleum Corporation (NNPC).

He has a first degree in Mechanical Engineering from Nottingham University and a Masters degree in Industrial Engineering and Administration from Cranfield Institute of Technology (now Cranfield University), both in the UK. He also has a post-graduate certificate in Investment Appraisal and Management of the Harvard Institute of International Development. He is a Fellow of the Nigeria Society of Engineers and the Nigerian Institute of Management as well as Member, Institute of Directors of Nigeria. Between 1976 and 1984, he worked in various manufacturing firms in the country before joining the Nigerian National Development Company (NNDC) as Executive Director. Between 1988 and 2003, he served the NNPC in various capacities before retiring as Executive Director in-charge of Refining and Petrochemical Directorate.

He has attended many courses and seminars in management, oil and gas operations and lately in the field of development studies, as well as written many articles on a wide range of issues. He has served and still serves on many national committees and is also a Director of GlaxoSmithKline Nigeria PLC. He joined the Board of Union Bank on the 4th of October, 2007 and has been recently reappointed into the Board.



BOARD OF DIRECTORS



Dickie Agumba Ulu is a management expert with over 30 years of professional/industrial experience, and is currently the Development Consultant to Global Utilities Management Company.

He trained in Marketing/Insurance; Risk Management; Human Resource Management and Organisational Designs; and earned a HND (Business Administration) from Farnborough College, Farnborough, Hants, UK; Diploma, Chartered Institute of Marketing, UK; Advanced Certificate (Human Resource Management) from London School of Economics, London; as well as post-graduate Marketing Management (Strategic Planning & Control for Crisis Management) from University of Greenwich, Business School, West Mailing, Kent, London, UK.

He was General Manager, UK, Nigeria Reinsurance Corporation, London; Managing Partner at DKU Associates, London; and Special Assistant to the Presidential Adviser on National Orientation and Public Affairs, among others. He had also undertaken many national assignments, including Member, Presidential Initiative on National Rebirth Campaign; Zonal Leader (North-West, South-South & South-East), Presidential Forum on Stewardship, Accountability and Youth Development; Chairman, Presidential Review Committee on Streamlining the Functions of Nigerian Film Corporation and the National Films & Video Censors Board; and Chairman, Sub-Committee "A", Presidential Committee on the Restructuring of National Orientation Agency. He is a member of professional and leisure associations

BOARD OF DIRECTORS



Dr. Yemi Osindero is a dynamic and inspiring business leader, with several years of experience in international investment banking, foreign direct investment and venture capital, coupled with emerging market operational and business development experience. He is currently the Head of West Africa Private Equity, Standard Chartered Private Equity. Prior to this, co-founded Virgin Nigeria Airways in 2005 and was Chief Operating Officer and member of its Board of Directors. Before that, he was an Investment Manager with Virgin Management, the holding company of Sir Richard Branson, where he was responsible for financial advisory, M&A initiatives, strategy and new business initiatives for various existing Virgin Group companies globally, and the investment evaluation of numerous new ventures to extend the Virgin brand. He was previously an M&A and Corporate Finance Investment Banker with Hawkpoint Partners Limited and started his career with Goldman Sachs in the UK. He holds a B.Eng. (First Class Honours) in Chemical and Bioprocess Engineering from University of Bath, UK; and a Ph.D in Chemical Engineering from the same university.

He has played a number of leadership roles, including chairing the Board of Airline Representatives (BAR) in Nigeria and the Presidential Committee on Ticket Pricing. He is a Member, Nigeria Leadership Initiative; Member, Institute of Directors and is on the Advisory Board, "Top 30 Under 30" and The Future Awards, among others.

BOARD OF DIRECTORS

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Chief Dr. Mrs. Nike Akande, OON is a former Minister of Industry and President of the Harvard Business School Alumni Association of Nigeria. She is an Accountant by training and management/business consultant. She attended University of North London (formerly North Western Polytechnic, London), where she studied Accountancy. Later, she did her post-graduate programme at the prestigious Harvard Business School, Boston, USA, and also attended management courses at Oxford University, UK and International Institute for Management Development, Lausanne, Switzerland. She is a Board Member of NEPAD Business Group of Nigeria, a foundation member of the Nigeria Economic Summit Group (NESG) and a Member of the African Business Roundtable (ABR). Dr. Mrs. Akande is a Director, PZ Cussons Foundation, Board Member, Bank Directors Association of Nigeria (BDAN), Chairman, Entrepreneurial Studies (AES) Excellence Club, Vice-President of Lagos Chamber of Commerce and Industry (LCCI), Honorary Life Vice-President, National Association of Chambers of Commerce, Industry, Mines and Agriculture (NACCIMA), and President, Pan-African Organisation for Women Recognition. She was at various times, Member of the Panel to Study and Reorganise Nigerian National Petroleum Corporation (NNPC), Director, National Insurance Corporation of Nigeria (NICON), Director, Nigeria Industrial Development Bank (now Bank of Industry), and Member, Vision 2010 and 2020 of the Federal Republic of Nigeria.

She is a recipient of many honours and awards, nationally and internationally, including national honour of Officer of the Order of the Niger (OON); and Lagos State Government 2011 Tax Compliance Award, to name a few. Chief Akande has worked relentlessly on the development of women in Nigeria and her philanthropic activities cut across Nigeria, for which she has received many awards in appreciation of her contribution to community development.



**CHAIRMAN'S STATEMENT**

Distinguished Stakeholders in Union Bank of Nigeria PLC (UBN)

I am delighted to welcome you to this Annual General Meeting (AGM) to present the UBN Group financial statements for the year ended December 31, 2011. It is a privilege to be your Chairman at a time of major change in the Bank. I greatly appreciate the enormous support we have received during a time of considerable change and transition to new core investor in the ownership of the bank

Before focusing on financial results, let us put the Nigerian banking sector and UBN in context within the major global forces at work which are reshaping the environment in which we live, compete and work.

GLOBAL FORCES AT WORK

As you all know, we are living through one of the most challenging times in world history:

- Economic contraction and recession which may take a decade or more to overcome.
- Restructuring of the global political and economic scene as emerging markets thrive and come of age.
- Supply and demand for commodities increasingly important but accompanied by increased market volatility and uncertainty.
- Arab Spring and the widespread evolution towards more participatory political systems.
- Unpredictable weather patterns with their impact on food supplies.
- Major climate shifts including drought, hurricanes and events such as the Japanese tsunami.

The list is a long one and inevitably impacts African markets, including Nigeria.

NIGERIAN OUTLOOK

While global forces will impact Nigeria, we have considerable leeway in charting our future independently of global developments. This is particularly true of the banking industry where CBN has led the way with positive steps to strengthen and sanitize the banking sector whilst implementing sound regulatory and operational reforms which will position the industry to support Nigeria's future economic development.

There is a need for similar enlightened and disciplined leadership and reform throughout the rest of the Nigerian economy. Our success in telecommunications is an example of what can happen when policies and regulatory practices are implemented in such a way that private incentives and opportunities are fostered and the enormous economic potential of the Nigerian economy can therefore be unlocked.

Important policy reforms are underway throughout the economy, most particularly in petroleum, power, agriculture and infrastructure. Although in their early stages, these sectors show enormous upside potential and progress can be largely independent of global forces at work. With our over 140 million population, our resource base and relative underdevelopment of key sectors, Nigeria is an increasingly attractive destination for private investment. Provided bottlenecks holding back our economic development are addressed, investment funding is unlikely to be a limiting factor.

Nigeria thus experienced a relatively stable macroeconomic environment and GDP growth was slightly less than 8%, which is consistent with 2010 and placed Nigeria in the top ten growth economies globally. External reserves stood at \$33 billion at year end vs. \$32 billion in 2010. The exchange rate depreciated by 5.0% from N150.66 to N158.27 to the dollar. Inflationary pressure moderated from 11.8% to 10.3% rate from year end 2010 to 2011. However, the unemployment rate rose to 23.9% compared with 21.1% in 2010 and 19.7% in 2009.

BANKING SECTOR REFORMS

The CBN completed the recapitalization program for the eight intervened banks by the end of the year through:

- the liquidation and purchase and assumption by Asset Management Corporation of Nigeria (AMCON) of three banks that were unable to attract core investors by deadline set;
- the acquisition of four banks by other banks
- the injection of core investor capital by institutional investors in your bank.

AMCON also injected N2.1 trillion into the eight intervened banks to fully recapitalize them. AMCON's intervention in stabilizing the banking industry also involved the acquisition of non-performing loans with a face value of N2.78 trillion from 21 banks at a cost of N1.16 trillion, which it paid by issuing zero-coupon bonds to the affected banks. Indeed, the establishment of AMCON to facilitate the resolution of the crisis in the financial system is a commendable initiative that has proven to be a major instrument for stabilizing the banking system and the Nigeria economy.



RECAPITALIZATION OF THE BANK

With the strong support of CBN and AMCON, your bank, Union Bank of Nigeria Plc, has been recapitalized thus providing a solid financial foundation for return to our former leadership position in the industry. This was achieved through injection of fresh equity funds by AMCON and the new core investor, Union Global Partners Limited (UGPL), which, subsequent to year end, involved one of the largest recent investments by foreign investors into Africa. The transition of board leadership is now underway with representatives of the new investors being added to the core of existing directors and management of the Bank. These include Messrs. John C. Botts, Okechukwu Enelamah, Cyril A. Odu, Douglas T. Munatsi and James Macarthur, who have been appointed to the Board and are awaiting confirmation by the CBN.

OPERATING RESULTS

Aside from the challenges inherent in the operating environment, the 2011 financial year was the concluding phase of the restructuring and recapitalization of your bank. Management was therefore preoccupied with the initiatives to sustain the confidence of our customers. It is therefore not surprising that several of the financial indices still showed a declining trend. During the 2011 financial year, the bank had a net loss of N83.239 billion. The loss recorded was largely as a result of the provisioning for long outstanding reconciliation items as well as the provisioning, and disposal, of non performing loans to AMCON.

STAFFING

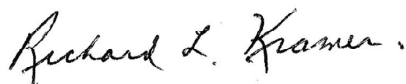
The Bank continues to pay attention to its staffing position during the reporting period, considering that the workforce constitutes the major tool at its disposal to enhance its competitiveness. As part of efforts to rejuvenate the workforce, over 100 people were employed during the year and all staff of the Bank participated in various training. The training function was also restructured with the introduction of e-learning programme in 2010 that enabled all staff to be trained in a variety of e-learning programs.

CONCLUSION

In concluding this address, we give thanks to the former Chairman, Prof. Musa Gella Yakubu (OFR, SAN) and his Board team for steering the affairs of the Bank during 2011 and for positioning the Bank for the transition that is being completed during 2012.

I also want to pay tribute to the outstanding management of Mrs. Funke Osibodu and her management team for bringing the Bank safely through a most difficult period and building the momentum and solid foundation for the future. They were immeasurably supported by the CBN, AMCON and external advisors in achieving a difficult, but commendable, transition. Union Bank of Nigeria Plc is now poised to regain its rightful leadership position in the banking industry. We look forward to very positive results in the future.

Thank you.



Richard (Dick) Kramer
Chairman



Distinguished shareholders of Union Bank,

Welcome again to another year of meeting to review your bank and its performance. The year 2011 was a significant one for Union Bank of Nigeria Plc (UBN) in several ways; it was the year that the Bank, after a journey of slightly over two years, successfully completed its recapitalization process. This meeting is therefore crucial as it marks another milestone achievement in the history of this great institution.

Industry Update

There were a number of regulatory actions and interventions in the banking industry in 2011 that have impacted on the industry's operating environment in 2011 and 2012. Of significance, is the completion of the recapitalization intervention program by the Central Bank of Nigeria (CBN) for the eight licensed commercial banks which the CBN had given intervention funds to in 2009. As a result of the resolution of the banking crisis, the banking industry is healthier and safer. CBN also introduced a number of policies which, going forward, affect the way business is being carried out across the banking industry as well as the other industries. Some of these are:

- Tightening of monetary system through increase in Monetary Policy rate from 6% to current level of 12%; increase in cash reserve requirement from 4% to 12% and reduction in net foreign exchange open position limit for banks
- Cashless banking including licensing of Payment Terminals Operators (PTSPs), licensing of mobile money operators etc.
- Restriction on the scope of banking activities based on banking subsidiaries or holding company subsidiaries
- Introduction of specialized banking (non-interest banking)
- Development of competency framework to assist in improving the quality of staff in certain sensitive and controlled areas
- Issuance of guideline encouraging banks to increase to number of women occupying senior management and board positions in banks

These various reforms have had major impact on the banking industry during the period under review and subsequently. Union Bank Transformation Process

I am delighted to again advise you that that bank is now fully recapitalized with shareholders' funds of N179.56 billion from a negative of N135.894 billion as at December 2010. The bank's risk weighted capital adequacy ratio (CAR) is presently at 20.79% which is well over the regulatory minimum requirement of 10% and a major departure from last year's negative ratio. -

Subsequent to year end, Union Global Partners Ltd. (UGPL), as core investors, acquired additional shares from AMCON and now owns 65% of the Bank's shares. AMCON's holding has reduced to 20% while existing shareholders own 15%.

UGPL comprises of a group of various investors with vast international involvement. The key members include:

- ACA who pioneered the role out of private equity model in Nigeria and has managed funds provided principally by International Development Finance Institutions such as CDC, International Finance Corporation (IFC), European Investment Bank (EIB) and Overseas Private Investment Corporation (OPIC) and the pension funds of Nigeria-based multinational companies, such as the Chevron Pension Fund, the NBL Pension Fund, and the Unilever Pension Fund, are also investors in ACA-managed funds
- Standard Chartered Private Equity (SCPE) is the private equity and venture capital arm of Standard Chartered Bank and has invested approximately \$3.5bn in over 65 companies throughout Asia, Africa and the Middle East.
- FMO is the development bank of the Netherlands, founded in 1970 by the Dutch Government, leading private sector banks, employers and employee organizations.
- ABC Holdings Group consists of Banc ABC and African Development Corporation (ADC). African Development Corporation is a financial services holding company focusing on banking and insurance market in selected markets in sub-Saharan Africa. Banc ABC is a banking group with operations in Botswana, Mozambique, Tanzania, Zambia and Zimbabwe and shareholders which include IFC, Old Mutual and Bifm (part of the Sanlam Group).
- Corsair Capital is one of the longest-standing private equity firms focused exclusively on investing in the global financial services industry. Corsair has invested across substantially all of the subsectors of the financial services industry in North America, Western Europe, and the Emerging Markets of Latin America, Asia, and Central Europe.
- Richard Chandler Corporation is a multi-billion dollar international investment group with head office in Singapore since 2005, and satellite offices in India, Indonesia, Kenya & Egypt

With the full recapitalization of the Bank, our position is that of strength in terms of capital and liquidity. This has created a solid



foundation on which we plan to build a big, strong, reliable and profitable Bank of the future.

Last year we mentioned that UBN commenced a program of rebranding the Bank's branches as part of our transformation agenda in order to deliver optimal value to our customers. In January 2011, we embarked on a two pronged rebranding project comprising of brand marketing communication and branches upgrade. The project which was to start with a face lift of 75 branches during the recapitalisation period, has been quite successful. The completion of the refurbishment of several of these branches has resulted in a more customer-friendly environment with increase in customer patronage. This branch renovation process will now be rolled out to the remaining over 200 branches.

During the 2011 financial year, UBN also embarked on the overhaul of its risk management framework, in pursuance of the bank's portfolio strategy to improve the quality of its risk assets. The primary objective is to ensure that the bank's deposits and shareholders' funds are safe while at the same time focusing on serving the customer's credit needs. In addition, Union Bank continues to excel in lending to the agricultural sector and recorded a number of important achievements. These include "The Best Farmer-friendly Bank in Nigeria" by CBN, "Best In Agric Financing in Kano State" by CBN's Agricultural Credit Guarantee Scheme Fund (ACGSF), "Best In Agric Financing In Jigawa State" by CBN's ACGSF, among others.

Overview of Financial Results

The 2011 financial result reflects the last phase of the cleanup of the Bank's balance sheet in order to reposition the bank for growth from year 2012. Thus most of the various financial indices were either not positive or appear to be declining.

The Group's loans and advances decreased by 21.65% from N202.38bn as at December 31, 2010 to N158.56bn at the end of the reporting period. In the same vein, that of the Bank declined by 21.34% from N178.65bn in the 2010 financial year to N140.52 as at December 31, 2011. However, the ratio of non-performing loans to total loans and advances has significantly reduced from 40% in 2010 to 5% in 2011, in line with regulatory maximum.

Total customer deposits for the Group thus declined by 22.57% from N645.98bn as at December 31, 2010 to N500.20bn at the end of the 2011 financial year. Similarly, total customer deposits of the Bank declined by 33.34% from N598.92bn in the 2010 financial year to N399.23 as at December 31, 2011

Gross earnings for the group reduced from N130.41bn as at December 31, 2010 to N80.75bn during the review period, while that of the bank declined under review. from N113.96bn at the close of the 2010 financial year to N66.49bn as at December 31, 2011. The Group recorded a loss before tax of N122.41bn during the review period. Also, the Bank recorded a loss before tax of N114.99bn during the review.

However, the unaudited result of the first six months of year 2012 shows that the Group, and especially Union Bank, has now started operating profitably with most of its leading indicators showing very strong positive trend.

Our people

Our primary objective is to reposition the bank in order to effectively serve the customer by enabling effective relationship management, deeper market penetration, expansion of the customer base within our market focus and faster service delivery. The Bank continued its realignment of staff to critical functions like marketing, in a determined effort to reverse a situation where less than 40% of our work force were in market facing functions. By the end of 2011, over 50% of the Bank's staff were in customer-facing and marketing related functions. The e-learning program which was launched in 2010 has continued to afford us a more cost effective method of updating staff knowledge and skills. In 2011, all staff enrolled, and took part, in several courses under the e-learning program whilst about 3,400 members of staff benefited from other internal, external and overseas training.

As we progress into 2012 and beyond, I am confident that the solid foundation and newly created platform of the new Union Bank, will ensure that customers get the best of service going forward. Whilst we still have a lot to do in branch and infrastructure upgrade, our new staff disposition and outlook will ensure that the stakeholders of the bank, especially the shareholders get value for their investment.



Conclusion

As you are aware, this is my last meeting with you as the Group Managing Director/ Chief Executive of this national and iconic institution. It has been a very interesting and worthwhile experience. We commenced the transformation journey in August 2009 with a Bank that had the following issues:

- Declining market share in core areas of the business
- Weak financial position with higher level of nonperforming loans, huge un-reconciled balances, high level of infractions and fraud, high operational expenses weak financial and internal control
- Decaying branch infrastructure and an aging workforce
- Weak corporate governance and poor risk management practices
- Subsidiaries that do not drive creation of shareholder value using Group synergy.

We are now at a stage where the Bank is now stabilized with the following attributes:

- Strong financial position with low level of nonperforming loans, largely reconciled accounts, lower level of operational expense, significantly reduced infractions and fraud with improved financial accountability
- Improvement in bank infrastructure and injection of over 500 young work force to complement existing mature and experienced staff
- Significantly improved risk management practices and a strengthened corporate governance environment
- More accountable subsidiaries with group synergies being an integral part of the focus

I wish to use this opportunity to thank all parties who have assisted us in achieving this turnaround that has earned the Bank a name of “Last Man Standing” by one of the national newspapers. Indeed Union Bank has succeeded not only in remaining as a stand alone bank retaining its name and brand, but has also succeeded in re-charting its course by pooling international resources to assist the Bank in its new process of becoming a more global player based on best practices and leading corporate governance standards. All of us at this meeting should be proud of our achievements so far and especially the resolutions adopted at last year's annual general meeting in supporting the new process.

On behalf of all my colleagues, I express my deepest appreciation to our customers, shareholders, regulators and other stakeholders who have in no small way supported us in the last three years of our transformation and restructuring journey. Lastly, we give thanks to God for helping us every inch of the journey so far.

I thank you all.

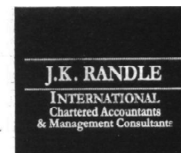


Olufunke Osibodu
Group Managing Director/ Chief Executive



REPORT OF THE EXTERNAL CONSULTANT ON THE BOARD APPRAISAL OF UNION BANK OF NIGERIA PLC

Union Bank of Nigeria Plc and Subsidiary Companies
Group Financial Statements – 31 December 2011
Together with Directors' and Auditor's Reports



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REPORT OF THE EXTERNAL CONSULTANTS ON THE APPRAISAL OF THE BOARD OF DIRECTORS OF UNION BANK OF NIGERIA PLC FOR THE YEAR ENDED 31ST DECEMBER 2011

The Board of Directors of Union Bank of Nigeria Plc (UBN Plc) mandated J. K. Randle International to conduct the evaluation of the Board of the for the year ended 31st December, 2011 in accordance with the provisions of the CBN Code of Corporate Governance (CBN Code).

The Board of UBN Plc was composed of fourteen Directors as at the year ended 31 December 2011. This is made up of five Executive Directors including the Group Managing Director/Chief Executive Officer and nine Non-Executive Directors. The composition and structure of the Board reflects diversity of backgrounds, skills, balance of power, and independence. Members of the Board possess the requisite background to supervise the operations of the Bank as well as the performance of Management. The composition conforms with the provisions of the CBN Code in respect of number of executive directors as a ratio to non-executive directors. The number of committees conformed with the minimum required by the CBN Code. The Bank re-enforced the governance structure by engaging Consultants to design the Bank's Enterprise Risk Management Framework. It also engaged Consultants for the conversion of the Bank's financial reporting system to IFRS framework as at the end of the year; the Board had almost concluded the Bank's re-capitalisation programme. We noted, in particular, increased efforts at debt recovery, deposit mobilisation, and vigorous enforcement of internal control functions in addition to regular dialogue with major stakeholders and staff unions. In all these cases, the Board Committees were actively involved.

We observed that the operations of the Board met the requirements of Best Practice and the CBN Code. Frequency of meetings exceeded the minimum requirement of the CBN Code. The Board held nine meetings, and the level of attendance was satisfactory. The conduct of the meetings followed conventional procedures in a conducive atmosphere where all members expressed their views freely. The agenda of the Board consisted of relevant strategic issues in order to address the critical evaluation of the unfolding scenarios within the Bank, the conclusion of the Bank's re-capitalisation, the operating environment and the resolution of issues arising therefrom. All the issues were resolved successfully. The activities of the Board were well documented in its minutes book.

The Board performed all the functions that fall within the purview of its oversight responsibilities which arose during the critical period among which was sustaining the governance structure of the Bank, particularly Risk Management, overseeing the internal audit functions as well as monitoring Regulatory Compliance. The Board supported the strategic initiatives undertaken by Management and participated in the planning process in order to re-enforce the performance parameters. The performance of the Board is adjudged to be satisfactory. It also took active participation in the sale of Non-Performing Loans to AMCON. The Board also performed other statutory responsibilities including rendering the accounts of the operations and activities of UBN Plc to the shareholders.

At the conclusion of the exercise, we advised the Board of UBN Plc to address the regulatory issue of independent directors or obtain exemption from the regulatory authorities without further delay. We also advised the Board to expedite action to formalise a succession policy and crisis management policy. The Board should also ensure that a robust Data Recovery and Business Continuity Plan is put in place. Furthermore, The CBN's May 14, 2012 compliance deadline regarding the repeal of the Universal Banking License is still a compliance issue. We also recommend that the Bank should take advantage of the CBN forbearance in meeting the deadline in order to initiate action for compliance as soon as the re-capitalisation programme is fully concluded. Finally, the Board should adequately challenge Management regarding the timely implementation of the recommendations of the Audit Committee.

Bashorun J. K. Randle, OFR
Chairman/Chief Executive
Dated September 20, 2012

J K R



Union Bank of Nigeria PLC strongly believes in the business philosophy that every corporate citizen should identify with the aspirations of the community in which it operates, and be responsive to the people in the areas of genuine and clear needs. It, therefore, acknowledges its responsibility to the Nigerian society, generally by contributing to its development and enrichment.

Through its zonal offices, Union Bank maintains interactive approach to the welfare of the communities and continuously seeks ways of meeting the aspirations of the people. It continues to identify with the society in which it operates in recognition of the fact that it depends on the society for survival, sustainability and support.

For close to a century, the Bank created a niche for itself by giving back to its society in varied forms and has thus built a strong goodwill in Corporate Social Responsibility (CSR).

From business growth, healthcare improvement, infrastructure development, security support, educational up-grade, sports enhancement to community projects assistance, Union Bank's CSR initiatives remain legendary and continue to receive private and government commendation.

Education

The Bank, in its efforts to boost the nation's educational development, has been very supportive in equipping tertiary institutions with information and communication technology (ICT) infrastructure. Over 30 tertiary institutions in the country (both State-owned and Federal-owned Polytechnics and Universities) have benefitted from its educational project. As part of efforts to equip schools with necessary tools, the Bank donated a 16-seater Hiace Bus to the Polytechnic, Nekede and had sunk boreholes in some schools in order to provide portable drinking water for students.

The Bank has at various times in the past, made substantial financial contributions to the Lagos Business School in addition to donating computer equipment and books worth several millions of naira to other schools, colleges and institutions, periodically.

To commemorate the Bank's 70th anniversary in 1987, the Bank funded for five years, the endowment of three professorial chairs for Banking and Finance, Agriculture and Computer Technology at the Federal Universities of Akure, Owerri and Minna. The three universities equally received substantial sums annually to boost their Banking and Finance, Agriculture and Computer Technology programmes during the period.

Healthcare

In the healthcare sector, the Bank has, on its own, built and/or contributed immensely in building several medical centres and clinics nationwide such as the Health Centre at the University of Benin, Edo State, and the Sickle Cell Centre, Idi-Araba, Surulere, Lagos State. Only recently, it renovated the Doctors' Lounge at the Lagos University Teaching Hospital (LUTH).

It had, in the past, presented various medical equipment worth several millions of naira to the Child Care Trust, meant to enhance the execution of the then First Lady, late Chief (Mrs) Stella Obasanjo's programme for transmitted diseases infection in Africa (ICASA 2005).

Furthermore, the Bank has supported and continues to support health institutions in the country in various ways such as the donation of a Toyota Hilux security vehicle to the Lagos University Teaching Hospital (LUTH), Idi-Araba.

Apart from providing these clinics with necessary medical and engineering equipment, the Bank regularly sponsors Heart Campaigns e.g. the one by Top Image Consulting London, and UNICEF's campaign on HIV aids. The Bank had also saved the lives of many Nigerians from all manners of life threatening ailments including heart, kidney, liver and spinal cord diseases.

Safety and Security

In keeping with its policy of being its brother's keeper, the Bank has a robust fire-fighting outfit to assist in combating fire incidents within the Lagos metropolis.

In a practical demonstration of its commitment to this course, the Bank committed a huge sum of money to acquire a state of the art fire-fighting and rescue equipment, known as CCS Bronto Skylight F42 HDT (Heavy Duty Truck) with aerial ladder platform, the first-of-its kind in the sub-Saharan Africa.

The equipment, which is rated as the best in Lagos State and Nigeria has the capacity to ascend heights over 42 metres. The exploits of this equipment in averting several fire disasters testify to the foresight and vision of the Board and Management of the Bank.



Since its acquisition, the Bronto has been used successfully to put out fire and rescue occupants of strategic buildings on the Lagos Island and its environs with the largest skyscrapers in the country. Specifically, NICON House, UBA House, NPA House and the PHCN Building were rescued from fire destruction by the Bank's fire-fighters with the aid of the equipment. Over 35 towers in Lagos with varying degrees of fire out-breaks have been saved by the sheer visionary investment in this strategic equipment by the Bank.

Governor Babatunde Raji Fashola (SAN) of Lagos State testified to this during a courtesy call on him by the management of the Bank and commended the Bank for being socially responsible, uniquely impacting on the environment with its fire-fighting equipment. He used the occasion to request other corporate bodies to emulate the niche of Union Bank in affecting the society.

Aside from the bronto, the Bank has proven its good corporate citizenship in the area of security. It donated five Toyota Hilux double cabin security vans to the Lagos State Police Command. This was sequel to an earlier appeal for assistance in terms of facilities made to all Banks in the country by Mr. Mike Okiro, then Lagos State Police Commissioner (and later, Inspector-General of Police – now retired).

With the donation of the security vehicles, the Bank blazed the trail of being the first of its kind in the history of the command. A very appreciative Mr. Okiro commented that, "the initiative to donate security vehicles to the Lagos State Police Command is the first of its kind in the history of the command and indeed, a novel phenomena in the banking system".

Aside the foregoing, the Bank has continued to support the different State Police Commands and stations in various ways such as the donation of communication equipment, etc, and also, made substantial contributions to the Security Trust Funds set up by some States of the Federation. For instance, the Bank donated N60 million to the Lagos State Security Trust Fund.

Sports Development

In the area of sports development, Union Bank claims to have a reputation of being one of the most consistent and most dependable contributors to the development of sports in Nigeria.

The involvement of the Bank in organized sports dates back to the 50s when Barclays Bank DCO encouraged healthy sporting competitions among its staff members. Friendly games of football, table tennis and hockey enjoyed first at the branch offices and later, at bigger meets in regional (now BDC) competitions have always been supported and encouraged by the Bank.

It is quite clear that the Bank has been motivated in these sporting activities by its sense of responsibility and a wholesome commitment to the well-being of its staff, customers and even the Nigerian public. In 2005, the Bank set another pace yet to be matched by competition, with the commissioning of its re-modeled ultra-modern, multi-purpose sports club with facilities for football, hockey, basketball, table tennis, billiards, squash, tennis, swimming and a fully equipped gymnasium, among others.

It is the only Bank that has established a sports complex that matches international standard and the first bank to establish football, basketball (men) and hockey teams, of which the first two participate in the respective national leagues. In addition, the Bank financed the construction of a modern basketball pavilion at the University of Nigeria, Nsukka, Enugu State and renovated Union Bank Tennis Court at Enugu Sports Club. Also, it has made substantial financial contributions towards the sponsorship of golf, table tennis and lawn tennis tournaments as well as supporting schools and States in numerous sporting activities.

It has always and continues to support the Nigeria Special Olympics, an NGO catering to the diverse needs of special persons with various disabilities. This is part of the Bank's policy which encourages challenged persons to demonstrate their limitless potentials despite all odds.

Humanitarian support/beautification

During the course of the period, the Bank made substantial donations to crisis ridden areas in a bid to alleviate the suffering of the citizenry. For instance, the earthquake victims in Haiti republic, the victims of religious riots in Jos as well as the petrol tanker disaster victims in Gombe all benefitted from the Bank's generosity. Similarly, the Bank sponsored the 2010 May Ball of the Nigerian Society for the Blind while the Paiko Roundabout in Minna, Niger State received a facelift with the total renovation of the roundabout which serves as a gateway into the State capital.

Aside the foregoing, the Bank has demonstrated its large heart and generosity in terms of sponsorships and donations to social clubs, chambers of commerce and industry, professional bodies, youth empowerment programmes, government agencies, non-governmental organizations (NGO), humanitarian causes, telecom/technology-based programmes, to mention a few.

Union Bank continues to consciously engage in adding value to the society in which it operates. Given its antecedents, Union Bank will continue to structure its CSR initiatives to maximize the overall impact on its host communities.



ENTERPRISE RISK MANAGEMENT FRAMEWORK**INTRODUCTION**

The purpose of the Bank's Enterprise Risk Management (ERM) framework is to ensure that a risk management culture is entrenched in the Bank and is in line with contemporary/internationally acceptable standards. The Bank's risk management framework is in process of being redeveloped and designed using the CBN Risk Based Supervision (RBS) Framework and the guidelines of Pillar 3 of the New Capital Accord (Basel II) which are based on capital adequacy, full disclosure and effective controls.

The key aspects of the Bank's risk management framework are the risk governance and the organizational structures established by the Bank to manage risk according to a set of risk governance standards which are being implemented across the Bank/Group and supported by appropriate risk policies and procedures.

It is the policy of the Bank to control risks at the level of individual exposure, portfolio level and in aggregate across all business and risk types. In this way the framework creates the structure for central oversight of risk management for the Bank to ensure that risks facing the Bank are properly identified, measured, monitored, and controlled to minimize adverse outcomes.

RESPONSIBILITIES/ROLES**BOARD OF DIRECTORS**

The Board of Directors has the ultimate responsibility for the risk management framework of the Bank which in turn delegates to Board Committees and Senior Management of the Bank. Senior Management is to execute the Enterprise Risk Management Framework including the risk management strategy and policy of the bank.

IMPLEMENTATION OF ERM FRAMEWORK

The Bank is establishing best practice risk functions in the various risk elements outlined in the CBN Risk Based Supervision (RBS) framework, including business risks, control risks, and credit risks as detailed hereunder.

CREDIT RISK PHILOSOPHY/STRATEGY

The risk tolerance and appetite levels set by the Board are strictly adhered to in credit risk management. In the process, the risk of excessive concentration in any particular industry, sector or individual are minimized. In addition, risk considerations are assigned priority over profit considerations in arriving at credit decisions. The credit policy manual of the Bank remains a major reference guide for good lending. In the manual, approval limits are set by the Board for each authority level; industry concentration limits have also been set. Obligor Risk Rating is an integral part of the credit process to ensure we maintain a healthy credit portfolio. Thus, an internal risk rating model has been introduced.

CREDIT RISK MANAGEMENT DEPARTMENT

Credit Risk Department consists of 6 units which vet all credit approval documentation for accuracy; monitor credit and portfolio exposure ensuring compliance with all regulatory requirements, bank policies and approval conditions; identify and monitor watch list names; review and approve credit facilities; review documentation before availment; act as custodians for all security and credit documentation and manage AMCON relationships

SPAD (SPECIAL ASSETS DEPARTMENT)

This department is responsible for recovery of classified accounts.

MARKET AND LIQUIDITY RISK MANAGEMENT

Market Risk is the risk of movement in market factors such as interest rates, foreign exchange rates, equity and commodity prices which can adversely affect the value of the Bank's on/off balance sheet position. It will be ensured that the Bank's market risk exposures are consistent with its business strategy and within the Bank's risk tolerance level.



It is the policy of the bank that:

- Management and individuals responsible for market risk management are regularly trained on sound expertise and knowledge of their functions.
- Available capital and the Bank's defined market risk appetite is considered for exposures
- A robust market and liquidity risk infrastructure is deployed for controlling, monitoring and reporting purposes; a real time application with a fully integrated front office, risk management and back office system for treasury, derivatives and capital market instruments
- There is product diversification for the purpose of avoiding concentration risk.
- Regular market risk reports are presented to the Board Risk Committee

The Market Risk Unit amongst other things closely monitors the fair market value of the investment portfolio or a trading portfolio in the short-term using the Mark to Market (MTM) valuation process, daily updates the bond, treasury, money market rates and proactively monitors Counterparty Credit limits, Counterparty foreign exchange (settlement risk) limit.

Assets and Liability Management (ALM) is facilitated by the Assets and Liability Committee (ALCO) with the objective of managing the Bank's balance sheet risks in line with its financial objectives to ensure optimal earnings under all economic scenarios within prudent risk parameters as approved by the Board of Directors

OPERATIONAL RISK MANAGEMENT

This is the risk of loss arising from inadequate or failed internal processes, people, systems and external events.

The Bank's operational risk framework adopts a five step value chain approach to the management of operational risk, namely risk identification, risk assessment, risk monitoring, risk mitigation and risk reporting. It also seeks to raise awareness of operational risk across the Bank towards ensuring a proactive operational risk management culture by putting necessary controls in place.

The Bank's operational risk management framework is designed to ensure that roles and responsibilities are clearly understood by employees at all levels. Also structures and processes for reporting risk and control failures are put in place including procedures for escalating material issues to Management/Board.

Operational risks also include risks arising from real or threatened litigation against the Bank due to unenforceable contracts, law suits, adverse judgments and violation of legal guidelines. The management of these risks is coordinated by the Legal Department, whose functions include provision of legal advice and support to forestall claims and legal proceedings against the Bank, managing litigations and other legal issues, and ensuring that potential incidents of material legal risks are reported early enough.

The Bank's information security risk management framework ensures that information assets are protected at all times. This responsibility is shared by management and all staff through programmes targeted at increasing staff knowledge and customer protection. Information security controls is built into all processes and procedures through the deployment of appropriate safeguards.

COMPLIANCE RISK

The management of the risks associated with failure to comply with applicable laws, regulations, codes of conduct and standards of good practice which may result in regulatory sanctions, financial or reputational loss is coordinated by the Bank's Compliance department whose primary function is to ensure that the Bank complies with laid down regulations that are applicable to its business and operations.



SUBSIDIARIES, ASSOCIATES, AFFILIATES

Union Bank of Nigeria PLC is a financial group, with subsidiaries and associate companies specialising in banking, mortgages, insurance, trusteeship, stock brokerage, property development, courier service, venture capitals/SME financing and discount business.

There are nine subsidiary companies and three associates. Subsidiary companies are companies in which the Bank has direct or indirect controls; holding a majority of the shares of the company that is more than 50% holding.

Associate companies on the other hand are companies in which the Bank has a significant influence and which are not a controlled entity.

A. BANKING

UNION BANK UK Plc

Union Bank UK plc (UBUK) is a wholly owned subsidiary of Union Bank of Nigeria PLC. It commenced trading as a UK Bank on October 4, 2004, following receipt of authorisation from Financial Services Authority (FSA). Before then, it operated as a branch of Union Bank and provided services to the Bank's international business oriented customers for over 25 years.

UBUK offices are located at 14-18, Copthall Avenue, in the heart of the city of London, the world's leading centre for international trade and finance from where it provides unrivalled banking services to customers doing business from and into Nigeria and other West African countries. It has a Representative Office located on the 2nd floor, Plot 1668B Oyin-Jolayemi Street, Victoria Island, Lagos, Nigeria.

Its correspondent banking network provides global reach for customers engaged in international business as it opens the door to worldwide trade with comprehensive service needed to maximise international opportunities and minimise risks.

Its products include:

- Letters of Credit
- Bid and Performance Bonds
- Guarantees
- Import and export finance
- Foreign exchange and treasury services
- Personal and business banking
- Pre-paid Mastercard
- International payments and money transfers
- Correspondent banking
- Commercial lending and project finance
- Personal lending subject to status
- Structured Finance

- Buy-to-Let mortgages

The management team is headed by Dr Adekola Ali, Managing Director/Chief Executive Officer.

SOUTH AFRICAN REPRESENTATIVE OFFICE (SARO)

It is the first Nigerian Bank to be represented in the entire Southern African region having been established since 1996. The South African Representative Office is strategically positioned to avail entrepreneurs in South Africa/SADC region with its knowledge of the Nigerian business terrain and investment opportunities in Nigeria.

Some of the services offered by the South African Representative Office include the following:

- Identification of viable business opportunities and linking of potential trade and investment partners
- Facilitation of Exploratory visits for Business and Investments in Nigeria and South Africa by arranging appointments with relevant business organisations and government agencies
- Provision of Status Reports in respect of Business and Investment Partners
- Offshore Trade Finance Facility to South African businesses through our London office
- Offering Financial Advisory Services on the Nigeria Privatisation programme

Mr Femi Okanlawon is the General Manager of the South African Representative Office.

B. CAPITAL MARKETS

UNION CAPITAL MARKETS LIMITED*

Union Capital Markets Limited was incorporated as a direct subsidiary of Union Merchant Bank Limited on December 21, 1999 as Union Stockbrokers Limited and licensed by the Securities and Exchange Commission as well as the Nigerian Stock Exchange to deal in shares and stocks on all floors of the Exchange.

The name of the Company was subsequently changed to Union Capital Markets Limited on 9th January, 2006 following the acquisition of Union Merchant Bank Limited by Union Bank of Nigeria Plc, a consequence of the consolidation exercise in the banking industry. Thus, the Corporate Finance department of Union Merchant Bank Limited along with the human capital resources responsible for over thirty (32) public offers handled and culminating in the winning of the best Issuing House awards for two (2) consecutive years, was fused with Union Stockbrokers Limited to form Union Capital Markets Limited and its scope of operation expanded to a non-bank investment banking outfit.

As a key player in the capital markets and registered with the Securities and Exchange Commission and the Nigerian Stock Exchange, the



Company offers the following major products and services:

- ☒ Capital Markets: Raising of funds for corporations, governments and MDAs through equities and fixed income securities, derivatives, placement and underwriting.
- ☒ Financial Advisory: Mergers, Acquisitions, Divestitures, Structured Products, Capital Structures, Valuation, Due Diligence
- ☒ Stockbrokerage/Nominee Services: Trading on behalf of third parties in equities, fixed income, mutual funds and nominee services.
- ☒ Assets/Funds Management: Pension Funds, HNIs, Portfolio Management, Hedging and Restructuring.
- ☒ Principal Investment Activities: Proprietary Trading in equities, fixed incomes, derivatives and money markets.
- ☒ Research: Company/Industry Research, Economics, Investment Strategy, Modelling, Market Analysis.

The management team is headed by Mr. Tunde Yamah.

UNION REGISTRARS LIMITED

Union Registrars Limited is one of the key and striving subsidiaries of the Union Bank Group, with the objective of rendering share registration services to corporate organizations in Nigeria. Prior to becoming a full-fledged subsidiary in 2003, Union Registrars was essentially a department of the Barclays Bank (DCO) established in 1959. It became the first Registrar to be established in Nigeria to complement the Nigerian Stock Exchange activities.

Today, Union Registrars Limited is fully automated with robust information technology infrastructure.

Union Registrars has the capacity to process 120,000 share offer application forms/documents per day. It acquired an electronic document archiving system (E-DAS) to manage its online document storage and verification procedures in order to increase the turnaround time and reduce the required time for transactions to CSCS. This is supported with the first electronic/coloured audiovisual queuing system in the capital market to attend to shareholders expeditiously. The company has its headquarters in Lagos and nineteen branches cut across the six geo-political zones.

Mr. Babatunde Ayeni is the Managing Director/Chief Executive/Registrar.

UNION TRUSTEES LIMITED

Union Trustees Limited previously known as Barclays (Nigeria) Nominees Limited was incorporated in 1966. Its main business then was to act as a nominee company, in whose name shares and insurance policies, offered as securities to Barclays Bank (Nigeria) Limited were transferred for easy realisation in case of default by the mortgagor.

The company deals specifically with the following services and products:

- ☒ Pension Fund Management
- ☒ Portfolio/Fund Management

- ☒ Trust of Consortium Finance
- ☒ Trust of Employees Shares
- ☒ Endowment Fund Management
- ☒ Property Management and Family Trust
- ☒ Nominee Services
- ☒ Custodian Trusteeship
- ☒ Corporate Trusteeship for Debt Instruments
- ☒ Estate and Wills Administration
- ☒ Child Education Trust
- ☒ Mixed Fund

It has Mrs. Oluseyi Olufunke Aiyepola as the Managing Director/ Chief Executive.

C. MORTGAGE AND PROPERTY

UNION HOMES SAVINGS & LOANS PLC*

Union Homes Savings and Loans PLC, the mortgage banking subsidiary of Union Bank of Nigeria PLC, was incorporated in 1992 with an authorised share capital of N50million and this has since increased to N10 billion with paid up capital of N3.9 billion. In May 1994, the Primary Mortgage Institution (PMI) was granted an operating license, and in August of the same year, it commenced full mortgage banking operations at its head office and premier branch located at 153 Ikorodu Road, Onipanu, Lagos.

Since 1995, Union Homes has opened 27 branches in several parts of the country including Lagos, Kano, Abuja, Ibadan and Port Harcourt, etc.

Union Homes has been collaborating with state governments to develop viable housing projects for workers in their respective states. It had also floated a hybrid Real Estate Investment Scheme (REITs) which is the first of its kind in Nigeria. The Trust is aimed at stimulating and sustaining Mass home ownership at different levels of income brackets by making mortgages accessible to millions of Nigerians and in the long run, bring down the cost of funds to beneficiaries of mortgage loans.

The company was listed on the Nigerian Stock Exchange on April 24, 2006 and investors have been trading on the stock. The company won the prestigious Stock Exchange President Merit Award in 2006 and 2007. It has 50% investment in the equity of Saffer Union (West Africa) Limited, a company which operates with Distribution and Warehousing Network Limited, Johannesburg, South Africa in selling housing related materials in the joinery, plumbing and sanitary sectors.

The company has Mr. Jacob A. Orimoloye as its Managing Director/Chief Executive.

UBN PROPERTY COMPANY LIMITED

UBN Property Company Limited is a limited liability company, which has been in operation since 2003. The company is owned by Union Bank of Nigeria PLC, Union Homes Savings & Loans PLC, Union Assurance Company Limited and others.



The principal activity of the company is real estate management. Its services include construction and sales of residential and commercial property for both corporate and private clients. It also offers other real estate services, which include property management, valuations and real estate development consulting.

The company currently manages properties belonging to the parent company, Union Bank of Nigeria PLC, its subsidiaries and affiliated companies, and it is currently re-positioning to be amongst the leaders in the real estate industry.

Engr. Oluwatosin Osikoya, Managing Director/Chief Executive, leads the company's management team.

D. INSURANCE

UNION ASSURANCE COMPANY LIMITED

Union Assurance Company Limited, an Associate of Union Bank of Nigeria PLC, was registered as an insurer on November 18, 1993 and commenced business in 1998. It is Nigeria's first bank-owned underwriting firm.

Its shareholding spreads among Union Bank, institutional investors, high net worth individuals and other individual shareholders. It is licensed to write both life and non-life insurance business and its financial services include bonds, money-in-transit, cash-in-transit, etc.

Union Assurance has in its employment some of the best professionals from various fields, all engaged in core competencies that add value to overall output, while a change management has re-engineered the businesses processes and people culture and bringing about competitive advantages.

With an authorized capital of N10 billion and shareholders' funds in excess of N5.2 billion, the company provides customized and efficient risk management solutions, which support business growth, individuals and groups.

Union Assurance as part of its strategic change process is implementing a cutting edge IT-enabled business solution made up of process automation and integrated insurance software extending to the web. The system will enable customers and brokers access services online. Other deliverables include electronic funds transfer system and Micro Insurance services enabled by mobile technologies and POS systems.

The company has 20 branches nationwide, with seven Representative Offices and scores of agency offices across Nigeria.

Mr. Godwin Odah, leads the management team as the Managing Director/Chief Executive

UBN INSURANCE BROKERS LIMITED*

UBN Insurance Brokers Limited is a subsidiary of Union Trustees Limited and a member of Union Bank Group. UBN Insurance Brokers Limited which was incorporated with the name First Universal Insurance Brokers Limited in 1992, a wholly owned subsidiary of UTB Trustees Ltd and a member of the then UTB Plc commenced full operations in 1993 having been duly licensed by the National Insurance Commission (NAICOM).

Following the acquisition of the then UTB Plc by UBN PLC, the Company's name was changed from First Universal Insurance Brokers Limited to UBN Insurance Brokers Limited in 2009. UBN Insurance Brokers Limited as a member of the Nigerian Council of Registered Insurance Brokers (NCRIB) is committed to ensuring that all risk exposure of the group, valued customers and insuring public are adequately covered at no extra cost and that losses whenever they occur are speedily settled by insurers.

UBN Insurance Brokers Limited can deliver unparalleled insurance broking services in both;

- Life (Individual & Group)
- Non-Life (General & Special Risk)

The management team is headed by Mr. Tunji Orisabinone as Managing Director / Chief Executive.

E. SPECIALISED FINANCIAL INSTITUTIONS

CONSOLIDATED DISCOUNT LIMITED (CDL)

Consolidated Discounts Limited (CDL) was incorporated on 16th November 1995 as a limited liability company, and was licensed by the Central Bank of Nigeria on August 14, 1996 to carry out the functions of a discount house which is to trade in and hold treasury bills, commercial bills and other financial securities.

CDL is wholly owned by a consortium of six Nigerian banks led by Union Bank of Nigeria PLC and Mainstreet Bank PLC. Others are First Bank of Nigeria PLC, Skye Bank PLC, Triumph Bank PLC, Access Bank PLC, William Street Trustees and CDL Staff Cooperative. For the period under review, CDL services and products include:

- Rediscounting services
- Fund management
- Consofund call investment
- Consofund treasury bill backed investment
- Consofund promissory note backed investment
- Commercial bill backed investment
- Government bond secured investment
- Conso liquidity manager

The management team of the company is headed by Mr. Adeleke Mudashiru Shittu as the Managing Director/Chief Executive.

UNIQUE VENTURE CAPITAL MANAGEMENT COMPANY LTD

Unique Venture Capital Management Company Limited (UVCML) is an SME-focused private venture capital investment firm established in 2004 by five major Nigerian banks namely:

<input checked="" type="checkbox"/> Union Bank of Nigeria PLC	20%
<input checked="" type="checkbox"/> Afribank PLC	20%
<input checked="" type="checkbox"/> NAL Bank PLC	20%
<input checked="" type="checkbox"/> Afribank International	20%
<input checked="" type="checkbox"/> Union Merchant Bank	20%

However, with the post consolidation, the shareholding structure became Union Bank (40 per cent), Mainstreet Bank (40 per cent) and Sterling Bank (20 per cent). Primed for leadership from the onset, Unique Venture Capital has an authorised share capital of N150 million and was primarily conceived to manage amongst other funds, the funds set aside by its owner institutions under the SMEEIS programme.

The company pursues this obligation through the "UVC SMEEIS Fund" with



aggregate take-off capital commitment of N6billion. The strategic intent of the company is to facilitate economic growth by providing the funding and institutional support for unleashing the Nigerian entrepreneurial spirit and creating value for stakeholders. Today the company has obtained investment approvals for 53 projects with investment value of N3.812 billion.

UVC was adjudged the Best Venture Capital Company in Nigeria by the Central Bank of Nigeria in January 2009 for the magnitude, spread and quality of UVC's SME investments.

UVC is also the Fund's Manager of the West Africa Venture Fund LCC ("WAVF"), an investment fund with a US\$40 million target to provide capital financing to emerging growth in small and medium enterprises ("SMEs") in Liberia and Sierra Leone. The WAVF now has functional presence and offices in both countries.

The management team is led by Dr Anthony Osa Oboh as Managing Director/Chief Executive.

F. OTHERS

UNION EXPRESS

Union Express Limited, a subsidiary of Union Registrars Limited, was incorporated on October 29, 2007 and commenced full operations on the June 16, 2008.

The company is duly licensed by the Nigerian Postal Service to operate courier services locally and internationally with its Head Office at 32 Wharf Road, Apapa, Lagos. The creation of Union Express Limited was a deliberate act by Union Registrars Limited aimed at providing solutions to complaints by shareholders as to the late delivery of their correspondences and the ever increasing demands of the Securities and Exchange Commission (SEC).

Union Express Limited is a complete Logistic Solution Provider, specializing in the delivery of capital market documents, haulage and general courier services, e.g. Annual General Meeting Reports, Extra-Ordinary General Meeting Notices, Public Offer Parcels, Share Certificates, Dividend Warrants, mails and parcels of all shapes and Rights Circulars.

Union Express Limited is well represented in 27 state capitals from where it delivers to over 1,000 cities and towns in Nigeria, and also has registered contracts in all Union Bank branches nationwide.

Mr. Ifeanyi M. Akpala, the Managing Director/Chief Executive, heads the management team.

SAFFER-UNION (WEST AFRICA) LIMITED

Saffer-Union (West Africa Limited) Ltd was incorporated in 2003 and commenced business in April 2004. The company is a joint venture between a member of Union Bank Group and Distribution and Warehousing Network Group of South Africa.

The two groups through their subsidiaries, Union Homes Savings and Loans PLC and Africa Swiss Trade, respectively have equal shareholding representing 50 percent each in the company, which predominantly is a leading distributor of good quality building and sanitary materials in Nigeria with prospects of capturing the West African market.

The core brands of Saffer-Union include FRANKE, ISCA, PLEXICOR, LIBRA, KWIKOT, SWARTLAND, ASSAABLOY, DPI PLASTIC, COBRA and VAAL products. A technical Agreement is in place between Saffer-Union and the DAWN Group in order to leverage on their expertise, having controlled a large share of the market in South Africa before foraying into the West African sub-region.

Mr. Ian Tittley is the Managing Director/ Chief Executive.



Directors' Report

For the year ended 31 December 2011

The Directors have pleasure in presenting their report on the affairs of Union Bank of Nigeria Plc (“**the Bank**”) and its subsidiaries (“**the Group**”), together with the Group audited financial statements and the auditor’s report for the year ended 31 December 2011.

Result at a Glance

	N'm
The Group loss for the year after	
Providing for taxation was	(91,450)
Less:	
Non Controlling interest	<u>3,078</u>
	(88,372)
Less: Appropriations	
Transfer to statutory contingency reserve	<u>(32)</u>
Transfer to retained earnings	<u><u>(88,340)</u></u>

Legal form and principal activity

The Bank commenced operations in Nigeria in 1917 as a branch of Barclays Bank Dominion Colonial Overseas (DCO) and was incorporated as a Private Company Limited by Shares in Nigeria in 1969. It became a Public Company Limited by Shares in 1970 with the Bank’s shares quoted on the Nigerian Stock Exchange.

The Company is engaged in the business of Commercial Banking.

Directors

1. The list of the present Directors is stated on page 5
2. The following Directors retired from the Board on the 31st of December 2011:
 - Prof. Musa Gella Yakubu, SAN, OFR - Chairman
 - Alhaji (Dr) Ahmadu Abubakar
 - Chief (Dr.) Mrs Onikepo Akande, OON
 - Dr. Ibrahim Abdullahi Gobir
 - Engr. Ahmed Mansur
 - Dr. Festus Boniface Oha Odimegwu
 - Mr. Onajite Okoloko
 - Mr. Olusegun Olusanya
 - Dr. Cosmas Paul Udofot
3. Since the last Annual General Meeting, the following Directors were appointed to the Board and being eligible, offer themselves for re-election:



Mr. Dick Kramer - Chairman	-	appointed wef 29 th December 2011
Chief Dickie Agumba Ulu	-	appointed wef 14 th December 2011
Mr. Yemi Osindero	-	appointed 29 th December 2011
Engr. Ahmed Mansur	-	appointed wef 1 st January 2012
Dr. (Mrs.) Onikepo Akande (OON)	-	appointed wef 1 st January 2012
Mr. Adekunle Mickey Adeosun	-	appointed wef 12 th July 2012
Mr. Philip Ikeazor	-	appointed wef 12 th July 2012
Mr. Ibrahim Abubakar Kwargana	-	appointed wef 12 th July 2012

Recapitalisation of the Bank

On 14 August 2009, the former Managing Director and Executive Directors of the Bank were removed by the Central Bank of Nigeria following a routine examination on allegation of reckless lending, poor credit management, and lax corporate governance resulting in the Bank having a negative shareholder's fund. On the same date a new executive management team was appointed. The Bank which was deemed to be in grave condition due to the negative shareholders' fund needed to raise new capital to shore up the shareholders' fund to the required capital base.

During the year, the Bank successfully concluded its recapitalisation exercise. As at December 31, 2011, the Bank was capitalised by N78,350,000,000 (US\$500 million). The major investors in the Bank are Union Global Partners Limited and the Asset Management Corporation of Nigeria.

The details of the recapitalisation and the scheme of capital reorganization that took place during the year have been set out on note 40 to the financial statement.



Operating results

The Group's gross earnings reduced by 38.08% during the year. It also moved from a profit before tax of N36.45 billion in prior year to a loss before tax of N118.96 billion in current year. Highlights of the Group's operating results for the year are as follows:

	Group Dec. 2011 N million	Group Dec. 2010 N million	Bank Dec. 2011 N million	Bank Dec. 2010 N million
Gross earnings	80,754	130,414	66,492	113,961
(Loss)/Profit before taxation	(118,981)	(23,382)	(111,561)	(12,398)
Exceptional items	-	59,836	-	59,836
Taxation	27,531	70,018	28,322	70,578
(Loss)/Profit after taxation	(91,450)	106,472	(83,239)	118,016
Non- controlling interest	3,078	5,599	-	-
(Loss)/Profit attributable to the equity holders' of the Bank	(88,372)	112,071	(83,239)	118,016
Appropriations:				
Transfer to statutory reserve	-	-	-	-
Transfer to statutory contingency reserve	(32)	(22)	-	-
Transfer to bonus share reserves	-	-	-	-
Transfer to retained earnings	(88,340)	112,093	(83,239)	118,016
	(88,355)	112,071	(83,239)	118,016
Earnings per share (Basic)	(1,441k)	830k	(1,357k)	874k
Earnings per share (Adjusted)	(1,441k)	1,827k	(1,357k)	1,924k
	Group Dec-11 N'000	Group Dec-10 N'000	Bank Dec-11 N'000	Bank Dec-10 N'000
Total non-performing loans and advances	27,361	118,140	7,805	102,044
Total non-performing loans to total gross loans and advances (%)	14.42%	40.42%	5.06%	40.10%



Directors and their interests

The direct interests of Directors in the issued share capital of the Bank as recorded in the register of Directors' shareholding and for the purposes of Sections 275 and 276 of the Companies and Allied Matters Act and the listing requirements of the Nigerian Stock Exchange are as follows:

S/N	NAMES	HOLDINGS AS AT DECEMBER 31, 2010	HOLDINGS AS AT DECEMBER 31, 2011	HOLDINGS AS AT MARCH 27, 2012
1	Mrs. Olufunke Iyabo Osibodu – GMD/Chief Executive	33,834	6,343	6,343
2	Mr. Adekunle Mickey Adeosun	NIL	NIL	NIL
3	Mr. Philip Ikeazor	NIL	NIL	NIL
4	Mr. Ibrahim Abdullahi Kwargana	NIL	NIL	NIL
5	Mr. Folashodun Adebisi Shonubi	14,686	2,753	2,753
	CHAIRMAN & NON-EXECUTIVE DIRECTORS			
6	Prof. Musa Gella Yakubu SAN, OFR - Chairman	287,877	53,976	53,976
7	Alhaji (Dr) Ahmadu Abubakar	110,132	20,649	20,649
8	Chief (Dr.) Mrs Onikepo Akande OON	150,534	28,225	28,225
9	Dr. Ibrahim Abdullahi Gobir	372,991	69,935	69,935
10	Engr. Ahmed Mansur	28,000	5,250	5,250
11	Dr. Festus Boniface Oha Odimegwu	3,632	681	681
12	Mr. Onajite Okoloko	NIL	NIL	NIL
13	Mr. Olusegun Olusanya	26,486,833	4,966,281	4,966,281
14	Dr. Cosmas Paul Udofot	181,918	34,109	34,109
	NEWLY APPOINTED NON-EXECUTIVE DIRECTORS			
15	Mr. Dick Kramer – Chairman	NIL	NIL	NIL
16	Chief Dickie Agumba Ulu	7,192	1,348	1,348
17	Mr. Yemi Osindero	NIL	NIL	NIL

Directors' Interest in Contracts

In accordance with the provisions of Section 277 of the Companies and Allied Matters Act of Nigeria, there were no contracts in which Directors had any direct interest. However, an indirect interest in a contract by a Director was duly notified at the relevant meeting of the Board of Directors.



Property and equipment

Information relating to changes in property and equipment is given in Notes 28a & 28b to the financial statements. In the Directors' opinion, the market value of the Group's properties is not less than the carrying value in the financial statements.

Share Capital History

YEAR	AUTHORISED (₦)		ISSUED AND PAID-UP (₦)		CONSIDERATION
	INCREASE	CUMULATIVE	INCREASE	CUMULATIVE	
1969	-	10,000,000	-	-	
1969	-	-	-	5,000,000	Assets
1969	-	-	5,000,000	10,000,000	Assets
1969	10,000,000	20,000,000	-	-	
1970	-	-	10,000,000	11,000,000	Assets
1971	-	-	11,000,000	11,000,000	Stock Split (₦2 to ₦1)
1971	-	-	11,000,000	12,000,000	Cash
1975	-	-	12,000,000	14,400,000	Bonus (1 for 5)
1976	-	-	14,400,000	17,280,000	Bonus (1 for 5)
1977	20,000,000	30,000,000	17,280,000	21,600,000	Bonus (1 for 4)
1978	30,000,000	50,000,000	21,600,000	30,240,000	Bonus (2 for 5)
1979	-	-	30,240,000	36,288,000	Bonus (1 for 5)
1982	50,000,000	100,000,000	36,288,000	54,432,000	Bonus (1 for 2)
1987	-	-	54,432,000	63,504,000	Bonus (1 for 6)
1989	-	-	63,504,000	63,504,000	Stock Split (₦1 to ₦25)
1991	100,000,000	200,000,000	63,504,000	79,380,000	Bonus (1 for 4)
1992	200,000,000	200,000,000	-	-	
1994	200,000,000	500,000,000	79,380,000	158,760,000	Bonus (1 for 1)
1995	-	500,000,000	158,780,000	198,450,000	Bonus (1:4)
1996	-	500,000,000	198,450,000	396,900,000	Bonus (1:1)
1998	500,000,000	1,000,000,000	396,900,000	529,000,000	Bonus (1:3)
1998	-	-	529,000,000	629,200,000	Cash – Public Offer
1999	-	1,000,000,000	-	629,200,000	
2000	-	1,000,000,000	-	629,900,000	
2001	2,000,000,000	3,000,000,000	209,750,000	838,950,000	Bonus (1:3)
2002	-	3,000,000,000	-	1,258,425,000	
2003	-	3,000,000,000	419,466,600	1,677,891,700	Bonus (1:3)
2004	2,000,000,000	5,000,000,000	559,000,000	2,237,155,500	Bonus (1:3)
2005	-	5,000,000,000	745,715,500	2,982,874,100	Bonus (1:3)
2006	2,500,000,000	7,500,000,000	313,490,400	3,448,096,400	Bonus (1:10)
2007	2,500,000,000	10,000,000,000	965,159,500	5,789,763,600	Bonus (1:5)
2008	5,000,000,000	15,000,000,000	964,980,400	6,754,763,600	Bonus (1:6)
2009	5,000,000,000	15,000,000,000	964,980,400	6,754,763,600	
2010	5,000,000,000	15,000,000,000	964,980,400	6,754,763,600	
2011	15,000,000,000	9,511,562,500	-	8,467,903,235	Capital Reorganisation/Reduction
2012	-	9,511,562,500	-	8,467,903,235	

Shareholding analysis

The shareholding pattern of the Bank as at 31 December 2011 is as stated below:

	Range	Number of Shareholders	Shares Held	Percentage of Shareholding %
1	- 1,000	321,727	112,667,853	0.67
1,001	- 5,000	123,205	267,327,091	1.58
5,001	- 10,000	23,495	160,013,244	0.94
10,001	- 50,000	17,280	340,321,429	2.01
50,001	- 100,000	1,755	120,769,595	0.71
100,001	- 1,000,000	1,478	365,011,649	2.16
1,000,001	- 5,000,000	139	304,405,310	1.80
5,000,001	- 10,000,000	23	165,733,962	0.98
10,000,001	- and above	24	15,099,556,338	89.16
		489,126	16,935,806,471	100.00



The shareholding pattern of the Bank as at 31 December 2010 is as stated below:

	Range	Number of Shareholders	Shares Held	Percentage of Shareholding %
1	- 1,000	76,751	34,868,611	0.67
1,001	- 5,000	242,960	553,225,994	1.58
5,001	- 10,000	65,066	466,279,219	0.94
10,001	- 50,000	85,118	1,790,638,150	2.01
50,001	- 100,000	11,573	807,211,626	0.71
100,001	- 1,000,000	9,686	2,308,710,402	2.16
1,000,001	- 5,000,000	690	1,370,831,219	1.80
5,000,001	- 10,000,000	77	530,375,174	0.98
10,000,001	- and above	<u>114</u>	<u>5,662,615,578</u>	<u>89.16</u>
		<u>492,035</u>	<u>13,524,755,973</u>	<u>100.00</u>

According to the register of members at 31 December 2011, no individual shareholder held more than 5% of the issued share capital of the Bank except the following:

Shareholder	Shares Held	Percentage of Shareholding %
Asset Management Corporation of Nigeria (AMCON)	9,988,363,514	58.97
Union Global Partners Limited	4,414,317,957	26.07

The AMCON holding includes 6,593,956,249 units allotted to AMCON for providing a bridge capital injection of N46.93 billion, the naira equivalent of \$299.5 million.

In line with the provisions of the amended Transaction Implementation Agreement (TIA), the core investors are to provide capital injection of US\$299.5 million to swap for the bridge capital finance and the underlying allotted shares being held by AMCON.

Free Float Requirement of the Nigerian Stock Exchange

With respect to the requirement to comply with the Free Float Requirement of the Listing Rules of the Nigerian Stock Exchange, on for the Bank's shares, the Nigerian Stock Exchange has extended the Bank's compliance date to 30th June 2017.

Compliance Plan with Central Bank of Nigeria's Regulation on the Scope of Banking Activities

Section 6(1) of the Central Bank of Nigeria Regulation on the Scope of Banking Activities and Ancillary Matters requires every bank currently operating under a universal banking licence to submit to the Central Bank of Nigeria (CBN), for approval, a compliance plan duly approved by the Bank's Board of Directors. The regulation requires banks to divest from all non banking businesses and apply for a new type of banking license based on the decision of the Bank's Board of Directors.

In response to the CBN directive, the Board of Directors applied for a waiver of the regulatory requirement pending the completion of the recapitalisation programme of the Bank.



Donations and charitable gifts

In order to identify with the aspirations of the community and the environment within which the Group operates, a total sum of N28,350,990.00 (Dec. 2010: N57,857,580) was given out as donations and charitable contributions during the year. Details of the donations are as follows:

S/N	TRANSACTION DESCRIPTION	AMOUNT (N)
1	Petroleum Trust Institute(PTI)	4,050,000.00
2	Nigerian Employee Consultative Association	2,400,000.00
3	University Of Lagos ICT Project	2,000,000.00
4	2011 World Summer Games – Greece	2,000,000.00
6	Procurement of Office Equipment for Gotni Leadership Centre	1,120,000.00
7	Lagos State University Teaching Hospital	500,000.00
8	WAEC Quiz Competition.	300,000.00
9	Association of Professional Women Bankers	300,000.00
10	Lagos Millennium Group on Environment(LIMGE))	250,000.00
11	General and Scientific Conference	250,000.00
12	Committee of Chief Compliance Officers of Banks in Nigeria	250,000.00
13	Nigerian Institute of Public Relations	250,000.00
14	Paediatric Association of Nigeria	250,000.00
15	National Drug Law Enforcement Agency	200,000.00
16	Nigeria Society for the Blind	150,000.00
17	Rotary Club Gbagada.	106,000.00
18	Lagos Cheshire Home	100,000.00
19	Crime Rep Association.	100,000.00
20	Our Lady Apostolic Hospital	100,000.00
21	Armed Forces Remembrance Day	50,000.00
22	National Youth Service Corps.	50,000.00
23	Institute of Chartered Sec/Admin	20,000.00
24	Others (individually insignificant)	13,554,990.00
	TOTAL	28,350,990.00

Post balance sheet events

There were no post balance sheet events which could have a material effect on the financial position of the Group as at 31 December, 2011.

Human Resources

(1) Employment of disabled persons

The Bank operates a non-discriminatory policy in the consideration of applications for employment, including those received from disabled persons. The Bank's policy is that the most qualified and experienced persons are recruited for appropriate job levels, irrespective of an applicant's state of origin, ethnicity, religion or physical condition.



In the event of any employee becoming disabled in the course of employment, the Bank is in a position to arrange appropriate training to ensure the continuous employment of such a person without subjecting him/her to any disadvantage in his/her career development. Currently, the Bank has 4 persons (2010: 6 persons) on its staff list with physical disability.

(2) Health, Safety and Welfare of Employees

The Bank maintains business premises designed with a view to guaranteeing the safety and healthy living conditions of its employees and customers alike. Employees are adequately insured against occupational and other hazards. In addition, the Bank provides medical facilities to its employees and their immediate families at its expense.

Fire prevention and fire-fighting equipment are installed in strategic locations within the Bank's premises.

The Bank operates a Group Personal Account Accident Insurance and the provisions of the Employee Compensation Act cover for the benefits of its employees. It also operates a contributory pension plan in line with the Pension Reform Act 2004 as well as a terminal gratuity scheme for its employees.

(3) Disclosure on Diversity of Employment

The Group is an equal opportunity employer that is committed to maintaining a positive workforce that facilitates high level of professional efficiency at all times.

The Bank's policy prohibits discrimination by gender, disability or health status in the recruitment, training and career development of its employees.

(i) Persons with Disability

The Bank continues to maintain a policy of giving fair consideration to applications for employment made by disabled persons with due regard to their abilities and aptitude. There are four (4) persons with disabilities in the employment of the Group as at 31 December 2011.

(ii) Gender Diversity within the Group

	Group		Bank	
	Workforce	% of Gender Composition	Workforce	% of Gender Composition
Total workforce:				
Women	2,635	39	2,193	40
Men	4,081	61	3,308	60
	<hr/>	<hr/>	<hr/>	<hr/>
	6,716	100	5,501	100
Recruitment made during the year:				
Women	60	38	46	39
Men	97	62	72	61
	<hr/>	<hr/>	<hr/>	<hr/>
	157	100	118	100
Diversity of Board Executives – No. of Board members:				
Women	2	20	2	20
Men	8	80	8	80
	<hr/>	<hr/>	<hr/>	<hr/>
	10	100	10	100
Diversity of Board Executives:				
Women	1	20	1	20
Men	4	80	4	80
	<hr/>	<hr/>	<hr/>	<hr/>
	5	100	5	100
Diversity of Senior Management – (AGM to General Manager):				
Women	30	30	8	15
Men	71	70	47	85
	<hr/>	<hr/>	<hr/>	<hr/>
	101	100	55	100



Employee Involvement and Training

The Bank encourages participation of employees in arriving at decisions in respect of matters affecting their well being. Towards this end, the Bank provides opportunities where employees deliberate on issues affecting the Bank and employee interests, with a view to making inputs to decisions thereon.

The Bank places a high premium on the development of its manpower. Consequently, the Bank sponsored its employees for various training courses, both locally and overseas, and engaged staff in e-learning activities in the year under review.

Auditors

KPMG Professional Services have indicated their willingness to continue in office as auditors to the Bank in accordance with Section 357(2) of the Companies and Allied Matters of Nigeria.

BY ORDER OF THE BOARD



Somuyiwa Sonubi
Company Secretary
Lagos Nigeria
27 March, 2012

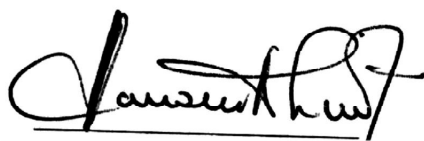


Statement of Directors' Responsibilities in Relation to the Financial Statements for the year ended 31 December 2011.

The Directors accept responsibility for the preparation of the annual financial statements set out on pages 48 to 140 that give a true and fair view in accordance with Statements of Accounting Standards applicable in Nigeria and in the manner required by the Companies and Allied Matters Act of Nigeria, the Banks and Other Financial Institutions Act of Nigeria and relevant Central Bank of Nigeria circulars.

The Directors further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act of Nigeria and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

The Directors have made assessment of the Company's ability to continue as a going concern and have no reason to believe that the Bank will not remain a going concern in the year ahead.

SIGNED ON BEHALF OF THE DIRECTORS BY:

Engr. Mansur Ahmed
27 March, 2012



Olufunke Iyabo Osibodu
27 March, 2012



CORPORATE GOVERNANCE

Introduction

The global economic recession and the collapse of the financial system led to the profusion of various statutes and codes to save the Nigerian Banking System and promote sound banking practices. Governance failures were at the heart of the processes that led to the crises which resulted in liquidity loss across the industry and diminution in the value of capital of most of the financial institutions in Nigeria.

Corporate Governance practices in Union Bank of Nigeria Plc are as codified in the CBN Code of Corporate Governance 2006, the SEC Code of Corporate Governance 2003, the Banks' and Other Financial Institutions Act and other relevant statutes which provide guidance to the governance of the Bank and in compliance with regulatory requirements as well as the core values upon which the Bank was founded. These codes/statutes are geared towards ensuring accountability of the Board and Management to the Stakeholders of the Bank in particular and emphasise the need to meet and address the interests of a range of stakeholders so as to promote the long-term sustainability of the Bank.

Union Bank of Nigeria Plc is committed to the best corporate governance practices and believes that adherence and commitment to high governance principles and standards is the panacea for effective control and management of the Bank. The principle of good corporate governance practices remain one of our core values and an important ingredient in creating, protecting, promoting and sustaining shareholders' interests, rights and value as well as delivering excellent service to our customers. The Bank is committed to the highest ethical standards and transparency in the conduct of its business.

In compliance with the requirements of the CBN, the Bank undertakes internal reviews of its compliance with the defined corporate governance practices and submits reports on the Bank's compliance status to the CBN. An annual Board Appraisal review is also conducted by an Independent Consultant appointed by the Bank whose report is submitted to the CBN and presented to Shareholders at the Annual General Meeting of the Bank in compliance with the provisions of the CBN Code.



Governance Structure

The following governance bodies are in place for the benefit of shareholders:

A. The Board of Directors

The Bank is managed by a Board of ten Directors, which comprises a Non-Executive Chairman and four Non-Executive Directors while the Executive Management comprises the Group Managing Director/Chief Executive and four Executive Directors as listed below:

- | | | |
|--|---|---|
| • Prof. Musa Gella Yakubu (SAN) (OFR) | - | Chairman* |
| • Mr. Richard Kramer | - | Chairman** |
| • Olufunke Iyabo Osibodu | - | Group Managing Director/Chief Executive |
| • Dr. Ahmadu Abubakar | - | Director* |
| • Mr. Adekunle Mickey Adeosun | - | Executive Director |
| • Engr. Mansur Ahmed | - | Director*** |
| • Dr. (Mrs) Onikepo Akande (OON) | - | Director*** |
| • Dr. Ibrahim Abdullahi Gobir | - | Director* |
| • Mr. Philip Ikeazor | - | Executive Director |
| • Mr. Ibrahim Abubakar Kwargana | - | Executive Director |
| • Dr. Festus Boniface Oha Odimegwu (CON) | - | Director* |
| • Mr. Onajite Okoloko | - | Director* |
| • Mr. Olusegun Olusanya | - | Director* |
| • Mr. Folashodun Adebisi Shonubi | - | Executive Director |
| • Dr. Cosmas Paul Udofot | - | Director* |
| • Dr. Yemi Osindero | - | Director** |
| • Mr. Dickie Agumba Ulu | - | Director** |

* - Retired on 31 December 2011

** - Appointed on 16 February 2012

*** - Retired on 31 December 2011 and re-appointed on 16 February 2012

Responsibilities of the Board of Directors

The Board being the highest decision making body approved by the shareholders, met 11 times during the year to provide strategic direction, policies and leadership in attaining the objectives of the Bank.



The Board monitors the activities of the Executive Management and the accomplishment of set objectives through reports at its meetings. In performing its oversight function of the Bank's business, the Board operates through the following Board and Management Committees whose composition and functions are listed below:

B. Standing Board Committees

The Board of Directors has four Standing Committees which deal with specific operations of the Bank, namely:

1. Board Credit Committee
2. Board Finance & General Purpose Committee
3. Board Establishment & Services Committee
4. Board Risk Management Committee

In addition, there is an Independent Committee – Audit Committee.

1. Board Credit Committee

The Committee met five times during the year. It is comprised of the following people:

• Dr. Ibrahim Abdullahi Gobir	-	Chairman*
• Dr. Yemi Osindero	-	Chairman**
• Mrs. Olufunke I. Osibodu	-	Member
• Dr. Festus Boniface Oha Odimegwu	-	Member*
• Engr. Mansur Ahmed	-	Member***
• Dr. (Mrs.) Onikepo Akande (OON)	-	Member***
• Dr. Cosmas Paul Udofot	-	Member*
• Dr. Ahmadu Abubakar	-	Member*
• Mr. Philip Ikeazor	-	Member
• Mr. Folashodun A. Shonubi	-	Member
• Mr. Ibrahim A. Kwargana	-	Member
• Mr. Adekunle M. Adeosun	-	Member
• Chief Dickie Agumba Ulu	-	Member**

* - Retired on 31 December 2011

** - Appointed on 16 February 2012

*** - Retired on 31 December 2011 and re-appointed on 16 February 2012



Its responsibilities include the following amongst others.

- Consider and approve credits within its set limit
- Recommend credits above its limit to the Board for consideration and approval
- Review of credit portfolio
- Serve as a catalyst for credit policy changes from the credit committee to the Board

2. Board Finance and General Purposes Committee

The Committee met four times during the year. It is comprised of the following people:

• Dr. Ahmadu Abubakar	-	Chairman*
• Engr. Mansur Ahmed	-	Chairman**
• Dr. Ibrahim A. Gobir	-	Member*
• Mrs. Olufunke I. Osibodu	-	Member
• Dr. Festus Boniface Oha Odimegwu	-	Member*
• Dr. (Mrs.) Onikepo Akande (OON)	-	Member***
• Mr. Onajite Okoloko	-	Member*
• Mr. Philip Ikeazor	-	Member
• Mr. Folashodun A. Shonubi	-	Member
• Mr. Ibrahim A. Kwargana	-	Member
• Mr. Adekunle M. Adeosun	-	Member
• Chief Dickie Agumba Ulu	-	Member**
• Dr. Yemi Osindero	-	Member**

* - Retired on 31 December 2011

** - Appointed on 16 February 2012

*** - Retired on 31 December 2011 and re-appointed on 16 February 2012

Its responsibilities include the following amongst others:

- Consideration of matters, above EXCO authority limits, impacting on the Bank's financial resources
- Approval of the Bank's Capital and Annual Budget and making recommendations for Board approval
- Review of Bank's financial performance
- Any other function assigned by the Board from time to time



3. Board Establishment and Services Committee

The Committee met three times during the year. It is comprised of the following people:

• Engr. Mansur Ahmed	-	Chairman***
• Chief Dickie Agumba Ulu	-	Chairman**
• Mrs. Olufunke I. Osibodu	-	Member
• Dr. Festus Boniface Oha Odimegwu	-	Member*
• Dr. Cosmas Paul Udofot	-	Member*
• Mr. Onajite Okoloko	-	Member*
• Mr. Olusegun Olusanya	-	Member*
• Mr. Philip Ikeazor	-	Member
• Mr. Folashodun A. Shonubi	-	Member
• Mr. Ibrahim A. Kwargana	-	Member
• Mr. Adekunle M. Adeosun	-	Member
• Dr. Yemi Osindero	-	Member**
• Dr. (Mrs.) Onikepo Akande	-	Member**

* - Retired on 31 December 2011

** - Appointed on 16 February 2012

*** - Retired on 31 December 2011 and re-appointed as Member on 16 February 2012

The Committee considers amongst others:

- The Bank's strategic human resource policies
- Staff matters in respect of Senior Management and above
- Review and approval of salary and remuneration packages for staff generally
- Issues relating to the work environment including welfare, health and safety issues
- Determining the quantity and quality of Bank's human resource needs
- Issues relating to staff pension and gratuity

4. Board Risk Management and Control Committee

The Committee met three times during the year. It is comprised of the following people:

• Mr. Olusegun Olusanya	-	Chairman*
• Dr. (Mrs.) Onikepo Akande	-	Chairman**
• Mrs. Olufunke I. Osibodu	-	Member
• Dr. Festus Boniface Oha Odimegwu	-	Member*
• Engr. Mansur Ahmed	-	Member***
• Dr. Ibrahim A. Gobir	-	Member*



• Mr. Onajite Okoloko	-	Member*
• Dr. Ahmadu Abubakar	-	Member*
• Mr. Philip Ikeazor	-	Member
• Mr. Folashodun A. Shonubi	-	Member
• Mr. Ibrahim A. Kwargana	-	Member
• Mr. Adekunle M. Adeosun	-	Member
• Dr. Yemi Osindero	-	Member**
• Chief Dickie Agumba Ulu	-	Member**

* - Retired on 31 December 2011

** - Appointed on 16 February 2012

*** - Retired on 31 December 2011 and re-appointed on 16 February 2012

The Committee has oversight responsibilities for the Internal Control, Internal Audit and Inspection, Risk Management and Compliance functions of the Bank. The Chief Inspector, Head of Internal Control and Chief Compliance Officer have direct access to the Committee and present periodic reports to the Committee.

5. Audit Committee

This is a Committee constituted at the Bank's Annual General Meeting (AGM).

It is comprised of the following people:

• Alhaji M. B. Bichi	-	Chairman
• Dr. M. O. Ojinka	-	Member
• Alhaji Bashir Mohammed	-	Member
• Mr. Olusegun Olusanya	-	Member*
• Dr. Cosmas P. Udofot	-	Member*
• Dr. (Mrs.) Onikepo Akande	-	Member***
• Engr. Mansur Ahmed	-	Member**
• Chief Dickie Agumba Ulu	-	Member**

* - Retired on 31 December 2011

** - Appointed on 16 February 2012

*** - Retired on 31 December 2011 and re-appointed on 16 February 2012



The Audit Committee has oversight responsibility for the following within the Bank:

- Accounting and financial reporting functions
- Accounting system
- Internal Control structures
- Recommending the appointment, remuneration and removal of external auditors to the Board
- Reviewing and recommending the financial statements to the Board for approval

C. Management Committees

Management Committees comprise of the following:

1. Executive Management Committee (EXCO)
2. General Management Committee (GEMCO)
3. Assets and Liabilities Committee (ALCO)
4. Credit Committee (CRECO)
5. Computer Policy Committee
6. Criticized Assets Committee

1. Executive Committee – (EXCO)

The Executive Committee which comprises of all Executive Directors and the Group Managing Director/Chief Executive, holds weekly meetings. It is chaired by the Group Managing Director/Chief Executive.

The Committee is charged with the responsibility of dealing inter alia with:

- Deliberating and taking decisions on the effective and efficient management of the Bank
- Ensuring the implementation of strategies approved by the Board
- Provide leadership to the management team
- Ensure efficient deployment and management of the Bank's resource

2. General Management Committee – (GEMCO)

The Committee is composed of all staff in the General Management cadre. The actual composition is dynamic and depends on the operational structures and proposition of the Bank at any given time. It meets quarterly or as the need may arise.

Its responsibilities include the following amongst others:

- Review the Performance Reports from Branch, Zonal Offices and Head Office Departments and identify strategies for meeting agreed targets
- Deliberate and resolve outstanding and/or peculiar problems of any Business Development Centre and Zone
- Update Managers and other Executives with latest developments in the Bank's operations and/or new policy thrusts - from the Central Bank of Nigeria and other Regulatory Bodies



3. Assets and Liabilities Committee (ALCO)

The Assets and Liabilities Committee meets weekly and is charged with the responsibility of dealing with:

- Management of the Bank's Assets and Liabilities
- Balance Sheet Management
- Interest Rate Management
- Cash Flow Management
- Foreign Exchange & Trading Portfolio Management
- Market and liquidity risks of the Business

4. Credit Committee (CRECO)

The Credit committee meets weekly and the specific functions of the Committee include the following:

- To formulate and review policies regarding loans and advances
- Approve credit within the set limit
- To consider and recommend all credit matters above its limit to the Board Credit Committee or the Board for approval
- To review the quality and structure of the Bank's Credit Portfolio

5. Computer Policy Advisory Committee

This Committee deals with IT related policy matters as follows:

- Developing and reviewing regularly, an appropriate IT Strategy for the Bank
- Ensure the Bank is well positioned for the current and emerging information technology issues
- Establish programs that ensure high computer literacy among the Bank's Staff
- Advising the Management on IT trends and developments

6. Criticized Assets Committee

The Committee meets weekly to deliberate on the following:

- Monthly Credit Portfolio Review
- Weekly Review of Recovery and Recovery Process
- Weekly Review of Outstanding Reconciliation Items
- Review of all operations and potential litigations that could have financial implications



BOARD ATTENDANCE SCHEDULE

S/NO	NAME	COM & 42 AGM											
		9/2/2011	12/5/2011	27/06/2011	1/7/2011	12/7/2011	29/08/2011	27/09/2011	29/09/2011	30/09/2011	14/12/2011	29/12/2011	
1	PROF. MUSA GELLA YAKUBU	X	X	X	X	X	0	X	X	X	XX	X	X
2	OLUFUNKE OSIBODU, MRS	X	X	X	X	X	X	X	X	X	XX	X	X
3	MR. ADEKUNLE ADEOSUN	X	X	X	X	X	X	X	X	X	XX	X	X
4	MR. PHILIP IKEAZOR	X	X	0	0	X	X	X	X	X	XX	X	X
5	MR. IBRAHIM KWARGANA	X	X	X	X	X	X	X	X	X	XX	X	X
6	MR FOLASHODUN A. SHONUBI	X	X	X	X	X	X	X	X	X	XX	X	0
7	DR. AHMADU ABUBAKAR	X	X	0	X	X	0	X	X	X	XX	X	X
8	ENGR. MANSUR AHMED	X	X	X	X	0	X	0	X	X	XX	X	0
9	CHIEF (DR) MRS NIKE AKANDE	X	X	X	X	X	X	X	X	X	XX	X	X
10	ENGR. IBRAHIM A. GOBIR	X	0	X	0	0	0	0	0	0	0	0	0
11	DR. FESTUS B. O. ODIMEGWU	0	0	0	X	X	X	0	0	0	0	0	0
12	MR ONAJITE OKOLOKO	0	X	0	0	X	0	X	0	0	0	0	0
13	MR OLUSEGUN OLUSANYA	X	0	X	X	X	X	X	X	X	XX	X	X
14	DR. COSMAS PAUL UDOFOT	X	X	X	X	X	X	X	X	X	XX	X	X

X PRESENT

0 APOLOGIES

XX COMPLETION BOARD MEETING

BOARD CREDIT COMMITTEE ATTENDANCE SCHEDULE

S/NO	NAME	8/2/2011	31/03/2011	11/5/2011	29/09/2011	12/12/2011
1	ENGR. IBRAHIM A. GOBIR	X	O	X	O	X
2	OLUFUNKE OSIBODU, MRS	X	X	X	X	X
3	DR. AHMADU ABUBAKAR	X	X	X	X	X
4	MR. IBRAHIM KWARGANA	X	X	X	X	X
5	CHIEF (DR) MRS NIKE AKANDE	X	X	X	X	X
6	ENGR. MANSUR AHMED	X	O	X	X	O
7	MR. ADEKUNLE ADEOSUN	X	X	X	X	X
8	MR. PHILIP IKEAZOR	X	O	X	X	X
9	DR. FESTUS B. O. ODIMEGWU	X	X	O	O	O
10	DR. COSMAS PAUL UDOFOT	X	X	X	X	X
11	MR. FOLASHODUN A SHONUBI	X	X	X	X	X

X

PRESENT

O

APOLOGIES

BOARD RISK MANAGEMENT COMMITTEE

NAME	7/2/2011	10/5/2011	13/12/2011
MR. OLUSEGUN OLUSANYA	X	O	X
OLUFUNKE OSIBODU, MRS	X	X	X
ENGR. IBRAHIM A. GOBIR	O	O	O
MR. IBRAHIM KWARGANA	X	X	X
MR. PHILIP IKEAZOR	X	X	X
MR. ADEKUNLE ADEOSUN	X	O	X
MR. FOLASHODUN A. SHONUBI	X	X	X
ENGR. MANSUR AHMED	O	X	O
DR. AHMADU ABUBAKAR	X	X	X
MR. FESTUS B. O. ODIMEGWU	O	X	O
MR. ONAJITE OKOLOKO	O	X	O

X

PRESENT

O

APOLOGIES



BOARD ESTABLISHMENT & SERVICES COMMITTEE

NAME	8/2/2011	11/05.2011	13/12/2011
ENGR MANSUR AHMED	X	X	O
OLUFUNKE OSIBODU, MRS	X	X	X
MR. PHILIP IKEAZOR	X	O	X
MR. ADEKUNLE ADEOSUN	X	X	X
MR. IBRAHIM KWARGANA	X	X	X
MR. FOLASHODUN A. SHONUBI	X	X	O
MR. FESTUS B. O. ODIMEGWU	X	X	O
MR ONAJITE OKOLOKO	O	X	O
MR. OLUSEGUN OLUSANYA	X	O	X
DR. COSMAS PAUL UDOFOT	X	X	X
X	PRESENT		
O	APOLOGIES		

BOARD FINANCE & GENERAL PURPOSE COMMITTEE

NAME	7/2/2011	31/03/2011	10/5/2011	29/9/2011	12/12/2011	29/12/2011
DR. AHMADU ABUBAKAR	X	X	X	X	X	X
OLUFUNKE OSIBODU, MRS	X	X	X	X	X	X
MR. PHILIP IKEAZOR	X	O	X	X	X	X
MR IBRAHIM KWARGANA	X	X	X	X	X	X
MR. ADEKUNLE ADEOSUN	X	X	O	X	X	X
MR. FOLASHODUN A. SHONUBI	X	X	X	X	X	O
ENGR. IBRAHIM GOBIR	O	O	O	O	O	O
CHIEF (DR) MRS NIKE AKANDE	X	X	X	X	X	X
DR. FESTUS B. O. ODIMEGWU	X	X	X	O	O	O
MR. ONAJITE OKOLOKO	O	O	O	O	O	O
X	PRESENT					
O	APOLOGIES					

BOARD RECAPITALIZATION COMMITTEE

S/N	NAME	8/2/2011	7/3/2011
1	ENGR. IBRAHIM A GOBIR	X	X
2	OLUFUNKE OSIBODU, MRS	X	X
3	MR. ADEKUNLE ADEOSUN	X	X
4	CHIEF (DR) MRS NIKE AKANDE	X	X
5	MR. PHILIP IKEAZOR	X	X
6	MR. IBRAHIM KWARGANA	X	X
7	MR. OLUSEGUN OLUSANYA	X	X
8	MR. FOLASHODUN A. SHONUBI	X	X
9	DR. COSMAS PAUL UDOFOT	X	X
X	PRESENT		
O	APOLOGIES		



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF UNION BANK OF NIGERIA PLC**



KPMG Professional Services

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Victoria Island,
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INDEPENDENT AUDITOR'S REPORT

To the Members of **Union Bank of Nigeria Plc**

We have audited the accompanying financial statements of Union Bank of Nigeria Plc ("the Bank") and its subsidiary companies (together "the Group"), which comprise the balance sheets as at 31 December 2011, and the profit and loss accounts, statements of cash flows and value added statements for the year then ended, and the statement of accounting policies, notes to the financial statements, the Group's five year financial summary and the Bank's five year financial summary, as set out on pages 48 to 140

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with Statements of Accounting Standards applicable in Nigeria and in the manner required by the Companies and Allied Matters Act of Nigeria, the Banks and Other Financial Institutions Act of Nigeria, and relevant Central Bank of Nigeria circulars, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as

evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Opinion

In our opinion, these financial statements give a true and fair view of the financial position of Union Bank of Nigeria Plc ("the Bank") and its subsidiaries (together "the Group") as at 31 December 2011, and of the Group's and Bank's financial performance and cash flows for the year then ended in accordance with Statements of Accounting Standards applicable in Nigeria and in the manner required by the Companies and Allied Matters Act of Nigeria, Banks and Other Financial Institutions Act of Nigeria, and relevant Central Bank of Nigeria circulars.

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Schedule 6 of the Companies and Allied Matters Act of Nigeria

In our opinion, proper books of account have been kept by the Bank, so far as appears from our examination of those books and the Bank's balance sheet and profit and loss account are in agreement with the books of accounts.

Compliance with Section 27 (2) of the Banks and Other Financial Institutions Act of Nigeria and Central Bank of Nigeria circular BSD/1/2004

i. The Bank paid penalties in respect of contraventions of the provisions of Section 27(2) of the Banks and Other Financial Institutions Act of Nigeria, Central Bank of Nigeria Circular and other Guidelines. Details are disclosed in note 49 of the financial statements.

ii. Related party transactions and balances are disclosed in note 45 of the financial statements in compliance with the Central Bank of Nigeria circular BSD/1/2004.

KPMG
Lagos, Nigeria
03 April 2012



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Abeyomi D. Sanni	Adebisi O. Lamikanra	Adekunle A. Elebute
Adetola P. Adoyemi	Adewalé K. Ajayi	Ajibola O. Oloriola
Ayodola H. Othiwiwa	Ayo L. Salami	Chibuzor N. Anyanachi
Goodluck C. Obi	Joseph O. Tegbe	Kabir O. Okunola
Oladapo R. Okubadejo	Oledimeji I. Salaudeen	Olumide O. Olayinka
Oluseyi T. Bickersteth	Oluwatoyin A. Gbagi	Tayo I. Ogungbenro
Victor U. Onyenkpa		



Report of the Audit Committee

For the year ended 31 December 2011

To the members of **Union Bank of Nigeria Plc**

In accordance with the provisions of Section 359 (6) of the Companies and Allied Matters Act of Nigeria, the members of the Audit Committee of Union Bank of Nigeria Plc hereby report as follows:

- ◆ We have exercised our statutory functions under Section 359 (6) of the Companies and Allied Matters Act of Nigeria and acknowledge the co-operation of management and staff in the conduct of these responsibilities.
- ◆ We are of the opinion that the accounting and reporting policies of the Bank and Group are in accordance with legal requirements and agreed ethical practices and that the scope and planning of both the external and internal audits for the year ended 31 December 2011 were satisfactory and reinforce the Group's internal control systems.
- ◆ We are satisfied that the Bank has complied with the provisions of Central Bank of Nigeria circular BSD/1/2004 dated 18 February 2004 on "Disclosure of insider related credits in the financial statements of banks". We hereby confirm that an aggregate amount of N10.16 billion (December 2010: N13.2 billion) was outstanding as at 31 December 2011 of which N131 million (December 2010: N7.58 billion) was non-performing (see Note 45).
- ◆ We have deliberated with the External Auditors, who have confirmed that necessary cooperation was received from management in the course of their statutory audit and we are satisfied with management's responses to the External Auditor's recommendations on accounting and internal control matters and with the effectiveness of the Bank's system of accounting and internal control.



Chairman, Audit Committee

28 March, 2012

Members of the Audit Committee are:

1. Alhaji Musa Baba Bichi - Chairman
2. Mohammed Bashir - Member

3. Dr. Marcel Ojinka - Member
4. Onikepo Akande Chief (Mrs) - Member**
5. Chief Dickie Agumba Ulu - Member*
6. Engr. Mansur Ahmed - Member*

* - Appointed on 16 February 2012

** - Retired on 31 December 2011 and re-appointed on 16 February 2012



Statement of Significant Accounting Policies

A summary of the principal accounting policies, applied consistently throughout the current and preceding years unless otherwise stated is set out below:

(a) Basis of preparation

These financial statements are the consolidated financial statements of Union Bank of Nigeria Plc, ("the Bank") and its subsidiaries (hereinafter collectively referred to as "the Group"). The Bank commenced operations as a branch of Barclays Bank Dominion Colonial Overseas (DCO) in 1917 and was incorporated as a Private Company Limited by shares in Nigeria in 1969 and became public in 1971.

The financial statements are prepared under the historical cost convention modified by the revaluation of certain investment securities, property and equipment and comply with the Statement of Accounting Standards issued by the Financial Reporting Council of Nigeria (formerly Nigerian Accounting Standards Board). These financial statements comply with provisions of the Companies and Allied Matters Act of Nigeria, the Banks and Other Financial Institutions of Nigeria and relevant Central Bank of Nigeria (CBN) circulars.

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year.

Although these estimates are based on the directors' best knowledge of current events and actions, actual results ultimately may differ from those estimates.

(b) Consolidation

Subsidiary undertakings, which are those companies in which the Bank, directly or indirectly, has an interest of more than half of the voting rights or otherwise has power to exercise control over their operations, have been consolidated. Where necessary, accounting policies for subsidiaries have been changed to ensure consistency with the policies adopted by the Bank. Separate disclosure is made for minority interest.

The consolidated financial statements combine the financial statements of Union Bank of Nigeria Plc ("the Bank") and its subsidiaries ("the Group") wherein there is majority shareholding and/or control of the Board of Directors and management. The consolidated subsidiaries are Union Homes Savings and Loans Plc, Union Trustees Limited, Union Assurance Company Limited, Union Property Company Limited, Union Bank UK Plc, Union Registrars Limited, Union Capital Markets Limited, Union Pension Limited and Atlantic Nominees Limited.

The acquisition method is used to account for business combinations. The cost of an acquisition is measured as the market value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their market values at acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the value of the net assets of the subsidiary acquired, the difference is recognised directly in the profit and loss account.



Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred.

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 49% of the voting rights. Investments in associates are accounted for by the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement; its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides

evidence of an impairment of the asset transferred. Accounting policies have been changed where necessary to ensure consistency with the policies adopted by the Group.

(c) Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns different from those of segments operating in other economic environments.

Segment information is presented in respect of the Bank's and the group's business and geographical segments. The business segments are determined by management based on the bank's internal reporting structure. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

(d) Foreign currency translation

i. Reporting currency

The consolidated financial statements are presented in Nigerian Naira, which is the Bank's reporting currency.

ii. Transactions and balances

Foreign currency transactions are translated into the reporting currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

iii. Group companies

The results and financial position of all Group entities that have a currency different from the reporting currency are translated into the reporting currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet except for pre-acquisition reserves which are translated at their historical rates.
- income and expenses for each profit and loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transactions, in which case income and expenses are translated at the dates of the transactions); and



- all resulting exchange differences are recognised as a separate component of reserves.

On consolidation, exchange differences arising from the translation of the Investment in foreign entities are taken to shareholders' funds. When a foreign operation is sold, such exchange differences are recognised in the profit and loss account as part of the gain or loss on sale.

Goodwill and other adjustments (e.g. previously unrecognised deferred tax asset) arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred.

(e) Recognition of income

(i) Interest income

Interest income including interest earned on investment securities are recognised on an accrual basis for all interest bearing instruments, except for interest overdue by more than 90 days; which is suspended and recognised only to the extent of cash received.

Income arising on investment held by the life business is recognised in the life fund whilst income derived from investments held by the general business is credited to the profit and loss account.

(ii) Non-credit-related fees

Non-credited related fees are recognised when the successful outcome of the assignment can be determined and the assignment is considered substantially completed.

(iii) Credit-related fees

Credit-related fees are spread systematically over the tenor of the credit facility where they constitute at least 10% of the projected average annual yield of the facility, otherwise credited to the profit and loss account at the time of occurrence.

(iv) Fees, Commission and other income

Fees and commissions, where material are amortised over the life of the related service. Otherwise fees, commissions and other income are recognised as earned upon completion of the related service.

(v) Lease finance income

Income from advances under finance leases is recognised on a basis that provides a constant yield on the outstanding principal over the lease term.

(vi) Dividend income

Dividend is recognised in the income statement when the entity's right to receive payment is established.

(f) Loans and advances

Loans and advances are stated net of provision for bad and doubtful loans. Provision is made in accordance with the Prudential Guidelines for Deposit Money Banks in Nigeria issued by the Central Bank of Nigeria for each account that is not performing in accordance with the terms of the related facilities.



Non-specialised loans

Provision in respect of non-performing facilities other than specialised loans is determined as follows:

Interest and / or Principal outstanding for over	Classification	Provision
90 days but less than 180 days	Substandard	10%
180 days but less than 360 days	Doubtful	50%
Over 360 days	Lost	100%

Unrealized mark-up/interest in respect of non performing loans and advances are reversed from revenue account and credited into interest in suspense account until they are realised in cash. Future interests charged on the accounts are credited to the same account until such facilities become performing.

Hair cut adjustments:

The Bank adjusts both the amount of the exposure to counterparty and the value of any qualified collateral received in support of the counterparty to take account of any possible future fluctuations in the value of either, occasioned by market movement.

Haircut adjustments on qualified collateral are provided for in line with the prudential guidelines' framework for haircut adjustments on lost facilities.

The following hair cut adjustments are applicable on all loan types classified as lost:

Description of Collateral	Haircut adjustments weightings
Cash collateral	0%
Treasury Bills and government securities e.g. bonds	0%
Quoted equities and other traded securities	20%
Bank Guarantees and Receivables of blue chip companies	20%
Residential legal mortgage	50%
Commercial legal mortgage	50%

Haircut adjustments on lost facilities are made for only one year. Thereafter, the collaterals are realised and the shortfall in provision is recognised.

General provision

A minimum of 1% general allowance is made on all loans and advances, which have not been specifically provided for.

Write-off

Bad debts are written off against the related provision for bad and doubtful debts when it is determined that they are uncollectible. Subsequent recoveries on bad debts written off are credited to the profit and loss account. A facility is written off only when full provision has been made on such a facility for at least one year.



(g) Leases

The Group classifies a lease as a finance lease if the following conditions are met:

- (a) The lease is non-cancellable, and
- (b) any of the following is applicable
 - i. the lease term covers substantially (80% or more) the estimated useful life of the asset or,
 - ii. the net present value of the lease at its inception using the minimum lease payments and implicit interest rate is equal to or greater than the fair value of the leased asset or,
 - iii. the lease has a purchase option which is likely to be exercised.

A lease that does not qualify as a finance lease as specified above is classified as an operating lease.

A Group company can be a lessor or a lessee in either a finance lease or an operating lease.

i. Where a Group Company is the lessor

When assets are held subject to a finance lease, the transactions are recognized in the books of the Group at the net investments in the lease. Net investment in the lease is the gross investment in the lease discounted at the interest rate implicit in the lease. The gross investment is the sum of the minimum lease payments plus any residual value payable on the lease. The discount on lease is defined as the difference between the gross investment and the present value of the asset under the lease.

The discount is recognized as unearned in the books of the Group and amortized to income over the life of the lease on a basis that reflects a constant rate of return on the Group's net investment in the lease.

Finance leases are treated as risk assets and the net investment in the lease are subject to the provisioning policy listed in note (f) above.

When assets are held subject to an operating lease, the assets are recognized as property and equipment based on the nature of the asset and the Group's normal depreciation policy for that class of asset applies. Lease income is recognized on a straight line over the lease term. All indirect costs associated with the operating lease are charged as incurred to the profit and loss account.

ii. Where a Group Company is the lessee

When the assets leased are subject to operating lease, the total payments made under operating leases are charged to profit and loss on a systematic basis in line with the time pattern of the Group's benefit.

When the assets are subject to a finance lease, the Group accounts for it by recording the lease as an acquisition of an asset and the incurrence of a liability.

At the beginning of the lease term, the Group records the initial asset and liability at amounts equal to the fair value of the leased asset less the present value of any un-guaranteed or partially guaranteed residual value which would accrue to the lessor at the end of the term of the lease. The discount factor to apply in calculating the present value of the un-guaranteed residual value accruing to the lessor is the interest rate implicit in the lease.



Where the Group cannot determine the fair value of the leased asset at the inception of the lease or is unable to make a reasonable estimate of the residual value of the lease without which the interest rate implicit in the lease could not be computed, the initial asset and liability are recorded at amounts equal to the present value.

The leased asset is depreciated or the rights under the leased asset are amortized in a manner consistent with the Group's own assets.

The minimum lease payment in respect of each accounting year is allocated between finance charge and the reduction of the outstanding lease liability. The finance charge is determined by applying the rate implicit in the lease to the outstanding liability at the beginning of the year.

(h) Underwriting results

The Group conducts life assurance and non-life Insurance business through its subsidiary operations. The Group offers fire, general accident, motor, workmen compensation, marine and aviation, engineering all risk bonds, credit and goods in transit 'underwriting services of insurance underwriting services.

i. Underwriting results for non-life insurance business

The underwriting results for non-life insurance business are determined on an annual basis whereby the incurred costs of claims, commission and related expenses are charged against the earned proportion of premiums, net of reinsurance, as follows:

- a) Premiums written related to risks assumed during the year, and include estimates of premium due but not yet received, less an allowance for cancellations.
- b) Unearned premiums represent the proportion of the premiums written in periods up to the accounting date which relate to the unexpired terms of policies in force at the balance sheet date, and are calculated on the basis of time apportionment.
- c) Claims paid represent all payments made during the year, whether arising from events during that year or earlier years. Outstanding claims represent the estimated ultimate cost of settling all claims arising from incidents occurring prior to the balance sheet date, but not settled at that date. Outstanding claims are computed on the basis of the best information available at the time the records for the year are closed, and include provisions for claims incurred but not reported ("IBNR").
- d) Provisions for unexpired risks are the estimated amounts required over and above provisions for unearned premiums to meet future claims and related expenses on businesses in force at the end of the accounting year.
- e) Expenses are allocated to the relevant revenue accounts as incurred in the management of each class of business.



ii. Underwriting results for life assurance business

The underwriting results for life assurance business are determined on a fund accounting basis in accordance with SAS 16 - Accounting for Insurance Business. The incurred costs of claims, commission and related expenses are charged against the earned proportion of premiums, net of reinsurance, as follows:

- a) Premiums written relate to risks assumed during the year, and include estimates of premiums due but not yet received, less an allowance for estimated lapses,
- b) Claims arising on maturity are recognised when the claim becomes due for payment. Death claims are accounted for on notification. Surrenders are accounted for on payment.
- c) Expenses and commissions are allocated to the life fund as incurred in the management of the life business.

The life assurance contracts (accounted for in the life fund) are assessed at least once every three years by qualified consulting actuaries in accordance with Section 29 of the Insurance Act. Any resulting actuarial loss is made up by additional provisions from the Group profit and loss account.

Actuarial surpluses are allocated between the shareholders and the policy holders. The Group allocates a maximum of 40% of surpluses arising on actuarial valuation to the shareholders by transfer to the profit and loss account. Any balance remaining is retained in the life fund and attributable to "with profit" policyholders as the date of actuarial valuation.

In accordance with Section 22(1) of the Insurance Act 2003, an additional reserve of not less than 25 % of the net written premium is maintained between each valuation date.

iii. Deferred acquisition costs.

Acquisition costs comprise all direct and indirect costs arising from the writing of insurance contracts. Deferred acquisition costs represent a proportion of commission and other acquisition costs, which are incurred during a financial year and are deferred to the extent that they are recoverable out of future revenue margins. It is calculated by applying to the acquisition expenses the ratio of unearned premium to written premium.

iv. Outstanding claims and provisions

Full provision is made for the estimated cost of all claims notified but not settled at the date of the balance sheet, less reinsurance recoveries, using the best information available at that time.

In non-life insurance business, a provision is also made for the cost of claims incurred but not reported (IBNR) until after the balance sheet date on the basis of 10% of claims notified but not settled in compliance with the provisions of Section 20(1)(b) of the Insurance Act, 2003.

Similarly provisions are made for "unallocated claims expenses" being the estimated administrative expenses that will be incurred after the balance sheet date in settling all claims outstanding as at that date, including IBNR. Differences between the provisions for outstanding claims at a balance sheet date and the subsequent settlement are included in the Revenue Account of the following year.



(i) Offsetting

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(j) Investment

The Group classifies its investments into the following categories: short-term investments, long-term investments, investments in subsidiaries and investment in associates. Investment securities (short-term and long-term investments) are initially recognized at cost and classified upon initial recognition.

i. Short term investments

Short-term investments are investments that management intends to hold for not more than one year. Debt and equity securities intended to be held for a period not exceeding one year and investments held for trading are classified as short term investment. Investments held for trading are those investments that the Group acquires principally for the purpose of selling in the near term, or holds as part of a portfolio that is managed together for short-term profit taking.

Short-term investments in treasury bills and other marketable securities are stated at net realisable value. The gain/loss on revaluation is credited/charged to profit and loss account during the year. Original cost is disclosed.

Investments held-for-trading and marketable securities are stated at net realisable value. The gain/loss on revaluation is credited/charged to profit and loss account during the year.

Treasury bills are presented net of unearned discount. Unearned discount is deferred and amortised as earned. Investments in treasury bills held for trading are carried at net realizable value. Gains or losses resulting from market valuation are recognised in the profit and loss account.

ii. Long term investments

Long-term investments are investment securities other than short term investments. Long-term investments may include debt and equity securities.

Long term investments in marketable securities are carried at the lower of cost and net realisable value. Any discount or premium arising on bonds is included in the original cost of investment and is amortised over the period of purchase to maturity. Market value of long term investments is disclosed.

Interest earned whilst holding investment securities is reported as interest income. Dividends receivable are included separately in dividend income when a dividend is declared.

iii. Investments in subsidiaries

Investments in subsidiaries are carried in the Bank's balance sheet at cost less provisions for impairment losses. Where, in the opinion of the Directors, there has been impairment in the value of an investment, the loss is recognised as an expense in the period in which the impairment is identified.



On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit and loss account.

iv. Investment in associates

Investments in associates are carried in the Bank's balance sheet at cost less impairment

On disposal of an investment in associates, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit and loss account.

(k) Investment property

An Investment Property is an investment in land or buildings held primarily for generating income or capital appreciation and not occupied substantially for use in the operations of the enterprise. A piece of property is treated as an investment property if it is not occupied substantially for use in the operations of the Group, an occupation of more than 15% of the property is considered substantial.

Investment properties are carried in the balance sheet at their market value and revalued periodically on a systematic basis at least once in every three years. Investment properties are not subject to periodic charge for depreciation.

When there has been a decline in value of an investment property, the carrying amount of the property is written down to recognize the loss. Such a reduction is charged to the profit and loss account. Reductions in carrying amount are reversed when there is an increase, following a revaluation in accordance with the Group's policy, in the value of the investment property, or if the reasons for the reduction no longer exist.

An increase in carrying amount arising from the revaluation of investment property is credited to owners' equity as revaluation surplus. To the extent that a decrease in carrying amount offsets a previous increase, for the same property that has been credited to revaluation surplus and not subsequently reversed or utilized, It is charged against that revaluation surplus rather than the profit and loss account.

An increase on revaluation which is directly related to a previous decrease in carrying amount for the same property that was charged to the profit and loss account is credited to profit and loss account to the extent that it offsets the previously recorded decrease.

Investment properties are disclosed separate from the property and equipment used for the purposes of the business.

(l) Property and equipment

All property and equipment are initially recorded at cost. They are subsequently stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the assets.

Subsequent costs are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. All other repairs and maintenance are charged to the profit and loss account during the financial period in which they are incurred.



Construction cost in respect of offices is carried at cost as work in progress. On completion of construction, the related amounts are transferred to the appropriate category of property and equipment.

Payments in advance for items of property and equipment are included as Prepayments in Other Assets and upon delivery are reclassified as additions in the appropriate category of property and equipment. No depreciation is charged until the assets are put into use.

Depreciation is calculated on a straight line basis to write down the cost of property and equipment to their residual values over their estimated useful lives as follows:

Motor vehicles	-	25%
Machinery and equipment	-	20%
Furniture and fittings	-	20%
Computer hardware and equipment	-	25%
Freehold land & buildings	-	2%
Leasehold improvement	-	Over the unexpired lease term
Fixtures	-	10%

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's value less costs to sell and value in use.

Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in the profit and loss account for the year.

Where items of property and equipment are subsequently carried at revalued amounts, an entire class of property and equipment is revalued or the selection of the items for revaluation is done on a systematic and consistent basis.

Any accumulated depreciation at the date of the revaluation is not credited to profit and loss account or retained profit.

On revaluation of property and equipment, an increase in the net book value is credited to a revaluation surplus reserve. A decrease in the net book value is used to reduce the amount of any existing revaluation surplus on the same Item before it is charged to profit and loss account.

Upon sale or disposal of an item of property and equipment, the difference between the net proceeds and the net book value should be transferred to profit and loss account. Any balance in the revaluation surplus reserve in respect of such item is transferred to profit and loss account (or retained profit reserve).



Subsequent depreciation on revalued items of property, plant and equipment should be calculated on the new value and charged to income.

(m) Intangible assets

This is a new policy in line with the Statement of Accounting Standard No. 31: On Intangible Assets issued by the Financial Reporting Council of Nigeria (formerly Nigerian Accounting Standards Board), which is effective for annual periods beginning on or after 1 January 2011. See Notes 28 and 29 for reclassifications made to the balance sheet on implementation of the new accounting policy. There was no effect on either the profit and loss account or retained earnings.

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 four years. This is reassessed annually.

(n) Cash and cash equivalents

(i) Cash and balances with CBN

Cash comprises cash on hand and demand deposits denominated in Naira and foreign currencies and cash balances with Central Bank of Nigeria (CBN). Cash equivalents are short-term, highly liquid instruments which are:

- readily convertible into cash, whether in local or foreign currency; and
- so near to their maturity dates as to present insignificant risk of changes in value as a result of changes in interest rates.

(ii) Due from other banks

Due from other banks represents cash held in other banks in Nigeria and banks outside Nigeria.

(iii) Treasury bills

Short term investments in treasury bills held-for-trading are presented net of unearned discount. Unearned discount is deferred and amortised as earned.

(o) Provisions, contingent liabilities and contingent assets

Provisions are liabilities that are uncertain in timing or amount.

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.



Provisions are normally made for restructuring costs and legal claims. In addition, specific provisions are made on performing risk assets balances in accordance with the Prudential Guidelines for licensed Banks. Risk assets comprises loans and advances; advances under finance leases etc.

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or the Group has a present obligation as a result of past events but is not recognised because it is not likely that an outflow of resources will be required to settle the obligation; or the amount cannot be reliably estimated.

Contingent liabilities normally comprise of legal claims under arbitration or court process in respect of which a liability is not likely to eventuate.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group,

A contingent asset is never recognised rather they are disclosed in the financial statements when they arise.

(p) Retirement benefits

The Group has both defined benefit and defined contribution plans.

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors, such as age, years of service and compensation.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. For defined contribution plans, the Group pays contributions, makes contributions on behalf of qualifying employee to a mandatory scheme under the provisions of the Pension Reform Act of 2004. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(q) Current taxation

Income tax expenses/credits are recognised in the profit and loss account. Current income tax is the expected tax payable on the taxable income for the year, using statutory tax rates at the balance sheet date, and any adjustment to tax payable in respect of previous years.

(r) Deferred taxation

Deferred taxation, which arises from timing differences in the recognition of items for accounting and tax purposes, is calculated using the liability method. Deferred taxation is provided fully on timing differences, which are expected to reverse at the rate of tax likely to be in force at the time of reversal. Currently enacted tax rates are used to determine deferred income tax.



A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the associated unutilised tax losses and deductible temporary differences can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(s) Borrowed funds

Borrowed funds are recognised initially at their issue proceeds and subsequently stated at cost less any repayments.

Transaction costs where immaterial, are recognized immediately in the profit and loss account. Where transaction costs are material, they are capitalized and amortised over the life of the loan, Interest paid on borrowings is recognised in the profit and loss account for the year.

(t) Ordinary share capital

(i) Share issue costs

Incremental costs directly attributable to the issue of new shares or to the acquisition of business are shown in equity as a deduction, net of tax, from the proceeds.

(ii) Dividends on ordinary shares

Dividend on ordinary shares is appropriated from revenue reserve in the period they are approved by the Bank's shareholders.

Dividends for the year that are approved by the shareholders after the balance sheet date are presented in the subsequent events note.

Dividends proposed by the Directors but not yet approved by members are disclosed in the financial statements in accordance with the requirements of the Companies and Allied Matters Act 1990.

(u) Off-balance sheet transactions

Contingent liabilities arising from acceptances, guaranteed commercial papers, letters of credit (clean line), performance bonds and guarantees issued on behalf of customers in the ordinary course of business are reported off-balance sheet in recognition of the risk inherent in those transactions.

Acceptances

Acceptances are undertakings by the Bank to pay bills of exchange drawn on customers. The Bank expects most acceptances to be settled simultaneously with the reimbursement from customers.

Acceptances, which meet the conditions, set out in Central Bank of Nigeria (CBN) Guidelines on the treatment of bankers' acceptances and commercial papers are accounted for and disclosed as contingent liabilities. The income and expense relating to these acceptances are recognised and reported net in the financial statements.

Guarantees and performance bonds

The Bank provides financial guarantees and bonds to third parties on the request of customers in the form of bid and performance bonds or advance payment guarantees. These agreements have fixed limits and generally do not extend beyond the period stated in each contract.



The non-collateralized portion of bonds and guarantees are disclosed in financial statements. Commissions and fees charged to customers for services rendered in respect of bonds and guarantees are recognized at the time the services or transactions are effected.

Commitments

Commitments to extend credit or deliver on sales or purchases of foreign exchange in future are recognized as off balance sheet engagements. Commissions and fees charged to customers for services rendered in respect of commitments are recognized at the time the service or transaction is effected.

Letters of credit

The Bank provides letters of credit to guarantee the performance of customers to third parties. These are accounted for as off balance sheet items. Commissions and fees charged to customers for the service are recognised at the time the service or transaction is effected.

Income on these transactions is recognised as earned on issuance of the bond or guarantee.

(v) Sale of loans or securities

A sale of loans or securities without recourse to the seller is accounted for as a disposal and the assets excluded from the balance sheet.

Profits or losses on sale of loans or securities without recourse to the seller are recognised by the seller when the transaction is completed.

The Group regards a sale of loans or securities as without recourse, if it satisfies all the following conditions. Any sale not satisfying these conditions will be regarded as with recourse.

- (i) control over the economic benefits of the asset must be passed on to the buyer;
- (ii) the seller can reasonably estimate any outstanding cost; and
- (iii) there must not be any repurchase obligations.

A sale or transfer of loans or securities with recourse where there is an obligation to, or an assumption of, repurchase is not treated as a sale, and the asset remains in the Group's balance sheet, with any related cash received recognised as a liability.

Profit arising from sale or transfer of loan or securities with recourse to the seller is amortised over the remaining life. However, losses are recognised as soon as they can reasonably be estimated.

Where there is no obligation to or assumption of repurchase, the sale should be treated as a disposal and the asset excluded from the balance sheet, and any contingent liability disclosed.

(w) Fiduciary activities

The Group 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.

(x) Loss/earnings per share

The group presents loss/basic earnings per share for its ordinary shares. Loss/basic earnings per share is calculated by dividing the loss or profit attributable to ordinary shareholders of the bank by the weighted average number of shares outstanding during the year.



Profit and Loss Accounts

Union Bank of Nigeria Plc and Subsidiary Companies
Group Financial Statements – 31 December 2011
Together with Directors' and Auditor's Reports

Profit and Loss Accounts

For the year ended 31 December 2011

	Notes	Group	Group	Bank	Bank
		Dec. 2011	Dec. 2010	Dec 2011	Dec 2010
		₦ million	₦ million	₦ million	₦ million
GROSS EARNINGS		80,754	130,414	66,492	113,961
Interest and similar income	3	61,357	83,710	53,235	76,076
Interest and similar expenses	4	(34,312)	(35,399)	(31,264)	(32,859)
<i>Net interest margin</i>		<u>27,045</u>	<u>48,311</u>	<u>21,971</u>	<u>43,217</u>
Fee and commission income	5	11,268	15,372	9,748	12,808
Fee and commission expenses	6	(10)	(6)	-	-
<i>Net fee and commission income</i>		<u>11,258</u>	<u>15,366</u>	<u>9,748</u>	<u>12,808</u>
Net foreign exchange income	7	180	1,973	24	1,679
Underwriting profit	8	1,423	987	-	-
Income from investments	9	389	2,752	479	1,921
Income from associate		952	1,117	-	-
Other income	10	5,185	24,503	3,006	21,477
<i>Operating income</i>		<u>46,432</u>	<u>95,009</u>	<u>35,228</u>	<u>81,102</u>
Operating expenses	13	(89,004)	(81,227)	(71,976)	(64,209)
Loan loss expenses	18(j)	(26,330)	(17,972)	(25,086)	(10,487)
Diminution in other assets values	18(k)	(53,507)	(19,192)	(53,155)	(18,804)
LOSS BEFORE EXCEPTIONAL ITEM AND TAXATION		(122,409)	(23,382)	(114,989)	(12,398)
EXCEPTIONAL ITEM (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	11	-	59,836	-	59,836
Taxation	14(a)	27,531	70,018	28,322	70,578
		<u>(94,878)</u>	<u>106,472</u>	<u>(86,667)</u>	<u>118,016</u>
EXTRA-ORDINARY ITEM (LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	12	3,428	-	3,428	-
		<u>(91,450)</u>	<u>106,472</u>	<u>(83,239)</u>	<u>118,016</u>
Non-controlling interest	43(b)	3,078	5,599	-	-
<i>(Loss)/profit attributable to equity holders of the Bank</i>		<u>(88,372)</u>	<u>112,071</u>	<u>(83,239)</u>	<u>118,016</u>
APPROPRIATIONS					
Transfer to statutory contingency reserve	42(a)&(b)	(32)	(22)	-	-
Transfer to retained earnings	42(a)&(b)	(88,340)	112,093	(83,239)	118,016
		<u>(88,372)</u>	<u>112,071</u>	<u>(83,239)</u>	<u>118,016</u>
Earnings per share (kobo)- Basic	46	-1441k	830k	-1357k	874k
Earnings per share (kobo)-Adjusted	46	-1441k	1827k	-1357k	1924k

The significant accounting policies on pages 48 to 61 and accompanying notes to the financial statements on pages 65 to 134 form an integral part of these financial statements.



Balance Sheets

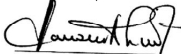
Union Bank of Nigeria Plc and Subsidiary Companies
Group Financial Statements – 31 December 2011
Together with Directors' and Auditor's Reports


Balance Sheets

As at 31 December 2011

	Notes	Group	Group	Bank	Bank
		Dec. 2011	Dec. 2010	Dec. 2011	Dec. 2010
		₦ million	₦ million	₦ million	₦ million
ASSETS					
Cash in hand and balances with CBN	15	51,321	24,438	51,134	22,578
Treasury bills	16	158,717	22,484	155,382	22,179
Due from other banks	17	216,208	124,216	68,101	35,693
Loans and advances to customers	18	158,565	202,381	140,520	178,654
Advances under finance lease	19	3,994	4,946	3,924	4,836
Insurance receivables	20	855	661	-	-
Investment securities	21	181,374	373,579	153,354	345,812
Managed fund	22	829	875	829	875
Investment in subsidiaries	23	-	-	19,279	16,697
Investment in associate	25	7,540	6,588	75	75
Other assets	26	111,939	92,088	108,000	96,216
Investment property	27	29,940	23,320	807	1,404
Deferred tax assets	36(b)	95,703	66,364	95,682	66,352
Property and equipment	28	50,533	58,229	46,567	53,827
Intangible assets	29	600	522	109	33
TOTAL ASSETS		1,068,118	1,000,691	843,763	845,231
LIABILITIES					
Customers' deposits	30	500,199	645,987	399,234	598,922
Due to other banks	31	62,214	97,046	1,580	32,029
Claims payable	32	805	407	-	-
Liability on investment contracts	33	569	225	-	-
Liabilities on insurance contracts	34	1,839	2,327	-	-
Current income tax payable	14(b)	2,668	4,198	1,358	2,609
Other liabilities	35	213,326	156,202	172,996	138,365
Deferred tax liabilities	36(c)	846	846	-	-
Dividend payable	37	308	308	308	308
Retirement benefit obligations	38	61,841	58,675	61,777	58,634
Other borrowings	39	26,950	150,258	26,950	150,258
TOTAL LIABILITIES		871,565	1,116,479	664,203	981,125
NET ASSETS		196,553	(115,788)	179,560	(135,894)
CAPITAL AND RESERVES					
Share capital	40(b)	8,468	6,755	8,468	6,755
Share premium	41	391,641	53,023	391,641	53,023
Revaluation reserve	42(a)&(b)	28,766	30,199	23,009	25,999
Retained earnings	42(a)&(b)	(270,254)	(237,777)	(272,101)	(244,725)
Capital reserve	42(a)&(b)	5,489	-	5,489	-
Other reserves	42(a)&(b)	25,349	25,905	23,054	23,054
EQUITY ATTRIBUTABLE TO EQUITY - HOLDERS OF THE PARENT		189,459	(121,895)	179,560	(135,894)
Non-controlling interest	43	7,094	6,107	-	-
TOTAL EQUITY		196,553	(115,788)	179,560	(135,894)
Guarantees and other commitments on behalf of customers	44(c)	100,628	123,631	85,902	111,280

The significant accounting policies on pages 48 to 61 and accompanying notes to the financial statements on page 65 to 134 were approved by the Board of Directors on 27 March, 2012 and signed on its behalf by:


Engr. Mansur Ahmed (Director)


Olufunke Iyabo Osibodu (Managing Director)



Statements of Cash Flows

Union Bank of Nigeria Plc and Subsidiary Companies
Group Financial Statements – 31 December 2011
Together with Directors' and Auditor's Reports

Statements of Cash Flows

For the year ended 31 December 2011

	Notes	Group Dec 2011 ₦ million	Group Dec 2010 ₦ million	Bank Dec 2011 ₦ million	Bank Dec. 2010 ₦ million
OPERATING ACTIVITIES					
Net cash flow from operating activities	47	(190,072)	49,867	(257,275)	74,335
Income tax paid	14(b)	(3,343)	(2,195)	(2,259)	(1,080)
VAT paid		(250)	(1,921)	(250)	(1,921)
<i>Net cash flows from operating activities</i>		<u>(193,665)</u>	<u>45,751</u>	<u>(259,784)</u>	<u>71,334</u>
FINANCING ACTIVITIES					
- Inflow from other borrowings	39(b)	6,053	18,161	6,053	18,161
- Repayment of borrowings	39(b)	(129,361)	(2,554)	(129,361)	(2,554)
- Interest paid on borrowings	4(a)	(4,682)	(6,250)	(4,396)	(6,241)
- Inflow from new shares issued		31,418	-	31,418	-
- Proceeds from AMCON financial accommodation		312,830	-	312,830	-
<i>Net cash flows from financing activities</i>		<u>216,258</u>	<u>9,357</u>	<u>216,544</u>	<u>9,366</u>
INVESTING ACTIVITIES					
Purchase/(Disposal) of long term investments		238,721	(267,162)	238,092	(295,252)
Dividend income received	9	585	1,913	434	1,461
Purchase of property and equipment	28(a)&(b)	(2,429)	(4,194)	(909)	(3,274)
Purchase of intangible assets		(249)	(21)	(102)	(21)
Proceeds from disposal of property and equipment		1,393	2,317	926	(31)
Additional investment in subsidiaries		-	-	-	-
Redemption of long term investments		6,622	3,175	207	993
Purchase of investment properties	27(a)	(9,174)	(8,324)	-	-
Proceeds from disposal of investment properties	27(a)	2,733	3,172	114	-
Investment in gratuity scheme	38(b)&(c)	(3,428)	(4,894)	(3,414)	(4,894)
<i>Net cash flows from investing activities</i>		<u>234,774</u>	<u>(274,018)</u>	<u>235,348</u>	<u>(301,018)</u>
<i>Net increase/(decrease) in cash and cash equivalents</i>		<u>257,367</u>	<u>(218,910)</u>	<u>192,108</u>	<u>(220,318)</u>
Analysis of changes in cash and cash equivalents					
Cash and cash equivalents, beginning of the year		94,588	313,660	69,220	289,538
Effect of exchange rate fluctuations on foreign cash held		(582)	162	-	-
Cash and cash equivalents, end of the year	48	352,537	94,588	261,328	69,220
<i>Net (decrease)/increase in cash and cash equivalents</i>		<u>257,367</u>	<u>(218,910)</u>	<u>192,108</u>	<u>(220,318)</u>

The significant accounting policies on pages 48 to 61 and accompanying notes to the financial statements on page 65 to 134 form an integral part of these financial statements.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2011

1 General information

Union Bank of Nigeria Plc (the bank) commenced operations in Nigeria in 1917 as Colonial Overseas which was acquired by Barclays bank in 1925. It was incorporated as a private company limited by shares in Nigeria in 1969. It became a public limited company in 1970. The bank's shares are quoted on the Nigerian Stock Exchange.

The Bank has eight (9) subsidiaries as shown below:

	Country of Incorporation	Percentage holding 2011	Percentage holding 2010
Union Homes Savings & Loans Plc (Property Development and Mortgage Finance)	Nigeria	30.60%	30.60%
Union Trustees Limited (Trusteeship)	Nigeria	90.00%	90.00%
Union Assurance Company Limited (Insurance)	Nigeria	30.00%	30.00%
UBN Property Company Limited (Property Development)	Nigeria	39.01%	39.01%
Union Bank UK Plc (Fully licensed UK Bank)	United Kingdom	100.00%	100.00%
Union Registrars Limited (Registrar)	Nigeria	80.00%	80.00%
Union Capital Markets Limited (Investment Banking and Stock Brokerage)	Nigeria	100.00%	100.00%
Union Pension Custodian Limited (Pension Fund Custodian)	Nigeria	100.00%	100.00%
Atlantic Nominees Limited	Nigeria	99.98%	-

There are other indirect interests in Union Homes Savings & Loans Plc and UBN Property Company Limited.

2 Segment analysis

(a) By geographical segment

(i) The Group's business is organized along three (2) main geographical areas:

- Nigeria
- Europe

Transactions between the business segments are on normal commercial terms and conditions.

Funds are ordinarily allocated between segments, resulting in funding cost transfers disclosed in operating income. Interest charged on these funds is based on the Group's cost of capital. There are no other material items of income or expense between the business segments.

Internal charges and transfer pricing adjustments have been reflected in the performance of each segment. Revenue sharing agreements are used to allocate external customer revenues to a segment on a reasonable basis.



2 (a) (ii) Segment report by geographical location:

	Nigeria		Europe		Total	
	Dec. 2011 ₦ million	Dec. 2010 ₦ million	Dec. 2011 ₦ million	Dec. 2010 ₦ million	Dec. 2011 ₦ million	Dec. 2010 ₦ million
Derived from:	-		-		-	-
External customers	44,160	128,234	2,272	2,180	46,432	95,009
Operating income	44,160	128,234	2,272	2,180	46,432	95,009
Operating profit/(loss) before tax	(119,782)	36,008	801	446	(118,981)	36,454
Income tax credit/(expense)	27,744	70,134	(213)	(116)	27,531	70,018
Profit after tax	(92,038)	106,142	588	330	(91,450)	106,472
Assets and liabilities:						
Tangible Segment assets	916,485	913,517	151,634	87,174	1,068,119	1,000,691
Unallocated Segment assets	-		-	-	-	-
Total assets	916,485	913,517	151,634	87,174	1,068,119	1,000,691
Segment liabilities	744,092	1,035,383	127,473	81,096	871,565	1,116,479
Total liabilities	744,092	1,035,383	127,473	81,096	871,565	1,116,479
Net assets/(liabilities)	172,393	(121,866)	24,161	6,078	196,554	(115,788)
Other segment items						
Depreciation	5,367	5,442	71	103	5,438	5,545
Amortisation	171	-	-	-	171	-

2 (b) By business segment

(i) The Banking Group is divided into five main business segments on a worldwide basis:

- *Retail banking*
Retail banking incorporates private banking services, private customer current accounts, deposits investment savings products, custody, credit and debit cards, consumer loans and mortgages.
- *Corporate banking*
Corporate banking incorporates direct debit facilities, current accounts, deposits, overdrafts, loan and other credit facilities and foreign currency products.
- *Treasury and investment banking*
Treasury and investment banking incorporates financial instruments trading, structured financing, corporate leasing and advisory service.
- *Asset management*
Asset management which involves the provision of financial intermediation services to its corporate and individual customers comprises of trust services, granting of loans and advances, equipment leasing, LPO financing, loan syndication, fixed tenured borrowings and insurance brokerage.
- *Insurance*
Offers life assurance, Covers for bonds, Pension scheme and general insurance to individuals and corporate customers





NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

Union Bank of Nigeria Plc and Subsidiary Companies
Group Financial Statements – 31 December 2011
Together with Directors' and Auditor's Reports

2 (b) (ii) Segment report by Business segments:

	Retail Banking		Corporate Banking		Treasury and Investment Banking		Insurance		Asset Mgt		Group	
	Dec. 2011	Dec. 2010	Dec. 2011	Dec. 2010	Dec. 2011	Dec. 2010	Dec. 2011	Dec. 2010	Dec. 2011	Dec. 2010	Dec. 2011	Dec. 2010
	N million	N million	N million	N million	N million	N million	N million	N million	N million	N million	N million	N million
Gross earnings:												
Derived from external customers	33,707	11,125	22,472	89,352	18,727	21,049	1,667	1,574	4,181	7,314	80,754	130,414
Derived from other business segments	-	-	-	-	-	-	-	-	-	-	-	-
Total	33,707	11,125	22,472	89,352	18,727	21,049	1,667	1,574	4,181	7,314	80,754	130,414
Operating income	18,393	6,062	12,262	73,749	10,219	8,423	1,667	1,574	3,891	5,201	46,432	95,009
Profit/(Loss) on Ordinary Activities												
Before Taxation	(54,125)	(8,823)	(35,867)	54,759	(29,889)	161	338	390	562	(10,033)	(118,981)	36,454
Income tax expense	-	-	-	-	-	-	-	-	-	-	27,531	70,018
Profit after tax											(91,450)	106,472
Assets and Liabilities:												
Tangible segment assets	453,628	87,522	302,385	46,137	251,988	7,151	8,671	6,414	50,846	62,402	1,067,518	209,626
Intangible segment assets	444	-	-	-	-	-	155	-	1	-	600	-
Unallocated segment assets	-	-	-	-	-	-	-	-	-	-	-	791,065
Total assets	454,072	87,522	302,385	46,137	251,988	7,151	8,826	6,414	50,847	62,402	1,068,118	1,000,691
Segment liabilities	375,059	92,248	250,040	824,062	208,367	140,203	3,999	2,698	34,100	57,268	871,565	1,116,479
Unallocated liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	375,059	92,248	250,040	824,062	208,367	140,203	3,999	2,698	34,100	57,268	871,565	1,116,479
Net Assets	79,013	(4,726)	52,345	(777,925)	43,621	(133,052)	4,827	3,716	16,747	5,134	196,553	(115,788)

3 Interest and similar income

Interest and similar income was derived as follows:

(a) Source

	Group Dec-11	Group Dec-10	Bank Dec-11	Bank Dec-10
	₦ million	₦ million	₦ million	₦ million
Placements	2,431	3,584	1,021	2,816
Treasury bills and investment securities	32,315	19,438	28,847	14,831
Loans and advances	25,918	60,238	22,681	57,979
Advances under finance lease	693	450	686	450
	<u>61,357</u>	<u>83,710</u>	<u>53,235</u>	<u>76,076</u>

(b) Geographical location:

	Group Dec-11	Group Dec-10	Bank Dec-11	Bank Dec-10
	₦ million	₦ million	₦ million	₦ million
Interest income earned in Nigeria	59,664	82,352	53,232	76,012
Interest income earned outside Nigeria	1,693	1,358	3	64
	<u>61,357</u>	<u>83,710</u>	<u>53,235</u>	<u>76,076</u>

4 Interest and similar expenses

Interest and similar expenses comprise:

(a) Source:

	Group Dec-11	Group Dec-10	Bank Dec-11	Bank Dec-10
	₦ million	₦ million	₦ million	₦ million
<i>Non-bank sources:</i>				
Current accounts	5,182	6,987	5,175	6,979
Savings accounts	2,843	2,833	2,695	2,657
Time deposits	9,160	8,663	6,795	6,709
<i>Non-bank sources:</i>				
Inter-bank takings	12,445	10,666	12,203	10,273
Borrowed funds	4,682	6,250	4,396	6,241
	<u>34,312</u>	<u>35,399</u>	<u>31,264</u>	<u>32,859</u>

(b) Geographical location:

	Group Dec-11	Group Dec-10	Bank Dec-11	Bank Dec-10
	₦ million	₦ million	₦ million	₦ million
Paid in Nigeria	32,862	34,789	30,077	32,672
Paid outside Nigeria	1,450	610	1,187	187
	<u>34,312</u>	<u>35,399</u>	<u>31,264</u>	<u>32,859</u>



5 Fee and commission income

Fee and commission income comprises:

	Group Dec-11 ₦ million	Group Dec-10 ₦ million	Bank Dec-11 ₦ million	Bank Dec-10 ₦ million
Commission on turnover	9,140	10,194	9,034	10,084
Commission on letter of credit transactions	1,137	910	558	480
Remittance fees	73	67	-	-
Facility management fees	126	2,457	32	2,175
Other fees and commissions	503	496	124	69
Commission on managed funds	238	424	-	-
Other income	51	824	-	-
	<u>11,268</u>	<u>15,372</u>	<u>9,748</u>	<u>12,808</u>

6 Fee and commission expense

Fee and commission expense comprises:

	Group Dec-11 ₦ million	Group Dec-10 ₦ million	Bank Dec-11 ₦ million	Bank Dec-10 ₦ million
Other fees and commission expense	10	6	-	-
	<u>10</u>	<u>6</u>	<u>-</u>	<u>-</u>

7 Net foreign exchange income

Net foreign exchange income comprises:

	Group Dec-11 ₦ million	Group Dec-10 ₦ million	Bank Dec-11 ₦ million	Bank Dec-10 ₦ million
Foreign currency trading	136	294	-	-
Translation gain	44	1,679	24	1,679
	<u>180</u>	<u>1,973</u>	<u>24</u>	<u>1,679</u>

8 Underwriting profit

(a) Underwriting profit comprises profit on general insurance and life assurance businesses, and were derived as follows:

	Group Dec-11 ₦ million	Group Dec-10 ₦ million	Bank Dec-11 ₦ million	Bank Dec-10 ₦ million
(i) <i>General insurance</i>				
Gross premium	2,802	3,218	-	-
Outward insurance premium	(465)	(701)	-	-
Increase in unexpired risks (see note 34(c))	(190)	(101)	-	-
Commission received	362	222	-	-
Claims incurred	(425)	(406)	-	-
Underwriting expenses	(722)	(999)	-	-



				-
(ii) <i>Life assurance</i>				
Profit from deposit administration	(26)	-	-	-
Decrease/(Increase) in life funds (see note 34(b)(i))	87	(246)	-	-
Underwriting profit	<u>1,423</u>	<u>987</u>	<u>-</u>	<u>-</u>

9 Income from investments

Income from investments comprises:

	Group Dec-11 ₦ million	Group Dec-10 ₦ million	Bank Dec-11 ₦ million	Bank Dec-10 ₦ million
Dividend income	585	1,913	434	1,461
Profit on sale of securities	18	268	-	-
Unrealised (loss)/gain on valuation of securities	(638)	111	-	-
Gain on sale of trading properties	309	-	-	-
Rental Income	115	460	45	460
	<u>389</u>	<u>2,752</u>	<u>479</u>	<u>1,921</u>

10 Other Income

Other income comprises:

	Group Dec-11 ₦ million	Group Dec-10 ₦ million	Bank Dec-11 ₦ million	Bank Dec-10 ₦ million
Sundry Income	4,274	4,094	2,335	2,277
Writeback of gratuity	-	19,200	-	19,200
Profit on disposal of property and equipment	911	1,209	671	-
	<u>5,185</u>	<u>24,503</u>	<u>3,006</u>	<u>21,477</u>

11 Exceptional item

Exceptional item comprises:

	Group Dec-11 ₦ million	Group Dec-10 ₦ million	Bank Dec-11 ₦ million	Bank Dec-10 ₦ million
Gain on loan sold to AMCON	-	59,836	-	59,836
	<u>-</u>	<u>59,836</u>	<u>-</u>	<u>59,836</u>



12 Extraordinary item

Amount represents the income earned on the part-disposal of the Bank's investment in Interswitch Nigeria Limited. The extra-ordinary income is analysed as follows:

	Group Dec-11	Group Dec-10	Bank Dec-11	Bank Dec-10
	₦ million	₦ million	₦ million	₦ million
Gross proceeds	3,457	-	3,457	-
Cost	(29)	-	(29)	-
Gain on part disposal of investment	3,428	-	3,428	-

13 Operating expenses

(a) (i) Analysis of operating expenses:

	Group Dec-11	Group Dec-10	Bank Dec-11	Bank Dec-10
	₦ million	₦ million	₦ million	₦ million
Staff salaries and allowances	28,169	33,604	23,061	28,552
Other staff cost	4,913	1,588	4,913	1,588
Other staff cost - gratuity	4,915	41	4,900	-
Staff cost - pension	1,697	1,890	1,657	1,890
Depreciation (see note 28(a) & (b))	5,438	5,482	4,673	4,774
Amortisation of intangible assets	171	63	26	63
Loss on disposal of property and equipment	-	-	-	36
Repairs and maintenance	1,593	3,017	1,453	2,897
Insurance	394	178	245	17
Professional fees	1,125	3,139	665	2,966
NDIC premium	4,548	6,771	4,336	6,588
Lease finance charges	76	-	-	-
Operating lease expenses	66	18	-	-
Occupancy costs	1,256	1,136	931	840
Advertisement and promotion expenses	363	364	225	244
Auditor's remuneration	175	157	108	95
Stationery and postage	695	662	576	620
Business travel expenses	1,405	1,685	1,304	1,558
AMCON surcharge (see note a(ii) below)	2,536	-	2,536	-
Other operating expenses	20,797	14,495	11,706	4,709
Power and fuel	1,812	2,344	1,801	2,179
Loss on sales of loans to AMCON	2,733	-	2,733	-
Office expenses	4,127	4,593	4,127	4,593
	89,004	81,227	71,976	64,209

(a) (ii) This represents the Bank's contribution to AMCON's sinking fund for the year ended 31 December 2011. Effective 1 January 2011, the Bank is required to contribute 0.3% of its total assets as at the preceding year end (31 December 2010) to AMCON's sinking fund in line with existing guidelines.



(b) **Staff and executive directors' costs**

(i) Employee costs, including executive directors, during the year is shown below:

	Group Dec-11	Group Dec-10	Bank Dec-11	Bank Dec-10
	₦ million	₦ million	₦ million	₦ million
Wages and salaries	33,100	36,764	27,974	31,770
Pension cost : -				
Defined contribution scheme (see note 38(b))	1,679	2,243	1,657	1,890
	34,779	39,007	29,631	33,660
Defined benefit scheme (see note 38(c)(i))	4,915	(19,159)	4,900	(19,200)
	39,694	19,848	34,531	14,460

(ii) The average number of persons employed by the Group during the year was as follows:

	Group Dec-11	Group Dec-10	Bank Dec-11	Bank Dec-10
	Number	Number	Number	Number
Executive directors	15	13	5	5
Management	123	102	56	54
Non-management	6,578	6,251	5,440	5,697
	6,716	6,366	5,501	5,756

(iii) The average number of persons in employment during the year is shown below:

	Group Dec-11	Group Dec-10	Bank Dec-11	Bank Dec-10
	Number	Number	Number	Number
North Directorate	1,259	1,156	1,138	1,121
South Directorate	3,407	2,911	2,773	2,808
Finance & Business Strategy	56	72	30	46
General Services	142	181	122	181
Corporate /Institutional Banking Division	75	114	75	101
Corporate Affairs	7	18	7	15
Payment and Settlement	416	365	412	362
Central Operations	425	473	143	174
Risk management	40	44	32	39
Systems and control	394	445	360	415
Public Sector Group	54	60	9	8
Human Resources	65	105	65	105
Others	376	422	335	381
	6,716	6,366	5,501	5,756



- (iv) The number of employees of the Group, other than directors, who received emoluments in the following ranges (excluding pension contributions) were:

	Group Dec-11	Group Dec-10	Bank Dec-11	Bank Dec-10
	Number	Number	Number	Number
N1 - N 999,999	109	61	-	-
N 1,000,000 - N 1,500,000	511	470	401	427
N 1,500,001 - N 2,000,000	450	268	219	234
N 2,000,001 - N 2,500,000	1,879	1,874	1,480	1,625
N 2,500,001 - N 3,000,000	77	42	-	-
N 3,000,001 - N 3,500,000	993	47	905	-
N 3,500,001 - N 4,000,000	956	851	910	839
N 4,000,001 - N 4,500,000	23	37	-	-
N 4,500,001 - N 5,000,000	721	981	686	959
Above N5,000,000	992	1,730	895	1,667
	<u>6,711</u>	<u>6,361</u>	<u>5,496</u>	<u>5,751</u>

(c) **Directors' remuneration:**

- (i) Directors' remuneration excluding pension contributions and certain benefits was provided as follows:

	Group Dec-11	Group Dec-10	Bank Dec-11	Bank Dec-10
	₦ million	₦ million	₦ million	₦ million
Fees as directors	45	45	45	45
Other allowances and benefits	269	162	269	162
	<u>314</u>	<u>207</u>	<u>314</u>	<u>207</u>
Executive compensation	632	260	632	260
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>946</u>	<u>467</u>	<u>946</u>	<u>467</u>

- (ii) The directors' remuneration shown above includes:

	Group Dec-11	Group Dec-10	Bank Dec-11	Bank Dec-10
	₦ million	₦ million	₦ million	₦ million
Chairman	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>
Highest paid director	<u>49</u>	<u>49</u>	<u>49</u>	<u>49</u>

- (iii) The number of directors who received fees and other emoluments (excluding pension contribution) in the following ranges was:

	Bank Dec-11	Bank Dec-10
	₦ million	₦ million
₦1,000,000 - ₦9,000,000	-	-
₦9,000,001 - ₦13,000,000	-	-
₦13,000,001 - ₦20,000,000	14	14
₦20,000,001 - ₦37,000,000	-	-
	<u>14</u>	<u>14</u>



14 Taxation

(a) *Tax charge*

The tax charge for the year comprises:

	Group Dec-11	Group Dec-10	Bank Dec-11	Bank Dec-10
	₦ million	₦ million	₦ million	₦ million
Company income tax	1,751	950	973	423
Education tax	13	1,192	-	1,156
NITDA levy	7	472	-	470
Capital gains tax	35	-	35	-
	1,806	2,614	1,008	2,049
Prior year (over)/under-provision (see note 14(b))	-	(2,353)	-	(2,353)
Deferred tax liability (credit)/charge (see note 36 (c) (i))	-	(3,915)	-	(3,922)
Deferred tax asset (charge)/credit (see note 36 (b) (i))	(29,337)	(66,364)	(29,330)	(66,352)
	<u>(27,531)</u>	<u>(70,018)</u>	<u>(28,322)</u>	<u>(70,578)</u>

(b) *Current income tax payable*

The movement on the current income tax payable account during the year was as follows:

	Group Dec-11	Group Dec-10	Bank Dec-11	Bank Dec-10
	₦ million	₦ million	₦ million	₦ million
Balance, beginning of year	4,198	6,131	2,609	3,993
Exchange difference on translation	7	1	-	-
Charge for the year (see note 14(a))	1,806	2,614	1,008	2,049
Payments during the year	(3,343)	(2,195)	(2,259)	(1,080)
Prior year under-provision (see note 14(a))	-	(2,353)	-	(2,353)
Balance, end of year	<u>2,668</u>	<u>4,198</u>	<u>1,358</u>	<u>2,609</u>

15 Cash in hand and balances with Central Bank of Nigeria (CBN)

(a) Cash in hand and balances with regulatory bodies comprise:

	Group Dec-11	Group Dec-10	Bank Dec-11	Bank Dec-10
	₦ million	₦ million	₦ million	₦ million
Cash in hand	18,888	19,571	18,717	18,244
Operating account held with the Central Bank of Nigeria (CBN)	10,966	214	10,966	214
	29,854	19,785	29,683	18,458
Mandatory reserve deposits with regulatory authorities (see note (a)) below	34,593	5,962	34,577	5,429
Provision for cash shortage (see note (b)) below	(13,126)	(1,309)	(13,126)	(1,309)
	<u>51,321</u>	<u>24,438</u>	<u>51,134</u>	<u>22,578</u>



- (a) Mandatory reserve deposits are not available for use in the Group's day-to-day operations.
- (b) The movement on provision for cash shortage was as follows:

	Group Dec-11	Group Dec-10	Bank Dec-11	Bank Dec-10
	₦ million	₦ million	₦ million	₦ million
Balance, beginning of year	1,309	770	1,309	770
Write-off of provisions during the year	-	(770)	-	(770)
Allowance made during the year (see note 18(k) below)	6,992	420	6,992	420
Reclassification	4,825	889	4,825	889
Balance, end of year	13,126	1,309	13,126	1,309

16 Treasury bills

- (a) Treasury bills comprise:

	Group Dec-11	Group Dec-10	Bank Dec-11	Bank Dec-10
	₦ million	₦ million	₦ million	₦ million
Trade bills	-	12	-	12
Treasury bills (see note (a)(i) below)	160,781	25,940	157,446	25,635
	160,781	25,952	157,446	25,647
Provision for Treasury bills (see note 16(b) below)	(2,064)	(3,468)	(2,064)	(3,468)
	158,717	22,484	155,382	22,179

- (a) (i) Included in treasury bills is ₦31,410,000,000 (31 December 2010: ₦11,520,000,000) pledged as collateral to the Central Bank of Nigeria, Nigeria Interbank Settlement System, Federal Inland Revenue Services, Interswitch Nigeria Limited and E-tranzact Nigeria Limited as at year end.

- (b) The movement on provision for treasury bills was as follows:

	Group Dec-11	Group Dec-10	Bank Dec-11	Bank Dec-10
	₦ million	₦ million	₦ million	₦ million
Balance, beginning of year	3,468	606	3,468	606
(Writeback)/allowance made during the year (see note 18(k) below)	(1,404)	2,862	(1,404)	2,862
Reclassification	-	-	-	-
Balance, end of year	2,064	3,468	2,064	3,468

- (c) The original cost of treasury bills as at 31 December 2011 was ₦155,783,395,983.36 (31 December 2010: ₦22,066,729,273.32)



17 Due from other banks

(a) Due from other banks comprise:

	Group Dec-11	Group Dec-10	Bank Dec-11	Bank Dec-10
	₦ million	₦ million	₦ million	₦ million
Balances held with other local banks and discount houses				
- Current accounts	4,094	9,030	547	7,109
- Placements (see note (a)(i) below)	27,365	9,447	8,215	7,500
Balances and cash balances outside Nigeria				
- Balances held with other banks outside Nigeria (see note (a)(ii) below)	54,477	42,529	67,017	42,535
- Placements with foreign Banks	138,180	84,891	-	-
	224,116	145,897	75,779	57,144
Provision for non-performing Inter-bank placements (See note b below)	(7,908)	(21,681)	(7,678)	(21,451)
	216,208	124,216	68,101	35,693

(a) (i) All placements with local banks in Nigeria are backed by CBN guarantees.

(a) (ii) Included in balances held with other banks outside Nigeria is the Naira value of foreign currencies held on behalf of customers in various foreign accounts amounting to N17,411,000,000 (31 December 2010: N5,462,000,000) to cover letters of credit transactions. The corresponding liability for this amount is included in other liabilities (see Note 35). The amount is not available for the day-to-day operations of the Bank

(b) The movements on allowance for non-performing interbank placements was as follows:

	Group Dec-11	Group Dec-10	Bank Dec-11	Bank Dec-10
	₦ million	₦ million	₦ million	₦ million
Balance, beginning of year	21,681	10,147	21,451	9,917
Additional provision (see note 18(k) below)	422	15,534	422	15,534
Provision no longer required	(9,370)	-	(9,370)	-
Reclassification	(4,825)	(4,000)	(4,825)	(4,000)
Balance, end of year	7,908	21,681	7,678	21,451

18 Loans and advances to customers:

(a) Loans and advances to customers comprise:

	Group Dec-11	Group Dec-10	Bank Dec-11	Bank Dec-10
	₦ million	₦ million	₦ million	₦ million
Overdrafts	89,511	130,517	75,923	115,492
Term loans	93,249	134,252	73,142	111,499
Others	7,044	27,484	5,300	27,454
	189,804	292,253	154,365	254,445



Less: allowances for bad and doubtful loans				
- specific allowance (see note (g) below)	(15,256)	(67,908)	(2,527)	(56,242)
- general allowance (see note (h) below)	(8,652)	-	(8,469)	-
- Interest in suspense (see note (i) below)	(7,331)	(21,964)	(2,849)	(19,549)
	<u>158,565</u>	<u>202,381</u>	<u>140,520</u>	<u>178,654</u>

(b) (i) Gross loans and advances by security comprise:

	Group Dec-11	Group Dec-10	Bank Dec-11	Bank Dec-10
	₦ million	₦ million	₦ million	₦ million
Secured against real estate	111,762	137,088	87,791	114,674
Secured by shares of quoted companies	8,930	23,719	852	19,687
Otherwise secured	64,080	110,079	64,080	105,332
Unsecured	5,032	21,367	1,642	14,752
	<u>189,804</u>	<u>292,253</u>	<u>154,365</u>	<u>254,445</u>

(c) The gross value of loans and advances by maturity is as follows:

	Group Dec-11	Group Dec-10	Bank Dec-11	Bank Dec-10
	₦ million	₦ million	₦ million	₦ million
Under 1 month	31,220	126,686	28,957	122,999
1 - 3 months	51,397	22,362	33,557	18,793
3 - 6 months	15,168	20,806	14,598	14,336
6 - 12 months	23,367	25,461	21,473	16,586
Over 12 months	68,652	96,938	55,780	81,731
	<u>189,804</u>	<u>292,253</u>	<u>154,365</u>	<u>254,445</u>

(d) The gross value of loans and advances by sector is as follows:

	Group Dec-11	Group Dec-10	Bank Dec-11	Bank Dec-10
	₦ million	₦ million	₦ million	₦ million
Agriculture	17,880	20,363	16,265	18,829
Oil and gas	26,202	80,550	20,474	77,206
Capital Market	1,433	2,696	1,433	2,696
Consumer Credit	15,056	32,060	14,927	31,636
Manufacturing	19,338	20,807	19,838	20,566
Mining and Quarrying	-	1,937	-	26
Mortgage	1,245	1,149	1,245	95
Real estate and construction	21,000	16,925	21,000	16,925
General Commerce	23,974	30,901	23,974	30,827
Finance and Insurance	7,179	2,100	7,179	2,100
Government	4,456	4,952	4,456	4,952
Power	-	35	-	35
Other public utilities	148	351	148	322
Transportation	5,591	946	5,173	946



Communication	13,477	41,725	12,383	12,528
Education	388	1,068	388	1,068
Others	32,437	33,688	5,482	33,688
	<u>189,804</u>	<u>292,253</u>	<u>154,365</u>	<u>254,445</u>

(e) The gross value of loans and advances by borrower is as follows:

	Group Dec-11	Group Dec-10	Bank Dec-11	Bank Dec-10
	₦ million	₦ million	₦ million	₦ million
Insider related loans (see note 45(b))	10,572	13,654	10,159	13,190
Other loans	179,232	278,599	144,206	241,255
	<u>189,804</u>	<u>292,253</u>	<u>154,365</u>	<u>254,445</u>

(f) The analysis of gross value of loans and advances by performance is as follows:

	Group Dec-11	Group Dec-10	Bank Dec-11	Bank Dec-10
	₦ million	₦ million	₦ million	₦ million
Performing	162,443	174,113	146,560	152,401
Non-performing (see note (f)(ii) below):				
- Principal	18,393	94,416	4,956	82,495
- Interest	8,968	23,724	2,849	19,549
	<u>189,804</u>	<u>292,253</u>	<u>154,365</u>	<u>254,445</u>

(f) (ii) The analysis of non-performing loans and advances is as follows:

	Group Dec-11	Group Dec-10	Bank Dec-11	Bank Dec-10
	₦ million	₦ million	₦ million	₦ million
90-180 days (sub-standard)	3,370	29,766	1,653	26,179
180-360 days (doubtful)	2,127	10,852	1,883	9,197
Over 360 days (lost)	12,896	53,798	1,420	47,119
Interest in suspense	8,968	23,724	2,849	19,549
	<u>27,361</u>	<u>118,140</u>	<u>7,805</u>	<u>102,044</u>

(g) The movements on specific loan loss allowance during the year was as follows:

	Group Dec-11	Group Dec-10	Bank Dec-11	Bank Dec-10
	₦ million	₦ million	₦ million	₦ million
Balance, beginning of year	67,908	213,972	56,242	209,089
Exchange difference	2	1	-	-
Allowances made during the year (see note (j) below)	35,912	26,544	32,382	19,060
Allowances reversed on sale of loans to AMCON	(8,429)	(163,762)	(8,429)	(163,762)
Loan written-off during the year	(62,719)	(702)	(62,719)	-
Allowances no longer required	(17,853)	(8,145)	(15,384)	(8,145)
Reclassification	435	-	435	-
Balance, end of year	<u>15,256</u>	<u>67,908</u>	<u>2,527</u>	<u>56,242</u>



- (h) The movement in general loan loss allowance during the year was as follows:

	Group Dec-11	Group Dec-10	Bank Dec-11	Bank Dec-10
	₦ million	₦ million	₦ million	₦ million
Balance, beginning of year	-	-	-	-
Exchange difference	-	-	-	-
Allowances made during the year (see note (j) below)	8,652	-	8,469	-
Balance, end of year	8,652	-	8,469	-

- (i) The movements on interest-in-suspense during the year were as follows:

	Group Dec-11	Group Dec-10	Bank Dec-11	Bank Dec-10
	₦ million	₦ million	₦ million	₦ million
Balance, beginning of year	21,964	26,397	19,549	25,691
Exchange difference	-	-	-	-
Interest suspended during the year	20,372	28,235	18,305	26,524
Interest recovered	-	(25,428)	-	(25,426)
Interest written off	(34,570)	(7,240)	(34,570)	(7,240)
Reclassification	(435)	-	(435)	-
Balance, end of year	7,331	21,964	2,849	19,549

- (j) Loan loss expenses

The analysis of loan loss expense is shown below:

	Group Dec-11	Group Dec-10	Bank Dec-11	Bank Dec-10
	₦ million	₦ million	₦ million	₦ million
Specific allowances on risk assets (see note (g) above)	35,912	26,544	32,382	19,060
General allowance on loans and advances (see note (h) above)	8,652	-	8,469	-
(Writeback)/ allowance on advance under finance lease (see note 19(a)(i)&(ii) below)	(381)	(427)	(381)	(428)
Specific loan loss allowance no longer required (see note (g) above)	(17,853)	(8,145)	(15,384)	(8,145)
	26,330	17,972	25,086	10,487



- (k) Diminution in other assets values
Diminution in other assets value comprises:

	Group Dec-11	Group Dec-10	Bank Dec-11	Bank Dec-10
	₦ million	₦ million	₦ million	₦ million
Diminution in the value of investments (see note 16(b), 21(l) & 27(a)(ii))	(1,039)	1,325	(1,260)	1,273
Allowances on other assets (See note 26(b))	56,294	1,795	56,371	1,577
Allowances on cash and short term funds (See note 15(b) & 17(b))	(1,956)	15,954	(1,956)	15,954
Allowance on insurance receivables (see note 20(b))	208	118	-	-
	<u>53,507</u>	<u>19,192</u>	<u>53,155</u>	<u>18,804</u>

19 Advances under finance lease

- (a) Advances under finance lease comprise:

	Group Dec-11	Group Dec-10	Bank Dec-11	Bank Dec-10
	₦ million	₦ million	₦ million	₦ million
Gross investment in finance lease	4,265	6,824	4,194	6,713
Less: Un-earned income	-	-	-	-
Net investment in finance lease	4,265	6,824	4,194	6,713
Less specific allowance (see note (a)(i) below)	(233)	(1,878)	(232)	(1,877)
General allowance (see note a(ii) below)	(38)	-	(38)	-
Balance, end of year	<u>3,994</u>	<u>4,946</u>	<u>3,924</u>	<u>4,836</u>

- (a) (i) The movement on specific allowances for bad and doubtful advances under finance lease was as follows:

	Group Dec-11	Group Dec-10	Bank Dec-11	Bank Dec-10
	₦ million	₦ million	₦ million	₦ million
Balance, beginning of year	1,878	2,305	1,877	2,305
(Writeback)/allowance made during the year (see note 18(j))	(419)	(427)	(419)	(428)
Write-off during the year	(1,226)	-	(1,226)	-
Balance, end of year	<u>233</u>	<u>1,878</u>	<u>232</u>	<u>1,877</u>

- (ii) The movement on general allowances for bad and doubtful advances under finance lease was as follows:

	Group Dec-11	Group Dec-10	Bank Dec-11	Bank Dec-10
	₦ million	₦ million	₦ million	₦ million
Balance, beginning of year	-	-	-	-
(Writeback)/allowance made during the year (see note 18(j))	38	-	38	-
Balance, end of year	<u>38</u>	<u>-</u>	<u>38</u>	<u>-</u>



(a) (ii) The maturity profile of the net investment in advances under finance lease is as follows:

	Group Dec-11	Group Dec-10	Bank Dec-11	Bank Dec-10
	₦ million	₦ million	₦ million	₦ million
Under 1 month	258	2,362	258	2,362
1 - 3 months	-	37	-	37
3 - 6 months	-	614	-	614
6 - 12 months	-	368	-	368
Over 12 months	4,007	3,443	3,936	3,332
	<u>4,265</u>	<u>6,824</u>	<u>4,194</u>	<u>6,713</u>

(a) (iii) The performance analysis of gross advance under finance lease is as follows:

	Group Dec-11	Group Dec-10	Bank Dec-11	Bank Dec-10
	₦ million	₦ million	₦ million	₦ million
Performing	3,927	1,945	3,856	1,945
Non performing				
- substandard	138	3,288	138	3,177
- doubtful	76	64	76	64
- lost	124	1,527	124	1,527
	<u>4,265</u>	<u>6,824</u>	<u>4,194</u>	<u>6,713</u>

20 Insurance receivables

(a) Insurance receivables comprise:

	Group Dec-11	Group Dec-10	Bank Dec-11	Bank Dec-10
	₦ million	₦ million	₦ million	₦ million
Due from policy holders	1,558	1,156	-	-
Due from agents and brokers	-	-	-	-
Due from reinsurers	-	-	-	-
	<u>1,558</u>	<u>1,156</u>	<u>-</u>	<u>-</u>
Allowance for doubtful receivables (see (b) below)	(703)	(495)	-	-
	<u>855</u>	<u>661</u>	<u>-</u>	<u>-</u>

(b) Movement in allowance for doubtful insurance receivables is as follows:

	Group Dec-11	Group Dec-10	Bank Dec-11	Bank Dec-10
	₦ million	₦ million	₦ million	₦ million
Balance, beginning of the year	495	377	-	-
Additions during the year (see note 18(k) above)	208	118	-	-
Written off during the year	-	-	-	-
Balance, end of the year	<u>703</u>	<u>495</u>	<u>-</u>	<u>-</u>



21 Investment securities

Investment securities comprise:

(a) *Investment securities - long term*

	Group Dec-11	Group Dec-10	Bank Dec-11	Bank Dec-10
	₦ million	₦ million	₦ million	₦ million
(i) <i>Listed debt securities - at cost</i>				
- Federal Govt. bonds (see note (c)(i) below)	71,689	80,443	71,115	79,869
- State Government bonds (see note (d) below)	13,472	9,842	11,504	9,475
- Proprietary Investments (see note (e) below)	1,123	1,298	-	-
- Corporate Bonds (see note (f) below)	8,430	2,500	2,600	2,000
- AMCON Bonds (see note (g) below)	54,564	239,534	54,527	239,534
(ii) <i>Unlisted equity securities - at cost</i>				
- Interswitch	13	42	13	42
- Smartcard Nigeria Plc	126	126	126	126
- Nigeria Automated Clearing Systems	42	42	42	42
- Afrexim	21	21	21	21
- Central Securities Clearing System	19	19	19	19
- Africa Finance Corporation	5,890	5,890	5,890	5,890
- Banque International du Benin	1,152	1,152	1,152	1,152
- AIB Cotonou	122	122	122	122
- Unique Venture Capital Limited	16	16	16	16
- Union Pension Fund Limited	-	2,000	-	-
- Other unquoted investments	10,016	6,620	25	21
- Small and medium industries investments (see note (h) below)	3,746	3,953	3,746	3,953
(iii) <i>Quoted equity investments</i>	4,352	10,767	515	518
	174,793	364,387	151,433	342,800
Less:				
Diminution in value of SMEEIS	(3,304)	(3,046)	(3,304)	(3,046)
Diminution in value of other investment	(6,299)	(6,913)	(4,016)	(4,016)
	165,190	354,428	144,113	335,738

(b) *Investment securities- short term.*

(i) <i>Listed equity securities</i>				
Proprietary investments	657	553	-	-
Underwritten shares	-	945	-	-
(ii) <i>Unlisted debt securities</i>				
FGN Bonds- trading (see note (k)(i) below)	9,221	10,054	9,221	10,054
Other investments	7,795	8,969	1,228	1,228
	17,673	20,521	10,449	11,282
Less: diminution in value of investment	(1,489)	(1,370)	(1,208)	(1,208)
	16,184	19,151	9,241	10,074
	181,374	373,579	153,354	345,812



(c) (i) The analysis of FGN Bonds - held to maturity is as follows

	Group Dec-11 ₦ million	Group Dec-10 ₦ million	Bank Dec-11 ₦ million	Bank Dec-10 ₦ million
3rd FGN Bond Series 3 (14.50%)	-	2,000	-	2,000
3rd FGN Bond Series 5 (14.50%)	-	1,000	-	1,000
3rd FGN Bond Series 7 (13.50%)	-	10,000	-	10,000
3rd FGN Bond Series 8 (12.00%)	-	5,000	-	5,000
3rd FGN Bond Series 10 (16.00%)	12,000	12,000	12,000	12,000
3rd FGN bond series 13 (12.99%)	-	563	-	563
4th FGN bond series 2 (9.50%)	139	150	102	113
4th FGN bond series 3 (10.70%)	2,423	2,589	2,423	2,589
4th FGN Bond Series 5 (9.23%)	606	621	606	621
4th FGN Bond Series 6 (9.2%)	864	910	864	910
4th FGN bond series 8 (9.85%)	200	200	200	200
4th FGN Bond Series 9 (9.35%)	4,322	4,432	4,322	4,432
4th FGN Bond Series 10 (9.50%)	580	625	580	625
4th FGN Bond Series 11 (9.2%)	1,523	1,590	1,486	1,553
5th FGN Bond Series 1 (9.45%)	1,640	475	1,640	475
5th FGN Bond Series 2 (10.7%)	2,595	2,688	2,595	2,688
5th FGN Bond Series 3 (10.50%)	-	1,476	-	1,476
5th FGN Bond Series 4 (10.50%)	1,926	801	1,926	801
5th FGN Bond Series 5 (15%)	8,579	5,939	8,579	5,939
6th FGN Bond Series 1 (9.92%)	806	-	806	-
6th FGN Bond Series 2 (10.50%)	1,760	784	1,760	784
6th FGN Bond Series 3 (12.4%)	12,508	12,732	12,508	12,732
6th FGN Bond Series 4 (7%)	4,820	4,854	4,820	4,854
6th FGN Bond Series 5 (8.50%)	5,464	5,495	5,464	5,495
7th FGN Bond Series 1 (5.50%)	3,263	500	2,763	-
7th FGN Bond Series 2 (4%)	2,455	1,912	2,455	1,912
7th FGN Bond Series 3 (10%)	2,916	1,107	2,916	1,107
8th FGN Bond Series 1 (10.75%)	300	-	300	-
	71,689	80,443	71,115	79,869

(c) (ii) Included in the FGN (Federal Government of Nigeria) bonds is an amount ₦15,170,000,000 (December 2010: ₦11,000,000,000) representing the face value of FGN bonds pledged to the Central bank of Nigeria (CBN) discount office to act as settlement bank and also for its participation in clearing activities with the CBN and ₦18,400,000,000 (December 2010: ₦14,400,000,000) representing the face value of FGN Bond pledged to the Bank of Industry (BOI) as security for BOI on-lending loans.

(c) (iii) The market value of FGN Bonds that the Bank intends to hold to maturity was ₦53.52 billion (31 December 2010: ₦97.34billion)



- (d) The analysis of State government bonds is as follows

	Group Dec-11	Group Dec-10	Bank Dec-11	Bank Dec-10
	₦ million	₦ million	₦ million	₦ million
Lagos State Bond Series 1 (13.00%)	5,408	5,408	5,408	5,408
Lagos State Bond Series 2 (10.00%)	4,077	4,117	4,077	4,077
Edo State Bond Series 2 (14.00%)	2,500	-	2,000	-
Ebonyi Bond Series 1 (13.00%)	268	317	-	-
Benue State Bond Series 1 (14.00%)	500	-	-	-
Delta State Bond Series 1 (14.00%)	500	-	-	-
Ekiti State Bond Series 1 (14.50%)	200	-	-	-
Others	19	-	19	-
	<u>13,472</u>	<u>9,842</u>	<u>11,504</u>	<u>9,485</u>

- (e) Proprietary investment as at 31 December 2011, represents trading investment in quoted securities on the stock market which are held in subsidiary entities.
- (f) The amount represents the total value of the group's investment in the corporate bonds. This amount represents the value of Corporate Bonds issued by Flour Mills of Nigeria Plc, NAHCO Limited Lafarge WAPCO Nig. Plc and to the Bank. These bonds are Fixed Rate Senior Unsecured Bonds with a tenure of 5 years, 5 years and 3 years respectively.
- (g) (i) This represents Consideration Bonds (CB) issued by the Asset Management Corporation of Nigeria (AMCON) and fully guaranteed by the Federal Government of Nigeria. These Consideration Bonds are three year zero coupon with a yield to maturity of 10.125%. The outstanding bonds are accommodation bonds transferred to the Bank in order to take its shareholders fund to zero for equity participation.

- (ii) The AMCON consideration bonds comprise:

	Group Dec-11	Group Dec-10	Bank Dec-11	Bank Dec-10
	₦ million	₦ million	₦ million	₦ million
Face value	77,853	322,147	77,853	322,147
Unearned interest	(23,326)	(82,613)	(23,326)	(82,613)
	<u>54,527</u>	<u>239,534</u>	<u>54,527</u>	<u>239,534</u>

- (h) Investment in SMEEIS

- (i) The details of the investment are shown below:

	Group Dec-11	Group Dec-10	Bank Dec-11	Bank Dec-10
	₦ million	₦ million	₦ million	₦ million
Mitchelson Nigeria Limited	90	90	90	90
Gambou Paper Mills Ltd	100	100	100	100
Zanders Nigeria Ltd	60	60	60	60
Double Diamonds Plastics Nig. Ltd	90	90	90	90
Nokosing Paper Mills Ltd	100	100	100	100
Beauty Base Ltd	100	100	100	100
Kitchen Vegetable Oil Ltd	100	100	100	100
Rokana Industries Ltd	93	93	93	93
Sa'adatu Plastic Mfg Co. Ltd.	76	76	76	76
Nakudu Tanner Ltd.	100	100	100	100
Livestock Products & Inv. Co.	30	30	30	30
Unique Venture Capital Management Ltd. (Funds under Management)	1,638	1,788	1,638	1,788



Alba Soap Industries Ltd.	70	70	70	70
Newland Foods Ltd.	50	50	50	50
Tinapa Business Resort Ltd	500	500	500	500
Cibi Nig Ltd	52	79	52	79
Eemjm Capital Investment	151	165	151	165
Maxwell Industries Ltd	12	12	12	12
Standard Brothers Ent. Ltd.	7	7	7	7
Vic Lawrence and Associates	6	6	6	6
S & B Ince Ltd	1	1	1	1
Medicare Investment Servies Ltd	9	9	9	9
Accat (Nig) Ltd	21	21	21	21
De Haastrup Communications	11	11	11	11
Alvac Coy Ltd	64	64	64	64
Accion Microfinance	28	28	28	28
Midi Holdings Ltd	12	12	12	12
Freezone Plant Fabrication Limited	28	28	28	28
Nigeria Mills Ltd	32	32	32	32
Orbital Track & Field Ltd	3	3	3	3
Falcongaz Ltd	57	73	57	73
Weltek Ltd	51	51	51	51
Balance with CBN - UTB	4	4	4	4
	<u>3,746</u>	<u>3,953</u>	<u>3,746</u>	<u>3,953</u>
Less: diminution in the value of investment	(3,302)	(3,046)	(3,302)	(3,046)
	<u>444</u>	<u>907</u>	<u>444</u>	<u>907</u>

- (ii) The Bank makes investments under the Small and Medium Enterprises Equity Investment Scheme (SMEEIS) per the Policy Guidelines for 2001 Fiscal Year (Monetary Policy Circular No. 35). Included in unlisted long term investments are the Bank's investment under the Small and Medium Industries Equity Investment Scheme (SMIEIS). A total of ₦3,745,509,243 (December 2010: ₦3,952,915,716) has been so far invested under the scheme. Due to the effective percentage holding of the Bank in these companies, some of them qualify as subsidiaries and associates. However, they are not consolidated as the investments are held temporarily for intended resale and the cost of the Bank's residual interest in the individual investee companies is not material.

- (i) The movement in investment securities-long term is as follows:

	Group Dec-11 ₦ million	Group Dec-10 ₦ million	Bank Dec-11 ₦ million	Bank Dec-11 ₦ million
Balance, beginning of the year	354,428	86,422	335,738	40,653
Investments purchased/(disposed) during the year	(224,058)	278,958	(238,092)	303,140
Adjustment for AMCON bond utilised as equity investment	46,932	-	46,932	-
Redemption of long term investments	(207)	(993)	(207)	(993)
Provision for diminution	(11,905)	(9,959)	(258)	(7,062)
Balance, end of year	<u>165,190</u>	<u>354,428</u>	<u>144,113</u>	<u>335,738</u>

- (j) The directors are of the opinion that the net realisable value of long term investments is not lower than their cost.



(k) (i) FGN Bonds - trading comprise:

	Group Dec-11	Group Dec-10	Bank Dec-11	Bank Dec-10
	₦ million	₦ million	₦ million	₦ million
5th FGN Bond Series 3 (10.50%)	-	480	-	480
6th FGN Bond Series 2 (10.50%)	-	102	-	102
7th FGN Bond Series 1 (5.50%)	2,376	1,120	2,376	1,120
4th FGN bond series 2 (9.50%)	192	215	192	215
4th FGN Bond Series 10 (9.50%)	192	208	192	208
5th FGN Bond Series 1 (9.45%)	293	290	293	290
5th FGN Bond Series 4 (10.50%)	743	1,168	743	1,168
7th FGN Bond Series 2 (4%)	511	74	511	74
4th FGN Bond Series 6 (9.2%)	419	561	419	561
4th FGN Bond Series 11 (9.2%)	536	552	536	552
4th FGN Bond Series 9 (9.35%)	497	654	497	654
5th FGN Bond Series 2 (10.7%)	642	1,239	642	1,239
5th FGN Bond Series 5 (15%)	990	1,466	990	1,466
6th FGN Bond Series 3 (12.4%)	1,126	1,543	1,126	1,543
6th FGN Bond Series 5 (8.50%)	67	92	67	92
7th FGN Bond Series 3 (10%)	161	291	161	291
6th FGN Bond Series 1 (9.92%)	194	-	194	-
6th FGN Bond Series 2 (10.5%)	94	-	94	-
8th FGN Bond Series 1 (10.50%)	188	-	188	-
	<u>9,221</u>	<u>10,054</u>	<u>9,221</u>	<u>10,054</u>

(ii) The original cost of FGN bonds-trading as at 31 December 2011 was ₦10.02 billion (31 December 2010: ₦9.175 billion).

(l) The movement on diminution in the value of investment during the year was as follows:

	Group Dec-11	Group Dec-10	Bank Dec-11	Bank Dec-10
	N million	N million	N million	N million
Balance, beginning of year	11,329	14,287	8,270	11,280
Allowance made during the year	479	2,910	258	2,619
Write back of provisions during the year (see note 18(k) above)	-	(5,525)	-	(5,286)
Reclassification	(716)	(343)	-	(343)
Balance, end of year	<u>11,092</u>	<u>11,329</u>	<u>8,528</u>	<u>8,270</u>



22 Managed funds

Managed funds represents monies administered by the group under trust contracts. Investors in the trust product are guaranteed their principal as well as an agreed interest. The movement during the year is as follows:

	Group Dec-11 N million	Group Dec-10 N million	Bank Dec-11 N million	Bank Dec-10 N million
Balance, beginning of year	875	875	875	875
Additions/(Disposal) during the year	-	-	-	-
Diminution in value of funds	(46)		(46)	
	<u>829</u>	<u>875</u>	<u>829</u>	<u>875</u>

23 Investment in subsidiaries

(a) Investment in subsidiaries comprises:

	Group Dec-11 N million	Group Dec-10 N million	Bank Dec-11 N million	Bank Dec-10 N million
Union Homes Savings and Loans Plc (see note (c) below)	-	-	1,834	1,834
Union Trustees Limited (see note (d) below)	-	-	5	5
Union Assurance Company Limited (see note (e) below)	-	-	1,448	1,448
UBN Property Company Limited (see note (f) below)	-	-	2,195	2,195
Union Bank UK plc (see note (g) below)	-	-	8,372	6,115
Union Registrars (see note (h) below)	-	-	480	480
Union Capital Markets Limited (see note (i) below)	-	-	2,620	2,620
Union Pension Custodian Limited (see note (j) below)	-	-	2,000	2,000
Atlantic Nominees Limited (see note (k) below)	-	-	325	-
	<u>-</u>	<u>-</u>	<u>19,279</u>	<u>16,697</u>



- (b) The subsidiary companies, country of incorporation, nature of business, percentage equity holding and period consolidated with the parent company are as detailed below:

	Country of Incorporation	Company Name	Nature of Business	Percentage of equity capital held	Year end
1	Nigeria	Union Homes Savings and Loans Plc	Property Development and Mortgage Finance	30.60%	31/12/2011
2	Nigeria	Union Trustees Limited	Trusteeship	90.00%	31/12/2011
3	Nigeria	Union Assurance Company	Insurance	30.00%	31/12/2011
4	Nigeria	UBN Property Company Limited	Property Development	39.01%	31/12/2011
5	United Kingdom	Union Bank UK Plc	Licensed UK Bank	100.00%	31/12/2011
6	Nigeria	Union Registrars Limited	Registrar	80.00%	31/12/2011
7	Nigeria	Union Capital Markets Limited	Investment Bank and Stock Brokerage	100.00%	31/12/2011
8	Nigeria	Union Pension Custodian Limited	Pension Custodian	100.00%	31/12/2011
9	Nigeria	Atlantic Nominees Limited	Real Estate	99.98%	31/12/2011

- (c) *Union Homes Savings and Loans Plc (Registered office at 153, Ikorodu Road, Lagos)*
The Company has 7,812,500,000 ordinary shares of 50k 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.
- (d) *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 Limited.
- (e) *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 holds 4.9% and 16.4% is held by Union Properties Limited.
- (f) *UBN Property Company Limited (Registered office at 38/39, Marina, Lagos)*
The Company holds 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 virtue 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.
- (g) *Union Bank UK Plc (Registered office at 14-18 Copthall Avenue, London EC2R 7BN)*
The Bank holds 100% of Union Bank UK's 60,000,000 ordinary shares and 99% of 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.



- (h) *Union Registrars Limited (Registered office at 2, Burma Road, Apapa, Lagos)*
The Company has 1,320,000,000 ordinary shares of N0.50 each which is 80% held by the bank.
- (i) *Union Capital Markets Limited (Registered office at 4, Davies Street, Off Marina, Lagos)*
The Bank holds 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.
- (j) *Union Pension Custodian Limited (Registered Office 9b Oko Awo Street, Victoria Island, Lagos)*
The Bank owns 1,999,999,999 (approx. 100%) of the ordinary Shares while Union Trustees Limited holds 1 ordinary share of N1 each.
- (k) *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 the Union Bank in 2005. The Company was incorporated to hold interests in landed properties.
- (l) The condensed financial statements of the consolidated subsidiaries are included in Note 24.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

Union Bank of Nigeria Plc and Subsidiary Companies
Group Financial Statements – 31 December 2011
Together with Directors' and Auditor's Reports

24 Condensed results of consolidated entities

(a) Condensed results of the consolidated entities as at 31 December 2011, were as follows:

Subsidiary companies/parent company	Group Elimination		Union Bank Assurance Plc		Union Trustees Registrars		Union Homes Plc		Union Property Ltd.		Union Capital Ltd		Union Bank UK		Union Pension Custodian Nominees Ltd	
	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million
Condensed profit and loss																
Operating income	46,432	952	35,228	1,667	1,383	2,776	2,230	93	(363)	2,272	194	-	-	-	-	-
Operating expenses	(89,004)	(5,596)	(71,976)	(1,128)	(466)	(2,013)	(5,704)	(246)	(281)	(1,468)	(126)	-	-	-	-	-
Loan loss expenssi/diminution in other assets	(79,837)	-	(78,241)	(201)	(128)	(69)	(1,195)	-	-	(3)	-	-	-	-	-	-
Exceptional item	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Extra ordinary item	3,428	-	3,428	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit before tax	(118,981)	(4,644)	(111,561)	338	789	694	(4,669)	(153)	(644)	801	68	-	-	-	-	-
Taxation	27,531	-	28,322	(108)	(228)	(222)	-	-	-	(213)	(20)	-	-	-	-	-
Profit after tax	(91,450)	(4,644)	(83,239)	230	561	472	(4,669)	(153)	(644)	588	48	-	-	-	-	-

December 2011

Condensed financial position

Assets	Group Elimination		Union Bank Assurance Plc		Union Trustees Registrars		Union Homes Plc		Union Property Ltd.		Union Capital Ltd		Union Bank UK		Union Pension Custodian Nominees Ltd	
	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million
Cash and balances with Central Bank of Nigeria	51,321	-	51,134	4	-	2	132	1	1	47	-	-	-	-	-	-
Treasury bills	158,717	-	155,382	157	-	1,971	-	-	-	1,207	-	-	-	-	-	-
Due from other banks	216,208	(17,991)	68,101	1,840	80	21,728	419	324	632	138,961	2,114	-	-	-	-	-
Loans and advances to customers	158,565	(4,660)	140,520	-	-	-	13,269	-	-	9,436	-	-	-	-	-	-
Advances under finance lease	3,994	-	3,924	-	70	-	-	-	-	-	-	-	-	-	-	-
Insurance receivables	855	(213)	-	1,068	-	-	-	-	-	-	-	-	-	-	-	-
Investment securities	181,374	(30)	153,354	1,997	9,929	549	8,292	800	1,123	5,330	30	-	-	-	-	-
Managed funds	829	-	829	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment in subsidiaries	-	(19,279)	19,279	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment in associate	7,540	7,465	75	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment properties	29,940	-	807	1,000	-	-	13,816	13,992	-	-	-	-	-	-	-	325
Other assets	111,939	(2,759)	108,000	1,485	377	762	3,746	130	29	131	38	-	-	-	-	-
Deferred tax assets	95,703	(1,975)	95,682	-	-	-	1,961	-	-	35	-	-	-	-	-	-
Property and equipment	50,533	34	46,567	1,543	324	247	1,414	15	37	153	199	-	-	-	-	-
Intangible assets	600	-	109	155	-	-	335	-	1	-	-	-	-	-	-	-
Total assets	1,068,118	(39,408)	843,763	9,249	10,780	25,259	43,384	15,262	1,823	155,300	2,381	-	-	-	-	325

December 2011

	Group balance	Elimination Entries	Union										
			Union Bank Plc	Assurance Plc	Trustees Union	Registrars Union	Homes Plc Union	Property Ltd.	Capital Ltd Union	Bank UK Union	Pension Custodiar. Union	Nominees Ltd	
	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million
Financed by:													
Customers' deposits	500,199	(21,658)	399,234	-	-	-	-	35,387	-	-	-	87,236	-
Due to other banks	62,214	-	1,580	-	-	-	-	4,826	-	-	-	55,808	-
Claims payable	805	-	-	805	-	-	-	-	-	-	-	-	-
Finance lease obligations	-	-	-	-	-	-	-	-	-	-	-	-	-
Liability on investment contracts	569	-	-	569	-	-	-	-	-	-	-	-	-
Liabilities on insurance contracts	1,839	-	-	1,839	-	-	-	-	-	-	-	-	-
Current income tax payable	2,668	-	1,358	140	274	478	-	48	123	44	156	47	-
Other liabilities	213,326	(4,097)	172,996	584	7,344	22,656	6,291	6,291	6,611	232	484	225	-
Deferred tax liabilities	846	684	-	62	51	42	-	-	1	6	-	-	-
Dividend payable	308	-	308	-	-	-	-	-	-	-	-	-	-
Retirement benefit obligations	61,841	-	61,777	-	63	-	-	-	-	1	-	-	-
Debt securities in issue	26,950	-	26,950	-	-	-	-	-	-	-	-	-	-
Other borrowings	196,553	(14,337)	179,560	5,250	3,048	2,083	(3,168)	8,527	1,540	11,616	2,109	325	-
Equity and reserve	1,068,118	(39,408)	843,763	9,249	10,780	25,259	43,384	15,262	1,823	155,300	2,381	325	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

Union Bank of Nigeria Plc and Subsidiary Companies
Group Financial Statements – 31 December 2011
Together with Directors' and Auditor's Reports

24 (b) Condensed results of the consolidated entities as at 31 December 2010, were as follows:

December 2010	Subsidiary companies/parent company	Elimination Entries	Union Bank Plc		Union Assurance Plc		Union Trustees Registrars		Union Homes Plc Property Ltd.		Union Capital Ltd		Union Bank UK	
			₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million
Condensed profit and loss														
	Operating income	2,326	81,102	1,419	706	2,647	4,535	115	408	1,751				
	Operating expenses	(4,531)	(64,209)	(991)	(344)	(2,482)	(6,879)	(199)	(287)	(1,305)				
	Loan loss expense/Diminution in other assets values/Gain on sale to AMCON	-	30,545	(118)	(12)	(104)	(7,875)	-	236	-				
	Profit before tax	(2,205)	47,438	310	350	61	(10,219)	(84)	357	446				
	Taxation	-	70,578	(28)	(91)	(296)	-	-	(29)	(116)				
	Profit after tax	(2,205)	118,016	282	259	(235)	(10,219)	(84)	328	330				
December 2010														
	Group balance	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million
	Elimination Entries	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million
	Union Bank Plc	24,438	22,578	500	1	-	155	17	1	1,186				
	Central Bank of Nigeria	22,484	22,179	-	-	-	-	-	-	305				
	Treasury bills	124,216	35,693	2,544	296	21,202	1,304	262	1,589	98,876				
	Due from other banks	202,381	178,654	-	6	-	15,344	6	-	8,873				
	Loans and advances to customers	4,946	4,836	-	110	-	-	-	-	-				
	Advances under finance lease	661	-	908	-	-	-	-	-	-				
	Insurance receivables	875	875	-	-	-	-	-	-	-				
	Investment under management	373,579	345,812	1,617	10,083	1,381	9,573	800	1,537	-				
	Investment securities	-	16,697	-	-	-	-	-	-	-				
	Investment in subsidiaries	6,588	75	-	-	-	-	-	-	-				
	Investment in associate	23,320	1,404	926	-	-	14,143	7,829	-	-				
	Investment property	66,364	66,352	-	-	-	-	-	-	12				
	Deferred tax assets	92,088	96,216	777	678	413	4,968	501	16	105				
	Other assets	58,229	53,827	1,472	332	323	2,538	2	50	174				
	Property and equipment	522	33	79	-	-	409	-	1	-				
	Intangible assets	1,000,691	845,231	8,823	11,506	23,319	48,434	9,417	3,194	109,531				
	Total assets	(58,764)	845,231	8,823	11,506	23,319	48,434	9,417	3,194	109,531				

December 2010

	Group balance	Elimination	Union Bank	Union	Union	Union	Union	Union	Union	Union	Union	Union	Union	Union	Union	Union
	₦ million	₦ million	Plc	Assurance Plc	Trustees	Registrars	Homes Plc	Property Ltd.	Capital Ltd	UK	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million
		Entries	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million
Financed by:																
Customers' deposits	645,987	(37,550)	598,922	-	8,406	-	42,372	-	-	-	-	-	-	-	-	33,837
Due to other banks	97,046	-	32,029	-	-	-	294	-	-	-	-	-	-	-	-	64,723
Due to related parties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Claims payable	407	-	-	407	-	-	-	-	-	-	-	-	-	-	-	-
Finance lease obligations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Liability on investment contracts	225	(120)	-	345	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities on insurance contracts	2,327	521	-	1,806	-	-	-	-	-	-	-	-	-	-	-	-
Current income tax payable	4,198	329	2,609	112	198	594	87	125	74	70	-	-	-	-	-	-
Other liabilities	156,202	(13,165)	138,365	866	314	21,137	4,953	2,345	929	458	-	-	-	-	-	-
Deferred tax liabilities	846	68	-	44	52	42	631	3	6	-	-	-	-	-	-	-
Dividend payable	308	-	308	-	-	-	-	-	-	-	-	-	-	-	-	-
Retirement benefit obligations	58,675	-	58,634	-	-	41	-	-	-	-	-	-	-	-	-	-
Debt securities in issue	150,258	-	150,258	-	-	-	-	-	-	-	-	-	-	-	-	-
Other borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity and reserves	(115,788)	(8,436)	(135,894)	5,242	2,536	1,505	(312)	6,944	2,184	10,443	-	-	-	-	-	-
Total liabilities	1,000,691	(58,355)	845,231	8,822	11,506	23,319	48,025	9,417	3,193	109,531						

24 (c) The Central Bank of Nigeria's Regulation on the Scope of Banking Activities

Section 6(1) of the Central Bank of Nigeria Regulation on the Scope of Banking Activities and Ancillary Matters requires every bank currently operating under a universal banking licence to submit to the Central Bank of Nigeria for approval a compliance plan duly approved by the Bank's Board of Directors. The regulation requires banks to divest from all non-banking businesses and apply for a new type of banking license based on the decision of the Bank's Board of Directors.

In response to the CBN directive, the Board of Directors applied for a waiver of the regulatory requirement pending the conclusion of the recapitalisation of the Bank.

25 Investment in associate

	Group Dec-11 ₦ million	Group Dec-10 ₦ million	Bank Dec-11 ₦ million	Bank Dec-10 ₦ million
Cost	75	75	75	75
Interest in reserves	6,513	5,396	-	-
Current year profit	952	1,117	-	-
Balance, end of year	<u>7,540</u>	<u>6,588</u>	<u>75</u>	<u>75</u>

26 Other assets

(a)(i) Other assets comprise:

	Group Dec-11 ₦ million	Group Dec-10 ₦ million	Bank Dec-11 ₦ million	Bank Dec-10 ₦ million
Clearing	75,916	108,396	75,916	108,396
Interest and fee receivable	12,323	12,481	11,677	12,137
Prepayments (see (a)(ii) below)	3,023	5,842	2,296	1,713
Due from clients	-	554	-	-
Accounts receivable	961	574	109	172
Deferred acquisition expenses	272	458	345	345
Frauds and losses	644	383	644	383
Sundry customers and investment	61	53	-	-
Advance for shares and investment	-	54	-	2,257
Statutory deposit	500	500	-	-
Receivable from AMCON (see note (c) below)	42,209	-	42,209	-
Other receivables	95,724	44,396	91,311	51,933
OBB placement	23,600	-	23,600	-
Receivable from UBN Property Limited	-	-	2,781	-
	<u>255,233</u>	<u>173,691</u>	<u>250,888</u>	<u>177,336</u>
Allowances on other assets (see note (b) below)	(143,294)	(81,603)	(142,888)	(81,120)
	<u>111,939</u>	<u>92,088</u>	<u>108,000</u>	<u>96,216</u>



(a) (ii) The analysis of prepayments is as follows:

	Group Dec-11	Group Dec-10	Bank Dec-11	Bank Dec-10
	₦ million	₦ million	₦ million	₦ million
Under one year	674	3	372	3,130
Over one year	2,349	5,839	1,924	1,136
	<u>3,023</u>	<u>5,842</u>	<u>2,296</u>	<u>4,266</u>

(b) The movement on the allowance on other assets during the year was as follows:

	Group Dec-11	Group Dec-10	Bank Dec-11	Bank Dec-10
	₦ million	₦ million	₦ million	₦ million
Balance, beginning of year	81,603	74,759	81,120	74,494
Allowance made during the year (see note 18 (k) above)	84,896	8,894	84,697	8,676
Write back of provisions no longer required (see note 18 (k) above)	(28,602)	(7,099)	(28,326)	(7,099)
Reclassification	5,397	5,049	5,397	5,049
Balance, end of year	<u>143,294</u>	<u>81,603</u>	<u>142,888</u>	<u>81,120</u>

(c) The amount represents receivable in respect of bonds being expected from Asset Management Corporation of Nigeria (AMCON) as at year end. Included in the receivable is an amount of N7.66 billion which represents receivable in respect of financial accommodation needed to bring the negative Net Assets Value of the Bank to zero prior to injection of additional investment funds by the core investor as provided in the amended Transaction Implementation Agreement (TIA).

27 **Investment property**

(a) (i) The movement on investment property during the year was as follows

	Group Dec-11	Group Dec-10	Bank Dec-11	Bank Dec-10
	₦ million	₦ million	₦ million	₦ million
Balance, beginning of year	23,320	20,815	2,482	2,482
Additions and capital movements	9,174	4,124	-	-
Disposals	(2,733)	(3,172)	(114)	-
Revaluation gains/(losses)	1,084	2,631	(597)	-
Recoveries during the year	66	-	-	-
	<u>30,911</u>	<u>24,398</u>	<u>1,771</u>	<u>2,482</u>
Provision for investment property (see note (a)(ii)) below	(971)	(1,078)	(964)	(1,078)
Balance, end of year	<u>29,940</u>	<u>23,320</u>	<u>807</u>	<u>1,404</u>

These investment properties have been valued by reputable estate surveyors and valuers using the comparative method of valuation to arrive at the open market value. As at 31 December 2011, 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 within the past three years.

(a) (ii) The movement on provision for investment property was as follows:

	Group Dec-11	Group Dec-10	Bank Dec-11	Bank Dec-10
	₦ million	₦ million	₦ million	₦ million
Balance, beginning of year	1,078	-	1,078	-
(Writeback)/allowance made during the year (see note 18 (k))	(114)	1,078	(114)	1,078
Reclassification	7	-	-	-
Balance, end of year	<u>971</u>	<u>1,078</u>	<u>964</u>	<u>1,078</u>



28 Property and equipment

(a) Group:

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

	Leasehold land and buildings	Leasehold improvements	Machinery & equipment	Furniture & fittings	Motor vehicles	Capital work in progress	Total
	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million
(a) (i) Cost							
Balance, beginning of the year (as restated)	54,509	922	18,819	6,514	6,848	2,715	90,327
Exchange difference	6	-	(41)	-	1	1	(33)
Additions	857	-	1,170	122	271	9	2,429
Disposals	(558)	-	(1)	(2)	(63)	-	(624)
Reclassification to other assets	(3,351)	-	-	-	-	-	(3,351)
Write off	-	-	-	-	-	(135)	(135)
Transfers	70	-	243	119	2	(434)	-
Balance, end of the year	<u>51,533</u>	<u>922</u>	<u>20,190</u>	<u>6,753</u>	<u>7,059</u>	<u>2,156</u>	<u>88,613</u>
(a) (ii) Accumulated depreciation							
Balance, beginning of the year (as restated)	8,115	87	14,729	4,472	4,695	-	32,098
Exchange difference	5	-	22	-	1	-	28
Charge for the year	1,369	-	2,841	535	693	-	5,438
Disposals	203	-	(1)	508	85	-	795
Reclassification to other assets	(245)	-	(22)	-	(12)	-	(279)
Balance, end of the year	<u>9,447</u>	<u>87</u>	<u>17,569</u>	<u>5,515</u>	<u>5,462</u>	<u>-</u>	<u>38,080</u>
(a) (iii) Net Book Value							
End of year	<u>42,086</u>	<u>835</u>	<u>2,621</u>	<u>1,238</u>	<u>1,597</u>	<u>2,156</u>	<u>50,533</u>
Beginning of the year	<u>46,394</u>	<u>835</u>	<u>4,090</u>	<u>2,042</u>	<u>2,153</u>	<u>2,715</u>	<u>58,229</u>

(a) (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.

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

(a) (vi) 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.

28 (b) Bank:

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

(b) (i) Cost

	Leasehold land and buildings	Machinery & equipment	Furniture & fittings	Motor vehicles	Capital work in progress	Total
	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million
Balance, beginning of the year (as restated)	54,861	19,529	4,743	5,039	873	85,045
Additions	535	250	45	79	-	909
Disposals	(413)	-	-	(10)	-	(423)
Transfers	70	243	119	2	(434)	-
Reclassification to other assets	(3,351)	-	-	-	-	(3,351)
Write off	-	-	-	-	(135)	(135)
Balance, end of the year	<u>51,702</u>	<u>20,022</u>	<u>4,907</u>	<u>5,110</u>	<u>304</u>	<u>82,045</u>

(b) (ii) Accumulated depreciation

Balance, beginning of the year (as restated)	8,085	15,511	3,852	3,770	-	31,218
Charge for the year	1,181	2,502	449	541	-	4,673
Disposals	(166)	-	-	(2)	-	(168)
Reclassification to other assets	(245)	-	-	-	-	(245)
Balance, end of the year	<u>8,855</u>	<u>18,013</u>	<u>4,301</u>	<u>4,309</u>	<u>-</u>	<u>35,478</u>
Net Book Value	<u>42,847</u>	<u>2,009</u>	<u>606</u>	<u>801</u>	<u>304</u>	<u>46,567</u>
End of year						
Beginning of the year	<u>46,776</u>	<u>4,018</u>	<u>891</u>	<u>1,269</u>	<u>873</u>	<u>53,827</u>

(a) (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.

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

(a) (vi) 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.

29 Intangible assets

The Bank adopted the new accounting standard - Statement of Accounting Standards 31: On Intangible Assets, which became operative for financial statements covering periods beginning on or after 1 January 2011. As a result, the carrying amount of the cost of its acquired software cost, which does not form part of a related hardware and previously classified as fixed assets, was reclassified to Intangible assets. The movement on intangible asset account during the year was as follows:

	Group Dec-11 ₦ million	Group Dec-10 ₦ million	Bank Dec-11 ₦ million	Bank Dec-10 ₦ million
Cost:				
Balance, beginning of year (as restated)	1,273	731	724	703
Additions	249	542	102	21
Disposals	-	-	-	-
Translation difference	-	-	-	-
	<u>1,522</u>	<u>1,273</u>	<u>826</u>	<u>724</u>
Amortisation and impairment losses:				
Balance, beginning of year (as restated)	751	652	691	628
Amortisation for the year	171	99	26	63
Disposals	-	-	-	-
Translation difference	-	-	-	-
	<u>922</u>	<u>751</u>	<u>717</u>	<u>691</u>
Net book value:				
End of year	<u>600</u>	<u>522</u>	<u>109</u>	<u>33</u>
Beginning of year (as restated)	<u>522</u>	<u>79</u>	<u>33</u>	<u>75</u>

30 Customers' deposits

(a) Customers' deposits comprise:

	Group Dec-11 ₦ million	Group Dec-10 ₦ million	Bank Dec-11 ₦ million	Bank Dec-10 ₦ million
Demand:				
- Current	178,805	225,647	173,522	208,116
- Domiciliary	19,582	128,387	19,582	106,201
Term	175,051	171,249	82,548	167,078
Savings	121,581	120,697	118,402	117,520
Electronic-purse	5,180	7	5,180	7
	<u>500,199</u>	<u>645,987</u>	<u>399,234</u>	<u>598,922</u>



(b) The maturity profile of customers' deposits was as follows:

	Group Dec-11	Group Dec-10	Bank Dec-11	Bank Dec-10
	₦ million	₦ million	₦ million	₦ million
Under 1 month	388,363	10,149	316,686	-
1 - 3 months	103,896	568,401	78,825	541,495
3 - 6 months	6,004	4,280	3,497	2,806
6 - 12 months	1,897	257	200	142
Over 12 months	39	62,900	26	54,479
	<u>500,199</u>	<u>645,987</u>	<u>399,234</u>	<u>598,922</u>

31 Due to other banks

(a) Due to other banks comprise:

	Group Dec-11	Group Dec-10	Bank Dec-11	Bank Dec-10
	₦ million	₦ million	₦ million	₦ million
Items in the course of collection	-	-	-	-
Current balances of banks	62,214	97,046	1,580	32,029
	<u>62,214</u>	<u>97,046</u>	<u>1,580</u>	<u>32,029</u>

(b) Items in the course of collection represents the credit balances outstanding in favour of banks for Group serves as the clearing and settlement banks.

32 Claims payable

Outstanding claims on insurance contracts comprise :

	Group Dec-11	Group Dec-10	Bank Dec-11	Bank Dec-10
	₦ million	₦ million	₦ million	₦ million
General insurance policies	306	407	-	-
Life assurance policies	499	-	-	-
	<u>805</u>	<u>407</u>	<u>-</u>	<u>-</u>

33 Liability on investment contracts

(a) Liability on investment contracts comprise:

	Group Dec-11	Group Dec-10	Bank Dec-11	Bank Dec-10
	₦ million	₦ million	₦ million	₦ million
Deposit administration funds (see note (b) below)	569	225	-	-
	<u>569</u>	<u>225</u>	<u>-</u>	<u>-</u>



(b) (i) Movement in deposit administration funds:

	Group Dec-11 ₦ million	Group Dec-10 ₦ million	Bank Dec-11# ₦ million	Bank Dec-10 ₦ million
Balance, beginning of the year	225	-	-	-
Contributions	419	218	-	-
Withdrawals	(86)	-	-	-
Interest payable on the fund	11	7	-	-
Balance, end of the year	569	225	-	-

(b) (ii) Deposit administration funds arose from investment contracts of the insurance subsidiary of the Group. Holders of such contracts are guaranteed their funds plus a guaranteed interest rate for the tenor of the contract. These contracts have additional benefits - life assurance cover and death benefits.

34 Liabilities on insurance contracts

(a) Liabilities on insurance contracts comprise:

	Group Dec-11 ₦ million	Group Dec-10 ₦ million	Bank Dec-11 ₦ million	Bank Dec-10 ₦ million
Life assurance contracts (see (b)(i) below)	935	1,217	-	-
Non-life insurance contracts (see (c) below)	904	1,110	-	-
	1,839	2,327	-	-

(b) (i) The movement in liability in life assurance contracts during the year was as follows:

	Group Dec-11 ₦ million	Group Dec-10 ₦ million	Bank Dec-11 ₦ million	Bank Dec-10 ₦ million
Balance, beginning of the year	1,217	971	-	-
Increase in life funds (See 8(a)(ii))	87	246	-	-
Transfer from revenue account to shareholders	(369)	-	-	-
Balance, end of the year	935	1,217	-	-

(b) (ii) An actuarial valuation has been performed on the long term life policies, thus an excess has been transferred to the profit and loss account. Whilst section 29(1) of the Insurance Act of 2003, requires an actuarial valuation at least once every three years, the Group performs life actuarial valuations on a yearly basis.



(c) The movement in liability in non-life insurance contracts during the year was as follows:

	Group Dec-11 ₦ million	Group Dec-10 ₦ million	Bank Dec-11 ₦ million	Bank Dec-10 ₦ million
Balance, beginning of the year	1,110	1,009	-	-
Increase in unexpired risks premium (See 8(a)(i))	190	101	-	-
Reclassification	(396)	-	-	-
Balance, end of the year	904	1,110	-	-

35 Other liabilities

Other liabilities comprise:

	Group Dec-11 ₦ million	Group Dec-10 ₦ million	Bank Dec-11 ₦ million	Bank Dec-10 ₦ million
Deposit for foreign currency	41,837	48,197	41,837	48,197
Deposit for dividend	21,237	14,139	-	-
Deposit for properties	2,484	-	-	-
Account and interest payable	10,620	2,358	1,243	817
Provision and accruals	21,436	9,004	20,792	9,549
PAYE and other statutory deductions	2,456	2,050	2,397	2,073
National housing scheme	477	-	-	-
Draft payable and bills payable	32,933	32,684	32,933	32,684
Provision for claims and contingencies (see note (a) below)	1,919	1,327	1,919	1,308
Clearing balances	-	-	-	-
Trade creditors	4,906	2,585	-	-
Treasury bill on open buy back	23,600	-	23,600	-
Due to AMCON (see note (b) below)	14,461	42,908	14,461	42,908
Credit balances	34,960	950	33,814	829
Unearned interest and discount	-	-	-	-
	213,326	156,202	172,996	138,365

(a) Provision for claims and contingencies
The movement on this account during the year was as follows:

	Group Dec-11 ₦ million	Group Dec-10 ₦ million	Bank Dec-11 ₦ million	Bank Dec-10 ₦ million
Balance, beginning of year	1,327	2,010	1,308	886
Charge/(credit) to profit and loss account during the year	592	(683)	611	422
Balance, end of year	1,919	1,327	1,919	1,308



- (b) Amount represents the value of contingent liabilities backing the assets sold to AMCON during the financial year. These were yet to crystallise as at the end of the year.

36 Deferred taxation

- (a) Deferred taxation comprises:

	Group Dec-11 ₦ million	Group Dec-10 ₦ million	Bank Dec-11 ₦ million	Bank Dec-10 ₦ million
Deferred tax assets (see note (b)(i) below)	95,703	66,364	95,682	66,352
Deferred tax liabilities (see note (c)(i) below)	(846)	(846)	-	-
	<u>94,857</u>	<u>65,518</u>	<u>95,682</u>	<u>66,352</u>

- (b) (i) Deferred tax assets

The movement on this account during the year was as follows:

	Group Dec-11 ₦ million	Group Dec-10 ₦ million	Bank Dec-11 ₦ million	Bank Dec-10 ₦ million
Balance, beginning of year	66,364	-	66,352	-
Translation difference	2	-	-	-
Credit to profit and loss account during the year (see note (14)(a))	29,337	66,364	29,330	66,352
Reversal during the year	-	-	-	-
Balance, end of year	<u>95,703</u>	<u>66,364</u>	<u>95,682</u>	<u>66,352</u>

- (b) (ii) Recognised deferred tax assets are attributable to the following:

	Group Dec-11 ₦ million	Group Dec-10 ₦ million	Bank Dec-11 ₦ million	Bank Dec-10 ₦ million
Fixed assets	(6,547)	(8,228)	(6,847)	(8,228)
Unrelieved tax losses	100,744	75,084	100,630	75,084
Revaluation gain/(loss)	573	(504)	573	(504)
Gratuity provisions	877	-	877	-
Other provisions	56	12	449	-
	<u>95,703</u>	<u>66,364</u>	<u>95,682</u>	<u>66,352</u>

The utilisation of deferred tax assets depends on the probability of actualising future plans and generation of sufficient taxable profits. Deferred tax assets have been recognised to the extent that their utilisation is considered probable. Key assumptions made by the directors in this regard, include the injection of significant additional capital, recovery of a large proportion of non-performing loans. These assumptions are subject to risk and uncertainties.

The deferred tax asset arose principally from accumulated tax losses claimed as tax reliefs by the Company and the Group. These tax losses will be subject to a tax audit. The amount provided above represents the Directors' best estimate of the associated realisable tax benefit available to the Company and the Group.

Furthermore, the Directors have estimated income and cash flow projections based on assumptions that represent the Directors' best, estimates of economic conditions in the short to medium term. Arising from the projections, the Directors consider it probable that future taxable profits will be available against which the accumulated tax losses can be utilized and, accordingly, have recognised a deferred tax asset.



(c) (i) Deferred tax liabilities

The movement on the deferred tax account during the year was as follows:

	Group Dec-11 ₦ million	Group Dec-10 ₦ million	Bank Dec-11 ₦ million	Bank Dec-10 ₦ million
Balance, beginning of the year	846	4,761	-	3,922
Translation difference	-	-	-	-
(Credit)/Charge to profit and loss account for the year (see note (14)(a))	-	(3,915)	-	(3,922)
Balance, end of the year	846	846	-	-

(c) (ii) The recognised deferred tax liabilities are attributable to the following:

	Group Dec-11 ₦ million	Group Dec-10 ₦ million	Bank Dec-11 ₦ million	Bank Dec-10 ₦ million
Fixed assets	6	6	-	-
General provisions	135	-	-	-
Gratuity provisions	2	-	-	-
Unrealised loss	-	-	-	-
Other provisions	703	840	-	-
	846	846	-	-

- (d) The Group's exposure to deferred tax (which relates primarily to timing differences in the recognition of depreciation and capital allowances on fixed assets, gratuity provision, other assets, other provisions and general provisions) has been fully provided for in the financial statements.

37 Dividend payable

(a) The movement on this account during the period was as follows:

	Group Dec-11 ₦ million	Group Dec-10 ₦ million	Bank Dec-11 ₦ million	Bank Dec-10 ₦ million
Balance, beginning of year	308	308	308	308
Final dividend declared and paid	-	-	-	-
Payment during the year	-	-	-	-
Balance, end of year	308	308	308	308



38 Retirement benefit obligation

(a) Retirement benefit obligations comprise:

	Group Dec-11 ₦ million	Group Dec-10 ₦ million	Bank Dec-11 ₦ million	Bank Dec-10 ₦ million
Defined contribution schemes (see note (b) below)	219	-	218	-
Defined benefit schemes (see note (c)(i) below)	61,622	58,675	61,559	58,634
	<u>61,841</u>	<u>58,675</u>	<u>61,777</u>	<u>58,634</u>

(b) *Defined contribution schemes*

The movement in defined contribution liability recognised was as follows:

	Group Dec-11 ₦ million	Group Dec-10 ₦ million	Bank Dec-11 ₦ million	Bank Dec-10 ₦ million
Balance, beginning of year	-	-	-	-
Charge/(write-back) during the year (see note 13)	1,679	1,890	1,657	1,890
Contribution remitted	(1,460)	(1,890)	(1,439)	(1,890)
Balance, end of year	<u>219</u>	<u>-</u>	<u>218</u>	<u>-</u>

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 their nominal Pension Fund Administrators.

(c) (i) *Defined benefit schemes*

	Group Dec-11 ₦ million	Group Dec-10 ₦ million	Bank Dec-11 ₦ million	Bank Dec-10 ₦ million
Balance, beginning of year	58,675	80,838	58,634	80,838
Charge/(write-back) during the year (see note 13 (b)(i))	4,915	(19,159)	4,900	(19,200)
Payment during the year	(1,968)	(3,004)	(1,975)	(3,004)
Balance, end of year	<u>61,622</u>	<u>58,675</u>	<u>61,559</u>	<u>58,634</u>

The Group operates a defined benefit scheme where qualifying employees receive a lump sum payment based on the number of years served after an initial qualifying period of 5 years and gross salary on date of retirement. During the period, the Bank transferred additional obligations due to the scheme managed by a Trustee.

(c) (ii) The defined benefit obligation at the end of year represents the balance as actuarially determined by HR Consulting Nigeria Limited. The Bank ensures that adequate provisions are made to meet its obligations under the scheme.



(c) (iii) The principal actuarial assumptions used were as follows:

	Group Dec-11	Group Dec-10	Bank Dec-11	Bank Dec-10
- discount rate	10%	10%	10%	10%
- average rate of inflation	9%	9%	9%	9%
- future salary increases	10%	10%	10%	10%

39 Other borrowing

(a) (i) Borrowings comprise:

	Group Dec-11 ₦ million	Group Dec-10 ₦ million	Bank Dec-11 ₦ million	Bank Dec-10 ₦ million
Loan from Central Bank of Nigeria (CBN) (see note (a) (i) below)	-	120,000	-	120,000
Foreign Loan account (see note (a) (ii) below)	-	4,985	-	4,985
CACs on-lending facility (see note (a) (iv) below)	14,859	10,903	14,859	10,903
BOI on-lending facility (see note (a) (iii) below)	12,091	14,370	12,091	14,370
Others	-	-	-	-
	<u>26,950</u>	<u>150,258</u>	<u>26,950</u>	<u>150,258</u>

(a) (i) During the year, the Bank paid the total loan amount of N120 billion which represents the intervention fund granted in September 2009 to the Bank by Central Bank of Nigeria in form of Tier 2 Capital to boost the bank's liquidity challenges and provide capital to sustain the current level of operation. The repayment was funded through the rediscounting of the Accommodation bonds issued to the Bank by Assets Management Corporation of Nigeria (AMCON).

(a) (ii) The Bank repaid the total outstanding balance of ₦4,985,204,543 (USD32,636,364) on the dollar facilities of \$170,000,000 obtained from Standard Chartered Bank in UK. The loan which was disbursed in two tranches of \$75,000,000 and \$95,000,000 in March and October 2008 at an interest rate of 1.65% and 3.5% respectively above LIBOR rates had a tenor of three years with the final repayment in 2011.

(a) (iii) 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 Nigerian Government securities worth N14,400,000,000 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 the risk of default of customers



- (a) (iv) The amount of N14,859,000,000 represents the total amount 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 (CACS) for promoting agricultural enterprises in Nigeria. The funds are made available to participating banks at zero cost, for on lending to commercial agriculture enterprise at a maximum rate of 9.00% p.a.

- (b) The movement on the borrowings accounts during the year was as follows:

	Group Dec-11 ₦ million	Group Dec-10 ₦ million	Bank Dec-11 ₦ million	Bank Dec-10 ₦ million
Balance, beginning of year	150,258	134,651	150,258	134,651
Additions during the year	6,053	18,161	6,053	18,161
Repayments during the year	(129,361)	(2,554)	(129,361)	(2,554)
Balance, end of year	<u>26,950</u>	<u>150,258</u>	<u>26,950</u>	<u>150,258</u>

- (c) The maturity profile of other borrowings is as follows:

	Group Dec-11 ₦ million	Group Dec-10 ₦ million	Bank Dec-11 ₦ million	Bank Dec-10 ₦ million
Below 1 year	-	-	-	-
Between 1 - 15 years	26,950	150,258	26,950	150,258
	<u>26,950</u>	<u>150,258</u>	<u>26,950</u>	<u>150,258</u>

40 Share capital

- (a) (i) Authorised:

19,023,125,000 Ordinary shares of 50 kobo each (31 December 2010: 30,000,000,000 of 50k each)

	Group Dec-11 ₦ million	Group Dec-10 ₦ million	Bank Dec-11 ₦ million	Bank Dec-10 ₦ million
	<u>9,511</u>	<u>15,000</u>	<u>9,511</u>	<u>15,000</u>

- (ii) The movement on the authorised share capital account during the year was as follows:

	Group Dec-11 ₦ million	Group Dec-10 ₦ million	Bank Dec-11 ₦ million	Bank Dec-10 ₦ million
Balance, beginning of year	15,000	15,000	15,000	15,000
Shares cancelled on reconstruction during the year (see note (c)(ii) and note 42(a)&(b))	(5,489)	-	(5,489)	-
Balance, end of year	<u>9,511</u>	<u>15,000</u>	<u>9,511</u>	<u>15,000</u>



(b) Issued and fully paid-up shares comprise:

	Group Dec-11 ₦ million	Group Dec-10 ₦ million	Bank Dec-11 ₦ million	Bank Dec-10 ₦ million
16,935,806,472 Ordinary shares of 50 kobo each (31 December 2010: 13,510,000,000)	8,468	6,755	8,468	6,755
	<u>8,468</u>	<u>6,755</u>	<u>8,468</u>	<u>6,755</u>

(c) (i) The movement on the issued and fully paid share capital account during the year was as follows:

	Group Dec-11 ₦ million	Group Dec-10 ₦ million	Bank Dec-11 ₦ million	Bank Dec-10 ₦ million
Balance, beginning of year	6,755	6,755	6,755	6,755
Shares cancelled on reconstruction during the year (see note (ii) and note 42(a)&(b))	(5,489)	-	(5,489)	-
Additions during the year	7,202	-	7,202	-
Balance, end of year	<u>8,468</u>	<u>6,755</u>	<u>8,468</u>	<u>6,755</u>

(ii) At the Court Ordered Extraordinary General Meeting (EGM) of the Bank held on 30 September 2011, the shareholders approved the reorganisation of the Bank's share capital. Under the scheme of arrangement which was subsequently sanctioned by the Federal High Court, the following resolution were adopted at the EGM:

- The paid up share capital of Union Bank be and is hereby reduced from N6,755,000,000 (Six Billion, Seven Hundred and Fifty-Five Million Naira) to N1,266,562,500 (One Billion, Two Hundred and Sixty- Six Million, Five Hundred and Sixty-Two Thousand, Five Hundred Naira) by the pro-rata cancellation of 10,976,875,000 (Ten Billion, Nine Hundred and Seventy-Six Million, Eight Hundred and Seventy-Five Thousand) ordinary shares of 50 Kobo each of the issued and fully paid ordinary shares of Union Bank following which the number of ordinary shares to be held by each Existing Shareholder in the capital of Union Bank, shall be in the ratio of 3 ordinary shares for every 16 ordinary shares previously held by such Existing Shareholder, as at the qualification date.
- That pursuant to Article 45 of the Articles of Association of Union Bank :- (i) the Subscription Shares shall be issued and allotted as follows: (a) 3,394,407,265 (Three Billion, Three Hundred and Ninety-Four Million, Four Hundred and Seven Thousand, Two Hundred and Sixty-Five) ordinary shares of 50 kobo each shall be issued and allotted to the Asset Management Corporation of Nigeria in consideration of the injection of the Financial Accommodation Amount pursuant to a Placing; and (b) 11,008,274,206 (Eleven Billion, Eight Million, Two Hundred and Seventy-Four Thousand, Two Hundred and Six) ordinary shares of 50 kobo each shall be issued and allotted to Union Global Partners Limited in consideration of the injection of the Equity Investment pursuant to a Placing; and (ii) 1,407,291,667 (One Billion, Four Hundred and Seven Million, Two Hundred and Ninety-One Thousand, Six Hundred and Sixty-Six) ordinary shares of 50 kobo each in the capital of Union Bank shall be offered to Existing Shareholders by way of a Rights Issue.



3. That pursuant to Section 106 and 120 of CAMA, the Share Premium Account be reduced from N53,023,000,000 (Fifty-Three Billion, Twenty-Three Million Naira) to 0 (zero), to offset the accumulated losses as at the Effective Date.
4. That the Directors be and are hereby authorized within one year following the recapitalization of Union Bank to take all necessary steps to issue the Tier II Securities, which issuance shall not exceed US\$270,000,000 (Two Hundred and seventy Million US Dollars) and shall be made to all the shareholders of Union Bank, in accordance with the provisions of the Transaction Implementation Agreement executed by the Bank on July 12, 2011.

Apart from the right issue that was complete subsequent to balance sheet date and item 4 above which is yet to be completed, the other resolutions were effected at the balances sheet date.

41 Share premium

Share premium represents the excess paid by shareholders over the nominal value of shares issued. The movement in share premium account during the year is as follows:

	Group Dec-11 ₦ million	Group Dec-10 ₦ million	Bank Dec-11 ₦ million	Bank Dec-10 ₦ million
Balance, beginning of year	53,023	53,023	53,023	53,023
Transfer to general reserve on cancellation of existing shares (see note 42(a)&(b))	(53,023)	-	(53,023)	-
Additions during the year	391,641	-	391,641	-
Balance, end of year	<u>391,641</u>	<u>53,023</u>	<u>391,641</u>	<u>53,023</u>





NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

Union Bank of Nigeria Plc and Subsidiary Companies
Group Financial Statements – 31 December 2011
Together with Directors' and Auditor's Reports

42 Reserves

(a) (i) Group

	Statutory Reserves N million	Contingency Reserves N million	SMEEIS Reserves N million	Revaluation Reserves N million	Translation Reserves N million	Capital Reserves N million	Accumulated Losses N million	Total N million
Balance, beginning of the year as at 01/01/2010	16,282	288	6,774	25,999	2,421	-	(349,870)	(298,106)
Revaluation reserve on investment property	-	-	-	4,200	-	-	-	4,200
Transferred from profit and loss account	-	(22)	-	-	-	-	112,093	112,071
Translation gain during the year	-	-	-	-	162	-	-	162
Balance, beginning of the year 01/01/2011	16,282	266	6,774	30,199	2,583	-	(237,777)	(181,673)
Transfer from share premium on cancellation of existing shares (see note 41)	-	-	-	-	-	-	53,023	53,023
Cancelled shares on reconstruction (see note 40 (b) (i))	-	-	-	-	-	5,489	-	5,489
Additions during the year (see note (a) (iii) below)	-	-	-	1,557	-	-	-	1,557
Reversal of revaluation reserve on disposal of fixed assets	-	-	-	(150)	-	-	-	(150)
Transfer from revaluation reserve to retained earnings (see note(e) below)	-	-	-	(2,840)	-	-	2,840	-
Transferred from profit and loss account	-	32	-	-	-	-	(88,340)	(88,308)
Translation gain during the year	-	-	-	-	(588)	-	-	(588)
Balance, end of the year 31/12/2011	16,282	298	6,774	28,766	1,995	5,489	(270,254)	(210,650)

(a) (ii) As required by insurance regulations, a contingency reserve is maintained for both the non-life insurance and life insurance contracts underwritten by the Group. The appropriation to contingency reserve for non-life underwriting contracts is calculated in accordance with section 21(2) and 22(1)(b) of the Insurance Act 2003. The reserve is calculated at the higher of 3% of gross premium and 20% of net profits of the business for the year.

The appropriation of contingency reserve for life underwriting contracts is calculated at the higher of 1% of the gross premium and 10% of net profits of the business for the year. The appropriations are charged to the life fund.

(a) (iii) Amount represents increase in the revaluation reserve resulting from revaluation of investment properties held by some subsidiary companies.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT****42 (b) Bank**

	Statutory Reserves N million	SMEEIS Reserves N million	Translation Reserve N million	Revaluation Reserves N million	Capital Reserves N million	Retained Earnings N million	Total N million
Balance, beginning of the year - 01/01/2010	14,385	6,774	1,895	25,999	-	(362,741)	(313,688)
Transferred from profit and loss account (see note c and d below)	-	-	-	-	-	118,016	118,016
Balance, beginning of the year - 01/01/2011	14,385	6,774	1,895	25,999	-	(244,725)	(195,672)
Transfer from share premium on cancellation of existing shares (see note 41)	-	-	-	-	-	53,023	53,023
Cancelled shares on reconstruction (see note 40(b)(i))	-	-	-	-	5,489	-	5,489
Reversal of revaluation reserve on disposal of fixed assets	-	-	-	(150)	-	-	(150)
Transfer from revaluation reserve to retained earnings (see note(e) below)	-	-	-	(2,840)	-	2,840	-
Transferred from profit and loss account (see note c and d below)	-	-	-	-	-	(83,239)	(83,239)
Balance, end of the year 31/12/2011	14,385	6,774	1,895	23,009	5,489	(272,101)	(220,549)

(c) 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 1991 (amended), 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. No transfer was made during the year as the Bank recorded losses.

(d) 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 a 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. The small and medium scale industries equity investment scheme reserves are non-distributable.

(e) Amount represents the release of related revaluation surplus on property and equipment transferred to Union Properties Limited.

The Bank executed an agreement with UBN Properties Limited in 2011 under which a number of properties initially held by the Bank as part of properties and equipment were transferred to UBN properties for development. The Agreement provided that the properties be developed and sold to interested buyers and with set out formula for determination of the consideration of the Bank.

The Bank effected the transfer from its property and equipment during the year while UBN Properties Limited recognised the transferred properties as Investment Properties.

Prior to the transfer, the Bank has revalued the properties and recognised a revaluation reserve in line with regulatory guidelines. To give effect to the Agreement with UBN Properties Limited, the cost of the properties in Property and Equipment were eliminated and the related revaluation reserves released to retained earnings.

43 Non-controlling interest

(a) The analysis of non-controlling interest is shown below:

	Group Dec-11	Group Dec-10
	₦ million	₦ million
Union Homes Savings and Loans Plc	(2,199)	(172)
Union Assurance Company Limited	3,675	2,402
Union Property Company Limited	5,201	3,576
Union Registrars	417	301
	<u>7,094</u>	<u>6,107</u>

(b) The movement in the non-controlling interest account during the year is shown below:

	Group Dec-11	Group Dec-10
	₦ million	₦ million
Balance, beginning of the year	6,107	9,351
Cash paid by non-controlling interest	-	-
Retained earnings for the year	(3,078)	(5,599)
Increase/dilution in non-controlling interest	4,065	2,355
Effect of exchange differences	-	-
Dividend paid to minority interest	-	-
Balance, end of year	<u>7,094</u>	<u>6,107</u>

44 Contingent liabilities, guarantees and other commitments on behalf of customers

(a) **Legal proceedings**

The Group in the ordinary course of business is presently involved in 476 litigation suits.

The Directors are of the opinion that none of the aforementioned cases is likely to have a material adverse effect on the bank and are not aware of any other pending or threatened claims and litigations besides those included in the above number.

(b) There are contingent liabilities in respect of legal actions against the Bank for amounts totalling N56,593 million (31 December 2010 - N141,704 million) for which provisions amounting to N1,919 million (31 December 2010: N1,308 million) have been made. The actions are being vigorously contested and the directors are of the opinion that no significant liability will arise there from in excess of the provision made in the accounts.



(c) **Acceptances, bonds and guarantees**

In the normal course of business, the Group is party to financial instruments with off-balance sheet risks. The instruments are used to meet the credit and other financial requirements of customers. The contractual amounts of the off-balance sheet financial instruments at the balance sheet date were:

	Group Dec-11 ₦ million	Group Dec-10 ₦ million	Bank Dec-11 ₦ million	Bank Dec-10 ₦ million
Performance bonds and financial guarantees	74,406	96,438	74,104	96,233
Guaranteed commercial papers and bankers acceptances	920	191	920	12
Clean-line facilities & irrevocable letters of credit	25,302	27,002	10,878	15,035
	<u>100,628</u>	<u>123,631</u>	<u>85,902</u>	<u>111,280</u>

(d) **Contingent Liability to Asset Management Corporation of Nigeria (AMCON)**

The Bank was fully capitalised to carry out the business of commercial banking with international license as at 31 December 2011. The amended Transaction Implementation Agreement (TIA) provided that AMCON should inject funds to bring to zero the negative net assets value (NAV) as determined before the injection of the funds.

Subsequent to the injection of the funds by AMCON into the Bank and via a letter dated 4 January 2012, AMCON specifically demanded that any provision recovered going forward on any of the non-performing accounts contained on the list for which additional specific provisions were made and on which AMCON has funded must be returned to AMCON. This process is subject to monitoring on a quarterly basis.



45 Related party transactions

(a) A number of banking transactions are entered into with related parties in the normal course of business. These include loans, deposits, placements and off balance sheet transactions. The volumes of related-party transactions, outstanding balances at the year-end was as follows:

(b) Risk assets outstanding as at 31 December 2011
The status of performance of each facility is as shown below:

Name of company /individual	Relationship	Facility type	₦ million	Status	Nature of Security
Ahmed Mansur	Director	Loan	13	Performing	Legal Mortgage
Akin Ishola	Former Executive Director	Loan	9	Performing	Simple deposit of share certificates
Ali Abubakar Ahmadu	Director	Loan	17	Non performing	Legal Mortgage
Allied Energy	Director	Loan	2,023	Performing	Legal Mortgage
Notore Chemical Industries Ltd	Director	Overdraft	7,983	Performing	Asset Debenture
Sailand Nig. Ltd	Director	Overdraft	114	Non performing	Legal Mortgage
			<u>10,159</u>		

(c) Loans sold to AMCON

Name of company /individual	Relationship	Facility type	₦ million	Status	Nature of Security
Ado Abdullahi - Shares	Former Executive Director	Loan	173	Lost	Simple deposit of share certificates
Ado Abdullahi - Housing	Former Executive Director	Loan	88	Lost	Nil
Ali Yusuf Ali	Former Director	Loan	20	Lost	Lien on Quoted Stocks
Ali Ibrahim Hallu	Former Director	Loan	9	Lost	Nil
B. B. Ebong	Former Group Managing Director	Loan	51	Lost	Legal Mortgage
Bull and Bear	Former Director	Overdraft	37	Lost	Nil
Chief Mrs Florence Oyinsan	Former Director	Loan	13	Lost	Nil
Dr. K.S Adeyemi	Former Executive Director	Loan	38	Lost	Simple deposit of share certificates
E. U Emerueni,	Former Executive Director	Loan	98	Lost	Simple deposit of share certificates, Simple deposit of deed of sublease
IT Solution	Former Director	Overdraft	24	Lost	Nil
Kris Nwosu	Former Managing Director	Overdraft	8	Lost	Nil
M. A Okonkwo	Former Executive Director	Overdraft	128	Lost	Nil
Industrial Project Int'l Nig. Ltd.	Director	Loan	948	Lost	Asset Debenture , Legal Mortgage
W.C.O Mbah	Former Executive Director	Overdraft	156	Lost	Nil
Total			<u>1,791</u>		

46 (Loss)/ earning per share

(Loss)/earning per share has been computed based on profit after taxation and the weighted average number of ordinary shares of 6,134 million (31 December 2010: 13,510 million) in issue during the year.

	Group Dec-11 ₦ million	Group Dec-10 ₦ million	Bank Dec-11 ₦ million	Bank Dec-10 ₦ million
Profit/(loss) attributable to group shareholders	(88,372)	112,071	(83,239)	118,016
Number of ordinary shares in issue as at period end	16,936	13,510	16,936	13,510
Time weighted average number of ordinary shares in issue	6,134	13,510	6,134	13,510
Basic earnings/(loss) per share	-1441k	830k	-1357k	874k
Adjusted earnings /(loss) per share	-1441k	1827k	-1357k	1924k

47 Net cash flow from operating activities

Reconciliation of profit before tax to cash generated from operating activities:

	Group Dec-11 ₦ million	Group Dec-10 ₦ million	Bank Dec-11 ₦ million	Bank Dec-10 ₦ million
Profit after tax	(94,878)	112,071	(83,239)	118,016
Add back: taxation charge	(27,531)	(70,018)	(28,322)	(70,578)
	(122,409)	42,053	(111,561)	47,438
Adjustments to reconcile profit before tax to net cash flow from operating activities:				
Allowance for bad and doubtful loans	(26,330)	(17,545)	25,467	(10,059)
Provision for leases	(381)	(427)	(381)	(428)
Provision for cash and short term fund	(1,956)	15,954	(1,956)	15,954
Allowance for other assets	56,294	1,795	56,371	1,577
Allowance for insurance receivables	208	118	-	-
Allowance for investment securities	(1,039)	1,325	(1,260)	1,273
Depreciation of property and equipment	5,438	5,482	4,673	4,774
Amortisation of intangible assets	171	63	26	63
Gain on disposal of property and equipment	(911)	(1,209)	(671)	36
Revaluation loss on investment property	(1,084)	1,569	597	-
Movement in non-controlling interest	987	(3,244)	-	-
Increase in foreign currency translation reserve	588	-	-	-
Gratuity provisions (See note 38(b) and 38(c)(i))	6,594	(17,269)	6,557	(17,310)
Provision for claims and contingents			611	
Dividend income from equity investments	(585)	(1,913)	(434)	(1,461)
Interest paid on borrowings	4,682	6,250	4,396	6,241
Net cash flow from operating activities before changes in operating assets	42,676	(9,051)	93,996	660



(Increase)/decrease in operating assets:

Cash reserve balances	(28,631)	(218)	(29,148)	(471)
Loans and advances	70,146	284,782	12,667	168,217
Advances under finance leases	2,559	(1,461)	1,293	(1,350)
Insurance receivables	(402)	(126)	-	-
Short term investments	2,848	16,267	833	24,972
Interest receivable and prepayments	2,977	13,544	(123)	12,834
Other asset receivables	(73,037)	24,422	(59,360)	11,787
Managed funds	875	13,807	46	(875)
	<u>(22,665)</u>	<u>351,017</u>	<u>(73,792)</u>	<u>215,114</u>

Increase/(decrease) in operating liabilities:

Customers deposits	(145,788)	(311,342)	(199,688)	(183,121)
Investment contract liabilities	344	225	-	-
Insurance contract liabilities	(488)	347	-	-
Other liabilities	56,874	(23,677)	33,770	(5,756)
Outstanding claims	398	295	-	-
Movement in minority interest	987	-	-	-
	<u>(87,673)</u>	<u>(334,152)</u>	<u>(165,918)</u>	<u>(188,877)</u>

Net cash flow from operating activities	<u>(190,072)</u>	<u>49,867</u>	<u>(257,275)</u>	<u>74,335</u>
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48 Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents include cash, treasury bills and other eligible bills, operating account with other banks, amounts due from other banks and short-term government securities.

	Group Dec-11 ₦ million	Group Dec-10 ₦ million	Bank Dec-11 ₦ million	Bank Dec-10 ₦ million
Cash in hand and balances with CBN (see note 15(a))	29,854	19,785	29,683	18,458
Treasury bills (see note 16)	160,781	25,952	157,446	25,647
Due from other banks (see note 17)	224,116	145,897	75,779	57,144
Due to other banks (see note 31)	(62,214)	(97,046)	(1,580)	(32,029)
	<u>352,537</u>	<u>94,588</u>	<u>261,328</u>	<u>69,220</u>



49 Compliance with banking regulations

Details of the banking legislation, which the Bank contravened during the year, are as follows:

Banking Legislation	Nature of transaction	Penalties ₦ million
(a) Section 27 of Bank and Other Financial Institutions Act, 1991	Late submission of 2010 audited accounts	0.25
(b) CBN Guideline on Disbursement of funds under the BOI Intervention Fund	Late disbursement of funds to customers	136
(c) CBN Guideline on Disbursement of funds under the Commercial Agric. Credit Scheme	Late disbursement of funds to customers	215
		<u>351.25</u>

50 Events after balance sheet date

There were no significant post balance sheet events which have not been taken into consideration in preparation of these financial statements.

51 Comparatives

This is the first set of financial statements after the implementation of the Statement of Accounting Standards No. 31: On Intangible Assets, which became effective for annual periods beginning on or after 1 January 2011. The implementation of the accounting policy resulted to a reclassification of computer software from fixed assets. The impact of this is shown below:

	Group Dec-10 ₦ million	Bank Dec-10 ₦ million
(i) Cost		
Balance as at 31 December 2010	91,600	85,769
Reclassification to intangible assets	(1,273)	(724)
Balance as at 31 December 2010 as restated	<u>90,327</u>	<u>85,045</u>
(ii) Accumulated depreciation		
Balance as at 31 December 2010	32,849	31,909
Reclassification to intangible assets	(751)	(691)
Balance as at 31 December 2010 as restated	<u>32,098</u>	<u>31,218</u>
(iii) Net book value		
Balance as at 31 December 2010	<u>58,751</u>	<u>53,860</u>
Balance as at 31 December 2010 as restated	<u>58,229</u>	<u>53,827</u>

52 Customers' complaints

The Bank in its ordinary course of business received 595 complaints of which 477 complaints were resolved and 118 complaints remained unresolved as at 31 December 2011. The total amount resolved was ₦1,200,459,100.97 while the total disputed amount in cases which remain unresolved stood at ₦6,618,984,468.81. No complaints were referred to the Central Bank of Nigeria (CBN) for intervention.

The Directors are of the opinion that these complaints will be resolved. No provisions are therefore deemed necessary for these complaints.



53 Financial risk management

Risk Assets (Loans and Advances, Advances under Finance Leases, off-balance sheet, direct credit substitutes etc)

Loans and advances are summarised as follows:

	Group 2011	Group 2010	Bank 2011	Bank 2010
	₦ million	₦ million	₦ million	₦ million
Performing	162,443	174,113	146,560	152,401
Non-Performing:				
Substandard	3,370	29,766	1,653	26,179
Doubtful	2,127	10,852	1,883	9,197
Lost	12,896	53,798	1,420	47,119
Interest in suspense	8,968	23,724	2,849	19,549
TOTAL	189,804	292,253	154,365	254,445

Performing but Past Due Loans

Loans and advances less than 90 days past due are considered performing, unless other information is available to indicate the contrary. Gross amount of loans and advances by class to customers that were past due but performing were as follows:

Group	Corporate	Retail	SME	Financial institutions	Total
As at 31 December 2011	2011	2011	2011	2011	2011
	₦ million	₦ million	₦ million	₦ million	₦ million
Past due 0 - 30 days	16,938	3,861	626	-	21,425
Past due up to 30 - 60 days	593	156	33	-	782
Past due up to 60 - 90 days	2,520	149	243	-	2,912
	20,051	4,166	902	-	25,119

Group	Corporate	Retail	SME	Financial institutions	Total
As at 31 December 2010	2010	2010	2010	2010	2010
	₦ million	₦ million	₦ million	₦ million	₦ million
Past due 0 to 30 days	2,334	-	216	11,603	14,153
Past due up to 30 - 60 days	3,336	-	57	-	3,393
Past due up to 60 - 90 days	5	-	-	16,952	16,957
	5,675	-	273	28,555	34,503



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

Union Bank of Nigeria Plc and Subsidiary Companies
Group Financial Statements – 31 December 2011
Together with Directors' and Auditor's Reports

Bank

	Corporate	Retail	SME	Financial institutions	Total
As at 31 December 2011	2011	2011	2011	2011	2011
	₦ million	₦ million	₦ million	₦ million	₦ million
Past due 0 - 30 days	9,188	3,861	626	-	13,675
Past due up to 30 - 60 days	575	156	33	-	764
Past due up to 60 - 90 days	467	149	243	-	859
	<u>10,230</u>	<u>4,166</u>	<u>902</u>	<u>-</u>	<u>15,298</u>

Bank

	Corporate	Retail	SME	Financial institutions	Total
As at 31 December 2010	2010	2010	2010	2010	2010
	₦ million	₦ million	₦ million	₦ million	₦ million
Past due 0 to 30 days	2,334	-	216	-	2,550
Past due up to 30 - 60 days	3,336	-	57	-	3,393
Past due up to 60 - 90 days	-	-	-	-	-
	<u>5,670</u>	<u>-</u>	<u>273</u>	<u>-</u>	<u>5,943</u>

Non-Performing Loans by Industry

	Group 2011	Group 2010	Bank 2011	Bank 2010
	₦ million	₦ million	₦ million	₦ million
Agriculture	1,322	11,292	1,322	11,292
Oil and gas	1,367	19,271	1,367	19,271
Capital Market	104	478	104	478
Consumer Credit	-	-	-	-
Manufacturing	1,361	6,470	1,361	6,470
Mining and Quarrying	-	-	-	-
Mortgage	195	7	195	7
Real estate and construction	-	2,648	-	2,649
General Commerce	2,001	15,273	2,001	15,273
Finance and Insurance	15	1,995	15	1,995
Government	32	2,157	32	2,157
Power	-	35	-	35
Other public utilities	-	322	-	322
Transportation	-	246	-	246
Communication	13	139	13	139
Education	45	325	45	325
Others	24,802	57,482	1,350	41,385
	<u>31,257</u>	<u>118,140</u>	<u>7,805</u>	<u>102,044</u>



Non-Performing Loans by Geography

	Group 2011 ₦ million	Group 2010 ₦ million	Bank 2011 ₦ million	Bank 2010 ₦ million
South South	1,675	17,765	1,675	17,765
South West	24,725	74,023	1,273	57,927
South East	1,765	2,858	1,765	2,858
North West	603	10,009	603	10,009
North Central	1,997	10,373	1,997	10,373
North East	492	3,112	492	3,112
TOTAL	31,257	118,140	7,805	102,044

Concentration of risks of financial assets with credit risk exposure
(a) Geographical Sectors

The following table breaks down the Group's main credit exposure at their carrying amounts, as categorised by geographical region as of 31 December 2011. For this table, the Group has allocated exposures to regions based on the region of domicile of our counterparties.

Group

	Due from banks 2011 ₦ million	Loans 2011 ₦ million	Advances under finance lease 2011 ₦ million	Debt instruments 2011 ₦ million	Total 2011 ₦ million
As at 31 December 2011					
South South	-	20,801	272	-	21,073
South West	31,459	123,460	1,881	76,466	233,266
South East	-	7,959	222	-	8,181
North West	-	12,384	1,812	80,910	95,106
North Central	-	12,225	78	-	12,303
North East	-	3,448	-	-	3,448
Others (outside Nigeria)	192,657	9,527	-	-	202,184
	224,116	189,804	4,265	157,376	575,561

Group

	Due from banks 2010 ₦ million	Loans 2010 ₦ million	Advances under finance lease 2010 ₦ million	Debt Instruments 2010 ₦ million	Total 2010 ₦ million
As at 31 December 2010					
South South	-	28,285	119	-	28,404
South West	5,166	203,956	5,721	14,309	229,152
South East	-	9,623	386	-	10,009
North West	-	19,383	510	-	19,893
North Central	-	15,365	88	329,362	344,815
North East	-	6,685	-	-	6,685
Others (outside Nigeria)	140,731	8,956	-	-	149,687
	145,897	292,253	6,824	343,671	788,645



Bank

	Due from banks	Loans	Advances under finance lease	Debt Instruments	Total
As at 31 December 2011	2011	2011	2011	2011	2011
	₦ million	₦ million	₦ million	₦ million	₦ million
South South	-	20,801	272	-	21,073
South West	8,762	97,548	1,810	68,631	176,751
South East	-	7,959	222	-	8,181
North West	-	12,384	1,812	80,336	94,532
North Central	-	12,225	78	-	12,303
North East	-	3,448	-	-	3,448
Others (outside Nigeria)	67,017	-	-	-	67,017
	<u>75,779</u>	<u>154,365</u>	<u>4,194</u>	<u>148,967</u>	<u>383,305</u>

Bank

	Due from banks	Loans	Advances under finance lease	Debt Instruments	Total
As at 31 December 2010	2010	2010	2010	2010	2010
	₦ million	₦ million	₦ million	₦ million	₦ million
South South	-	28,285	119	-	28,404
South West	15,289	175,104	5,610	11,570	207,573
South East	-	9,623	386	-	10,009
North West	-	19,383	510	-	19,893
North Central	-	15,365	88	329,362	344,815
North East	-	6,685	-	-	6,685
Others (outside Nigeria)	41,855	-	-	-	41,855
	<u>57,144</u>	<u>254,445</u>	<u>6,713</u>	<u>340,932</u>	<u>659,234</u>

**Group
Industry Sectors**

	Due from banks	Loans	Advances under finance lease	Debt Instruments	Total
As at 31 December 2011	2011	2011	2011	2011	2011
	₦ million	₦ million	₦ million	₦ million	₦ million
Agriculture	-	17,880	196	-	18,076
Oil and gas	-	26,202	12	-	26,214
Capital Market	-	1,433	-	-	1,433
Consumer Credit	-	15,056	-	-	15,056
Manufacturing	-	19,338	713	-	20,051
Mortgage	-	1,245	-	-	1,245
Real estate and construction	-	21,000	167	-	21,167
General Commerce	-	23,974	734	-	24,708
Finance and Insurance	-	7,179	89	-	7,268
Government	-	4,456	-	-	4,456
Other public utilities	-	148	-	-	148
Transportation	-	5,591	991	-	6,582



Communication	-	13,477	-	-	13,477
Education	-	388	-	-	388
Others	224,116	32,437	1,363	157,376	415,292
	<u>224,116</u>	<u>189,804</u>	<u>4,265</u>	<u>157,376</u>	<u>575,561</u>

Group

As at 31 December 2010	Due from banks	Loans	Advances under	Debt	Total
	2010	2010	finance lease	Instruments	2010
	₦ million	₦ million	₦ million	₦ million	₦ million
Agriculture	-	20,363	530	-	20,893
Oil and gas	-	80,550	-	-	80,550
Capital Market	-	2,696	-	-	2,696
Consumer Credit	-	32,060	-	-	32,060
Manufacturing	-	20,807	1,343	2,000	24,150
Mining and Quarrying	-	1,937	-	-	1,937
Mortgage	-	1,149	-	-	1,149
Real estate and construction	-	16,925	-	-	16,925
General Commerce	-	30,901	679	-	31,580
Finance and Insurance	57,144	2,100	2	-	59,246
Government	-	4,952	-	338,932	343,884
Power	-	35	-	-	35
Other public utilities	-	351	-	-	351
Transportation	-	946	91	-	1,037
Communication	-	41,725	-	-	41,725
Education	-	1,068	-	-	1,068
Others	88,753	33,688	4,179	2,739	129,359
	<u>145,897</u>	<u>292,253</u>	<u>6,824</u>	<u>343,671</u>	<u>788,645</u>

Bank
(b) Industry Sectors

As at 31 December 2011	Due from banks	Loans	Advances under	Debt	Total
	2011	2011	finance lease	Instruments	2011
	₦ million	₦ million	₦ million	₦ million	₦ million
Agriculture	-	16,265	196	-	16,461
Oil and gas	-	20,474	12	-	20,486
Capital Market	-	1,433	-	-	1,433
Consumer Credit	-	14,927	-	-	14,927
Manufacturing	-	19,838	713	-	20,551
Mining and Quarrying	-	-	-	-	-
Mortgage	-	1,245	-	-	1,245
Real estate and construction	-	21,000	167	-	21,167
General Commerce	-	23,974	734	-	24,708
Finance and Insurance	-	7,179	89	-	7,268
Government	-	4,456	-	-	4,456
Power	-	-	-	-	-
Other public utilities	-	148	-	-	148
Transportation	-	5,173	991	-	6,164



Communication	-	12,383	-	-	12,383
Education	-	388	-	-	388
Others	75,779	5,482	1,292	148,967	231,520
	<u>75,779</u>	<u>154,365</u>	<u>4,194</u>	<u>148,967</u>	<u>383,305</u>

Bank

As at 31 December 2010	Due from banks	Loans	Advances under	Debt	Total
	2010	2010	finance lease	Instruments	
	₦ million	₦ million	2010	2010	2010
	₦ million	₦ million	₦ million	₦ million	₦ million
Agriculture	-	18,829	530	-	19,359
Oil and gas	-	77,206	-	-	77,206
Capital Market	-	2,696	-	-	2,696
Consumer Credit	-	31,636	-	-	31,636
Manufacturing	-	20,566	1,343	2,000	23,909
Mining and Quarrying	-	26	-	-	26
Mortgage	-	95	-	-	95
Real estate and construction	-	16,925	-	-	16,925
General Commerce	-	30,827	679	-	31,506
Finance and Insurance	57,144	2,100	2	-	59,246
Government	-	4,952	-	338,932	343,884
Power	-	35	-	-	35
Other public utilities	-	322	-	-	322
Transportation	-	946	91	-	1,037
Communication	-	12,528	-	-	12,528
Education	-	1,068	-	-	1,068
Others	-	33,688	4,068	-	37,756
	<u>57,144</u>	<u>254,445</u>	<u>6,713</u>	<u>340,932</u>	<u>659,234</u>

Analysis by Portfolio Distribution and Risk Rating

As at 31 December 2011	Group	Group	Bank	Bank
	2011	2010	2011	2010
Risk rating		₦'000		₦'000
AAA to AA	12,640	27,853	12,640	27,853
A+ to A-	11,504	10,027	11,504	10,027
BBB to BB-	64,347	113,443	64,347	113,443
Below BB-	65,874	103,122	65,874	103,122
Unrated	35,439	37,808	-	-
Total	<u>189,804</u>	<u>292,253</u>	<u>154,365</u>	<u>254,445</u>



Foreign exchange risk

The Group takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Board sets limits on the level of exposure by currency and in aggregate for both overnight and intra-day positions, which are monitored daily. The table below summarises the Group's exposure to foreign currency exchange rate risk at 31 December. Included in the table are the Group's assets and liabilities at carrying amounts, categorised by currency.

Group
31 December 2011

	Naira Dec 2011 ₦ million	Dollar Dec 2011 ₦ million	GBP Dec 2011 ₦ million	Euro Dec 2011 ₦ million	Others Dec 2011 ₦ million	Total Dec 2011 ₦ million
Assets:						
Cash in hand and balances with CBN	42,890	6,458	1,245	728	-	51,321
Treasury bills	157,510	1,207	-	-	-	158,717
Due from other banks	10,191	191,117	9,279	4,850	771	216,208
Loans and advances to customers	115,533	41,214	1,723	95	-	158,565
Advances under finance lease	3,994	-	-	-	-	3,994
Insurance receivables	855	-	-	-	-	855
Investment securities	183,584	5,330	-	-	-	188,914
Managed fund	829	-	-	-	-	829
Investment in subsidiaries	-	-	-	-	-	-
Other assets	111,087	678	166	2	6	111,939
Investment property	29,940	-	-	-	-	29,940
Deferred tax assets	95,668	-	35	-	-	95,703
Property and equipment	50,380	-	153	-	-	50,533
Intangible assets	600	-	-	-	-	600
Total financial assets	803,061	246,004	12,601	5,675	777	1,068,118
Liabilities:						
Customers' deposits	285,856	126,309	47,272	37,127	3,635	500,199
Due to other banks	6,406	51,196	2,544	1,684	384	62,214
Claims payable	805	-	-	-	-	805
Finance lease obligations	-	-	-	-	-	-
Liability on investment contracts	569	-	-	-	-	569
Liabilities on insurance contracts	1,839	-	-	-	-	1,839
Current income tax payable	2,512	-	156	-	-	2,668
Other liabilities	204,201	67,004	1,465	3,271	380	276,321
Debt securities in issue	-	-	-	-	-	-
Other borrowings	26,950	-	-	-	-	26,950
Total liabilities	529,138	244,509	51,437	42,082	4,399	871,565
Net on-balance sheet financial position	273,923	1,495	(38,836)	(36,407)	(3,622)	196,553
Off balance sheet	74,559	23,472	273	2,047	277	100,628
31 December 2010						
	Naira ₦ million	Dollar ₦ million	GBP ₦ million	Euro ₦ million	Others ₦ million	Total ₦ million
Total financial assets	845,065	71,245	80,978	3,286	117	1,000,691
Total financial liabilities	866,131	144,948	103,643	1,712	45	1,116,479
Net on-balance sheet financial position	(21,066)	(73,703)	(22,665)	1,574	72	(115,788)
Off balance sheet	33,304	81,408	6,911	1,985	23	123,631



Bank
**Concentrations of currency risk – on- and off-balance sheet financial instruments
31 December 2011**

	Naira ₦ million	Dollar ₦ million	GBP ₦ million	Euro ₦ million	Others ₦ million	Total ₦ million
Assets:						
Cash in hand and balances with CBN	42,750	6,438	1,221	725	-	51,134
Treasury bills	155,382	-	-	-	-	155,382
Due from other banks	1,247	61,233	2,589	2,653	379	68,101
Loans and advances to customers	106,925	33,221	331	43	-	140,520
Advances under finance lease	3,924	-	-	-	-	3,924
Investment securities	153,429	-	-	-	-	153,429
Managed fund	829	-	-	-	-	829
Investment in subsidiaries	19,279	-	-	-	-	19,279
Other assets	107,279	631	84	-	6	108,000
Investment property	807	-	-	-	-	807
Deferred tax assets	95,682	-	-	-	-	95,682
Property and equipment	46,567	-	-	-	-	46,567
Intangible assets	109	-	-	-	-	109
Total financial assets	734,209	101,523	4,225	3,421	385	843,763
Liabilities:						
Customers' deposits	272,127	44,958	41,953	36,562	3,634	399,234
Due to other banks	1,580	-	-	-	-	1,580
Current income tax payable	1,358	-	-	-	-	1,358
Other liabilities	163,445	66,812	1,175	3,269	380	235,081
Debt securities in issue	-	-	-	-	-	-
Other borrowings	26,950	-	-	-	-	26,950
Total liabilities	465,460	111,770	43,128	39,831	4,014	664,203
Net on-balance sheet financial position	268,749	(10,247)	(38,903)	(36,410)	(3,629)	179,560
Off balance sheet	74,559	11,159	135	49	-	85,902
31 December 2010						
	Naira ₦ million	Dollar ₦ million	GBP ₦ million	Euro ₦ million	Others ₦ million	Total ₦ million
Total financial assets	765,296	71,245	5,287	3,286	117	845,231
Total financial liabilities	829,865	144,948	4,555	1,712	45	981,125
Net on-balance sheet financial position	(64,569)	(73,703)	732	1,574	72	(135,894)
Off balance sheet	33,304	76,023	78	1,852	23	111,280



Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn. The consequence may be the failure to meet obligations to repay depositors and fulfil commitments to lend.

Liquidity risk management process

The Group's liquidity management process is primarily the responsibility of the Assets and Liabilities (ALCO). Treasury is the executory arm of ALCO and as functions inclusive.

- Day-to-day funding, managed by monitoring future cash flows to ensure that requirements can be met. This includes replenishment of funds as they mature or are borrowed by customers. The Group maintains an active presence in money markets to enable this to happen;
- Maintaining a portfolio of highly marketable assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;
- Monitoring balance sheet liquidity ratios against internal and regulatory requirements (in conjunction with financial control unit); and
- Managing the concentration and profile of debt maturities.

Funding approach

Sources of liquidity are regularly reviewed by Treasury unit to maintain a wide diversification by currency, geography, provider, product and term.



**FINANCIAL RISK ANALYSIS****Maturity Profile - On Balance Sheet**

Group	Up to 1 month	1 - 3 months	3 - 6 months	6 - 12 months	1 - 5 years	Over 5 years	Total	Carrying value
31 December 2011	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million
Assets:								
Cash in hand and balances with CBN	51,321	-	-	-	-	-	51,321	51,321
Treasury bills	152,965	4,543	807	402	-	-	158,717	158,717
Due from other banks	192,806	22,922	317	163	-	-	216,208	216,208
Loans and advances to customers	32,715	35,406	14,714	25,754	49,976	-	158,565	158,565
Advances under finance lease	261	5	8	3,681	39	-	3,994	3,994
Insurance receivables	500	251	104	-	-	-	855	855
Investment securities	10,997	122,745	-	26,119	26,057	2,996	188,914	188,914
Managed fund	-	-	-	-	829	-	829	829
Investment in subsidiaries	-	-	-	-	-	-	-	-
Other assets	101,322	100	719	5,820	3,848	130	111,939	111,939
Investment property	-	-	-	1,000	6,196	22,744	29,940	29,940
Deferred tax assets	35	-	-	1,961	93,707	-	95,703	95,703
Property and equipment	1,242	116	48	128	2,115	46,914	50,533	50,533
Intangible assets	-	-	-	-	600	-	600	600
Total assets	544,134	186,088	16,717	65,028	183,367	72,784	1,068,118	1,068,118
Liabilities								
Customers' deposits	388,363	103,896	6,004	1,897	39	-	500,199	500,199
Due to other banks	58,173	4,041	-	-	-	-	62,214	62,214
Claims payable	-	-	-	805	-	-	805	805
Liability on investment contracts	65	-	-	90	414	-	569	569
Liabilities on insurance contracts	79	-	-	1,760	-	-	1,839	1,839
Current income tax payable	156	-	1,392	728	392	-	2,668	2,668
Other liabilities	137,069	5,001	75	57,346	76,830	-	276,321	276,321
Other borrowings	-	-	-	62,626	26,950	-	26,950	26,950
Total liabilities	583,905	112,938	7,471	62,626	104,625	-	871,565	871,565
Gap	39,771	(73,150)	(9,246)	(2,402)	(78,742)	(72,784)	(196,553)	(196,553)

Group	Up to 1 month ₦ million	1 - 3 months ₦ million	3 - 6 months ₦ million	6 - 12 months ₦ million	1 - 5 years ₦ million	Over 5 years ₦ million	Total ₦ million	Carrying value ₦ million
31 December 2010								
Assets:								
Cash in hand and balances with CBN	18,238	-	-	-	1	6,199	24,438	24,438
Treasury bills	19,264	3,208	12	-	-	-	22,484	22,484
Due from other banks	82,608	2,793	23,443	10,601	4,771	-	124,216	124,216
Loans and advances to customers	65,339	18,793	14,336	16,586	60,512	26,815	202,381	202,381
Advances under finance lease	2,789	37	614	368	1,138	-	4,946	4,946
Insurance receivables	661	-	-	-	-	-	661	661
Investment securities	13,899	10,828	10,300	290	322,798	15,464	373,579	373,579
Managed fund	875	-	-	-	-	-	875	875
Investment in subsidiaries	-	-	-	-	-	-	-	-
Investment in associate	-	-	-	-	-	6,588	6,588	6,588
Trading properties	-	-	-	-	-	-	-	-
Other assets	87,031	120	32	255	4,650	-	92,088	92,088
Investment property	13,907	-	-	-	8,009	1,404	23,320	23,320
Deferred tax assets	12	-	-	-	-	66,352	66,364	66,364
Property and equipment	4,184	16	48	-	1,511	52,959	58,718	58,718
Goodwill on consolidation	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	33	-	33	33
Total assets	308,807	35,795	48,785	28,100	403,423	175,781	1,000,691	1,000,691
Liabilities								
Customers' deposits	467,352	110,597	2,806	142	66,090	-	645,987	645,987
Due to other banks	97,046	-	-	-	-	-	97,046	97,046
Claims payable	407	-	-	-	-	-	407	407
Finance lease obligations	-	-	-	-	-	-	-	-
Liability on investment contracts	225	-	-	-	-	-	225	225
Liabilities on insurance contracts	2,327	-	-	-	-	-	2,327	2,327
Current income tax payable	888	-	2,609	74	627	-	4,198	4,198
Other liabilities	13,930	5,860	35,482	11,544	149,215	-	216,031	216,031
Deferred tax liabilities	-	-	-	-	-	-	-	-
Dividend payable	-	-	-	-	-	-	-	-
Retirement benefit obligations	-	-	-	-	-	-	-	-
Debt securities in issue	-	-	-	-	-	-	-	-
Other borrowings	-	-	-	30,258	120,000	-	150,258	150,258
Total liabilities	582,175	116,457	40,897	42,018	334,932	-	1,116,479	1,116,479
Gap	(273,368)	(80,662)	7,888	(13,918)	68,491	175,781	(115,788)	(115,788)



FINANCIAL RISK ANALYSIS

Union Bank of Nigeria Plc and Subsidiary Companies
Group Financial Statements – 31 December 2011
Together with Directors' and Auditor's Reports

Bank	Up to 1 month ₦ million	1 - 3 months ₦ million	3 - 6 months ₦ million	6 - 12 months ₦ million	1 - 5 years ₦ million	Over 5 years ₦ million	Total ₦ million	Carrying value ₦ million
31 December 2011								
Assets:								
Cash in hand and balances with CBN	51,134	-	-	-	-	-	51,134	51,134
Treasury bills	152,808	2,572	2	-	-	-	155,382	155,382
Due from other banks	68,101	-	-	-	-	-	68,101	68,101
Loans and advances to customers	28,957	33,557	14,598	21,473	41,935	-	140,520	140,520
Advances under finance lease	258	-	-	3,666	-	-	3,924	3,924
Investment securities	-	121,592	-	15,651	16,186	-	153,429	153,429
Managed fund	-	-	-	-	829	-	829	829
Investment in subsidiaries	-	-	-	-	-	19,279	19,279	19,279
Investment in associate	-	-	-	-	-	-	-	-
Other assets	101,708	-	-	3,362	2,930	-	108,000	108,000
Investment property	-	-	-	-	-	807	807	807
Deferred tax assets	-	-	-	-	95,682	-	95,682	95,682
Property and equipment	-	-	-	-	-	46,567	46,567	46,567
Intangible assets	-	-	-	-	109	-	109	109
Total assets	402,966	157,721	14,600	44,152	157,671	66,653	843,763	843,763
Liabilities:								
Customers' deposits	316,686	78,825	3,497	200	26	-	399,234	399,234
Due to other banks	1,580	-	-	-	-	-	1,580	1,580
Current income tax payable	-	-	1,358	-	-	-	1,358	1,358
Other liabilities	139,055	-	-	33,941	-	-	172,996	172,996
Deferred tax liabilities	-	-	-	-	-	-	-	-
Dividend payable	308	-	-	-	-	-	308	308
Retirement benefit obligations	-	-	-	-	61,777	-	61,777	61,777
Other borrowings	-	-	-	-	26,950	-	26,950	26,950
Total liabilities	457,629	78,825	4,855	34,141	88,753	-	664,203	664,203
Gap	(54,663)	78,896	9,745	10,011	68,918	66,653	179,560	179,560

Bank
Maturity Profile - On Balance Sheet
31 December 2010

	Up to 1 month ₦ million	1 - 3 months ₦ million	3 - 6 months ₦ million	6 - 12 months ₦ million	1 - 5 years ₦ million	Over 5 years ₦ million	Total ₦ million	Carrying value ₦ million
Assets:								
Cash in hand and balances with CBN	16,379	-	-	-	-	6,199	22,578	22,578
Treasury bills	18,959	3,208	12	-	-	-	22,179	22,179
Due from other banks	15,019	411	20,263	-	-	-	35,693	35,693
Loans and advances to customers	41,624	18,793	14,336	16,586	60,500	26,815	178,654	178,654
Advances under finance lease	2,789	37	614	368	1,028	-	4,836	4,836
Investment securities	-	9,001	-	-	322,147	14,664	345,812	345,812
Managed fund	875	-	-	-	-	-	875	875
Investment in subsidiaries	-	-	-	-	-	16,697	16,697	16,697
Investment in associate	-	-	-	-	-	75	75	75
Other assets	92,089	-	32	73	4,022	-	96,216	96,216
Investment property	-	-	-	-	-	1,404	1,404	1,404
Deferred tax assets	-	-	-	-	-	66,352	66,352	66,352
Property and equipment	-	-	-	-	1,200	52,627	53,827	53,827
Intangible assets	-	-	-	-	33	-	33	33
Total assets	187,734	31,450	35,257	17,027	388,930	184,833	845,231	845,231
Liabilities:								
Customers' deposits	428,693	110,597	2,806	142	56,684	-	598,922	598,922
Due to other banks	32,029	-	-	-	-	-	32,029	32,029
Current income tax payable	-	-	2,609	-	-	-	2,609	2,609
Other liabilities	19,767	3,746	32,311	-	82,541	-	138,365	138,365
Deferred tax liabilities	-	-	-	-	-	-	-	-
Dividend payable	308	-	-	-	-	-	308	308
Retirement benefit obligations	-	-	-	-	58,634	-	58,634	58,634
Other borrowings	-	-	-	30,258	120,000	-	150,258	150,258
Total liabilities	480,797	114,343	37,726	30,400	317,859	-	981,125	981,125
Gap	(293,063)	(82,893)	(2,469)	(13,373)	71,071	184,833	(135,894)	(135,894)

Maturity profile - Off Balance Sheet
(a) Financial guarantees and other financial facilities

These comprise performance Bonds and financial guarantees and are also included below based on the earliest contractual maturity date

(b) Contingent letters of credit

This comprises unfunded letters of credit and are also included below based on the earliest contractual payment date.

(c) Operating lease commitments

Where a Group company is the lessee, the future minimum lease payments under non-cancellable operating leases, are summarised in the table below.

(d) Capital commitments

The Group had capital commitments of N186,701,000,000 (31 December 2010: N101,351,000,000) as at the balance sheet date.

The age analysis of contingent liabilities is presented below:

Group	Up to 1 month ₦ million	1 - 3 months ₦ million	3 - 6 months ₦ million	6 - 12 months ₦ million	1 - 5 years ₦ million	Over 5 years ₦ million	Total
31 December 2011							
Performance bonds and financial guarantees	142	73,567	442	233	6	16	74,406
Letters of credit	5,082	5,195	14,750	274	1	-	25,302
Bankers' acceptances	918	-	-	2	-	-	920
Foreign exchange contracts	-	-	-	-	-	-	-
	<u>6,142</u>	<u>78,762</u>	<u>15,192</u>	<u>509</u>	<u>7</u>	<u>16</u>	<u>100,628</u>
Group							
31 December 2010							
Performance bonds and financial guarantees	66	17,961	124	71,830	6,457	-	96,438
Letters of credit	-	-	7	26,484	511	-	27,002
Bankers' acceptances	-	-	-	179	12	-	191
Foreign exchange contracts	-	-	-	-	-	-	-
	<u>66</u>	<u>17,961</u>	<u>131</u>	<u>98,493</u>	<u>6,980</u>	<u>0</u>	<u>123,631</u>

Bank	Up to 1 month ₦ million	1 - 3 months ₦ million	3 - 6 months ₦ million	6 - 12 months ₦ million	1 - 5 years ₦ million	Over 5 years ₦ million	Total ₦ million
Bank 31 December 2011							
Performance bonds and financial guarantees	17	73,567	442	72	6	-	74,104
Letters of credit	-	-	10,800	77	1	-	10,878
Bankers' acceptances	918	-	-	2	-	-	920
Foreign exchange contracts	-	-	-	-	-	-	-
	<u>935</u>	<u>73,567</u>	<u>11,242</u>	<u>151</u>	<u>7</u>	<u>-</u>	<u>85,902</u>
Bank 31 December 2010							
Performance bonds and financial guarantees	66	17,961	124	71,625	6,457	-	96,233
Letters of credit	-	-	7	14,517	511	-	15,035
Bankers' acceptances	-	-	-	-	12	-	12
Foreign exchange contracts	-	-	-	-	-	-	-
	<u>66</u>	<u>17,961</u>	<u>131</u>	<u>86,142</u>	<u>6,980</u>	<u>-</u>	<u>111,280</u>

Capital management

The Group's objectives when managing capital, which is a broader concept than the 'equity' on the face of the balance sheet, are:

- a. To comply with the capital requirements set by the regulators of the banking markets where the entities within the Group operate;
- b. To safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- c. To maintain a strong capital base to support the development of its business.

Capital adequacy and the use of regulatory capital are monitored daily by the Group's management, employing techniques based on the guidelines developed by the Central Bank of Nigeria (CBN), for supervisory purposes. The required information is filed with the CBN on a monthly basis. Auditors to the Group are also required to render an annual certificate to the Nigerian Deposit Insurance Corporation (NDIC) that includes the computed capital adequacy ratio of the Group.

The CBN requires each bank to:

- (i) Hold the minimum level of the regulatory capital of ₦25 billion, and
- (ii) Maintain a ratio of total regulatory capital to the risk-weighted asset at or above the minimum of 10%.

In addition, those individual banking subsidiaries or similar financial institutions not incorporated in Nigeria are directly regulated and supervised by their local banking supervisor, which may differ from country to country.

The Group's regulatory capital as managed by its Financial Control and Treasury Units is divided into two tiers:

- a. Tier 1 capital: share capital, retained earnings and reserves created by appropriations of retained earnings. The book value of goodwill is deducted in arriving at Tier 1 capital; and
- b. Tier 2 capital: preference shares, minority interests arising on consolidation, qualifying debt stock, fixed assets and currency revaluation reserves, general provisions subject to maximum of 1.25% of risk assets and hybrid instruments – convertible bonds.

Investments in unconsolidated subsidiaries and associates are deducted from Tier 1 and Tier 2 capital to arrive at the regulatory capital.

The risk-weighted assets are measured by means of a hierarchy of five risk weights classified according to the nature of – and reflecting an estimate of credit, market and other risks associated with – each asset and counterparty, taking into account any eligible collateral or guarantees. A similar treatment is adopted for off-balance sheet exposure, with some adjustments to reflect the more contingent nature of the potential losses. The bank is currently undergoing a capital raising process in order to adequately fund its negative capital.



The table below summarises the composition of regulatory capital and the ratios of the Group for the years ended 31 December 2011 and 2010. During those two years, the individual entities within the Group and the Group complied with all of the externally imposed capital requirements to which they are subject.

	Group 2011 N million	Group 2010 N million
Tier 1 capital		
Share capital	8,468	6,755
Share premium	391,641	53,023
Statutory reserves	16,282	16,282
Capital reserve	5,489	-
SMIEIS reserve	6,774	6,774
Bonus issue reserve	-	-
Contingency reserve	298	266
Deferred tax assets	(95,703)	(66,364)
Retained earnings	(270,254)	(237,777)
Total qualifying Tier 1 capital	62,995	(221,041)
Tier 2 capital		
Preference shares	-	-
Non controlling interest	7,094	6,107
CBN Loan	-	120,000
Convertible bonds	-	-
Revaluation reserve	28,766	30,199
Translation reserve	1,995	2,583
General provision	8,652	-
Total qualifying Tier 2 capital	46,507	158,889
Total regulatory capital	109,502	(62,152)
Less investment in associate companies	(7,540)	(6,588)
	101,963	(68,740)
Risk-weighted assets:		
On-balance sheet	470,421	698,451
Off-balance sheet	20,126	24,726
Total risk-weighted assets	490,547	723,177
Risk weighted Capital Adequacy Ratio (CAR)	20.79%	-9.51%



Value Added Statement

For the Period Ended 31 December 2011

Group:	Dec. 2011		Dec. 2010	
	₦ million	%	₦ million	%
Gross earnings	80,754		130,414	
Interest expense:				
- Local	(32,862)		(34,789)	
- Foreign	(1,450)		(610)	
	46,442		95,015	
Loan Loss expense/diminution in other risk assets	(79,837)		(37,164)	
	(33,395)		57,851	
Bought in materials and services	(50,492)		17,730	
Value added	(83,887)	100	75,581	100
Distribution:				
Employees				
- Employees as wages, salaries and pensions	33,084	(39)	33,645	45
Government				
- Taxation	(27,531)	33	(70,018)	(93)
Retained in the Group				
- For replacement of fixed assets (depreciation)	5,438	(6)	5,482	7
Profit for the year (including non controlling interest and statutory reserves)	(94,878)	113	106,472	141
	(83,887)	100	75,581	100



Value Added Statement

For the Year Ended 31 December 2011

Bank:	Dec 2011		Dec 2010	
	₦ million	%	₦ million	%
Gross earnings	66,492		113,961	
Interest expense:				
- Local	(30,077)		(32,672)	
- Foreign	(1,187)		(187)	
	35,228		81,102	
Loan Loss expense/diminution on other risk assets	(78,241)		(29,291)	
	(43,013)		51,811	
Bought in materials and services	(30,221)		32,431	
Value added	(73,234)	100	84,242	100
Distribution:				
Employees				
- Employees as wages, salaries and pensions	37,082	(51)	32,030	38
Government				
- Taxation	(28,322)	39	(70,578)	(84)
Retained in the bank				
- For replacement of fixed assets (depreciation)	4,673	(6)	4,774	6
Profit for the year (including statutory and, bonus share reserves)	(86,667)	118	118,016	139
	(73,234)	100	84,242	99



Five Year Financial Summary

Union Bank of Nigeria Plc and Subsidiary Companies
Group Financial Statements – 31 December 2011
Together with Directors' and Auditor's Reports

Five Year Financial Summary

Group

	Dec. 2011	Dec. 2010	Dec. 2009	Mar. 2009	Mar. 2008
	₦ million	₦ million	₦ million	₦ million	₦ million
ASSETS					
Cash in hand and balances with CBN	51,321	24,438	86,846	71,865	46,956
Treasury bills	158,717	22,484	20,953	59,278	94,495
Due from other banks	216,208	124,216	221,855	218,826	467,904
Loans and advances to customers	158,565	202,381	469,618	421,473	258,959
Advances under finance lease	3,994	4,946	3,058	5,626	4,143
Insurance receivables	855	661	653	-	-
Investment securities	181,374	373,579	119,818	133,594	84,166
Managed fund	829	875	14,682	9,339	-
Investment in associate	7,540	6,588	5,471	75	75
Other assets	111,939	92,088	135,748	247,580	129,766
Investment property	29,940	23,320	20,815	14,014	12,958
Deferred tax assets	95,703	66,364	-	-	-
Property and equipment	50,533	58,229	61,189	57,127	29,468
Intangible assets	600	522	-	-	-
TOTAL ASSETS	1,068,118	1,000,691	1,160,706	1,238,797	1,128,890
LIABILITIES					
Share capital	8,468	6,755	6,755	6,755	5,790
Share premium	391,641	53,023	53,023	53,023	53,023
Reserves	(210,650)	(181,673)	(298,106)	(952)	60,347
Non-controlling interest	7,094	6,107	9,351	7,944	6,103
Customers' deposits	500,199	645,987	957,329	772,127	682,309
Due to other banks	62,214	97,046	21,773	158,171	200,928
Claims payable	805	407	112	-	-
Liability on investment contracts	569	225	-	-	-
Liabilities on insurance contracts	1,839	2,327	1,980	1,406	1,086
Current income tax payable	2,668	4,198	6,131	6,527	5,707
Other liabilities	213,326	156,202	181,800	228,397	108,876
Deferred tax liabilities	846	846	4,761	5,399	4,721
Dividend payable	308	308	308	-	-
Retirement benefit obligations	61,841	58,675	80,838	-	-
Other borrowings	26,950	150,258	134,651	-	-
TOTAL LIABILITIES	1,068,118	1,000,691	1,160,706	1,238,797	1,128,890
Guarantees and other commitments on behalf of customers	100,628	123,631	101,351	91,123	86,855



Five Year Financial Summary Cont'd

Group

	Dec. 2011 ₦ million	Dec. 2010 ₦ million	Dec. 2009 ₦ million	Mar. 2009 ₦ million	Mar. 2008 ₦ million
PROFIT AND LOSS ACCOUNT					
Net operating income	46,432	95,009	63,772	104,568	86,015
Operating expenses	(89,004)	(81,227)	(145,273)	(71,150)	(47,203)
Allowance for loan loss & other risk assets	(79,837)	(37,164)	(198,285)	(100,755)	(5,800)
(Loss)/profit before exceptional items and taxation	(122,409)	(23,382)	(279,786)	(67,337)	33,012
Exceptional item	-	59,836			
Taxation	27,531	70,018	(1,587)	(5,517)	(6,157)
Profit after taxation	(94,878)	106,472	(281,373)	(72,854)	26,855
Extra-ordinary income	3,428	-	-	-	-
Profit after taxation and extra-ordinary income	(91,450)	106,472	(281,373)	(72,854)	26,855
Non-controlling interest	3,078	5,599	200	333	(1,116)
Profit attributable to shareholders	(88,372)	112,071	(281,173)	(72,521)	25,739
(Loss)/Earnings per share (basic)	-1441k	830k	-2081k	-537k	-232k
(Loss)/Earnings per share (adjusted)	-1441k	1827k	0k	0k	0k



Five Year Financial Summary

Union Bank of Nigeria Plc and Subsidiary Companies
Group Financial Statements – 31 December 2011
Together with Directors' and Auditor's Reports

Five Year Financial Summary

Bank

	Dec. 2011	Dec. 2010	Dec. 2009	Mar. 2009	Mar. 2008
	₦ million	₦ million	₦ million	₦ million	₦ million
ASSETS					
Cash in hand and balances with CBN	51,134	22,578	84,776	70,185	42,868
Treasury bills	155,382	22,179	20,879	42,982	94,495
Due from other banks	68,101	35,693	200,066	163,542	297,010
Loans and advances to customers	140,520	178,654	336,812	401,546	244,845
Advances under finance lease	3,924	4,836	3,058	5,465	3,852
Investment securities	153,354	345,812	73,515	114,737	62,995
Managed fund	829	875	-	-	-
Investment in subsidiaries	19,279	16,697	16,697	14,213	9,607
Investment in associate	75	75	75	75	-
Other assets	108,000	96,216	127,463	240,766	125,282
Investment property	807	1,404	2,482	-	-
Deferred tax assets	95,682	66,352	-	-	-
Property and equipment	46,567	53,827	55,407	53,268	26,120
Intangible assets	109	33	-	-	-
TOTAL ASSETS	843,763	845,231	921,230	1,106,779	907,074
LIABILITIES:					
Share capital	8,468	6,755	6,755	6,755	5,790
Share premium	391,641	53,023	53,023	53,023	53,023
Reserves	(220,549)	(195,672)	(313,688)	(6,633)	52,458
Customers' deposits	399,234	598,922	782,043	758,390	649,334
Due to other banks	1,580	32,029	21,748	93,213	62,740
Current income tax payable	1,358	2,609	3,993	4,635	4,372
Other liabilities	172,996	138,365	147,637	192,391	75,002
Deferred tax liabilities	-	-	3,922	5,005	4,355
Dividend payable	308	308	308	-	-
Retirement benefit obligations	61,777	58,634	80,838	-	-
Other borrowings	26,950	150,258	134,651	-	-
TOTAL LIABILITIES	843,763	845,231	921,230	1,106,779	907,074
Guarantees and other commitments on behalf of customers	85,902	111,280	101,351	91,123	86,855



Five Year Financial Summary Cont'd

Bank

	Dec. 2011	Dec. 2010	Dec. 2009	Mar. 2009	Mar. 2008
PROFIT AND LOSS ACCOUNT	₦ million	₦ million	₦ million	₦ million	₦ million
Gross earnings	66,492	113,961	97,403	129,182	92,935
Profit on ordinary activities before taxation	(114,989)	(12,398)	(285,370)	(66,918)	29,746
Exceptional items	-	59,836			
Taxation	28,322	70,578	(798)	(4,134)	(5,009)
Profit after taxation	(86,667)	118,016	(286,168)	(71,052)	24,737
Extra-ordinary income	3,428	-	-	-	-
Profit after taxation and extra-ordinary income	(83,239)	118,016	(286,168)	(71,052)	24,737
(Loss)/Earnings per share (basic)	-1357k	874k	-2118k	539k	214k
(Loss)/Earnings per share (adjusted)	-1357k	1924k	-2118k	43k	41k



ABIA STATE

1. ABA-FACTORY ROAD

1, Factory Road
P.M.B. 7106, Aba
Tel: 07029081382

2. 2ND FACTORY ROAD

2, Factory Road
Railway Goods' Shed
Aba
Tel: 07029081462

3. ABA-FAULKS ROAD

Maobison Tower
34, Faulks Road, Aba
Tel: 08058543364, 08035748988

4. ABA-MARKET ROAD

58 Azikiwe Road
P.M.B. 7127, Aba
Tel: 07029081385

5. ABA-MAIN

17, Port Harcourt Road, Aba
Tel: 07029081393

6. ABAYI

Merchandise House
121 Aba-Owerri Road
P.M.B. 7359, Aba
Tel: 08033971852, 08035491122

7. ARIARIA MARKET

228, Faulks Rd. Ariaria Market
Ariaria - Aba
P.M.B. 7515, Aba
Tel: 07029081386

8. AROCHUKWU

Barracks Road, Arochukwu
P.M.B. 542, Arochukwu
Tel: 08032831297, 08033463100

9. NGWA-ROAD

49a Ngwa Road, Aba
P.M.B. 7552, Aba
Tel: 07029081391

10. OHAFIA

Presbyterian Mission
Hilltop
Arochukwu/Ohafia Road
Elu, Ohafia
Tel: 08062350419, 08035058128

11. UMUAHIA

No 10 Library Avenue
P.M.B. 1195, Umuahia
Tel: 07029081383

12. UMUDIKE

National Root Crop
Research Institute Premises,
Umuahia-Ikot Ekpene Road
Umudike-Ikwuano LGA
P.M.B. 7081, Umuahia
Tel: 08038885484, 08033642730

13. UMUOCHAM

Merchandise House
121 Aba-Owerri Road
P.M.B. 7359, Aba
Tel: 07029081389-90

ADAMA WA STATE

14. DEMSA

Yola Road, Demsa
P.M.B. 0032, Demsa
Tel: 080376934799

15. GUYUK

Ghakawo Road
P.M.B. 104, Guyuk, Adamawa
Tel: 08023558567

16. GYAWANA

Off Numan Gombe Road
Gyawana
Tel: 08058572807

17. JADA

Ganye Rd
Jada, Adamawa
Tel- 08037086931

18. MAYO-BELWA

Along Zing Road Mayo-Belwa
P.O. Box 5, Jalingo Rd, Adamawa State
Tel: 08036808704

19. MICHKA

Bama Road Opposite Nitel Office
P.M.B. 1022
Michika, Adamawa State
Tel: 08024691887

20. MUBI

Ahmadu Bello Way
P.M.B. 27, Mubi Adamawa
Tel: 08029137722

21. YOLA MAIN

2, Aminu Mustapha Way
P.M.B. 2005
Jimeta, Yola
Tel: 08063164445

AKWA IBOM STATE

22. ABAK

28 Hospital Road
P.M.B. 1145
Abak
Tel: 08059836332, 08022139545

23. EKET

1, Grace Bill Road
P.M.B. 31, Eket
Tel: 07044342179

24. ETE

1 Ikot Abasi Road
Ete Junction, P.M.B. 049
Ikot Abasi
Tel: 07039423571; 08022367412

25. IKOT-ABASI

1, Ibekwe Road
P.M.B. 1046
Ikot Abasi
Tel: 07069393085

26. IKOT-EDIBON

Nsit Ubium L.G.A.
C/o P.M.B. 1065, Ikot Edibon, Eket
Tel: 08022007907, 08023245332,

27. IKOT-EKPENE

Plot B, Bank Layout, Opp. Old Stadium Rd.
Ikot Ekpene
Tel: 08037067861

28. OKOPEDI

Uyo/Oron Rd. Okobo Local Govt. Area
Tel: 08035307202, 08064415488

29. QUA IBOE TERMINAL (QIT)

Exxon Mobil Terminal Ibena
P.M.B. 1090, Ibena
Tel: 012-799830 Ext. 33360

30. UYO

15 Abak Road
P.M.B. 1084, Uyo
Tel 08034063398

31. 2ND UYO

Plot Banking Estate
Udo Udoma Avenue
Opposite AKS House of Assembly,
Uyo
Tel: 08028425151

ANAMBRA STATE

32. ABAGANA

Orofia Village/Olympic
Factory Premises
P.O.Box 2005
Umudum Village, Abagana
Tel: 07055058137

33. AJALLI

P.M.B. 1010, Ajalli
Orumba North L.G.A.
Tel: 046-666972

34. AWKA

Old Enugu Onitsha Road
P.M.B. 500, Awka
Tel: 08191986526

35. ENUGU-UKWU

Umueze Awobu Village
Old Enugu/Onitsha Road
P.M.B. 3005
Enugu-Ukwu
Tel: 07055058139

36. IGBO UKWU

Ekwulobi/Nnewi Road
P M B 2, Igbo Ukwu
Tel: 08191986531



UNION BANK OFFICES IN NIGERIA (Cont'd)

37. NKPOR

34, New Market Road, Nkpor
Anambra State
Tel: 07029081345-6

38. NKPOR

21, Park Lane,
New Auto Parts Market
Tel: 07029081349; 070290813550

39. NKPOR JUNCTION

33, New Market Road,, Nkpor
P.M.B. 1807
Onitsha
Tel: 046-661420-21, 07029081341-42

40. NNEWI MAIN

Edo Ezennwi Rd,
P.M.B. 4, Nnewi
Tel: 046-661429

41. NNEWI (ORAIFITE)

138, Nkwo Market
Nnewi
Tel: 08191986527

42. EDOEZEMEWI NNEWI

2, Edo Ezemeri Road
Nnewi
Tel 08191986528

43. OKO

Ekwulobia-Umunze Road
Ezioko Village, P.M.B. 20
Aguata
Tel: 07031914391

44. ONITSHA-AJAEBUEZE STREET

1, Ajaegbu Eze Street
Off Ozomagala Street
Onitsha
Tel: 08191525443, 08191525943

45. BRIDGE HEAD ATANI ROAD

3, Atani Road
P.M.B. 007, Fegge - Onitsha
Tel: 07029081347-8

46. ONITSHA-NIGER BRIDGE HEAD

41, Uga Street Fegge
P.M.B. 1565, Onitsha
Anambra State
Tel: 07029081339-40

47. ONITSHA-BRIGHT STREET

1, Bright Street
P.M.B. 1520, Onitsha
07029081335-6

48. OGIDI

Building Materials Market
Ogidi
Tel: 7029081351-2

49. ONITSHA-NEW MARKET

18, New Market Road
P.M.B. 1500, Onitsha
Tel: 07029081337-8, 046-280884

50. ONITSHA-NEW MARKET

33, New Market/Venn Road, North Onitsha
P.O.Box 1790, Onitsha
Tel: 07029081343-4, 046-661406-8

51. UPPER IWEKA

By Nigerian Police Officers Wives Mkt
POWA Plaza,
Onitsha
Tel: 07029081353-4, 046-665868

BAUCHI STATE

52. YANDOKA BY PASS, BAUCHI

Tel: 07085368186

53. COMMERCIAL ROAD, BAUCHI

18, Commercial Road
P.M.B. 002, Bauchi
Tel: 08124961718.

54. MISAU

Kano Kari road,
Misau, Bauchi
Tel: 08034961710

BAYELSA STATE

55. MBIAMA ROAD

204 Obioma Yenagoa Road
P.M.B. 68, Yenagoa
Tel: 08064667513; 08033425091/08051056472

56. OVOM

70, Mbiama/Yenagoa Road
Yenagoa
Tel: 08033945589, 08063908525

BENUE STATE

57. ALIADE

Gboko road, Aliade (Gwer LGA)
P.M.B. 1005, Aliade
Tel: 08037011555

58. GBOKO

Market Road Gboko
P.M.B. 21, Gboko
Tel: 08080341744,

59. OGIRI OKO

3A, Ogiri-Oko Road, Opp. Police Hq. Makurdi
Tel: 08065043184

60. BANK ROAD

Opposite Ministry of Works,
Makurdi
Tel: 08030527466

61. MAKURDI MAIN

Oturkpo Road
P.M.B. 102025, Makurdi
Tel: 08036949495

62. OJU

Secretariat Road
P.M.B. 2001, Oju
Tel: 08053152567; 07064948653

BORNO STATE

63. BAGA

LAWANTI ROAD BAGA, KUKAWA LOCAL
GOVT AREA BORNO
P.M.B. 1006,
Tel : 8027712515; 08027274000

64. GAMBORU-NGALA

GAMBORU NGALA, NGALA LOCAL GOVT
AREA BORNO STATE
Maiduguri
Tel: 088038343395; 08080964203

65. KWAYA-KUSAR

Gombe Road, Maiduguri
Tel: 08026510578; 08026794897

66. KIRIKASAMA

13, Kirikasama Road
P.M.B. 1585, Maiduguri
Tel: 0706-978000, 07029081477-8

67. MAIDUGURI

Sir Kashim Ibrahim Road
P.M.B. 1006, Maiduguri
Tel: 076-965031

CROSS RIVER STATE

68. CALABAR MAIN

12 Calabar road
Calabar, Cross River
Tel: 08037879570

69. AKAMKPA

Calabar – Ikom Highway
Akamkpa, Cross River
P.M.B. 1012, Calabar
Tel: 08064189126

70. CALABAR FREE TRADE ZONE

Calabar Free Trade Zone
Calabar
P.M.B. 1255, Calabar
Tel: 07029081328-9

71. OGOJA

25A Mission Road
P.M.B. 111, Igoli Ogoja,
Calabar
Tel: 08065146505

72. TINAPA

Tinapa Business Resort,
Calabar
Tel: 08064403414

DELTA STATE

73. AGBOR

9 Old Lagos/Asaba Road
Agbor
Tel/ 08036315677



UNION BANK OFFICES IN NIGERIA (Cont'd)

74. ASABA MAIN

119 Nnebisi Road
P.M.B. 1003, Asaba
Tel: 08053752497, 052-886529

75. NNEBISI ASABA

318/319, Nnebisi Road
Tel: 052-886530-1, 07029081304-5

76. EFFURUN

35 Effurun/Sapele Road
P.M.B. 5, Effurun
Tel: 08083116380, 07029081298-9

77. EFFURUN 2

126, Effurun/Sapele Road
P.O. Box 1036
Tel: 07058855572

78. IBUSA

137, UMEJEI ROAD IBUSA
P.M.B. 1002, Ibusa
Tel: 08063429776

79. OGWASHI-UKU BRANCH

2, Local Government Road
P M B 1031
Tel: 08036314404

80. OGHARA

111 Oghara/Ajagbodudu Road
P.O. Box 120, Oghara
Tel: 052-886630

81. OLEH

111 Emore Road
Isoko South LGA
P.M.B. 15, Oleh
Tel: 08053974745

82. OVWIAN/ALADJA

34 Udu Road
Ovwian Aladja
Tel: 08059435651, 052-886620 -1

83. SAPELE

5, Yoruba Road
P.M.B. 4003, Sapele
Tel: 08046661871

84. UGHELLI

Patani Road
P.M.B. 9, Ughelli
Tel: 08165408703

85. WARRI MAIN

6, Warri/Sapele Road
P.O. Box 422, Warri
Tel: 08033749137

86. WARRI-AIRPORT ROAD

60, Airport Road
Warri
Tel: 07029081300-01, 052-886624-5

EBONYI STATE

87. ABAKALIKI

1, Ogoja Road
P.M.B. 12, Abakaliki
Tel: 08066182022; 08033376262

88. UBURU-OHAOZARA

Okposi Rd.Ohaozara Local Govt Area
Ebonyi State
Tel: 08080248384

EDO STATE

89. AGBOR ROAD

60, Agbor Road
P.M.B. 18
Benin City
Tel: 052886563-64

90. AIRPORT ROAD

74, Airport Road
P.M.B. 1215
Benin City
Tel: 052886567-8

91. AKPAKPAVA

85, Akpakpava Street
Benin City
Tel: 052886619-20

92. AKPAKPAVA MAIN

96, Akpakpava Street
P.M.B. 1114, Benin City
Tel: 052886617 -8

93. AUCHI

31 Warrake Road
P.M.B. 18, Auchi
Tel: 08071578832

94. DAWSON ROAD

33, Dawson Road
P M B 1244
Benin City
Tel: 052886565-66

95. EKPOMA

7, Royal Market Road
P.M.B. 29,
Ekpoma
Tel: 08127495419

96. IGUEBEN

1, Ralph Oboh Road
P.M.B. 1, Igueben
Tel: 08124928691

97. IGUOBAZUWA

7, FORESTRY Rd.
P.M.B. 1019
Benin City
Tel: 052886680

98. IRUEKPEN

Benin/Auchi Road
P.O. Box 20
Irukep
Tel: 08023792771

99. MISSION ROAD

5/7 Mission Road
P.M.B. 1019
Bein City
Tel.: 052886615, 052886675

100. BENIN-LAGOS ROAD (UGBOWO)

224, Ugbowo/New Benin-Lagos Road
P.M.B. 005
Benin City
Tel: 052886621, 052886562

101. UROMI

13, Unity Road, Uromi
P.M.B. 6, Uromi
Tel: 08052956167

EKITI STATE

102. ADO-EKITI

No 8, Ijigbo Street
P.M.B. 5310
Ado-Ekiti
Tel: 08055558552

103. ADO-EKITI-FAJUJI ROAD

1, Adekunle Fajuyi Road,
Opp. State Police Command
Tel: 08035370344

104. IGEDE-EKITI

King Street
Ado-Ekiti Road
P.M.B. 03, Igede-Ekiti
Tel: 08034375866

105. ILAWE-EKITI

1, Iro Street
P.M.B. 7, Ilawe Ekiti
Tel: 08037129496

ENUGU STATE

106. AGBANI

Akpugo Rd.
P.O. Box 98, Agbani
Tel: 08060846664

107. EMENE

No. 19 Abiriba Street,
Emene Industrial Layout, Enugu
P.M.B. 1001, Emene
Tel: 07066466804

108. GARDEN AVENUE

3, Garden Avenue
P.M.B. 1711, Enugu
Tel: 042-290999, 08191180511, 08033224284

109. 9TH MILE CORNER NGWO

Enugu Road 9th Mile Ngwo
P.M.B. 1, Ngwo
Tel: 08033397502

110. NSUKKA BRANCH

Afrihub Centre
University of Nigeria Nsukka
Nsukka LGA
Tel: 08151186522



UNION BANK OFFICES IN NIGERIA (Cont'd)

111. OGBEDE

Igbo Etiti Local Govt Area Secretariat
P.M.B. 5003, Ogbede
Tel: 07059607558

112. OGBETE MARKET ENUGU

Ogbete Main market enugu
P.M.B. 1492 Enugu
Tel: 07030451524

113. OKPARA AVENUE

8 Okpara Avenue, Enugu
Okpara Avenue
P.M.B. 1119,
Enugu
Tel: 08191180734

114. 2ND OKPARA AVENUE

19/55, Okpara Avenue
Enugu
Tel: 08063522460

115. OGUI ROAD

21 Ogui-Road
P.M.B. 1010, Enugu
Tel: 08191180513

116. ZIK AVENUE

58, Zik Avenue
Near Kenyatta Market
Uwani – Enugu
Tel: 08191180683, 08191180690

FEDERAL CAPITAL TERRITORY

117. Abuja Federal Secretariat

Block A, Hall A35
Ground Floor
Bullet Building
Federal Secretariat, Abuja
Tel: 07029081446-7

118. ABUJA (NASS)

National Assembly Annex
3 Arm Zone
Maitama District
Abuja
Tel: 07029081440-1

118. ABUJA-CADASTRAL

Plot 399, UTB Close, Off Mohammedu Buhari
Rd. Central Area Abuja
Tel: 07029081444-5

119. HEAD OFFICE ANNEXE

Plot 787, Bank Road
Off Tafawa Balewa Road
Central Business District
Abuja
Tel: 07029081442-3

120. ABUJA MAIN

No 7 HADEJIA CLOSE, by Fsakari Crescent
AREA3, GARKI Garki, FCT
P.M.B. 35, Abuja
Tel: 07039081448-9, 07037878711

121. ABUJA UAC

UAC Building
Plot 272/273
Central Business District
Abuja
Tel: 07029081450-1

122. AREA 8, ABUJA

6, Ogbomosho Street
Area 8, Garki, Abuja
Tel: 07029081438-9

123. AREA 10, ABUJA

Gidan Isa
Plot 2104, Moshood Abiola Road
Area 10, Garki, Abuja
Tel: 07029081452-3

124. DEI DEI

Dei-Dei Market, Abuja
Tel: 07029081456-7

125. MAITAMA DISTRICT

Plot 2793, Aguiyi Ironsi Street
By British Council
Maitama District, Abuja
Tel: 07029081436-7

126. WUSE II

Plot 1259 Aminu Kano Crescent
Wuse II, Abuja
Tel: 07029081454-5

GOMBE STATE

127. BAJOGA

Gombe-Potiskum Road, Bagoja
P.M.B. 03
Tel: 08073524846

128. GOMBE

Biu Road,
P.M.B. 2 Gombe
Tel: 08030404055

129. TALASSE

Tula road, Tallase Gombe
Tel: 08039348011

IMO STATE

130. ABBA

77 Douglas Road
P.M.B. 1, Abba Nkwere
Via Orlu, Imo State
Tel: 08035460615; 07029081370-71

131. ABOH-MBAISE

Ogbor Oboama Ezinihitte, Mbaise
Tel: 08032669829; 07029081366-7

132. ANARA

Anara Town, Orlu Road
Anara
Isiala Mbano LGA
Tel: 08035855406, 07029081374-5

133. IMO CONCORD

Imo Concord Hotel Complex
Port Harcourt Road, Owerri
Tel/Fax: 08067294450

134. OKIGWE

103 Owerri Road, Okigwe
Tel: 08162417229, 07029081363-4

135. ORLU

4, Bank Road
P.M.B. 12, Orlu
Tel: 082-553262

136. OWERRI

77 Douglas Road
P.M.B. 1031, Owerri
Tel: 08032317772, 08036759551

137. 2ND OWERRI

23 Port Harcourt Road
P.M.B. 1181
Owerri
Tel: 07029081368-9

138. 3RD OWERRI

Plot 19, Ikenegbu Layout
Okigwe Road, Owerri
Tel: 07029081360-61

JIGAWA STATE

139. DUTSE

Sani Abacha Way, Yadi Dutse,
P.M.B. 7002, Dutse
Tel: 08055004714

140. HADEJIA

2, Ringim Road
P.M.B. 0018, Hadejia
Tel: 08082023851

KADUNA STATE

141. AHMADU BELLO WAY

7/8 Ahmadu Bello Way
P.M.B. 2094, Kaduna
Tel: 08065628651, 07029081488-9

142. J7 AHMADU BELLO WAY

J7, Ahmadu Bello Way
P.M.B. 2407, Kaduna
Tel: 07029081490-1

143. JAJI

ICS Quarters
Jaji Military Cantonment
Tel: 07055343884

144. KADUNA SOUTH

Kachia Road, Kakuri
P.M.B. 2112, Kaduna
Tel: 07039172723

145. MOGADISHU

Plot C8, Mogadishu Layout
Kaduna
Tel: 08025902362, 07029081482-3



UNION BANK OFFICES IN NIGERIA (Cont'd)

146. MOH'D BUHARI WAY
4 Major General NNIL Building
Muhammadu Buhari Way
Kaduna
Tel: 08034469201; 07029081486-7

147. PPMC KADUNA
16 Kachia Road PPMC (NNPC)
Kaduna
Tel: 07029081495

148. SAMARU
1 Sokoto Road, Opp. ABU main gate
P.M.B. 1001, Samaru
Tel: 08051543557

149. YAKUBU GOWON WAY
Yakubu Gowon way, Opp. CBN
P.M.B. 2081, Kaduna
Tel: 08037481528, 07029081482-3

150. ZARIA (MAIN)
2 Circular Road, PZ GRA
P.M.B. 1001, Zaria
Tel: 08051543557, 07029081484-5

KANO STATE

151. ADO BAYERO ROAD
48E Ado Bayero Road
P.M.B. 3033, Kano
Tel: 064-928912

152. BANK ROAD
4 Bank Road
P.M.B. 3007, Kano
Tel: 064-976855

153. BELLO ROAD
145, Bello Road, P.M.B. 3476, Kano
Tel: 07098201691

154. BOMPAL ROAD
3, Bompai Road, Kano
Tel: 064-892667

155. CHALLAWA INDUSTRIAL LAYOUT
P.M.B. 3564, Kano
Kano State
Tel: 064-941637

156. DOGUWAR GIGINYA
2 Bank Road,
Doguwa L.G.A. Kano
Tel: 08071665002

157. HOTORO
40, Maiduguri Road
Opposite NNPC Depot
Kano
Tel: 064-945298

158. MURTALA MOHAMMED WAY
71, Murtala Mohammed Way
Yankura Area
P.M.B. 12755
Kano
Tel: 064-891820

159. POST OFFICE ROAD
18B, Post Office Road
Kano
Tel: 07098204503

160. SHARADA INDUSTRIAL ESTATE
Phase 1 Sharada
P.M.B. 3296
Kano
Tel: 064-891017

161. ZOO ROAD
7B, Zoo Road
P.M.B. 3075, Kano
Tel: 070290841498

KATSINA STATE

162. FUNTUA
Katsina Road,
Opposite Upper Sharia Court of Appeal,
GRA Funtua town, P.M.B. 6001
Funtua
Tel: 07052523862

163. JIBIA
Kauran Namoda/Jibia Road
P.M.B. 2044
Katsina
Tel: 07069055265

164. KATSINA MAIN
18 Trading Area, Nagogo Road
P.M.B. 2012, Katsina
Tel: 07055227280

165. KATSINA-YAHAYA MADAKI WAY
Magudu House Annex, Yaya Madaki
P.M.B. 2167, Katsina
Tel: 08159160179

KEBBI STATE

166. BAGUDO
Opposite Motor Garage
Bagudo, Kebbi
Tel: 07034286111

167. BIRNIN KEBBI
Haliru Abdul Way
Opposite General Hospital
P.M.B. 1010
Birnin Kebbi
Tel: 08034914705; 08032230889

168. JEGA
4, Mohammed Dado Street
P.M.B. 9004
Jega, kebbi
Tel: 08035954873; 08030579495

169. YELWA
Bank Road
P.M.B. 1002, Yelwa-Yauri
Yauri, kebbi
Tel: 080362106230

KOGI STATE

170. AJAOKUTA
Road 6, Geregu Campus Ajaokuta
Tel: 08062864308

171. EGUME
EGUME TOWN ROAD, Opposite Onu Palace
P.M.B. 1003, Egume, Kogi State
Tel: 08067077079.

172. IDAH
Ayegba Oma Idoko Rd. Idah
P.M.B. 007, Idah, Kogi
Tel: 08073949530

173. MURTALA MOHAMMED WAY LOKOJA
Opp. Obasanjo Sqr.
P.M.B. 14, Lokoja
Tel: 08073516277

174. IBB Way Lokoja (low density)
Plot 495 IBB Way,
Lokoja
Tel: 07037509540

175. OKENE
22, Lafia Street
Okene, Kogi
Tel: 07039828688

176. OKENGWE
Ihima Road Okengwe
P.M.B. 1027, Okene, Kogi
Tel: 08035972538

KWARA STATE

177. BACITA
22 Ahmadu Pategi Road
P.M.B. 106
Bacita
Tel: 08036786010

178. BODE SAADU
Sabo Area
P.M.B. 004
Bode Saadu
Tel: 08060867125

179. ILORIN MARKET
173 Abdul Azeez
Attah Road, Surulere
P.M.B. 1533, Ilorin
Tel: 08187817547

180. LAFIAGI
Emir's Road
P.M.B. 85, Lafiagi
Tel: 07039386031

181. MURTALA MOHAMMED WAY
67 Murtala Mohammed Way
P.M.B. 1347
Ilorin
Tel: 07029081472



UNION BANK OFFICES IN NIGERIA (Cont'd)

182. OFFA
60-62 OLOFA WAY, OFFA
P.M.B. 401
Off-Kwara State
Tel: 07055963782

183. OMU ARAN
Aperan Way
P.M.B. 1010
Omu Aran
Tel: 08059001333

184. ORO
OYELAGBAWO RD, Oke Ola,
P.M.B. 308, Oro
Tel: 07038789109

185. UNILORIN
254 Umar Saro Road
Sawmill Area
P.M.B. 1347
Ilorin
Tel: 08132084393

186. PATEGI
New Market Road
c/o P.M.B. 106, Bacita
Tel: 08102745514

LAGOS STATE

187. ADENIJI ADELE
183B, Adeniji Adele Road
Lagos
Tel: 07029081206; 07029081207

188. AGBARA
Agbara Industrial Estate
P.M.B. 1163
Tel: 07029081156-7

189. AGEGE
118 Ipaja Road, Shofunde Agege
P.M.B. 21084, Agege
Tel: 7220550, 7388164, 07029081236-7

190. AGIDINGBI
Lateef Jakande Road
Agidingbi, Ikeja
Tel: 01-8040072, 07040997285, 07029081286-7

200. AJAH
Shops H119-122, H155-158
Ikota Shopping Complex
Lekki – Epe Express Road
Ajah
Tel: 01-4627950, 4627951, 07029081290-1

201. ALABA MARKET (NEW)
Shop F453
Alaba International Market
Alaba, Lagos
Tel: 07029081174-5

202. ALABA INT. MARKET
I, Afeff Road
Alaba,
Lagos
Tel: 07029081172-3

203. ALLEN AVENUE
39, Allen Avenue
P.M.B. 21779, Ikeja
Tel: 01-9503060, 07029081280-81

204. AMUWO ODOFIN
1A Old Ojo Road
Maza Maza
Amuwo Odofin
P.M.B. 006
Festac Town
Tel: 07029081146-7, 01- 2410283

205. APAPA-CREEK ROAD
16, Burma Road, Apapa
Tel: 7384127, 4355161,
07029081150-51

206. APAPA-TIN CAN ISLAND PORT
Tin Can Island Port, Apapa
Island Complex
P.M.B. 1147, Apapa, Lagos
Tel: 7401813, 07029081144 -5

207. APAPA-ELEGANZA PLAZA
1, Commercial Road, Apapa
Tel: 7737102, 2793443
07029081148-9

208. APAPA-WHARF ROAD
32, Wharf Road, Apapa,
P.M.B. 1172, Apapa
Tel: 2707855, 07029081140-41

209. APAPA-YINKA FOLAWIYO AVENUE
27, Yinka Folawiyi Avenue
P.M.B. 1166, Apapa
Tel: 7300226, 7732494, 07029081136-7

210. AWOLOWO ROAD
77, Awolowo Road
P.O. Box 2, Ikoyi
Tel: 01-7390381, 7300151, 07029081180-81

211. BADAGRY
42 African Church Street
P.M.B. 1002
Badagry
Tel: 07029081158-9

212. BALOGUN SQUARE
34 Balogun Street
P.M.B. 2356, Lagos
Tel: 01-7360351, 01-8126988, 07029081212-3

213. BROAD STREET
118/120 Broad Street
Broad Street, Lagos
Tel: 01-2701057, 07029081220-21

214. 131 BROAD STREET
152/156 BROAD STREET
Broad Street, Lagos
P.M.B. 2002 Lagos
Tel: 01-2800897-8, 07029081210-11

215. DAVIES STREET
4, Davies Street
Marina
Tel: 07029081226-7

216. DOPEMU
26, Shasha Road, Akowonjo
Dopemu
Tel: 01-8045594, 07029081242-3

217. EBUTE METTA
Mainland Hotel Building
P.M.B. 1007
Ebute Metta
Tel: 01-8920956, 07029081260-61

218. EBUTE METTA
6, Herbert Macaulay. Way
Ebute Metta
Tel: 01-7386167, 07029081284-5

219. EGBE
64, Isolo/Ikotun Road
Egbe, Lagos
Tel: 01-8798799, 7402022, 07029081254-5

220. FALOMO- MARBLE HOUSE
1, Alfred Rewane Road, Marble House,
Falomo Round-about, Lagos
Tel: 01-8444787, 07029081202-3

221. FEDERAL SECRETARIAT
Ikoyi Federal Secretariat Complex
Alagbon Close, Ikoyi Lagos
Tel: 07029081190-91

222. FESTAC TOWN
Plot 1327B, 32 Road
3rd Avenue, Festac
Tel: 07029081168-9

223. IDI-ARABA
Lagos University Teaching Hospital
Compound Idi-Araba
P.M.B. 1127, Mushin
Tel: 01- 7737908, 8987917, 07029081240-41

224. IDIMU
40, Ikotun/Idimu Rd, Ikotun
Tel: 01-8142495, 8142497, 07029081252-3

225. IDUMOTA-DOCEMO
6, Idoluwo Street, Idumota
Tel: 01-8944532, 07029081224-5
Fax: 01-2668931

226. IGANMU
Eric Moore Road
P.M.B. 3006, Surulere
Tel: 7360105, 07029081142-3

227. IJESHA-TEDO
62, Adesina Street, Ijesha-Tedo
Surulere, Lagos
Tel: 01-8713919, 8713909, 07029081244-5

228. IJORA
6 Ijora Causeway
P.M.B. 5053, Lagos
Tel: 7748951,
07029081138-9



UNION BANK OFFICES IN NIGERIA (Cont'd)

- 229. IJU**
169 Iju Road, Fagba
P.M.B. 21081, Agege, Lagos
Tel: 01-8043434, 8922607, 070290812446-7
- 230. IKEJA**
Plot 16, Oba Akran Avenue
P.M.B. 21064,
Ikeja
Tel: 7300365, 2717540, 07029081288-9
- 231. IKEJA**
Alfa House
Plot 166, Obafemi Awolowo Way
Agidingbi Junction, Ikeja
Tel: 01-7391518, 07029081282-3
- 232. IKORODU**
62, Lagos Road
Beside Ragolis Water Ltd
Tel: 01-8919397, 7403169, 07029081270-71
- 233. FORESHORE TOWERS**
Foresore Towers
2A, Osborne Road
Ikoyi
Tel: 01-8126940, 07029081194-5
- 234. ILUPEJU**
25, Ilupeju Industrial Avenue
Ilupeju Industrial Estate
P.M.B. 21091, Ikeja
Tel: 01-2793738, 07029081268-9
- 235. ISOLO**
Plot 8, Block K
Isolo Industrial Estate, Apapa Oshodi Express
Way
P.M.B. 1123
Mushin
Tel: 01-2719891, 8744725,
07029081274-5
- 236. KAKAWA**
21/23 Kakawa Street
P.M.B. 12076, Lagos
Tel: 01-2805988-9, 07029081208-9
- 237. KETU**
549 Ikorodu Road
Ketu, Lagos
Tel: 01-7400638, 8187761, 08191345681
- 238. LADIPO**
90, Ladipo Road, Matori
P.M.B. 1170, Mushin
Tel: 01-8046388, 8046442, 07029081250-51
- 239. LAWANSON**
123 Itire Road
Surulere, Lagos
Tel: 01-2793090, 07029081272-3
- 240. LEWIS STREET**
61 Lewis Street, Lagos
Tel: 07029081184-5
- 241. HEAD OFFICE BRANCH**
1st Floor Stallion Plaza
36 MARINA, P.M.B. 2027
GPO Marina, Lagos
Tel: 01-2716800
- 242. MOLONEY**
6, Moloney Street, Obalende
P.O. Box 3425, Lagos
Tel: 01-2771477, 07029081216-7
- 243. MUSHIN**
131, Agege Motor Road
P.M.B 1014 , Mushin
Tel: 01-7941634, 8967943, 07029081238-9
- 244. OBALENDE**
13/15, Nojim Maiyegun Road
Obalende, Lagos
Tel: 07029081196-7
- 245. OBUN-EKO**
6/8 Obun Eko Street, Idumota
P.O. Box 2008, Lagos
Tel: 01-7430709, 01-8045303, 07029081214-5
- 246. OGBA**
Acme Road Rales, Glass House, Ogba
P.M.B. 2159 Ikeja
Ogba Industrial Estate
P.M.B. 21559, Ikeja
Tel: 07029081276-7
- 247. OGUDU**
Binukonu Market, Ogudu Road
Ogudu GRA, Ojota
Tel: 01-7363127
- 248. OIL ESTATE, LEKKI**
2 Chevron Drive, Lekki Pennisula
Km 20, Lagos/Epe Express Way
P.M.B. 80032, Victoria Island
Tel: 01-8930006, 7940065
- 249. OJOMU**
By Eti-Osa Local Govt. Council
Lekki/Epe Expressway
P.M.B. 80032, Lekki
Tel: 01-4737000, 4529431, 7401772,
08191382814
- 250. OKE ARIN**
Lagos Island Shopping Complex
34, John Street, Lagos
Tel: 07029081228-9
- 251. ALAKORO**
Shopping Complex, House C,
Sanusi-Olusi Street, Oke-Arin, Lagos
Tel: 0702908122
- 252. SANUSI OLUSI**
Sanusi-Olusi Street, Oke-Arin, Lagos
Tel: 07029081234
- 253. OKOKOMAIKO**
405 Lagos/Badagry Expressway
Opposite PPL B/Stop
Okokomaiko, Lagos
P.M.B. 0201
Festac Post Office, Lagos
Tel: 07029081160-61
- 254. OREGUN**
Plot G, Ikosi Road
P.M.B. 21455, Ikeja
Tel: 01-7735702, 07029081278-9
- 255. ORILE**
36B, Coker Street
Awaye House, Odunade Bus-stop
Badagry Expressway
Orile Iganmu, Lagos
Tel: 07029081154-5
Fax: 01-7741578
- 256. OSHODI**
18A, Oshodi-Apapa Expressway,
Oshodi, Lagos
Tel: 01-8716652, 8713786, 07029081258-9
- 257. OTTA**
152/154, Idi-Iroko Road
Ojuore Otta
Tel: 039-722497, 7940151, 07029081248-9
- 256. PALMS PLAZA SHOPPING MALL**
Shop Number 34/35
Palms Shopping Mall
1, British International School Way
Lekki, Lagos
Tel: 01-2719205,
- 257. PEN CINEMA**
Stro House
4, Iju Road, Pen Cinema
Agege, Lagos
Tel: 01-7731267, 7660112, 08191200893
- 258. SEME BORDER**
Bank Road, Seme
Tel: 07029081162-3
- 259. SHOMOLU**
Adebowale House,
150 Ikorodu Road, Onipanu
P.M.B. 40, Shomolu
Tel: 01-7412591, 07029081266-7
- 260. SURULERE**
3, Western Avenue
P.M.B. 3002
Surulere
Tel: 01-2708007, 07029081262-3
- 261. TINUBU SQUARE**
19, Tinubu Square
P.M.B. 12040, Lagos
Tel: 01-7360219, 8773338, 8102741,
07029081204-5
- 262. TRADE FAIR COMPLEX**
Olusegun Obasanjo Hall
P.M.B. 003, Festac Town
Tel: 07029081164-5



UNION BANK OFFICES IN NIGERIA (Cont'd)

263. TRADE FAIR COMPLEX
Zone B, ASPAMDA Main Gate
Lagos International Trade Fair
Tel: 07029081166-7

264. TRADE FAIR COMPLEX
BBA, Atiku Abubakar Hall
Trade Fair Complex
Lagos Badagry Expressway
Tel: 07029081176-7

265. TRADE FAIR COMPLEX
New BBA, J. Anyi Plaza
2, Chief Okey Ezeibe Street
Trade Fair Complex
Lagos Badagry Expressway
Tel: 07029081170-71

266. VICTORIA ISLAND
PC33 Adeola Hopewell Street
Victoria Island, Lagos
Tel: 01-2793099, 07029081188-9
Fax: 01-2612106

267. VICTORIA ISLAND-ADEOLA ODEKU
Plot 97, Ahmadu Bello Way,
Victoria Island
Tel: 01-4627385-7, 01-4627387, 07029081186-7
Fax: 01-4627387

268. VICTORIA ISLAND-ADEYEMO
ALAKIJA
29, Adeyemo Alakija Street
Off Idowu Taylor Street
Victoria Island, Lagos
Tel: 01-4617380-1, 01-4619093, 07029081200-01
Fax: 01-4617380

269. VICTORIA ISLAND-AJOSE ADEOGUN
275, Ajose Adeogun Street
P.M.B 80022
Victoria Island, Lagos
Tel: 01-2714701, 01-2713471, 01-2805745,
07029081198-9
Fax: 01-2621773

270. VICTORIA ISLAND-OYIN JOLAYEMI
1668B, Oyin Jolayemi Street
Victoria Island, Lagos
Tel: 01-9882639, 07029081192-3
Fax: 01-4617206,

271. YABA
349 Herbert Macaulay Street
P.M.B. 1002, Sabo, Yaba
Tel: 01-2793091, 07029081264-5

NASARAWA STATE

272. LAFIA
Jos Road, Lafia
Tel: 08036225687, 08185482125

273. AWE
Court Road Sabon Gari, Awe
Tel: 08168084479, 07039720624

274. KARU
New Nyanyan Keffi Rd.
Tel: 070290814580-9

NIGER STATE

275. AGAIE
Bida Road
c/o P.M.B. 3, Bida
Tel: 066-680010, 08033546030,
08036081884

276. BIDA
9 Lemu Road
P.M.B. 3, Bida
Tel: 066-461002, 461241, 08072568505,
08036225687, 08038428254

277. MINNA
Bank Street, Minna
P.M. B. 22, Minna
Tel: 08060090266

278. PAIKO
Minna/Suleja Road
c/o P.M.B. 22, Minna
Tel: 08051709057

279. SULEJA
G.R.A. Suleja
P.M.B. 22, Suleja
Tel: 09-8500146, 8500676, 08079435511

OGUN STATE

280. ABEOKUTA
Plot B, Commercial Bank Site
Onikolobo Road, Ibara
P.M.B. 3030
Abeokuta
Tel: 039-771353,

281. IJEBU-ODE
15 Ibadan Road
P.M.B. 2003
Ijebu-Ode
Tel: 07029081428-9

282. 2ND IJEBU ODE
56 Ibadan Road
Ijebu Ode
Tel: 037-776609, 08191221343

283. ILARO
1, Thomas Isola Akinola Crescent
P.M.B. 05
Ilaro
Tel: 08071232187

284. IWOPIN
Borode Street, Iwopin,
Water Side
P.M.B. 2032
Ijebu-Ode
Tel: 08034375705

285. OGERE
27 Abeokuta Road
Ogere Remo
P.M.B. 12, Iperu Remo
Tel: 08056290715

286. SHAGAMU
High Court Junction
2, Oba Awolesi Erinwole Road
Dual Carriage Way
P.M.B. 2033, Shagamu
Tel: 07059997375, 07029081432-3

ONDO STATE

287. AKURE-OBA ADESIDA ROAD
9, Oba Adesida Street, Akure
Tel: 08063815978

288. AKURE MAIN
Alagbaka Street
P.M.B. 625, Akure
Tel: 08054149187
Fax: 034-243673, 241036

289. AKURE MARKET
37 Ilemo Street
off Oba Adesida Road
P.M.B. 710
Akure
Tel: 08058935820,

290. IDANRE
135 Broad Street
P.M.B. 513, Idanre
Tel: 08022252915,

291. ILUTITUN
50, Bank Road Ilutitun Osoro
P.M.B. 001, Ilutitun
Tel: 08055173835

292. ITA-OGBOLU
66 Main Road
P.M.B. 26
Ita-Ogbolu
Tel: 0805443267

293. ODE IRELE
1, Olofin Street
P.O. Box 26, Ode-Irele
Tel: 07058030370

294. ONDO
Ododibo Street
P.M.B. 502, Ondo
Tel: 08053269378.

OSUN STATE

295. ERIN-IJESA
47 Toso Akinleye Street
P.M.B. 5043
Ilesa
Tel: 07035224985



UNION BANK OFFICES IN NIGERIA (Cont'd)**296. IFEWARA**

11, Enuwa Square, Ifewara
P.O.Box 51
Ifewara
Tel: 08022694296

297. IKIRUN

4, Inisha Road
P.M.B. 5205
Ikirun
Tel: 08058099591

298. ILE-IFE

63, Ireto Road P.M.B. 5509
Ile-Ife
Tel: 07027488233

299. ILESA

Ereja Square
P.M.B. 5079
Ilesa
Tel: 08054616677

300. OSOGBO

2/4 Obafemi Awolowo,
Gbongan/Ibadan Road
P.M.B. 4342
Osogbo
Tel: 036-202493

OYO STATE**301. IBADAN-AGODI ROUNDABOUT**

Agodi Roundabout Secretariat
P.M.B. 55144
Ibadan
Tel: 08053114333, 07029081101-2

302. IBADAN BANK ROAD,

Dugbe, P.M.B. 5176
Ibadan
Tel: 08072671297, 07029081099-100

303. IBADAN-CHALLENGE

Challenge Round About
P.M.B. 5655
Ibadan
Tel: 07029081103-4

304. IBADAN-DUGBE

3, Lebanon Street
Dugbe, Ibadan
Tel: 02-8739066

305. IBADAN-IWO ROAD

90, Iwo Road
Ibadan
Tel: 07029081117-8

306. IBADAN-LEBANON STREET

76, Lebanon Street
P.M.B. 5083, Ibadan
Tel: 07029081108-9

307. IBADAN-NEW GBAGI MARKET

New Ife Road
P.M.B. 57, Ibadan
Tel: 07029081112

308. IBADAN-OLD GBAGI (NEW COURT RD.)

Plot 8, New Court Road
Old Gbagi, Ibadan
Tel: 07029081119- 20

309. IBADAN-UNIVERSITY COLLEGE

HOSPITAL (UCH)
P.M.B. 5412, Ibadan
Tel: 02- 8736012,

310. ISEYIN

Adjacent Ebedi Market
Oyo Road Barracks
P.M.B. 1003, Iseyin
Tel: 08057007665
Fax: 038-340005

311. OGBOMOSHO

Col. Adeniran's House
P.M.B. 3592, Ogbomosho
Tel: 08058985105

312. OYO

Owode Street
P.M.B. 1073, Oyo
Tel: 07029081109-10

PLATEAU STATE**313. BANK STREET**

7, Bank Road
P.M.B. 2029, Jos
Tel: 08131176985, 08051458193

314. DOEMAK

Quaan Pan Local Govt Area, Doemak
P.O. Box 252, Shendam or
P.M.B. 1003, Gindiri
Tel: 08053191290

315. GINDIRI

Angwan Pada, Gindir Mangu LGC
Tel: 08077756694

316. JENGRE

Saminaka Road, Jengre
P.O. Box 2045, Jos
Tel: 08065813330

317. JOS-MURTALA MUHAMMED WAY

48, Murtala Muhammed Way, Jos
Tel: 07059264036

318. JOS MAIN MARKET

28 Rwang Pam Street
P.M.B. 2131, Jos
Tel: 08165725779, 08083116404

319. LANGTANG

Pankshin/Shendam Road
P.M.B. 002, Langtang
Tel: 07065237075

320. PANYAM

Pankshin Road, Panyam
P.M.B. 05, Pankshin
Plateau State
Tel: 08051456595, 08031940883

RIVERS STATE**321. BONNY**

10 Finima Road
P.O. Box 144, Bonny
Tel: 08052019547

322. BORI

No.1 Bank Road, Bori
Tel: 08058104570

323. ELEME PETRO CHEMICAL

COMPLEX, ELEME
P.M.B. 13, Nchia Eleme
Eleme LGA
Tel: 07029081406-7

324. PORT HARCOURT-ABA ROAD

171D, Aba Road
P.M.B. 5186, Port Harcourt
Tel: 07029081422-3

325. PORT HARCOURT-ABA ROAD

180, Aba Road
Port Harcourt
Tel: 084-234841-2, 579982, 578732, 08033842805

326. PORT HARCOURT-IKWERRER ROAD

45, Ikwerre Road
Port Harcourt
Tel: 07029081424-5

327. PORT HARCOURT-IKWERRER ROAD

101, Ikwerre Road
Port Harcourt
Tel: 07029081418-9

328. PORT HARCOURT-KINGSWAY ROAD

12 Azikiwe Road
P.O. Box 5886, Port Harcourt
Tel: 07029081398-9

329. PORT HARCOURT-ORIJE

28 Aba Road
P.O. Box 5404
Port Harcourt
Tel: 07029081402-3

330. PORT HARCOURT-OYIGBO

52, Location Road
Oyigbo
P.M.B. 5211
Port Harcourt
Tel: 07029081420-1

331. PORT HARCOURT-STATION ROAD

P.M.B. 5005 Port Harcourt
Tel: 07029081404-5

332. PORT HARCOURT-TRANSAMADI

Plot 468, Trans Amadi
Industrial Layout
P.M.B. 5496, Port Harcourt
Tel: 07029081400-01

333. PPMC ELEME

PPMC Depot Alesa,
Eleme
Tel: 07029081408-9



UNION BANK OFFICES IN NIGERIA (Cont'd)

334. NAFCON ONNE (AGENCY)

Nafcon Complex
c/o P.O. Box 653
Port Harcourt
Tel: 07029081410-11

335. CTL EMPORIUM, PORTHARCOURT

(AGENCY) c/o PH Oyigbo Branch
Woji Street PH
Tel: 07029081426-7

SOKOTO STATE

336. ISA

Sokoto Road
Isa LGA
Tel: 08084776050, 08089511286

337. SOKOTO MAIN

2, Ahmadu Bello Way
P.M.B. 2117, Sokoto
Tel: 070386213578, 08058395937

338. SOKOTO MARKET

Sokoto Market Road
By Kofar Doya (Western Gate)
P.M.B. 2410, Sokoto
Tel: 08076456759, 07032056472

TARABASTATE

339. BALI

Opposite Bali Local Govt.
Secretariat
P.M.B. 1026, Jalingo, Taraba State
Tel: 08023822090,

340. DONGA

Danzomga Way
P.M.B. 1020
Donga, Taraba
Tel: 08025444506

341. IBI

Wukari-Shendam Road, Wukari Taraba
P.M.B. 005, Ibi
Tel: 08028214029

342. JALINGO

17, Hamaruwa way, Taraba
P.M.B. 1026, Jalingo
Tel: 08037057555

YOBE STATE

343. DAMATURU

Potiskum Road
P.M.B. 1065
Damaturu
Tel: 074-522177, 522029

344. GASHUA

Along Nguru Rd. Gashua
Damaturu
Tel: 08057476335



<p>I/We</p> <div style="border: 1px solid black; width: 150px; height: 50px; margin: 10px 0;"></div> <p>Being a member/members of UNION BANK OF NIGERIA PLC HEREBY APPOINTor failing him/her MR. RICHARD KRAMER or failing him FUNKE OSIBODU as my/our proxy to act and vote for me/us and on my/our behalf at the 43rd Annual General Meeting of the Company to be held on Tuesday 23rd October, 2012 at 11.00 a.m. and at any adjournment thereof.</p> <p>As witness my/our hand thisday of..... 2012.</p> <p>Signed</p> <p>NOTE</p> <p>A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy in its, his or her stead. All proxies should be deposited at the office of The Registrar, Union Registrars Limited, 2, Burma Road, Apapa, Lagos, not less than 48 hours before the time scheduled for holding the meeting. A proxy need not be a member of the Company.</p> <p>In the case of joint shareholders, any one of such may complete the form but the name of all joint shareholders must be stated.</p> <p>It is required by Law under the Stamp Duties Act, Cap F8. LFN Laws of the Federation of Nigeria 2004 that any instrument of Proxy to be used for the purpose of voting by any person entitled to vote at any meeting of shareholders must bear stamp duty at the appropriate rate, not adhesive postage stamps.</p> <p>If the shareholder is a corporation, this form must be under its common seal or under the hand of some officers or attorney duly authorized in that behalf.</p>	<p>I/We desire this proxy to be used in favour of/or against the resolution as indicated alongside (Strike out which-ever is not desired)</p>	ORDINARY BUSINESS		FOR	AGAINST
		1.	To receive and adopt the Audited Accounts for the period ended 31 st December, 2011 together with the report of the Directors, Joint Auditors, Board Appraiser and the Audit Committee thereon.		
		2.	To appoint the Auditor.		
		3.	To authorize Directors to fix the remuneration of the Auditor.		
		4.	To re-elect the following Directors a. Mr. Richard Kramer b. Mr. Adekunle Mickey Adeosun c. Engr. Mansur Ahmed d. Dr. (Mrs.) Onikepo Akande e. Mr. Philip Ikeazor f. Mr. Ibrahim Abubakar Kwargana g. Dr. Yemi Osindero h. Chief Dickie Agumba Ulu		
		5.	To approve the remuneration of Directors		
		6.	To elect-members of the Audit Committee.		
		SPECIAL BUSINESS			
		7.	To note the disclosure having concluded the recapitalization of Union Bank (UK) Plc prior to the receipt of the offer proceeds of the Bank's 2005 public offer of shares, the N8billion stated in the Prospectus issued in pursuance of that offer as being for the recapitalization of Union Bank (UK) Plc, was utilized for the purpose of working capital requirements; the funds having been earlier expended on meeting the Regulatory Capital Requirements for converting the Bank's former London Branch into a Public Limited Liability Company.		
		8.	That Mr. Richard Kramer and Mr. John Botts be appointed Directors of the Bank having attained the age of seventy (70) years on 20 th June 2004 and 19 th January 2011 respectively pursuant to Section 256 of the Companies and Allied Matters 2004.		
Please indicate with "X" in the appropriate box how you wish your vote to be cast on the resolutions set out above. Unless otherwise instructed, the Proxy will vote or abstain from voting at his/her discretion.					

Before posting the above card, tear off this part and retain it.

ADMISSION CARD
UNION BANK OF NIGERIA PLC
43RD ANNUAL GENERAL MEETING

PLEASE ADMIT ONLY THE SHAREHOLDER NAMED ON THIS CARD OR HIS DULY APPOINTED PROXY TO THE FOR TY-THIRD ANNUAL GENERAL MEETING BEING HELD AT THE LE MERIDIEN IBOM HOTEL AND GOLF RESORT, NWANIBA ROAD, AKWA IBOM STATE, UYO ON TUESDAY, 23RD OCTOBER, 2012 AT 11.00 AM.

NAME OF SHAREHOLDER/PROXYSIGNATURE

ADDRESS.....

THIS CARD IS TO BE SIGNED AT THE VENUE IN THE PRESENCE OF THE REGISTRAR.

