UNITED BANK FOR AFRICA PLC

Interim Consolidated and Separate Financial Statements for the Period Ended 30 June 2024

Africa's Global Bank

Tax Identification Number : 01126011-0001

Our Vision

To be the undisputed **leading and dominant financial services institution in Africa.**

Our Mission

To be a role model for African businesses by **creating superior value for all stakeholders,** abiding by the utmost professional and ethical standards, and building an enduring institution.

Who we are

UBA is ***"Africa's Global Bank"*** providing **Commercial Banking, Pension Custody and Related Financial Services** to its over 25 million corporate, commercial and retail customers, served through robust physical and electronic touch-points.

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DIRECTORS' REPORT

Directors' Report

The Directors present their report together with the audited financial statements of UBA Plc ("the Bank") and its Subsidiaries (together "the Group") for the period ended 30 June 2024.

1. Results at a Glance

	Group		Bank	
All figures in N'millions	**Jun-24**	**Jun-23**	**Jun-24**	**Jun-23**
Profit before tax	401,577	403,647	268,757	344,185
Income tax expense	(85,217)	(25,412)	(34,127)	(6,803)
Profit after tax	**316,360**	**378,235**	**234,630**	**337,382**
Profit Attributable to:				
Equity holders of the Bank	304,367	374,365	234,630	337,382
Non-controlling interests	11,993	3,870	-	-
Earnings Per Share:				
Basic & Diluted	**8.90**	**10.95**	**6.86**	**9.87**

2. Dividend

The Directors, pursuant to the powers vested in it by the provisions of Section 379 of the Companies and Allied Matters Act (CAMA) of Nigeria, propose an interim dividend of ₦2.00 per share (30 June 2023: ₦0.50 per share) from the retained earnings account as at 30 June 2024. This proposed interim dividend amounting to a pay-out ratio of 7.3% (30 June 2023: 2.9%), and a yield of 8.9%.

3. Legal Form

United Bank for Africa Plc was incorporated in Nigeria as a limited liability company on 23 February 1961, under the Companies Ordinance [Cap 37] 1922. It took over the assets and liabilities of the British and French Bank Limited, which had carried on banking business in Nigeria since 1949. UBA merged with Standard Trust Bank Plc on 01 August, 2005 and acquired Continental Trust Bank Limited on 31 December, 2005.

4. Major Activities & Business Review

UBA Plc is engaged in the business of banking and caters for the banking needs of Institutions, Corporate, Commercial and Consumer customer segments, providing trade services, remittance, treasury management, custody/investor services, digital and general banking services. Pension custody services are offered through its subsidiary.

A comprehensive review of the business for the period and the prospects for the ensuing year is contained in the CEO's report section of UBA's most recent annual report.

5. Directors

Name	Designation
Mr. Tony Elumelu, CFR	Chairman
Mrs. Owanari Duke	Independent Non-Executive Director
Ms. Angela Aneke	Independent Non-Executive Director
Erelu Angela Adebayo	Non-Executive Director
Dr. Kayode Fasola	Non-Executive Director
Mr. Abdulqadir J. Bello	Non-Executive Director
Ms. Aisha Hassan Baba, OON	Independent Non-Executive Director
Mrs. Caroline Anyanwu	Non-Executive Director
Mr. Emmanuel N. Nnorom (1)	Non-Executive Director
Mr. Oliver Alawuba	Group Managing Director/CEO
Mr. Muyiwa Akinyemi	Deputy Managing Director
Mr. Ugochukwu Nwaghodoh	Executive Director, Finance and Risk Management
Mr. Alex Alozie	Executive Director, Group Chief Operating Officer
Ms Sola Yomi-Ajayi	Executive Director, International Banking
Mrs. Abiola Bawuah	Executive Director/CEO, UBA Africa

(1) Appointed to the Board on April 30, 2024

6. Directors' Interests

The interest of directors in the Issued share capital of the Bank as recorded in the register of directors' shareholding and/or as notified by the directors for the purpose of Sections 275 and 276 of the Companies and Allied Matters Act and the listing requirements of the Nigerian Stock Exchange is as follows:

	30-Jun-24		31-Dec-23	
Name	**Direct holding**	**Indirect holding**	**Direct holding**	**Indirect holding**
Mr. Tony Elumelu, CFR	194,669,555	2,347,387,243	195,124,581	2,347,387,243
Mrs. Owanari Duke	-	-	-	-
Ms. Angela Aneke	-	-	-	-
Mr. Emmanuel N. Nnorom	85,278	26,314,680	-	-
Erelu Angela Adebayo	163,803	-	163,803	-
Dr. Kayode Fasola	100,000	-	100,000	-
Mr. Abdulqadir J. Bello	2,466,281	-	130,000	-
Mrs. Aisha Hassan Baba, OON	-	-	-	-
Mrs. Caroline Anyanwu	1,243,669	-	1,243,669	-
Mr. Oliver Alawuba	96,411,003	-	57,029,786	-
Mr. Nwaghodoh Ugochukwu Alex	70,900,510	-	25,900,510	-
Mr. Muyiwa Akinyemi	56,467,751	-	18,395,751	-
Ms. Sola Yomi - Ajaiyi	-	-	-	-
Mr. Alex Alozie	30,144,285	-	12,063,795	-
Mrs. Abiola Bawuah	6,287,888	-	6,287,888	-

Details of indirect holdings

Name of Director	Company(ies)	Indirect holding
	HH Capital Limited	302,296,875
Mr. Tony O. Elumelu, CFR	Heirs Holdings Limited	1,814,003,900
	Heirs Alliance Limited	231,086,468
		2,347,387,243

7. Analysis of Shareholding

The details of shareholding of the Bank as at 30 June, 2024 is as stated below;

Headline		Shareholders			Holdings	
Range	Count	Cumulative Count	Count (%)	Aggregate Holdings	Cumulative Holdings	"Aggregate Holdings (%)"
1 – 1,000	38,414	38,414	14	16,498,193	16,498,193	0.05
1,001 – 5,000	121,862	160,276	43	304,703,332	321,201,525	0.89
5,001 – 10,000	45,104	205,380	16	309,536,733	630,738,258	0.91
10,001 – 50,000	54,545	259,925	19	1,140,891,692	1,771,629,950	3.34
50,001 – 100,000	10,875	270,800	4	739,694,323	2,511,324,273	2.16
100,001 – 500,000	9,169	279,969	3	1,894,130,420	4,405,454,693	5.54
500,001 – 1,000,000	1,368	281,337	0	960,212,014	5,365,666,707	2.81
1,000,001 – 5,000,000	1,298	282,635	0	2,564,871,447	7,930,538,154	7.50
5,000,001 – 10,000,000	185	282,820	0	1,303,551,819	9,234,089,973	3.81
10,000,001 – 50,000,000	174	282,994	0	3,474,152,904	12,708,242,877	10.16
50,000,001 – 100,000,000	28	283,022	0	1,906,739,496	14,614,982,373	5.58
100,000,001 – 500,000,000	36	283,058	0	10,380,599,953	24,995,582,326	30.35
500,000,001 – 1,000,000,000	6	283,064	0	3,654,849,168	28,650,431,494	10.69
1,000,000,001 and Above	4	283,068	0	5,548,989,872	34,199,421,366	16.23
TOTAL	**283,068**		**100**	**34,199,421,366**		**100**

8. Substantial Interest in Shares: Shareholding af 5% and Above

According to the Register of Shareholders as at 30 June, 2024, no shareholder held more than 5% of the share capital of the Bank except the following;

Shareholders	Holding	Holding (%)
Heirs Holdings Limited	1,814,003,900	5.30%

9. Trading in the Shares of UBA

UBA experienced robust trading activity in HY 2024, with 4.21 billion shares exchanged, representing 12.0% of the shares outstanding. The NGX All-Share Index closed at a record high of 100,057.49 points, representing a substantial 33.81% year-to-date (YtD) gain from its opening position of 74,773.85 points. Market capitalization likewise witnessed a notable surge, closing at ₦56.60 trillion, signifying a 38.32% expansion from ₦40.92 trillion at the end of 2023. UBA concluded half year at ₦22.45 per share translating to a -12.5% YTD decrease.

10. Acquisition of Own Shares

The Bank did not purchase its own shares during the year. Also, the Group has a Board approved Global Personal Investment Policy, which covers directors, staff, and related parties. The policy prohibits employees, directors and related individuals/ companies from insider dealings on the shares of UBA Plc and related parties. The essence of the policy is to prevent the abuse of confidential non-public information that may be gained during the execution of UBA's business. In addition, the policy serves to ensure compliance with the local laws and/or regulatory requirements. In accordance with the NSE Rule Book and Amendments to the Listing Rules, UBA observes closed periods, within which affected persons/corporates are restricted from trading on the shares of the Bank. There was no case of violation within the period under review.

11. Donations

As a part of our commitment to the development of host communities, the environment and broader economy within which we operate, across the Group, a total of ₦833,315,035.79 (Eight hundred and thirty three million, three hundred and fifteen thousand, thirty five Naira seventy nine kobo only) (Bank: ₦789,132,786.75) was given out as donations and charitable contributions for the period ended 30 June 2024 (HY2023: Group-₦721mn, Bank-₦695mn), through UBA Foundation.

12. Management Shared Services Arrangement

There exist a management shared services arrangement between UBA Plc and its subsidiaries within the UBA Group. These shared services include the provision of intragroup support services and information technology (IT) in accordance with the approved services outlined in Section 5.1 of Central Bank of Nigeria (CBN) guidelines for shared services arrangements for banks and other financial institutions.

The shared services provided by UBA Plc deliver significant economic and commercial benefits to the Group. These benefits arise because, under similar circumstances, an independent entity would be willing to pay for these services if provided by another independent party, or alternatively, would undertake the activities internally. The shared services arrangement enables the Group to achieve the following benefits during the year:

1. Ensuring uniformity and standardisation of business processes within the Group
2. Achieving cost and operational efficiency
3. Exploiting economies of scale and global corporate efficiency for commonly required services.

The Bank has a Group transfer pricing policy that documents the details of the shared services and the functions performed by the Bank and the regional offices for the subsidiaries, in line with the shared services agreement. The cost of providing these services is allocated proportionately to the relevant beneficiaries using predetermined allocation keys.

13. Employment and Employees

Employment of Physically Challenged Persons

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

Health, Safety at Work and Welfare of Employees

The Bank maintains business premises designed with a view to guaranteeing the safety and healthy working conditions of its employees and customers alike. Employees are adequately insured against occupational and other hazards. The Bank has a comprehensive health insurance scheme for staff, through which medical needs of staff and their immediate family members are met. In addition, the Bank provides first aid in all business offices and has a medical facility at the Head Office. As a part of the investment in the welfare of staff, the Bank maintains an ultra-modern gym facility at the head-office and organizes a quarterly fitness session (tagged "jogging to bond"), held at different stadia across all its country of operations, thereby providing access to various sporting facilities and professional instructors.

Fire prevention and firefighting equipment are installed in strategic locations at all business offices, in addition to hosting a full fire service operation at the Head Office.

The Bank operates a contributory pension plan in accordance with the Pension Reform Act, wherein the Bank contributes 10% of employees' basic salary, housing and transport allowance to the designated pension fund administration chosen by each employee. As a part of the scheme, the Bank also remits employees' contribution of 8% of the relevant compensation to the same account, as provided by the Pension Reform Act , as amended.

Employee Involvement and Training

The Bank encourages participation of its employees in arriving at decisions in respect of matters affecting their well-being. To this end, the Bank provides formal and informal opportunities where employees deliberate on issues affecting the Bank and employees' interest, with a view to making inputs to decision thereon. The Bank places premium on the development of its manpower. In addition to the routine online Executive Chat, wherein employees interact with the Management to discuss issues of customer and employee satisfaction, the GMD/CEO operates an open-door policy and encourages employees to channel suggestions and complaints to him as may be required. The Human Capital Management Division also holds monthly "HR Clinic", a personalized avenue to address relevant employee welfare and career satisfaction issues.

Research and Development

As a part of its daily business, the Bank carries out research into new banking products and services to anticipate and meet customers' need and to ensure excellent service is delivered at all time.

Demographics of our workforce

During the year under review, the Group employed staff across the different businesses and geographies where it operates. Below is the details of the employee demographics;

(a) Staff distribution by gender during the period ended 30 June 2024

Description	Gender	Head Count	% of Total
Group	Male	5,462	54%
	Female	4,627	46%
	Total	**10,089**	**100%**
Bank	Male	3,106	52%
	Female	2,828	48%
	Total	**5,934**	**100%**

Average gender analysis of the Bank's Board of Directors and Top Management Staff during the period:

Description	Gender	Head Count	% of Total
Board of Directors	Male	8	53%
	Female	7	47%
	Total	**15**	**100%**
Top Management	Male	138	69%
	Female	61	31%
	Total	**199**	**100%**

Detailed average gender analysis of Board of Directors and Top Management Staff during the period:

Description	Head Count		Head Count		
	Male	% of Total	Female	% of Total	Total
Directors	8	53%	7	47%	15
General Managers	24	65%	13	35%	37
Deputy General Managers	21	70%	9	30%	30
Assistant General Managers	93	70%	39	30%	132
Total	**146**	**68%**	**68**	**32%**	**214**

(b) Group Staff distribution by nationality and location during the period ended 30 June 2024

Location	Nationality	Head Count
Nigeria	Nigerian	5,925
	Other 19 African Countries	12
	Indian	2
UBA Central Africa: Cameroon, Congo DRC, Congo Brazzaville, Gabon, Chad.	Nigerian	13
	Other 19 African Countries	1,176
UBA West Africa Ghana, Sierra Leone, Liberia,Cote D Ivoire, Senegal, Burkina Faso, Benin, Guinea and Mali	Nigerian	44
	Other 19 African Countries	1,910
UBA East & Southern Africa Kenya, Tanzania, Zambia, Uganda and Mozambique	Nigerian	15
	Other 19 African Countries	849
UBA USA	Nigerian	23
	American	25
	Arabian	1
	Ivorian	1
	Chinese	2
	Italian	5
	Dominican	2
	Gambian	2
	Ghanaian	3
	Grand Cayman	1
	Iran	2
	Irsh	1
	Indian	5
	Jamaican	1
	Morrocan	2
	Pakistani	2
	Russian	1
	Switzerland	1
	Ugandan	2
UBA UK	Nigerian	10
	British	37
	Cameroonian	1
	Croatian	1
	Egyptian	1
	French	3
	Ghanaian	2
	Indian	1
	Ukrainian	2
UBA France	French	2
UBA Dubai	British	1
Total		**10,089**

14. Property and Equipment

Movements in property and equipment during the period are shown in note 30 of the interim consolidated and separate financial statements. In the opinion of the Directors, the market value of the Bank's property and equipment is not less than the value shown in the financial statements.

15. Events After the Reporting Date

There are no events after the reporting date, which could have had material effect on the financial position of the Group as at 30 June, 2024 and the profit and other comprehensive income for the year ended at that date.

16. Audit Committee

Pursuant to Section 404(3) of the Companies and Allied Matters Act, the Bank has an Audit Committee comprising three Shareholders and two Non-Executive Directors and as follows:

Mr. Feyi Ogoji	Chairman/Shareholder
Mr. Matthew Esonanjor	Member/Shareholder
Mr. Alex Adio	Member/Shareholder
Mrs. Owanari Duke	Member/Independent Non-Executive Director (1)
Ms. Angela Aneke	Member/Independent Non-Executive Director
Dr. Kayode Fasola	Non-Executive Director (2)

(1) Stepped down from the SAC on May 24, 2024

(2) Appointed to the SAC on May 24, 2024

The functions of the Audit Committee are as laid down in Section 404(7) of the Companies and Allied Matters Act.

17. Auditors

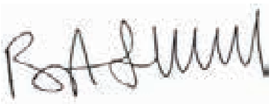
In accordance with Section 401(2) of the Companies and Allied Matters Act 2020 and Section 20.2 of the NCCG 2018, Messrs. Ernst & Young have indicated their willingness to continue in office as External Auditors of UBA Plc.

18. Disclosure of Customer Complaints in the Financial Statements for the period ended 30 June 2024

Description	Number		Amount claimed (N'Million)		Amount Refunded (N'Million)		Amount Claimed (USD)	Amount Refunded (USD)	Amount Refunded (GBP)	Amount Refunded (GBP)
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Pending Complaints B/F	643,719	15,375	59,139	1,551	-	-	-	-	-	-
Received Complaints	1,208,776	1,930,518	82,272	125,255	-	-	-	-	-	-
Resolved Complaints	863,669	1,823,914	64,101	95,643	88	450	655	18,507	-	538
Unresolved Complaints Escalated from CBN for Intervention	122	80	360	38	-	-	-	-	-	-
Unresolved Complaints Pending with the bank C/F	345,107	106,684	18,172	31,806	-	-	-	-	-	-
% Of Complaint/ Transaction Volume	0.04%	0.03%	-	-	-	-	-	-	-	-

Jan - June 2024				
Category	**Frequency**	**Amount Involved (N'M)**	**Actual Loss (N'M)**	**% Loss**
Electronic Fraud	14,690	2,051.67	229.10	11%
Cash Theft/Suppression	4	1.99	1.47	74%
Fraudulent Withdrawal	6	24.18	9.99	41%
Fraudulent Transfer	5	305.72	281.53	92%
Bribery / Gratification	1	0.01	0	0%
Cash Diversion	1	0.11	0	0%
Fraudulent Account Opening	1	4.93	4.93	100%
Totals	**14,708**	**2,388.61**	**527.01**	**22%**

By the order of the Board



Bili A. Odum
Group Company Secretary/Legal Counsel
57 Marina, Lagos
FRC/2013/NBA/00000001954

COMPLAINTS AND FEEDBACK

Complaints and Feedback

United Bank for Africa Plc is a customer-focused Pan-African financial services institution that is committed to putting its customers first and at the centre of every business decision. Our C1st philosophy which launched in 2016 was birthed to transform the Bank's approach to its customers and renew its commitment to becoming a truly Customer centric institution. Our aim is to deliver excellent customer experience and provide high quality financial solutions to our over twenty-five million customers across the 23 countries in which we operate.

We understand that to effectively serve our customers, we must have the capacity to resolve customer complaints and generate insightful feedback to improve customer experience and support product, channel and process development and innovation.

Our Voice of customer solution implemented across our Digital and Physical touch points including our Customer Fulfilment Centre, provides the bank with real time feedback of our customers experience across our platforms whilst our complaints management process, provides the bank with an effective means of capturing and resolving customer complaints.

The efficiency of the complaints management and feedback process is supported by efficient UBA employees who are trained each week on delivering exceptional experience to our customers and also renew their promise to our customers each year by signing the UBA signed service charter.

The Bank's service charter makes a promise to do more than is expected and delight our customers at every interaction.

We promise to:

- Do what we say we are going to do, no excuses, we give our word, and we keep it;
- Take ownership and resolve a customer's issue to the end;
- Go the extra mile to delight our customers at every interaction;
- Treat our customers with respect and always listen with the intent to serve and resolve;
- Empower staff to resolve customers' issues at first contact; and
- Provide our customers with the right information at the right time;

COMPLAINTS MANAGEMENT PROCESS

To ensure Customers' cases - complaints, enquiries and requests are managed effectively, the Bank has put in place an effective complaints management platform and process that is easy to use and is accessible to all customers. Complaints made via this channel are routed to a team within the bank that is responsible for resolving the case within defined timelines which are aligned with Central Bank of Nigeria (CBN) complaints resolution timelines.

All cases are tracked and reviewed to identify root cause and fixes implemented to improve process, platforms, products and customer experience. Key Performance Indicators have been developed to effectively measure and monitor the efficiency and performance of the process which is also periodically reviewed to ensure the bank is efficient at handling customer complaints.

The complaints and resolution processes are as follows:

(i) The Bank can be reached via a branch, calls, E-mail, Live Chat, Social Media; Twitter, Facebook and Leo

(ii) Complaint is logged on the bank's Complaints Management platform and a notification sent to the customer with a case identification number

(iii) The complaint is reviewed, and effort is made to resolve at First Contact, where this cannot be achieved, the case is referred to the relevant department to treat and close within defined timelines

(iv) Once the complaint has been resolved and closed, the customer receives a notification to confirm the complaint has been resolved.

(v) The customer is given an opportunity to confirm satisfactory closure of the compliant or to dispute closure

(vi) The ombudsman service provided by the bank also gives customers the opportunity to escalate complaints for further review or investigation

In line with Central Bank of Nigeria (CBN) guidelines, the bank renders periodic reports on the complaints received, resolution of complaints and actions taken to avoid recurrence.

CUSTOMER FEEDBACK & CONTINUOUS IMPROVEMENT

UBA is committed to listening to its customers and employees and has established feedback mechanism to gather structured and unstructured feedback. Surveys are triggered to customers after transactions to measure their experience with the banks channels, products and process. Conversations are also monitored across social channels and sentiments analysed for effective resolution of issues.

Feedback is received via the following channels:

1. Voice of customer surveys
2. Voice of Employee surveys
3. Customer Fulfilment Centre
4. Customer forums
5. Social media platforms
6. Branches
7. Whistleblowing platform
8. Ombudsman

Once received, feedback is reviewed, and actionable insight shared with the relevant teams in the bank to improve process, innovate and develop solutions for UBA customers.

COMPLAINTS & FEEDBACK CHANNELS

Customer Fulfilment Centre (CFC)

A 24/7 Multi-Lingual Customer Contact Centre, that provides UBA customers with access to a customer experience expert who is available to support customer complaints, enquiries and requests. The team is manned by highly skilled personnel with rich and diverse banking experience to promptly resolve customer complaints.

Telephone

A dedicated 24hr dedicated hotline on is available on 01 280 8822 and 0700 2255 822

Email Address

A dedicated e-mail address cfc@ubagroup.com is available to customers 24/7. This channel is manned by our highly skilled and effective correspondents that deliver high quality service to UBA customers and prospects.

Branch Hotlines

Branded toll-free phones are available at all branches for customers call the Customer Fulfilment Centre. Calls received via this channel are handled by designated inbound call centre agents.

Live Chat

A live chat option is available on the UBA website www.ubagroup.com, customers can chat online real time with our highly skilled Customer Experience Experts

UBA Cares

Our dedicated customer care social media handle @UBACares provides real time support and resolution to our customers

Leo (UBA Chatbot)

Log and track a complaint via Leo. Available on WhatsApp. Facebook Messenger and Apple Business Chat

Suggestion/Complaint Box

Customer Complaint boxes are available at all our branches for customers to provide feedback and suggestions to improve service

Post

A dedicated Post Office Box number 5551 is also available to our customer

Investor Complaint Channels

UBA has a dedicate email and contact number for shareholders who would like to make a complaint:

Email:

investorrelations@ubagroup.com

Telephone:

+234-1-280 - 7023

Contact:

Investor Relations Unit, UBA House, 57, Marina, Lagos.

CORPORATE GOVERNANCE

Corporate Governance

INTRODUCTION

United Bank for Africa Plc (UBA Plc) holds good corporate governance as one of its core values and confirms its commitment to the implementation of effective corporate governance principles in its business operations. The Board of Directors of UBA Plc endorses the principles of best practice Corporate Governance as stated in the Corporate Governance Guidelines For Commercial, Merchant, Non-Interest And Payment Service Banks In Nigeria 2023 issued by the Central Bank of Nigeria (CBN), the Securities and Exchange Commission Corporate Governance (SEC) Guidelines 2020, and the Nigerian Code of Corporate Governance 2018 issued by the Financial Reporting Council (FRC), effective January 1, 2020. UBA Plc is also on the Premium Board of NGX, a listing segment for the elite group of issuers that meet the Nigerian Exchange's corporate governance and listing standards. The premium Board is a platform for showcasing companies who are industry leaders in their sectors.

United Bank for Africa Plc has completed the Corporate Governance Rating System (CGRS) Recertification Exercise conducted by the Nigerian Exchange Limited (NGX) and the Convention on Business Integrity (CBI) Nigeria. UBA is one of the companies on NGX's Corporate Governance Index (CGI).

The Board of Directors of UBA Plc has the overall responsibility for ensuring that the highest standards of corporate governance are maintained and adhered to by the Bank. In order to promote effective governance of the UBA Group, the following structures have been put in place for the execution of UBA Plc's Corporate Governance strategy:

1. Board of Directors
2. Board Committees
3. Executive Management Committees
4. Governance Charters

A. THE BOARD

The Board is adequately comprised of the appropriate mix of knowledge, skills, experience, and expertise. As of June 30, 2024, the Board had fifteen (15) members which include a Non-Executive Chairman, Group Managing Director, eight (8) other Non-Executive Directors (which include three (3) Independent Non-Executive Directors), and six (6) Executive Directors (which include the GMD/CEO).

DIVERSITY

The Board promotes diversity in its membership for better decision-making, independent judgment and effective governance. There is an appropriate balance of skills and diversity (age and gender) without compromising competence, independence, and integrity. As of June 30, 2024, there are seven (7) female Directors on the Board, constituting 46.67% of the Board. This demonstrates the Board's commitment towards gender diversity.

RESPONSIBILITY

The Board of Directors carries out its responsibility through its standing Committees. These are the Board Audit & Governance Committee, the Board Credit Committee, and the Board Risk Management Committee, the Finance & General Purpose Committee. Through the workings of these committees, the Board sets broad policy guidelines and ensures the proper oversight and direction of the Bank. The Chairman also sets up Ad-hoc Committees of the Board or Sub-Committees of the respective Board Committees from time to time to address specific projects/issues.

The roles of Chairman and Chief Executive Officer are separated and clearly defined. The Chairman is responsible for the management, development and effective functioning of the Board of Directors and provides leadership in every aspect of its work, whilst the Chief Executive Officer is responsible for the running of the business and implementation of Board strategy and policy. The Chief Executive Officer is assisted in managing the business of the Bank on a day-to-day basis by the Executive Management Committee, which he chairs and comprises all Executive Directors and other critical functional heads.

The Board's primary responsibility is to increase shareholder wealth. The Board is accountable to shareholders and is responsible for the management of the relationships with its various stakeholders. Executive Management is accountable to the Board for the development and implementation of strategy and policies.

The Board regularly reviews group performance, matters of strategic concern and other matters it regards as material. The Board meets quarterly and additional meetings are convened as the need arises. As of June 30, 2024, the Board met three (3) times. The record of attendance for Board Meetings for the period ended June 30, 2024 is presented below:

Director	Number of Meetings Held	Number of Meetings Attended
Mr. Tony Elumelu, CFR	3	3
Mr. Oliver Alawuba	3	3
Mrs. Owanari Duke	3	3
Ms. Angela Aneke	3	3
Erelu Angela Adebayo	3	3
Dr. Kayode Fasola	3	3
Mr. Abdulqadir J. Bello (FCA)	3	3
Ms. Aisha Hassan Baba, OON	3	3
Mrs. Caroline Anyanwu	3	3
Mr. Muyiwa Akinyemi	3	3
Mr. Ugochukwu Nwaghodoh	3	3
Mr. Alex Alozie	3	3
Mrs. Abiola Bawuah	3	3
Ms. Sola Yomi-Ajayi	3	3
Mr. Emmanuel N. Nnorom	3	1

The Board is responsible for Strategic Direction, Policy Making, Decision Making and Oversight. The Board is also responsible for ensuring that there is an effective system of internal control and risk management across the Bank. The Board also adopts effective processes for the appointment of new Directors.

In accordance with extant Codes of Corporate Governance and the Bank's governance charters, the Board has, through the Board Audit & Governance Committee, provided suitable induction programs for new/for existing members, continuous/ongoing training as determined by the Board Audit & Governance Committee. The training for Board members is included in the annual training plan for UBA Group which is approved by the Board at the beginning of the year with the annual budget.

As stipulated in the Board Governance & Board Committees Governance Charter, the Board has the authority to delegate matters to Directors, Board Committees and the Executive Management Committee. All Directors are aware that they may take independent professional advice at the expense of the Bank, in furtherance of performing their duties effectively. They all have unfettered access to the advice and services of the Company Secretary, who is responsible to the Board for ensuring that all governance matters are complied with and assists with professional development as required.

Board Evaluation

Deloitte & Touché conducted the annual evaluation of the Board of Directors of UBA Plc for the year ended December 31, 2023 in compliance with CBN Corporate Governance Guidelines for Commercial, Merchant, Non-Interest and Payment Service Banks (CBN CG Guidelines for Banks), Section 2.8.3. of the Code of Corporate Governance for Banks and Discount Houses in Nigeria 2014, and Principle 14 of the Nigerian Code of Corporate Governance 2018. The results of the Board Evaluation conducted by Deloitte & Touché confirmed that the Board complied with the requirements of the extant Codes of Corporate Governance in terms of its structure, composition, procedures and responsibilities during the 2023 financial year. Key Board functionaries (Board and Board Committee Chairpersons) and the Board Committees also met their responsibilities under the Codes and governance charters, during the 2023 financial year.

Deloitte & Touche confirmed that the Bank conformed with the NCCG 2018 and rules in the SEC Guidelines 2020. Other positive attributes noted include:

a. Updates on the progress of implementation of the Company's strategy were presented to the BAGC by management at its quarterly meetings to enable the Committee track management's implementation.

b. The Bank organized a Group Chairman's Forum where all the Directors of the Bank as well as Directors from the subsidiaries were in attendance. The forum was to communicate the groups expectations and facilitate the exchange of ideas, challenges etc.

c. For effective oversight on the Banks global footprint, Executive Management presented regular updates on the performance of these entities to the BAGC at its quarterly meetings. The reports featured highlights on the financial performance, risks, regulatory compliance concerns, governance effectiveness, internal control and audit, etc.Inclusion of the Bank's ESG/ Sustainability initiatives as an agenda item of the Board Audit & Governance Committee meetings.

d. The Bank has effective structures in place to ensure adequate oversight on financial performance, corporate governance, regulatory compliance, internal control, audit, risk reporting, etc. in its operations and across its global footprints.

e. Periodic updates, which highlighted risks faced in the Bank and other African subsidiaries, were presented by the ED, Risk Management to the BRMC and the Board to enable the Directors have an overview of risk management across the group.

f. The BAGC monitored ESG (Environmental, Social, and Governance) matters in the Bank at its quarterly meetings. Management presented a report on the progress with the Bank's ESG initiatives to the BAGC during the financial year.

g. In compliance with SEC's requirement, the Bank enlisted the services of External Consultants to collaborate with its internal team in conducting a comprehensive and detailed assessment of the controls in place for the Financial Reporting process (ICFR) during the financial year.

h. To transform the Bank's audit process, address challenges faced by audit as well as implement automation, the Audit and Assurance Officer presented an Audit Transformation Plan to the BAGC which was considered and deliberated upon.

i. The 2023 Group Risk Based Internal Audit Plan was considered by the BAGC and approved by the Board for the financial year.

j. During the period under review, all Board and Board Committees held regular meetings with Committee members in full attendance. Minutes of the meetings were documented by the Company Secretary and made available to Directors before the next meeting.

k. Succession Planning for Board and Key management position was prioritized during the financial year. In addition, to reduce attrition for mid-level roles, the Group Head, Human Resources reviewed the succession plan review every 6 months to ascertain the validity of the plan.

The Report of the Board Evaluation Consultants on the Performance Evaluation of the Board of Directors of UBA Plc is included in the Annual Report.

Corporate Governance Review

In accordance with the provisions of the CBN Corporate Governance Guidelines for Commercial, Merchant, Non-Interest and Payment Service Banks (CBN CG Guidelines for Banks), and the Nigerian Code of Corporate Governance 2018, Deloitte & Touché performed the annual corporate governance review of the Corporate Governance Framework of UBA Plc for the year ended December 31, 2023. The results of the review, which included an assessment of the Board's structure, composition, responsibilities, processes, procedures and the effectiveness of the Board Committees, confirmed that the Corporate Governance Framework and Practices in UBA Plc comply with the provisions of the extant Codes of Corporate Governance. The Report of the Board Evaluation Consultants on the Review of the Corporate Governance Framework of UBA Plc is included in this Annual Report.

Appointments & Retirements

During the financial period ended June 30, 2024, Mr. Emmanuel N. Nnorom was appointed to the Board. No Director retired from the Board within the period.

B. ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board has presented a balanced assessment of the Company's position and prospects. The Board is mindful of its responsibilities and is satisfied that in the preparation of the Directors' Report, the Directors have complied with the requirements of the Companies & Allied Matters Act 2020. The Board also ensured the integrity of the annual reports and accounts and all material information provided to all relevant stakeholders.

The Directors make themselves accountable to the shareholders through regular publication of the Group's financial performance and Annual Reports, and at the Annual General Meeting. The Board ensured that the Group's reporting procedure is conveyed on the most efficient platforms in order to ensure accuracy. This procedure involves the monitoring of performance throughout the financial year, in addition to monthly reporting of key performance indicators.

Ernst & Young (EY) acted as external auditors to the Group for the period ended 30 June 2024. The Report of the External Auditors is contained in this Report.

C. RISK MANAGEMENT & CONTROL ENVIRONMENT

The Group has consistently improved its internal control environment to ensure financial integrity and effective management of risks. The Board ensured that the Group has in place, robust risk management policies and mechanisms to ensure identification of risk and effective control.

The Directors review the effectiveness of the Bank's internal control environment through regular reports and reviews at Board and Board Audit & Governance Committee meetings.

The Board approves the annual budget for the Group and ensures that a robust budgetary process is operated with adequate authorization levels put in place to regulate capital and operating expenses.

D. SHAREHOLDER RIGHTS

The Board of UBA Plc has always placed considerable emphasis on effective communication with its shareholders. It ensures that the rights of shareholders are always protected. Notice of meetings and all other statutory notices and information are communicated to the shareholders regularly. The Bank ensures the protection of statutory and general rights of shareholders at all times, particularly their right to vote at General Meetings. All shareholders are treated equally regardless of their equity interest or social status.

The General Meeting of Shareholders is the highest decision-making body of the Bank and meetings are conducted in a fair and transparent manner that gives shareholders the opportunity to express their opinion. The Group publishes quarterly, half-yearly and annual reports on its website as well as national newspapers. The Group also provides investor presentations and other relevant communications that provide requisite information to shareholders and the general public, especially as regards the performance, strategy and developments in the Group.

The Group maintains an Investor Relations Unit which routinely attends to shareholders' enquiries and ensures that shareholders' views are appropriately escalated to the Management and Board on a continuous basis. In addition, shareholders are encouraged to continuously communicate their opinions and recommendations as appropriate to either the Head of Investor Relations or the Company Secretary. Their contact details are available on the Bank's website and on the back cover of this Report.

E. BOARD COMMITTEES

The Board of UBA Plc has the following Committees, namely:

1. Board Audit and Governance Committee
2. Board Credit Committee
3. Board Risk Management Committee
4. Finance & General Purpose Committee

1. BOARD AUDIT AND GOVERNANCE COMMITTEE

The Board Audit & Governance Committee is a Committee of the Board of UBA Plc charged with the responsibility and oversight of Audit and Control, Governance, Human Resources, Legal Strategy, Strategic Direction, Budgeting, Financial Performance, and other financial matters.

The Committee has oversight over the governance structures and practices of the Bank. The Committee has responsibility for the nomination of Directors, Board composition, nomination of Directors for appointment to the Boards of Subsidiaries, recruitment, promotion, redeployment and disengagement of senior level staff, Board & Board Committee performance evaluation, Subsidiary Governance oversight, compensation & remuneration of Directors, and Board/Board Committees Inductions and Trainings. The Committee also approves the Human Resources and Governance Policies for the Group, recommends the organisation structure to the Board for approval, resolves work related issues and disputes, and evaluates the overall system of Corporate Governance for the Group.

The Committee discharges the Board's responsibilities with regard to strategic direction and budgeting and provides oversight on financial matters and the performance of the Group.

The Committee also provides Board oversight on internal control and audit in the Group. It assists the Board of Directors in fulfilling its audit responsibilities by ensuring that effective systems of Financial and Internal controls are in place within the Group.

As of June 30, 2024, the Board Audit and Governance Committee comprised of the following Non-Executive Directors:

a. Ms. Angela Aneke – Chairman

b. Mrs. Owanari Duke – Member

c. Erelu Angela Adebayo – Member

d. Dr. Kayode Fasola – Member

e. Mrs. Aisha Hassan-Baba, OON – Member

The record of attendance for Board Audit & Governance Committee Meetings for the period ended June 30, 2024 is presented below:

Board Audit and Governance Committee Meetings*		
Members	Number of Meetings Held	Number of Meetings Attended
Ms. Angela Aneke	8	8
Mrs. Owanari Duke	8	8
Erelu Angela Adebayo	8	8
Dr. Kayode Fasola	8	8
Mrs. Aisha Hassan Baba, OON	8	8

2. BOARD CREDIT COMMITTEE

The Board Credit Committee is responsible for approval of credit facilities in the Bank. The Board Committee also recommends credit facilities to the Board for approval. It reviews all credits granted by the Bank and meetings are held at least once a quarter. The Board Credit Committee was set up to assist the Board of Directors to discharge its responsibility to exercise due care, diligence and skill to oversee, direct and review the management of the credit portfolio of the Group. Its terms of reference include determining and setting the parameters for credit risk and asset concentration and reviewing compliance within such limits; determining and setting the lending limits, reviewing, and approving the Group's credit strategy and the credit risk tolerance. The Committee reviews the Loan portfolio of the Bank and reviews and approves country risks exposure limits.

As of 30 June, 2024, the composition of the Board Credit Committee was as follows:

a. Mr. Abdulqadir J. Bello – Chairman

b. Mrs. Owanari Duke – Member [1]

c. Dr. Kayode Fasola – Member [1]

d. Mrs. Caroline Anyanwu - Member

e. Ms. Angela Aneke - Member [2]

[1] Left as member after the reconstitution of the board committees on June 21, 2024

[2] Became a member after the reconstitution of the board committees on June 21, 2024

Board Credit Committee Meetings		
Members	Number of Meetings Held	Number of Meetings Attended
Mr. Abdulqadir J. Bello, FCA	2	2
Mrs. Owanari Duke	2	2
Ms. Angela Aneke	2	-
Dr. Kayode Fasola	2	2
Mrs. Caroline Anyanwu	2	2

3 BOARD RISK MANAGEMENT COMMITTEE

As of June 30 2024, the Board Risk Management Committee comprised the following Directors:

1. Mrs. Caroline Anyanwu – Chairman
2. Ms. Angela Aneke – Member [1]
3. Mr. Abdulqadir Bello – Member [1]
4. Mr. Oliver Alawuba – Member
5. Mr. Ugochukwu Nwaghodoh – Member
6. Mr. Alex Alozie – Member
7. Ms. Sola Yomi-Ajayi - Member [1]
8. Mr. Emmanuel N. Nnorom - Member [2]

Meetings are held at least once a quarter and the responsibilities of the Committee include to review and recommend risk management strategies, policies and risk tolerance for the Board's approval; to review management's periodic reports on risk exposure, risk portfolio composition and risk management activities; and to consider and examine such other matters as the Board requires, the Committee considers appropriate, or which are brought to its attention, and make recommendations or reports to the Board accordingly.

Board Risk Management Committee Meetings		
Members	Number of Meetings Held	Number of Meetings Attended
Mrs. Caroline Anyanwu	2	2
Ms. Angela Aneke	2	2
Mr. Abdulqadir Bello	2	2
Mr. Oliver Alawuba	2	2
Mr. Ugochukwu Nwaghodoh	2	2
Mr. Alex Alozie	2	2
Ms. Sola Yomi-Ajayi	2	2
Mr. Emmanuel N. Nnorom	2	0

4. FINANCE & GENERAL-PURPOSE COMMITTEE

The purpose of the Finance & General Purpose Committee is to, amongst other things; discharge the Board's responsibilities with regard to strategic direction and budgeting and to provide oversight on financial matters and the performance of the Group. The Finance & General Purpose Committee was set up on June 21, 2024.

As at June 30, 2024 the Finance & General-Purpose Committee comprised the following Directors:

1. Mr. Emmanuel N. Nnorom – Chairman
2. Mr. Abdulqadir J. Bello – Member
3. Dr. Kayode Fasola - Member
4. Mr. Oliver Alawuba – Member
5. Mr. Ugochukwu Nwaghodoh – Member

Board Composition Analysis

Name of Director	Classification	Board Audit and Governance Committee	Board Credit Committee	Board Risk Management Committee	Finance & General Purpose Committee
Mr. Tony O. Elumelu, CFR	Board Chairman (NED)	-	-	-	-
Mr. Oliver Alawuba	GMD/CEO, UBA Group	-	-	Member	Member [2]
Mr. Muyiwa Akinyemi	DMD	-	-	-	-
Mr. Ugochukwu Nwaghodoh	ED, Risk and Finance	-	-	Member	Member [2]
Mr. Alex Alozie	ED/Group Chief Operating Officer	-	-	Member	-
Ms. Sola Yomi-Ajayi	ED, International Banking	-	-	-	-
Mrs. Abiola Bawuah	ED/CEO, UBA Africa	-	-	-	-
Mrs. Owanari Duke	Independent Non-Executive Director	Member	Member[1]	-	-
Ms. Angela Aneke	Independent Non-Executive Director	Chairman	Member[2]	Member[1]	-
Erelu Angela Adebayo	Non-Executive Director	Member	-	-	-
Mr. Abdulqadir Bello, (FCA)	Non-Executive Director	-	Chairman	Member[1]	Member [2]
Dr. Kayode Fasola	Non-Executive Director	Member	Member[1]	-	Member [2]
Ms. Aisha Hassan-Baba, (OON)	Independent Non-Executive Director	Member	-	-	-
Mrs. Caroline Anyanwu.	Non-Executive Director	-	Member	Chairman	-
Mr. Emmanuel N. Nnorom	Non-Executive Director	-	-	Member [2]	Chairman

[1] Left as member after the reconstitution of the board committees on June 21, 2024

[2] Became a member after the reconstitution of the board committees on June 21, 2024

Board of Directors Attendance Analysis: Jan – Jun 2024

Name of Director	Classification	Annual General Meetings	Board Of Directors Meetings
No of meetings to be held for the year		**1**	**3**
Mr. Tony O. Elumelu, CFR	Board Chairman (NED)	1	3
Mr. Oliver Alawuba	GMD/CEO, UBA Group	1	3
Mr. Muyiwa Akinyemi	DMD	1	3
Mr. Ugochukwu Nwaghodoh	ED, Risk and Finance	1	3
Mr. Alex Alozie	ED/Group Chief Operating Officer	1	3
Ms. Sola Yomi-Ajayi	ED, International Banking	1	3
Mrs. Abiola Bawuah	ED/CEO, UBA Africa	1	3
Mrs. Owanari Duke	Independent Non-Executive Director	1	3
Ms. Angela Aneke	Independent Non-Executive Director	1	3
Erelu Angela Adebayo	Non-Executive Director	1	3
Mr. Abdulqadir Bello, (FCA)	Non-Executive Director	1	3
Dr. Kayode Fasola	Non-Executive Director	1	3
Ms. Aisha Hassan-Baba, (OON)	Independent Non-Executive Director	1	3
Mrs. Caroline Anyanwu	Non-Executive Director	1	3
Mr. Emmanuel N. Nnorom [1]	Non-Executive Director	1	1

[1] Appointed to the Board on April 30, 2024

Directors Committee Attendance Analysis: January – June 2024

Name of Director	Classification	Board Audit and Governance Committee	Board Credit Committee	"Board Risk Management Committee"	Finance & General Purpose Committee*
No of meetings to be held for the period		**8**	**2**	**2**	**0**
Mr. Tony O. Elumelu, CFR	Board Chairman (NED)	-	-	-	-
Mr. Oliver Alawuba	GMD/CEO, UBA Group	-	-	2	-
Mr. Muyiwa Akinyemi	DMD	-	-	-	-
Mr. Ugochukwu Nwaghodoh	ED, Risk and Finance	-	-	2	-
Mr. Alex Alozie	ED/Group Chief Operating Officer	-	-	2	-
MS. Sola Yomi-Ajayi	ED, International Banking	-	-	2	-
Mrs. Abiola Bawuah	ED/CEO, UBA Africa	-	-	-	-
Mrs. Owanari Duke	Independent Non-Executive Director	8	2	-	-
Ms. Angela Aneke	Independent Non-Executive Director	8	-	2	-
Erelu Angela Adebayo	Non-Executive Director	8	-	-	-
Mr. Abdulqadir Bello, (FCA)	Non-Executive Director	-	2	2	-
Dr. Kayode Fasola	Non-Executive Director	8	2	-	-
Ms. Aisha Hassan-Baba, (OON)	Independent Non-Executive Director	8	-	-	-
Mrs. Caroline Anyanwu.	Non-Executive Director	-	2	2	-
Mr. Emmanuel N. Nnorom[1]	Non-Executive Director	-	-	-	-

*No meeting was held in the reporting period.

[1] Appointed to the Board on April 30, 2024

F. EXECUTIVE MANAGEMENT COMMITTEES

In addition to the Board Committees, there are Management Committees which ensure effective and good corporate governance at the managerial level. These are Committees comprising of senior management staff of the Bank. The Committees are also risk-driven, as they are basically set up to identify, analyse, synthesize and make recommendations on risks arising from day to day activities of the Bank. They also ensure that risk limits as contained in the Board Policies are complied with at all times. They provide inputs for the respective Board Committees and also ensure that recommendations of the Board Committees are effectively and efficiently implemented. They meet as frequently as issues occur to immediately take actions and decisions within the confines of their delegated authorities. Some of these Executive Management Committees include the Executive Management Committee (EMC), the Executive Credit Committee (ECC), the Assets and Liabilities Committee (ALCO), the Risk Management Committee (RMC), the Procurement Committee (PC), the IT & Cybersecurity Steering Committee (ITCSC), the Information Security Steering Committee (ISSC) and the Criticized Assets Committee (CAC).

G. STATUTORY AUDIT COMMITTEE

It comprises of a mixture of Non-Executive Directors and ordinary shareholders elected at the Annual General Meeting.

Its Terms of Reference include the monitoring of processes designed to ensure compliance by the Group in all respects with legal and regulatory requirements, including disclosure, controls and procedures and the impact (or potential impact) of developments related thereto. It evaluates annually, the independence and performance of the External Auditors. The Committee also reviews the annual audited financial statements with Management and the External Auditors.

The Members of the Statutory Audit Committee as at June 30, 2024 were as follows:

a. Mr. Feyi Ogoji – Chairman/Shareholder

b. Mr. Matthew Esonanjor – Shareholder

c. Mr. Alex Adio – Shareholder

d. Mrs. Owanari Duke – Independent Non-Executive Director [1]

e. Ms. Angela Aneke – Independent Non-Executive Director

f. Dr. Kayode Fasola – Non-Executive Director [2]

In line with the Companies and Allied Matters Act 2020, the membership of the Statutory Audit Committee was restructured by the shareholders at the AGM to have three (3) shareholder representatives and two (2) Directors.

The record of attendance for the Statutory Audit Committee meetings for HY 2024 financial year is presented below:

Statutory Audit Committee Meetings		
Members	**Number of Meetings Held**	**Number of Meetings Attended**
Mr. Feyi Ogoji	1	1
Mr. Matthew Esonanjor	1	1
Mrs. Owanari Duke [1]	1	1
Ms. Angela Aneke	1	1
Mr. Alex Adio	1	1
Dr. Kayode Fasola [2]	1	0

[1] Stepped down from the SAC on May 24, 2024

[2] Appointed to the SAC on May 24, 2024

H. MEETINGS MANAGEMENT

In view of current business realities, particularly the advancement of digital technology and the global impact of the COVID-19 pandemic, the Board approved for all Board, Board Committee and Executive Management meetings in 2021 to hold virtually via either Microsoft Teams or Zoom. Towards this purpose, the Board also approved a Virtual Meeting & Communication Technology Framework to promote effective virtual meetings, provide broad guidelines for implementation of processes involving technology aided communication, and ensure compliance with all relevant COVID-19 Related Directives and Safety Protocols & Guidelines

The Board has also complied strictly with the requirements of the Federal & State Governments and the CAC Guidelines for the convening and conduct of the Bank's Annual General Meetings. The Bank conducted its 2024 Annual General Meeting on May 24, 2024 at the Transcorp Hilton Hotel, Abuja.

I. DIRECTORS' COMPENSATION

Package	Type	Description	Timing
Basic salary	Fixed	This is part of gross salary package for Executive Directors only It reflects the banking industry competitive salary package and the extent to which the Bank's objectives have been met for the financial year	Paid monthly during the financial year
13th month salary	Fixed	This is part of gross salary package for Executive Directors only It reflects the banking industry competitive salary package and the extent to which the Bank's objectives have been met for the financial year	Paid in a month during the financial year
Directors fees	Fixed	This is paid quarterly to Non-Executive Directors only	Paid quarterly
Sitting allowances	Fixed	Sitting allowances are paid to the Non-Executive Directors only for attending Board and Board Committee meetings.	Paid after each meeting.

J. DETAILS OF TRAINING ATTENDED BY DIRECTORS

Board Facilitator-led Session

Training Programme	Training Objective	Participants	Date
Effective Governance of Board Committees Programme	The training is aimed at intimating the new policy, its operational framework, implications to our industry and our business and ways to ensure that we derive maximum value of the new development	• Ms. Angela Aneke • Mrs. Caroline Anyanwu • Alhaji Abdulqadir Bello • Emmanuel Nnorom	June 24-26 2024
International Financial Reporting Standard (IFRS) 9	The primary objective of a course on International Financial Reporting Standard (IFRS) 9 is to provide participants with a comprehensive understanding of the standard and its implications for financial reporting and decision-making.	• Bawuah Abiola • Ugochukwu Nwaghodoh • Alex Alozie	June 11, 18 & 19, 2024

E-learning for Board Members

Training Programme	Training Objective	Participants
2024 Code of Professional Conduct & Ethics Attestation for Board	The Code of Professional Conduct and Ethics course is designed to serve as a gudeline to the standards that should govern all employee dealings with customers,vendors,Colleagues and the general Public	• Elumelu Tony • Alawuba Oliver • Muyiwa Akinyemi • Ugochukwu Nwaghodoh • Alex Alozie • Sola Yomi-Ajayi • Bawuah Abiola • Duke Owanari • Aneke Angela • Adebayo Angela • Bello Abdulqadir • Fasola Kayode • Hassan Baba Aisha • Anyanwu Caroline
2024 Security Awareness Training Series - Passwords and Authenticatio	The Course is designed to focus on Data Privacy, Protection and Incident Reporting to reduce privacy breaches by UBA employees. The aim is to teach employees how to identify and avoid potential risks to sensitive data.	• Elumelu Tony • Alawuba Oliver • Muyiwa Akinyemi • Ugochukwu Nwaghodoh • Alex Alozie • Sola Yomi-Ajayi • Bawuah Abiola • Duke Owanari • Aneke Angela • Adebayo Angela • Bello Abdulqadir • Fasola Kayode • Hassan Baba Aisha • Anyanwu Caroline

Group Board & Board Committee Meeting Dates

Meetings	Board	Board Audit & Governance Committee	Board Credit Committee	Board Risk Management Committee	Finance & General Purpose Committee
1	25-Jan-24	23-Jan-24	22-Feb-24	13-Mar-24	
2	30-Apr-24	29-Feb-24	20-Mar-24	19-Apr-24	
3	21-Jun-24	5-Mar-24			
4		4-Apr-24			
5		16-Apr-24			
6		18-Apr-24			
7		17-May-24			
8		27-Jun-24			

Report of the Statutory Audit Committee

REPORT OF THE STATUTORY AUDIT COMMITTEE FOR THE PERIOD ENDED 30 JUNE 2024

To members of United Bank for Africa Plc

In accordance with the provision of Section 404[7] of the Companies and Allied Matters Act of the Federation of Nigeria 2020, we the members of the Audit Committee hereby report as follows:

(i) We confirm that we have seen the Audit Plan & Scope, and the Management Letter on the Audit of the UBA Group Interim Consolidated & Separate Financial Statements for the period ended June 30, 2024 and the responses to the said letter.

(ii) In our opinion, the Plan & Scope of the Audit for the period ended 30 June, 2024 were adequate. We have reviewed the Auditors' findings and we are satisfied with the Management responses thereon.

(iii) We also confirm that the accounting and reporting policies of the Bank are in accordance with legal requirements and ethical practices.

(iv) As required by the provisions of the Central Bank of Nigeria circular BSD/1//2004 dated February 18, 2004 on "Disclosure of Insider-Related Credits in Financial Statements", we reviewed the insider-related credits of the Bank and found them to be as analysed in the Consolidated & Separate Financial Statements for the period ended 30 June 2024.

13 September 2024

MR. FEYI OGOJI (FCA)
FRC/2016/ICAN/00000015438
Chairman, Statutory Audit Committee

Members of the audit committee are:

a. Mr. Feyi Ogoji – Chairman/Shareholder

b. Mr. Matthew Esonanjor – Shareholder

c. Mr. Alex Adio – Shareholder

d. Ms. Angela Aneke – Independent Non-Executive Director

e. Dr. Kayode Fasola – Independent Non-Executive Director

Statement of Directors' Responsibilities

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE PREPARATION OF FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

In accordance with the provisions of Sections 334 and 335 of the Companies and Allied Matters Act and Sections 24 and 28 of the Banks and Other Financial Institutions Act, the Directors are responsible for the preparation of the financial statements which give a true and fair view of the state of affairs of the Bank and of the profit or loss and other comprehensive income for the period ended 30 June, 2024 and in so doing they ensure that:

(i) Proper accounting records are maintained;

(ii) Applicable accounting standards are followed;

(iii) Suitable accounting policies are adopted and consistently applied;

(iv) Judgments and estimates made are reasonable and prudent;

(v) The going concern basis is used, unless it is inappropriate to presume that the Bank will continue in business; and

(vi) Internal control procedures are instituted which as far as reasonably possible, safeguard the assets of the Bank and prevent and detect fraud and other irregularities.

The Directors accept responsibility for the preparation of the financial statements that give a true and fair view in accordance with the International Financial Reporting standards (IFRS) as issued by the International Accounting Standards Board and in the manner required by the Companies and Allied Matters Act, the Financial Reporting Council of Nigeria (Amendment) Act 2023, the Banks and Other Financial Institutions Act, the Central Bank of Nigeria Prudential guidelines and other relevant regulations issued by the Central Bank of Nigeria.

The Directors accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of the financial statements as well as adequate systems of financial control.

Nothing has come to the attention of the Directors to indicate that the Group will not remain a going concern for at least twelve months from the date of this statement.

SIGNED ON BEHALF OF THE DIRECTORS:

Oliver Alawuba

FRC/2022/PRO/DIR/003/589226

'Tony O. Elumelu, CFR

FRC/2013/CIBN/00000002590

Statement of Corporate Responsibility

STATEMENT OF CORPORATE RESPONSIBILITY FOR THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

In line with the provision of Section 405 of the Companies and Allied Matters Act (CAMA) 2020, we have reviewed the audited financial statements of the Group for the period ended 30 June, 2024 and based on our knowledge confirm as follows:

Financial Information

(i) The audited financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading.

(ii) The audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the bank as of and for the period ended 30 June 2024..

Effectiveness of Internal Controls

(iii) The bank's internal controls have been designed to ensure that all material information relating to the bank and its subsidiaries is received and provided to the Auditors in the course of the audit.

(iv) The bank's internal controls were evaluated within 90 days of the financial reporting date and are effective as of 30 June 2024.

Disclosures

(v) That we have disclosed to the bank's External Auditors and the Audit Committee the following information:

(a) there are no significant deficiencies in the design or operation of the bank's internal controls which could adversely affect the bank's ability to record, process, summarise and report financial data, and have discussed with the auditors any weaknesses in internal controls observed in the cause of the Audit.

(b) there is no fraud involving management or other employees which could have any significant role in the bank's internal control. .

(vi) There are no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of this audit, including any corrective actions with regard to any observed deficiencies and material weaknesses.

15 August 2024

Ugo A. Nwaghodoh
ED Finance and Risk Management
FRC/2012/ICAN/00000000272

Oliver Alawuba
Group Managing Director/CEO
FRC/2022/PRO/DIR/003/589226

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Building a better working world

Independent Auditor's Report

To the Members of United Bank for Africa Plc

Report on the Audit of the Interim Consolidated and Separate Financial Statements

Opinion

We have audited the Interim consolidated and separate financial statements of *United Bank for Africa* Plc ("the Bank") and its subsidiaries (together "the Group"), which comprise the consolidated and separate statements of financial position as at 30 June 2024, and the consolidated and separate statements of other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the period then ended, and notes to the interim consolidated and separate financial statements, including material accounting policy information.

In our opinion, the accompanying interim consolidated and separate financial statements give a true and fair view of the interim consolidated and separate financial position of the Group and the Bank as at 30 June 2024, and its consolidated and separate financial performance and consolidated and separate cash flows for the period then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the provisions of the Companies and Allied Matters Act, 2020, the Banks and Other Financial Institutions Act, 2020, Central Bank of Nigeria Circulars and in compliance with the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Interim Consolidated and Separate Financial Statements* section of our report. We are independent of the Group and the Bank in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the Interim consolidated and separate financial statements in Nigeria, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the interim consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the interim consolidated and separate financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Interim Consolidated and Separate Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the interim consolidated and separate financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying interim consolidated and separate financial statements.

The Key Audit Matters apply equally to the audit of the interim consolidated and separate financial statements.

Key Audit Matter	How the matter was addressed in the audit
Expected Credit Loss (ECL) assessment on loans and advances to customers This is considered a key audit matter in the Interim consolidated and separate financial statements given the significance of the amounts and the complexity and judgement involved in the determination of ECL on loans and advances to customers, which required considerable audit time and expertise. The gross balance of loans and advances to customers as at 30 June 2024 was N3.95 trillion for the Bank and N7.06 trillion for the Group. The associated allowance for credit loss was N93.3billion for the Bank and N264.4 billion for the Group. Loans and advances to customers are subject to impairment assessment using the expected credit loss model (ECL) under the International Financial Reporting Standards (IFRS) 9 – Financial Instruments. The ECL involves the application of judgement and estimation in determining inputs for ECL calculation such as: ‣ determining criteria for significant increase in credit risk (SICR) for the purpose of staging.	Our audit procedures included the following, we: ‣ assessed the reasonableness of management's model for determining impairment on loans and advances to customers in accordance with the requirements of IFRS 9. ‣ evaluated the reasonableness of the Group's determination of significant increase in credit risk by checking that a lifetime ECL is recognised when credit risk has increased significantly (Stage 2), a lifetime ECL is recognised on impaired facilities (Stage 3) and a 12-month ECL (Stage 1) is recognised if otherwise. ‣ checked that the Group applied a default definition that is consistent with International Financial Reporting Standards. ‣ selected material loans and checked the repayment history to determine if there are indications of default and significant increase in credit risk. With the assistance of our credit risk modelling specialists, we:

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‣ determining the definition of default. ‣ incorporating forward looking information (FLI) in the model. ‣ reasonability and accuracy of macroeconomic historical data and forecasts which were used by management for FLI analysis. ‣ factors incorporated in determining the Probability of Default (PD), the Loss Given Default (LGD), and the Exposure at Default (EAD). See notes to the interim consolidated and separate financial statements for further information. • 3.29 – IFRS 9: Financial Instruments • 4.5 - Credit Risk • 8 (a) – Key sources of estimation uncertainty • 12 (a) – Impairment charge for credit losses on Loans • 26 – Loans and advances to customers.	‣ tested macro-economic indicators (Forward Looking Information) for reasonableness, taking into consideration publicly available information and checked the multiple economic scenarios considered. ‣ gained an understanding of how the Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) were determined. ‣ tested the reasonableness of the assumptions used in determining the 12month and lifetime Probability of Default (PD), Loss given default (LGD) and Exposure at Default (EAD). ‣ recalculated the ECL on loans and advances to customers. We reviewed the qualitative and quantitative disclosures for reasonableness.
Derivatives valuation The group has significant derivative financial instruments, the valuation of which is determined through the application of valuation techniques which often involve the exercise of judgement and the use of assumptions and estimates. Due to the significance of financial instruments and the related estimation uncertainty, this is considered a key audit matter. Auditing the valuation of certain derivatives requires the application of significant judgement and assessment of complex models and non-observable inputs used, including any significant valuation adjustments applied. The Bank entered into derivative contracts arrangement with notional amount of N1.42	Our audit procedures included the following, we: ‣ obtained an understanding of the bank's processes and procedures for derivatives recognition and Identified controls in the bank's processes and procedures. ‣ verified the existence and ownership of recorded derivatives through confirmation with the counterparties or, when appropriate, examination of evidence of ownership. We confirmed both settled and unsettled transactions with the counterparties.

trillion and carrying value of N197.59 billion with various counterparties. The associated liability for these derivatives' transaction is N521 billion for notional amount and N12.35 billion for the carrying value. Derivatives valuation involves the application of judgement and estimation in determining inputs such as: ‣ the risk-free rates ‣ the forward rates using published rate ‣ interest rate parity formula for other currencies ‣ the present value cashflow for each contract using the applicable interest rate curves Furthermore, certain valuation inputs used to determine fair value may be non-observable. The valuation of certain derivatives is sensitive to these inputs as they are forward-looking and could be affected by future economic and market condition See notes to the interim consolidated and separate financial statements for further information. • 3.13- Derivative financial instruments • 8(a)- Key sources of estimation uncertainty • 14 – Net trading and foreign exchange income • 33- Derivative financial instruments	With the assistance of our credit risk modelling specialists, we: ‣ recalculated the fair value of derivatives and the appropriate disclosures in the financial statements in accordance with the entity's accounting policies and International Financial Reporting Standards. ‣ assessed the appropriateness of the methodology and to assess the key underlying models used -
IAS 29 Financial reporting in Hyperinflationary Economies (impacting UBA Ghana and UBA Sierra Leone) Effective December 31, 2023, Ghana and Sierra Leone have been classified as hyperinflationary economies. Consequently, the financial statements of UBA Ghana and UBA Sierra Leone have been prepared in accordance with IAS 29 – Financial Reporting in Hyperinflationary	Our audit procedures included the following, we: ‣ considered the impact of factors like depreciation of currency, price level changes, and the impact of these changes on the financial statements of the entities.

Economies, for the purpose of consolidated group financial reporting. IAS 29 requires the financial statements of entities whose functional currency is that of a hyperinflationary economy to be adjusted for the effects of changes in a suitable general price index and to be expressed in terms of the current unit of measurement at the closing date of the reporting period. See notes to the consolidation and separate financial statements for further information. • 3.32 – IAS 29 – Financial Reporting in Hyperinflationary Economies • 8b – Critical accounting judgments in applying the Group's accounting policies • 16– Net monetary loss on hyperinflation • 44– IAS 29 – Financial Reporting in Hyperinflationary Economies	▸ evaluated the restated financial statements to ensure it is in line with the requirements of International Accounting Standard (IAS)29. ▸ checked that non-monetary and monetary assets and liabilities are correctly identified and restated as per the inflation rate at the reporting date. ▸ examined the net monetary position to determine if it is exposed to a gain or loss from monetary items due to inflation. ▸ checked that correct and reliable price indices were used for restating the financial statements to reflect the current economic environment of hyperinflation. ▸ checked that the disclosed information detailed the level and movement of prices in the current economic environment and impacts on the financial position.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the document titled "United Bank for Africa Plc Interim Consolidated and Separate Financial Statements for the Period ended 30 June 2024", which includes Directors' Report, Complaints and Feedback, Corporate Governance Report, Report of the Statutory Audit Committee, Statement of Directors' Responsibilities in relation to the preparation of financial statements for the period ended 30 June 2024, Statement of Corporate Responsibility for the financial statements for the period ended 30 June 2024, and Other National Disclosures. The other information does not include the interim consolidated and separate financial statements and our auditor's report thereon

Our opinion on the interim consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the interim consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the interim consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Interim Consolidated and Separate Financial Statements

The Directors are responsible for the preparation and fair presentation of the interim consolidated and separate financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the provisions of the Companies and Allied Matters Act, 2020, the Banks and Other Financial Institutions Act, 2020, Central Bank of Nigeria Circulars and in compliance with the Financial Reporting Council of Nigeria (Amendment) Act, 2023, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the interim consolidated and separate financial statements, the Directors are responsible for assessing the Group's and the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group and/or the Bank or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Interim Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the interim consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these interim consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the interim consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's and the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the interim consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the interim consolidated and separate financial statements, including the disclosures, and whether the interim consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the interim consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Report on Other Legal and Regulatory Requirements

In accordance with the requirement of the Fifth Schedule of the Companies and Allied Matters Act, 2020, we confirm that:

- We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
- In our opinion, proper books of account have been kept by the Group and Bank, in so far as it appears from our examination of those books;
- The consolidated and separate statements of financial position and the consolidated and separate statements of profit or loss and other comprehensive income are in agreement with the books of account; and
- In our opinion, the interim consolidated and separate financial statements have been prepared in accordance with the provisions of the Companies and Allied Matters Act, 2020 so as to give a true and fair view of the state of affairs and financial performance of the Bank and its subsidiaries.

In compliance with the Banks and Other Financial Institutions Act, 2020 and circulars issued by the Central Bank of Nigeria:

i) The information required by the Central Bank of Nigeria Circular BSD/1/2004 on insider related credits is disclosed in Note 42 to the interim consolidated and separate financial statements.

ii) As disclosed in Note 45 to the interim consolidated and separate financial statements, the Bank paid penalties in respect of contraventions of certain circulars issued by the Central Bank of Nigeria during the six-month period ended 30 June 2024.

Abiodun Akinnusi
FRC/2021/PRO/ICAN/004/00000023386
For Ernst & Young
Lagos, Nigeria

28 September 2024

FINANCIAL STATEMENTS

UNITED BANK FOR AFRICA PLC

CONSOLIDATED AND SEPARATE STATEMENTS OF COMPREHENSIVE INCOME

For the period ended 30 June 2024

		Group		Bank	
In millions of Nigerian Naira,except per share amounts	Notes	June 2024	June 2023	June 2024	June 2024
Interest income	10	1,003,553	428,292	553,092	260,000
Interest income on amortised cost and FVOCI securities		967,830	427,689	550,180	259,397
Interest income on FVTPL securities		35,723	603	2,912	603
Interest expense	11	(328,935)	(150,179)	(213,387)	(103,770)
Net interest income		**674,618**	**278,113**	**339,705**	**156,230**
Impairment charge for credit losses on Loans	12a	(58,556)	(143,932)	(29,263)	(123,736)
Net impairment (writeback)/charges on other financial assets	12b	(1,656)	(10,012)	2,444	(6,344)
Net interest income after impairment on financial instruments		**614,406**	**124,169**	**312,886**	**26,150**
Fees and commission income	13a	250,616	125,934	77,573	58,198
Fees and commission expense	13b	(105,519)	(47,638)	(54,486)	(30,601)
Net fee and commission income		**145,097**	**78,296**	**23,087**	**27,597**
Net trading and foreign exchange gain	14	98,179	418,278	41,823	401,223
Other operating income	15	18,699	9,271	145,233	29,049
Net monetary loss on hyperinflation	16	(4,282)	-	-	-
Employee benefit expenses	17	(133,860)	(69,389)	(37,454)	(31,521)
Depreciation and amortisation	18	(24,303)	(16,117)	(11,973)	(10,705)
Other operating expenses	19	(312,359)	(140,861)	(204,845)	(97,608)
Profit before income tax		**401,577**	**403,647**	**268,757**	**344,185**
Income tax expense	20	(85,217)	(25,412)	(34,127)	(6,803)
Profit for the period		**316,360**	**378,235**	**234,630**	**337,382**
Other comprehensive income/(loss)					
Items that will be reclassified to Profit or loss:					
Exchange differences on translation of foreign operations		473,403	282,943	-	-
Fair value changes on investments in debt securities at fair value through other comprehensive income (FVOCI):					
Net change in fair value for the year		(1,313)	15,749	(16,411)	15,246
ECL on debt instruments classified as FVOCI		11,915	-	11,915	-
Tax relating to net change in fair value for the year	20	131	(1,575)	1,641	(1,525)
Net amount transferred to profit or loss		(2,033)	(2,771)	(2,033)	(2,771)
		482,102	**294,346**	**(4,888)**	**10,950**
Items that will not be reclassified to Profit or loss:					
Fair value changes on equity investments designated at FVOCI		179,880	164,952	171,748	158,773
Tax relating to net change in fair value on equity investments designated at FVOCI	20	(17,988)	(16,495)	(17,175)	(15,877)
Initial application of IAS 29 - Hyperinflationary Accounting	44	73,263	-	-	-
		235,155	**148,457**	**154,573**	**142,896**
Other comprehensive income for the period, net of tax		**717,257**	**442,803**	**149,685**	**153,846**
Total comprehensive income for the period		**1,033,617**	**821,038**	**384,315**	**491,228**
Profit for the period attributable to:					
Owners of Parent		304,367	374,365	234,630	337,382
Non-controlling interests		11,993	3,870	-	-
Profit for the year		**316,360**	**378,235**	**234,630**	**337,382**
Total comprehensive income attributable to:					
Owners of Parent		1,009,805	801,262	384,315	491,228
Non-controlling interests		23,812	19,776	-	-
Total comprehensive income for the period		**1,033,617**	**821,038**	**384,315**	**491,228**
Earnings per share attributable to owners of the parent					
Basic and diluted earnings per share (Naira)	**21**	**8.90**	**10.95**	**6.86**	**9.87**

The accompanying notes are an integral part of these consolidated and separate financial statements.

UNITED BANK FOR AFRICA PLC

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

As at 30 June 2024

		Group		Bank	
In millions of Nigerian Naira	**Notes**	**30 June 24**	**31 Dec. 23**	**30 June 24**	**31 Dec. 23**
ASSETS					
Cash and bank balances	22	8,316,917	6,069,496	6,176,818	5,036,380
Financial assets at fair value through profit or loss	23	56,232	33,849	13,336	534
Assets under management	24	14,655	14,026	14,655	14,026
Derivative assets	33(a)	197,588	498,824	197,588	498,824
Loans and advances to banks	25	203,857	320,732	192,835	147,547
Loans and advances to customers	26	6,793,981	5,228,849	3,854,018	3,320,373
Investment securities:					
- At fair value through other comprehensive income	27	4,581,406	3,093,037	3,931,468	2,710,346
- At amortised cost	27	6,916,159	4,314,957	250,959	174,707
Other assets	28	841,475	758,685	702,814	607,252
Investment in subsidiaries	29	-	-	184,290	184,290
Property and equipment	30	331,482	267,146	185,696	172,732
Intangible assets	31	69,690	43,855	24,869	10,763
Deferred tax assets	32	14,096	9,741	-	-
TOTAL ASSETS		**28,337,539**	**20,653,197**	**15,729,345**	**12,877,773**
LIABILITIES					
Deposits from banks	34	3,115,350	2,464,444	1,956,678	1,598,524
Deposits from customers	35	20,090,375	14,891,277	10,477,844	8,760,630
Derivative liabilities	33(b)	12,348	1,885	12,348	1,885
Other liabilities	36	769,319	313,181	529,069	358,653
Current income tax payable	20	38,310	42,671	11,829	17,781
Borrowings	37	1,249,156	858,740	1,125,261	856,330
Deferred tax liability	32	77,528	50,805	75,777	49,087
TOTAL LIABILITIES		**25,352,386**	**18,623,002**	**14,188,806**	**11,642,890**
EQUITY					
Share capital	39	17,100	17,100	17,100	17,100
Share premium	39	98,715	98,715	98,715	98,715
Retained earnings	39	1,104,192	919,872	576,214	532,088
Other reserves	39	1,671,295	926,475	848,510	586,980
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		**2,891,302**	**1,962,162**	**1,540,539**	**1,234,883**
Non-controlling interests	29	93,851	68,033	-	-
TOTAL EQUITY		**2,985,153**	**2,030,195**	**1,540,539**	**1,234,883**
TOTAL LIABILITIES AND EQUITY		**28,337,539**	**20,653,197**	**15,729,345**	**12,877,773**

The accompanying notes are an integral part of these interim consolidated and separate financial statements.

The interim consolidated and separate financial statements were approved by the Board of Directors and authorized for issue on 15 August 2024 and signed on its behalf by:

Ugo A. Nwaghodoh
ED Finance and Risk Management
FRC/2012/ICAN/00000000272

Oliver Alawuba
Group Managing Director/CEO
FRC/2022/PRO/DIR/003/589226

Tony O. Elumelu, CFR
Chairman, Board of Directors
FRC/2013/CIBN/00000002590

UNITED BANK FOR AFRICA PLC
CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY

For the period ended 30 June 2024

(i) Group

In millions of Nigerian naira	Attributable to equity holders of the parent										
	Share capital	Share premium	Foreign operations translation reserve	Regulatory credit risk reserve	Fair value reserve	Hyper-inflation reserve	Statutory reserve	Retained earnings	Total	Non-controlling interests	Total equity
At 1 January 2023	**17,100**	**98,715**	**41,676**	**52,645**	**88,680**	**-**	**158,948**	**429,533**	**887,297**	**34,807**	**922,104**
Profit for the period	-	-	-	-	-	-	-	374,365	374,365	3,870	378,235
Exchange differences on translation of foreign operations	-	-	267,037	-	-	-	-	-	267,037	15,906	282,943
Fair value change in debt instruments classified as FVOCI	-	-	-	-	14,174	-	-	-	14,174	-	14,174
Fair value change in equity instruments classified as FVOCI	-	-	-	-	148,457	-	-	-	148,457	-	148,457
Net amount transferred to profit or loss	-	-	-	-	(2,771)	-	-	-	(2,771)	-	(2,771)
Total comprehensive income for the period	**-**	**-**	**267,037**	**-**	**159,860**	**-**	**-**	**374,365**	**801,262**	**19,776**	**821,038**
Transfer between reserves	-	-	-	40,251	-	-	53,472	(93,723)	-	-	-
Transactions with owners											
Change in ownership interest in subsidiaries arising from parent's additional investment	-	-	-	-	-	-	-	3,625	3,625	(3,625)	-
Dividends paid	-	-	-	-	-	-	-	(30,779)	(30,779)	-	(30,779)
Balance at 30 June 2023	**17,100**	**98,715**	**308,713**	**92,896**	**248,540**	**-**	**212,420**	**683,020**	**1,661,404**	**50,958**	**1,712,363**
Balance at 31 December 2023	**17,100**	**98,715**	**450,488**	**18,146**	**123,151**	**77,941**	**256,749**	**919,872**	**1,962,162**	**68,033**	**2,030,195**
At 1 January 2024	**17,100**	**98,715**	**450,488**	**18,146**	**123,151**	**77,941**	**256,749**	**919,872**	**1,962,162**	**68,033**	**2,030,195**
Impact of adoption of IAS 29 - Hyperinflationary Accounting	-	-	-	-	-	73,263	-	-	73,263	-	73,263
Profit for the period	-	-	-	-	-	-	-	304,367	304,367	11,993	316,360
Exchange differences on translation of foreign operations	-	-	459,577	-	-	-	-	-	459,577	13,826	473,403
Fair value change in debt instruments classified as FVOCI	-	-	-	-	(1,182)	-	-	-	(1,182)	-	(1,182)
ECL on debt instruments classified as FVOCI					11,915				11,915		11,915
Fair value change in equity instruments classified as FVOCI					161,892			-	161,892		161,892
Net amount transferred to profit or loss	-	-	-	-	(2,033)	-	-	-	(2,033)	-	(2,033)
Total comprehensive income for the period	**-**	**-**	**459,577**	**-**	**170,592**	**73,263**	**-**	**304,367**	**1,007,800**	**25,818**	**1,033,617**
Transfer between reserves	-	-		-	-		41,388	(41,388)	-	-	-
Transactions with owners											
Dividends paid	-	-	-	-	-	-	-	(78,659)	(78,659)	-	(78,659)
Balance at 30 June 2024	**17,100**	**98,715**	**910,065**	**18,146**	**293,743**	**151,204**	**298,137**	**1,104,192**	**2,891,303**	**93,851**	**2,985,153**

The accompanying notes are an integral part of these interim consolidated and separate financial statements.

UNITED BANK FOR AFRICA PLC

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY

For the period ended 30 June 2024

(i) Bank

In millions of Nigerian naira	Share capital	Share premium	Regulatory credit risk reserve	Fair value reserve	Statutory reserve	Retained earnings	Total
At 1 January 2023	**17,100**	**98,715**	**54,265**	**91,318**	**132,377**	**191,418**	**585,193**
Profit for the period	-	-	-	-	-	337,382	**337,382**
Fair value change in debt instruments classified as FVOCI	-	-	-	13,721	-	-	**13,721**
ECL on debt instruments classified as FVOCI				-			**-**
Fair value change in equity instruments classified as FVOCI	-	-	-	142,896	-	-	**142,896**
Net amount transferred to profit or loss	**-**	**-**	**-**	(2,771)	-	-	**(2,771)**
Total comprehensive income for the period	-	-	-	153,846	-	337,382	**491,228**
Transfer between reserves	-	-	38,000	-	50,607	(88,607)	**-**
Transactions with owners							
Dividends paid	-	-	-	-	-	(30,779)	(30,779)
Balance at 30 June 2023	**17,100**	**98,715**	**92,265**	**245,164**	**182,985**	**409,414**	**1,045,642**
Balance as at 31 December 2023	**17,100**	**98,715**	**164,346**	**202,263**	**220,370**	**532,088**	**1,234,883**
At 1 January 2024	**17,100**	**98,715**	**164,346**	**202,263**	**220,370**	**532,088**	**1,234,883**
Profit for the period	-	-	-	-	-	234,630	**234,630**
Fair value change in debt instruments classified as FVOCI	-	-	-	(14,770)	-	-	**(14,770)**
ECL on debt instruments classified as FVOCI				11,915			**11,915**
Fair value change in equity instruments classified as FVOCI	-	-	-	154,573	-	-	**154,573**
Net amount transferred to profit or loss	-	-	-	(2,033)	-	-	(2,033)
Total comprehensive income for the period	**-**	**-**	**-**	**149,685**	**-**	**234,630**	**384,315**
Transfer between reserves	-	-	72,602	-	35,195	(107,796)	-
Transactions with owners							
Dividends paid	-	-	-	-	-	(78,659)	(78,659)
Balance at 30 June 2024	**17,100**	**98,715**	**236,948**	**351,948**	**255,566**	**580,263**	**1,540,539**

The accompanying notes are an integral part of these interim consolidated and separate financial statements

UNITED BANK FOR AFRICA PLC
CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

For the period ended 30 June 2024

		Group		Bank	
In millions of Nigerian Naira	**Notes**	**June 2024**	**June 2023**	**June 2024**	**June 2023**
Cash flows from operating activities					
Profit before income tax		**401,577**	**403,647**	**268,757**	**344,185**
Adjustments for:					
Depreciation of property and equipment	18	15,136	10,359	7,010	7,261
Amortisation of intangible assets	18	3,683	2,442	2,835	2,036
Depreciation of right-of-use assets	18	5,484	3,316	2,128	1,408
Impairment charge on loans to customers	12	71,971	153,814	32,997	124,363
Impairment charge on investment securities	12	(1,453)	7,848	868	4,135
Impairment charge on off-balance sheet items	12	(326)	97	(1,129)	92
Impairment charge on loans to banks	12	930	2,160	61	2,150
Impairment charge on placements	12	(370)	832	(35)	832
Write-off of loans and advances	12	468	1,046	230	843
Impairment charge on other assets	12	3,805	1,235	(2,148)	1,285
Net fair value loss/(gain) on derivative financial instruments	14	311,699	(348,434)	311,699	(348,434)
Foreign currency revaluation gain	14	(326,182)	(29,238)	(315,543)	(13,394)
Dividend income	15	(10,195)	(4,117)	(142,617)	(27,025)
Net loss/(gain) on disposal of property and equipment	15/19	1,049	(55)	(42)	(54)
Write-off of property and equipment & Intangible assets	30	-	426	-	417
Net amount transferred to the profit or loss		(2,033)	(2,771)	(2,033)	(2,771)
Net monetary loss on hyperinflation	16	4,282	-	-	-
Net interest income	10 / 11	(674,618)	(278,113)	(339,705)	(156,230)
		(195,093)	**(75,506)**	**(176,667)**	**(58,901)**
Changes in operating assets and liabilities					
Change in financial assets at FVTPL	38	(22,819)	5,401	(12,962)	5,402
Change in cash reserve balance with CBN	38	(337,155)	(356,371)	(124,406)	(361,378)
Change in loans and advances to banks	38	113,678	126,917	(45,349)	88,915
Change in loans and advances to customers	38	(1,525,664)	(1,522,201)	(147,569)	(830,400)
Change in other assets	38	(373,974)	(57,861)	(551,913)	(176,949)
Change in deposits from banks	38	650,515	284,563	352,976	(170,399)
Change in deposits from customers	38	5,105,055	3,268,903	1,554,322	1,569,835
Change in placement with banks	38	(5,817)	(160,996)	(402,749)	(83,701)
Change in other liabilities and provisions	38	439,399	175,106	172,302	235,479
Interest received	38	848,274	437,154	85,843	230,104
Interest paid on deposits from banks and customers	38	(164,141)	(66,642)	5,934	(79,112)
Income tax paid	20(c)	(51,060)	(50,803)	(13,389)	(6,954)
Net cash generated from operating activities		**4,481,474**	**2,007,664**	**696,372**	**361,940**
Cash flows from investing activities					
Proceeds from sale/redemption of investment securities	38	4,619,714	2,500,750	5,043,859	2,321,379
Purchase of investment securities	38	(8,410,329)	(4,385,315)	(6,139,960)	(2,648,817)
Purchase of property and equipment	30	(46,326)	(23,273)	(19,768)	(8,329)
Prepaid Lease Payment	30	(18,212)	(6,315)	(1,925)	(1,008)
Purchase of intangible assets	31	(19,872)	(1,962)	(16,091)	(434)
Additional investment in subsidiaries	29	-	-	-	(2,541)
Proceeds from disposal of property and equipment		13,366	2,698	535	434
Proceeds from disposal of intangible assets		1,682	685	-	-
Dividend received	38	968	12,287	34,294	18,673
Net cash used in investing activities		**(3,859,008)**	**(1,900,444)**	**(1,099,057)**	**(320,643)**
Cash flows from financing activities					
Interest paid on borrowings	37	(79,951)	(20,135)	(79,951)	(20,135)
Proceeds from borrowings	37	361,843	96,756	359,433	94,061
Repayment of borrowings	37	(521,558)	(256,941)	(521,558)	(256,941)
Payments of principal on leases	36	(8,170)	(3,758)	(2,804)	(1,661)
Payments of interest on leases	36	(295)	(392)	(75)	(46)
Dividend paid to shareholders	40	(78,659)	(30,779)	(78,659)	(30,779)
Net cash used in financing activities		**(326,790)**	**(215,249)**	**(323,614)**	**(215,501)**
(Decrease)/Increase in cash and cash equivalents		295,676	(108,029)	(726,300)	(174,204)
Effects of exchange rate changes on cash and cash equivalents		1,614,221	469,779	1,341,871	366,402
Cash and cash equivalents at beginning of year	22	3,227,218	1,260,532	2,197,898	820,436
Cash and cash equivalents at end of year	22	**5,137,114**	**1,622,282**	**2,813,466**	**1,012,634**

The accompanying notes to the financial statements are an integral part of these consolidated and separate financial statements.

1. GENERAL INFORMATION

United Bank for Africa Plc. (the 'Bank'; UBA) is a Nigerian registered company incorporated on 23 February 1961 to take over the business of British and French Bank Limited (BFB). UBA listed its shares on the Nigerian Stock Exchange (NSE) in 1970 and became the first Nigerian bank to subsequently undertake an Initial Public Offering (IPO). The Bank's registered address is at 57 Marina, Lagos, Nigeria.

The interim consolidated and separate financial statements of the Group for the period ended June 30 2024 comprise the Bank (Parent) and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities"). The Bank and its subsidiaries are primarily involved in corporate, commercial and retail banking, trade services, cash management, treasury and custodial services.

The interim consolidated and separate financial statements for the period ended 30 June, 2024 were approved and authorised for issue by the Board of Directors on 15 August 2024.

2. BASIS OF PREPARATION

These consolidated and separate financial statements comply and have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and interpretations issued by the IFRS Interpretations Committee (IFRS IC), and in the manner required by the Companies and Allied Matters Act of Nigeria 2020, the Financial Reporting Council of Nigeria (Amendment) Act 2023 and the Banks and other Financial Institutions Act 2020 and relevant Central Bank of Nigeria circulars.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of measurement

These financial statements have been prepared on a historical cost basis, except for the following:

- Derivative financial instruments which are measured at fair value.
- Financial assets measured at fair value through profit or loss.
- Financial instruments measured at fair value through other comprehensive income.

3.2 Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Nigerian Naira (₦) which is the Bank's functional currency and the Group's presentation currency.

3.3 Use of estimates and judgements

The preparation of financial statements requires the directors to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, incomes and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

3.4 Basis of consolidation

(a) Subsidiaries

Subsidiaries (including structured entities) are entities controlled by the Group. Control exists when the Group has rights to variable returns from its involvement in an entity and has the ability to affect those returns through its power over the entity. The Group also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control. Subsidiaries are fully consolidated from the date in which control is transferred to the Group. They are deconsolidated from the date control ceases.

The accounting policies of subsidiaries have been changed, where necessary, to align with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests.

In the separate financial statements, investments in subsidiaries are carried at cost less impairment.

(b) Business combinations

Business combinations are accounted for using the acquisition method.

The Group measures goodwill at the acquisition date as the total of:

- the fair value of the consideration transferred; plus
- the amount of any non-controlling interest in the acquiree; plus if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree;
- less the net amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When this total is negative, a bargain purchase gain is recognised in profit or loss.

Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities that the Group incurs in connection with a business combination are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of any previously held equity interest in the acquiree is re-measured to fair value at the acquisition date and any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

(c) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(d) Transactions eliminated on consolidation

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

(e) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals of non-controlling interests are also recorded in equity.

(f) Associates

Associates are all entities over which the group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The group's investment in associates includes goodwill identified on acquisition. In the separate financial statements, investments in associates are carried at cost less impairment.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in profit or loss and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to 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 legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/(loss)' of associates in profit or loss.

Profits and losses resulting from transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dilution gains and losses arising on investments in associates are recognised in the profit or loss.

3.5 Foreign currency transactions and balances

(a) Foreign currency transactions

Foreign currency transactions are recorded at the rate of exchange on the date of the transaction. At the reporting date, monetary assets and liabilities denominated in foreign currencies are reported using the closing exchange rate. Exchange differences arising on the settlement of transactions at rates different from those at the date of the transaction, as well as unrealized foreign exchange differences on unsettled foreign currency monetary assets and liabilities, are recognized in profit or loss.

Unrealized exchange differences on non-monetary financial assets are a component of the change in their entire fair value. For non-monetary financial assets measured at fair value through profit or loss, unrealized exchange differences are recognized in profit or loss. For non-monetary financial assets measured at fair value through other comprehensive income, unrealized exchange differences are recorded in other comprehensive income until the asset is sold or becomes impaired.

(b) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Nigerian Naira at exchange rates at each reporting date. The income and expenses of foreign operations are translated to Nigerian Naira at average rates.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interest. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is re-classified to profit or loss as part of the gain or loss on disposal.

3.6 Interest income and interest expense

Interest income and expense for all interest bearing financial instruments are calculated by applying the effective interest rate to the gross carrying amount for non-credit impaired financial assets and are recognised within 'interest income' and 'interest expense' in the profit or loss . The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the net carrying amount of the financial asset or liability.

For credit-impaired financial assets subsequent to initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset.

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

3.7 Fees and commissions income and expenses

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

3.8 Net trading and foreign exchange income

Net trading and foreign exchange income comprises gains less losses related to trading assets and liabilities, and includes all realised and unrealised fair value changes and foreign exchange differences. Net gains or losses on derivative financial instruments measured at fair value through profit or loss are also included in net trading income.

3.9 Dividend income

Dividend income is recognised when the right to receive income is established. Dividends are reflected as a component of other operating income and recognised gross of the associated withholding tax. The withholding tax expense is included as a component of taxation charge for the relevant period.

3.10 Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

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

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

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities against current tax assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

3.11 Cash and bank balances

Cash and bank balances include notes and coins on hand, current balances with other banks, balances held with central banks and placements with banks which are used by the Group in the management of its short-term commitments.

Cash and cash equivalents as referred to in the statement of cash flow comprises cash on hand, non-restricted current accounts with central banks and amounts due from banks on demand or with an original maturity of three months or less.

Cash and bank balances are carried at amortised cost in the statement of financial position.

3.12 Financial assets at fair value through profit or loss

These are the assets 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 or position taking. They are measured at fair value with changes in fair value recognised as part of net trading and foreign exchange income in profit or loss.

3.13 Derivative financial instruments

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at their fair value. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques. Derivatives are carried as assets when their fair value are positive and as liabilities when their fair value are negative. All changes in fair value are recognized as part of net trading and foreign exchange income in profit or loss.

3.14 Property and equipment

(a) Recognition and measurement

Items of property and equipment are carried at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

(b) Subsequent costs

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

(c) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives. Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognised or classified as held for sale in accordance with *IFRS 5 Non-current Assets Held for Sale and Discontinued Operations*.

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

Land	Not depreciated
Buildings	50 years
Leasehold improvements	Over the shorter of the useful life of item or the lease period
Aircraft	Between 16 and 20 years, depending on the component
Motor vehicles	6 years
Furniture and Fittings	5 years
Computer hardware	5 years
Equipment	5 years
Work in progress	Not depreciated
Lifts*	10 years

*In the financial statements, lifts are not treated as a separate class of property and equipment. They are included as part of Buildings.

Work in progress represents costs incurred on assets that are not available for use. On becoming available for use, the related amounts are transferred to the appropriate category of property and equipment.

Depreciation methods, useful lives and residual values are reassessed at each reporting date and adjusted if appropriate. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

(d) De-recognition

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

3.15 Intangible assets

(a) Goodwill

Goodwill represents the excess of consideration over the Group's interest in net fair value of net identifiable assets, liabilities and contingent liabilities of the acquired subsidiaries at the date of acquisition. When the excess is negative, it is recognised immediately in profit or loss. Goodwill is measured at cost less accumulated impairment losses.

Subsequent measurement

Goodwill is allocated to cash-generating units or groups of cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. Goodwill is tested annually as well as whenever a trigger event has been observed for impairment by comparing the present value of the expected future cash flows from a cash generating unit with the carrying value of its net assets, including attributable goodwill. Impairment losses on goodwill are not reversed.

(b) Software

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

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

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

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life not exceeding five years, from the date that it is available for use. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortisation period or methodology, as appropriate, which are then treated as changes in accounting estimates.

3.16 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset’s recoverable amount.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre–tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss. Impairment losses relating to goodwill are not reversed in future periods.

3.17 Non-Current Assets Held for Sale

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition, subject to terms that are usual and customary for sales of such assets.

Immediately before classification as held for sale or distribution, the assets are re-measured in accordance with the Group's accounting policies. Thereafter generally the assets are measured at the lower of their carrying amount and fair value less costs to sell.

3.18 Repossessed collateral

Repossessed collateral represents financial and non-financial assets acquired by the Group in settlement of overdue loans. The assets are initially recognised at fair value when acquired and included in the relevant assets depending on the nature and the Group's intention in respect of recovery of these assets; and are subsequently remeasured and accounted for in accordance with the accounting policies for these categories of assets. In situation property is repossessed following the foreclosure on loans that are in default,repossessed properties are measured at the lower of carrying amount and fair value less costs to sell and reported as assets held for sale.

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Where repossessed collateral results in acquiring control over a business, the business combination is accounted for using the acquisition method of accounting with fair value of the settled loan representing the cost of acquisition (refer to the accounting policy for consolidation). Accounting policy for associates is applied to repossessed shares where the Group obtains significant influence, but not control. The cost of the associate is the fair value of the loan settled by repossessing the pledged shares.

3.19 Debt securities issued

The Group classifies debt and equity as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instrument.

Debt securities issued are initially measured at fair value plus transaction costs, and subsequently measured at their amortised cost using the effective interest method, except where the Group chooses to carry the liabilities at fair value through profit or loss.

3.20 Provisions

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

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

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

3.21 Financial guarantee contracts

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

Financial guarantee liabilities are initially recognised at their fair value, which is the premium received, and then amortised over the life of the financial guarantee. Subsequent to initial recognition, the financial guarantee liability is measured at the higher of the expected credit loss provision and the unamortised premium. Financial guarantees are included within other liabilities.

3.22 Employee benefits

Post-employment benefits

Defined contribution plans

The Group operates a defined contribution pension scheme. A defined contribution plan is a pension plan under which the Group makes fixed contributions on contractual basis. 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.

Obligations for contributions to defined contribution plans are recognised as an expense in profit or loss when they are due.

UBA Plc operates a contributory pension plan in accordance with the Pension Reform Act, wherein the Bank contributes 10% of employees' basic salary, housing and transport allowance to the designated pension fund administrator chosen by each employee. As a part of the scheme, the Bank also remits employees' contribution of 8% of the relevant compensation to the same account, as provided by the Pension Reform Act , as amended. Other entities in the Group operate their contributory plan in accordance with relevant local laws in their locations.

Termination benefits

The Group recognises termination benefits as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. The Group settles termination benefits within twelve months and are accounted for as short-term benefits.

Short term employee benefits

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

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

3.23 Share capital and reserves

(a) Share issue costs

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

(b) Dividend on ordinary shares

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

(c) Treasury shares

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

3.24 Earnings per share

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

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

3.25 Fiduciary activities

The Group commonly acts as trustees 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 incomes arising thereon are excluded from these financial statements, as they are not assets of the Group.

3.26 Stock of consumables

Stock of consumables comprise materials to be consumed in the process of rendering of services as well as banking accessories held for subsequent issuance to customers. They are measured at the lower of cost and net realisable value. Cost comprises costs of purchase and other costs incurred in bringing the items of stock to their present location and condition. Net realisable value is the estimated issuance price. When items of stock are issued to customers, their carrying amount is recognised as an expense in the period in which the related revenue is recognised.

3.27 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, whose operating results are reviewed regularly by the Executive Management Committee headed by the Chief Executive Officer, and the Board of Directors, to make decisions about resources allocated to each segment and assess its performance, and for which discrete financial information is available. All costs that are directly traceable to the operating segments are allocated to the segment concerned, while indirect costs are allocated based on the benefits derived from such cost.

3.28 IFRS 15: Revenue from contracts with customers

IFRS 15 - Revenue from Contracts with Customers defines principles for recognising revenue and is applicable to all contracts with customers. However, interest and fee income integral to financial instruments and leases will continue to fall outside the scope of IFRS 15 and will be accounted for using the other applicable standards (e.g., IFRS 9, and IFRS 16 Leases).

Revenue under IFRS 15 is recognised as goods and services are transferred, to the extent that the transferor anticipates entitlement to goods and services. The standard also specifies a comprehensive set of disclosure requirements regarding the nature, extent and timing as well as any uncertainty of revenue and the corresponding cash flows with customers.

3.29 IFRS 9: Financial instruments

a. Initial recognition, classification and measurement of financial assets

Regular-way purchases and sales of financial assets are recognized on the settlement date. Financial assets, which include both debt and equity securities are measured at initial recognition at fair value, and are classified and subsequently measured at fair value through profit or loss (FVTPL), fair value through other comprehensive income (FVOCI) or amortised cost. Subsequent classification and measurement for debt securities is based on the business model for managing the financial instruments and the contractual cash flow characteristics of the instruments.

Debt instruments are measured at amortised cost if both of the following conditions are met and the asset is not designated as FVTPL: (a) the asset is held within a business model that is Hold-to-Collect (HTC) as described below, and (b) the contractual terms of the instrument give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

Debt instruments are measured at FVOCI if both of the following conditions are met and the asset is not designated as FVTPL: (a) the asset is held within a business model that is Hold-to-Collect-and-Sell (HTC&S) as described below, and (b) the contractual terms of the instrument give rise, on specified dates, to cash flows that are SPPI.

All other debt instruments are measured at FVTPL.

The Group has irrevocably elected to measure equity instruments at FVOCI as no equity instrument is held for trading purposes.

b. Business model

The Group determines the business models at the level that best reflects how portfolios of financial assets are managed to achieve the Group's business objectives. Judgment is used in determining the business models, which is supported by relevant, objective evidence including:

- How the economic activities of our businesses generate benefits, for example through trading revenue, enhancing yields or other costs and how such economic activities are evaluated and reported to key management personnel;

- The significant risks affecting the performance of our businesses, for example, market risk, credit risk, or other risks and the activities undertaken to manage those risks; and
- Historical and future expectations of sales of the loans or securities portfolios managed as part of a business model.

The Group's business models fall into three categories, which are indicative of the key strategies used to generate returns:

- Hold-to-Collect (HTC): The objective of this business model is to hold financial assets to collect contractual principal and interest cash flows. Sales are incidental to this objective and are expected to be insignificant or infrequent.
- Hold-to-Collect-and-Sell (HTC&S): Both collecting contractual cash flows and sales are integral to achieving the objective of the business model.
- Other fair value business models: These business models are neither HTC nor HTC&S, and primarily represent business models where assets are held-for-trading or managed on a fair value basis.

c. SPPI assessment

Instruments held within a HTC or HTC&S business model are assessed to determine if their contractual cash flows are comprised of solely payments of principal and interest (SPPI). SPPI payments are those which would typically be expected from basic lending arrangements. Principal amounts include par repayments from lending and financing arrangements, and interest primarily relates to basic lending returns, including compensation for credit risk and the time value of money associated with the principal amount outstanding over a period of time. Interest can also include other basic lending risks and costs (for example, liquidity risk, servicing or administrative costs) associated with holding the financial asset for a period of time, and a profit margin.

Where the contractual terms introduce exposure to risk or variability of cash flows that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL.

d. Investment securities

Investment securities include all securities classified as FVOCI and amortised cost. All investment securities are initially recorded at fair value and subsequently measured according to the respective classification.

Investment securities carried at amortised cost are measured using the effective interest method, and are presented net of any allowance for credit losses, calculated in accordance with the Group's policy for allowance for credit losses, as described below. Interest income, including the amortization of premiums and discounts on securities measured at amortised cost are recorded in interest income. Impairment gains or losses recognized on amortised cost securities are recorded in Allowance for credit losses. When a debt instrument measured at amortised cost is sold, the difference between the sale proceeds and the amortised cost of the security at the time of the sale is recorded as a fixed income securities income in Net trading and foreign exchange income.

Debt securities carried at FVOCI are measured at fair value with unrealized gains and losses arising from changes in fair value included in fair value reserve in equity. Impairment gains and losses are included in allowance for credit losses and correspondingly reduce the accumulated changes in fair value included in fair value reserve. When a debt instrument measured at FVOCI is sold, the cumulative gain or loss is reclassified from fair value reserve to net trading and foreign exchange income.

Equity securities carried at FVOCI are measured at fair value. Unrealized gains and losses arising from changes in fair value are recorded in fair value reserve and not subsequently reclassified to profit or loss when realized. Dividends from FVOCI equity securities are recognized in other operating income.

The Group accounts for all securities using settlement date accounting and changes in fair value between the trade date and settlement date are reflected in income for securities measured at FVTPL, and changes in the fair value of securities measured at FVOCI between the trade and settlement dates are recorded in OCI except for changes in foreign exchange rates on debt securities, which are recorded in net trading and foreign exchange income.

e. Fair value option

A financial instrument with a reliably measurable fair value can be designated as FVTPL (the fair value option) on its initial recognition even if the financial instrument was not acquired or incurred principally for the purpose of selling or repurchasing. The fair value option can be used for financial assets if it eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities, or recognizing related gains and losses on a different basis (an "accounting mismatch"). The fair value option can be elected for financial liabilities if: (i) the election eliminates an accounting mismatch; (ii) the financial liability is part of a portfolio that is managed on a fair value basis, in accordance with a documented risk management or investment strategy; or (iii) there is an embedded derivative in the financial or non-financial host contract and the derivative is not closely related to the host contract. These instruments cannot be reclassified out of the FVTPL category while they are held or issued.

Financial assets designated as FVTPL are recorded at fair value and any unrealized gains or losses arising due to changes in fair value are included in net trading and foreign exchange income.

Financial assets are reclassified when and only when the business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

f. Loans

Loans are debt instruments recognized initially at fair value and are subsequently measured in accordance with the classification of financial assets policy provided above. Loans are carried at amortised cost using the effective interest method, which represents the gross carrying amount less allowance for credit losses.

Interest on loans is recognized in interest income using the effective interest method. The estimated future cash flows used in this calculation include those determined by the contractual term of the asset and all fees that are considered to be integral to the effective interest rate. Also included in this amount are transaction costs and all other premiums or discounts.

Fees that relate to activities such as originating, restructuring or renegotiating loans are deferred and recognized as Interest income over the expected term of such loans using the effective interest method. Where there is a reasonable expectation that a loan will be originated, commitment and standby fees are also recognized as interest income over the expected term of the resulting loans using the effective interest method. Otherwise, such fees are recorded as other liabilities and amortised into Other operating income over the commitment or standby period.

Impairment losses on loans are recognized at each balance sheet date in accordance with the three-stage impairment model outlined below.

g. Allowance for credit losses

An allowance for credit losses (ACL) is established for all financial assets, except for financial assets classified or designated as FVTPL and equity securities, which are not subject to impairment assessment. Assets subject to impairment assessment include loans, overdrafts, debt securities, interest receivable and other financial assets. These are carried at amortised cost and presented net of ACL on the Consolidated Statement of Financial Position. ACL on loans is presented in Allowance for credit losses - loans and advances. ACL on debt securities measured at FVOCI is presented in profit or loss with the corresponding entry to other comprehensive income. ACL on other financial assets is calculated using the 'general approach' and presented in 'Allowance for impairment on account receivable.

Off-balance sheet items subject to impairment assessment include financial guarantees and undrawn loan commitments. For all other off-balance sheet products subject to impairment assessment, ACL is separately calculated and included in Other Liabilities – Provisions.

The Credit Conversion Factor (CCF) is used to determine the credit exposure equivalent of the off balance sheet exposure including the open or undrawn limits. The undrawn portion of the approved limit that would have been drawn at the time of default are converted to exposure at default(EAD), this is in addition to the other off-balance sheet exposures like bonds and guarantees, letters of credit etc. In determining the CCF, the bank considers the behavioural cash flow, collateral type and the collateral value securing the facility, time to discover and prevent further drawing during the time of increased credit risk, time lag to convert the collateral to cash, the recovery strategy and cost are also considered. CCF is applied on the off balance exposures to determine the EAD and then subsequently the expected credit loss (ECL).

The ACL is measured at each reporting date according to a three-stage expected credit loss impairment model which is based on changes in credit risk of financial assets since initial recognition:

1. Performing financial assets:

• Stage 1 – From initial recognition of a financial asset to the reporting date, where the asset has not experienced a significant increase in credit risk relative to its initial recognition, a loss allowance is recognized equal to the credit losses expected to result from defaults occurring over the 12 months following the reporting date. Interest income is calculated on the gross carrying amount of these financial assets.

2. Underperforming financial assets:

• Stage 2 – Following a significant increase in credit risk relative to the initial recognition of the financial asset, a loss allowance is recognized equal to the credit losses expected over the remaining lifetime of the asset. Interest income is calculated on the gross carrying amount of these financial assets.

3 . Impaired financial assets

• Stage 3 – When a financial asset is considered to be credit-impaired, a loss allowance is recognized equal to credit losses expected over the remaining lifetime of the asset. The Stage 3 expected credit loss impairment model is based on changes in credit quality since initial recognition. Interest revenue is calculated based on the carrying amount of the asset, net of the loss allowance, rather than on its gross carrying amount.

The ACL is a discounted probability-weighted estimate of the cash shortfalls expected to result from defaults over the relevant time horizon. For loan commitments, credit loss estimates consider the portion of the commitment that is expected to be drawn over the relevant time period. For financial guarantees, credit loss estimates are based on the expected payments required under the guarantee contract.

Increases or decreases in the required ACL attributable to purchases and new originations, derecognitions or maturities, and remeasurements due to changes in loss expectations or stage migrations are recorded in Provision for credit losses. Write-offs and recoveries of amounts previously written off are recorded against ACL.

The ACL represents an unbiased estimate of expected credit losses on our financial assets as at the balance sheet date. Judgment is required in making assumptions and estimations when calculating the ACL, including movements between the three stages and the application of forward looking information. The underlying assumptions and estimates may result in changes to the provisions from period to period that significantly affect our results of operations.

h. Measurement of expected credit losses

Expected credit losses are based on a range of possible outcomes and consider all available reasonable and supportable information including internal and external ratings, historical credit loss experience, and expectations about future cash flows. The measurement of expected credit losses is based primarily on the product of the instrument's probability of default (PD), loss given default (LGD) and exposure at default (EAD) discounted to the reporting date. Stage 1 estimates project PD, LGD and EAD over a maximum period of 12 months while Stage 2 estimates project PD, LGD and EAD over the remaining lifetime of the instrument.

An expected credit loss estimate is produced for each individual exposure. Relevant parameters are modelled on a collective basis using portfolio segmentation (corporates, retail, public sector and commercial) that allows for appropriate incorporation of forward looking information.

Expected credit losses are discounted to the reporting period date using the effective interest rate.

i. Expected life

For instruments in Stage 2 or Stage 3, loss allowances reflect expected credit losses over the expected remaining lifetime of the instrument. For most instruments, the expected life is limited to the remaining contractual life.

An exemption is provided for certain instruments with the following characteristics: (a) the instrument includes both a loan and undrawn commitment component; (b) the Group has the contractual ability to demand repayment and cancel the undrawn commitment; and (c) the Group's exposure to credit losses is not limited to the contractual notice period. For products in scope of this exemption, the expected life may exceed the remaining contractual life and is the period over which exposure to credit losses is not mitigated by normal credit risk management actions. This period varies by product and risk category and is estimated based on the historical experience with similar exposures and consideration of credit risk management actions taken as part of regular credit review cycle. Products in scope of this exemption include credit cards, overdraft balances and certain revolving lines of credit. Determining the instruments in scope for this exemption and estimating the appropriate remaining life based on our historical experience and credit risk mitigation practices requires significant judgment.

j. Assessment of significant increase in credit risk

The assessment of significant increase in credit risk requires significant judgment. The Bank's process to assess changes in credit risk is based on the use 'backstop' indicators. Instruments which are more than 30 days past due may be credit-impaired. There is a rebuttable presumption that the credit risk has increased significantly if contractual payments are more than 30 days past due; this presumption is applied unless the Bank has reasonable and supportable information demonstrating that the credit risk has not increased significantly since initial recognition.

The following are considered as exception:

1. Outstanding obligation is a result of an amount being disputed between the bank and obligor where the dispute is not more than 90 days.
2. Outstanding obligation is an insignificant amount compared to the total amount due. Any amount not more than 10% of the total amount due is considered insignificant. Only applicable where there is no significant increase in credit risk and analysed on a case by case basis.

The assessment is generally performed at the instrument level and it is performed at least on quarterly basis. If any of the factors above indicate that a significant increase in credit risk has occurred, the instrument is moved from Stage 1 to Stage 2. The assessments for significant increases in credit risk since initial recognition and credit-impairment are performed independently at each reporting period. Assets can move in both directions through the stages of the impairment model. After a financial asset has migrated to Stage 2, if it is no longer considered that credit risk has significantly increased relative to initial recognition in a subsequent reporting period, it will move back to Stage 1 after 90 days.

Similarly, an asset that is in Stage 3 will move back to Stage 2 if it is no longer considered to be credit-impaired after 90 days. An asset will not move back from stage 3 to stage 1 until after a minimum of 180 days, if it is no longer considered to be credit impaired.

For certain instruments with low credit risk as at the reporting date, it is presumed that credit risk has not increased significantly relative to initial recognition. Credit risk is considered to be low if the instrument has a low risk of default, and the borrower has the ability to fulfil their contractual obligations both in the near term and in the longer term, including periods of adverse changes in the economic or business environment.

k. Use of forward-looking information

The measurement of expected credit losses for each stage and the assessment of significant increase in credit risk considers information about past events and current conditions as well as reasonable and supportable projections of future events and economic conditions. The estimation and application of forward-looking information requires significant judgment.

The PD, LGD and EAD inputs used to estimate Stage 1 and Stage 2 credit loss allowances are modelled based on the

macroeconomic variables (or changes in macroeconomic variables) that are most closely correlated with credit losses in the relevant portfolio. Each macroeconomic scenario used in the expected credit loss calculation includes a projection of all relevant macroeconomic variables applying scenario weights. Macroeconomic variables used in the expected credit loss models include GDP growth rate, foreign exchange rates, inflation rate, crude oil prices and population growth rate.

The estimation of expected credit losses in Stage 1 and Stage 2 is a discounted probability-weighted estimate that considers a minimum of three future macroeconomic scenarios. The base case scenario is based on macroeconomic forecasts published by relevant government agencies. Upside and downside scenarios vary relative to our base case scenario based on reasonably possible alternative macroeconomic conditions. Additional and more severe downside scenarios are designed to capture material non-linearity of potential credit losses in portfolios. Scenario design, including the identification of additional downside scenarios, occurs at least on an annual basis and more frequently if conditions warrant.

Scenarios are designed to capture a wide range of possible outcomes and weighted according to the best estimate of the relative likelihood of the range of outcomes that each scenario represents. Scenario weights take into account historical frequency, current trends, and forward-looking conditions and are updated on a quarterly basis. All scenarios considered are applied to all portfolios subject to expected credit losses with the same probabilities.

The assessment of significant increases in credit risk is based on changes in probability-weighted forward-looking lifetime PD as at the reporting date, using the same macroeconomic scenarios as the calculation of expected credit losses.

l. Definition of default

A default is considered to have occurred with regard to a particular obligor when either or both of the following events have taken place.

- The bank considers that the obligor is unlikely to pay its credit obligations in full, without recourse by the bank to actions such as realising security (if held).
- The obligor is past due more than 90 days on any material credit obligation to the bank (principal or interest). Overdrafts will be considered as being past due once the customer has breached an advised limit or been advised of a limit smaller than current outstanding.
- Interest payments equal to 90 days or more have been capitalized, rescheduled, rolled over into a new loan (except where facilities have been reclassified).

The elements to be taken as indications of unlikeliness to pay include:

- The bank sells the credit obligation at a material credit-related economic loss.
- The bank consents to a distressed restructuring of the credit obligation where this is likely to result in a diminished financial obligation caused by the material forgiveness, or postponement, of principal, interest or (where relevant) fees.
- The bank has filed for the obligor's bankruptcy or a similar order in respect of the obligor's credit obligation to the banking group.

The following are considered as exceptions:

a. Outstanding obligation is a result of an amount being disputed between the bank and obligor where the dispute is not more than 150 days;

b. In the case of specialized loans, default is defined as where the obligor is past due more than 180 days on any material credit obligation to the bank (principal or interest). This is consistent with CBN guidelines on IFRS 9. In addition, it is consistent with the Bank's historical default pattern on this category of loans. The specialized loans to which this is applicable are Project Financing, Object Financing, Income Producing Real Estate, Commercial Real

Estate and Mortgage Loans;

c. Outstanding obligation is an insignificant amount compared to the total amount due. Any amount not more than 10% of amount due is considered insignificant. Only applicable where there is no significant increase in credit risk and analysed on a case by case basis.

d. Exposure is still in default due to a new debit when the initial debit has been cleared. Usually occurs when the debit that initiated the initial days past due has been paid but the days past due continues to reflect a debit.

m. Credit-impaired financial assets (Stage 3)

Financial assets are assessed for credit-impairment at each balance sheet date and more frequently when circumstances warrant further assessment. Evidence of credit-impairment may include indications that the borrower is experiencing significant financial difficulty, probability of bankruptcy or other financial reorganization, as well as a measurable decrease in the estimated future cash flows evidenced by the adverse changes in the payments status of the borrower or economic conditions that correlate with defaults.

A loan is considered for transfer from stage 2 to stage 1 where there is significant improvement in credit risk and from stage 3 to stage 2 (declassified) where the facility is no longer in default. Factors that are considered in such backward transitioning include the following:

i) Declassification of the exposure by all the licensed private credit bureaux or the credit risk management system;

ii) Improvement of relevant credit risk drivers for an individual obligor (or pool of obligors);

iii) Evidence of full repayment of principal or interest.

Generally, the above are to represent an improvement in credit risk to warrant consideration for a backward transition of loans. Where there is evidence of significant reduction in credit risk, the following probationary periods should apply before a loan may be moved to a lower stage (indicating lower risk):

Transfer from Stage 2 to 1:- 90 days

Transfer from Stage 3 to 2:- 90 days

Transfer from Stage 3 to Stage 1:- 180 days

When a financial asset has been identified as credit-impaired, expected credit losses are measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the instrument's original effective interest rate. For impaired financial assets with drawn and undrawn components, expected credit losses also reflect any credit losses related to the portion of the loan commitment that is expected to be drawn down over the remaining life of the instrument.

When a financial asset is credit-impaired, interest ceases to be recognised on the regular accrual basis, which accrues income based on the gross carrying amount of the asset. Rather, interest income is calculated by applying the original effective interest rate to the amortised cost of the asset, which is the gross carrying amount less the related ACL.

Following impairment, interest income is recognized on the unwinding of the discount from the initial recognition of impairment.

n. Write-off of loans

Loans and the related ACL are written off, either partially or in full, when there is no realistic prospect of recovery. Where loans are secured, they are generally written off after receipt of any proceeds from the realization of collateral. In circumstances where the net realizable value of any collateral has been determined and there is no reasonable expectation of further recovery, write off may be earlier.

Written-off loans are derecognised from the Group's books. However, the Group continues enforcement activities on all written-off loans until full recovery is achieved or such time when it is objectively evident that recovery is no longer feasible.

o. Modifications

The credit risk of a financial asset will not necessarily decrease merely as a result of a modification of the contractual cash flows. If the contractual cash flows on a financial asset have been renegotiated or modified and the financial asset was not derecognised, the Bank assesses whether there has been a significant increase in the credit risk of the financial by comparing:

(1) the risk of a default occurring at the reporting date (based on the modified contractual terms); and

(2) the risk of a default occurring at initial recognition (based on the original, unmodified contractual terms).

A modification will however lead to derecognition of existing loan and recognition of a new loan i.e. substantial modification if:

- the discounted present value of the cash flows under the new terms, including any fees received net of any fees paid and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial asset.

The following will be applicable to modified financial assets:

- The modification of a distressed asset is treated as an originated credit-impaired asset requiring recognition of life-time ECL after modification.
- The cumulative changes in lifetime expected credit losses since initial recognition is recognized as a loss allowance for purchase or originated credit-impaired financial asset at the reporting date.
- The general impairment model does not apply to purchased or originated credit-impaired assets.

The following situations (qualitative) may however not lead to a derecognition of the loan:

- Change in interest rate arising from a change in MPR which is the benchmark rate that drives borrowing rates in Nigeria;
- Change in financial asset's tenor (increase or decrease);
- Change in installment amount to higher or lower amount;
- Change in the annuity repayment pattern, for example, from monthly to quarterly, half-yearly or yearly
- Change in the applicable financial asset fee

Modification gain or loss is included as part of allowance for credit loss for each financial year.

p. Classification and measurement of financial liabilities

The Group recognizes financial liabilities when it first becomes a party to the contractual rights and obligations in the relevant contracts.

Under IFRS 9, financial liabilities are either classified as financial liabilities at amortised cost or financial liabilities at FVTPL.

The Group classifies its financial liabilities as measured at amortised cost, except for:

i. Financial liabilities at FVTPL: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in the trading booking) and other financial liabilities designated as such at initial recognition. A financial liability is classified as held for trading if it is a part of a portfolio of specific financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking.

   Gains or losses from financial liabilities designated at fair value through profit or loss are presented partially in other comprehensive income (the amount of change in the fair value of the financial liability that is attributable to changes in the Group's own credit risk, which is determined as the amount that is not attributable to changes in market conditions that give rise to market risk) and partially profit or loss (the remaining amount of change in the fair value of the liability). This is unless such a presentation would create, or enlarge, an accounting mismatch, in which case the gains and losses attributable to changes in the Group's credit risk are also presented in profit or loss;

ii. Financial guarantee contracts and commitments.

   Financial liabilities that are not classified at fair value through profit or loss are measured at amortised cost using the effective interest rate method. Financial liabilities measured at amortised cost are deposits from banks or customers, borrowings, and subordinated liabilities.

q. De-recognition of financial instruments

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when the Group transfers the right to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred, or has assumed an obligation to pay those cash flows to one or more recipients, subject to certain criteria.

Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

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

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

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

3.30 IFRS 16 Leases

At contract inception the Group assesses at whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group adopts a single measurement approach and recognizes right to use of assets and lease liability at commencement date of a lease contract.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Group is the lessor

When assets are leased to a third party under finance lease terms, the present value of the lease income is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method (before tax), which reflects a constant periodic rate of return.

3.31 IAS 29 - Financial Reporting in Hyperinflationary Economies

Classification of Ghana and Sierra Leone as hyperinflationary economies

IAS 29 Financial Reporting in Hyperinflationary Economies' requires that the financial statements of entities whose functional currency is that of a hyperinflationary economy to be adjusted for the effects of changes in a suitable general price index and to be expressed in terms of the current unit of measurement at the closing date of the reporting period. Accordingly, the inflation produced from the date of acquisition or from the revaluation date, as applicable, must be computed in the non-monetary items.

The standard does not establish an absolute inflation rate at which an economy is considered hyperinflationary. Instead, it considers a variety of non-exhaustive characteristics of the economic environment of a country that are seen as strong indicators of the existence of hyperinflation. Hyperinflationary accounting is adopted for any of the entity in the Group when characteristics of the economic environment of the country has indicated any of the following:

(a) the general population prefers to keep its wealth in non-monetary assets or in a relatively stable foreign currency. Amounts of local 'currency held are immediately invested to maintain purchasing power;

(b) the general population regards monetary amounts not in terms of the local currency but in terms of a relatively stable foreign currency. Prices may be quoted in that currency;

(c) sales and purchases on credit take place at prices that compensate for the expected loss of purchasing power during the credit period, even if 'the period is short;

(d) interest rates, wages and prices are linked to a price index; and

(e) the cumulative inflation rate over three years is approaching, or exceeds, 100%.

The Ghana and Sierra Leone economies were designated as hyperinflationary from 1 January 2024. As a result, application of IAS 29 has been applied to United Bank for Africa (Ghana) Limited and United Bank for Africa (Sierra Leone) Limited which have a functional currency of Ghanaian cedi and Sierra Leonean leones respectively.

The financial results of the group entities whose functional currencies are the currencies of hyperinflationary economies are adjusted in terms of the measuring unit current at the end of the reporting period following the historic cost approach.

The financial results of the group entities whose functional currencies are the currencies of hyperinflationary economies are adjusted in terms of the measuring unit current at the end of the reporting period following the historic cost approach.

The carrying amounts of non-monetary assets and liabilities are adjusted to reflect the change in the general price index from the date of acquisition to the end of the reporting period. On initial application of hyperinflation, prior period gains and losses are recognised [in other comprehensive income/directly in equity].

Gains or losses on the net monetary position are recognised in profit or loss. All items recognised in the income statement are restated by applying the change in the general price index from the dates when the items of income and expenses were initially earned or incurred.

At the beginning of the first period of application, the components of equity, except retained earnings, are restated by applying a general price index from the dates the components were contributed or otherwise arose. These restatements are recognised directly in equity as an adjustment to opening retained earnings. Restated retained earnings are derived from all other amounts in the restated statement of financial position. At the end of the first period and in subsequent periods, all components of equity are restated by applying a general price index from the beginning of the period or the date of contribution, if later. The combined effect of restating and translation is treated as a net change in OCI. The translation effect is recognised in foreign operations translation reserve, and the restatement effect is recognized in hyper-inflation reserve, all within equity.

All items in the statement of cash flows are expressed in terms of the general price index at the end of the reporting period

As the presentation currency of the Group and that of the Bank is that of a non-hyperinflationary economy, comparative amounts are not adjusted for the changes in the index or exchange rates in the current year.

3.32 Changes in accounting policies

Except for the following new standards, the Group has consistently applied the accounting policies as set out in Notes 3.1 - 3.30 to all periods presented in these consolidated and separate financial statements. The Group has adopted these new amendments with initial date of application of January 1, 2024.

a) Non-Current Liabilities with Covenants - IAS 1 Presentation of Financial Statements

The amendments improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with covenants. The amendments also respond to stakeholders' concerns about the classification of such a liability as current or non-current. This standard is effective on or after 1 January 2024.

b) Lease Liability in a Sale and Leaseback - IFRS 16

Lease Liability in a Sale and Leaseback amends IFRS 16 by adding subsequent measurement requirements for sale and leaseback transactions. This standard is effective on or after 1 January 2024. This amendment does not have an impact on the Group's Financial statement.

c) Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

The amendments require an entity to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those arrangements. The information on those arrangements is required to be aggregated unless the individual arrangements have dissimilar or unique terms and conditions. In the context of quantitative liquidity risk disclosures required by IFRS 7, supplier finance arrangements are included as an example of other factors that might be relevant to disclose.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. This amendment does not have an impact on the Group's Financial statement.

d) Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to IAS 1

This is a slight amendment to IAS 1- Presentation of Financial Statements, the amendment clarifies how an entity classifies debt and other financial liabilities as either current or noncurrent, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (eg the receipt of a waiver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.

They must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. This amendment does not have an impact on the Group's Financial statement.

e) International Tax Reform – Pillar Two Model Rules - Amendments to IAS 12

In May 2023, the Board issued amendments to IAS 12, which introduce a mandatory exception in IAS 12 from recognising and disclosing deferred tax assets and liabilities related to Pillar Two income taxes

The amendments clarify that IAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD), including tax law that implements qualified domestic minimum top-up taxes. Such tax legislation, and the income taxes arising from it, are referred to as 'Pillar Two legislation' and 'Pillar Two income taxes', respectively.

3.33 Standards and interpretations issued/amended but not yet effective

The standards listed below have been issued or amended by the IASB but are yet to become effective for annual periods beginning on or after 1 January 2024. The Group has not applied the following new or amended standards in preparing these consolidated and separate financial statements as it plans to adopt these standards at their respective effective dates. Commentaries on these new standards/amendments are provided below.

a) Amendments to IAS 21: Lack of Exchangeability

The IASB's amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates require disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable. This is applied to annual reporting periods beginning on or after 1 January 2025 and can be applied earlier.

The amendment specifies when a currency is exchangeable into another currency and when it is not, how an entity determines the exchange rate to apply when a currency is not exchangeable, and require the disclosure of additional information when a currency is not exchangeable..

(b) Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7

In May 2024, the Board issued Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7), which:

i) Clarifies that a financial liability is derecognised on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.

ii) Clarified how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features.

iii) Clarifies the treatment of non-recourse assets and contractually linked instruments.

iv) Requires additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income

This is applied to annual reporting periods beginning on or after 1 January 2026 and can be applied earlier..

(c) IFRS 18 – Presentation and Disclosure in Financial Statements

This standard is effective to annual reporting periods beginning on or after 1 January 2027.

In April 2024, the Board issued IFRS 18 Presentation and Disclosure in Financial Statements which replaces IAS 1 Presentation in Financial Statements. IFRS 18 introduces new categories and subtotals in the statement of profit or loss. It also requires disclosure of management-defined performance measures (as defined) and includes new requirements for the location, aggregation and disaggregation of financial information.

For the purposes of classifying its income and expenses into the categories required by IFRS 18, an entity will need to assess whether it has a 'main business activity' of investing in assets or providing financing to customers, as specific classification requirements will apply to such entities. Determining whether an entity has such a specified main business activity is a matter of fact and circumstances which requires judgement. An entity may have more than one main business activity.

IFRS 18 introduces the concept of a management-defined performance measure (MPM) which it defines as a subtotal of income and expenses that an entity uses in public communications outside financial statements, to communicate management's view of an aspect of the financial performance of the entity as a whole to users.

(d) IFRS 19 - Subsidiaries without Public Accountability: Disclosures

In May 2024, the Board issued IFRS 19 Subsidiaries without Public Accountability: Disclosures (IFRS 19), which allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS accounting standards.

An entity applying IFRS 19 is required to disclose that fact as part of its general IFRS accounting standards compliance statement. IFRS 19 requires an entity whose financial statements comply with IFRS accounting standards including IFRS 19 to make an explicit and unreserved statement of such compliance.

This standard is effective to annual reporting periods beginning on or after 1 January 2027.

(e) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28

The amendments address the conflict between IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture.

The amendments clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in IFRS 3 Business combinations. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture.

This standard is effective to annual reporting periods beginning on or after 1 January 2027. The amendments must be applied prospectively. Early application is permitted and must be disclosed.

3.34 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest million Nigerian Naira (NGN) unless otherwise stated.

4. FINANCIAL RISK MANAGEMENT

4.1 Introduction and overview

Given the scale and scope of its operations as well as the diversity of the geographies within which it operates, United Bank for Africa Plc (UBA Plc) has adopted an enterprise wide, integrated approach to risk management. The key objectives are as follow:

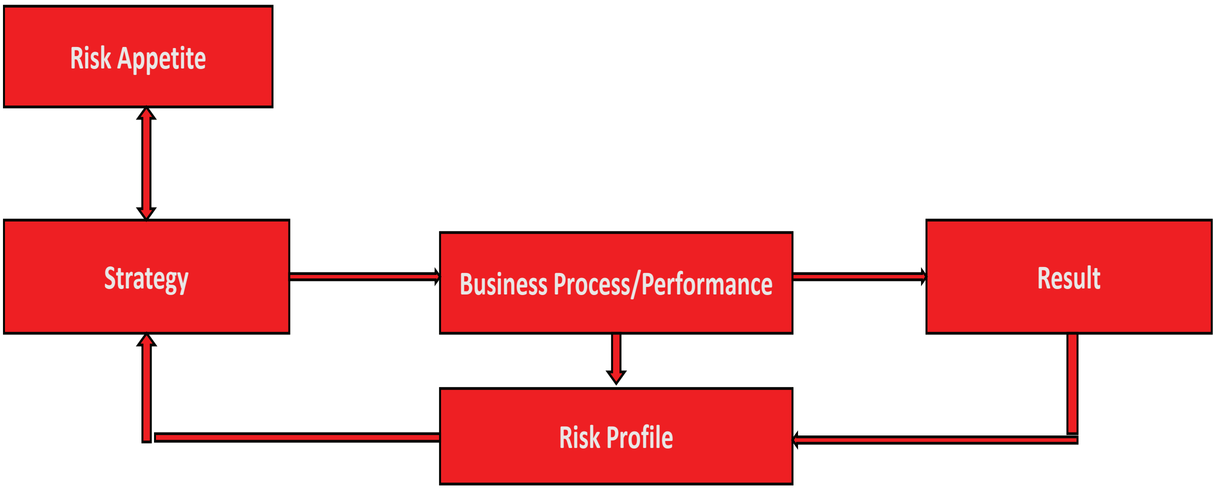
1. meet and exceed best practice global standards as defined by local and international regulatory bodies. The Group intend to achieve this by adhering to the principles of the Basel II Accords as adopted by the Central Bank of Nigeria (CBN);
2. ensure sustainable profitability and enterprise value protection by maintaining growth within appropriate risk-control boundaries; and
3. enhance corporate governance by involving the Board and Senior Management in setting the tone for the risk management agenda.

The key elements of the ERM framework are intended to enhance risk identification, measurement, control and reporting.

(a) Risk Management Strategy

UBA's risk management strategy is based on an embedded risk management process from the strategy formulation level to the business unit decision making. The strategic risk management objectives include:

- Evaluation of the strategic risks faced by the Group in the continuously evolving environment;
- Allocate resources in line with strategic objectives and risks;
- Determine the tolerable risk profile and formulate the acceptable risk appetite for the Group;
- Establish adequate risk management and internal control systems to support the business and the risk appetite; and
- Establish proper feedback mechanism as input into the strategic risk management process.



(b) Risk Management Culture

There is a commitment to ensuring that risk management is enshrined as a culture in the Group, from the Board of D rectors to the individual business unit. There is considerable effort to infuse the risk/reward evaluation in the decision making process in order to ensure that there is proper assessment of risk dimension in process design, performance appraisal, limit establishment, portfolio creation, monitoring activities and audit process. The aim is also to encourage a culture of constant re-evaluation of risk profile and prompt risk mitigation action , where required.

In order to do this, there is proper dissemination of information and policies, development of frameworks, and staff training to ensure that all staff are adequately aware of their roles in the risk management process of the Group. As part of the risk culture, the Bank aim to ensure the following:

- General understanding and uniform application of risk management principles;
- Strong and visible commitment from senior management;
- Clearly defined responsibility and accountability;
- Central oversight of risk management across the enterprise;
- Central oversight of corporate governance across the enterprise;
- Ownership of risk management is at all levels; and
- Clearly defined risk appetite.

(c) Role and responsibilities

The key players in the risk management framework and their responsibilities are as follows:

Board of Directors

The ultimate responsibility for risk management in UBA lies with the Board of Directors. The responsibilities of the Board with respect to risk management include, but are not limited to:

- Ensuring an appropriate corporate governance framework is developed and operated;
- Providing guidelines regarding the management of risk elements in the Group;
- Approving Group risk management policies;
- Determination of the Group's risk appetite;
- Ensuring that management controls and reporting procedures are satisfactory and reliable;
- Approving large credit exposures beyond the limit of the Board Credit Committee; and
- Approving capital demand plans based on risk budgets.

Board Committees

The Board of Directors has established various Board-level risk committees, to support its risk oversight roles and responsibilities. These committees review and advise on numerous risk matters requiring Board approvals.

The Board Risk Management Committee has direct oversight for the Bank's overall risk management framework. The Board Credit Committee considers and approves large exposure underwriting decisions within its authority and recommends those above its limit to the Board for consideration. The Board Audit and Governance Committee assists the Board with regard to internal controls, audit assessments and compliance matters.

A list of various Board committees and their assigned responsibilities is contained in the corporate governance report.

Management Committees

Key Management Committees include:

(i) Executive Management Committee (EMC)

The EMC is responsible for the following, among others, and is accountable to the Board:

- Executing strategy once approved by the Board;
- Overall performance of the Group;
- Managing the Group's risks; and
- Day-to-day oversight for the Group.

All non-credit product approvals must go to the EMC which shall review and approve or recommend for approval to the appropriate Board Committees in line with the Bank's advised Approval Limits. Above the EMC approval limits, Non-Credit products are approved by the Board Audit & Governance Committee (BAGC).

All new business activities irrespective of capital commitment must be approved by the BAGC through the EMC.

(ii) Executive Credit Committee (ECC)

The Committee's main objective is to develop and maintain a sound credit risk portfolio for the Group and to oversee the development and deployment of credit risk practices across the Group.

Its principal activities and functions are:-

- Set frameworks and guidelines for credit risk management for the Group
- Review and recommend all Credit related policies for the Group to the BCC for approval
- Monitor implementation and compliance with credit policy paying particular attention to the following:
    - Credit concentration
    - Credit portfolio quality
- Review credit requests and recommend those above its limit to BCC for approval
- Ensure the Group's Non Performing Loans portfolio is within the acceptable ratio
- Review all major credit audit issues with a view to adopting learning points for enhancement to the credit process

(iii) Group Asset and Liability Committee

The Group Asset and Liability Committee (GALCO), is a sub-committee of the EMC whose decisions are reported to the Finance & General Purpose Committee. GALCO has responsibility for managing UBA Group's balance sheet as well as traded and non-traded market risks.

In playing this role, GALCO does the following:-

- Recommend balance sheet management policies, frameworks and procedures to the Board Risk Management Committee through EMC for approval
- Recommend Treasury policies, frameworks and procedures to the Board Audit and Governance Committee (BAGC) through EMC for approval
- Manage the Group's balance sheet and ensure compliance with regulatory and statutory ratios and requirements
- Develop an optimal structure of the Group's balance sheet to optimize risk-reward through a review of:
    - Liquidity Gap Analysis
    - Maximum Cumulative Outflow (MCO)
    - Stress Test
    - Wholesale Borrowing Guidelines
    - Contingency Liquidity Plan
- Review Liquidity, Interest Rate and Currency Risks and approve risk mitigation proposals subject to ratification by EMC
- Set pricing strategies for the Group on assets and liabilities (pool rate, asset and/or liability composition) subject to ratification by EMC

(iv) Criticized Assets Committee

The Criticized Assets Committee is a management committee which reviews Past Due Obligations (PDOs) and

- Develops the framework to reduce the Group's portfolio of risk assets on watch-list as well as delinquent accounts
- Monitor implementation of strategies developed for recoveries and reduction of loan delinquencies
- Ratifies proposed classification of accounts and provisioning levels
- Recommends write-offs for approval through the EMC to the Board

(v) Group Risk Management Committee

The responsibilities of the Group Risk Management Committee are as follows:

(a) To support the EMC in the discharge of its risk management responsibilities which includes but is not limited to the management of risk, determining risk tolerance levels, risk appetite, risk monitoring, risk assurance and risk disclosures for the Group.

(b) To review, assess and make recommendations on the integrity and adequacy of the overall risk management function of the Group.

(c) To review, assess and make recommendations to the Executive Management Committee regarding policies relating to risk management.

(d) To review risk limits and periodic risk and compliance reports and make recommendations to the Executive Management Committee.

(e) Recommend risk approval limits to Executive Management Committee.

(f) To review and recommend on an annual basis the update of the risk management policies, frameworks and procedures of the Group.

(g) Advise Executive Management Committee on any emerging risks that the Group is or could be exposed to and recommend mitigation actions.

(h) Monitor overall risk management framework to ensure that the framework is uniformly applied in all the entities in the Group.

(i) Review IT Risk Management and make recommendations in accordance with the risk appetite of the Group.

(j) Monitor the Basel II Accord Capital Framework implementation and compliance program in the Group.

(k) Periodic review of the Risk Assets Portfolio and Limits in line with internal and regulatory benchmarks.

(l) Review and recommend yearly Risk Management staffing model and manpower development programs.

Group Chief Risk Officer

The Group Chief Risk Officer has oversight for the effective and efficient governance of all risk functions in the Group. He is responsible for development and implementation of Group's risk management frameworks, policies and processes across the entire risk spectrum.

(d) Central Risk Management Functions

Each risk function including Credit, Market, Operational and IT Risk has direct responsibility for the development and management of risk management activities. The responsibilities of divisional functions with respect to risk include:

- Develop and maintain policies, frameworks and risk management methodologies
- Provide guidance on the management of risks and ensure implementation of risk policies and strategies
- Provide recommendations for improvement of risk management
- Provide consolidated risk reports to the various Board and management committees such as EMC, ECC and/or Board of Directors
- Provide assurance that risk management policies and strategies are operating effectively to achieve the Group's business objectives.

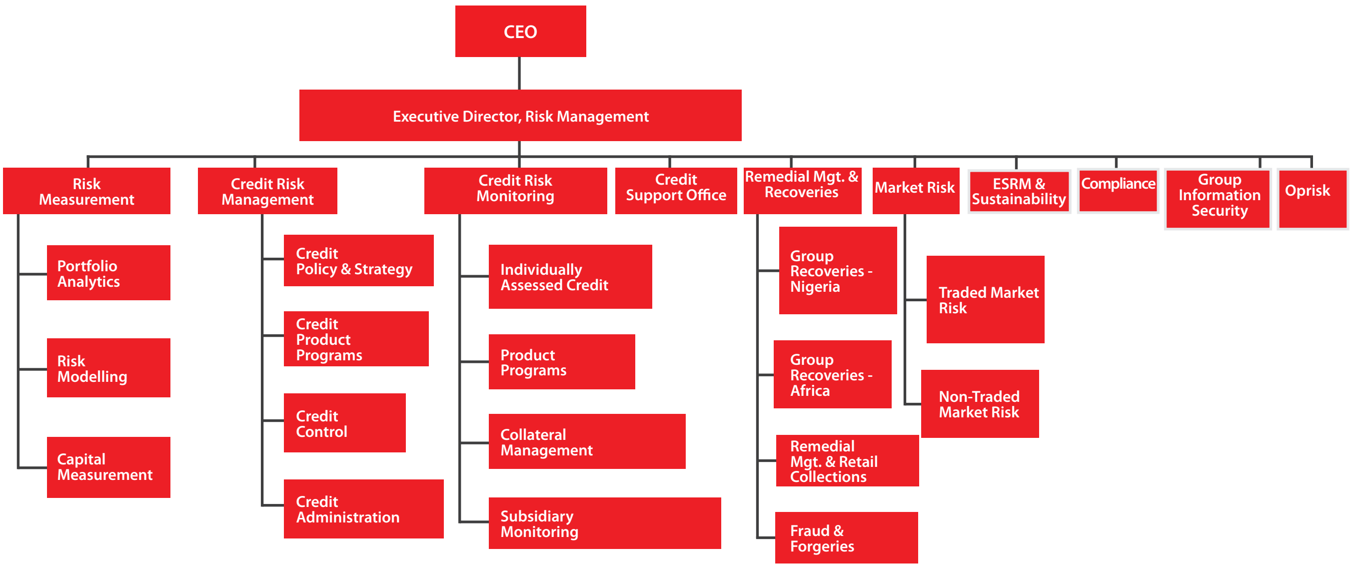
At a strategic level, our risk management objectives are as follows:

- To identify, assess, control, report and manage the Group's material risks and optimize risk/return decisions
- To ensure business growth plans are properly supported by effective risk infrastructure
- To manage the risk profile to ensure that specific financial deliverables remain possible under a range of adverse business conditions

(e) Risk Management Structure

The Group has in place an independent Risk Management Directorate which is essential to UBA's growth and earnings sustainability.

In response to the dynamic risk environment, the risk management structure has been flattened to ensure increased oversight and improved responsiveness.



(f) Risk Management Policies

The principal risk policies cover the Group's main risk types, assigning responsibility for the management of specific risks and setting out requirements for control frameworks for all risk types. Fundamental to the delivery of the Group's risk management objectives are a series of methodologies that allow it to measure, model, price, stress-test, mitigate and report the risks that arise from its activities.

(i) Risk Appetite

A key responsibility of the Board is the determination of the organization's risk appetite. This is codified in a Risk Appetite framework which considers the level of risk that the Group is willing to take in pursuit of its business objectives. This is expressed as the Group's appetite for earnings volatility across all businesses from a credit, marketing and liquidity risk perspective.

Risk appetite is institutionalized by establishing scale of activities through clearly defined target market criteria, product risk acceptance criteria, portfolio limits as well as risk-return requirements.

(ii) Approval Authority

The Board of Directors also set internal approval limits which are reviewed from time to time as the circumstances of the Group demands. These are at all times guided by maximum regulatory limit as applicable.

(iii) Risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographical location.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. The Group applies a concentration risk management framework that sets exposure limits as a function of capital across all dimensions of its asset portfolio including geography, sector, obligor, product etc. This is closely monitored to ensure diversification of risk.

(g) Environmental & Social Risk Management/Sustainability (ESRM/Sustainability)

The Group takes Environmental, Social and Governance (ESG) considerations as part of its overall strategy. This is achieved by integrating environmental and social standards into the Group's business operations and activities. The overall objective is to foster sustainable practices by creating equal benefits for people, the firm, and our planet. Our Environmental, Social and Governance framework is based on local and global standards such as the Nigerian Sustainable Banking Principles (NSBP), IFC Performance Standards, Equator Principles, the Sustainable Development Goals (SDGs). We are also guided by the World Bank good international industry practices as well as host country's local environmental laws and standards. The Group's sustainability targets are encapsulated in UBA Foundation's broader focus on the Environment, Education and Economic Empowerment.

4.2 Operational Risk

Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This includes legal risk but excludes reputational and strategic risks. The Operational Risk Management Policy of the Group provides guidelines to proactively identify operational risk in all business functions of the Bank. It provides a standardized approach and comprehensive procedures for risk identification, assessment, controlling, monitoring, management and reporting. In addition, creates risk awareness amongst all employees and facilitates best practice operational risk management.

Various tools and methodologies are deployed by the Bank to implement its operational risk management. This includes:

Risk and Control Self-Assessment (RCSA) – This is an important piece of the Bank's robust risk management strategy.

Key Risk Indicators (KRI) - This is the metrics that provide insight into business function risk profile and identification of early warning signs of potential vulnerability.

Losses & Loss Events Reporting – All business functions report losses using automated loss reporting tool.

Business Continuity Management (BCM) – The Bank is BCMS ISO 22301 certified and in compliance with the requirements of the standard. The Bank has developed and maintains robust business continuity plan that protect staff, its assets, and the interests of customers. These plans are designed to cover a wide range of business disruptions that may range from the inability to operate from a single building to more widespread events that impact a city or region.

Operational Risk Capital Calculation – The bank adopts the Basic Indicator Approach (BIA) in line with Central Bank of Nigeria requirements.

4.3 Compliance

UBA Group maintains zero tolerance for Compliance & regulatory infraction. To this end, the focus of the Compliance function as entrenched by the Board is to instill a Compliance culture within the Group by ensuring that Compliance is integrated in the Group's business practices and processes. Regulatory Compliance department within the Risk management structure ensures adherence to the requirements of the law, regulation, industry organizational codes, principles of good governance and ethical standards in the conduct of the Banks business.

The essence is geared towards combating Money Laundering, Terrorist Financing, and proliferations of equipment for mass destruction.

The objectives of our Regulatory Compliance function are as follows:

- Proactively mitigate all regulatory risks in the Group
- Design, plan and implement compliance programs that ensures that the Bank's policies, procedures, products and services are compliant with applicable laws, rules and regulatory requirements.
- Manage existing or potential threats related to legal or policy noncompliance—or ethical misconduct—that could lead to fines or penalties, reputational damage, or the inability to operate in key markets.
- Ensure there is a compliance culture within the Group.
- Ensure periodic review and update of the Anti-Money Laundering/ Counter Terrorist Financing (AML/CFT) Policy and Know Your Customer (KYC) policy & Procedural Manual annually
- Respond to government investigations and queries by acting as the principal point of contact whenever the government agent wants to get in touch with the Bank for issues relating to regulatory compliance.
- Report all regulatory Compliance issues and risks to Executive management committee and Board Risk Management Committee.

The Compliance function is independently reporting into the Risk management directorate and also reviewed by Group internal audit.

4.4 Group Information Security/Cybersecurity

The Bank recognised the importance of managing Cybersecurity Risks as part of its overall business sustainability and risk management strategy, with substantial investments made in the right people, processes and technologies to manage these risks. Aligning with our business strategy, we performed detailed evaluation of the specific risks we are susceptible to and developed a multi-year roadmap to address current and future threats. The Bank has a secure, vigilant and resilient strategy to cybersecurity, which means that we have a multilayered approach to the defence against cybercriminals; however, our people remain our first line of defence.

We have witnessed a significant increase in the awareness level among staff and customers regarding cyber security.

The Bank overhauled its Security Operations to provide the right level of 24/7 visibility into threats that may occur both within and outside the network of the Bank. We strategically invested in state-of-the-art security technologies that have Artificial Intelligence (AI) and Robotics Automation(RA) capabilities embedded. This ensures that we are always ready and can pre-empt attacks before they occur.

In an interconnected world, one in which we cannot thrive in isolation; we developed channels that would help us leverage interconnection with Regulators, Fintechs and other banks to create enhanced value to our customers. As a result, we also built up our cyber defences to boost our capabilities for detection, protection and response, especially around Cloud, Identity and Access Management and Third-party connections/interfaces.

Also the Bank onboarded the services of a tier-one international security Firm to support our cyber security capabilities and ensure we are aligned with international best practices as a global Bank.

Data privacy and protection are areas we have taken very seriously; from instituting the right processes to adhering to the various regulations/standards, we also invested in tools that would enforce the standards/procedures.

All cyber risk imperatives are reported to the Board Risk Management Committee (BRMC) monthly, and appropriate governance and oversight over cybersecurity have been instituted within the Group. Metrics and KRIs have also been developed and monitored Groupwide to track progress on our plans.

4.5 Credit Risk

(a) Overview

Credit risk is the potential for financial loss resulting from the failure of a borrower or counterparty to honour its financial or contractual obligations. Credit represent a significant part of the overall risk exposure of the Group and is largely represented by the loans and advances on the books of the Group. The Group has several policies and frameworks in place for managing credit risk across the Group.

(i) Credit Risk Management (CRM)

The Credit Risk Management division acts as the custodian of Group credit policies and recommends reviews based on regulatory changes and other developments in the operating environment. It develops and implements the Group credit risk management framework, as well as a portfolio management strategy towards achieving a diversified, high quality asset mix to minimize delinquencies.

In addition, CRM ensures appropriate control measures are taken in the documentation and administration of approved loans.

(ii) Credit Risk Governance

The Board through Board Credit Committee (BCC) is responsible for the overall governance of credit risk and the management of the credit portfolio of the Group. It reviews and recommends credit policies to the Board. The Executive Credit Committee (ECC) sets frameworks and guidelines for credit risk management for the Group and reviews and recommends for approval to the BCC all credit related policies for the Group. ECC monitors implementation and compliance with credit policy paying particular attention to the following:

a. Credit concentration

b. Credit portfolio performance

c. Credit quality

With regards to approval of credit facilities, the ECC approves facilities that are above the limit of the GMD, while the BCC approves credit facilities that are above the limit of the ECC. The Board of Directors is the overall approving authority, approving credit facilities that are above the limit of the BCC.

(iii) Credit Monitoring

Credit monitoring runs as a separate group of risk management to improve oversight of loan performance. Its primary function is to continuously monitor the bank's loan portfolio to ensure ongoing portfolio performance and achievement of portfolio quality targets. Credit Monitoring ensures all loans are booked in line with the Group's policy. They also identify exceptions which may prevent the loan from being paid in a timely manner. Observed Credit exceptions are escalated for possible resolution, sanction implementation and management attention. The group takes proactive steps to ensure follow up on accounts showing signs of delinquency.

(iv) Credit Concentration Management

The Group has a Credit Concentration Risk Management policy which provides a framework within which lending decisions can be made so as to ensure an adequate level of diversification of the Group's credit portfolio. The policy provides risk-based limits that restrict lending activities to within the Group's desired risk appetite and tolerance.

The Group ensures that:

- It manages its portfolio by ensuring adequate diversification across industries, segments and jurisdictions to maintain high portfolio quality and liquidity
- Provides risk based concentration limits to ensure that exposures to single obligors, sectors and countries are contained within acceptable risk appetite.

(v) Credit Risk Measurement

In measuring credit risk of loans and advances to various counterparties, the Group considers the credit worthiness and financial capacity of the obligor to pay or meet contractual obligations, current exposures to the counter party/obligor and its likely future developments, credit history of the counterparty/obligor; and the likely recovery ratio in case of default obligations-value of collateral and other ways out. Our credit exposure comprises wholesale and retail loans and advances and debt securities. The Group's policy is to lend principally on the basis of our customers' repayment capacity through quantitative and qualitative evaluation. However we strive to ensure that our loans are backed by collateral to reflect the risk of the obligors and the nature of the facility.

In the estimation of credit risk, the Group estimates the following parameters:

- Probability of Default (PD)

- Loss Given Default(LGD)

- Exposure at Default"

Probability of Default

This is the probability that an obligor or counterparty will default over a given period, usually one year. To measure expected credit loss, we developed a 12-month PD or equivalent (used in Stage 1 provisioning) and a lifetime PD or equivalent (used for Stages 2 and 3 provisioning). The PD is used to reflect the current expectation of default and considers available reasonable and supportive forwarding-looking information.

Loss Given Default

LGD is defined as the portion of the loan determined to be irrecoverable at the time of loan default (1 – recovery rate). Our methods for estimating LGD includes both quantitative and qualitative factors which are adjusted for forward looking information to measure lifetime expected credit losses.

Exposure at default

This represents the amount that is outstanding at the point of default. Its estimation includes the drawn amount and expected utilization of the undrawn commitment at default.

(vi) General Risk Rating Process

The Group adopts a two-dimensional approach to the assessment of credit risk in the Risk Rating Process for all obligors.

Obligors are assigned an Obligor Risk Rating (ORR) while a Facility Risk Rating (FRRs) is assigned to facilities. However certain obligors, retail and commercial loans applicants that do not have a risk rating, must access credit through product programmes while those that have credit ratings can access through the individually assessed credit window. Scoring system is used for consumer loans whereby loans that achieve a predetermined minimum score are approved.

Inputs used to determine obligor risk ratings (ORRs) are derived based on quantitative and qualitative factors. The quantitative factors are primarily based on a metrics that uses information on the obligor's financial position while the qualitative factors include:

- Management quality
- Industry risks
- Company profile
- Economic factors

The integrity of the Group's portfolio management process is dependent on accurate and timely risk ratings. Deterioration in credit risks is quickly identified and communicated to facilitate prompt action. The rating is reviewed on a periodic basis and this is reflected in the management of such portfolio. The default also leads to prevention of further drawdown while steps are taken to recover the outstanding balance and/or realise the collateral.

Deterioration in credit risk are identified based on factors such as

- Ratings downgrade
- Missed payments
- Non-compliance with loan covenants
- Deterioration of quality/value of collateral

(vii) Credit Rating of Counterparty/Obligor

All risk rating processes are reviewed and validated periodically to ensure relevance to business realities, and relate to loans and advances to customers, loans and advances to banks, financial assets held for trading and investment securities. External ratings may also be obtained where such is available. The Risk Rating buckets and definitions are as highlighted below:

UBA Risk Buckets and Definition

Description	Rating Bucket	Range of Scores	Risk Range	Risk Range (Description)
Extremely Low Risk	AAA	1.00 - 1.99	90% - 100%	Low Risk Range
Very Low Risk	AA	2.00 - 2.99	80% - 89%	
Low Risk	A	3.00 - 3.99	70% - 79%	
Acceptable Risk	BBB	4.00 - 4.99	60% - 69%	Acceptable Risk Range
Moderately High Risk	BB	5.00 - 5.99	50% - 59%	
High Risk	B	6.00 - 6.99	40% - 49%	High Risk Range
Very High Risk	CCC	7.00 - 7.99	30% - 39%	

Extremely High Risk	CC	8.00 - 8.99	0% - 29%	Unacceptable Risk Range
High Likelihood of Default	C	9.00 - 9.99	Below 0%	
Default	D	Above 9.99	Below 0%	

The risk ratings are a primary tool in the review and decision making in the credit process. The Group does not lend on unsecured basis to obligors that are below investment grade (BB and above). The Group shall discourage lending to obligors in the unacceptable risk range.

(viii) Remedial Management Process

This process is managed by the Group Remedial Management & Recovery Division (GRMRD). Depending on the severity of classification, the Group undertakes remedial corrective action geared towards ensuring the performance of weak credits. Early attention, including substantive discussions with borrowers, is required to correct deficiencies.

Remedial process covers the evaluation, analysis or restructuring of credit facilities for existing PDOs. It may include new extensions of credit and/or restructuring of terms. Some of the possible actions are summarised as follows:

- Rate/Payment modification or longer-term payment relief - adjusting interest rates or payment frequency;
- Ageing/Extension: Modifying the length of the loan;
- Cash Out: Refinancing a loan at a higher principal amount in order to get additional funds for other uses;
- Short Sale – Loan is discounted to prevent imminent foreclosure; and
- Deed in lieu – Voluntary conveyance of interest in property to the Bank

The process calls for full information gathering, together with financial and risk analysis leading up to the approval decision. Analysis and standards vary according to business product, market, transaction characteristics and environmental issues. In all cases, we strive to achieve good judgment, in ensuring that all relevant issues have been addressed in each situation.

(ix) Work out and recovery

The Group Remedial Management & Recovery Division (GRMRD) is the collections arm of Credit Risk Management that evaluates, monitors, and supervises the re-structuring, repayments and collections of all past due obligations that have been prudentially classified and show early warning signs of default. The division has a three-level governance structure:

Level 1 is an oversight and supervisory function performed by the Divisional Head through the Regional Heads;

Level 2 is a supervisory and management function performed by the Regional Heads through the Zonal Heads; and

Level 3 is an operational function performed by the Zonal Head in conjunction with the Recovery/Remedial officers from the regional bank offices.

RMCRD maintains effective governance and control over its entire process and adopts a standard methodology consisting of five steps.

Risk Management and Credit Recovery Division methodology

	Steps	Activities
1.	Identification	Identification of past due obligations due for recovery, collections and remedial action Identification of strategies to be adopted Identification of the least cost alternative of achieving timely collections within resource constraints
2.	Assessment & Implementation	Accurate review and professional assessment of credit records Implementation of identified strategies Update the database
3.	Management & Monitoring	Proffer professional work-out situations to aid prompt settlement Review identified strategies for adequacy in managing past due obligations Proffer solutions that will aid the credit decision making process
4.	Controlling	Establish key control processes, practices and reporting requirements on a case-by-case basis. Ensure work-out situations align with UBA's strategic framework Proffer solutions that will aid the credit decision making process
5.	Reporting	Communicate learning points from case profiles on past due obligations in order to improve the quality of lending practices Report cases of imminent crystallisation of default Present remedial actions to reduce and/or mitigate default

4. FINANCIAL RISK MANAGEMENT - CONTINUED

4.5 Credit risk - Continued

(b) Credit risk Exposure

(i) Maximum exposure to credit risk before collateral held or other credit enhancements

The following table shows the maximum exposure to credit risk by class of financial asset. The Group's maximum exposure to credit risk is represented by the net carrying amounts of the financial assets with the exception of financial and other guarantees issued by the Group for which the maximum exposure to credit risk is represented by the maximum amount the Group would have to pay if the guarantees are called on.

Credit risk exposures relating to on-balance sheet assets are as follows:

	Maximum exposure Group		Maximum exposure Bank	
In millions of Nigerian Naira	**June 2024**	**Dec. 2023**	**June 2024**	**Dec. 2023**
Cash and bank balances				
Current balances with banks	2,954,543	2,081,261	2,569,817	1,763,642
Unrestricted balances with Central Banks	975,112	697,528	15,760	230,732
Money market placements	1,104,206	429,915	810,901	410,471
Restricted balances with central banks	3,023,718	2,686,563	2,709,984	2,585,578
Financial assets at fair value through profit or loss				
Treasury bills	13,334	525	13,334	525
Bonds	42,898	33,324	2	9
Derivative assets	197,588	498,824	197,588	498,824
Assets under management	14,655	14,026	14,655	14,026
Loans and advances to banks	203,857	320,732	192,835	147,547
Loans and advances to individuals				
Overdraft	60,657	21,162	6,887	6,336
Term loan	427,312	334,058	63,896	50,672
Loans and advances to corporate entities and others				
Overdraft	827,188	1,069,110	356,303	472,764
Term Loan	5,481,391	3,792,187	3,403,401	2,778,270
Others	2,034	12,331	2,034	12,331
Investment securities at fair value through other comprehensive income:				
Treasury bills	2,103,057	1,850,215	1,949,079	1,590,294
Bonds	2,114,323	946,163	1,540,729	832,642
Promissory notes	8,557	9,400	8,557	9,400
Investment securities at amortised cost:				
Treasury bills	2,822,091	1,821,121	-	-
Bonds	4,001,270	2,493,835	250,959	174,706
Other assets	712,948	720,311	651,821	589,128
Total	**27,090,739**	**19,832,591**	**14,758,542**	**12,167,897**
Loans exposure to total exposure	26%	28%	27%	29%
Debt securities exposure to total exposure	41%	36%	25%	21%
Other financial assets exposure to total exposure	33%	36%	47%	50%

Credit risk exposures relating to off-balance sheet assets are as follows:

	Group		Bank	
In millions of Nigerian Naira	**June 2024**	**Dec. 2023**	**June 2024**	**Dec. 2023**
Performance bonds and guarantees	1,098,930	1,532,101	756,747	705,786
Letters of credits	259,745	1,255,856	95,764	210,410
	1,358,675	**2,787,957**	**852,511**	**916,196**
Bonds and guarantee exposure to total exposure	81%	55%	89%	77%
Letters of credit exposure to total off-balance sheet exposure	19%	45%	11%	23%
Credit risk exposures relating to loan commitment are as follows:				
Loan commitment to corporate entities and others				
Term Loan	109,953	79,766	57,866	46,453
	109,953	**79,766**	**57,866**	**46,453**

There are no loan commitments to individuals.
The credit risk exposure as at period end is representative of the average exposure in the period.

4. FINANCIAL RISK MANAGEMENT - CONTINUED

4.5 Credit risk - Continued

(b) Credit risk Exposure - Continued

(ii) Credit concentration - location

The Group monitors concentrations of credit risk by sector, geographic location and industry. Concentration by location for loans and advances is measured based on the location of the Group entity holding the asset, which has a high correlation with the location of the borrower. Concentration by location for investment securities is measured based on the location of the issuer of the security. The amounts stated are net of impairment allowances.

An analysis of concentrations of credit risk at the reporting date is shown below:

June 30, 2024

	Group				Bank			
In millions of Nigerian Naira	Nigeria	Rest of Africa	Rest of the world	Total	Nigeria	Rest of Africa	Rest of the world	Total
Financial assets								
Cash and bank balances:								
- Current balances with banks	-	227,860	2,569,817	2,797,677	-	-	2,569,817	2,569,817
- Unrestricted balances with Central Banks	15,760	1,110,687	-	1,126,447	15,760	-	-	15,760
- Money market placements	-	375,361	734,377	1,109,738	-	76,524	734,377	810,901
- Restricted balances with central banks	2,709,984	313,734	-	3,023,718	2,709,984	-	-	2,709,984
Assets under management	14,655	-	-	14,655	14,655	-	-	14,655
Financial assets at FVTPL:								
- Treasury bills	13,334	-	-	13,334	13,334	-	-	13,334
- Government bonds	2	42,896	-	42,898	2	-	-	2
Derivative assets	197,588	-	-	197,588	197,588	-	-	197,588
Loans and advances to banks								
- Corporates	39,479	-	164,378	203,857	39,479	-	153,356	192,835
Loans and advances to customers:								
Individuals:								
- Overdrafts	6,887	53,770	-	60,657	6,887	-	-	6,887
- Term loans	63,896	363,416	-	427,312	63,896	-	-	63,896
Corporates:								
- Overdrafts	356,303	470,885	-	827,188	356,303	-	-	356,303
- Term loans	3,262,421	2,038,502	154,374	5,476,794	3,283,918	-	140,980	3,424,898
- Others	2,034	-	-	2,034	2,034	-	-	2,034
Investment securities:								
At amortised cost								
- Treasury bills	-	2,914,889	-	2,914,889	-	-	-	-
- Bonds	250,959	3,690,781	59,530	4,001,270	250,959	-	-	250,959
At FVOCI								
- Treasury bills	1,949,079	425,788	-	2,374,867	1,949,079	-	-	1,949,079
- Bonds	1,359,941	114,238	274,133	1,748,312	1,359,941	-	180,788	1,540,729
- Promissory notes	8,557	-	-	8,557	8,557	-	-	8,557
Other assets	144,167	606,795	-	750,962	574,830	76,990	-	651,820
Total financial assets	**10,395,046**	**12,749,602**	**3,956,609**	**27,122,754**	**10,847,206**	**153,514**	**3,779,318**	**14,780,038**
Commitments and guarantees								
- Performance bonds and guarantees	756,747	342,183	-	1,098,930	756,747	-	-	756,747
- Letters of credits	95,764	163,981	-	259,745	95,764	-	-	95,764
- Loan commitments	57,866	52,087	-	109,953	57,866	-	-	57,866
Total commitments and guarantees	**910,377**	**558,252**	**-**	**1,468,628**	**910,377**	**-**	**-**	**910,377**

4 FINANCIAL RISK MANAGEMENT - CONTINUED

4.5 Credit risk - Continued

December 31, 2023

	Group				Bank			
In millions of Nigerian Naira	Nigeria	Rest of Africa	Rest of the world	Total	Nigeria	Rest of Africa	Rest of the world	Total
Financial assets								
Cash and bank balances:								
- Current balances with banks	-	328,636	1,752,625	2,081,261	-	11,017	1,752,625	1,763,642
- Unrestricted balances with Central Banks	230,732	466,796	-	697,528	230,732	-	-	230,732
- Money market placements	-	19,444	410,471	429,915	-	-	410,471	410,471
- Restricted balances with central banks	2,585,578	100,985	-	2,686,563	2,585,578	-	-	2,585,578
Assets under management	14,026	-	-	14,026	14,026	-	-	14,026
Financial assets at FVTPL:				-				-
- Treasury bills	525	-	-	525	525	-	-	525
- Government bonds	9	33,315	-	33,324	9	-	-	9
Derivative assets	498,824	-	-	498,824	498,824	-	-	498,824
Loans and advances to banks				-				-
- Corporates	-	173,185	147,547	320,732	-	-	147,547	147,547
Loans and advances to customers:				-				-
Individuals:				-				-
- Overdrafts	6,336	14,826	-	21,162	6,336	-	-	6,336
- Term loans	50,672	283,386	-	334,058	50,672	-	-	50,672
Corporates:				-				-
- Overdrafts	472,764	596,346	-	1,069,110	472,764	-	-	472,764
- Term loans	2,763,544	1,013,917	14,726	3,792,187	2,763,544	-	14,726	2,778,270
- Others	12,331	-	-	12,331	12,331	-	-	12,331
Investment securities:				-				-
At amortised cost				-				-
- Treasury bills	-	1,821,121	-	1,821,121	-	-	-	-
- Bonds	67,548	2,284,369	141,919	2,493,835	67,548	-	107,158	174,706
At FVOCI				-				-
- Treasury bills	1,590,294	259,921	-	1,850,215	1,590,294	-	-	1,590,294
- Bonds	832,642	62,738	50,783	946,163	832,642	-	-	832,642
- Promissory notes	9,400	-	-	9,400	9,400	-	-	9,400
Other assets	144,167	576,146	-	720,313	561,493	27,635	-	589,128
Non-Current Assets Held for Sale	-	-	-	-	-	-	-	-
Total financial assets	**9,279,392**	**8,041,955**	**2,511,245**	**19,832,591**	**9,696,718**	**38,652**	**2,425,702**	**12,167,897**
Commitments and guarantees								
- Performance bonds and guarantees	756,747	342,183	-	1,098,930	756,747	-	-	756,747
- Letters of credits	95,764	163,981	-	259,745	95,764	-	-	95,764
- Loan commitments	57,866	52,087	-	109,953	57,866	-	-	57,866
Total commitments and guarantees	**910,377**	**558,252**	**-**	**1,468,628**	**910,377**	**-**	**-**	**910,377**

4 FINANCIAL RISK MANAGEMENT - CONTINUED

4.5 Credit risk - Continued

(iii) Credit concentration - Industry

The following table analyses the Group's credit exposure at carrying amounts (without taking into account any collateral held or other credit support), as categorised by the industry sectors of the Group's counterparties. The amounts stated are net of impairment allowances.

Group *In millions of Nigerian Naira*	Agriculture	Construction and Real Estate	Education	Finance and Insurance	General	General Commerce	Govern-ments	Information and Communication	Manufacturing	Oil and Gas	Power and Energy	Transportation and Storage	Total
June 30, 2024													
Cash and bank balances:													
- Current balances with banks	-	-	-	2,797,677	-	-	-	-	-	-	-	-	2,797,677
- Unrestricted balances with Central Banks	-	-	-	1,126,447	-	-	-	-	-	-	-	-	1,126,447
- Money market placements	-	-	-	1,109,738	-	-	-	-	-	-	-	-	1,109,738
- Restricted balances with central banks	-	-	-	3,023,718	-	-	-	-	-	-	-	-	3,023,718
Assets under management	-	-	-	14,655	-	-	-	-	-	-	-	-	14,655
Financial assets at FVTPL:													
- Treasury bills	-	-	-	-	-	-	13,334	-	-	-	-	-	13,334
- Government bonds	-	-	-	-	-	-	42,898	-	-	-	-	-	42,898
Derivative assets	-	-	-	197,588	-	-	-	-	-	-	-	-	197,588
Loans and advances to banks	-	-	-	203,857	-	-	-	-	-	-	-	-	203,857
Loans and advances to customers:													
Individuals													
- Overdrafts	-	-	-	-	60,657	-	-	-	-	-	-	-	60,657
- Term loans	-	-	-	-	427,312	-	-	-	-	-	-	-	427,312
Corporates													
- Overdrafts	110,890	57,699	8,388	76,436	30,328	103,558	71,561	57,562	92,368	122,742	82,958	12,696	827,188
- Term loans	135,566	578,939	4,620	539,770	465,140	743,102	565,858	204,355	655,132	1,192,860	323,158	68,295	5,476,794
- Others	-	-	-	-	-	2,034	-	-	-	-	-	-	2,034
Investment securities:													
At Amortised cost													
- Treasury bills	-	-	-	-	-	-	2,914,889	-	-	-	-	-	2,914,889
- Bonds	-	-	-	154,374	-	-	3,846,896	-	-	-	-	-	4,001,270
At FVOCI													
- Treasury bills	-	-	-	-	-	-	2,374,867	-	-	-	-	-	2,374,867
- Bonds	-	-	-	-	-	-	1,748,312	-	-	-	-	-	1,748,312
- Promissory notes	-	-	-	-	-	-	8,557	-	-	-	-	-	8,557
Other assets	-	-	-	606,795	144,167	-	-	-	-	-	-	-	750,962
Total financial assets	**246,456**	**636,638**	**13,008**	**9,851,056**	**1,127,604**	**848,694**	**11,587,172**	**261,917**	**747,500**	**1,315,601**	**406,116**	**80,991**	**27,122,754**
Commitments and guarantees													
- Performance bonds and guarantees	3,696	616,839	200	2,063	10,126	46,809	-	2,828	84,482	290,063	23,909	17,915	1,098,930
- Letters of credits	242	14,703	-	708	-	49,361	-	7,468	97,967	89,296	-	-	259,745
- Loan Commitments	-	-	-	-	-	-	-	-	-	109,953	-	-	109,953
Total commitments and guarantees	**3,938**	**631,542**	**200**	**2,771**	**10,126**	**96,170**	**-**	**10,296**	**182,449**	**489,312**	**23,909**	**17,915**	**1,468,628**

4 FINANCIAL RISK MANAGEMENT - CONTINUED

4.5 Credit risk - Continued

Credit concentration - Industry - Continued

The following table analyses the Bank's credit exposure at carrying amounts (without taking into account any collateral held or other credit support), as categorised by the industry sectors of the Bank's counterparties. The amounts stated are net of impairment allowances.

Bank *In millions of Nigerian Naira*	Agriculture	Construction and Real Estate	Education	Finance and Insurance	General	General Commerce	Govern-ments	Information and Communication	Manufacturing	Oil and Gas	Power and Energy	Transportation and Storage	Total
30 June 2024													
Financial assets													
In millions of Nigerian Naira													
- Current balances with banks	-	-	-	2,569,817	-	-	-	-	-	-	-	-	2,569,817
- Unrestricted balances with Central Banks	-	-	-	15,760	-	-	-	-	-	-	-	-	15,760
- Money market placements	-	-	-	810,901	-	-	-	-	-	-	-	-	810,901
- Restricted balances with central banks	-	-	-	2,709,984	-	-	-	-	-	-	-	-	2,709,984
Assets under management	-	-	-	14,655	-	-	-	-	-	-	-	-	14,655
Financial assets at FVTPL:													
- Treasury bills	-	-	-	-	-	-	13,334	-	-	-	-	-	13,334
- Government bonds	-	-	-	-	-	-	2	-	-	-	-	-	2
Derivative assets	-	-	-	197,588	-	-	-	-	-	-	-	-	197,588
Loans and advances to banks	-	-	-	192,835	-	-	-	-	-	-	-	-	192,835
Loans and advances to customers:													
Individuals													
- Overdrafts	-	-	-	-	6,887	-	-	-	-	-	-	-	6,887
- Term loans	-	-	-	-	63,896	-	-	-	-	-	-	-	63,896
Corporates													
- Overdrafts	6,447	5,386	895	30,261	29,800	139,417	7,106	10,609	32,166	28,155	66,050	11	356,303
- Term loans	31,283	264,939	1,982	531,070	241,777	468,357	321,423	92,476	376,982	848,431	246,163	15	3,424,898
- Others	-	-	-	-	-	2,034	-	-	-	-	-	-	2,034
Investment securities:													
At amortised cost													
- Bonds	-	-	-	-	-	-	250,959	-	-	-	-	-	250,959
At FVOCI													
- Treasury bills	-	-	-	-	-	-	1,949,079	-	-	-	-	-	1,949,079
- Promissory notes	-	-	-	-	-	-	8,557	-	-	-	-	-	8,557
- Bonds	-	-	-	-	-	-	1,540,729	-	-	-	-	-	1,540,729
Other assets	-	-	-	76,990	574,831	-	-	-	-	-	-	-	651,821
Total financial assets	**37,730**	**270,325**	**2,877**	**7,149,861**	**917,191**	**609,808**	**4,091,189**	**103,085**	**409,148**	**876,586**	**312,213**	**26**	**14,780,038**
Commitments and guarantees													
- Performance bonds and guarantees	1,260	452,488	200	-	10,126	17,539	-	1,055	10,032	242,194	21,360	493	756,747
- Letters of credits	242	6,457	-	708	-	48,653	-	7,468	32,219	17	-	-	95,764
- Loan Commitments	-	-	-	-	-	-	-	-	-	57,866	-	-	57,866
Total commitments and guarantees	**1,502**	**458,945**	**200**	**708**	**10,126**	**66,192**	**-**	**8,523**	**42,251**	**300,077**	**21,360**	**493**	**910,377**

4 FINANCIAL RISK MANAGEMENT - CONTINUED

Credit concentration - Industry - Continued

Group *In millions of Nigerian Naira*	Agriculture	Construction and Real Estate	Education	Finance and Insurance	General	General Commerce	Govern-ments	Information and Communication	Manufacturing	Oil and Gas	Power and Energy	Transportation and Storage	Total
December 31, 2023													
Cash and bank balances:													
- Current balances with banks	-	-	-	2,081,261	-	-	-	-	-	-	-	-	2,081,261
- Unrestricted balances with Central Banks	-	-	-	697,528	-	-	-	-	-	-	-	-	697,528
- Money market placements	-	-	-	429,915	-	-	-	-	-	-	-	-	429,915
- Restricted balances with central banks	-	-	-	2,686,563	-	-	-	-	-	-	-	-	2,686,563
Assets under management	-	-	-	14,026	-	-	-	-	-	-	-	-	14,026
Financial assets at FVTPL:													
- Treasury bills	-	-	-	-	-	-	525	-	-	-	-	-	525
- Government Bonds	-	-	-	-	-	-	33,324	-	-	-	-	-	33,324
Derivative assets	-	-	-	498,824	-	-	-	-	-	-	-	-	498,824
Loans and advances to banks	-	-	-	320,732	-	-	-	-	-	-	-	-	320,732
Loans and advances to customers:													
Individuals													
- Overdrafts	-	-	-	-	21,162	-	-	-	-	-	-	-	21,162
- Term loans	-	-	-	-	334,058	-	-	-	-	-	-	-	334,058
Corporates													
- Overdrafts	138,178	66,039	5,343	50,084	26,201	308,355	63,696	59,155	189,078	114,609	28,568	19,804	1,069,110
- Term loans	79,426	422,886	6,362	278,353	250,559	275,045	441,850	321,387	473,325	967,333	229,772	45,889	3,792,187
- Others	-	-	-	-	-	12,331	-	-		-	-		12,331
Investment securities:													-
At Amortised cost													
- Treasury bills	-	-	-	-	-	-	1,821,121	-	-	-	-	-	1,821,121
- Bonds	-	-	-	14,726	-	-	2,479,109	-	-	-	-	-	2,493,835
At FVOCI													
- Treasury bills	-	-	-	-	-	-	1,850,215	-	-	-	-	-	1,850,215
- Bonds	-	-	-	-	-	-	946,163	-	-	-	-	-	946,163
- Promissory notes	-	-	-	-	-	-	9,400	-	-	-	-	-	9,400
Other assets	-	-	-	576,144	144,167	-	-	-	-	-	-	-	720,311
Total financial assets	**217,604**	**488,925**	**11,705**	**7,648,156**	**776,147**	**595,731**	**7,645,403**	**380,542**	**662,403**	**1,081,942**	**258,340**	**65,693**	**19,832,591**
Commitments and guarantees													
- Performance bonds and guarantees	5,141	752,124	200	1,624	268,011	144,129	-	12,125	59,580	121,464	142,637	25,066	1,532,101
- Letters of credits	1,085	9,340	-	698	3,172	421,237	-	37,364	60,692	691,202	31,066	-	1,255,856
- Loan commitments	-	-	-	-	-	-	-	-	-	79,766	-	-	79,766
Total commitments and guarantees	**6,226**	**761,464**	**200**	**2,322**	**271,183**	**565,366**	**-**	**49,489**	**120,272**	**892,432**	**173,703**	**25,066**	**2,867,723**

4 FINANCIAL RISK MANAGEMENT - CONTINUED

Credit Concentration - Industry - Continued

Bank *In millions of Nigerian Naira*	Agriculture	Construction and Real Estate	Education	Finance and Insurance	General	General Commerce	Governments	Information and Communication	Manufacturing	Oil and Gas	Power and Energy	Transportation and Storage	Total
December 31, 2023													
Financial assets													
In millions of Nigerian Naira													
Cash and bank balances:													
- Current balances with banks	-	-	-	1,763,642	-	-	-	-	-	-	-	-	1,763,642
- Unrestricted balances with Central Banks	-	-	-	230,732	-	-	-	-	-	-	-	-	230,732
- Money market placements	-	-	-	410,471	-	-	-	-	-	-	-	-	410,471
- Restricted balances with central banks	-	-	-	2,585,578	-	-	-	-	-	-	-	-	2,585,578
Assets under management	-	-	-	14,026	-	-	-	-	-	-	-	-	14,026
Financial assets at FVTPL:													
- Treasury bills	-	-	-	-	-	-	525	-	-	-	-	-	525
- Government Bonds	-	-	-	-	-	-	9	-	-	-	-	-	9
Derivative assets	-	-	-	498,824	-	-	-	-	-	-	-	-	498,824
Loans and advances to banks	-	-	-	147,547	-	-	-	-	-	-	-	-	147,547
Loans and advances to customers:													
Individuals													
- Overdrafts	-	-	-	-	6,336	-	-	-	-	-	-	-	6,336
- Term loans	-	-	-	-	50,672	-	-	-	-	-	-	-	50,672
Corporates													
- Overdrafts	20,401	8,251	250	35,638	23,035	145,856	29,009	32,323	135,309	38,386	628	3,678	472,764
- Term loans	19,003	243,735	3,447	257,445	243,835	285,613	290,003	238,118	360,460	648,201	184,765	3,645	2,778,270
- Others	-	-	-	-	-	12,331	-	-	-	-	-	-	12,331
Investment securities:													
At Amortised cost													
- Bonds	-	-	-	107,158	-	-	67,548	-	-	-	-	-	174,706
At FVOCI													
- Treasury bills	-	-	-	-	-	-	1,590,294	-	-	-	-	-	1,590,294
- Promissory notes	-	-	-	-	-	-	9,400	-	-	-	-	-	9,400
- Bonds	-	-	-	-	-	-	832,642	-	-	-	-	-	832,642
Other assets	-	-	-	27,635	561,493	-	-	-	-	-	-	-	589,128
Total financial assets	**39,404**	**251,986**	**3,697**	**6,078,696**	**885,371**	**443,800**	**2,819,430**	**270,441**	**495,769**	**686,587**	**185,393**	**7,323**	**12,167,897**
Commitments and guarantees													
- Performance bonds and guarantees	895	281,088	200	-	192,245	34,637	-	1,040	3,064	101,803	85,836	4,978	705,786
- Letters of credits	1,085	4,130	-	698	3,172	85,395	-	28,396	50,295	37,046	193	-	210,410
- Loan commitments	-	-	-	-	-	-	-	-	-	46,453	-	-	46,453
Total commitments and guarantees	**1,980**	**285,218**	**200**	**698**	**195,417**	**120,032**	**-**	**29,436**	**53,359**	**185,302**	**86,029**	**4,978**	**962,650**

4 FINANCIAL RISK MANAGEMENT - CONTINUED

4.5 Credit risk - Continued

(c) Credit Quality

The Group manages the credit quality of its financial assets using internal credit ratings. It is the Group's policy to maintain accurate and consistent risk ratings across the credit portfolio. This facilitates focused management of the applicable risks and the comparison of credit exposures across all lines of business, geographic regions and products. The rating system is supported by a variety of financial analytics, combined with processed market information to provide the main inputs for the measurement of counterparty risk.

All internal risk ratings are tailored to the various categories and are derived in accordance with the Group's rating policy. The attributable risk ratings are assessed and updated regularly.

The credit quality of the Group's loans and advances are categorized as follows:

Stage 1 Loans and Advances:
These are loans and advances that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk (where the optional simplification is applied) at the reporting date.

Stage 2 Loans and Advances:

These are loans and advances that have deteriorated significantly in credit quality since initial recognition but do not have objective evidence of a credit loss event.

Stage 3 Loans and Advances:

These are loans and advances that have objective evidence of a credit loss event. Stage 3 allocation is driven by either the identification of credit impairment or an exposure being classified as defaulted.

Impaired loans and securities

Impaired loans and securities are loans and securities for which the Group determines that it is probable that it will be unable to collect all principal and interest due according to the contractual terms of the loan / securities agreement(s). These are loans and securities specifically impaired.

Loans with renegotiated terms

'The contractual terms of a loan may be modified for a number of reasons including changing market conditions, customer retention and other factors not related to a current or potential credit deterioration of the customer. The Group renegotiates loans to customers to maximise collection opportunities and minimise the risk of default. The revised terms of renegotiated facilities usually include extended maturity, changing timing of interest payments and amendments to the terms of the loan agreement. As at 30 June 2024, the carrying amount of loans with renegotiated terms was ₦99.55 billion (December 2023 : ₦73.30 billion). There are no other financial assets with renegotiated terms as at 30 June 2024 (December 2023: nil).

Impairment assessment under IFRS

The Group assesses its impairment for the purpose of IFRS reporting using the 'forward-looking' Expected Credit Loss (ECL) model in line with provisions of IFRS 9 - Financial Instrument.

The Group records an allowance for expected losses for all loans and other debt financial assets not held at FVPL, together with loan commitments and financial guarantee contracts. The allowance is based on the expected credit losses associated with the probability of default in the next twelve months unless there has been a significant increase in credit risk since origination, in which case, the allowance is based on the probability of default over the life of the asset. The measurement of expected credit losses is based on the product of the instrument's probability of default (PD), loss given default (LGD), and exposure at default (EAD), discounted to the reporting date using the effective interest rate.

The ECL model has three stages. The Group recognises a 12-month expected loss allowance on initial recognition (stage 1) and a lifetime expected loss allowance when there has been a significant increase in credit risk since initial recognition (stage 2). Stage 3 requires objective evidence that an asset is credit-impaired and then a lifetime expected loss allowance is recognised.

4. FINANCIAL RISK MANAGEMENT - CONTINUED

4.5 Credit risk - Continued

c. Credit Quality - Continued

(i) The table below shows the credit quality by class of asset for all financial assets exposed to credit risk.

June 30, 2024	Group				Bank			
In millions of Nigerian Naira	Stage 1 - 12-month ECL	Stage 2 - Lifetime ECL	Stage 3 - Lifetime ECL	Total	Stage 1 - 12-month ECL	Stage 2 - Lifetime ECL	Stage 3 - Lifetime ECL	Total
Cash and bank balances:								
- Current balances with banks	2,797,677	-	-	2,797,677	2,569,817	-	-	2,569,817
- Unrestricted balances with Central Banks	1,126,447	-	-	1,126,447	15,760	-	-	15,760
- Money market placements	1,109,738	-	-	1,109,738	810,901	-	-	810,901
- Restricted balances with central banks	3,023,718	-	-	3,023,718	2,709,983	-	-	2,709,983
Assets under management	14,655			14,655	14,655			14,655
Financial assets at FVTPL:								
- Treasury bills	13,334	-	-	13,334	13,334	-	-	13,334
- Government bonds	42,898	-	-	42,898	2	-	-	2
Derivative assets	197,588	-	-	197,588	197,588	-	-	197,588
Loans and advances to banks	207,592	-	-	207,592	195,955	-	-	195,955
Loans and advances to customers								
Individuals								
- Overdrafts	10,568	6,588	52,013	69,169	1,686	-	11,529	13,215
- Term loans	419,076	14,280	21,708	455,064	67,825	289	1,075	69,189
Corporates								
- Overdrafts	385,598	245,833	258,541	889,972	171,482	126,572	83,999	382,053
- Term loans	4,542,972	982,242	116,921	5,642,135	2,532,609	865,611	82,623	3,480,843
- Others	2,034	-	-	2,034	2,034	-	-	2,034
Investment securities:								
At Amortised Cost								
- Treasury bills	2,724,755	-	190,134	2,914,889	-	-	-	-
- Bonds	3,809,821	-	275,578	4,085,399	254,157	-	-	254,157
At FVOCI								
- Treasury bills	2,374,867	-	-	2,374,867	1,949,079	-	-	1,949,079
- Bonds	1,748,312	-	-	1,748,312	1,540,729	-	-	1,540,729
- Promissory notes	8,557	-	-	8,557	8,557	-	-	8,557
Other assets	750,962	-	25,071	776,033	651,820	-	20,586	672,406
Gross financial assets	**25,311,169**	**1,248,943**	**939,966**	**27,500,078**	**13,707,973**	**992,472**	**199,812**	**14,900,257**
Allowance for impairment on financial assets is as follows:								
Allowance for credit losses								
Loans and advances to customers								
- Individuals	15,652	1,786	18,826	36,264	4,604	19	6,998	11,621
- Corporates	97,357	31,069	99,700	228,126	14,518	16,155	51,022	81,695
Loans and advances to banks	3,735	-	-	3,735	3,120	-	-	3,120
	116,744	**32,855**	**118,526**	**268,125**	**22,242**	**16,174**	**58,020**	**96,436**
Allowance for impairment								
Other assets	25,071	-	-	25,071	20,586	-	-	20,586
FVOCI and amortised cost securities	84,129	-	-	84,129	3,198	-	-	3,198
	109,200	**-**	**-**	**109,200**	**23,784**	**-**	**-**	**23,784**
Total impairment allowance on financial assets	**225,944**	**32,855**	**118,526**	**377,325**	**46,026**	**16,174**	**58,020**	**120,220**
Net amount	**25,085,225**	**1,216,088**	**821,440**	**27,122,753**	**13,661,947**	**976,298**	**141,792**	**14,780,037**

4. FINANCIAL RISK MANAGEMENT - CONTINUED

4.5 Credit risk - Continued

c. Credit Quality - Continued

December 31, 2023	Group				Bank			
In millions of Nigerian Naira	Stage 1 - 12-month ECL	Stage 2 - Lifetime ECL	Stage 3 - Lifetime ECL	Total	Stage 1 - 12-month ECL	Stage 2 - Lifetime ECL	Stage 3 - Lifetime ECL	Total
Cash and bank balances:								
- Current balances with banks	2,081,261	-	-	2,081,261	1,763,642	-	-	1,763,642
- Unrestricted balances with Central Banks	697,528	-	-	697,528	230,732	-	-	230,732
- Money market placements	429,915	-	-	429,915	410,471	-	-	410,471
- Restricted balances with central banks	2,686,563	-	-	2,686,563	2,585,577	-	-	2,585,577
Assets under management	14,026			14,026	14,026			14,026
Financial assets at FVTPL:								
- Treasury bills	525	-	-	525	525	-	-	525
- Government bonds	33,324	-	-	33,324	9	-	-	9
Derivative assets	498,824	-	-	498,824	498,824	-	-	498,824
Loans and advances to banks	323,915	-	-	323,915	150,606	-	-	150,606
Loans and advances to customers								
Individuals								
- Overdrafts	3,796	4,264	33,182	41,242	1,779	-	9,283	11,062
- Term loans	333,474	12,006	8,988	354,468	64,990	404	2,646	68,040
Corporates								
- Overdrafts	683,463	259,839	216,126	1,159,428	363,138	48,105	72,461	483,704
- Term loans	3,272,829	548,884	80,530	3,902,243	2,321,129	492,435	60,902	2,874,466
- Others	12,883	-	-	12,883	12,883	-	-	12,883
Investment securities:								
At Amortised Cost								
- Treasury bills	1,686,899	-	134,222	1,821,121	-	-	-	-
- Bonds	2,366,241	-	192,944	2,559,185	181,908	-	-	181,908
At FVOCI								
- Treasury bills	1,850,215	-	-	1,850,215	1,590,294	-	-	1,590,294
- Bonds	946,163	-	-	946,163	832,642	-	-	832,642
- Promissory notes	9,400	-	-	9,400	9,400	-	-	9,400
Other assets	720,311	-	28,945	749,256	589,128	-	22,733	611,861
Gross financial assets	**18,651,555**	**824,993**	**694,937**	**20,171,485**	**11,621,703**	**540,944**	**168,025**	**12,330,672**
Allowance for impairment on financial assets is as follows:								
Allowance for credit losses								
Loans and advances to customers								
- Individuals	21,923	1,511	17,056	40,490	14,907	26	7,161	22,094
- Corporates	123,075	15,715	62,136	200,926	72,445	14,291	20,952	107,688
Loans and advances to banks	3,183	-	-	3,183	3,059	-	-	3,059
	148,181	**17,226**	**79,192**	**244,599**	**90,411**	**14,317**	**28,113**	**132,841**
Allowance for impairment								
Other assets	28,945	-	-	28,945	22,733	-	-	22,733
Investment securities	65,350	-	-	65,350	7,202	-	-	7,202
	94,295	**-**	**-**	**94,295**	**29,935**	**-**	**-**	**29,935**
Total impairment allowance on financial assets	**242,476**	**17,226**	**79,192**	**338,894**	**120,346**	**14,317**	**28,113**	**162,776**
Net amount	**18,409,187**	**807,767**	**615,745**	**19,832,699**	**11,501,357**	**526,627**	**139,912**	**12,167,897**

4. FINANCIAL RISK MANAGEMENT - CONTINUED

4.5 Credit risk - Continued

c. Credit Quality - Continued

(ii) The internal credit rating of financial assets that are classified as Stage 1 at the reporting date is as follows:

Group

June 30, 2024

In millions of Nigerian Naira	Very Low risk	Low risk	Acceptable risk	Moderately High risk	Unrated	Gross Amount	Allowance for credit losses	Carrying amount
Cash and bank balances:								
- Current balances with banks	-	2,797,677	-	-	-	2,797,677	-	2,797,677
- Unrestricted balances with Central Banks	1,126,447	-	-	-	-	1,126,447	-	1,126,447
- Money market placements	-	1,109,738	-	-	-	1,109,738	-	1,109,738
- Restricted balances with central banks	3,023,718	-	-	-	-	3,023,718	-	3,023,718
Assets under management	-	14,655	-	-	-	14,655	-	14,655
Financial assets at FVTPL:								
- Treasury bills	13,334	-	-	-	-	13,334	-	13,334
- Government bonds	42,898	-	-	-	-	42,898	-	42,898
Derivative assets	197,588	-	-	-	-	197,588	-	197,588
Loans and advances to banks	-	11,758	195,834	-	-	207,592	(3,735)	203,857
Loans and advances to customers								
Individuals								
- Overdrafts	-	-	10,568	-	-	10,568	(1,172)	9,396
- Term loans	-	-	419,076	-	-	419,076	(14,480)	404,596
Corporates						-		
- Overdrafts	37,477	90,515	257,606	-	-	385,598	(22,984)	362,614
- Term loans	91,135	54,931	4,396,906	-	-	4,542,972	(74,373)	4,468,599
- Others	-	-	2,034	-	-	2,034	-	2,034
Investment securities:								
At Amortised Cost								
- Treasury bills	2,724,755	-	-	-	-	2,724,755	-	2,724,755
- Bonds	3,788,623	19,969	1,229	-	-	3,809,821	(84,129)	3,725,692
At FVOCI								
- Treasury bills	2,374,867	-	-	-	-	2,374,867	-	2,374,867
- Bonds	1,748,312	-	-	-	-	1,748,312	-	1,748,312
-Promissory notes	8,557	-	-	-	-	8,557		8,557
Other assets	-	-	-	-	750,962	750,962	(25,071)	687,877
	15,177,711	**4,099,243**	**5,283,253**	**-**	**712,948**	**25,311,169**	**(225,944)**	**25,085,224**

4. FINANCIAL RISK MANAGEMENT - CONTINUED

4.5 Credit risk - Continued

c. Credit Quality - Continued

(ii) The internal credit rating of financial assets that are classified as Stage 1 at the reporting date is as follows:

Group

December 31, 2023

In millions of Nigerian Naira	Very Low risk	Low risk	Acceptable risk	Moderately High risk	Unrated	Gross Amount	Allowance for credit losses	Carrying amount
Cash and bank balances:								
- Current balances with banks	-	2,081,261	-	-	-	2,081,261	-	2,081,261
- Unrestricted balances with Central Banks	697,528	-	-	-	-	697,528	-	697,528
- Money market placements	-	429,915	-	-	-	429,915	-	429,915
- Restricted balances with central banks	2,687,115	-	-	-	-	2,686,563	-	2,686,563
Assets under management	-	14,026	-	-	-	14,026	-	14,026
Financial assets at FVTPL:								
- Treasury bills	525	-	-	-	-	525	-	525
- Government bonds	33,324	-	-	-	-	33,324	-	33,324
Derivative assets	498,824	-	-	-	-	498,824	-	498,824
Loans and advances to banks	-	11,758	312,157	-	-	323,915	(3,183)	320,732
Loans and advances to customers						-		
Individuals						-		
- Overdrafts	-	-	3,796	-	-	3,796	(2,113)	1,683
- Term loans	-	-	333,474	-	-	333,474	(19,810)	313,664
Corporates								
- Overdrafts	14,994	90,515	577,954	-	-	683,463	(51,104)	632,359
- Term loans	69,812	54,931	3,148,086	-	-	3,272,829	(71,419)	3,201,410
- Others	-	-	12,883	-	-	12,883	(552)	12,331
Investment securities:						-		
At Amortised Cost						-		
- Treasury bills	1,686,899	-	-	-	-	1,686,899	-	1,686,899
- Bonds	2,345,043	19,969	1,229	-	-	2,366,241	(65,350)	2,300,891
At FVOCI								
- Treasury bills	1,850,215	-	-	-	-	1,850,215	-	1,850,215
- Bonds	946,163	-	-	-	-	946,163	-	946,163
-Promissory notes	9,400	-	-	-	-	9,400		9,400
Other assets	-	-	-	-	720,311	720,311	(28,945)	691,366
								-
	10,839,842	**2,702,375**	**4,389,579**	**-**	**720,311**	**18,651,555**	**(242,476)**	**18,409,079**

UNITED BANK FOR AFRICA PLC

NOTES TO FINANCIAL STATEMENTS

For the period ended 30 June 2024

4. FINANCIAL RISK MANAGEMENT - CONTINUED

4.5 Credit risk - Continued

c. Credit Quality - Continued

Bank

June 30, 2024

In millions of Nigerian Naira	Very Low risk	Low risk	Acceptable risk	Moderately High risk	Unrated	Gross Amount	Allowance for credit losses	Carrying amount
Cash and bank balances:								
- Current balances with banks	-	2,569,817	-	-	-	2,569,817	-	2,569,817
- Unrestricted balances with Central Banks	15,760	-	-	-	-	15,760	-	15,760
- Money market placements	-	810,901	-	-	-	810,901	-	810,901
- Restricted balances with central banks	2,709,983	-	-	-	-	2,709,983	-	2,709,983
Assets under management	-	14,655	-	-	-	14,655	-	14,655
Financial assets at FVTPL:								-
- Treasury bills	13,334	-	-	-	-	13,334	-	13,334
- Government bonds	2	-	-	-	-	2	-	2
Derivative assets	197,588	-	-	-	-	197,588	-	197,588
Loans and advances to banks	-	195,955	-	-	-	195,955	(3,120)	192,835
Loans and advances to customers								
Individuals								
- Overdrafts	-	-	1,686	-	-	1,686	(356)	1,330
- Term loans	-	-	67,825	-	-	67,825	(4,248)	63,577
Corporates								-
- Overdrafts	-	84,402	87,080	-	-	171,482	(1,502)	169,980
- Term loans	53,540	21,538	2,436,034	-	-	2,511,112	(13,016)	2,498,096
- Others	-	-	2,034	-	-	2,034	-	2,034
Investment securities:								-
At Amortised Cost								-
- Treasury bills	-	-	-	-	-	-	-	-
- Bonds	232,959	19,969	1,229	-	-	254,157	(3,198)	250,959
At FVOCI								-
- Treasury bills	1,949,079	-	-	-	-	1,949,079	-	1,949,079
- Bonds	1,540,729	-	-	-	-	1,540,729	-	1,540,729
- Promissory notes	8,557	-	-	-	-	8,557	-	8,557
Other assets	-	-	-	-	651,821	651,821	(20,586)	631,235
	6,721,531	**3,717,236**	**2,595,888**	**-**	**651,821**	**13,686,477**	**(46,026)**	**13,640,451**

4. FINANCIAL RISK MANAGEMENT - CONTINUED

4.5 Credit risk - Continued

c. Credit Quality - Continued

Bank

December 31, 2023

In millions of Nigerian Naira	Very Low risk	Low risk	Acceptable risk	Moderately High risk	Unrated	Gross Amount	Allowance for credit losses	Carrying amount
Cash and bank balances:								
- Current balances with banks	-	1,763,642	-	-	-	1,763,642	-	1,763,642
- Unrestricted balances with Central Banks	230,732	-	-	-	-	230,732	-	230,732
- Money market placements	-	410,471	-	-	-	410,471	-	410,471
- Restricted balances with central banks	2,586,129	-	-	-	-	2,586,680	-	2,586,680
Assets under management	-	14,026	-	-	-	12,923	-	12,923
Financial assets at FVTPL:								
- Treasury bills	525	-	-	-	-	525	-	525
- Government bonds	9	-	-	-	-	9	-	9
Derivative assets	498,824	-	-	-	-	498,824	-	498,824
Loans and advances to banks	-	150,606	-	-	-	150,606	(3,059)	147,547
Loans and advances to customers								
Individuals								
- Overdrafts	-	-	11,062	-	-	1,779	(95)	1,684
- Term loans	-	-	68,040	-	-	64,990	(14,812)	50,178
Corporates								
- Overdrafts	-	84,402	399,302	-	-	363,138	(2,627)	360,511
- Term loans	49,324	27,269	2,797,873	-	-	2,321,129	(69,266)	2,251,863
- Others	-	-	12,883	-	-	12,883	(552)	12,331
Investment securities:								
At Amortised Cost								
- Treasury bills	-	-	-	-	-	-	-	-
- Bonds	160,710	19,969	1,229	-	-	181,908	(7,202)	174,706
At FVOCI								
- Treasury bills	1,590,294	-	-	-	-	1,590,294	-	1,590,294
- Bonds	832,642	-	-	-	-	832,642	-	832,642
- Promissory notes	9,400	-	-	-	-	9,400	-	9,400
Other assets	-	-	-	-	589,128	589,128	(22,733)	566,395
	5,958,589	**2,470,385**	**3,290,390**	**-**	**589,128**	**11,621,703**	**(120,346)**	**11,501,357**

4. FINANCIAL RISK MANAGEMENT - CONTINUED

4.5 Credit risk - Continued

(d) Statement of Prudential Adjustments

Provisions under prudential guidelines are determined using the time based provisioning prescribed by the Revised Central Bank of Nigeria (CBN) Prudential Guidelines and the Central Banks of the foreign subsidiaries' regulations. This is at variance with the expected credit loss model required by IFRS under IFRS 9. As a result of the differences in the methodology/provision, there will be variances in the impairments allowances required under the two methodologies.

Paragraph 12.4 of the revised Prudential Guidelines for Deposit Money Banks in Nigeria stipulates that Banks would be required to make provisions for loans as prescribed in the relevant IFRS Standards when IFRS is adopted.

However, Banks would be required to comply with the following:

Provisions for loans recognized in the profit and loss account should be determined based on the requirements of IFRS. However, the IFRS provision should be compared with provisions determined under prudential guidelines and the expected impact/changes in general reserves should be treated as follows:

- Prudential Provisions is greater than IFRS provisions; the excess provision resulting therefrom should be transferred from the general reserve account to a "regulatory risk reserve".
- Prudential Provisions is less than IFRS provisions; IFRS determined provision is charged to the statement of comprehensive income. The cumulative balance in the regulatory risk reserve is thereafter reversed to the general reserve account.

As at 30 June 2024, the difference between the Prudential provision and IFRS impairment was ₦16.794 billion for the Group (December 2023: ₦18.146 billion) and ₦240.997 billion for the Bank (December 2023: ₦164.346 billion). As the IFRS impairment is more than the prudential provision, this requires no transfer to/from retained earnings to regulatory credit risk reserve at the Group but a transfer of ₦76.651 billion was made to regulatory credit risk reserve from retained earnings at the Bank, as disclosed in the statement of changes in equity. These amounts represent the difference between provisions for credit and other known losses as determined under the prudential guidelines issued by the Central Bank of Nigeria (CBN) and the Central Banks of foreign subsidiaries, and impairment reserve as determined in line with IFRS 9 as at year end.

	Group		Bank	
In millions of Nigerian Naira	Jun. 2024	Dec. 2023	Jun. 2024	Dec. 2023
Total impairment based on IFRS	381,604	344,672	124,835	168,555
Total impairment based on Prudential Guidelines	364,811	362,818	365,832	332,902
Regulatory credit risk reserve (required)	16,794	(18,146)	(240,997)	(164,346)
Regulatory credit risk reserve (opening)	(18,146)	(52,645)	(164,346)	(54,265)
Transfer (to)/from regulatory risk reserve	**-**	**34,499**	**(76,651)**	**(110,081)**

4 FINANCIAL RISK MANAGEMENT - CONTINUED

4.5 Credit risk - Continued

(e) Credit Collateral

The Group holds collateral against loans and advances to customers in the form of mortgage interests over property, other registered securities over assets, and guarantees. Estimates of fair value are based on the value of collateral assessed at the time of borrowing and updated periodically. Collateral generally is not held over loans and advances to banks except when securities are held as part of reverse repurchase and securities borrowing activity. Collateral is usually also not held against investment securities.

Irrespective of how well a credit proposal is structured, a second way out in form of adequate collateral coverage for all loans is a major requirement in order to protect the bank from incurring loan losses due to unforeseen events resulting from deterioration of the quality of a loan.

Consequently, the Group issues appropriate guidelines for acceptability of loan collateral from time to time, and during the period, there were no changes in the Group's collateral policies that would warrant any change in collateral quality. These articulate acceptable collateral in respect of each credit product including description, required documentation for perfection of collateral and minimum realizable value.

All items pledged as security for loan facilities are insured with the Bank noted as the first loss payee.

Some of the collaterals acceptable to the Bank under appropriate documentations are briefly described as follows:

1. Cash
Cash is the most liquid and readily realizable form of security and the most acceptable to the Bank. Furthermore, cash pledged must be in the same currency as the credit and also in the possession of the Bank either in savings or a deposit account.

2. Treasury bills/certificates
Treasury bills/certificates are acceptable as bank security provided the instruments are purchased through the Bank and have been properly assigned to the bank. Since payments are channelled through the Bank on due dates, realization of the security is relatively easy.

3. Stock and shares
Stocks and shares of reputable quoted companies are acceptable collateral securities. Unquoted shares are usually not acceptable as collaterals.

4. Legal Mortgage
The Bank takes and perfects its interest in acceptable property that are transferred by the obligor as collateral for loan, such that in case of any default by the obligor, the Bank would not require a court order before realizing the security. Location restrictions are however specified in respect of landed property.

5. Debenture
The Bank accepts to take a charge on both current and non-current assets of a borrower by a debenture which is a written acknowledgement of indebtedness by a company usually given under its seal and also sets out the terms for repayment of interest and principal of the credit. A debenture is executed by an obligor in favour of the Bank and it gives a specific or general charge on the company's assets, both present and future.

6. Life Insurance Policies
Generally, life policy with a reputable insurance company approved by the Bank and free of restrictions adverse to the Bank's interest is an acceptable security for loan. This could be an endowment policy or whole life policy though the Bank prefers the endowment policy.

7. Guarantees
The Bank accepts guarantees from well rated banks as well as acceptable parties (guarantors) as additional comfort and security for loans. A guarantee is a written promise by one person called the guarantor or surety to be answerable for the debt, default or miscarriage of another person called principal debtor.

UBA also accepts unconditional insurance credit and performance bonds of first class insurance companies and also the guarantee of the Federal and State Governments. Other guarantees must however be supported by tangible assets for them to become valid for lending

4. FINANCIAL RISK MANAGEMENT - CONTINUED

4.5 Credit risk - Continued

(e) Credit Collateral - Continued

An estimate of the fair value of collateral and other security enhancements held against loans and advances to customers is shown below:

	Group		Bank	
In millions of Nigerian Naira	**Jun. 2024**	**Dec. 2023**	**Jun. 2024**	**Dec. 2023**
Loans to individuals				
Against Stage 3 loans				
Property	-	-	-	-
Others	60,991	42,170	11,080	11,929
	60,991	42,170	11,080	11,929
Against Stage 2 loans				
Property	-	21	-	-
Others	20,870	16,271	348	405
	20,870	16,291	348	405
Against Stage 1 loans				
Property	1,932	2,703	1,495	727
Others	502,132	336,210	85,595	66,247
	504,064	338,913	87,090	66,974
Total for loans to individuals	**585,925**	**397,374**	**98,518**	**79,308**
Loans to corporates				
Against Stage 3 loans				
Property	253,481	170,369	221,667	110,431
Others	236,669	151,551	11,378	7,847
	490,150	**321,920**	**233,045**	**118,278**
Against Stage 2 loans				
Property	314,527	293,715	132,490	194,351
Others	1,367,604	612,500	1,055,604	387,866
	1,682,131	906,215	1,188,094	582,217
Against Stage 1 loans				
Property	1,030,783	758,249	430,671	403,377
Others	4,022,778	3,640,369	2,468,526	2,328,672
	5,053,561	4,398,618	2,899,197	2,732,049
Total for loans to corporates	**7,225,842**	**5,626,753**	**4,320,336**	**3,432,544**
Total for loans and advances to customers	**7,811,767**	**6,024,127**	**4,418,854**	**3,511,852**

Details of collateral held against loans and advances and off-balance sheet exposures and their carrying amounts are shown below. The Group manages collaterals for loans and advances based on the nature of those collaterals.

	Group		Bank	
June 30, 2024 *In millions of Nigerian Naira*	**Total Exposure**	**Value of Collateral**	**Total Exposure**	**Value of Collateral**
Loans and advances to banks				
Secured against other collateral*	98,968	123,947	87,852	111,280
Unsecured	104,983	-	104,983	-
	203,951	**123,947**	**192,835**	**111,280**
Loans and advances to customers				
Secured against real estate	920,017	1,600,723	503,872	786,323
Secured against cash	335,040	356,177	176,454	194,556
Secured against other collateral*	5,388,660	5,854,867	3,079,563	3,437,975
Unsecured	150,269	-	94,129	-
	6,793,986	**7,811,767**	**3,854,018**	**4,418,854**

* Other collateral are mainly domiciliation of payments (sales, invoices, salaries, allowances and terminal benefits), lien on shipping documents, corporate guarantees and similar collaterals.

4. FINANCIAL RISK MANAGEMENT - CONTINUED

4.5 Credit risk - Continued

(e) Credit Collateral - Continued

	Group		Bank	
June 30, 2024 *In millions of Nigerian Naira*	**Total Exposure**	**Value of Collateral**	**Total Exposure**	**Value of Collateral**
Off-balance sheet exposures				
Secured against real estate	39,852	45,759	15,866	18,063
Secured against cash	377,429	397,184	154,823	165,560
Secured against other collateral*	1,051,347	1,567,658	739,688	773,292
	1,468,628	**2,010,601**	**910,377**	**956,915**
December 31, 2023				
Loans and advances to banks				
Secured against other collateral*	202,543	749,183	71,496	101,679
Unsecured	28,462	-	28,462	-
	231,005	**749,183**	**99,958**	**101,679**
Loans and advances to customers				
Secured against real estate	811,873	530,168	620,744	708,887
Secured against cash	447,444	622,317	407,450	303,014
Secured against other collateral*	3,840,158	3,903,954	2,186,653	2,499,951
Unsecured	103,899	-	103,899	-
	5,203,374	**5,056,439**	**3,318,746**	**3,511,852**
Off-balance sheet exposures				
Secured against real estate	27,424	42,348	7,624	8,286
Secured against cash	262,860	319,045	200,710	306,624
Secured against other collateral*	2,577,439	2,098,998	754,292	987,651
	2,867,723	**2,460,391**	**962,650**	**1,302,561**

* Other collateral are mainly domiciliation of payments (sales, invoices, salaries, allowances and terminal benefits), lien on shipping documents, corporate guarantees and similar collaterals.

Other financial assets comprising cash and bank balances (including balances with central banks), financial assets held for trading, investment securities and accounts receivable are not secured. The Group's investment in government securities and its cash and balances with central banks are not considered to require collaterals given their sovereign nature.

(f) Repossessed collateral

The reposessed collateral in the Group's books have been recognized as assets classified as held for sale in line with IFRS 5. See note 34. These assets were held as collateral against certain loans and have been used in offsetting the affected customers' outstanding obligations.

Details of collaterals realised during the year is as shown below:

	Loans and advances to customers			
	Group		Bank	
In millions of Nigerian Naira	**Jun. 2024**	**Dec. 2023**	**Jun. 2024**	**Dec. 2023**
Property	911	5,939	60	1,704
	911	**5,939**	**60**	**1,704**

4. FINANCIAL RISK MANAGEMENT - CONTINUED

4.6 Liquidity risk

(a) Overview

Liquidity risk arises in the general funding of the Group's activities and in the management of position. Liquidity risk is the risk that the Group does not have sufficient financial resources to meet maturing obligations or can only access these financial resources at excessive cost. Liquidity risk includes both the risk of being unable to fund assets at appropriate maturities and rates and the risk of being unable to liquidate an asset at a reasonable price and in an appropriate time frame. To limit this risk, management has arranged for diversified funding sources in addition to its core deposit base, and adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on a daily basis. The Group remains well funded with strong liquidity position.

(i) Liquidity Risk Management

In terms of measuring, managing and mitigating liquidity mismatches, UBA Group focuses on two types of liquidity risk, namely funding liquidity risk and market liquidity risk. Funding liquidity risk is the risk that UBA Group is unable to meet its payment obligations as they fall due. These payment obligations could emanate from depositor withdrawals or the inability to roll over maturing debt or meet contractual commitments to lend. Market liquidity risk is the risk that the group will be unable to sell assets without incurring an unacceptable loss, in order to generate cash required to meet payment obligations under a stress liquidity event. The Group manages its liquidity prudently in all geographical locations and for all currencies. The principal uncertainties for liquidity risk are that customers withdraw their deposits at a substantially faster rate than expected, or that asset repayments are not received on the expected maturity date. To mitigate these uncertainties, our funding base is diverse and largely customer-driven, while customer assets are of short tenor. In addition we have contingency funding plans including a portfolio of liquid assets that can be realised if a liquidity stress occurs, as well as ready access to wholesale funds under normal market conditions. We have significant levels of marketable securities, including government securities that can be monetised or pledged as collateral in the event of a liquidity stress.

Contingency funding plans are reviewed and approved annually. They provide a broad set of Early Warning Indicators, an escalation framework and a set of management actions that could be effectively implemented by the appropriate level of senior management in the event of a liquidity stress. A similar plan is maintained within each country.

(ii) Liquidity Risk Governance

The board of directors retains ultimate responsibility for the effective management of liquidity risk. Through the Group Risk Management Committee (GRMC), the board has delegated its responsibility for the management of liquidity risk to the Group Assets & Liability Committee (GALCO). GALCO is the responsible governing management body that monitors liquidity management metrics. Liquidity in each country is managed by the country ALCO within pre-defined liquidity limits and in compliance with Group liquidity policies and practices, as well as local regulatory requirements. Group Market Risk management and Group Treasury are responsible for proactively managing liquidity risk at an operational, tactical and strategic level.

(iii) Liquidity Risk Measurement

There are two measures used across the Group for managing liquidity risk namely: liquidity ratio mechanism which is a statutory requirement from most Central Banks in order to protect third party deposits, and funding gap analysis of assets and liabilities. The funding gap analysis is applied through the use of a maturity ladder by assessing all the bank's cash inflows against outflows to identify the potential for net shortfalls or net funding requirements (i.e. a cumulative net excess or deficit of funds) at selected maturity dates. The maturity ladder is monitored on a day -to-day basis and stress testing is undertaken on a quarterly basis by applying different scenarios to the maturity ladder and assessing the bank's funding requirements under each scenario. All UBA businesses and subsidiaries also construct their maturity ladder and compile reports based on agreed assumptions which is consolidated into a global report for Group ALCO review. The country treasurer for each subsidiary/Group Head Balance Sheet Management also documents the appropriate actions and includes the same into the Contingency Funding Plan (CFP) for implementation.

Liquidity stress testing is also performed for each of UBA Group's major entities and operating subsidiaries. Stress testing and scenario analyses are intended to quantify the potential impact of a liquidity event on the balance sheet and liquidity position, and to identify viable funding alternatives that can be utilized. These scenarios include assumptions about significant changes in key funding sources, market triggers (such as credit ratings), potential uses of funding and political and economic conditions in certain countries. These conditions include expected and stressed market conditions as well as Company-specific events.

(b) Liquidity ratios

The key measure used by the Group for managing liquidity risk is the ratio of net liquid assets to deposits from customers. For this purpose, net liquid assets are considered as including cash and cash equivalents and investment grade debt securities for which there is an active and liquid market less any deposits from banks, debt securities issued, other borrowings and commitment maturing within one month.

The liquidity position of the Group remained strong in the course of the period and materially above the minimum liquidity ratio requirement of 30% prescribed by the Central Bank of Nigeria. Details of the Bank's ratio of net liquid assets to deposits and customers at the reporting date and during the reporting period were as follows:

	Bank	Bank
	Jun. 2024	Dec. 2023
At period end	57.14%	37.74%
Average for the year	48.64%	43.50%
Maximum for the year	65.03%	52.81%
Minimum for the year	35.23%	32.33%

(c) Analysis of financial assets and liabilities by remaining contractual maturities

The tables below show the undiscounted cash flow on the Group's financial liabilities and on the basis of the earliest possible contractual maturity. The Gross nominal inflow/outflow disclosed in the table is the contractual, undiscounted cash flows on the financial liabilities or commitments, except for derivatives assets and liabilities which are stated at their fair values.

The Group's expected cash flows on some financial assets and financial liabilities vary significantly from the contractual cash flows. Demand and savings deposits are expected to remain stable or increase, while unrecognised loan commitments are not expected to be drawn down immediately.

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4. FINANCIAL RISK MANAGEMENT - CONTINUED

4.6 Liquidity risk - Continued

Maturity analysis for financial liabilities

Group

June 30, 2024

In millions of Nigerian Naira	Note	Carrying amount	Gross nominal amount	Less than 1 month	1 - 3 Months	3 - 6 Months	6 - 12 Months	More than 1 year
Non-derivative financial liabilities								
Deposits from banks		3,115,349	3,181,801	290,634	2,891,167	-	-	-
Deposits from customers								
Retail Customers:								
Term deposits		538,456	757,772	362,431	273,090	44,287	77,638	326
Current deposits		3,112,978	3,297,532	1,969,047	219,040	245,027	109,520	754,898
Savings deposits		4,378,412	4,378,412	2,367,749	421,847	471,896	210,923	905,997
Corporate Customers:								
Term deposits		1,963,116	2,085,022	997,235	751,411	121,858	213,622	896
Current deposits		10,097,413	9,960,433	5,887,935	754,983	732,692	327,491	2,257,332
Other financial liabilities		754,508	984,061	210,809	334,917	92,756	126,485	219,094
Borrowings		1,249,156	1,253,119	106,281	298,914	239,132	265,702	343,091
Total financial liabilities		**25,209,389**	**25,898,152**	**12,192,121**	**5,945,369**	**1,947,648**	**1,331,381**	**4,481,634**
Derivative liabilities:								
Cross Currency Swap		12,348	12,298	12,298	-	-	-	-
Contingents and loan commitments								
Performance bonds and guarantees		1,091,869	1,091,869	134,852	286,262	67,147	56,923	546,685
Letters of credit		259,159	259,159	-	259,159	-	-	-
Loan commitments		109,953	109,953	-	-	-	-	109,953
Assets used to manage liquidity								
Cash and bank balances		8,316,917	8,316,917	2,371,419	2,891,770	-	-	3,053,728
Assets under management		14,655	14,655	-	-	12,534	2,121	-
Financial assets at FVTPL								
Treasury bills		13,334	13,334	13,334	-	-	-	-
Bonds		42,898	42,898	-	-	-	2,397	40,501
Loans and advances to banks		203,857	392,184	133,394	15,197	21,554	16,768	205,272
Loans and advances to customers								
Individual								
Term loans		427,312	429,312	165,935	20,904	26,812	20,858	194,803
Overdrafts		60,657	61,606	27,213	22,961	2,781	2,164	6,488
Corporates								
Term loans		5,476,794	5,509,250	1,837,812	197,978	480,795	218,447	2,774,218
Overdrafts		827,188	837,471	448,112	71,050	72,406	156,329	89,574
Others		2,034	2,034	2,034	-	-	-	-
Investment securities								
At FVOCI								
Treasury bills		2,374,867	2,103,057	76,448	214,258	225,228	1,587,123	
Bonds		1,748,312	2,113,123	48,733	114,476	154,770	781,411	1,013,732
Promissory notes		8,557	8,557	197	464	627	3,164	4,105
At amortised cost								
Treasury bills		2,914,889	3,060,633	101,179	283,572	298,090	2,377,794	-
Bonds		4,085,399	4,106,295	37,828	8,287	160,944	1,167,049	2,732,186
Other assets		750,962	776,033	197,799	126,591	87,031	78,145	286,467
Derivative assets		197,588	200,002	-	-	200,002	-	-
Total financial assets		**27,466,220**	**27,987,361**	**5,461,439**	**3,967,507**	**1,743,574**	**6,413,770**	**10,401,073**
Gap		**(457,573)**	**(625,145)**	**(6,877,882)**	**(2,523,283)**	**(271,221)**	**5,025,466**	**4,021,726**

4. FINANCIAL RISK MANAGEMENT - CONTINUED

4.6 Liquidity risk - Continued

Maturity analysis for financial liabilities

Bank

June 30, 2024

In millions of Nigerian Naira	Notes	Carrying amount	Gross nominal amount	Less than 1 month	1 - 3 Months	3 - 6 Months	6 - 12 Months	More than 1 year
Non-derivative liabilities								
Deposits from banks		1,956,678	1,927,093	431,283	1,495,810	-	-	-
Deposits from customers								
Retail Customers:								
Term deposits		55,523	85,839	31,451	9,048	16,063	28,159	1,118
Current deposits		1,215,429	1,215,429	135,206	151,248	67,603	218,851	642,522
Savings deposits		2,916,096	2,916,096	519,542	581,183	259,771	840,954	714,645
Corporate Customers:								
Term deposits		762,205	883,487	422,559	318,396	51,635	90,518	380
Current deposits		5,528,591	5,675,043	2,609,052	681,312	504,526	985,838	894,314
Other financial liabilities		524,416	587,451	146,863	93,992	64,620	88,118	193,859
Borrowings		1,125,261	1,125,261	103,713	291,693	233,354	259,283	237,218
Total financial liabilities		**14,084,199**	**14,415,699**	**4,399,669**	**3,622,682**	**1,197,572**	**2,511,721**	**2,684,056**
Derivative liabilities								
Cross Currency Swap		12,348	12,298	12,298		-	-	-
Contingents and loan commitments								
Performance bonds and guarantees		756,747	757,617	75,844	163,935	37,751	32,003	448,085
Letters of credit		95,764	95,874	95,874				
Loan commitments		57,866	57,933	57,933	-	-	-	-
Assets used to manage liquidity								
Cash and bank balances		6,177,710	6,112,730	895,782	2,506,964		-	2,709,984
Assets under management		14,655	14,655	-	-	12,534	2,121	-
Financial assets at FVTPL								
Treasury bills		13,334	13,336	13,336	-	-	-	-
Loans and advances to banks		192,835	233,695	70,483	10,059	9,179	4,544	139,431
Loans and advances to customers								
Individual :								
Term loans		63,896	79,231	19,630	2,801	2,556	1,266	52,978
Overdrafts		6,887	7,138	2,609	372	340	168	3,649
Corporates :								
Term loans		3,424,898	3,779,562	1,394,836	199,347	181,907	90,065	1,913,407
Overdrafts		356,303	362,763	132,593	18,922	17,267	8,549	185,432
Investment securities								
At FVOCI								
Treasury bills		1,949,079	1,949,079	44,978	22,362	98,313	1,783,426	-
Bonds		1,540,729	1,540,932	-	-	-	102,379	1,438,553
Promissory notes		8,557	8,557	-	-	-	362	8,195
At amortised cost								
Bonds		254,157	255,884	-	-	-	20,406	235,478
Other assets		651,821	702,842	175,711	112,455	77,313	105,426	231,938
Derivative asset		197,588	200,002	-	-	200,002	-	-
Total financial assets		**14,852,450**	**15,260,406**	**2,749,956**	**2,873,282**	**599,410**	**2,118,712**	**6,919,045**
Gap		**(154,474)**	**(79,015)**	**(1,891,663)**	**(913,335)**	**(635,912)**	**(425,012)**	**3,786,904**

4. FINANCIAL RISK MANAGEMENT - CONTINUED

4.6 Liquidity risk - Continued)

Maturity analysis for financial liabilities - Continued

December 31, 2023 **Group** *In millions of Nigerian Naira*	Note	Carrying amount	Gross nominal amount	Less than 1 month	1 - 3 Months	3 - 6 Months	6 - 12 Months	More than 1 year
Non-derivative financial liabilities								
Deposits from banks		2,464,444	2,484,803	1,895,650	589,153	-	-	-
Deposits from customers								
Retail Customers:								
Term deposits		471,512	471,512	132,228	332,088	6,597	512	88
Current deposits		1,623,466	1,823,466	443,520	405,866	324,693	162,347	487,040
Savings deposits		3,246,286	3,306,285	699,257	756,646	551,869	486,943	811,571
Corporate Customers:								
Term deposits		1,691,134	1,763,946	494,669	1,242,353	24,680	1,914	329
Current deposits		7,858,879	7,838,400	1,430,760	1,884,600	1,507,680	753,840	2,261,520
Other financial liabilities		301,022	310,882	-	77,969	81,735	105,729	45,449
Borrowings		858,739	858,739	-	-	274,852	166,826	417,061
Total financial liabilities		**18,515,482**	**18,858,033**	**5,096,084**	**5,288,675**	**2,772,106**	**1,678,111**	**4,023,059**
Derivative liabilities:								
Cross Currency Swap		1,885	200,218		200,218	-	-	-
Contingents and loan commitments								
Performance bonds and guarantees		1,530,415	1,530,415	1,326,685	65,383	33,015	37,766	67,566
Letters of credit		1,252,695	1,252,695	296,179	776,893	39,182	79,152	61,288
Loan commitments		79,766	79,766	-	-	-	-	79,766
Assets used to manage liquidity								
Cash and bank balances		6,069,496	5,910,019	1,127,993	2,095,463	-	-	2,686,563
Assets under management		14,026	14,026	-	-	11,905	-	2,121
Financial assets at FVTPL								
Treasury bills		525	525	525	-	-	-	-
Loans and advances to banks		320,732	231,005	72,761	35,081	31,000	36,230	55,933
Loans and advances to customers								
Individual								
Term loans		334,058	262,438	82,662	39,854	35,218	41,160	63,544
Overdrafts		21,162	38,906	9,637	12,055	12,416	4,799	
Corporates								
Term loans		3,792,187	3,315,752	1,044,381	503,534	444,958	520,034	802,845
Overdrafts		1,069,110	1,590,615	501,005	241,553	598,589	249,468	
Others		12,331	12,331	12,331	-	-	-	
Investment securities								
At FVOCI								
Treasury bills		1,850,215	1,850,215	354,529	575,610	590,675	329,400	-
Bonds		946,163	946,131	2,002	14,600		591,013	338,516
Promissory notes		9,400	10,733	-	-	-	-	10,733
At amortised cost								
Treasury bills		1,821,121	1,912,177	440,010	566,559	581,387	324,221	-
Bonds		2,559,185	2,593,387	5,275	38,476		1,557,527	992,109
Other assets		720,311	749,256	35,279				713,977
Derivative assets		498,824	1,033,098	-	509,614	523,485	-	-
Total financial assets		**20,072,170**	**20,470,614**	**3,688,390**	**4,632,397**	**2,829,632**	**3,653,853**	**5,666,342**
Gap		**(4,011,417)**	**(4,153,857)**	**(3,030,558)**	**(1,698,773)**	**(14,671)**	**1,858,824**	**(1,268,681)**

4. FINANCIAL RISK MANAGEMENT - CONTINUED

4.6 Liquidity risk - Continued

Maturity analysis for financial liabilities - Continued

December 31, 2023
Bank

In millions of Nigerian Naira	Notes	Carrying amount	Gross nominal amount	Less than 1 month	1 - 3 Months	3 - 6 Months	6 - 12 Months	More than 1 year
Non-derivative liabilities								
Deposits from banks		1,598,524	1,361,021	946,487	414,534	-	-	-
Deposits from customers								
Retail Customers:								
Term deposits		141,499	141,499	39,681	99,658	1,980	154	26
Current deposits		672,120	672,120	100,818	168,030	134,424	67,212	201,636
Savings deposits		2,364,531	2,364,530	472,906	543,842	401,970	354,680	591,133
Corporate Customers:								
Term deposits		887,314	960,125	269,251	676,219	13,434	1,042	179
Current deposits		4,695,166	4,374,688	656,203	1,093,672	874,938	437,469	1,312,406
Other financial liabilities		353,243	352,941	-	75,555	46,827	209,084	21,475
Borrowings		856,329	856,329	-	-	274,852	166,826	414,651
Total financial liabilities		11,568,726	11,083,253	2,485,346	3,071,510	1,748,425	1,236,466	2,541,506
Derivative liabilities								
Cross Currency Swap		1,885	79	79		-	-	-
Contingents and loan commitments								
Performance bonds and guarantees		705,786	706,598	554,101	32,005	24,069	49,341	47,082
Letters of credit		210,410	210,652	75,076	53,355	10,004	17,114	55,103
Loan commitments		46,453	46,507	46,507	-	-	-	-
Assets used to manage liquidity								
Cash and bank balances		5,037,306	2,863,350	2,046,594	600,553	145,433	41,597	29,174
Assets under management		14,026	14,026	-	-	11,905	-	2,121
Financial assets at FVTPL								
Treasury bills		525	525	525	-	-	-	-
Loans and advances to banks		147,547	233,695	67,988	77,923	1,157	1,715	84,913
Loans and advances to customers								
Individual :								
Term loans		50,672	62,833	(112,157)	15,562	22,782	43,561	93,085
Overdrafts		6,336	24,791	24,791	-	-	-	-
Corporates :								
Term loans		2,778,270	3,065,973	1,693,899	442,245	245,780	348,786	335,263
Overdrafts		472,764	1,279,026	207,477	22,441	296,231	652,262	100,615
Others		-	-	-	-	-	-	-
Investment securities								
At FVOCI								
Treasury bills		1,590,294	1,426,153	580,965	304,898	223,819	316,471	-
Bonds		832,642	859,731	11,967	14,733	2,553	31,637	798,840
Promissory notes		9,400	30,600	-	-	-	-	30,600
At amortised cost								
Treasury bills		-	1,231,244	64,308	272,874	248,407	223,296	422,358
Bonds		181,908	141,545	454	1,148	75,754	-	64,189
Promissory notes		-	-	-	-	-	-	-
Other assets		589,128	182,824	-	173,102	-	9,722	-
Derivative asset		498,824	1,020,924	226,872	-	415,932	378,120	-
Non - Current Assets Held for Sale		-	-	-	-	-	-	-
Total financial assets		**12,209,651**	**12,437,240**	**4,813,682**	**1,925,480**	**1,689,754**	**2,047,167**	**1,961,159**
Gap		**(323,610)**	**390,151**	**1,652,573**	**(1,231,391)**	**(92,744)**	**744,246**	**(682,533)**

4. FINANCIAL RISK MANAGEMENT - CONTINUED

4.7 Market risk

(a) Overview

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The overall objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk. The Group classifies exposures to market risk into either trading or non-trading portfolios and manages each of these portfolios separately. The trading portfolios comprise positions arising from market-making and warehousing of customer derived positions while non-trading portfolios comprise positions that primarily arise from the interest rate management of our retail and commercial banking assets and liabilities as well as financial instruments designated as FVOCI and amortised cost. UBA Group follows the Standardised Approach for market risk regulatory reporting purposes..

(i) Market Risk Management

The objective of market risk management in UBA is to ensure that all significant market risks are identified, measured, and managed in a consistent and effective manner across the Group in order to stabilize earnings and capital and also to ensure that the Group carries out its affairs within acceptable parameters and in line with the market risk appetite.

Market risk achieves the above stated objective, through a mix of quantitative and statistical controls which covers the under listed activities:

Market data collection and statistical analysis

Limit determination based on market volatility and in-country macro-prudential & regulatory guidelines.

Stop loss limit utilization monitoring

Position monitoring

New trading products risk assessment

P&L attribution analysis

Pricing model validation and sign off

Trading portfolio stress testing

Regulatory limit monitoring

Position data extraction and Internal limit monitoring

Contingency funding plan maintenance and testing

Risk profile reporting to GALCO.

The material risks identified by these measures are summarised in daily reports that are circulated to, and discussed with, senior management.

The universal market risk factors in UBA Group are interest rates, foreign exchange rates and equity prices. The associated market risks are:

- Foreign currency risk; arising from changes in exchange rates
- Interest rate risk; arising from changes in yield curves and credit spreads
- Equity risk; arising from changes in in the prices of equities, equity indices and equity baskets.

(ii) Market Risk Governance

The Board of Directors is responsible for determining UBA Group's risk appetite and tolerance limits for all its market risk exposures. Senior management is responsible for supporting the Board in determining market risk appetite and tolerance limits as well as putting in place all requisite processes, procedures and tools to ensure proper implementation of a robust system for managing, monitoring and reporting market risk appetite. The Board through Board Risk Management Committee (BRMC) is responsible for the overall governance of market risk as well as defining the terms of reference and delegating responsibilities to both the Group Risk Management Committee (GRMC) and Group Asset & Liability Management Committee (GALCO). GALCO has Group oversight and is charged with ensuring that market risks are managed homogeneously in all areas of operation. Further to the above, oversight of market risk is vested in BRMC, and GALCO while the day -to- day management rests with the Executive Director, Risk Management, Corporate Governance & Compliance. The Group Market Risk Division is not only responsible for the development of detailed risk management policies but is also involved in the day to day review of their implementation. The market risk management policies are usually validated / approved by the Board in accordance with the approval guidelines. Trading limits are approved by GALCO and ratified by the Board while exposures against these limits are monitored by market risk management team. Market risk exposures are measured and reported to management and bank executives on a daily basis. Documented policies and procedures are in place to ensure that exceptions are resolved timeously.

(iii) Market Risk Measurement

TThe Group's policy is that all trading activities are undertaken within the context of the approved Market Risk Management appetite and limits. Market Risk Management team is responsible for identifying, measuring, managing, monitoring and reporting market risk as outlined in market risk management policy and other related policies.

The Group uses limits, triggers, value at risk, earnings-at-risk, gap analyses and scenario analyses to measure and control the market risk exposures within its trading and banking books. The Group also performs regular stress tests on its banking and trading books.

(iv) Approach to Managing Market Risk in the Trading Book

The techniques used to ensure and control trading book market risk include limit monitoring, daily valuation of positions, Value at Risk (VaR), Back testing, stop loss triggers, stress testing/sensitivity analysis etc.

Market Risk Limits: The Bank has put in place specific market risk limits and triggers (regulatory and in-house) to prevent undue risk exposure to the Group. Market risk limits are based on recommendations by GALCO and approved by the Board. Position limits, transaction size and portfolio volume limits are in place for each trading portfolio. UBA Group sets various limits for total market risk and specific foreign exchange, interest rate, equity and other price risks. All limits are reviewed at least annually, and more frequently if required, to ensure that they remain relevant given market conditions and business strategy. Compliance with limits is monitored independently on a daily basis by Group Market Risk and Internal Control. Limit excesses are escalated and approved under a delegated authority structure and reported to the GALCO. Excesses are also reported monthly to Group Risk Management Committee (GRMC) and quarterly to Board Risk Management Committee (BRMC).

Stop loss Triggers: Stop loss triggers are used to protect the profitability of the trading desk. They establish decision points to confirm the Group's tolerance for accepting trading risk losses on a cumulative basis. The triggers are monitored on a daily basis by market risk management team.

Daily Valuation Of Market Risk Positions: Mark to Market (MTM) for relevant products/positions is done in line with International Financial Reporting Standard (IFRS). All market risk financial instruments are categorized into:

1) Fair value through profit or loss(FVTPL) – valued on fair value accounting methodology and MTM daily.
2) Fair value through other comprehensive income(FVOCI) – valued on fair value accounting methodology and MTM monthly.
3) Amortised cost – This portfolio is not MTM because positions are held until maturity.

Marking-to-market is at least the daily valuation of positions at readily available close out prices that are sourced independently. Where marking-to-market is not possible, marking-to-model technique is employed. Marking-to-model is defined as any valuation which has to be benchmarked, extrapolated or otherwise calculated from a market input. Assets that must be marked-to-model either don't have a regular market that provides accurate pricing, or valuations rely on a complex set of reference variables and time frames. E.g. complex financial instruments and derivatives.

Stress Testing: Market risk management complements the VaR measurement by regular stress testing of market risk exposures to highlight the potential risk that may arise from extreme market events that are rare but plausible. Stress testing provides an indication of the potential losses that could occur under extreme but plausible market conditions including when longer holding periods may be required to exit positions. Consistent stress-testing methodology is applied to trading and non trading books. Stress testing methodology considers both historical market events and forward-looking scenarios. The stress testing scenarios include market and credit scenarios, portfolio specific scenarios and macro economic scenarios. Stress scenarios are regularly updated to reflect changes in risk profile and economic events.

Factor Sensitivities: Factor sensitivities are expressed as the change in the value of a position for a defined change in a market risk factor, such as a change in the value of Nigerian Government Treasury bill for a one hundred basis point change in interest rates. UBA Group's Market Risk Management, within the Risk organization, works to ensure that factor sensitivities are calculated and monitored for all material risks taken in the trading portfolios.

(v) Approach to Managing Market Risk in the Non-trading Portfolio

Market risk from non-trading portfolios stems from the potential impact of changes in interest rates and foreign exchange rates on UBA's net interest revenues, the changes in accumulated other comprehensive income (loss) from its investment portfolios and capital invested in foreign currencies.

The management of banking book related market risk exposures involves managing the potential adverse effect of interest rate movements on banking book earnings (net interest income and banking book MTM profit or loss) and economic value of equity. Market risk in the banking book arises as a result of the mismatch between the future yield on assets and their funding cost and also the different re-pricing characteristics of banking book assets and liabilities. UBA Group uses a variety of tools to track and manage this risk. These tools include;

- Re-pricing gap analysis
- Liquidity gap analysis
- Earnings-at-Risk (EAR)
- Sensitivity Analysis

(vi) Exposure to interest rate risk- non-trading portfolio

UBA Group's principal measure of risk to net interest revenue is interest rate exposure (IRE). This is the risk that changes in interest rates could have a negative impact on the Bank's margins, earnings and capital. The objective of the Bank's interest rate risk management is to ensure that earnings are stable and predictable over time. The Bank is exposed to interest rate risk through the interest-bearing assets and liabilities in its trading and banking books. Non-traded interest rate risk arises in the banking book from the provision of retail and wholesale (non-traded) banking products and services, as well as from certain structural exposures within the Group balance sheet, mainly due to different re-pricing characteristics of banking book assets and liabilities.

Interest rate risk is managed principally through monitoring interest rate gaps and having pre-approved limits for re-pricing bands. There will always be a mis-match between maturing assets and maturing liabilities, and changes in interest rates means that the Net Interest Margin (NIM) is affected on a daily basis by maturing and re-pricing activities. This change is measured through calculation of Earnings at Risk or EaR on a portfolio over the life of its assets and liabilities. EaR is usually calculated at various levels of change to simulate the likely change in the course of normal business or the expected risk where there is an unusual market event.

GALCO has oversight for compliance with these limits and execution of gapping strategy is carried out by Group Treasury.

The management of interest rate risk against interest rate gap limits is supplemented by monitoring the sensitivity of the Group's financial assets and liabilities to various standard and non-standard interest rate scenarios.

In order to manage changes in interest rates effectively, the Group may modify pricing on new customer loans and deposits, purchase fixed rate securities, issue debt that is either fixed or floating or enter into derivative transactions that have the opposite risk exposures. UBA regularly assesses the viability of these and other strategies to reduce its interest rate risks and implements such strategies when it believes those actions are prudent.

(b) Interest rate risk

UBA Group's operations are subject to the risk of interest rate fluctuations to the extent that interest-earning assets (including investments) and interest-bearing liabilities mature or re-price at different times or in differing amounts. Risk management activities are aimed at optimising net interest income and maintaining market interest rate levels consistent with the Group's business strategies.

The table below is a summary of the group's interest rate gap position at the reporting date. All assets, liabilities and derivatives instruments are allocated to gap intervals based on either their re-pricing or maturity characteristics. The Group's assets and liabilities are included at carrying amount and categorised by the earlier of their contractual re-pricing or maturity dates. Assets and liabilities for which no identifiable contractual repricing or maturity dates exist are allocated to gap intervals based on behavioural profiling. Overall non-trading interest rate risk positions are managed by Group Treasury which uses investment securities, advances to other financial institutions (banks and discount houses) to manage the overall position arising from the Group's non-trading activities.

4. FINANCIAL RISK MANAGEMENT - CONTINUED

4.7 Market risk - Continued

(b) Interest rate risk - Continued

June 30, 2024

Group	Re-pricing period						
In millions of Nigerian Naira	**Carrying amount**	**< 1 month**	**1-3 months**	**3-6 months**	**6-12 months**	**More than 1 year**	**Non-interest bearing**
Cash and bank balances	8,316,917	-	-	-	-	-	8,316,917
Assets under management	14,655	-	-	12,534	2,121	-	-
Financial assets at FVTPL							
Treasury bills	13,334	13,334	-	-	-	-	-
Bonds	42,898	42,898	-	-	-	-	-
Loans and advances to banks	203,857	133,394	15,197	21,554	16,767.94	16,945	-
Loans and advances to customers:							
Individual							
Term loans	427,312	165,935	18,904	26,812	20,858	194,803	-
Overdrafts	60,657	17,213	1,961	2,781	2,164	36,539	-
Corporates							
Term loans	5,476,794	1,372,606	197,978	280,795	218,447	3,406,969	-
Overdrafts	827,188	386,971	51,050	72,406	56,329	260,432	-
Others	2,034	2,034					
Investment securities:							
At FVOCI:							
Treasury bills	2,374,867	78,794	214,258	225,228	1,856,587	-	-
Bonds	1,748,312	-	114,476	154,770	789,858	689,207	-
Promissory notes	8,557	197	464	627	3,164	4,105	-
Equity	449,670	248,475	-	-	-	-	201,195
At amortised cost:							
Treasury bills	2,914,889	51,305	25,508	112,144	2,725,934	-	-
Bonds	4,085,399	-	-	-	181,056	3,904,343	
Derivative assets	197,588	-	-	-	-	-	197,588
Other assets	750,962	-	-	-	-	-	750,962
	27,915,890	**2,513,156**	**639,796**	**909,651**	**5,873,287**	**8,513,343**	**9,466,662**
Derivative liability	12,348	12,348	-	-	-	-	-
Deposits from banks	3,115,349	2,751,265	364,084	-	-	-	-
Deposits from customers	20,090,375	3,567,876	1,446,348	638,041	502,182	907,219	13,028,284
Other liabilities	754,508	-	-	-	-	-	754,508
Borrowings	1,249,156	106,281	298,914	239,132	265,702	339,128	-
	25,221,737	**6,437,770**	**2,109,346**	**877,173**	**767,884**	**1,246,347**	**13,782,792**
Gaps	**2,694,153**	**(3,924,614)**	**(1,469,551)**	**32,477**	**5,105,403**	**7,266,007**	**(4,316,130)**

4. FINANCIAL RISK MANAGEMENT - CONTINUED

4.7 Market risk - Continued

(b) Interest rate risk - Continued

December 31, 2023

Group

	Re-pricing period						
In millions of Nigerian Naira	**Carrying amount**	**< 1 month**	**1-3 months**	**3-6 months**	**6-12 months**	**More than 1 year**	**Non-interest bearing**
Cash and bank balances	6,069,496	790,422	-	-	-	-	5,279,074
Assets under management	14,026	-	-	11,905	2,121	-	-
Financial assets at FVTPL							
Treasury bills	525	525	-	-	-	-	-
Bonds	33,324	33,324	-	-	-	-	-
Loans and advances to banks	320,732	162,488	35,081	31,000	36,230.26	55,933.37	-
Loans and advances to customers:							
Individual							
Term loans	334,058	154,282	39,854	35,218	41,160	63,544	-
Overdrafts	21,162	203	12,055	4,106	4,799	-	-
Corporates							
Term loans	3,792,187	1,520,816	503,534	444,958	520,034	802,845	-
Overdrafts	1,069,110	-	241,553	578,089	249,468		-
Others	12,331	12,331	-	-	-	-	-
Investment securities:							
At FVOCI:							
Treasury bills	1,850,215	354,529	575,610	590,675	329,400	-	-
Bonds	946,163	2,034	14,600		591,013	338,516	-
Promissory notes	9,400	-	-	-	-	9,400	-
Equity	287,257	-	-	-	-	-	287,257
At amortised cost:							
Treasury bills	1,821,121	348,954	566,559	581,387	324,221	-	-
Bonds	2,559,185	71,073	38,476	-	1,557,527	892,109	-
Derivative assets	498,824	-	-	-	-	-	498,824
Other assets	720,311	-	-	-	-	-	720,311
	20,359,427	**3,450,981**	**2,027,322**	**2,277,338**	**3,655,943**	**2,162,348**	**6,785,466**
Derivative liability	1,885	1,806	-	-	-	-	79
Deposits from banks	2,464,444	2,175,291	289,153	-	-	-	-
Deposits from customers	14,891,277	1,621,948	2,290,466	1,832,373	916,187	2,748,560	5,481,744
Other liabilities	301,022	303	77,969	81,735	95,566	45,449	-
Borrowings	858,739	-	-	274,852	166,826	417,061	-
	18,517,367	**3,799,348**	**2,657,588**	**2,188,960**	**1,178,578**	**3,211,070**	**5,481,823**
Gaps	**1,842,060**	**(348,367)**	**(630,266)**	**(186,474)**	**2,477,396**	**(1,048,722)**	**1,303,643**

4. FINANCIAL RISK MANAGEMENT - CONTINUED

4.7 Market risk - Continued

(b) Interest rate risk - Continued

June 30, 2024

Bank	**Re-pricing period**						
In millions of Nigerian Naira	**Carrying amount**	**< 1 month**	**1-3 months**	**3-6 months**	**6-12 months**	**More than 1 year**	**Non-interest bearing**
Cash and bank balances	6,177,710	-	-	-	-	-	6,177,710
Assets under management	14,655	-	-	12,534	-	2,121	-
Financial assets at FVTPL							
Treasury bills	13,334	13,334	-	-	-	-	-
Bonds	2	2					-
Loans and advances to banks	192,835	69,798	10,097	9,199	4,566	99,176	-
Loans and advances to customers:							
Individual							
Term loans	63,896	31,565	2,653	2,417	1,200	26,061	-
Overdrafts	6,887	2,844	332	302	150	3,259	-
Corporates							
Term loans	3,403,401	1,630,743	145,472	132,535	65,780	1,428,871	-
Overdrafts	356,303	54,659	24,754	22,553	11,193	243,144	-
Others	2,034	2,034	-	-	-	-	-
Investment securities:							
At FVOCI:							
Treasury bills	1,949,079	44,189	21,970	96,588	1,786,333	-	-
Bonds	1,540,729	7,044	-	-	82,207	1,451,478	-
Promissory notes	8,557	-	-	-	-	8,557	-
Equity	433,103	-	-	-	-	-	433,103
At amortised cost:							
Bonds	254,157	36,465	-	-	10,834	206,858	-
Derivative assets	197,588	-	-	-	-	-	197,588
Other assets	651,821	-	-	-	-	-	651,821
	15,266 ,091	**1,892,678**	**205,278**	**276,128**	**1,962,263**	**3,469,525**	**7,460,222**
Derivative liability	12,348	12,348	-	-	-	-	-
Deposits from banks	1,956,678	1,542,144	414,534			-	-
Deposits from customers	10,477,844	2,721,903	1,261,702	1,009,362	504,681	1,514,042	3,466,154
Other liabilities	524,416	171,475	-	-	-	-	352,941
Borrowings	1,125,261	268,932		274,852	166,826	414,651	-
	14,096,547	**4,716,802**	**1,676,236**	**1,284,214**	**671,507**	**1,928,694**	**3,819,095**
Gaps	**1,169,543**	**(2,824,125)**	**(1,470,958)**	**(1,008,086)**	**1,290,756**	**1,540,830**	**3,641,127**

4. FINANCIAL RISK MANAGEMENT - CONTINUED

4.7 Market risk - Continued

(b) Interest rate risk - Continued

December 31, 2023

Bank	**Re-pricing period**						
In millions of Nigerian Naira	**Carrying amount**	**< 1 month**	**1-3 months**	**3-6 months**	**6-12 months**	**More than 1 year**	**Non-interest bearing**
Cash and bank balances	5,037,306	771,904	-	-	-	-	4,265,402
Assets under management	14,026	-	-	11,905	2,121	-	-
Financial assets at FVTPL							
Treasury bills	525	525	-	-	-	-	-
Bonds	9	9	-	-	-	-	-
Loans and advances to banks	147,547	79,073	15,180	13,414	15,677	24,203	-
Loans and advances to customers:							
Individual							
Term loans	50,672	5,209	10,079	8,906	10,409	16,069	-
Overdrafts	6,336	-	2,412	2,132	1,792	-	-
Corporates							
Term loans	2,778,270	1,422,925	300,462	265,510	310,309	479,064	-
Overdrafts	472,764	9,925	186,813	165,081	110,945	-	-
Others	12,331	12,331	-	-	-	-	-
Investment securities:							
At FVOCI:							
Treasury bills	1,590,294	304,723	494,748	507,697	283,126	-	-
Bonds	832,642	1,793	12,848	-	520,101	297,900	-
Promissory notes	9,400	-	-	-	-	9,400	-
Equity	278,009	-	-	-	-	278,009	-
At amortised cost:							
Treasury bills	-	-	-	-	-		
Bonds	181,908	7,007	2,705	-	109,486	62,711	-
Derivative assets	498,824	-	-	-	-	-	498,824
Other assets	589,128	52,485	-	-	-	-	536,643
	12,499,991	**2,667,910**	**1,025,247**	**974,644**	**1,363,965**	**1,167,355**	**5,300,869**
Derivative liability	1,885	1,885	-	-	-	-	-
Deposits from banks	1,598,524	1,183,990	414,534			-	-
Deposits from customers	8,760,630	1,004,689	1,261,702	1,009,362	504,681	1,514,042	3,466,154
Other liabilities	353,243	302	-	-	-	-	352,941
Borrowings	856,329	-		274,852	166,826	414,651	-
	11,570,611	**2,190,866**	**1,676,236**	**1,284,214**	**671,507**	**1,928,694**	**3,819,095**
Gaps	**929,380**	**477,044**	**(650,989)**	**(309,569)**	**692,458**	**(761,338)**	**1,481,774**

4. FINANCIAL RISK MANAGEMENT - CONTINUED

4.7 Market risk - Continued

(b) Interest rate risk - Continued

Interest rate sensitivity analysis of floating rate financial instruments

The tables below shows the impact of interest rate changes (increase / decrease) on the Group's floating-rate financial instrument portfolios and the effect on profit or loss. The sensitivity analysis is based on a conservative assumption of 50 basis point change on the instrument with other variables remaining constant and also assuming there is no asymmetrical movement in yield curve.

Borrowings	Group		Bank	
In millions of Nigerian Naira	**30 June. 24**	**31 Dec. 23**	**30 June. 24**	**31 Dec. 23**
- European Investment Bank (EIB) (note 37.4)	23,260	19,828	23,260	19,828
- Eurobond debt security (note 37.5)	446,598	285,268	446,598	285,268
- African Development Bank (note 37.3)	19,212	24,591	19,212	24,591
- African Export-Import Bank - 37.10	112,610	142,235	112,610	142,235
- DEG (note 37.7)	50,790	38,065	50,790	38,065
- Proparco (note 37.6)	64,248	49,288	64,248	49,288
- First Rand Bank (RMB) - 37.8	149,420	144,659	149,420	144,659
- Africa Trade Finance (ATF) -37.9	22,740	130,194	22,740	130,194
- Mashreq	61,946	-	61,946	-
- SMBC	152,578	-	152,578	-
-Others	123,895	2,410	-	-
	1,227,297	**836,538**	**1,103,402**	**834,128**
Impact on profit or loss:				
Favourable change @ 0.5% increase in rates	(6,136)	(4,183)	(5,517)	(4,171)
Unfavourable change @ 0.5% reduction in rates	6,136	4,183	5,517	4,171

(c) Price risk

The Group is exposed to the impact of price changes on its financial assets measured at FVTPL, FVTOCI and its equity instruments.

Price sensitivity analysis for financial instruments measured at FVTPL

The table below shows the impact of price changes (increase / decrease) on the Group's financial assets measured at fair value and the effect on profit & loss. For the purpose of sensitivity analysis, a conservative assumption of 2% change in prices with other variables remaining constant was made.

4. FINANCIAL RISK MANAGEMENT - CONTINUED

4.7 Market risk - Continued

(c) Price risk - Continued

	Group		Bank	
In millions of Nigerian Naira	30 Jun. 24	31 Dec. 23	30 Jun. 24	31 Dec. 23
Treasury bills	13,334	525	13,334	525
Government bonds	42,898	33,324	2	9
	56,232	**33,849**	**13,336**	**534**
Impact on profit or loss:				
Favourable change @ 2% increase in prices	(1,125)	(677)	(267)	(11)
Unfavourable change @ 2% reduction in prices	1,125	677	267	11
Derivative assets	197,588	498,824	197,588	498,824
Impact on profit or loss:				
Favourable change @ 2% increase in rates	27,455	1,882	27,455	1,882
Unfavourable change @ 2% reduction in rates	(21,762)	(19,374)	(21,762)	(19,374)
Derivative liabilities	12,348	12,298	12,348	12,298
Impact on income statement:				
Favourable change @ 2% increase in rates	10,019	142	10,019	142
Unfavourable change @ 2% reduction in rates	(15,708)	(3,715)	(15,708)	(3,715)

Price sensitivity analysis for financial instruments measured at FVOCI:

The table below shows the impact of price changes (increase / decrease) on the Group's financial instruments at FVOCI and the effect on other comprehensive income. For debt securities which are categorised under level 1 in the fair value hierarchy, a 2% change in prices has been assumed with other variables remaining constant.

	Group		Bank	
In millions of Nigerian Naira	30 June 24	31 Dec. 23	30 June 24	31 Dec. 23
Debt securities				
Investment securities at FVOCI:				
Treasury bills	2,374,867	1,850,215	1,949,079	1,590,294
Government bonds	1,748,312	946,163	1,540,729	832,642
Total	**4,123,179**	**2,796,378**	**3,489,808**	**2,422,936**
Impact on other comprehensive income statement:				
Favourable change @ 2% increase in prices	82,464	55,928	69,796	48,459
Unfavourable change @ 2% reduction in prices	(82,464)	(55,928)	(69,796)	(48,459)

4. FINANCIAL RISK MANAGEMENT - CONTINUED

4.7 Market risk - Continued

(c) Price risk - Continued

Equity price risk

Equity price risk is the risk that the fair value of equities decreases as a result of changes in the level of equity indices and individual stocks. The non-trading equity price risk exposure arises from equity securities classified as FVOCI. The sensitivity analysis on the Group's total equity position is shown below.

Sensitivity analysis for level 1 equity securities is based on average movement in share price index for quoted shares during the year. Price sensitivity analysis for the Group's Level 2 unquoted equities was based on assumptions of a 5% change in the last trading prices obtained from over-the-counter (OTC) trades that were done as at the reporting date. For unquoted equity securities categorised under level 3 in the fair value hierachy, 5% increases/decreases were assumed for the significant unobservable inputs (cost of equity and terminal growth rates).

Total Equity Positions	Group		Bank	
In millions of Nigerian Naira	**30 June 24**	**31 Dec. 23**	**30 June 24**	**31 Dec. 23**
Investment securities at FVOCI	444,166	282,312	427,599	273,064
Total	**444,166**	**282,312**	**427,599**	**273,064**
Impact on Other comprehensive income:				
Favourable change @ 5% increase in prices	22,208	14,116	21,380	13,653
Unfavourable change @ 5% reduction in prices	(22,208)	(14,116)	(21,380)	(13,653)

(d) Exchange rate exposure limits

FCY sensitivity analysis on foreign exchange rate

Foreign exchange risk is the risk of an adverse impact on the group's financial position or earnings or key ratios as a result of movements in foreign exchange rates impacting balance sheet exposures. The group is exposed to foreign exchange rate both as a result of on-balance sheet transactions in a currency other than the Naira, as well as through structural foreign exchange risk from the translation of its foreign operations' results into Naira. The impact on equity as a result of structural foreign exchange risk is recognised in the foreign currency translation reserve balance. Foreign exchange risk is primarily controlled via in-country macro-prudential and regulatory limits as well as the group's policies around trading limits. The Board and Group ALCO set limits on the level of exposure by currency and in aggregate for both overnight and intra day positions. These limits must be in line with regulatory Open Position Limit (OPL). Compliance with both internal limits and regulatory limits are monitored daily with zero tolerance for limit breaches. These limits include OPL, dealers' limit, overnight/intraday limits, maturity gap limits, management action trigger, product limits, counterparty limits and cross border limits.

The tables below show foreign currencies to which the Group had exposure at the end of the reporting period and the sensitivity of the Group's profit before tax and equity to changes in exchange rates. The analysis calculates the effect of reasonably possible movement of the foreign exchange rates against the Nigerian Naira (all other variables being constant) on the profit or loss due to changes to the carrying amounts of the Group's foreign currency sensitive financial assets and liabilities. A negative amount in the table reflects a potential net reduction in the profit or loss or equity, while a positive amount reflects a net potential increase. An equivalent decrease in each of the currencies below against the Nigerian Naira would have resulted in an equivalent but opposite impact.

For the purpose of disclosing the sensitivity analysis for foreign currency risk, the Group's foreign currency risk arising from the translation of its foreign operations are not taken into account even though they may have an impact on equity. This is because foreign currency risk can only arise on financial instruments denominated in a currency other than the functional currency in which they are measured and translation exposures arise from financial and non-financial items held by an entity with a functional currency different from the group's presentation currency.

4. FINANCIAL RISK MANAGEMENT - CONTINUED

4.7 Market risk - Continued

(d) Exchange rate exposure limits - Continued

The information disclosed on the net foreign currency (FCY) exposure is representative of the average exposure in the period. The Bank believes that for each foreign currency exposure, it is reasonable to assume 10% depreciation of the Naira holding all other variables constant.

Group *In millions of Nigerian Naira*	Naira	US Dollar	Euro	Pound	Others	Total
June 30, 2024						
Cash and bank balances	3,609,156	3,604,203	703,463	26,256	373,840	8,316,917
Financial assets at FVTPL	13,336	-	-	-	42,896	56,232
Derivative assets	197,588	-	-	-	-	197,588
Loans and advances to banks	-	160,796	18,455	410	24,196	203,857
Loans and advances to customers	1,054,728	3,170,018	156,705	2,102	2,410,430	6,793,986
Investment securities	3,564,727	582,114	76,743	-	7,273,982	11,497,565
Other assets	432,465	188,833	35,071	1,799	117,866	776,033
Total financial assets	**8,872,000**	**7,705,964**	**990,437**	**30,567**	**10,243,210**	**27,842,174**
Derivative liability	12,348	-	-	-	-	12,348
Deposits from banks	1,770,315	332,315	342,631	5,137	664,950	3,115,349
Deposits from customers	5,722,268	6,007,219	271,284	43,693	8,045,912	20,090,375
Other liabilities	169,466	347,886	176,362	17,816	42,978	754,508
Borrowings	21,859	1,227,297	-	-	-	1,249,156
Total financial liabilities	**7,696,256**	**7,914,717**	**790,277**	**66,646**	**8,753,842**	**25,221,737**
Swap and forward contracts	(1,421,363)	1,421,363	-	-	-	-
Net FCY Exposure		**1,212,610**	**200,160**	**(36,079)**	**1,489,367**	**-**
Effect of naira depreciation by 10% on profit before tax		121,261	20,016	(3,608)	148,937	286,606
Effect of naira appreciation by 10% on profit before tax		(121,261)	(20,016)	3,608	(148,937)	(286,606)

4. FINANCIAL RISK MANAGEMENT - CONTINUED

4.7 Market risk - Continued

(d) Exchange rate exposure limits - Continued

Group

In millions of Nigerian Naira	Naira	US Dollar	Euro	Pound	Others	Total
December 31, 2023						
Cash and bank balances	2,941,549	2,244,640	437,467	14,298	431,542	6,069,495
Financial assets at FVTPL	534	-	-	-	33,315	33,849
Derivative assets	498,824	-	-	-	-	498,824
Loans and advances to banks	17,742	88,195	12,633	4	202,158	320,732
Loans and advances to customers	1,141,944	2,271,855	148,045	3,861	1,663,143	5,228,849
Investment securities	2,698,780	359,364	46,244	-	4,303,606	7,407,994
Other assets	243,877	35,192	40,864	17,104	412,219	749,256
Total financial assets	**7,543,250**	**4,999,246**	**685,253**	**35,267**	**7,045,983**	**20,309,000**
Derivative liability	1,885	-	-	-	-	1,885
Deposits from banks	262,558	996,825	224,156	2,632	978,272	2,464,444
Deposits from customers	6,345,430	3,420,893	212,568	28,538	4,883,847	14,891,277
Other liabilities	77,929	38,434	153,245	3,839	27,575	301,022
Borrowings	22,202	834,127	-	-	2,410	858,739
Total financial liabilities	**6,710,004**	**5,290,279**	**589,969**	**35,009**	**5,892,104**	**18,517,367**
Swap and forward contracts	(1,033,098)	1,033,098	-	-	-	-
Net FCY Exposure		**742,065**	**95,283**	**258**	**1,153,879**	
Effect of naira depreciation by 10% on profit before tax		74,207	9,528	26	115,383	199,149
Effect of naira appreciation by 10% on profit before tax		(74,207)	(9,528)	(26)	(115,383)	(199,149)

Bank

In millions of Nigerian Naira	Naira	US Dollar	Euro	Pound	Others	Total
June 30, 2024						
Cash and bank balances	3,609,156	2,311,713	233,505	14,660	7,785	6,176,819
Financial assets at FVTPL	13,336	-	-	-	-	13,336
Derivative assets	197,588	-	-	-	-	197,588
Loans and advances to banks	-	192,835	-	-	-	192,835
Loans and advances to customers	1,054,728	2,656,430	140,753	2,108	-	3,854,018
Investment securities	3,564,727	576,697	41,003	-	-	4,182,427
Other assets	432,465	188,833	6,156	24,761	2,333	654,548
Total financial assets	**8,872,000**	**5,926,508**	**421,417**	**41,529**	**10,118**	**15,271,571**
Derivative liability	12,348	-	-	-	-	12,348
Deposits from banks	1,770,315	132,315	54,043	5	-	1,956,678
Deposits from customers	5,722,268	4,367,208	349,747	38,620	2	10,477,844
Other liabilities	169,466	324,288	17,637	2,908	10,117	524,416
Borrowings	21,859	1,103,403	-	-	-	1,125,261
Total financial liabilities	**7,696,256**	**5,927,214**	**421,427**	**41,532**	**10,119**	**14,096,548**
Swap and forward contracts	(1,421,363)	1,421,363	-	-	-	-
Net FCY Exposure		**1,420,656**	**(10)**	**(3)**	**(1)**	
Effect of naira depreciation by 15% on profit before tax		213,098	(2)	(1)	-	213,096
Effect of naira appreciation by 15% on profit before tax		(213,098)	2	1	-	(213,096)

4. FINANCIAL RISK MANAGEMENT - CONTINUED

4.7 Market risk - Continued

(d) Exchange rate exposure limits - Continued

Bank

In millions of Nigerian Naira	Naira	US Dollar	Euro	Pound	Others	Total
December 31, 2023						
Cash and bank balances	2,941,549	1,850,943	225,251	8,197	10,440	5,036,380
Financial assets at FVTPL	534	-	-	-	-	534
Derivative assets	498,824	-	-	-	-	498,824
Loans and advances to banks	17,742	129,805	-	-	-	147,547
Loans and advances to customers	1,141,944	2,053,257	123,288	1,884	-	3,320,373
Investment securities	2,698,780	158,236	28,036	-	-	2,885,053
Other assets	243,877	353,390	1,052	2,048	74	600,440
Total financial assets	**7,543,250**	**4,545,631**	**377,627**	**12,129**	**10,514**	**12,489,151**
Derivative liability	1,885	-	-	-	-	1,885
Deposits from banks	262,558	1,284,353	50,569	1,044	-	1,598,524
Deposits from customers	6,345,430	2,309,662	80,935	24,601	1	8,760,630
Other liabilities	77,929	38,434	223,802	-	13,078	353,243
Borrowings	22,202	834,127	-	-	-	856,329
Total financial liabilities	**6,710,004**	**4,466,576**	**355,306**	**25,645**	**13,079**	**11,570,611**
Swap and forward contracts	(1,033,098)	1,033,098	-	-	-	-
Net FCY Exposure		**1,112,152**	**22,321**	**(13,516)**	**(2,565)**	
Effect of naira depreciation by 15% on profit before tax		166,823	3,348	(2,027)	(385)	167,759
Effect of naira appreciation by 15% on profit before tax		(166,823)	(3,348)	2,027	385	(167,759)

5. CAPITAL

The Bank maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of local banking supervisors. The Group's lead regulator, the Central Bank of Nigeria (CBN) sets and monitors capital requirements for the Bank. The parent company and individual banking operations are directly supervised by the Central Bank of Nigeria (CBN) and the respective regulatory authorities in the countries in which the subsidiary banking operations are domiciled.

5.1 Capital management

The primary objectives of the Group's capital management policy are to ensure that the Group complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value. The Group manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk of its activities. In order to maintain or adjust its capital structure, the Bank may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. Capital management is overseen by the Board of Directors who have overall responsibility for ensuring adequate capital is maintained for the Group.

The Group has a process of ensuring adequate capital is maintained and this process includes:

- Capital planning
- Prudent portfolio management
- Capital adequacy stress testing
- Contingency Planning

The objective of the capital management process is to:

- Adequately assess impairment losses and impact on capital impairment;
- Meet CBN's capital adequacy requirements
- Optimise the use and allocation of capital resources and align our target capital with our optimum capital structure

5.2 Regulatory capital

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The group monitors regulatory capital using the capital adequacy ratio. This ratio is calculated as total regulatory capital divided by risk weighted assets. Total regulatory capital and risk weighted assets are calculated as shown in the table below.

The Central Bank of Nigeria sets and monitors capital requirements for the Bank. The parent company and individual banking operations are directly supervised by the Central Bank of Nigeria and the respective regulatory authorities in the countries in which the subsidiary banking operations are domiciled.

The Central Bank of Nigeria requires the Bank to maintain a prescribed ratio of total capital to total risk-weighted assets.

The Group's regulatory capital is split into two tiers:

Tier 1 capital includes ordinary share capital, share premium, retained earnings, translation reserve and non-controlling interests after deductions for goodwill and intangible assets, and other regulatory adjustments relating to items that are included in equity but are treated differently for capital adequacy purposes.

Tier 2 capital includes qualifying subordinated liabilities and the element of the fair value reserve relating to unrealised gains on financial instruments classified as FVOCI.

5. CAPITAL - CONTINUED

5.2 Regulatory Capital - Continued

Various limits are applied to elements of the capital base. Elements of Tier 2 capital are limited to a maximum of one-third of Tier 1 capital, after making deductions of goodwill, deferred tax asset and other intangible assets but before deductions of investments.

Banking operations are categorised mainly as trading book or banking book, and risk-weighted assets are determined according to specified requirements that seek to reflect the varying levels of risk attached to assets and off-balance sheet exposures.

During the year, the Group's strategy, which was unchanged, was to maintain a strong capital base so as to retain investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also recognised and the Group recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position.

Capital adequacy ratio is the quotient of the capital base of the Bank and the Bank's risk weighted asset base. UBA Plc operates under an international banking authorization with a minimum regulatory capital of N50 billion, with a minimum capital requirements of 10.5percent as Common Equity Tier I (CET1) capital ratio, 11.25per cent as Tier I capital ratio, 15per cent as Total Capital Adequacy Ratio, additional 1per cent each as Capital Conversation Buffer (CCB1) and Higher Loss Absorbency (HLA). The HLA is to be met fully with CET1 capital, while CCB1 to be met with Total Eligible Capital, implying 12.5percent minimum CET1 and 17percent minimum Total Capital Adequacy Ratio, for banks designated as Domestic Systemically Important Bank (DSIB), with international authorization. UBA has international authorization and is also designated as Domestic Systemically Important Bank (DSIB).

Capital deficiency in subsidiaries

There is no capital deficiency in the subsidiaries of the Bank as of June 30, 2024 (Dec 2023: Nil). The Bank maintains an active oversight on its subsidiaries through its representation on their respective Boards. On a periodic basis, the capital adequacy/solvency position of subsidiaries as per the applicable regulations, is reported to their respective Boards as well as to the Board of the Bank.

5. CAPITAL

Regulatory capital - Continued

		Group		Bank	
In millions of Nigeria naira		**Jun. 2024**	**Dec. 20223**	**Jun. 2024**	**Dec. 2023**
Tier 1 capital					
Ordinary share capital		17,100	17,100	17,100	17,100
Share premium		98,715	98,715	98,715	98,715
Retained earnings		1,104,192	919,872	576,214	532,088
Other reserves	39	298,137	256,749	255,566	220,370
Non-controlling interests		93,851	68,033	-	-
Gross Tier 1 capital		1,611,995	1,360,469	947,594	868,273
Less:					
Intangible assets		69,689	43,855	24,869	10,763
Tier 1 Capital After Regulatory Deduction		**1,542,305**	**1,316,614**	**922,725**	**857,511**
Investment in subsidiaries		-	-	(92,145)	(92,145)
Eligible Tier 1 Capital		**1,542,305**	**1,316,614**	**830,580**	**765,366**
Tier 2 capital					
Fair value reserve for securities measured at FVOCI	39	1,357,020	651,580	351,948	202,263
Less: limit of tier 2 to tier 1 capital		(817,680)	(198,090)	(36,083)	-
Qualifying Tier 2 Capital Before Deductions		**537,332**	**453,490**	**315,865**	**202,263**
Less: Investment in subsidiaries		-	-	(92,145)	(92,145)
Net Tier 2 Capital		**537,332**	**453,490**	**223,720**	**110,118**
Qualifying capital					
Net Tier I regulatory capital		1,542,305	1,316,614	830,580	765,366
Net Tier II regulatory capital		537,332	453,490	223,720	110,118
Total qualifying capital		**2,079,637**	**1,770,104**	**1,054,300**	**875,484**
Composition of risk-weighted assets:					
Risk-weighted amount for credit risk		5,542,580	4,373,090	2,894,131	2,442,727
Risk-weighted amount for operational risk		164,868	899,162	1,102,474	536,403
Risk-weighted amount for market risk		1,640,781	153,189	164,858	95,129
Total Risk-weighted assets		**7,348,228**	**5,425,441**	**4,161,462**	**3,074,259**
Capital ratios					
Risk Weighted Capital Adequacy Ratio		**28.3%**	**32.6%**	**25.3%**	**28.5%**

5.3 Capital allocation

The allocation of capital between specific operations and activities is to a large extent, driven by optimisation of the return achieved on the capital allocated. The amount of capital allocated to each operation or activity is based primarily upon the regulatory capital but in some cases the regulatory requirements do not reflect fully the varying degree of risk associated with different activities. In such cases the capital requirements may be flexed to reflect differing risk profiles, subject to the overall level of capital to support a particular operation or activity not falling below the minimum required for regulatory purposes.

Although maximisation of the return on risk-adjusted capital is the principal basis used in determining how capital is allocated within the Group to particular operations or activities, it is not the sole basis used for decision making. Account also is taken of synergies with other operations and activities, the availability of management and other resources, and the fit of the activity with the Group's longer term strategic objectives.

6. FAIR VALUE MEASUREMENT

Fair values of financial instruments

The fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Group determines fair values using other valuation techniques.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

6.1 Valuation models

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

- **Level 1:** inputs that are quoted market prices (unadjusted) in active markets for identical instruments. The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise primarily quoted equity and debt investments classified as trading securities or available for sale.

- **Level 2:** inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data. The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. Specific valuation techniques used to value financial instruments include:

  - Quoted market prices or dealer quotes for similar instruments;
  - The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves;
  - The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value;
  - Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

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

Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which market observable prices exist, Black-Scholes and polynomial option pricing models and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads

6 FAIR VALUE MEASUREMENT - CONTINUED

6.1 Valuation models - Continued

and other premia used in estimating discount rate, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The Group uses widely recognized valuation models for determining the fair value of common and more simple financial instruments, such as interest rate and currency swaps that use only observable market data and require little management judgment and estimation. Observable prices or model inputs are usually available in the market for listed debt and equity securities, exchange-traded derivatives and simple over-the-counter derivatives such as interest rate swaps. Availability of observable market prices and model inputs reduces the need for management judgment and estimation and also reduces the uncertainty associated with determining fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets. The Group's valuation methodology for securities uses a discounted cash flow methodology and dividend discount methodology. The methodologies are often used by market participants to price similar securities.

For more complex instruments, the Group uses proprietary valuation models, which are usually developed from recognized valuation models. Some or all of the significant inputs into these models may not be observable in the market, and are derived from market prices or rates or are estimated based on assumptions. Valuation models that employ significant unobservable inputs require a higher degree of management judgment and estimation in the determination of fair value. Management judgment and estimation are usually required for selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued, determination of the probability of counterparty default and prepayments and selection of appropriate discount rates.

Fair value estimates obtained from models are adjusted for any other factors such as liquidity risk or model uncertainties, to the extent that the Group believes that a third party market participant would take them into account in pricing a transaction. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and the counterparty where appropriate. For measuring derivatives that might change classification from being an asset to a liability or vice versa such as interest rate swaps, fair values take into account both credit valuation adjustment (CVA) and debit valuation adjustment (DVA) when market participants take this into consideration in pricing the derivatives.

Model inputs and values are calibrated against historical data and published forecasts and where possible, against current or recent observed transactions in different instruments and against broker quotes. This calibration process is inherently subjective and it yields ranges of possible inputs and estimates of fair value, and management judgment is required to select the most appropriate point in the range.

If the Group measures portfolios of financial assets and financial liabilities on the basis of net exposures to market risks, then it applies judgment in determining appropriate portfolio-level adjustments such as bid-ask spreads and relevant risk premiums.

6.2 Valuation framework

The Group has an established control framework with respect to the measurement of fair values. This framework includes an Investor Relations and Portfolio Investments Management Unit which is independent of front office management and reports to the Group Chief Financial Officer, and which has overall responsibility for valuations. There is also the Risk Measurement unit responsible for independent independently verifying the results of third party valuation. Specific controls include:

- Verification of observable pricing;

6. FAIR VALUE MEASUREMENT

6.2 Valuation framework

- Re-performance of model valuations;
- A review and approval process for new models and changes to models involving both Product Control and Group Market Risk;
- periodic calibration and back-testing of models against observed market transactions;
- Analysis and investigation of significant daily valuation movements; and
- Review of significant unobservable inputs, valuation adjustments and significant changes to the fair value measurement of level 3 instruments compared with the previous month, by a committee of senior Product Control and Group Market Risk personnel.

When third party information, such as broker quotes or pricing services, is used to measure fair value, the risk measurement unit assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS. This includes:

- Verifying that the broker or pricing service is approved by the Group for use in pricing the relevant type of financial instrument;
- Understanding how the fair value has been arrived at and the extent to which it represents actual market transactions;
- When prices for similar instruments are used to measure fair value, how these prices have been adjusted to reflect the characteristics of the instrument subject to measurement; and
- If a number of quotes for the same financial instrument have been obtained, then how fair value has been determined using those quotes.

6.3 Financial instruments measured at fair value

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

Group:
30 June 2024

In millions of Nigerian Naira	Note	Level 1	Level 2	Level 3	Total
Assets					
Financial assets at FVTPL	23				
Government bonds		-	42,898	-	42,898
Treasury bills		-	13,334	-	13,334
Derivative assets measured at fair value through profit and loss:	33(a)	-	197,588	-	197,588
Investment securities at FVOCI	26				
Treasury bills		-	2,374,867	-	2,374,867
Bonds		-	1,748,312	-	1,748,312
Promissory notes		-	8,557	-	8,557
Equity investments		5,504	-	444,166	449,670
Total assets		**5,504**	**4,385,556**	**444,166**	**4,835,226**
Liabilities					
Financial liabilities at fair value through profit or loss					
Derivative liability	33(b)	-	12,348	-	12,348

6. FAIR VALUE MEASUREMENT - CONTINUED

6.3 Financial instruments measured at fair value - Continued

Bank:
30 June 2024

In millions of Nigerian Naira	Note	Level 1	Level 2	Level 3	Total
Assets					
Financial assets at FVTPL	23				
Government bonds		-	2	-	2
Treasury bills		-	13,334	-	13,334
					-
Derivative assets measured at fair value through profit and loss:	33(a)	-	197,588	-	197,588
					-
Investment securities at FVOCI	26				-
Treasury bills		-	1,949,079	-	1,949,079
Bonds		-	1,540,729	-	1,540,729
Promissory notes		-	8,557	-	8,557
Equity investments		5,504	-	427,599	433,103
		5,504	**3,709,289**	**427,599**	**4,142,392**
Liabilities					
Financial liabilities at fair value through profit or loss					
Derivative liability	33(b)	-	12,348	-	12,348

Group:
31 December 2023

In millions of Nigerian Naira	Note	Level 1	Level 2	Level 3	Total
Assets					
Financial assets at FVTPL	23				
Government bonds		-	33,324	-	33,324
Treasury bills		-	525	-	525
Derivative assets measured at fair value through profit and loss:	33(a)	-	498,824	-	498,824
		-			
Investment securities at FVOCI	26				
Treasury bills		-	1,850,215	-	1,850,215
Bonds		-	946,163	-	946,163
Promissory notes		-	9,400	-	9,400
Equity investments		4,945	-	282,312	287,257
Total assets		4,945	3,338,451	282,312	3,625,708
Liabilities					
Derivative liability	33(b)	-	1,885	-	1,885

6 FAIR VALUE MEASUREMENT - CONTINUED

6.3 Financial instruments measured at fair value - Continued

Bank:
31 December 2023

In millions of Nigerian Naira	Note	Level 1	Level 2	Level 3	Total
Assets					
Financial assets at FVTPL	23				
Government bonds		-	9	-	9
Promissory notes		-	525	-	525
Treasury bills					-
					-
Derivative assets measured at fair value through profit and loss:	33(a)	-	498,824	-	498,824
Investment securities at FVOCI	26				
Treasury bills		-	1,590,294	-	1,590,294
Bonds		-	832,642	-	832,642
Promissory notes		-	9,400	-	9,400
Equity investments		4,945	-	273,064	278,009
		4,945	**2,931,694**	**273,064**	**3,209,703**
Liabilities					
Derivative liability	33(b)	-	1,885	-	1,885

The following table presents the changes in level 3 instruments during the year. Level 3 instruments are all unquoted equities.

	Group		Bank	
In millions of Nigerian Naira	Jun. 2024	Dec. 2023	Jun. 2024	Dec. 2023
Balance, beginning of year	282,312	145,174	273,064	143,545
(Disposal)/Addition during the period	(735)	7,572	-	-
Gain recognised in other comprehensive income (under fair value gain on FVOCI)	161,892	146,524	154,573	146,524
Translation differences	696	(16,958)	(38)	(17,005)
Balance, end of period	**444,166**	**282,312**	**427,599**	**273,064**

(i) The fair value of the Group's equity investment in CSCS Limited was previously categorised as level 3 in the fair value hierarchy. This was because the shares were not listed on an exchange and there were no recent observable arm's length transactions in the shares. There were no transfers from level 2 to level 3 in as of HY2024.

(ii) Level 2 fair value measurements
These prices are a reflection of the actual fair value of the investments, as transactions consummated under the OTC trades were arms length transactions. The Group's Level 2 derivative contracts were valued using interest rate parity method discounted to present value due to time value of money. Inputs to the valuation models are all based on market conditions existing at the end of each reporting period. These derivative contracts are not traded in active markets.

(iii) Level 3 fair value measurements - Unobservable inputs used in measuring fair value
All valuation processes and techniques are subject to review and approval by the Finance and General Purpose Committee of the Board of Directors. There was no change in the Group's valuation technique during the period.

The table below sets out information about significant unobservable inputs used as at 30 June 2024 in measuring financial instruments categorised as Level 3 in the fair value hierarchy:

6 FAIR VALUE MEASUREMENT - CONTINUED

6.3 Financial instruments measured at fair value - Continued

Type of financial instrument	Fair value as at 30 June 2024 N'million	Fair value as at 31 December 2023 N'million	Valuation technique	Unobservable input	Range of estimates for unobservable inputs (30 June 2024)	Range of estimates for unobservable inputs (31 December 2023)	Relationship of unobservable inputs to fair value
Unquoted equity securities	444,166	133,013	Income Approach (Discounted cash flow method)	Cost of equity	22.7% - 35.3%	24.0% - 30.0%	Significant increases in cost of equity, in isolation, would result in lower fair values. Significant reduction would result in higher fair values
				Terminal growth rate	3.1% - 3.3%	3.2% - 5.2%	Significant increases in terminal growth rate, in isolation, would result in higher fair values. Significant reduction would result in lower fair values

(iv) Level 3 fair value measurements - Unobservable inputs used in measuring fair value (continued)

Significant unobservable inputs are developed as follows:

Discounted cash flow

- The Group used the Capital Asset Pricing Model to determine the cost of equities for its various unquoted equities which were fair valued at year end.
- The risk free rate was determined using the yield on 30-year US treasury bond (for unquoted securities denominated in USD) and longest tenured Federal Government of Nigeria bond (for unquoted securities denominated in Nigerian naira).
- Equity risk premium was determined using market returns obtained from PricewaterhouseCoopers and KPMG industry surveys.
- Beta estimates were obtained from Damodaran Online.

Dividend discount model

- The Group used the build-up approach to determine cost of equities for its various unquoted equities which were fair valued using dividend discount model at year end.
- The risk free rate was determined using the yield on the longest tenured sovereign bonds.
- The dividend growth rate was determined using the historical five years weighted average growth rate of dividends paid by the respective entities
- Equity risk premium were obtained from Damodaran Online (with specific focus on emerging markets data), adjusted for size premium.

(v) Level 3 fair value measurements - Effect of unobservable inputs on fair value measurement

The Group believes that its estimates of fair values are appropriate. However, the use of different methodologies or assumptions could lead to different measurements of fair value. For fair value measurements in Level 3, changing the cost of equity or terminal growth rate by a reasonable possible value, in isolation, would have the following effects on other comprehensive income for the year:

6 FAIR VALUE MEASUREMENT - CONTINUED

6.3 Financial instruments measured at fair value - Continued

In millions of Nigerian Naira

Key Assumption	**Effect on other comprehensive income (OCI)**			
	Jun. 2024		**Dec. 2023**	
	5% Increase	**5% Decrease**	**5% Increase**	**5% Decrease**
Cost of Equity	(9,433)	10,584	(15,834)	17,663
Terminal Growth Rate	1,542	(1,529)	166	(166)

6. FAIR VALUE MEASUREMENT - CONTINUED

6.4 Financial instruments not measured at fair value

The table below sets out the fair values of financial instruments not carried at fair value and analyses them by the level in the fair value hierarchy into which each fair value measurement is categorised.

Group *In millions of Nigerian Naira*	**Level 1**	**Level 2**	**Level 3**	**Total fair value**	**Carrying amount**
30 June 2024					
Assets					
Cash and bank balances	-	-	6,069,496	6,069,496	8,316,917
Assets under management			14,026	14,026	14,026
Loans and advances to banks	-	234,188	-	234,188	203,857
Loans and advances to customers					
-Individual					
Term loans	-	354,468	-	354,468	427,312
Overdrafts	-	41,242	-	41,242	60,657
-Corporate					
Term loans	-	3,916,582	-	-	5,476,794
Overdrafts	-	1,159,428	-	1,159,428	827,188
Others		12,883	-	12,883	2,034
Investment Securities - Amortised cost					
Treasury bills	-	1,618,214	-	1,618,214	2,914,889
Bonds	-	2,274,043	-	2,274,043	4,085,399
Other assets	-		720,311	720,311	750,962
Liabilities					
Deposits from banks	-	2,526,282	-	2,526,282	3,115,349
Deposits from customers	-	15,703,750	-	15,703,750	20,090,375
Other liabilities	-	-	301,022	301,022	754,508
Borrowings	-	915,379	-	915,379	1,249,156
31 December 2023					
Assets					
Cash and bank balances	-	-	6,069,496	6,069,496	6,069,496
Assets under management			14,026	14,026	14,026
Loans and advances to banks	-	234,188	-	234,188	320,732
Loans and advances to customers				-	
-Individual				-	
Term loans	-	354,468	-	354,468	334,058
Overdrafts	-	41,242	-	41,242	21,162
-Corporate				-	
Term loans	-	3,916,582	-	3,916,582	3,792,187
Overdrafts	-	1,159,428	-	1,159,428	1,069,110
Others		12,883	-	12,883	12,331
Investment Securities - Amortised cost				-	
Treasury bills	-	1,618,214	-	1,618,214	1,821,121
Bonds	-	2,274,043	-	2,274,043	2,559,185
Other assets	-		720,311	720,311	720,311
				-	
Liabilities				-	
Deposits from banks	-	2,526,282	-	2,526,282	2,464,444
Deposits from customers	-	15,703,750	-	15,703,750	14,891,277
Other liabilities	-	-	301,022	301,022	301,022
Borrowings	-	915,379	-	915,379	858,739

6. FAIR VALUE MEASUREMENT - CONTINUED

6.4 Financial instruments not measured at fair value - Continued

Bank *In millions of Nigerian Naira*	Level 1	Level 2	Level 3	Total fair value	Carrying amount
30 June 2024					
Assets					
Cash and bank balances	-	-	6,176,819	6,176,819	6,176,819
Assets under management			14,026	14,026	14,026
Loans and advances to banks	-	103,017	-	103,017	192,835
Loans and advances to customers					-
-Individual					
Term loans	-	68,040	-	68,040	63,896
Overdrafts	-	11,062	-	11,062	6,887
-Corporate					
Term loans	-	2,888,805	-	2,888,805	3,424,898
Overdrafts	-	483,704	-	483,704	356,304
Others	-	12,883	-	12,883	2,034
Investment Securities - Amortised cost					
Bonds	-	221,055	-	221,055	254,157
Other assets	-		651,821	651,821	651,821
Liabilities					
Deposits from banks	-	1,652,804	-	1,652,804	1,956,678
Deposits from customers	-	9,194,545	-	9,194,545	10,477,844
Other liabilities	-	-	524,416	524,416	524,416
Borrowings	-	915,379	-	915,379	1,125,261
31 December 2023					
Assets					
Cash and bank balances	-	-	5,036,380	5,036,380	5,036,380
Assets under management			14,026	14,026	14,026
Loans and advances to banks	-	103,017	-	103,017	147,547
Loans and advances to customers				-	
-Individual				-	
Term loans	-	68,040	-	68,040	50,672
Overdrafts	-	11,062	-	11,062	6,336
-Corporate				-	
Term loans	-	2,888,805	-	2,888,805	2,778,270
Overdrafts	-	483,704	-	483,704	472,764
Others	-	12,883	-	12,883	12,331
Investment Securities - Amortised cost				-	
Treasury bills	-	-	-	-	-
Bonds	-	161,640	-	161,640	181,908
Other assets	-		589,128	589,128	589,128
				-	
Liabilities				-	
Deposits from banks	-	1,652,804	-	1,652,804	1,598,524
Deposits from customers	-	9,194,545	-	9,194,545	8,760,630
Other liabilities	-	-	353,243	353,243	353,243
Borrowings	-	915,379	-	915,379	856,329

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Group's financial statements. These fair values were calculated for disclosure purposes only.

6 FAIR VALUE MEASUREMENT - CONTINUED

6.4 Financial instruments not measured at fair value - Continued

i Cash and bank balances

The carrying amount of cash and cash equivalents is a reasonable approximation of fair value.

ii Loans and advances

Loans and advances are net of charges for impairment. To improve the accuracy of the valuation estimate for loans, homogenous loans are grouped into portfolios with similar characteristics. The estimated fair value of loans and advances represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

iii Investment securities

The fair value is based on market prices from financial market dealer price quotations. Where this information is not available, fair value is estimated using quoted market prices for securities with similar credit, maturity and yield characteristics.

iv Other assets

The bulk of these financial assets have short (less than 3months) maturities and their amounts are a reasonable approximation of fair value.

v Deposits from banks and customers

The estimated fair value of deposits with no stated maturity, which includes non-interest bearing deposits, is the amount repayable on demand. The estimated fair value of fixed interest-bearing deposits not quoted in an active market is based on discounted cash flows using interest rates for new debts with similar remaining maturity.

vi Other liabilities

The carrying amount of financial liabilities in other liabilities is a reasonable approximation of fair value.

vii Interest bearing loans and borrowings

The estimated fair value of fixed interest-bearing borrowings not quoted in an active market is based on discounted cash flows using the contractual interest rates for these debts over their remaining maturity.

7. OFFSETTING OF FINANCIAL INSTRUMENTS

Financial assets and liabilities are offset and the net amount reported in the statement of financial position where the Group currently has a legally enforceable right to set-off the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. In the normal course of business, the Group may enter into various master netting agreements or other similar arrangements that do not meet the criteria for offsetting in the statement of financial position but still allow for the related amounts to be set off in certain circumstances.

The following table presents the recognized financial instruments that are offset, or subject to enforceable master netting arrangements or other similar agreements but not offset, as at the reporting date, and shows in the "Net" column what the impact would be on the Group's statement of financial position if all set off rights were exercised.

7. OFFSETTING OF FINANCIAL INSTRUMENTS - CONTINUED

Group

30 June 2024	Amounts offset		
In millions of Nigerian Naira	**Gross amounts**	**Gross amounts offset**	**Net amounts presented**
Financial assets			
- Electronic payments receivable (note 27) (a)	462,223	(77,231)	384,992
Financial liabilities			
- Creditors and payables (note 36) (a)	527,820	(77,231)	450,589

Group

31 December 2023	Amounts offset		
In millions of Nigerian Naira	**Gross amounts**	**Gross amounts offset**	**Net amounts presented**
Financial assets			
- Electronic payments receivable (note 27) (a)	418,158	(33,673)	384,485
Financial liabilities			
- Creditors (note 36) (a)	129,542	(33,673)	95,869

Bank

30 June 2024	Amounts offset		
In millions of Nigerian Naira	**Gross amounts**	**Gross amounts offset**	**Net amounts presented**
Financial assets			
- Electronic payments receivable (note 27) (a)	158,194	(11,223)	146,971
Financial liabilities			
- Creditors (note 36) (a)	376,224	(11,223)	365,001

Bank

31 December 2023	Amounts offset		
In millions of Nigerian Naira	**Gross amounts**	**Gross amounts offset**	**Net amounts presented**
Financial assets			
- Electronic payments receivable (note 27) (a)	196,326	(8,231)	188,095
Financial liabilities			
- Creditors (note 36) (a)	217,617	(8,231)	209,386

(a) Standard terms of electronic banking and similar payment transactions allow for net settlement of payments in the normal course of business.

8. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. In the process of applying the Group's accounting policies, management has made the following judgements and assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities. Existing circumstances and assumptions about future developments may change due to circumstances beyond the Group's control and are reflected in the assumptions if and when they occur. Items with the most significant effect on the amounts recognised in the financial statements with substantial management judgement and/or estimates are collated below.

These disclosures supplement the commentary on financial risk management (see note 4).

(a) Key sources of estimation uncertainty

(i) Measurement of the expected credit loss allowance

The measurement of the expected credit loss(ECL) allowance for financial assets measured at amortised cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). Details of the inputs, assumptions and estimation methodologies used in measuring ECL are described in note 3.27.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and associated ECL; and
- Establishing groups of financial assets for the purposes of measuring ECL.

Detailed information about the judgements and estimates made by the Group in the above areas is set out in note 3.27.

(ii) Determining fair values

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of techniques as described in accounting policy 3.11. Further disclosures on the Group's valuation methodology have been made on note 6.1. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

(iii) Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits, together with future tax planning strategies. In determining the timing and level of future taxable profits together with future tax planning strategies, the Group assessed the probability of expected future

8. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS - CONTINUED

taxable profits based on expected revenues for the next five years. Details of the Group's recognised and unrecognised deferred tax assets and liabilities are as disclosed in note 32.

(iv) Valuation of derivative contracts

The fair value of the Group's derivatives is determined by using valuation techniques. Inputs to the valuation models are all based on market conditions existing at the end of each reporting period. The Group has used interest rate parity method discounted for passage of time in the valuation of its foreign exchange derivative contracts. These derivative contracts are not traded in active markets.

The table below shows the fair value of the Group's derivatives if there is 5% change in interest rates or a 5% change in foreign currency exchange rates.

	Interest rates		Exchange rates	
In millions of Nigerian Naira	**5% decrease**	**5% increase**	**5% decrease**	**5% increase**
Derivative assets	(7,134)	6,994	(51,757)	81,394
Derivative liabilities	(3,417)	3,362	(41,908)	12,298

(b) Critical accounting judgments in applying the Group's accounting policies

Critical accounting judgments made in applying the Group's accounting policies include:

(i) Fair value of equity instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility. For further details about determination of fair value please see the Group's accounting policy on valuation of financial instruments in note 6.

(ii) Allowance for credit losses

In estimating credit losses, the Group considers the credit worthiness and financial capacity of the obligor, the probability that an obligor or counterparty will default over a given period (probability of default -PD) , the portion of the loan expected to be irrecoverable at the time of loan default (loss given default - LGD) and Exposure at Default (EAD). The table below shows the sensitivities of the impairment loss provision for 1% increase or decrease in the LGD and PD.

	30 June 2024		31 December 2023	
In millions of Nigerian Naira	**Probability of Default -PD**	**Loss Given Default-LGD**	**Probability of Default -PD**	**Loss Given Default-LGD**
Increase/decrease				
1% increase	2,616	19,578	2,154	16,878
1% decrease	(2,616)	(19,578)	(2,154)	(16,878)

8. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS - CONTINUED

(iii) Impairment testing for cash-generating units containing goodwill

On an annual basis, the Group carries out impairment assessments of its cash generating units containing goodwill. The recoverable amounts of the cash-generating units (CGU) are determined based on value-in-use calculations which require the use of estimates including discount rates and terminal growth rates. Management's estimates of the recoverable amounts of these CGU's is sensitive to these estimates. The key assumptions underlying the recoverable amounts as well as sensitivity analysis of these key assumptions are disclosed in note 31.

(iv) Determination of exchange rate used for translation

'The Group translates and records its foreign currency transactions and balances based on the exchange rate at which the future cash flows represented by the transactions or balances could have been settled, if those cash flows had occurred at the reporting date. The Nigerian Autonomous Foreign Exchange Fixing (NAFEX) (FMDQ) rate has been used for the translation of foreign currency balances as this remains the main source of foreign currencies for the Bank's transactions.

(v) Determination of incremental borrowing rate used for discounting lease liabilities

'The incremental borrowing rate is defined by IFRS 16 as the rate of interest that a lessee would have to pay to borrow, over a similar term and with a similar security, the funds necessary to obtain an asset of a similar value to the cost of the right-of-use asset in a similar economic environment.

The effective borrowing rate used for discounting the future lease payments to present value was determined by using the corresponding FGN Bond/Bill yields of similar maturity profiles with the outstanding lease terms in addition to the Bank's risk premium based on the interest rate of the Bank's quoted subordinated series 3 notes. Hence, the bank applied a single discount rate to a portfolio of leases with reasonably similar characteristics but matched with their relevant lease terms.

(vi) Hyperinflationary accounting

During 2024, the Group has designated Ghana and Sierra Leone as hyperinflationary economies in accordance with IAS 29 and has therefore employed the use of the hyperinflationary accounting to consolidate and report its Ghana and Sierra Leone operating subsidiaries.

The determination of whether an economy is hyperinflationary requires the Group to make certain estimates and judgements, such as assessment of historic inflation rates and anticipation of future trends. In addition, the application of hyperinflationary accounting in accordance with IAS 29 requires the selection and use of price indices to estimate the impact of inflation on the results of operations and non-monetary assets and liabilities and of the Group.

The selection of price indices is based on the Group's assessment of various available price indices on the basis of reliability and relevance. Changes in any such estimates may significantly impact the carrying value of those non-monetary assets or liabilities, and results of operations, which are subject to hyperinflationary adjustments, and the related gains and losses within the consolidated statements of loss and comprehensive loss.

Consumer Price Index (CPI) data covering all items has been obtained from the International Monetary Fund (IMF). This measures the overall change in consumer prices based on a representative basket of goods and services over time as is viewed as representative of the hyperinflationary economy.

The CPI for Sierra Leone at the beginning of the reporting period was 31.95%, and closed at 20.26%. The CPI for Ghana at the beginning of the reporting period was 53.2%, and closed at 52.1%.

9. OPERATING SEGMENTS

Segment information is presented in respect of the Group’s geographic segments which represents the primary segment reporting format and is based on the Group’s management and reporting structure. The Chief Operating Decision Maker (Board of Directors), reviews the Group's performance along these business segments and resources are allocated accordingly.

Geographical segments

The Group operates in the following geographical regions:

- **Nigeria:** This comprises UBA Plc (excluding the branch in New York) and UBA Pensions Custodian Limited.
- **Rest of Africa:** This comprises all subsidiaries in Africa, excluding Nigeria. The African subsidiaries have been aggregated into one reportable segment as they are deemed to have similar economic characteristics.
- **Rest of the world:** This comprises UBA UK Limited and UBA New York branch. Although this part of the business is not large enough to be presented as a separate reporting segment, it has been included here as it is seen as a potential growth segment which is expected to materially contribute to group revenue in the future. The entities within this reporting segment have been aggregated into one reportable segment as they have similar economic characteristics.

Business segments

The Group's operations have been classified into the following business segments:

Corporate Banking - This business segment provides a broad range of financial solutions to multinationals, regional companies, state-owned companies, non-governmental organisations, international and multinational organisations and financial institutions.

Retail/ Commercial banking – This business segment has presence in all major cities in Nigeria and in nineteen other countries across Africa where the Group has operations . It provides commercial banking products and services to the middle and retail segments of the market.

Treasury and Financial Markets – This segment provides innovative financing and risk management solutions and advisory services to the Group’s corporate and institutional customers. The segment is also responsible for formulation and implementation of financial market products for the Group’s customers.

Unallocated Segment – This comprises assets that are held solely for the purpose of disposal. They are not utilized for the Group's day to day operations.

No single external customer or group amounts to 10% or more of the Group's revenues.

The revenue from external parties reported to the Chief Operating Decision Maker is measured in a manner consistent with that in the income statement.

Inter-segment transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from inter-segment transactions that are recognised in assets are also eliminated. Transfer prices between operating segments are based on the Group's internal pricing framework.

9. OPERATING SEGMENTS - CONTINUED

(a) Geographical segments

(i) 30 June 2024

In millions of Nigerian Naira	Nigeria	Rest of Africa	Rest of the World	Eliminations	Total
Total revenue[1]	**742,410**	**702,058**	**107,226**	**(180,647)**	**1,371,047**
					-
Interest expenses	(205,964)	(150,242)	(20,075)	47,345	(328,935)
Fee and commission expense	(54,486)	(50,973)	(62)	-	(105,519)
Impairment loss recognised in income statement	(28,690)	(33,812)	2,289	-	(60,212)
Operating expenses	(241,202)	(208,029)	(21,291)	-	(470,522)
Share of gains in equity-accounted investee	-	(4,282)	-	-	(4,282)
Profit before tax	**212,068**	**254,720**	**68,088**	**(133,302)**	**401,577**
Income tax expenses	(35,611)	(47,685)	(1,920)	-	(85,217)
Profit for the period	**176,457**	**207,034**	**66,168**	**(133,302)**	**316,360**
30 June 2024					
Loans and advances	3,853,919	3,014,303	786,344	(656,726)	**6,997,839**
Deposits from customers and banks	10,303,691	11,457,184	2,797,614	(1,352,764)	**23,205,725**
Total segment assets[2]	13,451,242	13,688,300	2,995,153	(1,797,156)	**28,337,539**
Total segment liabilities	11,967,242	12,096,503	2,834,272	(1,545,631)	**25,352,386**
[1] Includes:					
Recognised at a point in time	74,566	141,093	2,014	-	217,675
Recognised over time	3,358	27,685	1,898	-	32,941
Total revenue within the scope of IFRS 15	**77,924**	**168,779**	**3,912**	**-**	**250,616**
[2] Includes:					
Expenditure for reportable segment:					
Depreciation	8,966	11,250	404	-	**20,620**
Amortisation	2,389	639	656	-	**3,683**

9 OPERATING SEGMENTS - CONTINUED

(a) Geographical segments - Continued

30 June 2023

In millions of Nigerian Naira	Nigeria	Rest of Africa	Rest of the World	Eliminations	Total
Total revenue[1]	716,747	248,157	48,206	(31,335)	981,775
					-
Interest expenses	(101,604)	(49,638)	(6,773)	7,836	(150,179)
Fee and commission expense	(30,103)	(16,903)	(92)	(540)	(47,638)
Impairment loss recognised in income statement	(127,424)	(23,862)	(2,657)	-	(153,944)
Operating expenses	(127,806)	(82,715)	(15,871)	-	(226,367)
Profit before tax	**329,810**	**75,039**	**22,813**	**(24,039)**	**403,647**
Income tax expenses	(7,925)	(17,487)	-	-	**(25,412)**
Profit for the period	**321,885**	**57,552**	**22,813**	**(24,039)**	**378,235**
31 December 2023					
Loans and advances	2,633,621	1,697,207	739,444	(387,611)	**4,682,660**
Deposits from customers and banks	6,199,519	5,493,233	1,491,865	(581,449)	**12,603,168**
Total segment assets2	8,052,492	6,487,497	1,597,843	(755,450)	15,382,382
Total segment liabilities	**7,271,025**	**5,697,665**	**1,525,124**	**(823,794)**	**13,670,020**
[1] Includes:					
Recognised at a point in time	59,221	63,436	1,938	-	**124,596**
Recognised over time	776	562	-	-	**1,338**
Total revenue within the scope of IFRS 15	**59,997**	**63,998**	**1,938**	**-**	**125,934**
[2] Includes:					
Investments in associate and accounted for by using the equity method	-	-	-	-	-
Expenditure for reportable segment:					
Depreciation	8,609	4,895	171	-	13,675
Amortisation	1,927	296	220	-	2,442

9. OPERATING SEGMENTS - CONTINUED

(b) Business reporting

The following table presents income and profit and certain asset and liability information for the Group's business segments:

30 June 2024

In millions of Nigerian Naira	Corporate	Retail and commercial	Treasury and financial markets	Unallocated Segment	Total
Revenue:					
Derived revenue from external customers	**302,306**	**820,474**	**559,966**	**(311,699)**	**1,371,047**
Interest expenses	(46,085)	(127,751)	(155,099)	-	(328,935)
Fee and commission expense	(1,645)	(103,823)	(51)	-	(105,519)
Impairment loss recognised in income statement	(40,416)	(19,678)	(118)		(60,212)
Net monetary loss on hyperinflation	-	-	-	(4,282)	(4,282)
Operating expenses	(44,343)	(293,084)	(108,792)	-	(446,219)
Depreciation and amortisation	(2,415)	(15,963)	(5,925)	-	(24,303)
Profit before income tax	**167,402**	**260,175**	**289,981**	**(315,981)**	**401,577**
Taxation	(35,524)	11,842	(61,536)	-	(85,217)
Profit for the period	**131,878**	**272,017**	**228,445**	**(315,981)**	**316,360**
30 June 2024					
Loans and advances	1,934,759	4,816,990	246,090	-	6,997,839
Deposits from customers and banks	1,712,196	17,887,951	3,605,578	-	23,205,725
Total segment assets	4,492,766	13,688,418	10,126,853	-	28,337,539
Total segment liabilities	1,773,238	18,724,415	4,854,734	-	25,352,386

30 June 2023

In millions of Nigerian Naira	Corporate	Retail and commercial	Treasury and financial markets	Unallocated Segment	Total
Revenue:					
Derived revenue from external customers	**193,591**	**244,766**	**194,984**	**348,434**	**981,775**
Interest expenses	(41,845)	(47,676)	(60,658)	-	(150,179)
Fee and commission expense	(743)	(46,873)	(23)	-	(47,639)
Net impairment loss on financial assets	(40,141)	(15,477)	(326)	(98,000)	(153,944)
Operating expenses	(40,168)	(107,767)	(62,314)	-	(210,249)
Depreciation and amortisation	(3,079)	(8,261)	(4,777)	-	(16,117)
Profit before income tax	**67,615**	**18,712**	**66,886**	**250,434**	**403,647**
Taxation	(4,257)	(16,944)	(4,211)	-	(25,412)
Profit for the period	**63,358**	**1,768**	**62,675**	**250,434**	**378,235**
31 December 2023					
Loans and advances	1,934,759	3,251,857	362,965	-	5,549,581
Deposits from customers and banks	1,712,196	12,688,853	2,954,672	-	17,355,721
					-
Total segment assets	4,646,187	10,653,066	5,353,944	-	20,653,197
Total segment liabilities	1,773,238	13,036,354	3,813,411	-	18,623,002

10. INTEREST INCOME

In millions of Nigerian Naira	Group Jun. 2024	Group Jun. 2023	Bank Jun. 2024	Bank Jun. 2023
Interest income on amortised cost and FVOCI securities				
Cash and bank balances	47,919	40,603	49,701	34,055
Interest income on loans and advances to banks	101,666	18,015	44,627	9,529
Interest on loans to customers				
- To individuals				
Term loans	17,153	9,562	7,759	5,549
Overdrafts	15,189	2,232	10,524	1,657
- To corporates				
Term loans	240,414	125,732	204,713	88,959
Overdrafts	64,633	37,823	24,871	25,041
Others	6,374	3,242	2,564	2,314
Investment securities				
- Treasury bills	255,115	97,722	102,479	41,938
- Bonds	216,324	90,779	102,216	48,376
- Promissory notes	3,043	1,979	726	1,979
	967,830	427,689	550,180	259,397
Interest income on financial assets at FVTPL				
- Bonds	21,316	603	110	603
- Treasury Bills	14,407	-	2,802	-
Total interest income	**1,003,553**	**428,292**	**553,092**	**260,000**

1. Interest income at amortized cost and fair value through OCI are calculated using the effective interest method.
2.Interest income includes accrued interest on impaired loans of ₦4.263 billion for the Group (Bank: ₦3.976 billion) for the period ended 30 June 2024 and ₦4.636billion for the Group (Bank: ₦3.106 billion) for the period ended 30 June 2023.

11. INTEREST EXPENSE

Interest expense

In millions of Nigerian Naira	Group Jun. 2024	Group Jun. 2023	Bank Jun. 2024	Bank Jun. 2023
Deposits from banks	54,085	22,283	45,474	17,407
Deposits from customers	204,491	98,932	116,664	63,065
Borrowings	68,653	26,297	50,745	20,992
Lease liabilities	1,706	2,667	504	2,306
	328,935	**150,179**	**213,387**	**103,770**

Total interest expense at amortized cost are calculated using the effective interest method

12. IMPAIRMENT CHARGE FOR CREDIT LOSSES

In millions of Nigerian Naira	Group Jun. 2024	Group Jun. 2023	Bank Jun. 2024	Bank Jun. 2023
12a. Impairment charge for credit losses on Loans				
Impairment charge for credit losses on loans and advances to customers:				
- impairment for credit losses (Note 26(c)) [1]	71,971	153,814	32,997	124,363
Allowance for credit losses on loans and advances to banks:				
- allowance for credit losses/(reversal) ((Note 25)	930	2,160	61	2,150
Write-off on loans and receivables	468	1,046	230	843
Recoveries in allowance for credit loss	(14,813)	(13,088)	(4,025)	(3,620)
	58,556	**143,932**	**29,263**	**123,736**
12b. Net impairment charge on other financial assets				
Impairment (writeback)/charge on investment securities (Note 27(a))	(1,453)	7,848	868	4,135
Impairment (writeback)/charge on placement (Note 22)	(370)	832	(35)	832
Impairment charge on off-balance sheet items	(326)	97	(1,129)	92
Impairment charge on other assets (Note 28(a))	**3,805**	**1,235**	**(2,148)**	**1,285**
	1,656	**10,012**	**(2,444)**	**6,344**

13a. FEES AND COMMISSION INCOME

	Group		Bank	
In millions of Nigerian Naira	**Jun. 2024**	**Jun. 2023**	**Jun. 2024**	**Jun. 2023**
Credit-related fees and commissions[1]	32,941	15,870	5,256	4,714
Commission on turnover	10,261	3,384	-	-
Account maintenance fee	13,591	9,636	13,591	9,636
Electronic banking income[2]	106,150	51,076	35,807	29,178
Funds transfer fee	26,730	9,260	915	521
Trade transactions income [3]	18,116	9,880	9,152	5,310
Remittance fee	18,278	5,569	6,807	2,458
Commissions on transactional services [4]	20,531	17,828	6,045	6,381
Pension funds custody fees	4,018	3,431	-	-
	250,616	**125,934**	**77,573**	**58,198**

[1] Credit related fees and commission income excludes amount included in determining effective interest rates on financial assets carried at amortized cost. Credit related fees are taken over the life of the related facility, whilst transaction related fees are earned when the service is rendered.

[2] Electronic banking income represents income taken on transactions processed via electronic channels such as ATM, POS, mobile banking as well as credit and debit card transactions.

[3] Trade transactions income entails one-off charges as related to letter of credits and other trade businesses which are excluded from those included in determining effective interest rates on those carried at amortized cost.

[4] Commissions on transactional service represents one-off charges on banking transactions such as cheque book issuance, bank statement fees, cash management, stopped cheques and other transactional related income.

13b. FEES AND COMMISSION EXPENSE

Fees and commission expense

	Group		Bank	
In millions of Nigerian Naira	**Jun. 2024**	**Jun. 2023**	**Jun. 2024**	**Jun. 2023**
E-Banking expense	83,150	41,458	46,675	27,053
Trade related expenses	14,863	5,086	7,094	3,049
Funds transfer expense	7,506	1,094	717	499
	105,519	**47,638**	**54,486**	**30,601**

14. NET TRADING AND FOREIGN EXCHANGE INCOME

	Group		Bank	
In millions of Nigerian Naira	**Jun. 2024**	**Jun. 2023**	**Jun. 2024**	**Jun. 2023**
Fixed income securities(i)	31,882	25,436	23,069	24,408
Foreign exchange trading income(ii)	51,814	15,170	14,910	14,987
Foreign currency revaluation gain/(loss)	326,182	29,238	315,543	13,394
Net fair value gain/(loss) on derivatives (see note 34 (c))	(311,699)	348,434	(311,699)	348,434
	98,179	**418,278**	**41,823**	**401,223**

(i) This comprises gains and losses arising from trading and fair value changes.
(ii) Foreign exchange income comprises trading income on foreign currencies and gains and losses from revaluation of trading position.

15. OTHER OPERATING INCOME

	Group		Bank	
In millions of Nigerian Naira	**Jun. 2024**	**Jun. 2023**	**Jun. 2024**	**Jun. 2023**
Dividend income (i)	10,195	4,117	142,617	27,025
Other Income (ii)	8,302	4,929	2,427	1,814
Rental income	158	170	147	156
Gain on disposal of property and equipment	44	55	42	54
	18,699	**9,271**	**145,233**	**29,049**

(i) Dividend income of ₦142.24 billion for the Bank includes a sum of ₦133.30 billion (Jun 2023: ₦23.542 billion) being total dividend earned from the Bank's subsidiaries. This amount has been eliminated in arriving at the Group's dividend of ₦9.74 billion income from other equity investments.

16. NET MONETARY LOSS ON HYPERINFLATION

	Group		Bank	
In millions of Nigerian Naira	Jun. 2024	Jun. 2023	Jun. 2024	Jun. 2023
Net monetary loss arising from hyperinflation - UBA Ghana (note 46)	1,280	-	-	-
Net monetary loss arising from hyperinflation - UBA Sierra Leone (note 46)	3,002	-	-	-
	4,282	**-**	**-**	**-**

17. EMPLOYEE BENEFIT EXPENSES

	Group		Bank	
In millions of Nigerian Naira	Jun. 2024	Jun. 2023	Jun. 2024	Jun. 2023
Wages and salaries (note 45)	126,583	65,870	36,323	30,310
Defined contribution plans	6,916	3,142	957	852
Termination Benefits	361	377	174	359
	133,860	**69,389**	**37,454**	**31,521**

Included in the employee benefit expenses is the sum of ₦334.69 million, which represents the amount set aside as Industrial Training Fund (ITF) contribution for HY2024 (Jun 2023: ₦169.12 million)

18. DEPRECIATION AND AMORTISATION

	Group		Bank	
In millions of Nigerian Naira	Jun. 2024	Jun. 2023	Jun. 2024	Jun. 2023
Depreciation of property and equipment (note 31)	15,136	10,359	7,010	7,261
Depreciation of right-of-use assets (note 31)	5,484	3,316	2,128	1,408
Amortisation of intangible assets (note 32)	3,683	2,442	2,835	2,036
	24,303	**16,117**	**11,973**	**10,705**

19. OTHER OPERATING EXPENSES

	Group		Bank	
In millions of Nigerian Naira	Jun. 2024	Jun. 2023	Jun. 2024	Jun. 2023
Fuel, repairs and maintenance	47,852	15,013	42,314	12,331
Banking sector resolution cost [1]	70,325	40,917	68,946	40,304
Contract services	34,190	16,327	14,792	10,071
Deposit insurance premium	23,511	11,606	19,939	9,875
Occupancy and premises maintenance costs	19,119	12,639	3,589	1,930
Advertising, promotions and branding	11,525	6,532	9,366	2,873
Printing and stationery	6,952	2,046	3,192	1,444
Subscriptions	15,012	3,276	8,965	2,613
IT support and related expenses	6,703	1,932	6,136	1,286
Security and cash handling expenses	10,320	5,522	3,909	2,374
Business travels	10,241	3,388	7,697	2,328
Donations	833	721	789	695
Communication	19,354	8,931	8,980	4,926
Non-deposit insurance costs	3,969	1,166	1,459	671
Bank charges	16,210	7,435	3,045	2,602
Auditors' remuneration	1,847	943	223	229
Training and human capital development	4,992	2,011	325	639
Penalties	279	27	12	-
Loan recovery expenses	1,136	357	937	346
Directors' fees	6,896	72	230	72
Loss on disposal of fixed assets	1,093	-	-	-
	312,359	**140,861**	**204,845**	**97,608**

1. Banking sector resolution cost represents Asset Management Corporation of Nigeria (AMCON) levy, which is applicable on total balance sheet size of the Bank. The current applicable rate based on AMCON Act of 2015 is 0.5% of total assets plus total off balance sheet asset.

20. TAXATION

In millions of Nigerian Naira	Group Jun. 2024	Group Jun. 2023	Bank Jun. 2024	Bank Jun. 2023
Recognised in the statement of comprehensive income				
(a) Current tax expense				
Current period	75,622	47,639	7,437	6,803
(b) Deferred tax expense/(credit)				
Origination and reversal of temporary differences (Note 33)	9,595	(22,227)	26,690	-
Total income tax expense	**85,217**	**25,412**	**34,127**	**6,803**

(i) Prior year under provision (excess dividend tax) relates to the tax arising from the dividend declared and paid during the year ended 31st December 2013 on 2012 profit. Under Nigerian tax law, if a company declares a dividend that is higher than its taxable income, the dividend paid becomes the tax base and additional taxes become due.

	Group Jun. 2024	Group Jun. 2023	Bank Jun. 2024	Bank Jun. 2023
(c) Current income tax payable				
Balance, beginning of period	42,671	20,281	17,781	8,327
Tax paid	(80,176)	(80,166)	(13,389)	(5,983)
Income tax charge	75,622	102,556	7,437	15,437
Balance, end of period	**38,117**	**42,671**	**11,829**	**17,781**

Tax recognized on changes in fair value of FVOCI

(d) Reconciliation of effective tax rate
The tax on the Group's profit before tax differs from the theoretical amount that would arise using the tax rate applicable to profits of the Bank (Parent). The reconciliation of amount reported as tax expense in the statement of comprehensive income to the income tax using the domestic corporation tax rate is presented below:

In millions of Nigerian Naira	Group Jun. 2024	Group Jun. 2023	Bank Jun. 2024	Bank Jun. 2023
Domestic corporation tax rate	30%	30%	30%	30%
Profit before income tax	401,577	403,647	268,757	344,185
Income tax using the domestic corporation tax rate	120,473	121,094	80,627	103,256
Tax effects of :				
Information Technology Levy (i)	2,548	1,399	2,548	1,059
Nigerian Police Trust Fund Levy (ii)	13	7	13	5
Education tax (iii)	831	1,415	831	751
NASENI Levy (iv)	637	353	637	264
National Fiscal Stabilization Levy (v)	1,460	829	-	-
Financial Sector Recovery Levy (vi)	1,460	829	-	-
Minimum tax	3,409	2,804	3,409	2,804
Effect of Permanent differences - Income not subject to tax	(418,647)	(356,214)	(18,367)	(116,014)
Effect of Permanent differences - Expenses not deductible	373,035	252,897	(35,570)	14,593
	85,217	**25,412**	**34,127**	**6,803**
Effective tax rate	21%	6%	13%	2%

20. TAXATION - CONTINUED

In millions of Nigerian Naira	Group Jun. 2024	Group Jun. 2023	Bank Jun. 2024	Bank Jun. 2023
Income Tax recognized in Other Comprehensive Income				
Fair value change in debt instruments classified as FVOCI	(1,313)	15,749	(16,411)	15,246
Income tax relating to net changes in FVOCI instruments	131	(1,575)	1,641	(1,525)
Fair value changes on equity investments designated at FVOCI	179,880	164,952	171,748	158,773
Income tax relating to net changes in FVOCI on Equity instruments	(17,988)	(16,495)	(17,175)	(15,877)

Companies Income Tax

The tax law is similar in most of the countries the Bank operates. The Companies Income Tax Act (CITA) in Nigeria requires companies having more than ₦100 Million Naira turnover to pay income tax at the rate of 30% of their taxable profits. Where the company do not have a taxable profit or where the income tax on the taxable profit is lower than the prescribed minimum tax, the minimum tax shall apply. Minimum tax in Nigeria is assessed at the rate of 0.5% of the turnover.

Due to unutilized tax losses and unclaimed capital allowance, the UBA Plc has no taxable profit for the period ended 30 June 2024, as a result, was assessed to minimum tax for the year under review. The minimum tax charge for the period was ₦3.409 billion.

i. **Education Tax:** Education tax is applicable to UBA Plc only and its imposed on Nigerian companies by the Tertiary Education Trust Fund Act. The rate applicable to the financial statement is 2.5% of the assessable profit. The rate has been increased to 3% effective from 1 September 2023. The education tax charge for the period was ₦831.22 million.

ii. **Information Technology Levy:** UBA Plc is also required to pay 1% of its profit before tax (PBT)as the National Information Technology Development (NITD) levy. The levy is payable by specified companies in Nigeria with annual turnover of at least 100 million Naira. The information technology levy charge for the period was ₦2.548 billion.

iii. **Nigerian Police Trust Fund Levy:** The Nigeria Police Trust Fund levy was introduced by the Nigeria Police Fund Trust Establishment Act 2019 and is charged at the rate of 0.005% of the net profit of companies operating in Nigeria. The Nigerian Police Trust Fund Levy for the period was ₦12.74 million.

iv. **National Agency for Science and Engineering Infrastructure (NASENI) Levy:** NASENI levy is imposed on Nigerian companies by the National Agency for Science and Engineering Infrastructure Act. The rate of the levy is 0.25% of the profit before tax for specific companies having more than 100million Naira turnover. The NASENI levy charge for the year was ₦636.93 million.

v. **National Fiscal Stabilization Levy:** This levy is payable by certain companies in Ghana including Banks at a rate of 5% of profit before tax under the National Fiscal Stabilization Levy Act 2013 (Act 862). The National Fixcal Stabilzation charge for the period was ₦1.460 billion.

vi. **Financial Sector Recovery Levy:** This levy is payable by Banks in Ghana at a rate of 5% of profit before tax and it is payable quarterly. The Financial Sector Recovery Levy charge for the period was ₦1.460 billion.

21. EARNINGS PER SHARE

The calculation of basic earnings per share as at 30 June 2024 was based on the profit attributable to ordinary shareholders of the Parent of ₦304.367 billion (Bank: ₦234.630 billion) and the weighted average number of ordinary shares outstanding of 34.199 billion (Bank: 34.199 billion). The Bank had no dilutive instruments as at period end (June 2023 : nil). Hence the basic and diluted earnings per share are equal.

	Group		Bank	
In millions of Nigerian Naira	Jun. 2024	Jun. 2023	Jun. 2024	Jun. 2023
Profit attributable to equity holders of the parent	304,367	374,365	234,630	337,382
Weighted average number of ordinary shares outstanding (in millions)	34,199	34,199	34,199	34,199
Basic and diluted earnings per share (Naira)	**8.90**	**10.95**	**6.86**	**9.87**

22. CASH AND BANK BALANCES

	Group		Bank	
In millions of Nigerian Naira	Jun. 2024	31 Dec. 23	Jun. 2024	31 Dec. 23
Cash	259,893	175,155	71,248	46,883
Current balances with banks	2,797,677	2,081,261	2,569,817	1,763,642
Unrestricted balances with central banks	1,126,447	697,528	15,760	230,732
Money market placements	1,109,738	429,915	810,901	410,471
Restricted balances with central banks (note (i) below)	3,023,718	2,686,563	2,709,984	2,585,578
	8,317,473	6,070,422	6,177,710	5,037,306
ECL Allowance on Placement	(556)	(926)	(891)	(926)
	8,316,917	**6,069,496**	**6,176,819**	**5,036,380**
Current	8,316,917	6,069,496	6,176,819	5,036,380
	8,316,917	6,069,496	6,176,819	5,036,380
Movement in impairment for placements				
Balance, beginning of year	926	-	926	-
(Writeback)/Charge for the period (See note 12b)	(370)	926	(35)	926
Balance, end of period	**556**	**926**	**891**	**926**

(i) Restricted balances with central banks comprise:

	Group		Bank	
In millions of Nigerian Naira	Jun. 2024	31 Dec. 23	Jun. 2024	31 Dec. 23
Mandatory reserve deposits with central banks (note (a) below)	2,992,835	2,655,680	2,679,101	2,554,695
Special Intervention Reserve (note (b) below)	30,883	30,883	30,883	30,883
Total	**3,023,718**	**2,686,563**	**2,709,984**	**2,585,578**

(a) This represents amounts held as cash reserve requirement with central banks of the countries in which the Bank and its subsidiaries operate, and is not available for use in the Group's day-to-day operations.

(b) This represents the Bank's contribution to the Central Bank of Nigeria's (CBN) Real Sector Support Facility (RSSF), warehoused in the Special Intervention Reserve held with the CBN. The Real Sector Support Facility is to be channeled towards providing credit to priority sectors of the Nigerian economy.

(ii) Cash and cash equivalents for the purposes of the statements of cash flows include the following:

	Group		Bank	
In millions of Nigerian Naira	Jun. 2024	31 Dec. 23	Jun. 2024	31 Dec. 23
Cash and current balances with banks	3,057,570	2,256,416	2,641,065	1,810,525
Unrestricted balances with central banks	1,126,447	697,528	15,760	230,732
Money market placements (less than 90 days)	953,097	273,274	156,641	156,641
Cash and cash equivalents	5,137,114	3,227,218	2,813,466	2,197,898

23. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group		Bank	
In millions of Nigerian Naira	Jun. 2024	31 Dec. 23	Jun. 2024	31 Dec. 23
Government bonds	42,898	33,324	2	9
Treasury bills (above 90 days maturity). See note (i) below:	13,334	525	13,334	525
	56,232	**33,849**	**13,336**	**534**
Non-Current	56,232	33,849	13,336	534

(i) This represents treasury bills measured at fair value through profit or loss, with maturity above three months from the date of purchase. They have been excluded from cash and cash equivalents for the purpose of the statement of cash flows.

24. ASSETS UNDER MANAGEMENT

	Group		Bank	
In millions of Nigerian Naira	Jun. 2024	31 Dec. 23	Jun. 2024	31 Dec. 23
Relating to unclaimed dividends:				
Short term deposits - 6 months	12,534	11,905	12,534	11,905
Short term deposits - 6 months	2,121	2,121	2,121	2,121
	14,655	**14,026**	**14,655**	**14,026**

(i) The Bank entrusted the sum transferred to it by the Registrars in respect of unclaimed dividends with select Asset Managers who will ensure safekeeping and manage the funds for the benefit of the Bank. The investments by the Asset Managers are as listed above (the corresponding liability which is due to the Registrar is reported as "unclaimed dividend" in other liabilities).

25. LOANS AND ADVANCES TO BANKS

	Group		Bank	
In millions of Nigerian Naira	Jun. 2024	31 Dec. 23	Jun. 2024	31 Dec. 23
Gross amount	207,592	323,915	195,955	150,606
Less: Allowance for credit losses				
Stage 1 loans	(3,735)	(3,183)	(3,120)	(3,059)
	203,857	320,732	192,835	147,547
Current	203,857	320,732	192,835	147,547
	203,857	320,732	192,835	147,547

(a) Allowance for credit losses on loans and advances to banks

30 June 2024

Group

Allowance for credit loss

In millions of Nigerian Naira	Stage 1 - 12-month ECL	Stage 2 - Lifetime ECL	Stage 3 - Life-time ECL	Total
Balance, beginning of year	3,183	-	-	3,183
Charge for the period	930	-	-	930
Exchange difference	(378)	-	-	(378)
Balance, end of period	**3,735**	**-**	**-**	**3,735**

Bank

Allowance for credit loss

In millions of Nigerian Naira	Stage 1 - 12-month ECL	Stage 2 - Lifetime ECL	Stage 3 - Life-time ECL	Total
Balance, beginning of year	3,059	-	-	3,059
Charge for the period	61	-	-	61
Balance, end of period	**3,120**	**-**	**-**	**3,120**

25. LOANS AND ADVANCES TO BANKS - CONTINUED

31 December 2023
Group
Allowance for credit loss

In millions of Nigerian Naira	Stage 1 - 12-month ECL	Stage 2 - Lifetime ECL	Stage 3 - Lifetime ECL	Total
Balance, beginning of year	3,183	-	-	3,183
Charge for the year	(360)	-	-	(360)
Exchange difference	360	-	-	360
Balance, end of year	**3,183**	**-**	**-**	**3,183**

Bank

Allowance for credit loss

In millions of Nigerian Naira	Stage 1 - 12-month ECL	Stage 2 - Life-time ECL	Stage 3 - Life-time ECL	Total
Balance, beginning of year	1,942	-	-	1,942
Charge for the year	1117	-	-	1117
Balance, end of year	**3,059**	**-**	**-**	**3,059**

26. LOANS AND ADVANCES TO CUSTOMERS

	Group		Bank	
In millions of Nigerian Naira	Jun. 2024	31 Dec. 23	Jun. 2024	31 Dec. 23
Gross amount	7,058,371	5,470,264	3,947,334	3,450,155
Allowance for credit losses	(264,390)	(241,415)	(93,316)	(129,782)
	6,793,981	5,228,849	3,854,018	3,320,373
Current	3,320,219	2,354,700	2,073,228	1,552,170
Non-current	3,473,762	2,874,149	1,780,790	1,768,203
	6,793,981	**5,228,849**	**3,854,018**	**3,320,373**

(a) 30 June 2024

	Group		Bank	
Loans and advances to customers	Jun. 2024	Dec. 2023	Jun. 2024	Dec. 2023
In millions of Nigerian Naira				
Gross amount	7,058,371	5,470,264	3,947,334	3,450,155
Allowance for credit losses:				
- Impairment loss on Stage 1 loans	(113,009)	(144,998)	(19,122)	(87,352)
- Impairment loss on Stage 2 loans	(32,855)	(17,226)	(16,174)	(14,317)
- Impairment loss on Stage 3 loans	(118,526)	(79,192)	(58,020)	(28,113)
Total provision for credit losses	(264,390)	(241,415)	(93,316)	(129,782)
Carrying amount	**6,793,981**	**5,228,849**	**3,854,018**	**3,320,373**
Loans and advances to individuals				
In millions of Nigerian Naira				
Gross amount	524,233	395,710	82,404	79,102
Provision for credit losses:				
- Impairment loss on Stage 1 loans	(15,652)	(21,923)	(4,604)	(14,907)
- Impairment loss on Stage 2 loans	(1,786)	(1,511)	(19)	(26)
- Impairment loss on Stage 3 loans	(18,826)	(17,056)	(6,998)	(7,161)
Total provision for credit losses	(36,264)	(40,490)	(11,621)	(22,094)
Carrying amount	**487,969**	**355,220**	**70,783**	**57,008**

26. LOANS AND ADVANCES TO CUSTOMERS - CONTINUED

Loans and advances to corporate entities and other organizations

Loans and advances to customers	Group		Bank	
In millions of Nigerian Naira	Jun. 2024	Dec. 2023	Jun. 2024	Dec. 2023
Gross amount	6,534,138	5,074,554	3,864,930	3,371,053
Provision for credit losses:				
- Impairment loss on Stage 1 loans	(97,357)	(123,075)	(14,518)	(72,445)
- Impairment loss on Stage 2 loans	(31,069)	(15,715)	(16,155)	(14,291)
- Impairment loss on Stage 3 loans	(99,700)	(62,136)	(51,022)	(20,952)
Total provision for credit losses	(228,126)	(200,926)	(81,695)	(107,688)
Portfolio impairment				
Carrying amount	**6,306,012**	**4,873,628**	**3,783,235**	**3,263,365**

(b) 30 June, 2024

Group

Loans and advances to individuals	Gross amount	Stage 1 - 12-month ECL	Stage 2 - Lifetime ECL	Stage 3 - Lifetime ECL	Total allowances	Carrying amount
Overdrafts	69,169	(1,172)	(78)	(7,262)	(8,512)	60,657
Term loans	455,064	(14,480)	(1,708)	(11,564)	(27,752)	427,312
	524,233	**(15,652)**	**(1,786)**	**(18,826)**	**(36,264)**	**487,969**
Loans and advances to corporate entities and other organizations						
Overdrafts	889,972	(22,984)	(13,877)	(25,923)	(62,784)	827,188
Term loans	5,642,131	(74,373)	(17,192)	(73,777)	(165,342)	5,476,790
Others	2,034	-	-	-	-	2,034
	6,534,138	**(97,357)**	**(31,069)**	**(99,700)**	**(228,126)**	**6,306,012**
Bank						
Loans and advances to individuals						
Overdrafts	13,215	(356)	-	(5,972)	(6,328)	6,887
Term loans	69,189	(4,248)	(19)	(1,026)	(5,293)	63,896
	82,404	**(4,604)**	**(19)**	**(6,998)**	**(11,621)**	**70,783**
Loans and advances to corporate entities and other organizations						
Overdrafts	382,053	(1,502)	(6,116)	(18,132)	(25,750)	356,303
Term loans	3,480,843	(13,016)	(10,039)	(32,890)	(55,945)	3,424,898
Others	2,034	-	-	-	-	2,034
	3,864,930	**(14,518)**	**(16,155)**	**(51,022)**	**(81,695)**	**3,783,235**

31 December 2023

Group

Loans and advances to individuals	Gross amount	Stage 1 - 12-month ECL	Stage 2 - Life-time ECL	Stage 3 - Life-time ECL	Total allowances	Carrying amount
Overdrafts	41,242	(2,113)	(837)	(17,130)	(20,080)	21,162
Term loans	354,468	(19,810)	(674)	74	(20,410)	334,058
	395,710	**(21,923)**	**(1,511)**	**(17,056)**	**(40,490)**	**355,220**
Loans and advances to corporate entities and other organizations						
Overdrafts	1,159,428	(51,104)	(2,208)	(37,006)	(90,318)	1,069,110
Term loans	3,902,243	(71,419)	(13,507)	(25,130)	(110,056)	3,792,187
Others	12,883	(552)	-	-	(552)	12,331
	5,074,554	**(123,075)**	**(15,715)**	**(62,136)**	**(200,926)**	**4,873,628**
Bank						
Loans and advances to individuals						
Overdrafts	11,062	(95)	(0)	(4,631)	(4,726)	6,336
Term loans	68,040	(14,812)	(26)	(2,530)	(17,368)	50,672
	79,102	**(14,907)**	**(26)**	**(7,161)**	**(22,094)**	**57,008**
Loans and advances to corporate entities and other organizations						
Overdrafts	483,704	(2,627)	(246)	(8,067)	(10,940)	472,764
Term loans	2,874,466	(69,266)	(14,045)	(12,885)	(96,196)	2,778,270
Others	12,883	(552)	-	-	(552)	12,331
	3,371,053	**(72,445)**	**(14,291)**	**(20,952)**	**(107,688)**	**3,263,365**

26. LOANS AND ADVANCES TO CUSTOMERS - CONTINUED

(c) Allowance for credit losses on loans and advances to customers

30 June 2024

(i) Group

In millions of Nigerian Naira	Stage 1 - 12-month ECL	Stage 2 - Life-time ECL	Stage 3 - Lifetime ECL	Total
Balance, beginning of year	144,997	17,226	79,191	241,414
Impairment charge in the period	25,190	11,355	35,426	71,971
Write offs	-	-	(79,643)	(79,643)
Transfer between stages	(63,815)	(3,177)	66,992	-
Exchange difference	6,637	7,451	16,559	30,647
Balance, end of period	**113,009**	**32,855**	**118,525**	**264,390**

Loans and advances to individuals

In millions of Nigerian Naira	Stage 1 - 12-month ECL	Stage 2 - Life-time ECL	Stage 3 - Lifetime ECL	Total
Balance, beginning of year	21,923	1,511	17,056	40,490
Impairment charge in the period	(21)	(23)	1,514	1,470
Reversal in allowance for credit loss	(10,009)		(867)	(10,876)
Transfer between stages	2,362	135	(2,497)	-
Exchange difference	1,397	163	3,620	5,180
Balance, end of period	**15,652**	**1,786**	**18,826**	**36,264**

Loans and advances to corporate entities and other organizations

In millions of Nigerian Naira	Stage 1 - 12-month ECL	Stage 2 - Life-time ECL	Stage 3 - Lifetime ECL	Total
Balance, beginning of year	123,074	15,715	62,135	200,924
Impairment charge in the period	25,211	11,378	33,912	70,501
Reversal in allowance for credit loss	10,009	-	867	10,876
Write offs	-	-	(79,643)	(79,643)
Transfer between stages	(66,177)	(3,312)	69,489	-
Exchange difference	5,240	7,288	12,939	25,467
Balance, end of period	**97,357**	**31,069**	**99,699**	**228,125**

26. LOANS AND ADVANCES TO CUSTOMERS - CONTINUED

(c) Allowance for credit losses on loans and advances to customers

(ii) Bank

In millions of Nigerian Naira	Stage 1 - 12-month ECL	Stage 2 - Life-time ECL	Stage 3 - Lifetime ECL	Total
Balance, beginning of year	87,352	14,317	28,113	129,782
Impairment charge in the period	(8,384)	9,198	32,183	32,997
Write offs	-	-	(68,326)	(68,326)
Transfer between stages	(60,087)	(7,341)	67,428	-
Exchange difference	241	-	(1,378)	(1,137)
Balance, end of period	**19,122**	**16,174**	**58,020**	**93,316**

Loans and advances to individuals
Allowance for credit losses

In millions of Nigerian Naira	Stage 1 - 12-month ECL	Stage 2 - Life-time ECL	Stage 3 - Lifetime ECL	Total
Balance, beginning of year	14,907	26	7,161	22,094
Impairment charge/(write back) in the period	(1,088)	(23)	1,514	403
Write offs	(10,009)		(867)	(10,876)
Transfer between stages	794	16	(810)	-
Balance, end of period	**4,604**	**19**	**6,998**	**11,621**

Loans and advances to corporate entities and other organizations

In millions of Nigerian Naira	Stage 1 - 12-month ECL	Stage 2 - Life-time ECL	Stage 3 - Lifetime ECL	Total
Balance, beginning of year	72,445	14,291	20,952	107,688
Impairment charge in the period	(7,296)	9,221	30,669	32,594
Reversal in allowance for credit loss	10,009		867	10,876
Write offs	-	-	(68,326)	(68,326)
Transfer between stages	(60,881)	(7,357)	68,238	-
Exchange difference	241	-	(1,378)	(1,137)
Balance, end of period	**14,518**	**16,155**	**51,022**	**81,695**

26. LOANS AND ADVANCES TO CUSTOMERS - CONTINUED

(c) Allowance for credit losses on loans and advances to customers

31 December 2023

Group

In millions of Nigerian Naira	Stage 1 - 12-month ECL	Stage 2 - Life-time ECL	Stage 3 - Lifetime ECL	Total
(iii) Allowance for credit losses on loans and advances to customers				
Balance, beginning of year	64,410	11,757	6,670	82,837
Impairment charge in the year	101,738	14,590	37,436	153,764
Write offs	-	-	(44,196)	(44,196)
Transfer between stages	(36,296)	(8,268)	44,564	-
Exchange difference	15,146	(853)	34,717	49,010
Balance, end of year	**144,998**	**17,226**	**79,191**	**241,415**

Loans and advances to individuals

In millions of Nigerian Naira	Stage 1 - 12-month ECL	Stage 2 - Life-time ECL	Stage 3 - Lifetime ECL	Total
Balance, beginning of year	8,945	505	12,807	22,257
Impairment charge/(write back) in the year	15,148	351	4,135	19,634
Write offs	-	-	(10,351)	(10,351)
Transfer between stages	(4,142)	(1,115)	5,257	-
Exchange difference	1,972	1,770	5,208	8,950
Balance, end of year	**21,923**	**1,511**	**17,056**	**40,490**

Loans and advances to corporate entities and other organizations

In millions of Nigerian Naira	Stage 1 - 12-month ECL	Stage 2 - Life-time ECL	Stage 3 - Lifetime ECL	Total
Balance, beginning of year	55,465	11,252	(6,137)	60,580
Impairment charge/(write back) in the year	86,590	14,239	33,301	134,130
Write offs	-	-	(33,845)	(33,845)
Transfer between stages	(32,154)	(7,153)	39,307	-
Exchange difference	13,173	(2,623)	29,509	40,059
Balance, end of year	**123,074**	**15,715**	**62,135**	**200,924**

26. LOANS AND ADVANCES TO CUSTOMERS - CONTINUED

(c) Allowance for credit losses on loans and advances to customers

31 December 2023

(iv) Bank

In millions of Nigerian Naira	Stage 1 - 12-month ECL	Stage 2 - Life-time ECL	Stage 3 - Lifetime ECL	Total
Balance, beginning of year	30,587	3,847	17,248	51,682
Impairment charge/(write back) in the year	89,586	12,582	18,781	120,949
Write offs	-	-	(41,657)	(41,657)
Transfer between stages	(31,755)	(1,986)	33,741	-
Exchange difference	(1,066)	(126)	-	(1,192)
Balance, end of year	**87,352**	**14,317**	**28,113**	**129,782**

Loans and advances to individuals
Allowance for credit losses

In millions of Nigerian Naira	Stage 1 - 12-month ECL	Stage 2 - Life-time ECL	Stage 3 - Lifetime ECL	Total
Balance, beginning of year	4,742	931	10,456	16,129
Impairment charge in the year	13,725	14	2,577	16,316
Write offs	-	-	(10,351)	(10,351)
Transfer between stages	(3,560)	(919)	4,479	-
Balance, end of year	**14,907**	**26**	**7,161**	**22,094**

Loans and advances to corporate entities and other organizations

In millions of Nigerian Naira	Stage 1 - 12-month ECL	Stage 2 - Life-time ECL	Stage 3 - Lifetime ECL	Total
Balance, beginning of period (IFRS 9)	25,845	2,916	6,792	35,553
Impairment charge/(write back) in the year	75,861	12,568	16,204	104,633
Write offs		-	(31,306)	(31,306)
Transfer between stages	(28,195)	(1,067)	29,262	-
Exchange difference	(1,066)	(126)	-	(1,192)
Balance, end of year	**72,445**	**14,291**	**20,952**	**107,688**

27. INVESTMENT SECURITIES

	Group		Bank	
In millions of Nigerian Naira	Jun. 2024	Dec. 2023	Jun. 2024	Dec. 2023
Investment securities at FVOCI comprise (see note (i)):				
Treasury bills	2,374,867	1,850,215	1,949,079	1,590,294
Bonds	1,748,312	946,163	1,540,729	832,642
Equity investments	449,670	287,257	433,103	278,009
Promissory notes	8,557	9,400	8,557	9,400
	4,581,406	**3,093,037**	**3,931,468**	**2,710,345**
Investment securities at amortised cost comprise (see note (i):				
Treasury bills	2,914,889	1,821,121	-	-
Bonds	4,085,399	2,559,185	254,157	181,908
Gross amount	7,000,288	4,380,306	254,157	181,908
Allowance for credit losses on FVOCI and amortised cost securities	(84,129)	(65,350)	(3,198)	(7,202)
Net carrying amount	**6,916,159**	**4,314,957**	**250,959**	**174,706**
Carrying amount	**11,497,565**	**7,407,994**	**4,182,427**	**2,885,051**
(a) Movement in allowance for credit losses				
Balance, beginning of year	65,350	18,867	7,202	3,144
(Write back)/charge for the period (See Note 12b)	(1,453)	25,438	868	6,430
Exchange difference	20,232	21,045	(4,872)	(2,372)
Balance, end of period	**84,129**	**65,350**	**3,198**	**7,202**

(i) Included in investment securities at FVOCI , amortised cost and FVTPL instruments are pledged financial assets which cannot be re-pledged or resold by counterparties, and these securities are stated as follows:

	Group		Bank	
In millions of Nigerian Naira	Jun. 2024	Dec. 2023	Jun. 2024	Dec. 2023
Treasury bills (at FVOCI)	322,857	465,518	322,857	465,518
Bonds (at FVOCI)	586,017	-	586,017	-
Bonds (at amortised cost)	14,371	534,357	14,371	534,357
Total Pledged assets	923,246	999,875	923,246	999,875
(ii) Unquoted equity securities at FVOCI are analysed below:				
Africa Finance Corporation	393,938	248,279	393,938	248,279
Unified Payment Services Limited	7,412	6,931	7,412	6,931
Central Securities Clearing System limited	5,504	4,844	5,504	4,844
Nigeria Interbank Settlement System Plc.	5,707	5,487	5,707	5,487
African Export-Import Bank	17,376	9,927	17,376	9,927
FMDQ OTC Plc	2,348	1,806	2,348	1,806
Credit Reference Company	686	633	686	633
NG Clearing Limited	131	101	131	101
Others[1]	16,567	9,248	-	-
	449,670	**287,256**	**433,103**	**278,009**

[1] This constitutes other unquoted equity investments (in enties such as GIM UEMOA, The Insurance and Reinsurance Company of the Gulf of Guinea (ARGG) and others) held by various subsidiaries.

28. OTHER ASSETS

	Group		Bank	
In millions of Nigerian Naira	**Jun. 2024**	**Dec. 2023**	**Jun. 2024**	**Dec. 2023**
Financial assets				
Electronic payments receivables [d]	384,992	384,486	146,971	188,095
Accounts receivable [e]	349,616	288,929	106,616	169,064
SMEEIS investment [f]	22,192	22,193	22,192	22,192
Intercompany receivables	-	-	76,990	27,635
Dividends receivable	18,520	9,293	301,778	193,455
Pension custody fees receivable	713	44,357	-	-
Subscription for Investment in African Subsidiaries [c]	-	-	17,859	11,421
Allowance for impairment on accounts receivable [a]	(25,071)	(28,945)	(20,586)	(22,733)
	750,962	**720,313**	**651,820**	**589,129**
Non-financial assets				
Prepayments	72,682	18,325	39,400	7,142
Recoverable taxes	6,289	8,891	3,520	1,258
Stock of consumables	11,542	11,156	8,074	9,723
	90,513	**38,372**	**50,994**	**18,123**
	841,475	758,685	702,814	607,252
(a) Movement in impairment for other assets				
At start of year	28,945	14,213	22,733	11,878
Charge for the period (Note 12b)	3,805	36,202	(2,148)	8,892
Exchange difference	(7,679)	(21,470)	1	1,963
	25,071	**28,945**	**20,586**	**22,733**
(b) Current	837,507	754,715	694,740	597,528
Non-current	3,968	3,968	8,074	9,723
	841,475	**758,685**	**702,814**	**607,252**

(c) Subscription for investment balance relates to deposits paid for additional investment made in few of our African Subsidiaries awaiting Central bank's approval.

(d) The electronic payment receivables balance is presented on net basis in line with IAS 32. Details are provided in note 7 of this financial statement.

(e) Included in the account receivables is the present value of expected cashflows on Bank's foreclosure interests on Abuja Electricity Distribution Company (AEDC).

29. INVESTMENT IN SUBSIDIARIES

(a) Holding in Subsidiaries

In millions of Nigerian Naira	"Year of acquisition/ Commencement"	Previous Holding	Current Holding	Non- controlling interests	Country	Industry	Bank Jun. 2024	Bank Dec. 2023
Bank subsidiaries (see note (i) below):								
UBA Ghana Limited	2004	91%	91%	9%	Ghana	Banking	8,048	8,048
UBA Cameroun (SA)	2007	100%	100%	0%	Cameroun	Banking	1,845	1,845
UBA Cote d'Ivoire	2008	100%	100%	0%	Cote d'Ivoire	Banking	12,295	12,295
UBA Liberia Limited	2008	100%	100%	0%	Liberia	Banking	2,330	2,330
UBA (SL) Limited	2008	100%	100%	0%	Sierra Leone	Banking	1,269	1,269
UBA Uganda Limited	2008	69%	80%	20%	Uganda	Banking	22,843	22,843
UBA Burkina Faso	2008	64%	64%	36%	Burkina Faso	Banking	5,352	5,352
UBA Benin	2008	86%	86%	14%	Benin Republic	Banking	11,451	11,451
UBA Kenya Bank Limited	2009	81%	94%	6%	Kenya	Banking	20,419	20,419
UBA Chad (SA)	2009	89%	100%	0%	Chad	Banking	3,823	3,823
UBA Senegal (SA)	2009	86%	86%	14%	Senegal	Banking	2,400	2,400
UBA Tanzania Limited	2010	82%	82%	18%	Tanzania	Banking	4,332	4,332
UBA Gabon	2010	100%	100%	0%	Gabon	Banking	2,760	2,760
UBA Guinea (SA)	2010	100%	100%	0%	Guinea	Banking	20,671	20,671
UBA Congo DRC (SA)	2011	100%	100%	0%	Congo DRC	Banking	22,410	22,410
UBA Congo Brazzaville (SA)	2011	100%	100%	0%	Congo Brazzaville	Banking	3,024	3,024
UBA Mozambique (SA)	2011	96%	97%	3%	Mozambique	Banking	13,320	13,320
UBA Mali	2017	100%	100%	0%	Mali	Banking	7,457	7,457
UBA UK Limited (see (ii) below)	2012	100%	100%	0%	United Kingdom	Banking	9,974	9,974
UBA Zambia Limited	2010	84%	84%	16%	Zambia	Banking	6,267	6,267
Non-Bank Subsidiaries:							-	
UBA Pensions Custodian Limited (see (iii) below)	2004	100%	100%		Nigeria	Pension custody	2,000	2,000
							184,290	**184,290**

The proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of ordinary shares held. The parent company does not have any shareholdings in the preference shares of subsidiary undertakings included in the Group.

The movement in investment in subsidiaries during the period is as follows:

In millions of Nigerian Naira	Bank June 2024	Bank Dec. 2023
The movement in the investment in subsidiaries during the period is as follows:		
Balance, beginning of the period	184,290	145,993
Additional investments during the period	-	38,297
Balance, end of the period	**184,290**	**184,290**

There was no additional investments in subsidiaries during the year.

(i) UBA Ghana, UBA Cameroon SA, UBA Cote d'ivoire, UBA Liberia, UBA Uganda, UBA Burkina Faso, UBA Chad SA, UBA Senegal SA, UBA Benin, UBA Kenya, UBA Tanzania, UBA Gabon, UBA Guinea, UBA Sierra Leone, UBA Mozambique, UBA Congo DRC, UBA Mali, UBA Congo Brazzaville and UBA Zambia are engaged in the business of banking and provide corporate, commercial, consumer and international banking, trade services, cash management and treasury services.

(ii) UBA UK Limited is a UK bank regulated by the Prudential Regulation Authority and the Financial Conduct Authority and received its banking licence in March 2018. Prior to gaining its bank status, the firm was authorised in the UK to undertake investment business and was originally incorporated on September 25, 1995. The bank is primarily engaged in wholesale banking, with a focus on facilitating trade and treasury flows between Europe and Africa. The bank offers trade finance, corporate banking and treasury solutions to corporate and institutional clients.

(iii) UBA Pensions Custodian Limited obtained an operating license on 20 February 2006 and commenced operations in Nigeria on 3 May 2006. It principally operates as a custodian of pension assets, to hold and deal in such assets as directed by the Pension Fund Administrators and in line with regulations of the National Pension Commission in conformity with the Pensions Reforms Act 2004 and as amended in 2014.

Significant restrictions:
There are no significant restrictions on the Group's ability to access or use the assets and settle the liabilities of any member of the Group to the extent that regulation does not inhibit the Group from having access, and in liquidation scenario, this restriction is limited to its level of investment in the entity.

(b) Non-controlling interests

(i) The total non-controlling interests at the end of the period ended 30 June 2024 is ₦93.85 billion (2023: ₦68.03 billion) is attributed to the following non-fully owned subsidiaries:

	June 2024	Dec 2023
UBA Ghana Limited	8,528	10,541
UBA Burkina Faso	36,197	25,570
UBA Benin	10,576	7,217
UBA Uganda Limited	11,793	7,075
UBA Kenya Bank Limited	1,247	803
UBA Senegal (SA)	11,751	9,273
UBA Mozambique (SA)	2,493	1,414
UBA Tanzania Limited	3,212	1,576
UBA Zambia	8,055	4,565
	93,851	**68,034**

(ii) Set out below is summarised financial information for each subsidiary that has non-controlling interests as at 30 June 2024. The amounts disclosed for each subsidiary are before inter-company eliminations.

	UBA Ghana Limited		UBA Burkina Faso		UBA Benin		UBA Zambia	
In millions of Nigerian Naira	**June 2024**	**Dec. 2023**	**June 2024**	**Dec. 2023**	**June 2024**	**Dec. 2023**	**June 2024**	**Dec. 2023**
Summarised statement of financial position								
Cash and bank balances	334,692	200,537	134,497	28,792	99,825	75,548	108,935	106,619
Other financial assets	569,330	385,386	1,422,377	947,534	964,378	582,531	196,600	137,218
Non-financial assets	32,565	23,958	24,479	60,990	10,097	6,652	6,558	3,961
Total assets	**936,586**	**609,882**	**1,581,353**	**1,037,315**	**1,074,300**	**664,730**	**312,094**	**247,799**
Financial liabilities	750,495	488,574	1,444,694	913,846	979,137	603,044	262,059	217,478
Non-financial liabilities	23,347	7,104	36,831	52,952	17,398	8,617	6,121	5,472
Total liabilities	**773,842**	**495,678**	**1,481,525**	**966,798**	**996,535**	**611,661**	**268,180**	**222,950**
Net assets	**162,744**	**114,204**	**99,828**	**70,517**	**77,765**	**53,069**	**43,914**	**24,849**

29. INVESTMENT IN SUBSIDIARIES - CONTINUED

Summarised financial information of subsidiaries with non-controlling interest - Continued

Summarized statement of comprehensive income	June 2024	Dec. 2023	June 2024	Dec. 2023	June 2024	Dec. 2023	June 2024	Dec. 2023
Operating Revenue	73,719	84,303	68,082	43,944	54,694	47,641	17,485	27,145
Profit for the period	17,622	(6,313)	16,980	11,570	14,302	10,195	3,320	6,875
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income	**17,622**	**(6,313)**	**16,980**	**11,570**	**14,302**	**10,195**	**3,320**	**6,875**
Total comprehensive income allocated to non-controlling interest	1,627	(583)	6,157	4,195	1,945	1,386	531	1,100
Summarized cash flows								
Cash flows from/ (used in) operating activities	228,341	213,491	409,913	349,803	302,663	260,862	233,356	208,004
Cash flows from/ (used in)financing activities	30,920	57,044	12,329	26,938	10,394	18,400	48,647	19,672
Cash flows (used in)/ from investing activities	(125,106)	(169,744)	(316,537)	(380,321)	(288,781)	(238,077)	(173,067)	(121,057)
Net increase/ (decrease) in cash and cash equivalents	**134,154**	**100,791**	**105,706**	**(3,580)**	**24,277**	**41,185**	**108,935**	**106,619**

29. INVESTMENT IN SUBSIDIARIES - CONTINUED

Summarised financial information of subsidiaries with non-controlling interest - Continued

	UBA Uganda Limited		UBA Kenya Bank Limited		UBA Senegal (SA)	
In millions of Nigerian Naira	**Jun. 2024**	**Dec 2023**	**Jun. 2024**	**Dec 2023**	**Jun. 2024**	**Dec 2023**
Summarised statement of financial position						
Cash and bank balances	53,722	42,666	104,465	33,185	200,046	122,922
Other financial assets	181,037	107,605	57,589	152,413	855,265	604,710
Non-financial assets	9,241	6,680	10,789	4,460	55,075	13,700
Total assets	**244,000**	**156,951**	**172,843**	**190,058**	**1,110,386**	**741,332**
Financial liabilities	176,878	117,195	121,979	161,925	996,577	663,958
Non-financial liabilities	7,258	3,843	30,082	14,752	26,826	8,737
Total liabilities	**184,136**	**121,038**	**152,061**	**176,677**	**1,023,403**	**672,695**
Net assets	**59,863**	**35,912**	**20,783**	**13,382**	**86,981**	**68,637**
Summarized statement of comprehensive income	**Jun. 2024**	**Dec 2023**	**Jun. 2024**	**Dec 2023**	**Jun. 2024**	**Dec 2023**
Operating Revenue	**15,087**	**17,358**	**6,902**	**14,116**	**48,284**	**46,881**
Profit/(loss) for the period	(853)	3,108	(1,684)	(1,318)	8,388	7,713
Total comprehensive income	**(853)**	**3,108**	**(1,684)**	**(1,318)**	**8,388**	**7,713**
Total comprehensive income allocated to non-controlling interest	(168)	(165)	(101)	(79)	1,133	1,042
Summarized cash flows						
Cash flows from/ (used in) operating activities	40,584	41,645	40,118	53,132	302,792	315,000
Cash flows from/ (used in) financing activities	24,804	23,632	9,085	5,660	9,956	27,431
Cash flows (used in)/ from investing activities	(54,333)	(46,573)	22,076	(34,781)	(235,622)	(262,933)
Net increase/(decrease) in cash and cash equivalents	**11,055**	**18,704**	**71,279**	**24,011**	**77,126**	**79,498**

29. INVESTMENT IN SUBSIDIARIES - CONTINUED

Summarised financial information for each subsidiary that has non-controlling interests - Continued

	UBA Mozambique (SA)		UBA Tanzania	
In millions of Nigerian Naira	**Jun. 2024**	**Dec 2023**	**Jun. 2024**	**Dec 2023**
Summarised statement of financial position				
Cash and bank balances	125,378	62,252	4,636	6,168
Other financial assets	108,037	70,962	62,686	37,524
Non-financial assets	6,833	3,597	14,351	7,650
Total assets	**240,248**	**136,811**	**81,673**	**51,342**
Financial liabilities	149,048	84,989	59,268	40,496
Non-financial liabilities	9,741	5,629	4,463	2,043
Total liabilities	**158,789**	**90,618**	**63,731**	**42,539**
Net assets	**81,459**	**46,193**	**17,942**	**8,803**
Summarized statement of comprehensive income	**Jun. 2024**	**Dec 2023**	**Jun. 2024**	**Dec 2023**
Operating Revenue	19,612	**23,715**	**10,360**	**8,846**
Profit for the period	8,878	10,271	3,338	2,146
Other comprehensive income	-	-	-	-
Total comprehensive income	8,878	**10,271**	**3,338**	**2,146**
Total comprehensive income allocated to non-controlling interest	272	314	597	384
Summarized cash flows				
Cash flows from/ (used in) operating activities	73,192	27,532	14,262	11,764
Cash flows from financing activities	26,388	17,287	9,857	1,910
Cash flows (used in)/ from investing activities	(36,452)	(22,200)	(21,594)	(10,595)
Net increase in cash and cash equivalents	**63,128**	**22,619**	**2,526**	**3,079**

30. PROPERTY AND EQUIPMENT

In millions of Nigerian Naira	Group Jun. 2024	Group Dec. 2023	Bank Jun. 2024	Bank Dec. 2023
Property and equipment	286,040	232,545	174,466	161,694
Right-of-use assets	45,442	34,601	11,230	11,038
Carrying amount	**331,482**	**267,146**	**185,696**	**172,732**

(a) Property and equipment As at 30 June 2024

Group

In millions of Nigerian Naira	Land	Buildings	Leasehold improvements	Aircraft	Motor vehicles	Furniture and fittings	Computer hardware	Equip-ment	Work in progress	Total
Cost										
Balance at 1 January 2024	44,035	79,558	56,357	24,192	36,483	38,337	89,534	76,831	14,933	460,262
Additions	-	1,427	3,347	-	6,010	7,185	7,634	4,055	16,668	46,326
Reclassifications	-	425	224	-	-	84	1,424	441	(2,597)	-
Disposals	-	-	(3,618)	-	(2,155)	(4,165)	(2,061)	(1,489)	(5,756)	(19,243)
Exchange difference (note i)	1,597	10,115	19,594	-	5,647	14,168	28,433	10,179	2,918	92,652
Balance at 30 June 2024	**45,632**	**91,525**	**75,904**	**24,192**	**45,985**	**55,610**	**124,964**	**90,017**	**26,166**	**579,997**
Accumulated depreciation										
Balance at 1 January 2024	-	32,426	29,372	2,306	23,068	26,707	58,625	55,207	-	227,712
Charge for the period	-	919	1,941	577	2,436	1,641	4,528	3,093	-	15,136
Disposals	-	(18)	18	-	-	-	-	-	-	-
Write-off	-	-	(1,583)	-	(1,124)	(1,747)	(775)	(691)	-	(5,921)
Exchange difference (note i)	-	7,030	15,098	-	4,585	10,467	12,282	7,565	-	57,030
Balance at 30 June 2024	**-**	**40,357**	**44,846**	**2,883**	**28,964**	**37,068**	**74,660**	**65,174**	**-**	**293,957**
Carrying amounts										
Balance at 30 June 2024	**45,632**	**51,168**	**31,058**	**21,309**	**17,021**	**18,542**	**50,305**	**24,843**	**26,166**	**286,040**
Balance at 31 December 2023	**44,035**	**47,132**	**26,985**	**21,886**	**13,415**	**11,630**	**30,909**	**21,624**	**14,933**	**232,545**

(i) Exchange differences arise from the translation of the property and equipment of the Group's foreign operations.

(ii) There were no capitalised borrowing costs related to the acquisition of property and equipment during the period (December 2023: nil)

30 PROPERTY AND EQUIPMENT - CONTINUED

(a) Property and equipment - Continued
As at December 31, 2023

Group

In millions of Nigerian Naira	Land	Buildings	Leasehold improvements	Aircraft	Motor vehicles	Furniture and fittings	Computer hardware	Equipment	Work in progress	Total
Cost										
Balance at 1 January 2023	36,134	56,617	28,106	24,192	24,336	23,178	73,449	62,934	16,563	345,509
Additions	-	1,101	3,740	-	7,916	3,971	5,364	4,076	10,629	36,797
Reclassifications	-	1,842	6,837	-	209	658	1,659	3,066	(14,270)	-
Disposals	(147)	-	(128)	-	(466)	(608)	(963)	(2,251)	(603)	(5,166)
Transfers	6,405	4,687	-	-	-	-	(1,890)	-	(115)	9,086
Write-off	-	(331)	(48)	-	(1,159)	(5)	(33)	(41)	(2)	(1,620)
Exchange difference	1,643	15,642	17,850	-	5,647	11,144	11,948	9,047	2,732	75,652
Balance at 31 December 2023	**44,035**	**79,558**	**56,357**	**24,192**	**36,483**	**38,338**	**89,534**	**76,831**	**14,933**	**460,258**
Accumulated depreciation										
Balance at 1 January 2023	-	20,330	14,032	1,153	14,522	17,157	49,297	45,103	-	161,594
Charge for the year	-	1,449	2,298	1,153	3,489	2,115	8,507	4,784	-	23,795
Reclassifications	-	-	(126)	-	(434)	(279)	(476)	(1,801)	-	(3,116)
Disposals	-	-	-	-	-	-	(1,675)	-	-	(1,675)
Write-off	-	(80)	(28)	-	(161)	(5)	(32)	(40)	-	(345)
Exchange difference	-	10,727	13,196	-	5,652	7,719	3,004	7,162	-	47,460
Balance at 31 December 2023	**-**	**32,426**	**29,372**	**2,306**	**23,068**	**26,707**	**58,625**	**55,208**	**-**	**227,713**
Carrying amounts										
Balance at 31 December 2023	**44,035**	**47,132**	**26,985**	**21,886**	**13,415**	**11,630**	**30,909**	**21,623**	**14,933**	**232,545**

30. PROPERTY AND EQUIPMENT - CONTINUED

(b) Right-of-use assets
30 June, 2024

Group

In millions of Nigerian Naira	Land	Buildings	Total
Right-of-use assets			
Balance - 1 January 2024	1,321	47,782	49,103
New lease contracts	-	18,212	18,212
Terminations of lease contracts	-	(6,718)	(6,718)
Exchange difference	-	17,638	17,638
Balance - 30 June 2024	1,321	76,914	78,235
Accumulated depreciation			
Balance - 1 January 2024	203	14,298	14,501
Depreciation charge for the period	-	5,484	5,484
Expired during the period	-	(168)	(168)
Exchange difference	-	12,976	12,976
Balance - 30 June 2024	203	32,591	32,794
Carrying amounts			
Balance - 30 June 2024	1,118	44,323	45,441
Balance at 31 December 2023	1,118	33,484	34,602

Right of use assets represent the group's leases, which have been accounted for in line with IFRS 16, as described under accounting policies in note 3.29

(b) Right-of-use assets - Continued
December 31, 2023

Group

In millions of Nigerian Naira	Land	Buildings	Total
Right-of-use assets			
Balance - 1 January 2023	861	32,287	33,148
New lease contracts	-	5,301	5,301
Terminations of lease contracts	-	(3,645)	(3,645)
Exchange difference	460	13,838	14,298
Balance - 31 December 2023	1,321	47,781	49,102
Accumulated depreciation			
Balance - 1 January 2023	203	8,822	9,025
Depreciation charge for the year	-	7,379	7,379
Expired during the year	-	(3,062)	(3,062)
Exchange difference	-	1,159	1,159
Balance - 31 December 2023	203	14,298	14,501
Carrying amounts			
Balance at 31 December 2023	1,118	33,484	34,602

30. PROPERTY AND EQUIPMENT - CONTINUED

(c) As at June 30, 2024
Bank

In millions of Nigerian Naira	Land	Buildings	Leasehold improvements	Aircraft	Motor vehicles	Furniture and fittings	Computer hardware	Equipment	Work in progress	Total
Cost										
Balance at 1 January 2024	40,830	47,118	13,196	24,192	19,705	11,081	62,480	53,165	9,908	281,674
Additions	-	112	10	-	3,359	499	2,461	706	12,622	19,768
Reclassifications	-	425	224	-	-	84	1,424	441	(2,597)	-
Disposals	-	-	-	-	(888)	(64)	(37)	(130)	(203)	(1,322)
Exchange difference (note i)	-	-	164	-	-	362	548	71		1,145
Balance at 30 June 2024	**40,830**	**47,655**	**13,594**	**24,192**	**22,176**	**11,962**	**66,876**	**54,251**	**19,730**	**301,265**
Accumulated depreciation										
Balance at 1 January 2024	-	11,645	1,971	2,306	10,733	8,203	45,285	39,836	-	119,979
Charge for the period	-	373	167	577	1,188	364	2,910	1,431	-	7,010
Reclassifications	-	(18)	18	-	-	-	-	-	-	-
Disposals	-	-	-	-	(624)	(62)	(36)	(108)	-	(829)
Exchange difference (note i)	-	-	23	-	-	157	362	98	-	640
Balance at 30 June 2024	**-**	**12,000**	**2,179**	**2,883**	**11,297**	**8,663**	**48,521**	**41,256**	**-**	**126,800**
Carrying amounts										
Balance at 30 June 2024	**40,830**	**35,655**	**11,414**	**21,309**	**10,879**	**3,299**	**18,355**	**12,996**	**19,730**	**174,465**
Balance at 31 December 2023	**40,830**	**35,473**	**11,225**	**21,886**	**8,972**	**2,878**	**17,195**	**13,329**	**9,908**	**161,695**

(i) Exchange differences arise from the translation of property and equipment of the UBA New York branch.
(ii) There were no capitalised borrowing costs related to the acquisition of property and equipment during the period (December 2023: nil)

30 PROPERTY AND EQUIPMENT - CONTINUED

(d) December 31, 2023

Bank

In millions of Nigerian Naira	Land	Buildings	Leasehold improvements	Aircraft	Motor vehicles	Furniture and fittings	Computer hardware	Equip-ment	Work in progress	Total
Cost										
Balance at 1 January 2023	34,573	40,396	7,211	24,192	18,147	10,001	60,650	52,170	14,187	261,527
Additions	-	199	-	-	2,702	577	1,210	1,051	7,445	13,185
Reclassifications	-	1,842	5,866	-	-	271	1,221	1,806	(11,006)	-
Disposals	(147)	-	(2)	-	(14)	(85)	(140)	(1,904)	(603)	(2,896)
Transfers	6,405	4,687	-	-	-	-	(1,890)	-	(115)	9,086
Write-off	-	(5)	(27)	-	(1,131)	(5)	(12)	(38)	-	(1,217)
Exchange difference	-	-	148	-	-	322	1,441	79		1,990
Balance at 31 December 2023	40,831	47,118	13,196	24,192	19,704	11,081	62,480	53,164	9,908	281,675
Accumulated depreciation										
Balance at 1 January 2023	-	10,807	1,719	1,153	9,262	7,522	39,586	38,263	-	108,312
Charge for the year	-	839	247	1,153	2,021	658	6,310	3,287	-	14,515
Disposals	-	-	(1)	-	(369)	(83)	(137)	(1,749)	-	(2,339)
Transfers	-	-	-	-	-	-	(1,675)	-	-	(1,675)
Write-off	-	(1)	(8)	-	(136)	(5)	(10)	(38)	-	(198)
Exchange difference	-	-	13	-	(45)	111	1,211	73	-	1,364
Balance at 31 December 2023	-	11,645	1,971	2,306	10,733	8,203	45,285	39,836	-	119,979
Carrying amounts										
Balance at 31 December 2023	**40,830**	**35,473**	**11,225**	**21,886**	**8,972**	**2,878**	**17,195**	**13,329**	**9,908**	**161,695**

Exchange differences arise from the translation of the property and equipment of the UBA New York branch.

30. PROPERTY AND EQUIPMENT - CONTINUED

(e) Right-of-use assets - Continued
June 30, 2024

Bank

In millions of Nigerian Naira	Land	Buildings	Total
Right-of-use assets			
Balance - 1 January 2024	239	16,114	16,353
New lease contracts	-	1,925	1,925
Terminations of lease contracts	-	(2,784)	(2,784)
Exchange difference	-	2,530	2,530
Balance - 30 June 2024	**239**	**17,785**	**18,024**
Accumulated depreciation			
Balance - 1 January 2024	203	5,112	5,315
Depreciation charge for the period	-	2,128	2,128
Expired during the period	-	(1,671)	(1,671)
Exchange difference	-	1,021	1,021
Balance - 30 June 2024	**203**	**6,590**	**6,793**
Carrying amounts			
Balance - 30 June 2024	**36**	**11,194**	**11,230**
Balance at 31 December 2023	36	11,002	11,038

December 31, 2023
Bank

In millions of Nigerian Naira	Land	Buildings	Total
Right-of-use assets			
Balance - 1 January 2023	239	14,450	14,689
New lease contracts	-	1,358	1,358
Terminations of lease contracts	-	(2,106)	(2,106)
Exchange difference	-	2,412	2,412
Balance - 31 December 2023	**239**	**16,114**	**16,353**
Accumulated depreciation			
Balance - 1 January 2023	203	3,859	4,062
Depreciation charge for the year	-	2,517	2,517
Expired during the year	-	(1,826)	(1,826)
Exchange difference	-	561	561
Balance - 31 December 2023	**203**	**5,112**	**5,315**
Carrying amounts			
Balance at 31 December 2023	**36**	**11,002**	**11,038**

31. INTANGIBLE ASSETS

(a) (i) As at June 30, 2024

Group

In milliddons of Nigerian Naira	Goodwill	Purchased software	Work in progress	Total
Cost				
Balance at 1 January 2024	29,303	53,674	4,561	87,538
Additions	-	9,794	10,078	19,872
Reclassifications	-	1,407	(1,407)	-
Disposal	-	(3,879)	(147)	(4,026)
Exchange difference	8,526	13,841	(327)	22,040
Balance at 30 June 2024	**37,829**	**74,837**	**12,758**	**125,424**
Amortization				
Balance at 1 January 2024	-	43,683	-	43,683
Amortisation for the period	-	3,683	-	3,683
Disposal	-	(2,344)	-	(2,344)
Exchange difference	-	10,713	-	10,713
Balance at 30 June 2024	**-**	**55,735**	**-**	**55,735**
Carrying amounts				
Balance at 30 June 2024	**37,829**	**19,102**	**12,758**	**69,689**
Balance at 31 December 2023	29,303	9,991	4,561	43,855

(ii) December 31, 2023

Group

In millions of Nigerian Naira	Goodwill	Purchased software	Work in progress	Total
Cost				
Balance at 1 January 2023	14,830	46,131	2,835	63,796
Additions	-	1,676	1,106	2,782
Reclassifications	-	(202)	202	-
Disposal	-	(304)	-	(304)
Transfers1	-	1,890	115	2,005
Write-off	-	(524)	(14)	(537)
Exchange difference	14,473	5,006	316	19,796
Balance at 31 December 2023	**29,303**	**53,673**	**4,561**	**87,538**
Amortization				
Balance at 1 January 2023	-	30,328	-	30,328
Amortisation for the year	-	5,422	-	5,422
Disposal	-	(73)	-	(73)
Transfers*	-	1,675	-	1,675
Writeoff	-	(179)	-	(179)
Exchange difference	-	6,510	-	6,510
Balance at 31 December 2023	**-**	**43,683**	**-**	**43,683**
Carrying amounts				
Balance at 31 December 2023	29,303	9,990	4,561	43,855

31. INTANGIBLE ASSETS - CONTINUED

(b) (i) Bank

As at June 30, 2024

In millions of Nigerian Naira	Purchased software	Work in progress	Total
Cost			
Balance at 1 January 2024	36,842	3,346	40,188
Additions	6,107	9,984	16,091
Reclassifications	1,407	(1,407)	-
Exchange difference	2,766	(430)	2,336
Balance at 30 June 2024	**47,122**	**11,493**	**58,615**
Amortization			
Balance at 1 January 2024	29,425	-	29,425
Amortisation for the period	2,835	-	2,835
Exchange difference	1,486	-	1,486
Balance at 30 June 2024	**33,746**	**-**	**33,746**
Carrying amounts			
Balance at 30 June 2024	**13,377**	**11,492**	**24,869**
Balance at 31 December 2023	7,417	3,346	10,763

(ii) Bank

December 31, 2023

In millions of Nigerian Naira	Purchased software	Work in progress	Total
Cost			
Balance at 1 January 2023	33,430	2,041	35,471
Additions	540	955	1,495
Reclassifications	296	(296)	-
Transfers1	1,890	115	2,005
Exchange difference	686	531	1,217
Balance at 31 December 2023	36,842	3,346	40,188
Amortization			
Balance at 1 January 2023	22,853	-	22,853
Amortisation for the year	4,085	-	4,085
Transfers*	1,675	-	1,675
Exchange difference	812	-	812
Balance at 31 December 2023	29,425	-	29,425
Carrying amounts			
Balance at 31 December 2023	7,417	3,346	10,763

There were no capitalised borrowing costs related to the internal development of software during the period (December 2023: nil). Computer software has a definite useful life of not more than five years while goodwill has an indefinite useful life and is annually assessed for impairment.

[1] Transfers represents reclassification of items from property and equipment (work in progress) to intangible assets - purchased software (work in progress) during the period as disclosed in Note 30.

[2] Work in progress represents software implementation projects that were currently in their development phase as at reporting date.

31. INTANGIBLE ASSETS - CONTINUED

(c) Impairment testing for cash-generating units containing Goodwill

For the purpose of impairment testing, goodwill acquired through business combinations is allocated to cash generating units (CGUs) as the goodwill is monitored at the level of the individual cash generating units. UBA Benin and UBA UK Limited have been identified as individual cash generating units. UBA Benin and UBA UK Limited operate under Rest of Africa and Rest of the World geographic segments respectively. The recoverable amounts of the CGUs have been determined based on value-in-use calculations; using cash flow projections based on financial forecasts covering a period of five years. Cash flows beyond the five-year period are extrapolated using estimated economic growth rates for the respective CGUs. These growth rates are consistent with forecasts included in industry reports specific to the economic environment in which each of the CGU's operates.

The following table sets out the key assumptions used in the value-in-use calculations:

	UBA Benin		UBA UK Limited		UBA Zambia
In millions of Nigerian Naira	**June. 2024**	**Dec. 2023**	**June. 2024**	**Dec. 2023**	**June. 2024**
Gross earnings (% annual growth rate)	10.6	18.5	9.3	11.0	23.0
Deposits (% annual growth rate)	7.0	9.0	9.1	8.1	13.5
Loans and advances (% annual growth rate)	10.0	11.6	14.0	14.0	15.8
Operating expenses (% annual growth rate)	5.6	7.0	14.0	4.0	19.9
Terminal growth rate (%)	6.5	5.8	4.6	4.1	8.0
Discount rate (pre-tax) (%)	17.4	18.1	8.5	8.8	34.3

The values assigned to each of the above key assumptions were determined as follows:

Assumption	Approach used in determining values
Gross earnings	This is the average annual growth rate over the five-year period. Based on past performance, expectations of market development and the expected positive impact of deposits and loan growth in the forecast period.
Deposits	This is the average annual growth rate over the five-year period. Deposits have been determined to be the key value driver for the CGUs. Projected deposits growth is based on past performance of the CGUs as well as management's plans to expand the businesses and deepen customer base.
Loans and advances	This is the average annual growth rate over the five year period. It is based partly on past performance but largely on the expected positive impact of the forecasted growth in deposits.
Operating expenses	This is the average annual growth rate over the five year period. It is based on the current structure of business of the respective CGUs, adjusting for expected inflationary increases but not reflecting any future restructurings or cost saving measures.
Terminal growth rate	This is the average growth rate used to extrapolate cash flows beyond the five-year period. Based on estimated economic growth rates for the respective CGUs.
Discount rate	The discount rate was a pre-tax measure based on the longest tenured government bond issued by the governments of Benin and United Kingdom respectively adjusted for a risk premium to reflect both the increased risk of investing in equities and generally and the systematic risk of the specific CGU.

31. INTANGIBLE ASSETS - CONTINUED

Below is the result of the impairment test:

	UBA Benin		UBA UK Limited		UBA Zambia
In millions of Nigerian Naira	**June. 2024**	**Dec. 2023**	**June. 2024**	**Dec. 2023**	**June. 2024**
Recoverable amount	350,071	82,038	313,191	254,930	54,746
Less: Carrying amount					
Goodwill	(6,300)	(6,300)	(4,626)	(4,626)	(3,132)
Net assets	(66,726)	(28,369)	(105,927)	(71,974)	(42,092)
Total carrying amount	(73,026)	(34,669)	(110,553)	(76,600)	(45,224)
Excess of recoverable amount over carrying amount	**277,045**	**47,369**	**202,638**	**178,330**	**9,522**

The key assumptions described above may change as economic and market conditions change. The results of the value-in-use calculations are most sensitive to changes in the deposit growth rates, terminal growth rates and discount rates applied. The recoverable amounts of the respective CGUs would equal their carrying amounts if these key assumptions were to change as follows:

	June. 2024		Dec. 2023	
	% From	**% To**	**% From**	**% To**
Deposit growth rate	9.0	7.0	9.0	5.0
Discount rate	18.1	17.4	18.1	45.7
UBA UK Limited				
Deposit growth rate	8.1	9.1	8.1	2.1
Discount rate	8.8	8.5	8.8	13.3
UBA Zambia				
Deposit growth rate	9.1	13.5	9.1	2.2
Discount rate	49.3	34.3	49.3	67.4

Management have considered and assessed reasonably possible changes for other key assumptions and have not identified any instances that could cause the carrying amount of the respective CGUs to exceed their recoverable amounts.

32. DEFERRED TAX ASSETS AND LIABILITIES

(a.) Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Group			Bank		
In millions of Nigerian Naira	**Assets**	**Liabilities**	**Net**	**Assets**	**Liabili-ties**	**Net**
30 June 2024						
Property, equipment, and software	9,724	-	9,724	-	38,940	(38,940)
Allowances for loan losses	-	6,279	(6,279)	-	21,037	(21,037)
Financial assets at FVOCI	-	17,988	(17,988)	-	17,175	(17,175)
Tax losses carried forward	(6,932)	58,019	(64,951)	-	-	-
Other liabilities	4,943	1,199	3,745	-	10,895	(10,895)
Fair value gain on derivatives	-	-	-	-	102,048	(102,048)
Foreign currency revaluation gain	-	-	-	-	(104,708)	104,708
Others	6,361	(5,957)	12,317	-	(9,610)	9,610
Net deferred tax assets /liabilities	**14,096**	**77,528**	**(63,432)**	**-**	**75,777**	**(75,777)**

32. DEFERRED TAX ASSETS AND LIABILITIES - CONTINUED

	Group			Bank		
In millions of Nigerian Naira	**Assets**	**Liabilities**	**Net**	**Assets**	**Liabilities**	**Net**
31 December 2023						
Property, equipment, and software	9,724	-	9,724	-	(38,706)	38,706
Allowances for loan losses	-	6,279	(6,279)	-	(65,241)	65,241
Financial assets at FVOCI	-	16,280	(16,280)	-	(6,180)	6,180
Tax losses carried forward	(6,932)	32,984	(39,916)	-	-	-
Other liabilities	-	1,272	(1,272)	-	(2,554)	2,554
Fair value gain on derivatives	-	-	-	-	150,872	(150,872)
Foreign currency revaluation Loss	-	-	-	-	17,914	(17,914)
Others	6,949	(6,010)	12,959	-	(7,020)	7,020
Net deferred tax assets /liabilities	**9,741**	**50,805**	**(41,064)**	**-**	**49,087**	**(49,087)**

(b) Movements in temporary differences during the period 30 June 2024

Group

In millions of Nigerian Naira	Opening	Recognised in profit or loss	Recognised in equity	Closing balance
Property, equipment, and software	9,724	-	-	9,724
Allowances for loan losses	(6,279)	-	-	(6,279)
Financial assets at FVOCI	(16,280)	-	(17,857)	(17,988)
Tax losses carried forward	(39,916)	(25,035)	-	(64,951)
Others	11,688	4,375	-	27,128
	(41,063)	(20,661)	(17,857)	(63,432)

Bank

In millions of Nigerian Naira	Opening	Recognised in profit or loss	Recognised in equity	Closing balance
Property, equipment, and software	38,706	(77,645)	-	(38,940)
Allowances for loan losses	65,241	(86,279)	-	(21,038)
Financial assets at FVOCI	6,180	(23,354)	(15,534)	(17,175)
Tax losses carried forward	-	-	15,534	-
Prior year DTA written-off in FY2022	2,554	(13,449)	-	(10,895)
Tax losses on fair value gain on derivatives	(150,872)	48,824	-	(102,048)
Foreign currency revaluation Loss	(17,914)	122,623	-	104,708
Others	7,020	2,590	-	9,610
		-		
	(49,087)	(26,690)	-	(75,778)

32. DEFERRED TAX ASSETS AND LIABILITIES - CONTINUED

(b) Movements in temporary differences during the period - Continued

31 December 2023
Group

In millions of Nigerian Naira	Opening	Recognised in profit or loss balance	Recognised in equity	Closing balance
Property, equipment, and software	9,430	294	-	9,724
Allowances for loan losses	(82)	(6,197)	-	(6,279)
Financial assets at FVOCI	-	-	(16,280)	(16,280)
Tax losses carried forward	6,323	(46,239)	-	(39,916)
Others	6,973	4,715	-	11,688
	22,643	(47,428)	-	(41,064)

Bank

In millions of Nigerian Naira	Opening	Recognised in profit or loss balance	Recognised in equity	Closing balance
Property, equipment, and software	11,854	26,851	-	38,706
Allowances for loan losses	8,428	56,813	-	65,241
Financial assets at FVOCI	379	5,801	(11,591)	6,180
Tax losses carried forward	6,083	(6,082)	11,591	-
Prior year DTL written-off in FY2021	(168)	2,722	-	2,554
Tax losses on fair value gain on derivatives	(3,332)	(147,540)	-	(150,872)
Foreign currency revaluation Loss	(1,382)	(16,532)	-	(17,914)
Others	-	7,020	-	7,020
	21,862	**(70,948)**	**-**	**(49,087)**

33. DERIVATIVE FINANCIAL INSTRUMENTS

The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts. The notional amount which is recorded gross, is the amount of a derivative's underlying asset, reference rate or index and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding at period end and are indicative of neither the market risk nor the credit risk.

	Group		Bank	
In millions of Nigerian Naira	**Jun. 2024**	**Dec. 2023**	**Jun. 2024**	**Dec. 2023**
Derivative assets				
Carrying value	197,588	498,824	197,588	498,824
Notional amount	1,421,363	1,033,098	1,421,363	1,033,098
Derivative liabilities				
Carrying value	12,348	1,885	12,348	1,885
Notional amount	520,874	200,218	520,874	200,218

	Jun. 2024	**Dec. 2023**	**Jun. 2024**	**Dec. 2023**
(a) Derivative assets				
Instrument type:	197,493	498,729	197,493	498,729
Cross-currency swaps	95	95	95	95
Foreign exchange forward contracts	197,588	498,824	197,588	498,824
The movement in derivative assets is as follows:				
Balance, beginning of year	498,824	39,830	498,824	39,830
Derivatives derecognised	(498,824)	(39,830)	(498,824)	(39,830)
Derivatives acquired	197,588	498,824	197,588	498,824
Balance, end of year	**197,588**	**498,824**	**197,588**	**498,824**
Derivative assets are current in nature				
(b) Derivative liabilities				
Instrument type:				
Cross-currency swap	11,985	1,522	11,985	1,522
Foreign exchange forward contracts	363	363	363	363
	12,348	**1,885**	**12,348**	**1,885**
The movement in derivative liability is as follows:				
Balance, beginning of year	1,885	79	1,885	79
Derivatives derecognised	(1,885)	(79)	(1,885)	(79)
Derivatives acquired	12,348	1,885	12,348	1,885
Balance, end of year	12,348	**1,885**	12,348	1,885

Derivative liabilities are current in nature

33. DERIVATIVE FINANCIAL INSTRUMENTS - CONTINUED

(c) Fair value loss on derivatives

	Group		Bank	
In millions of Nigerian Naira	**Jun. 2024**	**Dec. 2023**	**Jun. 2024**	**Dec. 2023**
Derivative assets :				
Fair value gain on additions in the year	197,588	498,824	197,588	498,824
Fair value loss on maturities in the year	(498,824)	(39,830)	(498,824)	(39,830)
Net fair value gain on derivative assets	(301,236)	458,994	(301,236)	458,994
Derivative liabilities:				
Fair value loss on additions in the year	(12,348)	(1,885)	(12,348)	(1,885)
Fair value gain on maturities in the year	1,885	79	1,885	79
Net fair value gain/(loss) on derivative liabilities	(10,463)	(1,806)	(10,463)	(1,806)
Net fair value (loss)/gain on derivative assets and liabilities (Note 14)	**(311,699)**	**457,188**	**(311,699)**	**457,188**

34. DEPOSITS FROM BANKS

	Group		Bank	
In millions of Nigerian Naira	**Jun. 2024**	**Dec. 2023**	**Jun. 2024**	**Dec. 2023**
Money market deposits	2,716,412	2,052,079	1,417,092	1,102,916
Due to other banks	398,937	412,365	539,586	495,608
	3,115,349	**2,464,444**	**1,956,678**	**1,598,524**
Current	3,115,349	2,464,444	1,956,678	1,598,524

35. DEPOSITS FROM CUSTOMERS

	Group		Bank	
In millions of Nigerian Naira	**Jun. 2024**	**Dec. 2023**	**Jun. 2024**	**Dec. 2023**
Retail customers:				
Term deposits	538,456	471,512	55,523	141,499
Current deposits	3,112,978	1,623,466	1,215,429	672,120
Savings deposits	4,378,412	3,246,286	2,916,096	2,364,531
	8,029,846	5,341,264	4,187,048	3,178,150
Corporate customers:				
Term deposits	1,963,116	1,691,134	762,205	887,314
Current deposits	10,097,413	7,858,879	5,528,591	4,695,166
	20,090,375	14,891,277	10,477,844	8,760,630
Current	19,070,381	14,184,526	10,423,144	8,716,412
Non-current	1,019,994	706,751	54,700	44,218
	20,090,375	14,891,277	10,477,844	8,760,630

36. OTHER LIABILITIES

In millions of Nigerian Naira	Group Jun. 2024	Group Dec. 2023	Bank Jun. 2024	Bank Dec. 2023
Financial liabilities				
Creditors and payables (ai)	450,589	95,869	366,801	209,385
Managers cheques	21,722	16,690	5,815	7,411
Unclaimed dividends (note (i))	45,854	14,895	16,093	13,736
Customers' deposit for foreign trade (note (ii))	73,097	61,279	77,973	68,144
Lease liabilities (note (iii))	46,978	30,554	9,089	7,739
Accrued expenses1	116,268	81,735	48,645	46,827
	754,508	301,022	524,416	353,242
Non-financial liabilities				
Provisions (note (iv))	1,553	-	1,553	-
Allowance for credit losses on off-balance sheet items (note (v))	7,647	7,384	2,171	4,853
Deferred income	5,611	4,775	929	558
	14,811	12,159	4,653	5,411
Total other liabilities	769,319	313,181	529,069	358,653
Non-current	34,889	21,794	5,985	4,540
Current	734,430	291,387	523,084	354,114
	769,319	313,181	529,069	358,654

(ai) The creditors and payables balance is presented on net basis in line with IAS 32. Details are provided in note 7 of this financial statements.

(i) The amount represents unclaimed dividends due to UBA Plc's shareholders which have been returned by the Bank's Registrar.

(ii) Customers' deposit for foreign trade represents the naira value of foreign currencies held to cover letter of credit transactions. The corresponding balance is included in current balances with banks in note 22.

(iii) Finance cost on the lease liabilities is included in Interest expense' in note 11.

The movement in lease liabilities balance during the year is as follows:

Balance - 30 June 2024	Group			Bank		
In millions of Nigerian Naira	Land	Buildings	Total	Land	Buildings	Total
Lease liabilities						
Balance - 1 January 2023	296	30,258	30,554	8	7,732	7,740
Additions (new lease contracts) for the year	-	14,590	14,590	-	2,106	2,106
Principal repayments/cashflows for the year	-	(8,170)	(8,170)	-	(2,804)	(2,804)
Interest repayments/cashflows for the year	-	(295)	(295)	-	(75)	(75)
Termination of lease contracts	-	(1,041)	(1,041)	-	-	-
Interest accrued (note 11)	-	1,706	1,706	-	504	504
Exchange difference	-	9,634	9,634	-	1,618	1,618
Balance - 30 June 2024	**296**	**46,682**	**46,978**	**8**	**9,081**	**9,089**

36. OTHER LIABILITIES - CONTINUED

Maturity analysis for Lease Liabilities

	Less than 1 month	1 - 3 months	3 - 6 months	6 - 12 months	More than 1 year	Gross nominal amount	Total
Group	705	1,276	3,206	7,623	34,889	47,699	46,978
Bank	197	395	1,376	1,748	5,985	9,701	9,089

Balance - 31 December 2023	Group			Bank		
In millions of Nigerian Naira	**Land**	**Buildings**	**Total**	**Land**	**Buildings**	**Total**
Lease liabilities						
Balance - 1 January 2022	311	19,766	20,077	124	6,759	6,883
Arisising from Business Combination	-	-		-	-	
Additions (new lease contracts) for the year	-	7,394	7,394	-	716	716
Principal repayments/cashflows for the year	(109)	(10,405)	(10,514)	(109)	(2,394)	(2,503)
Interest repayments/cashflows for the year	(7)	(385)	(392)	(7)	(39)	(46)
Termination of lease contracts	-	(2)	(2)	-	-	-
Interest accrued (note 11)	1	2,358	2,359	-	780	780
Exchange difference	100	11,532	11,632	-	1,910	1,910
Balance - 31 December 2023	**296**	**30,258**	**30,554**	**8**	**7,732**	**7,740**

Maturity analysis for Lease Liabilities

	Less than 1 month	1 - 3 months	3 - 6 months	6 - 12 months	More than 1 year	Gross nominal amount	Total
Group	170	1,583	4,182	4,883	21,794	32,611	30,554
Bank	75	1,669	1,553	423	4,540	8,260	7,740

(iv) The amount represents a provision for certain legal claims. The provision charge is recognised in profit or loss within 'other operating expenses'. In the directors' opinion, after taking appropriate legal advice, the outcome of these legal claims will not give rise to any significant loss beyond the amounts provided at 30 June 2023. The expected timing of the cashflows arising from the legal claim provision is within 1 year.

The movement in provision during the year is as follows:

	Group		Bank	
In millions of Nigerian Naira	**Jun. 2024**	**Dec. 2023**	**Jun. 2024**	**Dec. 2023**
At 1 January	-	262	-	157
Additional provisions	1,553	-	1,553	-
Used during the period	-	(262)	-	(157)
At period end	1,553	-	1,553	-
Analysis of total provisions:				
Current	**1,553**	**-**	**1,553**	**-**

36. OTHER LIABILITIES - CONTINUED

(v) This represents allowance for credit loss for off-balance sheet loan commitments and financial guarantees recognised upon adoption of IFRS 9.
The movement in allowance for credit lossess on off-balance sheet items during the year is as follows:

	Group		Bank	
In millions of Nigerian Naira	Jun. 2024	Dec. 2023	Jun. 2024	Dec. 2023
Balance, beginning of the year	7,384	6,232	4,853	4,696
(Writeback)/Charge to profit or loss	(326)	17	(1,129)	-
Reclassification	(1,553)	-	(1,553)	-
Exchange difference	2,142	1,135	-	157
Balance, end of the period	**7,647**	**7,384**	**2,171**	**4,853**

37. BORROWINGS

	Group		Bank	
In millions of Nigerian Naira	Jun. 2024	Dec. 2023	Jun. 2024	Dec. 2023
Long Term Borrowings				
- Central Bank of Nigeria (note 37.1)	20,989	20,870	20,989	20,870
- Bank of Industry (BoI) (note 37.2)	870	1,332	870	1,332
- European Investment Bank (EIB) (note 37.4)	23,260	19,828	23,260	19,828
- Eurobond debt security (note 37.5)	446,598	285,268	446,598	285,268
- African Development Bank (note 37.3)	19,212	24,591	19,212	24,591
- Proparco (note 37.6)	64,248	49,288	64,248	49,288
- DEG (note 37.7)	50,790	38,065	50,790	38,065
- Others (note 37.11)	123,895	2,410	-	-
	749,862	**441,652**	**625,967**	**439,242**
Short Term Borrowings				
- First Rand Bank (RMB) - 37.8	149,420	144,659	149,420	144,659
- Africa Trade Finance (ATF) -37.9	22,740	130,194	22,740	130,194
- African Export-Import Bank - 37.10	112,610	142,235	112,610	142,235
- Mashreq	61,946	-	61,946	-
- SMBC	152,578	-	152,578	-
	499,294	**417,088**	**499,294**	**417,088**
	1,249,156	**858,739**	**1,125,261**	**856,329**
Current	486,570	441,678	486,570	441,678
Non-current	762,586	417,061	638,692	414,651
	1,249,156	**858,740**	**1,125,261**	**856,330**
Movement in borrowings during the period:				
Opening balance	858,739	535,736	856,329	530,446
Additions	361,843	345,079	359,433	342,669
Interest expense	68,653	66,909	50,745	53,430
Interest paid	(79,951)	(52,568)	(79,951)	(52,568)
Repayments (principal)	(521,558)	(484,412)	(521,558)	(484,412)
Exchange difference	561,430	447,996	460,264	466,765
	1,249,156	**858,740**	**1,125,261**	**856,330**

37. BORROWINGS - CONTINUED

37.1 This represents on-lending facilities provided by the Central Bank of Nigeria (CBN):

(a) ₦11.46 billion of this facility represents the outstanding balance on the Commercial Agriculture Credit Scheme granted to the Bank for the sole purpose of granting loans, at subsidised rates, to the agricultural sector. Interest on the facility cannot exceed 9% per annum inclusive of all charges and is to be shared between the Bank and CBN at 6% and 3% respectively. The facility will terminate on 30 September 2025. The Bank is the primary obligor to CBN and assumes the risk of default.

(b) ₦9.33 billion of this facility represents the outstanding balance on the concessionary loans granted by the Central Bank of Nigeria to some State Governments. The facility attracts an interest rate of 3% and the Bank is under obligation to lend to participating states at a maximum rate of 6% per annum (inclusive of all charges). The principal is repayable monthly and the tenor of the facility is 20 years.

(c) ₦0.196 billion of this facility represents the outstanding balance on the loan granted by the Central Bank of Nigeria with respect to Real Sector Support Facility (RSSF) initiative to support the Federal Government's Special Fertilizer Intervention programme. The Central Bank shall lend to the Bank at 3% while the Bank shall on-lend to the customer at a maximum interest rate of 6% per annum, all charges inclusive. The 3% interest shall be remitted to CBN on a quarterly basis. The principal is repayable quarterly (after a one year moratorium) and the tenor of the facility is 7 years.

37.2 This represents an intervention credit granted to the Bank by the Bank of Industry (BOI) on July 29, 2010 for the purpose of refinancing/restructuring existing loans to Small and Medium Scale Enterprises (SMEs), manufacturing companies and companies in the power and aviation industries. The maximum tenor of term loans under the programme is 15 years while the tenor for working capital is one year, renewable annually subject to a maximum tenor of five years. A management fee of 1% per annum, deductible at source in the first year and quarterly in arrears thereafter, is paid by the Bank under the intervention programme and the Bank is under obligation to on-lend to customers at an all-interest rate of 5% per annum. The Bank is the primary obligor to CBN/BOI and assumes the risk of default.

37.3 This represents the amount granted under a $150million line of credit by African Development Bank in December 2016 for a tenor of 8 years. The first tranche of $120million was disbursed to the Bank in December 2016 while the second tranche of $30 million was disbursed to the Bank in November 2017. The facility is to be used for on-lending to infrastructure projects, small and medium sized enterprises and women-owned enterprises in the Federal Republic of Nigeria. The interest rate on the facility is six months USD LIBOR plus 440 basis points and is payable semi-annually. Principal repayment commenced on a semi-annual basis after a moratorium period of 2 years. Outstanding balance on the facility is $12.5million and Facility matures August 2024.

37.4 The US$63million facility was granted under the Nigeria Private Enterprise Finance Facility extended by the European Investment Bank to a group of financial institutions located in Nigeria. The purpose of the facility is to finance capital expenditure for development of intermediation capacities and support small and medium sized enterprises in Nigeria. The facility was issued January 9, 2017 for a tenor of 9 years. The interest rate on the facility is six months USD LIBOR plus 337 basis points and is payable semi-annually. Principal repayment is on a semi-annual basis after a moratorium period of 36 months. Outstanding balance on the facility is $15.66 million. Facility matures December 2025.

37.5 This represents the amortised cost of the Eurobond issued by the Bank in November, 2021. The $300million Notes issued by the Bank on November 19 2021 is for a tenor of 5 years with interest rate(coupon) of 6.75% p.a, payable semi-annually with bullet repayment of the Principal sum at maturity. The maturity date of the Eurobond is November 19, 2026.

37.6 This represents the amount granted under a $85 million trade loan facility granted by Proparco in April 2020. The facility is for a tenor of seven (7) years and Interest rate is six (6) months USD LIBOR (amended to six months USD SOFR with effect from 30th June 2023) plus 320 basis points. The interest repayments are payable semi-annually while the principal repayment commenced on a semi-annual basis following the 2 year grace period. Outstanding balance on the facility is $42.5million and the facility matures in October 2026.

37.7 This represents the amount granted under a $50 million loan facility granted by DEG - Deutsche Investitions-und Entwicklungsgesellschaft MBH Bank in August 2021 with a tenor of six (6) years. The Interest rate is six (6) months USD

37. BORROWINGS - CONTINUED

LIBOR (amended to six months USD SOFR with effect from 15th December 2023) plus 360 basis points. The interest repayments are payable semi-annually while the principal repayment will commence on a semi-annual basis in June 2023. Outstanding balance on the facility is $33.33 million and the facility matures in June 2027.

37.8 This represents the amount granted under a $150million trade finance loan facility granted by First Rand Bank in April 2024 with a tenor of nine (9) months. The first tranche of $100million was disbursed to the Bank in May 2024. The interest rate on the facility is 350 basis points plus six (6) months SOFR which will be reset after 6 months for the remaining tenor (3 months) . The first interest repayment is payable semi-annually and subsequent interest repayment is payable quarterly. The principal repayment of $100million is due upon maturity in February 2025.

37.9 This represents the amount granted under a $135million trade finance loan facility granted by Africa Trade Finance in July 2023 with a tenor of six (6) months. The first tranche of $80million was disbursed to the Bank in July 2023 ,the second tranche of $40 million was disbursed to the Bank in August 2023 while the third tranche of $15 million was disbursed to the Bank in October 2023 . The interest rate on the facility is 330 basis points plus three (3) months SOFR. The interest is payable quarterly. The principal repayment on the first tranche of $80million was paid upon maturity in January 2024 and the principal repayment for the second tranche of $40 million was paid upon maturity in February 2024. In April 2024, Africa Trade Finance however granted the Bank's request to extend the maturity of the third tranche of $15million by 6 months on the same terms. The principal repayment of $15million is due upon maturity in October 2024.

37.10 This represents the amount granted under a $100 million trade finance loan facility granted by African Export-Import Bank in November 2023. The facility is for a tenor of one (1) year and Interest rate is three (3) months USD SOFR plus 430 basis points. The interest repayments are on a quarterly basis while the principal repayment will commence on a quaterly basis in March 2024. Outstanding balance on the facility is $100 million and the facility matures in November 2024

37.11 This represents the amount granted under a $100 million trade finance loan facility granted by Sumitomo Mitsui Banking Corporation (SMBC) in March 2024. The facility is for a tenor of six (6) months and Interest rate is six (6) months USD SOFR plus 360 basis points. The principal and interest repayment is due upon maturity in September 2024.

37.12 This represents the amount granted under a $40 million trade finance loan facility granted by Mashreq Bank in January 2024. The facility is for a tenor of six (6) months and Interest rate is six (6) months USD SOFR plus 400 basis points. The principal and interest repayment is due upon maturity in July 2024.

37.13 This represents the amount granted by Bank of Zambia on 22nd March 2022 with a tenor of five (5) years to strengthen and enhance financial sector resilience, particularly in the wake of the outbreak of the Coronavirus disease (COVID-19) and its potentially devastating impact on the domestic economy. Interest rate is fixed at 9% while both principal and interest is due upon maturity. The facility is secured by government bonds.

38. STATEMENT OF CASH FLOW RECONCILIATION

In millions of Nigerian Naira	Group		Bank	
	Jun. 2024	Jun. 2023	Jun. 2024	Jun. 20223
i Change in financial assets at FVTPL				
Opening balance	33,849	14,963	534	14,963
Closing balance	(56,232)	(9,413)	(13,336)	(9,413)
Movement during the period	(22,383)	5,550	(12,802)	5,550
Finance cost - interest expense	35,723	603	2,912	603
Mark to Market Gains	(35,883)	(752)	(3,072)	(751)
Recognised in cash flow statement	**(22,543)**	**5,401**	**(12,962)**	**5,402**
ii Change in cash reserve balance with CBN				
Opening balance	2,686,563	1,283,163	2,585,578	1,231,399
Closing balance	(3,023,718)	(1,639,534)	(2,709,984)	(1,592,777)
Recognised in cash flow statement	**(337,155)**	**(356,371)**	**(124,406)**	**(361,378)**
iii Change in loans and advances to banks				
Opening balance	320,732	303,249	147,547	231,753
Closing balance	(203,857)	(181,442)	(192,835)	(140,688)
Movement during the period	116,875	121,807	(45,288)	91,065
Impairment of loans and advances to banks	(930)	(2,160)	(61)	(2,150)
Finance cost - (interest income)	101,666	18,015	44,627	9,529
Interest received	(103,933)	(10,745)	(44,627)	(9,529)
Recognised in cash flow statement	**113,678**	**126,917**	**(45,349)**	**88,915**
iv Change in loans and advances to customers				
Opening balance	5,228,849	3,136,879	3,320,373	2,123,097
Closing balance	(6,793,986)	(4,501,218)	(3,854,018)	(2,848,567)
Movement during the period	(1,565,137)	(1,364,339)	(533,645)	(725,470)
Impairment of loans and advances to customers	(71,971)	(153,814)	(32,997)	(124,363)
Loans and Advances written off	(468)	(1,046)	(230)	(843)
Finance cost - (interest income)	343,763	178,591	250,431	123,520
Interest received	(231,854)	(181,593)	168,872	(103,244)
Recognised in cash flow statement	**(1,525,663)**	**(1,522,201)**	**(147,569)**	**(830,400)**

38. STATEMENT OF CASH FLOW RECONCILIATION - CONTINUED

In millions of Nigerian Naira	Group		Bank	
	Jun. 2024	**Jun. 2023**	**Jun. 2024**	**Jun. 20223**
v Change in other assets				
Opening balance	758,685	254,704	607,251	156,535
Closing balance	(841,475)	(340,130)	(702,815)	(206,472)
Movement during the period	(82,790)	(85,426)	(95,564)	(49,937)
Impairment charges on other assets	(3,805)	(1,235)	2,148	(1,285)
Effect of exchange flunctuation	339,378	44,666	(882,363)	(224,544)
Transfer of PPE and Intangibles	(1,097)	-	-	-
Change in deferred tax asset	(4,355)	(5,339)	-	-
Effect of translation difference	(630,531)	(84,575)	315,543	13,394
Dividend income	10,195	4,117	142,617	27,025
Dividend received	(968)	(12,287)	(34,294)	(18,673)
Asset held for sale	-	82,218	-	82,218
Subscription for shares - African subsidiaries	-	-	-	(5,147)
Recognised in cash flow statement	**(373,974)**	**(57,861)**	**(551,913)**	**(176,949)**
vi Change in deposits from banks				
Opening balance	(2,464,444)	(1,170,238)	(1,598,524)	(863,795)
Closing balance	3,115,349	1,463,268	1,956,678	702,111
Movement during the period	650,905	293,030	358,154	(161,684)
Finance cost - (interest expense)	(54,085)	(22,283)	(45,474)	(17,407)
Interest paid	53,694	13,816	40,296	8,692
Recognised in cash flow statement	**650,515**	**284,563**	**352,976**	**(170,399)**
vii Change in deposits from customers				
Opening balance	(14,891,277)	(7,824,891)	(8,760,630)	(5,046,516)
Closing balance	20,089,951	11,139,900	10,477,844	6,608,995
Movement during the period	5,198,674	3,315,009	1,717,214	1,562,479
Finance cost - (interest expense)	(204,491)	(98,932)	(116,664)	(63,065)
Interest paid	110,448	52,827	46,229	70,422
Recognised in cash flow statement	**5,009,315**	**3,268,904**	**1,554,321**	**1,569,836**
viii Change in placement with banks				
Opening balance	155,715	9,934	252,904	103,136
Closing balance	(156,085)	(172,278)	(653,369)	(178,056)
Movement during the period	(370)	(162,344)	(400,465)	(74,920)
Impairment charges on placements	370	(832)	35	(832)
Finance cost - (interest income)	47,919	40,603	49,701	34,055
Interest received	(53,736)	(38,423)	(52,020)	(32,929)
Investement in subsidiaries	-	-	-	(9,075)
Recognised in cash flow statement	**(5,817)**	**(160,996)**	**(402,749)**	**(83,701)**

38. STATEMENT OF CASH FLOW RECONCILIATION - CONTINUED

In millions of Nigerian Naira	Group		Bank	
	Jun. 2024	**Jun. 2023**	**Jun. 2024**	**Jun. 20223**
ix Change in other liabilities and provisions				
Opening balance	(282,627)	(363,206)	(350,915)	(319,806)
Closing balance	722,341	429,469	519,980	474,766
Movement during the period	439,714	66,263	169,065	154,960
Deferred tax liabilities	(11,795)	21,834	-	-
Movement in lease liabilities	15,436	6,276	2,106	1,102
Effect of exchange flunctuation	(4,283)	80,825	-	79,509
Impairment of financial assets	326	92	1,129	(92)
Recognised in cash flow statement	**439,398**	**175,106**	**172,301**	**235,479**
x Interest received				
Interest income	1,003,553	428,292	553,092	260,000
Movement in interest receivables	(155,279)	8,862	(467,249)	(29,896)
Recognised in cash flow statement	**848,274**	**437,154**	**85,843**	**230,104**
xi Interest paid				
Interest expense	(328,935)	(150,179)	(213,387)	(103,770)
Movement in interest payables	164,794	83,537	219,321	24,658
Recognised in cash flow statement	**(164,141)**	**(66,642)**	**5,934**	**(79,112)**
xii Proceeds from sale/redemption of investment securities				
Opening Balance of Investment Securities - FVOCI	3,093,037	2,193,253	2,710,345	2,071,689
Opening Balance of Investment Securities - Amortised cost	4,314,957	1,987,438	174,706	115,376
Closing Balance of Investment Securities - FVOCI	(4,581,406)	(2,706,381)	(3,931,468)	(2,549,799)
Closing Balance of Investment Securities - Amortised cost	(6,916,159)	(3,498,496)	(250,959)	(125,828)
Movement during the period	(4,089,571)	(2,024,186)	(1,297,376)	(488,562)
Impairment charges on investment securities	(1,453)	7,848	868	4,135
Interest income	(474,482)	(190,480)	(205,421)	(92,293)
Interest received	422,867	205,641	154,997	83,651
Effect of Exchange Fluctuation	179,399	(46,017)	99,113	9,014
Fair value adjustment	172,626	162,631	151,718	156,617
Purchase of investment securities	8,410,329	4,385,315	6,139,960	2,648,817
Recognised in cash flow statement	**4,619,714**	**2,500,752**	**5,043,859**	**2,321,379**
xiii Purchase of investment securities				
Purchase of FVOCI bills	(5,487,323)	(1,392,347)	(5,487,323)	(1,392,347)
Purchase of Amortized cost bills	-	(610,462)	-	(610,462)
Purchase of FVOCI bonds	(366,274)	(285,657)	(366,274)	(285,657)
Purchase of Amortised cost bonds	(286,363)	(369,351)	(286,363)	(369,351)
Purchase of subsidiaries' investment securities	(2,270,368)	(1,736,498)	-	-
Recognised in cash flow statement	**(8,410,329)**	**(4,385,315)**	**(6,139,960)**	**(2,648,817)**

39. CAPITAL AND RESERVES

(a) Share capital

	Group		Bank	
In millions of Nigerian Naira	**Jun. 2024**	**Dec. 20223**	**Jun. 20234**	**Dec. 2023**
Share capital comprises:				
Issued and fully paid -				
34,199,421,366 Ordinary				
shares of 50k each	17,100	17,100	17,100	17,100
The movement in the share capital account during the period is as follows:				
In millions				
Number of shares in issue at end of the period	**34,199**	**34,199**	**34,199**	**34,199**

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

(c) Retained earnings
Retained earnings is the carried forward recognised income net of expenses plus current period profit attributable to shareholders.

(d) Other Reserves
Other reserves include the following:

	Group		Bank	
In millions of Nigerian Naira	**Jun. 2024**	**Dec. 2023**	**Jun. 2024**	**Dec. 2023**
Foreign operations translation reserve (note (i))	910,065	450,488	-	-
Statutory reserve (note (ii))	298,137	256,749	255,565	220,370
Fair value reserve (note (iii))	293,743	123,151	351,948	202,263
Hyperinflationary reserve	151,204	77,941	-	-
Regulatory (Credit) risk reserve (note (iv))	18,146	18,146	240,997	164,346
	1,671,295	**926,475**	**848,510**	**586,979**

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

(ii) Statutory reserve
Statutory reserve includes:

- Statutory reserve: this represents the cumulative appropriation from earnings in accordance with existing legislation that require the Bank to make an annual appropriation, In the current period, the Bank transferred ₦35.195 billion representing 15% (2022: 15%) of its profit after taxation to statutory reserves.
- Small and Medium Enterprises Equity Investment Scheme (SMEEIS) reserves of ₦2.635 billion as at 30 June 2024 (December 2023: ₦2.635 billion) . The Bank has since suspended further appropriation to SMEEIS reserve in line with the directives of the Central Bank of Nigeria.
- Agriculture/Small and Medium Enterprises Equity Investment Scheme (AGSMEEIS) reserves of ₦22.192 billion as at 30 June 2024 (December 2023: ₦15.468bn). The reserve was set aside in compliance with Central Bank of Nigeria's directive of April 2017.

39. CAPITAL AND RESERVES - CONTINUED

(iii) Fair value reserve

The fair value reserve includes the net cumulative change in the fair value of investments at fair value through other comprehensive income. The net cumulative fair value change on equity instruments is transferred to retained earnings when the investment is derecognised while the net cummulative fair value change on debt instruments is recycled to the income statement.

(iv) Regulatory (Credit) risk reserve

The regulatory (credit) risk reserve represents the difference between the impairment on loans and advances determined using the prudential guidelines issued by the various Central Banks of the various operating jurisdictions compared with the expected credit loss model used in determining the impairment loss under IFRSs.

Where the loan loss impairment determined using the prudential guidelines is greater than the loan loss impairment determined using the expected credit loss model under IFRSs, the difference is transferred to regulatory credit risk reserve and it is non-distributable to owners of the parent. When the prudential provisions is less than IFRS provisions, the excess charges resulting is transferred from the regulatory reserve to retained earnings to the extent of the non-distributable reserve previously recognised.

40. DIVIDENDS

	Bank June 2024	Bank Dec 2023
Dividend Proposed	**68,398**	**17,100**
Number of Shares in Issue and Ranking for Dividend	34,199	34,199
Proposed Dividend Per Share (Naira)	**2.00**	**0.50**
Interim Dividend Per Share Proposed (Naira)	2.00	0.50
	-	-
Final Dividend paid during the year		
Total dividend paid during the year	-	30,779
Interim dividend paid during the year	-	6,840
Total dividend paid during the year	**-**	**37,619**

The Board of Directors has proposed an interim dividend of ₦2.00 per share (June 2023: ₦0.50 per share) from the retained earnings account as at 30 June 2024. The number of shares in issue and ranking for dividend represents the outstanding number of shares as at 30 June 2024 and 30 June 2023 respectively.
Payment of dividend to shareholders is subject to withholding tax at a rate of 10%.

41. CONTINGENCIES

(i) Litigation and claims

The Group, in the ordinary course of business is currently involved in 1,683 legal cases (2023:1,649). The total amount claimed in the cases against the Group is estimated at ₦1.162 trillion (2023: ₦986.247 billion). The directors having sought the advice of professional legal counsel, are of the opinion that no significant liability will crystalise from these cases beyond the provision made in the financial statements.

(ii) Contingent liabilities

In the normal course of business, the Group conducts business involving acceptances, performance bonds and indemnities. Contingent liabilities and commitments comprise acceptances, endorsements, guarantees and letters of credit.

Nature of instruments

An acceptance is an undertaking by a bank to pay a bill of exchange drawn on a customer. The Group expects most acceptances to be presented, but reimbursement by the customer is normally immediate. Endorsements are residual liabilities of the Group in respect of

41. CONTINGENCIES - CONTINUED

bills of exchange, which have been paid and subsequently rediscounted.

Guarantees and letters of credit are given to third parties as security to support the performance of a customer to third parties. As the Group will only be required to meet these obligations in the event of the customer's default, the cash requirements of these instruments are expected to be considerably below their nominal amounts.

Other contingent liabilities include performance bonds and are, generally, short-term commitments to third parties which are not directly dependent on the customers' credit worthiness.

Documentary credits commit the Group to make payments to third parties, on production of documents, which are usually reimbursed immediately by customers.

The following tables summarise the nominal principal amount of contingent liabilities and commitments with off-balance sheet risk. There are no guarantees, commitments or other contingent liabilities arising from related party transactions.

	Group		Bank	
In millions of Nigerian naira	**Jun. 2024**	**Dec. 2023**	**Jun. 2024**	**Dec. 2023**
Performance bonds and guarantees	1,098,930	1,532,101	756,747	705,786
Allowance for credit losses	(7,061)	(1,686)	(1,585)	(1,686)
Net carrying amount	**1,091,869**	**1,530,415**	**755,162**	**704,100**
Letters of credits	259,745	1,255,856	95,764	210,410
Allowance for credit losses	(586)	(3,160)	(586)	(3,160)
Net carrying amount	259,159	1,252,696	95,178	207,250
Gross amount	1,358,675	2,787,956	852,511	916,196
Total allowance for credit losses	(7,647)	(4,847)	(2,171)	(4,847)
Total carrying amount for performance bonds and guarantees	**1,351,028**	**2,783,109**	**850,340**	**911,349**

(iii) Loan commitments

Loan commitments are irrevocable commitments to provide credits under pre-specified terms and conditions. The Group's loan commitments are usually conditioned on the maintenance of a satisfactory financial standing by the customer and absence of defaults on other covenants. At the reporting date, the Group had loan commitments amounting to ₦109.95 billion (December 2023: ₦79.77 billion) in respect of various loan contracts.

(iv) Capital commitments

Capital commitments are irrevocable contractual commitments for the acquisition of items of property and equipment or intangible assets. At the balance sheet date, the Group had capital commitments amounting to ₦11.74 billion (December 2023 ₦20.65 billion) in respect of authorised and contracted capital projects.

	Group	Group
In millions of Nigerian naira	**Jun. 2024**	**Dec. 2023**
Property and equipment	3,263	19,915
Intangible assets	8,474	732
	11,737	**20,647**

42. RELATED PARTIES AND INSIDER RELATED CREDITS

United Bank for Africa Plc (UBA Plc) is the ultimate parent/controlling party of the Group. The shares of UBA Plc are listed on the Nigerian Stock Exchange and held by widely varied investors.

Parties are considered to be related if one party has the ability to control the other party or exercise influence over the other party in making financial and operational decisions, or one other party controls both. The definition includes subsidiaries, associates, joint ventures as well as key management personnel.

(a) Subsidiaries

Transactions between United Bank for Africa Plc and the subsidiaries also meet the definition of related party transactions. Where these are eliminated on consolidation, they are not disclosed in the consolidated financial statements but are disclosed in the books of the Bank. The Bank's transactions and balances with its subsidiaries during the period and at period end are as follows:

(i) Cash and cash equivalents with the following subsidiaries are:

(i) Interest income:

(i) Cash and cash equivalents with the following subsidiaries are:

Name of Subsidiary	Nature of Balance	Jun. 2024	Dec. 2023
In millions of Nigerian naira			
UBA UK	Money market placement	122,256	166,778
UBA Senegal	Money market placement	76,524	-
UBA UK	Nostro Balances	248,200	140,628
		446,981	**307,406**

(ii) Loan and advances

Name of Subsidiary	Type of Loan	Jun. 2024	Dec. 2023
In millions of Nigerian naira			
UBA Cameroun	Overdraft	36,030	9,259
UBA Congo DRC	Overdraft	850	1,221
UBA Gabon	Overdraft	337	2,019
UBA Chad	Overdraft	7,810	4,196
UBA Burkina Faso	Overdraft	5,754	8,147
UBA Congo Brazzaville	Overdraft	3,731	5,198
UBA Benin	Overdraft	15,181	6,498
UBA CDI	Overdraft	344	7,227
UBA Mali	Overdraft	168	282
UBA Liberia	Overdraft	-	2,167
UBA Senegal	Overdraft	739	15,406
UBA Ghana	Overdraft	4	-
UBA Kenya	Overdraft	2	-
UBA Mozambique	Overdraft	1	-
		70,951	**61,620**

42. RELATED PARTIES AND INSIDER RELATED CREDITS - CONTINUED

(iii) Deposits

Name of Subsidiary	Type of Deposit	Jun. 2024	Dec. 2023
In millions of Nigerian naira			
UBA Congo DRC	Current	1,299	920
UBA Uganda	Current	407	501
UBA Senegal	Current	229	198
UBA Mozambique	Current	143	197
UBA Mali	Current	2,470	321
UBA Congo Brazzaville	Current	212	148
UBA Sierra Leone	Current	263	114
UBA Ghana	Current	63	310
UBA Benin	Current	485	260
UBA Cameroun	Current	20	21
UBA Kenya	Current	-	6
UBA Guinea	Current	153	117
UBA Chad	Current	-	8
UBA Liberia	Current	32	9
UBA Tanzania	Current	27	31
UBA Burkina Faso	Current	252	7
UBA Cote D'Ivoire	Current	8	1
UBA Gabon	Current	94	2
UBA UK Limited	Current	4	3
UBA Liberia	Domicilliary	1,732	959
UBA Uganda	Domicilliary	709	6,889
UBA Ghana	Domicilliary	21,852	16,753
UBA Guinea	Domicilliary	1,529	1,759
UBA Senegal	Domicilliary	3,962	5,360
UBA Benin	Domiciliary	1,360	641
UBA Sierra Leone	Domicilliary	373	3,070
UBA Kenya	Domicilliary	21	16
UBA Burkina Faso	Domicilliary	1,189	105
UBA Cameroon	Domicilliary	-	48
UBA Cote D'Ivoire	Domicilliary	279	85
UBA Chad	Domicilliary	604	359
UBA Tanzania	Domicilliary	42	97
UBA Gabon	Domicilliary	3,014	32
UBA Ghana	Money market deposit	-	1,992
UBA Uganda	Money market deposit	-	13,611
UBA Sierra Leone	Money market deposit	-	35,216
UBA Congo DRC	Money market deposit	-	47,590
UBA Guinea	Money market deposit	-	78,643
UBA Liberia	Money market deposit	-	5,711
UBA Kenya	Money market deposit	-	49,969
		42,824	**272,082**

42. RELATED PARTIES AND INSIDER RELATED CREDITS - CONTINUED

(iv) Accounts receivable from the following subsidiaries are:

In millions of Nigerian naira	Type of Deposit	Jun. 2024	Dec. 2023
UBA Ghana	Accounts receivable	22,545	2,630
UBA Cote D'Ivoire	Accounts receivable	5,949	3,335
UBA Cameroon	Accounts receivable	15,181	744
UBA Burkina Faso	Accounts receivable	2,976	1,980
UBA Benin	Accounts receivable	3,217	2,212
UBA DRC Congo	Accounts receivable	6,986	4,138
UBA Zambia	Accounts receivable	486	268
UBA Gabon	Accounts receivable	3,042	2,448
UBA Congo Brazzaville	Accounts receivable	7,391	4,376
UBA Senegal	Accounts receivable	906	464
UBA Guinea	Accounts receivable	765	1,026
UBA Uganda	Accounts receivable	2,319	1,484
UBA Chad	Accounts receivable	5,459	3,599
UBA Liberia	Accounts receivable	424	328
UBA Sierra Leone	Accounts receivable	277	252
UBA Pension Custodian	Accounts receivable	11	22
UBA Tanzania	Accounts receivable	1138	728
UBA Kenya	Accounts receivable	24	50
UBA Mali	Accounts receivable	270	178
UBA Mozambique	Accounts receivable	1,359	830
UBA UK	Accounts receivable	4	-
		80,727	**31,092**

(v) Dividend receivable from the following subsidiaries are:

In millions of Nigerian naira	Jun. 2024	Dec. 2023
UBA Pension Custodian	3,500	3,500
UBA Ghana	12,866	8,229
UBA Gabon	7,328	9,031
UBA Chad	27,704	14,385
UBA Sierra Leone	28,893	18,084
UBA Liberia	22,984	11,808
UBA Burkina Faso	2,584	4,968
UBA Benin	1,020	3,234
UBA Congo Brazzaville	75,194	46,592
UBA Cote D'Ivoire	46,660	30,088
UBA Zambia	4,904	1,848
UBA Cameroon	56,841	44,202
UBA UK	14,882	-
	305,360	**195,969**

42. RELATED PARTIES AND INSIDER RELATED CREDITS - CONTINUED

(ix) Internal charges for Cost Incured On behalf of Subsidiaries:	Jun. 2024	Dec. 2023
UBA Ghana	640	802
UBA Burkina Faso	596	1,052
UBA Cote d' Ivoire	482	783
UBA Benin	524	1,013
UBA Cameroun	495	1,454
UBA Senegal	292	613
UBA Congo DRC	506	701
UBA Liberia	278	441
UBA Sierra Leone	440	599
UBA Zambia	86	479
UBA Chad	419	733
UBA Kenya	161	106
UBA Congo Brazaville	638	987
UBA Gabon	427	685
UBA Guinea Conakry	376	596
UBA Mozambique	163	338
UBA Pension	67	148
UBA UK	24	43
UBA Mali	117	361
	6,731	**11,934**

(b) Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of UBA Plc, directly or indirectly, including any director (whether executive or otherwise) of the Bank, and their close family members. Close family members are those family who may be expected to influence, or be influenced by that individual in their dealings with UBA Plc and its subsidiaries.

Key management personnel and their close family members engaged in the following transactions with the Bank during the period:

Loans and advances to key management personnel

In millions of Nigerian Naira	Jun. 2024	Dec. 2023
Loans and advances as at period end	3,545	31

In millions of Nigerian Naira	Jun. 2024	Jun. 2023
Interest income earned during the period	17	7

Loans to key management personnel are granted on the same terms and conditions as loans to other employees. Related party loans are secured over real estate, equity and other assets of the respective borrowers. No impairment losses (2023: Nil) have been recorded against related party loans.

Loans and advances to key management personnel's related persons and entities as at 30 June 2024

In millions of Nigerian naira

"Name of company/ individual"	Name of Director	Facility Type	Secu-rity	Status	Cur-rency	Jun. 2024	Dec. 2023
Heirs Holdings	Mr. Tony O. Elumelu, CFR	Term Loan	Real Estate	Performing	NGN	33,895	43,383
						33,895	**43,383**
						Jun. 2024	**Jun. 2023**
Interest income earned during the period						1,892	773

43. COMPENSATION TO EMPLOYEES AND DIRECTORS

Deposit liabilities

Deposit liabilities relating to key management personnel and their related persons and entities as at end of the period is as follows:

In millions of Nigerian Naira	Jun. 2024	Dec. 2023
Deposits as at period end	1,768	990
	Jun. 2024	**Jun. 2023**
Interest expense during the period	1	3

Compensation

Aggregate remuneration to key management staff during the period is as follows:

In millions of Nigerian Naira	Jun. 2024	Jun. 2023
Executive compensation	432	503
Defined contribution plan	17	15
	449	**518**

(i) The number of persons in the employment of the Group and the Bank as at period end is as follows:

	Group		Bank	
(In absolute units)	Jun. 2024	Jun. 2023	Jun. 2024	Jun. 2023
Group executive directors	6	7	6	7
Management	199	116	140	84
Non-management	9,884	9,628	5,788	5,817
	10,089	**9,751**	**5,934**	**5,908**

Compensation for the above personnel (including executive directors):

	Group		Bank	
In millions of Nigerian Naira	Jun. 2024	Jun. 2023	Jun. 2024	Jun. 2023
Salaries and wages	126,583	65,870	36,323	30,310
Termination Benefits	361	377	174	**359**
Defined contribution plans	6,916	3,142	957	852
	133,860	**69,389**	**37,454**	**31,521**

(ii) The number of employees of the Group and the Bank, other than Directors, who received emoluments in the following ranges (excluding pension contributions) were:

	Group		Bank	
(In absolute units)	Jun. 2024	Jun. 2023	Jun. 2024	Jun. 2023
N300,001 - N2,000,000	1,181	2,728	-	767
N2,000,001 - N2,800,000	1,009	280	397	-
N2,800,001 - N3,500,000	864	689	548	539
N3,500,001 - N4,000,000	208	474	-	291
N4,000,001 - N5,500,000	601	1,920	328	1,469
N5,500,001 - N6,500,000	2,170	918	2,047	772
N6,500,001 - N7,800,000	433	792	152	706
N7,800,001 - N9,000,000	1,226	96	1,091	92
N9,000,001 - above	2,397	1,854	1,371	1,272
	10,089	**9,751**	**5,934**	**5,908**

43. COMPENSATION TO EMPLOYEES AND DIRECTORS - CONTINUED

(iii) Directors

In millions of Nigerian Naira	Group Jun. 2024	Group Jun. 2023	Bank Jun. 2024	Bank Jun. 2023
Remuneration paid to the Group's Directors was:				
Fees and sitting allowances	244	234	244	234
Executive compensation	432	503	432	503
Defined contribution plan	17	15	17	15
	693	**752**	**693**	**752**

Fees and other emoluments disclosed above includes amounts paid to:

	Group Jun. 2024	Group Jun. 2023	Bank Jun. 2024	Bank Jun. 2023
The Chairman	41	38	41	38
The highest paid Director	120	124	120	124
The number of Directors who received fees and other emoluments (excluding pension contributions) in the following ranges was:				
(In absolute units)				
N5,500,001 and above	15	15	15	15
	15	15	15	15

44. IAS 29 - FINANCIAL REPORTING IN HYPERINFLATIONARY ECONOMIES

The Ghana and Sierra Leone economies were designated as hyperinflationary from 31 December 2023. As a result, application of IAS 29 has been applied to United Bank for Africa (Ghana) Limited and United Bank for Africa (Sierra Leone) Limited which have a functional currency of Ghanaian cedi and Sierra Leonean leones respectively.

Thus, UBA Ghana Limited and UBA Sierra Leone Limited are operating in a hyperinflationary economy and are required, for group purposes, to report to UBA Plc in its stable functional currency of Nigerian naira (NGN).

IAS 29 para 37 requires the use of a general price index (GPI) to reflect changes in purchasing power. In our view, the consumer price index (CPI) is the most reliable indicator of changes in general price level as it is reported at the end of the supply chain and it reflects the impact of prices on the general population's consumption basket.

The CPI data applied for Ghana and Sierra Leone has been obtained from the IMF website. This has been deemed appropriate as the indices published:

- have a wide range of reference (i.e. the inclusion of most of the goods and services produced in the economy);
- are available for the prior year as well as the current year; and
- have regular monthly updating

(i) Impact on the financial statements of the hyperinflationary subsidiaries

A. Statement of financial position

Non-monetary assets and liabilities carried at historical cost	These balances are expressed at amounts current at the date of acquisition and are restated by applying the change in the GPI from the date of acquisition to the end of the reporting period
Non-monetary assets and liabilities with a measurement basis that is already at current purchasing power at the reporting date (e.g. items carried at fair value)	These balances are not restated, however, for the presentation in the statement of profit or loss and other comprehensive income, the carrying amount at the beginning of the period (i.e. the comparative balance) should be restated per inflation to the end of the reporting period and then the restated carrying amount should be compared to the current purchasing power of the asset or liability to segregate the monetary gain or loss from the change in the current measurement basis.

B. Statement of changes in equity

On 1 January 2024 , the components of shareholders' equity, excluding retained earnings, are restated by applying the GPI from the dates on which the items were contributed or otherwise arose. Retained earnings are restated for the balancing figure derived from the other amounts in the restated opening statement of financial position.

On 30 June 2024, all components of shareholders' equity are restated by applying the GPI from the beginning of the period or the date of contribution, if later. The movements for the period in shareholders' equity are disclosed in accordance with IAS 1 Presentation of Financial Statements ("IAS 1").

C. Statement of profit or loss and comprehensive income

All items in the statement of profit or loss and other comprehensive income for the current reporting period have been restated by applying the change in the GPI from the dates when the items of income and expense were originally recorded.

The result of the current period restated comprehensive income is added to the balance of the restated opening retained earnings in the statement of financial position.

Calculation of the monetary gain or loss

The monetary gain or loss is calculated as the difference between:

- the historical amounts; and
- the result from the restatement of non-monetary items, equity and items in the statement of comprehensive income

The monetary gain or loss is reported in the restated statement of profit or loss and comprehensive income and is separately disclosed.

D. Statement of cash flows

Cash flows are reported using Indirect Method. All items in the statement of cash flows are expressed in a measuring unit current at the reporting date. There is no detailed guidance for the statement of cash flows in IAS 29.

ii. Impact on the financial statements for the purposes of group reporting

Hyperinflation accounting is applied to all of the subsidiary's assets and liabilities before translation. Restated amounts in the subsidiary's financial statements (i.e. assets, liabilities, equity income and expenses) are then translated at the prevailing closing rate

A. Comparative period

For group reporting purposes, the comparatives are not adjusted for subsequent changes in price levels or exchange rates.

B. Elimination of intercompany transactions

IFRS 10 Consolidated Financial Statements ("IFRS 10") requires the elimination of intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group.

Intra-group transactions in a hyperinflationary subsidiaries are restated, however, this could result in a difference between the amounts recognised by the subsidiary and the parent for the same transaction. This difference is taken into account in the elimination entry.

C. Consolidation of functional currencies of hyperinflationary economies with financial results of group entities

In millions of Nigerian Naira	UBA Sierra Leone	UBA Ghana	UBA Group
	Jun. 2024	Jun. 2024	Jun. 2024
	Restated	Restated	Restated
Interest income	27,511	58,632	86,143
Interest expense	(2,689)	(23,093)	(25,782)
Fees and commission income	5,451	9,850	15,300
Fees and commission expense	(987)	(6,244)	(7,231)
Net trading and foreign exchange income	2,449	3,693	6,142
Other income	39	5	44
Allowance for credit losses on financial assets	(484)	(2,421)	(2,905)
Personnel expenses	(2,299)	(5,595)	(7,894)
Depreciation	(402)	(853)	(1,255)
Other operating expenses	(3,601)	(6,959)	(10,559)
Income tax expense	(6,655)	(9,348)	(16,003)
Net monetary loss on hyperinflation	**(3,002)**	**(1,280)**	**(4,282)**
Cash and bank balances	121,296	334,696	455,991
Investment securities	146,015	409,124	555,138
Loans and advances to customers	31,185	109,853	141,038
Other assets	3,405	11,639	15,044
Property and equipment	12,877	19,219	32,095
Intangible asset	-	431	431
Current tax assets	-	2,226	2,226
Deferred income tax assets	82.98	23,981	24,064
Deposits from customers	(203,239)	(681,662)	(884,901)
Deposits from banks	(22,890)	(65,611)	(88,502)
Other liabilities	(24,005)	(22,895)	(46,901)
Current tax liabilities	(525)	-	(525)
Deferred tax liabilities	(19)	-	(19)
Share capital	(36,133)	(122,194)	(158,327)
Revenue reserve	(8,164)	(113,874)	(122,039)
Statutory reserve	(35,572)	(123,865)	(159,437)
Credit risk reserve	319.90	(8,383)	(8,063)
Other reserves	35	-	35
Foreign operations translation reserve	-	210,932	210,932

D. Accounting policy choices

There is no specific guidance in IFRS on where the difference between the restated opening net asset value in the subsidiary's financial statements and the non-restated comparatives included in the consolidtaed financial statements should be presented in the year an entity first applies IAS 29.

Management has thus elected to treat the combined effects of restating and translating the opening net asset values of the hyperinflationary subsidiaries as a net change in Other Comprehensive Income (OCI). This is in line with the March 2020 IFRS IC Agenda Decision, which provided management with accounting choices of either treating the combined effect of restating and translating the opening net assets values as a change in OCI or as a change in equity.

	UBA Sierra Leone			UBA Ghana		
In millions of Nigerian Naira	1-Jan-24	Exchange rate	1-Jan-24	1-Jan-24	Exchange rate	1-Jan-24
	SLL		NGN	GHS		NGN
Net asset value (subsidiary financial statements)	693,273	65.90	10,520	1,682	0.0096	174,721
Net asset value (Group financial statements)	559,551	41.67	13,429	1,361	0.0130	104,367
Group adjustment to opening net asset value	133,722	-	2,909	321	-	70,354

45. COMPLIANCE WITH BANKING REGULATIONS

During the year, the bank incurred the following penalties from Central Bank of Nigeria for various contraventions:

In millions of Nigerian Naira	Description	Amount
1	Late Rendition of 2021 Cyber Security Self-Assessment Report	9.7
2	Contravention of Memorandum 8 of the CBN Foreign Exchange Policies	2.0
	Total	**11.7**

46. EVENTS AFTER THE REPORTING DATE

There were no events after the reporting date that could have material effect on the financial condition of the Group and the Bank as at 31 December 2023 and the profit and other comprehensive income for the period ended which have not been adjusted or disclosed.

47. SECURITIES TRADING POLICY

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of the Exchange 2015 (Issuers Rule)United Bank for Africa Plc maintains a Security Trading Policy which guides Directors, Audit Committee members, employees and all individuals categorized as insiders as to their dealing in the Company's shares. The Policy undergoes periodic reviews by the Board and is updated accordingly. The Company has made specific inquiries of all its directors and other insiders and is not aware of any infringement of the policy during the period.

48. FREE FLOAT DECLARATION

United Bank for Africa Plc with a free float percentage of 87.00% (and a free float value of ₦668,002,642,257.25 as at 30 June 2024, is compliant with free float requirements for companies listed on the Premium Board of The Nigerian Exchange Limited.

49. CONDENSED RESULT OF CONSOLIDATED SUBSIDIARIES

For the period ended 30 June 2024

In millions of Nigerian Naira	UBA Ghana	UBA Liberia	UBA Cote D' Ivoire	UBA Senegal	UBA Kenya	UBA Guinea	UBA Gabon	UBA Benin
Condensed statements of comprehensive income								
Operating Revenue	73,719	21,355	69,007	48,284	6,902	38,197	29,452	54,694
Total operating expenses	(43,857)	(9,802)	(38,461)	(31,916)	(7,951)	(15,723)	(15,960)	(39,152)
Net impairment gain/(reversal) on financial assets	(2,526)	(1,960)	(6,161)	(7,209)	(636)	709	1,092	(746)
Profit before income tax	**27,336**	**9,594**	**24,385**	**9,158**	**(1,684)**	**23,183**	**14,585**	**14,796**
Income tax expense	(9,714)	(2,398)	(698)	(770)	-	-	(4,313)	(494)
Profit for the year from continuing operations	**17,622**	**7,196**	**23,687**	**8,388**	**(1,684)**	**23,183**	**10,272**	**14,302**
Profit for the year	**17,622**	**7,196**	**23,687**	**8,388**	**(1,684)**	**23,183**	**10,272**	**14,302**
Condensed statements of financial position								
Assets								
Cash and bank balances	**334,692**	**106,397**	**155,772**	**200,046**	**104,465**	**471,918**	**55,975**	99,825
Loans and Advances to Banks	-	-	-	-	-	-	-	-
Loans and advances to customers	109,852	21,591	527,760	163,912	33,479	53,087	72,712	256,785
Investment securities	409,120	81,637	1,198,777	691,353	24,111	269,633	295,678	692,565
Other assets	50,358	171,339	23,785	49,109	7,458	6,297	14,984	15,028
Property and equipment	19,219	2,352	10,812	5,897	3,278	5,201	13,847	10,097
Intangible assets	431	78	431	69	53	28	32	-
Deferred tax assets	12,915	-	116	-	-	-	-	-
Total assets	**936,587**	**383,395**	**1,917,455**	**1,110,385**	**172,844**	**806,164**	**453,228**	**1,074,300**
Financed by:								
Deposits from banks	65,611	5,448	403,946	385,135	31,660	7,827	1,119	220,045
Deposits from customers	684,884	340,432	1,326,686	611,442	90,319	673,889	316,095	759,091
Other liabilities	25,380	6,862	74,137	26,097	30,082	7,398	43,454	16,993
Current income tax liabilities	(2,033)	2,443	-	729	-	-	4,303	405
Deferred tax liability	-	-	1,694	-	-	-	-	-
Total Equity	162,745	28,210	110,992	86,982	20,783	117,050	63,943	77,765
Total liabilities and equity	**936,587**	**383,395**	**1,917,455**	**1,110,385**	**172,844**	**806,164**	**453,228**	**1,074,300**
Condensed cash flows								
Net cash from operating activities	250,089	68,034	619,992	302,792	40,118	309,882	113,695	302,663
Net cash from /(used in) financing activities	9,172	(1,645)	(18,045)	9,956	9,085	58,393	21,287	10,394
Net cash (used in) investing activities	(125,106)	(5,198)	(551,857)	(235,622)	22,076	(89,905)	(108,543)	(288,781)
Increase/(decrease) in cash and cash equivalents	**134,154**	**61,190**	**50,090**	**77,126**	**71,279**	**278,369**	**26,440**	**24,277**
Cash and cash equivalents at beginning of the year	200,537	45,207	105,682	122,922	33,185	193,549	29,534	75,548
Cash and cash equivalents at end of the period	**334,691**	**106,397**	**155,772**	**200,048**	**104,464**	**471,918**	**55,974**	**99,825**

49. CONDENSED RESULT OF CONSOLIDATED SUBSIDIARIES - CONTINUED

For the period ended 30 June 2024

In millions of Nigerian Naira	UBA Sierra Leone	UBA Burkina Faso	UBA Chad	UBA Uganda	UBA Congo Brazza-ville	UBA Mozambique	UBA Cameroun	UBA Pension Custodian	UBA Mali
Condensed statements of comprehensive income									
Operating Revenue	29,425	68,082	29,749	15,087	40,437	19,612	83,642	5,345	14,397
Total operating expenses	(8,412)	(48,688)	(15,547)	(10,814)	(21,506)	(9,931)	(41,435)	(1,105)	(14,086)
Net impairment charge/(reversal) on financial assets	(442)	(2,058)	50	(4,115)	1,747	321	(1,637)	-	(8,120)
Profit before income tax	**20,571**	**17,336**	**14,252**	**158**	**20,678**	**10,002**	**40,570**	**4,240**	**(7,809)**
Income tax expense	(6,266)	(356)	(4,773)	(1,011)	-	(1,124)	(12,831)	(1,484)	(83)
Profit/(loss) for the year from continuing operations	**14,305**	**16,980**	**9,479**	**(853)**	**20,678**	**8,878**	**27,739**	**2,756**	**(7,892)**
Profit for the year	**14,305**	**16,980**	**9,479**	**(853)**	**20,678**	**8,878**	**27,739**	**2,756**	**(7,892)**
Condensed statements of financial position									
Assets									
Cash and bank balances	122,971	134,497	75,788	53,722	218,135	125,378	279,265	16,562	30,274
Loans and advances to customers	31,616	441,183	150,776	56,859	218,718	32,819	604,559	-	60,079
Investment securities	148,032	981,194	338,643	124,177	384,059	75,218	964,065	-	103,318
Other assets	3,436	13,761	1,427	4,005	23,974	1,810	90,849	867	7,876
Property and equipment	12,916	10,257	5,920	5,021	5,895	4,866	5,942	223	6,205
Intangible assets	13	461	83	215	31	157	76	3	271
Deferred tax assets	85	-	-	-	-	-	-	92	-
Total assets	**319,068**	**1,581,352**	**572,638**	**243,999**	**850,813**	**240,248**	**1,944,755**	**17,747**	**208,023**
Financed by:									
Deposits from banks	23,206	478,983	17,044	25,431	7,073	4,474	63,928	-	54,926
Deposits from customers	220,248	965,711	463,618	151,447	529,157	144,574	1,542,290	4,374	124,628
Other liabilities	10,134	36,480	28,172	7,258	54,404	9,741	88,977	201	12,445
Current income tax liabilities	532	351	4,984	-	-	-	13,854	1,953	62
Deferred tax liability	19	-	-	-	-	-	-	39	-
Total Equity	64,930	99,827	58,821	59,863	164,142	81,459	235,706	11,180	15,962
Total liabilities and equity	**319,068**	**1,581,352**	**572,638**	**243,999**	**850,813**	**240,248**	**1,944,755**	**17,747**	**208,023**
Condensed cash flows									
Net cash from/(used in)operating activities	108,725	409,913	241,853	40,584	188,314	73,192	312,416	5,496	38,944
Net cash from /(used in)financing activities	21,739	12,329	19,928	24,804	138,533	26,388	71,092	(3,590)	10,269
Net cash from/(used in) investing activities	(70,808)	(316,537)	(213,963)	(54,333)	(154,375)	(36,452)	(243,317)	43	(46,718)
Increase/(decrease) in cash and cash equivalents	**59,656**	**105,706**	**47,817**	**11,055**	**172,472**	**63,128**	**140,191**	**1,950**	**2,495**
Cash and cash equivalents at beginning of the year	63,316	28,792	27,972	42,666	45,662	62,252	139,074	14,613	27,781
Cash and cash equivalents at end of the period	**122,972**	**134,498**	**75,789**	**53,721**	**218,134**	**125,380**	**279,265**	**16,563**	**30,276**

49. CONDENSED RESULT OF CONSOLIDATED SUBSIDIARIES - CONTINUED

For the period ended 30 June 2024

In millions of Nigerian Naira	UBA Tanzania	UBA Congo DRC	UBA UK Limited	UBA Zambia Limited	Bank	Group Adjustments	Group
Condensed statements of comprehensive income							
Operating Revenue	10,360	27,891	26,570	17,485	817,721	(176,365)	1,371,047
Total operating expenses	(5,754)	(16,918)	(19,830)	(13,182)	(522,145)	42,917	(909,258)
Net impairment gain/(reversal) on financial assets	(461)	(2,040)	419	378	(26,819)	1	(60,212)
Share of Profit of equity-accounted investee	-	-	-	-	-	-	-
Profit before income tax	**4,144**	**8,933**	**7,159**	**4,681**	**268,757**	**(133,447)**	**401,577**
Income tax expense	(806)	(688)	(1,920)	(1,361)	(34,127)	-	(85,217)
Profit for the year	**3,338**	**8,245**	**5,239**	**3,320**	**234,630**	**(133,447)**	**316,360**
Condensed statements of financial position							
Assets							
Cash and bank balances	4,636	139,204	164,220	108,935	6,176,819	(862,578)	8,316,917
Financial assets at FVTPL	-	-	42,896	-	13,336	-	56,232
Assets under management	-	-	-	-	14,655	-	14,655
Derivative assets	-	-	-	-	197,588	-	197,588
Loans and Advances to Banks	-	-	428,280	-	192,835	(417,258)	203,857
Loans and advances to customers	21,764	127,548	13	29,204	3,854,018	(74,350)	6,793,982
Investment securities	40,922	183,804	145,464	167,396	4,182,427	(4,029)	11,497,565
Other assets	12,408	12,538	2,728	6,427	702,815	(381,804)	841,475
Investments in Subsidiaries	-	-	-	-	184,290	(184,290)	-
Property and equipment	1,842	9,639	2,116	3,310	185,695	931	331,481
Intangible assets	101	119	2,129	2,361	24,869	37,680	69,689
Deferred tax assets	-	-	-	887	-	-	14,096
Total assets	**81,673**	**472,853**	**787,847**	**318,521**	**15,729,347**	**(1,885,700)**	**28,337,539**
Financed by:							
Derivative liabilities	-	-	-	-	12,348	-	12,348
Deposits from banks	6,371	-	642,243	16,822	1,956,678	(1,302,621)	3,115,350
Deposits from customers	52,897	395,487	20,165	245,237	10,477,845	(50,142)	20,090,375
Other liabilities	4,463	2,262	19,370	4,583	529,069	(268,643)	769,318
Current tax liability	-	767	138	(2,007)	11,829	-	38,310
Borrowings	-	-	-	3,545	1,125,261	-	1,249,156
Deferred tax liability	-	-	-	-	75,777	-	77,528
Total Equity	17,942	74,337	105,931	50,341	1,540,540	(242,421)	2,985,153
Total liabilities and equity	**81,673**	**472,853**	**787,847**	**318,521**	**15,729,347**	**(264,294)**	**28,337,539**
Condensed cash flows							
Net cash from/(used in) operating activities	14,262	89,080	125,947	233,356	696,371	(82,498)	4,481,474
Net cash from /(used in) financing activities	9,857	43,732	79,565	48,647	(323,614)	(626,813)	(326,790)
Net cash (used in)/ from investing activities	(21,594)	(188,057)	(75,148)	(173,067)	(1,099,057)	217,311	(3,859,008)
Increase/(decrease) in cash and cash equivalents	**2,526**	**(55,245)**	**130,364**	**108,935**	**(726,300)**	**(492,000)**	**295,676**
Effects of exchange rate changes on cash and cash equivalents	-	-	-	-	1,341,871	272,353	1,614,221
Cash and cash equivalents at beginning of the year	6,168	216,437	71,189	-	2,197,898	(522,766)	3,227,218
Cash and cash equivalents at end of the period	**8,694**	**161,192**	**201,553**	**108,935**	**2,813,469**	**(742,413)**	**5,137,115**

49. CONDENSED RESULT OF CONSOLIDATED SUBSIDIARIES - CONTINUED

For the period ended 30 June 2023

In millions of Nigerian Naira	UBA Ghana	UBA Liberia	UBA Cote D' Ivoire	UBA Senegal	UBA Kenya	UBA Guinea	UBA Gabon	UBA Benin
Condensed statements of comprehensive income								
Operating Revenue	41,464	4,962	23,271	15,028	3,764	12,273	9,492	13,645
Total operating expenses	(18,091)	(2,798)	(13,761)	(10,171)	(3,845)	(6,603)	(5,980)	(10,730)
Net impairment gain/(reversal) on financial assets	(9,229)	(92)	(2,810)	(4,167)	(581)	(990)	709	(10)
Share of loss of equity-accounted investee	-	-	-	-	-	-	-	-
Profit before income tax	**14,144**	**2,072**	**6,700**	**690**	**(662)**	**4,680**	**4,221**	**2,905**
Income tax expense	(4,864)	(362)	245	(300)	-	-	(815)	(127)
Profit for the year from continuing operations	**9,280**	**1,710**	**6,945**	**390**	**(662)**	**4,680**	**3,406**	**2,778**
Profit/(loss) for the year from discontinued operations	-	-	-	-	-	-	-	-
Profit for the year	**9,280**	**1,710**	**6,945**	**390**	**(662)**	**4,680**	**3,406**	**2,778**
Condensed statements of financial position								
As at 31 December 2023								
Assets								
Cash and bank balances	200,537	45,207	105,682	122,922	33,185	193,549	29,534	75,548
Financial assets at FVTPL	-	-	-	-	-	-	-	-
Derivative assets	-	-	-	-	-	-	-	-
Loans and Advances to Banks	-	-	73,442	16,877	80,129	-	-	-
Loans and advances to customers	87,557	21,764	349,407	127,929	24,726	37,180	44,076	167,629
Investment securities	289,238	76,324	650,354	459,905	47,559	181,569	191,658	407,230
Other assets	8,591	164,788	8,120	11,910	2,501	3,606	8,650	7,671
Investments in equity-accounted investee	-	-	-	-	-	-	-	-
Investments in Subsidiaries	-	-	-	-	-	-	-	-
Property and equipment	14,148	2,540	7,539	1,784	1,940	3,355	9,353	6,652
Intangible assets	277	5	271	7	19	33	3	-
Deferred tax assets	9,532	-	-	-	-	-	-	-
Non-current assets held for distribution	-	-	-	-	-	-	-	-
Total assets	**609,882**	**310,628**	**1,194,815**	**741,332**	**190,059**	**419,292**	**283,274**	**664,730**
Financed by:								
Derivative liabilities	-	-	-	-	-	-	-	-
Deposits from banks	-	-	279,048	252,539	9,690	18,485	737	157,933
Deposits from customers	488,574	258,404	795,018	411,418	152,236	360,101	204,788	445,111
Other liabilities	14,128	26,455	13,131	7,685	14,752	5,232	16,992	8,097
Current income tax liabilities	(7,024)	2,933	1,124	1,052	-	-	4,061	520
Subordinated liabilities	-	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-
Deferred tax liability	-	177	1,144	-	-	-	-	-
Total Equity	114,203	22,659	105,350	68,638	13,382	35,474	56,697	53,069
Total liabilities and equity	**609,882**	**310,628**	**1,194,815**	**741,332**	**190,059**	**419,292**	**283,274**	**664,730**
Condensed cash flows								
Net cash from/(used in)operating activities	213,491	63,013	404,618	315,000	53,132	226,315	106,661	260,862
Net cash from /(used in)financing activities	57,044	3,763	28,978	27,431	5,660	18,021	25,897	18,400
Net cash from/(used in) investing activities	(169,744)	(39,040)	(364,354)	(262,933)	(34,781)	(106,783)	(110,673)	(238,077)
Increase/(decrease) in cash and cash equivalents	**100,791**	**27,736**	**69,242**	**79,498**	**24,011**	**137,553**	**21,885**	**41,185**
Effects of exchange rate	-	-	-	-	-	-	-	-
Cash and cash equivalents at beginning of the year	99,747	17,471	36,440	43,424	9,175	55,996	7,649	34,363
Cash and cash equivalents at end of the year	**200,538**	**45,207**	**105,682**	**122,922**	**33,186**	**193,549**	**29,534**	**75,548**

49. CONDENSED RESULT OF CONSOLIDATED SUBSIDIARIES - CONTINUED

For the period ended 30 June 2023

In millions of Nigerian Naira	UBA Sierra Leone	UBA Burkina Faso	UBA Chad	UBA Uganda	UBA Congo Braz-za-ville	UBA Mozam-bique	UBA Camer-oun	UBA Pension Custodian	UBA Mali
Condensed statements of comprehensive income									
Operating Revenue	24,818	43,944	34,706	17,358	44,693	23,715	96,398	9,063	12,662
Total operating expenses	(11,180)	(31,611)	(19,154)	(12,796)	(22,666)	(12,511)	(50,974)	(1,746)	(10,972)
Net impairment gain/(reversal) on financial assets	(458)	(532)	(651)	(181)	4,138	774	(2,775)	(2)	(2,024)
Share of loss of equity-accounted investee	-	-	-	-	-	-	-	-	
Profit/(loss) before income tax	**13,180**	**11,801**	**14,901**	**4,381**	**26,165**	**11,978**	**42,649**	**7,315**	**(334)**
Income tax expense	(5,883)	(232)	(5,462)	(1,273)	(7,326)	(1,708)	(14,034)	(2,430)	(120)
Profit/(loss) for the year from continuing operations	7,297	11,569	9,439	3,108	18,839	10,270	28,615	4,885	(454)
Profit/(loss) for the year from discontinued operations	-	-	-	-	-	-	-	-	
Profit/(loss) for the year	**7,297**	**11,569**	**9,439**	**3,108**	**18,839**	**10,270**	**28,615**	**4,885**	**(454)**
Condensed statements of financial position As at 31 December 2023									
Assets									
Cash and bank balances	63,316	28,792	27,972	42,666	45,662	62,252	139,074	14,613	27,781
Financial assets at FVTPL	-	-	-	-	-	-	-	-	-
Derivative assets	-	-	-	-	-	-	-	-	-
Loans and Advances to Banks	-	-	-	1,875	-	-	-	-	-
Loans and advances to customers	19,385	279,160	60,066	34,315	116,383	29,978	374,426	-	59,555
Investment securities	82,801	668,374	128,546	71,414	231,469	40,984	722,976	-	57,615
Other assets	1,861	53,989	4,315	3,013	26,071	793	52,019	779	5,206
Investments in equity-accounted investee	-	-	-	-	-	-	-	-	-
Investments in Subsidiaries	-	-	-	-	-	-	-	-	-
Property and equipment	7,352	6,724	2,102	3,513	4,134	2,661	3,798	254	5,283
Intangible assets	-	277	35	153	7	144	(9)	15	178
Deferred tax assets	-	-	-	-	-	-	-	69	-
Non-current assets held for distribution	-	-	-	-	-	-	-	-	-
Total assets	**174,715**	**1,037,315**	**223,036**	**156,950**	**423,726**	**136,811**	**1,292,284**	**15,729**	**155,618**
Financed by:									
Derivative liabilities	-	-	-	-	-	-	-	-	-
Deposits from banks	9,065	251,979	(4)	15,319	17,342	14,287	69,786	-	43,902
Deposits from customers	132,858	661,866	182,160	101,876	279,142	70,701	1,039,190	886	87,997
Other liabilities	3,881	52,578	7,822	3,843	26,276	5,629	31,422	-	10,000
Current income tax liabilities	11	374	3,643	-	-	-	15,011	2,829	132
Subordinated liabilities	-	-	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-	-
Deferred tax liability	13	-	-	-	-	-	-	-	-
Deposit for shares*									
Total Equity	28,886	70,518	29,414	35,912	100,967	46,193	136,875	12,014	13,585
Total liabilities and equity	**174,715**	**1,037,315**	**223,036**	**156,950**	**423,726**	**136,811**	**1,292,284**	**15,729**	**155,618**
Condensed cash flows									
Net cash from/(used in)operating activities	40,272	349,803	46,159	41,645	129,298	27,532	498,988	4,881	43,061
Net cash from /(used in)financing activities	3,642	26,938	1,641	23,632	24,748	17,287	49,940	(3,762)	8,597
Net cash from/(used in) investing activities	(37,497)	(380,321)	(35,635)	(46,573)	(144,498)	(22,200)	(465,940)	(113)	(30,941)
Increase/(decrease) in cash and cash equivalents	**6,417**	**(3,580)**	**12,165**	**18,704**	**9,548**	**22,619**	**82,988**	**1,006**	**20,717**
Effects of exchange rate	-	-	-	-	-	-	-	-	
Cash and cash equivalents at beginning of the year									
Cash and cash equivalents at end of the year	**6,417**	**(3,580)**	**12,165**	**18,704**	**9,548**	**22,619**	**82,988**	**1,006**	**20,717**

49. CONDENSED RESULT OF CONSOLIDATED SUBSIDIARIES - CONTINUED

For the period ended 30 June, 2023

In millions of Nigerian Naira	UBA Tanzania	UBA Congo DRC	UBA UK Limited	UBA Zambia Limited	Bank	Group Adjustments	Group
Condensed statements of comprehensive income							
Operating Revenue	3,142	8,893	11,957	10,135	748,470	(31,337)	981,775
Total operating expenses	(2,262)	(8,719)	(7,781)	(6,973)	(274,205)	7,794	(424,184)
Net impairment gain/(reversal) on financial assets	(51)	(2,573)	-	(25)	(130,080)	(2)	(153,944)
Share of loss of equity-accounted investee	-	-	-	-	-	-	-
Profit before income tax	**829**	**(2,400)**	**4,176**	**3,137**	**344,185**	**(23,545)**	**403,647**
Income tax expense	(33)	(76)	-	(1,084)	(6,803)	1	(25,412)
Profit for the year from continuing operations	**796**	**(2,476)**	**4,176**	**2,053**	**337,382**	**(23,544)**	**378,235**
Profit/(loss) for the year from discontinued operations	-	-	-				
Profit for the year	**796**	**(2,476)**	**4,176**	**2,053**	**337,382**	**(23,544)**	**378,235**
Condensed statements of financial position							
As at 31 December 2023							
Assets							
Cash and bank balances	6,168	216,437	71,189	106,619	5,036,380	(625,588)	6,069,496
Financial assets at FVTPL	-	-	33,315	-	534	-	33,849
Assets under management	-	-	-	-	14,026	-	14,026
Derivative assets	-	-	-	-	498,824	-	498,824
Loans and Advances to Banks	954	-	283,691	-	147,547	(283,783)	320,732
Loans and advances to customers	16,486	97,796	1,999	19,982	3,320,373	(61,321)	5,228,849
Investment securities	20,084	-	81,633	117,236	2,885,053	(4,027)	7,407,994
Other assets	6,464	3,833	2,970	3,679	607,251	(229,394)	758,683
Investments in equity-accounted investee	-	-	-	-	-	-	-
Investments in Subsidiaries	-	-	-	-	184,290	(184,290)	-
Property and equipment	1,166	5,617	1,249	2,321	172,733	932	267,148
Intangible assets	21	(112)	1,261	1,500	10,763	29,005	43,855
Deferred tax assets	-	-	-	140	-	-	9,741
Non-current assets held for distribution	-	-	-	-	-	-	-
Total assets	**51,343**	**323,571**	**477,307**	**251,477**	**12,877,774**	**(1,358,466)**	**20,653,197**
Financed by:							
Derivative liabilities	-	-	-	-	1,885	-	1,885
Deposits from banks	4,226	33,313	384,962	6,933	1,598,524	(703,619)	2,464,444
Deposits from customers	36,270	236,322	29,176	210,545	8,760,631	(53,994)	14,891,277
Other liabilities	2,043	9,469	4,440	2,940	358,654	(312,288)	313,180
Current tax liability	-	119	269	(664)	8,327	-	20,281
Subordinated liabilities	-	-	-	-	-	-	-
Borrowings	-	-	-	1,530	530,446	-	535,735
Deferred tax liability	-	-	-	105	-	-	959
Deposits for shares*						-	
Total Equity	4,747	22,360	21,127	20,234	585,193	(238,393)	873,449
Total liabilities and equity	47,286	301,583	439,973	241,623	11,843,660	(1,308,294)	19,101,210
Condensed cash flows							
Net cash from/(used in)operating activities	(2,366)	26,889	(7,052)	74,897	391,533	38,335	478,145
Net cash from /(used in)financing activities	(114)	200	(571)	17,392	(88,468)	26,519	(92,664)
Net cash from/(used in) investing activities	(1,643)	215	(3,121)	(58,628)	(156,453)	16,045	(208,654)
Increase/(decrease) in cash and cash equivalents	**(4,123)**	**27,304**	**(10,745)**	**33,661**	**146,612**	**80,899**	**176,827**
Effects of exchange rate changes on cash and cash equivalents	-	-	-	-	795,959	1,301,351	2,097,310
Cash and cash equivalents at beginning of the year	3,088	89,403	14,010	-	820,436	(252,210)	1,260,532
Cash and cash equivalents at end of the year	**(1,035)**	**116,707**	**3,265**	**33,661**	**1,763,007**	**1,130,040**	**3,534,669**

For the period ended 30 June 2024

VALUE ADDED STATEMENT

	2024 N'million	%	2023 N'million	%
Group				
Gross revenue	1,371,047		981,775	
Interest paid	(328,935)		(150,179)	
	1,042,112		831,596	
Administrative overheads:				
- local	(408,552)		(196,420)	
- foreign	(15,264)		(2,091)	
Value added	**618,296**	**100**	**633,085**	**100**
Distribution				
Employees				
- Salaries and benefits	133,860	22	69,389	11
Government				
- Current Income tax	85,217	14	25,412	4
The future				
- Asset replacement (depreciation and amortization)	24,303	4	16,117	3
- Asset replacement (provision for losses)	58,556	9	143,932	23
- Expansion (transfer to reserves and non-controlling interests)	316,360	51	378,235	60
	618,296	**100**	**633,085**	**100**

	2024 N'million	%	2023 N'million	%
Bank				
Gross revenue	817,721		748,470	
Interest paid	(213,387)		(103,770)	
	604,334		644,700	
Administrative overheads:	(256,818)		(134,205)	
- local	(69)		(349)	
- foreign				
	347,447	**100**	**510,147**	**100**
Value added				
Distribution				
Employees				
- Salaries and benefits	37,454	11	31,521	6
Government				
- Taxation	34,127	10	6,803	1
The future				
- Asset replacement (depreciation and amortization)	11,973	3	10,705	2
- Asset replacement (provision for losses)	29,263	8	123,736	24
- Expansion (transfer to reserves and non-controlling interests)	234,630	68	337,382	66
	347,447	**100**	**510,147**	**100**

Value added represents the additional wealth which the Group has been able to create by its own and employees efforts

UNITED BANK FOR AFRICA PLC

FIVE - YEAR FINANCIAL SUMMARY - GROUP

STATEMENT OF FINANCIAL POSITION

In millions of Nigerian Naira	30 June 2024	31 December 2023	31 December 2022	31 December 2021	31 December 2020
ASSETS					
Cash and bank balances	8,316,917	6,069,496	2,553,629	1,818,784	1,874,618
Financial assets at fair value through profit or loss	56,232	33,849	14,963	13,096	214,400
Assets under management	14,655	14,026	12,923	-	-
Derivative assets	197,588	498,824	39,830	33,340	53,148
Loans and advances to banks	203,857	320,732	303,249	153,897	77,419
Loans and advances to customers	6,793,982	5,228,849	3,136,879	2,680,667	2,554,975
Investment securities					
- At fair value through other comprehensive income	4,581,406	3,093,037	2,193,253	993,791	1,421,527
- At amortised cost	6,916,159	4,314,957	1,987,438	2,341,839	1,159,264
Other assets	841,475	758,683	254,704	149,154	110,829
Investments in equity-accounted investee	-	-	-	8,945	4,504
Property and equipment	331,482	268,607	208,039	178,117	153,191
Intangible assets	69,690	43,855	33,468	30,450	28,900
Deferred tax assets	14,096	9,741	23,603	43,329	40,602
Asset Classified as Held for Sale	-	-	95,593	95,909	
TOTAL ASSETS	**28,337,539**	**20,654,656**	**10,857,571**	**8,541,318**	**7,693,377**
LIABILITIES					
Derivative liabilities	12,348	1,885	79	98	508
Deposits from banks	3,115,350	2,464,444	1,170,238	654,211	418,157
Deposits from customers	20,090,375	14,891,277	7,824,892	6,369,189	5,676,011
Other liabilities	769,319	313,181	383,283	216,209	157,826
Current income tax liabilities	38,310	42,671	20,281	21,415	9,982
Borrowings	1,249,156	858,739	535,735	455,772	694,355
Deferred tax liabilities	77,528	50,805	959	19,617	16,992
TOTAL LIABILITIES	**25,352,386**	**18,623,002**	**9,935,467**	**7,736,511**	**6,973,831**
EQUITY					
Share capital and share premium	115,815	115,815	115,815	115,815	115,815
Reserves	2,775,487	1,846,347	771,482	660,359	575,836
EQUITY ATTRIBUTABLE TO EQUITY - HOLDERS OF THE BANK	2,89,302	1,962,162	887,297	776,174	691,651
Non-controlling interests	93,851	68,033	34,807	28,633	27,895
TOTAL EQUITY	2,985,153	2,030,195	922,104	804,807	719,546
TOTAL LIABILITIES AND EQUITY	**28,337,539**	**20,653,197**	**10,857,571**	**8,541,318**	**7,693,377**

SUMMARIZED STATEMENT OF COMPREHENSIVE INCOME

In millions of Nigerian Naira	30 June 2024	31 December 2023	31 December 2022	31 December 2021	31 December 2020
Net operating income	936,593	783,958	255,669	212,446	196,709
Operating expenses	(474,804)	(226,367)	(161,901)	(132,833)	(132,126)
Net impairment loss on loans and receivables	(60,212)	(153,944)	(8,330)	(4,137)	(7,807)
Share of profit/(loss) of equity-accounted investee	-	-	311	710	353
Profit before income tax expense	**401,577**	**403,647**	**85,749**	**76,186**	**57,129**
Income tax expense	(85,217)	(25,412)	(15,415)	(15,605)	(12,698)
Profit after taxation	316,360	378,235	70,334	60,581	44,431
Profit from discontinued operations	-	-	-	-	-
Profit for the year	**316,360**	**378,235**	**70,334**	**60,581**	**44,431**
- Non-controlling interests	11,993	3,870	2,648	2,814	1,901
- Equity holders of the parent	304,367	374,365	67,686	57,767	42,530
Other comprehensive income for the year	717,257	442,803	(61,445)	(20,249)	19,684
Total comprehensive income for the year	**1,033,617**	**821,038**	**8,889**	**40,332**	**64,115**

UNITED BANK FOR AFRICA PLC

FVE - YEAR FINANCIAL SUMMARY - BANK

STATEMENT OF FINANCIAL POSITION

ASSETS	30 June 2024	31 December 2023	31 December 2022	31 December 2021	31 December 2020
Cash and bank balances	6,176,819	5,036,380	2,154,971	1,446,906	1,436,822
Financial assets at fair value through profit or loss	13,336	534	14,963	7,984	171,058
Assets under management	14,655	14,026	12,923	-	-
Derivative assets	197,588	498,824	39,830	33,340	53,148
Loans and advances to banks	192,835	147,547	231,753	120,124	65,058
Loans and advances to customers	3,854,018	3,320,373	2,123,097	1,848,102	1,812,536
Investment securities					
- At fair value through other comprehensive income	3,931,468	2,710,346	2,071,689	840,249	1,233,684
- At amortised cost	250,959	174,707	115,376	806,217	71,479
Other assets	702,815	607,251	156,535	88,649	96,524
Investments in subsidiaries	184,290	184,290	145,994	103,275	103,275
Investments in equity-accounted investee	-	-	-	2,715	2,715
Property and equipment	185,695	172,733	163,841	141,581	123,435
Intangible assets	24,869	10,763	12,618	18,063	16,237
Deferred tax assets	-	-	21,862	21,862	21,862
Non-current assets held for Sale	-	-	95,593	95,909	-
TOTAL ASSETS	**15,729,347**	**12,877,774**	**7,361,045**	**5,574,976**	**5,207,833**
LIABILITIES					
Derivative liabilities	12,348	1,885	79	98	508
Deposits from banks	1,956,678	1,598,524	863,795	483,110	121,815
Deposits from customers	10,477,844	8,760,630	5,046,514	4,004,306	3,824,143
Current income tax liabilities	11,829	17,781	8,327	2,751	1,478
Borrowings	1,125,261	856,329	530,446	455,772	688,280
Other liabilities	529,070	358,655	326,691	127,338	93,669
TOTAL LIABILITIES	**14,113,030**	**11,593,804**	**6,775,852**	**5,073,375**	**4,729,893**

EQUITY	30 June 2024	31 December 2023	31 December 2022	31 December 2021	31 December 2020
Share capital and share premium	115,815	115,815	115,815	115,815	115,815
Reserves	1,424,725	1,119,068	469,378	385,786	362,125
TOTAL EQUITY	**1,540,540**	**1,234,883**	**585,193**	**501,601**	**477,940**
TOTAL LIABILITIES AND EQUITY	**15,653,570**	**12,828,687**	**7,361,045**	**5,574,976**	**5,207,833**

SUMMARIZED STATEMENT OF COMPREHENSIVE INCOME

In millions of Nigerian Naira	30 June 2024	31 December 2023	31 December 2022	31 December 2021	31 December 2020
Net operating income	549,848	614,099	149,096	108,200	116,061
Operating expenses	(254,272)	(139,834)	(105,262)	(81,148)	(88,362)
Net impairment loss on loans and receivables	(26,819)	(130,080)	(1,011)	(2,145)	(7,069)
Profit before income tax expense	**268,757**	**344,185**	**42,823**	**24,907**	**20,630**
Income tax expense	(34,127)	(6,803)	(1,393)	(770)	(1,079)
Profit for the year	**234,630**	**337,382**	**41,430**	**24,137**	**19,551**
Other comprehensive income for the year	149,685	153,846	(25,604)	(26,069)	10,968
Total comprehensive income for the year	**384,315**	**491,228**	**15,826**	**(1,932)**	**30,519**

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