

UNION BANK OF NIGERIA PLC

UNAUDITED FINANCIAL STATEMENTS



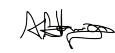
31 MARCH 2022



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

For the period ended

| | | Group | | Bank | |
|---|-------|-----------------|-----------------|-----------------|-----------------|
| | | March 2022 | March 2021 | March 2022 | March 2021 |
| | | ₦ million | ₦ million | ₦ million | ₦ million |
| | Notes | | | | |
| Gross earnings | | 43,415 | 36,793 | 42,905 | 36,396 |
| Interest income | 1 | 31,558 | 22,249 | 31,452 | 22,235 |
| Interest expense | 1 | (18,211) | (11,253) | (18,212) | (11,326) |
| Net interest income (NRFF) | | 13,347 | 10,996 | 13,240 | 10,909 |
| Net impairment charge for credit losses | 6 | (375) | (802) | (374) | (802) |
| Net interest income after impairment charge for credit losses | | 12,972 | 10,194 | 12,866 | 10,107 |
| Net fee and commission income | 2 | 3,382 | 3,059 | 3,381 | 3,058 |
| Net trading income | 3 | 3,609 | 2,352 | 3,608 | 2,351 |
| Recoveries | | 1,546 | 3,382 | 1,546 | 3,382 |
| Net income from other financial instruments at fair value through profit or loss | 4 | 3,522 | 3,030 | 3,522 | 3,030 |
| Other operating (loss)/income | 5 | (575) | 2,369 | (603) | 2,340 |
| Non interest income (NII) | | 11,484 | 14,192 | 11,453 | 14,161 |
| Operating income | | 24,455 | 24,386 | 24,319 | 24,268 |
| Net impairment write-back/(loss) on other financial assets | 6 | - | (4) | - | (4) |
| Net operating income after net impairment write-back/(loss) on other financial assets | | 24,455 | 24,382 | 24,319 | 24,264 |
| Personnel expenses | 7 | (5,798) | (7,163) | (5,761) | (7,127) |
| Depreciation and amortisation | 21 | (1,822) | (1,918) | (1,820) | (1,916) |
| Other operating expenses | 8 | (10,402) | (8,265) | (10,385) | (8,251) |
| Total expenses | | (18,022) | (17,346) | (17,966) | (17,294) |
| Profit before income tax from continued operations | | 6,434 | 7,035 | 6,354 | 6,970 |
| Income tax expense | 9 | (286) | (251) | (278) | (251) |
| Profit for the year from continued operations | | 6,148 | 6,784 | 6,076 | 6,719 |
| Discontinued operations | | | | | |
| Gross income from discontinued operations | 35 | 374 | 353 | - | - |
| Gross expense from discontinued operations | 35 | (971) | (929) | - | - |
| Profit/Loss before tax from discontinued operations | 35 | (597) | (576) | - | - |
| Profit/Loss for the year from discontinued operations | 35 | (597) | (576) | - | - |
| Continuing and discontinued operations: | | | | | |
| Profit before tax | | 5,837 | 6,458 | 6,354 | 6,970 |
| Income tax | | (286) | (251) | (278) | (251) |
| Profit after tax | | 5,551 | 6,207 | 6,076 | 6,719 |
| Other comprehensive income, net of income tax | | | | | |
| Foreign currency translation differences for foreign operations | | (330) | 158 | - | |
| Fair value gains/(losses) on financial assets at FVTOCI | | 3,660 | (5,524) | 3,647 | (5,538) |
| | | 3,330 | (5,366) | 3,647 | (5,538) |
| Other comprehensive income for the year | | 8,881 | 841 | 9,723 | 1,181 |
| Profit attributable to: | | | | | |
| Equity holders of the Bank | | 5,507 | 6,202 | 6,076 | 6,719 |
| Non-controlling interest | | 44 | 5 | - | - |
| Profit for the year | | 5,551 | 6,207 | 6,076 | 6,719 |
| Total comprehensive income attributable to: | | | | | |
| Equity holders of the Bank | | 8,837 | 836 | 9,723 | 1,181 |
| Non-controlling interest | | 44 | 5 | - | - |
| Total comprehensive income for the year | | 8,881 | 841 | 9,723 | 1,181 |
| Earnings per share for profit from continued operations attributable to equity holders of Bank | | | | | |
| Basic and diluted (Kobo) (See note "10(b)) | | 21 | 23 | 21 | 23 |

| Consolidated and Separate Statements of Financial Position | | | | | |
|--|---|---|-------------|----------------------|-------------|
| <i>As at</i> | | Group | Group | Bank | Bank |
| | <i>Notes</i> | 31 March 2022 | 31 Dec 2021 | 31 March 2022 | 31 Dec 2021 |
| | | N million | N million | N million | N million |
| ASSETS | | | | | |
| Cash and cash equivalents | 11 | 343,629 | 407,143 | 337,739 | 445,804 |
| Financial assets at fair value through profit or loss | 12 | 12,005 | 1,485 | 12,005 | 1,485 |
| Pledged assets | 13 | 113,243 | 110,226 | 113,243 | 110,226 |
| Derivative assets held for risk management | 14 | 13,445 | 9,640 | 13,445 | 9,640 |
| Loans and advances to customers at amortised cost | 15 | 853,183 | 868,840 | 853,183 | 868,840 |
| Investment securities | 17 | 347,040 | 387,508 | 347,040 | 387,508 |
| Trading properties | 18 | 187 | 187 | 187 | 187 |
| Investment properties | 19 | 5,291 | 5,226 | - | - |
| Investment in subsidiaries | 20 | - | - | 2,195 | 2,195 |
| Property and equipment | 21 | 57,726 | 57,673 | 57,703 | 57,653 |
| Intangible assets | 22 | 3,337 | 3,783 | 3,338 | 3,782 |
| Right of Use Assets | 23 | 2,938 | 2,777 | 2,938 | 2,777 |
| Deferred tax assets | 24 | 95,688 | 95,688 | 95,875 | 95,875 |
| Cash reserve requirement | 25 | 467,964 | 454,802 | 467,964 | 454,802 |
| Other assets | 25 | 206,924 | 116,751 | 206,870 | 116,734 |
| Defined benefit assets | 30 | 1,561 | 1,561 | 1,561 | 1,561 |
| | | 2,524,161 | 2,523,290 | 2,515,285 | 2,559,069 |
| Assets classified as held for sale | 35 | 53,020 | 72,479 | 8,372 | 8,372 |
| TOTAL ASSETS | | 2,577,181 | 2,595,769 | 2,523,657 | 2,567,441 |
| LIABILITIES | | | | | |
| Derivative liabilities held for risk management | 14 | 10,566 | 8,684 | 10,566 | 8,684 |
| Deposits from banks | 26 | 7,977 | - | 7,977 | - |
| Deposits from customers | 27 | 1,313,316 | 1,355,910 | 1,313,316 | 1,361,323 |
| Current tax liabilities | 28 | 1,706 | 1,420 | 1,634 | 1,356 |
| Lease Liabilities | 29 | 1,806 | 1,895 | 1,806 | 1,895 |
| Other liabilities | 29 | 720,158 | 699,819 | 717,829 | 697,996 |
| Employee benefit obligations | 30 | 1,061 | 1,069 | 1,060 | 1,068 |
| Debt securities issued | 31 | 6,295 | 6,536 | 6,295 | 6,536 |
| Commercial Papers | 32 | - | 32,262 | - | 32,262 |
| Long term subordinated bond | 33 | 30,926 | 29,716 | 30,926 | 29,716 |
| Other borrowed funds | 34 | 171,038 | 175,118 | 171,038 | 175,118 |
| | | 2,264,849 | 2,312,429 | 2,262,448 | 2,315,954 |
| Liabilities classified as held for sale | 35(c) | 36,583 | 16,473 | - | - |
| TOTAL LIABILITIES | | 2,301,433 | 2,328,902 | 2,262,448 | 2,315,954 |
| EQUITY | | | | | |
| Share capital and share premium | 36 | 148,090 | 148,090 | 148,090 | 148,090 |
| Retained Earnings | | 19,661 | 13,723 | 30,619 | 24,112 |
| Other reserves | | 101,149 | 98,250 | 82,501 | 79,285 |
| EQUITY ATTRIBUTABLE TO EQUITY - HOLDERS OF THE BANK | | 268,900 | 260,063 | 261,210 | 251,487 |
| Non-controlling interest | 37 | 6,848 | 6,804 | - | - |
| TOTAL EQUITY | | 275,748 | 266,867 | 261,210 | 251,487 |
| TOTAL LIABILITIES AND EQUITY | | 2,577,181 | 2,595,769 | 2,523,658 | 2,567,441 |
| The financial statements were approved by the Board of Directors on 22nd April 2022 and signed on its behalf by: | | | | | |
|  |  |  | | | |
| Emeka Okonkwo Group Managing Director FRC/2021/003/00000023088 | Joe Mbulu Chief Financial Officer FRC/2014/ICAN/00000006110 | Beatrice Hamza Bassey Board Chair FRC/2020/003/00000020477 | | | |

Consolidated and Separate Statements of Changes in Equity
For the period ended 31 March 2022

Group

| | Share capital | Share premium | Statutory reserve | Fair value reserve | Regulatory risk reserve | Share based payment reserve | AGSMEIS Reserve | Other reserves | Retained earnings | Total | Non-controlling interest | Total equity |
|--|---------------|----------------|-------------------|--------------------|-------------------------|-----------------------------|-----------------|----------------|-------------------|----------------|--------------------------|----------------|
| | ₦ million | ₦ million | ₦ million | ₦ million | ₦ million | ₦ million | ₦ million | ₦ million | ₦ million | ₦ million | ₦ million | ₦ million |
| Balance at 1 January 2022 | 14,632 | 133,458 | 39,028 | 7,963 | 25,834 | - | 4,536 | 20,889 | 13,723 | 260,063 | 6,804 | 266,867 |
| Total comprehensive income for the period | | | | | | | | | | | | |
| Profit for the period | - | - | 911 | - | - | - | - | - | 4,596 | 5,507 | 44 | 5,551 |
| Other comprehensive income, net of tax | | | | | | | | | | | | |
| Foreign currency translation difference | - | - | - | - | - | - | - | (330) | - | (330) | - | (330) |
| Fair value gains/(loss) on investment at FVTOCI | - | - | - | 3,660 | - | - | - | - | - | 3,660 | - | 3,660 |
| Transfer from regulatory reserves | - | - | - | - | (1,342) | - | - | - | 1,342 | - | - | - |
| Transfer from other reserves | - | - | - | - | - | - | - | - | - | - | - | - |
| Total comprehensive income for the year | - | - | 911 | 3,660 | (1,342) | - | - | (330) | 5,938 | 8,837 | 44 | 8,881 |
| Balance at 31 March 2022 | 14,632 | 133,458 | 39,939 | 11,623 | 24,492 | - | 4,536 | 20,559 | 19,661 | 268,900 | 6,848 | 275,748 |

For the period ended 31 March 2021

Group

| | Share capital | Share premium | Statutory reserve | Fair value reserve | Regulatory risk reserve | Share based payment reserve | AGSMEIS Reserve | Other reserves | Retained earnings | Total | Non-controlling interest | Total equity |
|---|---------------|----------------|-------------------|--------------------|-------------------------|-----------------------------|-----------------|----------------|-------------------|----------------|--------------------------|----------------|
| | ₦ million | ₦ million | ₦ million | ₦ million | ₦ million | ₦ million | ₦ million | ₦ million | ₦ million | ₦ million | ₦ million | ₦ million |
| Balance at 1 January 2021 | 14,633 | 133,457 | 36,151 | 19,079 | 7,674 | - | 3,577 | 19,668 | 23,399 | 257,638 | 6,680 | 264,318 |
| Profit for the year | - | - | 1,008 | - | - | - | - | - | 5,196 | 6,204 | 5 | 6,209 |
| Other comprehensive income, net of tax | | | | | | | | | | | | |
| - net change in fair value | - | - | - | (5,524) | - | - | - | - | - | (5,524) | - | (5,524) |
| Foreign currency translation difference | - | - | - | - | - | - | - | 158 | - | 158 | - | 158 |
| Transfer from regulatory reserves | - | - | - | - | 192 | - | - | - | (192) | - | - | - |
| Total comprehensive income | - | - | 1,008 | (5,524) | 192 | - | - | 158 | 5,004 | 838 | 5 | 843 |
| Balance at 31 March 2021 | 14,633 | 133,457 | 37,159 | 13,555 | 7,866 | - | 3,577 | 19,826 | 28,403 | 258,476 | 6,685 | 265,160 |

Consolidated and Separate Statements of Changes in Equity
For the period ended 31 March 2022

Bank

| | Share capital | Share premium | Statutory reserve | Treasury shares | Fair value reserves | Regulatory risk reserves | Share based payment reserve | AGSMEIS Reserve | Other reserves | Retained earnings | Total |
|---|---------------|----------------|-------------------|-----------------|---------------------|--------------------------|-----------------------------|-----------------|----------------|-------------------|----------------|
| | N million | N million | N million | N million | N million | N million | N million | N million | N million | N million | N million |
| Balance at 1 January 2022 | 14,632 | 133,458 | 39,028 | - | 7,315 | 25,834 | - | 4,536 | 2,572 | 24,112 | 251,487 |
| Total comprehensive income for the year | | | | | | | | | | | |
| Profit or loss | - | - | 911 | - | - | - | - | - | - | 5,165 | 6,076 |
| Other comprehensive income | | | | | | | | | | | |
| Foreign currency translation difference | | | | | | | | | | | |
| Fair value gains/(loss) on investment at FVTOCI | - | - | - | - | 3,647 | - | - | - | - | - | 3,647 |
| Equity settled share based payment | - | - | - | - | - | - | - | - | - | - | - |
| Remeasurement of defined benefit liability | - | - | - | - | - | - | - | - | - | - | - |
| Transfer between reserves | - | - | - | - | - | (1,342) | - | - | - | 1,342 | - |
| Total comprehensive income for the year | - | - | 911 | - | 3,647 | (1,342) | - | - | - | 6,507 | 9,723 |
| Balance at 31 March 2022 | 14,632 | 133,458 | 39,939 | - | 10,962 | 24,492 | - | 4,536 | 2,572 | 30,619 | 261,210 |

For the period ended 31 March 2021

Bank

| | Share capital | Share premium | Statutory reserve | Treasury shares | Fair value reserves | Regulatory risk reserves | Share based payment reserve | AGSMEIS Reserve | Other reserves | Retained earnings | Total |
|---|---------------|----------------|-------------------|-----------------|---------------------|--------------------------|-----------------------------|-----------------|----------------|-------------------|----------------|
| | N million | N million | N million | N million | N million | N million | N million | N million | N million | N million | N million |
| Balance at 1 January 2021 | 14,633 | 133,457 | 36,151 | - | 18,414 | 7,674 | - | 3,577 | 2,212 | 31,403 | 247,521 |
| Profit or loss | - | - | 1,008 | - | - | - | - | - | - | 5,711 | 6,719 |
| | | | | - | | | | | | | |
| Fair value gains/(loss) on investment at FVTOCI | | | | - | (5,538) | | | | | | (5,538) |
| Transfer between reserves | - | - | - | - | - | 192 | - | - | - | (387) | (195) |
| Total contribution and distributions to owners | - | - | 1,008 | - | (5,538) | 192 | - | - | - | 5,324 | 1,181 |
| Balance at 31 March 2021 | 14,633 | 133,457 | 37,159 | - | 12,876 | 7,866 | - | 3,577 | 2,212 | 36,727 | 248,702 |

Consolidated and Separate Statements of Cash Flows

For the period ended 31 March 2022

| | Group 31 March 2022 N million | Group March 2021 N million | Bank 31 March 2022 N million | Bank March 2021 N million |
|---|--|----------------------------------|---------------------------------------|---------------------------------|
| Cash flows from operating activities | | | | |
| Profit after tax for the period | 5,551 | 6,209 | 6,076 | 6,719 |
| Income tax expense | 286 | 251 | 278 | 251 |
| Profit before tax for the period | 5,837 | 6,460 | 6,354 | 6,970 |
| <i>Adjustments for:</i> | | | | |
| Impairment losses on loans and advances | 6 | 375 | 802 | 374 |
| Recoveries on loans and advances | (1,546) | (3,382) | (1,546) | (3,382) |
| Reversal of impairment on other assets | 6 | - | 4 | - |
| Gain on sale of property and equipment | 5 | (166) | (103) | (166) |
| Gain on disposal of unquoted equity at FVTOCI | 5 | - | (20) | - |
| Fair Value Gain on investment properties | 19 | (65) | - | - |
| Depreciation of property and equipment | 21 | 1,376 | 1,443 | 1,370 |
| Amortisation of intangible assets | 22 | 450 | 477 | 450 |
| Dividend income from equity investment | 5 | (1,002) | (958) | (1,002) |
| Interest on lease liability | 1 | 28 | - | 28 |
| Interest paid on borrowings | 1 | 6,154 | 6,585 | 6,154 |
| Contributions to defined contribution plans | 7 | 140 | 148 | 139 |
| Increase in liability for defined benefit plans | - | - | 1 | - |
| | 11,581 | 11,457 | 12,156 | 6,411 |
| Change in financial assets at fair value through profit or loss | (10,520) | 42,426 | (10,520) | 42,426 |
| Change in pledged assets | (3,017) | 3,930 | (3,017) | 3,930 |
| Change in loans and advances to customers | 16,828 | (17,199) | 16,829 | (11,645) |
| Change in right of use asset | (161) | (2,707) | (160) | (2,707) |
| Change in other assets | (103,335) | 11,508 | (103,298) | 15,749 |
| Change in derivative financial instruments-assets | (3,805) | (96) | (3,805) | (96) |
| Change in derivative financial instruments-liabilities | 1,882 | 85 | 1,882 | 85 |
| Change in deposits from banks | 7,977 | - | 7,977 | - |
| Change in deposits from customers | (42,594) | (4,880) | (48,007) | (4,795) |
| Change in lease liability | (89) | 56 | (89) | 56 |
| Change in other liabilities | 20,920 | 51,230 | 20,411 | 54,206 |
| | (104,334) | 95,811 | (109,641) | 103,621 |
| Income tax paid | - | (1) | - | - |
| Payment from defined contribution plan | 30 | (274) | (146) | (272) |
| Payment from defined benefit plan | - | 79 | - | 78 |
| Cashflows from discontinued operations | 39,569 | - | - | - |
| Net cash provided by/(used in) operating activities | (65,038) | 95,743 | (109,913) | 103,554 |
| Cash flows from investing activities | | | | |
| Acquisition of investment properties | - | (14) | - | - |
| Proceeds from sale of property and equipment | 167 | 102 | 166 | 103 |
| Acquisition of investment securities | 44,128 | 19,584 | 44,115 | 16,331 |
| Acquisition of property and equipment | (1,430) | (1,327) | (1,421) | (1,365) |
| Acquisition of intangible assets | (488) | (67) | (488) | (67) |
| Dividend income received | 1,002 | 958 | 1,002 | 958 |
| Net cash generated from/(used in) investing activities | 43,378 | 19,236 | 43,373 | 15,960 |
| Cash flows from financing activities | | | | |
| Net proceeds from shares issued during the year | | | | |
| Inflow from other borrowings | - | (14,448) | - | (14,448) |
| Repayment of borrowings | (32,503) | (16,851) | (32,503) | (6,585) |
| Interest paid on borrowings | (4,940) | (92,472) | (4,940) | (99,137) |
| Inflow from bond issued | (3) | - | (3) | - |
| Other borrowed funds | (4,079) | 34,886 | (4,079) | 34,886 |
| Net cash generated from/(used in) financing activities | (41,526) | (88,885) | (41,526) | (85,284) |
| Net increase/(decrease) in cash and cash equivalents | (63,186) | 26,093 | (108,066) | 34,229 |
| Cash and cash equivalents at beginning of year | 407,179 | 270,707 | 445,841 | 262,730 |
| Effect of exchange rate fluctuations on cash held | (328) | 159 | - | - |
| Cash and cash equivalents at end of the period | 343,665 | 296,959 | 337,775 | 296,959 |

1 Net interest income

| | Group March 2022 | Group March 2021 | Bank March 2022 | Bank March 2021 |
|---|---------------------------------|---------------------|----------------------------|-----------------------|
| | N million | N million | N million | N million |
| Cash and cash equivalents at end of year | | | | |
| Cash and cash equivalents | 2,730 | 448 | 2,624 | 434 |
| Loans and advances to customers | 24,928 | 19,297 | 24,928 | 19,297 |
| Investment securities | 3,900 | 2,504 | 3,899 | 2,504 |
| Total interest income | 31,558 | 22,249 | 31,452 | 22,235 |
| Interest expense | | | | |
| Deposits from customers | 12,029 | 4,612 | 12,029 | 4,685 |
| Lease liability | 28 | 56 | 28 | 56 |
| Other borrowed funds | 6,154 | 6,585 | 6,154 | 6,585 |
| Total interest expense | 18,211 | 11,253 | 18,212 | 11,326 |
| Net interest income | 13,347 | 10,996 | 13,240 | 10,909 |

2 Net fees and commission income

| | Group March 2022 | Group March 2021 | Bank March 2022 | Bank March 2021 |
|---|---------------------------------|---------------------|----------------------------|-----------------------|
| | N million | N million | N million | N million |
| Credit Related fees and commissions | 869 | 1,564 | 869 | 1,564 |
| Account Maintenance Fee | 589 | 483 | 589 | 483 |
| E-business fee income | 2,050 | 1,531 | 2,051 | 1,531 |
| Commission on LCs, Invisible Trades and Guarantees | 795 | 531 | 795 | 531 |
| Other fees and commission | (29) | 15 | (29) | 15 |
| | 4,274 | 4,124 | 4,275 | 4,123 |
| Fees and commission expenses | (893) | (1,065) | (893) | (1,065) |
| Net fees and commission income | 3,382 | 3,059 | 3,381 | 3,058 |

3 Net trading income/(loss)

| | Group March 2022 | Group March 2021 | Bank March 2022 | Bank March 2021 |
|--|---------------------------------|------------------------|----------------------------|--------------------|
| | N million | N million | N million | N million |
| Gain on disposal of fixed income securities | 38 | 956 | 38 | 956 |
| Mark to market gains/losses on fixed income securities | 1,162 | (1,087) | 1,162 | (1,087) |
| Mark to market gains on commercial paper | - | - | - | - |
| Foreign exchange gain on trading | 2,409 | 2,483 | 2,408 | 2,482 |
| | 3,609 | 2,352 | 3,608 | 2,351 |

4

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

| | Group March 2022 | Group March 2021 | Bank March 2022 | Bank March 2021 |
|--|---------------------------------|------------------------|----------------------------|--------------------|
| | N million | N million | N million | N million |
| <i>Equity instruments at FVTPL:</i> | | | | |
| Equity | 3,320 | 3,160 | 3,320 | 3,160 |
| Derivatives held for risk management purposes: | | | | |
| Foreign exchange swap contracts | 202 | (130) | 202 | (130) |
| | 3,522 | 3,030 | 3,522 | 3,030 |

5 Other operating income

| | Group March 2022 | Group March 2021 | Bank March 2022 | Bank March 2021 |
|---|---------------------------------|------------------------|----------------------------|--------------------|
| | N million | N million | N million | N million |
| Dividends | 1,002 | 958 | 1,002 | 958 |
| Gains on disposal of property and equipment | 166 | 103 | 166 | 103 |
| Gain on disposal of equity investment | - | 20 | - | 20 |
| Foreign exchange revaluation gain | (1,982) | 529 | (1,982) | 529 |
| Rental income | 12 | 51 | 12 | 51 |
| Fair value gain on investment property | - | - | - | - |
| Sundry income (See (a) below) | 227 | 708 | 199 | 679 |
| | (575) | 2,369 | (603) | 2,340 |

(a) Sundry income

| | Group March 2022 | Group March 2021 | Bank March 2022 | Bank March 2021 |
|--------------------|---------------------------------|------------------------|----------------------------|--------------------|
| | N million | N million | N million | N million |
| Cash handling fees | 15 | 69 | 15 | 15 |
| Fraud recoveries | - | 2 | - | - |
| Other income | 212 | 637 | 185 | 664 |
| | 227 | 708 | 199 | 679 |

6 Net Impairment charge on financial assets

| | Group March 2022 | Group March 2021 | Bank March 2022 | Bank March 2021 |
|---|---------------------------------|------------------------|----------------------------|--------------------|
| | N million | N million | N million | N million |
| Net impairment charge/(write-back) for credit losses | 375 | 802 | 374 | 802 |
| Net impairment write-back on other financial assets | - | 4 | - | 4 |

7 Personnel expenses

| | Group March 2022 | Group March 2021 | Bank March 2022 | Bank March 2021 |
|--|---------------------------------|------------------------|----------------------------|--------------------|
| | N million | N million | N million | N million |
| Wages and salaries | 5,658 | 7,014 | 5,622 | 6,979 |
| Contributions to defined contribution plans | 140 | 148 | 139 | 147 |
| Interest and current service cost on defined benefit plans | - | 1 | - | 1 |
| | 5,798 | 7,163 | 5,761 | 7,127 |

8 Other operating expenses

| | Group | Group | Bank | Bank |
|---|------------------|-----------|-------------------|------------|
| | March | March | March 2022 | March 2021 |
| | 2022 | 2021 | March 2022 | March 2021 |
| | ₦ million | N million | ₦ million | N million |
| NDIC Premium | 1,497 | 1,335 | 1,497 | 1,335 |
| AMCON surcharge | 3,593 | 2,888 | 3,593 | 2,888 |
| Non-discretionary regulatory costs | 5,090 | 4,223 | 5,090 | 4,223 |
| Auditors' remuneration | 32 | 47 | 30 | 45 |
| Rents and Rates | 153 | 254 | 152 | 253 |
| Accommodation and travels | 84 | 49 | 84 | 49 |
| Fleet management and vehicle related expens | 178 | 148 | 178 | 148 |
| Repair and Maintenance | 251 | 336 | 249 | 333 |
| Professional fees | 396 | 351 | 391 | 347 |
| Advertising and Promotion expenses | 317 | 249 | 317 | 249 |
| Security expense | 277 | 368 | 277 | 368 |
| Expenses on software | 1,535 | 1,336 | 1,535 | 1,336 |
| Donations and Subscriptions | 14 | 15 | 14 | 15 |
| Cash movement expense | 291 | 313 | 291 | 313 |
| Diesel and power | 865 | 633 | 865 | 633 |
| General administrative expenses | 849 | (138) | 843 | (142) |
| Insurance | 70 | 81 | 69 | 81 |
| | 10,402 | 8,265 | 10,385 | 8,251 |

9 Income tax expense

(a) Recognised in the profit or loss

| | Group | Group | Bank | Bank |
|---|-------------------|------------|-------------------|------------|
| | March 2022 | March 2021 | March 2022 | March 2021 |
| | ₦ million | ₦ million | ₦ million | ₦ million |
| Current tax expense | | | | |
| Company Income Tax | 223 | 182 | 215 | 182 |
| NPTF Levy Expense | - | - | - | - |
| Capital Gains tax | - | - | - | - |
| NITDA Levy | 63 | 69 | 63 | 69 |
| Origination and reversal of temporary differences | - | - | - | - |
| Total tax expense | 286 | 251 | 278 | 251 |
| Total income tax expense | 286 | 251 | 278 | 251 |

10 Earnings per share

(a) Basic earnings per share

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

Weighted average number of ordinary shares

| | Group | Group | Bank | Bank |
|--|-------------------|------------|-------------------|------------|
| | March 2022 | March 2021 | March 2022 | March 2021 |
| Issued ordinary shares at beginning of the year | 29,264 | 29,264 | 29,264 | 29,264 |
| Weighted effect of shares issued during the year | 29,264 | 29,264 | 29,264 | 29,264 |

(b) Profit attributable to ordinary shareholders

| | Group | Group | Bank | Bank |
|--|-------------------|------------|-------------------|------------|
| <i>In millions of Nigerian Naira</i> | March 2022 | March 2021 | March 2022 | March 2021 |
| Profit from continuing operations attributable to equity | 6,104 | 6,779 | 6,076 | 6,719 |
| Basic earnings per share (in kobo) | 21 | 23 | 21 | 23 |

| 11 Cash and cash equivalents | Group | Group | Bank | Bank |
|---|----------------|----------------|----------------|----------------|
| | 31 March 2022 | 31 Dec 2021 | 31 March 2022 | 31 Dec 2021 |
| | ₦ million | ₦ million | ₦ million | ₦ million |
| Cash and balances with banks | 107,193 | 113,303 | 107,146 | 151,964 |
| Unrestricted balances with central bank | 2,083 | 19,875 | 2,083 | 19,875 |
| Money market placements | 234,389 | 274,001 | 228,546 | 274,001 |
| | 343,665 | 407,179 | 337,775 | 445,841 |
| ECL Impairment on cash and cash equivalents | (36) | (36) | (36) | (36) |
| | 343,629 | 407,143 | 337,739 | 445,804 |

| 12 Financial assets at fair value through profit or loss | Group | Group | Bank | Bank |
|--|---------------|--------------|---------------|--------------|
| | 31 March 2022 | 31 Dec 2021 | 31 March 2022 | 31 Dec 2021 |
| | ₦ million | ₦ million | ₦ million | ₦ million |
| Government bonds | 1,681 | 1,281 | 1,681 | 1,281 |
| Treasury bills | 10,324 | 203 | 10,324 | 203 |
| | 12,005 | 1,485 | 12,005 | 1,485 |

| 13 Pledged assets | Financial assets that may be repledged or resold by counterparties | | | |
|---------------------------------|--|----------------|----------------|----------------|
| | Group | Group | Bank | Bank |
| | 31 March 2022 | 31 Dec 2021 | 31 March 2022 | 31 Dec 2021 |
| | ₦ million | ₦ million | ₦ million | ₦ million |
| Treasury bills | 92,533 | 79,454 | 92,533 | 79,454 |
| FGN Bonds | 20,401 | 30,457 | 20,401 | 30,457 |
| Placement | 316 | 322 | 316 | 322 |
| ECL Impairment on Pledged asset | (7) | (7) | (7) | (7) |
| | 113,243 | 110,226 | 113,243 | 110,226 |

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

| 14 Derivative financial instruments | Group | | | |
|-------------------------------------|---------------|---------------|--------------|--------------|
| | 31 March 2022 | | 31 Dec 2021 | |
| | Assets | Liabilities | Assets | Liabilities |
| | ₦ million | ₦ million | N million | N million |
| Instrument Type: | | | | |
| FX swaps | 13,445 | - | 9,640 | - |
| Non-deliverable futures | - | 10,566 | - | 8,684 |
| | 13,445 | 10,566 | 9,640 | 8,684 |
| | | | | |
| | 31 March 2022 | | 31 Dec 2021 | |
| | Assets | Liabilities | Assets | Liabilities |
| | ₦ million | ₦ million | N million | N million |
| Instrument Type: | | | | |
| FX swaps | 13,445 | - | 9,640 | - |
| | - | 10,566 | - | 8,684 |
| | 13,445 | 10,566 | 9,640 | 8,684 |

The Group uses derivatives not designated in a qualifying hedge relationship, to manage its exposure to foreign currency risks. The instruments used include forward contracts and cross currency linked forward contracts.

15 Loans and advances to customers at amortised cost

| | Group | | Bank | |
|----------------------|----------------------|-------------|----------------------|-------------|
| (a) | 31 March 2022 | 31 Dec 2021 | 31 March 2022 | 31 Dec 2021 |
| | ₦ million | ₦ million | ₦ million | ₦ million |
| FCY Loans | 408,607 | 401,366 | 408,606 | 401,366 |
| LCY Loans | 474,319 | 497,740 | 474,319 | 497,740 |
| Gross amount | 882,926 | 899,106 | 882,926 | 899,106 |
| <i>IFRS 9</i> | | | | |
| Stage 1 impairment | (4,677) | (4,615) | (4,677) | (4,615) |
| Stage 2 impairment | (13,142) | (12,378) | (13,142) | (12,378) |
| Stage 3 impairment | (11,924) | (13,274) | (11,924) | (13,274) |
| Total impairment | (29,743) | (30,266) | (29,743) | (30,266) |
| Carrying amount | 853,183 | 868,840 | 853,183 | 868,840 |

16 Investment in equity accounted investee

| | Group | Group | Bank | Bank |
|---------------------------------|---------------|-------------|---------------|-------------|
| | 31 March 2022 | 31 Dec 2021 | 31 March 2022 | 31 Dec 2021 |
| | ₦ million | ₦ million | ₦ million | ₦ million |
| Cost | | | | |
| Balance, beginning of the year | 115 | 115 | 91 | 91 |
| | 115 | 115 | 91 | 91 |
| Impairments | (115) | (115) | (91) | (91) |
| Balance, end of the year | - | - | - | - |

17 Investment securities

| | Group | Group | Bank | Bank |
|---|----------------|-------------|----------------|----------------|
| | 31 March 2022 | 31 Dec 2021 | 31 March 2022 | 31 Dec 2021 |
| | ₦ million | ₦ million | ₦ million | ₦ million |
| Investment securities at fair value through other comprehensive income (FVOCI) (see note (a) below) | 258,528 | 300,502 | 258,528 | 300,502 |
| Investment at fair value through profit or loss (FVTPL) (see note (b) below) | 60,093 | 56,774 | 60,093 | 56,774 |
| Investment securities at amortised cost (see note (c)) | 28,423 | 30,236 | 28,423 | 30,236 |
| Impairment on securities (see note (c) below) | (4) | (4) | (4) | (4) |
| | 347,040 | 387,508 | 347,040 | 387,508 |

| | Group | Group | Bank | Bank |
|---|----------------|-------------|----------------|-------------|
| | 31 March 2022 | 31 Dec 2021 | 31 March 2022 | 31 Dec 2021 |
| | ₦ million | ₦ million | ₦ million | ₦ million |
| (a) <i>Investment securities at fair value through other comprehensive income comprise:</i> | | | | |
| - <i>Investments in debt securities:</i> | | | | |
| Treasury bills | 208,084 | 256,917 | 208,084 | 256,917 |
| FGN Bonds | 24,833 | 16,572 | 24,833 | 16,572 |
| State Bonds | 4,103 | 4,037 | 4,103 | 4,037 |
| Corporate Bonds | 12,096 | 13,665 | 12,096 | 13,665 |
| Commercial Paper | 0 | 53 | 0 | 53 |
| FGN Promissory note | 6,465 | 6,311 | 6,465 | 6,311 |
| Total investment in debt securities | 255,581 | 297,555 | 255,581 | 297,555 |
| - <i>Equity instruments at fair value through other comprehensive income comprise:</i> | | | | |
| Equity: Quoted see (i) below | 1,777 | 1,777 | 1,777 | 1,777 |
| Unquoted see (ii) below | 1,170 | 1,170 | 1,170 | 1,170 |
| Net Total -Equity instruments | 2,947 | 2,947 | 2,947 | 2,947 |
| Total investment securities at FVTOCI | 258,528 | 300,502 | 258,528 | 300,502 |

| | Group | Group | Bank | Bank |
|--|----------------|----------------|----------------|----------------|
| | 31 March 2022 | 31 Dec 2021 | 31 March 2022 | 31 Dec 2021 |
| | N million | N million | N million | N million |
| (i) Investment in REIT | 1,777 | 1,777 | 1,777 | 1,777 |
| (ii) Investment in unquoted equities | | | | |
| Nigeria Auto Clearing System | 682 | 682 | 682 | 682 |
| Credit Reference Company | 119 | 119 | 119 | 119 |
| Central Securities Clearing System | 201 | 201 | 201 | 201 |
| Sanef Ltd | 50 | 50 | 50 | 50 |
| Unique Venture Funds Ltd | 118 | 118 | 118 | 118 |
| | 1,171 | 1,170 | 1,171 | 1,170 |
| Total | 2,948 | 2,947 | 2,948 | 2,947 |
| (b) <i>Investment at fair value through profit or loss comprise:</i> | | | | |
| Investment in equity | | | | |
| Afrexim Bank | 8,092 | 7,183 | 8,092 | 7,183 |
| Africa Finance Corporation (AFC) | 52,001 | 49,591 | 52,001 | 49,591 |
| | 60,093 | 56,774 | 60,093 | 56,774 |
| Cash and cash equivalents at end of year | | | | |
| (c) <i>Fixed income securities at amortised cost comprise:</i> | | | | |
| Treasury bills | - | - | - | - |
| Federal Government of Nigeria -Bonds | 27,139 | 28,455 | 27,139 | 28,455 |
| State Government of Nigeria -Bonds | 1,284 | 1,780 | 1,284 | 1,780 |
| Total - Fixed income | 28,423 | 30,236 | 28,423 | 30,236 |
| Stage I impairment | (4) | (4) | (4) | (4) |
| Total impairment | (4) | (4) | (4) | (4) |
| Net Total -Fixed income securities | 284,000 | 327,787 | 284,000 | 327,787 |
| Total investment securities | 347,040 | 387,508 | 347,040 | 387,508 |

18 Trading properties

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

| | Group | Group | Bank | Bank |
|----------------------------|---------------|-------------|---------------|-------------|
| | 31 March 2022 | 31 Dec 2021 | 31 March 2022 | 31 Dec 2021 |
| | ₦ million | ₦ million | ₦ million | ₦ million |
| Balance, beginning of year | 187 | 187 | 187 | 187 |
| Addition | - | - | - | - |
| Balance, end of year | 187 | 187 | 187 | 187 |

19 Investment Properties

| | Group | Group | Bank | Bank |
|----------------------------------|---------------|-------------|---------------|-------------|
| | 31 March 2022 | 31 Dec 2021 | 31 March 2022 | 31 Dec 2021 |
| | ₦ million | ₦ million | ₦ million | ₦ million |
| Balance, beginning of the year | 5,226 | 4,817 | - | - |
| Disposal | - | - | - | - |
| Additions to investment property | - | - | - | - |
| Fair value gain | 65 | 409 | - | - |
| Balance, end of the year | 5,291 | 5,226 | - | - |

20 Investment in subsidiaries Cost

| | Bank | Bank |
|--------------------------|---------------|-------------|
| | 31 March 2022 | 31 Dec 2021 |
| | ₦ million | ₦ million |
| UBN Property Company Plc | 2,195 | 2,195 |
| | 2,195 | 2,195 |

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

Direct ownership interest

| Company Name | Country Incorporation | Nature of business | 31 March 2022 | 31 Dec 2021 |
|--|--------------------------|-----------------------|---------------|-------------|
| | | | Status/% | Status/% |
| UBN Property Company Plc (i) | Nigeria | Property Development | 39 | 39 |
| Union Bank UK Plc (ii) (Classified as held for United Kingdom) | | Licensed UK Bank | 100 | 100 |

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

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

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

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

21 Property and equipment

(a) **Group:**

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

| | Land | Buildings | Leasehold improvement | Fixtures and fittings | Furniture & equipment | Motor vehicles | Capital work in progress | Total |
|---|---------------|------------------|----------------------------------|----------------------------------|--|---------------------------|---|----------------|
| | N million | N million | N million | N million | N million | N million | N million | N million |
| Cost | | | | | | | | |
| Balance at 1st January, 2021 | 10,419 | 20,183 | 22,006 | 5,744 | 38,577 | 2,291 | 1,695 | 100,915 |
| Additions | - | 0 | 35 | 7 | 180 | 9 | 1,200 | 1,430 |
| Reclassification to other assets | - | 0 | (3) | - | 1 | - | - | (2) |
| Disposal | - | - | - | - | (40) | (1) | - | (41) |
| Balance at 31 March 2022 | 10,419 | 20,183 | 22,038 | 5,751 | 38,717 | 2,299 | 2,895 | 102,302 |
| Balance at 1st January, 2021 | 10,648 | 20,115 | 20,577 | 5,733 | 34,562 | 2,285 | 1,509 | 95,429 |
| Additions | - | 191 | 1,161 | 127 | 3,386 | 22 | 1,695 | 6,582 |
| Disposals | (229) | (256) | (48) | (254) | (109) | (16) | - | (912) |
| Reclassification to other assets | - | 133 | 316 | 138 | 738 | - | (1,509) | (184) |
| Balance as at 31 Dec 2021 | 10,419 | 20,183 | 22,006 | 5,744 | 38,577 | 2,291 | 1,695 | 100,915 |
| | - | - | - | - | - | - | - | - |
| Depreciation and impairment losses | | | | | | | | |
| Balance at 1st January 2021 | - | 7,013 | 3,275 | 3,120 | 27,742 | 2,092 | - | 43,242 |
| Charge for the period | - | 93 | 106 | 120 | 1,025 | 32 | - | 1,376 |
| Disposals | - | - | - | - | (40) | - | - | (40) |
| Reclassifications | - | (4) | 4 | - | - | - | - | (0) |
| Balance at 31 March 2022 | - | 7,102 | 3,385 | 3,241 | 28,727 | 2,123 | - | 44,577 |
| Balance at 1st January, 2021 | - | 6,748 | 2,871 | 2,801 | 23,747 | 1,898 | - | 38,065 |
| Charge for the year | - | 372 | 410 | 491 | 4,133 | 203 | - | 5,609 |
| Disposals | - | (107) | (6) | (172) | (138) | (9) | - | (432) |
| Balance as at 31 Dec 2021 | - | 7,013 | 3,275 | 3,120 | 27,742 | 2,092 | - | 43,242 |
| (iii) Net Book Value | | | | | | | | |
| Balance at 31 March 2022 | 10,419 | 13,082 | 18,653 | 2,510 | 9,990 | 175 | 2,895 | 57,726 |
| Balance as at 31 December 2021 | 10,419 | 13,170 | 18,731 | 2,624 | 10,835 | 199 | 1,695 | 57,673 |

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

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

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

(vi) There were no capitalised borrowing costs related to the acquisition of property and equipment during the period (December 2020: nil)

Bank:

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

| (i) Cost | Land | Buildings | Leasehold improvement | Fixtures and fittings | Furniture & equipment | Motor vehicles | Capital work in progress | Total |
|-----------------------------------|---------------|---------------|-----------------------|-----------------------|-----------------------|----------------|--------------------------|----------------|
| | ₦ million | ₦ million | ₦ million | ₦ million | ₦ million | ₦ million | ₦ million | ₦ million |
| Balance at 1st January 2022 | 10,439 | 20,191 | 22,006 | 5,744 | 38,530 | 2,291 | 1,695 | 100,896 |
| Additions | - | 0 | 35 | 7 | 180 | - | 1,200 | 1,421 |
| Reclassifications | - | 0 | (3) | - | 1 | - | - | (2) |
| Disposals | - | - | - | - | (40) | - | - | (40) |
| Balance at 31 March 2022 | 10,439 | 20,191 | 22,038 | 5,751 | 38,670 | 2,291 | 2,895 | 102,275 |
| Balance at 1st January 2021 | 10,648 | 20,115 | 20,577 | 5,733 | 34,542 | 2,268 | 1,509 | 95,392 |
| Additions | (18) | 190 | 1,160 | 128 | 3,380 | 23 | 1,695 | 6,558 |
| Disposals | (191) | (247) | (47) | (255) | (130) | - | - | (870) |
| Reclassifications to other assets | - | 133 | 316 | 138 | 738 | - | (1,509) | (184) |
| Balance as at 31 December 2021 | 10,439 | 20,191 | 22,006 | 5,744 | 38,530 | 2,291 | 1,695 | 100,896 |

| (ii) Accumulated depreciation | Buildings | Leasehold improvement | Fixtures and fittings | Furniture & equipment | Motor vehicles | Capital work in progress | Total | |
|-------------------------------------|-----------|-----------------------|-----------------------|-----------------------|----------------|--------------------------|-----------|---------------|
| | ₦ million | ₦ million | ₦ million | ₦ million | ₦ million | ₦ million | ₦ million | |
| Balance at 1st January 2022 | - | 7,012 | 3,275 | 3,122 | 27,742 | 2,092 | - | 43,243 |
| Charge for the period | - | 92 | 106 | 120 | 1,021 | 31 | - | 1,370 |
| Disposals | - | - | - | - | (40) | - | - | (40) |
| Reclassifications | - | (4) | 4 | - | - | - | - | (0) |
| Balance at 31 March 2022 | - | 7,100 | 3,385 | 3,242 | 28,723 | 2,123 | - | 44,573 |
| Opening balance at 1st January 2021 | - | 6,747 | 2,871 | 2,802 | 23,736 | 1,894 | - | 38,050 |
| Charge for the year | - | 373 | 410 | 492 | 4,126 | 198 | - | 5,599 |
| Disposals | - | (108) | (6) | (172) | (120) | - | - | (406) |
| Reclassifications | - | - | - | - | - | - | - | - |
| Balance as at 31 December 2021 | - | 7,012 | 3,275 | 3,122 | 27,742 | 2,092 | - | 43,243 |

| (iii) Net Book Value | Land | Buildings | Leasehold improvement | Fixtures and fittings | Furniture & equipment | Motor vehicles | Capital work in progress | Total |
|---------------------------------|---------------|---------------|-----------------------|-----------------------|-----------------------|----------------|--------------------------|---------------|
| | ₦ million | ₦ million | ₦ million | ₦ million | ₦ million | ₦ million | ₦ million | ₦ million |
| Balance at 31 March 2022 | 10,439 | 13,091 | 18,653 | 2,508 | 9,947 | 168 | 2,895 | 57,703 |
| Balance as at 31 December 2021 | 10,439 | 13,179 | 18,731 | 2,622 | 10,788 | 199 | 1,695 | 57,653 |

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

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

(vi) There were no capitalised borrowing costs related to the acquisition of property and equipment during the period (December 2021: nil)

22 Intangible assets

| | Group 31 March 2022 | Group 31 Dec 2021 | Bank 31 March 2022 | Bank 31 Dec 2021 |
|---|------------------------------------|----------------------|-------------------------------|---------------------|
| | N million | N million | N million | N million |
| Cost | | | | |
| Balance, beginning of the year | 15,252 | 14,769 | 15,251 | 14,768 |
| Additions | 488 | 299 | 488 | 299 |
| Transfer from property and equipment | (482) | 184 | (482) | 184 |
| Disposal | - | - | - | - |
| Exchange translation difference | (2) | - | - | - |
| Reclassified to discontinued operations | - | - | - | - |
| Balance, end of period | 15,256 | 15,252 | 15,257 | 15,251 |
| Amortization and impairment losses | | | | |
| Balance, beginning of the year | 11,469 | 9,557 | 11,469 | 9,557 |
| Amortisation for the year | 450 | 1,912 | 450 | 1,912 |
| Reclassified to discontinued operations | - | - | - | - |
| Balance, end of period | 11,919 | 11,469 | 11,919 | 11,469 |
| Carrying amounts as at period end | | | | |
| Balance as at 1 January | 3,337 | 3,783 | 3,338 | 3,782 |
| | 3,783 | 5,212 | 3,782 | 5,211 |

- (i) In the opinion of the directors, the market value of the Group's software is not less than the value shown in the financial statements.
- (ii) There were no capitalised borrowing costs related to the acquisition of software during the year (December 2021: nil)

23 Right of Use Assets

| | Group 31 March 2022 | Group 31 Dec 2021 | Bank 31 March 2022 | Bank 31 Dec 2021 |
|---|------------------------------------|----------------------|-------------------------------|---------------------|
| Gross Amount | 4,530 | 3,450 | 4,530 | 3,781 |
| Additions | - | 431 | - | 889 |
| Derecognition | - | (100) | - | (140) |
| Gross Amount | 4,530 | 3,781 | 4,530 | 4,530 |
| Accumulated depreciation | (1,753) | (1,041) | (1,753) | (1,041) |
| Charge in the year | 161 | (712) | 161 | (712) |
| Carrying Amount as at period end | 2,938 | 2,777 | 2,938 | 2,777 |

24 Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

| Group | Assets | Liabilities | Net |
|-----------------------------------|---------------|--------------------|------------|
| 31 March 2022 | N million | N million | N million |
| Property, equipment, and software | - | 7,034 | (7,034) |
| Allowances for loan losses | - | 192 | (192) |
| Foreign exchange gains | 573 | - | 573 |
| Tax loss carry forward | 100,630 | - | 100,630 |
| Others | 1,711 | - | 1,711 |
| Net tax assets (liabilities) | 102,914 | 7,226 | 95,688 |

Deferred tax assets and liabilities

31 December 2021

| | Assets | Liabilities | Net |
|-------------------------------------|----------------|--------------------|---------------|
| | ₦ million | ₦ million | ₦ million |
| Property, equipment, and software | - | 7,034 | (7,034) |
| Allowances for loan losses | - | 192 | (192) |
| Foreign exchange gains | 573 | - | 573 |
| Tax loss carry forward | 100,630 | - | 100,630 |
| Others | 1,711 | - | 1,711 |
| Net tax assets (liabilities) | 102,914 | 7,226 | 95,688 |

Bank

31 March 2022

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

Cash and cash equivalents at end of year

31 December 2021

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

Deferred tax assets and liabilities

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

| | Group | Group | | Bank | |
|--|-----------------|--------------|----------------------|-------------|-------------|
| | 31 March | 31 Dec 2021 | 31 March 2022 | 31 Dec 2021 | Bank |
| | ₦ million | ₦ million | ₦ million | ₦ million | ₦ million |
| Balance, beginning of the year | 95,688 | 95,875 | 95,875 | 95,875 | 95,875 |
| Prior year adjustment (see note 42(b)) | | | | | |
| Net deferred tax assets/(liabilities) | 95,501 | 95,688 | 95,875 | 95,875 | 95,875 |
| <i>Made up of</i> | | | | | |
| Deferred tax assets | 102,914 | 102,914 | 102,914 | - | - |
| Deferred tax liabilities | (7,319) | (7,319) | (7,319) | - | - |

Recognised and unrecognised deferred tax assets

Recognition of deferred tax assets of N95,688 (December 2021: N95,688) is based on management's profit forecasts (which are based on the available evidence, including historical levels of profitability), which indicate that it is probable that the Group's entities will have taxable profits against which these assets can be utilized.

25 Other assets

| | Group 31 March 2022 | Group 31 Dec 2021 | Bank 31 March 2022 | Bank 31 Dec 2021 |
|---|------------------------------------|----------------------|-------------------------------|---------------------|
| | ₦ million | ₦ million | ₦ million | ₦ million |
| Cash Reserve Requirement | 442,441 | 429,279 | 442,441 | 429,279 |
| Excess CRR balance to be refunded (see (i)) | 25,523 | 25,523 | 25,523 | 25,523 |
| Total Cash Reserve Requirement | 467,964 | 454,802 | 467,964 | 454,802 |
| Other assets: | | | | |
| Clearing | 327 | 486 | 327 | 486 |
| Accounts receivable | 1,205 | 1,199 | 162 | 162 |
| Prepayments | 3,994 | 5,728 | 3,966 | 5,727 |
| Receivable on FX forward (see (ii)) | 54,914 | 36,036 | 54,914 | 36,036 |
| Repossed assets | 18,555 | 18,584 | 18,555 | 18,584 |
| Sundry assets (see (iii)) | 136,123 | 62,547 | 136,097 | 62,525 |
| | 215,118 | 124,580 | 214,021 | 123,521 |
| Impairment on other assets | (8,194) | (7,829) | (7,151) | (6,787) |
| Net other assets | 206,924 | 116,751 | 206,870 | 116,734 |
| | 674,888 | 571,553 | 674,834 | 571,536 |

- (i) The Bank had restricted balances of N467.964 billion (December 2021: N454.802billion) with the Central Bank of Nigeria (CBN) as at 31 March 2022, representing the cash reserve requirement (CRR). The CRR is a mandatory cash deposit which should be held with the Central Bank of Nigeria as a regulatory requirement. The CRR is non interest bearing and is not available for use in the Group's day-to-day operations. As at 31 March 2022, the CRRs in force was 27.5% (Dec 2021: 27.5%).
- (ii) **Receivable on FX forward**
The balance represents the value of foreign currency receivable on forward transactions with Central Bank of Nigeria.

(iii) **Other Sundry assets**

| | Group | Group | Bank | Bank |
|--|------------------|---------------|----------------|---------------|
| | 31 March 2022 | 31 Dec 2021 | 31 March 2022 | 31 Dec 2021 |
| | ₦ million | ₦ million | ₦ million | ₦ million |
| Frauds and losses | 1,498 | 1,493 | 1,498 | 1,493 |
| Advance payments for PPE | 357 | 577 | 357 | 577 |
| Receivable from Union Homes | 2,608 | 2,608 | 2,608 | 2,608 |
| Property under dispute | 1,352 | 1,352 | 1,352 | 1,352 |
| Garnishee Order | 1,291 | 1,291 | 1,291 | 1,291 |
| FX forward receivable | 95,901 | 32,148 | 95,901 | 32,148 |
| ATM receivable | 1,498 | 1,361 | 1,498 | 1,361 |
| Dividend Receivable | 1,398 | 396 | 1,398 | 396 |
| Receivable on electronic transfers and collections | 9,575 | 5,422 | 9,575 | 5,421 |
| Master/Visa card electronic settlement | 285 | 538 | 285 | 538 |
| Withholding tax receivable | 3,568 | 3,568 | 3,568 | 3,568 |
| Asset below capitalisation | 8 | 13 | 8 | 13 |
| Investment in AgriBusiness/SMEEIS | 4,810 | 4,810 | 4,810 | 4,810 |
| Prepaid inventory items | 213 | - | 213 | - |
| E-settlement receivable | 118 | 2,091 | 118 | 2,091 |
| Cash in Transit | 548 | 123 | 548 | 123 |
| Prepaid staff benefit | 1,167 | 1,301 | 1,167 | 1,301 |
| Prepaid Stock items | 482 | 682 | 482 | 682 |
| Other account balances | 9,444 | 2,752 | 9,418 | 2,752 |
| Balance, end of year | 136,123 | 62,547 | 136,097 | 62,525 |

(iv) **Movement in impairment on other assets:**

| | Group | Group | Bank | Bank |
|--------------------------------|------------------|--------------|---------------|--------------|
| | 31 March 2022 | 31 Dec 2021 | 31 March 2022 | 31 Dec 2021 |
| | ₦ million | ₦ million | ₦ million | ₦ million |
| Balance, beginning of the year | 7,829 | 7,219 | 6,787 | 6,231 |
| Charge/(reversal) for the year | - | 325 | - | 320 |
| Effect of exchange rate | 365 | 285 | 364 | 291 |
| Balance, end of year | 8,194 | 7,829 | 7,151 | 6,787 |

26 Deposits from banks

| | Group | Group | Bank | Bank |
|---------------------------|------------------|-------------|---------------|-------------|
| | 31 March 2022 | 31 Dec 2021 | 31 March 2022 | 31 Dec 2021 |
| | ₦ million | ₦ million | ₦ million | ₦ million |
| Other deposits from banks | 7,977 | - | 7,977 | - |
| | 7,977 | - | 7,977 | - |

27 Deposits from customers

| | Group | Group | Bank | Bank |
|---|------------------|------------------|------------------|------------------|
| | 31 March 2022 | 31 Dec 2021 | 31 March 2022 | 31 Dec 2021 |
| | ₦ million | ₦ million | ₦ million | ₦ million |
| Term deposits | 399,640 | 425,435 | 399,640 | 430,849 |
| Current deposits | 514,063 | 532,198 | 514,063 | 532,198 |
| Savings | 399,613 | 398,276 | 399,613 | 398,276 |
| | 1,313,316 | 1,355,910 | 1,313,316 | 1,361,323 |
| Low-cost deposits | 913,676 | 930,474 | 913,676 | 930,474 |
| Low-cost deposits as % of total customer deposits | 69.6% | 68.6% | 69.6% | 68.4% |
| Deposits by currency | | | | |
| Local currency deposits | 1,011,126 | 1,037,538 | 1,011,126 | 1,037,538 |
| Foreign currency deposits | 302,190 | 318,372 | 302,190 | 323,785 |
| | 1,313,316 | 1,355,910 | 1,313,316 | 1,361,323 |

28 Current tax liabilities

| | Group 31 March 2022 | Group 31 Dec 2021 | Bank 31 March 2022 | Bank 31 Dec 2021 |
|-----------------------------|------------------------------------|----------------------|-------------------------------|---------------------|
| | N million | N million | N million | N million |
| Balance, beginning of year | 1,420 | 797 | 1,356 | 778 |
| Charge for the year | 286 | 1,423 | 278 | 1,352 |
| Payments during the year | - | (800) | - | (774) |
| Balance, end of year | 1,706 | 1,420 | 1,634 | 1,356 |

29 Other liabilities

| | Group 31 March 2022 | Group 31 Dec 2021 | Bank 31 March 2022 | Bank 31 Dec 2021 |
|--|------------------------------------|----------------------|-------------------------------|---------------------|
| | N million | N million | N million | N million |
| Deposits for foreign currency | 292,808 | 482,374 | 292,808 | 482,374 |
| Deposit for properties | 1,632 | - | - | - |
| Due to foreign correspondent banks | 61,368 | 71,887 | 61,368 | 71,887 |
| PAYE and other statutory deductions | 1,434 | 1,207 | 1,434 | 1,197 |
| Draft and Bills payable | 1,704 | 2,173 | 1,704 | 2,173 |
| AMCON contribution payable | 4,501 | 908 | 4,501 | 908 |
| Creditors and accruals (see (a) below) | 2,990 | 4,552 | 2,753 | 4,552 |
| Provision for fraud | 59 | 59 | 59 | 59 |
| Unearned income | 1,010 | 1,114 | 1,010 | 1,114 |
| Provision for claims and contingencies (see (b) below) | 4,306 | 4,283 | 4,306 | 4,283 |
| Accounts payable | 6,590 | 6,258 | 6,570 | 4,445 |
| OBB/REPO takings | 250,597 | 23,585 | 250,597 | 23,585 |
| Other provisions | 4 | 4 | 4 | 4 |
| Electronic collections and other e-payment liabilities | - | 33,790 | - | 33,790 |
| Liability for pledged assets | 3,102 | 44,547 | 3,102 | 44,547 |
| Other credit balances | 88,053 | 23,078 | 87,613 | 23,078 |
| | 720,158 | 699,819 | 717,829 | 697,996 |
| Lease Liability | 1,806 | 1,895 | 1,806 | 1,895 |
| Total other liabilities | 721,964 | 701,714 | 719,635 | 699,891 |

(a) **Creditors and accruals**

| | Group 31 March 2022 | Group 31 Dec 2021 | Bank 31 March 2022 | Bank 31 Dec 2021 |
|--|------------------------------------|----------------------|-------------------------------|---------------------|
| | N million | N million | N million | N million |
| Accrued IT Consumables | 273 | 254 | 273 | 254 |
| Accruals for professional and consultancy fees | 144 | 102 | 144 | 102 |
| Accrual for Industrial Training Fund Levy | 38 | 230 | 38 | 230 |
| Accrual for advertisement | 72 | 60 | 72 | 60 |
| Accrual for staff related allowances | 502 | 3,284 | 502 | 3,284 |
| Accrual for repairs and maintenance expenses | 133 | 174 | 133 | 174 |
| Other accruals | 1,828 | 447 | 1,591 | 447 |
| | 2,990 | 4,552 | 2,753 | 4,552 |

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

| | Group 31 March 2022 | Group 31 Dec 2021 | Bank 31 March 2022 | Bank 31 Dec 2021 |
|-----------------------------------|------------------------------------|----------------------|-------------------------------|---------------------|
| | N million | N million | N million | N million |
| Balance, beginning of year | 4,283 | 3,717 | 4,283 | 3,717 |
| Charge/(reversal during the year) | 23 | 566 | 23 | 566 |
| Balance, end of the year | 4,306 | 4,283 | 4,306 | 4,283 |

30 Employee benefit obligations

| | Group 31 March 2022 | Group 31 Dec 2021 | Bank 31 March 2022 | Bank 31 Dec 2021 |
|--|------------------------------------|----------------------|-----------------------------------|------------------------|
| | N million | N million | N million | N million |
| Post employment benefit obligation (see (a) below) | 205 | 339 | 205 | 338 |
| Other long-term employee benefits | 856 | 730 | 855 | 730 |
| | 1,061 | 1,069 | 1,060 | 1,068 |

(a) Post employment benefit obligation

| | Group 31 March 2022 | Group 31 Dec 2021 | Bank 31 March 2022 | Bank 31 Dec 2021 |
|---|------------------------------------|----------------------|-----------------------------------|------------------------|
| | N million | N million | N million | N million |
| Defined contribution scheme (see (i) below) | 205 | 339 | 205 | 338 |
| Defined benefit obligation (See (ii) below) | - | - | - | - |
| | 205 | 339 | 205 | 338 |
| Defined benefit asset | 1,561 | 1,222 | 1,561 | 1,223 |
| Net defined benefit obligation | 1,561 | 1,561 | 1,561 | 1,561 |

(i) Defined Contribution Scheme

| | Group 31 March 2022 | Group 31 Dec 2021 | Bank 31 March 2022 | Bank 31 Dec 2021 |
|---------------------------------------|------------------------------------|----------------------|-----------------------------------|------------------------|
| | N million | N million | N million | N million |
| Balance, beginning of year | 339 | 81 | 338 | 81 |
| Balance, beginning of the period | 339 | 81 | 338 | 81 |
| Charge during the year | 140 | 969 | 139 | 969 |
| Contribution remitted during the year | (274) | (711) | (272) | (712) |
| Balance, end of year | 205 | 339 | 205 | 338 |

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

(ii) Defined benefit obligation

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

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

The benefits of the annuity program include;

- The transfer of risks associated with managing future income
- Longevity Risk: There is no fear of lack of income no matter how long the Annuitant lives
- Investment Risk: The Risk of Investment is borne by Leadway Assurance. This is not the case if the Bank continues to manage the fund.

(b) Other long-term employee benefits

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

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

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

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

| | Group 31 March 2022 | Group 31 Dec 2021 | Bank 31 March 2022 | Bank 31 Dec 2021 |
|--|------------------------------------|----------------------|-----------------------------------|------------------------|
| | N million | N million | N million | N million |
| Present value of unfunded obligation | 856 | 730 | 855 | 730 |
| Total present value of the obligation | 856 | 730 | 855 | 730 |
| Present value of net obligation | 856 | 730 | 855 | 730 |
| Recognized liability for defined benefit obligations | 856 | 730 | 855 | 730 |

31 Debt securities issued

| | Group | Group | Bank | Bank |
|-----------------|---------------|--------------|---------------|--------------|
| | 31 March 2022 | 31 Dec 2021 | 31 March 2022 | 31 Dec 2021 |
| | N million | N million | N million | N million |
| Long term bonds | 6,295 | 6,536 | 6,295 | 6,536 |
| | 6,295 | 6,536 | 6,295 | 6,536 |

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

32 Commercial Papers

| | Group | Group | Bank | Bank |
|----------------------------|---------------|-------------|---------------|-------------|
| | 31 March 2022 | 31 Dec 2021 | 31 March 2022 | 31 Dec 2021 |
| Commercial Papers Series 9 | - | 32,262 | - | 32,262 |
| | - | 32,262 | - | 32,262 |

33 Long Term Subordinated bond

| | Group | Group | Bank | Bank |
|----------------|---------------|-------------|---------------|-------------|
| | 31 March 2022 | 31 Dec 2021 | 31 March 2022 | 31 Dec 2021 |
| Series 3 bonds | 30,926 | 29,716 | 30,926 | 29,716 |
| | 30,926 | 29,716 | 30,926 | 29,716 |

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

34 Other borrowed funds

| | Group | Group | Bank | Bank |
|---|----------------|-------------|----------------|-------------|
| | 31 March 2022 | 31 Dec 2021 | 31 March 2022 | 31 Dec 2021 |
| | N million | N million | N million | N million |
| Due to CACS (see (a)) | 2,616 | 622 | 2,616 | 622 |
| BOI on-lending facilities (see note (b)) | 1,069 | 1,294 | 1,069 | 1,294 |
| CBN RSSF-on lending (see (c)) | 15,143 | 15,617 | 15,143 | 15,617 |
| Trade finance lending (see (d)) | 32,247 | 31,373 | 32,247 | 31,373 |
| Short term borrowing | 6,317 | 5,256 | 6,317 | 5,256 |
| Other borrowings (see (e)) | 90,386 | 97,550 | 90,386 | 97,550 |
| LCY mid-term borrowings | 22,045 | 22,050 | 22,045 | 22,050 |
| SME on-lending scheme | 1,215 | 1,356 | 1,215 | 1,356 |
| | 171,038 | 175,118 | 171,038 | 175,118 |

(a) This represents the outstanding balance on an unsecured facility of N18,167,000,000 disbursed by the Central Bank of Nigeria (CBN), as part of its developmental role, in collaboration with the Federal Government of Nigeria represented by the Federal Ministry of Agriculture and Water Resources which established the Commercial Agriculture Credit Scheme for promoting agricultural enterprises in Nigeria. The funds are made available to participating banks at zero cost, for on-lending to commercial agricultural enterprises at a new rate of 5.00% p.a.

(b) This represents the outstanding balance of an intervention credit granted to the Bank by the Bank of Industry (BOI), a company incorporated in Nigeria for the purpose of refinancing / or restructuring existing loans to Small and Medium Scale Enterprises (SMEs) and manufacturing companies. The total facility has a 15-period tenor and repayable quarterly.

Under the on-lending agreement and the Bank is under obligation to on-lend to customers at an all-in interest rate of 5% per annum. Though the facility is meant for on-lending to borrowers in specified sectors, the Bank remains the primary obligor to the BOI and therefore assumes the risk of default of customers.

- (c) The amount of N16.57bn (December 2020: N17.5bn) represents the outstanding balance on the Real Sector Support Facility (RSSF). The Facility is given by the Central Bank of Nigeria to support large enterprises for startups and expansion financing needs. The real sector activities targeted by the Facility are manufacturing, agricultural value chain and selected service sub-sectors. The Facility is administered at an all-in Interest rate/charge of 5% per annum payable on quarterly basis. The Central Bank of Nigeria is entitled to earn 1% as interest while the Bank is entitled to 4%.
- (d) Trade finance lending includes balances from the following financial institutions:

Group

| | Group | Group | Group | Group |
|------------------------|---------------|-------------|---------------|---------------|
| | 31 March 2022 | 31 Dec 2021 | 31 March 2022 | 31 Dec 2021 |
| | \$ million | \$ million | N million | N million |
| Mashreq Bank | 30 | 26 | 12,524 | 11,183 |
| Access Bank UK | 48 | 47 | 19,811 | 20,190 |
| COMMERZBANK AG GERMANY | - | - | - | - |
| Citibank N.A. UK | - | - | - | - |
| | 78 | 73 | 32,335 | 31,373 |

Bank

| | Bank | Bank | Bank | Bank |
|------------------------|---------------|-------------|---------------|---------------|
| | 31 March 2022 | 31 Dec 2021 | 31 March 2022 | 31 Dec 2021 |
| | \$ million | \$ million | N million | N million |
| Mashreq Bank | 30 | 26 | 12,524 | 11,183 |
| Access Bank UK | 48 | 47 | 19,811 | 20,190 |
| COMMERZBANK AG GERMANY | - | - | - | - |
| CITIBANK N.A. U.K. | - | - | - | - |
| | 78 | 73 | 32,335 | 31,373 |

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

| | Group | Group | Group | Group |
|-------------|---------------|-------------|---------------|---------------|
| | 31 March 2022 | 31 Dec 2021 | 31 March 2022 | 31 Dec 2021 |
| | \$ million | \$ million | N million | N million |
| OPIC | 147 | 150 | 61,029 | 62,168 |
| Afreximbank | 71 | 84 | 29,357 | 35,382 |
| | 217 | 234 | 90,386 | 97,550 |

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

| | Bank | Bank | Bank | Bank |
|-------------|---------------|-------------|---------------|---------------|
| | 31 March 2022 | 31 Dec 2021 | 31 March 2022 | 31 Dec 2021 |
| | \$ million | \$ million | N million | N million |
| OPIC | 147 | 150 | 61,029 | 62,168 |
| Afreximbank | 71 | 84 | 29,357 | 35,382 |
| | 217 | 234 | 90,386 | 97,550 |

35 Discontinued operations

(a) Profit for the period from discontinued operations

Profit for the period from discontinued operations represents the operating results of subsidiaries held for sale in line with the Bank's

The profit for the period from discontinued operations comprises:

| | Group March 2022 ₦ million | Group March 2021 ₦ million |
|--|----------------------------------|----------------------------------|
| Gross income | 374 | 353 |
| Gross expense | (971) | (929) |
| Interest Income | 251 | 238 |
| Interest Expense | (34) | (66) |
| Net interest income | 216 | 172 |
| Recoveries on credit losses | | |
| Net interest income after impairment charge for credit losses | 216 | 172 |
| Net trading income | 27 | 27 |
| Other operating income | 96 | 87 |
| Underwriting profit | | |
| Total operating income | 123 | 114 |
| Total non-interest income | 123 | 114 |
| Operating Income | 339 | 286 |
| Net impairment loss on financial assets | 9 | 184 |
| Net operating income after net impairment loss on other financial assets | 348 | 470 |
| Personnel expenses | (564) | (663) |
| Depreciation and amortization | (58) | (67) |
| Other operating expenses | (323) | (316) |
| Share of profit of equity accounted investee | - | - |
| Loss before tax from discontinued operations | (597) | (576) |
| Income tax expense | - | - |
| Loss from discontinued operations (net of tax) | (597) | (576) |

Assets classified as held for sale

| | Group | Group | Bank | Bank |
|---------------------------------|----------------------|-------------|----------------------|-------------|
| | 31 March 2022 | 31 Dec 2021 | 31 March 2022 | 31 Dec 2021 |
| | ₦ million | ₦ million | ₦ million | ₦ million |
| Cash and cash equivalents | 20,984 | 38,185 | - | - |
| Investments in subsidiaries | - | - | 8,372 | 8,372 |
| Loans and advances to customers | 18,626 | 19,408 | - | - |
| Investment securities | 11,486 | 12,844 | - | - |
| Property and equipment | 32 | 39 | - | - |
| Intangible assets | 90 | 104 | - | - |
| Other assets | 1,801 | 870 | - | - |
| Right of use asset | - | 1,031 | - | - |
| | 53,021 | 72,480 | 8,372 | 8,372 |
| | 53,021 | 72,480 | 8,372 | 8,372 |

(c) Liabilities for assets classified as held for sale

| | Group | Bank | Group | Bank |
|--------------------------------|----------------------|---------------|----------------------|-------------|
| | 31 March 2022 | 31 Dec 2021 | 31 March 2022 | 31 Dec 2021 |
| | ₦ million | ₦ million | ₦ million | ₦ million |
| Deposit from banks | 10,034 | 9,979 | - | - |
| Deposits from customers | 25,173 | 4,972 | - | - |
| Other liabilities | 241 | - | - | - |
| Retirement benefit obligations | - | - | - | - |
| Other liabilities | 1,135 | 1,523 | - | - |
| | 36,583 | 16,473 | - | - |

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

36 Capital and reserves

| Share capital | Group | Group | Bank | Bank |
|--|----------------------|-------------|----------------------|-------------|
| | 31 March 2022 | 31 Dec 2021 | 31 March 2022 | 31 Dec 2021 |
| | ₦ million | ₦ million | ₦ million | ₦ million |
| (a) Minimum Share Capital 35,000,000,000 (Dec 2020: 35,000,000,000) Ordinary shares of 50 kobo each | 17,500 | 17,500 | 17,500 | 17,500 |
| | Group | Group | Bank | Bank |
| | 31 March 2022 | 31 Dec 2021 | 31 March 2022 | 31 Dec 2021 |
| | ₦ million | ₦ million | ₦ million | ₦ million |
| (b) Issued and fully paid - 29,264,484,854, (Dec. 2020: 29,264,484,854) Ordinary shares of 50kobo each | 14,632 | 14,633 | 14,632 | 14,633 |
| | Group | Group | Bank | Bank |
| | 31 March 2022 | 31 Dec 2021 | 31 March 2022 | 31 Dec 2021 |
| | ₦ million | ₦ million | ₦ million | ₦ million |
| Balance, beginning of year | 14,632 | 14,632 | 14,632 | 14,632 |
| Additions during the year | | | | |
| Balance, end of year | 14,632 | 14,632 | 14,632 | 14,632 |
| (c) Share premium Share premium is the excess paid by shareholders over the nominal value for their shares. | Group | Group | Bank | Bank |
| | 31 March 2022 | 31 Dec 2021 | 31 March 2022 | 31 Dec 2021 |
| | ₦ million | ₦ million | ₦ million | ₦ million |
| Balance, beginning of year | 133,458 | 133,458 | 133,458 | 133,458 |
| Transfer from share premium | - | - | - | - |
| Employee Share Incentive Scheme | - | - | - | - |
| Balance, end of year | 133,458 | 133,458 | 133,458 | 133,458 |
| Share capital and share premium | 148,090 | 148,090 | 148,090 | 148,090 |
| (d) Other reserves The other reserves includes Statutory reserves, Fair value reserve, Regulatory risk reserves, Small and Medium Scale Industries Reserve (SMEEIS) and Capital reserve. | | | | |
| (i) Statutory reserves Nigerian banking regulations require the Bank to make an annual appropriation to a statutory reserve. As stipulated by S.16(1) of the Banks and Other Financial Institution Act of Nigeria, an appropriation of 30% of profit after tax is made if the statutory reserve is less than paid-up share capital and 15% of profit after tax if the statutory reserve is greater than the paid up share capital. | | | | |
| (ii) Fair value reserve The fair value reserve includes the net cumulative change in the fair value of financial instruments at fair value through other comprehensive income. | | | | |
| (iii) Regulatory risk reserve The regulatory risk reserve warehouses the difference between the impairment on loans and advances computed under Nigeria GAAP based on the Central Bank of Nigeria prudential guidelines and provisions specified by the central banks of foreign subsidiaries, compared with the incurred loss model used in calculating the impairment under IFRSs. | | | | |
| (iv) Other reserves The other reserves include Small and Medium Scale Industries Reserve (SMEEIS), Contingency reserve, Capital reserve, Translation reserve. | | | | |

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

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

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

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

(vi) Translation reserve

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

(vii) Excess Capital Clawback

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

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

(e) Retained earnings

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

37 Non-controlling Interest

| | Group | Group |
|---|----------------------|-------------|
| <i>Movement in the non controlling interest</i> | 31 March 2022 | 31 Dec 2021 |
| | ₦ million | ₦ million |
| Balance, beginning of year | 6,804 | 6,680 |
| Profit/(loss) for the year | 44 | 124 |
| Balance, end of year | 6,848 | 6,804 |

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

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

In the normal course of business, the Group is a party to financial instruments with off-balance sheet risks. These instruments are issued to meet the credit and other financial requirements of customers. The total off-balance sheet assets for the Group was N326,698million (December 2021: N298,581 million).

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

| | Group | Group | Bank | Bank |
|---|----------------------|-------------|----------------------|-------------|
| | 31 March 2022 | 31 Dec 2021 | 31 March 2022 | 31 Dec 2021 |
| | ₦ million | ₦ million | ₦ million | ₦ million |
| Performance bonds and guarantees | 169,688 | 145,731 | 169,688 | 145,731 |
| Letters of credit | 146,445 | 152,850 | 146,445 | 152,850 |
| Gross total off-balance sheet assets | 316,133 | 298,581 | 316,133 | 298,581 |
| | (4) | (4) | (4) | (4) |
| Total off-balance sheet assets after impairment | 316,129 | 298,577 | 316,129 | 298,577 |

39 Securities Trading Policy

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

40 Shareholding Structure/Free Float Status

| Description | 31 March 2022 | | 31 Dec 2021 | |
|---|---------------------------|--|---------------------------|--|
| | Units | Percentage (in relation to issued share capital) | Units | Percentage (in relation to issued share capital) |
| Issued Share Capital | 29,264,484,854 | 100% | 29,264,484,854 | 100% |
| Details of Substantial Shareholdings (5% and above) | | | | |
| Name(s) of Shareholders | | | | |
| Union Global Partners Limited | 17,969,515,984 | 61.40% | 17,969,515,984 | 61.40% |
| Atlas Mara | 6,225,421,974 | 21.27% | 6,225,421,974 | 21.27% |
| Total Substantial Shareholdings | 24,194,937,958 | 82.68% | 24,194,937,958 | 82.68% |
| Details of Directors Shareholdings (direct and indirect), excluding directors' holding substantial interests | | | | |
| Name(s) of Directors | | | | |
| Beatrice Hamza Bassey | - | - | - | - |
| Omolola Cardoso | - | - | - | - |
| Joseph Chinedu Mbulu | 1,904,857 | 0.01% | 1,904,857 | 0.01% |
| Okonkwo Godson Chukwuemeka | 9,614,705 | 0.03% | 9,614,705 | 0.03% |
| Obafunke Alade-Adeyefa | - | - | - | - |
| Richard Burrett | - | - | - | - |
| Ian Clyde | - | - | - | - |
| Kenroy Dowers | - | - | - | - |
| Paul Kpkoricha Oje | 146,226 | 0.00% | 146,226 | 0.00% |
| Aisha Abubakar | - | - | - | - |
| Labib Taimoor | - | - | - | - |
| Mark Patterson | - | - | - | - |
| Ogbechie Chukwuemeka Anthony | 807 | 0.00% | 807 | 0.00% |
| Total Directors' Shareholdings | 11,666,595 | 0.04% | 11,666,595 | 0.04% |
| Details of Other Influential Shareholdings, if any (e.g. Government, Promoters) | | | | |
| Total of Other Influential Shareholdings | - | - | - | - |
| Free Float in Unit and Percentage | 5,057,880,301 | 17.28% | 5,057,880,301 | 17.28% |
| Free Float in Value | N31,105,963,851.15 | | N29,841,493,775.90 | |

Declaration:

- a UBN Plc has a free float value of N31,105,963,851.15 as at 31 March 2022, is compliant with The Exchange's free float requirements for companies listed on the Main Board.
- b UBN Plc has a free float value of N29,841,493,775.90 as at 31 December 2021, is compliant with The Exchange's free float requirements for companies listed on the Main Board.

Note:

* Share Price as at March 31, 2022 N6.15

* Share Price as at December 31, 2021 N5.90